

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, the valuation certificate and report prepared in relation to the Proposed Acquisition (as defined below), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

EXSIM

HOSPITALITY

EXSIM HOSPITALITY BERHAD

(Formerly known as Pan Malaysia Holdings Berhad)

Registration No. 198301000236 (95469-W)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

- (I) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN EXSIM HOSPITALITY BERHAD ("EHB" OR "COMPANY") TOGETHER WITH FREE DETACHABLE WARRANTS AT AN ISSUE PRICE AND ENTITLEMENT BASIS TO BE DETERMINED AND ANNOUNCED LATER TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM250.79 MILLION ("PROPOSED RIGHTS ISSUE WITH WARRANTS"); AND**
- (II) **PROPOSED ACQUISITION OF A PROPOSED 5-STAR RATED HOTEL TOWER TOGETHER WITH RETAIL PODIUM KNOWN AS TOWER E, COMPRISING 294 HOTEL ROOMS, A RESTAURANT, A BALLROOM, SWIMMING POOL, RETAIL SPACES AND OTHER SUPPORTING FACILITIES WHICH FORM PART OF THE MIXED DEVELOPMENT PROJECT KNOWN AS EMPIRE CITY, DAMANSARA LOCATED IN PETALING JAYA, SELANGOR FOR A CASH CONSIDERATION OF RM240.25 MILLION ("PROPOSED ACQUISITION")**

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF EHB IN RELATION TO THE PROPOSED ACQUISITION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Joint Principal Advisers for Part A



AmInvestment Bank

AmInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



Maybank

Investment Bank

Company Registration No. 197301002412

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B

QuantePhi

QuantePhi Sdn Bhd

Registration No. 201101033479 (965573-T)

The Notice of the Extraordinary General Meeting of the Company ("**EGM**") to be held at Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 15 August 2025 at 3:00 p.m., or any adjournment thereof, for the purpose of considering the Proposals, together with the Proxy Form are enclosed in this Circular. A copy of the Proxy Form can be downloaded from the Company's website at <https://www.exsimhospitality.com/investor-relations/ir-overview>.

A member who is entitled to attend, participate, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Proxy Form must be deposited at the office of the Company's Share Registrar, Symphony Corporate Services Sdn Bhd situated at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia, or alternatively in the case of electronic appointment, the Proxy Form must be deposited via <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC) not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof at which the person named in the instrument proposes to vote. The lodging of the Proxy Form will not preclude a shareholder from attending, participating, speaking and voting in person at the EGM should the shareholder subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Wednesday, 13 August 2025 at 3:00 p.m.
Day, date and time of the EGM : Friday, 15 August 2025 at 3:00 p.m.

This Circular is dated 31 July 2025

DEFINITIONS

Acquiline	: Acquiline Sdn Bhd (Registration No. 199101007356 (217666-W))
Act	: Companies Act 2016
AHSB or Vendor	: Arcadia Hospitality Sdn Bhd (Registration No. 201901000825 (1310151-K))
ALA	: Additional listing application submitted to Bursa Securities on 25 April 2025 for among others, the listing and quotation of the following: <ul style="list-style-type: none"> (i) up to 1,857,734,822 Rights Shares and up to 464,433,705 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and (ii) up to 464,433,705 new EHB Shares to be issued arising from the exercise of the Warrants, on the Main Market of Bursa Securities
ALA Scenario	: Illustrative scenario based on the ALA which is based on the following bases and assumptions: <ul style="list-style-type: none"> (i) the requisite proceeds to be raised of approximately RM250.79 million; (ii) the illustrative entitlement basis of two (2) Rights Shares for every one (1) existing EHB Share held on the Entitlement Date and one (1) Warrant for every four (4) Rights Shares subscribed; (iii) the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date is assumed to be RM0.1800, based on the lowest closing price of EHB for the past 1 year up to and including 28 March 2025, being the latest practicable date prior to the submission of the ALA; (iv) the Issue Price is assumed to be RM0.1350 per Rights Share, which represents a discount of approximately 10% to the TEAP of EHB Shares of RM0.1500, based on the assumed 5-day VWAP up to and including the date prior to the Price-Fixing Date of RM0.1800; and (v) the exercise price of the Warrants is assumed to be RM0.1500, which is equivalent to the TEAP of EHB Shares of RM0.1500, based on the assumed 5-day VWAP up to and including the date prior to the Price-Fixing Date of RM0.1800
AmInvestment Bank	: AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
Andrew Khoo	: Andrew Khoo Boo Yeow
AOR	: Average occupancy rate
Board	: Board of Directors of EHB
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))

DEFINITIONS *(Cont'd)*

Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CASB	:	Cosmopolitan Avenue Sdn Bhd (Registration No. 201001004123 (888713-V))
Circular	:	This circular to the Shareholders in relation to the Proposals dated 31 July 2025
Constitution	:	The constitution of the Company
Corus Hotel	:	Corus Paradise Resort, a 4-star beachfront hotel located in Port Dickson, Negeri Sembilan
Corus Refurbishment	:	Refurbishment and renovation works for Corus Hotel which encompass, among others, renovating and refurbishing existing bedrooms, common areas and facades as well as upgrading the mechanical and electrical components of Corus Hotel including the lifts, plumbing, fire protection systems and security systems
Crowe or Accountant	:	Crowe Malaysia PLT (Registration No. 201906000005 (LLP0018817-LCA) & AF 1018)
Deed Poll	:	The deed poll to be executed by the Company constituting the Warrants
Director(s)	:	A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date of announcement of the Proposals, being 28 February 2025, a Director or a Chief Executive of EHB, its subsidiaries or holding company
EGM	:	Extraordinary general meeting
EHB or Company	:	EXSIM Hospitality Berhad (<i>formerly known as Pan Malaysia Holdings Berhad</i>) (Registration No. 198301000236 (95469-W))
EHB Group or Group	:	Collectively, EHB and its subsidiaries
EHB Share(s) or Share(s)	:	Ordinary share(s) in EHB
EHHSB	:	EXSIM Hospitality Holdings Sdn Bhd (Registration No. 202401003593 (1549443-U))
Empire City	:	A mixed development project known as Empire City, Damansara located in Petaling Jaya, Selangor Darul Ehsan
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of EHB as at the close of business on the Entitlement Date
Entitlement Date	:	An entitlement date to be determined later on which the names of the Entitled Shareholders must appear in the Record of Depositors of the Company as at 5:00 p.m. in order to be entitled to participate in the Proposed Rights Issue with Warrants
EPS	:	Earnings per share

DEFINITIONS *(Cont'd)*

EXSIM Concepto	:	EXSIM Concepto Sdn Bhd (Registration No. 202401027790 (1573639-X)), a wholly-owned subsidiary of EHB
Fit-out Business	:	The Group's business involving the interior design and fit-out business activities which comprise of the Fit-out Works
Fit-out Industry	:	Fit-out Works industry
Fit-out Works	:	Interior design, fit-out, consultancy and related services such as design analysis, layout planning, marketing, trading and distribution of fit-out products as well as project management of the fit-out works
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending 30 June
Hospitality Business	:	The Group's hospitality business comprising of the Own-and-Operate model and the Hospitality Operator model
Hospitality Operator	:	EHB Group's Hospitality Business which entails the management of the Managed Properties such as serviced residences, to be rented out to guests for short-term stays
IAL	:	Independent advice letter dated 31 July 2025 prepared by QuantePhi in relation to the Proposed Acquisition, as set out in Part B of this Circular
IMR Report	:	Independent market research report in relation to the outlook of the Fit-out Industry and hotel and resort industry in Malaysia prepared by Providence dated 25 July 2025
Interested Shareholders	Major :	Collectively, Lim Aik Hoe, Lim Aik Kiat and EHHSB
Issue Price	:	The issue price of the Rights Share(s) to be fixed and announced later by the Board on the Price-Fixing Date
Joint Principal Advisers	:	Collectively, AmlInvestment Bank and Maybank IB
KKSB	:	Kejaya Kaya Sdn Bhd (Registration No. 201601004611 (1175537-H))
Knight Frank or Valuer	:	Knight Frank Malaysia Sdn Bhd (Registration No. 200201017816 (585479-A))
LAT	:	Loss after tax
Lee SY	:	Lee Seng Yong
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	18 July 2025, being the latest practicable date prior to the printing of this Circular

DEFINITIONS *(Cont'd)*

LPD Scenario	: Illustrative scenario as at the LPD based on the following assumptions: <ul style="list-style-type: none">(i) the requisite proceeds to be raised of approximately RM250.79 million;(ii) the illustrative entitlement basis of three (3) Rights Shares for every two (2) existing EHB Share held on the Entitlement Date and one (1) Warrant for every three (3) Rights Shares subscribed, which give rise to 1,393,301,116 Rights Shares and 464,433,705 Warrants to be issued;(iii) the 5-day VWAP of EHB Shares up to and including the LPD of RM0.3600;(iv) the Issue Price of RM0.1800 per Rights Share, which represents a discount of approximately 27.18% to the illustrative TEAP of EHB Shares of RM0.2472, based on the 5-day VWAP of EHB Shares up to and including the LPD of RM0.3600; and(v) the exercise price of the Warrants of RM0.2230, which represents a discount of approximately 9.79% to the illustrative TEAP of EHB Shares of RM0.2472
Major Shareholder(s)	: A person who has an interest or interests in one or more voting shares in EHB and the number or aggregate number of those shares is: <ul style="list-style-type: none">(i) 10% or more of the total number of voting shares in EHB; or(ii) 5% or more of the total number of voting shares in EHB where such a person is the largest shareholder of EHB. <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p> <p>For the purpose of the Proposals, Major Shareholder(s) shall include any person who is or was within the preceding 6 months of the date of the announcement of the Proposals, being 28 February 2025, a Major Shareholder of EHB as defined above or any other company which is EHB’s subsidiary or EHB’s holding company</p>
Managed Properties	: Property units owned by third party owners which are managed by EHB Group under the Hospitality Operator model
Market Day(s)	: Any day(s) between Monday and Friday (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maybank IB	: Maybank Investment Bank Berhad (Registration No. 197301002412)
NA	: Net assets
Official List	: The Official List of the Main Market of Bursa Securities
Own-and-Operate	: EHB Group’s Hospitality Business model which entails the operations of directly owned hospitality assets
Partial CCCs	: Partial Certificates of Completion and Compliance

DEFINITIONS *(Cont'd)*

PAT	:	Profit after tax
Person(s) Connected	:	In relation to any person (referred to as “ said Person ”) means such person who falls under any one of the following categories: <ul style="list-style-type: none">(a) a family member of the said Person;(b) trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;(c) a partner of the said Person;(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or(g) a body corporate which is a related corporation of the said Person
Price-Fixing Date	:	The date on which the Board fixes the Issue Price and the entitlement basis for the Rights Shares as well as the exercise price and entitlement basis of the Warrants
Proposals	:	Collectively, the Proposed Rights Issue with Warrants and the Proposed Acquisition
Proposed Acquisition	:	Proposed acquisition of Subject Property - Partial Tower E Building by Uppervista from AHSB for the Purchase Consideration pursuant to the terms and conditions of the SPA
Proposed Rights Issue with Warrants	:	Proposed renounceable rights issue of new Rights Share(s) to the Entitled Shareholders of EHB together with free detachable Warrants at an issue price and entitlement basis to be determined and announced later to raise gross proceeds of approximately RM250.79 million
Providence	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A)), an independent researcher and consulting firm
Purchase Consideration	:	Cash consideration of RM240.25 million payable by Uppervista to AHSB pursuant to the terms and conditions of the SPA
QuantePhi Independent Adviser	or :	QuantePhi Sdn Bhd (Registration No. 201101033479 (965573-T))
Rights Share(s)	:	New EHB Shares to be issued pursuant to the Proposed Rights Issue with Warrants

DEFINITIONS *(Cont'd)*

RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission Malaysia
Secured Contracts	Fit-out :	External fit-out contracts secured by the Group's Fit-out Business
Shareholder(s)	:	Shareholder(s) of EHB
SJCSB	:	Sentosa Jaya Capital Sdn Bhd (Registration No. 200601036604 (756363-M))
SPA	:	Conditional sale and purchase agreement dated 28 February 2025 between Uppervista and AHSB for the Proposed Acquisition
Subject Property - Partial Tower E Building	:	A proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities in Empire City
Supplemental Undertaking Letters	:	Irrevocable and unconditional supplemental undertaking letters dated 24 April 2025 executed by SJCSB, Yap JW and KKSB respectively, to increase their minimum subscription amount pursuant to the Undertakings
TEAP	:	Theoretical ex-all price
Undertaking Letters	:	The Undertaking Shareholders' irrevocable and unconditional undertaking letters dated 28 February 2025 as amended by the Supplemental Undertaking Letters
Undertaking(s)	:	The Undertaking Shareholders' irrevocable and unconditional undertakings to subscribe in full for their respective entitlement under the Proposed Rights Issue with Warrants as well as to apply for additional Rights Shares not subscribed by the other Entitled Shareholders by way of excess application, to achieve an aggregate subscription value amounting to approximately RM250.79 million
Undertaking Shareholders	:	Collectively, EHHSB, SJCSB, Aquiline, Andrew Khoo, Lee SY, Yap JW and KKSB
Uppervista	:	Uppervista Sdn Bhd (Registration No. 202401008172 (1554022-H)), a wholly-owned subsidiary of EHB
Valuation Certificate	:	Valuation certificate in relation to Subject Property – Partial Tower E Building prepared by Knight Frank dated 27 February 2025
Valuation Report	:	Valuation report in relation to Subject Property – Partial Tower E Building prepared by Knight Frank dated 27 February 2025
VWAP	:	Volume weighted average market price
Warrants	:	Free detachable warrants to be issued by the Company pursuant to the Proposed Rights Issue with Warrants where the Warrants will be constituted by the Deed Poll to be executed by the Company
Yap JW	:	Yap Jun Wah

DEFINITIONS *(Cont'd)*

Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates, indications and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that EHB's plans and objectives will be achieved.

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NOTICE OF EGM	ENCLOSED
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PROXY FORM	ENCLOSED
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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR CAREFULLY FOR FURTHER DETAILS ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING EGM.

No.	Key Information	Summary	Reference to Part A of this Circular																		
1.	Details of the Proposed Rights Issue with Warrants	<p>The Company proposes to undertake the Proposed Rights Issue with Warrants on a full subscription basis to raise gross proceeds of approximately RM250.79 million. To meet the full subscription basis, the Company has procured the Undertakings via the Undertakings Letters from the Undertaking Shareholders to achieve an aggregate subscription value amounting to approximately RM250.79 million. In view of the Undertakings, there is no underwriting required for the Proposed Rights Issue with Warrants.</p> <p>The gross proceeds of approximately RM250.79 million is expected to be utilised in the following manner:</p> <table><tr><th>Description</th><th>RM'000</th><th>Estimated timeframe for utilisation from the listing of the Rights Shares</th></tr><tr><td>Corus Hotel expenditures</td><td>113,600</td><td>Within 12 months</td></tr><tr><td>Partly fund the Proposed Acquisition Working capital</td><td>86,272</td><td>Within 12 months</td></tr><tr><td>Defray expenses relating to the Proposals</td><td>48,922</td><td>Within 12 months</td></tr><tr><td>Total</td><td>2,000</td><td>Immediate</td></tr><tr><td></td><td>250,794</td><td></td></tr></table> <p>The Issue Price and the entitlement basis for the Rights Shares have not been determined at this juncture in order to provide flexibility to the Company in determining the Issue Price.</p> <p>The Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders and/or their renouncee(s) (if applicable) who have successfully subscribed for the Rights Shares. The entitlement basis and the exercise price for the Warrants will be determined and announced at a later date, simultaneously with the determination of the entitlement basis for the Rights Shares and the Issue Price.</p> <p>It is the intention of the Board to fix the Issue Price at a discount ranging between 10% to 30% of the TEAP based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date. It is also the intention of the Board to fix the exercise price of the Warrants at a discount of not more than 10% to the TEAP based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date.</p>	Description	RM'000	Estimated timeframe for utilisation from the listing of the Rights Shares	Corus Hotel expenditures	113,600	Within 12 months	Partly fund the Proposed Acquisition Working capital	86,272	Within 12 months	Defray expenses relating to the Proposals	48,922	Within 12 months	Total	2,000	Immediate		250,794		Section 2
Description	RM'000	Estimated timeframe for utilisation from the listing of the Rights Shares																			
Corus Hotel expenditures	113,600	Within 12 months																			
Partly fund the Proposed Acquisition Working capital	86,272	Within 12 months																			
Defray expenses relating to the Proposals	48,922	Within 12 months																			
Total	2,000	Immediate																			
	250,794																				

EXECUTIVE SUMMARY (Cont'd)

No.	Key Information Details of the Proposed Acquisition	Summary	Reference to Part A of this Circular
2.		<p>The Proposed Acquisition entails the acquisition by Uppervista from AHSB of Subject Property – Partial Tower E Building, for a purchase consideration of RM240.25 million to be fully satisfied in cash. For the avoidance of doubt, the Purchase Consideration includes the costs of renovation, refurbishment and interior fit-out works for Subject Property - Partial Tower E Building, which are to be completed by the Vendor's appointed subcontractor.</p> <p>The Purchase Consideration was arrived at on a “willing buyer-willing seller” basis after taking into consideration the market value of Subject Property - Partial Tower E Building of RM248.00 million (“Market Value”) as set out in the Valuation Report. The Purchase Consideration represents a discount of RM7.75 million or approximately 3.13% to the Market Value.</p> <p>In order to facilitate the Proposed Acquisition, the Group has earmarked proceeds of RM72.07 million from the Proposed Rights Issue with Warrants to partly fund the Purchase Consideration. In addition, a sum of RM14.20 million has also been allocated to defray miscellaneous costs associated with the Proposed Acquisition. The balance of the Purchase Consideration of RM168.18 million is expected to be financed via bank borrowings.</p>	Section 3 and Section 2.8
3.	Rationale and benefits of the Proposals	<p><u>Proposed Acquisition</u> The Group has embarked on the Proposed Acquisition as part of the Group's strategies to increase the Own-and-Operate assets in order to diversify its product offerings and reduce the Group's reliance on Corus Hotel.</p> <p>The Proposed Acquisition will also provide geographical diversification opportunity for the Group and capitalise on the vibrancy and strategic location of Empire City, a self-contained integrated development comprising of serviced residences, corporate office towers, commercial suites as well as a thematic mall which is expected to enhance Subject Property – Partial Tower E Building's overall attractiveness and appeal.</p> <p>Upon commencement of operations of Subject Property - Partial Tower E Building, the resultant increase in hotel room offerings and the wider geographical presence will enable the Group to expand its brand reach and capture a wider customer base. In addition, the Company also expects the investment value of Subject Property - Partial Tower E Building to be accretive in the longer term taking into consideration its strategic location which offers good accessibility, connectivity and high visibility as it is well connected to various localities within Klang Valley via a network of major roads and expressways.</p>	Section 4

EXECUTIVE SUMMARY (Cont'd)

No.	Key Information	Summary	Reference to Part A of this Circular
		<p>Proposed Rights Issue with Warrants</p> <p>The Board is of the opinion that the Proposed Rights Issue with Warrants is the most appropriate means of raising funds as it will enable the Company to raise additional funds without having to incur interest expense or service principal repayment as compared to conventional bank borrowings or issuance of debt securities.</p> <p>Further, the Proposed Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in the Company at a discount to the TEAP. The Proposed Rights Issue with Warrants will also enable the Company to issue new Shares without diluting its existing shareholders' equity interests provided that the Entitled Shareholders fully subscribe for their respective entitlements to the Rights Shares. The Warrants attached to the Rights Shares are meant to reward and provide the Entitled Shareholders with an option to further increase their equity participation in the Company by exercising their Warrants during the tenure of the Warrants.</p> <p>In addition, the enlarged capital base upon the completion of the Proposed Rights Issue with Warrants will further strengthen the Group's financial position and capital base with the increase in the Group's NA, thereby improving the Group's gearing level which provides greater financial flexibility to meet its funding requirements in the future.</p>	
4.	Approvals required	<p>The Proposals are subject to the following approvals being obtained from:</p> <p>(i) Bursa Securities for the following:</p> <ul style="list-style-type: none"> (a) listing and quotation of up to 1,857,734,822 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants; (b) admission to the Official List of Bursa Securities and the listing and quotation of up to 464,433,705 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and (c) listing and quotation of up to 464,433,705 new EHB Shares to be issued arising from the exercise of the Warrants. <p>Bursa Securities' approval was obtained vide its letter dated 18 July 2025 and subject to the conditions as set out in Section 8 of Part A of this Circular.</p> <p>(ii) shareholders of EHB at the forthcoming EGM.</p>	Section 8

EXECUTIVE SUMMARY (Cont'd)

No.	Key Information	Summary	Reference to Part A of this Circular
5.	Inter-conditional	The Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other in terms of approvals from the Shareholders.	Section 9
6.	Directors' statement and recommendation	<p>The Board, having considered and deliberated on all aspects of the Proposals, including the rationale and benefits of the Proposals, the salient terms of the SPA, the effects of the Proposals, the valuation of Subject Property - Partial Tower E Building performed by Knight Frank, the basis and justification for the Issue Price, the basis and justification for the exercise price of the Warrants as well as the evaluation of the Independent Adviser, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 13

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PART A

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSALS

EXSIM

HOSPITALITY

EXSIM HOSPITALITY BERHAD
(Formerly known as Pan Malaysia Holdings Berhad)
Registration No. 198301000236 (95469-W)
(Incorporated in Malaysia)

Registered Office
No. D-09-02, Level 9, EXSIM Tower,
Millerz Square @ Old Klang Road,
Megan Legasi, No. 357, Jalan Kelang Lama,
58000 Kuala Lumpur
Wilayah Persekutuan
Malaysia

31 July 2025

Board of Directors

Datuk Leong Kam Weng (*Independent Non-Executive Chairman*)
Tan Hai Liang (*Managing Director*)
Paramjit Singh Gill A/L Gurdev Singh (*Executive Director*)
Yong Hui Nee (*Independent Non-Executive Director*)
Freda Liu Phit Jang (*Independent Non-Executive Director*)

To: The Shareholders

Dear Sir/Madam,

(I) PROPOSED RIGHTS ISSUE WITH WARRANTS; AND (II) PROPOSED ACQUISITION

1. INTRODUCTION

EHB Group is principally involved in the Hospitality Business where it owns and operates Corus Hotel as well as management of the Managed Properties as the Hospitality Operator. In line with the Group's strategy to complement its Hospitality Business and to improve its financial performance, the Group had recently diversified into the Fit-out Business through its wholly-owned subsidiary, namely EXSIM Concepto. Since the Group's diversification into the Fit-out Business, EXSIM Concepto had successfully secured 15 Secured Fit-out Contracts with an aggregate contract value of RM341.74 million as at the LPD.

In addition, the Group has identified the strategies to further improve its financial performance which includes expanding its portfolio of Own-and-Operate hospitality assets and Managed Properties across Malaysia as follows:

(i) Own-and-Operate

Under the Own-and-Operate model, EHB aims to improve the performance of Corus Hotel. Corus Hotel, which had commenced operations since 1995, requires refurbishment given its aging building and facilities. As at the LPD, the Group has commenced the Corus Hotel Refurbishment and it is expected to be completed within a period of 12 months.

Going forward, the Group aims to increase its Own-and-Operate assets by acquiring additional properties to diversify its single asset concentration risk and to expand its product offerings. To this end, the Group had identified Subject Property – Partial Tower E Building which is the subject matter of the Proposed Acquisition.

(ii) Hospitality Operator

EHB recognises the need to constantly evolve and expand its offerings to different geographical locations for its guests. Hence, EHB is also involved in the Hospitality Operator model where it manages property units owned by third party owners, such as serviced residences, to be rented out to guests for short-term stays. As at the LPD, the Group has expanded its Managed Properties portfolio to 1,055 units of Managed Properties located in Klang Valley, Penang, Ipoh, Kuantan and Terengganu.

As the Hospitality Operator for the Managed Properties, the Group will be responsible for the day-to-day management of the Managed Properties including but not limited to room sales, marketing, housekeeping, maintenance, front desk services as well as food and beverage services. In return, the customers will be charged the room rates or accommodation fees akin to that of the Own-and-Operate model and such fees will be shared between the Group and owners of the Managed Properties.

In light of the Group's objectives above, on 28 February 2025, the Joint Principal Advisers had, on behalf of the Board, announced that the Company intends to undertake the Proposals.

In view of the interests of the Interested Major Shareholders in the Proposed Acquisition as set out in Section 10 of Part A of this Circular, the Proposed Acquisition is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, QuantePhi was appointed by the Board on 10 October 2024 to act as the Independent Adviser to advise the non-interested shareholders of EHB in respect of the Proposed Acquisition. As the Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other and the proceeds from the Proposed Rights Issue with Warrants will be utilised for the part payment of the Purchase Consideration, the Independent Adviser will also be providing its comments on the Proposed Rights Issue with Warrants.

On 24 April 2025, the Joint Principal Advisers had, on behalf of the Board, announced that there is a change in the composition of the Undertaking Shareholders and their respective Undertakings pursuant to the Proposed Rights Issue with Warrants. The amount to be subscribed by the respective Undertaking Shareholders pursuant to the Undertakings are set out in Section 2.4 of Part A of this Circular.

On 21 July 2025, the Joint Principal Advisers had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 18 July 2025, granted its approval for the following:

- (a) listing and quotation of up to 1,857,734,822 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (b) admission to the Official List of Bursa Securities and the listing and quotation of up to 464,433,705 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (c) listing and quotation of up to 464,433,705 new EHB Shares to be issued arising from the exercise of the Warrants.

Bursa Securities' approval is subject to the conditions as set out in Section 8 of Part A of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE IAL AS SET OUT IN PART B OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

The Proposed Rights Issue with Warrants will be undertaken on a full subscription basis to raise gross proceeds of approximately RM250.79 million. The Issue Price and the entitlement basis for the Rights Shares have not been determined at this juncture in order to provide flexibility to the Company in determining the Issue Price.

Due to potential share price movements, determining the Issue Price and the entitlement basis for the Rights Shares closer to the implementation of the Proposed Rights Issue with Warrants will enable the Board to take into consideration, among others, the prevailing market price of EHB Shares at that point in time. The Issue Price and the exact quantum of proceeds to be raised will be finalised and announced together with the entitlement basis on the Price-Fixing Date.

The Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders and/or their renounee(s) (if applicable) who have successfully subscribed for the Rights Shares. Each Warrant will entitle its holder to subscribe for one (1) new EHB Share at an exercise price to be determined. The entitlement basis and the exercise price for the Warrants will be determined and announced at a later date, simultaneously with the determination of the entitlement basis for the Rights Shares and the Issue Price. The indicative salient terms of the Warrants are set out in Appendix I of this Circular.

For illustrative purposes only, the effects of the Proposed Rights Issue with Warrants in this Circular have been illustrated based on the LPD Scenario and ALA Scenario as follows:

		LPD Scenario	ALA Scenario
Proceeds to be raised	:	RM250.79 million	
5-day VWAP	:	RM0.3600	RM0.1800 (based on the lowest closing price of EHB for the past 1 year up to and including 28 March 2025, being the latest practicable date prior to the submission of the ALA)
TEAP	:	RM0.2472	RM0.1500
<u>Rights Shares</u>			
Illustrative entitlement basis of Rights Shares	:	Three (3) Rights Shares for every two (2) existing Shares held	Two (2) Rights Shares for every one (1) existing Share held
Illustrative Issue Price	:	RM0.1800 (represents approximately 27.18% discount to the illustrative TEAP of EHB Shares)	RM0.1350 (represents approximately 10% discount to the illustrative TEAP of EHB Shares)
Illustrative number of Rights Shares	:	1,393,301,116 Rights Shares	1,857,734,822 Rights Shares
<u>Warrants</u>			
Illustrative entitlement basis for the Warrants	:	One (1) Warrant for every three (3) Rights Shares subscribed	One (1) Warrant for every four (4) Rights Shares subscribed
Illustrative exercise price	:	RM0.2230 (represents approximately 9.79% discount to the illustrative TEAP of EHB Shares)	RM0.1500 (equivalent to the illustrative TEAP of EHB Shares)
Illustrative number of Warrants	:	464,433,705 Warrants	464,433,705 Warrants

For information purposes, Bursa Securities' approval was sought via the ALA based on the bases and assumptions illustrated in the ALA Scenario i.e. up to 1,857,734,822 Rights Shares and up to 464,433,705 Warrants to cater for any potential variation depending on the prevailing EHB Share price at the Price-Fixing Date.

In the event the 5-day VWAP up to and including the Price-Fixing Date is lower than RM0.1800 which may result in a lower Issue Price than the ALA Scenario and result in the Company not being able to raise the requisite proceeds of RM250.79 million, the Company may consider deferring the implementation of the Proposed Rights Issue with Warrants and revise the basis of the Issue Price subject to such revisions resulting in the Company being in compliance with the Public Spread Requirement (as defined herein). The Company will make the requisite announcement and seek approvals of Bursa Securities and the Shareholders for such revised proposals, where required, in compliance with the Listing Requirements.

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue with Warrants. Only Entitled Shareholders and/or their renounee(s) who subscribe for the Rights Shares will be entitled to the Warrants. The Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue with Warrants will simultaneously relinquish their corresponding entitlements to the Warrants. For avoidance of doubt, the Rights Shares and Warrants are not separately renounceable.

Any unsubscribed Rights Shares together with the Warrants will be made available to other Entitled Shareholders and/or their renounee(s) by way of excess Rights Shares applications.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately on the Main Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.

It is the intention of the Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company. In determining the entitlements of the Entitled Shareholders to the Rights Shares, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board in its absolute discretion deems fit and expedient or in the best interest of the Company. Fractional entitlements of the Warrants arising from the Proposed Rights Issue with Warrants, if any, shall also be disregarded and dealt in such manner and on such terms and conditions as the Board in its absolute discretion deems fit and expedient or in the best interest of the Company.

2.1 Basis and justification for the Issue Price

The Issue Price shall be fixed by the Board and announced on the Price-Fixing Date which shall be fixed prior to the announcement of the Entitlement Date. It is the intention of the Board to fix the Issue Price at a discount ranging between 10% to 30% of the TEAP based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date. The discount range was determined by the Board after considering the Company's intention to fix the Issue Price at a discount which is deemed sufficiently attractive to encourage subscription of the Rights Shares by the Entitled Shareholders.

The Issue Price will be determined after taking into consideration, inter-alia, the following:

- (i) the funding requirements of the EHB Group as set out in Section 2.8 of Part A of this Circular;
- (ii) the resultant TEAP of EHB Shares computed based on the five (5)-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date; and
- (iii) the then prevailing market conditions which include, among others, market sentiment and volatility of the Malaysian stock market.

2.2 Basis and justification for the exercise price of the Warrants

The exercise price of the Warrants will be determined by the Board and announced on the Price-Fixing Date which shall be fixed prior to the announcement of the Entitlement Date, after taking into consideration the TEAP of EHB Shares based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date.

It is the intention of the Board to fix the exercise price of the Warrants at a discount of not more than 10% to the TEAP based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date.

2.3 Ranking of the Rights Shares and new EHB Shares to be issued arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing EHB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of EHB, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares.

The new EHB Shares to be issued arising from the exercise of the Warrants will, upon allotment, issuance and full payment of the exercise price of the Warrants, rank equally in all respects with the existing EHB Shares, save and except that the new EHB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of EHB, the entitlement date of which is prior to the date of allotment and issuance of such new EHB Shares.

2.4 Undertakings for the Proposed Rights Issue with Warrants

It is the intention of the Company to undertake the Proposed Rights Issue with Warrants on a full subscription basis ("**Full Subscription Basis**").

In doing so, the Company has procured the Undertakings via the Undertaking Letters from the Undertaking Shareholders to achieve an aggregate subscription value amounting to approximately RM250.79 million as follows:

Undertaking Shareholders	Amount to be subscribed under the Undertakings (RM)
EHHSB	193,704,595
SJCSB ⁽ⁱ⁾	10,540,000
Acquiline ⁽ⁱⁱ⁾	6,055,749
Andrew Khoo ⁽ⁱⁱⁱ⁾	3,510,000
Lee SY ^(iv)	10,578,650
Yap JW ^(v)	11,781,190
KKSB ^(vi)	14,624,017
Total	250,794,201

Notes:

- (i) SJCSB was incorporated in Malaysia on 14 December 2006 as a private limited company under the Act. SJCSB is a credit community company governed by the Moneylenders Act 1951 ("**MLA**") and under the purview of Ministry of Housing and Local Government ("**KPKT**"). SJCSB is principally involved in the provision of services related to both conventional and Islamic modes of share financing.

As at the LPD, the total issued share capital of SJCSB is RM5,000,000 comprising 5,000,000 ordinary shares.

As at the LPD, the directors and shareholders of SJCSB as well as their respective direct shareholding in SJCSB are as follows:

Name	Relationship with SJCSB	No. of ordinary shares	%
Saifulizan Bin Haron	Director	-	-
Noor Hazimah Binti Sain	Director	-	-
Wan Ainon Binti Nayan	Director and shareholder	500,000	10.00
Suhariyani Binti Supa'at	Director and shareholder	1,250,000	25.00
Sentosa Jaya Land Sdn Bhd ("SJLSB") #	Shareholder	3,000,000	60.00
Koperasi Sentosa Jaya Kuala Lumpur Berhad	Shareholder	250,000	5.00

As at the LPD, shareholders of SJLSB are Azman Bin Abidin (40%), Wan Ainon Binti Nayan (30%) and Suhariyani Binti Supa'at (30%).

- (ii) Acquiline was incorporated in Malaysia on 24 May 1991 as a private limited company under the Act. Acquiline is an investment holding company that is wholly-owned by Malayan United Industries Berhad ("MUI"), a company listed on the Main Market of Bursa Securities.

As at the LPD, the total issued share capital of Acquiline is RM250,000 comprising 250,000 ordinary shares.

As at the LPD, the directors of Acquiline are Wong Shuk Fuen, Siti Mardhiyah Binti Aziz and Tan Khim Chuan.

As at the LPD, the substantial shareholders of MUI (being the immediate holding company of Acquiline) are as follows:

	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
KKP Holdings Sdn Bhd	-	-	1,395,355,289	43.26 ⁽¹⁾
Soo Lay Holdings Sdn Bhd	-	-	1,395,355,289	43.26 ⁽²⁾
Tan Sri Dato' Khoo Kay Peng	-	-	1,395,355,289	43.26 ⁽³⁾
Cherubim Investment (HK) Limited ("Cherubim")	297,848,487	9.23	81,239,433	2.52 ⁽⁴⁾
Norcross Limited ("Norcross")	300,154,836	9.30	81,239,433	2.52 ⁽⁴⁾
Bonham Industries Limited ("Bonham")	411,764,706	12.76	-	-
KKP Enterprises Sdn Bhd ("KKPE")	304,347,827	9.43	-	-

- (1) Deemed interest pursuant to Section 8(4) of the Act by virtue of its deemed substantial interest in Pan Malaysian Industries Berhad ("PMI") and its substantial interest in Bonham, Cherubim, Norcross and KKPE.
- (2) Deemed interest pursuant to Section 8(4) of the Act by virtue of its substantial interest in PMI, Bonham, Cherubim, Norcross and KKPE.
- (3) Deemed interest pursuant to Section 8(4) of the Act by virtue of his deemed substantial interest in PMI, Bonham, Cherubim, Norcross and KKPE.
- (4) Deemed interest pursuant to Section 8(4) of the Act by virtue of its substantial interest in PMI.

- (iii) Andrew Khoo, an Australian aged 52, is a shareholder, Chairman and Chief Executive Officer of MUI. He is also the son of Tan Sri Dato' Khoo Kay Peng, the substantial shareholder of MUI. In addition, Andrew Khoo is also the Chairman and Chief Executive Officer of MUI Properties Berhad and Executive Director of Pan Malaysia Corporation Berhad, of which both companies are listed on the Main Market of Bursa Securities.

- (iv) *Lee SY, a Malaysian aged 40, is a substantial shareholder and Executive Director of Binastra Corporation Berhad, a company listed on the Main Market of Bursa Securities principally involved in property development, building and civil engineering works in turnkey projects, design and build, engineering, procurement and construction and commissioning works, and transportation and logistic industry.*
- (v) *Yap JW, a Malaysian aged 41, is a shareholder and Executive Director of multiple private limited companies incorporated under the Act which are mainly involved in building construction works and real estate activities.*
- (vi) *KKSB was incorporated in Malaysia on 15 February 2016 as a private limited company under the Act. KKSB is a licensed credit community company governed by the MLA and under the purview of KPKT, offering different financing solutions including stock collateral loans with competitive interest rate and flexible repayment schemes.*

As at the LPD, the total issued share capital of KKSB is RM402,000,000 comprising 2,000,000 ordinary shares and 400,000,000 non-convertible preference shares.

As at the LPD, the directors and shareholders[#] of KKSB as well as their respective direct shareholding in KKSB are as follows:

Name	Relationship with KKSB	No. of ordinary shares	%
<i>Ler Pei Fen</i>	<i>Director</i>	-	-
<i>Proven Capital Sdn Bhd</i>	<i>Shareholder</i>	<i>2,000,000</i>	<i>100.0</i>

Octowill Labuan Pte Ltd holds 400,000,000 non-convertible preference shares in KKSB which does not have any voting rights. In addition, Octowill Labuan Pte Ltd does not have any management control over KKSB.

For information purposes, none of the Undertaking Shareholders is an associate (as defined in the Listing Requirements) of the Directors or substantial shareholders of the Company.

The Undertaking Shareholders have confirmed that they have sufficient financial resources to fulfil the Undertakings. The Joint Principal Advisers have verified the sufficiency of the Undertaking Shareholders' financial resources for the purpose of subscribing in full for their entitlement under the Proposed Rights Issue with Warrants as well as to apply for additional Rights Shares not subscribed by the other Entitled Shareholders by way of excess application pursuant to the Undertakings.

In view of the Undertakings, there is no underwriting required for the Proposed Rights Issue with Warrants.

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Strictly for illustrative purposes only, based on the shareholdings of the Undertaking Shareholders in the Company as at the LPD, the effects of the Undertakings on the Undertaking Shareholders' shareholdings based on the LPD Scenario and ALA Scenario are as follows:

LPD Scenario

	As at the LPD		Illustrative Rights Shares to be subscribed and applied for pursuant to the Undertakings ⁽ⁱⁱ⁾						Shareholding after the Proposed Rights Issue with Warrants		No. of entitled Warrants	Shareholding assuming full exercise of the Warrants	
			Entitlement		Excess application		Total no. of Rights Shares ⁽ⁱⁱⁱ⁾	Total subscription amount ⁽ⁱⁱⁱ⁾ (RM'000)					
	No. of Shares	% ⁽ⁱ⁾	No. of Rights Shares	%	No. of Rights Shares	%			No. of Shares	% ^(iv)	No. of Shares	% ^(v)	
EHHSB	655,007,219	70.52	982,510,828	70.52	93,625,813	6.72	1,076,136,641	193,705	1,731,143,860	74.55	358,712,213	2,089,856,073	74.99
SJCSB	4,000,000	0.43	6,000,000	0.43	52,555,555	3.77	58,555,555	10,540	62,555,555	2.69	19,518,519	82,074,074	2.95
Acquiline	22,428,700	2.41	33,643,050	2.41	-	-	33,643,050	6,056	56,071,750	2.41	11,214,350	67,286,100	2.41
Andrew Khoo	13,000,000	1.40	19,500,000	1.40	-	-	19,500,000	3,510	32,500,000	1.40	6,500,000	39,000,000	1.40
Lee SY	1,500,000	0.16	2,250,000	0.16	56,520,277	4.06	58,770,277	10,578	60,270,277	2.60	19,590,092	79,860,369	2.87
Yap JW	1,500,000	0.16	2,250,000	0.16	63,201,055	4.54	65,451,055	11,781	66,951,055	2.88	21,817,019	88,768,074	3.19
KKSB	17,777,500	1.91	26,666,250	1.91	54,578,288	3.91	81,244,538	14,624	99,022,038	4.26	27,081,512	126,103,550	4.52
Total	715,213,419	76.99	1,072,820,128	76.99	320,480,988	23.00	1,393,301,116	250,794	2,108,514,535	90.79	464,433,705	2,572,948,240	92.33

ALA Scenario

	As at the LPD		Illustrative Rights Shares to be subscribed and applied for pursuant to the Undertakings ^(vi)						Shareholding after the Proposed Rights Issue with Warrants		No. of entitled Warrants	Shareholding assuming full exercise of the Warrants	
			Entitlement		Excess application		Total no. of Rights Shares ^(vii)	Total subscription amount ^(vii) (RM'000)	No. of Shares	% (viii)		No. of Shares	% (ix)
	No. of Shares	% (i)	No. of Rights Shares	%	No. of Rights Shares	%							
EHSB	655,007,219	70.52	1,310,014,438	70.52	124,834,415	6.72	1,434,848,853	193,705	2,089,856,072	74.99	358,712,213	2,448,568,285	75.32
SJCSB	4,000,000	0.43	8,000,000	0.43	70,074,074	3.77	78,074,074	10,540	82,074,074	2.95	19,518,519	101,592,593	3.13
Acquiline	22,428,700	2.41	44,857,400	2.41	-	-	44,857,400	6,056	67,286,100	2.41	11,214,350	78,500,450	2.41
Andrew Khoo	13,000,000	1.40	26,000,000	1.40	-	-	26,000,000	3,510	39,000,000	1.40	6,500,000	45,500,000	1.40
Lee SY	1,500,000	0.16	3,000,000	0.16	75,360,370	4.06	78,360,370	10,578	79,860,370	2.87	19,590,092	99,450,462	3.06
Yap JW	1,500,000	0.16	3,000,000	0.16	84,268,074	4.54	87,268,074	11,781	88,768,074	3.19	21,817,019	110,585,093	3.40
KKSB	17,777,500	1.91	35,555,000	1.91	72,771,051	3.91	108,326,051	14,624	126,103,551	4.52	27,081,512	153,185,063	4.71
Total	715,213,419	76.99	1,430,426,838	76.99	427,307,984	23.00	1,857,734,822	250,794	2,572,948,241	92.33	464,433,705	3,037,381,946	93.43

Notes:

- (i) *Based on the total number of EHB Shares in issue as at the LPD of 928,867,411.*
- (ii) *Assuming the issuance of 1,393,301,116 Rights Shares (for illustrative purposes) and assuming none of the Entitled Shareholders and/or renounee(s) and/or transferee(s) (other than the Undertaking Shareholders) subscribe for their respective entitlements under the Proposed Rights Issue with Warrants.*
- (iii) *Represents the illustrative total number of Rights Shares to be subscribed by the respective Undertaking Shareholder based on the respective Undertaking and the Illustrative Issue Price of RM0.1800.*
- (iv) *Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 2,322,168,527.*
- (v) *Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants and exercise of Warrants of 2,786,602,232.*
- (vi) *Assuming the issuance of 1,857,734,822 Rights Shares (for illustrative purposes) and assuming none of the Entitled Shareholders and/or renounee(s) and/or transferee(s) (other than the Undertaking Shareholders) subscribe for their respective entitlements under the Proposed Rights Issue with Warrants.*
- (vii) *Represents the illustrative total number of Rights Shares to be subscribed by the respective Undertaking Shareholder based on the respective Undertaking and the Illustrative Issue Price of RM0.1350.*
- (viii) *Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 2,786,602,233.*
- (ix) *Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants and exercise of Warrants of 3,251,035,938.*

In the event the excess Rights Shares are insufficient for all the excess applications by the Entitled Shareholders, the Board intends to allot the excess Rights Shares on a fair and equitable basis in the following priority:

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares, on a pro rata basis and in board lot, calculated based on their respective shareholdings as per their central depository system accounts as at the Entitlement Date;
- (c) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares, on a pro rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares applied for; and
- (d) fourthly, for allocation to renounee(s)/transferee(s) (if applicable) who have applied for excess Rights Shares, on a pro rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares applied for.

In the event there is any remaining balance of excess Rights Shares after the above allocations, steps (b) to (d) will be repeated in the same sequence to allocate the remaining balance of excess Rights Shares to the Entitled Shareholders and/or renounee(s) and/or transferee(s) who have applied for the excess Rights Shares until such balance is fully allocated.

2.5 Public shareholding spread

As at the LPD, the public shareholding spread of EHB is approximately 29.48%. Upon completion of the Proposed Rights Issue with Warrants and based on the LPD Scenario and ALA Scenario, the public shareholding spread of the Company will reduce to approximately 25.45% and 25.00% respectively, assuming only the Undertaking Shareholders subscribe in full for their respective entitlement under the Proposed Rights Issue with Warrants as well as apply for additional Rights Shares pursuant to their respective Undertakings, which is still in compliance with Paragraph 8.02(1) of the Listing Requirements which requires the Company to ensure that at least 25% of its total listed Shares are in the hands of public shareholders ("**Public Spread Requirement**").

Assuming the full exercise of the Warrants held by EHHSB and none of the other shareholders exercise the Warrants under the LPD Scenario and ALA Scenario, the public shareholding spread of the Company may not be in compliance with the Public Spread Requirement as illustrated below:

LPD Scenario

	As at the LPD	(I)	(II)
		After the Proposed Rights Issue with Warrants	After (I) and assuming full exercise of the Warrants held by EHHSB only
Public shareholding spread (%)	29.48%	25.45%	22.05%

ALA Scenario

	As at the LPD	(I)	(II)
		After the Proposed Rights Issue with Warrants	After (I) and assuming full exercise of the Warrants held by EHHSB only
Public shareholding spread (%)	29.48%	25.00%	22.15%

In view of the foregoing, the Company has obtained a written irrevocable undertaking from EHHSB that it shall not exercise any of its Warrants after the completion of the Proposed Rights Issue with Warrants if the exercise of such number of Warrants will result in the Company not being able to comply with the Public Spread Requirement. Pursuant to the terms of the Deed Poll, the Company shall be entitled to require any Warrant holder to undertake in writing not to exercise or refrain from exercising the Warrants, or restricting the exercise of the Warrants, for the purposes of complying with applicable law and any requirements or guidelines of Bursa Securities (including any provision of the Listing Requirements). In the event that a Warrant holder shall execute such an undertaking in writing, the Company and the share registrar of the Company shall be entitled, without any further reference to or notice to the relevant Warrant holder, to reject the exercise of the Warrant holder's Warrant in the event that any exercise of the Warrants does not comply with the terms of the Warrant holder's undertaking. Accordingly, the Company and the share registrar of the Company shall be entitled to reject EHHSB's exercise of the Warrants which would not comply with EHHSB's Undertaking i.e. which would result in the Company not meeting the Public Spread Requirement.

2.6 Take-over implications

Based on the respective shareholding of the Undertaking Shareholders as at the LPD as well as the assumptions set out in Section 2 of Part A of this Circular, the subscription of the Rights Shares and application for excess Rights Shares by the Undertaking Shareholders pursuant to the Undertakings and the exercise of the Warrants will not give rise to any mandatory take-over offer obligation under the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC ("**Rules**"). The Undertaking Shareholders have also, via the Undertaking Letters, undertaken to observe and comply at all times with the provisions of the Rules.

2.7 Listing and quotation of the Rights Shares

Bursa Securities had, vide its letter dated 18 July 2025, granted its approval for the following:

- (a) listing and quotation of up to 1,857,734,822 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (b) admission to the Official List of Bursa Securities and the listing and quotation of up to 464,433,705 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (c) listing and quotation of up to 464,433,705 new EHB Shares to be issued arising from the exercise of the Warrants.

Bursa Securities' approval is subject to the conditions as set out in Section 8 of Part A of this Circular.

2.8 Utilisation of proceeds

The gross proceeds of approximately RM250.79 million is to be utilised in the following manner:

Description	Note	RM'000	Estimated timeframe for utilisation from the listing of the Rights Shares
Corus Hotel expenditures	(i)	113,600	Within 12 months
Partly fund the Proposed Acquisition	(ii)	86,272	Within 12 months
Working capital	(iii)	48,922	Within 12 months
Defray expenses relating to the Proposals	(iv)	2,000	Immediate
Total		250,794	

Notes:

- (i) *Pengkalan Holiday Resort Sdn Bhd, a wholly-owned subsidiary of the Company, owns and operates Corus Hotel. Corus Hotel is a beachfront hotel with 200 bedrooms, 7 function rooms, a grand ballroom, recreational facilities such as a gym and fitness centre, tennis court, squash courts, archery range, volleyball court, game room, water sports activities area, 1 swimming pool and 2 restaurants. Corus Hotel commenced operations in 1995 and had not undergone any major renovation and/or refurbishment over the last 5 years. Thus, the aging condition of Corus Hotel has contributed to the low AOR of approximately 30% for the most recent FYE 30 June 2024.*

In view of the above, the Group intends to undertake the Corus Hotel Refurbishment to improve the functionality and appearance of the hotel which will improve its market competitiveness and overall attractiveness, hence garnering higher occupancy and rental rates. The estimated cost for the Corus Hotel Refurbishment is approximately RM120.69 million, the breakdown of which is as follows:

Description	RM'000
Hotel rooms and common area refurbishment	28,000
Mechanical and electrical works	26,650
Hotel façade and main signage	21,500
Waterpark	13,000
Ballroom refurbishment	16,000
Preliminary costs for renovation work	12,860
Landscaping works	2,000
Other miscellaneous costs and contingencies	680
Total	120,690

In this respect, the Group proposes to utilise RM100.00 million of the proceeds to be raised from the Proposed Rights Issue with Warrants to partly finance the cost for the Corus Hotel Refurbishment, whilst the remaining balance of approximately RM20.69 million shall be financed by the Group's internally generated funds and/or bank borrowings.

As at the LPD, the Group has obtained the approved renovation plans from Majlis Perbandaran Port Dickson on 27 November 2024 and has commenced the Corus Hotel Refurbishment on 23 May 2025 which is expected to be completed within a period of 12 months. During the refurbishment period, Corus Hotel will operate on a partial closure basis with reduced number of available rooms and resulting in lower revenue contribution from the hotel segment. However, the Group is still expected to be profitable based on the continued growth momentum of its Fit-out Business. Furthermore, the Group will take all necessary and reasonable efforts to ensure the Corus Hotel Refurbishment is completed within the estimated timeframe.

In addition, such amount earmarked for Corus Hotel's expenditures also include lease extension costs of approximately RM13.6 million for one of the four parcels of leasehold lands which Corus Hotel is situated on. As at the LPD, the remaining term of the said leasehold land is approximately 34 years (i.e. expiring on 8 November 2059) and the extension will increase the lease term by another 31 years (i.e. expiring on 8 November 2090). The aggregate size of the 4 parcels of leasehold lands is approximately 55,760 square meters.

For avoidance of doubt, in the event the lease extension is unsuccessful, the amount shall be reallocated towards funding the cost of the Corus Hotel Refurbishment. In the event the lease extension is unsuccessful, prior to the expiry of such lease, the Group may contemplate to relocate all movable assets of the Corus Hotel including its furniture, fixtures, and equipment to other hotel properties within the Group where feasible, and will strive to minimise disruption to its operations during such exit strategy. Nonetheless, the Group will take all necessary and reasonable efforts to secure the lease extension.

In the event that the Proposed Rights Issue with Warrants is not completed, the Group will not raise any proceeds to fund the Corus Hotel Refurbishment. As a result, the Corus Hotel Refurbishment would need to be scaled down and implemented in phases over a longer period, depending on the availability of the Group's internally generated funds. Such phased out approach could lead to extended operational disruption caused by intermittent facility closure for renovations and consequentially, decrease in revenue as well as cost inefficiencies and weaker occupancy recovery which will lead to longer payback period and reduce the overall return on investment by the Group.

In such event, the Group may consider procuring bank borrowings to fully/partially fund the RM113.6 million required for the Corus Hotel Refurbishment. Notwithstanding the Group's existing gearing level of 0.49 times and its availability of cash and bank balances, the Group remains optimistic of its ability to procure such bank borrowings with the support of its major shareholders, namely EHHSB, Lim Aik Hoe, Lim Aik Kiat and Lim Aik Fu as well as the prospects of the Group as set out in Section 5.4 of Part A of this Circular.

The Company will take all necessary and reasonable steps to ensure completion of the Proposed Rights Issue with Warrants such as pricing the Issue Price at an attractive discount and ensuring the Undertaking Shareholders fulfil their respective Undertakings as set out in Section 2.4 of Part A of this Circular.

- (ii) As part of the Group's strategy to expand its accommodation portfolio under its Own-and-Operate model, it intends to undertake the Proposed Acquisition to acquire Subject Property - Partial Tower E Building for a purchase consideration of RM240.25 million. For information purposes, Subject Property - Partial Tower E Building has been fully constructed and is undergoing renovation, refurbishment and interior fit-out works which is expected to be completed by the 4th quarter of 2026.

In order to facilitate the Proposed Acquisition, the Group has earmarked proceeds of RM72.07 million to partly fund the Purchase Consideration. In addition, a sum of RM14.20 million has also been allocated to defray miscellaneous costs associated with the Proposed Acquisition ("**Ancillary Expenses**"), the estimated breakdown of which is as follows:

Description	RM'000
Stamp duties	8,700
Professional fees	2,000
Financing cost	3,500
Total	14,200

As at the LPD, the balance of the Purchase Consideration of RM168.18 million is expected to be financed via bank borrowings and the Group is in the midst of discussions with several banks on the financing terms of such borrowings. The bank borrowings are expected to be secured by end August 2025.

Further details of the Proposed Acquisition and salient terms of the SPA are set out in Section 3 of Part A of this Circular and Appendix II of this Circular respectively.

The Proposed Acquisition is subject to the obtainment/fulfilment/waiver of conditions precedent pursuant to the SPA as set out in Section 3(i) of Appendix II of this Circular. If these conditions precedent are not fulfilled within the stipulated timeframe, this may lead to the termination of the SPA such that the Group will not be able to complete the Proposed Acquisition. The status of each of the conditions precedent of the SPA as at the LPD are set out in Section 9 of Part A of this Circular.

Pursuant to the inter-conditionality of the Proposals, the Proposed Rights Issue with Warrants will only be implemented once all conditions precedent pursuant to the SPA (save for the conditions precedent relating to the completion of the Proposed Rights Issue with Warrants) are obtained/fulfilled/waived. Accordingly, no proceeds will be raised from the Proposed Rights Issue with Warrants until the aforesaid condition has been met.

- (iii) The Group intends to allocate RM48.92 million of the proceeds from the Proposed Rights Issue with Warrants to finance the Group's working capital requirements as follows:

Description	RM'000
EXSIM Concepto's working capital ^(a)	40,000
Other operating expenses ^(b)	8,922
Total	48,922

Notes:

- (a) Such amount will be mainly used for the working capital requirements of the Secured Fit-out Contracts, which consists of 15 contracts amounting to an aggregate contract value of RM341.74 million as at the LPD, as well as any additional awards secured by EXSIM Concepto in the future. Such working capital requirements are envisaged to include the following with estimated amount to be allocated as follows:

Description	RM'000
Sub-contractor costs	25,000
Raw material costs	8,000
Labour costs	2,000
Other administrative expenses for the Group's Fit-Out Business	5,000
Total	40,000

For information purposes, as at the LPD, the Secured Fit-out Contracts comprise of inter-alia awards from Discovery Media Sdn Bhd, Totalbuildz Sdn Bhd and Uni Land Sdn Bhd which have commenced in October 2024, November 2024 and March 2025 respectively. The aggregate cost to be incurred for the Secured Fit-out Contracts as at the LPD is estimated to range between RM250 million to RM300 million and the Group intends to fund such remaining costs (after utilising the proceeds to be raised from the Proposed Rights Issue with Warrants) via internally generated funds and bank borrowings.

- (b) Such operating expenses mainly comprise payments for administrative staff salaries, administrative expenses for back-office support services such as office rental, office upkeep, insurance premiums, utilities, interest servicing on borrowings and other general expenses related to the day-to-day operations of the Group.
- (iv) The estimated expenses relating to the Proposals comprise of professional fees, fees payable to the authorities, printing and despatch costs of, among others, this circular and abridged prospectus to be issued by the Company and other incidental expenses. Any surplus or shortfall in the funds allocated for expenses relating to the Proposals against actual expenses incurred will be adjusted accordingly to/from the amount allocated for working capital of the Group.

Pending full utilisation of the proceeds from the Proposed Rights Issue with Warrants for the above purposes, the proceeds will be placed in interest-bearing deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used for the Group's working capital.

The exact quantum of proceeds that may be raised from the exercise of the Warrants would depend on the actual number of Warrants exercised during the tenure of the Warrants and the exercise price. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Based on the illustrative exercise price of the Warrants of RM0.2230, the full exercise of the Warrants will raise approximately RM103.57 million. Any proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance the Group's day-to-day operations in the future. The exact details of the utilisation of such proceeds cannot be determined at this juncture.

Pursuant to Paragraph 8.03(1) of the Listing Requirements, a listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both ("**Cash Criterion**") must immediately notify Bursa Securities of its condition in writing. Bursa Securities will then determine whether such listed issuer should be considered a Cash Company and a listed issuer considered as a Cash Company will be notified by Bursa Securities. As such, the Company will continuously observe its obligation pursuant to the Listing Requirements (including the obligations of a Cash Company if required), including upon the completion of the Proposed Acquisition.

2.9 Fund raising exercises undertaken by the Company in the past 5 years

The Company has not undertaken any fund-raising exercise in the past 5 years.

3. DETAILS OF THE PROPOSED ACQUISITION

On 28 February 2025, the Company's wholly-owned subsidiary, Uppervista, had entered into the SPA with AHSB for the acquisition of Subject Property – Partial Tower E Building for the Purchase Consideration. The Subject Property – Partial Tower E Building is a proposed 20-storey 5-star rated hotel tower which consist of 294 room (Level 3 to 20) cum 9 level of retail podium (Basement to Level 2) and it forms part of a 45-storey commercial building (i.e. Tower E). The other components of Tower E i.e. residential units located above Subject Property - Partial Tower E Building are not part of the Proposed Acquisition. The construction of Subject Property - Partial Tower E Building was completed on 13 June 2016 and the Partial CCCs were issued on 13 April 2016, 28 May 2018, 25 October 2023 and 22 March 2024 respectively. The renovation, refurbishment and interior fit-out works for Subject Property - Partial Tower E Building commenced in September 2024 and is expected to be completed by the 4th quarter of 2026.

