

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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MCE HOLDINGS BERHAD
(Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED DISPOSAL OF A PIECE OF FREEHOLD LAND HELD UNDER HS(D) 306627, PT 37252, MUKIM BUKIT RAJA, DAERAH PETALING, NEGERI SELANGOR, MEASURING APPROXIMATELY 13,263.38 SQUARE METRES IN AREA ("LAND") BY VANTAGE REALM SDN BHD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MCE HOLDINGS BERHAD, TO GRAND ASCENT SDN BHD FOR A CASH CONSIDERATION OF RM43,686,345 ("PROPOSED DISPOSAL")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



ALLIANCE ISLAMIC BANK

Alliance Islamic Bank Berhad 200701018870 (776882-V)

The Notice of Extraordinary General Meeting ("**EGM**") together with the Form of Proxy are enclosed in this Circular. Shareholders are advised to refer to the Notice of EGM and the accompanying Form of Proxy which are enclosed. If you decide to appoint a proxy(ies) to attend and vote on your behalf at the EGM, the Form of Proxy should be completed and lodged with the Registered Office of MCE Holdings Berhad ("**MCE**" or "**Company**") at Suite 5.11 & 5.12, 5th floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor or alternatively by electronic means by way of submitting to mcejb@multicode.com.my on or before the date and time indicated below or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 26 June 2024 at 10.00 a.m.

Day, date and time of the EGM : Friday, 28 June 2024 at 10.00 a.m., or at any adjournment thereof

Venue of the EGM : Diamond 3, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor

This Circular is dated 13 June 2024

DEFINITIONS

In this Circular and the accompanying appendices, the following words and abbreviations shall have the following meanings unless otherwise stated:

Act	: Companies Act 2016
AIS or Principal Adviser	: Alliance Islamic Bank Berhad (200701018870 (776882-V))
Balance Deposit	: Balance deposit of RM3,494,907.60, being 8% of the Disposal Consideration
Balance Disposal Consideration	: Balance of the Disposal Consideration of RM39,317,710.50, being 90% of the Disposal Consideration
Board	: Board of Directors of MCE
Bonus Issue	: Bonus issue of 61,778,702 new MCE Shares undertaken by MCE, which was completed on 10 January 2024
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	: This circular to shareholders of MCE dated 13 June 2024 in relation to the Proposed Disposal
Completion Period	: Within sixty (60) days from the Unconditional Date
Deposit	: The Earnest Deposit and Balance Deposit, collectively
DGIR	: Director General of Inland Revenue
Directors	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007
Disposal Consideration	: Total cash consideration of RM43,686,345 for the Proposed Disposal
Earnest Deposit	: Earnest deposit of RM873,726.90, being 2% of the Disposal Consideration
EGM	: Extraordinary General Meeting
EPS	: Earnings per share
Extended Completion Period	: An extension of time of thirty (30) days from the expiry of the Completion Period
FYE	: Financial year ended/ending
GASB or Purchaser	: Grand Ascent Sdn Bhd (202101027847 (1428147-X))
km	: Kilometres
Land	: A piece of freehold land held under HS(D) 306627, PT 37252, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor, measuring approximately 13,263.38 sq.m.
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 31 May 2024, being the latest practicable date prior to the printing of this Circular
Main Market	: Main Market of Bursa Securities

DEFINITIONS (CONT'D)

