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

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**CHIN HIN GROUP PROPERTY BERHAD**

(200101017677 (553434-U))

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PART A**

**PROPOSED DISPOSAL OF 4 LEVELS OF OFFICE SPACE WITH 200 CAR PARKING BAYS AND A ROOFTOP RETAIL UNIT WITH ACCESSORISED ROOFTOP OPEN AREA WITHIN AN ONGOING HIGH-RISE OFFICE TOWER DEVELOPMENT KNOWN AS SOLARVEST TOWER, LOCATED AT BANGSAR SOUTH, 59200 KUALA LUMPUR BY BK ALLIANCE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF BKG DEVELOPMENT SDN BHD, WHICH IN TURN A WHOLLY-OWNED SUBSIDIARY OF CHIN HIN GROUP PROPERTY BERHAD, TO SOLARVEST ENERGY SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM48.73 MILLION ("PROPOSED DISPOSAL")**

**PART B**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF CHIN HIN GROUP PROPERTY BERHAD IN RELATION TO THE PROPOSED DISPOSAL**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**



**M & A SECURITIES SDN BHD**

(Registration No. 197301001503 (15017-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Independent Adviser**



**BDO Capital Consultants Sdn Bhd**

(Registration No. 199601032957 (405309-T))

The Extraordinary General Meeting ("**EGM**") of Chin Hin Group Property Berhad will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. The notice of EGM together with the Form of Proxy, are enclosed. The completed and signed Form of Proxy should be lodged at the registered office at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang on or before the date and time indicated below in order for it to be valid. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 23 September 2024 at 2.00 p.m.

Date and time for the EGM : Wednesday, 25 September 2024 at 2.00 p.m. or at any adjournment thereof

**This Circular is dated 10 September 2024**

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## DEFINITIONS

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

"Act"	:	Companies Act 2016
"AGM"	:	Annual General Meeting
"Atlantic Blue"	:	Atlantic Blue Sdn Bhd (200501009092 (686139-X)), a wholly-owned subsidiary of Solarvest
"Audit Committee"	:	The Audit Committee of CHGP
"BDOCC" or "Independent Adviser"	:	BDO Capital Consultants Sdn Bhd (199601032957 (405309-T)), being the Independent Adviser for the Proposed Disposal
"BKA" or "Vendor"	:	BK Alliance Sdn Bhd (200601024867 (744621-H)), a wholly-owned subsidiary of CHGP held through BKGD
"BKGD"	:	BKG Development Sdn Bhd (201301040447 (1070270-M)), a wholly-owned subsidiary of CHGP
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of CHGP
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CHGP" or the "Company"	:	Chin Hin Group Property Berhad (200101017677 (553434-U))
"CHGP Group" or "Group"	:	CHGP and its subsidiaries, collectively
"CHGP Share(s)" or "Share(s)"	:	Ordinary share(s) in CHGP
"Chin Hin"	:	Chin Hin Group Berhad (201401021421 (1097507-W))
"Circular"	:	This circular to shareholders dated 10 September 2024 in relation to the Proposal Disposal
"Constitution"	:	CHGP's Constitution
"Director(s)"	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007  Director(s) includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of CHGP or any other company which is a subsidiary of CHGP or a holding company of CHGP
"Divine"	:	Divine Inventions Sdn Bhd (201401043770 (1119952-P))
"EGM"	:	Extraordinary general meeting
"EPS"	:	Earnings per share
"FPE"	:	Financial period ended/ending
"FYE"	:	Financial year ended/ending 31 December, as the case may be

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**DEFINITIONS (CONT'D)**

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"GDC"	:	Gross development cost
"GDP"	:	Gross domestic product
"GDV"	:	Gross development value
"Henry Butcher" "Valuer"	or	Henry Butcher Malaysia Sdn Bhd (198701001968 (160636-P))
"IAL"	:	Independent Advice Letter from the Independent Adviser in relation to the Proposed Disposal
"Interested Directors"	:	Datuk Seri Chiau Beng Teik, JP, Chiau Haw Choon and Shelly Chiau Yee Wern, collectively
"Interested Parties"	:	Chin Hin, Divine, PP CH Realty, Datuk Seri Chiau Beng Teik, JP, Chiau Haw Choon and Shelly Chiau Yee Wern, collectively
"Land"	:	A piece of leasehold land held under Pajakan Negeri 53073, Lot 481445, Mukim Kuala Lumpur, Tempat Kg. Kerinchi, Daerah Kuala Lumpur, Negeri Kuala Lumpur Wilayah Persekutuan
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	15 August 2024, being the latest practicable date prior to the issuance of this Circular
"Major Shareholders"	:	Means a person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is:  (a) 10% or more of the total number of all the voting shares in the Company; or  (b) 5% or more of the total number of all the voting shares in the Company where such person is the largest shareholder of the Company,  For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company
"M&A Securities" "Principal Adviser"	or	M & A Securities Sdn Bhd (197301001503 (15017-H))
"NA"	:	Net assets
"NBV"	:	Net book value
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PP CH Realty"	:	PP Chin Hin Realty Sdn Bhd (201101034966 (963099-V))

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**DEFINITIONS (CONT'D)**

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“Proposed Disposal”	:	Proposed disposal of 4 levels of office space with 200 car parking bays and a rooftop retail unit with accessorised rooftop open area within an ongoing high-rise office tower development known as Solarvest Tower, located at Bangsar South, 59200 Kuala Lumpur to SESB at the Total Disposal Consideration
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SESB” or “Purchaser”	:	Solarvest Energy Sdn Bhd (201601023621 (1194560-T)), a wholly-owned subsidiary of Solarvest held through Atlantic Blue
“Solar PV”	:	Solar photovoltaic
“Solarvest”	:	Solarvest Holdings Berhad (201701033607 (124778-U))
“SPA 1”	:	A conditional sale and purchase agreement entered between BKA and SESB dated 13 June 2024 for the disposal of Unit 26-01, Unit 27-01 and Unit 29-01 at Level 26, Level 27 and Level 29 together with 84 parking bays located at Solarvest Tower for a cash consideration of RM22.21 million
“SPA 2”	:	A conditional sale and purchase agreement entered between BKA and SESB dated 13 June 2024 for the disposal of Unit 28-01 at Level 28 together with 116 parking bays located at Solarvest Tower for a cash consideration of RM16.12 million
“SPA 3”	:	A conditional sale and purchase agreement entered between BKA and SESB dated 13 June 2024 for the disposal of Unit 31-01 at Level 31 located at Solarvest Tower for a cash consideration of RM10.40 million
“SPAs”	:	SPA 1, SPA 2 and SPA 3, collectively
“Subject Properties”	:	4 levels of office space with 200 car parking bays and a rooftop retail unit with accessorised rooftop open area within Solarvest Tower as mentioned in SPA 1, SPA 2 and SPA 3, collectively
“sq. ft.”	:	Square feet
“Total Disposal Consideration”	:	Cash consideration of RM48.73 million

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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

Any reference in this Circular to any enactments is a reference to that enactment as for the time being amended or re-enacted. For the purpose of this Circular, any reference to time of day shall be a reference to Malaysian time, unless otherwise stated.

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**DEFINITIONS (CONT'D)**

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Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved, and the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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**NOTICE OF EGM****ENCLOSED****PROXY FORM****ENCLOSED**

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## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION REGARDING THE PROPOSED DISPOSAL. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING THE APPENDICES, BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.**

The Board is recommending the shareholders of CHGP to **VOTE IN FAVOUR** of the resolution in relation to the Proposed Disposal to be tabled at the forthcoming EGM to be convened.

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Summary</b>	: Proposed disposal of 4 levels of office space with 200 car parking bays and a rooftop retail unit with accessorised rooftop open area within an ongoing high-rise office tower development known as Solarvest Tower, located at Bangsar South, 59200 Kuala Lumpur at the Total Disposal Consideration.	Section 2
<b>Rationale</b>	: The Proposed Disposal is carried out as part of the ordinary course of business of BKA as a property development where the proceeds of the Proposed Disposal will be channelled towards the property development costs of Solarvest Tower.	Section 4
<b>Approvals required and inter-conditional</b>	<p>The Proposed Disposal is subject to approvals from the following:</p> <ul style="list-style-type: none"><li>(i) the shareholders of CHGP at the forthcoming EGM;</li><li>(ii) the shareholders of Solarvest at its forthcoming EGM; and</li><li>(iii) any other relevant authorities and/or parties, if required.</li></ul> <p>The Proposed Disposal is not conditional upon any other corporate exercise/proposal undertaken or to be undertaken by CHGP.</p>	Section 8
<b>Interest of Directors, major shareholders, major shareholders and/or persons connected with them</b>	<p>Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are Directors and indirect major shareholders of CHGP through their interests in Chin Hin, Divine and PP CH Realty. Chin Hin is a direct shareholder of CHGP (holding 62.3% equity interest as at LPD), while Divine is a direct and indirect shareholder of CHGP (holding direct equity interest of 2.4% and indirect equity interest of 62.3% as at LPD), and PP CH Realty is indirect major shareholders of CHGP held through Divine and Chin Hin.</p> <p>Prior to 14 May 2024, Divine was also a direct major shareholder of Solarvest, while PP CH Realty, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are indirect major shareholders of Solarvest.</p>	Section 10



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**EXECUTIVE SUMMARY (CONT'D)**

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<b><u>Key information</u></b>	<b><u>Description</u></b>	<b><u>Reference to Circular</u></b>
	<p>Divine had on 14 May 2024 disposed 16,760,000 number of Solarvest shares, representing 2.5% shareholdings in Solarvest and ceased to be substantial shareholder and further disposed 20,550,000 shares, representing 3.0% shareholdings in Solarvest on 24 May 2024. Divine is no longer a shareholder of Solarvest after the disposals. Consequently, the same applied to the Datuk Seri Chiau Beng Teik, JP, Chiau Haw Choon and PP CH Realty.</p> <p>However, the Proposed Disposal is still deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, as Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon together with Divine and PP CH Realty were major shareholders of Solarvest within the preceding 6 months of the date of the SPAs.</p> <p>As at LPD, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are shareholders of Solarvest, holding direct equity interest of 0.9% and 0.4%.</p> <p>In addition, Shelly Chiau Yee Wern, who is a Director of CHGP is person connected with Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon by virtue of their family relationship.</p>	

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**CHIN HIN GROUP PROPERTY BERHAD**  
(200101017677 (553434-U))

**Registered Office:**

Suite 16.06, MWE Plaza  
No. 8 Lebuhr Farquhar  
10200 George Town  
Pulau Pinang

10 September 2024

**Board of Directors:**

Datuk Seri Chiau Beng Teik, JP (*Non-Independent Non-Executive Chairman*)  
Chiau Haw Choon (*Executive Director*)  
Shelly Chiau Yee Wern (*Executive Director*)  
Khor Kai Fu (*Executive Director*)  
Kwan Sook Peng (*Independent Non-Executive Director*)  
Datuk Cheng Lai Hock (*Independent Non-Executive Director*)  
Datuk Hj Mohd Yusri Bin Md Yusof (*Independent Non-Executive Director*)

**To: The Shareholders of CHGP**

Dear Sirs,

**PROPOSED DISPOSAL**

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**1. INTRODUCTION**

On 13 June 2024, M&A Securities had, on behalf of the Board, announced that BKA, a wholly-owned subsidiary of CHGP held through BKGD, had on even date entered into the SPAs with SESB, a wholly-owned subsidiary of Solarvest held through Atlantic Blue for the Proposed Disposal.

In view of the interests of the Interested Directors and Interested Parties as set out in the Section 10, the Proposed Disposal is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, BDOCC was appointed on 12 June 2024 as the Independent Adviser to advise the non-interested Directors and non-interested shareholders on the Proposed Disposal.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DISPOSAL AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

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

## **2. DETAILS OF THE PROPOSED DISPOSAL**

### **2.1 Information on the Subject Properties**

The Proposed Disposal entails the disposal by CHGP of the following properties:

- (i) Unit 26-01, Unit 27-01 and Unit 29-01 at Level 26, Level 27 and Level 29 pursuant to SPA 1;
- (ii) Unit 28-01 at Level 28 pursuant to SPA 2; and
- (iii) Unit 31-01 at Level 31 pursuant to SPA 3,

which are part of an on-going high-rise office tower development known as Solarvest Tower, being constructed on the Land with a combined built-up area of 39,375 sq. ft. at the Total Disposal Consideration.

The Subject Properties, which form part of Solarvest Tower, are located within Bangsar South vicinity, at the intersection of Jalan Kerinchi Kiri and Kerinchi Link. The Solarvest Tower is adjacent to KL Gateway Mall and KL Gateway Premium Residences with a frontage facing the Federal Highway. Upon completion, Solarvest Tower will comprise individual office suites from Level 2 to Level 21, office space from Level 22 to Level 29, common facilities on Level 30 and a rooftop retail unit with an outdoor deck on Level 31, along with 200 basement and mechanical parking bays.

The Solarvest Tower is still under construction and is approximately 45% completed as at LPD. The construction of the Subject Properties is expected to be completed by March 2028. Therefore, the strata title for each stratified parcel of the Subject Properties have not been issued as at LPD.

The details of the Land are as follows:

Title details	: Pajakan Negeri 53073, Lot 481445, Mukim Kuala Lumpur, Tempat Kg. Kerinchi, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Tenure of the Land	: Leasehold expiring on 5 September 2112, thus leaving an unexpired term of about 88 years as at LPD
Land area	: 20,914 sq. ft.
Category of Land use	: Building
Encumbrances	: Charged to Ambank (M) Berhad vide Presn. No. PDSC25581/2022 presented on 13 June 2022
Express condition	: This land should be used for commercial buildings for office and business purposes only
Restriction in interest	: This land cannot be transferred, leased or charged without the permission of the Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur
Endorsement	: Nil
Registered owner	: BKA

Please refer to **Appendix I** for further information on the Subject Properties.

Subject to the terms and conditions of the SPAs, SESB has agreed to purchase and BKA has agreed to sell Subject Properties free from all encumbrances at the Total Disposal Consideration. The details of the SPAs are as follows:

Unit No.	SPA 1			SPA 2	SPA 3	Total
	26-01	27-01	29-01	28-01	31-01	
Type	-----Office space-----				Retail unit (Cafeteria)	
Total built-up area (sq. ft.) <sup>(1)</sup>	10,096	4,069	4,069	12,411	<sup>(2)</sup> 8,730	
Market value <sup>(3)</sup>	RM14.40 million	RM3.90 million	RM3.90 million	RM16.10 million	RM10.50 million	<b>RM48.80 million</b>
Consideration	RM14.35 million	RM3.93 million	RM3.93 million	RM16.12 million	RM10.40 million	<b>RM48.73 million</b>

**Notes:**

- (1) The built-up areas include the main parcel and the accessory parcels (air-conditioner ledge).
- (2) Inclusive of approximately 5,253 sq. ft. open rooftop area to serve as outdoor deck on the same level as the cafeteria.
- (3) The market value of Subject Properties is appraised by Henry Butcher in its valuation report dated 12 June 2024.

Please refer to **Appendix II** for the salient terms of the SPAs.

**2.2 Information on the Purchaser**

**2.2.1 Information on SESB**

SESB was incorporated in Malaysia on 14 July 2016 under the Act as a private limited company under its present name. It is principally involved in the provision of engineering, procurement, construction and commissioning services for solar PV systems.

SESB is presently a wholly-owned subsidiary of Atlantic Blue and in turn, an indirect subsidiary of Solarvest, a public company listed on the Main Market of Bursa Securities.

The directors of SESB are Lim Chin Siu, Tan Chyi Boon and Chong Chun Shiong.

**2.2.2 Information on Solarvest**

Solarvest was incorporated in Malaysia on 20 September 2017 under the Act as a public limited company under its present name. It was listed on the ACE Market of Bursa Securities on 26 November 2019 and was subsequently transferred to the Main Market of Bursa Securities on 13 October 2021.

Solarvest is an investment holding company, whilst its subsidiaries are principally involved in the provision of engineering, procurement, construction and commissioning services for solar PV systems for residential, commercial and industrial properties as well as large-scale solar PV plants.

As at LPD, the total issued share capital of Solarvest is RM177,924,847 comprising 705,537,078 ordinary shares.

The directors of Solarvest and their respective shareholdings in Solarvest as at LPD are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Dato' Che Halin Bin Mohd Hashim	Malaysian	Independent Non-Executive Chairman	2,200,000	0.3	-	-
Lim Chin Siu	Malaysian	Managing Director	52,265,000	7.4	<sup>(1)</sup> 152,651,982	21.6
Tan Chyi Boon	Malaysian	Executive Director	48,450,000	6.9	<sup>(1)</sup> 152,651,982	21.6
Chong Chun Shiong	Malaysian	Executive Director	11,625,000	1.6	-	-
Liew Chee Ing	Malaysian	Executive Director	-	-	-	-
Fong Shin Ni	Malaysian	Independent Non-Executive Director	30,000	<0.1	-	-
Gan Teck Hooi	Malaysian	Independent Non-Executive Director	-	-	-	-
Azian Binti Mohd Yusof	Malaysian	Independent Non-Executive Director	-	-	-	-
Rashidah Binti Othman	Malaysian	Independent Non-Executive Director	-	-	-	-

**Note:**

- (1) Deemed interested by virtue of his shareholdings in Atlantic Blue Holdings Sdn Bhd pursuant to Section 8 of the Act.

The substantial shareholders of Solarvest and their respective shareholdings in Solarvest as at LPD are:

Name	Place of incorporation/ Nationality	Direct		Indirect	
		No. of shares	<sup>(1)</sup> %	No. of shares	<sup>(1)</sup> %
Atlantic Blue Holdings Sdn Bhd	Malaysia	152,651,982	21.6	-	-
Lim Chin Siu	Malaysian	52,265,000	7.4	<sup>(1)</sup> 152,651,982	21.6
Tan Chyi Boon	Malaysian	48,450,000	6.9	<sup>(1)</sup> 152,651,982	21.6
Employees Provident Fund Board	Malaysia	48,893,700	6.9	-	-

**Note:**

- (1) Deemed interested by virtue of his shareholdings in Atlantic Blue Holdings Sdn Bhd pursuant to Section 8 of the Act.

## 2.3 Information on the Vendor

### 2.3.1 Information on BKA

BKA was incorporated in Malaysia on 17 August 2006 under the Companies Act 1965 and is deemed registered under the Act under the name of Merdeka Logistik Sdn Bhd and assumed its current name on 22 September 2006. Its principal activity is property development and property construction.

BKA is presently a wholly-owned subsidiary of BKGD and in turn, an indirect subsidiary company of CHGP.

The directors of BKA are Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon.

### 2.3.2 Information on CHGP

CHGP was incorporated in Malaysia on 16 July 2001 under the Companies Act 1965 and is deemed registered under the Act under the name of Boon Koon Group Berhad and assumed its current name on 29 August 2018.

CHGP is principally an investment holding company engaging in the provision of management services. The company, along with its subsidiaries, is principally engaged in property development, construction, assembling and sales of new commercial vehicles, rebuilding commercial vehicles and body works as well as provision of commercial vehicles for rental and fleet management services.

As at LPD, the total issued share capital of CHGP is RM269,423,665 comprising 661,097,524 ordinary shares of which 700,000 shares are held as treasury shares.

The directors of CHGP and their respective shareholdings in CHGP as at LPD are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Datuk Seri Chiau Beng Teik, JP	Malaysian	Non-Independent Non-Executive Chairman	-	-	<sup>(1)</sup> 427,299,635	64.7
Chiau Haw Choon	Malaysian	Executive Director	-	-	<sup>(1)</sup> 427,299,635	64.7
Shelly Chiau Yee Wern	Malaysian	Executive Director	-	-	-	-
Khor Kai Fu	Malaysian	Executive Director	50,000	<0.1	-	-
Kwan Sook Peng	Malaysian	Independent Non-Executive Director	-	-	-	-
Datuk Cheng Lai Hock	Malaysian	Independent Non-Executive Director	405,600	<0.1	-	-
Datuk Hj Mohd Yusri Bin Md Yusof	Malaysian	Independent Non-Executive Director	-	-	-	-

**Note:**

- <sup>(1)</sup> Deemed interested by virtue of his direct shareholdings in Chin Hin and his shareholdings in PP CH Realty, which is the holding company of Divine, pursuant to Section 8 of the Act.

The substantial shareholders of CHGP and their respective shareholdings in CHGP as at LPD are as follows:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Chin Hin	411,509,635	62.3	-	-
Divine	15,790,000	2.4	<sup>(1)</sup> 411,509,635	62.3
PP CH Realty	-	-	<sup>(2)</sup> 427,299,635	64.7
Datuk Seri Chiau Beng Teik, JP	-	-	<sup>(3)</sup> 427,299,635	64.7
Chiau Haw Choon	-	-	<sup>(3)</sup> 427,299,635	64.7

**Notes:**

- (1) Deemed interested by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its shareholdings in Divine pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of his direct shareholdings in Chin Hin and his shareholdings in PP CH Realty pursuant to Section 8 of the Act, which is the holding company of Divine.

**2.4 Basis and justification for the disposal consideration**

CHGP had appointed the Valuer, who is registered with the Board of Valuers, Appraisers and Estate Agents Malaysia to conduct an independent valuation on the Subject Properties.

The Total Disposal Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the Subject Properties of RM48.80 million, as appraised by the Valuer, based on its valuation report dated 12 June 2024 using the comparison approach of valuation.

Based on the above, the Board (other than the Interested Directors as defined in Section 10) is of the opinion that the Total Disposal Considerations is fair and justifiable.

**2.5 Liabilities or guarantees to be assumed**

Save for the obligations and liabilities arising from or in connection with the SPAs pursuant to the Proposed Disposal, there are no other liabilities, including contingent liabilities and/or guarantees to be assumed from the Proposed Disposal.

Please refer to the salient obligations and liabilities of CHGP as set out under "Condition Precedent", "Delivery of Vacant Possession" and "Defect Liability Period" of Appendix II for further details of the obligations and liabilities of CHGP.

**2.6 Original cost of investment**

The Solarvest Tower is currently under construction and is expected to be completed in March 2028. The cost of investment for the Subject Properties is approximately RM41.40 million, based on management estimates.

### 3. UTILISATION OF PROCEEDS

Save for the estimated expenses which consist of fees payable to the relevant authorities, professional fees, valuation fees and other ancillary expenses for the Proposed Disposal of approximately RM0.40 million, the remaining proceeds from the Proposed Disposal shall be retained and utilised by BKA as working capital towards the development and completion of the Solarvest Tower. The construction of Solarvest Tower commenced in December 2023 and has an estimated GDC of RM187.78 million with an estimated GDV of RM234.78 million.

The Group has also on 29 February 2024 announced inter alia, (i) the proposed disposals of its equity interests in Chin Hin Construction Engineering Sdn Bhd and Kayangan Kemas Sdn Bhd for a total cash consideration of RM110.0 million; and (ii) proposed private placement of up to 20% of its issued ordinary shares which will raise indicative gross proceeds of up to RM105.60 million, of which RM7.82 million and RM7.54 million have been earmarked for Solarvest Tower.

No.	Description	Proposed utilisation of proceeds from			Proposed Disposal
		GDC	<sup>(1)</sup> Proposed disposals	<sup>(1)</sup> Proposed private placement	
		RM'000	RM'000	RM'000	RM'000
1.	Construction cost	126,656	5,275	5,086	32,599
2.	Land cost	30,367	1,265	1,219	7,816
3.	Sales & marketing	15,239	635	612	3,922
4.	Professional fees	7,471	311	300	1,923
5.	Miscellaneous	8,043	335	323	2,070
		<b>187,776</b>	<b>7,821</b>	<b>7,540</b>	<b>48,330</b>

**Note:**

<sup>(1)</sup> Being the proposed disposals of Chin Hin Construction Engineering Sdn Bhd and Kayangan Kemas Sdn Bhd and proposed private placement as announced on 29 February 2024.

Premised on the above, the remaining GDC of Solarvest Tower of RM124.09 million will be funded via internally generated funds and bank borrowings.

### 4. RATIONALE OF THE PROPOSED DISPOSAL

CHGP through its subsidiary, BKA had on 11 November 2023 launched the Solarvest Tower project, which consists of 1 block of 34 storey office building (355 units) at Bangsar South, Kuala Lumpur.

The Proposed Disposal is carried out as part of the ordinary course of business of BKA as a property development where the proceeds of the Proposed Disposal will be channelled towards the property development costs of Solarvest Tower.



