

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, Valuation Certificate and Valuation Report, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



Total Logistics Solutions

**SEE HUP CONSOLIDATED BERHAD**  
(Registration No. 199601018726 (391077-V))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED DISPOSAL BY LIMSA EKUITI SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF SEE HUP CONSOLIDATED BERHAD, OF A PARCEL OF INDUSTRIAL LAND FORMED BY NINE (9) ADJOINING LOTS MEASURING APPROXIMATELY 853,863 SQUARE FEET TOGETHER WITH A WAREHOUSE THEREON, HELD UNDER GERAN MUKIM 996, 997, 998, 988, 989, 991, 992, 993 AND 994, LOT NOS. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 AND 1702, ALL WITHIN MUKIM 14, DAERAH SEBERANG PERAI TENGAH, NEGERI PULAU PINANG TO WANGSAGA INDUSTRIES SDN BHD AND TEK SENG PROPERTIES & DEVELOPMENT SDN BHD, FOR A TOTAL CASH CONSIDERATION OF RM46,962,465 ("PROPOSED DISPOSAL")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**AFFIN HWANG**  
CAPITAL

**AFFIN HWANG INVESTMENT BANK BERHAD (Registration No.: 197301000792 (14389-U))**  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting ("**EGM**") to be held at The Wembley Hotel, Wembley Room 10, Jalan Magazine, 10300 Penang on Wednesday, 31 March 2021 at 9.45 a.m. or any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete the Form of Proxy for the EGM in accordance with the instructions contained therein and lodge the same at the Company's registered office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy : Monday, 29 March 2021 at 9.45 a.m.

Date and time of the EGM : Wednesday, 31 March 2021 at 9.45 a.m.

This Circular is dated 16 March 2021

---

## DEFINITIONS

---

Except where the context otherwise requires, the following terms and abbreviations shall apply throughout this Circular:

Act	:	Companies Act 2016
Affin Hwang IB	:	Affin Hwang Investment Bank Berhad (Registration No.: 197301000792 (14389-U))
Board	:	The board of directors of See Hup
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
C H Williams or Valuer	:	C H Williams Talhar & Wong Sdn Bhd (Registration No.: 197401001098 (18149-U)), a firm of independent registered valuer for the Property
Circular	:	This circular to the shareholders of See Hup dated 16 March 2021
Disposal Consideration	:	The consideration of RM46,962,465 for the Proposed Disposal to be satisfied entirely via cash
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Share
FPE	:	Financial period ended
FYE	:	Financial year ended/ending, as the case may be
Land	:	A parcel of industrial land formed by nine (9) adjoining lots, measuring approximately 853,863 square feet, held under Geran Mukim 996, 997, 998, 988, 989, 991, 992, 993 and 994, Lot Nos. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702, all within Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang
Limsa Ekuiti or Vendor	:	Limsa Ekuiti Sdn Bhd (Registration No. 199301008686 (263423-V)), a wholly-owned subsidiary of See Hup
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	26 February 2021, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per Share
NA	:	Net assets
NBV	:	Net book value
Property	:	Land together with a Warehouse thereon
Proposed Disposal	:	Proposed disposal by Limsa Ekuiti of the Property to the Purchasers for the Disposal Consideration
Purchasers	:	Wangsaga Industries and Tek Seng Properties, collectively
RM and sen	:	Ringgit Malaysia and sen, respectively

---

## DEFINITIONS (CONT'D)

---

See Hup Group or Group	:	See Hup and its subsidiaries, collectively
See Hup or Company	:	See Hup Consolidated Berhad (Registration No. 199601018726 (391077-V))
See Hup Share(s) or Share(s)	:	Ordinary share(s) in See Hup
SPA	:	The conditional sale and purchase agreement dated 14 January 2021 entered into between Limsa Ekuiti and the Purchasers in relation to the Proposed Disposal
Tek Seng Properties	:	Tek Seng Properties & Development Sdn Bhd (Registration No. 199501014461 (343662-D))
Valuation Certificate	:	The valuation certificate prepared by the Valuer dated 14 January 2021 to assess the market value of the Property
Valuation Report	:	The valuation report prepared by the Valuer dated 14 January 2021 to assess the market value of the Property
Wangsaga Industries	:	Wangsaga Industries Sdn Bhd (Registration No. 199501018381 (347584-P))
Warehouse	:	A single-storey warehouse with a total gross floor area of approximately 41,979 square feet

Reference to “we”, “us”, “our” and “ourselves” are to the Company, and where the context otherwise requires, the subsidiaries of the Company. All references to “you” are to the shareholders of the Company.

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

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

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

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

*(The rest of this page has been intentionally left blank)*

---

## TABLE OF CONTENTS

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	iv
<b>LETTER TO THE SHAREHOLDERS OF SEE HUP IN RELATION TO THE PROPOSED DISPOSAL:</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED DISPOSAL	2
3. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL	7
4. UTILISATION OF PROCEEDS	8
5. RISK FACTORS	10
6. EFFECTS OF THE PROPOSED DISPOSAL	10
7. APPROVALS REQUIRED	12
8. HIGHEST PERCENTAGE RATIO	12
9. CONDITIONALITY	12
10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	12
11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	12
12. DIRECTORS' STATEMENT AND RECOMMENDATION	12
13. ESTIMATED TIMEFRAME FOR COMPLETION	13
14. EGM	13
15. FURTHER INFORMATION	13
<b>APPENDICES</b>	
I SALIENT TERMS OF THE SPA	14
II VALUATION CERTIFICATE	19
III FURTHER INFORMATION	27
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

## EXECUTIVE SUMMARY

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED DISPOSAL. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS TOGETHER WITH THE APPENDICES OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

Key information	Summary	Reference to this Circular																
Summary of the Proposed Disposal	<p>The Proposed Disposal entails Limsa Ekuiti disposing the Property for the Disposal Consideration, as follows:</p> <table border="1"> <thead> <tr> <th>Vendor</th> <th>Purchaser</th> <th>Land Area (square feet)</th> <th>Amount RM</th> </tr> </thead> <tbody> <tr> <td>Limsa Ekuiti</td> <td>Wangsaga Industries</td> <td>468,875.10</td> <td>25,788,130.50</td> </tr> <tr> <td></td> <td>Tek Seng Properties</td> <td>384,987.90</td> <td>21,174,334.50</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>853,863.00</b></td> <td><b>46,962,465.00</b></td> </tr> </tbody> </table>	Vendor	Purchaser	Land Area (square feet)	Amount RM	Limsa Ekuiti	Wangsaga Industries	468,875.10	25,788,130.50		Tek Seng Properties	384,987.90	21,174,334.50	<b>Total</b>		<b>853,863.00</b>	<b>46,962,465.00</b>	Section 2
Vendor	Purchaser	Land Area (square feet)	Amount RM															
Limsa Ekuiti	Wangsaga Industries	468,875.10	25,788,130.50															
	Tek Seng Properties	384,987.90	21,174,334.50															
<b>Total</b>		<b>853,863.00</b>	<b>46,962,465.00</b>															
Basis and justification for the Purchase Consideration	<p>The Disposal Consideration was arrived at RM55.00 per square foot based on an 'as is where is' basis with vacant possession, free from all encumbrances and restraints in dealings subject to the terms and conditions of the SPA.</p> <p>The Board is of the view that the Disposal Consideration is justifiable after taking into consideration the following:</p> <ul style="list-style-type: none"> <li>(i) the Disposal Consideration represents a premium of RM1,762,465 or approximately 3.90% to the market value of the Property as appraised by C H Williams;</li> <li>(ii) the estimated net pro forma gain arising from the Proposed Disposal of approximately RM28.05 million; and</li> <li>(iii) the rationale and benefits of the Proposed Disposal.</li> </ul>	Section 2.3																
Rationale and benefits of the Proposed Disposal	<ul style="list-style-type: none"> <li>(i) The Proposed Disposal represents an opportunity for the Group to immediately unlock the value and monetise its investment on the Property with an estimated net pro forma gain on disposal of approximately RM28.05 million.</li> <li>(ii) The Proposed Disposal will give rise to approximately RM46.96 million in proceeds, with RM5.60 million to be used by the Group to partially repay its bank borrowings and lower its gearing level, with expected annual interest savings of approximately RM0.27 million.</li> <li>(iii) The Proposal Disposal will also allow the Group to reinvest the proceeds for its operations and expansion of its core businesses as and when such opportunities arise. The Group will consequently be better positioned to grow its businesses and maximise returns to its shareholders.</li> </ul>	Section 3																

**EXECUTIVE SUMMARY (CONT'D)**

Key information	Summary	Reference to this Circular
Effects of the Proposed Disposal	<p>The effects of the Proposed Disposal are as follows:</p> <ul style="list-style-type: none"> <li>(i) the Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of See Hup as the Proposed Disposal does not involve any issuance of See Hup Shares;</li> <li>(ii) NA per Share of the Group will increase from RM0.94 to RM1.29 after taking into consideration the estimated net pro forma gain (net of estimated taxation and expenses) from the Proposed Disposal of approximately RM28.05 million;</li> <li>(iii) the gearing ratio of the Group will decrease from 0.51 times to 0.32 times after the proposed partial repayment of bank borrowings; and</li> <li>(iv) based on the estimated net pro forma gain arising from the Proposed Disposal of approximately RM28.05 million, the Proposed Disposal is expected to contribute positively to the earnings and EPS of See Hup Group for the FYE 31 March 2022.</li> </ul>	Section 6
Interests of directors, major shareholders and/or persons connected with them	None of the directors and/or major shareholders of the Company and/or persons connected with them have any interest, directly or indirectly, in the Proposed Disposal.	Section 10
Directors' statement and recommendation	<p>The Board, having considered all aspects of the Proposed Disposal, including but not limited to the rationale and benefits of the Proposed Disposal, the salient terms of the SPA and the effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interests of the Company.</p> <p>Accordingly, the Board recommends you to <b>VOTE IN FAVOUR</b> of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM of the Company.</p>	Section 12



