

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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Wentel Engineering Holdings Berhad ("**Wentel**" or the "**Company**") was listed on the ACE Market of Bursa Securities on 6 February 2024. The admission of the Company to the ACE Market of Bursa Securities was sponsored by TA Securities Holdings Berhad ("**TA Securities**"). This Circular has been reviewed by TA Securities as the Sponsor to the Company and Adviser for the Proposed Acquisition (as defined herein).



**Engineering**

**WENTEL ENGINEERING HOLDINGS BERHAD**  
(Registration No. 202301007290 (1501211-T))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PART A**

**PROPOSED ACQUISITION BY WENTEL ENGINEERING SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WENTEL, OF 2 UNITS OF MEDIUM INDUSTRIAL SEMI-DETACHED FACTORIES TO BE ERECTED ON THE MASTER FREEHOLD LAND HELD UNDER TITLE NO. GRN 99403 LOT NO. 813, MUKIM TEBRAU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR, FORMING PART OF A PROPOSED INDUSTRIAL DEVELOPMENT PROJECT NAMED "GALAXY INDUSTRIAL PARK" FROM TWIN GALAXY DEVELOPMENT SDN BHD, BEING A RELATED PARTY, FOR A TOTAL CASH CONSIDERATION OF RM29,576,970 ("PROPOSED ACQUISITION")**

**PART B**

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

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser for Part A*

**TA SECURITIES**

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD  
(Registration No.: 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Independent Adviser for Part B*



Strategic Capital

**STRATEGIC CAPITAL ADVISORY SDN BHD**  
(Registration No.: 199901003253 (478153-U))

The resolution in respect of the above proposal will be tabled at the Extraordinary General Meeting ("**EGM**") of Wentel which will be held at Trading Post (Hall) of Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on Tuesday, 16 June 2026 at 10:00 a.m. or at any adjournment thereof. The Notice of the EGM together with the Proxy Form, Administrative Guide for the EGM and this Circular are available at the Company's website at [www.wenteleng.com](http://www.wenteleng.com). Please follow the procedures provided in the Administrative Guide for the EGM in order to register, present, participate, speak, and vote at the EGM.

If you are unable to participate in the EGM and wish to appoint proxy(ies) for the forthcoming EGM, you must complete, sign and deposit the Proxy Form at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on or before the date and time indicated below or at any adjournment thereof. Alternatively, you have the option to lodge the proxy form by electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com> not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming EGM should you subsequently decide to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Last day, date and time for lodging the Proxy Form : Sunday, 14 June 2026 at 10:00 a.m.  
Day, date and time of the EGM : Tuesday, 16 June 2026 at 10:00 a.m.

This Circular is dated 22 May 2026

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

<b>Act</b>	:	Companies Act 2016
<b>Board</b>	:	Board of Directors of Wentel
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad
<b>Circular</b>	:	This circular to the shareholders of Wentel in relation to the Proposed Acquisition dated 22 May 2026
<b>CMSA</b>	:	Capital Markets and Services Act 2007
<b>CNC</b>	:	Computer numerical control
<b>Director(s)</b>	:	A person who holds a directorship in the Company for the time being, whether in an executive or non-executive capacity, falling within the meaning given in Section 2(1) of the CMSA and Section 2(1) of the Act
<b>EGM</b>	:	Extraordinary general meeting
<b>EPS</b>	:	Earnings per Share
<b>FYE</b>	:	Financial year ended/ ending 31 December, as the case may be
<b>Galaxy Industrial Park</b>	:	A proposed industrial development project in Skudai, Johor by TGDSB
<b>IMR or Vital Factor</b>	:	Vital Factor Consulting Sdn Bhd, the Independent Market Research Consultants
<b>IMR Report</b>	:	Independent market research report on the Prospects of the Fabricated Metal Products Industry in Malaysia dated 15 May 2026, prepared by Vital Factor
<b>Interested Director(s)</b>	:	Ban Kim Wah, Wong Chun Wei and Wong Ying Jia, collectively
<b>Interested Major Shareholder(s)</b>	:	Ban Kim Wah, Wong Kim Fatt, Loo Sok Ching and Wencor, collectively
<b>Listing Requirements</b>	:	ACE Market Listing Requirements of Bursa Securities
<b>Lot 815</b>	:	A new manufacturing plant of the Group to carry out fabrication and assembly operations on a parcel of freehold industrial zoned land located at Kawasan Perindustrian Selatan, Johor Bahru, Johor held under title HSD 605719, PTD 204073 Mukim of Tebrau, District of Johor Bahru, State of Johor
<b>LPD</b>	:	5 May 2026, being the latest practicable date prior to the printing of this Circular
<b>Master Land</b>	:	Master freehold land held under Title No. GRN 99403 Lot No. 813, Mukim Tebrau, District of Johor Bahru, State of Johor
<b>NA</b>	:	Net assets

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**DEFINITIONS (CONT'D)**

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<b>Proposed Acquisition</b>	:	Proposed acquisition by WESB of the Subject Properties to be erected on the Master Land, forming part of the Galaxy Industrial Park, from TGDSB, being a related party, for the Purchase Consideration
<b>Purchase Consideration</b>	:	A total cash consideration of RM29,576,970 pursuant to the Proposed Acquisition
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
<b>SCA or Independent Adviser</b>	:	Strategic Capital Advisory Sdn Bhd
<b>SPA(s)</b>	:	Conditional sale and purchase agreement(s) dated 18 March 2026 entered into between WESB and the Vendor pursuant to the Proposed Acquisition
<b>Subject Property 1</b>	:	A medium industrial semi-detached factory to be erected on Plot A1, forming part of the Master Land
<b>Subject Property 2</b>	:	A medium industrial semi-detached factory to be erected on Plot A2, forming part of the Master Land
<b>Sq. ft.</b>	:	Square feet
<b>Subject Properties</b>	:	Collectively, Subject Property 1 and Subject Property 2, which are contiguous to each other
<b>TA Securities or Adviser</b>	:	TA Securities Holdings Berhad
<b>TGDSB or Vendor</b>	:	Twin Galaxy Development Sdn Bhd
<b>Valuation Certificate</b>	:	Valuation certificate dated 11 March 2026 in relation to the Subject Properties prepared by the Valuer
<b>Valuation Report</b>	:	Valuation report dated 11 March 2026 in relation to the Subject Properties prepared by the Valuer
<b>Valuer or JLW</b>	:	Jones Lang Wootton
<b>Wencor</b>	:	Wencor (M) Sdn Bhd
<b>Wentel or Company</b>	:	Wentel Engineering Holdings Berhad
<b>Wentel Group or Group</b>	:	Wentel and its subsidiaries, collectively
<b>Wentel Share(s) or Share(s)</b>	:	Ordinary share(s) in Wentel
<b>WESB or Purchaser</b>	:	Wentel Engineering Sdn Bhd, a wholly-owned subsidiary of Wentel

All references to “**you**” in this Circular are references to shareholders of the Company.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

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**DEFINITIONS (CONT'D)**

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Any reference in this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment or re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the figures included in this Circular between the amount stated, actual figures and the totals thereof are due to rounding.

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**PART A**

**LETTER TO THE COMPANY'S SHAREHOLDERS IN RELATION TO THE  
PROPOSED ACQUISITION**

**EXECUTIVE SUMMARY**

**THIS EXECUTIVE SUMMARY REPRESENTS ONLY A SUMMARY OF THE PERTINENT INFORMATION ON THE PROPOSED ACQUISITION AS SET OUT IN PART A OF THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.**

<b>Key information</b>	<b>Description</b>	<b>Reference to Part A of the Circular</b>
<b>Brief details of the Proposed Acquisition</b>	<p>The Proposed Acquisition entails the acquisition by WESB of the Subject Properties to be erected on the Master Land, forming part of the Galaxy Industrial Park, from TGDSB, being a related party, for the Purchase Consideration.</p> <p>In view of the interests of certain related parties, the Proposed Acquisition is deemed as a related party transaction.</p>	Section 2
<b>Rationale of the Proposed Acquisition</b>	<p>The Group has identified the Subject Properties to house its dedicated finishing operations for products fabricated at Lot 815. This will free up additional space at Lot 815, thereby increasing the area available for fabrication activities. This is expected to improve overall production capacity and contribute positively to the Group's financial performance.</p> <p>Given the close proximity of the Subject Properties to Lot 815, the Proposed Acquisition is expected to facilitate efficient integration and minimise logistical lead time between the Group's fabrication facilities and finishing operations.</p> <p>The separation of the finishing processes pursuant to the Proposed Acquisition will minimise potential contamination risk and is anticipated to enhance the Group's appeal to new potential customers, especially those seeking stringent finishing standards. This strategic enhancement is expected to support the Group's efforts to expand its customer base across domestic and regional markets, including the growing machinery and equipment manufacturing industry as well as semiconductor manufacturing machinery and medical devices industries.</p> <p>The Board (save for Ban Kim Wah and Wong Chun Wei) believes that the Proposed Acquisition represents a strategic decision which will potentially contribute positively to the Group's future earnings and create long-term value for the Group.</p>	Section 3
<b>Approvals required</b>	<p>The Proposed Acquisition is subject to approvals being obtained from the following:</p> <ul style="list-style-type: none"> <li>(i) the Company's non-interested shareholders at the forthcoming EGM; and</li> <li>(ii) any other relevant authorities/ parties, if required.</li> </ul>	Section 7

**EXECUTIVE SUMMARY (CONT'D)**

<b>Key information</b>	<b>Description</b>	<b>Reference to Part A of the Circular</b>
<b>Interests of Directors, major shareholders, chief executive of the Company and/ or persons connected with them</b>	Save for the Interested Directors, Interested Major Shareholders and interested person connected with them as set out in <b>Section 9, Part A</b> of this Circular, none of the directors, major shareholders, chief executive of the Company and/ or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition.	Section 9
<b>Board's recommendation</b>	<p>The Board (save for Ban Kim Wah and Wong Chun Wei) after having considered all aspects of the Proposed Acquisition, including the rationale of the Proposed Acquisition, the prospects of the Subject Properties and of the Group, the terms and conditions of the SPAs, the basis and justification for the Purchase Consideration, the risks in relation to the Proposed Acquisition and the effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.</p> <p>Accordingly, the Board (save for Ban Kim Wah and Wong Chun Wei) recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.</p> <p>In view that the Interested Directors are deemed interested in the Proposed Acquisition, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant meetings of the Board (including those of WESB's board of directors) in relation to the Proposed Acquisition.</p>	Section 12

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**Engineering**

**WENTEL ENGINEERING HOLDINGS BERHAD**

(Registration No. 202301007290 (1501211-T))  
(Incorporated in Malaysia)

**Registered Office:**

Third Floor, No. 77, 79 & 81  
Jalan SS21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor

22 May 2026

**Board of Directors**

Ban Kim Wah (Non-Independent Non-Executive Chairman)  
Wong Chun Wei (Executive Director)  
Siow Chin How (Independent Non-Executive Director)  
Soo Wee Loon (Independent Non-Executive Director)  
Wang Sze Min (Independent Non-Executive Director)

**To: Shareholders of Wentel Engineering Holdings Berhad**

Dear Sir/ Madam,

**PROPOSED ACQUISITION**

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**1. INTRODUCTION**

On 18 March 2026, TA Securities had, on behalf of the Board announced that the Company proposes to undertake the Proposed Acquisition.

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

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED ACQUISITION

WESB had on 18 March 2026 entered into 2 SPAs with the Vendor for the Proposed Acquisition. The Proposed Acquisition entails the acquisition by WESB of the Subject Properties for the Purchase Consideration, free from all encumbrances with vacant possession and further subject to the conditions of title express or implied in the issue document of title to the Subject Properties and subject to the terms, conditions and stipulations contained in the SPAs. The Subject Properties are part of the Galaxy Industrial Park. The salient terms of the SPAs and details of the Subject Properties are set out in **Appendices I and II** of this Circular respectively.

The Proposed Acquisition is deemed as a related party transaction under Rule 10.08 of the Listing Requirements in view of the interests of the related parties as set out in **Section 9, Part A** of this Circular.

### 2.1 Information on TGDSB

TGDSB is a private limited company incorporated in Malaysia under the Act on 23 September 2024, having its registered address at Suite 2, 1<sup>st</sup> Floor, 2J-1, Jalan Giam, Taman Majidee, 80250 Johor Bahru, Johor. TGDSB is principally involved in the construction of buildings, buying, selling, renting and operating of self-owned or leased real estate for residential buildings as well as real estate activities with own or leased property.

As at the LPD, TGDSB has an issued share capital of RM500,000 comprising 500,000 ordinary shares.

The directors and shareholders of TGDSB and their respective shareholdings in TGDSB as at the LPD are set out below:

	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
<b>Directors</b>					
Loo Sok Ching	Malaysian	-	-	(1)500,000	100.00
Wong Ying Wei	Malaysian	-	-	-	-
Wong Kim Fatt	Malaysian	-	-	(1)500,000	100.00
<b>Shareholder</b>					
Wencor <sup>(2)</sup>	Malaysia	500,000	100.00	-	-

Notes:

- (1) Deemed interested by virtue of his/ her shareholding in Wencor and his/her spouse's interest in Wencor pursuant to Section 8 of the Act.
- (2) Wencor is a private limited company incorporated in Malaysia under the then Companies Act 1965 on 23 July 2002 and is deemed registered under the Act. Wencor is principally involved in supply chain management of vacuum cleaner spare parts and manufacturing of plastic injection moulding.

As at the LPD, Wencor has an issued share capital of RM5,083,750, comprising 5,083,750 ordinary shares.

The directors and shareholders of Wencor and their respective shareholdings in Wencor as at the LPD are set out below:

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
<b>Directors and shareholders</b>					
Loo Sok Ching <sup>(1)</sup>	Malaysian	2,995,509	58.92	<sup>(2)</sup> 2,088,241	41.08
Wong Kim Fatt <sup>(1)</sup>	Malaysian	2,088,241	41.08	<sup>(2)</sup> 2,995,509	58.92
<b>Director</b>					
Wong Ying Wei <sup>(1)</sup>	Malaysian	-	-	-	-

Notes:

(1) Wong Kim Fatt's spouse is Loo Sok Ching. Wong Ying Wei is the daughter of Wong Kim Fatt and Loo Sok Ching.

(2) Deemed interested by virtue of his/her spouse's interest pursuant to Section 8 of the Act.

## 2.2 Basis and justification in arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the market value of the respective Subject Properties as follows:

Subject Properties	*Market value (RM)	Purchase Consideration (RM)
Subject Property 1	17,900,000	17,880,750
Subject Property 2	12,000,000	11,696,220
<b>Total</b>	<b>29,900,000</b>	<b>29,576,970</b>

Note:

\* As appraised by the independent registered valuer, namely JLW as at the date of valuation on 11 March 2026, and as outlined in the Valuation Report on the basis that the Subject Properties are completed in accordance with the building plans with a certificate of completion and compliance issued and with all the relevant contributions, charges and fees fully paid in accordance with the draft SPAs. The Valuation Certificate and Valuation Report have been prepared in compliance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia.

Market value used in this context is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing-buyer and a willing-seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

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In arriving at the market value of the respective Subject Properties, the Valuer has considered the Comparison Approach and Cost Approach, details of which are as follows:

(i) Comparison Approach

The Comparison Approach entails comparison of the properties under valuation with sales of other similar properties. Where dissimilarities exist between the comparable properties and the Subject Properties in terms of location, property type, building condition, size and gated and guarded features, appropriate adjustments have been made. Adjustments have also been made to account for time differences between the transaction dates of the sales of the comparable properties and the valuation date.

(ii) Cost Approach

The Cost Approach entails assessing the aggregate amount of the value of the land component and the gross replacement cost of the buildings and other site improvements, allowing for depreciation.

The value of the land component is arrived by the Comparison Approach whereby comparison is made of the property under valuation with sales of other similar properties. Where dissimilarities exist between the comparable properties and the Subject Properties in terms of location, size and tenure, appropriate adjustments have been made. Adjustments have also been made to account for time differences between the transaction dates of the sales of the comparable properties and the valuation date.

For building component, the replacement cost was arrived at by referencing to construction costs as per the Building Cost Information Services Malaysia (BCISM) Costbook 2025 and by adding in site improvement cost which reflects the costs for site preparation, earthworks and external infrastructure development.

The Valuer did not adopt the Income Approach by way of Investment Method as there is a lack of rental evidence which is publicly available and which can be relied upon.

Based on the above valuation approaches, the reconciliation of the market value of the respective Subject Properties are as follows:

Valuation Methodology	Market value (RM)	
	Subject Property 1	Subject Property 2
Comparison Approach	17,900,000	12,000,000
Cost Approach	17,900,000	12,000,000

The Valuer has adopted the Comparison Approach as the primary approach in formulating its opinion on the market value of the respective Subject Properties. The Cost Approach is not adopted as the Subject Properties have yet to be constructed, which gives rise to uncertainties in construction costs and renders the final completed form not readily ascertainable. Hence, the Cost Approach is only adopted as a check by the Valuer.

The Board (save for Ban Kim Wah and Wong Chun Wei) is of the view that the Purchase Consideration is justifiable after taking into consideration the following:

- (i) it represents a discount of RM0.32 million or approximately 1.08% to the total market values of the Subject Properties as appraised by the Valuer;
- (ii) the rationale of the Proposed Acquisition as set out in **Section 3, Part A** of this Circular; and
- (iii) the prospects of the Subject Properties as set out in **Section 4.3, Part A** of this Circular.

## 2.3 Mode of settlement

The Purchase Consideration is to be settled entirely in cash in the following manner:

No.	Payment Schedule	Subject Property 1		Subject Property 2		*Total (RM)
		Amount (RM)	%	Amount (RM)	%	
1.	Upon signing of the SPAs	1,788,075	10.00	1,169,622	10.00	(1)2,957,697
2.	Within 14 days from the date of the Vendor's written notice of the completion of:					
	(i) the earthwork of the lands	2,682,113	15.00	1,754,433	15.00	4,436,546
	(ii) the piling works (if any) and foundation works of the Subject Properties	2,682,113	15.00	1,754,433	15.00	4,436,546
	(iii) the reinforced concrete framework of the Subject Properties	2,682,113	15.00	1,754,433	15.00	4,436,546
	(iv) the walls of the Subject Properties including electrical wiring and plumbing (without fittings)	2,682,113	15.00	1,754,433	15.00	4,436,546
	(v) the roofing of the Subject Properties	2,682,113	15.00	1,754,433	15.00	4,436,546
	(vi) the plastering of the Subject Properties	894,038	5.00	584,811	5.00	1,478,849
	(vii) the roads and drains serving the Subject Properties	894,038	5.00	584,811	5.00	1,478,849
3.	On handing over vacant possession of the Subject Properties to WESB <sup>(2)</sup>	894,038	5.00	584,811	5.00	1,478,849
<b>Total*</b>		<b>17,880,750</b>	<b>100.00</b>	<b>11,696,220</b>	<b>100.00</b>	<b>29,576,970</b>

Notes:

\* Amount does not add up due to decimal differences.

(1) Fully paid as at the LPD via the Company's internally-generated funds.

(2) The handover of the Subject Properties is expected to take place in the first quarter of 2029.

## 2.4 Source of funding

The Purchase Consideration will be satisfied via a combination of internally-generated funds and bank borrowings. Purely for illustration purposes, the proportion of the funding is assumed as follows:

Source of funding	RM	%
Internally-generated funds	8,873,091	30.00
Bank borrowings	20,703,879	70.00
<b>Total</b>	<b>29,576,970</b>	<b>100.00</b>

The above allocation is based on the Company's internal preliminary discussions and is subject to change, after taking into consideration, among others, the gearing level, interest costs and internal cash requirements of the Group at the relevant time.

**2.5 Liabilities to be assumed by the Company**

Save for the obligations and liabilities arising from the SPAs as set out in **Appendix I** of this Circular, there are no other liabilities, including contingent liabilities, and/ or guarantees to be assumed by the Group arising from the Proposed Acquisition.

