

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Furniweb Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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FURNIWEB HOLDINGS LIMITED

飛霓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8480)

**(1) MAJOR AND CONNECTED TRANSACTION:
PURCHASE OF THE PROPERTIES
INVOLVING ISSUE OF THE CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF EGM**

Financial adviser to the Company



**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter of advice from Octal to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 59 of this circular. The letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 29 to 30 of this circular.

A notice convening the EGM to be held at Lot 1883, Jalan KPB9, Kg. Bharu Balakong, 43300 Seri Kembangan, Selangor, Malaysia on Monday, 11 November 2024 at 9:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. 9:00 a.m. on 9 November 2024) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

25 September 2024

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular:

- (a) All references to Rules and Chapters are references to Rules and Chapters of the GEM Listing Rules unless otherwise stated.*
- (b) Unless otherwise stated, in this circular, each RM amount stated in this circular was translated at the Agreed Exchange Rate.*
- (c) Unless the context otherwise required, the following terms and expressions have the following meaning:*

“Agreed Exchange Rate”	RM1.0 to HK\$1.7697, being the exchange rate of RM to HK\$ agreed between PRGH and the Purchaser under the Master Agreement
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Authorised Share Capital Increase”	the increase in the Company’s authorised share capital from HK\$100,000,000 divided into 1,000,000,000 Shares each to HK\$200,000,000 divided into 2,000,000,000 Shares
“Board”	the board of Directors
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Cash Consideration”	RM7,437,840 (equivalent to HK\$13,162,745.45 at the Agreed Exchange Rate), representing 12% of the Consideration which is payable by the Company in cash
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular (Original)”	the circular dated 14 July 2023
“close associate”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Furniweb Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued Shares listed on GEM (stock code: 8480)
“Completion”	completion of the sale and purchase of the Properties under the Master Agreement
“Completion Date”	the date on which Completion shall take place
“Conditions Precedent”	the conditions precedent to completion of the Master Agreement set out in “Letter from the Board — The Master Agreement — Conditions Precedent” in this circular

DEFINITIONS

“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	RM61,982,000.00 (equivalent to HK\$109,689,545.40 at the Agreed Exchange Rate), being the consideration payable by the Company to PRGH for the purchase of the Properties under the Master Agreement which shall be satisfied by the Cash Consideration and the Consideration Shares
“Consideration Balance”	RM54,544,160 (equivalent to HK\$96,526,799.95 at the Agreed Exchange Rate), representing 88% of the Consideration which is payable by the Company by the Consideration Shares Issue
“Consideration Shares”	321,756,000 new Shares to be allotted and issued by the Company to PRGH each at the Consideration Shares Issue Price in payment of the Consideration Balance
“Consideration Shares Issue”	the allotment and issue of the Consideration Shares to PRGH each at the Consideration Shares Issue Price under the Master Agreement
“Consideration Shares Issue Price”	HK\$0.30, being the issue price of each Consideration Share
“Consideration Shares Settlement Period”	within 90 days from the Unconditional Date or any other extended period mutually agreed by PRGH, the Purchaser and the Company
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Developer”	PREMIER DE MUARA SDN BHD, a company incorporated in Malaysia, the developer of the development project named Picasso Residence, which the Properties are located at, and an Independent Third Party
“Directors”	the Directors of the Company and each a “ Director ”
“EGM”	the extraordinary general meeting of the Company to be convened and held at Lot 1883, Jalan KPB9, Kg. Bharu Balakong, 43300 Seri Kembangan, Selangor, Malaysia on Monday, 11 November 2024 at 9:00 a.m., notice of which is set out on pages EGM-1 to EGM-2 of this circular for the purpose of considering, and, if thought fit, to approve, among others, (i) the Master Agreement and the transactions contemplated thereunder, including without limitation, the Purchase and the Consideration Shares Issue; and (ii) the grant of the Specific Mandate

DEFINITIONS

“EGM Matters”	(i) the Master Agreement and the transactions contemplated thereunder, including without limitation, the Purchase and the Consideration Shares Issue; and (ii) the grant of the Specific Mandate
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Ho Ming Hon, Dato’ Sri Dr. Hou Kok Chung and Dato’ Lee Chee Leong, established for the purposes of making recommendations to the Independent Shareholders in respect of the EGM Matters
“Independent Shareholders”	Shareholders, other than PRGH and its associates, who have no material interest in any of the EGM Matters
“Independent Third Party”	party who is not a connected person and is independent of the Company and its connected persons
“Independent Valuer”	LOO BOON WEI, the independent valuer appointed by the Company to appraise the market value of the Properties
“Individual SPAs”	the individual sale and purchase agreements of each Property to be executed by the Purchaser and PRGH on the same date within 14 business days from the fulfilment (or if can be waived, waiver) of all the Conditions Precedent (save for the S433B Foreigner Consent Approval, if required, the VP to Purchaser and the Listing Approval) containing terms and conditions not extraneous to those contained in the Master Agreement for the purposes of complying with the relevant laws, rules and regulations of Malaysia in preparatory for Completion pending the S433B Foreigner Consent Approval, if required, the VP to Purchaser and the Listing Approval

DEFINITIONS

“Latest Practicable Date”	17 September 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Approval”	the grant of the listing of, and permission to deal in, the Consideration Shares, on GEM, being one of the Conditions Precedent set out in paragraph (g) of “Letter from the Board — The Master Agreement — Conditions Precedent — Conditions Precedent to be fulfilled by the Company” in this circular
“Long Stop Date (Extended)”	30 June 2025 or such longer period as PRGH as vendor, the Purchaser as purchaser and the Company may agree in writing, being the last day by which the Conditions Precedent must be fulfilled or as the case may be, waived
“Long Stop Date (Original)”	30 June 2024, being the last day by which the Conditions Precedent must be fulfilled or as the case may be, waived prior to the signing of the Supplemental Master Agreement No. 2
“Master Agreement”	the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2 in relation to the Purchase and the Consideration Shares Issue
“Master Agreement (Original)”	the conditional sale and purchase agreement dated 27 April 2023 entered into between PRGH as vendor, the Purchaser as purchaser and the Company as supplemented by a supplemental master agreement dated 7 June 2023 (“ Supplemental Master Agreement ”) made among the same parties in relation to the Purchase and the Consideration Shares Issue
“Octal” or “Independent Financial Adviser”	Octal Capital Limited, a corporation licensed by the SFC to carry Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to the Company to advise the Independent Board Committee and the Independent Shareholders on, among others, the fairness and reasonableness of the EGM Matters

DEFINITIONS

“PRGH”	PRG Holdings Berhad, a public limited liability company incorporated in Malaysia and the issued shares of which are listed on the Main Market of Bursa Securities and the controlling shareholder of the Company
“Principal Sale Agreements”	fifty (50) units of individual sale and purchase agreements all dated 27 April 2023 entered into between the Developer, the Proprietor and PRGH as purchaser, for the purchase of the Properties by PRGH from the Developer with the consent of the Proprietor
“Project Land”	has the meaning defined in “Letter from the Board — Information on the Properties” in this circular
“Properties”	50 condominium units located within the development project named Picasso Residence, and on the leasehold land held under the master title Pajakan Negeri 52579, Lot 20010 Seksyen 88, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia, further particulars of which are set out in “Letter from the Board — Information on the Properties” in this circular
“Proprietor”	ALMAHARTA SDN BHD, a company incorporated in Malaysia and the registered proprietor and beneficial owner of the leasehold land held under the master title Pajakan Negeri 52579, Lot 20010 Seksyen 88, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur upon which the Properties are to be developed
“psf”	per square foot
“Purchase”	purchase of the Properties by the Purchaser from PRGH in accordance with the terms and conditions of the Master Agreement
“Purchaser”	PRG Land Sdn Bhd, a wholly-owned subsidiary of the Company incorporated in Malaysia and the purchaser of the Properties under the Master Agreement
“RM”	Malaysian Ringgit, the lawful currency of Malaysia

DEFINITIONS

“S433B Foreigner Consent Approval”	the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) for acquisition of real properties in Malaysia by foreign companies as contemplated under the Master Agreement which is one of the Conditions Precedent
“S433B Foreigner Consent Approval Date”	the date of the S433B Foreigner Consent Approval issued by the State Authority
“Sq. Ft.”	square foot
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Shares”	ordinary share of HK\$0.1 each in the issued share capital of the Company
“Specific Mandate”	a specific mandate to be sought from the Independent Shareholders at the EGM to the Consideration Shares Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Master Agreement”	the supplemental master agreement dated 7 June 2023 detailed and defined in “Master Agreement (Original)” above
“Supplemental Master Agreement No. 2”	the conditional supplemental master agreement dated 29 June 2024 entered into between PRGH as vendor, the Purchaser as purchaser and the Company postponing the Long Stop Date (Original) contemplated under the Master Agreement (Original) to the Long Stop Date (Extended)
“Unconditional”	all the Conditions Precedent are satisfied or fulfilled (or if can be waived, waived)
“Unconditional Date”	the date on which all the Conditions Precedent are satisfied or fulfilled (or if can be waived, waived)
“Valuation (Update)”	the valuation of the Properties of RM65,180,000 as at 16 July 2024 prepared by the Independent Valuer
“Valuation (Original)”	the valuation of the Properties of RM70,355,000 as at 5 July 2023 prepared by the Independent Valuer

DEFINITIONS

“Valuation Report (Update)”	the valuation report on the market value of the Properties as at 16 July 2024 prepared by the Independent Valuer, the text of which is set out in Appendix III to this circular
“Valuation Report (Original)”	the valuation report on the market value of the Properties as at 5 July 2023 prepared by the Independent Valuer, the text of which is set out in Appendix II to this circular
“VP to Purchaser”	has the meaning as defined in paragraph (b)(ii) of “Letter from the Board — The Master Agreement — Conditions Precedent — Conditions Precedent to be fulfilled by PRGH” in this circular and one of the Conditions Precedent
“%”	per cent

LETTER FROM THE BOARD

FURNIWEB HOLDINGS LIMITED

飛霓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8480)

Non-executive Directors:

Dato' Lim Heen Peek (*Chairman*)

Mr. Ng Tzee Penn

Executive Directors:

Dato' Lua Choon Hann

Er. Kang Boon Lian

Mr. Andrew Chan Lim-Fai

Mr. Tan Chuan Dyi

Registered office:

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

31st Floor, 148 Electric Road

North Point

Hong Kong

Independent Non-executive Directors:

Mr. Ho Ming Hon

Dato' Sri Dr. Hou Kok Chung

Dato' Lee Chee Leong

25 September 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION:
PURCHASE OF THE PROPERTIES
INVOLVING ISSUE OF THE CONSIDERATION SHARES
UNDER SPECIFIC MANDATE**

INTRODUCTION

Reference is made to the announcements of the Company dated 27 April 2023 and 7 June 2023 and the Circular (Original) dated 14 July 2023 in relation to, among others, (i) the Master Agreement (Original) and the transactions contemplated thereunder, including without limitation, the Purchase and the Consideration Shares Issue, (ii) the grant of the Specific Mandate; and (iii) the Authorised Share Capital Increase.

On 27 April 2023, the Purchaser conditionally agreed to purchase the Properties from PRGH by entering into the Master Agreement (Original) with PRGH as vendor and the Company joined in as a party.

The proposed purchase of the Properties by the Purchaser from PRGH and the Authorised Share Capital Increase were approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 8 August 2023. Completion of the Master Agreement (Original) as approved by the Independent Shareholders is subject to satisfaction (or waiver) of the Conditions Precedent on or before Long Stop Date (Original) (i.e. 30 June 2024).

LETTER FROM THE BOARD

Reference is made to the announcement of the Company dated 2 July 2024. Fulfilment of the Conditions Precedent is by and large depended upon delivery of vacant possession the Properties by the Developer to PRGH after completion of the development and construction of Block A of Picasso Residence of which the Properties form part. However, completion of the development and construction of Block A of Picasso Residence by the Developer will be delayed from end of 2023 to the earliest, end of 2024.

Such delay was primarily due to unforeseen circumstances in terms of (i) the shortage of labour and disruptions in the supply chain for raw materials in the construction industry, causing the delay in completion of the external works in respect of Picasso Residence; and (ii) the delay in the obtaining of the necessary approvals from key agencies and authorities by the Developer, such as for the dismantling of tower crane and passenger hoist, and the connection of tapping points for water and sewage.

Based on the latest information from the Developer, Block A of Picasso Residence has been completed following the issue of a Certificate of Completion and Compliance dated 6 September 2024. As such, the Directors anticipate no further delay in completing Block A of Picasso Residence. In the unlikely event of further delay in the Long Stop Date (Extended), the Directors acknowledge that it would constitute a material change or delay requiring fresh approval of the Shareholders.

As a result of the delay, the Conditions Precedent cannot be fulfilled by the Long Stop Date (Original) of 30 June 2024. The Purchaser, PRGH and the Company therefore entered into the Supplemental Master Agreement No. 2 postponing the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended) conditional upon approval by the Independent Shareholders and the independent non-interest shareholders of PRGH detailed in this circular.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Supplemental Master Agreement No. 2; (ii) the Master Agreement and the transactions contemplated thereunder; (iii) the valuation reports on the Properties; (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the EGM Matters; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the EGM Matters; (vi) other information as required under the GEM Listing Rules; and (vii) the notice of the EGM.

THE SUPPLEMENTAL MASTER AGREEMENT NO. 2

Date: 29 June 2024

Parties: (1) PRGH (as vendor)

(2) the Purchaser (as purchaser), a wholly-owned subsidiary of the Company incorporated in Malaysia; and

(3) the Company.

PRGH is a connected person of the Company for being a controlling shareholder of the Company. Further details of PRGH are set out in “Letter from the Board — Information on PRGH” in this circular.

LETTER FROM THE BOARD

Subject Matter and condition precedent: Postponing the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended) conditional upon approval by the Independent Shareholders and the independent non-interest shareholders of PRGH as detailed in this circular as follows:

- (a) the obtaining of the approval from the Independent Shareholders at an extraordinary general meeting of the Company to the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2 including the purchase of the Properties by the Purchaser from PRGH, the allotment and issue of the Consideration Shares to PRGH at the Issue Price and the grant of the Specific Mandate therefor and the other transactions contemplated under the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2; and
- (b) the receipt by PRGH of the approval from the independent non-interest shareholders of PRGH at an extraordinary general meeting of PRGH for the sale of the Properties by PRGH to the Purchaser under the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2.

Save for the postponement of the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended) there is no change in the other terms and conditions of the Master Agreement (Original) all of which remain valid and binding on the Purchaser, PRGH and the Company.

THE MASTER AGREEMENT

Other than the change in the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended), there is no change in the other terms and conditions of the Master Agreement (Original). The date, parties, terms and conditions of the Master Agreement (i.e. the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2) are detailed below.

Date: 27 April 2023 (as supplemented by the Supplemental Master Agreement on 7 June 2023 and the Supplemental Master Agreement No. 2 dated 29 June 2024)

Parties:

- (1) PRGH (as vendor);
- (2) the Purchaser (as purchaser), a wholly-owned subsidiary of the Company incorporated in Malaysia; and
- (3) the Company.

LETTER FROM THE BOARD

PRGH is a connected person of the Company for being a controlling shareholder of the Company. Further details of PRGH are set out in “Letter from the Board — Information on PRGH” in this circular.

Subject matter
agreed to be
purchased by the
Purchaser from
PRGH:

The Properties. Further details of the Properties are set out in “Letter from the Board — Information on the Properties” in this circular.

Conditions
Precedent:

Completion is subject to the satisfaction (or waiver) of the following Conditions Precedent on or before the Long Stop Date (Extended):

Conditions Precedent to be fulfilled by PRGH

- (a) the receipt by the Purchaser of the Certificate of Completion and Compliance issued by principal submitting person in accordance with the Uniform Building By-Laws of the Street, Drainage and Building Act 1974 (“**PSP**”);
- (b) (i) the issuance of a letter of confirmation or notice of delivery of vacant possession of the Properties issued by the Developer to PRGH confirming delivery of vacant possession of the Properties by Developer to PRGH and (ii) subsequently the issuance of a letter of confirmation of the delivery of vacant possession of the Properties by PRGH to the Purchaser within 10 business days (or such longer period as PRGH, the Purchaser and the Company may agree in writing) from the S433B Foreign Consent Approval Date or if the S433B Foreign Consent Approval is not required, from the date of the Individual SPAs (“**VP to Purchaser**”);
- (c) the receipt by PRGH of the approval from the independent non-interest shareholders of PRGH at an extraordinary general meeting of PRGH for the sale of the Properties by PRGH to the Purchaser under the Master Agreement;
- (d) the receipt by PRGH of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) in respect of the transaction contemplated under the Principal Sale Agreements;
- (e) the obtaining of the Developer’s written confirmation in respect of the following matters pursuant to Section 22D(4) of the Housing Development (Control & Licensing) Act 1966:
 - (i) the particulars of the Properties;

LETTER FROM THE BOARD

- (ii) postal address of the Properties;
- (iii) the current purchaser and charge (if any) of the Properties;
- (iv) the current charge or assignee of the Properties;
- (v) the total amount, if any, due to the Developer under each Principal Sale Agreement as at the date of the letter of confirmation,

provided that none of the above matters confirmed by the Developer shall be adverse to the rights and interests of the Purchaser under the Master Agreement or of and in the Properties and PRGH shall comply with all of the terms and conditions as may be imposed by the Developer and in the respective confirmations aforementioned as soon as practical from the date of receipt of the Developer's letter of confirmation;

Conditions Precedent to be fulfilled by the Company

- (f) the obtaining of the approval from the Independent Shareholders at the EGM to the Master Agreement, including the purchase of the Properties by the Purchaser from PRGH, the Consideration Shares Issue, the grant of the Specific Mandate and the other transactions contemplated under the Master Agreement;
- (g) the GEM Listing Committee granting the listing of, and permission to deal in, the Consideration Shares, on GEM ("**Listing Approval**");

Conditions Precedent to be fulfilled by the Purchaser

- (h) the approval from the board of directors and shareholder of the Purchaser for the acquisition of the Properties on the terms and conditions of the Master Agreement, and the entry of the Master Agreement by the Purchaser;
- (i) the issue of a legal opinion from the legal advisers to the Purchaser as to Malaysian laws to the satisfaction of the Purchaser confirming good title of the Properties free from all encumbrances and rights of third parties, due completion of the Principal Sale Agreements, the Properties are free from all restrictions in interest, conditions, and category of use, express or implied in the master title to the Properties, the transferability of the Properties pursuant to the terms and conditions of the Master Agreement; and
- (j) (if required) the receipt by the Purchaser of the S433B Foreigner Consent Approval.

LETTER FROM THE BOARD

Save for the Condition Precedent set out in paragraph (i) above which may only be waived by the Purchaser prior to the Long Stop Date (Extended) in writing to PRGH, none of the Conditions Precedent may be waived by any party.

If any of the Conditions Precedent is not satisfied (or if can be waived, is not waived) by the Long Stop Date (Extended), PRGH shall, amongst others, refund all the Cash Consideration, free of interest, to the Company within 7 days from the Long Stop Date (Extended) and the Master Agreement shall be terminated and be of no further effect.

The Master Agreement shall become Unconditional on the Unconditional Date.

As at the Latest Practicable Date, save for condition (a) which has been fulfilled, none of the above conditions has been waived or fulfilled.

Consideration and
payment terms:

RM61,982,000.00 (equivalent to HK\$109,689,545.40 at the Agreed Exchange Rate) shall be paid by the Company for and on behalf of the Purchaser in the following manner:

- (1) the Cash Consideration shall be paid in the following manner and shall form part of the Consideration:
 - (a) 10% of the Consideration (equivalent to RM6,198,200.00) shall be paid and has been paid in cash within 14 days from the date of the Master Agreement (Original); and
 - (b) 2% of the Consideration (equivalent to RM1,239,640.00) shall be paid and has been paid in cash within 14 days from the date of the Supplemental Master Agreement; and
- (2) the Consideration Balance (equivalent to RM54,544,160) shall be satisfied by the Consideration Shares Issue within the Consideration Shares Settlement Period.

Completion:

Completion shall take place on the date of issuance of the Consideration Shares.

Other termination
events:

If PRGH fails (other than due to the default of the Company and/or the Purchaser) to complete the sale of the Properties in accordance with the Master Agreement after it becoming Unconditional, the Purchaser may by written notice to PRGH terminate the Master Agreement and the Individual SPAs whereupon PRGH shall within 7 days from the date of notice of termination refund the Cash Consideration in full to the Purchaser free of interest and pay 12% of the Consideration to the Purchaser as agreed liquidated damages.

LETTER FROM THE BOARD

If the Purchaser fails (other than due to the default of PRGH) to pay any part of the Consideration or fail to complete the purchase of the Properties in accordance with the Master Agreement after it becoming Unconditional, PRGH may by written notice to the Purchaser terminate the Master Agreement and the Individual SPAs whereupon the Cash Consideration shall be absolutely forfeited to PRGH and PRGH shall refund any excess sum received to the Purchaser free of interest within 7 days from the date of notice of termination.

After execution of the Master Agreement and the Individual SPAs, the Purchaser shall be entitled by written notice to PRGH terminate the Master Agreement and the Individual SPAs if the master title of the Properties or any part of it is the subject matter of any exercise of rights or taking of any steps under the Lands Acquisition Act, 1960 or any applicable authorities in Malaysia having such power on or before the Completion Date, whereupon PRGH shall within 7 days from the date of notice of termination refund the Cash Consideration in full to the Purchaser without any interest.

Real property gain tax:	The real property gains tax, if any, as is payable in respect of the disposal of the Properties under the Master Agreement and/or the Individual SPAs shall be paid by PRGH and PRGH undertakes to indemnify and keep the Purchaser fully indemnified for and against any such real property gains tax as may be payable.
Major representation, warranties and undertaking from PRGH:	PRGH represents, warrants and undertakes to the Purchaser that save for the Properties, it hold no other condominiums constructed on the Project Land immediately prior to the Purchase and shall not own or acquire any properties on Project Land after signing and completion of the Master Agreement.

THE CONSIDERATION

The Consideration was determined after arm's length negotiation between PRGH and the Purchaser having regard to the Valuation (Original) of RM70,355,000 as at 5 July 2023 appraised by the Independent Valuer. The Valuation (Update) as at 16 July 2024 was RM65,180,000, as appraised by the Independent Valuer. The Consideration represents a discount of approximately 11.90% to the Valuation (Original) and a discount of approximately 4.91% to the Valuation (Update). The Directors consider that the Consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

The Cash Consideration was funded by internal resources of the Group.

The Consideration Shares will be subject to the obtaining of the Specific Mandate and the granting of the Listing Approval by the Stock Exchange to be sought by the Company. Please refer to the paragraph headed "Letter from the Board — The Specific Mandate and the Consideration Shares" below in this circular for further details.

LETTER FROM THE BOARD

The original acquisition cost of the Properties by PRGH was RM61,982,000, representing the amount owed by the Developer to PRGH, which is to be settled in full, at PRGH's choice, in kind by way of transfer of the Properties to PRGH (or its nominee) upon completion of the various agreements entered into by PRGH and the Developer for the sale and purchase of the Properties in April 2023 at RM850 per square foot which are yet to be completed. The appraised market values of the Properties, comprising the units to be transferred by the Developer to PRGH pursuant to the settlement arrangement, range from RM908 to RM1,115 per square foot pursuant to the Valuation. Please refer to Appendices II and III to this circular for further details of the Valuation (Original) and the Valuation (Update), respectively.

THE SPECIFIC MANDATE AND THE CONSIDERATION SHARES

The Specific Mandate and application for listing of the Consideration Shares

The Consideration Shares under the payment terms of the Consideration (i.e. 321,756,000 new Shares) will be issued under the Specific Mandate to be obtained from the Independent Shareholders at the EGM.

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares to be issued under the Specific Mandate following satisfaction (or as the case may be, waiver) of all the Conditions Precedent (save for the Listing Approval).

The aggregate nominal value of the Consideration Shares upon their issuance in full will be HK\$32,175,600.

Nature of the Consideration Shares

The Consideration Shares shall rank *pari passu* in all respects among themselves and with the other Shares in issue on the date of their allotment and issue, save and except the Consideration Shares will not be entitled to any rights, dividends, allotments and/or any other forms of distributions that may be declared, made or paid to the Shareholders prior to the their date of allotment and issue.

The Consideration Shares Issue Price

The Consideration Shares will be issued to PRGH on the Completion Date each at the Consideration Shares Issue Price, i.e. HK\$0.30 per Consideration Share, to be credited as fully paid.

The Consideration Shares Issue Price represents:

- (i) a discount of approximately 6.25% to the closing price of the Shares of HK\$0.32 per Share as quoted on the Stock Exchange on 27 April 2023, being the date of the Master Agreement (Original);

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- (ii) a premium of approximately 42.86% to the closing price of the Shares of HK\$0.21 per Share as quoted on the Stock Exchange on 29 June 2024, being the date of the Supplemental Master Agreement No. 2;
- (iii) the amount equivalent to the average of the closing prices of the Shares of HK\$0.30 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Master Agreement (Original);
- (iv) a premium of approximately 59.40% to the average of the closing prices of the Shares of HK\$0.1882 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Supplemental Master Agreement No. 2;
- (v) a premium of approximately 1.87% to the average of the closing prices of the Shares of HK\$0.2945 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Master Agreement (Original);
- (vi) a premium of approximately 130.77% to the closing price of the Shares of HK\$0.13 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a discount of approximately 18.23% to the net asset value per Share of the Company of HK\$0.3669 (“**NAV per Share (2022)**”) as at 31 December 2022;
- (viii) a discount of approximately 26.31% to the net asset value per Share of the Company of HK\$0.4071 (“**NAV per Share (2023)**”) as at 31 December 2023; and
- (ix) a discount of approximately 28.57% to the net asset value per Share of the Company of HK\$0.4200 (“**NAV per Share (2024)**”) as at 30 June 2024.

Having considered that the Consideration Shares Issue Price was determined after arm's length negotiations between the Purchaser and PRGH with reference to the trading prices of the Shares when the Master Agreement (Original) was signed and the relevant market comparable as set out in the letter from the Independent Financial Adviser, notwithstanding the discount to the NAV per Share (2022), the discount to the NAV per Share (2023) and the discount to the NAV per Share (2024), the Directors consider that the Consideration Shares Issue Price is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

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Percentage of the Consideration Shares to the Shares in issue as at the Latest Practicable Date and the Shares in issue as enlarged by the Consideration Shares and Shares in issue as enlarged by the issue of the Consideration Shares

The approximate percentage of the Consideration Shares to (a) the Shares in issue as at the Latest Practicable Date (**Scenario A**); and (b) the total number of Shares in issue as enlarged by the allotment and issue of the Consideration Shares (assuming there will not be any change in the issued share capital of the Company from the Latest Practicable Date other than the allotment and issue of the Consideration Shares) (**Scenario B**) are as follows:

	Scenario A	Scenario B
Consideration Shares (i.e. 321,756,000 new Shares)	53.49% <i>(note 1)</i>	34.85% <i>(note 2)</i>

Notes:

1. On the basis of 601,565,600 Shares in issue as at the Latest Practicable Date.
2. On the basis of 923,321,600 Shares in issue as enlarged by the issue of the Consideration Shares.

EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date (**Scenario A**); and (ii) immediately after the issuance and allotment of the Consideration Shares (assuming there will not be any change in the issued share capital of the Company from the Latest Practicable Date other than the allotment and issue of the Consideration Shares) (**Scenario B**):

	Scenario A		Scenario B	
Shareholder	Number of Shares held	Approximate percentage of shareholding (note 1)	Number of Shares held	Approximate percentage of shareholding (note 2)
PRGH	303,468,000	50.45%	625,224,000	67.72%
Dato' Lua Choon Hann (note 3)	260,000	0.04%	260,000	0.03%
Kang Boon Lian (note 3)	200,000	0.03%	200,000	0.02%
Dato' Ng Yan Cheng (note 4)	66,693,600	11.09%	66,693,600	7.22%
Sub-total:	370,621,600	61.61%	692,377,600	74.99%
Public				
Jim Ka Man (note 5)	57,368,000	9.54%	57,368,000	6.21%
Other public Shareholders	173,576,000	28.85%	173,576,000	18.80%
Sub-total:	230,944,000	38.39%	230,944,000	25.01%
Total:	601,565,600	100.00%	923,321,600	100.00%

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Notes:

1. On the basis of 601,565,600 Shares in issue as at the Latest Practicable Date.
2. On the basis of 923,321,600 Shares in issue as enlarged by the issue of the Consideration Shares.
3. Dato' Lua Choon Hann and Er. Kang Boon Lian are executive Directors.
4. Dato' Ng Yan Cheng, is a connected person of the Company for being a director of certain subsidiaries of the Company, the father of Mr. Ng Tzee Penn, a non-executive Director, and the father-in-law of Mr. Andrew Chan Lim-Fai, an executive Director. Dato' Ng Yan Cheng is a core connected person of the Company and Shares held by him will not be regarded as being in the public hands under Rule 11.23(7).
5. According to the disclosure of interest form filed by Jim Ka Man, Jim Ka Man was deemed to be interested in 57,368,000 Shares of which 53,572,000 Shares were beneficially owned by her and she was deemed to be interested in 3,796,000 Shares held directly by her spouse under Part XV of the SFO. Jim Ka Man was a director of a subsidiary of the Company on the date of the conditional sale and purchase agreement dated 27 April 2023 entered into between PRGH as vendor, the Purchaser as purchaser and the Company, and was therefore a core connected person of the Company as at that date. Jim Ka Man has ceased as a core connected person of the Company upon her resignation as such a director on 31 May 2023 prior to the date of the Supplemental Master Agreement and the Shares held by her are regarded as being in the public hands under Rule 11.23(7) as from the date of her resignation.

