

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

**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS CIRCULAR. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY SHAREHOLDERS, SEE "RISK FACTORS" COMMENCING ON PAGE 36.**

Part A of this Circular has been reviewed and approved by Kenanga Investment Bank Berhad, the Principal Adviser and Sponsor to G Neptune Berhad ("GNB" or "**Company**") for the Proposed Regularisation Plan (as defined herein). Part B of this Circular has been reviewed and approved by Malacca Securities Sdn Bhd, the Independent Adviser for the Proposed Exemption (as defined herein).

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused Part C of this Circular prior to its issuance as it is an exempt circular pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

The approval of Bursa Securities shall not be taken to indicate that Bursa Securities recommends the Proposed Regularisation Plan (as defined herein). Bursa Securities takes no responsibility for the contents of this Circular, 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.

Pursuant to Paragraph 4.08(3)(g) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Securities Commission Malaysia ("**SC**") had on 19 August 2022 given its notification that it had no further comments to the contents of the Independent Advice Letter by Malacca Securities Sdn Bhd for the Proposed Exemption (as defined herein) and such notification shall not be taken to indicate that the SC agrees with the recommendation of the Independent Adviser or assumes responsibility for the correctness of any statements made, opinions expressed or report contained in the Independent Advice Letter. The SC has not, in any way, considered the merits of the Proposed Exemption being tabled for shareholders' approval. The SC takes no responsibility for the contents of the Independent Advice Letter, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or part of the contents of this Independent Advice Letter.

## **G NEPTUNE BERHAD**

(Registration No.: 200301019817 (622237-D))  
(Incorporated in Malaysia)

### **CIRCULAR TO SHAREHOLDERS**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser, Sponsor and Placement Agent for Part A*

**Kenanga**

**Kenanga Investment Bank Berhad**

Registration No.: 197301002193 (15678-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Independent Adviser for Part B*

**MALACCA SECURITIES SDN BHD**

Registration No: 197301002760 (16121-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

If you decide to appoint a proxy(ies) to attend and vote on your behalf at the EGM, the Form of Proxy should be completed and lodged at the office of the Company's Share Registrar, Mega Corporate Services Sdn. Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time and date indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

You can also have the option to lodge the proxy appointment electronically via [mega-sharereg@megacorp.com.my](mailto:mega-sharereg@megacorp.com.my) before the Form of Proxy lodgement cut-off time as mentioned below.

Last date and time for lodging the Form of Proxy	:	Sunday, 11 September 2022 at 11.30 a.m.
Date and time of the EGM	:	Tuesday, 13 September 2022 at 11.30 a.m.
Venue of the EGM	:	Boardroom 4, Level 3, Eastin Hotel Kuala Lumpur, No. 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan

**This Circular is dated 22 August 2022**

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE:**

**PART A**

- (I) **PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN GNB (“GNB SHARE”) INTO 1 GNB SHARE (“CONSOLIDATED SHARE”) (“PROPOSED SHARE CONSOLIDATION”);**
- (II) **PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN SOUTHERN SCORE SDN BHD (“SOUTHERN SCORE”) FOR A PURCHASE CONSIDERATION OF RM252,000,000 TO BE SATISFIED VIA THE ISSUANCE OF 1,680,000,000 NEW GNB SHARES AT AN ISSUE PRICE OF RM0.15 PER GNB SHARE (“CONSIDERATION SHARES”) (“PROPOSED ACQUISITION”);**
- (III) **PROPOSED SETTLEMENT BY GNB OF DEBT OWING TO A DIRECTOR OF GNB OF RM3,100,000 VIA THE ISSUANCE OF 20,666,667 NEW GNB SHARES AT AN ISSUE PRICE OF RM0.15 PER GNB SHARE (“SETTLEMENT SHARES”) (“PROPOSED DEBT SETTLEMENT”);**
- (IV) **PROPOSED PRIVATE PLACEMENT OF 543,047,900 GNB SHARES AT AN ISSUE PRICE TO BE DETERMINED LATER, WHICH SHALL NOT BE LESS THAN RM0.20 PER NEW GNB SHARE, TO ELIGIBLE INVESTORS TO BE IDENTIFIED LATER (“PROPOSED PRIVATE PLACEMENT”); AND**
- (V) **PROPOSED EXEMPTION UNDER PARAGRAPH 4.08(1)(a) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR THE REMAINING GNB SHARES NOT ALREADY HELD BY SUPER ADVANTAGE PROPERTY SDN BHD (“SUPER ADVANTAGE”) AND THE PERSONS ACTING IN CONCERT WITH IT PURSUANT TO THE PROPOSED ACQUISITION (“PROPOSED EXEMPTION”)**

**(COLLECTIVELY REFERRED TO AS “PROPOSED REGULARISATION PLAN”)**

**PART B**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF GNB IN  
RELATION TO THE PROPOSED EXEMPTION**

**PART C**

**PROPOSED CHANGE OF NAME OF THE COMPANY FROM “G NEPTUNE BERHAD” TO  
“SOUTHERN SCORE BUILDERS BERHAD” (“PROPOSED CHANGE OF NAME”)**

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**RESPONSIBILITY STATEMENTS**

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**RESPONSIBILITY STATEMENTS**

THE DIRECTORS OF GNB HAVE SEEN AND APPROVED THIS CIRCULAR. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THE CIRCULAR FALSE OR MISLEADING.

THE DIRECTORS OF SOUTHERN SCORE COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION RELATING TO SUPER ADVANTAGE AND SOUTHERN SCORE. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT RELATING TO SUPER ADVANTAGE AND SOUTHERN SCORE IN THE CIRCULAR FALSE OR MISLEADING.

KENANGA INVESTMENT BANK BERHAD, BEING THE PRINCIPAL ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS CIRCULAR CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PROPOSED REGULARISATION PLAN.

**STATEMENTS OF DISCLAIMER**

THE VALUATION UTILISED FOR THE PURPOSE OF THE PROPOSED ACQUISITION SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY BURSA SECURITIES ON THE VALUE OF THE SOUTHERN SCORE GROUP (AS DEFINED HEREIN).

ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE OFFERING, CORPORATION OR ITS SHARES.

***-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-***

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**NOTICE OF EGM****ENCLOSED****FORM OF PROXY****ENCLOSED**

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**DIRECTORY OF ADVISERS**

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<b>PRINCIPAL ADVISER, SPONSOR AND PLACEMENT AGENT</b>	<b>:</b> <b>Kenanga Investment Bank Berhad</b> Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur  Tel : +603 2172 2888 Fax : +603 2172 2999
<b>LEGAL ADVISER</b>	<b>:</b> <b>Chooi &amp; Company + Cheang &amp; Ariff</b> CCA @ Bangsar Level 5, Menara BDRB No. 285, Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur  Tel : +603 2055 3888 Fax : +603 2055 3880
<b>SHARE REGISTRAR</b>	<b>:</b> <b>Mega Corporate Services Sdn Bhd</b> Level 15-2, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur  Tel : +603 2692 4271 Fax : +603 2732 5388
<b>REPORTING ACCOUNTANTS</b>	<b>:</b> <b>Grant Thornton Malaysia PLT</b> (201906003682 & LLP0022494-LCA & AF0737) Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur  Tel : +603 2692 4022 Fax : +603 2732 5119  Partner-in-charge: Lui Lee Ping Approval No.: 03334/11/2023(J) (Chartered Accountant)
<b>INDEPENDENT ADVISER FOR THE PROPOSED EXEMPTION AND INDEPENDENT EXPERT FOR THE FAIRNESS OPINION ON THE PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITION</b>	<b>:</b> <b>Malacca Securities Sdn Bhd</b> B01-A-13A Level 13A, Menara 2 No. 3, Jalan Bangsar, KL Eco City 59200 Kuala Lumpur  Tel : +603 2201 2100  Person-in-charge: Tan Poh Lin, Senior Vice President ( <i>Bachelor of Business Administration (Hons) from Universiti Kebangsaan Malaysia</i> )

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**DIRECTORY OF ADVISERS (Cont'd)**

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- INDEPENDENT MARKET RESEARCHER** : **Providence Strategic Partners Sdn Bhd**  
67-1, Block D, The Suites, Jaya One  
No. 72A, Jalan Universiti  
46200 Petaling Jaya  
Selangor Darul Ehsan
- Tel : +603 7625 1769
- Person-in-charge: Elizabeth Dhoss (Executive Director)  
*(Bachelor of Business Administration from the University of Malaya)*
- COMPANY SECRETARIES** : Cynthia Gloria Louis  
(The Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") 7008306) (SSM PC No. 201908003061)
- Chew Mei Ling  
(MAICSA 7019175) (SSM PC No. 201908003178)
- Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No.3 Jalan SS7/19  
Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia
- Tel : +603 7880 9699  
Fax : +603 7880 8699
- LISTING SOUGHT** : GNB is currently listed on the ACE Market of Bursa Securities.

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## DEFINITIONS

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The following definitions shall apply throughout this Circular unless the terms are defined otherwise or the context requires otherwise:

Act	: Companies Act 2016, as may be amended, supplemented or modified from time to time
Announcement	: The announcement of the Proposed Regularisation Plan dated 9 July 2021
Board of GNB	: Board of Directors of GNB
Board of Southern Score	: Board of Directors of Southern Score
Bursa Depository or Depository	: Bursa Malaysia Depository Sdn. Bhd. (Registration no. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration no. 200301033577 (635998-W))
CCM	: Companies Commission of Malaysia
Circular	: This circular to our shareholders dated 22 August 2022
CMSA	: Capital Markets and Services Act 2007
Consideration Shares	: 1,680,000,000 new GNB Shares to be issued to Super Advantage at an issue price of RM0.15 each, as full settlement of the Purchase Consideration for the Proposed Acquisition
Consolidated Share	: GNB Share after the completion of the Proposed Share Consolidation
CTP	: Chai Tham Poh, an Executive Director of GNB
CTP Advances	: The total advances of RM3,100,000 made by CTP to GNB
DCF	: Discounted cash flow
Debt Settlement Agreement	: A debt settlement agreement dated 9 July 2021 entered into by GNB and CTP in relation to the debt owing to CTP of RM3,100,000
Director	: A natural person who holds a directorship in the Company or Southern Score, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the CMSA
Disqualifying Transaction	: The acquisition of GNB Shares or instruments convertible into GNB Shares and options in respect of GNB Shares by Super Advantage and the PACs in the 6 months prior to the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of GNB in relation to the Proposed Acquisition until completion of the Proposed Acquisition
EBITDA	: Earnings before interest, taxation, depreciation and amortisation



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**DEFINITIONS (Cont'd)**

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EGM	: Extraordinary general meeting
Enlarged GNB Group	: GNB and Southern Score Group, collectively
EPS	: Earnings per share
First Supplemental Debt Settlement Agreement	: A supplemental Debt Settlement Agreement dated 18 May 2022 entered into by GNB and CTP in relation to the debt owing to CTP of RM3,100,000 to amend and vary certain terms and conditions of the Debt Settlement Agreement.
First Supplemental SSA	: A supplemental SSA dated 18 May 2022 entered into by GNB and the Vendor in relation to the Proposed Acquisition to amend and vary certain terms and conditions of the SSA.
First Supplemental PGA	: A supplemental PGA dated 26 January 2022 entered into by GNB and the Vendor in relation to the Proposed Acquisition to amend and vary certain terms and conditions of the PGA.
FPE	: Financial period ended/ ending, as the case may be
FYE	: Financial year ended/ ending, as the case may be
Geranium	: Geranium Limited (Registration no. 1678965), GNB's former subsidiary which was dissolved on 8 October 2021
GN3	: Guidance Note 3
GNB or Company	: G Neptune Berhad (Registration no. 200301019817 (622237-D))
GNB Group	: GNB and its former subsidiary, Geranium, collectively
GNB Shares	: Ordinary shares in GNB
Government	: Government of Malaysia
GP	: Gross profit
IAL	: Independent advice letter from Malacca Securities to the non-interested shareholders of GNB in relation to the Proposed Exemption
IMR Report	: Independent Market Research report on the construction services and industrialised building system industries in Malaysia prepared by Providence Strategic Partners Sdn Bhd
Kenanga IB	: Kenanga Investment Bank Berhad (Registration no. 197301002193 (15678-H))
LAT	: Loss after taxation
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 22 July 2022, being the latest practicable date of this Circular
Malacca Securities or Independent Adviser or Independent Expert	: Malacca Securities Sdn Bhd (Registration no. 197301002760 (16121-H))

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**DEFINITIONS (Cont'd)**

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Mandatory Offer	: Mandatory take-over offer to acquire all the remaining GNB Shares not already held by Super Advantage after the Proposed Acquisition in accordance with Paragraph 4.01(a) of the Rules
MITI	: Ministry of International Trade and Industry
NA	: Net assets
PACs	: Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin, being persons acting in concert with Super Advantage pursuant to Section 216(2) of the CMSA
PAT	: Profit after taxation
PBT	: Profit before taxation
PE Multiple	: Price to earnings multiple
PGA	: A profit guarantee agreement dated 9 July 2021 entered into by GNB and the Vendor in relation to the Proposed Acquisition
Placement Shares	: 543,047,900 new GNB Shares to be issued pursuant to the Proposed Private Placement to eligible investors to be identified later
Profit Guarantee	: the minimum PAT of RM10,000,000, RM20,000,000 and the remaining shortfall of the Profit Guarantee guaranteed for the Profit Guarantee Period on a cumulative basis of RM80,000,000
Profit Guarantee Period	: the period commencing from FYE 31 December 2022 to FYE 31 December 2024
Promoters or Specified Shareholders	: Super Advantage, Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin
Proposed Acquisition	: Proposed acquisition by GNB of the entire issued shares in Southern Score, for a purchase consideration of RM252,000,000 to be satisfied via the issuance of 1,680,000,000 Consideration Shares
Proposed Change of Name	: Proposed change of name of the Company from “G Neptune Berhad” to “Southern Score Builders Berhad”
Proposed Debt Settlement	: Proposed settlement of debt owing to a Director of GNB namely CTP via the issuance of the Settlement Shares
Proposed Directors	: Directors proposed to be appointed to the Board of GNB after the completion of the Proposed Regularisation Plan, as set out in Section 4 of Appendix II(A)
Proposed Exemption	: Proposed exemption under Paragraph 4.08(1)(a) of the Rules from the obligation to undertake a mandatory take-over offer for the remaining GNB Shares not already held by Super Advantage and the PACs pursuant to the Proposed Acquisition

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**DEFINITIONS (Cont'd)**

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Proposed Private Placement	: Proposed private placement of 543,047,900 Placement Shares at an issue price to be determined later, which shall not be less than RM0.20 per new GNB Share to eligible investors to be identified later
Proposed Regularisation Plan	: Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption, collectively
Public Shareholding Spread Requirement	: Public shareholding spread requirement of the Listing Requirements, which requires GNB to have at least 25% of the total number of GNB Shares in the hands of a minimum number of 200 public shareholders holding not less than 100 GNB Shares each
Purchase Consideration	: RM252,000,000 being the purchase consideration pursuant to the Proposed Acquisition
Purchaser	: Refers to GNB in relation to the SSA
Record of Depositors	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
RM and sen	: Ringgit Malaysia and sen, respectively
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	: Securities Commission Malaysia
Second Supplemental PGA	: A supplemental PGA dated 18 May 2022 entered into by GNB and the Vendor in relation to the Proposed Acquisition to further amend and vary certain terms and conditions of the PGA.
Settlement Shares	: 20,666,667 new GNB Shares to be issued to CTP pursuant to the Proposed Debt Settlement at an issue price of RM0.15 per GNB Share
Significant Change in the Business Direction or Policy	: As defined in Rule 1.01 of the Listing Requirement
Southern Score or Target Company	: Southern Score Sdn Bhd (Registration no. 201001042073 (926001-X))
Southern Score Group or Target Group	: Southern Score and TSPC, collectively
Southern Score Shares	: Ordinary shares in Southern Score
SSA	: A conditional share sale agreement dated 9 July 2021 entered into by GNB and the Vendor in relation to the Proposed Acquisition
Substantial Shareholder(s)	: As defined in Rule 1.01 of the Listing Requirement
Super Advantage or Vendor	: Super Advantage Property Sdn Bhd (Registration no. 201401035182 (1111302-A))
TSPC	: TCS SS Precast Construction Sdn Bhd (Registration no. 202101012306 (1412605-A))

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**DEFINITIONS (*Cont'd*)**

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All references to “**you**” in this Circular are references to shareholders of GNB.

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.

Any reference to any enactment in this Circular 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 is a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the figures included in this Circular between the amount stated and the totals thereof are due to rounding.

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## GLOSSARY OF TECHNICAL TERMS

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The following technical terms shall apply throughout this Circular unless the terms are defined otherwise or the context requires otherwise:

AutoCAD	:	A computer-aided design and drafting software application.
CMGD	:	Certificate of Making Good Defects, issued to the contractor by the architect on behalf of the customer after identified defects have been rectified upon expiry of the defects liability period
CPC	:	Certificate of Practical Completion, issued to the contractor by the architect on behalf of the customer when the contractor has completed its assigned obligations and hand over the works to the customer
Defects liability period	:	A warranty period where a contractor is required to repair or make good defects in the work performed
Formwork system	:	Moulds used to hold wet concrete until curing (i.e. maintaining of adequate moisture content and temperature in concrete at an early age so that the mixture could develop the desired properties) is achieved
IBS	:	Industrialised building system, a construction technique where components of the building such as wall panels and floor slabs are mass-produced in a controlled environment (either at the site or offsite), and then transported, positioned and assembled into a structure with minimal additional site work
LAD	:	Liquidated and ascertained damages, which are damages due to a customer, calculated at a rate as stated in the contract when a contractor fails to deliver the completed work within the period stipulated in the said contract agreement
Letter of award	:	A formal letter of an award of a project by a customer to the contractor
M&E	:	Mechanical and electrical
Master work programme	:	Master work programme details the work activities at work site, sequence of work and identified key milestones of a project according to the project requirements and specifications
QESH	:	Quality, environment, safety and health
Value engineering	:	Value engineering is a systematic and organised approach to provide the necessary functions in a project at the lowest cost whilst meeting design and/or contract specifications

**PART A**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE  
PROPOSED REGULARISATION PLAN**

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**EXECUTIVE SUMMARY**

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This summary of the Proposed Regularisation Plan 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 before making a decision on the Proposed Regularisation Plan.

**1. PRINCIPAL DETAILS OF THE PROPOSED REGULARISATION PLAN**

GNB proposes to undertake the following:

<b>Proposals</b>	<b>Details of the proposals</b>
<b>(i) Proposed Share Consolidation</b>	Proposed consolidation of every 10 existing GNB Shares into 1 Consolidated Share.
<b>(ii) Proposed Acquisition</b>	<p>Proposed acquisition of 100% equity interest in Southern Score from Super Advantage for a purchase consideration of RM252,000,000 to be satisfied via the issuance of 1,680,000,000 Consideration Shares.</p> <p>The Proposed Acquisition is subject to the terms and conditions as set out in Section A of Appendix I of this Circular.</p>
<b>(iii) Proposed Debt Settlement</b>	Proposed settlement of debt owing to a Director of GNB, namely CTP, of RM3,100,000 via the issuance of 20,666,667 Settlement Shares.
<b>(iv) Proposed Private Placement</b>	Proposed private placement of 543,047,900 GNB Shares at an issue price to be determined later, which shall not be less than RM0.20 per new GNB Share, to eligible investors to be identified later.
<b>(v) Proposed Exemption</b>	Proposed exemption under Paragraph 4.08(1)(a) of the Rules from the obligation to undertake a mandatory take-over offer for the remaining GNB Shares not already held by Super Advantage and the PACs pursuant to the Proposed Acquisition.

The proposals within the Proposed Regularisation Plan are inter-conditional upon each other.

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**EXECUTIVE SUMMARY (Cont'd)**

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**2. UTILISATION OF PROCEEDS**

The total gross proceeds to be raised from the Proposed Private Placement, based on the 543,047,900 Placement Shares issued at an assumed issue price of RM0.20 each, are intended to be utilised in the following manner:

Details	Amount		Utilisation (from the date of listing of the Placement Shares)
	RM'000	%	
Injection of fund to TSPC	21,800	20.07	Within 18 months
Purchase of building materials	25,000	23.02	Within 18 months
Repayment of contractors	25,000	23.02	Within 12 months
Acquiring/ rent of construction assets	18,000	16.57	Within 18 months
Acquiring of office	5,000	4.61	Within 18 months
Working capital	9,410	8.66	Within 24 months
Estimated expenses in relation to the Proposed Regularisation Plan	4,400	4.05	Within 1 month
<b>Total</b>	<b>108,610</b>	<b>100.00</b>	

Further information on the utilisation of proceeds is set out in Section 7 of this Circular.

**3. RATIONALE FOR THE PROPOSED REGULARISATION PLAN**

GNB had on 30 November 2017 announced that it was classified as a GN3 company pursuant to GN3 of the Listing Requirements. The main objective of the Proposed Regularisation Plan is to return the Company to a better and stronger financial standing and profitability, thereby benefiting all stakeholders of the Enlarged GNB Group. The Proposed Acquisition is an integral part of the Proposed Regularisation Plan that will allow the Company to diversify its business into construction management services as a means to regularise the Company's financial conditions as the Company does not have any core business to sustain its listing status.

**4. SUMMARY OF THE FAIRNESS OPINION ON THE PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITION BY MALACCA SECURITIES**

The following valuation methodologies were considered and selected by Malacca Securities to determine the fairness of the Purchase Consideration of the Proposed Acquisition:

- (i) DCF; and
- (ii) PE Multiple.

The primary valuation methodology considered and selected by Malacca Securities to evaluate the Purchase Consideration is based on the DCF methodology. Malacca Securities has also taken into consideration the PE Multiple as the secondary methodology to evaluate the fair market value of Southern Score. Malacca Securities had used the DCF and PE Multiple methodologies as the valuation methodologies to assess the fairness of the Purchase Consideration and has considered the following:

- (i) based on the DCF, the fair value of the entire equity interest in Southern Score as at 30 June 2021 ("**Valuation Date**") is between RM258.27 million and RM275.54 million; and
- (ii) based on the PE Multiple of the comparable companies of between 7.90 times to 13.61 times, the valuation of Southern Score is within the range of the comparable companies of RM151.68 million to RM261.31 million.



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**EXECUTIVE SUMMARY (Cont'd)**

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Premised on the above, Malacca Securities is of the opinion that the Purchase Consideration is FAIR. Please refer to Appendix VII of this Circular for further information.

## **5. SUMMARY OF THE OPINION ON THE PROPOSED EXEMPTION BY MALACCA SECURITIES**

Malacca Securities has been appointed by the Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) on 9 July 2021 to act as the Independent Adviser to the non-interested Directors and non-interested shareholders of GNB in relation to the Proposed Exemption.

Malacca Securities has assessed and evaluated the Proposed Exemption on a holistic basis to arrive at the conclusion and recommendation in accordance with Schedule 2: Part III of the Rules. Due to the inter-conditionality of the Proposed Regularisation Plan, in carrying out the evaluation of the Proposed Exemption, Malacca Securities has also evaluated the merits and demerits of the other proposals to arrive at the overall opinion on the Proposed Exemption to provide the non-interested shareholders of the Company with a holistic view of the Proposed Regularisation Plan and the impact it has on the Proposed Exemption.

In evaluating the Proposed Exemption, Malacca Securities has taken the following factors into consideration:

- |     |   |                       |
|-----|---|-----------------------|
| (a) | Rationale for the Proposed Regularisation Plan                  | Section 6 of the IAL  |
| (b) | Evaluation of the Proposed Acquisition                          | Section 7 of the IAL  |
| (c) | Evaluation of the salient terms of the Definitive Agreements    | Section 8 of the IAL  |
| (d) | Effects of the Proposed Regularisation Plan                     | Section 9 of the IAL  |
| (e) | Industry outlook and future prospects of the Enlarged GNB Group | Section 10 of the IAL |
| (f) | Implication arising from the Proposed Exemption                 | Section 11 of the IAL |

Based on the overall evaluation, Malacca Securities is of the opinion that the Proposed Exemption is fair and reasonable.

Accordingly, Malacca Securities recommends that the non-interested shareholders of GNB vote in favour of the ordinary resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

Please refer to Part B of this Circular for further details on the IAL.

## **6. BUSINESS MODEL OF SOUTHERN SCORE**

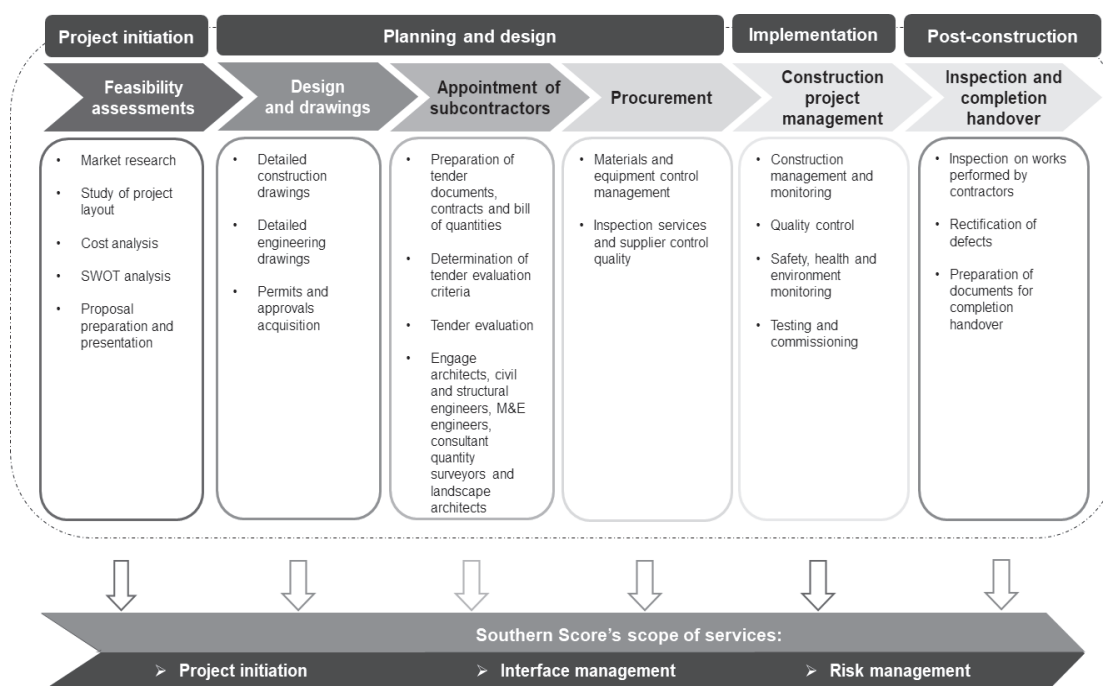
Southern Score was incorporated in Malaysia as a private limited company on 20 December 2010 under the Companies Act, 1965 (deemed registered under the Act) under the name of Pembinaan Lebar Waras Sdn Bhd. On 29 March 2011, Pembinaan Lebar Waras Sdn Bhd changed its name to Southern Score Sdn Bhd.

Southern Score is principally involved in the provision of construction management services mainly for high-rise residential buildings in Kuala Lumpur. The roles performed by Southern Score as a turnkey contractor and main contractor are similar in which Southern Score performs the construction of buildings for which it has been awarded. In general, while a turnkey contractor is typically awarded the contract directly by the landbank owner, the main contractor is typically awarded the contract by the property developer.

## EXECUTIVE SUMMARY (Cont'd)

Southern Score is involved in the implementation of development and construction projects, which includes project planning and design development, as well as daily management of all the works required for timely completion of the projects. Southern Score also engages subcontractors to provide selected services such as supply and installation of construction materials, machinery and equipment, geotechnical and piling works, as well as other specialised trade works such as M&E engineering works, drainage and sewerage works, and other related works.

Southern Score's construction services business model and the corresponding business activities that it undertakes in a typical construction project cycle are as illustrated below:



For the FYEs 31 December 2018, 2019, 2020 and 2021 as well as FPE 30 April 2022, Southern Score's revenue was fully derived from projects located in Kuala Lumpur.

	FYE 31 December							
	2018		2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Turnkey construction services	44,930	81.9	19,660	29.3	10,684	7.2	462	0.2
Main construction services	9,955	18.1	47,330	70.7	138,124	92.8	284,539	99.8
<b>Total</b>	<b>54,885</b>	<b>100.0</b>	<b>66,990</b>	<b>100.0</b>	<b>148,808</b>	<b>100.0</b>	<b>285,001</b>	<b>100.0</b>

	FPE 30 April 2022	
	RM'000	%
Turnkey construction services	10,587	12.6
Main construction services	73,645	87.4
<b>Total</b>	<b>84,232</b>	<b>100.0</b>

Please see Sections 5 and 7 of Appendix III(A) of this Circular for further details on the Southern Score's history, group structure and business.

## 7. COMPETITIVE POSITION AND BUSINESS STRATEGIES OF SOUTHERN SCORE

### 7.1 Competitive strengths

#### (i) Southern Score has an experienced and technically strong management team

The experience, drive and passion of Southern Score's management team, comprising its Managing Director, Executive Directors and key senior management, have been instrumental in leading Southern Score to its current position within the industry. The commitment and teamwork between them have provided the impetus for the continuous growth of Southern Score.

Southern Score's management team comprises:

Management	Designation	Years of relevant working experience
Tan Sri Datuk Seri Gan Yu Chai	Managing Director	31
Gan Yee Hin	Executive Director and Chief Executive Officer	7
Datuk Sydney Lim Tau Chin	Executive Director	26
Lee Chen Nee	Chief Financial Officer	18
Ong Beng Hoe	Director, Development and Projects	26
Puan Sri Datin Seri Elaine Lee Kuan Kiow	Director, Human Resource and Administration	17
Pang Cheng Wei	Head, Legal and Corporate Communication	18

#### (ii) Southern Score adopts construction practices that support the efficiency optimisation of its construction project

Southern Score's nature of business focuses on high-rise residential buildings and as such, Southern Score adopts IBS in most of its development and construction projects. The use of IBS is aimed at increasing productivity, through the speeding up of the construction process and shortening of project completion times, and improving quality with the use of prefabricated components manufactured off-site.

#### (iii) Southern Score has an asset-light and flexible delivery model

Southern Score is able to offer a standardised and cost-efficient building process as a result of its asset-light delivery model, which enables scalability and flexibility with lower exposure to cyclicalities and house prices. Southern Score also benefits from a flexible cost structure, with the majority of its cost of sales being flexible costs (i.e., external variable costs that are only incurred when under contract).

**(iv) Southern Score has established relationships with customers and suppliers**

Southern Score's track record of delivering quality projects has allowed it to establish relationships with its customers. Since its establishment in December 2010, Southern Score has secured a total of 10 contracts from 9 customers.

**(v) Southern Score has been involved in the construction of high-rise residential buildings**

Southern Score's core area of expertise and business focus is in the construction of high-rise residential buildings. Southern Score has been involved in the construction of high-rise buildings since securing its first construction project in 2015. Since securing its first construction project in 2015 and up to the LPD, Southern Score has completed a total of 4 high-rise building development and construction projects.

For detailed information of the Southern Score's competitive strengths, see Section 7.4 of Appendix III(A) of this Circular.

## **7.2 Future plans, strategies and prospects**

**(i) Southern Score intends to further expand its construction services**

Southern Score will continue to replenish and grow its order book for the provision of construction services which will contribute to expanding its market presence. As at the LPD, Southern Score has received a letter of intent from a third-party property developer for 1 construction and development project and has 1 project in the tender stage pending, undergoing evaluation and pending outcome of decision. These are mainly for affordable housing projects located in Klang Valley, with a total contract sum of RM634.3 million. If Southern Score succeeds in its bids for these tenders, the addition of these projects will further increase the value of Southern Score's order book.

**(ii) Southern Score intends to venture into the manufacture of IBS products**

TSPC was incorporated on 5 April 2021 with TCS Group Holdings Berhad holding 65% equity interest and Southern Score holding the remaining 35% equity interest. Southern Score intends to venture into the manufacture of IBS products via TSPC.

IBS is a construction process that utilises techniques, products, components and/or building systems which involve prefabricated components that are manufactured off-site and transported to the construction site for installation. The main IBS products used for building and infrastructure development in Malaysia are precast concrete framing, panel and box systems, formwork systems, steel framing systems, prefabricated timber framing systems and block work systems.

For detailed information of the Southern Score Group's future plans and strategies, see Section 7.23 of Appendix III(A) of this Circular.

## **8. RISK FACTORS**

A summary of some of the important risks is set out below. A more detailed description of the risks associated with Southern Score Group and the Proposed Regularisation Plan is set out in Section 10 of Part A of this Circular. You should read and understand the contents of the whole Circular before making a decision on the Proposed Regularisation Plan. Set out below are key risks faced by the Company and the Southern Score Group's business operations:

**(i) Completion risk**

If any conditions precedent in the SSA is not fulfilled or waived (as the case may be), the Proposed Regularisation Plan may be delayed or terminated, thus resulting in non-materialisation of the potential benefits expected to arise from the Proposed Regularisation Plan. The Board of GNB seeks to limit such risk by taking all reasonable steps towards the fulfilment or waiver of the conditions precedent so as to enable the completion of the Proposed Regularisation Plan.

**(ii) Business and industry risks**

A summary of key risk factors is as below:

- (a) The COVID-19 pandemic and possible similar future outbreaks may have a significant impact on Southern Score's business operations;
- (b) Exposure to a few projects awarded by major customers;
- (c) Reliance on subcontractors to complete a substantial portion of building and construction projects;
- (d) Reliance on related parties for business opportunities;
- (e) Exposure to public sector construction projects;
- (f) Dependency on Managing Director, Executive Directors and key senior management team;
- (g) Failure to complete projects within the stipulated contract period could result in customers imposing LAD on Southern Score;
- (h) Risks of defects in construction works;
- (i) Southern Score's insurance coverage may not be adequate to cover all losses or cover liabilities arising from potential claims and litigations;
- (j) The amount of revenue that Southern Score derives from a project may be different from its initial contract sum due to variation orders, omissions or early termination of a project; and
- (k) Reliance on certain registrations, approvals, licenses and permits.

**9. DIRECTORS AND KEY SENIOR MANAGEMENT**

The Proposed Directors and the proposed key senior management which will be appointed after the completion of the Proposed Regularisation Plan are as follows:

**(i) Proposed Directors**

<b>Name</b>	<b>Proposed designation</b>
Tan Sri Datuk Seri Gan Yu Chai	Managing Director
Gan Yee Hin	Executive Director and Chief Executive Officer
Datuk Sydney Lim Tau Chin	Executive Director
Phe Kheng Peng	Independent Non-Executive Director
Too Siew Mooi	Independent Non-Executive Director

For detailed information of GNB's proposed directors, see Section 4.2 of Appendix II(A) of this Circular.

**(ii) Proposed key senior management**

<b>Name</b>	<b>Designation</b>
Lee Chen Nee	Chief Financial Officer
Ong Beng Hoe	Director, Development and Projects
Puan Sri Datin Seri Elaine Lee Kuan Kiow	Director, Human Resource and Administration
Pang Cheng Wei	Head, Legal and Corporate Communication

For detailed information of GNB's proposed key senior management, see Section 5 of Appendix II(A) of this Circular.

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**EXECUTIVE SUMMARY (Cont'd)**

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**10. FINANCIAL AND OPERATION HIGHLIGHTS OF SOUTHERN SCORE**

The following table summarises the selected financial information of Southern Score's statement of profit or loss and other comprehensive income for the periods indicated.

	Audited FYE 31 December				Unaudited FPE	Audited FPE 30
	2018	2019	2020	2021	30 April 2021	April 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	54,885	66,990	148,808	285,001	132,194	84,232
GP	12,885	12,354	28,971	51,563	20,294	14,436
PBT	10,735	9,031	25,512	46,487	18,792	12,627
PAT	8,186	6,513	19,197	35,178	14,282	9,589
EBITDA	12,307	9,878	25,558	46,473	18,797	12,645
<b><u>Other selected financial data:</u></b>						
GP margin	23.48%	18.44%	19.47%	18.09%	15.35%	17.14%
PBT margin	19.56%	13.48%	17.14%	16.31%	14.22%	14.99%
PAT margin	14.91%	9.72%	12.90%	12.34%	10.80%	11.38%
EBITDA margin	22.42%	14.75%	17.18%	16.31%	14.22%	15.01%

For detailed financial information of Southern Score, see Appendix III(B) of this Circular.

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**11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM**

Save as disclosed below and their respective entitlements as shareholders of the Company under the Proposed Share Consolidation which are also available to all other shareholders of the Company as at the Entitlement Date, none of the directors, major shareholders and chief executive of GNB and persons connected with them has any direct or indirect interest in the Proposed Regularisation Plan.

CTP, an Executive Director of the Company as well as a major shareholder in GNB, is interested in the Proposed Debt Settlement. As the proposals within the Proposed Regularisation Plan are inter-conditional, CTP is therefore deemed interested in the Proposed Regularisation Plan. CTP shall abstain from all deliberation on all the proposals within the Proposed Regularisation Plan at GNB's Board meetings. He shall also abstain and will also undertake to ensure that persons connected with him will abstain from voting, in respect of their direct and indirect shareholdings in GNB, on the resolutions to approve all the proposals within the Proposed Regularisation Plan at the forthcoming EGM.

**12. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) is of the opinion that the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption is in the best interest of the Company and its shareholders, after considering all of their aspects, including but not limited to the prospects, rationale and effects of the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption.

Accordingly, the Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) recommends that you vote in favour of the resolutions in relation to the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption to be tabled at the forthcoming EGM.

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**G NEPTUNE BERHAD**  
(Registration No. 200301019817 (622237-D))  
(Incorporated in Malaysia)

**Registered Office:**

Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3 Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

22 August 2022

**Board of Directors**

Dato' Haji Mohd Amran Bin Wahid (*Non-Independent Non-Executive Chairman*)  
Chai Tham Poh (*Executive Director*)  
Cheah Hannon (*Independent Non-Executive Director*)  
Peter Ling Sie Wuong (*Independent Non-Executive Director*)

**To: Shareholders of GNB**

Dear Shareholders,

- (I) **PROPOSED SHARE CONSOLIDATION;**
- (II) **PROPOSED ACQUISITION;**
- (III) **PROPOSED DEBT SETTLEMENT;**
- (IV) **PROPOSED PRIVATE PLACEMENT; AND**
- (V) **PROPOSED EXEMPTION**

**(COLLECTIVELY REFERRED TO AS “PROPOSED REGULARISATION PLAN”)**

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**1. INTRODUCTION**

On 30 November 2017, the Board of GNB announced that the Company is an affected listed issuer (“**First Announcement**”) as it had triggered the criteria prescribed under Paragraph 2.1(a) and (b) pursuant to GN3 of the Listing Requirements whereby:

- (i) the shareholders’ equity of GNB was less than 25% of its share capital; and
- (ii) GNB also incurred loss for 1 full financial year after its listing, which exceeded the amount of its shareholders’ equity at the end of the FPE 30 September 2017 and the shareholders’ equity was less than 50% of GNB’s share capital at the end of the said financial period.

On 27 February 2018, GNB submitted an application to Bursa Securities for an extension of time for GNB to appoint a Sponsor and formulate a regularisation plan. On 14 March 2018, Bursa Securities granted GNB an extension of time up to 30 April 2018 to appoint a Sponsor. On 27 April 2018, GNB announced that Kenanga IB was appointed as the Principal Adviser and Sponsor to the Company for the regularisation plan to be undertaken by the Company.

On 30 August 2018, the Board of GNB announced that GNB, through its wholly-owned subsidiary, Geranium, had defaulted in its repayment of principal and interest which collectively amounted to RM1,621,326, in respect of the loan facilities (“**Loans**”) granted to Geranium. The Board of GNB after having inquired into the affairs of the Company, including the following:

- (i) GNB is an affected GN3 issuer since 30 November 2017; and
- (ii) GNB is insolvent as currently the Company has no business operations,

the Board of GNB is of the opinion that GNB is unable to repay the Loans and therefore unable to provide to Bursa Securities a solvency declaration pursuant to Rule 9.19A(4) of the Listing Requirements. In this regard, GNB has triggered an additional prescribed criteria pursuant to Rule 2.1(h) of GN3 of the Listing Requirements.

On 16 January 2020, Kenanga IB announced on behalf of the Board of GNB that the Company proposed to undertake a regularisation plan in relation to GN3 of the Listing Requirements, involving amongst others, the proposed acquisitions of 100% equity interest in LHO Asia Sdn Bhd. The application was submitted to Bursa Securities on 30 January 2020.

Subsequently, on 4 December 2020, Kenanga IB announced on behalf of the Board of GNB that Bursa Securities had, vide its letter dated 4 December 2020, stated that after due consideration of all facts and circumstances of the matter, Bursa Securities has decided to reject the proposed regularisation plan which was submitted on 30 January 2020 and that the securities of the Company shall be removed from the Official List of Bursa Securities on such date as may be specified by Bursa Securities, subject to the Company's right to appeal against the rejection of the proposed regularisation plan pursuant to Rule 8.04(6) of the Listing Requirements.

On 31 December 2020, the Board of GNB had announced that the Company had on even date entered into the memorandum of understanding with the shareholder of Southern Score for the proposed acquisition of Southern Score which will be part of the implementation of a new proposed regularisation plan in relation to GN3 of the Listing Requirements. On the same date, Kenanga IB announced on behalf of the Board of GNB that an appeal has been submitted to Bursa Securities on 31 December 2020 to reconsider its decision on the de-listing of GNB from the Official List of Bursa Securities pursuant to Rule 8.04(4) of the Listing Requirements ("**Appeal**"). The Appeal was subsequently approved by Bursa Securities as announced on 12 April 2021.

On 30 June 2021, the Board of GNB had announced that the Company and Southern Score had on even date mutually agreed in writing via a supplemental letter of extension to extend the term as stated in the memorandum of understanding to 31 July 2021.

On 9 July 2021, Kenanga IB announced on behalf of the Board of GNB that the Company is proposing to undertake the proposed acquisition, proposed debt settlement, proposed private placement and proposed exemption (collectively referred to as the "**Previous Proposed Regularisation Plan**").

On 9 July 2021, Malacca Securities was appointed as the Independent Adviser to advise the non-interested shareholders of GNB for the Proposed Exemption pursuant to the Paragraph 4.08(3) of the Rules.

On 26 January 2022, Kenanga IB further announced on behalf of the Board of GNB that the Company had entered into the First Supplemental PGA with the Vendor to amend and vary some of the terms and conditions of the PGA.

On 18 May 2022, Kenanga IB announced on behalf of the Board of GNB that the Company is proposing to undertake a proposed consolidation of every 10 GNB Shares into 1 Consolidated Share(s) as part of the Company's Proposed Regularisation Plan. The Proposed Share Consolidation is intended to be implemented before the Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption. As a result, the Previous Proposed Regularisation Plan was revised to include the following:

**(i) Proposed Share Consolidation**

Proposed consolidation of every 10 existing GNB Shares into 1 Consolidated Share.

**(ii) Proposed Acquisition**

Proposed acquisition of 100% equity interest in Southern Score for a purchase consideration of RM252,000,000 to be satisfied via the issuance of 1,680,000,000 Consideration Shares at issue price of RM0.15 per Consideration Share.

**(iii) Proposed Debt Settlement**

Proposed settlement of debt owing to CTP of RM3,100,000 via the issuance of 20,666,667 Settlement Shares at issue price of RM0.15 per Settlement Share.

**(iv) Proposed Private Placement**

Proposed private placement of 543,047,900 GNB Shares at an issue price to be determined later, which shall not be less than RM0.20 per new Placement Share, to eligible investors to be identified later.

**(v) Proposed Exemption**

Proposed exemption under Paragraph 4.08(1)(a) of the Rules from the obligation to undertake a mandatory take-over offer for the remaining GNB Shares not already held by Super Advantage and the PACs pursuant to the Proposed Acquisition.

On the same date, the Company had also entered into the First Supplemental SSA, Second Supplemental PGA and First Supplemental Debt Settlement Agreement to amend and vary certain terms and conditions of the respective agreements to give effect to the revised Proposed Regularisation Plan.

On 8 July 2022, Kenanga IB announced on behalf of the Board of GNB that Bursa Securities had, vide its letter dated 8 July 2022, given its approval-in-principle for the Proposed Regularisation Plan, including the listing of the Consideration Shares, Settlement Shares and Placement Shares on the ACE Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 13.1 under “*Approvals and Conditions*”, page 56 of this Circular.

The Proposed Regularisation Plan, upon completion, will result in a Significant Change in the Business Direction or Policy of GNB.

On 12 July 2022, Kenanga IB had on behalf of the Board of GNB announced that GNB received the approval of the SC for the resultant equity structure of GNB under the equity requirement for public listed companies pursuant to the Proposed Regularisation Plan which was obtained vide its letter dated 8 July 2022. The approval of the SC is subject to the conditions as set out in Section 13.1 under “*Approvals and Conditions*”, page 56 of this Circular.

The SC had also on 19 August 2022 given its notification pursuant to paragraph 4.08(3)(g) of the Rules that it has no further comments to the contents of the IAL of which is set out in Part B of this Circular and such notification shall not be taken to suggest that the SC agrees with the recommendation of Malacca Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAL.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE SHAREHOLDERS OF GNB WITH THE RELEVANT INFORMATION ON THE PROPOSED REGULARISATION PLAN, TO SET OUT THE BOARD OF GNB’S VIEW AND RECOMMENDATION ON THE PROPOSED REGULARISATION PLAN, AND TO SEEK APPROVAL FROM GNB’S SHAREHOLDERS FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORMS OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**GNB'S SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION**

The Proposed Share Consolidation entails the consolidation of every 10 GNB Shares into 1 Consolidated Share. As at the LPD, the issued share capital of the Company is RM9,792,835 comprising 288,750,000 GNB Shares. For illustration purposes, the 288,750,000 GNB Shares will be consolidated into 28,875,000 Consolidated Shares pursuant to the Proposed Share Consolidation.

For the avoidance of doubt, the actual number of Consolidated Shares will be determined based on the total number of issued shares of the Company as at the entitlement date to be determined and announced later by the Board of GNB ("**Entitlement Date**").

The Proposed Share Consolidation will result in an adjustment to the reference share price of GNB Shares listed and quoted on the ACE Market of Bursa Securities. For illustration purposes, based on the last transacted market price of GNB Shares on 11 December 2020 of RM0.015, the theoretical adjusted reference share price of GNB Shares upon completion of the Proposed Share Consolidation is as follows:

	<b>As at the LPD</b>	<b>After Proposed Share Consolidation</b>
No. of GNB Shares	288,750,000	28,875,000
Last transacted market price/ theoretical adjusted reference price per GNB Share (RM)	0.015 <sup>(1)</sup>	0.15 <sup>(2)</sup>
Total market value of GNB Shares (RM) <sup>(3)</sup>	4,331,250	4,331,250

### **Notes:**

(1) The last transacted market price of GNB Shares on 11 December 2020 (being the last trading of the existing GNB Shares on the ACE Market of Bursa Securities) was RM0.015 per GNB Share.

(2) Theoretical  
adjusted  
reference price  
per GNB Share

$$= \text{Market price per GNB Share (RM)} \times \frac{\text{No. of GNB Shares as at the LPD}}{\text{No. of Consolidated Shares}}$$

$$= \text{RM0.015} \times \frac{288,750,000}{28,875,000}$$

$$= \text{RM0.150}$$

(3) The total market value of GNB Shares is arrived at by multiplying the number of GNB Shares with the last transacted market price/ theoretical adjusted reference price per GNB Share.

For illustration purposes, based on a shareholding of 1,000 GNB Shares, the effect of the Proposed Share Consolidation is set out below:

	<b>As at the LPD</b>	<b>After Proposed Share Consolidation</b>
No. of GNB Shares	1,000	100
Last transacted market price / theoretical adjusted reference price per GNB Share (RM)	0.015	0.15 <sup>(1)</sup>
Total market value (RM) <sup>(2)</sup>	15.00	15.00

**Notes:**

$$\begin{aligned}
 (1) \quad \text{Theoretical adjusted reference price per GNB Share} &= \text{Market price per GNB Share (RM)} \times \frac{\text{No. of GNB Shares as at the LPD}}{\text{No. of Consolidated Shares}} \\
 &= \text{RM0.015} \times \frac{1,000}{100} \\
 &= \text{RM0.15}
 \end{aligned}$$

- (2) The total market value of GNB Shares is arrived at by multiplying the number of GNB Shares with the last transacted market price / theoretical adjusted reference price per GNB Share.

Based on the illustrations above, the Proposed Share Consolidation will increase the reference price of GNB Share and reduce the number of GNB Shares. However, it will not have any impact on the total market value of the securities held by the shareholders of GNB. Any fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board of GNB in such manner at its absolute discretion as it may deem fit and in the best interest of the Company.

## 2.1 Ranking of Consolidated Shares

The Consolidated Shares shall rank equally in all respects with each other.

## 2.2 Suspension of trading in GNB Shares

The trading in GNB Shares has been suspended with effect from 14 December 2020 and will continue to be suspended up to the completion of the Proposed Regularisation Plan.

## 2.3 Listing of and quotation for Consolidated Shares and notices of allotment

The Consolidated Shares shall be listed and quoted on the ACE Market of Bursa Securities on the next market day between Monday and Friday (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities ("**Market Day**") after the Entitlement Date.

The notice of allotment will be issued and despatched to the entitled shareholders within 4 Market Days after the date of listing of and quotation for the Consolidated Shares on the ACE Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

### 3. DETAILS OF THE PROPOSED ACQUISITION

On 31 December 2020, GNB entered into a memorandum of understanding with the Vendor to implement the Proposed Acquisition.

GNB and the Vendor had on 9 July 2021 entered into a SSA and PGA for the Proposed Acquisition. On 26 January 2022, GNB had entered into the First Supplemental PGA with the Vendor to amend and vary some of the terms and conditions of the PGA. Subsequently on 18 May 2022, GNB had entered into the Second Supplemental PGA and First Supplemental SSA with the Vendor to among others, extend the conditional period of the SSA to 17 months from the date of the SSA and to give effect to the revised Proposed Regularisation Plan.

Southern Score is principally involved in provision of construction management services, whereby Southern Score is a Grade 7 contractor registered with the Construction Industry Development Board (“CIDB”). As a Grade 7 contractor, Southern Score is allowed to tender for construction works that are of unlimited value and to undertake construction activities throughout Malaysia.

The Proposed Acquisition entails the acquisition of 100% equity interest in Southern Score comprising of 1,000,000 ordinary shares in Southern Score from the Vendor for the Purchase Consideration.

The shares shall be acquired free from all charges, liens, pledges, trust and other encumbrances and with all rights, benefits and entitlements accruing or attaching thereto.

Upon completion of the Proposed Acquisition, Southern Score will become a wholly-owned subsidiary of GNB. Correspondingly, Southern Score and TSPC, being its associate company will become GNB’s subsidiary and indirect associate, respectively. Please refer to the diagrammatic illustrations of the corporate structure of GNB before and after the Proposed Acquisition as set out in Section 11 of Part A of this Circular.

Information on the Southern Score Group is set out in Appendix III(A) of this Circular.

The Proposed Acquisition is subject to the terms and conditions of the SSA and the First Supplemental SSA, the salient terms of which are set out in Appendix I of this Circular.

#### 3.1 Information on the Vendor

Super Advantage, being the Vendor for the Proposed Acquisition, was incorporated on 30 September 2014 in Malaysia. The Vendor is principally involved in investment holding.

Further details on Super Advantage are set out in Appendix II(A) of this Circular.

#### 3.2 Basis and justification for the Purchase Consideration

The Purchase Consideration was arrived at after taking into consideration the following:

- (a) the audited financial information of Southern Score including the PAT and NA for the FYE 31 December 2018, FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021 as set out in the Appendix IV of this Circular;

	FYE 31 December			
	2018	2019	2020	2021
	RM'000	RM'000	RM'000	RM'000
PAT	8,186	6,513	19,197	35,178
NA	50,512	8,025	12,222	22,400

- (b) the rationale and benefits of the Proposed Acquisition as set out in Section 8 of Part A of this Circular;

- (c) the Vendor has provided a Profit Guarantee of a minimum PAT of RM10,000,000, RM20,000,000 and the remaining shortfall of the Profit Guarantee for the FYE 31 December 2022, 31 December 2023 and 31 December 2024, respectively, on a cumulative basis of RM80,000,000;
- (d) a price-to-earnings ratio of 9.45 times (based on the average Profit Guarantee of RM26.67 million). This is between the range of the PE Multiple of Southern Score's comparable companies of 7.90 times to 13.61 times as set out and explained in Section 3.2(f) of Part A of this Circular;
- (e) the prospects of the Enlarged GNB Group, comprising of Southern Score Group and the Company, as set out in Section 9.4 of Part A of this Circular; and
- (f) In arriving at the preliminary views, Malacca Securities had assessed the fairness of the Purchase Consideration based on the DCF, being the primary method of valuation and supported by the relative valuation methodology, being the secondary method of valuation. Based on the DCF, the fair value of the entire equity interest in Southern Score as at 30 June 2021 ("**Valuation Date**") is between RM258.27 million and RM275.54 million.

Based on the secondary method of valuation, Malacca Securities has considered the PE Multiple of the companies which were listed on the Main Market and ACE Market of Bursa Securities having similar business activities to Southern Score with market capitalisation between RM100.0 million and RM500.0 million and at least 70.0% of the revenue were mainly generated from construction and related activities ("**Comparable Companies**"). The selection was made after taking into consideration of the enlarged issued share capital and market capitalisation of GNB after the Proposed Regularisation Plan of approximately RM117.0 million and RM340.9 million respectively. The percentage of revenue contribution of the Comparable Companies from construction and related activities are more than 70.0% and are summarised as follows:

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Name of company	Principal activities	Percentage of revenue contribution from construction and related activities <sup>(i)</sup>	Market Capitalisation <sup>(ii)</sup>	PAT/(Loss after taxation) <sup>(i)</sup>	PE Multiple <sup>(iii)</sup>
		(%)	(RM' million)	(RM' million)	(Times)
Advancecon Holdings Berhad <sup>#</sup>	Principally involved in the business of providing management services. Through its subsidiaries, the group is engaged in providing earthworks and civil engineering services and sales of construction materials, property development, carrying on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.	93.81	148.35	2.10	70.64 *
Ageson Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in construction works and property development.	81.69	121.82	38.91	3.13 *
Ahmad Zaki Resources Berhad <sup>#</sup>	Principally involved in investment holding, providing management services and as a contractor of civil and structural works.	84.30	143.14	(105.56)	N/A
Aneka Jaringan Holdings Berhad <sup>@</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in foundation and basement construction and other civil engineering works.	100.00	129.14	10.04	12.86
Gabungan AQRS Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil and building construction works and property development.	71.65	303.95	(54.45)	N/A
Gadang Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in earthwork, building and civil engineering and construction work contractors, provision of mechanical and electrical engineering services and property development.	73.17	280.30	35.46	7.90
Gagasan Nadi Cergas Berhad <sup>@</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in property development, construction of buildings, infrastructures and property investment holding.	78.82	218.37	12.51	17.46 *



Name of company	Principal activities	Percentage of revenue contribution from construction and related activities <sup>(i)</sup>	Market Capitalisation <sup>(ii)</sup>	PAT/(Loss after taxation) <sup>(i)</sup>	PE Multiple <sup>(iii)</sup>
		(%)	(RM' million)	(RM' million)	(Times)
Inta Bina Group Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, securing and carrying out construction contracts.	100.00	160.58	8.10	19.82 *
Kimlun Corporation Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in building and infrastructure contractors, property investment and development, manufacturing and trading of building and construction materials and provision of quarry services and machinery rental services.	78.49	295.05	7.99	36.93 *
Lebtech Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil and building construction.	100.00	137.85	(12.34)	N/A
MGB Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil engineering, design and build and general construction activities, trading of building materials and property development.	85.06	436.44	13.95	31.29 *
Mitrajaya Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil engineering, building and road construction works and supply of construction material and property development.	86.42	213.95	10.66	20.07 *
Pesona Metro Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in construction work, manufacturing and trading of construction panel and property investment holding.	96.00	163.32	(17.02)	N/A
Pintaras Jaya Berhad <sup>#</sup>	Principally involved in the undertaking of piling contracts, civil engineering and building construction works and rental of plant and machinery.	92.38	431.25	31.69	13.61
TCS Group Holdings Berhad <sup>@</sup>	Principally involved in the provision of construction services for building infrastructure, civil and structural works through its subsidiaries.	100.00	171.00	16.17	10.58

Name of company	Principal activities	Percentage of revenue contribution from construction and related activities <sup>(i)</sup>	Market Capitalisation <sup>(ii)</sup>	PAT/(Loss after taxation) <sup>(i)</sup>	PE Multiple <sup>(iii)</sup>
		(%)	(RM' million)	(RM' million)	(Times)
TRC Synergy Berhad <sup>#</sup>	Principally involved in the provision of construction services and property development through its subsidiaries	79.02	169.66	27.26	6.22 *
Vizione Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in property development, subcontractor of the electrical building and civil works for construction projects, general contractor in building construction, providing related construction management and consultancy services.	84.63	163.65	(8.72)	N/A
			Average (excluding outliers)		11.24
			Maximum (excluding outliers)		13.61
			Minimum (excluding outliers)		7.90

**Notes:**

(i) Based on the available financial information of the Comparable Companies announced on Bursa Securities as at the Valuation Date.

(ii) Extracted from Bloomberg as at the Valuation Date.

(iii) Computed based on the market capitalisation divided by PAT.

<sup>#</sup> Listed on the Main Market of Bursa Securities.

<sup>@</sup> Listed on the ACE Market of Bursa Securities.

<sup>\*</sup> Outliers (which is determined based on the extreme deviation from the average).

N/A Not applicable as the Comparable Companies registered loss after taxation.

In deriving the value for the entire equity interest of Southern Score, Malacca Securities has computed the value of Southern Score based on the PE Multiple of between 7.90 times to 13.61 to the PAT of Southern Score for FYE 2020 of RM19.20 million as follows:

	<b>PE Multiple (times)</b>	<b>Value (RM' million)</b>
Average	11.24	215.81
Maximum	13.61	261.31
Minimum	7.90	151.68
<b>Purchase Consideration of Southern Score</b>	<b>13.13<sup>(1)</sup></b>	<b>252.00</b>

**Note:**

- (1) Based on the Purchase Consideration of RM252.0 million and Southern Score's audited PAT for the FYE 31 December 2020 of RM19.2 million.

Based on the PE Multiple of the Comparable Companies of between 7.90 times to 13.61 times, the valuation of Southern Score is within the range of the Comparable Companies of RM151.68 million to RM261.31 million.

Premised on the above, the Board of GNB is of the view that the Purchase Consideration is fair.

Additionally, the Board of GNB is of the opinion that the Profit Guarantee is realistic, after taking into consideration the following:

- (i) the audited financial information of Southern Score for the FYEs 31 December 2018, 2019, 2020 and 2021, including the PAT which grew from RM8.2 million in FYE 31 December 2018 to RM35.2 million in FYE 31 December 2021 as set out in the Appendix IV of this Circular;
- (ii) the current order book of Southern Score of approximately RM527.7 million which is expected to be billed up to FYE 31 December 2027 as detailed in the Appendix III(B) of this Circular;
- (iii) the future earnings potential of Southern Score Group;
- (iv) a price-to-earnings ratio of 9.45 times (based on the average Profit Guarantee of RM26.67 million). This is between the range of the PE Multiple of Southern Score's Comparable Companies of 7.90 times to 13.61 times as set out and explained in Section 3.2 (f) of Part A of this Circular; and
- (v) the prospects of the Enlarged GNB Group, comprising of Southern Score Group and the Company, as set out in Section 9.4 of Part A of this Circular.

### **3.3 Basis and justification for the issue price of the Consideration Shares**

The issue price of RM0.15 per Consideration Share was arrived at after taking into consideration:

- (a) the last transacted price per GNB Share of RM0.015 as at 11 December 2020, being the last trading day prior to the effective date of suspension on the trading in GNB Shares by Bursa Securities;
- (b) the net liability per GNB Share of RM0.0286 as at 30 June 2021 based on the audited consolidated financial statements of GNB for the FYE 30 June 2021; and
- (c) the theoretical adjusted reference price per GNB Share of RM0.15 post-completion of the Proposed Share Consolidation.

### **3.4 Ranking of the Consideration Shares**

The Consideration Shares will, upon allotment and issue, rank equally in all respects with the existing issued GNB Shares. However, such Consideration Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to GNB's shareholders unless such Consideration Shares were allotted and issued on or before the entitlement date of such rights, allotments and/or other distributions.

### **3.5 Source of funding of the Purchase Consideration**

The Purchase Consideration will be satisfied entirely via issuance of the Consideration Shares.

