

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, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Circular pertaining to the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Part A of this Circular prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular and Valuation Certificate (as defined herein), 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.



MATRIX CONCEPTS HOLDINGS BERHAD

(Registration No. 199601042262 (414615-U))
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED ACQUISITION BY N9 MATRIX DEVELOPMENT SDN BHD ("N9 MATRIX"), AN 85%-OWNED SUBSIDIARY OF MCHB DEVELOPMENT (NS) SDN BHD ("MCHB DEVELOPMENT"), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF MATRIX CONCEPTS HOLDINGS BERHAD ("MCHB" OR THE "COMPANY"), OF FREEHOLD AGRICULTURAL LANDS MEASURING APPROXIMATELY 1,382.2082 ACRES (EQUIVALENT TO APPROXIMATELY 559.372 HECTARES), ALL SITUATED IN MUKIM OF LABU, DISTRICT OF SEREMBAN, NEGERI SEMBILAN ("LAND") FORMING PART OF THE LANDS WHICH COVERS THE DISTRICTS OF SEREMBAN AND PORT DICKSON, NEGERI SEMBILAN KNOWN AS MALAYSIAN VISION VALLEY 2.0 ("MVV 2.0") FROM NS CORPORATION ("NS CORP") FOR A TOTAL INDICATIVE PURCHASE CONSIDERATION OF RM460,000,000 TO BE SATISFIED FULLY IN CASH;**
- (II) PROPOSED JOINT VENTURE BETWEEN MCHB DEVELOPMENT, N9 MATRIX AND NS CORP TO JOINTLY ACQUIRE AND DEVELOP THE LAND LOCATED IN MVV 2.0 ("PROPOSED JOINT VENTURE"); AND**
- (III) PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO N9 MATRIX UNDER THE PROPOSED JOINT VENTURE**

Principal Adviser for Part B

RHB Investment

RHB Investment Bank Berhad

(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The 26th Annual General Meeting ("**26th AGM**") of MCHB is scheduled to be conducted on a fully virtual basis through live-streaming via remote participation and voting facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Wednesday, 30 August 2023 at 11.00 a.m.

The Notice of the 26th AGM and the Proxy Form as set out in the Integrated Annual Report 2023 of the Company together with this Circular and Administrative Guide for the 26th AGM are all available at <https://www.mchb.com.my/investor-relations/general-meetings/>. Shareholders are advised to refer to the Notice of the 26th AGM and the Administrative Guide for the procedures as set out therein.

If you wish to appoint a proxy to attend, participate and vote on your behalf at the 26th AGM, you may deposit your Proxy Form at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan. Alternatively, the submission of the Proxy Form can be made through electronic lodgement not less than 48 hours before the time fixed for holding the 26th AGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, participating and voting at the 26th AGM should you subsequently decide to do so. For electronic lodgement of the Proxy Form, please also follow the procedures as set out in the Administrative Guide.

Last date and time for lodging the Proxy Form : Monday, 28 August 2023 at 11.00 a.m.

Date and time of the 26th AGM : Wednesday, 30 August 2023 at 11.00 a.m.

This Circular is dated 28 July 2023

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**

DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout Part A of this Circular:-

25 th AGM	:	Twenty-Fifth Annual General Meeting
26 th AGM	:	Twenty-Sixth Annual General Meeting
Act	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof, including all regulations issued thereunder
Administrative Guide	:	Administrative Guide for 26 th AGM
AGM	:	Annual General Meeting
Annual Report 2023	:	Integrated Annual Report of MCHB issued for the financial year ended 31 March 2023
Approved Estimated Value	:	Estimated value of RRPT which was approved by shareholders at the 25 th AGM held on 26 August 2022
Audit Committee	:	Audit Committee of the Company
Board	:	The Board of Directors of MCHB
BSSD	:	BSS Development Sdn Bhd [Registration No. 200501012590 (689638-X)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Circular	:	This Circular is dated 28 July 2023
Director(s)	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007
Interested Director	:	Director who is deemed interested in the RRPTs by virtue of his relationship with the Related Party/ies
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities as amended from time to time and any re-enactment thereof
LPD	:	30 June 2023, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is – a) 10% or more of the total number of voting shares in the corporation; or b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
Matrix Excelcon	:	Matrix Excelcon Sdn Bhd [Registration No. 199301013484 (268222-A)]

DEFINITIONS (Cont'd)

MCHB Group or the Group	:	MCHB and its subsidiary companies as defined in Section 6 of the Act
MCHB or the Company	:	Matrix Concepts Holdings Berhad [Registration No. 199601042262 (414615-U)]
MCSB	:	Matrix Concepts Sdn Bhd [Registration No. 1994010100293 (295708-V)]
Ordinary Resolution	:	The ordinary resolution pertaining to the Proposed Shareholder's Mandate for RRPT
Person(s) Connected	:	This shall have the same meaning as in Chapter 1, Paragraph 1.01 of the Listing Requirements
Proposed Mandate	:	The estimated value for RRPT which are expected to be incurred from this AGM until the date of next AGM
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of shareholders' mandate for the RRPT, as detailed under Section 2.1.4 of Part A of this Circular
Recurrent Related Party Transaction(s) or RRPT(s)	:	Related Party Transactions involving recurrent transactions of revenue or trading nature which are necessary for day to day operations and are in the ordinary course of business of the MCHB Group
Reka Group	:	Reka Homes, RekaLight Sdn Bhd and Reka International Industries (M) Sdn Bhd
Related Party(ies)	:	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, "director" and "major shareholder" shall have the meanings given in Paragraph 10.02 of the Listing Requirements
RM and sen	:	Ringgit Malaysia and sen respectively
Share(s)	:	Ordinary shares in MCHB
Shareholder(s)	:	Shareholders of MCHB
Shareholders' Mandate	:	The shareholders' mandate for the MCHB Group to enter into RRPTs with the Related Parties

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Reference to persons shall include corporations, unless otherwise specified.

Any reference to "you" in Part A of this Circular are to the Shareholders.

Any discrepancies in the tables included in Part A of this Circular between amounts listed, actual figures and totals thereof may be due to rounding.

Any reference in Part A of this Circular to any enactment is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Any reference to a time of day in Part A of this Circular shall be reference to Malaysia time, unless otherwise stated.

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MATRIX CONCEPTS HOLDINGS BERHAD

Registration No. 199601042262 (414615-U)
(Incorporated in Malaysia)

Registered Office:

Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan
Malaysia

28 July 2023

Board of Directors:

Dato' Haji Mohamad Haslah Bin Mohamad Amin (*Non-Independent Non-Executive Chairman*)
Dato' Seri Lee Tian Hock (*Group Executive Deputy Chairman*)
Mr Ho Kong Soon (*Group Managing Director*)
Dato' Logendran A/L K Narayanasamy (*Non-Independent Non-Executive Director*)
Encik Mazhairul Bin Jamaludin (*Senior Independent Non-Executive Director*)
Dato' Hon Choon Kim (*Independent Non-Executive Director*)
Dato' Hajah Kalsom Binti Khalid (*Independent Non-Executive Director*)
Ms Chua See Hua (*Independent Non-Executive Director*)
Ms Loo See Mun (*Independent Non-Executive Director*)

To : The Shareholders of MCHB

Dear Sir/Madam

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

1.1 Proposed Shareholders' Mandate for RRPT

At the 25th AGM held on 26 August 2022, the Company had obtained a mandate from its shareholders to enter into RRPT with Related Parties which are necessary for its day to day operations and are in the ordinary course of business based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of minority shareholders.

The abovesaid mandate shall lapse at the conclusion of the forthcoming 26th AGM of the Company unless a new mandate for RRPT is obtained from the shareholders at the AGM. On 24 May 2023, the Board announced to Bursa Securities that the Company proposed to seek a renewal of the Shareholders' Mandate for MCHB Group to enter into RRPT with Related Parties at the forthcoming 26th AGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT

2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT OF A REVENUE OR TRADING NATURE

Pursuant to Paragraph 10.09 of Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the RRPT subject to, inter-alia, the following:

- (a) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed below in relation to a listed issuer with a share capital of RM60 million and above:-
 - (i) the consideration, value of assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher;
- (c) The Circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) In a meeting to obtain the shareholders' mandate, the Interested Director, Interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An Interested Director or Interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transaction; and
- (e) The listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Board wishes to seek the approval from the shareholders of MCHB for the Proposed Renewal of Shareholders' Mandate to enable the Group to enter into RRPTs which are necessary for the day-to-day operations within the ordinary course of business of the Group. The RRPTs, details as stipulated in Sections 2.1.4 of Part A of this Circular, are undertaken at arms' length based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Renewal of Shareholders' Mandate will, if approved by the shareholders at the forthcoming 26th AGM, be subjected to annual renewal. Any authority conferred by shareholders in respect of the Proposed Renewal of Shareholders' Mandate shall continue to be in force until:

- (i) the conclusion of the Twenty-Seventh Annual General Meeting ("27th AGM") of MCHB, at which time the said authority will lapse, unless the authority is renewed by a resolution passed thereat; or
- (ii) the expiration of the period within which the next AGM of MCHB is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders in a general meeting before the next AGM;

whichever is the earlier.

2.1 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT

MCHB is seeking approval from the shareholders for the Proposed Renewal of Shareholders' Mandate for RRPTs that will allow the Group, in its normal course of business, to enter into RRPTs with Related Parties referred to in the following section.

2.1.1 Principal Activities of MCHB Group

The principal activities of MCHB is investment holding. The subsidiary companies of MCHB and their principal activities are as set out below:-

Name of Company	Effective Interest Held (%)	Principal Activities
BSS Development Sdn Bhd	100	Property development
Masuda Corporation Sdn Bhd	100	Property development and investment holding
Matrix Concepts Sdn Bhd	100	Property development and investment holding
MCHB Natro' Green Sdn Bhd	100	Property development
MGE Development Sdn Bhd	100	Property development and investment holding
Matrix Concepts (NS) Sdn Bhd	100	Property development
Matrix Concepts (Central) Sdn Bhd	100	Property development and investment holding
Matrix Concepts (Southern) Sdn Bhd	100	Property development
Matrix Properties Sdn Bhd	100	Property investment and investment holding
Matrix Excelbuilder Sdn Bhd	100	Investment holding
Matrix Concepts (Damansara) Sdn Bhd	100	Property development
Matrix Project Management Sdn Bhd	100	Project management and administrative services
Matrix Country Club Sdn Bhd	100	Clubhouse operator
Matrix Hotels Management Sdn Bhd	100	Hotel management and hospitality services
Matrix Excelcon Sdn Bhd	100	General contractors
Matrix Exceltrading Sdn Bhd	100	General construction and trading house (Dormant)
MCHB Development (NS) Sdn Bhd	100	Intended property development
MCHB Development (KV) Sdn Bhd	100	Property development
MCHB Development (Southern) Sdn Bhd	100	Property development

Name of Company	Effective Interest Held (%)	Principal Activities
Matrix IBS Sdn Bhd	100	Property development
Matrix Realty Management Sdn Bhd	100	Property management services
Matrix Healthcare Sdn Bhd	100	Provision of healthcare services and investment holding
Matrix Concepts (Cheras) Sdn Bhd	100	Property development
Matrix Educare Sdn Bhd	51	Provision of education services
Matrix Medicare Sdn Bhd	70	Provision of healthcare services
Matrix Development (Australia) Pty Ltd	100	Investment holding
Matrix Greenvale (Australia) Pty Ltd	100	Property development
Matrix 333 St Kilda (Australia) Pty Ltd	100	Property development
Matrix Property Management (Australia) Pty Ltd	100	Management of defect works and rental guarantees for completed group property development
PT Matrix Perkasa Indonesia	100	Property development
N9 Matrix Development Sdn Bhd	85	Property development
Matrix Sino Development Sdn Bhd	100	Intended property development
Megah Sedaya Sdn Bhd	100	Intended property development

It is anticipated that the Group would, in the ordinary course of business, enter into RRPTs as detailed in Section 2.1.4 of Part A of this Circular which are necessary for the day-to-day operations of the Group with the Related Parties below which are likely to occur with some degree of frequency and could arise at any time.

Accordingly, the Board proposes to seek shareholders' approval on the Proposed Renewal of Shareholders' Mandate for the Group to enter into RRPTs with the Related Parties below, provided such transactions are necessary for its day-to-day operations, in the ordinary course of business, undertaken at arms-length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the minority shareholders of the Company. Such RRPTs will also be subject to the review procedures as set out in Section 2.2 of Part A of this Circular.

2.1.2 Related Parties

The Proposed Renewal of Shareholders' Mandate will apply to RRPTs with the following Related Parties:

Related Party	Principal Activities	Interested Director/Major Shareholder or person connected	Nature of Relationship
Y&Y Mix Sdn Bhd	Supply ready mix concrete	Datin Seri Yong Chou Lian and Dato' Seri Lee Tian Hock Yong Moi Noi Yong Ghee Kiat, Yong Ing Kiat, Yong Ah Chek and Yong Hwah Kiat	Datin Seri Yong Chou Lian, who is a substantial shareholder of Y&Y Mix Sdn Bhd, is a shareholder of the Company and the spouse of Dato' Seri Lee Tian Hock. Yong Moi Noi, who is a director of Y&Y Mix Sdn Bhd, is the sister-in-law of Dato' Seri Lee Tian Hock. Yong Ghee Kiat, Yong Ing Kiat, Yong Ah Chek and Yong Hwah Kiat who are substantial shareholders of Y&Y Mix Sdn Bhd, are the brothers-in-law to Dato' Seri Lee Tian Hock.

Related Party	Principal Activities	Interested Director/Major Shareholder or person connected	Nature of Relationship
Takrif Maksimum Sdn Bhd	Rental of retail space	Dato' Seri Lee Tian Hock and Datin Seri Yong Chou Lian	Dato' Seri Lee Tian Hock who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is a substantial shareholder of the Company and its Group Executive Deputy Chairman. Datin Seri Yong Chou Lian, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Seri Lee Tian Hock.
Reka Group	Supply and deliver light fittings and accessories, fittings for buildings fixture and furniture	Dato' Logendran A/L K Narayanasamy	Dato' Logendran A/L K Narayanasamy who is a director and substantial shareholder of Reka Group, is also the Non-Independent Non-Executive Director of MCHB and the director of several subsidiary companies of MCHB.
Yong Moi Noi	Agent for purchase of sales, marketing materials, corporate gift and decoration items	Dato' Seri Lee Tian Hock	Yong Moi Noi is the sister-in-law of Dato' Seri Lee Tian Hock.
Lee Geok Hoon and Cheong Yong Chieh	Rental of retail space	Dato' Seri Lee Tian Hock	Lee Geok Hoon and Cheong Yong Chieh are the sister and brother-in-law of Dato' Seri Lee Tian Hock.
Ratusan Aman Jati Sdn Bhd	Rental of retail space	Dato' Seri Lee Tian Hock	Tan Seng Heng and Low Kim Fong are the directors and shareholders of Ratusan Aman Jati Sdn Bhd. They are also the brother and sister-in-law of Mr Lee Tian Onn, who in turn is the brother of Dato' Seri Lee Tian Hock.
GXM Pty Ltd	Management and sales & marketing services	Lee Jon Wee	Lee Jon Wee who is the sole director and sole shareholder of GXM Pty Ltd, is also the director of Matrix Development (Australia) Pty Ltd, Matrix Greenvale (Australia) Pty Ltd, Matrix 333 St Kilda (Australia) Pty Ltd and Matrix Property Management (Australia) Pty Ltd.

2.1.3 The Nature of the RRPT Contemplated

The type of RRPT to be covered by the Proposed Renewal of Shareholders' Mandate relate principally to the supply of building materials, marketing services and rental of premises in the ordinary course of MCHB Group's businesses as described below:-

a) Supply of Building Materials, Transport Services; and Sales and Marketing Collaterals

In the course of MCHB Group's businesses, it is anticipated that the Group may enter into transactions with Related Parties which will include the provision by the companies in the MCHB Group to or receipt from Related Parties, supply of building materials, transport services; and sales and marketing collaterals undertaken by the Related Parties or companies in the MCHB Group (as the case may be) which are necessary for its day-to-day operations.

b) Rental of Premises

In carrying out the businesses of MCHB Group, it is envisaged that the Group will enter into RRPT which relate to the rental of premises from and/or to Related Parties.

2.1.4 The Proposed Renewal of Shareholders' Mandate for RRPT

The RRPTs covered by the Proposed Renewal of Shareholders' Mandate for RRPT are as set out in the table below:

Subsidiary Companies of MCHB	Nature of Transactions	Related Party	Approved Estimated Value (RM)	Actual Value Transacted from last AGM till LPD (RM)	Difference (%) (Below)/Above Estimated Value	Reason for deviation of 10% or more of the Estimated Value	Proposed Mandate (RM)
Matrix Excelcon	Purchase of ready mix concrete	Y&Y Mix Sdn Bhd	35,000,000	34,521,338.00	(1.37%)	-	35,000,000
BSSD	Rental of a retail space by BSSD from Takrif Maksimum Sdn Bhd utilised as its sales gallery for a period of not more than three (3) years at a monthly rental of RM5,000.	Takrif Maksimum Sdn Bhd	60,000	60,000.00	0%	-	60,000
MCHB Group	Supply and deliver light fittings and accessories, fittings for buildings fixtures and furniture	Reka Group	200,000	99,391.00	(50.3%)	-	150,000
MCHB Group	Agency services for the sourcing and purchase of sales, marketing materials or collaterals, corporate gift, decoration items and amenities	Yong Moi Noi	600,000	393,452.00	(34.4%)	-	500,000

The Proposed Renewal of Shareholders' Mandate for RRPT (Cont'd)

Subsidiary Companies of MCHB	Nature of Transactions	Related Party	Approved Estimated Value (RM)	Actual Value Transacted from last AGM till LPD (RM)	Difference (%) (Below)/Above Estimated Value	Reason for deviation of 10% or more of the Estimated Value	Proposed Mandate (RM)
Matrix Excelcon	Rental of a 2-storey shop office for the purpose of operating as an office at Bandar Seri Impian, Kluang for a period of not more than three (3) years at a monthly rental of RM3,850 from 1 July 2022	Lee Geok Hoon and Cheong Yong Chieh	46,200	46,200.00	0%	-	46,200
MCSB	Rental of a corner 2½-storey shop office for the purpose of operating as an office at Bandar Seri Impian, Kluang for a period of not more than three (3) years at a monthly rental of RM16,200 from 1 May 2022	Ratusan Aman Jati Sdn Bhd	194,400	194,400.00	0%	-	194,400
Matrix Development (Australia) Pty Ltd Group of Companies	Development and management of projects, marketing services	GXM Pty Ltd	3,000,000	1,721,227.93 AUD568,000	(42.6%)	-	2,500,000

2.1.5 Amount Due and Owing by Related Party

There is no amount due from or owing to MCHB Group by the Related Parties which exceeded the credit term given arising from the RRPTs set out in Section 2.1.4 of Part A of this Circular.

2.1.6 Rationale for the Proposed Renewal of Shareholders' Mandate for RRPT

The RRPTs to be entered into by the Group with respect to the approval for the Proposed Renewal of Shareholders' Mandate sought are all in the ordinary course of business and reflect the potential long-term commercial relationship between the parties. It is envisaged that in the ordinary course of business of the Group, the RRPTs between the Group and the Related Parties are likely to occur with some degree of frequency and from time to time, and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT. The RRPTs are undertaken on terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. All the transactions will be conducted on "an arm's length basis".

The Proposed Renewal of Shareholders' Mandate are intended to facilitate transactions in the ordinary course of business of the Group. The Proposed Renewal of Shareholders' Mandate would avoid the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when the RRPT occurs or arises. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings on an ad-hoc basis. It would also enable the Group to realize business opportunities, as and when they shall become available to the Group, in a more timely and effective manner. The RRPTs to be entered into with the Related Parties represent business decision which are undertake for legitimate and bona fide business purposes, after a thorough assessment of the merits of these proposed transactions, pursuant to the review procedures as outlined in Section 2.2 of Part A of this Circular.

