

HARN LEN CORPORATION BHD

Registration No. 200001000001 (502606-H)
(Incorporated in Malaysia)

MINUTES of the Extraordinary General Meeting (“EGM”) of **HARN LEN CORPORATION BHD** (“**HLCB**” or “**the Company**”) duly convened and held at Merdeka Hall, Ground Floor, Johor Tower, 15, Jalan Gereja, 80100 Johor Bahru, Johor, Malaysia on Tuesday, 5 November 2024 at 10.00 a.m.

Present : As per attendance sheet

Shareholders : Individuals - 4
By Proxy - 1
(of which Chairman acted for 6 shareholders)

Corporate : 1
Representative

Directors : 7

By Invitation : Mr Law Kim Fatt (*Representative from Malacca Securities Sdn. Bhd.*)
Mr Darren Koh (*Representative from Malacca Securities Sdn. Bhd.*)
Mr Koh Hong Thim (*Representative from Malacca Securities Sdn. Bhd.*)
Ms Sandy Chua (*Representative from Malacca Securities Sdn. Bhd.*)
Mr Ko Hsiao Ping (*Representative from Julius Leonie Chai*)
Mr Lew Choon Meng (*Representative from Julius Leonie Chai*)
Ms Rachel Chua (*Representative from Aldpro Corporate Services Sdn. Bhd.*)
Ms Christine Cheng (*Representative from Aldpro Corporate Services Sdn. Bhd.*)
Mr Low Soon Jin (*Representative from BDO Capital Consultants Sdn. Bhd.*)
Mr Eng Che Lun (*Representative from BDO Capital Consultants Sdn. Bhd.*)
Mr William Ng Kok Kiong (*Investor Relationship Officer*)

Chairperson : Puan Sri Datin Chan Pui Leorn (“The Chairperson”) took the Chair and called the Meeting to order.

In Attendance : Mr Low Yew Yern (*Chief Operating Officer*)
Ms Anne Wong Lee Peng (*Senior Finance Manager*)
Ms Wong Chee Yin (*Company Secretary*)
Ms Wendy Mak Mei Ching (*Company Secretary*)

Notice : The Notice was taken as read.

CHAIRPERSON’S ADDRESS

The Chairperson welcomed all the shareholders to the Extraordinary General Meeting of the Company. She informed shareholders that she was a corporate representative for 27,300,000 shares equivalent to 4.85% of total voting shares of the Company. She further disclosed that she was appointed by 6 shareholders as their proxies representing in total of 109,605,885 shares which was equivalent to 19.46% of voting rights at this meeting and they had given their individual instructions for the voting to be carried out.

QUORUM

There being the requisite quorum, the EGM was called to order.

NOTICE OF MEETING

The Notice convening the EGM had been properly dispatched to the Shareholders of the Company by email or post and duly advertised in a local newspaper, The New Straits Times on 11 October 2024, was taken as read.

POLL VOTING

Before proceeding with the items of the agenda at the meeting, the Chairperson informed that the voting for the resolution to be considered at the meeting would be put to vote by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Share Registrars, Messrs Tricor Investor & Issuing House Services Sdn. Bhd. was appointed to act as the Poll Administrator and Messrs Aldpro Corporate Services Sdn. Bhd. was appointed to act as Scrutineer to validate the votes casted at the meeting. However, to ensure the smooth conduct of this meeting, the poll on the resolution would be conducted after the meeting has deliberated on the item on the agenda.

The Chairperson explained to the members present that the Ordinary Resolution required a simple majority of more than 50% and the Special Resolution require at least 75% votes from those shareholders present in person or by proxies and voting at the meeting.

1. ORDINARY RESOLUTION

PROPOSED ACQUISITION OF 100,000 ORDINARY SHARES IN TIGER AQUACULTURE SDN BHD (“TASB”), REPRESENTING THE ENTIRE EQUITY INTEREST IN TASB FROM MOHAMED NIZAM BIN MOHAMED JAKEL FOR A TOTAL PURCHASE CONSIDERATION OF RM42,500,000, TO BE SATISFIED VIA ISSUANCE OF 47,222,222 NEW ORDINARY SHARES IN HARN LEN CORPORATION BHD (“HLCB” OR THE “COMPANY”) (“CONSIDERATION SHARES”) AT AN ISSUE PRICE OF RM0.45 PER CONSIDERATION SHARE AND 47,222,222 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN HLCB (“RCPS A”) AT AN ISSUE PRICE OF RM0.45 PER RCPS A (“PROPOSED ACQUISITION”)

The Chairperson informed the meeting that the purpose of the EGM was to obtain the shareholders’ approval on the Proposed Acquisition.

