

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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Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD
Registration No.: 199601005416 (377762-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ACQUISITION BY EUPE BELFIELD SDN BHD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF EUPE CORPORATION BERHAD, OF A PARCEL OF LEASEHOLD LAND OF LOT 20034, SEKSYEN 69, BANDAR KUALA LUMPUR MEASURING APPROXIMATELY 4.812 ACRES (OR 19,474 SQUARE METERS) FOR A PURCHASE CONSIDERATION OF RM125.00 MILLION, WHICH WILL BE SATISFIED ENTIRELY IN CASH

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

Kenanga

Kenanga Investment Bank Berhad
Registration No.: 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Company's Extraordinary General Meeting ("**EGM**") will be held at Jasper Jr Ballroom, AVANTÉ Hotel, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 August 2022 at 12.00 noon or immediately after the conclusion or adjournment (as the case may be) of the Company's 26th Annual General Meeting ("**AGM**") scheduled to be held at the same venue on the same day at 11.00 a.m., whichever is later, or at any adjournment thereof. The Notice of EGM and the Form of Proxy are enclosed in this Circular.

If you are unable to participate in the EGM and wish to appoint a proxy or proxies instead, you may complete, sign, and return the Form of Proxy in accordance with the instructions printed thereon. The completed Form of Proxy must be deposited at the office of the Company's Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan not later than 48 hours before the time and date stipulated for the EGM or at any adjournment thereof. You also have the option to submit the Form of Proxy via e-mail to sharereg@megacorp.com.my. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy
Day, date and time of the EGM

: Tuesday, 23 August 2022 at 12.00 noon
: Thursday, 25 August 2022 at 12.00 noon or immediately
after the conclusion or adjournment (as the case may
be) of the 26th AGM, whichever is later.

DEFINITIONS

Unless the context requires otherwise, the following definitions shall apply throughout this Circular:

| | |
|----------------------------|--|
| Act | : Companies Act 2016, as may be amended, supplemented or modified from time to time |
| Belfield Land | : A parcel of leasehold land of Lot 20034, Seksyen 69, Bandar Kuala Lumpur measuring approximately 4.812 acres (or 19,474 square meters) |
| BNM | : Bank Negara Malaysia |
| Board | : Board of Directors of EUPE |
| Bursa Securities | : Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) |
| Circular | : This circular to shareholders dated 20 July 2022 in relation to the Proposed Acquisition |
| CTSB or Vendor | : Cahaya Tinggi Sdn Bhd (Registration No.: 201901007464 (1316791-K)) |
| Director | : A natural person who holds directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Service Act 2007 |
| EBSB or Purchaser | : EUPE Belfield Sdn Bhd (Registration No.: 202201016101 (1461798-V)), an indirect wholly-owned subsidiary of EUPE |
| EPS | : Earnings per ordinary share in EUPE |
| EUPE or Company | : EUPE Corporation Berhad (Registration No.: 199601005416 (377762-V)) |
| EUPE Group or Group | : Collectively, EUPE and its subsidiaries |
| FYE | : Financial year ended |
| Kenanga IB | : Kenanga Investment Bank Berhad (Registration No.: 197301002193 (15678-H)) |
| LPD | : 30 June 2022, being the latest practicable date prior to the printing of this Circular |
| NA | : Net assets |
| OPR | : Overnight Policy Rate |
| PA International or Valuer | : PA International Property Consultants (KL) Sdn Bhd (Registration No.: 200601029159 (748916W) (V (1) 0077/5)) |
| Proposed Acquisition | : Proposed acquisition by EBSB of the Belfield Land for the Purchase Consideration, which will be satisfied entirely in cash |
| Purchase Consideration | : The total cash consideration in respect of the Proposed Acquisition amounting to RM125.00 million |
| RM and sen | : Ringgit Malaysia and sen, respectively |
| SPA | : The conditional sale and purchase agreement entered into by EBSB with CTSB for the Proposed Acquisition. |

DEFINITIONS *(cont'd)*

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and 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.

Any reference to any legislation or guideline in this Circular is a reference to that legislation or guideline as for the time being amended or re-enacted. Any reference to a time in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amounts stated in this Circular could have been or would have been converted into such other amounts or *vice versa*.

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

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NOTICE OF EGM ENCLOSED

FORM OF PROXY ENCLOSED



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD
Registration No.: 199601005416 (377762-V)
(Incorporated in Malaysia)

Registered Office:

5th Floor, Wisma Ria, Taman Ria
08000 Sungai Petani
Kedah Darul Aman, Malaysia

20 July 2022

Board of Directors:

Datuk Tan Hiang Joo (*Independent Non-Executive Chairman*)
Dato' Beh Huck Lee (*Group Managing Director*)
Muhamad Faisal Bin Tajudin (*Executive Director*)
Beh Yeow Seang (*Non-Independent Non-Executive Director*)
Alfian Bin Tan Sri Mohamed Basir (*Independent Non-Executive Director*)
Iskandar Abdullah @ Sim Kia Miang (*Independent Non-Executive Director*)
Kek Jenny (*Independent Non-Executive Director*)
Tham Sau Kien (*Independent Non-Executive Director*)

To: The Shareholders of EUPE

Dear Sir/Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On 23 May 2022, Kenanga IB had, on behalf of the Board, announced that EBSB had on 23 May 2022, entered into the SPA with CTSB in relation to 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 THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE EGM.

THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY 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 EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

The Vendor has agreed to sell and EBSB has agreed to purchase the Belfield Land on an "as is where is" basis as to the physical condition of the land and free from the encumbrances and with vacant possession, subject to the category of land use and all restriction in interest and conditions, whether express or implied, for the Purchase Consideration.

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

For information purposes, the Board is in the midst of deliberating on the development plan for the Belfield Land, and it is the Board's intention to undertake high-rise residential development on the Belfield Land after the completion of the Proposed Acquisition. EBSB will be conducting feasibility studies to assess the risk-reward profile, prior to finalising the development plan for the Belfield Land. Accordingly, the Company is unable to provide further details of the development and the eventual funding required to realise such future plan.

2.1 Information on the Belfield Land

The Belfield Land is located along the eastern side of Jalan Istana within Kampung Attap, Kuala Lumpur. It is also partly bounded by Lorong Belfield at its north-eastern boundary and situated approximately 2.0 kilometres due south-east of Kuala Lumpur city centre. The Belfield Land is easily and conveniently accessible from various parts of the city centre via Jalan Damansara and thence onto Jalan Istana by several mode of transportation including monorails and buses operating on various routes within the area.