For the avoidance of doubt, the Purchase Consideration includes the costs of renovation, refurbishment and interior fit-out works for Subject Property - Partial Tower E Building, which are to be completed by Totalbuildz Sdn Bhd, being the subcontractor appointed by the Vendor in September 2024 to undertake the respective works in its entirety. Such arrangement is aligned with the Company's intention of purchasing a turnkey product upon delivery of vacant possession i.e. a 5-star rated hotel that is ready for operation, thus mitigating any completion risk. In the event of any defect after delivery of vacant possession or deviation in the mutually agreed renovation works, the Vendor is required to rectify the defects and indemnify the Company for any costs incurred to rectify such defects. In this respect, the Company believes that outsourcing the renovation works to a third party namely Totalbuildz Sdn Bhd to renovate and refurbish the Subject Property - Partial Tower E Building, will mitigate the completion risks and thus would be a more prudent approach.

However, EXSIM Concepto had, on 18 October 2024, accepted a letter of award by Totalbuildz Sdn Bhd in respect of the designing and building of architecture, interior design and fit-out works to guest rooms for Subject Property - Partial Tower E Building ("**Letter of Award**"). In line with the Group's risk management strategy, the Letter of Award with a contract value of RM60 million to be undertaken by EXSIM Concepto covers approximately 52% of the total renovation and refurbishment works for the Subject Property - Partial Tower E Building in view that the Group had only diversified and commenced its Fit-Out Business in October 2024 and intends to gradually scale up its operation. Save for the Letter of Award, the Group does not foresee any part of the renovation and refurbishment works for Subject Property - Partial Tower E Building will be awarded to the Group or its related parties.

For information purposes, Subject Property - Partial Tower E Building is part of Empire City, of which the master development project was originally approved for various mixed-use components i.e. corporate office towers, over 3,000 office suites and an extensive 1.8 million square feet retail space. Empire City is strategically positioned fronting the Damansara-Puchong Highway and is primarily accessible via the said highway, Damansara-Shah Alam Elevated Expressway (DASH) and Penchala Link. It is also well connected to various cities of Klang Valley via a network of major roads and expressways that include the Duta-Ulu Kelang Expressway (DUKE), North-South Expressway (NSE), Middle Ring Road 2 (MRR2) and Jalan Kuala Selangor. Empire City is also located within the proximity of several public transportation links which includes the Mutiara Damansara MRT Station, located approximately 1.4 kilometres away from Empire City as well as the Bukit Lanjan (North) and Bukit Lanjan (South) bus stands, both of which are located along the eastern boundary of the Empire City.

3.1 Information of Subject Property - Partial Tower E Building

The salient information of Subject Property - Partial Tower E Building are set out below:

Description : A proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities as follows:

Floors	Proposed Use
Basements 1 to 3	Restaurant, meeting rooms, boiler and hex room and related facilities
Lower Ground 1 and 2	Kitchens, food and beverage store, ball room, wedding/banquet/bridal facilities and loading dock
Ground and Upper Ground	Hotel lobby, reception, front office, food and beverage area, kitchens and retail space
Level 1 to Level 2A	Retail space, board room, meeting rooms, communal dining, spa, gym, swimming pool, pool terrace and landscape garden
Level 3 to Level 20	Hotel rooms and back-of-house areas

Title details : Please refer to Note (i) below

Postal address : Empire City, Damansara Perdana, Petaling Jaya, Selangor Darul Ehsan

Registered owner : CASB⁽ⁱⁱ⁾

Beneficial owner : AHSB⁽ⁱⁱⁱ⁾

Gross Floor Area ("GFA") : 581,223 square feet (including the common area of Subject Property - Partial Tower E Building which does not form part of the Proposed Acquisition)

Net lettable area	:	132,181 square feet ⁽ⁱⁱⁱ⁾ ("NLA")
Occupancy rate	:	Not applicable ^(iv)
Existing use	:	Not applicable ^(iv)
Proposed use	:	The Group intends to operate the building as a hotel whilst the retail space will be rented out to generate rental income
Car park facilities	:	The Proposed Acquisition does not include the ownership of car park bays as Subject Property - Partial Tower E Building is part of a strata-titled development within the Empire City where the car park facilities are common property managed by the property manager. Nonetheless, the hotel visitors will have full access to the shared car park bays and upon completion of the Proposed Acquisition, the Company intends to secure dedicated parking bays for the hotel use and will implement valet parking to enhance visitors' convenience
Encumbrances	:	Charged to OCBC AL-Amin Bank Berhad ("OCBC") vide a deed of assignment dated 24 July 2019. The existing charge to OCBC will be discharged upon full payment of the amount payable by Uppervista in order to redeem Subject Property - Partial Tower E Building, prior to the completion of the Proposed Acquisition
Percentage completion	of	100% ^(v)
Approximate age of building	:	Approximately 16 months from the latest issuance date of the Partial CCCs up until the date of this Circular. Please refer to Note (v) below for further details
Latest audited net book value ("NBV") as at the LPD	:	Not applicable as the Group is not privy to such information
Market value ^(vi)	:	RM248.00 million

Notes:

- (i) As at the LPD, the strata titles for Subject Property - Partial Tower E Building have yet to be issued. AHSB shall at its own costs and expenses procure CASB, being the registered proprietor of a piece of 23.56-acre leasehold land held under title PN 116964, Lot 90573, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan ("**Empire City Land**"), to apply for separate strata titles for Subject Property - Partial Tower E Building and deliver the said strata titles to Uppervista. The said strata titles are expected to be issued after the Final Payment (as defined in Appendix II of this Circular).

For information purposes, the details of the Empire City Land where Empire City resides are as follows:

Land title	:	PN 116964, Lot 90573 Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan
Registered owner	:	CASB
Land area	:	95,360 square metres
Category of land use	:	Building
Tenure	:	Leasehold interest for a term of 99 years expiring on 8 June 2104
Express conditions	:	Commercial building

Restriction in interest	:	This land shall not be transferred, leased or charged except with the approval of the State Authority
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- (ii) By a sale and purchase agreement dated 26 November 2012 (“**Principal SPA**”) entered into between CASB, being the registered and beneficial owner of the Empire City Land as well as the developer of Tower E, and Winsome Gateway Sdn Bhd (“**Winsome**”), CASB has agreed to sell and Winsome has agreed to purchase Subject Property - Partial Tower E Building in accordance with the terms and subject to the conditions of the Principal SPA. The Principal SPA was completed on 27 June 2016.

Subsequent thereto, Winsome had, on 15 March 2019, entered into a sale and purchase agreement with AHSB for the disposal of Subject Property - Partial Tower E Building (“**SPA 2**”) to AHSB. For information purposes, SPA 2 was completed on 10 May 2019 and the vacant possession to AHSB was delivered on even date. Following the completion of the SPA 2, AHSB has become the sole and beneficial owner of Subject Property - Partial Tower E Building. Winsome has also assigned all its rights, title and interests in and to Subject Property - Partial Tower E Building and under the Principal SPA to AHSB, pursuant to a deed of assignment dated 25 June 2019.

- (iii) The NLA only relates to the retail units of Subject Property - Partial Tower E Building. The NLA is not applicable for the remaining portion of Subject Property - Partial Tower E Building as it will be operated as a hotel. For information purposes, the total parcels and accessory parcel of Subject Property - Partial Tower E Building is 525,438 square feet.
- (iv) Subject Property - Partial Tower E Building is currently undergoing refurbishment, renovation and interior fit-out works.
- (v) Subject Property - Partial Tower E Building has been fully constructed and has been issued with the Partial CCCs as follows:

Floor	Partial CCC issuance date
Basement 3	25 October 2023
Basement 2	13 April 2016
Basement 1	25 October 2023
Lower Ground 2	
Lower Ground 1	
Ground Floor	22 March 2024
Upper Ground (referred as Level 1 in the SPA)	
Level 1 (referred as Level 2 in the SPA)	
Level 2 (referred as Level 2A in the SPA)	
Level 3 - Level 20	28 May 2018

- (vi) Based on the market value as at 21 February 2025 as ascribed by Knight Frank via the Valuation Report.

3.2 Basis and justification for the Purchase Consideration

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

- (i) The market value of Subject Property - Partial Tower E Building of RM248.00 million (“**Market Value**”) as set out in the Valuation Report.

In arriving at the market value for Subject Property - Partial Tower E Building, the Valuer has adopted the income approach by discounted cash flow method (“**Income Approach**”) as the primary method and the comparison approach of valuation (“**Comparison Approach**”) as a cross check.

The Income Approach involves the estimation of future annual cash flows that is expected to be received from the property being valued over an investment horizon of 10 years from the valuation date by referencing to the expected revenue growth rates, operating expenses and terminal value of the property being valued. The present value of the aforesaid future cash flows is then determined by applying an appropriate discount rate to derive a net present value of the subject property as at the valuation date. A terminal value was included after the 10-year projection period to represent the value of the subject property at the end of the explicit projection period.

The key assumptions and parameters adopted for the Income Approach as set out in the Valuation Certificate in Appendix III of this Circular, are summarised as follows:

Hotel Projections	
Projected Average Daily Rate	Year 1: RM390 to Year 10: RM530
Projected Occupancy	Year 1: 50.0% to Year 10: 75.0%
Projected Base Management Fee	2% of operating revenue
Projected Incentive Fee	6% of gross operating profit
Projected Furniture, Fixtures, Furnishings and Equipment Provision	1.0% of adjusted operating revenue for Year 1 to Year 3 1.5% of adjusted operating revenue for Year 4 to Year 5 2.0% of adjusted operating revenue for Year 6 to Year 7 2.5% of adjusted operating revenue for Year 8 to Year 9 3.0% of adjusted operating revenue for Year 10 onwards
Capitalisation Rate	6.75%, which was benchmarked against the existing yields of selected hotel buildings reflecting the current market condition, which are in the region of 6.70% to 6.92%
Discount Rate ^(a)	8.75%
Projected Period	10 years
Terminal Value	RM112,866,239 calculated based on capitalisation rate of 6.75%
Commercial / Retail Space(s)	
Projected Occupancy	Year 1: 50.00% to Year 10: 90.00%
Projected Gross Rental Revenue	Year 1: RM6.00 per square foot to Year 10: RM7.83 per square foot
Projected Outgoings	Year 1: RM2.80 per square foot to Year 10: RM3.65 per square foot
Provisional Rent Rebates	3 months rent rebates over the tenancies during Year 1 and Year 2
Capitalisation Rate	6.50%, which was benchmarked against the historical transacted yields of selected shopping malls which are in the region of about 6.11% to 7.14% after having considered prevailing market condition and other related factors
Discount Rate ^(a)	8.50%
Projected Period	10 years
Terminal Value	RM36,149,450 calculated based on capitalisation rate of 6.50%

Note:

- (a) *The discount rate is determined by adopting the capitalisation rate together with the long-term growth rate or expected average annual appreciation of the asset. The long-term growth rate is benchmarked against the inflation rate (in circa of 2.0% to 3.2%) as well as the CAGR of the asset class parameters (such as average daily rate, AOR and rental). As such, the discount rates of 8.75% for hotel and 8.50% for commercial / retail space(s) respectively are adopted, which is higher than the expected rate of return to reflect the additional risk premium of Subject Property – Partial Tower E Building.*

The Comparison Approach considers the sales of similar or substitute properties and related market data and establishes a value estimate by adjustments made for differences in factors that affect the value of the subject property. In general, a property being valued is compared with the sales of similar properties that have been transacted in the open market.

The Purchase Consideration represents a discount of RM7.75 million or approximately 3.13% to the Market Value; and

- (ii) The rationale and benefits of the Proposed Acquisition as set out in Section 4.1 of Part A of this Circular.

3.3 Mode of settlement and source of funding

The Purchase Consideration will be fully satisfied in cash and is expected to be funded in the following manner:

Source of funds	Amount (RM'million)
Proceeds from the Proposed Rights Issue with Warrants	72.07
Bank borrowings	168.18
Total	240.25

The payment milestones for the Purchase Consideration are set out in Section 2(ii) of Appendix II of this Circular.

3.4 Background information on the purchaser

Uppervista is a wholly-owned subsidiary of EHB, which was incorporated in Malaysia on 1 March 2024 as a private limited company under the Act. Uppervista is principally involved in investment holding for hospitality assets.

As at the LPD, the total issued share capital of Uppervista is RM20 comprising 20 ordinary shares. As at the LPD, the directors of Uppervista are Paramjit Singh Gill A/L Gurdev Singh and Tan Hai Liang.

3.5 Background information of the Vendor

AHSB was incorporated in Malaysia on 8 January 2019 as a private limited company under the Act. AHSB is principally involved in the real estate business and building construction works.

As at the LPD, the total issued share capital of AHSB is RM2,340,000 comprising 2,340,000 ordinary shares.

As at the LPD, the directors and shareholders of AHSB as well as their respective direct shareholding in AHSB are as follows:

Name	Relationship with AHSB	No. of ordinary shares	%
Lim Aik Hoe	Director and shareholder	820,000	35.04
Lim Aik Kiat	Director and shareholder	820,000	35.04
Datuk Tan Kak Seng	Director	-	-
Performance Consortium Sdn Bhd ⁽ⁱ⁾	Shareholder	700,000	29.92

Note:

(i) *Performance Consortium Sdn Bhd is a 60%-owned subsidiary of Binastra Construction (M) Sdn Bhd, which is a company controlled by Datuk Tan Kak Seng.*

3.6 Salient terms of the SPA

The salient terms of the SPA are set out in Appendix II of this Circular.

3.7 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by the EHB Group pursuant to the Proposed Acquisition.

3.8 Additional financial commitments

Save for the Purchase Consideration and the Ancillary Expenses, the EHB Group is not expected to incur any other additional financial commitment in relation to the Proposed Acquisition.

3.9 Original date and cost of investment by the Vendor

Subject Property - Partial Tower E Building was acquired by AHSB on 10 May 2019. AHSB's total estimated cost for the acquisition and renovation of Subject Property - Partial Tower E Building is approximately RM240.00 million.

4. RATIONALE AND BENEFITS OF THE PROPOSALS

4.1 Proposed Acquisition

(a) Enhancement to the Hospitality Business portfolio of assets

The Group had observed a recovery in the Malaysian tourism industry whereby Malaysia hosted a total of 20.1 million tourists in 2023 (2022: 10.1 million) with significant increase in tourist expenditures in 2023 of RM71.3 billion (2022: RM28.2 billion), wherein accommodation expenditure in 2023 amounted to RM13.4 billion. Along with the revival in Malaysia's tourism industry, 4-star and 5-star hotels in Selangor had similarly witnessed higher average daily room rates in 2023 which surpassed pre-pandemic rates in 2019 and AOR matching that of pre-pandemic levels.

(Source: Valuation Report)

Taking the aforesaid into consideration, the Group had embarked on the Proposed Acquisition, which is one of the Group's strategies to increase the Own-and-Operate assets in order to diversify its single asset concentration risk and to expand its product offerings. The Proposed Acquisition will enable the Group to significantly expand the Hospitality Business' hotel room offerings from 200 to an aggregate of 494 hotel rooms. Further, the Proposed Acquisition will also enable the Group to diversify its product offerings and reduce the Group's reliance on Corus Hotel, being a resort-based hotel, as Subject Property – Partial Tower E Building offers urban-oriented short-term stays which are suitable for shopping, work and/or medical treatments.

The Proposed Acquisition will also provide geographical diversification opportunity for the Group. The Group is able to capitalise on the vibrancy of Empire City, given its strategic location, being flanked by two major highways, namely Lebuhraya Damansara-Puchong and SPRINT highway, being surrounded by established and popular townships such as Mutiara Damansara, Bandar Utama and Damansara Perdana as well as being in close proximity to KPJ Damansara Specialist Hospital 2 and the upcoming Central Park Damansara township.

Furthermore, Empire City's trait as a self-contained integrated development comprising of serviced residences, corporate office towers, commercial suites as well as a thematic mall is expected to enhance Subject Property - Partial Tower E Building's overall attractiveness and appeal as it provides convenient accessibility to commercial amenities such as food and beverage outlets as well as shopping outlets for tourists and business travellers. In addition, Hextar World, a mall spanning over 1.8 million square feet of NLA located within the Empire City that is scheduled to launch in the 4th quarter of 2025 is expected to further enhance the retail and lifestyle landscape of Empire City. The key attractions of Hextar World include an Olympic-sized ice skating rink, the largest indoor water park in Malaysia, the largest indoor ski training facility in Malaysia, a convention centre and a curated mix of retail and food and beverages offerings.

To capitalise the enhanced vibrancy of Empire City, the Group intends to target 3 primary segments of visitors for the hotel as follows:

- Business Travellers: Demand during business days supported by the footfall from surrounding office towers and Subject Property - Partial Tower E Building's proximity to business hubs, retail and dining.
- Medical Tourists: The Empire City development is located beside KPJ Damansara Specialist Hospital 2 and Subject Property - Partial Tower E Building will be suited to accommodate family members of patients. The influx of medical tourists is also expected to arise from the Malaysian Government's strategy of promoting Malaysia as medical tourism destination as set out in Section 5.2 of Part A of this Circular.
- Leisure & Event Travellers: Demand for hotel occupancy during weekends and public holidays will be driven by the Hextar World mall's attractions, while the proposed 200-table ballroom in Subject Property - Partial Tower E Building supports weddings and banquets as well as visiting friends and relatives who are looking for short-term stays.

The integrated mixed development within Empire City allows each component to complement the others e.g. residents and office workers support daily commercial activities while the upcoming Hextar World mall draws regional visitors, and the Subject Property - Partial Tower E Building serves multiple guest profiles, thus underpinning the long-term commercial viability of both the Subject Property - Partial Tower E Building and Empire City as a whole.

Premised on the above, upon commencement of operations of Subject Property - Partial Tower E Building, the resultant increase in hotel room offerings and the wider geographical presence will enable the Group to expand its brand reach and capture a wider customer base. This would augur well for the Group as it will be earnings accretive (taking into consideration the depreciation and financing costs associated thereto). Further details of the proforma effects of the Proposed Acquisition on the Group's earnings and EPS are set out in Section 7.4 of Part A of this Circular.

(b) Opportunity to invest in long term investment assets

In addition to providing the Group with an opportunity to improve the financial performance of the Hospitality Business, the Company also expects the investment value of Subject Property - Partial Tower E Building to be accretive in the longer term taking into consideration its strategic location which offers good accessibility, connectivity and high visibility as it is well connected to various localities within Klang Valley via a network of major roads and expressways which includes Lebuhraya Damansara-Puchong, Duta-Ulu Kelang Expressway, North South Expressway, Middle Ring Road 2 and SPRINT highway. It is also located within close proximity to three established, matured and popular townships in Petaling Jaya namely, Mutiara Damansara, Bandar Utama and Damansara Perdana as well as being in close proximity to KPJ Damansara Specialist Hospital 2 and the upcoming Central Park Damansara township.

4.2 Proposed Rights Issue with Warrants

After due consideration of the various fund-raising options available as well as the capital structure of the Company, the Board is of the opinion that the Proposed Rights Issue with Warrants is the most appropriate means of raising funds after taking into consideration inter-alia:

- (i) the Proposed Rights Issue with Warrants will enable the Company to raise the required proceeds to be utilised in the manner as set out in Section 2.8 of Part A of this Circular, which is expected to contribute positively to the business operations and the future financial performance of the Group;
- (ii) it enables the Group to raise additional funds without having to incur interest expense or service principal repayment as compared to conventional bank borrowings or issuance of debt securities. This would allow the Company to preserve cash flow for reinvestment and/or operational purposes for further growth. This would also allow the Group to better manage its gearing level after taking into consideration the bank borrowings to be procured by the Group to fund, inter-alia, the balance of the Purchase Consideration and the Corus Hotel Refurbishment;
- (iii) the Proposed Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in the Company at a discount to the TEAP of EHB Shares;
- (iv) the Proposed Rights Issue with Warrants, which is implemented on a pro rata basis to all the Entitled Shareholders, can be implemented on a larger scale as compared to other forms of equity fund-raising such as private placements (which is non-pro rata in nature), whereby the scale of such equity offering is usually limited in order to reduce the dilutive impact to the equity interest of the existing shareholders;
- (v) the Proposed Rights Issue with Warrants will enable the Company to issue new EHB Shares without diluting its existing shareholders' equity interests provided that the Entitled Shareholders fully subscribe for their respective entitlement to the Rights Shares;

- (vi) the enlarged capital base upon the completion of the Proposed Rights Issue with Warrants will further strengthen the Group's financial position and capital base with the increase in the Group's NA, thereby improving the Group's gearing level which provides greater financial flexibility to meet its funding requirements in the future; and
- (vii) the Warrants attached to the Rights Shares are meant to reward and provide the Entitled Shareholders with an option to further increase their equity participation in the Company by exercising their Warrants during the tenure of the Warrants. The exercise of the Warrants will also strengthen the capital base of the Company and provide additional funds to the Group. In addition, as the Warrants will be listed and traded separately from the EHB Shares, this will provide the Entitled Shareholders with an avenue to monetise the Warrants should they choose to do so.

The Group has earmarked RM113.60 million (approximately 45% of the gross proceeds to be raised from the Proposed Rights Issue with Warrants) to fund the Corus Hotel expenditures, of which RM100.00 million will be used to fund the Corus Hotel Refurbishment, after taking into consideration inter-alia:

- (a) Corus Hotel is the Group's hospitality asset under its "Own-and-Operate" model. Any upside post Corus Hotel Refurbishment will be fully accrued to the Group which will enhance the value of the Shareholders;
- (b) the aging condition of the Corus Hotel signifies the immediate need for the Group to commence the Corus Hotel Refurbishment in order to improve its occupancy rates and competitiveness. It will also expedite the turn-around of Corus Hotel's loss making operations which has deterred the Group from obtaining favourable terms of bank borrowings for such large scale renovation and refurbishment; and
- (c) the earmarked proceeds will allow the Group to complete a major refurbishment without immediate reliance on debt as well as provide greater room and flexibility for the Group to preserve its gearing capacity for future initiatives and recoup the returns from its capital investment post-refurbishment.

5. INDUSTRY OUTLOOK AND PROSPECTS

5.1 Overview and prospects of the Malaysian economy

Despite challenges from the global macroeconomic environment, Malaysia's economy performed well in 2024. The economy recorded a stronger growth, expanding by 5.1% (2023: 3.6%) on the back of robust domestic demand with strong investments, as well as a rebound in exports. Malaysia's sound financial system also provided a strong buffer against the effects of volatile global financial markets. This ensured that domestic financial conditions remained conducive to financial intermediation, with sustained credit growth supporting the economy. Positive labour market conditions amid continued employment and wage growth provided underlying support to resilient household spending. An improvement in household wealth, along with policy measures such as targeted cash transfers, also provided an additional lift to private consumption. 2024 marked a further advancement of an investment upcycle in Malaysia as the economy experienced a significant boost in investments across both private and public sectors. The country's expansion in semiconductor manufacturing and rise as a data centre hub in Southeast Asia spurred investment projects in the electrical and electronic as well as information and communications technology sub-sectors. Further, ongoing multi-year private and public sector projects continued to progress well during the year.

Domestic inflation moderated in 2024 against a backdrop of easing global cost conditions and the absence of excessive demand pressures. Both headline and core inflation averaged 1.8% for the year (2023: 2.5% and 3% respectively). Early in the year, cost pressures emerged from external developments, such as global supply chain disruptions and a stronger US dollar against the ringgit. However, these cost pressures subsequently receded as a result of declining global commodity prices, improvement in global supply chain conditions, and the ringgit's appreciation against major currencies. Although domestic demand grew stronger, household spending stayed below trend, indicating the absence of excessive demand pressures.

(Source: Annual Report 2024, Bank Negara Malaysia)

The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower mining exports. This was partially offset by stronger electrical and electronics ("**E&E**") exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities.

On the supply side, growth was driven by the services and manufacturing sectors. Services sector was supported by higher Government services while strong E&E production underpinned the performance in the manufacturing sector. However, normalisation in motor vehicle sales and production following strong performances over the last three years affected the growth of services and manufacturing sectors respectively. Overall growth was also weighed down by a contraction in the mining sector amid lower oil and gas production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%).

Headline inflation moderated to 1.5% in the first quarter (4Q 2024: 1.8%). The moderation was largely due to lower utilities inflation at 3.0% (4Q 2024: 18.1%). This followed the dissipation of the effects of earlier water tariff adjustments and higher electricity charges for high-usage households in 1Q 2024. Inflation in mobile communication services continued to decline, averaging at -13.5% (4Q 2024: -10%). Core inflation, however, edged higher to 1.9% (4Q 2024: 1.7%). It was driven mainly by rental inflation, which rose to 2.1% (4Q 2024: 1.7%). Inflation pervasiveness, measured by the share of Consumer Price Index (CPI) items recording monthly price increases, experienced an uptick amid seasonal menu price adjustments. Nonetheless, it remained well below the long-term average for the first quarter (43.3%; 4Q 2024: 39.8%; 1Q 2011-2019: 52.2%).

Malaysia's 2025 growth will be affected by the escalation in trade tensions and the heightened policy uncertainties. The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year. As a small and open economy, Malaysia will inevitably face both direct and indirect impact from these tariffs. Growth of the Malaysian economy is expected to be slightly lower than the earlier forecast of 4.5% - 5.5% in 2025. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture. Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investment activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2025, Bank Negara Malaysia)

5.2 Overview and outlook of the hotel and resort industry in Malaysia

The number of hotels in Malaysia has been stable, growing at a CAGR of 1.7% between 2018 and 2024. As at 2024, there were 3,564 hotels in the country, an increase from 3,216 hotels in 2018. During the same period, the number of hotel rooms registered a CAGR of 1.5%, growing from 256,682 rooms to 280,177 rooms. Between the first quarter of 2024 and first quarter of 2025, the number of hotels in Malaysia grew from 3,543 hotels to 3,578 hotels while the number of hotel rooms in Malaysia grew from 276,619 rooms to 281,615 rooms. Much of the growth in number of hotels and hotel rooms were seen in Kuala Lumpur and Selangor.

The AOR of hotels in Malaysia declined from 60.8% in 2018 to 30.9% and 28.2% in 2020 and 2021 respectively, due to the COVID-19 pandemic. However, the industry began to recover in 2022, as the AOR began to rise, reaching 46.7%, 52.9% and 54.9% in 2022, 2023 and 2024, respectively.

According to National Property Information Centre, a total of 86 hotels and 16,928 hotel rooms are incoming (undergoing construction works) nationwide which indicates the growth of the hotel and resort industry.

Despite the growth in the hotel and resort industry in Malaysia, the hotel and resort industry in Malaysia may be impacted by the tariffs imposed by the United States. This is because the tariffs may adversely impact disposable income globally which may discourage tourism. Meanwhile, the recent geopolitical tensions surrounding the Middle East conflict could also lead to less tourists from the Middle East. Nevertheless, as Malaysia is a country that is not part of the geopolitical tensions in the Middle East and is a relatively more affordable destination than other countries, it would still be seen as an attractive travel destination to other countries which could lower the adverse impact on hotel and resort industry in Malaysia.

The growth of the hotel and resort industry is dependent on several key growth drivers which encompasses the following:

(i) The growth in tourism arising from business and major events in Malaysia

With its strategic geographical location, connectivity to other major cities, multi-lingual population, as well as developed infrastructure and facilities, there is great potential for the growth of business and major event tourism in Malaysia.

Accordingly, the Government of Malaysia is promoting the country as a destination for business and major events in Southeast Asia. Among the initiatives undertaken is the establishment of the Malaysia Convention and Exhibition Bureau ("**MyCEB**") which is responsible for identifying potential event leads, facilitating the bidding process, promoting private and public collaborations, and providing event support and marketing services. MyCEB aims to support 210 business events in 2024, welcoming 419,265 delegates and with the support of the industry players, has developed the Malaysia Business Events Strategic Marketing Plan 2021-2030 which aims to capitalise on Malaysia's strengths by implementing robust, technologically-driven public relations, sales, marketing and communication implementations. Additionally, MyCEB has implemented the Meet in Malaysia campaign which offers programmes aimed to attract regional and international business events to Malaysia. Among the programmes include the MyTripleE programme which aims to support business events hosted in Malaysia through offering attractive packages for hosting events of various sizes and incentives such as sponsorships for events.

The hotel and resort industry is set to benefit from the growth of the business and major events tourism as hotels and resorts are able to host such events by providing function space, catering and lodging services.

(ii) Favourable government plans and initiatives to boost tourism

In response to the recovery trend of the tourism industry post COVID-19 pandemic, the Government of Malaysia has introduced various plans and initiatives to stimulate and enhance the post-pandemic tourism industry and to regain market share as a tourist destination. These programmes include, inter-alia:

- Tourism Malaysia Strategic Plan 2022-2026: This plan aims to boost domestic tourism and stay competitive by offering attractive travel packages, encouraging government-NGO collaboration, and promoting digitalisation. Initiatives include niche holiday packages focused on family fun, eco-adventure, and beaches. Discounts and vouchers will personalise small group tours, while incentives support hotel owners and transport providers.
- Tourism Malaysia Marketing Plan 2022-2026: Developed from the Tourism Malaysia Strategic Plan 2022-2026, this plan seeks to boost tourism through domestic and international strategies. Key efforts include refreshing the 'Cuti-Cuti Malaysia' brand, using digital platforms for marketing, collaborating with government bodies and tourism associations, and creating unique packages for specific tourist groups.
- Galakan Melancong (GAMELAN): A programme designed to stimulate Malaysia's tourism promotional activities as part of revitalising the domestic tourism industry and increasing national revenue. The Ministry of Finance, in collaboration with Ministry of Tourism, Arts and Culture Malaysia, offers grants of up to RM200,000 to qualified industry players within the tourism industry. Under Budget 2025, RM20 million was allocated to enhance tourism and promotional activities.
- Tourism Sector Support Grants (GGSP) 2024: A grant intended to revitalize Malaysia's tourism sector by providing support and assistance to local tourism operators. The Government of Malaysia has allocated RM50 million under Budget 2025 to organise tourism events.

Furthermore, Budget 2025 includes several allocations to drive tourism activities in Malaysia such as RM400 million for Visit Malaysia 2026, RM30 million for the Cultural Sector Support Grant (GSSK), RM30 million for the International & Charter Flights Matching Grant (GSPC), RM10 million for the Concerts & Events in Malaysia Initiative (CEMI), and approximately RM815 million for the promotion and development of arts, culture, and heritage-related activities, including cuisine, handicrafts, communities, and the restoration of cultural buildings such as museums, districts, parks, and key tourist areas.

These initiatives to boost tourism activities in the country are expected to have a positive impact on the hotel and resort industry in Malaysia.

(iii) Extension on exemption of tourism-related taxes

Under the 2025 Selangor State Budget, Selangor will lower entertainment tax for foreign performers from 25% to 10% to attract high-profile acts during Visit Selangor Year 2025, while local artists will continue to enjoy full exemption of entertainment duty for stage performances. Ticketed exhibitions will also see duty reductions from 25% to 15%. The Selangor State Government will also allocate RM8 million to upgrade tourism facilities to attract both domestic and foreign travellers for the Visit Selangor Year 2025. The Government of Malaysia also offers tax incentives to encourage investment in the tourism industry such as the Investment Tax Allowance (ITA) which provides companies with a 60% income tax exemption on qualifying capital expenditures for expansion, modernization, and refurbishment projects within five years. Accordingly, these initiatives encourage development, spending and activities in tourism which will contribute positively to the hotel and resort industry.

(iv) Greater spending power in the country

Malaysia's gross national income per capita increased by 4.0% from approximately RM43,316 in 2018 to RM54,894 in 2024, which indicates that the population is likely to have more disposable income for domestic tourism expense. This is reflected in the growth of the aggregate number of domestic tourists in Selangor, Kuala Lumpur and Negeri Sembilan from 62.1 million in 2018 to 79.2 million in 2024, which indicates the potential for growth for the hotel and resort industry in Malaysia.

(v) Globalisation which has led to increased interconnectivity between countries

Globalisation has led to increased interconnectivity among countries as people take part in more frequent travel for business, pleasure, education or other reasons. Malaysia is well-connected through air, sea, land and rail transportation, which facilitates convenient interstate and international travel.

In addition, the Government of Malaysia is promoting Malaysia as a medical tourism destination due to its world-class healthcare services, warm hospitality and multi-lingual society. The Medical Healthcare Travel Council ("MHTC"), an agency under the Ministry of Health Malaysia, is responsible for promoting and developing medical tourism in the country. The MHTC connects patients with healthcare providers and offers services like airport meet and greet, immigration clearance, accommodation, transportation, and travel advisory. In 2024, Malaysia welcomed 1.6 million healthcare travelers, earning RM2.7 billion in revenue. Under Budget 2025, RM31 million has been allocated to MHTC to boost medical tourism, up from RM30 million in Budget 2024.

Moving forward, globalisation is expected to continue having a positive impact on the hotel and resort industry in Malaysia.

Premised on the above, Providence projects the growth of the hotel and resort industry in Malaysia to reach approximately 3,851 hotels and 305,062 hotel rooms in 2027, registering CAGRs of 2.2% and 2.7% between 2025 and 2027, respectively.

(Source: IMR Report)

5.2.1 Overview and outlook of the hotel and resort industry in Selangor and Kuala Lumpur

The number of hotels and hotel rooms in Selangor grew from 169 hotels and 22,372 rooms in 2018 to 210 hotels and 26,089 rooms in 2024, respectively, at a CAGR of 3.7% for hotels and 2.6% for hotel rooms over the period. Meanwhile, the number of hotels in Kuala Lumpur grew from 224 in 2018 to 254 in 2024, at a CAGR of 2.1%. The number of hotel rooms in Kuala Lumpur rose from 40,676 in 2018 to 47,525 in 2024, registering a CAGR of 2.6%. Between the first quarter of 2024 and first quarter of 2025, the number of hotel rooms in Selangor grew from 26,089 rooms to 26,286 rooms while the number of hotels in Selangor maintained at 210 during the same time period. The number of hotels and hotel rooms in Kuala Lumpur grew from 253 hotels and 47,177 rooms to 254 hotels and 47,525 rooms.

There are also an incoming total of 1 hotel and 514 hotel rooms in Selangor, and 16 hotels and 3,636 hotel rooms in Kuala Lumpur, which signifies growth of the hotel and resort industry in Klang Valley.

In line with the increase in the number of international and domestic hotel guests in Selangor from 5.6 million in 2018 to 8.8 million in 2023, the average hotel occupancy rates in Selangor had rebounded post COVID-19 pandemic from 30.2% in 2020 to 49.9% in 2023 and 51.6% in 2024. The increase in the number of international and domestic hotel guests in Kuala Lumpur from 19.6 million in 2018 to 18.4 million in 2023 translated to Kuala Lumpur's average hotel occupancy rates rebounding post COVID-19 pandemic from 25.1% in 2020 to 59.1% in 2023 and 62.6% in 2024.

Premised on the above as well as the growth drivers as set out in Section 5.2 of Part A of this Circular, Providence projects the number of hotels and hotel rooms to reach 296 hotels and 58,750 hotel rooms by 2027 in Kuala Lumpur and 240 hotels and 30,000 hotel rooms in Selangor by 2027. The number of hotels and hotel rooms in Kuala Lumpur is projected to grow at CAGRs of 4.1% and 5.5% between 2024 and 2027 while the number of hotels and hotel rooms in Selangor is projected to grow at CAGRs of 3.8% and 4.6% over the same period.

Similar to the overall hotel and resort industry in Malaysia, the hotel and resort industry in Selangor and Kuala Lumpur may be impacted by the tariffs imposed by the United States. This is because the tariffs may adversely impact disposable income globally which may discourage tourism. Meanwhile, the recent geopolitical tensions surrounding the Middle East conflict could also lead to less tourists from the Middle East. Nevertheless, as Malaysia is a country that is not part of the geopolitical tensions in the Middle East and is a relatively more affordable destination than other countries, it would still be seen as an attractive travel destination to other countries which could lower the adverse impact on hotel and resort industry in Selangor and Kuala Lumpur.

(Source: IMR Report)

As of 3Q2024, there were 24 hotels in the 4-star category and 19 hotels in the 5-star category in Selangor. The corresponding number of guest rooms in the 4-star and 5-star hotel categories was recorded at 7,389 rooms and 6,528 rooms respectively.

In 2023, the AOR for 4-star and 5-star hotels in Selangor stood at 59.4%, approaching the pre-pandemic level. This indicates a modest yet steady improvement in occupancy levels as travel demand rebounds and consumer confidence improves. From January to September 2024, the AOR of 4-star and 5-star hotels in Selangor recorded an overall year-on-year increase of 2.4% to record at 60.2% (January to September 2023: 57.8%).

With regards to the average daily room rates of hotels, it was observed that the rates for selected 4-star and 5-star hotels in Selangor in 2023 remained above 2019 levels, ranging from RM294 per night to RM339 per night. During the first nine months of 2024, the average daily room rate continued its upward trend, reflecting the ongoing recovery of the tourism industry, with rates ranging from RM301 per night to RM363 per night.

Looking ahead to 2024 and beyond, with the anticipated continued recovery trajectory of the tourism industry in Malaysia, occupancy rates of hotels are expected to further improve. However, it is likely that some degree of caution persists among travellers, resulting in occupancy rates remaining below pre-pandemic levels. The industry will need to adopt and implement necessary safety measures to ensure the well-being of guests and provide reassurance to encourage travel and support the recovery of the tourism sector.

(Source: Valuation Report)

5.2.2 Overview and outlook of the hotel and resort industry in Negeri Sembilan

In Negeri Sembilan, the number of hotels remained relatively stable between 141 and 145, while the number of hotel rooms declined from 9,994 in 2018 to 9,607 in 2024. In 2023, Port Dickson had 50 hotels with a capacity of 5,394 hotel rooms. Between the first quarter of 2024 and first quarter of 2025, the number of hotels in Negeri Sembilan grew from 144 hotels to 145 hotels while the number of hotel rooms in Negeri Sembilan grew from 9,584 rooms to 9,607 rooms.

There are also an incoming total of 4 hotels and 1,498 hotel rooms in Negeri Sembilan, which signifies growth of the hotel and resort industry in Negeri Sembilan.

The COVID-19 pandemic caused Negeri Sembilan's AOR to drop to 25.5% and 22.7% in 2020 and 2021 as compared to 54.2% in 2018. Notwithstanding the above, the increase in the number of international and domestic hotel guests in Negeri Sembilan from 0.65 million in 2021 to 2.4 million in 2023 enabled the hotel and resort industry to commence its recovery as the AOR began to increase from 25.5% in 2020 to 42.2% in 2024.

Additionally, in November 2024, the Government of Malaysia announced the development of a tourism and service corridor blueprint, in order to stimulate economic growth in Port Dickson. The blueprint will be developed by the State Government of Negeri Sembilan, Ministry of Investment, Trade and Industry (MITI) as well as relevant ministries. The goal of the blueprint aims to meet the demand of growing foreign tourists who require tourism facilities which are able to accommodate to their needs.

Premised on the above as well as the growth drivers as set out in Section 5.2 of Part A of this Circular, Providence projects the hotel and resort industry in Negeri Sembilan to grow at a CAGR of 1.9% and 2.8% between 2025 and 2027 to reach 154 hotels and 10,666 hotel rooms in 2027.

Similar to the overall hotel and resort industry in Malaysia, the hotel and resort industry in Negeri Sembilan may be impacted by the tariffs imposed by the United States. This is because the tariffs may adversely impact disposable income globally which may discourage tourism. Meanwhile, the recent geopolitical tensions surrounding the Middle East conflict could also lead to less tourists from the Middle East. Nevertheless, as Malaysia is a country that is not part of the geopolitical tensions in the Middle East and is a relatively more affordable destination than other countries, it would still be seen as an attractive travel destination to other countries which could lower the adverse impact on hotel and resort industry in Negeri Sembilan.

(Source: IMR Report)

5.3 Overview and outlook of the Fit-out Industry in Malaysia

Generally, fit-out works refer to the process of actualising designs in interior spaces thereby making interior spaces suitable for occupation and aesthetically pleasing. It generally includes site preparation work, steel and metal work, woodwork, marble work, stone work, plastering and painting work, certain building services, such as mechanical and electrical works and plumbing installation. The customisation, manufacturing and supply of carpentry/joinery, integral fixtures and furniture products is also part of Fit-out Works. Fit-out Works are provided to owners or tenants of residential, commercial and industrial properties and carried out as part of building completion and finishing works.

The Fit-out Industry in Malaysia, measured in terms of the value of work done, had recorded a growth from RM2.5 billion in 2019 to RM4.8 billion in 2024 at a CAGR of 13.9%. The growth of the Fit-out Industry in Malaysia is expected to be driven by the following factors:

(i) The growth in the property market

The Fit-out Industry's demand is supported by the growth of the property market as residential, commercial and industrial property owners will require Fit-out Works during the renovation or construction of new homes, offices and operational facilities. The Malaysian property market had recorded a growth, in terms of the value of property transactions, from RM116.2 billion in 2019 to RM192.9 billion in 2024. The growth of the Malaysian property market in 2023 was supported by the implementation of various government initiatives and assistance such as full exemption of stamp duty for homes valued at RM500,000 and below as well as a 75.0% exemption for homes valued more than RM500,000 to RM1.0 million which increased consumer confidence and spending on residential properties, as well as higher tourist arrivals which led to the resumption of hospitality services.

Under Budget 2024, the Government of Malaysia aimed at providing more affordable housing to people by among others allocating RM10.0 billion for the Housing Credit Guarantee Scheme (“**HCGS**”) to aid individuals without steady income to own homes, allocating RM2.5 billion for People’s Housing Projects (“**PPR**”) which includes aiding low-cost house renovations and constructions as well as by providing tax-relief for first-time homebuyers. Budget 2025 builds upon Budget 2024 by among others, allocating an additional RM10 billion to the HCGS and RM900 million for the implementation of PPR and 14 Rumah Mesa Rakyat projects.

Premised on the above as well as the projected economic growth wherein gross domestic product is expected to grow within the range of 4.5% to 5.5% in 2025, Providence forecasts that the property market in 2024 will continue growing at a CAGR of 10.8% between 2025 and 2027.

(ii) Growth in tourism and retail sectors drive demand for Fit-out Business

The reopening of Malaysia’s international borders in April 2022 and the transition to the endemic phase of the COVID-19 pandemic had supported growth of Malaysia’s tourism industry evidenced by the recovery in tourist arrivals to 25.0 million in 2024 (2021: 0.1 million) which generated tourism receipts of RM102.2 billion in 2024 (2021: RM0.2 billion). Tourism Malaysia aims to achieve a target of 35.6 million foreign tourists in 2026, with a projected tourism receipt of RM147.1 billion. This is in anticipation of a stronger market recovery and the ability to capitalise on initiatives by the Government of Malaysia.

The growth in the tourism arrivals and receipts in Malaysia indicates increased retail spending and footfall at shopping malls, and would consequently drive demand for the retail industry in Malaysia. This is evidenced by the growth in the supply of shopping malls in Malaysia (measured by area) from 16.5 million square meters in 2019 to 18.0 million square meters in 2024 as well as the rise in occupancy rates for shopping malls in Malaysia from 76.3% in 2021 to 78.8% in 2024.

The above indicates that the growth in the number of tourists and tourist arrivals will lead to the opening of new hotels as well as shopping malls. Accordingly, as interior fit-out service providers are typically engaged by operators of hotels, shopping malls and retail outlets for fit-out services prior to the launch of a new outlet or expansion of an existing outlet, the aforesaid growth will consequently support demand for interior fit-out services.

(iii) Growth in foreign and domestic investments will drive demand for Fit-out Business

Malaysia recorded a total of RM378.5 billion worth of approved investments in the services, manufacturing and primary sectors in 2024 across 6,700 projects. From the total investments approved, foreign investments accounted for RM170.4 billion or 45.0%, while domestic investments accounted for RM208.1 billion or 55.0%. Malaysia aims to attract quality investments to drive economic growth and achieve its aspirations of becoming a high-income nation.

The growing foreign and domestic investments in Malaysia will result in companies setting up their offices and operating facilities in the country. As these companies typically engage interior fit-out service providers to fit-out office space and common areas such as reception lobbies, walkways and lift lobbies, the growth in such investments would result in an increase in demand for fit-out works in Malaysia to enhance the appeal, functionality, and comfort of new offices and operating facilities.

Premised on the above growth drivers, Providence projects the Fit-out Industry in Malaysia to rise from RM4.8 billion in 2024 to RM7.0 billion in 2027 at a CAGR of 13.7%.

(Source: IMR Report)

5.4 Prospects of the EHB Group

As set out in Appendix IV of this Circular, the EHB Group recorded revenue and LAT of RM5.31 million and RM0.80 million for the FYE 2023 as well as RM5.70 million and RM13.33 million for the FYE 2024, respectively. The weak financial performance of the Group was mainly attributable to Corus Hotel's low AOR of approximately 30% in the past 3 years as a result of, inter-alia, the aging condition of the hotel, the competitive business landscape of hotel accommodation in Port Dickson area as well as lower pricing strategy adopted by the Group in order to attract customers which compressed the margins. Furthermore, the Group would also require substantial amount of funds, manpower and time to upkeep and refurbish Corus Hotel as the hotel had not been in operations for a lengthy period of time due to the COVID-19 pandemic. For the FYE 2024, in addition to the above, the LAT of the Group was further contributed by an impairment loss of RM9.33 million on amount owing by an associate company.

Arising therefrom, in order to improve its immediate prospects, the Group intends to undertake the Corus Hotel Refurbishment to revitalise and rejuvenate the rooms and the facilities. Upon completion of such refurbishment works, the Group intends to capitalise on the newly renovated hotel and Port Dickson's status as a popular coastal tourist destination in Malaysia to increase the revenue generated by Corus Hotel which in turn will improve the financial performance of the Group.

Post Corus Hotel Refurbishment, the Group intends to leverage on its network of government and corporate contacts to promote Corus Hotel's upgraded ballrooms and meeting facilities with an estimated size of approximately 13,249 square feet and capacity to fit up to 1,000 pax, as the hosting destination for corporate and government events which includes training and meetings, incentives, conferences and exhibition ("**MICE**") events, particularly during business days given Port Dickson's strategic location which is not far from the manufacturing hubs located in Seremban and Melaka. Further, during weekends and public holidays, the Group intends to target local and regional leisure tourists as Port Dickson (being a coastal tourist destination) remains popular among visitors from Klang Valley and is gaining traction among Singaporean tourists.

The Group intends to position the upgraded 4-star Corus Hotel as a mid-luxury hotel at accessible price points with unique features such as a private lagoon, expansive beachfront and enhanced leisure facilities as well as MICE facilities. Such features will differentiate Corus Hotel from its competitors with only basic beach access and will appeal to travellers seeking quality and comfort without the premium price tag of high-end resorts.

Historically over the past 3 years, Corus Hotel achieved an AOR of 30% and an average daily rate of RM150. Post Corus Hotel Refurbishment, the Group aims for Corus Hotel to achieve market rates of comparable 4-star hotels in Port Dickson which command an AOR of 60% to 70% and average daily rate of RM250 to RM350.

The EHB Group also takes cognisance that being a hospitality operator, it needs to diversify its hospitality offerings to cater to evolving consumer preferences. It can no longer solely rely on a single hotel and is required to constantly expand and evolve its product offerings to remain competitive and improve its future prospects. In this respect, the Group has adopted various strategies including undertaking the Proposed Acquisition which will enable it to expand its portfolio of Own-and-Operate assets in a strategic location with good connectivity and proximity to established townships. In line with the Group's objective, these strategies would also diversify the Group's product offerings and reduces its reliance on its sole Own-and-Operate asset i.e. Corus Hotel, which is a resort-based hotel, upon commencement of the hotel operation of Subject Property - Partial Tower E Building which is expected to take place in the 1st quarter of 2027.

In addition, to complement the Group's capital intensive Own-and-Operate assets as well as to cater for the increasing demand for alternative lodging options (akin to the home-sharing business model), the Group intends to also further expand its hospitality offerings under the Managed Properties. As part of the Group's expansion strategies for the Managed Properties portfolio, the Group plans to gradually increase the number of units of the Managed Properties and inclusion of boutique hotels to increase the variety of the Managed Properties to achieve economies of scale as well as providing location and product diversity.

Notwithstanding that the Group's Fit-out Business is relatively new, the Board is optimistic of its prospects given that it is complementary to the Hospitality Business and the expected growth of the Fit-out Industry as depicted in Section 5.3 of Part A of this Circular as well as upon considering EXSIM Concepto's revenue contribution to the Group of RM70.83 million for the FPE 31 March 2025. During the immediate term, the Group intends to provide Fit-out Works for the Own-and-Operate assets as well as the Managed Properties and gradually leverage on such experience to build a track record to secure additional external contracts in the future. The Group also intends to leverage on the experience and expertise of its key management personnel as well as the extensive network of the Company's controlling shareholders to strive to secure more fit-out contracts to expand its order book.

Premised on the above and having considered the positive overview and outlook of the Malaysian tourism, leisure and hospitality industry and Fit-out Industry, it is envisaged that Group's Hospitality Business and the Fit-out Business are able to complement each other and enhance the financial performance of the Group moving forward.

5.5 Steps taken by the Group to improve its financial condition

The Group's financial performance had been hampered in the last few financial years mainly due to the interruption in tourism activities brought about by the COVID-19 pandemic coupled with the Group being reliant on a single hotel for its hospitality business.

Following the entry of EHHSB as the controlling shareholder of EHB in April 2024, EHHSB together with the management of EHB have proposed various turnaround strategies as follows:

(i) Enhancing and expanding the portfolio of assets under the Own-and-Operate and Hospitality Operator business models

As the Hospitality Business is the main revenue driver of the Group, holistic efforts had been identified to improve this business segment. Firstly, comprehensive refurbishments and renovations are being planned and scheduled to elevate the overall quality and guest experience at Corus Hotel, costing indicatively RM120.69 million. Post refurbishment, the Group will target corporate and government agencies with promotional activities and events (e.g. teambuilding activities and conferences) as well as organising family oriented activities. It is anticipated that the enhancements coupled with the marketing efforts will boost occupancy, room rates and profitability.

Additionally, the Group recognises that being in the hospitality industry, its product offerings have to constantly evolve to cater to its guests' preferences. In this regard, the Group has identified Subject Property - Partial Tower E Building and intends to undertake the Proposed Acquisition as a strategy to grow and diversify the Own-and-Operate assets. The Group, in order to further improve its product diversity without overburdening its financials had also been gradually increasing the Managed Properties portfolio.

Upon completion of the Proposed Acquisition, the Group will have access to 494 hotel rooms in aggregate and coupled with its 1,055 units of the Managed Properties as at the LPD, the Group will be able to offer hospitality units located at various strategic locations.

(ii) Scaling up the Fit-out Business

The Group's focus in the Fit-out Business is driven by the complementary nature with its Hospitality Business and simultaneously provides an opportunity for the Group to diversify its revenue base. As the Group's internal fit-out company for the Own-and-Operate assets as well as Managed Properties, EXSIM Concepto will be able to ensure that the respective product offerings of the Group are consistent with the branding of the Group's Hospitality Business as well as provides enhanced quality control and cost savings for the fit-out services rendered for the Group's Hospitality Business.

As at the LPD, the Group has Secured Fit-out Contracts amounting to RM341.74 million. Going forward, the Group intends to gradually scale up its manpower and resources under its Fit-out Business division and explore greater external opportunities via tenders and securing new fit-out contracts to strengthen and replenish its orderbook, which is expected to contribute positively to the earnings of the Group.

5.6 Impact of the Proposals to the Group and its shareholders

The Proposals are undertaken to achieve the strategies and objectives of the Group as set out under Sections 4, 5.4 and 5.5 of Part A of this Circular.

In this respect, the Group is cautiously optimistic that the Proposals will have a positive impact to the financial position and prospects of the Group going forward, taking into consideration the proceeds from the Proposed Rights Issue with Warrants will be channelled towards enhancing and improving the overall performance of the Hospitality Business (including partial funding for both the Corus Hotel Refurbishment and the Proposed Acquisition). Furthermore, taking into consideration the encouraging performance of the general Malaysian tourism and hospitality industry post COVID-19 pandemic which has witnessed overall increase in room rates and occupancy levels as well as the favourable growth drivers such as government initiatives to boost tourism, the Group is confident that its current strategy will enable it to offer an extensive line-up of available rooms to tap on the sizable tourism and hospitality market.

The Fit-out Business, on the other hand, is also expected to contribute positively to the financial performance of the Group as EHB gradually scales up its Fit-out Business operations via securing additional external contracts. As at the LPD, in addition to the Secured Fit-out Contracts, the EHB Group is currently in negotiation/tendering for fit-out projects with estimated contract value of approximately RM88.60 million.

Notwithstanding the above, the increase in the number of EHB Shares pursuant to the Proposed Rights Issue with Warrants will have a dilutive impact on the Group's NA per Share and EPS which may be mitigated when the Group realises the benefits from the Proposals, including the expected returns arising from its proposed utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants is not expected to have a dilutive impact on the existing shareholders' shareholdings assuming all the Entitled Shareholders fully subscribe for their respective entitlement pursuant to the Proposed Rights Issue with Warrants. Nonetheless, in the event none of the Entitled Shareholders subscribe to the Rights Shares, save for the Undertaking Shareholders, the Proposed Rights Issue with Warrants which is to be undertaken on the Full Subscription Basis will dilute the shareholdings of the Company's Entitled Shareholders, save for the Undertaking Shareholders.

5.7 Adequacy of the Proposals in addressing the financial requirements of the Group

Taking into consideration the amount of funds required by the Group to facilitate its turnaround strategies vis-à-vis the financial position of the EHB Group at this juncture, the Company is of the view that the Proposed Rights Issue with Warrants is the most appropriate avenue of fund-raising to raise the requisite proceeds in order to meet the immediate funding requirements of the Group as set out in Section 2.8 of Part A of this Circular.

The Company takes cognisance that in order to fully realise its turnaround strategies, the Group requires additional funding to supplement the proceeds raised from the Proposed Rights Issue with Warrants to address, inter-alia, the remaining estimated cost of the Corus Hotel Refurbishment of RM20.69 million as well as the balance Purchase Consideration of RM168.18 million. In this respect, the Company is in discussions with several financial institutions on the required borrowings to address these financial obligations. Assuming after completion of the Proposed Rights Issue with Warrants and the Group fully funds the balance of the Corus Hotel Refurbishment and the balance Purchase Consideration via bank borrowings, the Group's total borrowings is expected to increase to approximately RM202.66 million or a gearing ratio of approximately 0.73 times from its total borrowings as at 30 June 2024 of RM13.79 million. However, the final level of borrowings will be dependent on the then prevailing level of internally generated funds and working capital requirements. Going forward, with the commencement of full operations under the refurbished Corus Hotel and Subject Property - Partial Tower E Building, it is envisaged that the Hospitality Business coupled with the Fit-out Business are able to generate profits and sufficient cash flow for the repayment of bank borrowings, thus reducing the Group's gearing over time.

Premised on the above and barring any unforeseen circumstances, the Board believes that the Proposed Rights Issue with Warrants together with the utilisation of proceeds therefrom, are adequate to fulfil the Group's immediate financial requirements. Nonetheless, the Group will continuously assess its financial position and condition moving forward and address its financial requirements as and when required.

6. RISK FACTORS

(i) Non-completion risk

The completion of the Proposed Acquisition is subject to, among others, the fulfilment of all the conditions precedent set out in Section 3(i) of Appendix II of this Circular ("**Conditions Precedent**") and the performance by the relevant parties of their respective covenants, undertakings and/or obligations within the stipulated timeframe as set out in the SPA.

There can be no assurance that the Company will be able to obtain all the requisite approvals nor will all parties fulfil the respective obligations under the SPA where the parties will be subject to the risk that the Conditions Precedent may not be fulfilled, obtained or waived (as the case may be) within the stipulated timeframe or the Vendor or the Group fails to perform its respective obligations under the SPA or any of the termination events under the SPA may occur such that the Proposed Acquisition cannot be completed. If any of the aforementioned occurs, the SPA may be terminated and the Proposed Acquisition may not proceed to completion and the potential benefits arising therefrom may not materialise. In such event, it should be noted that the Company would not have any ownership rights or interest over Subject Property - Partial Tower E Building and there can be no assurance that the Company will be able to recover any progressive payments made under the SPA as set out in Section 2(ii) of Appendix II of this Circular.

The Conditions Precedent include, inter-alia, the EHB Group obtaining requisite funding to part fund the Proposed Acquisition and EHB completing the Proposed Rights Issue with Warrants. Furthermore, as part of the terms of the SPA, the Vendor is also obligated to deliver vacant possession of Subject Property - Partial Tower E Building to the EHB Group within the timeframe stipulated in the SPA.

In this respect, the EHB Group will take all necessary and reasonable steps to ensure the fulfilment of the Conditions Precedent which are within the EHB Group's control, on or before the stipulated timeframe as well as mitigate the occurrence of any potential termination events that are within the EHB Group's control in order to complete the Proposed Acquisition. In the event the Vendor commits a material breach of the SPA including failure to deliver vacant possession of Subject Property - Partial Tower E Building to the EHB Group, the recourse available to the Group includes, inter-alia, the exercise of the specific performance and/or the right to terminate, subject to the provisions of the SPA as well as to invoke the personal guarantee of Lim Aik Hoe and Lim Aik Kiat to recover all such amount that is required to be paid/returned by the Vendor in the event of breaches of their obligations under the SPA. Please refer to Section 10 of Appendix II of this Circular for further information on the Vendor's and Uppervista's right to terminate the SPA as well as the consequences arising from such termination.

(ii) Investment risks

The Proposed Acquisition is undertaken to strengthen the Hospitality Business revenue. There can be no assurance that the EHB Group is able to achieve sufficient level of room occupancy at desired rates for Subject Property - Partial Tower E Building as it is largely dependent on factors that are not within the control of the EHB Group which includes, inter-alia, tourist arrivals in Malaysia that is driven by, among others, the pace of recovery of the global economy as well as initiatives and plans by the Government of Malaysia in boosting the tourism industry, the future supply of similar hotels within the surrounding area coupled with the continued vibrancy and footfall of Empire City.