Total Logistics Solutions

**SEE HUP CONSOLIDATED BERHAD**  
(Registration No. 199601018726 (391077-V))  
(Incorporated in Malaysia)

**Registered Office:**

170-09-01, Livingston Tower  
Jalan Argyll  
10050 George Town  
Pulau Pinang

16 March 2021

**Board of Directors:**

Lee Chor Min	<i>(Group Managing Director)</i>
Lee Hean Huat	<i>(Executive Director)</i>
Haji Shamsul Ariffin B. Mohd. Nor	<i>(Executive Director)</i>
Datuk Haji Muhadzir Bin Mohd. Isa	<i>(Executive Director)</i>
Ng Shiek Nee	<i>(Independent Non-Executive Director)</i>
Mak Cheow Yeong	<i>(Independent Non-Executive Director)</i>
Lee Phay Chian	<i>(Independent Non-Executive Director)</i>

**To: The shareholders of See Hup**

Dear Sir/Madam,

**PROPOSED DISPOSAL**

---

**1. INTRODUCTION**

On 14 January 2021, Affin Hwang IB had, on behalf of the Board, announced that Limsa Ekuiti had, on even date, entered into the SPA with Wangsaga Industries and Tek Seng Properties for the Proposed Disposal.

The details of the Proposed Disposal are set out in the ensuing sections of this Circular.

**THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APENDICES IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DISPOSAL TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF THE EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

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

## 2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails Limsa Ekuiti disposing the Property for the Disposal Consideration, as follows:

Vendor	Purchaser	Land Area (square feet)	Amount RM
Limsa Ekuiti	Wangsaga Industries	*468,875.10	25,788,130.50
	Tek Seng Properties	*384,987.90	21,174,334.50
<b>Total</b>		<b>853,863.00</b>	<b>46,962,465.00</b>

Note:

\* This was determined by the Purchasers themselves based on their proposed development plan. Upon completion of the Proposed Disposal, the Purchasers will mutually agree to apportion the Land between themselves in the ratio of their respective purchase consideration amounts paid to the Vendor.

Pursuant to the terms and conditions of the SPA, Limsa Ekuiti has agreed to sell and Wangsaga Industries and Tek Seng Properties have agreed to purchase the Property on an 'as is where is' basis with vacant possession, free from all encumbrances and restraints in dealings but subject to all conditions and restrictions whether expressed or implied contained in the document of title to the Property and upon the terms and conditions of the SPA. For avoidance of doubt, Wangsaga Industries and Tek Seng Properties shall settle RM25,788,130.50 and RM21,174,334.50 respectively to the Vendor in the manner as stipulated in Section 2, Appendix I of this Circular. In the event either one of the Purchasers default in their payment, the deposit sum of RM4,696,246.50 shall be forfeited by the Vendor in accordance with Section 6, Appendix I of this Circular.

The salient terms of the SPA are set out in Appendix I of this Circular.

### 2.1 Information on the Property

The Property is situated along Jalan Bukit Minyak/Permatang Tinggi (the main trunk road – Federal Route 1), within the locality of Bukit Minyak/Permatang Tinggi, Seberang Perai, Pulau Pinang. It is situated approximately five (5) kilometres to the north-west of the Simpang Ampat town centre, approximately eight (8) kilometres to the south of the Bukit Mertajam town centre and approximately sixteen (16) kilometres south-east of the Butterworth Ferry Terminal and Railway Station in Butterworth.

The Property is accessible from the Juru Interchange of the North-South Expressway via Jalan Kebun Nanas, Jalan Bukit Tengah and thence onto Jalan Bukit Minyak/Permatang Tinggi (the main trunk road – Federal Route 1) which leads to the Property.

The description and land area of the Property are as follows:

No.	Description of the Property	Approximate Land Area (square feet)
1.	Geran Mukim 996, Lot No. 324, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	63,423
2.	Geran Mukim 997, Lot No. 640, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	193,014
3.	Geran Mukim 998, Lot No. 642, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	52,054
4.	Geran Mukim 988, Lot No. 1504, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	112,995
5.	Geran Mukim 989, Lot No. 1505, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	39,248
6.	Geran Mukim 991, Lot No. 1664, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	138,564
7.	Geran Mukim 992, Lot No. 1667, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	37,549



No.	Description of the Property	Approximate Land Area (square feet)
8.	Geran Mukim 993, Lot No. 1669, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	139,653
9.	Geran Mukim 994, Lot No. 1702, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	77,363
<b>Total</b>		<b>853,863</b>

Currently, the Property is vacant and unoccupied except for the building and structures erected on Lot Nos. 640, 1664, 1702 and 324 as set out below.

Further details of the Property are summarised below:

- Registered owner : Limsa Ekuiti
- Tenure : Term in perpetuity
- Category of land use : Industrial
- Express conditions : (i) Tanah ini hendaklah digunakan untuk tujuan perusahaan sahaja.  
(ii) Pelan bangunan hendaklah seperti yang diluluskan oleh Pihak Berkuasa Tempatan (MPSP).
- Encumbrances : Charged to AmBank (M) Berhad vide Presentation Number 0701SC2011005569, registered on 20 October 2011 (“Chargee”)
- Other endorsements : Lot No. 324  
(i) Part of the land is leased to Tenaga Nasional Berhad for a period of 30 years, commencing from 2 May 1996 and expiring 1 May 2026, vide Presentation Number 0701SC1997000941, registered on 25 January 1997.  
(ii) Perletakhakan Oleh Mahkamah vide Presentation Number 0701B2002000886, registered on 23 May 2002.  
(iii) Pembetulan di bawah seksyen 380 Kanun Tanah Negara vide Presentation Number 0701NB2015000023, registered on 5 February 2015.
- Lot Nos. 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702  
Perletakhakan Oleh Mahkamah vide Presentation Number 0701B2002000886, registered on 23 May 2002.
- Existing use/Occupation<sup>(1)</sup> : Vacant and unoccupied except for the following building and structures:  
(i) Lot Nos. 640 and 1664  
▪ The Warehouse is presently tenanted to Inter Metals Sdn Bhd (“Tenant”) at a monthly rental of RM18,000 and is used for storage purposes;  
▪ Two (2) movable metal containers, of which one (1) unit is occupied as a guard house, while the other unit is occupied as an office, by the Tenant; and  
▪ Three (3) open-sided sheds with a total gross floor area of approximately 5,683 square feet, which is presently used by the Tenant.  
(ii) Lot No. 1702  
A food stall occupied by squatters with a total gross floor area of approximately 1,507 square feet.  
(iii) Lot No. 324  
An abandoned store and abandoned shrine with a main floor area of approximately 63 square feet and 9 square feet respectively.

Approximate age of the Warehouse	:	24 years (based on the information provided by See Hup)
Valuation approach	:	Comparison Approach (Comparison Method) only
Market value <sup>(ii)</sup>	:	RM45,200,000
Audited NBV as at 31 March 2020 (including Warehouse)	:	RM14,449,190

*Notes:*

- (i) *All structures except for the Warehouse will be removed before the completion of the Proposed Disposal.*
- (ii) *Based on the Valuation Report as appraised by C H Williams as at 9 October 2020, being the date of valuation. Please refer to the Valuation Certificate as enclosed in Appendix II of this Circular for further details on the valuation of the Property.*

## 2.2 Information on the Purchasers

### (i) Wangsaga Industries

Wangsaga Industries was incorporated in Malaysia under the Companies Act, 1965 on 21 June 1995 as a private limited company under the name of Tek Seng Enterprise Sdn Bhd and assumed its present name with effect from 26 August 1998. Wangsaga Industries is a wholly-owned subsidiary of Tek Seng Holdings Berhad, a company listed on the Main Market of Bursa Securities. The principal activity of Wangsaga Industries is manufacturing of polyvinyl chloride related products.

As at the LPD, the issued share capital of Wangsaga Industries is RM10,000,000 comprising 10,000,000 ordinary shares.

As at the LPD, the directors of Wangsaga Industries are Loh Kok Beng, Loh Kok Cheng and Loh Eng Chun.

### (ii) Tek Seng Properties

Tek Seng Properties was incorporated in Malaysia under the Companies Act 1965 on 18 May 1995. The principal activity of Tek Seng Properties is investment holding.

As at the LPD, the issued share capital of Tek Seng Properties is RM500,000 comprising 500,000 ordinary shares.

As at the LPD, the directors of Tek Seng Properties are Loh Kok Beng and Loh Kok Cheng. The substantial shareholders of Tek Seng Properties and their respective shareholdings as at the LPD are as follows:

Substantial Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Loh Kok Beng	250,000	50.00	-	-
Loh Kok Cheng	250,000	50.00	-	-

## 2.3 Basis of and justification for the Disposal Consideration

The Disposal Consideration was arrived at based on valuing the Land at RM55.00 per square foot on an 'as is where is' basis with vacant possession, free from all encumbrances and restraints in dealings subject to the terms and conditions of the SPA.

