

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



Building	Elite Pavilion Mall	Da Men Mall	Tropicana City Mall (now known as 3 Damansara)	Pavilion Kuala Lumpur Mall
Commentary	<p>We have considered Elite Pavilion Mall a dated sale and the transacted yield should have been compressed for improved market condition since year 2017; however, due to the current market uncertainty caused by the COVID-19 pandemic which has disrupted economic activity across most economies, an upward adjustment of 25 basis point was adjusted to reflect the differences in market expectations during the year of transaction of the comparable and the property being valued now.</p> <p>An upward adjustment of 50 basis point was considered as the Subject Property conveys a leasehold interest whilst Elite Pavilion Mall conveys an interest in perpetuity.</p>	<p>We have considered Da Men Mall a dated sale and the transacted yield should have been compressed for improved market condition since year 2015; however, due to the current market uncertainty caused by the COVID-19 pandemic which has disrupted economic activity across most economies, a downward adjustment of 25 basis point was adjusted to reflect the differences in market expectations during the year of transaction of the comparable and the property being valued now.</p> <p>An upward adjustment of 50 basis point was considered as the Subject Property conveys a leasehold interest whilst Da Men Mall conveys an interest in perpetuity.</p>	<p>We have considered Tropicana City Mall (now known as 3 Damansara) a dated sale and the transacted yield should have been compressed for improved market condition since year 2015; however, due to the current market uncertainty caused by the COVID-19 pandemic which has disrupted economic activity across most economies, a downward adjustment of 25 basis point was adjusted to reflect the differences in market expectations during the year of transaction of the comparable and the property being valued now.</p> <p>An upward adjustment of 50 basis point was considered as the Subject Property conveys a leasehold interest whilst Tropicana City Mall conveys an interest in perpetuity.</p>	<p>We have considered Pavilion Kuala Lumpur Mall a dated sale and the transacted yield should have been compressed for improved market condition since year 2011; however, due to the current market uncertainty caused by the COVID-19 pandemic which has disrupted economic activity across most economies, no adjustment (off-set) is made for prevailing market condition.</p> <p>Since both the Subject Property and Pavilion Kuala Lumpur Mall convey leasehold interest, hence no adjustment was made</p>
Adjusted Yield	6.02%	6.48%	6.36%	6.37%

Notes:

- (1) Consideration analysed excluding car park bays and annualised Net Property Income (NPI) is derived from historical performance of January to May 2017, inclusive of income from Elite Pavilion Mall, Extension-Connections, Subway Linkage, advertising income, storage income and other related income but excluding interest income and car park income.
- (2) Estimated NPI after deducting the outgoings from the guaranteed rent of RM9.20 psf
- (3) The purchase consideration includes Tropicana City Office Tower (101,246 sq ft); Forecast NPI of approximately RM16.50 million for the period ending 31/12/2015
- (4) Annualised NPI amounting RM18,725,000 for period 20/9/2012 -31/1/2012
- (5) NPI FY 2010

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



Summary of Parameters – Income Approach by DCF Method	
Common Parameters (Cont'd)	
Discount Rate (Present Value)	<p>8.50%.</p> <p>Our interpretation of discount rate is based on our perceived risk versus the return required, looking at the rates of return of similar asset classes. A general way of determining the discount rate is to adopt the ten (10)-year risk free interest (about 3%) (source: Bank Negara Malaysia) plus additional anticipated risk premium (4% - 6%) associated with the asset class. The anticipated risk perception involved, amongst others, include factors relating to perceived risk of market uncertainty and lack of liquidity associated with the property (typically relates to extra return demanded by market participants in an investment above the risk-free rate).</p> <p>With the current low interest rate environment, a discount rate of 8.50% is adopted for the Subject Property; which is about 2.00% higher than the expected rate of return. The discount rate is usually higher than the long-term capitalisation rate to reflect the additional risk premium of the asset.</p> <p>Discount rate is a risk-weighted factor used to calculate the net present value of the future cash flow from the asset till the time of exit. It is a measure of risk associated in the asset class and is determined typically by the market.</p>
Discount Period	10 years.
Retail	
NLA	1,748,848 square feet.
Projected Occupancy	<p>Year 1: 60.00% to Year 10: 100.00%.</p> <p>In anticipation of a gradual recovery and growth in the retail sector, we have adopted 60.0% as the estimated occupancy in Year 1 with a potential progressive take-up of 10.0% per annum as fair representation after having considered (i) the previous committed occupancy of Empire City Mall of about 60% (which were withdrawn and terminated due to delay in completion of the mall); (ii) reported committed occupancy of selected retail malls upon opening (ranging from 70% to 90%) as well as (iii) the occupancy of regional malls (NLA > 800,000 sf) (in excess of 90%); subject to the location and catchment area, concept and design of mall and scale of development.</p>
Projected Gross Retail Rental Revenue (projected revenue generating from retail lots, storage area, kiosk and promotion area)	<p>Year 1: RM6.81 psf to Year 10: RM8.74 psf; over prevailing occupied NLA.</p> <p>In our projection, we have adopted the average fair market rental of RM6.70 psf (base rental + service charge + promotion charge) for retail lots and storage area (approximately 1,670,996 square feet) at an estimated occupancy of 60.0% (Year 1) with the growth of gross rental represents a nine (9)-year CAGR of 2.80% over the course of holding period; which we deemed fair after having considered the current market condition (no increment in Y1, 1.0% in Y2, 2.0% in Y3, 3.0% in Y4, 3.5% in Y5 onwards) coupled with the historical growth trend of gross revenue of other selected retail mall (7-year CAGR of about 2.53% to 3.93%). We have also considered the potential revenue generating from kiosk and promotion area by projecting the similar take up rate + income growth as retail lots and storage area at the average rate of RM10.00 psf over total kiosk area (about 45,367 square feet) for kiosks and RM0.15 psf over total NLA for promotion area respectively as fair representation on Year 1 after having benchmarked against the receivable income of other selected comparative retail malls [ranging RM13.63 psf to RM24.16 psf over total kiosk area for kiosks RM0.03 psf to RM0.35 psf over total NLA for promotion area(s)]. In our assessment, we anticipate the market rental growth to be flat in the immediate term for one year due to the sense of uncertainty in the immediate term preceding the lifting of stay-home restrictions. We expect the flat growth transition period to last for about a year from our material date of valuation after taking into account the various assistance programs, economic stimulus packages and measures announced by the Government of Malaysia to support market recovery pursuant to the COVID-19 pandemic. Given the current active vaccination drive in recent months (with the nation strives to achieve herd community by end of year 2021), the retail industry is expected to gradually recover simultaneously. Despite the challenging environment, online channel of distribution is strengthening in the country; as most of the brick and mortar retailers had already launched their online shopping facility.</p> <p>The property market is cyclical in nature and the impact of the COVID-19 pandemic to the real estate market is expected to be transitory. As such, we expect market rental growth returning in Year 2 in anticipation of a gradual market recovery as stated above. Furthermore, the projected CAGR of 2.80% for the Subject Property is in line with the historical revenue of growth of other selected retail malls as mentioned above. Thus, we did not project any increment for retail revenue (including other income and car park revenue) given the current market uncertainty in the immediate term, and thereafter we projected a gradual increment from Year 2 onwards in anticipation of a gradual market recovery.</p>