2.1.7 Shareholdings of Interested Directors, Major Shareholders and Persons Connected to them

The Interested Directors, Major Shareholders and Persons Connected to them and their direct and indirect interests based on the Register of Director's Shareholding and Register of Substantial Shareholders as at LPD, are as follows:-

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Name/Company	Direct		Indirect	
	No. of MCHB Shares	%	No. of MCHB Shares	%
Interested Directors and Major Shareholders				
Dato' Seri Lee Tian Hock ^(e)	143,478,098	11.47	266,159,044 ^(a)	21.27
Dato' Logendran A/L K ⁽ⁱ⁾ Narayanasamy	2,315,155	0.19	-	-
Interested Major Shareholders				
Shining Term Sdn Bhd	158,601,535	12.67	-	-
Datin Seri Yong Chou Lian	4,018,230	0.32	167,932,265 ^(c)	13.42
Persons Connected				
Ambang Kuasa Sdn Bhd	49,048,777	3.92	-	-
Fine Approach Sdn Bhd	12,450,000	0.99	-	-
Magnitude Point Sdn Bhd	29,926,335	2.39	-	-
Meridian Effect Sdn Bhd	8,002,000	0.64	-	-
Target Venue Sdn Bhd	18,674,314	1.49	-	-
Yakin Teladan Sdn Bhd	9,330,730	0.75	-	-
Cheong Yong Chieh ^(f)	740,819	0.06	-	-
Lee Geok Hoon ^(e)	963,903	0.08	-	-
Lee Geok Lin ^(e)	1,392,963	0.11	-	-
Lee Yoke Fong ^(e)	181,612	0.01	-	-
Lee Tian Huat ^(e)	-	-	12,450,000 ^(d)	0.99
Lee Yoke Bee ^(e)	462,375	0.04	-	-
Lee Tian Onn ^(e)	7,171	0.00	8,002,000 ^(b)	0.64
Tan Seng Heng ^(h)	22	0.00	-	-
Low Kim Fong ^(h)	234,024	0.02	-	-
Nyo Eng Kiak ^(g)	330,000	0.03	-	-
Tan Bee Ling ^(f)	753,500	0.06	8,002,000 ^(b)	0.64
Teh Wei Cin ^(f)	2,865,001	0.23	-	-
Yong Ghee Kiat ^(g)	3,124	0.00	-	-
Yong Ing Kiat ^(g)	-	-	-	-
Yong Ah Chek ^(g)	-	-	-	-
Yong Hwah Kiat ^(g)	555,000	0.04	-	-
Yong Moi Noi ^(g)	498,000	0.04	-	-
Yong Soi Mee ^(f)	6,825,000	0.55	12,450,000 ^(d)	0.99
Lee Jon Wee ⁽ⁱ⁾	-	-	-	-
Soo Li Ping ^(g)	1,726,500	0.14	-	-
Harry Lee Chin Yeow ^(l)	3,233,437	0.26	158,601,535 ^(k)	12.67
Kelvin Lee Chin Chuan ^(l)	3,000,000	0.24	158,601,535 ^(k)	12.67
Vivian Lee Chin Shean ^(l)	3,000,000	0.24	158,601,535 ^(k)	12.67
Jennice Lee Chin Mei ^(l)	3,000,000	0.24	158,601,535 ^(k)	12.67
Cindy Lee Chin Hui ^(l)	3,000,000	0.24	158,601,535 ^(k)	12.67

Notes:

- (a) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Seri Yong Chou Lian and offspring pursuant to Section 59(11)(c) of the Act.
- (b) Deemed interested by virtue of his/her direct shareholdings in Meridian Effect Sdn Bhd pursuant to Section 8 of the Act.
- (c) Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act.
- (d) Deemed interested by virtue of his/her direct shareholdings in Fine Approach Sdn Bhd pursuant to Section 8 of the Act.
- (e) Dato' Seri Lee Tian Hock, Lee Tian Huat, Lee Tian Onn, Lee Geok Lin, Lee Yoke Fong, Lee Geok Hoon and Lee Yoke Bee are siblings.
- (f) Tan Bee Ling, Teh Wei Cin, Cheong Yong Chieh and Yong Soi Mee are spouses of Dato' Seri Lee Tian Hock's siblings.
- (g) Yong Moi Noi, Nyo Eng Kiak, Yong Ing Kiat, Yong Ah Chek, Yong Hwah Kiat, Yong Ghee Kiat and Soo Li Ping are the sisters/brother-in-laws of Dato' Seri Lee Tian Hock.
- (h) Tan Seng Heng and Low Kim Fong are the brother and sister-in-law of Lee Tian Onn.
- (i) Lee Jon Wee is the sole director and sole shareholder of GXM Pty Ltd and is also the director of Matrix Development (Australia) Pty Ltd, Matrix Greenvale (Australia) Pty Ltd, Matrix 333 St Kilda (Australia) Pty Ltd and Matrix Property Management (Australia) Pty Ltd..
- (j) Dato' Logendran A/L K Narayanasamy is the Non-Independent Non-Executive Director of MCHB and also the director of few subsidiary companies of MCHB
- (k) Deemed interested by virtue of his/her direct shareholdings in Shining Term Sdn Bhd pursuant to Section 8 of the Act.
- (l) Harry Lee Chin Yeow, Kelvin Lee Chin Chuan, Vivian Lee Chin Shean, Jennice Lee Chin Mei and Cindy Lee Chin Hui are the offspring of Dato' Seri Lee Tian Hock

The abovementioned Interested Directors, Major Shareholders and Persons Connected are deemed interested in the Proposed Renewal of Shareholders' Mandate by virtue of the interests of such parties with the Related Parties as mentioned in Section 2.1.2 of Part A of this Circular, which are transacting with MCHB.

2.1.8 Directors' and Major Shareholder's Interest

Dato' Seri Lee Tian Hock is an Interested Director and Major Shareholder of MCHB and he had abstained from deliberation and voting at Board meetings of MCHB on the Proposed Renewal of Shareholders' Mandate. He will also abstain from voting at the forthcoming 26th AGM in respect of his direct and indirect shareholdings.

Dato' Logendran A/L K Narayanasamy who being Interested Director has also abstained from deliberation and voting at Board meetings of MCHB on the Proposed Renewal of Shareholders' Mandate.

The Major Shareholder and/or Interested Director to which the Proposed Renewal of Shareholders' Mandate apply, shall abstain from voting at the forthcoming 26th AGM in respect of their direct and indirect shareholdings by virtue of their interests. The Interested Director and Major Shareholder have undertaken that they shall ensure that the persons connected to them will abstain from voting on the same.

Save as aforesaid, none of the other Directors or Major Shareholders of MCHB or persons connected to them have any interest in the Proposed Renewal of Shareholders' Mandate.

2.2 REVIEW PROCEDURES FOR THE RRPT

The MCHB Group has established the following policies and procedures to ensure that all RRPTs will be entered into on normal commercial terms at an arm's length basis, on terms which will be not more favourable to the Related Parties than those generally available to the public and will not be detrimental to the non-interested shareholders:-

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) All RRPTs to be entered into shall be on normal commercial terms and on terms that will be consistent with the Group's usual business practices and policies;
- (iii) The Audit Committee is to provide a statement that it has reviewed the terms of the RRPTs to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;
- (iv) In the event that a member of the Audit Committee or Board has an interest and/or deemed interest in any particular RRPTs, he or she shall declare his or her interest in the RRPT and will have to refrain from any deliberation and also abstain from voting on the matter at the Audit Committee meeting or Board meeting in respect of that RRPT;
- (v) Records of RRPTs will be retained and compiled by the Group's financial officer for submission to the auditors and the Audit Committee for review;
- (vi) A quarterly report on all RRPTs transacted in that quarter will be produced to the Audit Committee for its reference;
- (vii) If the Audit Committee is of the view that the abovementioned procedures are insufficient to ensure that RRPTs are undertaken on an arm's length basis and on normal commercial terms and on terms that are not more favourable to the transacting party than those generally available to third parties dealing at arm's length during their periodic review of the procedures, the Audit Committee has the discretion to request for additional procedures to be imposed on all RRPTs;

- (viii) Directors who have any interest in any RRPTs, shall abstain from Board deliberations and voting and will ensure that they and any persons connected with them will also abstain from voting on the resolution at the AGM to be convened for the purpose;
- (ix) Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPTs during the financial year, amongst others, based on following information:
 - (a) type of the RRPTs made; and
 - (b) the names of the Related Parties involved in each type of the RRPTs made and their relationship with the MCHB Group;
- (x) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPTs is not detrimental to MCHB Group; and
- (xi) It is the Company's policy to ensure that all of the Company's transactions regardless of whether they are RRPTs or not, are carried out in the best interests of the Company.

2.3 STATEMENT BY AUDIT COMMITTEE

The Audit Committee has the overall responsibility to periodically review the RRPTs, determining if the procedures for reviewing such RRPTs are appropriate. The Audit Committee also has the authority to delegate this responsibility to such individuals within the Group as it shall deem fit.

The Audit Committee has considered the procedures mentioned in Section 2.2 of Part A of this Circular and is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee will review and ascertain whether the guidelines and procedures established to monitor RRPTs have been complied with once a year.

Should the Audit Committee at any time determine that the guidelines and/or procedures stated in Section 2.2 of Part A of this Circular are no longer adequate to ensure that:

- (i) the RRPTs are conducted on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and/or
- (ii) such transactions are not to the detriment of the minority shareholders of the Company nor prejudicial to the interests of the shareholders of the same;

the Company will then obtain a fresh shareholders' mandate based on new guidelines and procedures.

The Audit Committee has the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee has reviewed the terms of the Proposed Renewal of Shareholders' Mandate and is satisfied that the review procedures mentioned in Section 2.2 of Part A of this Circular for the RRPTs are sufficient to ensure that the RRPTs are made on an arm's length basis and on normal commercial terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of MCHB and hence, will not be prejudicial to the shareholders nor disadvantageous to the Group.

2.4 APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate are subject to the approval of the shareholders of the Company being obtained at the forthcoming 26th AGM.

2.5 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT

The Proposed Renewal of Shareholders' Mandate will not have any effects on the issued share capital and substantial shareholders' shareholdings of MCHB. In addition, the Shareholders' Mandate will not have any material effect on the earnings, net assets and gearing of our Group. However, the Shareholders' Mandate are in relation to transactions which are of a revenue or trading nature and which form an integral part of our Group's day-to-day operations and hence, they contribute to our financial performance.

2.6 THRESHOLD OF AUTHORITY

There is no specific threshold for approval of the RRPT within the Group. However, all RRPTs are subject to the approval of the Board. Where any Director has any direct/indirect interest in any RRPT, such Director shall abstain from deliberations and voting on the matter.

2.7 DISCLOSURE

The Company will make relevant disclosures in the Company's annual report for the next financial period in regards to the actual aggregate value of the RRPTs pursuant to the Proposed Renewal of Shareholders' Mandate during the financial period, based on the following information:

- (a) the type of the RRPT made; and
- (b) the names of the Related Parties involved in each type of RRPT made and their relationships with the Company.

3. DIRECTORS' RECOMMENDATION

The Board with the exception of the Interested Directors who have abstained from giving opinion, having taken into consideration all relevant factors, is of the opinion that the Proposed Renewal of Shareholders' Mandate are in the best interest of the shareholders of MCHB.

The Board, with the exception of Dato' Seri Lee Tian Hock and Dato' Logendran A/L K Narayanasamy who have abstained from making a recommendation on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 26th AGM.

4. TWENTY-SIXTH ANNUAL GENERAL MEETING

The Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandate for RRPT is set out as Special Business in the Notice of the 26th AGM contained in the MCHB's Integrated Annual Report 2023. The 26th AGM will be conducted on a fully virtual basis through live streaming via remote participation and voting facilities ("RPV") using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Wednesday, 30 August 2023 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution on the Proposed Renewal of Shareholders' Mandate set out as Special Business in the Notice of 26th AGM.

The Notice of the 26th AGM and the Proxy Form as set out in the Annual Report 2023 of the Company together with this Circular and Administrative Guide are all available at <https://www.mchb.com.my/investor-relations/general-meetings/>. Shareholders are advised to refer to the Notice of the 26th AGM and the Administrative Guide for the procedures as set out therein.

If you wish to appoint a proxy to attend, participate and vote on your behalf at the 26th AGM, you may deposit your Proxy Form at Wisma Matrix, No.57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan. Alternatively, the submission of Proxy Form can be made through electronic lodgement not less than forty-eight (48) hours before the time fixed for holding the 26th AGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, participating and voting at the meeting should you subsequently decide to do so. For electronic lodgement of Proxy Form, please also follow the procedures as set out in the Administrative Guide.

5. ADDITIONAL INFORMATION

Shareholders are requested to refer to the attached Appendix 1 in Part A of this Circular for additional information.

Yours faithfully

For and on behalf of the Board of Directors

MATRIX CONCEPTS HOLDINGS BERHAD

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

Non-Independent Non-Executive Chairman

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

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

2. MATERIAL CONTRACTS

Save as disclosed below, MCHB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by MCHB Group within two (2) years preceding the date of Part A of this Circular:-

- (a) Sale and Purchase Agreement dated 29 January 2021 between MGE Development Sdn Bhd ("MGE") and Fortune Accurate Sdn Bhd ("FASB") where MGE acquired from FASB, 4 individual parcels of adjoining vacant freehold agriculture land in Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus measuring in total 1,073,807 sq. ft for an aggregate cash consideration of RM10,738,070.00.
- (b) Sale and Purchase Agreement dated 24 August 2022 between N9 Matrix Development Sdn Bhd ("N9 Matrix") and NS Corporation ("NS Corp") where N9 Matrix proposed to acquire from NS Corp, freehold agriculture lands measuring approximately 1,382.208 acres located in Mukim Labu, Daerah Seremban, Negeri Sembilan forming part of the lands located in MVV 2.0 (referred to as "the MVV Lands") for a total cash consideration of RM460,000,000.
- (c) Joint Venture Agreement dated 24 August 2022 between N9 Matrix and NS Corp to jointly acquire and develop the MVV Lands as mentioned in (b) above.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

MCHB Group are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which would have a material effect on the financial position or the business of MCHB Group and the Board has no knowledge of any proceedings pending or threatened against MCHB Group, or of any other facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of MCHB Group preceding the date of Part A of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of MCHB at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus from Mondays to Fridays (except public holidays) during normal business hours from the date of Part A of this Circular up to and including the date of the forthcoming 26th AGM:-

- (i) Constitution of MCHB;
- (ii) Audited Consolidated Financial Statements of MCHB for the two financial years ended 31 March 2022 and 31 March 2023; and
- (iii) The material contracts referred to in Paragraph 2 of this Appendix.

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED ACQUISITION BY N9 MATRIX DEVELOPMENT SDN BHD ("N9 MATRIX"), AN 85%-OWNED SUBSIDIARY OF MCHB DEVELOPMENT (NS) SDN BHD ("MCHB DEVELOPMENT"), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF MATRIX CONCEPTS HOLDINGS BERHAD ("MCHB" OR THE "COMPANY"), OF FREEHOLD AGRICULTURAL LANDS MEASURING APPROXIMATELY 1,382.2082 ACRES (EQUIVALENT TO APPROXIMATELY 559.372 HECTARES), ALL SITUATED IN MUKIM OF LABU, DISTRICT OF SEREMBAN, NEGERI SEMBILAN ("LAND") FORMING PART OF THE LANDS WHICH COVERS THE DISTRICTS OF SEREMBAN AND PORT DICKSON, NEGERI SEMBILAN KNOWN AS MALAYSIAN VISION VALLEY 2.0 ("MVV 2.0") FROM NS CORPORATION ("NS CORP") FOR A TOTAL INDICATIVE PURCHASE CONSIDERATION OF RM460,000,000 TO BE SATISFIED FULLY IN CASH;**
- (II) PROPOSED JOINT VENTURE BETWEEN MCHB DEVELOPMENT, N9 MATRIX AND NS CORP TO JOINTLY ACQUIRE AND DEVELOP THE LAND LOCATED IN MVV 2.0 ("PROPOSED JOINT VENTURE"); AND**
- (III) PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO N9 MATRIX UNDER THE PROPOSED JOINT VENTURE**

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout Part B of this Circular:

"26th AGM"	:	26th Annual General Meeting of MCHB
"Act"	:	Companies Act, 2016
"Board"	:	Board of Directors of MCHB
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	Part B of this Circular dated 28 July 2023 in relation to the Proposals
"CSPA"	:	Conditional sale and purchase agreement dated 24 August 2022 entered into between N9 Matrix and NS Corp for the Proposed Acquisition
"Directors"	:	The directors of MCHB based on the meaning under Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
"EPS"	:	Earnings per Share
"FYE"	:	Financial year ended/ending, as the case may be
"Henry Butcher (NS)" or "Valuer"	:	Henry Butcher Malaysia (NS) Sdn Bhd, the independent valuer for the Land
"JVA"	:	Joint venture agreement dated 24 August 2022 entered into between MCHB Development, N9 Matrix and NS Corp in respect of the Proposed Joint Venture
"KSDB"	:	Kumpulan Sime Darby Berhad, the registered proprietor of the Land
"KSDB-SPA"	:	Conditional sale and purchase agreement dated 24 August 2022 entered into between KSDB and NS Corp for the acquisition of the Land on similar terms and conditions of the CSPA and at the same indicative Purchase Consideration
"Land"	:	Freehold agricultural lands measuring approximately 1,382.2082 acres (equivalent to approximately 559.372 hectares), all situated in Mukim of Labu, District of Seremban, Negeri Sembilan, forming part of the lands which covers the Districts of Seremban and Port Dickson, Negeri Sembilan known as MVV 2.0
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	30 June 2023, being the latest practicable date prior to the date of Part B of this Circular
"MCHB" or the "Company"	:	Matrix Concepts Holdings Berhad
"MCHB Development"	:	MCHB Development (NS) Sdn Bhd, a wholly-owned subsidiary of MCHB
"MCHB Group" or the "Group"	:	Collectively, MCHB and its subsidiaries

DEFINITIONS (CONT'D)

"MCHB Shares" or the "Shares"	: Ordinary shares in MCHB
"MVV 2.0"	: Malaysian Vision Valley 2.0
"N9 Matrix"	: N9 Matrix Development Sdn Bhd, an 85%-owned subsidiary of MCHB Development, which in turn is a wholly-owned subsidiary of MCHB
"N9 Matrix Shares"	: Ordinary shares in N9 Matrix
"NA"	: Net assets
"NS Corp"	: NS Corporation, being the vendor of the Land in respect of the Proposed Acquisition
"Proposals"	: Collectively, the Proposed Acquisition, Proposed Joint Venture and Proposed Provision of Financial Assistance
"Proposed Acquisition"	: Proposed acquisition by N9 Matrix of the Land from NS Corp for a total indicative purchase consideration of RM460,000,000 to be satisfied fully in cash
"Proposed Joint Venture"	: Proposed joint venture between MCHB Development, N9 Matrix and NS Corp to jointly acquire and develop the Land located in the MVV 2.0
"Proposed Provision of Financial Assistance"	: Proposed provision of financial assistance to N9 Matrix under the Proposed Joint Venture
"Purchase Consideration"	: The indicative purchase consideration for the Proposed Acquisition of RM460,000,000, subject to adjustments in accordance with the terms and conditions of the CSPA, which will be satisfied fully in cash
"Record of Depositors"	: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
"RHB Investment Bank" or the "Principal Adviser"	: RHB Investment Bank Berhad
"RM" and "sen"	: Ringgit Malaysia and sen respectively
"RPS"	: Redeemable preference shares in N9 Matrix
"Supplemental CSPA"	: Supplemental agreement to the CSPA dated 23 March 2023 entered into between N9 Matrix and NS Corp in relation to the Proposed Acquisition
"Supplemental JVA"	: Supplemental agreement to the JVA dated 23 March 2023 entered into between MCHB Development, N9 Matrix and NS Corp in relation to the Proposed Joint Venture
"Valuation Certificate"	: The valuation certificate dated 31 March 2023 issued by the Valuer in respect of the Land

DEFINITIONS (CONT'D)

"Valuation Report" : The valuation report dated 31 March 2023 issued by the Valuer in respect of the Land

"VWAP" : Volume weighted average share price

References to "our Company" in Part B of this Circular are to MCHB and references to "our Group" are to our Company and our subsidiaries. References to "we", "us", "our" and "ourselves" in Part B of this Circular are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to "you" in Part B of this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in Part B of this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Any reference to a time of day and date in Part B of this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in its annual reports or quarterly results, is due to rounding.