**2.6 Additional financial commitment required**

Save for the Purchase Consideration, there is no other additional financial commitment required by the Group to put the Subject Properties on-stream upon delivery of vacant possession by the Vendor to WESB.

**2.7 Original cost and dates of investment**

The original cost and the dates of investment by the Vendor in Plot A1 and Plot A2, being the lands on which the Subject Property 1 and Subject Property 2 are to be erected respectively, are as follows:

<b>Dates of investment</b>	<b>Original cost of investment (RM'000)</b>
<b>Plot A1</b>	
16 January 2025	3,864
<b>Plot A2</b>	
16 January 2025	2,365

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### 3. RATIONALE OF THE PROPOSED ACQUISITION

Currently, the Group is operating at the following operational facilities:

Main functions	Address	Approximate built-up area (sq. ft.)
Head office, and fabrication and assembly plant ("Lot 11")	No. 11, Jalan Gagah, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor	118,801
Fabrication plant ("Lot 58")	No. 58, Jalan Langkasuka, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor	45,320

As at the LPD, the Group is also in the progress of constructing Lot 815, which has an approximate built-up area of 299,701 sq. ft. (inclusive of built-up area of approximately 84,391 sq. ft. for workers' hostels, lobby, canteen and common areas), to increase the production capacity of the Group to expand its business operations. Lot 815 is expected to commence operations in the second half of 2026. Upon completion of construction, the Group will relocate its current operations at Lot 58 to Lot 815 and terminate the tenancy of Lot 58. Thereafter, the Group will continue to operate its manufacturing plant at Lot 11 together with Lot 815.

For information purposes, the annual production capacity and actual usage of the machinery and equipment in Lot 11 and Lot 58 for each of the past 3 financial years are set out below:

	<sup>(1)(2)(3)</sup> Annual production capacity (hours)	Actual usage (hours)	Utilisation rate (%)
<b>CNC laser cutting and/or turret punching</b>			
FYE 2023	53,200	40,154	75.48
FYE 2024	48,350	36,936	76.39
FYE 2025	46,550	36,845	79.15
<b>CNC bending</b>			
FYE 2023	79,800	52,846	66.22
FYE 2024	80,028	57,860	72.30
FYE 2025	79,800	59,792	74.93
<b>Welding</b>			
FYE 2023	89,770	48,180	53.67
FYE 2024	93,366	56,660	60.69
FYE 2025	93,100	65,773	70.65
<b>CNC milling</b>			
FYE 2023	53,200	36,012	67.69
FYE 2024	60,021	43,726	72.85
FYE 2025	74,812	56,700	75.79
<b>Surface coating</b>			
FYE 2023	33,250	22,405	67.38
FYE 2024	33,345	25,510	76.50
FYE 2025	33,250	26,615	80.05

Notes:

- (1) The Group's semifinished metal products and metal parts are fabricated using the same machinery and equipment at both Lot 11 and Lot 58. Hence, the production capacity, output and utilisation rates of the Group's fabrication plants are assessed collectively as it is not practical to segment them separately. The main in-house machinery and equipment categories that apply to the Group's fabrication of semifinished metal products and metal parts business activities are CNC laser cutting and/or turret punching, CNC bending, welding, CNC milling and surface coating.

- (2) *The capacity for each machine or equipment is calculated based on the following assumptions:*
- (i) FYE 2023 and FYE 2025
    - *Based on 20 operating hours per day from Monday to Sunday for 365 days per year, less 15 gazetted public holidays and less 5% to take into account machinery downtime and maintenance, equivalent to 6,650 hours per year.*
  - (ii) FYE 2024
    - *Based on 20 operating hours per day from Monday to Sunday for 366 days per year, less 15 gazetted public holidays and less 5% to take into account machinery downtime and maintenance, equivalent to 6,669 hours per year.*
- (3) *The production capacity of each category of machine or equipment is computed based on the number of units and their respective operational periods, as follows:*
- (i) CNC laser cutting and/or turret punching machines
    - *8 units operational for 12 months of FYE 2023*
    - *7 units operational for 12 months and 1 unit operational for 3 months of FYE 2024*
    - *7 units operational for 12 months of FYE 2025*
  - (ii) CNC bending machines
    - *12 units operational for 12 months of FYE 2023, FYE 2024 and FYE 2025*
  - (iii) Welding machines
    - *11 units operational for 12 months and 3 units operational for 10 months of FYE 2023*
    - *14 units operational for 12 months of FYE 2024 and FYE 2025*
  - (iv) CNC milling machines
    - *8 units operational for 12 months of FYE 2023*
    - *8 units operational for 12 months and 2 units operational for 6 months of FYE 2024*
    - *11 units operational for 12 months and 1 unit operational for 3 months of FYE 2025*
  - (v) Surface coating
    - *4 powder coating lines and 1 zinc electroplating line operational for 12 months of FYE 2023, FYE 2024 and FYE 2025*

As part of the Group's strategic initiative to enhance its production capacity, the Group intends to establish the finishing processes (which involves buffing and surface coating) for products fabricated at Lot 815 at a separate facility. This will free up additional space at Lot 815, thereby increasing the area available for fabrication activities.

The proposed arrangement is expected to improve overall production capacity and contribute positively to the Group's financial performance. Hence, the Group has been identifying suitable locations to establish a facility dedicated to the finishing processes for products fabricated at Lot 815.

In this regard, the Group has identified the Subject Properties with an approximate total built-up area of 50,741 sq. ft. to house its dedicated finishing operations for products fabricated at Lot 815, taking into consideration the strategic location of the Subject Properties, which are situated approximately 0.5 kilometres ("**km**") from Lot 815. The close proximity is expected to facilitate efficient integration and minimise logistical lead time between the Group's fabrication facilities and finishing operations.

The expected annual production capacity after the relocation and completion of Proposed Acquisition are as follows:

	<sup>(1)</sup> Expected annual production capacity (hours)	
	<sup>(2)</sup> After relocation	<sup>(3)</sup> After completion of Proposed Acquisition
CNC laser cutting and/or turret punching	73,150	73,150
CNC bending	99,750	99,750
Welding	146,300	146,300
CNC milling	159,600	159,600
Surface coating	53,200	106,400

Notes:

- (1) Based on 20 operating hours per day from Monday to Sunday for 365 days per year, less 15 gazetted public holidays and less 5% to take into account machinery downtime and maintenance, equivalent to 6,650 hours per year.
- (2) The production capacity of each category of machine or equipment is computed based on the number of units and their respective operational periods, as follows:
- (i) CNC laser cutting and/or turret punching machines
    - 11 units operational for 12 months
  - (ii) CNC bending machines
    - 15 units operational for 12 months
  - (iii) Welding machines
    - 22 units operational for 12 months
  - (iv) CNC milling machines
    - 24 units operational for 12 months
  - (v) Surface coating
    - 6 powder coating lines, 1 spray system and 1 zinc electroplating line operational for 12 months
- (3) The production capacity of each category of machine or equipment is computed based on the number of units and their respective operational periods, as follows:
- (i) CNC laser cutting and/or turret punching machines
    - 11 units operational for 12 months
  - (ii) CNC bending machines
    - 15 units operational for 12 months
  - (iii) Welding machines
    - 22 units operational for 12 months
  - (iv) CNC milling machines
    - 24 units operational for 12 months
  - (v) Surface coating
    - 9 powder coating lines, 2 zinc electroplating lines, 1 sandblasting line, 3 spray systems, and 1 aluminium coating line operational for 12 months

Further, the separation of the finishing processes will minimise potential contamination risks and meet customers' expectations for finishing processes to be carried out in a standalone and segregated facility. It is anticipated to enhance the Group's appeal to new potential customers, especially those seeking stringent finishing standards. This strategic enhancement is expected to support the Group's efforts to expand its customer base across domestic and regional markets, including the growing machinery and equipment manufacturing industry as well as semiconductor manufacturing machinery and medical devices industries.

Barring any unforeseen circumstances and premised on the above, the Board (save for Ban Kim Wah and Wong Chun Wei) believes that the Proposed Acquisition represents a strategic decision which will potentially contribute positively to the Group's future earnings and create long-term value for the Group.

#### **4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS**

##### **4.1 Overview and outlook of the Malaysian economy**

The Malaysian economy grew by 5.2% (2024: 5.1%) in 2025, supported by resilient domestic demand that helped cushion the effects of a highly challenging global environment. Household spending remained firm, supported by positive labour market conditions and more targeted policy measures. Investment activity increased solidly, driven by continued progress in multi-year projects and strong investment approvals, particularly in high-technology services and advanced manufacturing.

The external sector demonstrated resilience despite shifting global trade dynamics and significant uncertainties. The current account of the balance of payments registered a higher surplus of RM31.8 billion, or 1.6% of gross domestic product (“GDP”) (2024: RM27.7 billion, or 1.4% of GDP). This was contributed by a continued surplus in the goods account and a turnaround in the services account into a surplus. The surplus in the goods account was underpinned by sustained electrical and electronics (“E&E”) exports.

The Malaysian economy is projected to grow between 4% to 5% in 2026. Domestic demand is forecast to remain the main driver of growth in 2026 amid steady private sector spending. Household spending will continue to be underpinned by firm labour market conditions and ongoing fiscal support. Investment activity will continue to expand, albeit at a more moderate pace. While intensified competition from China's production surpluses will continue to weigh on non-E&E exports, the E&E sector will benefit from strong semiconductor demand and the ongoing realisation of data centre investments. Tourism activity is also expected to remain steady, aided by promotional efforts in conjunction with Visit Malaysia 2026 and visa exemptions for visitors from China and India. Nevertheless, the conflict in the Middle East may weigh down exports and tourism activities.

*(Source: Economic and Monetary Review 2025, Bank Negara Malaysia)*

##### **4.2 Prospects of the fabricated metal products industry in Malaysia**

The Group is mainly involved in the fabrication of semifinished metal products and parts for machinery and equipment, mainly security screening equipment, semiconductor manufacturing machinery, CNC machines, and medical diagnostic equipment. In addition, the Group assembles finished products, such as walk-through metal detectors.

The prospects of the fabricated metal products industry are dependent on industry consideration factors that include the following:

- (i) In 2025, the GDP of the fabricated metal products industry grew by 4.7% to RM21.6 billion, while sales value from the machining, treatment, and coating of metals grew by 19.2% to RM7.3 billion. In the first quarter of 2026, the GDP of the fabricated metal products industry expanded by 5.8%, while the sales value from the machining, treatment and coating of metals increased by 13.9%, compared to the first quarter of 2025. These industry sectors are large, and their continued growth will create opportunities for operators;

- (ii) Fabricated metal products depend on the machinery and equipment manufacturing industry for the demand for parts such as metal enclosures, frames, and brackets. In 2025, the GDP of the machinery and equipment industry, the sales value of domestically manufactured machinery and equipment (including parts and components), and the export value of machinery, equipment, and parts grew by 6.9%, 8.5%, and 17.8%, respectively. In the first quarter of 2026, the GDP of the machinery and equipment industry, the sales value of domestically manufactured machinery and equipment (including parts and components), and the export value of machinery, equipment, and parts grew by 2.7%, 4.1% and 24.5%, respectively, compared to the first quarter of 2025. Growth in these sectors will help sustain the industry and provide growth opportunities for operators within the fabricated metal products industry;
- (iii) The demand for the machinery and equipment manufacturing industry is closely related to its user industries, which cover a wide range of applications across several industries, including security equipment, E&E products, CNC machines, and the medical devices industry. The wide applications of fabricated metal products will provide a platform for growth for operators within the industry;
- (iv) Machinery and equipment involved in the security industry include, among others, security scanning equipment and walk-through metal detectors. Such equipment is often deployed in border crossings, large crowd events, as well as embassies and some government buildings. As a result, the demand for security equipment will increase, arising from the expected increase in cross-border traffic in both goods and people, as well as the organisation of more large crowd events;
- (v) The large export values of the semiconductor manufacturing machinery and medical devices industries, which amounted to RM26.7 billion and RM24.4 billion, respectively, in 2025, as well as relatively high growth reflected in their 2021 to 2025 compound annual growth rates (CAGRs) of 32.2% and 14.4%, respectively, would provide growth opportunities for fabricators of metal products that serve these industries, including the Group. In the first quarter of 2026, the export value of semiconductor manufacturing machinery increased by 32.5%, while the export value of medical devices declined by 18.1%, compared to the first quarter of 2025;
- (vi) Demand for the machinery and equipment industry is also heavily influenced by the development of the economy and the manufacturing sector, which are progressively replacing human labour with machines and equipment. Malaysia's real GDP grew by 5.2% in 2025 and 5.4% in the first quarter of 2026, and is forecast to expand by 4.0% to 5.0% in 2026. Meanwhile, the real GDP of the manufacturing sector grew by 4.5% in 2025 and 5.9% in the first quarter of 2026, and is forecast to grow by 4.3% in 2026 (*Source: Bank Negara Malaysia*); and
- (vii) Under the Budget 2026, the Government Guarantee Scheme through Syarikat Jaminan Pembiayaan Perniagaan Berhad will continue to assist small- and medium-scale enterprises ("**SME**") in high technology and other key sectors with available financing guarantees of up to RM30.0 billion. In addition, SME financing support will remain available under the Bank Negara Malaysia SME Fund, with up to RM3.0 billion available for high-impact activities such as digitalisation and automation (*Source: Ministry of Finance*). These funds should encourage SME to adopt digital technologies and automation, which typically requires investment in machinery and equipment. Operators in Malaysia's fabricated metal products industry are positioned to benefit from investment in machinery and equipment, particularly in the manufacturing sector.

(*Source: IMR Report*)

### **4.3 Prospects of the Subject Properties and Proposed Acquisition**

As disclosed in **Section 3, Part A** of this Circular, the Subject Properties are strategically located at approximately 0.5 km from Lot 815. Their proximity provides the Group with a practical option to establish a dedicated finishing plant for products fabricated at Lot 815.

The Board (save for Ban Kim Wah and Wong Chun Wei) is of the view that the Subject Properties will enable the Group to improve overall production capacity, enhance operational efficiency, while meeting customers' expectations through the separation of finishing lines from fabrication operations. In addition, the establishment of a standalone finishing facility is anticipated to enhance the Group's appeal to new potential customers, especially those seeking stringent finishing standards. This strategic enhancement is expected to support the Group's efforts to expand its customer base across domestic and regional markets, including the growing machinery and equipment manufacturing industry as well as semiconductor manufacturing machinery and medical devices industries.

In addition, given the positive outlook of the Malaysian economy and fabricated metal products industry in Malaysia as set out in **Sections 4.1 and 4.2, Part A** of this Circular respectively, the Group intends to enhance its production capacity to capitalise on such prospects. The Subject Properties present a suitable option for freeing up space at Lot 815 by housing the finishing lines separately, which will in turn allow for the expansion of fabrication operations to support future growth.

The construction of the Galaxy Industrial Park and the Subject Properties has commenced in the first quarter of 2026 and is expected to be completed in the first quarter of 2029. The setup of the Subject Properties, including renovations and the purchase of new machineries (such as surface coating facilities, inspection equipment, crane and compressor), is expected to be completed with operations commencing in the third quarter of 2029. Purely for illustration purposes, the estimated costs to be incurred for the renovations and the purchase of machineries are approximately RM1.30 million and RM12.39 million, respectively, which are expected to be incurred in the second quarter of 2029. The Company intends to fund the costs of renovations and the purchase of machineries via a combination of internally-generated funds and bank borrowings. The aforementioned estimated costs are based on the quotations currently obtained from the suppliers and may vary depending on changes in market prices at the time the renovations and/or the purchase of machineries are undertaken.

After taking into consideration the above and barring any unforeseen circumstances, the Board (save for Ban Kim Wah and Wong Chun Wei) is of the opinion that the Proposed Acquisition is expected to contribute positively to the Group's financial performance.

*(Source: Management of the Group)*

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## 5. RISK FACTORS

The risk factors (which may not be exhaustive) pertaining to the Proposed Acquisition include but are not limited to the following:

### (i) Non-completion of the SPA

The completion of the Proposed Acquisition is conditional upon the fulfilment of the conditions precedent as set out in **Appendix I** of this Circular. If any of the conditions precedent is not fulfilled or obtained, the Proposed Acquisition may be delayed or terminated, thus resulting in non-materialisation of the potential benefits expected to arise from the Proposed Acquisition. The Board (save for Ban Kim Wah and Wong Chun Wei) seeks to limit such a risk by taking all reasonable steps towards the fulfilment of the conditions precedent so as to enable the completion of the Proposed Acquisition.

### (ii) Non-completion or delay in the development of the Subject Properties

The Subject Properties may not be completed or the vacant possession of the Subject Properties may not be handed over on time as completion of a development project is subject to various factors, such as the contractors facing difficulties in completing their works according to schedule and shortfall of labour and/ or building materials and utilities supplies.

However, the risk of delay in completion or the handing over of vacant possession of the Subject Properties is mitigated given that the terms of the SPAs provide for certain safeguard measures to the Purchaser, whereby the Vendor shall pay to the Purchaser agreed damages calculated from day to day at the rate of 10% per annum on the Purchase Consideration for such number of days of delay in the delivery of vacant possession of the Subject Properties to the Purchaser.

### (iii) Investment risk

The Proposed Acquisition is expected to contribute positively to the future performance of the Group in the medium to long term. However, there is no assurance that the anticipated benefits arising from the Proposed Acquisition as disclosed in **Section 3, Part A** of this Circular will be realised after the completion of the Proposed Acquisition and in the future or that the Group will be able to generate sufficient revenue or profits to offset the associated costs incurred pursuant to the Proposed Acquisition.

The Board (save for Ban Kim Wah and Wong Chun Wei) has exercised due care in considering the potential risks and benefits associated with the Proposed Acquisition, and believes that the Proposed Acquisition will be beneficial to the Group after taking into consideration, among others, the prospects of the Malaysian economy, fabricated metal products industry in Malaysia as well as Subject Properties and Proposed Acquisition as set out in **Sections 4.1 to 4.3, Part A** of this Circular.

### (iv) Compulsory acquisition risk

Pursuant to the provisions of the Land Acquisition Act 1960, the Government of Malaysia is empowered to acquire any land in Malaysia which is needed for (a) any public purpose; (b) any purpose which is deemed beneficial to the economic development or any part thereof or to the public generally or any class of the public; and (c) the purpose of mining, residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes. In such event, the amount of compensation payable will be determined based on the fair market value of the relevant property, in accordance with the valuation principles and procedures prescribed under the Land Acquisition Act 1960 and other relevant laws or regulations.

Accordingly, if the Subject Properties are compulsorily acquired by the Government of Malaysia at a time when their market value has declined, the Company may receive lower compensation as compared to the Purchase Consideration. This may result in deterioration of the Company's financial position. Furthermore, such compulsory acquisition may result in disruption to the Group's operations. In the event of any compulsory acquisition, the management of the Group will take appropriate steps to minimise any potential losses, including invoking the relevant provisions of the Land Acquisition Act 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

**(v) Financing and interest rate risk**

The Group has the intention to fund the Purchase Consideration via a combination of internally-generated funds and bank borrowings. Hence, the Group is exposed to interest rate fluctuations, which could potentially increase the borrowings expenses in the event of material adverse fluctuations, in turn negatively impact the Group's future financial performance.

Nevertheless, the Board (save for Ban Kim Wah and Wong Chun Wei) will endeavour to closely monitor the Group's debt portfolio and financial gearing to ensure effective cashflow management and that the Group's financial obligations are well managed from time to time.

**6. EFFECTS OF THE PROPOSED ACQUISITION**

**6.1 Share capital**

The Proposed Acquisition will not have any effect on the Company's share capital.

