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

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AMTEL HOLDINGS BERHAD

(Registration No. 199601037096 (409449-A))

(Incorporated in Malaysia)

PROPOSED ACQUISITION BY AMTEL HOLDINGS BERHAD ("COMPANY") OF A PARCEL OF FREEHOLD INDUSTRIAL LAND KNOWN AS LOT 61862, BANDAR GLENMARIE, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN HELD UNDER GERAN 215243 TOGETHER WITH A FOUR-STOREY OFFICE/FACTORY BUILDING ERECTED THEREON FOR A CASH CONSIDERATION OF RM18.88 MILLION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



MERCURY SECURITIES SDN BHD

(Registration No. 198401000672 (113193-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of the Company together with the Proxy Form are enclosed with this Circular.

If you decide to appoint a proxy or proxies to attend and vote at the EGM, you must complete, sign and return the Proxy Form and deposit it at the registered office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on or before the date and time indicated below if you are not able to attend the EGM. The completion and lodging 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person at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.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 date and time for lodging the Proxy Form for the EGM : Monday, 3 February 2020 at 10.00 a.m.

Date and time of the EGM : Wednesday, 5 February 2020 at 10.00 a.m.
or at any adjournment thereof

Venue of the EGM : Langkawi Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur

This Circular is dated 13 January 2020

DEFINITIONS

The following definitions shall apply throughout this Circular unless otherwise indicated:

AHB or Company	: Amtel Holdings Berhad (Registration No. 199601037096 (409449-A))
Board	: Board of Directors of AHB
Circular	: This circular to shareholders of AHB in relation to the Proposed Acquisition dated 13 January 2020
CP	: Conditions precedent of the SPA as set out in Appendix I of this Circular
EGM	: Extraordinary general meeting
EPS	: Earnings per share
FYE	: Financial year ended/ending, as the case may be
Group	: Collectively, AHB and our subsidiaries
LPD	: 30 December 2019, being the latest practicable date prior to the date of this Circular
MBSA	: Majlis Bandaraya Shah Alam
Mercury Securities or Principal Adviser	: Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
NA	: Net assets
Non-Approved Structures	: Structures constructed on the Property which have yet to obtain approval from MBSA, including amongst others, a lift motor room on the roof top, a passenger lift and cargo lift, a metal frame installed to protect generator sets, a metal staircase and a toilet at the rear of the building, a metal deck roof and a lean-to-roof over the rest area next to the guard house
Property	: A parcel of freehold industrial land known as Lot 61862, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan held under Geran 215243, together with a four-storey office/factory building erected thereon
Proposed Acquisition	: Proposed acquisition of the Property by our Company from the Vendor at the Purchase Price
Purchase Price	: Cash consideration of RM18.88 million for the purchase of the Property
Rahim & Co or Property Valuer	: Rahim & Co International Sdn Bhd (Registration No. 201501001265 (1126597-X))
RASB or Vendor	: Region Asset Sdn Bhd (Registration No. 199701008292 (423788-M))
RM and sen	: Ringgit Malaysia and sen, respectively
SPA	: Conditional sale and purchase agreement dated 30 October 2019 entered into between AHB and RASB in relation to the Proposed Acquisition
Valuation Report	: Valuation report dated 31 October 2019 prepared by the Property Valuer in respect of the Property

DEFINITIONS *(Cont'd)*

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our subsidiaries.

All references to “**you**” in this Circular are to our Company’s shareholders.

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

Any reference to any enactment or guideline in this Circular is a reference to that enactment or guideline as for the time being amended or re-enacted. Any reference to a date and time in this Circular is a reference to Malaysian date and time, unless otherwise specified.

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

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AMTEL HOLDINGS BERHAD
(Registration No. 199601037096 (409449-A))
(Incorporated in Malaysia)

Registered Office:
No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

13 January 2020

Board of Directors

YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin (*Non-Independent Non-Executive Chairman*)
Dato' Koid Hun Kian (*Group Managing Director*)
Siow Hock Lee (*Independent Non-Executive Director*)
Tan Woon Huei (*Non-Independent Non-Executive Director*)
Ir. Chew Yook Boo (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On 30 October 2019, Mercury Securities had, on behalf of our Board, announced that our Company had entered into the SPA with RASB for the Proposed Acquisition.

The salient terms of the SPA are set out in Appendix I of this Circular. Please also refer to the ensuing sections for further details of the Proposed Acquisition.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSED ACQUISITION, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition

The Proposed Acquisition involves our Company acquiring the Property free from any encumbrances from RASB at the Purchase Price.

The Purchase Price is to be satisfied in the following manner:

Milestone	RM
Earnest deposit, which has been paid on 9 October 2019	377,600
Deposit, which has been paid upon execution of the SPA on 30 October 2019	1,510,400
Balance of the Purchase Price, which is to be paid within 2 months from the date when the CPs are fulfilled	16,992,000
Total	18,880,000

2.2 Information on the Property

The Property is located along Jalan Pensyarah U1/28 within an industrial area known as the Hicom Glenmarie Industrial Park in the state of Selangor Darul Ehsan. Hicom Glenmarie Industrial Park is located about 9 kilometres from the Shah Alam city centre and about 22 kilometres from the Kuala Lumpur city centre. Hicom Glenmarie Industrial Park will also be served by the Light Rail Transit Line 3 in the future which will ply from Bandar Utama in Petaling Jaya to Johan Setia in Klang and the nearest station to the Property will be at Station 9. The proposed Station 9 will be sited along the main road, i.e. Persiaran Kerjaya and is within walking distance, i.e. approximately 100 metres to the south-west of the Property.

The Property is accessible from:

- (i) Kuala Lumpur city centre *via* the Klang-bound Federal Highway and exiting at the Subang Interchange onto Jalan Lapangan Terbang Subang and thereafter followed by Persiaran Kerjaya, Jalan Hakim U1/24, Jalan Majistret U1/26 before turning left onto Jalan Dekan U1/27 to reach Jalan Pensyarah U1/28; or
- (ii) Shah Alam city centre *via* Persiaran Dato Menteri, Persiaran Hisamuddin, Persiaran Sukan, Persiaran Kerjaya, Persiaran Kontraktor U1/14 and exit to Jalan Majistret U1/26 before turning left onto Jalan Dekan U1/27 to reach Jalan Pensyarah U1/28.

The site of the Property is rectangular in shape with a land area of 3,721 square metres. It is generally flat in terrain and slightly higher than the frontage road, i.e. Jalan Pensyarah U1/28. Constructed on the site is a four-storey office/factory building.