Certain statements in Part B of this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in Part B of this Circular should not be regarded as a representation or warranty that our Company's and/or our Group's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions provided in the "Definitions" section.

This Executive Summary highlights only the salient information of the Proposals in Part B of this Circular. You are advised to read and carefully consider the contents of Part B of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming 26th AGM.

Salient information	Description	Reference to Circular
Details of the Proposals	<p>(i) <u>Proposed Acquisition</u></p> <p>The Proposed Acquisition entails the acquisition of the Land by N9 Matrix from NS Corp for the indicative purchase consideration of RM460,000,000 on an 'as is where is' basis in its present state and condition with vacant possession, free from all encumbrances, subject to the category of land use, conditions of title, restrictions-in-interest and other endorsements as registered on the Land and upon the terms and conditions of the CSPA and Supplemental CSPA. Pursuant to the CSPA, the Proposed Acquisition is also inclusive of all occupiers, squatters and/or physical structures located on the Land.</p> <p>Concurrently on 24 August 2022, NS Corp had entered into the KSDB-SPA with KSDB, an indirect wholly-owned subsidiary of Sime Darby Berhad, being the registered proprietor of the Land for the acquisition of the Land on similar terms and conditions as the CSPA and at the same indicative Purchase Consideration.</p>	Section 2.1 of Part B of this Circular
	<p>(ii) <u>Proposed Joint Venture</u></p> <p>MCHB Development, NS Corp and N9 Matrix had on 24 August 2022 entered into the JVA to set out the terms governing their rights as shareholders of N9 Matrix and the manner in which N9 Matrix is to be managed. The main purpose of the Proposed Joint Venture is to undertake the Proposed Acquisition and subsequently the future development of the Land.</p> <p>On 23 March 2023, MCHB Development, NS Corp and N9 Matrix entered into the Supplemental JVA in relation to the Proposed Joint Venture, whereby the parties agreed that the composition of the board of directors of N9 Matrix shall include an additional person nominated by NS Corp and the appointment of Norazhar Bin Musa, a nominee of NS Corp as a director of N9 Matrix as well as the change in layout plan, further details of which are set out in Appendix II of Part B of this Circular.</p>	Section 2.2 of Part B of this Circular

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference to Circular
Details of the Proposals (Cont'd)	<p>(iii) <u>Proposed Provision of Financial Assistance</u></p> <p>Pursuant to Paragraph 8.23(1) of the Listing Requirements with regards to the provision of financial assistance, MCHB Group may be required to provide financial assistance to N9 Matrix pursuant to the Proposed Acquisition and the Proposed Joint Venture.</p>	Section 2.3 of Part B of this Circular
Basis and justification of arriving at the indicative Purchase Consideration	<p>The indicative Purchase Consideration for the Proposed Acquisition was arrived at on a 'willing-buyer willing-seller' basis and after taking into consideration the following:</p> <p>(i) the market value of the Land of RM470,000,000 as appraised by the Valuer vide its Valuation Report; and</p> <p>(ii) the rationale for the Proposed Acquisition and prospects and development potential of the Land, further details of which are set out in Sections 3.1 and 4.5 of Part B of this Circular, respectively.</p> <p>The indicative purchase consideration of the Land of RM460,000,000 represents a discount of RM10,000,000 or 2.13% to the market value of the Land of RM470,000,000 as ascribed by the Valuer.</p>	Section 2.1.3 of Part B of this Circular
Rationale and benefit of the Proposals	<p>(i) <u>Proposed Acquisition</u></p> <p>The Proposed Acquisition forms part of the Group's ongoing effort to expand its land banks at strategic locations with growth potential. Further, as the Land is within the vicinity of the Group's existing land banks and property development projects in Negeri Sembilan, the Proposed Acquisition would enable the Group to bolster its presence in Negeri Sembilan as well as make its initial presence within the MVV 2.0.</p> <p>The Board is of the view that the Proposed Acquisition comes at an opportune time given the development potential of the MVV 2.0 and the prospects of the Land as set out in Section 4.5 of Part B of this Circular. The Board also recognises that the Group's profile would be enhanced upon successful completion of the development of the Land as part of the vision of the state government of Negeri Sembilan to integrate the MVV 2.0 as an economic region complementing the development of the Greater Kuala Lumpur and the National Conurbation as a new growth area located in Negeri Sembilan.</p>	Section 3.1 of Part B of this Circular

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference to Circular
Rationale and benefit of the Proposals (Cont'd)	(ii) <u>Proposed Joint Venture</u> <p>The Proposed Joint Venture will provide MCHB Group with an opportunity to form a strategic partnership with NS Corp, the owner of the master blueprint of the MVV 2.0 to collaborate on the development of the Land. In addition, MCHB Group would also be able to leverage on NS Corp's network and position as the statutory body established to promote, stimulate, manage and coordinate investments and the economic sector in Negeri Sembilan to ensure the timely and successful completion of the development of the Land.</p>	Section 3.2 of Part B of this Circular
	(iii) <u>Proposed Provision of Financial Assistance</u> <p>The Proposed Provision of Financial Assistance will enable MCHB Development to obtain guarantees and/or raise the necessary funding in connection with the Proposed Acquisition as well as for future development of the Land. The availability of expedient funding would assist in avoiding unnecessary delays throughout the development period and ensure the timely completion of the development of the Land.</p>	Section 3.3 of Part B of this Circular
Risk factors relating to the Proposals	The risk factors relating to the Proposals include the following:	Section 5 of Part B of this Circular
	(i) Delay or non-completion of the Proposed Acquisition <p>Despite the execution of the CSPA and Supplemental CSPA, there can be no assurance that all the conditions precedent and/or terms and conditions as set out in the CSPA and Supplemental CSPA will be able to be fulfilled and/or complied with, and therefore, the Proposed Acquisition may not be able to complete. There can also be no assurance that the Proposed Acquisition can be completed within the timeframe set. Any delay or non-completion of the Proposed Acquisition will deprive MCHB Group from realising the expected benefits of the Proposed Acquisition as set out in Section 3.1 of Part B of this Circular.</p>	
	(ii) Business risk <p>The Proposed Acquisition is subject to the risks inherent in the property development industry which the Group is already involved in. Such risks may include residential property overhang, adverse changes in real estate market prices, competition from other property developers, changes in economic, social and political conditions, delay in completion of the Group's property development projects against the scheduled completion, performance of third party sub-contractors, labour and material supply shortages, fluctuations in the prices of building materials and costs of labour charges as well as adverse changes in property tax, assessment and other statutory charges.</p>	

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference to Circular
Risk factors relating to the Proposals (Cont'd)	<p>(iii) Funding risk for development of the Land</p> <p>Given the magnitude of the potential development of the Land, the Group may be required to seek external financing to fund the development of the Land in the future. There can be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Group will be able to generate the desired returns from the future development of the Land to repay the bank borrowings. In the event of any delay in receipt or absence of the anticipated benefits, the Group's repayment of such borrowings could be delayed and consequently result in higher borrowing costs.</p> <p>(iv) Joint venture risks</p> <p>The Proposed Joint Venture may potentially expose MCHB Group to risks including those associated with the assimilation of new operations and personnel, the diversion of financial management resources from existing operations and the inability to successfully integrate the Proposed Joint Venture with its current business. There is also no assurance that the anticipated benefits from the Proposed Joint Venture will be realised, and that MCHB Group will be able to generate sufficient revenue to offset the associated costs from the Proposed Joint Venture.</p> <p>(v) Political, economic and regulatory risk</p> <p>Adverse developments in general political, economic and regulatory conditions in Malaysia including changes in administration, methods of taxation and/or introduction of new regulations could materially and/or adversely affect the Proposed Acquisition which may result in a delay in the implementation of the Proposed Acquisition or may also lead to the termination of the entire Proposals.</p>	<p>Section 5 of Part B of this Circular</p>
Approvals required and conditionality	<p>The Proposals are subject to the following approvals being obtained:</p> <p>(i) from the shareholders of MCHB at a general meeting to be convened for the Proposals by way of poll; and</p> <p>(ii) from the relevant authorities/parties, which form part of the conditions precedent of the CSPA and JVA as mentioned in Appendices I and II of Part B of this Circular.</p> <p>The Proposals are conditional upon each other. However, the Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by MCHB Group.</p>	<p>Section 7 of Part B of this Circular</p>

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference to Circular
Interests of Directors, major shareholders, chief executive and/or persons connected to them	None of the directors, major shareholders, chief executive of MCHB and/or persons connected with them have any interest, whether direct and/or indirect, in the Proposals.	Section 9 of Part B of this Circular
Directors' statement and recommendation	<p>The Board, after having considered all aspects of the Proposals, including the basis and justification for arriving at the indicative Purchase Consideration, salient terms of the CSPA and JVA (including the Supplemental CSPA and Supplemental JVA), rationale and benefits of the Proposals, the effects of the Proposals as well as the evaluation from the Valuer, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you VOTE IN FAVOUR of the resolutions pertaining to the Proposals to be tabled at the forthcoming 26th AGM.</p>	Section 12 of Part B of this Circular

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MATRIX CONCEPTS HOLDINGS BERHAD

(Registration No. 199601042262 (414615-U))

(Incorporated in Malaysia)

Registered Office

Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan

28 July 2023

Board of Directors

Dato' Haji Mohamad Haslah Bin Mohamad Amin (*Non-Independent Non-Executive Chairman*)

Dato' Seri Lee Tian Hock (*Group Executive Deputy Chairman*)

Mr Ho Kong Soon (*Group Managing Director*)

Dato' Logendran A/L K Narayanasamy (*Non-Independent Non-Executive Director*)

Encik Mazhairul Bin Jamaludin (*Senior Independent Non-Executive Director*)

Dato' Hon Choon Kim (*Independent Non-Executive Director*)

Dato' Hajah Kalsom Binti Khalid (*Independent Non-Executive Director*)

Ms Chua See Hua (*Independent Non-Executive Director*)

Ms Loo See Mun (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED ACQUISITION;**
- (II) PROPOSED JOINT VENTURE; AND**
- (III) PROPOSED PROVISION OF FINANCIAL ASSISTANCE**

1. INTRODUCTION

On 28 April 2022, the Company had announced that MCHB Development had entered into a Memorandum of Understanding with NS Corp with the objective to collaborate and to carry out and implement the development of certain parts of the lands in the MVV 2.0.

Subsequently on 24 August 2022, the Company had announced that:

- (i) N9 Matrix had entered into the CSPA with NS Corp, to acquire the Land which forms part of the lands in the MVV 2.0, for a total indicative purchase consideration of RM460,000,000 to be satisfied fully in cash, subject to the adjustments as set out in Section 2(c) of Appendix I of Part B of this Circular; and

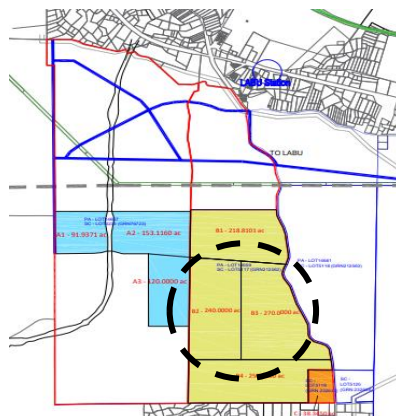
- (ii) MCHB Development had entered into a JVA with NS Corp and N9 Matrix to jointly acquire and develop the Land located in the MVV 2.0 and to regulate their rights as shareholders of N9 Matrix, which has been identified as the special purpose vehicle to undertake the Proposed Joint Venture.

For shareholders' information purposes, if the position, measurement, boundaries and/or area of the Land ("**Agreed Area**") as depicted in the layout plan in the CSPA is different than in the new titles when issued ("**Actual Area**"), the indicative Purchase Consideration shall be adjusted accordingly at the rate of RM7.64 per square foot, calculated on the difference between the Agreed Area and the Actual Area. Accordingly, in the event there is a decrease in the value of the Land due to a variation in the Actual Area, the indicative Purchase Consideration may be revised downwards and vice versa.

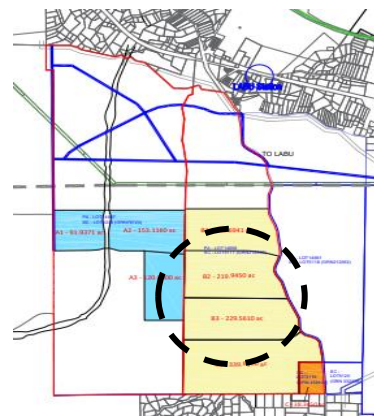
On 23 March 2023, RHB Investment Bank had, on behalf of the Board, announced that N9 Matrix had on even date entered into the Supplemental CSPA with NS Corp in relation to the Proposed Acquisition, whereby new clauses have been inserted to reflect the following:

- (i) as the purchaser of the Proposed Acquisition is a subsidiary of MCHB, N9 Matrix shall as soon as practicable procure an independent valuer to conduct a valuation on the Land. NS Corp shall procure to be granted to N9 Matrix access to the Land upon the terms of the CSPA. In the event the Valuation Report reveals that the valuation of the Land is lower than the indicative Purchase Consideration, N9 Matrix shall have no right to annul the CSPA;
- (ii) N9 Matrix shall, for the fulfilment of the condition precedent referred to in Section 3(a) of Appendix I of Part B of this Circular, use its best endeavours to procure MCHB to, at its own costs, convene a shareholders meeting to obtain MCHB's shareholders approval for the Proposed Acquisition pursuant to the terms of the CSPA no later than 30 September 2023 or any other earlier date as N9 Matrix may deem appropriate for compliance of regulatory requirements, whichever is earlier; and
- (iii) the parties mutually agree that the layout plan attached under the Fourth Schedule of the CSPA which illustrates the Land being divided vertically shall be removed and replaced with the new layout plan as set out in the Schedule A of the Supplemental CSPA which illustrates the Land being divided horizontally. The differences in the layout plan is illustrated below:

Layout plan attached under the Fourth Schedule of the CSPA



New layout plan as set out in the Schedule A of the Supplemental CSPA



In the event the approval of MCHB's shareholders for the Proposed Acquisition is not obtained on or before 30 September 2023, N9 Matrix will seek an extension of time from KSDB and NS Corp to fulfil such condition precedent. Pursuant to the CSPA, N9 Matrix has until 24 November 2023 being the conditional period of 15 months from the date of the CSPA ("**Conditional Period**") or 24 February 2024, being 3 months from the expiry of the Conditional Period ("**Extended Conditional Period**") or such other extension to be mutually agreed by the parties, to procure MCHB's shareholders approval for the Proposed Acquisition.

In the event the approval of MCHB's shareholders for the Proposed Acquisition is not obtained on or before the expiry of the Conditional Period or Extended Conditional Period, as the case may be, NS Corp will have no right to terminate the KSDB-SPA without forfeiture of the deposit by KSDB and the Land shall instead be transferred to NS Corp. In such event, the parties to the CSPA agree to work together to find an alternative solution and enter into such other arrangements between them where the legal ownership of the Land is vested in NS Corp.

Please refer to Appendix I of Part B of this Circular for further details of the salient terms of the CSPA as well as the Supplemental CSPA.

In addition, on even date, MCHB Development had entered into the Supplemental JVA with NS Corp and N9 Matrix in relation to the Proposed Joint Venture, whereby the parties agreed that:

- (i) the composition of the board of directors of N9 Matrix shall include an additional person nominated by NS Corp and the appointment of Norazhar Bin Musa as a director of N9 Matrix; and
- (ii) the layout plan attached under Annexure 1 of the JVA shall be removed and replaced with the new layout plan as set out in the Annexure A of the Supplemental JVA, in accordance with the removal and replacement of the new layout plan pursuant to the Supplemental CSPA.

Please refer to Appendix II of Part B of this Circular for further details of the salient terms of the JVA as well as the Supplemental JVA.

In conjunction with the Proposed Joint Venture, the Company is proposing to provide financial assistance to N9 Matrix to facilitate the development of the Land.

THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING 26TH AGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING 26TH AGM.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Acquisition

The Proposed Acquisition entails the acquisition of the Land by N9 Matrix from NS Corp for the indicative purchase consideration of RM460,000,000 on an 'as is where is' basis in its present state and condition with vacant possession, free from all encumbrances, subject to the category of land use, conditions of title, restrictions-in-interest and other endorsements as registered on the Land and upon the terms and conditions of the CSPA and Supplemental CSPA. Pursuant to the CSPA, the Proposed Acquisition is also inclusive of all occupiers, squatters and/or physical structures located on the Land. Such term is not a norm but was included in the CSPA due to the back-to-back nature of the CSPA and KSDB-SPA as set out below and after negotiations between the KSDB, NS Corp and MCHB Group.

Concurrently on 24 August 2022, NS Corp had entered into the KSDB-SPA with KSDB, an indirect wholly-owned subsidiary of Sime Darby Berhad ("**Sime Darby**"), being the registered proprietor of the Land for the acquisition of the Land on similar terms and conditions as the CSPA and at the same indicative Purchase Consideration. MCHB Group had entered into such back-to-back arrangement with NS Corp as the Board viewed such arrangement as an opportunity to undertake the Proposed Acquisition given the development potential and the prospects of the Land as set out in Section 4.5 of Part B of this Circular.

The salient terms and conditions of the CSPA and KSDB-SPA are substantially similar save for among others, as set out below:

No.	Salient terms	Details
(i)	Conditions precedent	The CSPA includes the following conditions precedent, which are not included in the KSDB-SPA: <ul style="list-style-type: none"> (a) approval of the directors and shareholders of MCHB for the Proposed Acquisition; (b) approval of the subdivision in relation to the Land, of which NS Corp shall procure KSDB to apply and obtain at their own costs and expenses; and (c) in the event KSDB fails to obtain the issuance of the new titles for the Land within 11 months from the date of the CSPA, the Conditional Period shall be extended by the same period until the issuance of the new titles, and the Extended Conditional Period shall be adjusted accordingly.
(ii)	Default of the parties	The KSDB-SPA includes provisions on the rights of the parties in the event of default by the vendor, i.e. KSDB. However, there are no provisions in the CSPA on the rights of the parties in the event of default by the vendor, i.e. NS Corp. The CSPA only provides for the rights of the parties in the event of default by the registered proprietor of the Land, i.e. KSDB and the purchaser, i.e. N9 Matrix.
(iii)	Non-registration of the transfer instrument	In the event the registration of the transfer instrument in favour of N9 Matrix cannot be registered or perfected, the CSPA includes a provision to allow NS Corp to hold the Land as bare trustee and execute in favour of N9 Matrix a trust deed and unlimited power of attorney irrevocably granting N9 Matrix all rights, powers and authority to deal with the Land.

For information purposes, as part of the restructuring under a demerger exercise involving Sime Darby, KSDB had on 7 June 2017 entered into a sale and purchase agreement with Sime Darby Plantation Berhad to acquire 8,796 acres of land in the MVV 2.0 at a purchase consideration of RM2,503.6 million, which was subsequently completed on 30 June 2017.

Subsequently, as part of Sime Darby's on-going strategy of monetising the lands in the MVV 2.0, being one of its non-core assets identified for divestment, KSDB had entered into the following transactions to dispose of the lands within the MVV 2.0:

- (i) on 27 October 2021, KSDB had entered into a sale and purchase agreement with Sime Darby Property (MVV Central) Sdn Bhd, a wholly-owned subsidiary of Sime Darby Property Berhad, for the disposal of 760.12 acres of land in the MVV 2.0 for a cash consideration of RM280.0 million;
- (ii) on 24 August 2022, KSDB had entered into the KSDB-SPA with NS Corp for the disposal of the Land, which is the subject matter of the Proposed Acquisition; and

- (iii) on 23 September 2022, KSDB had entered into a sale and purchase agreement with NS Corp for the disposal of approximately 1,281.8 acres of land in the MVV 2.0 for a cash consideration of RM445.0 million.

