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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents set out in this Circular in relation to the Proposed Change of Name (as defined below) prior to its issuance as the said content fall under the category of Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirement of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, valuation certificate and report, 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.



FAJARBARU BUILDER GROUP BHD

(Registration No.: 199301026907 (281645-U))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

- (I) **PROPOSED JOINT DEVELOPMENT PROJECT BETWEEN FAJARBARU BUILDER GROUP BHD ("FBG" OR THE "COMPANY") AND THE PENANG DEVELOPMENT CORPORATION KNOWN AS MEDICITY IN BATU KAWAN, PENANG THROUGH A PURCHASE AND DEVELOPMENT ARRANGEMENT ENTAILING THE PROPOSED ACQUISITION BY FBG LAND SDN BHD (FORMERLY KNOWN AS FAJARBARU LAND (M) SDN BHD), A WHOLLY-OWNED SUBSIDIARY OF FBG, OF A PARCEL OF LAND MEASURING APPROXIMATELY 51.172 ACRES LOCATED IN BANDAR CASSIA, BATU KAWAN, PENANG FOR A PURCHASE CONSIDERATION OF RM111,452,616.00 TO BE SATISFIED ENTIRELY IN CASH ("PROPOSED ACQUISITION"); AND**
- (II) **PROPOSED CHANGE OF THE COMPANY'S NAME FROM "FAJARBARU BUILDER GROUP BHD" TO "FBG HOLDINGS BERHAD" ("PROPOSED CHANGE OF NAME")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



UOB Kay Hian Securities (M) Sdn Bhd

(Registration No.: 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 26 June 2025 at 10:00 a.m., or any adjournment thereof. The Notice of EGM together with the Form of Proxy is enclosed in this Circular.

A member entitled to attend, participate, speak and vote 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 Form of Proxy must be lodged at the Company's Registrar office at Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so.

Date and time of the EGM : Thursday, 26 June 2025 at 10:00 a.m. or at any adjournment thereof

Last date and time for lodging the Form of Proxy : Tuesday, 24 June 2025 at 10:00 a.m.

This Circular is dated 22 May 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	Companies Act 2016
"Actual Development Profit Entitlement"	:	The final computation of PDC's share of actual profit from the development on Parcel 1 Land
"Board"	:	The Board of Directors of FBG
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"CCM"	:	Companies Commission of Malaysia
"Circular"	:	This circular dated 22 May 2025 issued to the shareholders of FBG in relation to the Proposals
"Development Profit Entitlement"	:	A minimum profit of the development amounting to RM36.84 million
"Director(s)"	:	Director(s) of FBG and shall have the meaning given in Section 2(1) of the Capital Markets And Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:- (i) a director of FBG, its subsidiaries or holding company; and (ii) a chief executive of FBG, its subsidiaries or holding company
"EGM"	:	Extraordinary General Meeting of the Company
"EPS"	:	Earnings per share
"Excess Amount"	:	Any excess amount between the Actual Development Profit Entitlement and the Development Profit Entitlement
"FBG Group" or the "Group"	:	FBG and its subsidiaries, collectively
"FBG Share(s)" or "Share(s)"	:	Ordinary share(s) in FBG
"FBG" or the "Company"	:	Fajarbaru Builder Group Bhd (Registration No.: 199301026907 (281645-U))
"FBL" or the "Purchaser"	:	FBG Land Sdn Bhd (formerly known as Fajarbaru Land (M) Sdn Bhd (Registration No.: 200901008282 (851265-T)), a wholly-owned subsidiary of the Company
"FPE"	:	Financial period ended/ ending, as the case may be
"FYE"	:	Financial year ended/ ending, as the case may be
"GDV"	:	Gross development value
"Government"	:	The Government of Malaysia

DEFINITIONS (CONT'D)

"Henry Butcher" or the "Valuer"	:	Henry Butcher Malaysia (Penang) Sdn Bhd (Registration No.: 198901000192 (177498-P))
"LA 1960"	:	Land Acquisition Act 1960
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	30 April 2025, being the latest practicable date prior to the printing and despatch of this Circular
"Master Land"	:	All that piece of land measuring approximately 235.81 acres in Batu Kawan, Penang as delineated in the plan annexed to the PDA
"MediCity Project"	:	Project development known as MediCity hub which shall comprise an urban enclave that integrates health and medical facilities, residential, retail and commercial projects
"NA"	:	Net assets
"NLC"	:	National Land Code
"Parcel 1 Land"	:	A parcel of land measuring approximately 51.172 acres located in Bandar Cassia, Mukim 13, Batu Kawan, Seberang Perai Selatan, Penang
"Parcel 2 Land"	:	A parcel of land measuring approximately 184.638 acres located in Batu Kawan, Seberang Perai Selatan, Penang
"PDA"	:	The master purchase and development agreement entered into between FBG, FBL and PDC on 20 January 2025 for the Proposed Acquisition
"PDC" or the "Vendor"	:	The Penang Development Corporation
"Proposals"	:	The Proposed Acquisition and the Proposed Change of Name, collectively
"Proposed Acquisition"	:	Proposed acquisition by FBL, a wholly-owned subsidiary of FBG, of a parcel of land measuring approximately 51.172 acres located in Bandar Cassia, Batu Kawan, Penang for a purchase consideration of RM111,452,616.00 to be satisfied entirely in cash
"Proposed Change of Name"	:	Proposed change of the Company's name from "Fajarbaru Builder Group Bhd" to "FBG Holdings Berhad"
"Purchase Consideration"	:	Purchase consideration of RM111,452,616.00 to be satisfied entirely in cash
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))

DEFINITIONS (CONT'D)

All references to "**you**" or "**your(s)**" in this Circular are made to our shareholders, who are entitled to register, attend, speak (in the form of real time submission of typed texts) and vote at the EGM. Unless specifically referred to, words denoting the singular shall, where applicable include the plural and vice versa and words denoting the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

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

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by 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 FBG Group's plans and objectives will be achieved. Shareholders should not place undue reliance on such forward-looking statement, and we do not undertake any obligation to update publicly or revise any forward-looking statements.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. Shareholders are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the EGM.

Key information	Description	Reference to Circular
Summary of the Proposals	<u>Proposed Acquisition</u> FBG and FBL, a wholly-owned subsidiary of FBG, had on 20 January 2025 entered into the PDA with PDC for the proposed joint development project between FBG and PDC known as MediCity in Batu Kawan, Penang entailing the proposed acquisition by FBL of a parcel of land measuring approximately 51.172 acres located in Bandar Cassia, Batu Kawan, Penang for a purchase consideration of RM111,452,616.00, to be satisfied entirely in cash.	Section 2
	<u>Proposed Change of Name</u> The Proposed Change of Name entails the change of the Company's name from "Fajarbaru Builder Group Bhd" to "FBG Holdings Berhad".	Section 3
Rationale and justifications	<u>Proposed Acquisition</u> The Proposed Acquisition is undertaken in line with the Group's business strategy to expand its property development and construction business through increasing its present landbank and/ or undertaking further property development projects. The Board is of the view that the Proposed Acquisition offers FBG Group an opportunity to expand its property development presence and supplement its landbank at a strategic location in Batu Kawan, Penang, which will strengthen its foothold in the property development business. Through its partnership with PDC, the Group intends to undertake the development of MediCity Project which will serve as a medical hub aimed at integrating healthcare and medical facilities, technology, residential, commercial and various other amenities. With an estimated GDV of approximately RM2 billion that will span over a development period of 8 years, the said development is expected to generate additional future income stream to the Group as and when the Group undertakes the development of MediCity Project of the Parcel 1 Land.	Section 4
	<u>Proposed Change of Name</u> The Proposed Change of Name is in line with the Company's rebranding exercise to better reflect the Company's updated corporate identity and purpose which is more aligned with the Company's current core business and values, to improve the public's confidence in the Company and to enhance stakeholder engagement.	
Risk factors	Save as disclosed below, which are by no means exhaustive, the Board does not foresee any other additional risks arising from the Proposed Acquisition given that FBG Group is already involved in the property development and construction businesses:- i. Completion risk; ii. Acquisition risk; iii. Risk of property overhang; iv. Development risk; v. Financing risk; and vi. Compulsory acquisition by the Government.	Section 6

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Approvals required and inter-conditional	<p><u>Proposed Acquisition</u></p> <p>The Proposed Acquisition is subject to the following approvals:-</p> <p>By FBG Group:-</p> <ul style="list-style-type: none">(i) the hospital pre-establishment zoning approval from the Ministry of Health of Malaysia;(ii) a licensed operator for the First Hospital to be developed on Parcel 1 Land;(iii) shareholders of FBG at the forthcoming EGM; and(iv) any other relevant authorities and/ or third parties, if required. <p>By PDC:-</p> <ul style="list-style-type: none">(v) alienation of Parcel 1 Land to PDC under the provisions of the NLC for the issuance of the individual title of Parcel 1 Land or the plots thereof, and the issuance of the title of Parcel 1 Land or the plots thereof for a term of perpetuity. <p><u>Proposed Change of Name</u></p> <p>The Proposed Change of Name is subject to the approval being obtained from the shareholders of FBG at the forthcoming EGM.</p>	Section 8
Interested parties	None of the Directors, major shareholders, chief executive of FBG and/ or persons connected with them have any interest, whether direct or indirect, in the Proposals.	Section 10
Board's recommendation	The Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.	Section 11

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FAJARBARU BUILDER GROUP BHD

(Registration No.: 199301026907 (281645-U))
(Incorporated in Malaysia)

Registered Office

No. 3A, Mezzanine Floor
Jalan Ipoh Kecil
50350 Kuala Lumpur

22 May 2025

Board of Directors

Tan Sri Dato' Sri Chan Kong Choy (*Group Executive Chairman, Executive Director*)
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon (*Deputy Chairman, Non-Independent Non-Executive Director*)
Dato' Sri Kuan Khian Leng (*Group Chief Executive Officer, Executive Director*)
Tan Sri Datuk Seri Lau Kuan Kam (*Group Executive Director*)
Dato' Ir. Kong Kam Loong (*Group Executive Director*)
Dato' Lim Siew Mei (*Non-Independent Non-Executive Director*)
Dato' Norasni Binti Ayob (*Independent Non-Executive Director*)
Datuk Yoo Wei How (*Independent Non-Executive Director*)
Ooi Leng Chooi (*Independent Non-Executive Director*)

To: The shareholders of FBG

Dear Sir/ Madam,

- (I) PROPOSED ACQUISITION; AND**
 - (II) PROPOSED CHANGE OF NAME**
-

1. INTRODUCTION

On 20 January 2025, UOBKH had, on behalf of the Board, announced that FBG and FBL, a wholly-owned subsidiary of FBG, entered into the PDA with PDC for the proposed joint development project between FBG and PDC known as MediCity in Batu Kawan, Penang entailing the proposed acquisition by FBL of a parcel of land measuring approximately 51.172 acres located in Bandar Cassia, Batu Kawan, Penang for a purchase consideration of RM111,452,616.00, to be satisfied entirely in cash.

On 7 April 2025, the Board announced that FBG proposed to change the Company's name from "Fajarbaru Builder Group Bhd" to "FBG Holdings Berhad".

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

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

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

PDC (Vendor) has agreed to sell and FBL (Purchaser) has agreed to purchase the Parcel 1 Land on an "as is where is" basis without PDC making any kind of representation and warranty whatsoever in respect of the Parcel 1 Land, including but not limited to the fitness for development, occupation and/ or use, description, area, nature, state or condition of the Parcel 1 Land, free from encumbrances, with vacant possession, and for a term in perpetuity, for the Purchase Consideration in accordance with the terms and conditions of the PDA. The salient terms of the PDA are set out in **Appendix I** of this Circular.

2.1 Information on the Parcel 1 Land

PDC is the premier development agency of the State Government of Penang which has been tasked by the State Government of Penang with the responsibilities of, inter alia, being the master developer of Bandar Cassia Township at Batu Kawan, Penang. PDC is the beneficial owner of, and have allocated the Master Land, principally for the development of a medical hub and other mixed development, which will be divided into 2 main parcels:-

- (i) Parcel 1 Land measuring approximately 51.172 acres, being subject matter of this Proposed Acquisition.

FBG intends to purchase the Parcel 1 Land to undertake the project development known as MediCity hub which shall comprise an urban enclave that integrates health and medical facilities, residential, retail and commercial projects.

- (ii) Parcel 2 Land measuring approximately 184.638 acres, of which FBL is given the right to purchase and develop Parcel 2 Land within 12 months from the date of the PDA, subject to terms and conditions acceptable to PDC. Upon the expiry of 12 months from the date of the PDA, PDC shall be entitled to enter into negotiation, dispose of or enter into any other agreements or arrangements with other purchaser, developer and/ or investor in respect of Parcel 2 Land, without being liable in any way whatsoever to FBL.

As at the date of this Circular, FBL has yet to exercise its right to purchase and develop Parcel 2 Land, but that it envisages to purchase the Parcel 2 Land in the future to further develop the MediCity hub with health and medical cum mixed-use development projects that offers an integrated ecosystem of health, wellness, living and a vibrant work economy for the community. The decision on the mode and manner to purchase and/ or develop the Parcel 2 Land by FBG and/ or FBL are subject to the prevailing market conditions and performance of the Parcel 1 development. In assessing such performance, FBL will take into consideration the early progress of MediCity hub development in phases as well as investor and market demand/ response to the health, wellness and medical components. These indicators serve as guidance for FBL to evaluate the overall viability and market acceptance of the concept of MediCity integrated development model, in line with its strategic planning needs and broader market outlook. Such structure of the agreement provides FBL the flexibility and optionality to make an informed decision on whether to proceed with the acquisition and development planning of Parcel 2 Land within the stipulated timeframe.

In the event FBL elects to exercise its right to acquire the Parcel 2 Land and on terms accepted by PDC, FBG shall make the relevant announcement and/ or seek the necessary approval from its shareholders, where required, in accordance with the Listing Requirements. The rights to acquire the Parcel 2 Land are set out in **Section 12, Appendix I** of this Circular.