Sunway Belfield, an on-going service apartment development sited the immediate north of the Belfield Land, situated immediate east is SJK (C) Kuen Cheng 1 whilst the Royal Museum (formerly known as Istana Negara) resides to the west of the Belfield Land. Other notable educational institutions and prominent landmarks situated nearby include the Kuen Cheng Secondary School, Victoria Institution, Alice Smith Primary School, Taylors International School, Merdeka PNB 118, Stadium Merdeka, Dataran Merdeka, Nu Sentral, KL Sentral, and the Perdana Botanical Garden.

The location of the Belfield Land is depicted in the map below:-



Further details of the Belfield Land are summarised in the table below:-

| | |
|---------------------------------|---|
| Registered owner | : Cahaya Tinggi Sdn Bhd |
| Identification | : Lot 20034, Seksyen 69, held under Title No. Pajak Negeri 53546, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur |
| Titled land area | : 19,474 square metres |
| Category of land use | : Bangunan |
| Express conditions | : Tanah ini hendaklah digunakan untuk tujuan pembangunan bercampur (30% rumah mampu milik dan 70% pangsapuri servis) sahaja. <i>(The land shall only be used for mixed development purpose (30% affordable housing and 70% serviced apartments) only)</i> |
| Restriction of interest | : Tanah ini tidak boleh dipindahmilik, dipajak atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur. <i>(The land cannot be transferred, leased or charged without the consent of Land Executive Committee of Federal Territory of Kuala Lumpur)</i> |
| Tenure | : Leasehold (expiring on 3 December 2118) |
| Encumbrances/ Caveat | : Nil |
| Audited net book value | : EUPE is unable to provide information on the latest audited net book value as EUPE is not privy to such information |
| Valuer | : PA International Property Consultants (KL) Sdn Bhd |
| Method of valuation | : Comparison Approach |
| Market value/ Date of valuation | : RM127.00 million / 26 April 2022 |

The valuation of the Belfield Land was conducted on the basis that it is a vacant parcel of building land designated for mixed development use. For information purposes, the Board is in the midst of deliberating on the development plan for the Belfield Land, and it is the Board's intention to undertake high-rise residential development on the Belfield Land after the completion of the Proposed Acquisition. EBSB will be conducting feasibility studies to assess the risk-reward profile, prior to finalising on the development plan, including submission to vary the permissible plot ratio, for the Belfield Land, which is contingent upon procuring approvals from relevant authorities and dependent on prevailing property market conditions. As such, the estimated timeframe and additional financial commitment required for the development has yet to be determined at this juncture.

2.2 Information on the Vendor

CTSB was incorporated on 5 March 2019 in Malaysia under the Companies Act 2016, as a private limited company. As at the LPD, the issued share capital of CTSB is RM500,000 comprising 500,000 ordinary shares. CTSB is principally involved in real estate activities with own or leased property.

As at the LPD, the directors and shareholders of CTSB and their direct and indirect shareholdings in CTSB are set out below:-

Directors

| Name | Nationality | Designation | Shareholdings | |
|--------------------|--------------------|--------------------|----------------------|---------------------|
| | | | Direct (%) | Indirect (%) |
| David Ng Chee Hwa | Malaysian | Director | - | - |
| Datuk Lau Beng Wei | Malaysian | Director | - | (i)80.00 |
| Datuk Lee Wah Lian | Malaysian | Director | - | (i)80.00 |
| Lau Beng Sin | Malaysian | Director | - | (i)80.00 |
| Dato' Lee Teck Wee | Malaysian | Director | - | - |
| Dr Tan Cheng Kiat | Malaysian | Director | - | (ii)20.00 |

Notes:

- (i) *Deemed interested by virtue of Section 8(4) of the Act via their shareholdings in DJLB Holdings Sdn Bhd*
- (ii) *Deemed interested by virtue of Section 8(4) of the Act via his shareholding in Bijak Fajar Sdn Bhd, which in turn hold shares in BF Belfield Sdn Bhd*

Shareholders

| Name | Place of incorporation / Nationality | Shareholdings | | | |
|-----------------------|---|----------------------|----------|----------------------|----------|
| | | Direct | | Indirect | |
| | | No. of shares | % | No. of shares | % |
| DJLB Holdings Sdn Bhd | Malaysia | 400,000 | 80.00 | - | - |
| BF Belfield Sdn Bhd | Malaysia | 100,000 | 20.00 | - | - |
| Bijak Fajar Sdn Bhd | Malaysia | - | - | (i)100,000 | 20.00 |
| Dr Tan Cheng Kiat | Malaysian | - | - | (ii)100,000 | 20.00 |
| Datuk Lau Beng Wei | Malaysian | - | - | (iii)400,000 | 80.00 |
| Datuk Lee Wah Lian | Malaysian | - | - | (iii)400,000 | 80.00 |
| Lau Beng Sin | Malaysian | - | - | (iii)400,000 | 80.00 |

Notes:

- (i) *Deemed interested by virtue of Section 8(4) of the Act via its shareholding in BF Belfield Sdn Bhd*
- (ii) *Deemed interested by virtue of Section 8(4) of the Act via his shareholding in Bijak Fajar Sdn Bhd, which in turn hold shares in BF Belfield Sdn Bhd*
- (iii) *Deemed interested by virtue of Section 8(4) of the Act via their shareholdings in DJLB Holdings Sdn Bhd*

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM125,000,000 was arrived at on a willing buyer-willing seller basis, after taking into consideration the market value of the Belfield Land of RM127,000,000 using the Comparison Approach carried out by the Valuer based on the valuation certificate dated 26 May 2022. The Purchase Consideration represents a slight discount of approximately 1.57% to the market value of the Belfield Land.

2.4 Mode of settlement

The Purchase Consideration will be satisfied entirely in cash pursuant to the terms of the SPA as set out in Appendix I of this Circular.

The deposit in relation to the Purchase Consideration of RM12.50 million equivalent to 10% of the Purchase Consideration has been fully paid on 23 May 2022 from internally generated funds.

2.5 Source of funding

EBSB intends to finance the Purchase Consideration through bank borrowings of approximately RM87.50 million (equivalent to 70% of the Purchase Consideration) as part funding for the Proposed Acquisition. The remaining 30% of the Purchase Consideration (approximately RM37.50 million) will be funded by internally generated funds. The exact quantum for the combination of bank borrowings and internally generated funds will be determined by the Board at a later stage, depending on the cost of funding and EUPE Group's cash requirements at material time.

