

THIS CIRCULAR TO SHAREHOLDERS OF LYSAGHT GALVANIZED STEEL BERHAD ("LYSAGHT" OR OUR "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, the valuation certificate as set out in Appendix II of this Circular and the valuation reports, 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, the valuation certificate and reports.



LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PART A

- (I) **PROPOSED ACQUISITION BY LYSAGHT OF 2 ADJOINING PARCELS OF LEASEHOLD LAND HELD UNDER HS(D) 6714, PT 989 AND PN 385062, LOT 49809 TOGETHER WITH THE BUILDINGS ERECTED THEREON LOCATED AT KAWASAN PERINDUSTRIAN TASEK, IPOH, PERAK FROM LYSAGHT CORRUGATED PIPE SDN BHD FOR A CASH CONSIDERATION OF RM8.60 MILLION; AND**
- (II) **PROPOSED ACQUISITION BY LYSAGHT OF A PARCEL OF LEASEHOLD LAND HELD UNDER PN 304583, LOT 226168 TOGETHER WITH THE BUILDINGS ERECTED THEREON LOCATED AT KAWASAN PERINDUSTRIAN PENGKALAN II, PUSING, PERAK FROM LYSAGHT NACO SDN BHD FOR A CASH CONSIDERATION OF RM6.90 MILLION**

(COLLECTIVELY REFERRED TO AS THE "PROPOSED ACQUISITIONS")

PART B

INDEPENDENT ADVICE LETTER FROM AFFIN HWANG INVESTMENT BANK BERHAD TO THE NON-INTERESTED SHAREHOLDERS OF LYSAGHT IN RELATION TO THE PROPOSED ACQUISITIONS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

INTER-PACIFIC
SECURITIES SDN. BHD.

Inter-Pacific Securities Sdn Bhd

(Registration No: 197201001092 (12738-U))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B

 **AFFIN HWANG**
INVESTMENT BANK

Affin Hwang Investment Bank Berhad

(Registration No: 197301000792 (14389-U))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("EGM") of our Company will be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Friday, 4 July 2025 at 10:00 a.m. or at any adjournment thereof. The Notice of the EGM together with the Proxy Form are enclosed in this Circular.

You are requested to complete, sign and return the enclosed Proxy Form and deposit it at our Company's registered office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time and date appointed for holding the EGM. The completion and lodgement of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Last day, date and time for lodging the Proxy Form : Wednesday, 2 July 2025 at 10:00 a.m.

Day, date and time of the EGM : Friday, 4 July 2025 at 10:00 a.m.

This Circular is dated 17 June 2025

DEFINITIONS

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

Affin Hwang IB or Independent Adviser	: Affin Hwang Investment Bank Berhad (197301000792 (14389-U))
Audit Committee	: Audit Committee of our Company
Board	: Board of Directors of our Company
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	: This circular to our Shareholders dated 17 June 2025 in relation to the Proposed Acquisitions
Directors	: Directors of our Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and include any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisitions were agreed upon, a Director of our Company (or any other company which is its subsidiary or holding company) or a chief executive officer of our Company, its subsidiary or holding company
EGM	: An extraordinary general meeting of our Company to be convened
EPS	: Earnings per share
FYE	: Financial year ended
IAL	: Independent advice letter dated 17 June 2025 issued by the Independent Adviser in relation to the Proposed Acquisitions as set out in Part B of this Circular
Interested Director	: Chew Meu Jong
Interested Parties	: Collectively, LMSB, Ingli Sdn Bhd, Liew Swee Mio @ Liew Hoi Foo, Chew Mee Lee, Chew Bros (M) Sdn Bhd, ChewKarHeing Sdn Bhd, Yusuf Bin Jamil, WTWT Sdn Bhd, Janfreys Sdn Bhd, Bina Securities & Management Sdn Bhd, CKH And LIK Family Sdn Bhd, The Estate of Lim lee Kuan, Chew Meu Jong, Deborah Mun Sook Ho and Chew Kar Yoo @ Chew Kar Hoo
Interpac or Principal Adviser	: Inter-Pacific Securities Sdn Bhd (197201001092 (12738-U))
Laurelcap or Independent Valuer	: Laurelcap Sdn Bhd (200801005326 (806610-U))
LCPSB	: Lysaght Corrugated Pipe Sdn Bhd (197201001314 (12941-P))
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LMSB	: Lysaght (Malaysia) Sdn Bhd (197501000563 (22148-W))
LNSB	: Lysaght Naco Sdn Bhd (198501005785 (138226-U))
LPD	: 26 May 2025, being the latest practicable date prior to the printing of this Circular
Lysaght or Company	: Lysaght Galvanized Steel Berhad (197901002195 (46426-P))

DEFINITIONS (CONT'D)

Lysaght Group or Group : Collectively, Lysaght and our subsidiaries

NA : Net assets

NBV : Net book value

Major Shareholder : A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:-

(a) 10% or more of the total number of voting shares in our Company; or

(b) 5% or more of the total number of voting shares in our Company where such a person is the largest shareholder of our Company.

For the purpose of this definition, “**interest**” shall have the meaning of “**interest in shares**” given in Section 8 of the Companies Act, 2016.

Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisitions were agreed upon, a Major Shareholder of Lysaght or any other company which is its subsidiary or holding company.

Person Connected : Pursuant to paragraph 1.01 of the Listing Requirements, a person connected in relation to a Director or Major Shareholder is a person who falls under any one of the following categories:-

(a) a family member of the Director or Major Shareholder which shall include the spouse, parent, child (including adopted child and step-child), brother, sister, and the spouse of the child (including adopted child and step-child), brother or sister;

(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;

(c) a partner of the Director or Major Shareholder;

(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;

(f) a body corporate in which the Director or Major Shareholder or person connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or

(g) a body corporate which is a related corporation of the Director or Major Shareholder.

DEFINITIONS (CONT'D)

Proposed Acquisitions	: Collectively, Proposed Acquisition of Subject Property 1 and Proposed Acquisition of Subject Property 2
Proposed Acquisition of Subject Property 1	: Proposed acquisition by Lysaght of Subject Property 1 from LCPSB for a cash consideration of RM8.60 million
Proposed Acquisition of Subject Property 2	: Proposed acquisition by Lysaght of Subject Property 2 from LNSB for a cash consideration of RM6.90 million
Purchase Consideration	: Cash consideration for the Proposed Acquisitions of RM15.50 million
RM and sen	: Ringgit Malaysia and sen, respectively
Shareholders	: Registered holders of our Shares
Shares	: Ordinary shares in Lysaght
SPAs	: Collectively, SPA 1 and SPA 2
SPA 1	: Conditional sale and purchase agreement dated 9 April 2025 entered into between our Company and LCPSB in relation to the Proposed Acquisition of Subject Property 1
SPA 2	: Conditional sale and purchase agreement dated 9 April 2025 entered into between our Company and LNSB in relation to the Proposed Acquisition of Subject Property 2
Subject Properties	: Collectively, Subject Property 1 and Subject Property 2
Subject Property 1	: 2 adjoining parcels of leasehold land held under HS(D) 6714, PT 989 and PN 385062, Lot 49809 together with the buildings erected thereon located at Kawasan Perindustrian Tasek, Ipoh, Perak
Subject Property 2	: A parcel of leasehold land held under PN 304583, Lot 226168 together with the buildings erected thereon located at Kawasan Perindustrian Pengkalan II, Pusing, Perak
Tenancies	: Collectively, Tenancy 1 and Tenancy 2
Tenancy 1	: Tenancy agreement dated 15 January 2024 entered into between our Company and LCPSB to rent Subject Property 1
Tenancy 2	: Tenancy agreement dated 15 September 2023 entered into between our Company and LNSB to rent Subject Property 2
USD	: United States Dollar
Vendors	: Collectively, LCPSB and LNSB

All references to “you” or “your” in this Circular are to our Shareholders.

In this Circular, words referring to 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*. References to persons shall include corporations, unless otherwise specified.

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

DEFINITIONS (CONT'D)

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

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS CIRCULAR. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE CIRCULAR (INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR) BEFORE MAKING A DECISION ON THE PROPOSED ACQUISITIONS.

1. DETAILS OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions entail the following:-

- (i) proposed acquisition by Lysaght of Subject Property 1 from LCPSB for a cash consideration of RM8.60 million; and
- (ii) proposed acquisition by Lysaght of Subject Property 2 from LNSB for a cash consideration of RM6.90 million.

The Proposed Acquisitions are deemed as related party transactions under paragraph 10.08 of the Listing Requirements by virtue of the interests of the Interested Parties as detailed in Section 9, Part A of this Circular.

The salient terms of SPA 1 and SPA 2 are set out in Appendices III and IV of this Circular respectively.

Please refer to **Section 2, Part A** of this Circular for further details.

2. RATIONALE FOR THE PROPOSED ACQUISITIONS

The Proposed Acquisitions will enable our Company to have full control over the Subject Properties and this provides our Company with more certainty and flexibility in undertaking our future plans in respect of our operations.

Please refer to **Section 3, Part A** of this Circular for further details.

3. RISK FACTORS

The potential risk factors arising from the Proposed Acquisitions include non-completion risk, investment risk and risk of compulsory acquisition by the Government of Malaysia.

Please refer to **Section 5, Part A** of this Circular for further details.

4. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisitions are subject to the following approvals being obtained:-

- (i) our non-interested Shareholders on the Proposed Acquisitions at an EGM to be convened;
- (ii) the consent and/or approval from the relevant state authority in relation to the transfer of the Subject Properties to our Company to be obtained by the Vendors which forms part of the conditions precedent of the SPAs as detailed in Section 2 of Appendices III and IV of this Circular; and
- (iii) any other relevant authorities / parties, if required.

The Proposed Acquisition of Subject Property 1 and the Proposed Acquisition of Subject Property 2 are not conditional upon each other. Nevertheless, Lysaght intends to work towards the completion of both transactions simultaneously.

Please refer to **Section 8, Part A** of this Circular for further details.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of our Directors, Major Shareholders and/or Persons Connected with them have any interests, whether direct or indirect, in the Proposed Acquisitions:-

- (i) LMSB, a Major Shareholder, is the sole shareholder of both Vendors;
- (ii) Ingli Sdn Bhd, a Major Shareholder, is wholly-owned by Liew Swee Mio @ Liew Hoi Foo and Chew Mee Lee, who in turn have indirect interests in both Vendors through LMSB;
- (iii) Liew Swee Mio @ Liew Hoi Foo, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (iv) Chew Mee Lee, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (v) Chew Bros (M) Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (vi) ChewKarHeing Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (vii) Yusuf Bin Jamil, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (viii) WTWT Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (ix) Janfreys Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (x) Bina Securities & Management Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (xi) CKH And LIK Family Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (xii) The Estate of Lim Lee Kuan, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (xiii) Chew Meu Jong, a Director and a Major Shareholder, has indirect interests in both Vendors through LMSB and is a director of LCPSB;
- (xiv) Deborah Mun Sook Ho, a Major Shareholder, has indirect interests in both Vendors through LMSB; and
- (xv) Chew Kar Yoo @ Chew Kar Hoo, a Major Shareholder, has indirect interests in both Vendors through LMSB and is a director of both Vendors.

The Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Acquisitions at the forthcoming EGM.

Further, the Interested Parties will also ensure that Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Acquisitions at the forthcoming EGM.

Please refer to **Section 9, Part A** of this Circular for further details.

6. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of Lysaght, having considered all aspects of the Proposed Acquisitions, including the salient terms of the SPAs, the basis and justification for the Purchase Consideration, the risk factors as well as the rationale and prospects in relation to the Proposed Acquisitions as well as the views of the Independent Adviser, is of the opinion that the Proposed Acquisitions are:-

- (i) in the best interests of our Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of our non-interested Shareholders.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for Chew Meu Jong and Cheam Low Soo), having considered all aspects of the Proposed Acquisitions, including the salient terms of the SPAs, the basis and justification for the Purchase Consideration, the risk factors as well as the rationale and prospects in relation to the Proposed Acquisitions as well as the views of the Independent Adviser, is of the opinion that the Proposed Acquisitions are in the best interests of our Company.

Accordingly, our Board (save for Chew Meu Jong and Cheam Low Soo) recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

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PART A

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED
ACQUISITIONS**



LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

Registered Office:

Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

17 June 2025

Board of Directors

Ee Beng Guan (*Non-Independent Non-Executive Chairman*)
Chew Meu Jong (*Non-Independent Non-Executive Director*)
Ir. Aik Siaw Kong, KMN (*Non-Independent Non-Executive Director*)
Cheam Low Soo (*Non-Independent Non-Executive Director*)
Yeoh Sheong Lee (*Independent Non-Executive Director*)
Chong Chin Look (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir / Madam,

PROPOSED ACQUISITIONS

1. INTRODUCTION

On 9 April 2025, Interpac had, on behalf of our Board, announced that our Company had on even date entered into 2 conditional SPAs in relation to the Proposed Acquisitions.

On 11 April 2025, Interpac had, on behalf of our Board, announced that the valuation reports for the Subject Properties had, on the same date, been submitted to Bursa Securities.

The Proposed Acquisitions are deemed as related party transactions under paragraph 10.08 of the Listing Requirements by virtue of the interests of the Interested Parties as detailed in Section 9, Part A of this Circular.

Accordingly, Affin Hwang IB has been appointed on 31 May 2024 as the Independent Adviser to undertake the following in relation to the Proposed Acquisitions:-

- (i) comment as to:-
 - (a) whether the Proposed Acquisitions are fair and reasonable in so far as our non-interested Shareholders are concerned; and
 - (b) whether the Proposed Acquisitions are to the detriment of our non-interested Shareholders,

and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;

- (ii) advise our non-interested Shareholders whether they should vote in favour of the Proposed Acquisitions; and
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to paragraphs (i) and (ii) above.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITIONS AND TO SET OUT THE VIEWS AND RECOMMENDATIONS OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED ACQUISITIONS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

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

2. DETAILS OF THE PROPOSED ACQUISITIONS

2.1 Background information on the Proposed Acquisitions

Our Group is principally engaged in the manufacturing of galvanized steel poles and masts. For our operations, our Company has been renting the Subject Properties from the respective Vendors. Our Company has been renting Subject Property 1 for approximately 8 years and Subject Property 2 for approximately 4 years. The salient terms of Tenancy 1 and Tenancy 2 are set out in Appendices V and VI of this Circular respectively.

The Proposed Acquisitions entail the acquisitions of the Subject Properties by our Company free from all encumbrances for a total cash consideration of RM15.50 million based upon the terms and conditions set out in the respective SPAs.

Upon completion of the Proposed Acquisitions, the Tenancies will be deemed mutually terminated. For the avoidance of doubt, the Vendors shall not claim for any compensation from our Company for such mutual termination of the Tenancies.

The salient terms of SPA 1 and SPA 2 are set out in Appendices III and IV of this Circular respectively.

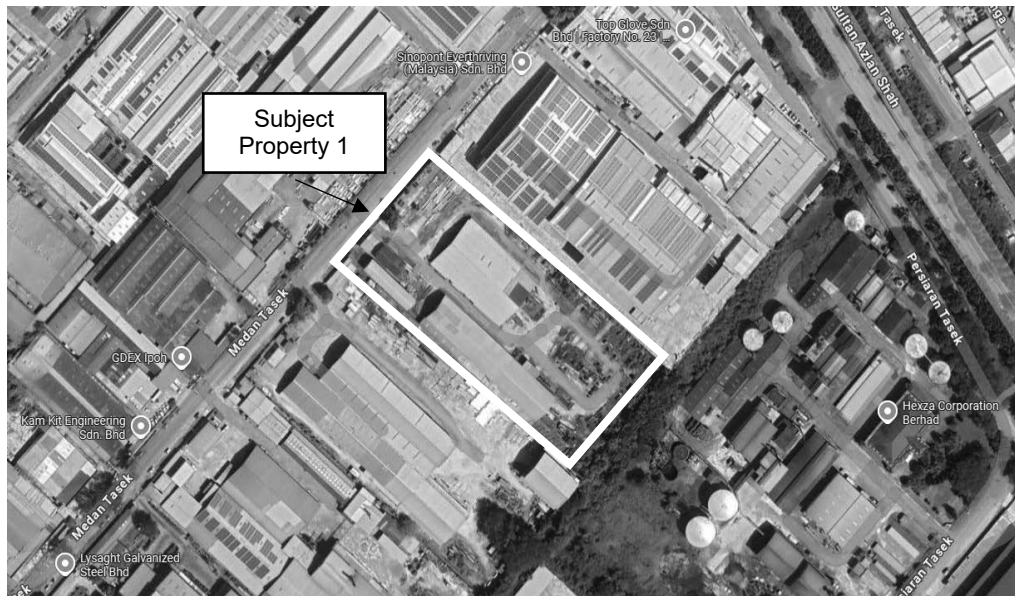
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2.2 Information on Subject Property 1

Subject Property 1 consists of 2 adjoining parcels of leasehold land together with the buildings erected thereon located in Medan Tasek, Kawasan Perindustrian Tasek, Ipoh, Perak. It is located approximately 9 kilometres north of Ipoh city centre, 11 kilometres north of Sultan Azlan Shah Airport, 8 kilometres southwest of Ipoh Cargo Terminal and 42 kilometres northwest of Kampar town centre. Major connecting roads servicing the area comprise North-South Expressway, Jalan Kuala Kangsar and Jalan Sultan Azlan Shah. Further, it is also located in the same industrial estate as our Group's other factories, storage, office and training room in Medan Tasek.



(Front view of Subject Property 1)



(Aerial view of Subject Property 1)

Further information on Subject Property 1 is set out below:-

Lot 49809

Lot No. : Lot 49809 (formerly known as Lot 727), Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan

Title No. : PN 385062 (formerly known as HS(D) 6710)

Tenure : Leasehold of 99 years expiring on 11 October 2064

Land area : 172,367 square feet⁽¹⁾

PT 989

Lot No. : PT 989, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan

Title No. : HS(D) 6714

Tenure : Leasehold of 99 years expiring on 28 July 2069

Land area : 21,775 square feet

Both lots

Postal address : Plot 3 & 55, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak Darul Ridzuan

Total land area : 194,142 square feet

Description of the buildings (floor area)⁽²⁾ :

- (i) Single-storey workshop building (workshop A) (25,200 square feet);
- (ii) Single-storey workshop building (workshop B) (22,755 square feet);
- (iii) Double-storey office building (office A) (3,240 square feet);
- (iv) Double-storey office building (office B) (3,138 square feet); and
- (v) Ancillary area (open porch, open balcony, open walkway and open store) (1,410 square feet).

Gross floor area / Net lettable area : 55,743 square feet

Occupancy : 100%

Age of buildings : Approximately 40-45 years

Registered owner : LCPSB

Category of land use : "Perindustrian"

Express conditions	:	"Perusahaan"
Restriction in interest	:	"Tanah ini tidak boleh dipindah milik, dipajak, digadai atau dibebankan tanpa kebenaran Menteri Besar Perak. Tanah ini tidak boleh dipecah sempadankan mengikut Seksyen 135 Kanun Tanah Negara Tanpa Kebenaran Menteri Besar Perak"
Encumbrances	:	Nil
Existing and proposed use	:	Subject Property 1 is being rented by our Company for factory and office use. The usage of Subject Property 1 is expected to remain the same subsequent to the completion of the Proposed Acquisition of Subject Property 1
Audited NBV	:	RM3.31 million as at 31 December 2023
Monthly rental	:	RM31,500
Independent valuer	:	Laurelcap
Method of valuation	:	Cost approach (primary approach) and income approach by way of "investment method" (secondary approach) of valuation
Market value appraised by the Independent Valuer	:	RM8.60 million as at the material date of valuation of 21 March 2025

Notes:-

- (1) Includes 504 square feet which is occupied by the Tenaga Nasional Berhad compact substation along with a Main Switch Board room.
- (2) There is a Tenaga Nasional Berhad compact substation along with a Main Switch Board room measuring approximately 504 square feet at the north-eastern corner of the property. However, no endorsements or relevant details regarding the aforesaid structures were found on the title or survey plans. As a result, the Independent Valuer has excluded this abovementioned area in determining the market value of the property.

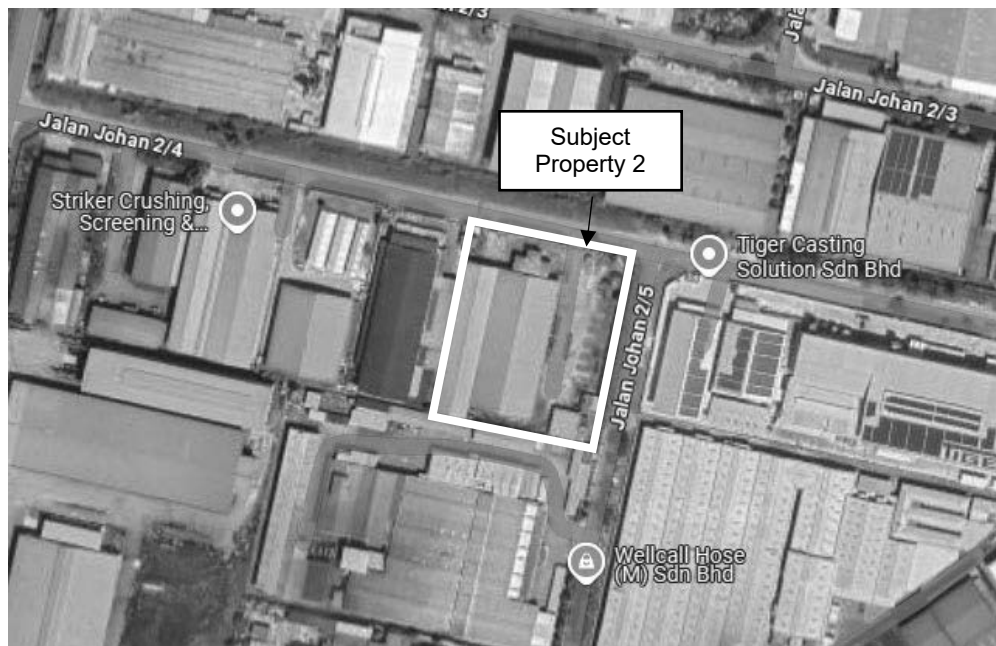
Further, there is an open parking shed measuring approximately 1,505 square feet which does not form part of the endorsed as-built plans. The Independent Valuer opines that the cost of removal and demolition of the open parking shed is minimal and negligible, posing minimal impact on the market value of Subject Property 1. As such, the Independent Valuer has excluded the open parking shed from determining the gross floor area and market value of the property.

2.3 Information on Subject Property 2

Subject Property 2 consists of a parcel of leasehold land together with the buildings erected thereon located in Kawasan Perindustrian Pengkalan II, Pusing, Perak. It is located approximately 16 kilometres due south of both Ipoh city centre and Sultan Azlan Shah Airport, 14 kilometres southwest of Ipoh Cargo Terminal and 40 kilometres northwest of Kampar town centre. Major connecting roads servicing the area comprise Jalan Lahat, Ipoh - Lumut Highway and North-South Expressway.



(Front view of Subject Property 2)



(Aerial view of Subject Property 2)

Further information on Subject Property 2 is set out below:-

Lot No.	:	Lot 226168 (formerly known as PT 8289), Mukim of Sungai Terap, District of Kinta, State of Perak Darul Ridzuan
Title No.	:	PN 304583 (formerly known as HS(D) 48716)
Postal address	:	No. 47, Jalan Johan 2/4, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak Darul Ridzuan
Tenure	:	Leasehold interest for 60 years expiring on 6 May 2056
Total land area	:	97,705 square feet ⁽¹⁾
Description of the buildings (floor area)⁽²⁾	:	(i) Single-storey detached factory (23,500 square feet); (ii) Double-storey office building (3,888 square feet); (iii) Single-storey extended workshop (14,100 square feet); (iv) Ancillary buildings (canteen, lavatory, guard house) (714 square feet); and (v) Ancillary area (open porch) (312 square feet).
Gross floor area / Net lettable area	:	42,514 square feet
Occupancy	:	100%
Age of buildings	:	28 years, save and except for the single-storey extended workshop which is 23 years
Registered owner	:	LNSB
Category of land use	:	"Perindustrian"
Express conditions	:	"Perusahaan"
Restriction in interest	:	"Tanah ini tidak boleh dipindahmilik, dipajak kecil atau dicagar tanpa kebenaran Menteri Besar Perak. Sekatan ini dikecualikan selagi tanah ini dimiliki oleh Perbadanan Kemajuan Negeri Perak"
Encumbrances	:	Nil
Existing and proposed use	:	Subject Property 2 is being rented by our Company for factory and office use. The usage of Subject Property 2 is expected to remain the same subsequent to the completion of the Proposed Acquisition of Subject Property 2
Audited NBV	:	RM1.44 million as at 31 December 2023
Monthly rental	:	RM18,149

Independent valuer	:	Laurelcap
Method of valuation	:	Cost approach (primary approach) and income approach by way of "investment method" (secondary approach) of valuation
Market value appraised by the Independent Valuer	:	RM6.90 million as at the material date of valuation of 21 March 2025

Notes:-

- (1) Includes 722 square feet which is occupied by the Tenaga Nasional Berhad substation.
- (2) There is a Tenaga Nasional Berhad substation measuring approximately 722 square feet at the north-western compound of the property. However, no endorsements or relevant details regarding the substation were found on the title or survey plans. As a result, the Independent Valuer has excluded this area in determining the market value of the property.

Further, there is an extension at the extended workshop building measuring about 1,800 square feet, an extended roof awning at the canteen measuring approximately 280 square feet and an open shed measuring approximately 2,500 square feet which do not form part of the approved building plans. The Independent Valuer opines that the salvage value of the extended workshop is expected to offset the cost of removal and demolition, while the cost of removal and demolition of the extended roof awning and open shed is minimal and negligible, posing minimal impact on the market value of Subject Property 2. As such, the Independent Valuer has excluded the abovementioned structures from determining the gross floor area and market value of the property.

2.4 Information on the Vendors

2.4.1 Information on LCPSB

LCPSB was incorporated in Malaysia on 9 October 1972 as a private limited company.

LCPSB is primarily involved in the manufacture and sale of galvanized corrugated steel pipes, drainage structures, highway guardrails and galvanized water tanks and trading of galvanized steel products.

As at the LPD, the issued share capital of LCPSB is RM15.75 million comprising 15,750,000 ordinary shares in LCPSB.

As at the LPD, the directors of LCPSB are as follows:-

Name	Nationality	Designation
Chew Meu Jong	Australian	Director
Lim Fong Boon	Malaysian	Director
Koh Tee Kiow @ Kho Tee Keow	Malaysian	Director
Chew Kar Yoo @ Chew Kar Hoo	Malaysian	Director
Chew Hew Kwang	Singaporean	Director
Cheam Low Soo	Malaysian	Director
Lee Chee Weng	Malaysian	Alternate Director
Lee Keat Chee	Malaysian	Alternate Director

As at the LPD, LMSB is the sole shareholder of LCPSB.