The Parcel 1 Land is located along Persiaran Cassia Barat, off the main thoroughfare of Lebuhraya Bandar Cassia. It is sited on the north-western part of Batu Kawan, an island situated off the western coast of District of Seberang Perai Selatan in between Penang Island and the mainland of Penang State. Bandar Cassia, Batu Kawan is the third satellite township of Penang after Bayan Lepas and Seberang Jaya. It is to be developed in clusters by a few major key players, i.e. Aspen Vision City jointly developed by Aspen Group and Ikano Group, Eco Horizon and Eco Sun by Eco World Group, Utopolis Batu Kawan by Paramount Group and Design Village Outlet Mall & Anggun Residences by PE Land Group. The site also lies in close proximity to Batu Kawan Industrial Park, a well-planned industrial park located on the southern part of Bandar Cassia, which is presently occupied by various local and multinational companies. Other notable established industrial parks located in the immediate localities include Penang Science Park, Valdor Industrial Park, Juru Industrial Park and Bukit Minyak Industrial Park. For information purposes, a Columbia Asia Hospital is currently under construction within the Aspen Vision City, located adjacent to the south of Utopolis Batu Kawan.

The Parcel 1 Land is accessible from the Bukit Tambun Interchange of the North-South Highway via Jalan Bukit Tambun, Jalan Batu Kawan, Lebuhraya Bandar Cassia and thence onto Persiaran Cassia Barat, all being well-maintained metalled roads.

The location of Parcel 1 Land is depicted in the maps below:-





Further details of the Parcel 1 Land are summarised in the table below:-

Beneficial owner	: The Penang Development Corporation
Location	: Bandar Cassia, Mukim 13, Batu Kawan, Seberang Perai Selatan, Penang
Identification/ Legal description	: For information, the Parcel 1 Land or the plots thereof has not been issued with individual title as yet ^{*1} The subject property is identified as Parcel 1 Land located along Persiaran Cassia Barat, within Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang
Land area	: Approximately 51.172 acres (2,229,052 square feet)
Proposed category of land use	: Building ^{*2}
Express conditions	: "Mixed development comprises residential, commercial and institutional" ^{*2}
Tenure	: Interest in perpetuity ^{*2}
Encumbrances	: Nil ^{*2}
Net book value	: FBL is not privy to the net book value of the Parcel 1 Land and as such, is unable to disclose this information
Market value^{*3}	: RM124.80 million

Notes:-

^{*1} Pursuant to the PDA, PDC will apply to the State Authority to alienate the Parcel 1 Land to PDC in accordance with the NLC.

^{*2} The Parcel 1 Land or the plots thereof has not been issued with individual title as at the date of valuation. The valuation appraisal is on the basis that the individual title in respect of the Parcel 1 Land conveys a freehold interest and subject to the assumed category of land use of "building", express condition of "mixed development comprises residential, commercial and institutional", and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoing.

³ Based on the valuation appraised by Henry Butcher, a firm of independent registered valuer, as at 22 January 2025, being the date of valuation, using the Comparison Approach. Per FBG's valuation instruction in line with the proposed plot ratio under the PDA, the Valuer has appraised the value of Parcel 1 Land as a parcel of development land zoned for mixed development use comprises residential, commercial and institutional with a maximum development plot ratio of 4.

2.2 Details of the intended development on Parcel 1 Land

On 14 October 2024, the Company accepted the letter of offer issued by PDC for the development on the Parcel 1 Land. FBG is desirous of developing the Parcel 1 Land into a medical hub and other mixed developments that would generate social, economic and other related benefits to the State of Penang. Under the PDA, FBG has nominated and appointed FBL as the developer to undertake the MediCity Project.

Further, FBL has submitted to PDC the proposed project master plan dated 19 March 2025 for the development of MediCity Project ("**Proposed Project Master Plan**"). The Parcel 1 Land is at present vested in the State Authority of Penang. PDC will apply to the State Authority to alienate the Parcel 1 Land to PDC in accordance with the NLC. Accordingly, PDC has agreed, subject to such alienation and the issuance of the individual title of Parcel 1 Land or the plots thereof, to sell the Parcel 1 Land to FBL for the purpose of FBL, or any developer appointed by FBL pursuant to the terms of the PDA, undertaking and completing the development thereon and upon terms and conditions in the PDA.

Based on the Proposed Project Master Plan, the estimated GDV together with the details of the intended development for Parcel 1 Land are as follows:-

Project name/identification	: MediCity hub
Type of development	: The proposed development, which is at FBL's own cost and expense, entails the following:- <ul style="list-style-type: none"> (i) <u>Compulsory components (on no less than 30% of Parcel 1 Land, or equivalent to no less than 15.3 acres of Parcel 1 Land)</u> <ul style="list-style-type: none"> • a specialised hospital with no less than 200 beds ("First Hospital"); • healthcare complex; • wellness centre; and • infrastructure supporting compulsory components (collectively referred to as the "Compulsory Components") (ii) <u>Mixed development components (on the remaining area of 70% or less, or equivalent to 35.8 acres or less, of Parcel 1 Land)</u> <ul style="list-style-type: none"> • residential; • commercial; and • institutional development (collectively referred to as the "Mixed Development Components")
Expected commencement date	: 18 months from the date of PDA
Expected completion date	: The Compulsory Components shall be completed within 5 years from the date of PDA, while the remaining Mixed Development Components shall be completed within 8 years from the date of PDA
Estimated GDV*	: Approximately RM2 billion over a development period of 8 years
Estimated gross development cost	: The quantum can only be ascertained at a later stage subject to finalisation of the development components of MediCity Project

Note:-

- * *Based on the internal management estimate and the Proposed Project Master Plan for the development of the Parcel 1 Land. The estimated GDV may vary subject to amongst others, the development components of the MediCity Project, final approvals for each phase to be developed and the demand and supply conditions at the time of launch over the development period of 8 years.*

As at the LPD, FBL (developer) has yet to obtain any approval from the relevant authorities for the MediCity Project. FBL shall take all such necessary action for the application and submission of plans to the relevant authorities for the MediCity Project such as obtaining the relevant approvals and building plans as well as any other matters required to commence the development on the Parcel 1 Land. The following is a preliminary timeline for the application and submission process, which takes into consideration the expected timeline for the alienation of Parcel 1 Land by PDC:-

Tentative Timeline	Milestone
3rd quarter of 2025	: <ul style="list-style-type: none">• Alienation of Parcel 1 Land by PDC• FBL to secure licensed hospital operator• Submission of Development Order to local council in respect of the Compulsory Components (including the First Hospital) and Mixed Development Components
4th quarter of 2025	: <ul style="list-style-type: none">• Development Order approvals obtained in respect of the Compulsory Components (including the First Hospital) and Mixed Development Components• Submission of Building Plan of the Compulsory Components and Mixed Development Components
1st quarter of 2026	: <ul style="list-style-type: none">• Building Plan approvals obtained in respect of the Compulsory Components and Mixed Development Components

Development Profit Entitlement

In consideration of FBL undertaking the development of the MediCity Project on Parcel 1 Land in accordance with the PDA:-

- (i) PDC is entitled to the Development Profit Entitlement, which is computed at the rate of fifteen percent (15%) of the estimated profit of the development of Parcel 1 Land derived based on the Proposed Project Master Plan. Accordingly, in addition to the Purchase Consideration, FBL shall pay PDC the Development Profit Entitlement in instalments over a period of 8 years from the date of the PDA within 3 months from the date of the certificate of completion and compliance of each of the component of the development or on or before the respective payment due dates as set out in the PDA, whichever date is earlier, failing which interest shall then commence to accrue immediately after the due date for payment at 8% per annum to the date of actual and full settlement of such payment.

Under the PDA, FBL shall furnish to PDC on or before the transfer of Parcel 1 Land to any of the nominated subsidiary of FBL, a bank guarantee for the sum of the Development Profit Entitlement. PDC shall be entitled to call upon the bank guarantee in the event FBL shall fail to pay the Development Profit Entitlement in accordance with the PDA; and

- (ii) the final computation of the Actual Development Profit Entitlement shall be computed at the rate of fifteen percent (15%) of the total actual profit of the development of Parcel 1 Land (excluding any profit arising from the management and operation of business conducted in the Compulsory Components) and agreed by the parties on the 8th anniversary of the PDA. In the event of any Excess Amount (i.e. differential sum between the Actual Development Profit Entitlement and the Development Profit Entitlement referred to item (i) above), the Excess Amount shall be paid by FBL to PDC within 30 days from the 8th anniversary of the PDA provided that if in the opinion of PDC, the Excess Amount cannot be computed on the 8th anniversary for any reason, PDC is entitled to request for the computation of the Actual Development Profit Entitlement to be undertaken no later than the 12th anniversary of the PDA in accordance with the terms set out in **Section 4, Appendix I** of this Circular. The Development Profit Entitlement and Excess Amount, if any, shall be funded via a combination of progressive collections from sales billings and/or internally generated funds, the exact quantum of which can only be ascertained at the 8th anniversary of the PDA. Any late payment of the Excess Amount in accordance with the terms of the PDA shall be subject to late payment interest at the rate of 8% per annum calculated from the expiry of the due date to the date of actual and full settlement of the Excess Amount. For the avoidance of doubt, the Development Profit Entitlement and the Excess Amount, if any, do not form part of the Purchase Consideration.

The Actual Development Profit Entitlement computed at the rate of fifteen percent (15%) of the total actual profit of the development of Parcel 1 Land was arrived at based on commercial negotiation between FBG and PDC after taking into consideration amongst others, the scale and nature of the project, project-specific consideration, and risk allocation entailed, as follows:-

- The MediCity Project is a long-term development which carries a GDV of approximately RM2 billion over a development period of 8 years;
- PDC is contributing the strategic land parcel (Parcel 1 Land) with economic development potential, and such entitlement reflects PDC's interest in the long-term upside from value creation of the developed Parcel 1 Land; and
- FBG Group is the acquirer and developer of Parcel 1 Land, and such entitlement reflects its substantial upfront investment, project duration, and capital commitment of its development.

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a willing buyer-willing seller basis, after taking into consideration the market value of the Parcel 1 Land of RM124.80 million using the Comparison Approach as appraised by the Valuer. The approach entails comparing the Parcel 1 Land with similar properties that were sold recently. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the market value of the Parcel 1 Land.

The Board is of the view that the Purchase Consideration is justifiable after taking into consideration the market value of the Parcel 1 Land appraised by the Valuer which represents a discount of approximately RM13.35 million or 10.7% to the Purchase Consideration, and rationale for the Proposed Acquisition as well as the industry outlook and prospects as set out in **Sections 4 and 5** of this Circular, respectively.

2.4 Mode of settlement

Pursuant to the terms of the PDA, the Purchase Consideration will be satisfied entirely in cash in the following manner:-

Payment terms	Timing	RM'000	%
Deposit*	Paid to PDC on 21 January 2025	11,145	10.00
Balance payment (being 90% for the area excluding hospital plot)	Payable within 12 months from the date of the PDA	94,427	84.72
Last balance payment (being 90% for the area of hospital plot only)^	Payable within 48 months from the date of the PDA	5,881	5.28
Total		111,453	100.00

Notes:-

* The deposit is refundable in the event the conditions precedent under the PDA are not fulfilled.

^ For clarification, notwithstanding that the Compulsory Components shall comprise amongst others the development of the First Hospital, both parties have agreed to stagger the last balance payment for the area of hospital plot only at a later date (i.e. within 48 months) to allow FBL to retain some buffer capital for immediate development needs.

As set out in **Section 2.2 (Development Profit Entitlement)** of this Circular, in addition to the Purchase Consideration, FBL shall pay PDC the Development Profit Entitlement (amounting to a minimum profit of the development of RM36.84 million) in instalments over a period of 8 years from the date of the PDA within 3 months from the date of the certificate of completion and compliance of each of the component of the development, based upon the conditions set out in the PDA.

2.5 Source of funding

The Purchase Consideration will be funded by a combination of bank borrowings and internally generated funds, the exact quantum of which will only be determined by FBG at a later stage. Based on preliminary management estimates at this juncture and for illustrative purpose, the Purchase Consideration may be funded in the following proportion:-

Source	RM'000	%
Internal generated funds	33,436	30.00
Bank borrowings	78,017	70.00
Total	111,453	100.00

Based on the latest unaudited consolidated statement of financial position of FBG Group as at 31 March 2025, the Group's cash and cash equivalents (including money market funds, fixed deposits and, cash and bank balances) stood at approximately RM56.42 million.

2.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the PDA including the bank guarantee in favour of PDC for the sum of the Development Profit Entitlement of RM36.84 million as well as a performance bond in the form of a bank guarantee by FBL in favour of PDC for the sum equivalent to 5% of the total construction cost for the First Hospital, there are no other liabilities, including contingent liabilities or guarantees, to be assumed by the Group.

2.7 Additional financial commitment required

Upon completion of the Proposed Acquisition, the Group expects to incur capital commitment to develop the Parcel 1 Land which will include, amongst others, construction costs, infrastructure works, professional fees, financing costs and project management costs, the quantum of which can only be ascertained at a later stage subject to finalisation of the development components of MediCity Project.

The development cost for Parcel 1 Land may be funded via a combination of progressive collections from sales billings, internally generated funds, potential equity and/ or debt fundraising options, the exact quantum of which, can only be determined by the Board and the management of FBG and/ or FBL at a later stage, depending on the cost of funding and the Group's capital requirements at the material time.

2.8 Information on the Vendor

PDC is a body corporate incorporated under the Penang Development Corporation Enactment, 1971 and having its office at Bangunan Tun Dr. Lim Chong Eu, No.1 Persiaran Mahsuri, Bandar Bayan Baru, 11909 Bayan Lepas, Penang.

PDC is the development arm of the State Government of Penang and was established to spearhead the socio-economic growth, create employment and improve the quality of life of the people of Penang. Its principal activities include being the government think-tank, industrial park development, township development, urban development, affordable housing and investments.

As at the LPD, the board members of PDC are Chow Kon Yeow, Dato' Dr. Mohamad Bin Abd Hamid, Jagdeep Singh Deo A/L Karpal Singh, Dato' Haji Zulkifli Bin Long, Dato' Zabidah Binti Safar, Zairil Bin Khir Johari, Dato' Seri Sundarajoo A/L Somu, Rashidi Bin Zinol, Goh Choon Aik, Nor Hasnah Binti Badroddin, Emelia Tay, and Mohd Sukri Bin Mat Jusoh.

3. DETAILS OF THE PROPOSED CHANGE OF NAME

The Company proposed to change the Company's name from "Fajarbaru Builder Group Bhd" to "FBG Holdings Berhad".

The proposed name "FBG Holdings Berhad" was approved by the CCM and the reservation for the use of the proposed name is extended for a period up to 1 July 2025. If required, the Company will extend the reservation period with the CCM.

The Proposed Change of Name, if approved by FBG shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the CCM.

4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

4.1 Proposed Acquisition

The Proposed Acquisition is undertaken in line with the Group's business strategy to expand its property development and construction business through increasing its present landbank and/ or undertaking further property development projects.

