

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your sharebroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, the valuation certificate and report prepared in relation to the Proposed Acquisition, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



GRAND HOOVER BERHAD

[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PROPOSED ACQUISITION BY GRAND HOOVER PROPERTY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF GRAND HOOVER BERHAD, OF 10 PARCELS OF SUBDIVIDED PLOTS REPRESENTED BY INDIVIDUAL TITLES MEASURING APPROXIMATELY 20.02 ACRES COMPRISED IN A FREEHOLD LAND HELD UNDER MASTER TITLE NO. H.S.(D) 13683, PTD 14020, MUKIM JERAM BATU, DAERAH PONTIAN, NEGERI JOHOR FOR A CASH CONSIDERATION OF RM43,603,560.00

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

[Registration No. 197501002220 (23742-V)]
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“EGM”) of our Company which is scheduled to be held on a virtual basis through live streaming and online remote voting at the broadcast venue at the Meeting Room of the Company at 2A-1-1(B), Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 20 January 2022 at 10:00 a.m. or any adjournment thereof, for the purpose of considering the Proposed Acquisition, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend, participate, speak and vote remotely at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, or by electronic lodgment via Securities Services e-Portal at <https://sshsb.net.my>, not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof. For further information on the electronic submission of the Form of Proxy, kindly refer to the Administrative Guide.

Last day, date and time for lodging the Form of Proxy : Tuesday, 18 January 2022 at 10:00 a.m.
Day, date and time of the EGM : Thursday, 20 January 2022 at 10:00 a.m.

This Circular is dated 31 December 2021

DEFINITIONS

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
Agreed Infrastructure	: In accordance with the terms of SPA, the parties have determined that the agreed infrastructure includes:- (a) tapping points for water supply, road and drainage connection, main sewerage reticulation and access to telecommunication supply to the Pontian Land and up to and along the boundary of the Pontian Land; and (b) main distribution substation for power supply.
AmInvestment Bank	: AmInvestment Bank Berhad [Registration No. 197501002220 (23742-V)]
Board	: Board of directors of GHB
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Circular	: This circular to shareholders of our Company dated 31 December 2021 in relation to the Proposed Acquisition
Dato' Rahim	: Dato' Abd Rahim bin Jaafar
Development	: Development of the Original Land with common facilities, infrastructure and amenities
Director(s)	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
EGM	: Extraordinary general meeting
EPS	: Earnings per share
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
GHB or Company	: Grand Hoover Berhad [Registration No. 197101000134 (10493-P)]
GHB Group or Group	: Collectively, GHB and its subsidiaries
GHB Share(s) or Shares	: Ordinary shares in our Company
GHPSB or Purchaser	: Grand Hoover Property Sdn Bhd [Registration No. 198201001919 (81665-T)]
JDA	: Joint development agreement which was entered into on 24 April 2019 and subsequent supplemental agreements entered into on 28 June 2019 and 28 September 2021 respectively between TIP and TCB.
Laurelcap or Valuer	: Laurelcap Sdn Bhd, Independent Valuer appointed by GHB

DEFINITIONS (CONT'D)

Listing Requirements or MMLR	: Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
LPD	: 22 December 2021, being the latest practicable date prior to the printing of this Circular
Market Day(s)	: Any day(s) between Monday and Friday (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
NA	: Net assets attributable to owners of our Company
N/A	: Not applicable
Original Land	: Freehold land measuring 89.35 hectare which is currently held under Master Title No. H.S. (D) 13683, PTD 14020, Mukim Jeram Batu, Daerah Pontian, Negeri Johor.
Pontian Land	: Ten (10) individual land plots (forming part of the Original Land) measuring an aggregate of approximately 20.02 acres, together with Agreed Infrastructure located at Daerah Pontian, Negeri Johor
Proposed Acquisition	: Proposed Acquisition of the Pontian Land (which will be delivered in ten (10) parcels of subdivided plots represented by individual titles) by Grand Hoover Property Sdn Bhd, in accordance with the terms as set out in the SPA (together with Agreed Infrastructure), for a total cash consideration of RM43,603,560.00
Purchase Consideration	: Total cash consideration of RM43,603,560.00
RM and sen	: Ringgit Malaysia and sen respectively
Related Parties	: Parties related to our Group's directors, major shareholders and/or persons connected to them
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, as may be amended from time to time
Shareholders	: Registered holders of GHB Shares
SPA	: Conditional sale and purchase agreement dated 29 October 2021 entered into between GHPSB, TIP and TDJB in relation to the Proposed Acquisition
TCB	: Tropicana Corporation Berhad [Registration No. 197901003695 (47908-K)]
TDJB or Developer	: Tropicana Development (Johor Bahru) Sdn Bhd [Registration No. 199101006100 (216410-U)], a wholly-owned subsidiary of TCB
TIP or Landowner	: Tropicana Industrial Park Sdn Bhd [Registration No. 198901005233 (182541-P)]
Unconditional Date	: The date which the last of the conditions precedent have been fulfilled or waived

DEFINITIONS (CONT'D)

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

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates, indications and assumptions made by our 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. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that GHB's plans and objectives will be achieved.

TABLE OF CONTENTS

	PAGE
LETTER TO THE SHAREHOLDERS OF GHB IN RELATION TO THE PROPOSED ACQUISITION	
EXECUTIVE SUMMARY	1
1 INTRODUCTION	3
2 DETAILS OF THE PROPOSED ACQUISITION	4
3 RATIONALE FOR THE PROPOSED ACQUISITION	13
4 RISK FACTORS RELATING TO THE PROPOSED ACQUISITION	14
5 INDUSTRY OUTLOOK AND PROSPECTS	15
6 EFFECTS OF THE PROPOSED ACQUISITION	21
7 INTER-CONDITIONALITY	22
8 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM	23
9 HIGHEST PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION	23
10 DIRECTORS' STATEMENT AND RECOMMENDATION	23
11 APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION	23
12 ESTIMATED TIME FRAME FOR COMPLETION	23
13 ADVISERS	24
14 EGM	24
15 FURTHER INFORMATION	24
APPENDICES	
I. VALUATION CERTIFICATE BY LAURELCAP	25
II FURTHER INFORMATION	32
III ADMINISTRATIVE NOTES	35
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

LETTER TO THE SHAREHOLDERS OF GHB IN RELATION TO THE PROPOSED ACQUISITION

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSED ACQUISITION. PLEASE READ THIS CIRCULAR AND THE APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED ACQUISITION BEFORE VOTING AT OUR FORTHCOMING EGM.

No	Key Information	Section	Summary																											
1	Details of the Proposed Acquisition	2	Our Company intends to purchase ten (10) individual land plots (forming part of the Original Land), measuring an aggregate of approximately 20.02 acres, together with Agreed Infrastructure located at Daerah Pontian Negeri Johor for a total cash consideration of RM43,603,560.00 via the conditional SPA with TIP and TDJB, a wholly-owned subsidiary of TCB.																											
2.	Details of the Pontian Land	2.1	<div>The details of the Pontian Land are as below:</div> <table><tr><td>Location</td><td>:</td><td>Mukim Jeram Batu, Daerah Pontian, Negeri Johor</td></tr><tr><td>Title no⁽ⁱ⁾</td><td>:</td><td>H.S.(D) 13683, PTD 14020</td></tr><tr><td>Land area⁽ⁱ⁾</td><td>:</td><td>89.35 hectare</td></tr><tr><td>Existing category of land use⁽ⁱ⁾</td><td>:</td><td>Agriculture</td></tr><tr><td>Land tenure</td><td>:</td><td>Freehold</td></tr><tr><td>Encumbrances</td><td>:</td><td>Nil</td></tr><tr><td>Restriction in interest</td><td>:</td><td>Nil</td></tr><tr><td>Express condition</td><td>:</td><td>Nil</td></tr><tr><td>Market value⁽ⁱⁱ⁾</td><td>:</td><td>RM43,603,560.00</td></tr></table>	Location	:	Mukim Jeram Batu, Daerah Pontian, Negeri Johor	Title no ⁽ⁱ⁾	:	H.S.(D) 13683, PTD 14020	Land area ⁽ⁱ⁾	:	89.35 hectare	Existing category of land use ⁽ⁱ⁾	:	Agriculture	Land tenure	:	Freehold	Encumbrances	:	Nil	Restriction in interest	:	Nil	Express condition	:	Nil	Market value ⁽ⁱⁱ⁾	:	RM43,603,560.00
Location	:	Mukim Jeram Batu, Daerah Pontian, Negeri Johor																												
Title no ⁽ⁱ⁾	:	H.S.(D) 13683, PTD 14020																												
Land area ⁽ⁱ⁾	:	89.35 hectare																												
Existing category of land use ⁽ⁱ⁾	:	Agriculture																												
Land tenure	:	Freehold																												
Encumbrances	:	Nil																												
Restriction in interest	:	Nil																												
Express condition	:	Nil																												
Market value ⁽ⁱⁱ⁾	:	RM43,603,560.00																												

Notes:

(i) The Pontian Land, being the subject matter of the Proposed Acquisition, is currently held under the master title of the Original Land. As part of the terms of the SPA, GHPSB will receive ten (10) individual titles with title details to be issued in accordance with the SPA Conditions, where applicable.

(ii) Based on the market value as ascribed by the independent valuer appointed by GHB, namely Laureicap in its Valuation Certificate dated 9 October 2021.

EXECUTIVE SUMMARY (CONT'D)

No	Key Information	Section	Summary
3	Rationale for the Proposed Acquisition	3	<ul style="list-style-type: none"> The Proposed Acquisition is part of our Group's effort to build and strengthen its land bank for its property development segment. The Proposed Acquisition also provides an opportunity for our Group to expand its property development activities in an area which is poised for growth in the near term and is expected to contribute positively to our Group's future performance The Proposed Acquisition is also expected to provide an opportunity for GHB, which has core expertise in construction, to strengthen its construction order book by participating in the construction of the Agreed Infrastructure works for the Original Land.
4	Source of funding		The Purchase Consideration will be funded via a mix of internally generated funds and bank borrowings to be obtained.
5	Risk factors relating to the Proposed Acquisition	4	<ul style="list-style-type: none"> Our Group will be subjected to non-completion risks as completion of the Proposed Acquisition is conditional upon the fulfilment of all necessary conditions precedent and SPA Conditions (as defined herein) as set out in the salient terms of the SPA under Section 2.4 of this Circular Our Group may face funding risks as the Purchase Consideration is to be financed via a combination of internally generated funds and/or bank borrowings. Hence, future fluctuation of interest rates may have an effect on our Group's cash flows and profitability Our Group may be subjected to non-registration of memorandum of transfer as the Original Land is currently registered under the name of TIP, being the landowner. The Proposed Acquisition is subject to risks inherent to the industrial property development industry, a new segment which our Group had not been previously involved in.
5	Inter-conditional	7	The Proposed Acquisition is not conditional upon any other corporate exercises that have been announced and / or pending implementation by GHB. Save for the Proposed Acquisition, there are no outstanding corporate exercises or proposals that have been announced by GHB which are pending completion as at the LPD.



GRAND HOOVER BERHAD
[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

Registered Office

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

31 December 2021

Board of Directors

Dato' Abd Rahim bin Jaafar (*Executive Chairman*)
Teo Swee Leng (*Deputy Chairman*)
Teo Swee Phin (*Managing Director*)
Tuan Sr. Hj. Mohd Farid bin Naim (*Executive Director*)
Dato' Mahamed bin Hussain (*Independent Non-Executive Director*)
Datuk Ir. Ruslan bin Abdul Aziz (*Independent Non-Executive Director*)
Dato' Paul Lim Tau Ern (*Independent Non-Executive Director*)
Toh Seng Thong (*Independent Non-Executive Director*)

To: The Shareholders

Dear Sir/Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On 29 October 2021, AmlInvestment Bank, on behalf of our Board, announced that GHB's wholly-owned subsidiary, GHPSB or the Purchaser had on even date entered into a SPA with TIP or the Landowner and TDJB, a wholly-owned subsidiary of TCB, for the purchase of the Pontian Land which comprise of ten (10) individual land plots (forming part of the Original Land) measuring an aggregate of approximately 20.02 acres, together with Agreed Infrastructure located at Daerah Pontian Negeri Johor for a total cash consideration of RM43,603,560.00.

The Pontian Land is part of the Original Land which is currently held under Master Title No. H.S.(D) 13683, PTD 14020, Mukim Jeram Batu, Daerah Pontian, Negeri Johor.

