

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") is not liable for any non-disclosure on the part of Bintai Kinden Corporation Berhad ("**Bintai**" or "**Company**"), takes no responsibility for the contents of this Circular, 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.

Bursa Securities has not perused the contents of this Circular in relation to the Proposed Amendments (as defined herein) prior to the issuance of this Circular as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



BINTAI KINDEN CORPORATION BERHAD

Registration No. 199401005191 (290870-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (A) **PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN JOHNSON MEDICAL INTERNATIONAL SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM50,000,000 TO BE SATISFIED VIA A COMBINATION OF CASH PAYMENT OF RM26,000,000 AND THE REMAINING PURCHASE CONSIDERATION OF RM24,000,000 TO BE SATISFIED VIA THE ISSUANCE AND ALLOTMENT OF 58,536,600 NEW ORDINARY SHARES IN BINTAI ("BINTAI SHARE(S)" OR "SHARE(S)") AT THE ISSUE PRICE OF RM0.41 PER SHARE ("PROPOSED ACQUISITION");**
- (B) **PROPOSED DIVERSIFICATION OF BINTAI'S EXISTING BUSINESS TO INCLUDE THE:**
 - (I) **PROPERTY DEVELOPMENT BUSINESS SEGMENT; AND**
 - (II) **PROPERTY MANAGEMENT BUSINESS SEGMENT WHICH INCLUDES THE MANAGEMENT OF CONDOTEL**
- (C) **PROPOSED PRIVATE PLACEMENT OF UP TO 114,567,500 NEW BINTAI SHARES REPRESENTING APPROXIMATELY 30.0% OF THE EXISTING ISSUED ORDINARY SHARES IN BINTAI, TO INDEPENDENT INVESTOR(S) TO BE IDENTIFIED LATER ("PROPOSED PRIVATE PLACEMENT");**
- (D) **PROPOSED ISSUANCE OF UP TO 190,946,000 REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN BINTAI ("RCPS") TO OLD ASSET MANAGEMENT SDN BHD AT AN ISSUE PRICE OF RM0.10 PER RCPS ("PROPOSED ISSUANCE OF RCPS"); AND**
- (E) **PROPOSED AMENDMENT TO THE CONSTITUTION OF BINTAI TO FACILITATE THE PROPOSED ISSUANCE OF RCPS ("PROPOSED AMENDMENTS").**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Notice of the Extraordinary General Meeting ("EGM") to be conducted fully online via Remote Participation and Voting ("**RPV**") facilities from the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") at <https://tiih.online> on ("**TIIH Online**") Monday, 22 November 2021 at 10:00 a.m. together with the Form of Proxy is enclosed in this Circular. The lodging of the Form of Proxy will not preclude you from participating and voting in person at the meeting should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy for the EGM: Saturday, 20 November 2021 at 10:00 a.m.
Date and time of the EGM: Monday, 22 November 2021 at 10:00 a.m.
Online Meeting Website: <https://tiih.online> or <https://tiih.com.my>
Domain registration number with MYNIC : D1A282781

This Circular is dated 29 October 2021

DEFINITIONS

In this Circular including the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

Act	:	Companies Act, 2016, as amended from time to time including any re-enactment thereof
Agreement to Develop	:	Agreement dated 28 February 2014 entered into between Khoo Kongsi and PSSB to jointly undertake a mixed development project comprising hotel/office/shops(s) and other related commercial developments on the Penang Development Land for a period of 99 years (including the letter dated 1 July 2020 by Khoo Kongsi granting PSSB an extension of time of 2 years (i.e. up to 30 June 2022 as well as the letter of support dated 6 April 2021 obtained by PSSB from Khoo Kongsi for the Company's plans to undertake the development of Holistica Penang) to complete the development activities on the Penang Development Land)
BHSB	:	Bintai Healthcare Sdn Bhd
BHSB	:	Bintai Healthcare Sdn Bhd, a 50.05% owned subsidiary of Bintai
Bintai or Company	:	Bintai Kinden Corporation Berhad
Bintai Group or Group	:	Bintai and its subsidiaries, collectively
Bintai Share(s) or Share(s)	:	Ordinary share(s) in Bintai
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad
Business Collaboration Agreement	:	Business collaboration agreement dated 25 January 2021 entered into between Bintai and IECL to undertake the joint management and marketing activities of Holistica Melaka and Holistica Penang
CAGR	:	Compound annual growth rate
Cash Consideration	:	Cash consideration of RM26,000,000 as part of the payment for the Purchase Consideration for the Proposed Acquisition
Circular	:	This circular to shareholders dated 29 October 2021 in relation to the Proposals
Consideration Shares	:	The issuance of 58,536,600 new Bintai Shares at the Issue Price amounting to RM24,000,000
Constitution	:	Constitution of the Company
Conversion Share(s)	:	Up to 190,946,000 Bintai Shares to be issued pursuant to the conversion of the RCPS
COVID-19	:	Coronavirus Disease 2019
Debt Settlement	:	Settlement of all outstanding sum owed by OPM to Handal totalling RM23,397,091.37 satisfied via the issuance of 31,800,000 new Bintai Shares at the issue price of RM0.645 per Bintai Share (which was issued on 6 January 2021), cash settlement of RM2,386,091 to be made via 24 equal monthly instalments and cash payment of RM500,000

DEFINITIONS (cont'd)

Deed of Profit Guarantee and Escrow	:	Deed of profit guarantee and escrow arrangement dated 28 April 2021 entered into between Bintai and YEL in relation to the PAT to be achieved by JMI of RM3,500,000 and RM5,600,000, respectively for the First Period and Second Period or RM9,100,000 collectively for the First Period and Second Period on an aggregate basis
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EcoAsia	:	Eco Asia Capital Advisory Sdn Bhd, the independent business valuer appointed by the Company for the Proposed Acquisition
EGM	:	Extraordinary general meeting
EPS	:	Earnings per share
EV	:	Enterprise value
FHCA	:	FHMH Corporate Advisory Sdn Bhd, the independent financial adviser appointed by the Board to conduct a financial feasibility study and evaluate the economic and financial viability of Holistica Penang
First Period	:	The period commencing 1 April 2021 to 31 March 2022
FYE	:	Financial year ended/ending, as the case may be
GDC	:	Gross development cost
GDV	:	Gross development value
Generex	:	Generex Biotechnology Corporation
Guaranteed Period	:	Collectively, the First Period and Second Period
Guaranteed Sum or Profit Guarantee	:	The PAT to be achieved by JMI of RM3,500,000 and RM5,600,000, respectively for the First Period and Second Period or RM9,100,000 collectively for the First Period and Second Period on an aggregate basis
Handal	:	Handal Jayabina Sdn Bhd
Holistica Melaka	:	Proposed development and management of an integrated holistic and wellness themed mixed development project, which shall comprise wellness condotels, wellness condominiums, retirement and lifestyle apartments, wellness club as well a medical specialist centre
Holistica Penang	:	Proposed development and management of a 21-storey lifestyle condotel on the Penang Development Land
IECL	:	International Equities Corporation Limited
IMR or Providence	:	Providence Strategic Partners Sdn Bhd
IMR Report	:	Independent market research report on the M&E services industry and healthcare services industry prepared by Providence
Indicative Placement Issue Price	:	Indicative issue price RM0.56 per Placement Share

DEFINITIONS (cont'd)

IRR	:	Internal rate of return
Issue Price	:	Issue price of RM0.41 per Consideration Share
JMI	:	Johnson Medical International Sdn Bhd
KBK	:	Kejuruteraan Bintai Kindenko Sdn Bhd
Khoo Kongsi	:	Trustee of Leong San Tong Khoo Kongsi (Penang) Registered
LAT	:	Loss after taxation
LBT	:	Loss before taxation
LPD	:	30 September 2021, being the latest practicable date prior to the issuance of this Circular
LPS	:	Loss per Share
M&A Securities or Principal Adviser	:	M&A Securities Sdn Bhd
M&E	:	Mechanical & electrical
Main Market	:	Main Market of Bursa Securities
Main Market LR	:	Main Market Listing Requirements of Bursa Securities
MCO	:	Movement control order, commonly referred to as the MCO, a restriction imposed on the movement of people implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country, and includes all its subsequent phases, being the conditional MCO (“ CMCO ”), recovery MCO (“ RMCO ”), enhanced MCO (“ EMCO ”) and/or variations of these thereof
Minimum Conversion Price	:	Minimum conversion price of RM0.10 per RCPS
MOU	:	Memorandum of understanding dated 12 April 2021 entered into between Bintai and YEL for the Proposed Acquisition
NA	:	Net assets
NuGenerex	:	NuGenerex Immuno-Oncology Inc.
OPM	:	Optimal Property Management Sdn Bhd, a wholly-owned subsidiary of Bintai
OD or RCPS Subscriber	:	OD Asset Management Sdn Bhd
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple
P/E ratio	:	Price-to-earnings ratio

DEFINITIONS (cont'd)

Penang Development Land	:	A piece of freehold land held under Lot 127, GRN 18231, Seksyen 13, Timur Laut, Bandar George Town, Penang measuring approximately 0.598 acres
Placement Share(s)	:	Up to 114,567,500 new Bintai Share(s) to be issued under the Proposed Private Placement
Private Placement I	:	Private placement of 28,700,000 Bintai Shares, representing approximately 10% of the then existing shares of Bintai, at the issue price of RM0.52 each which was completed on 28 September 2020
Private Placement II	:	Private placement of 31,800,000 Bintai Shares, representing approximately 10% of the then existing shares of Bintai, at the issue price of RM0.565 each which was completed on 12 November 2020
Proposals	:	Proposed Acquisition, Proposed Diversification, Proposed Private Placement, Proposed Issuance of RCPS and Proposed Amendments, collectively
Proposed Acquisition	:	Proposed acquisition of the entire equity interest in JMI for the Purchase Consideration
Proposed Amendments	:	Proposed amendment to the Constitution of Bintai to facilitate the Proposed Issuance of RCPS
Proposed Diversification	:	Proposed diversification of Bintai's existing business to include the: (a) property development business segment; and (b) property management business segment which includes the management of condotel.
Proposed Issuance of RCPS	:	Proposed issuance of up to 190,946,000 RCPS to OUD at the RCPS Issue Price
Proposed Private Placement	:	Proposed private placement of up to 114,567,500 Placement Shares, representing approximately 30.0% of the existing issued ordinary shares in Bintai, to independent investor(s) to be identified later
PSSB	:	Proven Seal (M) Sdn Bhd, a subsidiary of Bintai
Purchase Consideration	:	RM50,000,000, being the purchase consideration for the Proposed Acquisition, to be satisfied via a combination of Cash Consideration and Consideration Shares
RCPS	:	Redeemable convertible preference shares
RCPS Issue Price	:	The issue price of RM0.10 per RCPS
RM and sen	:	Ringgit Malaysia and sen, respectively
Sale Shares	:	Ordinary shares in JMI
Second Period	:	The period commencing 1 April 2022 to 31 March 2023
Service Agreement	:	Service agreement dated 28 April 2021 entered into between Bintai and JMI in relation to employment of YEL by Bintai as the President of JMI

DEFINITIONS (cont'd)

SSA	:	Conditional share sale agreement dated 28 April 2021 entered into between Bintai and YEL in relation to the Proposed Acquisition
Subscription Agreement	:	Conditional subscription agreement dated 28 April 2021 entered into between Bintai and OUD for the proposed subscription of up to 200,000,000 new RCPS, in tranches, by OUD at a subscription price of RM0.10 per RCPS
Supplemental Subscription Agreement	:	Supplemental subscription agreement dated 29 July 2021 entered into between Bintai and OUD to vary the terms of the Subscription Agreement in relation to the number of RCPS to be issued pursuant to the Proposed Issuance of RCPS to 190,946,000 RCPS
sq ft	:	Square feet
VWAMP	:	Volume weighted average market price
YEL or Vendor	:	Yeo Eng Lam
5D-VWAMP	:	5-day volume weighted average market price

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactments is a reference to that enactment as for the time being amended or re-enacted. For the purpose of this Circular, any reference to time of day shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY.

The Company is seeking its shareholders' approval on the Proposals. The Board of Bintai, having considered all relevant aspects of the Proposals, recommends that you vote **IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at the Company's forthcoming EGM to be convened. An overview of the Proposals is set out below:

Key information	Summary	Reference to Circular
Summary of the Proposals	<p>Proposed Acquisition</p> <p>The Proposed Acquisition entails the acquisition by Bintai of the Sale Shares representing 100.0% equity interest in JMI free from all encumbrances from the Vendor for a Purchase Consideration of RM50.00 million. The Purchase Consideration is to be satisfied in part by the Cash Consideration of RM26,000,000 and in part by an issuance of 58,536,600 Consideration Shares at the Issue Price amounting to RM24,000,000. Upon completion of the Proposed Acquisition, JMI will be wholly-owned subsidiary of Bintai.</p> <p>Proposed Diversification</p> <p>Presently, Bintai Group is principally involved in the provision of specialised M&E engineering, provision of turnkey, structural, civil, infrastructure project and project management, concessionaire arrangements and trading activities. The Bintai Group proposes to undertake the development of Holistica Penang, which is expected to contribute 25.0% or more of the NA and/or net profits of the Bintai Group.</p> <p>As such, the Board proposes to seek prior approval from the shareholders of the Company at an EGM to be convened for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Main Market LR. Notwithstanding the Proposed Diversification, the Board intends to continue with the Group's existing business activities.</p> <p>Proposed Private Placement</p> <p>The Proposed Private Placement will entail the issuance of up to 114,567,500 Placement Shares, representing approximately 30% of the existing issued shares of the Company in the Company to independent third party investor(s) to be identified at a later date. For illustrative purposes, assuming the Placement Shares are issued at the Indicative Placement Issue Price, this represents a discount of approximately 19.5% to the 5D-VWAMP of Bintai Shares of RM0.6954 per Bintai Share up to and including the LPD. Based on the Indicative Placement Issue Price, the Proposed Private Placement will raise gross proceeds of up to RM64.16 million.</p>	Section 2

Key information	Summary	Reference to Circular
	<p>Proposed Issuance of RCPS</p> <p>The Proposed Issuance of RCPS entails the issuance of up to 190,946,000 RCPS to OUD, in tranches, at a subscription price of RM0.10 per RCPS.</p> <p>Proposed Amendments</p> <p>The Company proposes to amend the Constitution to facilitate the issuance of the RCPS.</p>	
Rationale and justification	<p>Proposed Acquisition</p> <p>The Proposed Acquisition presents an opportunity for the Group to bolster its earnings stream and market share in the M&E engineering and construction industry. Due to the similarity in the business nature of both Bintai and JMI, the Proposed Acquisition is a horizontal acquisition by Bintai which presents an opportunity for the Bintai Group to expand its core construction related businesses via acquisition of businesses or investments that are in similar industries/sectors to its existing core business in the construction sector.</p> <p>The Proposed Acquisition also allows Bintai Group to gain an immediate access into an on-going business with secured unbilled order books of JMI of approximately RM34.61 million (as at the LPD) which is expected to be completed by January 2023.</p> <p>Proposed Diversification</p> <p>The expansion of Bintai Group's into the property development business segment and property management business segment which includes the management of condotel is part of the Group's strategy of diversifying into other industries with strong growth prospects instead of depending solely on its existing core construction and M&E engineering related business segments. The Group has past experiences and expertise in undertaking and completing various construction of property development and related projects across a span of 36 years. The development of Holistica Penang will add another property development project to the Group's project portfolio in line with its business diversification strategy.</p> <p>Proposed Private Placement</p> <p>The Proposed Private Placement will enable the Group to raise the necessary funds for the purposes set out in Section 4 of this Circular (i.e. Cash Consideration, partially fund the development costs of Holistica Penang, working capital requirements and expenses for the Proposals), without incurring additional interest costs associated with bank borrowings or the issuance of debt instruments. The Proposed Private Placement will also strengthen the capital base of Bintai to support its property development business segment and property management business segment which includes the management of condotel.</p>	Section 3

EXECUTIVE SUMMARY (cont'd)

Key information	Summary	Reference to Circular
	<p>The Board is of the opinion that this exercise is the most cost-effective source of capital to meet the Group's funding needs, after taking into consideration other various methods of fund-raising.</p> <p>Proposed Issuance of RCPS</p> <p>The Proposed Issuance of RCPS will enable the Group to raise the requisite funds from the subscription and subsequent conversion of RCPS for the Group's general working capital requirements, repayment of bank borrowings and/or reserved funds for future business expansion.</p> <p>Proposed Amendments</p> <p>The Proposed Amendments are to facilitate the implementation of the Proposed Issuance of RCPS.</p>	
Approvals required	<p>: The Proposals are subject to the following approvals being obtained:</p> <ul style="list-style-type: none">(a) Bursa Securities for the listing of and quotation for the Consideration Shares, Placement Shares and Conversion Shares on the Main Market of Bursa Securities;(b) the shareholders of Bintai at the forthcoming EGM to be convened; and(c) any other relevant authorities, if required.	Section 8
Inter-conditional	<p>The Proposed Acquisition, Proposed Diversification and Proposed Private Placement are not inter-conditional upon each other.</p> <p>The Proposed Issuance of RCPS and Proposed Amendments are inter-conditional with each other but are not conditional with the Proposed Acquisition, Proposed Private Placement and Proposed Diversification. However, the Proposed Issuance of RCPS is conditional upon the completion of the Proposed Acquisition.</p> <p>Save for the above, the Proposals are not conditional upon each other and any other corporate proposals undertaken or to be undertaken by Bintai.</p>	
Directors' recommendation	<p>: The Board, after having considered all aspects of the Proposals including the rationale and the effects, is of the opinion that the Proposals are in the best interests of the Company and recommends that you vote in favour of the resolution pertaining to the Proposals at the forthcoming EGM of the Company.</p>	Section 11



BINTAI KINDEN CORPORATION BERHAD

Registration No. 199401005191 (290870-P)
(Incorporated in Malaysia)

Registered Office:

3-2-8, Kompleks Kantonmen Prima
No. 698, Jalan Ipoh
51200 Kuala Lumpur

29 October 2021

Board of Directors:

Datuk Ibrahim bin Othman (*Non-Independent Non-Executive Chairman*)
Ong Choon Lui (*Chief Executive Officer*)
Noor Azri bin Dato' Sri Noor Azerai (*Deputy Chief Executive Officer*)
Ooi Jit Huat (*Independent Non-Executive Director*)
Mohd Shakir Bin Shahimi (*Independent Non-Executive Director*)

To: The Shareholders of Bintai

Dear Sirs,

- (I) PROPOSED ACQUISITION;**
 - (II) PROPOSED DIVERSIFICATION;**
 - (III) PROPOSED PRIVATE PLACEMENT;**
 - (IV) PROPOSED ISSUANCE OF RCPS; AND**
 - (V) PROPOSED AMENDMENTS**
-

1. INTRODUCTION

On 21 January 2021, M&A Securities on behalf of the Board, announced that Bintai proposes to undertake the proposed diversification into the property development and management business segment as well as the proposed private placement of up to 114,567,600 new Bintai Shares, representing approximately 30% of the existing issued ordinary shares in Bintai, to independent investors to be identified later.

On 12 April 2021, M&A Securities, on behalf of the Company, announced that the Company had entered into an MOU with the Vendor for the Proposed Acquisition. Pursuant to the terms of the MOU, the parties has resolved that the Purchase Consideration shall be satisfied via the Cash Consideration and issuance and allotment of 58,536,600 Consideration Shares to the Vendor, at the issue price of RM0.41 per Consideration Share.

On 19 April 2021, the Company announced that it is undertaking a review on its participation in 2 mixed property development and management projects, namely Holistica Melaka and Holistica Penang, which forms part of the Proposed Diversification.

On 28 April 2021, M&A Securities on behalf of the Board, announced that the Company had entered into the SSA, Deed of Profit Guarantee and Escrow as well as the Service Agreement to effect the Proposed Acquisition.

In conjunction with the Proposed Acquisition, the Company also proposes to undertake the Proposed Private Placement, Proposed Issuance of RCPS and Proposed Amendments. In respect of the Company's review of its implementation of the mixed property development projects, the Company also resolved to defer its plans to undertake the development of Holistica Melaka to concentrate Bintai's financial resources towards the Proposed Acquisition and its existing businesses. The decision to defer the development of Holistica Melaka was made after taking into consideration the following:

- (a) immediate funding obligations to meet the Cash Consideration for the Proposed Acquisition of RM26.0 million;
- (b) financial resources required for the expansion plans of JMI as stated in Section 4.10 of the Circular;
- (c) the funding requirement of the development of Holistica Melaka with a GDC of RM272.9 million as well as the impact to the overall gearing and cashflow position of the enlarged Bintai Group; and
- (d) the decision to adopt a "wait and see" approach in view of the size of the development of Holistica Melaka and uncertainty due to the ongoing COVID-19 pandemic outbreak.

On 29 July 2021, M&A Securities on behalf of the Board announced that:

- (a) the Company has resolved to reduce the issuance size of the Proposed Private Placement to 114,567,500 Bintai Shares; and
- (b) the Company has on 29 July 2021 entered into the Supplemental Subscription Agreement with OUD to vary the terms of the Subscription Agreement in relation to the number of RCPS to be issued pursuant to the Proposed Issuance of RCPS. As a consequence, the issue size of the Proposed Issuance of RCPS has been reduced to 190,946,000 RCPS.

(collectively, the "**Variations**")

On 18 August 2021, M&A Securities on behalf of the Company, announced that Bintai and the Vendor have mutually agreed to extend the period to fulfil the conditions precedent for the SSA for a period of 3 months up to 24 November 2021.

On 15 October 2021, M&A Securities on behalf of the Company, announced that Bursa Securities had, vide its letter dated 15 October 2021, granted its approval for the following:

- (a) listing of and quotation for 58,536,600 Consideration Shares pursuant to the Proposed Acquisition;
- (b) listing of and quotation for up to 114,567,500 Placement Shares pursuant to the Proposed Private Placement; and
- (c) listing of and quotation for up to 190,946,000 Conversion Shares pursuant to the conversion of RCPS arising from the Proposed Issuance of RCPS,

on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular. The approval of Bursa Securities is subject to the conditions as set out in Section 8 of this Circular.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE SAME TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS OF BINTAI ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Acquisition

The Proposed Acquisition entails the acquisition by Bintai of the Sale Shares from YEL for a total purchase consideration of RM50,000,000. The Purchase Consideration shall be satisfied in part by the Cash Consideration and in part by an issuance of 58,536,600 Consideration Shares at the Issue Price amounting to RM24,000,000.

The Cash Consideration will be funded via the proceeds raised from the Proposed Private Placement, further details of which are set out in Section 2.3 of this Circular.

Subject to the terms and conditions of the SSA, the Sale Shares will be acquired free from any and all encumbrances (includes any interest or equity of any person or any mortgage, charge, lien, pledge, assignment, hypothecation, security interest, encumbrance, title retention or any other security agreement or arrangement or other liabilities) and with all rights, benefits and advantages accruing to those Sale Shares.

The salient terms of the SSA, Deed of Profit Guarantee and Escrow as well as the Service Agreement are set out in **Appendix I** of this Circular.

Upon completion of the Proposed Acquisition, JMI will become a wholly-owned subsidiary of Bintai. In addition, upon completion of the Proposed Acquisition:

- (a) YEL will continue with her employment as the President of JMI to a date when the audited financial results of JMI for the FYE 31 March 2023 has been presented to the board of directors of JMI (pursuant to the terms of the Service Agreement); and
- (b) the current key management team of JMI will continue to manage JMI's business operations.

The Proposed Acquisition would not require a proposed diversification pursuant to Paragraph 10.13 of the Main Market LR, in view of the following considerations:

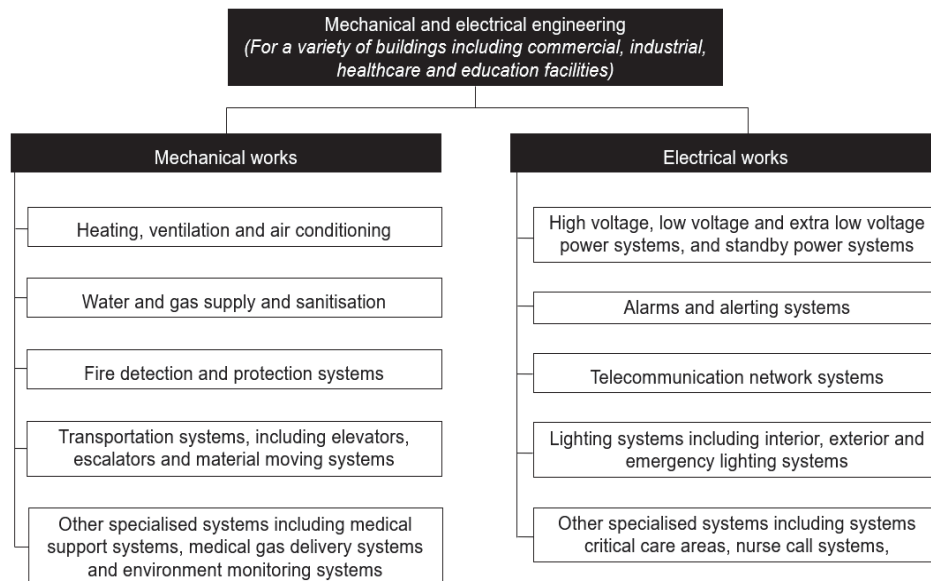
- (a) According to the Company's Annual Report for FYE 2021, the Bintai Group's largest revenue and GP contributor is mainly derived from the construction activities, which includes undertaking infrastructure, civil and structural construction project and specialised M&E engineering and environment and facilities management. During FYE 2021, the Bintai Group's specialised M&E engineering segment mainly concentrated in projects awarded by Tenaga Nasional Berhad in constructing power substations and in factories of Japan-based companies locally. The Group's revenue contribution for FYE 2021 is derived from the following business segments:

Business segments	Revenue (RM'000)	% of revenue contribution
Construction activities comprising:		
- M&E engineering	44,016	75.6
- Concession arrangements	14,126	24.2
Others	120	0.2
Total	58,262	100.0

(b) Bintai currently have the capabilities, expertise and experiences to undertake the following specialised M&E engineering services:

Mechanical works	Electrical works
<ul style="list-style-type: none"> ✓ Heating, ventilation and air-conditioning systems ✓ Water and gas supply and sanitisation ✓ Fire detection and protection systems ✓ Transportation systems 	<ul style="list-style-type: none"> ✓ High voltage and low voltage power systems, standby power systems ✓ Alarms/alerting systems, telecommunication network systems (including public announcement systems) ✓ Telecommunication network systems ✓ Lighting systems (including interior, exterior and emergency lighting systems)

The diagram below illustrates the general activities performed in the M&E engineering industry:



The Proposed Acquisition provides synergies to Bintai Group due to the similarity in the business nature of both Bintai and JMI in the specialised M&E engineering services sector. Bintai has past experiences and expertise in providing specialised M&E engineering services in the construction industry in Malaysia, focusing on providing mechanical works and electrical works for various facilities and buildings in Malaysia, such as office/commercial buildings, factories and industrial complexes, residential buildings, oil and gas facilities (such as refineries and processing plants), transportation facilities (such as airports and bus stations) as well as hotels and resorts.

The Proposed Acquisition will allow the Bintai Group to further expand its specialised M&E engineering services offerings as well as product offerings to include other specialised M&E engineering services provided by JMI mainly in the medical and healthcare industry in Malaysia, in the following areas:

- (i) mechanical works such as medical support systems and related equipment, ventilation systems, medical gas delivery systems and related medical equipment (such as medical pendants, operating theatres, medical workstations, theatre lights and related products/equipment); and
 - (ii) electrical works such as nurse call systems and medical support systems in medical and healthcare facilities/institutions.
- (c) Bintai Group has a team of qualified engineers and technicians that are capable in undertaking specialised M&E engineering services. The Proposed Acquisition is a horizontal acquisition which allows for Bintai to further expand its existing customer base to include the medical and healthcare industry in Malaysia. In the past, the Bintai Group has participated and completed specialised M&E engineering projects for medical and healthcare facilities/institutions in Malaysia, as follows:

No.	Name of medical facilities	Description of specialised M&E engineering services provided	Completion year	Value (RM'000)
(a)	Premier Care Hospital Medical Centre, Seri Alam, Johor	Both mechanical and electrical works	April 2001	3,900
(b)	Hospital Kuala Penyu, Sabah	Electrical works comprising electrical works	March 2005	16,000
(c)	Hospital Sarikei, Sarawak	Both mechanical and electrical works	June 2005	31,000
(d)	Hospital Kunak, Sabah	Both mechanical and electrical works	June 2005	16,500
(e)	Assunta Hospital, Petaling Jaya, Selangor	Both mechanical and electrical works	December 2007	21,031
(f)	Hospital Lawas, Sarawak	Civil and related M&E engineering works	June 2016	1,400

2.1.1 Background information of JMI

JMI is a private limited company incorporated in Malaysia on 23 September 1994 and commenced its operations in the same year. JMI is an M&E engineering service provider focused on the manufacturing, supply and installation of medical support systems and related equipment, ventilation systems for clean air, operating theatres, critical care units, fluid management pendants and medical gas delivery systems. JMI specialises in undertaking medical facility development and construction projects, which covers the design, construction planning, engineering, manufacture, equipping, installation, testing, commissioning, training and maintenance aspects for various medical facilities, hospitals and public health institutions in Malaysia.

Further information on JMI is set out in **Appendix IV** of this Circular.

2.1.2 Information of the Vendor

Yeo Eng Lam, a Malaysian female, aged 60, is presently the Executive Director of JMI. Upon completion of the Proposed Acquisition, she will be appointed as the President of JMI and will spearhead the business growth and direction of JMI. She has more than 36 years of experience and expertise in the M&E engineering service specialising in the areas of healthcare equipment and medical facilities. YEL graduated with a Bachelor Degree in Science specialising in Biochemistry from the University of Toronto, Canada in 1984.

In 1984, she returned to Malaysia and began her career as a Sales Executive with Busico Sdn Bhd, where she was responsible for the sales and marketing of the company's distribution of

blood gas analysers used in clinical laboratories and intensive care units of hospitals for measuring acidosis in critically ill patient on ventilator therapy.

In 1986, she established her trading company, namely Kemajuan Abadi Sdn Bhd, which was involved in the distribution and supply of various established brands of medical equipment from Europe and United States of America.

In 1994, YEL established JMI and since then, she has spearheaded the growth of JMI as a reputable M&E engineering solutions provider focused on the design, manufacture, supply and installation of customized hospital & medical support system equipment. She and her key management team has been instrumental in growing JMI into an M&E engineering solutions provider in Malaysia, with a focused on the design, manufacturing, supply and installation of customised hospital & medical support system equipment such as medical gas pipeline, digital operating theatres, in the various medical departments including operating theatres and critical care units.

2.1.3 Basis and justification for the Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer willing seller” basis, based on the PE Multiple of approximately 11.0 times based on the average guaranteed profit of RM4,550,000 per annum pursuant to the Profit Guarantee.

The Board has appointed EcoAsia as the independent business valuer to opine on the market value of JMI using the PE Multiple as the primary valuation methodology and EV/EBITDA as the secondary valuation methodology. Further details are as follows:

- (a) EcoAsia has selected the PE Multiple as the primary valuation methodology, where the P/E ratio of a company's market valuation is compared to its PAT position, which indicates the price which investors are willing to pay to invest in a company as compared to its historical earnings. It is obtained by dividing a company's market value over its PAT position. EcoAsia have adopted the PE Multiple as its primary valuation method due to the following:
 - (i) the purchase consideration is based on an average Guarantee Profit which is provided in a form of PAT;
 - (ii) the P/E ratio is a common and acceptable valuation metric which estimates a company's market value based on its PAT relative to its peers; and
 - (iii) the P/E ratio is more likely to reflect the current sentiment of the market.
- (b) the EV/EBITDA valuation method has been selected as the secondary valuation methodology, which illustrates the ratio of the enterprise value of a company (which is the sum of the company's market value and total debts less cash balances) relative to a company's EBITDA position. It indicates the price in which investors are willing to pay to invest in a company compared to its EBITDA.

In addition to the PE Multiple and EV/EBITDA ratio, EcoAsia have also taken into consideration the Discounted Cash Flows (“DCF”) valuation method and the Net Asset Valuation / Revalued Net Asset Valuation (“NAV/RNAV”) valuation method. However, the DCF valuation method was not adopted due to the unavailability of cash flow projections for JMI while the NAV/RNAV valuation method may not accurately reflect the potential of JMI as the value of JMI is more likely to be derived from its future business operations instead of its assets.

EcoAsia has conducted the analysis based on PE Multiple of companies listed on Bursa Securities with principal business activities that are considered broadly comparable to the business activities of JMI (“Comparable Companies”). Due to a very limited number of Comparable Companies whose principal activities are broadly comparable to the business of JMI (contributing at least 50% to the company's revenue), the comparison made is merely to provide an indicative current market expectation with regards to the implied value of JMI.

The selection criteria for the Comparable Companies as set out in the table below are based on the following selection criteria:

- (a) core business segment is in the M&E engineering services industry; or
- (b) core business is involved in the supply of medical related products and services to the healthcare industry.

The comparisons made with respect to the Comparable Companies are merely to provide an implied valuation to JMI. It should be noted that the selection of the Comparable Companies and the adjustments made are highly subjective and judgmental and that the selection of these companies may not be entirely comparable to JMI due to various factors such as business activities, services offered, scale of business operations, asset base, financial strength, product market segment, client base and technical know-how. The valuation of the Comparable Companies using PE Multiple and EV/EBITDA are set out below:

Comparable Companies	Principal activities	(a) Market Capitalisation (RM'million)	(b) PE Multiple (times)	(c) EV (RM'million)	(d) EBITDA (RM'million)	EV/EBITDA (times)
Kejuruteraan Asastera Berhad ("KAB")	KAB is principally involved in provision of M&E services for high and low voltage electrical installation systems and ventilations and air conditioning systems.	647.24	124.95	647.53	11.08	58.44
Cabinet Holdings Berhad ("Cabinet")	Cabinet is principally involved in provision of M&E services specialising in providing ICT infrastructure services comprising system design, installation, termination, testing, commission, labelling and certification of structured cabling system.	55.41	19.38	58.10	4.71	12.34
BCM Alliance Berhad ("BCM")	BCM is principally involved in supplying, installing, testing and commissioning of disinfection and sterilization equipment, surgical room equipment, medical diagnostic imaging and related consumables and accessories.	78.24	23.56	39.26	7.60	5.17
LKL International Berhad ("LKL")	LKL is principally involved in manufacturing of medical and healthcare beds, medical peripherals and accessories.	100.50	22.09	105.62	8.34	12.66
			21.68			10.06
			11.0			7.04

*(e) Simple average
(d) JMI (PE Multiple and EV/EBITDA)*

Source: Fairness opinion letter prepared by EcoAsia as appended in **Appendix VIII** of this Circular.

Notes:

- (a) Market capitalisation is computed by multiplying the total number of shares in issue with the closing market prices of the respective comparable companies as at 27 October 2021.
- (b) The PE Multiple illustrates the multiple of the market value of company's shares relative to its historical EPS. The PE Multiple is computed based on the closing market as at 27 October 2021 and the earnings per share based on the latest audited financial results of the respective Comparable Companies.
- (c) EV is the sum of market capitalisation (based on the closing market price of the Comparable Companies as at 27 October 2021) and total borrowings less the cash and cash equivalent minus off the total borrowings based on the latest audited financial results of the respective companies.
- (d) EBITDA is calculated by adding the profit before taxation with finance cost, depreciation and amortization.
- (e) Excluding KAB as the outlier for the above evaluation, as KAB's share price has surged approximately 114.81% since January 2021 (lowest price recorded in October 2021 of RM0.36 per ordinary share to a high of RM1.16 per ordinary share in April 2021).
- (f) The PE Multiple and EV/EBITDA of JMI are calculated as follows:

PE Multiple

	<u>RM'000</u>
Purchase Consideration	50,000
Average Profit Guarantee over the Guarantee Period	4,550
PE Multiple (times)	11.0

EV/EBITDA

	<u>RM'000</u>
<u>EV</u>	
Indicative EV of JMI	42,837
Add: Total debt for the FYE 31 December 2020	212
Less: Total cash and equivalent for the FYE 31 December 2020	(63)
Valuation of 100% equity interest in JMI	<u>42,986</u>
<u>EBITDA</u>	
Average Profit Guarantee	4,550
Add: Taxation (based on corporation tax rate of 24%)	1,437
Add: Finance cost for the FYE 31 December 2020	35
Add: Depreciation expenses for the FYE 31 December 2020	84
	<u>6,106</u>
EV/EBITDA (times)	7.04

Based on the above:

- (a) the PE Multiple ranged from 19.38 times to 23.56 times, with a simple average PE Multiple of 21.68 times;
- (b) the EV/EBITDA Multiple ranged between 5.17 times and 12.66 times, with a simple average of 10.06 times; and
- (c) JMI's PE Multiple and EV/EBITDA Multiple are at the lower end of the range of the Comparable Companies' PE Multiple and EV/EBITDA Multiple; and
- (d) JMI's PE Multiple and EV/EBITDA Multiple are below the simple PE Multiple and EV/EBITDA Multiple of the Comparable Companies.

EcoAsia are of the opinion that the Purchase Consideration is **FAIR** after taking into consideration the following:

- (a) The Purchase Consideration is within the range of valuation for JMI from RM42.84 million to RM69.05 million, after taking into consideration the following:
 - (i) the Purchase Consideration represents a discount of approximately 27.59% to the indicative valuation of 100% equity interest in JMI of RM69.05 million based on the PE Multiple valuation method (computed based on the difference between the implied valuation of JMI based on the PE Multiple valuation method and the Purchase Consideration divided the implied valuation of JMI based on the P/E Multiple valuation method);
 - (ii) the Purchase Consideration represents a premium of approximately 16.71% to the indicative valuation of 100% equity interest in JMI of RM42.84 million based on the EV/EBITDA valuation method (computed based on the difference between the implied valuation of JMI based on the EV/EBITDA valuation method and the Purchase Consideration divided the implied valuation of JMI based on the EV/EBITDA valuation method);
- (b) the Issue Price represents a premium of 36.7% as compared to Bintai's audited NA per share of RM0.30 (based on the latest audited quarterly financial results as at 31 March 2021); and
- (c) the Issue Price of RM0.41 per Share is higher than the historical closing market price of Bintai Share's prior to 17 August 2020, being the date prior to a series of corporate announcements was made, which may have subsequently influence the market price of Bintai Share's.

Kindly refer to **Appendix VIII** of this Circular for further information.

The Board opines that the Purchase Consideration is justified after taking into consideration the following:

- (a) the historical financial performance of JMI for FYE 2018, FYE 2019 and FYE 2020;
- (b) the Profit Guarantee by the Vendor;
- (c) the market value of the 100% equity interest in JMI ranges from RM42.84 million to RM69.05 million as appraised by EcoAsia to opine on the market value of JMI using the PE Multiple and EV/EBITDA methodology. The PE Multiple of 11.0 times based on the Purchase Consideration and the Average Profit Guarantee is below the simple average of PE Multiples of 21.68 times and is below the range of PE Multiple of all the Comparable Companies of 19.38 times to 23.56 times;
- (d) the rationale and benefits of the Proposed Acquisition as set out in Section 3.1 below and;
- (e) the future prospects, growth and future earnings potential of JMI in view of the favorable outlook of the M&E services and healthcare services industries in Malaysia (as stated in Sections 4.2 and 4.3 of this Circular).

2.1.4 Basis and justification for the Issue Price

Pursuant to the terms and conditions of the MOU, the Purchase Consideration shall be satisfied via the Cash Consideration as well as issuance and allotment of 58,536,000 Consideration Shares to the Vendor at the issue price of RM0.41 per Consideration Share.

The Issue Price was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the 5D-VWAMP of Bintai Shares up to and including 9 April 2021, being the last trading day prior to the announcement of the MOU on 12 April 2021 of RM0.4552. The Issue Price represents a discount of approximately 9.93% to the 5D-VWAMP of Bintai Shares up to and including 9 April 2021. However, the Issue Price represents a discount

of approximately 14.2% to the 5D-VWAMP of Bintai Shares up to and including 27 April 2021 (being the date prior to the execution of the SSA on 28 April 2021).

For information purpose, the analysis of the Issue Price based on the following periods up to the date prior to the SSA are as follows:

	<u>Share price</u>	<u>(Discount)</u>	
	RM	RM	%
5-day VWAMP of Bintai Shares up to and including 27 April 2021	0.4780	(0.0680)	(14.2)
1-month VWAMP of Bintai Shares up to and including the 27 April 2021	0.4717	(0.0617)	(13.1)
3-month VWAMP of Bintai Shares up to and including the 27 April 2021	0.5174	(0.1074)	(20.8)
6-month VWAMP of Bintai Shares up to and including the 27 April 2021	0.7828	(0.3728)	(47.6)

Based on the above, the Issue Price represents discounts ranging from approximately 13.1% to approximately 47.6% over the 5-day VWAMP, 1-month VWAMP, 3-month VWAMP and 6-month VWAMP up to and including the date prior to the date of the announcement of the SSA on 28 April 2021.

The Issue Price was set upon the signing of the MOU on 12 April 2021 and was based on the prevailing 5D-VWAMP. The pricing mechanism was arrived at using market-based principles and after taking into cognisance Paragraph 6.04(a) of the Main Market LR, which allows for 10.0% discount to the 5D-VWAMP for private placement under a general mandate. Pursuant to the terms of the MOU, the Issue Price shall be fixed at RM0.41 per Consideration Share for purpose of signing of the SSA. As such, it is the parties' understanding that any price movement subsequent to the MOU (whether it is to the Vendor's advantage or disadvantage) shall not be taken into account at the signing of the SSA. Further, the Issue Price represents a premium of 36.7% over the NA per Share of the Group of RM0.30 based on the audited financial results of Bintai for FYE 2021.

2.1.5 Ranking and listing of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Bintai Shares, save and except that they will not be entitled to any dividends, rights, allotment and/or other forms of distributions where the entitlement date is prior to the date of allotment and issuance of the Consideration Shares.

Bursa Securities has vide its letter dated 15 October 2021, granted its approval for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities.

2.1.6 Liabilities to be assumed and estimated financial commitments

Save as disclosed below in connection with the SSA, the Company will not assume any additional liabilities (including contingent liabilities and guarantees (if any)) under the Proposed Acquisition:

- (a) the substitution of the personal guarantees and/or indemnities provided by YEL for all the loans and/or hire purchase facilities obtained by JMI from licensed financial institutions of RM0.57 million and other creditors or suppliers of JMI to secure the performance or liabilities of JMI, the fixed deposits and/or securities provided by YEL of RM1.09 million prior to the completion date of the SSA in securing banking facilities for JMI's day to day operation including performance bonds obtained from licensed financial institutions; and

- (b) corporate guarantee to be provided by Bintai to secure financing facilities of RM5.0 million for JMI to be issued to the various awarders of works or projects to JMI as performance bond required, to facilitate JMI to meet the Profit Guarantee and to ensure continuation of the on-going M&E projects currently undertaken by JMI (it is a norm for performance bond to be provided for undertaking any construction and M&E engineering projects in Malaysia). Based on the unbilled order books of JMI as at the LPD of RM34.61 million (which is expected to be completed by January 2023), JMI is reasonably expected to achieve the Profit Guarantee even without the corporate guarantee provided by Bintai.

Presently, YEL has provided the following personal guarantees in favour of JMI:

Details	RM'000
Hire purchase facilities for 4 units of motor vehicles used by JMI's management	565
Advance payments provided by the main contractors to JMI for purchase of raw materials and supply/installation of medical pendants	1,089
Total	1,654

The existing liabilities of JMI (including the contingent liabilities as detailed in Section 11 of **Appendix IV**) will be settled in the ordinary course of business. Save as disclosed, the Proposed Acquisition is not expected to give rise to any additional financial commitments by the Company to put the business on stream, as JMI is an operating company and has an on-going business.

2.1.7 Source and breakdown of funding

The Purchase Consideration will be satisfied via a combination of Cash Consideration as well as the allotment and issuance of the Consideration Shares to the Vendor in the manner as set out in Section 2.1.1 of this Circular.

The Cash Consideration will be funded via the proceeds to be raised from the Proposed Private Placement. The issuance of the Consideration Shares pursuant to the Proposed Acquisition is subject to all approvals stated in Section 8 of this Circular being obtained. In the event that the Proposed Private Placement is not completed or that the funds to be raised from the Private Placement are insufficient to fund the Cash Consideration, the Board may seek other alternative sources of funding to fund the Cash Consideration. This may include additional bank borrowings to be undertaken and/or internally generated funds of the Group (which shall be generated from the Group's ongoing M&E engineering and civil construction projects), the breakdown of which will be ascertained at a later stage.

2.1.8 Reasonableness of the Profit Guarantee

Notwithstanding that JMI's latest audited PAT position for FYE 2020 is lower than the Profit Guarantee, the Board views that the Profit Guarantee is reasonable and realistic after taking into consideration, amongst others, the following:

- (a) JMI is an operating company and is expected to generate revenue from its secured unbilled order books of approximately RM34.61 million as at the LPD (which is expected to be completed by January 2023), comprising the supply and installation of medical related equipment and construction of medical related facilities (e.g. operating theatres, ventilation systems, medical supply facilities and gas supply equipment) in Malaysia;
- (b) JMI's future prospects of the enlarged Bintai Group as set out in Section 4.6 of this Circular; and
- (c) expertise of the key management personnel as set out in Section 2.2.3 of this Circular who will manage and spearhead the business of JMI moving forward.

2.2 Proposed Diversification

Presently, Bintai Group are principally involved in the provision of specialised M&E engineering, provision of turnkey, structural, civil, infrastructure project and project management, concessionaire arrangements and trading activities.

Bintai Group was previously involved in the property development business. The Group has undertaken and completed various property development projects across a span of 36 years. Some of the notable property development projects undertaken by the Group are as follows:

No.	Description of projects	Completion year	Value (RM'000)
(a)	Anjung Villa Condominium at Bandar Baru Sentul, Kuala Lumpur	2002	6,381
(b)	Kiaramas Sutera Condominium, Kuala Lumpur (325 units)	2004	4,275
(c)	Sentul Perdana Phase 2B: 1 Block of 3 Storey Community Hall	2004	5,000
(d)	Parcel I: Taman Sri Rampai Housing and Community Facilities (1,911 units)	2005	140,690
(e)	Pangsapuri Mawar Apartments at Bandar Baru Sentul, Kuala Lumpur	2005	99,000
(f)	Pangsapuri Melur Apartments at Bandar Baru Sentul, Kuala Lumpur	2006	100,000
(g)	Parcel II: Taman Sri Rampai Housing and Community Facilities (880 units)	2007	50,013
(h)	Rafflesia Condominium at Bandar Baru Sentul Kuala Lumpur (504 units)	2017	142,160

The Bintai Group proposes to undertake the development of Holistica Penang on the Penang Development Land, which shall be designed to provide holistic living environment, with a focus on providing comprehensive healthcare and wellness services as well as assisted living for better community lifestyle.

The development of Holistica Penang and the participation in the Business Collaboration Agreement are expected to contribute 25% or more of the NA and/or net profits of the Bintai Group in the future. As such, the Board proposes to seek prior approval from the shareholders of the Company at an EGM to be convened for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Main Market LR. Notwithstanding the Proposed Diversification, the Board intends to continue with the Group's existing business activities.

2.2.1 Background information of Holistica Penang

Holistica Penang is a lifestyle condotel designed to offer its residents the ultimate lifestyle of comfort and convenience to elevate the holistic living culture by enhancing resident's living experience with better and smarter living solutions. Further development details of Holistica Penang are as follows:

Criteria	Details
Development details	: A lifestyle condotel development project on the Penang Development Land, consisting of 21-storey building comprising 98 condotel units, which includes studio units and one to three bedrooms, with sizes ranging from 484 sq ft to 1,362 sq ft
Gross floor area	: 256,935 sq ft
Net floor area	: 83,672 sq ft
Facilities	: Hotel security management, concierge services and in-house facilities such as clubhouse, cleaning and room services as well as transportation and shuttle services
Estimated GDV	: RM83,664,000 ^(a)
Estimated GDC	: RM65,122,395 ^(a)
Expected commencement date of construction	: 3 rd quarter, 2022
Expected date of completion	: 3 rd quarter, 2024

Note:

- (a) The estimated GDV and GDC of Holistica Penang was determined based on the following:
- (i) The estimated GDV of RM83.66 million, with was arrived at assuming that all 98 condotel units are fully sold at an average selling price of approximately RM1,000 per sq ft (as appraised by Messrs IPC Island Property Consultants Sdn Bhd vide its Certificate of Valuation on Holistica Penang dated 19 January 2021); and
- (ii) The estimated GDC of RM65.12 million (inclusive of total land cost and related cost of approximately RM3.89 million), as estimated by JUB Ikatan Sepakat Sdn Bhd vide its Independent Quantity Surveyor Evaluation Report dated 11 January 2021, on the estimated cost necessary to complete the development of Holistica Penang based on the architectural drawings provided. The breakdown details of the GDC of RM65.12 million was arrived at based on the following:

Details	RM'000
Piling, main building and infrastructure works	37,811
Miscellaneous works (such as specialist and suppliers' work, operator equipment as well as built-in and loose furniture)	7,480
Preliminaries and contingencies	4,695
Professional, sales and marketing fees, authorities and consultant supervision fees	11,250
Total land cost and its related costs	3,886
Total	<u>65,122</u>

Holistica Penang shall be developed on the Penang Development Land, details of which are as follows:

Criteria	Details
Land title	: GRN 18231, Lot 127, Seksyen 13, Town of Georgetown, District of Timor Laut, Penang bearing postal address of Lot 127, Seksyen 13, Burmah Road, Penang
Category of land use	: Nil
Tenure	: Freehold
Size	: 2,423.0178 square metres (0.598 acres)
Description	: <ul style="list-style-type: none"> • Situated at the fringe of Georgetown approximately 3.8 kilometres away, which is strategically located along the main thoroughfare of Jalan Burma and flanked by Jalan Chow Thye. • It is located in an upmarket residential neighbourhood comprising mainly terraced and semi-detached houses and detached houses with large compound interspersed with low density apartments, high-rise condominiums and commercial suites. There are also well-known hotels nearby such as Gurney Resort Hotel, Evergreen Laurel Hotel, Northam All Suite Hotel and VOUK Hotel. • Surrounding areas are fully developed and is within minutes to well-known tourist district of Gurney Drive, commercial buildings and close proximity to Gleneagles Hospital.
Encumbrances	: Leased to PSSB for a period of 99 years, commencing from 28 February 2014 to 27 February 2113 ⁽¹⁾
Registered proprietor	: Khoo Kongsi
Restriction in interest	: Nil

Criteria	Details
Express conditions	<ul style="list-style-type: none"> (a) The Penang Development Land shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the National Land Code or on the creation of a Land Administrator's right of way (b) Subject to the implied condition that land is liable to be re-entered if it is abandoned for more than 3 years shall revert to the State only if the proprietor for the time being dies without heirs (c) The title shall confer the absolute right to all forest product and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land)

Notes:

- (1) PSSB had on 28 February 2014 entered into the Agreement to Develop with Khoo Kongsi to undertake a joint venture of the development of hotel/office/shop(s) or other related commercial developments for mixed purposes, subject to the approval of the relevant authorities on the Penang Development Land. In return, the Penang Development Land has been leased to PSSB for 99 years, commencing from 28 February 2014 to 27 February 2113. Upon expiry of the lease on 27 February 2113, Khoo Kongsi may further extend the lease period of the Penang Development Land for a further extended period to be mutually agreed with the unit owners of the condotel or the Penang Development Land together with the condotel building will be returned to Khoo Kongsi.

On 4 December 2017, Bintai announced that it had entered into an agreement to subscribe 500,000 new ordinary shares in PSSB and to acquire 10,000 ordinary shares in PSSB from Leong Yu Tong, a shareholder of PSSB, in total representing 51.0% of the total enlarged issued share capital of PSSB, for a total cash consideration of RM510,000 ("**Acquisition of PSSB**"). During the execution of the Agreement to Develop with Khoo Kongsi on 28 February 2014, PSSB was not the then subsidiary of Bintai, hence it did not require the announcement to be made to Bursa Securities.