Based on the latest audited financial statements of the Group for the FYE 30 June 2024, FBG derives majority of its revenue from its property development and construction business. The following table illustrates the Group's operating segment revenue breakdown for the past 3 financial years:-

Operating Segment	Audited FYE 30 June		
	2022 RM'000	2023 RM'000	2024 RM'000
Property development	54,391	70,522	306,234
Construction	117,998	146,166	165,033
Trading (construction materials)	482	3,472	9,554
Investment holding	1,241	282	492
Logging and trading of timber	15,096	2,355	14,953
Services	957	1,167	1,145
Others	-	93	-
Total revenue	190,165	224,057	497,411

As at the LPD, the Group's landbank consists of a total of approximately 147.3 acres across Malaysia. Further, the Group's ongoing property development portfolio as at the LPD comprises of the following property development projects:-

- (i) Vierra Residence at Kinrara, Kuala Lumpur - with a GDV of RM482.5 million and is estimated to be completed by the third quarter of 2025; and
- (ii) Desa Green at Kuala Krai, Kelantan - with a GDV of RM69.8 million and is estimated to be completed by the second quarter of 2025.

The Proposed Acquisition offers FBG Group an opportunity to expand its property development presence and supplement its landbank at a strategic location in Batu Kawan, Penang, which will strengthen its foothold in the property development business. Through its partnership with PDC, the Group intends to undertake the development of MediCity Project which will serve as a medical hub aimed at integrating healthcare and medical facilities, technology, residential, commercial and various other amenities. With an estimated GDV of approximately RM2 billion that will span over a development period of 8 years, the said development is expected to generate additional future income stream to the Group as and when the Group undertakes the development of MediCity Project of the Parcel 1 Land.

Premised on the foregoing and in line with the Group's strategy to strengthen its property development and construction business, the Board is of the view that the Proposed Acquisition will augur well for the Group in the long term through expanding its current landbank and the potential income generation arising from the development of the Parcel 1 Land.

4.2 Proposed Change of Name

The Proposed Change of Name is in line with the Company's rebranding exercise to better reflect the Company's updated corporate identity and purpose which is more aligned with the Company's current core business and values, to improve the public's confidence in the Company and to enhance stakeholder engagement.

5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

5.1 Overview and outlook of the Malaysian economy

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the national energy Transition Roadmap (neTR) and new Industrial Master Plan 2030 (nIMP 2030), have started to yield positive results. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace. Overall, real GDP in 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of ICT related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the electrical and electronics ("E&E") segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries are anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil (CPO) and demand from food related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shutdown for maintenance purposes.

(Source: Economic Outlook 2025, Ministry of Finance of Malaysia)

5.2 Overview and outlook of the property market in Malaysia

Malaysia's property market is poised for a significant shift in 2025, supported by ongoing economic recovery, urbanisation and strategic investments in key sectors. Recent analyses suggest that property prices are set to rise, underpinned by robust demand in urban centres and the growing influence of industrial property developments. With these dynamics in play, Malaysia's real estate landscape offers both opportunities and challenges for stakeholders.

The nation's post-pandemic economic recovery has gained momentum, creating an environment ripe for increased property demand. Key urban areas, including Kuala Lumpur, Penang and Johor Bahru, are experiencing heightened interest as more Malaysians and expatriates migrate to cities for employment opportunities and better quality of life. This urbanisation trend is a major driver of housing demand, particularly for mid-range and high-end properties in well-connected locales.

Additionally, Malaysia's improving economic indicators, such as rising GDP and growing consumer confidence, are expected to stimulate property transactions. With a burgeoning middle class seeking housing options, demand for residential properties is projected to sustain its upward trajectory. This is especially true in areas that benefit from enhanced infrastructure and connectivity, such as those near ongoing Mass Rapid Transit (MRT) and Light Rail Transit (LRT) expansions.

While the property sector's prospects are largely positive, government policies and economic conditions will play a pivotal role in shaping market sentiment. The 2025 budget, for instance, lacked significant new measures to support homebuyers. Key initiatives like the Home Ownership Campaign (HOC) and Madani Deposit Scheme were notably absent, though limited tax relief for first-time buyers was introduced. These measures are expected to have a modest impact compared to previous campaigns.

Conversely, the absence of aggressive policy interventions has not deterred developers from pursuing growth opportunities. Instead, many are leveraging existing infrastructure projects, such as the Johor Autonomous Rapid Transit system, to enhance the appeal of their developments. These infrastructure enhancements are expected to contribute to long-term property value appreciation, particularly in regions like Johor Bahru.

(Source: Media article titled "Malaysia's Property Market: A Transformative Outlook for 2025" dated 16 December 2024 issued by StarProperty)

The performance of the Northern Region property market was moderate in 2024. The volume and value of transactions showed a mixed performance compared to 2023. The region registered 107,653 transactions worth RM36.51 billion, showing a 2.5% increase in volume compared to 2023 but value decreased by 1.5%. Combined, these four states within the region formed 25.6% and 15.7% of the national volume and value transactions.

The transaction volume for the residential sub-sector improved for Perak which saw transaction increased by 6.4%, followed by Kedah (0.3%), while Perlis experienced a drop of 17.0%, followed by Pulau Pinang (2.9%). In terms of transaction value, two states showed upward trend in the review period, led by Perak (7.7%), followed by Pulau Pinang (2.0%), while two other states showed the opposite, a decline of 10.3% and 6.5% in Perlis and Kedah respectively.

The residential overhang situation remained challenging in Kedah and Perlis as the number and value of overhang continued to increase in the review period. In contrast, Perak and Pulau Pinang showed better performance with the reduction of overhang units and value. Nevertheless, the overhang numbers and value for both states are among the highest in the region. Unsold under construction in Kedah and Perlis reduced to 1,808 and 269 units, respectively, compared to 2023. However, unsold unit in Pulau Pinang and Perak has increased by 51.6% and 32.0% respectively, among the highest in the country. Unsold not constructed situation improved in Perak as the state recorded lower number of units compared to 2023. On the other hand, unsold not constructed in Kedah and Pulau Pinang increased compared to 2023, while there were no unsold units in Perlis.

(Source: Northern Region Property Market Report 2024, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Overview and outlook of the construction industry in Malaysia

The construction sector posted a significant growth of 14.6% in the first half of 2024, driven by expansion in all subsectors. The civil engineering subsector continues its stellar performance, benefitting from the acceleration of ongoing infrastructure projects including the east Coast Rail Link (eCRL), Rapid Transit system Link (RTs Link) between Johor Bahru and Singapore as well as Pan Borneo Highway Sabah. Moreover, residential buildings and non-residential buildings subsectors also contributed to the performance on the back of increasing demand for affordable houses as well as vibrant economic activities, respectively. Meanwhile, the Penang south Reclamation project and the installation of electrical and piping systems supported the specialised construction activities subsector. The sector is expected to continue its positive momentum in the second half of 2024, with projected double-digit growth of 13.7%. The acceleration of public infrastructure projects towards the final year of the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan) will further support the civil engineering subsector.

The construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as LRT3 Phase 2 and Sarawak-Sabah Link Road Phase 2. Similarly, the non-residential buildings subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas such as the Kerian Integrated Green Industrial Park (KIGIP) and Johor-Singapore special economic Zone (JS-SEZ). Furthermore, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Ekonomi MADANI framework, alongside new development projects by the private sector.

(Source: Economic Outlook 2025, Ministry of Finance of Malaysia)

5.4 Overview and outlook of the healthcare industry in Malaysia

The Government is also steadfast in improving healthcare facilities and services whereby the healthcare sector was given high priority with an average share of 9.9% of total allocation over the last five years. While Malaysia's healthcare system is affordable and universally accessible, rising healthcare costs, emerging and re-emerging diseases, illnesses as well as sedentary lifestyles have posed a challenge in providing affordable and efficient public healthcare service. This highlights the need for comprehensive reforms to improve service quality and access, health insurance policy as well as public awareness towards healthy lifestyle.

For healthcare, the Government is committed to provide expeditious services to the rakyat, and will significantly enhance the delivery system to achieve universal access to quality services. This includes expanding mobile community services, upgrading equipment and facilities in hospitals and clinics, while ensuring adequate number of healthcare personnel to create a more conducive environment across all centres. At the same time, efforts will also be given to transform the healthcare system from focusing on treating illnesses to disease prevention. Budget 2025 will ensure the sustainability of public healthcare system through innovative financing in acquiring medical equipment, to address the issue of high cost in procuring and replacing equipment due to rapid advancement of technology.

Malaysia has become a global hub for medical tourists seeking high-quality healthcare services at competitive prices. In 2023, revenue generated from medical tourism in Malaysia reached RM2.25 billion, nearly a four-fold increase compared to 2021. The Government has been instrumental in promoting medical tourism through strategic policies aimed at easing visa restrictions, investing in healthcare infrastructure and actively promoting the country as a medical tourism hub.

(Source: Economic Outlook, Belanjawan 2025 Malaysia MADANI)

In just a year before the completion of the Malaysia Healthcare Travel Industry Blueprint 2021-2025, the aspiration to fulfil the "Best Malaysia Healthcare Travel Experience" by 2025 can be achieved following a growing number of health tourists making their way to Malaysia.

Malaysia Healthcare Travel Council ("**MHTC**"), an agency under the Ministry of Health (MOH), told Bernama that the country recorded 584,468 health tourist arrivals for the first half of 2024 ("**1H2024**").

The agency said, in comparison, Malaysia recorded more than one million health tourist arrivals in 2023, up by a significant 15% from 850,000 in 2022, firmly entrenching the country as a fast-growing medical destination.

The agency said the health tourism industry aims to generate RM2.4 billion in revenue for the whole of this year, and thus far, the sector has generated RM954.90 million in revenue for 1H2024.

MHTC said this is expected to contribute to an economic spillover to other industries to the tune of RM9.6 billion.

(Source: Malaysia sets sight on emerging as leading healthcare destination by 2025, Malaysian Investment Development Authority (MIDA))

5.5 Prospects of the Parcel 1 Land

In undertaking the Proposed Acquisition, the Board has taken into consideration the strategic location of the Parcel 1 Land, attributable to the following factors:-

- (i) the Parcel 1 Land is an island situated off the western coast of District of Seberang Perai Selatan in between Penang Island and the mainland of Penang State. It is accessible from the Bukit Tambun Interchange of the North-South Highway via Jalan Bukit Tambun, Jalan Batu Kawan, Lebuhraya Bandar Cassia and thence onto Persiaran Cassia Barat, all being well-maintained metalled roads; and
- (ii) the Parcel 1 Land has access to prominent development clusters comprising residential and commercial components, landmarks and amenities located in the surrounding localities which include but not limited to Aspen Vision City, Eco Horizon and Eco Sun, Utropolis Batu Kawan, Design Village Outlet Mall & Anggun Residences, Batu Kawan Stadium, Batu Musang Jetty as well as industrial parks such as Batu Kawan Industrial Park, Penang Science Park, Valdor Industrial Park, Juru Industrial Park and Bukit Minyak Industrial Park.

The development of MediCity Project on the Parcel 1 Land includes 15.3 acres allocated for healthcare-related infrastructure, which will include a 200-bed hospital and various healthcare and medical facilities. For information purpose, FBG's experience in the development of hospitals and healthcare facilities include the design, construction, equipping, commissioning, and maintenance of Tampin Hospital in Negeri Sembilan, which was designed to accommodate 108 beds. Additionally, FBG was also the main contractor for the design and construction of the 10-storey medical block (Phase 1A) and the basement car park (Phase 1) at Gleneagles Ampang Hospital, which offers outpatient services, selected diagnostic and treatment facilities, and 100 inpatient beds. For the MediCity Project, FBL is currently in the midst of securing a licensed operator for the hospital and construction will only begin once the licensed operator has been identified. The design and construction of the hospital will be carried out in accordance with the specifications and requirements provided by the licensed operator, ensuring that the facility complies with all relevant operational and regulatory standards.

The remaining 35.8 acres are reserved for mixed-use development, incorporating both residential and commercial elements. Upon completion of the development, the MediCity Project will serve as a medical hub that integrates into the community, contributing to the health, wellness and economy of the surrounding community while also attracting medical tourists from around the world. This in turn is envisaged to spur economic growth and create employment opportunities and that the same time, boosting the local economy and positioning Penang as a regional and international leader in the healthcare and technology sector.

In consideration of the above, the Board also takes cognisance of the overview and outlook of the property, construction and healthcare industries in Malaysia as set out in **Sections 5.2, 5.3 and 5.4** of this Circular, respectively. Upon completion of the Proposed Acquisition, the Board intends to leverage on the expertise and manpower of its property development and construction businesses to undertake the intended development of MediCity Project on the Parcel 1 Land, in order to generate a sustainable viable income stream to the Group. With FBG Group's previous involvement in the design and construction projects such as Gleneagles Ampang Hospital and Tampin Hospital, FBG has the relevant experience and expertise in the specific design and operational needs of hospital and/ or healthcare facilities. This includes the development of essential areas such as emergency departments, operating theatres, ICUs, patient wards, and diagnostic spaces, all of which require careful planning, precise execution, and adherence to healthcare regulations. FBG's team is familiar with the regulatory standards and is capable of delivering projects that meet the required safety, functionality, and compliance standards.

Barring any unforeseen circumstances and premised on the above, the Board is of the view that the Proposed Acquisition is expected to augur well with the Group's plans to expand and increase the revenue contribution of its property development business. The Board endeavors to carefully deliberate on the potential development plan to be undertaken, in order to maximise the potential revenue and return from the Parcel 1 Land.

(Source: Management of FBG)

6. RISK FACTORS

Save as disclosed below, which are by no means exhaustive, the Board does not foresee any other additional risks arising from the Proposed Acquisition given that FBG Group is already involved in the property development and construction businesses:-

6.1 Completion risk

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

6.2 Acquisition risk

The Proposed Acquisition is expected to contribute positively to the future performance of the Group in the long term. However, there is no assurance that the anticipated benefits arising from the Proposed Acquisition can be realised after the completion of the Proposed Acquisition. Accordingly, there can be no assurance that the Group will be able to generate sufficient returns from the development of the Parcel 1 Land to offset the associated costs arising from the Proposed Acquisition. Meanwhile, there can be no assurance that any adverse conditions to the property industry and/ or economic factors will not affect the Group's business operations.

The Board will exercise due care in considering the potential risks and benefits associated with the Proposed Acquisition, and the Board believes that the Proposed Acquisition will be value accretive to the Group, after taking into consideration among others, the prospects of the Parcel 1 Land.

