

THIS INDEPENDENT ADVICE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS INDEPENDENT ADVICE CIRCULAR IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 1 NOVEMBER 2024 ISSUED BY AMINVESTMENT BANK BERHAD ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN) WHICH HAS BEEN SENT TO YOU.

If you are in any doubt about the course of action to be taken or have any query in relation to the Offer (as defined herein), you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. If you have sold or transferred all your Offer Securities (as defined herein), you should at once hand this Independent Advice Circular to the stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee of such Offer Securities (as defined herein).

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Securities Commission Malaysia ("SC") has notified that it has no further comments to the contents of this Independent Advice Circular. However, such notification shall not be taken to suggest that the SC agrees with our recommendation or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Independent Advice Circular.



WMG HOLDINGS BHD.

(Registration No. 201501041664 (1166985-X))
(Incorporated in Malaysia)

**INDEPENDENT ADVICE CIRCULAR TO THE HOLDERS OF THE OFFER SECURITIES
IN RELATION TO THE UNCONDITIONAL MANDATORY TAKE-OVER OFFER**

BY

EXSIM BORNEO SDN BHD

(Registration No. 202401035761 (1581608-H))
(Incorporated in Malaysia)

THROUGH

AMINVESTMENT BANK BERHAD

(Registration No. 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

TO ACQUIRE

- (I) **ALL THE REMAINING ORDINARY SHARES IN WMG HOLDINGS BHD. ("WMG" OR THE "COMPANY") ("WMG SHARES") NOT ALREADY OWNED BY EXSIM BORNEO SDN BHD ("EXSIM BORNEO" OR THE "OFFEROR") AS WELL AS LIM AIK HOE, LIM AIK KIAT AND LIM AIK FU (COLLECTIVELY, THE "JOINT ULTIMATE OFFERORS") AND PERSON ACTING IN CONCERT WITH THEM ("PAC") INCLUDING ANY NEW WMG SHARES THAT MAY BE ISSUED AND ALLOTTED BEFORE THE CLOSING DATE OF THE OFFER ARISING FROM THE CONVERSION OF THE OUTSTANDING REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN WMG ("RCPS") ("OFFER SHARES") FOR A CASH CONSIDERATION OF RM0.165 PER OFFER SHARE; AND**
- (II) **ALL THE REMAINING RCPS NOT ALREADY OWNED BY THE OFFEROR, THE JOINT ULTIMATE OFFERORS AND THE PAC ("OFFER RCPS") FOR A CASH CONSIDERATION OF RM0.330 PER OFFER RCPS,**
(COLLECTIVELY, THE "OFFER")

Independent Adviser



MAINSTREET ADVISERS SDN BHD

(Registration No. 200701032292 (790320-P))

This Independent Advice Circular is dated 11 November 2024

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, words and expressions defined in the Rules (as defined hereunder) shall have the same meanings when used herein and the following definitions shall apply throughout this document:

Accepting Holder	:	Holder who accepts the Offer in accordance with the terms and conditions as set out in the Offer Document
Acquisition 1	:	Acquisition by the Offeror of 455,253,253 WMG Shares, representing approximately 52.50% equity interest in WMG for a total cash consideration of RM75,116,786.75 or RM0.165 per WMG Share pursuant to the SPA 1
Acquisition 2	:	Acquisition by Ben Kong of 151,751,084 WMG Shares, representing approximately 17.50% equity interest in WMG for a total cash consideration of RM25,038,928.86 or RM0.165 per WMG Share pursuant to the SPA 2
Acquisitions	:	Collectively, the Acquisition 1 and Acquisition 2
Act	:	Companies Act, 2016
AmlInvestment Bank	:	AmlInvestment Bank Berhad (197501002220 (23742-V)), being the principal adviser to the Offeror in relation to the Offer
BEDI	:	BEDI Development Sdn Bhd (202001008414 (1364734A))
Ben Kong	:	Kong Chung Vui
Board	:	Board of directors of WMG
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Closing Date	:	(i) First Closing Date; or (ii) if the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other revised or extended closing date as the Offeror and the Joint Ultimate Offerors may decide and AmlInvestment Bank may announce, on behalf of the Offeror and the Joint Ultimate Offerors at least 2 days before the closing date, as the case may be
CMSA	:	Capital Markets and Services Act, 2007, including any amendments from time to time
Dissenting Holder	:	Any Holder who does not accept the Offer and/or any Holder who has failed or refused to transfer the Offer Securities to the Offeror in accordance with the terms and conditions set out in the Offer Document
Distribution	:	Any dividend and/or other distribution of any nature declared, made and/or paid by WMG to the Share Holders on or after the date of the Notice but prior to the Closing Date

DEFINITIONS (CONT'D)

EDSB	:	Exsim Development Sdn Bhd (200901032054 (875164-W))
EDSB Group	:	Collectively, EDSB and its subsidiaries
Exsim Borneo Shares	:	Ordinary shares in Exsim Borneo
First Closing Date	:	5:00 p.m. (Malaysian time) on Friday, 22 November 2024, being 21 days from the Offer Document Posting Date
Form of Acceptance and Transfer	:	Form of acceptance and transfer for the Offer Securities as enclosed with the Offer Document
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
GDV	:	Gross development value
 Holders	:	Collectively, Share Holders and RCPS Holder
IAC	:	Independent advice circular dated 11 November 2024 in relation to the Offer, comprising the letter from the Board (as contained in Part A of this IAC), the IAL (as contained in Part B of this IAC) and the accompanying appendices
IAL	:	Independent advice letter from the Independent Adviser to the Holders dated 11 November 2024, as contained in Part B of this IAC
ICPS	:	Irredeemable convertible preference shares in WMG
Interested Directors	:	Collectively, Datuk Quek Siew Hau, Fong Kin Wui, Lim Ted Hing, Seah Sen Onn @ David Seah and Chan Ka Tsung (all of them being the directors of WMG and SKHSB (being the Vendor)), who are deemed interested in the Offer and accordingly, they have abstained and will continue to abstain from deliberating, making any recommendation and voting at all relevant board meetings of WMG in relation to the Offer
Joint Ultimate Offerors	:	Collectively, Lim Aik Hoe, Lim Aik Kiat and Lim Aik Fu
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	4 November 2024, being the latest practicable date prior to the issuance of this IAC
LTD	:	10 October 2024, being the last full trading day of WMG Shares prior to the date of the Notice

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DEFINITIONS (CONT'D)

MainStreet or the Independent Adviser	:	MainStreet Advisers Sdn Bhd (200701032292 (790320-P)), being the independent adviser appointed by the Board (save for the Interested Directors) in accordance with paragraph 3.06 of the Rules to provide comments, opinions, information and recommendation on the Offer to the Non-Interested Directors and the Holders
Market Day	:	Any day on which Bursa Securities is open for trading of securities
NA	:	Net assets
NBV	:	Net book value
Non-Interested Directors	:	Directors of WMG but excluding the Interested Directors who have abstained and will continue to abstain from deliberating, making any recommendation and voting at all relevant board meetings of WMG in relation to the Offer
Notice	:	Notice of the Offer dated 11 October 2024 served on the Board by AmInvestment Bank on behalf of the Offeror, in accordance with subparagraph 9.10(1)(b)(i) of the Rules
Offer	:	Collectively, the Share Offer and RCPS Offer
Offer Document	:	The offer document dated 1 November 2024 which sets out the details, terms and conditions of the Offer, together with the enclosed Form of Acceptance and Transfer
Offer Document LPD	:	25 October 2024, being the latest practicable date prior to the Offer Document Posting Date
Offer Document Posting Date	:	1 November 2024, being the date of despatch of the Offer Document to the Holders
Offer Period	:	The period commencing from 11 October 2024, being the date of the Notice, until the earlier of either: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the prior written consent of the SC
Offer Price	:	Share Offer Price and/or RCPS Offer Price, as the case may be
Offer RCPS	:	All the remaining 155,000,000 RCPS not already owned by the Offeror, the Joint Ultimate Offerors and the PAC
Offer Securities	:	Offer Shares and/or Offer RCPS, as the case may be
Offer Shares	:	All the remaining 260,144,716 WMG Shares not already owned by the Offeror, the Joint Ultimate Offerors and the PAC, representing approximately 30.00% of the total number of issued WMG Shares as at the LPD as well as such number of new WMG Shares that may be issued and allotted prior to the Closing Date arising from the conversion of the outstanding RCPS
Offeror or Exsim Borneo	:	Exsim Borneo Sdn Bhd (202401035761 (1581608-H))

DEFINITIONS (CONT'D)

Official List	: A list specifying all securities listed on Bursa Securities
PAC	: Person acting in concert with the Offeror and the Joint Ultimate Offerors in relation to the Offer pursuant to subsection 216(2) and 216(3) of the CMSA. Ben Kong is a PAC in relation to the Offer pursuant to subsection 216(2) of the CMSA
PAT	: Profit after taxation
PBT	: Profit before taxation
Public Spread Requirement	: Requirement under subparagraph 8.02(1) of the Listing Requirements which states that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities
RCPS	: Redeemable convertible preference shares of WMG
RCPS Holder	: Each holder (including any custodian, nominee and trustee) of the Offer RCPS
RCPS Offer	: Take-over offer by the Offeror, through AmInvestment Bank, to acquire all the Offer RCPS pursuant to paragraph 8.01 of the Rules at the RCPS Offer Price, subject to and in accordance with the terms and conditions set out in the Offer Document
RCPS Offer Price	: Cash consideration of RM0.33 per Offer RCPS, in the manner set out in Section 2.1 of the Offer Document
RNAV	: Revalued net asset value
RM and sen	: Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	: Securities Commission Malaysia
Share Holder	: Each holder (including any custodian, nominee and trustee) of the Offer Shares
Share Offer	: Unconditional mandatory take-over offer by the Offeror, through AmInvestment Bank, to acquire all the Offer Shares at the Share Offer Price, subject to and in accordance with the terms and conditions set out in the Offer Document
Share Offer Price	: Cash consideration of RM0.165 per Offer Share, in the manner set out in Section 2.1 of the Offer Document
Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H)), to whom acceptances of the Offer should be forwarded, whose address, email address and contact numbers are set out in Section 1.9 of Appendix II of the Offer Document, acting as the share registrar for acceptance of the Offer

DEFINITIONS (CONT'D)

SKHSB Undertaking	: An unconditional and irrevocable undertaking dated 11 October 2024 provided by SKHSB to the Offeror to undertake, amongst others: <ul style="list-style-type: none">(i) not to accept the RCPS Offer in respect of its 155,000,000 Offer RCPS and the Offeror shall be entitled to reject any form of acceptance by or on behalf of SKHSB that purports to accept the RCPS Offer during the Offer Period;(ii) not to sell, transfer, charge, encumber, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the Offer RCPS (including any new WMG Shares arising from the conversion of the RCPS) or any interest therein up to the Closing Date; and(iii) not to exercise its rights to convert any of its RCPS up to the Closing Date
SPA 1	: Unconditional share purchase agreement dated 11 October 2024 entered into between the Offeror with the Vendor in relation to the Acquisition 1
SPA 2	: Unconditional share purchase agreement dated 11 October 2024 entered into between Ben Kong, being the PAC, with the Vendor in relation to the Acquisition 2
SPAs	: Collectively, the SPA 1 and SPA 2 in relation to the Acquisitions
sqm	: Square meter
Valid Acceptance	: The acceptance of the Offer by a Holder in accordance with the terms and conditions of the Offer Document, which acceptance is deemed by the Offeror and the Joint Ultimate Offerors to be valid and complete in all aspects
Valuer	: C H Williams Talhar & Wong (Sabah) Sdn Bhd (197701003650 (34874-P))
Vendor or SKHSB	: Syarikat Kretam (Far East) Holdings Sdn Bhd (197801007194 (44391-X))
VWAP	: Volume-weighted average market price
WMG or the Company or the Offeree	: WMG Holdings Bhd. (201501041664 (1166985-X))
WMG Group or the Group	: Collectively, WMG and its subsidiaries
WMG Shares or Shares	: Ordinary shares in WMG

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DEFINITIONS (CONT'D)

In this IAC, words referring to the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any references to persons shall include companies or corporations, unless otherwise specified.

All references to “you” or “Holder” in this IAC are to the holder of the Offer Securities, being the person to whom the Offer is being made.

All references to “we”, “us” and “our” in this IAC (save for the Executive Summary and the letter from the Board) refer to the Independent Adviser.

Any discrepancies in the tables between amounts stated and the totals in this IAC are, unless otherwise explained, due to rounding.

Any references to time and date in this IAC shall be references to Malaysian time and date, unless otherwise stated. Where a period specified in the Rules, as appearing in this IAC, ends on a day which is not a Market Day, the period is extended until the next Market Day.

Any references in this IAC to any enactment are references to that enactment as for the time being amended or re-enacted.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE OFFER. WE ADVISE HOLDERS TO READ BOTH PART A: LETTER FROM THE BOARD AND PART B: IAL FROM MAINSTREET (THE INDEPENDENT ADVISER) FOR THEIR VIEWS AND RECOMMENDATION IN RELATION TO THE OFFER. THIS IAC SHOULD ALSO BE READ TOGETHER WITH THE OFFER DOCUMENT.

1. INTRODUCTION

On 11 October 2024, Exsim Borneo entered into SPA 1 with SKHSB to acquire 455,253,253 WMG Shares, representing approximately 52.50% equity interest in WMG for a total cash consideration of RM75,116,786.75 or RM0.165 per WMG Share.

Simultaneously, Ben Kong, being the PAC, had on 11 October 2024 entered into SPA 2 with SKHSB to acquire 151,751,084 WMG Shares, representing approximately 17.50% equity interest in WMG for a total cash consideration of RM25,038,928.86 or RM0.165 per WMG Share.

As at the LPD, WMG has a total of 867,149,053 WMG Shares in issue and a total of 155,000,000 RCPS in issue. All the 155,000,000 RCPS are held by SKHSB, the sole RCPS holder.

Following the completion of the Acquisition 1 on 14 October 2024, the shareholdings of the Offeror in WMG increased from nil to 455,253,253 WMG Shares, representing approximately 52.50% equity interest in WMG. Collectively, the shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC in WMG increased from nil to 607,004,337 WMG Shares, representing 70.00% equity interest in WMG following the completion of the Acquisitions.

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, a mandatory take-over offer is required to be extended for the Offer Securities, as the collective shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC increased from nil to 70.00% and the Offeror's shareholding increased from nil to 52.50% following the completion of the Acquisitions.

Accordingly, on 11 October 2024, AmInvestment Bank, had on behalf of the Offeror, served the Notice on the Board in respect of the Offer in accordance with subparagraph 9.10(1)(b)(i) of the Rules. On 11 October 2024, the Board announced the receipt of the Notice and a copy of the Notice was subsequently despatched to the Holders on 18 October 2024.

On 14 October 2024, the Acquisitions were completed in accordance with the terms of the SPAs via direct business transactions.

In accordance with paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had on 15 October 2024 appointed MainStreet as the Independent Adviser to provide comments, opinions, information and recommendation on the Offer to the Non-Interested Directors and the Holders.

Following thereto, MainStreet had on 16 October 2024 declared to the SC its independence from any conflict of interest or potential conflict of interest in its capacity as the Independent Adviser in relation to the Offer pursuant to paragraph 3.07 of the Rules.

As at the LPD, the Joint Ultimate Offerors are not directors of WMG and they do not have any nominees on the Board. Nonetheless, the Offeror and the Joint Ultimate Offerors intend to appoint their nominees as directors of WMG at a date to be determined later, in accordance with the Rules and all relevant guidelines. As at the Offer Document LPD, save for Ben Kong, who the Offeror and the Joint Ultimate Offerors intend to nominate to the Board after the Closing Date, the other parties to be nominated to the Board have yet to be determined.

EXECUTIVE SUMMARY (CONT'D)

As set out in the Offer Document, Lim Aik Hoe, Lim Aik Kiat and Lim Aik Fu (being the directors and shareholders of the holding company of the Offeror, EDSB), shall be deemed as the Joint Ultimate Offerors in relation to the Offer.

As at the LPD, the shareholdings of the Joint Ultimate Offerors in EDSB are as follows:

Shareholders	Direct		Indirect	
	No. of EDSB Shares	%	No. of EDSB Shares	%
Lim Aik Hoe	177,037,500	37.50	-	-
Lim Aik Kiat	177,037,500	37.50	-	-
Lim Aik Fu	118,025,000	25.00	-	-
	472,100,000	100.00		

Ben Kong is a PAC with the Offeror and the Joint Ultimate Offerors in relation to the Offer pursuant to subsection 216(2) of the CMSA by virtue of him acquiring WMG Shares together with the Offeror for the purpose of obtaining control of WMG. He is also a business partner with the Joint Ultimate Offerors. For avoidance of doubt, the Offer will not be extended to the PAC.

In addition to this IAC, you should have by now received a copy of the Offer Document which contains the details of the Offer as well as the procedures for acceptance and method of settlement of the Offer, together with the enclosed Forms of Acceptance and Transfer.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had vide its letter dated 8 November 2024 given its notification that it has no further comments on the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions expressed or reports presented in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER AND THE NON-INTERESTED DIRECTORS' AND MAINSTREET'S VIEWS ON THE OFFER TOGETHER WITH THE RECOMMENDATION OF THE NON-INTERESTED DIRECTORS AND MAINSTREET, SUBJECT TO THE SCOPE AND LIMITATION OF OUR ROLE AND EVALUATION SPECIFIED IN THIS IAC.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer include the following:

Consideration for the Offer	<p>The consideration for the Offer is RM0.165 per Offer Share and RM0.330 per Offer RCPS, which shall be satisfied wholly in cash.</p> <p>You may accept the Offer in respect of all or part of your Offer Securities. You may not accept the Offer in excess of your holdings of the Offer Securities. The Offeror and the Joint Ultimate Offerors will not pay fractions of a sen to the Accepting Holders. Hence, where applicable, the total cash consideration payable to the Accepting Holders in respect of Valid Acceptances of the Offer will be rounded down to the nearest whole sen.</p>
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EXECUTIVE SUMMARY (CONT'D)

Conditions of the Offer	<p>The shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC in WMG increased from nil to 607,004,337 WMG Shares, representing approximately 70.00% equity interest in WMG upon completion of the Acquisitions.</p> <p>The Offer is not conditional upon any minimum level of acceptances of the Offer Securities as the Offeror, the Joint Ultimate Offerors and the PAC already collectively hold more than 50% of the voting shares or voting rights of the Offeree, upon completion of the Acquisitions.</p>
Duration of the Offer	<p>The Offer will remain open for acceptances until 5:00 p.m. (Malaysian time) on Friday, 22 November 2024, being the First Closing Date, unless extended or revised by the Offeror and the Joint Ultimate Offerors in accordance with the Rules and the terms and conditions of the Offer Document.</p> <p>Any such extension or revision will be announced by AmInvestment Bank, on behalf of the Offeror and the Joint Ultimate Offerors, at least 2 days before the Closing Date. Notice of any such extension or revision will be posted to you accordingly.</p> <p>Please refer to Section 2, Appendix I of the Offer Document for further details on the duration of the Offer.</p>
Method of settlement	<p>The settlement of the consideration in respect of Valid Acceptances will be effected by the Offeror without regards to any lien, right to set-off, counter-claim or other analogous rights to which the Offeror and the Joint Ultimate Offerors may be or claimed to be entitled against the Accepting Holder via:</p> <ul style="list-style-type: none">(i) remittance into the Accepting Holders' bank account, if the Accepting Holders have registered their bank account with Bursa Depository for the purposes of cash dividend / distribution; or(ii) otherwise, if the Accepting Holders have not registered such details with Bursa Depository prior to the date of the Valid Acceptances, remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depository or WMG's statutory records (where applicable), at the Accepting Holders' own risk, <p>within 10 days from the date of the receipt of Valid Acceptances. This is provided that all such acceptances are deemed by the Offeror and the Joint Ultimate Offerors to be completed and valid in all respects in accordance with the terms and conditions set out in the Offer Document.</p>

Please refer to Section 2 and Appendix I of the Offer Document for the full terms and conditions of the Offer as well as Appendix II of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

EXECUTIVE SUMMARY (CONT'D)

If you have any enquiries, you may contact the Share Registrar of the Offer for assistance, details of which can be found in Section 1.9 of Appendix II of the Offer Document.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for the SKHSB Undertaking, the Offeror, the Joint Ultimate Offerors and persons acting in concert with them have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there was no announcement made on Bursa Securities in respect of any acceptance of the Offer and save for the Acquisitions, there was no announcement made on Bursa Securities in respect of any change in the shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC, individually and collectively as well as other substantial shareholders of WMG.

4. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation in respect of the Offer, we have assessed and evaluated the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Offer is “fair” and whether the Offer is “reasonable”, rather than as a composite term;
- (ii) the Offer is considered as “fair” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Securities. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Securities, the Offer is considered as “not fair”. In making the assessment, the value of the Offer Securities is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired;
- (iii) in considering whether the Offer is “reasonable”, we have taken into consideration matters other than the valuation of the Offer Securities; and
- (iv) generally, a take-over offer would be considered “reasonable” if it is “fair”. Where an independent adviser views the take-over offer to be “reasonable” despite it being “not fair”, it should be on the basis that the independent adviser is of the view that there are sufficiently strong reasons to accept the Offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as “not reasonable” and thus, the recommendation would be to reject the Offer.

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EXECUTIVE SUMMARY (CONT'D)

4.1 FAIRNESS OF THE OFFER

(Please refer to Section 6, Part B of this IAC for further details.)

In assessing the fairness of the Offer, MainStreet has considered the following pertinent factors:

Consideration	
Valuation of WMG Shares	<ul style="list-style-type: none">- MainStreet views the RNAV methodology (an asset-based valuation method) to be the most appropriate method to estimate the value of the WMG Shares, based on the reasons set out in Section 6.1, Part B of this IAC.- Based on the RNAV methodology, the estimated value of the entire equity interest in WMG is approximately RM648.11 million, which translates into RM0.747 per WMG Share. The Share Offer Price of RM0.165 per Offer Share represents a discount of RM0.582 or 77.91% to the estimated value per WMG Share.- The Share Offer Price represents a discount of RM0.054 or 24.66% to the unaudited consolidated NA per Share as at 30 June 2024 (after accounting for conversion of ICPS) of RM0.219.
Historical market performance of WMG Shares	<p>The Share Offer Price:</p> <ul style="list-style-type: none">(i) represents a discount of RM0.3750 (69.44%) to the last traded market price of WMG Shares on the LTD;(ii) represents a discount of between RM0.1392 (45.76%) and RM0.3949 (70.53%) to the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of WMG Shares up to the LTD; and(iii) represents a discount of RM0.2450 (59.76%) and RM0.2506 (60.30%) to the last traded market price of WMG Shares on the LPD and the 5-day VWAP of the WMG Shares up to the LPD respectively.
Valuation of RCPS	<p>The RCPS Offer Price is on a “see-through” basis as the RCPS are convertible into WMG Shares based on the conversion ratio of 1 RCPS into 2 WMG Shares. Hence, the value of WMG Shares is reflective of the value of the RCPS. In this regard, MainStreet’s analysis of the Offer Shares is also relevant to the Holder of the Offer RCPS.</p> <p>The RCPS Offer Price of RM0.330 represents a discount of RM1.164 (77.91%) to the estimated value per Offer RCPS of RM1.494 on a “see through” basis.</p>

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EXECUTIVE SUMMARY (CONT'D)

MainStreet's view	<p>The Share Offer is NOT FAIR as the Share Offer Price of RM0.165:</p> <ul style="list-style-type: none">(i) represents a discount of RM0.582 (77.91%) to the estimated RNAV of RM0.747 per WMG Share; and(ii) represents a discount to the historical market prices of the WMG Shares for periods as set out in Section 6.2, Part B of this IAC. <p>The RCPS Offer is NOT FAIR as the RCPS Offer Price of RM0.330 represents a discount of RM1.164 (77.91%) to the estimated value per Offer RCPS of RM1.494 on a “see through” basis.</p>
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4.2 REASONABLENESS OF THE OFFER

(Please refer to Section 7, Part B of this IAC for further details.)

In assessing the reasonableness of the Offer, MainStreet has considered the following pertinent factors:

Consideration	
Listing status and compulsory acquisition	<ul style="list-style-type: none">- The Offeror and the Joint Ultimate Offerors intend to <u>maintain the listing status</u> of WMG on the Main Market of Bursa Securities.- The Offeror and the Joint Ultimate Offerors <u>do not intend to invoke the provisions of subsection 222(1) of the CMSA</u> to compulsorily acquire any outstanding Offer Securities for which Valid Acceptances have not been received prior to the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.
MainStreet's view	<p>The Offer is NOT REASONABLE as WMG Shares (including any new WMG Shares that may be issued pursuant to the conversion of the RCPS) will remain tradeable on the Main Market of Bursa Securities and hence, the Holders will still have the opportunity to realise their investment in WMG Shares at the prevailing market prices in the open market after the Closing Date (although there is no assurance that WMG Shares will continue to trade at the current price levels and trading volumes after the Closing Date).</p>

5. CONCLUSION AND RECOMMENDATION**5.1 BY MAINSTREET**

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Offer is “fair” and whether the Offer is “reasonable”, rather than as a composite term.

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EXECUTIVE SUMMARY (CONT'D)

The Offer is considered as “fair” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Shares, the Offer is considered as “not fair”. In making the assessment, the value of the Offer Shares is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired.

In considering whether the Offer is “reasonable”, we have taken into consideration matters other than the valuation of the Offer Shares. Generally, a take-over offer would be considered “reasonable” if it is “fair”.

Premised on the above and the evaluation of the Offer by MainStreet as set out in Sections 6 and 7, Part B of this IAL, we are of the view that the Offer is **NOT FAIR** and **NOT REASONABLE**. Accordingly, we:

- (i) advised the Non-Interested Directors to recommend the Holders to **REJECT** the Offer; and
- (ii) recommend that the Holders **REJECT** the Offer.

Nonetheless, the decision to be made in respect of the Offer would rest on the individual risk appetite and specific investment objectives of the Holders. If the Holders wish and if the trading liquidity permits, they may consider disposing of their WMG Shares in the open market if the market prices of WMG Shares are higher than the Share Offer Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price.

Holders are advised to closely monitor the market prices, trading volumes and any press releases and/or announcements made in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

5.2 BY THE NON-INTERESTED DIRECTORS

Datuk Quek Siew Hau, Fong Kin Wui, Lim Ted Hing, Seah Sen Onn @ David Seah and Chan Ka Tsung (all of them being the directors of WMG and SKHSB (being the Vendor)), who are deemed interested in the Offer and have abstained and will continue to abstain from deliberating, making any recommendation and voting at all relevant board meetings of WMG in relation to the Offer.

After careful examination of the Offer as contained in the Offer Document and taking into consideration the evaluation, views and recommendation by MainStreet as set out in Part B of this IAC, the following Non-Interested Directors:

- (i) Hajah Shakinur Ain Binti Hj Karama;
- (ii) Teo Gim Suan; and
- (iii) Wong Lee Hung,

have **CONCURRED** with the evaluation, views and recommendation of MainStreet that the Offer is **NOT FAIR** and **NOT REASONABLE**.

Accordingly, the Non-Interested Directors recommend that the Holders **REJECT** the Offer.

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EXECUTIVE SUMMARY (CONT'D)

6. IMPORTANT DATES AND EVENTS

The important relevant dates in relation to the Offer are as follows:

Event	Day, Date
Notice served on the Board of the Offeree	Friday, 11 October 2024
Posting of the Offer Document	Friday, 1 November 2024
Issuance of this IAC	Monday, 11 November 2024
First Closing Date ⁽¹⁾	Friday, 22 November 2024

Note:

- (1) The Offer will remain open for acceptances until 5:00 p.m. (Malaysian time) on Friday, 22 November 2024, being the First Closing Date unless extended or revised in accordance with the Rules and the terms and conditions of the Offer Document. Any such extension or revision will be announced by AmInvestment Bank, on behalf of the Offeror and the Joint Ultimate Offerors at least 2 days before the Closing Date. Notice of any such extension or revision will be posted to the Holders accordingly.

You should carefully consider the terms and conditions of the Offer based on all the relevant and pertinent factors including those which are set out above, and other information as set out in this IAC, the Offer Document and any other publicly available information.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE OFFER AND MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

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PART A
LETTER FROM THE BOARD



WMG HOLDINGS BHD.
(Registration No. 201501041664 (1166985-X))
(Incorporated in Malaysia)

Registered office:
Wisma WMG
Lot 1 & 2, Jalan Indah Jaya
Taman Indah Jaya
Jalan Lintas Selatan
90000 Sandakan
Sabah

11 November 2024

Board of Directors

Datuk Quek Siew Hau (Executive Chairman)
Fong Kin Wui (Managing Director)
Lim Ted Hing (Executive Director)
Seah Sen Onn @ David Seah (Executive Director)
Chan Ka Tsung (Executive Director)
Hajah Shakinur Ain Binti Hj Karama (Senior Independent Non-Executive Director)
Teo Gim Suan (Independent Non-Executive Director)
Wong Lee Hung (Independent Non-Executive Director)

To: The Holders

Dear Sir / Madam,

**UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR THROUGH
AMINVESTMENT BANK TO ACQUIRE THE OFFER SECURITIES AT THE OFFER PRICE**

1. INTRODUCTION

On 11 October 2024, Exsim Borneo entered into SPA 1 with SKHSB to acquire 455,253,253 WMG Shares, representing approximately 52.50% equity interest in WMG for a total cash consideration of RM75,116,786.75 or RM0.165 per WMG Share.

Simultaneously, Ben Kong, being the PAC, had on 11 October 2024 entered into SPA 2 with SKHSB to acquire 151,751,084 WMG Shares, representing approximately 17.50% equity interest in WMG for a total cash consideration of RM25,038,928.86 or RM0.165 per WMG Share.

As at the LPD, WMG has a total of 867,149,053 WMG Shares in issue and a total of 155,000,000 RCPS in issue. All the 155,000,000 RCPS are held by SKHSB, the sole RCPS holder.

Following the completion of the Acquisition 1 on 14 October 2024, the shareholdings of the Offeror in WMG increased from nil to 455,253,253 WMG Shares, representing approximately 52.50% equity interest in WMG. Collectively, the shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC in WMG increased from nil to 607,004,337 WMG Shares, representing 70.00% equity interest in WMG following the completion of the Acquisitions.

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, a mandatory take-over offer is required to be extended for the Offer Securities, as the collective shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC increased from nil to 70.00% and the Offeror's shareholding increased from nil to 52.50% following the completion of the Acquisitions.

Accordingly, on 11 October 2024, AmInvestment Bank, had on behalf of the Offeror, served the Notice on the Board in respect of the Offer in accordance with subparagraph 9.10(1)(b)(i) of the Rules. On 11 October 2024, the Board announced the receipt of the Notice and a copy of the Notice was subsequently despatched to the Holders on 18 October 2024.

On 14 October 2024, the Acquisitions were completed in accordance with the terms of the SPAs via direct business transactions.

In accordance with paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had on 15 October 2024 appointed MainStreet as the Independent Adviser to provide comments, opinions, information and recommendation on the Offer to the Non-Interested Directors and the Holders.

Following thereto, MainStreet had on 16 October 2024 declared to the SC its independence from any conflict of interest or potential conflict of interest in its capacity as the Independent Adviser in relation to the Offer pursuant to paragraph 3.07 of the Rules.

As at the LPD, the Joint Ultimate Offerors are not directors of WMG and they do not have any nominees on the Board. Nonetheless, the Offeror and the Joint Ultimate Offerors intend to appoint their nominees as directors of WMG at a date to be determined later, in accordance with the Rules and all relevant guidelines. As at the Offer Document LPD, save for Ben Kong, who the Offeror and the Joint Ultimate Offerors intend to nominate to the Board after the Closing Date, the other parties to be nominated to the Board have yet to be determined.

As set out in the Offer Document, Lim Aik Hoe, Lim Aik Kiat and Lim Aik Fu (being the directors and shareholders of the holding company of the Offeror, EDSB), shall be deemed as the Joint Ultimate Offerors in relation to the Offer.

As at the LPD, the shareholdings of the Joint Ultimate Offerors in EDSB are as follows:

Shareholders	Direct		Indirect	
	No. of EDSB Shares	%	No. of EDSB Shares	%
Lim Aik Hoe	177,037,500	37.50	-	-
Lim Aik Kiat	177,037,500	37.50	-	-
Lim Aik Fu	118,025,000	25.00	-	-
	472,100,000	100.00		

Ben Kong is a PAC with the Offeror and the Joint Ultimate Offerors in relation to the Offer pursuant to subsection 216(2) of the CMSA by virtue of him acquiring WMG Shares together with the Offeror for the purpose of obtaining control of WMG. He is also a business partner with the Joint Ultimate Offerors. For avoidance of doubt, the Offer will not be extended to the PAC.

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Further, SKHSB has provided an unconditional and irrevocable undertaking to the Offeror to undertake, amongst others:

- (i) not to accept the RCPS Offer in respect of its 155,000,000 Offer RCPS and the Offeror shall be entitled to reject any form of acceptance by or on behalf of SKHSB that purports to accept the RCPS Offer during the Offer Period;
- (ii) not to sell, transfer, charge, encumber, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the Offer RCPS (including any new WMG Shares arising from the conversion of the RCPS) or any interest therein up to the Closing Date; and
- (iii) not to exercise its rights to convert any of its RCPS up to the Closing Date.

As at the Offer Document LPD, save for the SKHSB Undertaking, the Offeror and the Joint Ultimate Offerors have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

The Offer is unconditional as the Offeror, the Joint Ultimate Offerors and the PAC collectively hold more than 50% of voting shares or voting rights in WMG upon the completion of the Acquisitions. For avoidance of doubt, as SKHSB had provided the SKHSB Undertaking, the conditionality of the Offer will not be affected by the conversion of the Offer RCPS.

As at the LPD, the shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC in WMG are as follows:

Name	Direct		Indirect	
	No. of WMG Shares	(1)%	No. of WMG Shares	(1)%
<u>Offeror</u> Exsim Borneo	455,253,253	52.50	-	-
<u>Joint Ultimate Offerors</u>				
Lim Aik Hoe	-	-	⁽²⁾ 455,253,253	52.50
Lim Aik Kiat	-	-	⁽²⁾ 455,253,253	52.50
Lim Aik Fu	-	-	⁽²⁾ 455,253,253	52.50
<u>PAC</u> Ben Kong	151,751,084	17.50	-	-
Total	607,004,337	70.00		

Notes:

- (1) Computed based on 867,149,053 WMG Shares as at the LPD.
- (2) Deemed interested through Exsim Borneo by virtue of his interest in EDSB pursuant to Section 8 of the Act.

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The changes to the shareholdings and RCPS holdings in WMG by the Offeror, the Joint Ultimate Offerors, the PAC and the Vendor before and after the Offer are as follows:

	As at the LTD			After the Acquisitions		
	Direct		Indirect	Direct		Indirect
	No. of WMG Shares / RCPS	(1)%	No. of WMG Shares / RCPS	(1)%	No. of WMG Shares / RCPS	(1)%
WMG Shares						
Exsim Borneo	-	-	-	-	-	-
Lim Aik Hoe	-	-	-	-	(4)455,253,253	52.50
Lim Aik Kiat	-	-	-	-	(4)455,253,253	52.50
Lim Aik Fu	-	-	-	-	(4)455,253,253	52.50
Ben Kong	-	-	-	-	-	-
SKHSB	(5)662,563,604	76.41	-	-	151,751,084	17.50
					55,559,267	6.41
RCPS						
SKHSB	155,000,000	100.00	-	-	155,000,000	100.00
	Assuming full acceptance of the Offer Shares ⁽³⁾			Assuming full conversion of the RCPS		
	Direct		Indirect	Direct		Indirect
	No. of WMG Shares / RCPS	(1)%	No. of WMG Shares / RCPS	(1)%	No. of WMG Shares / RCPS	(2)%
WMG Shares						
Exsim Borneo	659,838,702	76.09	-	-	659,838,702	56.05
Lim Aik Hoe	-	-	(4)659,838,702	76.09	-	-
Lim Aik Kiat	-	-	(4)659,838,702	76.09	-	-
Lim Aik Fu	-	-	(4)659,838,702	76.09	-	-
Ben Kong	151,751,084	17.50	-	-	151,751,084	12.89
SKHSB	55,559,267	6.41	-	-	365,559,267	31.05
RCPS						
SKHSB	155,000,000	100.00	-	-	-	-

Notes:

- (1) Computed based on 867,149,053 WMG Shares and outstanding 155,000,000 RCPS as at the Offer Document LPD.
- (2) Computed based on 1,177,149,053 WMG Shares assuming full conversion of the RCPS.
- (3) Assuming all Holders of Offer Shares accept the Shares Offer, except for the Vendor.
- (4) Deemed interested through Exsim Borneo by virtue of his interest in EDSB pursuant to Section 8 of the Act.
- (5) Prior to the Acquisitions, SKHSB converted all its ICPS into 422,563,584 WMG Shares (listed on 26 September 2024) which resulted in the increase of SKHSB's shareholding from 240,000,020 (53.98%) to 662,563,604 (76.41%).

In addition to this IAC, you should have by now received a copy of the Offer Document which contains the details of the Offer as well as the procedures for acceptance and method of settlement of the Offer, together with the enclosed Forms of Acceptance and Transfer.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had vide its letter dated 8 November 2024 given its notification that it has no further comments on the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions expressed or reports presented in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER AND THE NON-INTERESTED DIRECTORS' AND MAINSTREET'S VIEWS ON THE OFFER TOGETHER WITH THE RECOMMENDATION OF THE NON-INTERESTED DIRECTORS AND MAINSTREET.

YOU ARE ADVISED TO READ THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE TAKING ANY ACTION.

To facilitate electronic delivery of documents in the future, it is important for you to register your e-mail address with Bursa Depository via:

- (i) **Bursa Securities' website at https://www.bursamalaysia.com/trade/our_products_services/central_depository_system/request_for_estatement; or**
- (ii) **Bursa Anywhere mobile application which can be downloaded from Google Play Store or Apple App Store.**

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are set out in Section 2, Part B of this IAC. Please refer to Section 2 and Appendix I of the Offer Document for the full terms and conditions of the Offer as well as Appendix II of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

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3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for the SKHSB Undertaking, the Offeror, the Joint Ultimate Offerors and persons acting in concert with them have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there was no announcement made on Bursa Securities in respect of any acceptance of the Offer and save for the Acquisitions, there was no announcement made on Bursa Securities in respect of any change in the shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC, individually and collectively as well as other substantial shareholders of WMG.

