

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, 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.

You should rely on your own evaluation to assess the merits and risks of the Proposed Shares Issuance (as defined herein).



Meta Bright

—正源 Group 集团—

**META BRIGHT GROUP BERHAD
(FORMERLY KNOWN AS EASTLAND EQUITY BHD.)**

Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED SHARES ISSUANCE OF UP TO 389,469,246 NEW ORDINARY SHARES IN META BRIGHT GROUP BERHAD (FORMERLY KNOWN AS EASTLAND EQUITY BHD.) ("MBGB" OR THE "COMPANY") ("MBGB SHARES" OR "SHARES") ("SUBSCRIPTION SHARES"), REPRESENTING 20.0% OF THE TOTAL NUMBER OF ISSUED SHARES OF MBGB ("PROPOSED SHARES ISSUANCE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

MALACCA SECURITIES SDN BHD

Registration No: 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of MBGB will be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 2 February 2023 at 10.00 a.m., or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed herewith in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf.

The Form of Proxy should be completed and lodged at the office of Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd., at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time set for holding the EGM, as indicated below, or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 31 January 2023 at 10.00 a.m.

Date and time of the EGM : Thursday, 2 February 2023 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 17 January 2023

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
Announcement	:	The announcement dated 2 December 2022 in relation to the Proposed Shares Issuance
Board	:	Board of Directors of MBGB
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Circular	:	This circular dated 17 January 2023 in relation to the Proposed Shares Issuance
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
Damai Consideration	:	RM8.0 million, being the purchase consideration in relation to the acquisition of the development rights of the Damai Project
Damai Project	:	A mixed development project pursuant to the SUDC JVA entered between SUDC and IWSB for project located in Damai, Kota Kinabalu
Dato' Lee	:	Dato' Lee Wai Mun, DIMP., JP., an Executive Director and the major shareholder (via LVSB) of the Company
Director(s)	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
EGM	:	Extraordinary General Meeting
Energy Business	Related :	Renewable energy (which refers to energy that cannot be depleted and is sustainable) and energy efficiency (which refers to using less energy to provide the same amount of useful output) related technology and businesses which may include amongst others, solar, wind, biomass, hydropower and energy efficiency
EPS	:	Earnings per share
FBO Land	:	FBO Land (Setapak) Sdn. Bhd. (Registration No.: 198401007204 (119720-H)), a wholly-owned subsidiary of MBGB
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
GDC	:	Gross development cost
GDV	:	Gross development value
IWSB	:	Inland World Sdn. Bhd. (Registration No.: 201601024571 (1195510-D))

DEFINITIONS (CONT'D)

Jengka Properties	:	92 commercial units comprising the ground and first floors within 46 stratified 2-storey shop/offices within Bandar Tun Razak Business Park, 26400 Bandar Tun Abdul Razak Jengka, Maran, Pahang Darul Makmur
LAT	:	Loss after tax
LBT	:	Loss before tax
LCK	:	Lee Chee Kiang, the Managing Director of the Company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	10 January 2023, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per share
LVSB	:	Leading Ventures Sdn. Bhd. (Registration No.: 202101027696 (1427996-H)), the major shareholder of MBGB
Main Market	:	Main Market of Bursa Securities
Malacca Securities or the Principal Adviser	:	Malacca Securities Sdn. Bhd. (Registration No.: 197301002760 (16121-H))
MBGB or the Company	:	Meta Bright Group Berhad (formerly known as Eastland Equity Bhd.) (Registration No.: 200001013359 (515965-A))
MBGB Group or the Group	:	Collectively, MBGB and its subsidiaries
MBGB Share(s) or the Share(s)	:	Ordinary share(s) in MBGB
MBGB Shareholder(s) or the Shareholder(s)	:	The shareholder(s) of MBGB
MCO	:	Movement control order
NA	:	Net assets
PAT	:	Profit after tax
PBT	:	Profit before tax
Proposed Allotment of Shares to LVSB	:	Proposed allotment of 194,802,246 Subscription Shares to LVSB
Proposed Shares Issuance	:	Proposed shares issuance of up to 389,469,246 Subscription Shares, representing approximately 20.0% of the total number of issued MBGB Shares
PV	:	Photovoltaic
Record of Depositors	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time

DEFINITIONS (CONT'D)

Rights Issue with Warrants	:	Renounceable rights issue of 1,144,241,731 Rights Shares together with 782,901,982 free Warrants which was completed on 18 February 2022
Rights Shares	:	1,144,241,731 MBGB Shares issued pursuant to the Rights Issue with Warrants
RM and sen	:	Ringgit Malaysia and sen, respectively
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time to time including any re-enactment thereof
Subscribers	:	The subscribers who had entered into the Subscription Agreements for the Subscription Shares, as set out in Section 2.2 of this Circular
Subscription Agreements	:	The subscription agreements dated 2 December 2022 entered into between the Subscribers and MBGB, to subscribe for the Subscription Shares
Subscription Price	:	RM0.1125 per Subscription Share
Subscription Shares	:	Up to 389,469,246 new MBGB Shares to be issued pursuant to the Proposed Shares Issuance
SUDC	:	Sabah Urban Development Corporation Sdn. Bhd. (Registration No.: 197201000054 (11700-T))
SUDC JVA	:	Joint venture agreement entered into between IWSB and SUDC for the development rights for the Damai Project
VWAP	:	Volume weighted average market price
Warrants	:	The warrants 2022/2032 in the Company which were issued pursuant to the Rights Issue with Warrants. The Warrants which have an exercise price of RM0.0850 each will be expiring on 13 February 2032. As at LPD, the Company has 782,901,982 outstanding warrants 2022/2032

In this Circular, any reference to “we”, “us”, “our” and “ourselves” are to the Company, and where the context otherwise requires, our subsidiaries. All references to “you” are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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

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EXECUTIVE SUMMARY

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

Key information		Description
Details of the Proposed Issuance (Section 2 of this Circular)		The Proposed Shares Issuance entails the issuance of up to 389,469,246 Subscription Shares, which represents 20.0% of the total number of issued MBGB Shares.
		Upon completion of the Proposed Shares Issuance, the issued share capital of MBGB will be increased from 1,947,346,231 Shares to 2,336,815,477 Shares, assuming none of the Warrants are exercised.
Utilisation of proceeds (Section 3 of this Circular)		Based on the Subscription Price of RM0.1125 per Subscription Share, MBGB expects to raise total proceeds of up to RM43.8 million from the Proposed Shares Issuance, which is proposed to be utilised as follows:-

Key information	Description
Approvals required and conditionality (Section 9 of this Circular)	<p>The Proposed Shares Issuance is subject to the approvals being obtained from the following:-</p> <ul style="list-style-type: none">(i) Bursa Securities for the listing and quotation of up to 389,469,246 Subscription Shares pursuant to the Proposed Shares Issuance;(ii) the approvals of the shareholders of the Company for the Proposed Shares Issuance at the forthcoming EGM. For information, in accordance with Section 85 of the Act and Clause 59 of the Constitution of the Company, shareholders of the Company have pre-emptive rights to be offered the Subscription Shares to be issued pursuant to the Proposed Shares Issuance. In the event the resolution for the Proposed Shares Issuance is approved by shareholders of the Company at the forthcoming EGM, shareholders will be waiving their pre-emptive rights under Section 85 of the Act and Clause 59 of the Constitution of the Company; and(iii) any other relevant authority and/or party, if any. <p>The Proposed Shares Issuance and Proposed Allotment of Shares to LVSB are inter-conditional.</p> <p>The Proposed Shares Issuance is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by the Company.</p>
Interests of Directors, major shareholders, chief executive and/or persons connected (Section 10 of this Circular)	<p>Save as disclosed below, none of the Directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect in the Proposed Shares Issuance:-</p> <ul style="list-style-type: none">(i) LVSB, being the major shareholder of MBGB is deemed interested in the Proposed Shares Issuance by virtue of LVSB being a Subscriber for the Proposed Shares Issuance. Dato' Lee, being the Executive Director and indirect major shareholder of MBGB (via LVSB), is the only director and shareholder of LVSB, which is a major shareholder of MBGB. Accordingly, Dato' Lee is deemed interested in the Proposed Shares Issuance in view of his direct interests in LVSB; and(ii) Dato' Wang Ruihui is deemed a person connected to Dato' Lee by virtue of him being a business partner with Dato' Lee in several companies. He is deemed interested in the Proposed Shares Issuance by virtue of him being a person connected to Dato' Lee and a Subscriber of the Proposed Shares Issuance.
Directors' recommendation (Section 11 of this Circular)	<p>The Board (save for Dato' Lee), having considered all aspects of the Proposed Shares Issuance including but not limited to the salient terms of the Subscription Agreements, rationale, utilisation of proceeds and financial effects of the Proposed Shares Issuance, is of the opinion that the Proposed Shares Issuance is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that MBGB Shareholders vote in favour of the resolutions pertaining to the Proposed Shares Issuance to be tabled at the forthcoming EGM.</p>



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**META BRIGHT GROUP BERHAD
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Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

17 January 2023

Board of Directors:

Mohamed Akwal Bin Sultan Mohamad (*Chairman and Independent Non-Executive Director*)
Lee Chee Kiang (*Managing Director*)
Dato' Lee Wai Mun, DIMP., JP. (*Executive Director*)
Tan Chin Hong (*Executive Director*)
Phang Kiew Lim (*Executive Director*)
Masleena Binti Zaid (*Independent Non-Executive Director*)
Ong Lu Yuan (*Independent Non-Executive Director*)

To: The MBGB Shareholders

Dear Sir/Madam,

PROPOSED SHARES ISSUANCE

1. INTRODUCTION

On 2 December 2022, Malacca Securities had on behalf of the Board, announced that the Company proposes to undertake the Proposed Shares Issuance of up to 389,469,246 Subscription Shares, representing 20.0% of the total number of issued Shares in MBGB.

On 10 January 2023, Malacca Securities had on behalf of the Board, announced that Bursa Securities had vide its letter dated 10 January 2023, approved the listing and quotation of up to 389,469,246 Subscription Shares to be issued pursuant to the Proposed Shares Issuance on the Main Market of Bursa Securities subject to, the conditions as set out in Section 9 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE MBGB SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED SHARES ISSUANCE AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS IN RELATION TO THE PROPOSED SHARES ISSUANCE TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED SHARES ISSUANCE TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.

2. PROPOSED SHARES ISSUANCE

2.1 Shares issuance size

The Proposed Shares Issuance entails the issuance of up to 389,469,246 Subscription Shares.

As at LPD, MBGB has an issued share capital of 1,947,346,231 Shares, 782,901,982 outstanding Warrants, and does not hold any treasury shares. The issuance of 389,469,246 Subscription Shares thus represents 20.0% of the total number of issued MBGB Shares.

Upon completion of the Proposed Shares Issuance, the issued share capital of MBGB will be increased from 1,947,346,231 Shares to 2,336,815,477 Shares, assuming none of the Warrants are exercised. Assuming all the Warrants are exercised, MBGB's issued share capital will increase to 3,119,717,459 Shares.

In deciding the size of the Proposed Shares Issuance, MBGB had taken into consideration the intended amount to be raised as set out in Section 3 of this Circular, which was arrived at based on the number of Subscription Shares and the Subscription Price.