2.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SPA, there are no other liabilities, including contingent liabilities nor guarantees, to be assumed by EUPE Group.

2.7 Additional financial commitment required

Upon completion of the Proposed Acquisition, EUPE Group expects to incur additional financial commitment to develop the Belfield Land which will include, amongst others, construction costs, infrastructure works, professional adviser fees and project management costs. For avoidance of doubt, the development costs for the Belfield Land can only be determined after finalisation of the development plan. The development costs will be funded via a combination of progressive collections from sales billings, bank borrowings, internally generated funds, potential equity and/ or debt fundraising options, the exact quantum of which, will be determined by the Board at a later stage, depending on the cost of funding and the Group's cash requirements at material time.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's business expansion objective and growth strategy in accumulating new suitable land to be included in the Group's landbank and to scale up its property development portfolio to generate additional stream of income for the Group moving forward.

The Board is in the midst of deliberating on the development plan for the Belfield Land, and it is the Board's intention to undertake high-rise residential development on the Belfield Land after the completion of the Proposed Acquisition.

Notwithstanding the above, the Board is still unable to affirm the details of the said development at this juncture, which include amongst others, the timeframe for completion, the development costs, and the eventual funding requirements as such plan is still at the preliminary stage. Feasibility studies will be conducted to assess the risk-reward profile for the potential development, which is highly dependent on approvals obtained from relevant authorities and the demands of end purchasers.

Nevertheless, the Board is optimistic that the Proposed Acquisition represents an opportunity for the Group to own the entire interests in the Belfield Land in a strategic location with strong growth potential to enhance the gross development value of the Group's development projects, which is expected to provide greater sustainability for the Group's future earnings.

4. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a positive growth of 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). This was mainly supported by improving domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the job market, with the unemployment rate declining further to 4.1% (4Q 2021: 4.3%), as well as continued policy support. Strong external demand amid the continued upcycle in global technology provided further lift to growth. On the supply side, services and manufacturing sectors continued to drive economic growth, expanding by 6.5% and 6.6% respectively. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 3.9% (4Q 2021: 4.6%).

Headline inflation moderated to 2.2% during the quarter (4Q 2021: 3.2%). This mainly reflects the smaller contribution from the dissipating base effect from lower domestic retail fuel prices last year, and the absence of the base effect from electricity tariff rebates implemented in 2020. Core inflation increased to 1.7% during the quarter (4Q 2021: 0.8%). This reflects price adjustments amid the higher costs and improving demand conditions, with price increases being more noticeable specifically for food items due to supply-related factors such as higher global commodity prices.

The domestic economy is expected to improve further this year, with growth projected at 5.3% to 6.3% as announced in March 2022. This is underpinned by stronger domestic demand, continued expansion in external demand, and further improvement in the labour market. Growth would also benefit from the easing of restrictions, reopening of international borders and implementation of investment projects. Nevertheless, risks to Malaysia's growth momentum remain. These include a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding COVID-19 and heightened financial market volatility.

For 2022, in an environment of high input costs and improving demand, headline inflation is projected to average between 2.2% and 3.2%. Underlying inflation, as measured by core inflation, is also expected to trend higher during the year, averaging between 2.0 to 3.0%. Several key factors are expected to partly contain upward pressure on prices, namely the existing price control measures and the continued spare capacity in the economy. Nonetheless, the inflation outlook remains subject to commodity price developments, arising mainly from the military conflict in Ukraine and prolonged supply-related disruptions. The outlook is also contingent on domestic policy measures on administered prices.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2022, BNM)

4.2 Overview and outlook of the property development industry in Malaysia

The property market showed signs of recovery following the implementation of various stimulus provided by the government, via Short-term Economic Recovery Plan namely Pelan Jana Semula Ekonomi Negara and Prihatin Rakyat Economic Stimulus Package. The stimulus helped to sustain the confidence of the industry and households at large in coping with the impact of pandemic. In addition, initiatives introduced under Budget 2021 remained supportive to the property market. Among the initiatives included:

- (i) An allocation of RM1.2 billion for providing comfortable and quality housing, especially for the low-income group.
- (ii) Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025, effective for sale and purchase executed from 1 January 2021 to 31 December 2025.
- (iii) Stamp Duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government.
- (iv) Collaboration with selected financial institutions to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion.

On 11 May 2022, the Monetary Policy Committee of BNM decided to increase the OPR by 25 basis points to 2.00 percent. The ceiling and floor rates of the corridor of the OPR are correspondingly increased to 2.25 percent and 1.75 percent, respectively. The sustained reopening of the global economy and the improvement in labour market conditions continue to support the recovery of economic activity. These have partly cushioned the impact of the military conflict in Ukraine and the strict containment measures in China. Inflationary pressures have increased sharply due to a rise in commodity prices, strained supply chains and strong demand conditions, particularly in the US.

On the demand side, loan applications and approvals for residential purchase each increased by more than 30% compared to 2020. Loan approvals recorded a substantial turnaround from last year. Similarly, loan applications and approvals for non-residential purchase increased at a higher 33.9% and 45.7% respectively.

The property market performance showed a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. More than 300,000 transactions worth nearly RM145 billion were recorded, indicating an increase of 1.5% in volume and 21.7% in value compared to last year. The residential, commercial and industrial sub-sectors saw an increase of 3.9%, 10.7% and 17.6% respectively, while agriculture and development land sub-sectors declined slightly by 7.5% and 7.4% respectively. Value of transactions recorded higher increase for residential, commercial, industrial and development land sub-sectors each at 16.7%, 43.1%, 32.9% and 33.2% whereas agriculture recorded otherwise, decreased by 5.1%.

(Source: Property Market Report 2021, National Property Information Centre & Monetary Policy Statement of BNM on 11 May 2022)

4.3 Prospects of Belfield Land

With the upcoming completion of catalytic developments such as Bandar Malaysia and Merdeka 118 together with the prominent landmarks such as Stadium Merdeka, Royal Museum, KL Sentral transportation hub and Petaling Street, the Board expects that Belfield Land will be a strategic location for a residential property development targeted to city dwellers, owing to strategic location, proximity to amenities and tranquil environment.

Notwithstanding the above, the Board takes cognisance that the effects of COVID-19 pandemic are still prevalent in the recovery of the Malaysian economy. There is no assurance that any resurgence of COVID-19 cases or decline in economic conditions may adversely impact EUPE Group's existing business operations and financial position, as well as the future development of the Belfield Land. Nonetheless, the Board anticipates the gradual recovery of the property development industry in view of the Government incentives to boost the industry by providing tax exemptions as well as the reopening of international borders, and further improvement in labour market conditions.