PSSB was principally involved in the provision of water proofing and constructions works. The Acquisition of PSSB was completed on 9 January 2018 and became a subsidiary of Bintai. The 49.0% equity interest in PSSB is presently held by Leong Yu Tong, Joann Chin Pooi San and Teknobakti Sdn Bhd.

As at the date of the announcement of the Acquisition of PSSB on 4 December 2017, the development details were still in the initial planning stages and thus the detailed information of the development plans on the Penang Development Land was not yet determined/finalised at that juncture. As such, the Board of Bintai did not take into consideration the development plans proposed to be undertaken by PSSB on the Penang Development Land and this does not trigger Paragraph 10.13 of the Main Market LR in relation to the diversification of business activities.

The salient terms of the lease of the Penang Development Land from Khoo Kongsi (as stated in the Agreement to Develop) are as follows:

- (a) the term of the leases shall be 99 years with effect from the date of the Agreement to Develop;
- (b) the rental payable in advance per month for the first 20 years shall be on the agreed sum of RM28,000.00 only ("**Rental Fee**"), commencing from the date of

the issuance of the Certificate of Occupation by the relevant authorities for the podium block of 5 floors and the hotel of 15 floors (**Note:** As at the LPD, PSSB has made total payments of RM0.17 million to Khoo Kongsi for the Rental Fee);

- (c) the agreed rental shall be reviewed once in 20 years, subject to such increment which shall be at market value and shall not be more than 20% per each review of 20 years effective from the last day of the year (i.e. 4 reviews in total i.e. year 2034, 2054, 2074, 2094); and
- (d) PSSB, as part of the consideration has agreed to call the Building “Wisma Sin Kang” with a signage below the name of the Hotel/Building scripted there on the frontage of the proposed hotel and this shall not be removed under any circumstances without the written consent of Khoo Kongsi.

The location of the Penang Development Land is as follows:



As at the LPD, the Company has not obtained the necessary approvals required for the development of Holistica Penang. In addition, the relevant consultants and professional advisers have not submitted any applications to the relevant authorities for the building plans and development order for Holistica Penang due to the imposition of the various MCOs between March 2020 and June 2021 as well as the full national lockdown from 1 June 2021 onwards. With the country now transitioning into the national recovery phase (as announced by the Malaysian Government on 15 June 2021), the Company together with its consultants and professional advisers shall submit the relevant applications, together with the development order application, to the relevant authorities by the first quarter of 2022.

The indicative timeline of construction and development of Holistica Penang is as follows:

Timeframe	Milestones
January 2022	<ul style="list-style-type: none"> • Submit development order and relevant applications to Majlis Bandaraya Pulau Pinang
June 2022	<ul style="list-style-type: none"> • Obtain approval for building plans, development order and other approvals required from local councils and authorities
August 2022	<ul style="list-style-type: none"> • Commencement of construction • Commencement of sales and marketing activities of the condotel units of Holistica Penang
3 rd quarter of 2024	<ul style="list-style-type: none"> • Completion of construction • Certificate of Completion and Compliance obtained

Chronology of events in relation to the Agreement to Develop

On 28 February 2014, PSSB and Khoo Kongsi entered into the Agreement to Develop to jointly undertake a mixed development project comprising hotel/office/shops(s) and other related commercial developments on the Penang Development Land for a period of 99 years. Since the execution of the Agreement to Develop on 28 February 2014, PSSB has undertaken feasibility study between March 2014 and December 2017 to assess the feasibility and market demand for the property development activities on the Penang Development Land. PSSB has adopted a wait and see approach strategy after considering the industry sentiment of the property market in Penang.

Upon completion of the Acquisition of PSSB by Bintai in January 2018, both Bintai and PSSB had revisited the development plans on the Penang Development Land. In June 2018, PSSB had submitted a development order application with Majlis Bandaraya Pulau Pinang for the proposed development of a 28-storey hotel building with 262 rooms as well as carparks, hotel amenities, restaurants/cafes and related amenities ("**Original Development**"). PSSB withdrew the development order application in August 2019 to make certain revisions to the proposed development plans and branding of the Original Development to enhance its attractiveness and marketability. However, PSSB had decided not to proceed with the Original Development after taking into consideration the following:

- (a) the general softening of the overall property market in Malaysia and difficulties to secure funding for the property development business segment and property management activities which includes the management of condotel on the Penang Development Land.
- (b) the COVID-19 pandemic outbreak in March 2020 and the subsequent enforcement of the various MCOs in Malaysia.

Bintai has only decided to undertake the development of Holistica Penang during 2021, after taking into consideration the potential demand of such wellness theme development property in Penang.

2.2.2 Salient terms of the Agreement to Develop

The details of the Agreement to Develop are as follows:

Terms	Details																		
Background information : joint venture partners	<p>Khoo Kongsi Khoo Kongsi was incorporated under The Trustees (Incorporation) Act 1952 on 25 August 1976. It principally acts as the Trustee of the Penang Development Land. The present members of the Khoo Kongsi are Khoo Boo Yeang, Dato' Seri Khoo Keat Siew, Khoo Boo Hong, Khoo Ewe Jin, Khoo Khay Hock, Khoo Seng Huat, Dato' Khoo Kay Hock, Khoo Kay Cheng, Khoo Teng Cheng, Khoo Sun Lee, Khoo Poh Kok, Khoo Chee Wan, Khoo Heng Poon, Khoo Kee Chooi, Khoo Boo Paik, Khoo Kok Huat, Khoo Lean Huat, Khoo Kay Hock, Khoo Boo Wei and Khoo Teng Hor.</p> <p>PSSB As at the LPD, the Directors of PSSB are Datuk Ibrahim bin Othman, Yen Yew Wing @ Yen Yew Ming, Leong Yu Tong and Joann Chin Pooi San. The shareholders of PSSB are as follows:</p> <table border="1"><thead><tr><th style="text-align: center;">Name</th><th style="text-align: center;">No. of ordinary shares held</th><th style="text-align: center;">%</th></tr></thead><tbody><tr><td>Bintai</td><td style="text-align: right;">510,000</td><td style="text-align: right;">51.0</td></tr><tr><td>Leong Yu Tong</td><td style="text-align: right;">389,999</td><td style="text-align: right;">39.0</td></tr><tr><td>Teknobakti Sdn Bhd^(a)</td><td style="text-align: right;">100,000</td><td style="text-align: right;">10.0</td></tr><tr><td>Joann Chin Pooi San</td><td style="text-align: right;">1</td><td style="text-align: center;">~</td></tr><tr><td>Total</td><td style="text-align: right;">1,000,000</td><td style="text-align: right;">100.0</td></tr></tbody></table>	Name	No. of ordinary shares held	%	Bintai	510,000	51.0	Leong Yu Tong	389,999	39.0	Teknobakti Sdn Bhd ^(a)	100,000	10.0	Joann Chin Pooi San	1	~	Total	1,000,000	100.0
Name	No. of ordinary shares held	%																	
Bintai	510,000	51.0																	
Leong Yu Tong	389,999	39.0																	
Teknobakti Sdn Bhd ^(a)	100,000	10.0																	
Joann Chin Pooi San	1	~																	
Total	1,000,000	100.0																	

Note:

- ~ Less than 0.01%.
- (a) The Directors of Teknobakti Sdn Bhd are Raymond Thurston David, Teo Ya Kia and Mohammad Yaacob Bin Azizul Hassan. The shareholders of Teknobakti Sdn Bhd are Teo Ya Kia (90.0%) and Robert Ng (10.0%).

Current share capital and number of issued shares : None as the joint venture will be undertaken under unincorporated joint venture basis

Salient terms of the Agreement to Develop (including roles and responsibilities) : Khoo Kongsi is the landowner whilst PSSB is the developer of the Penang Development Land under the Agreement to Develop.

Kindly refer to **Appendix III (A)** of this Circular for further details of the salient terms of the Agreement to Develop.

Breakdown of the total capital and investment outlay in the Agreement to Develop : Save for the following, there are no other total capital and investment outlay to be incurred by the respective parties under the Agreement to Develop:

(a) The GDC of RM65.12 million, which shall be borne by PSSB; and
(b) The Rental Fee payable by PSSB to Khoo Kongsi.

Parties entitlements : Under the terms of the Agreement to Develop, the following parties will be entitled to the following:

(a) Khoo Kongsi's entitlements

In consideration of the premises, it is hereby agreed between the parties here to that:

- (i) Khoo Kongsi shall be entitled to the entire 6th floor of the building to be erected on the Penang Development Land, which should measure not less than 4,000 sq ft ("**Reserved Unit**") and the maintenance of the exterior and interior of the Reserved Unit shall be the sole responsibility of PSSB;
- (ii) In the event if the floor area is less than 4,000 sq ft, the difference shall be compensated in cash and paid to Khoo Kongsi upon completion at the agreed price of RM300.00 only per sq ft by PSSB. Should there be any excess (i.e. greater area), such excess shall be given free to the Khoo Kongsi without any payment by Khoo Kongsi;
- (iii) The Agreement to Develop shall be deemed completed as soon as all the following conditions have been fulfilled:
- The Reserved Unit to which Khoo Kongsi is entitled to has been duly erected and the possession thereof duly delivered to Khoo Kongsi; and
 - all monetary payments due to Khoo Kongsi under the Agreement to Develop have been duly paid.

(collectively, the "**Khoo Kongsi's Entitlements**")

(b) PSSB's entitlements

PSSB shall be entitled to the development profits to be derived from the development of Holistica Penang.

2.2.3 Key management team

The property development and property management business segments which includes the management of condotel of the Bintai Group will be spearheaded by Mr. Ong Choon Lui, Chief Executive Officer and Mr. Yen Yew Wing @ Yen Yew Ming, the Chief Operating Officer. Their profiles are as follows:

- (a) Ong Choon Lui**, a Singaporean male, aged 49, is presently the Chief Executive Officer of Bintai. He was appointed to the Board as a Non-Executive Director on 2 August 2000. He was then re-designated as an Executive Director on 16 September 2003 and subsequently as Deputy Managing Director/Deputy Chief Executive Officer on 26 November 2008. He has held his current position as Chief Executive Officer of the Company since 1 June 2011.

Mr. Ong graduated with a Bachelor in Engineering (Honours Second Class Upper Division) from the School of Electrical and Electronics Engineering, Nanyang Technological University, Singapore in 1997. He began his career with Bechtel International, Inc. as an Electrical Engineer, where he was engaged in the industrial chemical plants specialising in electrical, contracting, design and research of electrical systems. He then joined Kinden Corporation in Japan for in 1999 before he was appointed as a Director of the Company in 2000.

He possesses over 24 years of experience in the field of mechanical and electrical engineering and construction industries, strategic operations and business development. His extensive industrial experience includes undertaking various M&E and construction projects both in Malaysia and abroad, which includes property development projects, medical/hospital facilities, public infrastructures, education institutes and various others development projects. This has enabled him to be exposed with the nature of operations, technicality, management and execution aspect of construction works of various property development projects, ranging from its planning stage, and project management to the execution stage. He was primarily responsible for project management, planning, supervisory and executing the completion of the abovementioned development projects stated below. The following are some of the notable property development projects undertaken by Ong Choon Lui (as main project manager):

No.	Description of projects	Size	Duration
(a)	Parcel I: Taman Sri Rampai Housing and Community Facilities	1,911 units	June 2003 to February 2005
(b)	Pangsapuri Mawar Apartments at Bandar Baru Sentul, Kuala Lumpur	3 blocks of apartment unit (between 22 and 26 storeys)	March 2005 to August 2005
(c)	Pangsapuri Melur Apartments at Bandar Baru Sentul, Kuala Lumpur	4 blocks apartment of units (between 4 and 24 storeys)	April 2004 to August 2006
(d)	Parcel II: Taman Sri Rampai Housing and Community Facilities	880 units	April 2004 to January 2007
(e)	Rafflesia Condominium at Bandar Baru Sentul Kuala Lumpur	2 blocks of 27 storey apartment building comprising 504 units	March 2013 to January 2017

- (b) **Yen Yew Wing @ Yen Yew Ming**, a Malaysian male, aged 68, is currently the Chief Operating Officer of Bintai Group. He was previously appointed to the Board of Bintai from 1 June 2011 to 16 December 2020.

Mr. Yen graduated with a Degree in Electrical Engineering (Hons) from University of Malaya in 1978. He began his career as a Project Engineer in an engineering company in 1979 before joining Bintai Kindenko (M) Sdn Bhd in 1982. He took the opportunity to gain more knowledge during the "Malaysia's Look East Policy", where he was actively involved in the design and electrical installation for some foreign investments. Throughout the years with the Bintai Group, he has vast experiences in the M&E engineering and construction works which enable him to contribute significantly to the Bintai Group. Currently, he is the President of KBK, a wholly-owned subsidiary of the Company. He also sits on the Board of several subsidiary companies of Bintai Group. Across a span of 42 years, Mr. Yen has undertaken and completed various construction of property development, electrical and mechanical engineering, construction and related turnkey projects in Malaysia as follows in Malaysia.

He was primarily responsible for project management, planning, supervisory and executing the completion of the abovementioned development projects stated below. The following are some of the notable property development projects supervised by Yen Yew Wing @ Yen Yew Ming (as joint project manager together with Ong Choon Lui):

No.	Description of projects	Size	Duration
(a)	Anjung Villa Condominium at Bandar Baru Sentul, Kuala Lumpur	3 blocks of condominium with club house	April 2001 to September 2002
(b)	Kiaramas Sutera Condominium, Kuala Lumpur (325 units)	2 blocks of condominium building (28 storey each) comprising 325 units with recreation facilities	March 2002 to May 2004
(c)	Sentul Perdana Phase 2B: 1 Block of 3 Storey Community Hall	1 block of 3 sotrey community hall	April 2003 to September 2004
(d)	Parcel I: Taman Sri Rampai Housing and Community Facilities	1,911 units	June 2003 to February 2005
(e)	Pangsapuri Mawar Apartments at Bandar Baru Sentul, Kuala Lumpur	3 blocks of apartment unit (between 22 and 26 storeys)	March 2005 to August 2005
(f)	Pangsapuri Melur Apartments at Bandar Baru Sentul, Kuala Lumpur	4 blocks apartment of units (between 4 and 24 storeys)	April 2004 to August 2006
(g)	Parcel II: Taman Sri Rampai Housing and Community Facilities	880 units	April 2004 to January 2007
(h)	Rafflesia Condominium at Bandar Baru Sentul Kuala Lumpur	2 blocks of 27 storey apartment building comprising 504 units	March 2013 to January 2017

Bintai Group intends to further strengthen its competency in property development and property management business segments which includes the management of condotel by engaging experienced management team from time to time to assist in operating and managing the Group's property development and property management business segments in the long-run. In this respect, the Bintai Group intends to further expand its property development team and expects to hire at least three (3) additional personnel as the project manager, sales and marketing manager and human resource manager with the relevant experiences and expertise in the property development business. These additional personnel shall form part of the Group's new key management team which shall oversee the day-to-day operations and management of the Company's property development and management business segment. The Group has identified the suitable candidates for the positions and these three (3) additional hires are expected to join the Group by the first half of 2022. In addition, the Group will also be working closely with the various professionals and consultants appointed to implement and complete the development of Holistica Penang.

Further, in recognising the importance of human resource and key personnel towards the success of the Bintai Group, the Company shall adopt appropriate measures to retain its key management personnel. This includes the implementation of management succession planning program as well as undertaking relevant training, skill development programmes and job related exposure to groom suitable candidates to assume higher responsibilities in the Group. This will in turn help to ensure that the Group have the readiness to undertake the Proposed Diversification as well as to ensure business continuity and maintaining the level of competencies of the Group in the property development and management industry.

2.2.4 Marketing, management and operational functions

The Group will leverage on external expertise for the marketing functions as well as management and operations of Holistica Penang upon completion.

On 25 January 2021, Bintai had entered into the Business Collaboration Agreement with IECL to undertake the joint management and marketing activities of both Holistica Melaka and Holistica Penang. IECL shall allow the use of its "Seasons" brandname for the marketing of both Holistica Melaka and Holistica Penang.

In conjunction with the development of Holistica Penang and Holistica Melaka, Bintai and IECL had on 25 January 2021 entered into the Business Collaboration Agreement to undertake the joint management and marketing activities of both Holistica Melaka and Holistica Penang. IECL shall allow the use of its "Seasons" brandname for the marketing of both Holistica Melaka and Holistica Penang.

However, on 28 April 2021, the Company has resolved to defer the development of Holistica Melaka to concentrate Bintai's financial resources towards the Proposed Acquisition and its existing businesses. The Company has on 23 July 2021 and 3 August 2021 written to IECL to seek their agreement for the following:

- (a) defer the proposed development of Holistica Melaka on the Melaka Development Land under the Business Collaboration Agreement indefinitely; and
- (b) remove all expressions, terms and references used and/or made in relation to Holistica Melaka and/or Melaka Development Land in the Business Collaboration Agreement.

On 5 August 2021, the Company announced that IECL has provided their written agreement ("**Supplemental Letter**"). The salient terms of the Business Collaboration Agreement (as supplemented by the Supplemental Letter) is set out in **Appendix III (B)** of this Circular.

IECL was incorporated in Western Australia, Australia on 23 March 1984 as a private limited company and has been listed on the Australia Securities Exchange since 11 March 1993. IECL currently owns and operates hotels and apartments under the brand and/or trademark of "Seasons", namely Seasons Botanic Gardens Melbourne, Seasons Heritage Melbourne, Seasons Darling Harbour Sydney and Seasons of Perth. The present Directors of IECL are Marcus Peng Fye Tow (Chairman), Kong Liang Tow (Executive Director), Aubrey George Menezes (Non-Executive Director) and Krishna Ambalavanar (Non-Executive Director). Based on its latest annual report for the financial year ended 30 June 2020, IECL's issued share capital is AUD12.09 million comprising 128,223,577 ordinary shares.

The substantial shareholders of IECL are as follows:

Substantial shareholders	No. of ordinary shares held	%
Renaissance Assets Pty Ltd	60,853,125	47.46
Amaya Investments Pty Ltd	21,862,500	17.05
Premium Properties (Aust) Pty Ltd	20,000,000	15.60
Eastland Equity Bhd	15,312,500	11.94

2.2.5 Additional financial commitments and source of funding

Pursuant to the Proposed Diversification, the total estimated investment cost to be incurred for the development of Holistica Penang is approximately RM65.12 million. The net proceeds to be raised from the Proposed Private Placement of up to RM21.00 million (based on the Indicative Placement Issue Price) will be earmarked to part finance the GDC for Holistica Penang, while the balance funding requirement is expected to be funded via combination of bank borrowings, progressive collections from sales billings and internally generated funds of the Group. The Group is expected to utilise RM27.12 million from the progressive billings collections to pay for the GDC cost. The balance GDC shall be funded via internally generated funds and/or bank borrowings, the breakdown of which cannot be determined at this juncture.

Save for the total GDC of RM65.12 million, the Board does not expect any other significant financial commitment to be incurred in relation to the capital expenditure for the development of Holistica Penang.

2.2.6 Holistica Penang Returns

The Company has conducted a feasibility study of the development of Holistica Penang using the discounted cash flow method to derive at the IRR for Holistica Penang. Based on the feasibility study prepared by FHCA, the development of Holistica Penang remain financially feasible as the base case project IRR will be 44.98% with a low case IRR of 11.34%. The IRR of 44.98% translates to a return on investment in approximately 2 years from the commencement date of the development of Holistica Penang, assuming that all assumptions and parameters are adhered to and without adverse effects to Holistica Penang.

The basis and assumptions in deriving the base case project IRR of 44.98% with a low case IRR of 11.34% are as follows:

- (a) the estimated net development profits expected to be generated is approximately RM18.54 million after taking into consideration the estimated GDV of the development of Holistica Penang of RM83.66 million less the estimated GDC of the development of Holistica Penang of RM65.12 million;
- (b) the schedule of construction and completion of the development of Holistica Penang, which shall be undertaken in phases, whereby construction are expected to be completed by the 3rd quarter of 2024;
- (c) the management of Bintai has assumed a total land cost and its related costs of RM3.89 million to be incurred at the commencement of the construction of Holistica Penang by estimating the present value of the total rental payable based on the monthly rental over the entire lease period with a 10% of the discount rate. Further details are as follows:

No.	Parameters	Details
(i)	Total land cost value of RM3.89 million	<ul style="list-style-type: none">• Based on the Agreement to Develop, a monthly rental fee of RM28,000 will be payable by PSSB to Khoo Kongsi and the agreed rental shall be reviewed once in 20 years subject to such increment which shall be at market value and shall not be more than 20% per each review of 20 years.• Hence, the management of Bintai has assumed a total land cost and its related costs of RM3.89 million to be incurred at the commencement of the construction by estimating the present value of the total rental payable based on the monthly rental over the entire lease period with a 10% of the discount rate.

No.	Parameters	Details
(ii)	Monthly rental	This relates to the rental payable in advance per month for the first 20 years shall be on the agreed sum of RM28,000.00 only, commencing from the date of the issuance of the Certificate of Occupation by the relevant authorities.
(iii)	Discount rate @ 10%	The 10.0% discount rate is based on the assessment and comparison made against the average cost of capital of selected public listed companies involved in the property development industry in Malaysia.
(d)	there will be no significant changes in the present government regulations or any other legislations that have material impact on the development of Holistica Penang or the property development industry in which Bintai Group operates in; and	
(e)	there are no additional landowners entitlement factored into the GDC to be incurred for the development of Holistica Penang.	

The Board is of the opinion that the development of Holistica Penang is feasible after taking into consideration the feasibility study by FHCA as well as the estimated GDV and GDC of the development of Holistica Penang, risk profile (in terms of the risks inherent in the property development and property management industries) and the future prospects of Holistica Penang as described in Section 4.7 below.

Kindly refer to **Appendix IX** of this Circular for further information.

2.3 Proposed Private Placement

As at the LPD, Bintai has an issued share capital of RM110,657,887 comprising 381,891,740 Bintai Shares. The Company does not have other classes of securities besides its ordinary shares.

The Proposed Private Placement will entail the issuance of up to 114,567,500 Placement Shares, representing approximately 30% of the existing number of issued Shares.

Subject to the prevailing market conditions and depending on investors' interest at the point of implementation, the Proposed Private Placement may be implemented in a single or multiple tranche(s) within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or such other approved extended period.

2.3.1 Basis of arriving at the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. The Board will take into consideration amongst others, the prevailing market conditions and the provisions of Paragraph 6.05(a) of the Main Market LR, in determining the issue price of the Placement Shares at a discount of not more than 20% to the 5D-VWAMP of Bintai Shares immediately preceding the price fixing date(s).

After taking into consideration the prevailing market conditions and sentiments, the discount of up to 20% is proposed to provide flexibility to the Board in fixing the price for the Placement Shares. The Board intends to fully place out the Placement Shares to meet the funding objectives of the Group as set out in Section 2.3.5 of this Circular. The Board is of the view that a discount of up to 20% will be attractive enough to entice potential investor(s) to subscribe for the Placement Shares.

For illustrative purposes, assuming the Placement Shares are issued at the Indicative Placement Issue Price, this represents a discount of approximately 19.5% to the 5D-VWAMP of Bintai Shares of RM0.6954 per Bintai Share up to and including the LPD. Based on the Indicative Placement Issue Price, the Proposed Private Placement will raise gross proceeds of approximately RM64.16 million.

The mechanism to determine the issue price of each tranche of the Placement Shares shall be determined separately in accordance with market-based principles.

2.3.2 Placement arrangement

The Placement Shares will be placed out to third party investor(s) to be identified later, who qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007. In accordance with Paragraph 6.06(1) of the Main Market LR, the Placement Shares will not be placed to the following parties:

- (a) the interested director, interested major shareholder, interested chief executive of Bintai; or
- (b) persons connected with such interested director, interested major shareholder or interested chief executive of Bintai.

2.3.3 Ranking of the Placement Shares

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

2.3.4 Listing of and quotation for the Placement Shares

Approval for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities has been obtained vide Bursa Securities' approval letter dated 15 October 2021.

2.3.5 Utilisation of proceeds

Based on the Indicative Placement Issue Price, the proceeds to be raised are expected to be utilised in the following manner:

	<u>RM'000</u>	<u>Notes</u>	<u>Expected time frame for utilisation of proceeds (from listing date)</u>
Cash Consideration	26,000	(a)	Within 6 months
Development works of Holistica Penang	21,000	(b)	Within 18 months
Professional and consultancy fees for Holistica Penang	2,000	(c)	Within 18 months
Working capital requirements	12,658	(d)	Within 12 months
Estimated expenses for the Proposals	2,200	(e)	Within 1 month
Total	<u>64,158</u>		

Notes:

- (a) The proceeds of RM26.00 million raised will be utilised for the payment of the Cash Consideration, as per the terms of the SSA.
- (b) The proceeds to be raised of RM21.00 million from the Proposed Private Placement shall be utilised for undertaking the pre-submission works, site clearance and miscellaneous

works in relation to the commencement of construction activities of Holistica Penang. The remaining development costs of Holistica Penang shall be funded via a combination of bank borrowings, progressive collections from sales billings, proceeds to be raised from the Proposed Issuance of RCPS and internally generated funds of the Group.

- (c) The proceeds to be raised of RM2.00 million from the Proposed Private Placement shall be utilised for the payment of the related professional and consultancy fees to be incurred for undertaking the development of Holistica Penang. These professionals and consultants have been identified for providing related services for the application of the relevant approvals for undertaking the development of Holistica Penang, site supervision and project management services.
- (d) The Company intends to utilise up to RM12.66 million of the proceeds for its general working capital requirements. As the actual utilisation of these proceeds will depend on the prevailing operating needs of the enlarged Bintai Group (including JMI) at the time when the proceeds are received, a further breakdown of the proposed utilisation of proceeds for working capital cannot be determined at this juncture. Nevertheless, these proceeds shall mainly be utilised for enlarged Bintai Group's administrative expenses such as staff salaries, group overhead expenses, purchase of raw materials for its M&E engineering works, deposit for performance bonds and other operating expenses.
- (e) This includes payment of fees to the relevant authorities, advisory and placement fees. If the actual expenses are higher than the amount budgeted, the deficit will be funded out of the working capital of the Group. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised as additional working capital of the Group.

The actual proceeds to be raised from the Proposed Private Placement are dependent on the issue price of the Placement Shares and actual number of Placement Shares issued. Any excess or shortfall of the actual proceeds raised will be adjusted against the utilisation for the development of Holistica Penang and working capital requirements, in which case the Company will prioritise the Proposed Acquisition.

Pending full utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in interest-bearing deposit accounts with licensed financial institution(s) as the Board deems fit. The interest derived from the deposits with financial institutions will be used as additional working capital of the Group.

For the avoidance of doubt, in the event the Proposed Acquisition and/or Proposed Diversification is not approved by the shareholders at the forthcoming EGM, the proceeds raised from the Proposed Private Placement will be used to finance the working capital requirements of the Group including administrative expenses such as staff salaries, group overhead expenses, purchase of raw materials for its M&E engineering works, deposit for performance bonds and other operating expenses. The exact breakdown of utilisation cannot be determined at this juncture as it would depend on the actual requirements of the Group at relevant time. Further, the proceeds raised will also be used as reserved funds for the Group to embark on future business projects/ investments. The Company shall make the relevant requisite announcement and/or shall seek the shareholders' approval, if required by the Main Market LR, in the event such circumstances arise and in the event there is a material change to the proposed utilisation of proceeds as disclosed above.

2.4 Proposed Issuance of RCPS

The Proposed Issuance of RCPS will entail the subscription of up to 190,946,000 RCPS, in tranches, by OUD pursuant to the terms of the Subscription Agreement (as varied by the Supplemental Subscription Agreement) at a subscription price of RM0.10 per RCPS. Details of the RCPS Subscriber are set out in Sections 2.4.1 below.

2.4.1 Information of the RCPS Subscriber

ODU is a private limited company incorporated in Malaysia on 9 September 2015. ODU is a boutique fund management company specialising in the investment strategy that is built on ethical values guided by the Shariah as well as environmental, social and governance principles. It is licensed under the Capital Market Services Act, 2007 by the Securities Commission Malaysia to undertake the regulated boutique fund management activities in Malaysia. The Directors and shareholders of ODU are Junita binti Ishak and Mohd Nasir bin Hashim, their respective shareholdings in ODU are as follows:

<u>Names</u>	<u>No. of ordinary shares</u>	<u>%</u>	<u>No. of preference shares</u>	<u>%</u>
Junita binti Ishak	405,000	96.2	2,000,000	100.0
Mohd Nasir bin Hashim	95,000	3.8	-	-
Total	500,000	100.0	2,000,000	100.0

2.4.2 Salient terms of the Subscription Agreement and RCPS (as varied by the Supplemental Subscription Agreement)

Kindly refer to **Appendix II** of this Circular for further details of the salient terms of the Subscription Agreement and RCPS (as varied by the Supplemental Subscription Agreement).

2.4.3 Basis of arriving at the RCPS Issue Price and conversion price of the RCPS

(a) RCPS Issue Price

The RCPS Issue Price was agreed upon by the Company and the Subscriber after considering that it shall represent the principal amount of the RCPS for the purposes of redemption by Bintai. Each RCPS shall be entitled to be converted into 1 Conversion Share at the conversion price representing 80% of the RCPS Conversion Price (as defined below), subject to the Minimum Conversion Price.

The RCPS Issue Price and Minimum Conversion Price also takes into consideration the future funding requirements of the Group, as detailed in Section 2.4.7 of this Circular, which upon conversion of the RCPS into the Conversion Shares will represent up to 50% of the share capital of Bintai. Under the terms of the Subscription Agreement, each RCPS may be converted into 1 Conversion Share by:

- (i) surrendering the RCPS; and
- (ii) paying the difference between the RCPS Issue Price and the Conversion Price ("**Differential**"), if any, in cash, for every 1 new Share.

As such, the issue price of the RCPS of RM0.10 will potentially allow the Company to raise additional proceeds in the event the RCPS is converted at a price higher than RM0.10. For illustration purposes, based on a conversion price of RM0.56 (which is 80.5% of the 5D-VWAMP up to the LPD), the Subscriber shall pay RM0.46 for each RCPS upon conversion.

After considering the above, the Board is of the view that the RCPS Issue Price is fair and reasonable and do not prejudice the interests of existing shareholders of Bintai.

(b) Conversion price of RCPS

The final conversion price and final conversion ratio of the RCPS will be determined by the Board, and announced by the Company after the receipt of all required approvals for the Proposed Issuance of RCPS. Subject to a Minimum Conversion Price, the conversion price of the RCPS is to be fixed at a conversion price representing 80% of the 5D-VWAMP

preceding the date where the respective closing date of the RCPS ("**RCPS Conversion Price(s)**"). If the Conversion Price is less than the Minimum Conversion Price, the Conversion Price for each Share shall be equal to the Minimum Conversion Price. For the avoidance of doubt, there will be several RCPS Conversion Prices as the RCPS will be issued in multiple tranches (i.e. up to 10 tranches comprising of 19,094,600 RCPS each and each tranche comprises of 10 equal sub-tranches of 1,909,460 RCPS).

For illustration purpose in this Circular, the indicative conversion price of the RCPS is assumed at RM0.56 per RCPS ("**Indicative Conversion Price**"), which represents a discount of approximately RM0.1354 or 19.5% to the 5D-VWAMP of Bintai Shares up to and including the LPD of RM0.6954 per Bintai Share.

Based on the above, the RCPS may be converted into new Bintai Shares by paying the difference between the aggregate RCPS Issue Price surrendered and the Conversion Price, if any, in cash, for every 1 new Bintai Share.

2.4.4 Ranking of the RCPS and Conversion Shares

The RCPS shall rank equally amongst themselves. The RCPS takes lower priority than creditors but rank higher than ordinary shares, in respect of payment out of the assets of the Company upon any liquidation, dissolution or winding-up of the Company.

The Conversion Shares to be issued arising from the conversion of the RCPS will, upon allotment and issuance, rank equally in all respects with the existing Bintai Shares, save and except that they will not be entitled to any dividends, rights, allotments and/ or any other distributions that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of the Conversion Shares, as the case may be.

2.4.5 Listing of and quotation for the RCPS and Conversion Shares

The RCPS will not be listed on Bursa Securities.

Bursa Securities has vide its letter dated 15 October 2021, granted its approval for the listing of and quotation for up to 190,946,000 Conversion Shares on the Main Market of Bursa Securities.

2.4.6 Underwriting agreement/arrangement

The Proposed Issuance of RCPS will not be underwritten as the RCPS Subscriber has been identified and the Company has entered into the Subscription Agreement with the RCPS Subscriber.

After taking into consideration the Subscription Agreement, the subscription of the RCPS by the Subscriber will not give rise to any consequences of mandatory general offer obligations pursuant to the Malaysian Code on Take-Overs and Merger 2016 ("**Code**"). In addition, the Subscriber has undertaken to observe and comply at all times with the provisions of the Code.

2.4.7 Utilisation of proceeds

The Proposed Issuance of RCPS is not expected to raise any immediate funds, save for the subscription of Tranche 1, which will generate gross proceeds of RM1.91 million, which will be utilised for the Bintai Group's general working capital requirements and the development costs of Holistica Penang, the breakdown of which has not been determined at this juncture. This is because the timing of the subscription of the RCPS is spread out in 10 equal tranches of 19,094,600 RCPS each and conversion of the RCPS is within a period of up to 5 years and such subscription and conversion of RCPS is at the option of the RCPS Subscriber, the timing of which cannot be determined at this juncture.

The eventual proceeds to be raised from the subscription and conversion of RCPS (if any) is dependent on the number of RCPS subscribed and the RCPS Conversion Price for each tranches, which will be determined and fixed at a later date.

For illustration purposes only in this Circular, the minimum total gross proceeds to be raised is RM19.09 million assuming full conversion of the RCPS at the Minimum Conversion Price of RM0.10 per RCPS. The net proceeds raised will be utilised as general working capital requirements and the development costs of Holistica Penang, the breakdown of which has not been determined at this juncture. In the event that the Proposed Diversification is not approved by the shareholders of Bintai at the forthcoming EGM, the excess amount allocated for the development costs of Holistica Penang shall instead be allocated for the repayment of the future bank borrowings and/or working capital requirements of the Bintai Group.

Pending the utilisation of proceeds, such proceeds shall be placed in deposits with financial institutions or short-term money market instruments. Interest derived from such deposits or gains from such money market instruments will be used as additional working capital for the Group.

2.5 Proposed Amendments

The Proposed Amendments involve consequential amendments to the Constitution of Bintai to facilitate the issuance of the RCPS under the Proposed Issuance of RCPS.

3. RATIONALE OF THE PROPOSALS

3.1 Proposed Acquisition

The Group is constantly exploring new opportunities that can deliver positive and sustainable growth to its shareholders. In line with this commitment, the Board views the Proposed Acquisition as an opportunity for the Group to bolster its earnings stream and market share in the M&E engineering and construction industry through the Proposed Acquisition.

The Proposed Acquisition entails the acquisition of the entire equity interest of JMI, an M&E engineering service provider focused on the design, manufacturing, supply and installation in the healthcare services industry in Malaysia, which is similar to the current business activities of Bintai, which is involved in the provision of specialised M&E engineering, provision of turnkey, structural, civil, infrastructure project and project management, concessionaire arrangements and trading activities.

Due to the similarity in the business nature of both Bintai and JMI, the Proposed Acquisition is a horizontal acquisition by Bintai which presents an opportunity for the Bintai Group to expand its core construction related businesses via acquisition of businesses or investments that will be in similar industries/sectors to its existing core business in the construction sector. This allows the Bintai Group to further expand its existing customer base and widening its M&E service offerings to include the healthcare services industry in Malaysia, which are expected to enhance the revenue and earnings of the enlarged Bintai Group moving forward.

Premised on the above, the Proposed Acquisition would enable Bintai to have an immediate expansion in respect of its market presence and operational capacities, and to capture larger market share in the healthcare services industry in Malaysia.

JMI has established a proven track record and has been successful in executing and completing various construction projects for various medical facilities/centres in Malaysia. The Proposed Acquisition will enable the Group to leverage on the expertise, know-how, skills and resources of JMI to expand its construction business segment, tender larger construction projects in the medical and healthcare industry as well as enhance the Group's presence in the construction industry.

The Bintai Group shall leverage on the competency and experience of Ong Choon Lui, the Group's Chief Executive Officer as well as YEL, JMI's President-designate and its key management team to manage and spearhead JMI's business.

The Board views that the Proposed Acquisition is an attractive business proposition as it allows the Bintai Group to gain an immediate access into an on-going business with secured unbilled order books of approximately RM34.61 million (as at the LPD) which is expected to be completed by January 2023, comprising supply and installation of medical related equipment and construction of medical related facilities (e.g. operating theatres, ventilation systems, medical supply facilities and gas supply equipment) in Malaysia. Accordingly, the Proposed Acquisition is expected to be earnings accretive to the enlarged Bintai Group when JMI materialises the profits therefrom.

In addition, the Proposed Acquisition comes with guaranteed profit after taxation of RM9.10 million over 2 years which translates into average PAT of RM4.55 million for each consecutive year during the First Year and Second Year. As a result, this will create additional source of income for the Group and hence further strengthen the Group's financial performance and financial position which in turn create value for the shareholders of Bintai.

The mode of settlement of the Purchase Consideration was determined after taking into consideration, amongst others, the Bintai Group's current cash position, financial gearing position and working capital requirements. The issuance of the Consideration Shares as partial satisfaction of the Purchase Consideration will enable the Bintai Group to conserve its cash resources for its future operations as well as strengthen its capital base. The Board is confident that the Proposed Acquisition can align the interests of YEL and unlock further value in JMI via the issuance of Consideration Shares to YEL as a significant part of the Purchase Consideration.

3.2 Proposed Diversification

The expansion of Bintai Group's property development business segment is part of the Company's strategy of diversifying into other industries with strong growth prospects instead of depending solely on its existing core M&E engineering business. The Group has past experiences and expertise in undertaking and completing various property development and construction projects across a span of 36 years.

As at the LPD, the Group does not have any other on-going property development and property management which includes the management of condotel projects. The Group's property development team is spearheaded by its Chief Executive Director, Ong Choon Lui and its Chief Operating Officer, Yen Yew Wing @ Yen Yew Ming. With their experiences in previous property development projects, the Group believe that it has sufficient resources and the capability to undertake the development of Holistica Penang.

Although there is a general softening of the property market currently in Malaysia, the Group believes that the property market is cyclical in nature and the Group intends to further build up its property development experience and resources in anticipation of the growth in the property development industry when the property market turns and when the COVID-19 pandemic is over.

The Board believes that the development of Holistica Penang would contribute positively to its future earnings and improve the financial position of the Bintai Group. The additional revenue contribution from the development of Holistica Penang is expected to enhance the Company's profitability and returns on shareholders' funds. The Board believes that the base case project IRR of 44.98% with a low case IRR of 11.34% (as elaborated in Section 2.2.6 of this Circular) is an acceptable level of return for the development of Holistica Penang, after taking into consideration the risk profile (in terms of the risks inherent in the property development and property management industries) and future prospects of Holistica Penang as described in Section 4.7 below.

3.3 Proposed Private Placement

The Proposed Private Placement will enable the Group to raise the necessary funds for the purposes set out in Section 2.2.5 of this Circular without incurring additional interest costs associated with bank borrowings or the issuance of debt instruments. The Proposed Private Placement will also strengthen the capital base of Bintai to support its property development and property management business segments which includes the management of condotel.

After due consideration of the various fund raising options available, the Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for the Group due to the following reasons:

- (a) the Proposed Private Placement will provide additional capital to the Group on an expeditious basis due to the unprecedented and challenging times ahead caused by the COVID-19 pandemic which has adversely affect businesses and economies worldwide.

The Company had previously completed the Debt Settlement of RM23,397,091.37 as well as Private Placement I and Private Placement II (as defined hereunder), which raised total proceeds of RM32.89 million, which has been fully utilised to fund the Group's working capital requirements, repayment of bank borrowings as well as defraying the expenses for the Private Placement I and Private Placement II (as defined hereunder). As such, the Group has sought to raise additional funds via the Proposed Private Placement to fund the Group's future working capital requirements, funding requirements for the development of Holistica Penang and payment of the Cash Consideration.

Although the Private Placement I and Private Placement II (as defined hereunder) has resulted in a dilution to the existing shareholders' shareholdings as result of issuance of new Shares to third party investors, these exercises serve as an expeditious means of raising funds from the capital market as opposed to other forms of fundraising such as rights issue exercise as highlighted above.

Further, the Group recorded a net cash outflow used in operating activities of RM4.94 million and RM9.85 million for the FYE 31 March 2021 and the latest unaudited quarterly results for the FYE 30 June 2021, respectively. Further, it is noted that the Group only had deposits, cash and bank balances of RM2.69 million as at 30 June 2021, which had been earmarked for the Group's existing operations, ongoing projects and working capital requirements.

The Board is of the opinion that the Group would be able to raise funds more expeditiously and cost effectively via a private placement exercise as opposed to a pro-rata issuance of securities such as a rights issue exercise. A rights issue will also require the Company to identify certain shareholders to provide irrevocable undertakings to subscribe for a minimum number of rights shares or alternatively, procure underwriting arrangements (which will incur additional cost) in order to achieve a minimum subscription level to raise the requisite funds. In addition, a rights issue exercise is likely to take a longer time to implement and complete as compared to a private placement exercise.

As such, undertaking a rights issue exercise will result in uncertainties that the Group are able to meet its fundraising objectives as the level of funds raised depends on the subscription rate by the entitled shareholders and/ or renounee(s), unless underwriting arrangement is procured. Should underwriting be procured, the Group may incur additional costs in the form of underwriting fees.

- (b) as the Proposed Private Placement may also be implemented in tranches within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or such other approved extended period, this enables the Company to raise funds expeditiously on an "as needed" basis. The Board is mindful that the full issuance of the Placement

Shares within a short period of time would dilute the existing shareholders' shareholdings. However, the Proposed Private Placement is expected to contribute positively to the future earnings of the Group and in turn enhance shareholders' value moving forward, when the Group is able to realise the benefits arising from the utilisation of placement proceeds;

- (c) the Proposed Private Placement will enable the Group to raise funds in a more cost-effective manner as opposed to other fund-raising options, which are expected to contribute positively to the future financial performance of the Group;
- (d) the Proposed Private Placement is expected to strengthen the shareholders and capital base of the Group. Although the Proposed Private Placement is expected to result in dilution to the shareholdings of existing shareholders, the use of proceeds from the Proposed Private Placement to finance the development of Holistica Penang and payment of the Cash Consideration, which are expected to contribute positively to the future earnings of the Group. Upon completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of the Company;
- (e) the Company foresees that it can successfully complete the Proposed Private Placement expeditiously as compared to undertaking a rights issue exercise, which would require the procurement of underwriting from underwriters or undertaking from identified shareholders which would be difficult at this juncture, as Bintai is currently loss making based on the latest audited financial statements for FYE 31 March 2021;
- (f) although the Company has not received the relevant approvals for the development of Holistica Penang, it is important for Bintai to clearly identify the source of funding for the development of Holistica Penang, since the Company has decided to proceed with its implementation. This is to ensure that Bintai would have sufficient funding to complete the development of Holistica Penang. As such, the funds raised from the Proposed Private Placement is an expeditious means which shall allow the Group to have readily available cash flow to immediately kick start the development of Holistica Penang (by appointing the relevant contractors, professionals and other parties), without relying on obtaining additional bank borrowings. The readily available cash flows will also enable the Group to capitalise on the recovery and growth of the property development market, which is cyclical in nature, when the property market turns and when the COVID-19 pandemic is over;
- (g) the Proposed Private Placement will serve as additional source of funding for the Group without incurring interest expenses as compared to borrowings; and
- (h) the Proposed Private Placement will improve the liquidity and financial flexibility of the Group by strengthening its financial position. This provides flexibility to the Company to determine the appetite received from potential investors and the issue price of each tranche to the identified investors (subject to the prevailing market conditions and depending on investors' interest at the point of implementation).

Save as disclosed below, the Company has not implemented any other fund raising exercises within 12 months preceding the date of this Circular:

- (a) **Private Placement I** - As at the LPD, the gross proceeds raised of RM14.92 million have been fully utilised by the Company for the repayment of its bank borrowings of RM13.00 million, funding of its working capital requirements of RM1.77 million and payment of expenses for the Private Placement I of RM0.15 million.
- (b) **Private Placement II** - As at the LPD, the gross proceeds raised of RM17.97 million have been fully utilised by the Company for the repayment of its bank borrowings of RM15.00 million, funding of its working capital requirements of RM2.47 million and payment of expenses for the Private Placement II of RM0.50 million.

- (c) **Debt Settlement** - On 7 January 2021, the Company had completed the issuance of 31,800,000 Bintai Shares to Handal at the issue price of RM0.645 per Bintai Share pursuant to the settlement of the outstanding debt owing by OPM of RM23,397,091.37.

3.4 Proposed Issuance of RCPS

The Proposed Issuance of RCPS enables the Group to raise the requisite funds for the purpose set out in Section 2.4.7 of this Circular. The Board is of the view that the Proposed Issuance of RCPS is the most appropriate avenue of raising funds due to the following reasons:

- (a) it enables the Group to raise additional funds for its working capital requirements and the development costs of Holistica Penang, as and when the RCPS are issued and/or converted into the Conversion Shares in excess of the Minimum Conversion Price;
- (b) it minimises the immediate dilution to the shareholdings of our existing shareholders as the RCPS are issued in 10 equal tranches of 19,094,600 RCPS each and the conversion of the RCPS is within a period of up to 5 years and such subscription and conversion of RCPS is at the option of the RCPS Subscriber;
- (c) it provides greater certainty in contrast with other means of equity fund raising exercises such as a rights issue as it would require undertaking/underwriting arrangements to have the certainty that a minimum funds raised may be achieved. The Proposed Issuance RCPS will not be underwritten as the Company has identified OUD to subscribe the RCPS;
- (d) it enables our Company to raise funds without incurring additional interest expenses or servicing principal repayments as compared to bank borrowings (when the RCPS are converted into the Conversion Shares), thereby allowing the Group to preserve its cash flow, on the premise that the RCPS will be converted into the Conversion Shares; and
- (e) the subscription of the RCPS and the conversion of RCPS into the Conversion Shares is expected to lower the gearing of the Group, allowing the Group to use further debt financing for its business operations (if required).

The subscription of the RCPS in tranches provides flexibility to the RCPS Subscriber on the timing on its investment decision.

3.5 Proposed Amendments

The Proposed Amendments are to facilitate the implementation of the Proposed Issuance of RCPS.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under phase 1 of the Full Movement Control Order ("**FMCO**"). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

The construction sector registered a strong positive growth of 40.3% (1Q 2021: -10.4%). Growth was supported by the continuation of construction works in large infrastructure projects and on-going implementation of small-scale projects under the 2021 Budget, PEMERKASA and PEMERKASA+ stimulus packages. However, on a seasonally adjusted, quarter-on-quarter basis, construction growth declined by 3.2%. Activity was disrupted by the restrictions under phase 1 of the FMCO, where only essential construction projects were allowed to operate, albeit at a reduced capacity.

Gross fixed capital formation (GFCF) growth rebounded to 16.5% (1Q 2021: -3.3%), supported by the recovery in capital spending from both private and public sectors. By type of asset, both investment in structures and machinery & equipment (M&E) expanded by 20.2% (1Q 2021: -10.4%) and 15.1% (1Q 2021: 10.3%), respectively.

Private investment registered a growth of 17.4% (1Q 2021: 1.3%). The higher investment activity was underpinned mainly by the continued capital spending in telecommunication related equipment, as firms' automation and digitalisation efforts gain further traction, as well as the continued progress in national digital infrastructure investments. In addition, further expansions of new and ongoing investment projects amid improving external demand, particularly in the export-oriented industries such as electrical and electronics (E&E) and metal, also provided further impetus to growth.

After 12 quarters of contraction, public investment recorded a positive growth of 12.0% (1Q 2021: -18.6%). The performance mainly reflects the higher spending on fixed assets by the Government amid continued weak capital spending by public corporations. Headline inflation, as measured by the annual percentage change in the Consumer Price Index ("CPI"), recorded a sharp increase to 4.1% during the quarter (1Q 2021: +0.5%), driven mainly by transitory factors. In particular, as expected, the elevated headline inflation was largely due to base effects from the low domestic retail fuel prices last year, as well as the lapse in the effect from the tiered electricity tariff rebate.

In terms of the monthly trajectory, headline inflation peaked at 4.7% in April 2021. Following this, headline inflation remained elevated during the quarter, but moderated to 4.4% and 3.4% in May and June 2021, respectively. Despite the increase in headline inflation, upward pressures on prices during the quarter were not broad-based, as the share of CPI items recording month-on-month price increases was lower than the long-term average (2nd quarter of 2021 average: 36%; 2010-2019 average: 45%). Notably, a larger proportion of CPI items recorded unchanged price movements (2nd quarter of 2021 average: 50%; 2010-2019 average: 33%), particularly towards the end of the quarter, due mainly to temporary business closures and uncertainties in demand following the re-imposition of movement restrictions. More specifically, price movements of core discretionary items (27.9% of CPI basket), while positive for the second quarter as a whole, became more subdued during the FMCO period. In line with this, core inflation remained stable at 0.7% during the quarter (1Q 2021: 0.7%).

(Source: Developments in the Malaysian Economy, Bank Negara Malaysia ("BNM") Quarterly Bulletin, Second Quarter 2021, BNM)

4.2 Outlook and prospects of the healthcare industry in Malaysia

The healthcare services industry refers to the provision of consultation, diagnostic, treatment and patient care. Total healthcare expenditure in Malaysia, comprising public and private healthcare expenditure, steadily increased from RM51.7 billion in 2016 to an estimated RM59.8 billion in 2019, at a CAGR of 5.0%. Providence Strategic Partners Sdn Bhd forecasts that the total healthcare expenditure in Malaysia will grow from an estimated RM62.2 billion in 2020 to RM64.7 billion in 2021, growing at a CAGR of 4.0%.

In line with the increasing healthcare expenditure, the number of healthcare facilities has also been growing in Malaysia. The number of public and private hospitals grew from 187 hospitals in 2016 to 362 hospitals in 2019, at a CAGR of 24.6% during the period.

The healthcare services industry in Malaysia has been, and is expected to continue to be, driven by the growing number of hospital admissions and outpatient attendees, growing ageing society, government initiatives and outbreak of the COVID-19 pandemic in the country. Between 2016 and 2019, the number of hospital admissions grew by a CAGR of 1.8%, from approximately 3.6 million patients in 2016 to 4.0 million patients in 2019. Meanwhile, outpatient attendees grew from 67.3 million persons in 2016 to 73.8 million persons in 2019, at a CAGR 3.1%. The increase in hospital admissions is contributed by increasing incidences of chronic lifestyle diseases such as ischaemic heart diseases, hypertensive diseases and cancer, as well as increasing affordability of healthcare services in Malaysia through medical insurance.

Meanwhile, Malaysia's demographic is gradually recording a decrease in younger population and an increase in elderly population over the years. As an illustration, Malaysia's percentage of population below 15 years old in the country has decreased from 24.5% in 2016 to 23.3% in 2019. In comparison, the percentage of population above 65 years old has increased from 6.1% in 2016 to 6.7% in 2019. This is expected to lead to an increase in demand for healthcare services in Malaysia due to higher occurrence of chronic lifestyle diseases such as cardiovascular diseases as well as cancer and age-related diseases such as arthritis and diabetes.