NA	: Net assets
NBV	: Net book value
MCE or Company	: MCE Holdings Berhad (201501033021 (1158341-K))
MCE Group or Group	: MCE and its subsidiaries, collectively
MCE Share(s) or Share(s)	: Ordinary share(s) in MCE
MFCB	: Mega First Corporation Berhad (196601000210 (6682-V))
MOE	: Ministry of Economy of Malaysia
PAT	: Profit after tax
Previous Owner or Master Developer	: Bandar Setia Alam Sdn Bhd (200101030381 (566140-D)), the master developer of Setia Alam
Previous SPA	: The sale and purchase agreement entered into between Vantage and the Previous Owner dated 18 November 2013 for the acquisition of the Land
Proposed Disposal	: The proposed disposal of the Land by Vantage to GASB at the Disposal Consideration
Raine & Horne or Valuer	: Raine & Horne International Zaki + Partners Sdn Bhd (198301004235 (99440-T)), an independent registered valuer registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia
Retention Sum	: Retention sum of RM1,310,590.35, being 3% of the Disposal Consideration
RM and sen	: Ringgit Malaysia and sen, respectively
RPGT	: Real Property Gains Tax
SPA	: The conditional sale and purchase agreement entered into between Vantage and GASB dated 26 February 2024 in relation to the Proposed Disposal
Specific Uses	: Restriction imposed by the Previous Owner, based on the Previous SPA, that the Land shall be used solely and strictly for the development and construction of medical centre/facility and other ancillary buildings for medical related services as well as wellness and/or patient care facility
Sq.ft.	: Square feet
Sq.m.	: Square metres
Unconditional Date	: The date whereupon the last of the Conditions Precedent are fulfilled
Valuation Certificate	: The valuation certificate issued by the Valuer dated 18 March 2024 on the Land
Valuation Report	: The valuation report issued by the Valuer dated 18 March 2024 on the Land

DEFINITIONS (CONT'D)

Vantage or Vendor : Vantage Realm Sdn Bhd (201301016509 (1046342-M))

Warrant(s) : 61,778,702 Warrants A 2024/2029 which are exercisable into new Share(s) at an exercise price of RM0.80 per Warrant and expiring on 15 January 2029

All references to “MCE” or the “Company” in this Circular are to MCE Holdings Berhad and references to “MCE Group” or the “Group” are to the Company and its subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to the Group, the Company, and where the context otherwise requires, the subsidiaries. All references to “you” in this Circular are to the shareholders of the Company.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Any references to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactments or rules of the stock exchange or guidelines is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange or guidelines currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions provided in the “Definitions” Section and context of the Circular.

This Executive Summary highlights only the pertinent information of the Proposed Disposal. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Disposal before voting at the EGM.

Key information	Description															
Summary of the Proposed Disposal	<p>On 26 February 2024, on behalf of the Board, AIS announced that Vantage, had on even date entered into the SPA with the Purchaser for the disposal of the Land at the Disposal Consideration.</p> <p>Please refer to Section 2 of this Circular for further details.</p>															
Basis and justification for the Disposal Consideration	<p>The Disposal Consideration was arrived at based on a willing-buyer willing-seller basis, after taking into consideration the following:</p> <p>(i) the audited NBV of the Land as at 31 July 2023 of approximately RM29.47 million; and</p> <p>(ii) the market value of the Land of RM41,400,000, appraised by the Valuer, namely Raine & Horne, using the Comparison Approach.</p> <p>Please refer to Section 2.5 of this Circular for further details.</p>															
Mode of settlement	<p>The Disposal Consideration shall be settled in the following manner:</p> <table><thead><tr><th>Date of settlement</th><th>Payment terms</th><th>RM</th></tr></thead><tbody><tr><td>Prior to the execution of the SPA</td><td>Earnest Deposit</td><td>873,726.90</td></tr><tr><td>Upon the execution of the SPA</td><td>Balance Deposit</td><td>3,494,907.60</td></tr><tr><td>Within the Completion Period and/or Extended Completion Period</td><td>Balance Disposal Consideration</td><td>39,317,710.50</td></tr><tr><td>Total</td><td></td><td><u>43,686,345.00</u></td></tr></tbody></table> <p>Please refer to Section 2.7 of this Circular for further details.</p>	Date of settlement	Payment terms	RM	Prior to the execution of the SPA	Earnest Deposit	873,726.90	Upon the execution of the SPA	Balance Deposit	3,494,907.60	Within the Completion Period and/or Extended Completion Period	Balance Disposal Consideration	39,317,710.50	Total		<u>43,686,345.00</u>
Date of settlement	Payment terms	RM														
Prior to the execution of the SPA	Earnest Deposit	873,726.90														
Upon the execution of the SPA	Balance Deposit	3,494,907.60														
Within the Completion Period and/or Extended Completion Period	Balance Disposal Consideration	39,317,710.50														
Total		<u>43,686,345.00</u>														
Utilisation of proceeds	<p>The Company intends to use the proceeds from the Proposed Disposal as follows:</p> <table><thead><tr><th>Details of utilisation</th><th>RM'000</th><th>Estimated timeframe for utilisation (upon receipt of the proceeds)</th></tr></thead><tbody><tr><td>Working capital</td><td>40,686</td><td>Within 36 months</td></tr><tr><td>Estimated expenses in relation to the Proposed Disposal</td><td>3,000</td><td>Within 12 months</td></tr><tr><td>Total gross proceeds raised</td><td><u>43,686</u></td><td></td></tr></tbody></table> <p>Please refer to Section 2.11 of this Circular for further details.</p>	Details of utilisation	RM'000	Estimated timeframe for utilisation (upon receipt of the proceeds)	Working capital	40,686	Within 36 months	Estimated expenses in relation to the Proposed Disposal	3,000	Within 12 months	Total gross proceeds raised	<u>43,686</u>				
Details of utilisation	RM'000	Estimated timeframe for utilisation (upon receipt of the proceeds)														
Working capital	40,686	Within 36 months														
Estimated expenses in relation to the Proposed Disposal	3,000	Within 12 months														
Total gross proceeds raised	<u>43,686</u>															