Premised on the above, the Board remains optimistic for the prospects of the Belfield Land and its potential development given that it is situated in a prominent location with on-going mixed development, namely, Sunway Belfield near its vicinity, future developments and easy accessibility to surrounding facilities. The Board endeavors to carefully deliberate on the development plan to be undertaken, to enhance the attraction of the Belfield Land.

(Source: Management of EUPE)

5. RISK FACTORS

Save as disclosed below, which are by no means exhaustive, the Board does not foresee any other additional risks arising from the Proposed Acquisition given that EUPE Group is already involved in the property development industry.

5.1 Completion risk

The Proposed Acquisition are conditional upon the fulfilment of the conditions precedent in the SPA as set out in Appendix I of this Circular. If any of the conditions precedent is not fulfilled within the stipulated timeframe, the agreement may be terminated and as a result, the Group may not be able to complete the Proposed Acquisition. Nevertheless, the Board will endeavor to ensure the satisfaction of these conditions precedent in order to complete the Proposed Acquisition in a timely manner.

5.2 Acquisition risk

Although the Proposed Acquisition is expected to contribute positively to the future earnings of EUPE Group, there is no assurance that such anticipated benefits will be realised. In addition, any decline in economic conditions may affect the potential benefits to be derived from the Proposed Acquisition. As such, the duration required for the Group to recoup its investment could also be longer than anticipated.

Nevertheless, the Board will monitor closely and continually assess any decline in economic conditions on the Proposed Acquisition, as well as the progress of the anticipated recovery of the property development industry. The Board, after having considered the potential risks and benefits associated with the Proposed Acquisition, is still optimistic of the potential benefits to be derived from it.

5.3 Risk of property overhang

EUPE Group may face risk of property overhang, commonly caused by over-supply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. There may be possibility of occurrence of property overhang at the time of completion of the development of the Belfield Land in the future, of which is inevitable. This will affect the sale of the Group's properties and in turn affect its financial performance. As such, the Group will closely monitor the developments in the property market as well as take careful management planning prior to finalisation and/ or launches of the development of the Belfield Land. Nevertheless, there can be no assurance that there will be any adverse impact on the Group's financial performance.

5.4 Development risk

The development of the Belfield Land will be subject to a number of risks which include, amongst others, shortages of materials, equipment and skilled labour, escalation in construction costs, adverse weather conditions, natural disasters, accidents, failure or delay in obtaining the approval from relevant authorities as well as any delay caused by COVID-19.

Such adverse event may lead to interruptions or delays in the completion of the development, which may consequently result in cost overruns that would affect EUPE Group's profitability and cash flow. The Board seeks to limit such risks through efficient operating procedures, prudent financial management, such as careful planning and close monitoring on the development progress, working closely with all suppliers, contractors and relevant authorities to ensure that the risk in completing the development of the Belfield Land is reduced.

5.5 Financing risk

EUPE Group has the intention to fund the Proposed Acquisition through a combination of bank borrowings and internally generated funds, and hence may incur additional interest expenses. In view that interest expenses charged on bank borrowings are subject to prevailing interest rates, the Group may potentially be exposed to interest rate fluctuation which may significantly increase the acquisition cost and affect the Group's cash flows as well as its profitability. The Group will actively review its debt portfolio taking into consideration the level and nature of borrowings and seek to adopt cost effective financing actions. However, there can be no assurance that the performance of the Group would not be materially affected in the event of any adverse changes in interest rates.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholdings in the Company as there is no issuance of new EUPE's shares.

6.2 NA and gearing level

Based on the latest audited consolidated financial statements of EUPE Group for the FYE 28 February 2022, the pro forma effects of the Proposed Acquisition on the NA and gearing level of the Group are set out below:-

| | Audited as at 28 February 2022 (RM'000) | After the Proposed Acquisition (RM'000) |
|--------------------------------|--|--|
| Share capital | 133,982 | 133,982 |
| Reserves | 281,065 | 280,565 ⁽ⁱ⁾ |
| Shareholders' funds/ NA | 415,047 | 414,547 |
| No. of EUPE shares in issue | 128,000,000 | 128,000,000 |
| NA per EUPE share (RM) | 3.24 | 3.24 |
| Total borrowings | 62,746 | 150,246 ⁽ⁱⁱ⁾ |
| Gearing (times) | 0.15 | 0.36 |

Notes:

- (i) *After deducting estimated expenses of RM0.50 million for the Proposed Acquisition*
- (ii) *Assuming bank borrowings of approximately RM87.50 million (equivalent to 70% of the Purchase Consideration) as part funding for the Proposed Acquisition. The remaining 30% of the Purchase Consideration (approximately RM37.50 million) will be funded by internally generated funds*

6.3 Earnings and EPS

The Proposed Acquisition is not expected to have any immediate material effect on the earnings of EUPE Group for the financial year ending 28 February 2023. Nevertheless, barring any unforeseen circumstances, the development of the Belfield Land may contribute positively to the earnings and EPS of the Group in the future financial years as and when the construction has commenced.

6.4 Convertible securities

EUPE does not have any convertible securities.

7. APPROVALS REQUIRED

The Proposed Acquisition is subject to the following approvals:-

- (i) the approval of the state authority of Kuala Lumpur ("**State Authority**") to transfer the Belfield Land to EBSB due to the restriction in interest contained in the individual issue document of title to the Belfield Land ("**Document of Title**"), which was obtained on 9 June 2022;
- (ii) the approval of the State Authority to charge the Belfield Land in favour of EBSB's financier due to the restriction in interest contained in the Document of Title;
- (iii) the approval of the shareholders of EUPE at an extraordinary general meeting to be convened. For shareholders' information, the highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities was approximately 31.68%, calculated based on the Purchase Consideration against the net assets attributable to the owners of the Company for the FYE 28 February 2021 as announced on 23 May 2022; and
- (iv) approval of any other relevant authority, if required.

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

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders, chief executive of EUPE and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition is expected to be completed by the second half of 2022.

The tentative timetable in relation to the implementation of the Proposed Acquisition is as follows:

| Date | Events |
|------------------------|--|
| 25 August 2022 | EGM for the Proposed Acquisition |
| September/October 2022 | <ul style="list-style-type: none">• Fulfilment of conditions precedent of the SPA• Completion of the Proposed Acquisition |

10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition, there is no other corporate exercise/scheme which has been announced by the Company and pending completion as at the LPD.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Acquisition including but not limited to the terms and conditions of the SPA, rationale, prospects of the Belfield Land, risk factors and financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

12. EGM

The EGM, a notice of which is enclosed with this Circular, will be held at Jasper Jr Ballroom, AVANTÉ Hotel, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 August 2022 at 12.00 noon or immediately after the conclusion or adjournment (as the case may be) of the Company's 26th AGM scheduled to be held at the same venue on the same day at 11.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Acquisition.