2.1.1 Mode of settlement

In accordance with the terms of the CSPA, the indicative purchase consideration of RM460,000,000 will be satisfied fully in cash and will be paid in the manner set out below:

Details	Timing	Indicative Purchase Consideration	
		RM	%
Deposit ⁽¹⁾	Paid to KSDB via NS Corp by N9 Matrix upon execution of the CSPA on 24 August 2022	46,000,000	10.00
Balance purchase consideration	Payable to KSDB within 4 months and 15 days from the date the last of all approvals being fulfilled or complied with in accordance with the CSPA ⁽²⁾	414,000,000	90.00
Total		<u>460,000,000</u>	<u>100.00</u>

Notes:

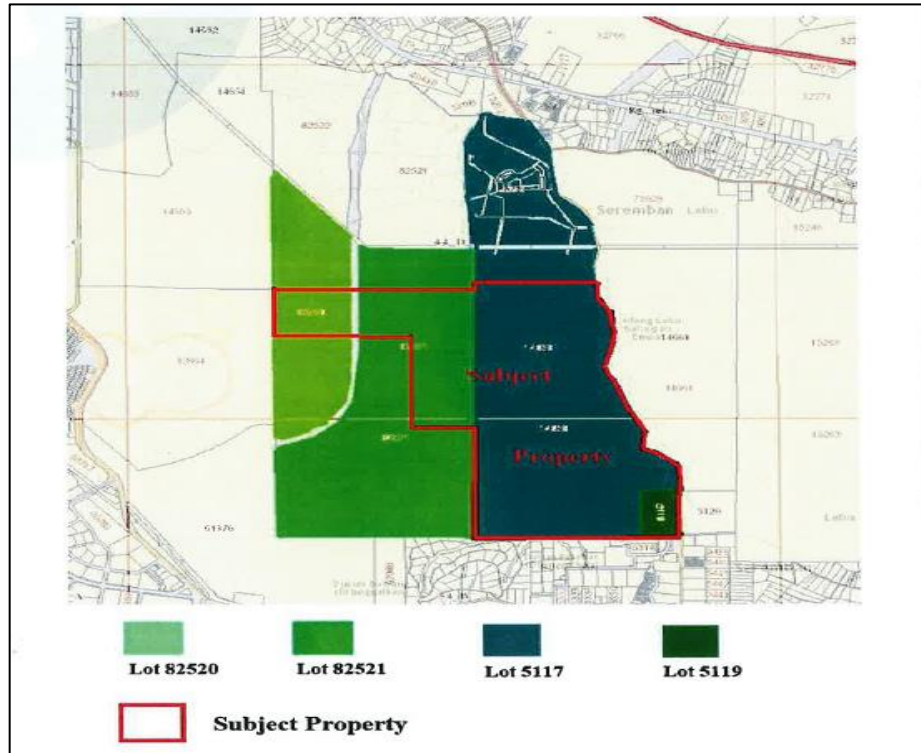
- (1) *The deposit will be refundable as agreed liquidated damages in the event of a breach or non-compliance by KSDB of the terms, conditions, representations and/or warranties under the KSDB-SPA, and such breach or non-compliance is not rectified within 14 business days from the date of NS Corp's receipt of a written notice from N9 Matrix and/or N9 Matrix's solicitors.*
- (2) *The duration of 4 months and 15 days for the payment of the balance purchase consideration of RM414.00 million was agreed upon after negotiations between the parties to the CSPA.*

2.1.2 Information on the Land

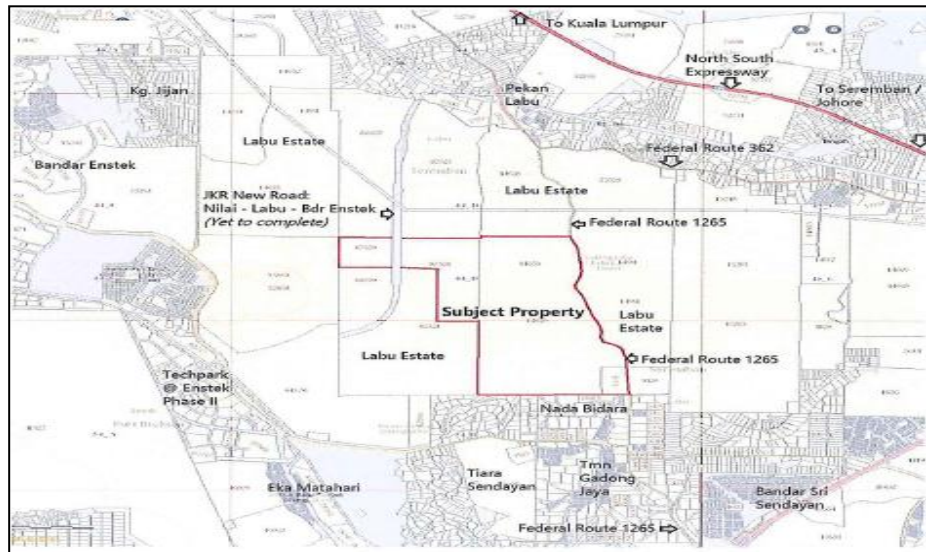
The Land is part of approximately 6,500 acres (equivalent to approximately 2,630.457 hectares) of oil palm estate known as Labu Estate situated in Mukim of Labu, District of Seremban, Negeri Sembilan and located within an area which has been designated for residential purpose. In addition, the Land is situated within a new growth area located in the state of Negeri Sembilan known as the MVV 2.0, a state-led private sector-driven development covering the districts of Seremban and Port Dickson in the state of Negeri Sembilan. Further details on the MVV 2.0 are set out in Section 4.5 of Part B of this Circular.

The Land is located approximately 22 kilometers from Seremban and approximately 17 kilometers from Kuala Lumpur International Airport. It is accessible from Seremban via Jalan Sungai Ujong, Jalan Bukit Nenas, then turning right at the cross junction at Federal Route 1265 and travelling approximately 3.5 kilometers to arrive at the south-eastern portion of the Land. Alternatively, the Land is accessible via Federal Route 362, then turning left at the cross junction at Federal Route 1265 and travelling approximately 1.8 kilometers to arrive at the north-eastern portion of the Land. The central and western portions of the Land are accessible via the laterite roads of Labu Estate.

The layout of the Land is depicted in the plan below:



The location of the Land, marked as the subject property is depicted in the site map below:



Surrounding the Land are new townships and residential developments, which are also within the vicinity of the area earmarked for the MVV 2.0. These developments include 111,310 acres (equivalent to approximately 45,046 hectares) of residential development known as Nada Bidara, approximately 300 acres (equivalent to approximately 121,406 hectares) of residential development known as Tiara Sendayan and 5,116 acres (equivalent to approximately 2,070,372 hectares) of township development known as Bandar Enstek. Other housing developments located within the wider radius of the Land include Bandar Sri Sendayan, Seremban 2 Heights and Seremban 2.

As at 27 February 2023, being the date of valuation, there are 2 single-storey detached buildings erected on the Land which are used to house the oil palm estate workers. These buildings are approximately 140 square metres and 200 square metres respectively. Pursuant to the CSPA, NS Corp shall procure all costs and expenses relating to the relocation of such oil palm estate workers to be borne by Sime Darby Plantation Berhad. In that regard, N9 Matrix is not expected to incur any costs arising from the relocation of the oil palm estate workers and the removal of the physical structures on the Land.

Further, MCHB Group does not envisage the oil palm estate workers to pose any risk to the development of the Land and does not expect the relocation of the oil palm estate workers to affect or delay the commencement of the proposed development on the Land.

Further information on the Land is set out below:

Identification/ Postal address (with provisional land area) : Freehold agricultural lands in Mukim of Labu, District of Seremban, State of Negeri Sembilan bearing the following details:

Title no.	Lot no.	<-----Titled land area----->	
		Acres	Hectares
GRN 280588 ⁽¹⁾	Lot 82520 ⁽¹⁾	402.0317	162.7000
GRN 280589 ⁽¹⁾	Lot 82521 ⁽¹⁾	980.4928	396.8000
GRN 212562	Lot 5117	1,370.5188	554.6414
GRN 232637	Lot 5119	38.3442	15.5177
Total		<u>2,791.3875</u>	<u>1,129.6591</u>

The Land, which is the subject matter of the Proposed Acquisition, only covers part of the titled land areas, the details of which are set out below:

Title no.	Lot no.	Land area of the subject Land ⁽²⁾	
		Acres	Hectares
GRN 280588	Lot 82520	91.9371	37.206
GRN 280589	Lot 82521	273.1160	110.529
GRN 212562	Lot 5117	978.8101	396.119
GRN 232637	Lot 5119	38.3450	15.518
Total		<u>1,382.2082</u>	<u>559.372</u>

Tenure : Term in perpetuity

Registered proprietor : KSDB

Category of land use	Lot no.	Category of land use ⁽³⁾
	Lot 82520	Nil
	Lot 82521	Nil
	Lot 5117	<i>Pertanian</i>
	Lot 5119	<i>Pertanian</i>

Express conditions	Lot no.	Express conditions ⁽³⁾
	Lot 82520	Nil
	Lot 82521	Nil
	Lot 5117	Nil
	Lot 5119	<i>Tanah ini hendaklah digunakan untuk tanaman jangka panjang kelapa sawit sahaja</i>

Restrictions-in-interest : Nil

Encumbrances : Nil

Endorsements	:	Lot no.	Endorsements
		Lot 82520	Application to sub-divide the land, registered on 6 December 2022
		Lot 82521	Application to sub-divide the land, registered on 6 December 2022
		Lot 5117	Acquisition of approximately 4.39 hectares of land, registered on 15 October 1986 ⁽⁴⁾
		Lot 5119	<i>Hak Laluan Talian Elektrik</i> , approximately 1.932 hectares of land has been involved, registered on 13 September 2006 ⁽⁵⁾

Existing use : The Land is part of an oil palm estate known as Labu Estate. The Labu Estate is cultivated with matured oil palms aged between 10 to 22 years.

Age profile of the oil palms : The age profile of the oil palms located on the Land are set out below:

Age profile Years	Land area Acres	Field no.
10	38.345	P13B
20	131.55891	P03B1
20	152.58757	P03B
20	43.397005	P03C
12	225.13771	P11B
17	162.81774	P06C
17	132.54733	P06B
17	81.5448	P06A
21	151.9451	P02C
22	24.7105	P01C
11	127.67935	P12A
20	109.93718	P03A
Total	<u>1,382.2082</u>	

Production of oil palm for the past 3 years	:	Year	Fresh fruit bunch Metric tonne
		2020	14,194.92
		2021	13,557.21
		2022	12,316.63

Profit contribution, revenue and expenses incurred for the past 3 years	:	Year	Revenue RM'000	Profit RM'000	Expenses incurred RM'000
		2020	7,254	3,009	4,245
		2021	8,863	2,795	6,068
		2022	9,752	2,349	7,403

Future use : The Land is located within an area which has been designated for residential purpose. However, as at the LPD, no detailed development plan in relation to the Land has been submitted to the relevant development authority.

Audited net book value of KSDB as at 30 June 2022⁽⁶⁾ : RM395.9 million

Valuer : Henry Butcher (NS)

Date of valuation : 27 February 2023

Method of valuation : Comparison approach

Market value ascribed by the Valuer : RM470,000,000

Notes:

- (1) As at the date of the CSPA, GRN 280588, Lot 82520 and GRN 280589, Lot 85221 were known as GRN 76723, Lot 3235. Thereafter, GRN 76723, Lot 3235 was subdivided into GRN 280588, Lot 82520 and GRN 280589, Lot 82521.
- (2) For information purposes, the land area disclosed in Sime Darby's announcement to Bursa Securities dated 24 August 2022 was based on the land areas during the initial negotiations between KSDB and NS Corp and prior to the adjustments made to the land areas upon finalisation of the CSPA.

The differences in the disclosure of the area of the Land are set out below:

Title no.	Lot no.	Land area as announced by Sime Darby Acres	Land area as per Part B of this Circular Acres	Difference Acres
Part of GRN 76723 (now known as GRN 280588 and GRN 280589)	3235 (now known as Lot 82520 and Lot 82521)	387.4139	365.0531 (91.9371+ 273.1160)	Lesser by 22.3608
Part of GRN 212562	5117	956.4503	978.8101	More by 22.3598
GRN 232637	5119	38.3440	38.3450	More by 0.001
Total		1,382.2082	1,382.2082	-

- (3) Pursuant to the CSPA, N9 Matrix will bear the cost of conversion of the category of land use and express condition of the Land.
- (4) Refers to the surrender of 4.39 hectares (equivalent to approximately 10.8479 acres) of gas pipe reserve, which will not be part of the lots to be acquired by N9 Matrix after the subdivision of the Land. Hence, the endorsement is not expected to have any impact on the Proposed Acquisition.
- (5) Based on the Valuer's inspection of the Land on 9 January 2023 and 27 February 2023, there was no Tenaga Nasional Berhad ("TNB") rentice passing Lot 5119. However, there was such rentice at the neighbouring Lot 5120, in which the affected area corresponds with the area mentioned in the title of Lot 5119. Subsequently, a title search was conducted on Lot 5120 which revealed that there was no such endorsement on the title. As such, the endorsement may have been inadvertently registered on the title of Lot 5119 instead of Lot 5120.

As at the LPD, MCHB Group has not sought the confirmation of TNB in relation to this matter as it has been made to understand that the land owner, i.e. KSDB will seek confirmation from TNB on the status of such endorsement directly. The Group intends to withdraw the endorsement before it submits the development plan in relation to the Land to the relevant authorities upon obtaining TNB's confirmation. Hence, pending confirmation from TNB, the Company is unable to ascertain whether such endorsement could be cancelled/deleted and its actual impact to the value as well as the usability of the Land at this juncture. However, the Company is of the view that such impact, if any, would not be material to the Proposed Acquisition.

- (6) As extracted from Sime Darby's announcement to Bursa Securities dated 24 August 2022.

As at the LPD, neither NS Corp nor N9 Matrix has submitted any detailed development plan in relation to the Land to the relevant development authority. Accordingly, it is still too preliminary for MCHB Group to determine the details of the development of the Land including the name of the project, type of development and total number of units to be developed, the estimated gross development value and development costs, as well as the source of funding to finance the development costs of the Land at this juncture.

Nevertheless, pursuant to the JVA and based on the initial project planning by MCHB Group, the proposed development period for the Land is estimated to be for 10 years. However, the expected commencement and completion dates for the development of the Land have not been finalised at this juncture.

2.1.3 Basis and justification of arriving at the indicative Purchase Consideration

The indicative Purchase Consideration for the Proposed Acquisition was arrived at on a 'willing-buyer willing-seller' basis and after taking into consideration the following:

- (i) the market value of the Land of RM470,000,000 as appraised by the Valuer vide its Valuation Report; and
- (ii) the rationale for the Proposed Acquisition and development potential and prospects of the Land, further details of which are set out in Sections 3.1 and 4.5 of Part B of this Circular, respectively.

The Company had appointed the Valuer to undertake an independent valuation on the Land and vide its Valuation Report, the Valuer had ascribed a market value of RM470,000,000 or approximately RM7.81 per square foot (equivalent to approximately RM340,036 per acre) for the Land using the Comparison Approach.

The Comparison Approach involves analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, shape, physical terrain, size and tenure. The Valuer had adopted the Comparison Approach as the only method of valuation as there are no building or development plans being finalised or submitted to the authorities as at the date of valuation. Furthermore, there are adequate sale comparables in the vicinity of the Land which can be relied upon.

The indicative purchase consideration of the Land of RM460,000,000 represents a discount of RM10,000,000 or 2.13% to the market value of the Land of RM470,000,000 as ascribed by the Valuer.

2.1.4 Information on the parties

(i) Information on NS Corp

NS Corp is a body corporate established on 1 January 2019 under the NS Corporation Enactment 2018 (Enactment 14) in Malaysia. NS Corp is established to promote, stimulate, manage and coordinate investments and the economic sector in Negeri Sembilan and all matters relating thereto as well as to carry out any functions and power given by the state government of Negeri Sembilan to NS Corp.

NS Corp is the owner of the master blueprint of the MVV 2.0 and acts as the liaison office for any development matter relating to the MVV 2.0, coordinator for any matter relating to local authority requirements, as well as state government representatives to ensure compliance of mixed development policy with the state policy and also the master planner for the MVV 2.0 overall development.

As at the LPD, the directors of NS Corp (all of whom are Malaysians) are set out below:

- Dato' Dr. Mohamad Rafie Bin Ab Malek
- Tan Sri Dato' Sri Syed Zainal Abidin bin Syed Mohamed Tahir
- Dato' Hj. Mohd Khidir Bin Majid
- Dato' Muzalmah Bt Mustapha Kamal
- Dr. Rosli Bin Yaakop
- Dato' Muhammad Nahar Bin Haji Mohd Sidek
- Prof. Dato' Haji Ahmad Zahir Bin Haji Mokhtar
- Datuk Shahrul Kamal Bin Osman
- En. Ahmad Ridzwan Bin Ishak
- Datuk Seri Azharuddin Bin Abdul Rahman
- Dato' Nonee Ashirin Binti Dato' Mohd Radzi
- Dr. Mohammed Shahrin Bin Umar

(ii) Information on MCHB Development

MCHB Development was incorporated in Malaysia on 19 February 2021 under the Act as a private limited company and is principally involved in property development. It is a wholly-owned subsidiary of MCHB.

As at the LPD, MCHB Development has an issued share capital of RM100 comprising 100 ordinary shares, all of which are held by MCHB.

As at the LPD, the directors of MCHB Development (all of whom are Malaysians) are set out below:

- Dato' Seri Lee Tian Hock
- Ho Kong Soon

(iii) Information on N9 Matrix

N9 Matrix was incorporated in Malaysia on 18 May 2022 under the Act as a private limited company and is principally involved in property development.

As at the LPD, N9 Matrix has an issued share capital of RM47,000,000 comprising 1,000,000 ordinary shares and 46,000,000 RPS. The shareholders and their respective direct shareholdings in N9 Matrix are set out below:

Ordinary shareholders

Shareholders	Place of incorporation	No. of ordinary shares	%
MCHB Development	Malaysia	850,000	85.00
NS Corp	Malaysia	150,000	15.00

MCHB Development and NS Corp had subscribed for the ordinary shares in N9 Matrix on 25 August 2022.