Arising therefrom, there can also be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Group will be able to generate sufficient returns to offset the costs of investments. Further, the duration required for the Group to recoup its investment could also be longer than anticipated after the completion of the Proposed Acquisition.

(iii) Financing risk

The Group is allocating proceeds amounting to RM72.07 million to be raised from the Proposed Rights Issue with Warrants, to partially fund the Purchase Consideration. Hence, the balance of the Purchase Consideration of RM168.18 million is expected to be funded via bank borrowings.

The ability to secure the bank borrowings and its consequential financing cost are dependent on numerous factors which includes, inter-alia, general economic and capital market conditions, prevailing interest rates, credit availability from banks or other financiers, restrictions imposed by the Government of Malaysia and the political, social and economic conditions in Malaysia.

There can be no assurance that sufficient funds would be secured to finance the Proposed Acquisition or that such funds secured will be on terms favourable to the Group. In such circumstances, the Proposed Acquisition may not be able to be completed. In addition, the Group may be exposed to fluctuations in interest rates on such bank borrowings obtained, leading to higher financing costs which may adversely affect the Group's cash flows, financial performance as well as its ability to service future financing repayment obligations. Strictly for illustrative purposes only, as set out in Section 7.3 of Part A of this Circular, assuming after completion of the Proposed Rights Issue with Warrants and the balance of the Purchase Consideration of RM168.18 million is fully funded via bank borrowings, the total borrowings of the EHB Group is expected to increase from RM13.79 million as at 30 June 2024 to RM181.97 million with the Group's gearing ratio increasing from 0.49 times to 0.66 times.

In mitigating such risks, the Group will actively monitor its financing portfolio, which includes financing level, financing costs as well as cash flows to ensure it remains at a sustainable and optimal level.

(iv) Valuation risk

The valuation of Subject Property - Partial Tower E Building as appraised by the Valuer is based on certain assumptions as set out in the Valuation Report which are subjective, uncertain and may differ from actual measures of the market i.e. projected room rates and occupancy. Furthermore, as the future market value of Subject Property - Partial Tower E Building may be affected by, among others, changes in supply and demand of similar properties in nearby locations, changes in the outlook and prospects of property sector, changes in general economic, financial and political conditions, changes in regulatory requirements and applicable laws (including in relation to taxation), there can be no assurance that such adverse changes would not adversely affect the market value of Subject Property - Partial Tower E Building in the future.

In consideration of the above, the market value of Subject Property - Partial Tower E Building as appraised by the Valuer is not an indication of and does not guarantee an equivalent or greater sale price either at the present time or at any time in the future. Accordingly, there can be no assurance that the Company would be able to sell Subject Property - Partial Tower E Building, or that the price realisable on such sale would not be lower than the present valuation or the price paid by the Company to purchase Subject Property - Partial Tower E Building at any time in the future.

Notwithstanding, the Company intends to operate Subject Property - Partial Tower E Building in accordance with its intended purposes as set out in Section 3.1 of Part A of this Circular and therefore, there is no intention to sell Subject Property - Partial Tower E Building at this juncture.

(v) Risks inherent to the hospitality industry

The risks inherent in the hospitality industry (encompassing the industry in Selangor and Kuala Lumpur) which EHB is exposed to include, among others, overall environmental factors such as outbreak of diseases and weather conditions, seasonal nature of the hospitality market, changes in the general economic, social and political climate including the risk of economic downturns, changes in legal and environmental framework, increases in operating costs and changes in consumer preferences, threats such as terrorism or airline strikes and rising costs of supplies and travel which may deter tourism.

Further, according to the IMR Report, the number of hotels in Selangor and Kuala Lumpur grew at a CAGR of 3.7% and 2.1% respectively, from 2018 to 2024 and it is projected to grow further at a CAGR of 3.8% and 4.1% between 2024 to 2027, respectively. Such trend will further intensify the competition among the hospitality industry players (local and international) who may have a stronger brand reputation and more resources as compared to the Group. Such competition risk may necessitate higher spending for hotel capital improvements, and aggressive hotel room rates, lower room occupancy rates and higher operating costs, especially in the Klang Valley urban area where the operating costs are generally higher arising from higher wages, utilities and maintenance expenses.

Nonetheless, the Group intends to align the Subject Property - Partial Tower E Building with the standards of a reputed international brand in order to deliver the desired level of service quality consistently as well as will integrate the ballroom and retail spaces to offer specialised services such as event hosting and curated food and beverage experience to distinguish the hotel from local competitors and attract a consistent base of international and corporate guests. The Group also intends to develop flexible event packages and actively pursue partnerships with corporate clients and event organisers to generate recurring footfall for its hotels thereby reducing any unfavourable effects from such inherent risks. In addition, to further mitigate its exposure to such inherent risk, the Group will closely monitor its cost structure and leverage on its scale of operations across both its Own-and-Operate assets and Managed Assets via centralising certain support functions (e.g. laundry services, maintenance and security) to enhance cost efficiency.

(vi) Potential dilution in the shareholdings of the Shareholders

For the Entitled Shareholders who do not or are unable to subscribe in full for their entitlement under the Proposed Rights Issue with Warrants, their proportionate percentage of shareholding and voting interest in the Company will reduce accordingly upon the issuance of the Rights Shares and the issuance of new Shares arising from the exercise of the Warrants that will enlarge the total number of issued Shares. Correspondingly, their entitlement to any future distribution, rights issue and/or allotment that the Company may make after the completion of the Proposed Rights Issue with Warrants will also be diluted.

7. EFFECTS OF THE PROPOSALS

7.1 Share capital

The Proposed Acquisition will not have any effect on EHB's issued share capital as it does not involve any issuance of new Shares.

For illustrative purposes only, based on the Full Subscription Basis to raise approximately RM250.79 million and based on the assumptions of LPD Scenario and ALA Scenario, the proforma effect of the Proposed Rights Issue with Warrants on the issued share capital of the Company is as follows:

	LPD Scenario		ALA Scenario	
	No. of EHB Shares	RM'000	No. of EHB Shares	RM'000
As at the LPD	928,867,411	92,887	928,867,411	92,887
Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants	1,393,301,116	232,453 ⁽ⁱ⁾	1,857,734,822	239,730 ⁽ⁱⁱⁱ⁾
	2,322,168,527	325,340	2,786,602,233	332,617
EHB Shares to be issued assuming full exercise of the Warrants	464,433,705	120,153 ⁽ⁱⁱ⁾	464,433,705	78,972 ^(iv)
Enlarged number of EHB Shares and issued share capital of EHB	2,786,602,232	445,493	3,251,035,938	411,589

Notes:

- (i) Based on the issuance of the Rights Shares at the illustrative Issue Price of RM0.1800 and after accounting for the creation of warrant reserves of RM16.72 million as well as after deducting the estimated expenses relating to the Proposals attributable to share capital of approximately RM1.62 million.
- (ii) Based on the illustrative exercise price of the Warrants of RM0.2230 and after accounting for the reversal of warrant reserves of RM16.58 million (after deducting the estimated expenses relating to the Proposals of approximately RM0.135 million).
- (iii) Based on the issuance of the Rights Shares at the illustrative Issue Price of RM0.1350 and after accounting for the creation of warrant reserves of approximately RM9.38 million as well as after deducting the estimated expenses relating to the Proposals attributable to share capital of approximately RM1.68 million.
- (iv) Based on the illustrative exercise price of the Warrants of RM0.1500 and after accounting for the reversal of warrant reserves of RM9.31 million (after deducting the estimated expenses relating to the Proposals of approximately RM0.07 million).

7.2

Substantial shareholders' shareholding

The Proposed Acquisition will not have any effect on EHB's substantial shareholders' shareholding as it does not involve any issuance of new Shares.

The percentage shareholdings of EHB's substantial shareholders will remain the same if each shareholder subscribes for their respective rights entitlements in full and subsequently exercise their Warrants in full. Shareholders who do not subscribe for the Rights Shares and/or exercise their Warrants will have their equity interest in EHB diluted.

For illustrative purposes only, based on the Register of Substantial Shareholders of EHB as at the LPD and assuming none of the Entitled Shareholders (other than the Undertaking Shareholders) and/or their renouncee(s) subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, the proforma effect of the Proposed Rights Issue with Warrants on EHB's substantial shareholders' shareholding is as follows:

LPD Scenario

	As at the LPD				(I)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾
EHHSB	655,007,219	70.52	-	-	1,731,143,860	74.55	-	-
Lim Aik Hoe	-	-	655,007,219 ⁽ⁱⁱⁱ⁾	70.52	-	-	1,731,143,860 ⁽ⁱⁱⁱ⁾	74.55
Lim Aik Kiat	-	-	655,007,219 ⁽ⁱⁱⁱ⁾	70.52	-	-	1,731,143,860 ⁽ⁱⁱⁱ⁾	74.55
Lim Aik Fu	-	-	655,007,219 ⁽ⁱⁱⁱ⁾	70.52	-	-	1,731,143,860 ⁽ⁱⁱⁱ⁾	74.55

	After (I) and assuming full exercise of the Warrants				(II)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(iv)	No. of Shares	% ^(iv)	No. of Shares	% ^(iv)	No. of Shares	% ^(iv)
EHHSB	2,089,856,073	74.99 ^(v)	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99	-	-
Lim Aik Hoe	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99
Lim Aik Kiat	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99
Lim Aik Fu	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99	-	-	2,089,856,073 ⁽ⁱⁱⁱ⁾	74.99

ALA Scenario

	As at the LPD				(I)		
	Direct		Indirect		After the Proposed Rights Issue with Warrants		
	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ^(vi)	% ^(vi)
EHHSB	655,007,219	70.52	-	-	2,089,856,072	74.99	-
Lim Aik Hoe	-	-	655,007,219 ⁽ⁱⁱⁱ⁾	70.52	-	-	2,089,856,072 ⁽ⁱⁱⁱ⁾
Lim Aik Kiat	-	-	655,007,219 ⁽ⁱⁱⁱ⁾	70.52	-	-	2,089,856,072 ⁽ⁱⁱⁱ⁾
Lim Aik Fu	-	-	655,007,219 ⁽ⁱⁱⁱ⁾	70.52	-	-	2,089,856,072 ⁽ⁱⁱⁱ⁾

	(II)			
	After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	% ^(vii)	No. of Shares	% ^(vii)
EHHSB	2,448,568,285	75.32 ^(v)	-	-
Lim Aik Hoe	-	-	2,448,568,285 ⁽ⁱⁱⁱ⁾	75.32
Lim Aik Kiat	-	-	2,448,568,285 ⁽ⁱⁱⁱ⁾	75.32
Lim Aik Fu	-	-	2,448,568,285 ⁽ⁱⁱⁱ⁾	75.32

Notes:

- (i) Based on the total number of EHB Shares in issue as at the LPD of 928,867,411.
- (ii) Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 2,322,168,527.
- (iii) Deemed interested by virtue of his direct interest in EHHSB pursuant to Section 8 of the Act.
- (iv) Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 2,786,602,232 and assuming full exercise of 464,433,705 Warrants.
- (v) Notwithstanding EHHSB's shareholding as illustrated above, as set out in Section 2.5 of Part A of this Circular, the Company has obtained a written irrevocable undertaking from EHHSB that it shall not exercise any of its Warrants after the completion of the Proposed Rights Issue with Warrants if the exercise of such Warrants will result in the Company not being able to comply with the Public Spread Requirement.
- (vi) Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 2,786,602,233.
- (vii) Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 3,251,035,938 and assuming full exercise of 464,433,705 Warrants.

7.3

NA per EHB Share and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of EHB as at 30 June 2024 and assuming the Proposals had been effected on that date, the proforma effects of the Proposals on the audited consolidated NA per EHB Share and gearing of the EHB Group are as follows:

LPD Scenario

		(I)	(II)	(III)
	Audited as at 30 June 2024 (RM'000)	After the Proposed Rights Issue with Warrants and part payment of the Purchase Consideration ⁽ⁱ⁾ (RM'000)	After (I) and after the Proposed Acquisition (RM'000)	After (II) and assuming full exercise of the Warrants (RM'000)
Share capital	92,887	325,340 ^{(iv)(v)}	325,340	445,493 ^(ix)
Reserves	12,204	12,204	12,204	12,204
Warrant reserves	-	16,584 ^(vi)	16,584	- ^(ix)
Accumulated losses	(77,079)	(77,322) ^(vii)	(77,322)	(77,322)
Shareholders' funds / NA attributable to owners of the Company	28,012	276,806	276,806	380,375
No. of EHB Shares in issue ('000)	928,867	2,322,168 ^(iv)	2,322,168	2,786,602
NA per Share (RM) ⁽ⁱⁱ⁾	0.03	0.12	0.12	0.14
Total borrowings (RM'000)	13,792	13,792	181,967 ^(viii)	181,967 ^(viii)
Gearing (times) ⁽ⁱⁱⁱ⁾	0.49	0.05	0.66	0.48

Notes:

- (i) In accordance with the payment milestones as set out in Section 2(ii) of Appendix II of this Circular, 30% of the Purchase Consideration of RM72.07 million is to be made within 14 days upon the SPA becoming unconditional. However, it is the Company's intention to pay the Vendor immediately upon the SPA becoming unconditional and upon receipt of the proceeds from the Proposed Rights Issue with Warrants.
- (ii) Based on NA attributable to owners of the Company divided by total number of EHB Shares in issue.
- (iii) Based on total borrowings divided by NA attributable to owners of the Company.
- (iv) Based on the 1,393,301,116 Rights Shares to be issued at the illustrative Issue Price of RM0.1800 and after accounting for the creation of warrant reserves.
- (v) After deducting the estimated expenses relating to the Proposals attributable to share capital of approximately RM1.62 million.

- (vi) Based on the theoretical fair value of the Warrants as at the LPD of RM0.036 per Warrant and after deducting the estimated expenses relating to the Proposals of approximately RM0.135 million.
- (vii) After deducting the estimated expenses relating to the Proposals of approximately RM0.24 million.
- (viii) The Company intends to fund the balance of the Purchase Consideration of RM168.18 million via bank borrowings. As the Purchase Consideration is expected to be paid progressively in accordance with the terms of the SPA as set out in Section 2(ii) of Appendix II of this Circular, the Proposed Acquisition is not expected to result in an immediate effect on the EHB Group's gearing.
- (ix) Assuming the Warrants are exercised into new EHB Shares at the illustrative exercise price of RM0.223 and the corresponding reversal of the warrant reserves.

ALA Scenario

		(I)	(II)	(III)
	Audited as at 30 June 2024 (RM'000)	After the Proposed Rights Issue with Warrants and part payment of the Purchase Consideration ⁽ⁱ⁾ (RM'000)	After (I) and after the Proposed Acquisition (RM'000)	After (II) and assuming full exercise of the Warrants (RM'000)
Share capital	92,887	332,617 ^{(iv)(v)}	332,617	411,589 ^(ix)
Reserves	12,204	12,204	12,204	12,204
Warrant reserves	-	9,307 ^(vi)	9,307	-(ix)
Accumulated losses	(77,079)	(77,322) ^(vii)	(77,322)	(77,322)
Shareholders' funds / NA attributable to owners of the Company	28,012	276,806	276,806	346,471
No. of EHB Shares in issue ('000)	928,867	2,786,602 ^(iv)	2,786,602	3,251,036
NA per Share (RM) ⁽ⁱⁱ⁾	0.03	0.10	0.10	0.11
Total borrowings (RM'000)	13,792	13,792	181,967 ^(viii)	181,967 ^(viii)
Gearing (times) ⁽ⁱⁱⁱ⁾	0.49	0.05	0.66	0.53

Notes:

- (i) *In accordance with the payment milestones as set out in Section 2(ii) of Appendix II of this Circular, 30% of the Purchase Consideration of RM72.07 million is to be made within 14 days upon the SPA becoming unconditional. However, it is the Company's intention to pay the Vendor immediately upon the SPA becoming unconditional and upon receipt of the proceeds from the Proposed Rights Issue with Warrants.*
- (ii) *Based on NA attributable to owners of the Company divided by total number of EHB Shares in issue.*
- (iii) *Based on total borrowings divided by NA attributable to owners of the Company.*
- (iv) *Based on the 1,857,734,822 Rights Shares to be issued at the illustrative Issue Price of RM0.1350 and after accounting for the creation of warrant reserves.*
- (v) *After deducting the estimated expenses relating to the Proposals attributable to share capital of approximately RM1.68 million.*
- (vi) *Based on the theoretical fair value of the Warrants as at the LPD of RM0.0202 per Warrant and after deducting the estimated expenses relating to the Proposals of approximately RM0.07 million.*
- (vii) *After deducting the estimated expenses relating to the Proposals of approximately RM0.24 million.*
- (viii) *The Company intends to fund the balance of the Purchase Consideration of RM168.18 million via bank borrowings. As the Purchase Consideration is expected to be paid progressively in accordance with the terms of the SPA as set out in Section 2(ii) of Appendix II of this Circular, the Proposed Acquisition is not expected to result in an immediate effect on the EHB Group's gearing.*
- (ix) *Assuming the Warrants are exercised into new EHB Shares at the illustrative exercise price of RM0.1500 and the corresponding reversal of the warrant reserves.*

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7.4 Earnings and EPS

The Proposed Rights Issue with Warrants and the Proposed Acquisition, which are expected to be completed in the 2nd half of 2025 and the 4th quarter of 2026 respectively, will not have any material effect on the earnings of the Group and EPS for the FYE 30 June 2025, save for estimated expenses relating to the Proposals (which are not attributable to the share capital of EHB) amounting to RM0.24 million.

The Proposed Acquisition is expected to be earnings accretive and contribute positively to the Group's earnings and EPS for the subsequent financial years after commencement of operations of Subject Property - Partial Tower E Building. For information purposes, the actual earnings from Subject Property - Partial Tower E Building for the subsequent financial years will depend on, inter-alia, the occupancy rates of Subject Property - Partial Tower E Building, the quantum, tenure and the prevailing interest rates of bank borrowings procured by the Group to finance the balance Purchase Consideration.

Strictly for illustrative purposes only, the additional proforma PAT arising from the Proposals would be as follows:

	RM'000
Net property income ⁽ⁱ⁾	17,694
Interest expense ⁽ⁱⁱ⁾	(6,805)
Depreciation charges ⁽ⁱⁱⁱ⁾	(7,989)
Proforma PAT attributable to the Proposals	2,900

Notes:

- (i) *Being the 10-year average annual net property income (before deducting furniture, fixtures and equipment reserves) of Subject Property - Partial Tower E Building after commencement of operations of Subject Property - Partial Tower E Building as derived from the Valuation Report. For information purposes, Subject Property - Partial Tower E Building is expected to commence operations in the 1st quarter of 2027.*
- (ii) *Being the expected average annual interest expense to be incurred for the financing of the Proposed Acquisition assuming that the balance of the Purchase Consideration of RM168.18 million is financed via bank borrowings.*
- (iii) *Based on the Purchase Consideration together with associated costs which includes capitalisation of borrowing interest incurred during the construction period of Subject Property - Partial Tower E Building, stamp duty as well as professional expenses which are depreciated in accordance with the Group's depreciation policy on a straight-line basis over the estimated useful lives of the resultant depreciable property, plant and equipment components of Subject Property - Partial Tower E Building i.e. the land, buildings and fixture and fittings which have an estimated useful live of 80 years, 50 years and 10 years respectively.*

As set out in Section 1 of Part A of this Circular, the Group had recently diversified into its Fit-out Business as part of its strategy to improve its financial performance. Strictly for illustrative purposes, based on the latest audited consolidated statement of profit or loss and other comprehensive income of EHB for the FYE 2024, assuming its Fit-out Business had been operational since 1 July 2023, being the beginning of FYE 2024 and the Proposals had been effected and completed on 1 July 2023, the proforma effects of the Proposals on the earnings of the Group and EPS are as follows:

LPD Scenario

	RM'000	(Loss per Share ("LPS")) / EPS⁽ⁱ⁾ (sen)	Fully diluted (LPS) / EPS⁽ⁱⁱ⁾ (sen)
Adjusted LAT for the FYE 2024 ⁽ⁱⁱⁱ⁾	(4,000)	(0.43)	(0.14)
Add: PAT of the Fit-out Business ^(iv)	14,476	1.56	0.52
Add: PAT attributable to the Proposals	2,900	0.31	0.10
Proforma PAT of the EHB Group's existing businesses	13,376	1.44	0.48

ALA Scenario

	RM'000	(Loss per Share ("LPS")) / EPS⁽ⁱ⁾ (sen)	Fully diluted (LPS) / EPS^(v) (sen)
Adjusted LAT for the FYE 2024 ⁽ⁱⁱⁱ⁾	(4,000)	(0.43)	(0.12)
Add: PAT of the Fit-out Business ^(iv)	14,476	1.56	0.44
Add: PAT attributable to the Proposals	2,900	0.31	0.09
Proforma PAT of the EHB Group's existing businesses	13,376	1.44	0.41

Notes:

- (i) Based on the total number of Shares in issue as at 30 June 2024 of 928,867,411.
- (ii) Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 2,786,602,232 Shares and assuming full exercise of 464,433,705 Warrants.
- (iii) Being the audited LAT for the FYE 2024 of RM13.33 million and after adjusting for one-off impairment of RM9.33 million relating to an amount owing by an associated company during the financial year.
- (iv) Based on the extrapolated 12-month PAT of EXSIM Concepto pursuant to the 9-month quarterly results of the Group for the FPE 31 March 2025 and upon taking into consideration the aggregate contract value of Secured Fit-out Contracts of RM341.74 million as at the LPD as well as the allocated proceeds of RM40.00 million to finance EXSIM Concepto's working capital requirements as set out in Section 2.8 of Part A of this Circular.
- (v) Based on the enlarged number of EHB Shares after the Proposed Rights Issue with Warrants of 3,251,035,938 Shares and assuming full exercise of 464,433,705 Warrants.

7.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities in issue.

8. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained from:

- (i) Bursa Securities for the following:
 - (a) listing and quotation of up to 1,857,734,822 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
 - (b) admission to the Official List of Bursa Securities and the listing and quotation of up to 464,433,705 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
 - (c) listing and quotation of up to 464,433,705 new EHB Shares to be issued arising from the exercise of the Warrants.

Bursa Securities' approval was obtained vide its letter dated 18 July 2025 and is subject to the following conditions:

No.	Condition	Status of compliance
(1)	EHB, AmlInvestment Bank and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue with Warrants;	To be complied
(2)	EHB must comply with the public security holding spread requirements pursuant to paragraph 8.02(1) of the Listing Requirements upon the listing and quotation of the new EHB Shares;	To be complied
(3)	EHB is required to furnish Bursa Securities with a certified true copy of the resolutions passed by its shareholders at a general meeting for the Proposals;	To be complied
(4)	EHB, AmlInvestment Bank and Maybank IB are required to inform Bursa Securities upon completion of the Proposed Rights Issue with Warrants;	To be complied
(5)	EHB, AmlInvestment Bank and Maybank IB are required to provide a written confirmation that the terms of Warrants are in compliance with paragraph 6.54(3) of the Listing Requirements;	To be complied
(6)	EHB is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed; and	To be complied
(7)	EHB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of EHB Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) shareholders of EHB at the forthcoming EGM.

9. INTER-CONDITIONALITY

The Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other in terms of approvals from the Shareholders.

In terms of the implementation of the Proposals, the Proposed Rights Issue with Warrants will only be implemented once all conditions precedent pursuant to the SPA (save for the conditions precedent relating to the completion of the Proposed Rights Issue with Warrants) are obtained/fulfilled/waived. The implementation of the Proposed Acquisition is conditional upon the completion of the Proposed Rights Issue with Warrants.

Save for the above, the Proposals are not conditional upon any other corporate exercise/scheme of the Company.

As at the LPD, the status of each of the conditions precedent of the SPA are as follows:

Condition precedent	Status
(i) EHB having obtained, at its own costs and expenses, the approval of its non-interested shareholders at a general meeting to be convened in respect of the Proposed Acquisition and the Proposed Rights Issue with Warrants;	Subject matter of this Circular.
(ii) EHB having obtained, at its own costs and expenses, the approval of Bursa Securities for the listing and quotation of the Rights Shares and the admission of the Warrants to the official list of the Main Market of Bursa Securities;	Fulfilled. Bursa Securities' approval is set out in Section 8 of Part A of this Circular.
(iii) EHB having implemented and completed, at its own costs and expenses, the Proposed Rights Issue with Warrants (as evidenced by the listing and quotation of the Rights Shares and the listing of the Warrants on the Main Market of Bursa Securities);	Pending.
(iv) Uppervista having obtained, at its own costs and expenses, the approval for a loan from any bank or financial institution to finance the payment of the Purchase Consideration;	Pending.
(v) AHSB having procured for the confirmation in writing from CASB, being the developer of Subject Property - Partial Tower E Building (" Developer of Tower E "), to be delivered to Uppervista – (a) consenting on the sale of Subject Property - Partial Tower E Building from AHSB to Uppervista; (b) confirming that AHSB is the current beneficial owner of Subject Property - Partial Tower E Building; (c) confirming on the current chargee and/or assignee of Subject Property - Partial Tower E Building (if any); and (d) in the event that Subject Property - Partial Tower E Building is subject to any restriction in interest restricting the transfer of Subject Property - Partial Tower E Building to Uppervista, the Developer of Tower E's undertaking that it will apply for the state authority's consent to transfer in favour of Uppervista or alternatively, it will list Uppervista's name in the application of such consent upon issuance of the strata title to Subject Property - Partial Tower E Building;	Fulfilled. AHSB has obtained a reply from CASB confirming/agreeing to the items stated in this condition precedent.

Condition precedent	Status
(vi) AHSB and Uppervista having mutually agreed to the relevant plans for the Renovation Works (as defined herein) (" Renovation Plans ");	Fulfilled. AHSB and Uppervista have executed a confirmation letter confirming their mutual agreement to the relevant plans for the Renovation Works.
(vii) AHSB having procured, at its own costs and expenses, the Developer of Tower E to apply and obtain the approved Renovation Plans from the appropriate authority in respect of Subject Property - Partial Tower E Building to facilitate the undertaking of the Renovation Works;	Pending.
(viii) where applicable, AHSB having obtained any approval, waiver or consent as required by Uppervista from any counter party to any contract which is or may, in the view of Uppervista, be binding upon AHSB in respect of the Subject Property - Partial Tower E Building, to the extent that such contract remains subsisting; and	As at the LPD, there is no approval, waiver or consent required by Uppervista and hence this condition precedent will be waived by the parties if it remains not applicable upon fulfilment of all other conditions precedent.
(ix) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties.	As at the LPD, there is no approval, waiver or consent of any authorities or parties as may be required by law or regulation or deemed necessary by the parties and hence this condition precedent will be waived by the parties if it remains the same upon fulfilment of all other conditions precedent.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders, chief executive of the Company and/or Persons Connected with them have any interest, direct and/or indirect, in the Proposals:

i) Proposed Acquisition

Lim Aik Hoe and Lim Aik Kiat are the indirect major shareholders of EHB. Lim Aik Hoe and Lim Aik Kiat are also the directors and controlling shareholders of AHSB which is the vendor for the Proposed Acquisition. Accordingly, Lim Aik Hoe and Lim Aik Kiat are deemed interested in the Proposed Acquisition.

EHHSB, the major shareholder of EHB, is deemed interested in the Proposed Acquisition in view that Lim Aik Hoe and Lim Aik Kiat are the directors and shareholders of EHHSB.

ii) Proposed Rights Issue with Warrants

As the Proposed Acquisition and the Proposed Rights Issue with Warrants are inter-conditional upon each other in terms of approvals where a portion of the proceeds from the Proposed Rights Issue with Warrants will be utilised to partly fund the Purchase Consideration, the Interested Major Shareholders are also deemed interested in the Proposed Rights Issue with Warrants.

The shareholdings of the Interested Major Shareholders in EHB as at the LPD are as follows:

	Direct		Indirect	
	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾
EHHSB	655,007,219	70.52	-	-
Lim Aik Hoe	-	-	655,007,219 ⁽ⁱⁱ⁾	70.52
Lim Aik Kiat	-	-	655,007,219 ⁽ⁱⁱ⁾	70.52

Notes:

- (i) Based on the total number of EHB Shares in issue as at the LPD of 928,867,411.
- (ii) Deemed interested by virtue of his direct interest in EHHSB pursuant to Section 8 of the Act.

The Interested Major Shareholders will abstain from voting and undertake to ensure that Persons Connected with them to abstain from voting in respect of their direct and/or indirect shareholdings in EHB, if any, on the resolutions pertaining to the Proposals at the forthcoming EGM.

11. TRANSACTIONS WITH THE INTERESTED MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM FOR THE PRECEDING 12 MONTHS

Save for the following, there were no other transactions entered into by the Group with the Interested Major Shareholders and/or Persons Connected with them for the preceding 12 months up to the LPD:

- (i) Proposed Acquisition; and
- (ii) recurrent related party transactions as disclosed in EHB's circulars to shareholders dated 30 October 2024 and 6 January 2025.

12. OUTSTANDING PROPOSAL ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there are no other outstanding corporate exercise/scheme which have been announced by the Company but pending completion.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered and deliberated on all aspects of the Proposals, including the rationale and benefits of the Proposals, the salient terms of the SPA, effects of the Proposals, the valuation of Subject Property - Partial Tower E Building performed by Knight Frank, the basis and justification for the Issue Price, the basis and justification for the exercise price of the Warrants as well as the evaluation of the Independent Adviser, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposals at the forthcoming EGM.

14. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, after having considered all relevant aspects of the Proposals, including but not limited to the rationale, effects, terms and conditions of the Proposals, the valuation of Subject Property - Partial Tower E Building performed by Knight Frank, the basis and justification for the Issue Price, the basis and justification for the exercise price of the Warrants as well as the evaluation of the Independent Adviser, is of the opinion that the Proposals are:

- (i) in the best interest of the Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested shareholders of the Company.

15. HIGHEST PERCENTAGE RATIO

The highest percentage ratio for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 857.67%, computed based on the Purchase Consideration over the audited NA of the EHB Group as at 30 June 2024.

For the avoidance of doubt, while the highest percentage ratio applicable to the Proposed Acquisition exceeds 100%, the Proposed Acquisition will not result in a significant change in the business direction or policy of EHB pursuant to the Equity Guidelines issued by the SC as Subject Property - Partial Tower E Building is intended to be utilised for the core business of the Group i.e. the Hospitality Business.

16. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Rights Issue with Warrants is expected to be completed by the 2nd half of 2025 and the Proposed Acquisition is expected to be completed by the 4th quarter of 2026.

The tentative timeline for the implementation of the Proposals is as follows:

Tentative Timeline	Events
August 2025	<ul style="list-style-type: none">EGM for the Proposals
September 2025	<ul style="list-style-type: none">All conditions precedent (save for the conditions precedent relating to the completion of the Proposed Rights Issue with Warrants) are obtained/fulfilled/waivedAnnouncement of the Price-Fixing Date and Entitlement DateEntitlement Date and despatch of the abridged prospectus in relation to the Proposed Rights Issue with Warrants together with notices of provisional allotment and rights subscription form
October 2025	<ul style="list-style-type: none">Closing date of acceptance and applications for the Rights SharesListing and quotation of the Rights Shares and WarrantsCompletion of the Proposed Rights Issue with WarrantsSPA becomes unconditional
4 th Quarter of 2026	<ul style="list-style-type: none">Completion of the Proposed Acquisition

17. ADVISERS

AmInvestment Bank and Maybank IB have been appointed as Joint Principal Advisers to the Company for the Proposals.

QuantePhi has been appointed as the Independent Adviser to undertake the following:

- (i) comment as to whether the Proposed Acquisition is:
 - (a) fair and reasonable so far as the non-interested shareholders are concerned; and
 - (b) to the detriment of the non-interested shareholders,and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;

- (ii) advise the non-interested shareholders on whether they should vote in favour of the Proposed Acquisition; and
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advise in relation to items (i) and (ii) above.

As the Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other and the proceeds from the Proposed Rights Issue with Warrants will be utilised for the part payment of the Purchase Consideration, the Independent Adviser will also be providing its comments on the Proposed Rights Issue with Warrants.

Please refer to the IAL as set out in Part B of this Circular.

18. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 15 August 2025 at 3:00 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposals.

If you are unable to attend, participate, speak and vote in person at the EGM, you are requested to complete, sign and return the Proxy Form enclosed in this Circular, in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at the office of the Share Registrar of the Company, Symphony Corporate Services Sdn Bhd at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia or by electronic lodgement via <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC) not less than 48 hours before the time set for holding the EGM or any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC). The completion and lodgement of the Form of Proxy will not preclude you from attending, participating, speaking and voting at the EGM should you subsequently decide to do so.

19. FURTHER INFORMATION

You are requested to refer to the appendices for further information.

Yours faithfully
For and on behalf of the Board of
EXSIM HOSPITALITY BERHAD

TAN HAI LIANG
MANAGING DIRECTOR

PART B

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION
TO THE PROPOSED ACQUISITION**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meanings as the words and expressions defined in the “Definitions” Section and Part A of the Circular, except where the context otherwise requires or where otherwise defined in the IAL. All references to “you” are references to the non-interested shareholders of EHB, whilst references to “we”, “us”, or “our” are references to QuantePhi, being the Independent Adviser for the Proposed Acquisition.

Set out hereunder is an executive summary which serves to highlight some of the salient points arising from QuantePhi’s independent evaluation of the Proposed Acquisition. Non-interested shareholders are advised to read carefully and understand the contents of the IAL and the entire Part A of the Circular, including the appendices thereof, for more comprehensive information, evaluation and recommendation of the Proposed Acquisition before voting on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

1. INTRODUCTION

On 28 February 2025, AmlInvestment Bank and Maybank IB, on behalf of the Board announced that the Company proposed to undertake the following:

- (i) proposed renounceable Rights Issue of new Ordinary Shares in EHB to the Entitled Shareholders of EHB together with free detachable Warrants at an issue price and entitlement basis to be determined and announced later, to raise aggregate gross proceeds of approximately RM250.79 million; and
- (ii) proposed acquisition of Subject Property – Partial Tower E Building, a proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities which form part of the mixed development project known as Empire City located in Petaling Jaya, Selangor for a Purchase Consideration of RM240.25 million.

By virtue of the interests of the Interested Major Shareholders in the Proposed Acquisition as set out in Section 10, Part A of the Circular, the Proposed Acquisition is deemed as RPT pursuant to Rule 10.08 of the Listing Requirements. Pursuant thereto, the Board has appointed QuantePhi to act as the Independent Adviser to advise the non-interested shareholders of EHB as to whether the Proposed Acquisition is fair and reasonable so far as the non-interested shareholders of the Company are concerned, and whether the Proposed Acquisition is to the detriment of the non-interested shareholders of EHB. As the Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other and the proceeds from the Proposed Rights Issue with Warrants will be utilised for the part payment of the Purchase Consideration, QuantePhi will also be providing its comments on the Proposed Rights Issue with Warrants.

2. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE WITH WARRANTS

In evaluating the Proposed Acquisition and Proposed Rights Issue with Warrants, we have taken into consideration the following:

Section in the IAL	Area of Evaluation	Comments
Section 5.1	Rationale for the Proposed Acquisition and Proposed Rights Issue with Warrants	<p>(a) Rationale for Proposed Acquisition</p> <p>Following the recovery in the Malaysian tourism industry, the Group had embarked on the Proposed Acquisition, in line with its strategies to increase its Own-and-Operate assets in order</p>

Section in the IAL	Area of Evaluation	Comments
		<p>to diversify its single asset concentration risk and expand its product offering.</p> <p>The Proposed Acquisition will significantly expand the Group's Hospitality Business, increasing its hotel room offerings from 200 to 494. This diversification reduces reliance on Corus Hotel, a resort-focused property, by adding urban-oriented accommodations catering to shopping, work, and medical stays.</p> <p>The acquisition also provides geographical diversification, leveraging the strategic location of Empire City, which is well-connected by major highways (LDP and SPRINT) and surrounded by key townships like Mutiara Damansara, Bandar Utama, and Damansara Perdana. Empire City's integrated development, featuring serviced residences, offices and a thematic mall, enhances the appeal of Subject Property – Partial Tower E Building with easy access to amenities for both tourists and business travellers.</p> <p>With Subject Property – Partial Tower E Building operational, the increased room capacity and broader geographical footprint will strengthen the Group's brand reach and customer base. This expansion is expected to be earnings accretive after accounting for depreciation and financing costs. Further details on the financial impact are provided in Section 7, Part A of the Circular.</p> <p>(b) Rationale for Proposed Rights Issue with Warrants</p> <p>The Proposed Rights Issue with Warrants allows the Group to raise required proceeds without incurring interest costs or the need to repay principal, unlike conventional bank borrowings or debt securities issuance. Consequently, the Company will be able to preserve cash flow for reinvestment and/or operational purposes for further growth.</p> <p>The completion of the Proposed Rights Issue with Warrants will enhance the Group's financial position by increasing its capital base and NA, thereby improving its gearing ratio and ultimately providing greater flexibility for securing debt funding in the future, if needed.</p>

Section in the IAL	Area of Evaluation	Comments
		<p>The Proposed Rights Issue with Warrants also provides opportunity for all entitled shareholders for Rights Issue to further increase their equity participation in the Group's future growth and prospects on a prorata basis as compared to other equity / equity-linked fundraising activities that have a dilutive impact to the equity interest of shareholders (provided that all Entitled Shareholders for Rights Issue subscribe in full for their respective entitlements).</p> <p>Premised on the above, we are of the opinion that the rationale for the Proposed Acquisition and Proposed Rights Issue with Warrants are reasonable.</p>
Section 5.2	Evaluation of the Purchase Consideration for the Proposed Acquisition	<p>Basis and justification for the Purchase Consideration</p> <p>In arriving at the valuation of Subject Property – Partial Tower E Building of RM248.00 million, the Valuer had adopted the Income Approach – DCF Method and Comparison Approach of valuation.</p> <p>We are of the view that the Income Approach – DCF Method of valuation is reasonable given Subject Property – Partial Tower E Building is an income-generating property. The Comparison Approach as a counter-check method is reasonable as it compares Subject Property – Partial Tower E Building with similar properties within the vicinity which were transacted recently to cross check the market value derived from the Income Approach – DCF Method.</p> <p>The methodologies applied by the Valuer are reasonable and consistent with generally applied valuation methodologies. We have reviewed and are satisfied with the bases and assumptions used by the Valuer in deriving the valuation for Subject Property – Partial Tower E Building.</p> <p>Premised on the above, we are of the opinion that the Purchase Consideration of RM240.25 million for the Proposed Acquisition is fair.</p>
Section 5.3	Evaluation of the Key Components for the Proposed Rights Issue with Warrants	<p>Evaluation of the Key Components for the Rights Issue</p> <p>We noted that the Issue Price shall be fixed and announced by the Board on the Price-Fixing Date.</p>

Section in the IAL	Area of Evaluation	Comments
		<p>We also note that the Board intends to fix the Issue Price at a discount ranging between 10% to 30% to the TEAP of EHB Shares based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date.</p> <p>Further, we note that the Issue Price will be determined after taking the following into consideration:</p> <ul style="list-style-type: none"> (i) the funding requirements of EHB Group, as set out in Section 2.8, Part A of the Circular; (ii) the resultant TEAP of EHB Shares computed based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date; and (iii) the then prevailing market conditions which include among others, market sentiment and volatility of the Malaysian stock market. <p>The discount range of 10% to 30% to the TEAP for the Proposed Rights Issue with Warrants is considered reasonable and in line with recent market precedents involving listed issuers.</p> <p>The undertakings and excess applications by EHHSB and other shareholders are deemed reasonable as they ensure full subscription of the Rights Shares, provide funding certainty for the Company's strategic initiatives and help maintain compliance with the Public Spread Requirement post-completion of the Proposed Rights Issue with Warrants.</p> <p>The proposed utilisation of proceeds, primarily for Corus Hotel Refurbishment, part-funding the Proposed Acquisition and supporting working capital, is reasonable as it aligns with the Group's strategic priorities while avoiding excessive gearing.</p> <p>Premised on the above, we are of the opinion that the basis for the key components for the Proposed Rights Issue with Warrants is reasonable.</p>
Section 5.4	Salient terms of the SPA for the Proposed Acquisition	<p>We are of the view that the salient terms of the SPA are reasonable and not detrimental to the non-interested shareholders of EHB.</p>

Section in the IAL	Area of Evaluation	Comments
Section 5.5	Industry Outlook and Future Prospects after the Proposed Acquisition	Based on the general positive outlook of the Malaysian economy, the overview and outlook of the hotel and resort industry, the overview and outlook of the Fit-out Industry and the prospect of EHB Group, we are of the opinion that the industry outlook and future prospects of EHB after the Proposed Acquisition are reasonable.
Section 5.6	Risk factors associated with the Proposed Acquisition	<p>We note that the risks associated with the Proposed Acquisition are the typical risks associated with transactions of this nature.</p> <p>The non-interested shareholders of EHB are advised to give due and careful regards to the risk factors as set out in Section 6, Part A of the Circular and are reminded that although measures may be taken by the management to limit all highlighted risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and financial performance of EHB.</p>
Section 5.7	Effects of the Proposals	<p>We note that: -</p> <p>(i) The Proposed Acquisition will not have any effect on EHB's issued share capital and substantial shareholders' shareholding as it does not involve any issuance of new Shares.</p> <p>On the other hand, the Proposed Rights Issue with Warrants will result in an increase in EHB's issued number of Shares from 928,867,411 Shares (as at the LPD) to 2,322,168,527 Shares upon full subscription of the Rights Shares and 2,786,602,232 Shares upon full exercise of the Warrants (total increase of 1,857,734,821 of number of Shares) under the LPD Scenario. The Proposed Rights Issue with Warrants will result in an increase in EHB's issued number of Shares from 928,867,411 Shares (as at the LPD) to 2,786,602,233 Shares upon full subscription of the Rights Shares and 3,251,035,938 Shares upon full exercise of the Warrants (total increase of 2,322,168,527 of number of Shares) under the ALA Scenario;</p> <p>(ii) The Proposals will increase the NA of the Group;</p> <p>(iii) Under the LPD Scenario, the Proposals will increase EHB's gearing ratio from 0.49 to 0.66 upon completion of the Proposed Acquisition due to the increase in borrowings and decrease to 0.48 upon full conversion of the Warrants.</p>

Section in the IAL	Area of Evaluation	Comments
		<p>Under the ALA Scenario, the Proposals will increase EHB's gearing ratio from 0.49 to 0.66 upon completion of the Proposed Acquisition due to the increase in borrowings and decrease to 0.53 upon full conversion of the Warrants; and</p> <p>(iv) The Proposals will not have any material effect on the earnings of the Group and EPS for the financial year ending 30 June 2025.</p> <p>Premised on the above, we are of the view that the effects of the Proposed Acquisition and the Proposed Rights Issue with Warrants are reasonable and not detrimental to the interest of the non-interested shareholders of EHB.</p>

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisition, and our evaluation is set out in Section 5 of the IAL. Non-interested shareholders of EHB are advised to consider the merit and demerits of the Proposed Acquisition carefully based on all the relevant and pertinent factors including those set out in the IAL and Part A of the Circular as well as other publicly available information prior to making a decision to vote on the resolution pertaining to the Proposed Acquisition.

Premised on our overall evaluation and assessment of the Proposed Acquisition based on the information available to us up to the LPD, we are of the opinion that, taken as a whole, the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the interest of the non-interested shareholders of EHB.

Accordingly, we recommend that the non-interested shareholders of EHB to **vote in favour** of the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

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Registered Office:

6-5-3, Sinaran TTDI,
Jalan Tun Fuad 3,
Taman Tun Dr Ismail
60000 Kuala Lumpur

31 July 2025

To: The Non-Interested Shareholders of Exsim Hospitality Berhad

Dear Sir/ Madam,

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF EXSIM
HOSPITALITY BERHAD IN RELATION TO THE PROPOSED ACQUISITION**

1. INTRODUCTION

- 1.1** This IAL is prepared for the inclusion in the Circular to shareholders of EHB dated 31 July 2025 in relation to the Proposed Acquisition. Definitions or defined terms used in this IAL shall have the same meaning as the definitions used in Part A of the Circular, except where the context otherwise requires or where otherwise defined herein. All references to “you” are references to the non-interested shareholders of the Company, whilst references to “we”, “us”, or “our” are references to QuantePhi, being the Independent Adviser for the Proposed Acquisition.
- 1.2** On 28 February 2025, AmlInvestment Bank and Maybank IB, on behalf of the Board announced that the Company proposed to undertake the following:
- (i) proposed renounceable Rights Issue of new Ordinary Shares in EHB to the Entitled Shareholders of EHB together with free detachable Warrants at an issue price and entitlement basis to be determined and announced later, to raise aggregate gross proceeds of approximately RM250.79 million; and
 - (ii) proposed acquisition of Subject Property – Partial Tower E Building, a proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities which form part of the mixed development project known as Empire City located in Petaling Jaya, Selangor for a Purchase Consideration of RM240.25 million.

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- 1.3** By virtue of the interests of the Interested Major Shareholders in the Proposed Acquisition as set out in Section 10, Part A of the Circular, the Proposed Acquisition is deemed as RPT pursuant to Rule 10.08 of the Listing Requirements. Pursuant thereto, the Board has appointed QuantePhi to act as the Independent Adviser to advise the non-interested shareholders of EHB as to whether the Proposed Acquisition is fair and reasonable so far as the non-interested shareholders of the Company are concerned, and whether the Proposed Acquisition is to the detriment of the non-interested shareholders of EHB. As the Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other and the proceeds from the Proposed Rights Issue with Warrants will be utilised for the part payment of the Purchase Consideration, QuantePhi will also be providing its comments on the Proposed Rights Issue with Warrants.
- 1.4** The purpose of this IAL is to provide the non-interested shareholders of EHB with an independent evaluation of the Proposed Acquisition, and the scope of this IAL is as follows:
- (i) to comment as to whether the Proposed Acquisition is:
 - (a) fair and reasonable as far as the non-interested shareholders of EHB are concerned; and
 - (b) to the detriment of the non-interested shareholders of EHB,and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration into forming that opinion;
 - (ii) to advise the non-interested shareholders whether they should vote in favour of the Proposed Acquisition; and
 - (iii) to take all reasonable steps to satisfy ourselves that we have reasonable basis to make comments and advice for items (i) and (ii) above.
- 1.5** This IAL is prepared solely for the use of the non-interested shareholders of EHB for the purpose of considering the Proposed Acquisition and should not be used or relied upon by any other party for any other purpose whatsoever.

NON-INTERESTED SHAREHOLDERS OF EHB ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CONSIDER CAREFULLY THE RECOMMENDATIONS CONTAINED THEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONTACT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. DETAILS OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE WITH WARRANTS

The full details of the Proposed Acquisition and Proposed Rights Issue with Warrants are set out in Part A of the Circular and should be read and fully understood in its entirety by the non-interested shareholders of EHB.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

The details of the Interested Major Shareholders are set out in Section 10, Part A of the Circular.

Save as disclosed in Section 10, Part A of the Circular, none of the directors, major shareholders, chief executive of the Company and/or persons connected with them have any interests, whether direct and/or indirect, in the Proposals.

Accordingly, the Interested Major Shareholders will abstain from voting and undertake to ensure that persons connected with them to abstain from voting in respect of their direct and/or indirect shareholdings in EHB, if any, on the resolutions pertaining to the Proposals at the forthcoming EGM of the Company.

4. SCOPE AND LIMITATION OF OUR EVALUATION

4.1 QuantePhi has not been involved in any negotiations on the terms and conditions of the Proposed Acquisition nor has it participated in the Board's deliberation on the Proposed Acquisition. QuantePhi's scope as the Independent Adviser is limited to expressing an independent opinion on the fairness and reasonableness of the Proposed Acquisition, based on and in reliance upon information, documents and representation/confirmations provided or made available to us (the accuracy of which the Board or other advisers of EHB are solely responsible), including but not limited to the following: -

- (i) the Circular and the accompanying appendices in relation to the Proposed Acquisition;
- (ii) information contained in the announcement dated 28 February 2025 in relation to the Proposed Acquisition;
- (iii) SPA for the Proposed Acquisition;
- (iv) information provided by EHB, as well as representations/confirmations obtained in or derived from discussions with the management of EHB; and
- (v) publicly available information, such as annual reports and quarterly announcements from EHB.

We have also obtained confirmation from the Board that the Directors of the Company collectively and individually accept full responsibility for the accuracy of information given for the IAL (save and except for analyses made and opinions expressed by QuantePhi) and confirmed that after making all reasonable enquiries, to the best of their knowledge and belief, there are no facts, the omission of which, would make any statement herein misleading. The Board has also provided confirmation that all facts and information in respect of the Company and EHB which are relevant to QuantePhi's evaluation of the Proposed Acquisition have been disclosed to QuantePhi, and there are no facts or information, the omission of which, would make any information supplied to us misleading in any respect.

With due consideration to the foregoing and after making all reasonable enquiries and to the best of our knowledge and belief, we are satisfied that all information, documents, and representations/ confirmations necessary for our evaluation of the Proposed Acquisition have been disclosed to us and that such information is reasonable, accurate, complete, and there is no omission of any material facts, which would make any information provided to us incomplete, misleading or inaccurate.

We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. After making all the reasonable checks and corroborating such information with independent sources, where possible and to the best of our knowledge and belief, the information used is reasonable, accurate, complete, and free of material omission.

In our evaluation of the Proposed Acquisition, we have taken into consideration pertinent matters which are made known to us and which we believe are of general importance to an assessment of the financial implications of the Proposed Acquisition and would be of significant relevance and general concern to the non-interested shareholders of EHB as a whole in arriving at our advice.

The scope of QuantePhi's responsibility with regards to our evaluation and opinion contained herein is confined to the Proposed Acquisition. Where our comments or points of consideration are included on certain pertinent matters which may be qualitative or commercial in nature, these are incidental to our overall financial evaluation and concern matters which we may deem material for disclosure and/or which may have possible financial implications on the Company.

QuantePhi's opinion contained in this IAL is provided to the non-interested shareholders of EHB at large and not to any shareholder individually. Hence, we have not given regard to the specific investment or financial objective, financial situation and/or particular needs of any shareholder or any specific group of shareholders. We recommend that any individual shareholder or any specific group of shareholders who require specific advice within the context of their individual objectives, financial situation or particular needs should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers at their own costs.

After the dispatch of the Circular, the Independent Adviser will notify the non-interested shareholders if we become aware of any of the following:

- (i) significant changes affecting the information contained in the IAL;
- (ii) there is reasonable ground to believe that the statements made in the IAL are misleading and/or deceptive; and
- (iii) there is a material omission in the IAL.

4.2 We confirm that there is no conflict-of-interest situation or potential conflict of interest situation arising from us carrying out the role of Independent Adviser to advise the non-interested shareholders of EHB in respect to the Proposed Acquisition and that there was no professional relationship between QuantePhi and EHB in the past two ('2') years prior to the date of this IAL.

QuantePhi is an approved corporate finance adviser within the meaning of the Principal Adviser Guidelines issued by Securities Commission Malaysia. QuantePhi has been actively involved in providing advisory services over the last twelve ('12') years.

The credentials and experience of QuantePhi as an Independent Adviser, where we have been appointed in the past twelve ('12') years prior to the date of this IAL, include the following proposals:

- (i) Independent Advice Letter dated 11 June 2025 included in the circular for FGV Holdings Berhad ("**FGV**")

Independent advice to the shareholders of FGV in relation to the proposed acquisitions by FGV Palm Industries Sdn Bhd ("**FGVPI**"), an indirect 72%-owned subsidiary of FGV, of the remaining equity interest in three (3) non-wholly owned subsidiaries of FGVPI from Koperasi Permodalan FELDA Malaysia Berhad ("**KPF**") for a cash consideration of RM54,696,719 and proposed acquisitions by Felda Holdings Bhd ("**FHB**"), a wholly-owned subsidiary of FGV, of the remaining equity interest in five (5) non-wholly owned subsidiaries of FHB from KPF for a cash consideration of RM175,054,633.

- (ii) Independent Advice Letter dated 6 December 2024 included in the circular for HCK Capital Group Berhad ("**HCK**")

Independent advice to the shareholders of HCK in relation to the proposed debt settlement of the advances amounting to RM100.00 million to Tan Sri Clement Hii Chii Kok ("**Tan Sri Clement Hii**") by Global Activate Sdn Bhd through issuance of 47.26 million new ordinary shares in HCK at an issue price of RM2.1161 per share to Tan Sri Clement Hii.

- (iii) Independent Advice Letter dated 30 August 2023 included in the circular for HCK

Independent advice to the shareholders of HCK in relation to the proposed acquisition by HCK of its 100.00% equity interest in Global Activate Sdn Bhd and Light Odyssey Sdn Bhd for a cash consideration of RM2.00 each.

- (iv) Independent Advice Letter dated 31 March 2023 included in the circular for SMRT Holdings Berhad ("**SMRT**")

Independent advice to the shareholders of SMRT in relation to the proposed acquisition by SMRT of the remaining 36.00% equity interest in N'osairis Technology Solutions Sdn Bhd for a cash consideration of RM72.00 million and proposed divestment by SMRT of 100.00% equity interest in SMR Education Sdn Bhd for a cash consideration of approximately RM49.50 million;

- (v) Independent Advice Letter dated 21 July 2022 included in the circular for Scomi Energy Services Berhad ("**Scomi Energy**")

Independent advice to the shareholders of Scomi Energy in relation to the proposed disposal by Scomi Energy of its 48.00% equity interest in Scomi KMC Sdn Bhd and 100.00% equity interest in Scomi Oilfield Limited together with 9 of its existing subsidiaries for total cash consideration of RM21.00 million; and

- (vi) Independent Advice Letter dated 30 September 2021 included in the circular for ENRA Group Berhad ("**ENRA**")

Independent advice to the shareholders of ENRA in relation to the proposed divestment by ENRA of 100.00% equity interest in ENRA Kimia Sdn Bhd and its subsidiary companies for a cash consideration of RM50.00 million.

Further information on QuantePhi is available on our website, www.quantephi.cc.

Based on our credentials and experience above, we have the necessary resources and staff with the relevant skills, knowledge and experience to carry out our role and responsibilities as the Independent Adviser to advise the non-interested shareholders of EHB in respect of the Proposed Acquisition as set out in Section 5 of this IAL.

5. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE WITH WARRANTS

In our evaluation of the Proposed Acquisition and Proposed Rights Issue with Warrants, we have considered the following factors: -

- (i) rationale for the Proposed Acquisition and Proposed Rights Issue with Warrants;
- (ii) evaluation of the Purchase Consideration for the Proposed Acquisition;
- (iii) evaluation of the pricing mechanism for the Proposed Rights Issue with Warrants
- (iv) salient terms of SPA for the Proposed Acquisition;
- (v) industry outlook and future prospects after the Proposed Acquisition;
- (vi) risk factors associated with the Proposed Acquisition; and
- (vii) effects of the Proposed Acquisition and Proposed Rights Issue with Warrants.

5.1 Rationale for the Proposed Acquisition and Proposed Rights Issue with Warrants

5.1.1 Proposed Acquisition

We take note of the following as extracted from Section 4.1 of the Circular:-

“(a) Enhancement to the Hospitality Business portfolio of assets

The Group had observed a recovery in the Malaysian tourism industry whereby Malaysia hosted a total of 20.1 million tourists in 2023 (2022: 10.1 million) with significant increase in tourist expenditures in 2023 of RM71.3 billion (2022: RM28.2 billion), wherein accommodation expenditure in 2023 amounted to RM13.4 billion. Along with the revival in Malaysia’s tourism industry, 4-star and 5-star hotels in Selangor had similarly witnessed higher average daily room rates in 2023 which surpassed pre-pandemic rates in 2019 and AOR matching that of pre-pandemic levels.

(Source: Valuation Report)

Taking the aforesaid into consideration, the Group had embarked on the Proposed Acquisition, which is one of the Group’s strategies to increase the Own-and-Operate assets in order to diversify its single asset concentration risk and to expand its product offerings. The Proposed Acquisition will enable the Group to significantly expand the Hospitality Business’ hotel room offerings from 200 to an aggregate of 494 hotel rooms. Further, the Proposed Acquisition will also enable the Group to diversify its product offerings and reduce the Group’s reliance on Corus Hotel, being a resort-based hotel, as Subject Property – Partial Tower E Building offers urban-oriented short-term stays which are suitable for shopping, work and/or medical treatments.

The Proposed Acquisition will also provide geographical diversification opportunity for the Group. The Group is able to capitalise on the vibrancy of Empire City, given its strategic location, being flanked by two major highways, namely Lebuhraya Damansara-Puchong and SPRINT highway, being surrounded by established and popular townships such as Mutiara Damansara, Bandar Utama and Damansara Perdana as well as being in close proximity to KPJ Damansara Specialist Hospital 2 and the upcoming Central Park Damansara township.

Furthermore, Empire City's trait as a self-contained integrated development comprising of serviced residences, corporate office towers, commercial suites as well as a thematic mall is expected to enhance Subject Property - Partial Tower E Building's overall attractiveness and appeal as it provides convenient accessibility to commercial amenities such as food and beverage outlets as well as shopping outlets for tourists and business travellers. In addition, Hextar World, a mall spanning over 1.8 million square feet of NLA located within the Empire City that is scheduled to launch in the 4th quarter of 2025 is expected to further enhance the retail and lifestyle landscape of Empire City. The key attractions of Hextar World include an Olympic-sized ice skating rink, the largest indoor water park in Malaysia, the largest indoor ski training facility in Malaysia, a convention centre and a curated mix of retail and food and beverages offerings.

To capitalise the enhanced vibrancy of Empire City, the Group intends to target 3 primary segments of visitors for the hotel as follows:

- *Business Travellers:* Demand during business days supported by the footfall from surrounding office towers and Subject Property - Partial Tower E Building's proximity to business hubs, retail and dining.
- *Medical Tourists:* The Empire City development is located beside KPJ Damansara Specialist Hospital 2 and Subject Property - Partial Tower E Building will be suited to accommodate family members of patients. The influx of medical tourists is also expected to arise from the Malaysian Government's strategy of promoting Malaysia as medical tourism destination as set out in Section 5.2 of Part A of this Circular.
- *Leisure & Event Travellers:* Demand for hotel occupancy during weekends and public holidays will be driven by the Hextar World mall's attractions, while the proposed 200-table ballroom in Subject Property - Partial Tower E Building supports weddings and banquets as well as visiting friends and relatives who are looking for short-term stays.