**6.2 NA and gearing**

For illustrative purposes only, assuming that the Proposed Acquisition had been effected at the end of the FYE 2025, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Group are as follows:

<b>Group</b>	<b>Audited as at 31 December 2025 (RM'000)</b>	<b>After the Proposed Acquisition (RM'000)</b>
Share capital	157,467	157,467
Merger deficit	(86,443)	(86,443)
Foreign exchange translation reserve	25	25
Retained profits	138,348	<sup>(1)</sup> 137,818
<b>Equity attributable to owners of the Company/ NA</b>	<b>209,397</b>	<b>208,867</b>
No. of Shares in issue ('000)	1,150,000	1,150,000
NA per Share (RM)	0.18	0.18
Total borrowings	-	<sup>(2)</sup> 20,704
Gearing (times) <sup>(3)</sup>	-	0.10

Notes:

- (1) After deducting estimated expenses of approximately RM0.53 million in relation to the Proposed Acquisition.
- (2) After accounting for the proposed drawdown of bank borrowings amounting to RM20.70 million to part finance the Proposed Acquisition.
- (3) Computed based on total borrowings over NA.

### 6.3 Earnings and EPS

Barring any unforeseen circumstances, the Proposed Acquisition is not expected to have any immediate material effect on the earnings of the Group for the FYE 2026. Nevertheless, the Subject Properties are expected to contribute positively to the earnings and EPS of the Group in future financial years after the Subject Properties are in full operation.

For illustrative purposes only, assuming that the Proposed Acquisition had been effected on 1 January 2025 (being the beginning of the FYE 2025), the pro forma effects of the Proposed Acquisition on the earnings and EPS of the Group are as follows:

	<b>Audited FYE 2025 (RM'000)</b>	<b>After the Proposed Acquisition (RM'000)</b>
PAT attributable to owners of the Company	23,202	<sup>(1)</sup> 21,602
No. of Shares in issue ('000)	1,150,000	1,150,000
Basic EPS (sen)	2.02	1.88

Note:

- (1) The pro forma PAT attributable to owners of the Company is computed based on the following assumptions:

	<b>(RM'000)</b>
Audited PAT attributable to owners of the Company (FYE 2025)	23,202
<b>Less:</b>	
(i) Annual depreciation expenses of the Subject Properties <sup>(a)</sup>	(592)
(ii) Interest expenses on the bank borrowings <sup>(b)</sup>	(759)
(iii) Maintenance and management fee of the Subject Properties <sup>(c)</sup>	(224)
(iv) Estimated expenses in relation to the Proposed Acquisition	(530)
Tax savings @ corporate tax rate of 24%	505
<b>Pro forma PAT attributable to owners of the Company after the Proposed Acquisition</b>	<b>21,602</b>

Sub-notes:

- (a) Computed based on straight-line basis over the respective estimated useful lives of the Subject Properties.
- (b) Computed based on an assumed interest rate of 3.85% per annum on the assumed bank borrowings of RM20.70 million.
- (c) Inclusive of the expected maintenance costs, management fee, assessment tax and quit rent of the Subject Properties.

### 6.4 Substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the substantial shareholders' shareholdings in the Company.

### 6.5 Convertible securities

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

## 7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is subject to approvals being obtained from the following:

- (i) the Company's non-interested shareholders at the forthcoming EGM; and
- (ii) any other relevant authorities/ parties, if required.

The Proposed Acquisition is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

### Percentage ratio

- (i) Upon signing of the SPA  
The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is approximately 15.86% derived by the Purchase Consideration over the Group's audited NA as at 31 December 2024 of approximately RM186.46 million.
- (ii) As at the LPD  
The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is approximately 14.12% derived by the Purchase Consideration over the Group's audited NA as at 31 December 2025 of approximately RM209.40 million.

## 8. CORPORATE EXERCISE/ SCHEME ANNOUNCED BUT PENDING COMPLETION

The Board confirms that the Company does not have any other outstanding corporate exercise/ scheme which has been announced by the Company but is pending implementation or completion prior to the printing of this Circular.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/ OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors, major shareholders, chief executive of the Company and/ or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition:

- (i) Ban Kim Wah is the Non-Independent Non-Executive Chairman and a major shareholder of Wentel. He is also the brother and brother-in-law of Wong Kim Fatt and Loo Sok Ching respectively, both are major shareholders of Wentel via their direct interests and indirect interests held through Wencor and each other as spouse. Wong Kim Fatt and Loo Sok Ching are also shareholders of the Vendor via their indirect interests held through Wencor. He is also the uncle of Wong Chun Wei, Wong Ying Jia and Wong Ying Wei. Accordingly, Ban Kim Wah is deemed interested in the Proposed Acquisition.
- (ii) Wong Chun Wei is the Executive Director of Wentel. He is also the son of Wong Kim Fatt and Loo Sok Ching, nephew of Ban Kim Wah and brother of Wong Ying Jia and Wong Ying Wei. Accordingly, Wong Chun Wei is deemed interested in the Proposed Acquisition.
- (iii) Wong Ying Jia is a director of WESB. She is also the daughter of Wong Kim Fatt and Loo Sok Ching, niece of Ban Kim Wah and sister of Wong Chun Wei and Wong Ying Wei. Accordingly, Wong Ying Jia is deemed interested in the Proposed Acquisition.

- (iv) Wong Kim Fatt and Loo Sok Ching are major shareholders of Wentel via their direct interests and indirect interests held through Wencor and each other as spouse. They are also the:
- (a) shareholders of the Vendor via their indirect interests held through Wencor;
  - (b) brother and sister-in-law of Ban Kim Wah respectively; and
  - (c) parents of Wong Chun Wei, Wong Ying Jia and Wong Ying Wei.
- Accordingly, Wong Kim Fatt and Loo Sok Ching are deemed interested in the Proposed Acquisition.
- (v) Wencor is a major shareholder of Wentel and the sole shareholder of the Vendor. Accordingly, Wencor is deemed interested in the Proposed Acquisition.
- (vi) Wong Ying Wei is a director of both Wencor and the Vendor. She is also the daughter of Wong Kim Fatt and Loo Sok Ching, niece of Ban Kim Wah and sister of Wong Chun Wei and Wong Ying Jia. Accordingly, Wong Ying Wei is deemed interested in the Proposed Acquisition.

As at the LPD, the direct and indirect shareholdings of the Interested Directors, Interested Major Shareholders and Wong Ying Wei in Wentel are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b><u>Interested Directors and Interested Major Shareholders</u></b>				
Ban Kim Wah	152,399,500	13.25	-	-
<b><u>Interested Directors</u></b>				
Wong Chun Wei	-	-	-	-
Wong Ying Jia	-	-	-	-
<b><u>Interested Major Shareholders</u></b>				
Wong Kim Fatt	423,120,000	36.79	<sup>(1)</sup> 195,280,000	16.98
Loo Sok Ching	6,867,000	0.60	<sup>(1)</sup> 611,533,000	53.18
Wencor	188,413,000	16.38	-	-
<b><u>Interested person connected</u></b>				
Wong Ying Wei	-	-	-	-

Note:

- (1) Deemed interested by virtue of his/her spouse's interest in the Company as well as his/her shareholding in Wencor pursuant to Section 8 of the Act.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant meetings of the Board (including those of WESB's board of directors) in relation to the Proposed Acquisition.

The Interested Directors, Interested Major Shareholders and the interested person connected will also abstain from voting in respect of their direct and/ or indirect shareholdings (if any) in the Company, on the resolution pertaining to the Proposed Acquisition at the Company's forthcoming EGM. In addition, the Interested Directors and Interested Major Shareholders have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition at the Company's forthcoming EGM.

## 10. TRANSACTION(S) WITH THE SAME RELATED PARTIES IN THE PRECEDING 12 MONTHS

Save for the Proposed Acquisition and the recurrent related party transactions (“RRPT”) as stated below, there were no other transactions entered into between the Group and the Interested Directors and Interested Major Shareholders as well as the persons connected with them (“Same Related Parties”) during the 12 months preceding the LPD.

Nature of RRPT	Transacting related parties	Transacting company within the Group	Same Related Parties with interest	Past 12 months up to the LPD (RM'000)
Rental expenses	Wencor	WESB	1. Wong Kim Fatt 2. Loo Sok Ching 3. Ban Kim Wah	1,925
Provision of scheduled waste management services	5E Resources Sdn Bhd	WESB	4. Wong Chun Wei 5. Wong Ying Jia 6. Wencor 7. Wong Ying Wei	173

## 11. AUDIT AND RISK MANAGEMENT COMMITTEE’S STATEMENT

The Audit and Risk Management Committee having considered among others, the views of the Independent Adviser on the Proposed Acquisition and all aspects of the Proposed Acquisition, including the rationale of the Proposed Acquisition, the basis and justification for the Purchase Consideration, the salient terms of the SPAs, the industry overview as well as the prospects of the Group and Subject Properties, the risks in relation to the Proposed Acquisition and the financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is:

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

## 12. DIRECTORS’ STATEMENT AND RECOMMENDATION

The Board (save for Ban Kim Wah and Wong Chun Wei) after having considered all aspects of the Proposed Acquisition, including the rationale of the Proposed Acquisition, the prospects of Subject Properties and of the Group, the terms and conditions of the SPAs, the basis and justification for the Purchase Consideration, the risks in relation to the Proposed Acquisition and the effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

Accordingly, the Board (save for Ban Kim Wah and Wong Chun Wei) recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

### 13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of all the terms and conditions contained in the SPAs, the Proposed Acquisition is expected to be completed by the first quarter of 2029.

The tentative timetable for the Proposed Acquisition is as follows:

Events	Tentative timeline
• EGM for the Proposed Acquisition	16 June 2026
• SPAs becoming unconditional	By mid-June 2026
• Completion of the Proposed Acquisition	By mid-March 2029

### 14. EGM

The EGM, the notice of which is enclosed herein, will be held at Trading Post (Hall) of Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on Tuesday, 16 June 2026 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Acquisition.

If you are unable to participate in the EGM and wish to appoint proxy(ies) for the forthcoming EGM, you must complete, sign and deposit the Proxy Form at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. Alternatively, you have the option to lodge the proxy form by electronic means via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming EGM should you subsequently decide to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

### 15. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully

For and on behalf of the Board

**WENTEL ENGINEERING HOLDINGS BERHAD**

**SIOW CHIN HOW**

Independent Non-Executive Director

**PART B**

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

## EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE “DEFINITIONS” SECTION OF THE CIRCULAR, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED ACQUISITION. NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAL IN ITS ENTIRETY FOR FURTHER INFORMATION AND THE RECOMMENDATIONS FROM SCA, BEING THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED ACQUISITION. THIS IAL SHOULD ALSO BE READ IN CONJUNCTION WITH PART A OF THE CIRCULAR, INCLUDING THE APPENDICES THEREIN, FOR ANY OTHER RELEVANT INFORMATION BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION AT THE FORTHCOMING EGM OF THE COMPANY.

### 1. INTRODUCTION

On 18 March 2026, the Board announced that the Company proposes to undertake the Proposed Acquisition.

The Proposed Acquisition is deemed as a related party transaction under Rule 10.08 of the Listing Requirements in view of the interests of the interested parties as set out in Section 9, Part A of the Circular.

In this respect, the Board (save for Ban Kim Wah and Wong Chun Wei) had on 20 January 2026 appointed SCA as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the terms of the Proposed Acquisition.

The purpose of this IAL is to provide the non-interested Directors and non-interested shareholders of the Company with an independent evaluation on the fairness and reasonableness of the Proposed Acquisition and whether the Proposed Acquisition is to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

### 2. EVALUATION OF THE PROPOSED ACQUISITION

In arriving at our opinion and recommendation on the Proposed Acquisition, we had taken into consideration the following bases and analysis:

Consideration factors	Section	Our evaluation
(a) Rationale for the Proposed Acquisition	5.1	The Proposed Acquisition will enable the Group to relocate its finishing processes from Lot 815 to the Subject Properties, thereby optimising space utilisation and freeing up additional space at Lot 815 for fabrication activities, including the installation of additional machinery to enhance production capacity and financial performance. The close proximity between the facilities is expected to improve operational and cost efficiency through reduced transportation costs, shorter lead times and better coordination between different production processes. In addition, the segregation of finishing processes into a dedicated and standalone facility is anticipated to reduce contamination risks, enhance process control and ensure greater consistency and quality of output, enabling the Group to better meet stringent customer requirements and industry standards. Collectively, these benefits are expected to strengthen the Group's competitiveness, support customer acquisition and retention,

Consideration factors	Section	Our evaluation
		and facilitate expansion across domestic and regional markets, particularly in industries requiring high precision and strict quality standards.
<b>(b) Evaluation of the Proposed Acquisition</b>		
(i) Basis and justification of the Purchase Consideration	5.2.1	<p>The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the following, amongst others:-</p> <ul style="list-style-type: none"> <li>(i) the aggregate market value of the Subject Properties of RM29.90 million as appraised by the Valuer, vide its Valuation Certificate; and</li> <li>(ii) the rationale and benefits for the Proposed Acquisition as set out in Section 3, Part A of the Circular</li> </ul> <p>We concurred with the Valuer that the Comparison Approach is the most appropriate valuation method in arriving at the market values of the Subject Properties considering that there are ample transactions of properties that are similar to the Subject Properties, which solidify the price trend. Whereas the Cost Approach is not adopted as the Subject Properties are physically not yet constructed, rendering construction costs uncertain and the final completed form not readily ascertainable. Hence, the Cost Approach is only adopted as a check by the Valuer.</p> <p>The Purchase Consideration represents a discount of approximately RM0.32 million or 1.08% to the aggregate market value of the Subject Properties ascribed by the Valuer.</p> <p>After considering the above, the opinion of the Board and the rationale of the Proposed Acquisition, we are of the opinion that the Purchase Consideration is fair, reasonable and not detrimental to the non-interested shareholders.</p>
(ii) Salient terms of the SPAs	5.3	We are of the view that the salient terms of the SPAs are fair and reasonable and not detrimental to the non-interested shareholders of the Company.
(c) Industry overview and prospects	5.4	<p>We note that the Malaysia metal fabrication market was valued at USD8.65 billion in 2024 and is projected to reach USD13.72 billion by 2031, growing at a compounded annual growth rate of 6.7%. The growth is driven by rapid industrialization, rising demand for prefabricated structures, and increasing investments in smart factories and automation. Demand from sectors such as energy, oil &amp; gas, consumer goods, and shipbuilding is also contributing to the strong market outlook.</p> <p>The Proposed Acquisition is expected to enhance the Group’s overall production capacity and operational efficiency through the segregation of finishing processes from semi-finished products. This separation is anticipated to improve workflow efficiency and enable better control over production processes, thereby supporting the Group’s ability to meet customers’ quality and delivery expectations.</p>

Consideration factors	Section	Our evaluation
		<p>Notwithstanding the above, the Subject Properties are situated within Galaxy Industrial Park, a proposed industrial development located along Jalan Selatan 10, 81300 Skudai, Johor. The development is strategically positioned adjacent to established mixed-use developments, including Taman Impian Emas, thereby offering potential synergies between industrial activities and surrounding residential and commercial components.</p> <p>The Subject Properties benefit from good accessibility, being well-connected via major arterial routes such as Jalan Skudai, the Eastern Dispersal Link and the North-South Expressway, providing convenient connectivity to Johor Bahru city centre, key industrial areas, and other parts of Johor as well as the broader national highway network.</p>
(d) Risk factors relating to the Proposed Acquisition	5.5	<p>The non-interested shareholders should also take note of the additional risk factors in relation to the Proposed Acquisition:-</p> <ul style="list-style-type: none"> <li>(i) Delay in construction of the Subject Properties; and</li> <li>(ii) Geopolitical risk.</li> </ul> <p>We also wish to highlight that despite efforts and measures taken by the Company to mitigate the risks associated with the Proposed Acquisition, no assurance can be given that one or a combination of risk factors as stated above and in Section 5, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Company, its financial performance, financial position or prospects thereon.</p>
(e) Financial effects of the Proposed Acquisition	5.6	<p>The financial effects of the Proposed Acquisition are as follows:</p> <ul style="list-style-type: none"> <li>(i) The Proposed Acquisition will not have any effect on the issued share capital of the Company and substantial shareholders' shareholdings in the Company as the Proposed Acquisition does not involve any issuance of new shares in the Company.</li> <li>(ii) The Proposed Acquisition will not have any significant impact to the Company's NA per share. However, the Proposed Acquisition will increase the Company's total borrowings assuming that 70% of the Purchase Consideration will be funded via bank borrowings. As a resultant, the gearing will increase from nil times to 0.10 times.</li> <li>(iii) The Proposed Acquisition is expected to contribute positively to the future earnings and EPS of the Company once the Subject Properties are in full operation notwithstanding the annual depreciation, interest expenses as well as maintenance and management fees arise from the Proposed Acquisition.</li> </ul>

Consideration factors	Section	Our evaluation
		The financial effects of the Proposed Acquisition are not detrimental to the interest of the non-interested shareholders of the Company.

### 3. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the Proposed Acquisition, we are of the opinion that the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the interests of the non-interested shareholders of the Company.

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

We have not taken into consideration any specific investment objective, risk profiles, financial and tax situation and particular needs of any individual non-interested shareholders. We recommend that any non-interested shareholders who require advice in relation to the Proposed Acquisition in the context of their individual investment objectives, risk profiles, financial and tax situation and particular needs, consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

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

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**Strategic Capital Advisory Sdn Bhd**

(Registration No. 199901003253 (478153-U))

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22 May 2026

To: The Non-Interested Shareholders of Wentel Engineering Holdings Berhad

Dear Sir/Madam,

**WENTEL ENGINEERING HOLDINGS BERHAD (“WENTEL” OR “THE COMPANY”)**

**INDEPENDENT ADVICE LETTER (“IAL”) IN RELATION TO THE PROPOSED ACQUISITION**

*This IAL is prepared for inclusion in the Circular and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the definitions section of the Circular, except where the context otherwise requires or where otherwise defined herein.*

**1. INTRODUCTION**

On 18 March 2026, the Board announced that the Company proposes to undertake the Proposed Acquisition.

The Proposed Acquisition is deemed as a related party transaction under Rule 10.08 of the Listing Requirements in view of the interests of the interested parties as set out in Section 9, Part A of the Circular.

In this respect, the Board (save for Ban Kim Wah and Wong Chun Wei) had on 20 January 2026 appointed SCA as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the terms of the Proposed Acquisition.

The purpose of this IAL is to provide the non-interested Directors and non-interested shareholders of the Company with an independent evaluation on the fairness and reasonableness of the Proposed Acquisition and whether the Proposed Acquisition is to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our express written consent.

**Non-interested shareholders of the Company are advised to read this IAL and Part A of the Circular together with the appendices thereon, and to carefully consider the recommendations contained herein before voting on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company. If you are in doubt about the course of action to be taken, you should consult your stockbroker, bank manager, accountant, solicitor or other professional advisers immediately.**

## 2. DETAILS OF THE PROPOSED ACQUISITION

The details of the Proposed Acquisition are set out in Section 2, Part A of the Circular and should be read in their entirety.

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

The interests of the Interested Directors, Interested Major Shareholders and interested person connected with them are set out in Section 9, Part A of the Circular.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant meetings of the Board (including those of WESB's board of directors) in relation to the Proposed Acquisition.

The Interested Major Shareholders, Interested Directors and interested person connected will also abstain from voting in respect of their direct and/or indirect shareholdings (if any) in the Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM. In addition, the Interested Directors and Interested Major Shareholders have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition at the Company's forthcoming EGM.

## 4. LIMITATIONS TO THE EVALUATION OF THE PROPOSED ACQUISITION

SCA was not involved in the formulation of the Proposed Acquisition or any deliberation and negotiation on the terms and conditions of the Proposed Acquisition.

The terms of reference of our appointment as Independent Adviser are in accordance with the requirements relating to independent adviser as set out in Rule 10.08 of the Listing Requirements and the Best Practice Guide in relation to IAL issued by Bursa Securities.