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

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION, TO SET OUT THE VIEW AND RECOMMENDATION OF OUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

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

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition of the Pontian Land (which will be delivered in ten (10) parcels of subdivided plots represented by individual titles (“**Individual Title(s)**”), in accordance with the terms as set out in the SPA, for a cash consideration of RM43,603,560.00, which is to be satisfied in the manner set out under Section 2.2 of this Circular, and subject to the following conditions (“**SPA Conditions**”):-

- (a) the Pontian Land will measure in aggregate 20.02 acres and will be acquired free of encumbrances;
- (b) category of land use in the respective individual titles of the Pontian Land be reflected as “industrial”;
- (c) the Agreed Infrastructure be completed in accordance with the terms of the SPA;
- (d) there are no “bumiputera” quota restrictions imposed on the development of the Pontian Land; and
- (e) the Pontian Land falls within an “International Zone” as designated by the relevant authorities.

For the avoidance of doubt, the cost and expenses of the Agreed Infrastructure shall be borne solely by TDJB.

For information purposes, TIP is currently the registered owner of the Original Land. In this respect, TIP had on 24 April 2019, entered into the JDA, whereby TIP, being the Landowner, had appointed and granted TCB the exclusive right to undertake and carry out the Development. Subsequently, TCB had nominated TDJB to undertake the Development via a letter dated 30 September 2021.

The salient terms of the SPA in relation to the Proposed Acquisition are set out in Section 2.4 of this Circular.

2.1 Information on the Pontian Land

The Pontian Land is situated within a development area to be known as Tropicana Industrial Park which is envisioned to be a gated and guarded business campus covering a land area of approximately 1,200 acres to be developed in eight (8) phases (“**TIP Land**”). The TIP Land comprises 13 pieces of freehold agricultural land held under HSD 13678 to HSD 13685, PTD 14015 to PTD14022; HSD 13689 PTD 14026; HSD 13690, PTD 14027; HSD 13692, PTD 14029; HSD 13676, PTD14013, and HSD 13677, PTD 14014 and Mukim of Jeram Batu, Daerah Pontian, Negeri Johor. Tropicana Industrial Park is proposed to be developed into eight (8) phases comprising collectively 267 light and medium industrial lots and is intended to be developed as a self-sustainable industrial park as it would also comprise of other amenities, facilities and infrastructure include comprehensive road and drainage, reservoirs and water supply networks, a centralised sewage treatment plant complete with sewerage reticulation, high-speed fibre optic services, dormitories, an accumulative size of 10-acre industrial facilities depot to support the overall development and operation of the industrial park, a recreational park with landscape design for outdoor activities, as well as a recreational lake next to the park, with a jogging and cycling track. It is envisioned that the facilities, infrastructure and amenities of the industrial park will be able to cater to the needs of a variety light and medium industries such as food processing and packaging, the assembly of furniture and electronics, manufacturing of precast and building materials. Further, Tropicana Industrial Park will also be equipped with warehouse and distributor hub that could provide business operators with logistics solutions. Depending on the prevailing market conditions, it is envisaged that the entire development of the eight (8) phases of the TIP Land will take approximately up to 10 years i.e. until 2030.

As at LPD, save for the development order obtained for the Original Land, the proposed development for the remaining phases of the TIP Land is still in planning stages and has yet to be finalized. However, based on preliminary estimates by TDJB, which may be subject to change, the Gross Development Value ("**GDV**") of the entire eight (8) phases of the TIP Land is envisaged to be approximately RM1.67 billion. As at LPD, the Vendor is not able to ascertain the Gross Development Costs ("**GDC**"), as the engineering design and planning for the eight (8) phases are still ongoing.

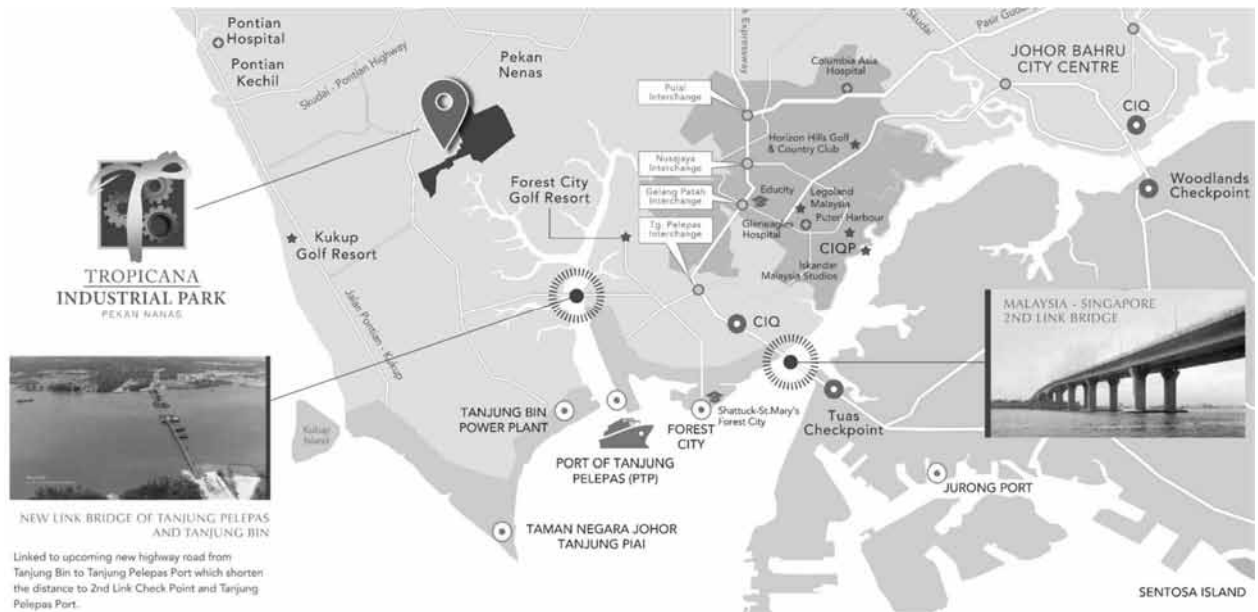
The Pontian Land, which forms part of the Original Land, measuring approximately 89.35 hectares is situated approximately 32 kilometres and 9 kilometres north west and north of Johor Bahru city centre and Gelang Patah respectively, whilst the Pekan Nenas and Pontian towns are sited some 10 kilometres and 27 kilometres due north and west of the Pontian Land respectively. Towards the north-eastern direction lies the Pekan Nenas Industrial Park covering an area of about 112 acres of freehold land, and comprising detached factories, semi-detached factories, hostel, hypermarket, shop offices and a food court. The Pekan Nenas Immigration Detention Centre is located about 6 kilometres due north-east of the Pontian Land. On the eastern periphery some 13 kilometres away are the Kawasan Perindustrian Pontian and Kawasan Perindustrian Pontian Maju. The Starson Industry Concrete Manufacturing Plant is sited immediately on the northern flank of the Pontian Land.

The Rancangan Tempatan Daerah (RTD) MDP 2030 (Penggantian) has indicated a new highway connecting Gelang Patah and Pangkalan Raja, whilst three (3) proposed secondary dispersal roads are slated for construction within the next ten (10) years in the vicinity of the Pontian Land area. There is also a proposed bridge (Jambatan Sungai Pulai) connecting Kampong Boh and Kampong Pekajang Bengkok which provides access to Port of Tanjung Pelepas and the Malaysia / Singapore 2nd Link Bridge and thus reducing travelling time from the Pontian Land to these areas significantly.

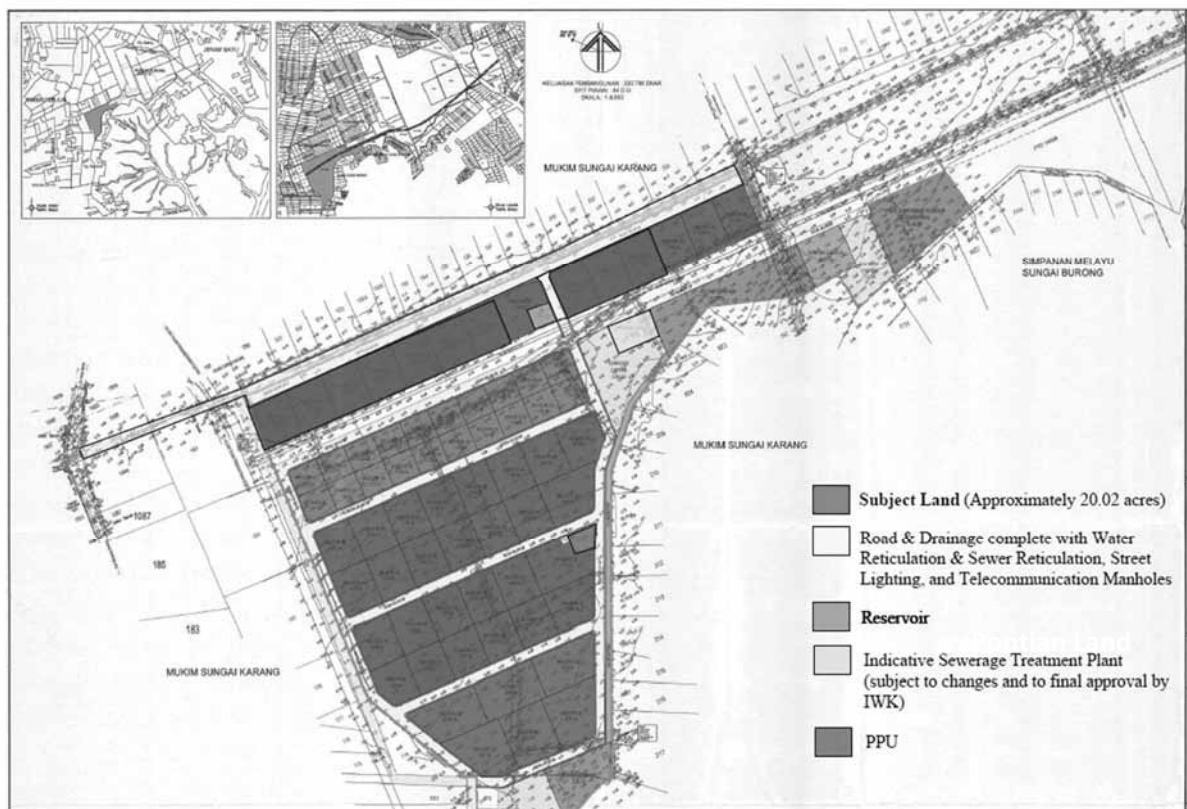
As at LPD, save for the disposal of the Pontian Land to GHB, there has been no other disposal of other plots of land within the TIP Land. It is presently not the intention of TCB and TDJB to retain the land for investment and instead intends to dispose the remaining plots in the Original Land and other phases to potential buyers.

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Overview of the location of Tropicana Industrial Park within the state of Johor:-



The location of the Pontian Land vis-à-vis the Original Land is indicated below:



The Pontian Land currently forms part of the Original Land, In this respect, the details of the Original Land are as follows:-

Criteria	Details
Location	: Mukim Jeram Batu, Daerah Pontian, Negeri Johor
Title no ⁽ⁱ⁾	: H.S.(D) 13683, PTD 14020
Land area ⁽ⁱ⁾	: 89.35 hectare
Existing category of land use ⁽ⁱ⁾	: Agriculture
Land tenure	: Freehold
Registered owner	: TIP
Encumbrances	: Nil
Restriction in interest	: Nil
Express condition	: Nil
Market value ⁽ⁱⁱ⁾	: RM43,603,560.00

Notes:

- (i) *The Pontian Land, being the subject matter of the Proposed Acquisition, is currently held under the master title of the Original Land. As part of the terms of the SPA, GHPSB will receive ten (10) individual titles with title details to be issued in accordance with the SPA Conditions, where applicable.*
- (ii) *Based on the market value as ascribed by the independent valuer appointed by GHB, namely Laurelcap in its Valuation Certificate dated 9 October 2021.*

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2.2 Mode of satisfaction for the Purchase Consideration

The Purchase Consideration to be paid to TDJB will be satisfied entirely in cash in the following manner:

No	Milestone	Completion Period	Purchase Consideration (RM)
(i)	Upon execution of the SPA	Upon signing of the SPA	4,360,356.00
(ii)	Upon Purchaser or Purchaser's solicitors being notified of the issuance of the individual title to the respective Pontian Land	-	13,081,068.00
(iii)	Upon the completion of the respective Agreed Infrastructure works ⁽¹⁾ set out below:		
	(a) Upon completion of the earthwork within the boundary of the Pontian Land as determined by TDJB	Within fourteen (14) business days upon being notified in writing of the due completion of each stage for payment	8,720,712.00
	(b) Upon completion of the sewerage reticulation up to the boundary of the Pontian Land		4,360,356.00
	(c) Upon completion of the water reticulations system up to the boundary of the Pontian Land		4,360,356.00
	(d) Upon completion of the drainage up to the boundary of the Pontian Land		4,360,356.00
	(e) Upon completion of the access road up to the boundary of the Pontian Land		4,360,356.00
Total			43,603,560.00

Notes:

(1) All Agreed Infrastructure works are to be completed within thirty-six (36) months from the date of the SPA.