The Government of Malaysia has launched various national plans and programmes to support the growth of the healthcare services industry in the country. Among these plans and programmes include the Health Care Scheme for Group B40 (PeKa 40) which was launched in 2019 with an emphasis on the early detection of non-infectious, non-communicable diseases amongst the B40 group aged 50 and above. This initiative aims to increase the usage of healthcare services and reduce the burden of B40 treatment costs. In addition, under the Budget 2020 and Budget 2021, the Government of Malaysia has also allocated:

- RM500.0 million to centralise the procurement of medicines for the Ministries of Health, Education and Defense;
- RM1.6 billion for healthcare infrastructure development and maintenance, including RM319 million to upgrade *Klinik Kesihatan* and others; and
- RM50.0 million for the procurement of equipment, laboratory test supplies and medicine for university teaching hospitals

Further, the COVID-19 pandemic has led to high utilisation rates of public as well as private hospitals as more COVID-19 patients are admitted. As at 25 April 2021, Malaysia hit over 5,000 cases of COVID-19 per day at its highest point in January 2021. While Sungai Buloh Hospital is the main designated hospital to treat COVID-19 patients, the Ministry of Health Malaysia had announced in January 2021 that more than 1,000 beds in private hospitals will be used to treat COVID-19 patients. With higher utilisation rates of hospital beds, it is expected that new healthcare facilities will be set up to accommodate more patients.

(Source: IMR Report)

4.3 Outlook and prospects of the M&E engineering service industry in Malaysia

M&E services refer to services entailing the installation, maintenance and/or repair of the M&E systems. Mechanical systems typically refer to building control systems, elevator systems, machinery, pumps, valves, as well as heating, ventilation and air conditioning systems, while electrical systems typically refer to power supply and distribution to connect electricity systems, telecommunication systems, computing systems and control systems.

The M&E service industry in Malaysia can be depicted by the total value of M&E services performed in the country. The M&E service industry in Malaysia increased from RM2.1 billion in 2016 to RM4.4 billion in 2020, registering a healthy CAGR of 19.4%. Moving forward, PROVIDENCE estimates that the M&E service industry in Malaysia will reach RM5.5 billion by 2023, registering a CAGR of 9.4% between 2021 and 2023. The growth of the M&E industry in Malaysia have been, and is expected to continue to be, driven by the following factors:

(a) Growing population and market trend creates demand for residential properties which in turn creates demand for M&E services

As the population increases, the number of residential properties will also increase to cater to the demand for living spaces. In recent years, there has been a demand trend towards high-rise residential properties. This is illustrated by the higher growth in the number of high-rise properties (comprising apartments and condominiums) in the country as compared to other residential building types. The number of high-rise residential properties in the country stood at 960,800 properties in the first half of 2021, from 569,327 properties in 2016, recording a healthy growth of 68.8%. This is in contrast to the 19.4% growth for the total number of residential properties in the country, from 5.0 million properties to 5.9 million properties over the same period.

While the overall residential property market is expected to have experienced a slowdown in 2020, it is expected to recover in the coming years in light of several Government initiatives and plans under Budget 2021 and the reduction of overnight policy rate by Bank Negara Malaysia.

M&E engineering services are also required for the repair and maintenance of various M&E systems installed in existing residential properties. Thus, despite a slowdown in the property market, there will still be a constant demand for M&E services to maintain or repair the M&E engineering systems in these properties.

(b) Increased number of commercial and industrial properties will create demand for M&E services

As the country develops, there will be an increasing number of companies in the country. Malaysia has seen a steady growth of newly registered companies at an average increase of approximately 46,000 companies each year. According to latest available data from the Companies Commission of Malaysia, number of new companies in Malaysia grew from 1.2 million in 2016 to approximately 1.4 million in 2020. This growth trend is expected to continue in light of the nation's developing economy over the long-term.

The growth in the number of companies in the country will create demand for commercial and industrial properties. The growth in the number of commercial properties (consisting of small office home office buildings, serviced apartments, shopping complexes and purpose-built offices) grew by threefold from 103,780 properties in 2016 to 339,264 properties in the first half of 2021. Meanwhile, the number of industrial properties grew from 110,140 to 118,708 over the same period at a growth rate of 7.8%.

The commercial and industrial property market was adversely impacted by the COVID-19 pandemic in 2020. Nevertheless, it is expected to recover gradually in the coming years in light of the various economic stimulus packages and several Government initiatives under Budget 2021. Thus, the growing number of commercial and industrial properties provides opportunities for M&E services in Malaysia as M&E services are required to install, maintain or repair M&E systems in these properties.

(c) On-going and upcoming infrastructure projects will support the demand for M&E services

M&E engineering services are used in infrastructure, such as transportation systems, infrastructure controls and power generation. There are several major on-going infrastructure projects such as the East Coast Rail Link, MRT projects, Damansara-Shah Alam Elevated Expressway, East Klang Valley Expressway, Sungai Besi-Ulu Kelang Elevated Expressway and West Coast Expressway.

In March 2020, the Government of Malaysia announced the initiatives under the PRIHATIN to cushion the headwinds of the COVID-19 pandemic, which includes a fund of RM2.0 billion to strengthen the country's economy through several infrastructure

projects. These projects include infrastructure projects in Federal Land Development Authority (FELDA) and other areas; upgrade of dilapidated schools in Sabah and Sarawak; refurbishment of houses under the Perumahan Rakyat Termiskin program and maintenance of federal and rural road projects.

The Budget 2021 included RM1.3 billion allocation to implement rural and intervillage road projects, and RM15.0 billion allocation to fund the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking Project and Klang Valley Double Tracking Project Phase 1. Key projects such as the Johor Bahru-Singapore Rapid Transit System Link and MRT 3 in Klang Valley will also be continued. The abovementioned initiatives are expected to support the growth of infrastructure projects in Malaysia, which will in turn support the growth of the M&E services industry in Malaysia.

The abovementioned initiatives are expected to support the growth of infrastructure projects in Malaysia, which will in turn support the growth of the M&E services industry in Malaysia.

(Source: IMR Report)

4.4 Overview and outlook of the residential and commercial property development market in Penang

The residential and commercial property development markets Penang has witnessed growing demand over the years, as depicted by an increase in property transaction value in both states. In Penang, the residential property development market has been growing, in terms of transaction value, recording a CAGR of 0.9%, from RM5.4 billion in 2016 to RM5.5 billion in 2018. However, transaction value of residential properties in Penang declined by 9.1% to RM5.0 billion in 2019 as the market was adversely affected by the economic slowdown. On the other hand, demand for commercial properties in Penang, in terms of transaction value, continued to grow from RM1.2 billion in 2016 to RM1.3 billion in 2019, recording a CAGR of 2.7%.

In 2020, the market for residential and commercial properties in Penang were adversely affected by the MCO that was implemented in Malaysia to curb the spread of the COVID-19 virus. During the first MCO that was implemented on 18 March 2020, many businesses were not allowed to operate and this led to slowdown in the overall economic activity in the country. As businesses were restricted from operating, occupancy rates of commercial properties were lower during the time period and this has resulted in lower demand for these properties. Meanwhile, the restriction in business operations also led to higher unemployment rates and pay cuts which reduced disposable income and lowered consumer sentiments on the property market due to economic uncertainty. This resulted in lower purchases of residential properties during the year. Consequently in 2020, the transaction value of residential properties in Penang declined to RM4.6 billion and the transaction value of commercial properties in Penang maintained at RM1.3 billion.

Moving forward, the residential property development market in Penang is expected to recover in the following years to reach transaction values of RM4.7 billion in 2023 from RM4.4 billion in 2021, recording a CAGR of 3.3% between 2021 and 2023. Meanwhile, transaction value of commercial properties in Penang is forecast to grow at a CAGR of 3.6%, from an estimated RM1.1 billion in 2021 to RM1.1 billion in 2023.

The growth in the residential property development markets in Penang is mainly attributed to the growing population in Malaysia, which grew from approximately 31.6 million in 201 to an estimated 32.7 million in 2021.

Further, Malaysia has seen a steady growth of registered businesses and companies over the years. According to latest available data from the Companies Commission of Malaysia, the number of businesses in Malaysia grew from 6.2 million in 2016 to 7.9 million in 2020, while the number of companies grew from 1.2 million to approximately 1.4 million over the same period. Over the long term, this steady growth trend is expected to continue in light of the nation's developing economy amid the short-term uncertainties in 2020 caused by the COVID-

19 pandemic. The growing number of businesses and companies registered each year provides opportunities for greater demand for commercial properties in Malaysia, including Penang.

While the COVID-19 pandemic and resulting MCO have caused a slowdown in economic activities and the property market in 2020, the stimulus packages and initiatives announced by the Government of Malaysia is expected to cushion the adverse impacts of the COVID-19 pandemic and improve the outlook of the residential and commercial property development markets in Malaysia (including Penang) in 2021 and the following years. Among some of the stimulus packages and initiatives include:

- (a) Under Budget 2021, to assist Malaysians who are unable to afford to purchase houses, the Government of Malaysia announced the Rent-To-Own financing scheme, in collaboration with selected financial institutions and property developers, to assist people who are unable to afford the deposit and access to financing for the purchase of their first homes. This programme will be implemented until 2022 involving 5,000 PR1MA houses with a total value of more than RM 1 billion. Budget 2020 also extended the Youth Housing Scheme to 31 December 2021 to assist youths in purchasing their first homes. In addition, the Government of Malaysia lowered the threshold price of unsold high-rise units for foreigners, from RM1 million to RM600,000 to attract foreign buyers to invest in residential properties in Malaysia;
- (b) In January 2020, the Government of Malaysia launched the China Special Channel initiative, a platform specifically aimed at attracting high-impact foreign investments from China to set up high-value and high-technology businesses or regional hubs in Malaysia. As more Chinese-based companies are being encouraged to set up business operations in Malaysia through the introduction of matching production sites, tax incentives and talent support, this in turn is expected to boost demand for commercial properties;
- (c) As part of the economic easing measures to cushion the headwinds arising from the COVID-19 pandemic, Bank Negara Malaysia had reduced its overnight policy rate from 2.7% in February 2020 to 2.5% in March 2020, and then to 2.0% in May 2020 and subsequently to 1.75% in July 2020. As a result, all commercial banks in Malaysia have also lowered their respective base rates and base lending rates. The lower rates will lower the borrowing costs for property buyers, which is expected to support the overall property industry to a certain extent; and
- (d) Real Property Gains Tax was exempted for disposal of residential homes from 1st June 2020 to 31st December 2021. This exemption is limited to the disposal of three units of residential homes per individual.

In June 2020, the Short-Term Economic Recovery Plan was introduced to stimulate the property market and provide relief to residential properties purchasers affected by the COVID-19 pandemic. Amongst the incentives include lifting of the 70.0% margin of financing limit for the third housing loan onwards to property valued at RM600,000 and above during the period of the Home Ownership Campaign, as well as the reintroduction of Home Ownership Campaign allowing for stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10.0% discounts provided by the developer. In addition, homeowners intending to sell their properties are exempted from paying real property gain taxes for the disposal of up to 3 residential properties per individual between 1 June 2020 and 31 December 2021.

(Source: IMR Report)

4.5 Outlook and prospects of the wellness themed development market in Malaysia

The wellness themed development market in Malaysia is estimated to have grown from USD917.1 million (RM3.9 billion) in 2017 to reach an estimated USD1.0 billion (RM4.2 billion) in 2020, registering a CAGR of 4.3% during the period. Overall, Malaysia is estimated to contribute 0.7% of the global wellness themed development market, and is one of the top 20

wellness themed development markets in the world based on its market size in 2017. The wellness themed development market is projected to reach USD1.2 billion (RM5.0 billion) by 2022.

The prospects for wellness themed developments are expected to grow in light of the growing affluent population in the country, as indicated by the long-term growth of GDP in Malaysia. As the population grows in terms of its affluence, consumers are expected to seek a more luxurious lifestyle. In line with global trends, consumers in Malaysia are increasingly seeking to integrate wellness experiences into their residential homes. This has consequently led to property developers introducing wellness components in residential and commercial developments to meet this demand.

In addition, as senior citizens stand to benefit from the wellness elements (such as senior living facilities and medical wellness centres) incorporated in such developments, the growing number of senior citizens in Malaysia also contributes to demand for such developments. Malaysia's percentage of population below 14 years old in the country has decreased from 24.5% in 2015 to 23.3% in 2020, while the percentage of population above 65 years old has increased from 6.0% in 2015 to 7.0% in 2020.

Moreover, Malaysia welcomes and allows citizens from various countries regardless of race, religion, gender or age through a migration programme named Malaysia MySecondHome ("MM2H"). Such programme also allows applicants to bring their spouse or unmarried child below the aged of 21 as dependants. It is a social visit pass which allow foreigner to live in Malaysia for a period of 10 years and is renewable. Based on 2020 migration report by the Department of Statistics Malaysia, international immigration into Malaysia made up of 10.4% (3.3 million people).

Apart from foreigners seeking to reside in Malaysia over the long-term, Malaysia also stands to benefit from overseas travellers seeking medical treatments or on vacation.

Medical tourism refers to foreigners travelling to a particular country for the purposes of receiving medical care. The Government is promoting Malaysia as a medical tourism destination, particularly in the fields of fertility and cardiology. Medical tourism in Malaysia is gaining popularity due to its world-class healthcare services, warm hospitality and multi-lingual society. Malaysia has won multiple awards from the International Medical Travel Journal's Medical Travel Awards. 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. Private hospitals undergo stringent evaluation to ensure that they are equipped and have the capacity to serve this market, before they are approved and registered with the MHTC as a partner. In addition to linking patients to their panel of healthcare providers, the MHTC provides comprehensive services such as a meet and greet service at the airport, immigration clearance, accommodation, transportation and travel advisory. Revenue from medical tourism has grown from RM1.3 billion in 2017 to RM1.7 billion in 2019.

Meanwhile, Malaysia's tourism industry has also been growing as the country is one of the key destinations in Southeast Asia with a variety of attractions such as tropical forests, beautiful beaches and mountains as well as historical attractions. Between 2016 and 2019, tourism receipts in Malaysia grew from RM82.1 billion in 2016 to RM86.1 billion in 2019. The tourism and medical tourism industry in Malaysia is adversely impacted by the COVID-19 pandemic. As an effort to curb the spreading of the COVID-19 pandemic, the Government of Malaysia had restricted inter-country travelling. Locals returning to Malaysia to undergo a 14-day quarantine period. This has adversely impact the tourism and medical tourism industry in Malaysia in 2020, as depicted by the decline in tourism receipts in the country to RM12.7 billion.¹² Nevertheless, the tourism and medical tourism industry in Malaysia is expected to recover once the spreading of the pandemic is curbed.

(Source: IMR Report)

4.6 Future prospects of the enlarged Bintai Group

The successful completion of the Proposed Acquisition is expected to widen the market presence and customer profiles of Bintai Group in the healthcare services industry in Malaysia that JMI is currently involved in. The consolidation of JMI is expected to contribute positively towards Bintai Group's revenue and earnings upon the completion of the Proposed Acquisition.

Currently, the Bintai Group does not have any plan or intention to undertake any major changes to the existing businesses and operations of JMI unless such changes are necessary to rationalise or streamline the business operations of JMI in order to improve the use of resources, staff productivity and operational efficiency. These may include any expansions, diversification of business, mergers, consolidations or disposal of assets. The Group intends to expand the customer base of JMI within 24 months upon completion of the Proposed Acquisition. The Group intends to also undertake further expansion plans of JMI's existing business activities which shall be financed via internally generated funds. Notwithstanding the above, Bintai Group intends to have the flexibility to consider any options and opportunities, as and when they arise, as may deem fit and in the best interests of JMI.

Premised on the above, the businesses and management of the Group are expected to continue to operate as usual and remain intact and continue as a going concern post-completion of the Proposed Acquisition.

In addition, the Group also intends to secure more projects for its civil engineering and construction as well as M&E engineering services segments. As at the LPD, the Group has ongoing M&E and construction projects with a total contract sum of RM234.00 million, which is expected to last up to June 2023. The Group is actively exploring new opportunities for a diverse range of M&E projects in the local market to capture new market demand. To this end, the Group will aim to work with various property developers and project owners in Malaysia to secure additional M&E contracts for commercial high rise buildings, mixed development and other specialised projects. At the same time, the Group is also in the midst of pursuing corrective measures to manage its operating costs more efficiently, particularly in reviewing and prioritise manpower needs, manipulating existing plans and redesign on future business ideas, more innovative and adapt to upcoming world of digitisation in the future. Premised on the above as well as the overview and outlook of the property market in Malaysia, the Group is cautiously optimistic of its future prospects moving forward despite a challenging economic outlook ahead as the full impact of the COVID-19 pandemic gradually becomes observable.

In February 2021, the Group had proposed to undertake the Proposed Diversification, which is subject to shareholders' approval. The Group's proposed development of Holistica Penang is part of the Group's efforts to continuously enhance its business performance, maximise shareholders' value and improve its financial position.

Premised on the above and the positive outlook of the Malaysian economy, the Board sees the Proposed Acquisition as favourable to the enlarged Bintai Group as it bodes well with the Group's plan to expand its core M&E engineering services segment. The Board also believes that the Proposed Acquisition could contribute positively to the future performance of the enlarged Bintai Group moving forward.

The Group's future success post-implementation of the Proposed Acquisition and Proposed Diversification depends on its ability to attract and retain skilled personnel. The Group's strategies to retain its management and attract new personnel include, amongst others, succession planning and promotion opportunities, attractive remuneration packages and training activities. The Group's succession plan consists of:

- (a) selection and recruitment: identifying key competencies and requirements for managerial and key senior positions for succession planning; and identifying potential successor's readiness to facilitate skills transfer so as to ensure smooth running and continuity of the operations of the Group;

- (b) attractive remuneration packages and employee benefits;
- (c) continuous integration of JMI's management team and employees (comprising of project engineers and technicians) into the Bintai Group. In order to mitigate Bintai's dependency on the key management team of JMI, the enlarged Group will train the Chief Finance Officer of Bintai to oversee and supervise the operations, financial and accounting functions of the M&E engineering business activities of JMI and intends to put in place, programmes on succession planning, through developing and retaining talent after the completion of the Proposed Acquisition. The enlarged Bintai Group also plans to recruit experienced personnel to continue to grow the business of JMI;
- (d) career planning and development: the senior management trains the lower and middle management staff to gradually assume more responsibilities; and
- (e) continuous training and education: the middle management actively participate in discussions and decision-making in various operations of the Group. Such active participation will ensure better understanding of the Group's operations and enable the personnel to equip themselves with the necessary knowledge and skills to succeed in senior management roles.

(Source: Management of Bintai)

4.7 Prospects of Holistica Penang

The Board is of the view that the development of Holistica Penang provides the Company with an opportunity to participate in the development of a prime land into an attractive property development and property management which includes the management of condotel project in Penang. This is after taking into consideration the strategic location of Holistica Penang, which are both located at key townships (i.e. Gurney Drive, Penang), coupled with connectivity to key major highways (such as Second Penang Bridge, North-South Highway, Penang Bridge), commercial centres, banks, hotels, amenities and historical sites. Holistica Penang is located within various historical and cultural UNESCO World Heritage sites of Penang. Holistica Penang Projects have the potential to attract local and international home buyers and investors, especially those looking for wellness property development and property management which includes the management of condotel projects within the South East Asia region.

The Company have reviewed competing wellness themed development projects in Penang, namely Angsana Teluk Bahang, Eco Terraces, Satori. Based on the Company's review, the Company noted that Holistica Penang is well placed in terms of location and pricing.

Taking into consideration the abovementioned wellness themed development projects, the pricing and strategic location of Holistica Penang, the Board is of the view that the development of Holistica Penang would be able to cater to the anticipated demand for affordable workspaces, accommodation and residential properties within the prime areas of Georgetown, Penang.

(Source: Management of Bintai)

4.8 Impact and value creation of the Proposals to the Group and its securities holders

The Board envisages that the Proposed Acquisition and Proposed Diversification shall contribute positively to the Group's earnings and strengthen its financial position in the long term, based on the Guaranteed Profit and the expected net profits to be generated from the development of Holistica Penang. Additionally, the Board is of the view that the property development and property management business segments which includes the management of condotel has good growth prospects, given the favourable outlook and prospects of the healthcare industry, residential and commercial property development market in Penang as well as the wellness themed development market in Malaysia, as set out in Sections 4.2, 4.3, 4.4 and 4.5 of this Circular. Hence, the Proposed Acquisition and Proposed Diversification will be the right opportunity for the Bintai Group to tap into the growing healthcare industry, residential and

commercial property development market in Penang as well as the wellness themed development market in Malaysia.

The impact of the Proposed Private Placement and Proposed Issuance of RCPS are as follows:

- (a) the Proposed Private Placement and Proposed Issuance of RCPS will enable the Group to raise funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving the Group's cash flow.
- (b) the Proposed Private Placement and Proposed Issuance of RCPS will help ease the Group's cash flow requirements by providing the Group with immediate funds to part finance the Cash Consideration, development cost of Holistica Penang and working capital requirements as described in Section 2.1.7 of this Circular, without necessitating additional bank borrowings that incurs fixed interest payment obligations;
- (c) the proceeds, as and when the RCPS are converted into the Conversion Shares will provide funding for our working capital requirements and/or development cost of Holistica Penang, instead of having to obtain bank borrowings which has fixed interest payment obligations;
- (d) the Proposed Private Placement and Proposed Issuance of RCPS addresses the immediate cash financing needs of the Group, primarily with the funding of the Cash Consideration, development of Holistica Penang and funding of the Group's working capital requirements without the burden of additional fixed interest payment obligations. This should give rise to an expected sustained improvement of our Group's financial performance, which in turn is expected to create value for our shareholders; and
- (e) the Proposed Private Placement and Proposed Issuance of RCPS are expected to create value to the Company and the shareholders in the long term as the proceeds to be raised from the Proposed Private Placement and Proposed Issuance of RCPS are intended to be utilised mainly to finance the Cash Consideration and development cost of Holistica Penang, which are expected to contribute positively to the future earnings of the Group. This will aid the Company in its effort to continuously improve its financial performance and to enhance value for the Shareholders moving forward.

Further details on the effects of the Proposals on the NA and gearing as well as the earnings and EPS of the Group are set out in Sections 6.2 and 6.3 of this Circular.

Despite the expected dilution in the consolidated EPS of the Group and shareholders' shareholdings in the Group in the short term, the Proposed Private Placement and Proposed Issuance of RCPS which are expected to contribute positively to the future earnings of the Group. This will aid the Company in its effort to continuously improve its financial performance and to enhance value for its shareholders moving forward.

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

The Proposals is a timely and appropriate measure taken by the Board to address the Group's immediate cash flow requirements amid the uncertainty caused by the Covid-19 pandemic. The Board is of the view that the Proposals are adequate in addressing its immediate financial conditions and funding requirements at this juncture, after taking into consideration the following factors:

- (a) the Proposed Acquisition and Proposed Diversification are in line with Bintai management's strategy and expansion plans to evolve its business offerings to include property development and property management business segments which includes the management of condotel. Bintai seeks to mitigate the risk of overdependence on its existing core business through the Proposed Acquisition and Proposed Diversification. The Proposed Acquisition is being undertaken with the intention of increasing Bintai

Group's revenue and earnings based on the Profit Guarantee provided by YEL and the anticipated synergy that may arise from the technical expertise, know-how, skills and resources between Bintai Group and JMI; and

- (b) the Proposed Private Placement and Proposed Issuance of RCPS will enable the Company to finance its working capital requirements, Cash Consideration and cost of development for Holistica Penang, which are expected to expand the operations of the M&E engineering segment of Bintai Group.

The Bintai Group will continuously assess its financial position and condition moving forward to address its financial requirements, as and when required. However, the Board has decided to undertake the Proposed Private Placement as the most appropriate avenue to raise immediate funds for its purposes as stated above. Moving forward, the Company will continue to undertake a stringent profit and cost control measure for its existing business activities to ensure the overall profitability of the Group, which include, but not limited to continuously undertaking conservative cost control measures as well as undertaking close monitoring of the market conditions for the M&E and construction industry in Malaysia. The Group will continuously assess its financial position and condition moving forward to address its financial requirements, as and when required.

4.10 Prospects, future plans and steps taken by the Group to improve its financial conditions

In recent years, the Group has undertaken several initiatives to improve its financial condition and identify alternative business ventures with potentials to provide a new stream of revenue to the Group. To this end, the Group has undertaken several efforts in diversifying its income stream to enhance its financial position and results, as follows:

- (a) The Proposed Acquisition is expected to contribute positively to the overall financial performance and future profitability of the enlarged Bintai Group. The outlook of JMI is underpinned by the growth in the healthcare industry and M&E service industries in Malaysia, the availability of working capital and the strength of the experienced management team of JMI led by Ms Yeo Eng Lam. Moving forward, JMI plans to further undertake the following efforts to further grow its business operations and prospects in the M&E engineering services for the healthcare services industry in Malaysia, as follows:-
 - (i) expand its range of product offerings in its manufacturing, supply and installation of medical support systems and related equipment, ventilation systems for clean air, operating theatres, critical care units, fluid management pendants and medical gas delivery systems. This includes expanding its existing distributorships and product range such as medical gas pipe systems, hospital ventilation systems and related medical accessories and equipment to various healthcare institutions in Malaysia; and
 - (ii) JMI aims to expand its existing customer base and network as well as to increase its market share locally and internationally through various marketing efforts to be undertaken such as development of sales channels via strategic partnerships with different construction and M&E companies to venture into other related healthcare areas.

Barring any unforeseen circumstances, the Board believes that the Proposed Acquisition will contribute positively to the enlarged Bintai Group moving forward and is expected to enhance the value to the Company's shareholders in the longer term. The Board is of the opinion that the Proposed Acquisition are expected to contribute positively to the long-term earnings of the enlarged Bintai Group, hence enhancing shareholder value in the future. Given the favourable outlook and prospects of the fertiliser industry, the Proposed Acquisition would augur well for the Company in expanding its products into the healthcare industry and M&E service industries in Malaysia.

- (b) The development of Holistica Penang is part of its Bintai Group's effort to continuously enhance its business performance, maximise shareholders' value and improve its financial position. Once completed, Holistica Penang is expected to become one of the key commercial centre and landmark in Penang. In recent years, property development and property management which includes the management of condotel projects in Penang have received strong interests from foreign investors. Once the COVID-19 situation has improved and tourism industry recovers, Holistica Penang shall become iconic high-rise buildings as Penang's premier tourism and luxury destination, and will cater to the growing demand for quality residential projects in Penang from visiting tourists.

Moving forward, the Group may further expand its property development and management business segment with the acquisition of landbank and/or joint venture with landowners to undertake further property development activities. The Group is exploring opportunities to develop and construct low-cost housing projects and other mixed developments that aim to promote social-economic stability and promote national development in Malaysia. The Group will also continuously monitor the latest developments in the property market in Malaysia and aims to time the launches of its future property development and management projects to capitalise on the upcycle of the property market as and when appropriate.

- (c) The Group is actively exploring new opportunities for a diverse range of M&E projects in the local market to capture new market demand. As at the LPD, the Group has ongoing M&E and construction projects with a total contract sum of RM234.00 million, which is expected to last up to June 2023. Moving forward, the Group intends to secure more projects for its civil engineering and construction as well as M&E engineering services segments. The Group is actively exploring new opportunities for a diverse range of M&E projects in the local market to capture new market demand. To this end, the Group will aim to work with various property developers and project owners in Malaysia to secure additional M&E contracts for commercial high rise buildings, mixed development and other specialised projects. At the same time, the Group is also in the midst of pursuing corrective measures to manage its operating costs more efficiently, particularly in reviewing and prioritise manpower needs, manipulating existing plans and redesign on future business ideas, more innovative and adapt to upcoming world of digitisation in the future. Premised on the above as well as the overview and outlook of the property market in Malaysia, the Group is cautiously optimistic of its future prospects moving forward despite a challenging economic outlook ahead as the full impact of the COVID-19 pandemic gradually becomes observable.

- (d) On 17 August 2020, the Company had announced that Bintai had entered into a Memorandum of Understanding with NuGenerex, a company incorporated in the United States of America, for the preliminary understanding of arrangement for the collaboration between the parties in the funding, launching and management of a synthetic peptide vaccine for SARS-CoV-2. In addition, BHSB has been granted the right of first refusal to commercially exploit the vaccine in New Zealand and Australia.

In addition, BHSB had on 8 January 2021 entered into a distribution agreement with SLAB Asia Co., Ltd, a company incorporated in Korea, for the purpose of appointing BHSB to act as the exclusive distributor of the full range of Greenie Medi Cold Chain Box within the geographical territory of Malaysia and non-exclusive distributor for South East Asia countries for a 1 year period (renewable on yearly basis). BHSB will be involved in distributing purpose-built box for exclusive use in logistics of medical products, which is designed to keep inbox temperature of up to negative 70 degrees Celsius at an optimal level of up to 120 hours. This will enable proper storage and distribution of vaccines. The Group's foray into vaccine development and distribution of purpose-built box for exclusive use in logistics of medical products, if successful, is expected to cushion its M&E segment volatility.

On 27 April 2021, BHSB has obtained the Certificate of Conformity from Medivice Certification Sdn Bhd an approved certification body by the Medical Device Authority ("**MDA**") which allows BHSB to act as a local authorised representative, import, storage and handling, distribution (including transportation) and documentation (including traceability) of medical devices warehousing and documentation of medical devices, specifically in hospital hardware and reusable devices. On 27 May 2021, BHSB has received the Establishment Licence from the MDA to act as an authorised representative, distributor and importer of the medical devices in Malaysia. On 15 July 2021, BHSB has received the approval on the Medical Device Registration Certification from the Medical Device Authority, to be a licensed distributor and importer of the Greenie Medi Cold Chain Box produced by SLAB Asia Co. Ltd, Korea in Malaysia.

- (e) The Company is also presently involved in the project management and concessionaire arrangements business segment undertaken via OPM and has total staff strength of 25 staffs (comprising project engineers/administrators). The Group constructs or upgrade infrastructure facilities used to provide public service as well as operates and maintains that infrastructure (operation services) for a specified period of time.

Presently, OPM has on 3 December 2015 entered into a concession agreement with Kolej Teknologi Islam Melaka Berhad ("**KTIMB**") to design, construct, complete, operate and maintain an entire in-campus hostel accommodation for Kolej Universiti Islam Melaka ("**KUIM**") ("**KTIMB Concession Agreement**"). The KTIMB Concession Agreement is valid for a period of 25 years, comprising 3 years of construction works and 22 years of maintenance works ("**Maintenance Period**"). KTIMB will pay the Group throughout the Maintenance Period concession charges which comprise hostel and maintenance charges and collegiate fees in accordance with the provisions of the KTIMB Concession Agreement. During FYE 2021, the Group recorded revenue of RM14.13 million from the concessionaire arrangements business segment, which is mainly derived from the KTIMB Concession Agreement.

The Group presently does not have any immediate plans to expand its project management and concessionaire arrangements business segment. Moving forward, the Group intends to undertake further expansion activities to grow this business segment by undertaking the following efforts (within 2 years from the date of this Circular):

- (a) exploring potential joint collaborations and/or joint venture opportunities to undertake the management of condotel projects in Malaysia; and
- (b) the Group will continue to explore similar opportunities to the KTIMB Concession Agreement, where the Group can be appointed as the project manager to manage the operations and maintenance activities of completed facilities/institutions that the Group is involved in the construction.

The Group expects to finance its involvement/investment in the project management and concessionaire arrangements business segment via internally generated funds and/or additional bank borrowings to be undertaken.

(Source: Management of Bintai)

4.11 Historical financial results of Bintai Group

The summary of the consolidated financial performances of the Bintai Group for the past 2 FYE 2020 and FYE 2021 as well as the latest quarterly financial results for the FPE 30 June 2021 together with the commentaries on past performances are as follows:

	Audited		Unaudited	
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FPE 30 June 2020 (RM'000)	FPE 30 June 2021 (RM'000)
Revenue	89,868	58,262	13,689	12,264
Gross profit	11,621	18,387	3,492	3,681
Profit/(Loss) before taxation	108	(6,919)	(1,463)	1,255
PAT/LAT attributable to the owners of the Company	(359)	(9,297)	(1,309)	1,507
NA	75,820	114,424	74,518	115,931
Borrowings	152,800	143,527	166,659	157,781
No. of Shares in issue ('000)	289,591	381,891	289,591	381,891
Earnings/(Loss) per Share (sen)	(0.12)	(2.43)	(0.45)	0.33
NA per Share (RM)	0.26	0.30	0.26	0.30
Gearing ratio (times)	2.02	1.25	2.24	1.36

The analysis of the revenue and profit contribution of Bintai Group's operating business segments for the past 2 FYEs are as follows:

Business segments	FYE 2020			FYE 2021		
	Revenue (RM'000)	GP (RM'000)	GP margin (%)	Revenue (RM'000)	GP (RM'000)	GP margin (%)
Construction activities comprising:						
- M&E engineering	69,800	3,765	5.4	44,016	4,633	10.5
- Concession arrangements	20,036	7,824	39.1	14,126	13,642	96.6
Others	32	32	100	120	112	93.3
Total	89,868	11,621	12.9	58,262	18,387	31.6

Financial commentaries for FYE 2020

The Group's revenue of RM89.87 million in FYE 2020 was mainly derived from the following:

- construction activities which generated revenue of approximately of RM69.80 million. During FYE 2020, the Group recorded revenue of approximately RM37.58 million from undertaking the infrastructure, civil and structural construction project and specialised M&E engineering activities for civil construction projects awarded by Tenaga Nasional Berhad ("TNB") for the construction of sub-stations at various locations in Malaysia for total contract sum of approximately RM200.0 million; and
- concessionaire arrangements, which generated revenue of approximately RM20.04 million, mainly derived from the construction of the in-campus accommodation under the concession arrangement with Kolej Universiti Islam Melaka ("KUIM").

GP decreased by approximately 50.3% from RM23.40 million in FYE 2019 to RM11.62 million in FYE 2020 in tandem with the decrease in overall revenue. However, the Group recorded other income of RM18.34 million mainly due to the following:

- bad debts recovered of RM12.51 million from a former associate company in relation to a performance bond and realised gain on foreign exchange amounting to RM1.94 million derived from the said bad debt recovered; and

- (b) RM3.53 million arising from the recovery of professional fees incurred in relation to the performance bond as abovementioned.

Consequently, the Group recorded LAT of RM0.36 million as compared to PAT of RM0.34 million in FYE 2019 mainly due to the negative financial impact and extended MCO.

Financial commentaries for FYE 2021

The Group's revenue of RM58.26 million during FYE 2021 was mainly derived from the following:

- (a) revenue of approximately RM20.08 million from undertaking the infrastructure, civil and structural construction project and specialised M&E engineering activities for the construction of TNB sub-stations at various locations in Malaysia; and
- (b) revenue of approximately RM14.13 million from the management of the in-campus accommodation under the concession arrangement arising from the provision of hostel management and maintenance services to KUIM (construction of the in-campus accommodation was completed during the fourth quarter of FYE 2020).

The Group's revenue decreased by approximately 35.17% or RM31.61 million from RM89.87 million in FYE 2020 to RM58.26 million in FYE 2021, mainly due to temporary standstill of the Group's ongoing infrastructure, civil and structural construction projects as well as specialised M&E engineering projects due to the imposition of the various movement control orders by the Malaysian Government between March 2020 and June 2020 as well as from December 2020 and March 2021. This resulted in the Group's ongoing projects been halted several times, which resulted in delays in completion of these ongoing projects, thus affecting the Group's ability to claim progressive billings from its customers.

However, overall gross profit increased by approximately 58.22% from RM6.77 million in FYE 2020 to RM18.39 million in FYE 2021 in tandem with the decrease in revenue. GP margin also improved by 18.7% from 12.9% during FYE 2020 to 31.6% during FYE 2021, which was mainly attributable to better GP margin derived from the management of the in-campus accommodation under the concession arrangement with KUIM.

Despite the improvement in the overall GP margin, the Group recorded LAT position of RM9.31 million during FYE 2021 mainly due to the following:

- (a) reduction in overall other income by approximately RM17.20 million mainly due to the non-recurring of other income (as mentioned above) during FYE 2021; and
- (b) higher taxation expenses of RM3.39 million during FYE 2021 (FYE 2020: RM1.11 million) due to under-provision of deferred taxation in prior FYE 2020 of RM3.38 million which derived from the temporary difference on concession arrangement was not taken up in prior years as well as deferred tax assets not recognised during FYE 2021 of RM1.75 million due to unutilised tax losses and unabsorbed capital allowances.

Financial commentaries for FPE 30 June 2021

The Company's revenue decreased slightly by approximately 10.4% or RM1.43 million, from RM13.69 million in FPE 30 June 2020 to RM12.26 million in FPE 30 June 2021. Revenue during FPE 30 June 2021 was mainly contributed by the concession arrangement arising from the provision of hostel management and maintenance services to KUIM of RM3.55 million as well as M&E engineering segment of RM8.70 million. However, GP has improved by approximately RM0.19 million or 5.4% from RM3.49 million during FPE 30 June 2020 to RM3.68 million during FPE 30 June 2021. Consequently, GP margin improved from 25.5% during FPE 30 June 2020 to 30.0% during FPE 30 June 2021, primarily contributed by the concession arrangement arising from the provision of hostel management and maintenance services to KUIM.

During FPE 30 June 2021, the Group also recorded other income of approximately RM3.44 million mainly arising from the one-off gain on disposal of a subsidiary, namely Bintai Integrated Engineering & Construction Sdn Bhd, of approximately RM3.30 million, which was completed during the first quarter of FYE 2021. As a result of the above, the Group recorded PAT position of RM1.26 million for the FPE 30 June 2021 as compared to LAT position of RM1.46 million in FPE 30 June 2020.

4.12 Implications of COVID-19 on the business and financials of Bintai Group

The outbreak of COVID-19 pandemic has led to the implementation of various containment measures (i.e. restriction, safety, standard operating procedures ("SOPs")) in countries across the world, including Malaysia. On 11 January 2021, the Malaysian Government announced a second MCO ("MCO 2.0") which was effective on 13 January 2021 and the third MCO ("MCO 3.0") was implemented effective 12 May 2021 for the whole country following the increase in the number of COVID-19 cases. As number of infections continues to increase, the Malaysian Government announced a full nationwide lockdown ("FMCO") from 1 June 2021 onwards, where only selected industries are allowed to continue operating. On 15 June 2021, the Government announced the National Recovery Plan, which is a 4 phase strategy based on three indicators, (a) number of symptomatic new hospital admissions; (b) capability of public healthcare system based on the bed utilisation rate in intensive care unit (ICU) wards; and (c) percentage of the population protected against COVID-19, based on the number of people that have received two doses of vaccines.

From a financial standpoint, the Board does not see foresee any adverse effect on its budget and financial projections in the long term, and in view of the recovery transition leading to the opening of more economic sectors and businesses in Malaysia. Notwithstanding the increased operating cost of complying with SOPs, Bintai has been taking steps to mitigate such temporal effect by actively reviewing and managing its cost structure throughout each operation to offset any potential loss of sales and/ or increased operating cost of complying with SOPs.

Premised on the above, and barring any unforeseen circumstances, the Board believes that the COVID-19 outbreak and the MCOs are not expected to have any material adverse impact on the business and operations of the Group in the long run. Notwithstanding that, the Board wishes to highlight that as the circumstances pertaining to the said outbreak are rather fluid and uncertain in these unprecedented times, there can be no assurance that the statements made above, which are based on information and circumstances known at this juncture, will continue to be accurate moving forward.

5. RISK FACTORS

5.1 Risk factors relating to the Proposed Acquisition

(a) Business risk

The Proposed Acquisition is expected to contribute positively to the Company. However, there can be no assurance that the current financial performance of JMI will be sustainable in the future. As such, the anticipated benefits of the Proposed Acquisition to be realised is dependent on JMI being able to withstand the costs associated with the aforementioned factors and continue sustaining its profitability.

The Group seeks to mitigate the risk by leveraging on the competency of Ms Yeo Eng Lam and the existing key management team with vast experience and expertise in the industry. The Board will exercise due care in considering the potential risks and benefits associated with the Proposals, and the Board believes that the Proposed Acquisition will be value accretive and synergistic to the enlarged Group, after taking into consideration among others, the future prospects of JMI.

(b) Non-completion risk

The completion of the Proposed Acquisition is conditional upon the fulfilment of the Conditions Precedent of the SSA. If any of the Conditions Precedent is not met or waived in accordance with the SSA, the SSA may be terminated and the Company will not be able to complete the Proposed Acquisition. Nonetheless, the Company will take all reasonable measures to fulfil all the Conditions Precedent in order to complete the Proposed Acquisition within the agreed timeframe as set out in the SSA.

(c) Economic, political and regulatory risks as well as outbreak of disease

The prospects and profitability level of JMI may be affected by any development in the economic, political and regulatory environment of Malaysia. Political and economic uncertainties include (but are not limited to) changes in general economic, business and credit conditions, Government legislation and policies affecting foreign investors, inflation, interest rates, fluctuation in foreign exchange rates, political or social development, methods of taxation and the occurrence of force majeure events or circumstances which are beyond the control of the Group, for instances, natural disasters as well as outbreak of diseases (such as the recent COVID-19 pandemic). The ongoing COVID-19 pandemic has an adverse impact on the local economy whereby local businesses have not been able to operate as usual during the MCO period.

The Group will endeavour to ensure that it will continue to adopt effective measures such as prudent financial management and efficient management procedures to manage these risks. However, there can be no assurance that changes in one or more of these factors which are beyond the control of the Group, will not materially affect the financial and business performance of JMI.

(d) Dependence on key management personnel of JMI

The financial and business performance of JMI is dependent to a certain extent on the skills, abilities, experience and competencies of its key operation personnel managing the business. There can be no assurance that the loss of any key operation personnel through the possibility of resignation without suitable and timely replacement would not affect the financial and business performance.

The Board intends to retain the permanent staff of JMI to ensure that there is continuity in the management of JMI and that there is no disruption to the day-to-day operations and business. YEL agree to remain in the employment of JMI subject to the terms of the management contract to be entered into between YEL and JMI.

(e) Competition risk

The Proposed Acquisition allows the Bintai Group to further expand its existing customer base and widening its M&E service offerings to include the healthcare services industry in Malaysia, which are expected to enhance the revenue and earnings of the enlarged Bintai Group moving forward. However, the Group may face competition from existing competitors and/or new entrants operating in similar business relating to healthcare industry, from both local and regional suppliers.

Nevertheless, the Group will continue to take proactive measures to remain competitive in this business by inter-alia, constantly keeping abreast with the latest market conditions, and continuing efforts in maintaining a competitive edge in terms of cost and operational efficiency throughout its value chain (i.e. from healthcare industry) as well as its product quality. However, there can be no assurance that the Group will be able to compete effectively with the existing and new entrants in similar business relating to the healthcare business in the future which may affect the Group's financial performance.

5.2 Risk factors relating to the Proposed Diversification

(a) Risk inherent in the property development and property management industries

The development of Holistica Penang is subject to certain risks inherent in the property development and property management industries. These include, but are not limited to, shortages of building materials, price fluctuation of building materials costs, increase in labour costs, shortages of labour including foreign workers, drop in demand for residential and commercial properties, changes in general economy and business conditions, delay caused by the COVID-19 pandemic and availability to finance the purchase of property. The demand of these properties is dependent on the general economic, business and credit conditions as well as the availability of supply in the market.

(b) Unforeseen delays in the completion of projects

Although the development of Holistica Penang is expected to contribute positively to the future earnings of the Group, there is no assurance that such anticipated benefits will be realised. There is also no assurance that the completion of Holistica Penang will not be delayed. The timeline for completion is subject to external factors which is beyond the management's control such as delays and failures in obtaining licences, permits, certificates or approvals from regulatory authorities, suspension or revocation of such licences, weather conditions, changes in government policies, availability of labour, quality of materials and failure by contractors and suppliers to deliver their services and complete their works based on the pre-agreed schedule.

The recent and on-going COVID-19 have resulted in the implementation of MCO, which have restricted many businesses from operating save for businesses involved in essential services during the first and second phases of the MCO between 18 March 2020 and 14 April 2020. Likewise, construction companies were restricted from operating during this period and this affected their operations and many construction projects were unable to be completed within the pre-agreed timeframe. While the re-implementation of the MCO on 13 January 2021 allows companies in the construction industry to operate, there is no assurance that these standard operating procedures will not be changed by the Government in the future. Any delay will lead to a delay in commencement and completion of Holistica Penang, which could adversely affect our Group's cash flow, profitability and reputation.

Nevertheless, the Company will monitor closely and continually assess any decline in economic conditions as well as the impact on Holistica Penang caused by the COVID-19 pandemic and as well as the progress of the anticipated recovery from the COVID-19 pandemic on the hospitality and tourism industry.

(c) Financing Risk

Bintai Group may be potentially exposed to certain risks which may include but are not limited to the diversion of financial resources from existing operations. Bintai would finance the development of Holistica Penang via proceeds from the Proposed Private Placement and combination of bank borrowings, progressive collections from sales billings and internally generated funds of the Group. As such, any adverse event in the development of Holistica Penang may have an adverse material financial impact on Bintai Group.

6. FINANCIAL EFFECTS OF THE PROPOSALS

6.1 Issued share capital

The Proposed Diversification and Proposed Amendments will not have any effects on the issued share capital of the Company. The pro forma effects of the Proposed Acquisition, Proposed Private Placement and Proposed Issuance of RCPS on the issued share capital of the Company are set out below:

	No. of Bintai Shares '000	RM'000	No. of RCPS '000	RM'000
Issued share capital as at LPD	381,892	109,977	-	-
Consideration Shares to be issued pursuant to the Proposed Acquisition	58,536	^(a) 24,000	-	-
	440,428	133,977	-	-
Placement Shares to be issued pursuant to the Proposed Private Placement	114,568	^(b) 64,158	-	-
	554,996	198,135	-	-
RCPS to be issued pursuant to the Proposed Issuance of RCPS	-	-	190,946	^(c) 18,140
	554,996	198,135	190,946	18,140
Conversion Shares to be issued pursuant to the conversion of RCPS	190,946	^(d) 105,975	(190,946)	(18,140)
Enlarged issued share capital	745,942	304,110	-	-

Notes:

- (a) Based on the Issue Price.
(b) Based on the Indicative Placement Issue Price.
(c) Based on the RCPS Issue Price and after deducting administrative fee of 5% of the aggregate subscription price of the RCPS of approximately RM0.96 million.
(d) Assuming all 190,946,000 RCPS are fully converted into 190,946,000 new Bintai Shares by surrendering 1 RCPS and paying the difference of the Indicative Conversion Price i.e. RM0.46 for 1 new Bintai Share.

6.2 NA and gearing

The Proposed Diversification and Proposed Amendments will not have any effects on the NA and gearing position of the Company. Based on the audited consolidated financial statements of Bintai as at 31 March 2021, the pro forma effects of the Proposed Acquisition, Proposed Private Placement and Proposed Issuance of RCPS on the consolidated NA and gearing of Bintai Group are shown below:

	(I) Audited as at 31 March 2021 RM'000	(II) After Proposed Acquisition RM'000	(II) After Proposed Private Placement and Proposed Issuance of RCPS RM'000	(III) After III and assuming full conversion of RCPS RM'000
Share capital	109,977	133,977	^(a) 198,135	^(e) 304,110
RCPS	-	-	^{(b)(d)} 18,140	-
Capital reserve	21,039	21,039	21,039	21,039
Fair value reserve	(10,018)	(10,018)	(10,018)	(10,018)
Revaluation reserve	26,172	26,172	26,172	26,172
Accumulated losses	(32,746)	(32,746)	^(c) (34,946)	(34,946)
Shareholders' Funds/NA	114,424	138,424	218,522	306,357
No. of Shares ('000)	381,892	440,428	554,996	745,942
NA per ordinary share (RM)	0.30	0.31	0.39	0.41
Interest bearing borrowings (RM'000)	143,527	143,527	143,527	143,527
Gearing (times)	1.25	1.04	0.65	0.47

Notes:

- (a) Based on the Indicative Placement Issue Price.
- (b) Based on the RCPS Issue Price.
- (c) After deducting estimated expenses for the Proposals of approximately RM2.20 million.
- (d) After deducting administrative fee of 5.00% of the aggregate subscription price of the RCPS of approximately RM0.96 million.
- (e) Assuming all 190,946,000 RCPS are fully converted into 190,946,000 new Bintai Shares by surrendering 1 RCPS and paying the difference of the New Indicative Conversion Price, i.e. RM0.46 for 1 new Bintai Share.

6.3 Earnings and EPS

The EPS or loss per share may be diluted accordingly consequent to the issuance of the Consideration Shares, Placement Shares and Conversion Shares. However, the Proposed Acquisition and the development profits to be derived from the development of Holistica Penang are expected to earnings accretive and will contribute positively to the future earnings and EPS of the Bintai Group.

The proceeds to be utilised from the Proposed Private Placement and Proposed Issuance of RCPS are expected to be earnings accretive and will contribute positively to the long-term future earnings potential and EPS of the enlarged Group.

For illustrative purpose only, assuming that the Proposed Acquisition, Proposed Diversification (completion of development of Holistica Penang), Proposed Private Placement and Proposed Issuance of RCPS had been effected on 1 April 2020 (being the beginning of FYE 31 March 2021), the pro forma effects on the earnings and the EPS of Bintai Group are as follows:

	RM'000	^(a)EPS/ (LPS) (sen)
LAT for FYE 31 March 2021	(1,255)	(0.17)
Add: Guaranteed Profit to be achieved during the First Period	3,500	0.47
Add: Estimated net development profits expected to be generated from Holistica Penang	18,540	2.49
Less: Estimated expenses for the Proposals (including administrative fee of 5.00% of the aggregate subscription price of the RCPS of approximately RM1.0 million which are non-recurring nature)	(2,455)	(0.33)
Pro forma PAT and EPS	18,330	2.46

Note:

- (a) Based on the enlarged share capital of 745,941,840 Shares after the Proposed Acquisition, Proposed Private Placement and Proposed Issuance of RCPS.

6.4 Dividends

The Proposals will not have any effect on the dividend policy of the Company, if any. Future dividends to be declared by the Company will be dependent on, among others the future financial performance as well as cash position of the Group, after taking into consideration the working capital requirements, capital expenditures needed for future growth and business expansion.

6.5 Substantial Shareholders' Shareholdings

The Proposed Diversification and Proposed Amendments will not have any effects on the shareholdings of the substantial shareholders of Bintai. The pro forma effects of the Proposed Acquisition, Proposed Private Placement and Proposed Issuance of RCPS on the shareholding

of the substantial shareholders of Bintai based on the Company's Register of Substantial Shareholders as at LPD are set out in the table below:

Substantial shareholders	As at the LPD				I After the Proposed Private Placement			
	<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->	
	No. of Shares ('000)	(a)%	No. of Shares ('000)	(a)%	No. of Shares ('000)	(b)%	No. of Shares ('000)	(b)%
Chan Kok San	25,000	6.6	-	-	25,000	5.7	-	-
Placees (collectively)	-	-	-	-	114,568	26.0	-	-
Vendor	-	-	-	-	-	-	-	-
OD	-	-	-	-	-	-	-	-

Substantial shareholders	II After I and after Proposed Acquisition				III After II and upon full conversion of RCPS			
	<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->	
	No. of Shares ('000)	(c)%	No. of Shares ('000)	(c)%	No. of Shares ('000)	(d)%	No. of Shares ('000)	(d)%
Chan Kok San	25,000	4.5	-	-	25,000	3.4	-	-
Placees (collectively)	114,568	20.6	-	-	114,568	15.4	-	-
Vendor	58,537	10.5	-	-	58,537	7.8	-	-
OD	-	-	-	-	190,946	(e)25.6	-	-

Notes:

- Based on the existing share capital of 381,891,740 Shares as at the LPD.
- Based on the enlarged share capital of 440,428,340 Shares after the Proposed Private Placement.
- Based on the enlarged share capital of 554,995,840 Shares after the Proposed Acquisition.
- Based on the enlarged share capital of 745,941,840 Shares upon full conversion of RCPS.
- For illustrative purpose only, based on all 190,946,000 RCPS has converted into 190,946,000 new Bintai Shares. The Subscription Agreement provides that the RCPS Subscriber can only convert the RCPS up to the Conversion Cap (i.e. the resultant equity interest in Bintai shall not exceed 20% at any point in time following a conversion).

