

COMPARISON APPROACH

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 is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

There is a dearth of recent recorded transactions of similar properties within Klang Valley. We have identified and analysed the selected sales transactions of shopping centres, and have tabulated the details in the tables attached below:

Market Valuation via Comparison Method			
	Comparable 1	Comparable 2	Comparable 3
Property / Location	Ampang Waterfront (Jln Ampang) Ampang	Pusat Perdagangan @ Pavilion Bukit Jalil Petaling	Intermark Jalan Tun Razak Bandar Kuala Lumpur
Tenure	Lot PT 15738 / HS(D) 11540 ; Freehold Lot PT 24371 / HS(M) 25621; Leasehold 99 Years Expiring On 17 December 2088 (Unexpired Term = 68 Years)	Freehold	Freehold
Address	Ampang Point Mall, Jalan Mamanda 3 Ampang Waterfront (Jln Ampang)	101899, Persiaran Jalil Utama Pusat Perdagangan @ Pavilion Bukit Jalil	Intermark Mall, Jalan Tun Razak Jalan Tun Razak
Title Details	Lot 1 - HS(D) 11540 (Utama), Lot Pt 15738 Lot 2 - HS(M) 25621 (Berkaitan), Lot Pt 24371	Geran, 75638 Hakmilik Muktamad, 101899, Tunggal	Geran, 75638 No. Strata, 20000(M1/B3/2), Tunggal, 43
Vendor	Purple Boulevard Berhad	Bukit Jalil Development Sdn Bhd	The Intermark Sdn Bhd
Purchaser	Nadin Holdings Sdn Bhd	Regal Path Sdn Bhd	Amtrustee Berhad
Share	1/1	1/1	1/1
Transaction Price	RM 300,000,000	RM 1,480,000,000	RM 180,000,000
Land Area	7,693,050 sm 82,807 sf	113,900,000 sm 1,226,008 sf	19,368.700 sm 208,698 sf
Date of Sale [Time Elapsed]	10 November 2020 [22 Months]	28 May 2019 [40 Months]	29 December 2015 [81 Months]
Net Lettable Area	25,581.710 sm 275,359 sf	170,933.000 sm 1,839,914 sf	20,903.801 sm 225,014 sf
Not Lettable Area Analysis	RM 11,727.13 psm RM 1,089.49 psf	RM 8,658.36 psm RM 804.39 psf	RM 7,654.11 psm RM 711.07 psf
Remarks	A 5-storey shopping complex with a basement car park (240 bays) excluding 9 retail lots which were sold	A block of retail mall with five (5) levels of retail space and two (2) levels of basement parking (4,987 bays), a centralized green area (3.68 acres), and supporting infrastructure	A stratified 6-storey shopping mall with 367 car park bays
Analyses	RM 11,727.13 psm RM 1,089.49 psf	RM 8,658.36 psm RM 804.39 psf	RM 7,654.11 psm RM 711.07 psf
Adjusted Values	RM1,116.72 psf	RM1,038.86 psf	RM1,066.60 psf

Sales Comparison of Shopping Malls (Comparable Transactions)
(Source: *Jabatan Penilaian dan Perkhidmatan Harta (JPPH)* & *Bursa Saham* Announcements)

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COMPARISON APPROACH

Opinion on the Comparable Transactions

Comparison Approach

The rationale for the adjustments is explained below:

Adjustments on Comparables		
Comparable 1	Comparable 2	Comparable 3
The sale took place in November 2020, we have not made any adjustment for this factor because shopping malls weathered the pandemic by giving rebates for a few months only. Comparable is similar in size to the Subject Property 1 and no adjustments are warranted. Comparable is of leasehold tenure with unexpired term of 68 years, basing on remaining lease period an upward adjustment is made. The Comparable is situated along Ampeng Road which is a better location and we make a downward adjustment for this factor. We also make a downward adjustment for better access. Subject Property 1 will comprise of strata titles whilst the Comparable is a free standing shopping complex for which a downward adjustment is made. For limited number of car parks in the Comparable an upward adjustment is made.	An upward adjustment for time is made for the improvement in market sentiments from May 2019 to the period before the MCOs. Comparable property is a very large mall being almost 7.2 times bigger for which an upward adjustment is made. Comparable is Freehold in nature and similar to the Subject Property 1. The general neighbourhood is not as well developed as the Subject Property 1 which is a proven up market location for which an upward adjustment is made. A downward adjustment is made for the Subject Property 1 comprising strata titles whilst the Comparable is a free standing shopping complex. No adjustments are made for access and occupancy, both enjoy similar advantages. Ample and sufficient car parking provisions are available and no adjustments are made for this factor.	This sale took place circa 2015 and until 2019 there was an increasing trend. We have made an upward adjustment for this period. Comparable is similar in size to the Subject Property 1 and no adjustments are warranted. Comparable is Freehold in nature and similar to the Subject Property 1 for which no adjustment is made. We make a downward adjustment for location for the Comparable is better located as the Subject Property 1 is situated in a suburban area. Comparable is a similar stratified shopping mall, hence, no adjustment is made. Comparable has poor access to enter and leave the shopping mall and we make an upward adjustment for the better access of the Subject Property 1. At the time of sale this mall had low occupancy of only 74.0% with some rent guarantee. An upward adjustment is made for the poorer occupancy at the time of sale. As the Comparable has limited number of car park bays an upward adjustment is made.

Rationale for Adjustments (Commentary)

We use the comparison method as a secondary method. The dissimilarities between the malls are far too many. All three transactions are different and possess challenges in view of the dissimilarities. However, the adjusted values lie within a close range and between RM1,038.86 per square foot and RM1,116.72 per square foot. In our opinion, as explained in our comments, in the determination of the Market Value of the Subject Property 1, the fair Market Value is RM1,075.00 per square foot.

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RECONCILIATION OF VALUE

Reconciliation of Value The valuations are summarised below:

Valuation by the Investment Method is	RM 270,500,000.00/-
Valuation by the Comparison Method is	RM 274,700,000.00/-

As explained above, we have adopted the valuation by the Investment Method as the more appropriate and primary method. This is because the actual rents passing and the expected reversionary rents that can be obtained from the Subject Property 1 can readily be captured and do reflect the current situation. Besides, there are other revenue sources that provide additional revenue.

We have used the Comparison method as a secondary method. There are no similar current shopping malls transacted data available. We had recourse to previously transacted data in different locations that possess different characteristics and require varying adjustments. As stated above, the regional location of the comparable shopping malls pose some challenges in adopting adjustments. The sales of these malls are also dated. In view of the issues related to the adequacy of the adjustments we have used the comparison method as a secondary method in this valuation.

On the other hand the investment method is based on the achieved and achievable cash from the Subject Property 1. These maybe different from other malls. We have examined these revenues and we find the revenues realistic as proven by the revenue growth of the mall since its establishment.

We are of the opinion that the valuation by the Investment Method is the more appropriate method to adopt in this valuation. Hence, the Market Value of the 163 Retail Park in our opinion is RM270,500,000.00/-.

(RINGGIT MALAYSIA: TWO HUNDRED, SEVENTY MILLION AND FIVE HUNDRED THOUSAND ONLY).

CONCLUSION

Taking into consideration the above factors, we therefore assess the Market Value of the freehold interest Subject Property 1 known as 163 Retail Park, erected upon part of a parcel of land identified as Lot No. 67384, Mukim of Batu, within the District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, held under Title No. Geran Mukim 8842, with titled land area of 21,076 square metres (226,860 square feet), bearing postal address 163 Retail Park, Jalan Kiara, Mont Kiara, 50480 Wilayah Persekutuan Kuala Lumpur, and with a Certificate of Completion and with existing tenancies and free from encumbrances as at the date of valuation, is at, RM270,500,000.00/-.