For information purposes, once our Group is issued with the individual title to the Pontian Land after the 2nd tranche payment of RM17,441,424, our Group is able to proceed to commence the development process on the said land which includes, *inter-alia* obtaining the relevant authorities' approvals for development order and building plan and thereafter commence their marketing efforts for the Pontian Land. Simultaneously, upon GHB obtaining the necessary development approvals, our Group will proceed to commence construction of development units on the Pontian Land concurrently with the on-going construction of the Agreed Infrastructure.

Hence, taking the above into consideration, our Group is of the opinion that there is no opportunity cost in relation to the aforementioned payment term as GHB is able to commence and undertake property development activities on the Pontian Land following the 2nd tranche payment and hence the payment term is in the best interest of our Group.

2.3 Basis and justification of the Purchase Consideration

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

- (i) the market value of the Pontian Land of RM 43,603,560.00, as ascribed by the Valuer in its Valuation Certificate dated 9 October 2021.

The market value of the Pontian Land was arrived at based on the Comparison Approach, the property value is derived from making comparison to similar properties that were either transacted recently (listings and offers may also be considered) within the same location or comparable localities. Where dissimilarities exist, adjustments are made. The Comparison Approach is the only valuation methodology adopted by the Valuer taking into consideration there are a few consistent and recent transactions with similar characteristics as the Pontian Land located in the same area, which solidifies the price trend and thus favours the Comparison Approach. Additionally, there is a dearth of vacant industrial lands for rent in the vicinity. In the absence of actual rental transactions, the accuracy of using the Income Approach in arriving at the Market Value would be diminished.

- (ii) the development potential and prospects of the Pontian Land as set out in Sections 2 and 2.1 of this Circular; and
- (iii) the rationale for the Proposed Acquisition as set out in Section 3 of this Circular.

2.4 Salient terms of the SPA

2.4.1 Condition Precedent

The SPA is conditional upon the approval of the shareholders of GHPSB and/or GHB at an EGM to be convened for the Proposed Acquisition, together with the approval from the Securities Commission Malaysia or Bursa Securities, where applicable, to be obtained, on or before the expiry of the period commencing from the date of the SPA until 31 December 2021 or such other date as may be mutually agreed in writing between the parties ("**Approval Period**") ("**Condition Precedent**"). Subsequently on 23 December 2021, the parties had agreed via a supplemental letter, to extend the expiry of the Approval Period from 31 December 2021 to 31 January 2022.

2.4.2 Non-fulfilment of Condition Precedent

Without prejudice to any rights or remedies that TDJB may have against GHPSB for any breach on the part of GHPSB to take relevant steps to fulfil the Condition Precedent, in the event that the Condition Precedent shall not have been fulfilled by the expiry of the Approval Period, GHPSB may, where legally possible, waive the Condition Precedent by giving a written notice to TDJB not later than seven (7) business days from the expiry of the Approval Period and proceed with its purchase of the Pontian Land in accordance with the terms of the SPA, failing which, the SPA shall, unless extended by mutual agreement of the parties, lapse and terminate and be of no further effect whatsoever.

2.4.3 Vacant possession and passing of risks

Subject to (i) the completion of the earthwork within the boundary of the Pontian Land to the level of the proposed platform for the development as determined by TDJB; (ii) TDJB's receipt of a sum equivalent to RM8,720,712.00, being 20% of the Purchase Consideration, paid to TDJB; and (iii) TDJB's receipt of the original of the financier's undertaking in respect of the release of loan to finance or part-finance the Purchase Consideration from GHPSB's financier or the financier's solicitors to TDJB or its solicitors as stakeholders, TDJB shall deliver vacant possession of the Pontian Land on an "as is where is" basis to GHPSB within three (3) business days from the date all the conditions set out in Section 2.4.3 of this Circular are complied with or fulfilled.

2.4.4 General Infrastructure Work

The Developer shall at its cost and expense, complete the construction of the Agreed Infrastructure within thirty-six (36) months from the SPA date. Should the Developer fail to complete the Agreed Infrastructure by the expiry of the timeline above for reasons not attributable or due to any breach or default on the part of the Purchaser, then this shall be deemed to be a material breach of the Developer's obligations and entitles the Purchaser to the recourse/remedy as set out under 2.4.5 below.

2.4.5 Non-completion by TIP or TDJB

In the event that TDJB fails to complete the sale of the Pontian Land pursuant to the SPA or is in breach of any of its covenants and/or obligations under the SPA and fails to rectify the breach within fourteen (14) business days from TDJB's receipt of GHPSB written notice requiring the rectification of such breach, GHPSB shall be entitled at its option to either enforce the remedy for specific performance of the sale and purchase of the Pontian Land pursuant to the provisions of the SPA or to terminate the SPA by serving a notice in writing to TDJB.

Upon termination, the Developer shall, against the redelivery of, inter-alia, the original individual title and transfer documents, refund or procure the refund of all monies paid to the Developer by or on behalf of the Purchaser towards the Purchase Consideration pursuant to this SPA and pay a sum equivalent to RM3,924,320.00 as agreed liquidated damages to the Purchaser.

2.4.6 Non-completion by GHPSB

Subject to the provisions of the SPA, in the event GHPSB fails to pay any part of the Purchase Consideration and/or late payment interest (if any) in accordance with the terms of the SPA or fails to complete the purchase of the Pontian Land pursuant to the SPA or is in breach of any of its covenants and/or obligations under the SPA and fails to rectify such breach within fourteen (14) business days from GHPSB's receipt of TDJB's written notice requiring the rectification of such breach, TDJB shall be entitled to terminate the SPA by serving a notice in writing to GHPSB.

Upon termination, a sum equivalent RM3,924,320.00 and all the late payment interest (if any) paid by the Purchaser shall be forfeited to the Developer absolutely as agreed liquidated damages. Additionally, the Developer shall, against the redelivery of, *inter-alia*, the original individual title and transfer documents, refund or procure the refund to the Purchaser the balance of any part of the Purchase Consideration (if any) as shall have been paid to the Developer by or on behalf of the Purchaser pursuant to the SPA.

2.4.7 Non-Registration of Transfer

In the event the instrument of transfer for the Pontian Land from the Landowner to the Purchaser cannot be registered in favour of the Purchaser for any reason not attributable to any default, neglect or omission of the Purchaser and/or the Landowner and/or the Developer which parties cannot rectify or cause to be rectified, then the Purchaser shall be entitled to terminate the SPA upon which the Developer shall refund to the Purchaser the full amount of all moneys paid towards the Purchase Consideration by the Purchaser.

Further, the parties had, on 16 December 2021 agreed via a supplemental letter, that in the event the aggregate size of the Pontian Land based on the respective Individual Titles exceeds 20.02 acres, the Purchaser shall pay the Developer for such excess land at the agreed price of RM50.00 per square foot, subject to a maximum of not more than 2% of the Purchase Consideration.

2.5 Background information of GHPSB

GHPSB is a wholly-owned subsidiary of GHB. It was incorporated in Malaysia under the Companies Act, 1965 on 25 February 1982 and is deemed registered under the Act.

As at the LPD, GHPSB's issued share capital is RM500,004.00 comprising 500,004 ordinary shares. The directors of GHPSB are Dato' Rahim and Teo Swee Phin. It is principally involved in property development and investment holding.

2.6 Background information of TIP

TIP was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 30 May 1989 and is deemed registered under the Act. TIP is principally involved in property development.

As at the LPD, the total issued share capital of TIP is RM1,750,000.00 comprising 1,750,000 ordinary shares. As at the LPD, the directors of TIP are Tan Sri Dato' Tan Chee Sing ("**Tan Sri Dato' Tan**"), Dato' Haji Ismail bin Karim, Lim Siew Swan, Ching Hong Tat and Jeffrey Tan Siew Yang.

As at the LPD, the shareholders of TIP are as follows:-

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Excory Sdn. Bhd.	1,224,999	70%	525,001 ⁽¹⁾	30%
Mission Diversified Sdn. Bhd.	525,001	30%	-	-
Tan Sri Dato' Tan	-	-	1,750,000 ⁽²⁾	100%

Notes:

- (1) Deemed interested due to its equity interest in Mission Diversified Sdn. Bhd. pursuant to Section 8 of the Act.
- (2) Deemed interested due to his equity interest in Excory Sdn. Bhd. and Mission Diversified Sdn. Bhd. pursuant to Section 8 of the Act.

2.7 Background information of TDJB

TDJB was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 3 May 1991 and is deemed registered under the Act. TDJB is principally involved in property development, which is a wholly-owned subsidiary of TCB, a property development company which is listed on the Main Market of Bursa Securities.

As at the LPD, the directors of TDJB are Tan Sri Dato' Tan, Dion Tan Yong Chien, Jeffrey Tan Siew Yang, Lee Han Ming, Lee Gia Yuann and Hafez Mohd Hashim bin Razman Md Hashim.

2.8 Liabilities to be assumed

Save for the covenants, undertakings and obligations of GHPSB under the SPA, there are no liabilities, contingent liabilities or guarantees to be assumed by GHB Group pursuant to the Proposed Acquisition.

2.9 Estimated financial commitments

Save for the Purchase Consideration, GHB Group is not expected to incur any other additional financial commitment in relation to the Proposed Acquisition.

For information purposes, the costs arising from the conversion premium for the conversion of the Pontian Land from agricultural to industrial land, the subdivision of land as well as the Agreed Infrastructure will be borne by TDJB.

2.10 Source of funding

The Purchase Consideration of RM43.60 million will be funded via a mix of internally generated funds and bank borrowings to be obtained. The exact mix of funding will be decided at a later date, taking into consideration, *inter alia*, the gearing level of our Group, interest costs as well as internal cash requirements for our Group's business operations. For information purposes, the cash and bank balance of our Group based on the unaudited quarterly results for FPE 30 September 2021 and the audited financial statements for the FYE 30 June 2021 is RM28.28 million and RM2.98 million respectively.

3 RATIONALE FOR THE PROPOSED ACQUISITION

Since the diversification of GHB Group's core business to include construction and construction related activities as well as property development activities in June 2021, our management has been looking to build and strengthen its land bank for its property development segment. As at the LPD, the landbank of our Group stands at an aggregate of approximately 138.7 acres comprising of approximately 125 acres in Kulim, 11.4 acres in Ulu Langat, Selangor, 1.2 acres in Sentul, Seremban and 1.1 acres in Batu Pahat, Johor, all of which have yet to commence development as at LPD. The Pontian Land is potentially a valuable addition to the landbank of our Group due to its strategic location as set out in Section 2.1 above which is expected to contribute positively to our Group's future property development segment performance. It is the intention of our Group to develop the Pontian Land as part of our property development business wherein GHB's current plan involves constructing and selling industrial properties to be erected on said Pontian Land.

Johor has historically been a key market for commercial and industrial properties in the Southern region which had experienced growth from foreign direct investments as international companies set up or expanded their manufacturing facilities in Johor due to its proximity to Singapore. In this respect, the Malaysian Government had in 2006 launched the Iskandar Malaysia economic initiative which is a major development plan in the southern region of Peninsular Malaysia and comprise of 5 industrial corridors, which includes the Pontian-Pekan Nanas corridor as well as the Tanjung Pelepas-Tanjung Bin corridor. Our management is of the opinion that the Pontian Land, which is strategically situated within the Pontian-Pekan Nanas industrial zone and being within 30km away from the Tanjung Pelepas-Tanjung Bin industrial area, has strong development potential. Further, the Pontian Land, being part of a larger integrated Tropicana Industrial Park development (as detailed under Section 2.1 above), augurs well in regards to the prospects of the Pontian Land. Accordingly, the Proposed Acquisition provides our Company with an opportunity to expand its property development activities within an area which is poised for growth in the near term as well as participate in the development of the Iskandar Region.

Having considered that the state of Johor and Malaysia in general, are transitioning into the endemicity stage of the Coronavirus Disease ("**Covid-19**"), the Board is cautiously optimistic that the Proposed Acquisition come at an opportune time, especially in light of the forecast by the Ministry of Finance in its publication "Economic Outlook 2021" that the potential growth of the manufacturing sector in Malaysia is expected to rebound by 7% in 2021, driven by expected steady improvement in both export and domestic oriented industries after the easing of the movement control order. The growth of manufacturing is expected to be driven by higher demand for integrated circuits, memory and microchips within the global semiconductor market. Further, the increase in demand for disinfectants, sanitizers and rubber gloves is expected to result in the increase in production of chemical and rubber products. With the economic recovery, consumer-related products are expected to benefit from higher household disposable income.