The Disposal Consideration was determined based on a willing-buyer and willing-seller basis, after taking into consideration, amongst others, the market value of the Property, free from all encumbrances and with vacant possession, of RM45,200,000 as appraised by C H Williams using the Comparison Approach (Comparison Method).

The Comparison Approach (Comparison Method) entails analysing recent transactions of comparable properties for comparison purposes with adjustments made for differences in time, accessibility, size, main road frontage - visibility, shape, and benefit of planning permission, earthworks and land clearance as well as subdivision of lots, and other relevant characteristics, if any, to arrive at the market value.

The Comparison Approach (Comparison Method) is adopted as the only method for this valuation exercise as there are good comparables for the Property which are located within the vicinity. Furthermore, the Property has yet to be properly planned for development as no application for planning permission has been submitted to the relevant authorities. Therefore, C H Williams has not considered other methods in the valuation. For the purpose of the valuation, the Warehouse and structures thereon the Property are disregarded in arriving at the market value of the Property as they do not form an integral component of the Property due to no planning permission granted nor Certificate of Fitness for Occupation/Certificate of Completion and Compliance issued.

The Board is of the view that the Disposal Consideration is justifiable after taking into consideration the following:

- (i) the Disposal Consideration represents a premium of RM1,762,465 or approximately 3.90% to the market value of the Property as appraised by C H Williams;
- (ii) the estimated net pro forma gain arising from the Proposed Disposal of approximately RM28.05 million, as detailed in Section 2.7 of this Circular; and
- (iii) the rationale and benefits of the Proposed Disposal as stated in Section 3 of this Circular.

## 2.4 Mode of settlement

In accordance with the terms and conditions of the SPA, the Disposal Consideration shall be settled by the Purchasers in the following manner:

Payment terms	Timing of payment	Amount RM
Deposit <sup>(1)</sup>	Upon execution of the SPA	4,696,246.50 (being 10% of the Disposal Consideration)
Balance of the Disposal Consideration	Payable to the Vendor's solicitors as stakeholders within three (3) months from the Unconditional Date (as defined in Section 4(iv) of Appendix I of this Circular) or six (6) months from the date of the SPA, whichever is later (" <b>Completion Date</b> "). In the event the Purchasers are unable to complete the purchase of the Property by the Completion Date, the Vendor shall grant to the Purchasers an automatic extension of two (2) months (" <b>Extended Completion Date</b> ") with interest of 6% per annum on the outstanding balance of the Disposal Consideration to be calculated on a daily basis	42,266,218.50 (being 90% of the Disposal Consideration)
<b>Total</b>		<b>46,962,465.00</b>

Note:

- (i) The deposit, which forms part of the Disposal Consideration, will be paid in the following manner:

Payment	Remarks	RM
(a) Earnest deposit	Paid to the Vendor as stakeholders on 28 September 2020 and the Vendor shall release the earnest deposit to the Purchasers' solicitors as stakeholders simultaneously with the execution of the SPA	100,000.00
(b) Retention sum	Retained by the Purchaser's solicitors for payment of the real property gains tax ("RPGT")	1,408,873.95
(c) Balance of the deposit	Payable to the Purchasers' solicitors as stakeholders	3,187,372.55
		<b>4,696,246.50</b>

## 2.5 Liabilities to be assumed

Save for the obligations and the liabilities in and arising from the SPA, there are no other liabilities including contingent liabilities and guarantees expected to be assumed by Limsa Ekuiti and See Hup pursuant to the Proposed Disposal.

## 2.6 Original cost and date of investment

The original cost of investment in the Property is approximately RM14.70 million comprising the following:

- (i) the purchase consideration of approximately RM12.21 million for the Land which was completed on 28 September 2011;
- (ii) the purchase consideration of RM2.00 million for the Warehouse which was completed on 2 January 2015; and
- (iii) other expenditure capitalised since the completion of the acquisition of the Land up to the latest audited FYE 31 March 2020, all of which amounted to approximately RM0.49 million.

## 2.7 Expected gain arising from the Proposed Disposal

Based on the audited consolidated statement of profit or loss and other comprehensive income of See Hup for the FYE 31 March 2020, the Proposed Disposal is expected to generate an estimated net pro forma gain (net of estimated taxation and expenses) of approximately RM28.05 million, details of which are as follows:

	RM
Disposal Consideration	46,962,465
Less: Audited NBV of the Property as at 31 March 2020	(14,449,190)
Estimated expenses for the Proposed Disposal	<sup>(1)</sup> (1,337,590)
Estimated RPGT <sup>(ii)</sup>	(3,124,875)
<b>Estimated net pro forma gain from the Proposed Disposal</b>	<b>28,050,810</b>

Notes:

- (i) Including professional fees and agency fees, fees payable to the relevant authorities and other incidental expenses, as detailed in Section 4(iii) of this Circular.
- (ii) Computed based on 10% of the Disposal Consideration less cost of the Property and other incidental expenses associated with the Property such as legal fees, valuation fees and agency fees.

## **2.8 Impact of Coronavirus 2019 (“COVID-19”) pandemic on the Group’s financial performance and operations**

The COVID-19 outbreak has caused a global economic slowdown since early 2020. The Government of Malaysia (“**Government**”) enforced Movement Control Orders (“**MCOs**”) starting from 18 March 2020. This resulted in the restriction of travel and social gathering activities as well as the temporary closure of non-essential businesses. As a result of the MCOs, the operations of the Group had to be temporarily scaled down. The Group has since implemented standard operating procedures introduced by Malaysia’s Ministry of Health to ensure the safe and smooth resumption of the Group’s business operations.

The Group’s revenue decreased by approximately RM20.59 million or 28.25% from approximately RM72.87 million for the nine (9)-month FPE 31 December 2019 to approximately RM52.29 million for the FPE 31 December 2020. The decrease was mainly attributable to the general economic downturn due to the COVID-19 pandemic as:

- (i) the Group’s transportation and logistics services division registered a lower revenue due to certain of its customers’ operations not operating at full capacity; and
- (ii) the MCO, conditional MCO and recovery MCO periods implemented by the Government to contain the increase in cases for the COVID-19 pandemic led to low levels of construction and trading activities.

However, the Group’s business operations are gradually recovering from the COVID-19 pandemic disruptions mainly attributable to the upsurge in demand for forwarding services and the Group’s continued focus on operational efficiency and cost reductions.

Nevertheless, the Group is continually exploring growth opportunities through business diversifications. In the short to medium term, a favourable financial performance will be challenging as new investments and strategies require a period of time to yield returns. Notwithstanding that, the Board wishes to highlight that as the circumstances pertaining to the said pandemic are rather fluid and uncertain in these unprecedented times, there can be no assurance that any prolonged adverse development arising from MCOs, the COVID-19 pandemic and/or any other external factors will not have a material adverse effect on the financial performance and/or operations of the Group.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL**

In undertaking the Proposed Disposal, the Board has considered that the market value of the Property has appreciated over the years and this also forms part of the plan of See Hup Group to monetise its investment in the property assets. As such, the Group is able to realise a significant gain in value of the Property and strengthen its liquidity and cash flow position through the Proposed Disposal.

Premised on the above, the Proposed Disposal represents an opportunity for the Group to immediately unlock value and monetise its investment on the Property with an estimated net pro forma gain on disposal of approximately RM28.05 million. The Proposed Disposal will give rise to approximately RM46.96 million in proceeds, with RM5.60 million to be used by the Group to partially repay its bank borrowings and lower its gearing level as illustrated in Section 6.2 of this Circular with expected annual interest savings of approximately RM0.27 million.

In addition, the Proposal Disposal will also allow the Group to reinvest the proceeds for its operations and expansion of its core businesses as and when such opportunities arise. The Group will consequently be better positioned to grow its businesses and maximise returns to its shareholders.

#### 4. UTILISATION OF PROCEEDS

The Proposed Disposal is expected to raise gross cash proceeds of RM46,962,465, which are expected to be utilised in the following manner:

Details of utilisation	RM	Estimated timeframe for the utilisation of the proceeds*
General working capital and/or expansion of the Group's businesses <sup>(i)</sup>	36,900,000	Within twenty four (24) months
Repayment of bank borrowings <sup>(ii)</sup>	5,600,000	Within six (6) months
Estimated expenses in relation to the Proposed Disposal <sup>(iii)</sup>	4,462,465	Within three (3) months
<b>Total</b>	<b>46,962,465</b>	

Notes:

\* Upon receipt of the proceeds.

(i) RM18.90 million of the proceeds from the Proposed Disposal will be used for general working capital to finance the day-to day operations of the Group's existing businesses, as and when the need arises as follows:

	RM#
Payment of trade and non-trade payables	5,000,000
Staff-related costs such as staff salaries, bonuses, statutory contribution and welfare expenses	3,000,000
General administrative and operating expenses such as professional fees, utilities, insurance, maintenance, quit rent and assessment, telephone and sundry expenses	10,900,000
<b>Total</b>	<b>18,900,000</b>

# The actual breakdown of the proceeds to be utilised for each component of general working capital stated above will depend on the operating and funding requirements at the time of utilisation.

In addition, RM18.00 million of the proceeds from the Proposed Disposal will be used to fund opportunities to expand the businesses of the Group as and when such opportunities arise. This may include the expansion of the Group's logistics business, warehousing facilities, maintenance of workshop, upgrading and increasing the See Hup Group's fleet of trucks, through potential acquisitions, investments in assets and/or strategic collaborations, joint ventures or alliances that are expected to enhance the Group's performance and shareholders' value.