Preference shareholder

Shareholder	Place of incorporation	No. of RPS	%
MCHB	Malaysia	46,000,000	100.00

MCHB had subscribed for the RPS on 3 October 2022. The salient terms of the RPS are set out below:

No.	Salient terms	Details
(a)	Subscription price	The subscription price for each RPS is RM1.00.
(b)	Dividend provision	<p>The RPS carries a cumulative dividend rate of 3.80% per annum or such other rate as may be mutually agreed by N9 Matrix from time to time.</p> <p>Any declaration and payment of dividend shall be made and paid proportionately to all holders of the RPS, and any dividend payable shall rank ahead of any dividend payable on the N9 Matrix Shares.</p>
(c)	Liquidation preference	<p>In the event of any liquidation, dissolution or winding up of N9 Matrix, the holders of the RPS will be entitled to, in preference to the holders of N9 Matrix Shares, the repayment of capital (up to the issue price of the RPS) with respect to any net proceeds from the liquidation of N9 Matrix after satisfaction of all liabilities of N9 Matrix to all its creditors, whether secured or unsecured.</p> <p>If the amount available to be distributed to the holders of the RPS for repayment of capital is insufficient to pay the total sum due on a liquidation dissolution or winding up, the amount available will be distributed among the holders of the RPS in proportion to the total amount to which each holder is entitled respectively.</p> <p>No holder of any RPS shall have any rights to participate in the surplus assets or profits of N9 Matrix in the event of any liquidation, dissolution or winding up of N9 Matrix.</p>
(d)	Redemption of RPS	<p>The RPS shall, subject to the Act, be redeemable at any time at the option of N9 Matrix by notice in writing ("Notice of Redemption") to the holders of the RPS, to redeem all or any part of the RPS.</p> <p>Any Notice of Redemption shall specify the number of RPS to be redeemed and the date fixed for redemption ("Redemption Date"), which shall not be less than 30 business days from the date of the Notice of Redemption.</p> <p>On the Redemption Date, N9 Matrix shall redeem the proportion of RPS specified in the Notice of Redemption. A fresh share certificate for the unredeemed RPS shall be issued by N9 Matrix to the RPS holders.</p> <p>All rights and privileges attributed to the RPS shall cease from the Redemption Date.</p>

No.	Salient terms	Details
	Redemption RPS (<i>Cont'd</i>)	<p data-bbox="869 181 1406 264">of The RPS may only be redeemed if the RPS is fully paid up and the redemption is in accordance with the Act, in the following manner:</p> <ol data-bbox="869 293 1406 432" style="list-style-type: none"> <li data-bbox="869 293 1406 322">(1) redeemable out of profits; or <li data-bbox="869 349 1406 378">(2) a fresh issue of shares; or <li data-bbox="869 405 1406 434">(3) capital of the company. <p data-bbox="869 461 1406 544">N9 Matrix shall pay to the holder of the RPS on each RPS redeemed a redemption sum equivalent to:</p> <ol data-bbox="869 573 1406 925" style="list-style-type: none"> <li data-bbox="869 573 1406 656">(1) any arrears or accruals of the declared dividend payable in respect of the RPS calculated to the Redemption Date; <li data-bbox="869 683 1406 842">(2) all accumulated dividend for that RPS from the issue date of the RPS but not declared and/or paid (whether the non-declaration or payment of dividend is due to the absence of profit or retained earnings or otherwise); and <li data-bbox="869 869 1406 925">(3) 100% of the amount paid up on the issue of the RPS.
(e)	Voting rights	<p data-bbox="869 954 1406 1115">Subject to the provisions of the Act, the holders of the RPS shall be entitled to receive notice of and attend all general meetings of N9 Matrix, but shall not be entitled to vote at any general meetings of N9 Matrix, save and except for those conferred under the Act.</p>
(f)	Special rights	<p data-bbox="869 1144 1406 1227">As long as any RPS remain in issue and have not been redeemed and subject to the consent of all holders of the RPS:</p> <ol data-bbox="869 1256 1406 1503" style="list-style-type: none"> <li data-bbox="869 1256 1406 1339">(1) no further RPS which ranks in priority to/ pari passu with the RPS may be created or issued; <li data-bbox="869 1366 1406 1503">(2) the rights attached to the RPS shall not be varied, modified or deleted unless subject to the provision of the Act and in accordance with the Constitution of N9 Matrix. <p data-bbox="869 1532 1406 1641">Each of the following matters shall be deemed to be a variation of the special rights attaching to the RPS and shall accordingly only be effective upon approval in general meetings of the company:</p> <ol data-bbox="869 1671 1406 1995" style="list-style-type: none"> <li data-bbox="869 1671 1406 1780">(1) the amendment or removal or alteration of the effect of the definition of RPS in the terms of the RPS and in the Constitution of N9 Matrix; <li data-bbox="869 1807 1406 1863">(2) a proposal for the voluntary winding-up or dissolution of N9 Matrix; <li data-bbox="869 1890 1406 1995">(3) any disposal, conveyance, assignment to transfer of shares, take-over, amalgamation, merger or change in the business of N9 Matrix.

As at the LPD, the directors of N9 Matrix (all of whom are Malaysians) are set out below:

Nominees of MCHB/MCHB Development

- Dato' Seri Lee Tian Hock
- Ho Kong Soon
- Dato' Haji Mohamad Haslah Bin Mohamad Amin
- Tan Say Kuan
- Tan Sze Chee

Nominees of NS Corp

- Emy Mariany Binti Mohd Mokhtar
- Dato' Dr. Mohamad Rafie Bin Ab Malek
- Norazhar Bin Musa

2.1.5 Salient terms of the CSPA and Supplemental CSPA

Please refer to Appendix I of Part B of this Circular for the salient terms of the CSPA and Supplemental CSPA.

2.1.6 Source of funding

The indicative Purchase Consideration will be satisfied fully in cash and will be funded via a combination of bank borrowings and internally generated funds of N9 Matrix, the proportion of which is set out below:

Source of funding	RM'000	%
Bank borrowings	391,000	85.00
Internally generated funds	69,000	15.00
Total	460,000	100.00

The breakdown of source of funding was arrived at after taking into consideration the latest audited consolidated financial statements of MCHB for the FYE 31 March 2023, whereby the gearing of MCHB Group stood at 0.12 times, with total borrowings and total equity amounting to approximately RM240.64 million and RM1,987.86 million respectively. Thus, MCHB Group has sufficient capacity within its debt portfolio to incur additional borrowings to partly finance the Proposed Acquisition.

For information purposes, the cash and cash equivalent of MCHB Group based on the latest audited consolidated financial statements of MCHB for the FYE 31 March 2023 amounted to approximately RM200.13 million.

2.1.7 Liabilities and guarantees

Save for the obligations and liabilities arising from or in connection with the CSPA and Supplemental CSPA pursuant to the Proposed Acquisition (including the corporate guarantees to be extended by MCHB Group in relation to the financing to be obtained by N9 Matrix for the Proposed Acquisition, if required), there are no other liabilities, including any contingent liabilities to be assumed by MCHB Group upon completion of the Proposed Acquisition.

2.1.8 Estimated additional financial commitment

Save for the indicative Purchase Consideration and the future development costs of the Land which cannot be ascertained at this juncture, MCHB Group does not expect to incur any additional financial commitment in connection with the Proposed Acquisition.

2.2 Details of the Proposed Joint Venture

MCHB Development, NS Corp and N9 Matrix had entered into the JVA to set out the terms governing their rights as shareholders of N9 Matrix and the manner in which N9 Matrix is to be managed. The main purpose of the Proposed Joint Venture is to undertake the Proposed Acquisition and subsequently the future development of the Land. Pursuant to the JVA, NS Corp will prepare the master blueprint of the MVV 2.0, act as the liaison office for any development matter relating to the MVV 2.0, coordinate any matters relating to local authority requirements, represent the state government to ensure compliance of mixed development policy standard and be the master planner for the overall development of the MVV 2.0.

In addition, pursuant to the JVA, MCHB Development will be solely responsible for, among others:

- (i) to assist in funding/financing the Proposed Acquisition and use its best endeavours to assist N9 Matrix to source and obtain funding/financing for the development of the Land;
- (ii) to assist N9 Matrix in arranging for the preparation of the development plan for the Land;
- (iii) to assist N9 Matrix in managing and overseeing the implementation of the development projects in accordance with the development plan for the Land and to ensure that such development projects are completed within the development period as stipulated in the JVA;
- (iv) to assist N9 Matrix in managing the assets and/or properties (including the project units) developed on the Land following completion of the development projects; and
- (v) to assist and ensure that N9 Matrix complies with the Negeri Sembilan Housing Policy, and constructs and provides the minimum number of units of affordable residential properties in accordance with the said policy.

Under the JVA, N9 Matrix will be responsible for among others, acquiring and developing the Land within the stipulated development period, to lease or sell the project units constructed on the Land and to complete the development of the Land.

On 23 March 2023, MCHB Development, NS Corp and N9 Matrix entered into the Supplemental JVA in relation to the Proposed Joint Venture, whereby the parties agreed that the composition of the board of directors of N9 Matrix shall include an additional person nominated by NS Corp and the appointment of Norazhar Bin Musa, a nominee of NS Corp as a director of N9 Matrix as well as the change in layout plan, further details of which are set out in Appendix II of Part B of this Circular.

Norazhar Bin Musa, aged 52, a Malaysian has over 28 years of experience in project management and business development through his involvement in various companies within the composites of high technology and aerospace industry. Presently, Norazhar Bin Musa is the General Manager for Aerospace Development of NS Corp and is in-charge of special projects of high technology and aerospace, where he is primarily responsible for the overall planning and management of the MVV 2.0, negotiating with the land owners within the MVV 2.0 to acquire such lands for development, overseeing the joint venture arrangements entered into by NS Corp for the development of the lands within the MVV 2.0 and procuring investment from foreign companies for development of the MVV 2.0.

As at the LPD, neither NS Corp nor N9 Matrix has submitted any detailed development plan in relation to the Land to the relevant development authority. Accordingly, it is still too preliminary for MCHB Group to determine the details of the development of the Land including the name of the project, type of development and total number of units to be developed, the estimated gross development value and development costs, as well as the source of funding to finance the development costs of the Land at this juncture.

Pursuant to the JVA and based on the initial project planning by MCHB Group, the proposed development period for the Land is estimated to be for 10 years. However, the expected commencement and completion dates for the development of the Land have not been finalised at this juncture.

Please refer to Section 2.1.4 of Part B of this Circular for further information on MCHB Development, NS Corp and N9 Matrix.

2.2.1 Share subscription

In accordance with the JVA, MCHB Development and NS Corp had on 25 August 2022 subscribed for 849,900 and 150,000 new N9 Matrix Shares respectively. Pursuant thereto and taking into account the existing 100 N9 Matrix Shares held by MCHB Development, the shareholding structure in respect of the N9 Matrix Shares is set out below:

Shareholders	Before the share subscription		After the share subscription		Subscription consideration
	No. of N9 Matrix Shares	%	No. of N9 Matrix Shares	%	RM
MCHB Development	100	100.00	850,000	85.00	850,000
NS Corp	-	-	150,000	15.00	150,000
Total	100	100.00	1,000,000	100.00	1,000,000

The N9 Matrix Shares were allotted and issued to each of the shareholders as fully paid, free from any claims, liens, equities and encumbrances whatsoever and shall rank equally in all respects with the existing issued N9 Matrix Shares and shall carry all rights, benefits, advantages and full voting power in general meetings.

In addition, MCHB had on 3 October 2022 subscribed for 46,000,000 RPS in N9 Matrix. Please refer to Section 2.1.4(iii) of Part B of this Circular for the salient terms of the RPS.

2.2.2 NS Corp's entitlement

In consideration of NS Corp observing, performing and discharging all their covenants and obligations pursuant to the JVA as described in Section 7 of Appendix II of Part B of this Circular, NS Corp shall be entitled to the following consideration:

- (i) monetary consideration of up to a total of RM14,000,000 being the facilitation and coordination fees which shall be paid progressively in the following manner:
 - (a) RM1,000,000 to be paid upon execution of the KSDB-SPA;
 - (b) RM3,000,000 to be paid within 30 days after obtaining the approval for the layout plan of the Land from the relevant authority ("**Development Obtaining Date**"); and
 - (c) the balance RM10,000,000 to be paid in 10 equal tranches yearly, each in the sum of RM1,000,000 within 30 days of each 10 succeeding anniversary dates of the Development Obtaining Date and the first payment is payable within 30 days of the first anniversary date of the Development Obtaining Date;

- (ii) allocation of 350 units of Rumah Mampu Milik (type A) properties and 7 units of double storey offices to be developed by N9 Matrix on the Land estimated to be approximately RM32,550,000, in which the final value has yet to be finalised at this juncture; and
- (iii) in consideration of the services rendered by NS Corp pursuant to the JVA, NS Corp shall be entitled to an additional entitlement of RM16,760,000 payable in 5 equal yearly instalments of RM3,352,000 with the first payment to be made within 14 days from the unconditional date of the CSPA and the balance payments shall be made within 30 days from each of the anniversary date of the CSPA.

Pursuant to the JVA, MCHB Development is responsible to procure N9 Matrix to pay and deliver the abovementioned entitlements to NS Corp, which will be funded via the internally generated funds of MCHB Group. The total entitlement of NS Corp amounting to RM63.31 million was arrived at based on the terms agreed upon arising from negotiations between the parties after taking into consideration the management's internal estimation based on the management's experience in handling past projects undertaken by the Group as well as prospects of the Land as set out in Section 4.5 of Part B of this Circular.

2.2.3 Salient terms of the JVA

Please refer to Appendix II of Part B of this Circular for the salient terms of the JVA and Supplemental JVA.

2.2.4 Source of funding in the joint venture company

The subscription consideration paid by MCHB Development for the Proposed Joint Venture has been funded through its internally generated funds.

Further, MCHB Development intends to fund its obligations under the Proposed Joint Venture via internally generated funds and/or bank borrowings, which shall be determined at a later stage, after taking into consideration the funding requirements of N9 Matrix and development cost of the Land.

2.2.5 Liabilities to be assumed

Save for the obligations and liabilities arising from or in connection with the JVA and Supplemental JVA pursuant to the Proposed Joint Venture (including NS Corp's entitlement as set out in Section 2.2.2 of Part B of this Circular), there are no other liabilities, including any contingent liabilities, to be assumed by MCHB Group arising from the Proposed Joint Venture.

2.2.6 Estimated additional financial commitment

Save for the subscription consideration and the contribution of capital to be provided in accordance with the terms of the JVA for all funding requirements of N9 Matrix including the future development costs of the Land, MCHB Group does not expect any additional financial commitment in connection with the Proposed Joint Venture.

The development costs for the Land shall be funded by way of internally generated funds and/or external borrowings of N9 Matrix, the breakdown and manner of which is to be ascertained at a later date.

2.3 Details of the Proposed Provision of Financial Assistance

Pursuant to Paragraph 8.23(1) of the Listing Requirements with regards to the provision of financial assistance, MCHB Group may be required to provide financial assistance to N9 Matrix pursuant to the Proposed Acquisition and the Proposed Joint Venture.

MCHB Group is expected to extend shareholders' advances and/or corporate guarantees when necessary to fund the future development cost over the duration of the development of the Land. The quantum of such future shareholders' advances and/or corporate guarantees cannot be determined at this juncture as the amount would depend on, among others, the amount of external financing obtained by N9 Matrix and the actual development cost for the Land. Pursuant to the JVA, MCHB Development and N9 Matrix are responsible to source and obtain all funding and/or financing required for the development of the Land and will assume the financial obligations of NS Corp in N9 Matrix. As such, any shareholders' advances by MCHB Group will not be extended in proportion of its stake in N9 Matrix via MCHB Development.

3. RATIONALE AND BENEFIT OF THE PROPOSALS

3.1 Proposed Acquisition

MCHB Group is principally involved in property development and its related services. Its other business segments include construction, education, hospitality and healthcare operations. The Group's flagship property development project is the township, Bandar Sri Sendayan situated in Negeri Sembilan, which has now expanded to also include Ara Sendayan, Tiara Sendayan, Bayu Sutera, Irama Sendayan, Laman Sendayan and Eka Heights. These townships are collectively known as MCHB's Sendayan Developments and covers an area of approximately 7,000 acres (equivalent to approximately 2,832.799 hectares). The Group has also developed another 1,210-acre (equivalent to approximately 489.670 hectares) township known as Bandar Seri Impian situated in Kluang, Johor.

MCHB Group's property development projects are mainly focused in Negeri Sembilan. However, it also has local presence in Kuala Lumpur and international presence, in Melbourne, Australia and Jakarta, Indonesia. Please refer to Appendix IV of Part B of this Circular for further details of the Group's existing property development projects.

As at the LPD, the Group has a total land bank of approximately 2,222.50 acres (equivalent to approximately 899.414 hectares) with a total gross development value of RM15.23 billion comprising land bank in Malaysia of approximately 2,221.90 acres (equivalent to approximately 899.171 hectares) with a gross development value of RM14.98 billion and land bank in Australia of approximately 0.60 acres (equivalent to approximately 0.243 hectares) with a gross development value of RM245.60 million. The land bank in Malaysia mainly comprises land at the Group's Sendayan Developments and Bandar Sri Sendayan townships as well as within the Klang Valley whilst the Group's land bank in Australia is located in St Kilda, Victoria.

The Proposed Acquisition thus forms part of the Group's ongoing effort to expand its land banks at strategic locations with growth potential. Further, as the Land is within the vicinity of the Group's existing land banks and property development projects in Negeri Sembilan, the Proposed Acquisition would enable the Group to bolster its presence in Negeri Sembilan as well as make its initial presence within the MVV 2.0.

The Board is of the view that the Proposed Acquisition comes at an opportune time given the development potential of the MVV 2.0 and the prospects of the Land as set out in Section 4.5 of Part B of this Circular. The Board also recognises that the Group's profile would be enhanced upon successful completion of the development of the Land as part of the vision of the state government of Negeri Sembilan to integrate the MVV 2.0 as an economic region complementing the development of the Greater Kuala Lumpur and the National Conurbation as a new growth area located in Negeri Sembilan. Thus, the Proposed Acquisition is in line with the strategic plans of the Group to establish a strong presence in a key growth area in Malaysia. The Land is therefore a potentially valuable addition to the land bank of the Group due to its strategic location and sizeable acreage which would enable the Group to showcase its property development expertise in undertaking residential township developments.

3.2 Proposed Joint Venture

The Proposed Joint Venture will provide MCHB Group with an opportunity to form a strategic partnership with NS Corp, the owner of the master blueprint of the MVV 2.0 to collaborate on the development of the Land. In addition, MCHB Group would also be able to leverage on NS Corp's network and position as the statutory body established to promote, stimulate, manage and coordinate investments and the economic sector in Negeri Sembilan. The strategic partnership with NS Corp is expected to enable a smooth development process for the Land including obtaining favourable rates for payment of quit rents, land conversions and all related development charges which is envisaged to ensure the timely and successful completion of the development of the Land.

3.3 Proposed Provision of Financial Assistance

The Proposed Provision of Financial Assistance will enable MCHB Development to obtain guarantees and/or raise the necessary funding in connection with the Proposed Acquisition as well as for future development of the Land. The availability of expedient funding would assist in avoiding unnecessary delays throughout the development period and ensure the timely completion of the development of the Land.

4. OUTLOOK AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy further expanded in the 1st quarter of 2023 by 5.6% compared to 7.1% in the 4th quarter of 2022 ("4Q") driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. On the supply side, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (4Q 2022: -1.7%).

On the demand side, growth was supported by private sector expenditure. Private consumption grew by 5.9% (4Q 2022: 7.3%) which was underpinned by improving labour market conditions and policy measures such as higher minimum wage and continued cash transfers. Further, private investment grew by 4.7% (4Q 2022: 10.3%) supported mainly by continued capacity expansion by firms and further progress of construction activities.

On the supply side, all sectors continued to expand. The services sector expanded by 7.3% supported by better retail spending, continued tourism recovery, improving real estate and business services. Meanwhile, the manufacturing sector grew by 3.2% (4Q 2022: 3.9%) supported by ongoing fulfilment of motor vehicle backlogs and continued growth in the electrical and electronics (E&E) production. The construction sector expanded by 7.4% (4Q 2022: 10.1%) attributable to continued progress of large transportation and utility projects, high end-works in nearly-completed projects whilst the mining sector grew only by 2.4% (4Q 2022: 6.3%) supported by moderate performance in crude oil and natural gas production. The agriculture sector grew by 0.9% (4Q 2022: 1.1%) mainly due to increased oil palm output and higher arrival of foreign plantation workers under Foreign Workers Employment Relaxation Plan (FWERP).

For 2023, the Malaysian economy is expected to continue to expand by 4.0% to 5.0% amid slower external demand. Growth will be driven by domestic demand, supported by improving labour market conditions, higher tourism activity and further progress of multi-year investment projects. The risks to Malaysia's growth outlook are fairly balanced. Upside risks are mainly from domestic factors such as stronger-than-expected tourism activity and implementation of projects including those from the re-tabled Budget 2023. Meanwhile, downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions.

(Source: Economic and Financial Developments in the Malaysian Economy in the 1st Quarter of 2023, Bank Negara Malaysia)

4.2 Overview and outlook of the property industry in Malaysia

The property market recorded a total of 389,107 transactions worth RM179.07 billion for 2022. This indicated an increase of 29.5% in volume and 23.6% in value compared to 2021. Of the total transactions recorded in 2022, 20.7% (80,373 transactions) and 76.5% (297,700 transactions) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer. Primary market formed 13.8% (53,698 transactions) of the total transactions (purchase from developers) while secondary market took up the remaining 86.2% (335,409 transactions).

Volume of transactions across the sub-sectors showed upward movements whereby residential, commercial and industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.3%, 46.3%, 44.5%, 44.6% and 35.7% respectively. Similarly, value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors and recorded an increase of 22.6%, 16.7%, 24.8%, 50.5% and 16.6% respectively.

The residential sub-sector led the overall property market, with 62.5% contribution in volume. This was followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value, residential led with 52.6% share, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) and development land and others (7.4%).

Residential property

There were 243,190 transactions worth RM94.28 billion recorded in 2022, representing an increase by 22.3% in volume and 22.6% in value as compared with 2021. Secondary market formed about 80.0% (194,749 transactions) of the total transactions while primary market (purchase from developers) formed nearly 20.0% (48,441 transactions).