The full text of the resolution was taken as read and the Chairperson put the following motion as set out in the Notice of EGM to the meeting for consideration:

“THAT, subject to the approvals of all relevant authorities and/or parties being obtained (where applicable), passing of the Special Resolution and to the extent permitted by law and the constitution of the Company (“Constitution”) as well as the fulfilment of the conditions precedent set out in the conditional share sale agreement dated 29 December 2023 and supplemental agreements dated 27 May 2024 and 5 July 2024 entered into between HLCB and Mohamed Nizam Bin Mohamed Jakel (“Mohamed Nizam” or “Vendor”) (“SSA”), approval be and is hereby given to HLCB to acquire 100,000 ordinary shares in TASB, representing the entire equity interest of TASB, for a total purchase consideration of RM42,500,000, which will be satisfied via the issuance of 47,222,222 Consideration Shares at an issue price of RM0.45 per Consideration Share and 47,222,222 RCPS A at an issue price of RM0.45 per RCPS A, in accordance with the terms and conditions of the SSA including any modifications, variations, amendments, and/or additions thereto.

THAT, the Board of Directors of HLCB (“Board”) be and is hereby authorised to allot and issue the Consideration Shares and RCPS A to the Vendor pursuant to the terms and conditions of the SSA.

THAT, the Consideration Shares and the new ordinary shares in HLCB (“HLCB Shares” or “Shares”) to be issued pursuant to the conversion of the RCPS A (“Conversion Shares”) shall, upon allotment and issuance, rank equally in all respects with the existing HLCB Shares, save and except that the Consideration Shares and Conversion Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Consideration Shares and Conversion Shares.

THAT, the RCPS A shall, upon allotment and issuance, rank equally in all respects among themselves without any preference or priority among themselves, and shall rank in priority to any class of ordinary shares of the Company with respect to amounts payable upon liquidation or winding up of the Company.

THAT, pursuant to Section 85 of the Companies Act, 2016 (“Act”) read together with Clause 12 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new HLCB Shares ranking equally to the existing HLCB Shares arising from the issuance of the Consideration Shares and RCPS A to the Vendor pursuant to the Proposed Acquisition and the Conversion Shares pursuant to the conversion of the RCPS A be and is hereby noted and waived.

AND THAT the Board (save for Encik Mohamed Akwal Bin Sultan Mohamad) be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Acquisition including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate in order to carry out, finalise and give full effect to the Proposed Acquisition in the best interest of the Company.”

The Chairperson invited Mr Darren Koh, the representative from Malacca Securities Sdn. Bhd. to present on the proposals as per Appendix A.

The Chairperson informed that the Company has received a letter from the Minority Shareholders Watchdog Group (MSWG) on 29 October 2024.

Hence, the Chairperson invited Mr William Ng, the representative from Investor Relationship Officer, to read the question and the answer as per Appendix B.

Further questions received from MSWG, and the answer to the question was provided as follows:-

Question: What is the average price for the tiger prawn for the last 10 years?
Answer: May refer to the Circular on page 41 on production quantities and details price. In terms of prawn prices for the past 10 years, we do not have the information as for now, but the current price is RM30.00 per kg.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

2. SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE CONSTITUTION TO FACILITATE THE ISSUANCE OF THE RCPS A PURSUANT TO THE PROPOSED ACQUISITION (“PROPOSED AMENDMENT”)

For this Agenda, the Chairperson proposed the motion:

“THAT, subject to passing of the Ordinary Resolution and approvals of all relevant authorities and/or parties being obtained (where applicable), approval be and is hereby given to the Board to amend the Constitution in the manner set out in Appendix IV of the circular to shareholders dated 14 October 2024.

AND THAT the Board (save for Encik Mohamed Akwal Bin Sultan Mohamad) be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Amendment including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate in order to carry out, finalise and give full effect to the Proposed Amendment in the best interest of the Company.”