The pro forma public shareholding spread under the Proposals is illustrated as follows:

	As at the LPD		After the Proposed Acquisition	
	<----Direct---->		<----Direct---->	
	No. of Shares ('000)	%	No. of Shares ('000)	(b)%
No. of issued shares	381,892	100.0	440,429	100.0
Less: Directors, substantial shareholders and their associates	(a)(34,918)	(9.1)	(b)(93,455)	21.2
Public shareholding spread	349,974	90.9	346,974	78.8

	After the Proposed Private Placement		Upon full conversion of RCPS	
	<----Direct---->		<----Direct---->	
	No. of Shares ('000)	%	No. of Shares ('000)	^(b) %
No. of issued shares	554,997	100.0	745,943	100.0
Less: Directors, substantial shareholders and their associates	(93,455)	(16.8)	^(c) (284,401)	(38.4)
Public shareholding spread	461,542	83.2	461,542	61.6

Notes:

(a) This relates to the shareholdings held by the following:

Parties	Position	No. of Shares held (RM'000)
Chan Kok San	Substantial shareholder	25,000
Ong Choon Lui	Chief Executive Officer	500
Datuk Ibrahim bin Othman	Non-Independent Non-Executive Chairman	500
Noor Azri bin Dato' Sri Noor Azerai	Deputy Chief Executive Officer	8,918
	Total	34,918

(b) After taking into consideration the 58,536,600 Consideration Shares to be issued to YEL pursuant to the Proposed Acquisition.

(c) After taking into consideration the full subscription of 190,946,000 RCPS by OUD pursuant to the terms of the Proposed Issuance of RCPS.

Based on the above, Bintai is in compliance with the public shareholding spread requirement pursuant to Paragraph 8.02 of the Main Market LR following the issuance of the Consideration Shares, Placement Shares and the full conversion of the RCPS. The Company is mindful of the above the public shareholding spread requirement and will use its best endeavours in continuously monitoring its compliance with the minimum requirement for public shareholding spread of 25.0%.

6.6 Convertible securities

The Company does not have any outstanding convertible securities as at the LPD.

7. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest market prices of Bintai Shares for the past 12 months as transacted on Bursa Securities:

	High (RM)	Low (RM)
<u>2020</u>		
October	0.755	0.500
November	0.920	0.570
December	1.470	0.605
<u>2021</u>		
January	0.745	0.560
February	0.640	0.470
March	0.565	0.405
April	0.515	0.440
May	0.470	0.415
June	0.470	0.395

	<u>High (RM)</u>	<u>Low (RM)</u>
July	0.400	0.335
August	0.495	0.330
September	0.745	0.480

The last transacted market price of Bintai Shares on 27 April 2021, being the market day immediately preceding the date of announcement of the Proposals on 28 April 2021 was RM0.490 per Bintai Share. The last transacted market price of Bintai Shares on the LPD was RM0.605 per Share.

8. APPROVALS REQUIRED FOR THE PROPOSALS

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities for the following listing of and quotation of:
- (i) 58,536,600 Consideration Shares to be issued under the Proposed Acquisition;
 - (ii) up to 114,567,500 Placement Shares to be issued under the Proposed Private Placement; and
 - (iii) up to 190,946,000 Conversion Shares pursuant to the conversion of RCPS arising from the Proposed Issuance of RCPS,

on the Main Market of Bursa Securities which was obtained vide its letter dated 15 October 2021, and is subject to the following conditions:

<u>No.</u>	<u>Conditions</u>	<u>Status of compliance</u>
(1)	Bintai and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals	Noted
(2)	Bintai and M&A Securities are required to inform Bursa Securities upon the completion of the Proposals	To be complied
(3)	Bintai / M&A is required to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders approving all the Proposals together with the Proposed Diversification and Proposed Amendments, prior to the listing and quotation of the Consideration Shares, Placement Shares and Conversion Shares	To be complied
(4)	Bintai and M&A are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed	To be complied
(5)	Bintai must submit to Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Main Market LR as soon as practicable after each tranche of placement and before the listing of the Placement Shares	To be complied

No.	Conditions	Status of compliance
(6)	Bintai is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of RCPS as at the end of each quarter together with a detail computation of listing fees payable	To be complied
	(b) the shareholders of Bintai at the forthcoming EGM to be convened;	
	(c) other relevant parties/authorities, if required.	

The Proposed Acquisition, Proposed Diversification and Proposed Private Placement are not inter-conditional upon each other.

The Proposed Issuance of RCPS and Proposed Amendments are inter-conditional with each other but not conditional with the Proposed Private Placement and Proposed Diversification. However, the Proposed Issuance of RCPS is conditional upon the completion of the Proposed Acquisition.

Save for the above, the Proposals are not conditional upon other corporate proposals undertaken or to be undertaken by Bintai.

9. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market LR is 65.95%, which is the Purchase Consideration against the NA of the Group of RM75.82 million for the financial year ended 31 March 2020.

The Proposed Acquisition will not result in a significant change in the business direction or policy of Bintai (as defined under the Main Market LR), as JMI is principally involved in the same existing core business activities of Bintai in the construction related industry. There is also no change in the Board of Bintai and controlling shareholders of Bintai as a result of the Proposed Acquisition.

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

None of the directors and/or major shareholders of Bintai and/or persons connected with them have any interest, whether direct or indirect, in the Proposals.

11. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposals is of the opinion that the Proposals are fair, reasonable and on normal commercial terms which are in the best interest of the Company and are not detrimental to the interests of the non-interested shareholders of Bintai.

The views of the Board were arrived at after having considered, *inter-alia*, the rationale and financial effects of the Proposals, future plans and prospects of JMI, the outlook and prospects of the property development industry and the development of Holistica Penang as well as the financial effects of the Proposals on the Bintai Group.

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

12. ESTIMATED TIMEFRAME FOR COMPLETION

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

<u>Tentative dates</u>	<u>Events</u>
22 November 2021	EGM to approve the Proposals
1 st half of 2022	(a) Listing of and quotation for the Placement Shares and Consideration Shares on the Main Market (b) Issuance of RCPS

Barring any unforeseen circumstances, the Proposals are expected to be completed/effectuated by the first half of 2022.

13. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the Proposals, as at LPD, there are no other corporate exercise which has been announced but not yet completed.

14. EGM

An EGM, the notice of which is enclosed together with this Circular, will be held fully online at the Broadcast Venue at Boardroom, 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur on Monday, 22 November 2021, 10.00 a.m., or at any adjournment thereof, via remote participation and voting facilities which are available at Tricor Investor & Issuing House Services Sdn Bhd's website at <https://tiih.online> for the purpose of considering and, if thought fit, passing the resolutions so as to give effect to the Proposals.

If you are unable to attend and vote at the EGM, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at our registered office, not later than 48 hours before the date and time fixed for the EGM or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending the EGM and voting in person should you subsequently wish to do so.

15. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of Directors
BINTAI KINDEN CORPORATION BERHAD

ONG CHOON LUI
Chief Executive Officer

APPENDIX I – SALIENT TERMS OF THE SSA, DEED OF PROFIT GUARANTEE AND ESCROW AS WELL AS THE SERVICE AGREEMENT

1.0 Salient terms of the SSA

Bintai and YEL had on 28 April 2021 entered into the SSA which entails the following salient terms:-

1.1 Purchase Consideration

The Purchase Consideration shall be satisfied in the following manner:

- (a) upon execution of the SSA, Bintai shall pay a deposit of RM500,000 in cash (“**Deposit**”) to the Escrow Agent in an interest-bearing account which shall be payable to YEL (together with interest earned thereon) on the date of all the Conditions Precedent been fulfilled or waived (“**Unconditional Date**”);
- (b) within 30 days after the Unconditional Date or such other period as the parties may mutually agree (“**SSA Completion Date**”), Bintai shall pay the balance cash Purchase Consideration of RM49,500,000 in the following manner:
 - (i) the balance Purchase Consideration of RM16.40 million by way of telegraphic transfer/bank transfer to YEL’s designated account to be notified to the Purchaser on the Unconditional Date to YEL;
 - (ii) cash amount of RM9,100,000 as the Cash Escrow by YEL under the Profit Guarantee by way of telegraphic transfer/bank transfer to the Escrow Account maintained and held by Bintai’s solicitors as stakeholder of the parties; and
 - (iii) Bintai shall pay the balance purchase consideration of RM24.00 million by way of issuance and allotment of the Consideration Shares.
- (c) If any payment is made by YEL to Bintai in respect of any claim against YEL for any breach of the SSA or pursuant to any indemnity thereunder, the payment shall be made by way of a set-off against such part of the Purchase Consideration and the Purchase Consideration shall be deemed to have been reduced by such amount.

1.2 Conditions Precedent

The SSA shall be conditional upon the following being obtained, procured and/or fulfilled within 3 months from the date of the SSA (with an automatic extension of an additional 30 days and such other period as the parties may mutually agree):

- (a) satisfactory legal, financial, tax and/or business due diligence findings on JMI by Bintai (including but not limited to the validity and transferability of the Sale Shares);
- (b) YEL having notified the Malaysian Industrial Development Authority (MIDA) and/or the Ministry of International Trade and Industry of Malaysia, as the case may be, for the changes in JMI resulting from the sale of the Sale Shares by YEL to Bintai, without conditions or restrictions, or the waiver of the requirement for such approval, whichever is applicable;
- (c) Bintai shall procure the approval of its directors for the Proposed Acquisition as well as issuance and allotment of the Consideration Shares to YEL;
- (d) Bintai shall receive JMI’s audited financial statements FYE 31 December 2020;
- (e) Approvals from Bursa Securities and/or the Bintai’s shareholders for the Proposed Acquisition;
- (f) completion of any form of fund-raising exercise intended to fund the acquisition of the Sale Shares;

APPENDIX I – SALIENT TERMS OF THE SSA, DEED OF PROFIT GUARANTEE AND ESCROW AS WELL AS THE SERVICE AGREEMENT (cont'd)

- (g) consent and/or approval from the existing financiers of JMI on the change in control of the shareholdings (if applicable); and
- (h) such other waivers, consents or approvals as may be required (or deemed necessary) by the parties from any third party or governmental, regulatory body or competent authority having jurisdiction over any part of the transactions contemplated under the SSA to the effect that if such waivers, consents, approvals are not obtained, the sale and purchase of the Sale Shares therein will be rendered null and void by law.

The SSA shall be deemed unconditional upon fulfilment and/or waiver of all the conditions precedent.

Note:

On 18 August 2021, Bintai and the Vendor have mutually agreed to extend the period to fulfil the Conditions Precedent for a period of 3 months up to 24 November 2021.

1.3 Conditions for Completion

The completion of the SSA is subject to the following:

- (a) no event of default has occurred or would occur as a result of the completion of the SSA;
- (b) the Conditions Precedent have been procured, obtained, fulfilled and/or waived;
- (c) there has been no material adverse change in the financial condition or operation of JMI since the date of the SSA, including but not limited to the maintenance of management continuity by YEL in JMI;
- (d) all sums owing by YEL to JMI have been fully repaid and/or recovered;
- (e) each of the representations and warranties set out in the SSA remains accurate at the SSA Completion Date (including but not limited to the accuracy of the net assets of JMI) as if given on that date by reference to the facts and circumstances then existing;
- (f) YEL has not breached any undertakings, representations, warranties and covenants under the SSA;
- (g) YEL, Bintai and the Escrow Agent shall enter into a Deed of Profit Guarantee and Escrow in relation to the Guaranteed Sum (hereinafter defined);
- (h) the execution of a Service Agreement by JMI, Bintai and YEL with the terms and conditions to be mutually agreed upon; and
- (i) no Governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated by the SSA illegal or restraining or prohibiting consummation of such transactions.

The completion of the SSA shall take place upon all the conditions precedent and the Conditions for Completion been fulfilled or waived and the Purchase Consideration be paid in full by Bintai.

APPENDIX I – SALIENT TERMS OF THE SSA, DEED OF PROFIT GUARANTEE AND ESCROW AS WELL AS THE SERVICE AGREEMENT (cont'd)

1.4 Events subsequent to Completion

- (a) The Parties hereto agree that within 1 month from the SSA Completion Date the financial year end of JMI shall be changed to 31 March.
- (b) Within 6 months upon the SSA Completion Date, Bintai together with YEL's assistance to cause:
- (i) YEL be released from personal guarantees and/or indemnities provided by YEL for all the loans and/or hire purchase facilities obtained by JMI from licensed financial institutions and other creditors or suppliers of JMI to secure the performance or liabilities of JMI ("**Personal Guarantees**"); and
 - (ii) the substitution of any fixed deposits and/or securities provided by YEL prior to the SSA Completion Date in securing banking facilities for JMI's day to day operation including performance bonds obtained from licensed financial institutions whereupon the fixed deposits and/or securities then released pursuant to such substitution shall be used to set-off against any amount owing by YEL to JMI as at the SSA Completion Date.

Bintai agrees to indemnify YEL against all losses or damage which YEL suffers in respect of the calling of Personal Guarantees and this indemnity shall remain valid and effective for as long as the Personal Guarantees shall remain in force and effect.

- (c) Bintai shall provide necessary corporate guarantee to secure bank guarantees/letters of credit/trust receipts facilities of RM5,000,000.00 sufficient for JMI to be issued to the various awarders of works or projects to JMI as performance bond required, to facilitate YEL to meet the Profit Guarantee.

Note:

The corporate guarantee to be provided by Bintai to JMI is to ensure continuation of the on-going M&E engineering projects currently undertaken by JMI (it is a norm for performance bond to be provided for undertaking any construction and M&E engineering projects in Malaysia). Based on the unbilled order books of JMI as at the LPD of RM34.61 million (which is expected to be completed by January 2023), JMI is reasonably expected to achieve the Profit Guarantee even without the corporate guarantee provided by Bintai. Bintai's corporate guarantee is to provide the funding flexibility for JMI to grow at a faster pace once it becomes a subsidiary of Bintai.

Presently, YEL has provided the following personal guarantees in favour of JMI:

Details	RM'000
Hire purchase facilities for 4 units of motor vehicles used by JMI's management	565
Advance payments provided by the main contractors to JMI for purchase of raw materials and supply/installation of medical pendants	1,089
Total	1,654

It is the parties mutual understanding that notwithstanding Bintai agrees to facilitate and provide necessary corporate guarantee to JMI to secure bank guarantees/letters of credit/trust receipts facilities of RM5.00 million, there is no assurance that the relevant financiers shall provide bank guarantees/letters of credit/trust receipts facilities to JMI and YEL hereby irrevocably waives and releases all rights against Bintai in the event where JMI fails to procure and/or obtain bank guarantees/letters of credit/trust receipts facilities from the relevant financiers.

1.5 Termination

- (a) On the occurrence of any of the following defaulting events (“**Event of Default**”) provided that the Event of Default occurs before the SSA Completion Date, the other non-defaulting party (“**Non-Defaulting Party**”) may (but is not obliged to) give notice in writing to the defaulting party (“**Defaulting Party**”), which in this context shall mean Bintai or YEL, and shall include JMI’s conduct as listed below. In the event that such conduct of default relates to JMI, then it shall be deemed to be YEL’s default enabling the Non-Defaulting Party to send notice to the Defaulting Party for termination specifying the default or breach of the Defaulting Party and requiring the Defaulting Party to remedy the said default or breach within fourteen (14) business days or such extended period as may be allowed by the Non-Defaulting Party, of the receipt of such notice:-
- (i) breach of any material or fundamental terms or conditions of the SSA or a failure to perform or observe any material or fundamental undertaking, obligation or agreement expressed or implied in the SSA including the breach of any material warranties; or
 - (ii) a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Defaulting Party; or
 - (iii) the Defaulting Party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, the Defaulting Party’s creditors or any class of them; or
 - (iv) an application, petition or order is made for the winding-up or dissolution of the Defaulting Party, or a resolution is passed or any steps taken to pass a resolution for the winding-up or dissolution of the Defaulting Party, otherwise than for the purpose of an amalgamation or reconstruction which has prior written consent of the Non-Defaulting Party; or
 - (v) the Defaulting Party ceases or threatens to cease carrying on a substantial portion of the Defaulting Party’s business other than in compliance with the Defaulting Party’s obligations under the SSA; or
 - (vi) the Defaulting Party commits any act or omits to do an act which results in the breach or non-fulfilment of any terms or conditions of any banking, finance or credit facility which has the effect of causing the events specified in sub-clauses (ii), (iii), (iv) and (v) above to occur; or
 - (vii) any representation, warranty or statement which is made (or acknowledged to have been made) by the parties under the SSA or which is contained in any certificate, statement, legal opinion, notice, replies made in the course of the due diligence review or information furnished in the due diligence review or provided under or in connection herewith or therewith proves to be incorrect in any material respect; or
 - (viii) any agency of any state seizes, compulsorily acquires, expropriates or nationalises all or a material part of the assets or shares of the Defaulting Party; or
 - (ix) any governmental authority or any person or entity acting or purporting to act under any governmental authority shall have taken any action in order to condemn, seize, appropriate or assume custody or control of the Defaulting Party; or all or any substantial part of the assets of the Defaulting Party or to curtail the Defaulting Party’s authority in the overall conduct of the Defaulting Party’s business or operations.
- (b) If the Defaulting Party fails to remedy the relevant default or breach within the said 14 business days or such extended period as may be allowed by the Non-Defaulting Party after being given notice by the Non-Defaulting Party, to rectify such breach, the Non-Defaulting Party may elect to terminate the SSA and claim damages or pursue its action.

1.6 Default by Bintai

In the event of termination due to the default or breach of Bintai, YEL shall have the option of giving Bintai a notice of termination and forfeiting the Deposit absolutely as agreed liquidated damages and not by way of penalty and shall thereupon refund to Bintai all other sum or sums paid by Bintai, if any, towards the Purchase Consideration free of interest.

1.7 Default by YEL

In the event of termination due to the default or breach of YEL, Bintai shall have the option of giving YEL a notice of termination, and YEL shall within 14 business days from the date of receipt of the notice of termination from Bintai refund to Bintai the Deposit and all other monies paid by Bintai towards the Purchase Consideration, if any, free of interest, without prejudice to the rights of Bintai against YEL for damages in respect of such breach and/or default.

2.0 Stakeholding arrangement

Bintai and YEL agree, undertake and covenant with each other that the Cash Escrow which shall be held by the Escrow Agent in an Escrow Account, who shall be authorised to utilise the Cash Escrow in the form and manner as set out in the Deed of Profit Guarantee and Escrow to give effect to the Profit Guarantee for the JMI. The Cash Escrow shall be deposited with the Escrow Agent upon the SSA Completion Date.

3.0 Salient terms of the Deed of Profit Guarantee and Escrow

Bintai and YEL had on 28 April 2021 entered into the Deed of Profit Guarantee and Escrow which entails the following salient terms:-

- (a) Pursuant to the SSA, YEL guarantees and undertakes that the PAT to be achieved by JMI is RM3,500,000 and RM5,600,000, respectively for the First Period and Second Period, respectively or RM9,100,000 collectively for the First Period and Second Period on an aggregate basis.
- (b) Both parties agree, undertake and covenant with each other that the Profit Guarantee shall be secured by a placement of Cash Escrow by YEL to be deposited with the Escrow Agent upon the SSA Completion Date. The Cash Escrow shall be held by the Escrow Agent in an Escrow Account, who shall be authorised to utilise the Cash Escrow in the form and manner as set out in the Deed of Profit Guarantee and Escrow to give effect to the Profit Guarantee for JMI. The fees and all costs payable to the Escrow Agent shall be borne by Bintai (as the escrow arrangement is to safeguard Bintai's interest for the performance of the Profit Guarantee by the Vendor).
- (c) In addition to the above, after taking into account of the satisfaction of Profit Guarantee, the parties hereby agree that all the trade receivables of JMI arising from the First Period and Second Period shall be fully recoverable and receivable by JMI. YEL irrevocably warrants and guarantees that she shall procure and cause JMI to achieve a collection of not less than 95% of the aggregate amount of gross trade receivables for the Guaranteed Period by 31st July 2023 ("**Receivables Guarantee**").

Note:

If JMI shall fail to meet and/or achieve a collection of not less than 95% of the aggregate amount of gross trade receivables on 31 July 2023 (being the date of completion of the audit of JMI for FYE 31 March 2022), Bintai shall grant to the Vendor a grace period of three (3) months from 31 July 2023 ("**Grace Period**") to cause and procure JMI to achieve such Receivables Guarantee.

APPENDIX I – SALIENT TERMS OF THE SSA, DEED OF PROFIT GUARANTEE AND ESCROW AS WELL AS THE SERVICE AGREEMENT (cont'd)

Bintai and the Vendor agree to deduct from the Cash Escrow/Escrow Shares an amount equivalent to the unfulfilled Receivables Guarantee, the balance of the Cash Escrow/Escrow Shares after the deduction of the Receivables Guarantee Retention Sum and the Shortfall Sum (shortfall between the Profit Guarantee and the actual PAT of JMI for financial year ending 1 April 2021 to 31 March 2022 and financial years ending 1 April 2022 to 31 March 2023) shall be released to the Vendor. The Receivables Guarantee Retention Sum shall continue to be held by the Escrow Agent during the Grace Period.

Escrow Shares is defined as the number of ordinary shares in Bintai to be agreed upon Bintai and the Vendor to be deposited into the CDS Account Qualifier with an amount of cash escrow that make up the Profit Guarantee of RM9,100,000.00

The parties agree that:

- (a) the Profit Guarantee shall only be deemed to be fulfilled when JMI achieves the Receivables Guarantee and the Profit Guarantee;
- (b) If JMI shall fail to meet the Receivables Guarantee on 31 July 2023 (being the date of completion of the audit of JMI for the Second Period), Bintai shall grant to YEL a Grace Period to cause and procure JMI to achieve such Receivables Guarantee. The parties agree to deduct from the Cash Escrow / Escrow Shares, Receivables Guarantee Retention Sum; the balance of the Cash Escrow / Escrow Shares after the deduction of the Receivables Guarantee Retention Sum and Shortfall Sum shall be released to YEL. The Receivables Guarantee Retention Sum shall continue be held by the Escrow Agent during the Grace Period;
- (c) If on the expiry of the Grace Period, any trade receivables under the Receivables Guarantee remain irrecoverable, the parties agree that such outstanding trade receivables shall be deemed as irrecoverable doubtful debts. Whereupon, YEL agrees that the Escrow Agent can release the relevant part of the Receivables Guarantee Retention Sum to Bintai.
- (d) If subsequent to (c) above, in the event that JMI shall recover any trade receivables which have been previously declared as bad debts or irrecoverable doubtful debts and the Receivables Guarantee Retention Sum have been released to Bintai, then Bintai shall notify YEL in writing of the same and shall release such amount of the recovered trade receivables to YEL within 10 market days after the receipt thereof.
- (e) In the event where the Cash Escrow and the proceeds of sale from the Escrow Shares are insufficient to set off against the Shortfall Sum arising from the irrecoverable doubtful debts, YEL shall pay the differential between the Profit Guarantee and such Shortfall Sum to Bintai within 10 market days upon notification by Bintai.

In the event that both the Profit Guarantee and Receivables Guarantee are not met, Bintai may seek legal recourse against the Vendor for breach of contractual obligations.

Subject to Bintai's consent, YEL shall have the option to substitute the Cash Escrow with Escrow Shares within 30 days after the SSA Completion Date as security for the Profit Guarantee. The Escrow Agent shall act as stakeholder of the Escrow Shares in the same manner as the Cash Escrow, upon the terms of the Deed of Profit Guarantee and Escrow.

The satisfaction of the Purchase Consideration is subject to JMI meeting the Profit Guarantee, as follows:

- (a) In the event where JMI fails to attain any PAT in the First Period, YEL's obligation to meet the PAT of RM3.50 million shall be carried forward to the Second Period to be met by YEL. For the avoidance of doubt, there shall be no deduction or retention of the

APPENDIX I – SALIENT TERMS OF THE SSA, DEED OF PROFIT GUARANTEE AND ESCROW AS WELL AS THE SERVICE AGREEMENT (cont'd)

shortfall sum(1) for the First Period from the Cash Escrow and/or Escrow Shares, as the case may be, or any part thereof to be released to Bintai at any time in this case.

Note:

- (1) Shortfall Sum is defined as the shortfall between the Profit Guarantee and the actual PAT of JMI for the First Period and/or Second Period.
- (b) Notwithstanding anything to the contrary, if JMI attains some PAT in the First Period, the Cash Escrow and/or the Escrow Shares, as the case may be, of RM3.50 million for the First Period shall be partially released to YEL in the following manner ("**First Release Sum**"):

$$\text{First Release Sum}^{(1)} = \frac{\text{Sum of any PAT attained by JMI for First Period}}{2}$$

Note:

- (1) Subject to a maximum First Release Sum of RM1.75 million to be released for the First Period.

The Escrow Agent shall release the First Release Sum to YEL firstly from the Cash Escrow followed by Escrow Shares within 10 market days from the date which the Escrow Agent in receipt of the Bintai's notification in writing (such notification shall not be unreasonably withheld) of JMI's attained PAT in the First Period together with the audited financial statements duly signed off by the reporting accountant of JMI and presented to the board of directors of JMI.

- (c) If JMI's PAT in the First Period shall exceed the guaranteed PAT of RM3.50 million for the First Period, the surplus PAT attained for the First Period shall be carried forward to the Second Period and shall be computed towards the total computation of attainment of Profit Guarantee for the Guaranteed Period;
- (d) In the event that JMI attains aggregate PAT of RM9.10 million during the Guaranteed Period, the Escrow Agent shall release the balance Cash Escrow and/or the Escrow Shares, as the case may be, to YEL within 10 market days from the date of which the Escrow Agent in receipt of the Bintai's notification in writing (such notification shall not be unreasonably withheld) of the JMI's attain guaranteed PAT for the Guaranteed Period together with the audited financial statements duly signed off by the reporting accountant of JMI and presented to the board of directors of the JMI;
- (e) In the event that JMI fails to attain aggregate PAT of RM9.10 million during the Guaranteed Period, the Escrow Agent shall release the balance Cash Escrow and/or the Escrow Shares, as the case may be (less any Shortfall Sum which may be deducted and payable to Bintai), to YEL within 10 market days from the date of which the Escrow Agent in receipt of Bintai's notification in writing (such notification shall not be unreasonably withheld) of the Shortfall Sum in JMI's PAT for the Guaranteed Period together with the audited financial statements duly signed off by the reporting accountant of JMI and presented to the board of directors of JMI.

If the delay in releasing Shortfall Sum or any part thereof to the Bintai is attributable to YEL, YEL shall pay late payment interest of 8% per annum to Bintai. YEL shall not be held responsible for any delay of the Escrow Agent in releasing Shortfall Sum or any part thereof to Bintai. Where the delay in release of Cash Escrow and/or the Escrow Shares or any part thereof to YEL is attributable to Bintai, Bintai shall pay late payment interest of 8% per annum to YEL.

**APPENDIX I – SALIENT TERMS OF THE SSA, DEED OF PROFIT GUARANTEE AND ESCROW
AS WELL AS THE SERVICE AGREEMENT *(cont'd)***

4.0 Service Agreement

Bintai, JMI and YEL had on 28 April 2021 entered into the Service Agreement which entails the following salient terms:-

- (a) Subject to the terms and conditions of the Service Agreement and for the purpose of achieving the Profit Guarantee, upon the SSA Completion Date, JMI will employ YEL and YEL will serve as a director and president of JMI to a date when the audited financial results of JMI for the FYE 31 March 2023 has been presented to the board of directors of JMI.
- (b) In the event that the Service Agreement is terminated by the Company before the end of the tenure period (save and except the relevant grounds as stated in the Service Agreement), YEL shall be forthwith released and discharged from any further obligations to meet the Profit Guarantee and all Escrow Amount including interest earned thereon shall be immediately released to the YEL without any deductions or set-off.

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APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS

The salient terms of the Subscription Agreement (as varied by the Supplemental Subscription Agreement) and the RCPS are as follows:

Terms	Details
Issue Price	: RM0.10 per RCPS
Form and constitution	: The RCPS will be issued in registered form and constituted by the Company's Constitution.
Issue Size	: Up to RM19,094,600 by way of issuance of up to 190,946,000 RCPS. The RCPS will comprise of up to 10 tranches of 19,094,600 RCPS for each tranche, the 10 tranches of the RCPS shall be referred to as " Tranche 1 RCPS ", " Tranche 2 RCPS ", " Tranche 3 RCPS ", " Tranche 4 RCPS ", " Tranche 5 RCPS ", " Tranche 6 RCPS ", " Tranche 7 RCPS ", " Tranche 8 RCPS ", " Tranche 9 RCPS " and " Tranche 10 RCPS ", respectively). Tranche 1 RCPS, Tranche 2 RCPS, Tranche 3 RCPS, Tranche 4 RCPS, Tranche 5 RCPS, Tranche 6 RCPS, Tranche 7 RCPS, Tranche 8 RCPS, Tranche 9 RCPS and Tranche 10 RCPS shall each comprise of 10 equal sub-tranches of 1,909,460 RCPS. Subject to outstanding number of RCPS not exceeding 50% of the then existing issued share capital (in number of Shares) of the Company at any point.
Issue and subscription of Tranche 1	: Subject to the terms and conditions of the Subscription Agreement, Tranche 1 shall be issued and subscribed at the RCPS Issue Price on the issue date as follows: <ul style="list-style-type: none"> (i) in respect of the first sub-tranche of Tranche 1, on the date falling 5 market days immediately after the last of the conditions precedent is fulfilled or such other date as the parties may agree in writing; and (ii) subject to, amongst others, the 190,946,000 Conversion Shares ("Maximum Limit of Conversion Shares"), the RCPS Subscriber is in receipt of and has agreed to accept the subscription notice in the form as set out in the Subscription Agreement ("Subscription Notice"), thereafter, in respect of each of the subsequent sub-tranches of Tranche 1, the targeted Closing Date (as defined hereunder) as proposed by the Company in the Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date (as defined hereunder) for such subsequent sub-tranche of Tranche 1.
Issue and subscription of Subsequent Tranches	Subject to, amongst other, the Maximum Limit of Conversion Shares and the RCPS Subscriber's receipt and acceptance of the Subscription Notice issued by the Company in respect of each Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, the Company agrees to issue, and the RCPS Subscriber agrees to subscribed for Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, at the RCPS Issue Price: <ul style="list-style-type: none"> (i) in respect of the first sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, on the targeted closing date as proposed by the Company in the Subscription Notice or such other date as the Parties may agree in writing, such date being the closing date for the first sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be; and

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	(ii) thereafter, in respect of each subsequent sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, on the targeted closing date as proposed by the Company in the Subscription Notice or such other date as the Parties may agree in writing, such date being the closing date for such subsequent sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8 and Tranche 9, as the case may be.
Closing Date	: In respect of each sub-tranche of the RCPS, the date on which such sub-tranche of the RCPS is subscribed for and issued.
Payment by the RCPS Subscriber	: On each Closing Date against compliance, delivery and deposit of the documents and the share certificate evidencing ownership of the RCPS, as the case may be, the RCPS Subscriber shall pay the relevant subscription moneys for the relevant sub-tranche of the RCPS to the Company by delivery of a cashier's order issued by a licensed bank in Malaysia and drawn in favour of the Company or via telegraphic transfer to an account stipulated by the Company in writing. An administrative fee amounting to 5.0% of the aggregate subscription price of the RCPS subscribed for each of the sub-tranches, be deducted by the RCPS Subscriber directly from the subscription monies payable to the Company for the subscription of each sub-tranche of the RCPS.
Conditions Precedent to the issuance of the first sub-tranche of Tranche 1	: Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for the first sub-tranche of Tranche 1 unless the following conditions precedent shall have been satisfied on or before the date falling 6 calendar months or such other date as the parties may agree:- (i) on or before the issue date of the first sub-tranche of Tranche 1, the approval(s) of shareholders of the Company at a general meeting for: (a) the invitation for subscription, or the issue, of the RCPS, the allotment and the issue of the Conversion Shares; and (b) amendments to the Constitution to reflect and incorporate the terms of the RCPS therein in accordance with the terms of the Subscription Agreement ("Shareholders' Approval"); shall have been obtained; (ii) on or before issue date of the first sub-tranche of Tranche 1, all necessary approvals and/or consents of the Bursa Securities or any other regulatory authorities for the issue of the RCPS, the allotment and issue of the Conversion Shares upon the exercise of the conversion rights in respect of the RCPS, the listing of the Conversion Shares on the Main Market of the Bursa Securities and such other relevant approvals in relation thereto and in connection therewith for the transactions contemplated under the Subscription Agreement ("Approvals") shall have been obtained; (iii) Additional obligations

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	<ul style="list-style-type: none"> (a) all the representations, warranties, undertakings and covenants of the parties shall be accurate and correct in all respects at, and as if made on, the issue date of the first sub-tranche of Tranche 1; (b) the parties shall have performed all of their undertakings or obligations hereunder to be performed on or before the issue date of the first sub-tranche of Tranche 1; and (c) delivery to the RCPS Subscriber of a certificate to such effect, dated as at the issue date of the first sub-tranche of Tranche 1;
	<ul style="list-style-type: none"> (iv) all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents), for the transactions contemplated under the Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the RCPS Subscriber, including any shareholders or directors' approval and other regulatory and/or corporate approvals and consents required for the RCPS Subscriber) (collectively "Other Necessary Approvals") having been obtained and remaining valid and subsisting as at the issue date of the first sub-tranche of Tranche 1;
	<ul style="list-style-type: none"> (v) delivery to the RCPS Subscriber of the following documents: <ul style="list-style-type: none"> (a) the documents listed in schedule to the Subscription Agreement; (b) certified true copies of the resolutions of the directors and shareholders of the Company approving the issue of the RCPS and the allotment and issue of the Conversion Shares in accordance with the terms of the Subscription Agreement; (c) certified true copies of the Approvals; and (d) such other documents, opinions and certificates as the RCPS Subscriber may reasonably require.
Conditions precedent to the respective issue of each RCPS (other than each first sub-tranche of all Tranches)	<p>: Notwithstanding any other provisions in the Subscription Agreement, the RCPS Subscriber shall not be obliged to subscribe and pay for any of the remaining sub-tranches of Tranche 1 RCPS to Tranche 10 RCPS unless the following conditions shall have been satisfied on or prior to each applicable issue date in respect of such remaining sub-tranches:</p> <ul style="list-style-type: none"> (i) the shareholders' approval for the Proposed Issuance of RCPS shall remain effective; (ii) all approvals shall remain effective; (iii) at each subsequent issue date: <ul style="list-style-type: none"> (a) all the representations, warranties, undertakings and covenants of the Parties shall be accurate and correct in all respects at, and as if made on, the respective issue date; (b) the Parties shall have performed all of their undertakings or obligations hereunder to be performed on or before the respective issue date; and (c) delivery to the RCPS Subscriber of a certificate to such effect, dated as at the respective issue date. (iv) Other Necessary Approvals having been obtained and remaining valid and subsisting as at each subsequent Closing Date; and (v) delivery to the RCPS Subscriber of the following documents:

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	<p>(a) the documents listed in schedule to the Subscription Agreement;</p> <p>(b) such other documents, opinions and certificates as the RCPS Subscriber may reasonably require.</p>
Maturity Date	: The date falling on the business day immediately before the 5th anniversary of the issue date of the first sub-tranche of Tranche 1 RCPS (" Maturity Date ").
Dividend Rate	: (i) Each RCPS shall carry the right to receive out of profits of the Company a non-cumulative preferential dividend at the rate of 4.0% per annum calculated based on the aggregate subscription price of the RCPS at the RCPS Issue Price, to be calculated as follows: $4\% \text{ per annum} \times N \times P \times (D/365)$ "N" is the number of outstanding RCPS "P" is the RCPS Issue Price "D" is the amount of days elapsed since the relevant closing date for the RCPS The above calculation represents the Holder of RCPS's entitlement to the non-cumulative preferential dividend from the closing date of the RCPS. (ii) The preferential dividends shall be payable to the Holder of RCPS semi-annually within 14 days from the date of 30 June and 31 December each calendar year. No dividends shall be paid of the Shares unless the dividends on the RCPS have been first paid. (iii) The right to receive preference dividends shall cease once the RCPS are converted into Bintai Shares or redeemed by the Company.
Conversion Terms	: Subject to and upon compliance with the terms and conditions in the Subscription Agreement, the RCPS may be converted into Bintai Shares (" Conversion Shares ", each a " Conversion Share " during the Conversion Period (as defined hereunder)). Each RCPS shall be entitled to be converted into 1 Conversion Share in the Company at the conversion price representing 80% of the 5 days volume weighted average price preceding the date where the respective Closing Date of the RCPS (" Conversion Price "), subject to RM0.10 being the minimum conversion price (" Minimum Conversion Price "). All RCPS which are converted will be cancelled by the Company and shall not be reissued or resold. If the Conversion Price is less than the Minimum Conversion Price, the Conversion Price for each Share shall be equal to the Minimum Conversion Price. The payment of the Conversion Price of the RCPS shall be made in cash in favour of the Company together with separate payments of all other fees including stamp duty and taxes payable (if any) in respect of the exercise of the conversion right.

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms**Details**

Each RCPS may be converted into 1 new Share by:

- (a) surrendering the RCPS; and
- (b) paying the difference between the RCPS Issue Price and the Conversion Price ("**Differential**"), if any, in cash, for every 1 new Share.

Based on the indicative conversion price of RM0.40 per RCPS, 1 RCPS will be surrendered with a cash payment of RM0.30 in order to convert into 1 new Bintai Share.

The Conversion Price is subject to any applicable adjustments as set out in the Subscription Agreement. If, during the subsistence of the Subscription Agreement an event has occurred including, without limitation:-

- (i) where the Company shall (i) make a stock split, (ii) consolidate its outstanding Shares into a smaller number of shares, or (iii) re-classify any of its Shares into other securities of the Company;
- (ii) if the Company shall grant, issue or offer to the holder of Shares rights or warrants entitling them to subscribe for or purchase Shares;
- (iii) if the Company shall grant, issue or offer to the holder of Shares rights or warrants entitling them to subscribe for or purchase any securities convertible into or exchangeable for Shares;
- (iv) if the Company shall distribute to the holders of Shares evidences of its indebtedness, ordinary shares of the Company (other than Shares arising from the conversion of the RCPS), assets (excluding annual dividends or interim dividends) or rights or warrants to subscribe for or purchase securities (other than those rights and warrants referred to in (ii) and (iii) above);
- (v) if the Company shall issue any securities convertible into or exchangeable for Shares (other than the RCPS or in any of the circumstances described in (iii) and (vii) below) or where such securities are issued to the vendors of assets being acquired for full value by the Company and the consideration per Share receivable by the Company shall be less than 95% of the current market price per Share on the date in Malaysia on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of shareholders, on the date in Malaysia on which the board of directors of the Company fixes the consideration to be recommended at such meeting);
- (vi) if the Company shall issue any Shares (other than Shares issued to shareholders of any corporation which merges into the Company upon such merger in proportion to their shareholding in such corporation immediately prior to such merger and other than Shares issued on exercise of the conversion rights attaching to the RCPS or pursuant to a scrip dividend or pursuant to an exercise of any rights attached to securities the issue of which had given rise to an adjustment under e. above or did not require any adjustment pursuant to the conditions of RCPS and the consideration per Share receivable by the Company shall be less than 95% of the current market price per Share on the date in Malaysia on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of shareholders, on the date in Malaysia on which the board of directors of the Company fixes the consideration to be recommended at such meeting);
- (vii) if the Company shall issue any rights or warrants to subscribe for or purchase Shares or securities convertible into or exchangeable for

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	<p>Shares (other than the RCPS and any rights or warrants granted, issued or offered to the holders of Shares or pursuant to the terms of any securities) and the consideration per Share receivable by the Company shall be less than 95% of the current market price per Share on the date in Malaysia on which the Company fixes the said consideration (or, if the issue of such rights or warrants is subject to approval by a general meeting of shareholders, on the date in Malaysia on which the board of directors of the Company fixes the consideration to be recommended at such meeting); and</p> <p>(viii) if the Company makes a capital distribution which does not fall within paragraphs (i) to (vii) above,</p> <p>such that the closing price per Share before and after such event does not represent the same economic and financial participation that a shareholder of the Company would have had without the occurrence of such an event, then the Conversion Price shall, at the determination of the Board, be adjusted to reflect the impact of such an event in such a manner as an independent reputable bank or a reputable firm of investment advisers licensed by the Securities Commission Malaysia would. Such bank or firm may be agreed between the Company and the RCPS Subscriber or, if not so agreed, the Company and the RCPS Subscriber shall agree to a bank or firm as nominated by the Malaysia Institute of Accountants which it deems is fair and reasonable to make such changes to the Conversion Price.</p> <p>The Subscription Agreement does not prohibit the RCPS Subscriber to convert part or a portion of the RCPS and subject to the terms and conditions of the Subscription Agreement, including but not limited to the Conversion Cap and Maximum Limit of Conversion Shares, any RCPS may be converted into duly authorised, validly issued, fully-paid and unencumbered Conversion Shares, at the option of the RCPS holder, at any time within the Conversion Period (as defined hereunder).</p>
Conversion Cap	<p>: The extent of conversion of the RCPS by the RCPS Subscriber shall be capped such that its resultant ordinary shareholding in the Company shall not exceed 20% of the enlarged total number of ordinary Shares of the Company at any point in time following a conversion. Further, the RCPS Subscriber represents that it is subscribing for the RCPS for investment purposes only and has no intention of influencing the management or exercising control over the Company. The RCPS Subscriber agrees that:</p> <p>(i) there will be no conversion of the RCPS such that the RCPS Subscriber becomes a controlling shareholder of the Company within the ambit of the Main Market LR;</p> <p>(ii) collectively, or together with its affiliate, not to hold more than 20% interest in the total number of issued Shares, at any time and from time to time without prior approval of the Company; and</p> <p>it shall not enter into any negotiation, arrangement and/ or agreement with substantial shareholders of the Company for any direct sale, transfer or disposal of the Conversion Shares by the RCPS Subscriber to the said substantial shareholders.</p>
Non-Default Redemption	<p>: Subject to and in accordance with Section 72 of the Act, the RCPS which are not redeemed or bought back, converted or cancelled by the Company to be redeemed by the Company at 115% of their aggregate subscription price of the RCPS ("Redemption Amount") at any time before the date falling sixty</p>

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	<p>(60) months from the Closing Date (as defined above) of the first sub-tranche of Tranche 1 RCPS. The Company shall at least 7 business days prior to the Maturity Date, issue an announcement notifying Holder of the RCPS the same and shall despatch to all Holder of the RCPS, a notice of the Maturity Date in a form set out in Schedule 6 of the Subscription Agreement.</p> <p>All RCPS which are bought back, redeemed or converted will forthwith be cancelled by the Company and shall not be reissued or resold.</p>
Redemption Option	<p>: If the Conversion Price is less than or equal to 65% of the average daily volume weighted average price per Share for the 30 consecutive market days, the Company may redeem the RCPS presented for conversion in cash at an amount calculated in accordance with the formula as set out below:-</p> $R = N \times \{ P + [8\% \times P \times (D / 365)] \}$ <p>where,</p> <p>“R” : Conversion Redemption Amount “N” : Number of RCPS presented for conversion “P” : Face value of the RCPS presented for conversion “D” : Number of days elapsed since the presented RCPS were subscribed</p>
Conversion Period	<p>: The period from and including the respective issue date up to the close of business on the day falling 7 days prior to the Maturity Date (“Conversion Period”). Notwithstanding the above, the Company may from time to time give not more than 35 days' and not less than 14 days' written notice to the RCPS Subscriber specifying a period which the RCPS will not be convertible, provided always that the aggregate of the days on which the RCPS are not convertible shall not exceed 12 business days in any calendar year.</p>
Event of Default	<p>: For so long as there are any RCPS outstanding, if any of the following events (each, an “Event of Default”) occurs:</p> <ul style="list-style-type: none">(i) for so long as there are any RCPS outstanding, any of the approvals required to be obtained by the Company under the Subscription Agreement are not obtained or are amended, withdrawn, revoked, rescinded or cancelled;(ii) where any of the approvals required to be obtained by the Company under the Subscription Agreement were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled;(iii) there is a default in any payment by the Company in respect of payment of dividend and/or the redemption of RCPS;(iv) there is default by the Company in the payment of the Redemption Amount, Default Redemption Amount or dividend in respect of the RCPS or any of them when due in accordance with the terms and conditions of the RCPS and such default is not remedied by the Company within 10 business days from the due date of such payment;(v) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue shares arising from the conversion of the RCPS as and when the RCPS Subscriber exercises its conversion rights in accordance with the conditions) contained in the Subscription Agreement and on its part to be performed or observed

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms**Details**

- (other than the covenant to pay the principal and dividend in respect of any of the RCPS) and such default continues for the period of 10 business days next following the service by the RCPS Subscriber on the Company of notice requiring the same to be remedied;
- (vi) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of over RM500.0 million or the equivalent in any other currency or currencies (hereinafter collectively called "**Indebtedness**") of the Company or any of the Subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of the Subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of over RM500.0 million given by the Company or any of the Subsidiaries shall not be honoured when due and called upon;
 - (vii) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation which is approved by the shareholders of the Company, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the RCPS;
 - (viii) a resolution is passed or an order of a court of competent jurisdiction is made that any Subsidiary be wound up or dissolved otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (ii) below) the terms of which have previously been approved in writing by holder of the RCPS holding 51% or more of the outstanding RCPS, (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or another Subsidiary of the Company, or (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such Subsidiary and such surplus assets attributable to the Company and/or any Subsidiary are distributed to the Company and/or such Subsidiary;
 - (ix) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Group;
 - (x) the Company or any Subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due or (ii) the Company or any Subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (g) or (h) above) ceases or through an official action of the board of directors of the Company or any Subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on the Group;
 - (xi) proceedings shall have been initiated against the Company or any Subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 10 business days;
 - (xii) the Company or any Subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of insolvency or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	<p>official under any applicable winding up, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a material adverse effect on the Group;</p> <p>(xiii) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any Subsidiary, which is material in its effect upon the operations of either the Company or such Subsidiary, as the case may be, and is not discharged within 10 business days thereof;</p> <p>(xiv) the delisting of the Shares on the Main Market of the Bursa Securities or a suspension of trading of such Shares on the Main Market of the Bursa Securities for a period of 5 consecutive business days or more;</p> <p>(xv) the ratio of borrowings to net worth exceeds 2.0 times;</p> <p>(xvi) the net worth is less than RM53.0 million;</p> <p>(xvii) for so long as there are any RCPS outstanding, if the Company engages in any transaction with any hedge fund operating or originating from any part of the world without prior written consent from holder of RCPS, which will not be unreasoned withheld; or</p> <p>(xviii) any credit facilities granted to the Company or any of its Subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group,</p> <p>then the RCPS Subscriber may and if they deem fit in their respective absolute discretion, declare that an Event of Default has occurred.</p> <p>In the Event of Default, all outstanding RCPS may, by notice in writing given to the Company, be declared immediately redeemed at 118% principal amount of the RCPS.</p>
Event of Default Redemption	<p>In the event of the occurrence of any events of default, subject to and in accordance with Section 72 of the Act, any outstanding RCPS may, by notice in writing given to the Company at the designated office by the RCPS Subscriber at its discretion, be declared redeemable whereupon such RCPS shall be redeemed at 118% of its aggregate subscription price of the RCPS ("Default Redemption Amount") without further formality within 30 days from lapse of rectification notice and failure on the part of the Company to remedy and rectify the circumstances ("EOD Redemption Period") and default interest shall accrue on such amount on a daily basis after the expiry of the EOD Redemption Period at the rate of 8.0% per annum up to and including the date which the RCPS Subscriber receives full payment of the Default Redemption Amount, together with the accrued default interest.</p>
Right to participate in equity-linked securities of the Company	<p>The Company or any subsidiary may offer and sell any securities convertible into securities of the same class as the issued Shares or securities substantially similar to the Shares ("Equity-linked Securities") provided that, in respect of any proposed private placement of such Equity-linked Securities, the Company shall, and the Company shall procure that the relevant subsidiary shall, offer and, if subscribed, sell such Equity-linked Securities to holder of the RCPS prior to offering such Equity-linked Securities to any other person (except for rights issues or any issues in respect of which the Company is restricted from so doing by law, the Main Market LR or any other applicable regulations) ("Right of First Refusal"). The Equity linked Securities shall not be convertible into issued Shares at a price which is below the Minimum Conversion Price, unless prior written consent of the RCPS Subscriber has been obtained.</p>

Terms**Details**

Such Right of First Refusal is not applicable to any corporate exercises approved by the shareholders of the Company prior to the date of the Subscription Agreement. For the avoidance of doubt, the term "Equity-linked Securities" shall exclude any warrants relating to the Shares, or convertible preference shares issued to the RCPS holder without preference among the RCPS holder (but so that the exclusion of the RCPS holders who are overseas or on other grounds approved by the Bursa Securities shall be deemed not to be a preference of the other RCPS holders).

The Right of First Refusal is exercisable only by holder of the RCPS holding in aggregate not less than 50% of the aggregate principal amount of the RCPS outstanding as at the date of the First Right of Refusal Notice (as defined below) and may be exercised from and including the date of receipt by holder of the RCPS of a notice (the "**First Right of Refusal Notice**") in writing from the Company setting out the details of such offer to and including the date falling fourteen market days thereafter (the "**Exercise Period**").

To indicate that it wishes to exercise the Right of First Refusal, a holder of the RCPS (an "**Exercising Holder of the RCPS**") shall notify the Company in writing at any time during the Exercise Period that it wishes to exercise the Right of First Refusal. If during the Exercise Period, the Company receives notices from holder of the RCPS holding not less than 50% of the aggregate principal amount of the RCPS outstanding indicating they wish to exercise the Right of First Refusal (a "**Valid Exercise**"), the Company or the relevant subsidiary shall issue to each Exercising Holder of the RCPS, and each Exercising Holder of the RCPS shall subscribe, such Equity-linked Securities in the proportion of each Exercising Holder's of the RCPS holding of RCPS relative to the principal amount of all the outstanding Shares held by all the Exercising Holder of the RCPS (unless otherwise agreed between the Holder of the RCPS). For the avoidance of doubt, on a Valid Exercise, the Company shall issue, and the Exercising Holder of the RCPS shall subscribe for, the entire issue of the relevant Equity-linked Securities.

If there is no Valid Exercise during the Exercise Period, the Right of First Refusal shall be deemed not to have been exercised by any holder of the RCPS, but the holder of the RCPS shall have the right to participate in any such private placement of Equity-Linked Securities (the "**Right of Participation**"), from and including the date of expiry of the Exercise Period to and including the date of expiry of the private placement offer (the "**Participation Period**"), in accordance with the following provisions:

- (i) the Company shall as soon as practicable after the expiry of the Exercise Period issue a notice (the "**Right of Participation Notice**") to the holder of the RCPS and (where applicable) each other prospective investor;
- (ii) holder of the RCPS that wishes to exercise the Right of Participation (each a "**Participation Holder of the RCPS**") shall complete and return to the Company (by no later than the date of expiry of the private placement offer) a counterpart of the Right of Participation Notice, indicating therein the principal amount of the Equity-linked Securities (the "**Participation Amount**") for which it intends to subscribe; and
 - (a) if the aggregate of the participation indicated by the Participation Holder of the RCPS is:

APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND RCPS (cont'd)

Terms	Details
	<p>(aa) less than 20% of the aggregate principal amount offered under such private placement, the Company or the relevant Subsidiary is not required to issue any Equity-linked Securities to any Participation Holder of the RCPS;</p> <p>(bb) not less than 20% but not more than 50% of the aggregate principal amount offered under such private placement, each Participation Holder of the RCPS shall subscribe for, and the Company or the relevant Subsidiary shall issue to the relevant Participation Holder of the RCPS, Equity-linked Securities in an amount equal to the Participation Amount in respect of such Participation Holder of the RCPS; and</p> <p>(cc) more than 50% of the aggregate principal amount offered under such private placement, the Participation Holder of the RCPS shall subscribe for, and the Company or the relevant Subsidiary shall issue to the relevant Participation Holder of the RCPS, an aggregate of at least 50% of the aggregate amount offered under such private placement, and the part of such amount subscribed for by each Participation Holder of the RCPS shall be in the proportion that its holding of Shares bears to the principal amount of all the outstanding RCPS held by all the Participation Holder of the RCPS (unless otherwise agreed by the Holder of the RCPS)</p>
Rights to participate in new Shares	<p>: The Company may offer and issues new Shares provided that, in respect of any proposed private placement of such new Shares (save for any proposed private placement under general mandate pursuant to Section 75/76 of the Act for new Shares to be issued as consideration or part consideration for the acquisition of shares or assets by the Group), the Company shall offer and, if subscribed, sell issue such new Shares to the RCPS Subscriber prior to offering such new Shares to any other person (except for rights issues or any issues in respect of which the Company is restricted from so doing by applicable law, the Act, the Capital Market and Services Act 2007, the Main Market LR or any other applicable regulations) ("Right of First Refusal to new Shares").</p> <p>The Company agrees that the Right of First Refusal and Right of Participation shall similarly apply to the Right of First Refusal to new Shares. For the avoidance of doubt, such Right of First Refusal to new Shares shall not be applicable to any of the on-going corporate proposals approved and undertaken by the Company but pending completion, if any.</p>
Transferability	: The RCPS are not transferable and not tradeable.
Listing status	: The RCPS shall not be listed on any stock exchange. The Conversion Shares shall be listed on the Main Market of Bursa Securities.
Governing Laws	: The Subscription Agreement and RCPS shall be governed by the laws of Malaysia.