Our role as an Independent Adviser does not extend to expressing an opinion on the commercial merits of the Proposed Acquisition, which is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of the 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 Acquisition. SCA's terms of reference as Independent Adviser is limited to expressing our independent evaluation of the Proposed Acquisition which is based on the sources of information as highlighted below.

In rendering our advice, we have taken note of the pertinent issues which we have considered important in enabling us to assess the implication of the Proposed Acquisition, and therefore of general concern to the non-interested shareholders of the Company, as such:

- (i) the scope of SCA's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Acquisition and other implications of the said proposal only. Comments or points of the consideration which may be commercially oriented such as the rationale and potential benefits of the Proposed Acquisition are included in our overall evaluation as we deem it necessary to enable the non-interested shareholders of the Company to consider and form their views thereon;
- (ii) SCA's views and advice as contained in this IAL only caters to the non-interested shareholders of the Company at large and not to any non-interested shareholders individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and



particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders; and

- (iii) we recommend that any individual non-interested shareholder or group of non-interested shareholders of the Company who is in doubt as to the action to be taken or require advice in relation to the Proposed Acquisition in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, shall consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately. We shall not be liable for any damage or loss sustained or suffered by any individual shareholders or any group of shareholders.

In performing our evaluation, we have relied on the following sources of information:

- (i) The Company's announcement on 18 March 2026 in relation to the Proposed Acquisition;
- (ii) The SPAs;
- (iii) The Valuation Certificate and Valuation Report;
- (iv) Information contained in Part A of the Circular and the appendices attached thereto;
- (v) Other relevant information furnished to us by the management of the Company; and
- (vi) Other publicly available information which we deemed relevant.

We have made all reasonable enquiries and have relied on the Board and management of the Company to exercise due care to ensure that all information, documents as mentioned above and relevant facts, information and representation for our evaluation of the Proposed Acquisition had been disclosed to us and that such information is accurate, reasonable, complete, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

We have not undertaken an independent investigation into the business of the Company and the Subject Properties and are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. We have also assumed that the Proposed Acquisition will be implemented based on the terms as set out in Appendix I of the Circular, without material waiver or modification.

The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information essential to our evaluation have been disclosed to us, that they have seen this IAL, and for the accuracy of the information in respect of the Proposed 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 enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading.

We are satisfied with the disclosures from the Board and management of the Company and that sufficient information has been obtained, and to the best of our knowledge and belief, the information is accurate, reasonable, complete, valid and free from material omission. We have also performed our reasonableness check and where possible, corroborating such information with independent sources. Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time.

Accordingly, our evaluation and recommendation expressed herein do not take into account the information, events and conditions arising after the date hereof. After the dispatch of this IAL, should SCA become aware of any significant change affecting the information contained in this IAL or have reasonable grounds to believe that there is material omission in this IAL, we will immediately notify the shareholders. If circumstances require, a supplementary IAL will be sent accordingly to the shareholders.



SCA confirms that there is no conflict-of-interest situation or any circumstances which exist or likely to give rise to a possible conflict of interest situation for SCA to carry out the role as the Independent Adviser in connection with the Proposed Acquisition.

SCA also confirms that it has not had any professional relationship with the Company, and their related parties in the past two (2) years.

SCA is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act, 2007. SCA has undertaken the role as an independent adviser for corporate exercises in the past two (2) years before the date of this IAL, which include amongst others:

- (i) the acquisition by Pesona Metro Holding Berhad of 51.0% equity interest in Gaya Kuasa Sdn Bhd for a total cash consideration of RM40.80 million, as per our independent advice letter dated 19 September 2024;
- (ii) the acquisition by Ge-Shen Corporation Berhad (“**Ge-Shen**”) of 40.0% equity interest in Local Assembly Sdn Bhd (“**Local Assembly**”) for a purchase consideration of RM48.00 million, as per our independent advice letter dated 7 October 2024;
- (iii) the acquisition by MClean Technologies Berhad of the plastic injection moulding business of WE Total Engineering Sdn Bhd, for a total cash consideration of approximately RM6.04 million, as per our independent advice letter dated 22 November 2024;
- (iv) the acquisition by Binasat Properties Sdn Bhd, a wholly-owned subsidiary of Binasat Communications Berhad, of three (3) properties located within Sazean Business Park for a total cash consideration of RM8.34 million as well as the leases of the aforementioned properties, as per our independent advice letter dated 7 April 2025;
- (v) the disposal of 12,883,562 existing ordinary shares or approximately 55.0% equity interest in Southern Steel Mesh Sdn Bhd, a wholly-owned subsidiary of Southern Steel Berhad to BRC Asia Limited for a total cash consideration of RM61.05 million, as per our independent advice letter dated 18 July 2025;
- (vi) corporate exercises undertaken by Perak Corporation Berhad (“**PCB**”) as part of its regularisation plan, which includes:
  - a. the joint venture between PCB and Perbadanan Kemajuan Negeri Perak (“**PKNP**”), a major shareholder of PCB, to jointly carry out the development of the Silver Valley Technology Park Industrial Hub, sale of industrial plots and other product offerings to end purchasers and end users on thirty-nine pieces of PKNP’s leasehold lands measuring 746.73 acres;
  - b. the disposal of three pieces of lands located at Wilayah Batu Undan, Mukim Lumut, District of Manjung, to Lumut Maritime Terminal Sdn Bhd for a total cash consideration of RM8.53 million; and
  - c. the disposal via settlement of PCB’s entitlement pursuant to the Joint Venture Agreement entered into with PKNP and Uni-Poh Construction Works Sdn Bhd for a parcel of state land located at Mukim Hulu Kinta, Daerah Kinta, Negeri Perak for a total cash consideration of RM40.38 million;as per our independent advice letter dated 5 February 2026; and
- (vii) the acquisition by Ge-Shen of 400,000 ordinary shares in Local Assembly for a total purchase consideration of RM52.00 million to be satisfied by a combination of RM39,000,001 in cash and RM12,999,999 via the issuance of 8,666,666 new ordinary shares in Ge-Shen at an issue price of RM1.50 each, as per our independent advice letter dated 11 February 2026.

Premised on the foregoing, SCA is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested Directors and non-interested shareholders in relation to the Proposed Acquisition.

## 5. EVALUATION OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition, we have considered the following:

- (i) Rationale for the Proposed Acquisition;
- (ii) Evaluation of the Proposed Acquisition:
  - (a) Basis and justification of the Purchase Consideration; and
  - (b) Salient terms of the SPAs;
- (iii) Industry overview and prospects of the Group and the Subject Properties;
- (iv) Risk factors relating to the Proposed Acquisition; and
- (v) Financial effects of the Proposed Acquisition.

### 5.1 Rationale for the Proposed Acquisition

The rationale and justification of the Proposed Acquisition are as set out in Section 3, Part A of the Circular.

We note that the Group plans to establish the finishing processes for products fabricated at Lot 815 at a separate facility to free up additional space at Lot 815 for fabrication activities, increase production capacity, and improve financial performance.

The close proximity between Lot 815 and the Subject Properties provides several economic and operational benefits to the Group. By locating both facilities near each other, transportation costs and logistical lead time associated with transferring materials and semi-finished products can be optimised. This arrangement also facilitates smoother coordination between different production processes, thereby enhancing operational efficiency and improving overall workflow. In addition, the shorter distance may allow for quicker turnaround in the movement of goods and minimise the risk of damage during transportation. The Proposed Acquisition will increase the Group's production capacity with additional space made available at Lot 815, arising from the relocation of the finishing line to the Subject Properties, which enables the Group to install additional production machinery. Collectively, these advantages support more efficient utilisation of resources and improve overall financial performance of the Group.

In addition, the segregation of the finishing processes into a dedicated and standalone facility is expected to significantly reduce potential contamination risks, improve process control and ensure a higher degree of consistency and quality in the finishing output. This approach aligns with increasingly stringent and rigid customer requirements and industry standards, particularly for applications that demand high precision, cleanliness and surface integrity. By isolating such processes, the Group is better positioned to comply with relevant quality assurance frameworks, while also enhancing overall operational efficiency through improved workflow management and reduced cross-process interference.

This enhancement is anticipated to strengthen the Group's value proposition and competitiveness, thereby improving its ability to attract and secure new customers, especially those with more demanding finishing specifications. It is also expected to deepen engagement with existing customers by offering higher value-added capabilities. Collectively, these improvements will support the Group's ongoing efforts to broaden its customer base across both domestic and regional markets, including within the machinery and equipment manufacturing, semiconductor manufacturing machinery and medical devices industries, where precision, reliability and adherence to stringent quality standards are critical.

Premised on the above, we are of the opinion that the rationale for the Proposed Acquisition is reasonable. Nevertheless, the non-interested shareholders of the Company should note that the potential benefits arising from the Proposed Acquisition are subject to certain risk factors as disclosed in Section 5, Part A of the Circular as well as Section 5.5 of this IAL.

## 5.2 Evaluation of the Proposed Acquisition

### 5.2.1 Basis and Justification of the Purchase Consideration

The basis and justification of arriving at the Purchase Consideration is set out in Section 2.2, Part A of the Circular.

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

- (i) the aggregate market value of the Subject Properties of RM29.90 million as appraised by the Valuer, vide its Valuation Certificate; and
- (ii) the rationale and benefits for the Proposed Acquisition as set out in Section 3, Part A of the Circular.

We note that the Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. We have reviewed the qualifications of the Valuer, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regard to the Valuation Report provided to us, and are satisfied that the methodology and assumptions provide a reasonable basis for the Valuer in arriving at their valuations.

The brief description of the market value of the Subject Properties as extracted from the Valuation Report are tabulated below:-

Type of property/ property address	Two (2) assumed completed one and half storey semi-detached factories identified as Plot A1 and Plot A2, forming part of the master freehold land held under title no. GRN 99403 Lot 813, within Mukim of Tebrau, District of Johor Bahru, Johor.
Valuation methodology	Comparison Approach - RM29,900,000 Cost Approach - RM29,900,000
Valuation date	11 March 2026

The Valuer has adopted the Comparison Approach whereby comparison is made of the properties under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made. The Comparison Approach was adopted as the primary method as there are ample transactions to support the market values. Further, there is lack of rental evidence which is publicly available and which can be relied upon. Hence, the Valuer did not adopt the Income Approach by way of Investment Method. The Valuer has also adopted the Cost Approach to cross check against the value derived using the Comparison Approach. Cost Approach is defined as the aggregate amount of the value of the land component and the gross replacement cost of the buildings and other site improvements, allowing for depreciation. The value of the land component is arrived by the Comparison Approach whereby comparison is made of the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made.

For building component, the replacement cost was arrived at by referencing to construction costs as per the Building Cost Information Services Malaysia (“BCISM”) Costbook 2025 and by adding in site improvement cost which reflects the costs for site preparation, earthworks and external infrastructure development.

The non-interested shareholders are advised to read our commentaries below and refer to the Valuation Certificate enclosed in Appendix II of the Circular.

*Comparison approach*

The following sales evidence of industrial premises of similar nature within the neighbourhood were used by the Valuer to arrive at the market value:-

Description	Subject Properties	Comparable 1	Comparable 2	Comparable 3
Type	Proposed two (2) units of one and a half storey semi-detached factories	A one and a half storey detached factory	Two (2) units of one and a half storey detached factories	A one and a half storey detached factory
Identification/ location	Galaxy Industrial Park, Jalan Selatan 10, 81300 Skudai, Johor	No 10, Jalan SME 1, Indahpura Industrial Park, Kulai	Nos 8 & 10, Jalan Laman Setia 7/4, Setia Business Park, Gelang Patah	No 28, Jalan Mega 1, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Category use of land	Currently is agriculture. After obtaining the approval for conversion, the category of land use will be “Perusahaan”	Perindustrian	Perindustrian	Perindustrian
Planning details	Zoned for industrial use	Zoned for industrial use	Zoned for industrial use	Zoned for industrial use
Land area	Subject Property 1: 55,577 sq. ft. Subject Property 2: 34,008 sq. ft.	18,116 sq. ft.	87,102 sq. ft.	48,448 sq. ft.
Gross floor area	Subject Property 1: 30,348 sq. ft. Subject Property 2: 20,393 sq. ft.	9,870 sq. ft.	59,056 sq. ft.	26,856 sq. ft.
Consideration	RM29,576,970	RM6,000,000	RM28,750,000	RM13,000,000
Date of transaction	18 March 2026	17 October 2025	25 June 2025	15 July 2024
Vendor	TGDSB	Platinum Management Sdn Bhd	Huuve Sdn Bhd	Yong Wen Holdings Sdn Bhd
Purchaser	WESB	Tai Tee Engineering Sdn Bhd	JT Automation Technology (Malaysia) Sdn Bhd	Tong Garden Food (Malaysia) Sdn Bhd
Analysed price		RM607.90 per sq. ft. (“psf”)	RM486.83 psf	RM484.06 psf
Adjustment for time		0.00%	5.00%	10.00%
Adjusted value psf		RM607.90 psf	RM511.17 psf	RM532.47 psf
Other adjustments		-5.00%	15.00%	10.00%
Final adjusted value psf		RM580.00 psf	RM590.00 psf	RM590.00 psf

(Source: Jabatan Penilaian Dan Perkhidmatan Harta)

Where dissimilarities exist between the comparable properties and the Subject Properties in terms of location, property type, building condition, size and gated and guarded features, appropriate adjustments have been made. The basis of the adjustments for circumstances to derive the adjusted value from the analysis of the comparable asset is as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3
Location	5.00%	5.00%	5.00%
Property type	-5.00%	-5.00%	-5.00%
Building condition	10.00%	10.00%	10.00%
Size	-15.00%	10.00%	0.00%
Gated and guarded	0.00%	-5.00%	0.00%
Net adjustment	-5.00%	15.00%	10.00%

Based on the above, the three (3) transactions revealed that land prices within the surrounding neighbourhood were hovering between RM484.06 psf to RM607.90 psf. Adjustments were made to reflect the differences between the Subject Properties and the comparables to arrive at the final adjusted price of RM580.00 psf to RM590.00 psf.

The Valuer has placed greater reliance on Comparables 2 and 3 as they have most similar characteristics with the Subject Properties as the land area and gross floor area are almost similar to the Subject Properties.

As a result, the final value of RM590.00 psf was adopted. Hence, the market value of the Subject Properties derived from the Comparison Approach was RM29.90 million. The Purchase Consideration represents a discount of approximately RM0.32 million or 1.08% to the aggregate market value of the Subject Properties ascribed by the Valuer. **Hence, we are of the view that the Purchase Consideration is fair.**

#### *Cost Approach*

The table below contains the Valuer's analysis of the comparable evidence to arrive at the value of the land component:-

Description	Comparable 1	Comparable 2	Comparable 3
Type	A parcel of industrial land	A parcel of industrial land	A parcel of industrial land
Location	Lot 72529, Jalan Penaga 10, Taman Perindustrian Kota Puteri, Masai	PTD 171926, Jalan Kencana Emas 2, Kawasan Perindustrian Tebrau III, Johor Bahru	PTD 182004, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri
Tenure	Interest in perpetuity	99 years leasehold interest expiring on 16 June 2110	Interest in perpetuity
Category of land use	Industry	Industry	Industry
Planning details	Zoned for industrial use	Zoned for industrial use	Zoned for industrial use
Land area	0.411 acre (17,890 sq. ft.)	0.972 acre (42,343 sq. ft.)	2.553 (111,213 sq. ft.)
Consideration	RM2,850,000	RM7,410,037	RM18,350,099
Date of transaction	25 March 2025	8 November 2024	15 November 2023
Vendor	Khaw Zhan Wei and Sam Tek Yang	Sparkling Distinction Sdn Bhd	Panoramic Industrial Development Sdn Bhd
Purchaser	QL Lian Hoe Sdn Bhd	Homiest Living Sdn Bhd	Basis Bay Sdn Bhd
Analysed value	RM159.31 psf	RM175.00 psf	RM165.00 psf
Adjustment for time	5.00%	10.00%	10.00%
Adjusted value psf	RM167.28 psf	RM192.50 psf	RM181.50 psf
Other adjustments	5.00%	0.00%	25.00%
Final adjusted value psf, say	RM175.00 psf	RM190.00 psf	RM225.00 psf

*(Source: Jabatan Penilaian Dan Perkhidmatan Harta)*

The basis of the adjustments for circumstances to derive the adjusted value from the analysis of the comparable asset is as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3
Location	20.00%	-10.00%	5.00%
Size	-15.00%	0.00%	20.00%
Tenure	0.00%	10.00%	0.00%
Net adjustment	5.00%	0.00%	25.00%

Based on the above, the three (3) transactions revealed that land prices within the surrounding neighbourhood were hovering between RM159.31 psf to RM175.00 psf. Adjustments were made to reflect the differences between the Subject Properties and the comparables to arrive at the final adjusted price of RM175.00 psf to RM225.00 psf.

The Valuer has placed greater reliance on Comparable 2 as it is located nearest to the Subject Properties.

As a result, the final value of RM190.00 psf was adopted for Subject Property 1 and RM210.00 psf (upward adjustment of 10% due to size) was adopted for Subject Property 2. Hence, the market value of the land of the Subject Property 1 and Subject Property 2 derived from the Comparison Approach were approximately RM10.56 million and RM7.14 million respectively.

#### Building

In determining the value of the buildings, current estimates on construction costs to construct similar buildings are adopted. The breakdown of construction costs is shown below for easy reference:

	Construction costing range	
	Minimum (RM psf)	Maximum (RM psf)
Warehouses	181.16	253.63

(Source: BCISM Costbook 2025)

The Valuer has adopted the replacement cost ranging from approximately RM180.00 psf to approximately RM250.00 psf for the factory as per the BCISM Costbook 2025. The site improvement cost reflects the costs for site preparation, earthworks and external infrastructure development. Based on the Valuer's checks with quantity surveyor and contractors, the site improvement cost of RM25.00 psf adopted is in line with the market.

Premised on the above, the total market value of the Subject Property 1 and Subject Property 2 are RM17.90 million and RM12.00 million respectively.

We concurred with the Valuer that the Comparison Approach is the most appropriate valuation method in arriving at the market values of the Subject Properties considering that there are ample transactions of properties that are similar to the Subject Properties, which solidify the price trend. Whereas the Cost Approach is not adopted as the Subject Properties are physically not yet constructed, rendering construction costs uncertain and the final completed form not readily ascertainable. Hence, the Cost Approach is only adopted as a check by the Valuer.

After considering the above, the opinion of the Board and the rationale of the Proposed Acquisition, we are of the opinion that the Purchase Consideration is fair, reasonable and not detrimental to the non-interested shareholders.

Notwithstanding the above, non-interested shareholders should note that the market price of the Subject Properties may be affected by various factors, including but not limited to, liquidity risk (i.e. the process of selling and buying land can be time consuming). The Valuer's valuations do not account for the effort, time, marketability, buyer demand, uncertainty relating to a land acquisition and potential transaction costs that would be required to acquire the assets and realise the intrinsic value of the Subject Properties.

### 5.3 Salient terms of the SPAs

The salient terms of the SPAs are as disclosed in Appendix I of the Circular. Non-interested shareholders of the Company are advised to read Appendix I of the Circular in the entirety.