As at the Latest Practicable Date, (a) the Company has an authorised share capital of HK\$200,000,000 divided into 2,000,000,000 Shares with an issued share capital of 601,565,600 Shares, fully paid or credited as fully paid up; and (b) PRGH is a controlling shareholder of the Company interested in 50.45% of the Shares in issue. Assuming there will not be any change in the issued share capital of the Company other than the allotment and issue of Consideration Shares, the allotment and issue of Consideration Shares to PRGH will not result in a change of control of the Company.

INFORMATION ON THE PROPERTIES

The Properties comprise 50 units of condominium located on the 16th to 37th floors of Block A of phase 1 of a residential development to be known as **Picasso Residence**. Block A of Picasso Residence is a multi-storey building with 270 condominium. The total build up areas of the 50 units of condominium are approximately 72,920 square feet.

The subject site upon which Picasso Residence is to be constructed is a parcel of development land held under the Master Title Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, measuring 14,307 square metres (the “**Project Land**”). The Properties are leasehold properties with leasehold interest for 99 years expiring on 17 February 2108.

Picasso Residence is a two-phase residential development comprising Block A with 270 condominium (Phase 1) and Block B with 202 condominium (Phase 2). As at the Latest Practicable Date, Phase 1 of Picasso Residence has been completed following the issue of a Certificate of Completion and Compliance dated 6 September 2024. The structural work of

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Phase 2 was completed, the remaining work such as mechanical, electrical, plumbing and furnishing work has commenced in or about January 2024 and is expected to be completed by the second quarter of 2025.

The Valuation (Original) and the Valuation (Update) is RM70,355,000 and RM65,180,000, respectively, as appraised by the Independent Valuer.

VALUATION

According to the Valuation Report (Original) and the Valuation Report (Update) prepared by the Independent Valuer, an Independent Third Party and a property valuer with over 23 years' experience in real estate valuation, estate agency and property management in Malaysia, as at 5 July 2023 and 16 July 2024, the market value of the Properties was RM70,355,000 and RM65,180,000, respectively.

The Valuation was determined by way of the "comparison approach" on the basis of "market value". "Comparison approach" provides an indication of value by comparing the property with market evidence of identical or comparable (that is similar) properties for which price information is available, such as a comparison with market transaction in the same, or closely similar, type of property within an appropriate time horizon and where dissimilarities exist, adjustments are made. "Market Value" is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion. The basis of "market value" is universally considered the most accepted valuation approach for valuing most forms of property as it refers to real market data on the market value of similar properties.

Making reference to the Valuation Report (Original) and the Valuation Report (Update) as set out in Appendices II and III to this circular, each of the Valuation (Original) and the Valuation (Update) was prepared by the Independent Valuer in accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, the International Valuation Standards issued by the International Valuation Standards Council, and the requirements set out in Chapter 8 of the GEM Listing Rules.

Having reviewed and taken into account (i) the scope of work of the Valuation (Original) and the Valuation (Update); (ii) the Independent Valuer's qualifications and experience in relation to the preparation of the Valuation Report (Original) and the Valuation Report (Update); (iii) the methodology (i.e. the comparison approach on the basis of market value) used by the Independent Valuer which is the most common methodology used for the valuation of the Properties; and (iv) the adjustments, consideration and assumptions made by the Independent Valuer for the Valuation (Original) and the Valuation (Update) which are in line with industry practices, the Board is of the opinion that the Valuation is fair and reasonable.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

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INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding.

The Group is principally engaged in the manufacturing and sale of elastic textile, webbing and rubber tape, and the provision of smart energy solutions.

INFORMATION ON PRGH

PRGH is a public limited liability company incorporated in Malaysia and the issued shares of which are listed on the Main Market of Bursa Securities.

PRGH is the controlling shareholder of the Company directly interested in 50.45% of the Shares in issue and a connected person of the Company. PRGH is principally engaged in investment holding with its subsidiaries other than the Group principally engaged in property development and construction and agriculture.

FINANCIAL EFFECTS OF THE PURCHASE

Earnings

Notwithstanding the Properties are under construction, the Directors anticipate that the intended lease of the Properties will contribute additional and steady income stream to the Group with reasonable investment return after taking into consideration the outlook of the Malaysia residential property market. Please refer to the paragraph headed “Letter from the Board — Reasons for and benefits of the Purchase” below in this circular for further details.

Assets and liabilities

Upon Completion, the investment properties of the Group and the total non-current assets of the Group both are expected to increase by approximately RM64,660,000, taking into account the Consideration of RM61,982,000 and other estimated transaction costs such as stamp duty and professional fees of approximately RM2,678,000 attributable to the Purchase.

As the Cash Consideration was funded by internal resources of the Group, the total current assets of the Group decreased by RM7,437,840.

Save as disclosed above, there will be no other immediate material effect on the earnings and assets and liabilities of the Group associated with the Purchase.

REASONS FOR AND BENEFITS OF THE PURCHASE

It has been the Company’s objective to diversify its business amidst the challenging global business environment. The Group has been actively assessing the Malaysian and other markets for attractive investment opportunities to complement its existing businesses to further develop the Group into a diversified manufacturing and investment group to enhance Shareholders’ value.

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The Properties are located in Kuala Lumpur, the capital of Malaysia, and is a prime commercial and residential area (i) with major commercial developments, education institutions, light rail transit, leisure parks as well as various embassies within its vicinity; (ii) within 4 kilometres to the east of east of Petronas Twin Towers and about 6 kilometres to the northeast of the Kuala Lumpur Golden Triangle region; and (iii) accessible to Kuala Lumpur city center with various main roads connection which is expected to be further enhanced upon completion of a new highway.

Despite the numerous political and economic incidents that happened around the world in the last 12 months, the Directors considered the reasons for and benefits of the Purchase as set out in the Circular (Original) remain substantially valid. Set out below are the key benefits of the Purchase having taken into account the operational and financial performance of the Group since the date of the Circular (Original) and the information contained in this circular:

Business diversification

The Company intends to lease the Properties for rental income that will enhance the steadiness of the Group's income stream deriving from its current businesses in manufacturing and energy efficiency solutions. The world economy is still highly vulnerable to various economic and political threats, such as elevated interest rates and inflation, disruption of supply chains and geopolitical tension. These threats may disrupt our manufacturing and energy efficiency business whose clients are mainly in Asia Pacific and North America. The Company shall remain vigilant at all times and plan in advance to cope with any unforeseen circumstances or adversity which may happen acutely.

The Company's core business was the manufacturing and sale of elastic textile and webbings when it was listed on GEM in 2017 (the "**Listing Business**"). It was then diversified to, among others, the manufacturing and sale of polyvinyl chloride related products in 2019 ("**PVC Business**") whose operational and financial performance was unsatisfactory for the years ended 31 December 2021 and 2022. Consequently, the Group disposed of the PVC Business in September 2023.

The increasing awareness of energy conservation and environmental protection drives the expansion of energy management system market in Malaysia and Singapore. To tap into the green industry, the Company acquired 37.25% and 62.75% in Energy Solution Global Limited ("**ESGL**") in December 2021 and August 2022, respectively. ESG and its two subsidiaries are wholly owned by the Company that constitute the energy efficiency business (the "**Energy Efficiency Division**") of the Group.

The Group's diversification strategy proved its merits in the year ended 31 December 2023 ("**FY2023**"). The Group's revenue for FY2023 amounted to approximately RM216.8 million (the year ended 31 December 2022 ("**FY2022**") : RM162.2 million), representing an increase of RM54.6 million (or 33.7%) as compared to FY2022. The increase of revenue was mainly due to the revenue contributed by the Energy Efficiency Division which amounted to approximately RM120.5 million during FY2023 (FY2022: RM49.8 million). The increased revenue contribution from the Energy Efficiency Division mitigated the adverse impact from the drop in revenue from the manufacturing business of the Group (the "**Manufacturing Division**"), which comprises elastic textile, webbing and other manufacturing products, by

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RM16.0 million (RM96.1 million for FY2023 versus RM112.1 million for FY2022) resulted from the slowdown of global market and disposal of the PVC Business. Weighing of revenue from Manufacturing Division and Energy Efficiency Division for FY2023 was 44.3% and 55.6%, respectively, versus 69.2% and 30.7% for FY2022. The Directors are of the view that the foregoing change in revenue weighing contributed to the increase in gross profit of the Group by RM13.4 million (or 34.2%) from RM41.4 million in FY2022 to RM54.8 million in FY2023, as well as mitigated the adverse impact on the net profit due to the deteriorated performance of the Manufacturing Division and the corresponding impairment losses.

Nevertheless, the Directors are aware of following risks of the existing business portfolio of the Group: (i) the business outlook of the Manufacturing Division remains unclear, particularly the industry is still under the threats of de-globalisation, geopolitical tensions, supply chain disruptions, rising raw material costs and weak global demand etc., and it is uncertain as to how these adverse factors would impact on the performance of the Manufacturing Division for the rest of this year and thereafter; and (ii) although the Energy Efficiency Division demonstrated its strong growth, tremendous business potential in Singapore and Malaysia and increasing revenue contribution to the Group, its revenue model is largely on project basis and revenue recognition is in line with project progress. Accordingly, its revenue may vary across months or years. In light of the foregoing risks, the Directors consider it beneficial to the Group to enlarge its business portfolio by including assets that can generate stable cash income with potential value appreciation, without straining its working capital or gearing level. Additional and steady income stream may help to reduce any temporary volatility in cashflow of manufacturing business and thus enhance the effectiveness and performance of the Group's liquidity management.

Rental yield versus bank deposits rate

The Properties are located in a prime area of Kuala Lumpur as aforesaid, and to the best of the Directors' knowledge, information and belief, the Properties are not low-grade properties nor in the lower-end of the market, and thus their value, rental yield as well as appreciation potential should not be referenced to those of low-end properties.

According to the Valuation Report (Update), the asking rental rates of the comparable properties in the vicinity of the Properties are extracted below:

Comparable Properties	Built-up Area (Sq. Ft.)	Rental Rate (RM/psf)
Setia Sky Residence	990–1,755	2.02–3.99
M City	506–1,920	2.77–3.54
Reizz Residence	778–896	2.31–4.02

According to the Valuation Report (Update), the estimated rental yields of the comparable properties range from 2.10% to 3.36%, depending on the built-up area and furnishing; and rental market around the vicinity is sought to maintain a stable or slightly rising momentum with the introduction of new properties featuring latest upgraded furnishing and features,

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drawing tenants across various neighbourhoods. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors anticipate that the yield of the Properties resembles the yields of the comparable properties.

On the other hand, the Directors referenced to the deposit interest rate of Malaysia which rose from approximately 1.56% in 2021 to approximately 2.65% in 2023, according to Trading Economics and World Bank. The Directors also aware that the bank deposit rate may drop in response to the anticipated interest rate cut in the United States.

Based on the above findings, the Directors are of the view that the Properties will provide reasonable and stable yield to the Group.

Risk of value depreciation

According to the Valuation Report (Update), price of residential property recorded mixed movements across the board from 2018 to 2023. Notwithstanding the variations in price movements of various classes, structures and locations of terraced houses, apartments and condominiums, the annual change of the all house price index of Kuala Lumpur ranged from -2.8% to 1.8% during the years from 2018 to 2023. Moreover, the house price index of Kuala Lumpur increased by 3.4 points (or 1.76%) from 192.7 in 2022 to 196.1 in 2023; whilst the average house price increased by RM13,548 (or 1.77%) from RM764,937 to RM778,485 during the same period. Generally, the residential property market of Kuala Lumpur was on a moderate rising trend.

Despite the above findings, the Directors are aware that the valuation of the Properties decreased by RM5.2 million (or 7.4%) from RM70.4 million pursuant to the Valuation (Original) to RM65.2 million pursuant to the Valuation (Update). In this regard, the Directors studied the Valuation Report (Original) and Valuation Report (Update) and identified the following similarities and differences between the two valuations:

- (1) Both valuations adopted the comparison approach;
- (2) The comparable properties were the same, namely Setia Sky Residence, M City and Reizz Residence;
- (3) Both valuations considered Reizz Residence as the best comparable. However, the transaction price of this property dropped by RM86 (or 7.9%) from RM1,094 psf in July 2022 to RM1,008 psf in August 2023; and
- (4) Further to (3) above, the base value for appraising the Properties dropped by RM76 psf (or 7.1%) from RM1,066 psf pursuant to the Valuation Report (Original) to RM990 psf pursuant to the Valuation Report (Update).

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Change of base value contributes, to a large extent, the change of the gross value of the Properties. The Directors also noticed the following transaction prices of Picasso Residence which were provided by the developer for references and were set out in the two valuation reports:

	Average Transaction Price — RM psf		Increase/(Decrease)	
	2021–2022	2023–2024	RM	%
Type A	1,255	1,360	105	8.4
Type C	1,370	1,269	(101)	(7.4)

The Properties comprised of 16 units of Type A and 34 units of Type C, whilst the increase in average selling price of Type A was slightly higher than the drop in average selling price of Type C. By and large, the Directors are of the view that the market value of the Properties remained stable during the period of the two valuations. Furthermore, the average selling price for Type A and Type C units sold in 2023 to 2024 was both higher than the base value pursuant to the Valuation Report (Update) by RM370 psf (or 37.4%) for Type A and RM279 psf (or 22.0%) for Type C, respectively.

Based on the above findings, the Directors are of the view that, despite the drop in Valuation (Update) versus Valuation (Original), the value of the Properties remained stable during the period of the two valuations. Moreover, the Directors anticipate that the risk of deterioration of market value of the Properties is low because, as aforementioned, (i) the house price index of Kuala Lumpur increased in 2023 and generally the residential property market of Kuala Lumpur was on a moderate rising trend; and (ii) the average selling price for both Type A and Type C units of Picasso Residence was higher than the best comparable property for both Valuation (Original) and Valuation (Update).

Steady income stream and potential capital gain

While there could be competition among properties in close proximity to the Properties, one should not ignore the positive signs of market activities across all sub-sectors of Kuala Lumpur, particularly the commercial and industrial sectors, which to the best of the Directors' knowledge, information and belief, are common indicators of the general economic performance that contributes to the demand for residential properties. Furthermore, the Consideration represents a discount of approximately 4.9% to the market value of the Properties. The Directors are of the view that such cost advantage can make the Properties competitive enough without significantly compromising the investment return. The Directors are optimistic to lease the Properties at reasonable rental yield or, in the future, sell them at prices with reasonable return. As the Properties comprise 50 units, their lease and/or sale will contribute steady income stream to the Group.

As aforesaid, the Independent Valuer is of the view that the rental market around the vicinity of the Properties will remain stable or rise slightly. Depends on the Group's financial status and policy which are reviewed by the Directors regularly, the Company may choose to sell the Properties at appropriate times to capture the capital gain. As at the Latest Practicable

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Date, the Company plans to hold the Properties as investment properties and has no plan to dispose them; and the Company does not have any intention or plan to invest in other properties in Malaysia or other countries.

Based on their long and diverse experiences as top management of various industries and having taken into account the information contained in the Valuation Report and from market enquiries, the Directors are of the view that the Purchase is a good investment opportunity for the Group that will provide steady income and reasonable investment return. Mr. Ng Tzee Penn, Mr. Andrew Chan Lim-Fai and Dato' Lua Choon Hann are common directors of the Company and PRGH, and PRGH's principal businesses include property development and construction. Accordingly, the Directors are of the view that the Board has relevant expertise in assessing the Malaysian property market and dealing with the Properties, despite both Directors have abstained from voting at the Board meeting approving the Master Agreement and the transactions contemplated thereunder. Notwithstanding the Directors are presently optimistic about the financial return of the Properties, they will continue to monitor the performance of the Malaysian property market and the financial returns of the Properties, and adopt appropriate strategies such as rental rate adjustment or disposal, to mitigate the investment risks and secure the reasonableness of investment return to the Group.

In view of the foregoing considerations, the Directors are of the view that the proposed diversification into the property investment business after Completion represents an opportunity for the Group to establish a new and promising business segment for the Group in the long run.

Having considered the above benefits, the Directors (excluding Mr. Ng Tzee Penn, Mr. Andrew Chan Lim-Fai and Dato' Lua Choon Hann who have abstained from voting at the Board meeting approving the Master Agreement and the transactions contemplated thereunder as described in "Letter from the Board — Implications of the GEM Listing Rules — Approval by the Board" below and the independent non-executive Directors whose views will be given after considering the advice from the Independent Financial Adviser) consider that the terms and conditions of the Master Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and that the Purchase involving the Consideration Shares Issue, while not in the ordinary and usual course of business of the Group, is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS OF THE GEM LISTING RULES

The Purchase involving the Consideration Shares Issue

The postponement of the Long Stop Date (Original) of 30 June 2024 for one year to the Long Stop Date (Extended) of 30 June 2025 constitutes a material change of the terms of the Master Agreement (Original) and will end up with a material delay in the Completion Date requiring approval afresh of the Master Agreement (i.e. the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2) by the Independent Shareholders at the EGM to be convened and held under Rule 19.36 and the note to Rule 20.33 of the GEM Listing Rules.

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Chapter 19

As more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Purchase involving the Consideration Shares Issue under the Master Agreement remain at more than 25% but less than 100%, the Purchase involving the Consideration Shares Issue under the Master Agreement remains a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Chapter 20

PRGH is a connected person of the Company for being a controlling shareholder of the Company. The Purchase involving the Consideration Shares Issue under the Master Agreement constitutes a connected transaction for the Company. As more than one of the applicable percentage ratios (as defined in the GEM Listing Rules), other than the profit ratio, in respect of the Purchase involving the Consideration Shares Issue under the Master Agreement remain at more than 25%, the Purchase involving the Consideration Shares Issue under the Master Agreement is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Approval by the Board

(a) Mr. Ng Tzee Penn, Mr. Andrew Chan Lim-Fai and Dato' Lua Choon Hann, being common directors of the Company and PRGH, and (b) Dato' Lua Choon Hann who is interested in approximately 1.73% of the shares in issue of PRGH, have abstained from voting on the resolutions at the meeting of the Board approving, amongst other matters, the Master Agreement.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established for the purposes of giving recommendations to the Independent Shareholders on, among others, the fairness and reasonableness of the EGM Matters.

Octal has been appointed and remains as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on, among others, the fairness and reasonableness of the EGM Matters.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of the Independent Shareholders to attend and vote at the EGM, the Company's register of Shareholders will be closed from Wednesday, 6 November 2024 to Monday, 11 November 2024 (both days inclusive) during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch

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share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 5 November 2024.

EGM AND VOTING

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to be held at Lot 1883, Jalan KPB9, Kg. Bharu Balakong, 43300 Seri Kembangan, Selangor, Malaysia on Monday, 11 November 2024 at 9:00 a.m. for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the EGM Matters. The voting at the EGM will be taken by poll.

At the EGM, any Shareholders with a material interest in any of the EGM Matters are required to abstain from voting on the proposed resolution to be put forward to the Independent Shareholders at the EGM for approving the EGM Matters. PRGH and its associates shall abstain from voting on the ordinary resolution to be put forward at the EGM for approving the EGM Matters.

A form of proxy for use in connection with the EGM is also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish.

RECOMMENDATION

Your attention is drawn to (i) the advice of the Independent Board Committee set out in its letter set out on pages 29 to 30 of this circular; and (ii) the letter from Octal to the Independent Board Committee and the Independent Shareholders set out on pages 31 to 59 of this circular in respect of the EGM Matters and the principal factors considered by Octal in formulating its advice.

The Independent Board Committee, having taking into the advice of Octal, considers that the terms and conditions of the Master Agreement (i.e. the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2) and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and that the Purchase involving the Consideration Shares Issue, while not in the ordinary and usual course of business of the Group, is in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the EGM Matters.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully
For and on behalf of
Furniweb Holdings Limited
Dato' Lim Heen Peok
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular.

FURNIWEB HOLDINGS LIMITED

飛 霓 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8480)

25 September 2024

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION: PURCHASE OF THE PROPERTIES INVOLVING ISSUE OF THE CONSIDERATION SHARES UNDER SPECIFIC MANDATE

We refer to the circular dated 25 September 2024 (“**Circular**”) of the Company of which this letter forms part. Terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

Since the Purchase involving the Consideration Shares Issue constitute a major and connected transaction, for the Company under the GEM Listing Rules, we have been formed to advise the Independent Shareholders on, amongst other matters, the fairness and reasonableness of the Purchase involving the Consideration Shares Issue as set out below.

With regard to the EGM Matters, Octal has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on their fairness and reasonableness, whether they are in the interests of the Company and the Shareholders as a whole and how the Shareholders should vote regarding the resolution to be proposed at the EGM in relation to them.

We wish to draw your attention to (i) the Letter from the Board as set out on pages 8 to 28 of the Circular; (ii) the Letter from Octal as set on pages 31 to 59 of the Circular; and (iii) the additional information as set out in the appendices to the Circular.

We consider that the Purchase involving the Consideration Shares Issue is not in the ordinary and usual course of business of the Group.

Having taken into account the terms and conditions of the Master Agreement, and the advice from Octal, we consider that the Purchase involving the Consideration Shares Issue on terms and conditions of the Master Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the EGM Matters.

Yours faithfully,
Independent Board Committee
Mr. Ho Ming Hon
Dato' Sri Dr. Hou Kok Chung
Dato' Lee Chee Leong



801–805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

25 September 2024

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION:
PURCHASE OF THE PROPERTIES
INVOLVING ISSUE OF THE CONSIDERATION SHARES
UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Purchase involving the Consideration Shares Issue, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 25 September 2024 (the “**Circular (Update)**”), of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular (Update).

References are made to the announcements of Company dated 27 April 2023 and 7 June 2023 and the Circular (Original) dated 14 July 2023 in relation to, among others, the Master Agreement (Original) and the transactions contemplated thereunder. On 27 April 2023, the Purchaser conditionally agreed to purchase the Properties from PRGH by entering into the Master Agreement (Original) with PRGH as vendor and the Company joined in as a party.

The proposed purchase of the Properties by the Purchaser from PRGH was approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 8 August 2023. Completion of the Master Agreement (Original) as approved by the Independent Shareholders is subject to satisfaction (or waiver) of the Conditions Precedent on or before the Long Stop Date (Original) (i.e. 30 June 2024).

Fulfilment of the Conditions Precedent is by and large depended upon delivery of vacant possession of the Properties by the Developer to PRGH after completion of the development and construction of Block A of Picasso Residence of which the Properties form part. However, completion of the development and construction of Block A of Picasso Residence by the Developer will be delayed from end of 2023 to the earliest, end of 2024.

LETTER FROM OCTAL CAPITAL

Such delay was primarily due to unforeseen circumstances in terms of (i) the shortage of labour and disruptions in the supply chain for raw materials in the construction industry, causing the delay in completion of the external works in respect of Picasso Residence; and (ii) the delay in the obtaining of the necessary approvals from key agencies and authorities by the Developer, such as for the dismantling of tower crane and passenger hoist, and the fitting/connection of tapping points for water and sewage.

Based on the latest information from the Developer, Block A of Picasso Residence has been completed following the issue of a Certificate of Completion and Compliance dated 6 September 2024. As such, the Directors anticipate no further delay in completing Block A of Picasso Residence. In the unlikely event of further delay in the Long Stop Date (Extended), the Directors acknowledge that it would constitute a material change or delay requiring fresh approval of the Shareholders.

As a result of the delay, the Conditions Precedent cannot be fulfilled by the Long Stop Date (Original) of 30 June 2024. The Purchaser, PRGH and the Company therefore entered into the Supplemental Master Agreement No. 2 postponing the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended) conditional upon approval by the Independent Shareholders and the independent non-interest shareholders of PRGH detailed in this circular.

An independent board committee (the “**Independent Board Committee**”) of the Board comprising all the independent non-executive Directors, namely Mr. Ho Ming Hon, Dato’ Sri Dr. Hou Kok Chung and Dato’ Lee Chee Leong, has been established for the purposes of giving recommendations to the Independent Shareholders on the EGM Matters. We, Octal Capital Limited, have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee in accordance with the GEM Listing Rules to advise the Independent Board Committee and the Independent Shareholders in these regards and to give our opinion for the Independent Board Committee’s consideration when making their recommendations to the Independent Shareholders.

As at the Latest Practicable Date, we are not connected with the Group, PRGH, or where applicable, any of the respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates pursuant to Rule 17.96 of the GEM Listing Rules. During the last two years, we were engaged as the independent financial adviser to the Company (the “**Previous Engagement**”) in respect of the Master Agreement (Original), details of which were stated in the “Letter from Octal Capital” of the Circular (Original). Under the Previous Engagement, we were required to express our opinion on and give recommendation to the Independent Board Committee and/or the Independent Shareholders in respect of the relevant transactions.

Apart from normal professional fees payable to us by the Group in connection with these appointments, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and substantial shareholders of the Group, or any of its respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser pursuant to Rule 17.96 of the GEM Listing Rules.

LETTER FROM OCTAL CAPITAL

In formulating our opinion, we have relied on (i) the Company's annual report for the years ended 31 December 2022 (the "**2022 Annual Report**") and 2023 (the "**2023 Annual Report**"); (ii) the Company's interim results announcement for the six months ended 30 June 2024 (the "**2024 Interim Results Announcement**"); (iii) the Master Agreement; (iv) the Supplemental Master Agreement No. 2; (v) the announcements of the Company dated 27 April 2023, 7 June 2023 and 2 July 2024; (vi) the Circular (Original); (vii) the information and facts contained or referred to in the Circular (Update); (viii) the information supplied by the Group; (ix) the opinions expressed by and the representations of the professional parties engaged by the Group; and (x) our review of the relevant public information. We have also relied on the accuracy of the information and representations contained in the Circular (Update) and have assumed that all information and representations made or referred to in the Circular (Update) were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and management of the Group regarding the Supplemental Master Agreement No. 2, the information and representations contained in the Circular (Update). We have also assumed that all statements of belief, opinion and intention made by the Directors and management of the Group in the Circular (Update) were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular (Update) and to provide a reasonable basis for our advice. We have no reason to either suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular (Update) or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and management of the Group. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group and their respective subsidiaries or associates nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the Supplemental Master Agreement No. 2, we have considered the following principal factors and reasons:

1. Background information of the Group

The principal activities of the Group are principally engaged in the manufacturing and sales of elastic textile, webbing and rubber tape related products (the "**Manufacturing Segment**"), and energy efficiency business (the "**Energy Efficiency Segment**"). The Company disposed of the subsidiaries which engaged in the manufacturing of polyvinyl chloride products under the Manufacturing Segment on 30 September 2023. Set out below is a summary of (i) the consolidated audited financial information of the Group for the years ended 31 December 2022 ("**FY2022**") and 2023 ("**FY2023**") as extracted from the 2022 Annual Report and the 2023 Annual Report, and (ii) consolidated unaudited financial information of

LETTER FROM OCTAL CAPITAL

the Group for the six months ended 30 June 2024 as extracted from the 2024 Interim Results Announcement:

Consolidated financial results of the Group

	FY2022	FY2023	1H2023	1H2024
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Manufacturing	112,145	96,113	49,979	44,569
Energy efficiency	49,754	120,546	56,848	40,734
Others	<u>256</u>	<u>171</u>	<u>85</u>	<u>69</u>
Total revenue	<u>162,155</u>	<u>216,830</u>	<u>106,912</u>	<u>85,372</u>
Gross profit	41,402	54,784	24,291	23,723
Gross profit margin	25.5%	25.3%	22.7%	27.8%
Profit for the year/period	18,167	12,456	2,492	4,351

For 1H2024

Revenue of the Group decreased by approximately 20.1% from RM106.9 million for 1H2023 to RM85.4 million for 1H2024, mainly due to lower revenue contributed by the Energy Efficiency Segment and Manufacturing Segment. Revenue generated from the Manufacturing Segment accounted for approximately 52.2% of the Group's total revenue for 1H2024. Such revenue decreased by approximately 10.8% to RM44.6 million for 1H2024 as compared to RM50.0 million for 1H2023, mainly due to the revenue of RM7.0 million for 1H2023 was contributed by the sale of polyvinyl chloride related products business disposed of on 30 September 2023. The Energy Efficiency Segment contributed revenue of approximately RM40.7 million to the Group for 1H2024, which accounted for approximately 47.7% of the Group's total revenue for 1H2024. Such revenue decreased significantly by approximately 28.3% to RM40.7 million for 1H2024 as compared to RM56.8 million for 1H2023, mainly due to lower project revenue recognised during 1H2024 as a few projects were at completion stage and most of the revenue was recognised in FY2023 whereas the new projects were at start-up stage during 1H2024.

The gross profit margin of the Group increased from approximately 22.7% for 1H2023 to 27.8% for 1H2024, mainly due to the disposal of subsidiaries with low gross profit margin in September 2023 by the Group, higher sales from certain higher gross profit margin products for the Manufacturing Segment and higher services income with higher gross profit margin for the Energy Efficiency Segment during 1H2024.

LETTER FROM OCTAL CAPITAL

Profit for 1H2024 amounted to approximately RM4.4 million, which was higher than the profit for 1H2023 of RM2.5 million, representing an increase of approximately 76.0%, the lower net profit for 1H2023 was mainly due to the net loss of RM6.3 million from the subsidiaries which were disposed of by the Group in September 2023. By excluding the net loss from these subsidiaries in 1H2023, the Group recorded lower profit for 1H2024 mainly due to lower profit contributed by the Energy Efficiency Segment.

For FY2023

Revenue of the Group increased by approximately 33.7% from RM162.2 million for FY2022 to RM216.8 million for FY2023. Revenue generated from the Energy Efficiency Segment accounted for approximately 55.6% of the Group's total revenue for FY2023. Such revenue increased significantly by approximately 142.3% to RM120.5 million for FY2023 as compared to RM49.8 million for FY2022, mainly due to the fact that Energy Solution Global Limited and its subsidiaries became wholly-owned subsidiaries of the Group since 29 August 2022 and there were only four months of revenue being consolidated into the Group for FY2022, whereas in FY2023, the Group recognized the full-year revenue from the Energy Efficiency Segment. Besides, the Energy Efficiency Segment recorded a strong revenue growth by recognising progress completion for new and on-going projects during FY2023. The Manufacturing Segment contributed revenue of approximately RM96.1 million to the Group for FY2023, which accounted for approximately 44.3% of the Group's total revenue for FY2023. Such revenue decreased by approximately 14.3% to RM96.1 million for FY2023 as compared to RM112.1 million for FY2022, mainly due to the slowdown in global demand and excess inventories built up in the previous years in various industries as well as disposal of a subsidiary under the Manufacturing Segment, namely Meinaide Holdings Group Limited, in the third quarter of FY2023.