If you are unable to attend and vote in person at the forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions stated therein. The completed Form of Proxy must be deposited at the office of the Company's Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the date and time set for holding the EGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy via email to sharereg@megacorp.com.my.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

You are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully
For and on behalf of the Board
EUPE CORPORATION BERHAD

DATUK TAN HIANG JOO
Independent Non-Executive Chairman

SALIENT TERMS OF THE SPA

The salient terms of the Sale and Purchase Agreement (“SPA”) are set out below:-

- i. **Vendor** Cahaya Tinggi Sdn. Bhd.
(Registration No. 201901007464 (1316791-K))
- ii. **Purchaser** EUPE Belfield Sdn. Bhd.
(Registration No. 202201016101 (1461798-V))

a wholly-owned subsidiary of EUPE Kemajuan Sdn Bhd (Registration No. 198601001697 (150839-X)) which in turn is a wholly-owned subsidiary of EUPE Corporation Berhad (Registration No. 199601005416 (377762-V)) (“EUPE”)
- iii. **Subject matter of acquisition** All that piece of leasehold land held under Pajakan Negeri 53546, Lot 20034, Seksyen 69, in the Bandar of Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur measuring approximately 19,474 square metres in area (“**Property**”).
- iv. **Purchase Price** The total purchase price for the Property shall be Ringgit Malaysia One Hundred Twenty Five Million (RM125,000,000.00) only, as may be adjusted upon the terms of the SPA.
- v. **Adjustment Rate** In the event that the land survey as conducted by the Purchaser shows an actual area (“**Actual Area**”) which differs from the land area (“**Agreed Area**”) by more than one-point-five percent (1.5%) of the Agreed Area, the Purchase Price shall be adjusted at the rate of Ringgit Malaysia Six Thousand Four Hundred Eighteen and Cents Eighty Two (RM6,418.82) only per square meter.
- vi. **Basis of Purchase** The Property is free from all encumbrances and with vacant possession but subject to all conditions of title, existing category of land use, express conditions and restrictions-in-interest affecting the individual issue document of title to the Property and to the implied conditions under the National Land Code 1965 affecting the Property.
- vii. **Conditions Precedent** The completion of the sale and purchase of the Property shall be subject to the prior fulfilment of the following conditions precedent:

| | |
|------------------------------|---|
| Condition Precedent 1 | the obtaining of the approval of the state authority for the transfer of the Property to the Purchaser (“ Consent to Transfer ”) |
| Condition Precedent 2 | the obtaining of the approval of the State Authority to charge the Property in favour of the Purchaser’s Financier (“ Consent to Charge ”) |
| Condition Precedent 3 | the obtaining of the EUPE shareholders’ approval in respect of the purchase of the Property by the Purchaser from the Vendor (“ EUPE Shareholders’ Approval ”) |
- viii. **Covenants to Fulfil Conditions Precedent** Each party shall promptly, at its cost and expense, which in the following event, take all necessary steps and actions to fulfil the Conditions Precedent:

SALIENT TERMS OF THE SPA (Cont'd)

- (a) in respect of the Consent to Transfer, the Vendor shall not later than fourteen (14) days from the SPA date, apply for the Consent to Transfer;
- (b) in respect of Consent to Charge, the Purchaser shall not later than fourteen (14) days from the date of approval of the Purchaser's loan, apply for the Consent to Charge; and
- (c) in respect of EUPE Shareholders' Approval, the Purchaser shall use its best endeavours to procure or cause EUPE to convene its shareholders meeting for the purpose of obtaining EUPE Shareholders' Approval.

Each party shall also promptly provide the other with such relevant documents and information as required for the fulfilment of Conditions Precedent.

- ix. **Conditional Period** The Conditions Precedent are to be fulfilled within the respective time frame as follows:

| | |
|-----------------------------|---|
| Conditional Period 1 | the fulfilment of Condition Precedent 1 within two (2) months from the SPA date subject to an automatic extension of one (1) month or such further period as may be mutually agreed upon by the parties |
| Conditional Period 2 | the fulfilment of Condition Precedent 2 and Condition Precedent 3 within five (5) months from the SPA date or such further period as may be mutually agreed upon by the parties. |

- x. **Non-fulfilment of the Condition Precedent**
- (a) In the event Condition Precedent 1 cannot be fulfilled within Conditional Period 1 or Condition Precedent 2 cannot be fulfilled within Conditional Period 2, either party may terminate the SPA by notice in writing to the other Party whereupon the Vendor and/or Vendor's solicitor shall within fourteen (14) business days from the date of the notice of termination, refund such Deposit, free from any interest to the Purchaser; or
 - (b) In the event Condition Precedent 1 is fulfilled within Conditional Period 1 and Condition Precedent 2 is fulfilled within Conditional Period 2 and Condition Precedent 3 cannot be fulfilled within Conditional Period 2, either party may terminate the SPA by notice in writing to the other Party whereupon the Deposit shall be forfeited to the Vendor as agreed liquidated damages.

- xi. **Terms of Payment** The Purchase Price shall be paid by the Purchaser in the following manner and priority:

- (a) the equivalent to ten per centum (10%) of the Purchase Price ("**Deposit**") shall be fully paid by the Purchaser upon the execution of the SPA to the Vendor's solicitors as stakeholders who shall only be authorized to release the same to the Vendor upon the fulfilment of Condition Precedent 1.