LMSB was incorporated in Malaysia on 5 March 1975 as a private limited company. As at the LPD, the substantial shareholders of LMSB and their respective shareholdings in LMSB are as follows:-

Name	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Chew Bros (M) Sdn Bhd	9,520,076	51.63	-	-
WTWT Sdn Bhd	3,152,270	17.10	-	-
Bina Securities & Management Sdn Bhd	2,353,009	12.76	-	-
Faroy Sdn Bhd	1,843,826	10.00	-	-
ChewKarHeing Sdn Bhd	-	-	9,520,076 ⁽²⁾	51.63
CKH And LIK Family Sdn Bhd	-	-	9,520,076 ⁽²⁾	51.63
The Estate of Lim lee Kuan	-	-	9,520,076 ⁽²⁾	51.63
Chew Meu Jong	-	-	9,520,076 ⁽²⁾	51.63
Deborah Mun Sook Ho	-	-	9,520,076 ⁽²⁾	51.63
Chew Kar Yoo @ Chew Kar Hoo	-	-	9,520,076 ⁽²⁾	51.63
Chew Mee Lee	-	-	3,152,270 ⁽³⁾	17.10
Liew Swee Mio @ Liew Hoi Foo	-	-	3,152,270 ⁽³⁾	17.10
Janfreys Sdn Bhd	-	-	2,353,009 ⁽⁴⁾	12.76
Puan Seri Datin Seri Rabeah Bt. Othman	-	-	2,353,009 ⁽⁴⁾	12.76
Faizul Bin Jamil	-	-	2,353,009 ⁽⁴⁾	12.76
Sarina Binti Jamil	-	-	2,353,009 ⁽⁴⁾	12.76
Yusuf Bin Jamil	-	-	2,353,009 ⁽⁴⁾	12.76
Pradaz Sdn Bhd	-	-	1,843,826 ⁽⁵⁾	10.00
Dato Samsudin Bin Abu Hassan	-	-	1,843,826 ⁽⁵⁾	10.00
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	1,843,826 ⁽⁵⁾	10.00
Dato Ghazali Bin Mat Ariff	-	-	1,843,826 ⁽⁵⁾	10.00

Notes:-

- (1) Based on total number of 18,438,213 issued shares in LMSB as at the LPD.
- (2) Deemed interest through Chew Bros (M) Sdn Bhd.
- (3) Deemed interest through WTWT Sdn Bhd.
- (4) Deemed interest through Bina Securities & Management Sdn Bhd.
- (5) Deemed interest through Faroy Sdn Bhd.

LMSB's principal activity is investment holding and the directors of LMSB as at the LPD are as follows:-

Name	Nationality	Designation
Chew Meu Jong	Australian	Director
Lim Fong Boon	Malaysian	Director
Chew Kar Yoo @ Chew Kar Hoo	Malaysian	Director
Liew Swee Mio @ Liew Hoi Foo	Malaysian	Director
Yusuf Bin Jamil	Malaysian	Director
Cheam Low Soo	Malaysian	Director
Deborah Mun Sook Ho	Australian	Alternate Director
Chua Tia Bon	Malaysian	Alternate Director
Lee Keat Chee	Malaysian	Alternate Director
Koh Tee Kiow @ Kho Tee Keow	Malaysian	Alternate Director

2.4.2 Information on LNSB

LNSB was incorporated in Malaysia on 10 April 1985 as a private limited company.

LNSB is primarily involved in renting out factories and plants.

As at the LPD, the issued share capital of LNSB is RM2 comprising 1 ordinary share A and 1 ordinary share B in LNSB.

As at the LPD, LMSB is the sole shareholder of LNSB. The details of LMSB are set out in Section 2.4.1, Part A of this Circular.

As at the LPD, the directors (all Malaysians) of LNSB are as follows:-

Name	Designation
Chew Kar Yoo @ Chew Kar Hoo	Director
Lim Shew Kiak	Director

2.5 Basis and justification of determining the Purchase Consideration

The Purchase Consideration of RM15.50 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:-

- (i) the market value of Subject Property 1 of RM8.60 million and Subject Property 2 of RM6.90 million as at the material date of valuation of 21 March 2025 as appraised by the Independent Valuer;
- (ii) the rationale for the Proposed Acquisitions as set out in Section 3, Part A of this Circular; and
- (iii) the prospects of the Subject Properties as set out in Section 4.4, Part A of this Circular.

In justifying the Purchase Consideration, the purchase consideration of RM15.50 million is equivalent to the market value of the Subject Properties as at the material date of valuation of 21 March 2025 of RM15.50 million as appraised by the Independent Valuer.

In arriving at the market value of the Subject Properties, the Independent Valuer has adopted the cost approach and income approach by way of "investment method".

The cost approach involves the valuation of the land by comparison with evidence of values of comparable land and adding to its current replacement cost of the buildings less depreciation, if necessary. To determine the value of the land, the analysed apportioned value attributed to the land is adopted using the comparison approach to determine the value of the land by comparing recent transactions and sales evidence involving other similar properties in the vicinity as a yardstick. Where dissimilarities exist, adjustments are made. In determining the value of the buildings, current estimates on construction costs to build similar buildings are adopted. Necessary adjustments are then made due to the physical, functional and economical obsolescence.

In the income approach by way of “investment method”, the market value is derived from an estimate of the market rental, which means the estimated amount for which an interest in real property should be leased / tenanted on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Outgoings or operating expenses, such as repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised at an appropriate current market yield to arrive at its indicative market value.

From the above valuation approaches, the Independent Valuer has concluded that the best approach in arriving at the market value of the Subject Properties is the Cost Approach. This approach is the most suitable in this instance because it is more of a reflection of the brick and mortar value and the Subject Properties are purpose built for a specific industry.

On hindsight, the income approach by way of “investment method” is only suitable to serve as a secondary approach (cross check), due to the dearth of actual data of rental or lease in the Kinta District to establish a more accurate rental rate and yield.

2.6 Source of funding

Lysaght intends to fund the Proposed Acquisitions via internally generated funds. As at 31 December 2024, our Group has cash and bank balances and short-term deposits of RM81.12 million.

2.7 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees to be assumed by our Company arising from the Proposed Acquisitions.

2.8 Date and original cost of investment

The date and original cost of investments of the Subject Properties by the respective Vendors are as follows:-

Description	Subject Property 1	Subject Property 2
Date of investment	1 November 2012	28 March 2000
Cost of investment	RM4,238,269	RM2,549,759

2.9 Additional financial commitment

There are no additional financial commitments required to put the Subject Properties on-stream immediately after the completion of the Proposed Acquisitions.

3. RATIONALE FOR THE PROPOSED ACQUISITIONS

Our Group is principally engaged in the manufacturing of galvanized steel poles and masts. For our operations, our Company has been renting the Subject Properties from the respective Vendors. The Proposed Acquisitions will enable our Company to have full control over the Subject Properties and this provides our Company with more certainty and flexibility in undertaking our future plans in respect of our operations.

The Proposed Acquisitions are expected to bring the following benefits to our Group:-

3.1 Prevention of business disruption to our Group's operations

The Subject Properties are integral to our Group's operations as the manufacturing of steel poles in Subject Property 1 and Subject Property 2 contributed approximately 18% and 22% respectively to our Group's revenue for the FYE 31 December 2024.

The Proposed Acquisitions will enable Lysaght to have full control over the Subject Properties. This mitigates potential disruption to our Group's operations that could arise in the event the Vendors choose not to renew the Tenancies or the Vendors dispose of the Subject Properties to a third party who may not rent the Subject Properties to our Company or rent at rates or terms which are not favourable to our Company. In such instances, our Group may have to relocate our operations and the relocation and business disruptions are expected to be costly to our Group.

For information purposes, Tenancy 1 will expire on 31 January 2026 and Tenancy 2 will expire on 14 September 2025 (with an option to extend for another 2 years).

3.2 Flexibility in undertaking future expansion plans

Through the Proposed Acquisitions, our Company will become the owner and have full control of the Subject Properties. This provides our Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Properties for the operation of our Group. As at the LPD, the management has no plans for major refurbishment and renovation plans of the Subject Properties. However, as the utilisation rates for the factories in Subject Property 1 and Subject Property 2 are already at 80.0% and 79.5% respectively for the FYE 31 December 2024, the management anticipates a need to expand the production capacity in the next 5 years. Further details are set out in Section 4.4, Part A of this Circular.

3.3 Proximity to other facilities owned by our Group

Subject Property 1 is located in the same industrial estate as our Group's other factories, storage, office and training room in Medan Tasek, while Subject Property 2 is approximately 24 kilometres away. Therefore, our Group may be able to capitalise on cost savings such as shorter travelling distance, shared resources and shared overhead costs.

3.4 Strategic location of the Subject Properties

Subject Property 1 is located within Kawasan Perindustrian Tasek, an established industrial estate in the State of Perak approximately 9 kilometres from Ipoh city centre, while Subject Property 2 is located within Kawasan Perindustrian Pengkalan II, an established industrial estate in the State of Perak approximately 16 kilometres from Ipoh city centre.

In addition, the Subjects Properties have good accessibility and connectivity to major roads. Major connecting roads to Subject Property 1 include North-South Expressway, Jalan Kuala Kangsar and Jalan Sultan Azlan Shah. Major connecting roads to Subject Property 2 include North-South Expressway, Jalan Lahat and Ipoh - Lumut Highway.

3.5 Savings on rental expenses

The Proposed Acquisitions would allow our Group to save on the rental costs of the Subject Properties, which amount to approximately RM595,788 per annum.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Malaysian economy

The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower mining exports. This was partially offset by stronger electrical and electronics (E&E) exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities. On the supply side, growth was driven by the services and manufacturing sectors. Services sector was supported by higher Government services while strong E&E production underpinned the performance in the manufacturing sector. However, normalisation in motor vehicle sales and production following strong performances over the last three years affected the growth of services and manufacturing sectors respectively. Overall growth was also weighed down by a contraction in the mining sector amid lower oil and gas production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%).

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2025, Bank Negara Malaysia)

For the year as a whole, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and a rebound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of gross domestic product (GDP) in 2024 (1.5% in 2023).

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia)

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronics goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is the Government-linked Enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

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

4.2 Industrial property sector in Malaysia

The Property Market Report 2024 highlights exceptional performance, recorded the highest volume and value of property transactions in Malaysia over the past decade. This impressive growth was fueled by a robust expansion in market activities across all sub-sectors. The volume and value of transactions expanded by 5.4% and 18.0%, respectively, reaching 420,545 transactions worth RM232.30 billion, compared to 2023 (399,008 transactions worth RM196.83 billion).

Industrial Property

A total of 8,783 transactions worth RM27.86 billion were recorded, reflecting a 7.7% rise in volume and a 16.4% increase in value compared to 2023 (8,157 transactions worth RM23.94 billion). The industrial sub-sector saw significant strengthening, driven by strong growth in market activity. By type, vacant plots and industrial units, increased by 19.9% and 20.3%, respectively. The MADANI Economic Framework, which focuses on the restructuring of Malaysia's economic agenda, along with the implementation of key policy plans such as the New Industrial Master Plan 2030 (NIMP 2030), has begun to show positive results and support the industrial property sector transactions.

In terms of state, Selangor continued to lead the market, accounting for 33.3% (2,923 transactions) of the national volume, followed by Johor (18.1%) and Perak (10.5%). In terms of property type, terraced factories represented 32.3% (1,233 transactions), followed by vacant plots at 30.5%, semi-detached factories at 21.7%, and other types, which made up 15.5% of the total industrial transactions.

The number of industrial property transactions in Perak increased from 536 transactions in 2023 to 924 transactions in 2024, while the total value transacted increased from RM720.36 million in 2023 to RM742.85 million in 2024.

(Source: Property Market Report 2024, Ministry of Finance Malaysia)

4.3 Manufacturing sector and steel industry in Malaysia

All economic sectors recorded higher growth during the year. Strong performance was recorded by the services and manufacturing sectors, which benefited from improved domestic and external demand conditions. The manufacturing sector expanded by 4.2% (2023: 0.7%). Growth was driven by a recovery in export-oriented clusters following stronger global trade and tech upcycle. The E&E industry gained from the global tech upcycle, as reflected by increased semiconductor sales. This was attributed to stronger demand in end-segments like consumer electronics, computing and data centres. The primary-related cluster was lifted by higher refined petroleum output, on account of improved production at a key refinery in Johor. Consumer-related growth was underpinned by higher crude palm oil production and a continued increase in motor vehicle output. Meanwhile, the construction-related cluster was supported by further progress in ongoing infrastructure activities.

On the supply side, most sectors are projected to expand in 2025. The services and manufacturing sectors will again be the key drivers to overall growth. The manufacturing sector growth is expected to moderate slightly to 3.9% (2024: 4.2%), as the continued expansion of the E&E and consumer-related industries are offset by slower growth in primary and construction-related industries. Primary-related industry is expected to be affected by lower natural gas output and scheduled upstream maintenance. As key infrastructure projects are near completion, construction-related manufacturing growth is also expected to record a moderation. Nevertheless, the E&E industry is set to benefit from the broader spillovers of the global tech upcycle, which is expected to record growth across all semiconductor segments. This is underpinned by the continued growth in global sales outlook, driven by external demand for consumer electronics and AI-related semiconductors. Consumer-related industries will gain support from continued household spending and the launch of domestic electric vehicle models.

(Source: Economic and Monetary Review 2024, Bank Negara Malaysia)

Malaysia's iron and steel total trade value in December 2024 declined by 17.5 percent to RM4.7 billion from RM5.7 billion reported in December 2023. Trade balance has widened to trade deficit of RM453.2 million from trade deficit of RM152.8 million for the same comparison period.

Malaysia's iron and steel export in December 2024 reduced by 25.0 percent to 2.1 billion in December 2024 from RM2.8 reported in December 2023. Three main export destinations in December 2024 were Hong Kong, Singapore and Japan accounting for 12.5, 12.3 and 5.5 percent of the total export value respectively.

Malaysia's iron and steel import in December 2024 declined by 10.3 percent from RM2.9 billion in December 2023 to RM2.6 billion in December 2024. Imports from China, Indonesia and Japan accounted for the top three spots representing 38.9, 13.7 and 11.4 percent of the total import value respectively.

From January to December 2024, the total trade value of the iron and steel products stood at RM65.3 billion in 2024 compared to RM62.5 billion in the same period in 2023, an increase by 4.5 percent. Further, the trade balance improved from a trade deficit of RM1,525.5 million in 2023 to a trade deficit of RM404.4 million in 2024 during the same period of comparison.

(Source: The Steel Noticeboard December 2024, Malaysia Steel Institute)

Global steel demand is forecast to finally rebound by 1.2% in 2025 to reach 1,772 million tons. Despite ongoing challenges posed by factors like lingering effects of monetary tightening, elevated costs, limited affordability, and geopolitical uncertainties, we are cautiously optimistic that global steel demand will enter a phase of broad-based moderate growth in 2025. The key determinants of the global steel demand outlook for 2025-2026 will be the progress made in the stabilisation of China's real estate sector, effectiveness of interest rate adjustments in spurring private consumption and business investment, and the trajectory of infrastructure spending dedicated to decarbonisation and digital transformation across major global economies.

(Source: Short Range Outlook October 2024, The World Steel Association)

4.4 Prospect and future plans of the Subject Properties

The Subject Properties are strategically located in Perak with good accessibility and connectivity to major roads. Further, they are situated nearby our Group's other factories, storage, office and training room in Medan Tasek. Therefore, our Group may be able to capitalise on cost savings such as shorter travelling distance, shared resources and shared overhead costs.

Upon completion of the Proposed Acquisitions, our Group will have full control over the Subject Properties and this provides our Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Properties for the operation of our Group, as and when needed. As at the LPD, the management has no plans for major refurbishment and renovation plans of the Subject Properties. However, as the utilisation rates for the factories in Subject Property 1 and Subject Property 2 are already at 80.0% and 79.5% respectively for FYE 31 December 2024, the management anticipates a need to expand the production capacity in the next 5 years. The estimated financial commitment required for the expansion is approximately RM1.0 million for Subject Property 1 and RM0.5 million for Subject Property 2.

The annual production capacity and output for the factories in the respective Subject Properties for the past 3 years are as follows:-

	FYE 31 December 2022		FYE 31 December 2023		FYE 31 December 2024	
	Capacity	Output	Capacity	Output	Capacity	Output
	Metric Ton	Metric Ton	Metric Ton	Metric Ton	Metric Ton	Metric Ton
Subject Property 1	1,000	790	1,000	800	1,000	800
Subject Property 2	880	480	880	680	880	700

Further, the industrial property development market in Perak is set for significant growth, largely driven by various infrastructure projects and the establishment of new industrial areas. One major development is the West Ipoh Span Expressway (WISE), which will link Gopeng to Kuala Kangsar and is expected to be completed by 2028. In addition, the recently completed West Coast Expressway (WCE), particularly the Beruas and Changkat Cermin exits, will provide a significant boost to industrial properties in Pengkalan. These infrastructure upgrades will enhance connectivity, reducing travel time and transportation costs, which is expected to attract more businesses and increase demand for industrial space.

Premised on the above, our Board is cautiously optimistic of the prospects of the Subject Properties moving forward.

(Source: Management of Lysaght)

5. RISK FACTORS

The potential risk factors arising from the Proposed Acquisitions, which may not be exhaustive, are as follows:-

5.1 Non-completion risk

The completion of the Proposed Acquisitions is subject to, amongst others, the approvals as set out in Section 8, Part A of this Circular being obtained.

In addition, the completion of the Proposed Acquisitions is subject to all the conditions precedent in the SPAs as set out in Section 2 of Appendices III and IV of this Circular being fulfilled. There is no assurance that the said conditions precedent will be fulfilled or that the parties to the SPAs will be able to fulfill their respective obligations under the SPAs within the timeframe stipulated therein.

In the event that the Proposed Acquisitions do not proceed to completion, our Company will not be able to achieve the objectives and benefits of the Proposed Acquisitions as set out in Section 3, Part A of this Circular.

To mitigate such risk, our Company will take all necessary steps and reasonable efforts to obtain the requisite approvals and to ensure that the conditions precedent in the SPAs, which are within the reasonable control of our Company, are fulfilled within the timeframe stipulated in the SPAs and duly perform our Company's obligations under the SPAs in order to complete the Proposed Acquisitions.

5.2 Investment risk

There is no assurance that the anticipated benefits and synergies arising from the Proposed Acquisitions as set out in Section 3, Part A of this Circular will be realised. Further, costs of maintaining and managing the Subject Properties will offset part of the savings on rental expenses. Such costs are estimated to be approximately RM0.10 million per annum and comprise maintenance costs, fire insurance, quit rent and annual assessment of the Subject Properties.

Nevertheless, our Group has exercised due care in considering the potential risks and benefits associated with the Proposed Acquisitions and our Board believes that the Proposed Acquisitions are important to our Group's business operations.

5.3 Compulsory acquisition

The Government of Malaysia has the power to acquire compulsorily any land in Malaysia pursuant to the provisions of applicable legislation including the Land Acquisition Act 1960 for certain purposes. In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws or regulations. If the Subject Properties were compulsorily acquired by the Government of Malaysia at a point in time when the market value of the Subject Properties have decreased, the level of compensation paid to Lysaght may be less than the purchase consideration. Furthermore, the operations of our Group will be disrupted.

In the event of any compulsory acquisition, the management of Lysaght will seek to minimise any potential losses from such transaction, including invoking the relevant provisions of the Land Acquisition Act 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

6. EFFECTS OF THE PROPOSED ACQUISITIONS

6.1 Share capital and substantial Shareholders' shareholdings

The Proposed Acquisitions will not have any effect on the issued and paid-up share capital of our Company and the substantial Shareholders' shareholdings in our Company as the Purchase Consideration will be fully satisfied in cash.

6.2 NA and gearing

For illustration purposes, assuming the Proposed Acquisitions had been effected on 31 December 2024, the pro forma effects of the Proposed Acquisitions on the NA and gearing of our Group are as follows:-

	Audited as at 31 December 2024 (RM'000)	After the Proposed Acquisitions (RM'000)
Share capital	41,580	41,580
Other reserves	7,131	7,131
Retained earnings	120,754	119,574 ⁽¹⁾
NA / Total Equity	169,465	168,285
No. of Shares ('000)	41,580	41,580
NA per Share (RM)	4.08	4.05
Total borrowings, including lease liabilities (RM'000)	552	552
Gearing (times)	_*	_*

Note:-

(1) After deducting remaining estimated expenses in relation to the Proposed Acquisitions which have not been recognised of approximately RM1.18 million.

* Less than 0.01.

6.3 Earnings and EPS

For illustration purposes, assuming the Proposed Acquisitions had been effected on 1 January 2024 (i.e. the beginning of FYE 31 December 2024), the pro forma effects of the Proposed Acquisitions on the earnings and EPS of our Group are as follows:-

	Audited for the FYE 31 December 2024	After the Proposed Acquisitions
Profit after taxation attributable to the owners of our Company (RM'000)	12,688	11,132 ⁽¹⁾
Weighted average number of Shares in issue ('000)	41,580	41,580
EPS (RM)	0.31	0.27

Note:-

- (1) The adjusted profit after taxation attributable to the owners of our Company is computed as follows:-

	(RM'000)	(RM'000)
Profit after taxation attributable to the owners of our Company based on the audited consolidated financial statements of Lysaght for the FYE 31 December 2024		12,688
Add: Savings on rental	453 ⁽¹⁾	
Less: Depreciation charges	(288) ⁽²⁾	
Less: Loss of interest income from fixed deposit	(465) ⁽³⁾	
Less: Remaining estimated expenses pursuant to the Proposed Acquisitions which have not been recognised	(1,180)	
Less: Costs of maintaining and managing the properties	(76) ⁽⁴⁾	
Net decrease in earnings	(1,556)	(1,556)
Adjusted profit after taxation attributable to the owners of our Company		11,132

Notes:-

- (1) Comprising the rental expenses of the Tenancies, net of 24% corporate tax.
(2) Computed based on straight-line basis over the respective estimated useful lives of the Subject Properties, net of 24% corporate tax.
(3) Computed based on an assumed interest rate of 3.95% per annum on the Purchase Consideration of RM15.50 million, net of 24% corporate tax.
(4) Computed based on the expected maintenance costs, fire insurance, quit rent and annual assessment of the Subject Properties, net of 24% corporate tax.

7. TENTATIVE TIMETABLE

Subject to all relevant approvals being obtained and the conditions precedent of the SPAs being fulfilled or waived, the Proposed Acquisitions are expected to be completed by the second half of 2025.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisitions are subject to the following approvals being obtained:-

- (i) our non-interested Shareholders on the Proposed Acquisitions at an EGM to be convened;
- (ii) the consent and/or approval from the relevant state authority in relation to the transfer of the Subject Properties to our Company to be obtained by the Vendors which forms part of the conditions precedent of the SPAs as detailed in Section 2 of Appendices III and IV of this Circular; and
- (iii) any other relevant authorities / parties, if required.

The Proposed Acquisition of Subject Property 1 and the Proposed Acquisition of Subject Property 2 are not conditional upon each other. Nevertheless, Lysaght intends to work towards the completion of both transactions simultaneously.

The Proposed Acquisitions are not conditional upon any other corporate exercises being or proposed to be undertaken by Lysaght. Save for the Proposed Acquisitions, there are no other corporate exercises which have been announced by our Company but are pending completion.

Percentage ratios

The highest percentage ratio applicable for the Proposed Acquisition of Subject Property 1 pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 4.79%.

The highest percentage ratio applicable for the Proposed Acquisition of Subject Property 2 pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 3.84%.

By applying the rule of aggregation pursuant to paragraph 10.12(2) of the Listing Requirements as the Proposed Acquisitions involve transactions entered into with the same party (i.e. LMSB, the sole shareholder of both Vendors), the highest percentage ratio applicable to the Proposed Acquisitions pursuant to paragraph 10.12(2) of the Listing Requirements is approximately 8.63%.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of our Directors, Major Shareholders and/or Persons Connected with them have any interests, whether direct or indirect, in the Proposed Acquisitions:-

- (i) LMSB, a Major Shareholder, is the sole shareholder of both Vendors;
- (ii) Ingli Sdn Bhd, a Major Shareholder, is wholly-owned by Liew Swee Mio @ Liew Hoi Foo and Chew Mee Lee, who in turn have indirect interests in both Vendors through LMSB;
- (iii) Liew Swee Mio @ Liew Hoi Foo, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (iv) Chew Mee Lee, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (v) Chew Bros (M) Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (vi) ChewKarHeing Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (vii) Yusuf Bin Jamil, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (viii) WTTW Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (ix) Janfreys Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (x) Bina Securities & Management Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (xi) CKH And LIK Family Sdn Bhd, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (xii) The Estate of Lim lee Kuan, a Major Shareholder, has indirect interests in both Vendors through LMSB;
- (xiii) Chew Meu Jong, a Director and a Major Shareholder, has indirect interests in both Vendors through LMSB and is a director of LCPSB;

- (xiv) Deborah Mun Sook Ho, a Major Shareholder, has indirect interests in both Vendors through LMSB; and
- (xv) Chew Kar Yoo @ Chew Kar Hoo, a Major Shareholder, has indirect interests in both Vendors through LMSB and is a director of both Vendors.

The details of the Interested Parties and their respective shareholdings in Lysaght as at the LPD are as follows:-

Name	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
LMSB	22,925,700	55.14	-	-
Ingli Sdn Bhd	6,428,800	15.46	-	-
Liew Swee Mio @ Liew Hoi Foo	344,400	0.83	30,454,900 ⁽²⁾	73.24
Chew Mee Lee	729,800	1.76	30,069,500 ⁽³⁾	72.32
Chew Bros (M) Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
ChewKarHeing Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
Yusuf Bin Jamil	-	-	23,097,900 ⁽⁵⁾	55.55
WTWT Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
Janfreys Sdn Bhd	-	-	23,097,900 ⁽⁶⁾	55.55
Bina Securities & Management Sdn Bhd	172,200	0.41	22,925,700 ⁽⁴⁾	55.14
CKH And LIK Family Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
The Estate of Lim lee Kuan	-	-	22,925,700 ⁽⁷⁾	55.14
Chew Meu Jong	-	-	22,957,200 ⁽⁸⁾	55.21
Deborah Mun Sook Ho	-	-	22,925,700 ⁽⁷⁾	55.14
Chew Kar Yoo @ Chew Kar Hoo	-	-	22,925,700 ⁽⁷⁾	55.14

Notes:-

- (1) Based on total number of 41,580,000 issued Shares as at the LPD.
- (2) Deemed interest through LMSB, Ingli Sdn Bhd and family members' direct interest in our Company.
- (3) Deemed interest through Ingli Sdn Bhd and family members' direct and indirect interest in our Company.
- (4) Deemed interest through LMSB.
- (5) Deemed interest through LMSB and Bina Securities & Management Sdn Bhd.
- (6) Deemed interest by virtue of being the holding company of Bina Securities & Management Sdn Bhd.
- (7) Deemed interest in LMSB through CKH And LIK Family Sdn Bhd.
- (8) Deemed interest in LMSB through CKH And LIK Family Sdn Bhd and her spouse's shareholdings in our Company.