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



Retail (Cont'd)	
<p>Projected Other Incomes (projected revenue generating from advertising and sales turnover rent)</p>	<p>Year 1: RM0.02 psf to Year 10: RM0.24 psf over total NLA.</p> <p>Other incomes referred herein comprises revenue generating from advertising and sales turnover rent. In our projection, we have benchmarked against the receivable income of other selected retail malls in Klang Valley (ranging from 0.40% to 8.74% of gross retail revenue).</p> <p>We expect the growth projections for other income component to grow in tandem with the gross rental revenue projections of retail component as the income deriving from other income is solely dependent on the performance of the retail segment. For advertisement, we have adopted a projection of 0.5% of projected retail revenue in Y1 to Y3, 1.0% of projected retail revenue in Y4 to Y6, 1.25% of projected retail revenue from Y7 onwards. For sales turnover rent, we have not projected any potential income for Y1 and Y2 in view of current market condition; and adopted a projection of 0.25% in Y3, 0.5% in Y4, 1.0% in Y5 and 1.5% of the projected retail revenue from Y6 onwards.</p>
<p>Provisional Rental Rebates</p>	<p>Year 1 to Year 5: 3.00% and Year 6 to Year 10: 2.00%; with additional rent rebates of two (2)-month and one (1)-month over gross retail revenue during Year 1 and Year 2 respectively.</p> <p>Due to the onset of COVID-19 outbreak which had caused market uncertainties, we have allowed (i) a provisional sum for rent rebates of two (2)-months and one (1)-month of the rental revenue receivable during the immediate two (2) years term (Year 1 and Year 2 respectively) after having considered historical rent rebates offered and granted to the non-essential services tenant by landlord of selected retail malls located within Klang Valley in current market condition (rent rebates ranging from 10% - 50% of the base rental up to 3 months period) and (ii) allocated a further staggered provisional rent abatement / rebates of 3.00% (Year 1 to Year 5) and 2.00% (Year 6 to Year 10) of the projected revenue over the course of the holding period, as fair representation.</p>
<p>Projected Outgoings (including service charge + sinking fund payable)</p>	<p>Year 1: RM3.08 psf to Year 10: RM3.99 psf, with a projected CAGR of 2.93%.</p> <p>In our assessment of the estimated fair outgoings of the Subject Property, we have generally made reference to the projections of outgoings for Empire City Mall as well as the other shopping malls (ranging from about RM2.59 psf to RM4.10 psf); subject to floor area, building services, design and concept of the building and other related factors. As such, we have adopted RM3.00 psf as the projected outgoings (Year 1) with a projected nine (9)-year CAGR of 3.00% over the course of the holding period as fair and adequate.</p> <p>Under the Strata Management Act 2013 (SMA), a stratified parcel proprietor has to pay service charge / maintenance fee and sinking fund contribution to the Developer / Joint Management Body / Management Corporation to facilitate the maintenance and management as well as capital expenditure of the common properties etc as set forth under Section 10, 11, 23, 24, 50 and 51 of SMA.</p> <p>Since the Subject Property is a stratified asset, in our projection, we have allocated RM0.08 psf over total NLA as the payment of service charge and sinking fund (analysed to be RM0.05 psf per month over the total retail strata floor area + additional 10% as sinking fund) as adequate and fair after having considered the latest projection provided to us by Client.</p>

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



Car Park	
Total Number of Bays	8,572 bays.
Projected Gross Revenue	Year 1: RM165 per bay / month to Year 10: RM215 per bay / month. In arriving at the projected car park revenue, we have generally made reference to the proposed car parking rates for floating and seasonal car parking bays and the potential collectable car parking income provided by the Client as well as the current average receivable revenue of other car parking bays of other selected retail malls located within Klang Valley ranging from RM162 per bay / month to RM340 per bay / month. As such, we have adopted RM165 per bay / month as fair in our Year 1 projection. We expect the growth projections for car park revenue component to grow in tandem with the gross rental revenue projections of retail component as the income deriving from car park revenue component is solely dependent on the performance of the retail segment.
Projected Operating Expenses (including service charge + sinking fund payable)	38% of the projected Gross Revenue. In our assessment for the car park operating expenses, we have benchmarked against the average car park expenses (ratio ranging from 15% to 30% of Gross Revenue) located within other selected shopping malls in Klang Valley. We have thus adopted an estimated 25% of car park gross revenue as the fair operating expenses for the car park. Similarly to the retail segment, we have allocated RM22 per bay per month as the payment of service charge and sinking fund (analysed to be RM0.05 psf per month over the total car park strata floor area + additional 10% as sinking fund) as adequate and fair after having considered the latest projection provided to us by Client.

Summary of Projected Occupancy and Gross Receivable Rental			
Year	Projected Occupancy for Retail	Projected Gross Retail Revenue (including retail revenue, other incomes less provisional rent rebates)	Projected Monthly Gross Car Park Revenue
Y1	60.00%	*RM5.83 psf	RM165 per bay
Y2	70.00%	*RM6.40 psf	RM167 per bay
Y3	80.00%	RM7.00 psf	RM170 per bay
Y4	90.00%	RM7.39 psf	RM175 per bay
Y5	100.00%	RM7.52 psf	RM181 per bay
Y6	100.00%	RM7.71 psf	RM188 per bay
Y7	100.00%	RM8.31 psf	RM194 per bay
Y8	100.00%	RM8.48 psf	RM201 per bay
Y9	100.00%	RM8.57 psf	RM208 per bay
Y10 / Terminal	100.00%	RM9.21 psf	RM215 per bay

Note: * Analysed revenue over total occupied NLA after the provisional rent rebates due to COVID-19

Basis II – Comparison Approach

The approach is defined herein before.

Retail Area

We have identified and analysed the selected sales evidences of retail mall and summarised the details in the tables attached overleaf.

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



Sales Comparison and Analysis of Retail Mall Transactions				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name and Address	Proposed Pavilion Bukit Jalil, Bukit Jalil, Kuala Lumpur	Da Men Mall, No. 1, Persiaran Kewajipan, USJ 1, 47600 Subang Jaya, Selangor Darul Ehsan	Subang Avenue Shopping Complex, Jalan Kemajuan Subang, SS 16, 47500 Subang Jaya, Selangor Darul Ehsan	Tropicana City Mall (now known as 3 Damansara), No. 3, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan
Legal Description	Lot 101899 held under Title No. Geran 79550, Mukim Petaling, District of Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Parent Lot 91576 held under Master Title No. Geran 320023, Pekan Subang Jaya, District of Petaling, Selangor Darul Ehsan	Parent Lot 62005 held under Master Title No. GRN 188213, Bandar Subang Jaya, District of Petaling, Selangor Darul Ehsan	Parent Lot 45821 Seksyen 39 held under Master Title No. Geran 54431, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan
Type of Property	A block of retail mall with 5 levels of retail space and two levels of basement parking (4,717 car parking bays & 1,179 motorcycle bays), a centralised green area (3.69 acres) and supporting infrastructure	A five (5)-storey retail mall together with a lower ground floor and two (2)-level of basement car parks (1,638 bays)	A five (5) levels of retail units and three (3) levels of basement car parks area from Basement 1 to Basement 3 with 680 car parking bays	A four (4)-storey shopping mall and part of lower ground, Basement 1, Basement 2 and Basement 3 comprising 1,759 car parking bays
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Age of Property	To be completed in March 2021	Completed in Q3 / Q4 2015	Approximately 4 years	About 6 years
Net Lettable Area	1,839,914 square feet	420,920 square feet	213,354 square feet	448,248 square feet
Consideration	28 th May 2019	17 th September 2015 and 18 th March 2016	27 th February 2015	26 th January 2015
Date of Announcement / Transaction	RM1,480,000,000	RM486,844,000	RM139,500,000	RM472,982,143
Analysis	RM804 per square foot	RM1,157 per square foot	RM654 per square foot	RM1,055 per square foot
Adjusted Analysis	RM702 per square foot (excluding car park value of approximately RM40,000 per bay)	RM1,032 per square foot (excluding car park value of approximately RM34,000 per bay)	RM590 per square foot (excluding car park value of approximately RM20,000 per bay)	RM923 per square foot (excluding car park value of approximately RM33,750 per bay)
Vendor	Pioneer Heaven Sdn Bhd; a wholly owned subsidiary of Malton Berhad (held via Kumpulan Gapadu Sdn Bhd)	Equine Park Country Resort Sdn Bhd, a wholly-owned subsidiary of Taman Equine (M) Sdn Bhd with its ultimate holding company as Global Oriental Berhad.	Sime Darby Brunfield Properties Holding Sdn Bhd, an indirect subsidiary of Sime Darby Berhad.	Tropicana City, a wholly-owned subsidiary of Bakat Rampai Sdn Bhd, which in turn is a wholly-owned subsidiary of Tropicana Corporation Berhad.
Purchaser	Regal Path Sdn Bhd, a wholly-owned subsidiary of Amberstraits Sdn Bhd (100% owned by Khuan Choo Realty Sdn bhd); which in turn is a wholly-owned subsidiary of Malton Berhad	AmTrustee Berhad (now known as MTrustee Berhad), as trustee of Pavilion REIT.	Subang UEP Properties Berhad and Subang Mall Property Sdn Bhd	AmTrustee Berhad, acting solely in capacity as Trustee for CapitaMalls Malaysia Trust.