The integrated mixed development within Empire City allows each component to complement the others e.g. residents and office workers support daily commercial activities while the upcoming Hextar World mall draws regional visitors, and the Subject Property - Partial Tower E Building serves multiple guest profiles, thus underpinning the long-term commercial viability of both the Subject Property - Partial Tower E Building and Empire City as a whole.

Premised on the above, upon commencement of operations of Subject Property - Partial Tower E Building, the resultant increase in hotel room offerings and the wider geographical presence will enable the Group to expand its brand reach and capture a wider customer base. This would augur well for the Group as it will be earnings accretive (taking into consideration the depreciation and financing costs associated thereto). Further details of the proforma effects of the Proposed Acquisition on the Group's earnings and EPS are set out in Section 7.4 of Part A of this Circular.

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(b) Opportunity to invest in long term investment assets

In addition to providing the Group with an opportunity to improve the financial performance of the Hospitality Business, the Company also expects the investment value of Subject Property - Partial Tower E Building to be accretive in the longer term taking into consideration its strategic location which offers good accessibility, connectivity and high visibility as it is well connected to various localities within Klang Valley via a network of major roads and expressways which includes Lebuhraya Damansara-Puchong, Duta-Ulu Kelang Expressway, North South Expressway, Middle Ring Road 2 and SPRINT highway. It is also located within close proximity to three established, matured and popular townships in Petaling Jaya namely, Mutiara Damansara, Bandar Utama and Damansara Perdana as well as being in close proximity to KPJ Damansara Specialist Hospital 2 and the upcoming Central Park Damansara township.”

QuantePhi’s commentaries:

(i) Enhancement to Portfolio of Assets

(a) Diversification of Geographical Presence for Overreliance on Single Asset

The Group has been loss-making and faced declining financial performance in the past 3 FYEs with LAT of RM0.06 million, RM0.80 million and RM13.33 million for the FYE 2022, FYE 2023 and FYE 2024, respectively. The Group also had low cash flow from operations (“CFO”) of RM0.08 million in FYE 2022, which had subsequently declined into negative CFO of RM0.85 million and RM2.37 million, respectively, in the FYE 2023 and FYE 2024.

This was largely due to Corus Hotel's low AOR of around 30% from the FYE 2022 to FYE 2024. The lower AOR can be mainly attributed to the intense market competition within Port Dickson's local hotel industry, leading to an oversupply of room inventory in the market segment.

Furthermore, the rising popularity of alternative accommodations among tourists such as Airbnb, apartments and homestays has left Corus Hotel with fiercer competition in its market segment leading to declining financial performance. This predicated a need for diversification for the Group, rather than continuous dependence on a single asset's revenue stream.

In addition, while Port Dickson has historically experienced limited major natural disasters, it is not immune to geographical risks. Notably, in April 2025, Port Dickson experienced flash floods due to heavy rainfall and high tides, which led to temporary evacuations and disruption of local activities (*Source: Floods strike Port Dickson again, displacing families amid rain, Malay Mail, 20 April 2025*). By acquiring a property located in a different market, the Group will reduce its vulnerability to such location-specific events, reducing the potential financial impact of any business or revenue disruption at its existing hotel property in Port Dickson.

The Proposed Acquisition will therefore provide the Group with an opportunity to diversify its geographical presence and create new revenue streams, reducing potential overreliance on a single asset, as well as protection from business risks related to local geographical conditions, such as natural disasters

(b) Diversification of Product Offerings

At this juncture, the product offerings provided by 4-star seaside resort hotels in Port Dickson appears to be similar from the perspective of facilities and amenities provided. As a result, it may be difficult for Corus Hotel to achieve product differentiation and gain a competitive advantage in the market.

In contrast, Subject Property – Partial Tower E Building can differentiate itself from competitors by capitalizing on both its features as a 5-star hotel, as well as its location nearby the up-and-coming Empire City development.

The accommodations within the immediate vicinity of a radius of less than 1km from Subject Property – Partial Tower E Building mainly consist of 2 to 4-star hotels and alternative accommodations targeted towards business travellers, with a stronger focus on functionality over luxury. In view of this, Subject Property – Partial Tower E Building fills a unique niche, by possessing the amenities and luxury of a 5-star hotel, while also providing convenient access to Empire City.

Furthermore, Subject Property – Partial Tower E Building's strategic location means guests are not confined to enjoying only the hotel's facilities. Subject Property – Partial Tower E Building provides guests a ready access to all of Empire City's facilities and attractions as well, such as the Malaysia National Ice Skating Stadium ("**MYNISS**") (*Source: Hextar World at Empire City secures major tenants ahead of 4Q2025 launch, The Edge, 13 March 2025*), various sports facilities ranging from skiing to surf-skating (*Source: Hextar World at Empire City Announces Three New Anchor Tenants, The Edge, 28 May 2025*) and numerous dining options featuring multi-cultural cuisines. The above reinforces the overall attractiveness and appeal of Empire City offering unique and engaging attractions with the potential of enhancing footfall within the Empire City ecosystem.

By leveraging on these factors, this will allow Subject Property – Partial Tower E Building to position itself as the premium accommodation alternative to Empire City, thus allowing for diversification and product differentiation of the Group's existing offerings.

(c) Enhancement of Room Capacity

The Proposed Acquisition will also significantly enhance the Group's capacity, increasing its total hotel room inventory from 200 to 494. This expansion further supports product diversification by introducing urban-oriented accommodation options designed to cater to a broader audience, including tourists, business travellers, and those seeking medical tourism. This increase in capacity aligns with the growing demand for versatile and accessible lodging solutions in urban environments.

(d) Capitalise on Surrounding Developments

The Proposed Acquisition benefits from the strategic location of Empire City, granting it excellent connectivity via several major highways and proximity to established townships, as well as close proximity to the Mutiara Damansara MRT station, which can be accessed via the local MRT Feeder Bus T810. The accessibility available through both public and private transportation gives Empire City, and subsequently, Subject Property – Partial Tower E Building, a broader exposure.

Furthermore, a number of large-scale tourist attractions have recently been confirmed for Empire City, including the MYNISS. Subject Property – Partial Tower E Building could then capitalize on the attractiveness of such amenities within the vicinity, by acquiring a portion of the visitors as their potential customer base, marketing themselves as a convenient and accessible urban-oriented accommodation.

In addition, Subject Property - Partial Tower E Building could also leverage on the attractiveness of other amenities within the vicinity such as renowned malls like The Curve, 1 Utama and IPC. It could also benefit from the proximity to KPJ Damansara Specialist Hospital and Damansara Specialist Hospital 2, which is located just between a 5 to 10-minute drive from Subject Property - Partial Tower E Building.

(ii) Opportunity to invest in Long-Term Investment Assets

In the long-term, the diversification of the Group through the Proposed Acquisition is expected to enhance the Group's financial performance, as the expanded portfolio and its diverse range of offerings would allow for a new revenue stream and reduce reliance on a single asset. As a result, the Group's profitability is anticipated to observe a positive increase by approximately RM2.90 million per annum.

In addition, Malaysia's tourism industry has observed a strong uptrend growth of tourist arrivals since the reopening of the border in 2022, reaching a three-year record high of 25.0 million in 2024, accompanied by a significant rise in spending (*Source: Valuation Report, Knight Frank*). The positive trend is projected to remain favourable in 2025, with Malaysia expected to welcome 31 million tourist arrivals this year. (*Source: Malaysia's current account surplus set to expand in 2025 on export strength, tourism revival — analysts, The Edge, 17 February 2025*). Looking ahead, Malaysia's tourism outlook for 2026 and 2027 appears to be positive, with major infrastructure enhancements underway to support tourism growth in anticipation of government initiatives such as Visit Malaysia 2026 (*Source: PM launches Visit Malaysia 2026 campaign, New Straits Times, 6 January 2025*) and major events such as the 2027 SEA Games and the ASEAN Para Games (*Source: Cabinet approves setting up 2027 SEA Games, Para Asean Games organising committee, New Straits Times, 26 March 2025*). These factors enhance the long-term appeal of Subject Property – Partial Tower E Building upon its opening.

The Subject Property – Partial Tower E Building is well-positioned to capitalise on the tourism boom by targeting both business travellers and medical tourists, tapping into new market segments and the rising demand for accommodations and related services. Moreover, its strategic location, accessibility and good connectivity can be utilised to build on its reputation as a popular urban tourist destination in the future, strengthening its product differentiation to ensure a competitive edge and sustainable growth in its target market.

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5.1.2 Proposed Rights Issue with Warrants

We take note of the following as extracted from Section 4.2 of the Circular:

“After due consideration of the various fund-raising options available as well as the capital structure of the Company, the Board is of the opinion that the Proposed Rights Issue with Warrants is the most appropriate means of raising funds after taking into consideration inter-alia:

- (i) the Proposed Rights Issue with Warrants will enable the Company to raise the required proceeds to be utilised in the manner as set out in Section 2.8 of Part A of this Circular, which is expected to contribute positively to the business operations and the future financial performance of the Group;*
- (ii) it enables the Group to raise additional funds without having to incur interest expense or service principal repayment as compared to conventional bank borrowings or issuance of debt securities. This would allow the Company to preserve cash flow for reinvestment and/or operational purposes for further growth. This would also allow the Group to better manage its gearing level after taking into consideration the bank borrowings to be procured by the Group to fund, inter-alia, the balance of the Purchase Consideration and the Corus Hotel Refurbishment;*
- (iii) the Proposed Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in the Company at a discount to the TEAP of EHB Shares;*
- (iv) the Proposed Rights Issue with Warrants, which is implemented on a pro rata basis to all the Entitled Shareholders, can be implemented on a larger scale as compared to other forms of equity fund-raising such as private placements (which is non-pro rata in nature), whereby the scale of such equity offering is usually limited in order to reduce the dilutive impact to the equity interest of the existing shareholders;*
- (v) the Proposed Rights Issue with Warrants will enable the Company to issue new EHB Shares without diluting its existing shareholders' equity interests provided that the Entitled Shareholders fully subscribe for their respective entitlement to the Rights Shares;*
- (vi) the enlarged capital base upon the completion of the Proposed Rights Issue with Warrants will further strengthen the Group's financial position and capital base with the increase in the Group's NA, thereby improving the Group's gearing level which provides greater financial flexibility to meet its funding requirements in the future; and*
- (vii) the Warrants attached to the Rights Shares are meant to reward and provide the Entitled Shareholders with an option to further increase their equity participation in the Company by exercising their Warrants during the tenure of the Warrants. The exercise of the Warrants will also strengthen the capital base of the Company and provide additional funds to the Group. In addition, as the Warrants will be listed and traded separately from the EHB Shares, this will provide the Entitled Shareholders with an avenue to monetise the Warrants should they choose to do so.*

The Group has earmarked RM113.60 million (approximately 45% of the gross proceeds to be raised from the Proposed Rights Issue with Warrants) to fund the Corus Hotel expenditures, of which RM100.00 million will be used to fund the Corus Hotel Refurbishment, after taking into consideration inter-alia:

- (a) *Corus Hotel is the Group's hospitality asset under its "Own-and-Operate" model. Any upside post Corus Hotel Refurbishment will be fully accrued to the Group which will enhance the value of the Shareholders;*
- (b) *the aging condition of the Corus Hotel signifies the immediate need for the Group to commence the Corus Hotel Refurbishment in order to improve its occupancy rates and competitiveness. It will also expedite the turn-around of Corus Hotel's loss making operations which has deterred the Group from obtaining favourable terms of bank borrowings for such large scale renovation and refurbishment; and*
- (c) *the earmarked proceeds will allow the Group to complete a major refurbishment without immediate reliance on debt as well as provide greater room and flexibility for the Group to preserve its gearing capacity for future initiatives and recoup the returns from its capital investment post-refurbishment."*

QuantePhi's commentaries:

(i) Proposed Rights Issue with Warrants is an appropriate avenue of fundraising for EHB

The Proposed Rights Issue with Warrants allows the Group to raise the required proceeds without incurring the financial burden of interest expenses or principal repayments, which are typically associated with conventional bank borrowings or the issuance of debt securities. By utilizing the proceeds from this approach, we estimate that the Group may save up to RM2.9 million per annum in interest expense.

Hence, this approach helps preserve the Group's cash flow, enabling reinvestment in business operations and supporting further growth. Additionally, by avoiding debt, the Group can better manage its gearing level, ensuring a more balanced capital structure and reducing financial risk.

(ii) Proposed Rights Issue with Warrants provides opportunity to all Entitled Shareholders to participate in the equity offering

The Proposed Rights Issue with Warrants provides all Entitled Shareholders with the opportunity to participate equally in the fundraising exercise. This ensures that shareholders can maintain or increase their equity holdings in the Company at a discounted price. Furthermore, for shareholders who fully subscribe to their respective entitlements, the risk of equity dilution is minimized, thereby protecting their interests while fostering confidence in the fairness of the fundraising mechanism.

Compared to private placements, which are generally limited in scale to reduce the dilutive impact on existing shareholders, the Proposed Rights Issue with Warrants offers a larger-scale fundraising opportunity. This approach not only raises significant capital to support the Group's strategic initiatives but also ensures that all shareholders have equal access to the benefits of the exercise. By maintaining an equitable approach, the Group upholds the principles of fairness and inclusivity among its shareholders.

(iii) Enhancement of capital base

Upon completion of the Proposed Rights Issue with Warrants, the Group will benefit from an enlarged capital base, which strengthens its overall financial position. This improvement is reflected in a higher NA value and a better gearing ratio, providing the Group with greater financial flexibility. The enhanced capital structure creates additional headroom for future debt funding, if required, allowing the Group to pursue growth opportunities or address unforeseen challenges with greater confidence.

For illustrative purposes, under the LPD Scenario, we noted that the Proposed Rights Issue with Warrants will increase the share capital of the Group from RM92.89 million as at 30 June 2024 to RM325.34 million following the Rights Issue exercise and further to RM445.49 million upon full exercise of the Warrants. Under the ALA Scenario, we noted that the Proposed Rights Issue with Warrants will increase the share capital of the Group from RM92.89 million as at 30 June 2024 to RM332.62 million following the Rights Issue exercise and further to RM411.59 million upon full exercise of the Warrants.

(iv) Strategic use of proceeds to enhance long-term value of the Group's hotel portfolio

We note that the Group has earmarked RM113.60 million, representing approximately 45% of the gross proceeds from the Proposed Rights Issue with Warrants, for the refurbishment of Corus Hotel.

Corus Hotel is the sole contributor to the Group's Hospitality Business and its dated condition may have contributed to underperformance in recent periods. The proposed refurbishment provides an opportunity to unlock value in the asset by repositioning it to better meet current market expectations, improve guest experience and potentially strengthen brand equity.

By allocating proceeds from the Proposed Rights Issue with Warrants towards this refurbishment instead of taking on new borrowings, it allows the Group to pursue the refurbishment in a capital-efficient manner particularly given the hotel's existing loss-making status, which may otherwise restrict favourable financing terms. If successfully executed, the refurbishment could improve occupancy rates and ultimately enhance the performance of the Group's hospitality portfolio.

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5.2 Evaluation of the Purchase Consideration for the Proposed Acquisition

As outlined in Section 3, Part A of the Circular, we note that the Company's wholly owned subsidiary, Uppervista, has entered into the SPA with AHSB for the acquisition of a proposed 5-star hotel tower, along with a retail podium, known as Tower E. This development comprises 294 hotel rooms, a restaurant, a ballroom, a swimming pool, retail spaces, and other supporting facilities, with a cash consideration of RM240.25 million.

Additionally, we note that the other components of Tower E, located above Subject Property – Partial Tower E Building, are not included in the Proposed Acquisition. The construction of Subject Property – Partial Tower E Building has been completed, with Partial CCCs issued on 13 April 2016, 28 May 2018, 25 October 2023, and 22 March 2024.

Further, renovation, refurbishment, and interior fit-out works for Subject Property – Partial Tower E Building commenced in September 2024 and are expected to be completed by the fourth quarter of 2026. For clarity, the Purchase Consideration includes the costs of renovation, refurbishment and interior fit-out works, which will be undertaken by Totalbuildz Sdn Bhd, a subcontractor appointed by the Vendor. We note that the arrangement is in line with the Company's intention to acquire a turnkey product, a 5-star rated hotel that is ready for operations upon delivery of vacant possession, thereby mitigating any completion risk.

We note that on 18 October 2024, EXSIM Concepto accepted a letter of award from Totalbuildz Sdn Bhd to undertake a portion of the works, designing and building of architecture, interior design and fit-out works to guest rooms for Subject Property – Partial Tower E Building, which accounts for approximately 52% of the total scope. This is part of the Group's broader strategy to gradually scale its Fit-Out Business, which it commenced in October 2024. We further note that, save for this arrangement, the remaining works are not expected to be undertaken by the Group or its related parties.

Based on the above, we are of the view that it is reasonable for the renovation and fit-out works to be outsourced to a third party, namely Totalbuildz Sdn Bhd, given the scale and complexity of the works involved, the need for timely delivery of a fully operational hotel asset and the fact that Totalbuildz Sdn Bhd was appointed prior to the commencement of the Group's Fit-Out Business. This approach allows the Group to mitigate completion risk while enabling its internal fit-out capabilities to be gradually developed in a measured and strategic manner.

We have reviewed the contents of the Valuation Report prepared by the Valuer and noted that the Valuation Report is prepared solely for internal management purposes only. We also noted that the Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and other established valuation manuals and standards such as the International Valuation Standards ("IVS") and the Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Manual (where applicable).

Accordingly, we are satisfied with the bases and assumptions adopted by the Valuer in arriving at the market value of Subject Property – Partial Tower E Building. For further details of the bases and assumptions adopted by the Valuer and our accompanying comments, please refer to Section 5.2.1 of the IAL below.

In valuing Subject Property – Partial Tower E Building, we noted that the Valuer had adopted the Income Approach – DCF Method as the primary method and adopted the Comparison Approach as a counter-check method.

We further noted that there are limited recorded transactions of identical hotels in the immediate and surrounding localities which has resulted in continued difficulties in assessing a benchmark.

5.2.1 Parameters for the Income Approach – DCF Method

The assumptions used by the Valuer in the Income Approach – DCF Method to derive the market value of Subject Property – Partial Tower E Building are as follows:

No.	Parameters	Assumptions	QuantePhi's commentaries																																												
Hotel Component																																															
(i)	Hotel ADR	RM390 to RM530	<p>We note that the Valuer has adopted the ADR provided by EHB and benchmarked against selected competing set of hotels as well as the provided forecast operating performance of Tower E. In summary, the Valuer had adopted an increasing ADR from RM390 in the first year of operations (“Year 1”) to RM530 in Year 10 over the 10-year projected financials for Tower E, albeit at a declining growth rate.</p> <p>The Valuer has benchmarked the ADR based on selected set of hotels located within the surrounding vicinity as set out below. This list includes hotels such as M World Hotel, M Resort & Hotel Kuala Lumpur, One World Hotel and Le Meridien Hotel Petaling Jaya. We understand from our discussion with the Valuer that these hotels were selected due to their comparable 4 to 5-star classification, similar scale and location within integrated developments, making them appropriate benchmarks for Subject Property – Partial Tower E Building. The table below outlines the ADR of the comparable hotels selected by the Valuer in 2024 up to January 2025:</p> <table><tr><th>Month</th><th>ADR</th></tr><tr><td>January 2024</td><td>RM374</td></tr><tr><td>February 2024</td><td>RM378</td></tr><tr><td>March 2024</td><td>RM370</td></tr><tr><td>April 2024</td><td>RM361</td></tr><tr><td>May 2024</td><td>RM363</td></tr><tr><td>June 2024</td><td>RM368</td></tr><tr><td>July 2024</td><td>RM371</td></tr><tr><td>August 2024</td><td>RM370</td></tr><tr><td>September 2024</td><td>RM374</td></tr><tr><td>October 2024</td><td>RM369</td></tr><tr><td>November 2024</td><td>RM375</td></tr><tr><td>December 2024</td><td>RM384</td></tr><tr><td>January 2025</td><td>RM383</td></tr></table> <p>The table below lists the ADR adopted by the Valuer based on the benchmarks above:</p> <table><tr><th>Year</th><th>ADR</th></tr><tr><td>1</td><td>RM390</td></tr><tr><td>2</td><td>RM410</td></tr><tr><td>3</td><td>RM430</td></tr><tr><td>4</td><td>RM450</td></tr><tr><td>5</td><td>RM470</td></tr><tr><td>6</td><td>RM490</td></tr><tr><td>7</td><td>RM500</td></tr></table>	Month	ADR	January 2024	RM374	February 2024	RM378	March 2024	RM370	April 2024	RM361	May 2024	RM363	June 2024	RM368	July 2024	RM371	August 2024	RM370	September 2024	RM374	October 2024	RM369	November 2024	RM375	December 2024	RM384	January 2025	RM383	Year	ADR	1	RM390	2	RM410	3	RM430	4	RM450	5	RM470	6	RM490	7	RM500
Month	ADR																																														
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No.	Parameters	Assumptions	QuantePhi's commentaries								
			<table><tr><th>Year</th><th>ADR</th></tr><tr><td>8</td><td>RM510</td></tr><tr><td>9</td><td>RM520</td></tr><tr><td>10</td><td>RM530</td></tr></table> <p>The Valuer adopted an ADR of RM390 in Year 1 for Subject Property – Partial Tower E Building, which is slightly higher than the ADR outlined in the above table.</p> <p>Notwithstanding the above, we understand from discussions with the Valuer that in determining the ADR for Year 1, the Valuer had also considered historical ADR data which shows a range from RM259 to RM451 in 2022 and RM343 to RM400 in 2023, reflecting the mix of rates among newer and more established properties. Additionally, the adopted ADR aligns with the Client's forecast and is further supported by the Valuer's in-house data and experience with similar newly completed 5-star hotels.</p> <p>Based on our findings from the Circular by Pavilion REIT on the Proposed Acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur dated 17 April 2025 ("2025 Pavilion REIT Circular"), the 2025 Pavilion REIT Circular contained similar key assumptions used to derive the valuation of comparable hotels (Pavilion Hotel Kuala Lumpur ("PHKL") and Banyan Tree Kuala Lumpur ("BTKL"). We deemed PHKL and BTKL as comparable hotels to Subject Property – Partial Tower E Building ("Comparable Hotels") due to the following:</p> <ul style="list-style-type: none">a) Same Star Rating – the Comparable Hotels are 5-star, luxury-tier properties, aligned with the positioning of the Hotel Component of Subject Property – Partial Tower E Building.b) Integrated Development Context – the Comparable Hotels are part of mixed-use developments with retail and commercial components, similar to the Hotel Component of Subject Property – Partial Tower E Building.c) Located in Central Kuala Lumpur ("KL") – given the Comparable Hotels are located in central KL, they provide an upper-bound benchmark for Subject Property – Partial Tower E Building. <p>In addition to the above, the valuation details for the Comparable Hotels were publicly disclosed, offering a credible reference point for benchmarking key assumptions. This is particularly relevant given the limited availability of publicly accessible financial data for Malaysian 5-star hotels.</p> <p>Notwithstanding the above, we take note that PHKL and BTKL are in central KL and have different branding status, which lead to higher room rates compared to Subject Property – Partial Tower E Building. Therefore, general adjustments have been made to the ADR used to derive the valuation of PHKL and BTKL for location, establishment of development, facilities / amenities, condition / age of building, building design / finishes / quality, hotel operator / hotel branding, ownership / availability of car park and master lease / guaranteed rental arrangement ("Adjusted ADR").</p>	Year	ADR	8	RM510	9	RM520	10	RM530
Year	ADR										
8	RM510										
9	RM520										
10	RM530										

No.	Parameters	Assumptions	QuantePhi's commentaries																																				
			<p>In determining the adjustment quantum for PHKL, we have relied on the quantum of adjustments made by the Valuer in relation to their Comparison Approach, which we understand from discussions with the Valuer are typically based on know-how, experience and expertise of a Valuer. In determining the adjustment quantum for BTKL, we have considered the Valuer's adjustments on PHKL and applied additional adjustment quantum, where relevant, to BTKL to the best of our judgement based on publicly available information.</p> <p>Subsequently, the Adjusted ADR is calculated by taking the original ADR of the Comparable Hotels:</p> <ul style="list-style-type: none">Adjustments are then applied to the parameters that would affect the overall ADR;Each parameter is adjusted using a percentage, based on the Valuer's Comparison Approach, as listed in the table below; andThese adjustments are applied step-by-step to arrive at the final Adjusted ADR. <p>The table below shows the summary of the adjustments made:</p> <table><tr><th>Parameters</th><th>PHKL</th><th>BTKL</th></tr><tr><td>Location ⁽¹⁾</td><td>-15%</td><td>-15%</td></tr><tr><td>Facilities / amenities</td><td>-5%</td><td>-15%</td></tr><tr><td>Condition / age of building</td><td>+5%</td><td>+5%</td></tr><tr><td>Building specifications / finishes</td><td>-5%</td><td>-5%</td></tr><tr><td>Branding</td><td>-5%</td><td>-5%</td></tr><tr><td>Car park ownership</td><td>-5%</td><td>-5%</td></tr><tr><td>Lease status</td><td>-5%</td><td>-5%</td></tr><tr><td>Total</td><td>-35%</td><td>-45%</td></tr></table> <p>Note:</p> <p>(1) An adjustment of -10% for the Comparable Hotels being a part of a prime and matured integrated mixed use commercial development and located along Jalan Bukit Bintang plus an additional -5% for the Comparable Hotels being a part of a prime and matured integrated mixed use commercial development (Pavilion KL).</p> <p>Accordingly, the ADR and Adjusted ADR of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>ADR</th><th>Adjusted ADR</th></tr><tr><td>PHKL</td><td>RM582 to RM789</td><td>RM404 to RM548</td></tr><tr><td>BTKL</td><td>RM1,386 to RM1,621</td><td>RM861 to RM1,039</td></tr></table> <p>Based on the above, we note that the Valuer has adopted a lower ADR of between RM390 to RM530 compared to the Adjusted ADR of the Comparable Hotels of between RM404 to RM1,039, which indicates that the Valuer has adopted a less aggressive ADR than the market.</p> <p>Further, we note that over the 10-year projected financials, the Valuer has adopted a declining growth rate in ADR of 5.1% in Year 2 to 4.3% in Year 6, followed by 2.0% in Year 7 to Year 9 before declining to 1.9% in Year 10. We also note that the 10-year CAGR for the ADR is 3.5%.</p>	Parameters	PHKL	BTKL	Location ⁽¹⁾	-15%	-15%	Facilities / amenities	-5%	-15%	Condition / age of building	+5%	+5%	Building specifications / finishes	-5%	-5%	Branding	-5%	-5%	Car park ownership	-5%	-5%	Lease status	-5%	-5%	Total	-35%	-45%	Comparable Hotels	ADR	Adjusted ADR	PHKL	RM582 to RM789	RM404 to RM548	BTKL	RM1,386 to RM1,621	RM861 to RM1,039
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No.	Parameters	Assumptions	QuantePhi’s commentaries																																												
			<p>We are of the opinion that the larger ADR growth rates of 5.1% in Year 2 to 4.3% in Year 6 is reasonable as the hotel is newly completed and is expected to undergo a more aggressive development phase in its initial years. During this period, growth is typically driven by the gradual build-up in market presence, brand awareness, occupancy stabilisation and optimisation of operational efficiency.</p> <p>From Year 7 onwards, the Valuer adopted a growth rate in ADR of 2.0% in Year 7 to Year 9 before declining to 1.9% in Year 10. We are of the opinion that this is reasonable given that it is slightly above the 10-year historical CAGR of Consumer Price Index (“CPI”) between December 2014 to December 2024 of 1.8% (“10-Year Historical CAGR of CPI”).</p> <p>Premised on the above, we are of the view that the ADR adopted by the Valuer from Year 1 to Year 10 is reasonable.</p>																																												
(ii)	Hotel AOR	50% to 75%	<p>We note that the Valuer has adopted the AOR provided by EHB and benchmarked against selected competing hotels, ranging between 50% in Year 1 to 75% in Year 10.</p> <p>The Valuer has benchmarked the AOR based on selected set of hotels located within the surrounding vicinity as set out below. This list includes hotel such as M World Hotel, M Resort & Hotel KL, One World Hotel and Le Meridien Hotel Petaling Jaya.</p> <table><tr><th>Month</th><th>AOR</th></tr><tr><td>February 2024</td><td>58.6%</td></tr><tr><td>March 2024</td><td>58.9%</td></tr><tr><td>April 2024</td><td>53.0%</td></tr><tr><td>May 2024</td><td>64.5%</td></tr><tr><td>June 2024</td><td>71.8%</td></tr><tr><td>July 2024</td><td>73.3%</td></tr><tr><td>August 2024</td><td>69.8%</td></tr><tr><td>September 2024</td><td>66.4%</td></tr><tr><td>October 2024</td><td>61.4%</td></tr><tr><td>November 2024</td><td>67.5%</td></tr><tr><td>December 2024</td><td>76.0%</td></tr><tr><td>January 2025</td><td>53.3%</td></tr></table> <p>The table below lists the AOR adopted by the Valuer based on the benchmarks above:</p> <table><tr><th>Year</th><th>AOR</th></tr><tr><td>1</td><td>50%</td></tr><tr><td>2</td><td>60%</td></tr><tr><td>3</td><td>63%</td></tr><tr><td>4</td><td>66%</td></tr><tr><td>5</td><td>69%</td></tr><tr><td>6</td><td>71%</td></tr><tr><td>7</td><td>73%</td></tr><tr><td>8</td><td>75%</td></tr></table>	Month	AOR	February 2024	58.6%	March 2024	58.9%	April 2024	53.0%	May 2024	64.5%	June 2024	71.8%	July 2024	73.3%	August 2024	69.8%	September 2024	66.4%	October 2024	61.4%	November 2024	67.5%	December 2024	76.0%	January 2025	53.3%	Year	AOR	1	50%	2	60%	3	63%	4	66%	5	69%	6	71%	7	73%	8	75%
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			<table><tr><th>Year</th><th>AOR</th></tr><tr><td>9</td><td>75%</td></tr><tr><td>10</td><td>75%</td></tr></table> <p>Based on the above, the Valuer has adopted a lower AOR of 50% in Year 1, which is below the AOR range of 53% to 76% for the hotels selected by the Valuer. From Year 2 onwards, the Valuer's AOR assumption increases to between 60% and 75%, aligning with the range observed for the selected hotels.</p> <p>Similar to the ADR, we have applied adjustments to the AOR of the Comparable Hotels given that the Comparable Hotels are in central KL and have different branding status, which lead to higher occupancy rates compared to Subject Property – Partial Tower E Building ("Adjusted AOR").</p> <p>Subsequently, the Adjusted AOR is calculated by taking the original AOR of the Comparable Hotels:</p> <ul style="list-style-type: none">Adjustments are then applied to the parameters that would affect the overall AOR;Each parameter is adjusted using a percentage, based on the Valuer's Comparison Approach, as listed in the table below; andThese adjustments are applied step-by-step to arrive at the final Adjusted AOR. <p>The table below shows the summary of the adjustments made:</p> <table><tr><th>Parameters</th><th>PHKL</th><th>BTKL</th></tr><tr><td>Location ⁽¹⁾</td><td>-15%</td><td>-15%</td></tr><tr><td>Facilities / amenities</td><td>-5%</td><td>-15%</td></tr><tr><td>Condition / age of building</td><td>+5%</td><td>+5%</td></tr><tr><td>Building specifications / finishes</td><td>-5%</td><td>-5%</td></tr><tr><td>Branding</td><td>-5%</td><td>-5%</td></tr><tr><td>Car park ownership</td><td>-5%</td><td>-5%</td></tr><tr><td>Lease status</td><td>-5%</td><td>-5%</td></tr><tr><td>Total</td><td>-35%</td><td>-45%</td></tr></table> <p>Note:</p> <p>(1) An adjustment of -10% for the Comparable Hotels being a part of a prime and matured integrated mixed use commercial development and located along Jalan Bukit Bintang plus an additional -5% for the Comparable Hotels being a part of a prime and matured integrated mixed use commercial development (Pavilion KL).</p> <p>Accordingly, the AOR and the Adjusted AOR of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>AOR</th><th>Adjusted AOR</th></tr><tr><td>PHKL</td><td>84% to 88%</td><td>58% to 61%</td></tr><tr><td>BTKL</td><td>85% to 87%</td><td>53% to 54%</td></tr></table>	Year	AOR	9	75%	10	75%	Parameters	PHKL	BTKL	Location ⁽¹⁾	-15%	-15%	Facilities / amenities	-5%	-15%	Condition / age of building	+5%	+5%	Building specifications / finishes	-5%	-5%	Branding	-5%	-5%	Car park ownership	-5%	-5%	Lease status	-5%	-5%	Total	-35%	-45%	Comparable Hotels	AOR	Adjusted AOR	PHKL	84% to 88%	58% to 61%	BTKL	85% to 87%	53% to 54%
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Building specifications / finishes	-5%	-5%																																											
Branding	-5%	-5%																																											
Car park ownership	-5%	-5%																																											
Lease status	-5%	-5%																																											
Total	-35%	-45%																																											
Comparable Hotels	AOR	Adjusted AOR																																											
PHKL	84% to 88%	58% to 61%																																											
BTKL	85% to 87%	53% to 54%																																											

No.	Parameters	Assumptions	QuantePhi’s commentaries																								
			<p>Based on the above, we note that the Valuer has adopted a lower AOR of 50% in Year 1 compared to the Adjusted AOR of the Comparable Hotels between 53% to 61%, which indicates that the Valuer has projected a less aggressive AOR. From Year 2 onwards, the Valuer’s AOR assumption increases to between 60% and 75%, aligning with the range observed for the Valuer’s selected hotels.</p> <p>Further to the above, the Valuer has adopted a declining growth rate in AOR from 10.0% in Year 2 before declining to 3.0% in Year 3 to Year 5 and 2.0% in Year 6 to Year 8. From Year 9 to Year 10, the Valuer has assumed zero growth to AOR.</p> <p>We are of the opinion that the larger AOR growth rate of 10.0% in Year 2 is reasonable as newly completed hotels generally require time to build market awareness and stabilise operations, leading to sharper occupancy rate improvements in the initial years. The growth rate then declined to 3.0% in Year 3 to Year 5 and 2.0% in Year 6 to Year 8 and nil for Year 9 to Year 10, which indicates that the hotel will gradually reach its maturity with a stable occupancy rate.</p> <p>Premised on the above, we are of the view that the AOR adopted by the Valuer from Year 1 to Year 10 is reasonable.</p>																								
(iii)	Departmental Revenue	<ul style="list-style-type: none">Room Revenue: 67%Food & Beverage (“F&B”): 33.0%Minor Operated Departments & Other Income (“OOD”): N/A	<p>We note that the Valuer has benchmarked hotel revenue against revenue reported in the Malaysia Hotel Industry Survey of Operations published annually by Horwath HTL in collaboration with the Malaysian Association of Hotels for the years 2022, 2023 and 2024 (“HTL Reports”). Horwath HTL is a global consulting firm specializing exclusively in the hospitality, tourism and leisure sectors while the reports serve as a comprehensive benchmarking tool for hotel owners, operators and analysts, as it provides detailed insights into the financial and operational performance of hotels across Malaysia up to year 2024.</p> <p>The below table compares the revenue published by HTL Reports, EHB’s projections and revenue adopted by the Valuer.</p> <table><tr><th>Departmental Revenue</th><th>HTL – 2022</th><th>HTL – 2023</th><th>HTL – 2024</th><th>EHB</th><th>Knight Frank (“KF”)</th></tr><tr><td>F&B Revenue</td><td>29.0%</td><td>35.0%</td><td>32.0%</td><td>39.0%</td><td>33.0%</td></tr><tr><td>OOD</td><td>1.0%</td><td>1.0%</td><td>1.0%</td><td>N/A</td><td>N/A</td></tr></table> <p>Based on the above, the Valuer has adopted F&B Revenue rate of 33.0% in Year 1, which is within the range of F&B Revenue published by the HTL Reports of 29.0% to 35.0%.</p> <p>Room Revenue</p> <p>We note that Room Revenue accounts for 67% of the Total Departmental Revenue.</p> <p>The table below lists the Room Revenue of the Comparable Hotels based on our findings:</p> <table><tr><th>Comparable Hotels</th><th>Room Revenue (% of Total Revenue)</th></tr><tr><td>PHKL</td><td>63.0% to 63.5%</td></tr><tr><td>BTKL</td><td>42.9% to 43.4%</td></tr></table>	Departmental Revenue	HTL – 2022	HTL – 2023	HTL – 2024	EHB	Knight Frank (“KF”)	F&B Revenue	29.0%	35.0%	32.0%	39.0%	33.0%	OOD	1.0%	1.0%	1.0%	N/A	N/A	Comparable Hotels	Room Revenue (% of Total Revenue)	PHKL	63.0% to 63.5%	BTKL	42.9% to 43.4%
Departmental Revenue	HTL – 2022	HTL – 2023	HTL – 2024	EHB	Knight Frank (“KF”)																						
F&B Revenue	29.0%	35.0%	32.0%	39.0%	33.0%																						
OOD	1.0%	1.0%	1.0%	N/A	N/A																						
Comparable Hotels	Room Revenue (% of Total Revenue)																										
PHKL	63.0% to 63.5%																										
BTKL	42.9% to 43.4%																										

No.	Parameters	Assumptions	QuantePhi's commentaries																												
			<p>Based on the above, we note that the Valuer has adopted a higher Room Revenue assumption of 67.0% compared to the Room Revenue of the Comparable Hotels ranging between 42.9% to 63.5%. However, we are of the opinion that this is reasonable as the Comparable Hotels are well-established hotels.</p> <p>Further, the Comparable Hotels have other revenue sources contributing to its Total Revenue, such as rental income and net income from car parks. We are of the view that this may partially explain why Room Revenue of the Comparable Hotels appears slightly lower in proportion to Total Revenue. The Valuer, on the other hand, has not assumed any other types of revenue apart from Room Revenue and F&B Revenue, which may explain the larger proportion of Room Revenue for Subject Property – Partial Tower E Building's hotel.</p> <p>The table below outlines the growth rates adopted by the Valuer for Room Revenue:</p> <table><tr><th>Year</th><th>Growth Rate</th></tr><tr><td>1</td><td>–</td></tr><tr><td>2</td><td>26.2%</td></tr><tr><td>3</td><td>10.1%</td></tr><tr><td>4</td><td>9.9%</td></tr><tr><td>5</td><td>8.9%</td></tr><tr><td>6</td><td>7.3%</td></tr><tr><td>7</td><td>4.9%</td></tr><tr><td>8</td><td>5.1%</td></tr><tr><td>9</td><td>1.7%</td></tr><tr><td>10</td><td>1.9%</td></tr></table> <p>Further, we note that the 10-year CAGR for Room Revenue is 8.2%.</p> <p>F&B Revenue & OOD Revenue</p> <p>Apart from the Room Revenue, we note that Subject Property – Partial Tower E Building will generate other revenue such as Food & Beverage ("F&B") Revenue, which will continue to grow along with the Room Revenue.</p> <p>Based on our findings, the F&B Revenue of the Comparable Hotels, PHKL and BTKL, are as follows:</p> <table><tr><th>Comparable Hotels</th><th>F&B Revenue (% of Total Revenue)</th></tr><tr><td>PHKL</td><td>35.4% to 35.8%</td></tr><tr><td>BTKL</td><td>51.4% to 52.4%</td></tr></table> <p>For F&B Revenue, we note that the Valuer has adopted a lower F&B Revenue assumption of 33.0% compared to the F&B Revenue of the Comparable Hotels between 35.4% to 52.4%. Further, we note that BTKL's higher F&B Revenue contribution of 51.4% to 52.4% is attributable to its positioning as an ultra-luxury lifestyle hotel with multiple premium dining outlets, attracting both hotel guests and external patrons.</p>	Year	Growth Rate	1	–	2	26.2%	3	10.1%	4	9.9%	5	8.9%	6	7.3%	7	4.9%	8	5.1%	9	1.7%	10	1.9%	Comparable Hotels	F&B Revenue (% of Total Revenue)	PHKL	35.4% to 35.8%	BTKL	51.4% to 52.4%
Year	Growth Rate																														
1	–																														
2	26.2%																														
3	10.1%																														
4	9.9%																														
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7	4.9%																														
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Comparable Hotels	F&B Revenue (% of Total Revenue)																														
PHKL	35.4% to 35.8%																														
BTKL	51.4% to 52.4%																														

No.	Parameters	Assumptions	QuantePhi's commentaries																								
			<p>We note that the Valuer has adopted a declining growth rate for the F&B Revenue at 26.2% in Year 2 and gradually declines to 1.9% in Year 10. We are of the opinion that the higher F&B Revenue growth rate of 26.2% in Year 2 is reasonable as the hotel is newly completed and is expected to undergo a more aggressive development phase in its initial years. Further, we note that the 10-year CAGR for F&B Revenue is 8.2%.</p> <p>The table below outlines the growth rates adopted by the Valuer for F&B Revenue:</p> <table><tr><th>Year</th><th>Growth Rate</th></tr><tr><td>1</td><td>–</td></tr><tr><td>2</td><td>26.2%</td></tr><tr><td>3</td><td>10.1%</td></tr><tr><td>4</td><td>9.9%</td></tr><tr><td>5</td><td>8.9%</td></tr><tr><td>6</td><td>7.3%</td></tr><tr><td>7</td><td>4.9%</td></tr><tr><td>8</td><td>5.1%</td></tr><tr><td>9</td><td>1.7%</td></tr><tr><td>10</td><td>1.9%</td></tr></table> <p>We note that the Valuer has not included OOD Revenue in its projections.</p> <p>Premised on the above, we are of the view that the Departmental Revenue assumptions adopted by the Valuer are reasonable.</p>	Year	Growth Rate	1	–	2	26.2%	3	10.1%	4	9.9%	5	8.9%	6	7.3%	7	4.9%	8	5.1%	9	1.7%	10	1.9%		
Year	Growth Rate																										
1	–																										
2	26.2%																										
3	10.1%																										
4	9.9%																										
5	8.9%																										
6	7.3%																										
7	4.9%																										
8	5.1%																										
9	1.7%																										
10	1.9%																										
(iv)	Departmental Expenses	<ul style="list-style-type: none">Room: 25.0%, and stabilized at 22.0% of Departmental RevenueF&B: 67.5%, and stabilized at 58.6% of Departmental RevenueOther: N/A	<p>We note that the Valuer has benchmarked the expenses against cost published by HTL Reports and Hotel Operator projections.</p> <p>The below table compares the costs published by HTL Reports, EHB's projections and costs adopted by the Valuer. Please note that the percentages are against the respective Departmental Revenue.</p> <table><tr><th>Departmental Expenses</th><th>HTL – 2022</th><th>HTL – 2023</th><th>HTL – 2024</th><th>EHB</th><th>KF</th></tr><tr><td>Room</td><td>38.0%</td><td>27.0%</td><td>25.0%</td><td>36.5%</td><td>25.0%</td></tr><tr><td>F&B Expenses</td><td>102.0%</td><td>73.0%</td><td>73.0%</td><td>71.6%</td><td>67.5%</td></tr><tr><td>Other</td><td>246.0%</td><td>85.0%</td><td>69.0%</td><td>N/A</td><td>N/A</td></tr></table> <p>Based on the above, the Valuer has adopted Room Expenses rate of 25.0% in Year 1, which is within the range of Room Expenses published by the HTL Reports of 25.0% to 38.0%. We also note that the Valuer has adopted a lower F&B Expenses assumption of 67.5% compared to the range of F&B Expenses published by HTL Reports of 73.0% to 102.0%.</p> <p>Room Expenses</p> <p>Based on our findings, the Room Expenses of the Comparable Hotels are as follows:</p>	Departmental Expenses	HTL – 2022	HTL – 2023	HTL – 2024	EHB	KF	Room	38.0%	27.0%	25.0%	36.5%	25.0%	F&B Expenses	102.0%	73.0%	73.0%	71.6%	67.5%	Other	246.0%	85.0%	69.0%	N/A	N/A
Departmental Expenses	HTL – 2022	HTL – 2023	HTL – 2024	EHB	KF																						
Room	38.0%	27.0%	25.0%	36.5%	25.0%																						
F&B Expenses	102.0%	73.0%	73.0%	71.6%	67.5%																						
Other	246.0%	85.0%	69.0%	N/A	N/A																						

No.	Parameters	Assumptions	QuantePhi's commentaries																																													
			<table><tr><th>Comparable Hotels</th><th>Room Expenses (% of Departmental Revenue)</th></tr><tr><td>PHKL</td><td>29.4% to 35.8%</td></tr><tr><td>BTKL</td><td>30.7% to 34.9%</td></tr></table> <p>Based on the above, we note that the Valuer has adopted lower Room Expenses assumptions of 25.0% compared to the Room Expenses of the Comparable Hotels of between 29.4% to 35.8%. However, we are of the opinion that the Room Expenses assumptions are reasonable as it is still within the range of Room Expenses costs of between 25% to 35% of the Departmental Revenue as published in the HTL Reports.</p> <p>F&B Expenses</p> <p>Based on our findings, the F&B Expenses of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>F&B Expenses (% of Departmental Revenue)</th></tr><tr><td>PHKL</td><td>62.8% to 70.7%</td></tr><tr><td>BTKL</td><td>60.0% to 67.0%</td></tr></table> <p>Based on the above, we note that the Valuer has adopted F&B Expenses assumptions of 67.5% which is within the range of the F&B Expenses of the Comparable Hotels between 60.0% to 70.7%.</p> <p>We note that the Valuer has adopted a declining growth rate for the Room Expenses at 21.1% and F&B Expenses at 21.3% in Year 2 and gradually declines to 1.9% for both in Year 10. We are of the opinion that the larger Room Expenses growth rate of 21.1% and F&B Expenses growth rate of 21.3% in Year 2 are reasonable as the hotel is newly completed and is expected to undergo a more aggressive development phase in its initial years.</p> <p>The table below outlines the growth rates adopted by the Valuer for Room Expenses and F&B Expenses:</p> <table><tr><th>Year</th><th>Room Expenses Growth Rate</th><th>F&B Expenses Growth Rate</th></tr><tr><td>1</td><td>—</td><td>—</td></tr><tr><td>2</td><td>21.1%</td><td>21.3%</td></tr><tr><td>3</td><td>5.5%</td><td>6.0%</td></tr><tr><td>4</td><td>5.2%</td><td>3.2%</td></tr><tr><td>5</td><td>8.9%</td><td>8.9%</td></tr><tr><td>6</td><td>7.3%</td><td>7.3%</td></tr><tr><td>7</td><td>4.9%</td><td>4.9%</td></tr><tr><td>8</td><td>5.1%</td><td>5.1%</td></tr><tr><td>9</td><td>1.7%</td><td>1.7%</td></tr><tr><td>10</td><td>1.9%</td><td>1.9%</td></tr></table> <p>Further, we note that the 10-year CAGR for Room Expenses is 6.7% and the 10-year CAGR for F&B Expenses is 6.6%.</p>	Comparable Hotels	Room Expenses (% of Departmental Revenue)	PHKL	29.4% to 35.8%	BTKL	30.7% to 34.9%	Comparable Hotels	F&B Expenses (% of Departmental Revenue)	PHKL	62.8% to 70.7%	BTKL	60.0% to 67.0%	Year	Room Expenses Growth Rate	F&B Expenses Growth Rate	1	—	—	2	21.1%	21.3%	3	5.5%	6.0%	4	5.2%	3.2%	5	8.9%	8.9%	6	7.3%	7.3%	7	4.9%	4.9%	8	5.1%	5.1%	9	1.7%	1.7%	10	1.9%	1.9%
Comparable Hotels	Room Expenses (% of Departmental Revenue)																																															
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No.	Parameters	Assumptions	QuantePhi's commentaries																																																									
			Premised on the above, we are of the view that the Departmental Expenses assumptions adopted by the Valuer is reasonable.																																																									
(v)	Undistributed Operating Expenses	<p><u>Year 1:</u></p> <ul style="list-style-type: none">Administrative & General: 10% of Total RevenueIT System: 3% of Total RevenueSales & Marketing: 5% of Total RevenueProperty Operations & Maintenance: 7% of Total RevenueUtilities:12% of Total Revenue <p>Growth: 10% per annum (Y1 to Y3), 3% per annum (Y4 to Y10)</p>	<p>We note that the Valuer has benchmarked the expenses against cost published by HTL Reports and Hotel Operator projections.</p> <p>The below table compares the costs published by HTL Reports, EHB's projections and costs adopted by the Valuer. Please note the percentages are against the Total Revenue.</p> <table><tr><th>Undistributed Operating Expenses</th><th>HTL – 2022</th><th>HTL – 2023</th><th>HTL – 2024</th><th>EHB</th><th>KF</th></tr><tr><td>Administrative & General</td><td>21.0%</td><td>9.0%</td><td>10.0%</td><td>4.1%</td><td>10.0%</td></tr><tr><td>IT</td><td>7.0%</td><td>2.0%</td><td>2.0%</td><td>2.6%</td><td>3.0%</td></tr><tr><td>Sales & Marketing</td><td>9.0%</td><td>5.0%</td><td>5.0%</td><td>5.7%</td><td>5.0%</td></tr><tr><td>Property Operations & Maintenance</td><td>11.0%</td><td>6.0%</td><td>5.0%</td><td>2.7%</td><td>7.0%</td></tr><tr><td>Utilities</td><td>15.0%</td><td>8.0%</td><td>9.0%</td><td>8.0%</td><td>12.0%</td></tr></table> <p>Based on the above, the Valuer has adopted Administrative & General rate of 10.0% in Year 1, which is within the range of Administrative & General published by the HTL Reports of 10.0% to 21.0%. We also note that the Valuer has adopted a Sales & Marketing rate of 5.0% which is within the range of the Sales & Marketing rate published by HTL Reports of 5.0% to 9.0%. We further note that the Valuer adopted IT, Property Operations & Maintenance and Utilities rates that are within the range of its respective benchmarks published by HTL Reports.</p> <p>Administrative & General, IT, Property Operations & Maintenance and Utilities</p> <p>Based on our findings, the Undistributed Operating Expenses and the Adjusted Undistributed Operating Expenses of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>Undistributed Operating Expenses</th><th>% of Total Revenue</th></tr><tr><td rowspan="4">PHKL</td><td>Administrative & General</td><td>7.2% to 8.1%</td></tr><tr><td>IT</td><td>1.5% to 2.0%</td></tr><tr><td>Repair & Maintenance ⁽¹⁾</td><td>3.7% to 5.0%</td></tr><tr><td>Utilities</td><td>5.5% to 6.0%</td></tr><tr><td rowspan="4">BTKL</td><td>Administrative & General</td><td>7.4% to 8.1%</td></tr><tr><td>IT</td><td>1.3% to 2.0%</td></tr><tr><td>Repair & Maintenance ⁽¹⁾</td><td>3.2% to 5.0%</td></tr><tr><td>Utilities</td><td>4.5% to 6.0%</td></tr></table> <p>Note: <i>(1) Based on the assumption that the Property Operations & Maintenance category defined by the Valuer is similar to Repair & Maintenance category under the 2025 Pavilion REIT Circular.</i></p>	Undistributed Operating Expenses	HTL – 2022	HTL – 2023	HTL – 2024	EHB	KF	Administrative & General	21.0%	9.0%	10.0%	4.1%	10.0%	IT	7.0%	2.0%	2.0%	2.6%	3.0%	Sales & Marketing	9.0%	5.0%	5.0%	5.7%	5.0%	Property Operations & Maintenance	11.0%	6.0%	5.0%	2.7%	7.0%	Utilities	15.0%	8.0%	9.0%	8.0%	12.0%	Comparable Hotels	Undistributed Operating Expenses	% of Total Revenue	PHKL	Administrative & General	7.2% to 8.1%	IT	1.5% to 2.0%	Repair & Maintenance ⁽¹⁾	3.7% to 5.0%	Utilities	5.5% to 6.0%	BTKL	Administrative & General	7.4% to 8.1%	IT	1.3% to 2.0%	Repair & Maintenance ⁽¹⁾	3.2% to 5.0%	Utilities	4.5% to 6.0%
Undistributed Operating Expenses	HTL – 2022	HTL – 2023	HTL – 2024	EHB	KF																																																							
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No.	Parameters	Assumptions	QuantePhi's commentaries																															
			<p>Based on the above, we note that the Valuer has adopted higher Administrative & General, IT, Property Operations & Maintenance and Utilities expenses assumptions compared to the rates of the Comparable Hotels, which indicates that the Valuer is being more conservative.</p> <p>Sales & Marketing</p> <p>Based on our findings from the 2025 Pavilion REIT Circular, the Undistributed Operating Expenses of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>Undistributed Operating Expenses</th><th>% of Total Revenue</th></tr><tr><td>PHKL</td><td>Sales & Marketing</td><td>5.2% to 6.0%</td></tr><tr><td>BTKL</td><td>Sales & Marketing</td><td>5.3% to 6.0%</td></tr></table> <p>Based on the above, although the Valuer has adopted a lower Sales & Marketing assumption compared to the Comparable Hotels, we are of the opinion that it is reasonable as it is still within the range of costs of 5.0% to 9.0% as published in the HTL Reports.</p> <p>We note that the Valuer has adopted a declining growth rate for the Undistributed Operating Expenses from 10.0% in Year 2 and Year 3 before stabilizing at 3.0% from Year 4 onwards. We are of the opinion that the larger Undistributed Operating Expenses growth rate of 10.0% in Year 2 and Year 3 is reasonable as the hotel is newly completed and is expected to undergo a more aggressive development phase in its initial years. Further, we note that the 10-year CAGR for the Undistributed Operating Expenses is 4.5%.</p> <p>The table below outlines the growth rates adopted by the Valuer for Undistributed Operating Expenses:</p> <table><tr><th>Year</th><th>Growth Rate</th></tr><tr><td>1</td><td>–</td></tr><tr><td>2</td><td>10.0%</td></tr><tr><td>3</td><td>10.0%</td></tr><tr><td>4</td><td>3.0%</td></tr><tr><td>5</td><td>3.0%</td></tr><tr><td>6</td><td>3.0%</td></tr><tr><td>7</td><td>3.0%</td></tr><tr><td>8</td><td>3.0%</td></tr><tr><td>9</td><td>3.0%</td></tr><tr><td>10</td><td>3.0%</td></tr></table> <p>Premised on the above, we are of the view that the Undistributed Operating Expenses assumptions adopted by the Valuer is reasonable.</p>	Comparable Hotels	Undistributed Operating Expenses	% of Total Revenue	PHKL	Sales & Marketing	5.2% to 6.0%	BTKL	Sales & Marketing	5.3% to 6.0%	Year	Growth Rate	1	–	2	10.0%	3	10.0%	4	3.0%	5	3.0%	6	3.0%	7	3.0%	8	3.0%	9	3.0%	10	3.0%
Comparable Hotels	Undistributed Operating Expenses	% of Total Revenue																																
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7	3.0%																																	
8	3.0%																																	
9	3.0%																																	
10	3.0%																																	
(vi)	Non-Operating Expenses	<ul style="list-style-type: none">Property and Other Taxes: RM602,320 (1.9% of Total Revenue)	<p>We note that the Valuer has benchmarked the expenses against cost published by HTL Reports and Hotel Operator projections. We also note that the Valuer has adopted FF&E Reserve amount as per Draft Hotel Management Agreement (“HMA”).</p>																															