The Interested Director has abstained and will continue to abstain from all deliberations and voting at our Board meetings in relation to the Proposed Acquisitions.

The Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Acquisitions at the forthcoming EGM.

Further, the Interested Parties will also ensure that Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Acquisitions at the forthcoming EGM.

Cheam Low Soo is a Director of our Company and a director of LCPSB and LMSB. He does not hold any shareholdings in our Company, LCPSB or LMSB. Pursuant to the Listing Requirements, Cheam Low Soo is not deemed to be interested in the Proposed Acquisitions. Notwithstanding that, Cheam Low Soo has voluntarily abstained from and will continue to abstain from deliberating and voting at the Board meetings of our Company as well as abstain from voting in respect of his direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM as he does not consider himself independent for the purpose of the Proposed Acquisitions. Cheam Low Soo will ensure that the Persons Connected to him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company (if any) on the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

Save as disclosed above, none of our other Directors, Major Shareholders and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Acquisitions.

10. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of Lysaght, having considered all aspects of the Proposed Acquisitions, including the salient terms of the SPAs, the basis and justification for the Purchase Consideration, the risk factors as well as the rationale and prospects in relation to the Proposed Acquisitions as well as the views of the Independent Adviser, is of the opinion that the Proposed Acquisitions are:-

- (i) in the best interests of our Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of our non-interested Shareholders.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for Chew Meu Jong and Cheam Low Soo), having considered all aspects of the Proposed Acquisitions, including the salient terms of the SPAs, the basis and justification for the Purchase Consideration, the risk factors as well as the rationale and prospects in relation to the Proposed Acquisitions as well as the views of the Independent Adviser, is of the opinion that the Proposed Acquisitions are in the best interests of our Company.

Accordingly, our Board (save for Chew Meu Jong and Cheam Low Soo) recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

12. ADVISERS

12.1 Principal Adviser

Interpac has been appointed as the Principal Adviser for the Proposed Acquisitions.

12.2 Independent Adviser

In view that the Proposed Acquisitions are deemed to be related party transactions pursuant to paragraph 10.08 of the Listing Requirements, Affin Hwang IB has been appointed on 31 May 2024 as the Independent Adviser to undertake the following in relation to the Proposed Acquisitions:-

- (i) comment as to:-
 - (a) whether the Proposed Acquisitions are fair and reasonable in so far as our non-interested Shareholders are concerned; and
 - (b) whether the Proposed Acquisitions are to the detriment of our non-interested Shareholders,and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (ii) advise our non-interested Shareholders whether they should vote in favour of the Proposed Acquisitions; and
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to paragraphs (i) and (ii) above.

The IAL from Affin Hwang IB is set out in Part B of this Circular. You should read the contents of this Circular (including the IAL) carefully before voting on the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

13. TRANSACTIONS WITH THE INTERESTED PARTIES AND/OR PERSONS CONNECTED WITH THEM FOR THE PRECEDING 12 MONTHS

Save for the Proposed Acquisitions and recurrent related party transactions for which shareholder mandates have been sought or which are not subject to disclosure pursuant to paragraph 10.09(1) of the Listing Requirements, Lysaght did not enter into any other transactions with the Interested Parties and/or Persons Connected with them for the preceding 12 months up to the LPD.

14. EGM

The EGM, the notice of which is enclosed together with this Circular, will be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Friday, 4 July 2025 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions, with or without modifications, to give effect to the Proposed Acquisitions.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at our Company's registered office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The completion and lodgement of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

15. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
LYSAGHT GALVANIZED STEEL BERHAD

EE BENG GUAN
Non-Independent Non-Executive Chairman

PART B

**INDEPENDENT ADVICE LETTER FROM AFFIN HWANG IB TO OUR NON-
INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITIONS**

EXECUTIVE SUMMARY

Definitions or defined terms used in this Executive Summary have the same meaning as defined in the "Definitions" section of Part A of the Circular, except where the context requires otherwise or otherwise defined.

All references to "we", "us" and "our" are to Affin Hwang IB, being the Independent Adviser for the Proposed Acquisitions.

This Executive Summary highlights the salient information of the Proposed Acquisitions. We advise all non-interested shareholders to read and understand this IAL in its entirety, together with Part A of the Circular and the appendices thereto for any other relevant information and not to rely solely on this Executive Summary before forming an opinion on the Proposed Acquisitions. You are also advised to consider carefully the recommendation contained herein before voting on the resolutions relating to the Proposed Acquisitions to be tabled at the forthcoming EGM.

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

1. INTRODUCTION

On 9 April 2025, Interpac had, on behalf of the Board, announced that Lysaght entered into the SPAs with the Vendors in relation to the Proposed Acquisitions.

On 11 April 2025, Interpac had, on behalf of the Board, announced that the valuation reports for the Subject Properties in relation to the Proposed Acquisitions have been submitted to Bursa Securities on even date.

The Proposed Acquisitions are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Parties as set out in **Section 9, Part A** of the Circular.

In this respect, the Board (save for Chew Meu Jong and Cheam Low Soo) had on 31 May 2024, appointed Affin Hwang IB as the Independent Adviser to provide the non-interested shareholders of the Company with an independent opinion on the fairness and reasonableness of the Proposed Acquisitions and whether the Proposed Acquisitions are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

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EXECUTIVE SUMMARY

2. EVALUATION OF THE PROPOSED ACQUISITIONS

In arriving at our opinion and recommendation on the Proposed Acquisitions, we have taken into consideration the following:

Section in the IAL	Section of evaluation	Comments
Section 6.1	Rationale for the Proposed Acquisitions	<p>The Proposed Acquisitions are expected to:</p> <ul style="list-style-type: none">• prevent business disruptions to the Group's operations;• provide flexibility in undertaking future expansion plans;• allow the Group to benefit from the proximity of the Subject Properties to other facilities owned by the Group;• allow the Group to benefit from the Subject Properties' strategic location; and• provide an immediate cost saving on rental expenses. <p>Taking into consideration the above, we are of the view that the rationale for the Proposed Acquisitions is reasonable and not detrimental to the non-interested shareholders of the Company.</p>
Section 6.2	Basis and justification of the Purchase Consideration	<p>The Purchase Consideration of RM15.50 million was arrived at on a "willing-buyer and willing-seller" basis, after taking into consideration, among others, the market value of Subject Property 1 and Subject Property 2 of RM8.60 million and RM6.90 million respectively, as appraised by the Independent Valuer.</p> <p>We have relied on the Valuation Reports prepared by the Independent Valuer and have assessed the fairness of the Purchase Consideration. Please refer to Section 6.2 of this IAL for our detailed evaluation of the Purchase Consideration for the Proposed Acquisitions.</p> <p>As the Purchase Consideration is equivalent to the market value of the Subject Properties amounting to RM15.50 million, we are of the view that the Purchase Consideration is fair and not detrimental to the non-interested shareholders of the Company.</p>

EXECUTIVE SUMMARY

Section in the IAL	Section of evaluation	Comments
Section 6.3	Salient terms of the SPAs	<p>We have reviewed the salient terms of SPA 1 and SPA 2, including the basis of Payment of Purchase Consideration, Settlement of Balance Purchase Consideration, Conditions Precedent and Default by the Company and Vendors.</p> <p>We note that the salient terms of the SPAs are normal commercial terms and are reasonable and not detrimental to the non-interested shareholders of the Company.</p>
Section 6.4	Effects of the Proposed Acquisitions	<p>The Proposed Acquisitions will not have any effect on the Company's issued and paid-up share capital and substantial shareholders' shareholdings in the Company as the Purchase Consideration will be fully satisfied in cash.</p> <p>Save for the estimated expenses in relation to the Proposed Acquisitions, the Proposed Acquisitions are not expected to have any material effect on the Company's NA and NA per Share. Should the Company fund the Purchase Consideration via bank borrowings, its gearing ratio will increase in accordance to the amount of borrowings obtained.</p> <p>The Proposed Acquisitions are expected to be earnings accretive (arising from the expected cost savings on rental which is partially offset by the depreciation expense and costs of maintaining and managing of the Subject Properties) to the operating profit of the Group in the future.</p> <p>Accordingly, the effects of the Proposed Acquisitions are not detrimental to the non-interested shareholders of the Company.</p>
Section 6.5	Industry overview and prospects of the Subject Properties	<p>We take note of the generally positive overview of the Malaysian economy, industrial property sector and manufacturing sector and steel industry in Malaysia as well as the strategic location and potential benefits arising from the Subject Properties.</p> <p>Premised on the above, we are of the view that the industry overview and prospects of the Subject Properties are not detrimental to the non-interested shareholders of the Company.</p>

EXECUTIVE SUMMARY

Section in the IAL	Section of evaluation	Comments
Section 6.6	Risk factors of the Proposed Acquisitions	<p>We are of the view that the potential risk factors arising from the Proposed Acquisitions are typical risks in transactions of a similar nature. We also note that the Company has safeguard measures in place to address such risks.</p> <p>As such, we are of the view that the risk factors are reasonable and there are sufficient safeguard measures in place such that the risk factors are not detrimental to the non-interested shareholders of the Company.</p>

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisitions and have set out our evaluation in Section 6 of this IAL. The non-interested shareholders should take into account all the merits and demerits of the Proposed Acquisitions based on all relevant and pertinent factors including those as set out in Part A of the Circular, the relevant appendices thereof, this IAL and other publicly available information.

After taking into consideration our overall assessment and evaluation of the Proposed Acquisitions based on the information made available to us up to the LPD, we are of the view that the Proposed Acquisitions are **FAIR AND REASONABLE** and are **NOT DETRIMENTAL** to the non-interested shareholders of Lysaght.

Accordingly, we recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

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17 June 2025

To: The non-interested shareholders of Lysaght

Dear Sir/ Madam,

LYSAGHT GALVANIZED STEEL BERHAD (“LYSAGHT” OR THE “COMPANY”)

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF LYSAGHT IN
RELATION TO THE PROPOSED ACQUISITIONS**

This IAL has been prepared for inclusion in the Circular and should be read in conjunction with the same. All defined terms used in this IAL shall carry the same meanings as those defined in the Definitions section of the Circular, except where the context otherwise requires or is otherwise defined herein.

1. INTRODUCTION

On 9 April 2025, Interpac had, on behalf of the Board, announced that Lysaght had entered into the SPAs with the Vendors in relation to the Proposed Acquisitions.

On 11 April 2025, Interpac had, on behalf of the Board, announced that the valuation reports for the Subject Properties in relation to the Proposed Acquisitions have been submitted to Bursa Securities on even date.

The Proposed Acquisitions are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Parties as set out in **Section 9, Part A** of the Circular.

In this respect, the Board (save for Chew Meu Jong and Cheam Low Soo) had on 31 May 2024, appointed Affin Hwang IB as the Independent Adviser to provide the non-interested shareholders of the Company with an independent opinion on the fairness and reasonableness of the Proposed Acquisitions and whether the Proposed Acquisitions are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

THIS IAL HAS BEEN PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS OF LYSAGHT TO CONSIDER THE MERITS AND DEMERITS OF THE PROPOSED ACQUISITIONS, AND SHOULD NOT BE USED FOR OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.

YOU ARE ADVISED TO READ THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE APPENDICES AND CONSIDER CAREFULLY THE EVALUATION AND RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT THE COMPANY’S FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE PROPOSED ACQUISITIONS

The details of the Proposed Acquisitions are set out in **Section 2, Part A** of the Circular and should be read in its entirety.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The interests of the Interested Parties and/or persons connected with them are set out in **Section 9, Part A** of the Circular.

The Interested Parties have abstained (including Cheam Low Soo who have voluntarily abstained as he does not consider himself independent for the purpose of the Proposed Acquisitions) and will continue to abstain from all deliberations and voting for the Proposed Acquisitions at the relevant meetings. The Interested Parties and/or person connected with them will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

4. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED ACQUISITIONS

We were not involved in the formulation, deliberation and negotiation of the terms and conditions of the Proposed Acquisitions nor were we involved in the deliberation leading up to the Board in respect to the Proposed Acquisitions. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to independent adviser as set out in Paragraph 10.08 of the Listing Requirements and the Best Practice Guide in relation to IAL issued by Bursa Securities.

Our scope as the Independent Adviser is limited to expressing an independent opinion on the fairness and reasonableness of the Proposed Acquisitions together with our recommendation on whether you should vote in favour of the resolutions pertaining to the Proposed Acquisitions, based on the information and documents requested and provided to us or which are available to us, including the following:

- (i) the information contained in Part A of the Circular and the appendices attached thereto;
- (ii) the SPAs;
- (iii) the Valuation Report of Subject Property 1;
- (iv) the Valuation Report of Subject Property 2;
- (v) other relevant information, documents, confirmations and representations furnished to us by the Board and management of Lysaght; and
- (vi) other publicly available information which we deem to be relevant.

We have relied on the Board and management to exercise due care to ensure that all information, documents, confirmations, and representations provided to us to facilitate our evaluation of the Proposed Acquisitions are complete, reasonable, reliable, and accurate and there is no omission of any material facts.

We have not undertaken any independent investigation into the business and affairs of the Group and all relevant parties involved in the Proposed Acquisitions. However, after making all reasonable enquiries and to the best of our knowledge and belief, we acknowledge that this IAL constitutes a full and true disclosure of all material facts concerning the Proposed Acquisitions. We are satisfied that the information used is free from material omission and we have no reason to believe that the information used is unreasonable, inaccurate or incomplete as at the LPD. Our advice should be considered in the context of the entirety of this IAL.

In rendering our advice, we have taken into consideration pertinent factors which we believe are of relevance and importance to you for a holistic assessment of the Proposed Acquisitions and, therefore, are of general concern to you. Notwithstanding the above:

- (i) it is not within our terms of reference to express any opinion on the legal, accounting and taxation issues relating to the Proposed Acquisitions; and
- (ii) we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual shareholder or any specific groups of shareholders. If you are in doubt or require specific advice in relation to the Proposed Acquisitions in the context of your individual investment objectives, financial situation, risk profile or particular needs, we recommend that you consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

Our evaluation and opinion as set out in this IAL are based on prevailing equity capital market, economic, industry, regulatory, monetary, socio-political and other conditions (if applicable), and the information/documents made available to us as at the LPD. Such conditions may change significantly over a short period of time.

The Board (save for Chew Meu Jong and Cheam Low Soo) has seen, reviewed and accepted this IAL. The Board (save for Chew Meu Jong and Cheam Low Soo), collectively and individually, accepts full responsibility for the accuracy of the information contained in this IAL (save for the views and recommendation of Affin Hwang IB) and confirms that, after having made all reasonable enquiries and to the best of their knowledge, there are no omissions of any material facts which would make any statement in this IAL false or misleading.

We will notify the non-interested shareholders after the issuance of this IAL if we:

- (i) become aware of a significant change affecting the information set out in this IAL;
- (ii) have reasonable grounds to believe that a material statement in this IAL is misleading or deceptive; or
- (iii) have reasonable grounds to believe that there is a material omission in this IAL.

If circumstances require, a supplementary IAL will be sent to the non-interested shareholders. We shall immediately notify the non-interested shareholders of any material change in circumstances that would affect the consideration or the accuracy or the completeness of the information contained in this IAL.

5. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our current appointment as the Independent Adviser for the Proposed Acquisitions, we have not advised Lysaght in the capacity of principal adviser or independent adviser for any corporate exercise or have any professional relationship with Lysaght in the past 2 years. Premised on the foregoing, we confirm that we are not aware of any conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser for the Proposed Acquisitions.

Affin Hwang IB is a participating organisation of Bursa Securities and provides a range of services including corporate finance advisory, debt capital markets, structured lending and market trading and research. Our corporate finance advisory team provides a full range of corporate finance advisory services including mergers and acquisitions, corporate and debt restructuring, initial public offerings, equity fund raisings and independent advisory opinions.

The credentials, professional experience and expertise of Affin Hwang IB where we had acted and appointed as an independent adviser in the past 2 years are as follows:

- (i) unconditional mandatory take-over offer by NTT DATA Japan Corporation ("**NTTD Japan**") through CIMB Investment Bank Berhad to acquire all the remaining ordinary shares in GHL Systems Berhad ("**GHL**") not already held by NTTD Japan at a cash consideration of RM1.08 per GHL offer share. Our independent advice circular was issued on 28 June 2024;
- (ii) acquisition of 45,924,632 ordinary shares in Central Cables Berhad ("**CCB**"), representing approximately 86.65% equity interest in CCB, by KUB Malaysia Berhad ("**KUB**") from JAG Capital Holdings Sdn Bhd and resultant diversification in operations carried out by KUB and its subsidiaries into the cables manufacturing business, for a purchase consideration of RM119.42 million to be satisfied via issuance of 199,035,059 new redeemable convertible preference shares in KUB ("**RCPS**") at an issue price of RM0.60 per RCPS. Our independent advice letter was issued on 6 February 2024;
- (iii) acquisition of 3 parcels of freehold land with a total net land area measuring approximately 948.826 acres located in Mukim Kapar, District of Klang, Selangor by Sime Darby Property (Bukit Tunku) Sdn Bhd, a wholly-owned subsidiary of Sime Darby Property Berhad, from Sime Darby Plantation Berhad, for a cash consideration of RM618.0 million. Our independent advice letter was issued on 9 May 2023; and
- (iv) disposal of 50,000,000 ordinary shares representing 100% of the issued and paid-up share capital of HS Credit (Manchester) Ltd by HSC Manchester Holding Pte. Ltd., an indirect wholly-owned subsidiary of Hap Seng Consolidated Berhad to Lei Shing Hong Capital Limited for a cash consideration of GBP152,958,000 (equivalent to RM 837,337,979). Our independent advice letter was issued on 27 April 2023.

Premised on the foregoing, we are capable and competent in carrying out our role and responsibilities as the Independent Adviser to advise the non-interested shareholders of Lysaght in relation to the Proposed Acquisitions.

6. EVALUATION OF THE PROPOSED ACQUISITIONS

In evaluating the Proposed Acquisitions, we have taken into consideration the following:

Section in this IAL	Evaluation
Section 6.1	Rationale for the Proposed Acquisitions
Section 6.2	Basis and justification of the Purchase Consideration
Section 6.3	Salient terms of the SPAs
Section 6.4	Effects of the Proposed Acquisitions
Section 6.5	Industry overview and prospects of the Subject Properties
Section 6.6	Risk factors of the Proposed Acquisitions

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6.1 RATIONALE FOR THE PROPOSED ACQUISITIONS

The rationale for the Proposed Acquisitions are set out in **Section 3, Part A** of the Circular and our comments are as follows:

(i) **Prevention of business disruption to the Group's operations**

We note that the Subject Properties are integral to the Group's operations as manufacturing activities conducted on the Subject Properties collectively contributed approximately 40% to the Group's revenue for the FYE 31 December 2024. As Tenancy 1 and Tenancy 2 will expire on 31 January 2026 and 14 September 2025 respectively, there is no guarantee that both the Tenancies will be renewed at all or at the same rates. In addition, there is no guarantee that the Vendors will not dispose the Subject Properties to a third party who may not rent the Subject Properties to Lysaght or rent them at rates or terms which are comparable to the current rates or at rates acceptable to the Company.

In view of the above, the Proposed Acquisitions will allow the Company to have control over the Subject Properties and eliminate any uncertainties with regards to renewal of the Tenancies, rental rates and/or tenure.

(ii) **Flexibility in undertaking future expansion plans**

We note that the Company does not have any major refurbishment or renovation plans for the Subject Properties as at the LPD. However, the management anticipates a need to expand the Group's production capacity* in the next 5 years. The Proposed Acquisitions will allow Lysaght to own the Subject Properties and provide flexibility to the Company to refurbish and/or renovate the Subject Properties without needing any landlord approvals for such plans.

* The utilisation rates for the factories in Subject Property 1 and Subject Property 2 stood at approximately 80.0% and 79.5% respectively for the FYE 31 December 2024.

(iii) **Proximity to other facilities owned by the Group**

We note that the location of the Subject Properties is in proximity to other facilities owned by the Group. As the Group is already operating from the Subject Properties, the Group will be able to continue to benefit from time and resource management and cost savings (especially in terms of logistic costs for Subject Property 1 which is located in the same industrial estate as the Group's other facilities and Subject Property 2 which is located approximately 24 kilometres away) by operating in proximity to the Group's other facilities.

(iv) **Strategic location of the Subject Properties**

We note that the Subject Properties are located strategically in established industrial estates in Perak, with good accessibility and connectivity to major roads and highways. The Group will be able to continue to benefit from such accessibility and connectivity upon completion of the Proposed Acquisitions.

(v) **Savings on rental expenses**

We note that the Group will be able to benefit from cost savings on gross rental expenses of the Subject Properties amounting to approximately RM0.60 million per annum.

Taking into consideration the above, we are of the view that the rationale for the Proposed Acquisitions is **reasonable and not detrimental** to the non-interested shareholders of the Company.

6.2 BASIS AND JUSTIFICATION OF THE PURCHASE CONSIDERATION

The basis and justification of arriving at the Purchase Consideration is set out in **Section 2.5, Part A** of the Circular.

The Purchase Consideration of RM15.50 million, which is equivalent to the market value of Subject Property 1 and Subject Property 2 of RM8.60 million and RM6.90 million respectively, as appraised by the Independent Valuer, was arrived at on an “as is where is” basis, after taking into consideration, among others, the market value of the Subject Properties.

The Board had appointed the Independent Valuer to appraise the market value of the Subject Properties. The Valuation Certificate for the Subject Properties are set out in Appendix II of the Circular.

We note that the Independent Valuer had adopted 2 valuation methods in arriving at the market value of the Subject Properties, namely the cost approach (“**Cost Approach**”) as the primary method and the income approach by way of “investment method” (“**Income Approach**”) as a cross-check method.

A brief description of the Cost Approach and Income Approach is set out below:

Method of valuation	Description
Cost Approach	This entails the valuation of the land by comparison with evidence of values of comparable land and adding to its current replacement cost of the building(s) less depreciation, if necessary. The current replacement cost includes construction cost, financial charges, advertising charges, professional fees, other incidental expenses and developer's profit.
Income Approach	This entails deriving the market value from an estimate of the market rental, which means the estimated amount for which an interest in real property should be leased/tenanted on the valuation date between a willing lessor and a willing lessee on an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Outgoings or operating expenses such as repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised at an appropriate current market yield to arrive at the indicative market value.

We are of the view that the valuation approaches applied by the Independent Valuer for the valuation of the Subject Properties are reasonable and appropriately applied and are consistent with generally applied valuation methodologies for properties in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

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(i) **Valuation of Subject Property 1**

Cost Approach for Subject Property 1

The Cost Approach was used to take into consideration recent transactions involving similar properties in the vicinity where relevant adjustments were made to account for differences in, among others, time, location, size, tenure and land improvement, to arrive at the market value of Subject Property 1. Subject Property 1 consist of 2 adjoining parcels of industrial land held under Title Nos Pajakan Negeri 385062, Lot 49809 (formerly known as Title No. HS(D) 6710, Lot 727) ("**Parcel 1**") and HS(D) 6714, Lot PT 989 ("**Parcel 2**").

The land value of Subject Property 1 is derived using the following comparables:

	Parcel 1	Comparable 1	Comparable 2	Comparable 3
Address	Lot 49809, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak	Lot 216544, Jalan Berchen, Bercham Industrial Area, Ipoh, Perak	Lot PT 292856, Hala Perusahaan Menglembu 13, Menglembu Industrial Area, Menglembu, Perak	Lot 68293, 81, Persiaran Portland, Tasek Industrial Area, Ipoh, Perak
Land area	171,862.79 sq. ft.	31,334.00 sq. ft.	32,787.14 sq. ft.	43,750.93 sq. ft.
Tenure	Leasehold for 99 years. Term expiring on 11 October 2064. Leaving an unexpired term of approximately 39 years as at the date of valuation.	Leasehold for 60 years. Term expiring on 2 December 2056. Leaving an unexpired term of approximately 34 years as at the date of transaction.	Leasehold for 60 years. Term expiring on 27 May 2084. Leaving an unexpired term of approximately 60 years as at the date of transaction.	Leasehold for 99 years. Term expiring on 1 September 2075. Leaving an unexpired term of approximately 51 years as at the date of transaction.
Type of property	Industrial land with an industrial building	Industrial land	Industrial land	Industrial land
Zoning	Industrial	Industrial	Industrial	Industrial
Date of transaction	-	3 January 2022	1 August 2024	28 October 2024
Unadjusted price	-	RM25.47 per sq. ft.	RM48.00 per sq. ft.	RM37.94 per sq. ft.
Adjustment factors	-	Location, tenure, size and land improvement	Accessibility, tenure, size and land improvement	Tenure, size and land improvement
Adjusted price	-	RM28.27 per sq. ft.	RM28.80 per sq. ft.	RM28.08 per sq. ft.

We note that the Independent Valuer, having considered all relevant factors, considered Comparable 3 as the most suitable comparison to Subject Property 1 as Comparable 3 was transacted most recently, located closest to Subject Property 1 and had the least adjustments made. An adjusted price of RM28.08 per sq. ft. was adopted. Additional adjustments amounting to a total of 35% were applied to RM28.08 per sq. ft. for Parcel 2 to account for differences in size (25%) and tenure (10%), resulting in an adjusted price of RM37.91 per sq. ft. being adopted.

The total land value of Subject Property 1 (comprising Parcel 1 and Parcel 2) is calculated as follows:

$$(171,862.79 \text{ sq. ft.}^{(i)} \times \text{RM}28.08) + (21,775.57 \text{ sq. ft.}^{(ii)} \times \text{RM}37.91) = \text{RM}5,651,419.08$$

Notes:

(i) Being the land area for Parcel 1

(ii) Being the land area for Parcel 2

The Independent Valuer had estimated the construction costs to build similar buildings for Subject Property 1 based on the Building Cost Information Services Malaysia Costbook 2024 ("BCISM"), inclusive of 10% preliminaries. Further, the Independent Valuer had performed checks with contractors and quantity surveyors that the construction costs are in line with market rates.