### **3.6 Liabilities to be assumed**

Save for the liabilities in the financial statements of the Southern Score Group and corporate guarantees to be provided by GNB in view that Southern Score will be a wholly-owned subsidiary of GNB, there are no other additional liabilities, including contingent liabilities and/or guarantees to be assumed by GNB in undertaking the Proposed Acquisition.

### **3.7 Additional financial commitment required**

The financial commitments required by the Enlarged GNB Group for the setting up of TSPC's industrialised building systems are set out in Section 7 of Part A of this Circular.

Save for the above, there is no additional financial commitment required by GNB in putting Southern Score on-stream as Southern Score is already in operation.

### **3.8 Listing of the Consideration Shares**

The approval of Bursa Securities has been obtained for the listing of the Consideration Shares on the ACE Market of Bursa Securities.

### **3.9 Moratorium on the Consideration Shares**

In accordance with Rule 3.19 of the Listing Requirements, where a listed corporation acquires an asset which results in a Significant Change in the Business Direction or Policy of the listed corporation, a moratorium is required to be placed on the listed corporation's shares received by the vendor of the asset. Accordingly, Consideration Shares to be issued to Super Advantage under the Proposed Acquisition shall be placed under a moratorium.

As Super Advantage is the vendor in relation to the Proposed Acquisition and a Specified Shareholder of GNB following the completion of the Proposed Regularisation Plan, the following moratorium requirements shall apply to the Consideration Shares:

- (a) the moratorium applies to the entire shareholdings held by Super Advantage for a period of 6 months from the date of the Consideration Shares are admitted to the Official List ("**First 6-Month Moratorium Period**");
- (b) upon the expiry of the First 6-Month Moratorium Period, Super Advantage's aggregate shareholdings amounting to at least 45% of the total number of issued GNB Shares (adjusted for any bonus issue or subdivision of shares) shall remain under moratorium for another period of 6 months ("**Subsequent 6-Month Moratorium Period**"); and

- (c) thereafter, Super Advantage may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight line basis) of the GNB Shares held under moratorium.

The Consideration Shares, which will be held by Super Advantage upon completion of the Proposed Regularisation Plan, are subject to moratorium as set out below:

Name	Moratorium for First 6-Month Moratorium Period		Moratorium for Subsequent 6-Month Moratorium Period	
	No. of Consideration Shares	(%)( <sup>(1)</sup> )	No. of Consideration Shares	(%)( <sup>(1)</sup> )
Super Advantage	1,680,000,000	73.92	1,022,665,305	45.00

**Note:**

- (1) Based on the enlarged number of 2,272,589,567 GNB Shares after the Proposed Debt Settlement and Proposed Private Placement.

Super Advantage will provide an undertaking that it will comply with the moratorium requirements in Rule 3.19 of the Listing Requirements in respect of the Consideration Shares. In addition, the shareholders of Super Advantage, namely Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin will provide their respective undertaking that they will comply with the moratorium requirements in Rule 3.19 of the Listing Requirements in respect of their respective shareholding in Super Advantage during the moratorium period.

### 3.10 Emergence of new controlling shareholders

Upon completion of the Proposed Acquisition, on pro forma basis, Super Advantage, Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin will emerge as the new controlling shareholders of GNB. Further details of Super Advantage, Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin are set out in Appendix II(A) of this Circular.

Section 11.5 of Part A of this Circular sets out the details of Super Advantage's shareholdings in GNB.

### 3.11 Proposed Directors

After completion of the Proposed Acquisition, the following individuals are proposed to be appointed as the new Directors of GNB:

- (i) Tan Sri Datuk Seri Gan Yu Chai, Malaysian, age 55, Managing Director
- (ii) Gan Yee Hin, Malaysian, age 29, Executive Director and Chief Executive Officer;
- (iii) Datuk Sydney Lim Tau Chin, Malaysian, age 52, Executive Director;
- (iv) Phe Kheng Peng, Malaysian, age 52, Independent Non-Executive Director; and
- (v) Too Siew Mooi, Malaysian, age 53, Independent Non-Executive Director

Their profiles are set out in Section 4.2 of Appendix II(A) of this Circular.

## 4. DETAILS OF THE PROPOSED EXEMPTION

Super Advantage will hold 1,680,000,000 GNB Shares, representing approximately 98.31% of the enlarged issued share capital of the Company immediately after the completion of the Proposed Share Consolidation and Proposed Acquisition but prior to the completion of the Proposed Debt Settlement and Proposed Private Placement.

As such, pursuant to Section 218(2) of the CMSA and Rule 4.01(a) of the Rules, Super Advantage and the PACs will be obliged to undertake a Mandatory Offer.

As Super Advantage does not intend to undertake a Mandatory Offer, it will seek an exemption from the SC pursuant to Paragraph 4.08(1)(a) of the Rules from the obligation of undertaking the Mandatory Offer. Pursuant to Paragraph 4.08(2) of the Rules, the SC may consider granting the Proposed Exemption if Super Advantage have satisfied, amongst others, the following conditions:

- (i) there has been no Disqualifying Transaction; and
- (ii) approval has been obtained from the non-interested shareholders of GNB at the forthcoming EGM for the Proposed Exemption.

For shareholders' information, Super Advantage and the PACs did not engage in any Disqualifying Transaction in the 6 months prior the date of the Announcement and up to the LPD.

## **5. DETAILS OF THE PROPOSED DEBT SETTLEMENT**

On 9 July 2021, GNB had entered into a Debt Settlement Agreement with CTP. On 18 May 2022, GNB had also entered into the First Supplemental Debt Settlement Agreement with CTP to amend and vary certain terms and conditions of the Debt Settlement Agreement. As at the LPD, CTP has advanced a total of RM5.55 million to GNB which was utilised for GNB's working capital and expenses in relation to the regularisation of its financial condition. The advances were interest free and unsecured.

Pursuant to the debt settlement agreements above, out of the RM5.55 million advanced to CTP, RM3.10 million shall be fully settled via the issuance of new GNB Shares at an issue price of RM0.15 per Settlement Share to CTP. Upon receiving the Settlement Shares, CTP shall not have any further rights to the CTP Advances.

The salient terms of the Debt Settlement Agreement and First Supplemental Debt Settlement Agreement are set out in Appendix I of the Circular.

### **5.1 Basis and justification for the issue price for the Settlement Shares**

The issue price of RM0.15 for each Settlement Share was arrived at after taking into consideration the following:

- (a) GNB has negative consolidated shareholders' funds and is presently an affected listed issuer with GN3 status; and
- (b) the issue price of the Consideration Share is also at RM0.15 each.

### **5.2 Ranking of the Settlement Shares**

The Settlement Shares, upon allotment and issue, rank equally in all respects with the then existing issued GNB Shares. However, the Settlement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to GNB's shareholders unless such Settlement Shares were allotted and issued on or before the entitlement date of such rights, allotments and/or other distributions.

### **5.3 Listing of the Settlement Shares**

The approval of Bursa Securities has been obtained for the listing of the Settlement Shares on the ACE Market of Bursa Securities.

## 6. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

### 6.1 Placement Size

The Proposed Private Placement entails the issuance of 543,047,900 Placement Shares to investors to be identified at an issue price to be determined at a later date. The Proposed Private Placement is one of the measures to be undertaken by GNB for GNB to meet the Public Shareholding Spread Requirement. In addition, The Proposed Private Placement is to raise funds for the purposes as set out in Section 7 of Part A of this Circular.

### 6.2 Placement arrangement for the Proposed Private Placement

The Placement Shares will not be placed to the following persons/ parties:

- (i) a director, major shareholder or chief executive of the Company; or a holding company of GNB ("**Interested Person**");
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

284,073,700 Placement Shares under the Proposed Private Placement will be placed to Bumiputera investor(s) approved by the MITI representing not less than 12.50% of the enlarged number of issued GNB Shares ("**Bumiputera Shares**").

Nevertheless, the Bumiputera Shares to be issued as part of the Proposed Private Placement shall be subject to the following clawback and reallocation provisions:

- (i) if there is an under-application in respect of the Bumiputera Shares, the Bumiputera Shares may be clawed back and reallocated to independent third party investors to be identified who have not been approved by MITI; and
- (ii) the clawback and reallocation provision as set out above shall not apply in the event that there is an over-application for the Bumiputera Shares by Bumiputera investors approved by MITI.

In addition, the independent third party investors shall be persons who qualify under Schedules 6 or 7 of the CMSA which include amongst others, the subscription consideration or purchase consideration by them for the Placement Shares is not less than RM250,000 or the issuance is made to high net worth individuals whose net personal assets exceed RM3,000,000 or corporations with net assets exceeding RM10,000,000. No prospectus will be issued in respect of the Placement Shares to the investors.

The Proposed Private Placement will not be underwritten. The Proposed Private Placement will be implemented in a single tranche after all approvals required for the Proposed Regularisation Plan have been obtained.

### 6.3 Ranking of Placement Shares

The Placement Shares, upon allotment and issue, rank equally in all respect with the then existing issued GNB Shares. However, the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to GNB's shareholders unless such Placement Shares were allotted and issued on or before the entitlement date of such rights, allotments and/or other distributions.

## 6.4 Listing of the Placement Shares

The approval of Bursa Securities has been obtained for the listing of the Placement Shares on the ACE Market of Bursa Securities.

## 6.5 Basis of pricing at the issue price of the Placement Shares

The issue price for the Placement Shares, which shall not be less than RM0.20 per Placement Share will be determined and announced at a later date after the receipt of all relevant regulatory approvals for the Proposed Regularisation Plan.

The issue price of not less than RM0.20 per Placement Share was arrived at after taking into consideration among others:

- (a) The intended utilisation of proceeds as set out in Section 7 of Part A of this Circular;
- (b) the last transacted price per GNB Share of RM0.015 as at 11 December 2020, being the last trading day prior to the effective date of suspension on the trading in GNB Shares by Bursa Securities;
- (c) the theoretical adjusted reference price per GNB Share of RM0.15 post-completion of the Proposed Share Consolidation; and
- (d) the prospects of the Enlarged GNB Group after the completion of the Proposed Regularisation Plan.

For the purpose of this Circular, the issue price of the Placement Shares is assumed at RM0.20 each.

## 7. UTILISATION OF PROCEEDS

Based on the 543,047,900 Placement Shares issued at an assumed issue price of RM0.20 each, the total gross proceeds to be raised from the Proposed Private Placement are intended to be utilised in the following manner:

Details	Notes	Amount		Utilisation (from the date of listing of the Placement Shares)
		RM'000	%	
Injection of funds to TSPC	(1)	21,800	20.07	Within 18 months
Purchase of building materials	(2)	25,000	23.02	Within 18 months
Repayment of contractors	(3)	25,000	23.02	Within 12 months
Acquiring/ rent of construction assets	(4)	18,000	16.57	Within 18 months
Acquiring of office	(5)	5,000	4.61	Within 18 months
Working capital	(6)	9,410	8.66	Within 24 months
Estimated expenses in relation to the Proposed Regularisation Plan	(7)	4,400	4.05	Within 1 month
<b>Total</b>		<b>108,610</b>	<b>100.00</b>	



**Notes:**

- (1) The estimated costs to be incurred for the setting up of the pre-cast plant and the first-year production cost ("**Precast Costs**") for TSPC to be fully operational is approximately RM62.3 million as follows:

<b>Descriptions</b>	<b>Amount (RM'000)</b>
Setting up of precast plant <sup>(i)</sup>	11,120
First-year production cost <sup>(ii)</sup>	51,170
<b>Total</b>	<b>62,290</b>

- (i) This includes and is not limited to machineries and equipment such as gantry cranes and generator sets, plant and building construction costs, and steel works.
- (ii) This includes and is not limited to labour costs, raw material costs such as steel mould, steel reinforcement and concrete, transportation costs, erection costs and other miscellaneous costs for the first year operations of TSPC.

The Enlarged GNB Group intends to utilise up to RM21.8 million from the proceeds raised from the Proposed Private Placement for the Precast Costs which represents 35% of the total estimated Precast Costs.

Any shortfall in funding Enlarged GNB Group's portion of the Precast Costs will be funded by banking facilities and/or Enlarged GNB Group's internally generated funds. However, if there is any surplus, the excess will be utilised for working capital requirements of the Enlarged GNB Group.

- (2) The Enlarged GNB Group intends to utilise up to RM25.0 million from the proceeds raised from the Proposed Private Placement to purchase building materials such as construction steel rebars and cement for future construction projects which the Enlarged GNB Group may undertake.
- (3) The Enlarged GNB Group intends to utilise up to RM25.0 million from the proceeds raised from the Proposed Private Placement for the repayment of contractors for future construction projects which the Enlarged GNB Group may undertake. For the avoidance of doubt, the repayment of contractors' fees excludes building materials and rental of machineries and equipment.
- (4) The Enlarged GNB Group intends to utilise up to RM18.0 million from the proceeds raised from the Proposed Private Placement for the estimated investment cost of acquiring construction assets in the following manner:
- (i) up to RM15.0 million to acquire a storage land with a land area of 2 acres in Mukim Setapak, Kuala Lumpur at approximately RM172 per square feet for the purpose of storing machineries and construction materials. It is the intention of Southern Score to implement a centralized machineries and construction materials storage facility to enhance its logistics coordination of its machineries and construction materials for use on project sites; and
- (ii) up to RM3.0 million for the purchasing and/or renting of machineries for construction use which includes amongst others, tower crane, heavy duty scaffolding and trucks.

The breakdown of the proceeds are as follows:

<b>Descriptions</b>	<b>Amount (RM'000)</b>
Rental expenses for 2 units tower crane	936
Rental expenses for 2 units of twin cage passenger hoist (A vertical elevator used to move workers to higher floors in building construction)	432
Purchase of formwork system	1,632
<b>Total</b>	<b>3,000</b>

In the event that the actual cost of acquiring the abovementioned construction assets is higher than the estimated RM18.0 million, the deficit will be funded by banking facilities and/or the Enlarged GNB Group's internally generated funds. However, if the actual cost for acquiring the abovementioned construction assets is lower than estimated, the excess will be utilised for the working capital requirements of the Enlarged GNB Group.

Currently, there are no existing storage facilities and all machineries and construction materials are stored in the respective project sites.

- (5) The Enlarged GNB Group intends to utilise up to RM5.0 million from the proceeds raised from the Proposed Private Placement for the purchase of the existing rented office and/or setting up a new operational office located within the Mukim Setapak, Kuala Lumpur area for the Enlarged GNB Group's operations. The estimated costs of purchasing the existing rented office and/or setting up a new office is RM5.0 million which includes the cost of the relevant furnishing and renovation works.

<b>Descriptions</b>	<b>Amount (RM'000)</b>
Purchase of office block	4,000
Furnishing and renovation works	1,000
<b>Total</b>	<b>5,000</b>

The need for the purchase of the existing rented office and/or setting up a new operational office arises from the need to accommodate the future plans and strategies of Southern Score as set out in Section 9.4.1 of the Circular.

In the event that the actual cost for setting up the new office is higher than the estimated RM5.0 million, the deficit will be funded by banking facilities and/or the Enlarged GNB Group's internally generated funds. However, if the actual cost for setting up the new office is lower than estimated, the excess will be utilised for working capital requirements of the Enlarged GNB Group.

- (6) The amount of up to RM9.4 million for working capital has been allocated for the following purpose:

<b>Descriptions</b>	<b>Amount (RM'000)</b>
Staff costs	3,910
Performance and tender bond	5,000
Miscellaneous and professional fees	500
<b>Total</b>	<b>9,410</b>

Any surplus or deficit on the allocation for each of the categories of working capital as stated above will be adjusted accordingly between each of the categories as the management of GNB deems appropriate.

- (7) The breakdown of estimated expenses in relation to the Proposed Regularisation Plan of RM4.4 million are as follows:

<b>Descriptions</b>	<b>Amount (RM'000)</b>
Professional advisory fees <sup>(i)</sup>	1,925
Placement fees <sup>(ii)</sup>	1,580
Printing, advertising and EGM expenses <sup>(iii)</sup>	330
Other expenses and contingencies	316
Sales and service tax of 6%	249
<b>Total</b>	<b>4,400</b>

- (i) The professional advisory fees are fees payable to the professionals which include among others, the principal adviser, solicitors and the reporting accountants for the Proposed Regularisation Plan.
- (ii) Placement fees are fees payable to placement agents which includes amongst others, the placement fee and other administrative fees to be incurred for the placement of the Shares.
- (iii) Includes the expenses to convene the EGM, printing, advertising, marketing and other ancillary expenses.

Any surplus for the estimated expenses in relation to the Proposed Regularisation Plan will be adjusted accordingly to/from the working capital of the Enlarged GNB Group.

The actual proceeds to be raised from the Proposed Private Placement are dependent on the final issue price of the Placement Shares and the subscription level of the Proposed Private Placement. Any variation in the actual proceeds raised will be adjusted to/from the working capital of the Enlarged GNB Group.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board of GNB may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used for working capital purposes.

## **8. RATIONALE FOR THE PROPOSED REGULARISATION PLAN**

GNB had on 30 November 2017 announced that it was classified as a GN3 company pursuant to GN3 of the Listing Requirements. The main objective of the Proposed Regularisation Plan is to return the Company to a better and stronger financial standing and profitability, thereby benefiting all stakeholders of the Enlarged GNB Group.

### **8.1 Proposed Share Consolidation**

The last transacted market price of GNB Shares on 11 December 2020 (being the last trading of the existing GNB Shares on the ACE Market of Bursa Securities) was RM0.015 per GNB Share. The Proposed Share Consolidation is expected to enhance the Company's share capital structure post the Proposed Regularisation Plan as without the Proposed Share Consolidation, the Company would have a large number of shares in issue with a relatively low price range. Therefore, a small absolute movement in the share price would result in relatively high movement in percentage terms.

Based on the last transacted market price per GNB Share of RM0.015, the theoretical adjusted reference price per GNB Share after the Proposed Share Consolidation will be RM0.15. As consolidating the Company shares would lead to a reduction in the number of GNB Shares and an increase in the theoretical adjustment reference share price, the volatility in the trading price for GNB Shares is expected to be reduced.

Further, the Company shall benefit from easier management of a smaller number of GNB Shares.

## **8.2 Proposed Acquisition**

The Proposed Acquisition is an integral part of the Proposed Regularisation Plan that will allow the Company to diversify its business to be principally engaged in the business of construction management, turnkey contractors and subcontractors as a mean to regularise the Company's financial conditions as the Company does not have any core business to sustain its listing status.

The Proposed Regularisation Plan has been formulated to address the upliftment of the current classification of GNB as GN3 Company and to return the Company to a better financial standing and profitability after completion of the Proposed Regularisation Plan.

The Board of GNB is of the view that the Proposed Acquisition would be favourable to the Company after taking into consideration, among others, the historical financial performance of Southern Score as set out in Appendix IV of this Circular and the industry outlook and future prospects as set out in Section 9 of Part A of this Circular.

## **8.3 Proposed Debt Settlement**

The Board of GNB is of the view that the settlement of the CTP Advances via the Settlement Shares is the most appropriate mode of settlement as it will release GNB from any further obligations and/or liabilities to CTP arising from the CTP Advances. This will also allow the Enlarged GNB Group to preserve their cash for other purposes, such as working capital requirements.

## **8.4 Proposed Private Placement**

The public shareholding spread of GNB will fall below 25% of the enlarged number of issued GNB Shares after the completion of the Proposed Acquisition. GNB intends to undertake the Proposed Private Placement to address the Public Shareholding Spread Requirement. In addition, the Proposed Private Placement will be undertaken to further broaden GNB's shareholders base.

Furthermore, the Proposed Private Placement shall raise the necessary funds for the purposes as set out in Section 7 of Part A of this Circular.

The Proposed Placements will also enable GNB to meet the Bumiputera equity requirement where at least 12.50% of the enlarged number of issued GNB Shares will be allocated to MITI-recognised Bumiputera investors.

## **8.5 Proposed Exemption**

The Proposed Exemption will relieve Super Advantage and the PACs from the obligation to undertake a mandatory general offer under the Rules due to the increase of their interests of more than 33% in the voting shares of GNB, as a result of the Proposed Acquisition.

## **9. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF THE ENLARGED GNB GROUP**

### **9.1 Overview and outlook of the Malaysian economy**

In 2021, the Malaysian economy rebounded by 3.1% (2020: -5.6%), mainly supported by a turnaround in private sector spending. The recovery momentum, however, was affected by the imposition of containment measures during the year. These include the Second Movement Control Order (MCO 2.0) in January 2021 and the National Recovery Plan (NRP) in June 2021. Nevertheless, less restrictive restrictions compared to 2020 as well as better adjustments to the new norm, improved compliance to the standard operating procedures (SOPs) and rapid vaccination progress had minimised the adverse impact on households and businesses. The gradual improvement in income and labour market conditions during the year had provided support to household spending. Meanwhile, investment activity benefitted from continued capital spending, particularly by private firms in the export-oriented sectors. Importantly, policy support remained available for impacted households and businesses. On the external front, the robust exports performance was driven by the rebound in world growth and trade activity, lifted further by the global technology upcycle. However, net exports contracted, as import growth outpaced the growth in exports.

External demand provided robust support to growth in 2021. Strong global trade activity boosted Malaysia's gross exports (2021: 26.0%, 2020: -1.1%). Recovery in economic conditions in advanced and regional economies resulted in strong demand from key trade partners. Similarly, the continued global technology upcycle and robust demand for semiconductors led to strong growth in electrical and electronic (E&E) products. As a key player in the global supply chain, Malaysia was also affected by the supply disruptions, although to a much lesser extent, as trade and manufacturing performance remained resilient during the year. This is mainly attributed to firms having taken proactive measures to mitigate the impact of supply disruptions on their operations. Meanwhile, exports of services contracted for a second year in a row (-9.4%, 2020: -48.0%), reflecting weak tourist arrivals (2021: 0.1 million persons, 2020: 4.3 million persons), as most international borders remained closed.

In terms of developments across economic sectors, the improvement in the domestic economy was fairly uneven, as the pace of recovery differed across sectors. Strong external trade supported the exceptional performance of the manufacturing sector. Meanwhile, the services sector remained constrained by weak demand amid restrictions on mobility and high-touch activities (such as dine-ins and tourism), while activity in the construction sector was hampered by labour and operating capacity restrictions. Additionally, adverse weather conditions and continued foreign worker shortages affected output in the agriculture sector.

From the demand perspective, economic activity continued to be underpinned by household spending, as labour market conditions improved. Continued investments, particularly in machinery and equipment as firms increased their efforts in automation and digitalisation, as well as expansion in production capacity provided further support to growth. In the labour market, employment improved amid a return of workers into the labour force. Underemployment also improved, albeit it remained at a slightly elevated rate compared to long-term averages. Overall conditions, however, remained subdued during the year, as the unemployment rate remained elevated and wage growth was modest amid an uneven recovery across labour market segments. Supportive measures continued to remain in place to enable businesses and households to better withstand the impact of these shocks, support incomes, and mitigate displacements in the labour market. These comprise in large part a continuation of measures put in place in 2020, including Bantuan Prihatin Rakyat, the Targeted Repayment Assistance (TRA) and the Wage Subsidy Programme.

Following the trough in the third quarter of 2021, economic activity resumed towards the end of the year in line with the lifting of restrictions. As containment measures were gradually eased during the third quarter, most economic activities restarted, and labour market conditions improved further. This enabled a quick recovery in mobility and consumer spending in the fourth quarter. The lifting of interstate travel bans in October, in conjunction with the year-end holiday season, also provided support for domestic tourism activities. Towards the end of the year, Malaysia also detected growing cases involving the new and highly transmissible Omicron variant.

The construction sector declined by 5.2% (2020: -19.4%), as the industry faced limitations on operating capacity and the stop-start nature of construction works, due to the movement restrictions. Special trade was the sole subsector with positive growth, supported by end-works from selected commercial and civil engineering projects, as well as implementation of small-scale projects. Meanwhile, construction activities in the residential and non-residential subsectors remained subdued following extended periods of lockdown and reduced operating capacity. Nevertheless, the easing of the containment measures since August and the reopening of the economy supported the gradual improvement across all subsectors towards the end of the year.

The Malaysian economy is expected to improve further, with growth projected to be between 5.3% and 6.3% in 2022. The economic recovery is underpinned by the continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand.

(Source: Economic and Monetary Review 2021, Bank Negara Malaysia Annual Report 2021)

## **9.2 Overview and outlook of the construction services industry in Malaysia**

The construction industry in Malaysia, based on the value of awarded projects, grew from RM130.3 billion in 2016 to RM181.7 billion in 2019 at a compound annual growth rate (“CAGR”) of 11.7%. During this period, the value of awarded residential construction projects also registered positive growth from RM34.9 billion to RM36.7 billion at a CAGR of 1.7%. The value of awarded projects construction projects contracted from RM181.7 billion in 2019 to RM86.2 billion in 2020 at a year-on-year rate of 52.6% before rising to RM124.9 billion in 2021. Comparatively, the value of awarded residential construction projects also contracted from RM36.7 billion in 2019 to RM28.8 billion in 2020 (year-on-year rate of 21.5%) and RM27.2 billion (year-on-year rate of 5.6%) in 2021.

In 2020, the construction industry contracted, reflecting reduced work capacity in compliance to containment measures, labour shortages due to international border closures, supply chain disruptions and site shutdowns following the COVID-19 outbreak. Despite some relaxation in operating constraints in May 2020, many project sites remained idle, as developers experienced financial, compliance, and supply-chain challenges in resuming work. Nonetheless, construction activities improved in the second half of 2020 as a result of better clarity and compliance with operating guidelines, more pervasive COVID-19 testing on workers and extended hours for construction activity.

Further, the rollout of stimulus packages supported many small-scale projects, and spurred growth in the special trade subsector in the second half of 2020. Residential construction activities benefitted from new housing projects and ramp up in progress of projects due for completion respectively in the second half of 2020, while the civil engineering subsector was supported by continued progress in large infrastructure projects.

In 2021, residential and non-residential construction activities were hampered by labour and operating capacity restrictions. Special trade works from selected commercial and civil engineering projects, as well as implementation of small-scale projects showed positive growth during the year. Special trade works include works such as electrical, plumbing, heat, air conditioning and other construction installation, as well as building completion and finishing. Nevertheless, the easing of the containment measures since August 2021 and the reopening of the economy supported the gradual improvement in the construction sector towards the end of 2021.

Growth in the construction sector is expected to rebound in 2022 following the reopening of Malaysia's economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the Budget 2022 measures will support growth in the civil engineering and special trade subsectors. The residential subsector is projected to benefit from new housing projects and launches, in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

Residential property sales began showing signs of recovery in 2021, as depicted by the growth in demand for household loans. In its Quarterly Bulletin for the Fourth Quarter of 2021, the Central Bank of Malaysia noted the growth in loans following the easing of movement restrictions. This was reflected in substantially higher loan applications of RM170.8 billion in the fourth quarter (3Q 2021: RM114.1 billion) and loan disbursements of RM109.0 billion in the fourth quarter (3Q 2021: RM75.3 billion), particularly for the purchase of houses and passenger cars. In particular, residential property developers began adapting with the containment measures and social distancing restrictions by diversifying to electronic marketing (e-marketing) platforms to reach potential target market while offering more attractive incentives and deals to boost sales. The improving demand for residential properties is anticipated to bode well for industry players and support demand for construction services.

Providence Strategic Partners Sdn Bhd expects residential construction activities to recover over the long term, with the value of awarded residential construction projects projected to rise from RM27.2 billion in 2021 to RM32.2 billion in 2025 at a CAGR of 4.3%. Growth in the affordable housing segment is expected to bounce back faster than mid-tier and luxury residential segments, while office and retail segments are expected to witness a slower recovery over the forecast period. Moving forward, the infrastructure construction sector is also expected to maintain growth momentum, supported by public spending.

The demand for construction services, particularly that in new development projects, is dependent on construction activities undertaken to erect residential, commercial and industrial properties. Construction activities are largely economic-driven, whereby economic growth has the potential to contribute to increased disposable incomes among the population arising from higher employment and increased earnings for businesses and companies due to greater operating scale and wider market reach, consequently leading to increased demand for residential properties.

Economic growth is a catalyst for development and growth in construction activities and demand for construction services. Between 2016 and 2019, Malaysia's wealth, as depicted by its real gross domestic product ("**GDP**"), increased from RM1.2 trillion to RM1.4 trillion at a CAGR of 5.3%. Total property transaction value increased from RM113.5 billion to RM116.2 billion during the same period at a CAGR of 0.8%. From this, residential property segment increased from RM65.6 billion to RM72.4 billion at CAGR of 3.3%. In 2020, Malaysia's real GDP dipped to RM1.3 trillion, from the RM1.4 trillion in 2019. Total property transaction value in 2020 was RM98.2 billion, a 15.5% drop from the RM116.2 billion recorded in 2019. Correspondingly in the same year, residential property transactions dropped to RM65.9 billion (from RM72.4 billion in 2019).

Malaysia's GDP registered a growth of 3.1% in 2021. The recovery momentum in the early part of the year was affected by the reimposition of nationwide containment measures from June to September 2021, following a rapid resurgence of cases due to the Delta variant. However, unlike the movement restrictions in the second quarter of 2020, more essential economic sectors were allowed to operate, while businesses and households were better adapted to the containment measures and standard operating procedures. External demand also provided additional support to Malaysia's economic growth in 2021.

Construction activities in the residential and non-residential subsectors remained subdued following extended periods of lockdown and reduced operating capacity. Nevertheless, the easing of the containment measures since August 2021 and the reopening of the economy supported gradual improvement in construction activities towards the end of 2021. The reopening of the economy as well as ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the Budget 2022 is expected to positively impact the construction sector in 2022.

In 2021, the property market began showing signs of recovery as total property transactions rose to RM121.8 billion at a year-on-year growth rate of 24.0%. Correspondingly, residential property transactions rose to RM76.9 billion at a year-on-year growth rate of 16.7%. During the year, loan applications and approvals for purchase of residential properties rose to RM349.6 billion (2020: RM266.4 billion) and RM122.0 billion (2020: RM93.1 billion) respectively. The recovery of Malaysia's property market in 2021 was mainly supported by the implementation of various stimulus under Pelan Jana Semula Ekonomi Negara ("**PENJANA**") and Prihatin Rakyat Economic Stimulus Package ("**PRIHATIN**"), as well as measures under Budget 2021 which sustained consumer confidence and spending.

The property market is expected to continue recovering in 2022, supported by the reopening of the economy and country borders, which is expected to further improve domestic economic activities.

(Source: IMR Report, July 2022)

### **9.3 Overview and outlook of the IBS industry in Malaysia**

The construction industry is moving towards the use of IBS, driven by the Government initiatives, the expected growth in residential property construction, and a growing awareness about the benefits of IBS products.

In 2018, a total of 14 projects were approved in the IBS industry with an investment of RM575.1 million. Of these, RM335.8 million (58%) were from local companies and RM239.3 million (42%) were from foreign companies. Subsequently in 2019, 15 projects were approved with total investments worth RM1.1 billion. Of these, domestic direct investment amounted to RM477.8 million, or 44.7% of total investments, while foreign direct investment was slightly higher with investments totalling RM591.1 million or 55.3%. In 2020, Malaysia recorded lower investments in the IBS industry arising from the COVID-19 pandemic which dampened investment activities. Eight projects were approved to manufacture IBS components in 2020, with investments valued at RM311.2 million. Further in 2021, three IBS projects were approved with investments valued at RM41.1 million.

The construction industry has started to embrace IBS as a method of attaining better construction quality and productivity, reducing risks related to occupational safety and health, alleviating issues for skilled workers and dependency on manual foreign labour, and achieving the ultimate goal of reducing the overall cost of construction. The adoption of IBS offers minimal wastage, fewer site materials, a cleaner and neater environment, controlled quality, and lower total construction costs.



The Government has been continually encouraging the construction industry to use IBS, which is an important part of the nation's sustainable construction initiative. IBS was introduced to Malaysia as a solution to issues related to over-dependence on foreign workers, increasing demand for affordable accommodation, and improving the image, quality and productivity of the construction industry. IBS is one of the targeted sectors for the manufacturing-related construction industry.

(Source: IMR Report, July 2022)

## **9.4 Prospects of the Enlarged GNB Group**

The Proposed Regularisation Plan has been formulated to address the upliftment of current GN3 status of the Company and to return the Company to a better financial standing and profitability after completion of the Proposed Regularisation Plan.

Based on the best knowledge of the Board of GNB and having considered all aspects of the Proposed Regularisation Plan, the Board of GNB is of the view that the Proposed Regularisation Plan:

- (i) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused GNB to trigger GN3 prescribed criteria;
- (ii) enables GNB to regularise its financial condition such that GNB no longer triggers any of the GN3 prescribed criteria; and
- (iii) is fair and reasonable for GNB and its shareholders and will increase the shareholders' value after completion of the Proposed Regularisation Plan.

The Enlarged GNB Group's prospects are expected to be favourable in view of the Company's plans and strategies for the coming years as set out below and the outlook of the construction services and the IBS industry as described in Sections 9.2 and 9.3 of Part A of this Circular.

### **9.4.1 Future plans and strategies**

The Southern Score Group intends to undertake the following strategies to grow their business:

- (i) to further expand its construction services by continuing to replenish and grow its order book for the provision of construction services which will contribute to expanding its market presence; and
- (ii) to venture into the manufacture of IBS products. TSPC was incorporated on 5 April 2021 with TCS Group Holdings Berhad holding 65% equity interest and Southern Score holding the remaining 35% equity interest. Southern Score intends to venture into the manufacture of IBS products via TSPC.

Notwithstanding that Southern Score only owns 35% equity interest in TSPC, this venture into the manufacture of IBS products is expected to benefit the Enlarged GNB Group. Upon the successful commercialisation of IBS plant, Southern Score will be able to procure the IBS products manufactured by TSPC for adoption in its construction projects instead of sourcing and relying on construction materials sourced from external parties. The adoption of IBS in construction projects is expected to contribute to better construction quality and productivity, reducing risks related to occupational safety and health, alleviating issues for skilled workers and dependency on manual foreign labour, and achieving the ultimate goal of reducing the overall cost of construction.

Premised on the above and the overview and outlook of the construction services and the IBS industry as described in Sections 9.2 and 9.3 of Part A of this Circular, the Board of GNB is of the opinion that the Southern Score Group's prospects are expected to be favourable and the Proposed Acquisition is expected to contribute positively to future earnings of the Enlarged GNB Group.

## **10. RISK FACTORS**

The risk factors associated with the Proposed Regularisation Plan, which may not be exhaustive, include the following:

### **10.1 Completion risk**

If any conditions precedent in the SSA is not fulfilled or waived (as the case may be), the Proposed Regularisation Plan may be delayed or terminated, thus resulting in non-materialisation of the potential benefits expected to arise from the Proposed Regularisation Plan. The Board of GNB seeks to limit such risk by taking all reasonable steps towards the fulfilment or waiver of the conditions precedent so as to enable the completion of the Proposed Regularisation Plan.

### **10.2 Business risks**

#### **(i) The COVID-19 pandemic and possible similar future outbreaks may have a significant impact on Southern Score's business operations**

Southern Score's business is susceptible to any outbreak of disease or pandemics to the extent that it causes interruptions to its business operations. These interruptions, if prolonged, will affect the business operation and financial performance of Southern Score.

Due to the COVID-19 pandemic, the Government had on 18 March 2020 implemented Movement Control Order ("MCO") 1.0 under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967. All government and private premises, except those involved in essential services, were required to be closed and to cease operations during MCO1.0 unless exempted. This was followed by a conditional MCO on 4 May 2020 which allowed selected business sectors to resume operation and a recovery MCO from 10 June 2020 to 31 August 2020 for selected states in Malaysia. During MCO1.0, Southern Score had temporarily suspended its operations, both at its project sites and main office, with office personnel working remotely from home. The construction activities of Southern Score were allowed to resume operations upon obtaining approvals from MITI and complying with standard operating procedures and other rules and regulations required by MITI. Prior to resumption of operations, Southern Score was required to perform COVID-19 testing on its subcontractors' site workers. While the temporary suspension of construction works during MCO1.0 had affected the progress of its projects, it had not materially affected the financial performance of Southern Score.

On 11 January 2021, the Government announced the implementation of MCO2.0 with certain restrictions in selected states commencing 13 January 2021 and has been extended until 4 March 2021 in Kuala Lumpur, Selangor, Johor and Penang. The Government decided to lift MCO2.0 and place Selangor, Kuala Lumpur, Johor, Penang and Kelantan under Conditional Movement Control Order (“**CMCO**”) starting 5 March 2021 up to 28 April 2021, Sarawak’s CMCO is set to last until 26 April 2021, while the rest of the states in Malaysia will be under Recovery Movement Control Order (“**RMCO**”) until 28 April 2021. Southern Score’s business operation and financial conditions were not materially impacted during MCO2.0 as exemption was granted from MITI to operate as usual with observation of standard operating procedures at all project sites.

On 10 May 2021, the Government announced MCO3.0, a nationwide lockdown from 12 May 2021 to 7 June 2021 as the nation faces rising COVID-19 infections. Based on the increasing trend of daily COVID-19 cases, the Government has decided to take more drastic and stringent measures to curb the spread of COVID-19 infections in the community and prevent a sharp increase in cases. On 28 May 2021, the Government announced the first phase of a full closure of social and economic sectors for 14 days beginning 1 June 2021 until 14 June 2021, which has since been extended. During this period, all sectors are not allowed to operate except the essential services and economic sectors. In compliance with the directive from the Government, Southern Score temporarily suspended its operation at its construction project sites while waiting for MITI approval. Southern Score implemented work from home policy, where 40% of its office-based employees are required to work from home, while the remaining 60% will be allowed in office at any one time. Southern Score obtained approval from MITI to resume operations for on-site construction activities with observation of standard operating procedures at project sites. Thereafter, Southern Score’s subcontractors gradually resumed on-site construction activities with workforce capacity remains at 60%.

On 1 July 2021, the Government announced that various areas in Selangor and Kuala Lumpur will be placed under EMCO for 2 weeks, beginning 3 July 2021 to 16 July 2021. During this period, all sectors are not allowed to operate except the essential services and economic sectors. Further on 3 July 2021, the Government announced that all construction and related work in areas under the EMCO in Kuala Lumpur and Selangor must cease. Permits issued by MITI cannot be used to continue construction work during the EMCO period, however, critical maintenance, repairs and wiring work would still be allowed but by appointment only and with approvals from the nearest police station. In compliance with the MCO3.0 and EMCO, Southern Score has temporarily halted construction activities on its ongoing projects.

The table below sets out the temporary suspension period of Southern Score’s ongoing projects:

Ongoing projects	Temporary suspension period	Resumption of on-site construction activities
Vista Wirajaya 1@ PV9 Residences	1 June 2021 – 21 July 2021 (7 weeks)	22 July 2021
Platinum Arena Residences	1 June 2021 – 7 June 2021 (1 week)	8 June 2021
Vista Sentul Residences	6 July 2021 – 27 July 2021 (3 weeks)	28 July 2021

As a result of the temporary suspension of Southern Score’s ongoing projects above, Southern Score had recorded lower revenues for the month of June and July 2021.

In addition, Southern Score has arranged for all site workers for COVID-19 testing before resumption of on-site construction activities to prevent COVID-19 infections in the project sites. In compliance with the guidelines and standard operating procedures, workers at construction sites are limited to 60% workforce capacity during the MCO period. In light of this tighter restriction imposed by the Government, Southern Score is applying to its customers for further extension of time to deliver its projects with no impositions of LAD.

On 1 October 2021, Kuala Lumpur and Selangor entered into Phase 3 of the NRP, and all types of construction works were allowed to operate under NRP Phase 3.

Notwithstanding the above, if the Government imposes tighter restrictions which have an impact on the progress of on-going projects, Southern Score shall apply to its customers for further extension of time to deliver projects with no impositions of LAD.

There is no assurance that other pandemics will not happen in the future. If such outbreaks occur and tighter restrictions are imposed on business activities by the Government, the business operations and financial performance of Southern Score will be affected.

Further details of the impacts of COVID-19 and MCO on Southern Score's business operations are set out in Section 7.22 of Appendix III(A) of this Circular.

**(ii) Exposure to a few projects awarded by major customers**

Revenue contributions from Southern Score's customers vary from year-to-year due to the nature of its construction business being conducted on a project basis. Southern Score may not secure similar projects in terms of size and scope with the same customers year-on-year. Southern Score's construction contracts are implemented over an average period of 2 to 3 years. In the construction industry, contracts are typically awarded based on competitive bidding as well as evaluated based on contractors' track records and quality of project delivery. Therefore, Southern Score faces uncertainty in securing new contracts as it may not be able to provide the most competitive pricing at all times or that its track record may not be as established as its competitors.

In the last four FYEs, Southern Score secured construction projects from Weng Wah Developments Sdn Bhd, Constant Premium Sdn Bhd, Ambanang Development Sdn Bhd and Marques Land Sdn Bhd, being companies in which Tan Sri Datuk Seri Gan Yu Chai, Gan Yee Hin and persons connected to them are existing director(s) and/or an existing shareholder(s). Please refer to Section 8 of Appendix III(A) of the Circular for more info on the related party transactions entered into by the Southern Score Group. In the last four FYEs, these companies have ranked in the top five customers of Southern Score for one or more FYEs due to the fact that Southern Score only implements a handful of new projects every year. In the event that Southern Score is unable to secure more contracts of the same or larger scale from its existing customers or new customers, the business operations and financial performance of Southern Score may be affected.

In addition, Southern Score does not have any long-term contractual agreements with its customers as it is engaged on a project-by-project basis. These customers are not obligated to continue awarding new projects to Southern Score. Therefore, there is no assurance that these major customers will continue to engage Southern Score in the future. In the event that these major customers discontinue their business relationships with Southern Score, Southern Score is exposed to the risk of not being able to secure other customers who can contribute a similar proportion of revenue on a timely basis. As such, the business operations and financial performance of Southern Score may be affected. Furthermore, Southern Score's business operations and financial performance may be affected should there be any adverse changes specific to the operations, financial performance and external factors affecting its major customers that are beyond Southern Score's control. This may result in the delay and/or default in their contractual payments to Southern Score.

As at the LPD, Southern Score has recorded an order book of approximately RM527.7 million which is expected to be billed up to FYE 31 December 2027. Southern Score's major customers will continue to contribute a significant portion of revenue in the next three financial years. Southern Score implements a handful of new construction projects every year, therefore these customers naturally account for a significant portion of Southern Score's revenue for that particular year. As at the LPD, Southern Score has received a letter of intent for 1 construction and development project and has 1 project in the tender stage, undergoing evaluation and pending outcome of decision, from a third-party property developer and landbank owner respectively. Moving forward, Southern Score is anticipated to further diversify its customer base by securing new projects from different third-party customers. Nevertheless, while Southern Score is dependent on its major customers, it is not dependent on a single customer as Southern Score has been securing more projects from different customers.

**(iii) Reliance on subcontractors to complete a substantial portion of building and construction projects**

Depending on the scope of services, Southern Score may be appointed as turnkey contractor or main contractor, where it is responsible for the overall implementation and management of its construction projects. To maximise cost efficiency and flexibility and to utilise the expertise of qualified specialist contractors, Southern Score outsources all construction works to its subcontractors. In this respect, Southern Score engages competent subcontractors for a number of services including building and construction works, piling works, road works, internal infrastructure and landscaping works as well as other specialised trade works such as M&E works, drainage and sewerage works and other related works. The subcontracting fees paid to Southern Score's subcontractors accounted for approximately 98.9%, 92.9%, 99.2%, 99.8% and 92.6% of its total cost of sales for FYE 31 December 2018, 2019, 2020 and 2021 as well as FPE 30 April 2022, respectively.

The engagement of subcontractors may expose Southern Score to certain risks, including but not limited to, difficulties in overseeing the performance of subcontractors effectively, possibilities of subcontractors failing to complete their contracted scope of works or inability to hire suitable subcontractors in a timely manner and at a reasonable fee. Accordingly, the ability of the subcontractor to perform its functions effectively, timely and efficiently in relation to a project will affect Southern Score's ability to meet its project quality expectations, budget and milestones. In FYE 2018, Southern Score terminated the services of a subcontractor performing underground construction (specifically horizontal directional drilling (HDD) pipejacking works) for the PR1MA Jalan Jubilee project upon commencement of works when the subcontractor did not possess the appropriate drilling rig to drill through the soil and rock conditions onsite. In this instance, Southern Score was able to source for another subcontractor with the required expertise and machinery with no delay to the project completion and minimal impact to project budget. Save for this, Southern Score did not experience any of the aforementioned difficulties during the past 4 FYEs and FPE 30 April 2022 as well as up to the LPD.

If its subcontractors fail to meet the project requirements, Southern Score may experience a delay in project completion or be exposed to risks of cost overruns due to quality issues concerning substandard works and/or non-performance by subcontractors. Consequently, Southern Score may need to incur significant time, cost and resources to carry out rectification works. This in turn would affect the project delivery schedule and accordingly, Southern Score would be entitled to claim against such subcontractors for LAD, costs and expenses incurred by Southern Score to complete the construction works and/or liquidate the subcontractor's performance bond. However, these events may also have impact on the financial performance of Southern Score and may lead to potential litigation or damages claims. For the past 4 FYEs and FPE 30 April 2022 as well as up to the LPD, Southern Score has not experienced any of the aforementioned difficulties.

Nevertheless, Southern Score generally selects its subcontractors through a tender process and upon taking into account factors including their demonstrated competencies, market reputation, track record and prior business relationships with Southern Score. In addition, Southern Score has adopted an internal set of operating procedures for project managers, supervisors, and subcontractors' staff to monitor the quality, safety and performance of construction works on project sites. Please refer to Section 7.8 of Appendix III(A) of this Circular for further details on Southern Score's quality, environment, safety and health measures. As at the LPD, save for the interruptions arising from the COVID-19 pandemic, Southern Score has not experienced any major disruptions arising from works performed by its subcontractors.

**(iv) Exposure to public sector construction projects**

Southern Score is principally involved in the provision of construction management services and has undertaken public and private sector projects with a focus on high-rise residential property projects. As at the LPD, Southern Score has completed one public sector project, namely PR1MA Jalan Jubilee, and has 3 on-going public sector projects namely Vista Wirajaya @ PV 9 Residences (RUMAWIP), Vista Harmoni Residences (PPAM) as well as Berlian Setapak 2 Residences (RUMAWIP) that are expected to be completed by August 2022, April 2025 and June 2025 respectively. These public sector projects are mainly affordable housing projects, which were initiated by the Government to provide affordable housing for first home buyers and middle-income households. In addition, Southern Score has received a letter of intent for 1 construction and development project and has 1 project in tender stage, undergoing evaluation and pending outcome of decision and/or approval, from a third-party property developer and landbank owner respectively as at the LPD.

Public sector projects have accounted for approximately 81.9%, 60.2%, 70.2%, 51.5% and 40.9% of Southern Score's total revenues in the FYE 31 December 2018, 2019, 2020 and 2021 as well as FPE 30 April 2022, respectively. As public sector projects contributed to a significant portion of Southern Score's historical revenue, any failure to continue securing public sector projects without timely replacement with private sector projects could affect the financial performance of Southern Score. Factors that could affect Southern Score's prospects of securing future public sector contracts include, but are not limited to, changes in government framework and curtailments in government expenditures on public sector housing, as well as competition from new and existing market players.

Leveraging on its track record and competitive advantages in the construction industry, Southern Score strives to compete effectively with new and existing market players in securing new public sector projects. Nevertheless, there can be no assurance that Southern Score will be able to continue securing public sector projects moving forward.

**(v) Reliance on related parties for business opportunities**

In the last four FYEs 31 December 2018, 2019, 2020 and 2021, Southern Score secured construction projects from Weng Wah Developments Sdn Bhd, Constant Premium Sdn Bhd, Ambanang Development Sdn Bhd and Marques Land Sdn Bhd, being companies in which Tan Sri Datuk Seri Gan Yu Chai, Gan Yee Hin and persons connected to them are existing director(s) and/or existing shareholder(s). Leveraging on their industry networks and professional referrals, Southern Score was able to secure new business opportunities from related parties.

Notwithstanding that these customers are related parties to Southern Score, these related party transactions were conducted at an arm's length basis and based on normal commercial terms. These projects, despite being awarded by related parties to Southern Score, provides Southern Score with the necessary experience and track record to securing projects from independent and non-related customers. Moving forward, Southern Score intends to diversify its customer base by securing projects from independent and non-related customers. This is evidenced by the letters of intent received for 1 construction and development project and 3 newly awarded development and construction projects by non-related parties, namely Klasik Ikthiar Sdn Bhd, Monisprings Development Sdn Bhd and Magna Sutera Development Sdn Bhd.

Please refer to Section 8 of Appendix III(A) of the Circular for more information on the related party transactions entered into by the Southern Score Group.

**(vi) Dependency on Managing Director, Executive Directors and key senior management team**

The continuous success, future business growth and business expansion of Southern Score depend on the continued services of its Managing Director, Executive Directors and key senior management team. Managing Director, Tan Sri Datuk Seri Gan Yu Chai, being the founder of Southern Score, has been actively involved in the business operations since commencement of business. Tan Sri Datuk Seri Gan Yu Chai has been instrumental in charting the business direction and managing the strategic development of Southern Score. He plays an instrumental role in Southern Score's existing relationships with its customers in relation to securing new projects. This include construction projects, namely Platinum Teratai Residence, Vista Sentul Residences, Vista Wirajaya @ PV 9 Residences and Platinum Arena Residences which were awarded to Southern Score by its customers by virtue that Tan Sri Datuk Seri Gan Yu Chai is an existing director and/or an existing shareholder.

The Executive Directors of Southern Score, namely Gan Yee Hin and Datuk Sydney Lim Tau Chin have experience in construction industries and in-depth knowledge of various aspects of project management and business management. They are assisted by key senior management team as well as employees, including but not limited to the project managers of each project. The Executive Directors of Southern Score are vital for the implementation of strategic direction, leadership, business planning, development and management of Southern Score's operations to drive future growth.

The loss of any Managing Director, Executive Directors and/or key senior management personnel and inability to find a suitable replacement in a timely manner may potentially create an unfavourable impact on the business operations of Southern Score.

**(vii) Failure to complete projects within the stipulated contract period could result in customers imposing LAD on Southern Score**

Southern Score is subject to certain agreed timeliness and budgets for its construction projects. The timely completion of construction projects undertaken by Southern Score is dependent on many external factors inherent in the construction industry including, the timely receipt of requisite licenses, regulatory approvals, availability of construction materials, issues relating to engineering, safety and site conditions, adverse weather conditions, availability of machinery and equipment and satisfactory performance of subcontractors. Any adverse developments in respect of the external factors can potentially lead to interruptions or delays in completing a project, which may result in customers imposing LAD that could have a material impact on Southern Score's business operations and financial performance. As at the LPD, Southern Score has not experienced any LAD claims from its customers. For information purposes, Southern Score has applied to 2 customers for extension of time for the completion of ongoing projects with no imposition of LAD. Please refer to Section 7.22 of Appendix III(A) of this Circular for more details on the impact of COVID-19 and MCO on Southern Score's business operations.

In addition, the engagement of subcontractors may expose Southern Score to possibilities of failing to deliver its construction projects in a timely manner. Therefore, under the terms stipulated in its contracts with subcontractors, Southern Score is entitled to claim LAD from its subcontractors should they fail to complete and deliver the project by the contractual completion date, unless extension of time is granted.

Nevertheless, there is no assurance that Southern Score will be able to continuously complete its construction projects on time and there is no assurance that the business operations and financial operations of Southern Score will not be affected due to delay in project completion.

**(viii) Risks of defects in construction works**

The nature of Southern Score's business is subjected to risk of defects liability claims by customers due to the defects in the construction works that occur during the defects liability period. Southern Score typically provides defects liability period ranging from 12 months up to 24 months from the date of CPC.



Southern Score's construction projects are subjected to a retention sum of 5.0% of the contract sum. This retention sum serves as a security to Southern Score's customers to safeguard and guarantee performance towards the completion of projects as well as against the defects which may occur during the defects liability period. Customers of Southern Score may retain the entire retention sum throughout the contract period until the issuance of CPC, of which half of the total retention sum will be released to Southern Score upon the issuance of CPC, whilst the remaining half of the retention sum will be retained by its customers until the end of the defects liability period and upon the issuance of CMGD.

During the defects liability period, Southern Score is liable for any repair work, reconstruction or rectification of any defects attributable to the construction works including works carried out by its subcontractors. In addition, Southern Score's customers may utilise the remaining retention sum to remedy such defects if rectification is not carried out within the agreed period. As such, Southern Score may not be able to receive any of the remaining retention sum, which in turn may affect the financial performance of Southern Score.

To mitigate this, Southern Score also retains 5.0% of the awarded sub-contract value against its subcontractors as retention sum. Southern Score will release the retention sum to its subcontractors, of which half of the retention sum will be released upon the issuance of the CPC, whilst the remaining half of the retention sum will be released at the end of the defects liability period and upon the issuance of the CMGD by the architect engaged by its customer. The remaining retention sum may be utilised by Southern Score to remedy defects if the subcontractor fails to rectify such defects within the agreed period.

Notwithstanding the above, Southern Score has not experienced any defects liability claims from its customers for construction works as well as for works done by its subcontractors. Although Southern Score endeavours to maintain the quality of construction works, there is no assurance that these liability claims, if any, would not affect the financial performance of Southern Score.

**(ix) Southern Score's insurance coverage may not be adequate to cover all losses or cover liabilities arising from potential claims and litigations**

Southern Score is aware of the adverse consequences arising from inadequate insurance coverage that could potentially affect its business, operations and financial performance. Although Southern Score maintains contractors' all-risks insurance for its construction projects, Southern Score may be exposed to claims from its subcontractors in relation to workmen compensation during the execution of construction works from time to time. Therefore, there is no assurance that Southern Score's insurance policies will sufficiently protect against all potential liabilities.

The outcome of any claim is subject to negotiations among the relevant parties', and the result of claims may be unfavourable to Southern Score. If Southern Score is held liable for uninsured losses or the amount of claims for insured losses exceeds the limit of Southern Score's insurance coverage, Southern Score's business and financial position will be affected.

On 18 October 2021, a fire broke out at the project site of Vista Wirajaya @ PV 9 Residences. Based on the fire / emergency report issued by the Fire and Rescue Department of Malaysia, the fire was caused by electric resistance overheating. There were no casualties or injuries from this fire incident. The fire incident is not expected to cause delay to the estimated completion date of the Vista Wirajaya @ PV 9 Residences project. Further, Ambanang Development Sdn Bhd, being Southern Score's customer in relation to this project, has also acknowledged that the incident was an unforeseen circumstance and that the losses would be partially recovered from the applicable insurance policies. Therefore, Southern Score believes that the overall impact caused by the fire accident, if any, will not be material on its business operations and financial performance.

**(x) The amount of revenue that Southern Score derives from a project may be different from its initial contract sum due to variation orders, omissions or early termination of a project**

The total revenue that Southern Score derives from a project may be higher or lower than the initial contract sum as stipulated in the contract due to variation orders, omission and early termination by its customers in the course of project implementation. Such variation orders may include additions, omissions or alterations from the original scope of works, upon request by the customers of Southern Score. The value of such variation orders has to be agreed between Southern Score and its customers. In addition, the principal contract terms and settlement of variation orders are generally in line with the terms of the contract. Nonetheless, there is no assurance that that actual amount of revenue to be recognised from the ongoing projects will not be substantially different from the initial contract sum as stipulated in the contracts.

**(xi) Reliance on certain registrations, approvals, licenses and permits**

Southern Score is principally involved in the provision of construction services that are bound by the rules and regulations set by government bodies such as the CIDB. The CIDB is a governmental body that governs the registrations of contractors in Malaysia. Under the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994, it is mandatory for all contractors who carry out and complete construction works in Malaysia to be registered and hold a valid certificate of registration issued by the CIDB. There are a total of seven registration grades that determine the capacity of a contractor in tendering for the value of construction work, whereby Grade 7 is the highest grade accorded under the CIDB's registration that allows for the tendering of construction works that are of unlimited value and operating throughout in Malaysia.

Southern Score, being a CIDB Grade 7 contractor, leverages on its existing registration to continue its core business operations. Therefore, any revocation and/or failure to obtain renewals for such registrations, approvals, licenses and permits which are required for Southern Score to continue its business activities, will have a material impact on its ability to continue its business operations and hence may affect its financial performance. However, Southern Score has not experienced any past instances where its registrations, approvals, licenses and permits have been revoked or suspended prior to their expiration, or where renewals of such registrations, approvals, licences and permits were not successful.

In addition, subcontractors of Southern Score may face revocation of their registrations, approvals, licenses and permits required to carry their construction works in the event of any non-compliance. This in turn may cause delays in projects and may affect the business operations of Southern Score, in the event Southern Score is not able to seek alternative subcontractors in a timely basis. However, Southern Score has in the past, and intends to continue engaging subcontractors that are reputable and credible, to avoid potential disruptions to their projects arising from revocation of registrations, approvals, licenses and permits of their subcontractors.

### **10.3 Industry risks**

#### **(i) Dependency on the construction and property industries**

Presently, Southern Score mainly focused on the construction of high-rise residential property projects. Hence, the sustainability of its operations depends largely on the outlook of the Malaysian property market.

According to the IMR Report, the Government announced the following measures in its efforts to encourage home ownership:

##### **(a) Budget 2021:**

- Full stamp duty exemption on instruments of transfer and loan agreement for first time home buyers is extended until 31 December 2025. The limit of stamp duty for first residential home is also increased up to RM500,000. This exemption is effective for sale and purchase agreement executed from 1 January 2021 to 31 December 2025; and
- Stamp duty exemption on loan agreements and instruments of transfer given to rescuing contractors and the original house purchasers is extended for another 5 years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government.

##### **(b) Budget 2022:**

Under Budget 2022, the Government announced several initiatives in addition to that for the affordable housing segment, that will support the construction industry and boost demand for construction services, among which include:

- Real Property Gains Tax (“**RGPT**”) will not be levied on disposals of real property made from the sixth year onwards;
- RM398.0 million allocation for 11,800 apartment units under Project Perumahan Rakyat;
- RM315.0 million allocation for 3,000 house units under Program Rumah Mesra Rakyat;
- RM266.0 million allocation for Program Perumahan Penjawat Awam;
- RM361.0 million allocation for the construction of new houses and repair of 14,000 houses under Program Bantuan Rumah;
- RM125.0 million allocation for Program Penyelenggaraan Perumahan dan Tabung Penyelenggaraan Perumahan Malaysia;
- RM2.0 billion allocation for housing loans to those without fixed income under Skim Jaminan Kredit Perumahan;

- RM230.0 million will be prepared for maintenance and repair works for schools in military camps, military facilities and military quarters, namely Rumah Keluarga Angkatan Tentera. The allocation will also be used for the repair and replacement of lifts in Polis Diraja Malaysia quarters; and
- RM365.0 million allocation for the repairs and maintenance of quarters and buildings under the supervision of the Property Management Division.

According to the IMR Report, the property market is expected to continue recovering in 2022, supported by the reopening of the economy and country borders, which is expected to further improve domestic economic activities. Further, growth in the construction sector is expected to rebound in 2022 following the reopening of Malaysia's economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the Budget 2022 measures will support growth in the civil engineering and special trade subsectors. The residential subsector is projected to benefit from new housing projects and launches, in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

There can be no assurance that Southern Score can adapt to any changes in the industry which are beyond its control. Southern Score will continue to adopt prudent management and efficient operating procedures to adapt to changes in the construction industry.

## **(ii) Competition risk**

Southern Score operates in the construction industry which is highly fragmented. Southern Score's competitors may have more established relationships with their customers, longer operating histories, equipped with better resources and technical knowledge as compared to Southern Score, thereby allowing them to offer more compelling value propositions.

Southern Score may face competition pressures from existing or new competitors who adopt aggressive pricing strategies. In an effort to mitigate this risk, Southern Score has positioned itself as a construction company that focuses on tailor-made project approach. Southern Score proactively assesses the development of potential landbanks in strategic and/or prime locations and approaches landbank owners to present the development potential and concept proposition to initiate new property development projects. This approach serves as a way for Southern Score to differentiate from its competitors, which would allow it to compete more efficiently in the industry.

Nevertheless, there can be no assurance that Southern Score will be able to compete effectively with current and new entrants into the construction industry in the future and the competition will not intensify in the future.

Please refer to Section 7.4 of Appendix III(A) of the Circular for Southern Score's competitive strengths.

**(iii) Political, regulatory and economic risks in Malaysia**

Southern Score derives revenue solely from Malaysia. The nature of Southern Score's business and the local construction industry, are subject to prevailing political, economic and regulatory conditions in Malaysia. Any adverse changes in political, economic and regulatory conditions such as political uncertainties, changes in the government's policies and regulations in relation to the construction industry, prolonged and/or widespread economic slowdown in Malaysia, weak investment sentiment in Malaysia, war, terrorism activities and riots could adversely affect the operations and financial prospects of Southern Score.