In addition to the property development potential above, the Proposed Acquisition is also expected to provide an opportunity for GHB, which has core expertise in construction, to strengthen its construction order book by participating in the construction of the Agreed Infrastructure works for the Original Land. Pursuant to the terms of the SPA, TDJB shall grant GHB the right of first refusal to undertake such construction works subject to the final determination by TDJB ("**Potential Award**"). For avoidance of doubt, the Potential Award is not a condition for GHB to undertake the Proposed Acquisition. In this respect, the Proposed Acquisition was undertaken after taking into consideration, inter-alia, the location and prospects of the land as set out under Section 2.1 of our Circular as well as the rationale set out above. Accordingly, the Agreed Infrastructure works, should it be successfully awarded to GHB, will potentially provide better earnings prospects for our Group's construction business in the near term in addition to benefiting from the prospects of developing the Pontian Land under our Group's property development segment.

4 RISK FACTORS RELATING TO THE PROPOSED ACQUISITION

Save as disclosed below, the Board does not foresee any other material risk arising from the Proposed Acquisition.

4.1 Non-completion risk

The completion of the Proposed Acquisition is conditional upon the fulfilment of all necessary conditions precedent and SPA Conditions as set out in Sections 2 and 2.4 of our Circular. If the conditions are not fulfilled or obtained in a timely manner in accordance with the terms and conditions of the SPA, the completion of the Proposed Acquisition may be affected and our Group will not be able to meet its objectives as stated in Section 3 of this Circular. However, the Board will take reasonable steps to complete the Proposed Acquisition by *inter alia* ensuring that all conditions of the SPA which are within our Group's control are met on a timely basis.

4.2 Funding Risks

The Purchase Consideration is to be financed via a combination of internally generated funds and/or bank borrowings. In the event the Purchase Consideration is financed via external bank borrowings our Group will incur interest expense on the bank borrowings. Any interest charged on bank borrowings is dependent on prevailing interest rates. Hence, future fluctuation of interest rates may have an effect on our Group's cash flows and profitability.

As at the LPD, our Group has not secured any external bank borrowings from financial institutions for the Proposed Acquisition. Accordingly, in the event the Purchaser fails to meet its payment obligations under the terms of the SPA, the SPA may be terminated and a sum amounting to approximately RM3.9 million (and any late payment interest, if applicable) shall be paid by the Purchaser as liquidated damages.

Our management will seek to mitigate the aforesaid risk by closely monitoring the interest rate environment, gearing level and internal cash requirement of our Group to ensure an effective cashflow management.

4.3 Non-registration of memorandum of transfer ("MOT")

The Original Land is currently registered under the name of TIP, being the Landowner. Pursuant to the Proposed Acquisition and in accordance with the terms of the SPA, the individual documents of title for the Pontian Land shall be transferred to GHPSB.

However, there can be no assurance that the MOT of the Pontian Land can be successfully registered in the name of GHPSB. Such non-registration could be due to reasons beyond the control of GHB, TIP and/or TDJB. In such event, pursuant to the terms of the SPA, our Company shall be entitled to terminate the SPA and TDJB shall, *inter alia* refund to the Purchaser the full amount of all monies paid by the Purchaser.

Nonetheless, GHB shall take all reasonable steps to ensure that the transfer of title of the Pontian Land will be promptly registered and/or perfected with the relevant authorities.

4.4 Risk inherent to the industrial property development industry

The Proposed Acquisition is subject to risks inherent to the industrial property development industry, a new segment which our Group had not been previously involved in. Such risks may include, industrial property overhang and competition from other industrial property developers as well as other general risks associated with the property development industry such as adverse change in real estate market prices, delay in completion of the projects, costs of materials and labour charges and changes in economic, social and political conditions.

Whilst the Board intends to reduce the impact of such risks through practicing efficient operating procedures and prudent financial management, including reviewing its property development strategies and continuously monitoring the prevailing market conditions, there can be no assurance that any adverse change to the aforementioned factors will not have a material adverse effect on our Group.

5 INDUSTRY OUTLOOK AND PROSPECTS

Information in the ensuing Sections 5.1, 5.2 and 5.3 of this Circular are extracted from the most recent available government publications and other publicly available resources.

5.1 Overview and prospects of the Malaysian economy

The Malaysian economy experienced renewed demand and supply shocks arising from strict containment measures under the National Recovery Plan (“**NRP**”) during the third quarter of 2021. As a result, the economy contracted by 4.5% (2Q 2021: +16.1%). Economic activity was particularly impacted in July under Phase 1 of the NRP, but subsequently recovered as more states transitioned into Phase 2 with less restrictive containment measures. On the supply side, all economic sectors registered a contraction, particularly the construction sector, which was constrained by operating capacity limits. On the demand side, the restrictions on mobility, especially on inter-district and inter-state travel, has weighed on consumption and investment activity, while continued increase in public sector consumption spending provided some support to overall growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 3.6% (2Q 2021: -1.9%).

All economic sectors recorded negative growth in the third quarter of 2021. The services sector declined by 4.9% (2Q 2021: 13.5%). The services sector was affected by weaker consumer-related activities amid the reimposition of the lockdown, particularly in July. Nonetheless, consumer-related activities have shown emerging signs of recovery on a month-on-month basis since August as operating restrictions were eased, including for restaurants and recreational activities. The finance and insurance subsector continued to grow, driven mainly by higher net insurance premiums. Growth in the information and communication subsector provided some support amid continued demand for data communications services particularly for e-commerce and e-payment activities.

The manufacturing sector contracted marginally by 0.8% (2Q 21: 26.6%) largely due to continued implementation of NRP Phase 1 in July in most states, as activities allowed to operate were restricted to essentials and global value chains (“**GVC**”). Production was further constrained to essential manufacturing activities during the 2-week EMCO (3 - 16 July) in Klang Valley, affecting the electrical and electronics subsector in particular. However, relaxation of restrictions for firms with vaccinated employees were implemented on 16 August. This facilitated a broad-based recovery across all manufacturing clusters. GVC sectors continued to expand in tandem with strong external demand, while non-essential manufacturing activities gradually recovered as operating restrictions eased.

The construction sector declined by 20.6% (2Q 2021: 40.3%) as activities were constrained by operating capacity limits. Growth in the residential, non-residential and civil engineering subsectors were particularly affected, but the situation improved from August following easing of the containment measures,³ allowing more construction activities to resume.

Domestic demand declined by 4.1% (2Q 2021: 12.4%) in the third quarter of 2021, as private consumption and investment activities were affected by the imposition of phased restrictions under NRP. On the external front, net exports contracted by 37.5% (2Q 2021: 34.3%) as growth in imports outpaced the growth in exports. Private consumption declined by 4.2% (2Q 2021: 11.7%), as the stringent containment measures and mobility restrictions weighed on household spending in the first half of the quarter. Similarly, labour market conditions also weakened in the same period with weaker income and employment growth. Nevertheless, various policy measures, including the EPF i-Sinar and i-Citra withdrawals as well as Bantuan Khas Covid-19, continued to provide support to affected households.

Public consumption expanded by 8.1% during the quarter (2Q 2021: 9.0%), supported by Covid-19 related expenditure, including vaccine procurement and logistics spending. Headline inflation, as measured by the annual percentage change in the Consumer Price Index (“CPI”), moderated to 2.2% during the quarter (2Q 2021: 4.1%). Lower inflation during the quarter mainly reflected the dissipating base effect from fuel prices as well as the implementation of a three-month electricity bill discount effective July 2021.

Following the re-imposition of movement restrictions from June onwards, a larger share of CPI items recorded unchanged prices throughout most of the quarter (August: 68%; July 68%; 2Q 2021 average: 50%). As economic activity gradually resumed under the NRP especially from early September, the share of CPI items recording price increases rose to 38% in September (2Q 2021 average: 36%).

Notwithstanding the movement restrictions, core inflation was sustained amid the reduction in economic activity, averaging 0.7% during the quarter (2Q 2021: 0.7%). Nonetheless, some consumer items recorded relatively high inflation, partly reflecting spillovers from the elevated global cost pressures. These include some items in the core CPI basket such as furniture and furnishings, as well as items in the non-core CPI basket, particularly fresh meat and eggs in September.

(Source: Quarterly Bulletin 3Q 2021, Bank Negara Malaysia)

The Malaysian economy expanded by 7.1% in the first half of 2021. Considering various levels of MCOs following the emergence of new COVID-19 variants in the third quarter, the economy is anticipated to expand between 3% and 4% in 2021. In 2022, the Malaysian economy is expected to strengthen between 5.5% and 6.5%, supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic, and gradual improvement in consumer and business sentiments. The 2022 Budget will advance measures to further drive economic recovery, enhance the nation's resilience, catalyse nationwide reforms and improve public service delivery. The programmes and projects in the Budget are aligned to the priorities of 12MP and SPV 2030 and support the nation's aspiration of becoming a prosperous, inclusive and sustainable nation.

(Source: Economic Outlook 2022, Ministry of Finance)

5.2 Overview and prospects of the property market in Malaysia

Property Market Activity

Malaysia's GDP growth improved to 16.1% in Q2 2021 (Q1 2021: -0.5%) after four consecutive quarters of contraction. However, the strong growth for this quarter was also attributed to the low base recorded from the significant decline in Q2 2020 (-17.2%). The economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance. On a similar track to the country's economic growth, the property market performance recorded a significant increase in the first half of 2021 (H1 2021) as compared to the same period last year (H1 2020).

The Overnight Policy Rate (“OPR”) was reduced to 1.75% since July 2020 remained unchanged at 1.75% until July 2021. Low OPR means low costs for borrowing or refinancing an existing home loan that could help to stimulate the property market.

On the demand-side, the amount of loan application and total loan approval for the purchase of residential property in H1 2021 increased 86.0% and 92.6% respectively but the percentage of approval against application was moderate at 35.3%. For the non-residential property, the amount of loan application and total loan approval saw similar pattern, increased by 52.6% and 58.9% respectively with an approval against application percentage of 34.4%.

The property market performance recorded a significant increase in the first half of 2021 (H1 2021) compared to the same period last year (H1 2020). A total of 139,754 transactions worth RM62.01 billion were recorded, showing an increase of 21.0% in volume and 32.1% in value compared to the same period last year.

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.2%, 28.5%, 29.4%, 13.9% and 21.3% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded growths of 34.7%, 28.4%, 19.8%, 33.1% and 40.6% respectively.

The residential sub-sector led the overall property market, with 65.8% contribution. This was followed by agriculture sub-sector (18.9%), commercial (7.5%), development land and others (5.9%) and industrial (1.8%). In terms of value, residential took the lead with 55.6% share, followed by commercial (17.6%), industrial (10.4%), agriculture (8.9%) and development land and others (7.4%).

(Source: Property Market Report H1 2021, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

Industrial Property

The industrial sub-sector recorded 2,562 transactions worth RM6.48 billion in the first half of 2021. Compared to the same period last year, the market activity increased by 29.4% in volume and 19.8% in value. Selangor continued to dominate the market, with 35.7% (915 transactions) of the nation's volume, followed by Johor and Pulau Pinang, each with 13.2% and 9.6% market share. Terraced factory formed 32.2% of the total industrial transactions, followed by vacant plots (27.6%), and semi-detached factory (22.4%).

The industrial overhang remained minimal at 1,311 units worth RM1.97 billion, indicating a marginal decline of 5.0% and 10.0% in volume and value, respectively (H2 2020: 1,380 overhang units worth RM2.19 billion). On a similar note, the unsold under construction category declined by 15.2% with 601 units compared to H2 2020 at 709 units. The performance for unsold not constructed indicating a substantial increase of 38.9% at 100 units against H2 2020 (72 units).

Selangor and Johor led the existing stock and incoming supply with a combine market share of 50.0% and 53.8% in the related development stages while Melaka led planned supply with 29.4% share (1,813 units).

On the construction front, the industrial sub-sector remains on a low tone. Completions recorded 143 units, starts 300 units and new planned supply 306 units. As of end-June 2021, there were 118,708 existing industrial units with 4,388 units in the incoming supply and 6,731 units in the planned supply.

Prices of industrial property showed mixed performance but remained stable in major states. In WP Kuala Lumpur, one and a-half-storey terraced factory at Sri Edaran Light Industrial Park decreased by 13.1%. Selangor recorded a downward movement between 2.4% to 8.0% for similar type while Pulau Pinang remained stable.

(Source: Property Market Report H1 2021, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

2021 Outlook on Property Sector

Based on the current prolonged Covid-19 pandemic and the foreseeable impact on the overall economy, the property market performance is expected to remain cautious and soft in 2021. Bank Negara Malaysia is forecasting the Malaysia's GDP to grow within the range of 5.5% to 8.0% in 2021 while the World Bank is forecasting Malaysia's economy to grow by 6.7%.