## **5. RISK FACTORS**

### **5.1 The Proposed Disposal may not be completed within the agreed time period**

The completion of the Proposed Disposal is conditional upon the fulfilment of the conditions precedent under the SPAs as set out in **Appendix II**. There is no assurance that the Proposed Disposal can be completed within the time period permitted under the SPAs. In the event that the conditions precedent are not fulfilled within the stipulated time period, the parties may either mutually extend the stipulated period or rescind the SPAs.

Nevertheless, BKA and SESB shall endeavour to fulfil all its obligations and proactively engage with third parties to obtain all the necessary documents required for the completion of the Proposed Disposal within the timeframe stipulated in the SPAs. However, should there be any delay beyond the agreed timeframe, the Board shall endeavour to negotiate to mutually extend the timeframe prior to its expiry.

### **5.2 Loss of potentially higher capital value of the Subject Properties**

The Total Disposal Consideration is based on the prevailing market values appraised by the Valuer. Therefore, effecting the Proposed Disposal now could result in the Group not realising a potentially higher value from the Subject Properties if it is disposed of later. Nonetheless, the Proposed Disposal is undertaken for the rationale as set out in Section 4 above. There is also no guarantee that the Group can source for ready buyers for the Subject Properties in the future and is able to dispose of the Subject Properties at a higher value.

## **6. INDUSTRY OVERVIEW AND PROSPECTS**

### **6.1 Overview and prospects of the Malaysian economy**

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Exports improved amid higher external demand and positive spillovers from the global tech upcycle. Most supply-side sectors registered higher growth. The manufacturing sector was supported by broad-based improvement across all clusters, particularly in electrical and electronics (E&E). The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%).

Headline and core inflation averaged 1.8% in the first half of 2024. During the quarter, both headline and core inflation edged higher to 1.9% (1Q 2024: 1.7% and 1.8% respectively). This was largely driven by higher housing and utilities inflation at 3.1% (1Q 2024: 2.6%). The share of Consumer Price Index (CPI) items recording monthly price increases was higher at 49.4% during the quarter (1Q 2024: 44.2%; second quarter average from 2011-2019: 43.9%), reflecting in part the price adjustments during the festive season and several policy measures by the Government during the period.

For the year until 13 August 2024, the ringgit has appreciated by 3.1% against the US dollar. On a nominal effective exchange rate (NEER) basis, the ringgit also appreciated by 5.3%. This was in part due to growing expectations among financial market participants on US policy rate cuts, which has alleviated pressure on regional currencies, including the ringgit.

The coordinated initiatives by the Government and BNM with the Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs) alongside engagements with corporates, exporters and investors continue to provide support to the

ringgit. These efforts have resulted in greater and more consistent flows into the foreign exchange market. The daily average foreign exchange (FX) trading volume has risen to USD18.0 billion during the period of 26 February – 13 August 2024 (2 January – 23 February 2024: USD15 billion). The bid-ask spread is also narrower, indicating improved liquidity in the domestic FX market.

Credit growth to the private non-financial sector increased to 5.4% (1Q 2024: 5.2%), following higher growth in outstanding business loans (5.6%; 1Q 2024: 5.1%) and outstanding corporate bonds (3.4%; 1Q 2024: 3.2%). Outstanding business loan growth increased amid higher growth in both investment-related and working capital loans. By sector, the stronger growth was recorded in the construction and manufacturing sectors. For households, outstanding loan growth was sustained across most loan purposes (6.2%; 1Q 2024: 6.2%). Demand for household loans remained forthcoming, particularly for mortgages.

On the domestic front, household spending will be underpinned by continued employment and wage growth as well as policy measures. Investment activities will be driven by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and the higher realisation of approved investments are also key drivers for investment activities. Externally, the ongoing global tech upcycle and continued strong demand for non-electrical and electronics goods are expected to lift exports. Improvement in tourist arrivals and spending are expected to continue. Upside risks to growth include greater spillover from the tech upcycle, robust tourism activities, and faster implementation of existing and new investment projects. Downside risks to Malaysia's growth prospects stem from a downturn in external demand, an escalation in geopolitical conflicts and lower-than-expected commodity production.

Headline and core inflation are expected to edge higher in 2H 2024 mainly due to the rationalisation of diesel subsidies. However, the impact will remain manageable given mitigation measures by the Government to minimise cost impact to businesses. For the rest of the year, upside risks to inflation depend on the extent of the spillover effects from further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. Overall, headline and core inflation for the year are projected to remain within the forecast ranges of 2.0% – 3.5% and 2.0% – 3.0% respectively.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2024, BNM, 16 August 2024)*

## **6.2 Overview and outlook of the property industry in Malaysia**

The Budget 2024 is expected to have a positive impact on the property sector, thanks to ongoing government efforts to boost homeownership and promising developments in major infrastructure projects. Other encouraging factors include the takeover of the Bandar Malaysia project by the unity government, the encouraging developments for Iskandar Malaysia in Johor and the planned easing of criteria under the Malaysia My Second Home (MM2H) program. A designation of 2026 as 'Visit Malaysia Year' plus an RM350 million allocation to boost tourism activities could have a positive spillover effect on the property market. In addition, a fund of RM20 million has been earmarked for Think City to rejuvenate and transform downtown Kuala Lumpur into a vibrant creative hub.

Efforts are being made to address issues with sick and abandoned housing projects. A task force has been deployed by the government through the Local Government Development Ministry (KPKT). As of August, 256 troubled housing projects have been successfully revitalised, encompassing 28,000 housing units with a total development value of RM23.37 billion. Additionally, a "special guarantee fund" of RM1 billion has been set aside to encourage reputable developers to resurrect specific abandoned projects.

Amidst uncertain economic conditions and a high-interest rate landscape, potential buyers are expected to exercise caution. However, this uncertainty hasn't led to an economic downturn, so property owners remain unmotivated to reduce their asking prices. Given the current scenario, the market is likely to remain stable, but there's a noticeable shift as property seekers increasingly lean towards the rental market.

Certain markets are also anticipated to show robust performance driven by infrastructure developments. Notably, the Johor market has garnered significant demand from both Malaysia and Singapore, fueled by the government's plans for the RTS and the introduction of the Special Financial Zone. Similarly, Penang is poised for a boost, especially with the inclusion of the Penang light rail transit (LRT) in the 12th Malaysia Plan, as unveiled during its mid-review. The Transport Ministry is in the process of finalising specifics, with contractor appointments projected by the year's end. Such infrastructural advancements are set to propel Penang's economic growth, and properties in proximity to upcoming stations are likely to experience a price surge.

*(Source: Malaysia Property Market Report Q4 2023, Property Guru, 17 November 2023)*

### 6.3 Overview and outlook of the property industry in Klang Valley area

#### **Leasing sentiments, inquiry activity, and occupancy rate are favourable**

The overall purpose-built office ("PBO") supply in Klang Valley stood at 121.9 million sq. ft., with prime PBO space accounting for 47% (57.7 million sq. ft.) of the supply. As of 3Q 2023, the occupancy rate remained relatively stable at 79.2% (cf. 2Q 2023: 78.9%; 3Q 2022: 79.3%), of which KL's occupancy rate improved by 0.5% q-o-q to 79.6%, while Outside KL's occupancy rate rose 0.1% q-o-q to 78.4%.

#### **More new Grade A offices In Kuala Lumpur**

The Pavilion Damansara Heights Corporate Towers and Aspire Tower were completed, offering approximately 1.4 million sq. ft. Merdeka 118, the world's second-tallest tower, will add 1.7 million sq. ft. PBO space to total supply, following its scheduled launch in January 2024.

#### **Selected Upcoming PBO Developments in 2024**

Development Name	Location	Estimate NLA (sq. ft.)
PNB 1194	KL	195,000
TNB GOLD	KL	520,219
Oxley Towers @ KLCC	KL	350,000
Menara Felcra	KL	171,500

Abbreviation: KL – Kuala Lumpur; NLA – net lettable area; sq. ft. – square feet  
Source: CBRE | WTW Research

## **Cumulative Supply in Klang Valley**



Abbreviation: mil. – million; sq. ft. – square feet; RHS: left-hand-side  
Source: CBRE | WTW Research

## **Vacancy Rate in Klang Valley**



Source: CBRE | WTW Research

## **New entry of international corporates**

The presence of new multinational corporations and international organisations was observed. Tesla opened its Malaysian Headquarters within the Global Solution Centre compound in Cyberjaya, occupying a two-storey complex with an approximate net lettable area of 55,000 sq. ft., named Tesla Centre Cyberjaya.

Other new entries include:

- Corporate Business Solutions (CBS), a global business solutions provider originating from Germany, established its offices at Menara Allianz Sentral building
- myWorld Group (global leader in the loyalty and rewards programme) launched its new regional office in Menara Maxis
- ARC Group (global financial services firm) set up its first Malaysian office in Equatorial Plaza Tower
- Gerson Lehrman Group (global information services company) opened its new Malaysia office at Q Sentral

## **Relocating to new premises**

Affin Bank moved its HQ from Menara Affin (Jalan Raja Chulan) to its self-owned Menara Affin @ TRX. UOB KL Main Branch relocated to UOB Plaza 1, while Telekom Malaysia Berhad relocated to TM Annexes 1 and 2. Huawei Technologies Malaysia's HQ has relocated from Integra Tower to Exchange 106 @ TRX, while Maersk Malaysia Sdn Bhd is now situated at iMazium @ Petaling Jaya. Liberty General Insurance Berhad has also begun its operations at

the newly completed Pavilion Damansara Heights CT9. Furthermore, Alliance Bank Malaysia Bhd (ABMB) has acquired the 24-storey Oxley Tower @ KLCC for RM405.8 million and will relocate to its own building upon its completion by the end of 2024. Malayan Banking Bhd (Maybank) will also relocate all of its current offices from Menara Maybank (Jalan Tun Perak) to Merdeka 118 in stages, starting 1Q 2025.

### **Co-working space operators continue to expand**

WORQ partnered with UOA Group to collaborate and inaugurate a 15,000 sq. ft. co-working space in Menara UOA Bangsar (MUB) in June 2023, which achieved 70% occupancy at its official opening. WORQ KL Sentral at Menara One Sentrum is the largest co-working space in KL Sentral. Launched in March 2023, it achieved an 80% occupancy rate, with 70% pre-sold before commencement. Characterised by its high flexibility and strategic choice of locations, WORQ has maintained occupancy levels above 90% across all locations.

WORQ is on track to double its footprint and plans to build up to 3.0 million sq. ft. of co-working space in Malaysia by 2030.

Jerry by Colony continues to expand its presence and launched two new outlets at Kuchai Lama and Wangsa Maju in KL. At present, Jerry operates eight co-working spaces across Klang Valley. Jerry provides the flexibility of no contracts and the option to cancel at any time, in addition to its cost-effective pricing. This has made it an attractive option for businesses that require the flexibility to scale up or down their office space.

Jerry also established a pop-up co-working space in Avenue K Shopping Mall in June, providing individuals with the opportunity to experience flexible workstation arrangements at an affordable price.

Currently, Colony also operates at four other locations: two in KL city centre, one in KL Eco City, and one in Mutiara Damansara. In the immediate future, Colony intends to expand into Setia Alam.

Some large organisations and international corporates are also choosing the alternative of coworking offices. London Stock Exchange Group (LSEG) launched its new flagship office at the SPACES @ Menara Prestige, while South Korea's fourthlargest convenience store chain, emart24 relocated its headquarters to Jerry Coworking Space in Subang Jaya's SS15.

Co-working spaces in Klang Valley remains in high demand and have potential for expansion.

### **Outlook for Klang Valley**

Overall, with the large supply of recently completed as well as incoming space, the asking rental and occupancy rate of PBO space in Klang Valley will be under pressure. New supply will also result in greater competition and widen the gap between older and newer PBO buildings.

Demand for more refined and flight-to-green office space is increasing which could surpass supply in the coming years.

*(Source: Market Outlook 2024 Report, CBRE WTW Valuation & Advisory Sdn Bhd, December 2023)*

## 6.4 Prospects of CHGP Group

The Group's main earnings drivers shall be from its property development segment. The Group had recently announced several acquisitions and joint development proposals of various land parcels in Penang, Melaka and Klang Valley. The successful sales and development of these new property development projects are expected to enhance the Group's future earnings.

### 6.4.1 Property development segment

As at LPD, the Group's property development segment has successfully completed a project located in the Klang Valley, namely 8<sup>th</sup> & Stellar Project and is undertaking 4 on-going projects. The 8<sup>th</sup> & Stellar Project has a GDC of RM381.10 million with a GDV of RM564.77 million and is fully sold out as at LPD. The Group will continue to leverage on its expertise to deliver differentiated products to its buyers and investors.

The recent notable completed and on-going projects are as follows:

On-going project	Estimated GDC RM'000	Estimated GDV RM'000	As at LPD		Project launch date / expected completion date
			% of sales	% of cost completion	
<b>Quaver Residence</b>	382,954	538,784	63.1	26.9	24 August 2022/ 30 September 2026
2 blocks of 29 storey and 20 storey service apartments (684 units) together with a level of commercial space (15 units of retail lot) at Sungai Besi, Kuala Lumpur					
<b>Ayanna Resort Residences</b>	487,602	732,109	49.6	15.8	22 July 2023/ 20 October 2027
2 blocks of 42 storey and 44 storey (total 824 units) residential apartments at Bukit Jalil, Kuala Lumpur					
<b>Avantro Residences</b>	413,851	517,344	25.4	10.4	23 September 2023/ 31 October 2027
2 blocks of 31 storey and 33 storey serviced apartments (842 units) with 5 storey office (21 units) at Bandar Kinrara, Selangor					

<b>On-going project</b>	<b>Estimated GDC RM'000</b>	<b>Estimated GDV RM'000</b>	<b>As at LPD</b>		<b>Project launch date / expected completion date</b>
			<b>% of sales</b>	<b>% of cost completion</b>	
<b>Solarvest Tower</b>	187,776	234,783	46.9	22.0	11 November 2023/ 31 March 2028
1 block of 34 storey office building (355 units) at KL Gateway, Kuala Lumpur					

*(Source: Management of CHGP)*

#### **6.4.2 Construction segment**

The Group's construction companies hold Grade 7 contractor status and possess an Government Employment Certificate (SPKK) and hence able to bid for and undertake construction projects of any scale within Malaysia, as well as participate in government projects.

Nonetheless, in light of the evolving economic landscape and strategic considerations, the Group had on 29 February 2024 announced its intention to embark on a significant transition, to dispose its equity interests in Chin Hin Construction Engineering Sdn Bhd and Kayangan Kemas Sdn Bhd, who undertaken the construction business of the Group. Upon completion of such proposed disposals, CHGP will effectively exit the construction sector.

*(Source: Management of CHGP)*

#### **6.4.3 Commercial vehicles and bodyworks segment**

The Group anticipates the commercial vehicles market to remain challenging given the market competition, and expects the current weakening of RM against other major currencies to put pressure on the profit margin. However, due to the Group's competitive costs advantage strategy in the light/ big trucks models and prime movers, the Group is expected to continue to generate sustainable positive earnings for its commercial vehicles segment.

The Group has implemented some competitive cost advantage strategies which resulted in time and cost savings in the light/ big truck models and prime movers vehicle segment as follows:

- (i) to provide an in-house one stop solution sales and service centre in order to reduce outsourcing costs such as engaging sub-contractor for assembly, repair and reconditioning the trucks;
- (ii) setting up an internal engineering department with a team of professional engineers for all documentation required for Jabatan Pengangkutan Jalan (JPJ) registration; and
- (iii) setting up an assembly location for light/big truck models and prime movers at Northern (Penang), Centre (Puchong) and Southern (Pasir Gudang) region respectively in order to reduce logistic costs due to multiple assembly locations.

The Group will also strengthen its marketing efforts for food trucks model and passenger van for tourism industry to support the growth of its commercial vehicles and bodyworks segment.



Based on the foregoing, the Board remains cautiously optimistic about the prospect of this segment due to the strong demand for light/ big truck models and prime movers from the logistics and food delivery businesses.

*(Source: Management of CHGP)*

## 7. EFFECTS OF THE PROPOSED DISPOSAL

### 7.1 Issued share capital and substantial shareholders' shareholding

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

### 7.2 NA and gearing

The pro forma effects of the Proposed Disposal on the NA and gearing of the Group are as below:

	(I)	(II)	(III)
	Audited as at 31 December 2023	(2) Adjusted for subsequent event	After II and the Proposed Disposal
	RM'000		
Share capital	228,204	269,424	269,424
Treasury shares	(255)	(255)	(255)
Reserves	21,184	21,184	21,184
Retained profit	95,876	95,876	(3)102,810
<b>Equity attributable to owners of the Company</b>	<b>345,009</b>	<b>386,229</b>	<b>393,163</b>
Non-controlling interest	12,239	12,239	12,239
<b>Total equity</b>	<b>357,248</b>	<b>398,468</b>	<b>405,402</b>
No. of shares ('000)	605,282	661,098	661,098
Treasury shares ('000)	700	700	700
No. of shares excluding treasury shares ('000)	604,582	660,398	660,398
NA per share <sup>(1)</sup> (RM)	0.57	0.58	0.60
Total borrowings	388,294	388,294	388,294
Gearing ratio (times)	1.13	1.01	0.99
Net debts <sup>(4)</sup>	337,678	296,459	289,525
Net gearing ratio (times)	0.98	0.77	0.74

#### Notes:

- (1) Excludes 700,000 treasury shares held by CHGP.
- (2) After adjusting for the issuance of 55,816,000 new CHGP Shares pursuant to a private placement which was completed on 23 January 2024 and 9 February 2024.
- (3) After taking into consideration the estimated gain on disposal of RM7.33 million from the Proposed Disposal and the estimated expenses relating to the Proposed Disposal of approximately RM0.40 million.
- (4) Being total borrowings including lease liabilities less cash and cash equivalents.



### 7.3 Earnings and EPS

For illustrative purposes, the pro forma effects of the Proposed Disposal on the earnings and EPS of the Group, based on the audited consolidated financial statements of CHGP as at 31 December 2023, and on the assumption that the Proposed Disposal had been effected on 1 January 2023, being the beginning of the financial year of the Group, are set out below:

	<b>Audited as at 31 December 2023</b>	<b>Pro forma after the Proposed Disposal</b>
	<b>RM'000</b>	
PAT attributable to owners of the Company	34,630	34,630
Add: expected gain on Proposed Disposal <sup>(2)</sup>	-	7,334
Less: estimated expenses of the Proposed Disposal	-	(400)
<b>Pro forma PAT for the financial year</b>	<b>34,630</b>	<b>41,564</b>
Weighted average number of shares in issue ('000)	531,761	<sup>(1)</sup> 525,704
EPS (sen)	6.51	7.91

#### Notes:

- (1) After adjusting for the issuance of 55,816,000 of CHGP Shares pursuant to a private placement as mentioned under Note (2) in Section 7.2 above.
- (2) After taking into consideration the estimated gain on disposal of RM7.33 million from the Proposed Disposal, computed based on estimated cost of RM41.40 million from the Total Disposal Consideration.

### 7.4 Convertible securities

The Group does not have any convertible securities as at LPD.

## 8. APPROVALS REQUIRED

The Proposed Disposal is subject to the approvals and/or consents being obtained from the following:

- (i) the shareholders of CHGP at the forthcoming EGM;
- (ii) the shareholders of Solarvest at its forthcoming EGM; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposed Disposal is not conditional upon any other corporate exercise/proposal undertaken or to be undertaken by CHGP.

The SPAs are not conditional upon each other.

## 9. HIGHEST PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Disposal under Paragraph 10.02(g) of the Listing Requirements is 14.1% based on the Total Disposal Consideration and the audited NA of CHGP for FYE 31 December 2023.

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

Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are Directors and indirect major shareholders of CHGP through their interests in Chin Hin, Divine and PP CH Realty. Chin Hin is a direct shareholder of CHGP (holding 62.3% equity interest as at LPD), while Divine is a direct and indirect shareholder of CHGP (holding direct equity interest of 2.4% and indirect equity interest of 62.3% as at LPD), and PP CH Realty is indirect major shareholders of CHGP held through Divine and Chin Hin.

Prior to 14 May 2024, Divine was also a direct major shareholder of Solarvest, while PP CH Realty, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are indirect major shareholders of Solarvest.

Divine had on 14 May 2024 disposed 16,760,000 number of Solarvest shares, representing 2.5% shareholdings in Solarvest and ceased to be substantial shareholder and further disposed 20,550,000 shares, representing 3.0% shareholdings in Solarvest on 24 May 2024. Divine is no longer a shareholder of Solarvest after the disposals. Consequently, the same applied to the Datuk Seri Chiau Beng Teik, JP, Chiau Haw Choon and PP CH Realty.

However, the Proposed Disposal is still deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, as Datuk Seri Chiau Beng Teik, JP, Chiau Haw Choon together with Divine and PP CH Realty were major shareholders of Solarvest within the preceding 6 months of the date of the SPAs.

As at LPD, the direct and indirect shareholdings of the Interested Parties in Solarvest are set out below:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Datuk Seri Chiau Beng Teik, JP	6,263,900	0.9	-	-
Chiau Haw Choon	2,570,900	0.4	-	-
Shelly Chiau Yee Wern	-	-	-	-

In addition, Shelly Chiau Yee Wern, who is a Director of CHGP is person connected with Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon by virtue of their family relationship.

Save for the Interested Parties, none of the other Directors and shareholders of CHGP and person connected with them has any interests, direct or indirect in the Proposed Disposal.

As at LPD, the direct and indirect shareholdings of the Interested Parties in CHGP are set out below:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Chin Hin	411,509,635	62.3	-	-
Divine	15,790,000	2.4	<sup>(1)</sup> 411,509,635	62.3
PP CH Realty	-	-	<sup>(2)</sup> 427,299,635	64.7
Datuk Seri Chiau Beng Teik, JP	-	-	<sup>(3)</sup> 427,299,635	64.7
Chiau Haw Choon	-	-	<sup>(3)</sup> 427,299,635	64.7
Shelly Chiau Yee Wern	-	-	-	-

**Notes:**

- (1) Deemed interested by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its shareholdings in Divine pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of his direct shareholdings in Chin Hin and his shareholdings in PP CH Realty, which is the holding company of Divine pursuant to Section 8 of the Act.

The Interested Parties have abstained and will continue to abstain from all deliberations and voting in relation to the Proposed Disposal at the relevant Board meetings. The Interested Parties and person connected with them undertake that they will also abstain from voting in respect of its/his/her direct and/or indirect shareholdings in CHGP on the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

**11. RELATED PARTY TRANSACTIONS WITH THE INTERESTED PARTIES**

The total amount transacted between CHGP Group and the Interested Parties and/or persons connected to the Interested Parties in the preceding 12 months is approximately RM115.99 million which are all recurrent related party transactions and in normal course of business.

**12. DIRECTORS' STATEMENT AND RECOMMENDATION**

Save for the Interested Directors (who have abstained from deliberation on the Proposed Disposal), the Board, having considered all aspects of the Proposed Disposal, including but not limited to the rationale, basis and justification of arriving at the Total Disposal Consideration, effects of the Proposed Disposal as well as the terms and conditions of the SPAs and the preliminary views of the Independent Adviser is of the opinion that the Proposed Disposal is:

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

### **13. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee of CHGP, having considered all aspects of the Proposed Disposal, including but not limited to the rationale, basis and justification of arriving at the Total Disposal Consideration, effects of the Proposed Disposal as well as the terms and conditions of the agreements entered into for the Proposed Disposal and the preliminary views of the Independent Adviser is of the opinion that the Proposed Disposal is:

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

### **14. INDEPENDENT ADVICE**

The Proposed Disposal is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, BDOCC was appointed as the Independent Adviser to advise the non-interested Directors and non-interested shareholders on the Proposed Disposal.