As at the LPD, Southern Score has not experienced any adverse political, regulatory and economic changes or any force majeure events save for the COVID-19 pandemic, which has had a direct impact on the Southern Score's business operations.

The occurrence of any of these events is beyond the control of Southern Score and may affect the demand for construction services. Therefore, there is no assurance that adverse political condition, cyclical change in the Malaysian economy and regulatory change will not adversely affect Southern Score's business operations and financial performance.

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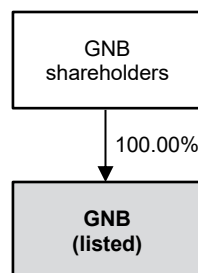
## 11. EFFECTS OF THE PROPOSED REGULARISATION PLAN

### 11.1 Corporate structure

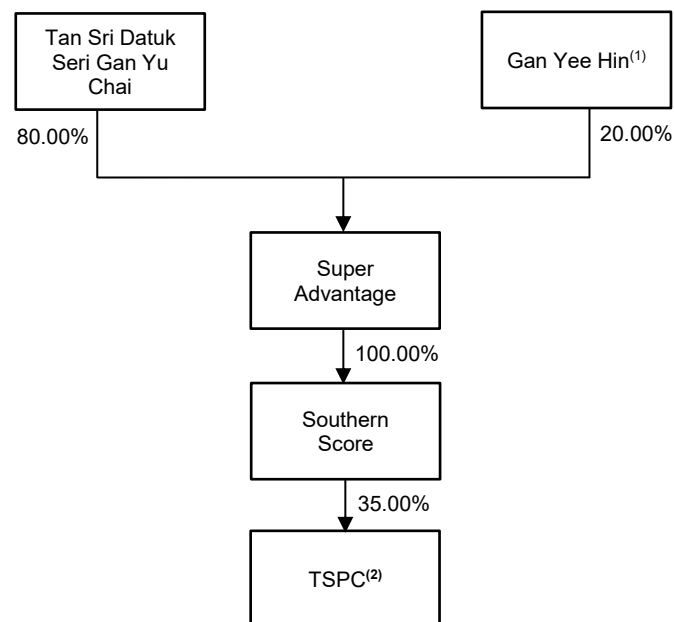
The effects of the Proposed Regularisation Plan on the corporate structure of the Company are as set out below.

#### (i) As at the LPD

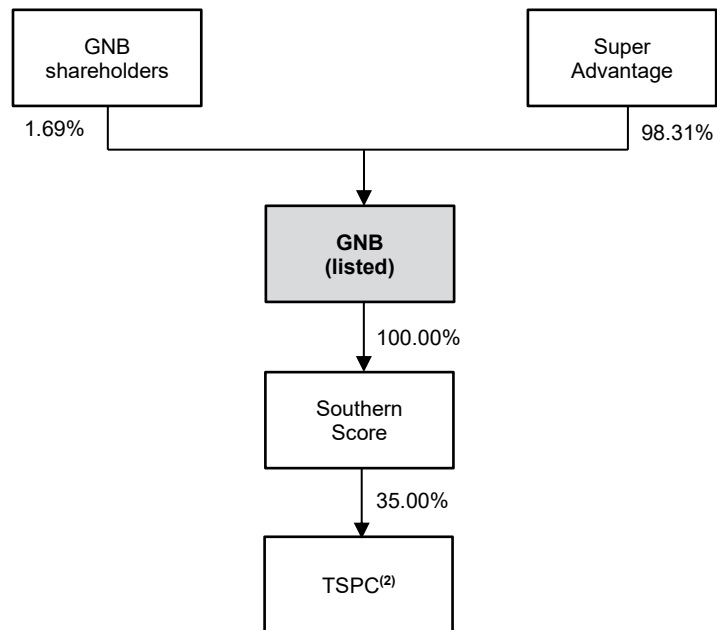
##### Existing structure of GNB



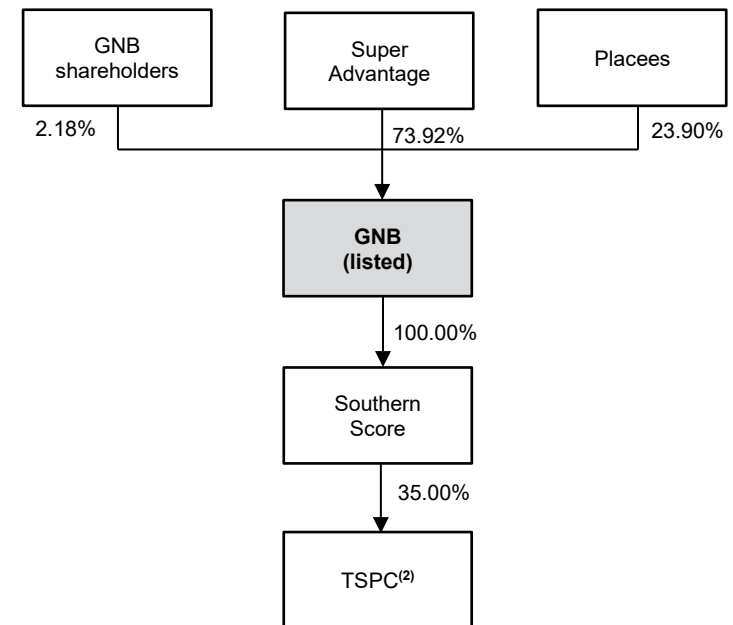
##### Existing structure of Southern Score



(ii) **After the Proposed Share Consolidation and the Proposed Acquisition but before the Proposed Debt Settlement and Proposed Private Placement**



(iii) **After the Proposed Regularisation Plan**



**Notes:**

(1) Son of Tan Sri Datuk Seri Gan Yu Chai.

(2) The remaining 65.00% shareholding in TSPC is held by TCS Group Holdings Berhad. Please refer to Section 5.1 of Appendix III(A) for further information.

## 11.2 Issued share capital and number of issued shares

For illustrative purposes, the pro forma effects of the Proposed Regularisation Plan on GNB's issued share capital and number of issued GNB Shares are as follows:

	<b>No. of GNB Shares</b>	<b>RM</b>
As at the LPD	288,750,000	9,792,835
After the Proposed Share Consolidation <sup>(1)</sup>	28,875,000	9,792,835
Pursuant to the Proposed Acquisition	1,680,000,000	(4,460,703)
	1,708,875,000	5,332,132
Issuance of the Settlement Shares	20,666,667	3,100,000
	1,729,541,667	8,432,132
Issuance of the Placement Shares	543,047,900	108,609,580
<b>Enlarged issued share capital and number of issued GNB Shares</b>	<b>2,272,589,567</b>	<b>117,041,712</b>

**Note:**

(1) Proposed Share Consolidation of every 10 GNB Shares into 1 Consolidated Share.

The Proposed Exemption will not have any effect on GNB's issued share capital and number of issued GNB Shares.

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### 11.3 NA and gearing

Based on GNB's audited financial statements as at 30 April 2022 and Southern Score's audited financial statements as at 30 April 2022, the Proposed Regularisation Plan is expected to have the following pro forma effects on GNB's NA and gearing:

	Audited as at 30 April 2022	Proposed Regularisation Plan			
		(I)	(II)	(III)	(IV)
		After the Proposed Share Consolidation	After (I) and the Proposed Acquisition	After (II) and the Proposed Debt Settlement	After (III) and the Proposed Private Placement
	(RM)	(RM)	(RM)	(RM)	(RM)
<b>Equity attributable to owners of the company</b>					
Share capital	9,792,835	9,792,835	5,332,132 <sup>(1)</sup>	8,432,132 <sup>(4)</sup>	117,041,712 <sup>(5)</sup>
Capital reserve	622,480	622,480	— <sup>(2)</sup>	— <sup>(2)</sup>	— <sup>(2)</sup>
(Accumulated losses) / Retained earnings	(16,812,934)	(16,812,934)	10,259,743 <sup>(3)</sup>	10,259,743 <sup>(3)</sup>	5,859,743 <sup>(3)</sup>
<b>Total equity</b>	<b>(6,397,619)</b>	<b>(6,397,619)</b>	<b>15,591,875</b>	<b>18,691,875</b>	<b>122,901,455</b>
No. of issued shares	288,750,000	28,875,000	1,708,875,000 <sup>(4)</sup>	1,729,541,667 <sup>(5)</sup>	2,272,589,567 <sup>(6)</sup>
NA per share (sen)	(2.22)	(22.16)	0.91	1.08	5.41
Borrowings	-	-	148,973	148,973	148,973
Gearing ratio (times)	-	-	0.01	0.01	— <sup>(7)</sup>

#### Notes:

(1) The movement of the share capital pursuant to the Proposed Acquisition is as follows:

	<u>RM</u>
As at 30 April 2022	9,792,835
Pursuant to the Proposed Acquisition	<u>(4,460,703)</u>
	<u>5,332,132</u>

After the Proposed Acquisition, the share capital of the Enlarged GNB Group will be RM5,332,132, comprising Southern Score's existing share capital of RM1,000,000 plus the fair value of the consideration transferred (deemed cost of combination) amounted to RM4,332,132. The negative movement to GNB's share capital of RM(4,460,703) pursuant to the Proposed Acquisition was a reverse acquisition accounting adjustments to reflect the new share capital of the Enlarged GNB Group.

(2) The movements of capital reserve are as follows:

	<u>RM</u>
As at 30 April 2022 / As per pro forma (I)	622,480
Pursuant to the Proposed Acquisition	<u>(622,480)</u>
As per pro forma (II), (III) and (IV)	<u>-</u>

The movement of the capital reserve is due to the adjustment arising from reverse acquisition.

(3) The movements of (accumulated losses)/ retained earnings are as follows:

	<u>RM</u>
As at 30 April 2022 / As per pro forma (I)	(16,812,934)
Pursuant to the Proposed Acquisition	37,802,428
Adjustment arising from reverse acquisition	<u>(10,729,751)</u>
As per pro forma (II) and (III)	10,259,743
Estimated expenses in relation to the Proposed Regularisation Plan	(4,400,000)
As per pro forma (IV)	<u>5,859,743</u>

(4) Taking into consideration the issuance of 1,680,000,000 Consideration Shares at RM0.15 each.

(5) Taking into consideration the issuance of 20,666,667 Settlement Shares at RM0.15 each.

(6) Taking into consideration the issuance of 543,047,900 Placement Shares at the assumed issue price of RM0.20 each.

(7) Negligible.

The Proposed Exemption will not have any effects on the NA, NA per share and gearing of the Company.

#### 11.4 (Loss)/Earnings and Loss Per Share (“LPS”)/EPS

Barring any unforeseen circumstances, the Proposed Regularisation Plan is expected to regularise the financial condition of the Company and contribute positively to the future earnings of the Company.

For illustration purposes only, the pro forma effects on the (loss)/ earnings of the Enlarged GNB Group are as follows:

Group	(Audited) 30 June 2021 (RM)	(I) After subsequent event up to the LPD <sup>(2)</sup> (RM)	(II) After (I) and the Proposed Share Consolidation (RM)	(III) After (II) and the Proposed Acquisition (RM)	(IV) After (III) and the Proposed Debt Settlement (RM)	(V) After (IV) and the Proposed Private Placement (RM)
(LAT)/PAT attributable to owners of the Company	(1,991,855) <sup>(1)</sup>	288,131	288,131	25,908,912 <sup>(3)</sup>	25,908,912 <sup>(3)</sup>	21,508,912 <sup>(4)</sup>
Number of GNB Shares	288,750,000	288,750,000	28,875,000	1,708,875,000	1,729,541,667	2,272,589,567
Pro forma (LPS)/EPS (sen) <sup>(3)</sup>	(0.69)	0.10	1.00	1.52	1.50	0.95

**Notes:**

- (1) After taking into consideration the audited LAT of GNB for the FYE 30 June 2021 of approximately RM1.99 million.
- (2) After accounting for the dissolution of GNB’s subsidiary, Geranium on 8 October 2021.
- (3) Incorporating Southern Score’s audited PAT for the FYE 31 December 2021 of approximately RM35.18 million and adjustment arising from reverse acquisition of approximately RM9.56 million.
- (4) After taking into consideration the estimated expenses of approximately RM4.40 million in relation to the Proposed Regularisation Plan.

The Proposed Exemption will not have any effect on the LPS or EPS of the Company.

### 11.5 Substantial shareholders' shareholdings

For illustration, the Proposed Regularisation Plan will have the following pro forma effects on the substantial shareholders' shareholdings of GNB:

Name	As at LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
CTP	23,688,000	8.20	6,300,000 <sup>(1)</sup>	2.18	2,368,800	8.20	630,000 <sup>(1)</sup>	2.18
Super Advantage	-	-	-	-	-	-	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	-	-	-	-	-	-
Gan Yee Hin	-	-	-	-	-	-	-	-

Name	(II) After (I) and the Proposed Acquisition				(III) After (II) and the Proposed Debt Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
CTP	2,368,800	0.14	630,000 <sup>(1)</sup>	0.04	23,035,467	1.33	630,000 <sup>(1)</sup>	0.04
Super Advantage	1,680,000,000	98.31	-	-	1,680,000,000	97.14	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(2)</sup>	98.31	-	-	1,680,000,000 <sup>(2)</sup>	97.14
Gan Yee Hin	-	-	1,680,000,000 <sup>(2)</sup>	98.31	-	-	1,680,000,000 <sup>(2)</sup>	97.14

Name	(IV) After (III) and the Proposed Private Placement			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
CTP	23,035,467	1.01	630,000 <sup>(1)</sup>	0.03
Super Advantage	1,680,000,000	73.92	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(2)</sup>	73.92
Gan Yee Hin	-	-	1,680,000,000 <sup>(2)</sup>	73.92

**Notes:**

(1) Deemed interested through the direct interests of his spouse's (Leong Sau Ching) and son's (Chai Yi Jian) shareholdings in the Company.

(2) Deemed interested through the direct interest of Super Advantage in the Company.

The Proposed Exemption will not have any effect on the substantial shareholders' shareholdings of the Company.

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### 11.6 Convertible securities

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

## 12. SIGNIFICANT CHANGE IN BUSINESS DIRECTION OR POLICY

In accordance with Rule 1.01 of the Listing Requirements, the Proposed Acquisition will result in a Significant Change in the Business Direction or Policy of GNB upon its completion.

## 13. APPROVALS REQUIRED

### 13.1 Approvals and conditions

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements of Bursa Securities exceeds 100%.

The Proposed Regularisation Plan is subject to the following approvals:

- (i) Bursa Securities for the Proposed Regularisation Plan and for:
  - (a) the Proposed Share Consolidation;
  - (b) the listing and quotation of the Consideration Shares on the ACE Market of Bursa Securities;
  - (c) the listing and quotation of the Settlement Shares on the ACE Market of Bursa Securities; and
  - (d) the listing and quotation of the Placement Shares on the ACE Market of Bursa Securities;

The above approvals have been granted by Bursa Securities vide its letter dated 8 July 2022 and are subject to the following conditions:

Conditions imposed		Status of compliance
(1)	To submit the following information with respect to the moratorium on the shareholdings of Super Advantage to Bursa Depository: <ul style="list-style-type: none"><li>(i) Name of shareholders;</li><li>(ii) Number of shares; and</li><li>(iii) Date of expiry of the moratorium for each block of shares.</li></ul>	To be complied
(2)	Submission of written confirmation by GNB or Kenanga IB to Bursa Depository that all conditions imposed by Bursa Securities which are required to be met before the listing and quotation of the securities have been fully complied with together with the submission of the share certificate by GNB and letter containing the summary of the new GNB shares issued to Bursa Depository before 10.00 a.m. on the market day prior to the listing date;	To be complied

<b>Conditions imposed</b>		<b>Status of compliance</b>
(3)	GNB's compliance with the Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	To be complied
(4)	Confirmation that all approvals of the relevant authorities have been obtained for the implementation of the Proposed Regularisation Plan and to furnish to Bursa Securities a copy of all letters of approval from the relevant authorities;	To be complied
(5)	To furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the general meeting for the Proposed Regularisation Plan;	To be complied
(6)	To ensure that all directors and proposed directors of GNB who have not attended the Mandatory Accreditation Programme pursuant to Rule 15.08 and Guidance Note 10 of the Listing Requirements to do so prior to the listing of and quotation for all the new GNB Shares to be issued pursuant to the Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement;	To be complied
(7)	To furnish Bursa Securities with a copy of the public shareholding spread pursuant to Appendix 8E of the Listing Requirements based on the entire issued share capital of GNB upon the completion of the Proposed Regularisation Plan;	To be complied
(8)	To inform Bursa Securities upon the completion of the Proposed Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval; and	To be complied
(9)	GNB and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan.	Noted

(ii) the approvals of the SC for:

- (a) the Proposed Exemption; and
- (b) the resultant Bumiputera equity structure of GNB under the Bumiputera equity requirement for public listed companies pursuant to the Proposed Regularisation Plan which was obtained vide its letter dated 8 July 2022.

The said approval is subject to the following conditions:

Conditions imposed		Status of compliance
(1)	GNB to allocate 12.5% of its enlarged number of issued shares to Bumiputera investors to be approved or recognised by the MITI, upon completion of the Proposed Regularisation Plan; and	To be complied
(2)	GNB or Kenanga IB to inform the SC upon completion of the Proposed Regularisation Plan.	To be complied

- (iii) shareholders of GNB for the Proposed Regularisation Plan at the forthcoming EGM; and
- (iv) any other relevant authorities as may be necessary from any governmental or regulatory body having jurisdiction over GNB, if required.

### 13.2 Moratorium on the Consideration Shares

In accordance with Rule 3.19 of the Listing Requirements, where a listed corporation acquires an asset which results in a Significant Change in the Business Direction or Policy of the listed corporation, a moratorium is required to be placed on the listed corporation's shares received by the vendor of the asset. Accordingly, Consideration Shares to be issued to Super Advantage under the Proposed Acquisition shall be placed under a moratorium.

As Super Advantage is the vendor in relation to the Proposed Acquisition and a Specified Shareholder of GNB following the completion of the Proposed Regularisation Plan, the following moratorium requirements shall apply to the Consideration Shares:

- (a) the moratorium applies to the entire shareholdings held by Super Advantage for a period of 6 months from the date of the Consideration Shares are admitted to the Official List ("**First 6-Month Moratorium Period**");
- (b) upon the expiry of the First 6-Month Moratorium Period, Super Advantage's aggregate shareholdings amounting to at least 45% of the total number of issued GNB Shares (adjusted for any bonus issue or subdivision of shares) shall remain under moratorium for another period of 6 months ("**Subsequent 6-Month Moratorium Period**"); and
- (c) thereafter, Super Advantage may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight line basis) of the GNB Shares held under moratorium.

The Consideration Shares, which will be held by Super Advantage upon completion of the Proposed Regularisation Plan, are subject to moratorium as set out below:

Name	Moratorium for First 6-Month Moratorium Period		Moratorium for Subsequent 6-Month Moratorium Period	
	No. of Consideration Shares	(%)( <sup>1</sup> )	No. of Consideration Shares	(%)( <sup>1</sup> )
Super Advantage	1,680,000,000	73.92	1,022,665,305	45.00

**Note:**

- (1) Based on the enlarged number of 2,272,589,567 GNB Shares after the Proposed Debt Settlement and Proposed Private Placement.



Super Advantage will provide an undertaking that it will comply with the moratorium requirements in Rule 3.19 of the Listing Requirements in respect of the Consideration Shares. In addition, the shareholders of Super Advantage, namely Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin will provide their respective undertaking that they will comply with the moratorium requirements in Rule 3.19 of the Listing Requirements in respect of their respective shareholding in Super Advantage during the moratorium period.

#### 14. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted prices of GNB Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<b>2021</b>		
August	_(1)	_(1)
September	_(1)	_(1)
October	_(1)	_(1)
November	_(1)	_(1)
December	_(1)	_(1)
<b>2022</b>		
January	_(1)	_(1)
February	_(1)	_(1)
March	_(1)	_(1)
April	_(1)	_(1)
May	_(1)	_(1)
June	_(1)	_(1)
July	_(1)	_(1)

**Note:**

- (1) The trading of the existing GNB Shares on the ACE Market of Bursa Securities has been suspended with effect from 14 December 2020 and will continue to be suspended up to the completion of the Proposed Regularisation Plan.

The last transacted market price of GNB Shares on 11 December 2020 (being the last trading of the existing GNB Shares on the ACE Market of Bursa Securities) was RM0.015 per GNB Share.

(Source: Bloomberg Finance L.P)

#### 15. INTER-CONDITIONALITY OF THE PROPOSED REGULARISATION PLAN

The proposals within the Proposed Regularisation Plan are inter-conditional. For the avoidance of doubt, the inter-conditionality of the Proposed Regularisation Plan will only apply in terms of the approvals to be obtained as set out in Section 13.1 of this Circular and shall not apply to the manner and sequence of the implementation and completion of the Proposed Regularisation Plan.

Save for the Proposed Regularisation Plan and the Proposed Change of Name, there are no proposals which have been announced by the Company but pending implementation.

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

Save for the Proposed Regularisation Plan and the Proposed Change of Name, there are no corporate exercise which GNB has announced but not yet completed before the date of this Circular.

## **17. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM**

Save as disclosed below and their respective entitlements as shareholders of the Company under the Proposed Share Consolidation which are also available to all other shareholders of the Company as at the Entitlement Date, none of the directors, major shareholders, chief executive of GNB and persons connected with them has any direct or indirect interest in the Proposed Regularisation Plan.

CTP, an Executive Director and a major shareholder of GNB, is interested in the Proposed Debt Settlement. As the proposals within the Proposed Regularisation Plan are inter-conditional, CTP is therefore deemed interested in the Proposed Regularisation Plan. CTP shall abstain from all deliberation on all the proposals within the Proposed Regularisation Plan at Board of GNB's meetings. He shall also abstain and will also undertake to ensure that persons connected with him will abstain from voting, in respect of their direct and indirect shareholdings in GNB, on the resolutions to approve all the proposals within the Proposed Regularisation Plan at the forthcoming EGM.

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

The Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) is of the opinion that the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption is in the best interest of the Company and its shareholders, after considering all of their aspects, including but not limited to the prospects, rationale and effects of the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption.

Accordingly, the Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) recommends that you vote in favour of the resolutions in relation to the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Exemption to be tabled at the forthcoming EGM.

## **19. ESTIMATED TIMEFRAME FOR COMPLETION**

The following events are intended to take place on the following tentative dates:

<b>Events</b>	<b>Tentative dates</b>
<ul style="list-style-type: none"><li>• Convening of EGM</li></ul>	13 September 2022
<ul style="list-style-type: none"><li>• Announcement of the Entitlement Date</li><li>• Entitlement Date</li><li>• Completion of the Proposed Share Consolidation</li></ul>	September / October 2022
<ul style="list-style-type: none"><li>• Listing of the Consideration Shares, Settlement Shares and Placement Shares on the ACE Market of Bursa Securities</li><li>• Completion of the Proposed Regularisation Plan</li></ul>	October / November 2022

This timetable is subject to changes which may be necessary to facilitate implementation procedures. In the event there are any changes to the timetable, GNB will make the necessary announcements.

**20. FUND RAISING PROPOSALS OF THE COMPANY FOR THE PAST 12 MONTHS**

GNB has not implemented any fund-raising proposals within the 12 months preceding the date of this Circular.

**21. ADVISER**

Kenanga IB has been appointed as the Principal Adviser and Sponsor for the Proposed Regularisation Plan as well as the Placement Agent in relation to the Proposed Private Placement.

**22. EGM**

The EGM, the notice of which is enclosed in this Circular together with the Form of Proxy, is scheduled to be held at the Boardroom 4, Level 3, Eastin Hotel Kuala Lumpur, No. 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 13 September 2022 at 11.30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposed Regularisation Plan.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained thereon, so as to arrive at the Company's Share Registrar, Mega Corporate Services Sdn. Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time set for holding the EGM or any adjournment thereof.

The proxy appointment may also be submitted electronically via mega-sharereg@megacorp.com.my, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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

**23. FURTHER INFORMATION**

The shareholders of GNB are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**G NEPTUNE BERHAD**

**DATO' HAJI MOHD AMRAN BIN WAHID**  
Non-Independent Non-Executive Chairman

**PART B**

**INDEPENDENT ADVICE LETTER FROM MALACCA SECURITIES TO THE NON-INTERESTED  
SHAREHOLDERS OF GNB IN RELATION TO THE PROPOSED EXEMPTION**

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## EXECUTIVE SUMMARY

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*All definitions used in this Executive Summary shall have the same meaning and expressions as defined in the “Definitions” section of Part A of the Circular, except where the context otherwise requires or where otherwise defined herein. All references to “you” or “your” are references to the non-interested shareholders of the Company, whilst references to “we”, “us” or “our” in this Executive Summary are references to Malacca Securities, being the Independent Adviser for the Proposed Exemption.*

**This Executive Summary summarises this IAL. You should read and understand the contents of this IAL in its entirety, together with Part A of the Circular and the accompanying appendices for other relevant information and not to rely solely on this Executive Summary in forming an opinion on the Proposed Exemption.**

### 1. INTRODUCTION

On 9 July 2021, Kenanga IB, on behalf of the Board of GNB, announced the proposed regularisation plan which comprises the following: -

- (i) Proposed acquisition of 100% equity interest in Southern Score for a purchase consideration of RM252,000,000 to be satisfied via the issuance of 16,800,000,000 new GNB Shares at an issue price of RM0.015 per GNB Share. The Company had on 9 July 2021 entered into a PGA with the Vendor, whereby the Vendor covenants with and undertakes to GNB that the Southern Score Group shall achieve the Profit Guarantee for the Profit Guarantee Period;
- (ii) Proposed settlement of debt owing to CTP of RM3,100,000 via the issuance of 206,666,667 new GNB Shares at an issue price of RM0.015 per GNB Share. The Company had on 9 July 2021 entered into a settlement arrangement with CTP;
- (iii) Proposed private placement of 5,430,479,000 GNB Shares at an issue price to be determined later, which shall not be less than RM0.02 per new GNB Share, to eligible investors to be identified later; and
- (iv) Proposed exemption under subparagraph 4.08(1)(a) of the Rules from the obligation to undertake a mandatory take-over offer for the remaining GNB Shares not already held by Super Advantage and the PACs pursuant to the Proposed Acquisition.

On 18 May 2022, Kenanga IB, on behalf of the Board of GNB, announced that among others, the Company proposed to undertake the Proposed Share Consolidation as part of the Company's Proposed Regularisation Plan.

Following the inclusion of the Proposed Share Consolidation, the Proposed Regularisation Plan comprises the following: -

- (i) Proposed Share Consolidation;
- (ii) Proposed Acquisition;
- (iii) Proposed Debt Settlement;
- (iv) Proposed Private Placement; and
- (v) Proposed Exemption.

The proposals within the Proposed Regularisation Plan are inter-conditional upon each other. The details of the Proposed Regularisation Plan are set out in Sections 2 to 6 of Part A of the Circular.

On 8 July 2022, Kenanga IB, on behalf of the Board of GNB, announced that Bursa Securities had approved the Proposed Regularisation Plan vide its letter dated 8 July 2022, subject to the conditions as set out in Section 13.1(i) of Part A of the Circular.

Upon completion of the Proposed Acquisition, the shareholdings of Super Advantage and its PACs in GNB will increase from nil to approximately 98.31% based on the enlarged number of issued GNB Shares. Accordingly, pursuant to subparagraph 4.01(a) of the Rules, they are obliged to undertake a Mandatory Offer in GNB.

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**EXECUTIVE SUMMARY (cont'd)**

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As Super Advantage and its PACs do not have the intention to undertake a Mandatory Offer, they will make an application to the SC for an exemption pursuant to subparagraph 4.08(1)(a) of the Rules from the obligation to undertake a Mandatory Offer, upon obtaining the approval of the non-interested shareholders of GNB. Please refer to Section 2 of this IAL for further details on the Proposed Exemption.

In compliance with paragraph 3.06 of the Rules, on 9 July 2021, the Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) has appointed Malacca Securities as the Independent Adviser to the non-interested Directors and non-interested shareholders of GNB in relation to the Proposed Exemption. Subsequently, Malacca Securities had, on 12 July 2021, declared its independence as the Independent Adviser in relation to the Proposed Exemption to the SC. The SC had, vide its letter dated 2 August 2021, noted Malacca Securities' declaration of its independence.

Pursuant to subparagraph 4.08(3)(g) of the Rules, the SC has on 19 August 2022 notified that it has no further comments to the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendation of the Independent Adviser or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

## **2. EVALUATION OF THE PROPOSED EXEMPTION**

In accordance with Schedule 2: Part III of the Rules, we have assessed and evaluated the Proposed Exemption on a holistic basis to arrive at our conclusion and recommendation. Due to the inter-conditionality of the Proposed Regularisation Plan, in carrying out our evaluation of the Proposed Exemption, we have also evaluated the merits and demerits of the other proposals to arrive at our overall opinion on the Proposed Exemption to provide the non-interested shareholders of GNB with a holistic view of the Proposed Regularisation Plan and the impact it has on the Proposed Exemption.

In evaluating the Proposed Exemption, we have taken the following factors into consideration: -

### **2.1 Rationale for the Proposed Regularisation Plan**

#### **(i) Rationale for the Proposed Share Consolidation**

The Proposed Share Consolidation will enable the Company to adjust the market reference price and the number of the GNB Shares by reducing the number of GNB Shares available in the market and increasing the trading price of the GNB Shares. The last transacted market price as at 11 December 2020, being the last trading date of the existing GNB Shares on the ACE Market of Bursa Securities, is RM0.015. Hence, the theoretical adjusted reference price per GNB Shares after the Proposed Share Consolidation will be RM0.15 per GNB Share. The Proposed Share Consolidation will not have any impact on the total market value of the GNB Shares held by the shareholders of GNB.

The Proposed Regularisation Plan would result in the Company having a large number of shares in issue with a relatively low price range. Therefore, any small absolute movement in the share price would result in relatively high movement in percentage terms. In addition, pursuant to the Proposed Share Consolidation, there will be less likelihood of highly volatile or unusual price movement of GNB Shares.

We are of the view that the rationale for the Proposed Share Consolidation is acceptable as the Proposed Share Consolidation is undertaken to allow for an adjustment for the reference price of the GNB Shares (after the Proposed Share Consolidation) and the number of the GNB Shares in order to facilitate the implementation of the proposals in the Proposed Regularisation Plan which entails the issuance of securities.

Please refer to **Section 6.1** of this IAL for further details.

**(ii) Rationale for the Proposed Acquisition**

The Proposed Acquisition allows the Company to diversify its existing business into the construction services industry which provide a new source of business revenue and income to the Enlarged GNB Group. In addition, the Proposed Acquisition enables the Company to regularise its financial condition and uplift its GN3 status as well as maintaining its listing status on the ACE Market of Bursa Securities. Given the following competitive strengths and future plans of Southern Score, the Proposed Acquisition is expected to sustain the Enlarged GNB Group's business operations and enhance its shareholders' value: -

**Competitive strengths: -**

- (a) Southern Score has an experienced and technically strong management team;
- (b) Southern Score adopts construction practices to optimise the efficiency of its construction project i.e., QESH practices which are internally developed practices that form part of Southern Score's standard operating procedures to ensure that the various facets of project delivery are performed based on the same standards and with consistent quality;
- (c) Southern Score has an asset-light and flexible delivery model which enables scalability and flexibility with lower exposure to cyclicalities and house prices. Southern Score adopts an asset light and flexible delivery model which enables it to deliver its projects without tying up its working capital, as Southern Score builds on third-party (customer-owned) land as well as milestone payment terms with its suppliers and subcontractors;
- (d) Southern Score has established relationships with customers by delivering quality construction projects which enables Southern Score to retain its existing customers. Further, the sustainable relationship with subcontractors and suppliers will ensure continuous supply of construction materials and skilled workmen to undertake its subcontract works; and
- (e) Southern Score has been involved in the construction of high-rise residential buildings.

**Future plans, strategies and prospects: -**

- (a) Southern Score intends to further expand its construction services and to further capitalise on its expertise and business network. As at the LPD, Southern Score has received a letter of intent for one (1) construction and development project and has one (1) project in the tender stage pending, undergoing evaluation and pending outcome of decision, from a third-party property developer and landbank owner respectively; and
- (b) Southern Score intends to venture into the manufacture of IBS products via TSPC, an associated company of Southern Score. As at the LPD, TSPC has identified a vacant parcel of land measuring 24 acres in Batu Caves, Kuala Lumpur, for the setting up of an IBS manufacturing plant.

We are of the view that the rationale for the Proposed Acquisition is justifiable.

Please refer to **Section 6.2** of this IAL for further details.

**(iii) Rationale for the Proposed Debt Settlement**

The Proposed Debt Settlement will enable the Company to reduce its total liabilities whilst conserving the cash outlay of the Enlarged GNB Group.

We are of the view that the rationale for the Proposed Debt Settlement is acceptable.

Please refer to **Section 6.3** of this IAL for further details.

**(iv) Rationale for the Proposed Private Placement**

The Proposed Private Placement will allow the Company to comply with Rule 8.02(1) of the Listing Requirements as well as broaden the Company's public shareholders' base and maintain its listing status on the ACE Market of Bursa Securities.

Further, the Proposed Private Placement will also enable the Company in compliance with the Bumiputera equity requirement where at least 12.50% of the enlarged number of issued GNB Shares will be allocated to Bumiputera investors approved by MITI.

In addition, the Proposed Private Placement is expected to raise gross proceeds of approximately RM108.61 million based on a minimum issue price of RM0.20 per Placement Share for the purposes as set out in Section 7 of Part A of the Circular.

We are of the view that the rationale for the Proposed Private Placement is justifiable as it provides certainty of compliance with the Public Shareholding Spread Requirement and Bumiputera equity requirement which will also maintain the listing status of the Company upon completion of the Proposed Regularisation Plan.

Please refer to **Section 6.4** of this IAL for further details.

**(v) Rationale for the Proposed Exemption**

Given that the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted. As such, the current condition of the Company will remain and any potential benefits arising from the Proposed Acquisition as detailed in Section 6.2 of this IAL will not materialise. Hence, the approval for the Proposed Exemption is necessary to facilitate and ensure the successful implementation of the Proposed Regularisation Plan.

We are of the view that the rationale for the Proposed Exemption is justifiable as it will exempt Super Advantage and its PACs from the obligation to undertake a Mandatory Offer and to ensure the successful implementation of the Proposed Regularisation Plan.

Please refer to **Section 6.5** of this IAL for further details.



## **2.2 Evaluation of the Proposed Acquisition**

### **(i) Evaluation of the Purchase Consideration**

We take note on the basis and justification for the Purchase Consideration as set out in Section 3.2 of Part A of the Circular.

We have evaluated the Purchase Consideration of the Proposed Acquisition as set out in the expert report on the fairness of the Purchase Consideration in Appendix VII of the Circular.

In arriving at our valuation, we have relied on the following valuation methodologies after taking into consideration the future earnings generating capabilities, business sustainability as well as various business considerations of Southern Score: -

#### **(a) DCF Method**

We have undertaken the DCF Method as our primary method of valuation. The DCF Valuation approach is an investment appraisal technique which takes into consideration both the time value of money and the projected net cash flow generated and discounted at a specified discount rate to derive at the valuation of the subject matter. It is often used to assist investors to calculate the expected returns from an investment and analyses how much an investment is worth in present value terms based on the future expected cash flow.

Discounted Free Cash Flow to Equity ("**FCFE**") approach is the free cash flows available to be paid to the shareholders of the company after all expenses, reinvestment and debt repayment. In undertaking the Discounted FCFE approach of estimating the indicative values of Southern Score, we have relied on the five (5) year future financials of Southern Score.

One of the key assumptions for the Discounted FCFE approach is the choice of a discount rate that takes into account the relevant market interest and inflation rates as well as the business and financial risks relating to the business. In arriving at the appropriate discount rate for the valuation, we have applied the prevailing risk-free rate and market risk premium, as well as adopted the beta of the selected comparable public listed companies with the relevant adjustments made taking into consideration the risk factors associated with Southern Score. A terminal value is also included in our analysis as the business of Southern Score is expected to continue beyond the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025.

We are of the view that the purchase consideration of RM252.00 million is justifiable based on the DCF method whereby the Purchase Consideration is below the range of valuation derived from the DCF method of between RM258.27 million to RM275.54 million which represents a discount between RM6.27 million (2.43%) and RM23.54 million (8.54%) respectively.

#### **(b) Relative Valuation**

We have undertaken the relative valuation as a secondary method to support our primary method of evaluation.

For the purpose of our relative valuation, we have adopted the PE Multiple against the Comparable Companies.

We have selected the Comparable Companies which were listed on the Main Market and ACE Market of Bursa Securities which have similar business activities to Southern Score with market capitalisation between RM100.0 million and RM500.0 million and at least 70.0% of the revenue were mainly generated from construction and related activities as set out in Section 7.1(ii) of this IAL.

Based on our valuation, it is noted that the implied PE Multiple of Southern Score of 13.13 times is within the range of the Comparable Companies of 7.90 times to 13.61 times.

We also noted that the Purchase Consideration of Southern Score is within the range of the Comparable Companies of RM151.68 million to RM261.31 million. In addition, based on PE Multiple against the Comparable Companies, Southern Score's implied PE Multiple of 13.13 times and 9.45 times (based on the audited financial statement of Southern Score for FYE 31 December 2020 of RM19.20 million) is within the range of 7.90 times to 13.61 times.

However, we are of the opinion that the DCF valuation would be the more appropriate valuation method in evaluating the fair value of Southern Score as the DCF valuation approach is an investment appraisal technique which takes into consideration both the time value of money and the future projected net cash flow to be generated by the company and which is then discounted at a specified discount rate to derive the fair value of the company.

**(ii) Evaluation of the issue price of the Consideration Shares**

The trading of the existing GNB Shares on the ACE Market of Bursa Securities has been suspended with effect from 14 December 2020 and will continue to be suspended up to the completion of the Proposed Regularisation Plan. The last transacted market price as at 11 December 2020, being the last trading date of the existing GNB Shares on the ACE Market of Bursa Securities, is RM0.015.

Following the Proposed Share Consolidation, the issue price for the Consideration Shares will be at RM0.15 per Consideration Share.

Premised on the above, we concur with the basis and justification for the issue price of the Consideration Shares.

Please refer to **Section 7** of this IAL and **Appendix VII** of the Circular for further details.

**2.3 Evaluation of the salient terms of the Definitive Agreements**

The salient terms of the SSA, PGA and Debt Settlement Agreement (collectively, the "**Definitive Agreements**") are acceptable.

Please refer to **Section 8** of this IAL for further details.

**2.4 Effects of the Proposed Regularisation Plan**

**(i) Issued share capital and number of issued shares**

The number of issued GNB Shares is expected to decrease from 288.88 million GNB Shares to 28.88 million GNB Shares after the Proposed Share Consolidation. However, upon completion of the Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement, the number of issued GNB Shares will increase from 28.88 million to 1.71 billion, 1.73 billion and 2.27 billion due to the issuance of the Consideration Shares, Settlement Shares and Placement Shares respectively. The shareholdings of the non-interested shareholders of GNB would be diluted from 91.80% to 1.55%, 1.53% and increase to 25.07% after the Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement respectively.

Please refer to **Section 9.1** of this IAL for further details.

**(ii) NA and gearing**

Based on the audited consolidated financial statements of GNB as at 30 April 2022, the net liability per Share of the GNB Group was 2.22 sen. Upon completion of the Proposed Acquisition, the pro forma NA per Share of the Enlarged GNB Group is expected to increase to 0.91 sen and further increase to 1.08 sen and 5.41 sen after the Proposed Debt Settlement and Proposed Private Placement respectively.

Based on the audited consolidated financial statements of GNB as at 30 April 2022, GNB does not have any borrowings. Hence, the gearing ratio of GNB is nil. Based on the audited financial statements of Southern Score as at FPE 30 April 2022, other than lease liability of RM0.15 million, Southern Score does not have any borrowings.

Please refer to **Section 9.2** of this IAL for further details.

**(iii) (Loss)/Earnings and (LPS)/EPS**

For the FYE 30 June 2021 and after taking into consideration the subsequent events up to the LPD, GNB recorded a pro forma EPS of 0.10 sen. Following the Proposed Share Consolidation, the EPS of GNB will be adjusted to 1.00 sen. Upon completion of the Proposed Acquisition, the pro forma EPS of the Enlarged GNB Group is expected to increase from 1.00 sen to 1.52 sen and following the Proposed Debt Settlement and Proposed Private Placement, the pro forma EPS of the Enlarged GNB Group will be diluted to 0.95 sen.

Pursuant to the PGA, Super Advantage has provided a Profit Guarantee of RM80.00 million with a minimum PAT of RM10.00 million, RM20.00 million and the remaining shortfall of the Profit Guarantee for the FYE 31 December 2022, 31 December 2023 and 31 December 2024 respectively. Based on the minimum PAT of RM10.00 million and RM20.00 million for the FYE 31 December 2022 and 31 December 2023 respectively, the EPS of the Enlarged GNB Group will be 0.44 sen and 0.88 sen respectively, based on the enlarged number of issued GNB Shares after the Proposed Private Placement.

Premised on the above, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of the Enlarged GNB Group, which may in turn enhance its shareholders' value.

Please refer to **Section 9.3** of this IAL for further details.

**(iv) Substantial shareholders' shareholdings**

Upon completion of the Proposed Acquisition, the collective shareholdings of Super Advantage and its PACs will increase from nil to approximately 98.31% and subsequently decrease to approximately 97.14 % and 73.92% after the Proposed Debt Settlement and Proposed Private Placement respectively. We note that Super Advantage and its PACs have no intention to undertake the Mandatory Offer and will seek an exemption from the SC pursuant to subparagraph 4.08(1)(a) of the Rules from the obligation to undertake the Mandatory Offer.

In addition, upon completion of the Proposed Acquisition, the public shareholding spread of GNB will decrease from 87.06% to 1.47% and further decrease to 1.45% after the Proposed Debt Settlement and subsequently increase to 25.01% upon completion of the Proposed Private Placement. Accordingly, upon completion of the Proposed Private Placement, the public shareholding spread of the Company would be in compliance with Rule 8.02(1) of the Listing Requirements.

Please refer to **Section 9.4** of this IAL for further details.

**(v) Convertible securities**

The Company does not have any outstanding convertible securities as at the LPD.

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**EXECUTIVE SUMMARY (cont'd)**

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Premised on the above, the Proposed Regularisation Plan is expected to regularise the financial condition of the Company which will result in the uplifting of the GN3 status of GNB.

Based on the foregoing, we are of the view that the effects arising from the Proposed Regularisation Plan are acceptable.

In addition, in view that the Proposed Exemption is necessary to successfully complete the Proposed Regularisation Plan due to the inter-conditionality, we are of the opinion that granting approval for the Proposed Exemption by the non-interested shareholders of GNB is justifiable.

Please refer to **Section 9** of this IAL for further details.

## **2.5 Industry outlook and future prospects of the Enlarged GNB Group**

We take note of the industry overview and outlook of the Malaysian economy, the construction services industry in Malaysia, the IBS in Malaysia as well as the prospects of the Enlarged GNB Group as set out in Section 9 of Part A of the Circular.

We are of the view that the prospects of the Enlarged GNB Group following the completion of the Proposed Regularisation Plan is favourable, after taking into consideration, amongst others, the historical financial performance of Southern Score, the potential synergies to be realised such as enhancement of shareholders' value, the competitive strengths and future plans which are expected to sustain the business of the Enlarged GNB Group in the construction services industry upon completion of the Proposed Regularisation Plan and pursuant to the Proposed Acquisition as detailed in Section 6.2 of this IAL as well as the outlook of the construction services industry and IBS in Malaysia.

Please refer to **Section 10** of this IAL for further details.

## **2.6 Implication arising from the Proposed Exemption**

If you **vote in favour** of the Proposed Exemption, the SC would be able to consider the application to be made by Kenanga IB, on behalf of Super Advantage and its PACs for the Proposed Exemption.

If you **vote against** the Proposed Exemption, GNB will not be able to undertake the Proposed Acquisition as the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals. Accordingly, the Proposed Regularisation Plan would be aborted and as such the current condition of the Company will remain and any potential benefits arising from the Proposed Acquisition as detailed in Section 6.2 of this IAL will not materialise.

Please refer to **Section 11** of this IAL for further details.

## **3. CONCLUSION AND RECOMMENDATION**

We have assessed and evaluated the Proposed Exemption on a holistic basis to arrive at our conclusion and recommendation in accordance with Schedule 2: Part III of the Rules. Due to the inter-conditionality of the Proposed Regularisation Plan, in carrying out our evaluation of the Proposed Exemption, we have also evaluated the merits and demerits of the other proposals to arrive at our overall opinion on the Proposed Exemption to provide the non-interested shareholders of the Company with a holistic view of the Proposed Regularisation Plan and the impact it has on the Proposed Exemption.

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**EXECUTIVE SUMMARY (cont'd)**

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The following are the summary of the potential advantages and disadvantages of the Proposed Exemption: -

**3.1 Potential advantages**

- (i) The proposals within the Proposed Regularisation Plan are inter-conditional upon each other. The Proposed Exemption will facilitate the implementation of the Proposed Acquisition which will enable the Company to regularise its financial condition and uplift its GN3 status and allow the Company to be in compliance with the Public Shareholding Spread Requirement and Bumiputera equity requirement after the Proposed Private Placement in order to maintain its listing status on the ACE Market of Bursa Securities. As such, voting in favour of the Proposed Exemption facilitates the successful implementation of the Proposed Regularisation Plan;
- (ii) The Proposed Exemption will allow the Company to diversify its existing business into the construction services industry which provide a new source of business revenue and income to the Enlarged GNB Group.
- (iii) The Proposed Exemption will enable the existing shareholders of the Company to participate in the future growth of the Enlarged GNB Group as detailed in Section 6.2(iii) of this IAL which is led by Southern Score's experienced and technically strong management team with a proven track record in the construction services industry; and
- (iv) The Purchase Consideration is below the valuation range of Southern Score of RM258.27 million and RM275.54 million as indicated by the DCF Method and is within the range of the Comparable Companies of RM151.68 million to RM261.31 million as indicated by relative valuation.

**3.2 Potential disadvantages**

- (i) Given that the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted and as such the current condition of the Company will remain and any potential benefits arising from the Proposed Acquisition as detailed in Section 6.2 of this IAL will not materialise;
- (ii) The Proposed Exemption will allow shareholdings of Super Advantage and its PACs increase from nil to approximately 98.31% after the Proposed Acquisition which will in turn obtain statutory control over the Company whilst diluting the shareholdings of the non-interested shareholders of GNB from 91.80% to 1.55% after the Proposed Acquisition. With shareholdings of more than 50%, as a result of the Proposed Exemption, any further increase in the shareholdings of Super Advantage and its PACs will not be subject to a mandatory take-over offer under subparagraph 4.01(a) of the Rules;
- (iii) The Proposed Exemption would deny the opportunity for the non-interested shareholders to exit through Mandatory Offer; and
- (iv) The Enlarged GNB Group will be exposed to risk factors inherent in the business of Southern Score Group. Upon completion of the Proposed Regularisation Plan, some of these risk factors can be properly managed and mitigated.

Based on our overall evaluation, we are of the opinion that the Proposed Exemption is **fair and reasonable**.

Accordingly, we recommend that you **Vote in Favour** of the ordinary resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

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**EXECUTIVE SUMMARY (cont'd)**

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YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE WHOLE IAL, TOGETHER WITH PART A OF THE CIRCULAR AND THE ACCOMPANYING APPENDICES FOR OTHER RELEVANT INFORMATION AND TO CONSIDER CAREFULLY OUR RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

Please refer to **Section 14** of this IAL for further details.

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# MALACCA SECURITIES SDN BHD

Registration No: 197301002760 (16121-H)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

## Registered Office

No. 1, 3 & 5, Jalan PPM 9  
Plaza Pandan Malim  
(Business Park), Balai Panjang  
75250 Melaka

22 August 2022

**To: The non-interested shareholders of G Neptune Berhad**

Dear Sir/Madam,

**G NEPTUNE BERHAD (“GNB” OR “COMPANY”)**

## **INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF GNB IN RELATION TO THE PROPOSED EXEMPTION**

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*This IAL is prepared for inclusion as Part B in the Circular. All definitions used in this IAL shall have the same meaning and expressions as defined in the “Definitions” section of Part A of the Circular, except where the context otherwise requires or where otherwise defined herein. All references to “you” or “your” are references to the non-interested shareholders of the Company, whilst references to “we”, “us” or “our” in this IAL are references to Malacca Securities, being the Independent Adviser for the Proposed Exemption.*

### **1. INTRODUCTION**

On 9 July 2021, Kenanga IB, on behalf of the Board of GNB, announced the proposed regularisation plan which comprises the following: -

- (i) proposed acquisition of 100% equity interest in Southern Score for a purchase consideration of RM252,000,000 to be satisfied via the issuance of 16,800,000,000 new GNB Shares at an issue price of RM0.015 per GNB Share. The Company had on 9 July 2021 entered into a PGA with the Vendor, whereby the Vendor covenants with and undertakes to GNB that the Southern Score Group shall achieve the Profit Guarantee for the Profit Guarantee Period;
- (ii) proposed settlement of debt owing to CTP of RM3,100,000 via the issuance of 206,666,667 new GNB Shares at an issue price of RM0.015 per GNB Share. The Company had on 9 July 2021 entered into a settlement arrangement with CTP;
- (iii) proposed private placement of 5,430,479,000 GNB Shares at an issue price to be determined later, which shall not be less than RM0.02 per new GNB Share, to eligible investors to be identified later; and
- (iv) proposed exemption under subparagraph 4.08(1)(a) of the Rules from the obligation to undertake a mandatory take-over offer for the remaining GNB Shares not already held by Super Advantage and the PACs pursuant to the Proposed Acquisition.

On 18 May 2022, Kenanga IB, on behalf of the Board of GNB, announced that among others, the Company proposed to undertake the Proposed Share Consolidation as part of the Company's Proposed Regularisation Plan.

Following the inclusion of the Proposed Share Consolidation, the Proposed Regularisation Plan comprises the following: -

- (i) Proposed Share Consolidation;
- (ii) Proposed Acquisition;
- (iii) Proposed Debt Settlement;
- (iv) Proposed Private Placement; and
- (v) Proposed Exemption.

The proposals within the Proposed Regularisation Plan are inter-conditional upon each other. The details of the Proposed Regularisation Plan are set out in Sections 2 to 6 of Part A of the Circular.

On 8 July 2022, Kenanga IB, on behalf of the Board of GNB, announced that Bursa Securities had approved the Proposed Regularisation Plan vide its letter dated 8 July 2022, subject to the conditions as set out in Section 13.1(i) of Part A of the Circular.

In compliance with paragraph 3.06 of the Rules, on 9 July 2021, the Board of GNB (save for CTP who is deemed interested in the Proposed Regularisation Plan) has appointed Malacca Securities as the Independent Adviser to the non-interested Directors and non-interested shareholders of GNB in relation to the Proposed Exemption. Subsequently, Malacca Securities had, on 12 July 2021, declared its independence as the Independent Adviser in relation to the Proposed Exemption to the SC. The SC had, vide its letter dated 2 August 2021, noted Malacca Securities' declaration of its independence.

Pursuant to subparagraph 4.08(3)(g) of the Rules, the SC has on 19 August 2022 notified that it has no further comments to the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendation of the Independent Adviser or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide the non-interested shareholders of GNB with an independent evaluation on the Proposed Exemption together with our recommendations thereon, subject to the scope and limitations of our role and evaluation specified herein, in relation to the Proposed Exemption.

Nonetheless, the non-interested shareholders of GNB should rely on your own evaluation of the merits of the Proposed Exemption before making a decision on the course of action to be taken at the forthcoming EGM of the Company.

**THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS OF GNB FOR THE PURPOSE OF CONSIDERING THE PROPOSED EXEMPTION AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSES WHATSOEVER.**

**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE WHOLE IAL, TOGETHER WITH PART A OF THE CIRCULAR AND THE ACCOMPANYING APPENDICES FOR OTHER RELEVANT INFORMATION AND TO CONSIDER CAREFULLY OUR RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

**IF YOU ARE IN ANY DOUBT AS TO WHAT COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**



## 2. DETAILS OF THE PROPOSED EXEMPTION

Upon completion of the Proposed Acquisition, the shareholdings of Super Advantage and its PACs in GNB will increase from nil to approximately 98.31% based on the enlarged number of issued GNB Shares as follows: -

Name	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of GNB Shares ('000)	%	No. of GNB Shares ('000)	%	No. of GNB Shares ('000)	%	No. of GNB Shares ('000)	%
Super Advantage	-	-	-	-	1,680,000	98.31	-	-
<b>PACs</b>								
Tan Sri Datuk Seri Gan Yu Chai	-	-	-	-	-	-	1,680,000 <sup>(1)</sup>	98.31
Gan Yee Hin	-	-	-	-	-	-	1,680,000 <sup>(1)</sup>	98.31

Note: -

(1) Deemed interested through the direct interests of Super Advantage in the Company.

Premised on the above, upon completion of the Proposed Acquisition, Super Advantage and its PACs will obtain statutory control over GNB. As Super Advantage and its PACs will be holding more than 33% of the voting shares in GNB, they will be obliged to undertake a Mandatory Offer pursuant to Section 218(2) of the CMSA and subparagraph 4.01(a) of the Rules.

As Super Advantage and its PACs do not have the intention to undertake a Mandatory Offer, they will make an application to the SC for an exemption pursuant to subparagraph 4.08(1)(a) of the Rules from the obligation to undertake a Mandatory Offer upon obtaining the approval of the non-interested shareholders of GNB. The Proposed Exemption will exempt Super Advantage and its PACs from the obligation to undertake a Mandatory Offer.

Pursuant to subparagraph 4.08(2) of the Rules, the exemption from the SC, if granted, will be invalidated if Super Advantage and its PACs have engaged or engages in a disqualifying transaction. In the event of invalidation of the Proposed Exemption, Super Advantage and its PACs will be subject to paragraph 4 of the Rules to undertake a Mandatory Offer. As at the LPD, Super Advantage and its PACs do not hold any GNB Shares and had not triggered any disqualifying transaction.

It is pertinent to note that if the Proposed Exemption is approved by the non-interested shareholders of GNB and granted by the SC, Super Advantage and its PACs may collectively hold more than 50% of the enlarged number of issued GNB Shares after the Proposed Acquisition without having to undertake a Mandatory Offer. Upon completion of the Proposed Regularisation Plan, Super Advantage and its PACs may collectively increase their shareholdings in GNB without incurring any further obligation to make a mandatory take-over offer in the future. However, a mandatory take-over offer will be triggered if any of the PAC increases their individual shareholding to more 33%.

## 3. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED EXEMPTION

Malacca Securities was not involved in any of the formulation, deliberations, negotiations or discussions on the terms and conditions of the Proposed Exemption. Malacca Securities' evaluation of the Proposed Exemption has been based on the information and documents provided to us or which are available to us, among others, the following: -

- (i) information contained in Part A of the Circular together with the accompanying appendices;
- (ii) the Debt Settlement Agreement, First Supplemental Debt Settlement Agreement, SSA, First Supplemental SSA, PGA, First Supplemental PGA and Second Supplemental PGA;

- (iii) annual reports and audited consolidated financial statements of GNB for the FYEs 30 June 2019, 30 June 2020 and 30 June 2021 as well as the unaudited consolidated financial statements of GNB for the nine (9)-month FPE 31 March 2022;
- (iv) audited financial statements of Southern Score for the FYEs 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 as well as the audited financial statements of Southern Score for the four (4)-month FPE 30 April 2022;
- (v) other information, documents, confirmations and representations furnished to us by the Board of GNB, management and representatives of GNB; and
- (vi) other publicly available information, including but not limited to annual reports and audited consolidated financial statements of GNB.

Malacca Securities, as the Independent Adviser, has relied on the information provided by the Board of GNB, management and representatives of the Company as well as other publicly available information. We have obtained confirmation from the Board of GNB that they individually and collectively accept full responsibility for the accuracy of the information herein and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, all information relevant to our evaluation of the Proposed Exemption have been disclosed to us and there is no omission of any material fact which would make any information disclosed to us false or misleading. After making all reasonable enquiries, we are satisfied with the information and the sufficiency of the information obtained from the Board of GNB, management and representatives of the Company and have no reason to believe that the information was unreliable, unreasonable, incomplete, misleading or inaccurate as at the LPD.

As an Independent Adviser, we have evaluated the Proposed Exemption and in forming our opinion, we have considered factors, which we believe would be of general relevance and concern to the shareholders of GNB as a whole. We have not taken into consideration any specific investment objectives, financial situation or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who may require advice in relation to the Proposed Exemption in the context of their individual objectives, financial situation and particular situation, to consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

The scope of responsibility of Malacca Securities with regard to our evaluation and recommendation is based on the consideration set out in the ensuing sections of this IAL and where comments or points of consideration are included on matters which may be commercially-oriented, these are incidental to our overall evaluation and concern matters which we may deem material for disclosure.

Our evaluation and opinion in relation to the Proposed Exemption were made based on prevailing market conditions and information made available to Malacca Securities at that point of time. As guided by subparagraph 11.07(1) of the Rules, where Malacca Securities becomes aware that the information contains in this IAL: -

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development,

Malacca Securities shall disclose such fact to the SC in writing and the Company shall make an announcement of such matters which are necessary, to correct the false or misleading information or the omission, which shall be made before 9 a.m. on the next market day. If circumstances require, a supplementary IAL will be sent to the non-interested shareholders of GNB in accordance with subparagraph 11.07(2) of the Rules.

#### **4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

The interests of the Directors, major shareholders and/or persons connected with them are disclosed in Section 17 of Part A of the Circular.

## 5. EVALUATION OF THE PROPOSED EXEMPTION

In accordance with Schedule 2: Part III of the Rules, we have assessed and evaluated the Proposed Exemption on a holistic basis to arrive at our conclusion and recommendation. Due to the inter-conditionality of the Proposed Regularisation Plan, in carrying out our evaluation of the Proposed Exemption, we have also evaluated the merits and demerits of the other proposals to arrive at our overall opinion on the Proposed Exemption to provide the non-interested shareholders of GNB with a holistic view of the Proposed Regularisation Plan and the impact it has on the Proposed Exemption.

In evaluating the Proposed Exemption, we have taken the following factors into consideration: -

- |     |   |                        |
|-----|---|------------------------|
| (a) | Rationale for the Proposed Regularisation Plan                  | Section 6 of this IAL  |
| (b) | Evaluation of the Proposed Acquisition                          | Section 7 of this IAL  |
| (c) | Evaluation of the salient terms of the Definitive Agreements    | Section 8 of this IAL  |
| (d) | Effects of the Proposed Regularisation Plan                     | Section 9 of this IAL  |
| (e) | Industry outlook and future prospects of the Enlarged GNB Group | Section 10 of this IAL |
| (f) | Implication arising from the Proposed Exemption                 | Section 11 of this IAL |

## 6. RATIONALE FOR THE PROPOSED REGULARISATION PLAN

We set out below our comments on the rationale for the Proposed Regularisation Plan as outlined in Section 8 of Part A of the Circular: -

### 6.1 Proposed Share Consolidation

The Proposed Share Consolidation will enable the Company to adjust the market reference price and the number of the GNB Shares by reducing the number of the GNB Shares available in the market and increasing the trading price of the GNB Shares. The last transacted market price as at 11 December 2020, being the last trading date of the existing GNB Shares on the ACE Market of Bursa Securities, is RM0.015. Hence, the theoretical adjusted reference price per GNB Shares after the Proposed Share Consolidation will be RM0.15 per GNB Share. The Proposed Share Consolidation will not have any impact on the total market value of the GNB Shares held by the shareholders of GNB.

The Proposed Regularisation Plan would result in the Company having a large number of shares in issue with a relatively low price range. Therefore, any small absolute movement in the share price would result in relatively high movement in percentage terms. In addition, pursuant to the Proposed Share Consolidation, there will be less likelihood of highly volatile or unusual price movement of GNB Shares.

**Premised on the above, we are of the view that the rationale for the Proposed Share Consolidation is acceptable as the Proposed Share Consolidation is undertaken to allow for an adjustment for the reference price of the GNB Shares (after the Proposed Share Consolidation) and the number of the GNB Shares in order to facilitate the implementation of the proposals in the Proposed Regularisation Plan which entails the issuance of securities.**

### 6.2 Proposed Acquisition

GNB was previously involved in the information technology industry specialising in software for the apparel/textile industry while its subsidiary was involved in the trading of cosmetics, garments and electronic products. The GNB Group has ceased all its business operations since it was classified as an affected listed issuer pursuant to GN3 of the Listing Requirements on 30 November 2017. As such, the GNB Group did not have any revenue generated from its business operations and had recorded losses after tax for the past three (3) FYEs 30 June 2019 up to 30 June 2021. Based on the latest unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022, we noted the GNB Group recorded a profit before tax of RM1.86 million which was a result of the gain from the

dissolution of Geranium, a wholly-owned subsidiary of GNB. Please refer to the financial performance of the GNB Group for the period stated above which are tabulated as follows:

-

	Audited			Unaudited
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	Nine (9)-month FPE 31 March 2022
	RM	RM	RM	RM
Revenue	-	-	-	-
(Loss)/Profit before tax	(1,002,268)	(2,095,433)	(1,991,855)	1,861,934
(LPS)/EPS	(0.35)	(0.73)	(0.69)	0.64

Please refer to Appendix II(B) of the Circular for further details of the financial commentaries on financial condition, results of operations of the Company.