2.2 Shares issuance arrangement

On 2 December 2022, MBGB had entered into the Subscription Agreements with the following subscribers to subscribe for 389,469,246 Subscription Shares at a Subscription Price of RM0.1125 per Subscription Share:-

Subscribers	No. of Subscription Shares	Percentage of total Subscription Shares (%)	Percentage of MBGB's existing share capital ^(a) (%)	Percentage of MBGB's enlarged share capital ^(b) (%)
LVSB	194,802,246	50.02	10.00	8.33
Dato' Wang Ruihui	81,777,800	21.00	4.20	3.50
LY Ekuiti Sdn. Bhd.	8,888,900	2.28	0.46	0.38
Dato' Foo Chek Pang	22,222,300	5.70	1.14	0.95
Mr Kuah Ooi Sian	60,444,500	15.52	3.11	2.59
Mr Lai Cheng Kuan	10,666,700	2.74	0.55	0.46
Mr Yeow Jie Xiang	5,333,400	1.37	0.27	0.23
Ms Ang Sok Kiang	5,333,400	1.37	0.27	0.23
Total	389,469,246	100.00	20.00	16.67

(collectively, referred to as the "**Subscribers**").

Notes:-

- (a) Based on 1,947,346,231 MBGB Shares as at LPD.
- (b) Based on 2,336,815,477 MBGB Shares upon completion of the Proposed Shares Issuance, assuming none of the Warrants are exercised.

The salient terms of the Subscription Agreements are set out in **Appendix I** of this Circular.

2.3 Details of the Subscribers

(i) LVSB

LVSB was incorporated in Malaysia on 25 August 2021 as a private limited company under the Act. LVSB is principally involved in investment holding and investment in real estate.

As at LPD, LVSB is a major shareholder of MBGB with 995,093,762 MBGB Shares, representing approximately 51.1% of the total issued Shares and 157,301,092 Warrants, representing approximately 20.1% of the total outstanding Warrants.

As at LPD, Dato' Lee is the sole director and sole shareholder of LVSB. Dato' Lee, a Malaysian aged 49, was appointed to the Board on 9 August 2021 and currently serves as the Executive Director of MBGB.

Dato' Lee holds an Advance Diploma in Business Administration from ATC College. He has been the Chief Executive Officer of Edubest Group of Companies since November 2005. He is also a director and Chief Executive Officer of YGL iBay International Group of Companies since year 2017. Dato' Lee has more than 29 years of experience as a businessman with diverse experience in mining, construction, property development, trading, plantation, logistics and energy related business.

Dato' Lee plays an important role in the marketing of Malaysia iron ores to China-based steel manufacturers. Dato' Lee is an active member of the Pahang Iron Ore Association and the Malaysian Chamber of Mines.

As at LPD, save for the directorship and substantial shareholding in MBGB, Dato' Lee does not hold any directorship or substantial shareholding in other public listed companies.

Save for Dato' Lee's indirect interest in MBGB via LVSB, Dato' Lee does not hold any other MBGB Shares or Warrants.

(ii) Dato' Wang Ruihui, a Chinese national, aged 46

Dato' Wang Ruihui has businesses which are principally involved in mining. He also holds directorships in several private companies.

For information, Dato' Wang Ruihui is deemed a person connected to Dato' Lee by virtue of him being a business partner with Dato' Lee in several private companies as follows:

Company*	Principal activities	Dato' Lee		Dato' Wang Ruihui	
		Shareholdings		Shareholdings	
		No. of shares	%	No. of shares	%
Global Mining Resources (M) Sdn. Bhd.	Iron ore mining	1,375,000	27.5	250,000	5.0
G.E. Mining Sdn. Bhd.	Iron ore mining	550,000	18.3	150,000	5.0
GE Plantation Holdings Sdn. Bhd.	Plantation of oil palm, coconut & rubber	1	33.3	1	33.3
GE Minerals & Resources Sdn. Bhd.	Sea sand mining	1	33.3	1	33.3
Topmax Systems Sdn. Bhd.	Quarrying	25,001	25.0	25,000	25.0

Company*	Principal activities	Dato' Lee		Dato' Wang Ruihui	
		Shareholdings		Shareholdings	
		No. of shares	%	No. of shares	%
First World Plantation Sdn. Bhd.	Plantation of coconut	22	22.0	36	36.0
GE Properties Sdn. Bhd.	Properties development	1	50.0	1	50.0
Precious Minerals Sdn. Bhd.	Gold mining	1	50.0	1	50.0
Amcoland Sdn. Bhd. ^(a)	Iron ore mining	-	-	-	-
Sungai Teh Mining (M) Sdn. Bhd. ^(a)	Mining and quarrying	-	-	-	-
CM Mining Sdn. Bhd. ^(b)	Mining and quarrying	-	-	-	-
Yuyi Management Services Sdn. Bhd. ^(c)	Recruitment of workers	-	-	-	-

Notes:-

* Dato' Lee and Dato' Wang Ruihui are common Directors in all the above companies.

(i) Wholly-owned subsidiary of G.E. Mining Sdn. Bhd.

(ii) 90%-owned subsidiary of Global Mining Resources (M) Sdn. Bhd.

(iii) 70%-owned subsidiary of GE Minerals & Resources Sdn. Bhd.

(iii) LY Ekuiti Sdn. Bhd.

LY Ekuiti Sdn. Bhd. was incorporated in Malaysia on 24 March 2022 as a private limited company under the Act. LY Ekuiti Sdn. Bhd. is principally engaged in investment holding.

Puan Nurul Salasiah Binti Ismail, a Malaysian, aged 44, is the sole shareholder and director of LY Ekuiti Sdn. Bhd. and she has experience in the legal field for more than 17 years.

(iv) Dato' Foo Chek Pang, a Malaysian, aged 58

Dato' Foo Chek Pang is involved in various businesses such as mining business, wholesale and retail sale of parts and accessories for motorcycles, sale of motorcycles and consultancy services related to construction, engineering and property development. He also holds directorships in several private companies.

(v) Mr Kuah Ooi Sian, a Malaysian, aged 54

Mr Kuah Ooi Sian is involved in the logistic business focusing on conventional shipping, bulk cargo shipping, forwarding and cargo custom clearance, ship and vessel clearance, loose-cargo-load shipping and container forwarding service. He also holds directorships in several private companies.

(vi) Mr Lai Cheng Kuan, a Malaysian, aged 45

Mr Lai Cheng Kuan is involved in the business of supplying fire protection and fighting equipment system. He does not hold directorship in any company.

(vii) Mr Yeow Jie Xiang, a Malaysian, aged 37

Mr Yeow Jie Xiang is deputy chief executive officer of a company involved in property development. He is also involved in other businesses such as operation of restaurant and operation of general facilities that produce electric energy. He also holds directorships in several private companies.

(viii) Ms Ang Sok Kiang, a Malaysian, aged 59

Ms Ang Sok Kiang is a director of a business involved in information technology (IT) software development and event planning. She was previously involved in an aquaculture business.

Save as above, she does not hold directorship in other private companies.

2.4 Basis of determining and justification for the Subscription Price

The Subscription Price of RM0.1125 per Subscription Share was negotiated and determined by the Company after taking into consideration the following:-

- (i) the funding requirements of the Group to fund the purposes set out in Section 3 of this Circular;
- (ii) The historical trading prices of MBGB Shares for the past 12-months up to 30 November 2022, being the latest practicable date prior to the date of the Subscription Agreement, of RM0.06 to RM0.14; and
- (iii) a discount of approximately 9.9% to the 5-day VWAP of MBGB Shares up to 30 November 2022, being the last practicable date prior to the date of the Subscription Agreements of RM0.1249. For information, the historical VWAP of MBGB Shares up to 30 November 2022 are as follow:-

<u>Up to 30 November 2022</u>	<u>VWAP</u>
- 5-day	RM0.1249
- 1-month	RM0.1154
- 3-month	RM0.1047
- 6-month	RM0.0981
- 12-month	RM0.0856

For information, the Subscription Price was fixed upfront to procure the Subscribers' commitments to subscribe for the Subscription Shares and to ensure that MBGB will be able to raise the proceeds for the purposes as set out in Section 3 of this Circular.

In addition, the Board is of the opinion that the discount of 9.9% to the 5-day VWAP for the Subscription Shares is reasonable as it is within the discount permitted under the Listing Requirements of Bursa Securities for placement exercises undertaken under Section 75 and Section 76 of the Act and that it would be sufficiently attractive to secure the Subscribers for the Proposed Shares Issuance. The Subscription Price is also at a premium to the historical 3-month, 6-month and 12-month VWAP of MBGB Shares up to 30 November 2022.

2.5 Ranking of the Subscription Shares

The Subscription Shares shall, upon allotment and issuance, rank equally in all respects with the existing MBGB Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Subscription Shares.

2.6 Listing and quotation of the Subscription Shares

Bursa Securities had vide its letter dated 10 January 2023, approved the listing and quotation of the Subscription Shares to be issued pursuant to the Proposed Shares Issuance on the Main Market of Bursa Securities, subject to the conditions as set out in Section 9 of this Circular.

3. UTILISATION OF PROCEEDS

Based on the Subscription Price of RM0.1125 per Subscription Share, MBGB expects to raise total proceeds of up to RM43.8 million from the Proposed Shares Issuance, which is proposed to be utilised as follows:-

Details of utilisation	Notes	Estimated timeframe for utilisation from receipt of proceeds	Amount RM'000
Business development for Energy Related Business	(i)	Within 12 months	18,600
Refurbishment of The Grand Renai Hotel	(ii)	Within 12 months	10,000
Other business opportunities	(iii)	Within 12 months	10,000
General working capital	(iv)	Within 12 months	4,815
Estimated expenses for the Proposed Shares Issuance	(v)	Within 2 months	400
Total proceeds			43,815

Notes:-

(i) Business development for Energy Related Business

The proceeds for the business development for Energy Related Business of the Group estimated at RM18.6 million is proposed to be utilised to construct the Group's existing projects secured as well as new projects to be procured as follows:-

Projects	Note	RM'000
Existing projects secured		
- 6 solar projects	(a)	2,833
- Kenanga Investment Bank Berhad ("KIBB")	(b)	2,300
- Grocery mart	(b)	4,588
		9,721
New projects to be procured	(c)	8,879
Total		18,600

Any deviation in the amount allocated for the respective existing projects secured will be allocated to/from the new projects to be procured.

Notes:-

- (a) The Group had on 15 July 2022, obtained approval from the Company's shareholders in an EGM to diversify into the Energy Related Business.

As at LPD, FBO Land had secured 6 solar projects with a combined contract value of RM9.4 million whereby FBO Land will act as the developer and investor to finance, construct, operate and maintain a solar PV generating facility at the clients' respective premises. The details and the status of the 6 solar projects as at LPD are as follows:-

Client and business entity	Location	Description of the project	Estimated capacity (kWp)	Contract value (RM' 000)	Status
Perabut Makmur Sdn Bhd, (furniture manufacturer)	Selangor	Development of solar PV generating facilities at a factory in Shah Alam, Selangor.	227.01	2,423	The Group had made application to the Energy Commission to allow them to invest in solar panel which exceeds 72kWp and is still pending the approval. The installation is expected to commence by first quarter 2023 and complete by third quarter 2023.
Stone Empire Manufacturing Sdn Bhd, (stone products manufacturer)	Selangor	Development of solar PV generating facilities at a factory in Rawang, Selangor.	146.60	1,565	The Group had completed the drawings of the solar PV generating facilities and in the midst of procuring the necessary materials for the installation of the solar PV generating facilities. The installation is expected to commence by first quarter 2023 and complete by second quarter 2023.
Stone Empire Manufacturing Sdn Bhd, (stone products manufacturer)	Selangor	Development of solar PV generating facilities at a commercial building in Rawang, Selangor.	157.90	1,961	The Group had completed the drawings of the solar PV generating facilities and in the midst of procuring the necessary materials for the installation of the solar PV generating facilities. The installation is expected to commence by first quarter 2023 and complete by second quarter 2023.