(RINGGIT MALAYSIA: TWO HUNDRED, SEVENTY MILLION AND FIVE HUNDRED THOUSAND ONLY).



SUBJECT PROPERTY 2

REPORT AND VALUATION OF A PARCEL OF COMMERCIAL LAND WITH A TWO (2) STOREY SHOPPING CENTRE KNOWN AS AEON SERI MANJUNG SHOPPING CENTRE, TOGETHER WITH CAR PARK BAYS LOCATED ON THE GROUND FLOOR AND ROOFTOP LEVEL, IDENTIFIED AS PT 15074, MUKIM OF LUMUT, DISTRICT OF MANJUNG, STATE OF PERAK DARUL RIDZUAN, HELD UNDER TITLE NUMBER HSD 34532

[AEON SERI MANJUNG SHOPPING CENTRE, PUSAT PERNIAGAAN MANJUNG POINT III, 32040 SERI MANJUNG, PERAK DARUL RIDZUAN]

(HEREINAFTER COLLECTIVELY REFERRED TO AS THE "SUBJECT PROPERTY 2")

IDENTIFICATION OF THE PROPERTY

Identification of the Property
 The Subject Property 2 is a parcel of commercial land with a two (2) storey shopping centre known as AEON Seri Manjung Shopping Centre, together with car park bays located on the ground floor and rooftop level, identified as PT 15074, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan, held under Title Number HSD 34532.
 The Subject Property 2's postal address is AEON Seri Manjung Shopping Centre, Pusat Perniagaan Manjung Point III, 32040 Seri Manjung, Perak Darul Ridzuan, which is in accordance to the *Majlis Perbandaran Manjung's* Tax Assessment Bill.
 The property to be valued is hereinafter collectively referred to as the "Subject Property 2".
 Note : Our scope of work for this valuation only focuses on the shopping centre and the land upon which it is built upon.

Date of Valuation The date of valuation for this exercise is 27 October 2022.

Particulars of the Title Particulars of the title are as follows:

Summary of Title Particulars:	
Title Particulars	PT 15074, Mukim of Lumut, within the District of Manjung, State of Perak Darul Ridzuan, held under Title No. HS(D) 34532
Tenure	Grant in perpetuity
Titled Land Area	122,405 square metres
Surveyed Land Area	122,405 square metres
Malay Reserve/Native Land	Nil
Quit Rent	RM242,362.00
Category of Land Use	Bangunan
Express Condition(s)	Perniagaan – Bangunan Perniagaan
Restrictions-In-Interest(s)	Nil
Registered Proprietor(s)	Kar Sin Berhad - 1/1 share (full share)
Encumbrance(s)	Nil
Endorsement(s)	No. Perserahan: 00SC21891/2012, Gadaian Menjamin Wang Pokok Oleh Kar Sin Berhad kepada United Overseas Bank (Malaysia) Bhd, didaftarkan pada 21 Mei 2012 No. Perserahan: 00SC21892/2012 Gadaian Menjamin Wang Pokok Oleh Kar Sin Berhad kepada United Overseas Bank (Malaysia) Bhd, didaftarkan pada 21 Mei 2012 No. Perserahan: 21893/2012 Gadaian Menjamin Wang Pokok Oleh Kar Sin Berhad kepada Public Bank Berhad, didaftarkan pada 21 Mei 2012 No. Perserahan: 00SC19986/2013, Pajakan Seluruh Tanah kepada AEON CO. (M) BHD, bagi tempoh masa selama 10 tahun mulai dari 25 Februari 2011 dan berakhir pada 24 Februari 2021, didaftarkan pada 10 Mei 2013

Title Details (Source: Pejabat Tanah Dan Galian Negeri Perak)

DESCRIPTION OF THE SUBJECT PROPERTY 2

Property Particulars The Subject Property 2 is a shopping centre, situated within one of the most vibrant development belts of the Manjung District flanked by the Ipoh-Lumut Highway at the north and the existing Jalan Lumut at the south. The shopping centre is known as AEON Seri Manjung. The building is constructed over two (2) levels and a roof top. AEON Co. (M) Bhd ("AEON") is the main tenant. An AEON subsidiary also occupies two major locations of the western end of the building on both the ground and first floors. The remaining portions of the building, in two levels, comprise retail units, kiosks, and promotion spaces and push cart areas are let to various tenants. The retail units are occupied as retail and food & beverage outlets. The eastern portion of first floor is occupied as a cinema. These levels also have common areas, such as administration areas, lift lobbies, circulation areas and bathrooms/washrooms.

The building comprises :

Zone Descriptions	
Zone A Zone C	A department store on the ground and first floor.
Zone B Zone D	Retail units on the ground and first floor further divided to three (3) courts on each floor, i.e. South Court, Central Court, East Court and North Court.
Zone C	A cinema on the first floor
Ground Floor & Rooftop	Approximately 2,592 units of car park located on the ground floor and rooftop level

Property Particulars (cont'd)

AEON Seri Manjung shopping centre is constructed upon part of a 30.25-acre freehold land. It is located within the prime commercial vicinity of Pusat Perniagaan Manjung Point 3 (also known as Manjung Point), and is strategically nestled within the confluence of three (3) major suburban conurbations of Seri Manjung, Sitiawan and Lumut, with a reasonably large catchment population. It is surrounded by established developments such as the Pantai Hospital Manjung, and commercial businesses such as McDonald's & McCafe Seri Manjung.

Due it's unique nature within the vicinity of Manjung which is the district's administrative centre, a prominent tourist destination and rich maritime development centre, the Subject Property 2 offers a comprehensive and diverse selection of cafes, restaurants, departmental stores, designer retail outlets, speciality outlets, etc which cater for a working class neighbourhood, hence, resulting in the shopping patterns and trends becoming more attractive and conducive for them.

The Subject Property 2 has excellent accessibility and high visibility generally. Traffic moving in and out of this part of the neighbourhood have access to the well-connected road networks in the area.

Built-up Area / Gross Floor Area of the Subject Property 2

Based on the Approved Building Plans bearing *Majlis Perbandaran Manjung's* Approval Reference No. MPM 01/03/24/24/2011/3, dated 19 October 2012 provided to us by the Client, the Subject Property 2 has an overall Gross Floor Area (GFA) is 63,320 square metres (681,570 square feet). Of this, the sales and lettable area is 39,755 square metres (427,919 square feet).

A breakdown of the development; level by level and Floor Area (NFA) are as follows:

Use	BUILDING USE BY LEVEL		
	Ground Floor (square metres)	First Floor (square metres)	Roof (square metres)
Sales Area	7,184	7,925	-
Rentable Area	10,225	9,760	3,274
Toilet (Male & Female)	744	733	-
Surau (Male & Female)	169	240	-
M&E Room & Pump House	1,969	1,704	1,206
Back of House (BOH)	1,118	1,106	-
Food Court & Wash Area Area	-	1,367	-
Circulation	6,928	6,650	1,902
Nett Floor Area	28,337	28,601	6,382
Overall Nett Floor Area	63,320		

Subject Property 2's Floor Area (Source: Approved Building Plan Provided by Client(s))

Note : The above areas are extracted from the Approved Building Plans (Architect Plans) provided to us by the clients. It must be noted that the terminology referred to by the Architect as Net Floor Area is really gross area as it includes areas which will normally be excluded from a net floor area computations.