As there was no question or objection to the motion, the poll on the resolution was then conducted.

CONDUCT OF POLL

The Chairperson informed that the Company had appointed Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, as the Poll Administrator. She then invited the representative of the Poll Administrator to brief the shareholders on the polling procedures.

The Chairperson informed that the members and proxy holders who had not voted, to cast their votes accordingly. She then declared the voting session closed and adjourned the meeting for 15 minutes for counting of votes.

ANNOUNCEMENT OF POLL RESULTS

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairperson resumed the meeting after 15 minutes for the declaration of the results of the poll. The poll results which were verified by the Scrutineers, and announced to Bursa Securities were disclosed as follows:

Ordinary Resolution: PROPOSED ACQUISITION

	No. of Votes	%
Votes in FAVOUR of the resolution	287,227,694	100
Votes AGAINST the resolution	0	0

Special Resolution: PROPOSED AMENDMENT

	No. of Votes	%
Votes in FAVOUR of the resolution	287,227,694	100
Votes AGAINST the resolution	0	0

HARN LEN CORPORATION BHD
MINUTES OF EGM HELD ON 5 NOVEMBER 2024

Based on the poll result, the Chairperson declared that the Ordinary Resolution and Special Resolution were duly carried.

CLOSE OF MEETING

There being no other business, the Meeting ended at 10.47 a.m. with a vote of thanks to the Chair.

Signed as a correct record,

PUAN SRI DATIN CHAN PUI LEORN
Chairperson



HARN LEN CORPORATION BHD
Registration No. 200001000001 (502606-H)

EXTRAORDINARY GENERAL MEETING

5 November 2024

- (I) PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN TIGER AQUACULTURE SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM42.5 MILLION; AND**
- (II) PROPOSED AMENDMENT TO THE COMPANY'S CONSTITUTION**

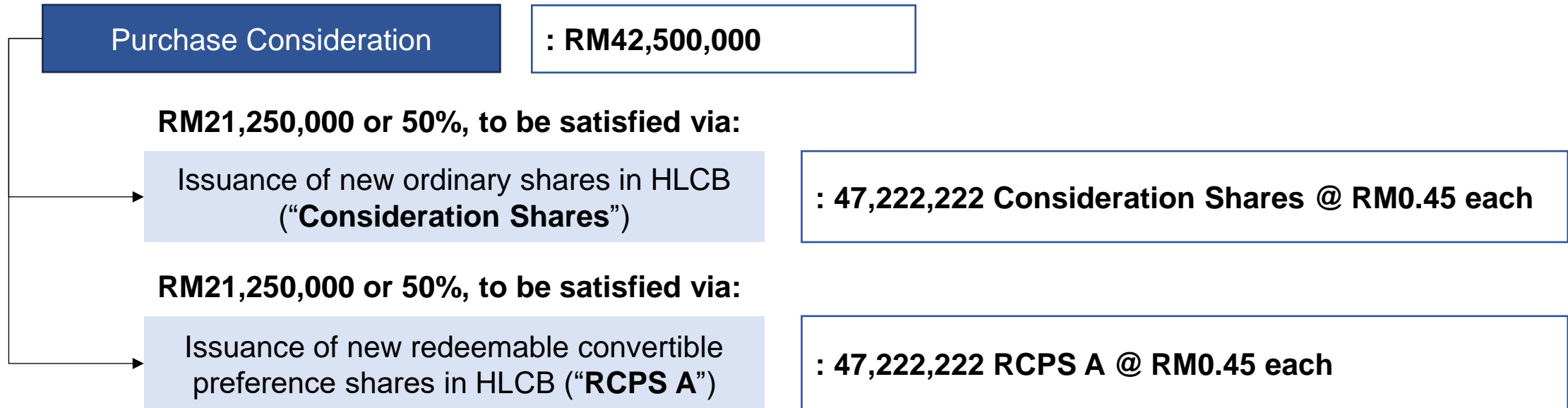
Principal Adviser



Introduction

The Company proposes to undertake the following proposals:-

- i. proposed acquisition of the entire equity interest in Tiger Aquaculture Sdn. Bhd. (“**TASB**”) from Mohamed Nizam Bin Mohamed Jakel (“**Mohamed Nizam**” or the “**Vendor**”) (“**Proposed Acquisition**”) for a total purchase consideration as follows:-