EXECUTIVE SUMMARY (CONT'D)

Key information	Description
Rationale for the Proposed Disposal	<p>The Proposed Disposal is expected to allow MCE Group to achieve the following:</p> <ul style="list-style-type: none"> (i) to unlock the value of the Land as the Group does not intend to proceed with the development of the Land and to recognise an estimated pro forma gain on disposal of approximately RM5.85 million, which will enhance the financial position of the Group; (ii) to streamline the operations of the Group by focusing on its core business and optimise the utilisation of assets owned by the Group; and (iii) will enable the Group to raise proceeds of RM43.69 million to be used to fund its expected increase in working capital requirements. <p>Please refer to Section 3 of this Circular for further details.</p>
Approvals Required	<p>The Proposed Disposal is subject to the following approvals being obtained from the following parties:</p> <ul style="list-style-type: none"> (i) the shareholders of the Company at an EGM to be convened; and (ii) any other relevant authorities, if required. <p>The Proposed Disposal is not conditional or inter-conditional upon any other corporate exercise undertaken or to be undertaken by the Company.</p>
Interests of Directors, Major Shareholders and/or persons connected with them	<p>None of the directors, major shareholders of MCE and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Disposal.</p>
Directors' Statement and Recommendation	<p>The Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM, the details of which are set out in the Notice of EGM as enclosed.</p>



MCE HOLDINGS BERHAD
(Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

Registered Office:
Suite 5.11 & 5.12
5th floor, Menara TJB
No. 9, Jalan Syed Mohd. Mufti
80000 Johor Bahru
Johor

13 June 2024

BOARD OF DIRECTORS

Tan Sri Abd Rahman Bin Mamat (*Independent Non-Executive Chairman*)
Dr Goh Kar Chun (*Group Managing Director*)
Goh Anne (*Group Executive Director*)
Fong Jed See (*Senior Independent Non-Executive Director*)
Law Sang Thiam (*Independent Non-Executive Director*)
Tai Lam Shin (*Non-Independent Non-Executive Director*)

To: The shareholders of MCE

Dear Sir/Madam,

PROPOSED DISPOSAL

1. INTRODUCTION

On 26 February 2024, on behalf of the Board, AIS announced that Vantage, had on even date entered into the SPA with the Purchaser for the disposal of the Land at the Disposal Consideration.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DISPOSAL AND TO SET OUT THE VIEW AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

Pursuant to the SPA, Vantage has agreed to sell and GASB has agreed to purchase the Land at the Disposal Consideration on an 'as is where is' basis, free from all encumbrances, with all rights attached or accrued and with vacant possession and upon the terms and conditions contained in the SPA.