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



Sales Comparison and Analysis of Retail Mall Transactions (Cont'd)				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Bursa Malaysia Securities Berhad	Bursa Malaysia Securities Berhad / Circular dated 17 th September 2015 and 18 th March 2016	Bursa Malaysia Securities Berhad	Bursa Malaysia Securities Berhad
Remarks	-	-	-	Tropicana City Mall was transacted along with Tropicana City Office Tower for a total consideration of RM540,000,000 (a discount of 3.57% from the valuation appraised by Henry Butcher Malaysia Sdn Bhd). No detailed breakdown of the purchase consideration was reported; thus, our analysis for the Mall + Car Park was derived based on the appraised value(s) reported at RM490,500,000 less the analysed discount granted as shown in the final consideration
Adjustments	General adjustments are made for prevailing market condition, location, tenure, tenant mix / market positioning and establishment / management of the mall	General adjustments are made for prevailing market condition, accessibility, occupancy, tenure, NLA and establishment / management of the mall	General adjustments are made for prevailing market condition, exposure / visibility, tenure, NLA, building specifications / quality / design / layout and age of building	General adjustments are made for prevailing market condition, occupancy, tenure, NLA, establishment / management of the mall and condition / age of building
Adjusted Value	RM500 per square foot	RM488 per square foot	RM527 per square foot	RM533 per square foot

Valuation Rationale

From the above adjusted values, we note that the derived values ranged between RM488 per square foot to RM533 per square foot. In view of limited recorded transactions of identical shopping malls in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued.

Although total adjustments (in excess of 30%) were considered and made in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant as most of the selected comparable(s) are considered to have relatively similar attributes as compared to the Subject Property. With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 1 (being the latest transaction with least dissimilarities) as fair representation after having considered and made diligent adjustments for differences including but not limited to prevailing market condition, location, tenure, tenant mix / market positioning and establishment / management of the mall. Based on the foregoing, we have thus adopted a round up value (excluding car park bays) of RM875,000,00 (analysed to be RM500 per square foot) in our valuation as fair representation by using Comparison Approach.

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



MARKET VALUE (CONT'D)

Car Parking Bays We have also identified and analysed the selected sales evidences of car park and summarised the details in the tables attached below.

Sales Comparison and Analysis of Car Park Transactions			
	Comparable CP 1	Comparable CP 2	Comparable CP 3
Type of Property	1,519 car parking bays located within Block A, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor	1,638 designated car parking bays located within da:mén USJ Shopping Mall (currently known as Da Men Mall), No. 1, Persiaran Kewajipan, USJ 1, Subang Jaya, Selangor Darul Ehsan	1,759 car parking bays located within Tropicana City Mall (now known as 3 Damansara), No. 3, Jalan SS 20/27, Petaling Jaya, Selangor Darul Ehsan
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Estimated Consideration	RM16,394 per bay	RM34,000 per bay	RM33,750 per bay
Date of Announcement / Transaction	1 st September 2016	17 th September 2015	26 th January 2015
Vendor	Dicorp Land Sdn Bhd, a subsidiary of Bakat Rampai Sdn Bhd, which in-turn a subsidiary of Tropicana Corporation Berhad	Equine Park Country Resort Sdn Bhd	Tropicana City, a wholly-owned subsidiary of Bakat Rampai Sdn Bhd, which in turn is a wholly-owned subsidiary of Tropicana Corporation Berhad
Purchaser	SCP Assets Sdn Bhd	MTrustee Berhad, on behalf of Pavilion REIT	AmTrustee Berhad, acting solely in capacity as Trustee for CapitaMalls Malaysia Trust
Source	Bursa Malaysia Securities Berhad	Bursa Malaysia Securities Berhad / Circular dated 17 th September 2015 and 18 th March 2016	Bursa Malaysia Securities Berhad
Remarks	-	-	The 1,759 car parking bays was transacted along with Tropicana City Mall and Tropicana City Office Tower for a total consideration of RM540,000,000 (a discount of 3.57% from the valuation appraised by Henry Butcher Malaysia Sdn Bhd). No detailed breakdown of the purchase consideration was reported; thus, our analysis for the Car Park was derived based on the appraised value(s) reported at RM35,000 per bay less the analysed discount granted as shown in the final consideration
Adjustments	General adjustments are made for prevailing market condition, integrated development / establishment and tenure	General adjustments are made for prevailing market condition, integrated development / establishment and tenure	General adjustments are made for prevailing market condition, integrated development / establishment and tenure
Adjusted Value	RM16,353 per bay	RM17,850 per bay	RM17,719 per bay



MARKET VALUE (CONT'D)

Valuation Rationale

From the above adjusted values, we note that the derived values ranged between RM16,353 per bay to RM17,850 per bay. In view of limited recorded transactions of identical car park transactions in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued.

Although total adjustments (in excess of 15%) were considered and made in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant as most of the selected comparable(s) are considered to have relatively similar attributes as compared to the Subject Property. With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 1 as fair representation after having considered and made diligent adjustments for differences including but not limited to prevailing market condition, integrated development / establishment and tenure. Based on the foregoing, we have thus adopted a round up value for the car parking abys to be RM140,000,000 (analysed to be RM16,332 per bay) in our valuation as fair representation by using Comparison Approach.

Reconciliation of Value

Basis	Valuation Methodology	Derivation of Values
Basis I	Income Approach by Residual Method	RM480,000,000
Basis II	Income Approach by DCF Method	RM1,000,000,000
	Comparison Approach	RM1,015,000,000

Basis I

In a valuation of a homogeneous real estate such as vacant lands and residential homes, the Comparison Approach is the most appropriate method of valuation as there are less adjustments and analysis on comparable(s). However, in the case of on-going developments which are under construction, qualitative and quantitative adjustments are more difficult to compute or gauge to reflect the differences (in terms of amount billed and value of work done to-date certified by relevant consultants). Therefore, we have considered the Income Approach by Residual Method as the most reliable and appropriate method of valuation to derive at our opinion for Market Value for Basis I.

Basis II

Taking into consideration that the Subject Property is a commercial and an income generating property, we have adopted the Market Value as derived from the Income Approach by DCF Method as a fair representation for the Subject Property supported by the Market Value derived from the Comparison Approach.



MARKET VALUE (CONT'D)

We are of the opinion that the **Market Value** of the legal interest in the Subject Property; as a retail mall + car park podium comprising relevant areas and components forming stratified parcels (retail and car park) + accessory parcels attached and appurtenant thereto with a combined proposed strata floor area(s) of 534,515.52 square metres (5,753,525 square feet) together with all fixtures, fittings and equipment + systems affixed and installed therein and other supporting facilities and amenities attached thereto, all forming part of an upcoming commercial / retail podium to be known as Empire City Mall within a self-contained integrated mixed-use development collectively identified as Empire City; sited on part of Parent Lot 90573 held under Master Title No. PN 116964 (formerly known as part of Parent Lot 86342 and Lot 72082 held under Master Title No. PN 95202 and PN 108871 respectively), Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan, on the basis of vacant possession, subject to the construction contracts awarded, on the basis / assumptions and limitations stated herein and the forthcoming strata title(s) being free from all encumbrances, good, marketable and registrable, as at 15th September 2021 are as follows:-

BASIS I: "AS IS WHERE IS" BASIS; AS AN ON-GOING (CONSTRUCTION OF THE MAIN BUILDING (INTERNAL WORKS) IN PROGRESS WITH CONSTRUCTION WORKS CERTIFIED COMPLETED TO DATE) RETAIL MALL + CAR PARK PODIUM COMPRISING RELEVANT AREAS AND COMPONENTS FORMING STRATIFIED PARCELS (RETAIL AND CAR PARK) + ACCESSORY PARCELS ATTACHED AND APPURTENANT THERETO WITH A COMBINED PROPOSED STRATA FLOOR AREA(S) OF 534,515.52 SQUARE METRES (5,753,525 SQUARE FEET) TOGETHER WITH ALL FIXTURES, FITTINGS AND EQUIPMENT + SYSTEMS AFFIXED AND INSTALLED THEREIN AND OTHER SUPPORTING FACILITIES AND AMENITIES ATTACHED THERETO; ALL FORMING PART OF AN UPCOMING COMMERCIAL / RETAIL PODIUM TO BE KNOWN AS EMPIRE CITY MALL

Market Value: RM480,000,000 (Ringgit Malaysia Four Hundred and Eighty Million Only).