The building value of Subject Property 1 is estimated as follows:

Description	Built-up area (sq. ft.)	Construction cost per sq. ft. (RM)	Sub Total (RM)	Total (RM)
2 single storey workshops	47,955.00	160.00	7,672,800.00	
2 double storey office buildings	6,378.00	170.00	1,084,260.00	
Open porch, open balcony, open store and open walkway	1,410.00	80.00	112,800.00	
			8,869,860.00	
Less: Depreciation rate at 67%			(5,942,806.20)	
Building value				2,927,053.80

Based on the land value and building value derived for Subject Property 1, the market value of Subject Property 1 is estimated as follows:

$$\text{Land value (RM}5,651,419.08) + \text{Building value (RM}2,927,053.80) = \text{RM}8,578,472.88.$$

Therefore, the market value of Subject Property 1 is said to be approximately **RM8,600,000.00.**

Based on the above, we are of the view that the market value derived from the Cost Approach as adopted by the Independent Valuer is fair after taking into account the following:

- (i) various factors including time, tenure, location, accessibility, tenure, size and land improvement had been considered in deriving the land value. Additional adjustments were made to Parcel 2 to adjust for its size and tenure to reflect the value of the land in arriving at the total land value for Subject Property 1;
- (ii) the depreciation rate for buildings of 67% (after taking into account the physical, functional and economical depreciation of the buildings) was derived based on an estimated economic lifespan of 60 years and the adopted buildings age of 40 years, translating to a depreciation rate of approximately 1.67% per annum; and
- (iii) BCISM is commonly used among valuers to estimate the cost of constructing different types of buildings within Malaysia:
 - (a) the construction costing range for industrial buildings (i.e. light duty factories) are from RM147.71 per sq. ft. to RM194.17 per sq. ft. Therefore, the adopted range of RM160.00 per sq. ft. for the single storey workshops is within the range and is acceptable;
 - (b) the construction costing range for office buildings (i.e. 3-storey offices, owner operated) are from RM152.36 per sq. ft. to RM300.07 per sq. ft. Therefore, the adopted range of RM170.00 per sq. ft. for the double storey office buildings is within the range and is acceptable; and
 - (c) lower construction cost of RM80.00 per sq. ft. was adopted to reflect the lower quality materials used for the open porch, open balcony, open store and open walkway.

Income Approach for Subject Property 1

The Independent Valuer adopted the Income Approach as a cross-check for the Cost Approach, further details are set out below:

Parcel	Description	Floor size (sq. ft.)	Market rental rate per sq. ft. (RM)	Monthly rental (RM)	Annual rental (RM)	Sub Total (RM)	Total (RM)
Parcel 1	Main floor area	41,013.00	0.83	34,040.79	408,489.48		
	Ancillary floor area	648.00	0.42	272.16	3,265.92		
	Less: Void period (5%)					411,755.40 (20,587.77)	
	Less: Annual outgoings					(48,747.02)	
	Years Purchase Dual Rate for remaining unexpired term of 39.59 years (times)					342,420.61 17.9012	
							6,129,739.82

Parcel	Description	Floor size (sq. ft.)	Market rental rate per sq. ft. (RM)	Monthly rental (RM)	Annual rental (RM)	Sub Total (RM)	Total (RM)
Parcel 2	Main floor area	13,320.00	0.91	12,121.20	145,454.40		
	Ancillary floor area	762.00	0.46	350.52	4,206.24		
						149,660.64	
	Less: Void period (5%)					(7,483.03)	
	Less: Annual outgoings					(13,034.48)	
	Years Purchase Dual Rate for remaining unexpired term of 44.38 years (times)					129,143.13	
						18.9468	
							2,446,849.06
	Total market value						8,576,588.88
						Say	8,600,000.00

We note that the market value derived from the Income Approach has taken into the consideration the following:

- (i) for Parcel 1, a market rental rate of RM0.83 per sq. ft. was adopted for the main floor area after taking into account the asking rental rates of factories in surrounding neighbourhoods such as Chandan Industrial Area, Silibin Industrial Area and Tungzen Industrial Area as well as relevant adjustments made to account for differences in location, accessibility, size and asking price. The market rental rate of RM0.42 per sq. ft. was adopted for the ancillary floor area;
- (ii) for Parcel 2, an upward adjustment of 10% was applied to both the main floor area and ancillary floor area to take into consideration the smaller size of Parcel 2, resulting in a market rental rate of RM0.91 per sq. ft. and RM0.46 per sq. ft. for the main floor area and ancillary floor area respectively;
- (iii) a void period of 5% for both Parcel 1 and Parcel 2 to take into consideration any possible future vacancies and rent-free periods;
- (iv) annual outgoings for both Parcel 1 and Parcel 2, being fire insurance, assessment, quit rent and operating expenses; and
- (v) a Years Purchase Dual Rate (a method used to determine the present value of future income stream from a rented property) which is derived from the adopted average yield in the surrounding area (4.00%), sinking fund (3.50%), corporate tax rate (24.00%) as well as the unexpired leasehold terms of Parcel 1 and Parcel 2.

Premised on the above, we are of the view that the market value of RM8.60 million for Subject Property 1 as ascribed by the Independent Valuer is **fair and not detrimental** to the non-interested shareholders of Lysaght based on the Cost Approach and supported by the Income Approach.

(ii) **Valuation of Subject Property 2**

Cost Approach for Subject Property 2

Similar to Subject Property 1, the Cost Approach was used to take into consideration recent transactions involving similar properties in the vicinity where relevant adjustments were made to account for differences in, among others, time, location, size, tenure and land improvement to arrive at the market value of Subject Property 2.

The land value of Subject Property 2 is derived using the following comparables:

	Subject Property 2	Comparable 1	Comparable 2	Comparable 3
Address	No. 47, Jalan Johan 2/4, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak	PT 34590 (Lot 309870), Pengkalan II & IV Industrial Area, Pusing, Perak	Lot 213105 & 213106, Off Jalan Gopeng, Gopeng Industrial Area, Gopeng, Perak	Lot 226150, Pengkalan II & IV Industrial Area, Pusing, Perak
Land area	96,982.83 sq. ft.	45,305.68 sq. ft.	57,059.96 sq. ft.	21,775.57 sq. ft.
Tenure	Leasehold for 60 years. Term expiring on 6 May 2056. Leaving an unexpired term of approximately 31 years as at the date of valuation.	Leasehold for 60 years. Term expiring on 23 May 2067. Leaving an unexpired term of approximately 45 years as at the date of transaction.	Leasehold for 60 years. Term expiring on 28 September 2055. Leaving an unexpired term of approximately 33 years as at the date of transaction.	Leasehold for 60 years. Term expiring on 6 May 2056. Leaving an unexpired term of approximately 33 years as at the date of transaction.
Type of property	Industrial land with an industrial building	Industrial land	Contiguous industrial lands	Industrial land
Zoning	Industrial	Industrial	Industrial	Industrial
Date of transaction	-	27 January 2022	23 February 2022	12 September 2023
Unadjusted price	-	RM38.00 per sq. ft.	RM27.16 per sq. ft.	RM37.00 per sq. ft.
Adjustment factors	-	Tenure, size and land improvement	Location, accessibility, tenure, size and land improvement	Tenure, size and land improvement
Adjusted price	-	RM24.70 per sq. ft.	RM27.44 per sq. ft.	RM32.56 per sq. ft.

We note that the Independent Valuer, having considered all relevant factors, considered Comparable 3 as the most suitable comparison to Subject Property 2 as Comparable 3 was being transacted most recently, located closest to Subject Property 2 and had the least adjustments made. An adjusted price of RM32.56 per sq. ft. was adopted.

The total land value of Subject Property 2 is calculated as follows:

$$96,982.83 \text{ sq. ft.}^{(i)} \times \text{RM}32.56 = \text{RM}3,157,678.00$$

Note:

- (i) Being the land area for Subject Property 2

The Independent Valuer had estimated the construction costs to build similar buildings for Subject Property 2 based on the BCISM, inclusive of 10% preliminaries. Further, the Independent Valuer had performed checks with contractors and quantity surveyors that the construction costs are in line with market rates.

The building value of Subject Property 2 is estimated as follows:

Description	Built-up area (sq. ft.)	Construction cost per sq. ft. (RM)	Sub Total (RM)	Total (RM)
A single storey detached factory	23,500.00	160.00	3,760,000.00	
A double storey office building	3,888.00	170.00	660,960.00	
Canteen, lavatory, guardhouse and open porch	1,026.00	80.00	82,080.00	
			4,503,040.00	
Less: Depreciation rate at 47%			(2,116,428.80)	2,386,611.20
A single storey extended workshop	14,100.00	160.00	2,256,000.00	
Less: Depreciation rate at 38%			(857,280.00)	
				1,398,720.00
Building value				3,785,331.20

Based on the land value and building value derived for Subject Property 2, the market value is estimated as follows:

$$\text{Land value (RM}3,157,678.00) + \text{Building value (RM}3,785,331.20) = \text{RM}6,943,009.20.$$

Therefore, the market value of Subject Property 2 is said to be approximately **RM6,900,000.00.**

Based on the above, we are of the view that the market value derived from the cost approach as adopted by the Independent Valuer is fair after taking into account the following:

- (i) various factors including time, tenure, location, accessibility, tenure, size and land improvement had been considered in deriving the land value;
- (ii) the depreciation rate for buildings* of 47% (after taking into account the physical, functional and economical depreciation of the buildings) was derived based on an estimated economic lifespan of 60 years and buildings* current age of 28 years, translating to a depreciation rate of approximately 1.67% per annum. The depreciation rate of 38% (after taking into account the physical, functional and economical depreciation of the buildings) for the single storey extended workshop was based on its current age of 23 years; and

* Comprising a 1½-storey detached factory with an annexed double-storey office building, as well as canteen, lavatory, guardhouse and open porch.

- (iii) BCISM is commonly used among valuers to estimate the cost of constructing different types of buildings within Malaysia:
 - (a) the construction costing range for industrial buildings (i.e. light duty factories) are from RM147.71 per sq. ft. to RM194.17 per sq. ft. Therefore, the adopted range of RM160.00 per sq. ft. for the single storey detached factory and single storey extended workshop is within the range and is acceptable;
 - (b) the construction costing range for office buildings (i.e. 3-storey offices, owner operated) are from RM152.36 per sq. ft. to RM300.07 per sq. ft. Therefore, the adopted range of RM170.00 per sq. ft. for the double storey office building is within the range and is acceptable; and
 - (c) lower construction cost of RM80.00 per sq. ft. was adopted to reflect the lower quality materials used for the canteen, lavatory, guardhouse and open porch.

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Income Approach for Subject Property 2

The Independent Valuer adopted the Income Approach as a cross-check for the Cost Approach, further details are set out below:

Description	Floor size (sq. ft.)	Market rental rate per sq. ft. (RM)	Monthly rental (RM)	Annual rental (RM)	Sub Total (RM)	Total (RM)
Main floor area	42,202.00	0.96	40,513.92	486,167.04		
Ancillary floor area	312.00	0.48	149.76	1,797.12		
Less: Void period (5%)					487,964.16	
Less: Annual outgoings					(24,398.21)	
					(37,616.01)	
Years Purchase Dual Rate for remaining unexpired term of 31.148 years (times)					425,949.94	
					15.6280	
Total market value						6,656,745.66
					Say	6,700,000.00

We note that the market value derived from the Income Approach has taken into the consideration the following:

- (i) a market rental rate per square feet of RM0.96 was adopted for the main floor area after taking account the asking rental rates of factories in surrounding neighbourhoods such as Menglembu Industrial Area, Simpang Pulai Industrial Area and Pengkalan Industrial Area as well as relevant adjustments made to account for differences in location, accessibility, size and asking price. The market rental rate of RM0.48 per sq. ft. was adopted for the ancillary floor area;
- (ii) a void period of 5% Subject Property 2 to take into consideration any possible future vacancies and rent-free periods;
- (iii) annual outgoings for Subject Property 2, being fire insurance, assessment, quit rent and operating expenses; and
- (iv) a Years Purchase Dual Rate (a method used to determine the present value of future income stream from a rented property) which is derived from the adopted average yield in the surrounding area (4.00%), sinking fund (3.50%), corporate tax rate (24.00%) as well as the unexpired leasehold term of Subject Property 2.

Premised on the above, we are of the view that the market value of RM6.90 million for Subject Property 2 as ascribed by the Independent Valuer is **fair and not detrimental** to the non-interested shareholders of Lysaght based on the Cost Approach and supported by the Income Approach.

6.3 SALIENT TERMS OF THE SPAS

We have reviewed the salient terms for the SPAs as set out in Appendices III and IV of the Circular and our commentary on the salient terms are set out below:

(i) SPA 1

No.	Salient terms	Our comments
1.	<p>SALE AND PURCHASE</p> <p>Subject to the terms and conditions contained in SPA 1, LCPSB hereby agrees to sell and Lysaght hereby agrees to purchase Subject Property 1 on an “as-is-where-is” basis free from all encumbrances and with legal possession but subject to the restrictions in interest and the conditions now or presently expressed or implied on the register document of title to Subject Property 1 at the purchase consideration of RM8,600,000.</p>	<p>This term allows Lysaght, subject to the terms and conditions in SPA 1, to acquire Subject Property 1 with vacant possession and free from all encumbrances.</p> <p>Upon completion of the Proposed Acquisition of Subject Property 1, Lysaght will become the beneficial owner of Subject Property 1 and shall be entitled to all rights and benefits accrued to Subject Property 1, subject to all restrictions in interest and conditions of title.</p>
2.	<p>CONDITIONS PRECEDENT</p> <p>The sale and purchase of Subject Property 1 is subject to the conditions precedent as follows:</p> <p>(i) LCPSB having obtained the letter of consent to transfer the Subject Property 1 in favour of Lysaght from the relevant state authority;</p> <p>(ii) LCPSB obtaining its shareholders’ approval for the sale of Subject Property 1 pursuant to the terms and conditions of SPA 1; and</p>	<p>This term is reasonable as LCPSB is required to obtain all necessary approvals and consent from the relevant parties in order to give effect to the Proposed Acquisition of Subject Property 1.</p> <p>This term is reasonable as the approval from LCPSB’s shareholders is required to give effect to the Proposed Acquisition of Subject Property 1.</p>

No.	Salient terms	Our comments
	<p>(iii) Lysaght obtaining its shareholders' approval for the acquisition of Subject Property 1 pursuant to the terms and conditions of SPA 1 in an EGM to be convened.</p> <p>within 9 months from the date of SPA 1 or such further period as mutually agreed by both parties. In the event that any of the conditions precedent cannot be fulfilled within said period, SPA 1 shall be deemed to be rescinded and become null and void with neither parties having any claims of whatsoever nature against each other save for antecedent breaches on the date of the written notification from Lysaght that any of the conditions precedents cannot be fulfilled whereupon Lysaght's solicitors shall be authorised to release the SPA 1 Retention Sum (as defined below) to Lysaght and LCPSB's solicitors shall be authorised to refund the SPA 1 Balance Deposit Sum (as defined below) and all other monies paid by Lysaght free of interest to Lysaght within 14 working days from the date of such written notification.</p> <p>Notwithstanding the above:</p> <p>(i) LCPSB shall undertake to obtain its shareholders' approval as soon as reasonably practicable and in any event within 60 working days from the date of SPA 1; and</p> <p>(ii) Lysaght undertakes to issue the circular to its shareholders for the purpose of convening an EGM as soon as reasonably practical and in any event within 3 months from the date of SPA 1.</p>	<p>This term is reasonable as the approval from the Company's shareholders is required pursuant to the Listing Requirements.</p> <p>The Listing Requirements also requires the Interested Director to abstain from Board deliberation and voting as well as Interested Parties and persons connected with them to abstain from voting on the resolution in respect of the Proposed Acquisition of Subject Property 1.</p> <p>In addition, Cheam Low Soo, who is not deemed to be interested in the Proposed Acquisition of Subject Property 1 pursuant to the Listing Requirements, has voluntarily abstained from all deliberations and voting at the Board meetings as well as abstain from voting on the resolution pertaining to the Proposed Acquisition of Subject Property 1 to be tabled at the forthcoming EGM.</p> <p>This term is reasonable as it sets out the timeframe for the conditions precedent to be fulfilled as well as the remedy in the event the conditions precedent cannot be fulfilled within the said period.</p> <p>This term is reasonable as it ensures that there is no unnecessary delay in obtaining LCPSB's shareholders' approval.</p> <p>This term is reasonable as it ensures that there is no unnecessary delay in obtaining the Company's shareholders' approval.</p>

No.	Salient terms	Our comments
3.	<p data-bbox="365 453 936 485">PAYMENT OF PURCHASE CONSIDERATION</p> <p data-bbox="365 517 1263 580">The purchase consideration shall be paid by Lysaght in the following manner:</p> <p data-bbox="365 612 1263 676">(i) Upon the execution of SPA 1, Lysaght shall pay a deposit sum of RM860,000 ("SPA 1 Deposit Sum") in the following manner:</p> <p data-bbox="443 724 1263 852">(a) A sum equivalent to 3% of the purchase consideration amounting to RM258,000 only ("SPA 1 Retention Sum") to the Company's solicitors as stakeholders who shall deal with the same in accordance with SPA 1; and</p> <p data-bbox="443 948 1263 1011">(b) a sum of RM602,000 only ("SPA 1 Balance Deposit Sum") to LCPSB's solicitors as stakeholders.</p> <p data-bbox="443 1107 1263 1171">The deposit sum shall in the event of the completion of SPA 1 form part payment towards the purchase consideration.</p> <p data-bbox="365 1203 1263 1283">(ii) LCPSB's solicitors shall be authorised to release to LCPSB the SPA 1 Balance Deposit Sum upon the fulfilment of the conditions precedent.</p>	<p data-bbox="1274 158 2033 309">The conditions precedent set out the prerequisite consents/approvals which are required to be obtained to give effect to the Proposed Acquisition of Subject Property 1. These conditions precedent are ordinary terms typical to a transaction of such nature.</p> <p data-bbox="1274 333 2033 421">As at the LPD, the Proposed Acquisition of Subject Property 1 is still subject to the fulfilment of conditions precedent 2(i) and 2(iii) above.</p> <p data-bbox="1274 517 2033 580">This term sets out the manner of payment of the purchase consideration to be paid by Lysaght to LCPSB.</p> <p data-bbox="1274 612 2033 700">The upfront payment equivalent to 10% of the purchase consideration upon execution of SPA 1 is reasonable as it is on par with common deposit rate for transaction of this nature.</p> <p data-bbox="1274 732 2033 916">The SPA 1 Retention Sum to be held by the Company's solicitors as stakeholders is in line with Section 21B(1) of the Real Property Gains Tax Act 1976 that the purchaser's solicitors retains 3% of the purchase consideration upon execution of the sale and purchase agreement and remits the same to the Inland Revenue Board within the 60-day timeframe.</p> <p data-bbox="1274 948 2033 1067">The SPA 1 Balance Deposit Sum (representing the remaining 7% of the SPA 1 Deposit Sum) will be held by LCPSB's solicitors as stakeholders and is a common practice for transaction of this nature.</p> <p data-bbox="1274 1099 2033 1163">This is a common payment term applicable to transaction of this nature.</p> <p data-bbox="1274 1195 2033 1259">This is a common payment term applicable to transaction of this nature.</p>

No.	Salient terms	Our comments
4.	(iii) Within 3 months from the fulfilment of the conditions precedent (“ SPA 1 Completion Period ”) Lysaght shall pay the balance sum of RM7,740,000 only (“ SPA 1 Balance Purchase Consideration ”) to LCPSB’s solicitors as stakeholders to be dealt with in accordance with the provisions of SPA 1.	The 3 months’ timeframe for Lysaght to settle the SPA 1 Balance Purchase Consideration is reasonable.
	(iv) In the event that Lysaght is unable to pay the SPA 1 Balance Purchase Consideration within the SPA 1 Completion Period, LCPSB shall automatically grant to Lysaght an extension of 1 month from the date of expiry of the SPA 1 Completion Period to pay the SPA 1 Balance Purchase Consideration (“ SPA 1 Extended Completion Period ”) provided always that Lysaght shall pay to LCPSB interest calculated on the SPA 1 Balance Purchase Consideration or any outstanding balance thereof at the rate of 8% per annum calculated on a day to day basis from the first day of SPA 1 Extended Completion Period until the date of receipt of full payment by LCPSB’s solicitors.	This is a common payment term applicable to transaction of this nature. The interest rate of 8% per annum calculated on a day-to-day basis is a common interest rate charged on overdue payments.
	The sale and purchase of Subject Property 1 shall be deemed completed on the date that Lysaght is registered as the proprietor of Subject Property 1. The transfer shall be presented to the relevant land registry for registration within 10 working days upon receipt of the stamped transfer and the title documents by Lysaght’s solicitors.	This is a common payment term applicable to transaction of this nature.
	<p>4. DEFAULT BY LYSAGHT</p> <p>In the event that Lysaght fails, refuses or neglects to pay the SPA 1 Balance Purchase Consideration on or before the expiry of the SPA 1 Extended Completion Period, LCPSB shall be entitled to terminate SPA 1 by a notice in writing and the deposit sum paid by Lysaght together with any late payment interest shall be forfeited by LCPSB absolutely as agreed liquidated damages and whereupon the provisions as set out in Section 6, Appendix III of the Circular shall apply.</p>	This term safeguards LCPSB’s interest by ensuring Lysaght will remedy the default or providing LCPSB the right to terminate SPA 1 in the event Lysaght defaults on its obligation(s) pursuant to SPA 1.

No.	Salient terms	Our comments
5.	<p>DEFAULT BY LCPSB</p> <p>In the event LCPSB fails, neglects or refuses to complete the sale and purchase of Subject Property 1 in accordance with the provisions of SPA 1 or is in material breach of any terms and conditions of SPA 1 after Lysaght has complied with the terms and conditions of SPA 1, Lysaght shall be entitled to as follows:</p> <ul style="list-style-type: none"> (i) the remedy of specific performance against LCPSB and to all the relief following therefrom; or (ii) to terminate SPA 1 by giving a written notice to LCPSB or LCPSB's solicitors and in which event LCPSB shall pay to Lysaght a sum equivalent to the deposit sum as liquidated damages and whereupon the provisions as set out in Section 6, Appendix III of the Circular shall apply. 	<p>This term safeguards the Company's interest by ensuring LCPSB will remedy the default or providing the Company the right to terminate SPA 1 in the event LCPSB defaults on its obligation(s) pursuant to SPA 1.</p> <p>This term highlights the remedy available to Lysaght in the event of a default by LCPSB.</p> <p>This term safeguards the Company's interest by compensating the Company via liquidated damages in the event of a default by LCPSB.</p>
6.	<p>TERMINATION OF AGREEMENT</p> <p>Upon the termination of SPA 1 and/or whenever LCPSB is required to refund the purchase consideration or any part thereof to Lysaght under any provisions in SPA 1 and/or make payment of agreed liquidated damages pursuant to SPA 1, LCPSB shall pay the refund and all payments required to be paid to LCPSB's solicitors within 14 days from the happening of the event. Subject to the payment of the said refund and/or agreed liquidated damages by LCPSB to LCPSB's solicitors as stakeholders, LCPSB's solicitors shall release the same to Lysaght or Lysaght's solicitors upon Lysaght having complied with the conditions below for refund of monies. Lysaght shall within 14 days upon receipt of a written confirmation from LCPSB's solicitors confirming that LCPSB has deposited the monies to be refunded and/or agreed liquidated damages with LCPSB's solicitors proceed to:</p>	<p>This term sets out the rights of both parties in the event of termination of SPA 1 and is a common term for transaction of this nature.</p>

No.	Salient terms	Our comments
	<p>(i) redeliver or caused to be redelivered to LCPSB the transfer and the title documents which have been forwarded by LCPSB to Lysaght or Lysaght's solicitors prior to the termination of SPA 1 with LCPSB's proprietary interest remain intact provided always that Lysaght shall be entitled to retain the transfer for stamp duty refund purpose and shall be returned to LCPSB's solicitors upon the stamp office refunds of the stamp duty paid on the transfer;</p> <p>(ii) withdraw and furnish written / documentation proof that the caveat lodged and/or encumbrance, if any, by Lysaght against Subject Property 1 has been withdrawn at the relevant land office / registry at Lysaght's own cost and expense; and</p> <p>(iii) execute and deliver to LCPSB a deed of revocation (if so required by the Director General of Inland Revenue) for the refund of the SPA 1 Retention Sum or real property gains tax.</p> <p>In the event that LCPSB fails to deposit the monies to be refunded to Lysaght and/or agreed liquidated damages with LCPSB's solicitors within 14 days from the notice of termination, LCPSB shall be liable to pay interest on the payment due to Lysaght at the rate of 8% per annum on a daily basis from the expiry of the said 14 days until the date that actual payment is received by LCPSB's solicitors.</p> <p>LCPSB's solicitors are hereby authorised to release the monies to be refunded to Lysaght and/or agreed liquidated damages to Lysaght or Lysaght's solicitors, as the case may be, within 5 working days upon compliance of conditions (i) to (iii) above by Lysaght, failing which the late refund interest at the rate of 8% per annum on a daily basis shall accrue from the expiration of the aforesaid 5 working days until Lysaght's receipt of such refund and/or payment.</p>	<p>This term seeks to restore the ownership of Subject Property 1 to its original state in the event of termination of SPA 1 and is a common term for transaction of this nature.</p> <p>This term seeks to restore Subject Property 1 to its original state in the event of termination of SPA 1 and is a common term for transaction of this nature.</p> <p>Furthermore, the obligation that the costs and expenses associated with the withdrawal of the caveat shall be borne by the Company is consistent with general practice and does not raise concern.</p> <p>This term seeks to refund of the SPA 1 Retention Sum to Lysaght in the event of termination of SPA 1 and is a common term for transaction of this nature.</p> <p>The 14 days' timeframe and late payment interest rate of 8% per annum calculated on a daily basis are commonly applied for transaction of this nature.</p> <p>The 5 working days' timeframe and late payment interest rate of 8% per annum calculated on a daily basis are commonly applied for transaction of this nature.</p>

No.	Salient terms	Our comments
	<p>Upon the lawful termination of SPA 1 and upon compliance of Section 6 of Appendix III by the parties, neither party shall have any further obligations under SPA 1 to the other party other than:</p> <ul style="list-style-type: none"> (i) their respective obligations which are to be performed upon the lawful termination of SPA 1; (ii) any obligation which is expressed to survive the termination of SPA 1; and (iii) any rights or obligations which have accrued to any party in respect of any breach of any of the provisions of SPA 1 prior to such termination. 	<p>This term is a common termination term for transaction of this nature.</p> <p>This term ensures that the Company and LCPSB will perform their respective obligation(s) to lawfully terminate SPA 1.</p> <p>This term ensures that the Company and LCPSB will perform their respective obligation(s) that are intended to survive regardless of the termination of SPA 1.</p> <p>This term ensures that the Company and LCPSB will perform their respective obligation(s) prior to the termination of SPA 1.</p>
7.	<p>PRIVATE CAVEAT</p> <p>Immediately after the execution of SPA 1 and payment of the SPA 1 Deposit Sum, the Company shall be entitled at its own costs and expenses to present and register a private caveat against Subject Property 1 for the purpose of protecting the Company's interests in Subject Property 1 and prohibiting any dealings by the vendor in Subject Property 1 prior to the completion or termination of SPA 1 as the case may be.</p>	<p>This term entitles the Company to lodge a private caveat over Subject Property 1 upon execution of SPA 1 and payment of the deposit. This is a standard protective mechanism commonly employed in property transactions to preserve the purchaser's equitable interest and prevent any unauthorised dealings or encumbrances by the vendor prior to completion.</p> <p>The registration of the caveat serves as a prudent and necessary safeguard to secure the Company's contractual rights under SPA 1. It ensures that Subject Property 1 cannot be sold, transferred, or otherwise encumbered by LCPSB in a manner that may prejudice the Company's interests or the integrity of the transaction.</p> <p>Furthermore, the obligation that the costs and expenses associated with the registration of the caveat shall be borne by the Company is consistent with general practice and does not raise concern, given that the caveat benefits the Company directly.</p>

No.	Salient terms	Our comments
		Overall, this term reflects a commercially reasonable measure to mitigate transactional risk and aligns with the Company's duty to protect its interests.