Nevertheless, the government has introduced PRIHATIN and PENJANA in 2020 as well as Budget 2021 to help cushion the impact on property market.

On the infrastructure development front, the government has allocated RM15 billion to fund the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-tracking Project and Klang Valley Double Tracking Project Phase 1 under Budget 2021. In addition, several key projects will be continued such as Rapid Transit System (RTS) Link from Johor Bharu to Woodlands, Singapore and MRT 3 in Klang Valley.

2020 was a challenging year for the residential property but also for commercial sub-sector. The overall retail performance has been sluggish in past years and the situation was worsened in 2020 due to the pandemic. Giant exited Sarawak and Sabah market by transferring the stores to local players, Robinson Department Store permanently shut down its operations in Malaysia as two stores located at The Gardens Mall and Four Seasons Place closed down. The hotel industry was the worst hit in 2020. The closure of international borders, inter-district as well as interstate movements restriction in an effort to stem the spread of the virus, many hotels shuttered, amusement and theme parks closed while leisure travel ceased.

Retail, office and hotel property segments are expected to remain flat in the first half of 2021. The retail segment will continue facing stiff competition from online shopping platform as lifestyle changes. Apart from that, more new shopping malls are expected to complete and enter the retail market, which will lead to increasing competitive amongst the malls owners to attract tenants and shoppers. Neighbourhood malls that are occupied by shops providing essential products and services is likely to perform better and recover quicker compared to malls focusing on luxury offerings, whilst tourist focused retail malls' performance will mainly depend on when the international borders to be open.

For industrial sub-sector, the government has also allocated RM100 million for the maintenance of infrastructure in industrial parks which would enhance competitiveness of the industry and attractiveness for investors under Budget 2021. Demand for logistics and warehousing facilities is expected to grow in tandem with the robust performance of the manufacturing sector and the e-commerce platform.

In conclusion, the property market performance in 2021 is much dependant on the country's economic and financial outlook. The availability and rolling out of Covid-19 vaccine throughout the country is seen as fundamental to deter any new wave of infection spread. This will help boost business confidence, household sentiments as well as the general economy, which will likely see a soft upturn in the property market in the second half of 2021.

(Source: Property Market Report 2020, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

5.3 Overview and prospects of the property market in the southern region (Johor, Negeri Sembilan and Melaka)

The Southern Region property market performance registered 30,517 transactions worth RM13.08 billion, increased by 14.7% and 28.3% in volume and value respectively as compared to H1 2020. Combined, these three states formed about 21.8% and 21.1% of the national volume and value of transactions.

All states showed an upward trend. Property market performance in Negeri Sembilan increased by 20.7%, followed by Johor 13.2% and Melaka 12.2%. Similar upward trend was seen in transaction value. Negeri Sembilan increased by 36.7%, followed by Johor 28.1% and Melaka 19.7%. Johor dominated the region's overall property transaction with 55.5% in volume (16,952 transactions) and 62.0% in value (RM8.11 billion) of the total transactions.

The performance of the industrial property market recorded an increase of 38.1% in the number of transactions (H1 2020: 493 transactions) and 28.4% in value (H1 2020: RM1.0 billion). Nevertheless, Johor leads in industrial market activity with 337 transactions (49.5% of all transactions) followed by Negeri Sembilan with 174 transactions (25.5% of all transactions) and Melaka with 170 transactions (25.0% of all transactions).

In terms of transactions value, all the states showed upward trend. Melaka showed the highest increase of 82.3%, followed by Negeri Sembilan (25.0%) and Johor (22.9%) compared H1 2020. Southern Region showed a decrease in overhang. Johor, Negeri Sembilan and Melaka decreased by 11.2%, 6.3% and 21.4% respectively. Unsold under construction in Negeri Sembilan showed an increase but unsold not constructed showed otherwise.

Construction activity was less active. Completions in states declined. Johor starts showed an increase to 121 units and new planned supply to 98 units. Industrial property prices were mostly stable throughout the region.

The infrastructure development in the southern region of Peninsula Malaysia includes the following:

No.	Infrastructure projects	Description	Current development status
1	Electric Double Tracking Project (EDTP), Johor	<ul style="list-style-type: none"> - The 192-kilometre track from Gemas in Negeri Sembilan to Johor Bahru Sentral in Johor. - Commenced construction since 2016 and expected to be complete in 2021⁽¹⁾. - The line will provide Malaysia with electrified tracks that connect Johor Bahru in Johor to Padang Besar in Perlis 	Under construction
2	Bus Rapid Transit (BRT) System, Johor	<ul style="list-style-type: none"> - A 51-kilometre network with 39 stations, 26 direct pass systems and 42 feeder systems. - Three hubs; Skudai (UTM Hub), Tebrau (Desa Jaya Hub) and Iskandar Puteri (Medini Hub). - Developed by Iskandar Regional Development Authority (IRDA) and involves three phases. 	The project is expected to be completed in 2021 ⁽²⁾

No.	Infrastructure projects	Description	Current development status
3	Rail Transit System (RTS), Johor	<ul style="list-style-type: none"> - Linking Johor Bahru with Singapore. - Revised alignment will connect Bukit Chagar in Johor Bahru and Woodlands North in Singapore. 	<p>Future Project</p> <p>The project is expected to be completed in 2024 (Completed the land acquisition process in April 2021)</p>
4	Johor Bahru - Pontian Bridge	<ul style="list-style-type: none"> - The project involves an alignment of 7.5 km - Which is from Pelabuhan Tanjung Pelepas (PTP), Daerah Johor Bahru to Tanjung Bin, Kukup 	Under Construction
5	Construction of New Road from Nilai-Labu to Bandar Enstek	<ul style="list-style-type: none"> - The 16.82-kilometer road construction project connecting Nilai, Labu to Bandar Enstek started in 2017. The two -way four -lane road project involves the construction of three main intersections, six bridges, retaining walls, street lights and traffic lights. The construction cost is estimated at RM415 million. - This project is to be part of the requirements for the Malaysian Vision Valley 2.0 project. 	Expected to be completed by 30 October 2022 and January 2023 for Jalan Labu and Jalan Nilai respectively
6	Interchange Temiang to FT 86 Jalan Pantai	<ul style="list-style-type: none"> - This PWD project is a connection road between the LEKAS Highway to new developments in the vicinity and also to FT 86, Jalan Pantai. It started after 3 km after the elevated junction of the highway. 	Expected to be fully completed in September 2021 ⁽³⁾

(Source: Property Market Report H1 2021 (Southern Region), Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

Notes:

- (1) Based on updates noted from the twelfth (12th) Malaysia Plan, 2021 – 2025, the project is expected to be ready by 2023.
- (2) Based on announcement made by HSS Engineers Berhad, being a lead consultant for “Kerja-Kerja Penyediaan Rekabentuk Terperinci dan Penyeliaan Kerja di Tapak Bina” for “Perlaksanaan Project Perintis Sistem Pengangkutan Bus Rapid Transit di 3 Laluan Berkapasiti Tinggi dan Pembinaan Laluan Khas (Busway)” on the Bursa Securities website, the project period is up to the first quarter of 2025 (inclusive of the defects liability period).
- (3) Based on the updates given in the website of the Ministry of Works Malaysia, the project was completed in 2H 2021.

5.4 Prospects of the Pontian Land

Our Company, taking into consideration the gradual re-opening of economic sectors in Malaysia, is of the opinion that the Malaysian manufacturing industry is poised to drive the country's economy post-pandemic. In this respect, the state of Johor has historically been a key market for commercial and industrial properties in the southern region due to its location between the Straits of Malacca and South China Sea which facilitates intermodal transportation of goods to and from Singapore and Asia Pacific. In the past, it has also experienced growth from foreign direct investments as international companies set up or expanded their manufacturing facilities in Johor due to its proximity to Singapore.

Malaysia saw growth of gated and guarded industrial parks as businesses seek enhanced security features and amenities within industrial parks. Our management believes that gated and guarded industrial parks complete with common facilities and infrastructure will become an attractive alternative for both local and foreign business operators as it features modern buildings, cleaner environment due to maintenance of the industrial park as well as having more organised infrastructure.

The Proposed Acquisition provides GHB with the opportunity to tap into the industrial property sector in the state of Johor and our Company is optimistic in regard to the prospect of the Pontian Land taking into consideration it is located near the upcoming new highway from Tanjung Bin to Tanjung Pelepas Port, which would reduce the distance between the Second Link Check Point and Tanjung Pelepas Port, one of the world's busiest ports. Further, it will also be connected to major highways linking to both airports in Johor and Singapore thereby making Tropicana Industrial Park an attractive investment to prospective business operators.

(Source: Management of GHB)

6 EFFECTS OF THE PROPOSED ACQUISITION

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

6.1 EPS

The Proposed Acquisition is not expected to have a material impact on the earnings of GHB Group for the FYE 30 June 2022 as the Proposed Acquisition is only expected to be completed by the third quarter of 2022⁽¹⁾.

Nevertheless, the Proposed Acquisition is expected to contribute positively to the future earnings of GHB Group arising from the undertaking of development on the Pontian Land. Any profit attributable is expected to be realised in stages over the tenure of the development based on the progress of the development.

Note:

- (1) GHB expects to complete the Agreed Infrastructure and make the full settlement for the Purchase Consideration accordingly by the third quarter of 2022.

6.2 NA and Gearing

The Proposed Acquisition is expected to be completed by the third quarter of 2022, hence the Proposed Acquisition will not have any effect on the consolidated NA of GHB for the financial year ending 30 June 2022.

However, strictly for illustration purposes, based on the audited consolidated financial statement of GHB as at 30 June 2021 and assuming seventy percent (70%) of the Purchase Consideration is financed via external borrowings and the remaining via internal generated funds, the gearing of GHB will increase from 0.28 times to 0.60 times as follows:-

	Audited as at 30 June 2021 (RM'000)	After Subsequent Events ⁽¹⁾ (RM'000)	After the Proposed Acquisition (RM'000)
Share capital	44,186	74,186	74,186
Revaluation reserve	8,635	8,635	8,635
Accumulated losses	(12,283)	(12,283)	(12,683) ⁽²⁾
Shareholders' fund/ NA	40,538	70,538	70,138
No. of GHB Shares in issue	40,000	90,000	90,000
NA per GHB Share	1.01	0.78	0.78
Total borrowings	11,422	11,422	41,945 ⁽³⁾
Gearing (times)	0.28	0.16	0.60

Notes:

- (1) Taking into consideration the renounceable rights issue of 50,000,000 new ordinary shares in GHB ("**Rights Shares**") at an issue price of RM0.60 each on the basis of five (5) Rights Shares for every four (4) existing ordinary shares in GHB, which was completed on 7 September 2021 ("**Rights Issue**").
- (2) After deducting the estimated expenses to be incurred in relation to the Proposed Acquisition of approximately RM400,000.00.
- (3) Assuming 70% of the Purchase Consideration will be funded via bank borrowings to be obtained.

6.3 Convertible securities

GHB does not have any convertible securities as at the LPD.

7. INTER-CONDITIONALITY

The Proposed Acquisition is not conditional upon any other corporate exercises that have been announced and / or pending implementation by GHB. Save for the Proposed Acquisition, there are no outstanding corporate exercises or proposals that have been announced by GHB which are pending completion as at the LPD.

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

None of our directors, major shareholders of GHB, chief executive as well as persons connected with them have any interests, direct or indirect, in the Proposed Acquisition.

9. HIGHEST PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements of Bursa Securities is approximately 62% based on the proforma consolidated statement of financial position of GHB Group as at 30 June 2021, after taking into consideration the adjustment for the Rights Issue ("**Proforma Financial Position**"). For information purposes, the Proforma Financial Position has been reviewed by Moore Stephens Associate PLT ("**Moore Stephens**"), GHB's auditor.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered and deliberated on all aspect of the Proposed Acquisition, including but not limited to the rationale, the prospects, the valuation by Laurelcap and the terms of the SPA, is of the opinion that the Proposed Acquisition is in the best interest of our Group.

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

11. APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION

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

- i) shareholders of GHB for the Proposed Acquisition at the forthcoming EGM to be convened; and
- ii) any other relevant regulatory authorities for the Proposed Acquisition, if applicable.

12. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the 3rd quarter of calendar year 2022.

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

Date	Events
20 January 2022	<ul style="list-style-type: none">• EGM for the Proposed Acquisition; and• SPA rendered unconditional
3 rd quarter of 2022	<ul style="list-style-type: none">• Completion of the Proposed Acquisition

13. ADVISERS

AmInvestment Bank has been appointed to act as the Principal Adviser to GHB for the Proposed Acquisition.