4. DIRECTORS' INTERESTS AND INTENTION IN RELATION TO THE OFFER

As at the LPD, save as disclosed below, the directors of WMG do not have any interest (direct and indirect) in WMG Shares and RCPS:

(i) WMG Shares

Directors	Direct		Indirect	
	No. of WMG Shares	(1)%	No. of WMG Shares	(1)%
Datuk Quek Siew Hau	411,620	0.05	⁽²⁾⁽³⁾ 66,855,520	7.71
Fong Kin Wui	2,255,406	0.26	⁽²⁾⁽⁴⁾ 56,848,800	6.56
Lim Ted Hing	2,275,763	0.26	⁽²⁾ 55,559,267	6.41
Seah Sen Onn @ David Seah	12,871,025	1.48	⁽²⁾ 55,559,267	6.41
Chan Ka Tsung	-	-	⁽²⁾ 55,559,267	6.41

Notes:

- (1) Computed based on 867,149,053 WMG Shares as at the LPD.
- (2) Deemed interested through SKHSB by virtue of his interest in Real Paradigm Sdn Bhd pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of his interest in Quek Chiow Yong Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his interest in Fong Tham Hing Enterprise Sdn Bhd pursuant to Section 8 of the Act.

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(ii) RCPS

Directors	Direct		Indirect	
	No. of RCPS	(1)%	No. of RCPS	(1)%
Datuk Quek Siew Hau	-	-	(2)155,000,000	100.00
Fong Kin Wui	-	-	(2)155,000,000	100.00
Lim Ted Hing	-	-	(2)155,000,000	100.00
Seah Sen Onn @ David Seah	-	-	(2)155,000,000	100.00
Chan Ka Tsung	-	-	(2)155,000,000	100.00

Notes:

- (1) Computed based on 155,000,000 outstanding RCPS as at the LPD.
- (2) Deemed interested through SKHSB by virtue of his interest in Real Paradigm Sdn Bhd pursuant to Section 8 of the Act.

The Interested Directors, namely Datuk Quek Siew Hau, Fong Kin Wui, Lim Ted Hing, Seah Sen Onn @ David Seah and Chan Ka Tsung (all of them being the directors of WMG and SKHSB (being the Vendor)), have duly abstained and will continue to abstain from deliberating, making any recommendation and voting at all relevant board meetings of WMG in relation to the Offer.

Datuk Quek Siew Hau, Fong Kin Wui, Lim Ted Hing, Seah Sen Onn @ David Seah and Chan Ka Tsung (all of them being the directors of WMG and SKHSB (being the Vendor)) have confirmed their intention to **REJECT** the Share Offer in respect of their direct or indirect interests in WMG Shares.

In accordance with the SKHSB Undertaking, Datuk Quek Siew Hau, Fong Kin Wui, Lim Ted Hing, Seah Sen Onn @ David Seah and Chan Ka Tsung (all of them being the directors of WMG and SKHSB (being the Vendor)) will not convert the RCPS into WMG Shares and will **REJECT** the RCPS Offer in respect of their indirect interests in the RCPS.

5. NON-INTERESTED DIRECTORS' COMMENTS

5.1 Rationale for the Offer

The Non-Interested Directors have noted the rationale for the Offer as set out in Section 3 of the Offer Document.

The Non-Interested Directors take cognisance that:

- (i) Exsim Borneo (being the wholly-owned subsidiary of EDSB) is incorporated as an investment holding company to undertake the Acquisition 1 and the Offer.

EDSB Group is principally involved in the property development business. The Joint Ultimate Offerors, through the EDSB Group have accumulated more than 16 years of experience in property development business and have established the "EXSIM" brand and built its reputation in the property development industry.

In the past 5 years, EDSB Group completed various property development projects with an aggregate GDV of approximately RM6.93 billion (as at the Offer Document LPD) comprising residential properties, commercial developments and industrial developments;

- (ii) EDSB Group had since June 2024 expanded its property development business in Sabah by launching 2 projects, namely Bayu Damai Residences in Kota Kinabalu and Sejati Sentral in Sandakan with GDV of approximately RM534 million and RM254 million respectively;
- (iii) WMG Group is primarily involved in the business of property development (particularly in the state of Sabah) as well as property letting and trading of building materials. WMG Group currently has 2 on-going property development projects and 264 hectares of undeveloped land bank in Kota Kinabalu and Sandakan, Sabah.

In line with the EDSB Group's strategy to further expand its footprint in East Malaysia, the Acquisition 1 represents a strategic opportunity for EDSB Group to widen its presence in Sabah, taking into consideration the immediate inclusion of WMG Group's sizeable undeveloped land bank in Sabah;

- (iv) EDSB Group and WMG Group are expected to benefit from synergies arising from the collective core competencies of EDSB Group and WMG Group. WMG Group would be able to leverage on EDSB Group's reputation, track record, experience, networks and relationships in the property development industry to unlock the value of WMG Group's undeveloped land bank in Sabah and improve its marketing efforts to sell property inventories, thereby improving the financial performance and growth prospects of its property development business in Sabah. EDSB Group's experience in the property development business would also strengthen WMG Group in terms of cost management and project quality;
- (v) Ben Kong has more than 30 years' experience in property development. He is EDSB's joint venture partner in BEDI, with an indirect equity interest of 25% through Harapan Borneo Sdn Bhd. Through BEDI, EDSB Group launched the Bayu Damai Residences project in Kota Kinabalu and Sejati Sentral in Sandakan. As most of WMG Group's development will be in Sabah, it is proposed for Ben Kong to be responsible for the Group's future property developments projects in Sabah;
- (vi) the Offer was made by the Offeror pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules as the Offeror's, the Joint Ultimate Offerors' and the PAC's collective shareholdings in WMG increased from nil to 70.00% following the Acquisitions and the Offeror's shareholdings increased from nil to 52.50% following the completion of the Acquisition 1; and
- (vii) the Holders will also be provided with an opportunity to realise their investments in WMG for cash at the Share Offer Price and RCPS Offer Price.

Comments by the Non-Interested Directors

The Offeror and the Joint Ultimate Offerors have obtained control in WMG through Acquisition 1. The Offer is made as a consequence of Acquisition 1 and is not undertaken to privatise the Company as it is the intention of the Offeror and the Joint Ultimate Offerors to maintain the listing status of WMG on the Main Market of Bursa Securities.

Further, the Non-Interested Directors are of the view that EDSB Group's experience and involvement in business of property development (particularly in the state of Sabah), coupled with having Ben Kong (with his experience in property development) to be responsible for the Group's future property developments projects in Sabah would be beneficial to the future prospect of WMG and the shareholders of the Company.

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5.2 Listing status of WMG

The Non-Interested Directors take note that **the Offeror and the Joint Ultimate Offerors intend to maintain the listing status of WMG on the Main Market of Bursa Securities.**

WMG had on 1 October 2024 announced that based on its Register of Depositors as at 30 September 2024, its public shareholding spread was 17.58% and hence WMG is not in compliance with the Public Spread Requirement.

WMG had on 11 October 2024 announced that Bursa Securities had vide its letter dated 11 October 2024 granted WMG an extension of time of up to 27 December 2024 for WMG to rectify the non-compliance with the Public Spread Requirement.

Given the non-compliance with the Public Spread Requirement, upon completion of the Offer, the Offeror, the Joint Ultimate Offerors and the PAC will work together with WMG to explore various options or proposals within the stipulated time frame as allowed by the relevant authorities to rectify the shortfall in the Public Spread Requirement. As at the Offer Document LPD, no arrangements on the aforementioned have been made.

Nevertheless, any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the approval of the shareholders of WMG. The actual course of action to be taken will depend on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time.

Holders should note that while the Offeror, the Joint Ultimate Offerors and the PAC will work together with WMG to rectify any shortfall in the Public Spread Requirement of WMG, there can be no assurance that the Public Spread Requirement of WMG can be rectified within the stipulated time frame.

If WMG does not meet the Public Spread Requirement within the stipulated time frame, the Offeror, the Joint Ultimate Offerors and/or WMG may seek for a further extension of time from the relevant authorities to do so. Bursa Securities has the absolute right to grant an extension or reject the said application.

Please refer to Section 7.1 Part B of this IAC for further details.

Comments by the Non-Interested Directors

The intention by the Offeror and Joint Ultimate Offerors not to invoke the provisions of section 222(1) of the CMSA for compulsory acquisition is in line with their intention to maintain the listing status of WMG on the Main Market of Bursa Securities.

In any case, if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror, the Joint Ultimate Offerors and persons acting in concert with them holding 90% and above of all WMG Shares, a Dissenting Holder may exercise his rights to require the Offeror to acquire his Offer Securities.

5.3 Compulsory acquisition and rights of Dissenting Holders

Compulsory Acquisition

The Non-Interested Directors take note that **the Offeror and the Joint Ultimate Offerors do not intend to invoke the provisions of section 222(1) of the CMSA** to compulsorily acquire any outstanding Offer Securities for which Valid Acceptances have not been received prior to the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

Rights of Dissenting Holders

The Non-Interested Directors take note that subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror, the Joint Ultimate Offerors and persons acting in concert holding not less than 9/10 in the nominal value of all the shares in the Offeree or of that class in the Offeree (including WMG Shares already held by the Offeror, the Joint Ultimate Offerors and persons acting in concert with them) on or before the Closing Date, a Dissenting Holder may exercise his rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his Offer Securities (as the case may be) on the same terms and conditions as set out in the Offer Document or such other terms as may be agreed.

Please refer to Section 7.2, Part B of this IAC for further details.

Comments by the Non-Interested Directors

The intention by the Offeror and Joint Ultimate Offerors not to invoke the provisions of section 222(1) of the CMSA for compulsory acquisition is in line with their intention to maintain the listing status of WMG on the Main Market of Bursa Securities.

In any case, if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror, the Joint Ultimate Offerors and persons acting in concert with them holding 90% and above of all WMG Shares, a Dissenting Holder may exercise his rights to require the Offeror to acquire his Offer Securities.

5.4 Future plans for WMG Group and its employees

The Non-Interested Directors take note of the intentions of the Offeror and the Joint Ultimate Offerors in relation to the future plans for WMG Group and its employees, after the Closing Date as stated in Section 6 of the Offer Document.

The intentions of the Offeror and the Joint Ultimate Offerors in relation to the future plans for WMG Group and its employees after the Closing Date are set out below:

(i) Continuation of WMG Group's business

The Offeror and the Joint Ultimate Offerors intend to continue with the existing business of WMG Group and do not currently have any plans and/or intention to liquidate any key operating company within WMG Group.

Nevertheless, the Offeror and the Joint Ultimate Offerors may from time to time carry out a review of the business and operations of WMG Group, including its strategy and future business direction, to ensure that WMG Group remains competitive. As part of its review, the Offeror and the Joint Ultimate Offerors may make such arrangements, rationalisation and reorganisation as they consider suitable to remain competitive and to improve the prospects of WMG Group as well as undertake any other actions and initiatives which are in the best interest of WMG Group.

Further, as stated in Section 3 of the Offer Document, the Joint Ultimate Offerors will be able to leverage on EDSB Group to unlock the value of WMG Group's undeveloped land bank in Sabah and improve its marketing efforts to sell property inventories, thereby improving the financial performance and growth prospects of its property development business in Sabah.

Some initiatives to improve the financial performance of WMG may include capitalising on synergistic opportunities such as strategic collaborations with other business partners, joint ventures and/or acquisition of assets, companies or businesses (including those in similar businesses, or which are complementary to the current and expanded business of the WMG Group).

(ii) Major changes to WMG Group's business

As set out in Section 3 of the Offer Document, it is the intention of the Offeror and the Joint Ultimate Offerors to complement, expand as well as contribute to WMG Group's existing business by leveraging on their expertise, experience and business network in the property development industry.

As at the Offer Document LPD, there are no immediate plans by the Offeror and the Joint Ultimate Offerors to introduce or effect any major changes to the existing business of WMG Group, liquidate any of the key operating companies within WMG Group (save for dormant or inactive companies and those which are already undergoing the process of liquidation or striking-off), dispose of any major assets or undertake any major re-deployment of the fixed assets of WMG Group, except where such change, disposal and/or redeployment is deemed necessary as part of the process to rationalise and restructure the business activities and/or directions of WMG Group or to improve the utilisation of resources.

(iii) Employees of WMG Group

The Offeror and the Joint Ultimate Offerors do not have any immediate plans to dismiss or make redundant any existing employees of WMG Group as a direct consequence of the Offer. Nevertheless, there will be continuous constructive measures and assessments undertaken to improve the efficiency of operations and to optimise the human resources of WMG Group, which may lead to rationalisation of staff employment to improve the overall efficiency of WMG Group's operations. Such actions, if required, will be carried out in accordance with the relevant legislations and the employment terms of the affected employees.

The Offeror and the Joint Ultimate Offerors have stated their intention in the Offer Document that the future plans for WMG Group's business, corporate structure, assets and employees are not expected to materially change after the Closing Date.

Comments by the Non-Interested Directors

Notwithstanding the above, the Non-Interested Directors wish to highlight that the Offeror and the Joint Ultimate Offerors shall retain the flexibility to consider any options that may present itself which are in the interest of WMG Group.

Holders should note that the Offeror and the Joint Ultimate Offerors intend to appoint their nominees as directors of WMG at a date to be determined later, in accordance with the Rules and all relevant guidelines. As at the Offer Document LPD, save for Ben Kong, who the Offeror and the Joint Ultimate Offerors intend to nominate to the Board after the Closing Date, the other parties to be nominated to the Board have yet to be determined.

As WMG Group and EDSB Group are both principally involved in the property development business and save for the expansion plan mentioned in Section 3 of the Offer Document and the abovementioned changes in Board, the Non-Interested Directors are of the view that the existing businesses and management as well as the overall direction of WMG Group will continue in the foreseeable future.

Further, EDSB Group and WMG Group are expected to benefit from synergies arising from the collective core competencies of EDSB Group and WMG Group.

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6. INDEPENDENT ADVICE LETTER

The Holders are advised to read and consider the views and recommendation of MainStreet, the Independent Adviser appointed to provide comments, opinions, information and recommendation on the Offer to the Non-Interested Directors and the Holders. The IAL is included in Part B of this IAC.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board have seen and approved the contents of this IAC. The Board, collectively and individually, accepts full responsibility for the accuracy and completeness of the information contained in this IAC (save for the views and recommendation of MainStreet) and confirms that after having made all reasonable enquiries and to the best of their knowledge and belief, the opinions expressed by the Non-Interested Directors in this IAC have been arrived at after due and careful consideration and there are no other facts and/or information, the omission of which would make any information in this IAC relating to WMG Group false or misleading or materially incomplete.

The responsibility of the Board in respect of:

- (i) the information relating to the Offeror, the Joint Ultimate Offerors, the PAC, Acquisitions and the Offer (as extracted from the Offer Document and other publicly available information) is limited to ensuring that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and expression of opinion by MainStreet in relation to the Offer as set out in Part B of this IAC is limited to ensuring that accurate information in relation to WMG Group was provided to MainStreet for its evaluation of the Offer and to ensure that all information in relation to WMG Group that are relevant to MainStreet's evaluation of the Offer have been completely disclosed to MainStreet and that there are no material facts, the omissions of which would make any information provided to MainStreet false or misleading.

8. NON-INTERESTED DIRECTORS' RECOMMENDATION

The Interested Directors have abstained and will continue to abstain from deliberating, making any recommendation and voting at all relevant board meetings of WMG in relation to the Offer.

After careful examination of the Offer as contained in the Offer Document and taking into consideration the evaluation, views and recommendation by MainStreet as set out in Part B of this IAC, the following Non-Interested Directors:

- (i) Hajah Shakinur Ain Binti Hj Karama;
- (ii) Teo Gim Suan; and
- (iii) Wong Lee Hung,

have **CONCURRED** with the evaluation, views and recommendation of MainStreet that the Offer is **NOT FAIR** and **NOT REASONABLE**.

Accordingly, the Non-Interested Directors recommend that the Holders **REJECT** the Offer.

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THE HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

THE NON-INTERESTED DIRECTORS HAVE NOT TAKEN INTO CONSIDERATION ANY SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS, RISK PROFILES AND PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS.

THE NON-INTERESTED DIRECTORS RECOMMEND THAT HOLDERS WHO REQUIRE SPECIFIC ADVICE IN RELATION TO THE OFFER IN THE CONTEXT OF THEIR INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS, RISK PROFILES OR PARTICULAR NEEDS, SHOULD CONSULT THEIR RESPECTIVE STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Yours faithfully,
for and on behalf of the Board of
WMG HOLDINGS BHD.

HAJAH SHAKINUR AIN BINTI HJ KARAMA
Senior Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM MAINSTREET

Registered Office:

Lot 805, Blok F
Pusat Perdagangan Phileo Damansara 1
Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor, Malaysia

Place of Business:

Unit 906, Level 9, Block A
Pusat Dagangan Phileo Damansara 2
No. 15 Jalan 16/11 Off Jalan Damansara
46350 Petaling Jaya
Selangor, Malaysia
Tel: (603) 7968 3398
Fax: (603) 7954 2299

11 November 2024

To: The Non-Interested Directors and Holders

Dear Sir / Madam,

**UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR THROUGH
AMINVESTMENT BANK TO ACQUIRE ALL THE OFFER SECURITIES AT THE OFFER PRICE**

1. INTRODUCTION

Please refer to Section 1, Part A of this IAC for the chronological events in relation to the Offer.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had vide its letter dated 8 November 2024, given its notification that it has no further comments on the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions expressed or reports presented in this IAC.

The purpose of this IAL is to provide our independent evaluation of the Offer together with our recommendation thereon, subject to the scope of our role and limitations specified herein.

HOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC INCLUDING THIS IAL TOGETHER WITH THE OFFER DOCUMENT BEFORE DECIDING TO ACCEPT OR REJECT THE OFFER.

IF YOU ARE IN ANY DOUBT ABOUT THE COURSE OF ACTION TO BE TAKEN OR HAVE ANY QUERY IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

THIS IAL IS SOLELY FOR THE USE OF THE NON-INTERESTED DIRECTORS AND THE HOLDERS FOR THE PURPOSE OF CONSIDERING THE OFFER AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.