Client and business entity	Location	Description of the project	Estimated capacity (kWp)	Contract value (RM' 000)	Status
Masjid Ubudiyyah Kampung Bendahara, (mosque)	Johor	Development of solar PV generating facilities at a mosque in Johor Bahru, Johor.	28.52	368	The Group is preparing the drawings of the solar PV generating facilities. The installation is expected to commence by first quarter 2023 and complete by second quarter 2023.
Swiss Lab Biotech Sdn Bhd, (cosmetic products manufacturer)	Kedah	Development of solar PV generating facilities at a factory in Alor Setar, Kedah.	124.55	1,507	The Group is in the midst of finalising the drawings of the solar PV generating facilities. The installation is expected to commence by first quarter 2023 and complete by second quarter 2023.
Pembangunan Utara Baru Sdn Bhd, (hotel and resort operator)	Kedah	Development of solar PV generating facilities at a resort in Langkawi, Kedah.	100.10	1,617	The Group is in the midst of finalising the drawings of the solar PV generating facilities. The installation is expected to commence by first quarter 2023 and complete by second quarter 2023.
Total				9,441	

In return, the clients shall purchase from FBO Land the energy generated by the respective facilities for a period of 21 years. FBO Land is holding a Registered Solar PV Investor (RPVI) license which allows FBO Land to be the investor of solar PV generation facilities at clients' sites. Upon the 6 solar projects being commissioned, FBO Land is expected to derive revenue of approximately RM0.4 million per annum from the projects.

- (b) For information, since the date of announcement of the Proposed Shares Issuance and up to LPD, the Group had secured the following energy efficiency related contracts:-

Business entity	Location	Description of the Project	Estimated Capacity (kWp)
KIBB	Kuala Lumpur	Provision of monitoring services for the purpose of achieving energy cost reduction within Kenanga Tower*	-
Grocery mart	Melaka	Installation of equipment for and supply and delivery of chilled water	-

Note:-

- * The Board had on 6 December 2022 announced that FBO Land had entered into a conditional sale and purchase agreement with Zog Engineering Sdn. Bhd. ("**ZOG**") to acquire all rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations of ZOG under an energy performance contract ("**Project Rights**"), which are to be transferred to and/or assumed by FBO Land pursuant to the conditional sale and purchase agreement ("**ZOG CSPA**") ("**Proposed Acquisition of Project Rights**").

The Proposed Acquisition of Project Rights entails the acquisition of the Project Rights attributable to an energy performance contract entered into between KIBB and ZOG dated 10 June 2020 ("**Energy Performance Contract**") whereby KIBB appointed ZOG and ZOG agreed to supply and install an upgraded air conditioning system ("**Equipment**") and to provide monitoring services for the purpose of achieving energy cost reductions within Kenanga Tower, 237 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia, subject to the terms and conditions therein contained. The Equipment had been installed and commissioned in September 2021.

The purchase consideration of the Proposed Acquisition of Project Rights is RM2.3 million in cash, which shall be funded from the proceeds raised from the Proposed Shares Issuance earmarked for the business development for Energy Related Business and/or internally generated funds.

Upon completion of the Proposed Acquisition of Project Rights, 80% of the savings estimated by the Equipment will be payable by KIBB to FBO Land in accordance to the terms and conditions contained in the Energy Performance Contract.

Kindly refer to the Company's announcement dated 6 December 2022 for further details in relation to the Proposed Acquisition of Project Rights.

- (c) As at LPD, the Group is still in the midst of finalising its discussion with several clients to commence such energy related projects. The Company will make the necessary announcements on Bursa Securities in relation to such projects, where required.

Any deviation in the amount allocated for the business development for Energy Related Business will be adjusted to/from the amount allocated for the general working capital of the Group.

(ii) Refurbishment of The Grand Renai Hotel

The Grand Renai Hotel is a 4-star hotel located along Jalan Sultan Yahya Petra, Kota Bharu, Kelantan which commenced operations in year 2000. The 20-storey hotel has 298 rooms, 7 functions rooms (comprising 2,405 sqm of function space and a grand ballroom with a size of 1,066 sqm), recreational facilities such as gym and fitness centre, tennis court, squash courts, and swimming pool, 2 restaurants and a lobby lounge.

Presently, the hotel mainly attracts customers travelling for business. In view of the age of the hotel and in order to further entice business travellers and attract families travelling to Kota Bharu for leisure activities as well as to encourage locals to visit the hotel, the Group had utilised RM4.4 million from its internally generated funds to undertake phase 1 and phase 2 refurbishments of The Grand Renai Hotel which were mainly utilised for refurbishment of 20 rooms on the 20th floor for club rooms, replacement of electrical appliances, replacement of carpets, lift restoration and upgrading, mechanical and engineering works and refurbishment of its lobby lounge.

Moving forward, the Group proposes to utilise RM10.0 million of the proceeds from the Proposed Shares Issuance to undertake phase 3 refurbishment of The Grand Renai Hotel as follow:-

Works	Estimated Cost <i>RM'000</i>
Upgrading works for the recreational facilities	300
Replacement of electrical appliances, mattresses and door lock (radio-frequency identification (RFID)) for all rooms	1,000
Refurbishment and upgrading works of 20 rooms on the 19th floor for club rooms, 29 rooms on the 18th floor and 29 rooms on the 17th floor for business executive rooms	5,000
Refurbishment of the grand ballroom, other function rooms, 2 restaurants, lobby and entrance	3,700
Total	10,000

Barring any unforeseen circumstances, the Group expects to commence phase 3 refurbishment works in the first quarter of 2023 and expects to complete the refurbishment works by the fourth quarter of 2023.

The Group's refurbishment plans include the refurbishment of 98 rooms of the total 298 rooms, and minor upgrades (i.e. replacement of electrical appliances, mattresses and door locks) for the remaining 200 rooms. At this juncture, the Group believes that the necessary refurbishments required for The Grand Renai Hotel will be sufficient upon completion of the phase 3 refurbishment works and does not have any further plans to refurbish the remaining 200 rooms, unless the Group receives positive demand for the refurbished room (with higher room rates) moving forward. Nonetheless, the Group will continue to undertake minor upgrades, such as changing of curtains and minor fittings throughout the hotel as management deems necessary.

Any deviation in the amount allocated for the renovation for The Grand Renai Hotel will be adjusted to/from the amount allocated for the general working capital of the Group.

(iii) Other business opportunities

The Group proposes to utilise RM10.0 million for business opportunities which could contribute positively towards the Group's financial performance. Such business opportunities shall relate to the Group's existing business activities such as hospitality, property development, investment properties, Energy Related Business, and leasing and financing business. Such business opportunities may be undertaken via acquisition, joint venture, collaboration and/or in the ordinary course of business of the Group. The Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required) as and when our Company has identified such opportunities.

Any deviation in the amount allocated for the business opportunities will be adjusted to/from the amount allocated for the general working capital of the Group.

(iv) General working capital

The RM4.8 million proceeds earmarked for the general working capital of the Group are intended to be utilised as follows:-

(a)	Staff costs which include staff salary, Directors' remuneration and contributions to the Employees Provident Fund Board and the Social Security Organisation, and deductions to be paid to the Inland Revenue Board	*75%
(b)	Office related expenses such as rental, utilities, office maintenance, staff medical insurance, maintenance of property, plant and equipment, printing, stationeries, postages, travelling or transportation, staff amenities, websites maintenance, petty cash reimbursements and other office operating expenses	12%
(c)	Compliance expenses such as audit (internal & external), company secretary, share registrar, taxation, legal, listing, and corporate advisers	13%
		100%

Note:-

- * Up to RM1.6 million has been earmarked for Directors' remuneration, being approximately 33.2% of the proceeds earmarked for the general working capital of the Group.

For information, the Company's shareholders had approved the Directors' fees and benefits payable to the Directors for an amount up to RM0.5 million at the Company's annual general meeting held on 24 November 2022 and the remaining RM1.1 million has been earmarked for the Executive Directors' remuneration which does not require shareholders' approval.

Any deviation in the allocation for each component of the general working capital as set out above will be adjusted to/from other components.

(v) Estimated expenses for the Proposed Shares Issuance

The breakdown of the estimated expenses for the Proposed Shares Issuance is illustrated below:

Estimated expenses	RM'000
Professional fees	(a)190
Fees to relevant authorities	50
Printing, despatch, meeting expenses and miscellaneous expenses	160
Total	400

Note:-

- (a) Comprise estimated professional fees payable to the Principal Adviser, solicitors, company secretary and share registrar.

Any deviation in the amount allocated for the business opportunities will be adjusted to/from the amount allocated for the general working capital of the Group.

In the event the gross proceed raised from the Proposed Shares Issuance is less than RM43.8 million, the proceeds will be utilised in the following priority:-

- (i) estimated expenses for the Proposed Shares Issuance;
- (ii) business development for Energy Related Business;
- (iii) refurbishment of The Grand Renai Hotel;
- (iv) other business opportunities; and
- (v) general working capital.

For information, such event may arise as a result of any Subscriber being unable to fulfil its obligations under the Subscription Agreement, which may be due to inability to provide funding for the subscription of the Subscription Shares. Nevertheless, this has been mitigated as all Subscribers had provided the relevant supporting documents that they have the necessary financial resources to subscribe in full for their respective portions of the Subscription Shares.

Pending the utilisation of proceeds from the Proposed Shares Issuance, the proceeds shall be placed in a profit-bearing bank account, as deposits with licensed financial institution(s) and/or in short-term money market instruments, as the Board deems fit. The Group proposes to utilise such interest/profits arising from the deposits/financial instruments for general working capital purposes within 12 months from the date proceeds are received.

4. FUND RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS

On 18 February 2022, the Company completed a renounceable rights issue of 1,144,241,731 Rights Shares together with 782,901,982 Warrants at an issue price of RM0.0700 per Rights Share which raised a total of RM80,096,921.

As at LPD, the status of the utilisation of the proceeds raised from the Rights Issue with Warrants is as follows:-

Purpose	Proposed utilisation of proceeds	Actual utilisation up to LPD	Balance to be utilised
	RM'000	RM'000	RM'000
Repayment of bank borrowings	40,000	40,000 ^(a)	-
Repayment of advances owing to LCK	12,440	12,440 ^(b)	-
Repayment of advances owing to Datuk Melvinyeo Kiandee	2,420	2,420 ^(c)	-
Payment of the Damai Consideration	8,000	8,000 ^(d)	-
General working capital	2,537	2,537 ^(e)	-
Business opportunities	14,000	3,531 ^(f)	10,469 ^(g)
Estimated expenses for the Rights Issue with Warrants	700	700 ^(h)	-
	80,097	69,628	10,469

Notes:-

- (a) The Group had repaid a total RM40.0 million bank borrowings as follows:-

Facilities	RM'000
Business financing-i 1	79
Business financing-i 2	12,691
Business financing-i 3	18,569
Business cashline-i (overdrafts)	8,661
Total	40,000

- (b) The RM12.4 million advances owing by the Group to LCK was repaid on 18 February 2022.
- (c) The RM2.4 million advances owing by the Group to Datuk Melvinyeo was repaid on 21 February 2022.
- (d) FBO Land had on 18 August 2020, entered into a conditional sale and purchase agreement with IWSB to purchase the development rights under the SUDC JVA entered into between IWSB and SUDC with SUDC, for the Damai Consideration of RM8.0 million. Pursuant to the SUDC JVA, SUDC and IWSB have agreed to collaborate with one another whereby IWSB will develop, construct and manage a building consisting, inter alia a 16-storey building with 2-storey shop lots, 5-storey carpark, 1-storey public facilities and 8-storey commercial units on a piece of land situated in Damai, Kota Kinabalu.