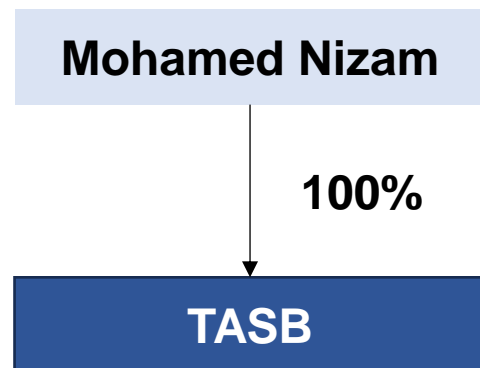


- ii. proposed amendment of the Company’s constitution to facilitate the creation and issuance of the RCPS A pursuant to the Proposed Acquisition (“**Proposed Amendment**”),
(collectively, referred to as the “**Proposals**”)

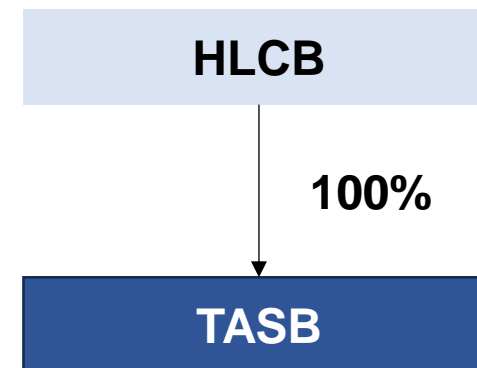
Shareholding before and after the Proposed Acquisition

TASB will become a wholly-owned subsidiary of HLCB upon completion of the Proposed Acquisition

Before the Proposed Acquisition



After the Proposed Acquisition



Information on TASB

Details of Incorporation

Incorporated in Malaysia on 30 May 2023

Principal activity

Principally involved in the business of aquaculture activities in salt water filled tanks or reservoirs and freshwater aquaculture

Director and shareholder

Nur'aini Binti Sharkhan is the sole director of TASB and Mohamed Nizam is the sole shareholder of TASB

Other information

- Owns the rights to a 300.0 acres leasehold agriculture land in Pahang ("**Land**").
- The rights to the Land was transferred from Almal Aquaculture Sdn Bhd ("**AASB**") to TASB on 15 December 2023.

Brief information on the Land

Brief details of the Land are as follows:-

Type of land	Agriculture
Legal description	HS(D) 4611, PT 9601, HS(D) 4612, PT 9602 and HS(D) 4613, PT 9603, Mukim Bebar, Daerah Pekan, Negeri Pahang
Land area	Approximately 300.0 acres
Tenure	60-year lease (expiring on 25 October 2083), with an option to renew the lease for another 30 years
Current usage	<ul style="list-style-type: none">60.0 acres is currently occupied by 27 aquaculture ponds, 2 treatment ponds and 1 reservoiradditional 6 aquaculture ponds to be developed by 1Q 2025remaining 240.0 acres is undeveloped
Encumbrances	Nil