6.3 Risk of property overhang

The Group may face risk of property overhang, commonly caused by over-supply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. In the event of property overhang at the time of completion of the development of the Parcel 1 Land, this may potentially affect the sale of the Group's properties and in turn affect its financial performance. As such, the Group will closely monitor the outlook and developments in the property market as well as take careful management planning prior to finalising and/ or launching the development of the Parcel 1 Land. Nevertheless, there can be no assurance that there will not be any adverse impact to the Group's financial performance as a result of property overhang.

6.4 Development risk

The development of the Parcel 1 Land will be subject to a number of risks which include, amongst others, shortages of materials, equipment and skilled labour, escalation in construction costs, adverse weather conditions, natural disasters, accidents, failure or delay in obtaining the approvals from the relevant authorities.

Such adverse events may lead to interruptions or delays in the completion of the development of the Parcel 1 Land, which may consequently result in cost overruns that may potentially affect the Group's profitability and cash flow. The Board seeks to limit such risks through efficient operating procedures, prudent financial management, such as careful planning and close monitoring on the development progress, working closely with suppliers, contractors and relevant authorities to ensure that the risk in completing the development of the Parcel 1 Land is reduced.

6.5 Financing risk

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

6.6 Compulsory acquisition by the Government

Pursuant to the LA 1960, the relevant state authority has the power to compulsorily acquire any land within the jurisdiction of such relevant state authority in Malaysia in accordance with the LA 1960. In the event of any compulsory acquisition of the Parcel 1 Land or any part thereof, the amount of compensation to be awarded will be determined on the basis prescribed in the LA 1960 and other relevant laws. If all or any portion of the Parcel 1 Land is compulsorily acquired by the relevant state authority at any point in time, the amount of such compensation may be less than the Purchase Consideration. In such event, the Group may seek to minimise any potential losses from such transactions by invoking the relevant provisions in the LA 1960 in relation to its rights to submit an objection in respect of the amount of compensation, where necessary.

7. EFFECTS OF THE PROPOSALS

The Proposed Change of Name will not have any effect on the issued share capital, substantial shareholders' shareholdings, NA and gearing level, earnings and EPS of the Group.

7.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholdings in the Company as there will be no issuance of new FBG Shares arising from the Proposed Acquisition.

7.2 NA and gearing level

Based on the latest audited consolidated financial statements of FBG Group for the FYE 30 June 2024, the pro forma effects of the Proposed Acquisition on the NA and gearing level of the Group are set out below:-

	Audited 30 June 2024 RM'000	After the Proposed Acquisition RM'000
Share capital	221,534	221,534
Treasury shares	(1,655)	(1,655)
Warrant reserve	9,535	9,535
Other reserve	1,110	1,110
Fair value reserve	9,020	9,020
Foreign exchange translation reserve	(387)	(387)
Retained profits	180,492	179,922 ^{*1}
NA	419,649	419,079
Number of Shares in issue ('000) (excluding treasury shares)	741,613	741,613
NA per Share (RM)	0.57	0.57
Total borrowings (RM'000)	71,030	149,047 ^{*2}
Gearing level (times)	0.17	0.36

Notes:-

^{*1} After deducting estimated expenses of approximately RM570,000.

^{*2} Assuming the Group part finance the Purchase Consideration using bank borrowings of RM78.017 million, as referred to in **Section 2.5** of this Circular.

7.3 Earnings and EPS

The Proposed Acquisition is not expected to have any immediate material effect on the earnings of FBG Group for the FYE 30 June 2025. Nevertheless, barring any unforeseen circumstances, the development of the Parcel 1 Land may contribute positively to the earnings and EPS of the Group in the future financial years as and when the development of the Parcel 1 Land has commenced.

As set out in **Section 2.2 (Development Profit Entitlement)** of this Circular, FBL shall pay PDC the Development Profit Entitlement in instalments over a period of 8 years from the date of the PDA within 3 months from the date of the certificate of completion and compliance of each of the component of the development, based upon the terms and conditions set out in the PDA. In terms of financial impact, the development profit accruing to the Group's future earnings and EPS will be reduced by the instalment(s) sum comprised in the Development Profit Entitlement during the specific financial years in which the relevant project components has obtained the certificate of completion and compliance and when profits are recognised by FBG Group over the course of component development in phases over a period of 8 years.

8. APPROVALS REQUIRED AND INTER-CONDITIONALITY

The Proposed Acquisition is subject to the following approvals:-

By FBG Group:-

- (i) the hospital pre-establishment zoning approval from the Ministry of Health of Malaysia;
- (ii) a licensed operator for the First Hospital to be developed on Parcel 1 Land;
- (iii) shareholders of FBG at the forthcoming EGM; and
- (iv) any other relevant authorities and/ or third parties, if required.

By PDC:-

- (v) alienation of Parcel 1 Land to PDC under the provisions of the NLC for the issuance of the individual title of Parcel 1 Land or the plots thereof, and the issuance of the title of Parcel 1 Land or the plots thereof for a term of perpetuity.

As at the LPD, the above approvals/ conditions have yet to be obtained/ fulfilled.

The proposed name "FBG Holdings Berhad" was approved by the CCM and the reservation for the use of the proposed name is extended for a period up to 1 July 2025. If required, the Company will extend the reservation period with the CCM.

The Proposed Change of Name is subject to the approval being obtained from the shareholders of FBG at the forthcoming EGM. The Proposed Change of Name, if approved by FBG shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the CCM.

The Proposals are not inter-conditional upon each other. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 35.34%, calculated based on the Purchase Consideration (and inclusive of guarantee for the Development Profit Entitlement in favour of PDC) against the audited NA of the Company for the FYE 30 June 2024.

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

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

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Acquisition including but not limited to the terms and conditions of the PDA, rationale of the Proposed Acquisition, prospects of the Parcel 1 Land and MediCity Project, risk factors and financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition are in the best interest of the Company.

The Board, after having considered all aspects of the Proposed Change of Name, is of the opinion that the Proposed Change of Name is in the best interest of the Company.

Accordingly, the Board recommends that you vote **IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the PDA is expected to become unconditional by the second half of 2025, and the acquisition of the entire Parcel 1 Land is expected to be completed by the first half of 2027. The development on Parcel 1 Land is estimated to be completed within 8 years from the date of the PDA.

The Proposed Change of Name, if approved by FBG shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the CCM, which is envisaged to be issued by the second half of 2025.

13. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (being the subject matter of this Circular), there are no other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

14. EGM

The EGM will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 26 June 2025 at 10:00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals. You are advised to refer to the Notice of EGM and Form of Proxy which are enclosed in this Circular.

A member entitled to attend, participate, speak and vote 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 Form of Proxy must be lodged at the Company's Registrar office at Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so.

15. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
FAJARBARU BUILDER GROUP BHD

Tan Sri Dato' Sri Chan Kong Choy
Group Executive Chairman, Executive Director

APPENDIX I – SALIENT TERMS OF THE PDA

The salient terms of the PDA are as follows:-

1. Agreement to sell and purchase

In consideration of the mutual promises contained in the PDA, and subject to the fulfilment of the Conditions Precedent (as defined herein) and such conditions of individual title of Parcel 1 Land or the plots thereof ("**Title**"), restrictions in interest, express or implied conditions and category of land use on the Title when issued and subject to all zoning, road widening, drainage improvement or other schemes whatsoever affecting Parcel 1 Land, all conditions and restrictions implied by the NLC and upon the terms and conditions of the PDA, PDC agrees to sell Parcel 1 Land to FBL for the purpose of FBL and/ or a wholly-owned subsidiary of FBL nominated by FBL to accept the transfer of such plots of Parcel 1 Land ("**Nominated Sub-Purchaser**") and the developer undertaking and completing the development in accordance with the PDA.

2. Conditions Precedent

The PDA shall be conditional upon the fulfilment of all of the following conditions precedent by PDC and FBL at their respective cost and expense on or before the respective dates hereinafter specified:

2.1 By PDC:-

- 2.1.1 the approval for alienation of Parcel 1 Land to PDC under the provisions of the NLC for the issuance of the Title of Parcel 1 Land or plots thereof and the transfer of Parcel 1 Land or the plots thereof to the Nominated Sub-Purchasers, within 12 months from the receipt from FBL of the final demarcation plan in accordance with the terms of the PDA; and
- 2.1.2 the issuance of the Title of Parcel 1 Land or plots thereof for a term in perpetuity, within 6 months from the approval for alienation of Parcel 1 Land or plots thereof pursuant to Clause 2.1.1 above.

2.2 By FBL:-

- 2.2.1 the hospital pre-establishment zoning approval from the Ministry of Health of Malaysia within 12 months from the date of the PDA;
- 2.2.2 a licensed operator for the First Hospital to be developed on Parcel 1 Land within 12 months from the date of the PDA;
- 2.2.3 shareholders approval for the development and all other relevant matters contained or contemplated in the PDA within 6 months from the date of the PDA.

(Collectively referred to as the "**Conditions Precedent**").

In the event any of the Conditions Precedent is not fulfilled on the expiry of the time stipulated in Clause 2.2 above, FBL shall prior to the expiry of the time apply to PDC in writing for extension of time for fulfilment of the Conditions Precedent in accordance with the terms of the PDA. Upon the expiry of the time period for fulfilment of the Conditions Precedent and any extension thereof, the PDA shall terminate whereupon:

- (i) FBL shall forthwith re-deliver possession of Parcel 1 Land to PDC if the possession of Parcel 1 Land has been taken;
- (ii) PDC shall refund all payments made by FBL towards the Purchase Consideration free of interest within 30 working days from the re-delivery of possession of Parcel 1 Land by FBL less any sum or sums as may be due and owing to PDC including but not limited to late payment interests;

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

- (iii) PDC shall return any bank guarantees to FBL for cancellation if the same has been furnished to PDC in accordance with the PDA; and

thereafter, but without prejudice to any right which any party may be entitled to against the other in respect of any antecedent breach of the PDA, PDC shall be entitled at PDC's absolute discretion to dispose of the Parcel 1 Land to any other persons.

In the event of any delay in the fulfilment of the Condition Precedent within the time stipulated in Clause 2.1.2 above, FBL shall be entitled to automatic extension of time to complete the development on such plot or plots which Title has not been issued equivalent to the time period of the delay in the issuance of Title for that plot or plots only.

3. Payment of the Purchase Consideration

The purchase price for Parcel 1 Land shall be RM111,452,616.00 and FBL shall pay to PDC the Purchase Consideration in the following manner, notwithstanding that any of the Conditions Precedent are pending fulfilment:

Percentage	Area	Amount (RM)	Time of Payment
10% of the Purchase Consideration ("Deposit")	-	11,145,261.60	Simultaneously upon the execution of the PDA
90% of the Purchase Consideration excluding the Hospital Plot	48.172 acres	94,426,754.40	Within 12 months from the date of the PDA
90% of the Purchase Consideration for the area of the Hospital Plot only	3.00 acres	5,880,600.00	Within 48 months from the date of the PDA
Total		<u>111,452,616.00</u>	

In the event that FBL fails to pay any of the instalments in accordance with the payment schedule set out above, interest at the rate of 8% per annum shall commence to accrue immediately after the due date for payment to the date of actual and full settlement of the relevant instalment, in addition to but without prejudice to any rights, claims and remedies which PDC may have against FBL under the PDA.

4. Development profit

- 4.1 In addition to the Purchase Consideration, FBL shall pay PDC the Development Profit Entitlement in instalments over a period of 8 years from the date of the PDA within 3 months from the date of the Certificate of Completion and Compliance of each of the component of the development or on or before the respective dates prescribed in the schedule of payment set out in the PDA, whichever date shall be the earlier, failing which interest at the rate of 8% per annum shall then commence to accrue immediately after the due date for payment to the date of actual and full settlement of such payment, in addition but without prejudice to any rights, claims and remedies which PDC may have against FBL under the PDA. For the avoidance of doubt, FBL's obligation to pay the Development Profit Entitlement to PDC is irrespective of whether there is any sale of the units in the development.
- 4.2 FBL shall furnish to PDC on or before the transfer of Parcel 1 Land or the plots thereof to the Nominated Sub-Purchaser in accordance with the PDA, a bank guarantee for the sum of the Development Profit Entitlement. PDC shall be entitled to call upon the bank guarantee in the event FBL fails to pay the Development Profit Entitlement in accordance with the PDA.

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

- 4.3 Subject to Clause 4.4 below, the final computation of the Actual Development Profit Entitlement shall be computed at the rate of fifteen percent (15%) of the total actual profit of the development of Parcel 1 Land (excluding any profit arising from the management and operation of business conducted in the Compulsory Components) and agreed upon by the parties on the 8th anniversary of the PDA and any amount in excess between:-

4.3.1 the Actual Development Profit Entitlement; and

4.3.2 the Development Profit Entitlement;

(hereinafter referred to as the "**Excess Amount**")

shall be paid by FBL to PDC within 30 days from the 8th anniversary of the PDA, failing which interest at the rate of 8% per annum shall commence to accrue immediately after the due date for payment to the date of actual and full settlement of the Excess Amount.

- 4.4 If in the opinion of PDC, the Excess Amount cannot be computed on the 8th anniversary of the PDA for any reason including but not limited to the units within any plot of the development remaining unsold, PDC is entitled to request from FBL the audited final profit and loss account and such relevant documents for the development of such plot at any time after the 8th anniversary of the PDA but not later than the 12th anniversary* of the PDA and in such event, the parties shall make and agree on the final computation of profit from the development of such plot based on the audited profit before taxation prepared in accordance with the applicable Malaysia's financial reporting standards and the Excess Amount thereof shall be paid in accordance with Clause 4.3 above. Thereafter, PDC shall not have any further claims to any profit from the development. In respect of the development on any plot which in PDC's opinion the Excess Amount can be determined at the 8th anniversary of the PDA, Clause 4.3 above shall apply accordingly.

Note:-

- * *For information purposes, the "12th anniversary" as referred above provides a commercially reasonable long-stop date for both parties to finalise and/ or resolve the determination of the Excess Amount, if any. This timeframe takes into consideration the large scale and long-term development cycle of the MediCity Project, which entails phased development, future sales billing and profit realisation, that may extend beyond the 8th anniversary.*

5. Delivery of possession

Upon full payment of the Purchase Consideration and all interest thereon, if any or in lieu thereof, a bank guarantee for the sum equivalent to 90% of the Purchase Consideration and all interest thereon, if any, and provided that there shall not at any relevant time be existing any default or breach by FBL of any of the terms and conditions of the PDA, vacant possession of Parcel 1 Land shall be delivered to FBL on an "as is where is" basis.