All states recorded higher market volume except for Wilayah Persekutuan Labuan which recorded decline in market activity. The uptrend recorded in Pulau Pinang (31.1%), Johor (24.3%), Perak (18.9%), Wilayah Persekutuan Kuala Lumpur (18.4%) and Selangor (15.9%) supported the overall increase in the sub-sector. Combined, these states formed about 60.0% of the total national residential volume. Selangor contributed the highest volume and value to the national market share, with 23.2% in volume (56,514 transactions) and 32.4% in value (RM30.58 billion). Wilayah Persekutuan Kuala Lumpur recorded 13,182 transactions but ranked the 2nd highest in value at RM11.79 billion, contributing 12.5% market share. Demand continued to focus on terraced houses, formed around 42.0% of the total residential transactions, followed by vacant plots (15.1%), high-rise units (15.0%) and low-cost houses/flats (10.6%).

The residential overhang situation improved as the numbers reduced compared to previous year. A total of 27,746 overhang units worth RM18.41 billion recorded in 2022, reduced by 24.7% and 19.2% in volume and value respectively against 2021 (36,863 units worth RM22.79 billion).

Commercial property

The commercial property sub-sector recorded a further increase in market activity in 2022. There were 32,809 transactions worth RM32.61 billion recorded in 2022, representing an increase by 46.3% in volume and 16.7% in value as compared with 2021 (22,428 transactions worth RM27.94 billion). The increase in all states and major transactions involving shopping complex and purpose-built office recorded in the review period contributed to the overall improved market.

Selangor contributed the highest volume and value to the national market share, with 26.4% in volume (8,654 transactions) and 31.7% in value (RM10.35 billion). Wilayah Persekutuan Kuala Lumpur came 2nd with 14.6% in volume (4,777 transactions) and 26.0% in value (RM8.49 billion) and Johor with 14.6% in volume (4,787 transactions) and 14.0 % in value (RM4.57 billion).

Shop overhang segment increased to 6,720 units with a value of RM5.84 billion, up by 1.6% in volume and up 1.1% in value against 2021. The unsold under construction and not constructed saw the reverse, down by 28.8% (2,777 units) and 9.0% (365 units). Johor accounted for nearly 26.0% of shop overhang volume and 28.7% in value (1,731 units worth RM1.67 billion) and the unsold under construction with 36.2% share (1,005 units).

Industrial property

The industrial property sub-sector recorded 8,082 transactions worth RM21.16 billion in 2022. Compared to 2021, the market activity increased by 44.5% in volume and 24.8% in value. Selangor continued to dominate the market, with 33.8% of the nation's volume, followed by Johor and Perak, each with 14.0% and 8.1% market share.

The industrial overhang remained manageable. The overhang volume decreased to 880 units worth nearly RM1.15 billion, down by 22.1% volume and 27.6% in value against 2021. On similar note, the unsold under construction decreased to 450 units, down by 31.2%. The unsold not constructed recorded 51 units, more than 22 units recorded in 2021.

Overall, as the country's gross domestic product growth is projected to be moderately lower than the previous year and in line with other countries in the region, the property market performance is expected to be cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well execution of measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under 12th Malaysia Plan are expected to remain supportive of the property sector.

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

4.3 Overview and outlook of the property industry in Negeri Sembilan

The property market of Negeri Sembilan saw a rebound in 2022 indicated by the growth in market activity. There were 23,531 transactions recorded worth RM8.77 billion, which was an increase of 39.4% in volume and 31.2% in value compared to 2021 (16,882 transactions worth RM6.69 billion).

The residential sub-sector retained its share of the property market with 71.3% of the total transactions followed by agriculture (18.6%), commercial (5.4%), development land and others (2.5%) and industrial (2.2%) sub-sectors.

Residential property

There were 16,786 transactions worth RM5.59 billion recorded in 2022, representing an increase by 37.3% in volume and 34.2% in value as compared with 2021 (12,230 transactions worth RM4.17 billion). The performance of new launches in the primary market decreased by 42.6% in 2022 as there were 2,451 units launched as compared to 4,273 units launched in 2021. The sales performance recorded was also lower at 36.1% as compared to 2021 (37.8%).

The residential overhang situation improved in 2022 as the the number of overhand decreased by 36.8% to 886 units compared to 2021 (1,401 units). Similar downward trend was observed at unsold under construction of 3,339 units (2021: 3,492 units) and unsold not constructed of 272 units (2021: 914 units) in 2022.

Commercial property

The commercial property sub-sector recorded 1,269 transactions worth RM738.59 million in 2022, representing an increase of 74.6% in volume and 21.5% in value as compared to 2021 (727 transactions worth RM607.73 million).

The shop overhang and unsold under construction units showed better performance as the number decreased by 1.9% (455 units in 2022 compared to 464 units in 2021) and 87.3% (7 units compared to 55 units in 2021) respectively in 2022. However, the unsold not constructed recorded an increase of 16.7% (35 units) as compared to 2021 (30 units).

Overall, the prospects of the property market in Negeri Sembilan remain positive for 2023 with prices of the properties expected to remain firm. The development projects implemented within the state would also continue to support its property market.

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

4.4 Prospects of MCHB Group

As at the LPD, the Group's ongoing property development projects comprises mainly residential, commercial and industrial developments within its Sendayan Developments township as well as residential development at its Bandar Seri Impian township. The total gross development value of the Group's existing property development projects in Malaysia is approximately RM2.55 billion and the total unbilled sales are approximately RM1.39 billion as at 30 June 2023.

Residential properties remain the Group's strongest revenue contributor as homebuyers remain attracted by the value proposition of the Group's product offerings, particularly at its flagship Sendayan Developments. The Group expects to continue recording healthy demand trend moving forward, with growing inclination for Klang Valley residents to relocate outside of the city centre, made easier by well-developed road networks and connectivity, as well as remote and flexible working arrangements. Supported also by an established and broadened sales channel through the use of digital solutions such as social media platforms, the Group intends to capitalise on the strong demand driven by the strong value proposition of its residential properties, particularly those within the RM600,000 price range.

Moving forward, the Group remains dedicated on enhancing its township developments of Sendayan Developments comprising among others, Bandar Sri Sendayan, Ara Sendayan and Tiara Sendayan in Negeri Sembilan, and Bandar Seri Impian in Kluang, Johor. This includes improvement to amenities and infrastructure to support vibrant community living, and landbanking efforts to expand future launch pipeline.

(Source: Management)

4.5 Prospects of the Land

The Land is situated within a new growth area located in the state of Negeri Sembilan known as the MVV 2.0 and is approximately 22 kilometers from Seremban and approximately 17 kilometers from Kuala Lumpur International Airport.



(Source: MVV Concept Development Plan, State Government of Negeri Sembilan)

As illustrated above, the MVV 2.0 has been earmarked to be the extension of the Greater Kuala Lumpur conurbation spanning approximately 379,086.8370 acres (equivalent to approximately 153,411 hectares) of land. The 1st phase of development under the MVV 2.0 is intended to be a high technology and industrial park spanning 2,838 acres (equivalent to approximately 1,148.498 hectares) of land. The other phases have been earmarked for a mixed development and an aerospace valley.

The MVV 2.0, where the Land is located, is envisioned to be the new growth corridor covering districts of Seremban and Port Dickson. The area has been identified as one of the nation's 17 promoted development zones; serves as the economic catalyst in the 11th Malaysia Plan, as well as being part of the Malaysian National Development Strategy.

(Source: MVV Concept Development Plan, <https://www.ns.gov.my/images/contents/NS-INVEST-2020/MVVConceptDevelopmentPlan.pdf> and management of MCHB)

Premised on the above, the Board is optimistic of the future development potential of the Land which in turn is expected to improve the Group's revenue and profit from its property development segment as well as the Group's overall financial performance in the medium-to-long term.

Nevertheless, as at the LPD, neither NS Corp nor N9 Matrix has submitted any detailed development plan in relation to the Land to the relevant development authority. Accordingly, it is still too preliminary for MCHB Group to determine the details of the development of the Land, expected commencement and completion dates for the development, estimated gross development value and development costs, as well as the source of funding to finance the development costs of the Land at this juncture.

(Source: Management)

5. RISKS OF THE PROPOSALS

The risk factors relating to the Proposals are set out below:

(i) Delay or non-completion of the Proposed Acquisition

Despite the execution of the CSPA and Supplemental CSPA, there can be no assurance that all the conditions precedent and/or terms and conditions as set out in the CSPA and Supplemental CSPA will be able to be fulfilled and/or complied with, and therefore, the Proposed Acquisition may not be able to complete. There can also be no assurance that the Proposed Acquisition can be completed within the timeframe set. Any delay or non-completion of the Proposed Acquisition will deprive MCHB Group from realising the expected benefits of the Proposed Acquisition as set out in Section 3.1 of Part B of this Circular.

Notwithstanding the above, the management and the Board will endeavour to take all reasonable steps to ensure that the conditions precedent and terms and conditions of the CSPA and Supplemental CSPA which are within the Group's control are fulfilled and met on a timely basis to facilitate the Proposed Acquisition. Nonetheless, there can be no assurance that the CSPA and Supplemental CSPA will not be terminated as a result of any breach or default attributable to any of the parties.

(ii) Business risk

The Proposed Acquisition is subject to the risks inherent in the property development industry which the Group is already involved in. Such risks may include residential property overhang, adverse changes in real estate market prices, competition from other property developers, changes in economic, social and political conditions, delay in completion of the Group's property development projects against the scheduled completion, performance of third party sub-contractors, labour and material supply shortages, fluctuations in the prices of building materials and costs of labour charges as well as adverse changes in property tax, assessment and other statutory charges.

(iii) Funding risk for development of the Land

Given the magnitude of the potential development of the Land, the Group may be required to seek external financing to fund the development of the Land in the future. There can be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Group will be able to generate the desired returns from the future development of the Land to repay the bank borrowings. In the event of any delay in receipt or absence of the anticipated benefits, the Group's repayment of such borrowings could be delayed and consequently result in higher borrowing costs.

Nevertheless, the Board will endeavour to seek appropriate bank borrowings to partially finance the Proposed Acquisition and will continue to closely monitor the Group's debt portfolio and financial gearing in order to ensure that the Group's financial obligations are well managed from time to time.

(iv) Joint venture risks

The Proposed Joint Venture may potentially expose MCHB Group to risks including those associated with the assimilation of new operations and personnel, the diversion of financial management resources from existing operations and the inability to successfully integrate the Proposed Joint Venture with its current business. There is also no assurance that the anticipated benefits from the Proposed Joint Venture will be realised, and that MCHB Group will be able to generate sufficient revenue to offset the associated costs from the Proposed Joint Venture.

Nevertheless, the Board has and will continue to exercise due care in considering the risks and benefits associated with the Proposed Joint Venture and is committed towards the close monitoring of the future development of the Land in order to minimise any implementation issues or delays. It is pertinent to note that MCHB Group's exposure to the joint venture is limited to its 85% equity participation in the joint venture. In addition, MCHB Group is also responsible to source and obtain all funding and/or financing required for the development of the Land and will assume the financial obligations of NS Corp in N9 Matrix as set out in Section 2.3 of Part B of this Circular.

(v) Political, economic and regulatory risk

Adverse developments in general political, economic and regulatory conditions in Malaysia including changes in administration, methods of taxation and/or introduction of new regulations could materially and/or adversely affect the Proposed Acquisition which may result in a delay in the implementation of the Proposed Acquisition or may also lead to the termination of the entire Proposals.

Although measures will be taken to address and/or mitigate such developments, no assurance can be given that such measures will be sufficient or effective in the circumstances.

6. EFFECTS OF THE PROPOSALS

6.1 Share capital and substantial shareholders' shareholdings

The Proposals are not expected to have any effect on the issued share capital of MCHB and the substantial shareholders' shareholdings of the Company as the Proposals will not involve the issuance of any MCHB Shares.

6.2 NA per MCHB Share and gearing

Based on the latest audited consolidated statements of financial position of MCHB Group as at 31 March 2023 and assuming that the Proposals had been effected on that date, the pro forma effects of the Proposals on the NA per MCHB Share and gearing of MCHB Group are set out below:

	Audited as at 31 March 2023 RM'000	I After adjustments for subsequent events ⁽¹⁾ RM'000	II After I and the Proposed Acquisition RM'000
Share capital	961,315	961,315	961,315
Retained profits	1,045,220	1,017,065	1,016,265 ⁽²⁾
Other reserves	(2,910)	(2,910)	(2,910)
NA/Equity attributable to equity holders of the Company	2,003,625	1,975,470	1,974,670
Non-controlling interests	(15,770)	(15,770)	(15,770)
Total equity	1,987,855	1,959,700	1,958,900
No. of MCHB Shares in issue ('000)	1,251,348	1,251,348	1,251,348
NA per MCHB Share (RM) ⁽³⁾	1.60	1.58	1.58
Total interest-bearing borrowings (RM'000)	240,638	240,638	631,638 ⁽⁴⁾
Gearing ratio (times) ⁽⁵⁾	0.12	0.12	0.32

Notes:

(1) After adjusting for the 4th interim single tier dividend of 2.25 sen per MCHB Share amounting to RM28,155,324 in respect of the FYE 31 March 2023, which was paid on 6 July 2023.

(2) After deducting the estimated expenses in relation to the Proposals of approximately RM0.80 million, the breakdown of which is set out below:

Estimated expenses	Amount RM'000
Professional fees (i.e. Principal Adviser, Valuer and solicitors)	595
Regulatory fees	50
Contingencies and other incidental expenses in relation to the Proposals (i.e. convening of the 26th AGM, printing and advertisement expenses)	155
Total	800

(3) Calculated based on NA/equity attributable to equity holders of the Company over number of MCHB Shares in issue.

(4) Assuming MCHB Group borrows RM391.00 million (i.e. approximately 85% of the indicative Purchase Consideration) to partially finance the Proposed Acquisition.

(5) Calculated based on total borrowings over total equity.

6.3 Earnings and EPS

The Proposals are not expected to have an immediate or material effect on the Group's earnings and EPS for the FYE 31 March 2024. Nevertheless, the Proposals are expected to contribute positively to the Group's future earnings as and when the Land is developed.

For illustrative purposes, the pro forma effects of the Proposed Acquisition on the consolidated earnings and EPS of MCHB assuming the Proposed Acquisition had been effected at the beginning of the FYE 31 March 2023, is set out below:

	Audited for the FYE 31 March 2023 RM'000	I After adjustments for subsequent events⁽¹⁾ RM'000	II After the Proposed Acquisition RM'000
Profit after tax attributable to the owners of the Company	207,220	207,220	206,420 ⁽²⁾
Weighted average number of MCHB Shares in issue ('000)	1,052,504	1,052,504	1,052,504
Basic EPS (sen)	19.69	19.69	19.61

Notes:

(1) After adjusting for the 4th interim single tier dividend of 2.25 sen per MCHB Share amounting to RM28,155,324 in respect of the FYE 31 March 2023, which was paid on 6 July 2023.

(2) After deducting the estimated expenses in relation to the Proposals of approximately RM0.80 million, the breakdown of which is set out below:

Estimated expenses	Amount RM'000
Professional fees (i.e. Principal Adviser, Valuer and solicitors)	595
Regulatory fees	50
Contingencies and other incidental expenses in relation to the Proposals (i.e. convening of the 26th AGM, printing and advertisement expenses)	155
Total	800

6.4 Convertible securities

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

7. APPROVALS REQUIRED/OBTAINED FOR THE PROPOSALS

The Proposals are subject to the following approvals being obtained:

- (i) from the shareholders of MCHB at a general meeting to be convened for the Proposals by way of poll; and
- (ii) from the relevant authorities/parties, which form part of the conditions precedent of the CSPA and JVA as mentioned in Appendices I and II of Part B of this Circular.

The Proposals are conditional upon each other. However, the Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by MCHB Group.

8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition and Proposed Joint Venture pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 27.39% based on the indicative purchase consideration of RM460,000,000 and NS Corp's entitlements as set out in Section 2.2.2 of Part B of this Circular amounting to RM63,310,000 pursuant to the JVA over the NA of MCHB Group as at 31 March 2022 of RM1,910.38 million.

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

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

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Acquisition is expected to be completed by the 2nd quarter of 2024. The Proposed Joint Venture is expected to be ongoing, which is estimated to be a period of 10 years with automatic extension of another 2 years thereafter. Hence, the Proposed Provision of Financial Assistance shall be for the entire duration of the development for the Land.

11. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise which has been announced by the Company but not yet completed as at the date of Part B of this Circular.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposals, including the basis and justification for arriving at the indicative Purchase Consideration, salient terms of the CSPA and JVA (including the Supplemental CSPA and Supplemental JVA), rationale and benefits of the Proposals, the effects of the Proposals as well as the evaluation from the Valuer, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming 26th AGM.

13. 26TH AGM

The forthcoming 26th AGM will be conducted on a fully virtual basis through live-streaming via remote participation and voting facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Wednesday, 30 August 2023 at 11.00 a.m.

The Notice of the 26th AGM and the Proxy Form as set out in the Integrated Annual Report 2023 of the Company together with Part B of this Circular and Administrative Guide for the 26th AGM are all available at <https://www.mchb.com.my/investor-relations/general-meetings/>. Shareholders are advised to refer to the Notice of the 26th AGM and the Administrative Guide for the procedures as set out therein.

If you wish to appoint a proxy to attend, participate and vote on your behalf at the 26th AGM, you may deposit your Proxy Form at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan. Alternatively, the submission of the Proxy Form can be made through electronic lodgement not less than 48 hours before the time fixed for holding the 26th AGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, participating and voting at the meeting should you subsequently decide to do so. For electronic lodgement of the Proxy Form, please also follow the procedures as set out in the Administrative Guide.

14. ADDITIONAL INFORMATION

You are advised to refer to the attached appendices for additional information.

Yours faithfully,
For and on behalf of the Board
MATRIX CONCEPTS HOLDINGS BERHAD

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Non-Independent Non-Executive Chairman

SALIENT TERMS OF THE CSPA AND SUPPLEMENTAL CSPA

The salient terms of the CSPA and Supplemental CSPA are set out below:

Salient terms of the CSPA

1. Land conditions

Subject to the terms and conditions as contained in the CSPA, and in consideration of the mutual terms as contained in the CSPA, NS Corp agrees to sell and N9 Matrix agrees to purchase the Land on an 'as in where is' basis in its present state and condition with vacant possession:

- (a) free from encumbrances (of any legal, equitable or security interests including but not limited to mortgage, debenture, charge (whether fixed or floating) pledge, lien, assignment, caveats, option, right of first refusal, right of pre-emption, right of retention of title, hypothecation, judgment, encumbrance, easement, third party right or interest, preferential right, trust arrangement or any other form of security interest or any obligation (including any conditional obligation) or arrangement having an effect to create any of the same and where applicable, any caveat, prohibitory order or other restraints or any other adverse claim or right whatsoever save for the private caveat against the Lands lodged pursuant to CSPA ("**Encumbrances**"));
- (b) inclusive of all illegal occupiers, squatters and/or physical structures located on the Land;

but subject to the category of land use, condition(s) of title and restriction-in-interest as stipulated in the CSPA and all other unregistered easements, rights (including rights of way, right to lay, place or carry electrical installations pursuant to Section 11 of the Electricity Supply Act, 1990) and conditions affecting the title to the Land (if any) whether expressed or implied in the original final issue document of title to the Land ("**Title**") upon issuance thereof.

2. Mode of payment of the indicative Purchase Consideration

The indicative purchase consideration is RM460,000,000 is to be paid in the following manner:

(a) Deposit

The deposit sum of RM46,000,000 ("**Deposit**") shall be paid by N9 Matrix within 5 days from the date of execution of CSPA as follows:

- (i) the sum of RM32,200,000 equivalent to 7% of the indicative Purchase Consideration either to NS Corp or direct to KSDB (on behalf of NS Corp under the KSDB-SPA); and
- (ii) the sum of RM13,800,000 equivalent to 3% of the indicative Purchase Consideration to NS Corp's solicitors, Messrs Haq & Salleh as stakeholders being the retention sum under the Real Property Gains Tax Act, 1976.

(b) Balance indicative Purchase Consideration

The balance indicative Purchase Consideration less the Deposit for the sum of RM414,000,000 ("**Balance Indicative Purchase Consideration**") shall be paid by N9 Matrix to KSDB's solicitors as stakeholders within 4 months and 15 days from the unconditional date, i.e. the date the last of all approvals being fulfilled or complied with in accordance with the CSPA (please see Section 3 of this Appendix I for the conditions precedent) and the said solicitors shall be authorised to release the Balance Indicative Purchase Consideration to KSDB upon expiry of 14 days from the date the transfer of the Land is presented for registration at the relevant authority, provided that the vacant possession of the Land is ready to be delivered to N9 Matrix in accordance with the CSPA.