SALIENT TERMS OF THE SPA (Cont'd)

- (b) the equivalent to ninety per centum (90%) of the Purchase Price ("**Balance Purchase Price**") shall be paid by the Purchaser on or before expiry of five (5) months from the SPA Date or four (4) months from the date of fulfilment of the Condition Precedent 1, whichever is longer ("**Payment Period**") or such further period as may be mutually agreed upon by the parties ("**Extended Period**") subject to the Purchaser paying late payment interest at the rate of eight per centum (8%) per annum on the Balance Purchase Price or any part thereof remaining outstanding to be calculated on daily basis commencing from the date immediately after the expiry of the Payment Period until the date on which the Balance Purchase Price is paid in full.

xii. **Completion Date** The sale and purchase of the Property under the SPA shall be deemed completed upon the full payment of the Purchase Price ("**Completion**"). Upon Completion, the Purchaser shall be entitled to the legal and beneficial title and ownership of the Property absolutely, and the Vendor shall execute and effect all necessary documents, instruments, and conveyance to vest the legal and beneficial title and ownership of the Property to the Purchaser free from all encumbrances, claims, charges, caveats, liens, tenants, occupiers and with vacant possession.

xiii. **Compulsory Acquisition** In the event that a notice of acquisition is issued or published to acquire the Property or any part thereof ("**Acquired Portion**") before the Completion of the SPA, the Purchaser shall have absolute discretion to decide whether:

- (a) to terminate the SPA; or
- (b) to proceed with the sale and purchase of the Property with the following:
 - i. the Purchase Price of the Property shall be revised and reduced at the Adjustment Rate based on the land area of the Acquired Portion ("**Adjustment Area**"); and
 - ii. any compensation relating to the acquisition of the Property or any part thereof shall belong absolutely to the Vendor after all outstanding amount whether or not arising from the price adjustment, was refunded by the Vendor to the Purchaser.

Provided that in the event the area of the Acquired Portion eventually acquired by the government shall differ from the Adjustment Area used for the revision and reduction, the Purchase Price of the Property shall be finally adjusted at the Adjustment Rate based on the actual land area of the Acquired Portion acquired by the government.

xiv. **Vacant Possession** Vacant possession of the Property shall be deemed delivered to the Purchaser on the Completion Date.

VALUATION CERTIFICATE



PA INTERNATIONAL
PROPERTY CONSULTANTS (KL) SDN BHD
(200601029159) (748916W) (V (1) 0077/5)
PA国际物业顾问(吉隆坡)有限公司

Our Ref. : KL/VAL220754

26th May 2022

Messrs. EUPE Corporation Berhad
D-26-1, Menara Mitraland,
No. 13A, Jalan PJU 5/1,
Kota Damansara PJU 5,
47810 Petaling Jaya,
SELANGOR DARUL EHSAN

29A & 31A, Jalan 52/1,
Petaling Jaya New Town,
46200 Petaling Jaya,
Selangor Darul Ehsan.
☎ 03-7958 5933
☎ 03-7957 5933
✉ paki@pa.com.my
🌐 www.pa.com.my



Dear Sirs,

RE : CERTIFICATE OF VALUATION OF PAJAKAN NEGERI 53546, LOT 20034 SEKSYEN 69, TOWN AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR

Instructions

We have been instructed by EUPE Corporation Berhad to ascertain the Market Value (as defined below) of the remaining leasehold interest in the above-mentioned property (hereinafter referred to as the “**subject property**”) for the purpose of submission to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) in relation to the proposed acquisition of the subject property by an indirect wholly-owned subsidiary of EUPE Corporation Berhad.

We are pleased to certify that we have prepared a formal valuation report and valued the legal interest in the subject property as at the Date of Valuation on **26th April 2022**.

Valuation

The valuation report has been prepared based on the Asset Valuations Guidelines issued by the Securities Commission Malaysia and professional standards prescribed by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. The basis of valuation for the purpose of the valuation report is **MARKET VALUE**, which as defined in the **MALAYSIAN VALUATION STANDARDS** is as follows:-

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

The necessary individual title search has been conducted at the Wilayah Persekutuan Registry of Land Titles in Kuala Lumpur. The valuation report has been prepared with reference to all the records of Sale and Purchase Agreement and other relevant information as provided by EUPE Corporation Berhad. All data and information thus obtained from the said sources are deemed correct for the purpose of this valuation.

This Certificate of Valuation is to be read in conjunction with the full Valuation Report.



Page 1 of 5
Registered Valuers • Property Consultants • Plant & Machinery Valuers
Chairman : K.Parampathy Managing Director : Jerome Hong Boon Peng Deputy Managing Director : Siew Kok Kong Executive Director : A. Subramaniam
Directors : Ong May May, Sam Ang Yew Poh



(A Member of PA International Group of Companies)

OFFICES : Kuala Lumpur • Johor Bahru • Kluang • Seremban • Klang • Petaling Jaya • Ipoh • Penang • Kedah
REPRESENTATIVE OFFICE : Ho Chi Minh City (Vietnam)

VALUATION CERTIFICATE (Cont'd)**Terms of Reference**

Instructions to us are to ascertain the Market Value of the remaining leasehold interest in the subject property for the purpose of submission to Bursa Malaysia.

Subject Property

The subject property is a parcel of building land designated for mixed development use, identified as Lot 20034 Seksyen 69, held under Title No. Pajakan Negeri 53546, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.

It is located along the eastern side of Jalan Istana within the locality of Kampung Attap, opposite the Royal Museum (formerly known as Istana Negara).

Salient details of the subject property are as follows:-

| Particulars of Ownership | Title Particulars |
|--------------------------|--|
| | Title No. : Pajakan Negeri 53546 |
| | Lot No. : Lot 20034 Seksyen 69 |
| | Town : Bandar Kuala Lumpur |
| | District : Kuala Lumpur |
| | State : Wilayah Persekutuan Kuala Lumpur |
| | Land Area : 19,474 square metres |
| | Tenure : Leasehold for 99 years, expiring on 3 rd December 2118 |
| | Quit Rent : RM51,607.00 |
| | Land Use Category of : Bangunan |
| | Express Condition : Tanah ini hendaklah digunakan untuk tujuan pembangunan bercampur (30% rumah mampu milik dan 70% pangsapuri servis) sahaja. |
| | Restrictions In-Interest : Tanah ini tidak boleh dipindahmilik, dipajak atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur. |
| | Registered Proprietor : * Cahaya Tinggi Sdn. Bhd. |
| | Encumbrances : Tiada |
| | Other Endorsements : Tiada |
| | The above particulars are deemed correct as at the date of Valuation. |
| | Note :- * <i>Vide a Sale and Purchase Agreement dated 23rd May 2022, Cahaya Tinggi Sdn. Bhd. (the Registered Proprietor / Vendor) sold the subject property to EUPE Belfield Sdn Bhd (the Purchaser) for a consideration of RM125,000,000/-.</i> |
| | <i>EUPE Belfield Sdn Bhd is an indirect wholly-owned subsidiary of EUPE Corporation Berhad.</i> |