Further information on the Property is set out below:

Registered owner	: RASB
Postal address	: No. 12, Jalan Pensyarah U1/28, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
Title description	: Lot 61862, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan held under Geran 215243
Tenure	: Freehold
Land area	: 3,721 square metres
Gross built-up area	: 4,722 square metres
Net lettable area	: 4,718 square metres

Net lettable area available for self occupancy	: Approximately 2,359 square metres
Occupancy rate	: Approximately 50%
Approximate age of the building	: 20 years
Existing use	: Approximately 50% of the Property's gross built-up area have been rented out and the remaining gross built-up area is vacant
Proposed use	: Our Company intends to continue the existing tenancies and house our corporate office in the remaining vacant floor area of the Property
Tenancy details	: A total of 2,359 square metres is currently tenanted by 2 tenants, namely EntServ Malaysia Sdn Bhd and Edotco Malaysia Sdn Bhd at an aggregate monthly rental of RM41,700
Property Valuer	: Rahim & Co
Valuation method	: Cost Approach and Investment Method by Income Approach
Date of valuation	: 15 October 2019
Market value	: RM19.50 million
Audited net book value	: RM3.86 million as at 31 March 2019
Encumbrances	: Nil

2.3 Basis and Justification for the Purchase Price

The Purchase Price was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the market value of the Property of RM19.50 million as appraised by the Property Valuer on an "as-is where-is" basis as at the date of valuation of 15 October 2019 using the Cost Approach and Investment Method by Income Approach valuation methodologies.

In arriving at the Property's market value, the Property Valuer have excluded the value of Non-Approved Structures from its valuation of the Property. The Non-Approved Structures are structures constructed on the Property which have yet to obtain approval from MBSA.

Notwithstanding the above, the Property Valuer had enquired and obtained an indication from MBSA that the Non-Approved Structures are within boundary setback and are likely to be approved by MBSA upon application to rectify the non-compliances, save for the metal staircase and toilet at rear of the building.

Please refer to Appendix II of this Circular for further details of the valuation of the Property.

2.4 Source of Funding

The Proposed Acquisition will be funded entirely by our Group's internally-generated funds.

2.5 Liabilities to be Assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SPA, there are no liabilities, including contingent liabilities and guarantees to be assumed by our Company pursuant to the Proposed Acquisition.

2.6 Additional Financial Commitment

There will be no additional financial commitment required by our Group to put the Property on-stream.

2.7 Information on the Vendor

RASB is a company incorporated in Malaysia on 19 March 1997 under the Companies Act 1965 (deemed registered under the Companies Act 2016) and having its registered office at No. 18A, Jalan USJ 10/1, Taipan Triangle, UEP Subang Jaya, 47620 Subang Jaya, Selangor Darul Ehsan. The principal activity of RASB is property investment holding.

As at the LPD:

- (i) the directors of RASB are Chong Kium @ Chong Lan Kiang, Chong Kok Keong, Khoo Choon Yam, Soon Cheng Hai, Soon Cheng Boon and Soon Hean Hooi; and
- (ii) the shareholders of RASB as well as their respective shareholdings in RASB are set out as follows:

Name	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Soon Lian Huat Holdings Sdn Bhd	50,000	50	-	-
Petramco (M'sia) Sdn Bhd	50,000	50	-	-
Soon Cheng Hai	-	-	⁽ⁱ⁾ 50,000	50
Soon Cheng Boon	-	-	⁽ⁱ⁾ 50,000	50
Soon Hean Hooi	-	-	⁽ⁱ⁾ 50,000	50
Chong Kium @ Chong Lan Kiang	-	-	⁽ⁱⁱ⁾ 50,000	50
Chong Kok Keong	-	-	⁽ⁱⁱ⁾ 50,000	50
Khoo Choon Yam	-	-	⁽ⁱⁱ⁾ 50,000	50

Notes:

- (i) Deemed interest by virtue of his interests in Soon Lian Huat Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (ii) Deemed interest by virtue of his interests in Petramco (M'sia) Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

Our Group is currently operating from several rented premises located in Bandar Sunway. The Proposed Acquisition is part of our Company's plan to consolidate our Group's offices into a central location to enable efficient communication within our Group. In addition, the Proposed Acquisition is anticipated to have the following benefits:

- (i) mitigate the risk of increasing rental rates and the loss of right to use the rented premises if any of the tenancy agreement is terminated or is not renewed;
- (ii) provide a conducive working environment that promotes greater interaction among the employees of the different entities within our Group;
- (iii) enable the management of our Group to have better control and supervision over the use of resources; and
- (iv) enhance our corporate image.

4. PROSPECTS OF THE PROPERTY

4.1 Overview and Outlook of the Industrial Property Sector in Selangor

Selangor is the most industrialised state in Malaysia and plays an important role in the economy of Malaysia. It contributed significantly to Malaysian's gross domestic product as well as the country's manufacturing sector. The overall supply of industrial property in Selangor as at 2018 is 40,380 units and it had contributed a small portion to the overall market activity.

The majority of the current supply is located within the District of Petaling (35.6%, 14,286 units), followed by Klang (20.2%, 8,159 units) and Hulu Langat (18.1%, 7,323 units). In terms of product-type, 70.3% of the existing 40,380 industrial units were terraced factories.

Industrial sub-sector recorded 62 overhang units worth RM192.8 million in 2018 (2017: 27 units worth RM98.5 million). The unsold under construction increased by 55.4% to 115 units (2017: 74 units). In 2018, there was no unsold industrial unit which is yet to be constructed (2017: 42 units). There were 2,029 transactions worth RM8.3 billion recorded in 2018, indicating an increase of 3.7% and 34.4% in volume and value respectively (2017: 1,957 transactions worth RM6.2 billion).

As land prices are on the rise in some of the old industrial hubs in Petaling Jaya, it is observed that some of the factories in these areas are being relocated to cheaper industrial hubs like Klang and Shah Alam. As a result, asking rentals for detached factories in Shah Alam are still holding on at around RM1.50 to RM2.00 per square foot per month.

Moving forward, because of e-commerce, the world's first Digital Free Trade Zone ("**DFTZ**") in KLIA Aeropolis DFTZ Park, Sepang will house Alibaba Group's first regional e-Fulfilment hub outside of China. The DFTZ will be a regional logistics hub catering for the e-commerce businesses. The first phase of DFTZ is a warehousing facility run by POS Malaysia Bhd and has begun operations in November 2017. Another major milestone in Selangor's industrial sector is the setting up of IKEA's third largest distribution centre in Pulau Indah Industrial Park with an investment of RM908.0 million.