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APPENDIX III(A) – SALIENT TERMS OF THE AGREEMENT TO DEVELOP

The salient terms of the Agreement to Develop are as follows:

(a) Agreement to joint venture

- (i) In consideration of the premises and the Refundable Deposit paid (as defined under Paragraph (f) below), Khoo Kongsi agrees to provide and PSSB agrees to take the Penang Development Land for the purposes of putting the development of hotel/office/shop(s) or other related commercial developments for mixed purposes (“**Original Development**”) into effect on a joint venture basis for a period of 99 years;
- (ii) PSSB and Khoo Kongsi agree and covenant with each other that PSSB shall develop the Penang Development Land into the Original Development in accordance with the terms and conditions therein, but subject to the approval of the relevant authorities to be obtained;
- (iii) PSSB shall carry out the Original Development in one single phase between the parties. Subject as aforesaid, PSSB shall be at full liberty to put the Original Development into effect at such time and in such manner as it may think fit provided that all provisions as to time contained therein are strictly adhered to;
- (iv) PSSB shall not assign or part with its interests under the Agreement to Development or any part thereof to other developer(s) or person(s) or parties whatsoever without the prior written consent of Khoo Kongsi first had and obtained; and
- (v) Nothing contained in or relating to under the Agreement to Development shall constitute or be denied or be deemed to constitute a partnership between the parties thereto.

(b) Securities and Guarantees

- (i) To ensure the due performance of the terms and conditions therein, PSSB shall provide a security performance guarantee (“**Performance Guarantee**”) upon approval of Building Plans from a recognised or reputable bank of financial institution a guarantee to the amount of RM500,000.00 only guaranteeing the due performance of the Agreement to Develop until full construction and completion of the buildings (i.e. until Certificate of Occupation) within the time stipulated in the Agreement to Develop; and
- (ii) Further, all the Directors of PSSB shall jointly and severally guarantee Khoo Kongsi in a written guarantee guaranteeing the construction and completion of said Original Development (“**Guarantee**”), which shall lapse upon completion of the Original Development.

(c) Terms of lease and rental

- (i) The term of the leases shall be 99 years with effect from the date of the Agreement to Develop;
- (ii) The rental payable in advance per month for the first 20 years shall be on the agreed sum of RM28,000.00 only (“**Rental Fee**”), commencing from the date of the issuance of the Certificate of Occupation by the relevant authorities for the podium block of 5 floors and the hotel of 15 floors;
- (iii) The agreed rental shall be reviewed once in 20 years, subject to such increment which shall be at market value and shall not be more than 20% per each review of 20 years effective from the last day of the year (i.e. 4 reviews in total i.e. year 2034, 2054, 2074, 2094); and
- (iv) PSSB, as part of the consideration has agreed to call the Building “Wisma Sin Kang” with a signage blow the name of the Hotel/Building scripted there on the frontage of the proposed hotel and this shall not be removed under any circumstances without the written consent of Khoo Kongsi.

(d) Refundable Deposit

- (i) PSSB has on 28 February 2014 paid Khoo Kongsi the sum of RM50,000.00 only as refundable deposit for the due performance of the Agreement to Develop ("**Refundable Deposit**"), which shall be refunded without interest upon completion of the said Original Development, subject to the retention of the cost and expenses to be borne by PSSB to make good any defects shrinkage or other faults due to material and workmanship use in the construction of the Reserved Unit (as defined below); and
- (ii) In the event of non-completion of the Original Development or the occurrence of any of the events of default as provided under Paragraph (k) below, the Refundable Deposit shall, without prejudice to all other rights or remedies that Khoo Kongsi may then be entitled to, be forfeited by Khoo Kongsi as agreed liquidated damages and not by way of penalty.

(e) Building Plan

- (i) PSSB shall at its own cost and expense cause to be prepared all necessary applications, planning permission, layout building plans and specifications, specifications for road, drains, sewerage and other plans, details, proposals and documents pertaining to the Original Development ("**Plans and Specifications**") and submit the same, to the relevant authorities for their requisite approval or consent. Written notice of such submission shall be given to Khoo Kongsi;
- (ii) All costs and expenses of the incidental to the preparations of the Plans and Specifications and the procurement of the approvals including all fees to the surveyors, architects, engineers, and solicitors shall be solely the responsibility of PSSB. PSSB shall indemnify Khoo Kongsi against any claims demand and/or proceedings for such costs and expenses;
- (iii) PSSB shall submit the Plans and Specification to the relevant authorities for their requisite approval and obtain the approval within 24 months from the date hereof or such other period as may be executed with the consent of Khoo Kongsi;
- (iv) In the event that the said approvals are not being granted within the time stipulated above or the Plans and Specifications are rejected by the relevant authorities, without any fault on the part of PSSB thereby making the Original Development impossible, it shall be lawful for either part to terminate the Agreement to Develop.

If the said approvals are granted by the Relevant Authorities subject to the fulfilment of certain conditions to which Khoo Kongsi is on reasonable grounds unable to agree to and the authority imposing such conditions or condition had refused to waive the compliance of such condition or conditions, the said Approvals granted shall be deemed to have been rejected by the Relevant Authorities.

- (v) In the event that the Agreement to Develop is terminated by operation of the provisions of Paragraph (g)(iv) above, the Agreement to Develop shall determine and become null and void and have no further effect and open such determination:
 - there shall be no claim by either party against the other for any improvement, if any, to the Penang Development Land or any part thereof;
 - PSSB shall remove the caveat entered by it on the said Land without 1 month from the date of such determination; and
 - Khoo Kongsi shall within 1 month of the determination thereof refund the Refundable Deposit or RM50,000.00, free of interest to PSSB.

(f) Commencement and completion

- (i) PSSB shall commence the Original Development within 90 days from the date of the approval of the building plans by the relevant authorities, subject to Khoo Kongsi delivering such vacant possession of the Penang Development Land;
- (ii) The failure by PSSB to commence the development within the time period stipulated above shall be deemed a material breach of the Agreement to Develop, unless PSSB proves to the satisfaction of Khoo Kongsi that the failure to do so is not due to any fault

APPENDIX III(A) – SALIENT TERMS OF THE AGREEMENT TO DEVELOP (cont'd)

attributable to it, in which event, it shall be lawful for either party to terminate the Agreement to Develop and the provision under Paragraph (g)(v) above shall become applicable Mutatis Mutandis;

- (iii) PSSB shall within 30 months from the date on which the construction commences (“**Commencement Date**”) complete the construction of the whole hotel together with the ancillary block to be constructed thereon as approved by the relevant authorities (“**Completion Date**”)⁽¹⁾;
- (iv) In the event PSSB fails to complete the whole construction within 30 months from the Commencement Date, Khoo Kongsi shall allow an extension of 1 year for the completion thereof (“**Extended Completion Date**”) subject to PSSB paying Khoo Kongsi the sum of RM5,000.00 only per month⁽²⁾ as agreed liquidated damages until completion of the same, without prejudice to Khoo Kongsi’s right to terminate the Agreement to Develop. Provided always that PSSB shall not be liable for any other delay occasioned by strike or combination of workman lockout, civil commotion, force majeure, bad weather, loss or damage by flood or tempest or other like reasonable cause out of PSSB’s control.

For clarity, the effective completion date shall be the date of issuance of the Certificate of Practical Completion by the architect for the buildings to be constructed.

Notes:

- (1) Khoo Kongsi has on 1 July 2020 granted PSSB an extension of time of 2 years (i.e. up to 30 June 2022) to complete the development activities on the Penang Development Land.
- (2) Bintai has paid a total amount of RM141,000 to Khoo Kongsi as agreed liquidated damages as at 31 March 2021.

Save for the following:

- (a) letter dated 1 July 2020 by Khoo Kongsi granting PSSB an extension of time of 2 years (i.e. up to 30 June 2022) to complete the development activities on the Penang Development Land; and
- (b) letter of support dated 6 April 2021 obtained by PSSB from Khoo Kongsi for the Company’s plans to undertake the development of Holistica Penang, including the rebranding of the proposed development to be undertaken,

there have been no other changes made to the Agreement to Develop since 28 February 2014.

The support letter dated 6 April 2021 is binding as it was executed by Leong Yu Tong, who was appointed by Khoo Kongsi as the true and lawful attorney to Khoo Kongsi (“**Attorney**”) under the terms of the Agreement of Develop pursuant to the Deed of Power of Attorney dated 28 February 2014. The terms of the Deed of Power of Attorney are as follows:

- (1) to submit applications plans to the relevant authorities for the development of the said Penang Development Land or any part thereof;
- (2) to prepare or cause to be prepared for the written approval form the relevant authorities of building plans;
- (3) to prepare or cause to be prepared for the written approval from the relevant authorities for any changes (inclusive of the increase of density) to the building and layout plan (if necessary);
- (4) to sign and seal all plans, drawings and other relevant documents and to act and do and deliver any deed or instrument in writing and do every other thing whatsoever which may be necessary or proper for carrying into effect the development of the said Land and/or the terms of the said Agreement to Develop;

APPENDIX III(A) – SALIENT TERMS OF THE AGREEMENT TO DEVELOP (cont'd)

- (5) to indemnify and keep us indemnified against all claims, penalties, fines, actions, demand and proceedings that may be instituted against us in respect of the said Penang Development Land pursuant to the Power of Attorney;
- (6) For the purpose of the Deed of Power of Attorney to do every other act, deed, thing or matter which the Attorney may deem fit to be necessary and proper in relation to the development of the said Penang Development Land;
- (7) The Deed of Power of Attorney shall be deemed to have been revoked by Khoo Kongsı with the express consent of the Attorney if the Agreement to Develop is terminated;
- (8) The stamp duty, registration fee and the solicitors' costs for the preparation of the Deed of Power of Attorney shall be borne and paid by the Attorney or PSSB, as the case may be, absolutely; and
- (9) Khoo Kongsı has given and granted the Attorney the power and authority to act for the purpose of the Deed of Power of Attorney as if Khoo Kongsı were personally present and performed the same and hereby agree at all times to ratify and confirm all that the Attorney shall lawfully do or cause to be done in or about the said Penang Development Land by virtue of the Deed of Power of Attorney.

(g) Encumbrances of the Penang Development Land

- (i) Khoo Kongsı materially declares that there are no mortgages or charges on the Penang Development Land now existing and further declares that it has not and will not enter into any agreement of any nature with any other persons or company in respect of the Penang Development Land other than the present agreement with PSSB; and
- (ii) PSSB shall not be entitled to create any charge or other encumbrances over the Penang Development Land for the purpose of securing any type of loans whatsoever without the prior written consent of Khoo Kongsı.

(h) Khoo Kongsı's entitlements

In consideration of the premises, it is hereby agreed between the parties here to that:

- (ii) Khoo Kongsı shall be entitled to the entire 6th floor of the building to be erected on the Penang Development Land, which should measure not less than 4,000 sq ft ("**Reserved Unit**") and the maintenance of the exterior and interior of the Reserved Unit shall be the sole responsibility of PSSB;
- (iii) In the event if the floor area is less than 4,000 sq ft, the difference shall be compensated in cash and paid to Khoo Kongsı upon completion at the agreed price of RM300.00 only per sq ft by PSSB. Should there be any excess (i.e. greater area), such excess shall be given free to the Khoo Kongsı without any payment by Khoo Kongsı;
- (iv) The Agreement to Develop shall be deemed completed as soon as all the following conditions have been fulfilled:
 - The Reserved Unit to which Khoo Kongsı is entitled to has been duly erected and the possession thereof duly delivered to Khoo Kongsı; and
 - all monetary payments due to Khoo Kongsı under the Agreement to Develop have been duly paid.

Notes:

- (1) The Khoo Kongsı's entitlements was arrived at based on commercial negotiations after taking into consideration the estimated development size and type of development to be undertaken. This also includes the proposed utilisation of the Reserved Unit by Khoo Kongsı as recreation space upon completion of the development on the Penang Development Land.
- (2) PSSB shall be entitled to the development profits to be derived from the development of Holistica Penang.

(i) Termination on winding-up or serious breach

Khoo Kongsi shall be entitled to terminate the Agreement to Develop and all arrangements (whether official or not) between the parties hereto by giving 14 days prior notice in writing the event of the happening of any of the following events:

- (i) PSSB committing a material breach which cannot be remedied;
- (ii) PSSB failing to remedy a material but remediable breach within 1 month of having been served with a written notice by Khoo Kongsi requiring it to do so;
- (iii) PSSB failing to complete the building within the stipulated time;
- (iv) PSSB abandoning or suspending the Original Development and the said Original Development shall be deemed to be abandoned or suspended by PSSB when having commenced physical work or any part thereof, PSSB without valid reason fails to proceed with the physical work for a continuous period of 3 months;
- (v) PSSB becoming or being declared insolvent or consenting to the appointment of a receiver and manager for it or for a substantial part of its property, or any such receiver and manager being appointed, or PSSB is dissolved or wound up; or
- (vi) PSSB ceasing or threatening to cease to carry on its business; and
- (vii) failure to pay the rental as stated herein for a period of 90 days.

Immediately upon the termination of the Agreement to Develop as a consequent of the operation of the above and without prejudice to any other remedies that may be available to Khoo Kongsi:

- (i) PSSB shall immediately cease all operations on the Penang Development Land or any part thereof and vacate the same and remove all its employees, servants and agents, plants, equipment and materials from the Penang Development Land;
- (ii) PSSB shall immediately withdraw any private caveat lodged against the title to the Penang Development Land at its own cost and expense;
- (iii) Khoo Kongsi shall be at liberty to withdraw or revoke all powers of attorney executed in favour of PSSB and/or its nominees or substitute for the purposes under the Agreement to Develop, if any; and
- (iv) PSSB shall, within 1 month from the date of termination, release the said Land from all charges, mortgages, assignments and/or any other types or encumbrances created by it on the Penang Development Land or any part thereof (if any) and deliver to Khoo Kongsi a clean and unencumbered title to the Penang Development Land.

In addition to and not in derogation of all other rights and remedies that Khoo Kongsi may be entitled to under the law or the provision of the Agreement to Develop, Khoo Kongsi is entitled to be indemnified by PSSB against any and all losses damages actions proceedings costs claims demand and liabilities (including full legal costs on a solicitor and client basis) which may be suffered or incurred by Khoo Kongsi or asserted against Khoo Kongsi by any person whomsoever as a result of or a consequence upon or incidental to the termination of the Agreement to Develop.

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APPENDIX III(B) – SALIENT TERMS OF THE BUSINESS COLLABORATION AGREEMENT

The salient terms of the Business Collaboration Agreement (as supplemented by the Supplemental Letter) are as follows:

(a) Establishment of Management Company

Bintai and IECL shall jointly manage and market of Holistica Penang to be built by Bintai (“**Properties**”).

The parties shall incorporate and establish a joint management company to undertake the management, marketing, promotion and operations of Holistica Penang (“**Management Company**”). The shareholdings structure of the Management Company to be incorporated are as follows:

Parties	Shareholdings structure of Management Company	
	No. of ordinary shares	%
Bintai	700	70.0
IECL	300	30.0
Total	1,000	100.0

The Management Company shall be incorporated within 14 days from the date of all Conditions Precedents (as defined herein) are fulfilled (or such other period agreed in writing by the parties. A shareholders’ agreement between the parties shall be executed within 90 days from the date of incorporation of the Management Company.

(b) Conditions precedent

The Business Collaboration Agreement is subject to the following conditions precedents being fulfilled:

- (i) parties are satisfied with the legal, financial and/or business due diligence on the Penang Development Land and/or Holistica Penang;
- (ii) Bintai obtaining and/or procuring the respective Development Order and the necessary licenses, permits, approvals, consents, Planning Permission and Advertising Permit and Developer License for Holistica Penang; and
- (iii) PSSB obtaining and/or procuring any consent and/or extension of time and/or executing any further agreements pertaining to the Penang Development Land and to facilitate the commencement of the development of Holistica Penang.

(collectively, the “**Conditions Precedent**”)

The Business Collaboration Agreement shall be deemed unconditional upon the receipt of all the relevant approvals, waivers or consents and/or fulfillment or waiver or the deemed acceptance of the same and the compliance and fulfillment of the Conditions Precedents.

In the event the above Conditions Precedents are not fulfilled or waived within 24 months from the date of the Business Collaboration Agreement or such further period as may be mutually agreed between parties, the Business Collaboration Agreement shall lapse automatically where parties has no rights, claims or held each party responsible thereof.

(c) Roles and responsibilities of Bintai

- (i) Bintai shall, at its own costs and expenses and as soon as practicable from the date of execution of the Business Collaboration Agreement, develop and complete the development of Holistica Penang and subsequently ensuring the Penang Development Land is leased to the Management Company;
- (ii) Bintai shall at their own costs and expenses, as soon as practicable from the date of execution of the Business Collaboration Agreement, apply to the relevant authorities for

APPENDIX III(B) – SALIENT TERMS OF THE BUSINESS COLLABORATION AGREEMENT

the requisite approvals pertaining to the construction and development of Holistica Penang;

- (iii) Bintai shall as soon as practicable hand over vacant possession to the Management Company to carry out the necessary to promote, manage and market the Properties;
- (iv) Bintai shall construct and complete the development of Holistica Penang within 2 years upon the approval of full Development Order or within such time as may be mutually agreed between Parties whichever is longer; and
- (v) Bintai shall appoint the Management Company as an exclusive marketing agent and property manager. As the marketing agent, the Management Company shall procure buyers for units earmarked to be sold and/or rent on the Properties.

(d) Roles and responsibilities of IECL

- (i) IECL shall allow the Management Company to operate and manage Holistica Penang by utilising the “Seasons” brand name to operate and manage Holistica Penang; and
- (ii) Upon completion of Holistica Penang, IECL shall further use its expertise and experience by assisting the Management Company to manage and operate the Properties (including but not limited to management, sales & marketing, financial accounting, recruitment and staff training, maintenance and supervision of the Properties).

(e) Roles and responsibilities of the Management Company

The Management Company will be performing the following roles:

- (i) maximise the patronage of the Properties based on the budgeted performance of the Properties;
- (ii) arrange for utility, telephone, vermin extermination, detective agency protection, trash removal and other services necessary for the operation of the Properties;
- (iii) supervise, direct and control the leasing and/or renting of guests of the Properties as per the ordinary course of business;
- (iv) planning, initiation, supervision and repair and/or maintenance of the Properties as may be reasonable for the necessary upkeep and operation thereof;
- (v) negotiate and execution of lease, advertising space and concessions for the Properties (including all commercial spaces in the Properties);
- (vi) ensure compliance with all statutes, ordinances, laws, bylaws and regulations relating to the operation of the Properties (including but not limited to application and maintenance of licenses required for the said premise);
- (vii) recruiting, training, directing, employing, compensating, promoting and discharging all Properties personnel;
- (viii) preparing the budget and/or operating expenses (for all costs of marketing, advertising, promotion, collateral and publicity) at pre-opening, partial opening and full opening;
- (ix) maintaining sufficient working capitals and bank accounts;
- (x) setting up sales team to procure buyers for the units earmarked to be sold on the Properties;
- (xi) assist in executing all sale and purchase agreement for the units earmarked to be sold on the Properties between the respective Bintai’s subsidiaries and the end purchasers;
- (xii) market and sell the units earmarked to be sold on the Properties;
- (xiii) appoint marketing agents for the units earmarked to be sold on the Properties;
- (xiv) manage marketing activities for Holistica Penang; and
- (xv) manage maintenance of Holistica Penang.

(f) Income for the Management Company

The income for the Management Company is calculated based on the following formula:

- (i) Property Marketing Fees: 3.5%⁽³⁾ of the net selling price on the properties sold; and
- (ii) Property Management Fees⁽³⁾ shall include the following:

APPENDIX III(B) – SALIENT TERMS OF THE BUSINESS COLLABORATION AGREEMENT

- (aa) 5% of the Gross Revenue⁽¹⁾ (as defined below) to be paid to the Management Company;
- (bb) 8% of the Operating Profit⁽²⁾ (as defined below) generated from the operations of the Properties.

Notes:

- (1) **“Gross Revenues”** is defined as all revenues and receipts of every kind (from both cash and credit transactions) derived from operating the condotel (which will be 100% sold to potential unit purchasers. However, these owners can have the option to put their units available for rent as a hotel unit under the management of the Management Company). This includes income from rental of guest rooms, licensees, leases and concessions of any space (excluding gross receipts of licensees, lessees and concessionaires), equipment rental, vending machines and any proceeds received. However, this excludes income such as gratuities received from hotel employees, value added, room head, excise goods and services and others.
- (2) **“Operating Profit”** is defined as any excess of the Gross Revenues over Deductions for such period. **“Deductions”** is defined as costs incurred by the hotel manager or its affiliates in operating the hotel, such as costs of sales, salaries, wages, benefits, departmental, administrative and general expenses, utilities and other costs incurred in the operations of the hotel.
- (3) The basis and justification for the Property Marketing Fees and Property Management Fees are as follows:

No.	Parameters	Details
(a)	Property Marketing Fees	The Property Marketing Fees of 3.5% of the net selling price on the properties sold was arrived at after taking into consideration the standard industry practices and typical market rates charged by a real estate agency of between 3.0% and 4.0%. Such fees apply to any sale or purchase of properties in Malaysia by way of private treaty, tender or any other mode of disposal or acquisition.
(b)	Property Management Fees	The Property Management Fees was arrived at based after taking into consideration the following: <ul style="list-style-type: none">(i) the estimated operating costs to be incurred by the Management Company for the day-to-day operations of Holistica Penang post-completion of development;(ii) the advertisement and promotion expenses to be incurred for promotional activities of the “Seasons” brandname in Malaysia; and(iii) anticipated administrative and maintenance charges

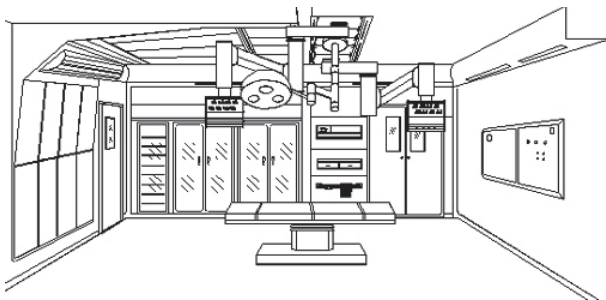
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APPENDIX IV – BACKGROUND INFORMATION OF JMI

1. CORPORATE INFORMATION, HISTORY AND BUSINESS OF JMI**1.1 History and business of JMI**

JMI is a private limited company incorporated in Malaysia on 23 September 1994 and commenced its business operations in the same year. JMI is an M&E engineering service provider focused on the manufacturing, supply and installation of medical support systems and related equipment, ventilation systems for clean air, operating theatres, critical care units, fluid management pendants and medical gas delivery systems. JMI specialises in undertaking medical facility development and construction projects, which covers the design, construction planning, engineering, manufacture, equipping, installation, testing, commissioning, training and maintenance aspects for various medical facilities, hospitals and public health institutions in Malaysia.

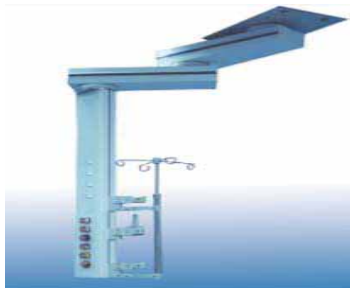
The core products and services provided by JMI are as follows:



Operating theatres and operations rooms for various medical facilities



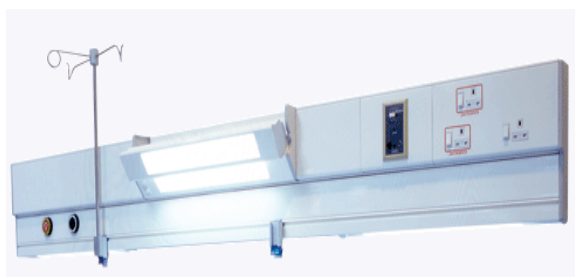
Labour and delivery suites



Medical and surgical pendants, which are used for the supply of medical gases, electrical and data connections in the operation rooms/theatres



UltraClean operating theatres



Bedhead panels



Trauma workstations

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)



Mobile healthcare units



Neonatal units



Medical gas delivery systems

(Source: JMI's website at <http://www.johnsonmedical.com/web/regional.asp?sec=6>)

JMI is a holder of Grade "G7" certificate by the Construction Industry Development Board of Malaysia. As a G7 contractor, JMI is allowed to undertake building general works, general civil engineering works, mechanical works and medical equipment system. JMI also holds the following certifications:

No.	Certifications	Nature / Details	Date of certification and expiry
(a)	Management System Certificate (10000336810-MSC-NA-MYS)	To certify the management system complies with the requirement of ISO 13485:2016/ NS-EN ISO 13485:2016 for the scopes which include design and development, production, distribution and installation and post-market service and maintenance for medical supply units including ceiling mounted pendants, floor mounted workstation, wall mounted bed head panel	16 January 2020 – 15 January 2023
(b)	Medical Device Registration Certificate (GC55354428217)	The registration of the medical device "Ceiling Mounted Pendants" under the Medical Device Act 2012 (Act 737)	15 November 2017 – 14 November 2022
(c)	Medical Device Registration Certificate (GC45687428117)	The registration of the medical device "Bed Head Panel" under the Medical Device Act 2012 (Act 737)	28 September 2017 – 27 September 2022

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

No.	Certifications	Nature / Details	Date of certification and expiry
(d)	Medical Device Registration Certificate (GC23457340417)	The registration of the medical device "Floor Mounted Workstations" under the Medical Device Act 2012 (Act 737)	23 July 2017 – 22 July 2022
(e)	Good Distribution Practice for Medical Device Certification (GDPMD 071617 0008 Rev. 01)	To certify the local authorised representative, import, storage and handling, distribution, installation, testing and commissioning, post market technical support, maintenance and calibration and documentation including traceability of hospital hardware, non-active implantation devices and single-use devices comply with and meet the requirements of the Good Distribution Practice for Medical Device Appendix 4 Schedule 3 Medical Device Regulations 2012 of Malaysia	29 June 2021 – 28 June 2024
(f)	Construction Industry Development Board Certificate (Registration No. 0120171103-WP005277)	To certify JMI as a holder of grade G7 by the Construction Industry Development Board of Malaysia.	19 February 2020 – 11 February 2023

The details of the licenses held by JMI are as follows:

No.	Type of licenses	Conditions/Details	Date of approval and expiry
(a)	Manufacturing License (Serial No. A 032937) (Licence No. A 019405)	<ul style="list-style-type: none"> (a) To inform MITI and Malaysian Investment Development Authority ("MIDA") for any disposal of the company's shares. (b) To carry out the project as approved subject to the conditions as stated in the manufacturing license and in accordance with the relevant laws and other regulations set out in Malaysia. (c) To display the manufacturing licence or a certified true copy of the manufacturing Licence at the licensed premises. (d) To notify MIDA in writing of any change in the registered address of the company. (e) To ensure that the composition of the Board of Directors should reflect the company's equity structure and shall notify MITI in the event if there is any appointment and/or change of the members of the Board of Director. (f) To obtain services provided by Malaysian for local sales, including appointing distributor companies owned by Malaysian where at least 30% of its sales to the domestic market should be distributed by Bumiputera distributors. (g) To obtain approval from the licensing officer the Secretary General of MITI in the event JMI intends to expand its production capacity or diversify its products. 	4 June 2013 – No expiry date

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

No.	Type of licenses	Conditions/Details	Date of approval and expiry
(b)	Establishment License (Serial No 005842) (License No. MDA-1006-K120)	<ul style="list-style-type: none"> (a) To comply with all instructions issued by the Medical Device Authority from time to time, the Medical Device Authority may suspend or revoke the establishment license or take legal action if the company fails to comply with any of the conditions of the establishment license. (b) The establishment license issued by the Medical Device Authority shall not be transferrable and/or misused by other individuals/companies in any way. (c) To display the establishment license in a conspicuous place and submit the establishment license if requested by any authorized officer. (d) The application for the renewal of establishment license shall not later than one (1) year before the expiry of the license. (e) Import, export and place on the market medical devices that are not authorized from the manufacturer or authorized representative are strictly prohibited. (f) To notify and seek approval from the Medical Device Authority for any changes or amendments to the license information. (g) The validity period of a license certificate is subject to the validity period and conditions of the Quality Management System certificate issued by the compliance assessment body. (h) To report to the Medical Device Authority upon receipt of a new letter of appointment or letter of revocation as an authorized representative, distributor or importer. (i) To obtain consent for the change of holder of the registration of medical device if there is any authorized representative intends to take over the registration of a medical device that has been previously registered by the authorized representative. 	29 May 2020 – 28 May 2023
(c)	Establishment License (Serial No. 007811) (License No. MDA-2780-WDP121)	<ul style="list-style-type: none"> (a) To comply with all instructions issued by the Medical Device Authority from time to time, the Medical Device Authority may suspend or revoke the establishment license or take legal action if the company fails to comply with any of the conditions of the establishment license. (b) The establishment license issued by the Medical Device Authority shall not be transferrable and/or misused by other individuals/companies in any way. (c) To display the establishment license in a conspicuous place and submit the establishment license if requested by any authorized officer. 	27 September 2021 – 26 September 2024

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

No.	Type of licenses	Conditions/Details	Date of approval and expiry
		<ul style="list-style-type: none">(d) The application for the renewal of establishment license shall not later than one (1) year before the expiry of the license.(e) Import, export and place on the market medical devices that are not authorized from the manufacturer or authorized representative are strictly prohibited.(f) To notify and seek approval from the Medical Device Authority for any changes or amendments to the license information.(g) The validity period of a license certificate is subject to the validity period and conditions of the Quality Management System certificate issued by the compliance assessment body.(h) To report to the Medical Device Authority upon receipt of a new letter of appointment or letter of revocation as an authorized representative, distributor or importer.(i) To obtain consent for the change of holder of the registration of medical device if there is any authorized representative intends to take over the registration of a medical device that has been previously registered by the authorized representative.	

1.2 Principal revenue segments

JMI is principally involved in the M&E engineering service provider focused on the manufacturing, supply and installation of medical support systems and related equipment, ventilation systems for clean air, operating theatres, critical care units, fluid management pendants and medical gas delivery systems which contributed to JMI's total revenue for the FYEs 31 December 2017 to 2020.

1.3 Principal products' markets

JMI's sole principal market is in Malaysia which contributed all of JMI's total revenue for the FYEs 31 December 2018 to 2020.

1.4 Key sources of raw materials and supplies

JMI primarily sources its raw materials and supplies from suppliers within Malaysia, which mainly comprise:

- (a) various medical support systems and related equipment, ventilation systems for clean air, operating theatres, critical care units, fluid management pendants and medical gas delivery systems; and
- (b) spare parts, consumables, equipment and related machineries.

Total raw materials and supplies sourced for the FYEs 31 December 2017 to 2020 are set out below:

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

	FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Domestic	3,357	2,586	7,085	4,533
Foreign	167	316	496	1,308
Total	2,524	2,902	7,581	5,841

1.5 Key management team

As at the LPD, JMI has a total of 27 employees comprising the following:

	<u>As at LPD</u>
Categories	
Sales and marketing	2
Management, accounting and finance	2
Production and supply chain	8
Human resource and administrative support	3
Quality assurance and quality control	4
Draughting, design and technical service	2
Project management team	6
Total	27

The key management team of JMI is led by YEL and comprise the following individuals:

- (a) **Ang Wei Keong**, a Malaysian male, aged 41, is the General Manager of JMI. He has more than 13 years of working experience in the medical device business segment specialising in orthopaedic implant and equipment. He obtained his Double Diploma in Hotel and Travel Management from Reliance College, Kuala Lumpur in 2001.

He started his career as a Sales Engineer with SMC Pneumatic (S.E.A) in 2003, where he was responsible for the sales and marketing of the distribution of valves and cylinders used in various manufacturing industry. In 2007, joined Stryker Corporation Sdn Bhd as a Product Specialist, where he was responsible for the sales and marketing of the company's orthopedics implant and equipment. He was then transferred to its Singapore office in 2010 as an Associate Sales Manager, where he oversaw the sales and marketing operations of the company in Singapore. He was subsequently promoted to its Sales Manager in 2012, where he managed the company's orthopedics business segment. In 2014, he came back to Malaysia and joined Diorsmed Sdn Bhd as a Sales Director, where he was responsible for developing arthroplasty and trauma in the Malaysia market.

He joined JMI in 2021 as its General Manager, where his responsibilities include overseeing the sales and marketing activities as well as resources management of JMI's business activities. He is also tasked with securing distributorships and expanding JMI's range of medical support systems and related equipment.

- (b) **Lim Jack Kin**, a Malaysian male, aged 45, is the Sales and Marketing Manager of JMI. He has more than 20 years of working experience in the medical device industry specialising in radiation therapy and diagnostic imaging tools. He graduated with a Diploma in Computer Course Information System from Olympia College, Kuala Lumpur in 1996.

In 1997, he joined Bofi (Malaysia) Sdn Bhd as its sales and technical support technician, where he was responsible for the undertaking the sales of computer system services and repair activities. In 1998, he joined Dayakuasa Sdn Bhd as its Sales Executive, where he was in charge of promoting the company's product line. In 2001, he joined Medicartel Sdn Bhd as its Sales Executive, where he was involved in managing the sales of medical equipment/products specialising in radiation therapy and diagnostic imaging products to

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

various medical facilities/institutions in Malaysia and Singapore. He then joined Oncoray in 2009, where he assumed similar responsibilities. In 2017, he joined Felco Medical Supplies Sdn Bhd as a Product Management Team Lead, where he manages the company's import product line to support the sales and marketing department. In 2020, he joined Taimed Technology Sdn Bhd, where he was responsible to promote and technical support for a cancer treatment system. He then joined JMI in 2021 and assumed his current role and responsibility.

- (c) **Mohamad Azim bin Rustam**, a Malaysian male, aged 37, is the Quality Assurance Manager of JMI. He graduated with a diploma in Software Engineering from Multimedia University, Malaysia in 2012. Thereafter he joined a technician in a software company called Nadz Computing Sdn Bhd.

In 2015, he joined JMI as a Project Engineer, where he was responsible for numerous projects in both private and government sectors in Malaysia. In 2017, he was promoted to Liason/Product Specialist, where he is involved in assisting the installation, servicing as well as sales and marketing for Trumpf range of medical pendants. He has since 2021 assumed the role of Quality Assurance Manager in JMI.

2. SHARE CAPITAL, SHAREHOLDER AND DIRECTORS

As at the LPD, the existing issued share capital of JMI is RM3,000,002 comprising 3,000,002 ordinary shares in JMI. The sole Director and shareholder of JMI is Yeo Eng Lam. The details of the changes in the share capital of JMI since its incorporation until the LPD are as follows:

Date of allotment	No. of ordinary shares in JMI	Consideration	Cumulative number of shares
			RM
23 September 1994	2	2	2
24 April 1995	250,000	250,000	250,002
12 October 2001	2,749,998	2,749,998	3,000,000
25 May 2011	2	2	3,000,002

The original date and cost of investment/(divestment) in JMI by Yeo Eng Lam are as follows:-

Original date of investment/ divestment	Original cost of investment/(divestment) RM	No. of ordinary shares acquired/ (disposed)
23 September 1994	1	1
24 April 1995	125,000	125,000
22 September 1996	(32,625)	(22,500)
1 August 1997	32,625	22,500
12 October 2001	125,000	125,000
12 October 2001	2,749,998	2,749,998
11 December 2003	(599,999)	(599,999)
25 May 2011	1	1
17 July 2013	5,174,000	597,001
27 November 2020	3,000	3,000
Total	3,000,002	3,000,002

3. PRINCIPAL LOCATION OF OPERATIONS AND ASSETS OWNED

JMI's principal place of business is located at:-

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

No.	Address	Functions	Tenancy/Tenure
(a)	No. 12, PJS 1/29, Taman Petaling Utama, 46000 Petaling Jaya, Selangor	Showroom/ Office	Rented from 4 March 2019 to 3 March 2022 ⁽¹⁾
(b)	No. 16A & 16B, 18A & 18B, PJS 1/29, Taman Petaling Utama, 46000 Petaling Jaya, Selangor	Production floor space of medical equipment	Rented from 1 January 2021 to 31 December 2021 ⁽²⁾
(c)	Ground Floor, 22A, PJS 1/29, Taman Petaling Utama, 46000 Petaling Jaya, Selangor	Store room and warehouse	Rented from 1 January 2021 to 31 December 2021 ⁽³⁾
(c)	No 8A, Jalan Petaling Utama, Taman Petaling Utama, 46000 Petaling Jaya, Selangor	Store room and warehouse	Rented from 1 August 2020 to 31 July 2022 ⁽⁴⁾

Notes:

- (1) This property is currently being rented from 1133 RK Lorry Transport Sdn Bhd, a third-party company not related to Yeo Eng Lam. at the monthly rental of RM5,500.00.
- (2) This property is currently being rented from JCMS ProRewards Sdn Bhd, a third-party company not related to Yeo Eng Lam at the monthly rental of RM7,000.00.
- (3) This property is currently being rented from Persatuan Pemujaan Tuhan Kung Mung Tien Tao Yen, a third-party company not related to Yeo Eng Lam at the monthly rental of RM2,800.00.
- (4) This property is currently being rented from Ea Chun Si, a third-party not related to Yeo Eng Lam at the monthly rental of RM2,600.00.

The abovementioned premises has a total combined built-up area of approximately 14,400 square feet. The production capacity and output for the above facilities are not readily available.

The breakdown is as follows:

Details	Net book value as at 31 December 2020 (RM'000)
Computers	19
Factory & equipment	~
Furniture and fittings	2
Machinery and tools	~
Medical equipment	~
Motor vehicles	72
Office equipment	9
Renovation	3
Showroom and signboard	12
Total	105

Note:

~ Less than RM1,000

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

JMI does not have any other subsidiaries or associate companies.

5. HISTORICAL FINANCIAL INFORMATION

A summary of the audited financial information of JMI for the FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 are set out below:

	Audited			
	FYE 31	FYE 31	FYE 31	FYE 31
	December	December	December	December
	2017	2018	2019	2020
	RM'000	RM'000	RM'000	RM'000
<u>Income statement</u>				
Revenue	7,616	7,714	11,927	14,568
Gross profit	3,402	3,385	4,347	5,226
(Loss)/Profit before taxation	(254)	(677)	1,401	2,383
(Loss)/Profit after taxation	(336)	(760)	938	1,703
<u>Balance sheet</u>				
Total current assets	14,735	13,490	16,548	9,917
Total non-current assets	920	210	218	105
Total assets	15,655	13,700	16,766	10,022
Total current liabilities	5,250	5,118	7,721	7,217
Total non-current liabilities	1,752	689	214	158
Total liabilities	7,002	5,807	7,935	7,375
Share capital	3,000	3,000	3,000	3,000
Shareholders' funds/Net assets	8,653	7,893	8,831	2,647
Interest bearing borrowings	2,841	1,972	260	212
Number of shares in issue (unit)	3,000	3,000	3,000	3,000
<u>Cash flow statements</u>				
Operating cashflow	1,568	(468)	(43)	(528)
Investing cashflow	(138)	1,279	(27)	28
Financing cashflow	(333)	153	(26)	333
Cash and cash equivalent at end of year	(639)	325	229	63
<u>Financial ratios</u>				
GP margin (%)	44.7	43.9	36.4	35.9
PBT margin (%)	(3.3)	(8.8)	11.7	16.4
PAT margin (%)	(3.3)	(9.9)	7.9	11.7
Net EPS (RM)	(0.11)	(0.25)	0.31	0.57
NA per share (RM)	2.88	2.63	2.94	0.88
Current ratio (times)	2.81	2.64	2.14	1.37
Gearing (times)	0.33	0.25	0.02	0.08

Financial commentaries

FYE 31 December 2017 vs FYE 31 December 2018

For the FYE 31 December 2018, the total revenue of JMI increased by 1.29% or RM0.10 million mainly due to the following:

- (a) Additional orders of medical pendants and bedheads panels to Medi-Care Products Sdn Bhd by approximately RM0.47 million or 472.0% from RM0.10 million during FYE 31 December 2017 to RM0.57 million during FYE 31 December 2018;

- (b) increase in contracted services to a private hospital in Batu Pahat, Johor by approximately RM1.10 million or 69.9% from RM1.57 million during FYE 31 December 2017 to RM2.67 million during FYE 31 December 2018 for a turnkey contract undertaken for additional electrical and related renovation works undertaken for 3 operating theatres; and
- (c) increase in sales of medical pendants and medical gas pipes to 2 M&E engineering and construction companies by approximately RM3.19 million or 358.9% from RM0.89 million during FYE 31 December 2017 to RM4.07 million during FYE 31 December 2018. This mainly relates to the design, delivery and installation of medical pendants, medical gas and pipes products for 2 hospitals in Johor and Perak;

However, the above increases were offset by the following:

- (a) completion of orders of medical pendants and preventive maintenance services of medical devices and equipment provided to 5 customers during FYE 31 December 2017 which generated total revenue of RM0.90 million; and
- (b) decrease in revenue generated from 4 customers by approximately RM1.79 million or 74.0% from RM2.42 million during FYE 31 December 2017 to RM0.63 million during FYE 31 December 2018 due to completion of orders of medical pendants, medical operating theatres and preventive maintenance services of medical devices, accessories and equipment.

GP margin has decreased slightly from 44.7% during FYE 31 December 2017 to 43.9% during FYE 31 December 2018 as a result of higher installation costs incurred for the installation and renovations costs for medical pendants incurred.

During FYE 31 December 2018, JMI recorded other revenue of RM0.77 million which mainly comprise of one-off gain on disposal of a shaplot unit located in Jalan Kelang Lama, Kuala Lumpur.

Despite the increase in overall revenue levels and other income recorded, JMI recorded higher LBT and LAT levels of RM0.68 million and RM0.76 million, respectively during FYE 31 December 2018. This was mainly due to increase in other operating expenses by approximately RM1.52 million or 656.14% from RMRM0.23 million during FYE 31 December 2017 to RM1.76 million during FYE 31 December 2018 mainly due to trade receivables written-off of RM1.48 million.

FYE 31 December 2018 vs FYE 31 December 2019

For the FYE 31 December 2019, the total revenue increased by approximately RM4.21 million or 54.6%, mainly due to new orders / projects generated from total of nine (9) new customers amounting to RM7.75 million, which mainly relates to subcontracting M&E works undertaken comprising installation of medical gases, pipes systems and medical pendants for a hospital in Shah Alam, Selangor of RM5.35 million and sale of medical pendants to a private hospital in Kuala Lumpur of RM1.00 million during FYE 31 December 2019.

GP margin decreased further from 43.9% during FYE 31 December 2018 to 36.4% during FYE 31 December 2019 as a result of higher installation costs of RM2.04 million incurred during FYE 31 December 2019 for its subcontracting M&E works performed at several hospitals in the Klang Valley.

Total administrative and other operating expenses decreased by approximately RM1.71 million or 37.6% from RM4.55 million during FYE 31 December 2018 to RM2.84 million during FYE 31 December 2019 mainly due to:

- (a) One off trade receivables written-off of RM1.48 million during FYE 31 December 2018, which did not occur during FYE 31 December 2019; and

- (b) Decrease in overall staff and distribution costs by approximately RM0.11 million or 4.6% during FYE 31 December 2019.

As a result of the above, JMI recorded PAT position of RM0.94 million, after deducting tax expenses of RM0.46 million incurred during FYE 31 December 2019.

FYE 31 December 2019 vs FYE 31 December 2020

For the FYE 31 December 2020, total revenue increased by approximately RM2.64 million or 18.1% mainly due to the following:

- (a) New orders / project secured from a total of 11 new customers amounting to RM8.18 million FYE 31 December 2020, which mainly comprises new sale and installation orders of approximately RM5.80 million of medical pendants as well as new sale and installation orders RM2.90 million for the supply and installation of specialised medical equipment system;
- (b) higher revenue contribution of RM4.41 million generated from existing customers as compared to revenue contribution of RM2.47 million during FYE 31 December 2019, due for increased of RM1.19 million for sub-contracting works at a University Hospital in Terengganu.

However, GP margin has decreased from 36.4% during FYE 31 December 2019 to 35.87% during FYE 31 December 2020 as a result of higher materials consumed of RM8.18 million during FYE 31 December 2020 as compared to materials consumed of RM5.00 million during FYE 31 December 2019.

Other operating expenses increased slightly by approximately RM0.18 million or 8.9% from RM1.97 million during FYE 31 December 2019 to RM2.14 million during FYE 31 December 2020. Other operating expenses during FYE 31 December 2020 mainly comprise impairment of trade and other receivables of RM0.24 million as well as provision for taxation of RM0.68 million.

As a result of the above, JMI recorded PAT position of RM1.70 million, after deducting tax expenses of RM0.68 million incurred during FYE 31 December 2020.

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APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

6. COMPLETED PROJECTS AND ONGOING CONTRACTS

Completed projects

Details of project	Customer	Location	Date of award / Commencement date	Completion Date	Value (RM'000)
Supply and installation of medical pendants	Getz Healthcare (Malaysia) Sdn Bhd	Institut Sukan Negara, Kuala Lumpur	February 2017	October 2017	642
Supply and installation of medical pendants	Sunway Medical Centre Sdn Bhd	Sunway Medical Centre, Selangor	January 2017	January 2018	182
Supply and installation of medical pendants and medical workstations	Rasma Corporation Sdn Bhd	Hospital Ipoh, Perak	June 2017	August 2019	3,050
Supply and installation of medical pendants	Gas Altimate Sdn Bhd	Hospital Kuala Krai, Perak	August 2017	August 2019	2,220
Renovation for operating theatres	Putra Specialist Hospital (Batu Pahat) Sdn Bhd	Putra Specialist Hospital (Batu Pahat)	January 2018	December 2019	4,850
Supply and installation of medical pendants and workstations	Gadang Engineering Sdn Bhd	Hospital Cyberjaya	January 2020	June 2021	889
Supply medical gas and medical pendants	Medi-Care Products Sdn Bhd	Hospital Umum Sarawak	January 2019	June 2021	944
Supply and installation of medical pendants	UCSI Campio Sdn Bhd	Hospital UCSI, Port Dickson, Negri Sembilan	December 2016	June 2021	1,928
Supply and installation of medical pendants and theatre lights	Weida Medic Development Sdn Bhd	Hospital Umum Sarawak, Kuching	September 2019	June 2021	794

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

On-going projects

Details of project	Customer	Location	Commencement date	Expected completion date	Value (RM'000)	Unbilled amount (RM'000)
Supply and installation of operating theatre tables	Ramsay Sime Darby Health Care Sdn Bhd	Ramsay Sime Darby Medical Centre	October 2019	December 2021	920	280
Installation of medical gas pipeline systems	Adventure M&E Sdn Bhd	Universiti Teknologi Mara, Puncak Alam, Selangor	July 2018	December 2021	9,700	2,445
Installation of medical gas pipeline systems	Pesona Metro Sdn Bhd	Universiti Sultan Zainal Abidin, Terengganu	October 2018	December 2021	9,165	1,668
Supply and installation of medical pendants	George Kent Malaysia Berhad	Hospital Endocrine, Putrajaya	November 2019	July 2021	2,220	915
Supply and installation of medical pendants and related equipment	Nukima Sdn Bhd	Hospital Dungun, Terengganu	July 2020	July 2021	803	80
Supply and installation of pipe medical gases and systems	Associated Builders Contractors Sdn Bhd	Universiti Tun Abdul Razak, Kampar, Perak	November 2019	November 2021	5,181	3,874
Upgrading of medical gas pipeline systems	Perkasa Sdn Bhd	Jesselton Medical Centre, Sabah	January 2020	July 2021	482	240
Supply and installation of medical pendants	Denai Bina Sdn Bhd	Hospital KPJ Puteri, Johor	September 2019	August 2021	450	10
Supply and installation of medical pendants	Denai Bina Sdn Bhd	Hospital KPJ Puteri, Johor	August 2019	August 2021	468	43
Supply and installation of medical pendants	George Kent Malaysia Berhad	Hospital Tanjung Karang, Selangor	January 2020	December 2021	1,200	645
Supply and installation operating theatre tables	Nadi Cergas Berhad	Hospital Serdang, Selangor	January 2020	December 2021	481	181
Supply and installation	Kazaha Sdn Bhd	Hospital Tuanku Fauziah, Perlis	December 2020	May 2021	245	25
Supply of Medical Air Plant	K Abadi Sdn Bhd	Hospital Sibul, Sarawak	April 2021	December 2021	393	393
Turnkey M&E	Harleys Consult Sdn Bhd	Ipoh Orthopaedics, Hospital Perak, Perak	October 2021	January 2023	7,775	7,775

APPENDIX IV – BACKGROUND INFORMATION OF JMI (cont'd)

Details of project	Customer	Location	Commencement date	Expected completion date	Value (RM'000)	Unbilled amount (RM'000)
Supply and installation of medical gas pipeline systems and medical pendants	SNC Mediz Sdn Bhd	Manjung Hospital, Perak	December 2021	December 2022	5,000	5,000
Medical gas pipeline and pendants	Gloxo Sdn Bhd	Kuching Medical Complex	December 2021	January 2023	10,440	10,440
Supply of medical pendants	Galitek Engineering Sdn Bhd	Hospital Banting and Hospital Parit Buntar	December 2021	August 2022	600	600
			Total		55,523	34,614

None of the above customers under JMI's completed and ongoing projects are the Directors, substantial shareholders of JMI or persons connected to them.

7. EXCEPTIONAL AND EXTRAORDINARY ITEMS, ACCOUNTING POLICIES AND AUDIT QUALIFICATIONS

There were no exceptional or extraordinary items during the FYE 31 December 2017 to FYE 31 December 2020.

Based on the audited financial statements of JMI for the FYE 31 December 2017 to FYE 31 December 2020, there are no accounting policies adopted by JMI which are peculiar due to the nature of the business or industry in which JMI is involved in.

The financial statements of JMI for the FYE 31 December 2017 to FYE 31 December 2020 were not subject to audit qualification for the years under review.

8. MATERIAL CONTRACTS

As at the LPD, JMI has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular.

9. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, JMI is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Director of JMI has no knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of JMI.

10. MATERIAL COMMITMENTS

As at the LPD, the Director of JMI are not aware of any material commitments contracted or known to be contracted by JMI that is likely to have an impact on JMI's profits or NA upon becoming enforceable.

11. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Director of JMI are not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have an impact on the JMI's profits or NA.

- (a) JMI had on 18 March 2019 given a corporate guarantee of RM546,000.00 in favour of Axventure M&E Sdn Bhd for the due performance of the subcontract for the medical gas system for Hospital Pengajar Universiti Teknologi Mara.
- (b) JMI had on 30 November 2018 given a corporate guarantee of RM460,000.00 in favour of Persona Metro Sdn Bhd for the due performance of the subcontract for the medical gases pipeline system in respect the cadangan pembinaan Hospital Pengajar Universiti Sultan Zainal Abidin.
- (c) JMI had on 14 August 2020 and 17 August 2020 provided a letter of undertaking and letter of guarantee to pay Hexamine Sdn Bhd for all contract proceeds due and payable to JMI by the Associated Builders & Contractors Sdn Bhd amounting to RM3,800,000.00 for the supply and delivery of material and equipment for medical gas system in regards to the building and external works for Cadangan Pembangunan Hospital Swasta for UTAR Education Foundation.