DESCRIPTION OF THE SUBJECT PROPERTY 2 (Cont'd)

Net Lettable Area of the Subject Property 2 We have recomputed the net lettable area from the above table and included the areas mentioned as Sales Area, Rentable Area and Food Court Area on all the floors. The net lettable area, as computed, is as follows:

Location	Nett Floor Area (Square Metre)	Nett Floor Area (Square Foot)
Ground Floor	17,409	187,399
First Floor	19,072	205,289
Roof	3,274	35,241
Total	39,755	427,919

Subject Property 2's Nett Lettable Area (Source: Approved Building Plan Provided by Client(s))

Note : For the purposes of this valuation we will include the lettable area on the Roof Top as provided by the Architect and hence the net lettable area will be 39,755 square meters (427,919 square feet).

Occupancy Status The Subject Property 2 is leased to a single tenant AEON Co (M) Sdn Bhd.

Age of Building The Subject Property 2 is approximately 9 years and 9 months of age from the data of the Certificate of Fitness for Occupation being issued.

State of Repair The Subject Property 2 has been well maintained and has been generally in good condition and good state of decorative repair at the time of inspection.
During our inspection of reasonable accessible portions of the building, the improvements appear to be in excellent condition having regard to age and use.

Planning The Subject Property 2 is designated for commercial use as per the Express Condition in the Document of Title.

Tenancy Profile The whole of this shopping centre has been leased to AEON Co (M) Bhd for a lease of 10 years, commencing from 4 December 2012.

Pursuant to the Agreement to Lease dated 15th February 2011, along with the Lease Agreement ("Lease Agreement") dated 9 May 2013, between Kar Sin Berhad (the Lessor) of the one part and AEON Co. (M) Bhd (the Lessee), of the other part ("Lease Agreement"), we note that the key salient terms and conditions are as follows:

Tenancy Profile Particulars

Demised Premises	Freehold land held under HSD 34532, PT 15074, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan, measuring approximately 122,405 square metres ("Shopping Centre Land").
Term	The Lessor has agreed to lease and the Lessee has agreed to accept the lease of the Demised Premises for an initial period of ten (10) years commencing upon the terms and conditions contained therein.
Lease Commencement Date	The commencement date of the lease as agreed under the Lease Agreement is on 4 December 2012.
Monthly Rental	Under the Lease Agreement: <ul style="list-style-type: none"> The Lessee shall pay the Lessor a yearly rent of RM9,457,000.00 calculated based on 7% against the Provisional Total Development Cost of RM135,100,000.00 per annum, for the first ten (10) years from the commencement date; The monthly rent of RM788,063.33 per month is to be paid for the first ten (10) years from the commencement date. In any event the rent shall be adjusted and confirmed upon the finalization of the Actual Total Development Cost.

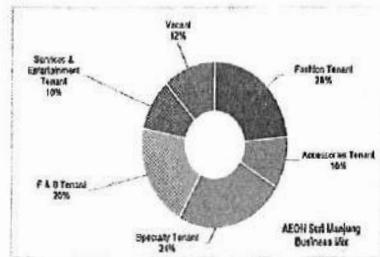


DESCRIPTION OF THE SUBJECT PROPERTY 2 (Cont'd)

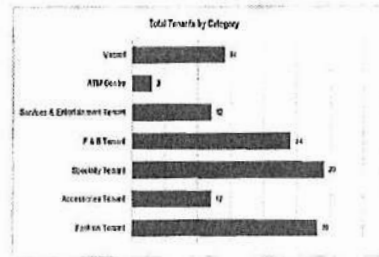
Tenancy Profile (Cont'd)	Tenancy Profile Particulars (Cont'd)
Monthly Rental (Cont'd)	In addition, the lease can be renewed for three (3) five (5) year terms after the expiry of the initial 10 year lease. The lease shall be reviewed after the initial term of ten (10) years and subsequently every five (5) years at or not more than the rate of ten percent (10%) of the last rent payable at the 11 th , 16 th and 21 st year of the lease or renewal of the lease, as the case may be.
Other Relevant Term(s)	<ul style="list-style-type: none"> The Lessor shall be liable for the payment of Quit Rent, Assessment, and Insurance of the building. The Lessor is also responsible for refurbishment of the building, replacement of the M&E parts of the complex, upkeep & maintenance of the complex, repainting of the external wall and maintaining the waterproofing system at the roof top. The Lessee/Chief Tenant will be responsible for all internal repairs and maintenance and the Lessor will be responsible for external repairs and maintenance subject to mutually agreed works.

The chief tenant, AEON Co. (M) Bhd, has in-turn let the various units within the shopping centre to various tenants. The range of tenancies comprise well known and established brands in Malaysia. A related company is the major anchor tenant. In particular the food and beverage operators of well-known brands are all here. The individual lettings to the other stores are within the management and control of the lessee. The service charges and maintenance works are managed by the chief tenant.

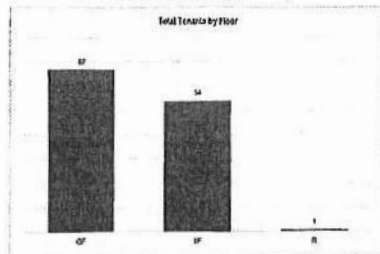
Apart from the anchor tenants, the tenant mix comprises mostly of local and foreign brand outlets. The breakdown and composition of tenant mix by category are as follows:



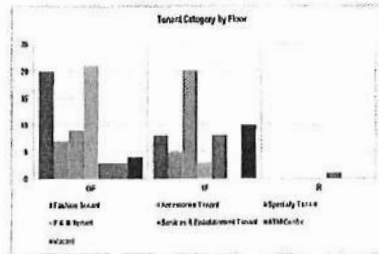
Percentage of Tenancy Mix by Category (Source: Tenancy List Provided by AEON Seri Manjung Management)



Total Tenants by Category (Source: Tenancy List Provided by AEON Seri Manjung Management)



Total Tenants by Floor (Source: Tenancy List Provided by AEON Seri Manjung Management)



Tenant Category by Floor (Source: Tenancy List Provided by AEON Seri Manjung Management)

Note : There are tenants which occupy units adjacent to each other; which we have considered as individual units for categorization purposes.

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MARKET VALUE

The following are the consideration for the determination of the Market Value of the Subject Property 2.

Valuation Methodology Two approaches to valuation have been adopted namely the Income Approach and the Comparison Approach.

INCOME APPROACH BY INVESTMENT METHOD

Income Approach by Investment Method This shopping complex or mall is being held as an investment property for the income generating ability of the mall. It was completed circa late 2011. Mall operations begun in 2012 and since then the mall has gained sufficient demand from branded tenants and shoppers alike. We have resorted to the traditional investment method. This is because the shopping complex has been leased to a single tenant for an initial ten (10) years and for a further three (3) terms of five (5) years each. The best method to carry out this valuation is by the Traditional Investment Method using the All Risks Yield (ARY) capitalisation method. In this method, the net rents are capitalised to arrive at the market value. We consider this method to be the more reliable method as it is the more prevalent method in practice. We have adopted to use the term and reversion capitalisation to value the shopping mall.

In this method we have to determine the market rent of the Subject Property 2 and deduct all service charges and outgoings. The net rent is then capitalised by a market derived yield after allowing for voids.

Summary of Parameters

Term Gross Rents RM24.08 per square foot per annum (or RM2.01 per square foot per month).

Note : This is mainly based on the following factor(s):
The gross rent for this property as agreed in the lease is RM9,467,000.00 per annum. The Lessor bears costs of quit rent, assessment, insurance and the external repairs. The current rent is the contractual rent in the lease agreement. This is RM24.08 per square foot per annum. Upon the renewal of the first ten years, the new rent shall not be more than ten percent more than the previous rent.