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2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer as set out in Section 2 and Appendix I of the Offer Document are as follows:

<p>Consideration for the Offer</p>	<p>The consideration for the Offer is RM0.165 per Offer Share and RM0.330 per Offer RCPS, which shall be satisfied wholly in cash.</p> <p>Notwithstanding the above, if WMG declares, makes and/or pays any Distribution on or after the date of the Notice but prior to the Closing Date and the Share Holders are entitled to retain such Distribution, the Share Offer Price shall be reduced by an amount equivalent to the net Distribution per Offer Share which such Share Holders are entitled to retain. Consequentially, the RCPS Offer Price shall be reduced based on the revised Share Offer Price as the “see-through” price for Offer RCPS is determined based on the Share Offer Price multiplied by the conversion ratio of the RCPS.</p> <p>For the avoidance of doubt, the declaration of dividends in respect of the RCPS by WMG will not have any effect on the Share Offer Price and RCPS Offer Price.</p> <p>As at the LPD, WMG has not announced any Distribution that is payable on or after the date of the Notice.</p> <p>You may accept the Offer in respect of all or part of your Offer Securities. You may not accept the Offer in excess of your holdings of the Offer Securities. The Offeror and the Joint Ultimate Offerors will not pay fractions of a sen to the Accepting Holders. Hence, where applicable, the total cash consideration payable to the Accepting Holders in respect of Valid Acceptances of the Offer will be rounded down to the nearest whole sen.</p>
<p>Conditions of the Offer</p>	<p>The shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC in WMG increased from nil to 607,004,337 WMG Shares, representing approximately 70.00% equity interest in WMG following the completion of the Acquisitions.</p> <p>The Offer is not conditional upon any minimum level of acceptances of the Offer Securities as the Offeror, the Joint Ultimate Offerors and the PAC already collectively hold more than 50% of the voting shares or voting rights of the Offeree, upon completion of the Acquisitions.</p> <p>For avoidance of doubt, as SKHSB had provided the SKHSB Undertaking, the conditionality of the Offer will not be affected by the conversion of the Offer RCPS.</p>

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Duration of the Offer	<p>The Offer will remain open for acceptances until 5:00 p.m. (Malaysian time) on Friday, 22 November 2024, being the First Closing Date, unless extended or revised by the Offeror and the Joint Ultimate Offerors in accordance with the Rules and the terms and conditions of the Offer Document.</p> <p>Any such extension or revision will be announced by AmInvestment Bank, on behalf of the Offeror and the Joint Ultimate Offerors, at least 2 days before the Closing Date. Notice of any such extension or revision will be posted to you accordingly.</p> <p>Please refer to Section 2, Appendix I of the Offer Document for further details on the duration of the Offer.</p>
Method of settlement	<p>The settlement of the consideration in respect of Valid Acceptances will be effected by the Offeror without regards to any lien, right to set-off, counter-claim or other analogous rights to which the Offeror and the Joint Ultimate Offerors may be or claimed to be entitled against the Accepting Holder via:</p> <ul style="list-style-type: none">(i) remittance into the Accepting Holders' bank account, if the Accepting Holders have registered their bank account with Bursa Depository for the purposes of cash dividend / distribution; or(ii) otherwise, if the Accepting Holders have not registered such details with Bursa Depository prior to the date of the Valid Acceptances, remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depository or WMG's statutory records (where applicable), at the Accepting Holders' own risk, <p>within 10 days from the date of the receipt of Valid Acceptances. This is provided that all such acceptances are deemed by the Offeror and the Joint Ultimate Offerors to be completed and valid in all respects in accordance with the terms and conditions set out in the Offer Document.</p> <p>Accepting Holders are encouraged to register and/or update their bank account details with Bursa Depository in order to receive the consideration for the Offer in their bank account.</p>

Please refer to Section 2 and Appendix I of the Offer Document for the full terms and conditions of the Offer as well as Appendix II of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

If you have any enquiries, you may contact the Share Registrar of the Offer for assistance, details of which can be found in Section 1.9 of Appendix II of the Offer Document.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for the SKHSB Undertaking, the Offeror, the Joint Ultimate Offerors and persons acting in concert with them have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there was no announcement made on Bursa Securities in respect of any acceptance of the Offer and save for the Acquisitions, there was no announcement made on Bursa Securities in respect of any change in the shareholdings of the Offeror, the Joint Ultimate Offerors and the PAC, individually and collectively as well as other substantial shareholders of WMG.

4. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE OFFER

We have evaluated the Offer and in rendering our advice, we have considered various factors which we believe are of relevance and general importance to our assessment of the Offer and would be of general concern to the Holders.

Our scope of work as the Independent Adviser is limited to providing comments, opinions, information and recommendation on the Offer as to whether the Offer is fair and reasonable insofar as the Holders are concerned based on information and documents provided to us or which are available to us and making enquiries as were reasonable in the circumstances. In performing our evaluation, we have relied on the following sources of information:

- (i) information contained in the Notice, Offer Document and the appendices attached thereto;
- (ii) audited consolidated financial statements of WMG for FYE 31 December 2021, FYE 31 December 2022 and FYE 31 December 2023, as well as the latest unaudited consolidated financial statements of WMG for the 6-month FPE 30 June 2024;
- (iii) the valuation reports / certificates by the Valuer in relation to the real property assets of the Group;
- (iv) information, documents, confirmations furnished to us as well as discussions with and representations by the Board and management of WMG; and
- (v) other relevant publicly available information which we deem to be relevant.

We have relied on the Board and management of WMG to take due care to ensure that all information, documents, confirmations and representations provided by them to facilitate our evaluation of the Offer are accurate, valid and complete in all material aspects.

Nonetheless, we have made enquiries as were reasonable in the circumstances and we are satisfied that the information provided to us or which is available to us is sufficient and we have no reason to believe that the aforementioned information is unreliable, inaccurate, incomplete and/or misleading as at the LPD. As such, we have relied on the information provided by the Board and management of WMG and we are satisfied as to the accuracy of the information in this IAC.

Our evaluation as set out in this IAL is rendered solely for the benefit of the Holders as a whole and not for any specific group of Holders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situations, risk profiles or particular needs of any individual Holder or any specific group of Holders.

We recommend that any Holder who is in doubt about the course of action to be taken or requires advice in relation to the Offer in the context of his individual investment objectives, financial situation, risk profile or particular needs to consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing, and the information and/or documents made available to us as at the LPD or such other period as specified herein. Such conditions may change significantly over a short period of time.

We shall immediately disclose to the SC in writing and notify the Holders by way of press notice and announcement on Bursa Securities before 9 a.m. on the next Market Day, pursuant to subparagraph 11.07(3) of the Rules, if after despatching this IAC, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAC:

- (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.

If circumstances require, we shall send a supplementary IAC to the Holders in accordance with subparagraph 11.07(2) of the Rules.

5. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation in respect of the Offer, we have assessed and evaluated the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Offer is “fair” and whether the Offer is “reasonable”, rather than as a composite term;
- (ii) the Offer is considered as “fair” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Securities. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Securities, the Offer is considered as “not fair”. In making the assessment, the value of the Offer Securities is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired;
- (iii) in considering whether the Offer is “reasonable”, we have taken into consideration matters other than the valuation of the Offer Securities; and
- (iv) generally, a take-over offer would be considered “reasonable” if it is “fair”. Where an independent adviser views the take-over offer to be “reasonable” despite it being “not fair”, it should be on the basis that the independent adviser is of the view that there are sufficiently strong reasons to accept the Offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as “not reasonable” and thus, the recommendation would be to reject the Offer.

We have considered the following pertinent factors in our evaluation of the Offer:

Fairness of the Offer	Section 6
- Valuation of WMG Shares	Section 6.1
- Historical market price performance of WMG Shares	Section 6.2
- Valuation of RCPS	Section 6.3
Reasonableness of the Offer	Section 7
- Listing status of WMG	Section 7.1
- Compulsory acquisition and rights of Dissenting Holders	Section 7.2

6. FAIRNESS OF THE OFFER

6.1 Valuation of WMG Shares

WMG Group is principally involved in the following business segments:

- (i) property development - development of residential and commercial properties, property letting and property management (“**Property Segment**”); and
- (ii) trading of buildings materials – wholesaling and retailing of hardware, building materials and related goods (“**Trading Segment**”).

The contribution of each segment to the Group’s financial performance for the past 3 financial years up to 31 December 2023 and the latest 6-month FPE 30 June 2024, as shown below:

Segment	Audited FYE 31 December						Unaudited 6-month FPE 30 June 2024	
	2021		2022		2023		RM'000	%
	RM'000	%	RM'000	%	RM'000	%		
Revenue								
- Property Segment	52,513	85.7	71,411	91.5	101,799	82.9	97,012	90.9
- Trading Segment	8,760	14.3	6,623	8.5	20,953	17.1	9,737	9.1
Total	61,273	100.0	78,034	100.0	122,752	100.0	106,749	100.0
(LBT) / PBT								
- Property Segment	(8,551)	93.6	(807)	97.9	(949)	(998.9)	31,129	98.6
- Trading Segment	(585)	6.4	(17)	2.1	1,044	1,098.9	429	1.4
Total	(9,136)	100.0	(824)	100.0	95	100.0	31,558	100.0

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On the other hand, the contributions of each segment to the Group's NA are as follows:

As at 30 June 2024	Property Segment (RM'000)	Trading Segment (RM'000)	Total (RM'000)
ASSETS			
Non-current assets			
Property, plant and equipment	23,033	108	23,141
Investment properties	89,848	1,479	91,327
Deferred tax assets	2,158	-	2,158
Inventory properties	116,915	-	116,915
Total non-current assets	231,954	1,587	233,541
Current assets			
Inventory properties	64,442	-	64,442
Trading inventories	-	373	373
Trade and other receivables	24,979	10,353	35,332
Prepayment	121	-	121
Contract cost assets	1,948	-	1,948
Contract assets	18,694	-	18,694
Income tax refundable	37	-	37
Cash and bank balances	33,324	195	33,519
Total current assets	143,545	10,921	154,466
TOTAL ASSETS	375,499	12,508	388,007
LIABILITIES			
Non-current liabilities			
Loans and borrowings	65,880	-	65,880
Lease liabilities	83	-	83
Deferred tax liabilities	4,207	-	4,207
Total non-current liabilities	70,170	-	70,170
Current liabilities			
Loans and borrowings	90,238	3,064	93,302
Lease liabilities	400	57	457
Trade and other payables	29,243	2,648	31,891
Contract liabilities	621	-	621
Tax payable	1,419	126	1,545
Total current liabilities	121,921	5,895	127,816
TOTAL LIABILITIES	192,091	5,895	197,986
NA	183,408	6,613	190,021
Segment NA over the total NA (%)	96.52	3.48	100.00

In arriving at the value of the WMG Shares, we have adopted RNAV methodology as our valuation method. This methodology takes into consideration any surplus and/or deficit (net of tax) attributable to the owners of the Company arising from the revaluation of material assets of WMG Group to reflect their market values based on the presumption that the assets are realisable on a willing-buyer willing-seller basis in the open market. In this instance, we have selected all real properties held by the Group as at the LPD as the material assets to be revalued.

The Property Segment is project / asset based by nature and without consistent cash flows stream. As such, the predictability of future cash flows of the Group may be unreliable in the absence of a consistent earnings stream.

Therefore, we are not adopting earnings-based valuation method to estimate the value of WMG Shares.

We view the RNAV methodology (an asset-based valuation method) to be the most appropriate method to estimate the value of the WMG Shares for the following reasons:

- (i) WMG Group owns a significant portion of assets in the form of land and buildings. As at 30 June 2024, the investment properties and inventory properties of the Group constitutes approximately 70.28% of total assets. Within property, plant and equipment, approximately RM19.2 million or approximately 4.95% of total assets consist of land and buildings. This being the case, more than 75% of the Group's total assets consist of land and buildings.

In addition, the remaining approximately 24.77% of WMG Group's total assets comprise:

- (a) liquid assets such as trading inventories, trade and other receivables, prepayment, contract cost assets, contract assets, income tax refundable as well as cash and bank balances; and
- (b) property, plant and equipment (other than land and buildings) as well as deferred tax assets,

and the carrying amounts of these assets are reasonably expected to approximate their respective fair value.

In regard to the Group's assets (apart from land and buildings), we have discussed with the management of WMG on whether as at the LPD, there is any evidence for impairment or any material appreciation in value of any of these assets. Based on our discussion, we have not encountered any event or circumstance which indicates that any of these assets ought to be impaired or have materially appreciated in value;

- (ii) the financial performance of WMG Group has been volatile and fluctuating in the past 3 financial years. Kindly refer to the table on financial performance above; and
- (iii) the Property Segment is the major revenue contributor to WMG Group, contributing more than 80% revenue to the total revenue of the Group for the past 3 financial years. Further, the NA of the Property Segment makes up more than 95% of the Group's NA.

In applying the RNAV methodology, certain assumptions are made, amongst others:

- (i) the Group's businesses will continue to operate on a going concern basis and is expected to sustain its operation in perpetuity;
- (ii) the property development projects will be implemented / completed and the resulting profits and/or gross development value can be achieved as forecasted by the management within the projected time frame;
- (iii) the Group will be able to obtain the necessary financing and working capital required in addition to its internally generated funds for its business activities and property development projects without any material adverse effect on its financial results, cash flows or business prospects;

- (iv) there will not be any significant or material increase in costs which are expected to have a material adverse effect on the business activities and property development projects of the Group;
- (v) there will be ready and committed buyers for each asset at its fully revalued basis and the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (vi) there will not be any significant or material changes to the agreements, contracts, property development plans, approvals, licences, permits and regulations governing the business activities and property development projects of the Group;
- (vii) there will not be any compulsory acquisition of the Group's land by the relevant state authorities;
- (viii) the Group's income generating investment properties will be maintained in a tenable condition and can be leased / rented out at the projected rate;
- (ix) there are no breaches of relevant laws, regulations, rules and requirements on the property assets of the Group;
- (x) all required licenses, certificates of occupancy, legislative or administrative consents or approvals from local and/or state authorities or the government have been or can be obtained for use on which the market value of the revalued property assets of the Group is based on;
- (xi) insurable risks relating to the Group's assets are and will continue to be appropriately covered by relevant insurance policies and the sums insured are adequate;
- (xii) the current accounting policies adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse impact on the financial performance and financial position of the Group;
- (xiii) there will not be any significant or material changes to the risks inherent to the business of the Group and effective measures will continue to be implemented to mitigate the risks known to the Group; and
- (xiv) there will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the industry in which the Group's businesses operate.

In arriving at the opinion of the market value, the following valuation methodologies were adopted by the Valuer:

(i) Comparison method

The comparison method entails the adoption of the transacted price of a property as the core basis to determine the value of another property. This method predominantly relies on the methodology of comparing one property to another to determine the correlation between each other in terms of the various factors that have bearing on the value of the property under valuation.

Upon assessing the extent of similarities of differences, market driven adjustment rates are applied to each of the factors that have bearing on the value of the property. The transacted price upon being adjusted for all the various factors will then be deemed as the value of the property.

(ii) Cost method

The cost method is defined as the aggregate amount of the value of the land component and the gross replacement cost of the buildings and other site improvements, allowing for depreciation. The value of the land component is arrived at by using the comparison method.

In arriving at the gross replacement cost of the building and other site improvements, the industry average costs as derived from analysis of contracts awarded for construction or similar type of development components, current cost estimates by quantity surveyors were adopted. An appropriate depreciation rate was then adopted and deducted from the construction cost to arrive at the depreciated gross replacement costs of the buildings and other site improvements.

(iii) Residual method

The residual method is based on the premise that the price which a purchaser can pay for a property is the surplus of the proceeds from the sales of finished development after deducting the full cost of development and profit. The 3 main components of the residual method are the gross development value, gross development costs and the residual balance.

Upon deducting the gross development costs from the gross development value, the residual balance is then discounted to present value based on the duration to complete the entire development or a specific phase of the development to reflect both the risk and time value of money. This is based on the premise that the residual balances are only fully attainable at the end of the development period.

(iv) Investment method

The investment method is concerned with the present worth of the future benefits that the property is capable of generating. This process involves the capitalisation of the net annual proceeds that can reasonably be expected from ownership of the property by a rate of return (yields) comparable to that of similar investments.

This method is generally adopted in valuing subject properties which can be let to generate rental income, and of which adequate data is readily available for deriving the estimated net annual rental income for the subject properties.

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The details of the net revaluation surplus of the subject properties based on the valuation conducted by the Valuer are set out below:

No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) - (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
1.	<p><u>Inventory properties</u></p> <p>A parcel of land developed with 2 warehouses and a 2-storey office / showroom block located along Jalan Kolombong, Off Jalan Tuaran, Kolombong Industrial Estate, Kota Kinabalu, Sabah.</p> <p>Title No. : CL015379487 Land area : 4,637.6 sqm Category of land use : Commercial Tenure : Leasehold expiring on 31 December 2078 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 1997</p>	<p><u>Valuation method</u> Comparison method for land and cost method for building</p> <p><u>Date of valuation</u> 4 September 2024</p>	12,800	3,316	9,484	(2,276)	7,208

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No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
2.	<p>12 contiguous parcels of vacant lands located at Bukit Padang locality, off Jalan Datuk Panglima Banting / off Jalan Kolum-Mintod-Kibabag, Penampang, Sabah.</p> <p>Title No. : CL015023711; CL015029106; CL015029259; CL015029893; CL015045931; CL015047597; CL215131463; CL215337189; CL215386244; CL215386253; CL215386262; and NT213094592</p> <p>Land area : 335,986.2 sqm</p> <p>Category of land use : Residential</p> <p>Tenure : <u>CL015023711</u> Leasehold expiring 11 August 2024</p> <p><u>CL015029106</u> Leasehold expiring 9 June 2025</p> <p><u>CL015029259</u> Leasehold expiring 15 August 2025</p>	<p><u>Valuation method</u> Comparison method</p> <p><u>Date of valuation</u> 4 September 2024</p>	174,000	37,407	136,593	(32,782)	103,811

No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
2.	<p>Tenure : <u>CL015029893</u> Leasehold expiring 20 September 2925</p> <p><u>CL015045931</u> and <u>CL015047597</u> Leasehold expiring 30 July 2927</p> <p><u>CL215131463</u> Leasehold expiring 19 April 2938</p> <p><u>CL215337189</u> Leasehold expiring 31 December 2081</p> <p><u>CL215386244</u>, <u>CL215386253</u> and <u>CL 215386262</u> Leasehold expiring 31 December 2086</p> <p><u>NT 213094592</u> In perpetuity</p> <p>Registered owner : Wah Mie Realty Sdn Bhd (save for NT213094592 held by Aslyn Dinsin, which is subleased for 30 years (from 30 November 2016 to 29 November 2046) to Wah Mie Realty Sdn Bhd)</p>						

No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
2.	<p>Year of acquisition :</p> <p>CL015023711 (1990) CL015029106 (1990) CL015029259 (1990) CL015029893 (1990) CL015045931 (1990) CL015047597 (2012) CL215131463 (2016) CL215337189 (2016) CL215386244 (2016) CL215386253 (2016) CL215386262 (2016) NT213094592 (2016)</p>						
3.	<p>Undeveloped residential zoned land located to the immediate west and north-west of Taman Mawar Phase 5B, Sandakan, Sabah.</p> <p>Title No. : CL075130620, CL075130862 and CL075095153 Land area : 114,710 sqm Category of land use : Residential Tenure : Leasehold expiring on 12 September 2934 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 2017</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	11,500	11,294	206	(49)	157

No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
4.	<p>A piece of vacant land located off Jalan Pulutan, Manggatal, to the immediate south-west of Taman Sri Pulutan, off Jalan Tuaran, Kota Kinabalu, Sabah.</p> <p>Title No. : CL015123645 Land area : 68,473 sqm Category of land use : Residential Tenure : Leasehold expiring 31 August 2940 Registered owner : Wah Mie Realty Sdn Bhd (held in trust for Wilakaya Sdn Bhd) Year of acquisition : 2003</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	15,100	2,402	12,698	(3,048)	9,650

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No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
5.	<p>Residential lands with the benefit of an approved master development plan and forming parts of a mixed housing development known as Taman Bukit Sepangar Phases 1C, 5B, 7B, 8A, 8B, 9B and 9C as well as Lot C40 located at Taman Bukit Sepangar, about 160 metres off to the east of Kilometre 3, Jalan Sepangar Bay, Kota Kinabalu, Sabah.</p> <p>Title No. : CL015600638, CL015600781, CL015600718, CL015600745, CL015600736, CL015600754, CL015600709 and CL015691488</p> <p>Land area : 253,475.8 sqm</p> <p>Category of land use : Residential (save for CL015600781, sewerage treatment plant)</p> <p>Tenure : Leasehold expiring 31 December 2081</p> <p>Registered owner : Lembaga Pembangunan Perumahan dan Bandar</p> <p>Developer : Ramindah Sdn Bhd^(a)</p> <p>Year of joint venture : 1994</p>	<p><u>Valuation method</u> Comparison method</p> <p><u>Date of valuation</u> 4 September 2024</p>	245,000	21,874	223,126	(53,550)	169,576

Note:

(a) Ramindah Sdn Bhd has the absolute right on the subject property whereas the registered owner (i.e. Lembaga Pembangunan Perumahan dan Bandar) has no discretion over the subject property.