- BASIS II:**
- I. ON THE ASSUMPTION THAT THE PROPOSED AMENDMENTS TO THE BUILDING PLANS IN ACCORDANCE TO THE PROPOSED STRATA PLANS DATED 2ND FEBRUARY 2021 PREPARED BY EDA ARCHITECTS WILL BE SUBMITTED AND APPROVED BY THE RELEVANT AUTHORITIES;
 - II. THAT THE PROPOSED STRATIFIED RETAIL PARCEL(S) WILL HAVE A COMBINED STRATA FLOOR AREA(S) OF ABOUT 222,762.47 SQUARE METRES (2,397,815 SQUARE FEET) IN ACCORDANCE TO THE PROPOSED STRATA PLANS DATED 2ND FEBRUARY 2021 AND A NET LETTABLE AREA OF 162,471.84 SQUARE METRES (1,748,848 SQUARE FEET) IN ACCORDANCE TO THE PROPOSED RETAIL LAYOUT PLAN DATED 25TH JANUARY 2021;
 - III. THAT THE PROPOSED STRATIFIED CAR PARK PARCEL(S) WILL HAVE A COMBINED STRATA FLOOR AREA(S) OF ABOUT 311,753.05 SQUARE METRES (3,355,710 SQUARE FEET) IN ACCORDANCE TO THE PROPOSED STRATA PLANS DATED 2ND FEBRUARY 2021 AND A TOTAL OF 8,572 CAR PARK BAYS WILL BE PROVIDED WITHIN THE SUBJECT PROPERTY;
 - IV. ON THE BASIS AND ASSUMPTION THAT THE RETAIL MALL + CAR PARK PODIUM COMPRISING RELEVANT AREAS AND COMPONENTS FORMING STRATIFIED PARCELS (RETAIL AND CAR PARK) + ACCESSORY PARCELS ATTACHED AND APPURTENANT THERETO WITH A COMBINED PROPOSED STRATA FLOOR AREA(S) OF 534,516 SQUARE METRES (5,753,525 SQUARE FEET) TOGETHER WITH ALL FIXTURES, FITTINGS AND EQUIPMENT + SYSTEMS AFFIXED AND INSTALLED THEREIN AND OTHER SUPPORTING FACILITIES AND AMENITIES ATTACHED THERETO ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE TO THE APPROVED BUILDING PLANS; WITH ALL RELEVANT FEES (IF ANY) FULLY PAID AND THEREAFTER ISSUED WITH CERTIFICATE OF COMPLETION AND COMPLIANCE (CCC);
 - V. THAT THE UPCOMING RETAIL MALL + CAR PARK PODIUM WILL BE SUITABLY FURNISHED, FITTED AND EQUIPPED WITH FIXTURES, FITTINGS, EQUIPMENT AND SYSTEMS ALONG WITH OTHER SUPPORTING FACILITIES AND SPECIFICATIONS TO COMMENSURATE TO THE PROPOSED STANDARD AND RATING IN ACCORDANCE TO THE APPROVED BUILDING PLANS AND / OR PROPOSED DESIGN CONCEPT;

APPENDIX III – VALUATION CERTIFICATE ON EMPIRE CITY MALL (cont'd)



MARKET VALUE (CONT'D)

- BASIS II:**
- VI. THAT ALL THE PROPOSED INGRESS AND EGRESS ROAD / BYPASS NETWORKS TO / FROM THE DEVELOPMENT TOGETHER WITH ALL COMMON SUPPORTING INFRASTRUCTURE ARE FULLY COMPLETED;**
 - VII. THAT SEPARATE BLOCK / STRATA TITLE(S) TOGETHER WITH ACCESSORY PARCELS ATTACHED THERETO CONVEYING LEASEHOLD INTEREST FOR A TERM OF 99 YEARS IN RESPECT OF THE SUBJECT PROPERTY ARE FORTHCOMING AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES AND RESTRICTIVE CONDITIONS OVER THE DESIGNATED STRATA FLOOR AREA(S) STATED HEREIN.**

Market Value: RM1,000,000,000 (Ringgit Malaysia One Billion Only).

“IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED”

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(signed and sealed by)



OOI HSIEN YU
Registered Valuer, V-692
MRISM, MRICS, MPEPS

Date: **01 OCT 2021**

Notes: -

- i) Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.
- ii) The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Mr. Chong Teck Seng (Registered Valuer, V-331)



FHMH Corporate Advisory Sdn Bhd
Company No. 200701016946 (774955-D)
(CMSL / A0212 / 2007)
BakerTilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

T: +603 2297 1150
F: +603 2282 9982

info@bakertilly.my
www.bakertilly.my

10 December 2021

The Board of Directors
RUBBEREX CORPORATION (M) BERHAD
Lot 138201, Off ¾ Mile
Jalan Bercham, Kawasan Perindustrian Bercham
31400, Ipoh
Perak

Strictly Private & Confidential

Dear Sirs

PROPOSED EVALUATION OF THE FAIR MARKET VALUE OF THE ENTIRE EQUITY INTEREST IN A JOINT-VENTURE COMPANY, ALLIANCE EMPIRE SDN BHD (“ALLIANCE EMPIRE” OR “TARGET COMPANY”) FOR A CORPORATE EXERCISE INVOLVING THE TARGET COMPANY AND RUBBEREX CORPORATION (M) BERHAD (“RUBBEREX” OR THE “COMPANY”) (“PROPOSED CORPORATE EXERCISE”) (“PROPOSED EVALUATION”)

1. INTRODUCTION

We understand that the Company intend to undertake a joint collaboration with Alliance Premier Sdn Bhd (“**Alliance Premier**”), Exsim Holdings Sdn Bhd (“**EXSIM**”) and JT Momentum Sdn Bhd (“**JT Momentum**”) in respect of a development and operation of a shopping mall known as Empire City Mall. In conjunction with the former, the Company has entered into a proposed subscription of 200,000 new ordinary shares or 20.0% equity interest of the enlarged share capital in Alliance Empire for a subscription price of RM180.0 million to be satisfied fully by cash (“**Proposed Subscription**”). FHCA has been appointed by the Board on 9 August 2021 as an Independent Business Valuer to assess and provide an opinion on the fair market value of the entire equity interest in the Target Company (“**Letter**”).

As part of the conditions precedent stipulated in the subscription agreement entered between Alliance Empire and Rubberex dated 4 October 2021 (“**Subscription Agreement**”), it is noted that prior to the completion of the SSA, Alliance Premier, EXSIM and JT Momentum shall be the shareholders of Alliance Empire. Furthermore, the subscription payment of RM90.00 million payable by Alliance Empire, EXSIM and JT Momentum should be adequate to fund the construction costs of Empire City Mall up until the grant of Certificate of Completion and Compliance (“**CCC**”). Accordingly, the Proposed Subscription will be based on the fair market value of the Empire City Mall on the assumption that the CCC is obtained and appraised by the appointed independent property valuer.

2. BACKGROUND INFORMATION ON ALLIANCE EMPIRE

Alliance Empire was incorporated in Malaysia under the Companies Act, 2016 on 24 June 2021 as a private limited company, with primary business operations being real estate activities, i.e. operating, selling or leasing of space in non-residential buildings.

As at the date of this Letter, the total authorised and paid-up share capital of Alliance Empire is RM2.00, comprising of two (2) ordinary shares of RM1.00 each. Alliance Empire is wholly owned by Alliance Premier Sdn Bhd, and was incorporated as a Joint Venture Company (“**JVC**”) involving the Company to collaborate in respect of the development and operation of Empire City Mall. In relation to the collaboration described above, a shareholders agreement between the Company, Alliance Premier, EXSIM, JT Momentum and Alliance Empire was signed on 4 October 2021 (“**Shareholders’ Agreement**”).



3. TERMS OF REFERENCE

Sources of Information

The sources of information which we have used to form our opinion on the fair market value of Alliance Empire are as follows:-

- (i) Management Accounts (“**MA**”) of Alliance Empire for Financial Period Ended (“**FPE**”) 30 September 2021;
- (ii) Property Valuation Report for Empire City Mall prepared by Knight Frank Malaysia Sdn Bhd (“**Knight Frank**”) dated 1 October 2021 (“**Property Valuation Report**”);
- (iii) Representation and explanation by the directors of CASB and Rubberex (the “**Management**”);
- (iv) Subscription Agreement;
- (v) Shareholders’ Agreement; and
- (vi) Other publicly available information in respect of Empire City Mall.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the information provided to us. We have also relied on the Board and Management to exercise due care to ensure that all information and documents provided to us and that all relevant facts, information and representations necessary for our evaluation of the Proposed Subscription have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

Based on the reviews and enquiries made by us and taking into consideration the Property Valuation Report conducted by Knight Frank, we are satisfied that the information and documents provided by Alliance Empire and Rubberex to us are sufficient, and we have no reason to believe that any such information provided to us is untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this Letter. We have also assumed that the Proposed Subscription will be implemented based on the terms as set out in the Subscription Agreement and Shareholders’ Agreement, both dated 4 October 2021 without material waiver or modification.