As at the LPD, the Board has not identified any potential businesses and/or assets to be acquired. The decision to acquire and invest in any such asset or business would involve having to consider criteria such as budget, business synergies, potential value creation to the existing core businesses of the Group as well as return on investment. Notwithstanding, the proceeds will provide financial flexibility to the Group to fund the cost of such acquisitions/investments together with bank borrowings and/or internally generated funds of the Group.

The Company will make the necessary announcements on any material developments in respect of the above in accordance with the Listing Requirements. If the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, the Company will seek the necessary approval from the shareholders of the Company at an EGM to be convened. However, in the event such opportunities to expand the Group's businesses do not crystallise within the expected timeframe, the Company expects to use the proceeds earmarked for the working capital requirements of the Group.

- (ii) As at the LPD, the total borrowings of the Group is approximately RM34.53 million. The proceeds from the Proposed Disposal of RM5.60 million will be used for partial repayment of the following borrowings of the Group:

<b>Type of borrowings</b>	<b>Repayment amount RM</b>	<b>Estimated annual interest savings RM</b>
Overdraft	3,000,000	178,500 <sup>(a)</sup>
Revolving credit	2,000,000	73,150 <sup>(b)</sup>
Term loan	600,000	22,200 <sup>(c)</sup>
<b>Total</b>	<b>5,600,000</b>	<b>273,850</b>

Notes:

- (a) Computed based on effective interest rate of 5.95% per annum.
- (b) Computed based on average effective interest rate of approximately 3.66% per annum (interest rates range from 3.47% to 3.72% per annum).
- (c) Computed based on effective interest rate of 3.70% per annum.

Any variance from the repayment amount stated above and the actual amount payable for the bank borrowings will be adjusted from or to the general working capital requirements.

- (iii) Approximately RM4.46 million of the proceeds from the Proposed Disposal will be used for the estimated expenses of the Proposed Disposal, the breakdown of which is as follows:

	<b>RM</b>
Professional fees and agency fees payable in relation to the Proposed Disposal	1,284,449
Fees payable to the relevant authorities	20,000
Other incidental expenses (i.e. printing and advertising costs as well as other costs relating to the convening of EGM)	33,141
	1,337,590
Estimated RPGT	3,124,875
<b>Total</b>	<b>4,462,465</b>

Any variation from the estimated expenses for the Proposed Disposal stated above and the actual expenses incurred will be adjusted from or to the general working capital requirements.

Pending the utilisation of proceeds arising from the Proposed Disposal for the above purposes, the proceeds would be placed in deposits with financial institutions and/or short-term money market instruments. The interest derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used as additional general working capital of See Hup Group.

## 5. RISK FACTORS

The risks factors relating to the Proposed Disposal include, but are not limited to the following:

### (i) Non-completion of the SPA

The completion of the Proposed Disposal is conditional upon fulfilment of the conditions precedent or terms as stipulated in the SPA being fulfilled. In the event any one or more of the conditions precedent and/or terms is/are not fulfilled by the parties involved within the stipulated time as set out in the SPA, or any breach of the representations or warranties or failure to perform any covenant or agreement by the parties involved pursuant to the SPA, the Proposed Disposal may be delayed or terminated. As such, there can be no assurance that the conditions precedent can be fulfilled and the Proposed Disposal can be completed within the time period permitted under the SPA.

In addition, should a delay or non-completion of the Proposed Disposal occur, the Group may not be able to realise the benefits that may accrue to it from the proposed utilisation of proceeds as disclosed in Section 4 of this Circular.

Notwithstanding the foregoing, the Company will take all reasonable steps to ensure that the conditions precedent and/or terms as set out in the SPA are fulfilled in a timely manner to facilitate the completion of the Proposed Disposal.

### (ii) Opportunity costs

Upon completion of the Proposed Disposal, See Hup Group will not be able to enjoy the monthly rental of RM18,000 generated from the Warehouse and any future appreciation in the value of the Property. As a mitigating factor, the proceeds from the Proposed Disposal would be utilised for purposes set out in Section 4 of this Circular, which is expected to strengthen the Group's principal businesses and be beneficial to the See Hup Group.

## 6. EFFECTS OF THE PROPOSED DISPOSAL

### 6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of See Hup as the Proposed Disposal does not involve any issuance of See Hup Shares.

### 6.2 NA, NA per Share and gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of See Hup as at 31 March 2020, the pro forma effects of the Proposed Disposal on the NA, NA per Share and gearing of the Group are as follows:

*(The rest of this page has been intentionally left blank)*



Group Level	Audited as at 31 March 2020 RM	After the Proposed Disposal RM
Share capital	81,109,469	81,109,469
Treasury shares	(372,200)	(372,200)
Retained earnings/(Accumulated losses)	(5,396,567)	<sup>(ii)</sup> 22,654,243
<b>NA/Equity attributable to owners of the parent</b>	<b>75,340,702</b>	<b>103,391,512</b>
No. of Shares in issue <sup>(i)</sup>	80,053,301	80,053,301
<b>NA per Share (RM)</b>	<b>0.94</b>	<b>1.29</b>
Total borrowings (RM)	38,630,738	<sup>(iii)</sup> 33,030,738
<b>Gearing ratio (times)</b>	<b>0.51</b>	<b>0.32</b>

Notes:

- (i) Excluding 373,000 treasury shares held by the Company.
- (ii) After taking into consideration the estimated net pro forma gain (net of estimated taxation and expenses) from the Proposed Disposal of approximately RM28.05 million as set out in Section 2.7 of this Circular.
- (iii) After the proposed partial repayment of bank borrowings of RM5.60 million via the proceeds from the Proposed Disposal as set out in Section 4 of this Circular.

### 6.3 EPS/LPS

As the Proposed Disposal is expected to be completed in the third (3<sup>rd</sup>) quarter of 2021, it is not expected to have any material effect on the earnings and EPS of the See Hup Group for the FYE March 2021. However, based on the estimated net pro forma gain arising from the Proposed Disposal of approximately RM28.05 million as set out in Section 2.7 of this Circular, the Proposed Disposal is expected to contribute positively to the earnings and EPS of See Hup Group for the FYE 31 March 2022.

For illustrative purposes, the pro forma effects of the Proposed Disposal on the earnings and EPS of the Group based on the latest audited consolidated statement of profit or loss and other comprehensive income of See Hup for the FYE 31 March 2020 and on the assumption that the Proposed Disposal had been effected on 1 April 2019, being the beginning of the FYE 31 March 2020 are as follows:

	Audited FYE 31 March 2020 RM	After the Proposed Disposal RM
Loss for the financial year attributable to owners of the parent	(6,617,987)	(6,617,987)
Add: Estimated net pro forma gain from the Proposed Disposal <sup>(i)</sup>	-	28,050,810
Add: Estimated annual interest savings <sup>(ii)</sup>	-	273,850
Less: Annual rental income <sup>(iii)</sup>	-	(216,000)
<b>Pro forma (loss)/profit for the financial year attributable to owners of the parent</b>	<b>(6,617,987)</b>	<b>21,490,673</b>
Weighted average number of Shares in issue	80,053,301	80,053,301
<b>(LPS)/EPS (sen)</b>	<b>(8.27)</b>	<b>26.84</b>

Notes:

- (i) *After deducting the estimated taxation and expenses in relation to the Proposed Disposal, as detailed in Section 2.7 of this Circular.*
- (ii) *Computed based on the proposed partial repayment of bank borrowings of RM5.60 million via the proceeds from the Proposed Disposal as detailed in Section 4 of this Circular.*
- (iii) *Computed based on the monthly rental of RM18,000 generated from the Warehouse.*

The actual gain from the Proposed Disposal will depend on the NBV of the Property at the time of the completion of the Proposed Disposal and the actual amount of expenses to be incurred for the Proposed Disposal.

#### **6.4 Convertible securities**

As at the LPD, the Company does not have any convertible securities.

#### **7. APPROVALS REQUIRED**

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

- (i) the shareholders of See Hup at the EGM to be convened; and
- (ii) any other relevant authorities and/or parties, where applicable.

#### **8. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements based on the latest audited consolidated financial statements of See Hup for the FYE 31 March 2020 is approximately 62.33%.

#### **9. CONDITIONALITY**

The Proposed Disposal is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

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

None of the directors and/or major shareholders of the Company and/or persons connected with them have any interest, directly or indirectly, in the Proposed Disposal.

#### **11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Disposal, there is no other corporate exercise which has been announced but pending completion as at the LPD.

#### **12. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, having considered all aspects of the Proposed Disposal, including but not limited to the rationale and benefits of the Proposed Disposal, the salient terms of the SPA and the effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interests of the Company.

Accordingly, the Board recommends you to vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM of the Company.

### 13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to approval being obtained from the shareholders of the Company at the forthcoming EGM of the Company, the Proposed Disposal is expected to be completed in the third (3<sup>rd</sup>) quarter of 2021.

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

Tentative timeline	Key milestones
31 March 2021	<ul style="list-style-type: none"><li>• EGM</li></ul>
Early April 2021	<ul style="list-style-type: none"><li>• SPA becomes unconditional</li></ul>
Mid July 2021	<ul style="list-style-type: none"><li>• Completion of the Proposed Disposal</li></ul>

### 14. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at The Wembley Hotel, Wembley Room 10, Jalan Magazine, 10300 Penang on Wednesday, 31 March 2021 at 9.45 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Disposal.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete the Form of Proxy for the EGM in accordance with the instructions contained therein and lodge the same at the Company's registered office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof.