On 8 February 2021, the Company has announced that FBO Land was informed by IWSB that the development plan for the Damai Project has been issued to IWSB by Dewan Bandaraya Kota Kinabalu on 11 December 2020. The conditional sale and purchase agreement was deemed completed on 21 October 2021, and FBO Land had fully settled the Damai Consideration on 21 February 2022.

- (e) The proceeds allocated for general working capital had been utilised as follows:

	RM'000
Office related expenses (i.e. insurance, travelling expenses, repair and maintenance, telecommunications and office operating expenses etc.)	304
Compliance expenses (i.e. audit, company secretary, share registrar and legal)	327
Staff costs	1,906
	2,537

- (f) The proceeds allocated for business opportunities had been utilised as follows:

	<u>RM'000</u>
Energy Related Business	2,511
Money lending business	700
Stamp duty for the agreement in relation to the acquisition of the Jengka Properties (details of which is in Section 5.3(iv) of this Circular)	20
Earnest refundable deposit paid for a new industrial project development in Sabah (as detailed in Note (g) below)	300
	<u><u>3,531</u></u>

- (g) The Company intends to utilise the remaining proceeds of RM10.5 million to partly finance the acquisition of 5 parcels of land located at Kampung Lungab, District of Penampang, Sabah ("**Land**"). On 26 October 2022, FBO Land had via a letter of intent to the Land owners, of the Land, confirmed its interest to acquire the Land, with a payment of earnest refundable deposit of RM0.3 million to the Land owners ("**Letter of Intent for Land**").

As at LPD, FBO Land has yet to formalise the above transactions (including quantum and form of consideration) with the Land owners. The transactions could be in the form of acquisitions or joint ventures. Once formalised, the Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required).

- (h) This includes professional fees, fees payable to authorities and other incidental expenses for the Rights Issue with Warrants.

5. RATIONALE

The Proposed Shares Issuance is undertaken for the Group to primarily raise funds for the business development of its Energy Related Business as well as for the refurbishment of The Grand Renai Hotel.

Moving forward, the Group intends to continue growing its Energy Related Business after considering the sustainable and stable income nature of this business. The Proposed Shares Issuance thus enables the Group to capitalise on investment opportunities that may come along, given the growing demand within the renewable energy and energy efficiency industry as set out in Section 6.3 of this Circular.

The Group had decided to undertake the refurbishment of The Grand Renai Hotel after considering the age of the hotel, the improved average occupancy rate of 64.6% in FYE 30 June 2022 (18-months FPE 30 June 2021: 28.7%) and the anticipated return of tourists to Kota Bharu. With the refurbishment, the Group hopes to be able to capitalise on the return in demand for hotel rooms in Kota Bharu as well as increase the revenue and profit contribution from its hospitality segment.

The Board has considered various methods of fund raising and is of the opinion that the Proposed Shares Issuance is the most appropriate avenue of fund raising, after considering that the Proposed Shares Issuance:-

- (i) will enable the Group to raise additional funds expediently to address the Group's funding needs as set out in Section 3 of this Circular, without incurring additional interest cost which may be arise from the bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs; and
- (ii) will strengthen the financial position of the Group by increasing the capital base of the Group.

The Board had offered 50.0% of the Subscription Shares to LVSB, which will provide LVSB an opportunity to maintain its shareholdings, as well as to affirm Dato' Lee's commitment towards the Group.

5.1 Value creation and impact of the Proposed Shares Issuance to the Group and the MBGB Shareholders

Based on the Subscription Price of RM0.1125 per Subscription Share, MBGB expects to raise gross proceeds amounting up to RM43.8 million from the Proposed Shares Issuance which is proposed to be utilised for purposes set out in Section 3 of this Circular. The Proposed Shares Issuance also enables MBGB to raise funds without incurring interest cost as compared to raising funds through bank borrowings and at the same time, strengthening the capital base of the Company.

However, the percentage shareholdings of MBGB's existing shareholders and the earnings per Share will be diluted as a result of the increase in the number of Shares arising from the Proposed Shares Issuance.

Notwithstanding the above, the Proposed Shares Issuance is expected to contribute positively to the Group's financial performance as and when the benefits from the utilisation of proceeds for the Group's business development for its Energy Related Business, refurbishment of The Grand Renai Hotel and new business opportunities materialises.

5.2 The adequacy of the Proposed Shares Issuance in addressing the MBGB Group's financial concerns

The Group recorded revenue of RM25.7 million for the FYE 30 June 2022 as compared to RM20.9 million for the 18-month FPE 30 June 2021. The Group had also successfully turnaround to profitability by registering a PAT of RM4.0 million in FYE 30 June 2022 after registering losses for the last 5 financial years. As at 30 September 2022, the Group has cash and cash equivalents of RM19.8 million.

As such, the Proposed Shares Issuance is not intended to address any financial concerns of the Group but rather to enable the Group to raise the necessary funding required to undertake new projects and/or contracts and/or investments that should further improve the financial position of the Group.

5.3 Steps or actions which have been taken/will be taken to improve the financial condition of the Group

As at LPD, the Group has 4 primary business segments, namely, hospitality segment comprising the operation of The Grand Renai Hotel in Kota Bharu, investment properties segment involving operation of the Kota Sri Mutiara Shopping Complex in Kota Bharu and Jengka Properties, property development segment and Energy Related Business.

As mentioned in Section 5.2 of this Circular, the Group has turnaround its loss position and has started recording profits for the FYE 30 June 2022. This is largely due to the following steps undertaken by the Group to improve its financial condition:-

(i) Property development segment

The Group has an on-going project in Pasir Mas, Kelantan, namely the Bandar Tasek Raja commercial property development, which is a joint-venture with Majlis Daerah Pasir Mas.

The Bandar Tasek Raja Project will be developed in 2 phases, comprising shop lots, a market, a supermarket, a bus station and taxi terminal, and other ancillary buildings. As at LPD, phase 1 comprising 112 units of shop lots, a market, a supermarket, a bus station and taxi terminal had been completed in 2016 and phase 2a comprising 14 units of shop lots had been completed in October 2022 and pending the Certificate of Practical Completion. As at LPD, the take up rates of phase 1 and phase 2a of the Bandar Tasek Raja project are as follows:-

Description	No. of units sold	No. of units unsold
	Units	Units
Phase 1	97	15
Phase 2a	8	6
Total	105	21

Whilst Malaysia has now entered into the endemic phase of Covid-19, banks still remain cautious on providing end-financing for certain property sectors. In order to manage the Group's cash flow, the Group had decided to put on hold further development of its remaining phase 2 of Bandar Tasek Raja Project comprising 140 units of shop lots. The Group will continue to monitor the property market condition and assess the viability before proceeding with the remaining development of phase 2.

Notwithstanding the above, the Board is continuously identifying new opportunities for development projects to provide the Group with new income streams. As stated in Note (d) of Section 4 of this Circular, FBO Land had completed the purchase of development rights for the Damai Project in October 2021. The enabling work on the Damai Project had been completed in October 2022 and the piling work had been commenced since July 2022. Barring any unforeseen circumstances, Damai Project is expected to be completed by the fourth quarter of 2025.

Notwithstanding the above, the Group takes cognisance of the current property market condition and will continue to adopt a cautious approach for the Group's property development projects. The Group will evaluate all options available at the material point in time before launching any particular projects.

(ii) Hospitality segment

For the hospitality segment, the Group operates The Grand Renai Hotel. The Grand Renai Hotel's average occupancy rate had improved to 65.0% in FYE 30 June 2022 as compared to 18-months FPE 30 June 2021 whereby The Grand Renai Hotel only registered average occupancy rate of 28.7%.

In order to attract more customers to The Grand Renai Hotel, the Group had undertaken Phase 1 and Phase 2 refurbishments of The Grand Renai Hotel and is proposing to undertake Phase 3 refurbishment via utilisation of proceeds from the Proposed Shares Issuance. Further details of the refurbishment of The Grand Renai Hotel are set out in Note (ii) of Section 3 of this Circular.

(iii) Investment properties segment

For the investment properties segment, in view of the COVID-19 pandemic which saw termination of 6 tenants, the mall's average occupancy rate had decreased from 93% during the FYE 31 December 2019 to 81% for the 18-months FPE 30 June 2021, and further decreased to 76% in December 2022. To mitigate the impact of loss of tenant, the Group had reduced the rental to support and retain key tenants with good payment track record. As a result, the mall's average rental rate had reduced from approximately RM1.10 per square foot in FYE 31 December 2019 to approximately RM0.90 per square foot in FYE 30 June 2021. On 29 November 2022, the Group had received a letter of intention from a key tenant (occupying 97,066 square feet) to continue to renew its tenancy agreement for a period of 3 years from 1 January 2023 to 31 December 2025. As at LPD, the key tenant is still occupying the area and the Group is still in discussion with the key tenant on the renewal of the tenancy.

Since the upliftment of the MCO in Kelantan in mid May 2021, the mall has seen an increase in footfall by approximately 164.9% from mid May 2021 to November 2022. In addition, the Group is also actively looking out for new tenants to fill up existing vacancies by offering attractive rental rates for the initial period.

In addition, the Group had on 8 August 2022 announced the completion of the acquisition of the Jengka Properties. This had enabled the Group to generate an additional income from the rental of the Jengka Properties. Pursuant to the lease agreement entered into between FBO Land (as lessor) and Top Land Resources Sdn. Bhd. (as lessee), FBO Land will receive a guaranteed rental income of RM103,333 per month for a 5-year period. For information, 29 units are being tenanted out by Top Land Resources Sdn. Bhd. with aggregate rental income of RM29,400 per month.

(iv) Repayment of bank borrowings

Part of the proceeds from the Rights Issue with Warrants had been utilised by the Group for the repayment of RM40.0 million bank borrowings. The repayment of bank borrowings allows the Group to derive interest savings of approximately RM2.6 million per annum.

(v) Diversification into Energy Related Business

In view of the increasingly challenging property market, the Group had continued to seek and explore non-property related business opportunities that would contribute positively towards the Group's financial performance. The Group had on 15 July 2022, obtained approval from the Company's shareholders in an EGM to diversify into the Energy Related Business.

As at LPD, FBO Land had secured 6 solar projects with a combined contract value of RM9.4 million whereby FBO Land will act as the developer and investor to finance, construct, operate and maintain a solar PV generating facility at the clients' premises. The Group proposes to utilise RM18.6 million proceeds from the Proposed Shares Issuance for the business development of the Energy Related Business as set out in Note (i) of Section 3 of this Circular. As at LPD, the Group is still in the midst of finalising its discussion with several clients to commence such energy related projects. For information, since the date of announcement of the Proposed Shares Issuance and up to LPD, the Group had secured 2 energy related contracts, the details of which are set out in Note (i) of Section 3 of this Circular. The proceeds from the Proposed Shares Issuance are thus proposed to be utilised to finance and construct such power generating facilities/energy efficiency facilities, as and when it materialises.