It should be noted that the valuation in itself is highly dependent on, amongst others, the fair market value of Empire City Mall ascertained by Knight Frank as per the Property Valuation Report, as well as the bases and assumptions used therein. It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports were based. As such, the adoption of such assumptions does not imply that we warrant their validity or achievability. It is also based on prevailing economic, market and other conditions that may change significantly over a relatively short period of time.

Date of Opinion

The date of our opinion is 10 November 2021 (herein also referred to as the “**Date of Opinion**”).

Scope and Limitation of Review

FHCA was not involved in the formulation of the Proposed Subscription or any deliberation and negotiation on the terms and conditions of the Proposed Subscription. Our role as the Independent Business Valuer does not extend to expressing an opinion on the commercial merits of the Proposed Subscription. The assessment of the commercial merits of the Proposed Subscription is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Subscription.

The directors and Management are responsible to make available to us all relevant information pertaining to the above evaluation exercise, including informing us of any material changes in the subject matters which may have an impact on our opinion.



Our work includes holding discussions and making enquiries from the directors and Management regarding representations made on Alliance Empire and Rubberex. We rely on the directors and Management's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees be liable for any misrepresentations by the directors and Management.

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Letter. Further, certain information relied upon are only representation of the directors and Management, as well as reliance on third party experts as explained in the relevant sections of this Letter.

FHCA is satisfied with the review undertaken and opinion provided by Knight Frank and we have no reason to believe that any information and/or documents provided by Knight Frank is untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this Letter.

The preparation of the Letter is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by the Management. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given by FHCA that the information and documents provided will remain unaltered subsequent to the issuance of the Letter. However, should FHCA become aware of any significant change affecting the information contained in this Letter; being informed of any material changes in the subject matters which may have an impact on FHCA's opinion or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive that there are material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be issued to the Board.

We have obtained a responsibility statement from the directors and Management that all material facts, financial and other information essential to our evaluation have been disclosed to us and that they have seen this Letter and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Letter, and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

4. FAIR MARKET VALUATION OF EMPIRE CITY MALL BY KNIGHT FRANK

4.1 Credentials of Knight Frank

Knight Frank was established in year 2002 and is known as a leading independent real estate consultancy in Malaysia. Knight Frank is registered with the Board of Valuers, Appraisers and Estate Agents and is licensed to undertake property valuations, consultancies, estate agency and property management, Knight Frank is also on the panel of all leading banks and financial institutions.

The experience and qualification of Knight Frank's consultants who are involved in the Proposed Subscription are as follows:-

Ooi Hsien Yu, Keith (Deputy Managing Director)

Having over 18 years of experience in real estate valuation and consultancy services, Keith holds a Degree in Business in Property from RMIT University, Australia. He was the Country Head of Knight Frank, Cambodia prior returning to Knight Frank. Keith currently co-heads the Valuation and Advisory business in Malaysia and is held responsible for undertaking and managing large scale of corporate valuation related work, in particular, valuation for submissions to the Securities Commission Malaysia as well as Bursa Malaysia. Notable involvements of Keith includes the Initial Public Offering ("IPO") / Listing and subsequent acquisition of properties by Sunway and Pavilion Real Estate Investment Trusts ("REITS").

Keith is also a Registered Valuer, Estate Agent and Property Manager, an Executive Committee Member of Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector, Malaysia and Members of Royal Institution of Chartered Surveyors, Royal Institution of Surveyors, Malaysia, Malaysian Institute of Property & Facility Managers and the International Association of Certified Valuation Specialists.



Chong Teck Seng (Senior Executive Director)

Chong possesses more than 34 years of working experience within the real estate industry. His expertise includes the valuation of a wide spectrum of properties, in particular, mega commercial and township projects, hotels, retail and office complexes, industrial premises and resort properties for varied purposes. His works are being used mainly for the objective of financing, accounting, sale and acquisitions, compulsory acquisitions, assessment and appeals, as well as submissions to authorities such as, the Securities Commission Malaysia, Foreign Investment Committees as well as asset management companies. Chong have also participated in two (2) major corporate valuations in relation to the Sunway and Pavilion REITS.

4.2 Review of Property Valuation Report

Knight Frank was appointed by Cosmopolitan Avenue to prepare a Property Valuation Report for Empire City Mall. According to Knight Frank, the Property Valuation Report was prepared in accordance with the Malaysia Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents of Malaysia, as well as the Asset Valuation Guidelines issued by the Securities Commission Malaysia. Further to the above stated, Knight Frank have also established peer review and vetting processes on the prepared Property Valuation Report to ensure and maintain excellent quality of the report.

Based on the Property Valuation Report prepared by Knight Frank, three (3) different valuation approaches were adopted in the assessment of the market value of Empire City Mall, of which are summarised as follows:-

Valuation Methodology	Description	Market Value RM
Residual Methodology	Market value of a property derived from the residual method is calculated by deducting the gross development cost and profit from the gross development value of the subject property, which is then discounted at an appropriate rate to reflect the inherent risk and holding cost for the period of development.	480,000,000
Discounted Cash Flow (“DCF”) Methodology	There are broadly three components within the DCF methodology: the expected cash inflows, the expected cash outflows and the present valuing of the net cash flow to adjust for the time value of money. The estimation of future annual cash flows are over an investment horizon from the date of valuation by reference to expected growth rates, operating expenses and terminal value.	1,000,000,000
Comparison Approach	Comparison approach entails the comparison of Empire City Mall with similar properties that have been recently sold or currently being offered for sale in the open market.	1,015,000,000

Knight Frank has adopted the residual methodology in consideration to the strenuous effort to gauge or compute qualitative and quantitative adjustments of the on-going developments in Empire City Mall. However, bearing in mind that Empire City Mall shall be categorized as a commercial and an income generating property, Knight Frank has also adopted the comparison approach as it fairly represent the potential of Empire City Mall.



(i) Residual Methodology

A summary of parameters assumed in the calculation of residual methodology assumed by Knight Frank are tabled as follows:-

Parameters	
Gross Development Value ^[1]	RM1,000,000,000
Gross Development Cost ^[2]	RM434,762,924
Development Period ^[3]	2 years
Discount Rate ^[4]	8.50%

Note:

- [1] The gross development value was derived from the DCF methodology, supported by the comparison approach.
- [2] The gross development cost was estimated based on the total awarded contract sum as extracted from the Verification Report prepared by Perunding PQS in relation to Empire City Mall and other awarded contracts to construct and complete buildings of similar type. An industry average costing extracted from the analysis was applied when determining the gross development cost of Empire City Mall.
- [3] The development period is derived upon consideration of the type, concept, and scale of the Empire City Mall. Knight Frank have taken in account the current workdone-to-date of the Empire City Mall, the proposal for a two (2) years development programme furnished by Cosmopolitan Avenue as well as other anticipated construction period of selected retail malls of similar description (typically ranged between 2 years to 4 years).
- [4] The discount rate was derived from an additional 2.00% on top of the expected rate of return of Empire City Mall. The rate of return of 6.50% was assumed by Knight Frank based on the adjusted yield of comparable properties to Empire City Mall, ranging from 6.02% to 6.48%. Discount rates are generally higher than the rate of return to reflect additional risk premium of the subject asset, as assets (in this case, the Empire City Mall) generally have a more significant degree of price volatility.

Following the analysis and computation above, Knight Frank have opined that the market value of Empire City Mall derived via the residual methodology to be **RM480,000,000**.

(ii) DCF Methodology

- The DCF analysis performed by Knight Frank was made over a ten (10) year investment horizon for Empire City Mall, assuming that the Empire City Mall will be sold at the commencement of the terminal year of the cash flow projection. The adoption of the above investment horizon is to allow investors or owners of the asset to assess the long-term return that is likely to be derived from the Empire City Mall in such a manner as to attain the desired level of investment return to commensurate with the risk of the same.
- Parameters used in the 10-year DCF analysis are summarised as follows:-

Parameters	
Capitalisation Rate ^[1]	6.50%
Discount Rate ^[2]	8.50%
Void Allowance ^[3]	10.00%
<u>Retail</u>	
Net Lettable Area ("NLA")	1,748,848 square feet
Projected Occupancy	60.00% ~ 100.00%
Projected Gross Retail Rental Revenue	RM6.81 ~ RM8.74 per square feet
Projected Other Incomes	RM0.02 ~ RM0.24 per square feet

**APPENDIX IV – EVALUATION REPORT ON THE PROPOSED SUBSCRIPTION BY FHCA
(cont'd)**



Parameters	
Provisional Rental Rebates	2.00% ~ 3.00%
Projected Outgoings Car Park	RM3.08 ~ RM3.99 per square feet
Total Number of Bays	8,572
Projected Gross Revenue	RM165 ~ RM215 per bay/month
Projected Operating Expenses	38.00% of the projected Gross Revenue

Notes:

- [1] Knight Frank assumed a capitalisation rate of 6.50% based upon the adjusted yield of comparable properties ranging from 6.02% to 6.48%. Adjustments were made to reflect differences in current market expectations as opposed to the year of transaction of the comparable properties.
- [2] The discount rate was derived from an additional 2.00% on top of the expected rate of return of Empire City Mall. Discount rates are generally higher than the rate of return to reflect additional risk premium of the subject asset, as assets (in this case, the Empire City Mall) generally have a more significant degree of price volatility.
- [3] Void allowance is adopted to represent unforeseen vacancies, possible rent-free periods, fitting out periods and possibility of bad debts (which are typically 3% to 5%). In view of the current market condition and the development scale of Empire City Mall, Knight Frank has adopted a higher provision for void allowance at 10% (which is determined as 3.6 months of rent-free period for a typical 3-year tenancy term).