VALUATION CERTIFICATE (Cont'd)



| | |
|-----------------------------------|---|
| <p>General Description</p> | <p><u>Location</u></p> <p>The subject property is situated along the eastern side of Jalan Istana within Kampung Attap, Kuala Lumpur. It is also partly bounded by Lorong Belfield at its north-eastern boundary. The latter is located approximately 2.0 kilometres to the south-east of Kuala Lumpur city centre.</p> <p><u>Accessibility</u></p> <p>The subject property is easily accessible from various parts of city centre via Jalan Damansara and thence onto Jalan Istana. The subject property is situated along the eastern side of Jalan Istana. Accessibility is further enhanced with an under construction double decker tunnel known as "Belfield Tunnel" connecting Jalan Syed Putra and Jalan Istana directly to the basement of Merdeka PNB 118. The exit point of the tunnel at the intersection of Jalan Istana and Jalan Belfield is located approximately 300 metres away from the subject property. Public transport such as buses and monorails are also readily available nearby.</p> <p>The Maharajalela Monorail station is also located approximately 500 metres in radius to the subject property.</p> <p><u>The subject property</u></p> <p>The subject site is a parcel of building land designated for mixed development use, irregular in shape and contains a land area of 19,474 square metre (about 4.812 acres and about 209,616 square feet).</p> <p>The elongated west boundary of the subject site has a direct frontage and exposure onto Jalan Istana, whilst part of the eastern boundary is facing directly onto Lorong Belfield.</p> <p>The subject site bears dual frontages i.e. about 293.512 metres onto Jalan Istana and approximately 176.274 metres onto Lorong Belfield, and contains a maximum depth of up to about 57.090 metres.</p> <p>The land is generally flat to undulating in terrain with a gentle slope noted from the eastern to western boundaries.</p> <p>At the time of our inspection, the site boundaries are generally demarcated with chain-link fencing whilst the portion bordering Sekolah Jenis Kebangsaan Cina (SJKC) Kuen Cheng 1 has plastered brick-walls as its demarcation. The current main entrance (temporary) to the site is secured with chain-link fencing gates at the north-eastern side via Lorong Belfield.</p> <p>The subject property is presently overgrown with shrubs, bushes and wild trees. We also note several dilapidated buildings, sheds, parts of tarmacked roads and lamp posts erected on the site as well as a small pond utilised by the former nursery operation. We have disregarded these building structures in this valuation.</p> |
| <p>Planning Control</p> | <p>The subject property is a building land designated for mixed development use (30% affordable housing and 70% service apartment) as expressly stipulated in the document of title and zoned for mixed commercial development use with a permissible plot ratio of 1:5.</p> |

VALUATION CERTIFICATE (Cont'd)

Valuation Approach

We have applied only one approach, which is Comparison, to derive at the present Market Value of the subject property. This approach is considered as the best approach due to the fact that it is a parcel of building land designated for mixed development use without any development proposal or granted with any development approvals by Dewan Bandaraya Kuala Lumpur (DBKL).

This Valuation Approach entails comparing the subject property with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the subject property.

Comparison Approach

In adopting the Comparison Approach, we have considered the following transactions of vacant residential, commercial and mix commercial lands within Wilayah Persekutuan Kuala Lumpur as comparables for the valuation :-

| Comparable No. | 1 | 2 | 3 | 4 |
|----------------------|---|---|---|--|
| Type of Property | A parcel of freehold commercial land with development approval | A parcel of freehold residential land with commercial potential | A parcel of freehold commercial land | A parcel of commercial land with development approval |
| Address / Locality | Lot 103000, along Jalan 3/144A, Off Jalan Cheras, Kuala Lumpur | PT 484 Seksyen 90, along Jalan Cochrane, Taman Maluri, Cheras, Kuala Lumpur | Lot 20005 Seksyen 90, along Jalan Cochrane, Taman Maluri, Cheras, Kuala Lumpur | Lot 20010 Seksyen 69, along Lorong Belfield, Kampung Attap, Kuala Lumpur |
| Title Particulars | Title No. Geran 79823, Lot 103000, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur | Title No. HSD 118499, PT 484 Seksyen 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur | Title No. Geran 76763, Lot 20005 Seksyen 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur | Title No. Geran 78658, Lot 20010 Seksyen 69, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur |
| Plot Size | 298,914 sq. ft. | 234,319 sq. ft. (Net after surrender land of 1.21 acres) | 119,869 sq. ft. | 197,324 sq. ft. |
| Plot Ratio | 1 : 6.28 | 1 : 4 + 0.5 (within 400 metres of a transit station) | 1 : 3 + 0.5 (within 400 metres of a transit station) | 1 : 8.81 |
| Tenure | Freehold | Freehold | Freehold | Freehold |
| Consideration | RM197,000,000/- | RM233,390,000/- | RM129,971,645/- | RM165,000,000/- |
| Vendor (s) | Accolade Land Sdn Bhd. | Mutiara Rini Sdn Bhd, a wholly-owned indirect subsidiary of Boustead Holding Berhad | Mutiara Rini Sdn Bhd | LGT Sdn Bhd (the Registered Proprietor), Tan Sri Lim Kok Thay, Puan Sri Datin Seri Lim (Nee Lee) Kim Hua, Yarraville Sdn Bhd, Dandenong Sdn Bhd and Ripponlea Sdn Bhd (collectively the Beneficial Owners) |
| Purchaser (s) | UEM Land Berhad (a wholly-owned subsidiary of UEM Sunrise Berhad) | Sunway Rahman Putra Sdn Bhd, a wholly-owned indirect subsidiary of Sunway Berhad | Binastra Synergy Sdn Bhd | Sunway Innopark Sdn Bhd (formerly known as Sun-Block (Batang Kali) Sdn Bhd) |
| Date of Transaction | 4 th June 2021 | 19 th April 2021 | 12 th June 2020 | 13 th July 2017 |
| Analysed Value | RM659.05 per sq. ft. | RM996.04 per sq. ft. | RM1,084.28 per sq. ft. | RM836.19 per sq. ft. |
| Sources | Jabatan Penilaian dan Perkhidmatan Harta (JPPH), Bursa Malaysia Announcement and form 14A search | | | |
| Adjustment Factors | Upwards Location Downwards Tenure, plot ratio, express condition and planning approval | Upwards Plot ratio Downwards Location, tenure and express condition | Upwards Plot ratio Downwards Location, tenure, land size and express condition | Downwards Tenure, plot ratio, express condition and planning approval |
| Adjusted Market Rate | RM609.62 per sq. ft. | RM672.33 per sq. ft. | RM759.00 per sq. ft. | RM459.90 per sq. ft. |

VALUATION CERTIFICATE (Cont'd)

It can be summarised from the above that the analysed adjusted values fall within the region RM459.90 per sq. ft. to RM759.00 per sq. ft.