Upon the execution of the PDA, PDC shall grant to FBL a licence to enter the entire Parcel 1 Land and to carry out preliminary activities relating to the development on Parcel 1 Land including to do such preparatory works for the development, earthworks and conduct such tests as may be deemed necessary by FBL and to bring upon Parcel 1 Land such machineries plants and other equipment as may be necessary to do the same for specified period(s) of time provided that FBL shall be responsible for Parcel 1 Land and be liable for any and all damage or injury to property or persons as may arise during that period(s) of time and FBL shall at all times indemnify and keep PDC indemnified against all loss damage expense cost or any other liability whatsoever arising out of or in connection with the occupation or use of Parcel 1 Land by the developer during those specified period(s).

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

6. Approved Project Master Plan

FBL shall submit the Proposed Project Master Plan to the State Planning Committee for its approval of the project master plan ("**Approved Project Master Plan**"). For the avoidance of doubt, PDC's consent to the Proposed Project Master Plan shall not be construed as a warranty by PDC that the Proposed Project Master Plan will be approved by the State Planning Committee. In any event, PDC agrees to assist and work together with FBL to obtain the State Planning Committee's approval for the Proposed Project Master Plan.

7. Submission for development approvals

FBL shall at its own cost and expense cause, procure and ensure the developer to submit within:-

- (i) 6 months from the date of the PDA the application for all development approvals based on the Approved Project Master Plan from the relevant authorities in respect of the Compulsory Components (including the First Hospital);
- (ii) 18 months from the date of the PDA the application for all development approvals based on the Approved Project Master Plan from the relevant authorities in respect of the Mixed Development Components; and

diligently and expeditiously do all acts and things necessary to obtain all other development approvals based on the Approved Project Master Plan from the relevant authorities in respect of the development. FBL shall cause, procure and ensure that the developer obtains all development approvals based on the Approved Master Plan including the commencement of earthworks and/ or physical works ("**Commencement of Work Order**") for the Compulsory Components within 18 months from the date of the PDA.

8. Description of Parcel 1 Land

In the event the location, measurements, boundaries, area or other description of Parcel 1 Land provided under the PDA shall be different from the final Title, such difference shall not in any way affect the validity of the PDA save and except that if the difference in the area of Parcel 1 Land is in excess of 2%, the Purchase Consideration shall be adjusted accordingly at the price of RM50 per square foot* and the amount due on such adjustment shall be payable within 30 days upon demand by the party entitled to such payment.

Note:-

- * *For information purposes, the adjustment rate at the price of RM50 per square foot was commercially negotiated and determined between FBL and PDC, after taking into consideration the past and prevailing transacted value of the development lands with similar aspect within the vicinity of Parcel 1 Land, and factoring the maximum development plot ratio of 4 in respect of Parcel 1 Land under the PDA.*

9. PDC Consent

9.1 FBL shall obtain PDC's prior written consent in relation to the following:-

- (a) in the event FBL proposes to nominate and appoint a subsidiary of FBG which is not a wholly-owned subsidiary of FBG or is a third party to undertake and complete the development as a developer pursuant to the PDA;

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

- (b) in the event of amalgamation or merger of FBL, the developer or the Nominated Sub-Purchaser with any other company, corporation, firm or any other party or enter into any voluntary liquidation or reconstruction or commit or do or suffer to be committed or done any acts or things so as to cause compulsory winding-up proceedings to be taken against FBL, the developer or the Nominated Sub-Purchaser respectively;
- (c) if shares in FBL are to be sold transferred assigned or allotted to or exchanged with any other company, corporation, firm or party where it will cause any change of shareholding of FBL;
- (d) if the shares in the developer or the Nominated Sub-Purchaser are to be sold transferred, assigned or allotted to or exchanged with any other company, corporation, firm or party where it will cause or allow any change of shareholding in the developer or the Nominated Sub-Purchaser, as the case may be; or
- (e) in the event FBL, the developer or the Nominated Sub-Purchaser intends to enter into any joint venture with any other persons for the development of the Parcel 1 Land. In addition, FBL shall obtain PDC's prior written consent if the shares are to be sold, transferred, assigned, allotted or exchanged with any other company, corporation, firm or party where it will cause or allow any change in the shareholding in such joint venture company.

9.2 Each of the request for consent set out in Clause 9.1 above is subject to the payment of consent fee to PDC and such terms and conditions as PDC may impose.

10. Termination for breach

10.1 Default Events

If:-

- 10.1.1 FBL shall fail to pay the Purchase Consideration for Parcel 1 Land or any other sum of money payable by FBL under the PDA within any time stipulated for payment;
- 10.1.2 FBL shall fail to procure and/ or the developer shall fail to complete the development within the time specified in the PDA or otherwise in accordance with the terms of the PDA;
- 10.1.3 FBL shall fail to procure and/ or the developer shall fail to:-
 - (a) commence or proceed with the works in respect of the development with due diligence within 1 year from the date of the Commencement of Work Order issued by the relevant authorities for each of the component of the development in accordance with the detailed work programme;
 - (b) obtain all development approvals based on the Approved Project Master Plan including the Commencement of Work Order for the Compulsory Components within 18 months from the date of the PDA;
- 10.1.4 before the completion of the development in accordance with the PDA, FBL, the developer or the Nominated Sub-Purchaser become insolvent or be unable to pay its debts or admit in writing its inability to pay its debts as they fall due or enter into any composition or arrangement with or for the benefit of its creditors or make a general assignment for the benefit of its creditors or have execution or distress levied on the property of the FBL, the developer or the Nominated Sub-Purchaser and such execution or distress is not lifted within 21 working days after it is imposed;

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

10.1.5 before the completion of the development in accordance with the PDA, FBL, the developer or the Nominated Sub-Purchaser has an administrator or receiver or receiver and manager appointed over the whole or any part of its undertaking or assets or have a receiving or adjudicating order made against it or them; or

10.1.6 FBL shall breach or be in default of or fail to observe or perform the terms conditions or stipulations contained in the PDA on its part to be observed or performed;

PDC shall be entitled to issue a preliminary notice to FBL in respect of such breach under the PDA ("**Preliminary Notice**") and FBL shall within 3 months from the date of the Preliminary Notice remedy such breach and in the event that FBL shall have failed to remedy such breach upon the expiration of the 3-month period then,

- (a) in respect of the event of default in Clause 10.1.1, PDC shall be entitled to rescind the PDA and Clauses 10.2 and 10.3 shall apply;
- (b) in respect of the event of default in Clause 10.1.2 the consequences of such breach set out in Clause 10.4 shall apply;
- (c) in respect of the event of default in Clause 10.1.3, the consequence of such breach set out in Clause 10.5 shall apply;
- (d) in respect of the events of default in Clauses 10.1.4 and 10.1.5, the consequence of such breach set out in Clause 10.6 shall apply;
- (e) in respect of the events of default in Clause 10.1.6, the consequence of such breach set out in Clause 10.7 shall apply.

10.2 Consequence of Rescission

Upon the rescission of the PDA, the following provisions shall apply:-

10.2.1 PDC shall be entitled to forthwith re-enter upon and resume possession of the Parcel 1 Land or any part thereof and any earthworks building or structures (whether completely or partially erected or completed) and materials thereon, and Parcel 1 Land and all such earthworks buildings or structures and materials thereon shall belong to PDC absolutely and without PDC being liable to pay or otherwise make to FBL or any parties any compensation or allowance for the same;

10.2.2 if Parcel 1 Land of any plots thereof shall have been transferred to and registered in the name of the Nominated Sub-Purchaser, FBL shall forthwith at its sole cost and expense cause and procure the re-transfer of Parcel 1 Land or any Plots thereof free from all caveats and encumbrances in favour of PDC or PDC's nominee, if any, and deliver such transfer and the original Title to PDC and PDC shall be entitled to deal with or otherwise dispose of Parcel 1 Land together with all such earthworks buildings or structures and materials thereon as PDC shall in its absolute discretion deem fit as if the PDA had not been entered into;

10.2.3 in the event Parcel 1 Land or any plots thereof shall then be subject to any caveats or encumbrance, FBL shall at its sole cost and expense immediately remove or cause to be removed such caveats or encumbrance and for such purpose shall at all times diligently do all necessary or incidental acts and things and for the avoidance of doubt, it is hereby expressly agreed that FBL shall be and remain liable to perform this clause notwithstanding that PDC may have any other right or obligation under any other provision in the PDA;

10.2.4 FBL shall at its own costs and expense bear all liabilities, obligations, claims, suits or proceedings whatsoever existing prior to and as at the date of rescission of the PDA arising out of or in connection with:-

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

- (i) any other agreements entered by FBL, the Nominated Sub-Purchaser or the developer with any other parties in relation to FBL's, the Nominated Sub-Purchaser's and/ or developer's obligations under the PDA; or
- (ii) any act or default, omission or negligence of FBL, the Nominated Sub-Purchaser, the developer, its/their employees, agents or servants, and cause and ensure that PDC shall not be liable in respect of such liabilities, obligations, claims, suits or proceedings;

10.2.5 in any event, the sum being ten percent (10%) of the Purchase Consideration shall be forfeited absolutely to PDC as agreed liquidated damages and any monies which shall have been paid by FBL to PDC towards the Purchase Consideration of Parcel 1 Land under the PDA (less the forfeited Deposit) shall be refunded to FBL without any interest whatsoever subject to the following payments being made:-

10.2.5.1 firstly, payment of all quit rents, rates, assessments and other outgoings payable in respect of Parcel 1 Land or the plots thereof remaining owing and unpaid by FBL;

10.2.5.2 secondly, payment of all moneys necessary for the removal of any caveat or encumbrance on the Parcel 1 Land and all stamp duties, registration fees, penalties, taxes and expenses in connection with or incidental to such removal (if any);

10.2.5.3 thirdly, in the event Parcel 1 Land or any plots thereof shall have been registered in the name of the Nominated Sub-Purchaser, payment of all stamp duties, registration fees, penalties, taxes and expenses in connection with or incidental to the re-transfer of Parcel 1 Land or any plots thereof to PDC or PDC's nominees; and

10.2.5.4 lastly, payment of all expenses and legal fees on a solicitor-client basis as may be incurred by PDC in requiring FBL to remedy any breach or default of the PDA or in enforcing any term of the PDA.

10.2.6 Save as provided in this Clause 10, neither of the parties shall have any claim against the other under or in respect of the PDA and FBL hereby warrants that it shall not make or otherwise rely on any claim for relief against rescission of the PDA or for relief against forfeiture of any sum of money or Parcel 1 Land (and it is hereby expressly agreed that FBL shall not be entitled to any such relief) and FBL further warrants that PDC shall be entitled to specifically enforce this Clause 10 as a separate and independent part of the PDA.

10.3 Whole Rights and Remedies upon Rescission

For the avoidance of doubt, that the parties expressly agree that this Clause 10 shall constitute and govern the whole of the rights and remedies between the parties upon such termination of the PDA and without limiting the generality of the foregoing, it is expressly agreed that FBL shall not be entitled to and shall not apply for seek or obtain any injunctive relief (whether prohibitive or mandatory) against PDC in any claim arising out of or relating to the PDA including but not limited to any injunctive relief in any way affecting PDC's right to terminate the PDA and deal with the development of Parcel 1 Land upon termination of the PDA.

10.4 Consequence of breach of Clause 10.1.2

In the event FBL fails to procure and/ or the developer shall fail to complete and obtain the issuance of the Certificate of Completion and Compliance in respect of:-

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

10.4.1 the First Hospital, and commence operation of the First Hospital within 5 years from the date of the PDA, PDC shall be entitled to charge and FBL shall be liable to pay liquidated ascertained damages calculated at the rate of 8% per annum on the total construction cost of the First Hospital from the expiry of 5-year period from the date of the PDA until the date the First Hospital commences operation, without prejudice to any rights, claims and remedies which PDC may have against FBL under the PDA. The liquidated ascertained damages shall be paid by FBL to PDC immediately upon demand on commencement of operation of the First Hospital. For the purpose of this Clause, the total construction costs of the First Hospital shall mean all direct and indirect costs associated with completing the construction of the First Hospital which shall be submitted by FBL to PDC and agreed upon by the parties within two (2) months from the date of the PDA.

10.4.2 the Compulsory Components other than the First Hospital within 5 years from the PDA, PDC shall be entitled to charge and FBL shall be liable to pay liquidated ascertained damages calculated at the rate of 8% per annum on the total construction cost of the Compulsory Components (excluding the First Hospital) from the expiry of 5-year period from the date of the PDA until the date the other Compulsory Components commence operation. The liquidated ascertained damages shall be paid by FBL to PDC immediately upon demand on commencement of operation of the each of the other Compulsory Components. For the purpose of this Clause, the total construction costs of the Compulsory Components (excluding the First Hospital) shall mean all direct and indirect costs associated with completing the construction of the other Compulsory Components which shall be submitted by FBL to PDC and agreed upon by the parties within 2 months from the date of the PDA.

10.5 Consequence of breach of Clause 10.1.3

In the event FBL shall fail or shall fail to cause and procure the developer to:-

- (a) commence or proceed with the works in respect of any of the components in the development within 1 year from the commencement of work notice for each of the component in the development in accordance with the detailed work programme; or
- (b) obtain all development approvals based on the Approved Master Plan including the commencement of work notice for the Compulsory Components within 18 months from the date of the PDA,

FBL agrees that it shall immediately upon the expiration of the Preliminary Notice issued by PDC, absolutely forfeit all its rights, including but not limited to the right to develop by itself or through the developer in respect of the plot or plots and PDC shall be entitled to re-enter upon and resume possession of the plots or any part thereof where foundation works have not been completed and no sale of the units/parcels within the development have been made with end-purchasers.