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and outlook of the Malaysian Economy

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). Apart from the sizeable base effects from negative growth in the third quarter of 2021, the high growth was underpinned by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.9% (2Q 2022: 3.5%). Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022.

All economic sectors expanded in the third quarter of 2022. The services sector strengthened further by 16.7% (2Q 2022: 12.0%), primarily supported by consumer-related subsectors. Better labour market conditions and the continued recovery in tourism provided strong impetus to retail and leisure-related activities. Policy measures such as the increase in minimum wage further supported domestic spending.

The construction sector recorded a higher growth of 15.3% (2Q 2022: 2.4%) as all subsectors recorded improvements in activities. Commercial real estate, mixed-development and small-scale projects continued to support activities in the non-residential and special trade subsectors.

Private consumption growth remained robust at 15.1% (2Q 2022: 18.3%). This was attributed to the continued recovery in labour market conditions with higher employment and income growth. The strong performance was driven by spending across both necessities and discretionary items. Policy support, including the increase in minimum wage and Bantuan Keluarga Malaysia also spurred consumer spending.

Public consumption expanded at a faster pace of 4.5% (2Q 2022: 2.6%), attributable to higher growth in spending on supplies and services.

Outlook

Going forward, despite the challenging global environment, domestic demand will remain the key driver of growth. Household spending will continue to be underpinned by improvements in labour market conditions and income prospects. Tourist arrivals have increased following the reopening of international borders and will further lift tourism-related sectors. Investment activity and prospects will be supported by the realisation of multi-year projects. Nevertheless, external demand is expected to moderate following softening global growth. Despite bouts of heightened volatility in the global financial and foreign exchange markets, these developments are not expected to derail Malaysia's growth.

Malaysia's economic growth will be supported by continued expansion in domestic demand. The economy would benefit from the improvement in labour market conditions, realisation of multi-year projects and higher inbound tourism activity. While external demand is expected to moderate, this will be partly cushioned by Malaysia's diversified export base.

The balance of risks to Malaysia's growth outlook remains tilted to the downside. This stems from weaker-than-expected global growth, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

(Source: Quarterly Bulletin 3Q 2022, Bank Negara Malaysia)

6.2 Overview and outlook of the Malaysian property market

The property market performance recorded an increase in the first half of 2022 (H1 2022) compared to the same period last year (H1 2021). A total of 188,002 transactions worth RM84.40 billion were recorded, showing an increase of 34.5% in volume and 36.1% in value compared to the same period last year. Of the total transactions, 34.3% (64,479) and 62.6% (117,655) were transfers dated in 2021 and 2022 respectively while the remaining percentage share was for prior years' transfers.

Residential Property

The residential sub-sector led the overall property market, with 61.8% contribution. This was followed by agriculture sub-sector (22.1%), commercial (8.1%), development land and others (6.0%) and industrial (2.0%). In terms of value, residential took the lead with 54.1% share, followed by commercial (16.6%), industrial (12.7%), agriculture (10.2%) and development land and others (6.4%). For the residential sub-sector, there were 116,178 transactions worth RM45.62 billion recorded in the review period, increased by 26.3% in volume and 32.2% in value year-on-year. Performance across the states improved in the review period. All states recorded higher market volume. The four major states namely Pulau Pinang, WP Kuala Lumpur, Johor and Selangor recorded an increase of 37.8%, 28.4%, 20.2% and 16.0% respectively. Combined, these states formed about 47% of the total national residential volume.

Commercial Property

Commercial property segment recorded 15,169 transactions worth RM14.02 billion recorded, up by 45.4% in volume and 28.3% in value compared to the same period last year. Selangor contributed the highest volume and value to the national market share, with 26.5% in volume (4,025 transactions) and 33.5% in value (RM4.70 billion). More than 10,000 units of newly launched were recorded, down by 66.7% against 31,687 units (revised) in H1 2021. Against H2 2021, the new launches were lower by 13.3% (H2 2021: 12,173 units). Sales performance for new launches recorded at 20.3%, slightly lower compared to H1 2021 (revised 20.6%) and H2 2021 (28.1%). Johor recorded the highest number of new launches in the country, capturing nearly 23.8% (2,509 units) of the national total with sales performance at 31.8%. Sabah recorded the second highest number (1,335 units, 12.7% share) with sales performance at 10.6%. Perak came third (1,317 units, 12.5% share) with sales performance at 19.4%. Terraced houses dominated the new launches. Single storey (2,047 units) and 2-3 storey (5,150 units) together contributed 68.2% of the total units with sales performance at 22.0%, followed by condominium/apartment units at 19.0% share (2,009 units) with sales performance at 12.4%.

Construction Activities

Residential construction activity recorded an increase in completion and new planned supply, each up by 5.9% and 12.9% respectively whilst housing starts decreased 7.2% compared to similar period last year. WP Kuala Lumpur contributed the highest number of completions, accounting for 28.2% (8,939 units) of the national total, followed by Selangor (27.4%) and Johor (8.7%). For serviced apartments, completions increased to 9,677 units whereas starts decreased by 67.2% to 6,982 units and new planned supply down 17.9% to 6,022 units against similar half last year.

Malaysian House Price Index (MHPI) continued to increase at a moderating trend. As at Q2 2022, the MHPI stood at 203.5 points, up by 0.5% on annual basis. However, the index points decreased by 1.2% against Q1 2022 (205.9 points).

The performance of shopping complex moderated in H1 2022, with the national occupancy rate saw a slight decline at 75.7% as compared to H2 2021 (76.3%). WP Kuala Lumpur and Selangor recorded 81.6% and 77.7% occupancy rate respectively, whereas Johor and Pulau Pinang managed to secure an average occupancy of 72.2% and 71.5% respectively.

Five new completions were recorded injecting nearly 95,000 s.m. of space into the market in H1 2022 (H1 2021: 29,469 s.m.). Among which included the extension of Sunway Carnival Mall, Seberang Perai (32,500 s.m.), new completion of Datum Mall Jelatek, Selayang (29,449 s.m.) and Mydin Hyper Tunjong, Kota Bharu (22,195 s.m.). Starts saw four buildings with a total retail space of 81,772 s.m. There were another 40 complexes (1.56 million s.m.) in the incoming supply and with another nine complexes (0.30 million s.m.) in the planned supply. The performance of purpose-built office decreased to 77.7% lower than H1 2021 (78.5%). The purpose-built office consists of 1,565 private-owned buildings (18,155,972 s.m.) and 1,010 public-owned buildings (6,018,590 s.m.). Three new completions were recorded, offering a total space of 114,716 s.m., including Menara Affin@TRX and The Stride@BBCC.

Outlook

The property market performance recorded a rebound in the first half of 2022 (H1 2022), a reflective of normalizing economic activity as the country moved towards endemicity. With the positive projection on economic growth by Bank Negara Malaysia, expected between 5.3% to 6.3% in 2022, supported by the implementation of various government initiatives and assistance, the property market performance is expected to be on track.

(Source: Press Release: Property Market Report First Half 2022, Valuation and Property Services Department, Ministry of Finance Malaysia)

Pahang Property Market Overview

Pahang's property market performance moderated in a review period. A total of 15,988 transactions worth RM5.52 billion were recorded, down by 6.1% in volume and 5.8% in value respectively. Residential sub-sector spearheaded the overall property market with 65.7% share, followed by agriculture with 24.8%, development land (4.1%), commercial (4.5%) and industrial (1.0%) sub-sectors.

Market activity witnessed downward movements across all sub-sectors except for industry. The industrial sub-sector increased 18.2% while the commercial sub-sector decreased 17.4% followed by development land (-14.8%), agriculture (-8.0%) and residential (-4.2%) sub-sectors. In terms of transaction value, market activity witnessed mixed movements. The development land, commercial and residential sub-sectors recorded an increase. Meanwhile the agriculture and industrial sub-sectors recorded a contraction.

Commercial property – Shop

Shop segment recorded 479 transactions worth RM335.86 million in the review period (2020: 492 transactions worth RM363.43 million). The volume and value decreased by 2.6% and 7.6% respectively compared to 2020. The shop overhang was mixed in the review period. However, the overhang and unsold under construction unit are better because the numbers is reduced.

In tandem with moderating market activity, the construction activity also softened. Starts and new planned supply showed a decline, while completion increased compared to last year. As at end-2021, there were 25,757 existing shop units with another 1,233 units in the incoming supply and 3,386 units in the planned supply.

Outlook

Pahang's economy is projected to recover gradually by intensifying domestic tourism and hotel activities, agriculture, plantation, mining and the balanced growth of the industrial sector. Based to the 2022 Budget themed "State Prosperity, Mutual Benefits, Prosperous People" an estimated surplus of RM5.97 million has been allocated.

For development expenditure, an allocation of RM323.26 million was provided involving infrastructure projects of RM171.98 million with direct financing while RM151.28 million from loans to finance water supply project.

The declaration of Kuantan as a City Centre on 21 February 2021 will expected have a major impact on the overall development in the district. Several programs and projects will be continued in 2022 which will also have a positive impact on the property and infrastructure sector.

(Source: Annual Property Market State Report 2021 – Pahang, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

6.3 Overview and outlook of the energy related industry in Malaysia

By 2030, Malaysia aims to have 200 low carbon zones and 1,000 low carbon partners nationwide. To date we have worked with more than 25 Local Authorities and have identified 15 Low Carbon Zones across the country. In these zones, the Local Authorities have begun implementing energy and water efficiency measures, waste recycling and building walkways for pedestrians and cyclists. Ultimately, these zones are meant to improve the quality of life for its residents.

Moving forward, Malaysia aims to achieve a higher renewable energy growth, from the existing 23% or 8.45 Gigawatt (GW) renewable energy in its power installed capacity. Malaysia Renewable Energy Roadmap (MyRER) projected to increase the share of renewable energy to 31% or 12.9 GW in 2025, and 40% or 18.0 GW in 2035. The renewable energy Initiatives under this roadmap are expected to support Malaysia's commitment to greenhouse gas (GHG) emission reduction under the Paris Agreement led by the United Nations Framework Convention on Climate Change (UNFCCC). Malaysia's global climate commitment is to reduce its economy-wide carbon intensity (against GDP) of 45% in 2030 compared to 2005 level. Realization of the Government's vision is crucial in supporting the nation to achieve its Nationally Determined Contributions (NDC) targets.

In 2021, the Ministry of Energy and Natural Resources of Malaysia (KeTSA) set a target to reach 31% of renewable energy share in the national installed capacity mix by 2025. This target supports Malaysia's global climate commitment is to reduce its economy-wide carbon intensity (against GDP) of 45% in 2030 compared to 2005 level. Realization of the Government's vision is crucial in supporting the nation to achieve its Nationally Determined Contributions (NDC) targets.

The Malaysia Renewable Energy Roadmap (MyRER) is commissioned to support further decarbonization of the electricity sector in Malaysia through the 2035 milestone. This is expected to drive a reduction in GHG emission in the power sector to support Malaysia in meeting its NDC 2030 target of 45% reduction in GHG emission intensity per unit of GDP in 2030 compared to the 2005 level, and further reduction of 60% in 2035.

The scope of MyRER includes three workstreams; assessing the baseline installed capacity and renewable energy resources potential, developing technology-specific renewable energy targets and scenarios, and developing a strategic roadmap.