We have selected Comparable No. 1 as the best comparable by virtue of being the latest sale with the least effective adjustments to derived at the Market Value of the subject property.

In view of the above, we have arrived at the Market Value of the subject property using Comparison Approach at **RM127,000,000.00**.

Conclusion

Having carried out the necessary investigations and considered the aforesaid details and other relevant factors, it is our opinion that the present Market Value of the subject property, held under Title No. Pajakan Negeri 53546, Lot 20034 Seksyen 69, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, in its existing condition, free from all encumbrances and with vacant possession, is **RM127,000,000/- (RINGGIT MALAYSIA: ONE HUNDRED AND TWENTY SEVEN MILLION ONLY).**

Yours faithfully
for and on behalf of
**PA INTERNATIONAL
PROPERTY CONSULTANTS (KL) SDN. BHD.**



Sr SUBRAMANIAM A/L ARUMUGAM, FRISM, MRICS, FPEPS, MMIPFM
Chartered Valuation Surveyor
& Registered Valuer (V-450)
SUB/Nad

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 and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST**2.1 Kenanga IB**

Kenanga IB, 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, manner and context in which they appear in this Circular.

Kenanga IB has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Acquisition.

2.2 Valuer

PA International, being the Valuer of the Belfield Land in relation to 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, manner and context in which they appear in this Circular.

PA International has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Valuer for the Proposed Acquisition.

3. MATERIAL LITIGATION

As at LPD, there are no material litigation, claims or arbitrations, proceedings pending or threatened, against the Belfield Land, or of any facts likely to give rise to any proceedings which may materially and adversely affect the Belfield Land.

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FURTHER INFORMATION (Cont'd)

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

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have material impact on the Group's financial position.

4.2 Contingent liabilities

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the Group's financial position.

The Group has claims for Liquidated Ascertained Damages for one of its residential projects. Purchasers for 74 units of the residential project filed for legal claims for the late delivery of vacant possession and the impact to the Group arising from these claims is approximately RM8.24 million should the claims be successful.

As at the LPD, the Group is still in the midst of defending against these claims in the courts of Malaysia.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman during business hours from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the constitution of EUPE and EBSB, respectively;
- (ii) the audited consolidated financial statements of EUPE for the past two FYE 28 February 2021 and FYE 28 February 2022;
- (iii) the valuation certificate and valuation report for the Belfield Land prepared by the Valuer;
- (iv) the SPA; and
- (v) letters of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix.



Building Lifestyles, Building Trust
EUPE CORPORATION BERHAD
Registration No.: 199601005416 (377762-V)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of EUPE Corporation Berhad (“**EUPE**” or the “**Company**”) will be held at Jasper Jr Ballroom, AVANTÉ Hotel, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 August 2022 at 12.00 noon or immediately after the conclusion or adjournment (as the case may be) of the Company’s 26th Annual General Meeting scheduled to be held at the same venue on the same day at 11.00 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution, with or without modification:

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY EUPE BELFIELD SDN BHD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF EUPE, OF A PARCEL OF LEASEHOLD LAND OF LOT 20034, SEKSYEN 69, BANDAR KUALA LUMPUR MEASURING APPROXIMATELY 4.812 ACRES (OR 19,474 SQUARE METERS) FOR A PURCHASE CONSIDERATION OF RM125.00 MILLION, WHICH WILL BE SATISFIED ENTIRELY IN CASH (“PROPOSED ACQUISITION”)

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to EUPE Belfield Sdn Bhd, an indirect wholly-owned subsidiary of the Company to acquire a parcel of leasehold land of Lot 20034, Seksyen 69, Bandar Kuala Lumpur measuring approximately 4.812 acres (or 19,474 square meters) for a purchase consideration of RM125.00 million, which will be satisfied entirely in cash subject to and upon such terms and conditions as stipulated in the Sale and Purchase Agreement dated 23 May 2022 entered into between EUPE Belfield Sdn Bhd and Cahaya Tinggi Sdn Bhd for the Proposed Acquisition.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all documents as they may consider necessary or expedient in order to carry out, finalise and give effect to the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by the relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition.”

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358) (SSM PC NO. 202008001472)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)
FONG SOK YEE (MAICSA 7066501) (SSM PC NO. 202008001180)
Company Secretaries

Sungai Petani, Kedah Darul Aman
20 July 2022

Notes:

1. For the purposes of determining a member who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 17 August 2022. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/her/its behalf.
2. A member who is entitled to attend, speak and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member who is entitled to attend and vote at a general meeting may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
7. The appointment of a proxy may be made in a hard copy form, to be deposited at the office of the Company's Share Registrar, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, or by electronic means via email at sharereg@megacorp.com.my not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the office of the Company's Share Registrar, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is Tuesday, 23 August 2022 at 12.00 noon.
11. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, the resolution set out in the Notice of EGM will be put to vote by way of poll.



Building Lifestyles, Building Trust
EUPE CORPORATION BERHAD
Registration No.: 199601005416 (377762-V)
(Incorporated in Malaysia)

FORM OF PROXY

| | |
|-----------------|--------------------|
| CDS Account No. | No. of shares held |
| | |

I/We _____ Tel: _____
[Full name in block, NRIC/Passport/Company No.]
of _____

being member(s) of Eupe Corporation Berhad, hereby appoint:

| | | | |
|----------------------|-------------------|-----------------------------|---|
| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings | |
| | | No. of Shares | % |
| Address | | | |

and

| | | | |
|----------------------|-------------------|-----------------------------|---|
| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings | |
| | | No. of Shares | % |
| Address | | | |

or failing *him / her, the Chairman of the Meeting, as *my / our *proxy / proxies to attend and vote for *me / us on *my / our behalf at the Extraordinary General Meeting of the Company to be held at Jasper Jr Ballroom, AVANTÉ Hotel, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 August 2022 at 12.00 noon or immediately after the conclusion or adjournment (as the case may be) of the Company's 26th Annual General Meeting scheduled to be held at the same venue on the same day at 11.00 a.m., or at any adjournment thereof, whichever is later, and to vote as indicated below:

| ORDINARY RESOLUTION | FOR | AGAINST |
|----------------------|-----|---------|
| PROPOSED ACQUISITION | | |

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, one of whom shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



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Then fold here



EUPE CORPORATION BERHAD
Registration No. 199601005416 (377762-V)

c/o Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

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