The gross profit margin of the Group slightly decreased from approximately 25.5% for FY2022 to 25.3% for FY2023, mainly due to a one-off provision of slow-moving stocks of polyvinyl chloride related products which amounted to approximately RM2.5 million during FY2023.

Profit for FY2023 amounted to approximately RM12.5 million, which was lower than the profit for FY2022 of RM18.2 million, representing a decreased of approximately 31.3%, mainly due to one-off impairment losses on trade receivables and provision for slow moving stock.

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Consolidated financial position of the Group

	As at 31 December 2023 <i>RM'000</i> (audited)	As at 30 June 2024 <i>RM'000</i> (unaudited)
Property, plant and equipment	26,160	29,654
Right-of-use assets	12,137	11,340
Intangible assets	15,423	15,447
Other non-current assets	<u>1,278</u>	<u>1,211</u>
Total non-current assets	<u>54,998</u>	<u>57,652</u>
Inventories	19,272	20,261
Trade and other receivables	54,274	53,576
Cash and bank balances	42,970	33,373
Other current assets	<u>28,362</u>	<u>30,358</u>
Total current assets	<u>144,878</u>	<u>137,568</u>
Total assets	<u><u>199,876</u></u>	<u><u>195,220</u></u>
Trade and other payables	34,952	20,108
Bank borrowings	3,118	3,655
Contract liabilities	1,151	5,932
Other current liabilities	<u>5,665</u>	<u>4,531</u>
Total current liabilities	<u>44,886</u>	<u>34,226</u>
Bank borrowings	8,740	11,261
Lease liabilities	4,900	4,073
Deferred tax liabilities	<u>2,951</u>	<u>2,906</u>
Total non-current liabilities	<u>16,591</u>	<u>18,240</u>
Net current assets	<u>99,992</u>	<u>103,342</u>
Total liabilities	<u><u>61,477</u></u>	<u><u>52,466</u></u>
Total equity	<u><u>138,399</u></u>	<u><u>142,754</u></u>
Current ratio¹	3.23x	4.02x

Note:

1. Being current assets divided by current liabilities

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As at 31 December 2023, total assets of the Group were approximately RM199.9 million which mainly comprised of (i) trade and other receivables of approximately RM54.3 million; (ii) cash and bank balances of approximately RM43.0 million; and (iii) inventories of approximately RM19.3 million, whilst total liabilities of the Group were approximately RM61.5 million, which mainly included (i) trade and other payables of approximately RM35.0 million; and (ii) bank borrowings of approximately RM11.9 million. As at 31 December 2023, the Group had net current assets of approximately RM100.0 million with a current ratio of approximately 3.23 times.

As at 30 June 2024, total assets of the Group were approximately RM195.2 million which mainly comprised of (i) trade and other receivables of approximately RM53.6 million; (ii) cash and bank balances of approximately RM33.4 million; and (iii) inventories of approximately RM20.3 million, whilst total liabilities of the Group were approximately RM52.5 million, which mainly included (i) trade and other payables of approximately RM20.1 million; and (ii) bank borrowings of approximately RM14.9 million. As at 30 June 2024, the Group had net current assets of approximately RM103.3 million with a current ratio of approximately 4.02 times.

2. Information of the Properties

Picasso Residence is a two-phase residential development comprising Block A with 270 condominium (Phase 1) and Block B with 202 condominiums (Phase 2). As at the Latest Practicable Date, Phase 1 of Picasso Residence has been completed following the issue of a Certificate of Completion and Compliance dated 6 September 2024. The structural work of Phase 2 was completed, the remaining work such as mechanical, electrical, plumbing and furnishing work has commenced in or about January 2024 and is expected to be completed by the second quarter of 2025.

The subject site upon where Picasso Residence is constructed is a parcel of development land held under the Master Title Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, measuring 14,307 square metres. The Properties are leasehold properties with leasehold interest for 99 years expiring on 17 February 2108.

The Properties comprise 50 units of condominium located on the 16th to 37th floors of Block A of Picasso Residence. Block A of Picasso Residence is a multi-storey building with 270 condominiums. The total built up area of the 50 units of condominium is approximately 72,920 Sq. Ft.

As at the Latest Practicable Date, the pre-sold units of Block A were 265 units, including the Properties.

The Valuation (Original) and the Valuation (Update) is RM70,355,000 and RM65,180,000 respectively, as appraised by the Independent Valuer.

3. Reasons for and benefits of the Purchase

Prospect of the Malaysia real estate market

The Malaysian economy has maintained moderate growth in recent years. The GDP per capita of Malaysia has risen from approximately US\$11,228.3 in 2019 to US\$12,570.5 in 2023, representing a CAGR of approximately 2.9%. During the second quarter of 2024, Malaysia's GDP grew by 5.9%, up from 4.2% in the first quarter of 2024. With increasing urbanization in Malaysia, the demand for residential properties is expected to remain persistent. According to the World Bank, the urban population of Malaysia increased from approximately 25.1 million in 2019 to approximately 27.0 million in 2023, representing a CAGR of approximately 1.82%. As the capital and largest city of Malaysia, Kuala Lumpur is a center for security, politics, economics, culture, and diplomacy, accounting for the majority of investments and transportation in Malaysia.

The Malaysian real estate market has also demonstrated consistent growth. According to Jabatan Penilaian dan Perkhidmatan Harta (“**JPPH**”), being the valuation and property management department of Malaysia government, the volume of residential property transactions in Malaysia has increased from 243,190 transactions in 2022 to 250,586 transactions in 2023, representing an annual increase of approximately 3.0%. Additionally, the Malaysian House Price Index (MHPI) has risen from approximately 209.8 in 2022 to approximately 216.5 in 2023, representing an annual increase of approximately 3.2%. Moreover, according to “Greater Kuala Lumpur Property Market Monitor 1Q24” issued by JLL Property Services (Malaysia) Sdn Bhd in April 2024, there is a strong demand for rentals of prime high-rise residential properties. The growth was attributed to a growing number of individuals opting to reside in these areas for extended periods, as well as an increase in short-term renters and international students. The Directors considered the macro economic conditions and the residential property market do not reveal material adverse change after the entering into of the Master Agreement.

Prime location of the Properties

According to the Valuation Report (Update) on the Properties prepared by the Independent Valuer as set out in the Appendix III to the Circular (Update), the Properties are situated north of the intersection between Jalan Ampang and Jalan Jelatek in Kuala Lumpur. The Properties' location indicates it is close to the center of Kuala Lumpur and has transportation links, with a close driving distance to the iconic Petronas Twin Towers. The surrounding area is a well-developed residential and commercial hub with access to public facilities and several international schools. Additionally, the Properties are in close proximity to several embassies, including those of the Republic of Korea, Laos, Romania, Russia, and Italy.

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Business diversification and stable income stream

As stated in the Letter from the Board, the Company has been focusing on diversifying its business in response to the challenging global business environment and actively seeking investment opportunities in Malaysia and other markets to complement existing businesses and evolve into a diversified business group, ultimately enhancing Shareholders' value.

The Company's core business has evolved from elastic textiles to include the manufacturing of polyvinyl chloride related products, which was subsequently disposed. They have since expanded into energy efficiency solutions through acquisitions, which significantly contributed to their revenue growth in FY2023, but its revenue model is largely on project basis and revenue recognition is in line with project progress. To mitigate these risks and enhance financial flexibility, the Purchase enables the Company to cultivate stable rental revenue and possible value growth, mitigating cash flow fluctuations and enhancing comprehensive liquidity oversight.

The Properties are situated in a prime commercial and residential area in Kuala Lumpur, with close proximity to major developments, educational institutions, and transportation hubs. The Company plans to lease the Properties for rental income to stabilize their revenue streams alongside their existing Manufacturing Segment and Energy Efficiency Segment. Despite recent global political and economic events, the Company remains committed to the benefits including business diversification and a focus on generating rental income to support their core operations.

Considering the benefits of diversification of business, the potential for stable long-term cash flow from rental income, the upside potential in the value of the Properties based on their prime location and Malaysia's growth prospects, and the steady market conditions after the entering into of the Master Agreement, we concur with the Directors that the Purchase remains commercially justifiable and the proposed diversification into the property investment business after Completion could represent an opportunity for the Group to establish a new and promising business segment for the Group in the long run.

4. Principal terms of the Supplemental Master Agreement No. 2

Set out below is a summary of the principal terms of the Supplemental Master Agreement No. 2. Shareholders are advised to read further details of Supplemental Master Agreement No. 2 set out in the Letter from the Board:

Date: 29 June 2024

Parties

- (1) PRGH (as vendor)
- (2) the Purchaser (as purchaser), a wholly-owned subsidiary of the Company incorporated in Malaysia; and
- (3) the Company.

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PRGH is a connected person of the Company for being a controlling shareholder of the Company. Further details of PRGH are set out in “Letter from the Board — Information on PRGH” in this Circular.

Subject Matter
and condition
precedent:

postponing the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended) conditional upon approval by the Independent Shareholders of the Company and the independent non-interest shareholders of PRGH as detailed in this Circular as follows:

- (a) the obtaining of the approval from the Independent Shareholders at an extraordinary general meeting of the Company to the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2 including the purchase of the Properties by the Purchaser from PRGH, the allotment and issue of the Consideration Shares to PRGH at the Issue Price and the grant of the Specific Mandate therefor and the other transactions contemplated under the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2; and
- (b) the receipt by PRGH of the approval from the independent non-interest shareholders of PRGH at an extraordinary general meeting of PRGH for the sale of the Properties by PRGH to the Purchaser under the Master Agreement (Original) as varied, supplemented and amended by the Supplemental Master Agreement No. 2.

Save the postponement of the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended) there is no change in the other terms and conditions of the Master Agreement (Original) all of which remain valid and binding on the Purchaser, PRGH and the Company.

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Other than the change in the Long Stop Date (Original) of 30 June 2024 to the Long Stop Date (Extended), there is no change in the other terms and conditions of the Master Agreement (Original). Set out below is a summary of the principal terms of the Master Agreement. Shareholders are advised to read further details of the Master Agreement set out in the Letter from the Board:

Conditions	Completion is subject to the satisfaction (or waiver) of the
Precedent:	following Conditions Precedent on or before the Long Stop Date (Extended):

Conditions Precedent to be fulfilled by PRGH

- (a) the receipt by the Purchaser of the Certificate of Completion and Compliance issued by principal submitting person in accordance with the Uniform Building By-Laws of the Street, Drainage and Building Act 1974 (“**PSP**”);
- (b) (i) the issuance of a letter of confirmation or notice of delivery of vacant possession of the Properties issued by the Developer to PRGH confirming delivery of vacant possession of the Properties by Developer to PRGH and (ii) subsequently the issuance of a letter of confirmation of the delivery of vacant possession of the Properties by PRGH to the Purchaser within 10 business days (or such longer period as PRGH, the Purchaser and the Company may agree in writing) from the S433B Foreign Consent Approval Date or if the S433B Foreign Consent Approval is not required, from the date of the Individual SPAs (“**VP to Purchaser**”);
- (c) the receipt by PRGH of the approval from the independent non-interest shareholders of PRGH at an extraordinary general meeting of PRGH for the sale of the Properties by PRGH to the Purchaser under the Master Agreement;
- (d) the receipt by PRGH of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) in respect of the transaction contemplated under the Principal Sale Agreements;
- (e) the obtaining of the Developer’s written confirmation in respect of the following matters pursuant to Section 22D(4) of the Housing Development (Control & Licensing) Act 1966:
 - (i) the particulars of the Properties;
 - (ii) postal address of the Properties;

LETTER FROM OCTAL CAPITAL

- (iii) the current purchaser and charge (if any) of the Properties;
- (iv) the current charge or assignee of the Properties;
- (v) the total amount, if any, due to the Developer under each Principal Sale Agreement as at the date of the letter of confirmation,

provided that none of the above matters confirmed by the Developer shall be adverse to the rights and interests of the Purchaser under the Master Agreement or of and in the Properties and PRGH shall comply with all of the terms and conditions as may be imposed by the Developer and in the respective confirmations aforementioned as soon as practical from the date of receipt of the Developer's letter of confirmation;

Conditions Precedent to be fulfilled by the Company

- (f) the obtaining of the approval from the Independent Shareholders at the EGM to the Master Agreement, including the purchase of the Properties by the Purchaser from PRGH, the Consideration Shares Issue, the grant of the Specific Mandate and the other transactions contemplated under the Master Agreement;
- (g) the GEM Listing Committee granting the listing of, and permission to deal in, the Consideration Shares, on GEM;

Conditions Precedent to be fulfilled by the Purchaser

- (h) the approval from the board of directors and shareholder of the Purchaser for the acquisition of the Properties on the terms and conditions of the Master Agreement, and the entry of the Master Agreement by the Purchaser;
- (i) the issue of a legal opinion from the legal advisers to the Purchaser as to Malaysian laws to the satisfaction of the Purchaser confirming good title of the Properties free from all encumbrances and rights of third parties, due completion of the Principal Sale Agreements, the Properties are free from all restrictions in interest, conditions, and category of use, express or implied in the master title to the Properties, the transferability of the Properties pursuant to the terms and conditions of the Master Agreement; and

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- (j) (if required) the receipt by the Purchaser of the S433B Foreigner Consent Approval.

Save the Condition Precedent set out in paragraph (i) above which may only be waived by the Purchaser prior to the Long Stop Date (Extended) in writing to PRGH, none of the Conditions Precedent may be waived by any party.

If any of the Conditions Precedent is not satisfied (or if can be waived, is not waived) by the Long Stop Date (Extended), PRGH shall, amongst others, refund all the Cash Consideration, free of interest, to the Company within 7 days from the Long Stop Date (Extended) and the Master Agreement shall be terminated and be of no further effect.

The Master Agreement shall become Unconditional on the Unconditional Date.

As at the Latest Practicable Date, save for condition (a) which has been fulfilled, none of the above conditions has been waived or fulfilled.

Consideration and payment terms: RM61,982,000.00 (equivalent to HK\$109,689,545.40 at the Agreed Exchange Rate) shall be paid by the Company for and on behalf of the Purchaser in the following manner:

- (1) the Cash Consideration shall be paid in the following manner and shall form part of the Consideration:
 - (a) 10% of the Consideration (equivalent to RM6,198,200.00) shall be paid and has been paid in cash within 14 days from the date of the Master Agreement (Original); and
 - (b) 2% of the Consideration (equivalent to RM1,239,640.00) shall be paid and has been paid in cash within 14 days from the date of the Supplemental Master Agreement; and
- (2) the Consideration Balance (equivalent to RM54,544,160) shall be satisfied by the Consideration Shares Issue within the Consideration Shares Settlement Period.

Completion: Completion shall take place on the date of issuance of the Consideration Shares.

5. Basis of the Consideration

The Consideration of the Properties of RM61,982,000 was determined after arm's length negotiation between PRGH and the Purchaser having regard to the Valuation (Original) of RM70.4 million as at 5 July 2023 appraised by the Independent Valuer. According to the Valuation Report (Update) on the Properties prepared by the Independent Valuer as set out in the Appendix III to the Circular (Update), the Valuation (Update) amounted to RM65.2 million, representing a decrease of approximately 7.4% when compared to the Valuation (Original). The Consideration therefore represents a discount of approximately 11.90% to the Valuation (Original) and a discount of approximately 4.9% to the Valuation (Update).

Regarding the Valuation Report (Update), we have performed the works with reference to Note 1(d) to Rule 17.92 of the GEM Listing Rules and paragraph 5.3 of the Corporate Finance Adviser Code of Conduct in respect of the Valuation Report (Update), which included (i) assessment of the Independent Valuer's experiences in valuing properties similar to the Properties; (ii) obtaining information on the Independent Valuer's track records on other property valuations; (iii) inquiry on the Independent Valuer's current and prior relationship with the Group and other parties; (iv) review of the terms of the Independent Valuer's engagement, in particular its scope of work, for the assessment of the Valuation Report (Update); and (v) discussion with the Independent Valuer regarding the bases, methodology and assumptions adopted in the Valuation Report (Update).

(i) The Independent Valuer

We have conducted a telephone interview with the Independent Valuer to enquire its experience in valuing similar property interests in Malaysia. We noted that the Independent Valuer had acted as the valuer for public companies listed in Malaysia for similar transactions involving sale and purchase of properties in Malaysia. In addition, we understand that the Independent Valuer is a member of Malaysian Institute of Property and Facility Managers (MIPFM), Royal Institution of Surveyors Malaysia (RISM), Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS). Mr. Loo has over 23 years' experience in valuation of properties in Malaysia. As such, we are of the view that Mr. Loo, being the signor of the Independent Valuer, is qualified, experienced and competent in performing the Valuation (Update) and the Valuation (Original).

We have also enquired with the Independent Valuer as to its independence from the Company and the parties and were given to understand that the Independent Valuer is an independent third party of the Company and its connected persons. The Independent Valuer confirmed to us that it was not aware of any relationship or interest between itself and the Company or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company. Apart from normal professional fees payable to it in connection with its engagement for the Valuation (Update), the Independent Valuer confirmed that no arrangements exist whereby it will receive any fee or benefit from the Company and its associates. Given the above, we are of the view that the Independent Valuer is independent from the Company in respect of the Valuation (Update).

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Furthermore, we have reviewed the terms of engagement of the Independent Valuer, in particular to its scope of work. We noted that its scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Independent Valuer in the Valuation Report (Update).

(ii) Valuation basis

As stated in the Valuation Report (Update), the Valuation (Update) is conducted in compliance with the Securities Commission Malaysia's Asset Valuation Guidelines, Malaysian Valuation Standards and the International Valuation Standards. Based on our discussion with the Independent Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions used in arriving at the Valuation (Update). We understand that the Independent Valuer has carried out inspection, made relevant enquiries and searches for the purpose of the Valuation (Update), including but not limited to the pre-sales transactions record in relation to Block A of Picasso Residence. We have reviewed and discussed with the Independent Valuer the basis adopted in arriving at the value of the Properties. Taking into consideration of the nature of the Properties and that the Valuation (Update) is conducted in accordance with the aforesaid requirements, we consider that the basis adopted by the Independent Valuer for determining the market value of the Properties are appropriate.

(iii) Valuation methodology

As disclosed in the Valuation Report (Update), the Independent Valuer adopts comparison approach in valuing the Properties.

According to our discussion with the Independent Valuer, valuations of completed properties are normally conducted in comparison approach and/or income approach. We understand that given data on comparable premises/properties in the Malaysia property market are mostly publicly available, the Independent Valuer considered the adoption of the comparison approach as most appropriate as it could provide a more objective result. In fact, the comparison approach is universally considered as the most accepted valuation approach for valuing most forms of properties. On the contrary, given that the Properties are currently in the construction phase and undergoing the application for the Certificate of Completion and Compliance ("CCC") such that there are no supporting or actual rental data of the Properties to adopt the income approach, the Independent Valuer is of the opinion that the income approach is less suitable compared to the comparison approach. We understand from the Independent Valuer that the Valuation (Update) was determined based on the assumption that the construction of the Properties is fully completed according to the approved building plans and specifications, and have been issued a CCC by the relevant authority, which is one of the condition precedents of the Master Agreement. As a result, we are of the view that a comparison with the samples of comparable premises/properties is a fair and reasonable approach. Given that comparable premises/properties are available for analysis, we are of the view that these comparable premises/properties provide objective benchmarks for the Valuation (Update). Accordingly, we agree with the Independent Valuer that the comparison approach is appropriate for the Valuation (Update).

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The Properties comprises 50 units of condominium. Based on our discussion with the Independent Valuer, during the course of the Valuation (Update) under the comparison approach, the Independent Valuer has considered and analysed the sale comparables of properties which fulfilled their selection criteria, including location, level, usage and built-up area. Five comparable sale transactions (the “**Comparable Sale Transactions**”) are selected as the Independent Valuer is of the view that the properties of the Comparable Sale Transactions fulfilled the selection criteria.

The following table sets forth the summary of the Comparable Sale Transactions:

Comparable	1	2	3	4	5
Name of Residence	Setia Sky Residence	Setia Sky Residence	M City	M City	Reizz Residence
Unit No.	C-13-2	A-23A-3	3-23-18	3-33A-01	45-01
Built Up Area	1,206	1,582	990	883	893
Floor/Level	13	24	23	34	45
Date of Transaction	3/4/2024	29/4/2024	31/1/2024	31/1/2024	10/8/2023
Consideration	RM1,050,000/—	RM1,400,000/—	RM520,000/—	RM480,000/—	RM900,000/—
Transaction rate (psf)	RM871	RM885	RM525	RM544	RM1,008
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided				
Adjusted rate (psf)	RM1,016	RM1,014	RM610	RM600	RM990

Based on the above table, the properties within the Comparable Sale Transactions are situated in the Kuala Lumpur city center. Similar to the Properties, these properties are service apartments categorized for commercial use with freehold tenure located within 5 kilometers of the Properties. All the Comparable Sale Transactions fall within a year preceding the Supplemental Master Agreement No. 2. The sizes of these properties range from around 883 Sq. Ft to approximately 1,582 Sq. Ft.

The unit rate adopted in the Valuation (Update) is within the range of the effective saleable unit rates of the Comparable Sale Transactions after due adjustments on the effective unit saleable rates of the Comparable Sale Transactions in terms of their different attributes such as timing of the transactions, floor level, size, tenure, building condition, design, facilities, and property management services. The adopted unit rate is RM987 psf for the benchmark unit (the “**Benchmark Unit Rate**”) on the basis of effective saleable area. We understand that the Independent Valuer multiplied the Benchmark Unit Rate with the corresponding area of all units of the Properties after adjustments on the Benchmark Unit Rate to reflect the variations of different units of the Properties, including their floor level, size and view. By summing up the valuations of all the units of the Properties, the Independent Valuer arrived at the updated valuation of RM65,180,000 for the Properties. We consider that the rationale behind these adjustments is fair and reasonable.

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In addition to the Comparable Sale Transactions, the Valuation Report (Update) also disclosed a summary of sales transactions of other Type A unit (with built-up area of 1,013 Sq. Ft.) and Type C unit (with built-up area of 1,668 Sq. Ft.) in Picasso Residence (the “**Properties Transactions**”). The Properties Transactions were recently entered into between the developer and other purchasers in 2023 and 2024. The average unit rate of the Properties Transactions for the Type A unit and Type C unit are approximately RM1,360 and RM1,269 psf respectively.

According to the Valuation Report (Update), the market value of each Type A unit of the Properties under the Valuation (Update) ranges from approximately RM987.0 to RM1,032.9 psf, while the market value of each Type C unit of the Properties under the Valuation (Update) ranges from approximately RM841.9 to RM884.2 psf. Upon comparison, the market value for both Type A and Type C units of the Properties represents a discount to the average transaction price for the same types of units of the Properties Transactions. Such discount ranges from 24.1% to 27.4% for Type A unit; and 30.3% to 33.7% for Type C unit. We noticed that the discount was mainly due to the base rate applied in the Valuation (Update) which was derived from the actual transaction price of the most comparable transaction among the Comparable Sale Transactions, being the transaction of Reizz Residence, whose transaction price was lower than those of the Properties Transactions.

(iv) Valuation assumptions

The Valuation (Update) assumes the Properties are fully completed in accordance with the approved building plans and specifications and duly issued with a CCC, issued by the relevant authority, with vacant possession and free from encumbrances at values as shown in the Valuation Report (Update). In this regard, we noted from the Independent Valuer that these assumptions are commonly adopted in the valuation of properties. Given that we consider it objective and appropriate to appraise the Properties the same way as other similar properties in the open market, the construction of the Properties will fully be completed upon Completion, and that nothing material has come to our attention, we are of the view that these valuation assumptions are fair and reasonable.

Conclusion

Taking into account (i) the scope of work and experiences of the Independent Valuer; (ii) the reasons and appropriateness of adopting the comparison approach for the Valuation (Update); (iii) the basis, assumptions and methodology adopted in the Valuation Report (Update); and (iv) the valuation work performed by the Independent Valuer, nothing has come to our attention that causes us to doubt the fairness and reasonableness of the preparation of the Valuation Report (Update) by the Independent Valuer. In view of the above, we consider that the Valuation (Update) as well as the basis, assumptions and methodology adopted are appropriate. On this basis, we consider the Consideration is fair and reasonable.

6. The Consideration Shares Issue Price

As disclosed in the Letter from the Board, the Consideration Shares Issue Price, as determined after arm's length negotiation between the Company and the Vendor with reference to the recent price performance of the Shares and the prevailing market conditions prior to the Master Agreement, remained unchanged at HK\$0.30.

The Consideration Shares Issue Price therefore represents:

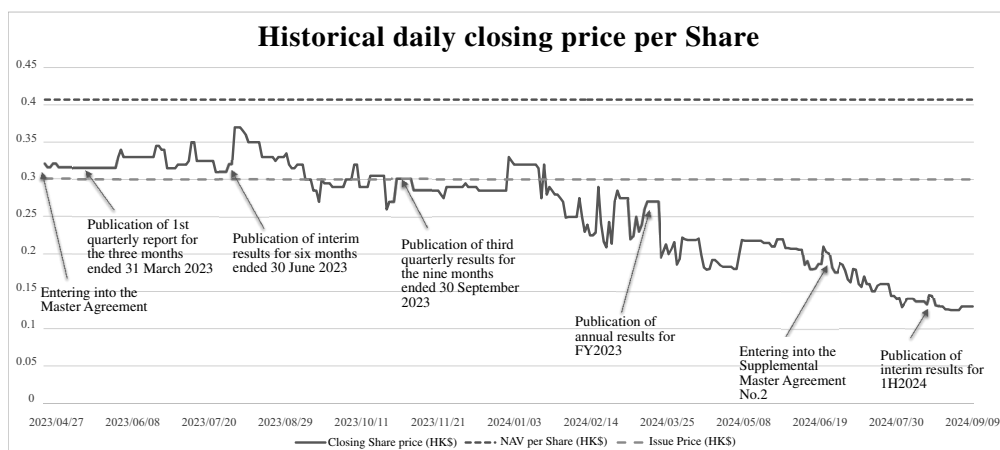
- (i) a premium of approximately 42.86% to the closing price of the Shares of HK\$0.21 per Share as quoted on the Stock Exchange on 29 June 2024, being the date of the Supplemental Master Agreement No. 2;
- (ii) a premium of approximately 59.40% to the closing prices of the Shares of HK\$0.1882 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Supplemental Master Agreement No. 2;
- (iii) a premium of approximately 57.32% to the average of the closing prices of the Shares of HK\$0.1907 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Supplemental Master Agreement No. 2; and
- (iv) a discount of approximately 28.57% to the unaudited net asset value per Share of the Company as at 30 June 2024 of RM0.24 (equivalent to HK\$0.42).

In order to assess its fairness and reasonableness, we have compared the Consideration Shares Issue Price with reference to (a) the historical Share price performance; (b) the historical trading volume and liquidity of the Shares; and (c) the market comparable in respect of recent issuance of consideration shares, as set out below.

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(a) Analysis of the historical Share price performance

In assessing the fairness and reasonableness of the Consideration Shares Issue Price, we have performed a review on the daily closing prices of the Shares as quoted on the Stock Exchange for the period from the date of the Master Agreement (i.e. 27 April 2023) to the Latest Practicable Date (the “**Review Period**”). We consider that the duration of the Review Period reasonable so as to reflect the general trend and recent market valuation based on the closing price of the Shares on the Stock Exchange.



Source: Stock Exchange (www.hkex.com.hk)

As illustrated above, during the Review Period, the Share price showed a general descending trend and fluctuated between HK\$0.125 (on 4 September, 5 September, 9 September and 10 September of 2024 (the “**Lowest Closing Price**”) and HK\$0.37 (on 9 August 2023, 10 August 2023 and 11 August 2023) (the “**Highest Closing Price**”) per Share. The average closing price of the Shares during the Review Period was approximately HK\$0.26 per Share (the “**Average Closing Price**”).

Following the publication of the entering into of the Master Agreement in late April 2023 and the first quarterly results announcement for the three months ended 31 March 2023 of the Company in early May 2023, the closing price of the Shares traded within a range between HK\$0.31 per Share and HK\$0.35 per Share. Thereafter, following the publication of the interim results announcement of the Company for the six months ended 30 June 2023 on 8 August 2023, the Share price experienced a temporary upward trend and reached the Highest Closing Price of HK\$0.37 per Share on 9 August 2023, 10 August 2023 and 11 August 2023. Subsequently, the Share price dropped to HK\$0.26 per Share on 1 November 2023 and rebounded back to HK\$0.3 per Share following the publication of the third quarterly results announcement of the Company for the nine months ended 30 September 2023 on 8 November 2023. From then on, the Share price generally exhibited a downward trend and hit HK\$0.179 per Share on 25 April 2024.

The Share price has been traded below the Consideration Shares Issue Price since mid-January 2024. Prior to the publication of the entering into the Supplemental Master Agreement No. 2, the closing price of the Shares traded within a range between HK\$0.179

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per Share and HK\$0.22 per Share from 26 April 2024 to 2 July 2024 and subsequently experienced a downward trend and hit HK\$0.129 on 8 August 2024, being the date following the publication of the 2024 Interim Results Announcement. Subsequently, the closing price of the Shares maintained its decline and reached its lowest point during the Review Period at HK\$0.125 on 4 September 2024.

Although the Share price has demonstrated a general downward trend during the period between the entering of the Master Agreement and the Supplemental Master Agreement No. 2, the Consideration Shares Issue Price remains unchanged at HK\$0.30 which is higher than the closing prices of the Shares in 213 out of 343 trading days, or 62.1% of the total number of trading days during the Review Period.