Other new trends are the developments of gated and guarded business park, built-to-suit facilities, logistics hubs and parks and multi-storey warehouses. An example is the Area Logistics@Ampang in Keramat being constructed by Area Management Sdn Bhd. It is Malaysia's first three-storey ramp up inner-city mega distribution hub with net lettable area of 1.1 million square feet located within Ampang in the heart of Kuala Lumpur city center with close proximity to major expressways and has floor to ceiling height of 13.5 meters and floor loading of 30 kilonewton per square metre.

Another key upcoming industrial development will be the COMPASS @ Kota Seri Langat, Selangor's first serviced industrial and logistics hub with resort style features. The RM4.0 billion fully-integrated industrial project will offer built-to-suit warehouses and manufacturing facilities with sizes within the range of 200,000 square feet to 1 million square feet as well as the smaller detached factories of 12,000 square feet to 75,000 square feet for the small to medium enterprises. Similar to the "Grade A" industrial parks such as i-Park @ Senai Airport City in Johor by AME Development, the COMPASS @ Kota Seri Langat offers clubhouse and sports facilities, landscaped environment and purpose-built worker's accommodation.

Overall, the industrial property sector of Selangor is doing well. The locations of these industrial developments and the availability of infrastructure within the area, such as highways, railway, ports, airports as well as broadband connectivity, on top of the optimised cost of friction between the supply chain and related players are crucial in ensuring the sustainability of a given industrial park.

(Source: Valuation Report)

In the third quarter of 2019, there were 1,667 (third quarter of 2018: 1,371) sales and purchases of industrial properties in Selangor worth a total value of RM5.2 billion (third quarter of 2018: RM6.4 billion), reflecting an increase of 21.6% in terms of the number of transactions and a decrease of 18.8% in terms of the aggregate transaction values, as compared to the performances in the third quarter of 2018.

(Source: Valuation and Property Services Department of Malaysia)

4.2 Prospects of the Property

As set out in Section 2.2 of this Circular, the Property is strategically located and easily accessible by major highways and public transportations. Hence, the Property is expected to be a suitable corporate office for us to house our Group's operations and to host our customers, suppliers and/or other working professionals.

Premised on the above and barring any unforeseen circumstances, our Board believes that the future prospects of the Property are favourable.

5. RISK FACTORS

The potential risk factors in relation to the Proposed Acquisition, if implemented, which may not be exhaustive, are as follows:

5.1 Non-completion of the Proposed Acquisition

The Proposed Acquisition is conditional upon the fulfilment of the CPs as set out in Appendix I of this Circular. If the CPs are not fulfilled or obtained in a timely manner in accordance with the terms and conditions of the SPA, it may lead to the termination of the SPA, which would result in our Company not being able to realise the expected benefits as set out in Section 3 of this Circular.

Our Board will endeavour to take reasonable steps to ensure that all the CPs are fulfilled within the stipulated timeframe in order to complete the Proposed Acquisition in a timely manner.

5.2 Non-approval from the Relevant Authorities

As set out in Section 2.3 of this Circular, there are structures constructed on the Property without MBSA's approval, namely the Non-Approved Structures which are deemed to be breaches of certain building by-laws.

It was also noted that the Property Valuer had enquired and obtained an indication from MBSA that the Non-Approved Structures are within boundary setback and are likely to be approved by MBSA upon application to rectify the non-compliances, save for the metal staircase and toilet at the rear of the building.

After the completion of the Proposed Acquisition, our Company will endeavour to make the necessary application to MBSA to procure the necessary approvals to rectify the non-compliances by the first half of 2020 ("**MBSA Application**").

In the event that MBSA does not grant its approval for the MBSA Application, our Company expects to incur estimated costs of up to RM0.3 million to remove the Non-Approved Structures within 3 months from the date the MBSA Application is not approved. The estimated costs of removing the Non-Approved Structures will be funded entirely from our Group's internally-generated funds.

5.3 Non-renewal of the Existing Tenancies

As at the LPD, approximately 50% of the total net lettable area of the Property is tenanted by 2 tenants, namely EntServ Malaysia Sdn Bhd and Edotco Malaysia Sdn Bhd at an aggregate monthly rental of RM41,700.

If any of the existing tenants decide to terminate their tenancies prior to expiration or do not renew their tenancies upon expiration, our Company may be required to secure new tenants at a reasonable rental rate in order to maintain or improve the rental income from the Property.

However, as our Company's plan is to consolidate our Group's offices into a central location, upon any vacancy being made available, our Group would firstly allocate the vacant area to the existing operations of our Group before allocating any surplus vacant area to be rented out to third parties.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued Share Capital and Substantial Shareholders' Shareholdings

The Proposed Acquisition will not have any effect on the issued share capital of our Company and substantial shareholders' shareholdings in our Company as the Purchase Price is to be fully satisfied in cash.

6.2 Earnings and EPS

For illustrative purposes, based on the latest audited consolidated statement of comprehensive income of our Group for the FYE 30 November 2018 and on the assumption that the Proposed Acquisition had been effected at the beginning of the said financial year, the pro forma effects on the profit attributable to our shareholders and the EPS of our Group is as follows:

	RM'000
Profit attributable to our shareholders	1,057
Add: Rental savings ⁽ⁱ⁾	402
Add: Rental income ⁽ⁱⁱ⁾	500
Less: Estimated expenses in relation to the Proposed Acquisition	<u>(1,200)</u>
Pro forma profit attributable to our shareholders	<u>759</u>
 Number of ordinary shares in our Company ('000)	 54,197
Pro forma EPS (sen)	1.40

Notes:

(i) *Being savings on annual rental expenses in relation to our existing tenancies upon relocation of our operations to the Property.*

(ii) *Being annual rental income in relation to the existing tenancies on the Property.*

6.3 NA per Share and Gearing

The Proposed Acquisition will not have any material effect on our Group's NA, NA per share and gearing as the Purchase Price is to be fully satisfied in cash via our Group's internally-generated funds.

7. APPROVALS REQUIRED

The Proposed Acquisition is subject to the approval of our Company's shareholders at the forthcoming EGM.

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 41.77%, calculated based on our Company's latest audited consolidated financial statements for the FYE 30 November 2018.

The Proposed Acquisition is not conditional upon any other proposals undertaken or to be undertaken by our Company.