No.	Description of property	Valuation method / Date of Valuation	(A) (⁽¹⁾)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (⁽²⁾)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
6.	<p>Residential lands with an approved development plan for a housing development known as Taman Bukit Sepangar Phases 5A and 6, together with lands proposed for future development located about 160 metres off to the east of Kilometre 3, Jalan Sepangar Bay, Kota Kinabalu, Sabah.</p> <p>Title No. : Part of CL015600683 and Part of CL015600692 Land area : 132,280 sqm Category of land use : Residential Tenure : Leasehold expiring 31 December 2081 Registered owner : Lembaga Perumahan dan Bandar Developer : Ramindah Sdn Bhd^(b) Year of joint venture : 1994</p>	<p>Valuation method Residual method for on-going development and comparison method for land held for future development</p> <p>Date of valuation 4 September 2024</p>	43,600	22,107	21,493	(5,158)	16,335

Note:

(b) Ramindah Sdn Bhd has the absolute right on the subject property whereas the registered owner (i.e. Lembaga Pembangunan Perumahan dan Bandar) has no discretion over the subject property.

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No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
7.	<p>Undeveloped residential zoned land located to the immediate west of Taman Mawar Phase III/IV, off Km 9.3, Jalan Utara, Sandakan, Sabah.</p> <p>Title No. : CL075470889 Land area : 6,366.1 sqm Category of land use : Residential Tenure : Leasehold expiring 26 June 2926 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 2011</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	830	30	800	(192)	608
8.	<p>Undeveloped residential zoned land located off Km 3.5, Jalan Cecily-Sibuga, Sandakan, Sabah.</p> <p>Title No. : PL076149767 Land area : 404,700 sqm Category of land use : Residential Tenure : Leasehold expiring 24 February 2898 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 2003</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	15,100	2,490	12,610	(3,026)	9,584

No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
9.	<p>7 unsold units of condominium at Blocks A and B, Sri Indah Condominium, a future development land and on-going Parklane Garden (Taman Indah Jaya Phase 8C) located at Km 0.5, Jalan Pintas Indah Sibuga, off Km 7.9, Jalan Utara, Sandakan, Sabah.</p> <p>Title No. : PL076164488, CL075125950, CL075125969, CL075094745 and CL075096178</p> <p>Land area : 69,281 sqm</p> <p>Category of land use : Residential</p> <p>Tenure : <u>PL076164488</u> Leasehold expiring 7 February 2917</p> <p><u>CL075125950</u> Leasehold expiring 7 November 2916</p> <p><u>CL075125969</u> Leasehold expiring 21 August 2914</p> <p><u>CL075094745 and CL075096178</u> Leasehold expiring 7 February 2917</p>	<p><u>Valuation method</u> Comparison method for unsold units and land held for future development and residual method for on-going development</p> <p><u>Date of valuation</u> 4 September 2024</p>	16,348	10,509	5,839	(1,401)	4,438

No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
9.	<p>Registered owner : Wah Mie Realty Sdn Bhd</p> <p>Year of acquisition : PL076164488 (1997) CL075125950 (1997) CL075125969 (1997) CL075094745 (2003) CL075096178 (2003)</p>						
10.	<p>149 unsold units of arcade shop and 1 unsold unit of 3-storey commercial building at Sejati Walk as well as a parcel of vacant commercial land at Lot 2, Sejati Commercial located alongside Km 0.35 to Km 0.90, Jalan Taman Merpati, Km 1.7, Jalan Airport, Kota Kinabalu, Sabah.</p> <p>Title No. : Part of parent title CL075126939 and PL076144020</p> <p>Land area : 288,620 sqm</p> <p>Category of land use : Commercial</p> <p>Tenure : Leasehold expiring 13 February 2923</p> <p>Registered owner : Asterasia Sdn Bhd</p> <p>Year of acquisition : CL075126939 (2003) PL076144020 (1994)</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	68,670	30,583	38,087	(9,141)	28,946

No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
11.	<p>5 parcels of vacant development land proposed for a mixed development tentatively known as "Taman Alam Setia" located at Bokara-Karamunting, 4.8 km due south-west of Sandakan Municipal Centre, Sandakan, Sabah.</p> <p>Title No. : CL075134360, CL075381789, PL076148788, PL076148733 and PL076148779</p> <p>Land area : 1,063,390 sqm</p> <p>Category of land use : Residential / Commercial / Industrial</p> <p>Tenure : CL075134360 Leasehold expiring 25 November 2893</p> <p>CL075381789 Leasehold expiring 14 November 2883</p> <p>PL076148788 and PL076148779 Leasehold expiring 11 November 2881</p> <p>PL076148733 Leasehold expiring 23 January 2904</p>	<p><u>Valuation method</u> Comparison method</p> <p><u>Date of valuation</u> 4 September 2024</p>	83,130	31,949	51,181	(12,283)	38,898

No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
11.	Registered owner : Prosper Entity Sdn Bhd Year of acquisition : 2002						
12.	A parcel of vacant commercial zoned land located at Km 4.4, Jalan Utara, about 3.4 km due north-west of Sandakan Municipal Centre, Sandakan, Sabah. Title No. : CL075203431 Land area : 45,657 sqm Category of land use : Commercial Tenure : Leasehold expiring 7 January 2882 Registered owner : Velda Development Sdn Bhd Year of acquisition : 1981	Valuation method Comparison method Date of valuation 4 September 2024	27,400	1,231	26,169	(6,281)	19,888

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No.	Description of property	Valuation method / Date of Valuation	(A) (⁽¹⁾)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (⁽²⁾)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
13.	<p>Undeveloped residential zoned land located off Km 4.0, Jalan Cecily-Sibuga, Sandakan, Sabah.</p> <p>Title No. : CL075096641 Land area : 53,546 sqm Category of land use : Residential Tenure : Leasehold expiring 20 October 2024 Registered owner : H.W.E. Sdn Bhd Year of acquisition : 1981</p>	<p><u>Valuation method</u> Comparison method</p> <p><u>Date of valuation</u> 4 September 2024</p>	3,000	146	2,854	(685)	2,169
14.	<p>A parcel of vacant residential zoned land located at Singapore Road, Sandakan, Sabah.</p> <p>Title No. : TL077508797 Land area : 6,366.1 sqm Category of land use : Residential Tenure : Leasehold expiring 23 July 2884 Registered owner : Syarikat Far East Development Sdn Bhd Year of acquisition : 1981</p>	<p><u>Valuation method</u> Comparison method</p> <p><u>Date of valuation</u> 4 September 2024</p>	1,740	558	1,182	(284)	898

No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
15.	Undeveloped residential zoned land located off Jalan Cecily-Sibuga, Sandakan, Sabah. Title No. : CL075202452 Land area : 201,614.6 sqm Category of land : Residential use Tenure : Leasehold expiring 23 February 2898 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 2023	<u>Valuation method</u> Comparison method <u>Date of valuation</u> 4 September 2024	9,000	539	8,461	(2,031)	6,430

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No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
16.	<p>2 adjoining vacant lands located at Kampung Bantayan; along Jalan Nountun Bukit Padang, Kota Kinabalu, Sabah.</p> <p>Title No. : NT013087664 and FR014011815 Land area : 8,947.6 sqm Category of land use : Commercial Tenure : Perpetuity (Subleased from Aslyn Dinsin for 30 years from 16 February 2024 to 15 February 2054) Registered owner : Held by Aslyn Dinsin, which is subleased for 30 years to Wilakaya Sdn Bhd on 16 February 2024 Year of acquisition : 2024</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	10,500	5,603	4,897	(1,175)	3,722

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No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
17.	<p><u>Investment properties</u></p> <p>3-storey intermediate shop / office located at Lot No. 32, Block F, Suria Inanam, Jalan Tuaran Bypass, Kota Kinabalu, Sabah.</p> <p>Parent Title No. : CLO15699804 and CLO15699788 Floor area : 307.44 sqm Category of land use : Commercial Tenure : Leasehold expiring 31 December 2111 Beneficial owner : Wah Mie Trading Sdn Bhd Year of acquisition : 2016</p>	<p>Valuation method Comparison method</p> <p>Date of valuation 4 September 2024</p>	1,780	1,479	301	(30)	271

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No.	Description of property	Valuation method / Date of Valuation	(A) Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = Revaluation surplus / (deficit) (RM'000)	(D) Deferred taxation (RM'000)	(E) = Net revaluation surplus / (deficit) (RM'000)
18.	<p>Industrial land developed with buildings located at Sungai Imam, Pasir Putih Locality, Jalan ITC Sungai Imam, Km 11, Jalan Pasir Putih, Tawau, Sabah.</p> <p>Title No. : CL105464766 and part of CL105465469 Land area : 144,756.05 sqm Category of land use : Industrial Tenure : <u>CL105464766</u> Leasehold expiring 2 September 2023 <u>CL105465469</u> Leasehold expiring 31 December 2036 Registered owner : Kalabakan Plywood Sdn Bhd Year of acquisition : CL105464766 (1989) Part of CL105465469 (1996)</p>	<p><u>Valuation method</u> Investment method</p> <p><u>Date of valuation</u> 4 September 2024</p>	18,000	17,182	818	(82)	736

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No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
19.	Industrial land with moulding factory / warehouse located at Sungai Imam, Pasir Putih Locality, Jalan ITC Sungai Imam, Km 11, Jalan Pasir Putih, Tawau, Sabah. Title No. : CL105463956 Land area : 119,665.66 sqm Category of land use : Industrial Tenure : Leasehold expiring 31 December 2088 Registered owner : Kalabakan Wood Products Sdn Bhd Year of acquisition : 1993	<u>Valuation method</u> Comparison method for vacant land and investment method for site with buildings <u>Date of valuation</u> 4 September 2024	8,300	9,553	(3)(1,253)	-	(1,253)

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No.	Description of property	Valuation method / Date of Valuation	(A) Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = Revaluation surplus / (deficit) (RM'000)	(D) Deferred taxation (RM'000)	(E) = Net revaluation surplus / (deficit) (RM'000)
20.	<p>Single storey steel framed market building known as "Pasar Taman Mawar" located in-between Taman Mawar Phases I and II, off Km 9.3, Jalan Utara, about 9.5 km due west of Sandakan Municipal Centre, Sandakan, Sabah.</p> <p>Title No. : CL075433591 Land area : 2,390.7 sqm Category of land use : Commercial Tenure : Leasehold expiring 26 June 2026 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 1999</p>	<p>Valuation method Investment method</p> <p>Date of valuation 4 September 2024</p>	3,020	856	2,164	(216)	1,948

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No.	Description of property	Valuation method / Date of Valuation	(A) (⁽¹⁾)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (⁽²⁾)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
21.	<p>Double storey hypermarket building leased to Mydin Mohamed Holdings Bhd for 20 years from 24 May 2019 to 23 May 2039, located Lot 3A, Sejati Commercial, Jalan Merpati, off Km 1.7, Jalan Airport, Sandakan, Sabah.</p> <p>Title No. : Part of parent title and CL075126939 and PL076144020</p> <p>Land area : 17,814.2 sqm</p> <p>Category of land use : Commercial</p> <p>Tenure : Leasehold expiring 13 February 2023^(c)</p> <p>Registered owner : Asterasia Sdn Bhd</p> <p>Year of acquisition : 2019</p>	<p>Valuation method Investment method</p> <p>Date of valuation 4 September 2024</p>	92,000	61,275	30,725	(3,073)	27,652

Note:

(c) As at the LPD, the individual title for this property has not been issued. However, upon issuance of the individual title, the tenure will be leasehold expiring 13 February 2923.

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No.	Description of property	Valuation method / Date of Valuation	(A) (⁽¹⁾)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (⁽²⁾)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
22.	A corner 3-storey shop office building located at Lot 1, Taman Airport Phase 1A, Jalan Airport, Sandakan, Sabah. Title No. : CL075543047 Land area : 137.0 sqm Category of land : Commercial Tenure : Leasehold expiring 31 December 2104 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 2006	<u>Valuation method</u> Comparison method <u>Date of valuation</u> 4 September 2024	1,080	301	779	(78)	701

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No.	Description of property	Valuation method / Date of Valuation	(A) (¹)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (²)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
23.	<p><u>Fixed assets</u></p> <p>A piece of industrial land located at Sungai Imam, Pasir Putih Locality, Jalan ITC Sungai Imam, Km 11, Jalan Pasir Putih, Tawau, Sabah.</p> <p>Title No. : CL105421814 Land area : 187,693.4 sqm Category of land use : Industrial Tenure : Leasehold expiring 31 December 2076 Registered owner : Korsa Plywood Sdn Bhd Year of acquisition : 1994</p>	<p><u>Valuation method</u> Comparison method</p> <p><u>Date of valuation</u> 4 September 2024</p>	13,900	12,264	1,636	(164)	1,472

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No.	Description of property	Valuation method / Date of Valuation	(A) (1)Market value (RM'000)	(B) Unaudited NBV as at 30 June 2024 (RM'000)	(C) = (A) – (B) Revaluation surplus / (deficit) (RM'000)	(D) (2)Deferred taxation (RM'000)	(E) = (C) + (D) Net revaluation surplus / (deficit) (RM'000)
24.	A block of 3-storey corporate office building namely Wisma WMG and vacant residential lot located at Taman Indah Jaya Phase 4C, off Km 7.9, Jalan Utara, Sandakan, Sabah. Title No. : TL077590482 and TL077590473 Land area : 5,700.2 sqm Category of land use : <u>TL077590482</u> Commercial <u>TL077590473</u> Residential Tenure : Leasehold expiring 31 December 2081 Registered owner : Wah Mie Realty Sdn Bhd Year of acquisition : 2010	Valuation method Cost method for corporate office building and comparison method for vacant land Date of valuation 4 September 2024	11,660	6,940	4,720	(472)	4,248
			887,458	291,888	595,570	(137,477)	458,093

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Notes:

- (1) Based on the Valuer's opinion of the market value in their respective valuation report / certificates.
- (2) Deferred tax is calculated as follows:

Inventory properties	24%, the corporate tax rate on the assumption that the properties are realised in the ordinary course of business
Investment properties and fixed assets	10%, the applicable statutory real property gains tax rate on the assumption that the properties are realised in the open market

- (3) As the market value ascribed by the Valuer is lower than the NBV, the Board is of the view that an impairment is required and this will be provided accordingly in consultation with WMG's external auditors.

Based on the valuation conducted by the Valuer, we are of the view that the valuation methodologies adopted are reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by the Valuer and are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the reasonableness of the opinion of the market values expressed by the Valuers on the subject properties and have relied upon such market values for the purposes of computing the estimated RNAV of the Group.

RNAV per WMG Share

After considering the above, the estimated RNAV of WMG Group is as follows:

RNAV	Amount (RM'000)	⁽¹⁾ Per Share (RM)
Unaudited consolidated NA of WMG as at 30 June 2024	190,021	0.219
Add: Total net revaluation surplus	458,093	
Estimated RNAV of WMG Group	648,114	0.747
Discount to the estimated RNAV of WMG Group (RM)		0.582
Discount to the estimated RNAV of WMG Group (%)		77.91

Note:

- (1) Computed based on 867,149,053 WMG Shares as at the LPD.

As set out above, the estimated value of the entire equity interest in WMG is approximately RM648.11 million, which translates into RM0.747 per WMG Share. The Share Offer Price of RM0.165 per Offer Share represents a **discount** of RM0.582 or 77.91% to the estimated value per WMG Share.

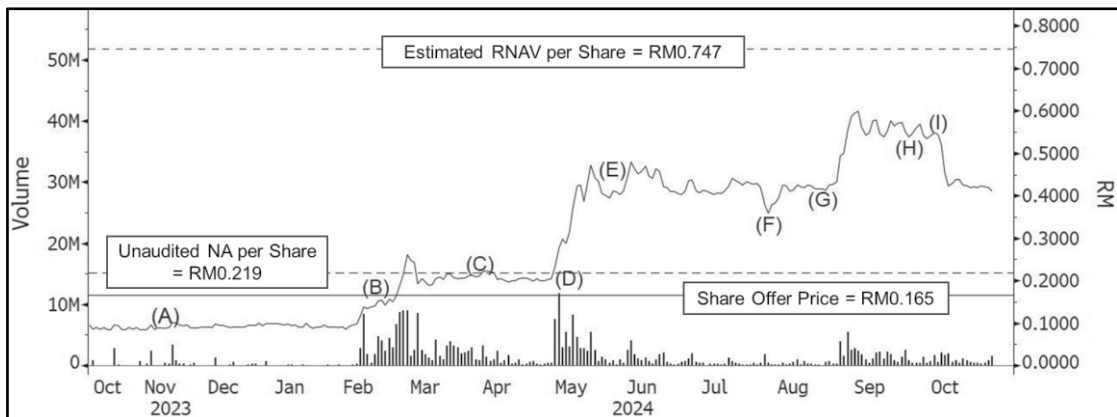
Further, the Share Offer Price represents a **discount** of RM0.054 or 24.66% to the unaudited consolidated NA per Share as at 30 June 2024 (after accounting for conversion of ICPS) of RM0.219.

Nevertheless, the Holders should note that the computation of the estimated RNAV per WMG Share is based on prevailing economic, market and other conditions as at the respective date of valuation, as well as publicly available information and information provided by WMG up to the LPD. Events or circumstances occurring subsequent to the respective valuation date and/or the LPD may significantly change the basis and assumptions used which may then materially affect the RNAV of WMG, whether favourably or adversely.

Furthermore, there is no assurance that the WMG Shares can be realised at its estimated RNAV due to various factors which may impact the eventual proceeds to be received by the shareholders of WMG such as the existence of ready and committed buyers who are willing to pay the RNAV of each asset as well as the payment of incidental costs related to such sale transactions.

6.2 Historical market price performance of WMG Shares

The graph below sets out the historical daily VWAPs of WMG Shares for the past 12 months before the commencement of the Offer Period and up to the LPD:



(Source: Bloomberg)

Save as disclosed below, there were no significant events being announced which may have impacted the historical market price performance of WMG Shares for the past 12 months before the commencement of the Offer Period and up to the LPD:

Date	Notes	Announcement
21 November 2023	(A)	Announcement of quarterly report on the consolidated results for the financial quarter ended 30 September 2023
29 February 2024	(B)	Announcement of quarterly report on the consolidated results for the financial quarter ended 31 December 2023
5 April 2024	(C)	Announcement of the completion of the dissolution of Marimba Sdn Bhd
9 May 2024	(D)	Announcement of the completion of the disposal of 5 parcels of adjoining leasehold lands with a total land area of 10.20 acres, in Kota Kinabalu, Sabah

Date	Notes	Announcement
28 May 2024	(E)	Announcement of quarterly report on the consolidated results for the financial quarter ended 31 March 2024
6 August 2024	(F)	Announcement of an alternative dispute resolution proceedings
27 August 2024	(G)	Announcement of quarterly report on the consolidated results for the financial quarter ended 30 June 2024
1 October 2024	(H)	Announcement of the non-compliance of the public spread requirement
11 October 2024	(I)	Receipt of the Notice

Based on the graph above, the Share Offer Price had been **lower than** the daily VWAPs of WMG Shares since early March 2024 and up to the LPD. The Share Offer Price is lower than the daily VWAPs of WMG Shares for approximately 66% of the total traded days for the past 12 months before the commencement of the Offer Period and up to the LPD.