With reference to the above stated, the DCF methodology have suggested the market value of Empire City Mall to be **RM1,000,000,000**.

(iii) Comparison Method

Comparable sales evidence considered by Knight Frank are summarised as follows:-

Retail

Date of Transaction/ Announcement	Property	NLA square feet	Consideration	Value per square foot RM	Adjusted value per square foot ^[1]
28 May 2019	Pavilion, Bukit Jalil	1,839,914	1,480,000,000	804	500
17 September 2015, 18 March 2016	Da Men Mall, Subang Jaya	420,920	486,844,000	1,157	488
27 February 2015	Subang Avenue Shopping Complex, Subang Jaya	213,354	139,500,000	654	527
26 January 2015	Tropicana City Mall (3 Damansara), Petaling Jaya	448,248	472,982,143	1,055	533

Note:

- [1] Knight Frank have made adjustments to the value per square foot of the above property to account for prevailing market condition, occupancy, tenure, NLA, establishment of the mall and the condition, specifications, quality or age of the respective properties.



Car Park

Date of Transaction /Announcement	Car Park Location	Value per bay	Adjusted value per bay ^[1] RM
1 September 2016	Block A, Damansara Intan	16,394	16,353
17 September 2015	Da Men Mall, Subang Jaya	34,000	17,850
26 January 2015	Tropicana City Mall (3 Damansara), Petaling Jaya	33,750	17,719

Note:

[1] Knight Frank have made adjustments to the value per bay of the above car parks to account for prevailing market condition, integrated development, establishment of the building as well as the tenure.

Knight Frank have identified Pavilion, Bukit Jalil and Block A, Damansara Intan as the best comparable property and car park as they possess the most similar attributes to Empire City Mall. As such, the market value of Empire City Mall is calculated based on the adjusted value per square feet and per bay of RM500 and RM16,332 respectively, amounting to a total market value of **RM1,015,000,000**.

We are of the opinion that the above assumptions have been reasonably formed and inline with the usual practices within the Real Estate Industry, taking into consideration that the Empire City Mall is a commercial property and is expected to generate future economic benefits to Alliance Empire. As concluded by Knight Frank, the market value of RM1,000,000,000 derived from the DCF methodology reflects the true potential of Empire City Mall upon obtainment of the CCC.

5. VALUATION METHODOLOGY

Basis and Methodology Used to Form an Opinion on Valuation

In establishing our opinion on the fair value of the entire equity interest in Alliance Empire, which is the subject of the Proposed Subscription, FHCA has considered various methodologies, which are commonly used for evaluation and took into consideration Alliance Empire’s future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its operations.

Based on the above, FHCA had adopted the Revalued Net Asset Valuation (“**RNAV**”) as the sole methodology to assess the fair value of Alliance Empire. Further to the above, FHCA had also considered other valuation methodologies and found that the following methodologies are not suitable in the assessment of the fair value of Alliance Empire.

RVA method seeks to compare a company’s implied trading multiple to that of comparable companies to determine the firm’s financial worth. Under the RVA, reference will be made to the valuation statistics of publicly listed companies with principal activities that we consider broadly comparable to the business of Alliance Empire to get an indication of the current market expectation with regards to the implied value of Alliance Empire.

The RVA method is not likely to accurately reflect the fair value of Alliance Empire as Alliance Empire have not commenced any of its business operations as of the date of this Letter.

RNAV Methodology

The RNAV Methodology seeks to adjust the net assets (“**NA**”) or net liability (“**NL**”) value of a company taking into consideration the revaluation of assets of a company. Based on the management accounts of Alliance Empire and the fair value of its assets (e.g. fair value of Empire City Mall upon completion of construction). The RNAV is computed in the following manner:-

$$\text{RNAV} = \text{Current NA value} - \text{contingent liabilities} - \text{deferred tax liability} + \text{valuation of assets.}$$

**APPENDIX IV – EVALUATION REPORT ON THE PROPOSED SUBSCRIPTION BY FHCA
(cont'd)**



Computation of the RNAV of Alliance Empire is as follows:-

	RM'000
NA of Alliance Empire ^[1]	479,997
Adjustments:	
Proceeds from Share Subscription ^[2]	270,000
Fair value adjustment arising from the Empire City Mall ^[3]	250,000
Adjusted NA	999,997
Less:	
Deferred Tax Liabilities ^[4]	60,000
RNAV of Alliance Empire ^[5]	939,997
@ 20% equity interest of Alliance Empire	187,999

Notes:

[1] Based on the MA of Alliance Empire as at 30 September 2021, including the acquisition of Empire City Mall, as part of a series of transactions to be undertaken as part of the Collaboration as described in Section 2.1.1 of the Circular, at the value of RM480.00 million. As such, we have assumed, without amendments, that the value of Alliance Empire shall be the NA within Alliance Empire inclusive of the acquisition value of Empire City Mall of RM480.00 million as long as the Proposed Subscription is completed within a reasonable timeframe.

[2] Amounts due from shareholders based on the terms of the SHA.

[3] Fair value adjustments were calculated as follows:

	RM'000
Revaluation of Empire City Mall	1,000
<i>Minus:</i>	
Net Asset of Alliance Empire	480
Estimated cost to complete the mall to obtainment of CCC, as per the management of CASB	270
Fair Value Adjustment	250

The value of RM1,000 million was used to calculate the adjustment as the SSA was signed on the premise that the valuation of Empire City Mall shall not be less than RM1,000 million upon obtainment of Certificate of Completion, coupled with the value prescribed by Messrs Knight Frank in the Property Valuation Report dated 1 October 2021 of RM1,000 million.

[4] Based on 24% corporate rate of the fair value adjustment of Empire City Mall accounted for as deferred tax liability in anticipation of taxable future economic benefits to be generated from the operations and/or disposal of the asset.

[5] Based on Management's representation, there are no contingent liabilities or accumulated losses in Alliance Empire as at 30 September 2021.

Premised on the analysis as presented in this section, the valuation of entire equity interest in Alliance Empire amounts to approximately RM939.99 million. As such, the fair value of 20% equity interest in Alliance Empire is equivalent to RM187.99 million. The Subscription Price represents a discount of 4.4% to the fair value of 20% equity interest in Alliance Empire.

[the remainder of this page had been intentionally left blank]



6. OUTLOOK

Malaysia Economic Outlook

The Malaysian economy experienced the full adverse impact of the COVID-19 pandemic in 2020, with real gross domestic product (“GDP”) contracting by 5.6%. However, signs of recovery emerged in late 2020, followed by a significant increase in GDP growth of 16.1% in the second quarter of 2021 compared to a plunge of 17.2% in the corresponding quarter last year. The growth was attributed to the low base effect, recovery in external demand and the gradual reopening of economic sectors amid various Movement Control Orders (“MCO”) to contain the viral infections. The implementation of eight stimulus and assistance packages totalling RM530 billion since 2020 and 2021 Budget measures to mitigate the impact on households and businesses also contributed to the growth. The growth momentum is expected to continue in the second half of the year with the implementation of the National Recovery Plan (“NRP”), an exit strategy from the health and economic crisis. The NRP entails opening up the economy in stages in line with the progress made in managing the pandemic. The acceleration of the National COVID-19 Immunisation Programme (PICK), an integral component of the NRP, is expected to enable the economy to fully open in the fourth quarter. With the favourable outlook for the fourth quarter, the economy is expected to grow between 3% – 4% in 2021.