The Consideration Shares Issue Price of HK\$0.30 also represents (i) a premium of approximately 140.0% over the Lowest Closing Price of HK\$0.125 per Share; (ii) a discount of approximately 18.9% to the Highest Closing Price of HK\$0.37 per Share; (iii) a premium of approximately 15.4% over the Average Closing Price of approximately HK\$0.26 per Share; and (iv) a discount of approximately 26.3% and 28.6% to the audited net asset value per Share as at 31 December 2023 of approximately RM0.23 per Share (equivalent to HK\$0.41 per Share) and the unaudited net asset value per Share as at 30 June 2024 of approximately RM0.24 per Share (equivalent to HK\$0.42 per Share) respectively.

(b) Liquidity Analysis

Set out below are details of monthly trading volumes and the percentage of the Shares' average daily trading volume relative to the total number of issued Shares as at the end of the month during the Review Period:

Month	Total volume of Shares traded (Shares)	Number of trading days (days)	Average daily volume (Shares)	Number of issued Shares as at the end of the month (Shares)	% of average daily trading volume to the then total number of issued Shares as at the end of the month (%)
2023					
April	1,632,000	2	816,000	601,565,600	0.136
May	1,392,000	21	66,286	601,565,600	0.011
June	2,312,000	22	105,091	601,565,600	0.017
July	1,148,000	6	191,333	601,565,600	0.032
August	904,000	23	39,304	601,565,600	0.007
September	1,568,000	19	82,526	601,565,600	0.014
October	952,000	20	47,600	601,565,600	0.008
November	1,120,000	22	50,909	601,565,600	0.008
December	1,256,000	19	66,105	601,565,600	0.011

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Month	Total volume of Shares traded (Shares)	Number of trading days (days)	Average daily volume (Shares)	Number of issued Shares as at the end of the month (Shares)	% of average daily trading volume to the then total number of issued Shares as at the end of the month (%)
2024					
January	1,824,000	22	82,909	601,565,600	0.014
February	6,724,000	19	353,895	601,565,600	0.059
March	3,592,000	20	179,600	601,565,600	0.030
April	3,496,000	20	174,800	601,565,600	0.029
May	216,000	21	10,286	601,565,600	0.002
June	2,060,000	19	108,421	601,565,600	0.018
July	4,936,000	22	224,364	601,565,600	0.037
August	2,076,000	22	94,364	601,565,600	0.016
September	156,000	11	14,182	601,565,600	0.002

Source: Stock Exchange (www.hkex.com.hk)

As shown in the table above, the average daily volume of the Shares has been generally thin during the Review Period, with average trading volume between approximately 0.002% to approximately 0.136% to the then total number of issued Shares as at the end of their respective month. The highest average daily volume was approximately 816,000 Shares in April 2023, representing approximately 0.136% of the number of issued Shares. The lowest average daily volume was approximately 10,286 Shares in May 2024 and 14,182 Shares in September 2024 and up to the Latest Practicable Date, both representing approximately 0.002% of the number of issued Shares.

(c) Analysis of Comparable Consideration Shares Issue Transactions

To further assess the fairness and reasonableness of the Consideration Shares Issue Price, we have, on a best effort basis, researched and identified a list of transactions in relation to acquisitions involving the issue of consideration shares conducted by companies listed on the Stock Exchange (the “**Comparable Consideration Shares Issue Transactions**”) as announced and not terminated or lapsed during the period from 29 December 2023 to the date of the Supplemental Master Agreement No. 2 (being approximately six months prior to the date of the Master Agreement) (the “**Comparable Period**”). Considering that recent transactions are more relevant to assess the fairness and reasonableness of the Consideration Shares Issue Price, we are of the view that the Comparable Period of approximately six months is reasonable.

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Independent Shareholders should note that the principal business, market capitalisation, profitability and prospects of the Company are not the same as, or even substantially vary from, those of the Comparable Consideration Shares Issue Transactions and their respective issuers. Notwithstanding the above, the table below demonstrates the pricing of issues of consideration shares for acquisition purposes under recent market sentiment and provides a general reference for assessing the fairness and reasonableness of the Consideration Shares Issue Price.

We consider the Comparable Consideration Shares Issue Transactions fair and representative given (i) the Comparable Consideration Shares Issue Transactions adequately cover the prevailing market conditions and sentiments of the capital market in Hong Kong; (ii) the Comparable Consideration Shares Issue Transactions identified during the Comparable Period represent recent consideration shares issuance for acquisitions by companies listed on the Stock Exchange; (iii) the similarity of the nature of the consideration shares; and (iv) the sufficient sample size of the Comparable Consideration Shares Issue Transactions identified.

Set out below are the details of the Comparable Consideration Shares Issue Transactions:

Date of announcement	Company name (stock code)	Premium/(discount) of the issue price over/(to)		
		The closing price per share on/prior to the date of agreement	the average closing price per share for the last five consecutive trading days prior to/up to and including the date of agreement	the average closing price per share for the last ten consecutive trading days prior to/up to and including the date of agreement
21 December 2023	China HK Power Smart Energy Group Limited (931.HK)	(1.2)%	(1.2)%	(2.6)%
27 December 2023	Zhongshi Minan Holdings Limited (8283.HK)	(18.6)%	(16.4)%	(22.2)%
29 December 2023	C-Link Squared Limited (1463.HK)	0.0%	0.0%	0.0%
29 December 2023	Huili Resources (Group) Limited (1303.HK)	37.9%	31.2%	32.7%
4 January 2024	China Oral Industry Group Holdings Limited (8406.HK)	9.1%	11.5%	10.8%
23 January 2024	International Genius Company (33.HK)	5.3%	(2.9)%	(8.8)%
26 January 2024	Hao Bai International (Cayman) Limited (8431.HK)	(18.2)%	(18.3)%	(13.6)%
19 February 2024	China Youran Dairy Group Limited (9858.HK)	32.2%	33.3%	34.5%
21 February 2024	V.S. International Group Limited (1002.HK)	191.7%	196.6%	192.9%
29 February 2024	PAK TAK INTERNATIONAL LIMITED (2668.HK)	(4.0)%	3.1%	(0.9)%

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Date of announcement	Company name (stock code)	Premium/(discount) of the issue price over/(to)		
		The closing price per share on/prior to the date of agreement	the average closing price per share for the last five consecutive trading days prior to/up to and including the date of agreement	the average closing price per share for the last ten consecutive trading days prior to/up to and including the date of agreement
12 March 2024	E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED (8475.HK)	(16.8)%	(19.0)%	(19.7)%
25 March 2024	Unity Enterprise Holdings Limited (2195.HK)	(16.0)%	(19.2)%	(20.2)%
9 April 2024	XD Inc. (2400.HK)	0.0%	(0.4)%	(7.3)%
17 April 2024	FUTURE DATA GROUP LIMITED (8229.HK)	(17.7)%	(15.8)%	(12.1)%
24 May 2024	Hans Energy Company Limited (554.HK)	99.0%	103.6%	131.4%
24 May 2024	NEW CITY DEVELOPMENT GROUP LIMITED (456.HK)	76.7%	0.00%	14.3%
25 June 2024	Huili Resources (Group) Limited (1303.HK)	(12.7)%	(17.2)%	(11.5)%
26 June 2024	FUTURE WORLD HOLDINGS LIMITED (572.HK)	0.0%	4.2%	5.7%
7 July 2024	China Health Group Limited (673.HK)	(14.9)%	(16.0)%	(16.2)%
Maximum		191.7%	196.6%	192.9%
Minimum		(18.6)%	(19.2)%	(22.2)%
Average		17.5%	13.5%	15.1%
Median		0.00%	(0.4)%	(2.6)%
Consideration Shares Issue Price		42.9%	59.4%	57.3%

Source: Stock Exchange (www.hkex.com.hk)

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The issue price of the Comparable Consideration Shares Issue Transactions, as compared to the closing price per share on/prior to the date of agreement, ranged from a discount of approximately 18.6% to a premium of approximately 191.7% with an average premium of 17.5% and a median discount of nil%. The Consideration Shares Issue Price of HK\$0.30 per Consideration Share represents a premium of approximately 42.9% compared to the closing price per Share on or before the date of the Supplemental Master Agreement No. 2. This premium falls within the range of the premiums seen in Comparable Consideration Shares Issue Transactions and significantly exceeds the average premium and median discount of those transactions.

The issue price of the Comparable Consideration Shares Issue Transactions, as compared to the average closing price per share for the last five consecutive trading days prior to/up to and including the date of agreement, ranged from a discount of approximately 19.2% to a premium of approximately 196.6% with an average premium of 13.5% and a median discount of 0.4%. The Consideration Shares Issue Price of HK\$0.30 per Consideration Share represents a significant premium of approximately 59.4% compared to the last five consecutive trading days prior to/up to and including the date of the Supplemental Master Agreement No. 2. This premium falls within the range of the premiums seen in Comparable Consideration Shares Issue Transactions and significantly exceeds the average premium and median discount of those transactions.

The issue price of the Comparable Consideration Shares Issue Transactions, as compared to the average closing price per share for the last ten consecutive trading days prior to/up to and including the date of agreement, ranged from a discount of approximately 22.2% to a significant premium of approximately 192.9% with an average premium of 15.1% and median discount of 2.6%. The Consideration Shares Issue Price of HK\$0.30 per Consideration Share represents a premium of approximately 57.3% compared to the last ten consecutive trading days prior to/up to and including the date of the Supplemental Master Agreement No. 2. This premium falls within the range of the premiums seen in Comparable Consideration Shares Issue Transactions and significantly exceeds the average premium and median discount of those transactions.

Having considered that (i) the premium of the Consideration Shares Issue Price over the closing price per share on or before the date of the Supplemental Master Agreement No. 2, as well as over the average closing price per share for the preceding five and ten consecutive trading days up to and including the date of the Supplemental Master Agreement No. 2, significantly surpasses the average premium and median discount observed in the Comparable Consideration Shares Issue Transactions; (ii) the Consideration Shares Issue Price is higher than the closing prices of the Shares on approximately 62.1% of the total number of trading days during the Review Period; (iii) the Consideration Shares Issue Price falls within the range of closing price during the Review Period; and (iv) the trading of Shares are inactive throughout the Review Period as illustrated in the paragraph headed “Liquidity Analysis” in this letter, we are of the view that the Consideration Shares Issue Price is fair and reasonable.

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7. Payment terms

Under the Master Agreement (as supplemented by the Supplemental Master Agreement), the Consideration of approximately RM61,982,000 shall be paid by the Company for and on behalf of the Purchaser in the following manner:

- (1) the Cash Consideration of approximately RM7,437,840 shall be paid in the following manner and shall form part of the Consideration on the Unconditional Date:
 - (a) 10% of the Consideration (equivalent to RM6,198,200) shall be paid in cash within 14 days from the date of the Master Agreement; and
 - (b) 2% of the Consideration (equivalent to RM1,239,640) shall be paid in cash within 14 days from the date of the Supplemental Master Agreement; and
- (2) the Consideration Balance of approximately RM54,544,160 shall be satisfied by the Consideration Shares Issue within the Consideration Shares Settlement Period.

We note that the first tranche and second tranche of the Cash Consideration has been paid to PRGH. The settlement of the remaining Consideration by the Consideration Shares Issue would prevent the Group from further cash outflow and debt accumulation, while also preserving cash for financing the Group's other projects and general working capital purpose.

The Cash Consideration of RM7,437,840 has been settled and paid about a year ago whilst the Properties have not been transferred due to unfulfillment of conditions precedent. We consider there is a potential deposit interest income forgone from the Purchaser's perspective. Taking into account of the Overnight Policy Rate in Malaysia of 3% as at the date of the Supplemental Master Agreement No. 2, the amount of the interest income forgone by the Purchaser would be approximately RM223,135.

8. Adjusted Consideration

The Consideration was determined after arm's length negotiation between PRGH and the Purchaser having regard to the Valuation (Original) of RM70.4 million as at 5 July 2023 appraised by the Independent Valuer. According to the Valuation Report (Update) on the Properties prepared by the Independent Valuer as set out in the Appendix III to the Circular (Update), the Valuation (Update) amounted to RM65.2 million, representing a decrease of approximately 7.4% when compared to the Valuation (Original).

On the other hand, as illustrated in the section headed "Analysis of the historical Share price performance" in this letter, the Share price has exhibited a declining pattern during the Review Period, with the closing price per share at HK\$0.21 as at the date of the Supplemental Master Agreement No. 2 representing a substantial decrease of approximately 34.4% from the closing price of HK\$0.32 per share quoted on the Stock Exchange on the date of the Master Agreement.

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Taking into account the changes in the valuation of the properties and the Company's market capitalisation from the date of the Master Agreement and the Supplemental Master Agreement No. 2 and the interest income forgone by the Purchaser, we further assess the Consideration by aligning it with the closing price of the Share as at the date of the Supplemental Master Agreement No. 2. Set out below is the calculation of the adjusted Consideration (the “**Adjusted Consideration**”):

	<i>RM('000)</i>
Cash consideration paid in cash within 14 days from the date of the Master Agreement	6,198.2
Cash consideration paid in cash within 14 days from the date of the Supplemental Master Agreement	1,239.6
Deposit interest income forgone by the Purchaser	223.1
Implied value of the Consideration Balance adjusted for closing price of the Shares of HK\$0.21 per Share as at the trading day prior to the date of the Supplemental Master Agreement No. 2 (321,756,000 Consideration Shares *HK\$0.21/ 1.7697*)	<u>38,180.9</u>
The Adjusted Consideration	<u><u>45,841.8</u></u>

Note: RM1.0 to HK\$1.7697 according to the Agreed Exchange Rate

Based on the above calculation, the Adjusted Consideration of approximately RM45.8 million represents a discount of approximately 29.7% to the Valuation (Update).

Based on above, it is evident that the delayed delivery of the Properties would result in additional time-related costs for the Purchaser. However, after incorporating the time cost into the Adjusted Consideration, the premium associated with the Valuation (Update) appears to adequately offset such time costs. Therefore, we consider that the payment terms, once the time costs are considered, are reasonable and justifiable.

LETTER FROM OCTAL CAPITAL

9. Dilution effect

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date (Scenario A) and (ii) immediately after the issuance and allotment of the Consideration Shares (assuming there will not be any change in the issued share capital of the Company from the Latest Practicable Date other than the allotment and issue of the Consideration Shares) (Scenario B):

	Scenario A		Scenario B	
	<i>Number of Shares held</i>	<i>Approximate % of shareholding (note 1)</i>	<i>Number of Shares held</i>	<i>Approximate % of shareholding (note 2)</i>
Shareholder				
PRGH	303,468,000	50.45%	625,224,000	67.72%
Dato' Lua Choon Hann (note 3)	260,000	0.04%	260,000	0.03%
Kang Boon Lian	200,000	0.03%	200,000	0.02%
Dato' Ng Yan Cheng (note 4)	<u>66,693,600</u>	<u>11.09%</u>	<u>66,693,600</u>	<u>7.22%</u>
Sub-total:	<u>370,621,600</u>	<u>61.61%</u>	<u>692,377,600</u>	<u>74.99%</u>
Public				
Jim Ka Man (note 5)	57,368,000	9.54%	57,368,000	6.21%
Other public Shareholders	<u>173,576,000</u>	<u>28.85%</u>	<u>173,576,000</u>	<u>18.80%</u>
Sub-total	<u>230,944,000</u>	<u>38.39%</u>	<u>230,944,000</u>	<u>25.01%</u>
Total	<u><u>601,565,600</u></u>	<u><u>100.00%</u></u>	<u><u>923,321,600</u></u>	<u><u>100.00%</u></u>

Notes:

1. On the basis of 601,565,600 Shares in issue as at the Latest Practicable Date.
2. On the basis of 923,321,600 Shares in issue as enlarged by the issue of the Consideration Shares.
3. Dato' Lua Choon Hann and Er. Kang Boon Lian are executive Directors.
4. Dato' Ng Yan Cheng, is a connected person of the Company for being a director of certain subsidiaries of the Company, the father of Mr. Ng Tzee Penn, a non-executive Director and the father-in-law of Mr. Andrew Chan Lim-Fai, an executive Director. Dato' Ng Yan Cheng is a core connected person of the Company and Shares held by him will not be regarded as being in the public hands under Rule 11.23(7).

LETTER FROM OCTAL CAPITAL

5. According to the disclosure of interest form filed by Jim Ka Man, Jim Ka Man was deemed to be interested in 57,368,000 Shares of which 53,572,000 Shares were beneficially owned by her and she was deemed to be interested in 3,796,000 Shares held directly by her spouse under Part XV of the SFO. Jim Ka Man was a director of a subsidiary of the Company on the date of the conditional sale and purchase agreement dated 27 April 2023 entered into between PRGH as vendor, the Purchaser as purchaser and the Company and was therefore a core connected person of the Company as at that date. Jim Ka Man has ceased as a core connected person of the Company upon her resignation as such a director on 31 May 2023 prior to the date of the Supplemental Master Agreement and the Shares held by her are regarded as being in the public hands under Rule 11.23(7) as from the date of her resignation.

As shown in the shareholding table above, upon Completion, a total of 321,756,000 Consideration Shares will be issued to PRGH as the Consideration Balance pursuant to the Master Agreement. As a result, the existing Share capital in issue will be enlarged by approximately 53.49% upon Completion. The aggregate shareholding of the existing public Shareholders will then be diluted from approximately 38.39% to approximately 25.01%, representing a dilution of approximately 13.38%.

We noted that the issuance of the Consideration Shares will result in a dilution effect for the public Shareholders. Nonetheless, taking into account (i) the Consideration Shares Issue Price is fair and reasonable as elaborated above; (ii) the information set out under the section headed “Reasons for and benefits of the Purchase” in this letter; and (iii) the issue of Consideration Shares can reduce the Company’s cash outflow for the Purchase and allows the Group to preserve cash for financing the Group’s other projects and general working capital purpose, we concur with the Directors that the level of dilution is fair and reasonable to the Shareholders.

10. Financial effect of the Purchase

Upon Completion, the Properties will be recognized as non-current assets of the Group at their costs at the time of acquisition, being the aggregate of the consideration of RM61,982,000 and the directly attributable expenditure incurred by the Company for the Purchase.

Given that upon Completion, the Properties will be recognised as non-current assets of the Group at their costs at the time of acquisition, being the aggregate of the Consideration of RM61,982,000 and the directly attributable expenditure incurred by the Company for the Purchase, such as stamp duty and professional fee. Specifically, the Properties which are to be held solely for rental or for sale would be classified as “investment property”. The Company has already settled the Cash Consideration with internal cash resources. The issuance of the Consideration Shares for the Consideration Balance will enhance the net asset value of the Group. Overall, it is expected that the Purchase will have positive financial impact on the net asset value of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial results and the financial position of the Group will be upon the Completion.

LETTER FROM OCTAL CAPITAL

Opinion and Recommendation

Having considered the principal factors and reasons as discussed above, we are of the opinion that the entering into the Master Agreement involving the Consideration Shares Issue is not in the ordinary and usual course of business of the Group because of its “one-off” nature. Nevertheless, the terms and conditions of the Master Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder, including without limitation, the Purchase and the Consideration Shares Issue.

Yours faithfully
For and on behalf of
Octal Capital Limited

Alan Fung
Managing Director

Wong Wai Leung
Executive Director

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 30 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer of Type 9 (asset management) regulated activities. Mr. Wong has accumulated decades of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code.

1. FINANCIAL SUMMARY OF THE GROUP

Details of the audited consolidated financial statements of the Group for the years ended 31 December 2021, 2022 and 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.furniweb.com.my).

- (i) The audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 30 March 2022, from pages 79 to 147:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0330/2022033001638.pdf>

- (ii) The audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 30 March 2023, from pages 77 to 141:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000936.pdf>

- (iii) The audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 15 April 2024, from pages 79 to 147:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0415/2024041501171.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2024 (“**Date of Statement of Indebtedness**”), being the latest practicable date for the purpose this indebtedness statement, the indebtedness of the Group was as follows:

Borrowings

Secured borrowings from banks of approximately RM14,559,000 which were secured by a pledge over the Group’s freehold land, buildings and machinery, right-of-use assets, properties of the spouse of a director of a subsidiary of the Company, and joint and several personal guarantee for all monies by the directors of the subsidiaries of the Company.

Lease liabilities

The Group had lease liabilities (comprising both current and non-current liabilities) of approximately RM8,001,000.

Contingent liabilities

The Group had issued unsecured guarantees of RM14,449,000 to third parties in respect of trade and contract.

Disclaimer

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, and any outstanding term loans, borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on the Date of Statement of Indebtedness, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this circular. Save as aforesaid, the Directors are not aware of any material changes in the indebtedness, contingent liabilities and commitments of the Group since the Date of Statement of Indebtedness up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT OF THE GROUP

The Directors are of the opinion that taking into account the existing banking and other borrowing facilities available, the existing cash and bank balances and the effect of the Purchase, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As at 31 December 2023, being the date to which the Group's latest published audited financial statements were made up, the Group has a total shareholders' funds of approximately RM138.4 million. The Group was in a net cash position as at 31 December 2023. The Directors expect that the Group will continue to maintain a strong financial position to support the business operations.

The Group is principally engaged in the manufacturing and sales of elastic textile, webbing and rubber tape, and energy efficiency business.

The prevailing economic conditions, marked by higher-than-anticipated inflation rates and interest rate hikes have triggered a ripple effect across global household consumption patterns. The economic condition is further compounded by negative spillovers emanating from the conflict in Ukraine and the sluggish recovery trajectory of China, which collectively contribute to heightened uncertainty in the global economic landscape. For manufacturing sector, grappling with supply chain disruptions, escalating cost due to inflation, and subdued demand due to higher interest rates poses formidable challenges to sustaining operational efficacy and

profitability. In response to this dynamic landscape, the Group has adopted a strategic approach, recalibrating market strategies, revisiting pricing frameworks, and streamline cost structures to maintain competitiveness.

In parallel, the energy efficiency sector witnesses a surge in global energy consumption amidst higher energy prices and apprehensions surrounding potential disruptions in oil and gas supplies. Simultaneously, escalating concerns about climate change drives governments worldwide to enact stringent policies emphasizing energy efficiency, greenhouse gas reduction, and sustainability. Within this shifting paradigm, the growth prospects for businesses operating in the energy efficiency sector remain promising, buoyed by government support for environment initiative and increasing focus on environmental, social, and governance considerations.

The global economy is facing an increasingly gloomy and uncertain outlook, the Group will remain resilient and vigilant to manage the associated risks in order to maintain the sustainability of the businesses.

The following is the text of letter and valuation report on the Properties, prepared for the purpose of incorporation in this circular, received from LOO BOON WEI, an independent valuer, in connection with his valuation on the Properties as at 14 July 2023.

14 July 2023

VPC Alliance (PJ) Sdn. Bhd.

No. 6, 1st Floor, Jalan SS26/4,
Taman Mayang Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

FURNIWEB HOLDINGS LIMITED

Lot 1883, Jalan KPB 9,
Kg. Bharu Balakong,
43300 Seri Kembangan,
Selangor Darul Ehsan.

Attn: Board of Directors

Dear Sir/Madam,

REPORT AND VALUATION OF 50 UNITS OF CONDOMINIUM LOCATED ON FLOOR LEVEL FROM 16 TO 37, WITHIN AN ON-GOING RESIDENTIAL DEVELOPMENT KNOWN AS PICASSO RESIDENCE, JALAN JELATEK, KUALA LUMPUR HELD UNDER MASTER TITLE NO. PAJAKAN NEGERI 52579, LOT NO. 20010, SEKSYEN 88, BANDAR AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (HEREINAFTER COLLECTIVELY REFERRED TO AS THE “SUBJECT PROPERTY”).

We were instructed by **Furniweb Holdings Limited (“FURNIWEB”)** to assess the Market Value of 50 units of condominium located within an on-going residential development known as Picasso Residence, Jalan Jelatek, Kuala Lumpur held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, (hereinafter referred to as the “**Subject Property**”) for the purpose of **THE PROPOSED ACQUISITION OF THE SUBJECT PROPERTY FROM PRG HOLDINGS BERHAD (“PRGH”) TO PRG LAND SDN BHD (“PRG LAND”), A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRGH.**

We are specifically instructed by the client to provide the Market Value of the **Subject Property** on the assumptions that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC) issued by the relevant authority.

We have inspected the **Subject Property** and investigated available information and data relevant to the **Subject Property**. This valuation has been prepared in accordance with the Malaysian Valuation Standards and the International Valuation Standards.

We are of the opinion that the Market Value of the **Subject Property** held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, **ON THE ASSUMPTIONS** that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances is as per follows:

No.	Unit No.	Built Up (Sq. Ft.)	Market Value		No.	Unit No.	Built Up (Sq. Ft.)	Market Value	
			Market Value (RM)	p.s.f. (RM)				Market Value (RM)	p.s.f. (RM)
1	A-16-01	1,668	1,515,000	908	26	A-31-02	1,668	1,540,000	923
2	A-16-02	1,668	1,515,000	908	27	A-31-08	1,668	1,585,000	950
3	A-17-01	1,668	1,520,000	911	28	A-32-02	1,668	1,540,000	923
4	A-17-02	1,668	1,520,000	911	29	A-32-08	1,668	1,585,000	950
5	A-17-03	1,668	1,565,000	938	30	A-33-01	1,668	1,540,000	923
6	A-18-01	1,668	1,520,000	911	31	A-33A-01	1,668	1,545,000	926
7	A-18-08	1,668	1,565,000	938	32	A-33A-02	1,668	1,545,000	926
8	A-19-01	1,668	1,520,000	911	33	A-33A-08	1,668	1,590,000	953
9	A-19-02	1,668	1,520,000	911	34	A-35-08	1,668	1,590,000	953
10	A-19-03	1,668	1,565,000	938	35	A-26-03A	1,013	1,110,000	1,096
11	A-20-02	1,668	1,520,000	911	36	A-26-05	1,013	1,080,000	1,066
12	A-20-03	1,668	1,570,000	941	37	A-27-07	1,013	1,115,000	1,101
13	A-21-01	1,668	1,525,000	914	38	A-28-3A	1,013	1,115,000	1,101
14	A-21-02	1,668	1,525,000	914	39	A-28-05	1,013	1,085,000	1,071
15	A-21-03	1,668	1,570,000	941	40	A-29-3A	1,013	1,115,000	1,101
16	A-22-01	1,668	1,525,000	914	41	A-30-03A	1,013	1,120,000	1,106
17	A-22-03	1,668	1,570,000	941	42	A-31-03A	1,013	1,120,000	1,106
18	A-23-01	1,668	1,525,000	914	43	A-33-06	1,013	1,090,000	1,076
19	A-23A-01	1,668	1,530,000	917	44	A-33A-03A	1,013	1,125,000	1,111
20	A-23A-08	1,668	1,575,000	944	45	A-33A-07	1,013	1,125,000	1,111
21	A-25-02	1,668	1,530,000	917	46	A-35-07	1,013	1,125,000	1,111
22	A-25-03	1,668	1,575,000	944	47	A-36-06	1,013	1,095,000	1,081
23	A-25-08	1,668	1,575,000	944	48	A-36-05	1,013	1,095,000	1,081
24	A-28-01	1,668	1,535,000	920	49	A-37-06	1,013	1,095,000	1,081
25	A-28-08	1,668	1,580,000	947	50	A-37-07	1,013	1,130,000	1,115

TOTAL MARKET VALUE: RM70,355,000/- (RINGGIT MALAYSIA: SEVENTY MILLION, THREE HUNDRED AND FIFTY-FIVE THOUSAND ONLY).

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

The values indicated above are to be read in the context of our full valuation report contained herein.

Yours faithfully,

VPC ALLIANCE (PJ) SDN BHD

LOO BOON WEI

MPEPS, MMIPFM, MRISM

Registered Valuer (V 988)

Sr. Loo Boon Wei is a Registered Valuer with over 22 years' experience in real estate valuation, estate agency and property management in Malaysia. Mr. Loo is a committee member of the Estate Agency Practice Committee (EAPC) of the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia (BOVEAP) (2023–2024) and a Secretary General of Malaysian Institute of Professional Estate Agents and Consultants (MIPEAC) (2022–2023) as well as a member of the Royal Institution of Surveyors Malaysia (RISM) and a member of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS).

1. TERMS OF REFERENCE

We were instructed by **FURNIWEB** to assess the Market Value of 50 units of condominium located within an on-going residential development known as Picasso Residence, Jalan Jelatek, Kuala Lumpur held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, (hereinafter referred to as the “**Subject Property**”) for the purpose of **THE PROPOSED ACQUISITION OF THE SUBJECT PROPERTY FROM PRGH TO PRG LAND, A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRGH.**

We are specifically instructed by the client to provide the Market Value of the **Subject Property** on the assumptions that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC) by the relevant authority.

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

This valuation report is subject to the “Limiting Conditions” attached to the end of this report and to such limiting statements, conditions and assumptions, if any, contained elsewhere in the body of this report.

This report is intended for the use of the party to whom it is addressed to and shall not be utilized by any other party unless prior written consent has been obtained from us. We assume no liability to any third party who utilizes this report without our prior written consent.

This valuation had been carried out in accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers and the International Valuation Standards issued by the International Valuation Standards Council.

2. INTEREST TO BE VALUED

The interest to be valued is the Market Value of 50 units of under construction condominium located within a residential development known as Picasso Residence, Jalan Jelatek, Kuala Lumpur held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.

This valuation report is subject to the “Limiting Conditions” attached to the end of this report and to such limiting statements, conditions and assumptions, if any, contained elsewhere in the body of this report.

This report is intended for the use of the party to whom it is addressed to and shall not be utilized by any other party unless prior written consent has been obtained from us. We assume no liability to any third party who utilizes this report without our prior written consent.

3. BASIS OF VALUATION

Market Value

Our basis of valuation is the **Market Value**. Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

Each element of the definition has its own conceptual framework.