8. OTHER CORPORATE PROPOSALS

Save for the Proposed Acquisition and the corporate exercises disclosed below, there are no other corporate exercises which have been announced by our Company but have yet to be completed as at the LPD:

- (i) On 14 August 2019, our Board announced that Metrarama Sdn Bhd ("**Metrarama**"), a wholly-owned subsidiary of our Company, had on 14 August 2019 entered into 3 separate sale and purchase agreements with M Tree Hill Sdn Bhd for the acquisition of 3 units of three-storey terrace houses identified as Plot 13 (Lot 20170), Plot 14 (Lot 20171) and Plot 15 (Lot 20172) located in Teluk Kumbar, Penang for a total cash consideration of RM2.70 million. As at the LPD, the said properties are under construction and our Group has paid up to 45.2% of the total consideration, amounting to approximately RM1.22 million. The balance of the total consideration will be paid upon receiving the relevant progress billings; and
- (ii) On 28 November 2019, our Board announced that Metrarama had on 28 November 2019 entered into a sale and purchase agreement with Mr Lim Hun Teik for the acquisition of 1 unit of three-storey semi-detached house located at No.5, Jalan Ikan Keli, Laman Sutera, 47150 Subang Jaya, Selangor Darul Ehsan for a total cash consideration of RM1.18 million. As at the LPD, the said acquisition is pending the consent from the state authority for the transfer of the title.

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

None of our Directors and/or major shareholders and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Acquisition.

10. DIRECTORS' STATEMENT

Our Board, having considered all aspects of the Proposed Acquisition, including but not limited to the rationale, benefits, prospects and financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of our Company.

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

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the first quarter of 2020.

12. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Langkawi Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 5 February 2020 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution so as to give effect to the Proposed Acquisition.

If you are unable to attend and vote in person at the EGM and wish to appoint a proxy or proxies to attend and vote at the EGM, you are requested to complete, sign and deposit the enclosed Proxy Form in accordance with the instructions contained therein, so as to arrive at our registered office at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than 48 hours before the date and time appointed for holding the EGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

13. FURTHER INFORMATION

You are advised to refer to the ensuing appendices set out in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
AMTEL HOLDINGS BERHAD

DATO' KOID HUN KIAN
Group Managing Director

APPENDIX I – SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:

1. Agreement for sale and purchase :
 - (a) In consideration of the sum of RM1,888,000 (“**Deposit**”) (being the earnest deposit of RM377,600 paid earlier to the Vendor or Vendor’s solicitors as stakeholders and the remainder sum of RM1,510,400 (“**Balance Deposit**”) paid upon the execution of the SPA by our Company to the Vendor or the Vendor’s solicitors as deposit and towards account of the Purchase Price), the Vendor shall sell and our Company shall purchase the Property on an “as-is where-is” basis with possession, subject to the tenancies or vacant possession, as the case may be, free from encumbrances but subject to such conditions, express or implied in the document of title or attached to the Property and upon the terms and conditions appearing at the Purchase Price.
 - (b) It is agreed by the parties that the Balance Deposit is to be paid and be dealt with in such manner as provided below:
 - (i) that (where applicable) RM566,400 only (“**Retention Sum**”), shall be paid to the Vendor’s solicitors to hold as stakeholders pending the payment of the same to the Director General of Inland Revenue Board of Malaysia; and
 - (ii) the Balance Deposit or the remainder (after deducting the Retention Sum), as the case may be, shall be paid directly in favour of the Vendor or deposited with the Vendor’s solicitors, who shall then proceed to release the same to the Vendor upon the execution of the SPA by the Vendor.
2. Mode of settlement and completion : Subject to the fulfilment and/or satisfaction of the CPs, the balance of the Purchase Price amounting to RM16,992,000 only (“**Balance Purchase Price**”) shall be paid by our Company to the Vendor’s solicitors as stakeholders within 2 months from the date the SPA shall become unconditional (“**Commencement Date**”) (with the day on which completion of the Proposed Acquisition occurs during this period or as extended being referred to as “**Completion Date**” or “**Payment Date**”) failing which, the Vendor shall grant to our Company an automatic extension of 1 month to settle the Balance Purchase Price, in which event our Company shall pay to the Vendor an agreed interest at the rate of 8% per annum calculated on a daily basis on the Balance Purchase Price or any unpaid part from the expiry of the Completion Date to the date the full Balance Purchase Price is paid to and received by the Vendor’s solicitors.
3. Conditions Precedent : The parties expressly agree that the SPA shall be conditional upon our Company obtaining and fulfilling the following CPs within 4 months from the date of the SPA or such extended period or periods as the parties shall mutually agree:
 - (a) satisfactory due diligence on the Property; and
 - (b) the approval of our Company’s shareholders in an EGM to be duly convened.

4. Completion : (a) In the event there are tenants still occupying the building or such part as tenanted ("**Tenanted Area**") on the Payment Date, the legal possession of the Tenanted Area shall be deemed to have been delivered to our Company on the day the Balance Purchase Price, the late payment interest (if any) and our Company's portion of lawful outgoings are deposited with the Vendor's solicitors (the date of receipt by the Vendor's solicitors of all monies as stated foregoing shall be referred to as "**Delivery Date**"). On the other hand, if the Property or such part not forming part of the Tenanted Area or such part of the Tenanted Area which is not occupied by the tenants on the Payment Date (collectively, "**Unoccupied Area**"), the vacant possession of the Property or the Unoccupied Area (as the case may be) shall be delivered to our Company within 7 days from the Payment Date provided that the late payment interest (if any) and our Company's portion of lawful outgoings shall have been deposited with the Vendor's solicitors not later than the Delivery Date, failing which the Vendor shall pay to our Company interest at the rate of 8% per annum on the Purchase Price to be calculated on a daily basis from the lapse of the said 7 days to the date of actual delivery of vacant possession of the Property or the Unoccupied Area (as the case may be) by the Vendor to our Company, being the penalty on the said late delivery.
- (b) In the event the tenants or any one is occupying the Property as tenant as at the Payment Date, the parties agree as follows:
- (i) that the tenant shall pay to the Vendor such monthly rental as may be payable under the respective tenancies up till and include such month when the Delivery Date shall fall within provided always that the monthly rental paid or payable for the calendar month of the Delivery Date shall be apportioned between the Vendor and our Company as at the Delivery Date, that all rentals paid and received by the Vendor for such period after the Delivery Date ("**Apportioned Payable Rental**") shall be handed over to our Company on the Delivery Date;
 - (ii) the tenant's deposit paid under the respective tenancy agreements shall be paid or handed over by the Vendor to our Company on the Delivery Date; and
 - (iii) that the tenants shall pay and discharge the electricity, water, sewerage charges and such other charges incurred as may be payable by the tenants under the respective tenancy agreements for such period under the tenancy until the Delivery Date or the determination of the tenancy at any time prior to the Delivery Date.

For information purposes, the tenancy agreements of the existing tenants will be novated from the Vendor to our Company after Completion.