Figure 1: Aerial view of the Land

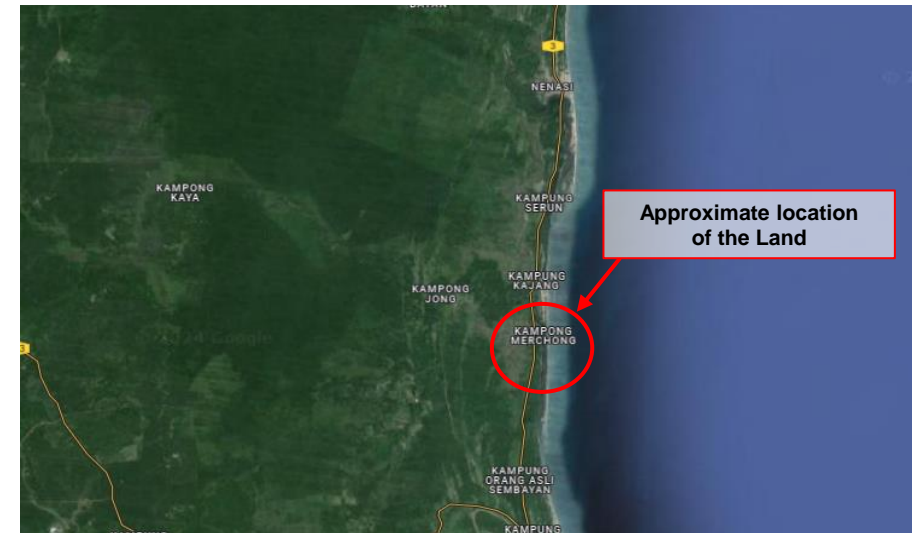


Figure 2: Approximate location of the Land

Rationale for the Proposals

Proposed Acquisition

Reduce reliance on oil palm plantation

- Part of the Group's initiative to reduce its reliance on the oil palm plantation segment.
- Diversifying the Group's earning base to include an additional income stream from the aquaculture business.

National food security

- Aquaculture being a key focus of Malaysia's National Agro-Food Policy 2021-2030 (NAP 2.0) for food stability
- Enable the Group to contribute towards Malaysia's NAP 2.0

Proposed Amendment

- The Proposed Amendment is to facilitate the creation and issuance of the RCPS A pursuant to the Proposed Acquisition.

Details of the Profit Guarantee

Profit Guarantee

The Proposed Acquisition comprises a profit guarantee by the Vendor to undertake that TASB shall achieve the stipulated profit after tax (“**PAT**”):-

1st Guarantee Period 1 January 2025 – 31 December 2025	2nd Guarantee Period 1 January 2026 – 31 December 2026
1st Guaranteed Profit RM2,500,000	2nd Guaranteed Profit RM3,000,000

OR

All Guarantee Periods 24-month period from 1 January 2025 – 31 December 2026
Total Guaranteed Profit Minimum aggregate PAT of not less than RM5,500,000, on a combined basis

Mode of payment for the Purchase Consideration

The Purchase Consideration shall be satisfied via issuance and allotment of the Consideration Shares and RCPS A to the Vendor in accordance with the following payment milestones:-

Tranche Payment	Payment Milestone	Purchase Consideration		
		No. of Consideration Shares (mil)	No. of RCPS A (mil)	Amount (RM' mil)
1 st Tranche Payment	Proposed Acquisition completed	5.4	5.4	4.9
1st Tranche Shares*	1st Guaranteed Profit met	19.0	19.0	17.1
2nd Tranche Shares*	Total Guaranteed Profit met	22.8	22.8	20.5
Total		47.2	47.2	42.5

- The 1st Tranche Shares and 2nd Tranche Shares shall be placed with a stakeholder and to be released/ refunded/ clawed back as stipulated in the Profit Guarantee mechanism.

Purchase Consideration

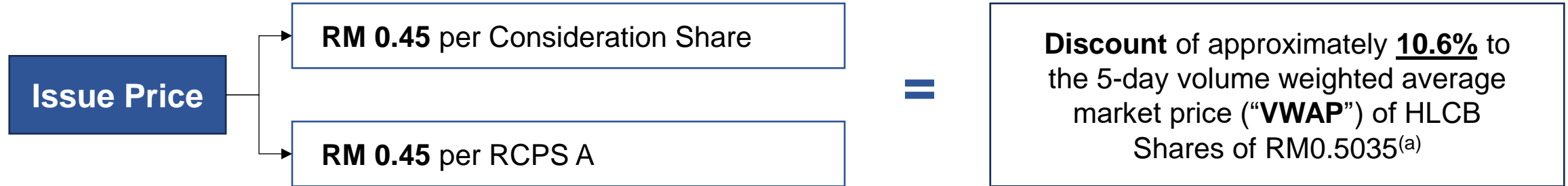
Basis and justification in arriving the Purchase Consideration

The Purchase Consideration of RM42.5 million was arrived at on a “willing-buyer willing-seller” basis, after taking into consideration, amongst others, the following:

- i. the ascribed value of the entire equity interest in TASB of between RM38.5 million to RM44.0 million as ascribed by the independent business valuer;
- ii. the Profit Guarantee;
- iii. the potential earnings to be derived from the remaining 240.0 acres of the Land (Undeveloped Land); and
- iv. the future prospects of the enlarged HLCB Group.