- a) *“The estimated amount”* refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market Value* is the most probable price reasonably obtainable in the market on the valuation date in keeping with the *Market Value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.
- b) *“An asset or liability should exchange”* refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the *Market Value* definition at the valuation date.
- c) *“On the valuation date”* requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as the valuation date, not those at any other date.
- d) *“Between a willing buyer”* refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”.
- e) *“And a willing seller”* is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset

at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.

- f) “*In an arm’s length transaction*” is one between parties who do not have a particular or special relationship e.g., parent and subsidiary companies or landlord and tenant that may make the price level uncharacteristic of the market or inflated. The *Market Value* transaction is presumed to be between unrelated parties, each acting independently.
- g) “*After proper marketing*” means that the asset has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the *Market Value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.
- h) “*Where the parties had each acted knowledgeably, prudently*” presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.
- i) “*And without compulsion*” establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

4. DATE OF INSPECTION

The **Subject Property** was inspected on 5th July 2023 by Sr. Loo Boon Wei (V 988) and Mr. Wong Wan Sang (PV 2657).

5. DATE OF VALUATION

The date of inspection of the **Subject Property** i.e. 5th July 2023 is to be taken as the material date of valuation.

6. LOCATION AND ACCESSIBILITY

The **Subject Property** is fronts onto Jalan Jelatek, Kuala Lumpur. Geographically, the site of the **Subject Property** (hereinafter referred to as “**the Subject Site**”) is located adjacent to the Jelatek Fire and Rescue Station and Klang River, north of the intersection between Jalan Ampang and Jalan Jelatek, opposite to a condominium known as Suria Jelatek Residence and a high-rise low-cost apartment known as PPR Jelatek. It is sited approximately 500 metres to the north of Great Eastern Mall, 4 kilometres to the east of Petronas Twin Towers and about 6 kilometres to the northeast of the Kuala Lumpur Golden Triangle region.

The **Subject Property** is accessible from various main roads such as Jalan Ampang and Ampang-Kuala Lumpur Elevated Highway (AKLEH). It further connects the Middle Ring Road 2 (MRR 2), Jalan Tun Razak, Jalan Sultan Ismail and Jalan Raja Abdullah. The accessibility to the site is expected to be further enhanced upon the completion of the DUKE 3 highway.

Access to the **Subject Property** from Kuala Lumpur City Center is possible via Jalan Ampang. Alternatively, access to the **Subject Property** from Kuala Lumpur City Center is possible via Ampang — Kuala Lumpur Elevated Highway (AKLEH), Jalan Sultan Ismail, Jalan Ampang and thereafter onto Jalan Jelatek.

7. SURROUNDING DEVELOPMENTS

The immediate vicinity of the **Subject Property** is mainly developed for residential and commercial usage properties. Residential properties comprise of detached houses, condominiums, serviced residences and apartments whilst the commercial usage properties consist of retails lots, shopping centres, purpose-built office building, hotel, shop offices and petrol stations, which are mainly located along Jalan Ampang.

The landed residential properties are mostly located to the west and north of the subject site which are mainly detached houses within different development schemes such as Kampung Datuk Keramat and Taman U Thant. Terrace houses can be found to the north-east of the **Subject Property** within a housing scheme known as Taman Keramat. To the immediate south-west of the **Subject Property**, there are two medium-low rise apartments known as Enau Court and Bekay Court.

The nearest high-rise residential building is Suria Jelatek, which is located opposite the **Subject Property** along Jalan Jelatek. The other high-rise residential building that is nearby to the **Subject Property** include Brunsfield Embassyview Condominium, M Suites, Sri Mahkota Condominium, Seri Hening Residence, 2-Twelve Condominium, Sastra U-Thant Condominium, Damai 206, Damai 88, Damai Residence, to name a few. Some of the upcoming high-rise residential developments located within the immediate vicinity include Neu Suites, D’Rapport, NOVO Ampang, Datum Jelatek and 3rd Avenue Condominium. At the east of the **Subject Property**, there is an elevated Duke Highway which fronts onto Jalan Jelatek is under construction.

Notable commercial development which are located within the vicinity of the **Subject Property** include Great Eastern Mall, Wisma Chinese Chamber, 3 Towers, Ambassador Row Hotel Suites and Menara Perkeso. The **Subject Property** is also situated near to various embassies namely Embassy of the Republic of Korea, Embassy of Laos, Embassy of Romania, Embassy of Russia, Embassy of Italy and Embassy of Federal Republic of Somali, to name a few.

Education institutions that are located within the vicinity of the **Subject Property** includes SJKC Chung Hwa (P) Kuala Lumpur, SMK Puteri Ampang, SMK Seri Ampang, Sayfol International School and The International School of Kuala Lumpur. The Gleneagles Kuala Lumpur is located to the south-east of the **Subject Property**.

The Jelatek Light Rail Transit (“**LRT**”) station is located approximately 750 metres north of the **Subject Property**. Whilst the Dato Keramat LRT Station is located approximately 1.3 kilometers north-west of the **Subject Property**.

Leisure parks that are situated within the vicinity of the **Subject Property** include Jelatek Public City Park and Taman Tasik Ampang Hilir.

8. PARTICULARS OF TITLE

The master title particulars, of the **Subject Property**, as extracted from a title search conducted at Registry of Land Titles, Kuala Lumpur, Wilayah Persekutuan in Kuala Lumpur on 5th July 2023 is as follows:

Title No.	: Pajakan Negeri 52579
Lot No.	: Lot 20010 Seksyen 88
Town	: Bandar Kuala Lumpur
District	: Kuala Lumpur
State	: Wilayah Persekutuan Kuala Lumpur
Tenure	: Leasehold interest for 99 years expiring on 17th February 2108
Annual Rent	: RM10,302.00
Category of Land Use	: “Bangunan” (“ <i>Building</i> ”)
Land Area	: 14,307 square metres
Registered Owner	: Almaharta Sdn Bhd

- Express Condition : “Tanah ini hendaklah digunakan untuk bangunan kediaman bagi tujuan pangsapuri sahaja” (*“This land should be used for residential buildings for apartment purposes only”*)
- Restriction-In-Interest : “Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur” (*“This land cannot be transferred, leased, pledged or mortgaged without the permission of the Federal Territory Land Working Committee”*)
- Encumbrances/
Endorsement : Private caveat has been lodged twice by Premier De Muara Sdn Bhd on 16th October 2014 and 12th October 2020 respectively.

Note:

- a) The above search at the relevant Land Office is conducted to establish the title particulars and details relevant to the valuation of the Subject Property only. Although we have conducted a title search, we do not accept any responsibility for the accuracy, correctness of the title particulars and legal validity of the title. We recommend that legal advice be sought to verify the above title particulars from the relevant professional i.e. a solicitor.
- b) The interest in the property is regulated vide a Master Agreement (“**Agreement**”) dated 27th April 2023 between PRGH (the Vendor) and FURNIWEB and PRG Land (the Purchaser).

9. DESCRIPTION OF PROPERTY

The Site

The **Subject Site** is a parcel of development land held under the Master Title Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, measuring 14,307 square metres. The **Subject Site** is generally flat in terrain and lies about the same level as the frontage road, Jalan Jelatek.

At the date of inspection, we note that the **Subject Site** is under construction for the erection of the proposed development.

The Proposed Development

Vide an amended Approval Letter bearing Reference No. BP U3 OSC 2022 2026 (20) dated 5 December 2022 which was approved by DBKL, we noted that the development components and land uses on the Subject Site are as follows:

Development Component(s)	No. of Storey	No. of Car Park	No. of Condominium
Phase 1			
1) Block A — Condominium	38		270
2) Amenities/Facilities Area	1		
3) Car Park	5	1,046	
4) Guardhouse (1 unit)			
5) Refuse Room (1 unit)			
Phase 2			
1) Block B — Condominium	38		202
Total			472
Land Use(s)	Land Area (Square Meters)		%
1) Plinth for Building (Built-On)	7,153.50		50.00
2) Soft Landscape (Green Area)	1,430.70		10.00
3) 2M Perimeter Green (Green Area)	1,144.56		8.00
4) Hard Landscape (Road and Pedestrian Way)	3,219.08		22.50
5) Others	1,359.16		9.50
Total Land Use	14,307.00		100.00

The Subject Property

The **Subject Property** is an assumed completed 50 units of condominiums located on 16th to 37th floors of Block A, Picasso Residence at Jalan Jelatek, Kuala Lumpur.

Type C — KLCC view					Type A — Genting view				
No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)	No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)
1	16	A-16-01	Int.	1,668	35	26	A-26-03A	Corner	1,013
2	16	A-16-02	Int.	1,668	36	26	A-26-05	Int.	1,013
3	17	A-17-01	Int.	1,668	37	27	A-27-07	Corner	1,013
4	17	A-17-02	Int.	1,668	38	28	A-28-3A	Corner	1,013
5	17	A-17-03	Corner	1,668	39	28	A-28-05	Int.	1,013
6	18	A-18-01	Int.	1,668	40	29	A-29-3A	Corner	1,013
7	18	A-18-08	Corner	1,668	41	30	A-30-03A	Corner	1,013
8	19	A-19-01	Int.	1,668	42	31	A-31-03A	Corner	1,013
9	19	A-19-02	Int.	1,668	43	33	A-33-06	Int.	1,013
10	19	A-19-03	Corner	1,668	44	33A	A-33A-03A	Corner	1,013
11	20	A-20-02	Int.	1,668	45	33A	A-33A-07	Corner	1,013
12	20	A-20-03	Corner	1,668	46	35	A-35-07	Corner	1,013
13	21	A-21-01	Int.	1,668	47	36	A-36-06	Int.	1,013
14	21	A-21-02	Int.	1,668	48	36	A-36-05	Int.	1,013
15	21	A-21-03	Corner	1,668	49	37	A-37-06	Int.	1,013
16	22	A-22-01	Int.	1,668	50	37	A-37-07	Corner	1,013
17	22	A-22-03	Corner	1,668					
18	23	A-23-01	Int.	1,668					
19	23A	A-23A-01	Int.	1,668					
20	23A	A-23A-08	Corner	1,668					
21	25	A-25-02	Int.	1,668					
22	25	A-25-03	Corner	1,668					
23	25	A-25-08	Corner	1,668					
24	28	A-28-01	Int.	1,668					
25	28	A-28-08	Corner	1,668					
26	31	A-31-02	Int.	1,668					
27	31	A-31-08	Corner	1,668					
28	32	A-32-02	Int.	1,668					
29	32	A-32-08	Corner	1,668					
30	33	A-33-01	Int.	1,668					
31	33A	A-33A-01	Int.	1,668					
32	33A	A-33A-02	Int.	1,668					
33	33A	A-33A-08	Corner	1,668					
34	35	A-35-08	Corner	1,668					

As per the approved Advertising and Sales Permit bearing Reference No. 13965-1/08-2022/02548(P) for Picasso Residence with the validity period from 16th August 2022 to 15th August 2025, the brief description of two (2) types of layouts with its specifications are as follows:

Item(s)	Specifications
Structure	Reinforce Concrete Frame and Sher Wall
Wall	Cement/Sand Brick and Reinforced Concrete
Roofing Covering	Reinforced Concrete Flat Roof
Roof Framing	Reinforced Concrete
Ceiling	Plaster Board/Skim Coat and Paint
Windows	Aluminium Frame with Glass
Doors Main Entrance	Decorative Timber Door
Others	Timber Flush Door/Aluminium Glass Door/ Aluminium Louver Door (where applicable)
Ironmongery	Quality Locksets
Wall Finishes	Generally Plastering/Skim Coat and Emulsion Paint/Tiles
Floor Finishes	Cement Render/Tiles

Sanitary and Plumbing Fittings

Description	Type A	Type C
Kitchen Sink	1	2
Sitting W.C.	2	4
Long Bath	—	1
Wash Basin	2	3
Shower Rose	2	4
Hand Bidet	2	3
Bib Tap	1	2

Electrical Installation

Description	Type A	Type C
Lighting Points	17	25
Socket Outlet	19	23
Ceiling Fan Points	4	4
Air-Cond Points	4	5
Storage Heater Points	2	3
SMATV Points	2	2
Telephone Points	2	2
Data Outlet	1	1
Doorbell Point	1	1

Type A (2+1 Bedroom)**Type C (3+1 Bedroom)**

Accommodations	Living, dining, kitchen, a master bedroom with an attached bath/w.c., another bedroom, study room, a common bath/w.c. and yard.	Living, dining, kitchen, a master bedroom and another bedroom with an attached bath/w.c., another bedroom, a common bath/w.c., store/maid room, a toilet and yard.
Carpark(s)	1 unit	2 units

10. PLANNING PROVISION

The **Subject Property** is designated for residential use as per the express condition stated in the document of title.

11. EXISTING USE AND OCCUPANCY STATUS

As at the date of our site inspection, we noted that the subject site is undergoing construction of the aforementioned development. We were informed by the developer that Block A (phase 1 of the development) is estimated to be completed by 4th Quarter of 2023.

12. PUBLIC SERVICES

Mains water, electricity and telephone lines are ready for connection to the **Subject Property**.

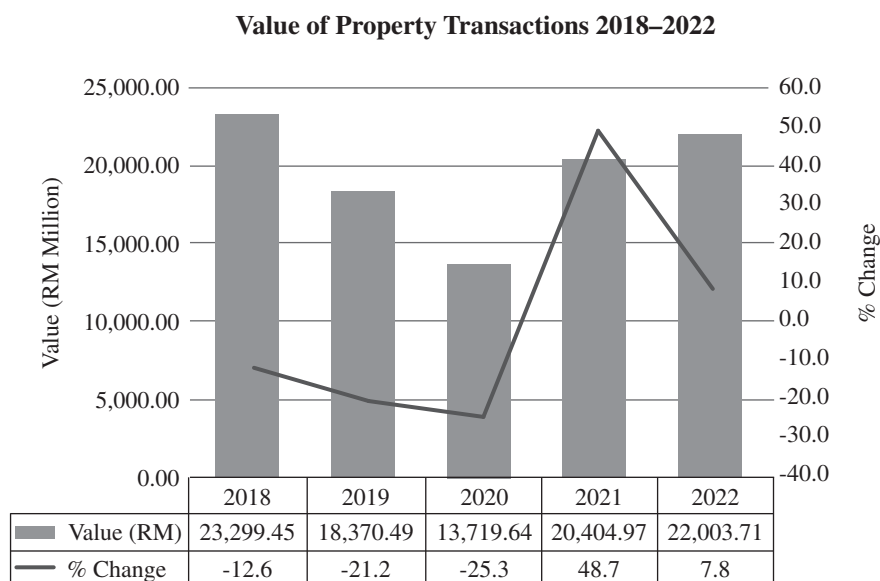
Public transport in the form of buses and taxis is available along the main road of Jalan Jelatek.

Street lighting, road maintenance, sewage disposal and rubbish collection are provided by relevant authorities such as DBKL, Indah Water Konsortium and Alam Flora.

13. MARKET OBSERVATION — WILAYAH PERSEKUTUAN KUALA LUMPUR**Overview**

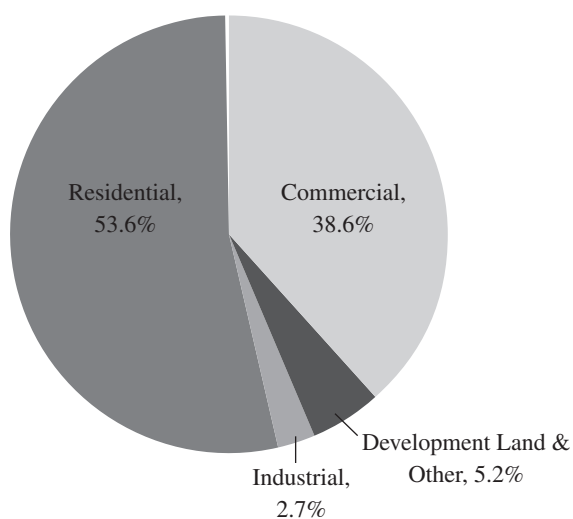
The state's property market continued to strengthen in 2022 indicated by the higher volume and value of transaction as compared to last year performance. The review period registered 18,312 transactions with a total value of RM22.00 billion, increased by 25.0% and 7.8% in volume and value respectively against 2021 (14,652 transactions worth RM20.40 billion). Residential sub-sector continued to propel the overall market, accounting for 72.0% of the state's property market volume transaction followed by the commercial (26.1%), development land (1.1%) and industrial (0.8%) sub-sectors.

Market activities across all sub-sectors witnessed uptrend movements. Residential, commercial, industrial and development land and others sub-sectors increased by 18.4%, 46.9%, 53.6% and 16.0% respectively. In term of value, residential and industrial sub-sectors showed uptrend whereas commercial and development land and others sub-sectors recorded otherwise.



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2022

Contribution to Transaction Value by Sub-sector 2022

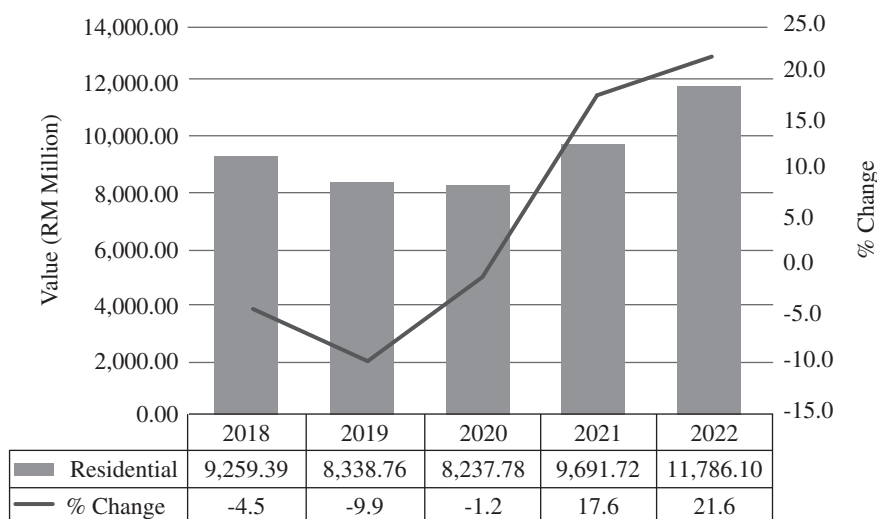


Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2022

TRANSACTION OF RESIDENTIAL PROPERTY

The residential sub-sector's market performance improved in the review period with 13,182 transactions worth RM11.79 billion, increase 18.4% and 21.6% in volume and value respectively against 2021 (11,129 transactions worth RM9.69 billion). Condominium and apartment units continued to propel the residential market, contributed 50.0% (6,589 units) of the total transactions.

Value of Residential Property Transactions 2018–2022

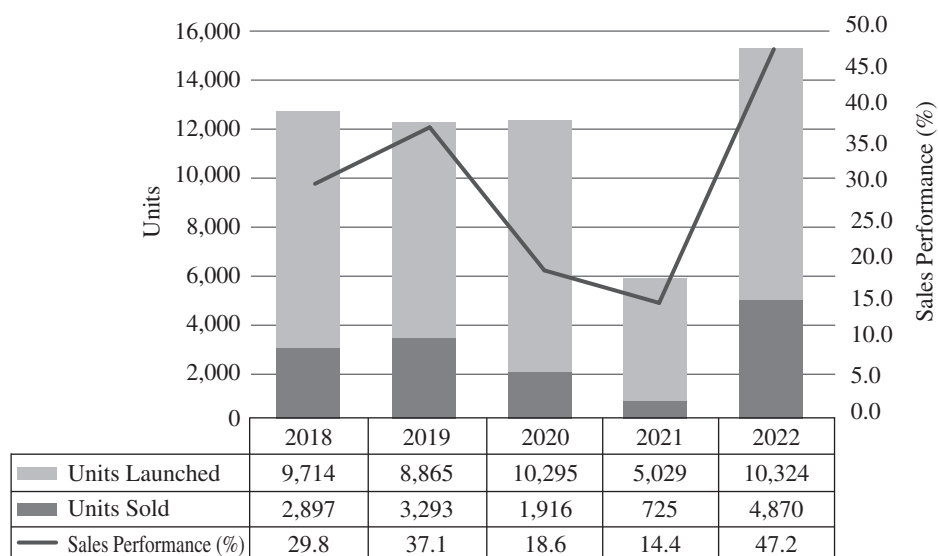


Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2022

NEW LAUNCHES OF RESIDENTIAL PROPERTY

The primary market saw more number of new launches with 10,324 units, increased by 105.3% compared to 5,029 units launched in 2021. Sales performance for new launches recorded higher at 47.2% compared to 2021 (14.4%). Apartments and condominiums contributed all of the total.

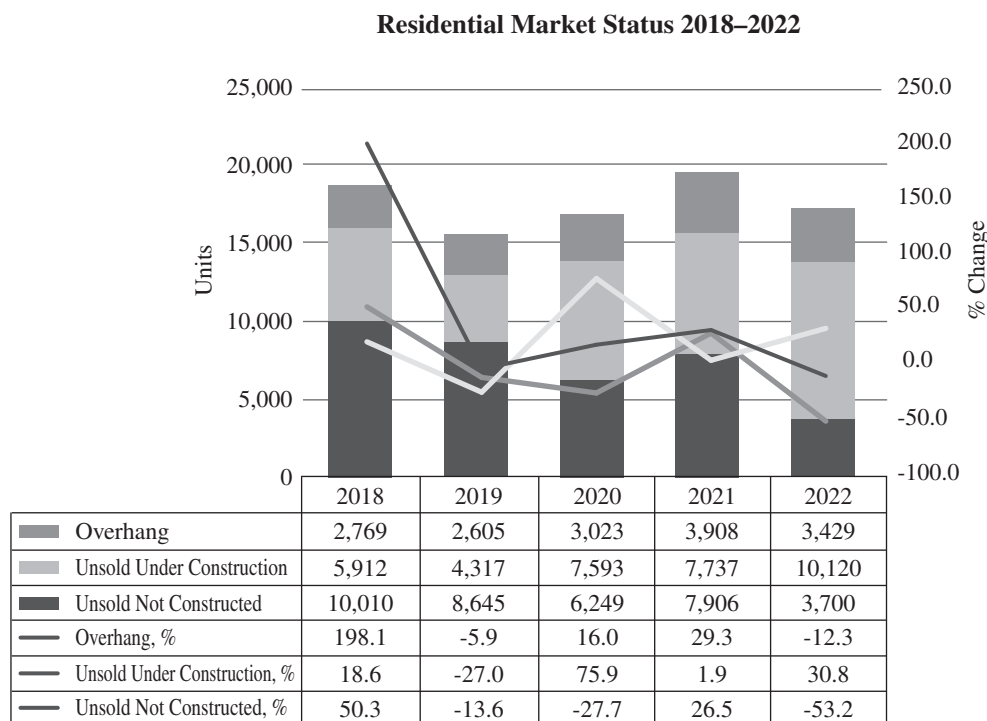
New Launches and Sales Performance 2018–2022



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2022*

MARKET STATUS OF RESIDENTIAL PROPERTY

The residential overhang units and unsold not constructed reduced while unsold under construction witnessed increasing numbers in the review period.



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2022

CONSTRUCTION ACTIVITY OF RESIDENTIAL PROPERTY

Construction activities was on a low mode. As at end-2022, there were 535,937 existing residential units with another 41,647 units in the incoming supply and 57,674 units in the planned supply.

PRICE AND RENTAL OF RESIDENTIAL PROPERTY

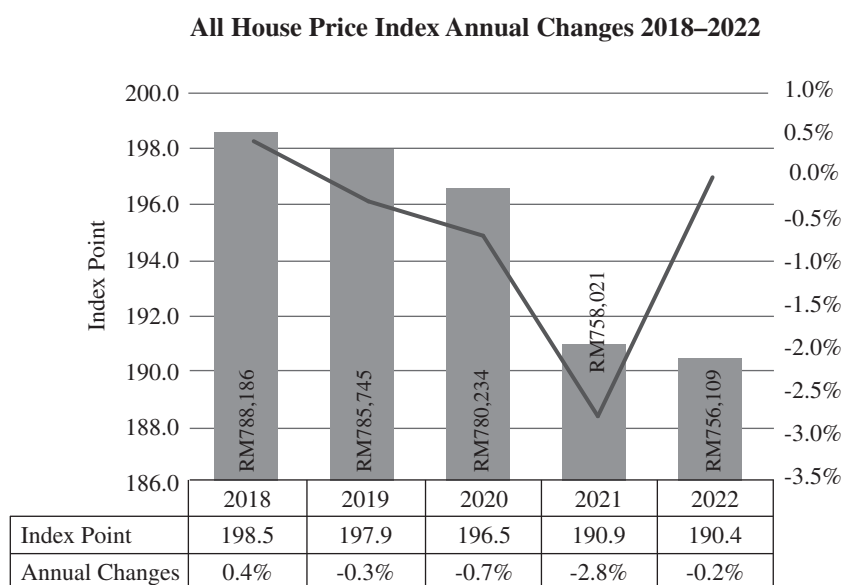
Price of residential property recorded mixed movements across the board. Several single storey terraced houses schemes located in Mukim Kuala Lumpur enjoyed capital appreciation of 2.9% to 13.8% while several double storey terraced houses schemes in Mukim Petaling also registered capital gains 2.6% to 10.5%.

Meanwhile apartment and condominium units also recorded minimal capital gains across the board. Several schemes portrayed double-digit growth namely Bam Villas (10.9%), Sri Jinjang court (16.6%), Vista Harmoni (12.3%), Abadi Indah Apartment (16.2%), Faber Heights (11.3%), Jasmine Court (13.8%), Pantai Panorama Kondo (10.7%), Tiara Faber (10.1%), Bistari Condo (13.0%), Menara Belfield (15.8%), Sri Bukit Persekutuan (16.0%), The Orion (10.3%), Anjali North Kiara (13.3%), Ceriaan Kiara (12.7%), Hartamas Regency (13.3%),

Hartamas Regency 2 (10.9%), The Westside Three (Desa Parkcity) (11.5%), Villa Lagenda Condo (10.7%), One Menerung (10.2%), Pantai Hillpark Apartment (11.1%), The Trellises (13.9%), Bukit OUG (13.7%), Gurney Height (10.4%), Madu Mas (10.1%) and Seri Riana (12.8%).

As at 2022P, the All House Price Index for the state stood at 190.4 points, down by 0.2% from 190.9 points in 2021. The average All House Price as at 2022P stood at RM756,109, decreased from RM758,021 recorded in 2021.

The rental market was generally stable with upward movements recorded in favourable locations. 11 Mont Kiara, Almaspuri and Zeta Desky in Mukim Batu experienced upward rental movements ranged between 4.2% and 10.5%. Average gross rental yield for residential obtained between 1.2% and 9.5%.



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2022*

14. DEVELOPER'S SELLING PRICE

As per the approved Advertising and Sales Permit bearing Reference No. 13965-1/08-2022/02548(P) for Picasso Residence with the validity period from 16th August 2022 to 15th August 2025, the developer's selling price for Type A and Type C are as follows:

Type	Built Up Area (Sq. Ft.)	Minimum Selling Price (RM)	Maximum Selling Price (RM)	Average Selling Price (RM/Sq. Ft.)
A	1,013	1,299,980	1,610,000	1,436
C	1,668	2,056,010	2,449,000	1,350

The table below is the summary of the recent transactions of Picasso Residence for Type A and Type C sold in the year of 2021 and 2022 provided by the developer for our references.

Type	Built Up Area (Sq. Ft.)	Minimum Transaction Price (RM)	Maximum Transaction Price (RM)	Average Transaction Price (RM/Sq. Ft.)
A	1,013	1,243,000	1,299,000	1,255
C	1,668	2,151,600	2,420,000	1,370

15. VALUATION METHODOLOGY

The **Subject Property** comprises 50 condominium units on base basis with two (2) different types of layouts located on 16th to 37th floors of Block A, Picasso Residence at Jalan Jelatek, Kuala Lumpur. For the purposes of this valuation, we have used two-tiered adjustment approach in arriving at our opinion of value.

First Tier — Value of Base Unit

Under this tier, we have selected one of the 50 units forming the **Subject Property** as a Base Unit. We have adopted Comparison Approach methods of valuation to determine the value of Base Unit. We are of the opinion that the Comparison Approach would be the most appropriate method of valuation methodology in assessing the Market Value of the **Subject Property** compared to the Income Approach by Investment Method which is less appropriate as the **Subject Property** is currently under construction period. Hence, we do not have any supporting/actual rental data of the **Subject Property** to apply in the Income Approach by Investment Method to arriving the Market Value of the **Subject Property**.

Second Tier — Aggregate Value and Market Value of the Subject Property

We have made further adjustments of Base Unit to reflect the micro dissimilarities include built-up area, position, floor level and facing/view of the remaining 49 units. The Market Value of the **Subject Property** is the aggregate values of the 50 units of condominiums.

16. COMPARISON APPROACH

First Tier — Value of Base Unit (i.e. Unit No. A-26-05)

Comparison Approach provides an indication of value by comparing the property with market evidence of identical or comparable (that is similar) properties for which price information is available, such as a comparison with market transaction in the same, or closely similar, type of property within an appropriate time horizon where dissimilarities exist, adjustments are made. In arriving at the value we have, amongst others, considered the following transactions:

Comparable	1	2	3	4
Name of Residence	M City	Setia Sky Residence	Reizz Residence	M City
Unit No.	2-22-11	B-16-3	42-02	1-27-06
Built Up Area (Sq. Ft.)	883	1,582	850	786
Floor/Level	22	16	42	27
Type of Property		Service Apartment		
Category of Land Use		Commercial		
Tenure		Freehold		
Date of Transaction	5th December 2022	11th October 2022	28th July 2022	14th July 2022
Consideration	RM683,000/-	RM1,350,000/-	RM929,500/-	RM750,000/-
Sources		Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/ Valuation and Property Services Department		
Analysis	RM773	RM853	RM1,094	RM954
	per square foot	per square foot	per square foot	per square foot
Adjustment	General adjustments are made on the time factor, floor/level, size/floor area, tenure, age/condition of building, designed/concept/facilities and service provided.			
Adjusted Rate	RM879	RM1,080	RM1,069	RM1,034
	per square foot	per square foot	per square foot	per square foot

The above sales transaction ranges from RM773 to RM1,094 psf. We have made adjustments on the time factor, floor/level, size/floor area, tenure, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 3 has been adopted as the best comparable because it has the lowest net adjustment of -2% amongst others comparable. Thereafter, we have adopted a round value of RM1,080,000 (analysed to about RM1,066 psf) in our valuation as a fair representation.