No.	Parameters	Assumptions	QuantePhi's commentaries																																																								
		<ul style="list-style-type: none">Insurance: RM251,875 (0.8% of Total Revenue)Service Charge (Y1 to Y5): RM1.2 millionService Charge (Y6 to Y10): RM1.3 millionFurniture, Fixtures and Equipment ("FF&E") Reserve: 1% to 3% of Total Revenue	<p>The below table compares the costs published by HTL Reports, EHB's projections and costs adopted by the Valuer. Please note the percentages are against the Total Revenue.</p> <table><tr><th>Non-Operating Expenses</th><th>HTL – 2022</th><th>HTL – 2023</th><th>HTL – 2024</th><th>EHB</th><th>KF</th></tr><tr><td>Property & Other Taxes</td><td>6.0%</td><td>1.0%</td><td>1.0%</td><td>1.1% to 1.8%</td><td>1.0% to 1.9%</td></tr><tr><td>Insurance</td><td>1.0%</td><td>0.0%</td><td>0.0%</td><td>0.4% to 0.7%</td><td>0.5% to 0.8%</td></tr><tr><td>Service Charge</td><td>-</td><td>-</td><td>-</td><td>2.1% to 3.5%</td><td>2.1% to 3.4%</td></tr><tr><td>FF&E Reserves</td><td>2.0%</td><td>4.0%</td><td>3.0%</td><td>1.0% to 3.0%</td><td>1.0% to 3.0%</td></tr></table> <p>Based on the above, the Valuer has adopted Property & Other Taxes rate of 1.0% to 1.9%, which is within the range of Administrative & General published by the HTL Reports of 1.0% to 6.0%. We also note that the Valuer has adopted an Insurance rate of 0.5% to 0.8% which is within the range of the Insurance rate published by HTL Reports of 0.0% to 1.0%. We further note that the Valuer adopted Service Charge and FF&E Reserve rates as provided by the Management.</p> <p>Property & Other Taxes and Insurance</p> <p>Based on our findings from the 2025 Pavilion REIT Circular, the Property & Other Taxes and Insurance rates of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>Non-Operating Expenses</th><th>% of Total Revenue</th></tr><tr><td rowspan="2">PHKL</td><td>Property & Other Taxes</td><td>1.0%</td></tr><tr><td>Insurance</td><td>0.7%</td></tr><tr><td rowspan="2">BTKL</td><td>Property & Other Taxes</td><td>0.7%</td></tr><tr><td>Insurance</td><td>0.3%</td></tr></table> <p>Based on the above, we note that the Valuer has adopted higher Property & Other Taxes and Insurance expenses assumptions compared to the rates of the Comparable Hotels, which indicates that the Valuer has taken a more conservative stance.</p> <p>Service Charge and FF&E Reserves</p> <p>Based on our findings from the 2025 Pavilion REIT Circular, the Non-Operating Expenses of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>Non-Operating Expenses</th><th>% of Total Revenue</th></tr><tr><td rowspan="2">PHKL</td><td>Service Charge</td><td>N/A</td></tr><tr><td>FF&E Reserves</td><td>N/A</td></tr><tr><td rowspan="2">BTKL</td><td>Service Charge</td><td>N/A</td></tr><tr><td>FF&E Reserves</td><td>N/A</td></tr></table>	Non-Operating Expenses	HTL – 2022	HTL – 2023	HTL – 2024	EHB	KF	Property & Other Taxes	6.0%	1.0%	1.0%	1.1% to 1.8%	1.0% to 1.9%	Insurance	1.0%	0.0%	0.0%	0.4% to 0.7%	0.5% to 0.8%	Service Charge	-	-	-	2.1% to 3.5%	2.1% to 3.4%	FF&E Reserves	2.0%	4.0%	3.0%	1.0% to 3.0%	1.0% to 3.0%	Comparable Hotels	Non-Operating Expenses	% of Total Revenue	PHKL	Property & Other Taxes	1.0%	Insurance	0.7%	BTKL	Property & Other Taxes	0.7%	Insurance	0.3%	Comparable Hotels	Non-Operating Expenses	% of Total Revenue	PHKL	Service Charge	N/A	FF&E Reserves	N/A	BTKL	Service Charge	N/A	FF&E Reserves	N/A
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			<p>In relation to the Service Charge and FF&E Reserve, data was not readily available for the Comparable Hotels. Further, we note that the Valuer has adopted the rate provided by the Management. We view this as practical as Subject Property – Partial Tower E Building is newly established and equipped with high-quality FF&E. Further, the assumptions adopted is in line with the rate outlined in the HMA.</p> <p>We note that the Valuer has adopted a growth rate of 2.0% for the Insurance. We are of the opinion it is reasonable given that it is slightly above the 10-Year Historical CAGR of CPI of 1.8%.</p> <p>The table below outlines the growth rates adopted by the Valuer for Non-Operating Expenses:</p> <table><tr><th>Year</th><th>Property & Other Taxes Growth Rate</th><th>Insurance Growth Rate</th><th>Service Charge & FF&E Reserves Growth Rate</th></tr><tr><td>1</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>2</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>3</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>4</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>5</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>6</td><td>2.0%</td><td>2.0%</td><td>2.0%</td></tr><tr><td>7</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>8</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>9</td><td>–</td><td>2.0%</td><td>–</td></tr><tr><td>10</td><td>–</td><td>2.0%</td><td>–</td></tr></table> <p>Premised on the above, we are of the view that the Non-Operating Expenses assumptions adopted by the Valuer is reasonable.</p>	Year	Property & Other Taxes Growth Rate	Insurance Growth Rate	Service Charge & FF&E Reserves Growth Rate	1	–	2.0%	–	2	–	2.0%	–	3	–	2.0%	–	4	–	2.0%	–	5	–	2.0%	–	6	2.0%	2.0%	2.0%	7	–	2.0%	–	8	–	2.0%	–	9	–	2.0%	–	10	–	2.0%	–
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7	–	2.0%	–																																												
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9	–	2.0%	–																																												
10	–	2.0%	–																																												
(vii)	Management Fee	<ul style="list-style-type: none">Base Management Fee: 2.00% of Total RevenueIncentive: 6% of Total Revenue	<p>We note that the Valuer has benchmarked the expenses against cost published by HTL Reports and adopted the estimated amount as per Draft HMA.</p> <p>The below table compares the costs published by HTL Reports, EHB's projections and costs adopted by the Valuer. Please note the percentages are against the Total Revenue. The percentages below are for Year 1 of the projection.</p> <table><tr><th>Management Fee</th><th>HTL 2022</th><th>HTL 2023</th><th>HTL 2024</th><th>EHB</th><th>KF</th></tr><tr><td>Base Management Fee</td><td>2.0%</td><td>2.0%</td><td>2.0%</td><td>4.2%</td><td>2.0% of Total Revenue</td></tr><tr><td>Incentive Fees</td><td>2.0%</td><td>2.0%</td><td>2.0%</td><td></td><td>1.4% of Total Revenue</td></tr></table> <p>Based on the above, the Valuer has adopted Base Management Fee rate of 2.0%, which is the same rate as published by the HTL Reports. We also note that the Valuer has adopted an Incentive Fee rate of 1.4%, which is lower than the Incentive rate published by HTL Reports of 2.0%. However, we are of the opinion that it is reasonable as it is in line with the rates outlined in the draft HMA.</p>	Management Fee	HTL 2022	HTL 2023	HTL 2024	EHB	KF	Base Management Fee	2.0%	2.0%	2.0%	4.2%	2.0% of Total Revenue	Incentive Fees	2.0%	2.0%	2.0%		1.4% of Total Revenue																										
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No.	Parameters	Assumptions	QuantePhi’s commentaries																															
			<p>Based on our findings, the Management Fee of the Comparable Hotels are as follows:</p> <table><tr><th>Comparable Hotels</th><th>Management Fee</th><th>% of Total Revenue</th></tr><tr><td>PHKL</td><td>Management Fee & Incentive</td><td>3.1%</td></tr><tr><td>BTKL</td><td>Management Fee & Incentive</td><td>2.8%</td></tr></table> <p>Based on the above, we note that the Valuer has adopted a higher Management Fee assumption (total of 3.4% of Total Revenue) compared to the Management Fee of the Comparable Hotels of 2.8% to 3.1%, which indicates that the Valuer is being more conservative. Further, we note that the Management & Incentive Fees rates adopted by the Valuer are in line with the rates outlined in the draft HMA.</p> <p>In addition to the above, we note that the Valuer has adopted a declining growth rate for the Management Fee at 39.9% in Year 2 before declining to circa 1.4% in Year 9 and Year 10. We are of the opinion that the larger Management Fee growth rate in the earlier years is reasonable as newly completed hotels generally require time to build market awareness and stabilise operations, which necessitates greater management support from the hotel operator to establish operational standards, build brand presence and drive occupancy.</p> <p>The table below outlines the growth rates adopted by the Valuer for Management Fee & Incentive:</p> <table><tr><th>Year</th><th>Management Fee & Incentive Growth Rate</th></tr><tr><td>1</td><td>–</td></tr><tr><td>2</td><td>39.9%</td></tr><tr><td>3</td><td>12.7%</td></tr><tr><td>4</td><td>16.6%</td></tr><tr><td>5</td><td>11.5%</td></tr><tr><td>6</td><td>9.0%</td></tr><tr><td>7</td><td>5.6%</td></tr><tr><td>8</td><td>5.9%</td></tr><tr><td>9</td><td>1.2%</td></tr><tr><td>10</td><td>1.5%</td></tr></table> <p>Premised on the above, we are of the view that the Management Fee assumptions adopted by the Valuer is reasonable.</p>	Comparable Hotels	Management Fee	% of Total Revenue	PHKL	Management Fee & Incentive	3.1%	BTKL	Management Fee & Incentive	2.8%	Year	Management Fee & Incentive Growth Rate	1	–	2	39.9%	3	12.7%	4	16.6%	5	11.5%	6	9.0%	7	5.6%	8	5.9%	9	1.2%	10	1.5%
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(viii)	Capitalization Rate	6.75%	<p>We note that the Valuer has benchmarked the Capitalization Rate based on the existing yields of selected hotel buildings considering current market condition, ranging from 5.95% to 7.00%. The Valuer’s selected hotel buildings are Hotel Stripes, The Gardens Hotel and Sunway Clio Hotel.</p> <p>Based on our findings from the 2025 Pavilion REIT Circular, the Capitalization Rate of the Comparable Hotels, PHKL and BTKL, are as follows:</p>																															

No.	Parameters	Assumptions	QuantePhi’s commentaries						
			<table><tr><th>Comparable Hotels</th><th>Capitalization Rate</th></tr><tr><td>PHKL</td><td>6.25%</td></tr><tr><td>BTKL</td><td>6.00%</td></tr></table> <p>Based on the above, we note that the Valuer has adopted a higher Capitalization Rate of 6.75% compared to the Capitalization Rate of the comparable hotels ranging between 6.00% to 6.25%. We are of the opinion that this is reasonable given Subject Property – Partial Tower E Building is a newly constructed building and located in a slightly more suburban area compared to the comparable hotels.</p> <p>Premised on the above, we are of the view that the Capitalization Rate assumption of 6.75% adopted by the Valuer is reasonable.</p>	Comparable Hotels	Capitalization Rate	PHKL	6.25%	BTKL	6.00%
Comparable Hotels	Capitalization Rate								
PHKL	6.25%								
BTKL	6.00%								
(ix)	Discount Rate	8.75%	<p>We note that the Valuer has adopted a Discount Rate of 2.0% higher than the Capitalization Rate, to reflect the additional risk premium of the asset.</p> <p>We further note that the Valuer’s interpretation of the Discount Rate is based on the premise that the value of an RM to be received in the future is equal to an RM today minus some factor to account for the risk that the future RM may not materialize (which can also be explained as opportunity cost, expected return of capital when invested elsewhere).</p> <p>The Valuer has then adopted the Capitalization Rate together with the long-term growth rate of the asset and benchmarked the long-term growth rate against the inflation rate (c. 2.0% to 3.2% based on the Valuer’s findings). As such, we are of the view that the additional 2.0% to reflect the additional risk premium is reasonable as it is within the range of the expected 2025 headline inflation of between 2.0% to 3.5%, based on the 2025 Economic Outlook published by the Ministry of Finance (“2025 Economic Outlook”).</p> <p>Further, the Discount Rate of 8.75% is within the market range of 8.50% to 9.00% based on our findings from the 2025 Pavilion REIT Circular.</p> <p>Premised on the above, we are of the view that the Discount Rate adopted by the Valuer is reasonable.</p>						
Retail Component									
(i)	Retail Gross Rental Rate	RM6.00 to RM7.83 per square foot	<p>We note that the Valuer has adopted Rental Rate ranging from RM6.00 to RM7.83 per square foot, based on EHB’s forecast and current asking rentals of other selected comparative commercial retail lots.</p> <p>The below table lists the approximate rental range of selected individual/standalone stratified commercial retail lots within Klang Valley selected by the Valuer.</p>						

No.	Parameters	Assumptions	QuantePhi's commentaries																																																																						
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			<table><tr><th>Retail Malls</th><th>Floor Level</th><th>Floor Area (sqft)</th><th>Rental Range (RM psf)</th></tr><tr><td>Subang Parade</td><td>1</td><td>1,485 – 1,841</td><td>RM7.00 – RM8.17</td></tr><tr><td rowspan="3">The Summit USJ</td><td>Lower Ground</td><td>775 – 3,757</td><td>RM4.62 – RM8.00</td></tr><tr><td>Ground</td><td>624 – 1,184</td><td>RM3.85 – RM10.00</td></tr><tr><td>1</td><td>8,051 – 17,136</td><td>RM1.98 – RM2.21</td></tr><tr><td rowspan="4">1 Utama Shopping Centre</td><td>Lower Ground</td><td>323 – 1,981</td><td>RM12.00 – RM46.12</td></tr><tr><td>Ground</td><td>1,345 – 2,669</td><td>RM12.50 – RM35.00</td></tr><tr><td>1</td><td>560 – 1,378</td><td>RM12.50 – RM38.00</td></tr><tr><td>2</td><td>463 – 1,830</td><td>RM10.50 – RM30.00</td></tr></table>	Retail Malls	Floor Level	Floor Area (sqft)	Rental Range (RM psf)	Subang Parade	1	1,485 – 1,841	RM7.00 – RM8.17	The Summit USJ	Lower Ground	775 – 3,757	RM4.62 – RM8.00	Ground	624 – 1,184	RM3.85 – RM10.00	1	8,051 – 17,136	RM1.98 – RM2.21	1 Utama Shopping Centre	Lower Ground	323 – 1,981	RM12.00 – RM46.12	Ground	1,345 – 2,669	RM12.50 – RM35.00	1	560 – 1,378	RM12.50 – RM38.00	2	463 – 1,830	RM10.50 – RM30.00			
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	2	463 – 1,830	RM10.50 – RM30.00																																		
			<p>Further, we note that the Valuer has made reference to the average passing gross rental of recent transactions of D'Pulze Shopping Centre and Tropicana Gardens Mall. The table below outlines the average passing gross rental of the abovementioned malls:</p> <table><tr><th>Malls</th><th>Average Passing Gross Rental (RM psf over occupied NLA)</th></tr><tr><td>D'Pulze Shopping Centre</td><td>RM5.88</td></tr><tr><td>Tropicana Gardens Mall</td><td>RM4.33</td></tr></table> <p>As a summary, the table below outlines the market rental range:</p> <table><tr><th>Type</th><th>Rental Range (RM psf)</th></tr><tr><td>Retail malls</td><td>RM1.98 – RM46.12</td></tr><tr><td>Individual stratified lots</td><td>RM1.59 – RM4.91</td></tr></table> <p>We note that the Valuer has adopted Retail Gross Rental Rate of RM6.00 to RM7.83 per square foot, a lower rate compared to the comparable malls but higher than the comparable individual / standalone stratified commercial retail lots.</p> <p>We are of the opinion that retail podiums are able to charge higher rental rates compared to individual / standalone stratified commercial retail lots as they are managed by a single owner who carefully selects the right mix of tenants, maintains the property well, and builds a strong overall image. This collectively enhances foot traffic and tenant performance due to its enhanced visibility.</p> <p>On the other hand, individual shop lots in stratified buildings are individually owned, which often leads to inconsistent management, random tenant mix, and lower upkeep, making them less attractive to both tenants and customers. Hence, we are of the opinion that it is reasonable to adopt a higher Retail Gross Rental Rate to retail podiums compared to the individual / standalone stratified commercial retail lots.</p>				Malls	Average Passing Gross Rental (RM psf over occupied NLA)	D'Pulze Shopping Centre	RM5.88	Tropicana Gardens Mall	RM4.33	Type	Rental Range (RM psf)	Retail malls	RM1.98 – RM46.12	Individual stratified lots	RM1.59 – RM4.91																			
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No.	Parameters	Assumptions	QuantePhi's commentaries																
			<p>Further, the retail podium of Subject Property – Partial Tower E Building will most likely be used to serve the hotel levels as part of the hotel retail facilities & amenities (as per the proposed renovation plans). Hence, we are of the opinion that it is reasonable to adopt a lower Retail Gross Rental Rate compared to the comparable retail malls.</p> <p>In addition to the above, the Valuer has adopted a growth rate of 3.0% for the Retail Gross Rental Rate from Year 1 to Year 10. Based on our findings, the adopted growth rate of 3.0% is within the range of the expected 2025 headline inflation of between 2.0% to 3.5%, based on the 2025 Economic Outlook.</p> <p>Premised on the above, we are of the view that the Retail Gross Rental Rate adopted by the Valuer is reasonable.</p>																
(ii)	Retail Occupancy Rate	50% to 90%	<p>We note that the Valuer has adopted the occupancy rate ranging between 50% - 90%.</p> <p>The below table lists the average occupancy rate of comparable malls selected by the Valuer.</p> <table><tr><th>Retail Malls</th><th>Estimated Occupancy Rate</th></tr><tr><td>Pavilion Bukit Jalil</td><td>88.1%</td></tr><tr><td>Mid Valley Megamall</td><td>99.9%</td></tr><tr><td>The Gardens Mall</td><td>94.8%</td></tr><tr><td>Sunway Pyramid Shopping Mall</td><td>98.0%</td></tr><tr><td>Tropicana Gardens Mall</td><td>77.0%</td></tr><tr><td>163 Retail Park</td><td>100.0%</td></tr><tr><td>D'Pulze Shopping Centre</td><td>100.0%</td></tr></table> <p>The Valuer projected that the Retail Occupancy Rate to be 50% in Year 1 and increases gradually to 60% in Year 2, 70% in Year 3, 75% in Year 4 and 80% in Year 5, indicating that the Valuer expects that the Retail component of Subject Property – Partial Tower E Building will need time to mature in 5 years. This growth trajectory is deemed reasonable.</p> <p>In Year 6, the Valuer projected the Retail Occupancy Rate to be 85% and expects the Retail Occupancy Rate to remain unchanged until Year 8, before increasing to 90% in Year 9 and Year 10. These projections appear in line with the performance of comparable mature malls identified by the Valuer, where occupancy rates range between 77% to 100%.</p> <p>Based on the comparison of the Retail Occupancy Rate adopted by the Valuer against the Retail Occupancy Rate of the comparable malls in the table above, we are of the view that the Retail Occupancy Rate assumptions adopted by the Valuer are within the market range.</p> <p>Premised on the above, we are of the view that the Retail Occupancy Rate assumptions adopted by the Valuer is reasonable.</p>	Retail Malls	Estimated Occupancy Rate	Pavilion Bukit Jalil	88.1%	Mid Valley Megamall	99.9%	The Gardens Mall	94.8%	Sunway Pyramid Shopping Mall	98.0%	Tropicana Gardens Mall	77.0%	163 Retail Park	100.0%	D'Pulze Shopping Centre	100.0%
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(iii)	Projected Outgoings	RM2.80 to RM3.65 per square foot, growth of 3% per annum	<p>We note that the Valuer has made reference to outgoings of recent transactions and current outgoings of comparative retail malls and adopted the projected outgoings ranging between RM2.80 to RM3.65 per square foot (“psf”).</p> <p>The below table lists the approximate outgoings of recent transactions selected by the Valuer.</p>																

No.	Parameters	Assumptions	QuantePhi's commentaries																																	
			<table><tr><th>Outgoings</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr><tr><td>D'Pulze Shopping Centre Cyberjaya</td><td>RM2.10 psf</td><td>RM2.08 psf</td><td>RM2.50 psf</td><td>RM2.68 psf</td></tr><tr><td>Tropicana Gardens Mall</td><td>RM2.24 psf</td><td>RM2.65 psf</td><td>RM2.89 psf</td><td>RM2.76 psf</td></tr></table> <p>In addition to the above, the below table lists the approximate outgoings of other selected comparative retail malls in Klang Valley as selected by the Valuer.</p> <table><tr><th>Description</th><th>Sunway Putra Mall</th><th>The Mines</th></tr><tr><td>Gross Revenue</td><td>RM49.9 million</td><td>RM41.5 million</td></tr><tr><td>Net Property Income</td><td>RM25.7 million</td><td>RM11.5 million</td></tr><tr><td>Estimated Outgoings</td><td>RM24.2 million</td><td>RM30.0 million</td></tr><tr><td>Reported NLA</td><td>558,026 sqft</td><td>734,131 sqft</td></tr><tr><td>Analysis (RM psf per month)</td><td>RM3.62 psf</td><td>RM3.40 psf</td></tr></table> <p>We note that the Valuer has adopted Projected Outgoings assumptions ranging between RM2.80 per square foot in Year 1 and gradually increase to RM3.65 per square foot in Year 10. We are of the opinion that this is reasonable given that the adopted Projected Outgoings is within the range of the selected recent transactions and comparable retail malls by Valuer of RM2.68 to RM3.62 per square foot.</p> <p>Given that the retail podium of Subject Property – Partial Tower E Building will most likely be used to serve the hotel levels as part of the hotel retail facilities & amenities (as per the proposed renovation plans), we are of the opinion that it is reasonable to adopt a lower Projected Outgoings compared to the comparable retail malls.</p> <p>In addition to the above, the Valuer has adopted a growth rate of 3.0% for the Projected Outgoings from Year 1 to Year 10. Based on our findings, the adopted growth rate of 3.0% is within the range of the expected 2025 headline inflation of between 2.0% to 3.5%, based on the 2025 Economic Outlook.</p> <p>Premised on the above, we are of the view that the Projected Outgoings assumptions adopted by the Valuer is reasonable.</p>	Outgoings	2021	2022	2023	2024	D'Pulze Shopping Centre Cyberjaya	RM2.10 psf	RM2.08 psf	RM2.50 psf	RM2.68 psf	Tropicana Gardens Mall	RM2.24 psf	RM2.65 psf	RM2.89 psf	RM2.76 psf	Description	Sunway Putra Mall	The Mines	Gross Revenue	RM49.9 million	RM41.5 million	Net Property Income	RM25.7 million	RM11.5 million	Estimated Outgoings	RM24.2 million	RM30.0 million	Reported NLA	558,026 sqft	734,131 sqft	Analysis (RM psf per month)	RM3.62 psf	RM3.40 psf
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(iv)	Capitalization Rate	6.50%	<p>We note that the Valuer has benchmarked the Capitalization Rate based on the adjusted yields of selected shopping malls considering current market condition ranging from 5.98% to 7.39%.</p> <p>The table below is a summary of the benchmark used by the Valuer for the Capitalization Rate.</p> <table><tr><th>Comparable Malls</th><th>Capitalization Rate</th></tr><tr><td>D'Pulze Shopping Centre</td><td>7.39%</td></tr><tr><td>Pavilion Bukit Jalil</td><td>6.89%</td></tr><tr><td>Da Men Mall</td><td>5.98%</td></tr><tr><td>3 Damansara</td><td>6.11%</td></tr></table>	Comparable Malls	Capitalization Rate	D'Pulze Shopping Centre	7.39%	Pavilion Bukit Jalil	6.89%	Da Men Mall	5.98%	3 Damansara	6.11%																							
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No.	Parameters	Assumptions	QuantePhi's commentaries								
			<p>Based on the selected benchmark Capitalization Rate above, we noted that the Valuer has adopted a Capitalization Rate of 6.50%.</p> <p>Based on our findings from the 2024 Annual Report by Sunway REIT ("2024 Sunway REIT Annual Report"), we have extracted the Capitalization Rates of comparable malls, such as Sunway Pyramid, Sunway Putra Mall and Sunway 163 Mall ("Comparable Malls"). We deemed the malls as comparable to the Retail Component of Subject Property – Partial Tower E Building due to the following:</p> <p>a) Integrated Development Context – all three malls are part of mixed-use developments comprising of retail, hospitality and/or commercial components, similar to Subject Property – Partial Tower E Building.</p> <p>b) Comparable Market Positioning – all three malls cater to a similar suburban catchment, targeting middle to upper-middle income segments.</p> <p>In addition to the above, the valuation metrics for the Comparable Malls were publicly disclosed, offering a credible reference point for benchmarking key metrics. This is particularly relevant given the limited availability of publicly accessible financial data for Malaysian retail malls.</p> <p>Accordingly, the table below is a summary of the Capitalization Rate of the Comparable Malls as extracted from the 2024 Sunway REIT Annual Report:</p> <table><tr><th>Comparable Malls</th><th>Capitalization Rate</th></tr><tr><td>Sunway Pyramid</td><td>6.00%</td></tr><tr><td>Sunway Putra Mall</td><td>6.25% to 6.75%</td></tr><tr><td>Sunway 163 Mall</td><td>6.25%</td></tr></table> <p>Based on the above table, the Capitalization Rate of the Comparable Malls owned by Sunway REIT is between 6.00% to 6.75%. The Comparable Malls provide a range of Capitalization Rates reflective of different levels of risk, maturity, and locational advantage within the Greater Klang Valley suburban market. In the absence of many directly comparable podium-format retail assets within the vicinity of Subject Property – Partial Tower E Building with publicly available data, these malls serve as practical and reasonable proxies based on development type, ownership model and market positioning.</p> <p>As such, we are of the view that the Capitalization Rate assumptions of 6.50% adopted by the Valuer is within the market range of Capitalization Rate of the above Comparable Malls.</p> <p>Premised on the above, we are of the view that the Capitalization Rate assumption adopted by the Valuer is reasonable.</p>	Comparable Malls	Capitalization Rate	Sunway Pyramid	6.00%	Sunway Putra Mall	6.25% to 6.75%	Sunway 163 Mall	6.25%
Comparable Malls	Capitalization Rate										
Sunway Pyramid	6.00%										
Sunway Putra Mall	6.25% to 6.75%										
Sunway 163 Mall	6.25%										
(v)	Discount Rate	8.50%	<p>We note that the Valuer has adopted a Discount Rate of 2.0% higher than the Capitalization Rate, to reflect the additional risk premium of the asset.</p> <p>We further note that the Valuer's interpretation of the Discount Rate is based on the premise that the value of a RM to be received in the future is equal to a RM today minus some factor to account for the risk that the future RM may not materialize (which can also be explained as opportunity cost, expected return of capital when invested elsewhere).</p>								

No.	Parameters	Assumptions	QuantePhi's commentaries
			<p>The Valuer has then adopted the Capitalization Rate together with the long-term growth rate of the asset and benchmarked the long-term growth rate against the inflation rate (c. 2.0% to 3.2% based on the Valuer's findings). As such, we are of the view that the additional 2.0% to reflect the additional risk premium is reasonable as it is within the range of the expected 2025 headline inflation of between 2.0% to 3.5%, based on the 2025 Economic Outlook.</p> <p>Further, the Discount Rate of 8.50% is within the market range of 8.50% to 9.00% based on our findings from the 2024 Sunway REIT Annual Report.</p> <p>Premised on the above, we are of the view that the Discount Rate adopted by the Valuer is reasonable.</p>

A summary of values derived from the Income Approach – DCF Method, is as follows:-

Details	Value (RM)
Hotel Component	RM193.0 million
Retail Component	RM55.0 million
Total Market Value	RM248.0 million

The fair value of Subject Property – Partial Tower E Building based on the market value derived from the Income Approach vis-à-vis the Purchase Consideration is as follows:

Market Value of Subject Property – Partial Tower E Building	RM248.00 million
Purchase Consideration	RM240.25 million
Discount to the Market Value (RM)	RM7.75 million
Discount to the Market Value (%)	3.13%

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5.2.2 Parameters for the Comparison Approach – Precedent Transactions

The summary of the Comparison Approach – Precedent Transactions used by the Valuer to derive the market value of Subject Property – Partial Tower E Building is as follows:

Hotel Component

No.	Description	Comparable 1	Comparable 2	Comparable 3
(i)	Building name	Pavilion Hotel KL	W KL	Hotel Stripes KL
(ii)	Property type	5-star hotel	5-star hotel	5-star hotel
(iii)	No of rooms	325	150	184
(iv)	Tenure	Leasehold interest for a term of 99 years.	Interest in perpetuity	Interest in perpetuity
(v)	Age of property	Approximately 6 years	Approximately 5 years	Approximately 6 years
(vi)	Consideration	RM340.00 million	RM270.00 million	RM138.00 million
(vii)	Date of transaction	5 December 2024	7 December 2023	6 September 2023
(viii)	Analysis	RM1.05 million per room	RM1.80 million per room	RM750,000 per room
(ix)	Adjusted analysis	RM680,000 per room	RM720,000 per room	RM562,500 per room
(x)	Total adjustment	-35%	-60%	-25%

QuantePhi's commentaries:

We have reviewed the Comparison Approach and noted that the Valuer considered similar comparable properties ("**Comparable(s)**") that have been transacted in the open market and then made adjustments based on location, tenure, facilities, building condition, number of rooms and brand name, among others.

We note that the Valuer has placed greater reliance on Comparable 1 after making diligent adjustments for location, establishment of development, facilities / amenities, condition / age of building. building design / finishes / quality, hotel operator / hotel branding, number ownership / availability of car park and master lease / guaranteed rental arrangement. We understand upon discussion with the Valuer that Comparable 1 was assessed to exhibit the least degree of dissimilarity relative to the Hotel Component of Subject Property – Partial Tower E Building. As such, we are of the opinion that it is reasonable to place greater reliance on Comparable 1.

As a result, Comparable 1 has an adjusted market value of RM680,000 per room.

Based on the above, the market value of the hotel component of Subject Property – Partial Tower E Building is RM200.00 million (RM680,272 per room).

Retail Component

No.	Description	Comparable 1	Comparable 2	Comparable 3
(i)	Building name	Tropicana Gardens Mall	D'Pulze Shopping Centre	163 Retail Park
(ii)	Property type	Shopping mall	Commercial building	Shopping centre
(iii)	Tenure	Leasehold interest for a term of 99 years.	Interest in perpetuity	Interest in perpetuity
(iv)	Age of property	Approximately 4 years	Approximately 10 years	Approximately 5 years
(v)	Consideration	RM680.00 million	RM320.00 million	RM215.00 million
(vi)	Date of transaction	23 July 2024	27 May 2024	29 January 2024
(vii)	Analysis	RM6,963.57 per square metre (RM647 per square foot over NLA)	RM11,057.66 per square metre (RM1,027 per square foot)	RM9,274.88 per square metre (RM862 per square foot)
(viii)	Adjusted analysis	RM4,876.05 per square metre (RM453 per square foot)	RM6,081.61 per square metre (RM565 per square foot)	RM4,639.25 per square metre (RM431 per square foot)
(ix)	Total adjustment	-30%	-45%	-50%

QuantePhi's commentaries:

We have reviewed the Comparison Approach and noted that the Valuer considered Comparables that have been transacted in the open market and then made adjustments based on location, tenure, building condition, tenant mix, accessibility and brand name, among others.

We note that the Valuer has placed greater reliance on Comparable 3 after making diligent adjustments for location, tenure, net lettable area, tenant mix / market positioning / store concept, establishment of mall, condition / age of building and car park ratio. We understand upon discussion with the Valuer that Comparable 3 was assessed to be the most similar in terms of size and overall scale to the Retail Component of Subject Property – Partial Tower E Building. In addition, Comparable 3 is relatively new, which enhances its relevance in reflecting current market conditions and construction standards. As such, we are of the opinion that it is reasonable to place greater reliance on Comparable 3.

As a result, Comparable 3 has an adjusted market value of RM4,639.25 per square metre (RM431 per square foot).

Based on the above, the market value of the retail component of Subject Property – Partial Tower E Building is RM57.00 million (analysed as RM431 per square foot over net lettable area).

A summary of values derived from the Comparison Approach – Precedent Transactions, is as follows:-

Details	Value (RM)
Hotel Component	RM200.0 million
Retail Component	RM57.0 million
Total Market Value	RM257.0 million

The fair value of Subject Property – Partial Tower E Building based on the market value derived from the Comparison Approach vis-à-vis the Purchase Consideration is as follows:-

Market Value of Subject Property – Partial Tower E Building	RM257.00 million
Purchase Consideration	RM240.25 million
Discount to the Market Value (RM)	RM16.75 million
Discount to the Market Value (%)	6.52%

5.2.3 Summary of Evaluation of the Purchase Consideration for the Proposed Acquisition

We noted that the Valuer has relied upon the Income Approach – DCF Method as the preferred method of valuation in their final opinion of market value for Subject Property – Partial Tower E Building. We concurred with the Valuer that the Income Approach – DCF Method of valuation is reasonable given that Subject Property – Partial Tower E Building is an income-generating property. The Comparison Approach as a counter-check method is reasonable as it compares Subject Property – Partial Tower E Building with similar properties within the vicinity which were transacted recently to cross check the market value derived from the Income Approach – DCF Method.

Based on the above, we are of the view that the Purchase Consideration is fair as it represents a discount of RM7.75 million or approximately 3.13% to the fair value of Subject Property – Partial Tower E Building of RM248.00 million derived from the Income Approach – DCF Method.

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5.3 Evaluation of the Key Components for the Rights Issue

5.3.1 Pricing Mechanism for the Rights Issue

As disclosed in Section 2.1, Part A of the Circular, we noted that the Issue Price shall be fixed by the Board and announced on the Price-Fixing Date, which shall be fixed prior to the announcement of the Entitlement Date. We noted that it is the intention of the Board to fix the Issue Price at a discount ranging between 10% to 30% of the TEAP based on the 5-day VWAP of EHB Shares up to and including the day prior to the Price-Fixing Date.

We also noted that the Issue Price will be determined after taking into consideration, inter-alia, the following:

- (i) the funding requirements of the EHB Group as set out in Section 2.8, Part A of the Circular;
- (ii) the resultant TEAP of EHB Shares computed based on the five (5)-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date; and
- (iii) the then prevailing market conditions which include, among others, market sentiment and volatility of the Malaysian stock market.

QuantePhi's commentaries:

LPD Scenario

In our evaluation of the Illustrative Issue Price of RM0.1800, we have compared the Illustrative Issue Price of RM0.1800 to the TEAP of EHB Shares based on the closing market prices or the respective VWAP over various timeframes up to and including the day prior to the LPD as follows:

Period	Closing Market Price/VWAP	TEAP	Discount to the TEAP	
			RM	%
Closing price	RM0.3650	RM0.2483	(RM0.0688)	(27.7%)
5-day	RM0.3627	RM0.2481	(RM0.0681)	(27.4%)
1-month	RM0.3628	RM0.2481	(RM0.0681)	(27.4%)
3-month	RM0.3600	RM0.2472	(RM0.0672)	(27.2%)
6-month	RM0.3521	RM0.2445	(RM0.0645)	(26.4%)
1-year	RM0.3157	RM0.2324	(RM0.0524)	(22.5%)

Based on the table above, we noted that the Illustrative Issue Price of RM0.1800 represents discounts ranging between 22.5% to 27.7% to the TEAP based on the closing market price, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs of EHB Shares up to and including the LPD.

ALA Scenario

In our evaluation of the Illustrative Issue Price of RM0.1350, we have compared the Illustrative Issue Price of RM0.1350 to the TEAP of EHB Shares based on the closing market prices or the respective VWAP over various timeframes up to and including the day prior to the LPD as follows:

Period	Closing Market Price/VWAP	TEAP	Discount to the TEAP	
			RM	%
Closing price	RM0.3650	RM0.2029	(RM0.0679)	(33.5%)
5-day	RM0.3627	RM0.2022	(RM0.0672)	(33.2%)
1-month	RM0.3628	RM0.2022	(RM0.0672)	(33.2%)
3-month	RM0.3600	RM0.2014	(RM0.0664)	(33.0%)
6-month	RM0.3521	RM0.1992	(RM0.0642)	(32.2%)
1-year	RM0.3157	RM0.1888	(RM0.0538)	(28.5%)

Based on the table above, we noted that the Illustrative Issue Price of RM0.1350 represents discounts ranging between 28.5% to 33.5% to the TEAP based on the closing market price, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs of EHB Shares up to and including the LPD.

We further noted the following:

- (i) the entitlements for the Proposed Rights Issue are proportionate to the respective shareholdings of all Entitled Shareholders for the Rights Issue;
- (ii) the pricing mechanism of the Rights Shares is based on a market-based approach; and
- (iii) all Entitled Shareholders for the Rights Issue have the same rights to subscribe for their entitlements to the Rights Shares at the same issue price

We also note that in the event the 5-day VWAP up to and including the Price-Fixing Date is lower than RM0.1800, which may affect the Company's ability to raise the requisite proceeds of RM250.79 million, the Company may defer the implementation of the Proposed Rights Issue with Warrants and revise the basis of the Issue Price accordingly, subject to compliance with the Listing Requirements and the Public Spread Requirement.

5.3.2 Discount to TEAP for the Rights Issue

As disclosed in Section 2.1, Part A of the Circular, we noted that it is the intention of the Board to fix the Issue Price at a discount ranging between 10% to 30% of the TEAP based on the 5-day VWAP of EHB Shares up to and including the day prior to the Price-Fixing Date.

QuantePhi's commentaries:

We note that the discount of between 10% to 30% to the TEAP for the Proposed Rights Issue with Warrants is generally consistent with market practice for similar corporate exercises. Such discounts are typically offered to enhance the attractiveness of the rights issue to existing shareholders and improve subscription levels. The below table lists the discounts observed in recent rights issue exercises.

Listed Issuers	Closing Date	No. of Rights Shares	No. of Warrants	Issue Price	TEAP	Discount to the TEAP	
						RM	%
Mpire Global Berhad	22/5/2025	748.7 million	299.4 million	RM0.1000	RM0.1081	(RM0.0081)	(7.5%)
Harvest Capital Miracle Berhad	7/1/2025	1,230.4 million	46.8 million	RM0.0800	RM0.1228	(RM0.0428)	(34.9%)
OCR Group Berhad	23/9/2024	1,336.3 million	1,336.3 million	RM0.0350	RM0.0484	(RM0.0134)	(27.7%)
Mlabs Systems Berhad	18/7/2024	216.6 million	86.6 million	RM0.1600	RM0.1722	(RM0.0122)	(7.1%)
TCS Group Holdings Berhad	14/6/2024	171.6 million	103.0 million	RM0.1200	RM0.1520	(RM0.0320)	(21.1%)

The recent rights issue exercises above were selected based on those involving rights issue with warrants that involved a discount to TEAP, similar to the Proposed Rights Issue with Warrants. Further, these rights issue exercises were undertaken by companies listed on Bursa Securities within the past 12 months, up to 14 June 2024.

Based on the above table, the discount ranges between 7.1% to 34.9% to the TEAP. In view of the above, we are of the opinion that the discount range of between 10% to 30% to the TEAP for the Proposed Rights Issue with Warrants is reasonable.

5.3.3 Undertakings for the Proposed Rights Issue with Warrants

As disclosed under Section 2.4 of the Circular, we note that under the LPD Scenario, the Undertaking Shareholders have provided irrevocable undertakings to undertake for their respective entitlements for the Proposed Rights Issue with Warrants amounting to 1,072.82 million Rights Shares, representing a total of 76.99% of total Rights Shares on offer. In addition, they have also provided irrevocable undertakings for excess application for Rights Shares amounting to 320.48 million Rights Shares, representing a total of 23.00% of total Rights Shares on offer, as shown below:

LPD Scenario

The total number of Rights Shares to be subscribed by the Undertaking Shareholders (including excess application) amounts to approximately 1,393.30 million Rights Shares, comprising of:

Entitlement of Right Shares	Excess application
1,072.82 million (76.99% of total issue)	320.48 million (23.00% of total issue)

Meanwhile, under the ALA Scenario, the Undertaking Shareholders have undertaken for their respective entitlements for the Proposed Rights Issue with Warrants amounting to 1,430.43 million Rights Shares, representing a total of 76.99% of total Rights Shares on offer. In addition, they have also provided irrevocable undertakings for excess application for Rights Shares amounting to 427.31 million Rights Shares, representing a total of 23.00% of total Rights Shares on offer.

ALA Scenario

The total number of Rights Shares to be subscribed by the Undertaking Shareholders (including excess application) is higher at approximately 1,857.73 million Rights Shares, comprising of:

Entitlement of Right Shares	Excess application
1,430.43 million (76.99% of total issue)	427.31 million (23.00% of total issue)

The combination of irrevocable undertakings from the Undertaking Shareholders effectively secures 100% subscription of the Rights Shares on offer, ensuring that the Company can raise the maximum gross proceeds of RM250.79 million.

We note that the major shareholder, EHHSB, has provided undertakings such that their effective shareholding upon completion of the Proposed Rights Issue with Warrants would be less than 75.0%, which would ensure that the Public Spread Requirement is maintained.

From the list of the other Undertaking Shareholders, we note that none of them are substantial shareholders as currently as at the LPD, they each hold less than 5.0% EHB Shares. Subsequent to the Proposed Rights Issue with Warrants and excess application, we note that each of them will remain as public shareholders as none of them will have a shareholding stake of 5.0% or more of EHB.

Effectively, this means that EHHSB will remain as the sole substantial shareholder of EHB while maintaining the Public Spread Requirement. We understand that EHHSB has obtained a written irrevocable undertaking from EHHSB that it shall not exercise any of its Warrants after the completion of the Proposed Rights Issue with Warrants if the exercise of such number of Warrants will result in the Company not being able to comply with the Public Spread Requirement.

5.3.4 Utilisation of Proceeds from the Proposed Rights Issue with Warrants

As disclosed under Section 2.8 of the Circular, we note that the proceeds from the Proposed Rights Issue are to be utilised in the following manner:

Description	RM '000	Percentage
Corus Hotel expenditure	113,600	45.3%
Partly fund the Proposed Acquisition	86,272	34.4%
Working capital	48,922	19.5%
Defray expenses relating to the Proposals	2,000	0.8%
Total	250,794	100.0%

The utilisation of proceeds is explained in further detail below:

(i) Corus Hotel expenditures of RM113.60 million

We note that the estimated total costs to refurbish Corus Hotel is RM120.69 million, of which RM100.00 million will be partly financed from the proceeds from the Proposed Rights Issue with Warrants, while the remaining RM20.69 million will be funded through internally generated funds or bank borrowings.

Other costs allocated for Corus Hotel include RM13.6 million for lease extension costs for one of the parcels of leasehold lands which Corus Hotel is situated on.

As at the LPD, Corus Hotel which is a 4-star property, is the only wholly owned property of the Group under the “Own-and-Operate” model. It commenced operations approximately 30 years ago in 1995 and has not undergone any renovation or refurbishment in the last 5 years. Accordingly, this resulted in a low occupancy rate of 30% for the most recent FYE 30 June 2024. The Group intends to restore Corus Hotel to a level of competitiveness that will allow it to withstand competition within the hotel and resort industry in Port Dickson. It is hoped that upon refurbishment, Corus Hotel will be positioned as a mid-luxury hotel at accessible price points with unique features such as a private lagoon, expansive beachfront and enhanced leisure facilities as well as meetings, incentives, conferences and exhibition (“MICE”) facilities.

By using a significant portion of the proceeds to address Corus Hotel deficiencies, the Group avoids obtaining borrowings to finance the said refurbishment, which based on an assumed 7% interest rate, will cause the Group to incur approximately RM7.00 million finance costs annually. In addition, if the Group procures RM100.00 million borrowings, gearing will increase from 0.49 times to 4.06 times upon completion of the SPA, which pushes the Group’s gearing ratio to be above its peers’ range of between 0.19 times to 0.78 times.

Upon discussion with the Management, we also understand that the underperformance of Corus Hotel is largely attributable to outdated facilities rather than underlying demand. Refurbishment is therefore seen as critical to enable the hotel to meet evolving guest expectations. This is supported by market feedback indicating that Corus Hotel’s current offerings no longer align with prevailing hospitality standards.

From a financial strategy standpoint, funding the refurbishment through equity proceeds rather than immediate borrowings reduces near-term balance sheet risk and aligns future debt servicing obligations with post-refurbishment cash flow generation. The Group anticipates that EBITDA improvements will take 12–24 months to stabilise following completion, and equity funding provides a buffer during this transition period.

Finally, the refurbishment is well-timed to coincide with Malaysia’s ongoing tourism recovery. Execution within the next 12 months positions Corus Hotel to benefit from anticipated inbound and domestic travel demand. Any delay may risk missing this market window, thereby reducing the hotel’s ability to regain market share and reposition competitively.

(ii) Part funding for the Proposed Acquisition of RM86.27 million

We note that RM86.27 million will be earmarked for the Proposed Acquisition. Of this, we note that RM72.07 million, representing approximately 29% of the total gross proceeds from the Proposed Rights Issue with Warrants, has been earmarked to partly fund the Proposed Acquisition of Subject Property – Partial Tower E Building. We note that the allocation is in line with the Group’s strategy to expand its Own-and-Operate accommodation portfolio. As the property has been fully constructed and is expected to undergo renovation and Fit-out Works prior to operations in 2027, the Proposed Acquisition presents an opportunity for the Group to grow its recurring income base.

Further, we note that the RM72.07 million allocated to partly fund the Proposed Acquisition represents 30% of the Purchase Consideration. We also note that the balance of the Purchase Consideration is intended to be financed via bank borrowings, allowing the Group to optimise its capital structure.

(iii) Working capital of RM48.92 million and defray expenses relating to the Proposals of RM2.00 million

We note that RM48.92 million of the gross proceeds from the Proposed Rights Issue with Warrants has been allocated towards the Group's working capital requirements. The bulk of this amount (RM40.00 million) will be utilised for EXSIM Concepto's Fit-Out Business, in support of its Secured Fit-out Contracts with an aggregate value of approximately RM341.74 million as at the LPD. This includes sub-contractor costs, raw materials, labour and administrative expenses. The remaining RM8.92 million is allocated for general operating expenses of the Group. We note that it supports the execution of ongoing contracts and sustains the Group's day-to-day operations, thereby contributing to business continuity and financial stability.

Based on the above, we are of the view that the basis for the key components for the Proposed Rights Issue with Warrants is reasonable.

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5.4 Salient Terms of the SPA

5.4.1 SPA (for the Proposed Acquisition)

Our commentaries on the salient terms of the SPA as extracted from Appendix II of the Circular, are as follows: -

Salient terms	QuantePhi's commentaries
<p>1. Sale and Purchase</p> <p><i>AHSB agrees to sell and Uppervista agrees to purchase Subject Property – Partial Tower E Building at the Purchase Consideration, free from all encumbrances with vacant possession, subject to the completion of the renovation, refurbishment and interior fit-out works in respect of Subject Property - Partial Tower E Building in accordance with the specification as mutually agreed by AHSB and Uppervista (“Renovation Works”).</i></p>	<p>These terms are reasonable as it serves to protect the interest of Uppervista as it sets out the obligations of Tower E Vendor in relation to the Proposed Acquisition.</p>
<p>2. Purchase Consideration</p> <p>2.1 <u>Purchase consideration</u></p> <p>a) <i>The Purchase Consideration is RM240,249,305.00, calculated based on the aggregate GFA of Subject Property - Partial Tower E Building (excluding common area) of approximately 525,438 square feet (inclusive of 517,569 square feet GFA for parcels and 7,869 square feet GFA for accessory parcel) multiplied by a rate of approximately RM457.24 per square foot.</i></p> <p>b) <i>For the avoidance of doubt, subject to the finalisation and approval of the Renovation Plans (as defined herein), AHSB and Uppervista agreed that the GFA of the parcels and accessory parcels may be redesignated to include the following purpose–</i></p> <p>(i) <i>132,181 square feet for retail units’ net lettable area;</i></p> <p>(ii) <i>23,490 square feet for ballroom;</i></p> <p>(iii) <i>163,561 square feet for walkways and amenities for the retail podium; and</i></p> <p>(iv) <i>206,206 square feet for hotel rooms, walkways and its supporting amenities located in the hotel tower</i></p> <p>2.2 <u>Manner of payment</u></p> <p><i>The Purchase Consideration shall be paid by Uppervista in the following manner:</i></p> <p>a) <i>RM72,074,791.50, being a sum equivalent to 30% of the Purchase Consideration (“First Payment”), shall be paid to AHSB within 14 days from the Unconditional Date of SPA (as defined herein) failing which, Uppervista shall pay to AHSB interest at the rate of 8% per annum on the First Payment or any part thereof remaining unpaid, calculated on a daily basis,</i></p>	<p>We noted that the First Payment paid to the Developer represents 30% of the Purchase Consideration. The term is reasonable as the manner of payment was determined on a willing buyer willing seller basis between both parties.</p> <p>The Balance Purchase Price shall be satisfied in stages, upon completion of Renovation Works and subsequently before the expiry of the DLP.</p> <p>We are of the view that the late payment interest of 8% per annum, calculated on a daily basis is reasonable in the event the Purchaser fails to pay the First Payment within the stipulated timeline.</p>

Salient terms	QuantePhi's commentaries
<p>b) RM144,149,583.00, being a sum equivalent to 60% of the Purchase Consideration ("Second Payment"), together with all late payment interest (if applicable), shall be paid by Uppervista on or before the day falling 14 days after the completion of the Renovation Works ("Second Payment Date") to AHSB's solicitors as stakeholders.</p> <p>c) RM24,024,930.50, being a sum equivalent to 10% of the Purchase Consideration ("Final Payment"), shall be paid by Uppervista 7 days after the expiry of the DLP (as defined herein) or 7 days after the termination of all contracts as required by Uppervista which are or may, in the view of the Uppervista, be binding upon AHSB in respect of the Subject Property – Partial Tower E Building, whichever is later, to AHSB's solicitors as stakeholders failing which, Uppervista shall pay to AHSB interest at the rate of 8% per annum on the Final Payment or any part thereof remaining unpaid, calculated on a daily basis, from the day following the expiry of the said 14 days until the date of actual payment of the Final Payment.</p> <p>2.3 <u>Extended Second Payment Date</u></p> <p>a) In the event Uppervista shall fail to pay the Second Payment by the Second Payment Date, AHSB shall automatically grant to Uppervista an extension of one month from the Second Payment Date to pay the Second Payment ("Extended Second Payment Date"), provided that Uppervista shall pay to AHSB interest at the rate of 8% per annum on the Second Payment or any part thereof remaining unpaid, calculated on a daily basis, from the day following the Second Payment Date until the date of actual payment of the Second Payment. If the need for the extension is attributable to any default or default or delay on the part of AHSB in excess of the stipulated timeframe and such delay is not attributable to Uppervista or any other delay that is not attributable to Uppervista, the Second Payment Date shall be extended by the number of days of delay free from any interest.</p>	<p>We are of the view that the late payment interest of 8% per annum, calculated on a daily basis is reasonable as it serves to protect the Vendor in the event the Purchaser fails to pay the Second Payment by the Extended Second Payment Date and/or 14 days after the expiry of the DLP.</p> <p>Premised on the above, we are of the opinion that these payment terms are reasonable.</p>
<p>2.4 <u>Adjustment to the Purchase Consideration</u></p> <p>a) The parties agree that in the event the aggregate GFA of Subject Property - Partial Tower E Building (excluding common area) as stated in the separate strata title when issued is lesser than 525,438 square feet GFA as shown in the architect's drawing, there shall be a downwards adjustment of the Purchase Consideration for the difference in excess of 2% of the GFA (excluding the common area) calculated at RM457.24 per square foot.</p> <p>b) For the avoidance of doubt, AHSB shall not be entitled to any upwards adjustment of the Purchase Consideration if the GFA of Subject Property – Partial Tower E Building (excluding common area) as stated</p>	<p>We are of the view that these terms are reasonable as it serves to protect the interest of Uppervista as it provides downwards adjustments of the Purchase Consideration if the aggregate GFA of Subject Property – Partial Tower E Building is lesser than the agreed GFA.</p> <p>The adjustment also sets out the obligation of Tower E</p>

Salient terms	QuantePhi's commentaries
<p><i>in the separate strata title when issued exceeds 525,438 square feet GFA as shown in the architect's drawing.</i></p> <p>c) <i>Any payment resulting from the adjustment and required to be paid by AHSB shall be so paid within 30 days of the issuance of the separate strata title to Subject Property - Partial Tower E Building or such other date as may be mutually agreed in writing by the parties.</i></p>	<p>Vendor to deliver on the agreed GFA.</p> <p>Premised on the above, we are of the opinion that the adjustment terms are reasonable.</p>
<p>3. Conditions Precedent</p> <p>3.1 <u>Conditions Precedent</u></p> <p><i>The obligations of the parties that are set out in the SPA in respect of the sale and purchase of Subject Property - Partial Tower E Building are conditional upon the following conditions precedent (collectively, the "Conditions Precedent") being obtained/fulfilled or waived (as the case may be) by the day falling 12 months after the date of the SPA, or such other extended date as Uppervista may at its absolute discretion decide ("Cut-Off Date"):</i></p> <p>a) <i>EHB having obtained, at its own costs and expenses, the approval of its non-interested shareholders at a general meeting to be convened in respect of the Proposed Acquisition and the Proposed Rights Issue with Warrants;</i></p> <p>b) <i>EHB having obtained, at its own costs and expenses, the approval of Bursa Securities for the listing and quotation of the Rights Shares and the admission of the Warrants to the official list of the Main Market of Bursa Securities;</i></p> <p>c) <i>EHB having implemented and completed, at its own costs and expenses, the Proposed Rights Issue with Warrants (as evidenced by the listing and quotation of the Rights Shares and the listing of the Warrants on the Main Market of Bursa Securities);</i></p> <p>d) <i>Uppervista having obtained, at its own costs and expenses, the approval for a loan from any bank or financial institution to finance the payment of the Purchase Consideration;</i></p> <p>e) <i>AHSB having procured for the confirmation in writing from CASB, being the developer of Subject Property - Partial Tower E Building ("Developer of Tower E") , to be delivered to Uppervista –</i></p> <p>(i) <i>consenting on the sale of Subject Property - Partial Tower E Building from AHSB to Uppervista;</i></p> <p>(ii) <i>confirming that AHSB is the current beneficial owner of Subject Property - Partial Tower E Building;</i></p> <p>(iii) <i>confirming on the current chargee and/or assignee of Subject Property - Partial Tower E Building (if any); and</i></p>	<p>The Conditions Precedent in the SPA sets out the prerequisites for the Proposed Acquisition to be completed.</p> <p>Given that part of the Rights Issue proceeds will be utilised as part payment of the Proposed Acquisition, EHB has to secure approval from directors, shareholders and Bursa as well as complete the listing of shares prior to utilising the money. These terms are reasonable as the approvals from the directors and shareholders are required to be in compliance with the Listing Requirements and the Act.</p> <p>We are of the view that the Conditions Precedent are reasonable as these are typical terms applicable to transaction of this nature.</p>

Salient terms	QuantePhi's commentaries
<p>(iv) <i>in the event that Subject Property - Partial Tower E Building is subject to any restriction in interest restricting the transfer of Subject Property - Partial Tower E Building to Uppervista, the Developer of Tower E's undertaking that it will apply for the state authority's consent to transfer in favour of Uppervista or alternatively, it will list Uppervista's name in the application of such consent upon issuance of the strata title to Subject Property - Partial Tower E Building;</i></p> <p>f) <i>AHSB and Uppervista having mutually agreed to the relevant plans for the Renovation Works (as defined herein) ("Renovation Plans");</i></p> <p>g) <i>AHSB having procured, at its own costs and expenses, the Developer of Tower E to apply and obtain the approved Renovation Plans from the appropriate authority in respect of Subject Property - Partial Tower E Building to facilitate the undertaking of the Renovation Works; and</i></p> <p>h) <i>where applicable, AHSB having obtained any approval, waiver or consent as required by Uppervista from any counter party to any contract which is or may, in the view of Uppervista, be binding upon AHSB in respect of the Subject Property - Partial Tower E Building, to the extent that such contract remains subsisting; and</i></p> <p>i) <i>any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties.</i></p>	
<p>3.2 <u>Right to Terminate</u></p> <p><i>If –</i></p> <p>a) <i>on or at any time prior to the expiry of the Cut-Off Date, any of the Conditions Precedent shall have been refused and appeal or appeals to the persons against such refusal have not been successful and such Conditions Precedent is not waived by Uppervista;</i></p> <p>b) <i>on or at any time prior to the expiry of the Cut-Off Date, any of the Conditions Precedent shall have been granted subject to terms and conditions which are not acceptable to Uppervista being terms and conditions which affect Uppervista, and further representations to the relevant authorities or persons to vary such terms and conditions have not been successful, and Uppervista is not willing to accept such terms and conditions then imposed by the relevant authorities or persons and such Conditions Precedent is not waived by Uppervista;</i></p> <p><i>or</i></p> <p>c) <i>on the expiry of the Cut-Off Date, any of the Conditions Precedent have not been obtained or fulfilled or waived (as the case may be),</i></p>	<p>We are of the view that these terms are reasonable as they are the normal commercial terms to safeguard the interest of the Purchaser in the event the Vendor is in breach of their obligations and/or the Proposed Rights Issue with Warrants was not approved.</p> <p>These terms also safeguard the minority interests of EHB in the event of non-fulfilment of the Conditions Precedent.</p>

Salient terms	QuantePhi's commentaries
<p><i>then Uppervista shall be entitled to terminate the SPA by giving a notice of termination to that effect to AHSB, whereupon any and all monies paid by Uppervista towards account of the Purchase Consideration (if any) shall be refunded to Uppervista free of interest and thereafter, the parties shall not have any further rights or obligations under the SPA except in respect of –</i></p> <ul style="list-style-type: none"> <i>a) any obligation under the SPA which is expressed to apply after the termination of the SPA; and</i> <i>b) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SPA to either party prior to such termination</i> 	
<p>3.3 <u>Unconditional Date</u></p> <p><i>The SPA shall become unconditional on the day when all the Conditions Precedent have been obtained and/or fulfilled and/or waived ("Unconditional Date").</i></p>	<p>We are of the view that the term is reasonable as this is a typical term applicable to transaction of this nature.</p>
<p>4. Guarantee</p> <p>4.1 <u>Guarantee</u></p> <p><i>In consideration of Uppervista entering into the SPA, AHSB agrees that it shall procure its controlling shareholders, Lim Aik Hoe and Lim Aik Kiat, to execute and deliver to Uppervista the personal guarantee in the form and substance set out in the SPA on the even date of the SPA to secure and guarantee the performance by AHSB of its obligations under the SPA.</i></p> <p>4.2 <u>Third party agreements pertaining to Subject Property – Partial Tower E Building</u></p> <p><i>AHSB shall or shall procure, at its own costs and expenses, the termination of all contracts as required by Uppervista which are or may, in the view of Uppervista, be binding upon AHSB in respect of the Subject Property Partial Tower E Building on or before Completion (as defined herein). AHSB shall indemnify Uppervista against any costs, proceedings, claims, damages, liabilities, demands and expenses which may be incurred by Uppervista as a result of any failure by AHSB in the performance and fulfilment of any of its obligations under such agreements and/or documents after Completion (as defined herein).</i></p>	<p>We are of the view that these terms are reasonable as it serves to protect the interest of Uppervista as it guarantees the performance of Vendor's obligations in relation to the Proposed Acquisition.</p>
<p>5. Completion</p> <p>5.1 <u>Deemed completion of purchase of Subject Property - Partial Tower E Building</u></p> <ul style="list-style-type: none"> <i>a) Subject to the AHSB's receipt of prior written notice of 30 days or such other period as mutually agreed by the parties from Uppervista, exercising the option to pay the Redemption Sum (as defined herein) before the completion of the Renovation Works, AHSB and</i> 	<p>We are of the opinion that these Completion Terms are reasonable as these are typical completion terms</p>