The independent advice letter from BDOCC is set out in Part B of this Circular. You should read the contents of the Circular (including the independent advice letter) carefully before voting on the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

### **15. ESTIMATED TIMEFRAME FOR COMPLETION**

The tentative timetable for the implementation of the Proposed Disposal is as follows:

<b>Tentative dates</b>	<b>Events</b>
End September 2024	<ul style="list-style-type: none"><li>• EGM to approve the Proposed Disposal</li><li>• Fulfilment of the condition precedent for SPAs</li></ul>
First half of 2028	Completion of the Proposed Disposal, being the expected handover date of the Subject Properties and the expected completion date of Solarvest Tower on March 2028

### **16. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION**

Save for the following, there is no other corporate exercise/scheme being undertaken by the Company which has been announced but not yet completed as at the date of this Circular:

- (i) Proposed disposal of 2 ordinary shares in Chin Hin Construction Engineering Sdn Bhd, representing the entire equity interest in Chin Hin Construction Engineering Sdn Bhd, to Chin Hin for a cash consideration of RM16.5 million;
- (ii) Proposed disposal of 9,500,000 ordinary shares in Kayangan Kemas Sdn Bhd, representing 95% equity interest in Kayangan Kemas Sdn Bhd, to Chin Hin for a cash consideration of RM93.5 million;
- (iii) Proposed joint venture between BKGD and Fiamma Holdings Berhad for the development of Aricia Project;

- (iv) Proposed joint venture between BKGD and Fiamma Holdings Berhad for the development of Dawn Project;
- (v) Proposed private placement of up to 132,000,000 placement shares, representing not more than 20% of the issued ordinary shares of the CHGP (excluding treasury shares) to independent third party investor(s);
- (vi) Proposed joint venture between Stellar Platinum Sdn Bhd (a 70% owned subsidiary of CHGP held through BKGD) and Ivory Meadows Sdn Bhd for the development of a parcel of freehold land held under H.S.(D) 19318, Lot 10012, Seksyen 1 Bandar Tanjung Pinang, Daerah Timor Laut, Pulau Pinang;
- (vii) Proposed joint venture between Chin Hin Property (Segambut) Sdn Bhd (a wholly-owned subsidiary of CHGP held through BKGD) with New York Empire Sdn Bhd and Kar Sin Bhd for the development of all that parcel of freehold land held under Geran Mukim 54, Lot 448, Kepong Rly Line 8th Mile, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur;
- (viii) Proposed joint venture between BKHS Capital Sdn Bhd (a wholly-owned subsidiary of CHGP held through BKGD), Archmill Sdn Bhd and Suasa Sentosa Sdn Bhd for the development of all that parcel of freehold land held under Geran 65422, Lot 55347, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur; and
- (ix) Proposed acquisition of one (1) plot of freehold land (currently identified as Penang Times Square, Phase 4) and forming part of the land held under a master title known as Geran 172694, Lot 10024, Seksyen 10, Bandar George Town, Daerah Timur Laut, Pulau Pinang by Chin Hin Property (Penang) Sdn Bhd, (a wholly-owned subsidiary of CHGP held through BKGD) from Ivory Glenary Sdn Bhd for a cash consideration of RM40.0 million.

## **17. EGM**

An EGM, the notice of which is enclosed together with this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 & F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 25 September 2024 at 2.00 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolution so as to give effect to the Proposed Disposal.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained, as soon as possible and in any event so as to arrive at the Company's registered office, not less than 48 hours before the time appointed for holding the EGM or any adjourned thereof. The lodging of the Form of Proxy will not preclude you from attending the EGM and voting in person should you subsequently wish to do so.

## **18. FURTHER INFORMATION**

Please refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of  
**CHIN HIN GROUP PROPERTY BERHAD**

**KWAN SOOK PENG**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**PART B**

**IAL TO THE NON-INTERESTED SHAREHOLDERS OF CHGP IN RELATION TO THE  
PROPOSED DISPOSAL**

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## EXECUTIVE SUMMARY

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*All definitions or defined terms used in this executive summary shall have the same meanings as defined in the “Definitions” section of the Circular, except where the context requires otherwise or as otherwise defined.*

*All references to “we”, “us” and “our” in this executive summary are ascribed to BDOCC, being the Independent Adviser for the Proposed Disposal.*

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED DISPOSAL. THE NON-INTERESTED SHAREHOLDERS OF CHGP ARE ADVISED TO READ AND UNDERSTAND THIS IAL IN ITS ENTIRETY, TOGETHER WITH PART A OF THE CIRCULAR AND THE APPENDICES THERETO FOR ANY OTHER RELEVANT INFORMATION, AND ARE NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE PROPOSED DISPOSAL. YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION RELATING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.**

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

### 1. INTRODUCTION

On 13 June 2024, M&A Securities had, on behalf of the Board, announced that CHGP proposed to undertake the Proposed Disposal. On 19 June 2024, M&A Securities had, on behalf of the Board, announced further information in relation to the utilisation of proceeds for the Proposed Disposal.

The Proposed Disposal is deemed to be related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Directors and interested shareholders of CHGP as set out in **Section 10, Part A** of the Circular.

Accordingly, BDOCC was appointed by CHGP on 12 June 2024 as the Independent Adviser to advise the non-interested shareholders of CHGP in relation to the fairness and reasonableness of the Proposed Disposal and whether the Proposed Disposal is detrimental to the non-interested shareholders of CHGP.

The purpose of this IAL is to provide the non-interested shareholders of CHGP with an independent evaluation of the fairness and reasonableness of the Proposed Disposal, together with our recommendation thereon, subject to the limitations of our role and evaluation as specified in this IAL.



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**EXECUTIVE SUMMARY**

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**2. EVALUATION OF THE PROPOSED DISPOSAL**

In evaluating the Proposed Disposal, we have taken into consideration the following:

Section in this IAL	Area of evaluation	Our evaluation																					
Section 7	Rationale of the Proposed Disposal	<p>We noted that CHGP's principal activities include property development. Accordingly, the rationale for undertaking the Proposed Disposal is reasonable as it is consistent with the principal activities of CHGP Group.</p> <p>We also noted that Solarvest Tower is currently under construction and is anticipated to be completed by March 2028. As such, the Proposed Disposal represents an opportunity for BKA to dispose the Subject Properties for a Total Disposal Consideration of RM48.73 million prior to its completion.</p> <p>While we noted that the Total Disposal Consideration of RM48.73 million will be paid by SESB in stages pursuant to the terms of the SPAs, we are of the view that this is reasonable as the Subject Properties are currently undergoing construction and the stages of payment commensurate with the stages of development of the Solarvest Tower.</p> <p>The Proposed Disposal is also expected to increase the proforma NA of CHGP from RM386.23 million (as at 31 December 2023 and after adjustments for subsequent events) to RM393.16 million (upon completion of the Proposed Disposal) mainly due to estimated gain on disposal of RM7.33 million arising from the Proposed Disposal.</p> <p><b>Based on the above, we are of the view that the rationale of the Proposed Disposal is <u>reasonable</u>.</b></p>																					
Section 8	Basis and Justification of the Total Disposal Consideration	<p>In arriving at the fairness evaluation of the Total Disposal Consideration, we have compared the Total Disposal Consideration against the market value of the Subject Properties as appraised by the Valuer as follows:</p> <table border="1" data-bbox="663 1597 1370 1854"> <thead> <tr> <th data-bbox="663 1597 874 1659">Subject Properties</th> <th data-bbox="882 1597 1121 1659">Market Value (RM)</th> <th data-bbox="1129 1597 1370 1659">Total Disposal Consideration</th> </tr> </thead> <tbody> <tr> <td data-bbox="663 1664 874 1693">Unit 26-01</td> <td data-bbox="882 1664 1121 1693">14,400,000</td> <td data-bbox="1129 1664 1370 1693">14,350,000</td> </tr> <tr> <td data-bbox="663 1697 874 1727">Unit 27-01</td> <td data-bbox="882 1697 1121 1727">3,900,000</td> <td data-bbox="1129 1697 1370 1727">3,930,000</td> </tr> <tr> <td data-bbox="663 1731 874 1760">Unit 28-01</td> <td data-bbox="882 1731 1121 1760">16,100,000</td> <td data-bbox="1129 1731 1370 1760">16,120,000</td> </tr> <tr> <td data-bbox="663 1765 874 1794">Unit 29-01</td> <td data-bbox="882 1765 1121 1794">3,900,000</td> <td data-bbox="1129 1765 1370 1794">3,930,000</td> </tr> <tr> <td data-bbox="663 1798 874 1827">Unit 31-01</td> <td data-bbox="882 1798 1121 1827">10,500,000</td> <td data-bbox="1129 1798 1370 1827">10,400,000</td> </tr> <tr> <td data-bbox="663 1832 874 1861"><b>Total</b></td> <td data-bbox="882 1832 1121 1861"><b>48,800,000</b></td> <td data-bbox="1129 1832 1370 1861"><b>48,730,000</b></td> </tr> </tbody> </table> <p>Based on the table above, the Total Disposal Consideration of RM48.73 million is close to the market value of the Subject Properties of RM48.80 million.</p> <p><b>As such, we are of the view that the Total Disposal Consideration is <u>fair</u>.</b></p>	Subject Properties	Market Value (RM)	Total Disposal Consideration	Unit 26-01	14,400,000	14,350,000	Unit 27-01	3,900,000	3,930,000	Unit 28-01	16,100,000	16,120,000	Unit 29-01	3,900,000	3,930,000	Unit 31-01	10,500,000	10,400,000	<b>Total</b>	<b>48,800,000</b>	<b>48,730,000</b>
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<b>Total</b>	<b>48,800,000</b>	<b>48,730,000</b>																					

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**EXECUTIVE SUMMARY**

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Section in this IAL	Area of evaluation	Our evaluation
Section 9	Evaluation of the salient terms of the SPAs	We are of the view that the salient terms of the SPAs are <u>reasonable</u> and not <u>detrimental</u> to the non-interested shareholders of CHGP.
Section 10	Effects of the Proposed Disposal	<p>The effects of the Proposed Disposal are summarised as follows:</p> <p><b>(i) Issued share capital and substantial shareholders' shareholding</b></p> <p>The Proposed Disposal do not involve the issuance of any new shares in CHGP. As such, the Proposed Disposal will not have any effects on the issued share capital and substantial shareholders' shareholdings of CHGP.</p> <p><b>(ii) NA and gearing</b></p> <p>The Proposed Disposal is expected to increase the proforma NA of CHGP Group from RM386.23 million (as at 31 December 2023 and after adjustments for subsequent events) to RM393.16 million due to the estimated gain on disposal of RM7.33 million arising from the Proposed Disposal.</p> <p>Upon completion of the Proposed Disposal, the proforma gearing of CHGP will decrease from 1.01 times (as at 31 December 2023 and after adjustments for subsequent events) to 0.99 times following the increase in the proforma NA of CHGP Group.</p> <p><b>(iii) Earnings and EPS</b></p> <p>We noted that the Proposed Disposal is expected to increase the proforma PAT of CHGP Group from RM34.63 million (for the FYE 31 December 2023) to RM41.56 million after taking into consideration one-off estimated gain on disposal of RM7.33 million arising from the Proposed Disposal and less estimated expenses amounting to RM0.40 million in relation to the Proposed Disposal.</p> <p><b>Based on the above, the overall effects of the Proposed Disposal are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of CHGP.</b></p>

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**EXECUTIVE SUMMARY**

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Section in this IAL	Area of evaluation	Our evaluation
Section 11	Industry overview and prospects	<p>Moving forward, the performance of CHGP Group’s property development segment will be underpinned by the outlook of the local property development industry which is further supported by government initiatives such as the Malaysia My Second Home (“<b>MM2H</b>”) programme and Skim Jaminan Kredit Perumahan (“<b>SJKP</b>”). These government initiatives are aimed to increase the demand for residential properties. This may also bode well for CHGP Group as 3 out of the 4 ongoing projects currently undertaken by CHGP Group are residential apartments.</p> <p>The successful completion of Solarvest Tower project will allow CHGP Group to strengthen its track record in office space development. As at LPD, CHGP Group is involved in 2 office development projects.</p> <p>Premised on the above, we are of the view that the prospects of CHGP Group following the completion of the Proposed Disposal is positive.</p>
Section 12	Risk factors in relation to the Proposed Disposal	<p>In considering the Proposed Disposal, non-interested shareholders of CHGP are advised to give careful consideration to the risk factors as set out in <b>Section 5, Part A</b> of the Circular.</p> <p>While we noted that measures would be taken by CHGP Group to mitigate such risks associated with the Proposed Disposal, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the financial, business and operation of CHGP Group.</p>

**3. CONCLUSION AND RECOMMENDATION**

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors as set out in this IAL. Based on this, BDOCC views that the Proposed Disposal is **fair** and **reasonable** and are **not detrimental** to the non-interested shareholders of CHGP.

Accordingly, we advise and recommend that the non-interested shareholders of CHGP **vote in favour** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.



10 September 2024

**To: The non-interested shareholders of Chin Hin Group Property Berhad**

Dear Sir / Madam,

**CHIN HIN GROUP PROPERTY BERHAD (“CHGP” OR THE “COMPANY”)**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF CHGP IN RELATION TO THE PROPOSED DISPOSAL**

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*This IAL has been prepared for inclusion in the Circular in relation to the Proposed Disposal. All definitions or defined terms used in this IAL shall have the same meanings as defined in the “Definitions” section of the Circular, except where the context requires otherwise or as otherwise defined.*

*All references to “we”, “us” and “our” in this IAL are ascribed to BDOCC, being the Independent Adviser for the Proposed Disposal.*

**1. INTRODUCTION**

On 13 June 2024, M&A Securities had, on behalf of the Board, announced that CHGP proposed to undertake the Proposed Disposal. On 19 June 2024, M&A Securities had, on behalf of the Board, announced further information in relation to the utilisation of proceeds for the Proposed Disposal.

The Proposed Disposal is deemed to be related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Directors and interested shareholders of CHGP as set out in **Section 10, Part A** of the Circular.

Accordingly, BDOCC was appointed by CHGP on 12 June 2024 as the Independent Adviser to advise the non-interested shareholders of CHGP in relation to the fairness and reasonableness of the Proposed Disposal and whether the Proposed Disposal is detrimental to the non-interested shareholders of CHGP.

The purpose of this IAL is to provide the non-interested shareholders of CHGP with an independent evaluation of the fairness and reasonableness of the Proposed Disposal, together with our recommendation thereon, subject to the limitations of our role and evaluation as specified in this IAL.

**THE NON-INTERESTED SHAREHOLDERS OF CHGP 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 ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.**

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



## 2. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The Proposed Disposal is related party transaction pursuant to Paragraph 10.08 of the Listing Requirements by virtue of the interests of the Interested Directors and interested shareholders of CHGP as set out in **Section 10, Part A** of the Circular.

## 3. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED DISPOSAL

BDOCC was not involved in the formulation of the Proposed Disposal and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposed Disposal. BDOCC's terms of reference as an Independent Adviser are limited to expressing an independent evaluation of the Proposed Disposal which is based on the information provided to us or which are available to us, including but not limited to the following:

- (i) the information contained in Part A of the Circular and the appendices attached thereto;
- (ii) the SPAs;
- (iii) the valuation report dated 12 June 2024 prepared by Henry Butcher in relation to the valuation of Subject Properties ("**Valuation Report**");
- (iv) discussions with and representations by the Board and management of CHGP;
- (v) other relevant information, documents, confirmations and representations furnished to us by the Board and/or the management of CHGP; and
- (vi) other publicly available information which we deemed to be relevant.

We have made such reasonable enquiries to the Board and management of CHGP and have relied upon the information and/or documents as mentioned above as well as the relevant facts and information and/or representations necessary for our evaluation of the Proposed Disposal that have been disclosed to us, and that such information is accurate, valid and there is no omission of material facts which would make any information provided to us to be incomplete, misleading or inaccurate. We express no opinion on any such information and have not undertaken any independent investigation into the business and affairs of CHGP and all relevant parties involved in the Proposed Disposal. Based on the above, we are satisfied with the information and documents provided by CHGP 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. After making all reasonable enquiries and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission.

In rendering our advice, we had taken note of pertinent issues, which we believe are necessary and important to an assessment of the implications of the Proposed Disposal and therefore of general concern to the non-interested shareholders of CHGP. As such:

- (i) The scope of BDOCC's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Disposal only. Comments or points of consideration which may be commercially oriented such as the rationale and potential benefits of the Proposed Disposal are included in our overall evaluation as we deem it necessary for disclosure purposes to enable the non-interested shareholders of CHGP to consider and form their views thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposed Disposal;

- (ii) BDOCC's views and advice as contained in this IAL only cater to the non-interested shareholders of CHGP at large and not to any shareholder 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 shareholder or any specific group of shareholders; and
- (iii) We recommend that any individual shareholder or group of shareholders of CHGP who are in doubt as to the action to be taken or require advice in relation to the Proposed Disposal in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, should consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately.

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 LPD.

The Board has seen and approved the contents of this IAL. They collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAL (save for the assessment, evaluation and opinion of BDOCC) and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any information in this IAL false or misleading.

The responsibility of the Board in respect of the independent advice and expression of opinion by BDOCC in relation to the Proposed Disposal as set out in **Section 1, Appendix IV** of the Circular, is to ensure that accurate information in relation to CHGP was provided to BDOCC for its evaluation of the Proposed Disposal and to ensure that all information in relation to CHGP that is relevant to BDOCC's evaluation of the Proposed Disposal have been completely disclosed to BDOCC and that there is no omission of material facts which would make any information provided to BDOCC false or misleading.

We shall notify the shareholders of CHGP if, after the despatch of this IAL, we become aware of the following:

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

If circumstances require, a supplementary independent advice letter will be sent to the shareholders of CHGP.

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#### 4. DECLARATION OF CONFLICT OF INTEREST

BDOCC confirms that it is not aware of any existing conflict of interest or any circumstances which would or are likely to give rise to a possible conflict of interest by virtue of BDOCC's appointment as the Independent Adviser in respect of the Proposed Disposal.

BDOCC did not have any other professional relationship with CHGP at any time during the past two (2) years prior to the date of this IAL, save as disclosed below and BDOCC's current appointment as the Independent Adviser of the Proposed Disposal:

- (i) Appointment as the independent adviser on 8 February 2024 in relation to the proposed disposal of the entire equity interest in Chin Hin Construction Engineering Sdn Bhd ("**CHCE**"), a wholly owned subsidiary company of CHGP, to Chin Hin Group Berhad ("**Chin Hin**") for a cash consideration of RM16.5 million and 95% equity interest in Kayangan to Chin Hin for a cash consideration of RM93.5 million ("**Proposed Disposal of Two Companies**").

The Proposed Disposal of Two Companies above is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the interested directors and interested shareholders of CHGP as set out in Section 10.1 of the announcement made by CHGP on 29 February 2024 in relation to the Proposed Disposal of Two Companies.

The above engagement is still on-going and the services provided above are not related to the Proposed Disposal.

- (ii) Appointment as the independent adviser on 8 February 2024 in relation to the proposed joint ventures between BKG Development Sdn Bhd ("**BKGD**"), a wholly-owned subsidiary of CHGP, and Fiamma Holdings Berhad ("**FHB**") for the joint development of 2 development projects ("**Proposed Joint Ventures**").

The Proposed Joint Ventures above is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the interested directors and interested shareholders of CHGP as set out in Section 10.2 of the announcement made by CHGP on 29 February 2024 in relation to the Proposed Joint Ventures.

The above engagement is still on-going and the services provided above are not related to the Proposed Disposal.

- (iii) Appointment of BDO Technology Solutions Sdn Bhd, a related company of BDOCC, on 5 July 2024 by CHCE, for provision of E-Invoice Middleware Software Services relating to Inland Revenue Board of Malaysia's E-Invoice implementation.

The above engagement is still on-going and the services provided above are not related to the Proposed Disposal.

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## 5. CREDENTIALS, EXPERIENCE AND EXPERTISE OF BDOCC

BDOCC is a corporate advisory firm in Malaysia with a corporate finance advisory team which provides an extensive range of services to both the corporate and financial sectors as well as the investment community. The areas of expertise include valuation services, capital market transactions and mergers and acquisitions.

The credentials and experience of BDOCC as an Independent Adviser, where we have been appointed in the past two (2) years prior to the date of this IAL, include the following proposals:

- (i) Appointment by Citaglobal Berhad as the independent adviser in relation to the proposed acquisition of 100% equity interest in Citaglobal Engineering Services Sdn Bhd for a purchase consideration of RM140.00 million. Our independent advice letter was issued on 21 September 2022;
- (ii) Appointment by Heng Huat Resources Group Berhad as the independent adviser for the conditional mandatory take-over offer by GH Consortium Sdn Bhd to acquire all the offer securities for a cash consideration of RM0.3771 per offer share and RM0.2971 per offer warrant. Our independent advice circular was issued on 31 October 2022;
- (iii) Appointment by Iskandar Waterfront City Berhad as the independent adviser in relation to the proposed disposal of a piece of freehold vacant land for a cash consideration of RM53.24 million and settlement of debt owing by the company and its subsidiary amounting to RM50.76 million by way of set-off against the disposal consideration. Our independent advice letter was issued on 31 October 2022;
- (iv) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed sale and leaseback of 3 real property assets involving the interest of related parties. Our independent advice letter was issued on 22 November 2022;
- (v) Appointment by Comintel Corporation Bhd as the independent adviser for the unconditional mandatory take-over offer by JT Conglomerate Sdn Bhd to acquire the offer shares for a cash consideration of RM0.15 per offer share. Our independent advice circular was issued on 27 December 2022;
- (vi) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed disposal of 2 parcel of land involving the interest of related parties. Our independent advice letter was issued on 22 March 2023;
- (vii) Appointment by Tropicana Corporation Berhad (“**TCB**”) as the independent adviser in relation to the proposed capitalisation of the advances amounting to RM180.00 million via issuance of new ordinary shares in TCB. Our independent advice letter was issued on 8 June 2023;
- (viii) Appointment by DPS Resources Berhad as the independent adviser in relation to the proposed exemptions by Tan Sri (Dr) Sow Chin Chuan and persons acting in concert with him from the obligation to undertake a mandatory offer for the remaining shares and convertible securities in DPS Resources Berhad not already held by them. Our independent advice letter was issued on 14 June 2023;
- (ix) Appointment by PTT Synergy Group Berhad (“**PTT**”) as the independent adviser in relation to the proposed acquisition by PTT of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd for a total purchase consideration of RM152.00 million. Our independent advice letter was issued on 30 June 2023;
- (x) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed renewal of lease of specialist medical centres involving the interest of related parties. Our independent advice letter was issued on 31 July 2023;



- (xi) Appointment by Maybulk Berhad as the independent adviser in relation to the proposed acquisition of a piece of freehold land for a cash consideration of RM165.00 million, proposed joint venture between Maybulk Berhad and Golden Valley Ventures Sdn Bhd to jointly acquire and develop the land and proposed diversification of the existing principal activities of Maybulk Berhad and its subsidiaries to include industrial property development and property investment. Our independent advice letter was issued on 9 November 2023;
- (xii) Appointment by Berjaya Corporation Berhad as the independent adviser in relation to the proposed disposal of 100% equity interest in Berjaya Enviro Holdings Sdn Bhd to Naza Corporation Holdings Sdn Bhd for a cash consideration of RM700.00 million. Our independent advice letter was issued on 14 November 2023;
- (xiii) Appointment by Ajiya Berhad as the independent adviser for the unconditional mandatory take-over offer by Chin Hin Group Berhad to acquire the offer shares for a cash consideration of RM1.53 per offer share. Our independent advice circular was issued on 26 December 2023;
- (xiv) Appointment by Comintel Corporation Bhd as the independent adviser for the proposed acquisition of construction equipment for a cash consideration of RM35.00 million and proposed renounceable rights issue to raise proceeds amounting to RM36.20 million which involves the interest of related parties. Our independent advice letter was issued on 8 February 2024;
- (xv) Appointment by Maybulk Berhad as the independent adviser in relation to the proposed exemption by Dato' Goh Cheng Huat and persons acting in concert with him from the obligation to undertake a mandatory offer for all the remaining shares in Maybulk Berhad not already owned by them. Our independent advice letter was issued on 10 May 2024;
- (xvi) Appointment by NCT Alliance Berhad ("**NCT**") as the independent adviser in relation to the proposed acquisition of the entire equity interest in NCT Builders Group Holdings Sdn Bhd from NCT Venture Corporation Sdn Bhd for a purchase consideration of RM100.89 million to be satisfied via cash consideration of RM65.49 million and the balance of RM35.40 million by way of issuance of 110,625,000 new ordinary shares in NCT at an issue price of RM0.32 per NCT share. Our independent advice letter was issued on 17 May 2024;
- (xvii) Appointment by OCR Group Berhad ("**OCR**") as the independent adviser in relation to the proposed settlement of advances owing by Stack Builder Sdn Bhd, a 50.5%-owned subsidiary of OCR, to Ong Kah Hoe ("**OKH**") and Tan Chin Hoong ("**TCH**") amounting to RM43,296,795 to be satisfied entirely via the issuance of 618,525,646 new ordinary shares in OCR at the issue price of RM0.0700 per share and proposed exemptions by OKH, TCH and persons acting in concert with them from the obligation to undertake mandatory offers for all the remaining shares in OCR not already owned by them. Our independent advice letter was issued on 10 June 2024; and
- (xviii) Appointment by Eurospan Holdings Berhad as the independent adviser for the unconditional mandatory take-over offer by Dato' Sri Tan Han Chuan to acquire the offer shares for a cash consideration of RM1.70 per offer share. Our independent advice circular was issued on 24 June 2024.