APPENDIX I – SALIENT TERMS OF THE SPA (Cont'd)

5. Default by AHB : (a) Subject to the Vendor having fulfilled or is willing able and ready to fulfil its obligations pursuant to the provisions in the SPA, in the event our Company is in material breach of any of our obligations thereafter or fails to complete the sale and purchase of the Property pursuant to the provisions under the SPA, the Vendor shall be entitled to forfeit the Deposit as agreed liquidated damages but the Vendor shall within 14 days upon such failure (provided always that our Company is willing, ready and able to comply with item 5(b) below) completely refund our Company free of interest any other sum paid by our Company to the Vendor towards the Purchase Price and thereafter the SPA shall be null and void and neither party shall have any claim against the other and the Vendor shall be at liberty to dispose of and/or otherwise deal with the Property in whatever manner the Vendor shall think fit without reference to our Company.
- (b) In exchange for the abovementioned refund, our Company shall return/redeliver to the Vendor:
- (i) vacant possession of the Property (if vacant possession has been delivered to our Company);
 - (ii) the Memorandum of Transfer for cancellation if the same had been delivered to our Company and/or our Company's solicitors provided always that if the adjudicated stamp duty has been paid on the Memorandum of Transfer, it is hereby agreed that our Company shall, instead of returning the Memorandum of Transfer to the Vendor for cancellation, forward the duly stamped Memorandum of Transfer to the Collector of Stamp Duty for cancellation and refund of the stamp duty paid thereon and thereafter our Company shall (unless the same is proved to have been surrendered permanently to the Collector of Stamp Duty) return or cause or procure to have the Memorandum of Transfer returned to the Vendor upon receipt of the same from the Collector of Stamp Duty;
 - (iii) a copy of the relevant Land Registry's official receipt showing proof that all caveat(s) lodged over the Property has been withdrawn (if any caveat(s) has been lodged by or on behalf of our Company and/or our Company's financier over the Property); and
 - (iv) the original issue document of title in respect of the Property ("**Security Documents**") (if the same had been delivered to our Company or our Company's solicitors and/or our Company's financier or our Company's solicitors) with the Vendor's interest intact.

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6. Default by Vendor : (a) Subject to our Company having fulfilled or is willing able and ready to fulfil our obligations pursuant to the provisions in the SPA, in the event the Vendor is in material breach of any of its obligations thereunder or fails to complete the sale and purchase of the Property pursuant to the provisions of the SPA, our Company shall be entitled at our Company's option, to specific performance or by notice in writing ("**Election Notice**") served on the Vendor to terminate the sale and purchase of the Property, whereupon the Vendor shall, on or before the expiry of 14 days from the date of receipt of the Election Notice (provided always that our Company is willing, ready and able to comply with item 6(b) below), pay to our Company a sum equivalent to 10% of the Purchase Price as agreed liquidated damages ("**Election Monies**") and cause all monies paid by or on behalf of our Company towards account of the Purchase Price pursuant to the SPA (including the Deposit) to be refunded to our Company free of interest and thereafter the SPA shall be null and void and neither party thereto shall have any claim against the other and the Vendor shall be at liberty to dispose of and/or otherwise deal with the Property in whatever manner the Vendor shall think fit without reference to our Company.
- (b) In exchange for the payment of the Election Monies, our Company shall return/redeliver to the Vendor:
- (i) vacant possession of the Property (if vacant possession has been delivered to our Company);
 - (ii) the Memorandum of Transfer for cancellation if the same had been delivered to our Company and/or our Company's solicitors provided always that if the adjudicated stamp duty has been paid on the Memorandum of Transfer, it is hereby agreed that our Company shall, instead of returning the Memorandum of Transfer to the Vendor for cancellation, forward the duly stamped Memorandum of Transfer to the Collector of Stamp Duty for cancellation and refund of the stamp duty paid thereon and thereafter our Company shall (unless the same is proved to have been surrendered permanently to the Collector of Stamp Duty) return or cause or procure to have the Memorandum of Transfer returned to the Vendor upon receipt of the same from the Collector of Stamp Duty;
 - (iii) a copy of the relevant Land Registry's official receipt showing proof that all caveat(s) lodged over the Property has been withdrawn (if any caveat(s) has been lodged by or on behalf of our Company and/or our Company's financier over the Property); and
 - (iv) the Security Documents (if the same had been delivered to our Company or our Company's solicitors and/or our Company's financier or our Company's solicitors) with the Vendor's interest intact.

APPENDIX I – SALIENT TERMS OF THE SPA (Cont'd)

7. Vendor's warranties : (a) The Vendor thereby declares, represents, warrants and covenants with our Company as follows, amongst others:
- (i) that the Vendor is the registered owner of the Property;
 - (ii) that the Vendor is not wound up and there are no winding up proceeding pending against the Vendor;
 - (iii) that to the best of the Vendor's knowledge, there are no litigation, arbitration or administrative proceedings presently current or pending or threatened against the Vendor which litigation, arbitration or administrative proceedings, as the case may be, might affect the Vendor's ability to perform its obligations under the SPA or frustrate the completion of the Proposed Acquisition;
 - (iv) that the Vendor has paid or agrees to pay all quit rents rates taxes and all other outgoings incurred up to the Delivery Date in respect of or in connection with or arising out of the Property and no event of default has occurred that would or might entitled the State Authority to forfeit the Property or any part;
 - (v) that the Vendor has owned the Property for a period of more than 5 years immediately preceding the date of the SPA; and
 - (vi) that the statements relating to the Vendor and the Property as recited in the recitals of the SPA are correct and accurate.
- (b) The Vendor will at all times, without prejudicing our Company's right under the law and/or the provisions contained in the SPA, save harmless and keep indemnified our Company, our heirs, personal representative, successors in title and assigns against all actions, proceedings, damages, penalties, costs, claims and demands by reason of or on account of any material breach or misrepresentation or non-fulfilment of the declarations, representations, warranties and covenants set forth in item 7(a) above or any of them.

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Our Ref : 30V190726

31st October 2019

AMTEL HOLDINGS BERHAD
7, Jalan PJS 7/19, Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

Dear Sirs,

VALUATION CERTIFICATE OF A PARCEL OF INDUSTRIAL LAND TOGETHER WITH A FOUR-STOREY OFFICE/FACTORY BUILDING ERECTED THEREON, IDENTIFIED LOT NO. 61862, BANDAR GLENMARIE, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN AND HELD UNDER TITLE NO. GERAN 215243

[Property Address: No. 12, Jalan Pensyarah U1/28, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan]

We refer to your instruction to carry out a formal valuation of the abovementioned property (hereinafter referred to as "the subject property") in relation to the proposed acquisition by Amtel Holdings Berhad (hereinafter referred to as "**AHB**") ("**Proposed Acquisition**").