Salient terms	QuantePhi's commentaries
<p><i>Uppervista agree that the sale and purchase of Subject Property - Partial Tower E Building shall be deemed completed ("Completion") on the day upon which the amount payable to AHSB's financier in order to redeem Subject Property - Partial Tower E Building from AHSB's Financier ("Redemption Sum") and obtain the relevant documents for redemption of Subject Property – Partial Tower E Building ("Redeem Documents") has been fully settled by Uppervista, notwithstanding the non-completion of the Renovations Works and that the balance of the Second Payment (if any) and Final Payment may not yet have been fully settled as at such date.</i></p> <p><i>b) Uppervista's solicitors shall and are hereby authorised by the parties to date and stamp the deed of assignment in respect of the assignment of AHSB's rights, title and interests in and to Subject Property - Partial Tower E Building and under the Principal SPA in favour of Uppervista ("Deed of Assignment") and within 3 business days from Completion.</i></p> <p><i>c) For avoidance of doubt and ambiguity and subject to provisions of the SPA, the receipt by AHSB and/or AHSB's solicitors of the letter of undertaking from Uppervista's financier and the stamping of the Deed of Assignment shall not be deemed as the fulfilment of the payment obligation of Uppervista towards settlement of the Purchase Consideration. The obligation of Uppervista to pay the balance Purchase Consideration or any part thereof to the Vendor shall only be deemed to be fulfilled upon receipt of the full balance Purchase Consideration by AHSB and/or AHSB's solicitors.</i></p>	<p>applicable to transaction of this nature.</p>
<p>5.2 <u>Vendor's obligation upon Completion</u></p> <p><i>In the event the Completion has occurred prior to the completion of the Renovation Works, the parties agree that AHSB shall cause and procure Totalbuildz Sdn Bhd, being the contractor appointed by AHSB to carry out the Renovation Works ("Contractor") , to continue and complete the Renovation Works.</i></p>	<p>We are of the opinion that these Completion Terms are reasonable as these are typical completion terms applicable to transaction of this nature.</p>
<p>5.3 <u>Completion of Renovation Works and delivery of vacant possession</u></p> <p><i>a) AHSB undertakes that Renovation Works shall be completed, and vacant possession of Subject Property - Partial Tower E Building free from all encumbrances, shall be delivered by AHSB to Uppervista, within 24 months from the Unconditional Date, failing which –</i></p> <p><i>(i) AHSB shall be liable to Uppervista for the late delivery interest at the rate of 8% per annum of the Purchase Consideration calculated on a daily basis on the Purchase Consideration for each day of the delay, until the date of actual delivery of</i></p>	<p>We are of the view that the liquidated damages of 8% per annum, calculated on a daily basis is reasonable as it serves to protect the Purchaser in the event the Vendor fails to complete and vacant possession within 24 months from the Unconditional Date. The liquidated damages rate is similar to the late payment</p>

Salient terms	QuantePhi's commentaries
<p><i>vacant possession of Subject Property – Partial Tower E Building to Uppervista; and</i></p> <p><i>(ii) Uppervista shall be entitled to appoint an alternate renovation contractor to complete the Renovation Works and AHSB shall fully reimburse and indemnify Uppervista for all costs incurred in connection with the appointment of the alternate renovation contractor and the completion of the Renovation Works.</i></p> <p><i>b) AHSB covenants with Uppervista that Subject Property - Partial Tower E Building shall subject to the Renovation Works, substantially be in and of the same condition, state, nature and character (fair wear and tear excepted) as at the date of the SPA at the date of delivery of vacant possession of Subject Property – Partial Tower E Building to Uppervista</i></p>	<p>interest rate charged to the Purchaser.</p>
<p>5.4 <u>Defect liability period</u></p> <p><i>a) Save for the defects, shrinkage or other faults in respect of the Renovation Works, any defects, shrinkage or other faults in the structure of the Building which becomes apparent within 24 months from the date of delivery of the vacant possession of Subject Property - Partial Tower E Building ("Date of Vacant Possession") shall be repaired and made good by AHSB at its own costs and expenses within 60 days of AHSB having received written notice thereof from Uppervista or such other period as mutually agreed by the parties.</i></p> <p><i>b) Any defects, shrinkage or other faults in respect of the Renovation Works which becomes apparent within 12 months from the Date of Vacant Possession ("DLP") and which are due to defective workmanship or materials in respect of the Renovation Works or the Renovation Works not having been completed in accordance with the Renovation Plans shall be repaired and made good by AHSB at its own costs and expenses within 60 days of AHSB having received written notice thereof from Uppervista or such other period as mutually agreed by the parties.</i></p>	<p>We are of the view that this term is reasonable as it protects Uppervista from non-completion risk, ensuring the Vendor cannot abandon their obligations after receiving full payment.</p>
<p>6. Termination Prior to Completion</p> <p>6.1 <u>AHSB's right to terminate</u></p> <p><i>AHSB will be entitled, at any time after any such default arises, to terminate the SPA by notice in writing to Uppervista if –</i></p> <p><i>a) any of warranties given by Uppervista is found at any time to be untrue or incorrect and Uppervista fails within 30 days of receipt of a notice from AHSB to remedy the breach or such other mutually agreed extended period provided that AHSB's consent for an</i></p>	<p>We are of the view that these terms are reasonable as they reflect standard commercial practices designed to safeguard the interests of the Vendor in the event that the Purchaser breaches its obligations under the agreement. Additionally, the agreed liquidated damages</p>

Salient terms	QuantePhi's commentaries
<p><i>appropriate extension period shall not be unreasonably withheld;</i></p> <p><i>b) Uppervista fails to pay for the Purchase Consideration and the late payment interest (if any), in accordance with the provisions of the SPA;</i></p> <p><i>c) Uppervista breaches any of the covenants, undertakings, and/or obligations of Uppervista and Uppervista fails within 30 days of receipt of a notice from AHSB to remedy such breach or such other mutually agreed extended period provided that AHSB's consent for an appropriate extension period shall not be unreasonably withheld;</i></p> <p><i>d) the Deed of Assignment or the deed of receipt and reassignment to be executed by AHSB's financier and AHSB in respect of the reassignment of all rights, title, interests in and to Subject Property - Partial Tower E Building and under the Principal SPA from AHSB's financier in favour of AHSB ("Deed of Receipt & Reassignment") cannot be perfected for any reasons whatsoever caused by or attributable to any act, default or omission of Uppervista; or</i></p> <p><i>e) Uppervista is or becomes, or is adjudicated or found to be wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it.</i></p> <p><i>If a notice terminating the SPA is duly given by AHSB, then within 14 business days of the giving of the notice or such other mutually agreed extended period provided that AHSB's consent for an appropriate extension period shall not be unreasonably withheld –</i></p> <p><i>a) a sum equivalent to 10% of the Purchase Consideration shall be forfeited by AHSB as agreed liquidated damages;</i></p> <p><i>b) AHSB must return or caused to be returned all remaining monies received by it as part of the Purchase Consideration free of interest to Uppervista; and/or</i></p> <p><i>c) AHSB's solicitors must and are hereby authorised to return all remaining monies received by them as part of the Purchase Consideration and held by them as at that date, together with interest accrued thereon (if any and if such monies were deposited into an interest-bearing account with prior written instruction from Uppervista), to Uppervista; and</i></p> <p><i>d) in exchange for AHSB's simultaneous compliance with the provisions above –</i></p> <p><i>(i) Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier (as the case may be) must return or cause to be returned to AHSB and/or AHSB's solicitors all documents delivered to Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier, including the original Deed of Assignment and Redeem Documents which are as that date in</i></p>	<p>sum, which is equivalent to 10% of the Purchase Consideration, is a reasonable and typical provision commonly applied in transactions of this nature.</p> <p>Furthermore, it is important to note that Uppervista, as the Purchaser, is also afforded similar protections under the agreement. In the event that the agreement is terminated by the Purchaser due to a default on the part of the Vendor, the same liquidated damages sum of 10% of the Purchase Consideration would be applicable. This ensures a fair and balanced approach, whereby both parties are equally protected against potential breaches, reinforcing the commercial reasonableness of the agreed terms.</p>

Salient terms	QuantePhi's commentaries
<p><i>their possession (if any) with AHSB's interest intact, provided that in the event that the Deed of Assignment has as at that date been stamped for ad valorem stamp duty in the full amount, Uppervista or Uppervista's solicitors shall be authorised to forward the duly stamped Deed of Assignment to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by Uppervista and thereafter to forward the Deed of Assignment to AHSB for cancellation; and</i></p> <p><i>(ii) Uppervista shall forthwith withdraw the private caveat at its own cost and expense if the same has been lodged by Uppervista against Subject Property - Partial Tower E Building and re-deliver to AHSB the legal/vacant possession of Subject Property – Partial Tower E Building, if the same has been delivered to Uppervista.</i></p>	
<p>6.2 <u>Uppervista's right to terminate</u></p> <p><i>The obligations of the parties Uppervista will be entitled, at any time after any such default arises, to terminate the SPA by notice in writing to AHSB if –</i></p> <ul style="list-style-type: none"> <i>a) any of warranties given by AHSB is found at any time to be untrue or incorrect and AHSB fails within 30 days of receipt of a notice from Uppervista to remedy the breach or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld;</i> <i>b) AHSB fails, neglects or refuses to complete the sale in accordance with the provisions of the SPA;</i> <i>c) AHSB breaches any of the covenants, undertakings, and/or obligations of AHSB and AHSB fails within 30 days of receipt of a notice from Uppervista to remedy such breach or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld;</i> <i>d) the Deed of Assignment or the Deed of Receipt & Reassignment cannot be perfected for any reasons whatsoever caused by or attributable to any act, default or omission of AHSB; or</i> <i>e) AHSB is or becomes, or is adjudicated or found to be wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it.</i> <p><i>If a notice terminating the SPA is duly given by Uppervista, then within 14 business days of the giving of the notice or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld –</i></p>	<p>We are of the view that these terms are reasonable as they reflect standard commercial practices designed to safeguard the interests of the Purchaser in the event that the Vendor breaches its obligations under the agreement. Additionally, the agreed liquidated damages sum, which is equivalent to 10% of the Purchase Consideration, is a reasonable and typical provision commonly applied in transactions of this nature.</p> <p>Furthermore, it is important to note that the Vendor is also afforded similar protections under the agreement. In the event that the agreement is terminated by the Vendor due to a default on the part of the Purchaser, the same liquidated damages sum of 10% of the Purchase Consideration would be applicable. This ensures a fair and balanced approach, whereby both parties are equally protected against potential breaches, reinforcing the commercial reasonableness of the agreed terms.</p>

Salient terms	QuantePhi's commentaries
<p>a) <i>AHSB must return all monies received by it as part of the Purchase Consideration free of interest, to Uppervista; and/or</i></p> <p>b) <i>AHSB's solicitors must and are hereby authorised to return all monies received by them as part of the Purchase Consideration and held by them as at that date, together with interest accrued thereon (if any and if such monies were deposited into an interest-bearing account with prior written instruction from Uppervista), to Uppervista;</i></p> <p>c) <i>AHSB must pay an additional sum equivalent to 10% of the Purchase Consideration as agreed liquidated damages to Uppervista; and</i></p> <p>d) <i>in exchange for AHSB's simultaneous compliance with the provisions above –</i></p> <p>(i) <i>Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier (as the case may be) must return or cause to be returned to AHSB and/or AHSB's solicitors all documents delivered to Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier, including the original Deed of Assignment and Redeem Document which are as that date in their possession (if any) with AHSB's interest intact, provided that in the event that the Deed of Assignment has as at that date been stamped for ad valorem stamp duty in the full amount, Uppervista or Uppervista's solicitors shall be authorised to forward the duly stamped Deed of Assignment to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by Uppervista and thereafter to forward the Deed of Assignment to AHSB for cancellation; and</i></p> <p>(ii) <i>Uppervista shall forthwith withdraw the private caveat at its own cost and expense if the same has been lodged by Uppervista against Subject Property - Partial Tower E Building and re-deliver to AHSB the legal/vacant possession of Subject Property - Partial Tower E Building, if the same has been delivered to Uppervista.</i></p>	
<p>6.3 <u>Non-perfection of the Deed of Assignment or Deed of Receipt & Reassignment</u></p> <p><i>In the event the Deed of Assignment or Deed of Receipt & Reassignment cannot be perfected for any reason whatsoever not due to any fault of either of the parties and cannot be remedied within 30 days of receipt of a notice to remedy the breach or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld, Uppervista shall be entitled to terminate the SPA by notice in writing to AHSB, whereupon within 14 business days of the giving of the notice or such other mutually agreed extended period provided that</i></p>	<p>We are of the view that these terms are reasonable as they are the normal commercial terms to safeguard the interest of the Purchaser in the event the Vendor is in breach of their obligations.</p>

Salient terms	QuantePhi's commentaries
<p><i>Uppervista's consent for an appropriate extension period shall not be unreasonably withheld –</i></p> <p>a) <i>AHSB must return all monies received by them as part of the Purchase Consideration free of interest to Uppervista or to Uppervista's solicitors;</i></p> <p>b) <i>AHSB's solicitors must and are hereby authorised to return all monies received by them as part of the Purchase Consideration and held by them as at that date together with interest accrued thereon (if any and and if such monies were deposited into an interest-bearing account with prior written instruction from Uppervista), to Uppervista;</i></p> <p>c) <i>in exchange for AHSB's simultaneous compliance with the provisions above –</i></p> <p>(i) <i>Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier (as the case may be) shall and are hereby authorised to, return to AHSB and/or AHSB's solicitors all documents delivered to Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier, including the original Deed of Assignment has as at that date been stamped for ad valorem stamp duty in the full amount, Uppervista or Uppervista's solicitors shall be authorised to forward the duly stamped Deed of Assignment to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by Uppervista and thereafter to forward the Deed of Assignment to AHSB for cancellation; and</i></p> <p>(ii) <i>Uppervista shall forthwith withdraw the private caveat at its own cost and expenses if the same has been lodged by Uppervista against Subject Property - Partial Tower E Building and re-deliver to AHSB the legal/vacant possession of Subject Property - Partial Tower E Building, if the same has been delivered to Uppervista.</i></p>	

Premised on the above, we are of the view that the salient terms and conditions for the Proposed Acquisition are considered reasonable and not detrimental to the interest of the non-interested shareholders of EHB.

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5.5 Industry Outlook and Future Prospects after the Proposed Acquisition

In evaluating the prospects of EHB moving forward, we have considered the overview and outlook of the Malaysian economy; overview and outlook of the hotel and resort industry in Malaysia; overview and outlook of the Fit-out Industry in Malaysia and the prospects of EHB Group. Our commentaries are as follows:

5.5.1 Overview and prospects of the Malaysian economy

“Looking to 2025, we anticipate an increasingly challenging external environment. Heightened uncertainties surrounding the resurgence of protectionist actions, alongside continuing geopolitical conflicts, pose headwinds to Malaysia as a small and open economy. The strength of global demand in particular will depend on developments in trade restrictions and countermeasures imposed by major economies. Risks to growth could arise from strained trade relationships affecting the global trade momentum, geopolitical developments potentially disrupting supply chains, and heightened financial market volatility. These considerable uncertainties and rapidly unfolding events present significant challenges for forecasting the 2025 outlook. In pre-empting some of these uncertainties, BNM formulated several global economic scenarios to assess their potential impacts to our economy. As a small, open economy, we will not be totally insulated. Nevertheless, there are reasons to be cautiously optimistic about domestic prospects. Our domestic sources of growth, combined with a diversified export structure will help the economy withstand challenges in the year ahead. Investment activity, driven by multi-year projects, remains a key bright spot while positive labour market conditions and income boosting policies provide continued support to household spending. Consequently, the Malaysian economy is projected to grow between 4.5% and 5.5% in 2025. The ringgit, like other regional currencies, would continue to be influenced by external developments, particularly from potential policy shifts in major economies. Nevertheless, narrowing interest rate differentials between the US and other economies, should the Fed continue easing monetary policy, will lend support to the ringgit. In the longer term, Malaysia’s solid economic prospects and ongoing reforms will provide more enduring support to the ringgit.

Easing global costs and steady demand will help keep price pressures at bay. Recent labour market policies will support household incomes, but their impetus to prices is expected to be contained. Continued efforts on fiscal reforms, with the RON95 subsidy rationalisation and SST expansion to be implemented in 2025, are anticipated to result in some short-term price increases. Nevertheless, we assess their effects on underlying inflation to be limited and temporary. Our simulations on various policy scenarios suggest that headline inflation will remain between 2% and 3.5% in 2025, even under conservative assumptions, before eventually reverting lower as policy effects fade.”

(Source: Economic & Monetary Review 2024, Bank Negara Malaysia)

“Malaysia’s economy grew by 4.4% in the first quarter of 2025 (Q1 2024: 4.2%) amid uncertainties in the global economy. On the demand side, growth was contributed by robust private sector spending. This included household consumption, supported by stable income levels and further boosted by increased spending during the festive season.

On the supply side, all sectors registered positive growth on the back of stable economic conditions, with the exception of the mining sector.”

(Source: Malaysian Economy: First Quarter 2025, Ministry of Finance Malaysia).

QuantePhi's commentaries:

In relation to the above, we note that Malaysia's economy is expected to grow between 4.5% and 5.5% in 2025, supported by strong domestic demand, ongoing investment projects, and a stable labour market. While global risks such as trade tensions, geopolitical conflicts, and financial market volatility may affect external demand, Malaysia's diversified exports and resilient domestic economy provide a solid foundation for continued growth. Bank Negara Malaysia has prepared for these uncertainties by assessing various global scenarios to better understand their possible impact.

Inflation is projected to stay within 2% to 3.5%, even with the introduction of fiscal reforms like RON95 fuel subsidy rationalisation and Sales and Service Tax ("SST") expansion. These measures may lead to short-term price increases, but their overall impact on inflation is expected to be temporary and contained. The ringgit will likely remain supported by global monetary trends and Malaysia's sound economic fundamentals. Overall, the outlook reflects moderate confidence in Malaysia's ability to manage external risks while maintaining stable growth.

5.5.2 Overview and outlook of the hotel and resort industry in Malaysia

"Chain hotels are leading the expansion of the hotel market, capitalising on a steady rise in both domestic and international visitor numbers within the hospitality sector.

Tourists today are increasingly drawn to accommodations that provide unique and memorable experiences. Key factors such as established brand recognition, consistent service quality, and strategic locations are essential for attracting guests and building loyalty. These elements contribute significantly to guest satisfaction, ensuring that visitors feel valued and comfortable throughout their stay.

Hotels that emphasise personalised service and unique offerings are better positioned to stand out and remain competitive in a market that places high importance on comfort, convenience, and tailored experiences. By focusing on these priorities, chain hotels can secure their place at the forefront of the industry and meet the evolving expectations of today's travellers."

(Source: Real Estate Market Outlook 2025, CBRE | WTW Research and Consulting)

"The food & beverages and accommodation subsector grew by 5.6% in the first half of 2024 supported by high hotel occupancy rates and patronage at eateries, in tandem with the increase in tourist arrivals to 14.1 million. The subsector is expected to expand by 5.9% in the second half of the year on the back of higher tourist arrivals and vibrant tourism-related activities. This is also supported by vigorous promotion efforts targeting niche segments, particularly business and leisure, gastronomy and Muslim-friendly tourism.

The food & beverages and accommodation subsector is poised to grow by 6.2%, in anticipation of higher tourist arrivals for business and leisure as well as meetings, incentives, conferences and exhibitions (MICE) activities. The tourism industry will benefit from Malaysia's 2025 ASEAN Chairmanship, as well as nationwide hosting of numerous MICE events at international and regional scales. In addition, the visit state campaign by Kedah, Perlis and Selangor as well as intensive promotion for the Visit Malaysia 2026 (VM 2026) are expected to contribute to the growth of the subsector."

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

QuantePhi's commentaries:

In relation to the above, the food & beverages and accommodation subsector, which includes the hotel and resort industry, is projected to continue its growth trajectory into 2025, underpinned by steady increases in tourist arrivals and sustained high hotel occupancy rates. The sector recorded a 5.6% growth in the first half of 2024 and is expected to expand further by 5.9% in the second half, supported by strong patronage at eateries and robust tourism-related activities. Growth is expected to accelerate to 6.2% in 2025, driven by heightened tourist inflows for both business and leisure purposes, particularly in conjunction with the rise in MICE activities and promotional efforts targeting niche tourism segments.

The positive outlook for the hotel and resort industry is further bolstered by the expansion of chain hotels, which are leveraging brand strength, consistent service standards, and strategic locations to attract guests and enhance loyalty. As travellers increasingly seek personalised and memorable experiences, hotels that prioritise comfort, convenience, and tailored service are well-positioned to outperform. With Malaysia hosting major regional events under its ASEAN Chairmanship and ramping up tourism promotions ahead of Visit Malaysia 2026, the hospitality sector is set to benefit from heightened visibility and demand throughout the year.

5.5.3 Overview and outlook of the Fit-out Industry in Malaysia

“Generally, fit-out works refer to the process of actualising designs in interior spaces thereby making interior spaces suitable for occupation and aesthetically pleasing. It generally includes site preparation work, steel and metal work, woodwork, marble work, stone work, plastering and painting work, certain building services, such as mechanical and electrical works and plumbing installation. The customisation, manufacturing and supply of carpentry/joinery, integral fixtures and furniture products is also part of Fit-out Works. Fit-out Works are provided to owners or tenants of residential, commercial and industrial properties and carried out as part of building completion and finishing works.

The Fit-out Industry in Malaysia, measured in terms of the value of work done, had recorded a growth from RM2.5 billion in 2019 to RM4.8 billion in 2024 at a CAGR of 13.9%. The growth of the Fit-out Industry in Malaysia is expected to be driven by the following factors:

(i) The growth in the property market

The Fit-out Industry's demand is supported by the growth of the property market as residential, commercial and industrial property owners will require Fit-out Works during the renovation or construction of new homes, offices and operational facilities. The Malaysian property market had recorded a growth, in terms of the value of property transactions, from RM116.2 billion in 2019 to RM192.9 billion in 2024. The growth of the Malaysian property market in 2023 was supported by the implementation of various government initiatives and assistance such as full exemption of stamp duty for homes valued at RM500,000 and below as well as a 75.0% exemption for homes valued more than RM500,000 to RM1.0 million which increased consumer confidence and spending on residential properties, as well as higher tourist arrivals which led to the resumption of hospitality services.

Under Budget 2024, the Government of Malaysia aimed at providing more affordable housing to people by among others allocating RM10.0 billion for the Housing Credit Guarantee Scheme ("HCGS") to aid individuals without steady income to own homes, allocating RM2.5 billion for People's Housing Projects ("PPR") which includes aiding low-cost house renovations and constructions as well as by providing tax-relief for first-time homebuyers. Budget 2025 builds upon Budget 2024 by among others, allocating an additional RM10 billion to the HCGS and RM900 million for the implementation of PPR and 14 Rumah Mesa Rakyat projects.

Premised on the above as well as the projected economic growth wherein gross domestic product is expected to grow within the range of 4.5% to 5.5% in 2025, Providence forecasts that the property market in 2024 will continue growing at a CAGR of 10.8% between 2025 and 2027.

(ii) Growth in tourism and retail sectors drive demand for Fit-out Business

The reopening of Malaysia's international borders in April 2022 and the transition to the endemic phase of the COVID-19 pandemic had supported growth of Malaysia's tourism industry evidenced by the recovery in tourist arrivals to 25.0 million in 2024 (2021: 0.1 million) which generated tourism receipts of RM102.2 billion in 2024 (2021: RM0.2 billion). Tourism Malaysia aims to achieve a target of 35.6 million foreign tourists in 2026, with a projected tourism receipt of RM147.1 billion. This is in anticipation of a stronger market recovery and the ability to capitalise on initiatives by the Government of Malaysia.

The growth in the tourism arrivals and receipts in Malaysia indicates increased retail spending and footfall at shopping malls, and would consequently drive demand for the retail industry in Malaysia. This is evidenced by the growth in the supply of shopping malls in Malaysia (measured by area) from 16.5 million square meters in 2019 to 18.0 million square meters in 2024 as well as the rise in occupancy rates for shopping malls in Malaysia from 76.3% in 2021 to 78.8% in 2024.

The above indicates that the growth in the number of tourists and tourist arrivals will lead to the opening of new hotels as well as shopping malls. Accordingly, as interior fit-out service providers are typically engaged by operators of hotels, shopping malls and retail outlets for fit-out services prior to the launch of a new outlet or expansion of an existing outlet, the aforesaid growth will consequently support demand for interior fit-out services.

(iii) Growth in foreign and domestic investments will drive demand for Fit-out Business

Malaysia recorded a total of RM378.5 billion worth of approved investments in the services, manufacturing and primary sectors in 2024 across 6,700 projects. From the total investments approved, foreign investments accounted for RM170.4 billion or 45.0%, while domestic investments accounted for RM208.1 billion or 55.0%. Malaysia aims to attract quality investments to drive economic growth and achieve its aspirations of becoming a high-income nation.

The growing foreign and domestic investments in Malaysia will result in companies setting up their offices and operating facilities in the country. As these companies typically engage interior fit-out service providers to fit-out office space and common areas such as reception lobbies, walkways and lift lobbies, the growth in such investments would result in an increase in demand for fit-out works in Malaysia to enhance the appeal, functionality, and comfort of new offices and operating facilities.

Premised on the above growth drivers, Providence projects the Fit-out Industry in Malaysia to rise from RM4.8 billion in 2024 to RM7.0 billion in 2027 at a CAGR of 13.7%.”

(Source: Management of EHB)

QuantePhi's commentaries:

The Fit-out Industry in Malaysia has shown strong growth, expanding from RM2.5 billion in 2019 to RM4.8 billion in 2024, and is projected to reach RM7.0 billion by 2027 at a CAGR of 13.7%. This growth is driven by a recovering property market supported by government initiatives such as the Housing Credit Guarantee Scheme and People's Housing Projects, which are encouraging home ownership and development. As new residential, commercial and industrial properties are built or renovated, demand for Fit-out Works continues to grow.

In parallel, rising tourist arrivals and tourism receipts, along with expanding retail and hospitality sectors, are driving demand for Fit-out Works in hotels, malls, and F&B outlets. Additionally, increased foreign and domestic investments are leading to the establishment of new offices and operational facilities, further supporting demand for Fit-out Works. These structural drivers collectively underpin a positive outlook for the Fit-out Industry in the coming years.

5.5.4 The Prospects of the EHB Group

We take note of the following as extracted from Section 5.4, Part A of the Circular:-

“As set out in Appendix IV of this Circular, the EHB Group recorded revenue and LAT of RM5.31 million and RM0.80 million for the FYE 2023 as well as RM5.70 million and RM13.33 million for the FYE 2024, respectively. The weak financial performance of the Group was mainly attributable to Corus Hotel's low AOR of approximately 30% in the past 3 years as a result of, inter-alia, the aging condition of the hotel, the competitive business landscape of hotel accommodation in Port Dickson area as well as lower pricing strategy adopted by the Group in order to attract customers which compressed the margins. Furthermore, the Group would also require substantial amount of funds, manpower and time to upkeep and refurbish Corus Hotel as the hotel had not been in operations for a lengthy period of time due to the COVID-19 pandemic. For the FYE 2024, in addition to the above, the LAT of the Group was further contributed by an impairment loss of RM9.33 million on amount owing by an associate company.

Arising therefrom, in order to improve its immediate prospects, the Group intends to undertake the Corus Hotel Refurbishment to revitalise and rejuvenate the rooms and the facilities. Upon completion of such refurbishment works, the Group intends to capitalise on the newly renovated hotel and Port Dickson's status as a popular coastal tourist destination in Malaysia, to increase the revenue generated by Corus Hotel which in turn will improve the financial performance of the Group.

Post Corus Hotel Refurbishment, the Group intends to leverage on its network of government and corporate contacts to promote Corus Hotel's upgraded ballrooms and meeting facilities with an estimated size of approximately 13,249 square feet and capacity to fit up to 1,000 pax, as the hosting destination for corporate and government events which includes training and meetings, incentives, conferences and exhibition (“MICE”) events, particularly during business days given Port Dickson's strategic location which is not far from the manufacturing hubs located in Seremban and Melaka. Further, during weekends and public holidays, the Group intends to target local and regional leisure tourists as Port Dickson (being a coastal tourist destination) remains popular among visitors from Klang Valley and is gaining traction among Singaporean tourists.

The Group intends to position the upgraded 4-star Corus Hotel as a mid-luxury hotel at accessible price points with unique features such as a private lagoon, expansive beachfront and enhanced leisure facilities as well as MICE facilities. Such features will differentiate Corus Hotel from its competitors with only basic beach access and will appeal to travellers seeking quality and comfort without the premium price tag of high-end resorts.

Historically over the past 3 years, Corus Hotel achieved an AOR of 30% and an average daily rate of RM150. Post Corus Hotel Refurbishment, the Group aims for Corus Hotel to achieve market rates of comparable 4-star hotels in Port Dickson which command an AOR of 60% to 70% and average daily rate of RM250 to RM350.

The EHB Group also takes cognisance that being a hospitality operator, it needs to diversify its hospitality offerings to cater to evolving consumer preferences. It can no longer solely rely on a single hotel and is required to constantly expand and evolve its product offerings to remain competitive and improve its future prospects. In this respect, the Group has adopted various strategies including undertaking the Proposed Acquisition which will enable it to expand its portfolio of Own-and-Operate assets in a strategic location with good connectivity and proximity to established townships. In line with the Group's objective, these strategies would also diversify the Group's product offerings and reduces its reliance on its sole Own-and-Operate asset i.e. Corus Hotel, which is a resort-based hotel, upon commencement of the hotel operation of Subject Property - Partial Tower E Building which is expected to take place in the 1st quarter of 2027.

In addition, to complement the Group's capital intensive Own-and-Operate assets as well as to cater for the increasing demand for alternative lodging options (akin to the home-sharing business model), the Group intends to also further expand its hospitality offerings under the Managed Properties. As part of the Group's expansion strategies for the Managed Properties portfolio, the Group plans to gradually increase the number of units of the Managed Properties and inclusion of boutique hotels to increase the variety of the Managed Properties to achieve economies of scale as well as providing location and product diversity.

Notwithstanding that the Group's Fit-out Business is relatively new, the Board is optimistic of its prospects given that it is complementary to the Hospitality Business and the expected growth of the Fit-out Industry as depicted in Section 5.3 of Part A of this Circular as well as upon considering EXSIM Concepto's revenue contribution to the Group of RM70.83 million for the FPE 31 March 2025. During the immediate term, the Group intends to provide Fit-out Works for the Own-and-Operate assets as well as the Managed Properties and gradually leverage on such experience to build a track record to secure additional external contracts in the future. The Group also intends to leverage on the experience and expertise of its key management personnel as well as the extensive network of the Company's controlling shareholders to strive to secure more fit-out contracts to expand its order book.

Premised on the above and having considered the positive overview and outlook of the Malaysian tourism, leisure and hospitality industry and Fit-out Industry, it is envisaged that Group's Hospitality Business and the Fit-out Business are able to complement each other and enhance the financial performance of the Group moving forward."

(Source: Management of EHB)

QuantePhi's commentaries:

EHB Group has recorded increasing revenue but has been loss-making from the FYE 2023 to FYE 2024.

The Group's financial struggles are primarily due to Corus Hotel's low occupancy rate of around 30% over the past three years. The factors contributing to this include the ageing condition of the hotel, strong competition in the Port Dickson area, and a pricing strategy aimed at attracting customers, which has negatively impacted profit margins.

Additionally, significant investments in time, funds and manpower are needed to refurbish and maintain the hotel. The Group intend to undertake refurbishment and renovation work for Corus Hotel to capitalise the newly renovated hotel and Port Dickson's popularity to boost Corus Hotel's revenue and enhance the Group's financial performance.

Post-refurbishment, Corus Hotel will be rebranded as a mid-luxury 4-star hotel featuring a private lagoon, beachfront and enhanced leisure facilities, aimed at value-conscious travellers.

To support its repositioning strategy, we note that the Group plans to leverage its government and corporate networks to promote the upgraded Corus Hotel for MICE events during weekdays, targeting demand from nearby industrial areas such as Seremban and Melaka while catering to leisure tourists from Klang Valley and Singapore on weekends and public holidays.

The Group is also taking proactive steps by diversifying its portfolio through proposed acquisition of strategically located properties. This expansion into new, well-connected areas with established townships will reduce dependence on the Corus Hotel, offering greater growth potential.

The Group's new Fit-out Business appears to complement its hospitality operations. Initially, it will focus on servicing the Group's Own-and-Operate assets and managed properties, gaining experience to secure external contracts. In Q2FY2025, the Group observed a significant increase in revenue, rising from RM1.67 million a year ago for the same period to RM19.43 million currently. The change can be mainly attributable to the Group diversifying into the Fit-out Industry and obtaining new revenue streams through their current Secured Fit-out Contracts.

Overall, the Group is optimistic that these efforts, along with the positive outlook for the tourism and fit-out industries, will improve future financial performance.

Premised on the general positive outlook of the Malaysian economy, the overview and outlook of the hotel and resort industry; and the prospect of EHB Group, we are of the opinion that the industry outlook and future prospects of EHB after the Proposed Acquisition are reasonable.

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5.6 Risk Factors associated with the Proposed Acquisition

Our commentaries on the risk factors of the Proposed Acquisition, as extracted from Section 6, Part A of the Circular, are as follows: -

Risk factors	QuantePhi's commentaries
<p>(i) Non-Completion Risk</p> <p><i>"The completion of the Proposed Acquisition is subject to, among others, the fulfilment of all the conditions precedent set out in Section 3(i) of Appendix II of this Circular ("Conditions Precedent") and the performance by the relevant parties of their respective covenants, undertakings and/or obligations within the stipulated timeframe as set out in the SPA.</i></p> <p><i>There can be no assurance that the Company will be able to obtain all the requisite approvals nor will all parties fulfil the respective obligations under the SPA where the parties will be subject to the risk that the Conditions Precedent may not be fulfilled, obtained or waived (as the case may be) within the stipulated timeframe or the Vendor or the Group fails to perform its respective obligations under the SPA or any of the termination events under the SPA may occur such that the Proposed Acquisition cannot be completed. If any of the aforementioned occurs, the SPA may be terminated and the Proposed Acquisition may not proceed to completion and the potential benefits arising therefrom may not materialise. In such event, it should be noted that the Company would not have any ownership rights or interest over Subject Property - Partial Tower E Building and there can be no assurance that the Company will be able to recover any progressive payments made under the SPA as set out in Section 2(ii) of Appendix II of this Circular.</i></p> <p><i>The Conditions Precedent include, inter-alia, the EHB Group obtaining requisite funding to part fund the Proposed Acquisition and EHB completing the Proposed Rights Issue with Warrants. Furthermore, as part of the terms of the SPA, the Vendor is also obligated to deliver vacant possession of Subject Property - Partial Tower E Building to the EHB Group within the timeframe stipulated in the SPA.</i></p> <p><i>In this respect, the EHB Group will take all necessary and reasonable steps to ensure the fulfilment of the Conditions Precedent which are within the EHB Group's control, on or before the stipulated timeframe as well as mitigate the occurrence of any potential termination events that are within the EHB Group's control in order to complete the Proposed Acquisition. In the</i></p>	<p>The Proposed Acquisition will not be completed if EHB Group does not fulfill the Conditions Precedent stated in the SPA, resulting in the termination of the agreement</p> <p>We note that the proceeds from the Proposed Rights Issue with Warrants will be utilised for the part payment of the Purchase Consideration. We also note that reasonable measures can be taken by the Management to limit the highlighted risk and work towards the completion of the Proposed Acquisition.</p>

Risk factors	QuantePhi's commentaries
<p><i>event the Vendor commits a material breach of the SPA including failure to deliver vacant possession of Subject Property - Partial Tower E Building to the EHB Group, the recourse available to the Group includes, inter-alia, the exercise of the specific performance and/or the right to terminate, subject to the provisions of the SPA as well as to invoke the personal guarantee of Lim Aik Hoe and Lim Aik Kiat to recover all such amount that is required to be paid/returned by the Vendor in the event of breaches of their obligations under the SPA. Please refer to Section 10 of Appendix II of this Circular for further information on the Vendor's and Uppervista's right to terminate the SPA as well as the consequences arising from such termination."</i></p>	
<p>(ii) Investment risk</p> <p><i>"The Proposed Acquisition is undertaken to strengthen the Hospitality Business revenue. There can be no assurance that the EHB Group is able to achieve sufficient level of room occupancy at desired rates for Subject Property - Partial Tower E Building as it is largely dependent on factors that are not within the control of the EHB Group which includes, inter-alia, tourist arrivals in Malaysia that is driven by, among others, the pace of recovery of the global economy as well as initiatives and plans by the Government of Malaysia in boosting the tourism industry, the future supply of similar hotels within the surrounding area coupled with the continued vibrancy and footfall of Empire City.</i></p> <p><i>Arising therefrom, there can also be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Group will be able to generate sufficient returns to offset the costs of investments. Further, the duration required for the Group to recoup its investment could also be longer than anticipated after the completion of the Proposed Acquisition."</i></p>	<p>We note that Subject Property - Partial Tower E Building is expected to boost earnings for the Group's Hospitality Business, but there is no guarantee EHB will achieve the desired results.</p> <p>EHB Group can implement a comprehensive market analysis and adaptive pricing strategy to enhance occupancy rates and financial returns given external uncertainties.</p>
<p>(iii) Financing Risk</p> <p><i>"The Group is allocating proceeds amounting to RM72.07 million, to be raised from the Proposed Rights Issue with Warrants, to partially fund the Purchase Consideration. Hence, the balance of the Purchase Consideration of RM168.18 million is expected to be funded via bank borrowings.</i></p> <p><i>The ability to secure the bank borrowings and its consequential financing cost are dependent on numerous factors which includes, inter-alia, general economic and capital market conditions,</i></p>	<p>EHB Group is relying on the fund raised from the Proposed Rights Issue with Warrants and external financing to finance the Proposed Acquisition.</p> <p>We note the Group's intention to actively monitor its financing portfolio such as financing</p>

Risk factors	QuantePhi's commentaries
<p><i>prevailing interest rates, credit availability from banks or other financiers, restrictions imposed by the Government of Malaysia and the political, social and economic conditions in Malaysia.</i></p> <p><i>There can be no assurance that sufficient funds would be secured to finance the Proposed Acquisition or that such funds secured will be on terms favourable to the Group. In such circumstances, the Proposed Acquisition may not be able to be completed. In addition, the Group may be exposed to fluctuations in interest rates on such bank borrowings obtained, leading to higher financing costs which may adversely affect the Group's cash flows, financial performance as well as its ability to service future financing repayment obligations. Strictly for illustrative purpose, as set out in Section 7.3 of Part A of this Circular, in the event the balance of the Purchase Consideration of RM168.18 million is fully funded via bank borrowings, the total borrowings of the EHB Group is expected to increase from RM13.79 million as at 30 June 2024 to RM181.97 million, with the Group's gearing ratio increasing from 0.49 times to 0.66 times.</i></p> <p><i>In mitigating such risks, the Group will actively monitor its financing portfolio, which includes financing level, financing costs as well as cash flows to ensure it remains at a sustainable and optimal level."</i></p>	<p>level, financing costs, and cash flow.</p>
<p>(iv) Valuation Risk</p> <p><i>"The valuation of Subject Property - Partial Tower E Building as appraised by the Valuer is based on certain assumptions as set out in the Valuation Report which are subjective, uncertain and may differ from actual measures of the market i.e. projected room rates and occupancy. Furthermore, as the future market value of Subject Property - Partial Tower E Building may be affected by, among others, changes in supply and demand of similar properties in nearby locations, changes in the outlook and prospects of property sector, changes in general economic, financial and political conditions, changes in regulatory requirements and applicable laws (including in relation to taxation), there can be no assurance that such adverse changes would not adversely affect the market value of Subject Property - Partial Tower E Building in the future.</i></p> <p><i>In consideration of the above, the market value of Subject Property - Partial Tower E Building as appraised by the Valuer is not an indication of and does not guarantee an equivalent or greater sale</i></p>	<p>The valuation of Subject Property - Partial Tower E Building is subjective, uncertain and may differ from actual measures due to changes in micro and macroeconomic factors such as changes in supply or demand of similar properties, and general economic conditions in future.</p> <p>Due to such uncertainties, we note that there is no assurance that EHB Group would be able to sell Subject Property – Partial Tower E Building in future, or that if it is sold, whether the price realized would not be disadvantageous to EHB Group.</p>

Risk factors	QuantePhi's commentaries
<p><i>price either at the present time or at any time in the future. Accordingly, there can be no assurance that the Company would be able to sell Subject Property - Partial Tower E Building, or that the price realisable on such sale would not be lower than the present valuation or the price paid by the Company to purchase Subject Property - Partial Tower E Building at any time in the future.</i></p> <p><i>Notwithstanding, the Company intends to operate Subject Property - Partial Tower E Building in accordance with its intended purposes as set out in Section 3.1 of Part A of this Circular and therefore, there is no intention to sell Subject Property - Partial Tower E Building at this juncture."</i></p>	
<p>(v) Risks inherent to the hospitality industry</p> <p><i>"The risks inherent in the hospitality industry (encompassing the industry in Selangor and Kuala Lumpur) which EHB is exposed to include, among others, overall environmental factors such as outbreak of diseases and weather conditions, seasonal nature of the hospitality market, changes in the general economic, social and political climate including the risk of economic downturns, changes in legal and environmental framework, increases in operating costs and changes in consumer preferences, threats such as terrorism or airline strikes and rising costs of supplies and travel which may deter tourism.</i></p> <p><i>Further, according to the IMR Report, the number of hotels in Selangor and Kuala Lumpur grew at a CAGR of 3.7% and 2.1% respectively, from 2018 to 2024 and it is projected to grow further at a CAGR of 3.8% and 4.1% between 2024 to 2027, respectively. Such trend will further intensify the competition among the hospitality industry players (local and international) who may have a stronger brand reputation and more resources as compared to the Group. Such competition risk may necessitate higher spending for hotel capital improvements, and aggressive hotel room rates, lower room occupancy rates and higher operating costs, especially in the Klang Valley urban area where the operating costs are generally higher arising from higher wages, utilities and maintenance expenses.</i></p> <p><i>Nonetheless, the Group intends to align the Subject Property - Partial Tower E Building with the standards of a reputed international brand in order to deliver the desired level of service quality consistently as well as will integrate the ballroom and retail spaces to offer specialised services</i></p>	<p>We note that the hospitality sector is exposed to various risks, including seasonal fluctuations, competition, operating cost pressures and broader macroeconomic challenges. Further, the projected increase in hotel supply in Klang Valley may intensify competition and impact performance.</p> <p>In order to mitigate the abovementioned risks, the Group plans to align Subject Property – Partial Tower E Building with an international brand, offering integrated event and F&B services to attract consistent demand and improving cost efficiency through centralised operations across its assets.</p>

Risk factors	QuantePhi's commentaries
<p><i>such as event hosting and curated food and beverage experience to distinguish the hotel from local competitors and attract a consistent base of international and corporate guests. The Group also intends to develop flexible event packages and actively pursue partnerships with corporate clients and event organisers to generate recurring footfall for its hotels thereby reducing any unfavourable effects from such inherent risks. In addition, to further mitigate its exposure to such inherent risk, the Group will closely monitor its cost structure and leverage on its scale of operations across both its Own-and-Operate assets and Managed Assets via centralising certain support functions (e.g. laundry services, maintenance and security) to enhance cost efficiency."</i></p>	
<p>(vi) Potential dilution in the shareholdings of the Shareholders</p> <p><i>"For the Entitled Shareholders who do not or are unable to subscribe in full for their entitlement under the Proposed Rights Issue with Warrants, their proportionate percentage of shareholding and voting interest in the Company will reduce accordingly upon the issuance of the Rights Shares and the issuance of new Shares arising from the exercise of the Warrants that will enlarge the total number of issued Shares. Correspondingly, their entitlement to any future distribution, rights issue and/or allotment that the Company may make after the completion of the Proposed Rights Issue with Warrants will also be diluted."</i></p>	<p>We note that the shareholders who do not fully subscribe to their entitlements under the Proposed Rights Issue with Warrants will experience dilution in shareholding, voting rights and future entitlements.</p> <p>Such dilution is typical in a rights issue exercise and all shareholders are given equal opportunity to maintain their shareholding by subscribing to their full entitlements.</p>

Apart from the risk factors associated with the Proposed Acquisition as highlighted above, the non-interested shareholders should also carefully consider the following risk factor: -

(i) Liquidity Risk

If the Company decides to divest Subject Property – Partial Tower E Building in the future, challenges may arise in identifying potential buyers, which could result in a prolonged holding period.

We note that the risks associated with the Proposed Acquisition are the typical risks associated with transactions of this nature.

The non-interested shareholders of EHB are advised to give due and careful regards to the risk factors as set out in Section 6, Part A of the Circular and are reminded that although measures may be taken by the management to limit all highlighted risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and financial performance of EHB.

Premised on the above, we are of the view that the risk factors associated with the Proposed Acquisition are considered reasonable.

5.7 Effects of the Proposed Acquisition and Proposed Rights Issue with Warrants

Our comments on the effects of the Proposed Acquisition and Proposed Rights Issue with Warrants as disclosed Section 7, Part A of the Circular are as follows: -

Effects of the Proposals on:	QuantePhi's comments
Share Capital	<p>We noted that the Proposed Acquisition will not have any effect on EHB's issued share capital as it does not involve any issuance of new Shares.</p> <p><u>LPD Scenario</u></p> <p>For illustrative purposes, based on the Full Subscription Basis and based on the assumptions of LPD Scenario, the Proposed Rights Issue with Warrants will result in an increase in EHB's issued number of Shares from 928,867,411 Shares (as at the LPD) to 2,322,168,527 Shares upon full subscription of the Rights Shares based on an Illustrative Issue Price of RM0.1800 per Rights Share and 2,786,602,232 Shares upon full exercise of the Warrants based on an Illustrative Exercise Price of RM0.2230 per Warrant (total increase of 1,857,734,821 of number of Shares).</p> <p><u>ALA Scenario</u></p> <p>For illustrative purposes, based on the Full Subscription Basis and based on the assumptions of ALA Scenario, the Proposed Rights Issue with Warrants will result in an increase in EHB's issued number of Shares from 928,867,411 Shares (as at the LPD) to 2,786,602,233 Shares upon full subscription of the Rights Shares based on an Illustrative Issue Price of RM0.1350 per Rights Share and 3,251,035,938 Shares upon full exercise of the Warrants based on an Illustrative Exercise Price of RM0.1500 per Warrant (total increase of 2,322,168,527 of number of Shares).</p>
Substantial shareholders' shareholdings	<p>We noted that the Proposed Acquisition will not have any effect on EHB's substantial shareholders' shareholding as it does not involve any issuance of new Shares.</p> <p><u>LPD Scenario</u></p> <p>For illustrative purposes, based on EHB's Register of Substantial Shareholders as at the LPD, and assuming that only the Undertaking Shareholders (and not the other Entitled Shareholders or their renouncees) subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, the shareholding for the Substantial Shareholders will increase from 70.52% to 74.55% after the Proposed Rights Issue with Warrants and further increase to 74.99% when Warrants are fully exercised.</p>

Effects of the Proposals on:	QuantePhi's comments
	<p>After the Proposed Rights Issue with Warrants, the shareholding for the non-undertaking shareholders will be diluted from 21.71% to 8.69% and further diluted to 7.52%, assuming the full exercise of the Warrants held by EHHSB only. As a result, public shareholding spread will be reduced from 29.48% to 25.45% after the Proposed Rights Issue with Warrants.</p> <p>Assuming the full exercise of the Warrants held by EHHSB only, the public shareholding spread will further dilute to 22.05%.</p> <p><u>ALA Scenario</u></p> <p>For illustrative purposes, based on EHB's Register of Substantial Shareholders as at the LPD, and assuming that only the Undertaking Shareholders (and not the other Entitled Shareholders or their renouncees) subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, the shareholding for the Substantial Shareholders will increase from 70.52% to 74.99% after the Proposed Rights Issue with Warrants and further increase to 75.32% when Warrants are fully exercised.</p> <p>After the Proposed Rights Issue with Warrants, the shareholding for the non-undertaking shareholders will be diluted from 21.71% to 7.24% and further diluted to 6.20%, assuming the full exercise of the Warrants held by EHHSB only. As a result, public shareholding spread will be reduced from 29.48% to 25.00% after the Proposed Right Issue with Warrants.</p> <p>Assuming the full exercise of the Warrants held by EHHSB only, the public shareholding spread will further dilute to 22.15%.</p> <p>We also noted that EHB has obtained written irrevocable undertakings from EHHSB that it shall not exercise any of its Warrants if the Company is not able to comply with the Public Spread Requirement.</p>
NA per EHB Share and Gearing	<p>NA per EHB Share</p> <p><u>LPD Scenario</u></p> <p>We noted that upon implementation of the Proposed Rights Issue with Warrants and completion of the Proposed Acquisition, the Group's NA is expected to increase from RM28.01 million to RM276.81 million (before full conversion of the Warrants).</p> <p>The NA of the Group is expected to further increase to RM380.38 million after the full conversion of Warrants. Consequently, the NA per share will also increase from RM0.03 to RM0.14.</p>

Effects of the Proposals on:	QuantePhi's comments								
	<p><u>ALA Scenario</u></p> <p>We noted that upon implementation of the Proposed Rights Issue with Warrants and completion of the Proposed Acquisition, the Group's NA is expected to increase from RM28.01 million to RM276.81 million (before full conversion of the Warrants).</p> <p>The NA of the Group is expected to further increase to RM346.47 million after the full conversion of Warrants. Consequently, the NA per share will also increase from RM0.03 to RM0.11.</p> <p>Gearing</p> <p><u>LPD Scenario</u></p> <p>The Proposed Rights Issue with Warrants is expected to reduce EHB's gearing level from 0.49 times to 0.05 times, before completion of the Proposed Acquisition and full conversion of the Warrants.</p> <p>The Proposed Acquisition is expected to increase EHB's gearing level from 0.05 times to 0.66 times due to increase in borrowings, after completion of the Proposed Acquisition.</p> <p>The Proposed Rights Issue with Warrants is expected to reduce EHB's gearing level from 0.66 times to 0.48 times, after full conversion of the Warrants.</p> <p>The following table is a summary of the gearing level for EHB's peers, extracted from their respective 2024 Annual Reports.</p> <table border="1" data-bbox="663 1234 1394 1413"> <thead> <tr> <th>Industry Peers ⁽¹⁾</th><th>Gearing Ratio (times)</th></tr> </thead> <tbody> <tr> <td>Shangri-La Hotels (Malaysia) Berhad</td><td>0.30</td></tr> <tr> <td>Sunway REIT</td><td>0.19</td></tr> <tr> <td>YTL Hospitality REIT</td><td>0.78</td></tr> </tbody> </table> <p>Note: <i>(1) The above Industry Peers were selected due to their substantial hospitality asset exposure, offering relevant benchmarks for gearing despite 2 of the Industry Peers being structured as REITs.</i></p> <p>Based on the above, compared to its peers, EHB's gearing level of 0.66 times after the Proposed Acquisition and 0.48 times after the full conversion of the Proposed Rights Issue with Warrants, is within the industry range of 0.19 to 0.78 times.</p> <p><u>ALA Scenario</u></p> <p>The Proposed Rights Issue with Warrants is expected to reduce EHB's gearing level from 0.49 times to 0.05 times, before completion of the Proposed Acquisition and full conversion of the Warrants.</p>	Industry Peers ⁽¹⁾	Gearing Ratio (times)	Shangri-La Hotels (Malaysia) Berhad	0.30	Sunway REIT	0.19	YTL Hospitality REIT	0.78
Industry Peers ⁽¹⁾	Gearing Ratio (times)								
Shangri-La Hotels (Malaysia) Berhad	0.30								
Sunway REIT	0.19								
YTL Hospitality REIT	0.78								

Effects of the Proposals on:	QuantePhi's comments
	<p>The Proposed Acquisition is expected to increase EHB's gearing level from 0.05 times to 0.66 times due to increase in borrowings, after completion of the Proposed Acquisition.</p> <p>The Proposed Rights Issue with Warrants is expected to reduce EHB's gearing level from 0.66 times to 0.53 times, after full conversion of the Warrants.</p> <p>Accordingly, compared to its peers, EHB's gearing level of 0.66 times after the Proposed Acquisition and 0.53 times after the full conversion of the Proposed Rights Issue with Warrants, is within the industry range of 0.19 to 0.78 times.</p>
Earnings and Earnings per Share	<p>The Proposals will not have any material effect on the earnings of the Group and EPS for the financial year ending 30 June 2025. However, the EPS of EHB Group will be diluted due to the increase in the number of EHB Shares in circulation resulting from the issuance of the Rights Share and exercise of the Warrants.</p> <p>We noted that the Proposed Acquisition is expected to be earnings accretive and contribute positively to the Group's earnings and EPS for the subsequent financial years after commencement of operations of Subject Property – Partial Tower E Building.</p> <p>However, we also note that the actual earnings from Subject Property - Partial Tower E Building will depend on amongst others, the occupancy rates of Subject Property - Partial Tower E Building, the quantum, tenure and the prevailing interest rates of bank borrowings.</p> <p><u>LPD Scenario</u></p> <p>For illustrative purposes, we noted that the additional proforma PAT of the Group and EPS arising from the Proposals are expected to be approximately RM2.90 million and RM0.10 sen per share respectively.</p> <p>We further noted that, for the LPD Scenario, based on the latest audited consolidated statement of profit and loss and other comprehensive income of EHB for the FYE 2024 and assuming the full subscription of Rights Shares and full exercise of the Warrants, the EPS of EHB Group is expected to increase from (0.43) sen per share to 0.48 sen per share, resulting from the extrapolated PAT for the Fit-out Business of RM14.48 million, assuming the Fit-out Business has been operational since the beginning of the FYE 2024 and PAT attributable to the Proposals of RM2.90 million, assuming the Proposals had been effected and completed on 1 July 2023.</p>

Effects of the Proposals on:	QuantePhi's comments
	<p><u>ALA Scenario</u></p> <p>For the ALA Scenario, based on the latest audited consolidated statement of profit and loss and other comprehensive income of EHB for the FYE 2024 and assuming the full subscription of Rights Shares and full exercise of the Warrants, the EPS of EHB Group is expected to increase from (0.43) sen per share to 0.41 sen per share, resulting from the extrapolated PAT for the Fit-out Business of RM14.48 million, assuming the Fit-out Business has been operational since the beginning of the FYE 2024 and PAT attributable to the Proposals of RM2.90 million, assuming the Proposals had been effected and completed on 1 July 2023.</p>
Convertible Securities	We note that as at the LPD, the Company does not have any outstanding convertible securities.

Premised on the above, we are of the view that the effects of the Proposed Acquisition and the Proposed Rights Issue with Warrants are reasonable and not detrimental to the interest of the non-interested shareholders of EHB.

6. FURTHER INFORMATION

Non-interested shareholders are advised to refer to Part A of the Circular and the appendices thereof for further information.

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7. QUANTEPHI'S OPINION

We have assessed and evaluated the Proposed Acquisition and our evaluation is set out in Section 5 of this IAL. Non-interested shareholders of EHB are advised to consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL and Part A of the Circular as well as other publicly available information prior to deciding to vote on the resolution pertaining to the Proposed Acquisition.