The salient terms of the SPA are set out in Appendix I of this Circular.

2.1 Information of the Land

The Land is situated in the locality of Section U13, Shah Alam and within the commercial area of Setia City, Setia Alam which is sited off the right (northern) side of Persiaran Setia Alam, travelling from New Klang Valley Expressway ("NKVE") towards Jalan Meru. Setia Alam is a 4,000 acre township within Mukim of Bukit Raja, District of Petaling. The Master Developer is Bandar Setia Alam Sdn Bhd, a wholly-owned subsidiary of S P Setia Berhad.

Kuala Lumpur city centre and Klang town are located approximately 36 km and 12 km due north-east and south-west of the Land, respectively. Access to the Land from the NKVE is via the Setia Alam Interchange, Persiaran Setia Alam, Persiaran Setia Perdana, Persiaran Setia Wawasan and Persiaran Setia Dagang which leads to the Land. Alternatively, the Land is also accessible from Klang town via Jalan Meru, Persiaran Setia Alam and abovementioned roads.

Notable developments within Setia City include Setia City Mall, Setia City Convention Centre, S P Setia Headquarters, Top Glove Tower, Trefoil, Setia City Residences, Audi Centre, Sunsuria Forum@7th Avenue, Courtyard by Marriot and Setia City Park. Prominent developments situated nearby include National Institute of Health (NIH), Tenby International School, Peninsula International School Australia and Lotus's Setia Alam. There is also a private hospital known as Selgate Setia Alam Hospital which is under construction, located approximately 3.5 km to the north-east of the Land.

The location map and aerial view of the Land are illustrated as follows:





The Land is a parcel of commercial land specified by the Master Developer for medical centre/facility use which is almost rectangular in shape with a splay corner. Currently, the Land is vacant without any building erected over it and is free from squatters.

Further information on the Land as at the LPD, are set out as follows:

Postal address	: No. 30 (PT 37252), Persiaran Setia Dagang, Setia Alam, 40170 Shah Alam, Selangor
Title details	: HS(D) 306627, PT 37252, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor
Registered owner	: Vantage
Land area	: 13,263.38 sq.m. (equivalent to approximately 142,766 sq.ft.)
Land tenure	: Freehold
Category of land use	: Building
Express condition	: Commercial building ⁽¹⁾
Existing use	: Vacant
Proposed use	: Designated for the development of a medical centre/facility and other ancillary buildings for medical related services as well as wellness and/or patient care facility ⁽¹⁾
Encumbrances	: Nil
Restriction of interest	: Nil
Latest NBV as at 31 July 2023	: RM29,468,285
Market value	: RM41,400,000 or average of RM290 per sq.ft. ⁽²⁾

Notes:

- (1) Based on the Previous SPA, the Land shall be used solely and strictly for the Specific Uses.

- (2) Based on the Valuation Report, appraised by the Valuer appointed by MCE, using the Comparison Approach and on the basis that the letter from the Previous Owner approving the transfer of the Land to the Purchaser will not be unreasonably withheld.

Vantage had entered into the Previous SPA with the Previous Owner to purchase the Land. Based on the Previous SPA, there are restrictions imposed by the Previous Owner which includes, amongst others, the following:

- (i) the Land shall be used solely and strictly for the Specific Uses; and
- (ii) Vantage agrees to personally liable and accountable to the Previous Owner to procure and ensure that any sub purchaser in any subsequent sale by Vantage shall expressly agree and undertake to be bound by the conditions and covenants imposed.

2.2 Information of Vantage

Vantage was incorporated in Malaysia on 16 May 2013 as a private company limited by shares under the Companies Act 1965 and is deemed registered under the Act. Vantage is principally involved in investment holding and provision of healthcare services.