This Valuation Certificate has been prepared for inclusion in the circular of AHB in relation to the Proposed Acquisition of the subject property.

In accordance with the instructions from AHB, we have valued the subject property vide our valuation report with Reference No. 30V190726 dated 31st October 2019 ("Valuation Report") for the purpose of **submission to Bursa Malaysia Securities Berhad in relation to the Proposed Acquisition.**

We are pleased to certify that we have conducted the valuation on the legal interest of the subject property as at the material date of valuation on 15th October 2019. The interest to be valued is the freehold interest in the subject property.

The Valuation Report and Valuation Certificate have been prepared in compliance with the Asset Valuation Guidelines (revised on 19th January 2017) issued by the Securities Commission Malaysia and the Malaysian Valuation Standards (6th Edition 2019) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The basis of valuation for the purpose of the report and valuation is the Market Value as defined in the Malaysian Valuation Standards (6th Edition 2019). Market Value as defined in STANDARD 1 – Market Value Basis of Valuation being "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".

...2/-

Rahim & Co International Sdn Bhd
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Our Ref : 30V190726

2/-

We have prepared this certificate which summarises our Valuation Report and outlines key factors which have been considered in arriving at our opinion of the Market Value. This letter contains all the necessary data and supporting information included in our report. For further information in relation to those contained herein, reference should be made to the said report.

Brief description of the subject property is as follows:.

IDENTIFICATION OF PROPERTY

<i>Property Address</i>	No. 12, Jalan Pensyarah U1/28, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
<i>Property Description</i>	A parcel of freehold industrial land built-upon with a four-storey office/factory building and a guard house
<i>Title Particulars</i>	Geran 215243, Lot 61862, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan
<i>Surveyed Land Area</i>	3,721 square metres (about 40,052 square feet)
<i>Tenure</i>	Freehold interest
<i>Registered Owner</i>	Region Asset Sdn Bhd
<i>Category of Land Use</i>	"Perusahaan"
<i>Express Condition</i>	"Industri"
<i>Gross Floor Area</i>	4,722.3 sq. metres (50,831 sq. feet)
<i>Net Lettable Area</i>	4,717.8 sq. metres (50,782 sq. feet)
<i>Occupancy Rate</i>	Approximately 50% as at the date of valuation
<i>Location of Property</i>	The subject property is located within the Hicom Glenmarie Industrial Park, Selangor Darul Ehsan and is within the local authority area of Majlis Bandaraya Shah Alam. Hicom Glenmarie Industrial Park is located about 9 kilometres from Shah Alam city centre and about 22 kilometres from Kuala Lumpur city centre. The subject property is accessible from Kuala Lumpur city centre via the Klang-bound Federal Highway and exiting at the Subang Interchange onto Jalan Lapangan Terbang Subang and thereafter followed by Persiaran Kerjaya, Jalan Hakim U1/24, Jalan Majistret U1/26 before turning left onto Jalan Dekan U1/27 to reach Jalan Pensyarah U1/28. Jalan Pensyarah U1/28 is a metalled cul-de-sac.

..3/-



Our Ref : 30V190726

3/-

GENERAL DESCRIPTION

Brief Description of the Subject Property

The Site

The subject site is a corner plot of detached freehold industrial land and is rectangular in shape with a chip-off on its south-western corner. It is generally flat in terrain and lies slightly elevated above the level of the frontage road.

The Buildings

Erected upon the site is a four (4)-storey office/factory building and a detached guard house. The office/factory building is constructed of reinforced concrete framework infilled with plastered and painted brick walls. The roof is of reinforced concrete flat roof and metal decking sheets. The windows are of aluminium casement and top hung units. Vertical access between floors is via internal reinforced concrete staircases, a passenger lift and a cargo lift.

The **factory area** is located on two (2) levels, i.e. at the northern portion of the ground floor and the entire first floor. It accommodates a production area, storage room, toilets, Low Voltage switch room and a refuse chamber on the ground floor and a production area, toilets, staff canteen, a kitchen, surau and a lift lobby on the first floor. The floor finishes are of concrete slabs with floor hardener, ceramic tiles and wall-to-wall carpet (on the first floor).

The **office area** is located on three (3) levels, i.e. at the southern portion of the ground floor and the entire second and third floors. It accommodates a reception area, office rooms, office area, a lift lobby and toilets on the ground floor; office rooms, office space, a pantry, a lift lobby and toilets on the second floor and office space, a pantry, a lift lobby and toilets on the third floor. The floor finishes are of wall-to-wall carpet, ceramic tiles and cement rendered.

The **guard house** is a single-storey building of reinforced concrete framework supporting a timber trussed pitched roof covered with concrete tiles. The walls are of plastered and painted brick walls and the floor is of cement rendered.

The buildings are noted to be generally in a good state of repair. The age of the buildings is about 20 years.

Occupancy

The subject property is currently an income-producing property and is about 50% occupied. There are currently two tenants occupying part of the subject property, which are noted as follows:

- a) The entire first and second floors of the subject property with a total lettable area of about 25,500 sq. feet are currently tenanted to EntServ Malaysia Sdn Bhd vide a Tenancy Agreement dated 1 September 2017 for a period of three (3) years commencing from 1 September 2017 and expiring on 31 August 2020 at a monthly rental of RM38,760.00 with an option to renew for another term of three (3) years at the then prevailing market rate but not higher than fifteen percent (15%) of the current monthly rental.

...4/-



Our Ref : 30V190726

4/-

- b) Part of the rooftop of the said building is tenanted to edotco Malaysia Sdn Bhd for a period of 3 years commencing from 1 April 2017 and expiring on 31 March 2020 at a monthly rental of RM2,940.00 with automatic renewal for three (3) extended terms of three (3) years with an incremental rate of five percent (5%) each from the monthly rental and/or the last preceding monthly rental for the extended terms.

The ground floor and third floor were vacant and unoccupied as at the date of inspection.

Planning Provision

The subject property is designated for "Perusahaan" (industrial) use and the express condition stated as "Industri" as noted in the title document.

The subject property was constructed vide the approved plan Nos. MPSA/B/PC/SEK:U1/273-96 and MBSA/B/TP/SEK.U1/50-2001 and the Certificate of Fitness for Occupation (CFO) was issued based on the said two approved plans. However, we were not provided with the approved plan No. MPSA/B/PC/SEK:U1/273-96 and thus, we were unable to ascertain the details in the said plan and the valuation is based on the approved plan No. MBSA/B/TP/SEK.U1/50-2001 and the subsequent approved plan No. MBSA/BGN/BB/600-2(PB)/SEK:U1/0117-B that was approved on 6 June 2013.