The growth trajectory for 2022 is based on further expansion in global and domestic economic activities, fuelled by broader vaccine coverage and a further improvement in goods trade amid a slower recovery in services trade. The domestic demand recovery is projected to continue in 2022, anchored by private consumption, following the gradual improvement in labour market conditions amid a relaxation of containment measures, improved consumer sentiments and spending from the vaccine rollout as well as targeted policy support for vulnerable households. Rapid progress in the vaccination programme is also expected to release pent-up demand, particularly for domestic travel and leisure, further supporting the recovery. Stronger external demand, especially for electrical and electronics (“E&E”) products and major commodities, is expected to support the surge in exports, thus helping to maintain a surplus in the current account of the balance of payments (“BOP”). Apart from the above, all expenditure items are projected to register positive growth, albeit moderation in some items due to high-base effects and external developments. Public expenditure is projected to rebound strongly in tandem with the acceleration of large infrastructure projects. Hence, domestic demand is envisaged to further expand by 6.6%.

Private consumption is forecasted to increase at a higher pace of 7.3%. The expansion is anticipated to be supported by higher disposable income and better employment prospects, following a broad-based economic recovery. Further improvements in consumer confidence and positive wealth effect on the back of modest recovery of the stock market are also anticipated to stimulate private consumption spending. Private investment is projected to register a growth of 2.6% in tandem with the Government’s move to promote quality investment in high-technology, high value-added, knowledge-intensive and innovation-based industries. Among the high-impact industries are E&E, chemicals, machinery & equipment, aerospace and medical devices, which have strong linkages with other domestic industries. In line with the National 4IR Policy to increase the adoption of smart manufacturing and digitalisation, the Government will continue to focus on investment in smart machinery, automation and robotics, automated guided vehicle, smart logistics, Internet-of-Things and cloud-based services.

Similar to the anticipated increase in demand, all economic sectors are projected to expand on the supply side, led by the services and manufacturing sectors, accounting for more than 80% of the economy. However, the mining sector is forecasted to decline partly due to scheduled maintenance works. The normalisation of economic activities underpinned by mass vaccination is anticipated to boost wholesale and retail trade subsector and domestic tourism-related activities. The projected higher volume of manufactured products is also in line with the expected rising demand from export- and domestic-oriented industries. Positive consumer and business sentiments and expected improvement in earnings will support the recovery in the labour market, albeit at a more modest level than the pre-pandemic period. The continuation of various initiatives to stabilise the labour market and high vaccination rates are expected to provide some relief for employers in retaining their workers. Thus, the nation’s GDP is forecast to expand in the range of 5.5% – 6.5% in 2022.



The fiscal impact from the subsidy's expenditure, particularly for wage subsidy programme and special grants assistance for MSMEs under the COVID-19 Fund, will be cushioned by the expected improvements in domestic demand and external trade, enhancement of service tax collection as well as strategic efforts to expand the tax base in the near term. Thus, income from taxes on production and imports is expected to increase by 3.5%, while subsidies expenditure will decrease by 48% in 2022. As a result, taxes less subsidies on production and imports are expected to increase by 34.3% in 2022.

(Source: Ministry of Finance, Malaysia: Economic Outlook 2022)

Retail Property Outlook

The retail property sector was among the hardest hit by the Covid-19 outbreak, as movement restrictions led to closures of retail malls and non-essential businesses, closure of international borders and strict Standard Operating Procedure (“SOP”) which limited shopper / customer traffic. Retail sales growth had recorded the worst plunge at -30.9% in 2Q 2020, before a further drop of -9.7% in 3Q 2020 as businesses re-opened and some restrictions were eased. The Consumer Sentiment Index (“CSI”) climbed back to 90 points after a drop to 51 points in 1Q 2020, a positive sign.

Technology and e-commerce have become a significant part of business plans for both retailers and landlords. Store rationalization will continue but physical space remains relevant. Tenant retention and lease flexibility will impact on the performance of retail malls in Klang Valley. Upcoming retail malls with pre-leasing activities may remain competitive with existing malls. Until the pandemic is contained and international borders re-open, continuous pressure on occupancy is expected as additional retail space supply enters the market. Neighbourhood retail malls are performing better in terms of shopper traffic and occupancy, being the most convenient, catering to neighbourhood areas. Tourist focused retail malls may only see better performance when international borders re-open, while other retail malls will continue to face major challenges.

(Source: CBRE WTW Research: Real Estate Market Outlook Malaysia 2021)

The average occupancy of shopping malls in Klang Valley showed a slight improvement to 85% in Q1 2021. This was mainly contributed by neighbourhood malls. The Wage Subsidy Programme 3.0 has been extended for another three months, allocating an additional RM700 million for tourism, retail and wholesale trade and businesses. The entitlement of a 10% special electricity bill discount for shopping malls has been extended till 30th June 2021. Some mall operators have taken the impact of Covid-19 on the retail market more positively by re-strategizing their malls' positioning. For example, MyTOWN will be welcoming two new lifestyle stores, BookXcess and SSF, occupying approx. 85,000 sq ft by end of May 2021. Don Don Donki, a famous Japanese lifestyle store, opened its first store in Malaysia at Lot 10 and sets to open its second outlet at Tropicana Gardens Mall by end of 2021.

(Source: Nawawi Tie Research: Kuala Lumpur Q2 2021)

Total retail sales increased by 1.6% year-on-year to RM134.92 billion in the first three months of 2021, according to the Department of Statistics Malaysia. The increase was mainly attributable to the retail sales of automotive fuel in specialized stores, household equipment and other goods in specialized stores such as clothing, footwear, and pharmaceuticals & medical goods. This was driven by consumers' extra disposable income derived from the Malaysian government's financial assistance programmes, i-Sinar and i-Lestari. Compared to the first three months in 2019, which was before the first Movement Control Order (“MCO”), total retail sales showed a higher growth of 3.7%, year-on-year. With international borders still closed, it is still a uncertain situation for many retail businesses that have been dependent on foreign tourists especially malls located in KL city centre.

(Source: Savills Research: Kuala Lumpur Retail 1H/2021)

7. LIMITATIONS

The deadly outbreak of COVID-19 and newly introduced government policies as well as the frequently updated SOPs in purpose to curb the spread of such disease have caused certain unpredictability within the Malaysian economy, including the property market. For instance, government's initiatives to revive the economy and implementation of several MCO poses a direct impact on the demand, take up rates, rental rates, occupancy rates, holding periods, development periods and yields or expected rate of returns, which are identified as the primary drivers of the property market.



It should be noted that the valuation in itself is highly dependent on, amongst others, the rate of occupancy, demand for commercial properties, the market rental rates and risk associated therein, the achievability of the financial forecast and projection as well as the materialisation of the bases and assumptions used therein. It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports and financial forecast and projection were based.

8. CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our assessment on the fair value of the entire equity interest in Alliance Empire, which is a subject of the Proposed Subscription, FHCA has considered various valuation methodologies, which are commonly used for the evaluation and took into consideration Alliance Empire's future earning generating capabilities, projected future cash flows and its sustainability as well as various business considerations and risk factors affecting its business. FHCA had applied the RNAV methodology as the sole methodology to assess the fair value of Alliance Empire.

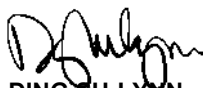
Based on the results of the RNAV, the valuation of the entire equity interest in Alliance Empire as presented in Section 5 is RM939.99 million, whereas the fair value of 20% equity interest in Alliance Empire amounts to RM187.99 million. The Purchase consideration of RM180.0 million represents a discount 4.44% to the fair value of 20% of Alliance Empire.

9. RESTRICTIONS

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than Rubberex. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided. Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Should FHCA become aware of any significant change affecting the information contained in this Letter or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be issued to the Board.

Yours faithfully
FHM CORPORATE ADVISORY SDN BHD


DING SU-LYNN
Director


NG WOON LIT
Director



Date: **16 DEC 2021**

To: **The Shareholders of Rubberex Corporation (M) Berhad**

Dear Sir/Madam,

On behalf of the Board of Directors of Alliance Empire Sdn Bhd ("**Board**") ("**Alliance Empire**"), I report after due enquiries that during the period from 24 June 2021 (being the date to which the date of incorporation of Alliance Empire) to the date hereof, being a date not earlier than 14 days before the date of issue of this Circular:

- (a) the business of Alliance Empire has, in the opinion of the Board, been satisfactory maintained;
- (b) in the opinion of the Board, since the last audited financial statements of Alliance Empire, there has been no circumstances which have adversely affected the trading or the value of the assets of Alliance Empire;
- (c) the current assets of Alliance Empire appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no other contingent liabilities by reason of any guarantees or indemnities given by Alliance Empire;
- (e) since the last audited financial statements of Alliance Empire, the Board is not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and
- (f) since the last audited financial statements of Alliance Empire, there have been no material changes in the published reserves or any unusual factors affecting the profits of Alliance Empire.