The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

### 15. FURTHER INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**SEE HUP CONSOLIDATED BERHAD**

**LEE CHOR MIN**  
Group Managing Director

---

## SALIENT TERMS OF THE SPA

---

The salient terms of the SPA are set out below:

### 1. Agreement to sell and purchase

The Vendor agrees to sell and the Purchasers agree to purchase the Property free from all encumbrances and restraints in dealings but otherwise subject to all conditions and restrictions whether expressed or implied contained in the document of title to the Property at the Disposal Consideration upon the terms and subject to conditions in the SPA.

The Vendor's solicitors shall be authorised to release the deposit/balance of the deposit to the Vendor provided that:

- (i) the balance of the Disposal Consideration is sufficient to redeem the Property from the Chargee;
- (ii) the Vendor has obtained approval from the shareholders of its holding company, See Hup at an EGM in accordance with the Listing Requirements, sanctioning the sale/disposal of the Property to the Purchasers at the Disposal Consideration ("**the Approval**");
- (iii) the Vendor or the Vendor's solicitors have delivered a copy of extracted minutes of the EGM pertaining to the resolution passed on the Approval to the Purchasers' solicitors and the same has been received by the Purchasers' solicitors.

### 2. Manner of payment

Upon execution of the SPA, the Purchasers shall pay the deposit to the Purchasers' solicitors as stakeholders in the manner as stated in Section 2.4 of this Circular.

The Purchasers' solicitors shall place the 7% deposit in interest bearing deposit account on month to month basis with a bank.

In the event the SPA becomes unconditional pursuant to Section 4(iv) of this Appendix, the Purchasers' solicitors shall release the 7% deposit together with the interest accrued to the Vendor's solicitor within five (5) working days from the Unconditional Date (as defined in Section 4(iv) of this Appendix) without the imposition of any stakeholder charges and the 7% deposit together with the interest accrued shall be released to the Vendor by the Vendor's solicitors in accordance with Section 1 of this Appendix.

In the event the SPA is terminated in accordance with Section 4(iii) of this Appendix, the interest accrued on the placement of the 7% deposit shall belong to the Purchasers and shall be released to the Purchasers without the imposition of any stakeholder charges as stated in Section 4(iii) of this Appendix.

The balance of the Disposal Consideration shall be paid in full by the Purchasers to the Vendor's solicitors as stakeholders at the time and manner as stated in the Section 2.4 of this Circular.

The Purchasers shall be entitled to a joint inspection of the Property with the Vendor or Vendor's agents prior to payment of the balance of the Disposal Consideration to ensure that the Property shall substantially be in and of the same condition state nature and character as at the date of the SPA.

The day on which the full Disposal Consideration is paid by the Purchasers to the Vendor under the terms of the SPA is called the "**Completion Day**".

---

**SALIENT TERMS OF THE SPA (CONT'D)**

---

**3. Conditions of sale**

The SPA is subject to the following terms and conditions:

- (i) the original issue document of title for each lot of the Property shall be produced and delivered to the Purchasers in accordance with the terms of the SPA;
- (ii) the Vendor shall deduce a valid and registrable title for each lot of the Property;
- (iii) any defect in title for each lot of the Property shall be perfected by and at the cost and expense of the Vendor;
- (iv) the Property shall be free from all charges and encumbrances but subject to all conditions of title whether express or implied contained in the documents of title;
- (v) production of assessment, quit rent, maintenance/service charges and Indah Water Konsortium Sdn Bhd receipts for the current month/year and other relevant documents in respect of for each lot of the Property to the Purchasers' solicitors, failing which the Vendor shall allow the Vendors' solicitors to retain a sufficient sum of monies as stakeholders to settle the same;
- (vi) the Property is sold with vacant possession together with all fixtures and fittings (except Tenant's fixtures and fittings);
- (vii) there is no outstanding notice served on the Vendor prior to the date of the SPA in respect of or in connection with the Property, whether by the local authorities or any persons or body or otherwise. In the event any such notice is served on the Vendor after the date of the SPA, the Vendor shall inform the Purchasers' solicitors of the same before the Completion Date or Extended Completion Date, as the case may be and if it is so required the Vendor shall comply with or cause the compliance of such notice;
- (viii) the Vendor hereby confirms that no legal proceeding has been commenced or threatened to commence or pending against or by the Vendor in relation to or arising out of the Property but not restricted to foreclosure proceedings, trespass to land, nuisance and etc;
- (ix) the parties confirm that the sale of the Property is sold on a "as is where is" basis with vacant possession;
- (x) (aa) there is a warehouse/structure on part of the Property as shown in layout plan attached in the SPA which is at present rented out by the Vendor to Inter Metals Sdn Bhd.  
  
(bb) the Vendor shall deliver vacant possession of the said warehouse/structure together with all fixtures and fittings (except Tenant's fixtures and fittings) to the Purchasers in the manner provided in Section 3(xi) of this Appendix;
- (xi) the Vendor shall deliver up vacant possession of the Property to the Purchasers within five (5) working days upon receipt by the Vendor or the Vendor's solicitors of the full Disposal Consideration together with the interest accrued thereon (if any) and all other sums due to the Vendor under the SPA ("**Vacant Possession Date**"); and
- (xii) upon completion of the SPA, the Vendor shall produce evidence that it has paid all outgoing (if any) due until the Vacant Possession Date.

---

**SALIENT TERMS OF THE SPA (CONT'D)**

---

**4. Condition Precedent**

- (i) Both parties agree that the SPA is conditional upon the Vendor obtaining Approval within six (6) months from the date of the SPA ("**Conditional Period**").
- (ii) In the event the Approval is not obtained within the Conditional Period, the Purchasers shall have the option of either:
  - (a) only upon written request from the Vendor within fourteen (14) days from the Conditional Period ("**Extension Request**"), by writing agree to grant the Vendor an extension of time not exceeding two (2) months following the expiry of the Conditional Period ("**Extended Conditional Period**") to enable the Vendor to obtain the said Approval; or
  - (b) if no Extension Request received by the Purchasers or the Purchasers refuse to grant Extended Conditional Period under Section 4(ii)(a) of this Appendix, terminate the SPA by written notification to the Vendor's solicitors, whereupon Section 4(iii) of this Appendix shall apply and the provision of the Section 2 of this Appendix regarding the return of the deposit to the Purchasers shall apply.
- (iii) On the expiry of the Extended Conditional Period (if granted) or in the event of the Purchaser exercising its right to terminate the SPA under Section 4(ii)(b) of this Appendix, whereupon the following shall ensue:
  - (a) the Vendor shall within ten (10) working days or receipt of written notification from the Purchasers' solicitors, refund to the Purchasers RM1,408,873.95 only, being 3% of the Disposal Consideration which was retained by the Purchasers' solicitors for payment of RPGT and submitted by the Purchasers' solicitors to Inland Revenue Board and provided always that the Purchasers shall provide assistance in order for the Vendor to claim the refund of the retention sum from the Inland Revenue Board;
  - (b) the Purchasers' solicitors are authorised to release the following immediately to the Purchasers:
    - (aa) RM3,287,372.55 only, being 7% of the Disposal Consideration and being balance of the deposit which was paid by the Purchasers to the Purchasers' solicitors as stakeholders;
    - (bb) such interest accrued from the placement of the balance of the deposit (7% of the Disposal Consideration) in fixed deposit or any income-bearing deposit account in accordance to the stakeholders' terms and conditions as stated in the Section 2 of this Appendix without any stakeholders charges being imposed by the solicitors holding the same as stakeholder; and
    - (cc) the Purchasers' solicitors shall simultaneously forward a copy of the bank's fixed deposit withdrawal slip confirming the principal sum and the interest accrued.
  - (c) thereafter, the SPA shall be rendered null and void and the parties shall have no claim or claims against each other on any matter arising out of the SPA.
- (iv) The SPA shall become unconditional on the date the Purchasers' solicitors receipt of written documentation/resolution showing the Approval ("**Unconditional Date**").

---

**SALIENT TERMS OF THE SPA (CONT'D)**

---

**5. Representations and Warranties**

Both parties hereby represent to each other that:

- (i) the SPA constitutes the legal, valid and binding obligations of each party in accordance with its terms;
- (ii) each of the party is not in breach or default under any written law or rules and regulations or any agreement or instrument to which each of the party is a party or by which each of the party may be bound and there is no breach, default, litigation, arbitration or other proceedings presently current, pending or threatened against the other which might materially affect or impair the party's ability to perform its obligations; and in particular the parties declare and confirm to each other that neither of them is an undischarged bankrupt/wound up; and
- (iii) the parties have the legal capacity to enter into the SPA and that in so doing, the Vendor has not contravened any law or breached any contractual obligations on the Vendor's part.

The Vendor agrees and acknowledges that the Purchasers are entering into the SPA and agreeing to purchase the Property in reliance upon the declarations, representations, warranties and covenants set forth in the SPA and the Purchasers may treat the same as conditions of the SPA and none of the said declarations, representations, warranties and covenants shall be deemed in any way modified or discharged by the completion of the SPA.

**6. Purchasers' default**

It is hereby agreed by the parties that in the event of the Vendor complying with all the terms and conditions of the SPA and the Purchasers shall default in payment of the balance of the Disposal Consideration or any part thereof by the time and in the manner stipulated in Section 2 of this Appendix and such default is not attributed to any act, neglect or fault of the Vendor, the deposit sum of RM4,696,246.50 shall be forfeited by the Vendor absolutely as agreed liquidated damages for breach of contract and shall thereupon refund to the Purchasers all other monies paid by the Purchasers to the Vendor or to such other persons as stipulated by the Vendor, as the case may be, pursuant to any of the provisions of the SPA without interest being payable. Upon such refund being made the SPA shall come to an end and become null and void and of no further effect and neither of the parties shall have any further claim against the other under or in respect of the SPA.