Our comments on the salient terms of the SPAs are as follows:

Salient terms		SCA Comments														
1.	<p><u>Parties involved</u></p> <p>The SPAs are entered into between TGDSB as the vendor and WESB as the purchaser in respect of the sale and purchase of 2 lands (“Said Lot”) with vacant possession together with 1 unit of medium industrial semi-detached factories (“Said Building”) to be erected on each of the lands.</p> <p>Each SPA is a separate agreement pertaining to the respective Subject Property.</p>	<p>This term is reasonable as it sets out the contracting parties in respect of the transactions for the Subject Properties.</p>														
2.	<p><u>Purchase Consideration</u></p> <p>Subject to the fulfilment of the Conditions Precedent (as defined below), the purchase price shall be RM17,880,750 for Subject Property 1 and RM11,696,220 for Subject Property 2, and shall be payable by the Purchaser to the Vendor by instalments in cash, at the times and in accordance with the mode of settlement as set out in Section 3 below.</p>	<p>This term is reasonable as it sets out the Purchase Consideration for the Subject Properties. Our discussion on the fairness of the Purchase Consideration are set out in Section 5.2.1 of this IAL.</p>														
3.	<p><u>Manner of payment of Purchase Price</u></p> <p>The Purchase Consideration shall each be paid by the Purchaser to the Vendor by instalments in accordance with the payment schedule as set out below (“<b>Mode of Settlement</b>”):</p> <table border="1" data-bbox="300 1485 826 2018"> <thead> <tr> <th>Payment schedule</th> <th>% of Purchase Consideration</th> </tr> </thead> <tbody> <tr> <td>Upon signing of the SPA</td> <td>10%</td> </tr> <tr> <td>Within 14 days from the date of the Vendor’s written notice of the completion of:</td> <td></td> </tr> <tr> <td>(i) the earthwork of the Said Lot</td> <td>15%</td> </tr> <tr> <td>(ii) the piling works (if any) and foundation works of the Subject Property</td> <td>15%</td> </tr> <tr> <td>(iii) the reinforced concrete framework of the Subject Property</td> <td>15%</td> </tr> <tr> <td>(iv) the walls of the Subject Property, including electrical</td> <td>15%</td> </tr> </tbody> </table>	Payment schedule	% of Purchase Consideration	Upon signing of the SPA	10%	Within 14 days from the date of the Vendor’s written notice of the completion of:		(i) the earthwork of the Said Lot	15%	(ii) the piling works (if any) and foundation works of the Subject Property	15%	(iii) the reinforced concrete framework of the Subject Property	15%	(iv) the walls of the Subject Property, including electrical	15%	<p>We note that it is a norm that when purchasing new properties under development from the developer, buyers typically follow a progressive payment schedule, which means that payments are made in stages as construction progresses. These payments are usually a percentage of the property's purchase price, with the final payment being made upon handing over vacant possession of the Subject Properties to the Purchaser.</p>
Payment schedule	% of Purchase Consideration															
Upon signing of the SPA	10%															
Within 14 days from the date of the Vendor’s written notice of the completion of:																
(i) the earthwork of the Said Lot	15%															
(ii) the piling works (if any) and foundation works of the Subject Property	15%															
(iii) the reinforced concrete framework of the Subject Property	15%															
(iv) the walls of the Subject Property, including electrical	15%															

Salient terms		SCA Comments										
	<table border="1"> <tr> <td>wiring and plumbing (without fittings)</td> <td></td> </tr> <tr> <td>(v) the roofing of the Subject Property</td> <td>15%</td> </tr> <tr> <td>(vi) the plastering of the Subject Property</td> <td>5%</td> </tr> <tr> <td>(vii) the roads and drains serving the Subject Property</td> <td>5%</td> </tr> <tr> <td>On handing over vacant possession of the Subject Property to the Purchaser</td> <td>5%</td> </tr> </table> <p>Every notice referred to in the Mode of Settlement requesting for payment shall be supported by a certificate under the hand of the Vendor's architect ("the Vendor's Architect") and the same shall constitute prima facie proof that the works referred to therein have been completed, provided that the Purchaser shall have the right to raise reasonable objections or request verification if such works have not been completed in accordance with the plans, specifications, or agreed quality standards. The Vendor is not bound to commence or complete the works in the order or the manner referred to according to the Mode of Settlement.</p>	wiring and plumbing (without fittings)		(v) the roofing of the Subject Property	15%	(vi) the plastering of the Subject Property	5%	(vii) the roads and drains serving the Subject Property	5%	On handing over vacant possession of the Subject Property to the Purchaser	5%	
wiring and plumbing (without fittings)												
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(vi) the plastering of the Subject Property	5%											
(vii) the roads and drains serving the Subject Property	5%											
On handing over vacant possession of the Subject Property to the Purchaser	5%											
2.	<p><u>Conditions Precedent</u></p> <p>The obligations of the parties are conditional upon the following conditions precedent ("<b>Conditions Precedent</b>") being fulfilled or obtained within 3 months from the date of the SPA ("<b>Conditional Period</b>"):</p> <p>(a) the Company, having obtained the approval from its shareholders at an EGM to be convened in respect of the Proposed Acquisition;</p> <p>(b) the Vendor having obtained the approval for planning permission (kebenaran merancang) from the relevant authority for the development of the Master Land into an industrial development known as Galaxy Industrial Park @ Impian Emas, Skudai, Johor, including the approval for conversion of category of land use of the Master Land to "Perusahaan" with the express condition "Perusahaan Sederhana"; and</p> <p>(c) the Vendor having obtained the approval for building plans (pelan bangunan) from the relevant authority for the construction of the Subject Properties.</p>	<p>Term (a) is reasonable and in compliance with the Listing Requirements and ensure compliance with the relevant regulatory requirements. The Listing Requirements also requires the Interested Directors, Interested Major Shareholders and persons connected with them to abstain from deliberation and voting on the relevant resolution in respect of the Proposed Acquisition at the EGM to be convened.</p> <p>Terms (b) to (c) are reasonable as the Vendor is required to obtain all necessary approvals for the construction of the Subject Property.</p>										

Salient terms		SCA Comments
5.	<p><u>Unconditional Date</u></p> <p>The SPA shall become unconditional on the date when all the Conditions Precedent are fulfilled or obtained in accordance with the provisions of the SPA within the Conditional Period. The date on which the last of the Conditions Precedent is fulfilled or obtained, shall hereinafter be referred to as the “Unconditional Date”.</p>	<p>Such term is common and when the Conditions Precedent are met and have been satisfied, the SPAs shall become unconditional.</p>
6.	<p><u>Non-fulfilment of Conditions Precedent</u></p> <p>In the event that the Conditions Precedent are not or cannot be fulfilled during the Conditional Period or such other extended date the parties mutually agree in writing, either party shall be entitled, by notice of termination to the other, to terminate the SPA and upon such notice being served on the other and, subject to the performance by both parties of their respective obligations upon termination including but not limited to refund by the Vendor and/or the Vendor’s solicitors all the monies paid towards the Purchase Consideration to the Purchaser within 7 days from the date of the notice of termination whereupon the SPA shall be null and void and be of no further effect.</p>	<p>This clause is reasonable as it safeguards the interests of the contracting parties and to ensure that the transaction proceeds only when all essential requirements have been satisfied. This clause provides clarity on the consequences in the event that such conditions are not fulfilled within the stipulated timeframe as well as the rights of the parties to terminate the agreement without liability, extend the timeframe for fulfilment, or waive certain conditions where appropriate.</p>
7.	<p><u>Interest on late payment</u></p> <p>If any of the instalments set out under the Mode of Settlement shall remain unpaid by the Purchaser at the expiration of the period of 14 days referred to in the Mode of Settlement, interest on such unpaid instalment or instalments shall commence to run immediately thereafter and be payable by the Purchaser such interest to be calculated from day to day at the rate of 10% per annum until the date of actual payment.</p>	<p>This clause is reasonable as it serves to protect the financial interests of the receiving party and to promote timely fulfilment of payment obligations. The late interest rate of 10% is common for transaction of property in Malaysia.</p>
8.	<p><u>Purchaser’s default</u></p> <p>(a) If the Purchaser shall:</p> <p>(aa) fail to pay any instalment payable pursuant to the Mode of Settlement or any part thereof and/or any interest payable in relation to the late payment interest; or</p> <p>(bb) fail to pay any sum or sums payable under the terms of the SPA within the time stipulated for such payment; or</p> <p>(cc) commit any material breach of the covenants, terms, conditions and stipulations on the Purchaser’s part to be observed and performed and contained in SPA; or</p> <p>(dd) commit an act of bankruptcy or enter into any composition or arrangement with the Purchaser’s creditors or being a company enters into liquidation whether compulsory or voluntary before payment in full of the Purchase Consideration; or</p>	<p>We are of the view that these terms are reasonable, where in the event the Purchaser defaults its obligation pursuant to the SPAs, the Vendor can safeguard its interest by ensuring the Purchaser to remedy the default or terminate the SPAs.</p> <p>This term is not detrimental to the interest of non-interested shareholders of the Company.</p>

	Salient terms	SCA Comments
	<p>(ee) attempt to sell transfer or assign the Subject Property before completion and/or payment in full of the Purchase Consideration without the consent of the Vendor; or</p> <p>(ff) suffer any distress or execution or other process of Court of competent jurisdiction be levied upon the Purchaser or the Purchaser's goods before payment in full of the Purchase Consideration,</p> <p>then the Vendor shall provide the Purchaser with written notice detailing the breach and specifying a period of 30 days to remedy the same. If the Purchaser fails to remedy the same within the stipulated period, the Vendor shall be at liberty, subject to <b>Section 8(b)</b> hereinafter, at any time thereafter at the Vendor's option to annul the sale of the Subject Property and forthwith to terminate the SPA without any prior notice to the Purchaser and in such an event the Vendor shall be entitled to sell transfer or dispose of the Subject Property to any person or persons or deal with the Subject Property in whatsoever manner it deems fit without being liable to account to the Purchaser.</p> <p>(b) In the event of default by the Purchaser and subsequent termination of the SPA by the Vendor, the Purchaser shall pay to the Vendor:</p> <p>(aa) firstly, all interest calculated in accordance with <b>Section 7</b> above owing and unpaid, and all other sums and charges (whether in the nature of interest or not) which the Purchaser is obliged to pay the SPA;</p> <p>(bb) secondly, a sum equivalent of 10% of the Purchase Consideration shall be forfeited to the Vendor as agreed liquidated damages;</p> <p>(cc) thirdly, all legal fees and expenses if any incurred in evicting the Purchaser and any person claiming any right title or interest under the Purchaser to the Subject Property;</p> <p>(dd) if, on the other hand, the instalments previously paid by the Purchaser to the Vendor is less than 10% of the Purchase Consideration then the deficiency shall be made good by the Purchaser to the Vendor and shall be deemed a debt due by the Purchaser to the Vendor and be payable to the Vendor within 14 days from the date of termination of the SPA, failing which a late payment interest at the rate of 10% per annum calculated on a daily basis, from the expiration of 14 days from the date of</p>	

	Salient terms	SCA Comments
	<p>termination of the SPA until full payment thereof, shall be paid to the Vendor; and</p> <p>(ee) lastly, the residual of the Purchase Consideration (if any) shall be refunded to the Purchaser within 14 days from the date of termination of the SPA.</p> <p>Upon the determination of the SPA, neither the Purchaser, the Purchaser's personal representatives, assignees nor all those claiming title under the Purchaser shall have any claim or claims whatsoever against the Vendor in respect of the Subject Property or the SPA and neither party shall have any claim against the other for damages, compensation or loss arising from or in respect of such termination.</p>	
9.	<p><u>Vendor's default</u></p> <p>(a) If the Vendor shall: -</p> <p>(aa) commit any material breach of the covenants terms conditions and stipulations on the Vendor's part to be observed and performed and contained in the SPA;</p> <p>(bb) commit an act of bankruptcy or enter into any composition or arrangement with the Vendor's creditors or being a company enters into liquidation whether compulsory or voluntary before payment in full of the Purchase Consideration;</p> <p>(cc) abandons the project or suspends work on the project for a continuous period of 6 months without reasonable cause and prior written notice to the Purchaser, such that the project cannot be completed in accordance with the terms of the SPA; or</p> <p>(dd) takes or suffers any other act, omission, or event which materially and adversely affects the Vendor's ability to complete the project or deliver the Subject Property in accordance with the SPA,</p> <p>the Purchaser shall provide the Vendor with written notice detailing the breach and specifying a period of 30 days to remedy the same. If the Vendor fails to remedy the same within the stipulated period, the Purchaser shall be at liberty subject to <b>Section 9(b)</b> hereinafter, forthwith terminate the SPA by written notice to the Vendor.</p> <p>In the event of termination by the Purchaser pursuant to <b>Section 9(a)</b> above, the Vendor shall within 14 days from the date of its receipt of the written termination, pay a sum equivalent to 10% of the Purchase Consideration to the Purchaser as agreed liquidated damages and refund to the Purchaser all monies paid by the Purchaser under the SPA without interest, after deducting any sums lawfully due and payable by the</p>	<p>We are of the view that these terms are reasonable, where in the event the Vendor defaults its obligation pursuant to the SPAs, the Purchaser can safeguard its interest by ensuring the Vendor to remedy the default or terminate the SPAs. This term is not detrimental to the interest of non-interested shareholders of the Company.</p>

	Salient terms	SCA Comments
	<p>Purchaser to the Vendor under the SPA, failing which a late payment interest at the rate of 10% per annum calculated on a daily basis, from the expiration of 14 days from the date of its receipt of the written termination until full payment thereof, shall be paid to the Purchaser.</p> <p>Thereafter the Purchaser shall withdraw or cause to be withdrawn any and/or all encumbrances lodged against the Subject Property by the Purchaser and/or its financier, if any and neither party shall have any claim against the other for damages, compensation or loss arising from or in respect of such termination.</p>	
10.	<p><u>Completion and Delivery of Vacant Possession</u></p> <p>(a) Subject to any extension or extensions of time as may be allowed by the Vendor's Architect and provided that the Purchaser shall have paid to the Vendor all instalments of the Purchase Consideration and any other sums under the SPA as and when due and payable, vacant possession of the Subject Property shall be delivered to the Purchaser in the manner stipulated in <b>Section 10(b)</b> hereinafter within thirty six (36) months from the date hereof. In the event that the Vendor shall delay completion of the Subject Property and the delivery of vacant possession of the Subject Property to the Purchaser beyond the aforesaid period, the Vendor shall pay to the Purchaser agreed damages calculated from day to day at the rate of ten per centum (10%) per annum on the Purchase Consideration from such aforesaid date to the date of actual or deemed delivery of vacant possession of the Subject Property to the Purchaser as hereinafter provided, PROVIDED ALWAYS that if in the opinion of the Vendor's Architect, completion or delivery of vacant possession of the Subject Property is delayed due to any event of force majeure, then and in any of such cases, the Vendor's Architect shall make a fair and reasonable extension of time for completion and delivery of vacant possession of the Subject Property which decision shall be final and binding on the parties hereto.</p> <p>(b) Upon the issuance by the Vendor's Architect of a certificate of completion and compliance certifying that the Said Building has been duly constructed and completed in conformity with the approved plans and requirement of the Street, Drainage and Building Act 1974 and any by-laws made thereunder (with electricity wiring and water pipes ready for connection of supply to the Subject Property) and provided the Purchaser shall have paid all monies payable under the SPA and shall have observed and performed the terms and covenants on the Purchaser's part herein contained, the Vendor shall deliver vacant possession of the Subject Property to the Purchaser by notice in writing to the Purchaser to accept delivery of the vacant possession of the Subject Property. Upon the expiration of fourteen (14) days from the date of a notice in writing from</p>	<p>These terms are reasonable as it sets out the critical provision that governs the finalisation of the transaction and the transfer of physical control of the Subject Properties to the Purchaser. It establishes the point at which the purchase price is fully settled and the Vendor is required to deliver the Subject Properties free from encumbrances. These terms also provide certainty on the timing and conditions for completion, ensuring that both parties have a clear understanding of their respective obligations.</p>

Salient terms		SCA Comments
	the Vendor informing the Purchaser to take delivery of the Subject Property (notwithstanding that the Purchaser may not in fact take possession or actually enter into occupation of the Subject Property) the Purchaser shall be deemed to have taken vacant possession of the Subject Property and the Vendor thereafter shall not be liable for any loss or damage to the Subject Property and/or to the fixtures and fittings thereon.	
11.	<u>Applicable Law and Jurisdiction</u>  The SPAs shall be governed by and construed in all respects in accordance with the laws of Malaysia.	This term is reasonable as it determines the legal framework governing the agreement and the forum in which any disputes will be resolved.

Premised on the above, we are of the view that the abovementioned salient terms of the SPAs are fair and reasonable and not detrimental to the non-interested shareholders of the Company.

#### 5.4 Industry overview and prospects

We take note of the industry overview and prospects as disclosed in Section 4, Part A of the Circular.

##### Overview and prospects of the Malaysian Economy

Malaysia's economy grew by 5.2% in 2025 on account of strong domestic demand and favourable export exceeding the forecast range of 4.0% to 4.8%. Malaysian economy also advanced by 6.3% in the fourth quarter of 2025 ("4Q2025"), driven mainly by domestic demand. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and on-going implementation of multi-year projects by both the private sector and public sector.

Further, Malaysia economy is expected to grow between 4% and 4.5% in 2026, supported by strong domestic demand, a healthy job market and government reforms.

While global trade tensions and United States of America ("US") tariffs may impact exports, especially in the electrical and electronics ("E&E") sector, the domestic economy remains resilient. Key policies and events like Visit Malaysia 2026 and the 2025 ASEAN chairmanship are also expected to boost growth.

Nonetheless, the full impact of US tariffs could be felt in 2026, especially if semiconductor tariff exemptions are removed. However, proactive measures, including new industrial strategies and market diversification, will help soften the blow and maintain Malaysia's competitiveness.

(Source: Bank Negara Malaysia's ("BNM")'s Annual Report 2025, Economic and Monetary Review 2025 and Financial Stability Review for Second Half 2025 released on 31 March 2026 and Ministry of Finance's (MOF) Economic Outlook 2026 report)

Key developments in the Malaysian economy as extracted from quarterly bulletin for the first quarter of 2026 ("1Q2026") published by Bank Negara Malaysia ("BNM") are as follows:

- (i) The Malaysia economy expanded by 5.4% in the 1Q2026, driven by domestic demand. The factors supporting the growth in the 1Q2026 includes:
  - a. Sustained household spending;
  - b. Steady investment activities; and
  - c. Continued export growth (supported by Electrical & Electronic, travel and Information Communication and Technology).
- (ii) Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.
- (iii) Headline inflation increased to 1.6% (4Q 2025: 1.3%) while core inflation moderated to 2.1% (4Q 2025: 2.3%). The higher headline inflation reflected some initial cost pass-through of higher global cost pressures, partly due to the conflict in the Middle East. Electricity charges and fuel prices, mainly RON97 and diesel, increased during the quarter, which led to slower declines in electricity and fuel inflation. These increases were partly offset by lower core inflation, mainly reflecting softer inflation in food away from home and rental inflation. Inflation pervasiveness, measured by the share of Consumer Price Index items registering monthly price increases, continued to decline to 38.3% in 1Q 2026 (4Q 2025: 39.6%), trending well below the historical first-quarter average of 52.2%.
- (iv) In the first quarter of 2026, the ringgit strengthened against currencies of Malaysia's major trading partners, as reflected in the 1.4% nominal effective exchange rate appreciation. Looking ahead, while external factors will continue to drive exchange rate movements, Malaysia's firm economic prospects and sustained reform momentum are expected to provide enduring support to the ringgit.
- (v) Headline inflation is projected to average 1.5%-2.5% in 2026. Following the Middle East conflict, inflation is expected to edge higher due to elevated global energy and other key commodity prices, broadly in line with expectations. In the absence of excessive demand pressures, existing policy measures, including targeted fuel subsidies and other mitigation measures, are expected to help limit near-term spillovers to broader inflation. However, the extent and pace of pass-through to domestic prices from the ongoing conflict will also depend on firms' pricing behaviour and demand conditions.

*(Source: BNM Quarterly Bulletin 1Q2026)*

### **Overview and outlook of the fabricated metal products industry in Malaysia**

The metal fabrication market in Malaysia is experiencing steady growth, supported by increasing demand from key sectors such as construction, automotive, aerospace and heavy equipment. Technological advancements, including computer numerical control (CNC) machining, robotics and additive manufacturing, are enhancing fabrication processes and improving operational efficiency.

In addition, Government investments in infrastructure, renewable energy and defence continue to serve as key drivers of industry expansion. Market dynamics are further shaped by the growing demand for customised fabrication services, the need for lightweight yet durable materials, and the broader adoption of Industry 4.0 practices.