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Safety through innovation™

JOHNSON
MEDICAL

Date: 28 October 2021

To: The Shareholders of Bintai Kinden Corporation Berhad

Dear Sir/Madam,

On behalf of the Board of Directors ("**Board**") of Johnson Medical International Sdn Bhd ("**JMI**"), I report after due enquiries that during the period from 31 December 2020 (being the date to which the last audited financial statements of JMI have been made) to the date hereof, being a date not earlier than 14 days before the date of issue of this Circular:

- (a) the business of JMI has, in the opinion of the Board of JMI, been satisfactory maintained;
- (b) in the opinion of the Board of JMI, since the last audited financial statements of JMI, there has been no circumstances which have adversely affected the trading or the value of the assets of JMI;
- (c) the current assets of JMI appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no other contingent liabilities by reason of any guarantees or indemnities given by JMI;
- (e) since the last audited financial statements of JMI, the Board of JMI is not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and
- (f) since the last audited financial statements of JMI, there have been no material changes in the published reserves or any unusual factors affecting the profits of JMI.

Yours faithfully,
For and on behalf of the Board of
Johnson Medical International Sdn Bhd



YEO ENG LAM
DIRECTOR

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020**

Company No.: 199401031581 (317263-T)

CERTIFIED TRUE COPY


.....
CHI-LLTC (AF 1114)

JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)
Company No. 199401031581 (317263-T)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

CHI-LLTC (AF : 1114)
Chartered Accountants

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTOR

Yeo Eng Lam

SECRETARIES

Ng Heng Hooi (MAICSA 7048492)
Wong Mee Kiat (MAICSA 7058813)
Jane Ong Su Ping (MAICSA 7059946)

AUDITORS

CHI-LLTC (AF : 1114)
Chartered Accountants

BANKERS

United Overseas Bank (Malaysia) Berhad
AmBank (M) Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad

BUSINESS ADDRESS

No. 12, Jalan PJS 1/29
Taman Petaling Utama
46000 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE

B03-B-13-1, Level 13
Menara 3A, KL Eco City
No. 3, Jalan Bangsar
59200 Kuala Lumpur

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are design, manufacture and install customised hospital support system equipment.

There have been no significant changes in the nature of the activities during the year.

RESULTS

	RM
Profit for the year	<u>1,703,182</u>

DIVIDENDS

On 30 November 2020, the Company declared a single-tier dividend of RM2.6289 per ordinary share amounting to RM7,886,805 in respect of the current year. The payment of the dividend to shareholder be set off against the amount due from Company.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

No shares have been issued during the year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the year, there were no unissued shares of the Company under options.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

DIRECTORS

The directors of the Company in office at any time during the year and since the end of the year up to the date of this report are:

Yeo Eng Lam
Ng Geok Sing (Resigned on 2 November 2020)

DIRECTORS BENEFITS

Since the end of the previous year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the year, to which the Company is a party, which had the object of enabling the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS INTERESTS

According to the register of directors' shareholding under Section 59 of the Companies Act, 2016, the interests of directors in office at the end of the year in the ordinary shares of the Company during the year are as follows:

	Number of Ordinary Shares			<u>At</u> <u>31.12.2020</u>
	<u>At</u> <u>1.1.2020</u>	<u>Bought</u>	<u>Sold</u>	
<u>Direct Interest</u>				
Yeo Eng Lam	2,997,002	3,000	-	3,000,002

DIRECTORS REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Company during the year are as follows:

	2020 RM
Director's salary	120,000
Director's EPF contribution	14,400
	<u>134,400</u>

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

OTHER STATUTORY INFORMATION

(I) AS AT THE END OF THE YEAR

- (a) Before the financial statements of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the directors, the results of the operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE YEAR TO THE DATE OF THIS REPORT

- (c) As of the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) In the opinion of the directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Company which have arisen since the end of the financial year.

The directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

AUDITORS' REMUNERATION

Details of the auditors' remuneration are set out in Note 17 to the financial statements.

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

SIGNIFICANT EVENT OCCURRING DURING THE REPORTING PERIOD

The significant event occurring during the reporting period are disclosed in Note 21 to the financial statements.

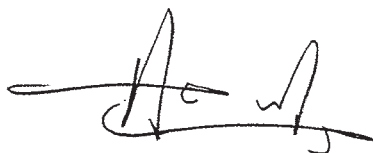
SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period are disclosed in Note 22 to the financial statements.

AUDITORS

The retiring auditors, Messrs. CHI-LLTC, have indicated their willingness to be re-appointed.

The Sole Director,



Yeo Eng Lam
Director

Petaling Jaya

Dated: 21 MAY 2021

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

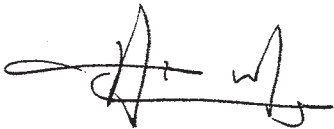
Company No.: 199401031581 (317263-T)

JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

The director of **Johnson Medical International Sdn. Bhd.** state that, in their opinion, the financial statements of the Company set out on pages **10 to 28** are drawn up in accordance with Malaysian Private Entities Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at **31 December 2020** and financial performance and cash flows of the Company for the year ended on that date.

The Sole Director,



Yeo Eng Lam
Director

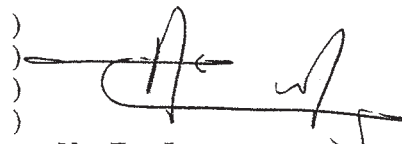
Petaling Jaya

Dated: **21 MAY 2021**

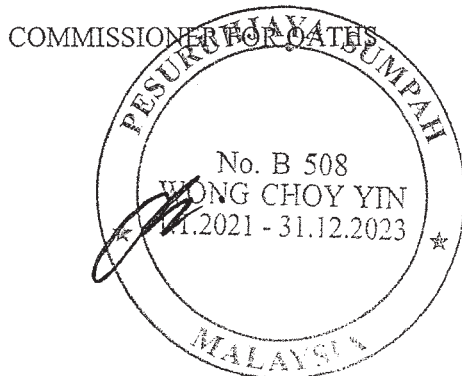
STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **Yeo Eng Lam**, the director primarily responsible for the financial management of **Johnson Medical International Sdn. Bhd.**, do solemnly and sincerely declare that the financial statements set out on pages **10 to 28** are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above-named **Yeo Eng Lam**
at Petaling Jaya in the state of Selangor Darul Ehsan
on **21 MAY 2021**

)
) 
)
)
Yeo Eng Lam

Before me,



3 Damansara Shopping Mall
3, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan



CERTIFIED TRUE COPY


.....
CHI-LLTC (AF 1114)

CHI-LLTC (AF : 1114)
Chartered Accountants
36, Jalan SS 15/4C
47500 Subang Jaya
Selangor Darul Ehsan
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(Offices and Affiliate Offices
located throughout Malaysia)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHNSON MEDICAL INTERNATIONAL SDN. BHD.**

Company No.: 199401031581 (317263-T)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Johnson Medical International Sdn. Bhd.**, which comprise the statement of financial position as at **31 December 2020** of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages **10 to 28**.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **31 December 2020** and of its financial performance and cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHNSON MEDICAL INTERNATIONAL SDN. BHD. (CONT'D)**
(Incorporated in Malaysia)


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CHI-LLTC (AF 1114)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHNSON MEDICAL INTERNATIONAL SDN. BHD. (CONT'D)**
(Incorporated in Malaysia)


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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

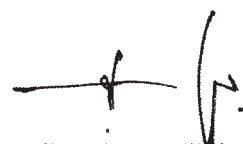
This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHI-LLTC
AF : 1114
Chartered Accountants

Subang Jaya

Dated: 21 MAY 2021



Lam Foong Kwi
02671/07/2022 J
Chartered Accountant

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

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JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)


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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	4	105,175	218,788
CURRENT ASSETS			
Inventories	5	945,544	3,287,511
Amount due from contract customers	6	953,333	1,413,788
Trade receivables	7	7,743,826	3,259,414
Other receivables, deposits and prepayment	8	211,281	383,242
Amount due from a director	9	-	7,803,321
Amount due from related parties	10	-	170,990
Cash and bank balances		62,712	229,372
		9,916,696	16,547,638
TOTAL ASSETS		10,021,871	16,766,426
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	11	3,000,002	3,000,002
(Accumulated loss)/Retained profits		(352,654)	5,830,969
SHAREHOLDERS' EQUITY		2,647,348	8,830,971
NON-CURRENT LIABILITIES			
Finance lease payables	12	157,138	202,919
Deferred tax liabilities	13	-	11,468
		157,138	214,387
CURRENT LIABILITIES			
Trade payables	14	3,091,979	4,861,535
Other payables and accruals	15	2,564,904	2,086,241
Amount due to a director	9	325,263	-
Amount due to related parties	10	-	154,099
Finance lease payables	12	54,708	57,102
Provision for taxation		1,180,531	562,091
		7,217,385	7,721,068
TOTAL LIABILITIES		7,374,523	7,935,455
TOTAL EQUITY AND LIABILITIES		10,021,871	16,766,426

The accompanying notes form an integral part of the financial statements.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

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JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)


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CHI-LLTC (AF 1114)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
Revenue	16	14,567,928	11,926,578
Cost of sales		<u>(9,341,923)</u>	<u>(7,580,064)</u>
Gross profit		5,226,005	4,346,514
Other operating income		80,376	4,046
Administrative expenses		(412,765)	(514,027)
Distribution costs		(161,531)	(237,666)
Staff costs		(2,140,739)	(1,965,166)
Other operating expenses		<u>(173,764)</u>	<u>(124,004)</u>
Profit from operations		2,417,582	1,509,697
Finance costs		<u>(34,725)</u>	<u>(108,719)</u>
Profit before tax	17	2,382,857	1,400,978
Income tax expense	18	<u>(679,675)</u>	<u>(463,230)</u>
Profit for the year		<u><u>1,703,182</u></u>	<u><u>937,748</u></u>

The accompanying notes form an integral part of the financial statements.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

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JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)


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CHI-LLTC (AF 1114)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Share capital RM	Retained profits/ (Accumulated loss) RM	Total RM
As at 1 January 2019		3,000,002	4,893,221	7,893,223
Profit for the year		-	937,748	937,748
As at 31 December 2019		3,000,002	5,830,969	8,830,971
Dividend	19	-	(7,886,805)	(7,886,805)
Profit for the year		-	1,703,182	1,703,182
As at 31 December 2020		3,000,002	(352,654)	2,647,348

The accompanying notes form an integral part of the financial statements.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

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JOHNSON MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)


CHI-LLTC (AF 1114)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,382,857	1,400,978
Adjustments for:			
Depreciation of property, plant and equipment		84,022	133,558
Interest expenses		34,725	108,719
Impairment loss on trade and other receivables		64,606	-
Reversal of impairment loss on amount due from related party		(10,953)	-
Operating profit before working capital changes		2,555,257	1,643,255
Decrease/(increase) in inventories		2,341,967	(2,582,124)
Decrease/(increase) in amount due from contract customers		460,455	(1,413,788)
Increase in trade and other receivables		(4,487,361)	(958,025)
(Decrease)/increase in trade and other payables		(1,290,892)	3,364,656
Cash (used in)/from operations		(420,574)	53,974
Interest paid		(34,725)	(108,719)
Tax paid		(72,703)	-
Tax refund		-	12,044
Net cash used in operating activities		(528,002)	(42,701)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4(a)	(7,698)	(26,558)
Proceeds from disposal of property, plant and equipment		35,962	-
Net cash from/(used in) investing activities		28,264	(26,558)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment from a director		413,723	919,785
Advances to related parties		(32,470)	(9,965)
Repayment of finance lease payables		(48,175)	(56,885)
Repayment of term loans		-	(879,003)
Net cash from/(used in) financing activities		333,078	(26,068)
Net decrease in cash and cash equivalents		(166,660)	(95,327)
Cash and cash equivalents at beginning of the year		229,372	324,699
Cash and cash equivalents at end of the year		62,712	229,372
Cash and cash equivalents comprise:			
Cash and bank balances		62,712	229,372

The accompanying notes form an integral part of the financial statements.

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

JOHNSON MEDICAL INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 GENERAL INFORMATION

The Company is a private limited company incorporated and domiciled in Malaysia.

The registered office is located at B03-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur.

The principal place of business is located at No. 12, Jalan PJS 1/29, Taman Petaling Utama, 46000 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are design, manufacture and install customised hospital support system equipment. There have been no significant changes in the nature of the activities during the year.

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard (“MPERS”) and the requirements of the Companies Act, 2016.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets.

The principal accounting policies adopted are set out below:

2.1 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	<u>Rate</u>
Computers	33%
Factory equipment	20%
Buildings	2%
Furniture and fittings	20%
Machinery and tools	20%
Medical equipment	20%
Motor vehicles	33%
Office equipment	20%
Renovation	20%
Showroom and signboard	20%

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

2.2 INVENTORIES

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is measured by using the average cost method.

At each reporting date, inventories are assessed for impairment. If an item of inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss. At each subsequent reporting date, the Company make a new assessment of selling price less costs to complete and sell. If there is any indication that an impairment loss recognised in prior periods may no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell due to changed economic circumstances, an impairment loss is reversed to the extent that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

2.5 LIABILITIES AND EQUITY

i) Classification Of Liabilities And Equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 LIABILITIES AND EQUITY (CONT'D)

ii) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

2.6 PROVISIONS

A provision is recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.7 REVENUE

i) Sales of Goods

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

ii) Construction Contracts

When the outcome of a construction contract activity can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. Stage of completion is determined based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately, with a corresponding provision for an onerous contract.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 EMPLOYMENT BENEFITS

i) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Company.

The expected cost of accumulating compensated absences are recognised when the employees render services that increase their entitlement to future compensated absences. The expected cost of non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences are measured at the undiscounted additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

The expected cost of profit-sharing and bonus payments are recognised when the Company have a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Company have no realistic alternative but to make the payments.

ii) Defined Contribution Plan

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Company.

2.9 INCOME TAX

i) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities. Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii) Deferred Tax

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an assets or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 INCOME TAX (CONT'D)

ii) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

2.10 RELATED PARTY TRANSACTION

For the purpose of these financial statements, a party is related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

A related party also includes key management personnel which is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Company.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 CRITICAL JUDGEMENTS IN APPLYING THE ACCOUNTING POLICIES

There are no areas that require significant judgements and assumptions.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are as follows:

i) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumptions of the economic benefits of the assets over its useful life. Estimates are applied in the selection of depreciation method, the useful lives and the residual value. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied.

ii) Write down for obsolete or slow-moving inventories

Inventories are written down when events and circumstance indicate that the carrying amount may not be recoverable. The management uses its judgement to analyse past sales trend and current economic trends to evaluate the adequacy of the impairment loss for slow moving and obsolete inventories. The actual loss can only be confirmed in any subsequent sales of those inventories and this may differ from the estimates made earlier.

iii) Revenue Recognition for Construction Contracts

The Company's construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

iv) Income Taxes

Significant judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

4 PROPERTY, PLANT AND EQUIPMENT

	As at 1 January 2020 RM	Additions RM	Disposals RM	As at 31 December 2020 RM
<u>Cost</u>				
Computers	94,258	6,599	-	100,857
Factory equipment	24,300	-	-	24,300
Furniture and fitting	150,501	-	(131,220)	19,281
Machinery and tools	39,000	-	-	39,000
Medical equipment	53,428	-	-	53,428
Motor vehicles	617,123	-	-	617,123
Office equipment	86,062	1,099	(50,328)	36,833
Renovation	230,007	-	(224,757)	5,250
Showroom and signboard	38,241	-	-	38,241
	1,332,920	7,698	(406,305)	934,313

	As at 1 January 2020 RM	Charges for the year RM	Disposals RM	As at 31 December 2020 RM
<u>Accumulated Depreciation</u>				
Computers	74,937	6,651	-	81,588
Factory equipment	24,298	-	-	24,298
Furniture and fitting	144,661	3,234	(130,180)	17,715
Machinery and tools	38,990	-	-	38,990
Medical equipment	53,425	-	-	53,425
Motor vehicles	504,215	41,052	-	545,267
Office equipment	61,712	9,849	(44,014)	27,547
Renovation	174,061	24,167	(196,149)	2,079
Showroom and signboard	37,833	396	-	38,229
	1,114,132	85,349	(370,343)	829,138

	2020 RM	2019 RM
<u>Carrying Amounts</u>		
Computers	19,269	19,321
Factory equipment	2	2
Furniture and fitting	1,566	5,840
Machinery and tools	10	10
Medical equipment	3	3
Motor vehicles	71,856	112,908
Office equipment	9,286	24,350
Renovation	3,171	55,946
Showroom and signboard	12	408
	105,175	218,788

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a)

	2020 RM	2019 RM
Cost of property, plant and equipment purchased	7,698	142,558
Less: Amount financed through bank facilities	<u>-</u>	<u>(116,000)</u>
Cash disbursed for purchase of property, plant and equipment	<u>7,698</u>	<u>26,558</u>

At the end of reporting date, the net book value of motor vehicles under finance lease agreement was RM71,853 (2019: RM112,906).

5 INVENTORIES

	2020 RM	2019 RM
Raw materials	725,902	699,638
Finished goods	<u>219,642</u>	<u>2,587,873</u>
	<u>945,544</u>	<u>3,287,511</u>

Inventories consist of raw materials and finished goods are stated at cost.

None of the inventories is carried at net realisable value.

6 AMOUNT DUE FROM CONTRACT CUSTOMERS

	2020 RM	2019 RM
Contract costs incurred to date	7,209,467	4,179,476
Attributable profits	<u>1,737,862</u>	<u>386,018</u>
	8,947,329	4,565,494
Less: Progress billings	<u>(7,993,996)</u>	<u>(3,151,706)</u>
	<u>953,333</u>	<u>1,413,788</u>

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

7 TRADE RECEIVABLES

	2020 RM	2019 RM
Trade receivables	9,648,542	5,138,655
Less: Allowance of impairment loss	<u>(1,904,716)</u>	<u>(1,879,241)</u>
	<u>7,743,826</u>	<u>3,259,414</u>
Allowance for impairment loss:		
At 1 January 2020/2019	1,879,241	1,879,241
Additional for the financial year	<u>25,475</u>	<u>-</u>
At 31 December 2020/2019	<u>1,904,716</u>	<u>1,879,241</u>

The normal trade credit terms granted to the customers ranges from 30 days to 120 days (2019: 30 days to 120 days).

8 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 RM	2019 RM
Other receivables	80,564	183,450
Less: Allowance of impairment loss	<u>(39,131)</u>	<u>-</u>
	41,433	183,450
Deposits	140,555	172,100
Prepayments	<u>29,293</u>	<u>27,692</u>
	<u>211,281</u>	<u>383,242</u>
Allowance for impairment loss:		
At 1 January 2020/2019	-	-
Additional for the financial year	<u>39,131</u>	<u>-</u>
At 31 December 2020/2019	<u>39,131</u>	<u>-</u>

9 AMOUNT DUE FROM/(TO) A DIRECTOR

These amounts are unsecured, interest free and repayable on demand.

10 AMOUNT DUE FROM/(TO) RELATED PARTIES

	2020 RM	2019 RM
Amount due from related parties	-	181,943
Less: Allowance of impairment loss	<u>-</u>	<u>(10,953)</u>
	<u>-</u>	<u>170,990</u>

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

10 AMOUNT DUE FROM/(TO) RELATED PARTIES (CONT'D)

	2020 RM	2019 RM
Allowance for impairment loss:		
At 1 January 2020/2019	10,953	10,953
Reversal of impairment loss	(10,953)	-
At 31 December 2020/2019	<u>-</u>	<u>10,953</u>
Amount due to related parties	<u>-</u>	<u>154,099</u>

These amounts are unsecured, interest free and repayable on demand.

11 SHARE CAPITAL

	Number of shares		2020 RM	2019 RM
	2020 Units	2019 Units		
Issued and fully paid ordinary shares:				
At beginning/end of financial year	<u>3,000,002</u>	<u>3,000,002</u>	<u>3,000,002</u>	<u>3,000,002</u>

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

12 FINANCE LEASE PAYABLES

	2020 RM	2019 RM
Finance lease payables	233,126	290,638
Less: Interest in suspense	(21,280)	(30,617)
	<u>211,846</u>	<u>260,021</u>
Minimum finance lease payments: -		
- not later than 1 year	63,348	68,070
- later than 1 year and not later than 2 years	169,778	222,568
	<u>233,126</u>	<u>290,638</u>
Less: Future finance charges	(21,280)	(30,617)
Present value of finance lease liabilities	<u>211,846</u>	<u>260,021</u>
Present value of finance lease is analysed as follows:		
- not later than 1 year	54,708	57,102
- later than 1 year and not later than 5 years	157,138	202,919
	<u>211,846</u>	<u>260,021</u>

The effective interest rate at the reporting date is at 2.34% to 2.72% (2019: 2.34% to 2.72%) per annum.

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

13 DEFERRED TAX LIABILITIES

	2020 RM	2019 RM
At 1 January 2020/2019	11,468	-
Amount recognised in profit or loss (Note 18)	<u>(11,468)</u>	<u>11,468</u>
At 31 December 2020/2019	<u>-</u>	<u>11,468</u>

14 TRADE PAYABLES

The normal trade credit terms granted to the Company ranges from 30 days to 120 days (2019: 30 days to 120 days).

15 OTHER PAYABLES AND ACCRUALS

	2020 RM	2019 RM
Other payables	1,723,706	1,712,318
Accruals	<u>841,198</u>	<u>373,923</u>
	<u>2,564,904</u>	<u>2,086,241</u>

Included in other payables amounting RM490,000 (2019: RM489,998) which the amount is unsecured, bore fixed interest rate of 10% per annum and repayable on demand.

16 REVENUE

Revenue represents the invoiced value of goods sold and services rendered less trade discount and returns.

Revenue from fixed price construction contract is recognised based on the percentage of completion method where the outcome of contracts can be reliably measured. Anticipated losses are provided in full.

**APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER
2020 (cont'd)**

Company No.: 199401031581 (317263-T)

17 PROFIT BEFORE TAX

	2020	2019
	RM	RM
This has been arrived at after charging/(crediting):-		
Audit fee	26,000	20,000
Depreciation of property, plant and equipment	84,022	133,558
Director's remuneration	134,000	144,400
Finance costs:		
- Bank overdrafts interest	-	17,658
- Finance lease interest	10,225	9,535
- Interest expenses	24,500	30,750
- Term loan interest	-	50,776
Impairment loss on trade and other receivables	64,606	-
Other income - wages subsidy programme	(73,800)	-
Realised loss/(gain) on foreign exchange	41,061	(4,046)
Rental charges	63,300	57,800
Rental of equipment	1,680	-
Rental of photocopier	3,645	3,600
Rental of factory	154,800	166,800
Reversal of impairment loss on amount due from related party	(10,953)	-
Staff costs: -		
- Salaries, allowances and bonus	1,787,282	1,587,334
- EPF, SOCSO and EIS contribution	196,511	199,654
Written off of deposit	9,580	-
	<u> </u>	<u> </u>

18 INCOME TAX EXPENSE

	2020	2019
	RM	RM
Current year tax provision	680,147	435,752
Under provision in prior year	10,996	16,010
Transfer (to)/from deferred tax (Note 13)	<u>(11,468)</u>	<u>11,468</u>
Total income tax expense	<u>679,675</u>	<u>463,230</u>

The reconciliation of income tax expense at the applicable income tax rate to income tax expense at the effective tax rate is as follows:

	2020	2019
	RM	RM
Profit before tax	<u>2,382,857</u>	<u>1,400,978</u>
Tax at Malaysian statutory tax rate of 24%	571,886	336,234
Non-taxable income	(17,712)	-
Non-deductible expenses	114,505	110,986
Under provision in prior year	<u>10,996</u>	<u>16,010</u>
Total income tax expense	<u>679,675</u>	<u>463,230</u>

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

19 DIVIDEND

	Dividend per share RM	Total amount RM	Date of payment
2020			
Single tier dividend for year ended 31 December 2020	2.6289	<u>7,886,805</u>	30 November 2020

The payment of the dividend to shareholder be set off against the amount due from Company.

20 EMPLOYEES' INFORMATION

The number of employees of the Company (including executive directors) as at 31 December 2020 was 27 (2019: 30).

21 SIGNIFICANT EVENT OCCURRING DURING THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation (“WHO”) has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order (“MCO”) had been imposed from 18 March 2020 to 1 May 2020 and further extended through a Conditional MCO (“CMCO”) till 9 June 2020. The CMCO is replaced by Recovery MCO from 10 June 2020 to 31 August 2020, and further extended to 31 December 2020.

Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. With this decision, the Company’s operations are able to operate subject to certain operating conditions.

22 SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 1 January 2021, the RMCO is further extended to 31 March 2021.

On 12 January 2021, MCO 2.0 has been imposed from 13 January 2021 to 26 January 2021.

On 13 January 2021, a nationwide state of emergency proclamation until 1 August 2021 was declared by the King to curb the Covid-19 pandemic that has reached alarming level in the country.

On 5 March 2021, MCO 2.0 is replaced by CMCO until 5 May 2021.

On 4 May 2021, MCO 3.0 has been imposed from 6 May 2021 to 7 June 2021.

Directors are being aware of the challenges posed by these events and the potential impact they have on the Company’s financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Company is unable to reasonably estimate the full financial impact of the Covid-19 outbreak. The Company is monitoring the situation closely and to mitigate the financial impact.

APPENDIX VI – AUDITED FINANCIAL STATEMENTS OF JMI FOR THE FYE 31 DECEMBER 2020 (cont'd)

Company No.: 199401031581 (317263-T)

23 CONTINGENT LIABILITIES

	2020	2019
	RM	RM
Unsecured		
Guarantee given in respect of:		
Corporate guarantee	<u>408,720</u>	<u>1,094,920</u>

24 CAPITAL COMMITMENTS

	2020	2019
	RM	RM
Contracted but not provided for	<u>86,000</u>	<u>-</u>

25 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on **21 MAY 2021**

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

The Constitution of the Company shall be altered, modified, added and deleted in the following manner:

(1) **Clause 5 (Definition and Interpretation)**

(a) To modify and adopt the following new interpretation:

RCPS - Redeemable Convertible Preference Shares in the capital of the Company having the rights as set out in Clause 8(3).

(2) **Clause 8(3) (Terms and Conditions of the Redeemable Convertible Preference Shares)**

To insert and adopt a new Clause 8(3) immediately after Clause 8(2):

Rights of Preference Shares

The salient terms of the RCPS are as follows:

Terms	Details
Issue Price	: RM0.10 per RCPS
Form and constitution	: Pursuant to the Subscription Agreement dated 28 April 2021 (" Subscription Agreement "), includes any amendments, supplements, modification, the RCPS will be issued in registered form and constituted by the Company's Constitution.
Issue Size	: Up to RM19,094,600 by way of issuance of up to 190,946,000 RCPS. The RCPS will comprise of up to 10 tranches of 19,094,600 RCPS for each tranche, the 10 tranches of the RCPS shall be referred to as " Tranche 1 RCPS ", " Tranche 2 RCPS ", " Tranche 3 RCPS ", " Tranche 4 RCPS ", " Tranche 5 RCPS ", " Tranche 6 RCPS ", " Tranche 7 RCPS ", " Tranche 8 RCPS ", " Tranche 9 RCPS " and " Tranche 10 RCPS ", respectively). Tranche 1 RCPS, Tranche 2 RCPS, Tranche 3 RCPS, Tranche 4 RCPS, Tranche 5 RCPS, Tranche 6 RCPS, Tranche 7 RCPS, Tranche 8 RCPS, Tranche 9 RCPS and Tranche 10 RCPS shall each comprise of 10 equal sub-tranches of 19,094,600 RCPS. Subject to outstanding number of RCPS not exceeding 50% of the then existing issued share capital (in number of Shares) of the Company at any point.
Closing Date	: In respect of each sub-tranche of the RCPS, the date on which such sub-tranche of the RCPS is subscribed for and issued (" Closing Date ").
Issue and subscription of Tranche 1	: Subject to the terms and conditions of the Subscription Agreement, Tranche 1 shall be issued and subscribed at the Issue Price on the Issue Date as follows: (i) in respect of the first sub-tranche of Tranche 1, on the date falling 5 market days immediately after the last of the conditions precedent is fulfilled or such other date as the Company and OUD Asset Management Sdn Bhd (" RCPS Subscriber ") may agree in writing; and (ii) subject to, amongst others, the 190,946,000 Conversion Shares (" Maximum Limit of Conversion Shares "), the Subscriber is in receipt of and has agreed to accept the subscription notice in the form as set out in the Subscription Agreement (" Subscription Notice "), thereafter, in respect of each of the subsequent sub-tranches of Tranche 1, the targeted Closing Date (as defined hereunder) as proposed by the Company in the Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent sub-tranche of Tranche 1.

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
Issue and subscription of Subsequent Tranches	<p>Subject to, amongst other, the Maximum Limit of Conversion Shares and the RCPS Subscriber's receipt and acceptance of the Subscription Notice issued by the Company in respect of each Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, the Company agrees to issue, and the RCPS Subscriber agrees to subscribe for Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, at the Issue Price:</p> <p>(i) in respect of the first sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, on the targeted closing date as proposed by the Company in the Subscription Notice or such other date as the Parties may agree in writing, such date being the closing date for the first sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be; and</p> <p>(ii) thereafter, in respect of each subsequent sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be, on the targeted closing date as proposed by the Company in the Subscription Notice or such other date as the Parties may agree in writing, such date being the closing date for such subsequent sub-tranche of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6, Tranche 7, Tranche 8, Tranche 9 and Tranche 10, as the case may be.</p>
Payment by RCPS Subscriber	<p>: On each closing date against compliance, delivery and deposit of the documents and the share certificate evidencing ownership of the RCPS, as the case may be, the RCPS Subscriber shall pay the relevant subscription moneys for the relevant sub-tranche of the RCPS to the Company by delivery of a cashier's order issued by a licensed bank in Malaysia and drawn in favour of the Company or via telegraphic transfer to an account stipulated by the Company in writing.</p> <p>An administrative fee amounting to 5.0% of the aggregate subscription price of the RCPS subscribed for each of the sub-tranches, be deducted by the RCPS Subscriber directly from the subscription monies payable to the Company for the subscription of each sub-tranche of the RCPS.</p>
Maturity Date	<p>: The date falling on the business day immediately before the 5th anniversary of the Issue Date of the Tranche 1 RCPS ("Maturity Date").</p>
Dividend Rate	<p>: (i) Each RCPS shall carry the right to receive out of profits of the Company a non-cumulative preferential dividend at the rate of 4.0% per annum calculated based on the aggregate subscription price of the RCPS at the RCPS Issue Price, to be calculated as follows:</p> <p style="padding-left: 40px;">$4\% \text{ per annum} \times N \times P \times (D/365)$</p> <p style="padding-left: 40px;">"N" is the number of outstanding RCPS "P" is the RCPS Issue Price "D" is the amount of days elapsed since the relevant closing date for the RCPS The above calculation represents the Holder of RCPS's entitlement to the non-cumulative preferential dividend from the closing date of the RCPS.</p> <p>(ii) The preferential dividends shall be payable to the Holder of RCPS semi-annually within 14 days from the date of 30 June and 31 December each calendar year. No dividends shall be paid of the Shares unless the dividends on the RCPS have been first paid.</p>

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
	<p>(iii) The right to receive preference dividends shall cease once the RCPS are converted into Bintai Shares or redeemed by the Company.</p>
Conversion Terms	<p>: Subject to and upon compliance with the terms and conditions in the Subscription Agreement, the RCPS may be converted into the Company's ordinary shares ("Conversion Shares", each a "Conversion Share" during the Conversion Period (as defined above)).</p> <p>Each RCPS shall be entitled to be converted into 1 Conversion Share in the Company at the conversion price representing 80% of the 5 days volume weighted average price preceding the date where the respective closing date of the RCPS ("Conversion Price"), subject to RM0.10 being the minimum conversion price ("Minimum Conversion Price"). All RCPS which are converted will be cancelled by the Company and shall not be reissued or resold.</p> <p>If the Conversion Price is less than the Minimum Conversion Price, the Conversion Price for each Share shall be equal to the Minimum Conversion Price.</p> <p>The payment of the Conversion Price of the RCPS shall be made in cash in favour of the Company together with separate payments of all other fees including stamp duty and taxes payable (if any) in respect of the exercise of the conversion right. Each RCPS may be converted into 1 Conversion Share by:</p> <ul style="list-style-type: none">(i) surrendering the RCPS; and(ii) paying the difference between the RCPS Issue Price and the Conversion Price ("Differential"), if any, in cash, for every 1 Conversion Share. <p>The Conversion Price is subject to any applicable adjustments as set out in the Subscription Agreement. If, during the subsistence of the Subscription Agreement an event has occurred including, without limitation:-</p> <ul style="list-style-type: none">(i) where the Company shall (i) make a stock split, (ii) consolidate its outstanding Shares into a smaller number of shares, or (iii) re-classify any of its Shares into other securities of the Company;(ii) if the Company shall grant, issue or offer to the holder of Shares rights or warrants entitling them to subscribe for or purchase Shares;(iii) if the Company shall grant, issue or offer to the holder of Shares rights or warrants entitling them to subscribe for or purchase any securities convertible into or exchangeable for Shares;(iv) if the Company shall distribute to the holders of Shares evidences of its indebtedness, ordinary shares of the Company (other than Shares arising from the conversion of the RCPS), assets (excluding annual dividends or interim dividends) or rights or warrants to subscribe for or purchase securities (other than those rights and warrants referred to in (ii) and (iii) above);(v) if the Company shall issue any securities convertible into or exchangeable for Shares (other than the RCPS or in any of the circumstances described in (iii) and (vii) below) or where such securities are issued to the vendors of assets being acquired for full value by the Company and the consideration per Share receivable by the Company shall be less than 95% of the current market price per Share on the date in Malaysia on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of shareholders, on the date in Malaysia on which the board of directors of the Company fixes the consideration to be recommended at such meeting);(vi) if the Company shall issue any Shares (other than Shares issued to shareholders of any corporation which merges into the Company upon such

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
	<p>merger in proportion to their shareholding in such corporation immediately prior to such merger and other than Shares issued on exercise of the conversion rights attaching to the RCPS or pursuant to a scrip dividend or pursuant to an exercise of any rights attached to securities the issue of which had given rise to an adjustment under e. above or did not require any adjustment pursuant to the conditions of RCPS and the consideration per Share receivable by the Company shall be less than 95% of the current market price per Share on the date in Malaysia on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of shareholders, on the date in Malaysia on which the board of directors of the Company fixes the consideration to be recommended at such meeting);</p> <p>(vii) if the Company shall issue any rights or warrants to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares (other than the RCPS and any rights or warrants granted, issued or offered to the holders of Shares or pursuant to the terms of any securities) and the consideration per Share receivable by the Company shall be less than 95% of the current market price per Share on the date in Malaysia on which the Company fixes the said consideration (or, if the issue of such rights or warrants is subject to approval by a general meeting of shareholders, on the date in Malaysia on which the board of directors of the Company fixes the consideration to be recommended at such meeting); and</p> <p>(viii) if the Company makes a capital distribution which does not fall within paragraphs (i) to (vii) above,</p> <p>such that the closing price per Share before and after such event does not represent the same economic and financial participation that a shareholder of the Company would have had without the occurrence of such an event, then the Conversion Price shall, at the determination of the Board, be adjusted to reflect the impact of such an event in such a manner as an independent reputable bank (such as but not limited to Bloomberg L.P.) or a reputable firm of investment advisers licensed by the Securities Commission Malaysia would. Such bank or firm may be agreed between the Company and the RCPS Subscriber or, if not so agreed, the Company and the RCPS Subscriber shall agree to a bank or firm as nominated by the Malaysia Institute of Accountants which it deems is fair and reasonable to make such changes to the Conversion Price.</p>
Conversion Cap	<p>: The extent of conversion of the RCPS by the Subscriber shall be capped such that its resultant ordinary shareholding in the Company shall not exceed 20% of the enlarged total number of ordinary Shares of the Company at any point in time following a conversion.</p> <p>There will be no conversion of the RCPS such that the RCPS Subscriber becomes a controlling shareholder of the Company within the ambit of the Main Market LR; The RCPS Subscriber or together with its affiliate, not to hold more than 20% interest in the total number of issued Shares, at any time and from time to time without prior approval of the Company; and</p>
Non-Default Redemption	<p>: Subject to and in accordance with Section 72 of the Act, the RCPS which are not redeemed or bought back, converted or cancelled by the Company to be redeemed by the Company at 115% of their aggregate subscription price of the RCPS ("Redemption Amount") at any time before the date falling sixty (60) months from the closing date of the first sub-tranche of Tranche 1 RCPS. The Company shall at least 7 business days prior to the Maturity Date, issue an announcement notifying the holder of the RCPS the same and shall despatch to the holder of the RCPS, a notice of the Maturity Date in a form set out in Schedule 6 of the</p>

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
	<p>Subscription Agreement.</p> <p>All RCPS which are bought back, redeemed or converted will forthwith be cancelled by the Company and shall not be reissued or resold.</p>
Redemption Option	<p>: If the Conversion Price is less than or equal to 65% of the average daily volume weighted average price per Share for the 30 consecutive market days, the Company may redeem the RCPS presented for conversion in cash at an amount calculated in accordance with the formula as set out below:-</p> $R = N \times \{P + [8\% \times P \times (D/365)] \}$ <p>where,</p> <p>“R” : Conversion Redemption Amount “N” : Number of RCPS presented for conversion “P” : Face value of the RCPS presented for conversion “D” : Number of days elapsed since the presented RCPS were subscribed</p>
Conversion Period	<p>: The period from and including the respective Issue Date up to the close of business on the day falling 7 days prior to the Maturity Date. Notwithstanding the above, the Company may from time to time give not more than 35 days' and not less than 14 days' written notice to the RCPS Subscriber specifying a period which the RCPS will not be convertible, provided always that the aggregate of the days on which the RCPS are not convertible shall not exceed 12 business days in any calendar year.</p>
Event Default	<p>of : For so long as there are any RCPS outstanding, if any of the following events (each, an “Event of Default”) occurs:</p> <ul style="list-style-type: none"> (i) for so long as there are any RCPS outstanding, any of the approvals required to be obtained by the Company under the Subscription Agreement are not obtained or are amended, withdrawn, revoked, rescinded or cancelled; (ii) where any of the approvals required to be obtained by the Company under the Subscription Agreement were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled; (iii) there is a default in any payment by the Company in respect of payment of dividend and/or the redemption of RCPS; (iv) there is default by the Company in the payment of the Redemption Amount, Default Redemption Amount or dividend in respect of the RCPS or any of them when due in accordance with the terms and conditions of the RCPS and such default is not remedied by the Company within 10 business days from the due date of such payment; (v) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue shares arising from the conversion of the RCPS as and when the RCPS Subscriber exercises its conversion rights in accordance with the conditions) contained in the Subscription Agreement and on its part to be performed or observed (other than the covenant to pay the principal and dividend in respect of any of the RCPS) and such default continues for the period of 10 business days next following the service by the RCPS Subscriber on the Company of notice requiring the same to be remedied; (vi) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of over RM500.0 million or the equivalent in any other currency or currencies (hereinafter collectively called “Indebtedness”) of the Company or any of

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
	the Subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of the Subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of over RM500.0 million given by the Company or any of the Subsidiaries shall not be honoured when due and called upon;
(vii)	a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation which is approved by the shareholders of the Company, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the RCPS;
(viii)	a resolution is passed or an order of a court of competent jurisdiction is made that any Subsidiary be wound up or dissolved otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (ii) below) the terms of which have previously been approved in writing by holder of the RCPS holding 51% or more of the outstanding RCPS, (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or another Subsidiary of the Company, or (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such Subsidiary and such surplus assets attributable to the Company and/or any Subsidiary are distributed to the Company and/or such Subsidiary;
(ix)	an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Group;
(x)	the Company or any Subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due or (ii) the Company or any Subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (g) or (h) above) ceases or through an official action of the board of directors of the Company or any Subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on the Group;
(xi)	proceedings shall have been initiated against the Company or any Subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 10 Business Days;
(xii)	the Company or any Subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of insolvency or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable winding up, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a material adverse effect on the Group;
(xiii)	a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any Subsidiary, which is material in its effect upon the operations of either the Company or such Subsidiary, as the case may be, and is not discharged within 10 Business Days thereof;
(xiv)	the delisting of the Shares on the Main Market of the Bursa Securities or a suspension of trading of such Shares on the Main Market of the Bursa

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
	<p>Securities for a period of 5 consecutive Business Days or more;</p> <p>(xv) the ratio of Borrowings to Net Worth exceeds 2.0 times;</p> <p>(xvi) the Net Worth is less than RM53.0 million;</p> <p>(xvii) for so long as there are any RCPS outstanding, if the Company engages in any transaction with any hedge fund operating or originating from any part of the world without prior written consent from holder of RCPS, which will not be unreasoned withheld; or</p> <p>(xviii) any credit facilities granted to the Company or any of its Subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group,</p> <p>then the RCPS Subscriber may and if they deem fit in their respective absolute discretion, declare that an Event of Default has occurred. In the Event of Default, all outstanding RCPS may, by notice in writing given to the Company, be declared immediately redeemed at 118% principal amount of the RCPS.</p>
Event of Default Redemption	<p>In the event of the occurrence of any events of default, subject to and in accordance with Section 72 of the Act, any outstanding RCPS may, by notice in writing given to the Company at the designated office by the RCPS Subscriber at its discretion, be declared redeemable whereupon such RCPS shall be redeemed at 118% of its aggregate subscription price of the RCPS ("Default Redemption Amount") without further formality within 30 days from lapse of rectification notice and failure on the part of the Company to remedy and rectify the circumstances ("EOD Redemption Period") and default interest shall accrue on such amount on a daily basis after the expiry of the EOD Redemption Period at the rate of 8.0% per annum up to and including the date which the RCPS Subscriber receives full payment of the Default Redemption Amount, together with the accrued default interest.</p>
Right to participate in equity-linked securities of the Company	<p>The Company or any subsidiary may offer and sell any securities convertible into securities of the same class as the issued Shares or securities substantially similar to the Shares ("Equity-linked Securities") provided that, in respect of any proposed private placement of such Equity-linked Securities, the Company shall, and the Company shall procure that the relevant subsidiary shall, offer and, if subscribed, sell such Equity-linked Securities to holder of the RCPS prior to offering such Equity-linked Securities to any other person (except for rights issues or any issues in respect of which the Company is restricted from so doing by law, the Main Market LR or any other applicable regulations) ("Right of First Refusal"). The Equity linked Securities shall not be convertible into issued Shares at a price which is below the Minimum Conversion Price, unless prior written consent of the RCPS Subscriber has been obtained.</p> <p>Such Right of First Refusal is not applicable to any corporate exercises approved by the shareholders of the Company prior to the date of the Subscription Agreement. For the avoidance of doubt, the term "Equity-linked Securities" shall exclude any warrants relating to the Shares, or convertible preference shares issued to the RCPS holder without preference among the RCPS holder (but so that the exclusion of the RCPS holders who are overseas or on other grounds approved by the Bursa Securities shall be deemed not to be a preference of the other RCPS holders).</p> <p>The Right of First Refusal is exercisable only by holder of the RCPS holding in aggregate not less than 50% of the aggregate principal amount of the RCPS outstanding as at the date of the First Right of Refusal Notice (as defined below) and may be exercised from and including the date of receipt by holder of the RCPS of a notice (the "First Right of Refusal Notice") in writing from the Company setting out the details of such offer to and including the date falling fourteen market days thereafter (the "Exercise Period").</p>

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
	<p>To indicate that it wishes to exercise the Right of First Refusal, a holder of the RCPS (an "Exercising holder of the RCPS") shall notify the Company in writing at any time during the Exercise Period that it wishes to exercise the Right of First Refusal. If during the Exercise Period, the Company receives notices from holder of the RCPS holding not less than 50% of the aggregate principal amount of the RCPS outstanding indicating they wish to exercise the Right of First Refusal (a "Valid Exercise"), the Company or the relevant subsidiary shall issue to each Exercising holder of the RCPS, and each Exercising holder of the RCPS shall subscribe, such Equity-linked Securities in the proportion of each Exercising Holder's of the RCPS holding of RCPS relative to the principal amount of all the outstanding Shares held by all the Exercising holder of the RCPS (unless otherwise agreed between the holder of the RCPS). For the avoidance of doubt, on a Valid Exercise, the Company shall issue, and the Exercising holder of the RCPS shall subscribe for, the entire issue of the relevant Equity-linked Securities.</p>
	<p>If there is no Valid Exercise during the Exercise Period, the Right of First Refusal shall be deemed not to have been exercised by any holder of the RCPS, but the holder of the RCPS shall have the right to participate in any such private placement of Equity-Linked Securities (the "Right of Participation"), from and including the date of expiry of the Exercise Period to and including the date of expiry of the private placement offer (the "Participation Period"), in accordance with the following provisions:</p>
	<p>(i) the Company shall as soon as practicable after the expiry of the Exercise Period issue a notice (the "Right of Participation Notice") to the holder of the RCPS and (where applicable) each other prospective investor;</p> <p>(ii) holder of the RCPS that wishes to exercise the Right of Participation (each a "Participation holder of the RCPS") shall complete and return to the Company (by no later than the date of expiry of the private placement offer) a counterpart of the Right of Participation Notice, indicating therein the principal amount of the Equity-linked Securities (the "Participation Amount") for which it intends to subscribe; and</p>
	<p>(a) if the aggregate of the participation indicated by the Participation holder of the RCPS is:</p> <p>(AA) less than 20% of the aggregate principal amount offered under such private placement, the Company or the relevant Subsidiary is not required to issue any Equity-linked Securities to any Participation holder of the RCPS;</p> <p>(BB) not less than 20% but not more than 50% of the aggregate principal amount offered under such private placement, each Participation holder of the RCPS shall subscribe for, and the Company or the relevant Subsidiary shall issue to the relevant Participation holder of the RCPS, Equity-linked Securities in an amount equal to the Participation Amount in respect of such Participation holder of the RCPS; and</p> <p>(CC) more than 50% of the aggregate principal amount offered under such private placement, the Participation holder of the RCPS shall subscribe for, and the Company or the relevant Subsidiary shall issue to the relevant Participation holder of the RCPS, an aggregate of at least 50% of the aggregate amount offered under such private placement, and the part of such amount subscribed for by each Participation holder of the RCPS shall be in the proportion that its holding of Shares bears to the principal amount of all the outstanding RCPS held by all the Participation holder of</p>

APPENDIX VII – DETAILS OF THE PROPOSED AMENDMENTS

Terms	Details
Rights to participate in new Shares	<p style="text-align: center;">the RCPS (unless otherwise agreed by the holder of the RCPS)</p> <p>The Company may offer and issues new ordinary shares provided that, in respect of any proposed private placement of such new ordinary shares (save for any proposed private placement under general mandate pursuant to Section 75/76 of the Act for new Shares to be issued as consideration or part consideration for the acquisition of shares or assets by the group), the Company shall offer and, if subscribed, sell issue such new ordinary shares to the RCPS Subscriber prior to offering such new ordinary shares to any other person (except for rights issues or any issues in respect of which the Company is restricted from so doing by applicable law, the Act, the Capital Market and Services Act 2007, the Main Market LR or any other applicable regulations) ("Right of First Refusal to new Shares").</p> <p>The Company agrees that the Right of First Refusal and Right of Participation shall similarly apply to the Right of First Refusal to new Shares. For the avoidance of doubt, such Right of First Refusal to new Shares shall not be applicable to any of the on-going corporate proposals approved and undertaken by the Company but pending completion, if any.</p>
Voting Rights	<p>The RCPS shall carry no right to vote at any general meeting of the Company except for matters related to their rights as RCPS Holder, including but not limited to any proposal to reduce the capital of the Company, disposal of the Company's entire property, business and undertaking, winding up of the Company and on any proposal that affects the rights attached to the RCPS, in which they are entitled the voting rights of one vote for each RCPS held.</p>
Ranking of RCPS	<p>The RCPS, upon issuance, shall rank in priority to the Company's ordinary shareholders in respect of payment of dividends on the RCPS. In the event of liquidation, dissolution or winding up, the RCPS shall rank in priority to the ordinary shareholders of the Company. The RCPS shall not be listed on any stock exchange.</p>
Ranking of Conversion Shares	<p>The Conversion Shares shall upon issue and allotment, rank pari passu in all respects with the then existing ordinary shares of the Company except that the Conversion Shares shall not be entitled to any dividends, rights, and/or other distribution that may be declared and the Conversion Shares shall be listed on the Main Market of Bursa Securities.</p>
Priority on Liquidation and Return of capital	<p>In the event of liquidation, winding up or other return of capital of the Company, the holder of the RCPS shall have priority in the repayment of capital (based on the RCPS Issue Price) together with any arrears of any declared but unpaid dividend on a non-cumulative basis calculated to the date of such repayment over holders of ordinary shares with respect to any net proceeds from liquidation of the Company after payments to all the creditors of the Company, whether secured or unsecured.</p>
Modification of Rights	<p>Any modification by the Company of the RCPS (including its conditions) or any waiver or authorisation of any breach or proposed breach by the Company of the RCPS requires the written approval of holders of 51% or more of the aggregate principal amount of RCPS then outstanding.</p>
Transferability	<p>The RCPS are not transferable and not tradeable.</p>
Listing Status	<p>The RCPS shall not be listed on any stock exchange. The Conversion Shares shall be listed in the Main Market of Bursa Securities.</p>
Governing Laws	<p>The Subscription Agreement and RCPS shall be governed by the laws of Malaysia.</p>



27 October 2021

The Board of Directors
Bintai Kinden Corporation Berhad
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Dear Sirs,

**FAIRNESS OPINION ON THE PURCHASE CONSIDERATION IN RELATION TO THE
PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN JOHNSON
MEDICAL INTERNATIONAL SDN BHD (“JMI”) (“PROPOSED ACQUISITION”)**

1. INTRODUCTION

This fairness report (“**Report**”) has been prepared for inclusion into the Circular and should be read in conjunction with the same. All definitions used in this Report shall have the same meaning as the words provided in the definition section of Circular, except where the context requires or where otherwise defined herein.

On 12 April 2021, M&A Securities on behalf of the Board of Bintai, announced that the Company had entered into a memorandum of understanding with the Vendor for the proposed acquisition of the entire equity interest in JMI for a total purchase consideration of RM50,000,000 to be satisfied via a combination of cash payment and issuance of new ordinary shares in Bintai.

On 28 April 2021, M&A Securities on behalf of the Board, announced that the Company had entered into the SSA, Deed of Profit Guarantee and Escrow as well as the Service Agreement to effect the Proposed Acquisition.

Pursuant thereto, on 9 April 2021 the Board of Bintai appointed Eco Asia to provide an independent evaluation on the fairness of the purchase consideration in relation to the Proposed Acquisition.

This Report set out the scope and method of our valuation, key basis and assumptions on which the valuation is performed, our valuation and limitations thereon.

This Report must be read in conjunction with the limitation and restriction as set out in paragraph 4 and 5 respectively and the key basis and assumptions of the valuation set out in paragraph 6.1 below.



2. SOURCES OF INFORMATION

In preparation of this Report, Eco Asia has relied on the following source of information and documents:

- (i) the announcement made by M&A Securities on the 12th and 28th of April 2021 in relation to the Proposed Acquisition;
- (ii) JMI's audited financial statements for the FYE 31 December 2019 and FYE 31 December 2020;
- (iii) information contained in this Circular;
- (iv) Other relevant information, documents and representation furnished to us by the management of Bintai and JMI (collectively known as the **"the Management"**); and
- (v) Other publicly available information.

3. DATE OF OPINION

The date of our opinion is 27 October 2021 (herein also referred to as the **"Date of Opinion"**).