(ii) **SPA 2**

No.	Salient terms	Our comments
1.	<p>SALE AND PURCHASE</p> <p>Subject to the terms and conditions in SPA 2, LNSB hereby agrees to sell and Lysaght hereby agrees to purchase Subject Property 2 on an “as-is-where-is” basis free from all encumbrances and with legal possession but subject to the restrictions in interest and the conditions now or presently expressed or implied on the register document of title to Subject Property 2 at the purchase consideration of RM6,900,000.</p>	<p>This term allows Lysaght, subject to the terms and conditions in SPA 2, to acquire Subject Property 2 with vacant possession and free from all encumbrances.</p> <p>Upon completion of the Proposed Acquisition of Subject Property 2, Lysaght will become the beneficial owner of Subject Property 2 and shall be entitled to all rights and benefits accrued to Subject Property 2, subject to all restrictions in interest and conditions of title.</p>
2.	<p>CONDITIONS PRECEDENT</p> <p>The sale and purchase of Subject Property 2 is subject to the conditions precedent as follows:</p> <p>(i) LNSB having obtained the letter of consent to transfer Subject Property 2 in favour of Lysaght from the relevant state authority;</p> <p>(ii) LNSB obtaining its shareholders' approval for the sale of Subject Property 2 pursuant to the terms and conditions of SPA 2; and</p> <p>(iii) Lysaght obtaining its shareholders' approval for the acquisition of Subject Property 2 pursuant to the terms and conditions of SPA 2, such approval to be obtained in an EGM to be convened,</p>	<p>This term is reasonable as LNSB is required to obtain all necessary approvals and consent from the relevant parties in order to give effect to the Proposed Acquisition of Subject Property 2.</p> <p>This term is reasonable as the approval from LNSB's shareholders is required to give effect to the Proposed Acquisition of Subject Property 2.</p> <p>This term is reasonable as the approval from the Company's shareholders is required pursuant to the Listing Requirements.</p>

No.	Salient terms	Our comments
	<p>within 9 months from the date of SPA 2 or such further period as mutually agreed by both parties. In the event that any of the conditions precedent cannot be fulfilled within said period, SPA 2 shall be deemed to be rescinded and become null and void with neither parties having any claims of whatsoever nature against each other save for antecedent breaches on the date of the written notification from Lysaght that any of the conditions precedents cannot be fulfilled whereupon Lysaght's solicitors shall be authorised to release the SPA 2 Retention Sum (as defined below) to Lysaght and LNSB's solicitors shall be authorised to refund the SPA 2 Balance Deposit Sum (as defined below) and all other monies paid by Lysaght free of interest to Lysaght within 14 working days from the date of such written notification.</p> <p>Notwithstanding the above:</p> <p>(i) LNSB shall undertake to obtain its shareholders' approval as soon as reasonably practicable and in any event within 60 working days from the date of SPA 2; and</p> <p>(ii) Lysaght undertakes to issue the circular to its shareholders for the purpose of convening an EGM as soon as reasonably practical and in any event within 3 months from the date of SPA 2.</p>	<p>The Listing Requirements also requires the Interested Director to abstain from Board deliberation and voting as well as and Interested Parties and persons connected with them to abstain from voting on the resolution in respect of the Proposed Acquisition of Subject Property 2.</p> <p>In addition, Cheam Low Soo, who is not deemed to be interested in the Proposed Acquisition of Subject Property 2 pursuant to the Listing Requirements, has voluntarily abstained from all deliberations and voting at the Board meetings as well as abstain from voting on the resolution pertaining to the Proposed Acquisition of Subject Property 2 to be tabled at the forthcoming EGM.</p> <p>This term is reasonable as it sets out the timeframe for the conditions precedent to be fulfilled as well as the remedy in the event the conditions precedent cannot be fulfilled within the said period.</p> <p>This term is reasonable as it ensures that there is no unnecessary delay in obtaining LNSB's shareholders' approvals.</p> <p>This term is reasonable as it ensures that there is no unnecessary delay in obtaining the Company's shareholders' approval.</p>

No.	Salient terms	Our comments
3.	<p data-bbox="371 451 936 483">PAYMENT OF PURCHASE CONSIDERATION</p> <p data-bbox="371 515 1254 571">The purchase consideration shall be paid by Lysaght in the following manner:</p> <p data-bbox="371 608 1254 663">(i) Upon the execution of SPA 2, Lysaght shall pay a deposit sum of RM690,000 ("SPA 2 Deposit Sum") in the following manner:</p> <p data-bbox="450 727 1254 847">(a) A sum equivalent to 3% of the purchase consideration amounting to RM207,000 only ("SPA 2 Retention Sum") to Lysaght's solicitors as stakeholders who shall deal with the same in accordance with SPA 2; and</p> <p data-bbox="450 943 1254 999">(b) a sum of RM483,000 only ("SPA 2 Balance Deposit Sum") to LNSB's solicitors as stakeholders.</p> <p data-bbox="450 1094 1254 1150">The deposit sum shall in the event of the completion of SPA 2 form part payment towards the purchase consideration.</p> <p data-bbox="371 1187 1254 1243">(ii) LNSB's solicitors shall be authorised to release to LNSB the SPA 2 Balance Deposit Sum upon the fulfilment of the conditions precedent.</p>	<p data-bbox="1274 156 2031 300">The conditions precedent set out the prerequisite consents/approvals which are required to be obtained to give effect to the Proposed Acquisition of Subject Property 2. These conditions precedent are ordinary terms typical to a transaction of such nature.</p> <p data-bbox="1274 328 2031 416">As at the LPD, the Proposed Acquisition of Subject Property 2 is still subject to the fulfilment of conditions precedent 2(i) and 2(iii) above.</p> <p data-bbox="1274 515 2031 571">This term sets out the manner of payment of the purchase consideration to be paid by Lysaght to LNSB.</p> <p data-bbox="1274 608 2031 695">The upfront payment equivalent to 10% of the purchase consideration upon execution of SPA 2 is reasonable as it is on par with common deposit rate for transaction of this nature.</p> <p data-bbox="1274 727 2031 911">The SPA 2 Retention Sum to be held by the Company's solicitors as stakeholders is in line with Section 21B(1) of the Real Property Gains Tax Act 1976 that the purchaser's solicitors retains 3% of the purchase consideration upon execution of the sale and purchase agreement and remits the same to the Inland Revenue Board within the 60-day timeframe.</p> <p data-bbox="1274 943 2031 1062">The SPA 2 Balance Deposit Sum (representing the remaining 7% of the SPA 2 Deposit Sum) will be held by LNSB's solicitors as stakeholders and is a common practice for transaction of this nature.</p> <p data-bbox="1274 1094 2031 1150">This is a common payment term applicable to transaction of this nature.</p> <p data-bbox="1274 1187 2031 1243">This is a common payment term applicable to transaction of this nature.</p>

No.	Salient terms	Our comments
4.	(iii) Within 3 months from the fulfilment of the conditions precedent (" SPA 2 Completion Period ") Lysaght shall pay the balance sum of RM6,210,000 only (" SPA 2 Balance Purchase Consideration ") to LNSB's solicitors as stakeholders to be dealt with in accordance with the provisions of SPA 2.	The 3 months' timeframe for Lysaght to settle the SPA 2 Balance Purchase Consideration is reasonable.
	(iv) In the event that Lysaght is unable to pay the SPA 2 Balance Purchase Consideration within the SPA 2 Completion Period, LNSB shall automatically grant to Lysaght an extension of 1 month from the date of expiry of the SPA 2 Completion Period to pay the SPA 2 Balance Purchase Consideration (" SPA 2 Extended Completion Period ") provided always that Lysaght shall pay to LNSB interest calculated on the SPA 2 Balance Purchase Consideration or any outstanding balance thereof at the rate of 8% per annum calculated on a day to day basis from the first day of the SPA 2 Extended Completion Period until the date of receipt of full payment by LNSB's solicitors.	This is a common payment term applicable to transaction of this nature. The interest rate of 8% per annum calculated on a day-to-day basis is a common interest rate charged on overdue payments.
	The sale and purchase of Subject Property 2 shall be deemed completed on the date that Lysaght is registered as the proprietor of Subject Property 2. The transfer shall be presented to the relevant land registry for registration within 10 working days upon receipt of the stamped transfer and the title documents by Lysaght's solicitors.	This is a common payment term applicable to transaction of this nature.
	<p>4. DEFAULT BY LYSAGHT</p> <p>In the event that Lysaght fails, refuses or neglects to pay the SPA 2 Balance Purchase Consideration on or before the expiry of the SPA 2 Extended Completion Period, LNSB shall be entitled to terminate SPA 2 by a notice in writing and the deposit sum paid by Lysaght together with any late payment interest shall be forfeited by LNSB absolutely as agreed liquidated damages and whereupon the provisions as set out in Section 6, Appendix IV of the Circular shall apply.</p>	This term safeguards LNSB's interest by ensuring Lysaght will remedy the default or providing LNSB the right to terminate SPA 2 in the event Lysaght defaults on its obligation(s) pursuant to SPA 2.

No.	Salient terms	Our comments
5.	<p>DEFAULT BY LNSB</p> <p>In the event LNSB fails, neglects or refuses to complete the sale and purchase of Subject Property 2 in accordance with the provisions of SPA 2 or is in material breach of any terms and conditions of SPA 2 after Lysaght has complied with the terms and conditions of SPA 2, Lysaght shall be entitled to as follows:</p> <ul style="list-style-type: none"> (i) the remedy of specific performance against LNSB and to all the relief following therefrom; or (ii) to terminate SPA 2 by giving a written notice to LNSB or LNSB's solicitors and in which event LNSB shall pay to Lysaght a sum equivalent to the deposit sum as liquidated damages and whereupon the provisions as set out in Section 6, Appendix IV of the Circular shall apply. 	<p>This term safeguards the Company's interest by ensuring LNSB will remedy the default or providing the Company the right to terminate SPA 2 in the event LNSB defaults on its obligation(s) pursuant to SPA 2.</p> <p>This term highlights the remedy available to Lysaght in the event of a default by LNSB.</p> <p>This term safeguards the Company's interest by compensating the Company via liquidated damages in the event of a default by LNSB.</p>
6.	<p>TERMINATION OF AGREEMENT</p> <p>Upon the termination of SPA 2 and/or whenever LNSB is required to refund the purchase consideration or any part thereof to Lysaght under any provisions in SPA 2 and/or make payment of agreed liquidated damages pursuant to SPA 2, LNSB shall pay the refund and all payments required to be paid to LNSB's solicitors within 14 days from the happening of the event. Subject to the payment of the said refund and/or agreed liquidated damages by LNSB to LNSB's solicitors as stakeholders, LNSB's solicitors shall release the same to Lysaght or Lysaght's solicitors upon Lysaght having complied with the conditions below for refund of monies. Lysaght shall within 14 days upon receipt of a written confirmation from LNSB's solicitors confirming that LNSB has deposited the monies to be refunded and/or agreed liquidated damages with LNSB's solicitors proceed to:</p> <ul style="list-style-type: none"> (i) redeliver or caused to be redelivered to LNSB the transfer and the title documents which have been forwarded by LNSB to Lysaght or Lysaght's solicitors prior to the termination of SPA 2 with LNSB's proprietary interest remain intact provided always that Lysaght shall be entitled to retain the transfer for stamp duty refund purpose and shall be returned to LNSB's solicitors upon the stamp office refunds of the stamp duty paid on the transfer; 	<p>This term sets out the rights of both parties in the event of termination of SPA 2 and is a common term for transaction of this nature.</p> <p>This term seeks to restore the ownership of Subject Property 2 to its original state in the event of termination of SPA 2 and is a common term for transaction of this nature.</p>

No.	Salient terms	Our comments
	<p>(ii) withdraw and furnish written / documentation proof that the caveat lodged and/or encumbrance, if any, by Lysaght against Subject Property 2 has been withdrawn at the relevant land office / registry at Lysaght's own cost and expense; and</p> <p>(iii) execute and deliver to LNSB a deed of revocation (if so required by the Director General of Inland Revenue) for the refund of SPA 2 Retention Sum or real property gains tax,</p> <p>In the event that LNSB fails to deposit the monies to be refunded to Lysaght and/or agreed liquidated damages with LNSB's solicitors within 14 days from the notice of termination, LNSB shall be liable to pay interest on the payment due to Lysaght at the rate of 8% per annum on a daily basis from the expiry of the said 14 days until the date that actual payment is received by LNSB's solicitors.</p> <p>LNSB's solicitors are hereby authorised to release the monies to be refunded to Lysaght and/or agreed liquidated damages to Lysaght or Lysaght's solicitors, as the case may be, within 5 working days upon compliance of conditions (i) to (iii) above by Lysaght, failing which the late refund interest at the rate of 8% per annum on a daily basis shall accrue from the expiration of the aforesaid 5 working days until Lysaght's receipt of such refund and/or payment.</p> <p>Upon the lawful termination of SPA 2 and upon compliance of Section 6 of Appendix IV by the parties, neither party shall have any further obligations under SPA 2 to the other party other than:</p> <p>(i) their respective obligations which are to be performed upon the lawful termination of SPA 2;</p> <p>(ii) any obligation which is expressed to survive the termination of SPA 2; and</p>	<p>This term seeks to restore Subject Property 2 to its original state in the event of termination of SPA 2 and is a common term for transaction of this nature.</p> <p>Furthermore, the obligation that the costs and expenses associated with the withdrawal of the caveat shall be borne by the Company is consistent with general practice and does not raise concern.</p> <p>This term seeks to refund of the SPA 2 Retention Sum to Lysaght in the event of termination of SPA 2 and is a common term for transaction of this nature.</p> <p>The 14 days' timeframe and late payment interest of 8% per annum calculated on a daily basis are commonly applied for transaction of this nature.</p> <p>The 5 working days' timeframe and late payment interest rate of 8% per annum calculated on a daily basis are commonly applied for transaction of this nature.</p> <p>This term is a common termination term for transaction of this nature.</p> <p>This term ensures that the Company and LNSB will perform their respective obligation(s) to lawfully terminate SPA 2.</p> <p>This term ensures that the Company and LNSB will perform their respective obligation(s) that are intended to survive regardless of the termination of SPA 2.</p>

No.	Salient terms	Our comments
7.	<p>(iii) any rights or obligations which have accrued to any party in respect of any breach of any of the provisions of SPA 2 prior to such termination.</p> <p>PRIVATE CAVEAT</p> <p>Immediately after the execution of SPA 2 and payment of the SPA 2 Deposit Sum, the Company shall be entitled at its own costs and expenses to present and register a private caveat against Subject Property 2 for the purpose of protecting the Company's interests in Subject Property 2 and prohibiting any dealings by the vendor in Subject Property 2 prior to the completion or termination of the SPA 2 as the case may be.</p>	<p>This term ensures that the Company and LNSB will perform their respective obligation(s) prior to the termination of SPA 2.</p> <p>This term entitles the Company to lodge a private caveat over Subject Property 2 upon execution of SPA 2 and payment of the deposit. This is a standard protective mechanism commonly employed in property transactions to preserve the purchaser's equitable interest and prevent any unauthorised dealings or encumbrances by the vendor prior to completion.</p> <p>The registration of the caveat serves as a prudent and necessary safeguard to secure the Company's contractual rights under SPA 2. It ensures that Subject Property 2 cannot be sold, transferred, or otherwise encumbered by LNSB in a manner that may prejudice the Company's interests or the integrity of the transaction.</p> <p>Furthermore, the obligation that the costs and expenses associated with the registration of the caveat shall be borne by the Company is consistent with general practice and does not raise concern, given that the caveat benefits the Company directly.</p> <p>Overall, this term reflects a commercially reasonable measure to mitigate transactional risk and aligns with the Company's duty to protect its interests.</p>

Premised on the above, we are of the view that the salient terms of SPA 1 and SPA 2 are generally on normal commercial terms for transactions of such nature and therefore are **reasonable and not detrimental** to the non-interested shareholders of Lysaght.

6.4 EFFECTS OF THE PROPOSED ACQUISITIONS

We note the effects of the Proposed Acquisitions as set out in **Section 6, Part A** of the Circular.

(i) Share capital and substantial shareholders' shareholdings

We note that the Proposed Acquisitions will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholdings in the Company as the Purchase Consideration will be fully satisfied in cash.

(ii) NA, NA per Share and gearing

Save for the estimated expenses in relation to the Proposed Acquisitions, we note that the Proposed Acquisitions are not expected to have any material effect to the Company's NA and NA per Share.

For information purposes, the Company has cash and cash equivalents of approximately RM33.00 million as at 31 December 2024. Nonetheless, subject to the Company's cash reserve at the time of settlement of the Purchase Consideration, the Company may seek external financing, if required. Should the Company fund the Purchase Consideration via bank borrowings, its gearing ratio will increase in accordance to the amount of borrowings obtained.

(iii) Earnings and EPS

The Proposed Acquisitions are expected to be earnings accretive (arising from the expected cost savings on rental which is partially offset by the depreciation expense and costs of maintaining and managing of the Subject Properties) to the operating profit of the Group in the future.

Premised on the above, we are of the view that the overall financial effects of the Proposed Acquisitions are **not detrimental** to the non-interested shareholders of Lysaght.

6.5 INDUSTRY OVERVIEW AND PROSPECTS OF THE SUBJECT PROPERTIES

We take note of the generally positive overview of the Malaysian economy, industrial property sector and manufacturing sector and steel industry in Malaysia as well as the prospects of the Subject Properties as set out in **Section 4, Part A** of the Circular.

We note that the Subject Properties are situated nearby Lysaght Group's other facilities in Perak. Therefore, the Group will be able to continue to capitalise on cost savings, shared resources and shared overhead costs.

We also note that upon completion of the Proposed Acquisitions, the Group will have control over the Subject Properties and this provides the Group with more certainty and flexibility in undertaking any future expansion plans, including refurbishment and renovation of the Subject Properties as well as the expansion of production capacity for the factories in the Subject Properties in the next 5 years.

Premised on the above, we are of the view that the industry overview and prospects of the Subject Properties are **not detrimental** to the non-interested shareholders of Lysaght.

6.6 RISK FACTORS OF THE PROPOSED ACQUISITIONS

In evaluating the Proposed Acquisitions, the non-interested shareholders of Lysaght should carefully consider the potential risks as set out in **Section 5, Part A** of the Circular, as summarised below:

(i) Non-completion risk

There is no assurance that the conditions precedent in the SPAs will be fulfilled or that the parties to the SPAs will be able to fulfill their respective obligations under the SPAs within the timeframe stipulated, resulting in non-completion of the Proposed Acquisitions.

We note that the Company and Vendors will take all necessary steps and reasonable effort to ensure that the conditions precedent in the SPAs, which are within their control, are fulfilled within the timeframe stipulated in the SPAs and duly perform their obligations under the SPAs in order to complete the SPAs. The terms in the SPAs also provide for safeguard measures for the Company and Vendors to mitigate the risk of non-completion.

(ii) Investment risk

There is no assurance that the anticipated benefits and synergies arising from the Proposed Acquisitions as set out in Section 3, Part A of this Circular will be realised. The expected cost savings on rental expenses will be partially offset by the depreciation expense as well as costs of maintaining and managing of the Subject Properties, including fire insurance, quit rent and annual assessment.

We note that the Company has considered the potential risks and benefits associated with the Proposed Acquisitions and that the Board believes that the Proposed Acquisitions are important to the Group's business operations.

(iii) Compulsory acquisition

If the Subject Properties were compulsorily acquired by the Government of Malaysia at a point in time when the market value of the Subject Properties have decreased, the level of compensation paid to Lysaght may be less than the Purchase Consideration. In such an event, the Group's operations will also be disrupted.

We note that the Company will endeavour to minimise any potential losses arising from such acquisition by the Government of Malaysia, including invoking the relevant provisions of the Land Acquisition Act 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

As at the LPD, to the best of the Vendors' knowledge and belief, the Vendors have not received any notice of compulsory acquisition for the Subject Properties from the Government of Malaysia.

We are of the view that the potential risk factors arising from the Proposed Acquisitions are typical risks in transaction of a similar nature. We also note that the Company has safeguard measures in place to address such risks.

As such, we are of the view that the risk factors are reasonable and there are sufficient safeguard measures in place such that the risk factors are **not detrimental** to the non-interested shareholders of the Company.

We wish to highlight that although efforts and measures have been taken by the Company to mitigate and contain the risks arising from the Proposed Acquisitions, no assurance can be given that one or all of risk factors as mentioned above will not occur and give material adverse impact on the business and operation of the Group, its financial performance or prospects thereon.

7. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the terms of the Proposed Acquisitions and have set out our evaluation in Section 6 of this IAL. Non-interested shareholders should consider the merits and demerits of the Proposed Acquisitions carefully based on all relevant and pertinent factors including those set out below and other considerations as set out in this IAL, Part A of the Circular together with the appendices and other publicly available information prior to making a decision to vote on the resolutions pertaining to the Proposed Acquisitions.

After taking into consideration our overall assessment and evaluation of the Proposed Acquisitions based on the information made available to us up to the LPD, we are of the view that the Proposed Acquisitions are **FAIR AND REASONABLE** and **NOT DETRIMENTAL** to the non-interested shareholders of Lysaght.

Accordingly, we recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

Yours faithfully
For and on behalf of
AFFIN HWANG INVESTMENT BANK BERHAD

A. HISHAM MD HASHIM
Head
Corporate Finance

ANDREW CHOU
Director
Corporate Finance

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular. They confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts and information which, if omitted, would make any statement in this Circular false or misleading.

The information relating to the Vendors and the Subject Properties has been obtained from the respective Vendors and the sole responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

Further, our Board has seen and approved the IAL. The responsibility of our Board in respect of the independent advice and expression of opinion by Affin Hwang IB in relation to the Proposed Acquisitions as set out in the IAL is to ensure that all statements, facts and/or information in relation to our Group that is relevant to Affin Hwang IB's evaluation of the Proposed Acquisitions have been reasonably, accurately and completely disclosed and provided to Affin Hwang IB and is free from material omission.

2. CONSENT AND CONFLICT OF INTEREST**2.1 Interpac**

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

Interpac confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposed Acquisitions.

2.2 Affin Hwang IB

Affin Hwang IB, being the Independent Adviser for the Proposed Acquisitions, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IAL as set out in Part B of this Circular and all references thereto in the form and context in which they appear in this Circular.

Affin Hwang IB confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisitions.

2.3 Laurelcap

Laurelcap, being the Independent Valuer for the Subject Properties, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the valuation certificate for the Subject Properties as set out in Appendix II of this Circular and all references thereto in the form and context in which they appear in this Circular.

Laurelcap confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Independent Valuer for the Subject Properties.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at the LPD, there are no material commitments incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group.

3.2 Contingent Liabilities

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which might materially and adversely affect the financial position and/or businesses of our Group.

- (i) LCPSB & Lysaght v Popeye Resources Sdn Bhd (“**Popeye**”) & Macsteel International Far East Limited (“**Macsteel**”) – High Court Civil Suit No: W-22NCvC-21-01/2021 converted to WA-22NCC-109-03/2021

On 16 December 2020, pursuant to paragraph 9.04(g) of the Listing Requirements, our Company had announced the commencement of arbitration by Macsteel against our Company in connection with a dispute relating to three alleged contracts for the sale of steels coils on various dates i.e. 17 January 2020, 18 February 2020 and 24 February 2020 (“**Contractual Dates**”) (“**Arbitration**”). In this regard, our Company was duly served with the Notice of Arbitration on 15 December 2020 from the Claimant’s solicitors, Ince & Co. The Notice of Arbitration and Statement of Claim alleged that Macsteel is owed a total amount of USD1,555,656.12 by our Company for goods sold and delivered pursuant to the three alleged contracts for sale of steel coils. Our Company denied and refuted all Macsteel’s allegations of liability and claims for damages and stated that these alleged contracts are forgeries.

On 15 January 2021, our Company had announced that it filed a civil suit before the High Court of Malaya on 14 January 2021 against Popeye and Macsteel for, amongst others, that the three alleged contracts for the sale of steel coils on Contractual Dates were forgeries and/or fraudulently prepared (“**Suit**”).

On 25 March 2021, our Company announced that it had obtained an ad interim injunction against Macsteel from proceeding with the arbitration in Hong Kong pending the disposal of the interlocutory injunction application filed by our Company.

On 20 October 2021, our Company announced that our Company had obtained an interlocutory injunction against Macsteel from proceeding with the arbitration proceeding in Hong Kong until the disposal of the Suit before the Kuala Lumpur High Court. The Kuala Lumpur High Court also dismissed Macsteel’s application for a stay of proceedings pending arbitration.

On 26 October 2021, Macsteel had appealed against the decisions of the High Court to the Court of Appeal against the grant of the anti-arbitration injunction and dismissal of the stay pending arbitration application (“**Appeal**”). On 15 August 2022, our Company announced that on even date, the Appeal was heard and the Court of Appeal dismissed the Appeal.