10.5.1 FBL shall at it's own cost and expense bear all liabilities, obligations, claims, suits or proceedings whatsoever existing prior to and as at the date of forfeiture of all of FBL's rights to develop by itself or through the developer under the PDA, arising out of or in connection with:-

- (i) any other agreements entered by FBL, the Nominated Sub-Purchaser or the developer with any other parties in relation to FBL's, the Nominated Sub-Purchaser's and/ or developer's obligations under the PDA; or
- (ii) any act or default, omission or negligence of FBL, the Nominated Sub-Purchaser, the developer, its/ their employees, agents or servants, and cause and ensure that PDC shall not be liable in respect of such liabilities, obligations, claims, suits or proceedings;

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

- 10.5.2 a sum proportionate to area of the plot or plots comprised in the sum being 10% of the price for the plot or plots shall be forfeited absolutely to PDC as agreed liquidated damages and any monies which shall have been paid by FBL to PDC towards the price of the plot or plots under the PDA (less the forfeited sum(s)) shall be refunded to FBL without interest whatsoever subject to the payments being made for amongst others, quit rents, rates, assessments and other outgoings payable in respect of the plot or plots remaining owing and unpaid, payment to such other person of all moneys necessary for the removal of such caveat or encumbrance and all stamp duties, registration fees, penalties, taxes and expenses in connection with or incidental to such removal, and payment of all expenses and legal fees on a solicitor-client basis as may be incurred by PDC in requiring FBL to remedy any breach or default of the PDA or in enforcing any term of the PDA;
- 10.5.3 a sum equivalent to 10% of the Actual Development Profit Entitlement for such plot or plots shall be paid by FBL on demand and be recoverable within 14 days thereof as a debt due to PDC without prejudice to PDC's right to call on the bank guarantee for the Development Profit Entitlement under Clause 4.
- 10.6 Consequence of breach of Clause 10.1.4 and 10.1.5
- Without prejudice to PDC's rights under the PDA:-
- 10.6.1 if the event of default relates to FBL, FBG shall immediately undertake and assume all of FBL's covenants, obligations, responsibilities and terms and conditions to be observed and performed by FBL in the PDA;
- 10.6.2 if the event of default relates to the Nominated Sub-Purchaser or the developer, FBL shall immediately undertake and assume all of the Nominated Sub-Purchaser's and the developer's covenants, obligations, responsibilities and terms and conditions to be observed and performed by the Nominated Sub-Purchaser or the developer in the PDA and the deed of adherence.
- 10.7 Consequence of breach of Clause 10.1.6
- If FBL shall breach or be in default of the terms conditions or stipulations set out below, FBL agrees that it shall immediately upon the expiration of the Preliminary Notice issued by PDC, pay to PDC as agreed liquidated damages:-
- (a) in respect of Clause 9.1(a), an amount equivalent to ten percent (10%) of the market value of the plot (in vacant form) as determined by Jabatan Penilaian & Perkhidmatan Harta Malaysia ("JPPH") at the material time in respect of which the development is undertaken or to be undertaken by FBL's subsidiary (which is not wholly-owned) or a third party without PDC's prior written consent;
 - (b) in respect of any unauthorised sale, transfer, lease, amalgamation, sub-division or partition of the plots by FBL, the Nominated Sub-Purchaser or the developer, an amount equivalent to ten percent (10%) of the market value of the plot (in vacant form) as determined by JPPH at the material time in respect of which the dealing on the plot which is undeveloped and vacant is undertaken by FBL, the Nominated Sub-Purchaser or the developer without PDC's prior written consent;
 - (c) in respect of Clause 9.1(c), an amount equivalent to ten percent (10%) of the market value of Parcel 1 Land (in vacant form) as determined by JPPH at the material time, as agreed liquidated damages;

APPENDIX I – SALIENT TERMS OF THE PDA (CONT'D)

- (d) in respect of Clause 9.1(d) and Clause 9.1(e), an amount equivalent to ten percent (10%) of the market value of the plot (in vacant form) as determined by JPPH at the material time in respect of which the change of shareholding in the Nominated Sub-Purchaser, the Developer or the joint venture company (as applicable) occurred without PDC's prior written consent.

11. Rights of Termination by PDC

Notwithstanding any provision to the contrary under the PDA, PDC shall be entitled to terminate the PDA by serving a 90 days' prior written notice on FBL and no party shall have any claim against the other provided that such right of termination is only exercisable by PDC within 6 months from the date of the PDA or prior to the receipt by FBL of the shareholders' approval as set out in Clause 2.2.3 above, whichever date shall be the earlier.

12. Rights to Purchase

- 12.1 PDC shall give and FBL shall be entitled to the right to purchase on "as is where is basis" and develop the remaining proposed land of 184.638 acres on the Master Land ("**Parcel 2 Land**") subject to the following:-
 - 12.1.1 PDC is satisfied with the developer's performance and progress of the development under the PDA;
 - 12.1.2. PDC is satisfied with the terms and conditions to be agreed between PDC and FBL for the development on Parcel 2 Land;
 - 12.1.3 the purchase price of the Parcel 2 Land is no less than:
 - 12.1.1.1 the price offered by other interested purchaser, developer and/ or investor (if any); or
 - 12.1.1.2 the price based on JPPH's valuation,whichever price is the higher.
 - 12.1.4 the terms and conditions for the purchase and development of Parcel 2 Land are no less favourable than that/ those offered by other interested purchaser, developer and/ or investor to PDC (if any).
- 12.2 In the event FBL does not accept PDC's offer of the right to purchase within the time stated in PDC's offer letter, the right to purchase shall immediately lapse and PDC shall thereafter be entitled to enter into negotiations, dispose of or enter into any other agreements or arrangements with other purchaser, developer and/ or investor in respect of Parcel 2 Land without being liable in any way to FBL. If PDC does not make an offer of the right to purchase within 12 months from the date of the PDA, FBL may no later than 1 month from the expiry of the 12-month period make an offer to PDC to purchase the Parcel 2 Land in accordance with the PDA.
- 12.3 Notwithstanding anything in Clauses 12.1 and 12.2 above, the right to purchase the Parcel 2 Land shall be valid for 12 months only commencing from the date of the PDA. PDC shall be entitled to enter into negotiation, dispose or enter into any other agreements or arrangements with other purchaser, developer and/ or investor in respect of Parcel 2 Land upon the expiry of 12 months from the date of the PDA, without being liable in any way whatsoever to FBL.



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref : V/PG/DY2508 (AG)
Date : 10th February 2025

PRIVATE & CONFIDENTIAL
FAJARBARU BUILDER GROUP BERHAD
Nos. 61 & 63, Jalan SS6/12, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

VALUATION CERTIFICATE OF A PARCEL OF DEVELOPMENT LAND MEASURING APPROXIMATELY 51.172 ACRES IDENTIFIED AS PARCEL 1 LOCATED ALONG PERSIARAN CASSIA BARAT, WITHIN MUKIM 13, DISTRICT OF SEBERANG PERAI SELATAN, STATE OF PULAU PINANG ("SUBJECT PROPERTY").

This Valuation Certificate has been prepared for the inclusion in the Circular to shareholders of Fajarbaru Builder Group Berhad ("FBG") pursuant to the proposed joint development project between FBG and The Penang Development Corporation ("PDC") known as MediCity in Batu Kawan, Penang entailing the proposed acquisition of the Subject Property by FBG Land Sdn Bhd (formerly known as Fajarbaru Land (M) Sdn Bhd) ("FBL"), a wholly-owned subsidiary of FBG.

In accordance with the instruction from FBG, we have valued the Subject Property vide our valuation report bearing Reference Nos. V/PG/DY2508 (AG) dated 10th February 2025. The material date of valuation for this valuation exercise is taken as at 22nd January 2025.

This Valuation Certificate is a summary of the relevant facts and information set out in our valuation reports and to be read in conjunction with our valuation report bearing Reference No. V/PG/DY2508 (AG) dated 10th February 2025.

The valuation has been carried out in compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia (6th Edition of MVS and effective from 1st January 2019) and the Asset Valuation Guidelines (1st Revision Series No. SC-GL/AV-2009 (R1-2017) dated 19th January 2017 and effective from 20th March 2017) issued by the Securities Commission Malaysia.

The basis of valuation adopted for the purpose of this valuation is **Market Value**. The term **Market Value**, as defined in the Malaysian Valuation Standards 6th Edition 2019, is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

HENRY BUTCHER MALAYSIA (PENANG) Sdn Bhd 198901000192 (177498-P)

142-M, Jalan Burma, 10050 Penang, Malaysia

t ● +604-229 8999 f ● +604-229 8666

e ● hbpenang@hbmprg.com w ● www.henrybutcherpenang.com.my



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TERMS OF REFERENCE

We are instructed by FBG to ascertain the Market Value of the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad as well as inclusion of the Valuation Certificate in the circular to shareholders in conjunction with the proposed joint development project between FBG and PDC known as MediCity in Batu Kawan, Penang entailing the proposed acquisition of the Subject Property by FBL on the following bases :-

- a) We are specifically instructed by FBG to determine the Market Value of the Subject Property taking into account the terms and conditions that are relevant and have material valuation impact as per the Letter of Offer dated 7th October 2024 bearing Reference No. PPPP/PFPT/300-31/22/3 Jld.2 issued by PDC to FBG and the Master Purchase And Development Agreement dated 20th January 2025 made between FBG, PDC and FBL.
- b) We are instructed by FBG to value the Subject Property based on the land area of approximately 51.172 acres stated in the First Schedule of the PDA.
- c) We wish to draw the attention that the individual title in respect of the Subject Property has not been issued yet. In light of the above, we are instructed by FBG to value the Subject Property on the basis that the individual title of the Subject Property conveying a freehold interest subject to the assumed category of land use of "Building" and express condition of "Mixed Development comprises Residential, Commercial and Institutional" is forthcoming and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoings.

The assumed category of land use of "Building" and express condition of "Mixed Development comprises Residential, Commercial and Institutional" are in line with the components of development stated under Fourth Schedule of the PDA.

- d) We are also instructed by FBG to value the Subject Property based on the maximum development plot ratio of 4 as mentioned under Section 9A.1.2 of the PDA.
- e) Based on the PDA, we noted that in addition to the purchase price of RM111,452,616 for the Subject Property, there is also a Development Profit Entitlement (as defined under salient terms of the PDA below) to be paid in the future. We would like to draw the attention that the valuation of the Subject Property is to determine the Market Value of the land, which constitutes the purchase consideration only.

THIS VALUATION IS BASED ON THE INFORMATION PROVIDED BY FBG WHICH IS ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS ON THE CONTENTS OF THIS VALUATION (INCLUDING MARKET VALUE) IF ANY OF THE INFORMATION PROVIDED IS INVALID / INCORRECT.

INTEREST TO BE VALUED

The interest to be valued comprises a parcel of development land identified as Parcel 1 measuring approximately 51.172 acres subject to the forthcoming individual title with freehold interest and assumed category of land use of "Bangunan", express condition which permits the land to be used for "Mixed Development comprises Residential, Commercial and Institutional" as well as a maximum plot ratio of 4 located along Persiaran Cassia Barat, within Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.

PURCHASE AND DEVELOPMENT AGREEMENT

FBG and FBL had on 20th January 2025, entered into a master purchase and development agreement with PDC for the proposed joint development project between FBG and PDC known as MediCity in Batu Kawan, Penang entailing the proposed acquisition by FBL of a parcel of land measuring approximately 51.172 acres located in Bandar Cassia, Mukim 13, Batu Kawan, Seberang Perai Selatan, Penang ("**Parcel 1 Land**") for a purchase consideration of RM111,452,616.00 (Ringgit Malaysia One Hundred Eleven Million Four Hundred Fifty Two Thousand Six Hundred Sixteen Only) ("**Purchase Consideration**"), to be satisfied entirely in cash ("**Proposed Acquisition**").

The salient terms of the master purchase and development agreement ("**PDA**") are as follows:-

1. Agreement to sell and purchase

In consideration of the mutual promises contained in the PDA, and subject to the fulfilment of the Conditions Precedent and such conditions of individual title of Parcel 1 Land or the plots thereof ("**Title**"), restrictions in interest, express or implied conditions and category of land use on the Title when issued and subject to all zoning, road widening, drainage improvement or other schemes whatsoever affecting Parcel 1 Land, all conditions and restrictions implied by the National Land Code ("**NLC**") and upon the terms and conditions of the PDA, PDC agrees to sell Parcel 1 Land to FBL for the purpose of FBL and/or a wholly-owned subsidiary of FBL nominated by FBL to accept the transfer of such plots of Parcel 1 Land ("**Nominated Sub-Purchaser**") and the developer undertaking and completing "**the Development**" (as defined below) in accordance with the PDA.

The Development shall consist of the following compulsory and mixed development components:

i. Compulsory Components

- i.i. FBL shall at its own cost and expense cause and ensure that the Developer:
 - i.i.i. constructs, completes and obtains the issuance of the Certificate of Completion and Compliance for the compulsory components; and
 - i.i.ii. commences operation of the compulsory components;
- on no less than thirty percent (30%) of Parcel 1 Land or equivalent to no less than 15.3 acres of Parcel 1 Land which shall comprise of:
- i.i.iii. a specialised hospital with no less than two hundred (200) beds (hereinafter called "**the First Hospital**") and the area of Parcel 1 Land upon which the First Hospital shall be constructed is hereinafter called "**the Hospital Plot**";
 - i.i.iii.ii. healthcare complex;
 - i.i.iii.iii. wellness centre; and
 - i.i.iii.iv. infrastructure supporting compulsory components
- (hereinafter collectively called "**the Compulsory Components**") within five (5) years from the date of this Agreement.

ii. Mixed Development Components

- ii.i. FBL shall at its own cost and expense cause and ensure that the Developer constructs completes and obtain the issuance of the Certificate of Completion and Compliance for and commence operation of the mixed development components on the remaining area of Parcel 1 Land, that is seventy percent (70%) or less of Parcel 1 Land, or equivalent to 35.8 acres or less of Parcel 1 Land comprising of:

- ii.i.i. residential;
- ii.i.ii. commercial; and
- ii.i.iii. institutional development which shall not include components which fall under the category of land use "industry" of the NLC or workers' hostel, village or anything of a similar nature (hereinafter collectively called "**the Mixed Development Components**") within eight (8) years from the date of this Agreement.

iii. **Plot Ratio**

FBL shall cause and ensure that the Developer adheres to the plot ratio as approved by the Relevant Authorities for the Development.

iv. **Infrastructure**

- iv.i. FBL shall construct and complete, or cause procure and ensure that the Nominated Sub-Purchaser or the Developer shall construct and complete at FBL's own costs and expense, any infrastructure for access to or serving and supporting Parcel 1 Land or the Plots thereof or the Development as may be imposed by the Relevant Authorities including but not limited to the following:
 - iv.i.i. internal sewer lines and to allow for future connection to external sewer lines, waterworks, electricity and other relevant infrastructure servicing the Development, make the final connection of all utilities even if such connection shall be beyond the Development boundaries;
 - iv.i.ii. the access road into the Development and its own internal roads within the Plots and utility services to be connected to the proposed utility services in the existing external roads; and
 - iv.i.iii. all internal or any external infrastructure imposed by the Relevant Authorities including Majlis Bandaraya Seberang Perai.
- iv.ii. For the purpose of providing the final demarcation plan in accordance with Clause 2A.2 of the PDA and for the purpose of Section iv.i. above, FBL shall or cause procure and ensure that the Nominated Sub-Purchaser or the Developer shall adhere, comply and fulfil at FBL's own costs and expense the following:
 - iv.ii.i. the design layout shall be based on and confined only to the total area of Parcel 1 Land and the existing infrastructure on and surrounding Parcel 1 Land;
 - iv.ii.ii. consideration shall be given to the surrounding developments especially the existing commercial development, industrial development and residential areas;
 - iv.ii.iii. coordinate with PDC on the design of the roads and the proposed utility services; and
 - iv.ii.iv. all conditions, requirements, rules and regulations imposed by the Relevant Authorities.