The MyRER considers two distinct scenarios for renewable energy development in the nation towards the 2025 Government committed renewable energy target and through to the 2035 milestone:

- (i) Business as Usual (BAU) scenario considers the implementation of existing policies and programmes without further extension and/ or introduction of new programmes; and
- (ii) New Capacity Target (NCT) scenario aims for higher renewable energy capacity target to align with further decarbonization of electricity sector in Malaysia toward 2035 milestone. This scenario is aligned with the capacity development plan of Planning and Implementation Committee for Electricity Supply and Tariff (JPPPET 2020) for Peninsular Malaysia, JPPPET 2021 inputs for Sabah and current outlook for Sarawak.

In 2018, the Ministry accelerated the momentum for more energy efficient buildings by launching the National Energy Awards (NEA) in Malaysia to recognise energy efficient and renewable energy practices across public and private sectors, while encouraging further innovation in this field.

Winners of the NEA represent the country at the ASEAN Energy Awards (AEA), which has three categories: Energy Efficient Buildings (new, existing, retrofitted, tropical); Green Buildings (small, medium, large); Energy Management of buildings (small, medium, large); industry (small, medium, large) and special submissions.

Both awards celebrate excellence by recognising exemplary organisations who are driving innovation for greater energy efficiency and by extension a sustainable future.

Under the Renewable Energy Transition Plan 2021-2040, Malaysia aims to increase its share of renewable energy in its installed capacity to 31% in 2025 (from the initial 25% by 2025) and 40% in 2035. To achieve this, the focus is on Peninsular Malaysia because it accounts for 80% of the country's electricity demand. For the 31% renewable energy target in 2025, 26% is to come from the peninsula in 2025. For the 40% target in 2035, the peninsula is to account for 32% of renewable energy.

These projections were shared by the Minister of Energy and Natural Resources at a virtual meeting with ASEAN Ministers on Energy and the Minister of Economy, Trade and Industry of Japan held on 21 June 2021. He added that the country's installed renewable energy capacity now stands at 7,995 MW, and is projected to increase to 18,000 MW by 2035. Peninsular Malaysia's renewable energy capacity, meanwhile, is projected to increase from the current 4,430 MW to 10,944 MW in the next 15 years. Since solar has the highest renewable energy potential, Malaysia plans to introduce battery energy storage systems, with a total capacity of 500 MW from 2030 onwards. With these targets in place, the Minister said carbon emission intensity from the power sector is set to decline by 45% in 2030 and a further 60% in 2035, compared to the 2005 level, in line with Malaysia's Nationally Determined Contributions targets under the Paris Climate Agreement.

(Source: Volume 22 (2022), Volume 21 (2021), 20 (2020), 19 (2019) & 18 (2019), Energy Commission Malaysia and MyRER web Ver 2 and Ver 3 by SEDA)

6.4 Prospects of the Group

Malaysia has entered the endemic phase of Covid-19. Accordingly, the Group expects to see improvements in the performance across all its existing business segments.

(i) Hospitality segment

The performance of The Grand Renai Hotel is expected to improve over the time due to increased activities for local and international travel. The Grand Renai Hotel's average occupancy rate had improved to 65.0% in FYE 30 June 2022 as compared to 18-months FPE 30 June 2021 whereby the Grand Renai Hotel only registered average occupancy rate of 28.7%. With the refurbishment of the hotel being undertaken in phases, the Group anticipates that the hotel's performance will continue to improve.

(ii) Investment properties segment

In respect of the Kota Sri Mutiara Shopping Complex, the mall has seen an increase in footfall of approximately 164.9% since the upliftment of the MCO in Kelantan in mid May 2021 up to November 2022. On 29 November 2022, the Group had received a letter of intention from a key tenant (occupying 97,066 square feet) to continue to renew its tenancy agreement for a period of 3 years from 1 January 2023 to 31 December 2025. As at LPD, the key tenant is still occupying the area and the Group is still in discussion with the key tenant on the renewal of the tenancy. With the continuing support from the key tenant, the Group remains optimistic that its mall operations will start to recover and increase its occupancy rate.

In addition, the Group is also generating a guaranteed rental income of RM1.2 million per annum for a 5-year period commencing 8 August 2022 from the Jengka Properties.

(iii) Energy Related Business

The diversification into the Energy Related Business is expected to provide the Group with a sustainable and stable income stream moving forward, thus contributing positively to the Group's financial results. Premised on the outlook of the renewable energy and energy efficiency industry as mentioned in Section 6.3 of this Circular, the Group is optimistic of the growth prospects for this industry in Malaysia as the Malaysian Government is committed to support the growth of renewable energy by setting a target for electricity generated from renewable energy at 20% of all power generated by 2025. Tax incentives aimed at boosting the Malaysian green economy which was tabled in the Budget 2020 were also in line with the Malaysian Government's commitment.

(iv) Property development segment

The Group's has 2 on-going property development projects namely Bandar Tasek Raja project and Damai Project.

As at LPD, phase 1 of the Bandar Tasek Raja project had been completed and part of the phase 2 comprising 14 units of shop lots had been completed and pending the Certificate of Practical Completion (details of which is set out in Section 5.3(i) of this Circular). The Group will continue to monitor the property market condition in Kelantan and will only proceed with the remaining development of the phase 2 if it is viable.

Pending the formalisation of the transaction relating to the Land as set out in Note (g) of Section 4 of this Circular, the Group's property development segment will be driven by the Damai Project whereby the Group had on 21 October 2021 completed the acquisition of development right. The Group had decided to commence the Damai Project based on the Group's assessment and evaluation on the current property market condition in Kota Kinabalu, Sabah. As at LPD, the enabling work on the Damai Project had been completed and the piling work had commenced since July 2022. Barring any unforeseen circumstance, the Damai Project is expected to be completed by the fourth quarter of 2025.

(Source: Management of the Group)

7. EFFECTS OF THE PROPOSED SHARES ISSUANCE

7.1 Issued share capital

The proforma effects of the Proposed Shares Issuance on the issued share capital of the Company as at LPD are as follows:-

	No. of MBGB Shares	RM
Issued share capital as at LPD	1,947,346,231	140,353,769
Subscription Shares to be issued pursuant to the Proposed Shares Issuance	389,469,246	^(a) 43,415,290
Enlarged share capital after the Proposed Shares Issuance	2,336,815,477	183,769,059

Note:-

- (a) After deducting the estimated expenses for the Proposed Shares Issuance of RM0.4 million.

7.2 NA, NA per Share and gearing

Based on the audited consolidated financial statements of MBGB as at 30 June 2022, the proforma effects of the Proposed Shares Issuance on the NA, NA per Share and gearing of MBGB Group are set out below:-

	(I)	(II)	
	Audited as at 30 June 2022	Subsequent events^(a)	After (I) and Proposed Shares Issuance
	RM'000	RM'000	RM'000
Share capital	181,668	140,354	^(b) 183,769
Capital reserve	110,238	-	-
Warrants reserve	37,971	37,971	37,971
Other reserves	1,707	1,707	1,707
(Accumulated losses)/ Retained profit	(170,003)	6,312	6,312
NA	161,581	186,344	229,759
No. of Shares ('000)	1,565,808	1,947,346	2,336,815
NA per Share (sen)	10.32	9.57	9.83
Total borrowings	22,514	22,514	22,514
Gearing (times)	0.14	0.12	0.10

Notes:-

(a) After taking into consideration the following subsequent events:-

- the issuance of 381,538,461 new Shares at an issue price of RM0.0650 per Share pursuant to the acquisition of the Jengka Properties which was completed on 8 August 2022;
- the capital reduction exercise comprising the reduction from the capital reserve account of RM110.2 million and reduction from the share capital account of RM66.1 million which was completed on 30 September 2022; and
- the remaining expenses in relation to the acquisition of the Jengka Properties and capital reduction exercise of RM37,296.

(b) After deducting the estimated expenses for the Proposed Shares Issuance of RM0.4 million.

7.3 Earnings and EPS

The Proposed Shares Issuance will result in an immediate dilution in MBGB's EPS as a result of the increase in the number of MBGB Shares in issue upon completion of the Proposed Shares Issuance.

The actual impact of the Proposed Shares Issuance on the future earnings and EPS of MBGB will depend on the level of returns generated from the utilisation of proceeds raised from the Proposed Shares Issuance.

7.4 Substantial shareholders' shareholdings

The proforma effects of the Proposed Shares Issuance on the substantial shareholders' shareholdings of MBGB are as follows:-

	As at LPD				After Proposed Shares Issuance			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
LVSB	995,093,762	51.1	-	-	1,189,896,008	50.9	-	-
Dato' Lee	-	-	(a) 995,093,762	51.1	-	-	(a) 1,189,896,008	50.9

Note:-

(a) Deemed interest by virtue of his interest in LVSB pursuant to Section 8 of the Act.

7.5 Convertible securities

As at LPD, MBGB has 782,901,982 outstanding Warrants.

The Proposed Shares Issuance will not give rise to any adjustment to the exercise price and number of outstanding Warrants.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of MBGB Shares as traded on the Main Market of Bursa Securities for the past 12 months from January 2022 to December 2022 are as follows:-

	High (RM)	Low (RM)
2022		
January	0.096	0.063
February	0.085	0.060
March	0.075	0.060
April	0.095	0.070
May	0.095	0.075
June	0.095	0.070
July	0.080	0.065
August	0.085	0.070
September	0.090	0.075
October	0.115	0.080
November	0.140	0.100
December	0.175	0.135

The last transacted market price of MBGB Shares on 1 December 2022 (being the last trading day prior to the date of announcement of the Proposed Shares Issuance)

0.140

The last transacted market price of MBGB Shares as at LPD

0.150

(Source: Bloomberg)

9. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Shares Issuance is subject to the approvals being obtained from the following:-

- (i) Bursa Securities for the listing and quotation of up to 389,469,246 Subscription Shares pursuant to the Proposed Shares Issuance which was obtained vide its letter dated 10 January 2023 and is subject to the following conditions:-

No.	Conditions imposed by Bursa Securities	Status of compliance
1.	MBGB and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Shares Issuance;	To be complied
2.	MBGB and Malacca Securities are required to inform Bursa Securities upon completion of the Proposed Shares Issuance;	To be complied
3.	Malacca Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Shares Issuance is completed;	To be complied
4.	MBGB is required to provide a certified true copy of the resolution passed by shareholders in general meeting approving the Proposed Shares Issuance; and	To be complied
5.	Malacca Securities is required to furnish Bursa Securities with details of the Subscribers in accordance with paragraph 6.15 of the Listing Requirements as soon as practicable before the listing of the new shares to be issued pursuant to the Proposed Shares Issuance.	To be complied

- (ii) the approvals of the shareholders of the Company for the Proposed Shares Issuance at the forthcoming EGM. For information, in accordance with Section 85 of the Act and Clause 59 of the Constitution of the Company, shareholders of the Company have pre-emptive rights to be offered the Subscription Shares to be issued pursuant to the Proposed Shares Issuance. In the event the resolution for the Proposed Shares Issuance is approved by shareholders of the Company at the forthcoming EGM, shareholders will be waiving their pre-emptive rights under Section 85 of the Act and Clause 59 of the Constitution of the Company; and

- (iii) any other relevant authority and/or party, if any.