SALIENT TERMS OF THE CSPA AND SUPPLEMENTAL CSPA (CONT'D)

The Deposit, Balance Indicative Purchase Consideration and all sums paid by N9 Matrix to KSDB or its solicitors pursuant to the terms of the CSPA shall be deemed as payment by N9 Matrix towards account of the indicative Purchase Consideration and shall be deemed receipt of the same by NS Corp and sufficient discharge of N9 Matrix's obligations to pay such part of the Purchase Consideration.

(c) **Adjustment**

If the Agreed Area in the layout plan ("**Layout Plan**") or in the CSPA shall be different as shown in the Actual Area, no discrepancy or inaccuracy shall annul the sale herein except that the indicative Purchase Consideration shall be adjusted accordingly at the rate of RM7.64 per square foot calculated on the difference between the Agreed Area and Actual Area, and the indicative Purchase Consideration referred to in the CSPA shall be the purchase consideration which has been adjusted pursuant to this term.

The adjustment rate of RM7.64 per square foot is the per square foot price of the Land of 1,382.2082 acres (which is equivalent to 60,208,989 square feet) based on the indicative purchase consideration of RM460,000,000, which was arrived at on a 'willing-buyer willing-seller' basis.

3. Conditions precedent of the CSPA ("CSPA CPs")

The parties acknowledge and agree that the completion of the CSPA is conditional upon the fulfillment of the following CSPA CPs within the Conditional Period or the Extended Conditional Period:

- (a) approval of the directors and shareholders of MCHB for the Proposed Acquisition;

As at the LPD, this condition precedent has not been fulfilled. The forthcoming 26th AGM in relation to the Proposed Acquisition is scheduled to be held on 30 August 2023.

- (b) approval of the subdivision in relation to the Land, of which NS Corp shall procure KSDB to apply and obtain at their own costs and expenses;

As at the LPD, this condition precedent has not been fulfilled and is expected to be fulfilled in the 4th quarter of 2023.

- (c) issuance of new document of titles for the Land in the same category of land use, express condition and restriction-in-interests;

As at the LPD, this condition precedent has not been fulfilled and is expected to be fulfilled in the 4th quarter of 2023.

- (d) approval from Estate Land Board of the state of Negeri Sembilan for the transfer of the Land from KSDB to N9 Matrix which shall be procured by NS Corp and to be applied by KSDB at their own costs and expenses; and

As at the LPD, this condition precedent has not been fulfilled and is expected to be fulfilled in the 1st quarter of 2024.

- (e) approval of the Economic Planning Unit ("**EPU**") for the Proposed Acquisition as required under the EPU Guidelines which shall be applied by N9 Matrix at its own costs and expenses.

As at the LPD, this condition precedent has not been fulfilled. N9 Matrix has submitted the application to the EPU on 21 October 2022 and is still pending its decision.

SALIENT TERMS OF THE CSPA AND SUPPLEMENTAL CSPA (CONT'D)

4. Termination

- (a) In the event the CSPA's CPs are not obtained or cannot be obtained on or before the expiry of the Conditional Period or Extended Conditional Period or such other extension to be mutually agreed (as the case may be) without fault of either party, either party shall be entitled to terminate the CSPA without any penalty, fee or charge, by issuing a written termination notice to the other party or the other party's solicitors.

For the avoidance of doubt, in the event the approval of MCHB's shareholders for the Proposed Acquisition is not obtained on or before the expiry of the Conditional Period or Extended Conditional Period, as the case may be, NS Corp will have no right to terminate the KSDB-SPA without forfeiture of the deposit by KSDB and the Land shall instead be transferred to NS Corp. In such event, the parties to the CSPA agree to work together to find an alternative solution and enter into such other arrangements between them where the legal ownership of the Land is vested in NS Corp. The Proposed Acquisition will not complete without the approval of MCHB's shareholders and therefore, there will be no contravention of the Listing Requirements.

- (b) In the event the transfer instrument in favour of N9 Matrix is not or cannot be registered or perfected for any reason whatsoever not due to the fault or blameworthy conduct of either party and the same cannot be rectified within 30 days or such other extended time as may be mutually agreed by the parties, either party shall be entitled to terminate the CSPA.
- (c) Notwithstanding Section 4(b) above, in the event the registration of the transfer instrument in favour of N9 Matrix cannot be registered or perfected due to:
- (i) the direct transfer to N9 Matrix is rejected by the collector of stamp duty or other relevant authority which may be due to the occurrence of the following events:
- (A) incomplete or error in the transfer instrument or transfer form;
- (B) a private caveat, lien holder's caveat or trust caveat is found to be lodged against the title in respect of the Land at the time of presentation of the transfer instrument at the land office for registration; or
- (C) the Registrar of Titles (which in the case of the Land, refers to the Registrar of Land Title of Land Administrator of the state of Negeri Sembilan) enters a caveat on the title in respect of the Land to:
- (I) prevent fraud or improper dealing;
- (II) protect the interests of the Federation (i.e. Malaysia) ("**Federation**") or State Authority (i.e. the Ruler or Yang di-Pertua Negeri of the State, as the case may be) ("**State Authority**") or any person who is in his opinion under the disability of minority, mental disorder or unsoundness of mind, or is shown to his satisfaction to be absent from the Federation or the State Authority;
- (III) secure the Land to satisfy the whole or part of any debt due to the Federation or the State Authority; or
- (IV) by reason of some error appearing to him to have been made in the register or issue document of title to the Land or any other instrument relating to the Land; or

SALIENT TERMS OF THE CSPA AND SUPPLEMENTAL CSPA (CONT'D)

- (ii) N9 Matrix's failure to comply with the existing conditions as set out in the EPU Guidelines (including the conditions imposed by the EPU in which the EPU's approval is still pending as at the LPD);

N9 Matrix shall have no right to terminate the CSPA and shall proceed to the completion for the sale and purchase of the Land whereupon the Land shall instead be transferred to NS Corp as N9 Matrix's trustee and in such event NS Corp shall execute in favour of N9 Matrix a trust deed and unlimited power of attorney irrevocably granting N9 Matrix all rights, powers and authority to deal with the Land in all manners as if N9 Matrix is the registered proprietor thereof.

5. Default of N9 Matrix

In the event of a breach or non-compliance of the terms, conditions, representations and/or warranties of the CSPA by N9 Matrix, of which the breach or non-compliance is not rectified within 14 business days from the date of N9 Matrix's receipt of a written notice from NS Corp and/or NS Corp's solicitors (save for a breach of the terms of the indicative Purchase Consideration or any part thereof to which NS Corp shall be entitled to take immediate action), NS Corp shall be entitled to either:

- (a) specific performance of the CSPA and to claim for any incidental legal costs that it may incur in exercising its rights for specific performance; or
- (b) terminate the CSPA by issuing a written termination notice to N9 Matrix or N9 Matrix's solicitors. If NS Corp opts to terminate the CSPA under this term, the Deposit shall be forfeited by NS Corp as agreed liquidated damages ("**Agreed Liquidated Damages**") (and for the avoidance of doubt, any payment of any part of the indicative Purchase Consideration to or for the benefit of KSDB shall to the extent of such payment, be regarded as satisfaction of NS Corp's right of forfeiture) and N9 Matrix shall, within 14 business days from the date of NS Corp's written termination notice to N9 Matrix:
 - (i) return to NS Corp the transfer instrument and the qualified title or title (as the case may be), if the same has been forwarded by NS Corp or KSDB to N9 Matrix, with KSDB's interest in the Land intact, free from Encumbrances and in its original state and condition when it was first delivered to N9 Matrix's solicitors for presentation PROVIDED ALWAYS THAT if the transfer instrument has been adjudicated and stamped then N9 Matrix's solicitors shall, instead of returning the transfer instrument to NS Corp, surrender the transfer instrument to the stamp office no longer than 7 business days from the date of NS Corp's written termination notice to N9 Matrix for the purpose of applying for a refund of the stamp duty paid by N9 Matrix and upon refund thereof, the transfer instrument to be cancelled accordingly;
 - (ii) where in the event N9 Matrix, its financier and/or any other persons acting on N9 Matrix's instruction, has lodged a private caveat against the Land, forward to NS Corp the presentation receipt evidencing that the withdrawal of private caveat has been presented and registered;
 - (iii) re-deliver vacant possession of the Land to NS Corp if the same has been delivered to N9 Matrix in its original state and conditions when it was first delivered; and
 - (iv) at its own costs and expense at all times to withdraw any Encumbrances created on the Land by N9 Matrix or N9 Matrix's financier or any other persons acting on behalf of N9 Matrix as the case may be, if any;

SALIENT TERMS OF THE CSPA AND SUPPLEMENTAL CSPA (CONT'D)

and subsequent thereto, NS Corp shall, procure all payments made by or for the benefit of N9 Matrix to or for the benefit of NS Corp, NS Corp's solicitors, KSDB or KSDB solicitors towards the indicative Purchase Consideration or payment made pursuant to the CSPA shall be refunded to N9 Matrix (including procuring KSDB to refund for any payment which has been paid to KSDB or KSDB's solicitors) free of interest, except for the amount of the said Agreed Liquidated Damages and thereafter, the CSPA shall be terminated and rendered null and void and be of no further force or effect and the parties shall have no claim whatsoever in respect of and arising out of the CSPA save for any antecedent breach and NS Corp shall be entitled to dispose the Land in such manner as it may in its absolute discretion deem fit without further notice to N9 Matrix and without accounting to N9 Matrix for profits, if any.

6. Default of KSDB

In the event of a breach or non-compliance of the terms, conditions, representations and/or warranties of the KSDB-SPA by KSDB, of which the breach or non-compliance is not rectified within 14 business days from the date of NS Corp's receipt of a written notice from N9 Matrix and/or N9 Matrix's solicitors, NS Corp shall be entitled to either:

- (a) pursue an action of specific performance against KSDB under the KSDB-SPA and to claim for any incidental legal costs that it may incur in exercising its rights for specific performance, whereupon NS Corp shall do all acts and execute all documents as may be required to institute, maintain and pursue the specific performance against KSDB for the sale of the Land and the transfer of the Land to N9 Matrix; or
- (b) terminate the KSDB-SPA by issuing a written termination notice to KSDB or KSDB's solicitors. If N9 Matrix opts to terminate the KSDB-SPA pursuant to this clause, NS Corp shall within 14 business days from the date of the NS Corp's receipt of N9 Matrix's written termination notice in accordance with the relevant provisions of this CSPA, procure all payments made by or for the benefit of N9 Matrix to or for the benefit of NS Corp, NS Corp's solicitors, KSDB or KSDB's solicitors towards the indicative Purchase Consideration or payment made pursuant to the CSPA including any part of the indicative Purchase Consideration which are still deposited with KSDB's solicitors, together with all the interests accrued in the stakeholder's interest bearing account shall be refunded to N9 Matrix (including procuring KSDB to refund any payment which has been paid to KSDB or KSDB's solicitors). In addition, NS Corp shall procure KSDB to pay to N9 Matrix an additional sum equivalent to 10% of the indicative Purchase Consideration as agreed liquidated damages PROVIDED ALWAYS THAT N9 Matrix shall simultaneously with the receipt of the said monies:
 - (i) return to NS Corp the transfer instrument and the qualified title or title (as the case maybe), if the same has been forwarded by NS Corp or KSDB to N9 Matrix, with KSDB's interest in the Land intact, free from Encumbrances and in its original condition when it was first delivered to N9 Matrix's solicitors for presentation PROVIDED ALWAYS THAT if the transfer instrument has been adjudicated and stamped then N9 Matrix's solicitors shall, instead of returning the transfer instrument to NS Corp, surrender the transfer instrument to the stamp office no longer than 7 business days from NS Corp's receipt of N9 Matrix's written termination notice for the purpose of applying for a refund of the stamp duty paid by N9 Matrix and upon refund thereof, the transfer instrument to be cancelled accordingly;
 - (ii) where in the event N9 Matrix, its financier and/or any other persons acting on their instruction, has lodged a private caveat against the Land, forward to NS Corp the presentation receipt evidencing that the withdrawal of private caveat has been presented and registered;

SALIENT TERMS OF THE CSPA AND SUPPLEMENTAL CSPA (CONT'D)

- (iii) re-deliver vacant possession of the Land to NS Corp if the same has been delivered to N9 Matrix in its original state and conditions when it was first delivered; and
- (iv) at its own costs and expense at all times to withdraw any Encumbrances created on the Land by N9 Matrix or its financier or any other persons acting on their behalf as the case may be, if any;

and subsequent thereto, the CSPA shall be terminated and rendered null and void and be of no further force or effect and the parties hereto shall have no claim whatsoever in respect of and arising out of the CSPA save for any antecedent breach and NS Corp or KSDB shall be entitled to dispose the Land in such manner as it may in its absolute discretion deem fit without further notice to N9 Matrix and without accounting to N9 Matrix for profits, if any.

For shareholders' information purposes, the CSPA does not provide for the rights of the parties to among others, pursue an action of specific performance against NS Corp or terminate the CSPA in the event of default by NS Corp. The absence of such rights is the result of the parties' negotiations which are commercial in nature and after taking into account the nature of the back-to-back arrangement of the KSDB-SPA and CSPA, whereby the registration of the transfer of the Land will be made directly from KSDB to N9 Matrix (without registration of the title in the name of NS Corp in the process).

Salient terms of the Supplemental CSPA**1. Valuation Report**

As N9 Matrix is a subsidiary of MCHB, N9 Matrix shall as soon as practicable procure an independent valuer to conduct a valuation on the Land. NS Corp shall procure to be granted to N9 Matrix access to the Land upon the terms of the CSPA. In the event the Valuation Report reveals that the valuation of the Land is lower than the indicative Purchase Consideration, N9 Matrix shall have no right to annul the CSPA.

2. Company's shareholders approval

N9 Matrix shall, for the fulfillment of the CSPA CPs, use its best endeavours to procure MCHB to, at its own costs, convene a shareholders meeting to obtain the approval of shareholders of MCHB for the acquisition by N9 Matrix of the Land from NS Corp pursuant to the terms and conditions stated in the CSPA no later than 30 September 2023 or any other earlier date as N9 Matrix may deem appropriate for compliance of regulatory requirements.

3. Fourth Schedule

The parties have mutually agreed that the Layout Plan attached under Fourth Schedule of the CSPA shall be removed and replaced with the new Layout Plan as set out in the Schedule A of the Supplemental CSPA.

SALIENT TERMS OF THE JVA AND SUPPLEMENTAL JVA

The salient terms of the JVA and Supplemental JVA are set out below:

Salient terms of the JVA

1. Objectives of the JVA

NS Corp, MCHB Development and N9 Matrix have agreed to collaborate, acquire and carry out the development of the Land via N9 Matrix, as a special purpose vehicle with the strategic objectives as follows:

- (a) to undertake the Proposed Acquisition and to carry out the development projects which have yet to be finalised ("**Proposed Development Projects**") via N9 Matrix within the proposed development period of 10 years ("**Proposed Development Period**") with an automatic extension of another 2 years thereafter;
- (b) rent/lease or sell the project units constructed during the course of development and completion of the Proposed Development Projects within the Proposed Development Period as stated in the JVA; and
- (c) do such acts, matters and things which are deemed necessary by the parties to give effect to and complete the Proposed Development Projects.

It is also the intention of the parties that N9 Matrix shall identify other lands in Negeri Sembilan to be acquired which are feasible or viable for development purposes whenever such opportunities arise.

2. Conditions precedent of the JVA

The JVA is conditional upon NS Corp, being the owner of the master blueprint of the MVV 2.0, to acquire the Land from KSDB via the KDSB-SPA and concurrently, N9 Matrix to enter into the CSPA to acquire the Land from NS Corp on terms and conditions mutually agreeable between the parties ("**JVA CPs**").

In the event that the JVA CPs shall not have been fulfilled within 6 months from the date of the JVA, unless mutually extended by the parties, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the JVA. Upon termination of the JVA, NS Corp shall sell its entire shareholdings in N9 Matrix to MCHB Development at the same consideration as the subscription value of RM1.00 per share.

3. Shareholding structure

Both MCHB Development and NS Corp shall subscribe for shares in N9 Matrix. The proposed initial share capital of N9 Matrix would be 1,000,000 shares to be issued at RM1.00 per share with the following shareholding equity structure:

Joint venture parties	Proposed share capital in N9 Matrix	
	RM	%
MCHB Development	850,000	85.00
NS Corp	150,000	15.00
Total	1,000,000	100.00

SALIENT TERMS OF THE JVA AND SUPPLEMENTAL JVA (CONT'D)

4. Composition of board of directors in N9 Matrix

MCHB Development shall be entitled to nominate up to 5 representatives and NS Corp shall be entitled to nominate up to 3 representatives to the board of directors of N9 Matrix.

5. Dividend policy of N9 Matrix

The parties agree that subject to profits available for distribution and solvency assessment whenever appropriate, it is intended that the dividend distribution shall be as follows:

- (a) for the first 5 financial years, not less than 10% of the profits available for distribution shall be distributed to the shareholders; and
- (b) for the next 5 financial years thereafter, not less than 20% of the profits available for distribution shall be distributed to the shareholders.

6. MCHB Development's Obligations

MCHB Development will primarily and solely be responsible:

- (a) for the funding/financing of the CSPA and to procure N9 Matrix to undertake and complete the acquisition of the Land and to provide all the necessary funding to N9 Matrix for the payment of NS Corp's entitlement and NS Corp's additional entitlements stipulated in the JVA and as set out in Section 2.2.2 of Part B of this Circular;
- (b) to use its best endeavors to assist N9 Matrix to source for and obtain funding/financing for the Proposed Development Projects following the completion of the CSPA as described above; and
- (c) to assist N9 Matrix in arranging:
 - (i) for the preparation of the development plan in respect of the Proposed Development Projects;
 - (ii) for the management and overseeing of the carrying out and completion of the Proposed Development Projects within the Proposed Development Period;
 - (iii) managing the assets and/or Proposed Development Projects following its progressive completion and to ensure all the developments are in compliance with Negeri Sembilan Housing Policy at all material times; and
 - (iv) to procure the appointment of Matrix Project Management Sdn Bhd ("**MPM**") as the project manager for the Proposed Development Projects within the Proposed Development Period and that MPM shall, among others, be entitled to charge N9 Matrix, a project management fee computed to be 4.5% of the Net Development Value (NDV) of the Proposed Development Projects in accordance with the terms and conditions of the JVA.

7. NS Corp's Obligations

NS Corp shall use its best endeavors to:

- (a) enter into the KSDB-SPA for the purchase of the Land from KSDB and simultaneously with the execution of the KSDB-SPA, enter into the CSPA for the sale of the Land to N9 Matrix;

SALIENT TERMS OF THE JVA AND SUPPLEMENTAL JVA (CONT'D)

- (b) to obtain all the relevant approvals for the Proposed Development Projects from the appropriate authorities to enable smooth development processes to be undertaken including to obtain favorable rates for the payment of quit rents, land conversions and all related land development charges, whenever applicable; and
- (c) promote and facilitate the Proposed Development Projects as a state-led private sector driven development in the state of Negeri Sembilan.

8. Termination

The parties agree that the JVA shall be deemed terminated upon occurrence of any of the following events:

- (a) the expiry of the JVA, being a period of 15 years from the date of the JVA, with an automatic extension of the JVA for another 5 years thereafter;
- (b) the termination of the JVA by mutual written consent of the parties;
- (c) the winding-up of the N9 Matrix;
- (d) all ordinary shares of N9 Matrix being held by one party;
- (e) sale by all shareholders (on a proportionate basis) of a majority of the shares of the N9 Matrix by mutual agreement of the parties.