As at the LPD, the issued share capital of Vantage is RM30,000,000 comprising 30,000,000 ordinary shares. Vantage is a wholly-owned subsidiary of Multi-Code Electronics Industries (M) Berhad, which in turn is a wholly-owned subsidiary of MCE.

The directors of Vantage, as at the LPD, are Dr. Goh Kar Chun, Goh Anne and Chuah Sai Ling.

2.3 Information of GASB

GASB was incorporated in Malaysia on 26 August 2021 as a private company limited by shares under the Act. GASB is principally involved in the activities of holding company.

As at the LPD, the issued share capital of GASB is RM10,000 comprising 10,000 ordinary shares of RM1.00 each in GASB. GASB is a wholly-owned subsidiary of Authentic Excellence Sdn Bhd, which in turn is a wholly-owned subsidiary of MFCB.

As at the LPD, the directors of GASB are Goh Nan Kioh, Yeow See Yuen and Navin A/L Sukilan.

2.4 Information of MFCB

MFCB was incorporated in Malaysia on 25 April 1966 as a private company under the name of Mega (Chemicals) Sdn Bhd and subsequently converted to public company on 31 December 1969 and listed on Main Board of Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 11 August 1970. The company changed its name to MFCB on 15 March 1990.

MFCB, together with its subsidiaries, are principally involved in the following:

- (i) build, own and operate renewable power plants;
- (ii) quarrying of limestone, manufacturing and trading of lime products and calcium carbonate powder; and
- (iii) manufacturing and distribution of flexible plastic packaging materials and products, paper bags and printed labels and stickers.

As at the LPD, the issued share capital of MFCB is RM743,121,000 comprising 988,352,102 ordinary shares and the substantial shareholders of MFCB are as follows:

Shareholders	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
Goh Nan Kioh	26,097,456	2.77	302,927,082	(2)32.13
Rubber Thread Industries (M) Sdn Berhad	193,750,800	20.55	7,708,800	(3)0.82
Keen Capital Investments Limited	76,770,682	8.14	201,459,600	(4)21.37
Camasia Limited	1,485,600	0.16	201,459,600	(4)21.37
Laju Riang Sdn Bhd	-	-	201,459,600	(4)21.37
Cam Property (Malaysia) Sdn Bhd	-	-	201,459,600	(4)21.37

Notes:

- (1) Excludes 45,592,600 treasury shares.
- (2) Deemed interest by virtue of his interest in Rubber Thread Industries (M) Sdn Berhad, Lanai Etika Sdn Bhd, Keen Capital Investments Limited, PRT Capital Pte Ltd and Camasia Limited pursuant to Section 8 of the Act.
- (3) Deemed interest by virtue of its interest in Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of its interest in Rubber Thread Industries (M) Sdn Berhad and Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

As at the LPD, the directors of MFCB are Goh Nan Kioh, Goh Nan Yang, Goh Mei Sze, Khoo Teng Keat, Yeow See Yuen, Tay Kheng Chiong, Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP. Jesper Bjorn Madsen, Dato' Setia Prof. Dr. Tan Hui Meng, Datin Jeyanthini A/P M. Kannaperan, Lui Soek Kuen and Au Siew Loon.

2.5 Basis and justification in arriving at the Disposal Consideration

The Disposal Consideration of RM43,686,345 for the Land was arrived at based on a willing-buyer willing-seller basis, after taking into consideration the following:

- (i) the audited NBV of the Land as at 31 July 2023 of approximately RM29.47 million; and
- (ii) the market value of the Land of RM41,400,000, appraised by the Valuer. The market value of the Land was derived at using the Comparison Approach and on the basis that the letter from the Previous Owner approving the transfer of the Land to the Purchaser will not be unreasonably withheld.

The basis of valuation is market value which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at the market value of the subject property, the Valuer has used the Comparison Approach which seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar property in the vicinity. Where the dissimilarities exist, adjustments are made.