These rents are contractual rents in accordance with the lease terms. Hence for term renewals, the rents as derived above will be used in the valuation. The term rents for the lease will be as follows:

LEASE RENTS IN ACCORDANCE WITH THE LEASE AGREEMENT					
Term	Commencement	Expiry	Years	Gross Rent PA	Gross Rent PM
Current Term	4-Dec-12	3-Dec-22	0.25	RM24.08	RM2.01
First Renewal	4-Dec-22	3-Dec-27	5.00	RM26.49	RM2.21
Second Renewal	4-Dec-27	3-Dec-32	5.00	RM29.14	RM2.43
Third Renewal	4-Dec-32	3-Dec-37	5.00	RM32.05	RM2.67
Reversion	4-Dec-37		Perpetuity	RM32.05	RM2.67

Lease Rents and Revisions
(Source: VPC Alliance (Kajang) Sdn Bhd & Clients)

Reversionary Gross Rents Adopted RM32.05 per square foot per annum.

Note : The lease has three (3) renewals based on 5 year renewals with increase in rents capped at 10% of the previous rent. In practice under the Investment Method, the reversionary rent is taken to be the market rent. The current rent under the lease is RM24.08 per square foot per annum for term. Hence, for the first renewal the rent will be RM26.49 per square foot per annum, for the second renewal RM29.14 per square foot per annum and for the third renewal RM32.05 per square foot per annum. The market rent as discussed below indicate rents ranging from RM33.12 to 33.36 per square foot per annum. As the third renewal rent is RM32.05 per square foot per annum and is close to the market rent, we have also adopted the same rent (i.e. RM32.05 per square foot per annum) for the reversionary rent to perpetuity.



Summary of Parameters (Cont'd)

Reversionary Gross Rents | Comparables for Estimating Gross Rents.

COMPARATIVE RENTS FROM OTHER MALLS			
Details	Comparable 1	Comparable 2	Comparable 3
Source	Bursa Malaysia Securities Berhad	Suruhanjaya Sekuriti Malaysia (SC) / Jabatan Penilaian & Perkhidmatan Harta (JPPH)	Bursa Malaysia Company Announcement
Building Name	AEON Mall Kinta City Shopping Centre	KIP Mall Bangi	Mydin Hypermarket Bukit Mertajam
Address	2, Jalan Teh Lian Swee, Taman Ipoh Selatan, 31400 Ipoh, Perak Darul Ridzuan	No. 1, Jalan Medan Bangi, 43650 Bandar Baru Bangi	Mydin Hypermarket Mydin Mall
Property Description	3 storey shopping mall comprising of 2 levels of retail lots, one (1) level of car park and cinema, and one (1) level of car park and bowling alley at the roof top.	5 storey shopping centre with one (1) level of mezzanine floor and two (2) levels of basement car park.	3 storey shopping mall, each floor with a Mezzanine floor together with 1,242 car parking bays and 1,236 motor cycle bays.
Tenure	Freehold	Leasehold 99 Years - Expiring on 14 July 2093 (Unexpired Term of 78 years)	Freehold
Land Area	648,310	92,817	559,009
Net Lettable Area (sq. feet)	530,181	280,674 (Obtained from CBRE Valuation Certificate in IPO Prospectus dated 1 March 2016)	536,507
Vendor	Kinta City Sdn. Bhd.	Landasan Primamaju Sdn Bhd (Regl Owner)	Mydin Wholesale Cash & Carry Sdn Bhd
Purchaser	Pacific Trustees Berhad (as trustee for and on behalf of KIP REIT)	Pacific Trustees Berhad	AmFirst Real Estate Investment Trust
Date of Transactions	30/11/2018	1/3/2016	15/1/2015
Period Lapsed	3.76	6.51	7.39
Price Consideration	208,000,000	130,000,000	250,000,000
Rent at Time of Purchase (Per Annum)	17,177,864	3.99	16,250,000
Outgoings (RM Per Annum)	1,854,165	1.28	Triple Net
Net Rent (RM Per Annum)	15,623,700	2.70	
Gross Rent (RM PSF Per Month)	2.70		2.52
Analysis (RM PSF)	392.32	499.18	488.00
Net Rent		(Rents were given in psf)	
Adjusted Rents	2.70	2.70	2.52
	2.76	2.78	2.78

Comparative Rents from Other Malls

Reversionary Gross Rents (cont'd) | The rents of the comparable shopping centres were adjusted for differences in location size, positioning and other relevant property matters and the adjusted values range from RM33.12 per square foot per annum (RM2.76 per square foot per month) to RM33.36 per square foot per annum (RM2.78 per square foot per month).

Commentary on Comparable Rents		
Comparable 1	Comparable 2	Comparable 3
An upward adjustment is made for time difference, after taking into consideration the pandemic years. The Ipoh AEON Mall is in a better and bigger catchment area being within the Ipoh City. We have allowed a downward adjustment for this factor. There is only a small difference in size and we allow no adjustment. Subject Mall is along a highway and provides better exposure and frontage for a small upward adjustment is added. For similar rent arrangement no adjustment is made.	An upward adjustment is made for time difference, after taking into consideration the pandemic years. The Bangi Mall is situated in the larger conurbation of Kajang and Bandar Baru Bangi and in our opinion this is a positive advantage for the Bangi Mall. We allow a downward adjustment for this factor. The Bangi KIP Mall is smaller in size and is far more compact for which a downward adjustment is given. Subject Mall is along a highway and provides better exposure and frontage for which an upward adjustment is made. The rent used is net rent but the Subject Property 2 is subject to payment of annual rent, insurance and assessment for which an upward adjustment is made.	An upward adjustment is made for time difference, after taking into consideration the pandemic years. The Mydin Mall Bukit Mertajam is in a similar township and similar catchment area being within the Bukit Mertajam and Seberang Perai locality for which no adjustment is made. There is only a small difference in size and no adjustment is made. Subject Mall is along a highway and provides better exposure and frontage and an upward adjustment is made for this factor. Similar rent arrangement.

Rationale for Adjustments (Commentary)

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Summary of Parameters (Cont'd)																			
<p>Reversionary Gross Rents <i>(cont'd)</i></p>	<p>The adjusted rents vary from RM33.12 per square foot per annum (RM2.76 per square foot per month) to RM33.36 per square foot per annum (RM2.78 per square foot per month). Rents for regional malls in different locations tend to be within the range of RM30.00 per square foot per annum (RM2.50 per square foot per month) to RM40.00 per square foot per annum (RM3.33 per square foot per month) depending on location, size of mall, type of tenancies, frontage and positioning. The adjustments based on AEON Kinta Mall is preferred owing to the geographical location of the mall, the size and the similarities in the leasing arrangements. The analysis is based on gross rent to compare with the Subject Property 2. For this valuation we have adopted a conservative RM32.05 per square foot per annum (or RM2.67 per square foot per month) to further reflect the limited catchment as well as the competition of Lotus's nearby. In addition, this adopted rent is supported by the agreed 10% increase for every quinquennial revision of the rent.</p>																		
<p>Outgoings</p>	<p>Under the lease all expenses in managing the shopping centre are borne by the tenant. The Landlord bears the expenses of outgoings that include rates or assessment levied by the local authorities, the annual rent, and insurance for the building. In addition as the Landlord is liable for the structure, we have allowed a 5% of the gross rents for external repairs. We set out the amounts below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3">OUTGOINGS</th> </tr> </thead> <tbody> <tr> <td>Insurance</td> <td></td> <td>RM108,374.88</td> </tr> <tr> <td>Quit Rent</td> <td></td> <td>RM242,362.00</td> </tr> <tr> <td>Assessment</td> <td></td> <td>RM388,077.60</td> </tr> <tr> <td>Maintenance and Repairs</td> <td>5.0%</td> <td>RM472,850.00</td> </tr> <tr> <td>Total</td> <td></td> <td>RM1,511,664.48</td> </tr> </tbody> </table> <p style="text-align: center;">Rationale for Adjustments (Commentary)</p> <p>Note : This is mainly based on the following factors i.e. the payments for Quit Rent, Assessment, and Insurance are actual amounts and to be paid by the Landlord, the Landlord is also responsible for external repairs and to date has not incurred any costs over the past 3 years. The chief tenant is responsible for internal repairs and operating expenses as part of the Lease Agreement. For the renewal periods we have increased the outgoings cost by 5% for each of the five year terms.</p>	OUTGOINGS			Insurance		RM108,374.88	Quit Rent		RM242,362.00	Assessment		RM388,077.60	Maintenance and Repairs	5.0%	RM472,850.00	Total		RM1,511,664.48
OUTGOINGS																			
Insurance		RM108,374.88																	
Quit Rent		RM242,362.00																	
Assessment		RM388,077.60																	
Maintenance and Repairs	5.0%	RM472,850.00																	
Total		RM1,511,664.48																	
<p>Term Capitalisation Rates or Yields</p>	<p>6.00% for the yield or capitalization rate.</p> <p>The Subject Property 2 is a regional shopping centre and the yields for regional shopping centres range from 6% to 7.0% generally. For the term, we have adopted 6.00% yield to reflect the relatively more secure rents under the renewal clauses which are still below the market rents. For the first and second reversions: 6.00% yield or capitalization rate for the same reason.</p>																		