The principal activities of WMG Group have remained unchanged for the past 12 months before the commencement of the Offer Period and up to the LPD.

Further, the Share Offer Price represents the following discount to the historical closing market prices / VWAPs of WMG Shares (as extracted from Bloomberg):

	Closing market prices / VWAPs	Discount of the Share Offer Price to the historical closing market prices / VWAPs of WMG Shares	
	(RM)	(RM)	(%)
Up to the LTD (10 October 2024):			
Last traded market price	0.5400	(0.3750)	(69.44)
5-day VWAP	0.5450	(0.3800)	(69.72)
1-month VWAP	0.5599	(0.3949)	(70.53)
3-month VWAP	0.5191	(0.3541)	(68.21)
6-month VWAP	0.4152	(0.2502)	(60.26)
1-year VWAP	0.3042	(0.1392)	(45.76)
Up to the LPD (4 November 2024):			
Last traded market price	0.4100	(0.2450)	(59.76)
5-day VWAP	0.4156	(0.2506)	(60.30)

(Source: Bloomberg)

Based on the table above, we noted that the Share Offer Price:

- (i) represents a **discount** of RM0.3750 (69.44%) to the last traded market price of WMG Shares on the LTD;
- (ii) represents a **discount** of between RM0.1392 (45.76%) and RM0.3949 (70.53%) to the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of WMG Shares up to the LTD; and
- (iii) represents a **discount** of RM0.2450 (59.76%) and RM0.2506 (60.30%) to the last traded market price of WMG Shares on the LPD and the 5-day VWAP of the WMG Shares up to the LPD respectively.

Holders should note that the market prices of WMG Shares have been trading above the Offer Price since early March 2024 up to the LPD. However, this may not be an indication of future market price performance of WMG Shares which may be influenced by, amongst others, the performance and prospects of WMG Group, economic conditions, economic outlook, stock market conditions, market sentiments, other general macroeconomic conditions as well as company-specific factors. There can be no assurance that the market price of WMG Shares will continue to trade at the current price levels after the Closing Date.

6.3 Valuation of RCPS

The RCPS Offer Price is on a “see-through” basis as the RCPS are convertible into WMG Shares. Hence, the value of WMG Shares is reflective of the value of the RCPS. In this regard, our analysis of the Offer Shares is also relevant to the Holder of the Offer RCPS.

Please refer to Section 6.1, Part B of this IAC for further details on the valuation of WMG Shares.

Each RCPS is convertible into 2 new WMG Shares at a conversion price of RM0.50 per WMG Share at any time during the 10-year period up to 2 July 2027, being the date immediately before the maturity date of the RCPS.

Holders should note that the conversion of RCPS into WMG Shares will result in an increase in the number of WMG Shares and accordingly the NA per WMG Shares will be diluted accordingly.

Conversion ratio from RCPS to WMG Share	(A)	2
Estimated RNAV per Offer Share (RM)	(B)	0.747
Estimated value per Offer RCPS based on “see-through” (RM)	(C) = (A) x (B)	1.494
RCPS Offer Price (RM)	(D)	0.330
Discount of RCPS Offer Price to the estimated value per Offer Share (RM)	(E) = (C) – (D)	1.164
Discount of RCPS Offer Price to the estimated value per Offer Share (%)	(E) / (C)	77.91

Based on the above, the RCPS Offer Price of RM0.330 represents a **discount** of RM1.164 (77.91%) to the estimated value per Offer RCPS of RM1.494 on a “see through” basis.

As the LPD, WMG has a total of 155,000,000 RCPS. The RCPS is not listed and all the 155,000,000 RCPS are held by SKHSB, the sole RCPS holder.

SKHSB has provided the SKHSB Undertaking to the Offeror to undertake, amongst others:

- (i) not to accept the RCPS Offer in respect of its 155,000,000 Offer RCPS and the Offeror shall be entitled to reject any form of acceptance by or on behalf of SKHSB that purports to accept the RCPS Offer during the Offer Period;
- (ii) not to sell, transfer, charge, encumber, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the Offer RCPS (including any new WMG Shares arising from the conversion of the RCPS) or any interest therein up to the Closing Date; and
- (iii) not to exercise its rights to convert any of its RCPS up to the Closing Date.

Our view on the fairness of the Offer:

Based on our analysis as set out in Sections 6.1 and 6.2, Part B of this IAC, we conclude that the Share Offer is **NOT FAIR** as the Share Offer Price of RM0.165:

- (i) represents a **discount** of RM0.582 (77.91%) to the estimated RNAV of RM0.747 per WMG Share;
- (ii) represents a **discount** of RM0.054 (24.66%) to the unaudited consolidated NA per Share as at 30 June 2024 (after accounting for conversion of ICPS) of RM0.219;
- (iii) has been **lower than** the daily VWAPs of WMG Shares since early March 2024 and up to the LPD;
- (iv) represents a **discount** of RM0.3750 (69.44%) to the last traded market price of WMG Shares on the LTD and a discount of between RM0.1392 (45.76%) and RM0.3949 (70.53%) to the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of WMG Shares up to the LTD; and
- (v) represents a **discount** of RM0.2450 (59.76%) and RM0.2506 (60.30%) to the last traded market price of WMG Shares on the LPD and the 5-day VWAP of the WMG Shares up to the LPD respectively.

Based on our analysis as set out in Section 6.3, Part B of this IAC, we conclude that the RCPS Offer is **NOT FAIR** as the RCPS Offer Price of RM0.330 represents a **discount** of RM1.164 (77.91%) to the estimated value per Offer RCPS of RM1.494 on a “see through” basis.

The Holders are advised to closely monitor the market prices of WMG Shares and evaluate the Offer Price before deciding whether to accept or reject the Offer for your Offer Securities prior to the Closing Date. If you wish and if the trading liquidity permits, you may consider disposing of your WMG Shares in the open market if the market prices of WMG Shares are higher than the Offer Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price.

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7. REASONABLENESS OF THE OFFER

7.1 Listing status of WMG

(i) Provisions of the Listing Requirements

Pursuant to subparagraph 8.02(1) of the Listing Requirements, a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. Bursa Securities may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market of such shares.

A listed issuer which fails to maintain the Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. If Bursa Securities does not grant an extension of time to rectify the Public Spread Requirement, Bursa Securities may take or impose any type of action or penalty pursuant to paragraph 16.19 of the Listing Requirements for a breach of subparagraph 8.02(1) of the Listing Requirements and may, at its discretion, suspend trading in the securities of the listed issuer pursuant to subparagraph 16.02(1) of the Listing Requirements. Notwithstanding that, the non-compliance of the Public Spread Requirement will not automatically result in the delisting of the listed issuer from the Official List.

Pursuant to subparagraph 9.19(48) of the Listing Requirements, if 90% or more of WMG Shares are being held by the Offeror, the Joint Ultimate Offerors and/or persons acting in concert with them, an immediate announcement must be made by WMG.

Upon such immediate announcement made by WMG and where the Offeror and the Joint Ultimate Offerors have announced that they intend to maintain the listing status of WMG, Bursa Securities shall suspend the trading of the securities of WMG upon the expiry of 30 Market Days from the date of the immediate announcement made by WMG pursuant to subparagraph 16.02(2) of the Listing Requirements. In this regard, the suspension will only be uplifted upon WMG's compliance with the Public Spread Requirement or as may be determined by Bursa Securities.

(ii) Intention of the Offeror

The Offeror and the Joint Ultimate Offerors intend to maintain the listing status of WMG on the Main Market of Bursa Securities.

WMG had on 1 October 2024 announced that based on its Register of Depositors as at 30 September 2024, its public shareholding spread was 17.58% and hence WMG is not in compliance with the Public Spread Requirement.

WMG had on 11 October 2024 announced that Bursa Securities had vide its letter dated 11 October 2024 granted WMG an extension of time of up to 27 December 2024 for WMG to rectify the non-compliance with the Public Spread Requirement.

Given the non-compliance with the Public Spread Requirement, upon completion of the Offer, the Offeror, the Joint Ultimate Offerors and the PAC will work together with WMG to explore various options or proposals within the stipulated time frame as allowed by the relevant authorities to rectify the shortfall in the Public Spread Requirement of WMG. As at the Offer Document LPD, no arrangements on the aforementioned have been made.

Nevertheless, any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the approval of the shareholders of WMG. The actual course of action to be taken will depend on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time.

Holders should note that while the Offeror, the Joint Ultimate Offerors and the PAC will work together with WMG to rectify any shortfall in the Public Spread Requirement of WMG, there can be no assurance that the Public Spread Requirement of WMG can be rectified within the stipulated time frame.

If WMG does not meet the Public Spread Requirement within the stipulated time frame, the Offeror, the Joint Ultimate Offerors and/or WMG may seek for a further extension of time from the relevant authorities to do so. Bursa Securities has the absolute right to grant an extension or reject the said application.

Comments

We note that the Offeror and the Joint Ultimate Offerors intend to maintain the listing status of WMG on the Main Market of Bursa Securities. Therefore, WMG Shares will remain tradable on the Main Market of Bursa Securities.

As at the Offer Document LPD, the public shareholding spread of WMG was 17.58% and WMG is not in compliance with the Public Spread Requirement. WMG had sought Bursa Securities' approval for an extension of time to rectify the non-compliance with the Public Spread Requirement. Bursa Securities had on 11 October 2024 granted an extension of time of up to 27 December 2024 for WMG to rectify the non-compliance with the Public Spread Requirement.

Notwithstanding the Offeror's and the Joint Ultimate Offerors' intention to maintain the listing status of WMG and the effort to rectify the non-compliance with the Public Spread Requirement, if WMG is unable comply with the Public Spread Requirement and such non-compliance is not rectified within the timeframe as allowed by Bursa Securities, the trading in WMG Shares may be suspended or even delisted. In such circumstances, you will not be able to trade in WMG Shares on the Main Market of Bursa Securities until the non-compliance with the Public Spread Requirement is resolved.

You are advised to closely monitor any press releases and/or announcements made in relation to the Offer, particularly on the level of acceptances and non-compliance with the Public Spread Requirement (if any).

7.2 Compulsory acquisition and rights of Dissenting Holders

Compulsory acquisition

As set out in Section 4.2 of the Offer Document, **the Offeror and the Joint Ultimate Offerors do not intend to invoke the provisions of subsection 222(1) of the CMSA** to compulsorily acquire any outstanding Offer Securities for which Valid Acceptances have not been received prior to the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

Rights of Dissenting Holders

Subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror, the Joint Ultimate Offerors and persons acting in concert holding not less than 9/10 in the nominal value of all the shares in the Offeree or of that class in the Offeree (including WMG Shares already held by the Offeror, the Joint Ultimate Offerors and persons acting in concert with them) on or before the Closing Date, a Dissenting Holder may exercise his rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his Offer Securities (as the case may be) on the same terms and conditions as set out in the Offer Document or such other terms as may be agreed.

If a Dissenting Holder invokes the provisions of subsection 223(1) of the CMSA, the Offeror will acquire such Offer Securities in accordance with the provisions of the CMSA, subject to the provisions of section 224(3) of the CMSA which provides that if a Dissenting Holder exercises his rights under subsection 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder, order that the terms on which the Offeror must acquire such Offer Securities shall be as the court thinks fit.

Subsection 223(2) of the CMSA requires the Offeror to give the Dissenting Holders a notice in the manner specified by the SC of the rights exercisable by the Dissenting Holders under subsection 223(1) of the CMSA, within 1 month of the time the Offeror, the Joint Ultimate Offerors and persons acting in concert with them have received valid acceptances from the Holders resulting in the Offeror, the Joint Ultimate Offerors and the persons acting in concert with them holding not less than 9/10 in the value of all the shares in the Offeree or of that class in Offeree.

A notice to the Dissenting Holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and if such period shall not be less than 3 months after the Closing Date.

Comments

We note that the Offeror and the Joint Ultimate Offerors do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any outstanding Offer Securities from the Dissenting Holders for which Valid Acceptances have not been received prior to the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

Notwithstanding the above and subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror, the Joint Ultimate Offerors and persons acting in concert with them holding not less than 9/10 in the nominal value of all the shares in the Offeree or of that class in the Offeree (including WMG Shares already held by the Offeror, the Joint Ultimate Offerors and persons acting in concert with them) on or before the Closing Date, a Dissenting Holder may exercise his rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his Offer Securities (as the case may be) on the same terms and conditions as set out in the Offer Document or such other terms as may be agreed.

If the Dissenting Holders do not or fail to exercise such rights within the stipulated period, they may continue to hold the Offer Securities as the Offeror and the Joint Ultimate Offerors do not intend to invoke section 222(1) of the CMSA.

We wish to advise that if you have become entitled to and wish to exercise your rights under section 223 of the CMSA, you should consult your legal adviser immediately.

7.3 MainStreet's view on the reasonableness of the Offer

Premised on the Offeror's and the Joint Ultimate Offerors' intention to maintain the listing status of WMG on the Main Market of Bursa Securities and our assessment as set out in Section 7, Part B of this IAC, we view the Offer as **NOT REASONABLE** as WMG Shares (including any new WMG Shares that may be issued pursuant to the conversion of the RCPS) will remain tradeable on the Main Market of Bursa Securities and hence, the Holders will still have the opportunity to realise their investment in WMG Shares at the prevailing market prices in the open market after the Closing Date (although there is no assurance that WMG Shares will continue to trade at the current price levels and trading volumes after the Closing Date).

8. HISTORICAL LIQUIDITY ANALYSIS OF WMG SHARES

The monthly trading volume of WMG Shares as well as the monthly trading volume-to-free float of WMG Share and Bursa Malaysia Property Index (“KLPRP”) (index representing the property sector, where WMG is a member) for the past 12 months up to October 2024 (being the last full trading month prior to the LPD) are shown below:

Month	WMG Shares		KLPRP
	Monthly volume traded ⁽¹⁾ (units)	Monthly volume traded over free float ⁽²⁾ (%)	Monthly volume traded over free float (%)
<u>2024</u>			
October	18,254,055	10.40	9.07
September	38,338,894	21.85	9.75
August	9,033,537	5.15	15.19
July	10,966,761	6.25	12.96
June	21,155,842	12.06	15.22
May	⁽³⁾ 64,754,828	⁽³⁾ 36.90	16.93
April	24,477,732	13.95	15.49
March	⁽³⁾ 77,190,352	⁽³⁾ 43.99	17.58
February	31,958,023	18.21	13.36
January	1,935,170	1.10	⁽³⁾ 26.26
<u>2023</u>			
December	2,703,447	1.54	9.80
November	9,825,658	5.60	8.49
Simple average	25,882,858	14.75	14.18
Simple average (excluding outliers)	⁽³⁾16,864,912	⁽³⁾9.61	⁽³⁾13.08

(Sources: Bloomberg and announcements on Bursa Securities)

Notes:

- (1) Monthly volume traded excludes WMG Shares traded in the open market by the directors of WMG and substantial shareholders of WMG as well as those purchased from the open market and retained as treasury shares by WMG during the respective months, if any.
- (2) Free float excludes WMG Shares held by the directors of WMG and substantial shareholders of WMG as well as those retained as treasury shares by WMG as at the end of the respective months, if any.
- (3) The trading volume is deemed to be an outlier and is excluded from the computation of simple average.

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WMG Shares have demonstrated mixed liquidity performance over the past 12 months, up to October 2024. Notably, there were 7 months where the monthly trading volume-to-free float exceeded 10%, ranging from 10.40% to 43.99%, with a simple average of 22.48%. Conversely, there were also 5 months where the monthly trading volume-to-free float is below 10%, ranging from 1.10% to 6.25%, with a simple average of 3.93%.

Since February 2024, there has been an uptick in monthly trading volume, with the lowest recorded at 9.03 million Shares (August 2024) and the highest at 77.19 million Shares (March 2024). From February 2024 to October 2024, the monthly trading volume-to-free float fluctuated between 5.15% and 43.99%. This shows the overall increase in trading activity of WMG Shares.

Overall, WMG Shares has a simple average monthly trading volume-to-free float of 14.75% over the past 12 months up to October 2024 (being the last full trading month prior to the LPD) and have an average monthly traded volume of 25,882,858 units of WMG Shares.

The liquidity of WMG Shares is comparable to KLPRP, with a simple average of 14.18% over the same period. As such, Holders who do not accept the Share Offer may still have the opportunity to realise their investment in WMG Shares after the Closing Date by way of open market transactions.

Nevertheless, after excluding outliers, WMG Shares has a simple average monthly trading volume-to-free float of WMG Shares of 9.61% (with an average traded volume of 16,864,912 units of WMG Shares), while KLPRP has a simple average of 13.08%. We note that after excluding the outliers, WMG Shares are illiquid when compared to the KLPRP.

However, the above evaluation is based on the historical trading volume of WMG Shares for the respective periods as well as the free float as at the respective dates and should not be relied upon as an indication of the future trading liquidity of WMG Shares, which may be influenced by, amongst others, the performance and prospects of WMG Group, economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors.

Accordingly, Holders are advised to closely monitor the market prices, trading volume and any press releases and/or announcements made in relation to the Share Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

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9. RATIONALE FOR THE OFFER AND FUTURE PLANS FOR WMG GROUP AND ITS EMPLOYEES

We refer to the rationale for the Offer and future plans for WMG Group and its employees as set out in Sections 3 and 6 of the Offer Document respectively. Set out below are our comments on:

Rationale for the Offer

We take note that Exsim Borneo (being the wholly owned subsidiary of EDSB) is incorporated as an investment holding company to undertake the Acquisition 1 and the Offer.

EDSB Group is principally involved in the property development business. The Joint Ultimate Offerors, through the EDSB Group have accumulated more than 16 years of experience in property development business and have established the “EXSIM” brand and built its reputation in the property development industry.

In the past 5 years, EDSB Group completed various property development projects with an aggregate GDV of approximately RM6.93 billion (as at the Offer Document LPD) comprising residential properties, commercial developments and industrial developments.

EDSB Group had since June 2024 expanded its property development business in Sabah by launching 2 projects, namely Bayu Damai Residences in Kota Kinabalu and Sejati Sentral in Sandakan with GDV of approximately RM534 million and RM254 million respectively.

WMG Group is primarily involved in the business of property development (particularly in the state of Sabah) as well as involved in property letting and trading of building materials. WMG Group has 2 on-going property development projects and 264 hectares of undeveloped land bank in Kota Kinabalu and Sandakan, Sabah.

In line with the EDSB Group’s strategy to further expand its footprint in East Malaysia, the Acquisition 1 represents a strategic opportunity for EDSB Group to widen its presence in Sabah, taking into consideration the immediate inclusion of WMG Group’s sizeable undeveloped land bank in Sabah.