Premised on the foregoing, BDOCC is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested shareholders of CHGP in relation to the Proposed Disposal.



## 6. EVALUATION OF THE PROPOSED DISPOSAL

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

	<b>Section in this IAL</b>
(i) Rationale of the Proposed Disposal	7
(ii) Basis and justification of the Total Disposal Consideration	8
(iii) Evaluation of the salient terms of the SPAs	9
(iv) Effects of the Proposed Disposal	10
(v) Industry overview and prospects	11
(vi) Risk factors in relation to the Proposed Disposal	12

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## 7. RATIONALE OF THE PROPOSED DISPOSAL

We take cognisance of the rationale of the Proposed Disposal as outlined in **Section 4, Part A** of the Circular.

We noted from **Section 4, Part A** of the Circular that CHGP through its subsidiary, BKA had on 11 November 2023 launched the Solarvest Tower project, which consists of 1 block of 34 storey office building (355 units) at Bangsar South, Kuala Lumpur. The Proposed Disposal is to be carried out as part of the ordinary course of business of BKA as a property development where the proceeds of the Proposed Disposal will be channeled towards the property development costs of Solarvest Tower.

### Our comments:

We noted that CHGP's principal activities include property development. Accordingly, the rationale for undertaking the Proposed Disposal is reasonable as it is consistent with the principal activities of CHGP Group.

We also noted that Solarvest Tower is currently under construction and is anticipated to be completed by March 2028. As such, the Proposed Disposal represents an opportunity for BKA to dispose the Subject Properties for a Total Disposal Consideration of RM48.73 million prior to its completion.

While we noted that the Total Disposal Consideration of RM48.73 million will be paid by SESB in stages pursuant to the terms of the SPAs, we are of the view that this is reasonable as the Subject Properties are currently undergoing construction and the stages of payment commensurate with the stages of development of the Solarvest Tower.

The Proposed Disposal is also expected to increase the proforma NA of CHGP from RM386.23 million (as at 31 December 2023 and after adjustments for subsequent events) to RM393.16 million (upon completion of the Proposed Disposal) mainly due to estimated gain on disposal of RM7.33 million arising from the Proposed Disposal.

**Based on the above, we are of the view that the rationale of the Proposed Disposal is reasonable. Nevertheless, non-interested shareholders of CHGP should note that the potential benefits arising from the Proposed Disposal are subject to risk factors as disclosed in Section 5, Part A of the Circular.**

## 8. BASIS AND JUSTIFICATION OF THE TOTAL DISPOSAL CONSIDERATION

We noted in **Section 2.4, Part A** of the Circular, that the Total Disposal Consideration of RM48.73 million for the Subject Properties was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the Subject Properties, as appraised by Henry Butcher, based on its Valuation Report using the comparison approach of valuation.

As set out in **Appendix I** of the Circular, the details of the Subject Properties are summarised as follows:

Unit No.		SPA 1			SPA 2	SPA 3
		26-01	27-01	29-01	28-01	31-01
Type		Office Space				Retail Unit (Cafeteria)
Built-up area	sq. ft.	9,235	3,208	3,208	9,128	2,616
<b>Accessory parcels</b>						
Aircon ledge	sq. ft.	861	861	861	861	6,114 <sup>(1)</sup>
Ground floor lobby	sq. ft.	-	-	-	840	-

		SPA 1			SPA 2	SPA 3
Unit No.		26-01	27-01	29-01	28-01	31-01
Mechanical carpark	sq. ft.	-	-	-	1,453	-
Boom gate space	sq. ft.	-	-	-	21	-
Signage space	sq. ft.	-	-	-	108	-
Total built-up area	sq. ft.	10,096	4,069	4,069	12,411	8,730
Car Parks		84 basement parking bays	-	-	84 basement parking bays and 32 mechanical parking bays	-

**Note:**

(1) Inclusive of approximately 5,253 sq. ft. open rooftop area to serve as outdoor deck on the same level as the cafeteria.

We noted from **Section 2.1, Part A** of the Circular, the Solarvest Tower is still under construction and is approximately 45% completed as at LPD. Therefore, the strata title for each stratified parcel of the Subject Properties have not been issued as at LPD. The construction of the Subject Properties is expected to be completed by March 2028.

Based on the Valuation Report, we noted that the Valuer had adopted the comparison approach as the sole valuation method in appraising the market value of the Subject Properties. We further noted that the Valuer had not considered the residual method in view that the estimation of the GDV and GDC of the entire Solarvest Tower would not accurately represent the Subject Properties as the Subject Properties only comprise part of the Solarvest Tower (i.e. 4 levels of office space with 200 car parking bays and a retail rooftop unit with accessorised rooftop open area).

Further, we noted that the Valuer had not considered the investment method as a cross-check method as there is no existing tenancy or historical data (rental and outgoings) to allow for investment method computation. There were also limitations to the availability of market rental data for property of similar criteria or characteristic as the Subject Properties is attached with large accessory parcels which has commercial value, together with 200 parking bays (including mechanical parking bays) and open roof top area.

We also noted that the market value ascribed by the Valuer is on the basis that the Subject Properties are completed in accordance with the approved building plans and issued with Certificate of Completion and Compliance together with individual strata title.

We have also reviewed the contents of the Valuation Report, which 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. Accordingly, we are satisfied with the bases and assumptions adopted by the Valuer in arriving at the market value of the Subject Properties.

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## 8.1 Valuation of Unit 26-01, 27-01, 28-01 and 29-01 of the Subject Properties

In arriving at the market value of Unit 26-01, 27-01, 28-01 and 29-01, the Valuer has adopted the comparison approach to compare Unit 26-01, 27-01, 28-01 and 29-01 against recent and similar comparable transactions based on 3 components (i.e. office space, accessory parcel and carpark), as summarised below:

### (i) Comparison approach for office space

The details of the recent and similar comparable transactions used in the comparison approach for office space are as follows:

	Subject Properties	Comparable 1	Comparable 2	Comparable 3
Unit No.	Unit 26-01, 27-01, 28-01 and 29-01	A-27-01, A-27-02, A-27-03, A-27-9, A-27-10, A-27-11 and A-27-12	D-37-01	B-12-01 to B-12-08
Scheme	Solarvest Tower	The Vertical	Menara Suezcap	The Vertical
Locality	Jalan Kerinchi Kiri	Jalan Kerinchi	Jalan Kerinchi	Jalan Kerinchi
Tenure	Leasehold expiring on 05.09.2112	Leasehold expiring on 16.08.2106	Leasehold expiring on 11.04.2111	Leasehold expiring on 16.08.2106
Transacted price (RM)	-	7,600,950	7,500,000	11,346,147
Built-up area	1)Unit 26-01 (9,235 sq. ft.) 2)Unit 27-01 (3,208 sq. ft.) 3)Unit 28-01 (9,128 sq. ft.) 4)Unit 29-01 (3,208 sq. ft.)	7,239 sq. ft.	6,749 sq. ft.	11,457 sq. ft.
Floor level	Level 26 to 29	Level 27	Level 37	Level 12
Date of transaction	-	07.08.2023	05.12.2022	24.02.2022
Building age	Newly completed	Completed 2016, 8 years old	Completed 2017, 7 years old	Completed 2016, 8 years old
Malaysian Digital ("MSC") status	No	Yes	No	Yes
<b>Analysed rate (before adjustments) RM per sq. ft.</b>	-	<b>1,050</b>	<b>1,111</b>	<b>990</b>

Based on the above, we noted that the Valuer has make relevant adjustments on the comparable transactions based on two (2) separate categories:

(a) Unit 27-01 and Unit 29-01 (with office area of 3,208 sq. ft. each)

	<b>Adjustment factor</b>	<b>Adjustments</b>	<b>Remarks</b>	<b>Total adjustments</b>	<b>Adjusted value (RM per sq. ft.)</b>
Comparable 1	Unit size	Upward 2.5%	Comparable 1 has a larger office space (i.e. 7,239 sq. ft.) than Unit 27-01 (i.e. 3,208 sq. ft.) and 29-01 (i.e. 3,208 sq. ft.)	Upwards 2.5%	1,076 (1,050 x 1.025)
	Floor level	No adjustments	-		
	Building age	Upward 10%	Comparable 1 is older than Unit 27-01 and 29-01		
	MSC status	Downward 10%	Comparable 1 is MSC certified		
Comparable 2	Unit size	Upward 2.5%	Comparable 2 has a larger office space (i.e. 6,749 sq. ft.) than Unit 27-01 (i.e. 3,208 sq. ft.) and 29-01 (i.e. 3,208 sq. ft.)	Upwards 10%	1,222 (1,111 x 1.10)
	Floor level	Downward 2.5%	Comparable 2 is located at a higher floor level (i.e. level 37)		
	Building age	Upward 10%	Comparable 2 is older than Unit 27-01 and 29-01		
	MSC status	No adjustments	-		
Comparable 3	Unit size	Upward 7.5%	Comparable 3 has a larger office space (i.e. 11,457 sq. ft.) than Unit 27-01 (i.e. 3,208 sq. ft.) and 29-01 (i.e. 3,208 sq. ft.)	Upwards 10%	1,089 (990 x 1.10)
	Floor level	Upward 2.5%	Comparable 3 is located at a lower floor level (i.e. level 12)		
	Building age	Upward 10%	Comparable 3 is older than Unit 27-01 and 29-01		
	MSC status	Downward 10%	Comparable 3 is MSC certified		

(b) Unit 26-01 and Unit 28-01 (with office area of 9,235 sq. ft. and 9,128 sq. ft. respectively)

	<b>Adjustment factor</b>	<b>Adjustments</b>	<b>Remarks</b>	<b>Total adjustments</b>	<b>Adjusted value (RM per sq. ft.)</b>
Comparable 1	Unit size	No adjustments	-	No adjustments	1,050
	Floor level	No adjustments	-		
	Building age	Upward 10%	Comparable 1 is older than Unit 26-01 and 28-01		
	MSC status	Downward 10%	Comparable 1 is MSC certified		
Comparable 2	Unit size	Downward 2.5%	Comparable 2 has a smaller office space (i.e. 6,749 sq. ft.) than Unit 26-01 (i.e. 9,235 sq. ft.) and 28-01 (i.e. 9,128 sq. ft.)	Upwards 5%	1,167 (1,111 x 1.05)
	Floor level	Downward 2.5%	Comparable 2 is located at a higher floor level (i.e. level 37)		
	Building age	Upward 10%	Comparable 2 is older than Unit 26-01 and 28-01		
	MSC status	No adjustments	-		
Comparable 3	Unit size	Upward 2.5%	Comparable 3 has a larger office space (i.e. 11,457 sq. ft.) than Unit 26-01 (i.e. 9,235 sq. ft.) and 28-01 (i.e. 9,128 sq. ft.)	Upwards 5%	1,040 (990 x 1.05)
	Floor level	Upward 2.5%	Comparable 3 is located at a lower floor level (i.e. level 12)		
	Building age	Upward 10%	Comparable 3 is older than Unit 26-01 and 28-01		
	MSC status	Downward 10%	Comparable 3 is MSC certified		

**Our Comments:**

Based on the Valuation Report, we noted the following:

- (i) The Valuer has made adjustments to the value of the comparables for differences in unit size, floor level, building age and MSC status; and
- (ii) The Valuer has selected Comparable 1 as the best comparable on the basis that it has the least adjustment (i.e. 2.5% adjustment for Unit 27-01 and 29-01 and no adjustment for Unit 26-01 and 28-01).

Accordingly, the Valuer has adopted the following value for office space for Unit 26-01, 27-01, 28-01 and 29-01:

Subject Properties	Built-up Area (sq. ft.)	Adopted value for office space (RM per sq. ft.)
Unit 27-01	3,208	1,076 (based on Comparable 1)
Unit 29-01	3,208	
Unit 26-01	9,235	1,050 (based on Comparable 1)
Unit 28-01	9,128	

Based on the above, we are of the view that the bases and assumptions used by the Valuer in deriving the respective adjusted values of the comparables are reasonable.

As such, we are of the view that the adopted market value for the valuation of office space of RM1,076 per sq. ft. for Unit 27-01 and 29-01 and RM1,050 per sq. ft. for Unit 26-01 and 28-01 is **fair**.

**(ii) Comparison approach for accessory parcel**

Based on the Valuation Report, we noted that the Unit 26-01, 27-01, 28-01 and 29-01 comes with accessory parcels (i.e. aircon ledge). Accordingly, the Valuer has adopted:

- (i) a value of RM538 per sq. ft. for the accessory parcels of Unit 27-01 and 29-01 which is approximately half the value adopted for the office space of RM1,076 per sq. ft. for Unit 27-01 and 29-01; and
- (ii) a value of RM525 per sq. ft. for the accessory parcels of Unit 26-01 and 28-01 which is approximately half the value adopted for the office space of RM1,050 per sq. ft. for Unit 26-01 and 28-01.

Based on our discussion with the Valuer, we noted that the adopted value of the accessory parcels is after taking into consideration the Valuer's professional judgement and past experience. Accordingly, the Valuer has adopted half of the adopted rate of the office space (as set out in **Section 8.1(i)** of this IAL) due to the difference in nature between the office space and accessory parcels and that the accessory parcels is a supporting feature to the office space. We further noted that based on the Valuer's internal analysis on historical transactions of similar type of properties attached with accessory parcels, the accessory parcels apportionment in terms of the total transacted value is approximately 50%. We also noted from the Valuer that there are no historical transactions of accessory parcel alone as it has to be transacted and transferred together with the main parcel and the transacted value is usually transacted as a whole. As such, we are of the view that the adopted market value for the valuation of accessory parcels of RM538 per sq. ft. for Unit 27-01 and 29-01 and RM525 per sq. ft. for Unit 26-01 and 28-01 is **fair**.



(iii) **Comparison approach for carpark**

The details of the recent and similar comparable transactions used in the comparison approach for carpark are as follows:

	<b>Subject Properties</b>	<b>Comparable 1</b>	<b>Comparable 2</b>
Type	Carpark for office	Carpark for office tower and a parcel of carpark management office at basement	Carpark for hospital
Scheme	Solarvest Tower	Pacific Tower	KPJ Selangor Specialist
Locality	Jalan Kerinchi Kiri, Bangsar South	Section 13, Petaling Jaya	Section 20, Shah Alam
Tenure	Leasehold, expiring on 05.09.2112	Leasehold, expiring on 21.05.2112	Leasehold, expiring on 01.07.2096
No. of parking bays	200 (including 32 mechanical car park bays)	1,216	286
Transacted price (RM)	-	53,700,000	13,000,000
Date of transaction	-	14.10.2019	08.12.2017
<b>Analysed rate (RM per bay)</b>	-	<b>44,161</b>	<b>45,454</b>
Time factor	-	Upward 5%	Upward 5%
<b>Adjusted value (after adjusting for time factor) RM per bay</b>	-	<b>46,369</b>	<b>47,727</b>

Based on the above, we noted that the Valuer has make relevant adjustments on the comparable transactions based on the following:

	<b>Adjustment factor</b>	<b>Adjustments</b>	<b>Remarks</b>	<b>Total adjustments</b>	<b>Adjusted value (RM per bay)</b>
Comparable 1	Location	No adjustments	-	10%	51,006 (46,369 x 1.10)
	No. of parking bays	Upward 10%	Comparable 1 has higher number of carparks than the Subject Properties		
Comparable 2	Location	Upward 5%	Comparable 2 has a less superior location than the Subject Properties	5%	50,114 (47,727 x 1.05)
	No. of parking bays	No adjustments	-		

**Our Comments:**

Based on the Valuation Report, we noted the following:

- (i) The Valuer has made adjustments to the value of the comparables for differences in location and number of parking bays;
- (ii) For valuation of basement carpark, the Valuer has adopted the value of RM50,000 per bay which is close to the adjusted value of comparable 1 and comparable 2 of RM51,006 per bay and RM50,114 per bay respectively; and
- (iii) For valuation of mechanical carpark, the Valuer has adopted the value of RM45,000 per bay which is slightly lower than the rate of RM50,000 per bay due to the costlier maintenance factor in the long run as compare to the conventional parking bays located at the basement levels of Solarvest Tower.

Based on the above, we are of the view that the bases and assumptions used by the Valuer in deriving the respective adjusted values of the comparables are reasonable.

As such, we are of the view that the adopted market value of RM50,000 per bay for the valuation of basement carpark and RM45,000 per bay for the valuation of mechanical carpark is **fair**.

**8.1.1 Summary of valuation of Unit 26-01, 27-01, 28-01 and 29-01 of the Subject Properties**

Based on the above, the computation of the market value of Unit 26-01, 27-01, 28-01 and 29-01 are summarised below:

Subject Properties	Floor Area / No. of Bays	Adopted Rate (RM per sq. ft. / RM per bay)	Market Value (RM)	Total Market Value (RM) - Rounded
<b>Unit 26-01</b>				
Office space	9,235 sq. ft.	1,050	9,696,750	14,400,000
Accessory parcel	861 sq. ft.	525	452,025	
Basement carpark	84 bays	50,000	4,200,000	
<b>Unit 27-01</b>				
Office space	3,208 sq. ft.	1,076	3,451,808	3,900,000
Accessory parcel	861 sq. ft.	538	463,218	
<b>Unit 28-01</b>				
Office space	9,128 sq. ft.	1,050	9,584,400	16,100,000
Accessory parcel	1,701 sq. ft. <sup>^</sup>	525	893,025	
Basement carpark	84 bays	50,000	4,200,000	
Mechanical carpark	32 bays	45,000	1,440,000	
<b>Unit 29-01</b>				
Office space	3,208 sq. ft.	1,076	3,451,808	3,900,000
Accessory parcel	861 sq. ft.	538	463,218	

**Note:**

<sup>^</sup> Accessory parcel area exclude mechanical carpark, boom gate space and signage space.

## 8.2 Valuation of Unit 31-01 of the Subject Properties

In arriving at the market value of Unit 31-01, the Valuer has adopted the comparison approach to compare Unit 31-01 against recent and similar comparable transactions based on 3 components (i.e. retail space area, accessory parcel - aircon ledge and accessory parcel - open rooftop), as summarised below:

### (i) Comparison approach for retail space area

	Subject Properties	Comparable 1	Comparable 2	Comparable 3
Unit No.	Unit 31-01	P-01-05	2-57-1	P-01-13A
Scheme	Solarvest Tower	Tropicana Avenue	Residensi Star	Tropicana Avenue
Locality	Jalan Kerinchi Kiri	Persiaran Tropicana	Jalan Yap Kwan Seng	Persiaran Tropicana
Tenure	Leasehold expiring on 05.09.2112	Leasehold expiring on 22.09.2109	Freehold	Leasehold expiring on 22.09.2109
Total built-up area	1) Built-up area (2,616 sq. ft.) 2) Aircon ledge (861 sq. ft.) 3) Open rooftop (5,253 sq. ft.)	1,615 sq. ft.	1) Built-up area (1,464 sq. ft.) 2) Open space area (1,647 sq. ft.)	1,582 sq. ft.
Transacted price (RM)	-	2,330,000	5,900,000	2,300,000
Date of transaction	-	26.09.2023	09.11.2022	07.09.2022
Building age	Newly completed	Completed 2015, 9 years old	Completed 2019, 5 years old	Completed 2015, 9 years old
<b>Analysed rate (before adjustments) RM per sq. ft.</b>	-	1,443	2,579 <sup>(1)</sup>	1,454

#### Note:

(1) The total floor area for Comparable 2 mainly comprises retail space area of 1,464 sq. ft. and accessory parcel area of 1,647 sq. ft.. In computing the transacted rate of Comparable 2, the Valuer had applied similar approach on the valuation of accessory parcel as disclosed in **Section 8.1(ii)** of this IAL by adopting half of the accessory parcel area to be entitled to the full transacted rate. The computation of Comparable 2's transacted rate is summarised as follows:

	Notes	Sq. ft.	RM
Transacted price	(a)		5,900,000
Retail space area	(b)	1,464	
Accessory parcel	(c)	1,647	
Half of the accessory parcel entitled to full rate analysis	(d) = (c) / 2	823.5	
Total floor area subject to full rate analysis	(e) = (b) + (d)	2,287.5	
Analysed rate	(a) / (e)		2,579 per sq. ft.

Based on the above, we noted that the Valuer has make relevant adjustments on the comparable transactions based on the following:

	Adjustment factor	Adjustments	Remarks	Total adjustments	Adjusted value (RM per sq. ft.)
Comparable 1	Location	Upward 10%	Comparable 1 has a less superior location than Unit 31-01	Upwards 55%	2,237 (1,443 x 1.55)
	Tenure	No adjustments	-		
	Floor level	Upward 30%	Unit 31-01 is located at the rooftop level with better view		
	Building age	Upward 15%	Comparable 1 is older than Unit 31-01		
Comparable 2	Location	Downward 20%	Comparable 2 has a more superior location than Unit 31-01	Downwards 25%	1,934 (2,579 x 0.75)
	Tenure	Downward 10%	Comparable 2 is freehold		
	Floor level	No adjustments	-		
	Building age	Upward 5%	Comparable 2 is older than Unit 31-01		
Comparable 3	Location	Upward 10%	Comparable 3 has a less superior location than Unit 31-01	Upwards 55%	2,253 (1,454 x 1.55)
	Tenure	No adjustments	-		
	Floor level	Upward 30%	Unit 31-01 is located at the rooftop level with better view		
	Building age	Upward 15%	Comparable 3 is older than Unit 31-01		

**Our Comments:**

Based on the Valuation Report, we noted the following:

- (i) The Valuer has made adjustments to the value of the comparables for differences in location, tenure, floor level and building age;
- (ii) The Valuer has selected Comparable 2 as the best comparable as it has the most similarity with Unit 31-01; and
- (iii) The Valuer had adopted RM1,934 per sq. ft. for the valuation of Unit 31-01 (derived based on the adjusted value of Comparable 2).

Based on the above, we are of the view that the bases and assumptions used by the Valuer in deriving the respective adjusted values of the comparables are reasonable.

As such, we are of the view that the adopted market value for the valuation of Unit 31-01 of RM1,934 per sq. ft. is **fair**.

**(ii) Comparison approach for accessory parcels (i.e. aircon ledge and open rooftop)**

Based on the Valuation Report, we noted that the Unit 31-01 comes with accessory parcels (i.e. aircon ledge and open rooftop). Accordingly, the Valuer has adopted:

- (i) a value of RM967 per sq. ft. for the accessory parcel (i.e. aircon ledge) of Unit 31-01 which is approximately half the value adopted for the retail space area of RM1,934 per sq. ft. for Unit 31-01; and
- (ii) a value of RM870 per sq. ft. for the accessory parcel (i.e. open rooftop) of Unit 31-01 which is approximately half the value adopted for the retail space area of RM1,934 per sq. ft. for Unit 31-01 plus an additional 10% discount adjustment due to its large area.

Based on our discussion with the Valuer, we noted that the adopted value of the accessory parcels is after taking into consideration the Valuer's professional judgement and past experience. Accordingly, the Valuer has adopted half of the adopted rate of the retail space area (as set out in **Section 8.2(i)** of this IAL) due to the difference in nature between the retail space area and its accessory parcels and that the accessory parcels is a supporting feature to the retail space. We further noted that based on the Valuer's internal analysis on historical transactions of similar type of properties attached with accessory parcels, the accessory parcels apportionment in terms of the total transacted value is approximately 50%. We also noted from the Valuer that there are no historical transactions of accessory parcel alone as it has to be transacted and transferred together with the main parcel and the transacted value is usually transacted as a whole. As such, we are of the view that the adopted market value for the valuation of accessory parcels (i.e. aircon ledge of RM967 per sq. ft. and open rooftop of RM870 per sq. ft.) is **fair**.