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Summary of Parameters (Cont'd)

YIELDS FROM SHOPPING MALLS			
Details	Comparable 1	Comparable 2	Comparable 3
Source	Bursa Malaysia Securities Berhad	Suruhanjaya Bekurki Malaysia (SC) / Jabatan Penilaian & Perkhidmatan Harta (JPPH)	Bursa Malaysia Company Announcement
Building Name	AEON Mall Kinta City Shopping Centre	KIP Mall Bangi	Mydin Hypermarket Bukit Mertajam
Address	2, Jalan Tah Lian Swoe, Taman Ipoh Selatan, 31400 Ipoh, Perak Darul Ridzuan.	No. 1, Jalan Medan Bangi, 43650 Bandar Baru Bangi	Mydin Hypermarket Mydin Mall
Property Description	3 storey shopping mall comprising of 2 levels of retail lots, one (1) level of car park and cinema, and one (1) level of car park and bowling alley at the roof top	5 storey shopping centre with one (1) level of mezzanine floor and two (2) levels of basement car park	3 storey shopping mall, each floor with a Mezzanine floor together with 1,242 car parking bays and 1,236 motor cycle bays
Tenure	Freehold	Leasehold 99 Years - Expiring on 14 July 2093 (Unexpired Term of 78 years)	Freehold
Land Area	646,310	92,817	559,009
Net Lettable Area (sq. feet)	530,181	280,429 (Obtained from CBRE Valuation Certificate and Annual Report)	536,507
Vendor	Kinta City Sdn. Bhd	Landasan Primamaju Sdn Bhd	Mydin Wholesale Cash & Carry Sdn Bhd
Purchaser	Pacific Trustees Berhad (as trustee for and on behalf of KIP REIT)	Pacific Trustees Berhad	AmFirst Real Estate Investment Trust
Date of Transactions	30/11/2018	4/11/2015	15/4/2015
Price Consideration	208,000,000	130,000,000	250,000,000
Rent at Time of Purchase	17,177,894	12,469,341	16,250,000
Outgoings	1,654,165	4,031,441	Triple Net
Net Rent	15,523,700	8,437,900	
Yield (%)	Valued at 6.50% & 7.00%	6.50%	6.50%
Analysis (RM PSF)	392.32	499.18	488.00
Yield Rate	6.500%	6.500%	6.500%
Adjusted Rate	6.375%	6.375%	6.125%

Yields from Shopping Malls

Capitalisation Rates or Yields (cont'd)

We have made adjustments to the yields used in the comparable properties and our adjusted yields range from 6.125% to 6.375%. The adjustment rationales are set below:

Comments on Adjustments

Comparable 1	Comparable 2	Comparable 3
The comparatively better location of the Aeon Kinta places it in a more attractive situation and we have allowed for an upward adjustment to reflect the risks associated with location of the Subject Property 2. For tenure we make no adjustments. The rent lease is on same terms but the outgoings for the comparable appear to be higher per square foot. For this reason we have allowed for a downward adjustment. The Comparable is bigger than the Subject Property 2 in terms of net lettable area, for which we have made a downward adjustment. The level of rents being charged is high compared to the level of rents for the Subject Property 2 and we reflect this by making a downward.	The comparatively better location of the Kip Mall Bangi places it in a more attractive situation and we have allowed for an upward to reflect the risks associated with location of the Subject Property 2. The Comparable is held on a leasehold title whilst the Subject Property 2 is freehold. For this factor we have made a downward adjustment. The tenancies within the mall are managed by the mall operator and places risks on services charges and outgoings. The Subject Property 2 is on net rent basis which is advantage for the Subject Property 2 for which we make a downward adjustment. The Comparable is smaller than the Subject Property 2 in terms of net lettable area for which we have made an upward adjustment.	The comparatively better location of the Subject Property 2 places it in a more attractive situation and we have allowed for an upward adjustment to reflect the risks associated with location. The tenures are similar. The comparable is let on a similar triple net rent based lease. The Comparable is bigger than the Subject Property 2 in terms of net lettable area and we have made a downward adjustment. We take note that the level of rents being charged is high compared to the level of rents for the Subject Property 2 and have allowed a downward adjustment for this factor.

Rationale for Adjustments (Commentary)

Discussion on Capitalisation Rates (Yields)	The tenant is very secure being a public listed company with several stores nationwide. The tenant has strong credentials in terms of security and liquidity. As the initial rents are low and the first reversion to a 5 year term will still be below market rent, the yield rate to be adopted has to reflect this level of security. The rents for the Subject Property 2 were fixed almost ten (10) years ago. Basing on the lease terms with rents capped at not more than 10% of the last rent, even after the third revision, the rents will be below the market rent.
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Summary of Parameters (Cont'd)	
Discussion on Capitalisation Rates (Yields) (Cont'd)	<p>Hence, the security created by these secure rents has been considered in the adjustments for reversionary yields. General yields or capitalisation rates used in the industry to valuing shopping malls and shopping centres have been between 6.00% for current market rents and 7.00%. Where the rents appear to be more positive and by way of sale and leaseback arrangements, and reversionary capitalisation rate has been 6.5%.</p> <p>Further to this, a review of the Annual Reports of REITS for the year 2021 show that the industry yields for shopping malls range between 5.85% and 7.25%. We have benchmarked selected derivation of adjusted yields from three comparable shopping malls and hypermarkets. We note that the adjusted derived yields range between 6.125% and 6.375%. However, the Manjung location being somewhat less populated than the Ipoh City area, we have taken the market yields to be 6.50%. Another reason is that within the immediate neighbourhood here is the Lotus's as well as numerous traditional terraced shops, which provide strong competition for trade and shopping. We also take note that the country and the world have recovered from the Covid-19 pandemic and are now on the road to recovery. The rents are also revised every five (5) years and hence there is stability and security in the rents. Hence, a 7.00% yield would be too high for this property. 6.50% for the yield or capitalization rate.</p>
Reversion Capitalisation Rates or Yields	<p>6.50% for the capitalisation of the reversionary rent.</p> <p>As per the above, reversion to market rent will be at RM32.05 per square foot per annum and within the range of derived market rents. We have taken note that the rent is sustainable, as such, for the capitalisation of the reversionary rents we have adopted 6.50% to reflect the relative difference in the current rents and the future rents.</p>
Voids	<p>Allowed 5% for voids for the reversion.</p> <p>Note : This is because although there is no need to allow for voids because the whole of the premises has been let to a single tenant and any voids within the shopping centre will be borne by the chief tenant/Lessee (i.e. AEON Seri Manjung), however, upon the expiry of the lease after the third renewal, there may be a void period. We take note that this voids factor is to cover for the period of vacancy and negotiation to find a new tenant. The comparable yields that are used do reflect a void period, hence to be at par, we have also allowed for voids.</p>
Car Park Revenue	<p>The lease for the Subject Property 2 includes surface car parking as well as parking on the roof top. No extra charges or rents for the car park. This is mainly because all revenue from, and maintenance of the car parks belong to the lessee. (i.e. as the Chief Tenant).</p>