On 13 September 2022, Macsteel filed 3 notices of motion to the Federal Court for leave to appeal against the decision of the Court Appeal for dismissing the Appeal. Macsteel's motion before the Federal Court was fixed for hearing on 16 February 2023 and the Federal Court had dismissed Macsteel's motion for leave to appeal to the Federal Court. As such, Macsteel had exhausted its rights to appeal. With the conclusion of the issue on injunction and stay of proceedings pending arbitration, the parties will proceed to trial before the High Court.

As Macsteel had exhausted all rights to appeal to have the matter heard by at the arbitration, Macsteel applied to the High Court to amend their defence to include a counterclaim against both LCPSB and Lysaght. Macsteel counterclaimed for breach of contract to the amount of USD1,555,656.12 against the series of contract allegedly entered into between Macsteel and Lysaght. Macsteel's amendment application was allowed and Lysaght had filed its Defence to Counterclaim. Macsteel previously applied for the discovery of documents before the High Court. Macsteel subsequently withdrew the application by agreement between the parties, which was recorded before the High Court on 18 July 2024. A case management will be conducted on 24 June 2025 to fix new trial dates.

Based on the advice obtained from our Company's solicitor, our Board is of the opinion that the likelihood of Macsteel succeeding its claim is low.

4. MATERIAL LITIGATION

As at the LPD, the Vendors confirmed that there are no material litigations, claims and/or arbitration involving the Subject Properties, and there are no proceeding, pending or threatened, involving the Subject Properties.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Lysaght at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the Constitution of Lysaght;
- (ii) the audited consolidated financial statements of Lysaght for the past 2 financial years ended 31 December 2023 and 31 December 2024 as well as the unaudited consolidated financial statements of Lysaght for the 3-month financial period ended 31 March 2025;
- (iii) the SPAs;
- (iv) the Tenancies;
- (v) the valuation certificate by Laurelcap referred to in Appendix II of this Circular together with the valuation reports for the Subject Properties;
- (vi) the letters of consent referred to in Section 2 of this Appendix I; and
- (vii) the relevant cause paper in respect of the litigation referred to in Section 3.2 of this Appendix I.

VALUATION CERTIFICATE

Date : 21 March 2025
Our Ref Nos. : LC/VAL/24/017400/BRW(A), LC/VAL/24/017400/BRW(B)

PRIVATE & CONFIDENTIAL

THE BOARD OF DIRECTORS

LYSAGHT GALVANIZED STEEL BERHAD (“LGSB”)
No. 11, Jalan Majistret U1/26, Seksyen U1
Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan

Dear Sirs,

VALUATION CERTIFICATE OF: -

- A) LEASEHOLD INTEREST WITH AN UNEXPIRED TERM OF APPROXIMATELY 31 YEARS IN A SINGLE STOREY DETACHED FACTORY WITH A DOUBLE STOREY OFFICE BUILDING ANNEXED, A SINGLE STOREY EXTENDED WORKSHOP, A CANTEEN, A LAVATORY AND A GUARD HOUSE, BEARING POSTAL ADDRESS NO. 47, JALAN JOHAN 2/4, KAWASAN PERINDUSTRIAN PENGKALAN II, 31550 PUSING, PERAK DARUL RIDZUAN HELD UNDER TITLE NO. PAJAKAN NEGERI 304583, LOT 226168 (FORMERLY KNOWN AS TITLE NO. HS(D) 48716, LOT NO. PT 8289), MUKIM OF SUNGAI TERAP, DISTRICT OF KINTA, STATE OF PERAK (“PENGKALAN PROPERTY”);
- B) LEASEHOLD INTERESTS WITH AN UNEXPIRED TERM OF APPROXIMATELY 39 AND 44 YEARS IN TWO (2) ADJOINING PARCELS OF INDUSTRIAL LANDS IMPROVED WITH TWO (2) SINGLE STOREY WORKSHOPS AND TWO (2) DOUBLE STOREY OFFICE BUILDINGS, BEARING POSTAL ADDRESS PLOT 3 & 55, MEDAN TASEK, KAWASAN PERINDUSTRIAN TASEK, 31400 IPOH, PERAK DARUL RIDZUAN HELD UNDER TITLE NOS. PAJAKAN NEGERI 385062, LOT 49809 (FORMERLY KNOWN AS TITLE NO. HS(D) 6710, LOT 727 (REFERRED TO AS “PARCEL 1”) & HS(D) 6714, LOT PT 989 (REFERRED TO AS “PARCEL 2”)), ALL ON WHICH SITUATED WITHIN MUKIM OF HULU KINTA, DISTRICT OF KINTA, STATE OF PERAK (“TASEK PROPERTY”);

ALL OF WHICH ARE REFERRED TO AS “SUBJECT PROPERTIES”

We refer to the instructions by LGSB to provide an opinion on the **Market Value** of the abovementioned Subject Properties for the purpose of submission to Bursa Malaysia Securities Berhad (“Bursa Securities”) in respect of the Proposed Acquisition of the Subject Properties by LGSB from Lysaght Naco Sdn. Bhd. (“LNSB”) and Lysaght Corrugated Pipe Sdn Bhd (“LCPSB”).

The Subject Properties were inspected on 30 October 2024 and 21 March 2025. The material date of valuation is the latest date of inspection i.e. 21 March 2025.

The Valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards (MVS) 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 adopted is the **Market Value** which is defined in Standard 4 of the Malaysian Valuation Standards [Market Value Basis of Valuation] 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.”

The Valuation Certificate should be read in conjunction with the full Report (Ref Nos: LC/VAL/24/017400/BRW(A) and LC/VAL/24/017400/BRW(B), prepared by Laurelcap Sdn Bhd in relation to the proposed acquisition of the Subject Properties by LGSB from LNSB and LCPSB which detailed the basis under which the valuations have been prepared.



Trust | Integrity | Expertise

Laurelcap Sdn. Bhd.

200801005326 (606610-U)
SUITE E-6-2, E-7-2, W-6-1 & W-7-1,
Subang Square,
Jalan SS 15/4G, 47500 Subang Jaya,
Selangor Darul Ehsan, MALAYSIA.

+603-5637 0233

+603-5638 0233

www.laurelcap.com.my

laurelcap@laurelcap.com.my



• Registered Valuers • Property Managers • Estate Agents
• Development Consultants • Project Managers • Researchers



(A) (i) IDENTIFICATION OF PENGKALAN PROPERTY

Address:	No. 47, Jalan Johan 2/4, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak Darul Ridzuan
Interest To Be Valued:	Leasehold interest with an unexpired term of approximately 31 years
Type of Property:	A single storey detached factory with a double storey office building annexed, a single storey extended workshop, a canteen, a lavatory and a guard house
Dates of Inspection:	30 October 2024 and 21 March 2025
Date of Valuation:	For the purpose of this valuation exercise, the material date of valuation is the latest date of inspection, i.e. 21 March 2025
Registered Owner:	Lysaght Naco Sdn. Bhd. (1/1 share)
Title Particulars:	Pajakan Negeri 304583, Lot 226168 (Formerly known as Title No. HS(D) 48716, Lot No. PT 8289)
Mukim/District:	Mukim of Sungai Terap, District of Kinta, State of Perak
Tenure:	Leasehold for 60 years.
Category of Land Use:	"Perindustrian"
Express Condition:	"Perusahaan"
Restriction in Interest:	"Tanah ini tidak boleh dipindahmilik, dipajak kecil atau dicagar tanpa kebenaran Menteri Besar Perak. Sekatan ini dikecualikan selagi tanah ini dimiliki oleh Perbadanan Kemajuan Negeri Perak."
Land Area:	9,077.00 square metres ("sq.m.") (Approximately 97,704.83 square feet ("sq.ft.") /
Gross Floor Area:	3,949.65 sq.m. (approximately 42,514.00 sq.ft.)
Location:	<p>Pengkalan Property is situated along Jalan Johan 2/4, within Pengkalan II Industrial Area, Pusing, Perak Darul Ridzuan. It is situated approximately 16.00 kilometers south of Ipoh city center and Sultan Azlan Shah Airport and approximately 40.00 kilometers northwest of Kampar town center. Additionally, the Ipoh Cargo Terminal lies around 14.00 kilometers northeast of the Pengkalan Property. The Pengkalan Property is accessible from Ipoh city centre via Jalan Lahat, followed by Jalan Johan 1, then Jalan Johan 2, continuing onto Jalan Johan 2/1. From there, turn right onto Jalan Johan 1/7 and finally proceed to Jalan Johan 2/4, leading to where the Pengkalan Property is located.</p> <p>The surrounding developments within Pengkalan II Industrial Area are a mixture of residential, commercial and industrial in character, consisting of terraced houses, detached houses, apartments, shop-offices, terraced factories, semi-detached factories and detached factories.</p> <p>This thriving hub is home to several major companies, including Tiger Casting Solution Sdn Bhd, MSHK Engineering Sdn Bhd, Yew Lee Pacific Manufacturer Sdn Bhd, Wellcall Holdings Berhad, Takashima Woodwork Sdn Bhd, Striker Crushing & Screening Sdn Bhd, K.N.L Foundry Sdn Bhd, Leader Safety Glass International Sdn Bhd, Waiko Engineering Sdn Bhd, Big One Timber Moulding (M) Sdn Bhd and MSBB Engineering Sdn Bhd. These esteemed enterprises contribute significantly to the industrial estate's reputation and success.</p>

Location: (cont'd)	<p>Econsave Batu Gajah is located approximately 5.00-kilometres due south-west of the Pengkalan Property, whilst AEON Mall Ipoh Station 18 is sited some 9.00-kilometres duenorth-western direction of the Pengkalan Property respectively.</p> <p>Other industrial areas nearby include Perabot Industrial Area, Pengkalan I Industrial Area, Batu Gajah Industrial Area, Lahat Industrial Area, Menglembu Industrial Area and Zarib Industrial Area. The presence of many residential and commercial activities operating within industrial properties is a pattern indicating a positive economic growth and consumerism within the surrounding neighbourhood.</p> <p>Other prominent landmarks located within the vicinity are Pasir Puteh Fire & Rescue Station, Lotus's Station 18, Kinta Nature Park, Kellie's Castle, Tanjung Tualang Tin Dredge No. 5 (TT5), Ipoh KTM Railway Station and Urban Transformation Centre (UTC) Perak.</p> <p>Several educational institutions nearby are Sekolah Menengah Kebangsaan Lahat, Sekolah Kebangsaan Pengkalan Pegoh, Sekolah Menengah Kebangsaan St. Bernadette's Convent, Sekolah Kebangsaan Sultan Yussuf and Sekolah Menengah Kebangsaan Pusing.</p> <p>Established housing estates situated within a 5.00-kilometres radius includes Bandar Sri Pengkalan, Halaman Pengkalan Sentosa, Bandar Lahat Baru, Batu Gajah town, Desa Pengkalan Bandar Raya and Pusing town.</p> <p>Major connecting roads servicing the area comprises Jalan Lahat, Ipoh - Lumut Highway and North-South Expressway (NSE).</p>
Description of the Pengkalan Property	<p>The subject site resembles a near rectangular shaped parcel of land, encompassing a titled land area of 9,077.00 sq.m. (approximately 97,704.83 sq.ft.). However, a portion of land measuring approximately 67.08 sq.m. (722.00 sq.ft.) has been developed with a TNB substation. Therefore, we have adopted the net land area of approximately 9,009.92 square metres (96,982.83 sq.ft.) in our valuation.</p> <p>The net land has a direct frontage of approximately 74.373 metres (244.01 feet) onto Jalan Johan 2/4, an average depth of approximately 97.536 metres (320.00 feet), a rear width of approximately 89.308 metres (293.01 feet) and a splay corner of approximately 12.932 metres (42.43 feet).</p> <p>The physical terrain of the site is generally flat and levelled with the frontage road. The site boundaries are demarcated with plastered brick walls and metal hoarding fencing. The main entrance is secured with a guard house and a metal sliding gate. The internal roads of the industrial compound are paved with interlocking concrete pavers, concrete and tarmac.</p> <p>Constructed on Lot 226168 are:</p> <ol style="list-style-type: none"> 1. A Single Storey Detached Factory With A Double Storey Office Building Annexed ("Factory"); 2. A Single Storey Extended Workshop ("Workshop"); 3. Canteen, Lavatory And Guardhouse ("Ancillary"); 4. Tenaga National Berhad (TNB) Substation ("TNB"); and 5. Open Shed ("Shed") <p>The Factory and Ancillary have been issued with a Certificate of Fitness for Occupation ("CFO") vide Reference No. MBI F2/3/4/150/95 dated 25 January 1997, issued by Majlis Bandaraya Ipoh ("MBI"). Consecutively, the Workshop was built later on and issued with another CFO vide Reference No. (4)MDKB.BG.F4/2/9/2001(P) dated 1 April 2002, issued by Majlis Daerah Kinta Barat ("MDKB"), which is currently known as Majlis Daerah Batu Gajah ("MDBG").</p>

Description of the Pengkalan Property (continued)	<p>For the purpose of this valuation, the building ages of the Factory and Ancillary; and Workshop are 28 years and 23 years respectively, based on the issuance dates of the CFOs.</p> <p>During the course of inspection, we have noted that the Pengkalan Property was 100% occupied by LGSB and the buildings are in a fair state of decorative repair and maintenance.</p>
Planning Details:	Verbal Enquiries with the planning department of MDBG revealed that the Pengkalan Property is located within an area designated for industrial use.
Breach of relevant laws & rules in respect of Pengkalan Property:	<p>As at the material date of valuation, there is no material breach of relevant laws, regulations, rules and requirements in relation to the Pengkalan Property based on the standard investigation undertaken by the professional valuers, save for the following, as stated below:</p> <ul style="list-style-type: none"> (i) Rear extension at the extended workshop, measuring approximately 167.22 sq.m. (1,800.00 sq.ft.); (ii) An extended roof awning at the canteen, measuring approximately 26.01 sq.m. (280.00 sq.ft.); and (iii) An open shed measuring approximately 232.26 sq.m. (2,500.00 sq.ft.). <p>The extensions (i) and (ii) and open shed (iii) mentioned above do not form part of the Approved Building Plans. We opine that salvage value of item (i) is expected to offset the cost of removal and demolition. Additionally, the cost of removal and demolition for items (ii) and (iii) is minimal and negligible, posing minimal impact on the Market Value of the Pengkalan Property. Therefore, we have excluded the extensions (i) and (ii) and open shed (iii), in arriving at the Gross Floor Area and consequently, they have not been considered in determining the MV of the Pengkalan Property.</p>

A) (ii) METHOD OF VALUATION FOR PENGKALAN PROPERTY

In arriving at the Market Value of Pengkalan Property, we have adopted the **Cost Approach** and **Income Approach by way of "Investment Method"**.

Cost Approach (Primary Approach Of Valuation)

The Cost Approach involves the valuation of the land by comparison with evidence of values of comparable land and adding to its current replacement cost of the building(s) less depreciation, if necessary. The current replacement cost involves in the construction cost, financial charges, advertising charges, professional fees, other incidental expenses and developer's profit.

To determine the value of the land, the analysed apportion value attributed to the land is adopted using the Comparison Approach to determine the value of the land by comparing recent transaction and sales evidences involving other similar properties in the vicinity as a yardstick. Where dissimilarities exist, adjustments are made.

The recent transactions of industrial land within the neighbourhood which are pertinent to substantiate a value indication for the Pengkalan Property are reviewed and these sales are listed below.

Land Value

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	Jabatan Penilaian dan Perkhidmatan Harta Malaysia ("JPPH")	JPPH	JPPH

Land Value (continued)

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Description	A parcel of vacant industrial land	Two (2) contiguous parcels of industrial land with temporary structures	A parcel of industrial land with temporary structures
Remarks	Nil	The temporary structures on site are minimal and considered negligible. Therefore, the cost of their removal and demolition has not been taken into account, as it has an insignificant impact on the Market Value of the Comparable.	The temporary structures on site are minimal and considered negligible. Therefore, the cost of their removal and demolition has not been taken into account, as it has an insignificant impact on the Market Value of the Comparable.
Address	PT 34590 (Lot 309870), Pengkalan II & IV Industrial Area, 31550 Pusing, Perak Darul Ridzuan	Lot 213105 & 213106, Off Jalan Gopeng, Gopeng Industrial Area, 31600 Gopeng, Perak Darul Ridzuan	Lot 226150, Pengkalan II & IV Industrial Area, 31550 Pusing, Perak Darul Ridzuan
Distance from Pengkalan Property	Approximately 600.00-metres due north-west of the Pengkalan Property	Approximately 12.50-kilometres due south-east of the Pengkalan Property	Approximately 300.00-metres due north-west of the Subject Property
Title Particulars	HSD 163971, PT 34590 (Lot 309870), Mukim of Sungai Terap, District of Kinta, State of Perak	PN 214591 & 214593, Lot 213105 & 213106, Mukim of Sungai Raya, District of Kinta, State of Perak	PN 273366, Lot 226150, Mukim of Sungai Terap, District of Kinta, State of Perak
Transaction Date	27 January 2022	23 February 2022	12 September 2023
Vendor	Prisma Lengkap Sdn Bhd	Ganda Maju Industries (M) Sdn Bhd	Leo Chon Chun, Leow Chon Shun, Leow Sui Chin & Leow Swee Hsing
Purchaser	Ren Global Sdn Bhd	CLCE Construction Sdn Bhd	Eco Care Timber Moulding Industrial Sdn Bhd
Tenure	Leasehold for 60 years. Term expiring on 23 May 2067. Leaving an unexpired term of approximately 45 years as at the date of transaction.	Leasehold for 60 years. Term expiring on 28 September 2055. Leaving an unexpired term of approximately 33 years as at the date of transaction.	Leasehold for 60 years. Term expiring on 6 May 2056. Leaving an unexpired term of approximately 33 years as at the date of transaction.
Land Area	4,209.00 sq.m. (Approximately 45,305.68 sq.ft. or 1.04 acres)	5,301.00 sq.m. (Approximately 57,059.96 sq.ft. or 1.31 acres)	2,023.00 sq.m. (Approximately 21,775.57 sq.ft. or 0.50 acres)
Consideration	RM 1,721,590.00	RM 1,550,000.00	RM 805,675.00
Price per square feet ("\$/sq.ft.")	RM 38.00	RM 27.16	RM 37.00
Adjustments	General adjustments are made for time and various factors inclusive of location, access, tenure, size and land improvement factor.		
Adjusted Price /sq.ft.	RM 24.70	RM 27.44	RM 32.56

We have applied the Comparison Approach in deriving the industrial land value for the Cost Approach by identifying three relevant land transactions within the vicinity and adjustment for time and various factors inclusive of location, access, tenure, size and land improvement were made.

It is noted that the land price transactions were hovering between RM 27.16/sq.ft. and RM 38.00/sq.ft. Adjustments were made to reflect the difference for other factors as stated above, to arrive at a final adjusted price of RM 24.70/sq.ft. to RM 32.56/sq.ft. The net adjustments among the comparable range from -35.00% to 1.00%, while the total adjustments range from 30.00% to 47.00%.

Taking into consideration of the differences of the Pengkalan Property and the comparables, we have placed greater emphasis on Comparable 3 due to the following characteristics: -

- Comparable 3 was transacted most recently i.e. 12 September 2023;
- Comparable 3 is the closest in proximity and is located within the same industrial area (Pengkalan Industrial Area) as the Pengkalan Property; and
- Least total adjustment made for Comparable 3, i.e. 30.00%.

With Comparable 3 as the most suitable comparable, we have adopted the rate of **RM 32.56/sq.ft.** as the industrial land value for Cost Approach which amounts to **RM 3,157,678.00.**

Building Value

In determining the value of the buildings, current estimates on construction costs to build similar buildings are adopted. Necessary adjustments are then made due to the physical, functional and economical obsolescence. The breakdown of construction costs from the Building Cost Information Services Malaysia (BCISM) Costbook 2024.

Industrial Buildings

Buildings	Construction Costing Range (RM)	
	Minimum (RM)	Maximum (RM)
Light Duty Factories	1,590.00/per square metres ("/sq.m.") (147.71/sq.ft.)	2,090.00/sq.m. (194.17/sq.ft.)
Warehouses	1,900.00/sq.m. (176.51/sq.ft.)	2,660.00/sq.m. (247.12/sq.ft.)

Office Buildings

Buildings	Construction Costing Range (RM)	
	Minimum (RM)	Maximum (RM)
3-storey offices, owner operated	1,640.00/sq.m. (152.36/sq.ft.)	3,230.00/sq.m. (300.07/sq.ft.)
Shop offices	1,440.00/sq.m. (133.78/sq.ft.)	1,970.00/sq.m. (183.02/sq.ft.)

We have adopted the following construction costings for the buildings:

Buildings	Construction costings
	GFA
Detached Factory - MFA	RM 160.00/sq.ft.
Office Building - MFA	RM 170.00/sq.ft.
Canteen - MFA	RM 80.00/sq.ft.
Lavatory - MFA	RM 80.00/sq.ft.
Guard House - MFA	RM 80.00/sq.ft.
Open Porch - AFA	RM 80.00/sq.ft.
Workshop - MFA	RM 160.00/sq.ft.

The valuation analysis and pertinent factors taken into consideration using the Cost Approach to determine the Market Value of the Pengkalan Property.

- The items stated under "**Breach of relevant laws & rules in respect of Pengkalan Property**" do not form part of the Approved Building Plans. We opine that the salvage value of above-mentioned (rear extension) is expected to offset the cost of removal and demolition.



Additionally, the cost of removal and demolition of above-mentioned (extended roof awning) and (open shed) is minimal and negligible, posing minimal impact on the MV of the Pengkalan Property. Therefore, we have excluded the extended areas and open shed in arriving at our GFA and consequently, they have not been considered in determining the MV of the Pengkalan Property.

- ii. The construction costs adopted is based on the Building Cost Information Services Malaysia (BCISM) Costbook 2024, inclusive of 10% preliminaries.
- iii. We have adopted a construction cost of RM 160.00/sq.ft. for Detached Factory and Workshop, as these structures feature a steel portal framework that is partially uncovered, with a combination of metal wall cladding sheets and open sides. A construction cost of RM 170.00/sq.ft. has been applied for Office Building, reflecting the use of slightly superior materials in the construction. Additionally, a lower construction cost of RM 80.00/sq.ft. has been adopted for the Ancillary, to reflect the use of materials that are of lower quality compared to those used in the main buildings. The construction cost adopted are based on our checks with contractors and quantity surveyors, which is in line with the market rates.
- iv. The total depreciation rate for the building is 47.00% and 38.00%. The adopted depreciation rate is based on the average lifespan for buildings is 60 years which is approximately 1.67% per annum. For physical depreciation, we have adopted a rate of 47.00% for the single storey detached factory with an annexed double-storey office building, including the canteen, lavatory and guardhouse, while a rate of 38.00% has been applied to the workshop. Further explanatory notes are attached together with the computation.
- v. We have deducted the area measuring approximately 67.08 square metres (722.00 square feet) which was occupied by TNB substation.
- vi. The Pengkalan Property is leasehold and require State Authority approval for the lands to be transferred, charged, leased and etc. We have noted that this is a common feature in leasehold properties and just require an application to the State Authority for any sale or transfer of ownership. As such, we do not foresee this restriction to have a material impact to the Market Value of the Pengkalan Property.

Income Approach by way of “Investment Method”

In the Income Approach by way of “Investment Method”, the Market Value is derived from an estimate of the Market Rental, which means the estimated amount for which an interest in real property should be leased/tenanted on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Outgoings or operating expenses, such as repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised at an appropriate current market yield to arrive at its indicative Market Value.

Recent asking rental prices of industrial buildings within the neighbourhood which are pertinent to substantiate a value indication for the Pengkalan Property are reviewed and listed below.

Address	GFA	Monthly Asking Rental	Date
1) A detached factory located within Menglembu Industrial Area, Perak - (Source : iProperty)	20,000.00 sq.ft. (1,858.05 sq.m.)	RM 26,800.00 (RM 1.34/sq.ft.)	16/8/2024
2) A detached factory located within Simpang Pulai Industrial Area, Perak - (Source : iProperty)	55,000.00 sq.ft. (5,109.62 sq.m.)	RM 50,000.00 (RM 0.91/sq.ft.)	11/1/2025

Address	GFA	Monthly Asking Rental	Date
3) A detached factory located within Pengkalan Industrial Area, Perak - (Source : iProperty)	21,600.00 sq.ft. (2,006.69 sq.m.)	RM 23,000.00 (RM 1.06/sq.ft.)	16/1/2025

In determining the Rental Value of the industrial building, we have analyzed all of the Comparable(s) and found that the asking rental/sq.ft. for those detached factories ranges from RM 1.06/sq.ft. to RM 1.34/sq.ft.

In arriving at the Rental Value of the Pengkalan Property, we have taken into consideration each aspect of the Comparable(s) in terms of location, access, size and asking prices discount. Adjustments were made to reflect the difference for other factors as stated above, to arrive at the rental hovering between RM 0.91/sq.ft. to RM 1.14/sq.ft.

In reconciling our opinion of Rental Value of the factory, we have placed greater emphasis on Comparable 3 due to the following factors: -

- Comparable 3 is the closest in proximity and is located within the same industrial area (Pengkalan Industrial Area) as the Pengkalan Property;
- Least overall adjustments made for Comparable 3, i.e. -10.00%.; and
- Comparable 3 is the most recently listed among the comparables.

With Comparable 3 as the most suitable comparable, we have adopted the rental rate of **RM 0.96/sq.ft.**, for the MFA and **RM 0.48/sq.ft.** for the AFA. The total Annual Rental Value under the Income Approach By Way Of "Investment Method" amounts to **RM 487,964.16 (RM 40,663.68/month)**.

Yield

Following a detailed analysis, it was observed that the average yield in the surrounding area is approximately 3.97%. The table below provides a summary of industrial yields derived from an analysis of comparable surrounding schemes:

Industrial Yield	
Schemes	Yield
Pengkalan Industrial Area	4.42%
Menglembu Jaya Industrial Area	3.70%
Batu Gajah Industrial Area	3.80%
Average	3.97%
Adopt	4.00%

Consequently, we have adopted 4.00% (Reversionary Yield) as a fair and reasonable rate in arriving at the Market Value, using the Income Approach by way of "Investment Method".

Void

We have taken into consideration of 5.00% void allowance in arriving the Market Value for the possible future vacancies and rent free periods. A lower rate is adopted as developments of this scale are usually rented for a longer period of time rather than shorter terms.

Outgoings

We have based the outgoings on the latest fire insurance, quit rent and assessment statements. Additionally, we have adopted an operating expense of 5% of the gross annual rental ("GAR") as maintenance cost for the Pengkalan Property.