**7. Vendor's default**

In the event of any breach or non-fulfilment by the Vendor of any provisions of the SPA and/or in the event that the Vendor shall fail or refuse to complete the Proposed Disposal for any reasons not attributable to the fault of the Purchasers, the Purchasers shall be entitled either:

- (i) to specific performance of the SPA against the Vendor and to all reliefs flowing therefrom without prejudice to any other rights or remedies that may be available to the Purchasers in respect of any other default by the Vendor of his obligations in which case all costs and expenses incurred shall be borne and paid by the Vendor, or

---

**SALIENT TERMS OF THE SPA (CONT'D)**

---

- (ii) to terminate the SPA by service of a notice in writing to the Vendor and/or the Vendor's solicitors. In such event the whole of the Disposal Consideration or any part thereof paid by the Purchasers to the Vendor or the Vendor's solicitors or the Chargee or the caveator or to any third party on behalf of the Vendor towards the purchase of each lot of the Property free of interest together with agreed liquidated damages equivalent to the deposit sum of RM4,696,246.50 shall be refunded by the Vendor to the Purchasers within seven (7) days after having received such termination notice from the Purchasers or the Purchasers' solicitors. Upon receipt of the said refund and agreed liquidated damages, the SPA shall terminate and cease to be of any further effect and neither of the parties shall have any further claim against the other under or in respect of the SPA (save and except for the return of any documents belonging to the Vendor and the withdrawal of any private caveat lodged by the Purchasers, if any) and the Vendor shall have the absolute right to resell the Property to such person(s) in such manner and on such terms as the Vendor may deem fit and the Purchasers shall have no right to any of the purchase money arising.

*(The rest of this page has been intentionally left blank)*



## VALUATION CERTIFICATE



C H Williams Talhar & Wong Sdn Bhd (197401001098)  
 Suite 2.7 Level 2  
 Wisma Great Eastern  
 No. 25 Lebu Light  
 P.O. Box 1161  
 10200 Penang  
 Malaysia

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

14 JAN 2021

PRIVATE & CONFIDENTIAL

THE BOARD OF DIRECTORS  
 SEE HUP CONSOLIDATED BERHAD  
 &  
 LIMSA EKUITI SDN BHD  
 18, Jalan Limbungan  
 Off Jalan Chain Ferry  
 12100 Butterworth  
 Penang

T +(6 04) 263 3377  
 F +(6 04) 263 0359  
 E penang@cbre-wtw.com.my  
 W www.cbre-wtw.com.my

Dear Sirs

**CERTIFICATE OF VALUATION OF  
 LOT NOS. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 AND 1702  
 ALL WITHIN MUKIM 14, DISTRICT OF SEBERANG PERAI TENGAH, PULAU PINANG  
 [A parcel of industrial land along Jalan Bukit Minyak / Permatang Tinggi (the main trunk road  
 – Federal Route 1), within the locality of Bukit Minyak / Permatang Tinggi, Seberang Perai,  
 Pulau Pinang]  
 FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD**

We thank you for your instructions to carry out a formal valuation and providing our opinion on the market value of the above-mentioned property for the purpose of the submission to Bursa Malaysia Securities Berhad ("Bursa Securities") by See Hup Consolidated Berhad in relation to the proposed disposal of the subject property by Limsa Ekuiti Sdn Bhd, a wholly-owned subsidiary company of See Hup Consolidated Berhad.

The Valuation Certificate has been prepared for inclusion in the circular to shareholders of See Hup Consolidated Berhad in relation to the proposed disposal of the subject property.

Having inspected the property and investigated available data related and relevant to the matter, we are pleased to report that in our opinion, the market value of the subject property as at the date of inspection on 9 October 2020, free from all encumbrances and with vacant possession, is RM45,200,000/- (Ringgit Malaysia : Forty Five Million And Two Hundred Thousand Only).

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia.

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

## VALUATION CERTIFICATE (CONT'D)



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

Page 2

PROPERTY IDENTIFICATION

The property	: A parcel of industrial land formed by nine (9) adjoining lots and buildings and structures erected thereon (For the purpose of this valuation, these buildings and structures are disregarded in arriving at the market value of the subject property)																														
Location	: Along Jalan Bukit Minyak / Permatang Tinggi (the main trunk road – Federal Route 1), within the locality of Bukit Minyak / Permatang Tinggi, Seberang Perai, Pulau Pinang																														
Title Nos.	: GM 996, GM 997, GM 998, GM 988, GM 989, GM 991, GM 992, GM 993 and GM 994																														
Lot Nos.	: 324, 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702, all within Mukim 14, District of Seberang Perai Tengah, Pulau Pinang																														
Titular Land Area	: <table> <tr> <td>Lot No. 324</td> <td>-</td> <td>5,892.2223 square metres (1.456 acres)</td> </tr> <tr> <td>Lot No. 640</td> <td>-</td> <td>17,931.6189 square metres (4.431 acres)</td> </tr> <tr> <td>Lot No. 642</td> <td>-</td> <td>4,835.9929 square metres (1.195 acres)</td> </tr> <tr> <td>Lot No. 1504</td> <td>-</td> <td>10,497.5445 square metres (2.594 acres)</td> </tr> <tr> <td>Lot No. 1505</td> <td>-</td> <td>3,646.2173 square metres (0.901 acre)</td> </tr> <tr> <td>Lot No. 1664</td> <td>-</td> <td>12,873.0489 square metres (3.181 acres)</td> </tr> <tr> <td>Lot No. 1667</td> <td>-</td> <td>3,488.3899 square metres (0.862 acre)</td> </tr> <tr> <td>Lot No. 1669</td> <td>-</td> <td>12,974.2203 square metres (3.206 acres)</td> </tr> <tr> <td>Lot No. 1702</td> <td>-</td> <td>7,187.2163 square metres (1.776 acres)</td> </tr> <tr> <td><b>Total</b></td> <td>-</td> <td><b>79,326.4713 square metres (19.602 acres)</b></td> </tr> </table>	Lot No. 324	-	5,892.2223 square metres (1.456 acres)	Lot No. 640	-	17,931.6189 square metres (4.431 acres)	Lot No. 642	-	4,835.9929 square metres (1.195 acres)	Lot No. 1504	-	10,497.5445 square metres (2.594 acres)	Lot No. 1505	-	3,646.2173 square metres (0.901 acre)	Lot No. 1664	-	12,873.0489 square metres (3.181 acres)	Lot No. 1667	-	3,488.3899 square metres (0.862 acre)	Lot No. 1669	-	12,974.2203 square metres (3.206 acres)	Lot No. 1702	-	7,187.2163 square metres (1.776 acres)	<b>Total</b>	-	<b>79,326.4713 square metres (19.602 acres)</b>
Lot No. 324	-	5,892.2223 square metres (1.456 acres)																													
Lot No. 640	-	17,931.6189 square metres (4.431 acres)																													
Lot No. 642	-	4,835.9929 square metres (1.195 acres)																													
Lot No. 1504	-	10,497.5445 square metres (2.594 acres)																													
Lot No. 1505	-	3,646.2173 square metres (0.901 acre)																													
Lot No. 1664	-	12,873.0489 square metres (3.181 acres)																													
Lot No. 1667	-	3,488.3899 square metres (0.862 acre)																													
Lot No. 1669	-	12,974.2203 square metres (3.206 acres)																													
Lot No. 1702	-	7,187.2163 square metres (1.776 acres)																													
<b>Total</b>	-	<b>79,326.4713 square metres (19.602 acres)</b>																													
Registered Owner (all lots)	: Limsa Ekuiti Sdn Bhd – full share																														
Tenure (all lots)	: Term in perpetuity																														
Category of Land Use (all lots)	: Industrial																														
Encumbrances (all lots)	: Charged to AmBank (M) Berhad vide Presentation Number 0701SC2011005569, registered on 20 October 2011.																														
Other Endorsements	: <p><u>Lot No. 324</u></p> <ul style="list-style-type: none"> <li>(i) Part of the land is leased to Tenaga Nasional Berhad for a period of 30 years, commencing from 2 May 1996 and expiring 1 May 2026, vide Presentation Number 0701SC1997000941, registered on 25 January 1997.</li> <li>(ii) Perletakhakan Oleh Mahkamah vide Presentation Number 0701B2002000886, registered on 23 May 2002.</li> <li>(iii) Pembedulan di bawah seksyen 380 KTN vide Presentation Number 0701NB2015000023, registered on 5 February 2015.</li> </ul> <p><u>Lot Nos. 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702</u> Perletakhakan Oleh Mahkamah vide Presentation Number 0701B2002000886, registered on 23 May 2002.</p>																														

---

**VALUATION CERTIFICATE (CONT'D)**


---



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

Page 3

**PROPERTY IDENTIFICATION (Cont'd)**

Existing Use /  
Occupation

Vacant and unoccupied except for the following buildings and structures:

(i) Lot Nos. 640 and 1664

- A single-storey warehouse with a total gross floor area of approximately 41,979 square feet is presently tenanted to Inter Metals Sdn Bhd ("Tenant") at a monthly rental of RM18,000 and is used for storage purposes.
- Two (2) movable metal containers, of which one (1) unit is occupied as a guard house, while the other unit is occupied as an office, by the Tenant; and
- Three (3) open-sided sheds with a total gross floor area of approximately 5,683 square feet, which is presently used by the Tenant.