Market Value by Investment Method

Based on the investment Method using the traditional ARY method, the value derived from the Investment Method is RM152,000,000.00/-.

(RINGGIT MALAYSIA: ONE HUNDRED AND FIFTY TWO MILLION ONLY).

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COMPARISON APPROACH

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 is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

There has been a dearth of recently transacted shopping malls in Perak. The main reason was the lack of investment interest for such malls due to Covid-19. There are some past transactions, notably those that were acquired by real estate investment trusts. We have selected three of the available transactions and produce them below. These malls are Lotus's Hypermarket Kajang, Mydin Hypermarket in Ipoh and AEON Shopping Mall in Cheras. The prices paid for these malls were RM399.50 per square foot, RM392.32 per square foot and RM397.60 per square foot respectively. We tabulate the sales data details in the tables attached below:

Market Valuation via Comparison Method			
	Comparable 1	Comparable 2	Comparable 3
Property / Location	Lotus's Kajang	AEON Mall Kinta City Shopping Centre	AEON Mahkota Cheras Shopping Centre
Tenure	Freehold	Freehold	Freehold
Address	Lot 72421, Lotus's Kajang, Persiaran Saujana Impian	2, Jalan Teh Lean Swee, Taman Ipoh Selatan, 31400 Ipoh, Perak	Plot 55919, Jalan Temmenggung 21/9, Persiaran Mahkota Cheras 1, Bandar Mahkota Cheras, Cheras Razak Jalan Tun Razak
Title Details	PT 72421, HSD 142607, Bandar Kajang Seksyen 9, District of Hulu Langat, State of Selangor Darul Ehsan	Lot 320649, Geran 72619, Mukim Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan	Lot 55919, HSD 142740, Mukim Cheras, District of Ulu Langat, State of Selangor Darul Ehsan
Vendor	PNBC Permodalan Harta Sdn Bhd	Kinta City Sdn Bhd	AEON Co. (M) Bhd
Purchaser	Amanahraya Trustees Berhad Sebagai Pemegang Amanah KPD	Pacific Trustees Berhad, (Acting in its capacity as trustee for and on behalf of KIP REIT)	Foremost Wealth Management Sdn Bhd
Share	1/1	1/1	1/1
Transaction Price	RM 79,900,000.00	RM 208,000,000.00	RM 87,800,000.00
Land Area	30,121.00 sm 324,219 sf	60,230.00 sm 648,310 sf	28,328.00 sm 304,920 sf
Date of Sale [Time Elapsed]	24 September 2021 [12 Months]	30 November 2018 [45 Months]	29 June 2017 [81 Months]
Net Lettable Area	18,580 sm approximately 200,000 sf	49,255.43 sm 530,181 sf	20,328 sm 218,909 sf
Net Lettable Area Analysis	RM 4,300.18 psm RM 399.50 psf	RM 4,222.89 psm RM 392.32 psf	RM 4,279.73 psm RM 397.60 psf
Remarks	A two (2) storey shopping centre	A three (3) storey shopping mall comprises two (2) levels of retail lots, one (1) level of car park and cinema, and one (1) level of car park and bowling alley at the roof top	A two (2) storey shopping centre
Analysis	RM 4,300.18 psm RM 399.50 psf	RM 4,222.89 psm RM 392.32 psf	RM 4,279.73 psm RM 397.60 psf
Adjusted Value Analysis	RM 347.57psf	RM 357.01psf	RM 366.67psf

Sales Comparison of Shopping Malls (Comparable Transactions)
(Source: Jabatan Penilaian dan Perkhidmatan Harta (JPPIH)) & Bursa Saham Announcements)



ADJUSTED VALUES

Adjusted Values We have made adjustments to the sale per square foot of these malls, using our professional judgement based on distinguishing parameters that identify dissimilarities between the malls and the Subject Property 2. The rationale for adjustments are as below:

Comments on the Adjustments		
Comparable 1	Comparable 2	Comparable 3
Increase in prices of regional shopping centres have been at a lower rate than shopping centres in more urbanised city centres. In view of the recent sale we have not allowed any adjustment for time factor. The Comparable is built on two floors and a large portion of the ground floor represents covered car parks. The lettable space is a small portion on the ground floor and the whole of the first floor. The Subject Property 2 is two times bigger and for this we allow a downward adjustment. In terms of tenure they are similar. The Comparable Property is located in a better locality, therefore, a downward adjustment is taken. Comparable Property has good access from the roads leading to it and is similar to the Subject Property 2. The Comparable Property is rectangular in shape. We do not make any adjustments because the land size is bigger and there is no disadvantage because of shape.	This sale was in November 2018. As explained the increase for regional shopping centres is at a lower rate. We have recognised the rather stagnant period for the pandemic period and adopted an upward adjustment is allowed. Comparable is 530,181 square feet. It is slightly smaller and we do not make any adjustments for this size factor. In terms of tenure they are similar. Comparable is situated in Ipoh town. Ipoh is a bigger city with a very large population. It has therefore, a larger catchment population and more affordable purchasing power. A downward adjustment for this factor is taken. Comparable Property has good access from the roads leading to it and no adjustments are made. The Comparable Property is rectangular in shape. We do not make any adjustments because the land size is bigger and there is no disadvantage because of shape.	On the same basis this sale was in 2017 and we have taken an upward adjustment. The Comparable is a shopping mall on two floors. The Subject Property 2 is two times bigger than the Comparable Property for which we allow a downward adjustment for size. In terms of tenure they are similar. The Comparable Property is in a better locality than the Subject Property 2 because of the larger catchment that it serves. Hence a downward adjustment is taken. Comparable Property has good access from the roads leading to it and hence no adjustments are made. The Comparable Property is rectangular in shape. We do not make any adjustments because the land size is bigger and there is no disadvantage because of shape.

Rationale for Adjustments (Commentary)

The adjusted values are RM347.57 per square foot, RM357.01 per square foot and RM366.67 per square foot respectively for the Lotus's Hypermarket Kajang, Mydin Hypermarket in Ipoh and AEON Shopping Mall in Cheras, respectively.

Commentary on the Comparable Transactions

We use the comparison method as a secondary method. The dissimilarities between the malls are far too many. All three transactions are different and possess challenges in view of the dissimilarities. However, the adjusted values lie within a close range between RM347.57 per square foot and RM366.67 per square foot. In our opinion, in the determination of the Market Value of the Subject Property 2, a fair Market Value is RM357.00 per square foot. We take note that Comparable 2 is a sale within the state of Perak and somewhat similar in size too. The adjusted value of this Comparable 2 is a better comparison even though the sale was in November 2018. Comparable 1 is a recent transaction of shopping centre located in Kajang which is a better locality than the Subject Property 2 but it is somewhat smaller and is located in Bangi. The comparable 3 is situated in Bandar Mahkota Cheras and sold in June 2017. It is also smaller in size. These adjusted values support the market value of the Subject Property 2 at RM357.00 per square foot.