**8.2.1 Summary of valuation of Unit 31-01 of the Subject Properties**

Based on the above, the computation of the market value of Unit 31-01 are summarised below:

<b>Subject Properties</b>	<b>Floor Area (sq. ft.)</b>	<b>Adopted Rate (RM per sq. ft.)</b>	<b>Market Value (RM)</b>	<b>Total Market Value (RM) - Rounded</b>
<b>Unit 31-01</b>				
Retail space	2,616	1,934	5,059,344	
Accessory parcel (aircon ledge)	861	967	832,587	
Accessory parcel (open rooftop)	5,253	870	4,570,110	
<b>Total</b>	<b>8,730</b>		<b>10,462,041</b>	<b>10,500,000</b>

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### 8.3 Comparison of Total Disposal Consideration against market value of Subject Properties (i.e. Unit 26-01, 27-01, 28-01, 29-01 and 31-01)

In arriving at the fairness evaluation of the Total Disposal Consideration, we have compared the Total Disposal Consideration against the market value of the Subject Properties as appraised by the Valuer as follows:

<b>Subject Properties</b>	<b>Market Value (RM)</b>	<b>Total Disposal Consideration (RM)</b>
Unit 26-01	14,400,000	14,350,000
Unit 27-01	3,900,000	3,930,000
Unit 28-01	16,100,000	16,120,000
Unit 29-01	3,900,000	3,930,000
Unit 31-01	10,500,000	10,400,000
<b>Total</b>	<b>48,800,000</b>	<b>48,730,000</b>


Based on the table above, the Total Disposal Consideration of RM48.73 million is close to the market value of the Subject Properties of RM48.80 million.


**As such, we are of the view that the Total Disposal Consideration is fair.**

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## 9. EVALUATION OF THE SALIENT TERMS OF THE SPAs


The salient terms of the SPAs are disclosed in **Appendix II** of the Circular. The following sets out only a summary of the material salient terms of the SPAs that was considered by us and non-interested shareholders of CHGP are advised to read **Appendix II** of the Circular in its entirety.


No.	Salient Terms of the SPAs	Our Comments
1.	<p><b>Parties involved</b></p> <p>(i) <b>Vendor</b> - BK Alliance Sdn Bhd            (ii) <b>Purchaser</b> - Solarvest Energy Sdn Bhd</p> <p>(collectively, the "<b>Parties</b>" and individually, the "<b>Party</b>")</p>	-
2.	<p><b>Details of the said Parcel</b></p> <p>(i) The Vendor agrees to sell and the Purchaser agrees to purchase, with vacant possession and free from encumbrances but subject to all such conditions of title, express conditions, category of land use and restrictions in interests, whether expressed or implied in the document of title to the said Land (as defined below) and on the strata title when issued, the parcels of office suite for commercial and business usage or any similar commercial elements usage in whatsoever nature as approved by the Appropriate Authorities, comprising:</p> <p><b><u>pursuant to SPA 1:</u></b></p> <p>(a) the entire Level 26, Unit No. 26-01, Storey No. 26, measuring approximately 858 square metres in built-up area with air conditioner ledge measuring approximately 80 square metres and car park bays designated as follows:</p> <p style="margin-left: 40px;">I. basement 3: 20 bays;</p> <p style="margin-left: 40px;">II. basement 4: 43 bays;</p> <p style="margin-left: 40px;">III. basement 5: 21 bays,</p> <p style="margin-left: 40px;">(collectively, the "<b>Level 26</b>");</p> <p>(b) the entire Level 27, Unit No. 27-01, Storey No. 27, measuring approximately 298 square metres in built-up area with air conditioner ledge measuring approximately 80 square metres ("<b>Level 27</b>"); and</p> <p>(c) the entire Level 29, Unit No. 29-01, Storey No. 29, measuring approximately 298 square metres in built-up area with air conditioner ledge measuring approximately 80 square metres ("<b>Level 29</b>");</p>	<p>These terms are reasonable as the terms of the SPAs clearly set out the details of the Subject Properties which are subject to the Proposed Disposal.</p> 


No.	Salient Terms of the SPAs	Our Comments
	<p><b><u>pursuant to SPA 2:</u></b></p> <p>(a) the entire Level 28, Unit No. 28-01, Storey No. 28, measuring approximately 848 square metres in built-up area with the following accessory parcels:</p> <ul style="list-style-type: none"> <li>I. air conditioner ledge measuring approximately 80 square metres;</li> <li>II. car park bays at basement 1 (18 bays);</li> <li>III. car park bays at basement 2 (43 bays);</li> <li>IV. car park bays at basement 3 (23 bays);</li> <li>V. ground floor lobby;</li> <li>VI. mechanical car park (32 bays);</li> <li>VII. boom gate space at basement 1, ground floor, and level 1; and</li> <li>VIII. signage space at Level 30,</li> </ul> <p>(collectively, the “<b>Level 28</b>”. The total area of the lobby, mechanical car park, boom gate and signage space combined is approximately 225 square metres);</p> <p><b><u>pursuant to SPA 3:</u></b></p> <p>(i) the entire Level 31, Unit No. 31-01, Storey No. 31, measuring approximately 243 square metres in built-up area with air conditioner ledge measuring approximately 568 square metres (“<b>Level 31</b>”), specifically intended and designated for use and operation as a cafeteria,</p> <p>(Level 26, Level 27, Level 28, Level 29 and Level 31 are collectively known as the “<b>said Parcel</b>”),</p> <p>located within a project name called ‘<b>MENARA SOLARVEST (SOLARVEST TOWER)</b>’ or such other name as may be determined by the Vendor (“<b>Project</b>”) erected on all that piece of leasehold land held under Pajakan Negeri 53073, Lot No. 481445, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur with an area measuring approximately 1,943 square metres (“<b>said Land</b>”) in total with the lease expiring on 5th September 2112 at the Purchase Price (as defined below) and subject to the terms and conditions contained in the SPAs.</p>	






No.	Salient Terms of the SPAs	Our Comments																																									
	<p><b>Note:</b>  <i>“Appropriate Authorities” means any authority authorised under any written law in force in Peninsular Malaysia to approve subdivision of land, subdivision of buildings, building plans, the issuance of document of title and to enforce any other laws and includes any corporation, company or private agency licensed by the Appropriate Authority to provide water, electricity, telecommunication, sewerage services and other related services.</i></p>																																										
3.	<p><b>Purchase Price and Manner of Payment of Purchase Price</b></p> <p>(i) The total purchase price of the said Parcel (<b>“Purchase Price”</b>) is <b>RM48,730,000.00</b>, the breakdown of which is as follows:</p> <table border="1" data-bbox="339 779 892 1005"> <thead> <tr> <th>SPAs</th> <th>Parcel</th> <th>Purchase Price (RM)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">SPA 1</td> <td>Level 26</td> <td>14,350,000.00</td> </tr> <tr> <td>Level 27</td> <td>3,930,000.00</td> </tr> <tr> <td>Level 29</td> <td>3,930,000.00</td> </tr> <tr> <td>SPA 2</td> <td>Level 28</td> <td>16,120,000.00</td> </tr> <tr> <td>SPA 3</td> <td>Level 31</td> <td>10,400,000.00</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Total</b></td> <td><b>48,730,000.00</b></td> </tr> </tbody> </table> <p>(ii) Upon execution of the SPAs, a sum equivalent to ten per centum (10%) of the Purchase Price (in accordance with SPA 1, SPA 2 and SPA 3, respectively) shall be payable to the Vendor as refundable deposit.</p> <p>(iii) The remainder of the Purchase Price shall be payable only after the Unconditional Date (as defined below) and shall be paid by the Purchaser to the Vendor by the Instalments (as defined below) and at the time and in the manner as prescribed in the schedule of payment of Purchase Price (<b>“Schedule of Payment”</b>), provided that such payments are only sought by the Vendor and such billings are issued after the Unconditional Date.</p> <p>(iv) The Vendor is not bound to commence or complete the works in the order referred to in the Schedule of Payment and the Purchaser shall pay the Instalments according to the stage of works commenced by the Vendor.</p>	SPAs	Parcel	Purchase Price (RM)	SPA 1	Level 26	14,350,000.00	Level 27	3,930,000.00	Level 29	3,930,000.00	SPA 2	Level 28	16,120,000.00	SPA 3	Level 31	10,400,000.00	<b>Total</b>		<b>48,730,000.00</b>	<p>The Total Disposal Consideration of RM48.73 million is fair as it is based on a “willing-buyer willing-seller” basis and the Total Disposal Consideration of RM48.73 million is close to the market value of the Subject Properties of RM48.80 million as appraised by the Valuer.</p> <p>The deposit payment of 10% is reasonable as it is a common commercial term in an agreement for transactions that are similar to the Proposed Disposal.</p> <p>We noted in the salient terms of the SPAs that the Purchaser shall pay the Total Disposal Consideration of RM48.73 million in stages in the following manner:</p> <table border="1" data-bbox="1002 1361 1508 1960"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2"></th> <th colspan="2">Total Disposal Consideration</th> </tr> <tr> <th>(RM'000)</th> <th>(%)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Upon execution of the SPAs</td> <td>4,873.00</td> <td>10.00</td> </tr> <tr> <td>(ii)</td> <td>Within 21 days from the completion of each stage of work (total of 10 stages)</td> <td>41,420.50</td> <td>85.00</td> </tr> <tr> <td>(iii)</td> <td>The date where the Purchaser takes vacant possession</td> <td>2,436.50</td> <td>5.00</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>48,730.00</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>			Total Disposal Consideration		(RM'000)	(%)	(i)	Upon execution of the SPAs	4,873.00	10.00	(ii)	Within 21 days from the completion of each stage of work (total of 10 stages)	41,420.50	85.00	(iii)	The date where the Purchaser takes vacant possession	2,436.50	5.00	<b>Total</b>		<b>48,730.00</b>	<b>100.00</b>
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No.	Salient Terms of the SPAs	Our Comments
	<p>(v) The Purchaser may defer the payment of any Instalments due, with the final payment of all deferred Instalments, including accrued interest, to be completed no later than 5th October 2024. Interest on the deferred Instalment shall accrue from the day following the expiry of the 21 days period from the date of each of the Vendor's written notices requesting payment, provided that such billings are issued after the Unconditional Date, at the rate specified of 10% per annum, up until the payment is made in full.</p> <p>(vi) Every notice referred to in the Schedule of Payment requesting for payment shall be supported by a certificate signed by the Vendor's Architect certifying the completion of any pertinent stage of the construction of the said Parcel, and such certification by the Vendor's Architect shall be final and conclusive and shall be binding on the Parties. The Purchaser shall within 21 days from the date of the Vendor's written notice requesting for payment of any of the Instalments, pay to the Vendor the Instalments therein stated. If the Purchaser elects to defer payment in accordance with the terms outlined in paragraph (vi) above, late payment interest on such deferred Instalments will commence accruing after the lapse of this 21 days period, and continue accruing until the deferred payment is fully settled on or before 5th October 2024.</p>	<p>We are of view that the payment schedule above is reasonable as CHGP will be able to receive RM4.87 million or 10% of the Total Disposal Consideration upon execution of the SPAs and subsequently receive periodic cashflows from the Instalments which commensurate with the stages of development of the Solarvest Tower.</p> <p>Accordingly, this will help improve the operating cashflow of CHGP during the construction of Solarvest Tower. For information purposes, the operating cashflow of CHGP Group is negative RM140.58 million for the FYE 31 December 2023.</p> <p>This term is reasonable and serve to protect the interest of the Vendor as any deferment of Instalments by the Purchaser shall be subject to interest at a rate of 10% per annum.</p> <p>This term is reasonable and serves to protect the interest of both parties as the stages of completion are duly verified and confirmed by a professional architect.</p> 

No.	Salient Terms of the SPAs	Our Comments
	<p>(vii) If the Purchaser is desirous of obtaining a loan to finance the payment of the Purchase Price of the said Parcel, it shall be done in accordance with the provisions of the SPAs.</p> <p>(viii) The Purchase Price and all other monies to be paid by the Purchaser to the Vendor under the SPAs is exclusive of any Tax, and shall be paid without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding. Any deduction or withholding to be made from the Purchase Price and/or all other monies payable to the Vendor, under the SPAs in respect of any Tax or otherwise shall be paid in accordance with and subjected to the provisions contained in the SPAs.</p> <p><b>Note:</b>  <i>"Instalments" means the instalments under the Schedule of Payment and "Instalment" shall be construed accordingly;</i></p> <p><i>"Tax" means any present or future, direct or indirect, Malaysian or foreign tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, including, without limitation, any consumption tax such as the sales and services tax ("SST") and other taxes by whatever name called, and any interest or penalties in respect thereof; and</i></p> <p><i>"Vendor's Architect" means the licensed architect appointed by the Vendor for the time being in respect of the development of the Project on the said Land.</i></p>	<p>We noted that in the event the Purchaser fails to obtain the loan for any reason whatsoever, the Purchaser shall still be liable to pay to the Vendor the Total Disposal Consideration or such part thereof by way of the Instalments as and when the same is due and payable together with the interest for late payment (if any) as provided under the terms of the SPAs.</p> <p>As such, this term is reasonable and serves to protect the interest of the Vendor.</p> <p>This term is reasonable as it is a common commercial term in an agreement for transactions that are similar to the Proposed Disposal.</p> 
4.	<p><b>Condition Precedent</b></p> <p>(i) The Parties agree that the SPAs shall be conditional upon the following:</p> <p>(a) the Vendor successfully obtaining the approval of its holding company, directors and/or shareholders, including the convening of an Extraordinary General Meeting ("<b>EGM</b>");</p> <p>(b) the Purchaser successfully obtaining the approval of its holding company, directors and/or shareholders, including the convening of an EGM,</p> <p>(collectively, the "<b>Condition Precedent</b>"), within 3 months from the date of the SPAs,</p>	<p>These terms are reasonable as the Condition Precedent of the SPAs are the requisite approvals required to be fulfilled by the parties of the SPAs to complete the Proposed Disposal. These terms also ensure that the transaction is in compliance with the applicable laws and regulatory requirements.</p> <p>We are of the view that a time period of 3 months is reasonable for the parties of the SPAs to fulfil the Condition Precedent of the SPAs.</p>

No.	Salient Terms of the SPAs	Our Comments
	<p>subject to such extension of time as the Parties may mutually agree (“<b>Conditional Period</b>”).</p> <p>(ii) In the event the Condition Precedent cannot be fulfilled within the Conditional Period, each Party shall be entitled to terminate the SPAs by providing written notice to the other Party. Upon such termination, the Vendor shall refund to the Purchaser all payments made (if any) by the Purchaser towards the Purchase Price, free of interest, within 60 days of receipt of the termination notice. Thereafter, the SPAs shall be terminated and be no further effect and the Vendor and the Purchaser shall have no further claim whatsoever against the other, save and except for any antecedent breaches of the SPAs. The Purchaser shall have no further claims whatsoever against the said Parcel and the Vendor shall be at liberty to deal with the said Parcel in such manner as the Vendor shall think fit.</p> <p>(iii) The SPAs shall be rendered “<b>Unconditional</b>” upon the fulfilment of the Condition Precedent (“<b>Unconditional Date</b>”).</p>	<p>This term serves to protect the interest of both parties as either party is entitled to terminate the SPAs in the event that the Condition Precedent is not fulfilled within the Conditional Period.</p> <p>In such event, the Vendor must return all payments received as part of the Total Disposal Consideration within 60 days of receipt of the termination notice.</p> <p>This term is reasonable as it is a common commercial term in an agreement for transactions that are similar to the Proposed Disposal.</p>
5.	<p><b>Default by the Parties and Determination of the SPAs</b></p> <p>(i) Upon the occurrence of the following events, the Vendor shall be entitled to give the Purchaser not less than 14 days written notice to treat the SPAs as having been repudiated by the Purchaser and unless in the meanwhile such default and/or alleged breach is rectified and such unpaid Instalments or any part thereof, interest and other monies due under the SPAs are paid, the SPAs shall, at the expiration of the said notice, at the option of the Vendor be deemed to be terminated:</p> <p>(a) the Purchaser fails to pay any Instalments (or any part thereof) and/or any interest payable and/or any monies payable under the SPAs within the time stipulated for payment;</p> <p>(b) the Purchaser commits any breach of the terms or conditions contained in the SPAs or fails to perform or observe all or any of his covenants therein contained;</p> <p>(c) the Purchaser, before payment in full of the Purchase Price of the said Parcel commits an act of bankruptcy or enters into any statutory or other composition or scheme of arrangement with his creditors or being a company enters into liquidation whether compulsory or voluntary or be unable to pay its debts within the meaning of Section 465 of the Companies Act 2016 or any amendment modification or re-enactment thereof or has a petition presented</p>	<p>This term is reasonable and serve to protect the interest of the Vendor as it allows the Vendor to terminate the SPAs if the Purchaser commits any breach of any of the obligations under the terms of the SPAs which is incapable of remedy within fourteen (14) days of it being given notice to do so.</p> 

No.	Salient Terms of the SPAs	Our Comments
	<p>or an order made or a resolution passed or legislation enacted for its winding up; or</p> <p>(d) any receiver or manager shall be appointed by any creditor of the Purchaser over any of its undertakings or property or any part thereof or any distress action is carried out against the Purchaser's property or any part thereof.</p> <p>(ii) Subject to the Purchaser not being in breach of any terms and conditions of the SPAs, the Purchaser shall be entitled to terminate the SPAs by providing written notice to the Vendor if the Vendor:</p> <p>(a) is adjudicated as wound up or commits an act of winding up;</p> <p>(b) elects to terminate the SPAs unilaterally;</p> <p>(c) fails to deliver vacant possession of the Parcel within 12 months after the expiry of the completion period as stated in the SPAs and subject always to the provisions of the SPAs;</p> <p>(d) abandons the Project.</p> <p>(iii) Upon the termination of the SPAs in accordance with paragraphs (i) or (ii) above, the Parties shall deal accordingly in the manner stated in the SPAs.</p>	<p>This term is reasonable as it is a common commercial term in an agreement for transactions that are similar to the Proposed Disposal.</p> 
6.	<p><b>Delivery of Vacant Possession</b></p> <p>(i) Provided that the Purchaser shall have paid to the Vendor the full Purchase Price and all monies payable under the SPAs and/or the Deed of Mutual Covenants and the Purchaser having performed and observed all terms and covenants on his part to be performed under the SPAs and/or the Deed of Mutual Covenants, the said Parcel shall be completed and be ready for delivery of vacant possession to the Purchaser within <b>52 months</b> from the date of the SPAs ("<b>52 Months Period</b>").</p> <p>(ii) In the event that the Vendor fails to deliver vacant possession of the said Parcel within the 52 Months Period, the Vendor shall pay to the Purchaser agreed liquidated damages calculated on a daily basis at the rate of 10% per annum on the Purchase Price of the said Parcel from the expiry of the 52 Months Period up to the date of a notice from the Vendor requesting the Purchaser to take vacant possession of the said Parcel, as provided in paragraph (iii) below.</p>	<p>We are of the view that 52 months (i.e. 4.3 years) is a reasonable period as the CHGP aims to complete the construction of Solarvest Tower by March 2028, which is approximately 3.75 years from the date of the SPAs.</p> <p>This term is reasonable as it is mutually agreed that the Vendor will compensate the Purchaser the agreed liquidated damages in the event that the Vendor fails to deliver the vacant possession of the Subject Properties within 52 Months Period.</p> <p>We are of the view that the rate of 10% for liquidated damages is reasonable as it is mutually agreed between the Vendor and Purchaser and the rate is consistent with other units that were sold in Solarvest Tower to other third party buyers.</p>

No.	Salient Terms of the SPAs	Our Comments
	<p>(iii) Upon the issuance of the Certificate of Completion and Compliance in respect of the said Parcel, the Vendor shall by a written notice to the Purchaser request the Purchaser to take vacant possession of the said Parcel provided that such possession shall not give the Purchaser the right to occupy and the Purchaser shall not occupy the said Parcel until the full Purchase Price and all monies due under the SPAs and/or the Deed of Mutual Covenants have been paid to the Vendor and the Purchaser having performed and observed all terms and covenants on his part to be performed under the SPAs and/or the Deed of Mutual Covenants.</p> <p>(iv) Upon the expiry of 14 days from the date of Vendor's written notice requesting the Purchaser to take vacant possession of the said Parcel, whether or not the Purchaser has actually entered into possession or occupation of the said Parcel, the Purchaser shall be deemed to have taken delivery of vacant possession of the said Parcel and thereafter the Vendor shall not be liable for any loss or damage to the said Parcel and/or the fixtures and fittings therein.</p> <p><b>Note:</b>  <i>"Certificate of Completion and Compliance" means the certificate of completion and compliance given or granted under the Street, Drainage and Building Act 1974 [Act 133] and any by-laws made under that Act certifying that the said Parcel including common facilities has been completed and is safe and fit for occupation and includes a partial certificate of completion and compliance; and</i></p> <p><i>"Deed of Mutual Covenants" means the deed of mutual covenants executed or to be executed pursuant to the SPAs.</i></p>	
7.	<p><b>Defect Liability Period</b></p> <p>(i) Where any defects in the said Parcel which shall become apparent within 12 calendar months commencing from the date on which the Purchaser shall have taken or shall be deemed to have taken delivery of vacant possession of the said Parcel which are due to defective workmanship or materials or the said Parcel not having been constructed in accordance with the Building Plans and/or Specifications set out in the SPAs (subject to further provisions in the SPAs), the Vendor shall within 30 working days from the date of receipt of a written notice of the same from the Purchaser make good the defects at its own costs and expenses provided that:</p>	<p>This term is reasonable as it is a common commercial term in an agreement for transactions that are similar to the Proposed Disposal.</p> 

No.	Salient Terms of the SPAs	Our Comments
	<p>(a) the Vendor shall not be liable to make good any defects in the said Parcel and/or the materials and items provided in the Specifications if such defects were caused or found to be contributed by any acts or omissions of the Purchaser including but not limited to any renovations and other works carried out by the Purchaser to the said Parcel; and</p> <p>(b) in the event that the Purchaser fails to grant full access to the Vendor and/or its authorised representative to rectify the defect for whatsoever reasons, the obligation of the Vendor to rectify the defect within 30 working days shall be correspondently extended until the full access is granted to the Vendor for the rectification of the defect to the said Parcel.</p> <p>(ii) In the event of any dispute as to whether or not the defects in the said Parcel falls within the ambit of the SPAs, the decision of the Vendor's Architect shall be final and binding upon the Parties.</p> <p><b>Note:</b>  <i>"Building Plans" means the Building Plans comprising the site plan, storey plan, layout plan, attached in the SPAs and includes (i) such further or other amendments and/or changes whatsoever and howsoever thereto as may subsequently from time to time be required by the Appropriate Authorities and (ii) such amendments and/or changes whatsoever and howsoever thereto as may from time to time and at any time be considered as necessary or expedient or advisable or desirable by the Vendor or the Vendor's Architect (subject however to the approval of the Appropriate Authorities for such amendments and/or changes).</i></p> <p><i>"Specifications" means the specifications listed in the SPAs.</i></p>	

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

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## 10. EFFECTS OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have taken note of the effects of the Proposed Disposal as set out in **Section 7, Part A** of the Circular. Our comments on the effects of the Proposed Disposal are as follows:

### (i) Issued share capital and substantial shareholders' shareholding

We noted that the Proposed Disposal do not involve the issuance of any new shares in CHGP. As such, the Proposed Disposal will not have any effects on the issued share capital and substantial shareholders' shareholdings of CHGP.

### (ii) NA and gearing

As set out in **Section 7.2, Part A** of the Circular, the proforma effects of the Proposed Disposal based on the latest audited consolidated financial statements of CHGP for the FYE 31 December 2023 are as follows:

	I	II	III
	Audited as at 31 December 2023	Adjusted for subsequent event <sup>(2)</sup>	After II and the Proposed Disposal
	RM'000	RM'000	RM'000
Share capital	228,204	269,424	269,424
Treasury shares	(255)	(255)	(255)
Reserves	21,184	21,184	21,184
Retained profit	95,876	95,876	<sup>(3)</sup> 102,810
Equity attributable to the owners of the Company	<b>345,009</b>	<b>386,229</b>	<b>393,163</b>
Non-controlling interest	12,239	12,239	12,239
<b>Total equity</b>	<b>357,248</b>	<b>398,468</b>	<b>405,402</b>
No. of shares ('000)	605,282	661,098	661,098
Treasury shares ('000)	700	700	700
No. of shares excluding treasury shares ('000)	604,582	660,398	660,398
NA per share <sup>(1)</sup> (RM)	0.57	0.58	0.60
Total borrowings	388,294	388,294	388,294
Gearing ratio (times)	1.13	1.01	0.99
Net debts <sup>(4)</sup>	337,678	296,459	289,525
Net gearing ratio (times)	0.98	0.77	0.74

#### **Notes:**

- (1) Excludes 700,000 treasury shares held by CHGP.
- (2) After adjusting for the issuance of 55,816,000 of CHGP Shares pursuant to a private placement which was completed on 23 January 2024 and 9 February 2024.
- (3) After taking into consideration the estimated gain on disposal of RM7.33 million from the Proposed Disposal and the estimated expenses relating to the Proposed Disposal of approximately RM0.40 million.
- (4) Being total borrowings including lease liabilities less cash and cash equivalents.