We noted during our site inspection that there were structures constructed on the subject property without approval from Majlis Bandaraya Shah Alam (MBSA). The aforesaid structures are excluded from the valuation of the subject property and are noted as follows:

- i. A metal deck roof built over the reinforced concrete flat roof of the second floor to prevent water leaking to the floors below
- ii. A passenger lift and a cargo lift had been installed and part of the open space on the eastern corner of the building had been enclosed to serve as a lift lobby. A lift motor room had been erected on the roof top of the building
- iii. About 28.8 sq. metres (310 sq. feet) on the right rear corner of the ground floor of the building had been enclosed with metal frames to protect the generator sets
- iv. An external metal staircase connecting the first floor to the exterior had been erected at the rear of the building
- v. A small toilet building had been erected at the rear of the building
- vi. A lean-to-roof over the resting area located next to the guard house

Our enquiry with MBSA revealed that the structures mentioned above that were constructed without approval are located within the boundary of the building and will likely to be approved by MBSA upon application, except for the external metal staircase and the toilet building located at the rear of the building which may not get the approval from Jabatan Bomba dan Penyelamat as the required clearance is 20 feet for the fire truck to go round the building.

The subject property was issued with Certificate of Fitness for Occupation dated 26th July 2001 and Certificate of Completion & Compliance for the extension of the ground floor in 2019.

...5/-

APPENDIX II – VALUATION CERTIFICATE (Cont'd)



Our Ref : 30V190726

5/-

MARKET VALUE

Date of Valuation : 15th October 2019

Valuation Approach : Cost Approach and Investment Method by Income Approach

Cost Approach

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

The transactions of detached factories and a vacant industrial land located in Hicom-Glenmarie Industrial Park are shown in the following table.

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Type	4-storey detached office/factory	Double-storey detached factory	Vacant industrial lot	Single-storey detached factory
Title/Lot No.	Geran 215231, Lot 61850, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan	HSD 267028, PT 1955, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan	Geran 215154, Lot 61759, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan	Geran 215218, Lot 61837, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan
Address	No. 12, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	No. 8, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	No. 3, Jalan Juruukur U1/19, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	No. 1, Jalan Peguam U1/25, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
Tenure	Freehold	Freehold	Freehold	Freehold
Land Area	4,251 sq. metres (45,757 sq. feet)	8,255 sq. metres (88,856 sq. feet)	4,178 sq. metres (44,972 sq. feet)	6,277 sq. metres (67,565 sq. feet)
Consideration	RM18,000,000/-	RM28,000,000/-	RM13,266,445	RM23,000,000/-
Date of Transaction	8 th October 2018	8 January 2018	29 th December 2017	28 th June 2017
Source	Valuation & Property Services Department			
Gross Floor Area	5,646 sq. metres (60,777 sq. feet)	6,173 sq. metres (66,446 sq. feet)	Not applicable	2,260.8 sq. metres (24,335 sq. feet)
Analysis of Land Value	RM234 per sq. foot	RM225 per sq. foot	RM295 per sq. foot	RM292 per sq. foot
Adjustments	Upward adjustment on location factor	Upward adjustments on location factor and land size	Upward adjustment on location factor	Upward adjustments on location factor and land size
Adjusted Land Value per sq. foot	RM240	RM254	RM302	RM314

..6/-



Our Ref : 30V190726

6/-

Based on the above analysis, the adjusted land values of the comparables ranges between RM240 to RM314 per sq. foot. We are of the opinion that Comparable 3 is the best comparable as it has the least adjustments and was transacted in December 2017, i.e. less than 2 years ago where the industrial market had been stable. We had rounded it to RM300 per sq. foot as the market value of the unimproved land and added to it the value of the site improvements.

In assessing the cost of the subject buildings, we have been guided by the JUBM and Langdon Seah Construction Cost Handbook Malaysia 2019 issued by Davis Langdon & Seah (Malaysia) Sdn Bhd in collaboration with Juru Ukur Bahan Malaysia & JUBM Sdn Bhd. We have adopted the following building value and depreciation rate in our valuation: -

Buildings	Building Value	Depreciation rate
Four (4)-storey office/factory building	RM180 per sq. foot.	20%
Guard house building	RM100 per sq. foot.	

We have adopted a depreciation rate of 20% after taking into consideration the age of the buildings which are about 20 years old as well as the condition of the buildings which are noted to be in good state of repair.

Investment Method by Income Approach

The Investment Method by Income Approach entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The net annual income is capitalised at a market derived net yield to arrive at the capital value of the property.

In undertaking our assessment of the value using the Investment Method by Income Approach, we have considered the current rentals as per the Tenancy Agreements for the existing tenants occupying part of the subject building as mentioned under "Occupancy" section as well as the current asking rentals in the vicinity and the annual expenses of the subject property provided to us by the client for the past three years. Under this approach, the subject property is viewed as an investment property with the rental income is capitalised at an appropriate yield.

Gross Rental Rate

The current passing rental of the first and second floors is about RM1.52 per sq. foot per month. The current asking rental of office/factory building located within the vicinity are ranging from RM1.69 to RM1.94 per sq. foot per month, depending on the type of building, built-up area and location. For the term period, we have adopted the current rental rate of the tenanted area and for the reversionary term, we are of the opinion that the reasonable and fair rental rate for the subject property is RM1.75 per sq. foot per month.

Average Monthly Outgoings

The average monthly outgoings of the subject property for the past three years is approximately RM0.18 per sq. foot. We have adopted the outgoings of RM0.18 per sq. foot in this valuation.

...7/-



Our Ref : 30V190726

7/-

Capitalisation Rates

Our analysis revealed yields from factories/warehouses in the vicinity are ranging from 5.00% to 7.50%. The most important factor affecting yield is the degree of risk inherent in the investment. To determine the net yield that the property would reasonably fetch, we have made appropriate adjustment for factors such as the condition of the building, location, tenancy profile and nature of business. Therefore, we are of the opinion that the achievable net yield for the subject property is 5.75% for the term period on the basis that the term period is more secured and is easily attainable. For the reversionary period, we have adopted a net yield of 6.00% to reflect the uncertainty in the future.

Void

The void allowance is for possible future vacancies, rent free periods and the possibility of bad debts. We have adopted a void factor of about 5% as the Hicom Glenmarie Industrial Park is almost fully built-up and we noted that all the factories are being occupied even during this period where the property market is soft.