RECONCILIATION OF VALUE BY THE COMPARISON APPROACH

Reconciliation of Value by the Comparison Approach

The market for shopping complexes are relatively location based adhering to accessibility and complementary situations and usage. Access is another primary concern as most shoppers in Malaysia are car owners and cars are seen as the best means to reach the malls. Another growing factor in the industry is branding and the number of trade brands that are attracted to the mall. Branded tenants tend to move into malls with better location, better catchment areas which tend to be situated in convenience locations for the upper-end market. As explained there has been a dearth of shopping mall transactions in general. We take note that there were no similar shopping malls sold in the immediate locality. We have used sales of generic multi-tenanted shopping complexes to arrive at the Market Value of the Subject Property 2. Having taken into consideration all the relevant factors, we have made necessary and adequate adjustments to the sales of these shopping complexes, as explained in detail above.

Of the three comparables that have been adjusted we find all three comparables have each varying differences. We therefore, while acknowledging the adjusted values, take note of the large land area and small size of the mall, with its attraction of branded tenants, as well as the large number of car parking bays available and the immediate catchment area, adopted a value that is within the range of the adjusted values which appears fair to us as the Market Value of the Subject Property 2. We are of the opinion that the adjusted value derived from the Comparable 2 provides a better comparison and that the Subject Property 2 can be valued at RM357.00 per square foot. The Market Value of the Subject Property 2 based on this is RM153,000,000.00/-.

(RINGGIT MALAYSIA: ONE HUNDRED AND FIFTY THREE MILLION ONLY).

RECONCILIATION OF VALUE

Reconciliation of Value

The valuations are summarised below:

Valuation by the Investment Method is	RM152,000,000.00/-
Valuation by the Comparison Method is	RM153,000,000.00/-

As explained above, we have adopted the valuation by the Investment Method as the more appropriate and primary method. This is because the actual rents passing and the expected reversionary rents that can be obtained from the Subject Property 2 can readily captures and do reflect the current situation. Besides there are other revenue sources that provide additional revenue.

We have used the Comparison method as a secondary method. There are no similar current shopping malls transacted data available. We had recourse to previously transacted data in different locations that are possess different characteristics and require varying adjustments. As stated above, the regional location of the comparable shopping malls pose some challenges in adopting adjustments. The sales of these malls are also dated. In view of the issues related to the adequacy of the adjustments we have used the comparison method as a secondary method in this valuation.

On the other hand the Investment method is based on the achieved and achievable rents from the Subject Property 2. These maybe different from other malls. We have examined this rent and we find the rents realistic as proven by the comparable rents of other similar malls.

We are of the opinion that the valuation by the Investment Method is the more appropriate method to adopt in this valuation. Hence, the Market Value of the AEON Seri Manjung in our opinion is RM152,000,000.00/-.

(RINGGIT MALAYSIA: ONE HUNDRED AND FIFTY TWO MILLION ONLY).



CONCLUSION

Taking into consideration the above factors, we therefore assess the Market Value of the freehold interest Subject Property 2 known as a parcel of commercial land with a two (2) storey shopping centre known as AEON Seri Manjung Shopping Centre, together with car park bays located on the ground floor and rooftop level, identified as PT 15074, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan, held under Title Number HSD 34532, with titled land area of 122,405 square metres (1,317,555 square feet), bearing postal address AEON Seri Manjung Shopping Centre, Pusat Perniagaan Manjung Point III, 32040 Seri Manjung, Perak Darul Ridzuan, and with a Certificate of Completion and with vacant possession and free from encumbrances as at the date of valuation, is at, RM152,000,000.00/-.

(RINGGIT MALAYSIA: ONE HUNDRED AND FIFTY TWO MILLION ONLY).

In summary, the Market Value of the two properties are as follows:

Subject Property 1

163 Retail Park, Jalan Kiara, Mont Kiara, 50480 Wilayah Persekutuan Kuala Lumpur

Market Value: RM270,500,000.00/-

(RINGGIT MALAYSIA: TWO HUNDRED, SEVENTY MILLION AND FIVE HUNDRED THOUSAND ONLY).

Subject Property 2

AEON Seri Manjung Shopping Centre, Pusat Perniagaan Manjung Point III, 32040 Seri Manjung, Perak Darul Ridzuan

Market Value: RM152,000,000.00/-

(RINGGIT MALAYSIA: ONE HUNDRED AND FIFTY TWO MILLION ONLY).

Total Values as reported is RM422,500,000.00/-.

For and on behalf of

VPC ALLIANCE (KAJANG) SDN. BHD.


DATO' MANI USILAPPAN
PPRISM, MMIPRM, MRICS
FPEPS, MSc (London), ICVS
VPC Alliance (Kajang) Sdn Bhd
Registered Valuer (V 125)
Malaysia



Date: 15 November 2022

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

All information relating to ALX Asset in this Circular have been provided by ALX Asset, and our Board's responsibility is restricted to ensuring that such information is accurately reproduced in this Circular.

2. CONSENTS AND CONFLICTS OF INTEREST**2.1 AmInvestment Bank**

AmInvestment Bank 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. AmBank Group forms 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 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 client, 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 our Group.

As at the LPD, AmBank Group has extended credit facilities to our Group of which the amount outstanding is approximately RM351.1 million.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser for the Proposed Disposals is not likely to result in a conflict of interest or potential conflict of interest situation in view that:

- (i) AmBank Group form a diversified financial group and are engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as Principal Adviser in respect of the Proposed Disposals 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 entity within AmBank Group have separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is also regulated by Bank Negara Malaysia.

Premised on the above, AmInvestment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposed Disposals.

2.2 Malacca Securities

Malacca Securities, being the Independent Adviser to our non-interested shareholders for the Proposed Disposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name, letter and all references thereto in the form and context in which it appears in this Circular.

The Independent Adviser is not aware of any existing or potential conflict of interest or any circumstance which would give rise to a conflict of interest by virtue of its role as the Independent Adviser for the Proposed Disposals.

2.3 VPC Alliance

VPC Alliance, being the independent valuer for the Proposed Disposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name, Valuation Certificate and all references thereto in the form and context in which it appears in this Circular.

VPC Alliance is not aware of any existing or potential conflict of interest or any circumstance which would give rise to a conflict of interest by virtue of its role as the independent valuer for the Proposed Disposals.

3. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims, or arbitration involving the Properties either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group and there is no proceeding which is pending or threatened, or of any fact likely to give rise to any proceeding involving the Properties which may materially and adversely affect the financial position or business of our Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1. Material commitments**

As at the LPD, there is no material commitment incurred or known to be incurred by our Group, which may have a material impact on our financial results or position.

4.2. Contingent liabilities

As at the LPD, there are no material contingent liabilities incurred or known to be incurred by our Group which upon being enforced may have a material impact on our financial results or position.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for your inspection at the registered office of our Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia, 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 our forthcoming EGM:

- (i) our Constitution;
- (ii) the audited consolidated financial statements of our Group for the FYEs 2021 and 2020 as well as the latest unaudited financial statements of our Group for the 9-month financial period ended 30 September 2022;
- (iii) the draft SPAs;
- (iv) the Valuation Certificate and Valuation Reports; and
- (v) the letters of consent referred to in Section 2 of this appendix.