Issue price and redemption amount

Basis and justification in arriving at issue price for the Consideration Shares and RCPS A



- For information, the issue price of RM0.45 represents a premium of **20.0%** to the last transacted price of HLCB Shares of RM0.375 as at 27 September 2024.

Basis and justification in arriving at the redemption amount

The redemption amount of RM21,250,000, representing a redemption price of RM0.45 per RCPS A, which is equivalent to the RCPS A Issue Price.

Note:-

- (a) The 5-day VWAP of HLCB Shares up to 29 December 2023, being the last trading day immediately prior to date of the conditional share sale agreement in relation to the Proposed Acquisition ("**SSA**")

Effects of the Proposed Acquisition

	As at 27 September 2024		After the Proposed Acquisition and full conversion of RCPS A
Number of shares (mil)	563.37	↑ 94.44	657.81
RM' mil	230.00	↑ 42.50	272.50
Net assets (mil)	339.23	↑ 41.83	381.06
Net assets per share (RM)	0.13	↓ (0.02)	0.11
	As at 27 September 2024		After the Proposed Acquisition ^(a)
Loss after tax attributable to owners of the Company (mil)	(3.59)	↓ 1.90	(1.69)
Loss per share (sen)	(0.64)	↓ 0.37	(0.27)

Note:-

(a) Assuming the 1st Guaranteed Profit will be recognised in the beginning of the financial year.

Effects of the Proposed Acquisition (Cont'd)

	As at 1 October 2024				After Proposed Acquisition and full conversion of RCPS A			
	Direct		Indirect		Direct		Indirect	
	No. of HLCB Shares	(a)%	No. of HLCB Shares	(a)%	No. of HLCB Shares	(b)%	No. of HLCB Shares	(b)%
Executors of Estate of Tan Sri Dato' Low Nam Hui	13,999,265	2.5	246,264,914	43.7	13,999,265	2.1	246,264,914	37.4
Puan Sri Datin Chan Pui Leorn	2,717,000	0.5	271,430,659	48.2	2,717,000	0.4	271,430,659	41.3
Dato' Liew Kuek Hin	-	-	297,718,835	52.8	-	-	297,718,835	45.3
Low Quek Kiong	28,647,020	5.1	260,264,179	46.2	28,647,020	4.4	260,264,179	39.6
Low Kueck Shin	1,040,000	0.2	260,264,179	46.2	1,040,000	0.2	260,264,179	39.6
Low Kwek Lee	1,000,000	0.2	260,264,179	46.2	1,000,000	0.2	260,264,179	39.6
Low Kuek Kong	790,000	0.1	260,264,179	46.2	790,000	0.1	260,264,179	39.6
Low Kuit Son	-	-	358,290,679	63.6	-	-	358,290,679	54.5
Low Kok Yong	2,685,800	0.5	271,430,659	48.2	2,685,800	0.4	271,430,659	41.3
Low Kok Yaow	1,690,000	0.3	271,430,659	48.2	1,690,000	0.3	271,430,659	41.3
LNH Enterprise Sdn Bhd	116,279,467	20.6	2,000,000	0.4	116,279,467	17.7	2,000,000	0.3
Low Nam Hui United Holdings Sdn Bhd	100,682,665	17.9	-	-	100,682,665	15.3	-	-
Shande Ancestral Park Berhad	27,300,000	4.8	-	-	27,300,000	4.2	-	-
Mohamed Nizam	31,266,000	5.5	-	-	125,710,444	19.1	-	-

Notes:-

(a) Based on 563,366,536 issued Shares (excluding treasury shares) as at 1 October 2024

(b) Based on 657,810,980 issued Shares (excluding treasury shares) assuming the Total Guaranteed Profit is met during All Guarantee Periods and upon full conversion of the RCPS A into 47,222,222 new ordinary shares in HLCB ("Conversion Shares") by Mohamed Nizam at the conversion rate of 1:1.