Discount Rate

We have adopted a discount rate of 6.00% for the office/factory area and 7.25% for the rooftop to reflect the opportunity costs of capital of investing in a property similar to the subject property and the rates are based on the net yield adopted for the reversionary period.

Reconciliation of Valuation

Cost Approach	: RM19,500,000/-
Investment Method by Income Approach	: RM15,500,000/-

We are of the opinion that the Market Value of the subject property of **RM19,500,000/-** based on the Cost Approach is fair and reasonable. We have adopted the Market Value based on the Cost Approach as a primary approach to value the subject property. The Investment Method by Income Approach is a secondary approach and is adopted as a check method of valuation. In this valuation exercise, we are in the opinion that the Cost Approach provides a fair representation of market value of the subject property after taking into account of the following considerations :-

1. There are sufficient data made available to value the land and building components under the Cost Approach.
2. The Investment Method by Income Approach has limitations due to insufficient availability of industrial rental and outgoings evidences to justify the income stream and yield to arrive at the capital value of the property under this approach.

...8/-



Our Ref : 30V190726

8/-

Opinion of Market Value

We assess the Market Value of the subject property, i.e. **A PARCEL OF INDUSTRIAL LAND TOGETHER WITH A FOUR-STOREY OFFICE/FACTORY BUILDING ERECTED THEREON, IDENTIFIED AS LOT NO. 61862, BANDAR GLENMARIE, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN AND HELD UNDER TITLE NO. GERAN 215243 (Property Address : No. 12, Jalan Pensyarah U1/28, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan)**, as at 15th October 2019, in its existing condition, free from all encumbrances, with the title held under freehold interest and being good, marketable and registrable as well as with vacant possession and subject to the existing legally-binding tenancies is **RM19,500,000/- (Ringgit Malaysia: Nineteen Million And Five Hundred Thousand Only)**.

Yours faithfully,

RAHIM & CO INTERNATIONAL SDN BHD

Sr. MOHAMAD ALHAFIZ BIN FAROUK, MR/ISM

Senior Manager

Registered Valuer (V-984)

APPENDIX III – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

(i) Principal Adviser

Mercury Securities, being the Principal Adviser for the Proposed Acquisition, 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.

Mercury Securities is also not aware of any conflict of interests which exist or are likely to exist in its capacity as the Principal Adviser to our Company for the Proposed Acquisition.

(ii) Property Valuer

Rahim & Co, being the independent valuer for the Property, has given and has not subsequently withdrawn its written consent to the inclusion of its name as well as the Valuation Certificate and the extracts of the Valuation Report and all references thereto in the form and context in which they appear in this Circular.

Rahim & Co is also not aware of any conflict of interests which exist or are likely to exist in its capacity as the independent valuer for the Property in respect of the Proposed Acquisition.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

As at the LPD, there is no material litigation, claims and/or arbitrations involving the Property.

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4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**(i) Material Commitments**

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

	<u>RM'000</u>
Contracted but not provided for:	
(a) Purchase of investment properties	2,227
(b) Proposed Acquisition	16,992
Total	<u>19,269</u>

(ii) Contingent Liabilities

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

	<u>RM'000</u>
Bank guarantees ⁽ⁱ⁾	<u><u>87</u></u>

Note:

- (i) *The bank guarantees were issued by financial institutions on behalf of Amtel Networks Sdn Bhd and Milan Utama Sdn Bhd, respectively a 32.0% and 35.0% indirect owned associate company of our Company, in respect of performance guarantees/bonds for business contracts.*

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan during normal business hours (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution of AHB;
- (ii) audited consolidated financial statements of AHB for the FYE 30 November 2017 and FYE 30 November 2018 and latest unaudited consolidated financial statements for the 9-month financial period ended 31 August 2019;
- (iii) SPA;
- (iv) Valuation Certificate as attached in Appendix II of this Circular and the Valuation Report; and
- (v) letters of consent and conflict of interest as referred to in Section 2 of this Appendix III.



AMTEL HOLDINGS BERHAD
(Registration No. 199601037096 (409449-A))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Amtel Holdings Berhad will be held at Langkawi Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 5 February 2020 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY AMTEL HOLDINGS BERHAD (“COMPANY”) OF A PARCEL OF FREEHOLD INDUSTRIAL LAND KNOWN AS LOT 61862, BANDAR GLENMARIE, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN HELD UNDER GERAN 215243 TOGETHER WITH A FOUR-STOREY OFFICE/FACTORY BUILDING ERECTED THEREON (“PROPERTY”) FOR A CASH CONSIDERATION OF RM18.88 MILLION (“PROPOSED ACQUISITION”)

“**THAT** subject to and conditional upon the approvals and consents of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to acquire the Property and complete the Proposed Acquisition for a total cash consideration of RM18.88 million, subject to the terms and conditions as set out in the conditional sale and purchase agreement dated 30 October 2019 entered into between the Company and Region Asset Sdn Bhd, the salient terms of which are set out in Appendix I of the Company’s circular to shareholders dated 13 January 2020 in respect of the Proposed Acquisition;

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised and empowered to take all such steps and do all such acts and things and to execute all necessary documents to give full effect and to complete the Proposed Acquisition with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary by the Board and to take all steps and actions as may be required by the relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Acquisition.”

By Order of the Board
TEE LEE LENG (MAICSA 7044742)
HOH YIT FOONG (LS 0018)

Company Secretaries
Selangor Darul Ehsan

13 January 2020

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 29 January 2020 shall be entitled to attend, speak and vote at this meeting.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the registered office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting.*
4. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the meeting and that appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*
5. *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 but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*



AMTEL HOLDINGS BERHAD
(Registration No. 199601037096 (409449-A))
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares held	

PROXY FORM

EXTRAORDINARY GENERAL MEETING

(Before completing this form, please refer to the notes)

I/We.....

NRIC/Passport/Company No.

of.....

[FULL ADDRESS]

being a member/members of **AMTEL HOLDINGS BERHAD** ("Company"), do hereby appoint

.....(NRIC/Passport No.)

of.....

or failing him/her.....

of.....

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Langkawi Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 5 February 2020 at 10.00 a.m. or at any adjournment thereof.

(Please indicate with an "X" in the space provided below on how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her discretion.)

No.	Resolution	For	Against
1	Ordinary Resolution – Proposed Acquisition		

For appointment of more than one (1) proxy, percentage of shareholdings to be represented by the proxies:-

No. of Shares	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Signature/Common Seal of Member

Dated this day of 2020

Notes:

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2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the registered office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

Company Secretary
AMTEL HOLDINGS BERHAD
(Registration No. 199601037096 (409449-A))
No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

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