In addition to the abovementioned, the following events shall be considered as an event of default ("**Event of Default**") in relation to a party:

- (a) In the case of NS Corp:
 - (i) the state government of Negeri Sembilan resolves or orders to cease the operations of NS Corp;
 - (ii) NS Corp commits any continuing or material breach of any of its obligations under the JVA which (i) is incapable of remedy; or (ii) if capable of remedy, is not remedied within 30 days of being given notice to do so; or
 - (iii) NS Corp assigns, transfers or disposes of any of its ordinary shares in N9 Matrix without the written consent of MCHB Development.
- (b) In the case of MCHB Development:
 - (i) MCHB Development (i) is served with a petition for winding-up and such petition is not stayed or struck out within 90 business days of the petition being served; (ii) enters into liquidation, whether compulsory or voluntary (except for voluntary liquidation for the purposes of a bona fide reconstruction or amalgamation); (iii) has an administrator or receiver and manager appointed over its assets (except for the purposes of a bona fide reconstruction or amalgamation); or (iv) makes a general assignment for the benefit of its creditors;
 - (ii) MCHB Development commits any material breach of any of its obligations under the JVA which (i) is incapable of remedy; or (ii) if capable of remedy, is not remedied within 30 days of being given notice to do so; or
 - (iii) MCHB Development assigns, transfers or disposes of any of its ordinary shares in N9 Matrix without the written consent of NS Corp, save and except to another company which is directly or indirectly a subsidiary of MCHB.

SALIENT TERMS OF THE JVA AND SUPPLEMENTAL JVA (CONT'D)

Salient terms of the Supplemental JVA**1. Board representation**

The parties agreed that the composition of the board of directors of N9 Matrix shall include an additional person nominated by NS Corp.

2. Layout plan

The parties mutually agree that the layout plan attached under Annexure 1 of the JVA shall be removed and replaced with the new layout plan as set out in the Annexure A of the Supplemental JVA.

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VALUATION CERTIFICATE FOR THE LAND

**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Your Ref: –
Our Ref : V/NS/D8010/23/SWH

31 March 2023

The Board of Directors
N9 MATRIX DEVELOPMENT SDN BHD
57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan

Dear Sirs,

CERTIFICATE OF VALUATION OF A 1,382.2082-ACRE AGRICULTURAL LAND LOCATED ALONG FEDERAL ROUTE 1265, LABU, NEGERI SEMBILAN DARUL KHUSUS HELD UNDER TITLE NOS. GRN 76723 (NOW GRN 280588, GRN 280589), GRN 212562 & GRN 232637, LOT NO. 3235 (NOW LOT NO. 82520, LOT NO. 82521), LOT NO. 5117 & LOT NO. 5119, MUKIM OF LABU, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN (“SUBJECT PROPERTY”).

We were instructed by **N9 MATRIX DEVELOPMENT SDN BHD** (“N9 Matrix”) to conduct a valuation on the Subject Property. The full details of the valuation are included in our Valuation Report bearing reference no. V/NS/D8010/23/SWH dated 31 March 2023.

This certificate has been prepared for the purpose of submission to the Bursa Malaysia Securities Berhad (“Bursa Securities”) and inclusion in the circular to the shareholders in conjunction with the proposed acquisition of the Subject Property, which forms part of the lands which covers the Districts of Seremban and Port Dickson, Negeri Sembilan known as Malaysian Vision Valley 2.0 by N9 Matrix from NS Corporation for a total indicative purchase consideration of RM460,000,000 to be satisfied fully in cash (“Proposed Acquisition”) of the Subject Property.

The Subject Property was inspected and referenced on 9 January 2023 and 27 February 2023. The relevant date of valuation for this valuation exercise is taken as 27 February 2023.

The valuation had been carried out in accordance with 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 and with the necessary professional responsibility and due diligence.

The basis of valuation is the 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”.

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd Registration No.: 200101018214 (553971-D) VPM(1) 0008/9

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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VALUATION CERTIFICATE FOR THE LAND (CONT'D)

The brief description of the Subject Property and our opinion of the current Market Value are as follows: -

Property Description

Property Type/
Interests Valued : An agricultural land with development potential

Location : Part of Labu Estate, Labu, Negeri Sembilan.

The Subject Property is located partly along the western flank of Federal Route 1265, occupying either partly or wholly of Lot Nos. 82520, 82521, 5117 & 5119, Mukim of Labu, District of Seremban, State of Negeri Sembilan. It is part of an approximate 6,500-acre (2,630.5 hectares) oil palm estate known as Labu Estate.

It is located approximately 22 kilometres and 17 kilometres from Seremban and Kuala Lumpur International Airport respectively. It is accessible from Seremban town via Jalan Sungai Ujong, Jalan Bukit Nenas. At the cross junction with Federal Route 1265, turn right at the cross junction, travel for about 3.5 kilometres to reach the south eastern portion of Subject Property.

Site : The Subject Property is fairly regular in shape encompassing a land area of approximately 1,382.2082 acres (559.372 hectares). The area is made up of the following: -

Lot No.*	Titled Land Area (hectares)	Subject Property's Land Area in acres (hectares)
82520	162.7000	91.9371 (37.206)
82521	396.8000	273.1160 (110.529)
5117	554.6414	978.8101 (396.119)
5119	15.5177	38.3450 (15.518)
Total		1,382.2082 (559.372)

* The Subject Property occupies part of Lot No. 82520, Lot No. 82521, Lot No. 5117 and the whole of Lot No. 5119.

The physical terrain of the Subject Property is generally flat to undulating, with most part of the land lying at around 30 to 50 metres above sea level. Higher ground is observed at the south west of the Subject Property where part of it reaching 70 metres. Streams and rivers such as Sungai Bawang, Sungai Gadong and Anak Ayer Sebong flow through the Subject Property generally in south to north west direction.

We noted that during our inspection the Subject Property is generally planted with matured oil palms. Maintenance of the oil palm appeared to be in a fair condition.

Located to the north west is a new road that is yet to be completed. The road, connecting Nilai from north and Bandar Enstek to the south is estimated to be about 14 kilometres long and will function as the main service road in the locality upon completion.

VALUATION CERTIFICATE FOR THE LAND (CONT'D)

Title Particulars

Title No.	Lot No.	Land Area (hectares)	Annual Quit Rent
GRN 280588*	82520*	162.7000	RM13,016
GRN 280589*	82521*	396.8000	RM 31,744
GRN 212562	5117	554.6414	RM 40,723
GRN 232637	5119	15.5177	RM 1,155

Bandar/Pekan/Mukim	:	Mukim Labu
District / State	:	Seremban / Negeri Sembilan
Tenure	:	Term in Perpetuity
Registered Owner	:	Kumpulan Sime Darby Berhad
Category of Land Use	:	Lots 82520 & 82521 - Nil Lots 5117 & 5119 - "Pertanian"
Express Condition	:	Lots 82520, 82521 & 5117 - Nil Lot 5119 - Tanah ini hendaklah digunakan untuk tanaman jangka panjang kelapa sawit sahaja.
Restriction in Interest	:	Nil
Endorsement	:	Lots 82520 & 82521 Application to sub-divide the land, registered on 6 December 2022. Lot 5117 Acquisition of approximately 4.39-hectare land, registered on 15 October 1986. Lot 5119 "Hak Laluan Talian Elektrik", approximately 1.932-hectare of land has been involved, registered on 13 September 2006.**
Encumbrances	:	Nil

* GRN 280588 and GRN 280589, Lots 82520 and 82521, were subdivided from GRN 76723, Lot 3235.

** Inspection at the site revealed that there is no Tenaga Nasional Berhad rentice passing the subject Lot No. 5119. Incidentally, there is one at the neighbouring Lot No. 5120, in which the affected area corresponds with the area mentioned in the title of the subject Lot No. 5119. Subsequently, we have conducted a title search on Lot No. 5120 and the search revealed that there is no similar endorsement on it. We believe the endorsement has been inadvertently registered on title document of Lot No. 5119 instead of Lot No. 5120.

Town Planning

Planning / Zoning : The Subject Property is situated in an area designated for residential use.

VALUATION CERTIFICATE FOR THE LAND (CONT'D)

Valuation Methodology

We have adopted the Comparison Approach in formulating our opinion of the current Market Value of the Subject Property. Only one (1) method has been adopted in valuing the Subject Property as in our opinion, the Comparison Approach is the most appropriate method of valuation to assess the Market Value of the Subject Property as the Subject Property is an agricultural land with development potential, therefore other methods of valuation are not suitable.

The Comparison Approach is the market approach of comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

In arriving at our opinion of market value, we have taken into consideration amongst others, the following transactions in District of Seremban: -

	Comparable 1	Comparable 2	Comparable 3
Property	Lots 2877 and 2878, Mukim of Labu	Lot 663, Mukim of Ampangan	Lot PT 46912, Mukim of Labu
Land Area	1,281.8 acres (about 518.737 hectares)	523.2377 acres (211.751 hectares)	46.5611 acres (18.843 hectares)
Type	Agricultural land with development potential	Agricultural land with development potential	Agricultural land with development potential
Tenure	Term In Perpetuity	Term In Perpetuity	Leasehold, expiring on 8 June 2121
Date of Transaction	23 September 2022	2 November 2022	27 October 2022
Consideration	RM445,000,000.00	RM150,417,907.00	RM18,000,000.00
Price per hectare (per square foot)	RM857,852 (RM7.97)	RM710,351 (RM6.60)	RM955,262 (RM8.87)
Adjusted Land Value in per hectare (per square foot)	RM849,274 (RM7.89)	RM852,422 (RM7.92)	RM811,973 (RM7.54)
Remarks on Adjusted Value	Adjustments made on size.	Adjustments made on location, terrain and size.	Adjustments made on location, size and tenure.

The best comparable in term of proximity, similarity in physical terrain as well as close resemblance in size is Comparable 1, which has an analysed value of about RM849,274/- per hectare. In the valuation, we have adopted a rate of about RM848,000 per hectare, which gives a rounded off total Market Value of RM470,000,000/- or about RM840,000 per hectare or RM7.81 per square foot.

From a copy of Sale and Purchase Agreement dated 24 August 2022 provided to us, we noted that the Subject Property is transacted between NS Corporation (Vendor) and N9 Matrix (Purchaser) for an indicative purchase consideration of RM460,000,000/-. As far as we know, there is no other transaction involving the Subject Property for the past 2 years.

VALUATION CERTIFICATE FOR THE LAND (CONT'D)

Conclusion

Taking into consideration all relevant factors, we are of the opinion that the current Market Value of the unencumbered interest in the Subject Property in its existing physical condition and with the benefits of vacant possession is: -

Market Value - RM 470,000,000.00 (Ringgit Malaysia: Four Hundred and Seventy Million Only)

Yours faithfully,

HENRY BUTCHER MALAYSIA (NS) SDN. BHD.

ong
Sr SIEW WENG HONG
B.Surv., MRIS(M), APEPS
Registered Valuer (V-505)



DETAILS OF MCHB GROUP'S EXISTING PROPERTY DEVELOPMENT PROJECTS

As at the LPD, details of MCHB Group's existing property development projects are set out below:

Project	Project type	Commencement	Estimated gross development value RM'000	Estimated gross development cost RM'000	Units	Sales and take-up rate secured-----> % RM'000	%
Sendayan Developments, Negeri Sembilan							
Resort Residences	393 units of double-storey terrace houses	Oct 2021 – Dec 2022	300,620	149,410	393	100.00	100.00
Hijayu Resort Villa	14 units of double-storey bungalows	May 2023	49,280	29,390	8	57.14	56.80
Nusari Aman 3	219 units of double-storey terrace houses	May 2022	127,230	68,940	213	97.26	97.35
Laman Sendayan	540 units of double-storey terrace houses and 20 units of single-storey terrace shops	Jul 2021 – Jan 2022	266,740	185,567	560	100.00	100.00
Bayu Sutera	1,260 units of double-storey terrace houses	Jan 2022 – Feb 2023	775,120	484,793	1,260	100.00	100.00
Tiara Sendayan	423 units of single-storey terrace houses and 1,048 units of double-storey terrace houses	Feb 2021 – May 2023	601,593	373,123	1,188	80.76	79.45
Irama Sendayan	405 units of single and double-storey terrace houses and 60 units of double-storey shops	Sep 2022 – Mar 2023	221,663	148,671	444	95.48	93.56
Sendayan Techvalley	32 units of semi-detached factories and 18 units of factories	Apr 2022	79,410	33,630	50	100.00	100.00

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Part B of this Circular has been seen and approved by the Board who collectively and individually accepts full responsibility for the accuracy of the information given herein. The Board hereby confirms that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements contained in Part B of this Circular or other facts, the omission of which would make any statement in Part B of this Circular false or misleading.

All information relating to NS Corp and KSDB in Part B of this Circular have been obtained from publicly available sources and/or provided by the management of NS Corp and KSDB. The responsibility of the Board with respect to such information is limited to ensuring that such information has been accurately reproduced in Part B of this Circular.

2. CONSENT AND CONFLICT OF INTEREST**(i) RHB Investment Bank**

RHB Investment Bank, being the Principal Adviser to MCHB for the Proposals, 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 Part B of this Circular.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad ("**RHB Bank**"), and the subsidiaries and associated companies of RHB Bank ("**RHB Banking Group**") form a diversified financial group. RHB Banking Group may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for the Company and/or its affiliates, in addition to the role as set out in Part B of this Circular. RHB Banking Group, its directors and major shareholders may from time to time hold or deal in the securities of the Company and/or its affiliates for their own accounts or their proprietary accounts.

Employees Provident Fund ("**EPF**") is a substantial shareholder of RHB Bank and the Company. However, EPF is not involved in the day-to-day operations of RHB Banking Group and the Company.

Furthermore, in the ordinary course of business, RHB Banking Group may at any time offer or provide its services or engage in any transactions (whether on its own account or otherwise) with the Company and/or its affiliates and/or any other entity or person, hold long or short positions in the securities offered by the Company and/or its affiliates, make investments recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of the Company and/or its affiliates.

The business of RHB Banking Group generally act independently of each other, and accordingly, there may be situations where parts of RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the said regulations issued by the relevant authorities governing its advisory business, which require, amongst others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

ADDITIONAL INFORMATION (CONT'D)

As at the LPD, RHB Banking Group had extended credit facilities amounting to RM616.50 million ("**Credit Facilities**") (with an amount of approximately RM7.50 million outstanding) to MCHB Group. The Credit Facilities represent approximately 2.15% of the audited consolidated NA of RHB Bank of approximately RM28.72 billion as at 31 December 2022.

Notwithstanding the above, RHB Investment Bank is of the opinion that concerns of any potential conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to MCHB for the Proposals is mitigated by the following:

- (a) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser to MCHB for the Proposals is in the ordinary course of its business and RHB Investment Bank does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser to MCHB for the Proposals;
- (b) the Credit Facilities were approved by RHB Banking Group's relevant credit committee and granted on an arm's length basis and is not material when compared to the audited consolidated NA of RHB Bank of approximately RM28.72 billion as at 31 December 2022;
- (c) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (d) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and RHB Banking Group's own internal controls which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

As at the LPD, save as disclosed above, RHB Investment Bank confirms that it is not aware of any conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser of MCHB for the Proposals.

(ii) Henry Butcher (NS)

Henry Butcher (NS), being the Valuer to the Company for the Land in respect of the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name as well as the Valuation Certificate and the extract of the Valuation Report and all references thereto in the form and context in which they appear in Part B of this Circular.

Henry Butcher (NS) confirms that it is not aware of any conflict of interest that exists or is likely to exist in relation to its capacity as the Valuer to the Company for the Land in respect of the Proposed Acquisition.

ADDITIONAL INFORMATION (CONT'D)

3. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, there is no other material commitment incurred or known to be incurred by the Group which may have a material impact on the financial results/position of the Group:

Capital commitments **RM'000**

Contracted but not provided for:

- Land held for property development 551,489

4. CONTINGENT LIABILITIES

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

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, there is no material litigation, claims or arbitration involving the Land.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan during normal business hours from Mondays to Fridays (except public holidays) from the date of Part B of this Circular up to and including the date of the forthcoming 26th AGM:

- (i) Constitution of MCHB;
- (ii) audited consolidated financial statements of MCHB Group for the past 2 financial years, i.e. FYE 31 March 2022 and FYE 31 March 2023;
- (iii) Valuation Certificate and Valuation Report;
- (iv) CSPA and Supplemental CSPA;
- (v) JVA and Supplemental JVA; and
- (vi) letters of consent and declaration of conflict of interest referred to in Section 2 above.

EXTRACT OF THE NOTICE OF THE 26TH AGM

ORDINARY RESOLUTION 9

PROPOSED ACQUISITION BY N9 MATRIX DEVELOPMENT SDN BHD ("N9 MATRIX"), AN 85%-OWNED SUBSIDIARY OF MCHB DEVELOPMENT (NS) SDN BHD ("MCHB DEVELOPMENT"), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF MATRIX CONCEPTS HOLDINGS BERHAD ("MCHB" OR THE "COMPANY"), OF FREEHOLD AGRICULTURAL LANDS MEASURING APPROXIMATELY 1,382.2082 ACRES (EQUIVALENT TO APPROXIMATELY 559.372 HECTARES), ALL SITUATED IN MUKIM OF LABU, DISTRICT OF SEREMBAN, NEGERI SEMBILAN ("LAND") FORMING PART OF THE LANDS WHICH COVERS THE DISTRICTS OF SEREMBAN AND PORT DICKSON, NEGERI SEMBILAN KNOWN AS MALAYSIAN VISION VALLEY 2.0 ("MVV 2.0") FROM NS CORPORATION ("NS CORP") FOR A TOTAL INDICATIVE PURCHASE CONSIDERATION OF RM460,000,000 TO BE SATISFIED FULLY IN CASH ("PROPOSED ACQUISITION")

"**THAT** subject to the passing of Ordinary Resolution 10 in respect of the Proposed Joint Venture (as defined herein) and Ordinary Resolution 11 in respect of the Proposed Provision of Financial Assistance (as defined herein), and conditional upon the approvals and consents of all relevant authorities and/or parties being obtained and the conditions precedent in the conditional sale and purchase agreement dated 24 August 2022 ("**CSPA**") and the supplemental agreement to the CSPA dated 23 March 2023 entered into between N9 Matrix as the purchaser and NS Corp as the vendor for the Proposed Acquisition being fulfilled and/or waived (as the case may be), approval be and is hereby given to N9 Matrix to acquire the Land for a total indicative purchase consideration of RM460,000,000 to be satisfied fully in cash;

AND THAT the Board of Directors of MCHB ("**Board**") be and is hereby empowered and authorised to take all such steps, to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents, agreements, arrangements, undertakings, declarations and/or guarantees to or with any party or parties (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Acquisition with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

ORDINARY RESOLUTION 10

PROPOSED JOINT VENTURE BETWEEN MCHB DEVELOPMENT, N9 MATRIX AND NS CORP TO JOINTLY ACQUIRE AND DEVELOP THE LAND LOCATED IN MVV 2.0 ("PROPOSED JOINT VENTURE")

"**THAT** subject to the passing of Ordinary Resolution 9 in respect of the Proposed Acquisition and Ordinary Resolution 11 in respect of the Proposed Provision of Financial Assistance (as defined herein), and conditional upon the approvals and consents of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to undertake the Proposed Joint Venture in accordance with the terms and conditions of the joint venture agreement dated 24 August 2022 ("**JVA**") and supplemental agreement to the JVA dated 23 March 2023 entered into between MCHB Development, NS Corp and N9 Matrix;

AND THAT the Board be and is hereby empowered and authorised to take all such steps, to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents, agreements, arrangements, undertakings, declarations and/or guarantees to or with any party or parties (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise and give effect to the Proposed Joint Venture with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

EXTRACT OF THE NOTICE OF THE 26TH AGM (CONT'D)

ORDINARY RESOLUTION 11**PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO N9 MATRIX UNDER THE PROPOSED JOINT VENTURE ("PROPOSED PROVISION OF FINANCIAL ASSISTANCE")**

"**THAT** subject to the passing of Ordinary Resolution 9 in respect of the Proposed Acquisition and Ordinary Resolution 10 in respect of the Proposed Joint Venture, and conditional upon the approvals and consents of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company and its subsidiaries to provide financial assistance to N9 Matrix in any form, including in the form of shareholders' advances and/or corporate guarantees and/or such other security documents which may be required by the financier, to fund the future development cost over the duration of the development of the Land pursuant to the Proposed Acquisition and Proposed Joint Venture;

AND THAT the Board be and is hereby empowered and authorised to take all such steps, to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents, agreements, arrangements, undertakings, declarations and/or guarantees to or with any party or parties (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise and give effect to the Proposed Provision of Financial Assistance with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

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