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YNH PROPERTY BHD.
(Registration No. 200101026228 (561986-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of YNH Property Bhd. (“**YNH**” or “**Company**”) will be held for the purpose of considering and if thought fit, passing the following ordinary resolutions, with or without modifications:

Date	:	Wednesday, 1 March 2023
Time	:	11.30 a.m.
Venue	:	Hotel Sfera, 2479, Jalan Dato’ Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL OF A SEVEN-STOREY RETAIL SHOPPING CENTRE KNOWN AS “163 RETAIL PARK” BY D’KIARA PLACE SDN BHD (“D’KIARA PLACE”) TO ALX ASSET BERHAD (“ALX ASSET”) TO BE SATISFIED BY ALX ASSET ENTIRELY IN CASH (“PROPOSED 163 RETAIL PARK DISPOSAL”)

“**THAT** approval be and is hereby given for D’Kiara Place, a wholly-owned subsidiary of the Company, to enter into the conditional sale and purchase agreement with ALX Asset for the Proposed 163 Retail Park Disposal (“**163 Retail Park SPA**”) and perform its obligations under the 163 Retail Park SPA, the salient terms of which is set out in Appendix I of the circular to shareholders dated 10 February 2023 (“**Circular**”) and to give full effect to the Proposed 163 Retail Park Disposal and to assent to any condition, variation, modification and/or amendment as may be required, including but not limited to, by D’Kiara Place or the relevant authorities or imposed by ALX Asset.

THAT subject to the execution of the 163 Retail Park SPA and subject to the fulfilment of all conditions precedent under the 163 Retail Park SPA and all approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given to D’Kiara Place to dispose 163 Retail Park to ALX Asset for a total cash consideration of RM270,500,000 upon such terms and conditions as set out in the 163 Retail Park SPA.

THAT approval be and is hereby given to the Board of Directors of the Company (“**Board**”) (save for Dato’ Dr. Yu Kuan Chon and Dato’ Yu Kuan Huat, collectively the “**Interested Directors**”) and the Company to use the proceeds to be raised from the Proposed 163 Retail Park Disposal for such purpose and in such manner as set out in Section 4, Part A of the Circular, and the Board (save for the Interested Directors) be and is hereby authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board (save for the Interested Directors) may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company.

THAT the Board (save for the Interested Directors) be and is hereby authorised to give full effect to the Proposed 163 Retail Park Disposal with full powers to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications and/or amendments in any manner as may be required/permitted by the Company or the relevant authorities or deemed necessary by the Board (save for the Interested Directors) or imposed by ALX Asset, and to deal with all matters incidental, ancillary to and/or relating thereto, and to take such steps and to do such acts (including to execute such documents, agreements, undertakings and confirmations as may be required), deeds, things and matters as they may deem necessary or expedient in the best interest of the Company to implement, finalise, give full effect to and complete the Proposed 163 Retail Park Disposal.”

ORDINARY RESOLUTION 2

PROPOSED DISPOSAL OF A TWO-STOREY RETAIL SHOPPING CENTRE KNOWN AS “AEON SERI MANJUNG” BY YNH HOSPITALITY SDN BHD (“YNH HOSPITALITY”) TO ALX ASSET TO BE SATISFIED BY ALX ASSET ENTIRELY IN CASH (“PROPOSED AEON SERI MANJUNG DISPOSAL”)

“**THAT** approval be and is hereby given for YNH Hospitality as the beneficial owner of AEON Seri Manjung and Kar Sin Berhad (“**Kar Sin**”) as the registered proprietor of AEON Seri Manjung (holding AEON Seri Manjung in trust for YNH Hospitality), both a wholly-owned subsidiary of the Company, to enter into the conditional sale and purchase agreement with ALX Asset for the Proposed AEON Seri Manjung Disposal (“**AEON Seri Manjung SPA**”) and perform their obligations under the AEON Seri Manjung SPA, the salient terms of which is set out in Appendix II of the Circular and to give full effect to the Proposed AEON Seri Manjung Disposal and to assent to any condition, variation, modification and/or amendment as may be required, including but not limited to, by YNH Hospitality, Kar Sin or the relevant authorities or imposed by ALX Asset.

THAT subject to the execution of the AEON Seri Manjung SPA and subject to the fulfilment of all conditions precedent under the AEON Seri Manjung SPA and all approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given to YNH Hospitality to dispose AEON Seri Manjung to ALX Asset for a total cash consideration of RM152,000,000 upon such terms and conditions as set out in the AEON Seri Manjung SPA.

THAT approval be and is hereby given to the Board (save for the Interested Directors) and the Company to use the proceeds to be raised from the Proposed AEON Seri Manjung Disposal for such purpose and in such manner as set out in Section 4, Part A of the Circular, and the Board (save for the Interested Directors) be and is hereby authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board (save for the Interested Directors) may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company.

THAT the Board (save for the Interested Directors) be and is hereby authorised to give full effect to the Proposed AEON Seri Manjung Disposal with full powers to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications and/or amendments in any manner as may be required/permitted by the Company or the relevant authorities or deemed necessary by the Board (save for the Interested Directors) or imposed by ALX Asset, and to deal with all matters incidental, ancillary to and/or relating thereto, and to take such steps and to do such acts (including to execute such documents, agreements, undertakings and confirmations as may be required), deeds, things and matters as they may deem necessary or expedient in the best interest of the Company to implement, finalise, give full effect to and complete the Proposed AEON Seri Manjung Disposal.”

**By Order of the Board of Directors of
YNH PROPERTY BHD.**

CHAN EOI LENG (SSM PC No. 202008003055) (MAICSA 7030866)

CHENG GHEE CHENG (SSM PC No. 202008002000) (LS 0004598)

CHAN WAI MAN (SSM PC No. 202008003871) (MAICSA 7075421)

Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia

10 February 2023

Notes:

1. *A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the meeting shall have the same rights as the member to speak at the meeting.*
2. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 February 2023 (General Meeting Record of Depositors) shall be eligible to attend and vote at the EGM or appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company.*
3. *Where a member is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two proxies to attend and vote at the same meeting. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.*
6. *The Form of Proxy must be completed, signed and deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for the meeting or adjourned meeting.*

Personal Data Privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company's (or its agents) 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 agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.*



YNH PROPERTY BHD.
(Registration No. 200101026228 (561986-V))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of Shares Held	

I/We _____ NRIC No./Passport No./Company No. _____
contact number : _____ email address : _____ of
_____ (full address) being a
member(s) of **YNH PROPERTY BHD.**, hereby appoint the following person(s):-

Name of Proxy 1	NRIC No./ Passport No.	No of Shares	% of Shareholdings to be Represented
Address:			
Email Address:			
Contact No.			

and/or failing him/her;

Name of Proxy 2	NRIC No./ Passport No.	No of Shares	% of Shareholdings to be Represented
Address:			
Email Address:			
Contact No.			

or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Hotel Sfera, 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Wednesday, 1 March 2023 at 11.30 a.m. or at any adjournment thereof in the manner as indicated below:

ORDINARY RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1 : Proposed 163 Retail Park Disposal		
Ordinary Resolution 2 : Proposed AEON Seri Manjung Disposal		

(Please indicate with an "X" or "✓" in the space provided above how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Signed this _____ day of _____ 2023

Signature of Member/Common Seal



Notes:

1. *A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the meeting shall have the same rights as the member to speak at the meeting.*
2. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 February 2023 (General Meeting Record of Depositors) shall be eligible to attend and vote at the EGM or appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company.*
3. *Where a member is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two proxies to attend and vote at the same meeting. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.*
6. *The Form of Proxy must be completed, signed and deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for the meeting or adjourned meeting.*

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*By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company's (or its agents) 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 agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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