(ii) Lot No. 1702

A food stall was occupied by squatters with a total gross floor area of approximately 1,507 square feet.

(iii) Lot No. 324

An abandoned store and an abandoned shrine with a main floor area of approximately 63 square feet and 9 square feet respectively.

Approximate age of the warehouse : 24 years (Based on the information provided by See Hup Consolidated Berhad)

Date of Valuation : 9 October 2020

---

**VALUATION CERTIFICATE (CONT'D)**

---



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

Page 4

**GENERAL DESCRIPTION**

In contiguity, the 9 adjoining subject lots form an irregular shaped site. It has a frontage of approximately 45.02 metres (148 feet) along its southern boundary (Lot No. 1702) onto Jalan Bukit Minyak / Permatang Tinggi (the main trunk road – Federal Route 1).

The subject site is generally flat in terrain and lies at about the same level as the existing frontage road, Jalan Bukit Minyak / Permatang Tinggi (the main trunk road – Federal Route 1).

During our site inspection, we noted that there was a warehouse at the central portion of the adjoining subject Lot Nos. 640 and 1664. It is constructed of a steel portal framework supporting a metal framed pitched roof covered with metal roofing sheets. The building height from ground-to-eaves is approximately 11.3 metres (37 feet). The subject warehouse has a gross floor area of 41,979 square feet (3,900 square metres).

In addition, there are two (2) movable metal containers located near to the warehouse, to its south-east. One of the units is occupied as a guard house while the other unit is occupied as an office.

There were also three (3) open-sided sheds erected at the north-eastern portion of the subject Lot Nos. 640, at the rear of the aforementioned warehouse. These sheds were being used by the Tenant. They are constructed of steel portal frameworks with metal framed roofs and covered with metal roofing sheets. The structures have a total gross floor area of approximately 5,683 square feet (528 square metres).

Our enquiry with the Seberang Perai City Council revealed that there was no planning permission granted for the development of the warehouse and three (3) open-sided sheds. As such, no Certificates of Fitness for Occupation (CFO) / Certificates of Completion and Compliance (CCC) have been issued for these buildings and structures. **For the purpose of this valuation, these buildings and structures are disregarded in arriving at the market value of the subject property.**

In addition, there were a store and a shrine which were abandoned at the eastern and southern portions respectively, of the subject Lot No. 324. The abandoned store is constructed plastered brickwalls on a reinforced concrete framework supporting a timber framed roof and covered with metal roofing sheets. It has an approximate main floor area of 63 square feet (5.85 square metres). While, the abandoned shrine is constructed of concrete supporting a timber pitched roof. It has an approximate main floor area of 9 square feet (0.84 square metres). **The buildings / structures do not form an integral component of the subject property and thus are disregarded in arriving at the market value of the subject property.**

We also noticed that there was a food stall erected at the eastern portion of the subject Lot No. 1702 and being occupied by squatters. The food stall is constructed of partly timber and partly concrete framework supporting timber framed roof covered with metal deck roofing sheets. The building has an approximate gross floor area of 1,507 square feet (140.00 square metres). **According to the Sale and Purchase Agreement dated 14 January 2021 made between Limsa Ekuiti Sdn Bhd ("Vendor") and Wangsaga Industries Sdn Bhd and Tek Seng Properties & Development Sdn Bhd ("Purchaser") that is furnished to us, the subject property is sold with vacant possession. Thus, for the purpose of this valuation, the subject property is valued on the basis with vacant possession.**

The remaining area of the subject site was vacant and overgrown with wild plants and undergrowth.

---

**VALUATION CERTIFICATE (CONT'D)**

---



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

Page 5

**EXISTING USE / OCCUPATION**

Reference is made to a copy of the tenancy agreement dated 15 May 2019 ("Tenancy Agreement") made between Limsa Ekuiti Sdn Bhd ("Landlord") and Inter Metals Sdn Bhd ("Tenant"), part of the subject Lot Nos. 640 and 1664 which is erected with the warehouse is tenanted for a tenancy term of one (1) year, commencing from 15 May 2019 and expired on 15 May 2020 at a monthly rental of RM18,000/- with a renewal of tenancy for a further term of one (1) year subject to the Tenant complying to all the covenants ("Further Term"). The rent payable for the renewal of tenancy under the Further Term is to be mutually agreed upon.

According to the 3<sup>rd</sup> Schedule (Special Conditions) of the abovementioned Tenancy Agreement, it is stated that the Tenant is entering into the Tenancy Agreement with the knowledge that the Landlord intends to at any time develop or sell the Land or any part of it. In such circumstances, the Landlord shall be entitled to terminate the tenancy at any time before the expiry of the Further Term. The Tenant acknowledges and agrees that he shall not be entitled to claim for any loss, damages or whatsoever compensation from the Landlord in the event that the Landlord exercises his right for early termination.

**PLANNING PROVISION**

Our enquiries with the Town Planning Department of the Seberang Perai City Council revealed that the subject property is located within an area zoned "Main Development Area 1" which is permitted for commercial, residential, industrial and other secondary uses. As per the "Category of Land Use" and "Express Conditions" stated in the titles, it is designated for industrial use.

**METHOD OF VALUATION**

The subject property is valued using the Comparison Approach (Comparison Method) as the only method.

**Comparison Approach (Comparison Method)**

The Comparison Approach entails analysing recent transactions of comparable properties for comparison purposes with adjustments made for differences in time, accessibility, size, main road frontage - visibility, shape, and benefit of planning permission, earthworks and land clearance as well as subdivision of lots, and other relevant characteristics, if any, to arrive at the market value.

We have adopted the Comparison Approach (Comparison Method) as the only method for this valuation exercise as there are good comparables for the subject property which are located within the vicinity. Furthermore, the subject site has yet to be properly planned for development as no application for planning permission has been submitted yet to the relevant authorities. Therefore, we have not considered other approaches in our valuation.

On the other hand, the Investment Method of the Income Approach is more aptly for the fair presentation of the market value for investment properties, comprising commercial and income generating properties such as purpose-built office buildings, shopping malls, public warehouses, etc.

As for the Residual Method of the Income Approach, it is more aptly for assessing land which has been properly planned for development with planning permission granted and for the purpose of sale.

As the buildings and structures erected on the subject site do not form an integral component of the subject property, the Cost Approach is not applicable for this valuation exercise.

## VALUATION CERTIFICATE (CONT'D)



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

Page 6

## VALUE CONSIDERATION

## Comparison Approach (Comparison Method)

The adjustments of comparables for the subject property are as follows:-

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH) and announcement extracted from Bursa Securities	Valuation and Property Services Department (JPPH)	Valuation and Property Services Department (JPPH)	Valuation and Property Services Department (JPPH)
Locality	Bukit Minyak / Permatang Tinggi	Bukit Minyak / Permatang Tinggi	Bukit Minyak / Permatang Tinggi	Bukit Minyak / Permatang Tinggi
Title No.	HS(D) 62746 to HS(D) 62807 (Subdivided Lots) (Geran 113733 - Parent Lot)	HS(D) Kekal 63194	Geran Mukim 117	Grant First Grade 43467
Lot No.	32480 to 32543 (Subdivided Lots) (Parent Lot No. 13254)	33144	1131	1112
Mukim	14	14	14	14
District	Seberang Perai Tengah	Seberang Perai Tengah	Seberang Perai Tengah	Seberang Perai Tengah
State	Pulau Pinang	Pulau Pinang	Pulau Pinang	Pulau Pinang
Location	Along Jalan Bukit Minyak / Permatang Tinggi (main trunk road – Federal Route 1)	Off Jalan Bukit Minyak / Permatang Tinggi (main trunk road – Federal Route 1)	Off Jalan Bukit Minyak / Permatang Tinggi (main trunk road – Federal Route 1)	Along Jalan Bukit Minyak / Permatang Tinggi (main trunk road – Federal Route 1)
Net Land Area – Total Subdivided Lot	474,548 square feet / 10.89 acres (44,087.00 square metres)	-	-	-
Gross Land Area – Parent Lot	755,195 square feet / 17.34 acres (70,160.00 square metres)	245,632 square feet / 5.64 acres (22,820.00 square metres)	340,595 square feet / 7.82 acres (31,642.37 square metres)	721,466 square feet / 16.56 acres (67,026.41 square metres)
Zoning	Main Development Area 2	Main Development Area 2	Main Development Area 2	Main Development Area 2
Category of Land Use (in title)	Nil (First Grade)	Nil (First Grade)	Industrial	Nil (First Grade)
Type	Development land approved and subdivided for mixed development of shop, offices and small and medium industry ("SMI") factories	Development land	Industrial land	Development land
Tenure	Term in perpetuity	Term in perpetuity	Term in perpetuity	Term in perpetuity
Date	03/07/2017	19/02/2020	03/08/2018	18/10/2016
Vendor	Waz Lian Properties Sdn Bhd	Loo Khah Keow	Kim Ban Hong Realty Sdn Bhd	Hock Teoh Huat Holdings Sdn Bhd
Purchaser	Enchanting View Development Sdn Bhd	Ming Yi Resources Sdn Bhd	First Choice Development Sdn Bhd	Kyosoh Malaysia Sdn Bhd
Consideration	RM43,800,321/-	RM9,334,032/-	RM15,326,000/-	RM36,072,036/-
Analysed Land Value	RM58.00* per square foot (RM624.29 per square metre)	RM38.00 per square foot (RM409.03 per square metre)	RM45.00 per square foot (RM484.35 per square metre)	RM50.00 per square foot (RM538.18 per square metre)
Adjustments	Adjustments are made on time, accessibility, main road frontage – visibility, size, shape, and benefit of planning permission, earthworks and land clearance as well as subdivision of lots			
Adjusted Land Value	RM53.00 per square foot (RM570.45 per square metre)	RM43.70 per square foot (RM470.38 per square metre)	RM53.04 per square foot (RM570.93 per square metre)	RM52.25 per square foot (RM562.39 per square metre)

\* Note: Based on the Gross Land Area (Parent Lot land area) before the subdivision, which is of similar character to the subject property.