The Valuer has used the Comparison Approach as the only approach in the valuation as there are sufficient sale evidences of similar properties. Accordingly, the use of Income Approach (Residual Method) is not applicable in this instance as there is no approved layout plan for development.

The Board is of the opinion that the Disposal Consideration of RM43,686,345 is justifiable in view of the following:

- (i) the Disposal Consideration represents a premium of RM2.29 million or approximately 5.52% to the market value of RM41.40 million appraised by the Valuer;
- (ii) the Disposal Consideration represents a premium of RM14.22 million or approximately 48.25% to the audited NBV of the Land of approximately RM29.47 million as at 31 July 2023; and
- (iii) the Group does not intend to proceed with the development of the Land and the Group will be able to unlock the value of the Land with an estimated net pro forma gain on the disposal of RM5.85 million.

2.6 Conditions Precedent

The SPA is conditional upon and subject to the fulfilment of the following conditions precedent ("**Conditions Precedent**") within 6 months from the date of the SPA or such extended period as may be mutually agreed between the Vendor and Purchaser:

- (i) MCE having procured the approval of its shareholders for the Proposed Disposal at the sole cost and expense of the Vendor;
- (ii) the Vendor shall procure a letter from the Previous Owner approving the transfer of the Land to the Purchaser on such terms and conditions that are acceptable to the Purchaser and MCE at the sole cost and expense of the Vendor which has been obtained by the Vendor on 30 April 2024;
- (iii) the Purchaser procuring an approval from the relevant authorities for the re-zoning of the Land such that activities relating to the Specific Uses are allowed to be carried out on the Land at the sole cost and expense of the Purchaser and in this regard, the Purchaser shall submit the application to obtain such approval within thirty (30) days from the date of the SPA ("**Re-Zoning Approval**"). As at the LPD, the Purchaser is in the midst of obtaining the said approval from the Ministry of Health of Malaysia;
- (iv) the Purchaser procuring the approval or letter of no objection from the MOE for the transfer of the Land from the Vendor to the Purchaser ("**MOE Approval**") at the cost and expense of the Purchaser, if required, and in this regard, the Purchaser shall submit the application to obtain such approval within thirty (30) days from the date of the SPA provided always that all documents and information from the Vendor shall have been received by the Purchaser's solicitors. The Purchaser's solicitors has confirmed that MOE Approval is not required upon seeking confirmation from the relevant land registry; and
- (v) the Purchaser obtaining all other relevant authorities' approvals required for the acquisition of the Land from the Vendor, if applicable, and in this regard, the Purchaser shall submit the application to obtain such approval(s) within thirty (30) days from the date of the SPA.

2.7 Mode of settlement

The Disposal Consideration shall be settled in the following manner:

Date of settlement	Payment terms	RM
Prior to the execution of the SPA	Earnest Deposit, being 2% of the Disposal Consideration ⁽¹⁾	873,726.90
Upon the execution of the SPA	Balance Deposit, being 8% of the Disposal Consideration ⁽¹⁾	3,494,907.60
Within the Completion Period and/or Extended Completion Period	Balance Disposal Consideration, being 90% of the Disposal Consideration ⁽²⁾	39,317,710.50
Total		<u>43,686,345.00</u>

Notes:

- (1) The Deposit has been paid by the Purchaser to the Purchaser's solicitors as stakeholder, which is placed in fixed deposit account and/or interest-bearing account, excluding the Retention Sum. The Purchaser's solicitors has released the Retention Sum to the DGIR together with the filing of the Purchaser's RPGT return. The Purchaser's solicitors shall release the Deposit less the Retention Sum together with all interests earned thereto to the Vendor and/or the Vendor's solicitors as stakeholder as part payment of the Disposal Consideration on the Unconditional Date.
- (2) The Balance Disposal Consideration shall be paid by the Purchaser to the Vendor's solicitors as stakeholder within the Completion Period. In the event the Balance Disposal Consideration is not paid within the Completion Period, the Vendor shall grant to the Purchaser the Extended Completion Period to complete payment of the Balance Disposal Consideration provided always that the Purchaser shall pay to the Vendor the interest charges on the Balance Disposal Consideration or such part thereof as remains outstanding at the rate of 8% per annum calculated on a day to day basis commencing from the day of the expiry of the Completion Period until the day of actual receipt of the Balance Disposal Consideration which is outstanding by the Vendor's solicitors.