Notwithstanding these positive developments, the industry faces challenges such as fluctuations in raw material prices, shortages of skilled labour and high capital expenditure requirements. These challenges are being addressed through the adoption of digital solutions and targeted workforce training programmes. Small and medium-sized fabricators are also increasingly collaborating with original equipment manufacturers ("OEM") and engineering, procurement and construction contractors to participate in larger-scale industrial projects.



At the same time, sustainability considerations are encouraging the adoption of environmentally friendly fabrication methods and the increased use of recyclable metals.

The Malaysia metal fabrication market was valued at USD8.65 billion in 2024 and is projected to reach USD13.72 billion by 2031, growing at a compounded annual growth rate of 6.7%. The growth is driven by rapid industrialization, rising demand for prefabricated structures, and increasing investments in smart factories and automation. Demand from sectors such as energy, oil & gas, consumer goods, and shipbuilding is also contributing to the strong market outlook.

Over the next decade, the Malaysia metal fabrication market is expected to witness accelerated transformation through smart manufacturing practices. Use of real-time data, robotic welding, cloud-based design, and predictive maintenance will enhance operational efficiency. Fabricators will increasingly cater to modular construction, electric vehicle components, renewable energy structures, and urban infrastructure. Environmental compliance, lean production, and digital supply chains will redefine competitive positioning in the industry.

*(Source: <https://mobilityforesights.com/product/malaysia-metal-fabrication-market>)*

The fabricated metal products industry is a vital contributor to both manufacturing and services sectors in Malaysia, particularly through its engineering supporting sub-sector, which supports the growth of machinery and equipment and other manufacturing industries. Renowned globally for their exceptional manufacturing standards, Malaysian fabricated metal industry players offer high-quality products and services that are competitively priced and timely delivered worldwide.

With over 1,000 players, including integrated solution providers, Malaysia's fabricated metal industry can fulfil the diverse needs of high-tech industries by supplying low-volume, high-mix products, parts, and modules. Many companies have evolved into comprehensive 'one-stop centres', offering end-to-end services from product conception to serial production, covering procurement, logistics, testing, and certification. These firms have invested in facility upgrades and advanced technologies to meet OEMs' demanding requirements for precision engineering services and components.

The industry's future direction involves further strengthening services, enhancing capabilities, and ensuring production quality to provide comprehensive solutions. Investors should recognise the industry's efforts to obtain international certifications for supplying parts and components to sectors like oil and gas, aerospace, medical, and solar/photovoltaic. As the industry progresses, prospective investors can expect expanding opportunities aligned with the sector's growth trajectory and increasing global demands.

*(Source: Malaysia Investment Development Authority)*

### **Prospects of the Subject Properties and the Proposed Acquisition**

The Proposed Acquisition is expected to enhance the Group's overall production capacity and operational efficiency through the segregation of finishing processes from semi-finished products. This separation is anticipated to improve workflow efficiency and enable better control over production processes, thereby supporting the Group's ability to meet customers' quality and delivery expectations.

In addition, the establishment of a dedicated finishing facility is expected to strengthen the Group's positioning in attracting new customers, particularly those with more stringent finishing requirements. This strategic initiative is anticipated to support the Group's efforts to broaden its customer base across both domestic and regional markets, including within the machinery and equipment manufacturing, semiconductor manufacturing machinery and medical devices industries.

Notwithstanding the above, the development of the Subject Properties is strategically positioned adjacent to established mixed-use developments, including Taman Impian Emas, thereby offering potential synergies between industrial activities and surrounding residential and commercial components. The Subject Properties benefit from good accessibility, being well-connected via major arterial routes such as Jalan Skudai, the Eastern Dispersal Link and the North-South Expressway, providing convenient connectivity to Johor Bahru city centre, key industrial areas, and other parts of Johor as well as the broader national highway network.

The surrounding area comprises a mix of residential, commercial and industrial developments within the Skudai-Senai growth corridor, supported by established amenities and ongoing infrastructure enhancements. The area is also expected to benefit from the proposed JS-SEZ, which is anticipated to further enhance economic activity and cross-border connectivity.

Beyond the data centre segment, ongoing significant industrial land transactions continue to support the expansion of Johor's industrial property market. These large-scale developments are expected to increase the availability of modern, master-planned and well-integrated industrial spaces within the region. Such projects are anticipated to meet the evolving requirements of high-value manufacturing, logistics and technology-related industries, thereby sustaining demand for quality industrial assets.

Collectively, these initiatives are expected to further reinforce Johor's position as a key industrial and logistics hub within the southern corridor of Peninsular Malaysia, supported by improving infrastructure, strategic locational advantages and ongoing economic development initiatives

**Premised on the above, we are of the view that the prospects of the Company following the Proposed Acquisition will be favourable and barring unforeseen circumstances, is poised to improve its financial performance in the future.**

**Nonetheless, we wish to also highlight that the Proposed Acquisition is subject to risks and uncertainties which are not within the Company's control such as change in Government policies, pandemic risk, adverse changes in economic condition and changes in financing conditions. The occurrence of any of such events may materially impact the businesses and may adversely affect the Company's revenue and profitability to be derived from the businesses. There shall also be no guarantee that the anticipated benefits from the Proposed Acquisition as set out Section 3, Part A of the Circular will be realised by the Company in the foreseeable future.**

## **5.5 Risk factors relating to the Proposed Acquisition**

We take note and concur with the risk factors as disclosed in Section 5, Part A of the Circular. Overall, we are of the view that the risk factors identified are typical for a property acquisition and generally manageable. Key concerns relate to execution delays, uncertainty in achieving expected returns, potential exposure to interest rate fluctuations, and low-probability external risks such as compulsory acquisition under the Land Acquisition Act 1960. While the Board has demonstrated awareness of these risks and outlined general mitigation measures, the success of the Proposed Acquisition will ultimately depend on effective execution, stable market conditions, and prudent financial management.

Notwithstanding the above, the Company is not expected to be exposed to new business risks as a result of the Proposed Acquisition. Additionally, the non-interested shareholders should also take note of the additional risk factors in relation to the Proposed Acquisition.

### Delay in the construction of the Subject Properties

The delay in the construction of the Subject Properties may adversely affect the Company through various financial and operational implications.

The Company may incur additional financing costs, including interest expenses on borrowings, without the corresponding benefit of income generation from the Subject Properties. Furthermore, the delay may disrupt the Company's planned business operations as discussed in Section 5.1 of this IAL, resulting in deferred commencement of operational activities and potential loss of revenue. Although the Company may be entitled to claim compensation pursuant to the terms and conditions stipulated in the SPAs, there is no assurance that such compensation will fully mitigate the financial and operational impact arising from such delay.

### Geopolitical Risk

The escalation of geopolitical tensions and military conflict between the United States and Iran may give rise to increased uncertainty and volatility in the global economic and financial environment.

Although the Group does not have direct operations or material assets located in the affected region, the conflict may indirectly affect the Group's business, operations and financial performance. In particular, disruptions to global energy markets and international trade routes, including those associated with the strategic importance of the Strait of Hormuz, may lead to increased volatility in crude oil prices and shipping costs. Any sustained increase in energy prices or disruptions to global supply chains may result in higher operating costs and potential delays in procurement and logistics activities.

In addition, the conflict may contribute to broader macroeconomic uncertainties, including fluctuations in global financial markets, foreign exchange volatility and inflationary pressures, which may adversely affect business sentiment, investment flows and economic conditions in the markets in which the Group operates.

The extent, duration and outcome of the conflict remain uncertain and are beyond the control of the Group. As such, there can be no assurance that the ongoing geopolitical developments will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

We also wish to highlight that despite efforts and measures taken by the Company to mitigate the risks associated with the Proposed Acquisition, no assurance can be given that one or a combination of risk factors as stated above and in Section 5, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Company, its financial performance, financial position or prospects thereon.

In evaluating the Proposed Acquisition, non-interested shareholders of the Company should carefully consider the said risk factors and their respective mitigating factors before voting on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM of the Company. Non-interested shareholders of the Company should also note that the risk factors mentioned therein are not meant to be exhaustive.

## **5.6 Financial effects of the Proposed Acquisition**

The financial effects of the Proposed Acquisition on the Group as disclosed in Section 6, Part A of the Circular are as follows:-

### **(i) Issued share capital and substantial shareholders' shareholdings**

The Proposed Acquisition will not have any effect on the issued share capital of the Company and substantial shareholders' shareholdings in the Company as the Proposed Acquisition does not involve any issuance of new shares in the Company.

**(ii) NA and gearing**

For illustration purposes only, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Company's audited statements of financial position as at 31 December 2025 and on the assumption that the Proposed Acquisition had been effected on that date are as follows:-

	Audited as at 31 December 2025 (RM'000)	After the Proposed Acquisition (RM'000)
Equity attributable to owners of the Company/ NA	209,397	208,867 <sup>[1]</sup>
NA per share (RM)	0.18	0.18
Borrowings	-	20,704 <sup>[2]</sup>
Gearing (times) <sup>[3]</sup>	-	0.10

Notes:-

(1) After deducting estimated expenses of approximately RM0.53 million in relation to the Proposed Acquisition.

(2) After accounting for the proposed drawdown of bank borrowings amounting to RM20.70 million to partly finance the Proposed Acquisition.

(3) Computed based on total borrowings (comprising term loans only) over NA.

We have taken note that the Proposed Acquisition will not have any significant impact to the Company's NA per share. However, the Proposed Acquisition will increase the Company's total borrowings assuming that 70% of the Purchase Consideration will be funded via bank borrowings. As a resultant, the gearing will increase from nil to 0.10 times.

**(iii) Earnings and EPS**

The Proposed Acquisition is not expected to have a material impact on the Company's earnings and EPS for the FYE 2026.

We note that the EPS will decrease slightly after the Proposed Acquisition which is attributable to the annual depreciation charges, interest expenses, maintenance and management fees associated with the Subject Properties, as well as transaction-related expenses arising from the Proposed Acquisition. Nevertheless, barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of the Company once the Subject Properties are in full operation notwithstanding the annual depreciation, interest expenses as well as maintenance and management fees arise from the Proposed Acquisition.

**Based on the above, we are of the opinion that the effects of the Proposed Acquisition are fair and reasonable and not to the detriment of the non-interested shareholders of the Company.**

**6 CONCLUSION AND RECOMMENDATION**

We have assessed and evaluated the Proposed Acquisition and have set out our evaluation in Section 2 through Section 5 of this IAL. We summarised the potential advantages and disadvantages of the Proposed Acquisition as follows:

Potential Advantages	Potential Disadvantages
<p>The acquisition of the Subject Properties is expected to enhance the Group's overall production capacity and operational efficiency through the segregation of finishing processes from semi-finished products.</p> <p>This separation is anticipated to improve workflow efficiency and enable better control over production processes, thereby supporting the Group's ability to meet customers' quality and delivery expectations.</p>	<p>The Proposed Acquisition will result in the decrease in the net cash position of the Company as the Company intends to fund 30% of the Purchase Considerations by cash payment via internally-generated funds. The available cash could have been used for further business expansion, merger and acquisition of other companies or to be paid as dividend to the shareholders of the Company.</p>
<p>The close proximity between Lot 815 and the Subject Properties is expected to provide operational and cost efficiencies to the Group. The shorter distance reduces transportation costs and lead time for the movement of materials and semi-finished goods, while facilitating better coordination between different production processes. This is anticipated to enhance overall workflow efficiency, optimise resource utilisation and support improved operational performance.</p>	<p>The Proposed Acquisition will increase the Company's total borrowings assuming that 70% of the Purchase Consideration will be funded via bank borrowings. As a resultant, the gearing will increase from nil to 0.10 times.</p>

We have taken cognisance of the rationale and justification, financial evaluation, effects and risk factors of the Proposed Acquisition. Based on our evaluation and comments on the Proposed Acquisition, we are of the opinion that the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the non-interested shareholders of the Company.

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

Before arriving at the decision to vote on the resolution pertaining to the Proposed Acquisition, it is pertinent that the non-interested shareholders of the Company consider the issues and implications raised in this IAL as well as other considerations as set out in Part A of the Circular carefully and the Directors' statement and recommendation (save for Ban Kim Wah and Wong Chun Wei) in respect to the Proposed Acquisition as set out in Section 12, Part A of the Circular.

Yours faithfully,  
For and on behalf of  
**STRATEGIC CAPITAL ADVISORY SDN. BHD.**

**NG WOON LIT**  
Director  
Investment Representative  
eCMSRL/B5412/2015

**TAN DAI LIANG, CFA**  
Director  
Investment Representative  
eCMSRL/B6239/2015

**SALIENT TERMS OF THE SPAs**

The salient terms and conditions of the SPAs are set out below:

No.	Subject Matter	Details								
1.	<b>Parties involved</b>	<p>The SPAs are entered into between TGDSB as the vendor and WESB as the purchaser in respect of the sale and purchase of 2 lands (“<b>Said Lot</b>”) with vacant possession together with 1 unit of medium industrial semi-detached factories (“<b>Said Building</b>”) to be erected on each of the lands.</p> <p>Each SPA is a separate agreement pertaining to the respective Subject Property.</p>								
2.	<b>Purchase Consideration</b>	<p>Subject to the fulfilment of the Conditions Precedent (as defined below), the purchase price shall be RM17,880,750 for Subject Property 1 and RM11,696,220 for Subject Property 2, and shall be payable by the Purchaser to the Vendor by instalments in cash, at the times and in accordance with the mode of settlement as set out in <b>Section 3</b> below.</p>								
3.	<b>Mode of Settlement</b>	<p>The Purchase Consideration shall each be paid by the Purchaser to the Vendor by instalments in accordance with the payment schedule as set out below (“<b>Mode of Settlement</b>”):</p> <table border="1" data-bbox="592 958 1378 1895"> <thead> <tr> <th data-bbox="592 958 1171 1055"><b>Payment Schedule</b></th> <th data-bbox="1171 958 1378 1055"><b>Percentage of Purchase Consideration</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="592 1055 1171 1111">Upon signing of the SPA</td> <td data-bbox="1171 1055 1378 1111">10%</td> </tr> <tr> <td data-bbox="592 1111 1171 1798">           Within 14 days from the date of the Vendor's written notice of the completion of:           <ul style="list-style-type: none"> <li data-bbox="592 1205 1171 1238">(i) the earthwork of the Said Lot</li> <li data-bbox="592 1272 1171 1328">(ii) the piling works (if any) and foundation works of the Subject Property</li> <li data-bbox="592 1361 1171 1417">(iii) the reinforced concrete framework of the Subject Property</li> <li data-bbox="592 1451 1171 1552">(iv) the walls of the Subject Property, including electrical wiring and plumbing (without fittings)</li> <li data-bbox="592 1574 1171 1608">(v) the roofing of the Subject Property</li> <li data-bbox="592 1641 1171 1675">(vi) the plastering of the Subject Property</li> <li data-bbox="592 1709 1171 1765">(vii) the roads and drains serving the Subject Property</li> </ul> </td> <td data-bbox="1171 1111 1378 1798">           15% 15% 15% 15% 15% 5% 5%         </td> </tr> <tr> <td data-bbox="592 1798 1171 1895">On handing over vacant possession of the Subject Property to the Purchaser</td> <td data-bbox="1171 1798 1378 1895">5%</td> </tr> </tbody> </table>	<b>Payment Schedule</b>	<b>Percentage of Purchase Consideration</b>	Upon signing of the SPA	10%	Within 14 days from the date of the Vendor's written notice of the completion of: <ul style="list-style-type: none"> <li data-bbox="592 1205 1171 1238">(i) the earthwork of the Said Lot</li> <li data-bbox="592 1272 1171 1328">(ii) the piling works (if any) and foundation works of the Subject Property</li> <li data-bbox="592 1361 1171 1417">(iii) the reinforced concrete framework of the Subject Property</li> <li data-bbox="592 1451 1171 1552">(iv) the walls of the Subject Property, including electrical wiring and plumbing (without fittings)</li> <li data-bbox="592 1574 1171 1608">(v) the roofing of the Subject Property</li> <li data-bbox="592 1641 1171 1675">(vi) the plastering of the Subject Property</li> <li data-bbox="592 1709 1171 1765">(vii) the roads and drains serving the Subject Property</li> </ul>	15% 15% 15% 15% 15% 5% 5%	On handing over vacant possession of the Subject Property to the Purchaser	5%
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On handing over vacant possession of the Subject Property to the Purchaser	5%									

## SALIENT TERMS OF THE SPAs (CONT'D)

No.	Subject Matter	Details
		Every notice referred to in the Mode of Settlement requesting for payment shall be supported by a certificate under the hand of the Vendor's architect (" <b>the Vendor's Architect</b> ") and the same shall constitute prima facie proof that the works referred to therein have been completed, provided that the Purchaser shall have the right to raise reasonable objections or request verification if such works have not been completed in accordance with the plans, specifications, or agreed quality standards. The Vendor is not bound to commence or complete the works in the order or the manner referred to according to the Mode of Settlement.
4.	<b>Conditions Precedent</b>	<p>The obligations of the parties are conditional upon the following conditions precedent ("<b>Conditions Precedent</b>") being fulfilled or obtained within 3 months from the date of the SPA ("<b>Conditional Period</b>"): </p> <p>(a) the Company, having obtained the approval from its shareholders at an EGM to be convened in respect of the Proposed Acquisition;</p> <p>(b) the Vendor having obtained the approval for planning permission (<i>kebenaran merancang</i>) from the relevant authority for the development of the Master Land into an industrial development known as Galaxy Industrial Park @ Impian Emas, Skudai, Johor, including the approval for conversion of category of land use of the Master Land to "<i>Perusahaan</i>" with the express condition "<i>Perusahaan Sederhana</i>"; and</p> <p>(c) the Vendor having obtained the approval for building plans (<i>pelan bangunan</i>) from the relevant authority for the construction of the Subject Properties.</p>
5.	<b>Unconditional Date</b>	The SPA shall become unconditional on the date when all the Conditions Precedent are fulfilled or obtained in accordance with the provisions of the SPA within the Conditional Period. The date on which the last of the Conditions Precedent is fulfilled or obtained, shall hereinafter be referred to as the " <b>Unconditional Date</b> ".
6.	<b>Non-fulfilment of Conditions Precedent</b>	In the event that the Conditions Precedent are not or cannot be fulfilled during the Conditional Period or such other extended date the parties mutually agree in writing, either party shall be entitled, by notice of termination to the other, to terminate the SPA and upon such notice being served on the other and, subject to the performance by both parties of their respective obligations upon termination including but not limited to refund by the Vendor and/or the Vendor's solicitors all the monies paid towards the Purchase Consideration to the Purchaser within 7 days from the date of the notice of termination whereupon the SPA shall be null and void and be of no further effect.
7.	<b>Interest on late payment</b>	If any of the instalments set out under the Mode of Settlement shall remain unpaid by the Purchaser at the expiration of the period of 14 days referred to in the Mode of Settlement, interest on such unpaid instalment or instalments shall commence to run immediately thereafter and be payable by the Purchaser such interest to be calculated from day to day at the rate of 10% per annum until the date of actual payment.