The Proposed Disposal is expected to increase the proforma NA of CHGP Group from RM386.23 million (as at 31 December 2023 and after adjustments for subsequent events) to RM393.16 million due to the estimated gain on disposal of RM7.33 million arising from the Proposed Disposal.

Upon completion of the Proposed Disposal, the proforma gearing of CHGP will decrease from 1.01 times (as at 31 December 2023 and after adjustments for subsequent events) to 0.99 times following the increase in the proforma NA of CHGP Group.



(iii) **Earnings and EPS**

As set out in **Section 7.3, Part A** of the Circular and for illustrative purposes, the proforma effects of the Proposed Disposal on the earnings and EPS of CHGP Group, based on the latest audited consolidated financial statements of CHGP for the FYE 31 December 2023, and on the assumption that the Proposed Disposal had been effected on 1 January 2023, being the beginning of the financial year of CHGP Group, are as follows:

	<b>Audited for the FYE December 2023</b>	<b>Proforma after the Proposed Disposal</b>
	<b>RM'000</b>	<b>RM'000</b>
PAT attributable to owners of the Company	34,630	34,630
Add: expected gain on Proposed Disposal <sup>(2)</sup>	-	7,334
Less: estimated expenses of the Proposed Disposal	-	(400)
Proforma PAT for the financial year	<b>34,630</b>	<b>41,564</b>
Weighted average number of shares in issue ('000)	531,761	<sup>(1)</sup> 525,704
EPS (sen)	6.51	7.91

**Notes:**

(1) After adjusting for the issuance of 55,816,000 of CHGP Shares pursuant to a private placement which was stipulated at Note (2) in **Section 10(ii)** of this IAL.

(2) After taking into consideration the estimated gain on disposal of RM7.33 million from the Proposed Disposal, computed based on estimated cost of RM41.40 million from the Total Disposal Consideration.

Based on the above, we noted that the Proposed Disposal is expected to increase the proforma PAT of CHGP Group from RM34.63 million (for the FYE 31 December 2023) to RM41.56 million after taking into consideration one-off estimated gain on disposal of RM7.33 million arising from the Proposed Disposal and less estimated expenses amounting to RM0.40 million in relation to the Proposed Disposal.

**Based on the above, the overall effects of the Proposed Disposal are reasonable and not detrimental to the non-interested shareholders of CHGP.**

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## 11. INDUSTRY OVERVIEW AND PROSPECTS

We take cognisance of the overview and prospects of the Malaysian economy and the property industry in Malaysia as well as the prospects of CHGP Group as set out in **Section 6, Part A** of the Circular.

### 11.1 Overview and Prospects of the Malaysian Economy

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Exports improved amid higher external demand and positive spillovers from the global tech upcycle. Most supply-side sectors registered higher growth. The manufacturing sector was supported by broad-based improvement across all clusters, particularly in electrical and electronics (E&E). The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%).

Both headline and core inflation averaged 1.8% in the first five months of the year. As expected, inflation will trend higher in the second half of 2024, amid the recent rationalisation of diesel subsidies. Nevertheless, the increase in inflation will remain manageable given the mitigation measures to minimise the cost impact on businesses. Going forward, the upside risk to inflation would be dependent on the extent of spillover effects of further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. For the year as a whole, headline and core inflation are expected to average within the earlier projected ranges of 2.0% – 3.5% and 2.0% – 3.0% respectively.

The ringgit continues to be primarily driven by external factors, namely expectations of major economies' monetary policy paths and ongoing geopolitical tensions. The positive impact of the coordinated initiatives by the Government and Bank Negara Malaysia ("**BNM**") with the government-linked companies and government-linked investment companies, and corporate engagements have continued to cushion the pressure on the ringgit. BNM will continue to manage risks arising from heightened financial market volatility. Over the medium term, domestic structural reforms will provide more enduring support to the ringgit.

The Monetary Policy Committee ("**MPC**") maintained the Overnight Policy Rate ("**OPR**") at 3.00% over the second quarter in its May and July 2024 MPC meetings. At the current OPR level, the MPC deemed that the monetary policy stance remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects. The MPC remains vigilant to ongoing developments to inform the assessment on the domestic inflation and growth trajectories. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

*(Source: BNM Quarterly Bulletin 2Q 2024, Bank Negara Malaysia)*

Global growth is projected to moderate in 2023 and 2024 following slow growth in advanced economies; volatile financial market due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic changes. Nevertheless, inflation continues to soften as markets head towards supply chain stabilisation. In addition, world trade is projected to moderate in 2023 in line with weaker global demand. However, global trade is expected to increase in 2024 in tandem with improved trade activity in advanced economies, and emerging market and developing economies.

In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, gross domestic product ("**GDP**") posted a growth of 4.2% supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand

in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

The increased external uncertainties will pose risks to the economic growth. Notwithstanding these challenges, the economy continues reaping the benefit from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low and high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, the GDP is anticipated to register a growth of approximately 4% in 2023.

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

Efforts will be intensified to strengthen Malaysia's agility in keeping pace with the fast-changing environment, which requires a paradigm shift and innovation culture to enhance economic growth. The continuation of strategic projects, digitalisation, improved productivity and advanced manufacturing will further stimulate the growth of the economy in the medium term. All economic sectors are expected to benefit from the recent policies such as National Energy Transition Roadmap, New Industrial Master Plan 2030 ("**NIMP 2030**") and Mid-Term Review ("**MTR**") of the Twelfth Malaysia Plan, which are in tandem with the Ekonomi MADANI framework. Looking ahead, effective implementation of these policies will further enhance economic growth and resilience as Malaysia navigates through the challenging global landscape.

*(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance Malaysia)*

## **11.2 Overview and Outlook of the Property Industry in Malaysia**

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions, RM179.07 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas agricultural sub-sector recorded otherwise, declined by 7.8% in volume. Value of transactions recorded higher increase for all subsectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

Residential sub-sector led the overall property market, with 62.8% contribution in volume. This was followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). Similarly in value, residential took the lead with 51.3% share, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) and development land and others (7.5%).

The growth in 2023 property market is highly supported by the implementation of various government initiatives and assistance and improving labour market conditions. Several initiatives which outlined under Budget 2023 by the government to a certain extent helped improve property market activities.

The residential overhang situation improved as the numbers continued to reduce as compared to previous year. There were 25,816 overhang units worth RM17.68 billion recorded in Q4 2023, reduced by 7.0% and 4.0% in volume and value respectively against Q4 2022 (27,746 overhang units worth RM18.41 billion).

The commercial sub-sector recorded an increase in market activity. There were 40,463 worth RM38.31 billion recorded in 2023, increased by 23.3% in volume and 17.5% in value as compared to 2022 (32,809 transactions worth RM32.61 billion). The improved market was contributed by the increased activities recorded in all states and major transactions involving shopping complex and purpose-built office recorded in the review period. In 2023, twenty-eight office building transactions with an accumulated worth RM1.63 billion were recorded. Nine had its sale and purchase agreements dated in 2021 and 2022 but concluded in 2023.

The overall performance of office segment was stable in the review period as the overall occupancy rate remained 78.5% as recorded in previous year. The private office buildings recorded average occupancy rate at 71.9%, a slight up from 71.7% in 2022. Pulau Pinang secured a higher occupancy rate at 80.3% while Kuala Lumpur, Selangor and Johor recorded lower than the national level at 70.4%, 71.1% and 60.3% respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate in the country at 52.4%.

There were 13 new completions offering a total office space of nearly 0.40 million square meters (“sqm”) as compared to 2022. As at end 2023, there was a total of 24.88 million sqm existing office space from 2,601 buildings, while another 1.25 million sqm (40 buildings) in the incoming supply and nearly 0.95 million sqm (31 buildings) in the planned supply. Kuala Lumpur dominated all three categories of supplies, contributing 41.1% of the total existing office spaces and 57.3% of the total incoming supply spaces.

Prices of stratified office lot was generally stable across the states with several exceptions. In Kuala Lumpur, prices for office space also recorded stable, Phileo Promenade recorded an increase of 18.5% with price transacted at RM5,800 per sqm to RM5,900 per sqm. Bangsar South also saw a slight increase of 7.3% with price transacted at RM10,900 per sqm. However, Boulevard experienced a price decrease of 17.7% to RM10,000 per sqm (2022: RM11,600 per sqm). In Selangor, Dataran Sunway, Petaling and Melawati Corporate Centre, Gombak also registered a slight increase of 4.1% and 3.6% with price ranging at RM11,228 per sqm and RM8,044 per sqm to RM8,383 per sqm respectively.

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2024, among others, easing the requirements of the MM2H, imposing flat rate stamp duty on the transfer of land ownership documents by foreigners and providing guarantees of up to RM10 billion under the SJKP.

*(Source: Property Market Report 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)*

The real estate and business services subsector is poised to grow by 5.4% in 2024 attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

The real estate segment is also anticipated to boost the subsector with various Government's initiatives primarily for the households in the B40 and M40 income groups. These initiatives include, but not limited to, the introduction the MADANI Neighbourhood scheme, continuation of 100% stamp duty exemption for first-time homeowners and the enhancement of loan scheme under the Syarikat Jaminan Kredit Perumahan Berhad.

*(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance Malaysia)*

### 11.3 Prospects of CHGP Group

We noted that CHGP had on 29 February 2024 announced the disposal of its entire construction business. Upon successful implementation of the disposal exercise, CHGP Group will no longer be involved in the construction business but will continue to be involved in the property development and commercial vehicles and bodyworks business segments.

For the property development segment, we noted that CHGP Group is currently undertaking 4 on-going projects with a total estimated GDV of RM2.02 billion. In addition, CHGP Group had also on 29 February 2024 announced that the proposed joint venture arrangement with FHB, to develop 2 new projects namely, Aricia Project and Dawn Project with an estimated GDV of RM467.91 million and RM892.07 million respectively.

We also noted that for the commercial vehicles and bodyworks business segment, CHGP Group anticipates the commercial vehicles market to remain challenging given the market competition, and expects the current weakening of RM against other major currencies to put pressure on the profit margin. CHGP Group has also implemented certain cost rationalisation strategies which will result in time and cost savings in the light/ big truck models and prime movers vehicle segment.

Moving forward, the performance of CHGP Group's property development segment will be underpinned by the outlook of the local property development industry which is further supported by government initiatives such as the MM2H and SJKP. These government initiatives are aimed to increase the demand for residential properties. This may also bode well for CHGP Group as 3 out of the 4 ongoing projects currently undertaken by CHGP Group are residential apartments.

The successful completion of Solarvest Tower project will also allow CHGP Group to strengthen its track record in office space development. As at LPD, CHGP Group is involved in 2 office development projects.

We wish to highlight that the future plans and strategies undertaken and/or to be undertaken by CHGP Group are subject to uncertainties which are not within CHGP Group's control such as outbreak of wars, government policies, interest rates, inflation, fluctuation in price of raw materials and changes in the global economic conditions. The occurrence of any of such events may materially impact CHGP Group's operations and affect CHGP Group's ability to implement the plans within the intended timeframe or such plans may not achieve the expected results.

**Premised on the above, we are of the view that the prospects of CHGP Group following the completion of the Proposed Disposal is positive.**

## 12. RISK FACTORS IN RELATION TO THE PROPOSED DISPOSAL

In considering the Proposed Disposal, non-interested shareholders of CHGP are advised to give careful consideration to the risk factors as set out in **Section 5, Part A** of the Circular.

The following are the key risk factors relating to the Proposed Disposal:

### 12.1 The Proposed Disposal may not be completed within the agreed time period

We noted that the completion of Proposed Disposal is conditional upon the fulfillment of the conditions precedent stipulated in the SPAs.

We are of the view that the non-completion risk for the Proposed Disposal is common aspect of similar proposals or arrangements. In the event that the conditions precedent are not fulfilled within the stipulated time period, the SPAs may be terminated and the Proposed Disposal will not proceed. As a result, the potential benefits to be derived from the Proposed Disposal may not be realised.



## **12.2 Loss of potentially higher capital value of the Subject Properties**

We noted in **Section 5.2, Part A**, of the Circular that the Total Disposal Consideration is based on the prevailing market values appraised by the Valuer. Therefore, effecting the Proposed Disposal now could result in CHGP Group not realising a potentially higher value from the Subject Properties if it is disposed of later.

We are of the view that the loss on risk of potential appreciation in the market value of the Subject Properties is reasonable as CHGP Group is not in the business of investment holding which typically involves in holding properties for longer time horizon for the purpose of capital appreciation. It is also a common practice for property developers like CHGP Group to sell their properties during the construction stage as at when opportunity arises.

**We take note of the highlighted risk factors in the Proposed Disposal. While we noted that measures would be taken by CHGP Group to mitigate such risks associated with the Proposed Disposal, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the financial, business and operation of CHGP Group.**

**In evaluating the Proposed Disposal, non-interested shareholders of CHGP Group should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolution pertaining to the Proposed Disposal at the forthcoming EGM. Non-interested shareholders of CHGP Group should also note that the risk factors mentioned in the Circular and this IAL are not meant to be exhaustive.**

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### 13. CONCLUSION AND RECOMMENDATION

You should carefully consider the terms of the Proposed Disposal based on all relevant and pertinent factors including those which are set out above, and other considerations as set out in this IAL, the Circular and any other publicly available information.

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors which are summarised as follows:

Section in this IAL	Area of evaluation	Our evaluation																					
Section 7	Rationale of the Proposed Disposal	<p>We noted that CHGP's principal activities include property development. Accordingly, the rationale for undertaking the Proposed Disposal is reasonable as it is consistent with the principal activities of CHGP Group.</p> <p>We also noted that Solarvest Tower is currently under construction and is anticipated to be completed by March 2028. As such, the Proposed Disposal represents an opportunity for BKA to dispose the Subject Properties for a Total Disposal Consideration of RM48.73 million prior to its completion.</p> <p>While we noted that the Total Disposal Consideration of RM48.73 million will be paid by SESB in stages pursuant to the terms of the SPAs, we are of the view that this is reasonable as the Subject Properties are currently undergoing construction and the stages of payment commensurate with the stages of development of the Solarvest Tower.</p> <p>The Proposed Disposal is also expected to increase the proforma NA of CHGP from RM386.23 million (as at 31 December 2023 and after adjustments for subsequent events) to RM393.16 million (upon completion of the Proposed Disposal) mainly due to estimated gain on disposal of RM7.33 million arising from the Proposed Disposal.</p> <p><b>Based on the above, we are of the view that the rationale of the Proposed Disposal is <u>reasonable</u>.</b></p>																					
Section 8	Basis and Justification of the Total Disposal Consideration	<p>In arriving at the fairness evaluation of the Total Disposal Consideration, we have compared the Total Disposal Consideration against the market value of the Subject Properties as appraised by the Valuer as follows:</p> <table border="1" data-bbox="660 1624 1369 1879"> <thead> <tr> <th data-bbox="660 1624 871 1684">Subject Properties</th> <th data-bbox="871 1624 1121 1684">Market Value (RM)</th> <th data-bbox="1121 1624 1369 1684">Total Disposal Consideration</th> </tr> </thead> <tbody> <tr> <td data-bbox="660 1684 871 1718">Unit 26-01</td> <td data-bbox="871 1684 1121 1718">14,400,000</td> <td data-bbox="1121 1684 1369 1718">14,350,000</td> </tr> <tr> <td data-bbox="660 1718 871 1751">Unit 27-01</td> <td data-bbox="871 1718 1121 1751">3,900,000</td> <td data-bbox="1121 1718 1369 1751">3,930,000</td> </tr> <tr> <td data-bbox="660 1751 871 1785">Unit 28-01</td> <td data-bbox="871 1751 1121 1785">16,100,000</td> <td data-bbox="1121 1751 1369 1785">16,120,000</td> </tr> <tr> <td data-bbox="660 1785 871 1818">Unit 29-01</td> <td data-bbox="871 1785 1121 1818">3,900,000</td> <td data-bbox="1121 1785 1369 1818">3,930,000</td> </tr> <tr> <td data-bbox="660 1818 871 1852">Unit 31-01</td> <td data-bbox="871 1818 1121 1852">10,500,000</td> <td data-bbox="1121 1818 1369 1852">10,400,000</td> </tr> <tr> <td data-bbox="660 1852 871 1879"><b>Total</b></td> <td data-bbox="871 1852 1121 1879"><b>48,800,000</b></td> <td data-bbox="1121 1852 1369 1879"><b>48,730,000</b></td> </tr> </tbody> </table> <p>Based on the table above, the Total Disposal Consideration of RM48.73 million is close to the market value of the Subject Properties of RM48.80 million.</p>	Subject Properties	Market Value (RM)	Total Disposal Consideration	Unit 26-01	14,400,000	14,350,000	Unit 27-01	3,900,000	3,930,000	Unit 28-01	16,100,000	16,120,000	Unit 29-01	3,900,000	3,930,000	Unit 31-01	10,500,000	10,400,000	<b>Total</b>	<b>48,800,000</b>	<b>48,730,000</b>
Subject Properties	Market Value (RM)	Total Disposal Consideration																					
Unit 26-01	14,400,000	14,350,000																					
Unit 27-01	3,900,000	3,930,000																					
Unit 28-01	16,100,000	16,120,000																					
Unit 29-01	3,900,000	3,930,000																					
Unit 31-01	10,500,000	10,400,000																					
<b>Total</b>	<b>48,800,000</b>	<b>48,730,000</b>																					



Section in this IAL	Area of evaluation	Our evaluation
		<p><b>As such, we are of the view that the Total Disposal Consideration is <u>fair</u>.</b></p>
Section 9	Evaluation of the salient terms of the SPAs	<p>We are of the view that the salient terms of the SPAs are <u>reasonable</u> and not <u>detrimental</u> to the non-interested shareholders of CHGP.</p>
Section 10	Effects of the Proposed Disposal	<p>The effects of the Proposed Disposal are summarised as follows:</p> <p><b>(i) Issued share capital and substantial shareholders' shareholding</b></p> <p>The Proposed Disposal do not involve the issuance of any new shares in CHGP. As such, the Proposed Disposal will not have any effects on the issued share capital and substantial shareholders' shareholdings of CHGP.</p> <p><b>(ii) NA and gearing</b></p> <p>The Proposed Disposal is expected to increase the proforma NA of CHGP Group from RM386.23 million (as at 31 December 2023 and after adjustments for subsequent events) to RM393.16 million due to the estimated gain on disposal of RM7.33 million arising from the Proposed Disposal.</p> <p>Upon completion of the Proposed Disposal, the proforma gearing of CHGP will decrease from 1.01 times (as at 31 December 2023 and after adjustments for subsequent events) to 0.99 times following the increase in the proforma NA of CHGP Group.</p> <p><b>(iii) Earnings and EPS</b></p> <p>We noted that the Proposed Disposal is expected to increase the proforma PAT of CHGP Group from RM34.63 million (for the FYE 31 December 2023) to RM41.56 million after taking into consideration one-off estimated gain on disposal of RM7.33 million arising from the Proposed Disposal and less estimated expenses amounting to RM0.40 million in relation to the Proposed Disposal.</p> <p><b>Based on the above, the overall effects of the Proposed Disposal are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of CHGP.</b></p>



Section in this IAL	Area of evaluation	Our evaluation
Section 11	Industry overview and prospects	<p>Moving forward, the performance of CHGP Group's property development segment will be underpinned by the outlook of the local property development industry which is further supported by government initiatives such as the MM2H and SJKP. These government initiatives are aimed to increase the demand for residential properties. This may also bode well for CHGP Group as 3 out of the 4 ongoing projects currently undertaken by CHGP Group are residential apartments.</p> <p>The successful completion of Solarvest Tower project will allow CHGP Group to strengthen its track record in office space development. As at LPD, CHGP Group is involved in 2 office development projects.</p> <p>Premised on the above, we are of the view that the prospects of CHGP Group following the completion of the Proposed Disposal is positive.</p>
Section 12	Risk factors in relation to the Proposed Disposal	<p>In considering the Proposed Disposal, non-interested shareholders of CHGP are advised to give careful consideration to the risk factors as set out in <b>Section 5, Part A</b> of the Circular.</p> <p>While we noted that measures would be taken by CHGP Group to mitigate such risks associated with the Proposed Disposal, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the financial, business and operation of CHGP Group.</p>

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors as set out in this IAL. Based on this, BDOCC views that the Proposed Disposal is **fair** and **reasonable** and are **not detrimental** to the non-interested shareholders of CHGP.

Accordingly, we advise and recommend that the non-interested shareholders of CHGP **vote in favour** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

Yours faithfully  
 For and on behalf of  
**BDO CAPITAL CONSULTANTS SDN BHD**

**ENG CHA LUN**  
*Executive Director - Advisory*

## APPENDIX I – INFORMATION ON THE SUBJECT PROPERTIES

The Subject Properties is located within an ongoing construction of a high-rise office tower development known as Solarvest Tower (“**Subject Development**”) at Bangsar South, 59200 Kuala Lumpur. The Subject Properties comprises 4 levels of office space with 200 car parking bays and a rooftop retail unit with accessorised rooftop open area within Subject Development.

The components of the Subject Properties are as below:

### Main Parcel:

Unit No.	26-01	27-01	29-01	28-01	31-01
Type	-----Office space-----				Retail unit (Cafeteria)
Built-up area (sq. ft.)	9,235	3,208	3,208	9,128	2,616

### Accessory Parcel(s):

A/C ledge (sq. ft.)	861	861	861	861	<sup>(1)</sup> 6,114
Ground floor lobby (sq. ft.)	-	-	-	840	-
Mechanical carpark (sq. ft.)	-	-	-	1,453	-
Boom gate space (sq. ft.)	-	-	-	21	-
Signage space (sq. ft.)	-	-	-	108	-
Total built-up area (sq. ft.)	10,096	4,069	4,069	12,411	8,730
Car parks	84 basement parking bays	-	-	84 basement parking bays and 32 mechanical parking bays	-
Market value <sup>(2)</sup>	RM14.40 million	RM3.90 million	RM3.90 million	RM16.10 million	RM10.50 million
Consideration	RM14.35 million	RM3.93 million	RM3.93 million	RM16.12 million	RM10.40 million

### Notes:

- (1) Inclusive of approximately 5,253 sq. ft. open rooftop area to serve as outdoor deck on the same level as the cafeteria.
- (2) The market value of Subject Properties is appraised by Henry Butcher in its valuation report dated 12 June 2024.

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**APPENDIX I – INFORMATION ON THE SUBJECT PROPERTIES (CONT'D)**

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The title particulars of the Subject Properties are as below:

Master title no.	:	Pajakan Negeri 53073
Master lot no.	:	Lot 481445
Locality	:	Kg. Kerinchi
Mukim	:	Kuala Lumpur
District	:	Kuala Lumpur
State	:	Wilayah Persekutuan Kuala Lumpur
Land area	:	20,914 sq. ft.
Tenure	:	Leasehold expiring on 5 September 2112, thus leaving an unexpired term of about 88 years as at LPD
Register owner	:	BKA
Category of Land use	:	Building
Encumbrances	:	Charged to Ambank (M) Berhad vide Presn. No. PDSC25581/2022 presented on 13 June 2022
Express condition	:	This land should be used for commercial buildings for office and business purposes only
Restriction in interest	:	This land cannot be transferred, leased or charged without the permission of the Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur
Endorsement	:	Nil

The location map of the Subject Properties is as follows:



*(Source: Valuation report dated 12 June 2024)*

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**APPENDIX II – SALIENT TERMS OF THE SPA**

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The following is a summary of the salient terms of SPA 1, SPA 2 and SPA 3 (collectively known as the "SPAs" and "SPA" shall mean any one of them):

- Parties involved**
- (i) **Vendor** - BK Alliance Sdn Bhd
  - (ii) **Purchaser** - Solarvest Energy Sdn Bhd

(collectively, the "**Parties**" and individually, the "**Party**")

- Details of the said Parcel**
- (i) The Vendor agrees to sell and the Purchaser agrees to purchase, with vacant possession and free from encumbrances but subject to all such conditions of title, express conditions, category of land use and restrictions in interests, whether expressed or implied in the document of title to the said Land (as defined below) and on the strata title when issued, the parcels of office suite for commercial and business usage or any similar commercial elements usage in whatsoever nature as approved by the Appropriate Authorities, comprising:

**pursuant to SPA 1:**

- (a) the entire Level 26, Unit No. 26-01, Storey No. 26, measuring approximately 858 square metres in built-up area with air conditioner ledge measuring approximately 80 square metres and car park bays designated as follows:

- I. basement 3: 20 bays;
- II. basement 4: 43 bays;
- III. basement 5: 21 bays,

(collectively, the "**Level 26**");

- (b) the entire Level 27, Unit No. 27-01, Storey No. 27, measuring approximately 298 square metres in built-up area with air conditioner ledge measuring approximately 80 square metres ("**Level 27**"); and

- (c) the entire Level 29, Unit No. 29-01, Storey No. 29, measuring approximately 298 square metres in built-up area with air conditioner ledge measuring approximately 80 square metres ("**Level 29**");

**pursuant to SPA 2:**

- (d) the entire Level 28, Unit No. 28-01, Storey No. 28, measuring approximately 848 square metres in built-up area with the following accessory parcels:

- I. air conditioner ledge measuring approximately 80 square metres;
- II. car park bays at basement 1 (18 bays);

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**APPENDIX II – SALIENT TERMS OF THE SPA (CONT'D)**

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- III. car park bays at basement 2 (43 bays);
- IV. car park bays at basement 3 (23 bays);
- V. ground floor lobby;
- VI. mechanical car park (32 bays);
- VII. boom gate space at basement 1, ground floor, and level 1; and
- VIII. signage space at Level 30,

(collectively, the "**Level 28**". The total area of the lobby, mechanical car park, boom gate and signage space combined is approximately 225 square metres);

**pursuant to SPA 3:**

- (e) the entire Level 31, Unit No. 31-01, Storey No. 31, measuring approximately 243 square metres in built-up area with air conditioner ledge measuring approximately 568 square metres ("**Level 31**"), specifically intended and designated for use and operation as a cafeteria,

(Level 26, Level 27, Level 28, Level 29 and Level 31 are collectively known as the "**said Parcel**"),

located within a project name called '**MENARA SOLARVEST (SOLARVEST TOWER)**' or such other name as may be determined by the Vendor ("**Project**") erected on all that piece of leasehold land held under Pajakan Negeri 53073, Lot No. 481445, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur with an area measuring approximately 1,943 square metres ("**said Land**") in total with the lease expiring on 5<sup>th</sup> September 2112 at the Purchase Price (as defined below) and subject to the terms and conditions contained in the SPAs.