Outgoings	
Annual Fire Insurance	RM 3,962.80
Annual Assessment	RM 3,990.00
Annual Quit Rent	RM 5,265.00
Annual Operating Expenses (5% of GAR)	RM 24,398.21

Outgoings (continued)	
Total Outgoings/annum	RM 37,616.01
Adopt	RM 37,616.01 per annum

The following are some of the pertinent factors considered in arriving at the Market Value for the Pengkalan Property.

- (i) It should be noted that the common practice in calculating the rental of single-tenant factories and warehouses is based on the GFA. The market in general does not make the distinction between Net Lettable Area (NLA) and GFA, as all rental rates advertised and concluded are based on GFA and is unlike other property segments. Hence, for the purpose of this valuation exercise, we have considered both the measurements for NLA and GFA of the Pengkalan Property to be the same.
- (ii) We have adopted the GFA from our on-site measurements in arriving at the Income Approach by way of "Investment Method". We have excluded the extended areas and structure in arriving at our GFA and consequently, they have not been considered in determining the MV of the Pengkalan Property.
- (iii) The rental rate adopted is RM 0.96/sq.ft. for the MFA and RM 0.48/sq.ft. for the AFA.
- (iv) We wish to highlight that the current rental of approximately RM 0.43/sq.ft., which is lower than the derived market rental rate of RM 0.96/sq.ft., due to related parties of landlord and tenant. Hence, the current Tenancy Agreement (TA) has not been taken into consideration in our calculation, as once the Sale and Purchase Agreement (SPA) is concluded, the TA will be void and null concurrently.
- (v) The annual outgoings are adopted from the annual expenditure for the quit rent, assessment and fire insurance premiums provided to us by the client, as well as the estimation on the upkeep of the buildings.
- (vi) The net annual rental is capitalised until the end of the lease's unexpired term at a rate of 4.00% (Reversionary Yield).
- (vii) Due to the lack of sufficient meaningful concluded rental transactions within the vicinity, we have relied on recently posted asking rentals of the similar properties in the vicinity to determine the Market Rental Value of the Pengkalan Property under the Income Approach by way of the Investment Method. The asking rentals exhibit a consistent pattern of values, which enhances the reliability of the information used.

A) (iii) RECONCILIATION OF VALUE FOR PENGKALAN PROPERTY

Method Of Valuation	Derivation Of Value	Adopt
Cost Approach	RM 6,900,000.00	RM 6,900,000.00
Income Approach by way of “Investment Method”	RM 6,700,000.00	
From the above valuation approaches, we have concluded that the best approach in arriving at the Market Value of the Pengkalan Property is the Cost Approach. This approach is the most suitable in this instance because it is more of a reflection of the brick and mortar value and the property is purpose built for a specific industry.		
On hind sight, the Income Approach by way of “Investment Method” is only suitable to serve as a secondary approach (cross check), due to the dearth of actual data of rental or lease in Kinta District, to establish a more accuracy rental rate and yield.		
In addition, the rental rates and yields in the area are volatile and hence difficult to established a consistent pattern of values as most of the industrial and commercial properties in the surrounding area are mostly owner occupiers and not for investment. As such, the information available may skew or cause inaccuracy in deriving the Market Value of the Pengkalan Property thus we have adopted the value derived using the Cost Approach.		

(B) (i) IDENTIFICATION OF TASEK PROPERTY

Address:	Plot 3 & 55, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak Darul Ridzuan
Interests To Be Valued:	Leasehold interests with an unexpired term of approximately 39 and 44 years
Type of Property:	Two (2) adjoining parcels of industrial lands improved with two (2) single storey workshops and two (2) double storey office buildings
Dates of Inspection:	30 October 2024 and 21 March 2025
Date of Valuation:	For the purpose of this valuation exercise, the material date of valuation is the latest date of inspection, i.e. 21 March 2025
Registered Owner:	Lysaght Corrugated Pipe Sdn Bhd (1/1 share)
Titles Particulars:	Pajakan Negeri 385062, Lot 49809 (Formerly known as Title No. HS(D) 6710, Lot 727 (referred to as "Parcel 1") & HS(D) 6714, Lot PT 989 (referred to as "Parcel 2")
Mukim/District:	Mukim of Hulu Kinta, District of Kinta, State of Perak
Tenure:	Leasehold for 99 years.
Category of Land Use:	"Perindustrian"
Express Condition:	"Perusahaan"
Restriction in Interest:	"Tanah ini tidak boleh dipindahmilik, dipajak, digadai atau dibebankan tanpa kebenaran Menteri Besar Perak. Tanah ini tidak boleh dipecah sempadankan mengikut Seksyen 135 Kanun Tanah Negara Tanpa kebenaran Menteri Besar Perak."
Land Areas:	<p>Parcel 1 Titled Land Area – 16,013.2659 sq.m. (172,366.79 sq.ft.) Area Occupied By TNB – 46.82 sq.m. (504.00 sq.ft.) Net Land Area – 15,966.4459 sq.m. (171,862.79 sq.ft.)</p> <p>Parcel 2 Provisional Land Area – 2,023.00 sq.m. (21,775.57 sq.ft.)</p> <p>Total – 17,989.44 sq.m. (193,638.36 sq.ft. / 4.45 acres)</p>
Gross Floor Areas:	<p>Parcel 1 Main Floor Area – 41,013.00 sq.ft. Ancillary Floor Area – 648.00 sq.ft.</p> <p>Parcel 2 Main Floor Area – 13,320.00 sq.ft. Ancillary Floor Area – 762.00 sq.ft.</p> <p>Total – 55,743.00 sq.ft.</p>
Location:	The Tasek Property is situated along Medan Tasek within Medan Tasek Industrial Area. It is situated approximately 9.00 kilometers and 11.00 kilometres north of Ipoh city center and Sultan Azlan Shah Airport and approximately 42.00 kilometers northwest of Kampar town center.

<p>Location (continued):</p>	<p>Additionally, the Ipoh Cargo Terminal lies around 8.00 kilometers northeast of the Tasek Property. The Tasek Property is accessible from Ipoh city centre via Jalan Sultan Abdul Jalil, thereonto Jalan Chin Choon Sam, Jalan Raja Ashman Shah, Jalan Stadium Perak, Lebuhr Cecil Rae, Jalan Kompleks Sukan, Jalan Sultan Azlan Shah, Persiaran Tasek and finally proceed to Medan Tasek, leading to where the Tasek Property is located. The Tasek Property is accessible from Ipoh city centre via Jalan Lahat, followed by Jalan Johan 1, then Jalan Johan 2, continuing onto Jalan Johan 2/1. From there, turn right onto Jalan Johan 1/7 and finally proceed to Jalan Johan 2/4, leading to where the Tasek Property is located.</p> <p>The surrounding developments within Medan Tasek Industrial Area are a mixture of residential, commercial and industrial in character, consisting of terraced houses, detached houses, apartments, shop-offices, terraced factories, semi-detached factories and detached factories.</p> <p>This thriving hub is home to several major companies, including Top Glove Sdn Bhd, UAC Berhad, Lysaght Galvanized Steel Berhad, Ripcol Industries Sdn Bhd, GDEX Ipoh, Sinopont Everthriving (Malaysia) Sdn Bhd, Tasek Corporation Berhad, Yee Lee Corporation Berhad and Safeskin Engineering & Machinery. The Lotus Mall Ipoh Bercham and AEON Mall Kinta City are located approximately 4.00 kilometres and 6.00 kilometres due south-east of the Tasek Property respectively.</p> <p>Several industrial areas surround Tasek Industrial Area in Ipoh, Perak, each catering to different types of industries. To the north lies Meru Industrial Area, which is known for larger manufacturing facilities, while Jelapang Industrial Area offers a mix of manufacturing and logistics businesses.</p> <p>Ipoh Industrial Area is also nearby, providing space for various industrial and warehousing operations. Additionally, Pengkalan Industrial Area is an established industrial zone within Ipoh and the Kinta Free Industrial Zone focuses on export-oriented industries, adding to the area's industrial diversity.</p> <p>Other prominent landmarks located within the vicinity are Tasek Fire & Rescue Station, Perak Techno Trade Centre, Hospital Fatimah, Pantai Hospital Ipoh, Lost World of Tambun Theme Park, Ipoh Parade, Mydin Mall Meru Raya and Mydin Mall Manjoi.</p> <p>Several educational institutions nearby are Sekolah Menengah Kebangsaan Tasek, Sekolah Kebangsaan Tasek, Sekolah Menengah Kebangsaan Gunung Rapat, Sekolah Kebangsaan Meru and Sekolah Menengah Kebangsaan Jelapang Jaya.</p> <p>Established housing estates situated within a 5.00 kilometres radius include Kampung Bercham, Taman Tawas Mewah, Taman Bertuah, Taman Klebang Baru and Taman Canning. Major connecting roads servicing the area comprises North-South Expressway, Jalan Kuala Kangsar and Jalan Sultan Azlan Shah.</p>
<p>Description of the Tasek Property</p>	<p>Both adjoining parcel of lands resemble a rectangular shaped parcel of land, encompassing a combined land area of approximately 18,036.27 sq.m. (194,142.36 sq.ft.). It has a direct combined frontage of approximately 87.80 metres (288.06 feet) onto Medan Tasek, an average depth of approximately 205.33 metres (673.64 feet) and a combined rear width of approximately 87.78 metres (288.00 feet).</p> <p>The physical terrain of the site is generally flat and levelled with the frontage road. The site boundaries are demarcated with brick walls and metal hoardings. Main entrance is secured with metal sliding gates. The internal road of the industrial compound is partially paved with tarmac and concrete.</p>

Description of the Tasek Property (continued)	<p>Constructed on both Lot 49809 (Parcel 1) & Lot PT 989 (Parcel 2) are:</p> <ol style="list-style-type: none"> 1. Two (2) single storey workshops (“Workshops”); 2. Two (2) double storey office buildings (“Offices”); 3. Tenaga Nasional Berhad (TNB) compact substation cum Main Switch Board (MSB) room (“TNB”); and 4. Open parking shed (“Shed”); <p>We were informed by LCPSB that the Tasek Property was purchased from Lee Tuck Weng & Sons Sdn Bhd on 4 July 1995. Over time, the original endorsed building plans and CFO were misplaced. However, a replacement CFO has since been issued by MBI (Ref: MBI : L/A/8/1/1/2020, dated 10 October 2023), and a new as-built plan was submitted and conditionally approved by MBI on 20 March 2025 (Ref: Bil(18)dIm.MBI OSC(138-A)L/B/23/19/624/24). The plans, identified as Drawing Ref No. LCP/2444/FAC/ARCH, were endorsed on the same date.</p> <p>The conditional approval is valid for one year, with the option to reapply subject to fulfilling MBI’s requirements, including structural submissions, a rainwater harvesting system, and energy-efficient lighting. The estimated cost of these improvements, RM 30,000–RM 35,000 (approximately 0.35%–0.41% of MV), is considered minimal and not material to the valuation. These improvements are encouraged but not mandatory.</p> <p>MBI has endorsed the as-built plans on an “as is where is” basis, confirming the building’s compliance with planning and building regulations. Accordingly, we have included the building in our valuation.</p> <p>As informed by LGSB, the Tasek Property was constructed between 1980 and 1985, placing its age at approximately 40 to 45 years old. For valuation purposes, we have adopted the lower limit of age of 40 years to determine the Market Value of the Tasek Property. This approach is justified by the fact that the Tasek Property is well-maintained, shows no significant deterioration and remains fully operational.</p> <p>During the course of inspection, we have noted that the Tasek Property was 100% occupied by LGSB and the buildings are in a fair state of decorative repair and maintenance.</p>
Planning Details:	<p>Verbal Enquiries with the planning department of MBI revealed that the Tasek Property is located within an area designated for industrial use.</p>
Breach of relevant laws & rules in respect of Tasek Property:	<p>As at the material date of valuation, there is no material breach of relevant laws, regulations, rules and requirements in relation to the Tasek Property based on the standard investigation undertaken by the professional valuers, save for the open parking shed measuring approximately 139.82 sq.m. (1,505.00 sq.ft.), which does not form part of the Endorsed As-Built Plans. We opine that the cost of removal and demolition of the open parking shed is minimal and negligible, posing minimal impact on the Market Value of the Tasek Property.</p> <p>Therefore, we have excluded the open parking shed in arriving at our Gross Floor Area and consequently, they have not been considered in determining the Market Value of the Tasek Property.</p>

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B) (ii) METHOD OF VALUATION FOR TASEK PROPERTY

In arriving at the Market Value of Tasek Property, we have adopted the **Cost Approach** and **Income Approach** by way of “Investment Method”.

Cost Approach (Primary Approach Of Valuation)

The Cost Approach involves the valuation of the land by comparison with evidence of values of comparable land and adding to its current replacement cost of the building(s) less depreciation, if necessary. The current replacement cost involves in the construction cost, financial charges, advertising charges, professional fees, other incidental expenses and developer's profit.

To determine the value of the land, the analysed apportion value attributed to the land is adopted using the Comparison Approach to determine the value of the land by comparing recent transaction and sales evidences involving other similar properties in the vicinity as a yardstick. Where dissimilarities exist, adjustments are made.

The recent transactions of industrial land within the neighbourhood which are pertinent to substantiate a value indication for the Tasek Property are reviewed and these sales are listed below.

Land Value

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	JPPH	JPPH	JPPH
Description	A parcel of industrial land erected with a detached factory	A parcel of vacant industrial land	A parcel of vacant industrial land
Remarks	The comparable was transacted as vacant land, with the detached factory constructed post-transaction. Therefore, it was not considered in our adjustments against the Tasek Property.	Nil	Nil
Address	Lot 216544, Jalan Berchen, Bercham Industrial Area, 31400 Ipoh, Perak Darul Ridzuan	Lot PT 292856, Hala Perusahaan Menglembu 13, Menglembu Industrial Area, 31450 Menglembu, Perak Darul Ridzuan	Lot 68293, Persiaran Portland, Tasek Industrial Area, 31400 Ipoh, Perak Darul Ridzuan
Distance from Tasek Property	Approximately 3.00 kilometres due north-east of the Subject Property	Approximately 10.00 kilometres due south-west of the Subject Property	Approximately 900.00-metres due south-west of the Subject Property
Title Particulars	PN 378726, Lot 216544, Mukim of Hulu Kinta, District of Kinta, State of Perak	HSD 943398, PT 292856, Mukim of Hulu Kinta, District of Kinta, State of Perak	PN 2918, Lot 68293, Mukim of Hulu Kinta, District of Kinta, State of Perak
Transaction Date	3 January 2022	1 August 2024	28 October 2024
Vendor	Agensi Pekerjaan Global Mutiara Sdn Bhd	Daya Maju Sepadu Sdn Bhd	White Horse Ceramic Industries Sdn Bhd
Purchaser	Innohut (M) Sdn. Bhd	Khor Mooi Tiang, Oh Boon Thiam & Oh Sim Mun	(Absence of purchaser's details, as the title transfer and perfection were still pending as of the valuation date)

Land Value (continued)

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Tenure	Leasehold for 60 years. Term expiring on 2 December 2056. Leaving an unexpired term of approximately 34 years as at the date of transaction.	Leasehold for 60 years. Term expiring on 27 May 2084. Leaving an unexpired term of approximately 60 years as at the date of transaction.	Leasehold for 99 years. Term expiring on 1 September 2075. Leaving an unexpired term of approximately 51 years as at the date of transaction.
Land Area	2,911.00 sq.m (Approximately 31,334.00 sq.ft or 0.72 acres)	3,046.00 sq.m (Approximately 32,787.14 sq.ft or 0.75 acres)	4,064.5608 sq.m (Approximately 43,750.93 sq.ft or 1.00 acres)
Consideration	RM 798,000.00	RM 1,573,770.00	RM 1,660,000.00
Price per square feet (“/sq.ft.”)	RM 25.47	RM 48.00	RM 37.94
Adjustments	General adjustments are made for time and various factors inclusive of location, access, tenure, size and land improvement factor.		
Adjusted Price /sq.ft.	RM 28.27	RM 28.80	RM 28.08

We have applied the Comparison Approach in deriving the industrial land value for the Cost Approach by identifying three relevant land transactions within the vicinity and adjustment for time and various factors inclusive of location, access, tenure, size and land improvement were made.

It is noted that the land price transactions were hovering between RM 25.47/sq.ft. and RM 48.00/sq.ft. Adjustments were made to reflect the difference for other factors as stated above, to arrive at a final adjusted price of RM 28.08/sq.ft. to RM 28.80/sq.ft. The net adjustments among the comparable range from -40.00% to 11.00%, while the total adjustments range from 38.00% to 62.00%.

Taking into consideration of the differences of the Tasek Property and the comparables, we have placed greater emphasis on Comparable 3 due to the following characteristics: -

- Comparable 3 was transacted most recently i.e. 28 October 2024;
- Comparable 3 is the closest in proximity and is located within the same industrial area (Tasek Industrial Area) as the Tasek Property; and
- Least total adjustment made for Comparable 3, i.e. 38.00%.

With Comparable 3 as the most suitable comparable, we have adopted the rate of **RM 28.08/sq.ft.** for Lot 49809. This figure would also serve as a base value to derive the Market Value of the adjacent parcel, PT 989. Adjustments were applied to account for differences in size and tenure, resulting in a rate of **RM 37.91/sq.ft.** for PT 989. The combined industrial land value under the Cost Approach amounts to **RM 5,651,419.08**.

Building Value

In determining the value of the buildings, current estimates on construction costs to build similar buildings are adopted. Necessary adjustments are then made due to the physical, functional and economical obsolescence. The breakdown of construction costs from the Building Cost Information Services Malaysia (BCISM) Costbook 2024.

Industrial Buildings

Buildings	Construction Costing Range (RM)	
	Minimum (RM)	Maximum (RM)
Light Duty Factories	1,590.00/per square metres (“/sq.m.”) (147.71/sq.ft.)	2,090.00/sq.m. (194.17/sq.ft.)

Industrial Buildings

Buildings	Construction Costing Range (RM)	
	Minimum (RM)	Maximum (RM)
Warehouses	1,900.00/sq.m. (176.51/sq.ft.)	2,660.00/sq.m. (247.12/sq.ft.)

Office Buildings

Buildings	Construction Costing Range (RM)	
	Minimum (RM)	Maximum (RM)
3-storey offices, owner operated	1,640.00/sq.m. (152.36/sq.ft.)	3,230.00/sq.m. (300.07/sq.ft.)
Shop offices	1,440.00/sq.m. (133.78/sq.ft.)	1,970.00/sq.m. (183.02/sq.ft.)

We have adopted the following construction costings for the buildings:

Buildings	Construction costings
	GFA
Workshop A - MFA	RM 160.00/sq.ft.
Workshop B - MFA	RM 160.00/sq.ft.
Office A - MFA	RM 170.00/sq.ft.
Office B - MFA	RM 170.00/sq.ft.
Open Porch, Open Balcony, Open Store & Open Walkway - AFA	RM 80.00/sq.ft.

The valuation analysis and pertinent factors taken into consideration using the Cost Approach to determine the Market Value of the Tasek Property.

- i. The open parking shed does not form part of the Endorsed As-Built Plans. We opine that the cost of removal and demolition of the open parking shed is minimal and negligible, posing minimal impact on the MV of the Tasek Property. Therefore, we have excluded the open parking shed in arriving at our GFA and consequently, it has not been considered in determining the MV of the Tasek Property.
- ii. The construction costs adopted is based on the Building Cost Information Services Malaysia (BCISM) Costbook 2024, inclusive of 10% preliminaries.
- iii. We have adopted a construction cost of RM 160.00/sq.ft. for Workshop A and Workshop B, as these structures feature a steel portal framework that is partially uncovered, with a combination of metal wall cladding sheets and open sides. A construction cost of RM 170.00/sq.ft. has been applied for Office A and Office B, reflecting the use of slightly superior materials in the construction of both office buildings. Additionally, a lower construction cost of RM 80.00/sq.ft. has been adopted for the open porch, open balcony, open store and open walkway to reflect the use of materials that are of lower quality compared to those used in the main buildings. The construction cost adopted are based on our checks with contractors and quantity surveyors, which is in line with the market rates.
- iv. The total depreciation rate for the building is 67%. This rate is derived based on an estimated building lifespan of 60 years, equating to approximately 1.67% depreciation per annum. A physical depreciation rate of 67% has been adopted, whilst further explanatory notes are attached together with the computation.
- v. We have deducted the area measuring approximately 46.82 sq.m. (504.00 sq.ft.) which was occupied by TNB compact substation along with a MSB room.
- vi. The Tasek Property is leasehold and require State Authority approval for the lands to be transferred, charged, leased and etc. We have noted that this is a common feature in leasehold properties and just require an application to the State Authority for any sale or transfer of ownership. As such, we do not foresee this restriction to have a material impact to the Market Value of the Tasek Property.

Income Approach by way of “Investment Method”

In the Income Approach by way of “Investment Method”, the Market Value is derived from an estimate of the Market Rental, which means the estimated amount for which an interest in real property should be leased/tenanted on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Outgoings or operating expenses, such as repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised at an appropriate current market yield to arrive at its indicative Market Value.

Recent asking rental prices of industrial buildings within the neighbourhood which are pertinent to substantiate a value indication for the Tasek Property are reviewed and listed below.

Address	GFA	Monthly Asking Rental	Date
1) A detached factory located within Chandan Industrial Area, Ipoh, Perak - (Source : iProperty)	29,700.00 sq.ft. (2,759.20 sq.m.)	RM 28,000.00 (RM 0.94/sq.ft.)	10/9/2024
2) A detached factory located within Silibin Industrial Area, Ipoh, Perak - (Source : iProperty)	32,400.00 sq.ft. (3,010.03 sq.m.)	RM 30,000.00 (RM 0.93/sq.ft.)	18/9/2024
3) A detached factory located within Tungzen Industrial Area, Ipoh, Perak - (Source : iProperty)	16,800.00 sq.ft. (1,560.76 sq.m.)	RM 16,000.00 (RM 0.95/sq.ft.)	30/10/2024

It should be noted that the buildings are situated on two separate parcels of land with differing lease expiry terms. Consequently, we have apportioned the buildings based on the parcels they occupy to determine the accurate net rental portion to be capitalised, aligned with the respective lease expiry dates of each parcel. The table below indicates which buildings are constructed on each parcel of land.

Parcel (Lot No)	Buildings	Area (sq.ft.)	Total (sq.ft.)	Unexpired Term
Parcel 1 (Lot 49809)	Partial Workshop A - MFA	15,120.00	41,661.00	39.72 Years
	Workshop B - MFA	22,755.00		
	Office B - MFA	3,138.00		
	Office B (Open Porch, Open Balcony & Open Walkway) - AFA	648.00		
Parcel 2 (Lot PT 989)	Office A – MFA	3,240.00	14,082.00	44.52 Years
	Office A (Open Porch, Open Walkway & Open Store) - AFA	762.00		
	Partial Workshop A - MFA	10,080.00		
Grand Total			55,743.00	

In determining the Rental Value of the industrial building, we have analysed all of the Comparable(s) and found that the asking rental/sq.ft. for those detached factories ranges from RM 0.93/sq.ft. to RM 0.95/sq.ft.

In arriving at the Rental Value of the Tasek Property, we have taken into consideration each aspect of the Comparable(s) in terms of location, access, size and asking prices discount.

Adjustments were made to reflect the difference for other factors as stated above, to arrive at the rental hovering between RM 0.83/sq.ft. to RM 0.86/sq.ft. In reconciling our opinion of Rental Value of the factory, we have placed greater emphasis on Comparable 2 due to the following factors: -

- a) Comparable 2 is the closest in proximity to the Tasek Property; and
- b) Least total adjustments made for Comparable 2, i.e. 10.00%.



With Comparable 2 as the most suitable comparable, we have adopted the rental rate of **RM 0.83/sq.ft.**, for the MFA and **RM 0.42/sq.ft.** for the AFA of Parcel 1. This figure would also serve as a base value to derive the Market of the adjacent parcel, PT 989. Adjustments were applied to account for differences in size, resulting in a rate of **RM 0.91/sq.ft.** for the MFA and **RM 0.46/sq.ft.** for the AFA of Parcel 2. The total Annual Rental Value under the Income Approach By Way Of “Investment Method” amounts to **RM 561,416.04 (RM 46,784.67/month)**.

Yield

Following a detailed analysis, it was observed that the average yield in the surrounding area is approximately 3.77%. The table below provides a summary of industrial yields derived from an analysis of comparable surrounding schemes:

Industrial Yield	
Schemes	Yield
IGB Industrial Area	3.77%
Tasek Industrial Area	4.11%
Silibin Industrial Area	3.43%
Average	3.77%
Adopt	4.00%

Consequently, we have adopted 4.00% (Reversionary Yield) as a fair and reasonable rate in arriving at the Market Value, using the Income Approach by way of “Investment Method”.

Void

We have taken into consideration of 5.00% void allowance in arriving the Market Value for the possible future vacancies and rent free periods. A lower rate is adopted as developments of this scale are usually rented for a longer period of time rather than shorter terms.

Outgoings

We have based the outgoings on the latest fire insurance, quit rent and assessment statements. Additionally, we have adopted an operating expense of 5% of the gross annual rental (“GAR”) as maintenance cost for the Tasek Property.

Outgoings		
	Lot 49809 (Parcel 1)	Lot PT 989 (Parcel 2)
Annual Fire Insurance (AFI)	RM 4,149.10	
Annual Assessment (AA)	RM 8,457.60	
Annual Quit Rent	RM 18,737.00	RM 2,367.00
Annual Operating Expenses (5% of GAR)	RM 20,587.77	RM 7,483.03
Apportioned Outgoings of (AFI) and (AA)	RM 9,422.25*	RM 3,184.45*
Total Outgoings/annum	RM 48,747.02	RM 13,034.48
Adopt	RM 61,781.50 per annum	
Apportioned Outgoings of (AFI) and (AA)		
Lot 49809 (Parcel 1)	Lot PT 989 (Parcel 2)	
74.74%	25.26%	
RM 9,422.25 per annum*	RM 3,184.45 per annum*	

The following are some of the pertinent factors considered in arriving at the Market Value for the Tasek Property.

- i) It should be noted that the common practice in calculating the rental of single-tenant factories and warehouses is based on the GFA. The market in general does not make the distinction between Net Lettable Area (NLA) and GFA, as all rental rates advertised and concluded are based on GFA and is unlike other property segments.



Hence, for the purpose of this valuation exercise, we have considered both the measurements for NLA and GFA of the Tasek Property to be the same.