Approvals required



26 September 2024

OBTAINED

Approval for the listing and quotation for the Consideration Shares and Conversion Shares to be issued pursuant to the conversion of the RCPS A, on the Main Market of Bursa Malaysia Securities Berhad

Shareholders of the Company



5 November 2024

TO BE OBTAINED AT THIS EGM

HLCB's shareholders' approval

Barring any unforeseen circumstances and subject to the approvals of the shareholders being obtained and conditions precedent of the SSA being met, the Proposals are expected to be completed in the **4th quarter of the calendar year 2024.**

THANK YOU

RESPONDED QUESTIONS FROM MINORITY SHAREHOLDERS WATCHDOG GROUP (MSWG) AT EGM

No.	Question	Company's Response
1.	<p>One of the key bases and assumptions adopted in the Indicative Valuation is: "That the projected revenue, revenue growth and its profit margins of the Target to be derived from its shrimp farm business will be achieved as projected in the Financial Projections." (page 130 of the Circular to Shareholders)</p> <p>a) What are TASB's projected revenues, operating margins and net margins for FYE2025 up to FYE2033?</p>	<p>BDO Capital Consultants Sdn Bhd ("BDOCC") had vide its updated valuation letter dated 30 August 2024, revalued the entire equity interest in Tiger Aquaculture Sdn Bhd ("TASB") to an ascribed value of between RM39.1 million to RM44.4 million using the discounted cash flow approach ("Valuation Letter").</p> <p>Based on the Valuation Letter, the projected revenues, operating margins and net margins of TASB for the FYE 31 December 2025 up to FYE 31 December 2033 are summarised in Table 1 below, which were derived based on, amongst others, the following key assumptions:</p> <p>(i) Total 33 aquaculture ponds in operation throughout FYE 2025 to FYE 2033 ("Projection Period");</p>

No.	Question	Company's Response																																																												
		<p>(ii) Sale price of shrimp of RM30.00 per kilogram in 5-month FPE 2024 (August 2024 to December 2024), and projected to increase by 3% in every subsequent financial years;</p> <p>(iii) Population density of shrimp of 30 live shrimps per square metre of pond area;</p> <p>(iv) A single harvest cycle for the shrimp farm of between 5 to 6 months, allowing each operational aquaculture pond to complete 2 harvest cycles per annum;</p> <p>(v) Average shrimp weight of 33 grams per shrimp; and</p> <p>(vi) Harvesting / survival rate for the shrimp of 85%.</p> <p>Typically, the operating costs are incurred in tandem with revenue. Accordingly, the operating costs to be incurred during the Projection Period is projected to be proportionate to the revenue generated in each respective financial year.</p> <p>Similarly, fixed charges assumptions are derived based on references to the lease agreement for the land as well as quit rent, which is projected to remain constant or increase moderately throughout the Projection Period.</p> <table border="1" data-bbox="848 1049 1890 1206"> <thead> <tr> <th>TASB</th> <th>FYE 2025 RM</th> <th>FYE 2026 RM</th> <th>FYE 2027 RM</th> <th>FYE 2028 RM</th> <th>FYE 2029 RM</th> <th>FYE 2030 RM</th> <th>FYE 2031 RM</th> <th>FYE 2032 RM</th> <th>FYE 2033 RM</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>8,372,757</td> <td>8,623,939</td> <td>8,882,658</td> <td>9,149,137</td> <td>9,423,611</td> <td>9,706,320</td> <td>9,997,509</td> <td>10,297,435</td> <td>10,606,358</td> </tr> <tr> <td>Operating profit</td> <td>3,628,957</td> <td>3,738,385</td> <td>3,851,096</td> <td>3,967,188</td> <td>4,085,263</td> <td>4,208,425</td> <td>4,335,282</td> <td>4,465,945</td> <td>4,600,528</td> </tr> <tr> <td>Profit after tax ("PAT")</td> <td>2,758,007</td> <td>2,841,172</td> <td>2,926,833</td> <td>3,015,063</td> <td>3,104,800</td> <td>3,198,403</td> <td>3,294,814</td> <td>3,394,118</td> <td>3,496,401</td> </tr> <tr> <td>Operating margin</td> <td>43.3%</td> <td>43.3%</td> <td>43.4%</td> <td>43.4%</td> <td>43.4%</td> <td>43.4%</td> <td>43.4%</td> <td>43.4%</td> <td>43.4%</td> </tr> <tr> <td>PAT margin</td> <td>32.9%</td> <td>32.9%</td> <td>32.9%</td> <td>33.0%</td> <td>32.9%</td> <td>33.0%</td> <td>33.0%</td> <td>33.0%</td> <td>33.0%</td> </tr> </tbody> </table>	TASB	FYE 2025 RM	FYE 2026 RM	FYE 2027 RM	FYE 2028 RM	FYE 2029 RM	FYE 2030 RM	FYE 2031 RM	FYE 2032 RM	FYE 2033 RM	Revenue	8,372,757	8,623,939	8,882,658	9,149,137	9,423,611	9,706,320	9,997,509	10,297,435	10,606,358	Operating profit	3,628,957	3,738,385	3,851,096	3,967,188	4,085,263	4,208,425	4,335,282	4,465,945	4,600,528	Profit after tax ("PAT")	2,758,007	2,841,172	2,926,833	3,015,063	3,104,800	3,198,403	3,294,814	3,394,118	3,496,401	Operating margin	43.3%	43.3%	43.4%	43.4%	43.4%	43.4%	43.4%	43.4%	43.4%	PAT margin	32.9%	32.9%	32.9%	33.0%	32.9%	33.0%	33.0%	33.0%	33.0%
TASB	FYE 2025 RM	FYE 2026 RM	FYE 2027 RM	FYE 2028 RM	FYE 2029 RM	FYE 2030 RM	FYE 2031 RM	FYE 2032 RM	FYE 2033 RM																																																					
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PAT margin	32.9%	32.9%	32.9%	33.0%	32.9%	33.0%	33.0%	33.0%	33.0%																																																					