Grand Hoover had appointed Laurelcap as the independent valuer to value the Pontian Land, being the subject matter of the Proposed Acquisition.

14. EGM

The EGM of GHB, the Notice of which is enclosed in this Circular, will be conducted on a virtual basis through live streaming and online remote voting at the broadcast venue at GHB's Meeting Room at 2A-1-1(B), Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 20 January 2022 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Acquisition as described therein.

If you are unable to participate at the EGM, you are requested to complete, sign and return the Form of Proxy available at <http://hoover.com.my/investor.html> in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at the Registered Office of our Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted electronically via Securities Services e-Portal at <https://sshsb.net.my>, not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof.

The completion and lodgement of the Form of Proxy will not preclude you from attending, participating, speaking and voting at the EGM should you subsequently decide to do so.

15. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
GRAND HOOVER BERHAD

DATO' ABD RAHIM BIN JAAFAR
EXECUTIVE CHAIRMAN

VALUATION CERTIFICATE BY LAURELCAP

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Laurelcap Sdn. Bhd.

200801005326 (906610-U)

Suite E-6-2 & E-7-2,
East Wing, Subang Square,
Jalan SS 15/4G, 47500 Subang Jaya,
Selangor Darul Ehsan, MALAYSIA.

☎ +603-5637 0233

☎ +603-5638 0233

🌐 www.laurelcap.com.my✉ laurelcap@laurelcap.com.my**VALUATION CERTIFICATE****Date : 9th October 2021**
Our Ref : LC/VAL/21/008396/NG**PRIVATE & CONFIDENTIAL****Grand Hoover Berhad**2A-1-1(B), SpaceU8
No.6, Persiaran Pasak Bumi
Taman Bukit Jelutong Seksyen U8
40150 Shah Alam, Selangor

Dear Sirs,

VALUATION CERTIFICATE OF TEN (10) PARCELS OF INDUSTRIAL LAND IDENTIFIED AS PLOTS 1 TO 10 TOGETHER WITH GENERAL INFRASTRUCTURE AND ISSUED WITH INDIVIDUAL TITLES FORMING PART OF PHASE 1 OF AN INDUSTRIAL ESTATE KNOWN AS "TROPICANA INDUSTRIAL PARK @ PONTIAN" WHICH IS CURRENTLY HELD UNDER MASTER TITLE NO. H.S.(D) 13683, PTD 14020, MUKIM OF JERAM BATU, DISTRICT OF PONTIAN, JOHOR DARUL TA'ZIM HEREIN REFERRED TO AS ("SUBJECT PROPERTIES")

We refer to the instructions by **GRAND HOOVER BERHAD** ("GHB" or the "**Company**") to advise on the current **Market Value** of the abovementioned properties ("**Subject Properties**") for the purpose of submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") in respect of the Proposed Acquisition by GHB's wholly owned subsidiary Grand Hoover Property Sdn Bhd ("**GHP SB**" or the "**Purchaser**").

The Subject Properties were inspected on October 9th, 2021. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. October 9th, 2021.

The Valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards (MVS) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined by the MVS to be "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation Certificate should be read in conjunction with the full Report (Ref No: LC/VAL/21/008396/NG prepared by Laurelcap Sdn Bhd for submission to Bursa Securities which detailed the basis under which the valuations have been prepared.

This Valuation Certificate is prepared for inclusion in the circular to shareholders.



- Registered Valuers
- Property Managers
- Estate Agents
- Development Consultants
- Project Managers
- Researchers



VE(1) 0213

VALUATION CERTIFICATE BY LAURELCAP (CONT'D)

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IDENTIFICATION OF THE PROPERTIES

MASTER LOT PTD 14020 (HEREIN REFERRED TO AS "PONTIAN LAND") IS STILL HELD UNDER "AGRICULTURAL" STATUS PENDING THE VARIATION OF LAND USE TO "INDUSTRIAL" AND SUB-DIVISION INTO INDIVIDUAL TITLES. NEVERTHELESS, THE DEVELOPER HAS BEEN GRANTED PLANNING APPROVAL ("KEBENARAN MERANCANG (KM)") BY MAJIS PERBANDARAN PONTIAN (MPPn) ON SEPTEMBER 23rd, 2021 VIA REF NO BIL (43) DLM. MDP 19 (1332) FOR THE DEVELOPMENT OF THE SAID LAND.

FOR THE PURPOSE OF THIS VALUATION EXERCISE, WE HAVE BEEN INSTRUCTED BY GHB TO VALUE THE SUBJECT PROPERTIES BASED ON THE ASSUMPTION THAT THE TEN (10) PARCELS OF INDUSTRIAL LAND WILL BE DELIVERED WITH THE AGREED INFRASTRUCTURE AS STIPULATED IN THE SALE & PURCHASE AGREEMENT ("SPA") TOGETHER WITH INDIVIDUAL TITLES ISSUED.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTION(S) THAT IS/ARE NOT YET FULLY REALIZED."

Name and Address:	Plots 1 to 10 together with General Infrastructure and issued with individual titles forming part of Phase 1 of an industrial estate known as "Tropicana Industrial Park @ Pontian", Johor Darul Ta'zim
Type of Property:	Ten (10) parcels of industrial land
Date of Inspection:	October 9 th , 2021
Date of Valuation:	For the purpose of this valuation exercise, the material date of valuation is the date of inspection, i.e October 9 th , 2021
Registered Owner:	Tropicana Industrial Park Sdn Bhd (1/1 share)
Title Particulars:	Master Title No. H.S.(D) 13683, PTD 14020, Mukim of Jeram Batu, District of Pontian, Johor Darul Ta'zim *Note : Beneficial ownership of the industrial developments is conveyed through Sale and Purchase Agreements, Deed of Assignments and Deed of Mutual Covenants (where applicable) pending the issuance of individual titles.
Tenure:	Freehold
Category of Land Use:	"Pertanian"
Express Condition:	"Tiada"
Restriction in Interest:	"Tiada"

VALUATION CERTIFICATE BY LAURELCAP (CONT'D)

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Land Area of the Subject Properties:	Plot No	Land Area	
		Acres	Square Feet (sq.ft.)
	1	2.02	87,991.20
	2	2.00	87,120.00
	3	2.00	87,120.00
	4	2.00	87,120.00
	5	2.00	87,120.00
	6	2.00	87,120.00
	7	2.00	87,120.00
	8	2.00	87,120.00
	9	2.00	87,120.00
	10	2.00	87,120.00
	Total	20.02	872,071.20
Location:	<p>The Subject Properties form part of a 1,188 acre industrial estate known as Tropicana Industrial Park @ Pontian, Johor Bahru. The industrial sites are located along Jalan Sinar Harapan (J110), off the Skudai-Pontian Highway and is approachable from Johor Bahru city centre via Jalan Tun Abdul Razak leading onto Persisiran Perling, thereonto the Malaysia-Singapore Second Link Highway, Pontian Highway, Jalan Ulu Pulai, the Skudai-Pontian Highway and finally onto Jalan Sinar Harapan to where the lands are located. The Subject sites are situated approximately 32 kilometres and 9 kilometres north-west and north of Johor Bahru city centre and Gelang Patah respectively, whilst the Pekan Nenas and Pontian towns are sited some 10 kilometres and 27 kilometres due north and west of the Subject Properties respectively.</p> <p>The immediate surrounding comprises small agricultural holdings with pockets of industrial lands and buildings whilst oil palm plantations lined along Jalan Sinar Harapan. Towards the north-eastern direction lies the Pekan Nenas Industrial Park covering an area of about 112 acres of freehold land developed by Joland Group, and comprising detached factories, semi-detached factories, hostel, hypermarket, shop-offices and a food court. The Pekan Nenas Immigration Detention Centre is located about 6 kilometres due north-east of the Subject Properties.</p>		
Description of the Properties:	<p>The Master Lot is a near triangular shaped parcel of land encompassing a titled land area of 89.35 hectares (approximately 220.79 acres). It is sited on the 3rd layer from Jalan Sinar Harapan, approximately 400 metres from the aforementioned road.</p> <p>Once developed, the ten (10) plots of industrial land will be levelled with the impending frontage road, flat in terrain and measures approximately 278.75 ft x 312.54 ft. The lands are presently covered with patches of wild vegetation, banana trees, oil palm trees and bushes, whilst part of the land had been cleared in preparation for a full scaled development. A TNB Transmission Line runs along the southern boundaries of the Subject Properties.</p>		
Proposed Development:	<p>On April 24th, 2019, a Joint Development Agreement (JDA) had been signed between TDJBSB and Suci Padu Sdn Bhd (landowner and presently known as TIPSB) to develop 1,143.80 acres of agricultural land into an industrial estate known as Tropicana Industrial Park @ Pontian. The land is still held under "Agricultural" status pending the variation of land use to "Industrial" and sub-division into individual titles. Nevertheless, the developer has been granted planning approval ("Kebenaran Merancang (KM)") by Majlis Perbandaran Pontian (MPPn) on September 23rd, 2021 via Ref No Bil (43) dlm. MDP 19 (1332) for the development of the said land which is valid for 12 months from the approval date. In addition, the developer had also obtained the earthwork approval with amendments from MPPn via approval letter Ref No MDP.3291/KT/2021/0010 on October 25th, 2021.</p> <p>Based on Tropicana's announcement to Bursa Malaysia dated January 24th, 2019 and April 24th, 2019, the land is poised to generate an estimated Gross Development Value of about RM 1,451.50 million over a period of seven (7) years.</p>		

VALUATION CERTIFICATE BY LAURELCAP (CONT'D)

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Planning Details:	<p>Verbal enquiries with the planning depart of MPPn revealed that the lands are located within an area zoned for industrial use. In addition, the Rancangan Tempatan Daerah (RTD) MDP 2030 (Penggantian) has indicated a new highway connecting Gelang Patah and Pangkalan Raja, whilst three (3) proposed secondary dispersal roads are slated for construction within the next ten (10) years in the vicinity of the Subject area. We have also noted a proposed bridge (Jambatan Sungai Pulai) connecting Kampong Boh and Kampong Pekajang Bengkok which provides access to Port of Tanjung Pelepas and the Malaysia / Singapore 2nd Link Bridge and thus reducing travelling time from the Subject site to these areas significantly.</p> <p>On top of that, the Subject Properties are situated in an area designated as International Zone which allows non-Malaysian citizens or foreigners or foreign entities to purchase the units.</p>
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Impact of Property Market on The Subject Properties

The introduction of the four (4) phase National Recovery Plan rolled out by the Government on June 1st, 2021 will help stimulate the economy moving forward, as the National Immunization Program accelerates to achieve herd immunity at the shortest possible time.

The Malaysian government has introduced its latest economic stimulus package known as Pemerkasa Plus which is as a response to the national lockdown measures, which were enforced from June 1, 2021. Pemerkasa Plus will focus on three aspects: increase public healthcare capacity, continuing welfare programs, and supporting businesses. This includes 2.1 billion ringgit (US\$509 million) in grants to small businesses, loan moratoriums, and wage subsidies.

The country has rolled out over 340 billion ringgit (US\$82 billion) in stimulus measures to cushion the economic impact caused by the pandemic. Its most recent was in January 2021, when the PERMAI stimulus package was launched to support businesses. The government has prepared a number of support measures to assist businesses in the country.

On a micro level, the current economic scenario has seen a minimal impact to the property market in the District of Pontian, Johor Darul Ta'zim. This is attributed mainly to the fact that the property market in this District is largely driven by local demand and not international.

In addition, the District is also supported by the local Small and Medium Enterprises (SME) in the form of manufacturing and production base industries, which has been stable throughout the economic crisis. On a national level, the industrial property market especially in the factory/warehousing sector has seen a boom in take up rates, stemming from the robust e-commerce business due to the pandemic. Coupled with the good network of connecting roads, access, and the established location, we do not see the current economic scenario having any material impact to the Subject Properties.

METHOD OF VALUATION

In arriving at the Market Value of the Subject Properties, we have adopted the **Comparison Approach** as the sole and only approach to determine the Market Value of the Subject Properties. We are of the opinion that the Comparison Approach is the best and only approach in this instance, as a result of the following factors :-

1. There are transaction data of lands with similar size and tenure available for comparison within the District of Pontian.
2. There is a dearth of vacant industrial lands for rent in the District of Pontian, which demonstrates that most of the purchasers' intention is for own use or for development purposes. In the absence of actual rental transactions, the only reliable source is via property advertisements. The rental rates as published in these advertisements are only asking prices and therefore not the true representation of the actual tenancy rates in the area. Any adjustments made will only be arbitrary and as such, the accuracy of using the Income Approach in arriving at the Market Value would be diminished.