The Company proposes to implement the Proposed Shares Issuance only if the resolution for the Proposed Allotment of Shares to LVSB is approved by shareholders at the forthcoming EGM. As such, the Proposed Shares Issuance and Proposed Allotment of Shares to LVSB are inter-conditional. This is in line with the rationale for the Proposed Shares Issuance as set out in Section 5 of this Circular, whereby 50.0% of the Subscription Shares had been offered to LVSB to enable LVSB to maintain its shareholdings in the Company upon completion of the Proposed Shares Issuance, as well as to affirm Dato' Lee's commitment towards the Group.

The Proposed Shares Issuance is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by the Company.

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

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

- (i) LVSB, being the major shareholder of MBGB is deemed interested in the Proposed Shares Issuance by virtue of LVSB being a Subscriber for the Proposed Shares Issuance. Dato' Lee, being the Executive Director and indirect major shareholder of MBGB (via LVSB), is the only director and shareholder of LVSB, which is a major shareholder of MBGB. Accordingly, Dato' Lee is deemed interested in the Proposed Shares Issuance in view of his direct interests in LVSB; and
- (ii) Dato' Wang Ruihui is deemed a person connected to Dato' Lee by virtue of him being a business partner with Dato' Lee in several companies. He is deemed interested in the Proposed Shares Issuance by virtue of him being a person connected to Dato' Lee and a Subscriber of the Proposed Shares Issuance.

(LVSB, Dato' Lee and Dato' Wang Ruihui shall collectively be referred to as the “**Interested Parties**”)

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

Interested Parties	As at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
LVSB	995,093,762	51.1	-	-
Dato' Lee	-	-	^(a) 995,093,762	51.1
Dato' Wang Ruihui	-	-	-	-

Note:-

- (a) Deemed interest by virtue of his interest in LVSB pursuant to Section 8 of the Act.

Dato' Lee has abstained and will continue to abstain from all deliberations and voting in respect of the Proposed Shares Issuance at the relevant Board meetings of the Company.

The Interested Parties will abstain from voting and have undertaken to ensure that any persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any) in MBGB on all resolutions pertaining to the Proposed Shares Issuance at the forthcoming EGM.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for Dato' Lee), having considered all aspects of the Proposed Shares Issuance including but not limited to the rationale and financial effects of the Proposed Shares Issuance, is of the opinion that the Proposed Shares Issuance is in the best interest of the Company.

Accordingly, the Board recommends that MBGB Shareholders vote in favour of the resolutions pertaining to the Proposed Shares Issuance to be tabled at the forthcoming EGM.

12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at LPD, save for the Proposed Shares Issuance and Proposed Acquisition of Project Rights (as set out in Note (i)(a) of Section 3 of this Circular), the Company does not have any outstanding proposals that have been announced but pending completion.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the approvals/consents of the relevant authorities being obtained, the Proposed Shares Issuance is expected to be completed by the 1st quarter of the calendar year 2023.

14. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 2 February 2023 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposed Shares Issuance. The resolutions pertaining to the Proposed Shares Issuance is set out in the Notice of EGM which is enclosed with this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy the instructions contained therein, to be deposited at the Share Registrar's office at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than 48 hours before the time stipulated for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude the MBGB Shareholders from attending and voting in person at the EGM should the MBGB Shareholders subsequently wish to do so and in such an event, your Form of Proxy shall be revoked accordingly.

15. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
META BRIGHT GROUP BERHAD
(FORMERLY KNOWN AS EASTLAND EQUITY BHD.)

PHANG KIEW LIM
Executive Director

APPENDIX I – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS

SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS

The salient terms below are reflected throughout all the Subscription Agreements.

(i) Subscription Price

Subject to the terms and conditions of the Subscription Agreements, the Company agrees to issue to Subscribers and the Subscribers agree to subscribe for a total of 389,469,246 Subscription Shares at the subscription price of RM0.1125 per Subscription Share as follows:-

Subscriber	No. of Subscription Shares	Total sum subscribed (RM)
(a) LVSB	194,802,246	21,915,252.68
(b) Dato' Wang Ruihui	81,777,800	9,200,002.50
(c) LY Ekuiti Sdn. Bhd.	8,888,900	1,000,001.25
(d) Dato' Foo Chek Pang	22,222,300	2,500,008.75
(e) Mr Kuah Ooi Sian	60,444,500	6,800,006.25
(f) Mr Lai Cheng Kuan	10,666,700	1,200,003.75
(g) Mr Yeow Jie Xiang	5,333,400	600,007.50
(h) Ms Ang Sok Kiang	5,333,400	600,007.50
	389,469,246	43,815,290.18

(ii) Conditions precedent

The Subscription Agreements are conditional upon on the following conditions being fulfilled:-

- the Company obtaining the approval of the shareholders of the Company for the proposed shares issuance of new Shares in the Company and the allotment and issuance of the Subscription Shares (including the waiver of the shareholders of their pre-emptive rights under Section 85(1) of the Act to be offered new Shares) in accordance with the terms and conditions contained in the Subscription Agreements; and
- the Company obtaining the approval-in-principle of Bursa Securities for the listing and quotation of the Subscription Shares on the Main Market of Bursa Securities.

The conditions precedent shall be satisfied within a period of 6 months from the date of the Subscription Agreements, or such extended date as may be agreed by the Company and the Subscribers (hereinafter referred to as the "**Parties**") (hereinafter referred to as the "**Cut-Off Date**"). Thereafter, both Parties may (before or on expiry of the Cut-Off Date) have an extension(s) of time as may be agreed between the Parties to comply with the conditions precedent. If the conditions precedent has not been fulfilled on the expiry of the Cut-Off Date or such extension of time agreed between the Parties, then the Subscription Agreements shall lapse and cease to have any further force or effect and none of the Parties shall have any further rights against the other(s).

The Subscription Agreements shall become unconditional on the date of which the last of the conditions precedent is fulfilled or obtained ("**Unconditional Date**").

(iii) Completion and payment

Within 5 business days of the Unconditional Date, the Subscribers shall:-

- (a) Deposit with Malacca Securities the total Subscription Price ("**Payment Date**") by way of telegraphic transfer to a bank account nominated by Malacca Securities and notified to the parties at least 5 business days prior to the Payment Date; and
- (b) Notify the Company in writing of the details of Subscriber's stockbrokers and the particulars of the securities account into which the Subscription Shares are to be credited.

Upon Malacca Securities receiving the total Subscription Price and within 5 business days from the Payment Date:

- (a) Malacca Securities shall confirm to the Company of such receipt;
- (b) the Company shall allot and issue the Subscription Shares to the Subscribers;
- (c) the Company shall deliver or caused to be delivered to Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") the share certificates for the Subscription Shares registered in the name of Bursa Depository;
- (d) the Company shall instruct and procure Bursa Depository to credit the securities account of the Subscribers with the Subscription Shares; and
- (e) the Company shall procure the listing of the Subscription Shares on the Main Market of Bursa Securities.

Completion of the subscription of the Subscription Shares in accordance with this Section (iii) shall take place on the listing date of the Subscription Shares on the Main Market of Bursa Securities ("**Completion Date**"). On Completion Date, Malacca Securities shall be authorised by the parties to release the total Subscription Price to the Company.

(iv) Default

In the event that the Subscribers shall for any reason fail or refuse to complete the subscription of the Subscription Shares under the terms of the Subscription Agreement or the Subscribers fail to comply with all the obligations or stipulations contained in the Subscription Agreements or defaults in the Subscription Agreements and does not remedy the same to the satisfaction of the Company within 14 days from the date of receipt of written notice by the Company or such breach is not waived by the Company at its absolute discretion, the Company shall be entitled to, without prejudice to its other rights and remedies including its right to sue for (i) specific performance of the Subscription Agreements upon the terms thereof; or (ii) terminate the Subscription Agreements and recover all amounts actually paid and expended pursuant to or arising from the Subscription Agreements.

APPENDIX II – HISTORICAL FINANCIAL INFORMATION OF MBGB GROUP

The financial summary of MBGB Group based on its audited financial results for the financial year ended FYE 31 December 2019, 18-months FPE 30 June 2021 and FYE 30 June 2022 are as follows:

	Audited			Unaudited
	FYE 31 December 2019 (restated) ^(a) RM'000	18-months FPE 30 June 2021 ^(b) RM'000	FYE 30 June 2022 RM'000	3-months FPE 30 September 2022 RM'000
Revenue	18,074	20,899	25,705	8,669
(Loss) / profit before tax (“LBT”/“PBT”)	(13,333)	(107,332)	6,470	1,075
(Loss) / profit after tax (“LAT”/“PAT”)	(12,790)	(100,418)	4,075	1,075
Weighted number of ordinary shares ('000)	275,417	325,230	827,733	1,947,346
Basic loss / earnings per share (sen) (“LPS”/“EPS”)	(4.64)	(30.88)	0.49	0.06
NA	168,549	71,253	161,581	187,442
NA per share (RM)	0.61	0.22	0.19	0.10
Total bank borrowings (including lease liabilities)	59,560	56,502	22,514	23,262
Gearing ratio (times)	0.35	0.79	0.14	0.12

Notes:-

- (a) Restatement due to under provision of strata-title application costs for a project of subsidiary which had been completed in the prior years and reclassification to conform with 18-months FPE 30 June 2021's presentation.
- (b) On 30 October 2020, the Company had announced to change its financial year from 31 December to 30 June.

Commentaries:-

FYE 31 December 2019 (“FYE 2019”)

The Group recorded lower revenue of RM18.1 million for FYE 2019, a decrease of 15.2% compared to FYE 31 December 2018 (“FYE 2018”) (FYE 2018: RM21.3 million), primarily due to a one-off revenue recorded in the previous year of RM2.7 million for the sale of a piece of land earmarked for departmental store at Bandar Tasek Raja.

The Group recorded a higher LAT of RM12.8 million for FYE 2019, an increase of 78.6% compared to FYE 2018 (FYE 2018: RM7.2 million), mainly due to an increase in finance cost amounting to RM2.5 million from RM1.9 million in FYE 2018 to RM4.3 million in FYE 2019. The increase in finance cost in FYE 2019 was because the Group had in FYE 2018 fully capitalised the allowable finance cost for its property development. As a result, the Group recognised a higher finance cost of RM4.3 million in FYE 2019 which resulted in higher LAT. In addition, for FYE 2019, the Group recorded a RM2.5 million (FYE 2018: nil) of fair value loss on investment properties and RM1.1 million (FYE 2018: nil) impairment of property, plant and equipment. The higher LAT is also due to the absence of RM1.6 million of disposal gain from the disposal of a leasehold property in Setapak.

18-months FPE 30 June 2021 (“18M FPE 2021”)

In view of the change of the financial year end from 31 December 2020 to 30 June 2021, there is no comparative financial information available for the 18M FPE 2021. Revenue for the 18M FPE 2021 was recorded at RM20.9 million, derived from the Group's hospitality segment (RM13.2 million), investment properties segment (RM4.2 million) and property development segment (RM3.5 million) respectively.

The LAT for the 18M FPE2021 of RM100.4 million was mainly due to significant impairment on the Group's hotel and investment properties amounting to RM27.3 million and RM20.0 million respectively and write down on the Group's property development inventories of RM43.9 million, which was arrived at based on the valuation performed by the valuer.