4. SCOPE AND LIMITATION TO THE EVALUATION

Eco Asia was not involved in the formulation of the Proposed Acquisition or any deliberation and negotiation on the terms and conditions of the Proposed Acquisition. Our scope is limited to expressing an independent opinion on the fairness of the Proposed Acquisition to the Board based on the information and documents made available to us as mentioned in paragraph 2 above.

Our role as the independent valuer does not extend to us expressing an opinion on the commercial merits of the Proposed Acquisition. The assessment of the commercial merits of the Proposed Acquisition is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Acquisition.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the information provided to us. We have also relied on the Management to exercise due care to ensure that all information and documents as mentioned above and that all relevant facts, information and representations necessary for our assessment have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate. This includes carrying out reasonableness checking and/or corroborating documents prepared by and/or signed off by independent parties where possible.

Our procedures and inquiries do not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Report. Accordingly, we issue no warranty or any other form of assurance as to the accuracy or completeness of the information provided by the Management.



We have not undertaken an independent investigation into the business of Bintai and JMI. Based on the above and from our review of the relevant documents provided by the Management, we are satisfied that the information and documents provided to us by the Management are sufficient and we have no reason to believe that any such information provided to us are untrue, inaccurate or misleading or the disclosure of which might reasonably affect our assessment as set out in this Report. We have also assumed that the Proposed Acquisition will be implemented based on the terms set out in the SSA without any material waiver or modifications.

As part of the SSA, the Vendor guarantee and undertake that the PAT to be achieved by JMI is RM3,500,000 and RM5,600,000 for the First Period and Second Period, respectively or RM9,100,000 collectively for the First Period and Second Period on an aggregate basis. Eco Asia, in no way, guarantee or otherwise warrant the achievability of the Guaranteed Profit.

The Board have, individually and collectively, accepts full responsibility to all material facts, financial and other information contained in this Report, and for the accuracy of the information in respect of the Acquisition (save for those in relation to our Evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein incomplete, false and/or misleading.

It should be noted that the valuation in itself is highly dependent on, amongst others, prevailing economic, market and other conditions which may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given by Eco Asia that the information and documents provided will remain unaltered subsequent to the issuance of this Report.

It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the basis and assumptions upon which the valuation was based. As such, the adoption of such basis and assumptions does not imply that we warrant their validity or achievability.

5. RESTRICTIONS

This Report is prepared strictly and solely for Bintai's internal management use and is not intended for general circulation and cannot be disclosed or referred to, in whole or in part, in any document other than for the inclusion in the Circular in relation to the Proposed Acquisition. Accordingly, we shall not be responsible or liable for any losses or damages as a result of reliance by any party contrary to the provision set out in this Report or our Engagement Letter.

Save for the purpose stated herein, this Report cannot be relied upon by any party other than Bintai. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or used of, or reliance on this Report, in whole or in part.

Neither Eco Asia nor any of its partners, principals, directors, shareholders, agents or employees undertake responsibility arising in any way whatsoever to any person other than Bintai in respect of this Report, including any error or omission therein, however caused. We are under no obligation to update our Report in respect of any events or information that come to our attention subsequent to the Opinion Date.



6. EVALUATION ON THE PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition of 100% equity interest in JMI by Bintai for a total purchase consideration of RM50,000,000. The purchase consideration is to be satisfied in part by the cash consideration of RM26,000,000 and in part by an issuance of 58,536,600 Consideration Shares at the Issue Price of RM0.41 amounting to RM24,000,000.

In assessing the fairness of the purchase consideration of JMI, we took into consideration the following:

- (i) Valuation of 100% equity interest in JMI; and
- (ii) Issue price of Bintai Shares.

6.1 Valuation of JMI

Basis of Valuation

The basis of our valuation is the fair market value which is defined as the arms' length price at which such assets would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, in an open and unrestricted market and both having reasonable knowledge of relevant facts. The concept of market value means the cash equivalent price of an asset being valued assuming the transaction took place under conditions existing at the date of valuation of the assets. The amount would not be considered as market value if it was influenced by special motivation or characteristic of a typical buyer or seller.

In addition, the range of values that we have estimated is based on going concern use and not, for example, the break-up value of the business.

Method of Valuation

There are various approaches in carrying out a valuation, the commonly used and accepted methods including the Net Asset Valuation ("NAV") / Revalued Net Asset Valuation ("RNAV"), Price Earnings Multiples ("P/E ratio") and Discounted Cash Flows ("DCF").

For the purpose of this valuation, we have selected the P/E ratio as the primary valuation methodology. The P/E ratio illustrate the ratio of a company's market valuation relative to its profits. It indicates the price which investors are willing to pay to invest in a company compared to its earnings. It is obtained by dividing a company's market value over its PAT. We have adopted the P/E ratios as our primary valuation method due to the following:

- (i) The purchase consideration is based on an average Guarantee Profit which is provided in a form of PAT;
- (ii) The P/E ratio is a common and acceptable valuation metric which estimates a company's market value based on its PAT relative to its peers; and
- (iii) The P/E ratio is more likely to reflect the current sentiment of the market.



We have also selected the Enterprise Value (“EV”) over Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) (“EV/EBITDA”) ratio as the secondary valuation methodology. The EV/EBITDA ratio illustrates the ratio of the enterprise value of a company (which is the sum of the company’s market value and total debts less cash balances) relative to a company’s EBITDA. It indicates the price which investors are willing to pay to invest in a company compared to its EBITDA.

In addition to the P/E ratio and EV/EBITDA ratio, we have also taken into consideration the DCF valuation method and the NAV/ RNAV valuation method. However, the DCF valuation method was not adopted due to the unavailability of cash flow projections for JMI while the NAV/RNAV valuation method may not accurately reflect the potential of JMI as the value of JMI is more likely to be derived from its future business operations instead of its assets.

Key Basis and Assumptions of Valuation

The key basis and assumptions adopted in the valuation are as follows:

- (i) The audited financial statements for the FYE 31 December 2020 provided to us, reflect the true and fair view of the financial position and performance of JMI and do not reflect any material bias;
- (ii) There will be no material changes in the principal activities, group structure, key management personnel, operating policies, accounting and business policies presently adopted by JMI. There will be continuity in competent management with respect to the operation of the business;
- (iii) There will be no material changes to the prevailing economic, political and market conditions in Malaysia and elsewhere that will have direct or indirect effects on the activities and performance of JMI and the business of JMI’s major customers and suppliers;
- (iv) There are no undisclosed actual or contingent assets or liabilities, including but not limited to any contracts and/or off-balance sheet financial instruments, no unusual obligation or commitment other than in the ordinary course of business, nor any pending litigations which would have material effects on the financial position and performance of JMI now or in the future;
- (v) That the valuation has been carried out on the basis that JMI will continue to be going concern. It is assumed that the current operations and activities of JMI will continue and the valuation has not taken into account any future developments and/ or potential business ventures JMI may undertake;
- (vi) There will not be any material changes in the present legislation, government regulation, inflation rates, interest rates, foreign exchange rates, base and rates of taxation, and other lending guidelines which will affect the business operation of JMI;
- (vii) There will be no major industrial disputes or other abnormal factors which will adversely affect the planned operations of JMI; and
- (viii) There will be no material adverse effect from service disruptions, equipment or network breakdowns or other similar occurrences, wars, epidemic, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of JMI.



Please note that the valuation is highly dependent on, amongst others, the achievability of the financial performance as well as the materialisation of the basis and assumptions used in arriving the valuation. We wish to highlight that the valuation may be materially or adversely affected in the event if the actual results or events differ from the basis and assumptions upon which the valuation were based.

Valuation Results

Using the valuation method as outlined above, the range of values of JMI are as follows:

(i) P/E ratio

We have conducted this analysis based on P/E ratio of companies listed on Bursa Securities with principal business activities that are considered broadly comparable to the business activities of JMI (“**Comparable Companies**”). Due to a very limited number of Comparable Companies whose principal activities are broadly comparable to the business of JMI (contributing at least 50% to the company’s revenue), the comparison made is merely to provide an indicative current market expectation with regards to the implied value of JMI.

The selection criteria for the Comparable Companies as set out in the table below are based on the following selection criteria:

- (a) core business segment is in the M&E engineering services industry; or
- (b) core business is involved in the supply of medical related products and services to the healthcare industry.

Please note that the selection of the comparable companies and the adjustments made are highly subjective and judgmental and that the selection of the comparable companies may not be entirely comparable to JMI due to various factors such as business activities, services offered, scale of business operations, asset base, financial strength, product market segment, client base and technical know-how.

Details of the selected comparable companies are as follows:

Comparable Companies	Principal Activities	⁽¹⁾ Market Capital (RM’ million)
Kejuruteraan Asastera Berhad (“ KAB ”)	<ul style="list-style-type: none"> • KAB provides M&E services for high and low voltage electrical installation systems and ventilations and air-conditioning systems; and • KAB also provides extra low voltage (“ELV”) electrical installation and information and communication technologies (“ICT”) solutions for security systems, building services systems and hospitality systems. 	647.24



Comparable Companies	Principal Activities	⁽¹⁾ Market Capital (RM' million)
Cabnet Holdings Berhad (“Cabnet”)	<ul style="list-style-type: none"> Cabnet’s ICT Infrastructure services comprise of system design, installation, termination, testing, commissioning, labelling and certification of structured cabling system; and Design, build, supply, project management, installation, testing and commissioning of ELV systems such as closed-circuit television (“CCTV”) systems, Access Control Systems, Intercommunication systems and Integrated Security solutions. 	55.41
BCM Alliance Berhad (“BCM”)	<ul style="list-style-type: none"> Supplying, installing, testing and commissioning of disinfection and sterilization equipment, surgical room equipment, medical diagnostic imaging and related consumables and accessories; and Trading and distribution of consumer healthcare products such as blood pressure monitor, nebuliser, thermometer, body fat monitor, sphygmomanometer, suction unit and pulse oximeter. 	78.24
LKL International Berhad (“LKL”)	<ul style="list-style-type: none"> Manufacturing of medical/healthcare beds, medical peripherals and accessories; and LKL’s products include hospital electrical bed, hospital hydraulic bed, manual crank bed delivery bed, examination table, carts and trolley, patient room furniture, instrument trolley, medical chair, miscellaneous hospital equipment, curtain track and nursery equipment. 	100.50

Notes:

⁽¹⁾ As at 27 October 2021 (“LPD”).

The P/E ratio of comparable companies are as follows:

Comparable companies	Closing market price as at LPD (RM)	⁽¹⁾ PAT (RM' million)	⁽²⁾ Issued Shares (million)	P/E ratio (times)
KAB	0.37	5.18	1,749.31	⁽³⁾ 124.95
Cabnet	0.31	⁽⁴⁾ 2.86	178.75	19.38
BCM	0.05	3.32	1,564.70	23.56
LKL	0.13	4.55	773.11	22.09
			Average	⁽⁵⁾ 21.68



Note A:

- (1) Based on the latest audited financial results of the respective comparable companies.
- (2) As at LPD.
- (3) The P/E ratio for KAB is deemed as an outlier as the share price has fluctuated significantly since January 2021 (lowest price recorded in October 2021 of RM0.36 per share to a high of RM1.16 per share in April 2021).
- (4) The market for Cabnet's services and products has declined significantly due to the Covid-19 pandemic, resulting in a loss after tax position of RM4.51 million in FYE 2020 (Source: Cabnet's annual report 2020). Taking this into consideration, we adopted Cabnet's 5 years average PAT as a better representation in deriving its P/E ratio.
- (5) Computed based on a simple average, excluding the outlier.

Based on the average P/E ratio of the comparative companies and the average Guarantee Profit amount over the guarantee period of RM 4.55 million, the indicative value of JMI is as follows:

	Amount (RM'000)
Average Guarantee Profit per annum	4,550
(x) Average P/E multiple of comparable companies (times)	21.68
	98,644
(-) Illiquidity discount (30%) ⁽¹⁾	(29,593)
Valuation of 100% equity interest in JMI	69,051

Note B:

- (1) Based on "Investment Valuation: Tools and Techniques for Determining the Value of Any Assets" by Aswath Damodaran, a factor which may have an impact on the valuation is the liquidity of the asset i.e., the extent in which the asset can be freely bought or sold. Generally, shares of non-listed companies are not freely tradeable as compared to public listed companies. Illiquidity discount typically ranges from 20% - 30%. In the case of JMI, we adopted a conservative approach in determining the illiquidity discount at 30% after taking into consideration that the revenue of JMI is smaller relative to the revenue of comparable companies.

Based on the above, the Purchase Consideration of RM50.00 million represents a discount of approximately 27.59% to the indicative valuation of 100% equity interest in JMI of RM69.05 million derived based on the P/E ratio valuation approach.



(ii) EV/ EBITDA ratio

As a secondary method of valuation, we have conducted an analysis on the EV/EBITDA ratios of the comparable companies as follows:

Comparable companies	Closing market price as at LPD (RM)	⁽¹⁾ EV (RM' million)	⁽²⁾ EBITDA (RM' million)	EV/EBITDA (times)
KAB	0.37	647.53	11.08	⁽³⁾ 58.44
Cabnet	0.31	58.10	⁽⁴⁾ 4.71	12.34
BCM	0.05	39.26	7.60	5.17
LKL	0.13	105.62	8.34	12.66
			Average	⁽⁵⁾ 10.06

Note C:

- (1) The comparable companies' market valuation used in the calculation of the EV is based on their closing market price as at the LPD while the total debts and the cash and cash equivalent of the comparable companies are extracted from their respective latest available audited financial statements as at LPD.
- (2) EBITDA of the comparable companies are computed based on the components extracted from their respective latest available audited financial statements as at LPD.
- (3) Deemed as an outlier as mentioned in Note A above.
- (4) We adopted a 5 years average EBITDA due to the reason mentioned in Note A above.
- (5) Computed based on a simple average, excluding the outlier.

Based on the average EV/EBITDA ratio of the comparative companies and the average profit guarantee amount over the guarantee period of RM 4.55 million, the indicative value of JMI is as follows:

	Amount (RM'000)
Average Guarantee Profit per annum	4,550
(+) Taxation @ 24% ⁽¹⁾	1,437
(+) Finance cost ⁽²⁾	35
(+) Depreciation ⁽²⁾	84
EBITDA of JMI	6,106
Average EV/EBITDA ratio of comparable companies (times)	10.06
(-) Illiquidity discount (30%) ⁽³⁾	(3.02)
Adjusted EV/EBITDA ratio (times)	7.04
Indicative EV of JMI	42,986
(-) Total debt ⁽²⁾	(212)
(+) Total cash and cash equivalents ⁽²⁾	63
Valuation of 100% equity interest in JMI	42,837



Note D:

- (1) Based on corporation tax rate of 24%. The estimated tax was derived by dividing the average profit guarantee amount (which is based on PAT) by 76% (i.e.: 1 – corporate tax rate), and thereafter, deducting the profit guarantee amount.
- (2) Extracted from JMI’s audited financial statements as at 31 December 2020.
- (3) As explained in Note B above.

Based on the above, the Purchase Consideration of RM50.0 million represents a premium of approximately 16.71% to the indicative valuation of 100% equity interest in JMI of RM42.84 million derived based on the EV/EBITDA ratio valuation approach.

6.2 Issue Price of Bintai Shares

The Proposed Acquisition shall be partially satisfied via the issuance and allotment of 58,536,600 new ordinary shares of Bintai shares to the Vendor, at an issue price of RM0.41 per Consideration Share.

The Issue Price was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the 5D-VWAMP of Bintai Shares up to and including 27 April 2021, being the last trading day prior to the announcement of the SSA on 27 April 2021 of RM0.4780. For information purpose, the analysis of the Issue Price based on the date of the SSA dated 28 April 2021 are as follow:

	Share price RM	(Discount) RM	%
5-day VWAMP of Bintai Shares up to and including 27 April 2021	0.4780	(0.0680)	(14.2)
1-month VWAMP of Bintai Shares up to and including the 27 April 2021	0.4717	(0.0617)	(13.1)
3-months VWAMP of Bintai Shares up to and including the 27 April 2021	0.5174	(0.1074)	(20.8)
6-months VWAMP of Bintai Shares up to and including the 27 April 2021	0.7828	(0.3728)	(47.6)

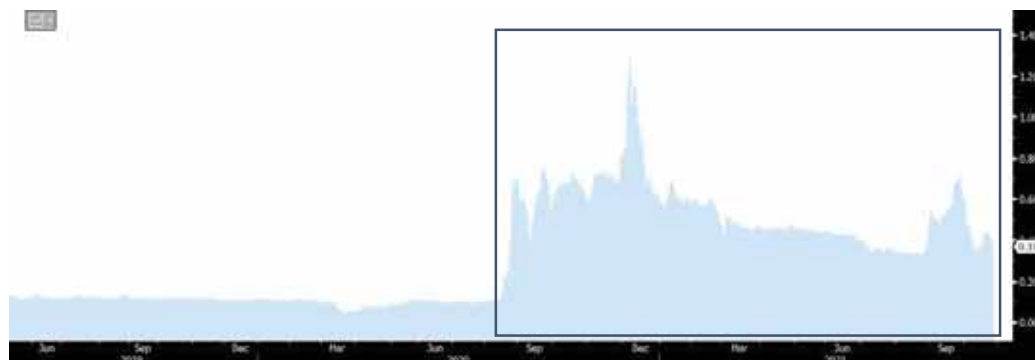
Based on the above, the Issue Price represents discounts ranging from approximately 14.2% to approximately 47.6% over the 5-day VWAMP, 1-month VWAMP, 3-months VWAMP and 6-months VWAMP up to and including 27 April 2021, being the last trading day prior to the announcement of the SSA.

Despite the discount against the VWAMP of Bintai shares, we noted that the Issue Price of RM0.41 represents a premium of 36.67% over the NA per Share of Bintai Group of RM0.30 based on the audited financial results of Bintai for FYE 2021.



Historical Analysis on Bintai's Shares

The movement of the daily closing market prices of Bintai Shares on Bursa Securities for the past three (3) years are as follow:



(Source: Bloomberg)

We note that the historical market prices of Bintai shares may have been influenced by various corporate proposals announced since 17 August 2020. During this period up to the LPD, the main announcements made by Bintai are extracted as follow:

	Date	Announcements
1.	17 August 2020 19 August 2020 21 September 2020 23 September 2020	Entered into a Memorandum of Understanding (“MOU”) with Nugenerex Immuno-Oncology (“NuGenerex”) for establishing the preliminary understanding arrangement for the collaboration in funding, launching and management of the synthetic peptide vaccine for SARS-CoV-2.
2.	28 September 2020 29 September 2020	Entered into a MOU with Institut Jantung Negara Sdn Bhd to explore possible collaboration in the area of commercial development of Covid-19 Vaccine in Malaysia.
3.	6 October 2020 8 October 2020	Entered into a Distribution and Licensing Agreement (“DLA”) with Generex Biotechnology Corporation (“Generex”) and its majority owned subsidiary, NuGenerex.
4.	7 October 2020	Entered into a MOU with Dato’ Dr Suhaini Bin Kadiman (“DS”) for the provision of medical advisory and clinical research consultation and services by DS.
5.	12 November 2020	Entered into a MOU with IEC Properties Pty. Ltd. (“IEC”) to have the sole distribution rights to supply the Ii-Key-SARS-CoV2 Coronavirus Vaccine to Australia and New Zealand market.
6.	25 November 2020	Entered into a MOU with Generex and Nugenerex to further negotiate the terms and conditions to have the sole distribution rights to market and supply the synthetic peptide vaccine for SARS-CoV-2 to the Australia and New Zealand markets.

**APPENDIX VIII – FAIRNESS OPINION LETTER OF THE PROPOSED ACQUISITION BY
ECOASIA (cont'd)**



7.	8 January 2021 13 January 2021 2 February 2021 4 February 2021 24 March 2021	Entered into a Distribution Agreement with SLAB Asia Co., Ltd. (“SLAB Asia”) to act as the exclusive distributor of the full range of Greenie Medi Cold Chain Box within the geographical territory of Malaysia, Saudi Arabi, Philippines and Indonesia and non-exclusive distributor for South East Asia countries.
8.	25 January 2021	Entered into the business collaboration agreement with International Equities Corporation Limited to undertake the joint management and marketing activities of the Mixed Development Projects.
9.	2 February 2021 5 February 2021	Entered into a MOU with SRTEON Security Services Sdn Bhd (“SRT”) for the purpose of supplying SRT in the distribution and delivery of Covid-19 vaccines to ensure the vaccines is secure and protected during the distribution.
10.	8 March 2021	Received a Letter of Award from Tenaga Nasional Berhad to be the Contractor to undertake the Proposed “Asset Replacement and Refurbishment for Transformer, Earthing Transformer and Reactor at PMU 275/33KV Grik” for a total contract sum of RM9,780,000.00.
11.	11 March 2021	Entered into a MOU with Alrowad Medical Services (“AMS”) to negotiate the terms and conditions wherein AMS shall procure the Greenie Cold Chain Box from BHSB.
12.	12 April 2021	Entered into a MOU with JMI with the intention to acquire the entire equity interest in JMI for a purchase consideration of RM50.0 million.
13.	27 April 2021	Received the official Certificate of Conformity in Good Distribution Practice for Medical Devices from Medivice Certification Sdn Bhd, which allows the Group to act as a local authorised representative, import, storage and handling, distribution (including transportation) and documentation (including traceability) of medical devices warehousing and documentation of medical devices, specifically in hospital hardware and reusable devices.
14.	28 April 2021	Entered into a SSA, Deed of Profit Guarantee and Escrow as well as Service Agreement to effect the Proposed Acquisition.
15.	2 September 2021	Entered into business collaboration agreement with Scientillence Sdn Bhd to explore mutually beneficial opportunities to jointly develop and market medical products in the Hemodialysis Market, as well as to develop, invest, acquire or own dialysis centres, and other related Renal Care businesses in Malaysia and South East Asia.
16.	7 September 2021 8 September 2021 10 September 2021	Entered into business collaboration agreement with NGT Solutions (M) Sdn Bhd to explore mutually beneficial opportunities in the area of sales, marketing and distribution of Sinopharm COVILO-19 vaccine to the private sector in Malaysia.
17.	20 October 2021	Entered into distribution agreement with Scientillence Sdn Bhd where BHSB is appointed as a non-exclusive distributor of Hemodialyzers/IBP products in Malaysia.



Based on the historical closing market price of Bintai's shares for the past three (3) years prior to 17 August 2020, we noted that the Issue Price of RM0.41 per share is generally higher than the closing market price of Bintai's shares.

7. CONCLUSION

Premised on our evaluation on paragraph 6 of this Report, we are of the opinion that the purchase consideration in relation to the Proposed Acquisition of JMI is **Fair** due to the following:

- (i) The Purchase Consideration is within the range of valuation for JMI from RM42.84 million to RM69.05 million;
- (ii) The Issue Price of RM0.41 per share represents a premium of 36.67% as compared to Bintai's net asset per share of RM0.30 based on the audited financial results of Bintai for FYE 2021; and
- (iii) The Issue Price of RM0.41 per share is higher than the historical closing market price prior to 17 August 2020, being the date before a series of corporate proposal announcements was made which may have subsequently influence the market price of Bintai's shares.

Yours faithfully,
For and behalf of
Eco Asia Capital Advisory Sdn Bhd

A handwritten signature in black ink, appearing to read 'Kelvin Khoo'.

Kelvin Khoo
Managing Director



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1 October 2021

The Board of Directors
Bintai Kinden Corporation Berhad
 3-2-8, Kompleks Kantonmen Prima
 No. 698, Jalan Ipoh
 51200 Kuala Lumpur

Dear Sir,

FINANCIAL FEASIBILITY REPORT ON HOLISTICA PENANG (TO BE DEFINED HEREINAFTER)

1.0 INTRODUCTION

We understand that Bintai Kinden Corporation Berhad ("**Bintai**" or "**Company**") intends to undertake the proposed diversification of Bintai's existing business to include the property development and management business segment. ("**Proposed Diversification**")

Bintai proposes to undertake a property development and management project, designed with a focus on providing comprehensive healthcare and wellness services as well as assisted living for better community lifestyle, comprising the development and management of a 21-storey lifestyle condotel to be known as "Holistica Penang" on a piece of leasehold land held under Lot 127, GRN 18231, Seksyen 13, Timur Laut, Bandar George Town, Penang measuring approximately 0.598 acres ("**Penang Development Land**"). ("**Holistica Penang**")

Bintai has entered into the business collaboration agreement with International Equities Corporation Limited ("**IECL**"), a public company listed on the Australian Securities Exchange, on 21 January 2021 for the management and marketing of Holistica Penang, of which IECL shall allow the use of its "Seasons" brand name for the marketing of Holistica Penang. The parties shall incorporate and establish a joint management company to undertake the management, marketing, promotion and operations of Holistica Penang, which shall comprise the following:

Parties	Shareholdings	
	No. of ordinary shares	%
Bintai	800	80.0
IECL	200	20.0
Total	1,000	100.0

IECL was incorporated in Western Australia, Australia on 23 March 1984 as a private limited company and has been listed on the Australia Securities Exchange since 11 March 1993. IECL currently owns and operates hotels and apartments under the brand and/or trademark of "Seasons", namely Seasons Botanic Gardens Melbourne, Seasons Heritage Melbourne, Seasons Darling Harbour Sydney and Seasons of Perth.

FHMH Corporate Advisory Sdn Bhd (“**FHCA**”) had been appointed by the Board of Directors of Bintai on 30 December 2020 to provide an indicative financial feasibility assessment of Holistica Penang based on the projections provided by the management. This Financial Feasibility Report (“**Report**”) is prepared strictly and solely for the Company’s exclusive use, subject to the scope and limitation of our review. This Financial Feasibility Report (“**Report**”) is prepared for the inclusion in the Circular to the shareholders of the Company in relation to the Proposed Diversification, amongst other proposals to be considered by the shareholders. We shall not be responsible or liable for any losses or damages, as a result of reliance by any party contrary to the provisions set out in this Report and our engagement letter dated 30 December 2020 (“**Engagement Letter**”).

2.0 LIMITATION OF REVIEW

FHCA was not involved in the formulation of Holistica Penang or any deliberation and negotiation on the terms and conditions of the various agreements entered into by the Company in relation thereto. Our role does not extend to expressing an opinion on the commercial merits of Holistica Penang. The assessment of the commercial merits of Holistica Penang is solely the responsibility of the directors of the Company, although we may draw upon their views in preparation of our evaluation. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Diversification.

Our assessment of the project was conducted as at 1 June 2021. In performing our evaluation, we have relied on the following sources of information provided to us:-

- (i) Business collaboration agreement dated 21 January 2021 entered by IECL and Bintai;
- (ii) Certificate of Valuation on Holistica Penang dated 19 January 2021 (“**Valuation Certificate**”) issued by Messrs IPC Island Property Consultants Sdn Bhd (“**IPC**” or “**Valuer**”);
- (iii) Valuation Reports on Holistica Penang (“**Valuation Reports**”) dated 19 January 2021 issued by IPC;
- (iv) Independent Quantity Surveyor Evaluation Report dated 11 January 2021 (“**QS Report**”) prepared by Messrs. JUB Ikatan Sepakat Sdn Bhd (“**JUB**” or “**Quantity Surveyor**”);
- (v) Agreement to develop dated 28 February 2014 entered by Trustee of Leong San Tong Khoo Kongsi (Penang) Registered (“**Khoo Kongsi**”) and Proven Seal (M) Sdn Bhd (“**PSSB**”), a subsidiary of Bintai, to undertake a joint venture of a mixed commercial development project on the Penang Development Land. In return, the Penang Development Land has been leased to PSSB for a period of 99 years, commencing from 28 February 2014 to 27 February 2113;
- (vi) Independent Market Research Report (“**IMR Report**”) prepared by Messrs. Providence Strategic Partners Sdn Bhd (“**Providence**”);
- (vii) Future financial information of Holistica Penang from March 2021 to February 2031 (“**Future Financials**”);
- (viii) Representation and explanation by the directors and management of Bintai (“**Management**”); and
- (ix) Other publicly available information in respect of the industry that Bintai is involved in.



The Management is responsible to make available to us all relevant financial information pertaining to the above evaluation exercise, including informing us of any material changes in the subject matters which may have an impact on our evaluation and we express no opinion on any such documents, financials and/or other information nor have we undertaken an independent investigation into the Proposed Diversification. We have assumed and relied upon, without independent verification, the validity, accuracy and completeness of information that was publicly available or supplied or otherwise made available to us by the Company, which such information formed a substantial basis of our opinion.

We have assumed that such information was prepared in good faith and reflects the best judgement of the directors of the Company as the date hereof and they are unaware of any facts that would make the financial and other information provided to us incomplete, false, misleading or inaccurate.

The directors and management of Bintai are responsible for the accuracy of the information made available to us pertaining to this evaluation exercise, including informing us of any material changes in the subject matters which may have an impact on our opinion.

With respect to the Future Financials, furnished to us by the Company, we have assumed that they have been reasonably prepared on bases reflection the best currently available estimates and judgement by the directors of the Company on its future financial performance and of which the directors of the Company are solely responsible for the bases and assumptions in itself is highly dependent on, amongst others, the achievability of the Future Financial as well as the materialisation of the bases and assumptions used in therein.

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Report. Further, certain information relied upon are only representation of the directors of the Company as explained in the relevant sections of this Report. The scope of work is also limited to producing comments on a conceptual basis. Accordingly, we make no representations as to the accuracy or completeness of the information provided.

It should also be highlighted that the evaluation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports and Future Financials were based. As such, the adoption of such assumptions and projections does not imply that we warrant their validity or achievability. It is also based on prevailing economic, market and other conditions that may change significantly over a relatively short period of time. As such, the adoption of such assumptions and projections does not imply that we warrant their validity or achievability.

The preparation of this Report is based upon market, economy, industry and other conditions prevailing as at the date of this Report, as well as publicly available information and information provided to us by the Company. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update and revise our report in light of any subsequent development after the date of this Report that may affect our opinion contained herein.



We have obtained a responsibility statement from the directors of Bintai that all materials facts, financial and other information essential to our evaluation have been disclosed to us and that they have seen this Report and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Report 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 herein false or misleading.

No representation of warranty, whether expressed or implied, is given by FHCA that the information and documents provided will remain unaltered subsequent to the issuance of this Report. However, should FHCA become aware of any significant change affecting the information contained in this Report; being informed of any material changes in the subject matter which may have an impact on FHCA's opinion or have reasonable grounds to believe that any statement in this letter is misleading or deceptive that there is material omission in this Letter, we will immediately notify the Board of Bintai.

3.0 FINANCIAL FEASIBILITY OF HOLISTICA PENANG

The financial feasibility model has been prepared based on Future Financials prepared by Management, whilst their reasonableness had been considered, these projections have been assumed as achievable for the purposes of the financial feasibility model. Discounted Cash Flow ("DCF") method has been used to derive at the Initial Rate of Return ("IRR") for Holistica Penang. We have relied on the bases and assumptions adopted therein which was provided by the Management.

IRR is the annual rate of growth that an investment is expected to generate. IRR is a discount rate that makes the net present value of all cash flows equal to zero in a DCF analysis. IRR is ideal for analyzing capital budgeting projects to understand and compare potential rates of annual return over time. Generally, the higher an IRR, the more attractive the investment is to undertake. The formula of IRR is as follows:-

$$0 = \sum_{n=0}^N \frac{CF_n}{(1 + IRR)^n}$$

Where:-

n = The number of time periods

CF_n = Net cash inflow during the period n

IRR = Internal Rate of Return

For the purposes of the financial feasibility model, we have taken into consideration gross development value ("GDV"), gross development cost ("GDC"), operating expenses, taxation expenses as well as the interest expenses to derive at the net cash flow of Holistica Penang. This series of net cash flow is then used to estimate the IRR of Holistica Penang using the DCF method, wherein the present value of all future cash flows is equal to the initial investment of Holistica Penang.

The principal bases and assumptions used for the preparation of the financial feasibility model of Holistica Penang are as follows:

(i) Revenue Parameters

The Management has assumed an estimated GDV of RM83.66 million by making reference to the Valuation Reports issued by IPC.

The details of the GDV are summarised as follows:-

Type of Units	Net Floor Area sqft	Sales / sqft	Sales / Unit RM'000	Units	GDV RM'000
Studio	484	1,000	484	14	6,776
1 Room	707	1,000	707	28	19,796
1 Room	653	1,000	653	14	9,142
2 Rooms	879	1,000	879	14	12,306
3 Rooms	1,184	1,000	1,184	14	16,576
3 Rooms (Duplex)	1,362	1,000	1,362	14	19,068
Total				98	83,664

Projection Year	Period	Percentage of Sales %
Year 2	June 2022 – August 2022	40%
	September 2022 – November 2022	20%
	December 2022 – February 2023	10%
Year 3	March 2023 – May 2023	10%
	June 2023 – August 2023	10%
	September 2023 – November 2023	9%
	December 2023 – February 2024	1%
Total Progression		100%

Based on Management's assumption, 10% of the total sales will be collected as upfront payment/deposits upon execution of sales and purchase agreement while another 10% of the total sales will be collected as work below ground level ("WBGL") in the following quarter. The remaining 80% of the receivables will be collected on a progressive basis based on completion of the construction, as follows:-

Projection Year	Period	Percentage of Sales %
Year 2	September 2022 – November 2022	10.0%
	December 2022 – February 2023	5.0%
Year 3	March 2023 – May 2023	15.0%
	June 2023 – August 2023	15.0%
	September 2023 – November 2023	15.0%
	December 2023 – February 2024	10.0%
Year 4	March 2024 – May 2024	5.0%
	June 2024 – August 2024	5.0%
Total Progression		80%

(ii) Cost Parameters

The estimated GDC is projected based on the preliminary cost estimate as set out in the QS Report prepared by JUB and the Management of Bintai have assumed that the GDC will be incurred as projected. The details of GDC are summarised as follows:-

Type of GDC	Details	Total RM'000
Piling Works		5,905
Main building Works	Building Works	20,407
	Internal Mechanical and Electrical Works	10,599
Infrastructure Works	Site Clearance	100
	Civil Infrastructure	700
	Entrance Porch	100
Miscellaneous Works	Specialists' & Suppliers' Works	2,030
	Built-in & Loose Furniture	3,361
	Operator Equipment	949
	Electrical Appliances	1,140
Preliminaries		2,695
Contingencies & Design Risk		2,000
Contribution to Statutory Authority and Others		4,898
Sales and Marketing Expenses	Professional Fees	2,999
	Service Tax for Professional Fees	180
	Consultant Supervision	1,500
	Sales & Marketing and Legal Fees	1,673
Total		61,237

The Management represented that the GDC and the payments will be incurred on a progressive basis. The details of the development and payment progress assumed by the Management are summarised as follows:-

Projection Year	Period	Work Done %	Payment Progress %
Year 1	January 2022 – February 2022	10.0%	5.0%
Year 2	March 2022 – May 2022	9.0%	9.5%
	June 2022 – August 2022	15.0%	12.0%
	September 2022 – November 2022	18.0%	16.5%
	December 2022 – February 2023	3.0%	10.5%
Year 3	March 2023 – May 2023	20.0%	11.5%
	June 2023 – August 2023	7.0%	13.5%
	September 2023 – November 2023	8.0%	7.5%
	December 2023 – February 2024	5.0%	6.5%
Year 4	March 2024 – May 2024	<i>n.m.</i>	2.5%
	June 2024 – August 2024	5.0%	5.0%
Total Progression		100%	100%

(iii) Land Cost Value

PSSB had on 28 February 2014 entered into an agreement to develop with the Khoo Kongsi to undertake a joint venture of the development of hotel/office/shop(s) or other related commercial developments for mixed purposes, subject to the approval of the relevant authorities on the Penang Development Land. In return, the Penang Development Land has been leased to PSSB for 99 years, commencing from 28 February 2014 to 27 February 2113. Based on the agreement, a monthly rental of RM28,000 will be payable to Khoo Kongsi and the agreed rental shall be reviewed once in twenty (20) years subject to such increment which shall be at market value and shall not be more than 20% per each review of 20 years. Hence, the Management has assumed a total land cost value of RM3.48 million to be incurred at the commencement of the construction by estimating the present value of the total rental payable based on the monthly rental over the entire lease period with a 10% of the discount rate. Aside from the clauses stipulated herein, there are no additional landowners entitlement factored into the development costs.

(v) Miscellaneous Cost

The Management also assumed an additional miscellaneous cost of RM0.41 million as administrative and other costs related to the project.

(v) Maintenance Cost

The Management assumed an annual maintenance cost of RM0.25 million for facility upkeep and upgrade purposes in Holistica Penang from Year 5 (March 2025) onward.

(vi) Taxation

The tax expenses of Holistica Penang are projected at the tax rate of 24% per annum, to illustrate the effects of the corporate tax rate of Malaysia. We further note that this does not reflect the actual tax expenses to be incurred for the projects.

3.1 General Assumptions Adopted by the Directors of Bintai

- (i) There will be no significant changes to the prevailing economic, political and market conditions in the Malaysia and elsewhere that will have direct and indirect effects on the activities and performance of Holistica Penang and the business of Bintai's customers and suppliers;
- (ii) There will be no material changes to the present legislation and governments' regulations and other operation regulations or restrictions affecting Holistica Penang's activities or the market in which it operates;
- (iii) There will be no significant changes in the estimated credit period granted or received by Holistica Penang;
- (iv) The statutory income tax rate and other relevant duty and tax rate for Bintai and Holistica Penang will remain at their respective existing rates with no significant changes in the bases of taxation and there will be no significant changes in the structure which would adversely affect the cash flows of Holistica Penang

- (v) There will be no material adverse effect from service disruptions, equipment or network breakdown or other similar occurrences, wars, epidemic, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of Holistica Penang;
- (vi) The rate of inflation will not fluctuate significantly from their projected levels;
- (vii) The exchange rate between Malaysian Ringgit and the various currencies in which Holistica Penang derive its income in will not fluctuate significantly from their projected levels;
- (viii) There will be no substantial impairment to the carrying value of Holistica Penang's investment, property, plant and equipment and other assets;
- (ix) There will be no significant changes in wages, supplies, administration, overhead expenses and other costs other than those forecast and projected;
- (x) There will be no termination of any significant agreements or contracts from which the legal rights accruing to Holistica Penang, in respect of the principal activities are derived. Such agreements or contracts are assumed to be renewed based on current terms upon expiry;
- (xi) There will be adequate supply of manpower and other relevant resources to Holistica Penang for its business activities;
- (xii) The capital expenditure will be incurred as scheduled with no material changes in the expected cost or price and there will be no material acquisition or disposal of property, plant and equipment other than those planned; and
- (xiii) There will be no major legal proceedings against Holistica Penang which will adversely affect the activities or performance of Holistica Penang or give rise to any contingent liability which will materially affect the financial position or business of Holistica Penang.

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3.2 Scenario Test

Based on the above parameters, Holistica Penang is financially feasible and viable with a project IRR of **44.98%**. The IRR of 44.98% translates to a return on investment in approximately 2 years from the commencement of the Holistica Penang project in the event all assumptions and parameters described herein are adhered to and without adverse effects to Holistica Penang.

We have performed a scenario analysis on the following key independent parameters as these assumptions have significant impact on the output of Holistica Penang.

Key Parameters for Scenario Analysis

Holistica Penang

- Assumed delay in launching of project to 2nd quarter of 2023 approximately nine (9) months delay from the base case scenario.
- As compared to the base case scenario, the property units are assumed to be sold at 90% for the first 20 months and the remaining units to be sold proportionally until August 2026.
- The construction is assumed to be completed only within the 3rd quarter of 2024 with extended progress billing.
- We have assumed the monthly rental to be paid every year with an incremental rate of 20% every 20 years as per the contract, from commencement of project until February 2113.
- A monthly maintenance fee will be incurred for those unsold units upon completion at the rate of RM0.35 per sqft throughout the projection period based on the average maintenance fee for service apartment type developments which range from RM0.25 to RM0.45 per sqft based on data from www.loanstreet.com.my.

After taking into consideration of the scenario analysis in the above, Holistica Penang remains financially feasible, viable and potentially profitable with the base case IRR of **44.98%**, with a low case at **11.34%** or a return on investment in approximately 8 years with the assumption that the assumptions and parameters in the scenario analysis described above is adhered to without adverse effects to Holistica Penang.

4.0 INDUSTRY OVERVIEW AND PROSPECTS

The Residential and Commercial Property Development Market in Penang

The residential property development market in Penang has been recording a CAGR of 0.9% between 2016 and 2018, having grown, in terms of transaction value, from RM5.4 billion in 2016 to RM5.5 billion in 2018. However, transactions of residential properties in Penang declined by 9.1% to RM5.0 billion in 2019 as the market was adversely affected by the economic slowdown. On the other hand, demand for commercial properties in Penang continued to grow, in terms of transaction value, from RM1.2 billion in 2016 to RM1.3 billion in 2019, recording a CAGR of 2.7%.

Moving forward, the transaction value of the residential properties in Penang is forecast to be adversely impacted in 2020 and is thus estimated to be RM4.9 billion in 2020. Nevertheless, the residential property development market in Penang is expected to recover in 2021 and the following years to reach RM5.0 billion in transaction values in 2022, recording a CAGR of 1.0% between 2020 and 2022. Meanwhile, transaction value of commercial properties in Penang is forecast to grow at a CAGR of 3.5%, from an estimated RM1.4 billion in 2020 to RM1.5 billion in 2022.

The growth in the residential property development markets in Penang is attributed to the growing population in Malaysia, which grew from approximately 31.2 million in 2015 to an estimated 32.7 million in 2019. As the population increases, there will be more demand for residential properties in Malaysia, including Penang.

(Source: IMR Report)

Outlook and Prospects of The Wellness Themed Development Market in Malaysia

There is a growing trend for wellness themed development projects in the country. According to the Global Wellness Institute, which is a non-profit organisation for wellness industry research, wellness themed developments are defined as residential, commercial and/or institutional properties that are proactively designed and built to create a holistic living environment for its residents or tenants. Wellness themed developments typically include senior living facilities and medical wellness centres for community living.

The wellness themed development market in Malaysia is estimated to have grown from USD917.1 million (RM3.9 billion) in 2017 to reach an estimated USD1.0 billion (RM4.2 billion) in 2020, registering a CAGR of 4.3% during the period. Overall, Malaysia is estimated to contribute 0.7% of the global wellness themed development market, and is one of the top 20 wellness themed development markets in the world based on its market size in 2017.

The prospects for wellness themed developments are expected to grow in light of the growing affluent population in the country, as indicated by the long-term growth of GDP in Malaysia. As the population grows in terms of its affluence, consumers are expected to seek a more luxurious lifestyle. In line with global trends, consumers in Malaysia are increasingly seeking to integrate wellness experiences into their residential homes. This has consequently led to property developers introducing wellness components in residential and commercial developments to meet this demand.

In addition, as senior citizens stand to benefit from the wellness elements (such as senior living facilities and medical wellness centres) incorporated in such developments, the growing number of senior citizens in Malaysia also contributes to demand for such developments. Malaysia's percentage of population below 14 years old in the country has decreased from 24.5% in 2015 to 23.3% in 2019, while the percentage of population above 65 years old has increased from 6.0% in 2015 to 6.7% in 2019. By 2040, it is projected to be one in five Malaysians will age 60 and above.

Further, foreigners would also be a target for such wellness themed developments in Malaysia. Malaysia has been attractive for foreigners to reside as it has been rated as one of the top 10 destinations for retirement in the Annual Global Retirement Index 2020. The index was based on parameters including cost of living, crime and safety, English proficiency of the population, entertainment, environmental conditions, expat community, health care, infrastructure, real estate affordability, real estate restrictions, recreation, residency options and taxes. Malaysian cities are clean and modern, and the population is one of the friendliest in Asia. According to International Living, the cost of living is 4 times cheaper than it is in the United States of America. Based on research by ECA International, Penang is also considered as the eighth most liveable city in Asia.

Moreover, Malaysia welcomes and allow citizens from various countries regardless of race, religion, gender or age through a migration programme named Malaysia MySecondHome (“MM2H”). Such programme also allows applicants to bring their spouse or unmarried child below the aged of 21 as dependants. It is a social visit pass which allow foreigner to live in Malaysia for a period of 10 years and is renewable. Based on 2015-2016 migration report by the Department of Statistics Malaysia, international immigration into Malaysia made up of 11.3% (3.5 million people). Apart from foreigners seeking to reside in Malaysia over the long-term, Malaysia also stands to benefit from overseas travellers seeking medical treatments or on vacation.

Medical tourism refers to foreigners travelling to a particular country for the purposes of receiving medical care. The Government is promoting Malaysia as a medical tourism destination, particularly in the fields of fertility and cardiology. Medical tourism in Malaysia is gaining popularity due to its world-class healthcare services, warm hospitality and multi-lingual society. Malaysia has won multiple awards from the International Medical Travel Journal’s Medical Travel Awards. 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. Private hospitals undergo stringent evaluation to ensure that they are equipped and have the capacity to serve this market, before they are approved and registered with the MHTC as a partner. In addition to linking patients to their panel of healthcare providers, the MHTC provides comprehensive services such as a meet and greet service at the airport, immigration clearance, accommodation, transportation and travel advisory. Revenue from medical tourism has grown from RM1.3 billion in 2017 to RM1.7 billion in 2019.

Meanwhile, Malaysia’s tourism industry has also been growing as the country is one of the key destinations in Southeast Asia with a variety of attractions such as tropical forests, beautiful beaches and mountains as well as historical attractions. Between 2016 and 2019, tourism receipts in Malaysia grew from RM82.1 billion in 2016 to RM86.1 billion in 2019.

Although the tourism and medical tourism industry in Malaysia is expected to be adversely impacted by the COVID-19 pandemic. In an effort to curb the spreading of the COVID-19 pandemic, the Government of Malaysia had restricted inter-country travelling. Locals returning to Malaysia to undergo a 14-day quarantine period. This is thus expected to adversely impact the tourism and medical tourism industry in Malaysia in 2020. Nevertheless, the tourism and medical tourism industry in Malaysia is expected to recover once the spreading of the pandemic is curbed.

(Source: IMR Report)

5.0 RISK FACTORS

We take note of the risk factors as disclosed in Section 5, Part A of the Circular.

Bintai is principally involved in the provision of specialised mechanical & electrical engineering, provision of turnkey, structural, civil, infrastructure project and project management, concessionaire arrangements and trading activities.

Bintai was previously involved in the property development business. Bintai has undertaken and completed various property development projects across a span of 36 years. As such, Bintai is not expected to be exposed to new business risk as a result of the Proposed Diversification.

Nevertheless, the Proposed Diversification will provide an opportunity to access a different industry and potentially contribute additional revenue stream to Bintai. As part of this exercise, Bintai is also expose to the risk factors as highlighted in Section 5, Part A of the Circular.

There is a risk that Holistica Penang will not be completed due to the inability to obtain the approvals from the relevant parties and/or inability to comply with the conditions imposed by the relevant authorities, if any.

We also wish highlight that despite efforts and measures taken by Management of Bintai to mitigate the risks associated with Holistica Penang, no assurance can be given that one or a combination of risk factors as stated in Section 5, Part A of the Circular. of the Circular will not occur and give rise to material and adverse impact on the business and operations of Bintai, its financial performance, financial position or prospects thereon.

The global economic growth is affected due to the outbreak of COVID-19 and its rapid spread across the globe. Inevitably, social and economic conditions in Malaysia will be affected by the COVID-19, particularly, if the government extends or implement additional orders/policies, which may further restrict business activities. Therefore, there could potentially be disruption to the business progress of Holistica Penang and progress are expected to be slower during this outbreak period amidst market uncertainty.

Nevertheless, Bintai will closely monitor the progress of the COVID-19 pandemic situation and the relevant governmental advisories, and will undertake necessary measures to mitigate the impact on the business of Bintai and/or Holistica Penang.

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6.0 CONCLUSION

Based on the above parameters and after taking into consideration of the sensitivity analysis, Holistica Penang remain financially feasible and viable as the base case IRR will be **44.98%**, with a low case at **11.34%**.

However, there are associated risks consideration which are detailed in Section 5.0 above of which must be considered by Bintai and mitigating factors and steps must be taken to ensure that the effects resulting from the occurrence of any of the risk is minimize.

It should be noted that the financial feasibility model is highly dependent on, amongst others, the achievability of the Future Financials of Holistica Penang as provided by the directors of Bintai as well as the materialisation of its bases and assumptions. It must be highlighted that the financial feasibility model may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the Future Financials were based.

Because of the susceptibility of financial feasibility model to inputs and bases and assumptions applied, its results can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

The financial feasibility model places reliance on Future Financials, which is the net result of projecting a range of variables for significant periods of time, most of which cannot be projected with a high degree of precision. Key variables such as economic growth, demand, competition and regulatory policies are beyond the control of Bintai. The Future Financials are typically very sensitive to small changes in key variables and changes in environmental conditions. As such, relatively small changes in key variables can have a significant impact on the results of the financial feasibility model.

Impact of the COVID-19 pandemic

The global economic growth is affected due to the outbreak of COVID-19 and its rapid spread across the globe. Inevitably, social and economic conditions across the globe will be affected by the COVID-19 pandemic, particularly, if the government extend or implement additional orders/policies ("**Policies**") which further restrict business activities. Therefore, there could potentially be disruption to the business progress of Holistica Penang and progress are expected to be slower during this outbreak period amidst market uncertainty.

Given the evolving circumstances, the management of Bintai currently is unable to quantify nor determine the extent of the impact of the Policies and COVID-19 on the earnings and financial performance of Holistica Penang for the medium to long term and as such the impact has not been considered in the above evaluation.

As a result, the range of values that can be produced by a particular financial feasibility model can be quite wide using combinations of assumptions which individually appear reasonable. A degree of professional judgement is required to establish the feasibility of the particular project.

7.0 RESTRICTIONS

Save for the purpose stated herein, this Report cannot be relied upon by any party other than the Company. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Report, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided. Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Report, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Report, or any part hereof.

We reserve the right, should we consider it necessary, to revise our Report in light of any information that existed at the date of this Report but which become known to us subsequent to the date of this Report. Should FHCA become aware of any significant change affecting the information contained in this Report or have reasonable grounds to believe that any statement in this Report is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Report, we will immediately notify the Board.

Yours faithfully
FHMH CORPORATE ADVISORY SDN BHD


DING SU-LYNN
Director


NG WOON LIT
Director

APPENDIX X – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the completeness and 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 false or misleading statements or other facts contained in this Circular, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST

(a) M&A Securities

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references in the form and context in which it appears.

M&A Securities do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Principal Adviser of the Company for the Proposals.

(b) EcoAsia

EcoAsia has given and has not subsequently withdrawn its written consent to the inclusion of its name, the letter of fairness opinion letter on the Proposed Acquisition as set out in Appendix VIII of this Circular and all references thereto in the form and context in which they appear in this Circular.

EcoAsia do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Independent Business Valuer of the Company for the Proposed Acquisition.

(c) Providence

Providence has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and extracts of its IMR Report referred to in this Circular in the form and context in which it appears.

Providence do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the independent market researcher of the Company for the Proposals.

(d) FHCA

FHCA has given and has not subsequently withdrawn its written consent to the inclusion of its name, the letter of fairness opinion as set out in Appendix IX of this Circular and all references thereto in the form and context in which they appear in this Circular.

FHCA do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the independent financial adviser of the Company for the financial feasibility study of Holistica Penang.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Bintai Group during the past 2 years immediately preceding the date of this Circular:

- (a) SSA, MOU, Deed of Profit Guarantee and Escrow and Service Agreement in relation to the Proposed Acquisition;
- (b) Subscription Agreement and Supplemental Subscription Agreement in relation to the Proposed Issuance of RCPS;
- (c) Business Collaboration Agreement;
- (d) On 25 March 2021, KBK has granted a loan to BKPL for the sum of SGD882,467.22 (equivalent to RM 2,748,817.54) ("**Loan**") whereby BKPL acknowledged that the Loan as at the date of the Deed of Settlement was due and payable to KBK by BKPL.