VALUATION CERTIFICATE BY LAURELCAP (CONT'D)

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3. The Residual Method is not an appropriate method to consider at this juncture, due to the ten (10) parcels of industrial land not being conferred with any "KM" for any industrial development at the date of valuation. As such, the Market Value derived may not be accurate in the absence of a definite approved development plan.

COMPARISON APPROACH

This method involves comparing the Subject Properties with recently transacted properties of a similar nature or offers for sale/rental of similar properties in the area. Adjustments are then made for differences in location, access, tenure, shape of the lot, size, zoning, terrain, market conditions and other factors in order to arrive at a common basis for comparison.

We have used the Comparison Approach to determine the Market Value of the Subject Properties as there is sufficient transactions of similar properties within the vicinity, thus making the valuation more accurate.

In arriving at the Market Value of the Subject Properties, we have taken into consideration recent transactions of industrial lands within the nearby industrial parks which are pertinent to substantiate a Market Value indication for the subject are reviewed and these properties are shown below:

Vacant Industrial Lands

Comparables	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)
Address	Lot 5387, Jalan Sungai Burung, Pekan Nanas, Johor Darul Ta'zim	Lot 11262, Jalan Industri 12, Taman Perindustrian Pekan Nanas, Pekan Nanas, Johor Darul Ta'zim	Lot 10802, Batu 24, Skudai - Pontian Highway, Pekan Nanas, Johor Darul Ta'zim
Description	Industrial land used for storage	Vacant industrial land ⁽¹⁾	Vacant Industrial land
Title Particulars	GM 4801, Lot 5387, Mukim of Jeram Batu, District of Pontian, Johor Darul Ta'zim	Geran 405965, Lot 11262, Mukim of Jeram Batu, District of Pontian, Johor Darul Ta'zim	GM 4977, Lot 10802, Mukim of Jeram Batu, District of Pontian, Johor Darul Ta'zim
Transaction Date	05/09/2019	25/07/2019	22/07/2019
Vendor	Chang Soon +1	Paragon Bizhub Sdn Bhd	Leow's Farming Development Sdn Bhd
Purchaser	Chang Chee Way	Kwong Woh Hing Sauce Factory Sdn Bhd	Chian Lan Lun +1
Share	1/1	1/1	1/1
Tenure	Freehold	Freehold	Freehold
Land Area	2,018.00 sq.m (21,721.55 sq.ft or 0.50 acres)	4,736.00 sq.m (50,977.83 sq.ft or 1.17 acres)	1,431.00 sq.m (15,403.14 sq.ft or 0.35 acres)
Consideration	RM 716,811.00	RM 2,548,850.00	RM 616,120.00
Price Psf	RM 33.00 psf	RM 50.00 psf	RM 40.00 psf
Adjustments	General adjustments are made for time, location, access, size, tenure, shape, zoning, terrain, improvement, restriction and material valuation uncertainty.		
Adjusted Price Psf	RM 39.38 psf	RM 50.49 psf	RM 45.70 psf

⁽¹⁾ During the course of our inspection, there is a detached factory built on the land. Further investigation revealed that the construction commenced on February 2020 thus the comparable is taken into consideration as a vacant industrial land.

After making adjustment for time factor to the comparables, it is noted that land price transactions were hovering between RM 33.66 psf and RM 51.00 psf. Further adjustments were made to reflect the difference for other factors as stated above, to arrive at a final adjusted price of RM 39.38 psf to RM 50.49 psf. The total adjustments between the comparable ranges from -1% to 17%.

VALUATION CERTIFICATE BY LAURELCAP (CONT'D)

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Taking into consideration of the differences of the Subject Properties and the comparables, we have placed greater emphasis on Comparable 2 due to the following attributes: -

- a) Comparable 2 is located in an industrial park similar to the Subject Properties;
- b) It has the least adjustment;
- c) The comparable is most similar in terms of land area amongst the comparables;
- d) Both properties are rectangular in shaped; and
- e) The transaction is considered recent as there are not many transactions of industrial lands in Pontian.

From the above analysis, we have adopted a base value per square feet after adjustments of RM 50.00 psf as the basis of Market Value for all ten (10) parcels of land. Additional adjustments were made for size to reflect a differential pricing for each individual land.

The following are the pertinent factors and assumptions which we have considered in arriving at the Market Value for the Subject Properties.

- i. The Subject Properties are completed with the agreed infrastructure as stipulated in the SPA together with individual titles issued.
- ii. We have considered the valuation of the Subject Properties individually due to:-
 - a. The properties can be sold separately;
 - b. The properties have their own respective ingress and egress and are not dependant on each another;
 - c. The properties have their own individual title; and
 - d. The boundaries of the properties are clearly demarcated.
- iii. The Subject Properties fall within an "International Zone" as designated by the Relevant Authorities which allows/permits non-Malaysian citizens or foreigners or foreign entities to purchase the units developed on the Subject Properties. The comparables used does not have any restrictions on the transfer of ownership which is equivalent to an International Zone.
- iv. The existence of a TNB Transmission Line does not have an impact to the Market Value of the Subject Properties as the stigma of developing properties adjacent to transmission lines applies mainly to residential developments and rarely to industrial estates. In addition, the transmission line does not encroach into the lands. Hence, we do not for see a negative impact it has on the value of the Subject Properties.
- v. There is no "bumiputra" quota restriction on the sale of the units to be developed on the Subject Properties.

VALUATION CONCLUSION

FOR THE PURPOSE OF THIS VALUATION EXERCISE, WE HAVE BEEN INSTRUCTED BY GHB TO VALUE THE SUBJECT PROPERTIES BASED ON THE ASSUMPTION THAT THE TEN (10) PARCELS OF INDUSTRIAL LAND WILL BE DELIVERED WITH THE AGREED INFRASTRUCTURE AS STIPULATED IN THE SPA TOGETHER WITH INDIVIDUAL TITLES ISSUED.

Having taken into consideration all the relevant and pertinent factors, we are of the opinion that the **Market Value** of the freehold interest in ten (10) parcels of industrial land identified as Plots 1 to 10 together with General Infrastructure and issued with individual titles forming part of Phase 1 of an industrial estate known as "Tropicana Industrial Park @ Pontian" which is currently held under Master Title No. H.S.(D) 13683, PTD 14020, Mukim of Jeram Batu, District of Pontian, Johor Darul Ta'zim with vacant possession and subject to their titles being free from encumbrances, good, marketable and registerable as of **October 9th, 2021** based on the **TERMS OF REFERENCE** as stated herein, based on the following assumptions is:-

VALUATION CERTIFICATE BY LAURELCAP (CONT'D)

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Subject Properties	Market Value	
Plot 1	RM 4,399,560.00	(Ringgit Malaysia : Four Million Three Hundred Ninety Nine Thousand Five Hundred Sixty Only)
Plot 2	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 3	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 4	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 5	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 6	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 7	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 8	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 9	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Plot 10	RM 4,356,000.00	(Ringgit Malaysia : Four Million Three Hundred Fifty Six Thousand Only)
Total Market Value	RM 43,603,560.00	(Ringgit Malaysia : Forty Three Million Six Hundred Three Thousand Five Hundred Sixty Only)

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTION(S) THAT IS/ARE NOT YET FULLY REALIZED."

The above Report and Valuation has been carried out by Sr Stanley Toh Kim Seng,
For and on behalf of Laurelcap Sdn. Bhd.

Sr STANLEY TOH KIM SENG
BSc (Hons) Estate Management,
MRISM, MRICS, MPEPS, MMIPFM, ICVS, MBVAM
Registered Valuer (V-927)

Note : This Report was peer reviewed by Mr Tan San Yew (Peer Reviewer)(V-607) from Laurelcap (HQ) Sdn Bhd

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST**2.1 Consent****2.1.1 Principal Adviser**

AmInvestment Bank has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

2.1.2 Independent Valuer

Lauereicap has, before the issuance of this Circular, given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name, Valuation Certificate and all references thereto in the form and context in which it appears in this Circular.

2.1.3 Moore Stephens

Moore Stephens has, before the issuance of this Circular, given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

2.2 Conflict of Interest**2.2.1 Principal Adviser**

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AMMB Holdings Berhad and its group of companies ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of GHB Group.

FURTHER INFORMATION (CONT'D)

As at the LPD, the AmBank Group has extended certain credit facilities amounting to approximately RM22.0 million on to GHB Group. The said facilities represent, in aggregate, less than 0.01% compared to the audited consolidated loans, advances and financing of AMMB Holdings Berhad as at 31 March 2021.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser for the Proposed Acquisition does not give rise to a conflict of interest situation in view that:-

- (i) The AmBank Group form a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser in respect of the Proposed Acquisition is in the ordinary course of business; and
- (ii) Each of the entities and departments of the AmBank Group are also subject to internal control and checks, which regulate the sharing of information between entities and departments. Additionally, each departments and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia.

2.2.2 Independent Valuer

Lauereicap confirms that there is no conflict of interests that exists or is likely to exist in relation to its role as an Independent Valuer to our Company for the Proposed Acquisition.

2.2.3 Moore Stephens

Moore Stephens confirms that there is no conflict of interests that exists or is likely to exist in relation to its role for the review of the Proforma Financial Position.

3. MATERIAL COMMITMENTS

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

4. CONTINGENT LIABILITIES

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

FURTHER INFORMATION (CONT'D)

5. MATERIAL LITIGATION

As at the LPD, there is no material litigation, claims or arbitration, either as plaintiff or defendant, which will have a material and/or adverse effect on the financial position or business of our Group, and the Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of our Group.

6. MATERIAL CONTRACTS

As at the LPD, save for the SPA, our Group has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past two (2) years immediately preceding the announcement of the Proposed Acquisition and up to the date of this Circular.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of GHB at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from Monday to Friday (except public holidays) following the date of this Circular, up to and including the date of the EGM:-

- (i) the SPA;
- (ii) the constitution of GHB;
- (iii) the audited consolidated financial statements of GHB for the past two (2) FYEs 30 June 2020 and 30 June 2021 and the latest unaudited quarterly results of GHB for FPE 30 September 2021;
- (iv) the letters of consent and declaration of conflict of interest referred to in Section 2 of Appendix II of this Circular;
- (v) the Laurelcap Valuation Certificate as set out in Appendix I;
- (vi) the valuation report prepared by Laurelcap in relation to the Proposed Acquisition for the Pontian Land; and
- (vii) the Proforma Financial Position of GHB Group as stated in Section 9 of this Circular.

ADMINISTRATIVE NOTES

ADMINISTRATIVE NOTES FOR THE EGM:

Day and date : Tuesday, 28 December 2021

Time : 10:00 a.m. or at any adjournment thereof

Meeting venue : Online meeting platform, Securities Services e-Portal, which is provided by SS E Solutions Sdn Bhd via its website, <https://sshsb.net.my>

WHAT IS Securities Services e-Portal?

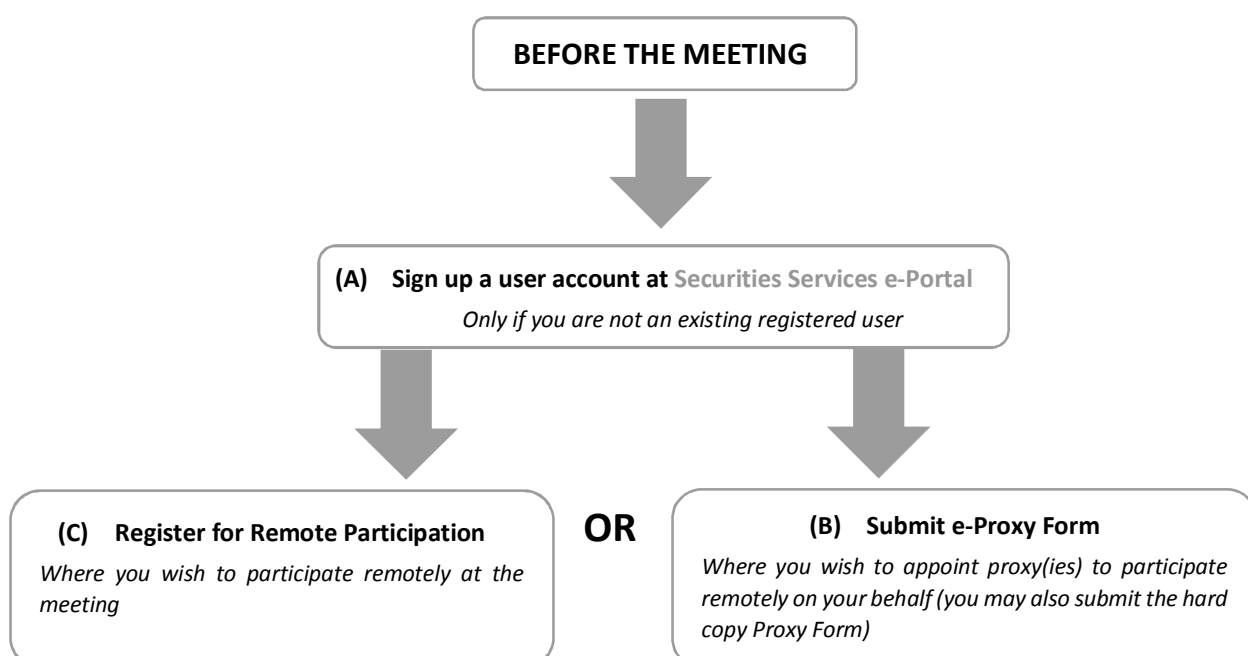
Securities Services e-Portal is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings (referred to as “e-Services”)