In our evaluation of the Proposed Acquisition and in arriving at our opinion, we have taken into consideration various factors which are summarized as follows: -

Section in the IAL	Area of Evaluation	Comments
Section 5.1	Rationale for the Proposed Acquisition and Proposed Rights Issue with Warrants	<p>(a) Rationale for Proposed Acquisition</p> <p>Following the recovery in the Malaysian tourism industry, the Group had embarked on the Proposed Acquisition, in line with its strategies to increase its Own-and-Operate assets in order to diversify its single asset concentration risk and expand its product offering.</p> <p>The Proposed Acquisition will significantly expand the Group's Hospitality Business, increasing its hotel room offerings from 200 to 494. This diversification reduces reliance on Corus Hotel, a resort-focused property, by adding urban-oriented accommodations catering to shopping, work, and medical stays.</p> <p>The acquisition also provides geographical diversification, leveraging the strategic location of Empire City, which is well-connected by major highways (LDP and SPRINT) and surrounded by key townships like Mutiara Damansara, Bandar Utama, and Damansara Perdana. Empire City's integrated development, featuring serviced residences, offices and a thematic mall, enhances the appeal of Subject Property – Partial Tower E Building with easy access to amenities for both tourists and business travellers.</p> <p>With Subject Property – Partial Tower E Building operational, the increased room capacity and broader geographical footprint will strengthen the Group's brand reach and customer base. This expansion is expected to be earnings accretive after accounting for depreciation and financing costs. Further details on the financial impact are provided in Section 7, Part A of the Circular.</p>

Section in the IAL	Area of Evaluation	Comments
		<p>(b) Rationale for Proposed Rights Issue with Warrants</p> <p>The Proposed Rights Issue with Warrants allows the Group to raise required proceeds without incurring interest costs or the need to repay principal, unlike conventional bank borrowings or debt securities issuance. Consequently, the Company will be able to preserve cash flow for reinvestment and/or operational purposes for further growth.</p> <p>The completion of the Proposed Rights Issue with Warrants will enhance the Group's financial position by increasing its capital base and NA, thereby improving its gearing ratio and ultimately providing greater flexibility for securing debt funding in the future, if needed.</p> <p>The Proposed Rights Issue with Warrants also provides opportunity for all entitled shareholders for Rights Issue to further increase their equity participation in the Group's future growth and prospects on a prorata basis as compared to other equity / equity-linked fundraising activities that have a dilutive impact to the equity interest of shareholders (provided that all Entitled Shareholders for Rights Issue subscribe in full for their respective entitlements).</p> <p>Premised on the above, we are of the opinion that the rationale for the Proposed Acquisition and Proposed Rights Issue with Warrants are reasonable.</p>
Section 5.2	Evaluation of the Purchase Consideration for the Proposed Acquisition	<p>Basis and justification for the Purchase Consideration</p> <p>In arriving at the valuation of Subject Property – Partial Tower E Building of RM248.00 million, the Valuer had adopted the Income Approach – DCF Method and Comparison Approach of valuation.</p> <p>We are of the view that the Income Approach – DCF Method of valuation is reasonable given Subject Property – Partial Tower E Building is an income-generating property. The Comparison Approach as a counter-check method is reasonable as it compares Subject Property – Partial Tower E Building with similar properties within the vicinity which were transacted recently to cross check the market value derived from the Income Approach – DCF Method.</p>

Section in the IAL	Area of Evaluation	Comments
		<p>The methodologies applied by the Valuer are reasonable and consistent with generally applied valuation methodologies. We have reviewed and are satisfied with the bases and assumptions used by the Valuer in deriving the valuation for Subject Property – Partial Tower E Building.</p> <p>Premised on the above, we are of the opinion that the Purchase Consideration of RM240.25 million for the Proposed Acquisition is fair.</p>
Section 5.3	Evaluation of the Basic Details for the Proposed Rights Issue with Warrants	<p>Evaluation of the Key Components for the Rights Issue</p> <p>We noted that the Issue Price shall be fixed and announced by the Board on the Price-Fixing Date.</p> <p>We also note that the Board intends to fix the Issue Price at a discount ranging between 10% to 30% to the TEAP of EHB Shares based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date.</p> <p>Further, we note that the Issue Price will be determined after taking the following into consideration:</p> <ul style="list-style-type: none"> (i) the funding requirements of EHB Group, as set out in Section 2.8, Part A of the Circular; (ii) the resultant TEAP of EHB Shares computed based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date; and (iii) the then prevailing market conditions which include among others, market sentiment and volatility of the Malaysian stock market. <p>The discount range of 10% to 30% to the TEAP for the Proposed Rights Issue with Warrants is considered reasonable and in line with recent market precedents involving listed issuers.</p> <p>The undertakings and excess applications by EHHSB and other shareholders are deemed reasonable as they ensure full subscription of the Rights Shares, provide funding certainty for the Company's strategic initiatives and help maintain compliance with the Public Spread Requirement post-completion of the Proposed Rights Issue with Warrants.</p>

Section in the IAL	Area of Evaluation	Comments
		<p>The proposed utilisation of proceeds, primarily for Corus Hotel Refurbishment, part-funding the Proposed Acquisition and supporting working capital, is reasonable as it aligns with the Group's strategic priorities while avoiding excessive gearing.</p> <p>Premised on the above, we are of the opinion that the basis for the key components for the Proposed Rights Issue with Warrants is reasonable.</p>
Section 5.4	Salient terms of the SPA	We are of the view that the salient terms of the SPA are reasonable and not detrimental to the non-interested shareholders of EHB.
Section 5.5	Industry Outlook and Future Prospects after the Proposed Acquisition	Based on the general positive outlook of the Malaysian economy, the overview and outlook of the hotel and resort industry, the overview and outlook of the Fit-out Industry and the prospect of EHB Group, we are of the opinion that the industry outlook and future prospects of EHB after the Proposed Acquisition are reasonable.
Section 5.6	Risk factors associated with the Proposed Acquisition	<p>We note that the risks associated with the Proposed Acquisition are the typical risks associated with transactions of this nature.</p> <p>The non-interested shareholders of EHB are advised to give due and careful regards to the risk factors as set out in Section 6, Part A of the Circular and are reminded that although measures may be taken by the management to limit all highlighted risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and financial performance of EHB.</p>
Section 5.7	Effects of the Proposals	<p>We note that: -</p> <p>(i) The Proposed Acquisition will not have any effect on EHB's issued share capital and substantial shareholders' shareholding as it does not involve any issuance of new Shares.</p> <p>On the other hand, the Proposed Rights Issue with Warrants will result in an increase in EHB's issued number of Shares from 928,867,411 Shares (as at the LPD) to 2,322,168,527 Shares upon full subscription of the Rights Shares and 2,786,602,232 Shares upon full exercise of the Warrants (total increase of 1,857,734,821 of number of Shares) under the LPD Scenario. The Proposed Rights Issue with Warrants will</p>

Section in the IAL	Area of Evaluation	Comments
		<p>result in an increase in EHB's issued number of Shares from 928,867,411 Shares (as at the LPD) to 2,786,602,233 Shares upon full subscription of the Rights Shares and 3,251,035,938 Shares upon full exercise of the Warrants (total increase of 2,322,168,527 of number of Shares) under the ALA Scenario;</p> <p>(ii) The Proposals will increase the NA of the Group;</p> <p>(iii) Under the LPD Scenario, the Proposals will increase EHB's gearing ratio from 0.49 to 0.66 upon completion of the Proposed Acquisition due to the increase in borrowings and decrease to 0.48 upon full conversion of the Warrants.</p> <p>Under the ALA Scenario, the Proposals will increase EHB's gearing ratio from 0.49 to 0.66 upon completion of the Proposed Acquisition due to the increase in borrowings and decrease to 0.53 upon full conversion of the Warrants; and</p> <p>(iv) The Proposals will not have any material effect on the earnings of the Group and EPS for the financial year ending 30 June 2025.</p> <p>Premised on the above, we are of the view that the effects of the Proposed Acquisition and the Proposed Rights Issue with Warrants are reasonable and not detrimental to the interest of the non-interested shareholders of EHB.</p>

Premised on the foregoing and our overall evaluation and assessment of the Proposed Acquisition based on the information available to us up to the LPD, we are of the opinion that, taken as a whole, the Proposed Acquisition is fair and reasonable and is not detrimental to the interest of the non-interested shareholders of EHB.

Accordingly, we **recommend that the non-interested shareholders of EHB to vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

Yours faithfully,
For and behalf of
QUANTEPHI SDN BHD

RIFQY NASIS
Executive Director

APPENDIX I – INDICATIVE SALIENT TERMS OF THE WARRANTS

Issuer	:	EHB.
Issue price	:	The Warrants are to be issued free to the Entitled Shareholders and/or their renouncee(s) (if applicable) who subscribe for the Rights Shares.
Form and denomination	:	The Warrants will be issued in registered form and constituted by the Deed Poll. The Warrants which are to be issued together with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be separately traded.
Tenure	:	Five (5) years from and inclusive of the date of issuance of the Warrants.
Exercise period	:	Five (5) years commencing from and inclusive of the date of issuance of the Warrants and up to and including the expiry date of the Warrants which is the 5 th anniversary from the date of issuance of the Warrants. (“Exercise Period”).
Expiry date	:	5 th anniversary from the date of issuance of the Warrants. Any Warrants which have not been exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose.
Exercise price	:	The exercise price of the Warrants will be determined by the Board on the Price-Fixing Date and is expected to be fixed at a price not more than 10% discount to the TEAP of EHB Shares based on the 5-day VWAP of EHB Shares up to and including the date prior to the Price-Fixing Date (rounded to the nearest whole sen) or as the Board deems fit.
Exercise rights	:	Each Warrant entitles the registered holder to subscribe for one (1) new EHB Share at the exercise price at any time during the Exercise Period, subject to adjustments under circumstances prescribed in accordance with the provisions of the Deed Poll.
Mode of exercise	:	The registered holders of the Warrants are required to lodge a subscription form, as set out in the Deed Poll, with the Company's share registrar, duly completed, signed and stamped together with payment of the exercise price for the new EHB Shares subscribed for by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or by way of internet bank transfer into bank account of the Company maintained with a bank in Malaysia, in accordance with the provisions of the Deed Poll. The payment of such exercise price must be made in Ringgit Malaysia.
Ranking of the Warrants	:	The Warrants shall, between the Warrant holders, be of the same class rank equally and rateably without discrimination or preference.
Ranking of the new EHB Shares to be issued arising from the exercise of the Warrants	:	The new EHB Shares to be issued by the Company pursuant to the exercise of the Warrants in accordance with the provisions of the Deed Poll will, upon allotment, issuance and full payment of the exercise price of the Warrants, rank equally in all respects with the existing EHB Shares save and except that the holder of such new EHB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of EHB, the entitlement date of which is prior to the date of allotment and issuance of the new EHB Shares to be issued arising from the exercise of the Warrants.

APPENDIX I – INDICATIVE SALIENT TERMS OF THE WARRANTS *(Cont'd)*

- Adjustments to the exercise price and/or number of Warrants in the event of alteration to the share capital : The exercise price and/or number of Warrants may be subject to adjustments by the Board in consultation with the approved adviser or the external auditors of EHB and certified by the external auditors of EHB, in the event of any alteration to the share capital of the Company whether by way of rights issue, bonus issue, capitalisation issue, consolidate or subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Deed Poll.
- Rights of the Warrant holders : The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of the Warrants exercise their Warrants for new EHB Shares in accordance with the provisions of the Deed Poll and such EHB Shares have been allotted and issued to such holders.
- Modification of rights of the Warrant holders : Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant holders.
- Board lot : For the purpose of trading on Bursa Securities, one (1) board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new EHB Shares to be issued arising from the exercise of the Warrants at any time during the Exercise Period, or such other denomination as determined by Bursa Securities from time to time.
- The Warrants will be immediately detached from the Rights Shares upon issuance and shall be listed and traded on the Main Market of Bursa Securities when the Warrants meet the conditions of the Listing Requirements of at least 100 holders of Warrants holding not less than one (1) board lot each and submitting relevant application for the Warrants to be listed on the Main Market of Bursa Securities. The Warrants will not be listed in the event this condition is not met.
- Rights in the event of winding-up, liquidation, compromise and/or arrangement : In the event a resolution is passed for a members' voluntary winding-up of the Company or liquidation or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:
- (i) for the purposes of such winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders or some person designated by them for such purpose by special resolution, shall be a party, the terms of such winding-up, liquidation, compromise or arrangement shall be binding on all the Warrant holders; and
 - (ii) in any other case, every Warrant holder shall be entitled to exercise his/her Warrants at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new EHB Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.

APPENDIX I – INDICATIVE SALIENT TERMS OF THE WARRANTS *(Cont'd)*

Listing status	:	The Warrants will be listed and traded on the Main Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

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1. Agreement to sell and purchase

AHSB agrees to sell and Uppervista agrees to purchase Subject Property - Partial Tower E Building at the Purchase Consideration, free from all encumbrances with vacant possession, subject to the completion of the renovation, refurbishment and interior fit-out works in respect of Subject Property - Partial Tower E Building in accordance with the specification as mutually agreed by AHSB and Uppervista ("**Renovation Works**").

2. Purchase consideration and manner of payment**(i) Purchase consideration**

- (a) The Purchase Consideration is RM240,249,305.00, calculated based on the aggregate GFA of Subject Property - Partial Tower E Building (excluding common area) of approximately 525,438 square feet (inclusive of 517,569 square feet GFA for parcels and 7,869 square feet GFA for accessory parcel) multiplied by a rate of approximately RM457.24 per square foot.
- (b) For the avoidance of doubt, subject to the finalisation and approval of the Renovation Plans (as defined herein), AHSB and Uppervista agreed that the GFA of the parcels and accessory parcels may be redesignated to include the following purpose—
 - (1) 132,181 square feet for retail units' net lettable area;
 - (2) 23,490 square feet for ballroom;
 - (3) 163,561 square feet for walkways and amenities for the retail podium; and
 - (4) 206,206 square feet for hotel rooms, walkways and its supporting amenities located in the hotel tower.

(ii) Manner of payment

The Purchase Consideration shall be paid by Uppervista in the following manner:

- (a) RM72,074,791.50, being a sum equivalent to 30% of the Purchase Consideration ("**First Payment**"), shall be paid to AHSB within 14 days from the Unconditional Date (as defined herein) failing which, Uppervista shall pay to AHSB interest at the rate of 8% per annum on the First Payment or any part thereof remaining unpaid, calculated on a daily basis, from the day following the expiry of the said 14 days until the date of actual payment of the First Payment;
- (b) RM144,149,583.00, being a sum equivalent to 60% of the Purchase Consideration ("**Second Payment**"), together with all late payment interest (if applicable), shall be paid by Uppervista on or before the day falling 14 days after the completion of the Renovation Works ("**Second Payment Date**") to AHSB's solicitors as stakeholders.

- (c) RM24,024,930.50, being a sum equivalent to 10% of the Purchase Consideration ("**Final Payment**"), shall be paid by Uppervista 7 days after the expiry of the DLP (as defined herein) or 7 days after the termination of all contracts as required by Uppervista which are or may, in the view of the Uppervista, be binding upon AHSB in respect of the Subject Property - Partial Tower E Building, whichever is later, to AHSB's solicitors as stakeholders failing which, Uppervista shall pay to AHSB interest at the rate of 8% per annum on the Final Payment or any part thereof remaining unpaid, calculated on a daily basis, from the day following the expiry of the said 14 days until the date of actual payment of the Final Payment.

(iii) Extended Second Payment Date

In the event Uppervista shall fail to pay the Second Payment by the Second Payment Date, AHSB shall automatically grant to Uppervista an extension of one month from the Second Payment Date to pay the Second Payment ("**Extended Second Payment Date**"), provided that Uppervista shall pay to AHSB interest at the rate of 8% per annum on the Second Payment or any part thereof remaining unpaid, calculated on a daily basis, from the day following the Second Payment Date until the date of actual payment of the Second Payment. If the need for the extension is attributable to any default or default or delay on the part of AHSB in excess of the stipulated timeframe and such delay is not attributable to Uppervista or any other delay that is not attributable to Uppervista, the Second Payment Date shall be extended by the number of days of delay free from any interest.

(iv) Adjustment to the Purchase Consideration

- (a) The parties agree that in the event the aggregate GFA of Subject Property - Partial Tower E Building (excluding common area) as stated in the separate strata title when issued is lesser than 525,438 square feet GFA as shown in the architect's drawing, there shall be a downwards adjustment of the Purchase Consideration for the difference in excess of 2% of the GFA (excluding the common area) calculated at RM457.24 per square foot.
- (b) For the avoidance of doubt, AHSB shall not be entitled to any upwards adjustment of the Purchase Consideration if the GFA of Subject Property - Partial Tower E Building (excluding common area) as stated in the separate strata title when issued exceeds 525,438 square feet GFA as shown in the architect's drawing.
- (c) Any payment resulting from the adjustment and required to be paid by AHSB shall be so paid within 30 days of the issuance of the separate strata title to Subject Property - Partial Tower E Building or such other date as may be mutually agreed in writing by the parties.

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3. Conditions precedent**(i) Conditions precedent of SPA**

The obligations of the parties that are set out in the SPA in respect of the sale and purchase of Subject Property - Partial Tower E Building are conditional upon the following conditions precedent (collectively, the “**Conditions Precedent**”) being obtained/fulfilled or waived (as the case may be) by the day falling 12 months after the date of the SPA, or such other extended date as Uppervista may at its absolute discretion decide (“**Cut-Off Date**”):

- (i) EHB having obtained, at its own costs and expenses, the approval of its non-interested shareholders at a general meeting to be convened in respect of the Proposed Acquisition and the Proposed Rights Issue with Warrants;
- (ii) EHB having obtained, at its own costs and expenses, the approval of Bursa Securities for the listing and quotation of the Rights Shares and the admission of the Warrants to the official list of the Main Market of Bursa Securities;
- (iii) EHB having implemented and completed, at its own costs and expenses, the Proposed Rights Issue with Warrants (as evidenced by the listing and quotation of the Rights Shares and the listing of the Warrants on the Main Market of Bursa Securities);
- (iv) Uppervista having obtained, at its own costs and expenses, the approval for a loan from any bank or financial institution to finance the payment of the Purchase Consideration;
- (v) AHSB having procured for the confirmation in writing from CASB, being the developer of Subject Property - Partial Tower E Building (“**Developer of Tower E**”), to be delivered to Uppervista –
 - (1) consenting on the sale of Subject Property - Partial Tower E Building from AHSB to Uppervista;
 - (2) confirming that AHSB is the current beneficial owner of Subject Property - Partial Tower E Building;
 - (3) confirming on the current chargee and/or assignee of Subject Property - Partial Tower E Building (if any); and
 - (4) in the event that Subject Property - Partial Tower E Building is subject to any restriction in interest restricting the transfer of Subject Property - Partial Tower E Building to Uppervista, the Developer of Tower E's undertaking that it will apply for the state authority's consent to transfer in favour of Uppervista or alternatively, it will list Uppervista's name in the application of such consent upon issuance of the strata title to Subject Property - Partial Tower E Building;
- (vi) AHSB and Uppervista having mutually agreed to the relevant plans for the Renovation Works (as defined herein);
- (vii) AHSB having procured, at its own costs and expenses, the Developer of Tower E to apply and obtain the approved Renovation Plans from the appropriate authority in respect of Subject Property - Partial Tower E Building to facilitate the undertaking of the Renovation Works;

- (viii) where applicable, AHSB having obtained any approval, waiver or consent as required by Uppervista from any counter party to any contract which is or may, in the view of Uppervista, be binding upon AHSB in respect of the Subject Property - Partial Tower E Building, to the extent that such contract remains subsisting; and
- (ix) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties.

(ii) Right to terminate

If –

- (a) on or at any time prior to the expiry of the Cut-Off Date, any of the Conditions Precedent shall have been refused and appeal or appeals to the persons against such refusal have not been successful and such Conditions Precedent is not waived by Uppervista;
- (b) on or at any time prior to the expiry of the Cut-Off Date, any of the Conditions Precedent shall have been granted subject to terms and conditions which are not acceptable to Uppervista being terms and conditions which affect Uppervista, and further representations to the relevant authorities or persons to vary such terms and conditions have not been successful, and Uppervista is not willing to accept such terms and conditions then imposed by the relevant authorities or persons and such Conditions Precedent is not waived by Uppervista; or
- (c) on the expiry of the Cut-Off Date, any of the Conditions Precedent have not been obtained or fulfilled or waived (as the case may be),

then Uppervista shall be entitled to terminate the SPA by giving a notice of termination to that effect to AHSB, whereupon any and all monies paid by Uppervista towards account of the Purchase Consideration (if any) shall be refunded to Uppervista free of interest and thereafter, the parties shall not have any further rights or obligations under the SPA except in respect of –

- (A) any obligation under the SPA which is expressed to apply after the termination of the SPA; and
- (B) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SPA to either party prior to such termination.

(iii) Unconditional Date

The SPA shall become unconditional on the day when all the Conditions Precedent have been obtained and/or fulfilled and/or waived ("**Unconditional Date**").

4. Guarantee by AHSB's shareholders

In consideration of Uppervista entering into the SPA, AHSB agrees that it shall procure its controlling shareholders, Lim Aik Hoe and Lim Aik Kiat, to execute and deliver to Uppervista the personal guarantee in the form and substance set out in the SPA on the even date of the SPA to secure and guarantee the performance by AHSB of its obligations under the SPA.

5. Third party agreements pertaining to Subject Property - Partial Tower E Building

AHSB shall or shall procure, at its own costs and expenses, the termination of all contracts as required by Uppervista which are or may, in the view of Uppervista, be binding upon AHSB in respect of the Subject Property - Partial Tower E Building on or before Completion (as defined herein). AHSB shall indemnify Uppervista against any costs, proceedings, claims, damages, liabilities, demands and expenses which may be incurred by Uppervista as a result of any failure by AHSB in the performance and fulfilment of any of its obligations under such agreements and/or documents.

6. Deemed completion**(i) Deemed completion of purchase of Subject Property - Partial Tower E Building**

- (a) Subject to the AHSB's receipt of prior written notice of 30 days or such other period as mutually agreed by the parties from Uppervista, exercising the option to pay the Redemption Sum (as defined herein) before the completion of the Renovation Works, AHSB and Uppervista agree that the sale and purchase of Subject Property - Partial Tower E Building shall be deemed completed ("**Completion**") on the day upon which the amount payable to AHSB's financier in order to redeem Subject Property - Partial Tower E Building from AHSB's Financier ("**Redemption Sum**") and obtain the relevant documents for redemption of Subject Property - Partial Tower E Building ("**Redeem Documents**") has been fully settled by Uppervista, notwithstanding the non-completion of the Renovations Works and that the balance of the Second Payment (if any) and Final Payment may not yet have been fully settled as at such date.
- (b) Uppervista's solicitors shall and are hereby authorised by the parties to date and stamp the deed of assignment in respect of the assignment of AHSB's rights, title and interests in and to Subject Property - Partial Tower E Building and under the Principal SPA in favour of Uppervista ("**Deed of Assignment**") and within 3 business days from Completion.
- (c) For avoidance of doubt and ambiguity and subject to provisions of the SPA, the receipt by AHSB and/or AHSB's solicitors of the letter of undertaking from Uppervista's financier and the stamping of the Deed of Assignment shall not be deemed as the fulfilment of the payment obligation of Uppervista towards settlement of the Purchase Consideration. The obligation of Uppervista to pay the balance Purchase Consideration or any part thereof to the Vendor shall only be deemed to be fulfilled upon receipt of the full balance Purchase Consideration by AHSB and/or AHSB's solicitors.

(ii) Delivery of legal possession

Legal possession of Subject Property - Partial Tower E Building free from all encumbrances (save for AHSB's assignment to its financier, OCBC AL-Amin Bank Berhad which shall be removed following its financier's receipt of the Redemption Sum) shall be deemed delivered by AHSB to Uppervista and Uppervista shall be the beneficial owner of Subject Property - Partial Tower E Building upon Completion. For the avoidance of doubt, it is agreed by AHSB and Uppervista that vacant possession of Subject Property - Partial Tower E Building shall remain with AHSB for purpose of the completion of the Renovation Works.

7. Vendor's obligation upon Completion

In the event the Completion has occurred prior to the completion of the Renovation Works, the parties agree that AHSB shall cause and procure Totalbuildz Sdn Bhd, being the contractor appointed by AHSB to carry out the Renovation Works ("**Contractor**"), to continue and complete the Renovation Works.

8. Completion of Renovation Works and delivery of vacant possession

- (i) AHSB undertakes that Renovation Works shall be completed, and vacant possession of Subject Property - Partial Tower E Building free from all encumbrances, shall be delivered by AHSB to Uppervista, within 24 months from the Unconditional Date, failing which –
 - (a) AHSB shall be liable to Uppervista for the late delivery interest at the rate of 8% per annum of the Purchase Consideration calculated on a daily basis on the Purchase Consideration for each day of the delay, until the date of actual delivery of vacant possession of Subject Property - Partial Tower E Building to Uppervista; and
 - (b) Uppervista shall be entitled to appoint an alternate renovation contractor to complete the Renovation Works and AHSB shall fully reimburse and indemnify Uppervista for all costs incurred in connection with the appointment of the alternate renovation contractor and the completion of the Renovation Works.
- (ii) AHSB covenants with Uppervista that Subject Property - Partial Tower E Building shall subject to the Renovation Works, substantially be in and of the same condition, state, nature and character (fair wear and tear excepted) as at the date of the SPA at the date of delivery of vacant possession of Subject Property - Partial Tower E Building to Uppervista.

9. Defect liability period

- (i) Save for the defects, shrinkage or other faults in respect of the Renovation Works, any defects, shrinkage or other faults in the structure of the Building which becomes apparent within 24 months from the date of delivery of the vacant possession of Subject Property - Partial Tower E Building ("**Date of Vacant Possession**") shall be repaired and made good by AHSB at its own costs and expenses within 60 days of AHSB having received written notice thereof from Uppervista or such other period as mutually agreed by the parties.
- (ii) Any defects, shrinkage or other faults in respect of the Renovation Works which becomes apparent within 12 months from the Date of Vacant Possession ("**DLP**") and which are due to defective workmanship or materials in respect of the Renovation Works or the Renovation Works not having been completed in accordance with the Renovation Plans shall be repaired and made good by AHSB at its own costs and expenses within 60 days of AHSB having received written notice thereof from Uppervista or such other period as mutually agreed by the parties.

10. Termination**(i) AHSB's right to terminate**

AHSB will be entitled, at any time after any such default arises, to terminate the SPA by notice in writing to Uppervista if –

- (a) any of warranties given by Uppervista is found at any time to be untrue or incorrect and Uppervista fails within 30 days of receipt of a notice from AHSB to remedy the breach or such other mutually agreed extended period provided that AHSB's consent for an appropriate extension period shall not be unreasonably withheld;
- (b) Uppervista fails to pay for the Purchase Consideration and the late payment interest (if any), in accordance with the provisions of the SPA;
- (c) Uppervista breaches any of the covenants, undertakings, and/or obligations of Uppervista and Uppervista fails within 30 days of receipt of a notice from AHSB to remedy such breach or such other mutually agreed extended period provided that AHSB's consent for an appropriate extension period shall not be unreasonably withheld;
- (d) the Deed of Assignment or the deed of receipt and reassignment to be executed by AHSB's financier and AHSB in respect of the reassignment of all rights, title, interests in and to Subject Property - Partial Tower E Building and under the Principal SPA from AHSB's financier in favour of AHSB ("**Deed of Receipt & Reassignment**"), cannot be perfected for any reasons whatsoever caused by or attributable to any act, default or omission of Uppervista; or
- (e) Uppervista is or becomes, or is adjudicated or found to be wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it.

If a notice terminating the SPA is duly given by AHSB, then within 14 business days of the giving of the notice or such other mutually agreed extended period provided that AHSB's consent for an appropriate extension period shall not be unreasonably withheld –

- (A) a sum equivalent to 10% of the Purchase Consideration shall be forfeited by AHSB as agreed liquidated damages;
- (B) AHSB must return or caused to be returned all remaining monies received by it as part of the Purchase Consideration free of interest to Uppervista; and/or
- (C) AHSB's solicitors must and are hereby authorised to return all remaining monies received by them as part of the Purchase Consideration and held by them as at that date, together with interest accrued thereon (if any and if such monies were deposited into an interest bearing account with prior written instruction from Uppervista), to Uppervista; and

- (D) in exchange for AHSB's simultaneous compliance with the provisions above –
- (1) Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier (as the case may be) must return or cause to be returned to AHSB and/or AHSB's solicitors all documents delivered to Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier, including the original Deed of Assignment and Redeem Documents which are as that date in their possession (if any) with AHSB's interest intact, provided that in the event that the Deed of Assignment has as at that date been stamped for ad valorem stamp duty in the full amount, Uppervista or Uppervista's solicitors shall be authorised to forward the duly stamped Deed of Assignment to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by Uppervista and thereafter to forward the Deed of Assignment to AHSB for cancellation; and
- (2) Uppervista shall forthwith withdraw the private caveat at its own cost and expense if the same has been lodged by Uppervista against Subject Property - Partial Tower E Building and re-deliver to AHSB the legal/vacant possession of Subject Property - Partial Tower E Building, if the same has been delivered to Uppervista.

(ii) Uppervista's right to terminate

Uppervista will be entitled, at any time after any such default arises, to terminate the SPA by notice in writing to AHSB if –

- (A) any of warranties given by AHSB is found at any time to be untrue or incorrect and AHSB fails within 30 days of receipt of a notice from Uppervista to remedy the breach or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld;
- (B) AHSB fails, neglects or refuses to complete the sale in accordance with the provisions of the SPA;
- (C) AHSB breaches any of the covenants, undertakings, and/or obligations of AHSB and AHSB fails within 30 days of receipt of a notice from Uppervista to remedy such breach or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld;
- (D) the Deed of Assignment or the Deed of Receipt & Reassignment cannot be perfected for any reasons whatsoever caused by or attributable to any act, default or omission of AHSB; or
- (E) AHSB is or becomes, or is adjudicated or found to be wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it.

If a notice terminating the SPA is duly given by Uppervista, then within 14 business days of the giving of the notice or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld –

- (a) AHSB must return all monies received by it as part of the Purchase Consideration free of interest, to Uppervista; and/or
- (b) AHSB's solicitors must and are hereby authorised to return all monies received by them as part of the Purchase Consideration and held by them as at that date, together with interest accrued thereon (if any and if such monies were deposited into an interest bearing account with prior written instruction from Uppervista), to Uppervista;
- (c) AHSB must pay an additional sum equivalent to 10% of the Purchase Consideration as agreed liquidated damages to Uppervista; and
- (d) in exchange for AHSB's simultaneous compliance with the provisions above –
 - (1) Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier (as the case may be) must return or cause to be returned to AHSB and/or AHSB's solicitors all documents delivered to Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier, including the original Deed of Assignment and Redeem Document which are as that date in their possession (if any) with AHSB's interest intact, provided that in the event that the Deed of Assignment has as at that date been stamped for ad valorem stamp duty in the full amount, Uppervista or Uppervista's solicitors shall be authorised to forward the duly stamped Deed of Assignment to the Collector of Stamp Duty for cancellation and for a refund of the *ad valorem* stamp duty so paid by Uppervista and thereafter to forward the Deed of Assignment to AHSB for cancellation; and
 - (2) Uppervista shall forthwith withdraw the private caveat at its own cost and expense if the same has been lodged by Uppervista against Subject Property - Partial Tower E Building and re-deliver to AHSB the legal/vacant possession of Subject Property - Partial Tower E Building, if the same has been delivered to Uppervista.

(iii) Non-perfection of the Deed of Assignment or Deed of Receipt & Reassignment

In the event the Deed of Assignment or Deed of Receipt & Reassignment cannot be perfected for any reason whatsoever not due to any fault of either of the parties and cannot be remedied within 30 days of receipt of a notice to remedy the breach or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld, Uppervista shall be entitled to terminate the SPA by notice in writing to AHSB, whereupon within 14 business days of the giving of the notice or such other mutually agreed extended period provided that Uppervista's consent for an appropriate extension period shall not be unreasonably withheld –

- (a) AHSB must return all monies received by them as part of the Purchase Consideration free of interest to Uppervista or to Uppervista's solicitors;

APPENDIX II – SALIENT TERMS OF THE SPA (Cont'd)

- (b) AHSB's solicitors must and are hereby authorised to return all monies received by them as part of the Purchase Consideration and held by them as at that date together with interest accrued thereon (if any and if such monies were deposited into an interest bearing account with prior written instruction from Uppervista), to Uppervista;
- (c) in exchange for AHSB's simultaneous compliance with the provisions above –
 - (1) Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier (as the case may be) shall and are hereby authorised to, return to AHSB and/or AHSB's solicitors all documents delivered to Uppervista, Uppervista's solicitors and the solicitors of Uppervista's financier, including the original Deed of Assignment has as at that date been stamped for *ad valorem* stamp duty in the full amount, Uppervista or Uppervista's solicitors shall be authorised to forward the duly stamped Deed of Assignment to the Collector of Stamp Duty for cancellation and for a refund of the *ad valorem* stamp duty so paid by Uppervista and thereafter to forward the Deed of Assignment to AHSB for cancellation; and
 - (2) Uppervista shall forthwith withdraw the private caveat at its own cost and expenses if the same has been lodged by Uppervista against Subject Property - Partial Tower E Building and re-deliver to AHSB the legal/vacant possession of Subject Property - Partial Tower E Building, if the same has been delivered to Uppervista.

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EXSIM Hospitality Berhad
D-35-01, Level 35, EXSIM Tower
Millerz Square @ Old Klang Road, Megan Legasi
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur

Date: 27 February 2025

Our Ref. No.: V/COR/24/0105(A)/ckc

Dear Sir / Madam,

VALUATION CERTIFICATE FOR A PROPOSED 5-STAR RATED 294-ROOM HOTEL TOWER TOGETHER WITH RETAIL PODIUM IDENTIFIED AS TOWER E COMPRISING RELEVANT AREAS AND COMPONENTS FORMING PARCEL(S) + ACCESSORY PARCEL(S) APPURTENANT THERETO; ERECTED ON PART OF PARENT LOT 90573 HELD UNDER MASTER TITLE NO. PAJAKAN NEGERI 116964, MUKIM OF SUNGAI BULOH, DISTRICT OF PETALING, SELANGOR DARUL EHSAN (HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")

We were instructed by EXSIM Hospitality Berhad ("EHB") (hereinafter referred to as the "Client") to ascertain the Market Value of the respective legal interest in the Subject Property listed herein.

This Valuation Certificate is prepared for the submission to the Securities Commission Malaysia / Bursa Malaysia Securities Berhad and for the inclusion in the circular to shareholders of EHB in relation to the proposed acquisition of the Subject Property.

This Valuation Certificate is prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

This Valuation Certificate is prepared in accordance with the General Principles adopted and Limiting Conditions, General Terms of Business for Valuation Services and General Scope of Valuation Work; as enclosed at the end of our formal valuation reports. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal valuation report.

The basis of valuation adopted is the Market Value which is defined 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 and where the parties had each acted knowledgeably, prudently and without compulsion".

Accordingly, we have conducted the site inspection on various occasions, being the latest on 21 February 2025. As such, we have adopted 21 February 2025 as the material date of valuation.

Brief description of the Subject Property is attached overleaf.

Knight Frank Malaysia Sdn Bhd Co Reg. No. 200201017816 (585479-A)



Level 10, Menara Southpoint, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur.

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IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property	<p>Legal interest in a proposed *5-star rated 294-room hotel tower together with retail podium identified as Tower E comprising relevant areas and components forming parcel(s) + accessory parcel(s) appurtenant thereto, erected on part of Parent Lot 90573 held under Master Title No. Pajakan Negeri 116964, Mukim of Sungai Buloh, District of Petaling, Selangor Darul Ehsan.</p> <p>*Note: Pursuant to the letter of undertaking issued by Arcadia Hospitality Sdn Bhd ("AHSB") to Uppervista Sdn Bhd, AHSB undertakes that, upon the date of vacant possession, Tower E shall meet the specifications, quality and standards required to be rated as a 5- star city hotel by the Ministry of Tourism, Art & Culture of Malaysia and any other applicable local and international 5-star classification"</p>
Locality	Being part of a 23-acre self-contained integrated mixed-use development of Empire City; bounded by PJ Trade Centre to its immediate west [separated by Lebuhraya Damansara – Puchong (LDP)].
Terms of Reference	<p>WE HAVE BEEN SPECIFICALLY INSTRUCTED BY THE CLIENT TO ASCERTAIN THE MARKET VALUE OF THE SUBJECT PROPERTY BASED ON THE BASIS AND ASSUMPTIONS:-</p> <p>I. THAT THE PROPOSED 294-ROOM HOTEL TOWER WILL BE DELIVERED AS A 5-STAR HOTEL AND SHALL MEET THE SPECIFICATIONS, QUALITY AND STANDARDS BY THE MINISTRY OF TOURISM, ART & CULTURE OF MALAYSIA (MOTAC), INCLUDING BUT NOT LIMITED TO THE PHYSICAL CONSTRUCTION, INTERIOR FINISHES, FIT-OUTS & FURNISHING, FACILITIES, AMENITIES, AS WELL AS COMPLIANCE WITH ANY OTHER APPLICABLE LOCAL AND INTERNATIONAL 5-STAR CLASSIFICATION BENCHMARKS AND IN ACCORDANCE TO THE DESIGN CONCEPT REQUIRED BY UPPERVISTA SDN BHD (MINIMALLY FULFILLING THE FOLLOWING MAJOR CRITERION FOR 5-STAR RATING AS OUTLINED BY MOTAC):-</p> <ul style="list-style-type: none"> ➢ HOUSEKEEPING (25% WEIGHTAGE POINT) <ul style="list-style-type: none"> • MINIMUM ROOM SIZE OF 36 SQM (>80% OF THE HOTEL ROOMS ARE 36 SQM AND ABOVE) • MINIMUM 4 TYPES OF ROOMS (STANDARD, SUPERIOR, DELUXE & SUITES) ➢ FOOD & BEVERAGE (F&B) AND KITCHEN (11% & 10% RESPECTIVELY WEIGHTAGE POINT) <ul style="list-style-type: none"> • COFFEE HOUSE, RESTAURANT, LOUNGE / BAR, IN-ROOM DINING & DEDICATED KITCHEN ➢ GUEST FACILITIES (7% WEIGHTAGE POINT) <ul style="list-style-type: none"> • SWIMMING POOL, CHANGING ROOMS, GYMNASIUM, SPA/SAUNA, CONVENIENCE STORE, BUSINESS CENTRE ➢ FAÇADE, FRONT OFFICE, HUMAN RESOURCE MANAGEMENT, COMPLAINTS, SECURITY, ICT, SPECIAL HOTEL FEATURES (TOTAL OF 47% WEIGHTAGE POINT); <p>II. THAT THE PROPOSED 5-STAR RATED 294-ROOM HOTEL TOWER TOGETHER WITH RETAIL PODIUM ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE THE PRELIMINARY DRAWINGS DATED 17 DECEMBER 2024 BY EDA ARCHITECTS (PENDING FINAL APPROVAL FROM AUTHORITY AS APPROVED RENOVATION PLAN); WITH ALL RELEVANT FEES PAID AND APPROVALS OBTAINED (IF ANY);</p> <p>III. THAT THE SUBJECT PROPERTY WILL BE A FULLY OPERATIONAL HOTEL TOGETHER WITH RETAIL PODIUM AND THE VALUATION HEREBY GIVEN COMPRISES THE VALUE ATTRIBUTED TO THE REAL ESTATE, GOODWILL AND THE FURNITURE, FITTINGS AND EQUIPMENT USED IN THE OPERATION OF THE HOTEL BUSINESS;</p> <p>IV. THAT THE SUBJECT PROPERTY HAS THE BENEFIT OF AND CONFORMS TO ALL NECESSARY PERMITS, LICENSES, CERTIFICATES ETC;</p> <p>V. THAT A SEPARATE STRATA TITLE(S) CONVEYING A LEASEHOLD INTEREST FOR A TERM OF 99 YEARS (REMAINING UNEXPIRED TERM OF ABOUT 79 YEARS) IN RESPECT OF THE SUBJECT PROPERTY IS FORTHCOMING AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES AND RESTRICTIVE CONDITION.</p> <p>"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED"</p>
Tenure of Parent Lot	Leasehold interest for a term of 99 years, expiring 8 June 2104 (remaining unexpired term of 79 years).
Surveyed Land Area of Parent Lot	9.536 hectares (23.56 acres).


IDENTIFICATION OF PROPERTY (CONT'D)

Registered Proprietor of Parent Lot Cosmopolitan Avenue Sdn Bhd.

State of Completion The earthwork and structural components of the Subject Property has been 100% completed and issued with Partial Certificate(s) of Completion and Compliance (Partial CCC) by Lembaga Arkitek Malaysia and undergoing the renovation and interior fit-out works to become a 5-star rated hotel and retail podium with overall estimated 62.5% of works completed.

Planning The Subject Property is issued with the following Partial Certificate(s) of Completion and Compliance (Partial CCC) by Lembaga Arkitek Malaysia:-

- Basement 2 : Certificate No. LAM/S/No. 0683 dated 13 April 2016.
- Level 3 - 20 : Certificate No. LAM/S/No. 0863 dated 28 May 2018.
- Basement 3 : Certificate No. LAM/S/No. 1226 dated 25 October 2023.
- Basement 1, Lower Ground 2 & Lower Ground 1: Certificate No. LAM/S/No. 1187 dated 25 October 2023.
- Ground Floor, Level 1, Level 2 & Level 2A: Certificate No. LAM/S/No. 1253 dated 22 March 2024.

Title Particulars Title particulars are extracted from title search conducted at the Pejabat Tanah dan Galian Selangor on 6 February 2025. The following table outlines the title particulars of the Subject Property: -

Summary of Title Particulars	
Lot No. / Mukim / District / State	Lot 90573 held under Title No. Pajakan Negeri 116964, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
Land Area	95,360 square metres.
Tenure	Leasehold interest for a term of 99 years, expiring 8 June 2104 (remaining unexpired term of about 79 years).
Quit Rent (Land Tax)	RM203,022.00 per annum.
Registered Proprietor	Cosmopolitan Avenue Sdn Bhd.
Category of Land Use	"Bangunan".
Express Condition	"Bangunan Perniagaan".
Restriction-In-Interest	"Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri".
Encumbrance	Nil.
Endorsement	Nil.

PROPERTY DESCRIPTION

Location Empire City is a self-contained integrated mixed commercial; broadly bounded by PJ Trade Centre to its immediate west; separated by Lebuhraya Damansara-Puchong (LDP). Opposite Empire City is Central Park Damansara, which is a mixed development that comprises of serviced residences, offices and retails and the projects that have been launched are D'Vine, D'Clover, D'Terra and D'Tessera; whilst the completed projects include D'Cosmos, D'Quince, D'Vervain and D'Erica. Geographically, the Kuala Lumpur city centre is located approximately 10 kilometres due south-east of the Empire City.



PROPERTY DESCRIPTION (CONT'D)

Property Description

The proposed Hotel Tower E consists of hotel cum retail podium is strategically located at the southern portion of the integrated development enclave of Empire City. The Subject Property forms part of a 45-storey commercial building consist of a proposed 20-storey 5-star rating 294-room hotel tower (Level 3 to 20) cum 9 level of retail podium (Basement 1 to 3, Lower Ground 1 and 2, Ground Floor, Upper Ground, Level 1 and 2) upon full completion of the renovation and interior fit-out works (under valuation) and a 27-storey of Crown Tower (Level 21 to Level 47) (not form part of our valuation). Its standard room sizes will range from 356 square feet to 814 square feet.

The construction of the proposed hotel tower cum retail podium will be of reinforced concrete frame rendered externally and plastered internally supporting a reinforced concrete flat roof concealed behind parapet walls. The elevations of the building will incorporate aluminium framed windows with laminated reflective glass panels and the façade is tinted architectural glass.

The hotel lobby planned to incorporate spiral staircase, luggage storage, retail, reception area and front office.

The lift lobby and corridor of the guestroom planned to be designed in a black and white cultural theme printed graphic and cobalt blue textured wallpaper whilst the flooring will be in batik inspired carpeting.

The typical guestroom planned to be fully furnished and suitably equipped to commensurate to the property's 5-star rating. All guest accommodation planned to provide en-suite bathroom / wc facilities.

Furniture planned to be custom designed and made; planned to be fitted with built-in wardrobe, push cart minibar and wall mirrors / wallpaper whilst the en-suite bathrooms planned to have natural stone flooring and walls with glazed shower enclosure. The bathroom planned to be fitted with freestanding bathtub and equipped with a selection of toiletries.

Other room amenities planned to include remote control High-definition LCD TV, high speed internet access point, telephone lines, bathroom telephone, iron and ironing board, weighing scale, alarm clock, bathrobes, slippers, hangers, full length mirror, selection of magazines, fridge, electronic safe box, trash can, art work and tea & coffee making.

Vertical access between floors planned to be by means of passenger lifts, service lifts and escalators complemented with reinforced staircases strategically located within the building.

Type of Property

294 guest rooms together with retail podium.

Proposed Parcel Area
(Excluding Common
Area)

Type	Proposed Parcel Area
Retail Podium	29,657.32 square metres (319,231 square feet).
Hotel Tower	19,157.04 square metres (206,206 square feet).
Total	48,814.36 square metres (*525,438 square feet).

Source: Preliminary drawings dated 17 December 2024 prepared by EDA architect.

*Note: There is discrepancy of 1 square feet in total Parcel Area due to rounding.

Net Lettable Area of
Retail Units

12,280.02 square metres (132,181 square feet).



PROPERTY DESCRIPTION (CONT'D)

Car Parking Bays The proposed development will NOT have the ownership of car parking bays but car parking facilities will be readily available within the overall development of Empire City.

Draft Hotel Management Agreement

Summary of Proposed Terms for Draft Hotel Management Agreement

Terms	The term of this agreement shall commence on the Effective Date and, unless sooner terminated as provided in this agreement, shall continue in force until expiry of the 15th (Fifteenth) full Financial Year after the Repositioning Completion Date ("Initial Term") following which the agreement will remain in force until expiry of the 5th (fifth) full Financial Year after the Initial Term (Extended Term), (i) unless sooner terminated as provided in this agreement or (ii) unless and until terminated by either party giving not less than 6 (six) months' written notice to the other to terminate on expiry of the Initial Term.													
Base Fee	2% of gross revenues derived from the Hotel Management Service.													
Incentive Fee	6% of operating profit derived from the Hotel Management Service.													
Reserve	<table><tr><th>Years from Hotel opening</th><th>Percentage of Gross Operating Revenue</th></tr><tr><td>1 - 3</td><td>1.0%</td></tr><tr><td>4 - 5</td><td>1.5%</td></tr><tr><td>6 - 7</td><td>2.0%</td></tr><tr><td>8 - 9</td><td>2.5%</td></tr><tr><td>10 onwards</td><td>3.0%</td></tr></table> <p>These percentage contributions will be deducted from the operating profit of the Hotel. The Manager will utilize the Reserve, as it deems necessary, to cover the cost of replacements, renewals and additions to the furniture, fixtures and equipment of the Hotel and reserve-funded capital expenditures.</p>		Years from Hotel opening	Percentage of Gross Operating Revenue	1 - 3	1.0%	4 - 5	1.5%	6 - 7	2.0%	8 - 9	2.5%	10 onwards	3.0%
Years from Hotel opening	Percentage of Gross Operating Revenue													
1 - 3	1.0%													
4 - 5	1.5%													
6 - 7	2.0%													
8 - 9	2.5%													
10 onwards	3.0%													

MARKET VALUE

Valuation Methodology In arriving at our opinion of the Market Value of the Subject Property, we have adopted the Income Approach by Discounted Cash Flow Method supported by the Comparison Approach.

Income Approach by Discounted Cash Flow Method Discounted Cash Flow incorporates the estimation of future annual cash flows over an investment horizon (forecasted/projected period) from the valuation date by referencing to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date.

In our assessment, we have carried out a DCF analysis over a 10-year investment horizon by using ARGUS Enterprise - Property Valuation Software, where we have projected the property to achieve a stabilised / optimum level of growth at the end of Year 10. We have included a Terminal Value for the remaining unexpired term of about 69 years (balance of the leasehold period after the initial 10 years projection) after the projection period (based on the Year 10 projection) to represent the value of the asset at the end of the explicit projection period. This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class.



MARKET VALUE

Income Approach by Discounted Cash Flow Method (Cont'd)

ARGUS Enterprise is the global standard for property valuation and most comprehensive asset and portfolio management solution. Trusted by leading investment firms to value property, secure capital, manage assets, and generate wealth.

ARGUS Enterprise is able to:-

- Real-time calculations and lease level analysis
- Multiple report tabs for dynamic presentations and portfolio reviews
- Multiple currency rate tables for global consolidated reporting
- Dynamic drill-downs to examine property level results across a portfolio
- Build detailed cash flow forecasts and stress test market and leasing assumptions.

In undertaking this analysis, we have used a wide range of assumptions for the property including the growth of average daily rates and other revenues during the holding period, projected occupancy, expense ratios and other related expenses.

These projections are based on assumptions and events expected to occur in the future. Therefore, no guarantee can be given that these results will be achieved. The projections are however based on Knight Frank Malaysia Sdn Bhd's experience with similar projects.

In carrying out our valuation assessment, we have studied the client / operator's forecasts and projections and average revenue + cost expenses ratios of selected comparative sets published by Malaysia Hotel Industry Survey of Operations (2021, 2022 & 2023 Financial Year) issued by Horwath 2022 and 2023 and 2024 ("HTL 2022" & "HTL 2023" & "HTL 2024").

Knight Frank's Hotel Projection

The summary parameters of the revenue and cost assumptions are set out below and overleaf:

Summary of Parameters of Knight Frank's Hotel Projections

Hotel

Projected Average Daily Rate (ADR)

Year 1: RM390 to Year 10: RM530.

After having benchmarked against the average ADR and published room rates of other selected competing set of hotels (ranging from RM361 to RM392) as well as the provided forecast operating performance of Tower E, we have thus adopted an estimated ADR of RM390 as fair representation and within the market range at Year 1 of our projection, with a compound annual growth rate at 3.5% per annum (10-year CAGR).

Our projection is benchmarked against the historical performance of the ADR of the selected competitive set (M World Hotel (formerly known as Avanti Hotel Petaling Jaya), M Resort & Hotel Kuala Lumpur, One World Hotel and Le Meridien Petaling Jaya Hotel) as extracted from A-DATA (ranging from RM361 to RM384; for year 2024) and the published room rates of similar selected competitive set extracted from A-DATA OTAs (Online Travel Agent) forward pricing (ranging from RM355 to RM616; for the month of February 2025); as well as the Client's provided forecasted operating performance of Tower E (Subject Property) (proposed at RM410 in Year 1). In reference to the table above, the ADR for year 2022 range from RM259 to RM451 (COVID and without M Resort & Hotel Kuala Lumpur's data) and for year 2023 range from RM343 to RM400. Detailed tabulation of historical performance of selected competitive set is included in Section 4.9 of Valuation Report.



MARKET VALUE (CONT'D)

Summary of Parameters of Knight Frank's Hotel Projections (Cont'd)

Projected Average Daily Rate (ADR)	<p>Note that the ADR of the competitive set (consisting of 4 hotels) is the average of the 4 hotels and therefore, ADR of individual hotels may potentially be a mixture of higher rates and some hotels at lower rates of the RM361 to RM384 (analysed competitive set ADR for year 2024).</p> <p>We would like to further highlight the fact that both M World Hotel (formerly known as Avanté Hotel Petaling Jaya) and M Resort & Hotel Kuala Lumpur are relatively new hotels (having been completed and in operation only in years 2022/2023). Since we have included both hotels in the A-DATA competitive set, the ADR of RM361 to RM384 for year 2024 and RM343 to RM400 for year 2023 could also partially reflect rates of the relatively new 5-star rated hotels ADR.</p> <p>By considering all the abovementioned factors and datasets, the proposed ADR of RM390 at Year 1 is a fair representation and deem to be reasonable for a 5-star rated hotel.</p>
Projected Occupancy	<p>Year 1: 50.0% to Year 10: 75.0%.</p> <p>After having studied selected competing hotels (approximately 53.0% to 73.3%) as well as the Client's forecast, we have thus adopted a commencement occupancy of 50% at Year 1, 60% at Year 2; with an estimated growth rate of 3.0% per annum for Year 3 and Year 5, 2.0% growth rate of 2.0% from Year 6 and stabilised at 75% (within / close to market range) from Year 8 onwards. Over the course of the holding period, the compound annual growth rate at 4.6% per annum (10-year CAGR).</p> <p>In analysing the AOR, we relied on the similar selected competitive sets as extracted from A-DATA tabulated in Section 4.9 of Valuation Report (approximately 51.3% to 76.0%, for year 2024) as well as the Client's forecasted occupancy of 52.9% in Year 1 in deriving the AOR in our forecast, 60% at Year 2; with an estimated growth rate of 3.0% per annum from Year 3 to Year 5, 2.0% growth rate of 2.0% from Year 5 to Year 8 and stabilised at 75% (within / close to market range) from Year 8 onwards. Over the course of the holding period, the compound annual growth rate at 4.6% per annum (10-year CAGR)..</p> <p>A-DATA has confirmed that the data for M Resort & Hotel Kuala Lumpur is not included in the 2022 A-DATA results and they have started to incorporate it in Year 2023 onwards. Furthermore, both M World Hotel Petaling Jaya and M Resort & Hotel Kuala Lumpur are relatively new hotels having been completed only in years 2022/2023. In reference to the table above, the AOR for year 2022 range from 22.9% to 68.5% (COVID and without M Resort & Hotel Kuala Lumpur data) and for year 2023 range from 45.1% to 74.5%. Note that the AOR of the competitive set (consisting of 4 hotels) is the average of the 4 hotels and therefore, AOR of individual hotels may potentially be a mixture of higher rates and some hotels at lower rates of the analysed competitive set AOR.</p> <p>We would like to further highlight the fact that both M World Hotel (formerly known as Avanté Hotel Petaling Jaya) and M Resort & Hotel Kuala Lumpur are relatively new hotels (having been completed and in operation only in years 2022/2023) and A-DATA started to incorporate M Resort & Hotel Kuala Lumpur data in 2023 onwards. Since we have included both hotels in the A-DATA competitive set, the AOR of 45.1% to 74.5% for year 2023 and 51.3% to 76.0% for year 2024 could also partially reflect rates of the relatively new 5-star rated hotels AOR.</p> <p>By considering all the abovementioned factors and datasets, we have thus adopted 50% AOR at Year 1 as fair representation and deem to be reasonable for a 5-star rated hotel.</p>


MARKET VALUE (CONT'D)

Summary of Parameters of Knight Frank's Hotel Projections (Cont'd)	
Projected Base Management Fee	2.0% of Operating Revenue; in accordance with the Draft Hotel Management Agreement.
Projected Incentive Fee	In the region of 6.0% of the Gross Operating Profit; in accordance with the Draft Hotel Management Agreement.
Projected FF&E Provision	In the region of 1.0% of Adjusted Operating Revenue for Year 1 to Year 3; In the region of 1.5% of Adjusted Operating Revenue for Year 4 to Year 5; In the region of 2.0% of Adjusted Operating Revenue for Year 6 to Year 7; In the region of 2.5% of Adjusted Operating Revenue for Year 8 to Year 9; In the region of 3.0% of Adjusted Operating Revenue for Year 10 onwards; in accordance with the Draft Hotel Management Agreement.
Capitalisation Rate	6.75%. We have benchmarked against the existing yields of selected hotel buildings reflecting the current market condition, which are in the region of 6.70% to 6.92%. We have thus adopted a capitalisation rate / all-risk yield of 6.75%; as in our opinion, it is the most probable expected rate of return achievable at current moment for the Subject Property.
Discount Rate (PV)	8.75%. Discount rate is a risk-weighted factor used to calculate the net present value of the future cash flows from the asset till the time of exit. Our interpretation of the discount rate is based on the premise that the value of a dollar to be received in the future is equal to a dollar today minus some factor to account for the risk that the future dollar may not materialize (which can also be explained as opportunity cost, expected return of capital when invested elsewhere). A general way of determining the discount rate is to adopt the capitalisation rate together with the long-term growth rate or expected average annual appreciation of the asset. In general, the long-term growth rate for a particular asset class / sector is benchmarked against the inflation rate (in circa of 2.0% to 3.2%) as well as the Compound Annual Growth Rate (CAGR) of the asset class parameters (such as Occupancy, ADR, etc). As such, a discount rate of 8.75% is adopted for the Subject Property; which is about 2.00% higher than the expected rate of return to reflect additional risk premium of the asset.
Projection Period	10 years.

No capital expenditure (CAPEX) is allocated in our assessment because Tower E is proposed to be a brand new 5-star rated hotel.



MARKET VALUE (CONT'D)

Summary of Parameters of Knight Frank's Commercial / Retail Space(s) Projections (Cont'd)

Commercial / Retail Space(s)

Net Lettable Area	132,181 square feet.
Projected Occupancy	<p>Y1: 50.00% to Y10: 90.00%</p> <p>After having studied client's projected rental revenue and occupancy rate for selected comparative full-fledged retail malls in Klang Valley (approximately 88.1% to 99.9%), we have thus adopted a commencement occupancy of 50% at Year 1, 60% at Year 2, 70% at Year 3 and stabilised at 90% at Year 9 onwards.</p>
Projected Gross Rental Revenue	<p>Y1: RM6.00 psf to Y10: RM7.83 psf, over prevailing occupied NLA.</p> <p>The projected rentals are based on client's forecast and current asking rentals of other selected comparative commercial retail lots / retail space in retail malls after having considered and made diligent adjustments for prevailing market condition and differences in attributes. The retail podium of Tower E will most likely be used to serve the hotel levels as part of the hotel retail facilities & amenities (as per the proposed renovation plans) and therefore, the proposed rental for the retail podium will be slightly higher compared to the individual / standalone stratified commercial retail lots and slightly lower compared to the full-fledged retail malls. In view of the above, we have adopted an estimated rental of about RM6.00 psf / month over prevailing occupied NLA as fair for Year 1 and allowed the provisional expenses to increase at an underlying rate of inflation of about 3.0% from Year 1 to Year 10 as fair and adequate.</p> <p>The annual growth rate is further benchmarked against the annual rental growth rate of the selected retail malls (ranged from 2.4% to 4.2% tabulated in Section 4.23 of valuation report) and therefore, we deemed that the annual growth rate of 3.0% is fair and reasonable.</p>
Projected Outgoings	<p>Y1: RM2.80 psf to Year 10: RM3.65 psf, with a projected CAGR of 3.00%.</p> <p>We have generally allocated projected outgoings of about RM2.80 psf / month (client's projected outgoings of about RM2.00 psf / month) which includes the utilities charges, quit rent, assessment, fire insurance, maintenance charges and other rates imposed.</p>
Provisional Rent Rebates	Three (3) months rent rebates over the tenancies during Year 1 and Year 2.
Capitalisation Rate	<p>6.50%.</p> <p>The yields of individual retail mall are dependent on many factors including locations, tenant mix, catchment population, occupancy rate and the size of the malls. From our findings, we have noted that the historical transacted yields of shopping malls in Kuala Lumpur / Selangor are in the region of about 6.11% to 7.14%. We have thus adopted a yield of 6.50% as the most probable expected rate of return as fair after having considered factors, amongst others, relating to the maturity of mall, age / condition of building, tenure and prevailing market condition.</p>
Discount Rate (PV)	<p>8.50%.</p> <p>In general, the long-term growth rate for a particular asset class / sector is benchmarked against the inflation rate (in circa of 2.0% to 3.2%) as well as the Compound Annual Growth Rate (CAGR) of the asset class parameters (such as Occupancy, ADR, etc). As such, a discount rate of 8.50% is adopted for the Subject Property; which is about 2.00% higher than the expected rate of return to reflect additional risk premium of the asset.</p>
Discount Period	10 years.

MARKET VALUE (CONT'D)

Comparison Approach This approach considers the sales of similar or substitute properties and related market data and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued (Subject Property) is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered. We have identified and analysed the selected sales transactions of hotel buildings and have summarised the details in the table attached below and overleaf:-

Sales Comparison and Analysis of Hotel Transactions			
	Comparable 1	Comparable 2	Comparable 3
Name and Address	Pavilion Hotel Kuala Lumpur, No. 170 Jalan Bukit Bintang, Bukit Bintang, 55100 Kuala Lumpur.	W Kuala Lumpur, No. 121, Jalan Ampang, 50450 Kuala Lumpur.	Hotel Stripes Kuala Lumpur, Autograph Collection, No. 25, Jalan Kamunting, 50300 Kuala Lumpur.
Type of Property	An operational 5-star 325-room international class together with other supporting facilities / amenities.	An operational 150-room five (5)-star hotel together with other supporting facilities / amenities.	An operational 184-room five (5)-star hotel together with other supporting facilities / amenities.
Tenure	Leasehold interest for a term of 99 years, expiring 26 October 2109.	Interest in perpetuity.	Interest in perpetuity.
Age of Property	Approximately 6 years.	Approximately 5 years.	Approximately 6 years.
Date of Announcement	5 December 2024.	7 December 2023.	6 September 2023.
Consideration	RM340,000,000.	RM270,000,000.	RM138,000,000.
Vendor	Harmoni Perkasa Sdn Bhd.	Tropicana Residences Sdn Bhd.	Hotel 25 Sdn Bhd, an indirect wholly-owned subsidiary of YTL Corporation Berhad.
Purchaser	MTrustee Berhad, acting as Trustee for and on behalf of Pavilion REIT.	IOI PFCC Hotel Sdn Bhd and Flora Development Sdn Bhd, an indirect wholly-owned subsidiary of IOI Properties Group Berhad.	Maybank Trustees Berhad, as the Trustee for YTL Hospitality REIT.
Source	Bursa Malaysia Securities Berhad.		
Analysis	RM1,046,154 per room.	RM1,800,000 per room.	RM750,000 per room.
	General adjustments made for location, establishment of development, facilities / amenities, condition / age of building, building design / finishes / quality, hotel operator / hotel branding, number ownership / availability of car park and master lease / guaranteed rental arrangement	General adjustments made for location, tenure, establishment of the development, facilities / amenities, condition / age of building, building design / finishes / quality, hotel operator / hotel branding, number of rooms, star rating and ownership / availability of car park.	General adjustments made for location, accessibility, tenure, establishment of the development, condition / age of building, hotel operator / hotel branding, number of rooms, ownership status, ownership / availability of car park and master lease / guaranteed rental arrangement.
Adjusted Values	RM680,000 per room.	RM720,000 per room.	RM562,500 per room.