Second Tier — Aggregate Value and Market Value of the Subject Property

After arriving at the base value of RM1,066/- per square foot, we have made further adjustments to reflect the micro dissimilarities which includes size, floor level, view and position of the remaining 49 units.

Based on the adjustments and consideration we have made, the Market Value of the **Subject Property** derived from the Comparison Approach is assessed at **RM70,355,000/- (RINGGIT MALAYSIA: SEVENTY MILLION, THREE HUNDRED AND FIFTY-FIVE THOUSAND ONLY).**

17. VALUATION

Based on the foregoing premises and relying on the Comparison Approach of Valuation as elaborated earlier in this report, we assess the Market Value of the **Subject Property** held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, **ON THE ASSUMPTIONS** that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances at values as shown on the first page of this valuation report.

LIMITING CONDITIONS

As per Standard 19 of the Sixth Edition of the Malaysian Valuation Standards, the Valuation Report is subject to the following Limiting Conditions:

1. This Valuation Report is carried out in accordance with the Malaysian Valuation Standards published by the Board.
2. All measurements are carried out in accordance with the Uniform Method of Measurement of Building issued by The Royal Institution of Surveyors Malaysia or such other building measurement standards as acceptable and agreed to by the client.
3. This Valuation Report is confidential to the Client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.

Neither the whole, nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorized publication of the Valuation Report, whether in part or in whole.

4. The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context.
5. Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office. Legal advice may be sought to verify the title details, if required.
6. Town Planning and other statutory enquiries conducted at the respective offices or by extracting the required information from published reports and are deemed sufficiently reliable in the profession.
7. We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title documents, certified plan or any relevant agreement.
8. While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor have we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance of the absence in respect of any rot, termite or pest infestation or other hidden defects.
9. No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.
10. No soil investigation has been carried out to determine the suitability of soil conditions and/or availability of services for the existing or any future development or planting.

No soil investigation has been carried out to determine the soil suitability for the continued use of the property in its current condition or for any redevelopment.
11. We have not carried out investigations into the past and present uses of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

12. Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.
13. Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.
14. Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.
15. In the case of buildings where works are in hand or have recently been completed, no allowances are made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
16. Unless otherwise stated, no allowances are made in our valuation for any expense of realization or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoings.
17. The instruction and the valuation assignment do not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instructions were given or subsequently agreed upon.
18. This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it expressed or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources.

19. A Valuation Report is current as at the valuation date only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

20. Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between the client and the Valuer and clearly set out in the terms of engagement.

25 September 2024

VPC Alliance (PJ) Sdn. Bhd.

No. 6, 1st Floor, Jalan SS26/4,
Taman Mayang Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

FURNIWEB HOLDINGS LIMITED

Lot 1883, Jalan KPB 9,
Kg. Bharu Balakong,
43300 Seri Kembangan,
Selangor Darul Ehsan.

Attn: Board of Directors

Dear Sir/Madam,

UPDATE VALUATION OF 50 UNITS OF CONDOMINIUM LOCATED ON FLOOR LEVEL FROM 16 TO 37, WITHIN AN ON-GOING RESIDENTIAL DEVELOPMENT KNOWN AS PICASSO RESIDENCE, JALAN JELATEK, KUALA LUMPUR HELD UNDER MASTER TITLE NO. PAJAKAN NEGERI 52579, LOT NO. 20010, SEKSYEN 88, BANDAR AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (HEREINAFTER COLLECTIVELY REFERRED TO AS THE “SUBJECT PROPERTY”).

We refer to your instructions to provide an update of our Valuation Report bearing reference VPCPJ/23/60542/LBW/Vince dated 14th July 2023 in relation to the abovementioned property for the purpose of **THE PROPOSED ACQUISITION OF THE SUBJECT PROPERTY FROM PRG HOLDINGS BERHAD (“PRGH”) TO PRG LAND SDN BHD (“PRG LAND”), A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB HOLDINGS LIMITED (FURNIWEB) WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRGH.**

This update valuation and contents have been prepared in accordance with the Asset Valuations Guidelines issued by the Securities Commission Malaysia, the Malaysian Valuation Standards issued by the Boards of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and the International Valuation Standards issued by the International Valuation Standards Council.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

We are specifically instructed by the client to provide the Market Value of the **Subject Property** on the assumptions that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC) by the relevant authority.

We have conducted a physical inspection of the **Subject Property** on 16th July 2024. The material date of valuation is taken as at 16th July 2024. At the date of inspection, we noted the **Subject Property** overall progress of works was 98% completed for Tower A and 70% completed for Tower B. The **Subject Property** consist of 50 units of condominium units and is all located in Tower A which is 98% completed.

We are of the opinion that the Market Value of the **Subject Property** held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, **ON THE ASSUMPTIONS** that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances is as per follows:

No.	Floor	Unit No.	Type	Built Up (Sq. Ft.)	Market Value (RM)	No.	Floor	Unit No.	Type	Built Up (Sq. Ft.)	Market Value (RM)
1	16	A-16-01	C	1,668	1,404,369	26	31	A-31-02	C	1,668	1,426,869
2	16	A-16-02	C	1,668	1,404,369	27	31	A-31-08	C	1,668	1,468,850
3	17	A-17-1	C	1,668	1,405,869	28	32	A-32-02	C	1,668	1,428,369
4	17	A-17-02	C	1,668	1,405,869	29	32	A-32-08	C	1,668	1,470,350
5	17	A-17-03	C	1,668	1,447,850	30	33	A-33-01	C	1,668	1,429,869
6	18	A-18-01	C	1,668	1,407,369	31	33A	A-33A-01	C	1,668	1,431,369
7	18	A-18-08	C	1,668	1,449,350	32	33A	A-33A-02	C	1,668	1,431,369
8	19	A-19-01	C	1,668	1,408,869	33	33A	A-33A-08	C	1,668	1,473,350
9	19	A-19-02	C	1,668	1,408,869	34	35	A-35-08	C	1,668	1,474,850
10	19	A-19-03	C	1,668	1,450,850	35	26	A-26-03A	A	1,013	1,029,826
11	20	A-20-02	C	1,668	1,410,369	36	26	A-26-05	A	1,013	999,831
12	20	A-20-03	C	1,668	1,452,350	37	27	A-27-07	A	1,013	1,031,326
13	21	A-21-01	C	1,668	1,411,869	38	28	A-28-3A	A	1,013	1,032,826
14	21	A-21-02	C	1,668	1,411,869	39	28	A-28-05	A	1,013	1,002,831
15	21	A-21-03	C	1,668	1,453,850	40	29	A-29-3A	A	1,013	1,034,326
16	22	A-22-01	C	1,668	1,413,369	41	30	A-30-03A	A	1,013	1,035,826
17	22	A-22-03	C	1,668	1,455,350	42	31	A-31-03A	A	1,013	1,037,326
18	23	A-23-01	C	1,668	1,414,869	43	33	A-33-06	A	1,013	1,010,331
19	23A	A-23A-01	C	1,668	1,416,369	44	33A	A-33A-03A	A	1,013	1,041,826
20	23A	A-23A-08	C	1,668	1,458,350	45	33A	A-33A-07	A	1,013	1,041,826
21	25	A-25-02	C	1,668	1,417,869	46	35	A-35-07	A	1,013	1,043,326
22	25	A-25-03	C	1,668	1,459,850	47	36	A-36-06	A	1,013	1,014,831
23	25	A-25-08	C	1,668	1,459,850	48	36	A-36-05	A	1,013	1,014,831
24	28	A-28-01	C	1,668	1,422,369	49	37	A-37-06	A	1,013	1,016,331
25	28	A-28-08	C	1,668	1,464,350	50	37	A-37-07	A	1,013	1,046,326

TOTAL MARKET VALUE: RM65,180,000/- (RINGGIT MALAYSIA: SIXTY-FIVE MILLION, ONE HUNDRED AND EIGHTY THOUSAND ONLY).

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

This Update Valuation should be read in conjunction with the full Reports and Valuations dated 14th July 2023 bearing reference VPCPJ/23/60542/LBW/Vince.

Yours faithfully,

VPC ALLIANCE (PJ) SDN BHD

LOO BOON WEI

MPEPS, MMIPFM, MRISM

Registered Valuer (V 988)

Sr. Loo Boon Wei is a Registered Valuer, Registered Estate Agent and Registered Property Manager with over 23 years' experience in real estate valuation, estate agency and property management in Malaysia. Mr. Loo is a committee member of the Estate Agency Practice Committee (EAPC) of the Board of Valuers, Appraisers, Estate Agency and Property Managers Malaysia (BOVEAP) (2023-March, 2024) and a Secretary General of Malaysian Institute of Professional Estate Agents and Consultants (MIPEAC) (2024–2025) as well as a member of the Royal Institution of Surveyors Malaysia (RISM) and a member of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS).

1. DATE OF INSPECTION

The **Subject Property** was inspected on 16th July 2024 by Mr. Lee Shek Yong (PV3122).

2. DATE OF VALUATION

The date of inspection of the **Subject Property** i.e. 16th July 2024 is to be taken as the material date of valuation.

3. TITLE PARTICULARS

The master title particulars, of the Subject Property, as extracted from a title search conducted at Registry of Land Titles, Kuala Lumpur, Wilayah Persekutuan in Kuala Lumpur on 16th July 2024. and we noted that the registration legal details remain unchanged.

4. BUILDING STRUCTURES

At the date of inspection on the subject site, we noted that the building work progress has increase slightly a little in terms of physical condition on the Subject Property since the last valuation.

The Subject Property is still under construction and we were informed by the developer that the overall progress of works was 98% complete for tower A and is currently applying for CCC while tower B overall progress of works was 70% complete.

Type C — KLCC view					Type A — Genting view				
No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)	No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)
1	16	A-16-01	Int.	1,668	35	26	A-26-03A	Corner	1,013
2	16	A-16-02	Int.	1,668	36	26	A-26-05	Int.	1,013
3	17	A-17-01	Int.	1,668	37	27	A-27-07	Corner	1,013
4	17	A-17-02	Int.	1,668	38	28	A-28-3A	Corner	1,013
5	17	A-17-03	Corner	1,668	39	28	A-28-05	Int.	1,013
6	18	A-18-01	Int.	1,668	40	29	A-29-3A	Corner	1,013
7	18	A-18-08	Corner	1,668	41	30	A-30-03A	Corner	1,013
8	19	A-19-01	Int.	1,668	42	31	A-31-03A	Corner	1,013
9	19	A-19-02	Int.	1,668	43	33	A-33-06	Int.	1,013
10	19	A-19-03	Corner	1,668	44	33A	A-33A-03A	Corner	1,013
11	20	A-20-02	Int.	1,668	45	33A	A-33A-07	Corner	1,013
12	20	A-20-03	Corner	1,668	46	35	A-35-07	Corner	1,013
13	21	A-21-01	Int.	1,668	47	36	A-36-06	Int.	1,013
14	21	A-21-02	Int.	1,668	48	36	A-36-05	Int.	1,013
15	21	A-21-03	Corner	1,668	49	37	A-37-06	Int.	1,013
16	22	A-22-01	Int.	1,668	50	37	A-37-07	Corner	1,013
17	22	A-22-03	Corner	1,668					
18	23	A-23-01	Int.	1,668					
19	23A	A-23A-01	Int.	1,668					

Type C — KLCC view					Type A — Genting view				
No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)	No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)
20	23A	A-23A-08	Corner	1,668					
21	25	A-25-02	Int.	1,668					
22	25	A-25-03	Corner	1,668					
23	25	A-25-08	Corner	1,668					
24	28	A-28-01	Int.	1,668					
25	28	A-28-08	Corner	1,668					
26	31	A-31-02	Int.	1,668					
27	31	A-31-08	Corner	1,668					
28	32	A-32-02	Int.	1,668					
29	32	A-32-08	Corner	1,668					
30	33	A-33-01	Int.	1,668					
31	33A	A-33A-01	Int.	1,668					
32	33A	A-33A-02	Int.	1,668					
33	33A	A-33A-08	Corner	1,668					
34	35	A-35-08	Corner	1,668					

5. MARKET CONDITION

The market condition of the general neighborhood has change slightly since the last valuation due to decrease in **Sales Transaction Per Square Foot** whereas the **Capitalization Rate** and minor **Market Rental Rate** increases.

Comparison Method

Name of Residence	Comparables adopted in Initial Valuation	Comparables adopted in Update Valuation	Sales Transaction per square foot (“psf”) adopted in Initial Valuation (Adjusted)	Sales Transaction per square foot (“psf”) adopted in Update Valuation (Adjusted)	Difference in Psf (%)
Setia Sky Residence	B-16-3	C-13-2	RM1,080 psf	RM1,016 psf	–6%
		A-23A-3		RM1,014psf	–6%
M City	2-22-11	3-23-18	RM879 psf	RM610 psf	–31%
	1-27-06	3-33A-01	RM1,034 psf	RM600 psf	–42%
Reizz Residence	42-02	45-01	RM1,069 psf	RM990 psf	–7%

Source: Jabatan Pernilaian dan Perkhidmatan Harta (JPPH)

The above shows the comparables adopted from 14th July 2023 (Initial Date of Valuation) and 16th July 2024 (Update Date of Valuation) within the same location and nearby the subject property. The comparable price per square foot between 2023 and 2024 marks a fall in price per square foot which affects the current market value of the subject property from RM70,355,000/- to RM65,180,000/- due to a decrease in Sales Transaction Per Square Foot.

6. PLANNING PROVISION

The **Subject Property** is located within an area designated for residential use (no changes as per the previous valuation).

7. EXISTING USE AND OCCUPANCY STATUS

As at the date of our site inspection, we noted that the subject site is undergoing construction of the aforementioned development. We were informed by the developer that Tower A (phase 1 of the development) is estimated to be completed by 4th Quarter of 2024.

8. VALUATION APPROACH

The **Subject Property** is valued by adopting the **Comparison Approach**. We are of the opinion that the Comparison Approach would be the most appropriate method of valuation methodology in assessing the Market Value of the **Subject Property** compared to the Income Approach by Investment Method which is less appropriate as the **Subject Property** is currently under construction period and currently applying CCC for tower A. Hence, we do not have any supporting or actual rental data of the **Subject Property** to apply the Income Approach by Investment Method to arriving the Market Value of the Subject Property.

For **Comparison Approach**, there are changes in comparables due to slight decrease on the **Sales Transaction Per Square Foot**.

Comparison Approach

First Tier — Value of Base Unit (i.e. Unit No. A-26-05)

Comparable	1	2
Name of Residence	Setia Sky Residence	
Unit No.	C-13-2	A-23A-3
Floor Area (sq. ft.)	1,206	1,582
Floor/Level	13	24
Type of Property	Service Apartment	
Category of Land Use	Commercial	
Tenure	Freehold	
Date of Transaction	3rd April 2024	29th April 2024
Consideration	RM1,050,000/-	RM1,400,000/-
Seller	CHU YANG KENG +1	TING KUOK ING +1
Buyer	JENNIFER LIM SZE YEE	ANNETTE AGNES SUI CHAI SIOK (F)
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)
Analysis	RM871 per square foot	RM885 per square foot
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.	
Adjusted Rate	RM1,016 per square foot	RM1,014 per square foot
Comparable	3	4
Name of Residence	M City	
Unit No.	3-23-18	3-33A-01
Floor Area (sq. ft.)	990	883
Floor/Level	23	34
Type of Property	Service Apartment	
Category of Land Use	Commercial	
Tenure	Freehold	
Date of Transaction	31th January 2024	31th January 2024
Consideration	RM520,000/-	RM480,000/-
Seller	OASIS GARDEN	OASIS GARDEN
Buyer	DEVELOPMENT SDN BHD KU MAZLINA BINTI KU JAAFAR	DEVELOPMENT SDN BHD MUHAMAD SAFUAN BIN JAMIL+1
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	
Analysis	RM525 per square foot	RM544 per square foot
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.	
Adjusted Rate	RM610 per square foot	RM600 per square foot

Comparable	5
Name of Residence	Reizz Residence
Unit No.	45-01
Floor Area (sq. ft.)	893
Floor/Level	45
Type of Property	Service Apartment
Category of Land Use	Commercial
Tenure	Freehold
Date of Transaction	10th August 2023
Consideration	RM900,000/-
Seller	EMPEROR CLASSIC LIGHTING SDN BHD
Buyer	NG WAI KHI
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)
Analysis	RM1,008 per square foot
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.
Adjusted Rate	RM990 per square foot

The sales transaction ranges from RM600 psf to RM1,016 psf. We have made adjustments on the time factor, floor/level, tenure, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 5 has been adopted as the best comparable because it has the lowest net adjustment of -1.4% amongst others comparable, and less time adjustment compared to Comparable 3 & 4 which located within the same development (M-City). Thereafter, we have adopted a round value of RM1,000,000 (analysed to about RM987 psf) in our valuation as a fair representation.

Second Tier — Aggregate Value and Market Value of the Subject Property

After arriving at the base value of RM987/- per square foot, we have made further adjustments to reflect the micro dissimilarities which includes size, floor level, view and position of the remaining 49 units.

Based on the adjustments and consideration we have made, the Market Value of the **Subject Property** derived from the Comparison Approach is assessed at **RM65,180,000/- (RINGGIT MALAYSIA: SIXTY-FIVE MILLION, ONE HUNDRED AND EIGHTY THOUSAND ONLY)**.

9. DEVELOPER'S SELLING PRICE

As per the approved Advertising and Sales Permit bearing Reference No. 13965-1/08-2022/02548(P) for Picasso Residence with the validity period from 16th August 2022 to 15th August 2025, the developer's selling price for Type A and Type C are as follows:

Type	Built Up Area (Sq.Ft.)	Minimum Selling Price (RM)	Maximum Selling Price (RM)	Average Selling Price (RM/Sq.Ft.)
A	1,013	1,299,980	1,611,000	1,436
C	1,668	2,056,010	2,449,000	1,350

The table below is the summary of the recent transactions of Picasso Residence for Type A and Type C sold in the year of 2023 to 2024 provided by the developer for our references.

Type	Built Up Area (Sq.Ft.)	Minimum Selling Price (RM)	Maximum Selling Price (RM)	Average Selling Price (RM/Sq.Ft.)
A	1,013	1,143,325	1,610,670	1,360
C	1,668	1,839,865	2,393,000	1,269

10. RECONCILIATION

No.	Floor	Unit No.	Type	Built Up (Sq. Ft.)	Market	No.	Floor	Unit No.	Type	Built Up (Sq. Ft.)	Market
					Value (RM)						Value (RM)
1	16	A-16-01	C	1,668	1,404,369	26	31	A-31-02	C	1,668	1,426,869
2	16	A-16-02	C	1,668	1,404,369	27	31	A-31-08	C	1,668	1,468,850
3	17	A-17-01	C	1,668	1,405,869	28	32	A-32-02	C	1,668	1,428,369
4	17	A-17-02	C	1,668	1,405,869	29	32	A-32-08	C	1,668	1,470,350
5	17	A-17-03	C	1,668	1,447,850	30	33	A-33-01	C	1,668	1,429,869
6	18	A-18-01	C	1,668	1,407,369	31	33A	A-33A-01	C	1,668	1,431,369
7	18	A-18-08	C	1,668	1,449,350	32	33A	A-33A-02	C	1,668	1,431,369
8	19	A-19-01	C	1,668	1,408,869	33	33A	A-33A-08	C	1,668	1,473,350
9	19	A-19-02	C	1,668	1,408,869	34	35	A-35-08	C	1,668	1,474,850
10	19	A-19-03	C	1,668	1,450,850	35	26	A-26-03A	A	1,013	1,029,826
11	20	A-20-02	C	1,668	1,410,369	36	26	A-26-05	A	1,013	999,831
12	20	A-20-03	C	1,668	1,452,350	37	27	A-27-07	A	1,013	1,031,326
13	21	A-21-01	C	1,668	1,411,869	38	28	A-28-3A	A	1,013	1,032,826
14	21	A-21-02	C	1,668	1,411,869	39	28	A-28-05	A	1,013	1,002,831
15	21	A-21-03	C	1,668	1,453,850	40	29	A-29-3A	A	1,013	1,034,326
16	22	A-22-01	C	1,668	1,413,369	41	30	A-30-03A	A	1,013	1,035,826
17	22	A-22-03	C	1,668	1,455,350	42	31	A-31-03A	A	1,013	1,037,326
18	23	A-23-01	C	1,668	1,414,869	43	33	A-33-06	A	1,013	1,010,331
19	23A	A-23A-01	C	1,668	1,416,369	44	33A	A-33A-03A	A	1,013	1,041,826
20	23A	A-23A-08	C	1,668	1,458,350	45	33A	A-33A-07	A	1,013	1,041,826
21	25	A-25-02	C	1,668	1,417,869	46	35	A-35-07	A	1,013	1,043,326
22	25	A-25-03	C	1,668	1,459,850	47	36	A-36-06	A	1,013	1,014,831
23	25	A-25-08	C	1,668	1,459,850	48	36	A-36-05	A	1,013	1,014,831
24	28	A-28-01	C	1,668	1,422,369	49	37	A-37-06	A	1,013	1,016,331
25	28	A-28-08	C	1,668	1,464,350	50	37	A-37-07	A	1,013	1,046,326

Method of Valuation

Derivation of Values

Comparison Approach

RM65,180,000/-*Note:* The market value derived from

Comparison Approach revised from RM70,355,000/- to RM65,180,000/- due to decrease in current market transaction per square foot (RM1,080,000/-) RM1,066/- per square foot to (RM1,000,000) RM987/- per square foot for base unit.

We have adopted the Market Value of **RM65,180,000** derived from the Comparison Approach as there are sufficient sale evidences to arrive at the Market Value of the **Subject Property** using this approach.

Valuation

Taking into consideration all relevant factors, it is our opinion that the Market Value of the **Subject Property** held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, **ON THE ASSUMPTIONS** that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances is at **RM65,180,000/- (RINGGIT MALAYSIA: SIXTY-FIVE MILLION, ONE HUNDRED AND EIGHTY THOUSAND ONLY)**.

11. MARKET OBSERVATION — NATION

Overview

Malaysian Economy

The Malaysian economy expanded by 3.0% in Q4 2023 (Q3 2023: 3.3%; Q2 2023: 2.9%), supported by expansion in domestic demand, improving labour market conditions, growth in investment activity, commodities and services sectors. Overall, the 2023 growth for the Malaysian economy normalised to 3.7%, after a strong growth registered in the previous year (2022: 8.7%).

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture compared to the previous year. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

The industrial sub-sector recorded moderate growth in 2023, remained positive since Q3 2023 (increased by 10.7%), after experienced negative growth in first half 2023 (declined by 2.5%). It is in tandem to Department of Statistics Malaysia (DOSM), Malaysia's Industrial Production Index (IPI) for the year of 2023, which registered a marginal growth of 0.9% in 2023 as compared to 6.7% in 2022. All sectors posted positive growth namely electricity (2.5%); mining (0.8%) and manufacturing (0.7%).

Percentage Change from Corresponding Quarter of Preceding Year

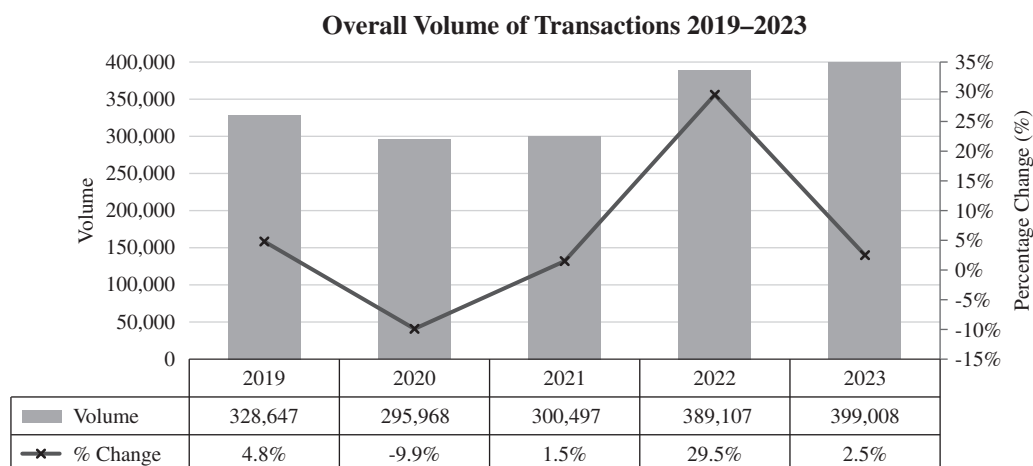
Year	2022	Q1 22	Q2 22	Q3 22	Q4 22	2023	Q1 23	Q2 23	Q3 23	Q4 23
GDP (% yoy)	8.7%	5.0%	8.9%	14.2%	7.0%	3.7%	5.6%	2.9%	3.3%	3.0%

Source: Department of Statistics Malaysia/Bank Negara Malaysia

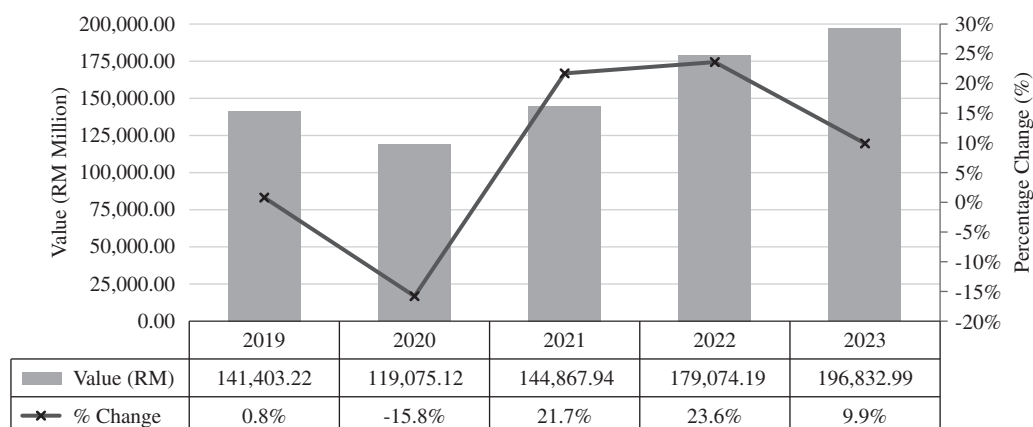
The property market has gradually increased in 2023, higher after the downturn in 2020 due to Covid-19 pandemic. A total of 399,008 transactions worth RM196.83 billion were recorded, each showing an increase of 2.5% and 9.9% respectively compared to 2022, which recorded 389,107 transactions worth RM179.07 billion. Of the total transactions, 77.7% (309,861 transactions) and 18.6% (74,405 transactions) were transfers dated in 2023 and 2022 respectively while the remaining percentage share was for prior years' transfers. Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas agricultural sub-sector recorded otherwise, declined by 7.8% in volume.

Value of transactions recorded higher increase for all sub-sectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

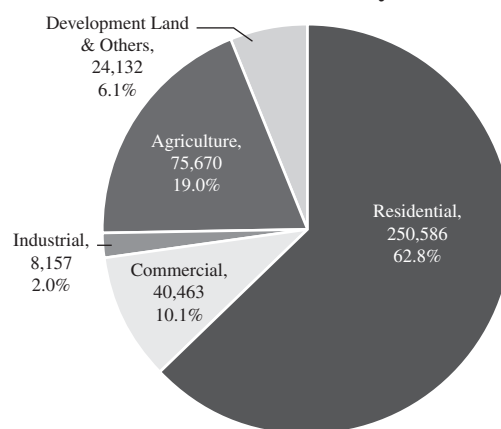
Residential sub-sector led the overall property market, with 62.8% contribution in volume. This was followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). Similarly, in value, residential took the lead with 51.3% share, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) and development land and others (7.5%).