2. **Conditions Precedent**

The PDA shall be conditional upon the fulfilment of all of the following conditions precedent by PDC and FBL at their respective cost and expense on or before the respective dates hereinafter specified:

2.1 By PDC:

- 2.1.1 the approval for alienation of Parcel 1 Land to PDC under the provisions of the NLC for the issuance of the Title of Parcel 1 Land or plots thereof and the transfer of Parcel 1 Land or the plots thereof to the Nominated Sub-Purchasers, within 12 months from the receipt from FBL of the final demarcation plan in accordance with the terms of the PDA; and
- 2.1.2 the issuance of the Title of Parcel 1 Land or plots thereof for a term in perpetuity, within 6 months from the approval for alienation of Parcel 1 Land or plots thereof pursuant to Clause 2.1.1 above.

2.2 By FBL:

- 2.2.1 the hospital pre-establishment zoning approval from the Ministry of Health of Malaysia within 12 months from the date of the PDA;
- 2.2.2 a licensed operator for the First Hospital to be developed on Parcel 1 Land within 12 months from the date of the PDA;
- 2.2.3 shareholders approval for the development and all other relevant matters contained or contemplated in the PDA within 6 months from the date of the PDA.

(Collectively referred to as the "**Conditions Precedent**").

In the event any of the Conditions Precedent is not fulfilled on the expiry of the time stipulated in Clause 2.2 above, FBL shall prior to the expiry of the time apply to PDC in writing for extension of time for fulfilment of the Conditions Precedent in accordance with the terms of the PDA. Upon the expiry of the time period for fulfilment of the Conditions Precedent and any extension thereof, the PDA shall terminate whereupon:

- (i) FBL shall forthwith re-deliver possession of Parcel 1 Land to PDC if the possession of Parcel 1 Land has been taken;
- (ii) PDC shall refund all payments made by FBL towards the Purchase Consideration free of interest within 30 working days from the re-delivery of possession of Parcel 1 Land by FBL less any sum or sums as may be due and owing to PDC including but not limited to late payment interests;
- (iii) PDC shall return any bank guarantees to FBL for cancellation if the same has been furnished to PDC in accordance with the PDA; and

thereafter, but without prejudice to any right which any party may be entitled to against the other in respect of any antecedent breach of the PDA, PDC shall be entitled at PDC's absolute discretion to dispose of the Parcel 1 Land to any other persons.

In the event of any delay in the fulfillment of the Condition Precedent within the time stipulated in Clause 2.1.2 above, FBL shall be entitled to automatic extension of time to complete the development on such plot or plots which Title has not been issued equivalent to the time period of the delay in the issuance of Title for that plot or plots only.

3. Payment of the Purchase Consideration

The purchase price for Parcel 1 Land shall be RM111,452,616.00 and FBL shall pay to PDC the Purchase Consideration in the following manner, notwithstanding that any of the Conditions Precedent are pending fulfilment :

APPENDIX II – VALUATION CERTIFICATE FROM HENRY BUTCHER

Percentage	Area	Amount (RM)	Time of Payment
10% of the Purchase Consideration ("Deposit")	51.172 acres	11,145,261.60	Simultaneously upon the execution of the PDA
90% of the Purchase Consideration excluding the Hospital Plot	48.172 acres	94,426,754.40	Within 12 months from the date of the PDA
90% of the Purchase Consideration for the area of the Hospital Plot only	3.00 acres	5,880,600.00	Within 48 months from the date of the PDA
Total		111,452,616.00	

In the event that FBL fails to pay any of the instalments in accordance with the payment schedule set out above, interest at the rate of 8% per annum shall commence to accrue immediately after the due date for payment to the date of actual and full settlement of the relevant instalment, in addition to but without prejudice to any rights, claims and remedies which PDC may have against FBL under the PDA.

4. Development profit

- 4.1 In addition to the Purchase Consideration, FBL shall pay PDC the minimum profit for the development amounting to RM36,842,105 ("**Development Profit Entitlement**") in instalments over a period of 8 years from the date of the PDA within 3 months from the date of the Certificate of Completion and Compliance of each of the component of the development or on or before the respective dates prescribed in the schedule of payment set out in the PDA, whichever date shall be the earlier, failing which interest at the rate of 8% per annum shall then commence to accrue immediately after the due date for payment to the date of actual and full settlement of such payment, in addition but without prejudice to any rights, claims and remedies which PDC may have against FBL under the PDA. For the avoidance of doubt, FBL's obligation to pay the Development Profit Entitlement to PDC is irrespective of whether there is any sale of the units in the development.
- 4.2 FBL shall furnish to PDC on or before the transfer of Parcel 1 Land or the plots thereof to the Nominated Sub-Purchaser in accordance with the PDA, a bank guarantee for the sum of the Development Profit Entitlement. PDC shall be entitled to call upon the bank guarantee in the event FBL fails to pay the Development Profit Entitlement in accordance with the PDA.
- 4.3 Subject to Clause 4.4 below, the final computation of PDC's share of actual profit from the development on Parcel 1 Land ("**Actual Development Profit Entitlement**") shall be computed at the rate of fifteen percent (15%) of the total actual profit of the development of Parcel 1 Land (excluding any profit arising from the management and operation of business conducted in the Compulsory Components) and agreed upon by the parties on the 8th anniversary of the PDA and any amount in excess between:
- 4.3.1 the Actual Development Profit Entitlement; and
- 4.3.2 the Development Profit Entitlement;
- (hereinafter referred to as the "**Excess Amount**")
- shall be paid by FBL to PDC within 30 days from the 8th anniversary of the PDA, failing which interest at the rate of 8% per annum shall commence to accrue immediately after the due date for payment to the date of actual and full settlement of the Excess Amount.

- 4.4 If in the opinion of PDC, the Excess Amount cannot be computed on the 8th anniversary of the PDA for any reason including but not limited to the units within any plot of the development remaining unsold, PDC is entitled to request from FBL the audited final profit and loss account and such relevant documents for the development of such plot at any time after the 8th anniversary of the PDA but not later than the 12th anniversary of the PDA and in such event, the parties shall make and agree on the final computation of profit from the development of such plot based on the audited profit before taxation prepared in accordance with the applicable Malaysia's financial reporting standards and the Excess Amount thereof shall be paid in accordance with Clause 4.3 above. Thereafter, PDC shall not have any further claims to any profit from the development. In respect of the development on any plot which in PDC's opinion the Excess Amount can be determined at the 8th anniversary of the PDA, Clause 4.3 above shall apply accordingly.

5. Delivery of possession

Upon full payment of the Purchase Consideration and all interest thereon, if any or in lieu thereof, a bank guarantee for the sum equivalent to 90% of the Purchase Consideration and all interest thereon, if any, and provided that there shall not at any relevant time be existing any default or breach by FBL of any of the terms and conditions of the PDA, vacant possession of Parcel 1 Land shall be delivered to FBL on an "as is where is" basis.

Upon the execution of the PDA, PDC shall grant to FBL a licence to enter the entire Parcel 1 Land and to carry out preliminary activities relating to the development on Parcel 1 Land including to do such preparatory works for the development, earthworks and conduct such tests as may be deemed necessary by FBL and to bring upon Parcel 1 Land such machineries plants and other equipment as may be necessary to do the same for specified period(s) of time provided that FBL shall be responsible for Parcel 1 Land and be liable for any and all damage or injury to property or persons as may arise during that period(s) of time and FBL shall at all times indemnify and keep PDC indemnified against all loss damage expense cost or any other liability whatsoever arising out of or in connection with the occupation or use of Parcel 1 Land by the developer during those specified period(s).

6. Approved Project Master Plan

FBL shall submit the Proposed Project Master Plan to the State Planning Committee for its approval of the project master plan ("**Approved Project Master Plan**"). For the avoidance of doubt, PDC's consent to the Proposed Project Master Plan shall not be construed as a warranty by PDC that the Proposed Project Master Plan will be approved by the State Planning Committee. In any event, PDC agrees to assist and work together with FBL to obtain the State Planning Committee's approval for the Proposed Project Master Plan.

7. Submission for development approvals

FBL shall at its own cost and expense cause, procure and ensure the developer to submit within:

- (i) 6 months from the date of the PDA the application for all development approvals based on the Approved Project Master Plan from the relevant authorities in respect of the Compulsory Components (including the First Hospital); and
- (ii) 18 months from the date of the PDA the application for all development approvals based on the Approved Project Master Plan from the relevant authorities in respect of the Mixed Development Components; and

diligently and expeditiously do all acts and things necessary to obtain all other development approvals based on the Approved Project Master Plan from the relevant authorities in respect of the development. FBL shall cause, procure and ensure that the developer obtains all development approvals based on the Approved Master Plan including the commencement of earthworks and/or physical works ("**Commencement of Work Order**") for the Compulsory Components within 18 months from the date of the PDA.

8. Description of Parcel 1 Land

In the event the location, measurements, boundaries, area or other description of Parcel 1 Land provided under the PDA shall be different from the final Title, such difference shall not in any way affect the validity of the PDA save and except that if the difference in the area of Parcel 1 Land is in excess of 2%, the Purchase Consideration shall be adjusted accordingly at the price of RM50 per square foot and the amount due on such adjustment shall be payable within 30 days upon demand by the party entitled to such payment.

9. PDC Consent

9.1 FBL shall obtain PDC's prior written consent in relation to the following:

- (a) in the event FBL proposes to nominate and appoint a subsidiary of FBG which is not a wholly-owned subsidiary of FBG or is a third party to undertake and complete the development as a developer pursuant to the PDA;
- (b) in the event of amalgamation or merger of FBL, the developer or the Nominated Sub-Purchaser with any other company, corporation, firm or any other party or enter into any voluntary liquidation or reconstruction or commit or do or suffer to be committed or done any acts or things so as to cause compulsory winding-up proceedings to be taken against FBL, the developer or the Nominated Sub-Purchaser respectively;
- (c) if shares in FBL are to be sold transferred assigned or allotted to or exchanged with any other company, corporation, firm or party where it will cause any change of shareholding of FBL;
- (d) if the shares in the developer or the Nominated Sub-Purchaser are to be sold transferred, assigned or allotted to or exchanged with any other company, corporation, firm or party where it will cause or allow any change of shareholding in the developer or the Nominated Sub-Purchaser, as the case may be; or
- (e) in the event FBL, the developer or the Nominated Sub-Purchaser intends to enter into any joint venture with any other persons for the development of the Parcel 1 Land. In addition, FBL shall obtain PDC's prior written consent if the shares are to be sold, transferred, assigned, allotted or exchanged with any other company, corporation, firm or party where it will cause or allow any change in the shareholding in such joint venture company.

9.2 Each of the request for consent set out in Clause 9.1 above is subject to the payment of consent fee to PDC and such terms and conditions as PDC may impose.

DESCRIPTION AND LOCATION OF THE SUBJECT PROPERTY

The Subject Property is located along Persiaran Cassia Barat, off the main thoroughfare of Lebuhraya Bandar Cassia. It is sited on the north-western part of Batu Kawan, an island situated off the western coast of District of Seberang Perai Selatan in between Penang Island and the mainland of Penang State.

Bandar Cassia, Batu Kawan is the third satellite township of Penang after Bayan Lepas and Seberang Jaya. The township's development is being carried out in clusters by phases by several key developers, including Aspen Vision City, a joint venture by Aspen Group and Ikano Group; Eco Horizon and Eco Sun by Eco World Group; Utopolis Batu Kawan by Paramount Group and Design Village Outlet Mall along with Anggun Residences by PE Land Group.

Batu Kawan Stadium (Penang State Stadium), Batu Musang Jetty, R&R Food Court Bandar Cassia, Batu Kawan Industrial Park, Batu Kawan Technology Park, Penang Science Park, Valdor Industrial Park, Juru Industrial Park and Bukit Minyak Industrial Park are also located in the immediate localities.

The Subject Property is approachable from the Bukit Tambun Interchange of the North-South Highway via Jalan Bukit Tambun, Jalan Batu Kawan, Lebuhraya Bandar Cassia and thence onto Persiaran Cassia Barat, all being well-maintained metalled roads.

The Subject Property is irregular in shape. It is generally flat in terrain and lies slightly below the level of the existing metalled road i.e. Persiaran Cassia Barat. The boundaries of the site are not physically demarcated by any form of fencing. The site is mainly covered with grass, wild trees, natural vegetation and thick undergrowth.

TITLES PARTICULARS

We wish to draw your attention that the individual title in respect of the Subject Property has not been issued yet. In light of the above, we are instructed by FBG to value the Subject Property on the basis that the individual title of the Subject Property conveying a freehold interest over the land area of approximately 51.172 acres subject to the assumed category of land use of "Building" and express condition of "*Perumahan dan Perniagaan*" is forthcoming and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoings.

LOCAL AUTHORITY SEARCHES

Our enquiries conducted at Town Planning Department, City Council of Seberang Perai [*Jabatan Perancang Bandar, Majlis Bandaraya Seberang Perai ("M.B.S.P.")*] revealed that the Subject Property is located within "*Kawasan Keutamaan Pembangunan 1*" under the Rancangan Struktur Negeri Pulau Pinang 2030 and zoned for "*Perumahan Terancang R2*" based on the *Peta Cadangan Draf Rancangan Tempatan Seberang Perai 2030* with permissible and maximum density of 11 units per acre and 30 units per acre respectively.

However, we are also informed by the Town Planning Department of M.B.S.P. that the maximum plot ratio of development in the area within which the Subject Property is located is Four (4).

In view of the above and as per the **Terms of Reference** of this valuation, we are instructed by FBG to value the Subject Property based on Mixed Development use comprises Residential, Commercial and Institutional with the maximum development plot ratio of 4.

VALUATION METHODOLOGY

We have adopted the **Comparison Approach** of valuation to assess the Market Value of the Subject Property.