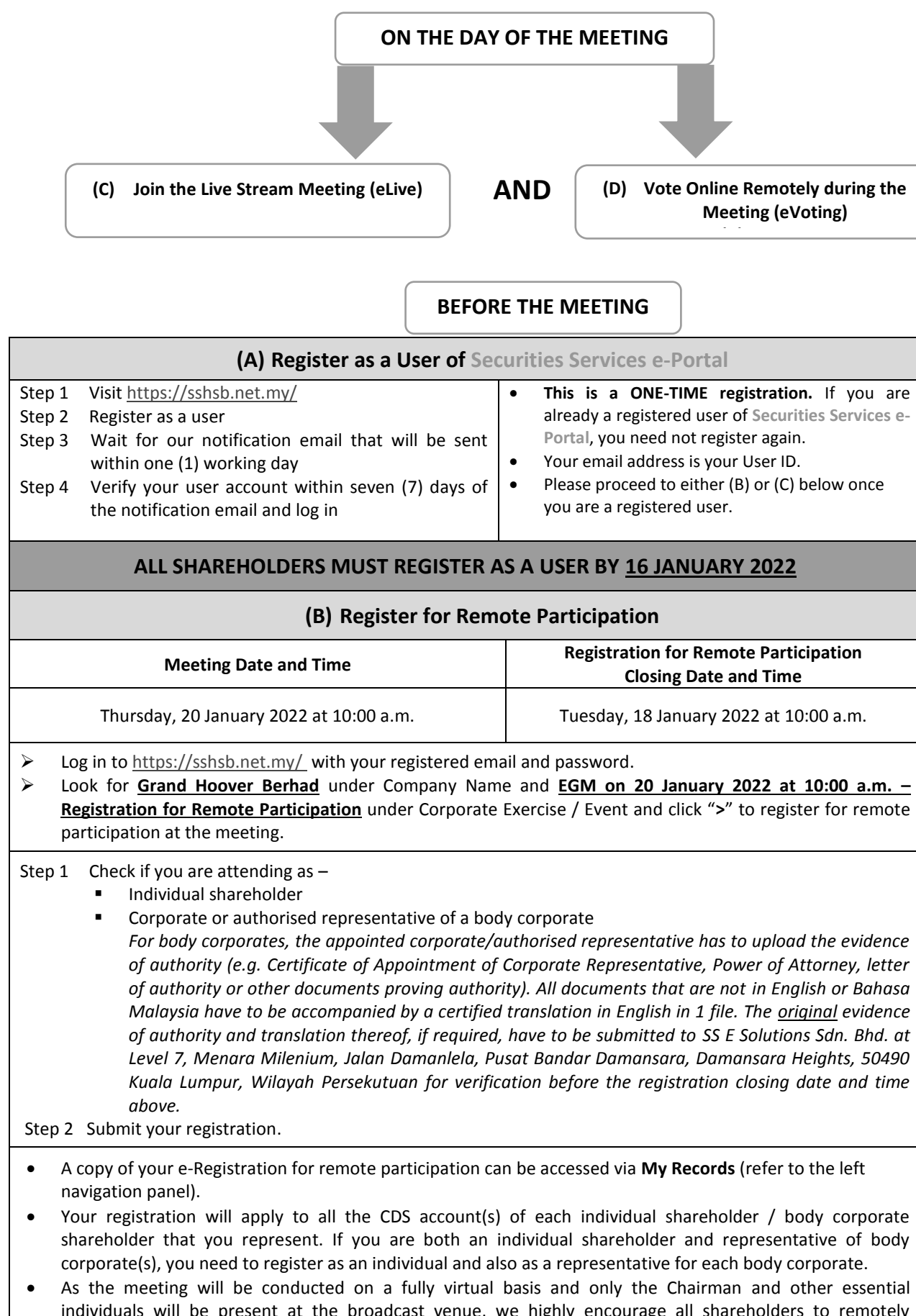
The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Grand Hoover Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Ms. Lee Pei Yeng (DID: +603 2084 9169) or Ms. Evangeline Yeoh (DID: +603 2084 9007) or our general line (DID: +603 2084 9000) to request for e-Services Assistance during our office hours, on Monday to Friday from 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. Alternatively, you may email us at eservices@sshsb.com.my.



ADMINISTRATIVE NOTES (CONT'D)



ADMINISTRATIVE NOTES (CONT'D)

participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.	
(C) Submit e-Proxy Form	
Meeting Date and Time	Proxy Form Submission Closing Date and Time
Thursday, 20 January 2022 at 10:00 a.m.	Tuesday, 18 January 2022 at 10:00 a.m.
<p>➤ Log in to https://sshsb.net.my/ with your registered email and password.</p> <p>➤ Look for Grand Hoover Berhad under Company Name and EGM on 20 January 2022 at 10:00 a.m. – Submission of Proxy Form under Corporate Exercise / Event and click ">" to submit your proxy forms online for the meeting by the submission closing date and time above.</p>	
<p>Step 1 Check if you are submitting the proxy form as –</p> <ul style="list-style-type: none"> ▪ Individual shareholder ▪ Corporate or authorised representative of a body corporate <p><i>For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The <u>original</u> evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above .</i></p> <p>Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).</p> <p>You are strongly encouraged to appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.</p> <p>Step 3 Proceed to indicate how your votes are to be casted against each resolution.</p> <p>Step 4 Review and confirm your proxy form details before submission.</p> <ul style="list-style-type: none"> • A copy of your submitted e-Proxy Form can be accessed via My Records (refer to the left navigation panel). • You need to submit your e-Proxy Form for every CDS account(s) you have or represent. 	
PROXIES	
<p>All appointed proxies need not register for remote participation under (B) above but if they are not registered Users of the e-Portal, they will need to register as Users of the e-Portal under (A) above by 16 JANUARY 2022. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY. Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, <u>provided the proxy must be a registered user of the e-Portal</u>, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a virtual basis.</p>	

ADMINISTRATIVE NOTES (CONT'D)

ON THE DAY OF THE MEETING

Log in to https://sshbsb.net.my/ with your registered email and password	
(D) Join the Live Stream Meeting (eLive)	
Meeting Date and Time	eLive Access Date and Time
Thursday, 20 January 2022 at 10:00 a.m.	Thursday, 20 January 2022 at 9:30 a.m.
<p>➤ Look for Grand Hoover Berhad under Company Name and EGM on 20 January 2022 at 10:00 a.m. – Live Stream Meeting under Corporate Exercise / Event and click ">" to join the meeting.</p> <ul style="list-style-type: none"> The access to the live stream meeting will open on the abovementioned date and time. If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/Management/relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user. 	
(E) Vote Online Remotely during the Meeting (eVoting)	
Meeting Date and Time	eVoting Access Date and Time
Thursday, 20 January 2022 at 10:00 a.m.	Thursday, 20 January 2022 at 10:00 a.m.
<p>➤ If you are already accessing the Live Stream Meeting, click Proceed to Vote under the live stream player. OR If you are not accessing from the Live Stream Meeting, look for Grand Hoover Berhad under Company Name and EGM on 20 January 2022 at 10:00 a.m. – Remote Voting under Corporate Exercise / Event and click ">" to remotely cast and submit the votes online for the resolution tabled at the meeting.</p>	
<p>Step 1 Cast your votes by clicking on the radio buttons against each resolution.</p> <p>Step 2 Review your casted votes and confirm and submit the votes.</p> <ul style="list-style-type: none"> The access to eVoting will open on the abovementioned date and time. Your votes casted will apply throughout <u>all</u> the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the proxy form. The access to eVoting will close when the Chairman announces the closing of all voting at the respective meeting. A copy of your submitted e-Voting can be accessed via My Records (refer to the left navigation panel). 	



GRAND HOOVER BERHAD
[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Grand Hoover Berhad (“**Grand Hoover**” or the “**Company**”) will be conducted on a virtual basis through live streaming and online remote voting at the broadcast venue at the Meeting Room of the Company at 2A-1-1(B), Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 20 January 2022 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution with or without modifications:-

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY GRAND HOOVER PROPERTY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF GRAND HOOVER BERHAD, OF TEN (10) PARCELS OF SUBDIVIDED PLOTS REPRESENTED BY INDIVIDUAL TITLES MEASURING APPROXIMATELY 20.02 ACRES COMPRISED IN A FREEHOLD LAND HELD UNDER MASTER TITLE NO. H.S.(D) 13683, PTD 14020, MUKIM JERAM BATU, DAERAH PONTIAN, NEGERI JOHOR FOR A CASH CONSIDERATION OF RM43,603,560.00 (“PROPOSED ACQUISITION”)

“**THAT** subject to the approval of all the relevant authorities and/or parties being obtained (if required) and the conditions precedent as set out in the conditional sale and purchase agreement dated 29 October 2021 (“**SPA**”) entered into between Grand Hoover Property Sdn. Bhd., a wholly-owned subsidiary of Grand Hoover (as the purchaser), Tropicana Industrial Park Sdn. Bhd. (as the landowner) and Tropicana Development (Johor Bahru) Sdn. Bhd. (as the developer), being obtained/fulfilled or waived (as the case may be), approval be and is given to the Company to undertake the Proposed Acquisition for a total cash consideration of RM43,603,560.00;

AND THAT the Board of Directors of the Company (“**Board**”), be and is hereby authorised and empowered to give full effect to the Proposed Acquisition with full power to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications and/or amendments in any manner as may be required/permitted by the relevant authorities or deemed necessary by the Board, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to execute and deliver and/or cause to be executed and delivered all such agreements, deeds, arrangements, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations and/or guarantees to or with any party or parties, and to do all such acts, things and matters as they may deem fit, necessary and/or expedient or in the best interests of the Company.”

By Order of the Board
GRAND HOOVER BERHAD

CHUA SIEW CHUAN
(MAICSA 0777689/ SSM PC NO.: 201908002648)
Company Secretary
Kuala Lumpur
31 December 2021

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 January 2022 shall be eligible to attend, participate, speak and vote at the EGM or appoint proxy(ies) to attend, participate, speak and vote in his stead at the EGM.

2. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the EGM.
3. A member entitled to attend and vote at the EGM may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same EGM, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the EGM shall have the same rights as the member to attend, participate, speak and vote at the EGM.
4. As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the broadcast venue of the EGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the EGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the EGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman of the Board, Board and/or management of the Company during the EGM.
5. The instrument appointing a proxy shall be in writing under the hands of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof through either one of the following avenues:
 - (i) In Hardcopy Form of Proxy
 - (a) To be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan; or
 - (b) To be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to info@sshsb.com.my; or
 - (ii) By Electronic Form of Proxy
 - (c) To be submitted electronically via Securities Services e-Portal at <https://sshsb.net.my/>. Please refer to the Administrative Guide available for download at <http://www.hoover.com.my/investor.html> for further details.

Should you wish to personally participate at the EGM remotely, please register electronically via Securities Services e-Portal's platform at <https://sshsb.net.my/> by the registration cut-off date and time.

Please refer to the Administrative Guide that available for download at <http://www.hoover.com.my/investor.html> for further details.



GRAND HOOVER BERHAD
[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No:
Contact No:
No. of Shares Held :

*I/We, (full name in capital letters)

NRIC No./ Company No. of (full address)

being a *member/members of **GRAND HOOVER BERHAD** ("Company"), hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	Contact No.:			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	Contact No.:			

to put on a separate sheet where there are more than two (2) proxies

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") to be conducted on a virtual basis through live streaming and online remote voting at the broadcast venue at the Meeting Room of the Company at 2A-1-1(B), Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 20 January 2022 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION	For	Against
Proposed Acquisition		

* Strike out whichever not applicable

As witness my/our hand(s) this day of, 2022

.....

* Signature of Member/Common Seal



Notes:-

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Please refer to the Administrative Guide that available for download at <http://www.hoover.com.my/investor.html> for further details.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

GRAND HOOVER BERHAD
[Registration No. 197101000134 (10493-P)]
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan

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