Yours faithfully,
For and on behalf of the Board of
Alliance Empire Sdn Bhd

DATO' CHEAH JOI YONG
Director

ALLIANCE EMPIRE SDN. BHD.
202101022394 (1422694-D)

~~**STYLE ALLIANCE SDN. BHD.**~~ (1147225-W)

APPENDIX VI – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENTS AND DECLARATIONS

2.1 M&A Securities

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

M&A Securities do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Principal Adviser of the Company for the Proposals.

2.2 Knight Frank

Knight Frank, being the Valuer for the Empire City Mall, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the valuation certificate as set out in Appendix III of this Circular and all references thereto in the form and context in which they appear in this Circular.

FHCA do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Valuer for the Empire City Mall.

2.2 FHCA

FHCA, being the Independent Valuer for the Proposed Subscription, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the evaluation report on the Proposed Subscription as set out in Appendix IV of this Circular and all references thereto in the form and context in which they appear in this Circular.

FHCA do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Independent Valuer of the Company for the Proposed Subscription.

3. MATERIAL CONTRACTS

(a) Rubberex

Save as disclosed below, as at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Rubberex Group during the past 2 years immediately preceding the date of this Circular:

- (i) Subscription Agreement;
- (ii) Shareholders Agreement; and

APPENDIX VI – FURTHER INFORMATION (cont'd)

- (iii) On 20 November 2020, Rubberex Alliance Sdn Bhd, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with Prisma Lengkap Sdn Bhd for the purchase of the 2 leasehold lands known as HSD 164003 PT 34587 and HSD 164000 PT 34584 both held under Mukim Sungai Terap, Daerah Kinta, Negeri Perak for a total cash consideration of RM11,390,133.26, which was completed on 22 January 2021.

(b) Alliance Empire

Alliance Empire is a special purpose vehicle set up to undertake the development and operations of Empire City Mall. Save for the contracts contemplated in relation to and arising from the Proposed Subscription, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Alliance Empire since its incorporation.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

(a) Rubberex

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

(b) Alliance Empire

As at the LPD, Alliance Empire is not engaged in any material litigation, either as the plaintiff or defendant, claims or arbitration which have a material effect on the financial position or business of Alliance Empire and the Board of Alliance Empire is not aware of any proceedings, pending or threatened against Alliance Empire, or of any other facts which is likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Alliance Empire.

5. MATERIAL COMMITMENT

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

6. CONTINGENT LIABILITIES

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the EGM:

APPENDIX VI – FURTHER INFORMATION (cont'd)

- (a) Constitution of Rubberex;
- (b) Audited consolidated financial statements of Rubberex for the FYEs 2019 and 2020 as well as latest unaudited 9-month quarterly results ended 30 September 2021;
- (c) The material contracts referred to in Section 3;
- (d) Consent letters and declarations referred to in Section 2 above;
- (e) Evaluation report on the Proposed Subscription by FHCA; and
- (f) Valuation certificate and valuation report on Empire City Mall by Knight Frank.

[The rest of this page is intentionally left blank]



RUBBEREX CORPORATION (M) BERHAD

Registration No.: 199601000297 (372642-U)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Rubberex Corporation (M) Berhad (“**Rubberex**” or the “**Company**”) will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Friday, 31 December 2021 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 SUBSCRIPTION OF 200,000 NEW ORDINARY SHARES IN ALLIANCE EMPIRE SDN BHD (“ALLIANCE EMPIRE”), REPRESENTING 20% ENLARGED EQUITY INTEREST IN ALLIANCE EMPIRE BY RUBBEREX CORPORATION (M) BERHAD (“RUBBEREX”) FOR A SUBSCRIPTION PRICE OF RM180.0 MILLION TO BE FULLY SATISFIED BY CASH (“PROPOSED SUBSCRIPTION”)

“**THAT**, subject to the passing of Ordinary Resolution 2 and the fulfilment of conditions precedent and the approvals of relevant authorities being obtained, where required, approval is hereby given for the Company to subscribe 200,000 ordinary shares in Alliance Empire, representing 20% equity interest in Alliance Empire for a subscription price of RM180,000,000 to be fully satisfied by cash, subject to the conditions and upon the terms set out in the conditional share sale agreement dated 4 October 2021 entered into between Rubberex and Alliance Empire in respect of the Proposed Subscription;

AND THAT approval be and is hereby given to the Board of Directors of the Company to sign, execute and deliver on behalf of the Company all necessary documents and to do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed Subscription, with full power and discretion to assent to or make any modifications, variations and/or amendments in any manner as may be imposed, required or permitted by the relevant authorities or deemed necessary by the Board, and to take all steps and actions as it may deem necessary or expedient in the best interests of the Company to finalise, implement and give full effect to the Proposed Subscription.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE BUSINESS ACTIVITIES OF RUBBEREX AND ITS SUBSIDIARIES INTO PROPERTY INVESTMENT INCLUDING INVESTMENT IN SHOPPING MALLS (“PROPOSED DIVERSIFICATION”)

“**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of relevant authorities and/or parties being obtained, where required, approval is hereby given to Rubberex Group to diversify its business activities to include property investment including investment in shopping malls;

AND THAT approval be and is hereby given to the Board of Directors of the Company to sign, execute and deliver on behalf of the Company all necessary documents and to do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed Diversification, with full power and discretion to assent to or make any modifications, variations

and/or amendments in any manner as may be imposed, required or permitted by the relevant authorities or deemed necessary by the Board, and to take all steps and actions as it may deem necessary or expedient in the best interests of the Company to finalise, implement and give full effect to the Proposed Diversification.”

BY ORDER OF THE BOARD

CHONG LAY KIM (SSM PC NO. 202008001920) (LS 0008373)
YENG SHI MEI (SSM PC NO. 202008001282) (MAICSA 7059759)

Company Secretaries

Ipoh
16 December 2021

Notes:

1. IMPORTANT NOTICE

Shareholders **WILL NOT BE ALLOWED** to attend the Extraordinary General Meeting (“EGM”) in person on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM using the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 23 December 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this EGM via RPV.
3. A member who is entitled to participate in this EGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. A member who has appointed a proxy or attorney or authorised representative to participate at the EGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the EGM.

9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:
- (i) In hard copy form
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronics means
The Form of Proxy can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
12. Last date and time for lodging the Form of Proxy is **Wednesday, 29 December 2021 at 10.00 a.m.**
13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
- i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - a. at least two (2) authorised officers, of whom one shall be a director; or
 - b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. Shareholders are advised to check the Company's website at www.rubberex-corp.com.my and announcements from time to time for any changes to the administration of the EGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.



RUBBEREX CORPORATION (M) BERHAD

Registration No.: 199601000297 (372642-U)
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account No.										

I / We _____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No. _____)

of _____
(FULL ADDRESS)

being a member/members of **RUBBEREX CORPORATION (M) BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company, which will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on **Friday, 31 December 2021** at **10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

* Please strikethrough the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

Resolutions		FOR	AGAINST
Ordinary Resolution 1	Proposed Subscription		
Ordinary Resolution 2	Proposed Diversification		

(Please indicate with a cross "X" in the space provided whether you wish your vote to be cast for or against the Resolutions. If in the absence of specific directions, your proxy will vote or abstain from voting as he/she thinks fit).

Signed this _____ day of _____, 2021.

Signature/Common Seal of Member^



^ *Manner of execution:*

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

Notes:

1. IMPORTANT NOTICE

Shareholders **WILL NOT BE ALLOWED** to attend the Extraordinary General Meeting ("EGM") in person on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to participate remotely via RPV.

- 2. For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 23 December 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this EGM via RPV.
- 3. A member who is entitled to participate in this EGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- 4. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.
- 5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- 7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 8. A member who has appointed a proxy or attorney or authorised representative to participate at the EGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the EGM.
- 9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:

- (i) In hard copy form
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) By electronics means
The Form of Proxy can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
12. Last date and time for lodging the Form of Proxy is **Wednesday, 29 December 2021 at 10.00 a.m.**
13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
- i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- a. at least two (2) authorised officers, of whom one shall be a director; or
- b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. Shareholders are advised to check the Company's website at www.rubberex-corp.com.my and announcements from time to time for any changes to the administration of the EGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

1st fold here