With this, EDSB Group and WMG Group are expected to benefit from synergies arising from the collective core competencies of EDSB Group and WMG Group. WMG Group would be able to leverage on EDSB Group’s reputation, track record, experience, networks and relationships in the property development industry to unlock the value of WMG Group’s undeveloped land bank in Sabah and improve its marketing efforts to sell property inventories, thereby improving the financial performance and growth prospects of its property development business in Sabah. EDSB Group’s experience in the property development business would also strengthen WMG Group in terms of cost management and project quality.

Ben Kong has more than 30 years’ experience in property development. He is EDSB’s joint venture partner in BEDI, with an indirect equity interest of 25% through Harapan Borneo Sdn Bhd. Through BEDI, EDSB Group launched the Bayu Damai Residences project in Kota Kinabalu and Sejati Sentral in Sandakan. As most of WMG Group’s development will be in Sabah, it is proposed for Ben Kong to be responsible for the Group’s future property developments projects in Sabah.

Further, the Offer was made by the Offeror pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules as the Offeror’s, the Joint Ultimate Offerors’ and the PAC’s collective shareholdings in WMG increased from nil to 70.00% following the Acquisitions and the Offeror’s shareholdings increased from nil to 52.50% following the completion of the Acquisition 1.

The Holders will also be provided with an opportunity to realise their investments in WMG for cash at the Share Offer Price and RCPS Offer Price. Notwithstanding this, Holders should also monitor the prevailing market prices of WMG Shares compared to the Offer Price before deciding whether to sell WMG Shares in the open market or to accept the Offer.

In view of the Offeror's and the Joint Ultimate Offerors' rationale for the Offer and intention in relation to the listing status of WMG, the Offeror and the Joint Ultimate Offerors do not have the intention to privatise the Company through undertaking the Offer.

Future plans for WMG Group and its employees

The intentions of the Offeror and the Joint Ultimate Offerors with respect to the future plans for WMG Group and its employees after Closing Date (see full details in Section 6 of the Offer Document) are summarised as follows:

- (i) to continue with the existing business of WMG Group;
- (ii) intend to complement, expand and contribute to WMG Group's existing business by leveraging on the Joint Ultimate Offerors' expertise, experience and business network in the property development industry;
- (iii) intend to improve the financial performance of WMG Group through certain initiatives, which may include capitalising on synergistic opportunities such as strategic collaborations with other business partners, joint ventures and/or acquisition of assets, companies or businesses (including those in similar businesses, or which are complementary to the current and expanded business of the WMG Group);
- (iv) no immediate plans to introduce or effect any major changes to the existing business of WMG Group, liquidate any key operating companies within WMG Group (save for dormant and inactive companies and those which are already undergoing the process of liquidation or striking-off), dispose of any major assets or undertake any re-deployment of fixed assets of WMG Group; and
- (v) no immediate plans to dismiss or make redundant any of the existing employees of WMG Group as a direct consequence of the Offer.

However, Holders should note that the Offeror and the Joint Ultimate Offerors intend to appoint their nominees as directors of WMG at a date to be determined later, in accordance with the Rules and all relevant guidelines. As at the Offer Document LPD, save for Ben Kong, who the Offeror and the Joint Ultimate Offerors intend to nominate to the Board after the Closing Date, the other parties to be nominated to the Board have yet to be determined.

Notwithstanding the above, the Offeror and the Joint Ultimate Offerors retain the flexibility to consider any options that may present itself which are in the interest of WMG Group.

Save for the abovementioned expansion plan of EDSB in East Malaysia by tapping into WMG Group's sizeable undeveloped land bank in Sabah, the Offeror and the Joint Ultimate Offerors have stated their intention in the Offer Document that the future plans for WMG Group's business, corporate structure, assets and employees are not expected to change materially after the Closing Date.

Holders should note that, as at the LPD, the Offeror, the Joint Ultimate Offerors and the PAC collectively hold the controlling stake of 70.00% in WMG Shares. Therefore, any alternative proposal will not be successful without their support.

The Offeror, the Joint Ultimate Offerors and the PAC (through casting of their collective votes which represent 70.00% of the total voting shares in WMG) are able to:

- (i) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast) sought at shareholders' general meetings of the Company;
- (ii) oppose any special resolutions (requiring approval from at least 75% of the total votes cast) sought at shareholders' general meetings of the Company; and
- (iii) significantly influence the approval of any special resolutions (requiring approval from at least 75% of the total votes cast) sought at the shareholders' general meetings of the Company.

This is provided that the Offeror and the Joint Ultimate Offerors or their related parties are not interested in such resolutions and are allowed to vote at general meetings of WMG.

Nevertheless, Holders should note that WMG is currently not in compliance with the Public Spread Requirement. Upon completion of the Offer, the Offeror, the Joint Ultimate Offerors and the PAC will work together with WMG to explore various options or proposals within the stipulated time frame as allowed by the relevant authorities to rectify the shortfall in the Public Spread Requirement.

10. FURTHER INFORMATION

The Holders are advised to refer to the views and recommendation of the Non-Interested Directors as set out in Section 8, Part A of this IAC as well as the attached appendices and other relevant information in the Offer Document for further details in relation to the Offer.

11. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby the term "fair and reasonable" should generally be analysed as 2 distinct criteria, i.e. whether the Offer is "fair" and whether the Offer is "reasonable", rather than as a composite term.

Summarised below are the pertinent factors which you should carefully consider prior to making a decision whether to accept or reject the Offer:

Fairness	<p>We conclude that the Share Offer is <u>NOT FAIR</u> as the Share Offer Price of RM0.165:</p> <ul style="list-style-type: none"> (i) represents a <u>discount</u> of RM0.582 (77.91%) to the estimated RNAV of RM0.747 per WMG Share; (ii) represents a <u>discount</u> of RM0.054 (24.66%) to the unaudited consolidated NA per Share as at 30 June 2024 (after accounting for conversion of ICPS) of RM0.219; (iii) has been <u>lower than</u> the daily VWAPs of WMG Shares since early March 2024 and up to the LPD;
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	<p>(iv) represents a discount of RM0.3750 (69.44%) to last traded market price of WMG Shares on the LTD and a discount of between RM0.1392 (45.76%) and RM0.3949 (70.53%) to the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of WMG Shares up to the LTD; and</p> <p>(v) represents a discount of RM0.2450 (59.76%) and RM0.2506 (60.30%) to the last traded market price of WMG Shares on the LPD and the 5-day VWAP of the WMG Shares up to the LPD respectively.</p> <p>Further, we conclude that the RCPS Offer is NOT FAIR as the RCPS Offer Price of RM0.330 represents a discount of RM1.164 (77.91%) to the estimated value per Offer RCPS of RM1.494 on a “see through” basis.</p>
<p>Reasonableness</p>	<p>We view that the Offer as NOT REASONABLE as WMG Shares (including any new WMG Shares that may be issued pursuant to the conversion of the RCPS) will remain tradable on the Main Market of Bursa Securities and hence, Holders will still have the opportunity to realise their investment in WMG Shares at the prevailing market prices in the open market after the Closing Date (although there is no assurance that WMG Shares will continue to trade at the current price levels and trading volumes after the Closing Date) as the Offeror and the Joint Ultimate Offerors:</p> <p>(i) intend to maintain the listing status on WMG on the Main Market of Bursa Securities; and</p> <p>(ii) do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any outstanding Offer Securities from the Dissenting Holders for which Valid Acceptances have not been received prior to the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.</p> <p>Moreover, the liquidity of WMG Shares is comparable to KLPRP, after taking into consideration WMG Shares have the simple average monthly trading volume-to-free float of 14.75% over the past 12 months up to October 2024 (being the last full trading month prior to the LPD) as compared to KLPRP, with a simple average of 14.18% over the same period.</p>

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Premised on the above and our evaluation of the Offer as set out in Sections 6 and 7, Part B of this IAL, we are of the view that the Offer is **NOT FAIR** and **NOT REASONABLE**. Accordingly, we:

- (i) advised the Non-Interested Directors to recommend the Holders to **REJECT** the Offer; and
- (ii) recommend that the Holders **REJECT** the Offer.

Nonetheless, the decision to be made in respect of the Offer would rest on the individual risk appetite and specific investment objectives of the Holders. If the Holders wish and if the trading liquidity permits, they may consider disposing of their WMG Shares in the open market if the market prices of WMG Shares are higher than the Share Offer Price, after taking into consideration the associated transaction costs.

Holdes are advised to closely monitor the market prices, trading volumes and any press releases and/or announcements made in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

The advice of MainStreet as contained in this IAL is addressed to the Holders at large and not to any particular Holders. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives, financial situations, risk profiles and particular needs of any individual Holder or any specific group of Holders.

In addition to our evaluation on the fairness and reasonableness of the Offer, Holders are advised to consider their investment objectives, financial situation, risk profile and particular needs before making a decision on the course of action to be taken in respect of the Offer. We recommend that any individual Holder or any specific group of Holders who may require advice in the context of their investment objectives, financial situations, risk profiles and particular needs should consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC TOGETHER WITH THE OFFER DOCUMENT BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

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

Yours faithfully,
for and on behalf of
MAINSTREET ADVISERS SDN BHD

LAI SWEE SIM
Managing Director

DATO' SIOW KIM LUN
Adviser

APPENDIX I – INFORMATION ON WMG

1. HISTORY AND PRINCIPAL ACTIVITIES

WMG was incorporated in Malaysia on 25 November 2015 under the Act under the name of WMG Holdings Sdn Bhd. The Company was converted into a public limited company on 4 November 2016.

On 31 July 2017, WMG completed the reverse takeover of Tekala Corporation Berhad (“**Tekala**”), following the de-listing of the ordinary shares of Tekala from the Official List of the Main Market of Bursa Securities, and the listing and quotation of WMG Shares on the Official List of the Main Market of Bursa Securities in place of Tekala. Thereafter, WMG assumed the listing status of Tekala.

WMG is an investment holding company. The principal activities of its subsidiaries are set out in Section 5, Appendix I of this IAC.

2. SHARE CAPITAL

2.1 Issued share capital

The issued share capital of WMG as at the LPD is as follows:

	Units	Amount (RM)
Ordinary shares	867,149,053	434,682,123
RCPS	155,000,000	149,172,930

The rights of the holders of WMG Shares and RCPS in respect of capital distribution, dividends and voting are as set out below:

WMG Shares

The holders of WMG Shares are entitled to receive dividends as declared from time to time and are entitled to 1 vote per share at general meetings of the Company. All WMG Shares rank equally with regards to the Company’s residual assets.

RCPS

The salient terms of the RCPS in terms of capital distribution, dividends and voting are as follows:

- (i) rank priority to the holders of other class of shares in respect of capital repayment and dividends;
- (ii) same rights as the holders of WMG Shares on receiving notices, reports and audited financial statements and attending general meetings of the Company but will not have the right to vote / move / second any resolution at any general meeting of the Company except on:
 - (a) reduction of the Company’s share capital;
 - (b) disposal of the whole of the Company’s property, business and undertaking;
 - (c) proposal varying or affecting rights, privileges or conditions attached to the RCPS, or the exercise of any of those rights, privileges or conditions;
 - (d) winding-up of the Company;
 - (e) during the winding up of the Company; and
 - (f) during the period when the dividend or part of the dividend payable on the RCPS is in arrears for more than 6 months.

In any of the aforesaid circumstances, the holders of RCPS shall have 1 vote for each of the RCPS held.

APPENDIX I – INFORMATION ON WMG (CONT'D)

- (iii) rank in priority to the holder of other class of shares in the Company to receive cash repayment in full and the amount of any dividend in arrears of that RCPS after repaying and discharging all debts and liabilities of the Company and the costs of winding up or such capital reduction exercise, and holders of RCPS will not be entitled to participate in any profits or surplus assets of the Company.

Please refer to Appendix III of this IAC for the salient terms of the RCPS.

2.2 Changes in the issued share capital

Save for the conversion of 211,281,792 ICPS into 422,563,584 new WMG Shares on 24 September 2024, there are no changes in WMG's issued share capital since the end of FYE 31 December 2023 up to the LPD.

2.3 Convertible securities

Save for the 155,000,000 outstanding RCPS, WMG does not have any convertible securities as at the LPD.

The RCPS has a tenure of 10 years from the date of issuance. Each RCPS is redeemable at the option of WMG and convertible at the conversion price of RM0.50 for 1 new WMG Share at any time after 3 July 2017 (date of issuance of the RCPS) up to 2 July 2027 (date immediately before the maturity date of the RCPS). As such, a maximum of 310,000,000 new ordinary shares in WMG will be issued assuming full conversion of the outstanding RCPS. The RCPS is not listed, quoted or traded on Bursa Securities or any other stock exchange.

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APPENDIX I – INFORMATION ON WMG (CONT'D)

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of WMG and their shareholdings as at the LPD are as follows:

Name	Direct		Indirect	
	No. of WMG Shares	(1)%	No. of WMG Shares	(1)%
Exsim Borneo	455,253,253	52.50	-	-
EDSB	-	-	(2)455,253,253	52.50
Lim Aik Hoe	-	-	(3)455,253,253	52.50
Lim Aik Kiat	-	-	(3)455,253,253	52.50
Lim Aik Fu	-	-	(3)455,253,253	52.50
Ben Kong	151,751,084	17.50	-	-
SKHSB	55,559,267	6.41	-	-
Real Paradigm Sdn Bhd	-	-	(4)55,559,267	6.41
Quek Chiow Yong Holdings Sdn Bhd	11,296,253	1.30	(5)55,559,267	6.41
Datuk Quek Siew Hau	411,620	0.05	(5)(6)66,855,520	7.71
Fong Kin Wui	2,255,406	0.26	(5)(7)56,848,800	6.56
Lim Ted Hing	2,275,763	0.26	(5)55,559,267	6.41
Seah Sen Onn @ David Seah	12,871,025	1.48	(5)55,559,267	6.41
Chan Ka Tsung	-	-	(5)55,559,267	6.41
Total	691,673,671	79.76		

Notes:

- (1) Computed based on the share capital of WMG comprising 867,149,053 WMG Shares as at the LPD.
- (2) Deemed interested by virtue of its interest in Exsim Borneo pursuant to Section 8 of the Act.
- (3) Deemed interested through Exsim Borneo by virtue of his interest in EDSB pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its interest in SKHSB pursuant to Section 8 of the Act.
- (5) Deemed interested through SKHSB by virtue of its/his interest in Real Paradigm Sdn Bhd pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of his interest in Quek Chiow Yong Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his interest in Fong Tham Hing Enterprise Sdn Bhd pursuant to Section 8 of the Act.

APPENDIX I – INFORMATION ON WMG (CONT'D)

4. DIRECTORS

As at the LPD, the details of the directors of WMG are as follows:

Name / Designation	Nationality	Address
Datuk Quek Siew Hau (Executive Chairman)	Malaysian	Wisma WMG Lot 1 & 2, Jalan Indah Jaya Taman Indah Jaya Jalan Lintas Selatan 90000 Sandakan, Sabah
Fong Kin Wui (Managing Director)	Malaysian	
Lim Ted Hing (Executive Director)	Malaysian	
Seah Sen Onn @ David Seah (Executive Director)	Malaysian	
Chan Ka Tsung (Executive Director)	Malaysian	
Hajah Shakinur Ain Binti Hj Karama (Senior Independent Non-Executive Director)	Malaysian	
Teo Gim Suan (Independent Non-Executive Director)	Malaysian	
Wong Lee Hung (Independent Non-Executive Director)	Malaysian	

The interests of the directors of WMG in WMG Shares as at the LPD are set out in Section 4, Part A of this IAC.

5. SUBSIDIARIES, ASSOCIATED COMPANY AND JOINT VENTURE

The details of the subsidiaries of WMG as at the LPD are as follows:

Name of company	Country of incorporation	Effective equity interest (%)	Principal activities
Cosmopolitan Company Sdn Berhad	Malaysia	100.0	Investment holding
Ritai Sdn Bhd	Malaysia	100.0	Investment holding
Tekala Corporation Sdn Bhd	Malaysia	100.0	Investment holding
Syarikat Far East Development Sdn Bhd	Malaysia	100.0	Property development
Velda Development Sdn Bhd	Malaysia	100.0	Property development
Wah Mie Realty Sdn Bhd	Malaysia	100.0	Property development and investment holding

APPENDIX I – INFORMATION ON WMG (CONT'D)

Name of company	Country of incorporation	Effective equity interest (%)	Principal activities
H. W. E. Sdn Bhd	Malaysia	100.0	Property development
Wilakaya Sdn Bhd	Malaysia	100.0	Property development
KK Stay Sdn Bhd	Malaysia	100.0	Provision of short stay management services (dormant)
Syarikat Tekala Sdn Bhd	Malaysia	100.0	Provision of corporate services
Kalabakan Plywood Sdn Bhd	Malaysia	100.0	Property letting
Kalabakan Wood Products Sdn Bhd	Malaysia	100.0	Property letting
Korsa Plywood Sdn Bhd	Malaysia	100.0	Property holding
Asterasia Sdn Bhd	Malaysia	100.0	Property development and property letting
BSIP Clubhouse Sdn Bhd	Malaysia	100.0	Provide clubhouse service (dormant)
Hajat Melangit Sdn Bhd	Malaysia	100.0	Investment holding and property development (inactive)
Prosper Entity Sdn Bhd	Malaysia	100.0	Property development
Ramindah Sdn Bhd	Malaysia	100.0	Property development
Wah Mie Construction Sdn Bhd	Malaysia	100.0	Construction contractor (inactive)
Wah Mie Corporation Sdn Bhd	Malaysia	100.0	Investment holding (inactive)
Wah Mie Enterprise Sdn Bhd	Malaysia	100.0	Wholesaling and retailing of hardware, building materials and related goods (inactive)
Wah Mie Group Sdn Bhd	Malaysia	100.0	Investment holding (dormant)
Wah Mie Trading Sdn Bhd	Malaysia	100.0	Wholesaling and retailing of hardware, building materials and related goods

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APPENDIX I – INFORMATION ON WMG (CONT'D)

Name of company	Country of incorporation	Effective equity interest (%)	Principal activities
WM Property Management Sdn Bhd	Malaysia	100.0	Provision of business management services
WM Asset Management Sdn Bhd	Malaysia	100.0	Money lending (dormant)

As at the LPD, WMG does not have any associated company or joint venture.

6. PROFIT AND DIVIDEND RECORD

A summary of the WMG's results based on the audited consolidated financial statements of WMG for the past 3 financial years up to FYE 31 December 2023 and the latest unaudited consolidated financial statements of WMG for the 6-month FPE 30 June 2024 are as follows:

	FYE 31 December 2021 (RM'000)	FYE 31 December 2022 (RM'000)	FYE 31 December 2023 (RM'000)	6-month FPE 30 June 2024 (RM'000)
Revenue	61,273	78,034	122,752	106,749
Gross profit	14,294	24,846	28,454	43,007
(LBT) / PBT	(9,136)	(824)	95	31,558
Taxation	1,164	(2,349)	(2,184)	(9,061)
(LAT) / PAT	(7,972)	(3,173)	(2,089)	22,497
(LAT) / PAT attributable to owners of the Company	(7,972)	(3,173)	(2,089)	22,497
Non-controlling interest	-	-	-	-
(LAT) / PAT	(7,972)	(3,173)	(2,089)	22,497
Weighted average number of ordinary shares in issue ('000)	867,149	867,149	867,149	867,149
Basic (loss) / earnings per share (sen)	(2.17)	(1.62)	(1.49)	1.97
Diluted (loss) / earnings per share (sen)	(0.68)	(0.27)	(0.18)	1.91
Net dividend per ordinary share declared in respect of the respective financial year (sen)	-	-	-	-

There is no material exceptional item in the audited financial statements of WMG for the past 3 financial years up to FYE 31 December 2023 and the latest unaudited financial statements of WMG for the 6-month FPE 30 June 2024.