Premised on the above, we have taken into consideration the following factors in evaluating the rationale for the Proposed Acquisition: -

**(i) Enhancement of shareholders' value**

Southern Score is principally engaged in the provision of construction services mainly for high-rise residential buildings located in Kuala Lumpur.

Southern Score is registered as a Grade 7 contractor which allows Southern Score to tender for construction projects that are unlimited value and undertake construction activities throughout Malaysia.

The table below summarises the financial results of Southern Score for the past four (4) FYEs 31 December 2018 to 31 December 2021 as well as audited financial statements of Southern Score for the four (4)-month FPE 30 April 2022: -

	Audited				
	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021	Four (4)-month FPE 30 April 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	54,885	66,990	148,808	285,001	84,232
PAT	8,186	6,513	19,197	35,178	9,589
EPS (RM)	8.19	6.51	19.20	35.18	9.59

Based on the table above, the revenue of Southern Score was on the increasing trend from RM54.89 million in FYE 31 December 2018 to RM285.00 million in FYE 31 December 2021. The PAT of Southern Score decreased from RM8.19 million in FYE 31 December 2018 to RM6.51 million in FYE 31 December 2019. In FYE 31 December 2020, the PAT of Southern Score increased to RM19.20 million and further increased to RM35.18 million in FYE 31 December 2021. For the four (4)-month FPE 30 April 2022, Southern Score recorded revenue of RM84.23 million and PAT of RM9.59 million. Please refer to Appendix III(B) for further details of the management's discussion and analysis of financial condition, results of operations and prospects of Southern Score.

In addition, as at the LPD, Southern Score has completed four (4) projects with a total contract value of RM216.96 million and six (6) ongoing projects with a total contract value of RM1,065.77 million. Brief details of the completed projects are as follows: -

<b>Project name</b>	<b>Scope of construction works</b>	<b>Awarding party/ Date of award</b>	<b>Completion date</b>	<b>Contract value RM' million</b>
PRIMA Jalan Jubilee	Turnkey contractor	PRIMA Corporation Malaysia/ 8 June 2015	15 May 2020	186.51
Platinum Teratai Residences	External road work	Weng Wah Developments Sdn Bhd/ 5 June 2018	7 December 2018	9.95
Vista Sentul Residences	Piling works	Constant Premium Sdn Bhd/ 8 April 2019	5 June 2020	10.58
PV 18 Residences	External road work	Binastra Construction (M) Sdn Bhd/ 18 June 2019	20 December 2019	9.88
			<b>Total</b>	<b>216.96</b>

Please refer to Section 7.1.2 of Appendix III(A) of the Circular for further details on the completed and ongoing projects undertaken by Southern Score. The order book of Southern Score as at the LPD is RM527.67 million.

Pursuant to the PGA, Super Advantage has provided a Profit Guarantee of RM80.00 million with a minimum PAT of RM10.00 million, RM20.00 million and the remaining shortfall of the Profit Guarantee for the FYE 31 December 2022, 31 December 2023 and 31 December 2024 respectively. The Board of GNB is of the view that the Profit Guarantee is achievable and reasonable after taking into consideration, amongst others, the historical financial information of Southern Score as set out in Appendix III(B) of the Circular, current order book of Southern Score of approximately RM527.67 million and the prospects of the Enlarged GNB Group as set out in Section 9.4 of Part A of the Circular. In addition, the price-to-earnings ratio of 9.45 times based on the average Profit Guarantee of RM26.67 million is within the range of the Comparable Companies' PE Multiple of 7.90 times to 13.61 times as detailed in Section 6.2.2 of Appendix VII of the Circular.

Based on the above, the Proposed Acquisition is expected to provide the Enlarged GNB Group with a stronger financial footing and taking into consideration the potential earnings contribution from the Southern Score Group which is also expected to enhance its shareholders' value. Following the Proposed Acquisition, the NA of the Company is expected to increase to 1.01 sen from a net liabilities position of 18.09 sen after the Proposed Share Consolidation.

## (ii) **Competitive strengths of Southern Score**

As set out in Section 7.4 of Appendix III(A) of the Circular, Southern Score has the following competitive strengths which are expected to sustain the business of the Enlarged GNB Group in the construction services industry upon completion of the Proposed Regularisation Plan: -

- (a) Southern Score has an experienced and technically strong management team who have years of working experiences ranging from seven (7) years to 31 years whom have been instrumental in leading Southern Score to its current position within the industry. Brief details of the management team of Southern Score are as follows: -
  - (i) Tan Sri Datuk Seri Gan Yu Chai, Managing Director of Southern Score, responsible for developing and executing business strategies that contribute to the business growth of Southern Score and managing its corporate development. He has more than 31 years of working experiences in the property development and construction

industries. To date, he has completed over 20 property developments projects in the Klang Valley area, mainly in the vicinity of Kuala Lumpur;

- (ii) Gan Yee Hin, Executive Director and Chief Executive Officer of Southern Score, responsible for overseeing the planning and implementation of construction projects undertaken by Southern Score. He has seven (7) years of working experience and was involved in implementing and monitoring the implementation of branding, marketing and sales activities in property development industry;
- (iii) Datuk Sydney Lim Tau Chin, Executive Director of Southern Score, responsible for overseeing the corporate planning and corporate finance matters of Southern Score. He has 26 years of working experience in areas of corporate finance and advisory, property development and construction industries.
- (iv) Lee Chen Nee, Chief Financial Officer of Southern Score, involved in overall accounting and finance functions of Southern Score. She has 18 years of working experience and was involved in audit works for property development projects;
- (v) Ong Beng Hoe, Director of Development and Projects of Southern Score, responsible for overseeing and managing the construction projects undertaken by Southern Score. He has 26 years of working experience and was involved in planning, designing and coordination of construction projects;
- (vi) Puan Sri Datin Seri Elaine Lee Kuan Kiow, Director of Human Resources and Administrative, responsible for managing the overall human resources and administrative matters of Southern Score. She has 17 years of working experience and was involved in human resources and administrative tasks; and
- (vii) Pang Cheng Wei, head of Legal and Corporate Communications of Southern Score, responsible for managing the legal and corporate communication matters of Southern Score. He has 18 years of working experience and was involved in legal matters relating to property development projects

Based on the above, we note that the directors and key management team of Southern Score have the necessary experience to further steer the business directions of the Enlarged GNB Group into tapping the opportunities within the construction industry.

Please refer to Sections 3, 4.2 and 5.1 of Appendix II(A) of the Circular for the profiles of the Managing Director, Executive Directors and key senior management team of Southern Score.

- (b) Southern Score adopts construction practices to optimise the efficiency of its construction project. As set out in Section 7.23(b) of Appendix III(A) of the Circular, Southern Score intends to venture into the manufacture of IBS products via its associated company, namely TSPC. The proceeds of RM21.80 million to be raised from the Proposed Private Placement is proposed to be utilised for injection of funds to TSPC to set up an IBS manufacturing plant and the first-year operating cost of TSPC. In addition, Southern Score observes and adopts internal construction practices that include QESH practices which are internally developed practices that form part of Southern Score's standard operating procedures to ensure that the various facets of project delivery are performed based on the same standards and with consistent quality. In this regard, this will enable Southern Score to complete its projects within the budgeted timeframe and cost.

- (c) Southern Score has an asset-light and flexible delivery model which enables scalability and flexibility with lower exposure to cyclicity and house prices. Southern Score adopts an asset light and flexible delivery model which enables it to deliver its projects without tying up its working capital, as Southern Score builds on third-party (customer-owned) land as well as milestone payment terms with its suppliers and subcontractors. In addition, Southern Score also benefits from a flexible cost structure, with most of its cost of sales being flexible costs (i.e., external variable costs that are only incurred when under contract). Please refer to Section 7.4(iii) of Appendix III(A) for further details.
- (d) Southern Score has established relationships with customers and suppliers. The customers of Southern Score are primarily local landbank owners and project developers. Southern Score has established relationship with customers by delivering quality construction projects which enables Southern Score to retain its existing customers. Further, the sustainable relationship with subcontractors and suppliers will ensure continuous supply of construction materials and skilled workmen to undertake its subcontract works. Please refer to Sections 7.18 and 7.19 of Appendix III(A) of the Circular for further details on the major customers and major suppliers.
- (e) Southern Score has been involved in the construction of high-rise residential buildings i.e., PR1MA Jalan Jubilee which has been completed on 22 May 2020 with a contract value of RM186.51 million. As at the LPD, the ongoing high-rise residential development projects (please refer to Section 7.1.2 of Appendix III(A) of the Circular) secured by Southern Score are Vista Wirajaya 1 @ PV9 Residences project, Platinum Arena Residences project and Vista Sentul Residences project. In this regard, these track record will serve as a reference for Southern Score to secure new high-rise residential development projects in the future.

**(iii) Future plans, strategies and prospects**

As set out in Section 7.23 of Appendix III(A) of the Circular, Southern Score Group intends to undertake the following upon completion of the Proposed Acquisition: -

- (a) to further expand its construction services and to further capitalise on its expertise and business network to participate in more tender exercises for high-rise residential buildings where its growth prospects appear promising. As at the LPD, Southern Score has received a letter of intent for one (1) construction and development project and has one (1) project in the tender stage pending, undergoing evaluation and pending outcome of decision, from a third-party property developer and landbank owner respectively. Taking into consideration Southern Score's competitive strengths as set out in Section 7.4 of Appendix III(A) of the Circular, the expansion plans of construction services would appear achievable.
- (b) to venture into the manufacture of IBS products via TSPC, an associated company of Southern Score. The manufacture of IBS products is intended to support cost efficiency and delivery timelines of Southern Score's development and construction projects, and generate additional revenue from the sales of IBS products to external parties. As at the LPD, TSPC has identified a vacant parcel of land measuring 24 acres in Batu Caves, Kuala Lumpur, for the setting up of an IBS manufacturing plant. According to the IMR Report by Providence Strategic Partners Sdn Bhd as set out in Section 9.3 of Part A of the Circular, the Malaysian Government has been continually encouraging the construction industry to use IBS, which is an important part of the nation's sustainable construction initiative. IBS was introduced to Malaysia as a solution to issues related to over-dependence on foreign workers, increasing demand for affordable accommodation, and improving the image, quality and productivity of the construction industry. In this regard, the venturing into the manufacture of IBS products appears to be reasonable.

However, upon completion of the Proposed Acquisition, the Company will be venturing into the construction services industry and would be exposed to certain risk factors inherent in the construction industry. Accordingly, the non-interested shareholders of the Company are advised to carefully consider the following risk factors together with the mitigating factors as set out in Section 10 of Part A of the Circular: -

- (a) the COVID-19 pandemic and possible similar future outbreaks may have a significant impact on Southern Score's business operations i.e. the restrictions imposed by the Government may impact the progress of Southern Score's on-going projects which will result Southern Score to apply further extension of time to deliver the projects to customers with no impositions of LAD.
- (b) exposure to a few projects awarded by major customers;
- (c) reliance on subcontractors to complete a substantial portion of building and construction projects;
- (d) exposure to public sector construction projects. The public sector construction projects have contributed approximately 81.9%, 60.2%, 70.2%, 51.5% and 40.9% of Southern Score's total revenues in the FYE 31 December 2018, 2019, 2020 and 2021 as well as the four (4)-month FPE 30 April 2022, respectively. In the event Southern Score fail to secure public sector projects, this could affect the financial performance of Southern Score;
- (e) reliance on related parties for business opportunities;
- (f) dependency on Managing Director, Executive Directors and key senior management team;
- (g) failure to complete projects within the stipulated contract period could result in customers imposing LAD on Southern Score;
- (h) risks of defects in construction works;
- (i) Southern Score's insurance coverage may not be adequate to cover all losses or cover liabilities arising from potential claims and litigations;
- (j) the amount of revenue that Southern Score derives from a project may be different from its initial contract sum due to variation orders, omissions or early termination of a project;
- (k) reliance on certain registrations, approvals, licenses and permits;
- (l) dependency on the construction and property industries;
- (m) competition risk; and
- (n) political, regulatory and economic risks in Malaysia.

**We are of the view that although measures may be implemented by the Southern Score Group to mitigate the above risks, there can be no assurance that one or a combination of the risks will not have a material and adverse effect on the business and financial position of the Southern Score Group. You should take note of the risk factors relating to the business of the Southern Score Group together with the mitigating factors as set out in Section 10 of Part A of the Circular.**



(iv) **The Proposed Acquisition is to be fully satisfied via issuance of the Consideration Shares**

The Proposed Acquisition is to be satisfied entirely via the issuance of the Consideration Shares to the Vendor. As such, this is not expected to have a negative impact on the cash flow position of the Enlarged GNB Group unlike if such Purchase Consideration would be satisfied via cash or debt i.e., borrowing. In addition, based on the Company's audited consolidated financial statements for the FYE 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022, the cash and cash equivalents of the GNB Group stood at RM10,019 and RM6,530 respectively, hence, the Company does not have enough funds to settle the purchase consideration for the Proposed Acquisition.

Should the purchase consideration of RM252.00 million be satisfied via bank borrowings, for illustration purposes, based on conventional financial institution's average base lending rate ("**BLR**") of 5.51% (*Source: Bank Negara Malaysia, as at 6 August 2020*), the expected annual interest expense and interest tax shield to be incurred by the Enlarged GNB Group would be approximately RM13.89 million and RM3.33 million respectively which will put a strain on the Company's cash flows as it will also be required to repay both principal and interest payment.

However, in the longer term, this would increase the cost of equity of GNB as shareholders would expect higher returns from their investment in the form of dividend payments and capital gains. The cost of equity of GNB based on the assumption that the Proposed Acquisition is funded entirely via the issuance of Consideration Shares or funded entirely via bank borrowings (Scenario 2) is illustrated as below: -

	<b>Via issuance of Consideration Shares (Scenario 1)</b>	<b>Via bank borrowings (Scenario 2)</b>
Proportion of equity of the capital structure, $w_e$	1.00	0.02
Cost of equity, $k_e^{(1)}$	9.45%	9.45%
Proportion of debt of the capital structure, $w_d$	-	0.98
Cost of debt, $k_d$	-	9.3% <sup>(2)</sup>
Statutory tax rate, $t$	24%	24%
WACC	9.45%	7.11%

Notes: -

(1) *The average cost of equity as set out in the expert report on the fairness of the Purchase Consideration. Please refer to Appendix VII of the Circular for further information.*

(2) *Assuming the average interest rate of the GNB Group.*

Based on the above, we noted that the WACC for the Proposed Acquisition which is satisfied through the issuance of Consideration Shares is higher as compared to borrowings. However, taking into consideration the current GN3 status of GNB and the weak financial position of GNB Group, the usage of borrowings to finance the Proposed Acquisition will result in the Enlarged GNB Group being burdened with interest cost and the repayment of the loan principal.

In addition, based on the Company's audited consolidated financial statements for the FYE 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022, the cash and cash equivalents stood at RM10,019 and RM6,530 respectively, which is not sufficient for the Company to repay the loan if the Purchase Consideration is to be settled via cash. In addition, based on the audited consolidated financial statements for the FYE 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022, the

GNB Group recorded a net cash outflow from operating activities of RM1,075,705 and RM1,732,793 respectively.

Thus, with the settlement of the Purchase Consideration via issuance of the Consideration Shares, the Company will not be obliged to make such payment of interest expense.

Accordingly, the settlement of the Purchase Consideration via issuance of Consideration Shares would be most appropriate.

**Premised on the above, we are of the view that the rationale for the Proposed Acquisition is justifiable as it allows the Company to diversify its existing business into the construction services industry which provide a new source of business revenue and income to the Enlarged GNB Group. In addition, the Proposed Acquisition enables the Company to regularise its financial condition and uplift its GN3 status as well as maintaining its listing status on the ACE Market of Bursa Securities. Given the competitive strengths and future plans of Southern Score, the Proposed Acquisition is expected to sustain the Enlarged GNB Group's business operations and enhance its shareholders' value.**

### **6.3 Proposed Debt Settlement**

As at the LPD, CTP has advanced a total of RM5.55 million to GNB. Based on the Company's audited consolidated financial statements for the FYE 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022, the cash and cash equivalents stood at RM10,019 and RM6,530 respectively, which is not sufficient for the Company to settle the CTP Advances via cash. In addition, based on the audited consolidated financial statements for the FYE 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022, the Company recorded a net cash outflow from operating activities of RM1,075,705 and RM1,732,793 respectively.

The settlement of CTP Advances (and further advances from CTP prior to the completion of the Proposed Regularisation Plan which shall not exceed RM3.10 million as agreed between GNB, Southern Score and CTP) via issuance of Settlement Shares will enable the Company to reduce its total liabilities whilst conserving the cash outlay of the Enlarged GNB Group.

In addition, as it is the intention of CTP to receive the Settlement Shares, upon completion of the Proposed Settlement, CTP shall not have any further rights to the CTP Advances while the Company will not have any further obligations and liabilities to CTP.

**Premised on the above, we are of the view that the rationale for the Proposed Debt Settlement is acceptable.**

### **6.4 Proposed Private Placement**

Upon completion of the Proposed Acquisition, Super Advantage and its PACs will collectively hold approximately 98.31% of the enlarged number of issued GNB Shares. The public shareholding spread of the Company will subsequently fall below 25%, resulting in non-compliance with Rule 8.02(1) of the Listing Requirements which requires the Company to ensure that at least 25% of the total issued GNB Shares (excluding treasury shares) are in the hands of public shareholders. In the event the Proposed Private Placement is not implemented, the Public Shareholding Spread Requirement will not be addressed and consequently, the Company may be delisted for not complying with Rule 8.02(1) of the Listing Requirements.

The issuance of Placement Shares will result in the dilution of the shareholdings of Super Advantage and its PACs in the Company to 73.92% whilst increase the percentage of public shareholding spread of the Company. Upon completion of the Proposed Private Placement, the public shareholding spread of the Company will increase to 25.01% from 1.47% and 1.45% after the Proposed Acquisition and Proposed Settlement respectively. As such, the Proposed Private Placement will allow the Company to comply with Rule 8.02(1) of the Listing Requirements as well as broaden the Company's public shareholders' base and maintain its listing status on the ACE Market of Bursa Securities.

Further, the Proposed Private Placement will also enable the Company in compliance with the Bumiputera equity requirement where at least 12.50% of the enlarged number of issued GNB Shares will be allocated to Bumiputera investors approved by MITI.

In addition, the Proposed Private Placement is expected to raise gross proceeds of approximately RM108.61 million based on a minimum issue price of RM0.20 per Placement Share for the purposes as set out in Section 7 of Part A of the Circular.

**Premised on the above, we are of the view that the rationale for the Proposed Private Placement is justifiable as it provides certainty of compliance with the Public Shareholding Spread Requirement and Bumiputera equity requirement which will also maintain the listing status of the Company upon completion of the Proposed Regularisation Plan.**

## **6.5 Proposed Exemption**

Upon completion of the Proposed Acquisition, the shareholdings of Super Advantage and its PACs in the Company will increase from nil to approximately 98.31% of the enlarged number of issued GNB Shares. Accordingly, upon completion of the Proposed Acquisition, Super Advantage and its PACs will obtain statutory control over GNB. As Super Advantage and its PACs will be holding more than 33% of the voting shares in GNB, they will be obliged to undertake a Mandatory Offer pursuant to Section 218(2) of the CMA and subparagraph 4.01(a) of the Rules.

As Super Advantage and its PACs do not have the intention to undertake the Mandatory Offer, they intend to seek an exemption pursuant to subparagraph 4.08(1)(a) of the Rules which would then exempt them from the obligation to undertake the Mandatory Offer, subject to amongst others, the approval of the non-interested shareholders of GNB.

In addition, given that the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted. As such, the current condition of the Company will remain and any potential benefits arising from the Proposed Acquisition as detailed in Section 6.2 of this IAL will not materialise. Hence, the approval for the Proposed Exemption is necessary to facilitate and ensure the successful implementation of the Proposed Regularisation Plan.

**Premised on the above, we are of the view that the rationale for the Proposed Exemption is justifiable as it will exempt Super Advantage and its PACs from the obligation to undertake a Mandatory Offer and to ensure the successful implementation of the Proposed Regularisation Plan.**

## **7. EVALUATION OF THE PROPOSED ACQUISITION**

### **7.1 Evaluation of the Purchase Consideration**

We take note on the basis and justification for the Purchase Consideration as set out in Section 3.2 of Part A of the Circular.

We have evaluated the Purchase Consideration of the Proposed Acquisition as set out in the expert report on the fairness of the Purchase Consideration in Appendix VII of the Circular.

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In arriving at our valuation, we have relied on the following valuation methodologies after taking into consideration the future earnings generating capabilities, business sustainability as well as various business considerations of Southern Score: -

**(i) DCF Method**

We have undertaken the DCF Method as our primary method of valuation. We view the DCF Method as the most appropriate method to estimate the value of Southern Score. The DCF valuation approach is an investment appraisal technique which takes into consideration both the time value of money and the projected net cash flow generated and discounted at a specified discount rate to derive at the valuation of the subject matter. It is often used to assist investors to calculate the expected returns from an investment and analyses how much an investment is worth in present value terms based on the future expected cash flow.

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In arriving at the valuation of Southern Score, we have adopted the following assumptions: -

No.	Valuation parameters		Description
1.	FCFE	Based on the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025	<p>Discounted FCFE approach is the free cash flows available to be paid to the shareholders of the company after all expenses, reinvestment and debt repayment. In undertaking the Discounted FCFE approach of estimating the indicative values of Southern Score, we have relied on the future financials of Southern Score. We have also reviewed the key bases and assumptions as set out in note (1) below and is satisfied with the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025 prepared by the management of Southern Score.</p> <p>One of the key assumptions for the Discounted FCFE approach is the choice of a discount rate that takes into account the relevant market interest and inflation rates as well as the business and financial risks relating to the business. In arriving at the appropriate discount rate for the valuation, we have applied the prevailing risk-free rate and market risk premium, as well as adopted the beta of the selected comparable public listed companies after taking into consideration the risk factors associated with Southern Score. A terminal value is also included in our analysis as the business of Southern Score is expected to continue beyond the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025.</p>
2.	$K_e$	9.45%	<p>Cost of equity represents the rate of return required by an investor on the cash flow streams generated given the risks associated with the cash flows. In deriving the cost of equity for Southern Score, we have adopted the Capital Asset Pricing Model and derived an estimated cost of equity of 9.45% (based on the expected capital structure of Southern Score for the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025 and after incorporating an upward adjustment of 25.00% for the illiquidity discount to account for the lack of marketability with the following inputs: -</p> $K_e = R_f + \beta (R_m - R_f)$ <p>Details of the inputs and their respective basis and calculation are set out below.</p>
3.	Illiquidity discount	25.00%	<p>Southern Score is a privately-owned company. Hence, there is no readily available market for the trading of the Southern Score shares. As such, an illiquidity discount of 25.00% has been imputed in the discount rate in deriving the equity value of Southern Score based on the FCFE approach. The assumption of the adopted illiquidity discount is based on "Investment Valuation: Tools and Techniques for Determining the Value of Any Asset" by Aswath Damodaran.</p>

No.	Valuation parameters		Description
4.	Risk free rate of return (" $R_f$ ")	2.55%	<p>Risk-free rate of return represents the expected rate of return from a risk-free investment. The closest available approximation of the risk-free rate of return is the yield of five (5)-year Malaysian Government Securities.</p> <p>We have adopted the average yield of 2.55% per annum based on the yield of five (5)-year Malaysian Government Securities.as extracted from Bank Negara Malaysia as at 30 June 2021, being the date of valuation ("<b>Valuation Date</b>"). For shareholders' information, the average yield based on the latest yield of five (5)-year Malaysian Government Securities.as extracted from Bank Negara Malaysia as at 16 August 2022 is 3.74% per annum.</p>
5.	Expected market rate of return (" $R_m$ ")	9.07%	<p>Expected market rate of return represents the expected rate of return for investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.</p> <p>The expected rate of return for FTSE Bursa Malaysia Top 100 Index is a good indicator of the equity market return in Malaysia. In view of the volatility of the stock market and market cycles, we have adopted the historical rate of return of FTSE Bursa Malaysia Top 100 Index for the past ten (10) years as it normalises the year-on-year fluctuations of the stock market and mitigates market bias.</p> <p>Based on the information sourced from Bloomberg, we have derived an average expected market rate of return in Malaysia of 9.07% per annum for the past ten (10) years from 1 July 2011 up to 30 June 2021.</p>
6.	Beta <sup>(2)</sup>	0.61	<p>Beta is the sensitivity of an asset's returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier than the market and <i>vice versa</i>.</p> <p>In deriving the estimated beta of Southern Score, we have relied on the one (1)-year historical beta of the Comparable Companies up to the Valuation Date. As the historical beta extracted from Bloomberg is based on the capital structure of the respective comparable companies, we have un-levered the beta and re-levered the beta based on the expected capital structure of Southern Score throughout the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025.</p>
7.	Perpetuity growth rate (" $g$ ")	0.50%-1.50%	<p>The terminal value is the present value at a future point of time of all future cash flows, growing at an assumed constant rate to perpetuity. It is based on the Gordon's Growth Model taking into consideration the FCFE for the last future financial year of 2025 and valuing it to perpetuity.</p>

No.	Valuation parameters		Description
			We have adopted a range of perpetuity growth rate of 0.50% ("Low Range") to 1.50% ("High Range") which we view as appropriate after taking into consideration that Southern Score is expected to sustain its operations into perpetuity and the future prospects of Southern Score with constant potential earnings going forward.
8.	Company specific risk	1.00%	<p>Company specific risk reflects risk associated with Southern Score such as reduction in number of projects, delays in the completion of projects, increases in the cost of construction materials, health and safety risks.</p> <p>It must be emphasised that the indicative value of 1.00% involves a high degree of subjectivity and element of judgement.</p>
<b>Fair equity value of Southern Score</b>		<b>RM258.27 million – RM275.54 million</b>	<p>The formula used to derive the fair equity value of Southern Score is as follows: -</p> <p>= Present value of the FCFE based on the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025<sup>(i)</sup> + Present value of terminal value<sup>(ii)</sup></p> <p><i>Notes: -</i></p> <p>(i) <i>Computed based on the following formula: -</i></p> $\text{Present value of the FCFE based on the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025} = \frac{\text{FCFE}}{(1 + K_e)^n}$ <p><i>whereby, n represents time, in years into the future.</i></p> <p>(ii) <i>Computed based on the following formula: -</i></p> $\text{Present value of terminal value} = \frac{\text{Final year FCFE} \times (1 + g)}{(K_e - g) \times (1 + K_e)^n}$ <p><i>whereby, n represents last year of the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025.</i></p>

Notes: -

(1) The following are the key bases and assumptions adopted by the management of Southern Score for the future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025: -

- (i) The valuation is conducted on an "as is where is" basis and on the financial position of Southern Score as at the Valuation Date without taking into the consideration the plans and strategies to be undertaken by Southern Score and synergies arising from the Proposed Acquisition;
- (ii) The audited financial statements of Southern Score for the FYE 31 December 2018 up to FYE 31 December 2020 provide a true and fair view of the financial position and financial performance of Southern Score;
- (iii) The future financials of Southern Score from FYE 31 December 2021 until FYE 31 December 2025, which has been provided to us by the management of Southern Score, will be achieved. The management of Southern Score assumes full responsibility for the accuracy, completeness and reliability of these future financials;
- (iv) Southern Score is in full compliance with all applicable regulations and laws;
- (v) The business interest of Southern Score and their assets are free and clear of any liens or encumbrances;
- (vi) There will be no material changes in the present legislation, government regulations, inflation rates, interest rates, foreign exchange rates, bases and rates of taxation, and other lending guidelines which will affect the activities of Southern Score, as well as the markets, countries or territories in which Southern Score has operations;
- (vii) Southern Score will obtain all necessary licenses/approvals/agreements with the key principals for its operations;
- (viii) Southern Score is assumed to have obtained all necessary licenses, permits, permissions, authorisations ("**Permits**") and consents from the relevant authorities which are material to its business as a going concern, and all such Permits are valid, subsisting and have been complied with in all material aspects;
- (ix) There will be no material changes in the present management and principal activities as well as the accounting and operating policies presently adopted by Southern Score;
- (x) There will not be any material adverse changes to the financial position and performance as well as the business operations of Southern Score after the Proposed Acquisition;
- (xi) There are no undisclosed actual or contingent assets or liabilities, including but not limited to, any contracts and/or off-balance sheet financial instruments, no unusual obligations or commitments other than in the ordinary course of business, nor any pending litigation which would have a material effect on the financial position or business of Southern Score now and in the future; and
- (xii) There will be no event of force majeure occurring such as any act of God, act of public enemies, war, act of terrorism, restraint of Government or people of any nation, riots, insurrections, civil commotion, floods, fire, restrictions due to quarantines, epidemics, storms, or any other causes beyond the reasonable control of Southern Score, which could materially affect Southern Score's financial positions and future business operations.

(2) The beta of Comparable Companies are as follows: -

<b>Comparable Companies</b>	<b>Unlevered Beta<sup>(i)</sup></b>
Advancecon Holdings Berhad	0.48
Ageson Berhad	0.79
Ahmad Zaki Resources Berhad	0.14*
Benalec Holdings Berhad	0.94
Bina Puri Holdings Bhd	0.19*



<b>Comparable Companies</b>	<b>Unlevered Beta<sup>(i)</sup></b>
<i>Brem Holding Berhad</i>	0.33
<i>DKLS Industries Bhd</i>	0.24*
<i>Eversendai Corporation Berhad</i>	0.37
<i>Fajarbaru Builder Group Bhd</i>	0.32
<i>Gabungan AQRS Berhad</i>	0.54
<i>Gadang Holdings Bhd</i>	0.52
<i>George Kent (Malaysia) Berhad</i>	0.57
<i>Ho Hup Construction Company Bhd</i>	0.46
<i>Inta Bina Group Berhad</i>	0.58
<i>Ireka Corporation Berhad</i>	0.45
<i>Kimlun Corporation Berhad</i>	0.40
<i>Lebtech Berhad</i>	0.00*
<i>MGB Berhad</i>	0.61
<i>Mitrajaya Holdings Berhad</i>	1.16
<i>Mudajaya Group Berhad</i>	0.14*
<i>Muhibbah Engineering (M) Bhd</i>	0.65
<i>OCR Group Berhad</i>	0.21*
<i>Pesona Metro Holdings Berhad</i>	0.29*
<i>Pintaras Jaya Bhd</i>	0.50
<i>Protasco Berhad</i>	0.78
<i>Puncak Niaga Holdings Berhad</i>	0.54
<i>TRC Synergy Berhad</i>	0.67
<i>Vizione Holdings Berhad</i>	1.26
<b>Average</b>	<b>0.61</b>

Notes: -

(i) Extracted from Bloomberg.

\* Outliers (excluded from the computation of average).

Premised on the above, we are of the view that the purchase consideration of RM252.00 million is justifiable based on the DCF method whereby the Purchase Consideration is below the range of valuation derieved from the DCF method of between RM258.27 million to RM275.54 million which represents a discount between RM6.27 million (2.43%) and RM23.54 million (8.54%) respectively.

## (ii) Relative Valuation

We have undertaken the relative valuation as a secondary method to support our primary method of evaluation. The relative valuation seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth. Under the relative valuation, reference was made to the valuation statistics of public listed companies in Malaysia with principal activities that we consider broadly comparable to Southern Score to get an indication of the current market expectation with regard to the implied value of the equity interest in Southern Score and compared to the implied trading multiples to determine the firm's worth.

For the purpose of our relative valuation, we have adopted PE Multiple against the Comparable Companies.

PE multiple is the ratio of price to earnings for the relevant period for the purpose of our analysis. It is a valuation metric which compares a company's share price against the EPS. The EPS is calculated based on the net earnings attributable to the shareholders after interest taxation, depreciation and amortisation expenses and is affected by *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. It can be useful to compare the PE multiple to that of the peers to gauge on how richly the company is valued relative to its peers. A higher PE Multiple may indicate that investors are willing to pay more for a RM's worth of earnings from the company.

We have selected the Comparable Companies which were listed on the Main Market and ACE Market of Bursa Securities which have similar business activities to Southern Score with market capitalisation between RM100.0 million and RM500.0 million and at least 70.0% of the revenue were mainly generated from construction and related activities as follows: -

Name of company	Principal activities	Percentage of revenue contribution from construction and related activities <sup>(1)</sup>	Market capitalisation <sup>(2)</sup>	PAT/ (LAT) <sup>(1)</sup>	PE Multiple <sup>(3)</sup>
		(%)	(RM' million)	(RM' million)	(times)
Advancecon Holdings Berhad <sup>#</sup>	Principally involved in the business of providing management services. Through its subsidiaries, the group is engaged in providing earthworks and civil engineering services and sales of construction materials, property development, carrying on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.	93.81	148.35	2.10	70.64*
Ageson Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in construction works and property development.	81.69	121.82	38.91	3.13*
Ahmad Zaki Resources Berhad <sup>#</sup>	Principally involved in investment holding, providing management services and as a contractor of civil and structural works.	84.30	143.14	(105.56)	N/A
Aneka Jaringan Holdings Berhad <sup>@</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in foundation and basement construction and other civil engineering works.	100.00	129.14	10.04	12.86
Gabungan AQRS Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil and building construction works and property development.	71.65	303.95	(54.45)	N/A
Gadang Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in earthworks, building and civil engineering and construction work contractors, provision of mechanical and electrical engineering services and property development.	73.17	280.30	35.46	7.90
Gagasan Nadi Cergas Berhad <sup>@</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in property development, construction of buildings, infrastructures and property investment holding.	78.82	218.37	12.51	17.46*

Name of company	Principal activities	Percentage of revenue contribution from construction and related activities <sup>(1)</sup>	Market capitalisation <sup>(2)</sup>	PAT/ (LAT) <sup>(1)</sup>	PE Multiple <sup>(3)</sup>
		(%)	(RM' million)	(RM' million)	(times)
Inta Bina Group Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in securing and carrying out construction contracts.	100.00	160.58	8.10	19.82*
Kimlun Corporation Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in building and infrastructure contractors, property investment and development, manufacturing and trading of building and construction materials and provision of quarry services and machinery rental services.	78.49	295.05	7.99	36.93*
Lebtech Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil and building construction.	100.00	137.85	(12.34)	N/A
MGB Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil engineering, design and build and general construction activities, trading of building materials and property development.	85.06	436.44	13.95	31.29*
Mitrajaya Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in civil engineering, building and road construction works and supply of construction material and property development.	86.42	213.95	10.66	20.07*
Pesona Metro Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in construction work, manufacturing and trading of construction panel and property investment holding.	96.00	163.32	(17.02)	N/A
Pintaras Jaya Berhad <sup>#</sup>	Principally involved in the undertaking of piling contracts, civil engineering and building construction works and rental of plant and machinery.	92.38	431.25	31.69	13.61

Name of company	Principal activities	Percentage of revenue contribution from construction and related activities <sup>(1)</sup>	Market capitalisation <sup>(2)</sup>	PAT/(LAT) <sup>(1)</sup>	PE Multiple <sup>(3)</sup>
		(%)	(RM' million)	(RM' million)	(times)
TCS Group Holdings Berhad <sup>@</sup>	Principally involved in the provision of construction services for building infrastructure, civil and structural works through its subsidiaries.	100.00	171.00	16.17	10.58
TRC Synergy Berhad <sup>#</sup>	Principally involved in the provision of construction services and property development through its subsidiaries.	79.02	169.66	27.26	6.22*
Vizione Holdings Berhad <sup>#</sup>	Principally involved in investment holding. Through its subsidiaries, the group is engaged in property development, subcontractor of the electrical building and civil works for construction projects, general contractor in building construction, providing related construction management and consultancy services.	84.63	163.65	(8.72)	N/A
		Average (excluding outliers)			11.24
		Maximum (excluding outliers)			13.61
		Minimum (excluding outliers)			7.90

Notes: -

- (1) Based on the available financial information of the Comparable Companies announced on Bursa Securities as at the Valuation Date. For shareholders' information, the percentage of revenue contribution from construction and related activities and PAT/(LAT) of the Comparable Companies as at the LPD are as follows: -

Name of company	Percentage of revenue contribution from construction and related activities	PAT/(LAT)
	(%)	(RM' million)
Advancecon Holdings Berhad	98.96	2.05
Ageson Berhad	98.38	31.65
Ahmad Zaki Resources Berhad	74.05	(68.64)
Aneka Jaringan Holdings Berhad	100.00	(21.44)
Gabungan AQRS Berhad	80.03	15.71
Gadang Holdings Berhad	63.67	10.79
Gagasan Nadi Cergas Berhad	60.04	3.48
Inta Bina Group Berhad	100.00	11.78
KimLun Corporation Berhad	72.93	(0.59)
Lebtech Berhad	100.00	0.32
MGB Berhad	97.17	27.08
Mitrajaya Holdings Berhad	82.12	(13.82)
Pesona Metro Holdings Berhad	95.64	(5.37)
Pintaras Jaya Berhad	90.60	64.12
TCS Group Holdings Berhad	100.00	2.49
TRC Synergy Berhad	79.97	20.67
Vizione Holdings Berhad	76.86	(85.58)

- (2) *Extracted from Bloomberg as at the Valuation Date. For shareholders' information, the market capitalisation of the Comparable Companies as at the LPD are as follows: -*

<b>Name of company</b>	<b>Market capitalisation (RM' million)</b>
Advancecon Holdings Berhad	140.18
Ageson Berhad	158.95
Ahmad Zaki Resources Berhad	98.41
Aneka Jaringan Holdings Berhad	97.67
Gabungan AQRS Berhad	162.83
Gadang Holdings Berhad	254.82
Gagasan Nadi Cergas Berhad	207.08
Inta Bina Group Berhad	109.73
Kimlun Corporation Berhad	240.28
Lebtech Berhad	124.20
MGB Berhad	328.37
Mitrajaya Holdings Berhad	166.69
Pesona Metro Holdings Berhad	135.52
Pintaras Jaya Berhad	374.85
TCS Group Holdings Berhad	120.90
TRC Synergy Berhad	143.74
Vizione Holdings Berhad	153.45

- (3) *Computed based on the market capitalisation divided by PAT.*
- # *Listed on the Main Market of Bursa Securities.*
- @ *Listed on the ACE Market of Bursa Securities.*
- \* *Outliers (which is determined based on the extreme deviation from the average).*
- N/A *Not applicable as the Comparable Companies registered loss after taxation.*

In deriving the value for the entire equity interest of Southern Score, we have computed the value of Southern Score based on the PE Multiple of the selected Comparable Companies (which have not fundamentally changed in terms of principal activities based on publicly available information throughout the period under review) between 7.90 times to 13.61 times to the PAT of Southern Score for FYE 31 December 2020 of RM19.20 million as follows: -

	<b>PE Multiple (times)</b>	<b>Value (RM' million)</b>
Average	11.24	215.81
Maximum	13.61	261.31
Minimum	7.90	151.68
<b>Purchase Consideration of Southern Score</b>	<b>13.13</b>	<b>252.00</b>

Based on the above, it is noted that the implied PE Multiple of Southern Score of 13.13 times is within the range of the Comparable Companies of 7.90 times to 13.61 times.

We also noted that the Purchase Consideration of Southern Score is within the range of the Comparable Companies of RM151.68 million to RM261.31 million. In addition, based on the PE Multiple against the Comparable Companies, Southern Score's implied PE Multiple of 13.13 times and 9.45 times (based on the audited financial statement of Southern Score for FYE 31 December 2020 of RM19.20 million) is within the range of 7.90 times to 13.61 times.

However, we are of the opinion that the DCF valuation would be the more appropriate valuation method in evaluating the fair value of Southern Score as the DCF valuation approach is an investment appraisal technique which takes into consideration both the time value of money and the future projected net cash flow to be generated by the company and which is then discounted at a specified discount rate to derive the fair value of the company.

## **7.2 Evaluation of the issue price of the Consideration Shares**

We take note on the basis and justification for the issue price of the Consideration Shares as set out in Section 3.3 of Part A of the Circular.

The trading of the existing GNB Shares on the ACE Market of Bursa Securities has been suspended with effect from 14 December 2020 and will continue to be suspended up to the completion of the Proposed Regularisation Plan. The last transacted market price as at 11 December 2020, being the last trading date of the existing GNB Shares on the ACE Market of Bursa Securities, is RM0.015.

Following the Proposed Share Consolidation, the issue price for the Consideration Shares will be at RM0.15 per Consideration Share.

**Premised on the above, we concur with the basis and justification for the issue price of the Consideration Shares is acceptable.**

*[The rest of this page is intentionally left blank]*

## 8. EVALUATION OF THE SALIENT TERMS OF THE DEFINITIVE AGREEMENTS

*(Unless otherwise defined in Section 8 of this IAL, capitalised terms used herein without definition shall have the meaning assigned to them in Appendix I of the Circular.)*

Our comments on the salient terms of the Definitive Agreements as set out in Appendix I of the Circular are as follows: -

### 8.1 SSA

Salient terms of the SSA	Our comments
<p><b>Purchase consideration and mode of settlement</b></p> <p>The purchase consideration for 1,000,000 Sale Shares representing 100% equity interest in Southern Score for a Purchase Consideration of RM252,000,000 to be satisfied by the issuance of 1,680,000,000 Consideration Shares at an issue price of RM0.15 each which has been determined on a willing-buyer and willing-seller basis and based on the independent fairness assessment by Malacca Securities on the business of the Target Group.</p>	<p>This term is <b>justifiable</b>. Please refer to our evaluation on the Purchase Consideration and issue price of the Consideration Shares as set out in Sections 6.2(4) and 7 of this IAL and Appendix VII of the Circular.</p>
<p><b>Moratorium</b></p> <p>The Vendor agrees and undertakes to the Purchaser that the Consideration Shares will be subjected to moratorium during the Moratorium Period and it shall not sell and/or create any Encumbrances over the Consideration Shares during the Moratorium Period.</p>	<p>This term is <b>acceptable</b> as this requirement is stipulated in Rule 3.19 of the Listing Requirements and the Vendor and its PACs have undertaken that they will comply with the moratorium requirements as set out in Rule 3.19 of the Listing Requirements.</p>
<p><b>Conditions precedent</b></p> <p>(i) <b>Conditions</b></p> <p>(a) The Parties agree that the Proposed Acquisition is conditional upon the effective fulfilment of the following conditions precedent ("<b>Conditions Precedent</b>"):</p> <ol style="list-style-type: none"> <li>1. There are no material adverse findings on the Target Group based on the results of the legal due diligence inquiry to be conducted on the Target Group by the Purchaser's representatives.</li> </ol>	<p>This term is <b>acceptable</b> as it is the responsibility of the Company to undertake the necessary due diligence to safeguard its interest prior to completing the Proposed Acquisition.</p>

Salient terms of the SSA	Our comments
<p>2. The approval of the SC's Equity Compliance Unit in relation to the resultant Bumiputera equity structure of the Purchaser under the Bumiputera equity requirement for public listed companies pursuant to the Proposed Regularisation Plan.</p> <p>3. The approval-in-principle of Bursa Securities in relation to the Proposed Regularisation Plan.</p> <p>4. The approval of the shareholders and the board of directors of the Purchaser for the Proposed Acquisition and the allotment and issuance of the Consideration Shares to the Vendor and/or their nominee(s) as may be nominated by the Vendor in writing pursuant to the Proposed Acquisition.</p> <p>5. The approval of the directors of the Target Company for the:</p> <ul style="list-style-type: none"> <li>• transfer of the Sale Shares to the Purchaser;</li> <li>• registration of the Sale Shares under the name of the Purchaser in the register of members of the Target Company; and</li> <li>• issuance of new share certificates in respect of the Sale Shares to the purchaser upon the Completion.</li> </ul> <p>6. The approval of the shareholders of the Purchaser for the Proposed Regularisation Plan.</p> <p>7. The approval of the shareholders of the Target Company for the Proposed Regularisation Plan.</p>	<p>These terms are <b>acceptable</b> as the approvals are pre-requisites for the Proposed Regularisation Plan to take place which are in accordance with the guidelines issued by the relevant authorities.</p> <p>This term is <b>acceptable</b> as this would normally require the approval of the directors to constitute a valid transfer, registration of the Sale Shares under GNB and issuance of new share certificates.</p> <p>This term is <b>acceptable</b> as it ensures that the shareholders of GNB are given the opportunity to assess the merits and demerits before voting on the Proposed Regularisation Plan to be tabled at the forthcoming EGM.</p> <p>This term is <b>acceptable</b> as it ensures the shareholders of the Target Company are aware of the merits and demerits of the Proposed Regularisation Plan.</p>



Salient terms of the SSA	Our comments
<p>8. Any consents or approvals necessary from any governmental or regulatory body or competent authority or third party having jurisdiction over the sale of the Sale Shares having been granted, waived or obtained.</p> <p>9. The discharge of any Encumbrance in respect of the Sale Shares supported by the relevant certificate and/or documents evidencing the satisfaction of such charges as may be filed or registered with the relevant authority, if applicable.</p> <p>10. The execution the PGA.</p> <p>11. The execution of an escrow agreement between the Vendor, the Purchaser and an escrow agent to be jointly appointed with respect to the dealings on the security shares as security for the performance of Profit Guarantee.</p> <p>(b) The Parties undertake to procure the fulfilment of the Conditions Precedent that are applicable to them within the conditional period of the SSA (i.e. 9 months from the date of the SSA or such other dates the Parties may mutually agree in writing) ("<b>Conditional Period</b>").</p> <p>(c) The Purchaser and the Vendor may by mutual agreement at any time waive in whole or in part and conditionally or unconditionally any of the Conditions Precedent.</p>	<p>This term is <b>acceptable</b> as all necessary consents or approval required has been granted, waived or obtained prior to completion.</p> <p>This term is <b>acceptable</b> as it would ensure that the Sale Shares is acquired free from any Encumbrance.</p> <p>The Parties had, on 9 July 2021, entered into the PGA.</p> <p>This term is <b>acceptable</b> as it serves to safeguard the interest of both Parties in dealings on the security shares as security for the performance of Profit Guarantee.</p> <p>This term is <b>justifiable</b> as it is fair for both Parties to impose a sufficient time to satisfy all the Conditions Precedents.</p> <p>We note that both Parties may mutually agree to waive in whole or in part any Conditions Precedent. However, conditions that are required to be met pursuant to the relevant regulations issued by Bursa Securities and Securities Commission cannot be waived by the Parties.</p>
<p>(ii) <b>Application for approvals</b></p> <ul style="list-style-type: none"> <li>Each Party will do all things and provide all necessary information reasonably required by the other Party or the relevant authorities to assist the other Party to apply to the relevant authorities.</li> </ul>	<p>These terms are <b>acceptable</b> as the cooperation between both Parties is necessary in obtaining the approvals from the relevant authority in order to ensure the Conditions Precedent is fulfilled. In addition, these terms serve to safeguard the interest of both Parties as any variation to the terms and conditions of the SSA shall be mutually agreed by both Parties, subject always to the approval of the relevant authority.</p>

Salient terms of the SSA	Our comments
<p>(iii) <b>Terms of approvals of relevant authorities</b></p> <p>(a) Subject to subparagraph (iii)(b) as set out below, the Parties agree that any document from any relevant authority stating that it has no objection to the Proposed Acquisition constitute an approval by that relevant authority.</p> <p>(b) If an approval from relevant authority ("<b>Regulatory Approval</b>") contains or is subject to one or more term(s) or condition(s) which adversely affect any party in a material way and is not acceptable to that affected party ("<b>Affected Party</b>"), the Affected Party may within 14 days from the date of its receipt of that term(s) or condition(s), notify the other Party in writing that the term(s) or condition(s) is not acceptable ("<b>Rejection or Appeal Notice</b>"), in which event appeal shall be made to the relevant authority to vary the unacceptable term(s) or condition(s). Such appeal shall be submitted by the Party who made the original application for the said Regulatory Approval (or if more appropriate, the Affected Party). Alternative to the submission of a Rejection or Appeal Notice to the Regulatory Approval, the Parties may in good faith renegotiate and vary, supplement or amend the terms and conditions of the SSA by way of mutual agreement subject always to the approval of the relevant authority.</p> <p>(c) If no Rejection or Appeal Notice is given as per set out in subparagraph (iii)(b) above, an approval will be deemed to have been obtained.</p> <p>(d) If a Rejection or Appeal Notice is given by any Party under subparagraph (iii)(b) above, that Regulatory Approval will not be deemed to be obtained for the purpose of the paragraphs as set out in this row titled "Conditions Precedents" as set out in the SSA, until the relevant authority accedes to the request for variation or a Notice of Withdrawal &amp; Acceptance (hereinafter defined) is served by the Affected Party. In the event the relevant authority does not accede to the request for variation, the relevant Condition Precedent shall be deemed not to be met and/or fulfilled unless the Affected Party, within 5 Business Days of the receipt of the decision of the relevant authority, by notice in writing to the other Party withdraw Rejection or Appeal Notice of and accept the term(s) or condition(s) concerned ("<b>Notice of Withdrawal &amp; Acceptance</b>"), whereupon the corresponding Condition Precedent shall be deemed to have been met and fulfilled on the date of the Notice of Withdrawal &amp; Acceptance.</p>	<p>Please refer to the commentaries above.</p>

Salient terms of the SSA	Our comments
<p>(e) If a Regulatory Approval is subject to the approval or consent of another relevant authority, the provisions of this paragraph (iii) above shall mutatis mutandis apply to the obtaining of such further approval or consent.</p>	<p>Please refer to the commentaries above.</p>
<p><b>(iv) Non-fulfilment of the Conditions Precedent</b></p> <p>Subject to the terms of the SSA, unless specifically waived by the Purchaser and Vendor, if any of the Conditions Precedent are not fulfilled and/or waived before the expiry of the Conditional Period, the SSA shall cease and determine, no party shall have any claims against the other for costs, damages, compensations or otherwise, save for any antecedent breach of any representation, undertaking and/or any of the terms of the SSA.</p> <p><b>(v) SSA becomes unconditional</b></p> <p>When all the Conditions Precedent are fulfilled and/or waived, the Proposed Acquisition will become unconditional.</p>	<p>These terms are <b>acceptable</b> as they serve to safeguard the interest of the Vendor and Purchaser. In the event the Conditions Precedent is not fulfilled and/or waived, none of the either Party will incur any compensation or otherwise.</p> <p>In the event the Conditions Precedent is fulfilled and/or waived, the Proposed Acquisition would be completed.</p>
<p><b>Purchaser's and Vendor's obligations on Completion</b></p> <p>(i) Completion of the SSA ("<b>Completion</b>") will take place 2 months from the SSA Unconditional Date or such other date as may be mutually agreed in writing by the Parties ("<b>SSA Completion Date</b>").</p> <p>(ii) On the SSA Completion Date, the Vendor must deliver to the Purchaser or the Purchaser's solicitors the following documents ("<b>Completion Documents</b>"):</p> <ul style="list-style-type: none"> <li>• share certificates for the Sale Shares;</li> <li>• transfer forms in respect of the Sale Shares which are duly executed by the relevant Vendor as transferor;</li> <li>• undated board of directors' resolution of the Target Company approving the registration of the transfer in respect of the Sale Shares and the issuance of new share certificates in favour of the Purchaser;</li> <li>• undated board of directors' resolution of the Purchaser for the appointment of such persons as the Vendor may nominate as directors of the Purchaser; and</li> </ul>	<p>This term is <b>acceptable</b> as it establishes the timing for the completion of the Proposed Acquisition and also to provide sufficient time to the Vendor to prepare the Completion Documents (as defined herein) as set out in paragraph (ii) below.</p> <p>These terms are <b>acceptable</b> as they establish the procedures and documents that are required to be delivered by the Vendor to the Purchaser to complete the SSA.</p>

Salient terms of the SSA	Our comments
<ul style="list-style-type: none"> <li>undated resignation letters of all the directors of the Purchaser stating amongst others the relinquishment of their directorships and other official positions in the Purchaser (as the case may be), the handover of full control of the board of the Purchaser to the Vendor and there shall be no claim and/or demand on such relinquishment and handover of such control.</li> </ul> <p>(iii) Upon the Vendor completing their obligations under paragraph (ii) above, the Purchaser in exchange of the Completion Documents must on the SSA Completion Date, allot and issue the Consideration Shares to the Vendor and credit the relevant Consideration Shares into the Vendor's CDS Account.</p>	<p>Please refer to the commentaries above.</p>
<p><b>Termination</b></p> <p><b><u>Vendor's remedies prior to Completion</u></b></p> <p>In the event:</p> <p>(i) the Purchaser fails to complete the purchase of the Sale Shares; or</p> <p>(ii) if prior to completion it shall be found that the Purchaser has breached any term of the SSA and which if capable of being remedied is not remedied within 30 days from the Purchaser's receipt of a written notice from the Vendor,</p> <p>without prejudice to the Vendor's right to seek specific performance against the Purchaser, the Vendor shall be entitled to by notice in writing to the Purchaser to terminate the SSA.</p> <p><b><u>Purchaser's remedies prior to Completion</u></b></p> <p>In the event:</p> <p>(i) the Vendor failing to complete the sale of the Sale Shares; or</p> <p>(ii) if prior to completion it shall be found that the Vendor has breached any term of the SSA and which if capable of being remedied is not remedied within 30 days from the Vendor's receipt of a written notice from the Purchaser, and such breach results in a Material Adverse Effect,</p> <p>without prejudice to the Purchaser's right to seek specific performance against the Vendor, the Purchaser shall be entitled to by notice in writing to the Vendor to terminate the SSA.</p>	<p>This term is <b>acceptable</b> as it serves to safeguard and protect the interest of the Vendor in the event of any breach by the Purchaser.</p> <p>This term is <b>acceptable</b> as it serves to safeguard and protect the interest of the Purchaser in the event of any breaches by the Vendor.</p>

Salient terms of the SSA	Our comments
<p><b><u>Purchaser's remedies after Completion</u></b></p> <p>Unless otherwise expressly provided in the SSA, the Purchaser acknowledges and agrees that after completion of the Proposed Acquisition, the only remedy they have against the Vendor for any breach of the Vendor's warranties or any breach of its covenants or obligations of the Vendor shall be only the right to claim damages against the Vendor for loss suffered.</p>	<p>This term is <b>acceptable</b> as it serves to safeguard the interest of the Purchaser in the event of any breaches by the Vendor whereby the Purchaser shall have right to claim damages against the Vendor for loss suffered.</p>

## 8.2 PGA

Salient terms of the PGA	Our comments
<p><b>Effective date</b></p> <p>The PGA is conditional and shall be effective only upon the completion of the Proposed Acquisition ("<b>Completion</b>").</p>	<p>This term is <b>acceptable</b> as the PGA will only in place upon completion of the Proposed Acquisition.</p>
<p><b>Profit Guarantee</b></p> <p>(i) In consideration of the Purchaser agreeing to purchase the Sale Shares in accordance with the terms of the SSA from the Vendor, the Vendor covenants with and undertakes to the Purchaser that:</p> <p>(a) the Southern Score Group shall achieve a minimum PAT of RM10,000,000 for FYE 31 December 2022 ("<b>2022 Guaranteed Profit</b>");</p> <p>(b) the Southern Score Group shall achieve a minimum PAT of RM20,000,000 for FYE 31 December 2023 ("<b>2023 Guaranteed Profit</b>"); and</p> <p>(c) the Southern Score Group shall achieve a minimum PAT of any shortfall of the profit guarantee for FYE 31 December 2024 ("<b>2024 Guaranteed Profit</b>"),</p> <p>which shall be equivalent to RM80,000,000 on a cumulative basis for the period of FYE 2022 to FYE 2024 ("<b>Profit Guarantee Period</b>").</p> <p>(collectively the "<b>Profit Guarantee</b>").</p>	<p>This term is <b>acceptable</b> after taking into consideration, amongst other, the historical financial information of Southern Score as set out in Appendix III(B) of the Circular, current order book of Southern Score of approximately RM527.67 million and the prospects of the Enlarged GNB Group as set out in Section 9.4 of Part A of the Circular.</p> <p>In addition, the price-to-earnings ratio of 9.45 times (based on the average Profit Guarantee of RM26.67 million) is within the range of the PE Multiple against the Comparable Companies of 7.90 times to 13.61 times.</p> <p>Based on the above, the Profit Guarantee serves as an additional comfort provided by the Vendor to the Company in relation to the financial performance of Southern Score.</p>

Salient terms of the PGA	Our comments
<p>The PAT shall be based on the accounts as may be verified, approved and certified by the auditors of the Southern Score Group by way of confirmation in writing to Purchaser (“<b>Certified Accounts</b>”) which shall in the absence of manifest error be conclusive, final and binding on the Parties.</p> <p>(ii) As security for the performance of Profit Guarantee, the Vendor and the Purchaser agree that the Security Shares which is of value equivalent to the Profit Guarantee as calculated based on the issue price of the Consideration Shares as per the SSA shall be deposited into the CDS Account of the Escrow Agent on Completion and the Escrow Agent shall be duly authorised to deal with the Security Shares in the manner as set out in the paragraphs under the row titled “Release of Security Shares” below and the Escrow Agreement.</p>	<p>This term is <b>acceptable</b> as the issue price of the Profit Guarantee has been fixed and is equivalent to the issue price of RM0.15 per Consideration Share. This term also serves to safeguard the interest of the Purchaser and Vendor through the Escrow Agreement to be entered into with the Escrow Agent in dealing with the Security Shares.</p>
<p><b>Release of Securities Shares</b></p> <p>(i) The Security Shares shall be dealt with in the following manner:</p> <p>(a) the PAT of the Group as provided for in the Certified Accounts for FYE 2022 shall accrue towards the Profit Guarantee, and no Security Shares shall be released to the Vendor;</p> <p>(b) the PAT of the Group as provided in the Certified Accounts for FYE 2023 shall accrue towards the Profit Guarantee. Subject always to the Group achieving a minimum PAT of RM10,000,000 for FYE 2022 and a minimum PAT of RM20,000,000 for FYE 2023:</p> <p>(1) the Escrow Agent shall be duly authorised to release up to 30% of the Security Shares (i.e. up to 160,000,000 Security Shares) (“<b>Releasable Security Shares</b>”) by crediting the relevant number of Security Shares into the Vendor’s CDS Account within 7 Business Days upon the receipt of the Certified Accounts for FYE 2023 provided that value of the remaining 70% of the Security Shares (based on the 5D-VWAP preceding the Observation Date) (“<b>Retained Security Shares</b>”) is not less than the balance Profit Guarantee to be achieved by the Group as set out in Illustration 1 below; or</p> <p>(2) In the event that the value of the Retained Security Shares is less than the balance Profit Guarantee to be achieved by the Group, the Escrow Agent shall continue to hold such number of Retained Security Shares (the value for which shall be equivalent to the balance Profit Guarantee of</p>	<p>The terms herein set out the condition of the release of the Security Shares pursuant to the Profit Guarantee for each FYE.</p> <p>In summary, based on the PAT of the Certified Accounts for FYE 2022, there is no release of any Security Shares to the Vendor.</p> <p>Subject to the Group achieving the 2022 and 2023 Guaranteed Profit, the Escrow Agent shall release up to 30% of the Security Shares representing up to 160 million Securities Shares provided always that the value of the Retained Securities Shares is not less than the balance of the Profit Guarantee to be achieved by the Group; OR</p> <p>In the event the value of the Retained Securities Shares is lesser than the balance of the Profit Guarantee to be achieved by the Group, the Escrow Agent shall continue to hold such number of Retained Securities Shares equivalent to the balance of the Profit Guarantee and release such number of shares Releasable Security Shares to the Vendor.</p>