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2.	<p>The future cash flows projections of TASB presented in the valuation letter dated 29 April 2024 i.e. free cash flow (FCF) to firm of RM2.8 million in FYE 31 December 2025 and increasing progressively to RM4.1 million in FYE 31 December 2033. (page 21 of the Circular to Shareholders)</p> <p>Terminal growth rate of 3% is adopted for the valuation (page 29 of the Circular to Shareholders)</p> <p>a) What are the projected FCF to firm from FYE 31 December 2026 to FYE 31 December 2032?</p> <p>b) What is the terminal value using the 3% growth rate? Please provide the calculation for the terminal value.</p>	<p>The Free Cash Flow to Firm ("FCFF") is derived by subtracting the projected capital expenditures and tax expenses from the operating profits, which is then adjusted to account for any projected changes in working capital in TASB for each financial year end. Based on the Valuation Letter, the projected FCFF of TASB from FYE 31 December 2025 to FYE 31 December 2033 are as follows:-</p> <table border="1" data-bbox="848 964 1881 1068"> <thead> <tr> <th>TASB</th> <th>FYE 2025 RM</th> <th>FYE 2026 RM</th> <th>FYE 2027 RM</th> <th>FYE 2028 RM</th> <th>FYE 2029 RM</th> <th>FYE 2030 RM</th> <th>FYE 2031 RM</th> <th>FYE 2032 RM</th> <th>FYE 2033 RM</th> </tr> </thead> <tbody> <tr> <td>FCFF</td> <td>2,249,324</td> <td>2,743,829</td> <td>2,829,570</td> <td>2,917,882</td> <td>3,007,703</td> <td>3,101,393</td> <td>3,197,894</td> <td>3,297,291</td> <td>3,399,669</td> </tr> </tbody> </table> <p>Terminal value represents the present value of all FCFF of TASB beyond FYE 2033, which assumes that the FCFF of TASB grows at a constant rate of 3% to perpetuity. A terminal value is ascribed to TASB as it is assumed to operate on a going concern basis and is expected to sustain its operations in perpetuity. At a terminal growth rate of 3%, the terminal value of TASB is projected to range from RM47.8 million to RM54.8 million. The present value of terminal value of TASB is projected to range from RM18.9 million to RM23.5 million.</p>	TASB	FYE 2025 RM	FYE 2026 RM	FYE 2027 RM	FYE 2028 RM	FYE 2029 RM	FYE 2030 RM	FYE 2031 RM	FYE 2032 RM	FYE 2033 RM	FCFF	2,249,324	2,743,829	2,829,570	2,917,882	3,007,703	3,101,393	3,197,894	3,297,291	3,399,669
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