***Note:***

***"Appropriate Authorities"*** means any authority authorised under any written law in force in Peninsular Malaysia to approve subdivision of land, subdivision of buildings, building plans, the issuance of document of title and to enforce any other laws and includes any corporation, company or private agency licensed by the Appropriate Authority to provide water, electricity, telecommunication, sewerage services and other related services.

**APPENDIX II – SALIENT TERMS OF THE SPA (CONT'D)**

**Purchase Price and Manner of Payment of Purchase Price**

- (i) The total purchase price of the said Parcel ("**Purchase Price**") is **RM48,730,000.00**, the breakdown of which is as follows:

<b>SPAs</b>	<b>Parcel</b>	<b>Purchase Price (RM)</b>
SPA 1	Level 26	14,350,000.00
	Level 27	3,930,000.00
	Level 29	3,930,000.00
SPA 2	Level 28	16,120,000.00
SPA 3	Level 31	10,400,000.00
<b>Total</b>		<b>48,730,000.00</b>

- (ii) Upon execution of the SPAs, a sum equivalent to ten per centum (10%) of the Purchase Price (in accordance with SPA 1, SPA 2 and SPA 3, respectively) shall be payable to the Vendor as refundable deposit.
- (iii) The remainder of the Purchase Price shall be payable only after the Unconditional Date (as defined below) and shall be paid by the Purchaser to the Vendor by the Instalments (as defined below) and at the time and in the manner as prescribed in the schedule of payment of Purchase Price ("**Schedule of Payment**"), provided that such payments are only sought by the Vendor and such billings are issued after the Unconditional Date.
- (iv) The Vendor is not bound to commence or complete the works in the order referred to in the Schedule of Payment and the Purchaser shall pay the Instalments according to the stage of works commenced by the Vendor.
- (v) The Purchaser may defer the payment of any Instalments due, with the final payment of all deferred Instalments, including accrued interest, to be completed no later than 5<sup>th</sup> October 2024. Interest on the deferred Instalment shall accrue from the day following the expiry of the 21 days period from the date of each of the Vendor's written notices requesting payment, provided that such billings are issued after the Unconditional Date, at the rate specified of 10% per annum, up until the payment is made in full.
- (vi) Every notice referred to in the Schedule of Payment requesting for payment shall be supported by a certificate signed by the Vendor's Architect certifying the completion of any pertinent stage of the construction of the said Parcel, and such certification by the Vendor's Architect shall be final and conclusive and shall be binding on the Parties. The Purchaser shall within 21 days from the date of the Vendor's written notice requesting for payment of any of the Instalments, pay to the Vendor the Instalments therein stated. If the Purchaser elects to defer payment in accordance with the terms outlined in paragraph (vi) above, late payment interest on such deferred Instalments will commence accruing after the lapse of this 21 days period, and continue accruing until the deferred payment is fully settled on or before 5<sup>th</sup> October 2024.



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**APPENDIX II – SALIENT TERMS OF THE SPA (CONT'D)**

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- (vii) If the Purchaser is desirous of obtaining a loan to finance the payment of the Purchase Price of the said Parcel, it shall be done in accordance with the provisions of the SPAs.
- (viii) The Purchase Price and all other monies to be paid by the Purchaser to the Vendor under the SPAs is exclusive of any Tax, and shall be paid without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding. Any deduction or withholding to be made from the Purchase Price and/or all other monies payable to the Vendor, under the SPAs in respect of any Tax or otherwise shall be paid in accordance with and subjected to the provisions contained in the SPAs.

**Note:**

**"Instalments"** means the instalments under the Schedule of Payment and "Instalment" shall be construed accordingly;

**"Tax"** means any present or future, direct or indirect, Malaysian or foreign tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, including, without limitation, any consumption tax such as the sales and services tax ("SST") and other taxes by whatever name called, and any interest or penalties in respect thereof; and

**"Vendor's Architect"** means the licensed architect appointed by the Vendor for the time being in respect of the development of the Project on the said Land.

**Condition  
Precedent**

- (i) The Parties agree that the SPAs shall be conditional upon the following:
  - (a) the Vendor successfully obtaining the approval of its holding company, directors and/or shareholders, including the convening of an Extraordinary General Meeting ("**EGM**");
  - (b) the Purchaser successfully obtaining the approval of its holding company, directors and/or shareholders, including the convening of an EGM,

(collectively, the "**Condition Precedent**"), within 3 months from the date of the SPAs, subject to such extension of time as the Parties may mutually agree ("**Conditional Period**").
- (ii) In the event the Condition Precedent cannot be fulfilled within the Conditional Period, each Party shall be entitled to terminate the SPAs by providing written notice to the other Party. Upon such termination, the Vendor shall refund to the Purchaser all payments made (if any) by the Purchaser towards the Purchase Price, free of interest, within 60 days of receipt of the termination notice. Thereafter, the SPAs shall be terminated and be no further effect and the Vendor and the Purchaser shall

have no further claim whatsoever against the other, save and except for any antecedent breaches of the SPAs. The Purchaser shall have no further claims whatsoever against the said Parcel and the Vendor shall be at liberty to deal with the said Parcel in such manner as the Vendor shall think fit.

(iii) The SPAs shall be rendered "**Unconditional**" upon the fulfilment of the Condition Precedent ("**Unconditional Date**").

**Default by the Parties and Determination of the SPAs**

(i) Upon the occurrence of the following events, the Vendor shall be entitled to give the Purchaser not less than 14 days written notice to treat the SPAs as having been repudiated by the Purchaser and unless in the meanwhile such default and/or alleged breach is rectified and such unpaid Instalments or any part thereof, interest and other monies due under the SPAs are paid, the SPAs shall, at the expiration of the said notice, at the option of the Vendor be deemed to be terminated:

(a) the Purchaser fails to pay any Instalments (or any part thereof) and/or any interest payable and/or any monies payable under the SPAs within the time stipulated for payment;

(b) the Purchaser commits any breach of the terms or conditions contained in the SPAs or fails to perform or observe all or any of his covenants therein contained;

(c) the Purchaser, before payment in full of the Purchase Price of the said Parcel commits an act of bankruptcy or enters into any statutory or other composition or scheme of arrangement with his creditors or being a company enters into liquidation whether compulsory or voluntary or be unable to pay its debts within the meaning of Section 465 of the Companies Act 2016 or any amendment modification or re-enactment thereof or has a petition presented or an order made or a resolution passed or legislation enacted for its winding up; or

(d) any receiver or manager shall be appointed by any creditor of the Purchaser over any of its undertakings or property or any part thereof or any distress action is carried out against the Purchaser's property or any part thereof.

(ii) Subject to the Purchaser not being in breach of any terms and conditions of the SPAs, the Purchaser shall be entitled to terminate the SPAs by providing written notice to the Vendor if the Vendor:

(a) is adjudicated as wound up or commits an act of winding up;

(b) elects to terminate the SPAs unilaterally;

(c) fails to deliver vacant possession of the Parcel within 12 months after the expiry of the completion period as



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**APPENDIX II – SALIENT TERMS OF THE SPA (CONT'D)**

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stated in the SPAs and subject always to the provisions of the SPAs;

(d) abandons the Project.

(iii) Upon the termination of the SPAs in accordance with paragraphs (i) or (ii) above, the Parties shall deal accordingly in the manner stated in the SPAs.

**Delivery  
Vacant  
Possession**

of (i) Provided that the Purchaser shall have paid to the Vendor the full Purchase Price and all monies payable under the SPAs and/or the Deed of Mutual Covenants and the Purchaser having performed and observed all terms and covenants on his part to be performed under the SPAs and/or the Deed of Mutual Covenants, the said Parcel shall be completed and be ready for delivery of vacant possession to the Purchaser within **52 months** from the date of the SPAs ("**52 Months Period**").

(ii) In the event that the Vendor fails to deliver vacant possession of the said Parcel within the 52 Months Period, the Vendor shall pay to the Purchaser agreed liquidated damages calculated on a daily basis at the rate of 10% per annum on the Purchase Price of the said Parcel from the expiry of the 52 Months Period up to the date of a notice from the Vendor requesting the Purchaser to take vacant possession of the said Parcel, as provided in paragraph (iii) below.

(iii) Upon the issuance of the Certificate of Completion and Compliance in respect of the said Parcel, the Vendor shall by a written notice to the Purchaser request the Purchaser to take vacant possession of the said Parcel provided that such possession shall not give the Purchaser the right to occupy and the Purchaser shall not occupy the said Parcel until the full Purchase Price and all monies due under the SPAs and/or the Deed of Mutual Covenants have been paid to the Vendor and the Purchaser having performed and observed all terms and covenants on his part to be performed under the SPAs and/or the Deed of Mutual Covenants.

(iv) Upon the expiry of 14 days from the date of Vendor's written notice requesting the Purchaser to take vacant possession of the said Parcel, whether or not the Purchaser has actually entered into possession or occupation of the said Parcel, the Purchaser shall be deemed to have taken delivery of vacant possession of the said Parcel and thereafter the Vendor shall not be liable for any loss or damage to the said Parcel and/or the fixtures and fittings therein.

**Note:**

**"Certificate of Completion and Compliance"** means the certificate of completion and compliance given or granted under the Street, Drainage and Building Act 1974 [Act 133] and any by-laws made under that Act certifying that the said Parcel including common facilities has been completed and is safe and fit for occupation and includes a partial certificate of completion

*and compliance; and*

**"Deed of Mutual Covenants"** means the deed of mutual covenants executed or to be executed pursuant to the SPAs.

**Defect Liability Period** (i)

Where any defects in the said Parcel which shall become apparent within 12 calendar months commencing from the date on which the Purchaser shall have taken or shall be deemed to have taken delivery of vacant possession of the said Parcel which are due to defective workmanship or materials or the said Parcel not having been constructed in accordance with the Building Plans and/or Specifications set out in the SPAs (subject to further provisions in the SPAs), the Vendor shall within 30 working days from the date of receipt of a written notice of the same from the Purchaser make good the defects at its own costs and expenses provided that:

(a) the Vendor shall not be liable to make good any defects in the said Parcel and/or the materials and items provided in the Specifications if such defects were caused or found to be contributed by any acts or omissions of the Purchaser including but not limited to any renovations and other works carried out by the Purchaser to the said Parcel; and

(b) in the event that the Purchaser fails to grant full access to the Vendor and/or its authorised representative to rectify the defect for whatsoever reasons, the obligation of the Vendor to rectify the defect within 30 working days shall be correspondently extended until the full access is granted to the Vendor for the rectification of the defect to the said Parcel.

(ii) In the event of any dispute as to whether or not the defects in the said Parcel falls within the ambit of the SPAs, the decision of the Vendor's Architect shall be final and binding upon the Parties.

**Note:**

**"Building Plans"** means the Building Plans comprising the site plan, storey plan, layout plan, attached in the SPAs and includes (i) such further or other amendments and/or changes whatsoever and howsoever thereto as may subsequently from time to time be required by the Appropriate Authorities and (ii) such amendments and/or changes whatsoever and howsoever thereto as may from time to time and at any time be considered as necessary or expedient or advisable or desirable by the Vendor or the Vendor's Architect (subject however to the approval of the Appropriate Authorities for such amendments and/or changes).

**"Specifications"** means the specifications listed in the SPAs.

**Governing Law**      Laws of Malaysia.



**HENRY BUTCHER MALAYSIA**  
International Asset Consultants

Our Ref: VR/04-24/0218 (VC)

Date: June 12, 2024

**Chin Hin Group Property Berhad**  
F-0-8, Pusat Perdagangan Kuchai,  
No. 2, Jalan 1/127,  
Off Jalan Kuchai Lama,  
58200, Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur.

Dear Sirs/ Madam,

**VALUATION CERTIFICATE OF 4 LEVELS OF OFFICE SPACE WITH 200 CAR PARKING BAYS AND A ROOFTOP RETAIL UNIT WITH ACCESSORISED ROOFTOP OPEN AREA WITHIN AN ONGOING HIGH-RISE OFFICE TOWER DEVELOPMENT KNOWN AS SOLARVEST TOWER, LOCATED ALONG JALAN KERINCHI KIRI, BANGSAR SOUTH, 59200 KUALA LUMPUR. (COLLECTIVELY REFERRED TO AS “THE SUBJECT PROPERTY”)**

We refer to your instruction to advise on the **Market Value** of the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad (“*Bursa Securities*”) in conjunction with the conditional sale and purchase agreements entered between BK Alliance Sdn Bhd (“*vendor*”), a wholly owned subsidiary of BKG Development Sdn Bhd, which in turn is a wholly-owned subsidiary of Chin Hin Group Property Berhad and Solarvest Energy Sdn Bhd (“*purchaser*”), a wholly-owned subsidiary of Atlantic Blue Sdn Bhd, which in turn is wholly-owned subsidiary of Solarvest Holdings Berhad in relation to the disposal of the Subject Property (“**Proposed Disposal**”). The full details of the valuation are available in our Valuation Report bearing Ref. No. VR/04-24/0218 dated June 12, 2024.

**This certificate is prepared for the inclusion in the Circular to the shareholders of Chin Hin Group Property Berhad in relation to the Proposed Disposal.**

The Subject Property was inspected on May 2, 2024. The material date of valuation for the above exercise is as at May 2, 2024.

This valuation exercise has been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia (“**SC**”) and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. In arriving at the **Market Value** of the Subject Property, we have adopted the “**Comparison Approach**” and disregarded other methods of valuation due to the nature of the Subject Property.

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.

**HENRY BUTCHER MALAYSIA** Sdn Bhd 196701001968 (160636-P)  
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VPM(1)0008

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Project Marketing | Asset Management | Property Management | Retail Consultancy | Auctions | Plant & Machinery | Art Consultancy

**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

**Summary of Valuation**

Interest to be Valued	To ascertain the <b>Market Value</b> of the Subject Property in accordance with the SC's Asset Valuation Guidelines for the purpose of submission to Bursa Securities in conjunction with the Proposed Disposal between the vendor and purchaser.																																																																																																																																			
Subject Property	<p>The Subject Property is located within an ongoing construction of a high-rise office tower development known as Solarvest Tower ("<b>Subject Development</b>") at Bangsar South. <b>The Subject Property comprises 4 levels of office space with 200 car parking bays and a rooftop retail unit with accessorized rooftop open area within the Subject Development.</b> The components of the Subject Property are as listed below: -</p> <table border="1" data-bbox="422 705 1444 1870"> <thead> <tr> <th colspan="7" data-bbox="422 705 1444 761"><b>Main Parcel:</b></th> </tr> <tr> <th colspan="2" data-bbox="422 761 742 806"><b>Unit No.</b></th> <th data-bbox="742 761 901 806"><b>26-01</b></th> <th data-bbox="901 761 997 806"><b>27-01</b></th> <th data-bbox="997 761 1157 806"><b>28-01</b></th> <th data-bbox="1157 761 1284 806"><b>29-01</b></th> <th data-bbox="1284 761 1444 806"><b>31-01</b></th> </tr> <tr> <th colspan="2" data-bbox="422 806 742 862">Type</th> <th colspan="4" data-bbox="742 806 1284 862">Office Space</th> <th data-bbox="1284 806 1444 862">Retail Unit (Cafeteria)</th> </tr> </thead> <tbody> <tr> <td data-bbox="422 862 582 1041" rowspan="2">Built-up Area</td> <td data-bbox="582 862 742 974">Square Meter ("sq. m.")</td> <td data-bbox="742 862 901 974">858</td> <td data-bbox="901 862 997 974">298</td> <td data-bbox="997 862 1157 974">848</td> <td data-bbox="1157 862 1284 974">298</td> <td data-bbox="1284 862 1444 974">243</td> </tr> <tr> <td data-bbox="582 974 742 1041">Square Feet ("sq. ft.")</td> <td data-bbox="742 974 901 1041">9,235</td> <td data-bbox="901 974 997 1041">3,208</td> <td data-bbox="997 974 1157 1041">9,128</td> <td data-bbox="1157 974 1284 1041">3,208</td> <td data-bbox="1284 974 1444 1041">2,616</td> </tr> <tr> <th colspan="7" data-bbox="422 1041 1444 1097"><b>Accessory Parcel(s):</b></th> </tr> <tr> <td data-bbox="422 1097 582 1176" rowspan="2">A/C Ledge</td> <td data-bbox="582 1097 742 1142">(sq. m.)</td> <td data-bbox="742 1097 901 1142">80</td> <td data-bbox="901 1097 997 1142">80</td> <td data-bbox="997 1097 1157 1142">80</td> <td data-bbox="1157 1097 1284 1142">80</td> <td data-bbox="1284 1097 1444 1142">568*</td> </tr> <tr> <td data-bbox="582 1142 742 1176">(sq. ft.)</td> <td data-bbox="742 1142 901 1176">861</td> <td data-bbox="901 1142 997 1176">861</td> <td data-bbox="997 1142 1157 1176">861</td> <td data-bbox="1157 1142 1284 1176">861</td> <td data-bbox="1284 1142 1444 1176">6,114</td> </tr> <tr> <td data-bbox="422 1176 582 1232">Ground Floor</td> <td data-bbox="582 1176 742 1232">(sq. m.)</td> <td data-bbox="742 1176 901 1232">-</td> <td data-bbox="901 1176 997 1232">-</td> <td data-bbox="997 1176 1157 1232">78</td> <td data-bbox="1157 1176 1284 1232">-</td> <td data-bbox="1284 1176 1444 1232">-</td> </tr> <tr> <td data-bbox="422 1232 582 1288">Lobby</td> <td data-bbox="582 1232 742 1288">(sq. ft.)</td> <td data-bbox="742 1232 901 1288">-</td> <td data-bbox="901 1232 997 1288">-</td> <td 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1646" rowspan="2">Total Built Up Area</td> <td data-bbox="582 1523 742 1601">(sq. m.)</td> <td data-bbox="742 1523 901 1601">938</td> <td data-bbox="901 1523 997 1601">378</td> <td data-bbox="997 1523 1157 1601">1,153</td> <td data-bbox="1157 1523 1284 1601">378</td> <td data-bbox="1284 1523 1444 1601">811</td> </tr> <tr> <td data-bbox="582 1601 742 1646">(sq. ft.)</td> <td data-bbox="742 1601 901 1646">10,096</td> <td data-bbox="901 1601 997 1646">4,069</td> <td data-bbox="997 1601 1157 1646">12,411</td> <td data-bbox="1157 1601 1284 1646">4,069</td> <td data-bbox="1284 1601 1444 1646">8,730</td> </tr> <tr> <td data-bbox="422 1646 742 1870">Car Parks</td> <td data-bbox="742 1646 901 1870">84 basement parking bays</td> <td data-bbox="901 1646 997 1870">-</td> <td data-bbox="997 1646 1157 1870">84 basement parking bays &amp; 32 mechanical parking bays</td> <td data-bbox="1157 1646 1284 1870">-</td> <td data-bbox="1284 1646 1444 1870">-</td> </tr> </tbody> </table> <p data-bbox="422 1870 1444 1971">* Note: (1) Inclusive of 488 sq. m. (about 5,253 sq. ft.) open rooftop area to serve as outdoor deck on the same level as the cafeteria. (2) Conversion factor adopted is 10.76391, subject to rounding mechanism.</p>						<b>Main Parcel:</b>							<b>Unit No.</b>		<b>26-01</b>	<b>27-01</b>	<b>28-01</b>	<b>29-01</b>	<b>31-01</b>	Type		Office Space				Retail Unit (Cafeteria)	Built-up Area	Square Meter ("sq. m.")	858	298	848	298	243	Square Feet ("sq. ft.")	9,235	3,208	9,128	3,208	2,616	<b>Accessory Parcel(s):</b>							A/C Ledge	(sq. m.)	80	80	80	80	568*	(sq. ft.)	861	861	861	861	6,114	Ground Floor	(sq. m.)	-	-	78	-	-	Lobby	(sq. ft.)	-	-	840	-	-	Mechanical Carpark	(sq. m.)	-	-	135	-	-	(sq. ft.)	-	-	1,453	-	-	Boom Gate Space	(sq. m.)	-	-	2	-	-	(sq. ft.)	-	-	21	-	-	Signage Space	(sq. m.)	-	-	10	-	-	(sq. ft.)	-	-	108	-	-	Total Built Up Area	(sq. m.)	938	378	1,153	378	811	(sq. ft.)	10,096	4,069	12,411	4,069	8,730	Car Parks	84 basement parking bays	-	84 basement parking bays & 32 mechanical parking bays	-	-
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Total Built Up Area	(sq. m.)	938	378	1,153	378	811																																																																																																																														
	(sq. ft.)	10,096	4,069	12,411	4,069	8,730																																																																																																																														
Car Parks	84 basement parking bays	-	84 basement parking bays & 32 mechanical parking bays	-	-																																																																																																																															

**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

<p>Title Particulars</p>	<p>Master Title No. : Pajakan Negeri 53073</p> <p>Master Lot No. : Lot 481445</p> <p>Locality : Kg. Kerinchi</p> <p>Mukim : Kuala Lumpur</p> <p>District : Kuala Lumpur</p> <p>State : Wilayah Persekutuan Kuala Lumpur</p> <p>Surveyed Land Area : 1,943 sq. m. (about 20,914 sq. ft.)</p> <p>Tenure : Leasehold expiring on September 5, 2112 thus leaving an unexpired term of about 88 years</p> <p>Annual Quit Rent : RM6,704.00</p> <p>Registered Owner : BK Alliance Sdn Bhd</p> <p>Category of Land Use : Bangunan</p> <p>Express Condition : Tanah ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan pejabat dan perniagaan sahaja</p> <p>Restriction in Interest : Tanah ini tidak boleh dipindahmilik, dipajak atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</p> <p>Encumbrance : Charged to Ambank (M) Berhad vide Presn. No. PDSC25581/2022 dated on June 13, 2022</p> <p>Endorsement : Nil</p>
<p>Town Planning</p>	<p>The Subject Development is situated within an area zoned for commercial purpose and we were given to understand via documentations provided by the Client that the Subject Development has been issued with a Development Order (“D.O.”) by Dewan Bandaraya Kuala Lumpur (“DBKL”) for a commercial development comprises a block of purpose built 34-storey office building.</p>
<p>Development Approval</p>	<p>The Subject Development was issued with a D.O. on October 24, 2023 via Borang 5 bearing Ref. No. (23)d/m.DBKL.JPRB. 991/61 Jld 1 [OSC (B) S1 210519-010 (P2-A13 230412)] for a development proposal of a block of purpose built 34-storey office building as detailed below: -</p> <ul style="list-style-type: none"> <li>i) 3 storey of common facilities (Level 30, Level 31 and Level 32)</li> <li>ii) 8 storey of office space (Level 22 to Level 29)</li> <li>iii) 20 storey of office suites (345 units) (Level 2 to Level 21)</li> <li>iv) 5 storey of mechanical car parks (Level 1 to Level 5)</li> <li>v) A storey of mechanical floor (Level 1)</li> </ul>



**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

	<p>vi) 2 storey of main lobby (Level Ground and Mezzanine)</p> <p>vii) 5 storey of basement car parks (Level B1 to Level B5)</p> <p>viii) A pedestrian bridge connecting Lot 480578 and Lot 480786*</p> <p><i>*Lot 480578 and Lot 480786 are the subject site of KL Gateway and Southview Residence, respectively, being the neighboring lots to the Subject Development.</i></p> <p>The Subject Development was issued with approved building plans on October 30, 2023 bearing Ref. No. BPS1OSC20230917 and is anticipated to be completed in March 2028.</p>
<p>Location</p>	<p>The Subject Property, being part of the Subject Development is located within Bangsar South vicinity, strategically located between Kuala Lumpur and Petaling Jaya and is one of the most popular addresses in the Klang Valley. On a micro scale level, the Subject Development is surrounded by established neighbourhoods such as Bangsar, Kuala Lumpur Sentral (“KL Sentral”) and Bukit Bandaraya, strengthened by a comprehensive network of infrastructure connecting to various parts of the Klang Valley.</p> <p>It is situated approximately 7 kilometers south-west of Kuala Lumpur City Centre and 5 kilometers north-east of Petaling Jaya. It is linked by major arterial roads such as Jalan Syed Putra which connects to the Federal Highway, as well as Jalan Maarof, Jalan Tun Sambanthan, East – West Link Highway and Sprint Highway.</p> <p>The Subject Development is easily accessible from the Kuala Lumpur City Centre by using Jalan Tun Razak which links to Jalan Kuching thence Jalan Kinabalu, exit onto Jalan Syed Putra and continue onto Federal Highway, finally exit onto Jalan Kerinchi Kiri leading to the Subject Development. The Subject Development is also accessible from Petaling Jaya via the Federal Highway or Sprint Highway heading east towards Kuala Lumpur.</p>
<p>Site Description</p>	<p>The subject site is regular shaped and encompassing a surveyed land area of 1,943 sq. m. (about 20,914 sq. ft.). It enjoys a direct frontage along its northern boundary measuring about 47.340 meter (about 155 feet) onto Kerinchi Link, with the eastern boundary (38.132 meter or about 125 feet) abutting onto Jalan Kerinchi Kiri and share the western boundary (38.260 meter or 126 feet) with KL Gateway. The rear or southern boundary is measuring 45.732 meter or about 150 feet adjoining to KL Gateway Premium Residences.</p> <p>As at the date of inspection, we noted there is an ongoing construction work on the subject site, improved with concrete basement and structures to complete the Subject Development. The Subject Development is anticipated to be completed in March 2028.</p> <p>At the time of inspection, we noted the site boundaries are generally demarcated with metal hoarding boards. We are unable to determine whether the present fencing corresponds with the actual boundaries of the subject site and we therefore recommend professional land surveyors to be appointed to undertake this task.</p>

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**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

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**Valuation Methodology**

We have only adopted the “Comparison Approach” in formulating our opinion of the Market Value of the Subject Property. The Subject Property is being sold on completed basis with individual strata title to be issued and therefore the Comparison Approach is the most suitable method.