Salient terms of the PGA	Our comments									
<p>RM50,000,000 to be achieved by the Group for FYE 2024 based on the 5D-VWAP preceding the Observation Date) and shall only be authorised to release to the Vendor such number of Releasable Security Shares that are not retained by the Escrow Agent pursuant to this subparagraph (2) as set out in Illustration 2 below.</p> <p>Illustration 1:</p> <p>(A x B) &gt; C</p> <table><tr><td>A</td><td>:</td><td>Number of Retained Security Shares</td></tr><tr><td>B</td><td>:</td><td>VWAP preceding the Observation Date</td></tr><tr><td>C</td><td>:</td><td>balance Profit Guarantee to be achieved by the Group</td></tr></table> <p>For illustration purposes:</p> <p>Assumptions:</p> <p>(1) The PAT of the Group as provided in the Certified Accounts for FYE 2022 reflects that the PAT for FYE 2022 is RM10,000,000.</p> <p>(2) The PAT of the Group as provided in the Certified Accounts for FYE 2023 reflects that the PAT for FYE 2023 is RM20,000,000.</p> <p>(3) The number of Retained Security Shares is 373,333,333 Security Shares.</p> <p>(4) The VWAP preceding the Observation Date is RM0.15.</p> <p>(5) The balance Profit Guarantee to be achieved by the Group is RM50,000,000.</p> <p>Value of the Retained Security Shares (RM56,000,000) &gt; Value of the balance Profit Guarantee (RM50,000,000)</p>	A	:	Number of Retained Security Shares	B	:	VWAP preceding the Observation Date	C	:	balance Profit Guarantee to be achieved by the Group	<p>We note that the Security Shares shall be computed based on the 5D-VWAMP preceding the Observation Date and based on the formula as set out in paragraph (i)(b) herein and the imposition of the time period for the Escrow Agent to transfer the Security Shares into the Vendor's CDS Account and the time period of seven (7) Business Days is considered sufficient. This term is reasonable.</p> <p>However, in the event of a LAT in FYE 2022 and/or FYE 2023, there will be no compensation of the shortfall in view that the Escrow Agent will still hold the Security Shares which is of value equivalent to the Profit Guarantee based on the issue price of the Consideration Shares.</p>
A	:	Number of Retained Security Shares								
B	:	VWAP preceding the Observation Date								
C	:	balance Profit Guarantee to be achieved by the Group								

Salient terms of the PGA	Our comments									
<p>Based on the illustration above, the Escrow Agent shall be duly authorised to release the maximum number of Releasable Security Shares to the Vendor as the value of the Retained Security Shares is greater than the value of the remaining Profit Guarantee to be achieved by the Group for FYE 2024.</p> <p><u>Illustration 2:</u></p> <p><math>(D \times E) &lt; F</math></p> <table><tr><td>D</td><td>:</td><td>Number of Retained Security Shares</td></tr><tr><td>E</td><td>:</td><td>VWAP preceding the Observation Date</td></tr><tr><td>F</td><td>:</td><td>balance Profit Guarantee to be achieved by the Group</td></tr></table> <p>For illustration purposes:</p> <p>Assumptions:</p> <p>(1) The PAT of the Group as provided in the Certified Accounts for FYE 2022 reflects that the PAT for FYE 2022 is RM10,000,000.</p> <p>(2) The PAT of the Group as provided in the Certified Accounts for FYE 2023 reflects that the PAT for FYE 2023 is RM20,000,000.</p> <p>(3) The number of Retained Security Shares is 373,333,333 Security Shares.</p> <p>(4) The value of the Security Shares based on the VWAP preceding the Observation Date is RM0.10.</p> <p>(5) The balance Profit Guarantee to be achieved by the Group is RM50,000,000.</p> <p>Value of the Retained Security Shares (RM37,333,333) &lt; Value of the balance Profit Guarantee (RM50,000,000)</p>	D	:	Number of Retained Security Shares	E	:	VWAP preceding the Observation Date	F	:	balance Profit Guarantee to be achieved by the Group	
D	:	Number of Retained Security Shares								
E	:	VWAP preceding the Observation Date								
F	:	balance Profit Guarantee to be achieved by the Group								



Salient terms of the PGA	Our comments
<p>Based on the illustration above, the value of the Retained Security Shares is not greater than the value of the balance Profit Guarantee to be achieved by the Group for FYE 2024. As such, the following shall apply:</p> <ul style="list-style-type: none"> <li>(i) the Escrow Agent shall retain 500,000,000 Security Shares ("<b>Retained Security Shares</b>") (which, based on the VWAP preceding the Observation date, will be equivalent to the balance Profit Guarantee of RM50,000,000 to be achieved by the Group for FYE 2024); and</li> <li>(ii) the Escrow Agent shall therefore be authorised to release only 33,333,333 Releasable Security Shares (being the total number of Security Shares minus the Retained Security Shares) to the Vendor.</li> </ul> <p>Upon the expiry of the Profit Guarantee Period, the Escrow Agent shall release the remaining of the Retained Security Shares as may have been retained by the Purchaser subject always to subparagraph (iv) below.</p>	
<p>(ii) In the event the Certified Accounts for FYE 2022 and/or FYE 2023 (as the case may be) reflects LAT, the Escrow Agent shall immediately issue a written notice to the Vendor on the losses for the relevant FYE and such losses shall be carried forward to the next FYE within the Profit Guarantee Period. For the avoidance of doubt, the Vendor shall not be required to compensate the shortfall for the PAT for FYE 2022 and/or FYE 2023 (as the case may be).</p>	<p>Please refer to the commentaries above.</p>
<p>(iii) In the event the Group's PAT is less than RM80,000,000.00 cumulatively upon the expiry of the Profit Guarantee Period based on the Certified Accounts for FYE 2022, FYE 2023 and FYE 2024 collectively which the Certified Accounts for FYE 2024 shall be submitted to the Escrow Agent by the Vendor no later than 90 days from the conclusion of FYE 2024, the Escrow Agent shall issue a written notice to the Vendor on the shortfall ("<b>Shortfall Notice</b>") and:</p> <ul style="list-style-type: none"> <li>(a) the Vendor shall have the option to compensate the shortfall in Profit Guarantee in cash by way of payment to the Target Company (whether in full or part thereof) ("<b>Cash Compensation</b>") during a period of 30 days from the date of the Vendor's receipt of the Shortfall Notice ("<b>Cash Compensation Period</b>"). The Vendor shall notify the Escrow Agent of its payment, and the Purchaser shall notify the Escrow Agent on the total Cash Compensation received by the Target Company, of the total Cash Compensation made, no later than 5 Business Days after the expiry of the Cash Compensation Period and the Profit</li> </ul>	<p>This term is <b>acceptable</b> as it: -</p> <ul style="list-style-type: none"> <li>(i) provides sufficient time for the Vendor to prepare the Certified Accounts for FYE 2024 which is required to be submitted to the Escrow Agent in the event of the shortfall between the Profit Guarantee and actual PAT upon the expiry of the Profit Guarantee Period;</li> <li>(ii) allows the Vendor to compensate the shortfall either in cash by way of payment to the Target Group during the Cash Compensation Period; and</li> <li>(iii) if the Vendor does not compensate the shortfall within the Cash Compensation Period, the Escrow Agent is authorised to sell the required number of</li> </ul>

Salient terms of the PGA	Our comments
<p>Guarantee shall be deemed to have been achieved by the Group upon the payment of the Cash Compensation and the Vendor shall be entitled to the Security Shares in accordance to paragraph (iv) below; and</p> <p>(b) if the Vendor does not compensate the shortfall in full pursuant to subparagraph (iii)(a) above within the Cash Compensation Period, the Escrow Agent shall be duly authorised to sell the required number of Security Shares at the prevailing market price of the Security Shares as may be determined by the Escrow Agent upon release of the relevant Security Shares from moratorium pursuant to the Listing Requirements, if applicable (“<b>Authorised Disposal</b>”) and utilise the required amount of the proceeds to pay the compensation of (in the event no Cash Compensation is made) the shortfall or (in the event of part Cash Compensation) the balance shortfall of the Profit Guarantee to the Target Company. The balance proceeds after deducting the shortfall in the Profit Guarantee, if any, shall be paid to the Vendor.</p>	<p>Security Shares at the prevailing market price and utilise such amount to pay the shortfall.</p>
<p>(iv) In the event:</p> <p>(a) the Profit Guarantee is achieved at any time before the expiry of the Profit Guarantee Period based on the Certified Accounts for FYE 2022 and/or FYE 2023 (as the case may be), the Escrow Agent shall within a period of 7 Business Days release all of the Security Shares or the balance Security Shares (as the case may be) by crediting the same into the Vendor’s CDS Account and the Vendors shall be discharged and released from the Profit Guarantee obligation for the balance Profit Guarantee Period.</p> <p>(b) the Profit Guarantee for the Profit Guarantee Period is achieved based on the Certified Accounts for FYE 2022, FYE 2023 and FYE 2024 collectively, the Escrow Agent shall within a period of 7 Business Days release the balance Security Shares by crediting the same into the Vendor’s CDS Account.</p> <p>(c) the Vendor opts for Cash Compensation of the shortfall of the Profit Guarantee in full under subparagraph (iii)(a) above, the Escrow Agent shall within a period of 7 Business Days from the receipt of notification from the Company on the full compensation of the Profit Guarantee release the balance Security Shares by crediting the same into the Vendor’s CDS Account.</p>	<p>This term sets out the timeframe for the Escrow Agent to release all the Security Shares into the Vendor’s CDS Account in the event the Profit Guarantee is achieved.</p> <p>Notwithstanding, in the event the Vendor opts to pay any shortfall of the Profit Guarantee in cash, the Escrow Agent shall within a period of 7 Business Days from the receipt of notification from the Company release the balance Security Shares into the Vendor’s CDS Account. This term is acceptable.</p>

Salient terms of the PGA	Our comments
<p>(d) subparagraph (iii)(b) above applies for the compensation of shortfall or balance shortfall of the Profit Guarantee, the Escrow Agent shall within a period of 7 Business Days from the Authorised Disposal, release the balance Security Shares, if any, by crediting the same into the Vendor's CDS Account.</p> <p>In the event the proceeds from the Authorised Disposal is unable to meet the shortfall requiring compensation under this paragraph (iv) (the deficiency thereof shall hereinafter be referred to as the “<b>Deficiency</b>”), the Escrow Agent shall notify the Vendor in writing on the Deficiency (“<b>Deficiency Notice</b>”) after its receipt of the Certified Accounts for FYE 2024 and the Vendor shall within a period of 30 days from their receipt of the Deficiency Notice compensate the balance Deficiency in cash payment to the Target Company.</p>	
<p><b>Monitoring of the Profit Guarantee</b></p> <p>The Parties acknowledge that the composition of the board of directors of the Purchaser may be restructured (“<b>Restructured Board</b>”) in conjunction with the Proposed Regularisation Plan. The Parties agree that the independent directors of the Restructured Board shall be responsible for monitoring the mechanism of the Profit Guarantee contemplated under the PGA and the dealing of the Security Shares by the Escrow Agent under the Escrow Agreement.</p>	<p>This term is <b>acceptable</b> to ensure better governance on the monitoring of the Profit Guarantee.</p>
<p><b>Moratorium</b></p> <p>(i) The Vendor agrees and undertakes to the Purchaser that the Security Shares will be subjected to moratorium during the Moratorium Period and it shall not sell and/or create any encumbrances over the Security Shares during the Moratorium Period.</p> <p>(ii) Any release of the Security Shares by the Escrow Agent shall not be construed as an upliftment of the moratorium imposed on any of the Security Shares during the Moratorium Period.</p> <p>“<b>Moratorium Period</b>” refers to moratorium period as set out in Rule 3.19 of the Listing Requirements.</p>	<p>These terms are <b>acceptable</b> as this requirement is stipulated in Rule 3.19 of the Listing Requirements and the Vendor has undertaken that they will comply with the moratorium requirements in Rule 3.19 of the Listing Requirements.</p>

### 8.3 Debt Settlement Agreement

Salient terms	Our comments
<p><b>Settlement of Debt</b></p> <p>(i) The Parties agree that the debt shall be settled by way of allotment and issuance of the Settlement Shares only and no cash payment will be made by the Debtor to the Creditor;</p> <p>(ii) On the Effective Date or such other date as may be agreed between the Parties, the Debtor shall allot and issue the Settlement Shares to the Creditor and credit the Settlement Shares into the Creditor's CDS Account as full and final settlement of the Debt;</p> <p>(iii) Upon the allotment and issuance of the Settlement Shares to the Creditor and crediting of the same into the Creditor's CDS Account, the debt shall be fully paid and settled and there shall be no amount owing by the Debtor to the Creditor and the Debtor shall have no further obligations to the Creditor;</p> <p>(iv) Pending completion of the Proposed Regularisation Plan, the Creditor undertakes to the Debtor that he will not initiate any demand, action or proceedings to enforce his rights to recover or claim the Debt.</p>	<p>The terms set out in this clause are <b>acceptable</b>. Please refer to Section 6.3 of this IAL for our evaluation on the rationale for the Proposed Debt Settlement.</p> <p>Please refer to the commentaries above.</p>

Premised on the above, we are of the view that the salient terms of the Definitive Agreements are acceptable.

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## 9. EFFECTS OF THE PROPOSED REGULARISATION PLAN

We noted the following effects of the Proposed Regularisation Plan from Sections 11.2 to 11.6 of Part A of the Circular: -

The Proposed Exemption on a standalone basis will not have any effect on the share capital, NA and gearing, earnings and EPS of the Company and the substantial shareholders' shareholdings in the Company.

However, in view of the inter-conditionality of the Proposed Regularisation Plan, we have also considered the pro forma effects of the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement on the share capital, NA and gearing, earnings and EPS of the Company and the substantial shareholders' shareholdings in the Company.

### 9.1 Issued share capital and number of issued shares

The pro forma effects of the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement on the issued share capital and number of issued GNB Shares are as follows: -

	No. of GNB Shares	RM
As at the LPD	288,750,000	9,792,835
After the Proposed Share Consolidation	28,875,000	9,792,835
Pursuant to the Proposed Acquisition	1,680,000,000	(4,460,703)
	1,708,875,000	5,332,132
Issuance of the Settlement Shares	20,666,667	3,100,000
	1,729,541,667	8,432,132
Issuance of Placement Shares	543,047,900	108,609,580
<b>Enlarged issued share capital and number of issued GNB Shares</b>	<b>2,272,589,567</b>	<b>117,041,712</b>

Based on the table above, the number of issued GNB Shares is expected to decrease from 288.88 million GNB Shares to 28.88 million GNB Shares after the Proposed Share Consolidation. However, upon completion of the Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement, the number of issued GNB Shares will increase from 28.88 million to 1.71 billion, 1.73 billion and 2.27 billion due to the issuance of the Consideration Shares, Settlement Shares and Placement Shares respectively. The shareholdings of the non-interested shareholders of GNB would be diluted from 91.80% to 1.55%, 1.53% and increase to 25.07% after the Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement respectively.

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## 9.2 NA and gearing

The pro forma effects of the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement on the Enlarged GNB Group's NA and gearing are as follows: -

	Audited as at 30 April 2022	Proposed Regularisation Plan			
		(I)	(II)	(III)	(IV)
		After the Proposed Share Consolidation	After (I) and the Proposed Acquisition	After (II) and the Proposed Debt Settlement	After (III) and the Proposed Private Placement
	RM	RM	RM	RM	RM
Total equity	(6,397,619)	(6,397,619)	15,591,875	18,691,875	122,901,455
No. of GNB Shares in issue (Net liability)/NA per Share (sen)	288,750,000 (2.22)	288,750,000 (22.16)	1,708,875,000 <sup>(1)</sup> 0.91	1,729,541,667 <sup>(2)</sup> 1.08	2,272,589,567 <sup>(3)</sup> 5.41
Total borrowings	-	-	148,973	148,973	148,973
Gearing (times)	-	-	0.01	0.01	<sup>^</sup>

Notes: -

(1) Taking into consideration the issuance of 1,680,000,000 Consideration Shares.

(2) Taking into consideration the issuance of 20,666,667 Settlement Shares at RM0.15 each.

(3) Taking into consideration the issuance of 543,047,900 Placement Shares at the assumed issue price of RM0.20 each.

<sup>^</sup> Negligible.

Based on the audited consolidated financial statements of GNB as at 30 April 2022, the net liability per Share of GNB was 2.22 sen. Upon completion of the Proposed Acquisition, the pro forma NA per Share of the Enlarged GNB Group is expected to increase to 0.91 sen and further increase to 1.08 sen and 5.41 sen after the Proposed Debt Settlement and Proposed Private Placement respectively.

Based on the audited consolidated financial statements of GNB as at 30 April 2022, GNB does not have any borrowings. Hence, the gearing ratio of GNB is nil. Based on the audited financial statements of Southern Score as at FPE 30 April 2022, other than lease liability of RM0.15 million, Southern Score does not have any borrowings.

### 9.3 (Loss)/Earnings and (LPS)/EPS

The pro forma effects of the Proposed Consolidation, Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement on the (loss)/earnings of the Enlarged GNB Group are as follows: -

	Audited as at 30 June 2021	(I) After subsequent event up to the LPD <sup>(2)</sup>	Proposed Regularisation Plan			
			(II) After (I) and the Proposed Share Consolidation	(III) After (II) and the Proposed Acquisition	(IV) After (III) and the Proposed Debt Settlement	(V) After (IV) and the Proposed Private Placement
			RM	RM	RM	RM
(LAT)/PAT	(1,991,855) <sup>(1)</sup>	288,131	288,131	25,908,912 <sup>(3)</sup>	25,908,912 <sup>(3)</sup>	21,508,912 <sup>(4)</sup>
No. of GNB Shares	288,750,000	288,750,000	28,875,000	1,708,875,000	1,729,541,667	2,272,589,567
Pro forma (LPS)/EPS (sen) <sup>(3)</sup>	(0.69)	0.10	1.00	1.52	1.50	0.95

Notes: -

- (1) After taking into consideration the LAT of the GNB Group for the FYE 30 June 2021 of approximately RM1.99 million.
- (2) After accounting for the dissolution of GNB's subsidiary, Geranium Limited on 8 October 2021.
- (3) Incorporating Southern Score's audited PAT for the FYE 31 December 2021 of approximately RM35.18 million and adjustment arising from reverse acquisition of approximately RM9.56 million.
- (4) After taking into consideration the estimated expenses of approximately RM4.40 million in relation to the Proposed Regularisation Plan.

Based on the table above, for the FYE 30 June 2021 and after taking into consideration the subsequent events up to the LPD, GNB recorded a pro forma EPS of 0.10 sen. Following the Proposed Share Consolidation, the EPS of GNB will be adjusted to 1.00 sen. Following the Proposed Share Consolidation, the EPS of GNB will be adjusted to 1.00 sen. Upon completion of the Proposed Acquisition, the pro forma EPS of the Enlarged GNB Group is expected to increase from 1.00 sen to 1.52 sen. Nonetheless, following the Proposed Debt Settlement and Proposed Private Placement, the pro forma EPS of the Enlarged GNB Group will be diluted to 0.95 sen.

Pursuant to the PGA, Super Advantage has provided a Profit Guarantee of RM80.00 million with a minimum PAT of RM10.00 million, RM20.00 million and the remaining shortfall of the Profit Guarantee for the FYE 31 December 2022, 31 December 2023 and 31 December 2024 respectively. Based on the minimum PAT of RM10.00 million and RM20.00 million for the FYE 31 December 2022 and 31 December 2023 respectively, the EPS of the Enlarged GNB Group will be 0.44 sen and 0.88 sen respectively, based on the enlarged number of issued GNB Shares after the Proposed Private Placement.

Premised on the above, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of the Enlarged GNB Group, which may in turn enhance its shareholders' value.

## 9.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Share Consolidation, Proposed Acquisition, Proposed Debt Settlement and Proposed Private Placement on the substantial shareholders' shareholdings are as follows: -

Name	As at the LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
CTP	23,688,000	8.20	6,300,000 <sup>(1)</sup>	2.18	2,368,800	8.20	630,000 <sup>(1)</sup>	2.18
Super Advantage	-	-	-	-	-	-	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	-	-	-	-	-	-
Gan Yee Hin	-	-	-	-	-	-	-	-

Name	(II) After (I) and the Proposed Acquisition				(III) After (II) and the Proposed Debt Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
CTP	2,368,800	0.14	630,000 <sup>(1)</sup>	0.04	23,035,467	1.33	630,000 <sup>(1)</sup>	0.04
Super Advantage	1,680,000,000	98.31	-	-	1,680,000,000	97.14	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(2)</sup>	98.31	-	-	1,680,000,000 <sup>(2)</sup>	97.14
Gan Yee Hin	-	-	1,680,000,000 <sup>(2)</sup>	98.31	-	-	1,680,000,000 <sup>(2)</sup>	97.14

Name	(IV) After (III) and the Proposed Private Placement			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
CTP	23,035,467	1.01	630,000 <sup>(1)</sup>	0.03
Super Advantage	1,680,000,000	73.92	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(2)</sup>	73.92
Gan Yee Hin	-	-	1,680,000,000 <sup>(2)</sup>	73.92

Notes: -

(1) Deemed interested through the direct interests of his spouse's (Leong Sau Ching) and son's (Chai Yi Jian) shareholdings in the Company.

(2) Deemed interested through the direct interests of Super Advantage in the Company.

Based on the table above, upon completion of the Proposed Acquisition, the collective shareholdings of Super Advantage and its PACs will increase from nil to approximately 98.31% and subsequently decrease to approximately 97.14 % and 73.92% after the Proposed Debt Settlement and Proposed Private Placement respectively. We note that Super Advantage and its PACs have no intention to undertake the Mandatory Offer and will seek an exemption from the SC pursuant to subparagraph 4.08(1)(a) of the Rules from the obligation to undertake the Mandatory Offer.



In addition, upon completion of the Proposed Acquisition, the public shareholding spread of GNB will decrease from 87.06% to 1.47% and further decrease to 1.45% after the Proposed Debt Settlement and subsequently increase to 25.01% upon completion of the Proposed Private Placement. Accordingly, upon completion of the Proposed Private Placement, the public shareholding spread of the Company would be in compliance with Rule 8.02(1) of the Listing Requirements.

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## 9.5 Convertible securities

The Company does not have any outstanding convertible securities as at the LPD.

**Premised on the above, the Proposed Regularisation Plan is expected to regularise the financial condition of the Company which will result in the uplifting of the GN3 status of GNB.**

**Based on the foregoing, we are of the view that the effects arising from the Proposed Regularisation Plan are acceptable.**

**In addition, in view that the Proposed Exemption is necessary to successfully complete the Proposed Regularisation Plan due to the inter-conditionality, we are of the opinion that granting approval for the Proposed Exemption by the non-interested shareholders of GNB is justifiable.**

## 10. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF THE ENLARGED GNB GROUP

We take note of the industry overview and outlook of the Malaysian economy, the construction services industry in Malaysia, the IBS in Malaysia as well as the prospects of the Enlarged GNB Group as set out in Section 9 of Part A of the Circular.

According to the IMR Report prepared by Providence Strategic Partners Sdn Bhd dated 25 July 2022, based on the value of awarded projects, the construction industry in Malaysia grew from RM130.3 billion in 2016 to RM181.7 billion in 2019 at a CAGR of 11.7%. During this period, the value of awarded residential construction activities also registered positive growth from RM34.9 billion to RM36.7 billion at a CAGR of 1.7%. The value of awarded projects construction projects contracted from RM181.7 billion in 2019 to RM86.2 billion in 2020 at a year-on-year rate of 52.6% before rising to RM124.9 billion in 2021. Comparatively, the value of awarded residential construction projects also contracted from RM36.7 billion in 2019 to RM28.8 billion in 2020 (year-on-year rate of 21.5%) and RM27.2 billion (year-on-year rate of 5.6%) in 2021).

Notwithstanding the above, growth in the construction sector is expected to rebound in 2022 following the reopening of Malaysia's economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the Budget 2022 measures will support growth in the civil engineering and special trade subsectors. The residential subsector is projected to benefit from new housing projects and launches, in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

Further, according to the IMR Report prepared by Providence Strategic Partners Sdn Bhd dated 25 July 2022, the Malaysian construction industry is moving towards the use of IBS, driven by the Malaysian Government initiatives, the expected growth in residential property construction, and a growing awareness about the benefits of IBS products. IBS was introduced to Malaysia as a solution to issues related to over-dependence on foreign workers, increasing demand for affordable accommodation, and improving the image, quality and productivity of the construction industry

Upon completion of the Proposed Acquisition, the principal activities of the Company would comprise the provision of construction services mainly for high-rise residential buildings which involves the provision of professional project management services. In view of the above overview and outlook of the construction industry in Malaysia which is expected to recover and grow gradually supported by the 2021 Budget, PEMERKASA and PEMERKASA+ stimulus packages as well as the initiatives of the Malaysian Government encouraging the construction industry to use IBS, which is an important part of the nation's sustainable construction initiative, the Enlarged GNB Group is expected to benefit from the acquisition of Southern Score.

**Premised on the above, we are of the view that the prospects of the Enlarged GNB Group following the completion of the Proposed Regularisation Plan is favourable, after taking into consideration, amongst others, the historical financial performance of Southern Score, the potential synergies to be realised such as enhancement of shareholders' value, the competitive strengths and future plans which are expected to sustain the business of the Enlarged GNB Group in the construction services industry upon completion of the Proposed Regularisation Plan pursuant to the Proposed Acquisition as detailed in Section 6.2 of this IAL as well as the outlook of the construction services industry and the IBS in Malaysia.**

Nevertheless, we wish to highlight that the future plans, strategies and prospects undertaken and to be undertaken are subject to the specific risk factors attributable to the business and operations of Southern Score as disclosed in Section 10 of Part A of the Circular which may have an adverse effect on the business and performance of the Enlarged GNB Group upon the completion of the Proposed Regularisation Plan.

## 11. IMPLICATION ARISING FROM THE PROPOSED EXEMPTION

You should note that the SC may consider granting the Proposed Exemption if Super Advantage and its PACs have satisfied, amongst others, the following conditions pursuant to subparagraph 4.08(2) of the Rules: -

- (i) there has been no acquisition of GNB Shares or instruments convertible into the GNB Shares and options in respect of the GNB Shares (other than subscriptions for new GNB Shares or new instruments convertible into or options in respect of new GNB Shares which have been disclosed in the whitewash circular) by Super Advantage and its PACs in the six (6)-month period prior to the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of GNB in relation to the Proposed Regularisation Plan until the completion of the Proposed Regularisation Plan (“Disqualifying Transaction”); and
- (ii) approval has been obtained from the non-interested shareholders of GNB at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the mandatory take-over offer from Super Advantage and its PACs.

Pursuant to subparagraph 4.08(2) of the Rules, an exemption granted will be invalidated if Super Advantage and its PACs has engaged or engages in a Disqualifying Transaction.

The impacts of GNB’s non-interested shareholders’ votes on the Proposed Exemption to be tabled at the forthcoming EGM are as follows: -

### 11.1 If you VOTE IN FAVOUR of the Proposed Exemption

- (i) Should you vote in favour of the Proposed Exemption, the SC would be able to consider the application to be made by Kenanga IB, on behalf of Super Advantage and its PACs for the Proposed Exemption. An approval from the SC would then exempt Super Advantage and its PACs from the obligation to undertake the Mandatory Offer.
- (ii) Your approval of the Proposed Exemption will imply that you have agreed to waive your rights to a general offer from Super Advantage (which shall be undertaken at a price no lower than the highest price paid by Super Advantage and its PACs for the GNB Shares in the past six (6) months preceding the commencement of the offer) and exempt Super Advantage from the obligation to undertake the Mandatory Offer arising from the increase in its shareholdings in the Company upon completion of the Proposed Acquisition.
- (iii) It is pertinent to note that the Proposed Exemption will allow the shareholding of Super Advantage increase from nil to approximately 98.31% after the Proposed Acquisition. As such, the public shareholding spread of the Company will fall below 25% after the Proposed Acquisition, resulting in non-compliance with Rule 8.02(1) of the Listing Requirements which requires the Company to ensure that at least 25% of the total issued GNB Shares (excluding treasury shares) are in the hands of public shareholders.  
  
Should you vote in favour of the Proposed Exemption, upon completion of the Proposed Acquisition, the Company will undertake the Proposed Private Placement to address the shortfall in its public shareholding spread in order to maintain the listing status of the Company.
- (iv) It is also pertinent to note that if the Proposed Exemption is approved by the non-interested shareholders of the Company and granted by the SC, Super Advantage and its PACs may collectively hold more than 50% of the enlarged number of issued

GNB Shares after the Proposed Acquisition without having to undertake a mandatory take-over offer.

Upon completion of the Proposed Regularisation Plan, Super Advantage and its PACs may collectively increase their shareholdings in the Company without incurring any further obligation to make a mandatory take-over offer in the future. In addition, Super Advantage and its PACs will have statutory control over GNB and as such, will be able to determine the outcome of any resolutions (which requires a simple majority of 50% + 1 share) at a general meeting, and will be able to significantly influence the outcome of any special resolution which requires a majority of 75% tabled at general meetings, unless they are required to abstain from voting.

- (v) As the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals, without the Proposed Exemption, the Proposed Regularisation Plan will not proceed. Therefore, voting in favour of the Proposed Exemption will enable the Company to regularise its GN3 status as well as to benefit from the Proposed Acquisition.

#### **11.2 If you VOTE AGAINST the Proposed Exemption**

- (i) The SC would not be able to consider the application to be made by Kenanga IB, on behalf of Super Advantage and its PACs for the Proposed Exemption.
- (ii) GNB will not be able to undertake the Proposed Acquisition as the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals. Accordingly, the Proposed Regularisation Plan would be aborted and as such the current condition of the Company will remain and any potential benefits arising from the Proposed Acquisition as detailed in Section 6.2 of this IAL will not materialise.

### **12. FUTURE PLANS FOR THE ENLARGED GNB GROUP AND ITS EMPLOYEES**

Pursuant to paragraph 8, Schedule 2: Part II of the Rules, Super Advantage and its PACs have confirmed that they do not intend to effect any major change to the following: -

- (i) the continuation of the business of the Enlarged GNB Group;
- (ii) the business of the Enlarged GNB Group, including any plans to liquidate the Enlarged GNB Group, sell any material assets or re-deploy the fixed assets or effect any other major change in the structure of the Enlarged GNB Group; and
- (iii) the continued employment of the employees or employment policies of the Enlarged GNB Group,

except where such changes are in the ordinary course of the Enlarged GNB Group's business or are necessary to rationalise or improve the Enlarged GNB Group's operations. Super Advantage and its PACs shall retain the flexibility at any time to consider any options which are in the best interests of the Enlarged GNB Group that may present themselves.

The long-term commercial justification of Super Advantage and its PACs for the Proposed Exemption is to ensure the success of the Proposed Regularisation Plan which will regularise the Company's GN3 status and to maintain the listing status of GNB on the ACE Market of Bursa Securities.

### **13. FURTHER INFORMATION**

The non-interested shareholders of GNB are advised to refer to Part A of the Circular together with the accompanying appendices for further information.

## **14. CONCLUSION AND RECOMMENDATION**

We have assessed and evaluated the Proposed Exemption on a holistic basis to arrive at our conclusion and recommendation in accordance with Schedule 2: Part III of the Rules. Due to the inter-conditionality of the Proposed Regularisation Plan, in carrying out our evaluation of the Proposed Exemption, we have also evaluated the merits and demerits of the other proposals to arrive at our overall opinion on the Proposed Exemption to provide the non-interested shareholders of the Company with a holistic view of the Proposed Regularisation Plan and the impact it has on the Proposed Exemption.

You should carefully consider the merits and demerits of the Proposed Exemption as well as the other proposals in the Proposed Regularisation Plan based on all relevant and pertinent factors including those which are set out in this IAL and Part A of the Circular before voting on the ordinary resolution in respect of the Proposed Exemption at the forthcoming EGM.

The following are the summary of the potential advantages and disadvantages of the Proposed Exemption: -

### **(A) Potential Advantages**

- (i) The proposals within the Proposed Regularisation Plan are inter-conditional upon each other. The Proposed Exemption will facilitate the implementation of the Proposed Acquisition which will enable the Company to regularise its financial condition and uplift its GN3 status and allow the Company to be in compliance with the Public Shareholding Spread Requirement and Bumiputera equity requirement after the Proposed Private Placement in order to maintain its listing status on the ACE Market of Bursa Securities. As such, voting in favour of the Proposed Exemption facilitates the successful implementation of the Proposed Regularisation Plan;
- (ii) The Proposed Exemption will allow the Company to diversify its existing business into the construction services industry which provide a new source of business revenue and income to the Enlarged GNB Group.
- (iii) The Proposed Exemption will enable the existing shareholders of the Company to participate in the future growth of the Enlarged GNB Group as detailed in Section 6.2(iii) of this IAL which is led by Southern Score's experienced and technically strong management team with a proven track record in the construction services industry; and
- (iv) The Purchase Consideration is below the valuation range of Southern Score of RM258.27 million and RM275.54 million as indicated by the DCF Method and is within the range of the Comparable Companies of RM151.68 million to RM261.31 million as indicated by relative valuation.

### **(B) Potential Disadvantages**

- (i) Given that the Proposed Acquisition and Proposed Exemption are inter-conditional upon each other and also inter-conditional upon the other proposals, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted and as such the current condition of the Company will remain and any potential benefits arising from the Proposed Acquisition as detailed in Section 6.2 of this IAL will not materialise;
- (ii) The Proposed Exemption will allow shareholdings of Super Advantage and its PACs increase from nil to approximately 98.31% after the Proposed Acquisition which will in turn obtain statutory control over the Company whilst diluting the shareholdings of the non-interested shareholders of GNB from 91.80% to 1.55% after the Proposed Acquisition. With shareholdings of more than 50%, as a result of the Proposed Exemption, any further increase in the shareholdings of Super Advantage and its PACs will not be subject to a mandatory take-over offer under subparagraph 4.01(a) of the Rules;

- (iii) The Proposed Exemption would deny the opportunity for the non-interested shareholders to exit through Mandatory Offer; and
- (iv) The Enlarged GNB Group will be exposed to risk factors inherent in the business of Southern Score Group. Upon completion of the Proposed Regularisation Plan, some of these risk factors can be properly managed and mitigated.

Based on our overall evaluation, we are of the opinion that the Proposed Exemption is **fair and reasonable**.

Accordingly, we recommend that you **vote in favour** of the ordinary resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

Yours faithfully  
For and on behalf of  
**MALACCA SECURITIES SDN BHD**

**TAN KOK TIAM**  
Head  
Corporate Finance

**TAN POH LIN**  
Senior Vice President  
Corporate Finance

## 1. HISTORY AND PRINCIPAL ACTIVITIES

GNB was incorporated in Malaysia on 18 July 2003 under the Companies Act, 1965 and deemed registered under the Act as a private limited company under the name of GPRO Technologies Sdn Bhd. GNB was converted into a public limited company on 22 October 2003 and assumed the name of GPRO Technologies Berhad. GNB was listed on the MESDAQ Market of Bursa Securities (now known as ACE Market of Bursa Securities) on 2 June 2004. GNB subsequently changed its name to G Neptune Berhad on 7 July 2014.

GNB was involved in the information technology industry specializing in software for the apparel/textile industry while its subsidiary was involved in the trading of cosmetics, garments and electronic products. As at the LPD, GNB has ceased all its business operations.

On 30 November 2017, the Board of GNB announced that the Company has been classified as an affected listed issuer pursuant to GN3 of the Listing Requirements as it triggered the prescribed criteria under Rules 2.1(a) and (b) pursuant to GN3 of the Listing Requirements as follows: -

- (i) the shareholders' equity of the Company was less than 25% of its share capital; and
- (ii) the Company also incurred loss for one (1) full financial year after its listing, which exceeded the amount of its shareholders' equity at the end of the FPE 30 September 2017 and the shareholders' equity was less than 50% of the share capital of the Company at the end of the said financial period.

## 2. SHARE CAPITAL

### 2.1 Issued share capital

As at the LPD, GNB has a share capital of RM9,792,835 comprising 288,750,000 GNB Shares.

As at the LPD, there is only one (1) class of shares in GNB i.e., the GNB Shares. All the GNB Shares rank *pari passu* in terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions (including any capital distributions) which may be declared, made or paid to shareholders.

### 2.2 Changes in the issued share capital

There are no changes in the issued share capital of the Company since the end of the FYE 30 June 2021 up to the LPD.

### 2.3 Convertible securities

The Company does not have any outstanding options, warrants or convertible securities as at the LPD.

## 3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholder of the Company as at the LPD is as follows: -

Name	Nationality	Direct		Indirect	
		No. of GNB Shares	%	No. of GNB Shares	%
CTP	Malaysian	23,688,000	8.20	6,300,000 <sup>(1)</sup>	2.18

Note: -

- (1) Deemed interested through the direct interests of his spouse's (Leong Sau Ching) and son's (Chai Yi Jian) shareholdings in the Company.

**INFORMATION ON GNB (cont'd)****4. DIRECTORS**

The Directors of GNB together with their shareholdings as at the LPD are as follows: -

Name/ Nationality	Designation	Address	Direct		Indirect	
			No. of GNB Shares	%	No. of GNB Shares	%
Dato' Haji Mohd Amran bin Wahid/ Malaysian	Non- Independent Non-Executive Chairman	No. 18, Lorong Mentiga Jaya 11, Taman Mentiga Jaya, 26600 Pekan, Pahang, Malaysia	7,400,000	2.56	-	-
CTP/ Malaysian	Executive Director	22A, Lorong Seri Kuantan 17, Off Jalan Beserah, 25200 Kuantan, Pahang, Malaysia	23,688,000	8.20	6,300,000 (1)	2.18
Cheah Hannon/ Malaysian	Independent Non-Executive Director	6, Lengkok Zaaba 1, Taman Tun Dr. Ismail, 60000, Kuala Lumpur, Wilayah Persekutuan, Malaysia	-	-	-	-
Peter Ling Sie Wuong/ Malaysian	Independent Non-Executive Director	22, Jalan LE 1/1, Persiaran Lake Edge, 47160, Puchong, Selangor, Malaysia	-	-	-	-

Note: -

(1) Deemed interested through the direct interests of his spouse's (Leong Sau Ching) and son's (Chai Yi Jian) shareholdings in the Company.

**5. SUBSIDIARY AND ASSOCIATED COMPANIES**

As at the LPD, the Company does not have any subsidiary and associated company.

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## INFORMATION ON GNB (cont'd)

## 6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the GNB Group based on the audited consolidated financial statements for the past three (3) FYEs 30 June 2019 to 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022 are as follows: -

	Audited			Unaudited
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	Nine (9)-month FPE 31 March 2022
	RM	RM	RM	RM
Revenue	-	-	-	-
(Loss)/profit before tax	(1,002,268)	(2,095,433)	(1,991,855)	1,861,934
Net (loss)/profit for the financial year/period	(1,002,268)	(2,095,433)	(1,991,855)	1,861,934
(Loss)/Profit attributable to the owners of the Company	(1,002,268)	(2,095,433)	(1,991,855)	1,861,934
No. of ordinary shares in issue	288,750,000	288,750,000	288,750,000	288,750,000
(LPS)/EPS attributable to the owners of the Company (sen): -				
- Basic and diluted	(0.35)	(0.73)	(0.69)	0.64

GNB has not declared any dividend for the past three (3) FYEs 30 June 2019 to 30 June 2021.

Save for the gain from the dissolution of Geranium of RM2.28 million, there is no exceptional item and non-controlling interest in the GNB Group's audited consolidated financial statements for the past three (3) FYEs 30 June 2019 to 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022.

Please refer to Section 1 of Appendix II(B) of the Circular for further details of the financial information on the GNB Group.

## 7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the GNB Group based on the audited consolidated financial statements for the past three (3) FYEs 30 June 2019 to 30 June 2021 and unaudited consolidated financial statements for the nine (9)-month FPE 31 March 2022 are as follows: -

	Audited			Unaudited
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	Nine (9)-month FPE 31 March 2022
	RM	RM	RM	RM
<b>Assets</b>				
<b>Current assets</b>				
Other receivables	-	-	-	-
Tax recoverable	39,607	39,607	-	-
Cash and bank balances	9,982	10,137	10,019	6,530
	49,589	49,744	10,019	6,530
<b>TOTAL ASSETS</b>	<b>49,589</b>	<b>49,744</b>	<b>10,019</b>	<b>6,530</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	9,792,835	9,792,835	9,792,835	9,792,835
Reserves	(13,923,150)	(16,143,969)	(18,038,586)	(15,435,757)
	<b>(4,130,315)</b>	<b>(6,351,134)</b>	<b>(8,245,751)</b>	<b>(5,642,922)</b>
<b>Current liabilities</b>				
Other payables and accruals	3,058,398	4,533,943	5,318,758	983,136

**INFORMATION ON GNB (cont'd)**

	Audited			Unaudited
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	Nine (9)-month FPE 31 March 2022
	RM	RM	RM	RM
Amount due to directors	1,121,096	1,866,506	2,936,597	4,666,316
Tax payable	410	429	415	-
<b>TOTAL LIABILITIES</b>	<b>4,179,904</b>	<b>6,400,878</b>	<b>8,255,770</b>	<b>5,649,452</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>49,589</b>	<b>49,744</b>	<b>10,019</b>	<b>6,530</b>

As at the LPD, there is no known material change in the financial position or prospects of the GNB Group subsequent to the latest audited consolidated financial statements for the FYE 30 June 2021.

**8. ACCOUNTING POLICIES**

The audited consolidated financial statements of GNB for the FYE 30 June 2019, FYE 30 June 2020 and FYE 30 June 2021 have been prepared based on approved Malaysian accounting standards.

Save as disclosed below, there was no other audit qualification for GNB's financial statements for the respective years under review: -

The external auditors had issued a disclaimer of opinion for the audited consolidated financial statements of GNB for the FYE 30 June 2019, FYE 30 June 2020 and FYE 30 June 2021 in respect of the following: -

- (i) The external auditors were unable to obtain sufficient appropriate audit evidence to confirm the accuracy of the carrying amount stated or whether any further liabilities are required to be provided in the financial statements in relation to these loan payables as the external auditors were unable to obtain external confirmations from the lenders.
- (ii) The external auditors were unable to obtain sufficient appropriate audit evidence to confirm the accuracy of the carrying amount stated or whether any further liabilities are required to be provided in the financial statements.
- (iii) The external auditors were unable to evaluate the appropriateness of management's use of going concern basis of accounting. Therefore, the external auditors are not able to form an opinion as to whether the use of going concern assumption in the preparation of the accompanying financial statements of the GNB Group and of the Company is appropriate.

There is no change in the accounting standards adopted by GNB which would result in a material variation to the comparable figures for the audited consolidated financial statements of GNB for the past three (3) FYEs 30 June 2019 to 30 June 2021.

**9. CONTINGENT LIABILITIES**

As at the LPD, the Company does not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

**10. MATERIAL CONTRACTS**

Further details on material contract of GNB are set out in Section 3.1 of Appendix IX of the Circular.

**11. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

Further details on material litigation, claims and arbitration of GNB are set out in Section 4.1 of Appendix IX of the Circular.

**INFORMATION ON GNB (cont'd)****12. HISTORICAL SHARE PRICES**

The highest and lowest closing market prices and the closing prices at the end of each month of the GNB Shares for the period commencing from January 2021 (being six (6) months before the announcement of the Proposed Regularisation Plan on 9 July 2021) up to the LPD are set out below:

-

	High RM	Low RM	Closing price as at the end of the month RM
<b>2021</b>			
January	_*	_*	_*
February	_*	_*	_*
March	_*	_*	_*
April	_*	_*	_*
May	_*	_*	_*
June	_*	_*	_*
July	_*	_*	_*

(Source: Bloomberg)

Note: -

\* The trading of the existing GNB Shares on the ACE Market of Bursa Securities has been suspended with effect from 14 December 2020 and will continue to be suspended up to the completion of the Proposed Regularisation Plan.

The last transacted market price of GNB Shares on 11 December 2020 (being the last trading date of the existing GNB Shares on the ACE Market of Bursa Securities) was RM0.015 per GNB Share.

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**INFORMATION ON SUPER ADVANTAGE****1. HISTORY AND PRINCIPAL ACTIVITIES**

Super Advantage was incorporated in Malaysia on 30 September 2014 under Companies Act, 1965 and deemed registered under the Act as a private limited company, under its present name.

Super Advantage is principally involved in investment holding.

**2. SHARE CAPITAL**

As at the LPD, Super Advantage has an issued share capital of RM1,000 comprising 1,000 ordinary shares in Super Advantage.

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of Super Advantage as at the LPD are as follows: -

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Sri Datuk Seri Gan Yu Chai	Malaysian	800	80.00	200 <sup>(1)</sup>	20.00
Gan Yee Hin	Malaysian	200	20.00	-	-

Note: -

(1) Deemed interested through the direct interests of his son's (Gan Yee Hin) shareholding in Super Advantage.

Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin are the PACs of Super Advantage.

**4. DIRECTORS**

The directors of Super Advantage together with their shareholdings as at the LPD are as follows: -

Name/Nationality	Designation	Address	Direct		Indirect	
			No. of shares	%	No. of shares	%
Tan Sri Datuk Seri Gan Yu Chai/ Malaysian	Director	No. 1, Jalan Perdana 2/16, Pandan Perdana, 55300 Kuala Lumpur, Wilayah Persekutuan, Malaysia	800	80.00	200 <sup>(1)</sup>	20.00
Gan Yee Hin/ Malaysian	Director	No. 1, Jalan Perdana 2/16, Pandan Perdana, 55300 Kuala Lumpur, Wilayah Persekutuan, Malaysia	200	20.00	-	-

Note: -

(1) Deemed interested through the direct interests of his son's (Gan Yee Hin) shareholding in Super Advantage.

**INFORMATION ON SUPER ADVANTAGE (cont'd)****5. SUBSIDIARY AND ASSOCIATED COMPANIES**

The subsidiary of Super Advantage as at the LPD is as follows: -

<b>Name of company</b>	<b>Country of incorporation</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
Southern Score	Malaysia	100	Principally involved in the provision of construction services mainly for high-rise residential buildings

As at the LPD, Super Advantage does not have any associated company.

**6. PROFIT AND DIVIDEND RECORD**

The profit and dividend record of Super Advantage based on the audited financial statements for the past three (3) FYEs 31 December 2019 to 31 December 2021 are as follows: -

	<b>Audited</b>		
	<b>FYE 31 December 2019</b>	<b>FYE 31 December 2020</b>	<b>FYE 31 December 2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	47,997,036	148,807,528	285,000,645
PBT	9,385,349	25,505,917	46,424,152
PAT	6,867,729	19,190,613	35,114,517
Profit attributable to the owners of Super Advantage	6,867,729	19,190,613	35,114,517
No. of ordinary shares in issue	1,000	1,000	1,000
EPS attributable to the owners of Super Advantage (RM): -			
- Basic and diluted	6,867.73	19,190.61	35,114.52
Net dividend per ordinary shares in Super Advantage (RM)	-	14,800	25,000

There is no exceptional item and non-controlling interest in Super Advantage's audited financial statements for the past three (3) FYEs 31 December 2019 to 31 December 2021.

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**INFORMATION ON SUPER ADVANTAGE (cont'd)****7. STATEMENT OF ASSETS AND LIABILITIES**

The statement of assets and liabilities of Super Advantage based on the audited financial statements for the past three (3) FYEs 31 December 2019 to 31 December 2021 are as follows: -

	<b>Audited</b>		
	<b>FYE 31 December 2019</b>	<b>FYE 31 December 2020</b>	<b>FYE 31 December 2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-current assets</b>			
Property, plant and equipment	295,359	365,939	823,878
Associate	-	-	257,983
	<b>295,359</b>	<b>365,939</b>	<b>1,081,861</b>
<b>Current assets</b>			
Trade receivables	35,297,714	59,770,371	71,251,409
Contract assets	3,334,792	16,648,168	21,514,696
Other receivables, deposits and prepayment	620,912	1,551,664	5,603,420
Current tax assets	1,734,106	-	-
Cash and bank balances	6,209,507	2,733,439	4,169,605
	<b>47,197,031</b>	<b>80,703,642</b>	<b>102,539,130</b>
<b>TOTAL ASSETS</b>	<b>47,492,390</b>	<b>81,069,581</b>	<b>103,620,991</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1,000	1,000	1,000
Retained profits	6,845,889	11,236,502	21,351,019
	<b>6,846,889</b>	<b>11,237,502</b>	<b>21,352,019</b>
<b>Non-current liabilities</b>			
Lease liability	-	-	126,347
Deferred taxation	11,617	30,000	68,000
	<b>11,617</b>	<b>30,000</b>	<b>194,347</b>
<b>Current liabilities</b>			
Trade payables	27,011,942	53,260,833	74,033,807
Contract liabilities	8,067,582	-	462,637
Other payables and accruals	1,198,314	1,115,512	3,406,125
Lease liability	3,177,655	-	33,690
Amount owing to a director	1,178,391	-	-
Proposed dividend	-	14,800,000	-
Current tax liabilities	-	625,734	4,138,366
	<b>40,633,884</b>	<b>69,802,079</b>	<b>82,074,625</b>
<b>TOTAL LIABILITIES</b>	<b>40,645,501</b>	<b>69,832,079</b>	<b>82,268,972</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47,492,390</b>	<b>81,069,581</b>	<b>103,620,991</b>

As at the LPD, there is no known material change in the financial position or prospects of Super Advantage subsequent to the latest audited financial statements for the FYE 31 December 2021.

**8. ACCOUNTING POLICIES**

The audited financial statements of Super Advantage for the FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021 have been prepared based on approved Malaysian accounting standards and there was no audit qualification for Super Advantage's financial statements for the respective years under review.

There is no change in the accounting standards adopted by Super Advantage which would result in a material variation to the comparable figures for the audited financial statements of Super Advantage for the past three (3) FYEs 31 December 2019, FYE 31 December 2020 and 31 December 2021.

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This IAL has been seen, reviewed and accepted by the Board of GNB. The Board of GNB, collectively and individually accept full responsibility for the accuracy of all information contained in this IAL (save for the assessment, evaluation and opinion by Malacca Securities) and confirms, after having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the document have been arrived at after due and careful consideration and there are no other facts not contained in this IAL, the omission of which would make any information in this IAL misleading.

The responsibility of the Board of GNB in respect of: -

- (i) the information relating to Super Advantage and its PACs is limited to ensuring that such information is accurately reproduced in this IAL;
- (ii) the information relating to Southern Score and the Vendor (as extracted from Part A of the Circular) is limited to ensuring that such information is accurately reproduced in this IAL; and
- (iii) the independent advice and expression of opinion by Malacca Securities in relation to the Proposed Exemption is limited to ensuring that accurate information in relation to GNB was provided to Malacca Securities for its evaluation of the Proposed Regularisation Plan and to ensure that all information in relation to GNB that are relevant to Malacca Securities' evaluation of the Proposed Regularisation Plan have been completely disclosed to Malacca Securities and that there is no material fact, the omission of which would make any information provided to Malacca Securities false or misleading.

**2. DISCLOSURE OF INTEREST AND DEALING IN SHARES****2.1 By the directors of Super Advantage, Super Advantage and its PACs****(i) Interest in GNB**

As at the LPD, the directors of Super Advantage, Super Advantage and its PACs do not have any interest, whether direct or indirect, in any voting shares or convertible securities of GNB.

**(ii) Dealings in the voting shares or convertible securities of GNB**

The directors of Super Advantage, Super Advantage and its PACs have not dealt, directly or indirectly, in any voting shares or convertible securities of GNB during the period commencing six (6) months prior to the Announcement and ending on the LPD.

**2.2 By persons who, prior to the sending of the Circular, have irrevocably committed to vote in favour or against the Proposed Exemption**

As at the LPD, there are no persons who, prior to the sending of the Circular, have irrevocably committed to vote in favour or against the Proposed Exemption.

**2.3 By persons with whom Super Advantage or any PAC has any arrangement**

As at the LPD, there is no person with whom Super Advantage or any PAC has entered into any arrangement including any arrangement involving rights over GNB Shares, any indemnity arrangement, and any agreement or understanding, formal or informal, or whatever nature, relating to GNB Shares which may be an inducement to deal or refrain from dealing.

**FURTHER INFORMATION (cont'd)****2.4 By persons with whom Super Advantage or any PAC has borrowed or lent**

As at the LPD, there are no persons with whom Super Advantage or any PAC has borrowed or lent any voting shares or convertible securities of GNB.

**2.5 By GNB and the Directors of GNB****(i) Interest in Super Advantage and its PACs**

As at the LPD, GNB and the Directors of GNB do not have any interest, whether direct or indirect, in any voting shares or convertible securities of Super Advantage and its PACs.

**(ii) Dealings in the voting shares or convertible securities of Super Advantage and its PACs**

GNB and the Directors of GNB have not dealt, directly or indirectly, in any voting shares or convertible securities of Super Advantage and its PACs during the period commencing six (6) months prior to the Announcement and ending on the LPD.

**(iii) Dealings in the voting shares or convertible securities of GNB**

GNB and the Directors of GNB have not dealt, directly or indirectly, in any voting shares or convertible securities of GNB during the period commencing six (6) months prior to the Announcement and ending on the LPD.

**2.6 By persons with whom GNB or any persons acting in concert with it has any arrangement**

As at the LPD, there is no person with whom GNB or any persons acting in concert with it has entered into any arrangement including any arrangement involving rights over GNB Shares, any indemnity arrangement, and any agreement or understanding, formal or informal, or whatever nature, relating to GNB Shares which may be an inducement to deal or refrain from dealing.

**2.7 By persons with whom GNB or any persons acting in concert with it has borrowed or lent**

As at the LPD, there are no persons with whom GNB or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of GNB.

**2.8 By Malacca Securities and funds whose investments are managed by Malacca Securities on a discretionary basis**

As at the LPD, Malacca Securities is not involved in management of funds on a discretionary basis.

**3. ARRANGEMENT AFFECTING DIRECTORS OF GNB**

- (i) As at the LPD, no payment or other benefit which will be made or given to any Director of GNB as compensation for loss of office or otherwise in connection with the Proposed Exemption.
- (ii) As at the LPD, there is no agreement or arrangement between any Director of GNB and any other person which is conditional on or dependent upon the outcome of the Proposed Exemption or otherwise connected with the outcome of the Proposed Exemption.
- (iii) As at the LPD, Super Advantage and its PACs have not entered into any material contract in which any Director of GNB has a material personal interest.



**FURTHER INFORMATION (cont'd)**

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- (iv) As at the LPD, there is no agreement, arrangement or understanding exists between Super Advantage and its PACs and any Directors or recent Directors of GNB, holders of voting shares or voting rights or recent holders of voting shares or voting rights of GNB having any connection with or dependence upon the Proposed Exemption, including full particulars of the agreement, arrangement or understanding.

**4. SERVICE CONTRACTS**

As at the LPD, GNB and/or its subsidiaries do not have any service contracts with any Directors or proposed Directors of the GNB Group, which have been entered into or amended within six (6) months before the Announcement or which are fixed term contracts with more than twelve (12) months to run.

For the purposes of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within twelve (12) months from the date of this IAL.

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**PART C**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE  
PROPOSED CHANGE OF NAME**

**G NEPTUNE BERHAD**  
(Registration No. 200301019817 (622237-D))  
(Incorporated in Malaysia)

**Registered Office:**

Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3 Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

22 August 2022

**Board of Directors**

Dato' Haji Mohd Amran Bin Wahid (*Non-Independent Non-Executive Chairman*)  
Chai Tham Poh (*Executive Director*)  
Cheah Hannon (*Independent Non-Executive Director*)  
Peter Ling Sie Wuong (*Independent Non-Executive Director*)

**To: Shareholders of GNB**

Dear Shareholders,

**PROPOSED CHANGE OF NAME**

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**1. INTRODUCTION**

On 8 August 2022, the Board of GNB announced that the Company is proposing to change its name from "G Neptune Berhad" to "Southern Score Builders Berhad".

**THE PURPOSE OF PART C OF THIS CIRCULAR IS TO PROVIDE SHAREHOLDERS OF GNB WITH THE DETAILS OF THE PROPOSED CHANGE OF NAME AND TO SEEK APPROVAL FROM GNB'S SHAREHOLDERS FOR THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**GNB'S SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART C OF THIS CIRCULAR BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM.**

**2. DETAILS AND RATIONALE OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name entails the change of the Company's name to "Southern Score Builders Berhad". The Proposed Change of Name is undertaken to better reflect the Company's corporate identity moving forward whereby it will be principally involved in the provision of construction management services including the construction of buildings.

In conjunction with the Proposed Change of Name, the Constitution of the Company will be amended accordingly. All references in the Constitution wherever the name of "G Neptune Berhad" appears shall be deleted and substituted with "Southern Score Builders Berhad".

### **3. EFFECTS OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name will not have any effect on the issued share capital, NA and gearing, earnings as well as Substantial Shareholders' shareholdings of the Enlarged GNB Group.

### **4. APPROVAL REQUIRED**

The use of the proposed name "Southern Score Builders Berhad" was approved and reserved by the CCM on 19 July 2022, in which the reservation of name is valid for a period of 30 days from 19 July 2022 ("**Validity Period**"). Subsequently, the Validity Period was extended by 150 days to 15 January 2023. The Proposed Change of Name is subject to the approval being obtained from the shareholders of GNB at the forthcoming EGM.

The Proposed Change of Name, if approved by the shareholders of GNB, will be effective from the date of issuance of the Notice of Registration of New Name by the CCM.

### **5. CONDITIONS OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name is conditional upon the Proposed Regularisation Plan, but not vice versa.

### **6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM**

None of the directors, major shareholders, chief executive of GNB and persons connected with them has any direct or indirect interest in the Proposed Change of Name.

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

The Board of GNB is of the opinion that the Proposed Change of Name is in the best interest of the Company and its shareholders, after considering all of their aspects, including but not limited to rationale and effects of the of the Proposed Change of Name

Accordingly, the Board of GNB recommends that you vote in favour of the special resolution in relation to the Proposed Change of Name to be tabled at the forthcoming EGM.

### **8. EGM**

The EGM, the notice of which is enclosed in this Circular together with the Form of Proxy, is scheduled to be held at the Boardroom 4, Level 3, Eastin Hotel Kuala Lumpur, No. 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 13 September 2022 at 11.30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the special resolution to give effect to the Proposed Change of Name.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained thereon, so as to arrive at the Company's Share Registrar, Mega Corporate Services Sdn. Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time set for holding the EGM or any adjournment thereof.