Please refer to Appendix I of this Circular for further details.

2.8 Liabilities to be assumed

There are no liabilities, contingent liabilities and guarantees in relation to the Proposed Disposal, which will remain with Vantage and MCE Group after the completion of the Proposed Disposal. There are no guarantees given by the Group to the Purchaser in relation to the Proposed Disposal.

2.9 Original cost of investment

The Land was acquired by Vantage on 13 June 2014 at a cost of RM29,462,985.

2.10 Estimated net pro forma gain on the disposal of the Land

Based on the audited NBV of the Land as at 31 July 2023 of RM29.47 million and the Disposal Consideration of RM43.69 million, the Group is expected to record an estimated net pro forma gain of RM5.85 million arising from the Proposed Disposal, which is illustrated as follows:

	Amount
	RM'000
Disposal Consideration	43,686
Less: audited NBV of the Land as at 31 July 2023	(29,468)
Gross pro forma gain on the disposal of the Land	14,218
Less:	
Incidental costs in relation to the Land and the Proposed Disposal ^(a)	(8,370)
Estimated net pro forma gain on the disposal of the Land	5,848

Note:

- (a) The incidental costs in relation to the Land and the Proposed Disposal include the following:

	RM'000
Preliminary costs incurred for the design and development for the Land	4,194
Estimated tax expenses	1,176
Estimated expenses in relation to the Proposed Disposal	3,000
Total	8,370

2.11 Utilisation of proceeds

The Company intends to use the proceeds from the Proposed Disposal as follows:

Details of utilisation	Notes	RM'000	Estimated timeframe for utilisation (upon receipt of the proceeds)
Working capital	(a)	40,686	Within 36 months
Estimated expenses in relation to the Proposed Disposal	(b)	3,000	Within 12 months
Total gross proceeds raised		43,686	

Notes:

- (a) The Company intends to use the proceeds from the Proposed Disposal to fund its expected increase in working capital requirements for the day-to-day operations as follows:

Details of utilisation	RM'000
Purchases of raw materials for the supply of various electronic and mechatronic components and parts for various car models ⁽¹⁾	29,336
General administration and operating expenses such as office related expenses, wages and salaries, and upkeep expenses for machineries ⁽²⁾	11,350
Total	40,686

- (1) The Group's costs of purchase for raw materials and consumables used had been increasing in tandem with its business growth and increase in its revenue. In the FYE 2023, such costs had increased by RM26.82 million or 45.07% to RM86.33 million (FYE 2022: RM59.51 million). As such, the Company intends to allocate RM29.34 million of the proceeds to purchase raw materials which include the following:

Types of raw materials and consumables	RM'000
Electronic and mechatronic components	19,949
Mechanical and related parts, such as metals, resin and others	8,507
Chemicals and other consumables	880
Total	29,336

The Group had in the past and currently been funding such costs via bank borrowings and internally generated funds. Therefore, the above allocation is expected to enhance the Group's liquidity and cash flow position to support its expected growth in daily operations.

- (2) The Company intends to allocate RM11.35 million of the proceeds for general administration and operating expenses as follows:

General administration and operating expenses	RM'000
General administration expenses such as office related expenses, administrative staff salaries, marketing expenses and professional and legal fees	4,767
Operating expenses such as production related expenses, factory overheads, production staff wages and upkeep expenses for machineries	6,583
Total	11,350

The actual proceeds to be used for each component of working capital may differ subject to the Group's operating requirements at the time of the utilisation of the allocated proceeds.

- (b) The estimated expenses in relation to the Proposed Disposal consist of professional fees, fees payable to authorities and other miscellaneous expenses such as EGM expenses and printing expenses. Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for the working capital.