---

**VALUATION CERTIFICATE (CONT'D)**


---



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)

Page 7

VALUE CONSIDERATION (Cont'd)

Comparison Approach (Comparison Method) (Cont'd)

From the above analysis, the adjusted land values range from RM43.70 per square foot (RM470.38 per square metre) to RM53.04 per square foot (RM570.93 per square metre). The average adjusted land value for all 4 comparables is RM50.50 per square foot (RM543.58 per square metre).

Having regard to the foregoing, Comparables 1 and 3 are the best among the comparables considered. Comparable 1 has similar land size as the subject property and also located within the vicinity along the same frontage road as the subject property i.e. along Jalan Bukit Minyak / Permatang Tinggi (the main trunk road – Federal Route 1). Although Comparable 4 has similar land size and road frontage, Comparable 1 is the more recent transaction.

Comparable 3 is an industrial land with the Category of Land Use in the title document stated as "Industrial", similar to the subject property.

Although Comparables 1 and 3 were transacted about two (2) to three (3) years ago, there has not been significant change in the market condition of industrial and development land within the subject locality. In addition, the slight change in the market condition due to the time factor has been appropriately adjusted in our valuation workings for the Comparison Approach (Comparison Method).

The adjusted land value of comparable 1 is RM53.00 per square foot (RM570.45 per square metre) while for Comparison 3 is RM53.04 per square foot (RM570.93 per square metre). The average adjusted land value for Comparables 1 and 3 is RM53.02 per square foot (RM570.70 per square metre).

Hence, the land value of the subject property is adopted at RM53.00 per square foot (RM570.45 per square metre).

The value of the subject property based on RM53.00 per square foot is derived at RM45,254,739/-, say RM45,200,000/-.

MARKET MOVEMENT STATEMENT

The outbreak of the COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. The Government of Malaysia has imposed Movement Control Order which prohibits travel except for securing essential services.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can reasonably attach less weight to previous market evidences for comparison purposes, to arrive at opinions of value. The current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of 'material valuation uncertainty'. The reduced certainty requires a higher degree of caution to be placed on our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the subject property under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

---

**VALUATION CERTIFICATE (CONT'D)**

---



C H Williams Talhar & Wong Sdn Bhd (Registration No. 197401001098 (18149-U))

Our Ref: WTW/03/V/002160/20/PEH/cpk(ong)  
Page 8

**VALUATION**

Taking into consideration of the above factors, we therefore assess the market value of the subject property, free from all encumbrances and with vacant possession, at **RM45,200,000/-** (Ringgit Malaysia: **Forty Five Million And Two Hundred Thousand Only**).

Yours faithfully  
for and on behalf of  
C H Williams Talhar & Wong Sdn Bhd

**Sr PEH SENG YEE**  
MBA, B. Surv (Hons) Prop. Mgt., MRICS, FRISM, MPEPS, MMIPFM  
Chartered Surveyor, Registered Valuer (V-527)



---

**FURTHER INFORMATION**


---

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST****(i) Adviser**

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

Affin Hwang IB hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser for the Proposed Disposal.

**(ii) Valuer**

C H Williams, being the independent registered valuer for the Property, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its Valuation Certificate and all references thereto, in the form and context in which they appear in this Circular.

C H Williams hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the independent registered valuer for the Property.

**3. MATERIAL LITIGATION**

As at the LPD, there are no material litigations, claims or arbitrations involving the Property and the Board is not aware of any proceedings pending or threatened against the Property.

**4. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the business or financial position of the Group:

	RM'000
Contracted but not provided for:	
- Property, plant and equipment	441

**5. CONTINGENT LIABILITIES**

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

---

**FURTHER INFORMATION (CONT'D)**

---

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from 9 a.m. to 5 p.m. from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM of the Company, at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang:

- (i) the Constitution of See Hup;
- (ii) the audited consolidated financial statement of See Hup for the past two (2) FYE 31 March 2019 and FYE 31 March 2020 as well as the latest unaudited quarterly report of See Hup for the nine (9)-month FPE 31 December 2020;
- (iii) the SPA;
- (iv) the Valuation Certificate; and
- (v) the letters of consent as referred to in Section 2 above.

*(The rest of this page is intentionally left blank)*



Total Logistics Solutions

**SEE HUP CONSOLIDATED BERHAD**  
(Registration No. 199601018726 (391077-V))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**” or “**Meeting**”) of See Hup Consolidated Berhad (“**See Hup**” or “**Company**”) is scheduled to be held at The Wembley Hotel, Wembley Room 10, Jalan Magazine, 10300 Penang on Wednesday, 31 March 2021 at 9.45 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications of the following resolution:

### **ORDINARY RESOLUTION**

**PROPOSED DISPOSAL BY LIMSA EKUITI SDN BHD (“LIMSA EKUITI”), A WHOLLY-OWNED SUBSIDIARY OF SEE HUP, OF A PARCEL OF INDUSTRIAL LAND FORMED BY NINE (9) ADJOINING LOTS MEASURING APPROXIMATELY 853,863 SQUARE FEET TOGETHER WITH A WAREHOUSE THEREON, HELD UNDER GERAN MUKIM 996, 997, 998, 988, 989, 991, 992, 993 AND 994, LOT NOS. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 AND 1702, ALL WITHIN MUKIM 14, DAERAH SEBERANG PERAI TENGAH, NEGERI PULAU PINANG TO WANGSAGA INDUSTRIES SDN BHD AND TEK SENG PROPERTIES & DEVELOPMENT SDN BHD (COLLECTIVELY, REFERRED TO AS THE “PURCHASERS”), FOR A TOTAL CASH CONSIDERATION OF RM46,962,465 (“DISPOSAL CONSIDERATION”) (“PROPOSED DISPOSAL”)**

“**THAT** subject to the approval and consent being obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to Limsa Ekuiti to dispose a parcel of industrial land formed by nine (9) adjoining lots measuring approximately 853,863 square feet together with a warehouse thereon, held under Geran Mukim 996, 997, 998, 988, 989, 991, 992, 993 and 994, Lot Nos. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702, all within Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang to the Purchasers for the Disposal Consideration, based on the terms and conditions of the conditional sale and purchase agreement dated 14 January 2021 in relation to the Proposed Disposal.

**AND THAT** the Board of Directors of See Hup (“**Board**”) be and are hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the aforesaid Proposed Disposal, with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board to implement, finalise and give full effect to the Proposed Disposal.”

By Order of the Board

**TAI YIT CHAN (MAICSA 7009143) (SSM PC 202008001023)**  
**ONG TZE-EN (MAICSA 7026537) (SSM PC 202008003397)**  
**LAU YOKE LENG (MAICSA 7034778) (SSM PC 202008003368)**  
**Joint Company Secretaries**

Penang  
16 March 2021

Notes:

1. *A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. A proxy must be of full age. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
2. *Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 (“**SICDA**”), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

*An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation’s seal or under the hand of an officer or attorney duly authorised.*
5. *To be valid, the Form of Proxy duly completed must be deposited at the Company’s registered office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.*
6. *In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 22 March 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*



**SEE HUP CONSOLIDATED BERHAD**  
 (Registration No. 199601018726 (391077-V))  
 (Incorporated in Malaysia)

**FORM OF PROXY**  
 Extraordinary General Meeting

CDS Account No.	
-----------------	--

No. of Shares Held	
--------------------	--

I/We\* \_\_\_\_\_  
 (Full Name in Block Letters and NRIC/ Company No.)

of \_\_\_\_\_ and \_\_\_\_\_  
 (Address) (Tel. No.)

being a member\* / members\* of See Hup Consolidated Berhad hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

\* and/or (\*delete if not applicable)

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing him/her, the CHAIRMAN OF THE MEETING as my\*/our\* proxy, to vote for me\*/us\* and on my\*/our\* behalf at the EXTRAORDINARY GENERAL MEETING of the Company to be held at The Wembley Hotel, Wembley Room 10, Jalan Magazine, 10300 Penang on Wednesday, 31 March 2021 at 9.45 a.m. or any adjournment thereof.

NO.	RESOLUTION	FOR	AGAINST
1	Ordinary Resolution – Proposed Disposal		

(Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

\_\_\_\_\_  
 Signature of Shareholder

\_\_\_\_\_  
 Common Seal to be affixed here if Shareholder is a Corporation

**Notes:**

1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. A proxy must be of full age. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
2. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
  
 An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. To be valid, the Form of Proxy duly completed must be deposited at the Company's registered office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.
6. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 22 March 2021 (Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

*Fold this flap for sealing*

---

*Please fold across the line and close*

---

**AFFIX  
STAMP**

The Joint Company Secretaries  
**SEE HUP CONSOLIDATED BERHAD**  
(Registration No. 199601018726 (391077-V))  
170-09-01 Livingston Tower, Jalan Argyll,  
10050 George Town, Pulau Pinang, Malaysia

---

*Please fold across the line and close*

This page is intentionally left blank.