The proxy appointment may also be submitted electronically via mega-sharereg@megacorp.com.my, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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

Yours faithfully,  
For and on behalf of the Board  
**G NEPTUNE BERHAD**

**DATO' HAJI MOHD AMRAN BIN WAHID**  
Non-Independent Non-Executive Chairman

## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS

## SECTION A: SSA

The salient terms of the SSA include *amongst others*, the following:

Parties	<table><tr><td>Purchaser</td><td>:</td><td>G Neptune Berhad</td></tr><tr><td>Vendor</td><td>:</td><td>Super Advantage Property Sdn Bhd</td></tr></table>		Purchaser	:	G Neptune Berhad	Vendor	:	Super Advantage Property Sdn Bhd
	Purchaser	:	G Neptune Berhad					
Vendor	:	Super Advantage Property Sdn Bhd						
	(Purchaser and Vendor are collectively referred to as “Parties”)							
Purchase consideration and mode of settlement	The purchase consideration for 1,000,000 Southern Score Shares, representing 100% equity interest in Southern Score (“Sale Shares”) for a Purchase Consideration of RM252,000,000 to be satisfied by the issuance of 1,680,000,000 Consideration Shares at an issue price of RM0.15 each which has been determined on a willing-buyer and willing-seller basis and based on the independent fairness assessment by Malacca Securities on the business of the Target Group.							
Moratorium	<p>The Vendor agrees and undertakes to the Purchaser that the Consideration Shares will be subjected to moratorium during the Moratorium Period and it shall not sell and/or create any Encumbrances over the Consideration Shares during the Moratorium Period.</p> <p>“Encumbrance” means any form of legal, equitable, or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, security interest, hypothecation, option, right of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise), any other encumbrance or condition whatsoever, or any other arrangements having similar effect.</p> <p>“Moratorium Period” refers to the moratorium period as set out in Rule 3.19 of the Listing Requirements.</p>							
Conditions precedent	<p>(i) Conditions</p> <p>(a) The Parties agree that the Proposed Acquisition is conditional upon the effective fulfilment of the following conditions precedent (“Conditions Precedent”):</p> <ol style="list-style-type: none"><li>1. There are no material adverse findings on the Target Group based on the results of the legal due diligence inquiry to be conducted on the Target Group by the Purchaser’s representatives.</li><li>2. The approval of the SC’s Equity Compliance Unit in relation to the resultant Bumiputera equity structure of the Purchaser under the Bumiputera equity requirement for public listed companies pursuant to the Proposed Regularisation Plan.</li><li>3. The approval-in-principle of Bursa Securities in relation to the Proposed Regularisation Plan.</li><li>4. The approval of the shareholders and the board of directors of the Purchaser for the Proposed Acquisition and the allotment and issuance of the Consideration Shares to the Vendor and/or their nominee(s) as may be nominated by the Vendor in writing pursuant to the Proposed Acquisition.</li></ol>							

## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

	<p>5. The approval of the directors of the Target Company for the:</p> <ul style="list-style-type: none"> <li>• transfer of the Sale Shares to the Purchaser;</li> <li>• registration of the Sale Shares under the name of the Purchaser in the register of members of the Target Company; and</li> <li>• issuance of new share certificates in respect of the Sale Shares to the purchaser upon the Completion.</li> </ul> <p>6. The approval of the shareholders of the Purchaser for the Proposed Regularisation Plan.</p> <p>7. The approval of the shareholders of the Target Company for the Proposed Regularisation Plan.</p> <p>8. Any consents or approvals necessary from any governmental or regulatory body or competent authority or third party having jurisdiction over the sale of the Sale Shares having been granted, waived or obtained.</p> <p>9. The discharge of any Encumbrance in respect of the Sale Shares supported by the relevant certificate and/or documents evidencing the satisfaction of such charges as may be filed or registered with the relevant authority, if applicable.</p> <p>10. The execution the PGA.</p> <p>11. The execution of an escrow agreement between the Vendor, the Purchaser and an escrow agent to be jointly appointed with respect to the dealings on the security shares as security for the performance of Profit Guarantee.</p> <p>(b) The Parties undertake to procure the fulfilment of the Conditions Precedent that are applicable to them within 9 months from the date of the SSA or such other dates the Parties may mutually agree in writing ("<b>Conditional Period</b>").</p> <p>(c) The Purchaser and the Vendor may by mutual agreement at any time waive in whole or in part and conditionally or unconditionally any of the Conditions Precedent.</p> <p><b>(ii) Application for approvals</b></p> <p>Each Party will do all things and provide all necessary information reasonably required by the other Party or the relevant authorities to assist the other Party to apply to the relevant authorities.</p> <p><b>(iii) Terms of approvals of relevant authorities</b></p> <p>(a) Subject to subparagraph (iii)(b) as set out below, the Parties agree that any document from any relevant authority stating that it has no objection to the Proposed Acquisition constitute an approval by that relevant authority.</p>
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SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (*Cont'd*)

	<p>(b) If an approval from relevant authority ("<b>Regulatory Approval</b>") contains or is subject to one or more term(s) or condition(s) which adversely affect any party in a material way and is not acceptable to that affected party ("<b>Affected Party</b>"), the Affected Party may within 14 days from the date of its receipt of that term(s) or condition(s), notify the other Party in writing that the term(s) or condition(s) is not acceptable ("<b>Rejection or Appeal Notice</b>"), in which event appeal shall be made to the relevant authority to vary the unacceptable term(s) or condition(s). Such appeal shall be submitted by the Party who made the original application for the said Regulatory Approval (or if more appropriate, the Affected Party). Alternative to the submission of a Rejection or Appeal Notice to the Regulatory Approval, the Parties may in good faith renegotiate and vary, supplement or amend the terms and conditions of the SSA by way of mutual agreement subject always to the approval of the relevant authority.</p> <p>(c) If no Rejection or Appeal Notice is given as per set out in subparagraph (iii)(b) above, an approval will be deemed to have been obtained.</p> <p>(d) If a Rejection or Appeal Notice is given by any Party under subparagraph (iii)(b) above, that Regulatory Approval will not be deemed to be obtained for the purpose of the paragraphs as set out in this row titled "Conditions Precedents" as set out in the SSA, until the relevant authority accedes to the request for variation or a Notice of Withdrawal &amp; Acceptance (hereinafter defined) is served by the Affected Party. In the event the relevant authority does not accede to the request for variation, the relevant Condition Precedent shall be deemed not to be met and/or fulfilled unless the Affected Party, within 5 Business Days of the receipt of the decision of the relevant authority, by notice in writing to the other Party withdraw Rejection or Appeal Notice of and accept the term(s) or condition(s) concerned ("<b>Notice of Withdrawal &amp; Acceptance</b>"), whereupon the corresponding Condition Precedent shall be deemed to have been met and fulfilled on the date of the Notice of Withdrawal &amp; Acceptance.</p> <p>(e) If a Regulatory Approval is subject to the approval or consent of another relevant authority, the provisions of this paragraph (iii) above shall mutatis mutandis apply to the obtaining of such further approval or consent.</p> <p><b>(iv) Non-fulfilment of the Conditions Precedent</b></p> <p>Subject to the terms of the SSA, unless specifically waived by the Purchaser and Vendor, if any of the Conditions Precedent are not fulfilled and/or waived before the expiry of the Conditional Period, the SSA shall cease and determine, no party shall have any claims against the other for costs, damages, compensations or otherwise, save for any antecedent breach of any representation, undertaking and/or any of the terms of the SSA.</p> <p><b>(v) SSA becomes unconditional</b></p> <p>When all the Conditions Precedent are fulfilled and/or waived, the Proposed Acquisition will become unconditional.</p>
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SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (*Cont'd*)

<b>Purchaser's and Vendor's obligations on Completion</b>	<p>(i) Completion of the SSA ("<b>Completion</b>") will take place 2 months from the SSA Unconditional Date or such other date as may be mutually agreed in writing by the Parties ("<b>SSA Completion Date</b>").</p> <p><b>"SSA Unconditional Date"</b> refers to the date on which the last of the Conditions Precedent under the SSA is fulfilled or waived in accordance with the SSA.</p> <p>(ii) On the SSA Completion Date, the Vendor must deliver to the Purchaser or the Purchaser's solicitors the following documents ("<b>Completion Documents</b>"):</p> <ul style="list-style-type: none"> <li>• share certificates for the Sale Shares;</li> <li>• transfer forms in respect of the Sale Shares which are duly executed by the relevant Vendor as transferor;</li> <li>• undated board of directors' resolution of the Target Company approving the registration of the transfer in respect of the Sale Shares and the issuance of new share certificates in favour of the Purchaser;</li> <li>• undated board of directors' resolution of the Purchaser for the appointment of such persons as the Vendor may nominate as directors of the Purchaser; and</li> <li>• undated resignation letters of all the directors of the Purchaser stating amongst others the relinquishment of their directorships and other official positions in the Purchaser (as the case may be), the handover of full control of the board of the Purchaser to the Vendor and there shall be no claim and/or demand on such relinquishment and handover of such control.</li> </ul> <p>(iii) Upon the Vendor completing their obligations under paragraph (ii) above, the Purchaser in exchange of the Completion Documents must on the SSA Completion Date, allot and issue the Consideration Shares to the Vendor and credit the relevant Consideration Shares into the Vendor's CDS Account.</p> <p><b>"Central Depository"</b> means Bursa Malaysia Depository Sdn Bhd or such other depository as may be approved by the relevant authorities to be a central depository under the Securities Industry (Central Depositories) Act 1991.</p> <p><b>"CDS Account"</b> means a securities account established by the Central Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act 1991 and the rules and regulations of the Central Depository for recording of deposits of securities and dealing in such securities by the depositor.</p>
<b>Termination</b>	<p><b>Vendor's remedies prior to Completion</b></p> <p>In the event:</p> <p>(i) the Purchaser fails to complete the purchase of the Sale Shares; or</p> <p>(ii) if prior to completion it shall be found that the Purchaser has breached any term of the SSA and which if capable of being remedied is not remedied within 30 days from the Purchaser's receipt of a written notice from the Vendor,</p> <p>without prejudice to the Vendor's right to seek specific performance against the Purchaser, the Vendor shall be entitled to by notice in writing to the Purchaser to terminate the SSA.</p>

SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (*Cont'd*)

	<p><b>Purchaser's remedies prior to Completion</b></p> <p>In the event:</p> <ul style="list-style-type: none"> <li>(i) the Vendor failing to complete the sale of the Sale Shares; or</li> <li>(ii) if prior to completion it shall be found that the Vendor has breached any term of the SSA and which if capable of being remedied is not remedied within 30 days from the Vendor's receipt of a written notice from the Purchaser, and such breach results in a Material Adverse Effect,</li> </ul> <p>without prejudice to the Purchaser's right to seek specific performance against the Vendor, the Purchaser shall be entitled to by notice in writing to the Vendor to terminate the SSA.</p> <p><b>"Material Adverse Effect"</b> means, in relation any event, occurrence, or circumstances:</p> <ul style="list-style-type: none"> <li>(a) a material adverse effect on the assets, business, liabilities (actual or contingent), operations or condition (financial or otherwise), of Southern Score which is not remediable or rectifiable before Completion; or</li> <li>(b) an adverse prohibitive effect on the ability of the Vendor or the Purchaser (as applicable) to perform or comply with its obligations under the SSA to effect completion which is not remediable or rectifiable before completion.</li> </ul> <p><b>Purchaser's remedies after Completion</b></p> <p>Unless otherwise expressly provided in the SSA, the Purchaser acknowledges and agrees that after completion of the Proposed Acquisition, the only remedy they have against the Vendor for any breach of the Vendor's warranties or any breach of its covenants or obligations of the Vendor shall be only the right to claim damages against the Vendor for loss suffered.</p>
<b>Governing law</b>	Laws of Malaysia

## SECTION B: PGA

The salient terms of the PGA include *amongst others*, the following:

Parties	<table><tr><td>Purchaser</td><td>:</td><td>G Neptune Berhad</td></tr><tr><td>Vendor</td><td>:</td><td>Super Advantage Property Sdn Bhd</td></tr></table>		Purchaser	:	G Neptune Berhad	Vendor	:	Super Advantage Property Sdn Bhd
	Purchaser	:	G Neptune Berhad					
	Vendor	:	Super Advantage Property Sdn Bhd					
(Purchaser and Vendor are collectively referred to as “Parties”)								
Effective date	The PGA is conditional and shall be effective only upon the completion of the Proposed Acquisition (“Completion”).							
Profit Guarantee	<div>(i) In consideration of the Purchaser agreeing to purchase 1,000,000 Southern Score Shares, representing 100% equity interest in Southern Score (“Sale Shares”) in accordance with the terms of the SSA from the Vendor, the Vendor covenants with and undertakes to the Purchaser that:<div>(a) the Southern Score Group shall achieve a minimum PAT of RM10,000,000 for FYE 31 December 2022 (“FYE 2022 Guaranteed Profit”);</div></div>							

## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

	<p>(b) the Southern Score Group shall achieve a minimum PAT of RM20,000,000 for FYE 31 December 2023 ("<b>FYE 2023 Guaranteed Profit</b>"); and</p> <p>(c) the Southern Score Group shall achieve a minimum PAT of any shortfall of the profit guarantee for FYE 31 December 2024 ("<b>FYE 2024 Guaranteed Profit</b>"),</p> <p>which shall be equivalent to RM80,000,000 on a cumulative basis for the period of FYE 2022 to FYE 2024 ("<b>Profit Guarantee Period</b>").</p> <p>(collectively the "<b>Profit Guarantee</b>").</p> <p>The PAT shall be based on the accounts as may be verified, approved and certified by the auditors of the Southern Score Group by way of confirmation in writing to the Purchaser ("<b>Certified Accounts</b>") which shall in the absence of manifest error be conclusive, final and binding on the Parties</p> <p>(ii) As security for the performance of Profit Guarantee, the Vendor and the Purchaser agree that the Security Shares which is of value equivalent to the Profit Guarantee as calculated based on the issue price of the Consideration Shares as per the SSA shall be deposited into the CDS Account of the Escrow Agent on Completion and the Escrow Agent shall be duly authorised to deal with the Security Shares in the manner as set out in the paragraphs under the row titled "Release of Security Shares" below and the Escrow Agreement.</p> <p>"<b>Central Depository</b>" means Bursa Malaysia Depository Sdn Bhd or such other depository as may be approved by the relevant authorities to be a central depository under the Securities Industry (Central Depositories) Act 1991.</p> <p>"<b>CDS Account</b>" means a securities account established by the Central Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act 1991 and the rules and regulations of the Central Depository for recording of deposits of securities and dealing in such securities by the depositor.</p> <p>"<b>Consideration Shares</b>" means 1,680,000,000 new ordinary shares of the Purchaser as may be allotted and issued by the Purchaser to the Vendor as satisfaction of the purchase consideration for the Sale Shares in accordance with the terms of the SSA.</p> <p>"<b>Escrow Agent</b>" means an escrow agent as may be jointly appointed by the Vendor and the Purchaser to hold the Security Shares in accordance with the terms of the Escrow Agreement.</p> <p>"<b>Escrow Agreement</b>" means an escrow agreement as may be entered into between the Vendor, the Purchaser and the Escrow Agent with respect to the appointment of the Escrow Agent as custodian for the Security Shares, incorporating the agreed arrangement as set out in this Agreement.</p> <p>"<b>Security Shares</b>" means 533,333,333 of the Consideration Shares which are held by the Escrow Agent as security for the performance of the Profit Guarantee.</p>
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## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

**Release of Security Shares**

(i) The Security Shares shall be dealt with in the following manner:

- (a) the PAT of the Group as provided for in the Certified Accounts for FYE 2022 shall accrue towards the Profit Guarantee, and no Security Shares shall be released to the Vendor
- (b) the PAT of the Group as provided in the Certified Accounts for FYE 2023 shall accrue towards the Profit Guarantee. Subject always to the Group achieving a minimum PAT of RM10,000,000 for FYE 2022 and a minimum PAT of RM20,000,000 for FYE 2023:
  - (1) the Escrow Agent shall be duly authorised to release up to 30% of the Security Shares (i.e. up to 160,000,000 Security Shares) ("**Releasable Security Shares**") by crediting the relevant number of Security Shares into the Vendor's CDS Account within 7 Business Days upon the receipt of the Certified Accounts for FYE 2023 provided that value of the remaining 70% of the Security Shares (based on the 5D-VWAP preceding the Observation Date) ("**Retained Security Shares**") is not less than the balance Profit Guarantee to be achieved by the Group as set out in Illustration 1 below; or
  - (2) In the event that the value of the Retained Security Shares is less than the balance Profit Guarantee to be achieved by the Group, the Escrow Agent shall continue to hold such number of Retained Security Shares (the value for which shall be equivalent to the balance Profit Guarantee of RM50,000,000 to be achieved by the Group for FYE 2024 based on the 5D-VWAP preceding the Observation Date) and shall only be authorised to release to the Vendor such number of Releasable Security Shares that are not retained by the Escrow Agent pursuant to this subparagraph (2) as set out in Illustration 2 below.

"**5D-VWAP**" means the 5-day volume weighted average market price of the shares of the Purchaser.

"**Business Day**" means a day on which commercial banks are open for business in Kuala Lumpur, Malaysia (excluding Saturdays, Sundays and public holidays).

"**Observation Date**" means the next Business Day after the receipt by the Purchaser of the Certified Accounts for the relevant FYE 31 December.

Illustration 1:

$$(A \times B) > C$$

A	:	Number of Retained Security Shares
B	:	VWAP preceding the Observation Date
C	:	balance Profit Guarantee to be achieved by the Group

For illustration purposes:

## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

	<p>Assumptions:</p> <p>(1) The PAT of the Group as provided in the Certified Accounts for FYE 2022 reflects that the PAT for FYE 2022 is RM10,000,000.</p> <p>(2) The PAT of the Group as provided in the Certified Accounts for FYE 2023 reflects that the PAT for FYE 2023 is RM20,000,000.</p> <p>(3) The number of Retained Security Shares is 373,333,333 Security Shares.</p> <p>(4) The VWAP preceding the Observation Date is RM0.15.</p> <p>(5) The balance Profit Guarantee to be achieved by the Group is RM50,000,000.</p> <p>Value of the Retained Security Shares (RM56,000,000) &gt; Value of the balance Profit Guarantee (RM50,000,000)</p> <p>Based on the illustration above, the Escrow Agent shall be duly authorised to release the maximum number of Releasable Security Shares to the Vendor as the value of the Retained Security Shares is greater than the value of the remaining Profit Guarantee to be achieved by the Group for FYE 2024.</p> <p><u>Illustration 2:</u></p> <p><math>(D \times E) &lt; F</math></p> <table><tr><td>D</td><td>:</td><td>Number of Retained Security Shares</td></tr><tr><td>E</td><td>:</td><td>VWAP preceding the Observation Date</td></tr><tr><td>F</td><td>:</td><td>balance Profit Guarantee to be achieved by the Group</td></tr></table> <p>For illustration purposes:</p> <p>Assumptions:</p> <p>(1) The PAT of the Group as provided in the Certified Accounts for FYE 2022 reflects that the PAT for FYE 2022 is RM10,000,000.</p> <p>(2) The PAT of the Group as provided in the Certified Accounts for FYE 2023 reflects that the PAT for FYE 2023 is RM20,000,000.</p> <p>(3) The number of Retained Security Shares is 373,333,333 Security Shares.</p> <p>(4) The value of the Security Shares based on the VWAP preceding the Observation Date is RM0.10.</p> <p>The balance Profit Guarantee to be achieved by the Group is RM50,000,000.</p>	D	:	Number of Retained Security Shares	E	:	VWAP preceding the Observation Date	F	:	balance Profit Guarantee to be achieved by the Group
D	:	Number of Retained Security Shares								
E	:	VWAP preceding the Observation Date								
F	:	balance Profit Guarantee to be achieved by the Group								

## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

	<p>Value of the Retained Security Shares (RM37,333,333) &lt; Value of the balance Profit Guarantee (RM50,000,000)</p> <p>Based on the illustration above, the value of the Retained Security Shares is not greater than the value of the balance Profit Guarantee to be achieved by the Group for FYE 2024. As such, the following shall apply:</p> <p>(i) the Escrow Agent shall retain 500,000,000 Security Shares ("<b>Retained Security Shares</b>") (which, based on the VWAP preceding the Observation date, will be equivalent to the balance Profit Guarantee of RM50,000,000 to be achieved by the Group for FYE 2024); and</p> <p>(ii) the Escrow Agent shall therefore be authorised to release only 33,333,333 Releasable Security Shares (being the total number of Security Shares minus the Retained Security Shares) to the Vendor.</p> <p>Upon the expiry of the Profit Guarantee Period, the Escrow Agent shall release the remaining of the Retained Security Shares as may have been retained by the Purchaser subject always to subparagraph (iv) below.</p> <p>(ii) In the event the Certified Accounts for FYE 2022 and/or FYE 2023 (as the case may be) reflects LAT, the Escrow Agent shall immediately issue a written notice to the Vendor on the losses for the relevant FYE and such losses shall be carried forward to the next FYE within the Profit Guarantee Period. For the avoidance of doubt, the Vendor shall not be required to compensate the shortfall for the PAT for FYE 2022 and/or FYE 2023 (as the case may be).</p> <p>"<b>LAT</b>" means the consolidated audited losses after tax of the Group.</p> <p>(iii) In the event the Group's PAT is less than RM80,000,000.00 cumulatively upon the expiry of the Profit Guarantee Period based on the Certified Accounts for FYE 2022, FYE 2023 and FYE 2024 collectively which the Certified Accounts for FYE 2024 shall be submitted to the Escrow Agent by the Vendor no later than 90 days from the conclusion of FYE 2024, the Escrow Agent shall issue a written notice to the Vendor on the shortfall ("<b>Shortfall Notice</b>") and:</p> <p>(a) the Vendor shall have the option to compensate the shortfall in Profit Guarantee in cash by way of payment to the Target Company (whether in full or part thereof) ("<b>Cash Compensation</b>") during a period of 30 days from the date of the Vendor's receipt of the Shortfall Notice ("<b>Cash Compensation Period</b>"). The Vendor shall notify the Escrow Agent of its payment, and the Purchaser shall notify the Escrow Agent on the total Cash Compensation received by the Target Company, of the total Cash Compensation made, no later than 5 Business Days after the expiry of the Cash Compensation Period and the Profit Guarantee shall be deemed to have been achieved by the Group upon the payment of the Cash Compensation and the Vendor shall be entitled to the Security Shares in accordance to paragraph (iv) below; and</p>
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## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

	<p>(b) if the Vendor does not compensate the shortfall in full pursuant to subparagraph (iii)(a) above within the Cash Compensation Period, the Escrow Agent shall be duly authorised to sell the required number of Security Shares at the prevailing market price of the Security Shares as may be determined by the Escrow Agent upon release of the relevant Security Shares from moratorium pursuant to the Listing Requirements, if applicable ("<b>Authorised Disposal</b>") and utilise the required amount of the proceeds to pay the compensation of (in the event no Cash Compensation is made) the shortfall or (in the event of part Cash Compensation) the balance shortfall of the Profit Guarantee to the Target Company. The balance proceeds after deducting the shortfall in the Profit Guarantee, if any, shall be paid to the Vendor</p> <p>(iv) In the event:</p> <p>(a) the Profit Guarantee is achieved at any time before the expiry of the Profit Guarantee Period based on the Certified Accounts for FYE 2022 and/or FYE 2023 (as the case may be), the Escrow Agent shall within a period of 7 Business Days release all of the Security Shares or the balance Security Shares (as the case may be) by crediting the same into the Vendor's CDS Account and the Vendors shall be discharged and released from the Profit Guarantee obligation for the balance Profit Guarantee Period.</p> <p>(b) the Profit Guarantee for the Profit Guarantee Period is achieved based on the Certified Accounts for FYE 2022, FYE 2023 and FYE 2024 collectively, the Escrow Agent shall within a period of 7 Business Days release the balance Security Shares by crediting the same into the Vendor's CDS Account.</p> <p>(c) the Vendor opts for Cash Compensation of the shortfall of the Profit Guarantee in full under subparagraph (iii)(a) above, the Escrow Agent shall within a period of 7 Business Days from the receipt of notification from the Company on the full compensation of the Profit Guarantee release the balance Security Shares by crediting the same into the Vendor's CDS Account.</p> <p>(d) subparagraph (iii)(b) above applies for the compensation of shortfall or balance shortfall of the Profit Guarantee, the Escrow Agent shall within a period of 7 Business Days from the Authorised Disposal, release the balance Security Shares, if any, by crediting the same into the Vendor's CDS Account.</p> <p>In the event the proceeds from the Authorised Disposal is unable to meet the shortfall requiring compensation under this paragraph (iv) (the deficiency thereof shall hereinafter be referred to as the "<b>Deficiency</b>"), the Escrow Agent shall notify the Vendor in writing on the Deficiency ("<b>Deficiency Notice</b>") after its receipt of the Certified Accounts for FYE 2024 and the Vendor shall within a period of 30 days from their receipt of the Deficiency Notice compensate the balance Deficiency in cash payment to the Target Company.</p>
<b>Monitoring of the Profit Guarantee</b>	<p>The Parties acknowledge that the composition of the board of directors of the Purchaser may be restructured ("<b>Restructured Board</b>") in conjunction with the Proposed Regularisation Plan. The Parties agree that the independent directors of the Restructured Board shall be responsible for monitoring the mechanism of the Profit Guarantee contemplated under the PGA and the dealing of the Security Shares by the Escrow Agent under the Escrow Agreement.</p>



## SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)

<b>Moratorium</b>	<p>(i) The Vendor agrees and undertakes to the Purchaser that the Security Shares will be subjected to moratorium during the Moratorium Period and it shall not sell and/or create any encumbrances over the Security Shares during the Moratorium Period.</p> <p>(ii) Any release of the Security Shares by the Escrow Agent shall not be construed as an upliftment of the moratorium imposed on any of the Security Shares during the Moratorium Period.</p> <p><b>"Moratorium Period"</b> refers to moratorium period as set out in Rule 3.19 of the Listing Requirements.</p>
<b>Governing law</b>	Laws of Malaysia

## SECTION C: DEBT SETTLEMENT AGREEMENT

The salient terms of the Debt Settlement Agreement include *amongst others*, the following:

<b>Parties</b>	<table><tr><td><b>Debtor</b></td><td>:</td><td>G Neptune Berhad</td></tr><tr><td><b>Creditor</b></td><td>:</td><td>CTP</td></tr></table> <p>(Debtor and Creditor are collectively referred to as <b>"Parties"</b>)</p>	<b>Debtor</b>	:	G Neptune Berhad	<b>Creditor</b>	:	CTP
<b>Debtor</b>	:	G Neptune Berhad					
<b>Creditor</b>	:	CTP					
<b>Settlement of Debt</b>	<p>(i) The Parties agree that the debt shall be settled by way of allotment and issuance of the Settlement Shares only and no cash payment will be made by the Debtor to the Creditor;</p> <p>(ii) On the Effective Date or such other date as may be agreed between the Parties, the Debtor shall allot and issue the Settlement Shares to the Creditor and credit the Settlement Shares into the Creditor's CDS Account as full and final settlement of the Debt;</p> <p><b>"Central Depository"</b> means Bursa Malaysia Depository Sdn Bhd or such other depository as may be approved by the relevant authorities to be a central depository under the Securities Industry (Central Depositories) Act 1991.</p> <p><b>"CDS Account"</b> means a securities account established by the Central Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act 1991 and the rules and regulations of the Central Depository for recording of deposits of securities and dealing in such securities by the depositor.</p> <p><b>"Debt"</b> means all the Expenses as may be advanced by the Creditor to the Debtor as recorded in the books of the Debtor on the Effective Date.</p> <p><b>"Effective Date"</b> means the date of completion of the Proposed Regularisation Plan.</p> <p><b>"Expenses"</b> means the costs and expenses of RM3,100,000 with respect to the Proposed Regularisation Plan including the working capital of the Debtor and its subsidiary pending completion of the Proposed Regularisation Plan.</p>						



**SALIENT TERMS OF THE DEFINITIVE AGREEMENTS (Cont'd)**

	<p>(iii) Upon the allotment and issuance of the Settlement Shares to the Creditor and crediting of the same into the Creditor's CDS Account, the debt shall be fully paid and settled and there shall be no amount owing by the Debtor to the Creditor and the Debtor shall have no further obligations to the Creditor;</p> <p>(iv) Pending completion of the Proposed Regularisation Plan, the Creditor undertakes to the Debtor that he will not initiate any demand, action or proceedings to enforce his rights to recover or claim the Debt.</p>
<b>Governing Law</b>	Laws of Malaysia

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## INFORMATION ON GNB

## 1. HISTORY AND BUSINESS

GNB was incorporated in Malaysia on 18 July 2003 under the Companies Act, 1965 and deemed registered under the Act as a private limited company under the name of GPRO Technologies Sdn Bhd. GNB was converted into a public limited company on 22 October 2003 and assumed the name of GPRO Technologies Berhad. GNB was then listed on the MESDAQ Market of Bursa Securities (now known as ACE Market of Bursa Securities) on 2 June 2004. GNB subsequently changed its name to G Neptune Berhad on 7 July 2014. GNB was involved in the information technology industry specializing in software for the apparel/ textile industry while its subsidiary was involved in the trading of cosmetics, garments and electronic products. As at the LPD, the Company has ceased all of its business operations.

## 2. SHARE CAPITAL

As at the LPD, GNB has a share capital of RM9,792,835 comprising 288,750,000 GNB Shares.

## 3. CONTROLLING SHAREHOLDER

As at the LPD, GNB does not have any controlling shareholder.

Upon completion of the Proposed Regularisation Plan, GNB's substantial shareholder will cease to be substantial shareholder of GNB. Section 11.5 of this Circular contains changes in shareholdings of the existing substantial shareholders in GNB.

Upon completion of the Proposed Share Consolidation and the Proposed Acquisition (before the Proposed Debt Settlement and Proposed Private Placement), on a pro forma basis, Super Advantage, Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin ("**Proposed Controlling Shareholders**", collectively) will emerge as the new controlling shareholders of GNB as follows:

Name	After the Proposed Share Consolidation and the Proposed Acquisition			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Super Advantage	1,680,000,000	98.31	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(1)</sup>	98.31
Gan Yee Hin	-	-	1,680,000,000 <sup>(1)</sup>	98.31

**Note:**

(1) Deemed interested through the direct interests of Super Advantage in the Company.

**INFORMATION ON GNB (Cont'd)**

The profiles of the Proposed Controlling Shareholders are as follows:

**(i) Super Advantage**

Super Advantage was incorporated in Malaysia on 30 September 2014 under Companies Act, 1965 and deemed registered under the Act as a private limited company, under its present name.

Super Advantage is principally involved in investment holding.

As at the LPD, Super Advantage has an issued share capital of RM1,000 comprising 1,000 ordinary shares in Super Advantage.

As at the LPD, Tan Sri Datuk Seri Gan Yu Chai, Gan Yee Hin and Puan Sri Datin Seri Elaine Lee Kuan Kiow are the directors of Super Advantage.

The substantial shareholders of Super Advantage and their respective shareholdings as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Sri Datuk Seri Gan Yu Chai	800	80.00	200 <sup>(1)</sup>	20.00
Gan Yee Hin	200	20.00	-	-

**Note:**

- (1) Deemed interested through the direct interests of his son's (Gan Yee Hin) shareholding in Super Advantage.

Save for Southern Score, Super Advantage does not have any other subsidiary. The details of Southern Score are as disclosed in Appendix III(A) of the Circular. As at the LPD, Super Advantage does not have any associate company or joint venture.

**(ii) Tan Sri Datuk Seri Gan Yu Chai, Malaysian, aged 55**

Tan Sri Datuk Seri Gan Yu Chai is the Managing Director of Southern Score. He was appointed to Southern Score's board on 7 June 2012. He is responsible for developing and executing business strategies that contribute to the business growth of Southern Score, and managing its corporate development.

Tan Sri Datuk Seri Gan Yu Chai graduated with a Diploma in Electronic Engineering from the Institute of Further Technical Education, Malaysia in 1989. He has more than 30 years of experience in the property development and construction industries. To date, Tan Sri Datuk Seri Gan Yu Chai has successfully completed over 20 property developments projects in the Klang Valley area, mainly in the vicinity of Kuala Lumpur.

Upon graduation, Tan Sri Datuk Seri Gan Yu Chai began his career as a business partner in Unigreen Hardware Supplies, a building materials trading business co-owned by his family. He was initially tasked to oversee the sales department before taking over the management and operations of this business.

**INFORMATION ON GNB (Cont'd)**

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Between 1994 and 2016, Tan Sri Datuk Seri Gan Yu Chai pursued several business ventures, wherein he was also involved in the management of these companies by way of setting growth targets and sourcing business opportunities that contributed to the growth of these companies, namely:

- (i) In 1999, he was appointed as a director of Inner Glamour Sdn Bhd, a property development company;
- (ii) In 2001, he was appointed a director of Platinum Victory Sdn Bhd, a property development company;
- (iii) In 2004, he was appointed as a director of Platinum Victory Development Sdn Bhd, a property development company;
- (iv) In 2006, he was appointed as a director of Platinum Victory Property Sdn Bhd, a property development company;
- (v) In 2011, he was appointed as a director of MH Platinum Sdn Bhd, a property development company;
- (vi) In 2013, he was appointed as a director of Marques Land Sdn Bhd, a property development company; and
- (vii) In 2016, he was appointed as a director of Weng Wah Developments Sdn Bhd, a property development company.

Notably, his first foray into property development was in relation to the development of Pelangi Condominium in Kuala Lumpur, a project undertaken by Inner Glamour Sdn Bhd. that was completed in 2002. Tan Sri Datuk Seri Gan Yu Chai subsequently completed development projects in Taman Melati Utama and Setapak Lake City, Kuala Lumpur, through Platinum Victory Sdn Bhd and Platinum Victory Development Sdn Bhd, respectively.

In 2010, leveraging on his experience and knowledge in construction and project management skills, Tan Sri Datuk Seri Gan Yu Chai decided to venture downstream into construction. This led to the establishment of Southern Score to pursue opportunities in the provision of construction services mainly for high-rise residential buildings.

Under Tan Sri Datuk Seri Gan Yu Chai's leadership, Southern Score participated in tenders for public and private sector construction projects. Subsequently, in 2015, Southern Score was awarded its first construction services project, namely the PR1MA Jalan Jubilee project by PR1MA Corporation Berhad.

Between 2012 and 2019, Tan Sri Datuk Seri Gan Yu Chai was involved in the following development projects:

- (i) FACE, Platinum Suites (Phase 1), a development project undertaken by Platinum Victory Property Sdn Bhd;
- (ii) MH Platinum Residence, a development project undertaken by MH Platinum Sdn Bhd; and
- (iii) Platinum Teratai Residences, a development project undertaken by Weng Wah Developments Sdn Bhd.

Tan Sri Datuk Seri Gan Yu Chai presently sits on the board of directors of several other private limited companies.

## INFORMATION ON GNB (Cont'd)

(iii) **Gan Yee Hin, Malaysian, aged 29**

Gan Yee Hin is the Chief Executive Officer of Southern Score. He is responsible for overseeing the planning and implementation of construction projects undertaken by Southern Score. He was appointed to Southern Score's board on 1 August 2019.

Gan Yee Hin graduated with a Master of Engineering (Civil and Structural) from the University of Sheffield, United Kingdom in 2015.

Upon graduation in 2015, Gan Yee Hin began his career in Platinum Victory Holdings Sdn Bhd as an Executive Director. During his tenure in the company, he set up the company's branding and marketing team and was responsible for implementing and monitoring the implementation of branding, marketing and sales activities. While at Platinum Victory Holdings Sdn Bhd, Gan Yee Hin gained exposure to the property development industry as he was also involved in the property development projects undertaken by the company.

In 2019, Gan Yee Hin was appointed as the Executive Director and Chief Executive Officer of Southern Score. Leveraging on his civil and structural engineering qualifications and experience in property development projects, Gan Yee Hin oversees the planning and implementation of Southern Score's construction and development projects. He is also responsible for formulating business strategies that contribute to Southern Score's business growth.

**4. DIRECTORS**

The details of the members of the Board of GNB as at the LPD are as follows:

<b>Name</b>	<b>Age</b>	<b>Gender</b>	<b>Designation</b>	<b>Date of appointment</b>
Dato' Haji Mohd Amran Bin Wahid	61	Male	Non-Independent Non-Executive Chairman	18 May 2018
CTP	58	Male	Executive Director	18 May 2018
Cheah Hannon	51	Male	Independent Non-Executive Director	27 April 2018
Peter Ling Sie Wuong	49	Male	Independent Non-Executive Director	27 April 2018

None of GNB's Directors represents any corporate shareholder.

INFORMATION ON GNB (*Cont'd*)

GNB proposes to appoint the following Proposed Directors to the Board of GNB after the completion of the Proposed Regularisation Plan:

Name	Age	Gender	Proposed designation
Tan Sri Datuk Seri Gan Yu Chai	55	Male	Managing Director
Gan Yee Hin	29	Male	Executive Director and Chief Executive Officer
Datuk Sydney Lim Tau Chin	52	Male	Executive Director
Phe Kheng Peng	52	Female	Independent Non-Executive Director
Too Siew Mooi	53	Female	Independent Non-Executive Director

#### 4.1 Profile of the Directors

The profiles of GNB's Directors are as follows:

- (i) **Dato' Haji Mohd Amran Bin Wahid ("Dato' Amran")**, Malaysian, aged 61, is GNB's Non-Independent Non-Executive Chairman. He is also a member of the Nomination and Remuneration Committee as well as the Audit and Risk Management Committee.

Dato' Amran was appointed to the Board of GNB on 18 May 2018. He graduated with a Master of Science in Mining with Mineral Technology from University Malaysia Pahang and Degree of Law from University of Malaya. Dato' Amran also holds a Diploma in Public Administration from University Technology Mara. He is a lawyer by profession and a partner in a legal firm, Messrs Daing Khatijah & Amran and is also a member of the Malaysian Bar.

Dato' Amran has more than 20 years of experience in businesses related to mining and solar farms. He is currently the Executive Chairman of Lembing Resources Sdn Bhd, a joint venture company with Perbadanan Kemajuan Negeri Pahang.

- (ii) **CTP**, Malaysian, aged 58, is GNB's Executive Director.

CTP was appointed to the Board of GNB on 18 May 2018. CTP graduated with a Diploma in Civil Engineering in 1986 in Malaysia. He is currently the Managing Director of Lembing Resources Sdn Bhd, a private company involved in tin mining business. He is also the Managing Director of Myah Mines Sdn Bhd, a private company and a subsidiary company of Lembing Resources Sdn Bhd. Myah Mines Sdn Bhd is a joint venture company with Perbadanan Kemajuan Negeri Pahang.

- (iii) **Cheah Hannon**, Malaysian, aged 51, GNB's Independent Non-Executive Director. He is also the Chairman of the Audit and Risk Management Committee as well as a member of the Nomination and Remuneration Committee.

Cheah Hannon was appointed to the Board of GNB on 27 April 2018. Cheah Hannon holds a Bachelor of Science Degree in Accounting and Finance from Purdue University, West Lafayette, Indiana, United States of America.

Cheah Hannon has over 20 years of experience in the finance industry where he worked in Hong Kong, Singapore and Malaysia in the fields of equity research and equity institutional sales.

INFORMATION ON GNB (*Cont'd*)

Cheah Hannon is presently an Independent Non-Executive Director of XL Holdings Berhad, a company listed on the Main Market of Bursa Securities.

- (iv) **Peter Ling Sie Wuong (“Peter Ling”)**, Malaysian, aged 49, is GNB’s Independent Non-Executive Director. He is also the Chairman of the Nomination and Remuneration Committee as well as a member of the Audit and Risk Management Committee.

Peter Ling was appointed to the Board of GNB on 27 April 2018. Peter Ling graduated in 1995 from the University of East London, and commenced a career in the legal publishing industry, serving as Managing Editor of LexisNexis Malaysia Sdn Bhd. In 2002, Peter joined one of Malaysia’s largest corporate and commercial law firms, which enabled him to gain exposure to various aspects of the law. In 2005, he moved into active legal practice, joining the partnership of a medium-sized corporate and commercial practice. In 2013, Peter Ling co-founded Peter Ling & Van Geyzel, a legal firm based in Kuala Lumpur.

#### 4.2 Profile of the Proposed Directors

The profiles of GNB’s Proposed Directors, Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin who are also GNB’s Proposed Controlling Shareholders are disclosed in Section 3 of this appendix.

The profiles of GNB’s other Proposed Directors are as follows:

- (i) **Datuk Sydney Lim Tau Chin**, Malaysian, aged 52, is the Executive Director of Southern Score. He is responsible for overseeing the corporate planning and corporate finance matters of Southern Score. He was appointed to Southern Score’s board on 2 February 2021.

Datuk Sydney Lim Tau Chin graduated with a Bachelor of Science in Accounting from the California State University, United States of America (“USA”) in 1992. He then completed the Harvard Business School Senior Management Development Program in 2004. In 2006, he obtained a Corporate Finance qualification from the Institute of Chartered Accountants of England and Wales. During the same year, he became a member of the Singapore Institute of Arbitrators. He had also attended the Residential Strategic Leadership Programme at Oxford University, United Kingdom in 2007. He has been a member of the Malaysian Institute of Management since January 2022.

In early 1993, Datuk Sydney Lim Tau Chin returned to Malaysia from the USA and started his career in the Advisory department of Arthur Andersen. Thereafter, he joined the Corporate Finance departments of Amanah Merchant Bank and Utama Merchant Bank in 1994 and 1998 respectively, where he advised and participated in various corporate finance proposals for and advised the clients of Amanah Merchant Bank and Utama Merchant Bank, respectively on matters relating to fundraising. In 1996, he joined Sadec Asia Pacific Sdn Bhd, a boutique advisory firm, as Corporate Finance Manager, and was involved in advising the firm’s clients on corporate advisory and privatisation matters. Subsequently in 1997, he was seconded by Sadec Asia Pacific Sdn Bhd to the board of SCK Group (being a client of Sadec Asia Pacific Sdn Bhd) as well as the boards of the subsidiary companies of Sadec Asia Pacific Sdn Bhd. During this period, he gained exposure and honed his skills in financial modelling. He joined the Corporate Finance department of Utama Merchant Bank in 1998 where he advised and participated in various corporate finance proposals on matters relating to fundraising. His attachment at Utama Merchant Bank further widened his exposure and experience in corporate finance.

## INFORMATION ON GNB (Cont'd)

From 2000 to August 2003, Datuk Sydney Lim Tau Chin joined the corporate sector when he was appointed as the Senior General Manager of Corporate Planning for Sitt Tatt Berhad. Subsequently in October 2003, he was appointed as an Executive Director of FBO Berhad (now known as Eastland Equity Berhad). He last held the position of Group Managing Director of FBO Berhad (now known as Eastland Equity Berhad) before his retirement in 2014.

Leveraging on his past experiences, Datuk Sydney Lim Tau Chin founded a private investment holding company with involvement in two Langkawi properties, one of which is the Royal Agate Beach Resort.

In February 2021, Datuk Sydney Lim Tau Chin was appointed as an Executive Director of Southern Score where he oversees the corporate planning and corporate finance matters of the company.

- (ii) **Phe Kheng Peng**, Malaysian, aged 52, is a Proposed Independent Non-Executive Director of GNB.

Phe Kheng Peng graduated with a Bachelor of Commerce majoring in Accounting and Finance from the University of New South Wales in 1994. She has been a Certified Public Accountant since 1994 and fellow member of CPA Australia since February 2022. She has close to 30 years of experience in the financial industry.

Upon returning to Malaysia, she started her career in 1996 with Arab-Malaysian Merchant Bank Berhad (a member of the Arab-Malaysian Banking Group) as a Quantitative Analyst, where she was responsible for developing financial models to analyse pricing, risk and returns of investments. She was promoted to the position of Fund Manager in AMMB Asset Management Sdn Bhd (a member of the Arab-Malaysian Banking Group) in 1999, and Fixed Income Chief Investment Officer in AmInvestment Management Sdn Bhd (a subsidiary of AMMB Holdings Berhad) in 2005. In her last held position as Chief Investment Officer, she was responsible for supervising fund managers to develop short and long-term investment plans, recommended investments and implement strategies to grow the company's assets under management.

She was later tasked to take up a key role in the Treasury and Global Markets division of AmBank Group Berhad and subsequently assumed the position of Co-Head, Treasury & Markets in 2009. In 2010, she assumed the role of Managing Director, Markets Division, where she was tasked to oversee the global markets division, formulate strategies and product innovation for the government, institutional and corporate sectors.

She resigned from AmBank Group Berhad and joined Deutsche Bank Malaysia Berhad in 2013 to head the Institutional Client Group ("ICG"). In 2018, her role was expanded to cover the entire Philippines franchise. In her role, she led Malaysia and Philippines global markets sales for institutional and corporate clients and charted the strategy direction. Her last held position at Deutsche Bank (Malaysia) Berhad was Product Head of Sales, ICG APAC (Managing Director) before she left in November 2021.

In January 2022, Phe Kheng Peng was appointed as an Independent and Non-Executive Director of Pintaras Jaya Berhad, and is the Chairman of the Remuneration and Nomination Committees respectively, as well as a member of the Audit Committee. Further in July 2022, she was appointed as an Independent Non-Executive Director of Public Investment Bank Berhad.



INFORMATION ON GNB (*Cont'd*)

- (iii) **Too Siew Mooi**, Malaysian, aged 53, is a proposed Independent Non-Executive Director of GNB.

Too Siew Mooi graduated with a Bachelor of Laws from the University of London in 1993. She went on to obtain her a Certificate of Legal Practice in 1994, and was subsequently called to the Bar in 1995. In 2009, she obtained a Post Graduate Diploma in Islamic Law (Islamic Banking) from the International Islamic University Malaysia. She is presently a member of the Disciplinary Committee Panel of the Advocates & Solicitors Disciplinary Board, a position she was elected to since 2016

She joined Messrs Yazid Baba & Partners in 1996 as a Legal Assistant where she was tasked to assist in managing conveyancing files, specifically in relation to real estate sales and purchase transactions. Thereafter, she joined Messrs Azam-Malek & Soh in 1999 as a Legal Assistant where she managed conveyancing cases for clients of the firm. In 2001, she joined Messrs Lachaman Lalchand & Associates as a Partner. As a Partner at Messrs Lachaman Lalchand & Associates, she oversaw both corporate and conveyancing cases for clients of the firm. In 2007, she joined Messrs Shukor Baljit & Partners as a Partner specialising in corporate and conveyancing matters, a position she continues to hold till today.

As a practising lawyer with close to 30 years of legal practice, she has extensive experience in the corporate and conveyancing fields. She had advised both local and overseas clients on various aspects of corporate banking and commercial law matters.

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## INFORMATION ON GNB (Cont'd)

## 4.3 Shareholding of the Directors in GNB

The following table sets forth the direct and indirect shareholdings of each of GNB's Directors and Proposed Directors before and after the Proposed Regularisation Plan in GNB:

Name	As at LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
CTP	23,688,000	8.20	6,300,000 <sup>(1)</sup>	2.18	2,368,800	8.20	630,000 <sup>(1)</sup>	2.18
Super Advantage	-	-	-	-	-	-	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	-	-	-	-	-	-
Gan Yee Hin	-	-	-	-	-	-	-	-
Dato' Haji Mohd Amran Bin Wahid	7,400,000	2.56	-	-	740,000	2.56	-	-
Cheah Hannon	-	-	-	-	-	-	-	-
Peter Ling Sie Wuong	-	-	-	-	-	-	-	-
Datuk Sydney Lim Tau Chin	-	-	-	-	-	-	-	-
Phe Kheng Peng	-	-	-	-	-	-	-	-
Too Siew Mooi	-	-	-	-	-	-	-	-

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## INFORMATION ON GNB (Cont'd)

Name	(II) After (I) and the Proposed Acquisition				(III) After (II) and the Proposed Debt Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
CTP	2,368,800	0.14	630,000 <sup>(1)</sup>	0.04	23,035,467	1.33	630,000 <sup>(1)</sup>	0.04
Super Advantage	1,680,000,000	98.31	-	-	1,680,000,000	97.14	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(2)</sup>	98.31	-	-	1,680,000,000 <sup>(2)</sup>	97.14
Gan Yee Hin	-	-	1,680,000,000 <sup>(2)</sup>	98.31	-	-	1,680,000,000 <sup>(2)</sup>	97.14
Dato' Haji Mohd Amran Bin Wahid	740,000	0.04	-	-	740,000	0.04	-	-
Cheah Hannon	-	-	-	-	-	-	-	-
Peter Ling Sie Wuong	-	-	-	-	-	-	-	-
Datuk Sydney Lim Tau Chin	-	-	-	-	-	-	-	-
Phe Kheng Peng	-	-	-	-	-	-	-	-
Too Siew Mooi	-	-	-	-	-	-	-	-

Name	(V) After (III) and the Proposed Private Placement			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
CTP	23,035,467	1.01	630,000 <sup>(1)</sup>	0.03
Super Advantage	1,680,000,000	73.92	-	-
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(2)</sup>	73.92
Gan Yee Hin	-	-	1,680,000,000 <sup>(2)</sup>	73.92
Dato' Haji Mohd Amran Bin Wahid	740,000	0.03	-	-
Cheah Hannon	-	-	-	-
Peter Ling Sie Wuong	-	-	-	-
Datuk Sydney Lim Tau Chin	-	-	-	-
Phe Kheng Peng	-	-	-	-
Too Siew Mooi	-	-	-	-

## INFORMATION ON GNB (Cont'd)

**Notes:**

- (1) Deemed interested through the direct interests of his spouse's (Leong Sau Ching) and son's (Chai Yi Jian) shareholdings in the Company.
- (2) Deemed interested through the direct interest of Super Advantage in the Company.

**4.4 Board practice****Directors' term of office**

The Board of GNB assumes responsibility for the effective stewardship and control of the Company towards meeting the Company's objectives and goals. The Board of GNB has the overall responsibility for reviewing and adopting the strategic plans, overseeing the Company's business, reviewing and monitoring systems of risk management and ensuring the adequacy and integrity of the Company's system of internal control. The number of years that GNB's Directors have served in office and date of expiration of their respective term of office are set out below:

**(a) Directors**

<b>Name</b>	<b>Age</b>	<b>Designation</b>	<b>Date of appointment</b>	<b>Date of expiration of the current term of office</b>	<b>Approximate no. of years in office as at the LPD</b>
Dato' Haji Mohd Amran Bin Wahid	61	Non-Independent Non-Executive Chairman	18 May 2018	Annual general meeting in 2022	Less than 5 years
CTP	58	Executive Director	18 May 2018	Annual general meeting in 2023	Less than 5 years
Cheah Hannon	51	Independent Non-Executive Director	27 April 2018	Annual general meeting in 2024	Less than 5 years
Peter Ling Sie Wuong	49	Independent Non-Executive Director	27 April 2018	Annual general meeting in 2022	Less than 5 years

## INFORMATION ON GNB (Cont'd)

## (b) Proposed Directors

Name	Age	Proposed Designation	Date of appointment	Date of expiration of the current term of office	Approximate no. of years in office as at the LPD
Tan Sri Datuk Seri Gan Yu Chai	55	Managing Director	To be appointed after the completion of the Proposed Regularisation Plan	Not applicable	Not applicable
Gan Yee Hin	29	Executive Director and Chief Executive Officer			
Datuk Sydney Lim Tau Chin	52	Executive Director			
Phe Kheng Peng	52	Independent Non-Executive Director			
Too Siew Mooi	53	Independent Non-Executive Director			

An election of Directors shall take place each year. At every annual general meeting, one-third of GNB's Directors, or, if their number is not a multiple of 3, then the nearest to one-third shall retire from office and be eligible for re-election provided that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A Director at a meeting shall retain office until the close of the meeting at which he retires. The Directors to retire every year shall, be those who have been longest in office since their last election. For Directors who became or were last re-elected Directors on the same day, the Directors to retire shall, unless they otherwise agree among themselves, be determined by lot. The Directors shall have power at any time, to appoint, any person as a Director, either to fill a casual vacancy or an addition to the Board of GNB, but so that the total number of Directors shall not be increased beyond the maximum number fixed by or in accordance with GNB's Constitution. Any Director so appointed shall hold office only until the next annual general meeting of GNB and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are retiring by rotation at the meeting.

## INFORMATION ON GNB (Cont'd)

**4.4.1 Audit and Risk Management Committee**

The composition of GNB's Audit and Risk Management Committee is set out below:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Cheah Hannon	Chairman	Independent Non-Executive Director
Peter Ling Sie Wuong	Member	Independent Non-Executive Director
Dato' Haji Mohd Amran Bin Wahid	Member	Non-Independent Non-Executive Director

The composition of GNB's proposed Audit and Risk Management Committee after the completion of the Proposed Regularisation Plan is set out below:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Cheah Hannon	Chairman	Independent Non-Executive Director
Peter Ling Sie Wuong	Member	Independent Non-Executive Director
Dato' Haji Mohd Amran Bin Wahid	Member	Non-Independent Non-Executive Director

The responsibilities of GNB's Audit and Risk Management Committee include, among other things, the following:

**(i) Financial reporting and external audit**

- (a) consider the appointment or re-appointment of auditors, the audit fee and any questions of resignation or dismissal or cessation of office or removal, including recommending the nomination of person or persons as auditors to the Board of GNB.
- (b) have policies and procedures to assess the suitability, objectivity and independence of the external auditors;
- (c) review with the external auditors on:
  - the audit plan, its scope and nature.
  - the audit report.
  - the results of their evaluation of the accounting policies and systems of internal controls within the Company.
  - the assistance given by the officers of the Company to them, including any difficulties or disputes with Management encountered during the audit.
  - management letter and/or major findings of internal investigations and Management's response therein.
  - the nature and extent of the non-audit services rendered by the external auditors the appropriateness of the level of fees.

**INFORMATION ON GNB (Cont'd)**

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- (d) review with management:
  - audit reports and management letter issued by the external auditors and the implementation of audit recommendations.
  - interim financial information/report.
  - the assistance given by the officers of GNB to the external auditors.
- (e) discuss with the external auditors before they commence the nature and scope of the audit and ensure coordination where more than one audit firm is involved.

**(ii) Internal audit**

- (a) discuss problems and reservations arising from interim and final audits, and any matter the internal auditors may wish to discuss (in the absence of Management where necessary).
- (b) review the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- (c) review the internal audit plan, processes the internal audit reports, recommendations raised, investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (d) oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance.
- (e) review any appraisal or assessment of the performance of members of the internal audit function and be satisfied that the internal audit should be carried out objectively and is independent from Management of the Company and the functions which it audits, and report its findings directly to the Audit and Risk Management Committee.
- (f) approve any appointment, termination or change of senior staff members of the internal audit function and take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (g) approve the appointment of an internal audit firm where the internal audit services are outsourced.

**(iii) Internal control**

- (a) recommend such measures as to be taken by the Board of GNB on the effectiveness of the system of internal control of the Company.
- (b) evaluate the quality and effectiveness of Company's internal control system and management information systems, including compliance with applicable laws, rules, corporate governance requirements and guidelines.

## INFORMATION ON GNB (Cont'd)

- (c) recommend to the Board of GNB the Directors' Statement on Risk Management and Internal Control and any changes to the said Statement.
- (d) assist the Board of GNB in assessing the effectiveness of the internal control systems based on the reports and recommendations from the internal auditors and report to the Board of GNB on its findings.

**(iv) Risk management**

- (a) oversee and recommend the risk management policies and procedures of the Company.
- (b) review and recommend changes as needed to ensure that the Company has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks.
- (c) implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Company's business risks.
- (d) set reporting guidelines for management to report to the Risk Management Committee on the effectiveness of the Company's management of its business risks.
- (e) review the GNB's Group risk profiles and evaluate the measures to be taken to mitigate the business risks.

**(v) Whistleblowing and fraud**

- (a) review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and review the GNB's procedures for detecting fraud.

**(vi) Overseeing financial reporting**

- (a) review and deliberate the quarterly results and year-end financial statements, before the approval by the Board of GNB, focusing particularly on:
  - any changes in or implementation of accounting policies and practices;
  - significant or material adjustments with financial impact arising from the audit;
  - significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;
  - the going concern assumptions;
  - the appropriateness of management's selection of accounting policies and disclosures in compliance with the approved accounting standards and other regulatory requirements; and
  - compliance with applicable financial reporting standards.



**INFORMATION ON GNB (Cont'd)**

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- (b) monitor the integrity of the financial statements of the Company.
- (c) assess whether the financial report represents a true and fair view of the Company's performance and ensure compliance with the regulatory requirements.
- (d) propose best practices on disclosure in the financial statements and the annual reports of the Company, to be in line with the recommendations set out in the Malaysian Code of Corporate Governance and other applicable rules and regulations.

**(vii) Reviewing conflict of interests situations and related party transactions**

- (a) review and monitor the related party transactions entered into by the Company or the Company and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Board of GNB reports such transactions annually to the shareholders via the annual report.
- (b) review conflict of interest situations that may arise within the Company or the Company, including any transaction, procedure or course of conduct that raises questions of Management's integrity.

**(viii) Reporting responsibilities**

- (a) report formally to the Board of GNB on its proceedings after each meeting on all matters within its duties and responsibilities.
- (b) make recommendations to the Board of GNB as and when it deems appropriate on any area within its remit where action or improvement is needed.

**(ix) Other matters**

- (a) report to Bursa Securities, if there is any related party transaction which exceeded the mandate sought from the shareholders on the recurrent related party transactions and provide full reasoning and detailed explanations.

## INFORMATION ON GNB (Cont'd)

**4.4.2 Nomination and Remuneration Committee**

The composition of GNB's Nomination and Remuneration Committee is set out below:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Peter Ling Sie Wuong	Chairman	Independent Non- Executive Director
Cheah Hannon	Member	Independent Non-Executive Director
Dato' Haji Mohd Amran Bin Wahid	Member	Non-Independent Non-Executive Director

The composition of GNB's proposed Nomination and Remuneration Committee after the completion of the Proposed Regularisation Plan is set out below:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Peter Ling Sie Wuong	Chairman	Independent Non- Executive Director
Cheah Hannon	Member	Independent Non-Executive Director
Dato' Haji Mohd Amran Bin Wahid	Member	Non-Independent Non-Executive Director

The responsibilities of GNB's Nomination and Remuneration Committee include:

**(i) New appointments**

- (a) Consider and recommend to the Board of GNB candidates for directorships, proposed by management, a Director, a shareholder or independent sources, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism and integrity. For the position of independent non-executive directors, the Nomination and Remuneration Committee should also evaluate the candidates' ability to discharge such responsibilities as expected from independent non-executive directors.
- (b) When identifying suitable candidates, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, experience and board diversity (including gender diversity) and the current and future needs and size of the Company. Accordingly, the Nomination and Remuneration Committee may:
  - use sources to identify suitable candidates to facilitate the search from diverse pools;
  - consider candidates from a wide range of backgrounds;
  - consider candidates on merit and against objective criteria with due regard for diversity including gender, ethnicity and age, and appointees time commitment, skill and experience; and
  - request disclosures of any business interests that may result in a conflict of interest.

- (c) Recommend to the Board of GNB candidates to the board committees and Chairman of those committees.
- (d) Consider and recommend to the Board of GNB the candidates for Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), taking into consideration the candidates’ skills, knowledge, expertise and experience, time, commitment, character, professionalism, integrity and management diversity.

**(ii) Re-election, re-appointment and resignation/ termination**

- (a) Recommend to the Board of GNB, candidates for re-election of directors by shareholders under the annual re-election provisions or retirement, with due consideration of the directors’ expertise, skills, knowledge and experience with those of other Board Members, as well as their roles as Committee Members. Attention should be paid to independent directors who are retained beyond nine (9) years as the Board of GNB has to provide strong justification in exceptional circumstances and seek shareholders’ approval. In obtaining the shareholders’ approval, the Nomination and Remuneration Committee should assess the independent director(s) and recommend to the Board of GNB whether the independent director(s) should remain independent or be re-designated.
- (b) Deal with the matters relating to the continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the provisions of the law and their service contract.
- (c) Review the re-appointment of any non-executive director at the conclusion of his term of office having given due regard to his performance and ability to continue to contribute to the Board of GNB in terms of knowledge, skills and experience required.

**(iii) Specific nominations and succession planning**

- (a) Understand the current performance, competencies and potential of those in key positions of senior management in order to identify and develop plans for those key talents.
- (b) Recommend to the Board of GNB, the succession plans for board chairman, directors and key management personnel, particularly for both executive and non-executive directors and the re-appointment of any non-executive director at the conclusion of his or her specified term of office.
- (c) Establish a clear succession plan for board chairman, directors and senior management, considering succession planning in the course of its work, considering the challenges and opportunities facing the Company, and the skills and expertise needed on the Board of Directors and by the Company in future.

In terms of Senior Management, the Nomination and Remuneration Committee may request from time to time detailed views (either in the form of a report or otherwise) and work together with the CEO and/or Senior Management of the Company to:

- identify expected critical position vacancies and determine any future critical positions; and
- identify gaps in current employees and develop individual development plans, coaching and monitoring programmes.

The Board of GNB should work with the Nomination and Remuneration Committee to evaluate potential successors, considering the challenges and opportunities faced by the Company, and the skills and expertise, including diversity, needed on the Board composition of Directors in the future.

**(iv) Annual performance assessment of Board, Committees and individual Directors**

- (a) Annual review of the required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board of GNB, as a whole, the Board Committees and the contribution of each individual directors. All evaluations carried out by the Nomination and Remuneration Committee in the discharge of its functions should be properly documented. This process should be coordinated by the Committee, with the assistance of the Secretary, and the findings reported to the Board of GNB at the end of each financial year with an assessment of the Board's performance and areas in which the Board, Board Committees or individual Director could improve.
- (b) Review the time commitment of non-executive and independent directors annually. Performance assessments should be undertaken to assess whether the directors are spending adequate time to fulfil their duties.
- (c) Evaluate and appraise the performance of the Chairman of the Board of GNB.
- (d) Review the independence of the independent director annually and recommend to the Board of GNB whether the independent director(s) who has (have) exceeded the cumulative term of 9 years should remain independent or be re-designated.
- (e) Review the performance of the CEO and CFO annually.
- (f) Annually review the term of office of the Audit and Risk Management Committee ("ARMC") and each of its members to determine whether the ARMC has carried out their duties in accordance with their terms of reference.

**(v) Size of Board of GNB and Independent Directors**

- (a) Assess the desirable balance in Board of GNB membership by reviewing the size, structure and composition of the Board of GNB.

- (b) Assess desirable number of independent directors.
- (c) Consider the representation of interest groups as part of boardroom diversity. Factors to consider may include gender, race, religion, nationality, professional background and culture.

In developing its procedures and making recommendations to the Board of GNB, the Nomination and Remuneration Committee will take into account of:

- the provisions of the Company's Memorandum & Articles of Association or Constitution, the Companies Act 2016, ACE Market Listing Requirements and other laws and regulations, if any, in respect of the appointment, and removal of directors;
- the need for the Board of GNB to operate an open and transparent appointment process. This may include engaging independent sources for the appointment process; and
- the overall composition and balance of the Board of GNB.

**(vi) Continuous education / development**

- (a) Identify suitable orientation, educational and training programmes for continuous development of Directors and ensure all Directors receive appropriate continuous trainings programme in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.
- (b) Assess the Audit and Risk Management Committee members' knowledge on financial literacy.

**(vii) Remuneration**

- (a) Recommend and advise the Board of GNB on the remuneration and terms of conditions (and where appropriate, severance payments) of the Executive Directors (including the CEO), ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high caliber individuals and structured so as to align their interest with those of the Company and shareholders.
- (b) Establish a formal and transparent procedure for developing a framework or policy on remuneration packages of individual directors, taking into consideration the following:
  - in case of Executive Directors (including the CEO), the component parts of remuneration should be structured so as to link rewards to corporate and individual performance; and
  - in the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the Non-Executive Director concerned.