Financial commentaries**(i) 6-month FPE 30 June 2024 compared to 6-month FPE 30 June 2023**

Revenue increased by RM58.47 million or 121.12% from RM48.28 million for the 6-month FPE 30 June 2023 to RM106.75 million for the 6-month FPE 30 June 2024. This was mainly from the sale of land held for development, which contributed revenue of RM57.00 million.

The Group recorded a PAT of RM22.50 million for the 6-month FPE 30 June 2024 as opposed to a LAT of RM2.74 million for the 6-month FPE 30 June 2023. This was mainly due to the increase of RM32.85 million in gross profit. The increase in gross profit was mainly contributed by the aforesaid land sale, which yielded a gross profit of RM31.33 million.

Nevertheless, the increase in gross profit was partially mitigated by an increase in tax expense of RM8.38 million. The increase in tax expenses mainly came from the taxation on the aforesaid land sale of approximately RM7.70 million.

(ii) FYE 31 December 2023 compared to FYE 31 December 2022

Revenue increased by RM44.72 million or 57.31% from RM78.03 million for the FYE 31 December 2022 to RM122.75 million for the FYE 31 December 2023. This was mainly due to the following:

- (a) higher sales of properties of RM93.88 million (FYE 31 December 2022: RM63.09 million); and
- (b) higher sales of building materials of RM20.95 million (FYE 31 December 2022: RM6.62 million).

LAT decreased by RM1.08 million or 34.16% from RM3.17 million for the FYE 31 December 2022 to RM2.09 million for the FYE 31 December 2023. This was mainly due to the increase in gross profit by RM3.61 million, which was in line with the increase in revenue.

Nevertheless, the increase in gross profit was partially mitigated by the increase in other expenses by RM2.58 million mainly arising from quit rent charges for the Group's development projects.

(iii) FYE 31 December 2022 compared to FYE 31 December 2021

Revenue increased by RM16.76 million or 27.35% from RM61.27 million for the FYE 31 December 2021 to RM78.03 million for the FYE 31 December 2022. This was mainly due to the following:

- (a) higher sales of properties of RM63.09 million (FYE 31 December 2021: RM44.83 million); and
- (b) lower sales of building materials of RM6.62 million (FYE 31 December 2021: RM8.76 million).

LAT decreased by RM4.80 million or 60.20% from RM7.97 million for the FYE 31 December 2021 to RM3.17 million for the FYE 31 December 2022. This was mainly due to the increase in gross profit by RM10.55 million, which was in line with the increase in revenue.

Nevertheless, the increase in gross profit was partially mitigated by the following:

- (a) increase in selling and marketing expenses by RM1.32 million (mostly sales commission), which is in line with the higher sales of properties;
- (b) increase in finance costs by RM1.11 million; and

APPENDIX I – INFORMATION ON WMG (CONT'D)

- (c) tax expense of RM2.35 million for the FYE 31 December 2022 as opposed to tax income of RM1.16 million for the FYE 31 December 2021. The tax income in FYE 31 December 2021 was contributed by the business loss of Asterasia Sdn Bhd, a wholly-owned subsidiary.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of WMG based on its audited consolidated financial statements for the past 3 financial years up to FYE 31 December 2023 as well as the latest unaudited consolidated financial statements for the 6-month FPE 30 June 2024 are as follows:

	As at 31 December 2021 (RM'000)	As at 31 December 2022 (RM'000)	As at 31 December 2023 (RM'000)	As at 30 June 2024 (RM'000)
ASSETS				
Non-current assets				
Property, plant and equipment	25,650	24,276	23,380	23,141
Investment properties	99,884	96,480	93,029	91,327
Other investment	31	-	-	-
Deferred tax assets	4,426	10,720	9,783	2,158
Inventory properties	148,757	110,822	110,417	116,915
	278,748	242,298	236,609	233,541
Current assets				
Inventory properties	105,776	127,278	93,400	64,442
Trading inventories	324	226	539	373
Trade and other receivables	27,791	41,373	33,396	35,332
Prepayments	132	558	313	121
Contract cost assets	-	1,129	2,125	1,948
Contract assets	17,492	6,178	20,569	18,694
Income tax refundable	724	505	74	37
Cash and bank balances	16,840	21,925	24,540	33,519
	169,079	199,172	174,956	154,466
TOTAL ASSETS	447,827	441,470	411,565	388,007
EQUITY AND LIABILITIES				
Current liabilities				
Loans and borrowings	149,018	146,933	120,410	93,302
Lease liabilities	343	292	255	457
Trade and other payables	23,688	32,724	34,895	31,891
Contract liabilities	-	-	-	621
Income tax payable	6	8,067	4,606	1,545
	173,055	188,016	160,166	127,816
Non-current liabilities				
Loans and borrowings	97,673	79,522	79,281	65,880
Lease liabilities	306	74	437	83
Deferred tax liabilities	4,007	4,246	4,157	4,207
	101,986	83,842	83,875	70,170
TOTAL LIABILITIES	275,041	271,858	244,041	197,986

APPENDIX I – INFORMATION ON WMG (CONT'D)

	As at 31 December 2021 (RM'000)	As at 31 December 2022 (RM'000)	As at 31 December 2023 (RM'000)	As at 30 June 2024 (RM'000)
Equity attributable to owners of the Company				
Share capital	231,343	231,343	231,343	231,343
RCPS	149,173	149,173	149,173	149,173
ICPS	203,339	203,339	203,339	203,339
Merger deficit	(312,039)	(312,039)	(312,039)	(312,039)
Accumulated losses	(99,030)	(102,204)	(104,292)	(81,795)
TOTAL EQUITY	172,786	169,612	167,524	190,021
TOTAL EQUITY AND LIABILITIES	447,827	441,470	411,565	388,007

As at the LPD, save as those disclosed in the latest unaudited consolidated financial statements of WMG for the 6-month FPE 30 June 2024 and the conversion of all the outstanding ICPS (i.e. 211,281,792 ICPS) into 422,563,584 WMG Shares, there is no known material change in the financial position of WMG subsequent to the latest audited financial statements of WMG for FYE 31 December 2023.

8. ACCOUNTING POLICIES

The audited consolidated financial statements of WMG for the past 3 financial years up to FYE 31 December 2023 have been prepared based on approved accounting standards in Malaysia and there was no audit qualification for WMG's financial statements for the respective years under review.

There is no change in the accounting standards adopted by WMG which would result in a material variation to the comparable figures for the past 3 financial years up to FYE 31 December 2023.

9. BORROWINGS

As at 31 August 2024, which is not more than 3 months preceding the LPD, WMG has total outstanding interest-bearing borrowings of approximately RM156.75 million as follows:

Borrowings	Current (RM'000)	Non-current (RM'000)	Total (RM'000)
Bank overdraft	1,372	-	1,372
Bridging loans	-	1,199	1,199
Bankers' acceptances	2,050	-	2,050
Revolving credits	83,600	-	83,600
Term loans	8,557	59,967	68,524
Total	95,579	61,166	156,745

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10. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**10.1 Material commitments**

As at the LPD, the Board confirms that there are no material commitments incurred or known to be incurred by WMG Group that have been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

10.2 Contingent liabilities

As at the LPD, there are no contingent liabilities which upon becoming due or enforceable may have a material effect on the financial position or business of the WMG Group.

11. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the WMG Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the WMG Group and the Board confirms that there are no proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may have a material effect on the financial position or business of the WMG Group.

Alternative dispute resolution proceedings

On 6 August 2024, WMG announced that Wah Mie Realty Sdn Bhd (a wholly-owned subsidiary of the Company) has agreed with Pemborong Asas Sdn Bhd (the “**Contractor**”) to appoint an adjudicator on 6 August 2024, in respect of the Contractor’s claim of RM579,885.84.

Prior to the aforesaid appointment, the Contractor through its solicitors issued a letter of demand to Wah Mie Realty Sdn Bhd for an amount of RM3,200,117.06 for a residential condominium project comprising 240 units in Sandakan. In response, Wah Mie Realty Sdn Bhd through its solicitors demanded from the Contractor outstanding liquidated damages of RM5,136,880.07.

The amount of RM5,136,880.07 has not been taken up as receivable in the accounts of Wah Mie Realty Sdn Bhd due to the contention by the Contractor that there was no failure to complete the housing project (agreed works) on time and the said amount is being disputed by the Contractor. The agreed works were completed by the Contractor on 8 September 2022, not by the completion date on 5 February 2021 in accordance with the last extension of time granted by the architect for the aforesaid housing project.

The Board is of the opinion that Wah Mie Realty Sdn Bhd has an even chance in obtaining a favourable outcome on the matter above.

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12. MATERIAL CONTRACTS

Save as disclosed below, WMG has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the commencement of the Offer Period and up to the LPD:

- (i) sale and purchase agreement dated 11 November 2022 with Sejati Sentral (Sandakan) Sdn Bhd for the disposal by Wah Mie Realty Sdn Bhd (an wholly-owned subsidiary of the Company) of a parcel of leasehold land in Sandakan, Sabah, with land area of approximately 16.85 acres, for a cash consideration of RM22.00 million. The disposal was completed on 8 August 2023; and
- (ii) sale and purchase agreement dated 11 November 2022 with FYT Land (KK) Sdn Bhd for the disposal by Wilakaya Sdn Bhd (an wholly-owned subsidiary of the Company) of 5 parcels of adjoining leasehold land in Kota Kinabalu, Sabah, with a total land area of approximately 10.20 acres, for a cash consideration of RM57.00 million. The disposal was completed on 9 May 2024.

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APPENDIX II – FURTHER INFORMATION

1. CONSENTS

MainStreet, AmlInvestment Bank and the Valuer have given and have not subsequently withdrawn their written consent to the inclusion of their names and all references thereto in the form and context in which they appear in this IAC prior to the despatch of this IAC.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES**2.1 By WMG****(i) Disclosure of interests in the Offeror**

WMG does not have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror as at the LPD.

(ii) Dealings in the securities of the Offeror

WMG has not dealt, directly or indirectly, in any voting shares or convertible securities of the Offeror during the period beginning 6 months prior to the Offer Period and up to the LPD.

(iii) Dealings in the securities of WMG

WMG has not dealt, directly or indirectly, in any of its own voting shares or convertible securities during the period commencing 6 months prior to the beginning of the Offer Period and up to the LPD.

2.2 By the directors of WMG**(i) Disclosure of interests in the Offeror**

The directors of WMG do not have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror as at the LPD.

(ii) Dealings in the securities of the Offeror

The directors of WMG have not dealt, directly or indirectly, in any voting shares or convertible securities of the Offeror during the period beginning 6 months prior to the Offer Period and up to the LPD.

(iii) Disclosure of interests in WMG

Save as disclosed in Section 4, Part A of this IAC, the directors of WMG do not have any interest, whether direct or indirect, in any voting shares or convertible securities of WMG as at the LPD.

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APPENDIX II – FURTHER INFORMATION (CONT'D)

(iv) Dealings in the securities of WMG

Save as disclosed below, the directors of WMG have not dealt, directly or indirectly, in any voting shares or convertible securities of WMG during the period beginning 6 months prior to the Offer Period and up to the LPD.

Name	Date of transaction	Nature of transaction	No. of WMG Shares transacted	(1)(%)	Average transacted price (RM)
Datuk Quek Siew Hau	24 September 2024	Conversion of ICPS by SKHSB	422,563,584	48.73	0.500
	14 October 2024	Disposal of WMG Shares by SKHSB	607,004,337	70.00	0.165
Fong Kin Wui	24 September 2024	Conversion of ICPS by SKHSB	422,563,584	48.73	0.500
	14 October 2024	Disposal of WMG Shares by SKHSB	607,004,337	70.00	0.165
Lim Ted Hing	24 September 2024	Conversion of ICPS by SKHSB	422,563,584	48.73	0.500
	14 October 2024	Disposal of WMG Shares by SKHSB	607,004,337	70.00	0.165
Seah Sen Onn @ David Seah	24 September 2024	Conversion of ICPS by SKHSB	422,563,584	48.73	0.500
	14 October 2024	Disposal of WMG Shares by SKHSB	607,004,337	70.00	0.165
Chan Ka Tsung	24 September 2024	Conversion of ICPS by SKHSB	422,563,584	48.73	0.500
	14 October 2024	Disposal of WMG Shares by SKHSB	607,004,337	70.00	0.165

Note:

(1) Computed based on the total issued WMG Shares as at the respective transaction date.

2.3 By the persons with whom WMG or any persons acting in concert with it has any arrangement

As at the LPD, there are no persons with whom WMG or any persons acting in concert with it has entered into any arrangement, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to voting shares or convertible securities of WMG which may be an inducement to deal or to refrain from dealing.

APPENDIX II – FURTHER INFORMATION (CONT'D)

2.4 By the persons with whom WMG or any persons acting in concert with it has borrowed or lent

As at the LPD, there are no persons with whom WMG or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of WMG.

2.5 By MainStreet**(i) Disclosure of interests in WMG**

As at the LPD, MainStreet does not have any interest, whether direct or indirect, in any voting shares or convertible securities of WMG.

(ii) Dealings in the securities of WMG

MainStreet has not dealt, directly or indirectly, in any voting shares or convertible securities of WMG during the period beginning 6 months prior to the Offer Period and up to the LPD.

(iii) Disclosure of interests in WMG by funds whose investments are managed by MainStreet on a discretionary basis

As at the LPD, MainStreet is not involved in management of funds on a discretionary basis.

2.6 Compliance with paragraph 19.05 of the Rules

MainStreet, being the Independent Adviser in relation to the Offer, confirms that:

- (i) save for the Acquisitions, from the commencement of the Offer Period up to the LPD, there are no dealings in WMG Shares and RCPS by WMG, directors of WMG and the persons acting in concert with WMG and their disclosure of dealings requirements have been complied with pursuant to paragraph 19.05 of the Rules; and
- (ii) it will ensure that all disclosures of dealings requirement by WMG, directors of WMG and person acting in concert with WMG will be complied with in accordance with paragraph 19.05 of the Rules up to the Closing Date.

3. ARRANGEMENT AFFECTING DIRECTORS OF WMG

- (i) As at the LPD, no payment or other benefit will be made or given to any director of WMG as compensation for loss of office or otherwise in connection with the Offer.
- (ii) As at the LPD, there is no agreement or arrangement between any director of WMG and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the outcome of the Offer.
- (iii) As at the LPD, the Offeror, the Joint Ultimate Offerors and persons acting in concert with them have not entered into any material contract in which any director of WMG has a material personal interest.

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APPENDIX II – FURTHER INFORMATION (CONT'D)

4. SERVICE CONTRACTS

As at the LPD, neither WMG nor its subsidiaries have any service contracts with any directors of WMG or proposed directors of WMG, which have been entered into or amended within 6 months before the commencement of the Offer Period or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAC.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours from 9.00 a.m. to 5.00 p.m. (Malaysian time) on Mondays to Fridays (except for public holidays) from the date of this IAC up to and including the Closing Date at the registered office of the Company at Wisma WMG, Lot 1 & 2, Jalan Indah Jaya, Taman Indah Jaya, Jalan Lintas Selatan, 90000 Sandakan, Sabah:

- (i) the Constitution of WMG;
- (ii) the audited consolidated financial statements of WMG for FYE 31 December 2021, FYE 31 December 2022 and FYE 31 December 2023 as well as the latest unaudited consolidated financial statements of WMG for the 6-month FPE 30 June 2024;
- (iii) a copy of the Notice dated 11 October 2024;
- (iv) the letters of consent referred to in Section 1 of this Appendix II; and
- (v) a copy of the SKHSB Undertaking dated 11 October 2024.

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APPENDIX III – SALIENT TERMS OF THE RCPS

The salient terms of the RCPS are as follows:

- Maturity date** : The last date of the tenure or if the maturity date is not a market day, the market day immediately following such date (“**Maturity Date**”).
- Issue price** : RM1.00 per RCPS (“**Issue Price**”).
- Ranking** : Rank equally among themselves but in priority to the holders of other class of shares in respect of capital repayment and dividends.
- Tenure** : 10 years from the date of issuance (“**Tenure**”).
- Dividend** : Cumulative dividend of 7% per annum calculated based on the Issue Price. The distribution is at the discretion of WMG’s Board from time to time after the date of issue of the RCPS, out of the available profits of WMG if the Company is solvent.
- Listing status** : Will not be listed nor quoted on any stock exchange.
- Voting rights** : RCPS holders will have the same rights as ordinary shareholders on receiving notices, reports and audited accounts and attending general meetings of WMG but will not have the right to vote / move / second any resolution at any general meeting of the Company except on:
- (i) reduction of WMG’s share capital;
 - (ii) disposal of the whole of WMG’s property, business and undertaking;
 - (iii) proposal varying or affecting right, privileges or conditions attached to the RCPS or the exercise of any of those rights, privileges or conditions;
 - (iv) winding-up of WMG;
 - (v) during the winding up of WMG; and
 - (vi) during the period when the dividend or part of the dividend payable on the RCPS is arrears for more than 6 months.
- The holders of RCPS shall have 1 vote for each of the RCPS held.
- Winding-up / reduction of capital / other return of capital (excluding redemption of RCPS)** : (i) Rank equally with each other and in priority to the holders of other class of shares in WMG to receive cash repayment in full and the amount of any dividend in arrears of that RCPS after repaying and discharging all debts and liabilities of the Company and the costs of winding up or such capital reduction exercise.
- (ii) RCPS holders will not be entitled to participate in any profits or surplus assets of WMG beyond such rights as are expressly set out in the term of RCPS.

APPENDIX III – SALIENT TERMS OF THE RCPS (CONT'D)

- Conversion** : (i) Subject to all applicable laws, rules and regulations, each RCPS holder will be entitled during the Tenure to convert any RCPS held by them into WMG Shares at the conversion price of RM0.50 (“**RCPS Conversion Price**”) for 1 new WMG Share (“**Conversion Share**”). The Conversion Shares will be listed and quoted on Bursa Securities.
- (ii) Any RCPS not redeemed or converted will be mandatorily converted into Conversion Shares on the Maturity Date on the basis set out in paragraph (i) above.
- (iii) Fraction of Conversion Shares arising from conversion shall be disregarded.
- (iv) The Board of WMG may adjust the RCPS Conversion Price if WMG’s share capital is altered on or before Maturity Date. Any such adjustment requires certification by a professional adviser or WMG’s external auditors.
- Redemption** : (i) Subject to the Act, redeemable at the option of WMG at any time after the date of issuance of the RCPS up to the day immediately preceding the Maturity Date.
- (ii) Redemption price of RM1.00 per RCPS
- Transferability** : Transferable
- Liquidation – Conversion Shares** : (i) Rank equally with the WMG Shares in issue but will not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which precedes the date of allotment of the Conversion Shares.
- (ii) Conversion Shares holders will not be entitled to participate in any dividend declared in respect of the financial year immediately preceding the date of the Conversion Notice even if the entitlement date in respect of such dividends falls after the date of the Conversion Notice.

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