We have not considered the Residual Method, being the other applicable alternative valuation method in view of the Subject Property only comprises part of the Subject Development i.e. 4 levels of office space with 200 car parking bays and a rooftop unit with accessorized rooftop open area. As the estimation on the potential Gross Development Value and Gross Development Cost does not represent the Subject Property as a whole, we have therefore ruled out Residual Method as an appropriate valuation method for the purpose of this valuation exercise.

We have also disregarded Investment Method as another valuation method considering there is no existing tenancy or historical data (rental and outgoings) to allow for investment method computation. Further to that, there are also limitations to the availability of market rental data for property of similar criteria or characteristic as the Subject Property is attached with large accessory parcels which has commercial value, together with 200 parking bays (including mechanical parking bays) and an open roof top area. In view of the above, we opine there are too many uncertainties and assumptions to be made which will defeat the purpose as a cross-checked method, and for this reason Investment Method is deemed as not appropriate under this circumstance.

We have extracted transacted prices of similar type of properties (i.e. office space, retail space and carpark) and relied on the Comparison Approach to arrive at our opinion of Market Value to each of the components of the Subject Property, as further detailed below.

**1. 4 Levels of Office Space**

The selected comparables are as presented in the table below: -

<b>Comparable</b>	<b>1</b>	<b>2</b>	<b>3</b>
Unit No.	A-27-01, A-27-02, A-27-03, A-27-9, A-27-10, A-27-11 and A-27-12	D-37-01	B-12-01 to B-12-08
Scheme	The Vertical	Menara Suezcap	The Vertical
Locality	Jalan Kerinchi	Jalan Kerinchi	Jalan Kerinchi
Tenure	Leasehold expiring on August 16, 2106	Leasehold expiring on April 11, 2111	Leasehold expiring on August 16, 2106
Total Built Up Area (Sq. ft.)	7,239	6,749	11,457
Transacted Price (RM)	7,600,950	7,500,000	11,346,147
Date of Transaction	August 7, 2023	December 5, 2022	February 24, 2022

**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

Vendor	SFB Trade Sdn Bhd	Suez Domain Sdn Bhd	Juris Teknologi Es Sdn Bhd
Buyer	Appfluxion Consulting Sdn Bhd	Song Hoi See	Natsoft (M) Sdn Bhd
Analysed Rate (RM per sq. ft.)	1,050	1,111	990
Adjustments Made/ Considered	Time Factor, Location, Tenure, Unit Size, Floor Level, Building Age and MSC Status		
Source	Jabatan Penilaian dan Perkhidmatan Harta, Malaysia (" <u>JPPH</u> ")		

For the purpose of our analysis, we have categorized the office space of the Subject Property into two categories, which are office floor with office area built up area of 3,208 sq. ft. (Level 27 and Level 29) and larger office floor with office area built up sized at 9,235 sq. ft. and 9,128 sq. ft. (Level 26 and Level 28, respectively).

After the abovementioned adjustments are made, our findings and conclusion are as illustrated below: -

Subject Property	Floor Area (Sq. Ft.)	Comparables Transactions Analysed Range (RM per Sq. Ft.)	Conclusion
Level 27 (27-01)	3,208 each	1,076 to 1,222	Greater emphases placed on Comparable 1 as it is the least adjusted among the selected comparables, hence adopted <b>RM1,076 per sq. ft.</b>
Level 29 (29-01)			
Level 26 (26-01)	9,235	1,040 to 1,167	Greater emphases placed on Comparable 1 as it is the least adjusted among the selected comparables, hence adopted <b>RM1,050 per sq. ft.</b>
Level 28 (28-01)	9,128		

It should be noted that the Subject Property comes with accessory parcels with the most common accessory parcel being the A/C ledge. From the information as provided, we observed the A/C ledge attached to the Subject Property is much larger than conventional A/C ledge with built up area of 861 sq. ft., with an approximate width of six feet in an L shape design. Specifically for Unit 28-1, other accessory parcels attached include ground floor private lift lobby, mechanical carpark, boom gate space and signage space.

For these accessory parcels, we have only adopted half of the adopted rate of the office space due to the difference in nature between the main office space and its accessory parcel. Based on our internal analysis on historical transactions of similar type of properties attached with accessory parcel, our analysis revealed the accessory parcel apportionment in terms of the total transacted value is around 50% and we have therefore adopted 50% or half the full rate in our computation. Therefore, the adopted rate for accessory parcels of Unit 27-01 and Unit 29-01 is **RM538 per sq. ft.** whilst for Unit 26-01 and Unit 28-01, the rate adopted is **RM525 per sq. ft.**



**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)****2. Carpark Portion**

In arriving at our opinion of market value of the carpark component, we have taken into consideration among others the following sale transactions: -

<b>Comparable</b>	<b>1</b>	<b>2</b>
Scheme	Pacific Tower, Section 13, Petaling Jaya, Selangor	KPJ Selangor Specialist, Section 20, Shah Alam, Selangor
No. of Parking Bays	1,216	286
Tenure	Leasehold expiring on 21/5/2112	Leasehold expiring on 1/7/2096
Transacted Price (RM)	53,700,000	13,000,000
Date of Transaction	October 14, 2019	December 8, 2017
Vendor	JAKS Island Circle Sdn Bhd	Selangor Specialist Hospital Sdn Bhd
Buyer	JAKS Sdn Bhd	Amanahraya Trustees Berhad
Analysed Rate Per Parking Bay (RM)	44,161	45,455
Adjustments Made/ Considered	Time Factor, Location, Tenure and Number of Parking Bays	
Final Adjusted Rate (RM Per Bay)	51,006	50,114
Source	Bursa Securities Announcement	

After all necessary adjustments made as detailed above, we have arrived at an adjusted range of value between **RM50,114 per parking bay to RM51,006 per parking bay**, which is consistent with our internal data kept on commercial parking bays within Kuala Lumpur city center and fringe of Kuala Lumpur.

After further considerations, we have adopted **RM50,000 per car park bay and RM45,000 per mechanical car park bay for the Subject Property's car park**. The reason behind a lower rate was adopted for mechanical car park bay is due to its costlier maintenance factor in the long run as compared to the conventional parking bays located at the basement levels of the Subject Development.

**3. Summary of Market Value of Office Space and Carpark**

Based on the above, the computation of the Market Value of these components of the Subject Property are as follows: -

<b>Subject Property</b>	<b>Floor Area / No. of Bays</b>	<b>Adopted Rate (RM per Sq. Ft.)</b>	<b>Market Value (RM)</b>	<b>Total Market Value (Rounded) RM)</b>
Level 27 (27-01)	3,208 sq. ft.	1,076	3,451,808	<b>3,900,000</b>

**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

Accessory Parcel	861 sq. ft.	538	463,218	
Level 29 (29-01)	3,208 sq. ft.	1,076	3,451,808	<b>3,900,000</b>
Accessory Parcel	861 sq. ft.	538	463,218	
Level 26 (26-01)	9,235 sq. ft.	1,050	9,696,750	<b>14,400,000</b>
Accessory Parcel	861 sq. ft.	525	452,025	
Carpark (Basement)	84 bays	50,000	4,200,000	
Level 28 (28-01)	9,128 sq. ft.	1,050	9,584,400	<b>16,100,000</b>
Accessory Parcel	1,701* sq. ft.	525	893,025	
Carpark (Basement)	84 bays	50,000	4,200,000	
Carpark (Mechanical)	32 bays	45,000	1,440,000	

*\*Accessory parcel area excludes mechanical carpark, boom gate space and signage space*

**4. Retail Unit at Level 31 – Unit 31-01 (Cafeteria)**

We have extracted historical transaction data of commercial space for analysis on the retail space of the Subject Property. This segment of the Subject Development refers to the cafeteria with open rooftop (viewing deck) located at Level 31. As this area is meant for retail/commercial usage, we have relied on the following selected transactions: -

<b>Comparable</b>	<b>1</b>	<b>2</b>	<b>3</b>
Unit No.	P-01-05	2-57-1	P-01-13A
Scheme	Tropicana Avenue, Persiaran Tropicana, Petaling Jaya	Residensi Star, Jalan Yap Kwan Seng, Kuala Lumpur	Tropicana Avenue, Persiaran Tropicana, Petaling Jaya
Tenure	Leasehold expiring on September 22, 2109	Freehold	Leasehold expiring on September 22, 2109
Built Up Area (Sq. Ft.)	1,615	1,464*	1,582
Transacted Price (RM)	2,330,000	5,900,000	2,300,000
Date of Transaction	September 26, 2023	November 9, 2022	September 7, 2022
Vendor	Lee Shiau Chien	Alphine Return Sdn Bhd	Fook Cheong Seafoods & Medical Trading Sdn Bhd
Buyer	Lim Kong Chee	Alpine Real Estate Sdn Bhd	Low Song Lai
Analysed Rate (RM per sq. ft.)	1,443	2,579**	1,454

**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

Adjustments Made/ Considered	Time Factor, Location, Tenure, Unit Size, Floor Level and Building Age		
Final Adjusted Rate (RM Per Sq. Ft.)	2237	1934	2253
Source	JPPH		

\* It should be noted that Comparable 2 is accessorized with 1,647 sq. ft. open space area similar to the Level 31 of the Subject Property.

\*\* For Comparable 2, we have made further analysis as it consists of main floor area of 1,464 sq. ft. and accessory parcel of 1,647 sq. ft.. Consistent with analysis for office space segment above, we adopted half of the accessory parcel floor area to be entitled to the full transacted rate, i.e. the doctrine of half the rate applied to accessory parcel. Our analysis on Comparable 2 analysed transacted rate are as follow: -

Transacted Price			RM5,900,000
Main Floor Area		1,464 sq. ft. <sup>(a)</sup>	
Accessory Parcel	1,647 sq. ft.		
Half of the Accessory Parcel Entitled to Full Rate Analysis	1,647 sq. ft. ÷ 2	823.5 sq. ft. <sup>(b)</sup>	
Total Floor Area Subject to Full Rate Analysis <sup>(a) + (b)</sup>			2,287.5 sq. ft.
Analysed Rate Per Sq. Ft.			RM2,579.23 Per Sq. Ft.

Upon completion of the comparison analysis as explained above, our findings reveal a range of **RM1,934 per sq. ft. to RM2,253 per sq. ft.** for retail space segment. Having taken all relevant factors into consideration, we placed a greater emphasis on **Comparable 2 – Residensi Star** due to the similarity of property type. Therefore, it is in our opinion that **RM1,934 per sq. ft.** reflects the fair and reasonable market value for the retail space located at Level 31 of the Subject Development.

Similar other component of the Subject Property, Unit 31-01 also come with accessory parcel with total floor area of 6,114 sq. ft., which is made up of 5,253 sq. ft. of open rooftop area and 861 sq. ft. of A/C ledge. Aside from adopted half of the adopted analysed rate ( $RM1,934 \text{ per sq. ft.} \times 50\% = 967 \text{ per sq. ft.}$ ), we have further allowed -10% downward adjustment ( $RM965 \text{ per sq. ft.} - 10\% = RM870 \text{ per sq. ft.}$ ) to the open rooftop area due to its large area. In conclusion, the Market Value of Unit 31-01 is as illustrated below: -

Subject Property	Floor Area (Sq. Ft.)	Adopted Rate (RM per Sq. Ft.)	Market Value (RM)	Total Market Value (Rounded) RM)
Level 31 (31-01)	2,616	1,934	5,059,344	10,500,000
Accessory Parcel (A/C Ledge)	861	967	832,587	
Accessory Parcel (Open Roof Top)	5,253	870	4,570,110	



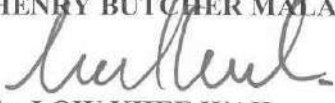
**APPENDIX III – VALUATION CERTIFICATE FOR THE SUBJECT PROPERTIES (CONT'D)**

By relying on the Comparison Approach as presented above, we have arrived at our opinion of Market Value of the Subject Property as tabulated below: -

Subject Property	Component	Total Market Value (RM)
Level 26	Office floor area, accessory parcel and 84 car parking bays	14,400,000
Level 27	Office floor area and accessory parcel	3,900,000
Level 28	Office floor area, accessory parcel and 116 car parking bays	16,100,000
Level 29	Office floor area and accessory parcel	3,900,000
Level 31	Roof top retail unit with accessorized open rooftop area	10,500,000
<b>Grand Total</b>		<b>48,800,000</b>

It is our opinion that the Market Value of the leasehold unencumbered interest in the Subject Property upon completion in accordance to the approved building plans, issued with full Certificate of Completion and Compliance (“CCC”) together with individual strata title issued is **RM 48,800,000 (Ringgit Malaysia: Forty Eight Million and Eight Hundred Thousand Only)**.

Yours faithfully,  
**HENRY BUTCHER MALAYSIA SDN BHD**

  
**Sr. LOW KHEE WAH**  
B. (Hons) Estate Mgmt., MRISM, MRICS  
Registered Valuer (V-724)



*LKW/osk/wenyit/janice*

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**APPENDIX IV – FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirms 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 contained in this Circular false and misleading.

**2. CONSENTS AND DECLARATIONS**

M&A Securities, being the Principal Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references in the form and context in which it appears in this Circular.

M&A Securities has given its confirmation that no conflict of interest or of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Principal Adviser for the Proposed Disposal.

BDOCC, being the Independent Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references in the form and context in which they appear in this Circular.

BDOCC has given its confirmation that no conflict of interest or of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Independent Adviser for the Proposed Disposal.

Henry Butcher, being the Valuer of the Subject Properties, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, its valuation certificate as well as all references in the form and context in which they appear in this Circular. In addition, Henry Butcher also confirms that no conflict of interest or of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Valuer for the Proposed Disposal.

**3. MATERIAL LITIGATION**

As at LPD, there are no material litigation, claims or arbitration involving the Subject Properties including those pending or threatened, against the Subject Properties.

**4. MATERIAL COMMITMENTS**

Save as disclosed below, as at LPD, the Board is not aware of any material commitments contracted or known to be contracted by CHGP Group, that is likely to have an impact on CHGP Group's profits or NA upon becoming enforceable:

	<b>RM'000</b>
Approved and contracted for:	
• Acquisition of freehold land	40,000
• Capital expenditure for joint developments	92,000
	<b>132,000</b>

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**APPENDIX IV – FURTHER INFORMATION (CONT'D)**

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**5. CONTINGENT LIABILITIES**

Save as disclosed below, as at LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by CHGP Group, which upon becoming enforceable, may have a material impact in the ability of CHGP Group to meet the obligations as and when they fall due:

	<b>RM'000</b>
<b>Unsecured</b>	
• Guarantees given to third parties in respect of trade & contracts	47,590
• Guarantees given to financial institutions for borrowings	541,048
	<b>588,638</b>

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at CHGP's registered office at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang, during normal business hours from Mondays to Fridays (except public holidays), from the date of this Circular up to and including the date of the EGM:

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of CHGP for FYE 31 December 2022 and FYE 31 December 2023 and the latest unaudited consolidated financial statements for FPE 31 March 2024;
- (iii) SPA 1, SPA 2 and SPA 3 in respect of the Proposed Disposal;
- (iv) Valuation certificate by the Valuer referred to in Appendix III and the valuation report thereon; and
- (v) Letters of consents and declarations referred to in Section 2 above.



**CHIN HIN GROUP PROPERTY BERHAD**  
[200101017677 (553434-U)]  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of Chin Hin Group Property Berhad ("**CHGP**" or the "**Company**") will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 25 September 2024 at 2.00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

### **ORDINARY RESOLUTION**

**PROPOSED DISPOSAL OF 4 LEVELS OF OFFICE SPACE WITH 200 CAR PARKING BAYS AND A ROOFTOP RETAIL UNIT WITH ACCESSORISED ROOFTOP OPEN AREA WITHIN AN ONGOING HIGH-RISE OFFICE TOWER DEVELOPMENT KNOWN AS SOLARVEST TOWER, LOCATED AT BANGSAR SOUTH, 59200 KUALA LUMPUR BY BK ALLIANCE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF BKG DEVELOPMENT SDN BHD, WHICH IN TURN A WHOLLY-OWNED SUBSIDIARY OF CHIN HIN GROUP PROPERTY BERHAD, TO SOLARVEST ENERGY SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM48.73 MILLION ("PROPOSED DISPOSAL")**

**"THAT** subject to all approvals of the relevant authorities and/or persons (if required) being obtained, approval be and is hereby given to BK Alliance Sdn Bhd ("**BKA**"), a wholly-owned subsidiary of BKG Development Sdn Bhd, which in turn a wholly-owned subsidiary of the Company to dispose of 4 levels of office space with 200 car parking bays and a rooftop retail unit with accessorised rooftop open area within an ongoing high-rise office tower development known as Solarvest Tower, being constructed on a piece of leasehold land held under Pajakan Negeri 53073, Lot 481445, Mukim Kuala Lumpur, Tempat Kg. Kerinchi, Daerah Kuala Lumpur, Negeri Kuala Lumpur Wilayah Persekutuan, located at Bangsar South, 59200 Kuala Lumpur to Solarvest Energy Sdn Bhd ("**SESB**"), a wholly-owned subsidiary of Atlantic Blue Sdn Bhd, which in turn a wholly-owned subsidiary of Solarvest Holdings Berhad, for a total disposal consideration of RM48.73 million, in accordance with the terms and conditions as stated in three (3) conditional sale and purchase agreements all dated 13 June 2024 entered into between BKA and SESB, and on such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities for the Proposed Disposal.

**THAT** the Board of Directors of the Company ("**Board**") be and is hereby authorised to utilise the proceeds to be derived from the Proposed Disposal for such purposes as set out in the Circular to Shareholders dated 10 September 2024 and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Disposal in the manner as the Board may deem fit, necessary and/or expedient, in the best interest of the Company, subject to the compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and the approval of the relevant authorities (where required).

**AND THAT** authority be and is hereby given to the Board to give full effect to the Proposed Disposal with full powers and authority to approve, agree and assent to any conditions, variations, revaluations, modifications, and/or amendments in any manner as may be required/permitted by the relevant regulatory authorities or deemed necessary by the Board, to deal with matters, incidental, ancillary to and/or relating thereto and take all steps and do all acts and to execute or enter into all such agreements, arrangements, undertakings, indemnities, transfers, extensions, assignments, deeds, confirmations, declarations and/or guarantees, with any party or parties, to deliver or cause to be delivered all such documents and to do all such acts and matters as the Board may consider necessary to implement, finalise and give full effect to and complete the Proposed Disposal.”

**BY ORDER OF THE BOARD OF  
CHIN HIN GROUP PROPERTY BERHAD**

**CHEE WAI HONG (BC/C/1470)**  
**SSM PC No. 202008001804**  
**TAN SHE CHIA (MAICSA 7055087)**  
**SSM PC No. 202008001923**

Company Secretaries  
Pulau Pinang  
10 September 2024

**Notes:**

- (1) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (2) The proxy form must be duly completed and deposited at the Registered Office of the Company, Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (3) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- (4) Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- (6) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“**Central Depositories Act**”), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
- (7) Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (8) For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 69 of the Company’s Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors (“**ROD**”) as at 18 September 2024 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
- (9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.





**CHIN HIN GROUP PROPERTY BERHAD**  
 [200101017677 (553434-U)]  
 (Incorporated in Malaysia)

CDS Account No.											

**PROXY FORM**

I/We .....  
 (FULL NAME OF SHAREHOLDERS AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC No. ....) of .....

.....  
 (ADDRESS)

(EMAIL ADDRESS:.....) (MOBILE NO.:.....)

being a member/member(s)of the abovenamed Company, hereby appoints

.....  
 (FULL NAME of proxy as per NRIC/Passport in capital letters)

(NRIC No. ....) of .....

.....  
 (FULL ADDRESS)

(EMAIL ADDRESS:.....) (MOBILE NO.:.....)

or failing him, .....  
 (FULL NAME of proxy as per NRIC/Passport in capital letters)

(NRIC No. ....) of .....

.....  
 (FULL ADDRESS)

(EMAIL ADDRESS:.....) (MOBILE NO.:.....)

or failing him, THE CHAIRMAN OF THE MEETING, as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 25 September 2024 at 2.00 p.m. or at any adjournment thereof and to vote as indicated below:

RESOLUTION		FOR	AGAINST
Ordinary Resolution	Proposed Disposal		

Please indicate with an "X" in the appropriate spaces provided above on how you wish your vote to be casted. If no specific instruction is given, the proxy may vote as he thinks fit.

No of shares held

Dated this.....day of..... 2024

For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:		
	No of shares	%
Proxy 1		
Proxy 2		
Total		100

.....  
 Contact number

.....  
 Signature of member(s) /Common Seal

\* Strike out whoever is not desired



*Fold this flap for sealing*

**Notes:**

- (1) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (2) The proxy form must be duly completed and deposited at the Registered Office of the Company, Suite 16.06, MWE Plaza, No. 8 Lebuah Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (3) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- (4) Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- (6) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
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- (9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.

*Then fold here*

AFFIX  
STAMP

The Company Secretaries

**CHIN HIN GROUP PROPERTY BERHAD**  
**[200101017677 (553434-U)]**

Suite 16.06, MWE Plaza  
No. 8 Lebuah Farquhar  
10200 George Town  
Pulau Pinang

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