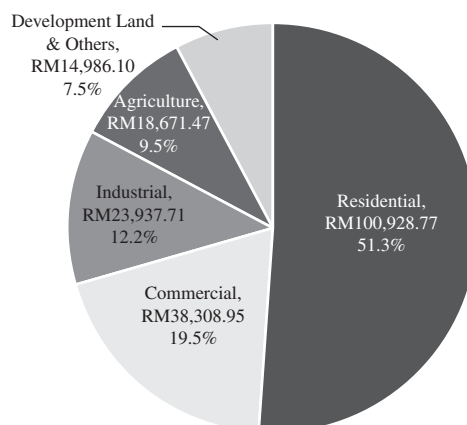
Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Overall Value of Transactions 2019–2023

Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Contribution to Transaction Volume by Sub-sector 2023

Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Contribution to Transaction Value by Sub-sector 2023

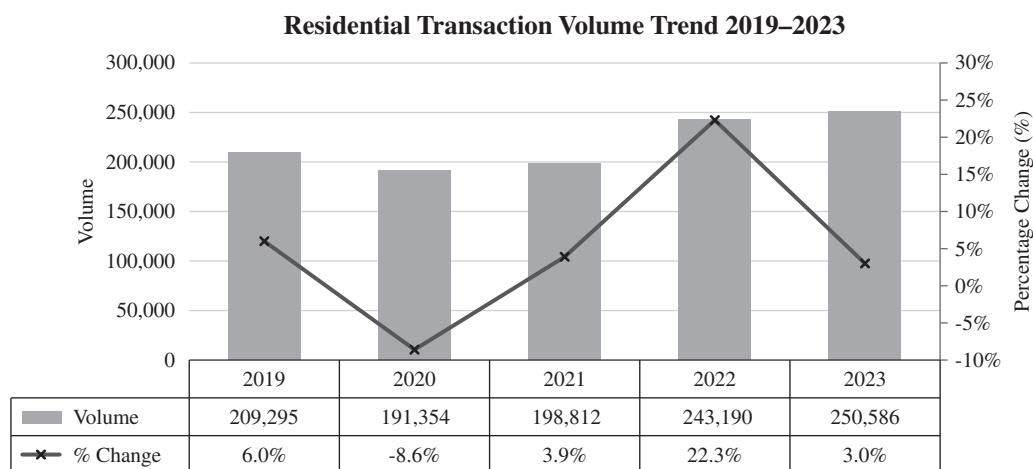
Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Transaction of Residential Property

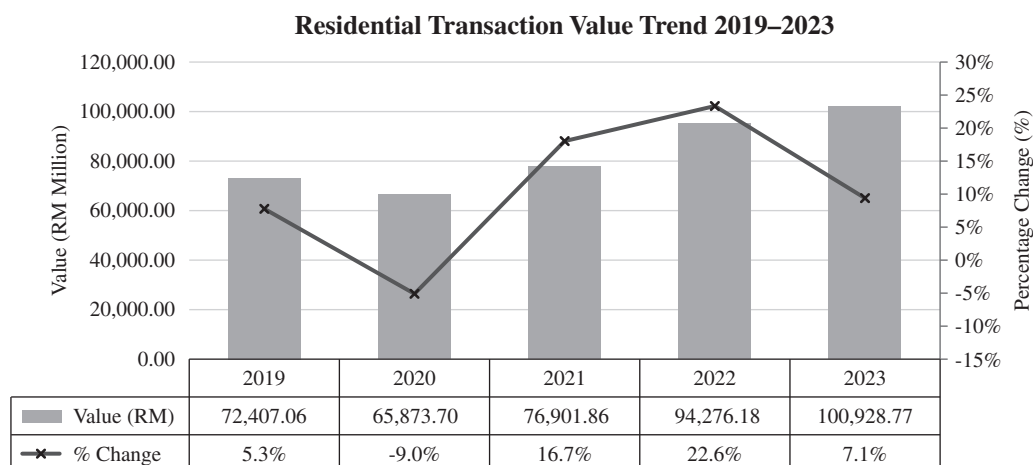
There were 250,586 transactions worth RM100.93 billion recorded in 2023, a marginal increase of 3.0% in volume and 7.1% in value as compared to 2022. The improvement was supported by the uptrend recorded in Johor (44.4%), WP Kuala Lumpur and Pulau Pinang (4.3%), Terengganu (2.0%), Negeri Sembilan (1.9%) and Kedah (1.6%). Combined, these states formed about 48.0% of the total national residential volume.

Selangor contributed the highest volume and value to the national market share, with 22.0% in volume (55,035 transactions) and 30.0% in value (RM30.26 billion). Johor ranked second highest market share with 16.2% in volume (40,561 transactions) and 18.0% in value (RM18.12 billion). By type, demand continued to focus on terraced houses, formed around 43.6% of the total residential transactions, followed by high-rise units (14.7%), vacant plots (14.2%) and low-cost houses/flats (10.7%).

Demand continued to focus on affordable houses. The affordable price range of RM300,000 and below accounted for 52.8% of the total residential transactions, followed by RM300,001 to RM500,000 (24.9%), RM500,001 to RM1 million (17.2%) and more than RM1 million (5.1%). Of the total residential property transactions, 21.5% was primary market transactions (purchase from developers) while the remaining 78.5% was secondary market transactions (sub-sales).



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023



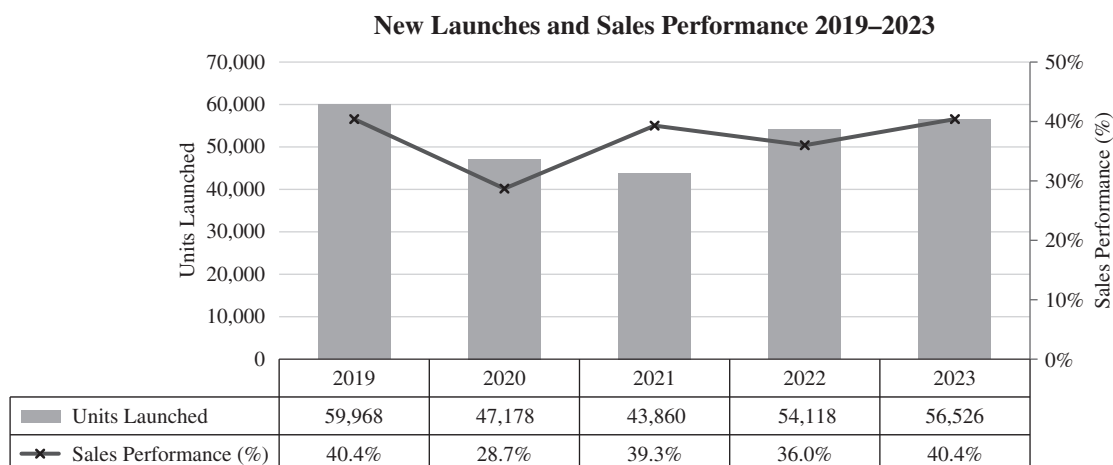
Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

New Launches of Residential Property

The primary market performance more encouraging in 2023. A total of 56,526 units launched were recorded, against 54,118 units in 2022. The slight improvement was supported by the uptrend recorded in Johor, Sarawak and Perlis which increased more than 50%. It could be attributed to the various incentives and assistance given by the government to promote home ownership especially the first-time purchaser in Budget 2023. Sales performance shows better figure at 40.4%, higher than 36.0% in 2022.

Johor recorded the highest number of new launches in the country, capturing 21.9% (12,390 units) of the national total with sales performance of 42.9%. Selangor recorded the second highest number (11,542 units, 20.4% share) and WP Kuala Lumpur came third (5,927 units, 10.5% share). Both Selangor and WP Kuala Lumpur recorded 55.0% and 28.7% sales performance respectively.

Terraced houses dominated the new launches, whereby single storey terrace (10,842 units) and two to three storey (16,959 units), jointly contributed 49.2% of the total units. Condominium/apartment units came second, capturing 33.6% (18,964 units) of the total units, mostly in WP Kuala Lumpur and Selangor.



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

Market Status of Residential Property

The residential overhang situation improved as the numbers continued to reduce as compared to previous year. There were 25,816 overhang units worth RM17.68 billion recorded in Q4 2023, reduced by 7.0% and 4.0% in volume and value respectively against Q4 2022 (27,746 overhang units worth RM18.41 billion).

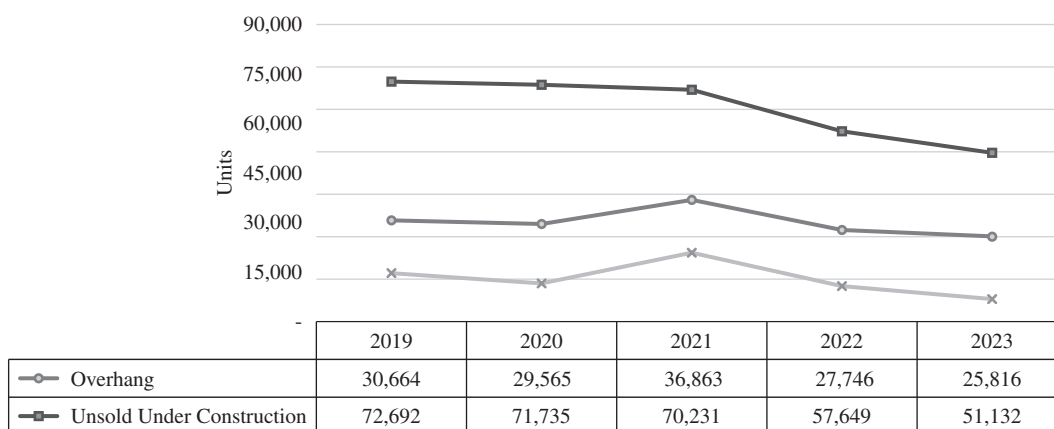
Perak recorded the highest number of overhang units in the country with 4,598 units, accounting to 17.8% of the national total. Followed by Johor (4,228 units), WP Kuala Lumpur (3,535 units), Selangor (3,405 units) and Pulau Pinang (3,001 units). In terms of value, WP Kuala Lumpur and Selangor recorded the highest value with RM3.63 billion for each state, followed by Johor (RM3.40 billion) and Pulau Pinang (RM2.61 billion).

Condominiums/apartments formed 60.5% (15,606 units) of the national total overhang, followed by terraced houses (24.3%; 6,279 units). Condominium/apartment units in four major states, specifically in Johor Bahru, Gombak, Timur Laut and Barat Daya District, as well as in Mukim Section 1–100 and Petaling, WP Kuala Lumpur dominated the overhang units, accounting for 27.4% (7,079 units). Meanwhile, terraced houses in Perak, mostly in Hilir Perak and Manjung dominated the terraced houses overhang units formed the remaining 10.9% (2,806 units) of the national total.

By price range, houses in the affordable price range of below RM300,000 formed 29.4% (7,592 units) of the total, higher than 23.5% which recorded in 2022. Price range between RM500,001 and RM1 million came second, accounted for 29.1% (7,523 units). Meanwhile, those houses in the price range of RM300,001 to RM500,000 formed another 25.3% (6,528 units), followed by more than RM1 million price range contributed the balance 16.2% (4,173 units).

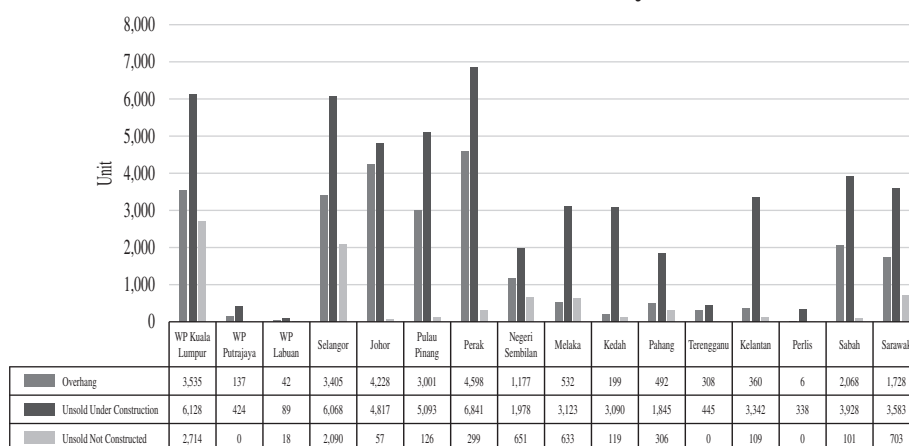
The unsold under construction improved in tandem as the numbers further declined to 51,132 units (2022: 57,649 units), dropped by 11.3%, meanwhile unsold not constructed recorded sharply decrease by 28.3% in number with 7,926 units (2022: 11,053 units).

Residential Market Status 2019–2023



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Residential Market Status by State 2023

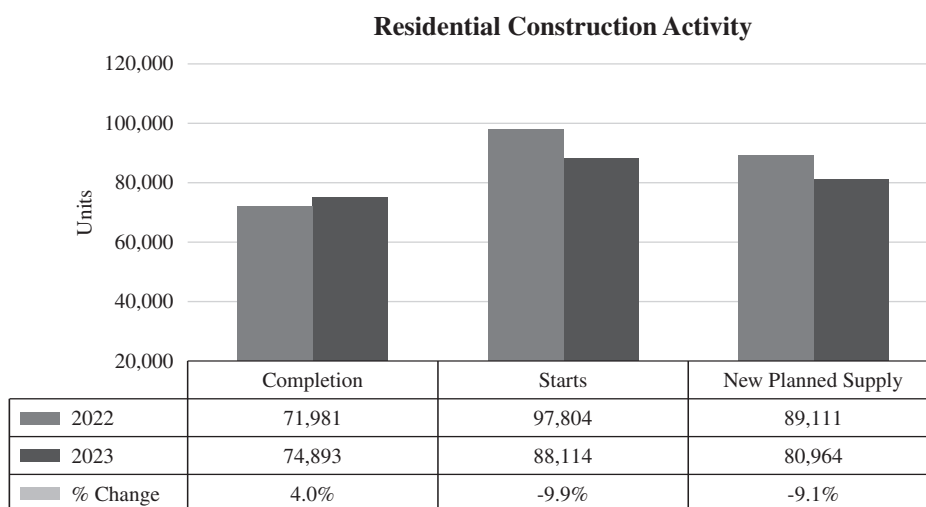


Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Construction Activity of Residential Property

In the construction segment, housing completion were promising, up by 4.0% to 74,893 units in 2023 as compared to 2022. Selangor contributed the highest number with 21,448 units and followed by Johor with 10,456 units. By type, supply continued to focus on condominiums/apartments, formed around 34.1% (25,513 units) of the national total, while two to three storey terraced houses formed another 30.5% (22,805 units). Contrarily, starts and new planned supply declined by 9.9% to 88,114 units and 9.1% to 80,964 units respectively, both led by Selangor with 19,865 units for the former and 7,593 units for the latter.

As at year-end, there were more than 6.2 million existing residential units with nearly 0.39 million in the incoming supply and slightly more than 0.37 million in the planned supply.

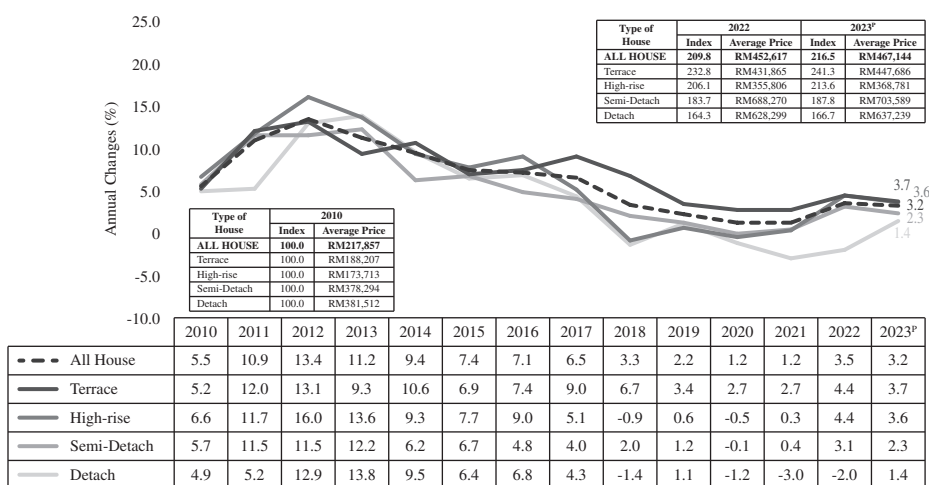


Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Price of Residential Property

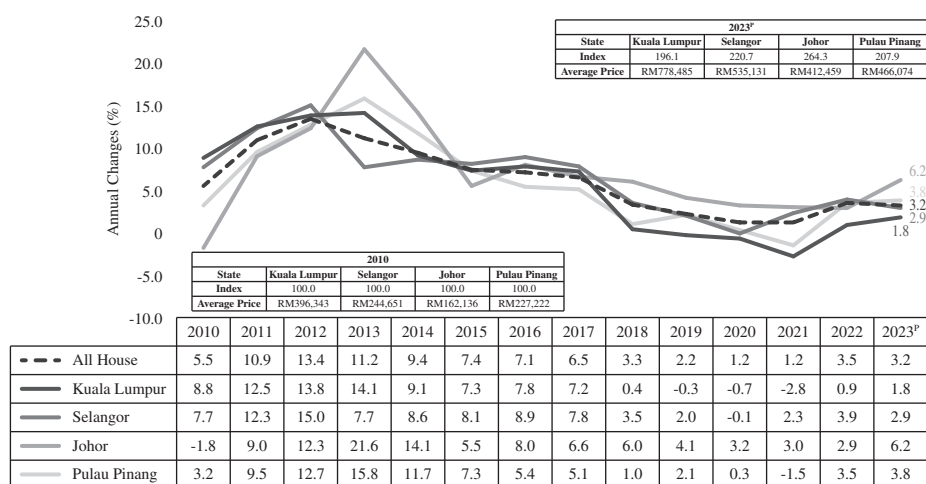
The Malaysian House Price Index (MHPI) stood at 216.5 points (RM467,144 per unit) in 2023P with a moderate annual growth of 3.2%. All major states recorded positive annual growth lead by Johor (6.2%), Pulau Pinang (3.8%), Selangor (2.9%) and WP Kuala Lumpur (1.8%) respectively. By house type, terraced houses recorded the highest annual growth of 3.7% followed by high-rise (3.6%), semi-detached (2.3%) and detached (1.4%)

MHPI: Point and Annual Changes by Type 2010–2023^P



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

MHPI: Point and Annual Changes in Major States 2010–2023³

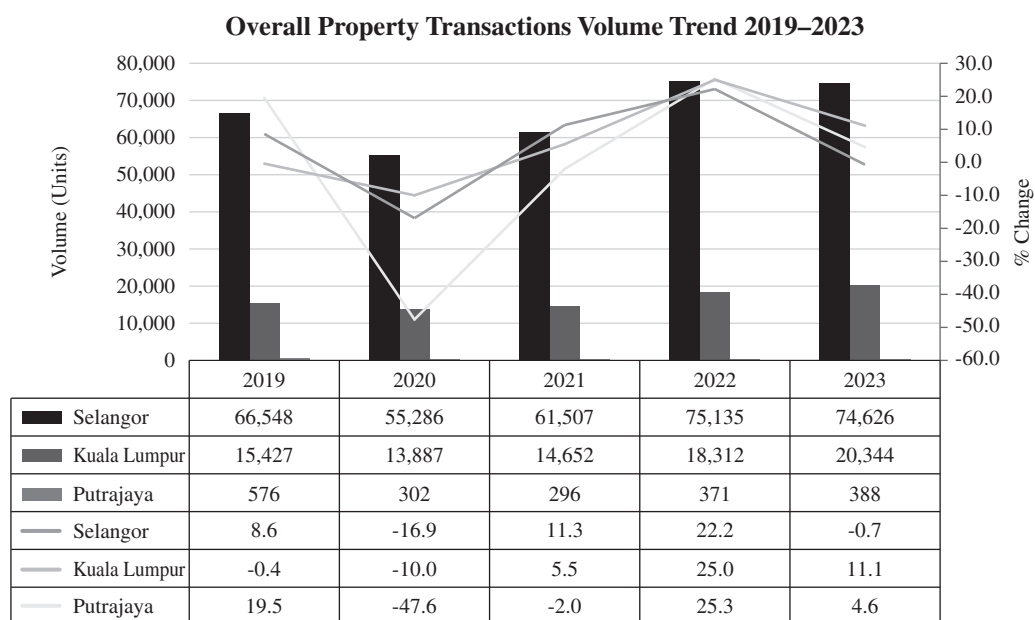


Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

MARKET OBSERVATION — CENTRAL REGION

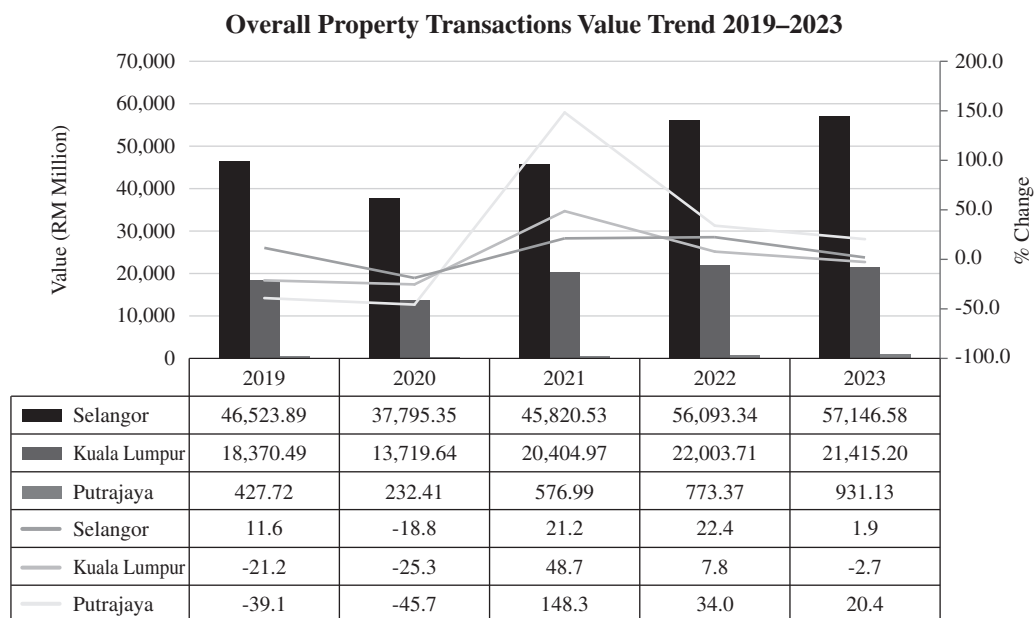
Overview

In terms of transaction volume, Kuala Lumpur and Putrajaya showed an upward trend by 11.1% and 4.6% respectively. While Selangor shown slightly down at 0.7%.



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

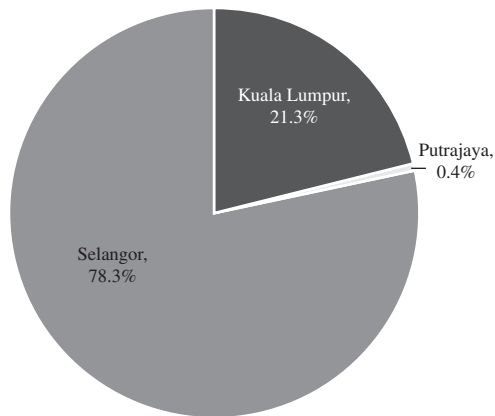
In terms of transaction value, Putrajaya and Selangor shown an increased by 20.4% and 1.9% respectively, while Kuala Lumpur decreased slightly by 2.7% compared to the same period last year.



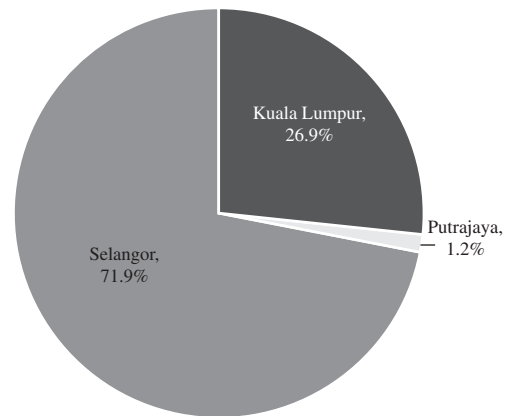
Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

By state, Selangor dominated the region's overall property transactions with 78.3% in volume (74,626 transactions) and 71.9% in value (RM57.15 billion) of the total transactions Central Region

**Overall Property Transactions
Volume Breakdown by State 2023**



**Overall Property Transactions
Value Breakdown by State 2023**

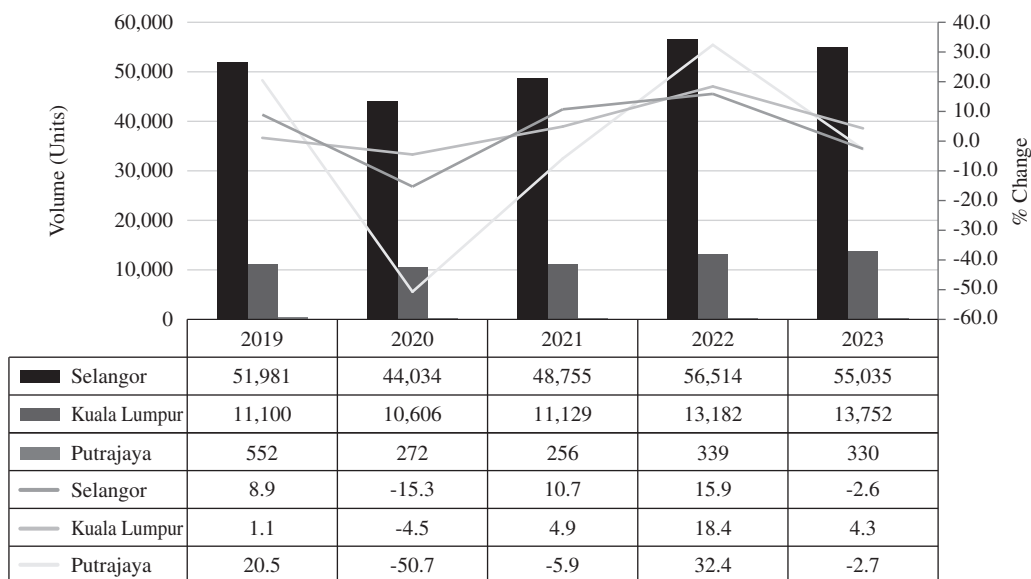


Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

The Kuala Lumpur residential property market performance softened in 2023, indicated by the contraction in market activities. The region registered 69,117 transactions worth RM42.12 billion, decreased by 1.3% and 1.6% in volume and value respectively as compared to 2022.

States performances were mixed. Putrajaya and Selangor recorded lower volume of transactions by 2.7% and 2.6% respectively. Meanwhile Kuala Lumpur recorded increasing of transactions volume by 4.3%.

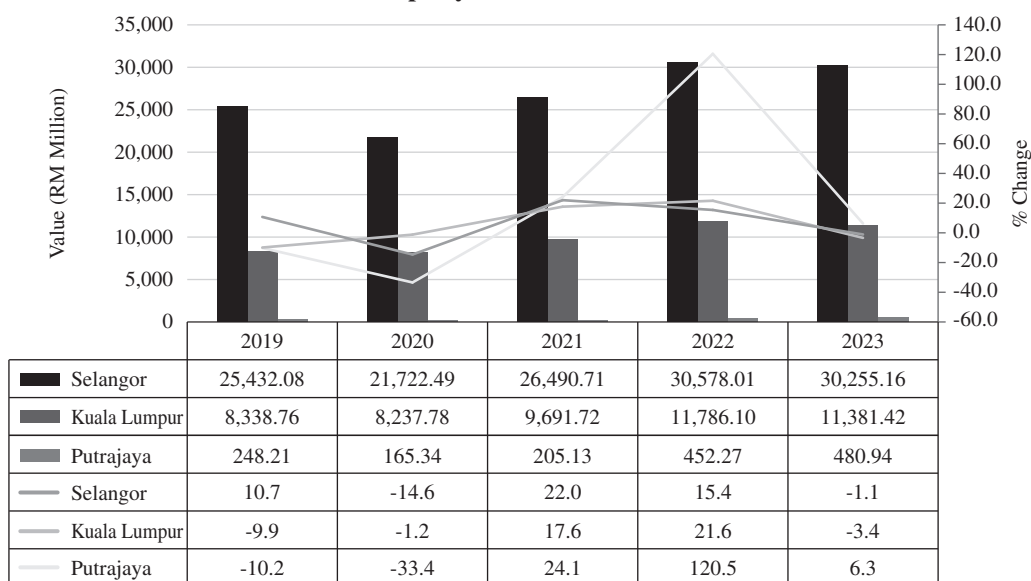
Residential Property Transactions Volume Trend 2019–2023



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

In terms of transaction value, Kuala Lumpur and Selangor states showed downward trend 3.4% and 1.1% respectively, while Putrajaya increase by 6.3%

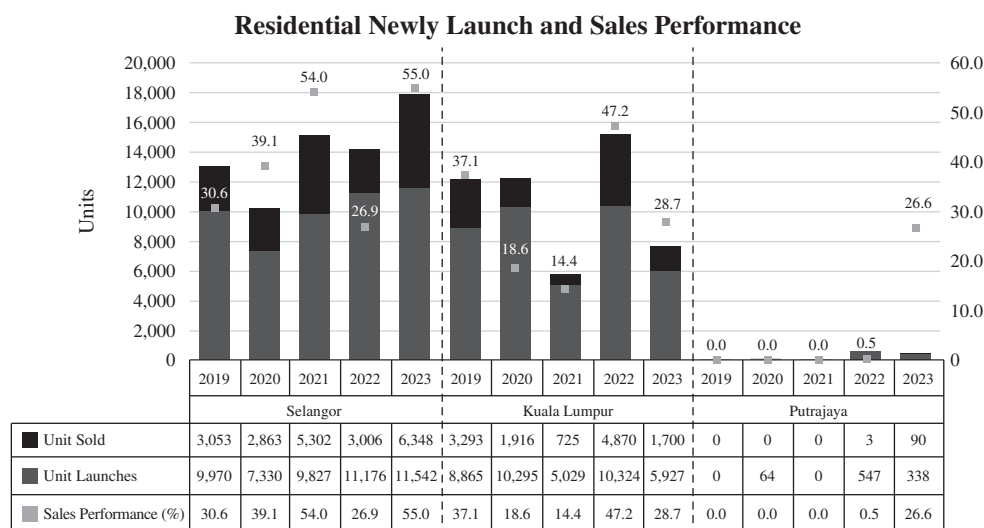
Residential Property Transactions Value Trend 2019–2023



Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

New Launches of Residential Property

The Central Region primary market declined for new launches in Kuala Lumpur and Putrajaya. Kuala Lumpur recorded 5,927 new launches, decreased by 42.6% compared to 2022 (10,324 units), meanwhile Putrajaya decreased by 38.2% to 338 units (2022: 547 units). Selangor recorded 11,542 unit's new launches compared to 11,176 units in 2022, increased by 3.3%.