## INFORMATION ON GNB (Cont'd)

- (c) Monitor structures and levels of remuneration for other senior executives and make recommendations, if appropriate, to ensure consistency with the Company's remuneration objectives.
- (d) Approve any major changes to employee compensation and benefits arrangements applicable to the Executive Director(s) and senior management.
- (e) Approve incentive plans for the Executive Directors and senior management, and any amendments to such plan.
- (f) Carry out other responsibilities, functions or assignments as may be defined by the Board of Directors from time to time.
- (g) Establish and review the benefits in all its form for the Executive Directors, Non-Executive Directors, CEO and key management positions under the employment within the Group.
- (h) Review and approve annual salary increment and bonuses for the Executive Directors, CEO and key management positions under the employment of the Group.
- (i) Obtain external advice, where necessary, on benefits for the Executive Directors, Non-Executive Directors and key management positions under the employment of the Group.
- (j) Review the performance of, and recommend to the Board of GNB the total annual remuneration package (guaranteed pay, short and long-term incentives and any compensation payable for loss or termination of office or appointment) of individual Executive Directors and Senior Management.

Determination of remuneration packages of directors, should be determined by the Board of GNB as a whole and the individuals directors concerned (whether executive or non-executive) should be abstained from discussing and participating in the decisions of their own remuneration packages.

**(viii) Shareholders' meeting**

The Chairman of the Committee should attend the shareholders' meeting to answer any questions from the shareholders on the committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on the appointment of re-appointment of directors or the retention of an independent director who has served the Company for more than a cumulative term of nine (9) years.

## INFORMATION ON GNB (Cont'd)

## 4.5 Directors' remuneration and material benefits-in-kind

## (a) Directors

The remuneration and material benefits-in-kind paid to GNB's Directors for services rendered in all capacities to the Company for the FYEs 30 June 2021 and 30 June 2022 are as follows:

<b>FYE 30 June 2021</b>	<b>Salaries (RM)</b>	<b>Fees (RM)</b>	<b>Bonus (RM)</b>	<b>Allowances (RM)</b>	<b>Employees Provident Fund and Social Security Organisation (RM)</b>	<b>Benefits-in- kind (RM)</b>	<b>Total (RM)</b>
Dato' Haji Mohd Amran Bin Wahid	-	8,000	-	-	-	-	8,000
CTP	-	8,000	-	-	-	-	8,000
Cheah Hannon	-	8,000	-	-	-	-	8,000
Peter Ling Sie Wuong	-	8,000	-	-	-	-	8,000

<b>FYE 30 June 2022</b>	<b>Salaries (RM)</b>	<b>Fees (RM)</b>	<b>Bonus (RM)</b>	<b>Allowances (RM)</b>	<b>Employees Provident Fund and Social Security Organisation (RM)</b>	<b>Benefits-in- kind (RM)</b>	<b>Total (RM)</b>
Dato' Haji Mohd Amran Bin Wahid	-	8,000	-	-	-	-	8,000
CTP	-	8,000	-	-	-	-	8,000
Cheah Hannon	-	8,000	-	-	-	-	8,000
Peter Ling Sie Wuong	-	8,000	-	-	-	-	8,000

The remuneration of GNB's Directors, which includes Directors' fees, bonus and such other allowances as well as other benefits, must be considered and recommended by GNB's Nomination and Remuneration Committee and subsequent approved by the Board of GNB. GNB's Directors' fees must be further approved/ endorsed by GNB's shareholders at a general meeting to be convened.

## INFORMATION ON GNB (Cont'd)

## (b) Proposed Directors

The remuneration and material benefits-in-kind paid to GNB's Proposed Directors for services rendered in all capacities to the Enlarged GNB Group for the FYEs 30 June 2021 and 30 June 2022 are as follows:

<b>FYE 30 June 2021</b>	<b>Salaries (RM)</b>	<b>Fees (RM)</b>	<b>Bonus (RM)</b>	<b>Allowances (RM)</b>	<b>Employees Provident Fund and Social Security Organisation (RM)</b>	<b>Benefits-in- kind (RM)</b>	<b>Total (RM)</b>
Tan Sri Datuk Seri Gan Yu Chai	120,000	-	-	-	14,862	-	134,862
Gan Yee Hin	120,000	-	-	-	14,862	-	134,862
Datuk Sydney Lim Tau Chin	120,000	-	-	-	14,862	-	134,862
Phe Kheng Peng <sup>(1)</sup>	-	-	-	-	-	-	-
Too Siew Mooi <sup>(1)</sup>	-	-	-	-	-	-	-

<b>FYE 30 June 2022</b>	<b>Salaries (RM)</b>	<b>Fees (RM)</b>	<b>Bonus (RM)</b>	<b>Allowances (RM)</b>	<b>Employees Provident Fund and Social Security Organisation (RM)</b>	<b>Benefits-in- kind (RM)</b>	<b>Total (RM)</b>
Tan Sri Datuk Seri Gan Yu Chai	240,000	-	-	-	29,723	-	269,723
Gan Yee Hin	240,000	-	-	-	29,723	-	269,723
Datuk Sydney Lim Tau Chin	240,000	-	-	-	29,723	-	269,723
Phe Kheng Peng <sup>(1)</sup>	-	-	-	-	-	-	-
Too Siew Mooi <sup>(1)</sup>	-	-	-	-	-	-	-

The remuneration of GNB's Proposed Directors, which includes Directors' fees (if any), bonus and such other allowances as well as other benefits, must be considered and recommended by GNB's Nomination and Remuneration Committee and subsequent approved by the Board of GNB. GNB's Proposed Directors' fees (if any) must be further approved/ endorsed by GNB's shareholders at a general meeting to be convened.



## INFORMATION ON GNB (Cont'd)

**Note:**

- (1) As Proposed Director of the Enlarged GNB Group, they are proposed be appointed as Independent Non-Executive Director after the completion of the Proposed Regularisation Plan.

**4.6 Service agreements with the Directors which provide for benefits upon termination of employment**

There is no existing or proposed service contracts with Company and its Directors / Proposed Directors which provide for benefits upon termination of employment as at the LPD.

**4.7 Principal business performed outside the Enlarged GNB Group and principal directorships**

Save as disclosed below, none of the GNB's Directors and Proposed Directors has any directorship or business activity performed outside the Enlarged GNB Group at present and in the last 5 years prior to the LPD:

- (i) Dato' Haji Mohd Amran Bin Wahid

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Syabas Jaya Sdn Bhd	Property development and management	Director and shareholder	18 December 2020	-	50.00	-
S.U. Solar Sdn Bhd	Service and generate solar system, electrician and dealers in solar, general trading	Director and shareholder	2 October 2013	-	50.00	-
Lembing Resources Sdn Bhd	Managing mines and mineral lands and other related activities	Director and shareholder	20 July 2007	-	55.00	-
Noble Hills Development Sdn Bhd	Property development	Director and shareholder	13 February 2006	-	51.00	-
Deklarasi Niaga Sdn Bhd	Mining, quarry, plantation & agriculture	Director and shareholder	11 February 2008	-	80.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Outperform Wealth Management Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings	Director and shareholder	5 May 2017	-	50.00	-
Sediaplas Sdn Bhd	General trading and services; and Green energy technology	Director and shareholder	4 August 2015	-	40.00	-
Gerik Mining Sdn Bhd	Mining of tin ores	Director and shareholder	5 May 2015	-	30.00	-
Nenggiri Resources Sdn Bhd	Mining of tin ores	Director and shareholder	5 May 2015	-	50.00	-
Myah Mines Sdn Bhd	Tin mining and other mining related activities	Director and indirect shareholder	24 April 2013	-	-	75.00 <sup>(1)</sup>
Tersang Sega Resources Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings, export and import of gold, mining of gold	Director and shareholder	14 September 2017	-	60.00	-
Sai Resources Sdn Bhd	Dissolved <sup>(2)</sup>	Director and Shareholder	4 April 2007	13 November 2020	-	-
<b><u>Past involvement:</u></b>						
Special Universal Sdn Bhd	Investment in photovoltaic power plant and trading in green energy saving products	Director	14 November 2011	2 December 2019	-	-

**Notes:**

(1) Deemed interested through the direct interest of Lembing Resources Sdn Bhd.

(2) Sai Resources Sdn Bhd was dissolved on 13 November 2020.

## INFORMATION ON GNB (Cont'd)

(ii) CTP

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Syabas Jaya Sdn Bhd	Property development and management	Director and shareholder	18 December 2020	-	50.00	-
Sands Corporate Sdn Bhd	Wholesale of a variety of goods without any particular specialisation not elsewhere classified; and  Quarrying of sand	Director and shareholder	17 September 2020	-	80.00	20.00 <sup>(1)</sup>
Pintas Wangsa Sdn Bhd	Developer of housing projects	Director and shareholder	7 June 2016	-	65.00	35.00 <sup>(2)</sup>
Tropical Eden Development Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – residential buildings	Director and shareholder	8 June 2012	-	70.00	20.00 <sup>(3)</sup>
Original Blossom Sdn Bhd	Mixed farming	Director and shareholder	5 August 2011	-	40.00	60.00 <sup>(4)</sup>
Lembing Resources Sdn Bhd	Managing mines and mineral lands and other related activities	Director and shareholder	10 August 2011	-	40.00	5.00 <sup>(5)</sup>
CMC Enterprise Sdn Bhd	Investment holding	Director and shareholder	23 May 1995	-	33.33	-
Outperform Wealth Management Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings	Director and shareholder	5 May 2017	-	50.00	-
Sediaplas Sdn Bhd	General trading and services; and  Green energy technology.	Director and shareholder	18 August 2016	-	30.00	-
Gerik Mining Sdn Bhd	Mining of tin ores	Director and shareholder	5 May 2015	-	30.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Nenggiri Resources Sdn Bhd	Mining of tin ores	Director and shareholder	5 May 2015	-	50.00	-
Myah Mines Sdn Bhd	Tin mining and other mining related activities	Director and indirect shareholder	24 April 2013	-	-	75.00 <sup>(6)</sup>
SD Farm Village Sdn Bhd	Mining	Director and shareholder	13 July 2018	-	50.00	-
Legenda Duta Pintas Wangsa JV Sdn Bhd	Wholesale of a variety of goods without any particular specialisation not elsewhere classified; and  Quarrying, rough trimming and sawing of monumental and building stone such as marble, granite (dimension stone), sandstone	Director and shareholder	2 January 2020	-	80.00	-
Baiduri Ulung Sdn Bhd	Dormant	Director and shareholder	4 March 2018	-	30.00	-
U & Us Agro Sdn Bhd	Other management consultancy activities not elsewhere classified  Wholesale of a variety of goods without any particular specialisation not elsewhere classified  Mixed farming	Director and shareholder	10 June 2022	-	50.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Past involvement:</u>						
Lembing Kapital Sdn Bhd	Dissolved <sup>(8)</sup>	Director	21 May 2012	29 November 2017	-	-
LHO Holdings Berhad	Dissolved <sup>(7)</sup>	Director	9 December 2019	18 August 2021	-	-

**Notes:**

- (1) Deemed interested through the direct interest of his child in Sands Corporate Sdn Bhd.
- (2) Deemed interested through the direct interest of his spouse in Pintas Wangsa Sdn Bhd.
- (3) Deemed interested through the direct interest of his spouse in Tropical Eden Development Sdn Bhd.
- (4) Deemed interested through the direct interest of his spouse and children in Original Blossom Sdn Bhd.
- (5) Deemed interested through the direct interest of his spouse in Lembing Resources Sdn Bhd.
- (6) Deemed interested through the direct interest of Lembing Resources Sdn Bhd.
- (7) LHO Holdings Berhad was dissolved on 18 August 2021.
- (8) Lembing Kapital Sdn Bhd was dissolved on 29 November 2017.

## INFORMATION ON GNB (Cont'd)

(iii) Cheah Hannon

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
PRG Management Services Sdn Bhd	Provide management consultancy services, accounting, office administration and general support functions	Director	22 August 2017	-	-	-
Premier Construction (International) Sdn Bhd	To tender and/or undertake local/overseas property development and construction activities and projects and other related activities and to carry on the business and/or activities advantageous to the company	Director	31 December 2018	-	-	-
P2Plus Sdn Bhd	Dormant	Director and shareholder	27 June 2016	-	27.50	-
Cremorne Capital (Msia) Sdn Bhd	Financial consultancy services;  Business management consultancy services; and  Investment advisory services	Director and shareholder	11 April 2019	-	50.00	-
Ting Seafood and Machinery Sdn Bhd	Wholesale of other machinery for use in industry, trade and navigation and other services not elsewhere classified;  Retail sale of fish, other seafood and products thereof; and  Other services not elsewhere classified	Director and shareholder	20 June 2019	-	100.00	-
XL Holdings Berhad	Investment holding and provision of management services	Director	11 January 2021	-	-	-
PRG Land Sdn Bhd	Trading and retail of clothing, footwear and ancillary products	Director	16 March 2018	-	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Premier Construction Sdn Bhd	Contractor for civil and building construction works, rental of machinery, equipment and etc	Director	31 December 2018	-	-	-
Premier Electrify Sdn Bhd	Property development, construction and related activities	Director	19 September 2016	-	-	-
Premier International Marketing Sdn Bhd	To market, promote and export agriculture, forestry and plantation related products	Director	13 April 2017	-	-	-
PRG Healthcare Sdn Bhd	Investment holding	Director	19 June 2016	-	-	-
PRG Asset Sdn Bhd	Investment holding	Director	6 June 2017	-	-	-
PRG Construction Sdn Bhd	Investment holding	Director	31 December 2018	-	-	-
PRG Active Sdn Bhd	Business on medical consultation and cardiovascular services	Director	7 April 2020	-	-	-
Premier PMC Sdn Bhd	Property development and related activities	Director	6 June 2018	-	-	-
PRG Agro Sdn Bhd	To undertake agriculture, plantation, logging, forestry, and all activities related to the foregoing	Director	22 May 2017	-	-	-
PRG Asset Holdings Sdn Bhd	Trading and retail sale of clothing, footwear and ancillary products	Director	9 March 2018	-	-	-
Premier Food Processing Sdn Bhd	Manufacture and processing of food products	Director	14 June 2017	-	-	-
Cremorne Capital Fund Management Limited <sup>(1)</sup>	Business of providing fund management and corporate advisory services	Director and Shareholder	5 June 2018	-	60.00	-
<u>Past involvement:</u>						
Minetech Resources Berhad	Investment holding and provision of managerial services	Director	21 January 2020	4 June 2020	-	-

## INFORMATION ON GNB (Cont'd)

**Note:**

- (1) The principal activities of Cremorne Capital Fund Management Limited (“**Cremorne**”) were extracted from Cremorne’s audited accounts for FYE 31 December 2020, whereas the information on Cheah Hannon’s directorship and shareholdings were extracted from the register of directors and register of members of Cremorne, both dated 11 January 2022, in view that the company information for Labuan entities are not publicly available.

- (iv) Peter Ling Sie Wuong

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Dexcom (Malaysia) Sdn Bhd	Manufacture of medical and dental instruments and supplies;  Wholesale of a variety of goods without any particular specialisation not elsewhere classified; and  Activities of holding companies	Director	12 March 2020	-	-	-
Virtusa Malaysia Sdn Bhd	Information, communication, and technology services	Director	24 December 2012	-	-	-
BWX Brands Malaysia Sdn Bhd	Developer, manufacturer, distribution and marketer of beauty (skin and hair care) products	Director	31 May 2017	-	-	-
GGTM Sdn Bhd	Exploration, mining and production of dimension granites for sale as well as architectural stone and interior fit-out	Director	30 July 2015	-	-	-
Nova Equity Sdn Bhd	Activities of holding companies	Director	13 October 2021	-	100.00	-
<u>Past involvement:</u>						
Minetech Resources Berhad	Investment holding and provision of managerial services	Director	8 January 2015	24 August 2017	-	-



## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Brooks Brothers Malaysia Sdn Bhd	Retail business of accessories and footwear products	Director	4 January 2016	1 October 2018	-	-
EH Management Sdn Bhd	Dissolved <sup>(1)</sup>	Director	20 October 2016	22 March 2020	-	-
Zavata Sdn Bhd	Dissolved <sup>(2)</sup>	Director	26 February 2020	29 June 2022	-	-

**Notes:**

(1) EH Management Sdn Bhd was dissolved on 22 March 2020.

(2) Zavata Sdn Bhd was dissolved on 29 June 2022.

## INFORMATION ON GNB (Cont'd)

(v) Tan Sri Datuk Seri Gan Yu Chai

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Raven Development Sdn Bhd	Activities of holding companies	Director and shareholder	15 July 2021	-	100.00	-
Cahaya Cendana Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – residential buildings; and  Activities of holding companies	Director and shareholder	1 July 2021	-	100.00	-
Platinum Victory Marketing Sdn Bhd	Dealer or agent for the supply and trading in building materials	Director and shareholder	19 March 2015	-	50.00	50.00 <sup>(1)</sup>
Platinum Victory Property Sdn Bhd	Property development	Director and shareholder	8 May 2006	-	19.17	22.50 <sup>(2)</sup>
Jayyid Land Sdn Bhd	Property developer	Director	10 October 2016	-	-	90.00 <sup>(25)</sup>
Meridian Maxim Sdn Bhd	Property development	Director and shareholder	15 October 2010	-	40.00	-
Maxim Holdings Sdn Bhd	Investment holdings and property development	Alternate Director	22 April 2016	-	-	-
Kaisar Maxim Sdn Bhd	Investment holdings and property development	Director	12 November 2015	-	-	-
Trillion Maxim Sdn Bhd	Investment holdings and property development	Director and shareholder	19 September 2011	-	33.33	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Fountain Energy Sdn Bhd	General trading	Director and indirect shareholder	29 January 2021	-	-	100.00 <sup>(3)</sup>
Castle Innovations Sdn Bhd	Involved in property leasing and property management activities	Director and indirect shareholder	1 April 2013	-	-	100.00 <sup>(4)</sup>
Inner Glamour Sdn Bhd	Property developers	Director and shareholder	12 November 1999	-	50.00	-
Weng Wah Developments Sdn Bhd	Property development and investment holding	Director and shareholder	3 December 2012	-	50.00	50.00 <sup>(30)</sup>
Richmont Technology Sdn Bhd	Property development	Director and shareholder	26 July 2018	-	33.33	-
MHP3 Sdn Bhd (formerly known as Platinum MH Sdn Bhd)	Wholesale and retail of new motor vehicles; and Property developer	Director and indirect shareholder	20 December 2019	-	-	100.00 <sup>(26)</sup>
Citajaya Kuasa Sdn Bhd	Activities of holding companies	Director and shareholder	1 August 2018	-	49.00	-
The Face Hotels & Resorts Sdn Bhd	Hotels and hotel resorts	Director and shareholder	21 December 2017	-	50.00	-
Metro Universal Development Sdn Bhd	Property developer	Director and shareholder	10 August 2018	-	33.33	-
Pembinaan Serta Hebat Sdn Bhd	Property developer	Director and indirect shareholder	18 January 2016	-	-	25.50 <sup>(5)</sup>
Platinum Victory (WM) Sdn Bhd	Property developers	Director and shareholder	11 November 2014	-	50.00	49.00 <sup>(6)</sup>

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Palette Danau Kota Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – land;  Wholesale of a variety of goods without any particular specialisation not elsewhere classified; and  Other management consultancy activities not elsewhere classified	Director and shareholder	10 November 2014	-	50.00	50.00 <sup>(28)</sup>
Novaview Realty Sdn Bhd	Real estate	Director and shareholder	20 November 2014	-	33.33	-
Super Advantage Property Sdn Bhd	Activities of holding companies	Director and shareholder	11 November 2014	-	80.00	20.00 <sup>(7)</sup>
MH Platinum Sdn Bhd	Property development	Director and shareholder	16 August 2011	-	50.00	-
Platinum Victory Holdings Sdn Bhd	Investment holding company	Director and shareholder	8 December 2009	-	59.00	35.70 <sup>(8)</sup>
Pembangunan Hakikat Emas Sdn Bhd	Property leasing and property management activities	Director and shareholder	9 September 2011	-	7.50	90.00 <sup>(9)</sup>
Platinum Victory Resorts Sdn Bhd	Acquiring, managing, operating and/or own hotel, motel, clubs, restaurant, resorts and places of amusement	Director and shareholder	28 March 2012	-	50.00	-
Platinum Victory Development Sdn Bhd	Property developer	Director and shareholder	28 September 2004	-	66.00	24.00 <sup>(29)</sup>
Chong Hwa Holdings Sdn Bhd	Activities of holding companies	Director and shareholder	13 July 2020	-	4.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Yayasan SJKC Wangsa Maju	To promote, provide scholarships, gift whether moveable or pecuniary, donations, grants, loans, legacy, subscriptions and improve educational facilities in Malaysian schools, particularly Chinese schools in the rural areas	Director	15 November 2018	-	-	-
PV Credit & Leasing Sdn Bhd	Leasing and moneylending business	Director	28 October 2015	-	-	-
Pavilion Simfoni Sdn Bhd	Investment holding <sup>(10)</sup>	Director and shareholder	20 August 2013	-	0.01	0.01 <sup>(11)</sup>
IT Media Sdn Bhd	Letting of properties and investments holding	Director and shareholder	21 November 1994	-	20.00	-
Unigreen Hardware Supplies	Trading in hardware	Partnership	15 March 1987	-	25.00	-
Gandingan Jakel Sdn Bhd	Activities of holding companies	Director and indirect shareholder	12 July 2021	-	-	50.00 <sup>(12)</sup>
Juara Maksima Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – residential buildings;  Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Activities of holding companies	Director and indirect shareholder	16 November 2020	-	-	100.00 <sup>(4)</sup>
Selama Bayu Sdn Bhd	Property development	Director and indirect shareholder	1 July 2021	-	-	100.00 <sup>(4)</sup>
Smart Advance Resources Sdn Bhd	Investment holding and general trading	Director and shareholder	1 August 2018	-	40.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Sri Pertiwi Resources (M) Sdn Bhd	Real estate activities with own or leased property not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – land	Director and indirect shareholder	30 January 2020	-	-	50.10 <sup>(13)</sup>
Wangsa Binajaya Sdn Bhd	Activities of holding companies	Director and shareholder	1 July 2020	-	100.00	-
Cengal Rasa Sdn Bhd	Investment holding  Agricultural plantation and related activities  Tourism and related business	Director and shareholder	23 June 2021	-	20.00	-
Contras Build Sdn Bhd	Property developer	Director and indirect shareholder	5 October 2018	-	-	80.00 <sup>(14)</sup>
Nurix Oil Sdn Bhd	Other business support services not elsewhere classified	Director and indirect shareholder	31 May 2021	-	-	100.00 <sup>(4)</sup>
Golden Seeds Realty Sdn Bhd	Investment holding	Director and indirect shareholder	4 May 2021	-	-	100.00 <sup>(4)</sup>
Alfa Sutramas Sdn Bhd	Activities of holding companies	Director and shareholder	3 May 2021	-	100.00	-
Forest Heritage Sdn Bhd	Property development	Director and indirect shareholder	1 April 2021	-	-	100.00 <sup>(15)</sup>
Intra Abadi Sdn Bhd	Activities of holding companies	Director and indirect shareholder	11 March 2021	-	-	100.00 <sup>(4)</sup>

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Minor Five Sdn Bhd	Property developer	Director and indirect shareholder	7 March 2021	-	-	35.00 <sup>(16)</sup>
JP Wangsa Maju Sdn Bhd	Residential buildings	Director and indirect shareholder	10 September 2020	-	-	50.00 <sup>(13)</sup>
Dupion Development Sdn Bhd	Dormant	Director and indirect shareholder	24 June 2020	-	-	50.00 <sup>(17)</sup>
Multi Access Assets Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – land;  Real estate activities with own or leased property not elsewhere classified	Director and indirect shareholder	17 November 2020	-	-	50.00 <sup>(13)</sup>
PV M6 Sdn Bhd	Property developer <sup>(18)</sup>	Director and indirect shareholder	30 October 2020	-	-	35.00 <sup>(16)</sup>
Platinum Victory Facestyle Sdn Bhd	Hotels and hotel resorts	Director and shareholder	22 November 2019	-	25.00	-
Jejak Kembang Sdn Bhd	Investment holding	Director and shareholder	20 November 2014	-	80.00	18.00 <sup>(19)</sup>
Mesti Mulia Holdings Sdn Bhd	Investment holding company	Director and indirect shareholder	8 July 2013	-	-	100.00 <sup>(4)</sup>
Platinum Victory Land Sdn Bhd	Property developer	Director and shareholder	8 December 2009	-	50.00	-
Platinum Victory (Setapak) Sdn Bhd	Property development	Director and shareholder	3 September 2007	-	21.43	75.00 <sup>(9)</sup>

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Platinum Victory Sdn Bhd	Property developer	Director and shareholder	15 October 2001	-	50.00	-
Fitrah E Visa Service Sdn Bhd (formerly known as PV Technical Services Sdn Bhd)	Investment company; Visa applications and informative services; Merchants, general traders, commission agents, and carrier <sup>(20)</sup>	Director and shareholder	22 July 2016	-	20.00	20.00 <sup>(21)</sup>
First Hallmark Sdn Bhd	Residential buildings	Director and shareholder	18 November 2015	-	25.00	25.00 <sup>(22)</sup>
Chong Hwa KL Foundation	To receive, administer and augment funds or in kinds for charitable purposes in the advancement of education to needy and deserving members of the public irrespective of race, religion or creed  To receive any donations in cash or in kind and to invest and/or apply the same for the objects of the foundation	Director	24 May 2021	-	-	-
Empayar Estet Sdn Bhd	Activities of holding companies	Director	12 August 2021	-	-	100.00 <sup>(25)</sup>
JV Management Sdn Bhd	Other management consultancy activities not elsewhere classified	Director	16 August 2021	-	-	100.00 <sup>(25)</sup>
MHP5 Sdn Bhd	Residential buildings	Director and indirect shareholder	7 September 2021	-	-	100.00 <sup>(26)</sup>
MHP7 Sdn Bhd	Residential buildings	Director and indirect shareholder	21 April 2022	-	-	100.00 <sup>(26)</sup>



## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Sebayu Dimensi Sdn Bhd	Activities of holding companies	Director and indirect shareholder	6 September 2021	-	-	100.00 <sup>(12)</sup>
Sutera Syabas Sdn Bhd	Activities of holding companies	Director and indirect shareholder	6 September 2021	-	-	100.00 <sup>(12)</sup>
Tenaga Prospek Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – residential buildings;  Activities of holding companies	Director	28 September 2021	-	-	100.00 <sup>(4)</sup>
<u>Past involvement:</u>						
Luxury Fantasy Sdn Bhd	Dissolved <sup>(27)</sup>	Shareholder	-	-	-	-
Pavilion Integrity Sdn Bhd	Property development	Director	8 August 2017	1 June 2021	-	-
Omega Edisi Sdn Bhd	Business of merchants and general traders  Import and export and trading in goods, produce, articles and merchandise  Business of advisors and consultants on matters relating to head office operations, management and activities including the development and improvement of corporations operating systems and expansion of business  Investment company	Director	20 August 2013	3 March 2021	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Rasa Wangi Development Sdn Bhd	Residential buildings	Director	3 November 2015	23 February 2021	-	-
Sterling Example Sdn Bhd	Investment holding	Director	18 January 2016	13 November 2020	-	-
Montanica Development Sdn Bhd	Property development	Director	16 October 2015	8 June 2021	-	-
Ambanang Development Sdn Bhd	Property development	Director	11 November 2014	8 June 2021	-	-
Total Solid Holdings Sdn Bhd	Property developer	Director	23 August 2012	24 February 2021	-	-
Constant Premium Sdn Bhd	Property developer	Director	27 May 2014	1 June 2021	-	-
Vistarena Development Sdn Bhd	Property developer	Director	8 February 2011	4 June 2021	-	-
Idaman Sejiwa (Ampang) Sdn Bhd	Property developer	Director	13 June 2011	8 June 2021	-	-
Monisprings Development Sdn Bhd	Property development, investment, and letting of properties	Director	25 June 2015	5 February 2021	-	-
Inner Glamour Properties Management Sdn Bhd	Investment holding	Director	7 November 2000	13 November 2020	-	-
Fitrah Resources Sdn Bhd	Property development	Director	21 August 2019	1 June 2021	-	-
PVG Property Management Sdn Bhd	Property management	Director	9 May 2019	10 June 2019	-	-
Bumi Triangle Sdn Bhd	Residential buildings	Director	2 July 2018	22 June 2020	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Platinum Hebat Sdn Bhd	Property developer	Director	17 November 2014	17 July 2020	-	-
P V Property Management Sdn Bhd	Property management; To enter into any contracts in relation to property management; and To carry on any trade or business	Director	29 September 2004	20 June 2019	-	-
HZS Holiday Sdn Bhd	Property management	Director	10 September 2007	10 December 2019	-	-
Solid Winner Development Sdn Bhd	Property developer	Director	4 November 2015	2 March 2018	-	-
Dataran Pertiwi Holdings Sdn Bhd	To carry on business of housing developers, land developers, builders and general contractors of all kinds of works and buildings	Director	12 October 2015	12 April 2021	-	-
Marques Land Sdn Bhd	Property development	Director and indirect shareholder	29 April 2013	26 August 2021	-	100.00 <sup>(4)</sup>

**Notes:**

- (1) Deemed interested through the indirect interest of his son in Platinum Victory Marketing Sdn Bhd.
- (2) Deemed interested through the direct interest of his son in Platinum Victory Property Sdn Bhd.
- (3) Deemed interested through the direct interest of Tenaga Prospek Sdn Bhd.
- (4) Deemed interested through the direct interest of Platinum Victory Holdings Sdn Bhd.
- (5) Deemed interested through the direct interest of Platinum Victory Development Sdn Bhd.
- (6) Deemed interested through the direct interest of his son in Platinum Victory (WM) Sdn Bhd.

**INFORMATION ON GNB (Cont'd)**

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- (7) Deemed interested through the direct interest of his son in Super Advantage.
- (8) Deemed interested through the direct interest of his spouse and son in Platinum Victory Holdings Sdn Bhd.
- (9) Deemed interested through the direct interest of Mesti Mulia Holdings Sdn Bhd.
- (10) Pavilion Simfoni Sdn Bhd has filed the relevant documentation with the Companies Commission of Malaysia to change its principal activities to “investment holding”.
- (11) Deemed interested through the direct interest of his son in Pavilion Simfoni Sdn Bhd.
- (12) Deemed interested through the direct interest of Alfa Sutramas Sdn Bhd.
- (13) Deemed interested through the direct interest of Jejak Kembang Sdn Bhd.
- (14) Deemed interested through the direct interest of Citajaya Kuasa Sdn Bhd.
- (15) Deemed interested through the direct interest of Juara Maksima Sdn Bhd.
- (16) Deemed interested through the direct interest of Wangsa Binajaya Sdn Bhd.
- (17) Deemed interested through the direct interest of Platinum Victory (WM) Sdn Bhd.
- (18) PV M6 Sdn Bhd has filed the relevant documentation with the Companies Commission of Malaysia to change its principal activities to “property developer”.
- (19) Deemed interested through the direct interest of his son in Jejak Kembang Sdn Bhd.
- (20) Fitrah E Visa Service Sdn Bhd (formerly known as PV Technical Services Sdn Bhd) has filed the relevant documentation with the Companies Commission of Malaysia to change its principal activities to “investment company, visa applications and informative services, and merchants general traders, commission agents and carrier”.
- (21) Deemed interested through the direct interest of his son in Fitrah E Visa Service Sdn Bhd (formerly known as PV Technical Services Sdn Bhd).
- (22) Deemed interested through the direct interest of his son in First Hallmark Sdn Bhd.
- (23) Deemed interested through the direct interest of Cahaya Cendana Sdn Bhd.
- (24) Deemed interested through the direct interest of Golden Seeds Realty Sdn Bhd.
- (25) Deemed interested through the direct interest of Gandingan Jakel Sdn Bhd.

**INFORMATION ON GNB (Cont'd)**

(26) Deemed interested through the direct interest of MH Platinum Sdn Bhd.

(27) Luxury Fantasy Sdn Bhd was dissolved on 8 June 2018.

(28) Deemed interested through the direct interest of his son in Palette Danau Kota Sdn Bhd.

(29) Deemed interested through the direct interest of his son in Platinum Victory Development Sdn Bhd.

(vi) Gan Yee Hin

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Castle Innovations Sdn Bhd	Involved in property leasing and property management activities	Director and indirect shareholder	26 July 2021	-	-	100.00 <sup>(1)</sup>
Pembangunan Hakikat Emas Sdn Bhd	Engaged in property leasing and property management activities	Director and indirect shareholder	26 July 2021	-	-	90.00 <sup>(2)</sup>
Platinum Victory (WM) Sdn Bhd	Property developers	Director and shareholder	9 August 2021	-	49.00	-
Novaview Realty Sdn Bhd	Real estate	Alternate Director	16 July 2021	-	-	-
Palette Danau Kota Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – land;  Wholesale of a variety of goods without any particular specialisation not elsewhere classified; and  Other management consultancy activities not elsewhere classified	Director	15 July 2021	-	50.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Weng Wah Developments Sdn Bhd	Property development and investment holding	Director	23 June 2021	-	50.00	-
Cahaya Cendana Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – residential buildings; and  Activities of holding companies	Director	23 January 2020	-	-	-
Platinum Victory Marketing Sdn Bhd	Dealer or agent for the supply and trading in building materials	Director and shareholder	18 June 2021	-	50.00	-
Platinum Victory Property Sdn Bhd	Property development	Director and shareholder	30 June 2021	-	22.50	-
Jayyid Land Sdn Bhd	Property developer	Director	5 June 2020	-	-	-
Pribumi Ehsan Sdn Bhd	General trading and investment holding	Director	14 October 2016	-	-	-
Bigboy Maxim Sdn Bhd	Property development and investment holdings	Director	14 October 2016	-	-	-
Midcity Maxim Sdn Bhd	Property development and investment holding	Director	14 October 2016	-	-	-
Sovereign Maxim Sdn Bhd	Money lending business	Director	14 October 2016	-	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Benar Bangga Development Sdn Bhd	Real property and housing development; Investment holdings; and General trading	Director	2 February 2018	-	-	-
Butirjaya Maxim Development Sdn Bhd	Property developer, investment holdings, and general trading	Director	14 October 2016	-	-	-
Citajaya Kuasa Sdn Bhd	Activities of holding companies	Director	17 June 2021	-	-	-
Pembinaan Serta Hebat Sdn Bhd	Property developers	Director	16 June 2021	-	-	-
Fitrah E Visa Service Sdn Bhd (formerly known as PV Technical Services Sdn Bhd)	Investment company; Visa applications and informative services; Merchants, general traders, commission agents, and carrier	Director and shareholder	12 April 2021	-	20.00	-
Fountain Energy Sdn Bhd	General trading	Director	29 January 2021	-	-	100.00 <sup>(9)</sup>
Platinum Victory Facestyle Sdn Bhd	Hotels and hotel resorts	Director	17 September 2021	-	-	-
Super Advantage Property Sdn Bhd	Activities of holding companies	Director and shareholder	20 June 2019	-	20.00	-
Raven Development Sdn Bhd	Activities of holding companies	Director	22 January 2020	-	-	-
Metro Universal Development Sdn Bhd	Property developer	Alternate Director	10 August 2018	-	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Platinum Victory (Setapak) Sdn Bhd	Property development	Director and indirect shareholder	24 November 2016	-	-	75.00 <sup>(2)</sup>
Tambun Kekal Sdn Bhd	Activities of holding companies	Director	28 January 2020	-	-	-
Richmont Technology Sdn Bhd	Property development	Alternate Director	26 July 2018	-	-	-
Pavilion Simfoni Sdn Bhd	Investment holding <sup>(3)</sup>	Director and shareholder	2 February 2018	-	0.01	-
Forest Heritage Sdn Bhd	Property development	Director and indirect shareholder	1 April 2021	-	-	100.00 <sup>(4)</sup>
Jejak Kembang Sdn Bhd	Investment holding	Director and shareholder	22 July 2021	-	18.00	-
Mesti Mulia Holdings Sdn Bhd	Investment holding company	Director and indirect shareholder	9 August 2021	-	-	100.00 <sup>(1)</sup>
Gandingan Jakel Sdn Bhd	Activities of holding companies	Director	12 July 2021	-	-	-
Juara Maksima Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – residential buildings;  Export and import of a variety of goods without any particular specialisation not elsewhere classified;	Director and indirect shareholder	16 November 2020	-	-	100.00 <sup>(1)</sup>
Selama Bayu Sdn Bhd	Activities of holding companies  Property development	Director and indirect shareholder	1 July 2021	-	-	100.00 <sup>(1)</sup>



## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Smart Advance Resources Sdn Bhd	Investment holding and general trading	Director	1 July 2021	-	-	-
Contras Build Sdn Bhd	Property developer	Director	16 June 2021	-	-	-
Nurix Oil Sdn Bhd	Other business support services not elsewhere classified	Director and indirect shareholder	31 May 2021	-	-	100.00 <sup>(5)</sup>
Golden Seeds Realty Sdn Bhd	Investment holding	Director and indirect shareholder	4 May 2021	-	-	100.00 <sup>(6)</sup>
Alfa Sutramas Sdn Bhd	Activities of holding companies	Director	3 May 2021	-	-	-
Intra Abadi Sdn Bhd	Activities of holding companies	Director and indirect shareholder	11 March 2021	-	-	100.00 <sup>(1)</sup>
JP Wangsa Maju Sdn Bhd	Residential buildings	Director and indirect shareholder	10 September 2020	-	-	50.00 <sup>(7)</sup>
Dupion Development Sdn Bhd	Real estate activities with own or leased property not elsewhere classified; and Buying, selling, renting and operating of self-owned or leased real estate land	Director and indirect shareholder	24 June 2020	-	-	50.00 <sup>(8)</sup>
Konsep Juara Sdn Bhd	General trading; Investment holding; and Property developer	Director	7 February 2020	-	-	-
JV Management Sdn Bhd	Other management consultancy activities not elsewhere classified	Director	16 August 2021	-	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Tenaga Prospek Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – residential buildings;  Activities of holding companies	Director	28 September 2021	-	-	100.00 <sup>(1)</sup>
Platinum Victory Holdings Sdn Bhd	Investment holding company	Director and shareholder	8 November 2021	-	25.70	-
Multi Access Assets Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – land  Real estate activities with own or leased property not elsewhere classified	Director	27 August 2021	-	-	50.00 <sup>(7)</sup>
Sebayu Dimensi Sdn Bhd	Activities of holding companies	Director	6 September 2021	-	-	-
Sutera Syabas Sdn Bhd	Activities of holding companies	Director	6 September 2021	-	-	-
Empayar Estet Sdn Bhd	Activities of holding companies	Director	12 August 2021	-	-	-
Sri Pertiwi Resources (M) Sdn Bhd	Real estate activities with own or leased property not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – land	Director	16 December 2021	-	-	50.10 <sup>(7)</sup>
Platinum Victory Development Sdn Bhd	Property developer	Director	22 December 2021	-	24.00	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Property Hero Sdn Bhd	Activities of real estate agents and brokers for buying, selling and renting of real estate	Director	8 March 2022	-	100.00	-
	Other management consultancy services not elsewhere classified					
MHP3 Sdn Bhd (formerly known as Platinum MH Sdn Bhd)	Wholesale and retail of new motor vehicles; and Property developer	Director	18 September 2021	-	-	-
MHP5 Sdn Bhd	Residential buildings	Director	7 September 2021	-	-	-
MHP7 Sdn Bhd	Residential buildings	Director	21 April 2022	-	-	-
D Merveilleux Suites Sdn Bhd	Hotels and resort hotels; Bed and breakfast units; Other short term accommodation activities not elsewhere classified	Director	28 April 2022	-	100.00	-
<u>Past involvement:</u>						
Contras Build Sdn Bhd	Property developer	Alternate Director	5 October 2018	16 June 2021	-	-
Fitrah Resources Sdn Bhd	Property development	Director	21 August 2019	1 June 2021	-	-
Smart Advance Resources Sdn Bhd	Investment holding and general trading	Alternate Director	1 August 2018	1 July 2021	-	-
Idaman Sejiwa (Ampang) Sdn Bhd	Property developer	Director	7 January 2021	8 June 2021	-	-
Constant Premium Sdn Bhd	Property developer	Director	11 February 2020	1 June 2021	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Blue Ocean Maxim Sdn Bhd	Property development	Director	14 October 2016	11 November 2020	-	-
Bendera Juara Maxim Sdn Bhd	Property development	Director	14 October 2016	21 May 2020	-	-
Sterling Example Sdn Bhd	Investment holding	Director	18 January 2016	13 November 2020	-	-
Jayyid Land Sdn Bhd	Property developer	Alternate Director	14 June 2017	5 June 2020	-	-
Montanica Development Sdn Bhd	Property development	Director	16 October 2015	8 June 2021	-	-
Rasa Wangi Development Sdn Bhd	Residential buildings	Director	3 November 2015	23 February 2021	-	-
Radium Development Berhad (formerly known as Idaman Sejiwa Development Sdn Bhd)	Investment holding company	Director	29 January 2016	18 February 2021	-	-
Vistarena Development Sdn Bhd	Property developer	Director	19 December 2017	4 June 2021	-	-
Citajaya Kuasa Sdn Bhd	Activities of holding companies	Alternate Director	4 October 2018	16 June 2021	-	-
Dataran Pertiwi Holdings Sdn Bhd	To carry on business of housing developers, land developers, buildings and general contractors of all kinds of works and buildings	Director	12 October 2015	12 April 2021	-	-
Solid Winner Development Sdn Bhd	Property developer	Director	4 November 2015	2 March 2018	-	-
Majestic Maxim Sdn Bhd	Property developer, general trading, and investment holdings	Director	14 October 2016	26 June 2019	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Pavilion Integrity Sdn Bhd	Property development	Director	8 August 2017	1 June 2021	-	-
Platinum Victory Facestyle Sdn Bhd	Hotels and hotel resorts	Alternate Director	6 May 2020	17 September 2021	-	-

**Notes:**

- (1) Deemed interested through the direct interest of Platinum Victory Holdings Sdn Bhd.
- (2) Deemed interested through the direct interest of Mesti Mulia Holdings Sdn Bhd.
- (3) Pavilion Simfoni Sdn Bhd has filed the relevant documentation with the Companies Commission of Malaysia to change its principal activities to "investment holding".
- (4) Deemed interested through the direct interest of Juara Maksima Sdn Bhd.
- (5) Deemed interested through the direct interest of Intra Abadi Sdn Bhd.
- (6) Deemed interested through the direct interest of Selama Bayu Sdn Bhd.
- (7) Deemed interested through the direct interest of Jejak Kembang Sdn Bhd.
- (8) Deemed interested through the direct interest of Platinum Victory (WM) Sdn Bhd.
- (9) Deemed interested through the direct interest of Tenaga Prospek Sdn Bhd.

## INFORMATION ON GNB (Cont'd)

(vii) Datuk Sydney Lim Tau Chin

Directorships	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Radium Development Berhad (formerly known as Idaman Sejiwa Development Sdn Bhd)	Investment holding company	Director	17 February 2021	-	-	-
The Peninsula Properties Sdn Bhd	Development of building projects for own operation, i.e. for renting of space in these buildings	Director	19 July 2016	-	-	-
Greenwood Residence Sdn Bhd	Development of building projects for own operation i.e. for renting of space in these buildings;	Director and shareholder	23 October 2018	-	15.00	-
	Real estate activities with own or leased property not elsewhere classified; and					
	Buying, selling, renting and operating of self-owned or leased real estate – residential buildings					
Adil Capital Sdn Bhd	Real estate activities with own or leased property not elsewhere classified;	Director and shareholder	22 January 2020	-	100.00	-
	Financial consultancy services; and					
	Export and import of a variety of goods without any particular specialisation.					

## INFORMATION ON GNB (Cont'd)

Directorships	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Adil Solutions Sdn Bhd	Manufacture of medicinal active substances to be used for their pharmacological properties in the manufacture of medicaments;  Wholesale of pharmaceutical and medical goods; and  Export and import of a variety of goods without any particular specialisation not elsewhere classified	Director and shareholder	4 September 2020	-	50.00	-
ZSpace Systems Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified	Director and shareholder	10 November 2004	-	50.00	-
Adil Industries Sdn Bhd <sup>(1)</sup>	Has yet to commence business.	Director and shareholder	4 May 2011	-	50.00	-
Farmington Holdings Sdn Bhd <sup>(2)</sup>	To carry on the business of an investment holding company;  To export, import, distributors of all aquaculture, agriculture, farm and livestock and dairy product; and  To carry on the business of marketing or distributing goods or merchandise	Director and shareholder	12 April 2010	-	50.00	-
Sabrina Properties Sdn Bhd	Housing developer	Director	3 September 2008	-	-	-
Arif Dinasti Sdn Bhd	Housing developer	Director	15 March 2005	-	-	-
Colipact Resources Sdn Bhd	Investment holding	Director	5 February 2004	-	-	-

## INFORMATION ON GNB (Cont'd)

Directorships	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Authentic Conglomerate Sdn Bhd	Investment holding	Director	5 February 2004	-	-	-
<u>Past involvement:</u>						
VA Blu International Sdn Bhd	General trading	Director	21 October 2013	3 April 2018	-	-
A Next Star Production Sdn Bhd	Film production	Director	29 July 2013	3 April 2018	-	-
Maylex Ventures Sdn Bhd	Investment holding company	Director	1 August 2005	14 May 2018	-	-
Pangaea Hospitality Sdn Bhd	Dissolved <sup>(3)</sup>	Director and shareholder	6 June 2018	17 October 2019	-	-
Tibania Sdn Bhd	Dissolved <sup>(4)</sup>	Director and shareholder	15 July 2004	8 June 2018	-	-
Trenasia Corporation Sdn Bhd	Dissolved <sup>(5)</sup>	Director and shareholder	21 August 2003	8 June 2018	-	-
Sakura Fisheries Sdn Bhd	Dissolved <sup>(6)</sup>	Director and shareholder	31 March 2010	23 November 2018	-	-

**Notes:**

- (1) This company has yet to commence business operations from the date of its incorporation based on its latest audited accounts.
- (2) This company is in the midst of being struck off.
- (3) Pangaea Hospitality Sdn Bhd was dissolved on 17 October 2019.
- (4) Tibania Sdn Bhd was dissolved on 8 June 2018.
- (5) Trenasia Corporation Sdn Bhd was dissolved on 8 June 2018.



## INFORMATION ON GNB (Cont'd)

(6) Sakura Fisheries Sdn Bhd was dissolved on 23 November 2018.

(viii) Phe Kheng Peng

Directorships	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Public Investment Bank Berhad	Stockbroking, investment banking and related financial services	Director	1 July 2022	-	-	-
Pintaras Jaya Berhad	Undertaking of piling contracts, civil engineering and building construction works	Director	3 January 2022	-	-	-
	Investment holding					
	Rental of plant and machinery					
Yu Cai Foundation	To advance, uplift, and benefit the underserved communities of Malaysia and promote the learning of vernacular languages of Malaysia	Director	17 June 2022	-	-	-
Yayasan Kasih Hospis	To provide community services including hospice service to people with advanced illnesses and their families	Director	29 January 2021	-	-	-
	To educate the local communities on health education and practical skills to assist, support and improve the quality of life of hospice patients					
	To create public awareness and interest in self-healing, self-education and providing skilful community service through training and development					
Tampias Plantation Sdn Bhd	Cultivation of oil palm	Shareholder	-	-	30.00	-

## INFORMATION ON GNB (Cont'd)

Directorships	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Positive Famous Berhad	Investment holding	Shareholder	-	-	5.00	-
Chuan Hong Hang Trading Sdn Bhd	General merchants and investment holding	Shareholder	-	-	30.00	-

(ix) Too Siew Mooi

Directorships	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Red Pages (Malaysia) Sdn Bhd	Dormant	Shareholder	-	-	10.00	-

The involvement of Tan Sri Datuk Seri Gan Yu Chai, being the Managing Director as well as Gan Yee Hin, Datuk Sydney Lim Tau Chin and CTP being the Executive Directors in other business activities outside the Enlarged GNB Group is not expected to require a significant amount of their time or attention. This is because they are not involved in the management and day-to-day operations of those businesses, other than attending meetings of the board of directors on which they serve, if required. As such, their involvement in those business activities outside the Enlarged GNB Group will not affect their ability to perform their roles and responsibilities as well as their contributions to the Enlarged GNB Group.

Dato' Haji Mohd Amran Bin Wahid being the Non-Independent Non-Executive Chairman as well as Cheah Hannon and Peter Ling Sie Wuong both being the Independent Non-Executive Director are not involved in the day-to-day operations of the Enlarged GNB Group.

Phe Kheng Peng and Too Siew Mooi both being the Proposed Independent Non-Executive Director will not be involved in the day-to-day operations of the Enlarged GNB Group.

## INFORMATION ON GNB (Cont'd)

**5. KEY SENIOR MANAGEMENT**

As at the LPD, GNB does not have any key senior management.

Upon completion of the Proposed Regularisation Plan, the following proposed key senior management will be responsible for the day-to-day management and operations of the Enlarged GNB Group. The members of the Enlarged GNB Group's proposed key senior management team are as follows:

<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Proposed designation</b>
Tan Sri Datuk Seri Gan Yu Chai	55	Malaysian	Managing Director
Gan Yee Hin	29	Malaysian	Executive Director and Chief Executive Officer
Datuk Sydney Lim Tau Chin	52	Malaysian	Executive Director
Lee Chen Nee	42	Malaysian	Chief Financial Officer
Ong Beng Hoe	54	Malaysian	Director, Development and Projects
Puan Sri Datin Seri Elaine Lee Kuan Kiow	54	Malaysian	Director, Human Resource and Administration
Pang Cheng Wei	43	Malaysian	Head, Legal and Corporate Communication

**5.1 Profile of key senior management**

The profiles of the Enlarged GNB Group's proposed key senior management are as follows:

**(i) Tan Sri Datuk Seri Gan Yu Chai**

His profile is set out in Section 3 of this appendix.

**(ii) Gan Yee Hin**

His profile is set out in Section 3 of this appendix.

**(iii) Datuk Sydney Lim Tau Chin**

His profile is set out in Section 4.2 of this appendix.

**(iv) Lee Chen Nee**

Lee Chen Nee, Malaysian, aged 42, is the Chief Financial Officer of Southern Score. She is responsible for the overall accounting and finance functions of Southern Score.

Lee Chen Nee graduated with a Bachelor of Management (Accounting) from the University of Technology Malaysia in 2003. She is also a member of the Malaysia Institute of Accountants since 2006.

**INFORMATION ON GNB (Cont'd)**

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Upon graduation in 2003, Lee Chen Nee began her career with Ernst and Young Consulting Sdn Bhd (formerly known as Ernst & Young Advisory Services Sdn Bhd) as an Audit Associate, where she participated in statutory audit assignments for clients of the firm. In 2005, she was subsequently promoted to the position of Senior Audit Associate. Her last held position in the firm was Audit Assistant Manager, a position she was appointed to in 2008 before leaving the firm.

In 2008, Lee Chen Nee joined KPMG Guangzhou as an Audit Manager where she was based in China. She was tasked to lead a team of auditors to undertake audit assignments for foreign investment entities based in China as part of the statutory reporting requirements.

Upon her return from Guangzhou, China in 2009, she joined Platinum Victory Development Sdn Bhd as a Finance Manager in 2010. As Finance Manager, she was responsible for overseeing the company's accounting reporting and long-term investments. She was subsequently promoted to Senior Finance Manager in 2013, where her responsibilities were then expanded to manage all accounting matters, tax matters, company secretarial matters of the property development subsidiaries of the company. During her tenure with Platinum Victory Development Sdn Bhd, she was also tasked to liaise with bankers on project financing related matters relating to the property development projects undertaken by the company.

In June 2019, Lee Chen Nee left Platinum Victory Development Sdn Bhd to join Southern Score as Chief Financial Officer, where she is responsible for overseeing all accounting and finance functions of the company.

**(v) Ong Beng Hoe**

Ong Beng Hoe, Malaysian, aged 54, is the Director of Development and Projects of Southern Score. He is responsible for overseeing and managing the construction projects undertaken by Southern Score.

Ong Beng Hoe graduated with a Bachelor of Engineering (Civil) from the University of Malaya, Malaysia in 1993. He is registered as a Professional Engineer with the Board of Engineers, Malaysia and is also a member of the Institution of Engineers Malaysia.

Upon graduation, Ong Beng Hoe started his career in 1994 as a Design Engineer with Perunding PWK Sdn Bhd, an engineering consultancy firm. While attached to the firm, he supported the firm's engineering team in providing engineering consultancy services relating to the planning, designing and coordination of construction projects.

In 1996, Ong Beng Hoe left Perunding PWK Sdn Bhd to join Perunding L&W Sdn Bhd as a Resident Engineer. As a Resident Engineer, he was tasked to provide civil and structural engineering consultancy services to customers undertaking building construction projects.

In 1997, Ong Beng Hoe left Perunding L&W Sdn Bhd and joined Nusareka Jurutera Konsultant Sdn Bhd as a Resident Engineer. While at the firm, he was responsible for supervising construction activities, managing contractors and construction progress reporting of construction projects secured by the firm.

**INFORMATION ON GNB (Cont'd)**

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In 1999, Ong Beng Hoe left Nusareka Jurutera Konsultant Sdn Bhd to join Labur Bina Sdn Bhd as a Resident Engineer. He was subsequently promoted to Project Manager in 2000. During his tenure with the firm, he worked with engineers and architects to develop building plans, and was tasked to oversee construction activities of construction projects undertaken by the firm.

In 2005, Ong Beng Hoe resigned from Labur Bina Sdn Bhd to join Platinum Victory Development Sdn Bhd as a Project Manager. He was tasked to oversee the planning and delivery of construction projects undertaken by the company as well as to ensure that construction works were completed within the estimated budget. He was subsequently promoted to the role of Senior Project Manager and General Manager in 2008 and 2013 respectively.

In 2019, Ong Beng Hoe left Platinum Victory Development Sdn Bhd and joined Southern Score as a Project General Manager. He was subsequently promoted to the role of Project Director in 2021. As Project Director, he is responsible for overseeing and managing the construction projects undertaken by Southern Score.

**(vi) Puan Sri Datin Seri Elaine Lee Kuan Kiow**

Puan Sri Datin Seri Elaine Lee Kuan Kiow, Malaysian, aged 54, is the Director of Human Resource and Administration of Southern Score. She is responsible for managing the overall human resources and administrative matters of Southern Score.

Puan Sri Datin Seri Elaine Lee Kuan Kiow completed her Malaysian Certificate of Education/ Sijil Pelajaran Malaysia from Sekolah Menengah Bukit Gambir, Muar, Johor in 1986.

Thereafter, she began her career in 1987 as a teacher in SJK(C) Chung Hwa, Muar, Johor. In 1990, Puan Sri Datin Seri Elaine Lee Kuan Kiow joined D&C Bank (now known as RHB Bank Berhad) as an Administrative Clerk where she was tasked to perform administrative tasks to support the business operations of the Credit department of the bank. During her tenure with the bank, she was promoted and transferred to the Secretariat and Directorate office before her resignation in 2005.

Puan Sri Datin Seri Elaine Lee Kuan Kiow left D&C Bank and joined Platinum Victory Development Sdn Bhd in 2006 as a Human Resource and Administration Manager. As Human Resource and Administration Manager, she supported the recruitment, employee retention, compensation as well as employee welfare matters of the company. She was subsequently promoted to the position of Human Resource and Administration Senior Manager in 2017, to oversee and manage the overall human resources and administrative matters of the company.

In 2019, Puan Sri Datin Seri Elaine Lee Kuan Kiow left Platinum Victory Development Sdn Bhd to join Southern Score as Human Resource and Administration Manager. She was subsequently promoted to Director of Human Resource and Administration in 2021. As Director of Human Resource and Administration, she is responsible for managing the overall human resources and administrative matters of Southern Score.

**(vii) Pang Cheng Wei**

Pang Cheng Wei, Malaysian, aged 43, is the Head of Legal and Corporate Communications of Southern Score. He is responsible for managing the legal and corporate communication matters of Southern Score.

Pang Cheng Wei graduated with a Bachelor of Law from the University of West England, United Kingdom in 2002. He subsequently furthered his studies and obtained a Master in Law from the University of Derby, United Kingdom in 2006.

In 2005, Pang Cheng Wei started his career with Zelan Holdings (M) Sdn. Bhd., a subsidiary of Zelan Berhad as a Legal Executive where he was tasked to assist in legal matters relating to the company's property development projects. He left Zelan Holdings (M) Sdn Bhd as a Senior Legal Executive in 2009.

In 2009, Pang Cheng Wei joined Sheng Lee Law Office Advocates & Solicitors (formerly known as Sheng & Co Advocates & Solicitors) as a Legal Manager. As Legal Manager, he was tasked to provide legal advice for the firm's clients in relation to corporate, commercial and conveyancing matters.

In 2013, Pang Cheng Wei left Sheng Lee Law Office Advocates & Solicitors to join Platinum Victory Development Sdn Bhd as Head of Group Legal. During his tenure at this company, he was responsible for managing legal matters as well as advising the senior management and board of directors on corporate and contract matters.

Pang Cheng Wei left Platinum Victory Development Sdn Bhd to join Southern Score as Head of Legal and Corporate Communications in June 2019. As Head of Legal and Corporate Communications, he was tasked to manage the legal and corporate communication matters of the company.

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## INFORMATION ON GNB (Cont'd)

## 5.2 Shareholdings of the key senior management in Enlarged GNB Group

The following table sets forth the direct and indirect shareholdings of each of the Enlarged GNB Group's proposed key senior management before and after the Proposed Regularisation Plan in the Enlarged GNB Group as at the LPD:

Name	As at LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Tan Sri Datuk Seri Gan Yu Chai	-	-	-	-	-	-	-	-
Gan Yee Hin	-	-	-	-	-	-	-	-
Datuk Sydney Lim Tau Chin	-	-	-	-	-	-	-	-
Lee Chen Nee	-	-	-	-	-	-	-	-
Ong Beng Hoe	-	-	-	-	-	-	-	-
Puan Sri Datin Seri Elaine Lee Kuan Kiow	-	-	-	-	-	-	-	-
Pang Cheng Wei	-	-	-	-	-	-	-	-

Name	(II) After (I) and the Proposed Acquisition				(III) After (II) and the Proposed Debt Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(1)</sup>	98.31	-	-	1,680,000,000 <sup>(1)</sup>	97.14
Gan Yee Hin	-	-	1,680,000,000 <sup>(1)</sup>	98.31	-	-	1,680,000,000 <sup>(1)</sup>	97.14
Datuk Sydney Lim Tau Chin	-	-	-	-	-	-	-	-
Lee Chen Nee	-	-	-	-	-	-	-	-
Ong Beng Hoe	-	-	-	-	-	-	-	-
Puan Sri Datin Seri Elaine Lee Kuan Kiow	-	-	-	-	-	-	-	-
Pang Cheng Wei	-	-	-	-	-	-	-	-

## INFORMATION ON GNB (Cont'd)

Name	(V) After (III) and the Proposed Private Placement			
	Direct		Indirect	
	No. of shares	%	No. shares	%
Tan Sri Datuk Seri Gan Yu Chai	-	-	1,680,000,000 <sup>(1)</sup>	73.92
Gan Yee Hin	-	-	1,680,000,000 <sup>(1)</sup>	73.92
Datuk Sydney Lim Tau Chin	-	-	-	-
Lee Chen Nee	-	-	-	-
Ong Beng Hoe	-	-	-	-
Puan Sri Datin Seri Elaine Lee Kuan Kiow	-	-	-	-
Pang Cheng Wei	-	-	-	-

**Note:**

(1) Deemed interested through the direct interest of Super Advantage.

**5.3 Principal business performed outside the Enlarged GNB Group and principal directorships**

Tan Sri Datuk Seri Gan Yu Chai, Gan Yee Hin and Datuk Sydney Lim Tau Chin directorships or business activity performed outside the Enlarged GNB Group at present and in the last 5 years prior to the LPD are set out in Section 4.7 of this appendix.