FYE 30 June 2022 (“FYE 2022”)

The Group recorded a revenue of RM25.7 million in FYE 2022, an increase of 23.0% or RM4.8 million as compared to RM20.9 million in 18M FPE 2021. The increase in revenue was mainly contributed by increase in the revenue of hospitality segment by RM9.4 million in FYE 2022 which was mainly due to the improvement in occupancy rate and food and beverages sales in the hotel. The increase in the revenue in hospitality segment was negated by the decrease in the revenue of investment properties and property development segments of RM1.4 million and RM3.1 million respectively, which was due to waiver/reduced rental as support to the tenant during MCO period and halt in the property development activities in view of the market sentiments.

The Group recorded a PAT of RM4.1 million for FYE 2022 as compared to a LAT of RM100.4 million 18M FPE 2021. The turnaround from a LAT to a PAT was mainly due to the following :

- (i) improvement of performance in the hospitality segment in FYE 2022 with a registered RM10.0 million operating profit;
- (ii) increase in hotel's valuation by RM7.6 million being recognised as reversal of impairment in FYE 2022;
- (iii) decrease in interest expense by RM2.0 million as a result of repayment of bank borrowings of RM40.0 million in FYE 2022;
- (iv) RM27.3 million impairment loss in the hotel building in property, plant and equipment, and RM20.0 million fair value loss in the investment properties which only existed in 18M FPE 2021; and
- (v) RM43.9 million write-down in property development costs in inventories to net realisable value in which only existed in 18M FPE 2021.

3-months FPE 30 September 2022 (“3M FPE 2022”)

The Group recorded revenue of RM8.7 million for 3M FPE 2022, an increase of RM4.8 million compared to the revenue of RM3.9 million in 3-months FPE 30 September 2021 (“**3M FPE 2021**”). The increase was mainly attributed to the following:

- (i) increase in revenue from the hospitality segment by RM3.4 million arising from the increase in hotel room rates and hotel occupancy; and
- (ii) the increase in revenue from the property development segment by RM1.4 million, which was mainly attributed to the disposal of 2 shoplots in Bandar Tasek Raja and accrued project revenue from the Damai Project.

The Group recorded PAT of RM1.1 million for 3M FPE 2022 as compared to a LAT of RM2.0 million in the 3M FPE 2021, which was mainly due to the increase in the revenue as aforementioned.

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

Malacca Securities, being the Principal Adviser for the Proposed Shares Issuance, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed Shares Issuance.

3. MATERIAL LITIGATION

As at LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of the Group and the Board is not aware of any proceeding, pending or threatened against the Group, or of any facts likely to give rise to any proceeding which may have material impact on the business or financial position of the Group.

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

Save as disclosed below, as at LPD, there are no material commitments incurred or known to be incurred by the Group which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

	RM'000
<u>Approved and contracted for</u>	
Refurbishment of The Grand Renai Hotel	1,650
Development of solar PV generating facilities (details as disclosed in Note (i)(a) of Section 3 of this Circular)	1,789
Installation of equipment for and supply and delivery of chilled water (details as disclosed in Note (i) of Section 3 of this Circular)	2,248
Energy Performance Contract (details as disclosed in Note (i)(b) of Section 3 of this Circular)	1,955
<u>Approved and not contracted for</u>	
Refurbishment of The Grand Renai Hotel	412
Total material commitments	8,054

4.2 Contingent Liabilities

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

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of MBGB at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Constitution of MBGB;
- (ii) Audited consolidated financial statements of MBGB for the 18-months FPE 30 June 2021, FYE 30 June 2022 and the unaudited financial statements of MBGB for the 3-months FPE 30 September 2022;
- (iii) The Subscription Agreements;
- (iv) The ZOG CSPA referred to in Note (i)(b) of Section 3 of this Circular;
- (v) The Energy Performance Contract referred to in Note (i)(b) of Section 3 of this Circular;
- (vi) The Letter of Intent for Land referred to in Note (g) of Section 4 of this Circular; and
- (vii) The letter of consent and declaration of conflict of interest referred to in Section 2 of this Appendix III.



Meta Bright

—正源 Group 集团—

**META BRIGHT GROUP BERHAD
(FORMERLY KNOWN AS EASTLAND EQUITY BHD.)**

Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Meta Bright Group Berhad (formerly known as Eastland Equity Bhd.) (“**MBGB**” or the “**Company**”) will be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 2 February 2023 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:-

ORDINARY RESOLUTION 1

PROPOSED SHARES ISSUANCE OF UP TO 389,469,246 NEW ORDINARY SHARES IN MBGB (“MBGB SHARES” OR “SHARES”) (“SUBSCRIPTION SHARES”), REPRESENTING 20.0% OF THE TOTAL NUMBER OF ISSUED SHARES OF MBGB (“PROPOSED SHARES ISSUANCE”)

“**THAT** subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties being obtained (where applicable), approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to:

- (i) allot and issue up to 389,469,246 Subscription Shares, at a subscription price of RM0.1125 per Subscription Share to the subscribers (“**Subscribers**”) as set out in Section 2.2 of the circular to shareholders of the Company dated 17 January 2023 in relation to the Proposed Shares Issuance (“**Circular**”) based on the terms and conditions of the subscription agreements dated 2 December 2022 entered into between the Company and the Subscribers and any supplementals thereto (if any); and
- (ii) utilise the proceeds from the Proposed Shares Issuance for the purposes as set out in Section 3 of the Circular and to vary the manner and/or purposes of such proceeds as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject to the approval of the relevant authorities (where required);

THAT the Subscription Shares shall, upon allotment and issuance, rank equally in all respects with the existing MBGB Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Subscription Shares;

THAT pursuant to Section 85 of the Companies Act, 2016 (“**Act**”) read together with Clause 59 of the Constitution of the Company, the statutory pre-emptive rights of the shareholders of the Company to be offered new MBGB Shares ranking equally to the existing issued MBGB Shares arising from any issuance of new MBGB Shares to the Subscribers pursuant to the Proposed Shares Issuance be and is hereby noted and waived;

AND THAT the Board (save for Dato’ Lee Wai Mun, DIMP., JP., (“**Dato’ Lee**”) being the interested director for the Proposed Shares Issuance), be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Shares Issuance including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Shares Issuance.”

ORDINARY RESOLUTION 2

PROPOSED ALLOTMENT OF 194,802,246 SUBSCRIPTION SHARES TO LEADING VENTURES SDN. BHD. ("LVSB"), THE MAJOR SHAREHOLDER OF THE COMPANY ("PROPOSED ALLOTMENT OF SHARES TO LVSB")

"THAT, subject to the passing of Ordinary Resolution 1 and the approvals being obtained from the relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board to allot and issue 194,802,246 Subscription Shares, at a subscription price of RM0.1125 per Subscription Share to LVSB, whereby the proceeds will be utilised for the purposes set out in Section 3 of the Circular, based on the terms and conditions of the subscription agreement dated 2 December 2022 entered into between the Company and LVSB and any supplementals thereto (if any);

THAT the Subscription Shares shall, upon allotment and issuance, rank equally in all respects with the existing MBGB Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Subscription Shares;

THAT pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, the statutory pre-emptive rights of the shareholders of the Company to be offered new MBGB Shares ranking equally to the existing issued MBGB Shares arising from any issuance of new MBGB Shares to LVSB pursuant to the Proposed Allotment of Shares to LVSB be and is hereby noted and waived;

AND THAT the Board (save for Dato' Lee, being the interested director for the Proposed Shares Issuance), be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Allotment of Shares to LVSB including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Allotment of Shares to LVSB."

ORDINARY RESOLUTION 3

PROPOSED ALLOTMENT OF 81,777,800 SUBSCRIPTION SHARES TO DATO' WANG RUIHUI, A PERSON CONNECTED TO DATO' LEE ("PROPOSED ALLOTMENT OF SHARES TO DATO' WANG RUIHUI")

"THAT, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and the approvals being obtained from the relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board to allot and issue 81,777,800 Subscription Shares, at a subscription price of RM0.1125 per Subscription Share to Dato' Wang Ruihui, whereby the proceeds will be utilised for the purposes set out in Section 3 of the Circular, based on the terms and conditions of the subscription agreement dated 2 December 2022 entered into between the Company and Dato' Wang Ruihui and any supplementals thereto (if any);

THAT the Subscription Shares shall, upon allotment and issuance, rank equally in all respects with the existing MBGB Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Subscription Shares;

THAT pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, the statutory pre-emptive rights of the shareholders of the Company to be offered new MBGB Shares ranking equally to the existing issued MBGB Shares arising from any issuance of new MBGB Shares to Dato' Wang Ruihui pursuant to the Proposed Allotment of Shares to Dato' Wang Ruihui be and is hereby noted and waived;

AND THAT the Board (save for Dato' Lee, being the interested director for the Proposed Shares Issuance), be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Allotment of Shares to Dato' Wang Ruihui including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Allotment of Shares to Dato' Wang Ruihui."

By Order of the Board

META BRIGHT GROUP BERHAD
(FORMERLY KNOWN AS EASTLAND EQUITY BHD.)

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
Secretary

Selangor Darul Ehsan
17 January 2023

Explanatory Note:-

Pursuant to Section 85 of the Act read together with Clause 59 of the Company's Constitution, the shareholders of MBGB have a statutory pre-emptive right to be offered any new Shares which rank equally to existing Shares issued by the Company. By you voting in favour of the proposed Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3, the shareholders of the Company will be waiving their statutory pre-emptive rights and the proposed Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3 if passed, will exclude the statutory pre-emptive rights of the shareholders of the Company to be offered any new Shares to be issued by the Company pursuant to the Proposed Shares Issuance, Proposed Allotment of Shares to LVSB and Proposed Allotment of Shares to Dato' Wang Ruihui.

Notes:-

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
2. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, 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 Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
5. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Share Registrars' Office at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
6. 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 a Record of Depositors as at 25 January 2023 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
7. Pursuant to Clause 78 of the Company's Constitution, all the resolution set out in the Notice of the EGM will be put to vote by way of poll.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*



META BRIGHT GROUP BERHAD
(FORMERLY KNOWN AS EASTLAND EQUITY BHD.)

Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

FORM OF PROXY

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

No. of shares held	CDS Account No. of Authorised Nominee

I/We _____ NRIC/Passport/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ Tel No. _____ /
(ADDRESS)

Email Address _____

being a member of **META BRIGHT GROUP BERHAD (FORMERLY KNOWN AS EASTLAND EQUITY BHD.)**, hereby appoint

Proxy 1 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email Address:			

Proxy 2 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company to be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 2 February 2023 at 10.00 a.m. or any adjournment thereof.

My/our proxy(ies) shall vote as follows:

ORDINARY RESOLUTIONS		For	Against
(1)	Proposed Shares Issuance		
(2)	Proposed Allotment of Shares to LVSB		
(3)	Proposed Allotment of Shares to Dato' Wang Ruihui		

(Please indicate with an “X” in the space provided how you wish your vote to be cast on the resolutions specified in the Notice of the Extraordinary General Meeting. If you do not do so, the proxy(ies) will vote or abstain from voting at his/her/their discretion).

Dated this _____ day of _____ 2023

Signature/Seal of Shareholder

Notes:-

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
2. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, 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 Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
5. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Share Registrars' Office at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
6. 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 a Record of Depositors as at 25 January 2023 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
7. Pursuant to Clause 78 of the Company's Constitution, all the resolution set out in the Notice of the EGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 17 January 2023.

Fold this flap for sealing

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Affix
stamp

**META BRIGHT GROUP BERHAD
(FORMERLY KNOWN AS EASTLAND EQUITY BHD.)**

Registration No.: 200001013359 (515965-A)
c/o Boardroom Share Registrars Sdn. Bhd.
Ground Floor or 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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