## SALIENT TERMS OF THE SPAs (CONT'D)

No.	Subject Matter	Details
8.	Purchaser's default	<p>(a) If the Purchaser shall:</p> <ul style="list-style-type: none"> <li>(aa) fail to pay any instalment payable pursuant to the Mode of Settlement or any part thereof and/or any interest payable in relation to the late payment interest; or</li> <li>(bb) fail to pay any sum or sums payable under the terms of the SPA within the time stipulated for such payment; or</li> <li>(cc) commit any material breach of the covenants, terms, conditions and stipulations on the Purchaser's part to be observed and performed and contained in the SPA; or</li> <li>(dd) commit an act of bankruptcy or enter into any composition or arrangement with the Purchaser's creditors or being a company enters into liquidation whether compulsory or voluntary before payment in full of the Purchase Consideration; or</li> <li>(ee) attempt to sell transfer or assign the Subject Property before completion and/or payment in full of the Purchase Consideration without the consent of the Vendor; or</li> <li>(ff) suffer any distress or execution or other process of Court of competent jurisdiction be levied upon the Purchaser or the Purchaser's goods before payment in full of the Purchase Consideration,</li> </ul> <p>then the Vendor shall provide the Purchaser with written notice detailing the breach and specifying a period of 30 days to remedy the same. If the Purchaser fails to remedy the same within the stipulated period, the Vendor shall be at liberty, subject to <b>Section 8(b)</b> hereinafter, at any time thereafter at the Vendor's option to annul the sale of the Subject Property and forthwith to terminate the SPA without any prior notice to the Purchaser and in such an event the Vendor shall be entitled to sell transfer or dispose of the Subject Property to any person or persons or deal with the Subject Property in whatsoever manner it deems fit without being liable to account to the Purchaser.</p> <p>(b) In the event of default by the Purchaser and subsequent termination of the SPA by the Vendor, the Purchaser shall pay to the Vendor:</p> <ul style="list-style-type: none"> <li>(aa) firstly, all interest calculated in accordance with <b>Section 7</b> above owing and unpaid, and all other sums and charges (whether in the nature of interest or not) which the Purchaser is obliged to pay the SPA;</li> <li>(bb) secondly, a sum equivalent of 10% of the Purchase Consideration shall be forfeited to the Vendor as agreed liquidated damages;</li> <li>(cc) thirdly, all legal fees and expenses if any incurred in evicting the Purchaser and any person claiming any right title or interest under the Purchaser to the Subject Property;</li> </ul>

## SALIENT TERMS OF THE SPAs (CONT'D)

No.	Subject Matter	Details
		<p>(dd) if, on the other hand, the instalments previously paid by the Purchaser to the Vendor is less than 10% of the Purchase Consideration then the deficiency shall be made good by the Purchaser to the Vendor and shall be deemed a debt due by the Purchaser to the Vendor and be payable to the Vendor within 14 days from the date of termination of the SPA, failing which a late payment interest at the rate of 10% per annum calculated on a daily basis, from the expiration of 14 days from the date of termination of the SPA until full payment thereof, shall be paid to the Vendor; and</p> <p>(ee) lastly, the residual of the Purchase Consideration (if any) shall be refunded to the Purchaser within 14 days from the date of termination of the SPA.</p> <p>Upon the determination of the SPA, neither the Purchaser, the Purchaser's personal representatives, assignees nor all those claiming title under the Purchaser shall have any claim or claims whatsoever against the Vendor in respect of the Subject Property or the SPA and neither party shall have any claim against the other for damages, compensation or loss arising from or in respect of such termination.</p>
9.	Vendor's default	<p>(a) If the Vendor shall: -</p> <p>(aa) commit any material breach of the covenants, terms, conditions and stipulations on the Vendor's part to be observed and performed and contained in the SPA;</p> <p>(bb) commit an act of bankruptcy or enter into any composition or arrangement with the Vendor's creditors or being a company enters into liquidation whether compulsory or voluntary before payment in full of the Purchase Consideration;</p> <p>(cc) abandons the project or suspends work on the project for a continuous period of 6 months without reasonable cause and prior written notice to the Purchaser, such that the project cannot be completed in accordance with the terms of the SPA; or</p> <p>(dd) takes or suffers any other act, omission, or event which materially and adversely affects the Vendor's ability to complete the project or deliver the Subject Property in accordance with the SPA,</p> <p>the Purchaser shall provide the Vendor with written notice detailing the breach and specifying a period of 30 days to remedy the same. If the Vendor fails to remedy the same within the stipulated period, the Purchaser shall be at liberty subject to <b>Section 9(b)</b> hereunder, forthwith terminate the SPA by written notice to the Vendor.</p>

## SALIENT TERMS OF THE SPAs (CONT'D)

No.	Subject Matter	Details
		<p>(b) In the event of termination by the Purchaser pursuant to <b>Section 9(a)</b> above, the Vendor shall within 14 days from the date of its receipt of the written termination, pay a sum equivalent to 10% of the Purchase Consideration to the Purchaser as agreed liquidated damages and refund to the Purchaser all monies paid by the Purchaser under the SPA without interest, after deducting any sums lawfully due and payable by the Purchaser to the Vendor under the SPA, failing which a late payment interest at the rate of 10% per annum calculated on a daily basis, from the expiration of 14 days from the date of its receipt of the written termination until full payment thereof, shall be paid to the Purchaser. Thereafter the Purchaser shall withdraw or cause to be withdrawn any and/or all encumbrances lodged against the Subject Property by the Purchaser and/or its financier, if any and neither party shall have any claim against the other for damages, compensation or loss arising from or in respect of such termination.</p>
10.	<p><b>Completion and Delivery of Vacant Possession</b></p>	<p>(a) Subject to any extension or extensions of time as may be allowed by the Vendor's Architect and provided that the Purchaser shall have paid to the Vendor all instalments of the Purchase Consideration and any other sums under the SPA as and when due and payable, vacant possession of the Subject Property shall be delivered to the Purchaser in the manner stipulated in <b>Section 10(b)</b> hereinafter within 36 months from the date hereof. In the event that the Vendor shall delay completion of the Subject Property and the delivery of vacant possession of the Subject Property to the Purchaser beyond the aforesaid period, the Vendor shall pay to the Purchaser agreed damages calculated from day to day at the rate of 10% per annum on the Purchase Consideration from such aforesaid date to the date of actual or deemed delivery of vacant possession of the Subject Property to the Purchaser as hereinafter provided, PROVIDED ALWAYS that if in the opinion of the Vendor's Architect, completion or delivery of vacant possession of the Subject Property is delayed due to any event of force majeure, then and in any of such cases, the Vendor's Architect shall make a fair and reasonable extension of time for completion and delivery of vacant possession of the Subject Property which decision shall be final and binding on the parties hereto.</p> <p>(b) Upon the issuance by the Vendor's Architect of a certificate of completion and compliance certifying that the Said Building has been duly constructed and completed in conformity with the approved plans and requirement of the Street, Drainage and Building Act 1974 and any by-laws made thereunder (with electricity wiring and water pipes ready for connection of supply to the Subject Property) and provided the Purchaser shall have paid all monies payable under the SPA and shall have observed and performed the terms and covenants on the Purchaser's part, the Vendor shall deliver vacant possession of the Subject Property to the Purchaser by notice in writing to the Purchaser to accept delivery of the vacant possession of the Subject Property. Upon the expiration of 14 days from the date of a notice in writing from the Vendor informing the Purchaser to take delivery of the Subject Property (notwithstanding that the Purchaser may not in fact take possession or actually enter into occupation of the Subject Property) the Purchaser shall be</p>

**SALIENT TERMS OF THE SPAs (CONT'D)**

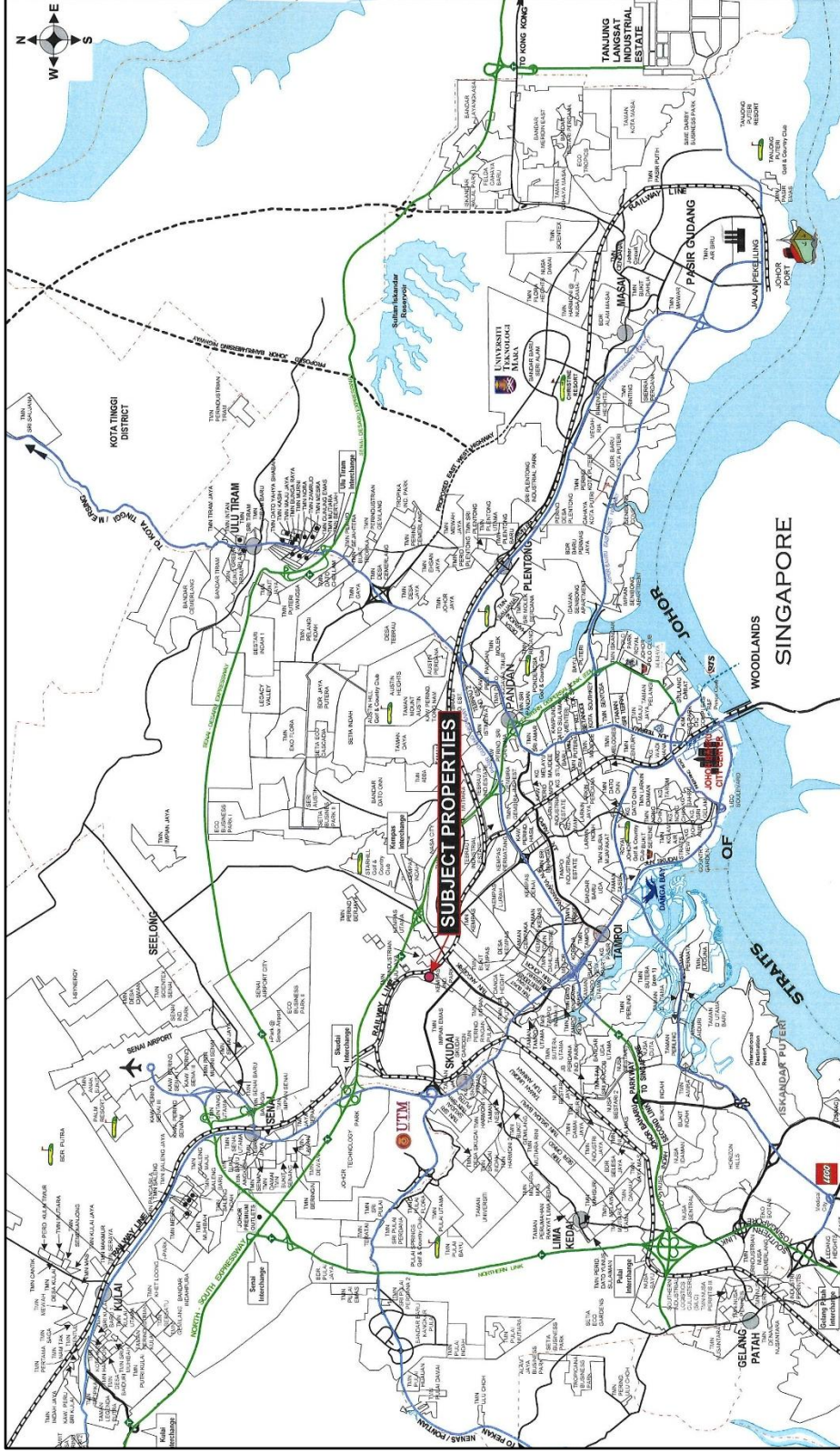
<b>No.</b>	<b>Subject Matter</b>	<b>Details</b>
		deemed to have taken vacant possession of the Subject Property and the Vendor thereafter shall not be liable for any loss or damage to the Subject Property and/or to the fixtures and fittings thereon.
<b>11.</b>	<b>Applicable Law and Jurisdiction</b>	The SPAs shall be governed by and construed in all respects in accordance with the laws of Malaysia.

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**INFORMATION ON THE SUBJECT PROPERTIES**

The Subject Properties will form part of the Galaxy Industrial Park, of which the Vendor is the developer. For information purposes, the Johor Bahru City Council has on 2 January 2026, granted planning permission with amendments for industrial development on the Master Land. As at the LPD, the Vendor has commenced piling works for Galaxy Industrial Park.

The summary of the details of the Master Land and Subject Properties is set out as follows:



## INFORMATION ON THE SUBJECT PROPERTIES (CONT'D)

Particulars on the Master Land	
Master Title No.	GRN 99403
Lot No.	Lot 813
Registered owner	TGDSB
Mukim	Tebrau
District	Johor Bahru
Postal address	Galaxy Industrial Park, Jalan Selatan 10, 81300 Skudai, Johor Darul Takzim
Tenure	Interest in perpetuity
Category of land use <sup>(1)</sup>	Agriculture
Encumbrances/ Caveat <sup>(2)</sup>	Charged to OCBC Bank (Malaysia) Berhad vide presentation no. 86860/2025, registered on 28 August 2025
Express condition <sup>(1)</sup>	<b>Lot 813:</b> (i) This land shall be used for cash crop cultivation. (ii) The land owner shall at all times take such steps as may be required by the Land Administrator to protect the land from erosion.
Restriction in interest	Nil

Notes:

- (1) As at the LPD, the Vendor is in the process of applying for the conversion of the category of land use to "Perusahaan" with the express condition "Perusahaan Sederhana". The approval for the application is expected to be obtained from the Pejabat Pengarah Tanah dan Galian Johor by the first quarter of 2027.
- (2) The release of the encumbrances/ caveat is expected to be obtained by the third quarter of 2027.

## INFORMATION ON THE SUBJECT PROPERTIES (CONT'D)

Particulars on the Subject Properties	Subject Property 1	Subject Property 2
Description	Proposed one and a half storey semi-detached factories	
Land area	55,577 sq. ft.	34,008 sq. ft.
Proposed gross floor area	30,348 sq. ft.	20,393 sq. ft.
Proposed use of buildings and factory structure	Industrial factories for finishing processes	
Proposed tenure	Individual title when issued will convey a freehold interest	
Proposed category of land use	After obtaining the approval for conversion, the category of land use will be "Perusahaan"	
Valuer	JLW	
Valuation date	11 March 2026	
Market value <sup>(1)</sup>	RM17,900,000	RM12,000,000
Net book value as at 31 December 2025 <sup>(2)</sup>	RM3,864,269	RM2,364,576
Encumbrances/ Caveat	Nil	
Express condition	After obtaining the approval for conversion, the express condition will be "Perusahaan Sederhana"	
Restriction in interest	Nil	
Expected commencement and completion date of the construction/ development	First quarter of 2026/ First quarter of 2029	

Notes:

(1) Based on the Valuation Report.

(2) Based on the latest available unaudited management accounts of the Vendor as at 31 December 2025. As at the LPD, the first audited financial statements of the Vendor since its incorporation on 23 September 2024 have yet to be issued.

## VALUATION CERTIFICATE



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087 (78217-X)

Chartered Surveyors  
Registered Valuers  
Registered Estate Agents  
Registered Property Managers  
Research and Property Consultants  
Asset Managers  
Project Coordinators

Our Ref.: V/JB/PC-(C)/001/2026/BURSA

11 March 2026

**Wentel Engineering Holdings Berhad**  
No.11, Jalan Gagah  
Kawasan Perindustrian Larkin  
80350 Johor Bahru  
Johor Darul Takzim

Board of Valuers  
Firm Reg. No. VEPM(2) 0078/2

Lot 19.02, Level 19,  
Public Bank Tower,  
19 Jalan Wong Ah Fook,  
80000 Johor Bahru  
Tel: +607 224 9937  
Fax: +607 224 9936  
Email: johor@jlwmalaysia.com  
www.jlwmalaysia.com

Dear Sirs,

**VALUATION OF TWO (2) ASSUMED COMPLETED ONE AND A HALF STOREY SEMI-DETACHED FACTORIES IDENTIFIED AS PLOT A1 AND PLOT A2, FORMING PART OF PARENT LOTS 813 AND PTD 187636, BOTH WITHIN MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU, JOHOR DARUL TAKZIM ("SUBJECT PROPERTIES")**

#### 1. Terms of Reference

This valuation certificate has been prepared for the purposes of submission to Bursa Malaysia Securities Berhad and inclusion into the circular to shareholders in relation to the proposed acquisition of the Subject Properties by Wentel Engineering Sdn Bhd, a wholly-owned subsidiary of Wentel Engineering Holdings Berhad ("Wentel").

We wish to draw attention that individual titles in respect of the Subject Properties have not been issued. Notwithstanding the above, we were specifically instructed by our client to value the Subject Properties on the assumption that individual titles in respect of the Subject Properties are forthcoming, with category of land use 'industrial' conveying interest in perpetuity over a land area of about 0.516 hectare (1.276 acres / 55,577 square feet) and 0.316 hectare (0.781 acre / 34,008 square feet) for Plot A1 and Plot A2 respectively and when issued, the titles will be free of all encumbrances and restrictive conditions.

As per the pre-computation plan provided to us by Wentel Engineering Holdings Berhad prepared by Mesra Ukur Sdn Bhd bearing Plan No. MU/JH/106/2024/PH dated 11 February 2026, we noted the Plot A1 and Plot A2 having the land area as follows:-

Plot No.	Identification as per pre-computation plan	Land Area			
		Hectare	Acres	Square Metres	Square Feet
Plot A1	Plot 1	0.516	1.276	5,163.273	55,577
Plot A2	Plot 2	0.316	0.781	3,159.483	34,008
Total		0.832	2.057	8,322.756	89,585

FOR PURPOSES OF THIS VALUATION, WE WERE SPECIFICALLY INSTRUCTED BY WENTEL ENGINEERING HOLDINGS BERHAD TO VALUE THE SUBJECT PROPERTIES ON THE BASIS OF THE SUBJECT PROPERTIES ARE COMPLETED IN ACCORDANCE WITH THE BUILDING PLANS PREPARED BY SFS ARCHITECTS SDN BHD BEARING DRAWING NOS. 01/17 TO 17/17, WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE ISSUED AND WITH ALL THE RELEVANT CONTRIBUTIONS, CHARGES AND FEES ARE FULLY PAID IN ACCORDANCE TO THE DRAFT SALE AND PURCHASE AGREEMENTS BETWEEN TWIN GALAXY DEVELOPMENT SDN BHD AND WENTEL ENGINEERING SDN BHD.

## VALUATION CERTIFICATE (CONT'D)



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

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

We hereby confirm that we have valued, in accordance with the instruction from Wentel, the Subject Properties vide our Report and Valuation bearing Reference No. V/JB/PC-(C)/001/2026/BURSA dated 11 March 2026. This valuation certificate is to be read in conjunction with the above mentioned Report and Valuation.

The Report and Valuation has been prepared in accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers as well as the Asset Valuation Guidelines issued by the Securities Commission Malaysia, and with the necessary professional responsibility and due diligence.

## 2. Subject and Date of Valuation

The subject of this valuation comprises the interest in perpetuity in two (2) assumed completed one and a half storey semi-detached factories, located within a proposed industrial development known as Galaxy Industrial Park, located along Jalan Selatan 10, 81300 Skudai, Johor Darul Takzim.

The relevant date of valuation of the above legal interest is 11 March 2026.

## 3. Salient Details of the Draft Sale and Purchase Agreements

As per the draft sale and purchase agreements between Twin Galaxy Development Sdn Bhd (the Vendor) and Wentel Engineering Sdn Bhd (the Purchaser), each of the Subject Property will comprise of semi-detached factory having the following land area:

Lot	Area of Said Lot
Plot A1	55,577 square feet
Plot A2	34,008 square feet
<b>Total</b>	<b>89,585 square feet</b>

Each of the Subject Properties is sold on the following basis, amongst others:-

- (a) Agreed to purchase all that piece of land with vacant possession together with a building to be erected thereon in accordance with the building plan and specifications to be approved/as approved by the appropriate authority;
- (b) Free from all encumbrances;
- (c) Subject to the issuance of the separate issue document of title; and
- (d) Subject to the issuance of the Certificate of Completion and Compliance in respect of the building.

## VALUATION CERTIFICATE (CONT'D)



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

## 4. Particulars of Parent Titles

We wish to draw attention that individual titles in respect of the Subject Properties have not been issued. Notwithstanding the above, we were specifically instructed by our client to value the Subject Properties on the assumption that individual titles in respect of the Subject Properties are forthcoming, with category of land use 'industrial' conveying interest in perpetuity over a land area of about 0.516 hectare (1.276 acres / 55,577 square feet) and 0.316 hectare (0.781 acre / 34,008 square feet) for Plot A1 and Plot A2 respectively and when issued, the titles will be free of all encumbrances and restrictive conditions.

Enquiries conducted at the Johor Darul Takzim Land Registry on 29 January 2026 revealed the following particulars of parent titles in respect of the Subject Properties as summarized below.