MARKET VALUE (CONT'D)

Valuation Rationale From the above adjusted values, we note that the derived values ranged between RM562,500 per room to RM720,000 per room.

In view of limited recorded transactions of identical hotels in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued.

With total effective adjustments made for all Comparable(s), we have thus placed greater reliance on Comparable 1 after making diligent adjustments for location, establishment of development, facilities / amenities, condition / age of building, building design / finishes / quality, hotel operator / hotel branding, number ownership / availability of car park and master lease / guaranteed rental arrangement.

Having regards to the foregoing, the market value of the hotel component derived from the Comparison Approach is RM200,000,000 (analysed to be RM680,272 per room).

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MARKET VALUE (CONT'D)

Sales Comparison and Analysis of Retail Mall Transactions

	Comparable 1	Comparable 2	Comparable 3
Legal Description	Pajakan Negeri 118239/M1/B5/1, Pajakan Negeri 118239/M1/B1/3, Pajakan Negeri 118239/M1/B1/5, Pajakan Negeri 118239/M1/B1/6 and Pajakan Negeri 118239/M1/1/7, Parent Lot 67275 (formerly Lot No. 52582), Pekan Baru Sungai Buloh, District of Petaling, Selangor	Strata Title No(s). Geran 267027/M1/3/4, Geran 267027/M1/B2/1 and Geran 267027/M1/B2/2 together with 82 Accessory Parcels identified as Parcel No(s). A249 - A273, A661 - A668 and A1 - A49, all erected on part of the land held under Master Lot 47594, Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan.	Strata Title No(s). Geran Mukim 8842/M1/B5/1, Geran Mukim 8842/M1/1/21, Geran Mukim 8842/M1/B1/19, Geran Mukim 8842/M1/1/20, Geran Mukim 8842/M1/3/22, Geran Mukim 8842/M1/5/23, Geran Mukim 8842/M1/6/24, Geran Mukim 8842/M1C/7/32 and Geran Mukim 8842/M1C/8/33; all sited on Parent Lot 67384, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Name and Address	Tropicana Gardens Mall, No. 2A, Persiaran Surian, Tropicana Indah, 47810 Petaling Jaya, Selangor	D'Pulze Shopping Centre, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.	163 Retail Park, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur.
Type of Property	A purpose-built 7-storey shopping mall together with 2,190 parking bays.	A 7-storey commercial building with 2 levels of basement with a total of 1,028 car park bays.	A stratified seven (7)-storey shopping centre, comprising three (3) levels of retail space which contains one (1) level of basic amenities at podium level, three (3) levels of retail space containing five (5) levels of car parking space, one (1) semi-underground level shopping centre, two (2) levels of semi-underground parking spaces containing one (1) storey of retail space and two (2) levels of basement car parks.
Tenure	Leasehold interest for a term of 99 years, expiring on 25 April 2106	Interest in perpetuity.	Interest in perpetuity.
Age of Property	Approximately 4 years.	Approximately 10 years.	Approximately 5 years.
Net Lettable Area	97,651.04 square metres (1,051,107 square feet).	28,939.21 square metres (311,499 square feet).	23,180.89 square metres (249,517 square feet).
Date of Announcement	23 July 2024.	27 May 2024.	29 January 2024.
Consideration	RM680,000,000.	RM320,000,000.	RM215,000,000.
Vendor	Tropicana Indah Sdn Bhd, indirect 70%-owned subsidiary of TCB.	DPulze Ventures Sdn Bhd.	D'Kiara Place Sdn Bhd, a wholly-owned subsidiary of YNH Property Bhd.
Purchaser	IOI Mall Damansara Sdn Bhd, a wholly-owned subsidiary of IOI Properties Group Berhad.	Pacific Trustees Berhad, as the trustee of KIP Real Estate Investment Trust.	RHB Trustees Berhad as Trustee of Sunway REIT.
Source	Bursa Malaysia Securities Berhad		



MARKET VALUE (CONT'D)

Sales Comparison and Analysis of Retail Mall Transactions (Cont'd)

	Comparable 1	Comparable 2	Comparable 3
Analysis	RM6,963.57 per square metre (RM647 per square foot). General adjustments made for accessibility, net lettable area, tenant mix, market positioning, / store concept, establishment of mall, building quality / design / layout, condition / age of building and car park ratio	RM11,057.66 per square metre (RM1,027 per square foot). General adjustments made for accessibility, tenure, tenant mix / market positioning / store concept, establishment of mall, condition / age of building and car park ratio.	RM9,274.88 per square metre (RM862 per square foot). General adjustments made for location, tenure, tenant mix / market positioning / store concept, establishment of mall, condition / age of building and car park ratio
Adjusted Values	RM4,876.05 per square metre (RM453 per square foot).	RM6,081.61 per square metre (RM565 per square foot).	RM4,639.25 per square metre (RM431 per square foot).

From the above adjusted values, we note that the derived values ranged between RM431 per square foot to RM565 per square foot over net lettable area.

In view of limited recorded transactions of identical retail malls in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued.

With total effective adjustments made for all Comparable(s), we have thus placed greater reliance on Comparable 3 after making diligent adjustments for location, tenure, tenant mix / market positioning / store concept, establishment of mall, condition / age of building and car park ratio.

Having regards to the foregoing, the market value of the hotel component derived from the Comparison Approach is RM57,000,000 (analysed to be RM431 per square foot over net lettable area).

Reconciliation of Values

Method of Valuation	Subject Property Component	Derivation of Values
Income Approach by DCF Method	Hotel Tower	RM193,000,000
	Retail Podium	RM55,000,000
Total Hotel Tower + Retail Podium		RM248,000,000
Comparison Approach	Hotel Tower	RM200,000,000
	Retail Podium	RM57,000,000
Total Hotel Tower + Retail Podium		RM257,000,000



MARKET VALUE (CONT'D)

Taking into consideration that the Subject Property is a commercial and income generating property, we have adopted the Market Value as derived from the Income Approach by DCF Method as a fair representation for the Subject Property supported by the Market Value derived from the Comparison Approach.

In a valuation of a homogeneous real estate such as vacant lands and residential homes, the Comparison Approach is the most appropriate method of valuation as there are less adjustments and analysis on comparable(s). However, in the case of more complex real estate such as shopping complexes, hotels, office buildings and other income generating or investment properties, qualitative and quantitative adjustments are more difficult to be computed or gauged to reflect the differences of the comparable(s) and the property being valued. Therefore, we have relied upon the Income Approach by DCF Method as the preferred method of valuation in our final opinion of Market Value for the Subject Property.

WE HAVE BEEN SPECIFICALLY INSTRUCTED BY THE CLIENT TO ASCERTAIN THE MARKET VALUE OF THE SUBJECT PROPERTY BASED ON THE BASIS AND ASSUMPTIONS:-

- I. THAT THE PROPOSED 294-ROOM HOTEL TOWER WILL BE DELIVERED AS A 5-STAR HOTEL AND SHALL MEET THE SPECIFICATIONS, QUALITY AND STANDARDS BY THE MINISTRY OF TOURISM, ART & CULTURE OF MALAYSIA (MOTAC), INCLUDING BUT NOT LIMITED TO THE PHYSICAL CONSTRUCTION, INTERIOR FINISHES, FIT-OUTS & FURNISHING, FACILITIES, AMENITIES, AS WELL AS COMPLIANCE WITH ANY OTHER APPLICABLE LOCAL AND INTERNATIONAL 5-STAR CLASSIFICATION BENCHMARKS AND IN ACCORDANCE TO THE DESIGN CONCEPT REQUIRED BY UPPERVISTA SDN BHD (MINIMALLY FULFILLING THE FOLLOWING MAJOR CRITERION FOR 5-STAR RATING AS OUTLINED BY MOTAC):-
 - HOUSEKEEPING (25% WEIGHTAGE POINT)
 - MINIMUM ROOM SIZE OF 36 SQM (>80% OF THE HOTEL ROOMS ARE 36 SQM AND ABOVE)
 - MINIMUM 4 TYPES OF ROOMS (STANDARD, SUPERIOR, DELUXE & SUITES)
 - FOOD & BEVERAGE (F&B) AND KITCHEN (11% & 10% RESPECTIVELY WEIGHTAGE POINT)
 - COFFEE HOUSE, RESTAURANT, LOUNGE / BAR, IN-ROOM DINING & DEDICATED KITCHEN
 - GUEST FACILITIES (7% WEIGHTAGE POINT)
 - SWIMMING POOL, CHANGING ROOMS, GYMNASIUM, SPA/SAUNA, CONVENIENCE STORE, BUSINESS CENTRE
 - FAÇADE, FRONT OFFICE, HUMAN RESOURCE MANAGEMENT, COMPLAINTS, SECURITY, ICT, SPECIAL HOTEL FEATURES (TOTAL OF 47% WEIGHTAGE POINT);
- II. THAT THE PROPOSED 5-STAR RATED 294-ROOM HOTEL TOWER TOGETHER WITH RETAIL PODIUM ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE THE PRELIMINARY DRAWINGS DATED 17 DECEMBER 2024 BY EDA ARCHITECTS (PENDING FINAL APPROVAL FROM AUTHORITY AS APPROVED RENOVATION PLAN); WITH ALL RELEVANT FEES PAID AND APPROVALS OBTAINED (IF ANY);
- III. THAT THE SUBJECT PROPERTY WILL BE A FULLY OPERATIONAL HOTEL TOGETHER WITH RETAIL PODIUM AND THE VALUATION HEREBY GIVEN COMPRISES THE VALUE ATTRIBUTED TO THE REAL ESTATE, GOODWILL AND THE FURNITURE, FITTINGS AND EQUIPMENT USED IN THE OPERATION OF THE HOTEL BUSINESS;
- IV. THAT THE SUBJECT PROPERTY HAS THE BENEFIT OF AND CONFORMS TO ALL NECESSARY PERMITS, LICENSES, CERTIFICATES ETC;
- V. THAT A SEPARATE STRATA TITLE(S) CONVEYING A LEASEHOLD INTEREST FOR A TERM OF 99 YEARS (REMAINING UNEXPIRED TERM OF ABOUT 79 YEARS) IN RESPECT OF THE SUBJECT PROPERTY IS FORTHCOMING AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES AND RESTRICTIVE CONDITION.

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



MARKET VALUE (CONT'D)

Having regard to the foregoing, our opinion of the Market Value of the legal interest in the Subject Property on fully completed basis; a proposed 5-star rated 294-room hotel tower together with retail podium identified as Tower E comprising relevant areas and components forming parcel(s) + accessory parcel(s) appurtenant thereto; subject to the basis and assumptions stated herein and the titles being free from all encumbrances good, marketable and registrable, as at 21 February 2025 is RM248,000,000 (Ringgit Malaysia Two Hundred and Forty Eight Million Only).

The abovementioned Market Value may be further apportioned as follows:-

Description	Market Value
Hotel Tower	RM193,000,000 (Ringgit Malaysia One Hundred and Ninety Three Million Only) (analysed about RM656,463 per room)
Retail Podium	RM55,000,000 (Ringgit Malaysia Fifty Five Million Only) (analysed about RM416 per square foot over retail net lettable area)

**Signed for and on behalf of
Knight Frank Malaysia Sdn Bhd**

JUSTIN CHEE TING HWANG
Registered Valuer, V-774
RICS Registered Valuer, 1235888
MRICS, MRISM, MPEPS



Scan here to verify the content
and authenticity of this report

Encl: General Principles Adopted and Limiting Conditions, General Terms of Business for Valuation Services and General Scope of Valuation Work

APPENDIX IV – COMMENTARY ON THE FINANCIAL PERFORMANCE AND FINANCIAL POSITION OF THE EHB GROUP

A summary of the key financial information of the Group for the FYE 2022, FYE 2023 and FYE 2024 as well as the FPE 31 March 2025 and FPE 31 March 2025 is set out below:

	Audited FYE			Unaudited FPE	
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	31 March 2024 (RM'000)	31 March 2025 (RM'000)
Revenue	4,104	5,313	5,695	4,190	77,434
Gross profit	2,525	2,572	2,496	1,807	18,298
(Loss before tax) / Profit before tax (LAT) / PAT	(62)	(960)	(13,490)	(3,011)	10,738
	(62)	(800)	(13,330)	(3,011)	7,045
Shareholders' funds/NA	29,938	41,342	28,012	38,331	35,101
Total borrowings	14,511	14,511	13,792	14,409	44,138
Share capital	92,887	92,887	92,887	92,887	92,887
No. of EHB Shares ('000)	928,867	928,867	928,867	928,867	928,867
(Basic LPS) / Basic EPS (sen)	(0.01)	(0.09)	(1.44)	(0.32)	0.75
NA per Share (RM)	0.03	0.04	0.03	0.04	0.04
Current ratio (times)	4.88	3.45	2.13	4.25	1.24
Gearing ratio (times)	0.48	0.35	0.49	0.38	1.26

Commentaries on financial performance:

FYE 2022 vs FYE 2023

The Group's revenue increased by approximately RM1.21 million or 29.46% to RM5.31 million for the FYE 2023 (FYE 2022: RM4.10 million) which was mainly due to the higher room occupancy rate of the Corus Hotel arising from domestic tourists.

The Group recorded a LAT of RM0.80 million in the FYE 2023 compared to a LAT of RM0.06 million for the FYE 2022. The increase in LAT is mainly due to the higher building and maintenance costs incurred for Corus Hotel to recommence operations following a prolonged hiatus of its operations due to the movement control order imposed by the Government of Malaysia.

The Group's NA had increased by RM11.40 million primarily due to the increase in revaluation reserves by RM12.20 million arising from resulting from the change in accounting policy from the cost model to the revaluation model for the Group's hotel building. This increase was partly offset by the LAT recorded during the year.

Notwithstanding that there was no repayment of the Group's term loans during the year, the Group's gearing ratio improved from 0.48 times as at 30 June 2022 to 0.35 times as at 30 June 2023 primarily due to the increase in the Group's NA during the year.

**APPENDIX IV – COMMENTARY ON THE FINANCIAL PERFORMANCE AND FINANCIAL POSITION
OF THE EHB GROUP (Cont'd)**

FYE 2023 vs FYE 2024

The Group's revenue increased by approximately RM0.38 million or 7.19% to RM5.69 million for the FYE 2024 (FYE 2023: RM5.31 million). The increase in revenue was mainly attributed to the higher room occupancy rates and average room rates of Corus Hotel.

Despite the increase in revenue, the Group recorded a LAT of RM13.33 million for the FYE 2024 compared to a LAT of RM0.80 million for the FYE 2023 primarily due to the incurrence of a one-off impairment loss for the FYE 2024 amounting to RM9.33 million on an amount owing by an associate of the Group. Such impairment loss was due to the default in repayment of advances given by the Group to the associate company. The Group is currently in the midst of discussion with the management of the associate company to recover such advances which may include a schedule repayment of the amount owed by the associate company. In addition, there was also an increase in operating expenses primarily due to higher staff costs arising from the addition of new staff to replace long vacant positions.

The Group's NA had decreased by RM13.33 million for the FYE 2024 as a result of the LAT recorded during the year.

Notwithstanding the decrease in the Group's term loans as at 30 June 2024 by RM0.72 million arising from progressive principal repayments during the year, the Group's gearing ratio increased from 0.35 times as at 30 June 2023 to 0.49 times as at 30 June 2024 primarily due to the decrease in the Group's NA.

FPE 31 March 2024 vs FPE 31 March 2025

The Group's revenue increased by approximately RM73.24 million or 1,748.07% to RM77.43 million for the FPE 31 March 2025 (FPE 31 March 2024: RM4.19 million). The substantial increase in revenue was mainly attributable by two business segments which are the Fit-Out Business and Hospitality Business.

The Group had recognised a PAT of RM7.05 million for the FPE 31 March 2025 in comparison to a LAT of RM3.01 million for the FPE 31 March 2024 primarily due to the revenue generated by the Fit-Out Business and Hospitality Business.

Notwithstanding the above, the Group's NA as at 31 March 2025 had decreased by RM3.23 million or 8.43% in comparison to 31 March 2024 primarily due to the incurrence of a one-off impairment loss in the FYE 2024 amounting to RM9.33 million on an amount owing by an associate of the Group which resulted in a lower opening balance for the Group's NA as at 31 March 2025.

The Group's borrowings had increased as at 31 March 2025 by RM29.73 million mainly due to the drawdown of revolving credit facilities amounting to RM30.96 million to fund EXSIM Concepto's working capital requirements, which was partially offset by repayment of the Group's term loan amounting to RM0.92 million. As a result, the Group's gearing ratio increased from 0.38 times as at 31 March 2024 to 1.26 times as at 31 March 2025.

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30 July 2025

The Board of Directors
EXSIM Hospitality Berhad
(Formerly known as Pan Malaysia Holdings Berhad)
D-35-01, Level 35, EXSIM Tower,
Millerz Square @ Old Klang Road,
Megan Legasi,
No. 357, Jalan Klang Lama,
58000 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur

Dear Sirs

EXSIM HOSPITALITY BERHAD (FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)
("EHB" or the "Company")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INCLUSION IN THE CIRCULAR ("Circular") TO THE SHAREHOLDERS OF EHB

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statement of Financial Position of EHB and its subsidiaries (collectively known as the "Group") prepared by the Board of Directors of the Company. The Pro Forma Consolidated Statement of Financial Position as at 30 June 2024 together with the accompanying notes thereon, for which we have stamped for the purpose of identification, has been prepared in connection with the following:-

- (a) proposed renounceable rights issue of new ordinary shares in EHB ("Shares" or "EHB Shares") together with free detachable warrants ("Warrants") at an issue price and entitlement basis to be determined and announced later, to raise gross proceeds of approximately RM250.79 million ("Proposed Rights Issue with Warrants"); and
- (b) proposed acquisition of a proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities which form part of the mixed development project known as the Empire City, Damansara located at Petaling Jaya, Selangor for a cash consideration of RM240.25 million ("Proposed Acquisition")

(collectively, referred to as the "Proposals")

The Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other in terms of approvals.

The applicable criteria based on which the Board of Directors of the Company have compiled the Pro Forma Consolidated Statement of Financial Position are described in the notes thereon to the Pro Forma Consolidated Statement of Financial Position. The Pro Forma Consolidated Statement of Financial Position is prepared in accordance with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Consolidated Statement of Financial Position has been compiled by the Board of Directors to illustrate the impact of the transactions as set out in Appendix A on the audited consolidated statement of financial position as at 30 June 2024 as if the transactions have been in existence throughout the financial year. As part of this process, information about the consolidated statement of financial position has been extracted by the Board of Directors from the audited financial statements of the Group for the financial year ended 30 June 2024.



THE BOARD OF DIRECTORS’ RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the Pro Forma Consolidated Statement of Financial Position on the basis as described in the note thereon to the Pro Forma Consolidated Statement of Financial Position and in accordance with the requirements of the Listing Requirements, Prospectus Guidelines and Guidance Note.

REPORTING ACCOUNTANTS’ INDEPENDENCE AND QUALITY CONTROL

We are independent of the Company in accordance with the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services* Engagements issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS’ RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Listing Requirements, Prospectus Guidelines and Guidance Note, about whether the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in the note thereon to the Pro Forma Consolidated Statement of Financial Position.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards as adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statement of Financial Position on the basis as described in the note thereon.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Consolidated Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statement of Financial Position.

The purpose of Pro Forma Consolidated Statement of Financial Position included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statement of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.



REPORTING ACCOUNTANTS’ RESPONSIBILITIES (CONT’D)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statement of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, Pro Forma Consolidated Statement of Financial Position of the Group has been compiled, in all material respects, on the basis as described in the notes thereon to the Pro Forma Consolidated Statement of Financial Position in Appendix A and in accordance with the requirements of the Listing Requirements, Prospectus Guidelines and Guidance Note.

OTHER MATTER

This letter has been prepared solely for inclusion in the Circular and the purpose stated above, in connection with the Proposals. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Onn".

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Kuala Lumpur

A handwritten signature in black ink, appearing to read "Lean Wei Ee".

Lean Wei Ee
03827/05/2026 J
Chartered Accountant

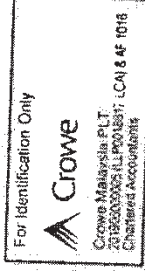
**APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP
AS AT 30 JUNE 2024 (Cont’d)**

Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

LPD Scenario



	Note	Audited as at 30 June 2024 RM'000	Pro Forma I RM'000	Pro Forma II RM'000	Pro Forma III ⁽ⁱ⁾ RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5.1	30,604	223,368	391,543	391,543
Right-of-use asset		3,882	3,882	3,882	3,882
Investment in an associate		-	-	-	-
		34,486	227,250	395,425	395,425
CURRENT ASSETS					
Inventories		94	94	94	94
Trade and other receivables		18,077	18,077	18,077	18,077
Current tax assets		9	9	9	9
Short term money market deposit		125	125	125	125
Cash and bank balances	5.2	327	77,047	77,047	180,616
		18,632	95,352	95,352	198,921
TOTAL ASSETS		53,118	322,602	490,777	594,346
EQUITY AND LIABILITIES					
EQUITY					
Share capital	5.3	92,887	325,340	325,340	445,493
Reserves		12,204	12,204	12,204	12,204
Warrant reserves		-	16,584	16,584	-
Accumulated losses		(77,079)	(77,322)	(77,322)	(77,322)
TOTAL EQUITY		28,012	276,806	276,806	380,375

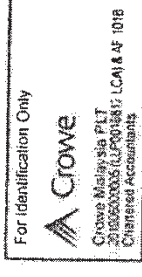
**APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP
AS AT 30 JUNE 2024 (Cont’d)**

Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

LPD Scenario (Cont’d)



	Note	Audited as at 30 June 2024 RM'000	Pro Forma I RM'000	Pro Forma II RM'000	Pro Forma III (i) RM'000
LIABILITIES					
NON-CURRENT LIABILITIES					
Term loans	5.4	12,524	12,524	180,699	180,699
Deferred tax liabilities		3,827	3,827	3,827	3,827
		16,351	16,351	184,526	184,526
CURRENT LIABILITIES					
Trade and other payables	5.5	5,517	26,207	26,207	26,207
Amount owing to holding company		1,970	1,970	1,970	1,970
Term loans	5.4	1,268	1,268	1,268	1,268
		8,755	29,445	29,445	29,445
		25,106	45,796	213,971	213,971
TOTAL LIABILITIES		53,118	322,602	490,777	594,346
TOTAL EQUITY AND LIABILITIES					
No. of ordinary shares in issue ('000)		928,867	2,322,168	2,322,168	2,786,602
Net assets (RM'000)		28,012	276,806	276,806	380,375
Net assets per share (RM) ⁽ⁱⁱ⁾		0.03	0.12	0.12	0.14
Total borrowings (RM'000)		13,792	13,792	181,967	181,967
Gearing ratio (times) ⁽ⁱⁱⁱ⁾		0.49	0.05	0.66	0.48

Notes:

(i) Pro Forma III is presented for illustrative purpose, as the exercise of Warrants in the future is subject to the sole discretion of the holders of the Warrants.

(ii) Based on net assets divided by the number of ordinary shares in issue.

(iii) Based on total borrowings divided by net assets.

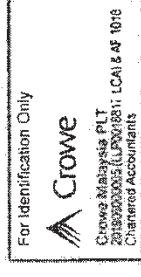
**APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP
AS AT 30 JUNE 2024 (Cont’d)**

Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

ALA Scenario



	Note	Audited as at 30 June 2024 RM'000	Pro Forma I RM'000	Pro Forma II RM'000	Pro Forma III (i) RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5.1	30,604	223,368	391,543	391,543
Right-of-use asset		3,882	3,882	3,882	3,882
Investment in an associate		-	-	-	-
		34,486	227,250	395,425	395,425
CURRENT ASSETS					
Inventories		94	94	94	94
Trade and other receivables		18,077	18,077	18,077	18,077
Current tax assets		9	9	9	9
Short term money market deposit		125	125	125	125
Cash and bank balances	5.2	327	77,047	77,047	146,712
		18,632	95,352	95,352	165,017
		53,118	322,602	490,777	560,442
TOTAL ASSETS					
EQUITY AND LIABILITIES					
EQUITY					
Share capital	5.3	92,887	332,617	332,617	411,589
Reserves		12,204	12,204	12,204	12,204
Warrant reserves		-	9,307	9,307	-
Accumulated losses		(77,079)	(77,322)	(77,322)	(77,322)
		28,012	276,806	276,806	346,471
TOTAL EQUITY					

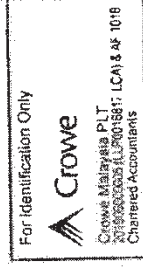
**APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP
AS AT 30 JUNE 2024 (Cont’d)**

Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

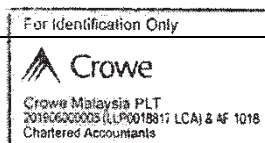
ALA Scenario (Cont'd)



	Note	Audited as at 30 June 2024 RM'000	Pro Forma I RM'000	Pro Forma II RM'000	Pro Forma III ⁽ⁱ⁾ RM'000
LIABILITIES					
NON-CURRENT LIABILITIES					
Term loans	5.4	12,524	12,524	180,699	180,699
Deferred tax liabilities		3,827	3,827	3,827	3,827
		16,351	16,351	184,526	184,526
CURRENT LIABILITIES					
Trade and other payables	5.5	5,517	26,207	26,207	26,207
Amount owing to holding company		1,970	1,970	1,970	1,970
Term loans	5.4	1,268	1,268	1,268	1,268
		8,755	29,445	29,445	29,445
TOTAL LIABILITIES		25,106	45,796	213,971	213,971
TOTAL EQUITY AND LIABILITIES		53,118	322,602	490,777	560,442
No. of ordinary shares in issue ('000)		928,867	2,786,602	2,786,602	3,251,036
Net assets (RM'000)		28,012	276,806	276,806	346,471
Net assets per share (RM) ⁽ⁱⁱ⁾		0.03	0.10	0.10	0.11
Total borrowings (RM'000)		13,792	13,792	181,967	181,967
Gearing ratio (times) ⁽ⁱⁱⁱ⁾		0.49	0.05	0.66	0.53

Notes:

- (i) Pro Forma III is presented for illustrative purpose, as the exercise of Warrants in the future is subject to the sole discretion of the holders of the Warrants.
(ii) Based on net assets divided by the number of ordinary shares in issue.
(iii) Based on total borrowings divided by net assets.



**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

1. INTRODUCTION

The Pro Forma Consolidated Statement of Financial Position as at 30 June 2024 together with the notes thereon, for which the Board of Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Circular in connection with the Proposals and should not be relied upon for any other purposes.

2. BASIS OF PREPARATION

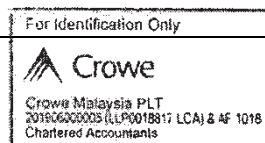
Pro Forma Consolidated Statement of Financial Position

The Pro Forma Consolidated Statement of Financial Position of the Group of which the Board of Directors is solely responsible, has been prepared under two (2) scenarios for illustrative purposes only, to incorporate the effects of the transaction relating to the following:-

- (a) proposed renounceable rights issue of new ordinary shares in EHB (“Shares” or “EHB Shares”) (“Right Shares”) to the entitled shareholders of EHB together with free detachable warrants (“Warrants”) at an issue price and entitlement basis to be determined and announced later, to raise gross proceeds of approximately RM250.79 million (“Proposed Rights Issue with Warrants”); and
- (b) proposed acquisition of a proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities which form part of the mixed development project known as the Empire City, Damansara (“Empire city”) located at Petaling Jaya, Selangor for a cash consideration of RM240.25 million (“Purchase Consideration”) vide a conditional sale and purchase agreement dated 28 February 2025 entered into between Uppervista Sdn Bhd (a wholly-owned subsidiary of EHB) and Arcadia Hospitality Sdn Bhd (“Vendor”) (“SPA”) (“Proposed Acquisition”).

(The Proposed Rights Issue with Warrants and the Proposed Acquisition are collectively referred to as “Proposals”).

The Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other in terms of approvals.



**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

3. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the purpose of the Pro Forma Consolidated Statement of Financial Position, the following two (2) scenarios are illustrated:-

3.1 LPD Scenario

Pro Forma I

Pro Forma I incorporates the effects of the Proposed Rights Issue with Warrants, including the utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants for the partial funding of (i) the Purchase Consideration of the Proposed Acquisition; and (ii) the cost for the Corus Hotel refurbishment.

For illustrative purposes, 1,393,301,116 new EHB shares to be issued pursuant to the Proposed Rights Issue with Warrants (“Rights Shares”) are subscribed with the basis of every three (3) Rights Shares for every two (2) existing EHB shares held, at an illustrative issue price of RM0.18 per Rights Share, together with one (1) warrant for every three (3) Rights Shares subscribed, which based on the theoretical fair value of the warrant of RM0.036 per warrant, to arrive at gross proceeds of approximately RM250.79 million.

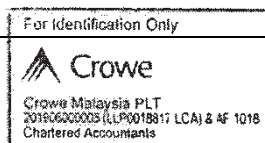
The share capital is determined based on proceeds from the Proposed Rights Issue with Warrants, amounting to approximately RM250.79 million, after accounting for the creation of warrant reserves of RM16.72 million arising from the portion allocated based on the fair value of the free detachable warrants issued in proportion to the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants will be inter-conditional with the Proposed Acquisition. In accordance with the terms and conditions of the sale and purchase agreement (“SPA”) pursuant to the Proposed Acquisition, the 30% of the Purchase Consideration of RM72.07 million is to be made within 14 days upon the SPA becoming unconditional. However, it is the Company’s intention to pay the vendor immediately upon the SPA becoming unconditional and upon receipt of the proceeds from the Proposed Rights Issue with Warrants.

The total estimated cost for the refurbishment of Corus Hotel is RM120.69 million. In this respect, RM100.00 million is to be partly financed from the proceeds to be raised from the Proposed Rights Issue with Warrants. The remaining estimated cost of RM20.69 million will be financed through the Group’s internally generated funds and/or bank borrowings.

The total estimated expenses of RM2.00 million which comprises professional fees payable to the joint principal advisers, company secretary, reporting accountant, independent market researcher and valuer in connection with the Proposals, RM1.76 million have been apportioned to set off against share capital and warrant reserves based on their relative fair values of RM1,622,000 and RM135,000 respectively. The remaining estimated expenses relating to the Proposals of RM243,000 is to be expensed off to statements of profit or loss and other comprehensive income.

APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP AS AT 30 JUNE 2024
(Cont’d)



Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

3. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT’D)

For the purpose of the Pro Forma Consolidated Statement of Financial Position, the following two (2) scenarios are illustrated:- (Cont’d)

3.1 LPD Scenario (Cont’d)

Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the completion of the Proposed Acquisition.

The Purchase Consideration will be fully satisfied in cash and funded in the following manner:-

Source of funds	Amount RM'million
Proceeds from the Proposed Rights Issue with Warrants ⁽ⁱ⁾	72.07
Bank borrowings	168.18
Total	240.25

Notes:-

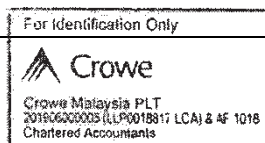
- (i) The effects of the part payment of the Purchase Consideration of RM72.07 million via the proceeds from the Proposed Rights Issue with Warrants has been incorporated in Pro Forma I.

Pro Forma III

Pro Forma III incorporates the effects of Pro Forma I, Pro Forma II and the full exercise of Warrants.

The Warrants are attached to the Rights Shares without any cost and will only be issued to the entitled shareholders on the entitlement date and/or their renouncee(s) (if applicable) who have successfully subscribed for the Rights Shares.

For illustrative purposes regarding entitlement basis for the Warrants, 464,433,705 Warrants are to be issued on the basis of one (1) Warrant for every three (3) Rights Shares subscribed. This assumes the full exercise of the Warrants into new EHB Shares at an illustrative exercise price of RM0.223 per Warrant and the corresponding reversal of the warrant reserves.



**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

3. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT’D)

For the purpose of the Pro Forma Consolidated Statement of Financial Position, the following two (2) scenarios are illustrated:- (Cont’d)

3.2 ALA Scenario

Pro Forma I

Pro Forma I incorporates the effects of the Proposed Rights Issue with Warrants, including the utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants for the partial funding of (i) the Purchase Consideration of the Proposed Acquisition; and (ii) the cost for the Corus Hotel refurbishment.

For illustrative purposes, 1,857,734,822 new EHB shares to be issued pursuant to the Proposed Rights Issue with Warrants (“Rights Shares”) are subscribed with the basis of every two (2) Rights Shares for every one (1) existing EHB shares held, at an illustrative issue price of RM0.135 per Rights Share, together with one (1) warrant for every four (4) Rights Shares subscribed, which based on the theoretical fair value of the warrant of RM0.0202 per warrant, to arrive at gross proceeds of approximately RM250.79 million.

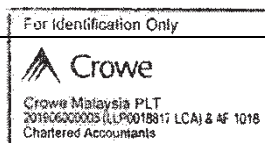
The share capital is determined based on proceeds from the Proposed Rights Issue with Warrants, amounting to approximately RM250.79 million, after accounting for the creation of warrant reserves of RM9.38 million arising from the portion allocated based on the fair value of the free detachable warrants issued in proportion to the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants will be inter-conditional with the Proposed Acquisition. In accordance with the terms and conditions of the sale and purchase agreement (“SPA”) pursuant to the Proposed Acquisition, the 30% of the Purchase Consideration of RM72.07 million is to be made within 14 days upon the SPA becoming unconditional. However, it is the Company’s intention to pay the vendor immediately upon the SPA becoming unconditional and upon receipt of the proceeds from the Proposed Rights Issue with Warrants.

The total estimated cost for the refurbishment of Corus Hotel is RM120.69 million. In this respect, RM100.00 million is to be partly financed from the proceeds to be raised from the Proposed Rights Issue with Warrants. The remaining estimated cost of RM20.69 million will be financed through the Group’s internally generated funds and/or bank borrowings.

The total estimated expenses of RM2.00 million which comprises professional fees payable to the joint principal advisers, company secretary, reporting accountant, independent market researcher and valuer in connection with the Proposals, RM1.76 million have been apportioned to set off against share capital and warrant reserves based on their relative fair values of RM1,683,000 and RM74,000 respectively. The remaining estimated expenses relating to the Proposals of RM243,000 is to be expensed off to statements of profit or loss and other comprehensive income.

APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP AS AT 30 JUNE 2024
(Cont’d)



Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

3. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT’D)

For the purpose of the Pro Forma Consolidated Statement of Financial Position, the following two (2) scenarios are illustrated:- (Cont’d)

3.2 ALA Scenario (Cont’d)

Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the completion of the Proposed Acquisition.

The Purchase Consideration will be fully satisfied in cash and funded in the following manner:-

Source of funds	Amount RM'million
Proceeds from the Proposed Rights Issue with Warrants ⁽ⁱ⁾	72.07
Bank borrowings	168.18
Total	240.25

Notes:-

- (i) The effects of the part payment of the Purchase Consideration of RM72.07 million via the proceeds from the Proposed Rights Issue with Warrants has been incorporated in Pro Forma I.

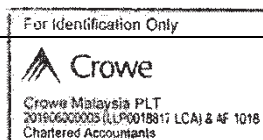
Pro Forma III

Pro Forma III incorporates the effects of Pro Forma I, Pro Forma II and the full exercise of Warrants.

The Warrants are attached to the Rights Shares without any cost and will only be issued to the entitled shareholders on the entitlement date and/or their renounee(s) (if applicable) who have successfully subscribed for the Rights Shares.

For illustrative purposes regarding entitlement basis for the Warrants, 464,433,705 Warrants are to be issued on the basis of one (1) Warrant for every four (4) Rights Shares subscribed. This assumes the full exercise of the Warrants into new EHB Shares at an illustrative exercise price of RM0.15 per Warrant and the corresponding reversal of the warrant reserves.

APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP AS AT 30 JUNE 2024
(Cont’d)



Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

4. UTILISATION OF PROCEEDS

The gross proceeds of approximately RM250.79 million is to be utilised in the following manner:-

Description	LPD Scenario RM'000	ALA Scenario RM'000	Estimated timeframe for utilisation from the listing of the Rights Shares
Corus Hotel expenditures ~	113,600	113,600	Within 12 months
Partly fund the Proposed Acquisition*	86,272	86,272	Within 12 months
Working capital#	48,922	48,922	Within 12 months
Defray expenses relating to the Proposals	2,000^	2,000@	Immediate
Total	250,794	250,794	

Notes:

~ - The utilisation of RM100.00 million of the proceeds allocated to partly finance the cost for the Corus Hotel refurbishment is adjusted in the Pro Forma Consolidated Statement of Financial Position as they are supported by contractual binding agreement.

As at LPD, the utilisation of RM13.60 million of the proceeds are not adjusted in the Pro Forma Consolidated Statement of Financial Position as they are not supported by any purchase order, sales and purchase agreement or any other contractual binding agreement, and hence, they remained in the cash and bank balances.

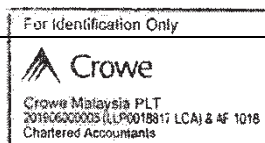
* - The utilisation of proceeds to defray miscellaneous costs associated with the Proposed Acquisition of RM14.20 million are not adjusted in the Pro Forma Consolidated Statement of Financial Position as they are not supported by any purchase order, sales and purchase agreement or any other contractual binding agreement, and hence, they remained in the cash and bank balances.

- As at LPD, the utilisation of proceeds are not adjusted in the Pro Forma Consolidated Statement Financial Position as they are not supported by any purchase order, sales and purchase agreement or any other contractual binding agreement, and hence, they remained in the cash and bank balances.

^ - The estimated expenses are allocated in proportion to the fair value of the Proposed Rights Issue with Warrants as disclosed in Note 3.1, Pro Forma I of the Appendix A. The fair value of the Proposed Rights Issue with Warrants is based on the Black-Scholes Option Pricing Model from Bloomberg.

@ - The estimated expenses are allocated in proportion to the fair value of the Proposed Rights Issue with Warrants as disclosed in Note 3.2, Pro Forma I of the Appendix A. The fair value of the Proposed Rights Issue with Warrants is based on the Black-Scholes Option Pricing Model from Bloomberg.

APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP AS AT 30 JUNE 2024
(Cont’d)



Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1 Property, Plant and Equipment

LPD Scenario/ALA Scenario

	RM'000
As at 30 June 2024	30,604
Pursuant to part payment of the Purchase Consideration ⁽¹⁾	72,074
Pursuant to the refurbishment of Corus Hotel	120,690
As per Pro Forma I	223,368
Pursuant to the remaining payment of Purchase Consideration ⁽³⁾	168,175
As per Pro Forma II and III	391,543

5.2 Cash and Bank Balances

LPD Scenario

	RM'000
As at 30 June 2024	327
Pursuant to Proposed Rights Issue with Warrants	250,794
Pursuant to the Utilisation of Proceeds	
- Part payment of the Purchase Consideration ⁽¹⁾	(72,074)
- Part finance the refurbishment of Corus Hotel ⁽²⁾	(100,000)
- Estimated expenses for the Proposals ⁽⁴⁾	(2,000)
As per Pro Forma I and II	77,047
Arising from the full exercise of the Warrants	103,569
As per Pro Forma III	180,616

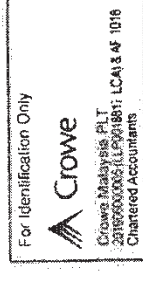
ALA Scenario

	RM'000
As at 30 June 2024	327
Pursuant to Proposed Rights Issue with Warrants	250,794
Pursuant to the Utilisation of Proceeds	
- Part payment of the Purchase Consideration ⁽¹⁾	(72,074)
- Part finance the refurbishment of Corus Hotel ⁽²⁾	(100,000)
- Estimated expenses for the Proposals ⁽⁴⁾	(2,000)
As per Pro Forma I and II	77,047
Arising from the full exercise of the Warrants	69,665
As per Pro Forma III	146,712

Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**



5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

5.3 Equity

The movements in the equity of the Group are as follows:-

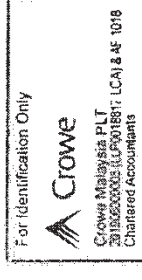
LPD Scenario

	Share Capital RM'000	Reserves RM'000	Warrant Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000
As at 30 June 2024	92,887	12,204	-	(77,079)	28,012
Pursuant to Proposed Rights Issue with Warrants	234,075	-	16,719	-	250,794
Pursuant to the Utilisation of Proceeds	(1,622)	-	(135)	(243)	(2,000)
- Estimated expenses for the Proposals ⁽⁴⁾					
As per Pro Forma I and II	325,340	12,204	16,584	(77,322)	276,806
Arising from the full exercise of the Warrants	120,153	-	(16,584)	-	103,569
As per Pro Forma III	445,493	12,204	-	(77,322)	380,375

Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**



5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

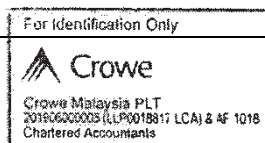
5.3 Equity (Cont'd)

The movements in the equity of the Group are as follows:- (Cont'd)

ALA Scenario

	Share Capital RM'000	Reserves RM'000	Warrant Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000
As at 30 June 2024	92,887	12,204	-	(77,079)	28,012
Pursuant to Proposed Rights Issue with Warrants	241,413	-	9,381	-	250,794
Pursuant to the Utilisation of Proceeds	(1,683)	-	(74)	(243)	(2,000)
- Estimated expenses for the Proposals ⁽⁴⁾					
As per Pro Forma I and II	332,617	12,204	9,307	(77,322)	276,806
Arising from the full exercise of the Warrants	78,972	-	(9,307)	-	69,665
As per Pro Forma III	411,589	12,204	-	(77,322)	346,471

APPENDIX V – REPORTING ACCOUNTANT’S LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF EHB GROUP AS AT 30 JUNE 2024
(Cont’d)



Appendix A

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

**5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT’D)**

5.4 Term Loan

LPD Scenario/ALA Scenario

	RM’000
As at 30 June 2024 / Pro Forma I	13,792
Pursuant to the remaining Purchase Consideration ⁽³⁾	168,175
As per Pro Forma II and III	<u>181,967</u>

5.5 Trade and Other Payable

LPD Scenario/ALA Scenario

	RM’000
As at 30 June 2024	5,517
Pursuant to the remaining refurbishment of Corus Hotel	20,690
As per Pro Forma I, II and III	<u>26,207</u>

Notes:-

- (1) The Proposed Rights Issue with Warrants and the Proposed Acquisition are inter-conditional upon each other in terms of approvals. In accordance with the SPA terms, part payment of the Purchase Consideration of RM72.07 million is to be made within 14 days upon the SPA becoming unconditional. However, it is the Company’s intention to pay the vendor immediately upon the SPA becoming unconditional and upon receipt of the proceeds from the Proposed Rights Issue with Warrants.
- (2) As at LPD, the utilisation of proceeds for the partial funding of the cost for the Corus Hotel refurbishment is supported by contractual binding agreement. Accordingly, the utilisation is reflected in the Pro Forma Consolidated Statement of Financial Position.
- (3) The remaining balance of the Purchase Consideration of RM168.18 million is expected to be financed via bank borrowings.
- (4) The estimated expenses for the Proposals of approximately RM1,757,000 directly attributable to the Proposed Rights Issue with Warrants have been apportioned to set off against share capital and warrant reserves and the remaining estimated expenses of approximately RM243,000 that is attributable to the Proposals will be expensed off to statement of profit or loss and other comprehensive income.

**EXSIM HOSPITALITY BERHAD (“EHB”)
(FORMERLY KNOWN AS PAN MALAYSIA HOLDINGS BERHAD)**

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **30 JUL 2025**

On behalf of the Board of Directors,



**TAN HAI LIANG
MANAGING DIRECTOR**



**PARAMJIT SINGH GILL A/L GURDEV SINGH
EXECUTIVE DIRECTOR**

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

Information relating to the Subject Property - Partial Tower E Building and the Vendor has been obtained from publicly available documents (where available) as well as other information and/or documents that have been provided by the Vendor. The sole responsibility of the Board is limited to ensure that the information in relation to the Subject Property - Partial Tower E Building and the Vendor has been accurately reproduced.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST**2.1 AmInvestment Bank**

AmInvestment Bank, being the Joint Principal Adviser to the Company for the Proposals, has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AMMB Holdings Berhad and its group of companies ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of EHB Group.

As at the LPD, AmBank Group has extended credit facilities amounting to approximately RM100 million in relation to the Undertakings by EHHSB. The said facilities represent approximately 0.07% of the total audited consolidated loans, advances and financing of AmBank Group as at 31 March 2025.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Joint Principal Adviser to the Company for the Proposals does not give rise to a conflict of interest situation in view that:

- (i) the AmBank Group form a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Joint Principal Adviser to the Company in respect of the Proposals is in the ordinary course of business; and

- (ii) each of the entities and departments of the AmBank Group are also subject to internal control and checks, which regulate the sharing of information between entities and departments. Additionally, each department and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia.

2.2 Maybank IB

Maybank IB, being the Joint Principal Adviser to the Company for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction service businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for the Group and/or any of its affiliates, in addition to Maybank IB's role as the Joint Principal Adviser for the Proposals. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of the Group, its shareholders, its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Company and/or its affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of the Group and/or its affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now or in the future, may have interest or take actions that may conflict with the interest of the Group. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has extended credit facilities amounting to RM74.00 million to EHHSB in relation to the Undertakings. Notwithstanding, Maybank IB is of the view that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as the Joint Principal Adviser for the Proposals as:

- (i) the extension of credit facilities arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and the Maybank Group's internal controls and checks; and
- (iii) the said credit facilities owed by EHHSB to the Maybank Group as at the LPD is not material when compared to the audited NA of the Maybank Group as at 31 December 2024 of RM93.97 billion.

Save for the above, Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Joint Principal Adviser for the Proposals.

2.3 Knight Frank

Knight Frank has, before the issuance of this Circular, given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Valuation Certificate, the Valuation Report and all references thereto in the form and context in which they appear in this Circular.

Knight Frank confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Valuer for the Proposed Acquisition.

2.4 QuantePhi

QuantePhi, being the Independent Adviser to the non-interested shareholders of EHB for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and IAL of its name and all references thereto in the form and context in which they appear in this Circular.

QuantePhi confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Independent Adviser for the Proposed Acquisition.

2.5 Crowe

Crowe has, before the issuance of this Circular, given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the reporting accountant's letter on proforma consolidated statements of financial position of EHB Group as at 30 June 2024 and all references thereto in the form and context in which they appear in this Circular.

Crowe confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Reporting Accountant for the Proposals.

2.6 Providence

Providence has, before the issuance of this Circular, given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references to the IMR Report in the form and context in which they appear in this Circular.

Providence confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the independent market researcher to the Company for the Proposals.

3. MATERIAL COMMITMENTS

Saved as disclosed below and the balance Purchase Consideration, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred which have a material impact on the Group's financial position.

	<u>RM'mil</u>
Approved and contracted for:	
- Capital expenditure in respect of the Corus Hotel Refurbishment	119.50
- Capital expenditure in respect of the renovation of the Group's corporate office	0.54

4. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities which upon becoming due or enforceable, may have a material impact on the Group's financial position.

5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

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

As at the LPD, the Board is not aware of any material litigation, claims or arbitration involving the Subject Property – Partial Tower E Building.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of EHB Shares transacted on the Main Market of Bursa Securities for the past 12 months preceding the date of the Circular are set out as below:

	Highest RM	Lowest RM
2024		
July	0.410	0.340
August	0.380	0.295
September	0.400	0.340
October	0.375	0.330
November	0.340	0.315
December	0.350	0.325
2025		
January	0.355	0.325
February	0.390	0.330
March	0.380	0.340
April	0.365	0.330
May	0.375	0.345
June	0.375	0.360
July (up to the LPD)	0.365	0.355
 Last transacted market price on 27 February 2025 (being the last Market Day prior to the announcement of the Proposals)		0.380
 Last transacted market price as at the LPD		0.360

(Source: Bloomberg)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of EHB at No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Wilayah Persekutan Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:

- (i) the Constitution;
- (ii) the SPA;

APPENDIX VI – FURTHER INFORMATION *(Cont'd)*

- (iii) the audited consolidated financial statements of EHB Group for the past two (2) FYEs 30 June 2023 and 30 June 2024 and the latest unaudited quarterly results of the EHB Group for the nine (9) months FPE 31 March 2025;
- (iv) the proforma consolidated statements of financial position of EHB Group as at 30 June 2024 together with the Reporting Accountant's letter as set out in Appendix V of this Circular;
- (v) the Undertaking Letters;
- (vi) the IMR Report;
- (vii) the Valuation Report;
- (viii) the Valuation Certificate;
- (ix) the draft Deed Poll; and
- (x) the letters of consent referred to in Section 2 of this Appendix VI.

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EXSIM

HOSPITALITY

EXSIM HOSPITALITY BERHAD

(Formerly known as Pan Malaysia Holdings Berhad)

Registration No. 198301000236 (95469-W)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of EXSIM Hospitality Berhad ("**EHB**" or "**Company**") will be held at Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("**Main Venue**") on Friday, 15 August 2025 at 3:00 p.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions:

AGENDA

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN EXSIM HOSPITALITY BERHAD ("EHB SHARES**" OR "**SHARES**") ("**RIGHTS SHARES**") TOGETHER WITH FREE DETACHABLE WARRANTS ("**WARRANTS**") AT AN ISSUE PRICE AND ENTITLEMENT BASIS TO BE DETERMINED AND ANNOUNCED AT A LATER DATE TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM250.79 MILLION ("**PROPOSED RIGHTS ISSUE WITH WARRANTS**")**

"THAT, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant regulatory authorities and/or third parties being obtained (where required), the board of directors of the Company ("**Board**") be and is hereby authorised:

- (i) to provisionally allot and issue new EHB Shares by way of a renounceable rights issue of the Rights Shares with Warrants to the shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced at a later date ("**Entitlement Date**") ("**Entitled Shareholders**") and/or their renounee(s), at an issue price and entitlement basis to be determined and announced at a later date;
- (ii) to allot and issue such number of new EHB Shares credited as fully paid-up to the holders of the Warrants pursuant to the exercise of the Warrants during the tenure of the Warrants in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company; and
- (iii) to use the gross proceeds to be derived from the Proposed Rights Issue with Warrants in the manner set out in **Section 2.8** of Part A of the circular to shareholders of the Company dated 31 July 2025 ("**Circular**") and the Board is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the interest of the Company, subject (where required) to the approval of the relevant authorities and/or shareholders of the Company;

THAT any unsubscribed Rights Shares together with the Warrants which are not taken up or validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess Rights Shares applications in such manner and to such persons and to be allocated in a fair and equitable manner on a basis to be determined by the Board in its absolute discretion;

THAT any fractional entitlements of the Rights Shares and Warrants that may arise from the Proposed Rights Issue with Warrants will be disregarded and the Board be and is hereby authorised to deal with such fractionals in such manner and on such terms and conditions as the Board in its absolute discretion deems fit and expedient or in the best interest of the Company;

THAT approval be and is hereby given to the Board to determine the issue price of the Rights Shares, exercise price of the Warrants and the entitlement basis of the Rights Shares and Warrants;

THAT the Rights Shares, the Warrants and the new EHB Shares to be issued pursuant to the exercise of the Warrants shall be listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**");

THAT the Warrants shall be immediately detached from the Rights Shares upon issuance and shall be traded separately on the Main Market of Bursa Securities;

THAT the Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing EHB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of EHB, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares;

THAT the new EHB Shares to be issued arising from the exercise of the Warrants ("**Exercised Shares**") will, upon allotment, issuance and full payment of the exercise price of the Warrants, rank equally in all respects with the existing EHB Shares, save and except that the new EHB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of EHB, the entitlement date of which is prior to the date of allotment and issuance of the Exercised Shares;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interest of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to give effect to variations, amendments and resubmissions in connection with the Proposed Rights Issue with Warrants, and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement, complete and give full effect to the Proposed Rights Issue with Warrants;

AND THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares, Warrants and new EHB Shares to be issued and allotted in connection with the Proposed Rights Issue with Warrants have been allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION BY UPPERVISTA SDN BHD (“UPPERVISTA”), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY OF A PROPOSED 5-STAR RATED HOTEL TOWER TOGETHER WITH RETAIL PODIUM KNOWN AS TOWER E, COMPRISING 294 HOTEL ROOMS, A RESTAURANT, A BALLROOM, SWIMMING POOL, RETAIL SPACES AND OTHER SUPPORTING FACILITIES WHICH FORM PART OF THE MIXED DEVELOPMENT PROJECT KNOWN AS EMPIRE CITY, DAMANSARA LOCATED IN PETALING JAYA, SELANGOR (“SUBJECT PROPERTY – PARTIAL TOWER E BUILDING”) FROM ARCADIA HOSPITALITY SDN BHD (“AHSB”) FOR A CASH CONSIDERATION OF RM240.25 MILLION (“PROPOSED ACQUISITION”)

“**THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all relevant regulatory authorities and/or third parties being obtained (where required), and the conditions precedent in the conditional sale and purchase agreement dated 28 February 2025 entered into between Uppervista (as purchaser) and AHSB (as vendor) for the Proposed Acquisition (“**SPA**”) being obtained/fulfilled or waived (as the case may be), approval be and is hereby given to Uppervista to acquire the Subject Property – Partial Tower E Building for a total cash consideration of RM240.25 million, in accordance with the terms and conditions as stipulated in the SPA;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and make all such decisions as they may in their absolute discretion deem fit, necessary, expedient and/or appropriate in order to implement the Proposed Acquisition with full power to assent to any conditions, modifications, variations and/or amendments as may be required, at their discretion and/or imposed or required by the relevant authorities and/or parties and to execute, sign and deliver all such documents and/or agreements with any party or parties, and to take all such steps for and on behalf of the Company as it may deem fit necessary, expedient and/or appropriate in order to implement, finalise, complete and give full effect to the Proposed Acquisition.”

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC NO. 201908000235) (MAICSA 7018590)
NAZIRAH BINTI NAZRI (SSM PC NO. 202408000275) (MAICSA 7071328)
Company Secretaries

Kuala Lumpur
31 July 2025

Notes:

- (1) *The EGM will be conducted physically. Members and proxies will have to attend physically in person at the Main Venue.*
- (2) *A member who is entitled to attend, participate, speak and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf at the EGM. Where a member appoints two (2) proxies to attend the EGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (3) *The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 70 of the Constitution in relation to the Record of Depositors made available to the Company.*
- (4) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint one (1) proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (5) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (7) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof:*
 - (i) *In Hardcopy Form*

The Proxy Form shall be deposited at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor Darul Ehsan, Malaysia.
 - (ii) *By Electronic Means*

The Proxy Form shall be electronically submitted via Symphony's Online website at <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC).

Please refer to the Administrative Guide for the EGM for further information on the electronic submission.

- (8) *Pursuant to Paragraph 8.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this notice of EGM will be put to vote by poll.*
- (9) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 August 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote at the EGM, or to appoint proxy(ies) to attend, participate, speak and vote on their behalf.*
- (10) *Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

EXSIM

HOSPITALITY

EXSIM HOSPITALITY BERHAD
(Formerly known as Pan Malaysia Holdings Berhad)
Registration No. 198301000236 (95469-W)
(Incorporated in Malaysia)

PROXY FORM

IMPORTANT!

Please take note that all the fields underlined in this proxy form are mandatory and must be completed in full and accurately. The Company reserves the right to invalidate and/or reject any proxy form which is not complete or accurately filled in.

CDS Account No.	Number of Shares Held

*I/We _____ NRIC No./Passport No./Company No. _____
(FULL NAME IN BLOCK LETTER)

of _____
(FULL ADDRESS)

with email: _____ and mobile phone no. _____

, being a *member/members of **EXSIM Hospitality Berhad (formerly known as Pan Malaysia Holdings Berhad)**, hereby appoint(s):

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No. of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No. of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("**Main Venue**") on Friday, 15 August 2025 at 3:00 p.m., or any adjournment thereof and to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Proposed Rights Issue with Warrants		
Ordinary Resolution 2	Proposed Acquisition		

Please indicate with an "X" in the above columns how you wish your vote to be cast. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

* Strike out if not applicable.

Dated this _____ day of _____ 2025

Signature/Common Seal of member



Notes:

- (1) The EGM will be conducted physically. Members and proxies are required to attend in person at the Main Venue.
- (2) A member who is entitled to attend, participate, speak and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf at the EGM. Where a member appoints two (2) proxies to attend the EGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (3) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 70 of the Constitution in relation to the Record of Depositors made available to the Company.
- (4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint one (1) proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (6) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.
- (7) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof:
 - (i) **In Hardcopy Form**

The Proxy Form shall be deposited at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor Darul Ehsan, Malaysia.
 - (ii) **By Electronic Means**

The Proxy Form shall be electronically submitted via Symphony's Online website at <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC).

Please refer to the Administrative Guide for the EGM for further information on the electronic submission.
- (8) Pursuant to Paragraph 8.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this notice of EGM will be put to vote by poll.
- (9) In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 August 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote at the EGM, or to appoint proxy(ies) to attend, participate, speak and vote on their behalf.
- (10) Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate, speak and vote at the EGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 31 July 2025.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

**THE SHARE REGISTRAR OF
EXSIM HOSPITALITY BERHAD** (formerly known as Pan Malaysia Holdings Berhad)
Registration No. 198301000236 (95469-W)
c/o: SYMPHONY CORPORATE SERVICES SDN. BHD.
S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
40460 Kota Kemuning,
Shah Alam, Selangor.

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