The Parties have agreed that the sum of SGD483,208.00 only (equivalent to RM1,505,155.77) out of the Loan shall be settled by way of Bintai subscribing for BKPL's newly issued ordinary shares, which Bintai has on 27 April 2021 issued 1,574,730 of new shares to BKPL, whereas the balance of the Loan of remains due and payable by BKPL to KBK at the sum of SGD399,29.22 (equivalent to RM1,243,661.77) only shall be settled by way of 24 monthly instalment payments commencing from January 2022 to December 2023.

- (e) **Distribution Agreement between BHSB and SLAB Asia Co Ltd ("SLAB Asia")**
 - (i) BHSB had on 8 January 2021 entered into a Distribution Agreement with SLAB Asia, a company incorporated in Korea for the purpose of appointing BHSB to act as the exclusive distributor of the full range of Greenie Medi Cold Chain Box within the geographical territory of Malaysia and non-exclusive distributor for South East Asia countries.
 - (ii) On 20 January 2021, BHSB entered into the separate distribution agreement with SLAB Asia for the exclusive distributorship of the full range of Greenie Medi Cold Chain Box within the geographical territories of Saudi Arabia and the Republic of the Philippines.
 - (iii) On 15 March 2021, BHSB entered into the separate distribution agreement with SLAB Asia for the exclusive distributorship of the full range of Greenie Medi Cold Chain Box within the geographical territories of the Republic of Indonesia.
 - (iv) The Distribution Agreements shall be valid for a period of 1 year and shall thereafter continue in effect with Parties mutually agree to renew on yearly basis unless either party shall notify the other of its intention to terminate by giving at least 3 months written notice prior to any specified termination date.
- (f) BHSB had on 11 March 2021 entered into a Memorandum of Understanding with Alrowad Medical Services, a private limited company incorporated in Saudi Arabia, wherein Alrowad Medical Services shall procure the Greenie Cold Chain Box from BHSB. This memorandum of understanding is effective on 11 March 2021 and shall remain valid unless terminated in accordance with the terms of memorandum of understanding.
- (g) KBK had on 8 March 2021 received a Letter of Award from Tenaga Nasional Berhad to appoint KBK to be the contractor to undertake the Proposed "Asset Replacement and Refurbishment for Transformer, Earthing Transformer and Reactor at PMU 275/33KV

Grik” for a total contract sum of RM9,780,000.00. The contract is non-renewable, on-going and estimated to be completed within 540 days from the commencement date.

(h) **Memorandum of Understanding between BHSB and SRT-EON Security Services Sdn Bhd (“SRT”)**

BHSB had on 2 February 2021 entered into a Memorandum of Understanding with SRT for the purpose of supplying SRT in the distribution and delivery of Covid-19 vaccines to ensure the vaccines is secure and protected during the distribution and SRT shall procure the Greenie Cold Chain Box from BHSB. This memorandum of understanding is effective upon the date of the memorandum of understanding and shall remain valid unless terminated in accordance with the terms of memorandum of understanding.

(i) **Memorandum of Understanding between BHSB, Generex and NuGenerex**

BHSB had on 25 November 2020 entered into a memorandum of understanding with Generex and Nugenerex to further negotiate the terms and conditions wherein Generex and NuGenerex will be granting the licensing rights to BHSB to have the sole distribution rights to market and supply the synthetic peptide vaccine for SARS-CoV-2 to the Australia and New Zealand markets. This memorandum of understanding is effective upon the date of the memorandum of understanding and shall remain valid unless terminated in accordance with the terms of memorandum of understanding.

(j) BHSB had on 12 November 2020 entered into a memorandum of understanding with IEC, a wholly owned subsidiary of IECL, a public company listed on the Australian Stock Exchange, Australia, to further negotiate the terms and conditions wherein IEC Properties Pty. Ltd. will be sub-licensed by BHSB to have the sole distribution rights to supply the li-Key-SARS-CoV2 Coronavirus Vaccine to Australia and New Zealand market. This memorandum of understanding is effective upon the date of the memorandum of understanding and shall remain valid unless terminated in accordance with the terms of memorandum of understanding.

(k) On 21 October 2020, Bintai proposed to undertake a proposed settlement of the amount owing by OPM a wholly-owned subsidiary of Bintai to Handal of approximately RM23.4 million. The full settlement is set out as below:-

- (i) the issuance and allotment of 31,800,000 Bintai shares at issue price of RM0.645 per Bintai Share to Handal in settlement of up to RM20,511,000.00;
- (ii) the issuance and allotment of 28,500 OPM Shares to Handal in settlement of up to RM2,000,000.00 save and except that OPM is unable to obtain the relevant consent from the financial institutions that have granted facilities to OPM for such allotment and issuance of new OPM Shares to Handal within the Conditions Period (hereinafter defined), the parties agreed that the RM2,000,000.00 shall be settled by cash instalments instead of 28,500 new OPM Shares. The cash instalments shall be in equal monthly instalments for 24 months commencing from the date the last conditions precedent is fulfilled and
- (iii) the balance amounting RM886,091.00 shall be settled by way of cash payments in the following manner:
 - (aa) the initial cash instalment, within 7 days from the Unconditional Date (“**Initial Cash Instalment**”); and
 - (bb) the remaining balance of RM386,091.00 shall be payable to Handal in equal monthly instalments for 24 months, the first of such instalment of which shall commence 30 days after the payment of the Initial Cash Instalment.

The Debt Settlement was completed on 7 January 2021.

(l) **Inter-Company Loan Agreement**

KBK (“**Lender**”) had on 8 October 2020 entered into the Inter-Company Loan Agreement with the BHSB (“**Borrower**”) to provide for funds equivalent to USD2,000,000.00 with zero interests accrued (“**Cash Advance**”) payable to NuGenerex and Generex by virtue of the Distribution and Licensing Agreement dated 5 October 2020. The Borrower shall repay the Cash Advance within 30 days after receipt of written demand from the Lender or a later date as agreed upon both parties. This agreement shall remain in effect up to the obligation of the Lender to make Cash Advance shall have terminated and all other sums due to Lender under this Agreement have been paid in full.

The inter-company loan has been repaid via 4,200,000 of redeemable convertible preference shares issued under BHSB to each Bintai and Nusankota Development Sdn Bhd.

(m) Bintai had on 7 October 2020 entered into a memorandum of understanding with for the provision of medical advisory and clinical research consultation and services by Dato' Dr Suhaini Bin Kadiman. Pursuant to the main agreement entered into between Bintai and Generex, Bintai is responsible to introduction of the Covid-19 Vaccine into Malaysia and the Parties agree that DS will provide medical advisory and clinical research consultation and services related to the li-Key-SARS-CoV-2 Coronavirus Vaccine.

(n) BHSB had on 5 October 2020 entered into a Distribution and Licensing Agreement with Generex and its majority owned subsidiary, NuGenerex for the purpose of procuring the right to purchase and distribute the Covid-19 Vaccine in naked vial form (stage 1) and bulk quantities (stage 2) from Generex/NuGenerex based on CIF KLIA price after obtaining the approvals from relevant Malaysian Authorities.

In consideration for the intellectual property rights, commercialisation rights, distribution and licensing rights granted by Generex/NuGenerex under this Agreement, BHSB shall make payable a sum of USD\$2,625,000.00 for pre-commercialization stage and USD\$10,000,000.00 for commercialization stages. For the pre-commercialization stage, the sum is to be paid in 2 portions:

- (i) USD2,000,000.00 to be paid when the Distribution and Licensing Agreement is signed; and
- (ii) USD625,000.00 to be paid after Generex has procured all documentations, permits, consents and approvals for the full approval from FDA on the said vaccine.

For the commercialisation stage, BHSB intends to fund the USD10,000,000.00 through project fundings and/or investors.

(o) Bintai had on 28 September 2020 entered into a memorandum of understanding with Institut Jantung Negara Sdn Bhd for establishing a strategic partnership between the parties and explore possible collaboration in the area of commercial development of Covid-19 Vaccine in Malaysia. This memorandum of understanding shall take effect on and from the date of the Parties' execution of this memorandum of understanding for a period of 3 years and may be extended for such further period as may be agreed by the Parties in writing.

(p) **Heads of Agreement of the Proposed Licensing Agreement Between Bintai (“Licensee”) with Generex and Nugenerex (“Licensor”)**

The Licensor and Licensee propose to enter into the licensing agreement to enable the Licensee to:-

- (i) further develop and commercialize licensed products that incorporate or use one or more compounds within the licensed compounds and/or research information, and to enable Licensee to use and exploit in the field within Malaysia and South

East Asia markets any information, technology or intellectual property that arises from the independent research or that relates to licensed compounds or research information, or that covers research inventions.

- (ii) to have the first right of refusal to further develop and commercialize licensed products that incorporate or use one or more compounds within the licensed compounds and/or research information, and to enable Licensee to use and exploit in the field within New Zealand, Australia and global HALAL markets any information, technology or intellectual property that arises from the independent research or that relates to licensed compounds or research information, or that covers research inventions.

(q) **Memorandum of Understanding between Bintai and Nugenerex**

Bintai had on 14 August 2020 entered into a memorandum of understanding with Generex a company incorporated in the United States of America for establishing the preliminary understanding arrangement for the collaboration in funding, launching and management of the synthetic peptide vaccine for SARS-CoV-2. This memorandum of understanding is effective upon the date of the memorandum of understanding and shall remain valid unless terminated in accordance with the terms of memorandum of understanding. Parties had on 5 October 2020 entered into a Distribution and Licensing Agreement.

(r) **Letter of Award from Malaysia Airports Sdn Bhd**

KBK had on 7 February 2020 accepted a Letter of Award from Malaysia Airports Sdn Bhd to be its contractor to undertake the Design, Supply and Installation of 2 Nos of New 250kVA Generator Sets and Its Associated Works at Substation West and East, Sandakan Airport, Sabah for a total contract sum of RM920,000.00. The contract is non-renewable, estimated to be completed by August 2020 and it is currently under the defect liability period.

(s) **Supplementary Consultancy and Advisory Agreement**

Pursuant to the principal agreement dated 29 July 2004 entered between Bintai and Teknobakti Sdn Bhd ("**TSB**"), TSB has agreed to provide Bintai and its subsidiaries with information technology infrastructure and services, corporate and financial advisory services as well as government and customer liaison. Bintai and TSB had on 24 August 2020 entered into the fourth supplementary consultancy and advisory agreement with TSB for a further 2 years subject to the terms of the Agreement.

(t) **Collaboration Agreement**

Bintai Gemilang Petroleum Engineering Sdn Bhd ("**BGPE**") and AGW Realty Sdn Bhd ("**AGW**") had on 18 March 2021 entered into the collaboration agreement. BGPE and AGW has agreed to collaborate in aspects relating to proposed oil and gas development project. This collaboration agreement shall come in force on the date of this agreement and shall continue for a period of 6 months unless terminated in accordance with the terms of this agreement. AGW will provide a project advance of RM3 million which shall be used to fund the project, Payments shall be made directly to BGPE by AGW in the manner as may be required by BGPE without any deduction or set off.

The progress of the abovementioned project has been delayed due to COVID-19 pandemic and the implementation of movement control order.

(u) **Business Collaboration Agreement between BHSB and Scientillence Sdn Bhd ("SSB")**

BHSB and SSB has on 2 September 2021 entered into a business collaboration agreement to undertake a collaboration to jointly develop and to market the medical products in haemodialysis market, as well as to develop, invest, acquire or own dialysis centres, and other related renal care businesses in Malaysia and South East Asia. The business collaboration agreement shall be effective upon execution and shall continue for one (1) year unless termination notice in writing is given by either party thirty (30) days prior to the termination of the agreement.

(v) **Business Collaboration Agreement between BHSB and NGT Solutions Sdn Bhd ("NGTS")**

BHSB has on 7 September 2021 entered into a business collaboration agreement with NGTS, an established Healthcare Organizer (HCO) by ProtectHealth Corporation that provide vaccination services, to jointly distribute Sinopharm's COVILCO Covid-19 vaccine to the private sector in Malaysia. The business collaboration agreement shall be effective upon execution and shall continue for one (1) year unless termination notice in writing is given by either party thirty (30) days prior to the termination of the agreement.

4. MATERIAL COMMITMENT

As at the LPD, the Board is not aware of any material commitment, incurred or known to be incurred, which upon becoming enforceable may have a material impact on the results or financial position of the Group.

5. CONTINGENT LIABILITIES

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

6. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, neither Bintai nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of the Bintai Group, and the Board of Bintai is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Bintai Group:

(a) **KBK v Serdang Baru Properties Sdn Bhd ("SBP")**

(i) **In The Court Of Appeal Of Malaysia
Civil Appeal No.: B-02(IM)-57-01/2020 & B-02(IM)-58-01/2020 (Applicant:
Lee Yam Hooi)**

KBK registered the arbitration award as an Order of the High Court on 2 May 2017. Thereafter, KBK proceed to demand for payment from SBP. However SBP refused/failed to make payment to KBK. As a result, KBK initial this winding up process against SBP.

KBK issued a statutory notice to SBP pursuant to S.465 and S.466 of the Act for the sum of RM 31,045,507.39 (calculated as of 26 February 2018). SBP did not make payment to KBK and KBK proceeded to file a winding up petition on 27 March 2018 upon the expiry

of the statutory notice. SBP filed a motion to strike out the winding up which was dismissed by the Court and the Court went on to wind up SBP on 25 November 2018.

On 26 March 2019, the contributory of SBP, one Lee Yam Hooi (the “**Applicant**”) filed an application pursuant to S.493 of the Act (the “**S.493 Application**”) to terminate the winding up.

KBK on the other hand filed an application to strike out the S.493 application (“**Striking Out Application**”).

The winding up is concluded and SBP was wound up by the Shah Alam High Court on the 26 November 2018. The Shah Alam High Court allowed KBK’s striking out application and dismissed the S.493 application on 12 December 2019.

The Appellant, Lee Yam Hooi has filed a motion to amend its Record of Appeals. The motion is currently scheduled for hearing on 20 August 2021. The appeals are currently fixed for case management on 23 August 2021.

On 2 August 2021, Lee Yam Hooi filed a new notice of motion to amend the Records of Appeal and the Court vacated the hearing to 20 August 2021 on the grounds that a new hearing will be fixed to hear both the notice of motion together.

The Court has fixed a case management on 14 February 2022 for parties to update the status of the cause papers for the purpose of the hearing on 28 February 2022.

Court further gave direction for both the Appellant’s notice of motion to amend the Record of Appeal dated 3 February 2021 and the Appellant’s notice of motion to amend the Record of Appeal dated 2 August 2021 to be heard together on 28 February 2022.

The solicitors in charge are of the view that KBK has a good chance of success in the said appeals given that the winding up was carried out in accordance with the required rules and procedures and that there had not been any appeal filed by SBP against the winding up order.

**(ii) In the Court of Appeal Malaysia Civil Appeal No. W-02(A)-1759-08/2018
In the Kuala Lumpur High Court Originating Summons No. WA-24FC204-02/2018**

On 9 February 2018, KBK initiated an application for an order for sale of SBP’s land held under Geran No. 66423, Lot 42095, Pekan Serdang, Daerah Petaling, Selangor (“**subject property**”). Order for sale was obtained on 23 August 2018. However, SBP filed an appeal against the order for sale.

Nonetheless, KBK proceeded to initiate the public auction in Kuala Lumpur High Court Execution No. WA-38-872-10/2018 on 19 October 2018. The public auction was held on 3 December 2018 and the subject property was successfully bid by KBK.

A contributory of SBP, Lee Yam Hooi (“**the Intervener**”) had then filed an application to the Court of Appeal to intervene in the appeal and restrain KBK from dealing with the subject property until the disposal of SBP’s appeal. On 23 April 2019, the Court of Appeal allowed the Intervener’s application.

KBK filed a motion to strike out the appeal given that SBP had failed to file its records of appeal within the prescribed time (“**Enclosure 49**”). The Intervener obtained sanction from the Shah Alam High Court to appeal on behalf of SBP and as such, had filed a motion for extension of time to file the Appeal Records on behalf of SBP (“**Enclosure 114**”).

The Court of Appeal had on 12 March 2021 allowed Enclosure 114 and dismissed Enclosure 49 with no order as to costs. In this regard, Lee Yam Hooi is allowed the records of Appeal of behalf of the Appellant within 30 days. Lee Yam Hooi filed the said Records of Appeal and served the Records of Appeal to the counsel in charge on 12 April 2021. The case management for the appeal is scheduled on 30 June 2021 for the parties to update the Court of the status of the Grounds of Judgement from the High Court.

On 30 June 2021, the solicitors for the Intervener informed the court that they have not received the Grounds of Judgment from the High Court Judge. The court has fixed the next case management date on 24 September 2021 to update the court on the status of the Grounds of Judgment.

The court has further fixed the hearing of the matter on 15 December 2021. The solicitors in charge are of the view that KBK has a good chance of success in the appeal given that the High Court had in making its decision considered the issues thoroughly before the judge. The solicitors in charge are only able to determine the basis or ground of appeal upon receiving the memorandum of appeal from Lee Yam Hooi.

(b) KBK v Pacific Sanctuary Holdings Sdn Bhd (“Pacific Sanctuary”)

In the matter of Arbitration

KBK had instituted arbitration proceedings against Pacific Sanctuary in connection to the Letter of Award dated 27 November 2012 in respect of a project known as “Proposed Mixed Development (Pacific Parade) on TL017546431 along Jalan Istiadat, Kota Kinabalu, Sabah, Parcel B, C & ID Blocks” where KBK was appointed as the main contractor for the mechanical and electrical works for a total value of RM133,192,500.00.

Pursuant to the agreement between KBK and Pacific Sanctuary, KBK is entitled to the amount of RM9,292,500.00 from Pacific Sanctuary, being the cost-plus factor of 7.5% premised on the total value of the mechanical and electrical works. KBK has claimed for the said sum of RM9,292,500.00 and Pacific Sanctuary has refused and/or disputed the same. KBK has commenced arbitration against Pacific Sanctuary claiming for the same.

KBK has issued the Notice to Arbitrate on 18 December 2019. KBK has applied to President of Pertubuhan Akitek Malaysia to appoint the sole arbitrator but Pacific Sanctuary rejected the proposed arbitrator.

On 6 May 2021, President of Pertubuhan Akitek Malaysia has appointed Mr. Koh Beng Teck as the arbitrator and the arbitrator is currently liaising with parties in order to schedule a preliminary meeting for the said matter.

The initial preliminary meeting was scheduled on 1 June 2021 and postponed due to the implementation of Movement Control Order and certain issues raised by the parties.

On 31 May 2021, KBK issued a response letter to the arbitrator stating Pacific Sanctuary's allegations are baseless and without merit and is an attempt to further delay the matter as the crux of the problem was mainly concerning the seat of the arbitration, whether the arbitration is to be held in Kota Kinabalu or in Kuala Lumpur.

After much consideration and analysis by the arbitrator, the arbitrator on 7 July 2021 ruled that the choice of Kuala Lumpur being proper, adequate and correct as the seat of this arbitration.

The arbitrator has set a new date for the preliminary meeting which scheduled to be held on 19 July 2021 and the arbitrator will give further directions on the dateline to file the statement of claim during the preliminary meeting.

On 19 July 2021, the arbitrator has further fixed the hearing dates on 21 March 2022 to 26 March 2022 and 28 March 2022 to 2 April 2022.

Based on the documents available to the solicitors in charges, the solicitors are of the opinion that KBK has a good chance of success in the arbitration as Pacific Sanctuary had acted in breach of its contractual obligation.

(c) OPM v Kolej Teknologi Islam Melaka Berhad (“KTIMB”)

In the Malacca High Court

Civil Suit No.: MA-22NCvC-45-09/2020

Pursuant to a Concession Agreement dated 3 December 2015, KTIMB awarded OPM as a concession company to design, construct, complete, operate and maintain the project known as “*Cadangan Membangunkan Penempatan Pelajar Di Dalam Kampus Dengan Konsesi Pelajar Bagi Jangka Masa 25 Tahun Untuk 7,002 Pelajar*”. KTIMB undertakes to pay OPM monthly hostel and maintenance charges in the sum of RM1,008,288.00 and yearly collegiate fee in the sum of RM1,008,288.00 during the concession period under the Concession Agreement dated 3 December 2005.

As at 26 December 2019, the outstanding sum due and payable to OPM under the Concession Agreement is RM15,754,756.87. Despite having admitted to the outstanding sum owed, KTIMB has failed and neglected to make payment of the outstanding sum.

KTIMB owes OPM the sum of RM15,754,756.87 despite OPM completing the works and carrying out maintenance of the facility. OPM on 3 September 2020 had filed its claim against KTIMB and KTIMB had filed a counterclaim against OPM for liquidated damages in the sum of RM401,000.00 alleging OPM's delay in completing the works (which is denied by OPM), and the sum of RM3,298,951.81 for alleged profit sharing.

On 19 March 2021, the acting solicitor for OPM has received a Notice of Change of Solicitors from Messrs G. Sandhu, Kabina & Associates. As such, the acting solicitor no longer acts for the KTIMB in this matter and is unable to provide us with any update on the same. The acting solicitor for OPM has further sought clarification with the solicitors who had taken over the matter and have been informed that the hearing/clarification date for the plaintiff's application for summary judgment (Enclosure 9) which was fixed on 23 March 2021 was vacated and rescheduled to 8 April 2021.

The Enclosure 9 was dismissed by the High Court on 21 April 2021 with no order as to costs and the Court has directed for parties to proceed with trial. The case management is fixed on 15 June 2021 for parties to obtain pre-trial directions.

During the case management on 15 June 2021, the Court fixed a further date for case management on 6 July 2021 for parties to update on the status of the pre-trial documents which was due to be filed on 6 July 2021. However, the trial dates have not been fixed yet.

On 6 July 2021, the Court has granted the parties extension of time until 14 July 2021 to file and serve the pre-trial documents. The court has invoked an unless order for compliance of the same. In respect of the comment bundle of documents, in the event parties are unable to agree to the classification of documents, parties are allowed to file their respective bundles separately.

The Court then fixed the case management on 15 July 2021 by way of Zoom Meeting. During the case management on 15 July 2021, OPM informed the Court that they have filed and served the pre-trial documents on 14 July 2021 and all directions given by the Court therein have duly been complied with.

The court has proceeded to fix trial dates on 25 July 2022, 26 July 2022, 27 July 2022 and 28 July 2022.

The next case management is fixed on 19 May 2022 via virtual Meeting.

Based on the documents made available to the solicitors, the solicitors in charge are of the opinion that OPM has a good chance of success in its claim against KTIMB, premised upon KTIMB's breach of concession agreement dated 3 December 2015 in refusing to make payment towards the deposit payment and availability charge rate as provided for in the concession agreement dated 3 December 2015.

(d) OPM v Handal

(i) In the matter of Arbitration

OPM had commenced arbitration proceedings against its main contractor, Handal, in connection with the disputes and/or differences arising from and/or related to the Letter of Award dated 1 July 2016 and other associated contracts with regards to the Construction Contract.

(ii) Construction Payment and Adjudication

OPM had received a Notice of Adjudication to refer disputes arising from alleged payment claim under Section 9 of the Construction Industry Payment and Adjudication Act, 2012 from Handal for a total amount of approximately RM18 million in relation to the Construction Contract.

OPM has instructed its solicitors to contest the matter and Asian International Arbitration Centre has appointed Chang Wei Mun as the adjudicator. On 8 July 2020, the adjudicator issued its Adjudication Decision and it was adjudicated that OPM to pay Handal the sum of RM18.95 million within 2 weeks from the date of Adjudication Decision.

Both parties have reached a settlement via the execution of a debt settlement agreement dated 21 October 2020 entered into between Bintai, OPM and Handal for the Debt Settlement.

OPM has completed its debt settlement with Handal on 7 January 2021. The solicitor in charge for Handal has terminated all proceedings on 29 January 2021.

(e) Bintai Integrated Engineering & Construction Sdn Bhd ("BIEC") v Panasonic Homes (M) Sdn Bhd & Panasonic Life Solutions (M) Sdn Bhd (collectively known as "Panahome")

(i) In the Kuala Lumpur High Court

Originating Summons No.: WA-24C-85-05/2020

BIEC was appointed as the main contractor by Kejuruteraan Bintai Kidenko Sdn Bhd for the Project Cadangan Pembangunan 1 Blok Kondominium 28 Tingkat yang mengandungi 2 blok kondominium 21 Tingkat (504 unit), 7 Tingkat Podium Tempat Letak Kereta Berserta Kemudahan (Kolam Renang, Taman Permainan, Kemudahan Awam) diatas Lot 551, Seksyen 85A, Bandar Baru Sentul, Mukim Bandar Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur ("**the Project**").

On 6 March 2014, Panahome was appointed by BIEC as the subcontractor for the Project with a contract value of RM129,600.00. The site possession was given on 20 March 2014 and Project was originally due to be completed on 19 March 2014 with a 24 months defect liability period, ending on 19 March 2016. However, the Project could not be

APPENDIX X – FURTHER INFORMATION (cont'd)

completed by the original completion date and Panahome's application for the extension of time to complete the Project were rejected by the architect and certificate of non-compliance was issued. The Project was only able to be completed on 27 January 2017.

Due to delay in completion, BIEC is entitled to recover Liquidated and Ascertained Damages ("LAD") at the rate of RM23,000.00 per day of non-completion and also to recover LAD for any delay in the handing over of 4 lift shafts on or before 4 July 2015 at the rate of RM3,000.00 per day and for the delay of handing over of the balance 2 lift shafts by 19 November 2015 at the rate of RM5,000.00 per day.

Panahome had also failed to rectify all the defects to the satisfaction of the Architect within the defect liability period that expired on 27 January 2019 and due to various reasons attributed to the defective workmanship and/or material, the certificate of making good defects was only issued by the architect on 20 January 2020 after almost 1 year late.

Final Accounts for the Project which BIEC did not dispute has been issued by the architect and Quantity Surveyor. However, the final certificate issued by the quantity surveyor is invalid as the Contract specifically provides that the final certificate shall be issued by the architect.

BIEC has claimed against Panahome the sum of RM2,904,344.35 being the cost and expenses incurred due to Panahome's delay in the rectification of the defects that had arisen from the complaints of the owners of the properties and the management board.

On 13 May 2020, BIEC called on a bank guarantee placed by its subcontractor, Panahome for a sum of RM2,904,344.35 due to nonperformance of Panahome during the defect liability period related to the Letter of Award dated 6 March 2014 for the Project.

On 14 May 2020, Panahome filed an Originating Summons and an ex parte injunction for the following prayers:-

- (i) declaration that BIEC is not entitled to make any demand for the bank guarantee;
- (ii) declaration that the demand made by BIEC is wrong in the eyes of the law;
- (iii) an order restraining BIEC or its related parties from making a demand or issue a further demand on the entire or and/or part of the sum of the bank guarantee;
- (iv) an order restraining BIEC or its related parties receiving the proceeds in part or in full of any payment made under the bank guarantee;
- (v) in the event that the said proceeds in part or in full received by BIEC or its related parties, an order that BIEC and its related parties be restrained from utilising or spending the proceeds and that proceeds to be refunded to Panahome;
- (vi) cost; and
- (vii) any further or other relief that the Court deems fit to grant.

On 15 May 2020, the ex parte injunction was allowed and BIEC was restrained from utilising or spending the proceeds of the bank guarantee. On 21 May 2020, BIEC filed to strike out the Originating Summons. On 21 July 2020, the Court dismissed BIEC's application and ordered the sum of RM2,904,344.35 be retained in the joint stakeholders account of Panahome's solicitor and BIEC's solicitor pending final disposal of the arbitration proceeding between Panahome and BIEC.

The matter was called up for hearing on 22 June 2020. Decision was given on 21 July 2020 where the Court ordered that the Defendant is to deposit the sum of RM2,904,344.35 into a joint stakeholders account of the Plaintiffs and Defendant's solicitors. These monies are to remain therein until the disposal of arbitration proceedings.

APPENDIX X – FURTHER INFORMATION (cont'd)

On 27 May 2020, Panahome issued a notice to arbitrate. An arbitrator has been appointed and the first preliminary hearing is fixed on 24 February 2021. Both parties were present for the Preliminary hearing on 24 February 2021. The events occurred are as follows:

- (i) Both parties agreed that there is an arbitration agreement between them.
- (ii) It was agreed that the proceeding will be in accordance with the arbitration rules and schedule of charges shall be RM650.00 per hour.
- (iii) BIEC informed the arbitrator that they have objected to the appointment of arbitrator as it does not comply with the appointment requirements.

On 14 April 2021, parties were handed the Interim Award dated 6 April 2021 on BIEC's Preliminary / Jurisdictional Objections. BIEC informed the meeting that they have not appointed any Expert Witness and it was agreed that the names of the Expert Witness shall be provided after the Pleading have been completed.

The List of Witnesses has been submitted to the Arbitrator on 9 July 2021.

The solicitors are of the opinion that in the event this dispute proceeds to arbitration, BIEC has a good chance of resisting Panahome's claims and will result in a significant reduction in the sums due and owing to Panahome.

(ii) In the Kuala Lumpur High Court

Civil Suit No.: WA-22NCvC-224-05/2020

BIEC had on 12 May 2020 filed a claim against Panahome seeking for damages amounting to the sum of RM5,000,000.00 towards damages for loss of reputation caused by the inordinate delay and poor quality of works done by Panahome.

On 29 September 2020, the High Court ordered that this action be stayed, and proceedings should be brought by way of arbitration.

On 27 October 2020, BIEC filed an appeal against the High Court's decision. There are no dates fixed for the appeal yet.

On 22 December 2020, the management of BIEC instructed the solicitor in charge to discontinue the appeal at the Court of Appeal and Notice of Discontinuance was filed on the same day.

The Court has temporary stayed the matter pending the outcome of the arbitration proceeding.

The solicitors are of the opinion that should this dispute proceed to arbitration, BIEC may be able to recover damages provided that BIEC is able to provide documentation and proof to support its case. In the absence of such documentation and proof, the solicitors are of the opinion that BIEC may only recover nominal damages

(iii) In the matter of Arbitration

Panahome has commenced arbitration proceedings against BIEC by serving the Notice of Arbitration to BIEC on 27 May 2020 and the statement of claim dated 28 April 2021 to BIEC claiming the following:-

- (i) RM3,055,456.10 being final amount due for work done and variation orders;
- (ii) RM1,910,633.33 being the balance of retention sum;
- (iii) General and/or exemplary damages due to BIEC's oppressive, malicious and bad

APPENDIX X – FURTHER INFORMATION (cont'd)

- faith conduct in holding the outstanding sum hostage or alternatively, damages to be assessed;
- (iv) Declaration or an order that RM2,904,344.35 which held in a joint stakeholder interest bearing account be returned and released to Panahome;
 - (v) Declaration that there are no monies due and owing the BIEC;
 - (vi) Cost incurred by Panahome for extending the bank guarantee or cost to be assessed;
 - (vii) Interest at the prescribed rate of the contract on all sums adjudged to be due and payable by BIEC to Panahome from the date of payment due until full payment; and
 - (viii) Costs.

The solicitors in charge were informed by BIEC that the amount of the LAD has been deducted from the interim payment of Panahome which equivalent to RM6,811,876.00. The total balance to recover is equivalent to RM3,564,124.00. The solicitors in charge were also informed by BIEC that additional cost and expenses incurred due to the delay in the Project and making good of the defect amounting to RM2,904,344.35.

The solicitors in charge are of the opinion that BIEC may be entitled to claim from Panahome based on the contract and/or the corporate guarantee for the sum of RM2,904,344.35 as a counterclaim subject to proving the said amount has been incurred due to delay of Panahome and such amount has been incurred and pursuant to the Contract, the issue of LAD is to be settled between BIEC and Panahome and therefore the finality of the Final Account does not prevent BIEC from recovering the balance of LAD of RM3,564,124.00 as a counterclaim.

In addition to the above, the solicitors in charge are also of the view that, BIEC to file its defence and counterclaim by 9 June 2021. In the event the BIEC's level of proof on the sum of RM2,904,344.35 is inadequate, the arbitrator may not allow this counterclaim and as such BIEC will be liable to pay the sum of RM1,401,965.43 on the basis that the balance of LAD has not been waived by the BIEC.

On 9 July 2021, a list of witness has been submitted to the arbitrator as it was agreed that the names of the expert witness shall be provided after the pleading has been completed.

The arbitration proceeding is currently put on hold as Ahmad Deniel Ruben & Co. have discharged themselves from representing BIEC in this matter.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur during normal business hours (except for public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) the SSA, Deed of Profit Guarantee and Escrow as well as the Service Agreement;
- (b) the Subscription Agreement and Supplemental Subscription Agreement;
- (c) the Agreement to Develop;
- (d) the Business Collaboration Agreement (including the Supplemental Letter);
- (e) the Constitution of Bintai and JMI, respectively;
- (f) the material contracts referred to in Appendix IV and this Appendix;

APPENDIX X – FURTHER INFORMATION (cont'd)

- (g) Audited financial statements of JMI for the past 2 FYE 31 December 2019 and 31 December 2020;
- (h) the audited consolidated financial statements of Bintai for the FYE 2018 to FYE 2020;
- (i) latest quarterly results of Bintai for the financial period ended 30 June 2021;
- (j) the letters of consent and conflict of interest referred to in Section 2 above;
- (k) the relevant cause papers in relation to the material litigation referred to in Section 5 of this Appendix;
- (l) the fairness opinion letter on the Proposed Acquisition by EcoAsia;
- (m) Independent financial feasibility report by FHCA; and
- (n) the IMR Report prepared by Providence.

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BINTAI KINDEN CORPORATION BERHAD

Registration No. 199401005191 (290870-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Bintai Kinden Corporation Berhad (“**Bintai**” or “**Company**”) will be conducted fully virtual via Remote Participation and Voting (“**RPV**”) facilities from the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) at <https://tiih.online> (“**TIIH Online**”) on Monday, 22 November 2021 at 10:00 a.m. for the purpose of considering, and, if thought fit, passing the following resolutions, with or without any modifications:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN JOHNSON MEDICAL INTERNATIONAL SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM50,000,000 TO BE SATISFIED VIA A COMBINATION OF CASH PAYMENT RM26,000,000 AND THE REMAINING PURCHASE CONSIDERATION OF RM24,000,000 TO BE SATISFIED VIA THE ISSUANCE AND ALLOTMENT OF 58,536,600 NEW ORDINARY SHARES IN BINTAI (“BINTAI SHARE(S)” OR “SHARE(S)”) AT THE ISSUE PRICE OF RM0.41 PER SHARE (“PROPOSED ACQUISITION”)

“**THAT**, subject to the fulfilment of conditions precedent and the approvals of relevant authorities, where required, being obtained, approval is hereby given for the Company to acquire the 100% equity interest in Johnson Medical International Sdn Bhd (“**JMI**”), comprising 3,000,002 ordinary shares in JMI from Yeo Eng Lam for the Purchase Consideration to be fully satisfied by cash consideration amounting to RM26,000,000 and issuance of 58,536,600 new Bintai Shares at the issue price of RM0.41 per ordinary share amounting to RM24,000,000, subject to the conditions and upon the terms set out in the conditional share sale agreement dated 28 April 2021 entered into between the Company and Yeo Eng Lam in respect of the Proposed Acquisition upon such terms and conditions as disclosed in the Circular to the Shareholders of the Company dated 29 October 2021 in relation to the Proposals (“**Circular**”);

AND THAT approval be and is hereby given to the Board of Directors of the Company to sign, execute and deliver on behalf of the Company all necessary documents and to do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed Acquisition, with full power and discretion to assent to or make any modifications, variations and/or amendments in any manner as may be imposed, required or permitted by the relevant authorities or deemed necessary by the Board, and to take all steps and actions as it may deem necessary or expedient in the best interests of the Company to finalise, implement and give full effect to the Proposed Acquisition.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF BINTAI’S EXISTING BUSINESS TO INCLUDE THE:

- (I) PROPERTY DEVELOPMENT BUSINESS SEGMENT; AND**
- (II) PROPERTY MANAGEMENT BUSINESS SEGMENT WHICH INCLUDES THE MANAGEMENT OF CONDOTEL**

(“PROPOSED DIVERSIFICATION”)

“**THAT** subject to the approvals of all relevant authorities, where required, being obtained, approval be and is hereby given to the Company and its subsidiaries (“**Bintai Group**”) to diversify its business to

include the property development and property management business segments which includes the management of condotel, which might reasonably be expected to result in:

- (a) the diversion of 25% or more of the net assets of Bintai Group to an operation which differs widely from those operations previously carried on by Bintai Group; or
- (b) the contribution from such an operation of 25% or more of the net profits of the Bintai Group pursuant to Paragraph 10.13(1) of the Main Market LR;

AND THAT the Directors of the Company be authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Bintai Group in order to implement, finalise and give full effect to the Proposed Diversification”.

ORDINARY RESOLUTION 3

PROPOSED PRIVATE PLACEMENT OF UP TO 114,567,500 NEW ORDINARY SHARES IN BINTAI REPRESENTING APPROXIMATELY 30% OF THE EXISTING ISSUED ORDINARY SHARES IN BINTAI, TO INDEPENDENT INVESTOR(S) TO BE IDENTIFIED LATER (“PROPOSED PRIVATE PLACEMENT”)

“**THAT**, subject to the approval of all the relevant authorities, where required, being obtained, approval be and is hereby given to the Board to allot and issue up to 114,567,500 new ordinary shares in the Company (“**Bintai Shares**” or “**Shares**”) (“**Placement Shares**”) by way of private placement to independent third party investor(s) to be identified later, representing approximately 30% of the total number of issued shares of the Company in one or several tranches at an issue price for each tranche to be determined at a later date by the Board (“**Price-Fixing Date**”) upon such terms and conditions as disclosed in the Circular.

THAT the issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. In any event, the issue price of the Placement Shares shall be fixed at a discount of not more than 20% to the 5-day volume weighted average market price of Bintai Shares immediately preceding the price fixing date(s).

THAT the Board of the Company be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities and in the best interest of the Company.

THAT such Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividend, rights, allotment and/or other distribution which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

AND THAT the Board of the Company be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors of the Company may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement.”

ORDINARY RESOLUTION 4

PROPOSED ISSUANCE OF UP TO 190,946,000 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") TO OUD ASSET MANAGEMENT SDN BHD ("OUD") AT AN ISSUE PRICE OF RM0.10 PER RCPS ("PROPOSED ISSUANCE OF RCPS")

"**THAT**, subject to the passing of Special Resolution, completion of the Proposed Acquisition and subject further to the approvals of all the relevant authorities, where required, being obtained, approval be and is hereby granted to the Board to provisionally allot and issue by way of a RCPS of up to 190,946,000 RCPS (including up to 190,946,000 new ordinary shares to be issued pursuant to the conversion of the RCPS) to OUD at an issue price of RM0.10 per RCPS based on the terms and conditions set out in the Circular.

THAT the Board be authorised to use the proceeds to be derived from the Proposed Issuance of RCPS in the manner set out in Section 2.4 of the Circular and vary the manner and/or purpose of use of such proceeds as it may deem fit and in the best interests of the Company.

THAT the new Bintai Shares to be issued arising from the conversion of the RCPS shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Bintai Shares, save and except that the new Bintai Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution, the entitlement date of which is prior to the date of allotment of the new Bintai Shares to be issued arising from the conversion of the RCPS.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Issuance of RCPS with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Issuance of RCPS."

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY TO FACILITATE THE PROPOSED ISSUANCE OF RCPS ("PROPOSED AMENDMENTS")

"**THAT** subject to passing of Ordinary Resolution 4 and the approvals of all the relevant authorities and/or parties (if required) having been obtained, approval be and is hereby given to the Board to amend the Constitution of the Company in the manner as set out in Appendix VII of the Circular be and are hereby approved.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Amendments with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Amendments."

**BY THE ORDER OF THE BOARD
BINTAI KINDEN CORPORATION BERHAD**

NG LAI YEE
SSM PC NO. 202008000977
(MAICSA 7031768)
Company Secretary
Kuala Lumpur
29 October 2021

Notes:

- (1) The EGM of the Company will be conducted fully virtual via Remote Participation and Voting (“RPV”) facilities from the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) at <https://tiih.online> (“TIIH Online”). Please follow the steps and procedures provided in the Administrative Details for the EGM of the Company in order to register, participate and vote remotely via the RPV.
- (2) Members are to participate by posing questions to the Board via real time submission of typed texts and vote remotely at the EGM via the RPV provided by Tricor at TIIH Online.
- (3) Members may submit questions to the Board of Directors prior to the EGM via TIIH Online by selecting “e-Services” to login, pose questions and submit electronically no later than Saturday, 20 November 2021 at 10:00 a.m. or to use the query box to transmit questions to the Chairman/Board via RPV during the online meeting.
- (4) A member entitled to participate and vote at this meeting is entitled to appoint a proxy or proxies to participate and vote on his behalf. A proxy need not be a member of the Company and there shall not be any restriction as to the qualification of the proxy.
- (5) Where a Member appoints more than one (1) proxy, the appointment of proxies shall not be valid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.
- (6) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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 nominees may appoint in respect of each omnibus account it holds.
- (7) A member who has appointed a proxy or an attorney or authorised representative to participate and vote at this EGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online.
- (8) The appointment of proxy may be made in the form of hard copy to be deposited with the Registered Office at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur or lodged electronically via the TIIH Online not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM in which the person named in the appointment proposes to vote.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Registered Office of the Company at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM in which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) For a corporate member who has appointed a representative, the original or duly certified certificate of appointment must be deposited with the Registered Office of the Company at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. The certificate of appointment should be executed in the following manner:-
 - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance to the Constitution of the corporate member.

- (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
- (i) at least two (2) authorised officers, of whom shall be directors; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (11) Please ensure that all the particulars as required in this Proxy Form are completed, signed and dated accordingly.
- (12) Last date and time for lodging this Proxy Form is Saturday, 20 November 2021 at 10:00 a.m..
- (13) Only members whose names appear in the Record of Depositors as at 15 November 2021 shall be regarded as members entitled to participate and vote at this EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate 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 (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 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 members has obtain 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.

ADMINISTRATIVE DETAILS FOR THE EGM

Date : Monday, 22 November 2021
Time : 10:00 a.m.
Online Meeting Website : <http://tiih.online> or <https://tiih.com.my> ("**TIIH ONLINE**")
(Domain registration number with MYNIC: D1A282781)
by Tricor Investor & Issuing House Services Sdn. Bhd. Malaysia

MODE OF MEETING

In line with implementation of the National Recovery Plan and relevant Standard Operating Procedures ("**SOP**") issued by the Majlis Keselamatan Negara to curb the spread of the current Covid-19 pandemic, the Securities Commission Malaysia has enforced the latest ruling in regards to the Conduct of General Meetings for Listed Issuers under its revised Guidance Note and Frequently Asked Questions ("**FAQ**") dated 16 July 2021.

Pursuant to the aforesaid revised guidance, listed Issuers are only allowed to conduct fully virtual general meetings where all meeting participants including the Chairperson of the meeting, board members, senior management and members are required to participate in the meeting via online. Physical gatherings are **STRICTLY PROHIBITED** regardless of the crowd of any size and an online meeting platform that is conducted in Malaysia will be recognised as having to comply with Section 327(2) of Companies Act 2016.

Hence, the Extraordinary General Meeting ("**EGM**") of Bintai Kinden Corporation Berhad will be conducted fully virtual via the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia.

REMOTE PARTICIPATION AND VOTING ("**RPV**") FACILITIES

Members are to participate including posing questions to the Board via real time submission of typed texts and vote remotely at the EGM using RPV provided by Tricor via the TIIH Online.

Members who appoint proxies to participate via RPV in the EGM must ensure that the duly executed Proxy Forms are physically deposited with the Registered Office of the Company or by electronic means to Tricor no later than Saturday, 20 November 2021 at 10:00 a.m.

Corporate members and attorneys must deposit their respective original or duly certified certificate of appointment of corporate representatives and Powers of Attorney with the Registered Office of the Company no later than Saturday, 20 November 2021 at 10:00 a.m. to participate the EGM via RPV.

A member who has appointed a proxy or attorney or authorised representative to participate at this EGM via RPV must request his/her proxy to register himself/herself for RPV at the TIIH Online.

As the EGM of Bintai is fully virtual, members who are unable to participate in this EGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

PROCEDURES FOR RPV

Members/proxies/corporate representatives/attorneys who wish to participate at the EGM remotely using the RPV are to follow the requirements and procedures as summarised below:-

	Procedure	Action
BEFORE THE EGM DAY		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none">Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by individual Holder". Refer to the tutorial guide posted on the homepage for assistance.Registration as a user will be approved within one (1) working day and you will be notified via email.

	Procedure	Action
		<ul style="list-style-type: none"> If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b)	Submit your request	<ul style="list-style-type: none"> Registration is open from 29 October 2021 until the day of EGM on Monday, 22 November 2021. Member(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate the EGM using the RPV. Login with your user ID and password and select the corporate event: “(REGISTRATION) BINTAI EGM 2021”. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 15 November 2021, the system will send you an e-mail to approve or registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. <p><i>(Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV to enable you to participate the EGM via TIIH Online.</i></p>
ON THE EGM DAY (Date)		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the EGM at any time from 9:00 a.m. i.e. One (1) hour before the commencement of the EGM on Monday, 22 November 2021 at 10:00 a.m..
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) BINTAI EGM 2021” to engage in the proceedings of the EGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavour to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 10:00 a.m. on Monday, 22 November 2021 until a time when the Chairman announces the completion of the voting session of the EGM. Select the corporate event: “(REMOTE VOTING) BINTAI EGM 2021” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the EGM, the online meeting will end.

Note to users of the RPV:

- Should your application to join the EGM is approved, we will make available to you the rights to join the online meeting and to vote remotely. Your login to TIIH Online on the day of EGM will indicate your presence at the virtual meeting.
- The quality of your connection to the online meeting is dependent on the bandwidth, the stability of your device and the internet at your location.

- (3) In the event you encounter any issues with logging-in, connection to the online meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

NO DOOR GIFT/FOOD VOUCHER

There will be **no distribution** of door gifts or food vouchers for the EGM since the meeting is being conducted on a fully virtual basis.

We would like to thank our members for your kind co-operation and understanding in these challenging times.

RECORD OF DEPOSITORS (“ROD”)

Only depositors whose names appears in the ROD as at **15 November 2021** shall be entitled to participate and vote remotely at the EGM or appoint proxies to participate and/or vote on his/her behalf.

PROXY

In the event you are unable to participate the meeting via RPV on 22November 2021, you may appoint the Chairman of the meeting as proxy and indicate the voting instructions in the Proxy Form.

You may submit your Proxy Form to the Registered Office of the Company at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

You may also submit the Proxy Form electronically via the TIIH Online no later than Saturday, 20 November **2021** at **10:00 a.m.** Please follow the instructions and procedures for submission of Proxy Form electronically in the ensuing section below.

POLL VOTING

The Voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market LR.

Members can proceed to vote on the resolutions at any time from the commencement of the EGM at 10:00 a.m. until the conclusion of the voting session which will be announced by the Chairman of the Meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online.

Upon completion of the voting session for the EGM, the Scrutineers will verify and announce the poll results followed by the Chairman’s declaration whether the resolution is duly passed.

EGM CIRCULAR

The Company's EGM Circular dated 29 October 2021 is available at the Company's website at www.bintai.com.my.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via **TIIH Online** are summarised below:

	Procedure	Action
i. <u>Steps for Individual Members</u>		
a	Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Please refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again.
b	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "BINTAI EGM 2021 – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy/proxies to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint Chairman of the Meeting as your proxy. Indicate your voting instructions - FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy/proxies appointment. Print proxy/proxies for your record.
ii. <u>Steps for Corporation or Institutional Members</u>		
a	Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative or Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by e-mail within one (1) or two (2) working days. Proceed to activate your account with the temporary password given in the e-mail and re-set your own password. <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the Poll Administrator if you need clarifications on the user registration.)</i></p>
b	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online Select the corporate event: "BINTAI EGM 2021 – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of submission for your record.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Members may submit questions for the Board prior to the EGM via TIIH Online by selecting “**e-Services**” to login, pose questions and submit electronically no later than Saturday, 20 November 2021 at 10:00 a.m.. The Board will endeavour to answer the questions received at the EGM.

RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the proceedings of EGM is **STRICTLY NOT ALLOWED**.

ENQUIRY

If you have any enquiries on the above, please contact our Poll Administrator during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays) as follows:

Poll Administrator - Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Contact persons

- Mr. Jake Too : +603-2783 9285 / Email : Chee.Onn.Too@my.tricorglobal.com

- Ms. Vivien Khoh : +603-2783 9091 / Email : Vivien.Khoh@my.tricorglobal.com

- Mr. Alven Lai : +603-2783 9283 / Email : Siew.Wai.Lai@my.tricorglobal.com



BINTAI KINDEN CORPORATION BERHAD

Registration No. 199401005191 (290870-P)
(Incorporated in Malaysia)

No. of shares	
CDS Account No.	

PROXY FORM

I/We _____
(FULL NAME IN BLOCK LETTERS)

NRIC No./Company No. _____

of _____
(FULL ADDRESS)

being a Member of Bintai Kinden Corporation Berhad, hereby appoint the following person(s) or failing him, the Chairman of the Meeting, as my/our proxy/proxies to participate and vote for me/us and on my/our behalf, at the Extraordinary General Meeting ("EGM") of the Company, to be conducted fully virtual through online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its website at <https://tiih.online> on Monday, 22 November 2021 at 10:00 a.m., or at any adjournment thereof:-

	Name	Address	NRIC No.	Shares represented by Proxy
1.
2.

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Proposed Acquisition		
Ordinary Resolution 2	Proposed Diversification		
Ordinary Resolution 3	Proposed Private Placement		
Ordinary Resolution 4	Proposed Issuance of RCPS		
Special Resolution	Proposed Amendments		

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

Dated: _____

Signature/Common Seal

Telephone No: _____

Notes:

- (1) The EGM of the Company will be conducted fully virtual via Remote Participation and Voting ("RPV") facilities from the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its website at <https://tiih.online> ("TIIH Online"). Please follow the steps and procedures provided in the Administrative Details for the EGM of the Company in order to register, participate and vote remotely via RPV.
- (2) Members are to participate including posing questions to the Board via real time submission of typed texts and vote remotely at the EGM via the RPV facilities provided by Tricor via the TIIH Online.



- (3) Members may submit questions to the Board of Directors prior to the EGM via **TIIH Online** by selecting “**e-Services**” to login, pose questions and submit electronically no later than Saturday, 20 November 2021 at 10:00 a.m. or to use the query box to transmit questions to the Chairman/Board via RPV during the online meeting.
- (4) A member entitled to participate and vote at this meeting is entitled to appoint a proxy or proxies to participate and vote on his behalf. A proxy need not be a member of the Company and there shall not be any restriction as to the qualification of the proxy.
- (5) Where a Member appoints more than one (1) proxy, the appointment of proxies shall not be valid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.
- (6) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 nominees may appoint in respect of each omnibus account it holds.
- (7) A member who has appointed a proxy or attorney or authorised representative to participate and vote at this EGM via RPV must request his/her proxy to register himself/herself for RPV at **TIIH Online**. Please follow the Procedures for RPV in the Administrative Details of the EGM.
- (8) The appointment of proxy may be made in the form of hard copy to be deposited with the Registered Office at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur or lodged electronically via the TIIH Online not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM in which the person named in the appointment proposes to vote.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Registered Office of the Company at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM in which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) For a corporate member who has appointed a representative, the original or duly certified certificate of appointment must be deposited with the Registered Office of the Company at 3-2-8, Kompleks Kantonmen Prima, No. 698, Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. The certificate of appointment should be executed in the following manner:-
 - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance to the Constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
 - (i) at least two (2) authorised officers, of whom shall be directors; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (11) Please ensure that all the particulars as required in this Proxy Form are completed, signed and dated accordingly.
- (12) Last date and time for lodging this Proxy Form is Saturday, 20 November 2021 at 10:00 a.m.
- (13) Only members whose names appear in the Record of Depositors as at 15 November 2021 shall be regarded as members entitled to participate and vote at this EGM.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
BINTAI KINDEN CORPORATION BERHAD
[Registration No. 199401005191(290870-P)]
3-2-8, Kompleks Kantonmen Prima
No. 698, Jalan Ipoh
51200 Kuala Lumpur
Malaysia

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