Save as disclosed below, none of the Enlarged GNB Group's proposed key senior management has any directorship or business activity performed outside the Enlarged GNB Group's at present and in the last 5 years prior to the LPD:



**INFORMATION ON GNB (Cont'd)**

## (i) Ong Beng Hoe

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Gita Bumi Sdn Bhd	Activities of holding companies	Director and shareholder	24 February 2021	-	100.00	-
O & G Property Sdn Bhd	Investment holding and letting of properties	Director and shareholder	5 October 2012	-	50.00	-

## (ii) Puan Sri Datin Seri Elaine Lee Kuan Kiow

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
<u>Present involvement:</u>						
Castle Innovations Sdn Bhd	Involved in property leasing and property management activities	Director and indirect shareholder	26 July 2021	-	-	10.00 <sup>(1)</sup>
Pembangunan Hakikat Emas Sdn Bhd	Engaged in property leasing and property management activities	Director and indirect shareholder	26 July 2021	-	-	9.00 <sup>(2)</sup>
Platinum Victory (WM) Sdn Bhd	Property developers	Director	22 July 2021	-	-	-
Jejak Kembang Sdn Bhd	Investment holding	Director	22 July 2021	-	-	-
Mesti Mulia Holdings Sdn Bhd	Investment holding company	Director and indirect shareholder	15 July 2021	-	-	10.00 <sup>(1)</sup>

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Palette Danau Kota Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – land;  Wholesale of a variety of goods without any particular specialisation not elsewhere classified; and  Other management consultancy activities not elsewhere classified.	Director	15 July 2021	-	-	-
Tambun Kekal Sdn Bhd	Activities of holding companies	Director	15 July 2021	-	-	-
Raven Development Sdn Bhd	Activities of holding companies	Director	15 July 2021	-	-	-
Fountain Energy Sdn Bhd	General trading	Director and indirect shareholder	15 July 2021	-	-	10.00 <sup>(3)</sup>
Konsep Juara Sdn Bhd	General trading;  Investment holding; and  Property developer.	Director	15 July 2021	-	-	-
Weng Wah Developments Sdn Bhd	Property development and investment holding	Director	23 June 2021	-	-	-
Platinum Victory Holdings Sdn Bhd	Investment holding company	Director and shareholder	9 December 2013	-	10.00	-
Platinum Victory Marketing Sdn Bhd	Dealer or agent for the supply and trading in building materials	Director	18 June 2021	-	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Cahaya Cendana Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – residential buildings; and  Activities of holding companies.	Director	1 July 2021	-	-	-
JP Wangsa Maju Sdn Bhd	Residential buildings	Director	9 August 2021	-	-	-
Jejak Kembang Sdn Bhd	Investment holding	Director	22 July 2021	-	-	-
Gandingan Jakel Sdn Bhd	Activities of holding companies	Director	12 July 2021	-	-	-
Intra Abadi Sdn Bhd	Activities of holding companies	Director and indirect shareholder	11 March 2021	-	-	100.00 <sup>(1)</sup>
Forest Heritage Sdn Bhd	Property development	Director and indirect shareholder	1 April 2021	-	-	100.00 <sup>(4)</sup>
Golden Seeds Realty Sdn Bhd	Investment holding	Director and indirect shareholder	4 May 2021	-	-	100.00 <sup>(5)</sup>
Nurix Oil Sdn Bhd	Other business support services not elsewhere classified	Director and indirect shareholder	31 May 2021	-	-	100.00 <sup>(6)</sup>
Selama Bayu Sdn Bhd	Property development	Director and indirect shareholder	1 July 2021	-	-	100.00 <sup>(1)</sup>

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Juara Maksima Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – residential buildings;  Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Activities of holding companies	Director and indirect shareholder	1 July 2021	-	-	100.00 <sup>(1)</sup>
Tenaga Prospek Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – residential buildings;  Activities of holding companies	Director	28 September 2021	-	-	100.00 <sup>(1)</sup>
Platinum Victory Development Sdn Bhd	Property developer	Director	22 December 2021	-	-	-
Platinum Victory (Setapak) Sdn Bhd	Property development	Director	9 September 2021	-	-	75.00 <sup>(2)</sup>
Super Advantage Property Sdn Bhd	Activities of holding companies	Director	26 August 2021	-	-	-
Jayyid Land Sdn Bhd	Property developer	Director	15 November 2021	-	-	-
Dupion Development Sdn Bhd	Real estate activities with own or leased property not elsewhere classified  Buying, selling, renting and operating of self-owned or leased real estate – land	Director	14 September 2021	-	-	-

## INFORMATION ON GNB (Cont'd)

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest as at the LPD (%)	
					Direct	Indirect
Multi Access Assets Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – land  Real estate activities with own or leased property not elsewhere classified	Director	27 August 2021	-	-	-
Sebayu Dimensi Sdn Bhd	Activities of holding companies	Director	6 September 2021	-	-	-
Sutera Syabas Sdn Bhd	Activities of holding companies	Director	6 September 2021	-	-	-
Empayar Estet Sdn Bhd	Activities of holding companies	Director	12 August 2021	-	-	-
Sri Pertiwi Resources (M) Sdn Bhd	Real estate activities with own or leased property not elsewhere classified;  Buying, selling, renting and operating of self-owned or leased real estate – land	Director	16 December 2021	-	-	-
JV Management Sdn Bhd	Other management consultancy activities not elsewhere classified	Director	16 August 2021	-	-	-
<u>Past involvement:</u>						
Vistarena Development Sdn Bhd	Property developer	Director	8 February 2011	4 June 2021	-	-
Marques Land Sdn Bhd	Property development	Director	9 August 2021	26 August 2021	-	100.00 <sup>(1)</sup>

**Notes:**

- (1) Deemed interested through the direct interest of Platinum Victory Holdings Sdn Bhd.
- (2) Deemed interested through the direct interest of Mesti Mulia Holding Sdn Bhd.
- (3) Deemed interested through the direct interest of Tenaga Prospek Sdn Bhd.

**INFORMATION ON GNB (Cont'd)**

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- (4) Deemed interested through the direct interest of Juara Maksima Sdn Bhd.
- (5) Deemed interested through the direct interest of Selama Bayu Sdn Bhd.
- (6) Deemed interested through the direct interest of Intra Abadi Sdn Bhd.

The involvement of the proposed key senior management in other business activities outside the Enlarged GNB Group is not expected to require a significant amount of their time or attention as they are not involved in the management and day-to-day operations of those businesses as those businesses are managed by their respective management teams. As such, their involvement in those business activities outside the Enlarged GNB Group will not affect their ability to perform their roles and responsibilities as well as their contributions to the Enlarged GNB Group.

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## INFORMATION ON GNB (Cont'd)

**5.4 Proposed key senior management's remuneration and material benefits-in-kind**

Tan Sri Datuk Seri Gan Yu Chai, Gan Yee Hin and Datuk Sydney Lim Tau Chin in remuneration and material benefits-in-kind paid in the FYE 30 June 2021 and FYE 30 June 2022 are set out in Section 4.5 of this appendix.

The remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid to the Enlarged GNB Group's proposed key senior management for services rendered in all capacities to the Enlarged GNB Group for the FYEs 30 June 2021 and 30 June 2022 are as follows:

Key senior management	Remuneration band	
	FYE 30 June 2021	FYE 30 June 2022
	(RM'000)	(RM'000)
Lee Chen Nee	400-450	450-500
Ong Beng Hoe	550-600	550-600
Puan Sri Datin Seri Elaine Lee Kuan Kiow	250-300	250-300
Pang Cheng Wei	400-450	400-450

There is no existing or proposed service contracts with the Enlarged GNB Group and its proposed key senior management which provide for benefits upon termination of employment as at the LPD.

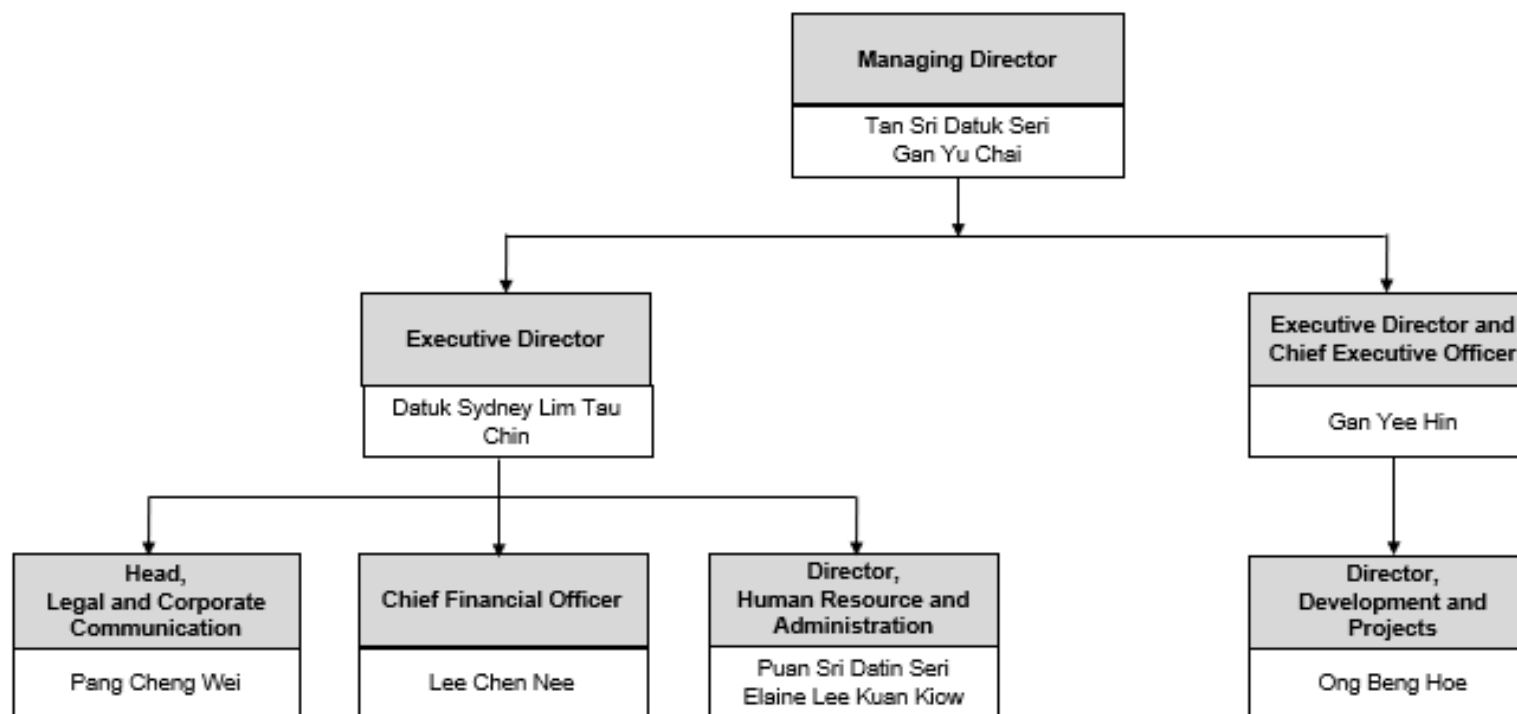
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## INFORMATION ON GNB (Cont'd)

## 6. MANAGEMENT REPORTING STRUCTURE

As at the LPD, the Company has ceased all its business operations.

Upon completion of the Proposed Regularisation Plan, the management reporting structure of Enlarged GNB Group will be as follows:





**INFORMATION ON GNB (Cont'd)**

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**7. MATERIAL INVESTMENT AND DIVESTITURES****7.1 Material investment**

GNB has not undertaken any material capital expenditure during the FYEs 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 and up to the LPD.

**7.2 Material divestitures**

GNB has not undertaken any material divestitures during the FYEs 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 and up to the LPD.

**8. ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN SUBSTANTIAL SHAREHOLDERS, DIRECTORS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT OF GNB**

Save as disclosed below, there are no associations or family relationships between the substantial shareholders, Directors, Proposed Directors and proposed key senior management of GNB:

- (i) Tan Sri Datuk Seri Gan Yu Chai, a Proposed Director, proposed key senior management and Proposed Controlling Shareholder, is;
  - (a) a director and shareholder of Super Advantage;
  - (b) a Director and key senior management of Southern Score Group; and
  - (c) the spouse of Puan Sri Datin Seri Elaine Lee Kuan Kiow and father of Gan Yee Hin.
- (ii) Gan Yee Hin, a Proposed Director, proposed key senior management and Proposed Controlling Shareholder, is;
  - (a) a director and shareholder of Super Advantage;
  - (b) a Director and key senior management of Southern Score Group; and
  - (c) the son of Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Elaine Lee Kuan Kiow.
- (iii) Puan Sri Datin Seri Elaine Lee Kuan Kiow, proposed key senior management, is;
  - (a) a director of Super Advantage;
  - (b) a key senior management of Southern Score Group; and
  - (c) the spouse of Tan Sri Datuk Seri Gan Yu Chai and mother of Gan Yee Hin.
- (iv) Ong Beng Hoe, proposed key senior management, is;
  - (a) a key senior management of Southern Score Group; and
  - (b) the spouse of Tan Sri Datuk Seri Gan Yu Chai's sibling.

**INFORMATION ON GNB (Cont'd)****9. DECLARATION BY THE DIRECTORS, THE PROPOSED DIRECTORS AND THE PROPOSED KEY SENIOR MANAGEMENT OF GNB**

As at the LPD, none of the Directors, the Proposed Directors and the proposed key senior management of GNB is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a director or key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, being the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) has an unsatisfied judgment against him.

**10. EXTRACT OF GNB'S CONSTITUTION**

The following is extracted from GNB's Constitution and is qualified in its entirety by the remainder of the provisions of GNB's Constitution and by applicable law.

**(i) Remuneration, voting and borrowing powers of Directors**

"102 Remuneration of Director. The Directors shall be paid for their services as follows:

- (a) Directors who hold no executive office in the Company shall be paid fees by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) Fees and benefits payable to Directors shall be subject to annual shareholders' approval at a meeting of Members. Such fees may be divided among the Directors in such proportions and manner as the Directors shall determine.
- (c) Any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration paid to the latter.
- (d) Salaries payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover but may include a commission on or percentage of profits."

## INFORMATION ON GNB (Cont'd)

- “103     Reimbursement of expenses
- (a)     The Directors shall be paid all their travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company.
- (b)     If any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company, he shall be entitled to receive such sum as the Directors may think fit either as a fixed sum by way of salary, allowances or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.”
- “98     Director not to participate or vote in contracts where he has an interest but shall be counted to make quorum
- No Director shall participate in any discussion nor vote in respect of any contract or arrangement or proposed contract or arrangement in which he is directly or indirectly interested (unless the interest is one that need not be disclosed under Section 221 of the Act), and if he should do so, his vote shall not be counted although notwithstanding his interest, he shall be counted only to make the quorum at the meeting of the Board.”
- “113     Directors' borrowing powers
- (i)     The Directors may exercise all the powers of the Company whatsoever to borrow money, raise funds, accept credit facilities and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any company as may be thought fit.
- (ii)     The Directors may borrow or raise any such money as aforesaid, upon such terms and conditions in all respects as the Directors may think fit, upon or by the issue or sale of any bonds, debentures, debenture stocks or securities. The Company may in meeting of Members grant a right for the holders of bonds, debentures, debenture stocks or securities to exchange the same for shares in the Company or any class authorised to be issued. The Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company, both present and future and upon any capital remaining unpaid upon the shares of the Company, whether called up or not or by any other security and the Directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.”

## INFORMATION ON GNB (Cont'd)

(ii) **Changes to capital**

## “55      Alteration of Share Capital

The Company may alter its share capital in any one or more of the following ways by passing an ordinary resolution to-

- (a)      consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b)      convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
- (c)      subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.”

## “56      Power to reduce capital

The Company may by special resolution or as provided by the Act reduce its share capital, in any manner and with, and subject to, any authorization, and consent required by law.”

## “57      Power to increase capital

The Company may from time to time by Ordinary Resolution whether all the shares for the time being issued have been fully called up or not, increase its capital by the creation and issue of new shares, with such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company in such meeting of Members directs and such new shares or any of them may have such preference or priority over the then existing shares of the Company and that such rights and privileges be different from those of such existing shares as the Directors may think fit.”

## “58      Offer of new shares

Subject to any direction to the contrary that may be given by the Company in a meeting of Members, any new shares or other convertible securities shall before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or other convertible securities to which they are entitled. The offer shall be made by notice specifying the number of shares or other convertible securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or other convertible securities offered, the Directors may dispose of those shares or other convertible securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or other convertible securities bear to shares or other convertible securities which (by reason of the ratio which the new shares or other convertible securities bear to shares or other convertible securities held by persons entitled to an offer of new shares or other convertible securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.”

"59 New capital to be considered as part of the present share capital

Except so far as otherwise provided by the conditions of issue, or by the provisions of this Constitution, any share capital raised by the creation of new shares shall be considered as part of the share capital of the Company after such creation, and such new shares shall rank *pari passu* with shares issued prior to such creation."

**(iii) Transfer of securities**

"25. Transfer of securities

The transfer of any listed Securities or class of listed Securities of the Company which have been deposited with the Depository shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Securities."

"26 Suspension of Registration

Subject to the provisions of the Act, the Depositories Act, the Rules and the Listing Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that such registration shall not be suspended for more than thirty (30) days in the aggregate in any year. At least ten (10) clear Market Days' notice (or such other period as may from time to time be prescribed by Bursa Securities) prior to such closure shall be published in a daily newspaper circulating in Malaysia and shall also be given to Bursa Securities. The said notice shall state the period and purpose or purposes of such closure. The Company shall give notice in accordance with the requirements of the Rules to the Depository to prepare the appropriate Record of Depositors."

"27 Refusal to register transfer

The Depository may refuse to register any transfer of Deposited Security that does not comply with the Depositories Act and the Rules."

"28 Indemnity

Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Depository in registering or acting upon a transfer of securities apparently made by a Member or any person entitled to the securities by reason of death, bankruptcy or insanity of a Member although the same may by reason of any fraud or other causes not known to the Company or the Directors or the Depository or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor Member and the transferee be liable to be set aside and notwithstanding that the Depository or the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor Member in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner."

## INFORMATION ON GNB (Cont'd)

## "29 Renunciation

Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any security by the allottee thereof in favour of some other person."

(iv) **Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

## "7 Class of shares

The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise."

## "8 Issue of Shares

The Directors may allot or otherwise dispose of the same to such persons and on such terms and conditions with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital and at such time or times and for such consideration as the Directors may think fit, provided always that:

- (a) no shares shall be issued including any issue from convertible securities which shall have the effect of transferring a controlling interest in the Company without prior approval of Members in meeting of Members;
- (b) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution or in the terms of issue of such shares including such of those shares arising from convertible securities;
- (c) except in the case of an issue of shares on a pro-rata basis to all Members, every issue of shares to employees, Directors, Major Shareholders, Chief Executive or persons connected with any Director, Major Shareholder or Chief Executive of the Company shall be approved in accordance with the requirements of the Act and/or other applicable laws and regulations."

## "14 Issuance of Preference Shares

Subject to the Act, any preference share may with the sanction of an ordinary resolution of shareholders in a meeting of Members, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed, and the Company shall not without the consent of the existing preference shareholders at a class meeting issue further preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith."

“18      Modification of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the holders of the shares in the class, or with the sanction of a special resolution passed by shareholders of that class sanctioning the variation. To every such separate meeting of Members, the provisions of the Constitution relating to meeting of Members shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons holding at least or representing by proxy, one-third of the number of issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.”

“19      Alteration of rights by issuance of new shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.”

“81      Vote of Member of unsound mind

A Member who is of unsound mind or whose person or estate is liable to be dealt with under the law relating to mental disorder may vote by his committee or by such other person who properly has the management of his estate and any such committee or other person may vote in person or by proxy or attorney.”

“87      Member barred from voting while call unpaid

No Member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a Member nor be counted as one (1) of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.”

“93      Objection to qualification of voter

No objection shall be raised on the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.”

## INFORMATION ON GNB (Cont'd)

## “160 Distribution of assets

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidators may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributor as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.”

## “161 Sharing of loss and excess

Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provisions shall apply:

- (a) if the Company shall be wound up and the assets available for distribution among the Members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and
- (b) if in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively.”

## “162 Rights of preference shareholders upon winding up

In the event the Company is wound up and its assets distributed, the holders of preference shares shall be entitled to return of capital in preference to holders of ordinary shares.”

There is no limitation on the right to own shares, including limitations on non-resident or foreign shareholders' right to hold or exercise voting rights imposed by GNB's Constitution.

## 11. RISK MANAGEMENT AND INTERNAL CONTROL REVIEW RESULTS AND ACTIONS PLANS TO ADDRESS THE WEAKNESSES IDENTIFIED

GNB has appointed alphaOne Governance Sdn Bhd (“**AOGSB**”) to conduct internal audit of business operations, internal controls and administration process of GNB. The weaknesses as identified by AOGSB were not significant as the Company had ceased operations since July 2017 and GNB's key emphasis is focused on the regularisation plan to regularise its financial condition.



## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP

## 1. HISTORICAL FINANCIAL INFORMATION

	Audited						Unaudited	
	FYE 31 December 2015 (Restated)	18M-FPE 30 June 2017 <sup>(1)(2)</sup> (Restated)	FYE 30 June 2018	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9M-FPE 31 March 2021	9M-FPE 31 March 2022 <sup>(7)</sup>
	RM	RM	RM	RM	RM	RM	RM	RM
Revenue	480,000	1,785,001	-	-	-	-	-	-
Cost of sales	-	(1,706,155)	-	-	-	-	-	-
<b>Gross profit</b>	<b>480,000</b>	<b>78,846</b>	-	-	-	-	-	-
Other operating income	1,387,410	123	85,115	-	-	81,125	-	2,279,986
Administrative expenses	(874,369)	(1,244,794)	(444,543)	(812,173)	(1,886,361)	(1,838,423)	(1,384,785)	(418,052)
Other operating expenses	(263,378)	(7,244,119)	-	(13,379)	(10,830)	(39,607)	(39,607)	-
Finance costs	(119,062)	(275,445)	(161,764)	(176,716)	(198,242)	(194,950)	(146,359)	-
<b>Profit/(loss) before taxation</b>	<b>610,601</b>	<b>(8,685,389)</b>	<b>(521,192)</b>	<b>(1,002,268)</b>	<b>(2,095,433)</b>	<b>(1,991,855)</b>	<b>(1,570,751)</b>	<b>1,861,934</b>
Income tax expense	-	-	-	-	-	-	-	-
<b>Net profit/(loss) for the financial year/period</b>	<b>610,601</b>	<b>(8,685,389)</b>	<b>(521,192)</b>	<b>(1,002,268)</b>	<b>(2,095,433)</b>	<b>(1,991,855)</b>	<b>(1,570,751)</b>	<b>1,861,934</b>
Other comprehensive income/(loss) <u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>								
- Exchange differences on translation of the financial statements of foreign subsidiary company	(151,426)	(625,852)	163,823	(77,388)	(125,386)	97,238	103,146	(740,895)
<b>Total comprehensive income/(loss) for the financial year/period</b>	<b>459,175</b>	<b>(9,311,241)</b>	<b>(357,369)</b>	<b>(1,079,656)</b>	<b>(2,220,819)</b>	<b>(1,894,617)</b>	<b>(1,467,605)</b>	<b>1,121,039</b>
<b>Profit/(loss) attributable to the owners of the Company:</b>	<b>610,601</b>	<b>(8,685,389)</b>	<b>(521,192)</b>	<b>(1,002,268)</b>	<b>(2,095,433)</b>	<b>(1,991,855)</b>	<b>(1,570,751)</b>	<b>1,861,934</b>
<b>Total comprehensive income/(loss) attributable to the owners of the Company:</b>	<b>459,175</b>	<b>(9,311,241)</b>	<b>(357,369)</b>	<b>(1,079,656)</b>	<b>(2,220,819)</b>	<b>(1,894,617)</b>	<b>(1,467,605)</b>	<b>1,121,039</b>

## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP (Cont'd)

	Audited						Unaudited	
	FYE 31 December 2015 (Restated)	18M-FPE 30 June 2017 <sup>(1)(2)</sup> (Restated)	FYE 30 June 2018	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9M-FPE 31 March 2021	9M-FPE 31 March 2022 <sup>(7)</sup>
	RM	RM	RM	RM	RM	RM	RM	RM
Weighted average number of ordinary shares in issue	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000
No. of ordinary shares in issue	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000	288,750,000
EPS/(LPS)	0.21	(3.01)	(0.18)	(0.35)	(0.73)	(0.69)	(0.54)	0.64
Net EPS /(LPS) (sen) <sup>(3)</sup>	0.21	(3.01)	(0.18)	(0.35)	(0.73)	(0.69)	(0.54)	0.64
NA/(Net liabilities ("NL"))	6,617,951	(2,693,290)	(3,050,659)	(4,130,315)	(6,351,134)	(8,245,751)	(7,818,739)	(5,642,922)
NA/(NL) per share (sen) <sup>(4)</sup>	2.29	(0.93)	(1.06)	(1.43)	(2.20)	(2.86)	(2.71)	(1.95)
Gross profit margin (%) <sup>(5)</sup>	100.00	4.42	-	-	-	-	-	-
Net profit/(loss) margin (%) <sup>(6)</sup>	127.21	(486.58)	-	-	-	-	-	-
Total interest-bearing borrowings	667,074	1,136,001	1,061,199	1,092,357	1,141,521	1,104,331	1,102,152	-
Gearing (times)	0.10	(0.42)	(0.35)	(0.26)	(0.18)	(0.13)	(0.14)	-
Net current assets / (liabilities)	6,617,951	(2,693,290)	(3,050,659)	(4,130,315)	(6,351,134)	(8,245,751)	(7,818,739)	(5,642,922)
Current ratio (times)	5.84	0.03	0.02	0.01	0.01	<sup>-(8)</sup>	<sup>-(8)</sup>	<sup>-(8)</sup>

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP (Cont'd)****Notes:**

- (1) On 23 February 2017, GNB announced the change of its financial year end from 31 December to 30 June.
- (2) Annualised statement of profit or loss and other comprehensive income for 18M-FPE 30 June 2017 is as follows:

<b>Annualised</b>	<b>RM</b>
Revenue	1,190,001
Cost of sales	(1,137,437)
Gross profit	52,564
Other operating income	82
Selling and distribution costs	-
Administrative expenses	(829,863)
Other operating expenses	(4,829,413)
Finance costs	(183,630)
Loss before tax	(5,790,259)
Income tax expense	-
Net loss for the financial year	(5,790,259)

- (3) As extracted from the annual report for the respective financial years/periods under review, net EPS/(LPS) is computed based on profit/(loss) attributable to owners of the company divided by weighted average number of GNB Shares in issue for the respective financial years/periods under review.
- (4) Based on NA attributable to owners of the company divided by number of GNB Shares in issue.
- (5) Based on gross profit divided by revenue.
- (6) Based on the (loss)/profit attributable to the owners of the company divided by revenue for the respective financial years/periods under review.
- (7) On 8 October 2021, GNB's wholly-owned subsidiary, Geranium was dissolved by the Companies Registry (Hong Kong).
- (8) Negligible.

## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP *(Cont'd)*

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### 1.1 Commentaries

#### **18M-FPE 30 June 2017 vs FYE 31 December 2015**

##### Revenue

GNB Group's revenue increased by 271.88% or RM1.31 million from RM0.48 million in FYE 31 December 2015 to RM1.79 million in 18M-FPE 30 June 2017 (annualised revenue for the 18M-FPE 30 June 2017 was RM1.19 million, representing 147.92% increase in revenue on an annualised basis). The increase in revenue was mainly attributable to the trading of electronic parts arising from Geranium, a wholly-owned subsidiary of GNB in 18M-FPE 30 June 2017.

##### Cost of sales

GNB Group's cost of sales for the 18M-FPE 30 June 2017 was RM1.71 million (the annualised cost of sales for the 18M-FPE 30 June 2017 was approximately RM1.14 million), as a direct cost in relation to the trading of electronic parts by Geranium during the period.

##### Gross profit

As the result of the foregoing, the gross profit of GNB Group decreased by 83.57% or RM0.40 million from RM0.48 million in FYE 31 December 2015 to RM0.08 million in 18M-FPE 30 June 2017 (annualised gross profit for the 18M-FPE 30 June 2017 was RM0.05 million, representing 89.05% decrease in gross profit on an annualised basis).

##### Other operating income

GNB Group's other operating income decreased by 99.99% or RM1.39 million from RM1.39 million in FYE 31 December 2015 to RM123 in 18M-FPE 30 June 2017 (annualised other operating income for 18M-FPE 30 June 2017 was approximately RM82, representing 99.99% decrease in other operating income on an annualised basis). The decrease of the other operating income was mainly due to a large unrealised gain on foreign exchange of RM1.13 million in FYE 31 December 2015 as compared to unrealised gain on foreign exchange of RM122 recognised in 18M-FPE 30 June 2017.

##### Administrative expenses

GNB Group's administrative expenses increased by 42.36% or RM0.37 million from RM0.87 million in FYE 31 December 2015 to RM1.24 million in 18M-FPE 30 June 2017 (annualised administrative expenses for 18M-FPE 30 June 2017 was RM0.83 million, representing a 5.09% decrease in administrative expenses on an annualised basis). The increase in the administrative expenses was mainly due to increase of legal and professional fees, audit fees and staff salary.

##### Other operating expenses

GNB Group's other operating expenses increased by 2,650% or RM6.98 million from RM0.26 million in FYE 31 December 2015 to RM7.24 million in the 18M-FPE 30 June 2017 (annualised other operating expenses for 18M-FPE 30 June 2017 was RM4.83 million, representing a 1,734% increase in other operating expenses on an annualised basis). The increase in other operating expenses was mainly due to the deposits written off of RM7.24 million in the 18M-FPE 30 June 2017.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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Finance cost

GNB Group's finance cost increased by 131.35% or RM0.16 million from RM0.12 million in FYE 31 December 2015 to RM0.28 million incurred in 18M-FPE 30 June 2017 (annualised finance cost for 18M-FPE 30 June 2017 was RM0.18 million, representing a 54.23% increase in finance cost on an annualised basis). The increase in finance cost was mainly due to the further drawdown of loan facility by Geranium of approximately HKD0.96 million in the 18M-FPE 30 June 2017 whereby the loans bear interest rate ranging from 8.6% to 10.0% per annum.

Loss after tax

As a result of the foregoing, GNB Group registered a loss after tax of RM8.69 million in 18M-FPE 30 June 2017 as opposed to profit after tax of RM0.61 million in FYE 31 December 2015 (annualised loss after tax of RM5.79 million for 18M-FPE 30 June 2017).

**FYE 30 June 2018 vs 18M-FPE 30 June 2017**
Revenue

GNB Group did not generate revenue in FYE 30 June 2018 as compared to RM1.79 million revenue generated in 18M-FPE 30 June 2017 (annualised revenue of RM1.19 million) as GNB Group had ceased operations since 1 July 2017.

Cost of sales

GNB Group's cost of sales in FYE 30 June 2018 was nil as compared to RM1.71 million in 18M-FPE 30 June 2017 (annualised cost of sales of RM1.14 million) as GNB Group did not carry out any business activities in FYE 30 June 2018.

Gross profit

As the result of the foregoing, GNB Group's gross profit in FYE 30 June 2018 was nil as compared to RM0.08 million in 18M-FPE 30 June 2017 (annualised gross profit of RM0.05 million).

Other operating income

GNB Group's other operating income increased by more than 100% or RM0.09 million from RM123 in 18M-FPE 30 June 2017 (annualised other operating income of RM82) to RM0.09 million in FYE 30 June 2018. The increase was mainly due to recovery of deposit amounting to RM0.09 million.

Administrative expenses

GNB Group's administrative expenses decreased by 64.29% or RM0.80 million from RM1.24 million in 18M-FPE 30 June 2017 (annualised administrative expenses of RM0.83 million) to RM0.44 million in FYE 30 June 2018. The decrease in the administrative expenses was mainly due to decrease of directors' fee, legal and professional fees, staff salaries as well as travelling and entertainment expenses.

Other operating expenses

GNB Group did not incur any other operating expenses in FYE 30 June 2018 as compared to RM7.24 million in 18M-FPE 30 June 2017 as GNB Group did not carry out any business activities in FYE 30 June 2018.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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Finance cost

The finance cost of GNB Group decreased by 41.27% or RM0.12 million from RM0.28 million in 18M-FPE 30 June 2017 to RM0.16 million in FYE 30 June 2018 due to lower outstanding loan amount in FYE 30 June 2018 as compared to 18M-FPE 30 June 2017.

Loss after tax

As the result of the foregoing, the loss after tax of GNB Group decreased by 94.00% or RM8.16 million from RM8.69 million in 18M-FPE 30 June 2017 (annualised loss after tax of RM5.79 million) to loss after tax of RM0.53 million in FYE 30 June 2018.

**FYE 30 June 2019 vs FYE 30 June 2018**
Revenue

GNB Group did not generate revenue in FYE 30 June 2019 as GNB Group had ceased operations since 1 July 2017.

Cost of sales

GNB Group's cost of sales in FYE 30 June 2019 was nil as GNB Group did not carry out any business activities in FYE 30 June 2019.

Gross profit

As the result of the foregoing, GNB Group's gross profit in FYE 30 June 2019 was nil.

Other operating income

GNB Group's other operating income in FYE 30 June 2019 is nil as compared to the other operating income generated by GNB Group amounting to RM0.09 million in FYE 30 June 2018 arising from the recovery of deposits.

Administrative expenses

GNB Group's administrative expenses increased by 82.70% or RM0.37 million from RM0.44 million in FYE 30 June 2018 to RM0.81 million in FYE 30 June 2019. The increase in the administrative expenses was mainly due to increase in secretarial fees, professional fees in relation to the proposed regularisation plan as well as director fee.

Other operating expenses

GNB Group's other operating expenses in FYE 30 June 2019 is RM0.01 million which mainly arises from the write off of the deposits as well as the goods and services tax receivables during the FYE 30 June 2019. GNB Group did not incur any other operating expense in FYE 30 June 2018.

Finance costs

The finance cost of GNB Group increased by 9.24% or RM0.01 million from RM0.16 million in FYE 30 June 2018 to RM0.17 million in FYE 30 June 2019 due to the increase in interest expenses incurred resulting from the continuous accrual of interest expenses on the defaulted loans by Geranium.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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Loss after tax

As the result of the foregoing, the loss after tax of GNB Group increased by 92.30% or RM0.48 million from RM0.52 million in FYE 30 June 2018 to loss after tax of RM1.00 million in FYE 30 June 2019.

**FYE 30 June 2020 vs FYE 30 June 2019**
Revenue

GNB Group did not generate revenue in FYE 30 June 2020 as GNB Group had ceased operations since 1 July 2017.

Cost of sales

GNB Group's cost of sales in FYE 30 June 2020 was nil as GNB Group did not carry out any business activities in FYE 30 June 2020.

Gross profit

As the result of the foregoing, GNB Group's gross profit in FYE 30 June 2020 was nil.

Other operating income

GNB Group's other operating income in FYE 30 June 2020 is nil.

Administrative expenses

GNB Group's administrative expenses increased by 132.26% or RM1.07 million from RM0.81 million in FYE 30 June 2019 to RM1.88 million in FYE 30 June 2020. The increase in the administrative expenses was mainly due to increase in secretarial fees and professional fees in relation to the proposed regularisation plan.

Other operating expenses

The other operating expenses of GNB Group decreased by 19.05% or RM2,549 from RM13,379 in FYE 30 June 2019 to RM10,830 in FYE 30 June 2020, whereby, the other operating expenses incurred by GNB Group in FYE 30 June 2020 is mainly arising from the impairment on GST amounting to RM10,830.

Finance costs

The finance cost of GNB Group increased by 12.18% or RM0.02 million from RM0.18 million in FYE 30 June 2019 to RM0.20 million in FYE 30 June 2020 due to the increase in interest expenses incurred resulting from the continuous accrual of interest expenses on the defaulted loans by Geranium.

Loss after tax

As the result of the foregoing, the loss after tax of GNB Group increased by 109.07% or RM1.09 million from RM1.00 million in FYE 30 June 2019 to loss after tax of RM2.09 million in FYE 30 June 2020.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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**FYE 30 June 2021 vs FYE 30 June 2020**
Revenue

GNB Group did not generate revenue in FYE 30 June 2021 as GNB Group had ceased operations since 1 July 2017.

Cost of sales

GNB Group's cost of sales in FYE 30 June 2021 was nil as GNB Group did not carry out any business activities in FYE 30 June 2021.

Gross profit

As the result of the foregoing, GNB Group's gross profit in FYE 30 June 2021 was nil.

Other operating income

GNB Group's other operating income in FYE 30 June 2021 recorded RM0.08 million arising from the waiver of fees owing to the accountant. GNB Group's other operating income in FYE 30 June 2020 was nil.

Administrative expenses

GNB Group's administrative expenses decreased by 2.13% or RM0.04 million from RM1.88 million in FYE 30 June 2020 to RM1.84 million in FYE 30 June 2021. The decrease in the administrative expenses was mainly due to decrease in professional fees in relation to the proposed regularisation plan.

Other operating expenses

The other operating expenses of GNB Group increased by 265.72% or RM28,777 from RM10,830 in FYE 30 June 2020 to RM39,607 in FYE 30 June 2021, as the Group wrote off a tax recoverable amount of RM39,607.

Finance costs

The finance cost of GNB Group decreased marginally by 1.66% or RM3,292 from RM198,242 in FYE 30 June 2020 to RM194,950 in FYE 30 June 2021 due to a slight decrease in interest expenses incurred arising from the continuous accrual of interest on the defaulted loans by Geranium.

Loss after tax

As the result of the foregoing, the loss after tax of GNB Group decreased by 4.78% or RM0.10 million from RM2.09 million in FYE 30 June 2020 to loss after tax of RM1.99 million in FYE 30 June 2021.



**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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**Unaudited 9-months FPE 31 March 2022 vs unaudited 9-months FPE 31 March 2021**
Revenue

GNB did not generate revenue in the 9-months FPE 31 March 2022 as GNB had ceased operations since 1 July 2017.

Cost of sales

GNB's cost of sales in the 9-months FPE 31 March 2022 was nil as GNB did not carry out any business activities during the period.

Gross profit

As the result of the foregoing, GNB's gross profit in the 9-months FPE 31 March 2022 was nil.

Other operating income

GNB's other operating income for the 9-months FPE 31 March 2022 recorded a gain of RM2.28 million as a result of the gain from the dissolution of Geranium, a wholly-owned subsidiary of GNB. There was no other operating income recorded for the 9-months FPE 31 March 2022.

Administrative expenses

GNB's administrative expenses decreased by 69.8% or RM0.96 million from RM1.38 million in the 9-months FPE 31 March 2021 to RM0.42 million in the 9 months to FPE 31 March 2022. The decrease in the administrative expenses was mainly due to decrease in professional fees in relation to the proposed regularisation plan which were charged based on the progressive milestones and finance cost incurred.

Other operating expenses

There were no other operating expenses in GNB for the 9-months FPE 31 March 2022. This is compared to other operating expenses of RM0.04 million for the 9-months FPE 31 March 2021 arising from the write-off of a tax recoverable amount.

Finance costs

There were no finance costs incurred by GNB for the 9-months FPE 31 March 2022 as a result of the dissolution of Geranium. This is compared to RM0.15 million in finance cost incurred for the 9-months FPE 31 March 2021 arising from the continuous accrual of interest on the defaulted loans by Geranium.

Profit after tax

As the result of the gains arising from dissolution of Geranium, for the 9-months FPE 31 March 2022, GNB recorded a net profit of RM1.86 million which is a RM3.43 million increase or 218% increase over the 9-months FPE 31 March 2021.

## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP (Cont'd)

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### 1.2 NA/(NL) and gearing

#### NA/(NL)

The NA of GNB Group increased by RM0.46 million to RM6.62 million as at 31 December 2015 from RM6.16 million as at 31 December 2014. The increase of the NA was mainly due to the profit after taxation for the FYE 31 December 2015 of RM0.61 million and the foreign currency translation differences for foreign operation for the FYE 31 December 2015 of RM0.15 million.

The NA of GNB Group reduced by RM9.31 million to net liability of RM2.69 million as at 30 June 2017 from NA of RM6.62 million due to the loss after tax as at 30 June 2017 of RM8.69 million and the foreign currency translation differences for foreign operation for the 18M-FPE 30 June 2017 of RM0.62 million.

The NA of GNB Group reduced by RM0.36 million to a NL of RM3.05 million as at 30 June 2018 from RM2.69 million as at 30 June 2017 due to loss after tax for the FYE 30 June 2018 of RM0.52 million and foreign currency translation differences for foreign operation for the FYE 30 June 2018 of RM0.16 million.

The NA of GNB Group reduced by RM1.08 million to a NL of RM4.13 million as at 30 June 2019 from RM3.05 million as at 30 June 2018 due to loss after tax for the FYE 30 June 2019 of RM1.00 million and foreign currency translation differences for foreign operation for the FYE 30 June 2019 of RM0.08 million.

The NA of GNB Group reduced by RM2.23 million to a NL of RM6.35 million as at 30 June 2020 from RM4.13 million as at 30 June 2019 due to loss after tax for the FYE 30 June 2020 of RM2.10 million and foreign currency translation differences for foreign operation for the FYE 30 June 2020 of RM0.13 million.

The NA of GNB Group reduced by RM1.91 million to a NL of RM8.26 million as at 30 June 2021 from RM6.35 million as at FYE 30 June 2020 due to loss after tax for the FYE 30 June 2021 of RM1.99 million and foreign currency translation differences for foreign operation for the FYE 30 June 2021 of RM0.10 million.

The NA of GNB Group improved by RM2.60 million to a NL of RM5.64 million as at the 9-months FPE 31 March 2022 from RM8.25 million as at FYE 30 June 2021 due to the gain of RM2.28 million recognised from the dissolution of Geranium on 8 October 2021.

#### Gearing

The total outstanding loan for the FYE 31 December 2014 arises from the unsecured amount due to a third party amounting to RM0.45 million. GNB Group's shareholders' equity was reported at RM6.16 million as at 31 December 2014.

For the FYE 31 December 2015, the total outstanding loan increase to RM0.67 million arising from the increase in unsecured amount due to third party by RM0.22 million. GNB Group's shareholders' equity was reported at RM6.62 million as at 31 December 2015.

For the 18M-FPE 30 June 2017, the total outstanding loans increased to RM1.14 million due to drawdown of loan by the subsidiary, Geranium. Due to the write down in its deposits, GNB Group's shareholders' equity was reported at negative RM2.69 million as at 30 June 2017.

For the FYE 30 June 2018, the total outstanding loans decreased to RM1.06 million. GNB Group's shareholders' equity was reported at negative RM3.05 million as at 30 June 2018.

For the FYE 30 June 2019, the total outstanding loans increased to RM1.09 million. GNB Group's shareholders' equity was reported at negative RM4.13 million as at 30 June 2019.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**

For the FYE 30 June 2020, the total outstanding loans increased to RM1.14 million. GNB Group's shareholders' equity was reported at negative RM6.35 million as at 30 June 2020.

For the FYE 30 June 2021, the total outstanding loans decreased to RM1.10 million. GNB Group's shareholders' equity was reported at negative RM8.26 million as at 30 June 2021.

For the 9-months FPE 31 March 2022, the total outstanding loans is NIL due to the dissolution of Geranium. GNB's shareholders' equity was reported at negative RM5.64 million as at FPE 31 March 2022.

**1.3 Liquidity and capital resources**

GNB Group's cashflow requirements for FYE 30 June 2018 to unaudited 9-months FPE 31 March 2022 is funded via director's advances.

Cash Flow	Audited						Unaudited
	FYE 31 December 2015	18M-FPE 30 June 2017	FYE 30 June 2018	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9M-FPE 31 March 2022
	RM	RM	RM	RM	RM	RM	RM
Net cash used in operating activities	(393,275)	(137,713)	(189,076)	(800,897)	(737,911)	(1,075,705)	(1,732,793)
Net cash used in investing activities	-	-	-	-	-	-	-
Net cash from financing activities	-	154,482	166,190	804,229	737,988	1,075,705	1,729,720
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(393,275)</b>	<b>16,769</b>	<b>(22,886)</b>	<b>3,332</b>	<b>77</b>	<b>-</b>	<b>(3,073)</b>
Cash and cash equivalents at the beginning of the period	561,850	17,149	33,617	9,883	9,982	10,137	10,019
Effect of foreign translation differences	(151,426)	(301)	(848)	(3,233)	78	(118)	(416)
<b>Cash and cash equivalents at the end of the period</b>	<b>17,149</b>	<b>33,617</b>	<b>9,883</b>	<b>9,982</b>	<b>10,137</b>	<b>10,019</b>	<b>6,530</b>

**Commentaries**
**(i) Net cash used in operating activities**
**FYE 31 December 2015**

GNB had a net cash outflow from operating activities of RM0.39 million for the FYE 31 December 2015 after accounting for, amongst others, the following:

- Net cash inflow before changes in working capital of RM0.51 million after adjusting its PBT of RM0.61 million for, amongst others, property, plant and equipment written off amounting to RM6,562 as well as unrealised gain on foreign exchange of RM1.13 million;
- Increase in payables of RM0.54 million; and

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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- Increase in receivables of RM0.43 million was due to deposits made for the purchase of inventories for Geranium's garment trading business.

**18M-FPE 30 June 2017**

GNB had a net cash outflow from operating activities of RM0.14 million for the 18M-FPE 30 June 2017 after accounting for, amongst others, the following:

- Net cash outflow before changes in working capital of RM1.17 million after adjusting its LBT of RM8.69 million for, amongst others, deposits and prepayments written off of RM7.24 million;
- Increase in payables of RM0.34 million was due to increase in interest payable arising from the loans; and
- Decrease in receivables of RM0.69 million due to the refund of HKD1,000,000 by the supplier in relation to the garment trading business.

**FYE 30 June 2018**

GNB had a net cash outflow from operating activities of RM0.19 million for the FYE 30 June 2018 after accounting for, amongst others, the following:

- Net cash outflow before changes in working capital of RM0.36 million after adjusting its LBT of RM0.52 million for, amongst others, interest expense of RM0.16 million;
- Increase in payables of RM0.17 million arising from amount due to director as payments were made by the director on behalf of GNB and
- Decrease in receivables of RM4,523.

**FYE 30 June 2019**

GNB had a net cash outflow from operating activities of RM0.80 million for the FYE 30 June 2019 after accounting for, amongst others, the net cash outflow before changes in working capital of RM0.80 million after adjusting its LBT of RM1.00 million for, amongst others, interest expense of RM0.18 million and, other receivables written off amounting to RM0.01 million.

**FYE 30 June 2020**

GNB had a net cash outflow from operating activities of RM0.74 million for the FYE 30 June 2020 after accounting for, amongst others, the net cash outflow before changes in working capital of RM1.89 million after adjusting its LBT of RM2.10 million for, amongst others, interest expense of RM0.20 million and, other receivables written off amounting to RM0.01 million.

**FYE 30 June 2021**

GNB had a net cash outflow from operating activities of RM1.08 million for the FYE 30 June 2021 after accounting for, amongst others, the net cash outflow before changes in working capital of RM1.76 million after adjusting its LBT of RM1.99 million for, amongst others, interest expense of RM0.19 million and, tax recoverable written off amounting to RM0.04 million.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**


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**Unaudited 9-months FPE 31 March 2022**

GNB had a net cash outflow from operating activities of RM1.73 million for the 9-months FPE 31 March 2022 after accounting for, amongst others, the net cash outflow before changes in working capital of RM0.42 million after adjusting for a gain on the dissolution of Geranium of RM2.28 million and changes in working capital of RM1.31 million.

**(ii) Net cash used in investing activities**

For the FYE 31 December 2015 to unaudited FPE 31 March 2022, GNB Group did not have any investing activities.

**(iii) Net cash from financing activities**
**FYE 31 December 2015**

For the FYE 31 December 2015, GNB Group did not have any financing activities.

**18M-FPE 30 June 2017**

For the 18M-FPE 30 June 2017, there was cash generated arising from the advances from a previous Director of RM0.15 million for working capital purposes of GNB.

**FYE 30 June 2018**

For the FYE 30 June 2018, there was cash generated arising from advances from a Director of RM0.17 million for working capital purposes of GNB and also for the professional fees incurred by GNB in relation to the proposed regularisation plan.

**FYE 30 June 2019**

For the FYE 30 June 2019, there was cash generated arising from advances from the Directors of RM0.80 million for working capital purposes of GNB and also for the professional fees incurred by GNB in relation to the proposed regularisation plan.

**FYE 30 June 2020**

For the FYE 30 June 2020, there was cash generated arising from advances from the Directors of RM0.74 million for working capital purposes of GNB and also for the professional fees incurred by GNB in relation to the proposed regularisation plan.

**FYE 30 June 2021**

For the FYE 30 June 2021, there was cash generated arising from advances from the Directors of RM1.08 million for working capital purposes of GNB and also for the professional fees incurred by GNB in relation to the proposed regularisation plan.

**Unaudited 9-months FPE 31 March 2022**

For the 9-months FPE 31 March 2022, there was cash generated arising from advances from the Directors of RM1.73 million for working capital purposes of GNB, specifically the professional fees incurred by GNB in relation to the proposed regularisation plan.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**
**1.4 Other financial ratios**

	Audited						Unaudited
	FYE 31 December 2015	18M-FPE 30 June 2017	FYE 30 June 2018	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9M-FPE 31 March 2022
Trade receivables turnover period (days) <sup>(1)</sup>	-	-	-	-	-	-	-
Trade payables turnover period (days) <sup>(2)</sup>	-	-	-	-	-	-	-
Inventories turnover period (days) <sup>(3)</sup>	-	-	-	-	-	-	-
Current ratio (times) <sup>(4)</sup>	5.84	0.03	0.02	0.01	0.01	_(6)	_(6)
Gearing ratio (times) <sup>(5)</sup>	0.10	(0.42)	(0.35)	(0.26)	(0.18)	(0.13)	-

**Notes:**

- (1) Computed based on trade receivables balances as at the dates of the respective consolidated statement of financial position over GNB's total revenue for the respective financial year/period, multiplied by 547 days for 18M-FPE 30 June 2017 and 365 days for FYE 31 December 2015, FYE 30 June 2018, FYE 30 June 2019, FYE 30 June 2020 and FYE 30 June 2021. During FYE 31 December 2015, GNB Group had provided for impairment of trade receivables in full. As at 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and unaudited 9-months FPE 31 March 2022, GNB Group did not have any trade receivables.
- (2) Computed based on trade payables balances as at the dates of the respective consolidated statement of financial position over GNB's cost of sales for the respective financial year/period, multiplied by 547 days for 18M-FPE 30 June 2017 and 365 days for FYE 31 December 2015, FYE 30 June 2018, FYE 30 June 2019, FYE 30 June 2020 and FYE 30 June 2021. As at 31 December 2015, 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and unaudited 9-months FPE 31 March 2022, GNB Group did not have any trade payables.
- (3) Computed based on inventories balances as at the dates of the respective consolidated statement of financial position over GNB's total cost of sales for the respective financial year/period, multiplied by 547 days for 18M-FPE 30 June 2017 and 365 days for FYE 31 December 2015, FYE 30 June 2018, FYE 30 June 2019, FYE 30 June 2020 and FYE 30 June 2021. As at 31 December 2015, 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and unaudited 9-months FPE 31 March 2022, GNB Group did not have any inventories.
- (4) Computed based on current assets over current liabilities as at the dates of the respective consolidated statement of financial position.
- (5) Computed based on loans and borrowings over total equity as at the dates of the respective consolidated statement of financial position.
- (6) Negligible.

## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP *(Cont'd)*

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### 1.4.1 Trade receivables turnover period

The normal credit term of trade receivables granted by GNB Group is 30 days.

During FYE 31 December 2015, GNB Group had provided for impairment of trade receivables amounting to RM0.26 million. During 18M-FPE 30 June 2017, GNB Group did not have any trade receivables as the trade receivables have been fully collected.

From FYE 30 June 2018 to the unaudited 9-months FPE 31 March 2022, GNB Group did not have any trade receivables as it had ceased operation since 1 July 2017.

### 1.4.2 Trade payables turnover period

As at 31 December 2015, 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and unaudited 9-months FPE 31 March 2022, GNB Group did not have any trade payables.

### 1.4.3 Inventories turnover period

GNB Group did not record any inventories as at 31 December 2015, 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and unaudited 9-months FPE 31 March 2022.

### 1.4.4 Current ratio

The current ratio of GNB Group as at 31 December 2015 is 5.84 times (31 December 2014: 8.47 times). The decrease of current ratio to 5.84 times is mainly due to increase in the non-trade payables arising from the amount due to a third party.

The current ratio of GNB Group as at 30 June 2017 is 0.03 times (31 December 2015: 5.84 times). The significant decrease of current ratio to 0.03 times is mainly due to the deposits and prepayments amounting to RM7.24 million and RM1.81 million being written off during the year.

The current ratio of GNB Group as at 30 June 2018 is 0.02 times (30 June 2017: 0.03 times). The decrease of current ratio to 0.02 times as at 30 June 2018 is mainly due to decrease in deposits and prepayment, as well as cash and bank balances. Besides, there was an increase in other payables and accruals to RM2.79 million as at 30 June 2018 from RM2.62 million as at 30 June 2017.

The current ratio of GNB Group as at 30 June 2019 is 0.01 times (30 June 2018: 0.02 times). The decrease of current ratio to 0.01 times as at 30 June 2019 is mainly due to decrease in deposits and prepayments. Besides, there was an increase in amount due to director to RM1.12 million as at 30 June 2019 from RM0.31 million as at 30 June 2018.

The current ratio of GNB Group as at 30 June 2020 is 0.01 times (30 June 2019: 0.01 times). The current ratio as at 30 June 2020 is consistent with the current ratio as at 30 June 2019.

The current ratio of GNB Group as at 30 June 2021 is negligible (30 June 2020: 0.01 times).

The current ratio of GNB as at 31 March 2022 is negligible which is consistent with the current ratio as at 30 June 2021.



## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP (Cont'd)

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### 1.4.5 Gearing ratio

The total borrowings as at FYE 31 December 2015 were RM0.67 million and the gearing ratio was 0.10 times. The increase in gearing ratio was due to increase in the amount due to a third party by RM0.22 million. The total shareholders fund attributable to the owners of the company was RM6.62 million.

The total borrowings as at 30 June 2017 were RM1.14 million and the gearing ratio was negative 0.42 times. The total borrowings comprised the borrowings drawdown by Geranium from Daily Loyal Limited amounting to RM0.83 million, Giant Master Limited amounting to RM0.28 million and Premium Energy International Limited amounting to RM0.03 million. The shareholders fund was drastically reduced by the deposits written off amounting to due to the non-recoverability of the deposits paid for the purchases of inventories for Geranium's garment trading business. The total shareholders fund attributable to the owners of the company as at 30 June 2017 was negative RM2.69 million.

The total borrowings as at 30 June 2018 were RM1.06 million and the gearing ratio was negative 0.35 times. The improvement in the gearing ratio was mainly due to the decrease in the total borrowings by RM0.07 million. The total shareholders fund attributable to the owners of the company as at 30 June 2018 was negative RM3.05 million.

The total borrowings as at 30 June 2019 were RM1.09 million and the gearing ratio was negative 0.26 times. The decrease in the gearing ratio is mainly due to the decrease of the shareholders' fund which was mainly attributable by the increase in the administration and other expenses arising from the professional fees incurred in relation to the proposed regularisation plan during the year. The shareholders fund attributable to the owners of the company as at 30 June 2019 was negative RM4.13 million.

The total borrowings as at 30 June 2020 were RM1.14 million and the gearing ratio was negative 0.18 times. The decrease in the gearing ratio is mainly due to the decrease of the shareholders' fund which was mainly attributable by the increase in the administration and other expenses arising from the professional fees incurred in relation to the proposed regularisation plan during the year. The shareholders fund attributable to the owners of the company as at 30 June 2020 was negative RM6.35 million.

The total borrowings as at 30 June 2021 were RM1.10 million and the gearing ratio was negative 0.13 times. The decrease in the gearing ratio is mainly due to the decrease of the shareholders' fund which was mainly attributable by the increase in the administration and other expenses arising from the professional fees incurred in relation to the proposed regularisation plan during the year. The shareholders fund attributable to the owners of the company as at 30 June 2021 was negative RM8.26 million.

The total borrowings as at 31 March 2022 is NIL and hence the gearing ratio is also NIL. The decrease in the borrowings was mainly due to the dissolution of Geranium. There were 3 third party loans taken by Geranium; 1 loan since 2014 and 2 loans in 2018. Geranium was struck off by the Companies Registry (Hong Kong) on 8 October 2021 and with this dissolution, the 3 loans and accompany default interest accruals have been written off. The dissolution of Geranium resulted in a gain and this resulted in the unaudited 9-months FPE 31 March 2022 shareholders fund attributable to the owners improving to negative RM5.64 million compared to negative RM8.24 million as at 30 June 2021.



## FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GNB GROUP (Cont'd)

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### 1.5 Working Capital

As disclosed in Section 1 of Appendix (II)A of this Circular, the GNB Group had ceased all its business operations since July 2017. Subsequent to the cessation of its operations, the GNB Group's main source of liquidity comes from the advances from CTP which is used to fund the GNB Group's working capital and expenses in relation to the regularisation of its financial condition. As at 30 June 2021, the GNB Group's current assets stood at RM10,019 comprising only cash and bank balance and the GNB Group's current liabilities stood at RM8,255,770, comprising mainly amount due to directors and other payables and accruals.

Upon completion of the Proposed Regularisation Plan, the Enlarged GNB Group's principal activity will be provision of construction management services mainly for high-rise residential buildings.

Assuming the completion of the Proposed Regularisation Plan, the Enlarged GNB Group's pro forma current assets will be RM208.86 million while pro forma current liabilities will be RM86.82 million. Pro forma cash and bank balances will be RM105.83 million.

The Directors and proposed Directors of GNB are of the opinion that, after taking into consideration the above, the funds to be generated from the Enlarged GNB Group's business in construction management services, the Enlarged GNB Group's banking facilities as well as the proceeds to be raised from the Proposed Private Placement, the Enlarged GNB Group will have sufficient working capital for a period of 12 months from the date of this Circular.

## 2. Dividend policy

### (a) GNB

GNB presently does not have a fixed dividend policy. The declaration of interim dividend and the recommendation of final dividend are subject to the approval of GNB's shareholders.

GNB's ability to pay dividend or make other distributions to their shareholders is subject to various factors such as having profits and excess funds not required to be retained to fund their working capital requirements.

### (b) Enlarged GNB Group

The Enlarged GNB Group has not formulated a dividend policy or pay-out ratio. The Enlarged GNB Group may do so in the future. It is the intention of the Enlarged GNB Group to pay dividends in the future while retaining adequate reserves for the Enlarged GNB Group's future growth. However, such payments will depend various factors such as operating results, profits recorded and excess of funds not required to be retained for working capital of the business. The actual dividend that Southern Score's Directors may recommend or declare in any particular financial year or period will take into consideration the following factors or any other factors deemed relevant by Southern Score's Directors:

- (i) The working capital needs and availability of cash;
- (ii) Southern Score's financial performance and condition;
- (iii) Southern Score's anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- (iv) the general economic and business conditions.

**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**

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The level of dividends should also not be treated as an indication of Southern Score's future profitability or ability to pay dividend. There can be no assurance that dividends will be paid out in the future or on the timing of any dividends that are to be paid in the future.

**3. Exchange control**

There are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profit by or to GNB.

**4. Taxation**

All corporations in Malaysia are required to adopt single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no capital gains tax arising from the disposal of listed shares in Malaysia.

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**FINANCIAL COMMENTARIES ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
OF THE GNB GROUP (Cont'd)**
**5. Capitalisation and indebtedness**

The following table sets out the pro forma combined cash and bank balances, capitalisation and indebtedness as at 30 June 2022, and adjusted to show the effects of the Proposed Regularisation Plan and utilisation of proceeds.

	As at 30 June 2022			After the Proposed Regularisation Plan and utilisation of proceeds
	GNB	Southern Score Group	Enlarged GNB Group	
	RM'000	RM'000	RM'000	RM'000
<b>Cash and bank balances</b>	<b>6</b>	<b>3,644</b>	<b>3,650</b>	<b>3,650</b>
<b>Fixed deposits with licensed banks</b>	-	-	-	-
<b>Indebtedness</b>				
Short-term indebtedness:				
<i>Secured</i>				
Lease liability	-	34	34	34
<i>Unsecured and guaranteed</i>	-	-	-	-
<i>Unsecured and unguaranteed</i>	-	-	-	-
Long-term indebtedness:				
<i>Secured</i>				
Lease liability	-	109	109	109
<i>Unsecured and guaranteed</i>	-	-	-	-
<b>Total indebtedness</b>	<b>-</b>	<b>143</b>	<b>143</b>	<b>3,793</b>
<b>Capitalisation</b>				
Total shareholders' equity attributable to owners of the company	(6,408)	26,711	20,303	122,901
<b>Total capitalisation</b>	<b>(6,408)</b>	<b>26,711</b>	<b>20,303</b>	<b>122,901</b>
<b>Total capitalisation and indebtedness</b>	<b>(6,402)</b>	<b>26,854</b>	<b>24,096</b>	<b>126,694</b>
<b>Gearing ratio<sup>(1)</sup> (times)</b>	<b>-</b>	<b>_(2)</b>	<b>_(2)</b>	<b>_(2)</b>

**Notes:**

(1) Total indebtedness (total lease liability) divided by total capitalisation.

(2) Negligible.

**6. Material capital commitment**

As at the LPD, GNB does not have any material commitment for capital expenditure.