Comparison Approach is the Market Approach of comparing the Subject Property with similar properties that were transacted recently, due consideration is given to factors such as "Time (market improvement)", "Size (land area)", "Location", "Tenure" and "Soil Condition" to arrive at our opinion of Market Value of the Subject Property.

APPENDIX II – VALUATION CERTIFICATE FROM HENRY BUTCHER

It is pertinent to note that valuation of property for submission to Bursa has to be undertaken by two recognised Methods of Valuation (Paragraph 4.06 of Asset Valuation Guidelines). However, we have adopted only one method of valuation i.e. Comparison Approach in this valuation as other alternative methods such as the Income Approach or Cost approach as defined in the *Malaysian Valuation Standards Sixth Edition 2019* are not applicable. The reason is due to the fact that the Subject Property comprises a parcel of development land and does not have any development planning permission or development layout plan approved by the Local Authority as at the date of valuation.

SUMMARY OF COMPARISON APPROACH

For the purpose of this valuation, we have utilised 3 comparables with similar aspects located at Bandar Cassia, in the District of Seberang Perai Selatan in our valuation computation of Comparison Approach.

	Comparable No. 1	Comparable No. 2	Comparable No. 3 ⁽¹⁾
Property particulars	A parcel of development land identified as Plot 1, Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.	A parcel of development land identified as Plot 4, Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.	Lot No. PT 5258 held under Title No. H.S.(D) 45956, Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.
Location	At the intersection of Lebuhraya Bandar Cassia and Persiaran Cassia Timur 1, Bandar Cassia	At the intersection of Lingkaran Cassia Timur and Persiaran Cassia Timur 1, Bandar Cassia	At the intersection of Lebuhraya Bandar Cassia and Jalan Batu Kawan, Bandar Cassia
Distance between Subject Property C	1.0 km	1.5 km	500 meter
Type of property	A parcel of development land		
Vendor	The Penang Development Corporation	The Penang Development Corporation	Penaga Pesona Sdn. Bhd. & Batu Kawan Development Sdn. Bhd.
Purchaser	Green Camour Property Sdn. Bhd.	Georgetown Resources Sdn. Bhd.	Eco Horizon Sdn. Bhd.
Transaction date	18 July 2022	17 February 2023	28 June 2016
Share	Full Share		
Zoning	Mixed Development (Residential and Commercial)		
Tenure	Freehold interest		99-year leasehold interest (commencing on 24 th December 2112)
Source	Sale & Purchase Agreement		Jabatan Penilaian & Perkhidmatan Harta
Land area	818,575 sq. ft. 18.792 acres	802,667 sq. ft. 18.427 acres	3,183,408 sq. ft. 73.081 acres
Consideration	RM53,207,385.40	RM52,173,358	RM143,253,376
Based Value	RM65.00 per sq. ft.	RM65.00 per sq. ft.	RM45.00 per sq. ft.
Remarks :-			
- Time difference	30.2 months	23.2 months	102.9 months
- Size (land area)	Smaller	Smaller	Larger
- Location	Better (Facing main road)	Better (Facing main road)	Better (Facing main road)
- Tenure	Similar	Similar	Poorer (99-year leasehold)
- Soil Condition	Better (oil palm estate)	Better (oil palm estate)	Better (oil palm estate)
Adjustments	General adjustments are made for "Size (land area)", "Location" and "Soil Condition" factors.	General adjustments are made for "Size (land area)", "Location" and "Soil Condition" factors.	General adjustments are made for "Time (market improvement)", "Size (land area)", "Location", "Tenure" and "Soil Condition" factors.
Adjusted Value	RM42.25 per sq. ft.	RM42.25 per sq. ft.	RM54.00 per sq. ft.
Maximum Plot Ratio	3.00	3.00	4.00
Adjusted Value Per Plot Ratio	RM14.08 per sq. ft.	RM14.08 per sq. ft.	RM13.50 per sq. ft.

APPENDIX II – VALUATION CERTIFICATE FROM HENRY BUTCHER

Notes :-

- (1) We would like to draw the attention that although Comparable No. 3 was transacted about 8.6 years ago, we are of the opinion that it remains a relevant reference for the subject valuation due to the fact that there is no recent major development land transaction (more than 50 acres) in Bandar Cassia, Batu Kawan over the past five (5) years, and this Comparable is located just 500 metre from the Subject Property and with both having the same plot ratio of 4.

In accordance with the Fourth Schedule of the PDA, 30% of the land area of the Subject Property shall consist of the Compulsory Components, while the remaining 70% is designated for the Mixed Development Components.

It is important to note that the Compulsory Components, which include a specialised hospital with no less than two hundred (200) beds, a healthcare complex, a wellness centre, and supporting infrastructure, require special approval from the Ministry of Health Malaysia. These medical-related components are considered premium elements of the development and serve as a catalytic driver for the entire project, potentially generating a positive spillover effect on the surrounding developments. However, as the necessary approvals have not yet been obtained as of the valuation date, this potential enhancement has not been factored into our valuation.

With regard to the 70% Mixed Development Components, the proposed elements listed in the Third Schedule of the PDA, namely, Affordable Apartments, Serviced Apartments, Linked Houses, and an International School are not mandatory and remain subject to change. Furthermore, these components are permissible for development on the lands in respect of the Comparables, all of which are zoned for Mixed Development use.

In conclusion, both of the Compulsory Components and the Mixed Development Components does not materially impact the valuation of the Subject Property. In view of this, no adjustments have been made under the Comparison Approach in our valuation.

Justification :-

Post adjustments have been made to the Comparables after taking into consideration of the positive and negative factors of "Time (market improvement)", "Size (land area)", "Location", "Tenure" and "Soil Condition". From these Comparables, we have concluded that Comparable No. 2 would be a reasonable benchmark due to the fact that Comparable No. 2 is the latest freehold commercial development land transaction within Bandar Cassia. Having considered the above, we have adopted **RM14.00 per sq. ft. per plot ratio** (rounded down from RM14.08 per sq. ft. per plot ratio) to be the fair market rate for the Subject Property.

The Market Value of the Subject Property :-

Land Area	Market Rate	Maximum Plot Ratio	Market Value
2,229,052 sq. ft.	RM14.00 per sq. ft.	4	RM124,826,912
		say	RM124,800,000

REGISTERED TRANSACTIONS / TRANSACTION HISTORY

Based on the Master Purchase And Development Agreement dated 20th January 2025 made between The Penang Development Corporation (the Vendor) and FBG Land Sdn Bhd [formerly known as Fajarbaru Land (M) Sdn. Bhd.] & Fajarbaru Builder Group Bhd. (the Purchasers), we noted that Subject Property was transacted at RM111,452,616.00.

APPENDIX II – VALUATION CERTIFICATE FROM HENRY BUTCHER

OPINION OF VALUE

Having regard to the foregoing, our opinion of the **Market Value** of the Subject Property as at 22nd January 2025 with vacant possession and subject to the individual title conveying a freehold interest over the land area of approximately 51.172 acres is forthcoming and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoings is **RM124,800,000** (Ringgit Malaysia One Hundred Twenty Four Million And Eight Hundred Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (PENANG) SDN BHD



SR. DR. TEOH POH HUAT (V-296)

FRICS, FRISM

Chartered Surveyor / Registered Valuer

Designation: Managing Director

Registered Number: V-296

APPENDIX III – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

UOBKH, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Henry Butcher, being the Valuer to FBG in relation to the valuation of the Parcel 1 Land, has given and has not subsequently withdrawn its written consent to the inclusion of this Circular of its name, valuation certificate, and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists nor is likely to exist in relation to its role as the Principal Adviser to FBG for the Proposals.

Henry Butcher has given its written confirmation that there is no situation of conflict of interest that exists nor is likely to exist in relation to its role as the Valuer to FBG in relation to the valuation of the Parcel 1 Land.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Board is not aware and has no knowledge of any proceedings pending or threatened against the Parcel 1 Land, or of any facts likely to give rise to any proceedings.

5. MATERIAL COMMITMENTS

Save as disclosed below and for the Proposed Acquisition, as at the 31 March 2025, the Board confirms that there are no material commitments incurred or known to be incurred by FBG Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results or position of the Group:-

	RM'000
Property, plant and equipment	168

6. CONTINGENT LIABILITIES

Save as disclosed below, as at the 31 March 2025, the Board confirms that there are no contingent liabilities incurred or known to be incurred by FBG Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group:-

	RM'000
Performance and tender bond granted to contract customers	25,798

APPENDIX III – FURTHER INFORMATION (CONT'D)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at No.3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur, during the normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the time stipulated for the holding of the EGM:-

- (i) Constitution of FBG;
- (ii) Audited consolidated financial statements of FBG Group for the past 2 financial years up to the FYE 30 June 2024 and the latest unaudited consolidated financial statements for the 9-month FPE 31 March 2025;
- (iii) the PDA;
- (iv) the valuation certificate and valuation report prepared by Henry Butcher; and
- (v) Letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3 of Appendix III** above, respectively.

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FAJARBARU BUILDER GROUP BHD

(Registration No.: 199301026907 (281645-U))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Fajarbaru Builder Group Bhd ("**FBG**" or the "**Company**") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 26 June 2025 at 10:00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION

PROPOSED JOINT DEVELOPMENT PROJECT BETWEEN FBG AND THE PENANG DEVELOPMENT CORPORATION KNOWN AS MEDICITY ("MEDICITY PROJECT") IN BATU KAWAN, PENANG THROUGH A PURCHASE AND DEVELOPMENT ARRANGEMENT ENTAILING THE PROPOSED ACQUISITION BY FBG LAND SDN BHD (FORMERLY KNOWN AS FAJARBARU LAND (M) SDN BHD), A WHOLLY-OWNED SUBSIDIARY OF FBG, OF A PARCEL OF LAND MEASURING APPROXIMATELY 51.172 ACRES LOCATED IN BANDAR CASSIA, BATU KAWAN, PENANG ("PARCEL 1 LAND") FOR A PURCHASE CONSIDERATION OF RM111,452,616.00 TO BE SATISFIED ENTIRELY IN CASH ("PROPOSED ACQUISITION")

"THAT, subject to the approvals from all relevant authorities and/ or parties being obtained in respect of the Proposed Acquisition, approval be and is hereby given for FBG Land (M) Sdn Bhd (formerly known as Fajarbaru Land (M) Sdn Bhd) ("**FBL**"), a wholly-owned subsidiary of the Company, to acquire Parcel 1 Land for a purchase consideration of RM111,452,616.00.

THAT the Purchase Consideration shall be satisfied entirely in cash in accordance with the terms and conditions of the conditional purchase and development agreement dated 20 January 2025 ("**PDA**"), entered into between FBG, FBL and The Penang Development Corporation ("**PDC**").

THAT in consideration of FBL undertaking the development of the MediCity Project on Parcel 1 Land in accordance with the PDA, approval be and is hereby given for FBL to pay PDC a minimum profit of the development in the amount not less than RM36.84 million in instalments over a period of 8 years from the date of the PDA within 3 months from the date of the certificate of completion and compliance of each of the component of the development, based upon the terms and conditions of the PDA.

AND THAT the Board of Directors of FBG be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Acquisition with full power to assent to any conditions, variations, modifications, and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition."

SPECIAL RESOLUTION

PROPOSED CHANGE OF THE COMPANY'S NAME FROM "FAJARBARU BUILDER GROUP BHD" TO "FBG HOLDINGS BERHAD" ("PROPOSED CHANGE OF NAME")

"THAT the name of the Company be changed from "Fajarbaru Builder Group Bhd" to "FBG Holdings Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company and that all references in the Constitution of the Company in relation to the name of "Fajarbaru Builder Group Bhd", wherever the same may appear, shall be substituted with "FBG Holdings Berhad".

AND THAT the Board of Directors of FBG ("**Board**") and/ or the Company Secretaries be and are hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Change of Name with full power to assent to any conditions, modifications and/ or amendments as may be required by any relevant authorities and/ or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Change of Name."

By Order of the Board

TAN KOK AUN (MACS 01564)

SSM PC No. 201908003805

LEE WAI NGAN (LS0000184)

SSM PC No. 201908003497

Company Secretaries

Kuala Lumpur

22 May 2025

Notes:-

- (1) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
- (2) *Where a member appoints more than one (1) proxy, he/ she shall specify the proportions of his/ her holdings to be represented by each proxy, failing which, the appointment shall be invalid.*
- (3) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (4) *The instrument appointing a proxy and the power of attorney or other authority (if any) must be deposited at the Company's Share Registrar office, Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South not less than forty-eight (48) hours before the time appointed for holding of the EGM or any adjournment thereof.*
- (5) *If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*
- (6) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM shall be put to vote by poll.*
- (7) *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors ("**ROD**") as at 18 June 2025 and only a member whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/ or vote in his/ her behalf.*

PERSONAL DATA NOTICE

By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/ or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.

**FORM OF PROXY****FAJARBARU BUILDER GROUP BHD**

Registration No.: 199301026907 (281645-U)
(Incorporated in Malaysia)

CDS Account No.

I/We, _____ (name as per NRIC /Passport, in capital letters)

NRIC No. /Passport No./Company No. _____ (new) _____ (old)

of _____ (full address),

Email address _____ Contact No. _____

being a member(s) of **FAJARBARU BUILDER GROUP BHD**, hereby appoint

Name		NRIC No. /Passport No./Company No.	(New)
			(Old)
Address		No of shares / % of Shareholdings	
Email		Contact No.	

and/ or

Name		NRIC No. /Passport No./Company No.	(New)
			(Old)
Address		No of shares / % of Shareholdings	
Email		Contact No.	

***To be completed in the event the member(s) wish to appoint more than 1 proxy (see note (2) below)**

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/ us on my/our behalf at the Extraordinary General Meeting ("EGM") of Fajarbaru Builder Group Bhd ("**the Company**") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 26 June 2025 at 10:00 a.m. or at any adjournment thereof, in the manner indicated below:-

Ordinary Resolution	For [^]	Against [^]
Proposed Acquisition		
Special Resolution	For [^]	Against [^]
Proposed Change of Name		

[^] Please indicate with an "X" in the appropriate space provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Signature(s)/Common Seal _____

Number of shares held: _____

Date: _____

Notes:-

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (2) Where a member appoints more than one (1) proxy, he/ she shall specify the proportions of his/ her holdings to be represented by each proxy, failing which, the appointment shall be invalid.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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AFFIX
STAMP

The Company Registrar
Fajarbaru Builder Group Bhd
(Registration No.: 199301026907 (281645-U))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

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