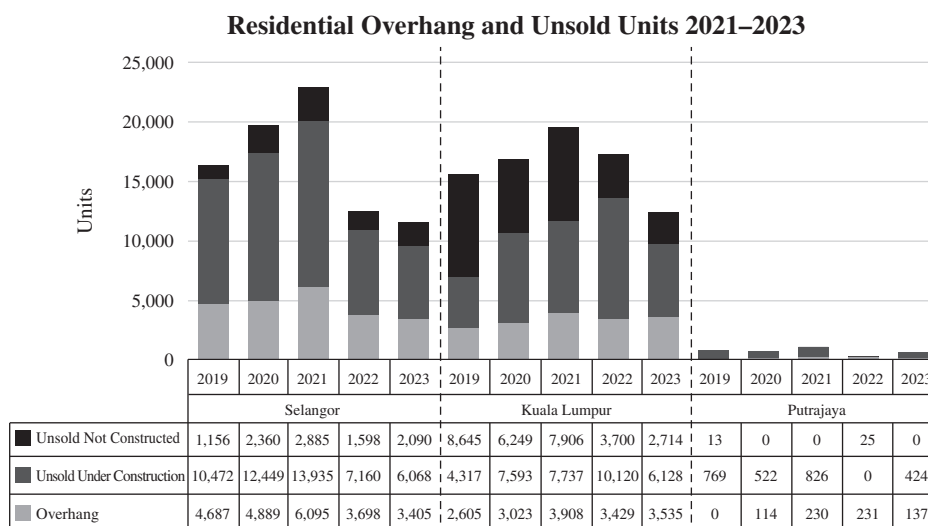


Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

Market Status of Residential Property

The residential overhang situation saw mixed movements in the review period. Selangor and Putrajaya charted 3,405 units and 137 units respectively, reduced by 7.9% and 40.7% compared to 2022 (Selangor 3,698 units; Putrajaya 231 units). Meanwhile, overhang unit in Kuala Lumpur increase 3.1% to 3,535 units compared to 2022 (3,429 units).

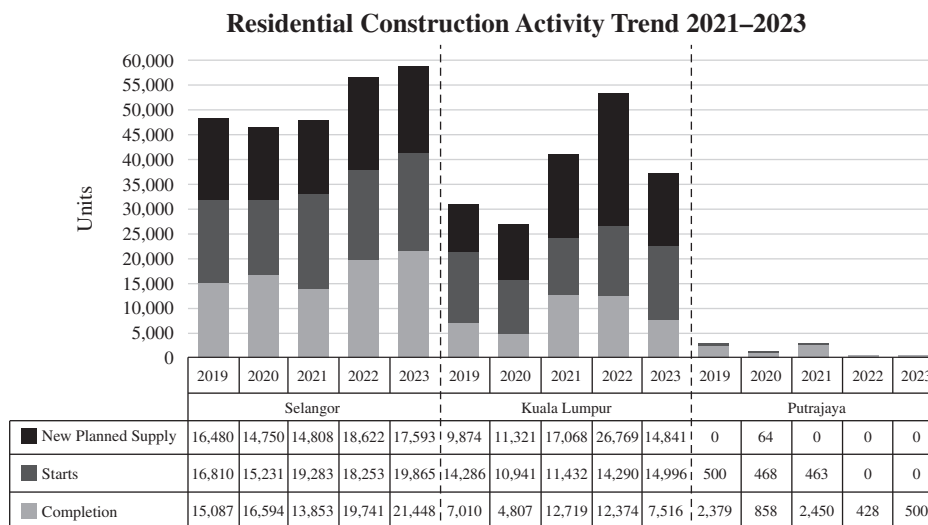
The unsold under construction unit in the Central Region reduced by 27.0% (12,620 units) compared to 2022 (17,280 units). Meanwhile the unsold not constructed decreased by 9.8% (4,804 units) compared to 2022 (5,323 units).



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Construction Activity of Residential Property

Central Region completion recorded a 9.5% decreased in 2023 (29,464 units) compared to 2022 (32,543 units). By state, Putrajaya and Selangor increased by 16.8% and 8.6% respectively compared to 2022, while, Kuala Lumpur showed a decrease of 39.3%. Starts in Selangor and Kuala Lumpur recorded a marginal increase, up by 8.8% and 4.9% respectively. However, new planned supply in Kuala Lumpur and Selangor showed a declined by 44.6% and 5.5% respectively against 2022. Both starts and new planned supply in Putrajaya remained nil in 2023.



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

Construction Activity of Residential in Central Region 2023

Stage of Development \ State	Selangor	Kuala Lumpur	Putrajaya
Existing Supply (units)	1,695,545	544,892	18,396
Incoming Supply (units)	87,946	48,395	2,512
Planned Supply (units)	79,672	58,465	3,252

Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

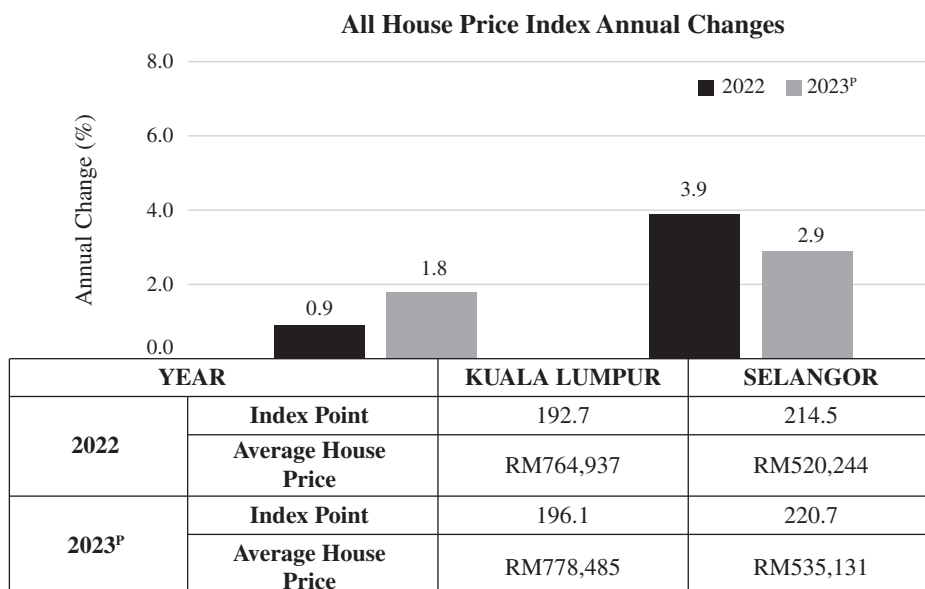
Price of Residential Property

The residential property price in 2023 showed mixed movements across the board. Double storey terraced houses in established schemes such as Elmina East, USJ 5 and USJ 2 in District of Petaling, Selangor enjoyed an increase of 9.7%, 9.6% and 8.3% respectively which transacted between RM0.70 million and RM1.18 million. The same type of property in Kuala Lumpur increased by double digit in capital were recorded in Taman Bukit Maluri (12.2%), Taman Megah Kepong (11.2%), Taman Mastiara and Bandar Menjalara (11.0%) as well as Taman Seputeh (10.7%) which transacted between RM0.80 million and RM1.90 million.

In the high-rise residential segment, strong performances were recorded. In Kuala Lumpur, condominium/apartment located in prominent areas served with efficient road linkages indicating an increase including Pelangi Indah Condo (14.0%), Pavilion Hiltop Mont Kiara (13.6%), Park Seven (13.4%) and Suasana Bangsar Condominium (9.7%). Meanwhile, condominium/apartment a few schemes in Selangor witnessed an increase between 7.0% and 7.8%. However, there were some declines recorded in selected schemes for terraced houses and condominium/apartment in the region.

House Price Index

All House Index for Kuala Lumpur and Selangor stood at 196.1 points and 220.7 points respectively. The average all house price for in Selangor stood at RM535,131 in 2023P, increased from RM520,244 in 2022, while Kuala Lumpur stood at RM778,485 increased from RM764,937 in 2022.



Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023*

MARKET OBSERVATION — KUALA LUMPUR

Outlook

The state's property market starts to soften in 2023 as the residential volume increase and decrease in value of transaction as compared to last year (2022) performance. The review period registered 20,344 transactions with a total value of RM21 billion, increased by 11.1% and decreased by 2.7% in volume and value respectively against 2022 (18,312 transactions worth RM22 billion). Residential sub-sector continued to propel the overall market, accounting for (62.8%) of the state's property market volume transaction followed by the commercial (10.1%), development land (6.1%) and industrial (2.0%) sub-sectors.

Market activities across all sub-sectors witnessed uptrend movements. Residential, commercial, industrial and development land and others sub-sectors increased by 7.1%, 17.5%, 13.1% and 4.6% respectively. In term of value, residential and industrial sub-sectors showed uptrend whereas commercial and development land and others sub-sectors recorded otherwise.

However, due to many large volume of residential property transaction, fall in the residential property transaction value trend and decline in new launches in the state of Kuala Lumpur. Part of the housing scheme within the state's area is shows negative performance. This is due to the oversupply of residential property in the market and recorded a poor transaction rate which also affects the township of the area within the state of Kuala Lumpur. This is also due to the many projects having overhang after completion 2023 (3,535) with an increase of 3% compared to the previous year 2022 (3,429).

The construction activity of residential in Kuala Lumpur state shows that the new planned supply 2023 (14,841) has decline by 45% compared to 2022 (14,841), increase 1.05% in 2023 (14,996) on-going residential property compared to 2022 (14,290), and 39% decline in the completion of residential property 2023 (7,516) compared to previous year 2022 (12,374).

Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)/Valuation and Property Services Department — Property Market Report 2023

In Wilayah Persekutuan Kuala Lumpur, the combined transacted volume and value of apartment/condominium and serviced apartment categories surged by 19.2% and 19.3% respectively, indicating a robust market activity in the capital city.

There has been a significant decline in new residential properties offered for sale in the primary market in 2024 compared to the previous year, addressing concerns related to property overhang and market mismatch, and signalling a correction in the market. Developers are actively promoting homeownership through various initiatives, including collaborations with banks, campaigns, rental programs, and home care services, aimed at enhancing the overall home buying experience for consumers.

In the first quarter of 2024, the Federal Territory of Kuala Lumpur (WPKL) experienced vibrant market activity with 3,413 residential units sold for RM2.80 billion in value. This represents a 19.2% increase in sales volume and a 19.3% rise in transaction value (1Q2023: 2,863 transactions valued at RM2.34 billion). Notably, the apartment/condominium and serviced apartment categories recorded 2,937 transactions worth RM2.51 billion, showing significant annual growth of 37.0% in volume and 49.8% in value (1Q2023: 2,144 transactions valued at RM1.68 billion). During the review period, there was a notable decrease in the number of properties offered for sale in the primary market nationwide, with a decline of 7.8% (1Q2024: 126,820 units/1Q2023: 137,547 units). A similar trend was observed in Kuala Lumpur, where the number of new residential properties put up for sale decreased by 14.5% (1Q2024: 20,492 units/1Q2023: 23,967 units).

This cautious approach among developers can be attributed to various factors, including the high interest rate environment, escalating costs of building materials, geopolitical risks, and the global economic slowdown. However, this decline is viewed positively as a market correction, addressing the issue of property overhang. The cumulative supply of high-end condominiums/residences in Kuala Lumpur stood at 80,616 units. During 1H2024, three projects were completed, adding 1,846 units to the existing stock. Moving forward, the scheduled completions of several projects by 2H2024 will collectively add approximately 5,866 units to the existing cumulative stock.

The high-end high-rise residential segment in Klang Valley is currently experiencing significant growth in market activity however certain areas in the region is currently facing negative performance. This upward trend is highlighted by rising sales volumes and an increase in the number of newly launched projects. Over the past six months, there has been a concentration of developments in KL City Centre, reflecting a shift towards investment portfolios, especially with the introduction of ROI rental programmes. The market's momentum is further bolstered by government initiatives aligned with the MADANI economic framework.

Source: Knight Frank Malaysia Real Estate Highlights 1st Half of 2024

12. MARKET RENTAL PROSPECT

Surrounding Market Rental

No.	Development	Built-up Area (Sq. Ft.)	Asking Rental (RM)	Asking Rental (RM/psf)
1	Setia Sky Residence	990 to 1,755	2,000/- to 7,000/-	2.02/- to 3.99/-
2	M City	506 to 1,920	1,400/- to 6,800/-	2.77/- to 3.54/-
3	Reizz Residence	778 to 896	1,800/- to 3,600/-	2.31/- to 4.02/-

Source: PropertyGuru.com

Rental Transaction

Comparable	1	2
Name of Residence	Setia Sky Residence	
Unit No.	D-25-3A	D-23A-6
Floor Area (sq. ft.)	806.97	968.97
Floor/Level	25	24
Type of Property	Service Apartment	
Category of Land Use	Commercial	
Tenure	Freehold	
Date of Agreement	1st April 2024	6th March 2024
Rental (RM)	RM2,200/-	RM2,700/-
Owner	LO CHEN, HONG-LING	TSENG, TIEN-CHUN
Tenant	DAJAY TWINKLE JOY	LOO KAI JEIN
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	
Analysis (PSF)	RM2.73 per square foot	RM2.78 per square foot
Estimated Market Value	RM800,000/-	RM820,000/-
Estimated Gross Yield (%)	3.3%	3.95%
Estimated Outgoing and Void Allowance	15%	15%
Estimated Nett Yield (%)	2.81%	3.36%

Comparable	1	2
Name of Residence	M City	
Unit No.	2-22-3A	1-15-06
Floor Area (sq. ft.)	850.03	879.95
Floor/Level	22	15
Type of Property	Service Apartment	
Category of Land Use	Commercial	
Tenure	Freehold	
Date of Agreement	5th March 2024	1st September 2023
Rental (RM)	RM1,800/-	RM1,600/-
Owner	CHI YU LING	LAU KAH WAI
Tenant	MOHAMMED MAHMOOD ARSHAD MOHAMMED ALI	M & N BENTONG BEAN PRODUCTS SDN BHD
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	
Analysis (PSF)	RM2.12 per square foot	RM1.82 per square foot
Estimated Market Value	RM700,000/-	RM710,000/-
Estimated Gross Yield (%)	3.09%	2.70%
Estimated Outgoing and Void Allowance	15%	15%
Estimated Nett Yield (%)	2.63%	2.30%

Comparable	1	2
Name of Residence	Reizz Residence	
Unit No.	15-11	35-03
Floor Area (sq. ft.)	895.02	850.03
Floor/Level	11	35
Type of Property	Service Apartment	
Category of Land Use	Commercial	
Tenure	Freehold	
Date of Agreement	20th December 2024	15th January 2021
Rental (RM)	RM1,900/-	RM1,800/-
Owner	MULTI WEALTH REALTY SDN BHD	THE SUITEL SDN BHD
Tenant	WONG CHEE THIAM	LIN CUI QIN
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	
Analysis (PSF)	RM2.12 per square foot	RM2.12 per square foot
Estimated Market Value	RM900,000/-	RM880,000/-
Estimated Gross Yield (%)	2.53%	2.46%
Estimated Outgoing and Void Allowance	15%	15%
Estimated Nett Yield (%)	2.15%	2.10%

Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPH)

The market rental in the vicinity of the subject property ranges from RM2.02/- per square foot to RM4.02/- per square foot depending on the built-up area and furnishing from asking portals. The confirmed market rental around the vicinity of the subject property ranges from RM2.12/- per square foot to RM3.60/- per square foot. The estimated rental yield is around 2.10% to 3.36%. The rental market around the vicinity is sought to maintain a stable or slightly rising momentum with the introduction of new properties featuring latest upgraded furnishing and features, drawing tenants across various neighbourhoods.

LIMITING CONDITIONS

As per Standard 19 of the Sixth Edition of the Malaysian Valuation Standards, the Valuation Report is subject to the following Limiting Conditions:

1. This Valuation Report is carried out in accordance with the Malaysian Valuation Standards published by the Board.
2. All measurements are carried out in accordance with the Uniform Method of Measurement of Building issued by The Royal Institution of Surveyors Malaysia or such other building measurement standards as acceptable and agreed to by the client.
3. This Valuation Report is confidential to the Client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.

Neither the whole, nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorized publication of the Valuation Report, whether in part or in whole.

4. The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context.
5. Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office. Legal advice may be sought to verify the title details, if required.
6. Town Planning and other statutory enquiries conducted at the respective offices or by extracting the required information from published reports and are deemed sufficiently reliable in the profession.
7. We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title documents, certified plan or any relevant agreement.
8. While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor have we inspected any woodwork or other parts of the structure which were covered or inaccessible. We

are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance of the absence in respect of any rot, termite or pest infestation or other hidden defects.

9. No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.
10. No soil investigation has been carried out to determine the suitability of soil conditions and/or availability of services for the existing or any future development or planting.

No soil investigation has been carried out to determine the soil suitability for the continued use of the property in its current condition or for any redevelopment.

11. We have not carried out investigations into the past and present uses of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.
12. Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.
13. Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.
14. Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.
15. In the case of buildings where works are in hand or have recently been completed, no allowances are made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
16. Unless otherwise stated, no allowances are made in our valuation for any expense of realization or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoings.

17. The instruction and the valuation assignment do not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instructions were given or subsequently agreed upon.
18. This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it expressed or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources.

19. A Valuation Report is current as at the valuation date only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

20. Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between the client and the Valuer and clearly set out in the terms of engagement.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately after the allotment and issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company from the Latest Practicable Date to the date of Completion other than the allotment and issue of the Consideration Shares) will be as follows:

(a) As at the Latest Practicable Date

HK\$

Authorised share capital:

<u>2,000,000,000</u> Share of HK\$0.1 each	<u>200,000,000</u>
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Issued and fully paid:

<u>601,565,600</u> Share of HK\$0.1 each	<u>60,156,560</u>
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(b) Immediately after the allotment and issue of the Consideration Shares

HK\$

Authorised share capital:

<u>2,000,000,000</u> Share of HK\$0.1 each	<u>200,000,000</u>
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Issued and fully paid:

601,565,600 Shares as at the Latest Practicable Date	60,156,560
<u>321,756,000</u> Number of Consideration Shares to be issued	<u>32,175,600</u>
<u>923,321,600</u>	<u>92,332,160</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights in respect of capital, dividends and voting.

The Consideration Shares, upon allotment and issue pursuant to the Specific Mandate, shall rank *pari passu* in all respects among themselves and with the other Shares in issue on the date of their allotment and issue, save and except the Consideration Shares will not be entitled to any rights, dividends, allotments and/or any other forms of distributions that may be declared, made or paid to the Shareholders prior to the date of their allotment and issue.

Application for the Listing Approval will be made to the Stock Exchange in respect of the Consideration Shares to be allotted and issued.

Subject to the granting of listing of, and permission to deal in, the Consideration Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consideration Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests in the Company

As at the Latest Practicable Date, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the SFO) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provision of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the Shares

Name of Director	Capacity/ Nature of interest	Number of securities (Note 1)	Approximate percentage of shareholding (Note 2)
Dato' Lua Choon Hann	Beneficial owner	260,000 Shares (L)	0.04%
Kang Boon Lian	Beneficial owner	200,000 Shares (L)	0.03%

Notes:

1. The letter “L” denotes the long position of the Director in the Shares.
2. The percentage of shareholding is calculated on the basis of 601,565,600 Shares in issue of the Company as at the Latest Practicable Date.

(ii) Long positions in the ordinary shares and/or underlying shares in the associated corporation of the Company

Name of Director	Name of the associated corporation	Capacity/ Nature of interest	Number of securities (Note 2)	Number of underlying shares held under equity derivatives (Note 2)	Approximate percentage of shareholding (Note 5)
Dato' Lim Heen Peok	PRGH (Note 1)	Beneficial owner	108,800 shares (L)	—	0.02%
Dato' Lua Choon Hann	PRGH (Note 1)	Beneficial owner	7,689,491 shares (L)	—	1.66%
		Interest of spouse	300,000 shares (L) (Note 3)	—	0.06%
Kang Boon Lian	PRGH (Note 1)	Beneficial owner	264,020 shares (L)	—	0.06%
Tan Chuan Dyi	PRGH (Note 1)	Beneficial owner	441,694 shares (L)	1,588,775 shares (L) (Note 4)	0.44%

Notes:

1. PRGH is the holding company and the associated corporation of the Company within the meaning under Part XV of the SFO.
2. The letter “L” denotes the long position of the Director in the shares in PRGH.
3. Dato' Lua Choon Hann was deemed to be interested in the shares in PRGH held directly by his spouse under Part XV of the SFO.
4. Tan Chuan Dyi is interested in 470,000 and 1,118,775 share options in PRGH at an exercise price of RM0.165 and RM0.179 per share respectively.
5. The percentage of shareholding is calculated on the basis of 462,961,045 shares in PRGH in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests and short positions in the Shares

Name of Shareholder	Capacity/ Nature of interest	Number of securities (Note 1)	Approximate percentage of shareholding (Note 7)
PRGH (Notes 2 and 3)	Beneficial owner	303,468,000 Shares (L)	50.45%
Jim Ka Man	Beneficial owner	53,572,000 Shares (L)	8.91%
		(Note 4)	
	Interest of spouse	3,796,000 Shares (L)	0.63%
		(Note 5)	
Dato' Ng Yan Cheng	Beneficial owner	66,693,600 Shares (L)	11.09%
		(Note 6)	

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. PRGH is a company incorporated in Malaysia and whose issued shares are listed on the Main Market of Bursa Securities.
3. Dato' Lua Choon Hann, an executive Director, is the group executive vice chairman of PRGH. Mr. Andrew Chan Lim-Fai, an executive Director, is the group managing director of PRGH. Mr. Ng Tzee Penn, a non-executive Director, is an executive director of PRGH.
4. According to the disclosure of interest form filed by Jim Ka Man, Jim Ka Man had acquired up to 53,572,000 Shares as at 29 August 2022.
5. According to the disclosure of interest form filed by Jim Ka Man, Jim Ka Man was deemed to be interested in the Shares held directly by her spouse under Part XV of the SFO.

6. According to the disclosure of interest form filed by Dato' Ng Yan Cheng, Dato' Ng Yan Cheng had acquired up to 66,693,600 Shares as at 28 August 2024.
7. The percentage of shareholding is calculated on the basis of 601,565,600 Shares in issue of the Company as at the Latest Practicable Date.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or controlling shareholder or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group or has any conflict of interest with the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which was not determinable by the Company within one year without payment of compensation other than statutory compensation.

6. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. QUALIFICATIONS AND CONSENT OF EXPERTS

The following are the qualifications of the experts whose opinions or advice are contained in this circular:

Name	Qualification
Octal	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
LOO BOON WEI	Independent property valuer

Each of the experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report, opinion (as the case may be) and the references to its name (including its qualifications) in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the experts named above did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the experts named above did not have any direct or indirect interest in any assets of the Group which have, since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the Master Agreement (Original) (as supplemented by the Supplemental Master Agreement); and
- (ii) Supplemental Master Agreement No. 2.

10. AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions in the Corporate Governance Code of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual reports and financial statements, interim reports and quarterly reports and to provide advices and

comments thereon to the Board. The audit committee is also responsible for reviewing the accounting principles and practices adopted by the Group and also the auditing, internal control and financial reporting matters.

The audit committee of the Board comprises three independent non-executive Directors, namely, Mr. Ho Ming Hon, Dato' Sri Dr. Hou Kok Chung and Dato' Lee Chee Leong. Mr. Ho Ming Hon is the chairman of the audit committee of the Board. Set out below are their biographical details:

Mr. Ho Ming Hon

Mr. Ho Ming Hon, aged 49, has joined the Group since 20 September 2017. His roles and responsibilities within the Group are to oversee the management of the Group independently. He obtained a bachelor degree of accounting from The National University of Malaysia in 1998 and is a certified public accountant and a member of The Malaysian Institute of Certified Public Accountants. He has over 15 years of experience in auditing and corporate finance. He joined PricewaterhouseCoopers from April 1998 to February 2002 with his last position as an assistant manager. He then subsequently worked at an investment bank, AmInvestment Bank Berhad, from February 2002 until November 2007, with his last position as an associate director, where he specialised in corporate finance and had undertaken various corporate exercises such as mergers and acquisitions, restructuring, fund raising and also initial public offerings. He joined PBS Berhad (formerly known as (Pelikan International Corporation Berhad). (“**PBS Berhad**”) in November 2007, a company whose shares are listed on Bursa Securities and currently, he holds office as the senior vice-president and Head of Group Finance and Corporate Services of PBS Berhad. He is mainly responsible for the overall management of the operations, financial management including treasury and reporting, corporate, secretarial and legal functions of PBS Berhad. He did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date.

Dato' Sri Dr. Hou Kok Chung

Dato' Sri Dr. Hou Kok Chung, aged 61, has joined the Group since 20 September 2017. His roles and responsibilities within the Group are to oversee the management of the Group independently. He obtained a bachelor degree and master degree of Arts from University of Malaya in 1987 and 1990 respectively. He obtained a doctor degree of Philosophy from the School of Oriental and African Studies, the University of London in 1998 and he was a member of Parliament and the Deputy Minister of Higher Education Malaysia from 2008 to 2013. He is an expert in East Asian and China studies. He served at University of Malaya from 1990 to 2008 as a lecturer and lastly as Associate Professor. During his tenure in University of Malaya, he had been appointed and held positions as Head of Department of East Asian Studies, and director of Institute of China Studies. He attended various conferences and seminars and worked on a handful of publications relating to economy, political environment and culture of East Asian countries and China. His vast experience, knowledge and understanding on this subject will enable him to contribute to the Group by bringing his insights in enhancing the future marketing

strategies and positioning in East Asian market. He was chairman of the Institute of Strategic Analysis & Policy Research from 2014 to 2018 and chairman of Melaka Port Authority in Malaysia from 2017 to 2018. He is deputy chairman of the Board of Governors at Tunku Abdul Rahman University of Management & Technology since 2023. He is a non-executive director of Parkson Retail Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 3368) since 2014 and he is also an independent non-executive director of Wong Engineering Corporation Berhad, a company listed on Main Market of Bursa Malaysia Securities Berhad (Stock Code: 7050) since March 2024. Save as disclosed above, he did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date.

Dato' Lee Chee Leong

Dato' Lee Chee Leong, aged 67, has joined the Group since 25 March 2020. He is responsible for overseeing the management of the Group independently. He obtained Bachelor of Arts majoring in accounting and finance from Bristol Polytechnic (with honours) in England in 1981. He also held a long and distinguished career in politics in Malaysia and served as State Assemblyman for Tualang, Perak from 1990 to 1995, and as State Assemblyman for Malim Nawar from 1995 to 2008. His career commenced in 1996 as a member of the Youth Central Committee and, through the years, had progressed through various roles such as the Kampar Division Chairman and Perak State Liaison Vice Chairman in 2005, Perak State liaison secretary and central committee member in 2008, presidential council member and central committee member from 2009 to 2013, vice president and Kedah State Liaison chairman from 2013 to 2018, and the treasurer and Kampar division chairman from 2018 to 2023. He did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date.

11. MISCELLANEOUS

- (a) Joint company secretaries of the Company are Ms. Cheng Lucy, who is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and Mr. Au Yeung Yiu Chung, who is a Chartered Secretary, a Chartered Governance Professional and a fellow member of The Hong Kong Chartered Governance Institute (HKCGI) and The Institute of Chartered Secretaries and Administrators in the United Kingdom. He is also a holder of the Practitioner's Endorsement issued by HKCGI.
- (b) Dato' Lua Choon Hann, an executive Director, is the compliance officer of the Company.
- (c) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office is at Lot 1883, Jalan KPB9, Kg. Bharu Balakong, 43300 Seri Kembangan, Selangor, Malaysia and principal place of business in Hong Kong is located at 31st Floor, 148 Electric Road, North Point, Hong Kong.

- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The English text of this circular shall prevail over its Chinese text.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.furniweb.com.my/>) from the date of this circular up to and including 14 days (except public holidays):

- (i) the Master Agreement (Original) (as supplemented by the Supplemental Master Agreement);
- (ii) the Supplemental Master Agreement No. 2;
- (iii) the letter from the Independent Board Committee, the text of which is set out on pages 29 to 30 of this circular;
- (iv) the letter from the Independent Financial Adviser, the text of which is set out on pages 31 to 59 of this circular;
- (v) the Valuation Report (Original) and the Valuation Report (Update) on the Properties issued by LOO BOON WEI, the text of which is set out in Appendices II and III respectively to this circular; and
- (vi) the written consents referred to in paragraph 8 of this appendix.

NOTICE OF EGM

FURNIWEB HOLDINGS LIMITED

飛 霓 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8480)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of Furniweb Holdings Limited (the “**Company**”) will be held at Lot 1883, Jalan KPB9, Kg. Bharu Balakong, 43300 Seri Kembangan, Selangor, Malaysia on Monday, 11 November 2024 at 9:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company.

Capitalised terms used in this notice have the same meanings as those defined in the circular of the Company dated 25 September 2024.

ORDINARY RESOLUTION

“THAT

- (a) the Master Agreement (a copy of the Master Agreement having been produced to the EGM and marked “A” and initialed by the chairman of the EGM for the purpose of identification), and all the transactions contemplated thereunder including the Purchase and the Consideration Shares Issue be and are hereby approved and the Directors be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and giving effect to the Master Agreement and all the transactions contemplated thereunder;
- (b) the Directors be and are hereby granted the specific mandate to allot and issue of the Consideration Shares, each at the Consideration Shares Issue Price pursuant to the terms and conditions of the Master Agreement; and
- (c) any Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated in the Master Agreement and the transactions contemplated thereunder as he may in his absolute discretion consider necessary, desirable or expedient to give effect to the Master Agreement and the implementation of all the transactions contemplated thereunder and to agree to such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its Shareholders as a whole.”

By order of the Board
FURNIWEB HOLDINGS LIMITED
Dato’ Lim Heen Peek
Chairman

Hong Kong, 25 September 2024

NOTICE OF EGM

Registered office:

Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters:

Lot 1883, Jalan KPB9
Kg. Bharu Balakong
43300 Seri Kembangan
Selangor
Malaysia

Principal place of business in Hong Kong:

31st Floor, 148 Electric Road
North Point
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM may appoint a proxy to attend and, on a poll, vote on his behalf and such proxy need not be a member of the Company. A form of proxy for use at the EGM is enclosed.
2. In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 9:00 a.m. on Saturday, 9 November 2024) before the time fixed for holding the Meeting or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the EGM convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
4. The proposed ordinary resolution set out in this notice will be voted by the shareholders of the Company and by way of a poll.
5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
6. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the EGM will be Monday, 11 November 2024. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 5 November 2024.