- ii) We have adopted the GFA from our on-site measurements in arriving at the Income Approach by way of "Investment Method". We have excluded the structure in arriving at our GFA and consequently, it has not been considered in determining the MV of the Tasek Property.
- iii) The rental rate adopted is RM 0.83/sq.ft. for the MFA and RM 0.42/sq.ft. for the AFA of Parcel 1, while RM 0.92/sq.ft. is applied for the MFA and RM 0.46/sq.ft. for the AFA of Parcel 2.
- iv) We wish to highlight that the current rental of approximately RM 0.57/sq.ft., which is lower than the derived based market rental rate of RM 0.83/sq.ft., due to related parties of landlord and tenant. Hence, the current Tenancy Agreement (TA) has not been taken into consideration in our calculation, as once the Sale and Purchase Agreement (SPA) is concluded, the TA will be void and null concurrently.
- v) The annual outgoing is adopted from the annual expenditure for the quit rent, assessment and fire insurance premiums provided to us by the client as well as the estimation on the upkeep of the buildings.
- vi) The net annual rental is capitalised to the end of the lease with an unexpired term at a rate of 4.00% (Reversionary Yield).
- vii) Due to the lack of sufficient meaningful concluded rental transactions within the vicinity, we have relied on recently posted asking rentals of the similar properties in the vicinity to determine the Market Rental Value of the Tasek Property under the Income Approach by way of the Investment Method. The asking rentals exhibit a consistent pattern of values, which enhances the reliability of the information used.

B) (iii) RECONCILIATION OF VALUE FOR TASEK PROPERTY

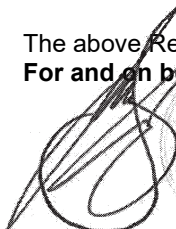
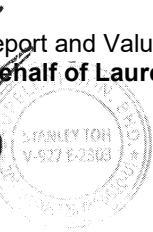
Method Of Valuation	Derivation Of Value	Adopt
Cost Approach	RM 8,600,000.00	RM 8,600,000.00
Income Approach by way of “Investment Method”	RM 8,600,000.00	
<p>From the above valuation approaches, we have concluded that the best approach in arriving at the Market Value of the Tasek Property is the Cost Approach. This approach is the most suitable in this instance because it is more of a reflection of the brick and mortar value and the property is purpose built for a specific industry.</p> <p>On hind sight, the Income Approach by way of “Investment Method” is only suitable to serve as a secondary approach (cross check), due to the dearth of actual data of rental or lease in Kinta District, to establish a more accuracy rental rate and yield.</p> <p>In addition, the rental rates and yields in the area are volatile and hence difficult to established a consistent pattern of values as most of the industrial and commercial properties in the surrounding area are mostly owner occupiers and not for investment. As such, the information available may skew or cause inaccuracy in deriving the Market Value of the Tasek Property thus we have adopted the value derived using the Cost Approach.</p>		

VALUATION CONCLUSION

Having taken into consideration all the relevant and pertinent factors, we are of the opinion that the **Market Value** of the Leasehold Interests of the Subject Properties, in their existing physical conditions with vacant possession and subject to their titles being free from encumbrances, good, marketable and registrable as of **21 March 2025**: -

No.	Property	Market Value	
1.	Pengkalan Property	RM 6,900,000.00	(Ringgit Malaysia: Six Million Nine Hundred Thousand Only)
2.	Tasek Property	RM 8,600,000.00	(Ringgit Malaysia: Eight Million Six Hundred Thousand Only)
TOTAL		RM 15,500,000.00	(Ringgit Malaysia: Fifteen Million Five Hundred Thousand Only)

The above Report and Valuation has been carried out by Sr Stanley Toh Kim Seng,
For and on behalf of Laurelcap Sdn. Bhd.

Sr STANLEY TOH KIM SENG
BSc (Hons) Estate Management,
MRISM, MRICS, MPEPS, MMIPFM, ICVS, MBVAM
Registered Valuer (V-927)

Note : This Report was peer reviewed by Mr Tan San Yew (Peer Reviewer)(V-607) from Laurelcap Sdn Bhd

The salient terms of SPA 1 are as follows:-

1. SALE AND PURCHASE

Subject to the terms and conditions contained in SPA 1, LCPSB hereby agrees to sell and Lysaght hereby agrees to purchase Subject Property 1 on an “as-is-where-is” basis free from all encumbrances and with legal possession but subject to the restrictions in interest and the conditions now or presently expressed or implied on the register document of title to Subject Property 1 at the purchase consideration of RM8,600,000.

2. CONDITIONS PRECEDENT

The sale and purchase of Subject Property 1 is subject to the conditions precedent as follows:-

- (i) LCPSB having obtained the letter of consent to transfer Subject Property 1 in favour of Lysaght from the relevant state authority;
- (ii) LCPSB obtaining its shareholders’ approval for the sale of Subject Property 1 pursuant to the terms and conditions of SPA 1; and
- (iii) Lysaght obtaining our shareholders’ approval for the acquisition of Subject Property 1 pursuant to the terms and conditions of SPA 1, such approval to be obtained in an EGM to be convened,

within 9 months from the date of SPA 1 or such further period as mutually agreed by both parties. In the event that any of the conditions precedent cannot be fulfilled within said period, SPA 1 shall be deemed to be rescinded and become null and void with neither parties having any claims of whatsoever nature against each other save for antecedent breaches on the date of the written notification from Lysaght that any of the conditions precedents cannot be fulfilled whereupon Lysaght’s solicitors shall be authorised to release the SPA 1 Retention Sum (as defined below) to Lysaght and LCPSB’s solicitors shall be authorised to refund the SPA 1 Balance Deposit Sum (as defined below) and all other monies paid by Lysaght free of interest to Lysaght within 14 working days from the date of such written notification.

Notwithstanding the above:-

- (i) LCPSB shall undertake to obtain its shareholders’ approval as soon as reasonably practicable and in any event within 60 working days from the date of SPA 1; and
- (ii) Lysaght undertakes to issue the circular to Shareholders for the purpose of convening an EGM as soon as reasonably practical and in any event within 3 months from the date of SPA 1.

3. PAYMENT OF PURCHASE CONSIDERATION

The purchase consideration shall be paid by Lysaght in the following manner:-

- (i) Upon the execution of SPA 1, Lysaght shall pay a deposit sum of RM860,000 (“**SPA 1 Deposit Sum**”) in the following manner:-
 - (a) a sum equivalent to 3% of the purchase consideration amounting to RM258,000 only (“**SPA 1 Retention Sum**”) to Lysaght’s solicitors as stakeholders who shall deal with the same in accordance with SPA 1; and
 - (b) a sum of RM602,000 only (“**SPA 1 Balance Deposit Sum**”) to LCPSB’s solicitors as stakeholders.

The deposit sum shall, in the event of the completion of the sale and purchase, form part payment towards the purchase consideration.

APPENDIX III – SALIENT TERMS OF SPA 1 (CONT'D)

- (ii) LCPSB's solicitors shall be authorised to release to LCPSB the SPA 1 Balance Deposit Sum upon the fulfilment of the conditions precedent.
- (iii) Within 3 months from the fulfilment of the conditions precedent ("**SPA 1 Completion Period**"), Lysaght shall pay the balance sum of RM7,740,000 only ("**SPA 1 Balance Purchase Consideration**") to LCPSB's solicitors as stakeholders to be dealt with in accordance with the provisions of SPA 1.
- (iv) In the event that Lysaght is unable to pay the SPA 1 Balance Purchase Consideration within the SPA 1 Completion Period, LCPSB shall automatically grant to Lysaght an extension of 1 month from the date of expiry of the SPA 1 Completion Period to pay the SPA 1 Balance Purchase Consideration ("**SPA 1 Extended Completion Period**") provided always that Lysaght shall pay to LCPSB interest calculated on the SPA 1 Balance Purchase Consideration or any outstanding balance thereof at the rate of 8% per annum calculated on a day to day basis from the first day of the SPA 1 Extended Completion Period until the date of receipt of full payment by LCPSB's solicitors.

The sale and purchase of Subject Property 1 shall be deemed completed on the date that Lysaght is registered as the proprietor of Subject Property 1. The transfer shall be presented to the relevant land registry for registration within 10 working days upon receipt of the stamped transfer and the title documents by Lysaght's solicitors.

4. DEFAULT BY LYSAGHT

In the event that Lysaght fails, refuses or neglects to pay the SPA 1 Balance Purchase Consideration on or before the expiry of the SPA 1 Extended Completion Period, LCPSB shall be entitled to terminate SPA 1 by a notice in writing and the deposit sum paid by Lysaght together with any late payment interest shall be forfeited by LCPSB absolutely as agreed liquidated damages and whereupon the provisions as set out in Section 6 of this Appendix III shall apply.

5. DEFAULT BY LCPSB

In the event LCPSB fails, neglects or refuses to complete the sale and purchase of Subject Property 1 in accordance with the provisions of SPA 1 or is in material breach of any terms and conditions of SPA 1 after Lysaght has complied with the terms and conditions of SPA 1, Lysaght shall be entitled to as follows:-

- (i) the remedy of specific performance against LCPSB and to all the relief following therefrom; or
- (ii) to terminate SPA 1 by giving a written notice to LCPSB or LCPSB's solicitors and in which event LCPSB shall pay to Lysaght a sum equivalent to the deposit sum as liquidated damages and whereupon the provisions as set out in Section 6 of this Appendix III shall apply.

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6. TERMINATION OF AGREEMENT

Upon the termination of SPA 1 and/or whenever LCPSB is required to refund the purchase consideration or any part thereof to Lysaght under any provisions in SPA 1 and/or make payment of agreed liquidated damages pursuant to SPA 1, LCPSB shall pay the refund and all payments required to be paid to LCPSB's solicitors within 14 days from the happening of the event. Subject to the payment of the said refund and/or agreed liquidated damages by LCPSB to LCPSB's solicitors as stakeholders, LCPSB's solicitors shall release the same to Lysaght or Lysaght's solicitors upon Lysaght having complied with the conditions below for refund of monies. Lysaght shall within 14 days upon receipt of a written confirmation from LCPSB's solicitors confirming that LCPSB has deposited the monies to be refunded and/or agreed liquidated damages with LCPSB's solicitors proceed to:-

- (i) redeliver or caused to be redelivered to LCPSB the transfer and the title documents which have been forwarded by LCPSB to Lysaght or Lysaght's solicitors prior to the termination of SPA 1 with LCPSB's proprietary interest remain intact provided always that Lysaght shall be entitled to retain the transfer for stamp duty refund purpose and shall be returned to LCPSB's solicitors upon the stamp office refunds the stamp duty paid on the transfer;
- (ii) withdraw and furnish written / documentation proof that the caveat lodged and/or encumbrance, if any, by Lysaght against Subject Property 1 has been withdrawn at the relevant land office / registry at Lysaght's own cost and expense; and
- (iii) execute and deliver to LCPSB a deed of revocation (if so required by the Director General of Inland Revenue) for the refund of SPA 1 Retention Sum or real property gains tax.

In the event that LCPSB fails to deposit the monies to be refunded to Lysaght and/or agreed liquidated damages with LCPSB's solicitors within 14 days from the notice of termination, LCPSB shall be liable to pay interest on the payment due to Lysaght at the rate of 8% per annum on a daily basis from the expiry of the said 14 days until the date that actual payment is received by LCPSB's solicitors.

LCPSB's solicitors are hereby authorised to release the monies to be refunded to Lysaght and/or agreed liquidated damages to Lysaght or Lysaght's solicitors, as the case may be, within 5 working days upon compliance of conditions (i) to (iii) above by Lysaght, failing which the late interest at the rate of 8% per annum on a daily basis shall accrue from the expiration of the aforesaid 5 working days until Lysaght's receipt of such refund and/or payment.

Upon the lawful termination of SPA 1 and upon compliance of Section 6 of this Appendix III by the parties, neither party shall have any further obligations under SPA 1 to the other party other than:-

- (i) their respective obligations which are to be performed upon the lawful termination of SPA 1;
- (ii) any obligation which is expressed to survive the termination of SPA 1; and
- (iii) any rights or obligations which have accrued to any party in respect of any breach of any of the provisions of SPA 1 prior to such termination.

7. PRIVATE CAVEAT

Immediately after the execution of the SPA 1 and payment of the SPA 1 Deposit Sum, Lysaght shall be entitled at our own costs and expenses to present and register a private caveat against Subject Property 1 for the purpose of protecting Lysaght's interests in Subject Property 1 and prohibiting any dealings by LCPSB in Subject Property 1 prior to the completion or termination of the SPA 1 as the case may be.

APPENDIX IV – SALIENT TERMS OF SPA 2

The salient terms of SPA 2 are as follows:-

1. SALE AND PURCHASE

Subject to the terms and conditions in SPA 2, LNSB hereby agrees to sell and Lysaght hereby agrees to purchase Subject Property 2 on an “as-is-where-is” basis free from all encumbrances and with legal possession but subject to the restrictions in interest and the conditions now or presently expressed or implied on the register document of title to Subject Property 2 at the purchase consideration of RM6,900,000.

2. CONDITIONS PRECEDENT

The sale and purchase of Subject Property 2 is subject to the conditions precedent as follows:-

- (i) LNSB having obtained the letter of consent to transfer Subject Property 2 in favour of Lysaght from the relevant state authority;
- (ii) LNSB obtaining its shareholders’ approval for the sale of Subject Property 2 pursuant to the terms and conditions of SPA 2; and
- (iii) Lysaght obtaining our shareholders’ approval for the acquisition of Subject Property 2 pursuant to the terms and conditions of SPA 2, such approval to be obtained in an EGM to be convened,

within 9 months from the date of SPA 2 or such further period as mutually agreed by both parties. In the event that any of the conditions precedent cannot be fulfilled within said period, SPA 2 shall be deemed to be rescinded and become null and void with neither parties having any claims of whatsoever nature against each other save for antecedent breaches on the date of the written notification from Lysaght that any of the conditions precedents cannot be fulfilled whereupon Lysaght’s solicitors shall be authorised to release the SPA 2 Retention Sum (as defined below) to Lysaght and LNSB’s solicitors shall be authorised to refund the SPA 2 Balance Deposit Sum (as defined below) and all other monies paid by Lysaght free of interest to Lysaght within 14 working days from the date of such written notification.

Notwithstanding the above:-

- (i) LNSB shall undertake to obtain its shareholders’ approval as soon as reasonably practicable and in any event within 60 working days from the date of SPA 2; and
- (ii) Lysaght undertakes to issue the circular to Shareholders for the purpose of convening an EGM as soon as reasonably practical and in any event within 3 months from the date of SPA 2.

3. PAYMENT OF PURCHASE CONSIDERATION

The purchase consideration shall be paid by Lysaght in the following manner:-

- (i) Upon the execution of SPA 2, Lysaght shall pay a deposit sum of RM690,000 (“**SPA 2 Deposit Sum**”) in the following manner:-
 - (a) a sum equivalent to 3% of the purchase consideration amounting to RM207,000 only (“**SPA 2 Retention Sum**”) to Lysaght’s solicitors as stakeholders who shall deal with the same in accordance with SPA 2; and
 - (b) a sum of RM483,000 only (“**SPA 2 Balance Deposit Sum**”) to LNSB’s solicitors as stakeholders.

The deposit sum shall, in the event of the completion of the sale and purchase, form part payment towards the purchase consideration.

APPENDIX IV – SALIENT TERMS OF SPA 2 (CONT'D)

- (ii) LNSB's solicitors shall be authorised to release to LNSB the SPA 2 Balance Deposit Sum upon the fulfilment of the conditions precedent.
- (iii) Within 3 months from the fulfilment of the conditions precedent ("**SPA 2 Completion Period**"), Lysaght shall pay the balance sum of RM6,210,000 only ("**SPA 2 Balance Purchase Consideration**") to LNSB's solicitors as stakeholders to be dealt with in accordance with the provisions of SPA 2.
- (iv) In the event that Lysaght is unable to pay the SPA 2 Balance Purchase Consideration within the SPA 2 Completion Period, LNSB shall automatically grant to Lysaght an extension of 1 month from the date of expiry of the SPA 2 Completion Period to pay the SPA 2 Balance Purchase Consideration ("**SPA 2 Extended Completion Period**") provided always that Lysaght shall pay to LNSB interest calculated on the SPA 2 Balance Purchase Consideration or any outstanding balance thereof at the rate of 8% per annum calculated on a day to day basis from the first day of the SPA 2 Extended Completion Period until the date of receipt of full payment by LNSB's solicitors.

The sale and purchase of Subject Property 2 shall be deemed completed on the date that Lysaght is registered as the proprietor of Subject Property 2. The transfer shall be presented to the relevant land registry for registration within 10 working days upon receipt of the stamped transfer and the title documents by Lysaght's solicitors.

4. DEFAULT BY LYSAGHT

In the event that Lysaght fails, refuses or neglects to pay the SPA 2 Balance Purchase Consideration on or before the expiry of the SPA 2 Extended Completion Period, LNSB shall be entitled to terminate SPA 2 by a notice in writing and the deposit sum paid by Lysaght together with any late payment interest shall be forfeited by LNSB absolutely as agreed liquidated damages and whereupon the provisions as set out in Section 6 of this Appendix IV shall apply.

5. DEFAULT BY LNSB

In the event LNSB fails, neglects or refuses to complete the sale and purchase of Subject Property 2 in accordance with the provisions of SPA 2 or is in material breach of any terms and conditions of SPA 2 after Lysaght has complied with the terms and conditions of SPA 2, Lysaght shall be entitled to as follows:-

- (i) the remedy of specific performance against LNSB and to all the relief following therefrom; or
- (ii) to terminate SPA 2 by giving a written notice to LNSB or LNSB's solicitors and in which event LNSB shall pay to Lysaght a sum equivalent to the deposit sum as liquidated damages and whereupon the provisions as set out in Section 6 of this Appendix IV shall apply.

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6. TERMINATION OF AGREEMENT

Upon the termination of SPA 2 and/or whenever LNSB is required to refund the purchase consideration or any part thereof to Lysaght under any provisions in SPA 2 and/or make payment of agreed liquidated damages pursuant to SPA 2, LNSB shall pay the refund and all payments required to be paid to LNSB's solicitors within 14 days from the happening of the event. Subject to the payment of the said refund and/or agreed liquidated damages by LNSB to LNSB's solicitors as stakeholders, LNSB's solicitors shall release the same to Lysaght or Lysaght's solicitors upon Lysaght having complied with the conditions below for refund of monies. Lysaght shall within 14 days upon receipt of a written confirmation from LNSB's solicitors confirming that LNSB has deposited the monies to be refunded and/or agreed liquidated damages with LNSB's solicitors proceed to:-

- (i) redeliver or caused to be redelivered to LNSB the transfer and the title documents which have been forwarded by LNSB to Lysaght or Lysaght's solicitors prior to the termination of SPA 2 with LNSB's proprietary interest remain intact provided always that Lysaght shall be entitled to retain the transfer for stamp duty refund purpose and shall be returned to LNSB's solicitors upon the stamp office refunds the stamp duty paid on the transfer;
- (ii) withdraw and furnish written / documentation proof that the caveat lodged and/or encumbrance, if any, by Lysaght against Subject Property 2 has been withdrawn at the relevant land office / registry at Lysaght's own cost and expense; and
- (iii) execute and deliver to LNSB a deed of revocation (if so required by the Director General of Inland Revenue) for the refund of SPA 2 Retention Sum or real property gains tax.

In the event that LNSB fails to deposit the monies to be refunded to Lysaght and/or agreed liquidated damages with LNSB's solicitors within 14 days from the notice of termination, LNSB shall be liable to pay interest on the payment due to Lysaght at the rate of 8% per annum on a daily basis from the expiry of the said 14 days until the date that actual payment is received by LNSB's solicitors.

LNSB's solicitors are hereby authorised to release the monies to be refunded to Lysaght and/or agreed liquidated damages to Lysaght or Lysaght's solicitors, as the case may be, within 5 working days upon compliance of conditions (i) to (iii) above by Lysaght, failing which the late interest at the rate of 8% per annum on a daily basis shall accrue from the expiration of the aforesaid 5 working days until Lysaght's receipt of such refund and/or payment.

Upon the lawful termination of SPA 2 and upon compliance of Section 6 of this Appendix IV by the parties, neither party shall have any further obligations under SPA 2 to the other party other than:-

- (i) their respective obligations which are to be performed upon the lawful termination of SPA 2;
- (ii) any obligation which is expressed to survive the termination of SPA 2; and
- (iii) any rights or obligations which have accrued to any party in respect of any breach of any of the provisions of SPA 2 prior to such termination.

7. PRIVATE CAVEAT

Immediately after the execution of the SPA 2 and payment of the SPA 2 Deposit Sum, Lysaght shall be entitled at our own costs and expenses to present and register a private caveat against Subject Property 2 for the purpose of protecting Lysaght's interests in Subject Property 2 and prohibiting any dealings by LNSB in Subject Property 2 prior to the completion or termination of the SPA 2 as the case may be.

APPENDIX V – SALIENT TERMS OF TENANCY 1

The salient terms of Tenancy 1 are as follows:-

Subject Property	:	Subject Property 1
Landlord	:	LCPSB
Tenant	:	Lysaght
Tenancy period	:	2 years commencing from 1 February 2024 to 31 January 2026
Rental	:	RM31,500 per month
Termination	:	Either party may terminate Tenancy 1 by giving the other 3 months' prior written notice to that effect
Deposit	:	(i) A sum of RM62,000 as the security deposit for rental (ii) A sum of RM3,500 as utility deposit
Permitted use of Subject Property 1	:	Manufacturing galvanized steel products
Tenant's renewal option	:	None

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APPENDIX VI – SALIENT TERMS OF TENANCY 2

The salient terms of Tenancy 2 are as follows:-

Subject Property	:	Subject Property 2
Landlord	:	LNSB
Tenant	:	Lysaght
Tenancy period	:	2 years commencing from 15 September 2023 to 14 September 2025
Rental	:	RM18,149 per month
Termination	:	Either party may terminate Tenancy 2 by giving the other 3 months' prior written notice to that effect
Deposit	:	(i) A sum of RM36,010 as the security deposit for rental (ii) A sum of RM9,000 as utility deposit
Permitted use of Subject Property 2	:	Manufacturing galvanized steel products
Tenant's renewal option	:	For a further term of 2 years based upon the prevailing market rate

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LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (“**EGM**”) of Lysaght Galvanized Steel Berhad (“**Lysaght**” or the “**Company**”) will be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Friday, 4 July 2025 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following ordinary resolutions, with or without modifications:-

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY LYSAGHT OF 2 ADJOINING PARCELS OF LEASEHOLD LAND HELD UNDER HS(D) 6714, PT 989 AND PN 385062, LOT 49809 TOGETHER WITH THE BUILDINGS ERECTED THEREON LOCATED AT KAWASAN PERINDUSTRIAN TASEK, IPOH, PERAK FROM LYSAGHT CORRUGATED PIPE SDN BHD FOR A CASH CONSIDERATION OF RM8.60 MILLION (“ACQUISITION OF SUBJECT PROPERTY 1”)

“**THAT** approval be and is hereby given to Lysaght Galvanized Steel Berhad (Registration No. 197901002195 (46426-P)) to undertake the acquisition of 2 adjoining parcels of leasehold land held under HS(D) 6714, PT 989 and PN 385062, Lot 49809 together with the buildings erected thereon located at Kawasan Perindustrian Tasek, Ipoh, Perak and bearing postal address of Plot 3 & 55, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak from Lysaght Corrugated Pipe Sdn Bhd (Registration No. 197201001314 (12941-P)) for a cash consideration of RM8.60 million upon the terms and conditions as set out in the conditional sale and purchase agreement dated 9 April 2025 entered into between the Company and Lysaght Corrugated Pipe Sdn Bhd;

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Acquisition of Subject Property 1 with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Acquisition of Subject Property 1 or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Acquisition of Subject Property 1, in the best interest of the Company.”

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION BY LYSAGHT OF A PARCEL OF LEASEHOLD LAND HELD UNDER PN 304583, LOT 226168 TOGETHER WITH THE BUILDINGS ERECTED THEREON LOCATED AT KAWASAN PERINDUSTRIAN PENGKALAN II, PUSING, PERAK FROM LYSAGHT NACO SDN BHD FOR A CASH CONSIDERATION OF RM6.90 MILLION (“ACQUISITION OF SUBJECT PROPERTY 2”)

“**THAT** approval be and is hereby given to Lysaght Galvanized Steel Berhad (Registration No. 197901002195 (46426-P)) to undertake the acquisition of a parcel of leasehold land held under PN 304583, Lot 226168 together with the buildings erected thereon located at Kawasan Perindustrian Pengkalan II, Pusing, Perak and bearing postal address of No. 47, Jalan Johan 2/4, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak from Lysaght Naco Sdn Bhd (Registration No. 198501005785 (138226-U)) for a cash consideration of RM6.90 million upon the terms and conditions as set out in the conditional sale and purchase agreement dated 9 April 2025 entered into between the Company and Lysaght Naco Sdn Bhd;

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Acquisition of Subject Property 2 with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Acquisition of Subject Property 2 or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Acquisition of Subject Property 2, in the best interest of the Company.”

BY ORDER OF THE BOARD

LIM CHIEN JOO

MAICSA No.: 7063152

SSM PC No.: 201908004025

Company Secretary

Kuala Lumpur

17 June 2025

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the EGM.*
2. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (subject to a maximum of two (2) proxies) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*
3. *Where the member appoints two (2) proxies to attend and vote at the EGM, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.*
7. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment meeting at which the person named in the instrument proposes to vote.*
8. *Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of this EGM will be put to vote by poll.*



LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
No. of shares Held	

I/We

[Full name in block letters, NRIC/Passport/Company No.]

Tel:.....of.....

[Address]

.....

[Address]

being a member/members of LYSAGHT GALVANIZED STEEL BERHAD, hereby appoint:

Full Name (in block letters):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of shares	%
Address:			
Email Address:			
Mobile Number:			

and / or* (*delete as appropriate)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			
Email Address:			
Mobile Number:			

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Friday, 4 July 2025 at 10:00 a.m. and at adjournment thereof.

Ordinary Resolutions		FOR	AGAINST
1.	Acquisition of Subject Property 1		
2.	Acquisition of Subject Property 2		

Please indicate an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.

Dated this _____ day of _____, 2025

Signature(s) of member(s)
(If shareholder is a corporation, this part
should be executed under seal)



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary of
LYSAGHT GALVANIZED STEEL BERHAD
c/o AD-Consult Sdn Bhd
Suite 13.03, 13th Floor
Menara Tan & Tan
207, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

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Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the EGM.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (subject to a maximum of two (2) proxies) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
3. Where the member appoints two (2) proxies to attend and vote at the EGM, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment meeting at which the person named in the instrument proposes to vote.
8. Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of this EGM will be put to vote by poll.