Parent Lot No.	Parent Title No.	Land Area	Quit Rent
Lot 813	GRN 99403	4.0469 hectares	RM245.00
PTD 187636	HSD 564287	2.0964 hectares	RM750.00

Both within Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.

Common details of the Parent Lots:-

Tenure:	Interest in perpetuity.
Category of Land Use:	<i>Pertanian.</i>
Registered Proprietor:	Twin Galaxy Development Sdn Bhd.
Express Conditions:	<b>Lot 813:</b> i) <i>Tanah ini hendaklah digunakan untuk TANAMAN KONTAN.</i> ii) <i>Pemilik tanah hendaklah sepanjang masa mengambil langkah-langkah menurut perintah yang dikehendaki oleh Pentadbir Tanah menjaga tanah ini daripada hakisan.</i>
	<b>PTD 187636:</b> Nil.
Restriction in Interest:	Nil.
Encumbrance:	Charged to OCBC Bank (Malaysia) Berhad, registered on 28 August 2025.
Endorsement:	Nil.

Note:

As per the pre-computation plan provided to us by Wentel Engineering Holdings Berhad prepared by Mesra Ukur Sdn Bhd bearing Plan No. MU/JH/106/2024/PH dated 11 February 2026, we noted the Plot A1 and Plot A2 having the land area as follows:-

Plot No.	Identification as per pre-computation plan	Land Area			
		Hectare	Acres	Square Metres	Square Feet
Plot A1	Plot 1	0.516	1.276	5,163.273	55,577
Plot A2	Plot 2	0.316	0.781	3,159.483	34,008
<b>Total</b>		<b>0.832</b>	<b>2.057</b>	<b>8,322.756</b>	<b>89,585</b>

## VALUATION CERTIFICATE (CONT'D)



# Jones Lang Wootton

Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

## 5. Brief Description of the Subject Properties

The Subject Properties are located within a proposed industrial development known as Galaxy Industrial Park which will consist of twelve (12) units of semi-detached factories and eight (8) units of cluster factories upon completion. Galaxy Industrial Park is located off the left side of Jalan Kempas Lama, travelling from Jalan Skudai towards Seelong locale. Johor Bahru city centre is located about 17 kilometres south-east of the Subject Properties. Kempas Interchange of the North-South Expressway is located about 4 kilometres due south-east of the scheme. Notable landmarks located within the vicinity include among others, Southern University College, NSK Trade City Skudai, Impian Emas Golf Club and Driving Range, Tiong Nam Logistics Solutions Sdn Bhd, Kempas Baru Railway Station, Kempas Medical Centre and Starhill Golf and Country Club as well as the premises of Ministry of Home Affairs Complex (*Kementerian Hal Ehwal Dalam Negeri*).

Plot A1 and Plot A2 are both forming part of Parent Lots 813 and PTD 187636. The title land area of the Parent Lots are as follows:-

Parent Lot	Title Land Area
Lot 813	4.0469 hectares (10 acres)
PTD 187636	2.0964 hectares (5.18 acres)
<b>Total</b>	<b>6.1433 hectares (15.18 acres)</b>

As per the Certified Plan No. PA 227744 prepared by Johor Darul Takzim Survey and Mapping Department, we note that PTD 187636 has been surveyed, ascribed a new lot number as Lot 163016 and has a surveyed land area of 2.097 hectares (5.18 acres).

As per the pre-computation plan provided to us by Wentel Engineering Holdings Berhad prepared by Mesra Ukur Sdn Bhd bearing Plan No. MU/JH/106/2024/PH dated 11 February 2026, we noted the Plot A1 and Plot A2 having the land area as follows:-

Plot No.	Identification as per pre-computation plan	Land Area				Shape
		Hectares	Acres	Square Metres	Square Feet	
Plot A1	Plot 1	0.516	1.276	5,163.273	55,577	Almost rectangular
Plot A2	Plot 2	0.316	0.781	3,159.483	34,008	
<b>Total</b>		<b>0.832</b>	<b>2.057</b>	<b>8,322.756</b>	<b>89,585</b>	

Upon completion, the sites will accommodate 2 units of one and a half storey semi-detached factories.

Each buildings will be constructed of a reinforced concrete frame with brick infills, plastered internally and rendered externally supporting a steel framed roof laid over with metal deck sheets incorporating a jackroof. The elevations of the building will be plastered brickwalls surmounted with metal deck sheet cladding. The eaves height of each buildings will be of about 11.87 metres (39 feet).

The gross floor area of each building are tabulated as follows:-

Plot No.	Gross Floor Area
Plot A1	2,819.42 square metres (30,348 square feet)
Plot A2	1,894.59 square metres (20,393 square feet)

## VALUATION CERTIFICATE (CONT'D)



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

## 6. Planning Details

The Subject Properties are designated for industrial use.

As per the “*Kebenaran Merancang*” letter bearing Reference No. MBBJ/U/2025/63/STK/KM/65-[65/2025] dated 2 January 2026 issued by *Majlis Bandaraya Johor Bahru*, we noted that the Parent Lots 813 and PTD 187636 have been granted Planning Permission with amendments for industrial development.

As per the “*Pelan Bangunan*” letters bearing Reference No. MBBJ/U/2025/63/STK/KM/65 dated 2 January 2026 and 30 January 2026 issued by *Majlis Bandaraya Johor Bahru*, we noted that the building plans prepared by SFS Architects Sdn Bhd bearing drawing Nos. 01/17 to 17/17 dated July 2025 in respect of the Subject Properties have been approved with amendment.

As per the pre-computation plan provided to us by Wentel Engineering Holdings Berhad prepared by Mesra Ukur Sdn Bhd bearing Plan No. MU/JH/106/2024/PH dated 11 February 2026, we noted the Plot A1 and Plot A2 having the land area as follows:-

Plot No.	Identification as per pre-computation plan	Land Area			
		Hectare	Acres	Square Metres	Square Feet
Plot A1	Plot 1	0.516	1.276	5,163.273	55,577
Plot A2	Plot 2	0.316	0.781	3,159.483	34,008
Total		0.832	2.057	8,322.756	89,585

FOR PURPOSES OF THIS VALUATION, WE WERE SPECIFICALLY INSTRUCTED BY WENDEL ENGINEERING HOLDINGS BERHAD TO VALUE THE SUBJECT PROPERTIES ON THE BASIS OF THE SUBJECT PROPERTIES ARE COMPLETED IN ACCORDANCE WITH THE BUILDING PLANS PREPARED BY SFS ARCHITECTS SDN BHD BEARING DRAWING NOS. 01/17 TO 17/17, WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE ISSUED AND WITH ALL RELEVANT CONTRIBUTIONS, CHARGES AND FEES ARE FULLY PAID IN ACCORDANCE TO THE DRAFT SALE AND PURCHASE AGREEMENTS BETWEEN TWIN GALAXY DEVELOPMENT SDN BHD AND WENDEL ENGINEERING SDN BHD.

## 7. Basis of Valuation

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

No allowances are made in the valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We have also assumed the property is free of all statutory notices and outgoings.

## VALUATION CERTIFICATE (CONT'D)



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

## 8. Valuation Methodology

In arriving at our opinion of the Market Values, we have used the **Comparison Approach** and **Cost Approach**.

### i) Comparison Approach

We have used Comparison Approach whereby comparison is made of the properties under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made. We have adopted the Comparison Approach as the most appropriate approach as there are ample transactions to support the Market Values. Further, there is lack of rental evidence which is publicly available and which can be relied upon. As such, we did not adopt the Income Approach by way of Investment Method.

We have adopted the following sale comparables (as obtained from *Jabatan Penilaian Dan Perkhidmatan Harta* ("JPPH")) to arrive at the values of the Subject Properties:-

Description	Sale Comparable 1	Sale Comparable 2	Sale Comparable 3
Type	A one and a half storey detached factory	Two (2) units of one and a half storey detached factories	A one and a half storey detached factory
Identification/ Location	No. 10, Jalan SME 1, Indahpura Industrial Park, Kulai	Nos. 8 & 10, Jalan Laman Setia 7/4, Setia Business Park, Gelang Patah	No. 28, Jalan Mega 1, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Category of Land Use	<i>Perindustrian</i>	<i>Perindustrian</i>	<i>Perindustrian</i>
Planning Details	Zoned for industrial use	Zoned for industrial use	Zoned for industrial use
Land Area	18,116 square feet	87,102 square feet	48,448 square feet
Gross Floor Area	9,870 square feet	59,056 square feet	26,856 square feet
Consideration	RM6,000,000.00	RM28,750,000.00	RM13,000,000.00
Date of Transaction	17 October 2025	25 June 2025	15 July 2024
Vendor	Platinum Management Sdn. Bhd.	Huuv Sdn. Bhd.	Yong Wen Holdings Sdn. Bhd.
Purchaser	Tai Tee Engineering Sdn. Bhd.	JT Automation Technology (Malaysia) Sdn. Bhd.	Tong Garden Food (Malaysia) Sdn. Bhd.
Analysed Price	RM607.90 per square foot	RM486.83 per square foot	RM484.06 per square foot
Adjustment	Time factor, location, property type, building condition, size and gated and guarded		
Adjusted Value	RM580.00 psf	RM590.00 psf	RM590.00 psf

We have relied on the Sale Comparable 2 and Sale Comparable 3 as they have most similar characteristic as the land area and gross floor area are almost similar to the Subject Properties. There is a lack of sales comparables which have almost similar land areas and gross floor areas of the Subject Properties in the immediate vicinity of the Subject Properties.

The Market Values of the Subject Properties as per Comparison Approach are as follows:

Lot No.	Market Values
Plot A1	RM17,900,000.00
Plot A2	RM12,000,000.00

## VALUATION CERTIFICATE (CONT'D)



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

## ii) Cost Approach

This approach is defined as the aggregate amount of the value of the land component and the gross replacement cost of the buildings and other site improvements, allowing for depreciation. The land component is arrived by the Comparison Approach whereby comparison is made of the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made.

Details of the sale comparables to arrive at the value of the land component (as obtained from Jabatan Penilaian Dan Perkhidmatan Harta ("JPPH")) are tabulated as follows:-

Description	Sale Comparable 1	Sale Comparable 2	Sale Comparable 3
Type	A parcel of industrial land	A parcel of industrial land	A parcel of industrial land
Location	Lot 72529, Jalan Penaga 10, Taman Perindustrian Kota Puteri, Masai	PTD 171926, Jalan Kencana Emas 2, Kawasan Perindustrian Tebrau III, Johor Bahru	PTD 182004, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri
Tenure	Interest in perpetuity	99 years leasehold interest, expiring on 16/6/2110 (having an unexpired term of 86 years)	Interest in perpetuity
Category of Land Use	Industry	Industry	Industry
Planning Details	Zoned for industrial use	Zoned for industrial use	Zoned for industrial use
Land Area	0.411 acre (17,890 square feet)	0.972 acre (42,343 square feet)	2.553 acres (111,213 square feet)
Consideration	RM2,850,000.00	RM7,410,037.00	RM18,350,099.00
Date of Transaction	25 March 2025	8 November 2024	15 November 2023
Vendor	Khaw Zhan Wei and Sam Tek Yang	Sparkling Distinction Sdn Bhd	Panoramic Industrial Development Sdn Bhd
Purchaser	QL Lian Hoe Sdn Bhd	Homiest Living Sdn Bhd	Basis Bay Sdn Bhd
Analysed Land Value	RM159.31 per square foot ("psf")	RM175.00 psf	RM165.00 psf
Factors Considered for Adjustment	Time factor, location, size and tenure		
Adjusted Value	RM175.00 psf	RM190.00 psf	RM225.00 psf

We have relied on Sale Comparable 2 as it is located nearest to the Subject Properties.

For building component, we have adopted the replacement cost new (current cost) ranging from approximately RM180.00 psf to approximately RM250.00 psf for the factory as per Building Cost Information Services Malaysia (BCISM) Costbook 2025. This site improvement cost reflects the costs for site preparation, earthworks and external infrastructure development. Our checks with contractors and quantity surveyors revealed that the site improvement cost of RM25.00 per square foot is in line with the market.

The Market Values of the Subject Properties as per Cost Approach are as follows:

Lot No.	Market Values
Plot A1	RM17,900,000.00
Plot A2	RM12,000,000.00

## VALUATION CERTIFICATE (CONT'D)



Proprietor: Singham Sulaiman Sdn. Bhd.  
Registration No.: 198101012087

## Summary and Reconciliation of Value

Valuation Methodology	Market Value	
	Plot A1	Plot A2
Comparison Approach	RM17,900,000.00	RM12,000,000.00
Cost Approach	RM17,900,000.00	RM12,000,000.00

In arriving at the Market Values, the Comparison Approach is adopted as the primary approach.

The Cost Approach is not adopted as the Subject Properties are physically not yet constructed, rendering construction costs uncertain and the final completed form not readily ascertainable. Hence, the Cost Approach is only adopted as a check.

## 9. Opinion of Values

Having regard to the foregoing, our opinion of the Market Values of the legal interest in the Subject Properties, on the assumption that a Certificate of Completion and Compliance has been issued and subject to the forthcoming individual titles being free of all encumbrances, good, marketable and registrable are as follows:-

Plot No.	Land Area	Market Value
Plot A1	5,163.273 Square Metres (55,577 Square Feet)	RM17,900,000.00 (Ringgit Malaysia Seventeen Million Nine Hundred Thousand Only)
Plot A2	3,159.483 Square Metres (34,008 Square Feet)	RM12,000,000.00 (Ringgit Malaysia Twelve Million Only)
Summation of Market Value		RM29,900,000.00 (Ringgit Malaysia Twenty Nine Million Nine Hundred Thousand Only)

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

We would also like to confirm that there are no further pertinent factors which may affect the values of the Subject Properties and the contents of this Valuation Certificate are in compliance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia.

For and on behalf of  
JONES LANG WOOTTON

CHEAH SHWU SHYUAN, MRISM, MPEPS  
REGISTERED VALUER, V-1078

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board has seen and approved this Circular, and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. The Board confirms that after having made all reasonable enquiries, and to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

TA Securities, being the Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular. TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Acquisition.

JLW, being the Valuer for the Subject Properties, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular. JLW has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Valuer for the Subject Properties.

Vital Factor, being the IMR, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, extracts of the IMR Report and all references thereto in the form and context in which they appear in this Circular. Vital Factor has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Independent Market Research Consultants.

SCA, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Independent Advice Letter and all references thereto in the form and context in which they appear in this Circular. SCA has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisition.

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

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board has confirmed that there is no proceeding pending or threatened against the Group or any fact that is likely to give rise to any proceeding which may materially affect the financial position or business of the Group.

As at the LPD, there is no material litigation, claims or arbitration involving the Subject Properties.

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

As at the LPD, save as disclosed below, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group:

<b>Material commitments</b>	<b>RM'000</b>
<u>Approved and contracted for:</u>	
Construction of property, plant and equipment	20,813

**FURTHER INFORMATION (CONT'D)**

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**4.2 Contingent liabilities**

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor during normal business hours from 9.00 a.m. to 5.00 p.m. between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the Constitution of the Company;
- (ii) the audited consolidated financial statements of the Company for the FYE 2024 and FYE 2025;
- (iii) the letters of consent and conflict of interest as referred to in **Section 2** above;
- (iv) the SPAs;
- (v) the Valuation Certificate and Valuation Report; and
- (vi) the IMR Report.

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**Engineering**

**WENTEL ENGINEERING HOLDINGS BERHAD**

(Registration No. 202301007290 (1501211-T))

(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Wentel Engineering Holdings Berhad (“**Wentel**” or the “**Company**”) will be held at Trading Post (Hall) of Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on Tuesday, 16 June 2026 at 10:00 a.m., or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without any modifications, the following ordinary resolution:

**ORDINARY RESOLUTION**

**PROPOSED ACQUISITION BY WENTEL ENGINEERING SDN BHD (“WESB” OR THE “PURCHASER”), A WHOLLY-OWNED SUBSIDIARY OF WENTEL, OF 2 UNITS OF MEDIUM INDUSTRIAL SEMI-DETACHED FACTORIES (INDIVIDUALLY REFERRED TO AS “SUBJECT PROPERTY 1” AND “SUBJECT PROPERTY 2” RESPECTIVELY, AND COLLECTIVELY, THE “SUBJECT PROPERTIES”) TO BE ERECTED ON THE MASTER FREEHOLD LAND HELD UNDER TITLE NO. GRN 99403 LOT NO. 813, MUKIM TEBRAU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (“MASTER LAND”), FORMING PART OF A PROPOSED INDUSTRIAL DEVELOPMENT PROJECT NAMED “GALAXY INDUSTRIAL PARK” FROM TWIN GALAXY DEVELOPMENT SDN BHD (“TGDSB” OR THE “VENDOR”), BEING A RELATED PARTY, FOR A TOTAL CASH CONSIDERATION OF RM29,576,970 (“PURCHASE CONSIDERATION”) (“PROPOSED ACQUISITION”)**

“**THAT** subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals/ consents of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to WESB to acquire the Subject Properties held under the Master Land from the Vendor, being a related party, for a total cash consideration of RM29,576,970, upon such terms and conditions set out in the conditional sale and purchase agreements dated 18 March 2026 entered into between WESB and the Vendor.

**AND THAT** the Board of Directors of the Company (save for Ban Kim Wah and Wong Chun Wei) 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 to complete the Proposed Acquisition 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 fit, necessary and/ or expedient in order to implement, finalise and give full effect to the Proposed Acquisition, in the best interest of the Company.”

By order of the Board

**TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)**  
**LIM KEE SAN (MAICSA 7067348) (SSM PC No.: 202308000295)**  
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan  
22 May 2026

**Notes:**

- a) A member who is entitled to present, participate, speak and to vote at the EGM shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak and vote at the EGM.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the EGM, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 71(b) of the Company’s Constitution to issue a General Meeting Record of Depositors as at 9 June 2026. Only members whose names appear in the General Meeting Record of Depositors as at 9 June 2026 shall be regarded as members and entitled to attend, speak and vote at the EGM.
- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or adjourned meeting:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
  - (ii) By electronic form  
The proxy form can be electronically lodged via Vistra Share Registry and IPO (MY) portal (the “**Portal**”) at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the EGM on the procedure for electronic lodgement of the proxy form via the Portal.
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Guide for the EGM on the registration process for the EGM.
- j) Kindly check Bursa Securities’ website and the Company’s website at [www.wenteleng.com](http://www.wenteleng.com) for the latest updates on the status of the EGM.



# Wentel Engineering Holdings Berhad

202301007290 (1501211-T)  
(Incorporated in Malaysia)

## Engineering

### PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held	:	
CDS Account No.	:	

I/We\* \_\_\_\_\_ NRIC/Passport/Registration No.\* \_\_\_\_\_  
(Full name in block)

of \_\_\_\_\_  
(Address)

with email address \_\_\_\_\_ mobile phone no. \_\_\_\_\_

being a member/members\* of **WENTEL ENGINEERING HOLDINGS BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/or\* (delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her\*, the Chairman of the EGM as my/our\* proxy to vote for me/us\* on my/our\* behalf at the extraordinary general meeting of the Company ("EGM") to be held at Trading Post (Hall) of Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on Tuesday, 16 June 2026 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her\* discretion.

Ordinary Resolution	For	Against
Proposed Acquisition		

\*delete whichever is not applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature of Member(s) / Common Seal



**Notes:**

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- j) Kindly check Bursa Securities' website and the Company's website at [www.wenteleng.com](http://www.wenteleng.com) for the latest updates on the status of the EGM.

*Fold this flap for sealing*

*Then fold here*

AFFIX  
STAMP

THE SHARE REGISTRAR OF  
**WENTEL ENGINEERING HOLDINGS BERHAD**  
(Registration No.: 202301007290 (1501211-T))  
(Incorporated in Malaysia)

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

*1<sup>st</sup> fold here*