Pending full utilisation of the proceeds from the Proposed Disposal, the proceeds will be placed in interest-bearing deposit accounts with licensed financial institutions and/or in short-term money market instruments. Any interests derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will also be allocated for the working capital requirements of the Group.

2.12 Cash company or Practice Note 17

The Proposed Disposal is not expected to result in MCE becoming a cash company and/or a Practice Note 17 company under the Listing Requirements.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED DISPOSAL

MCE Group is principally involved in the design, manufacture and supply of automotive electronics and mechatronic parts for the Malaysia and regional markets. Subsequent to the gradual recovery from the COVID-19 pandemic, the financial performance of the Group has strengthened since the FYE 31 July 2022, recorded a revenue and PAT of RM105.82 million and RM8.04 million, respectively. In the FYE 31 July 2023, the Group's revenue had further improved by 46.37% to RM154.89 million, whilst its PAT had significantly improved by 91.42% to RM15.39 million as compared to the FYE 31 July 2022.

The Group has been actively pursuing new collaborations and business opportunities in the automotive sectors, including to further expand its portfolio to wider range and more technological sophisticated products. The Group had participated in various overseas exhibition to showcase its latest products and services to diverse potential clients, industry experts and partners, facilitating meaningful collaborations and partnerships. This is also part of the Group's business strategies to reinforce its presence in the industry and enabling it to stay competitive.

The Group had secured various contracts to supply electronics and mechatronic components and parts for various car models, such as, Perodua, Proton, Toyota and new electric motorcycle models for overseas customers, which provides earnings visibility to the Group for the coming financial years. The Group has also been continuously enhancing its operational facilities as well as improving its production capabilities to cater for wider range and more technological sophisticated products.

In view of the above, the Group has decided not to proceed with the development of the Land, which was purchased by the Group in 2014 with the intention to diversify its core business into the provision of healthcare services. The Group currently does not have any plan for the diversification into provision of healthcare services and will continue to focus on its existing core business in the automotive sectors as per its business strategies at this juncture.

The Proposed Disposal is expected to allow MCE Group to achieve the following:

- (i) to unlock the value of the Land as the Group does not intend to proceed with the development of the Land and to recognise an estimated pro forma gain on disposal of approximately RM5.85 million, which will enhance the financial position of the Group;
- (ii) to streamline the operations of the Group by focusing on its core business and optimise the utilisation of assets owned by the Group; and

- (iii) will enable the Group to raise proceeds of RM43.69 million to be used to fund its expected increase in working capital requirements.

4. RISK FACTORS FOR THE PROPOSED DISPOSAL

The Company may be subject to certain risks associated with the Proposed Disposal. These risks, which may not be exhaustive, are as follows:

4.1 Non-completion risk

The completion of the Proposed Disposal is subject to, amongst others, the fulfilment of the Conditions Precedent, including obtaining the approval from the Previous Owner for the transfer of the Land to the Purchaser, and the delivery of vacant possession by the Vendor within the stipulated period. Please refer to the salient terms of the SPA set out in Appendix I of this Circular.

There is no assurance that all such Conditions Precedent will be fulfilled or obtained within the timeframe stipulated in the SPA or at all. If any of these Conditions Precedent are not fulfilled or waived, the SPA may be terminated. Pursuant thereto, the Company may not be able to realise the benefits that may accrue to it from the proposed utilisation of proceeds as set out in Section 2.11 of this Circular.

Notwithstanding this, the Company and the Vendor will take all reasonable steps to ensure the fulfilment of the Conditions Precedent, including obtaining the approvals / consents / waiver required which are within its control, for the purpose of completing the Proposed Disposal.

4.2 Opportunity cost

MCE Group will be disposing of the Land at the Disposal Consideration and will not be able to realise any further appreciation in the value of the Land in the future.

Nevertheless, the Proposed Disposal is undertaken for the rationale as set out in Section 3 of this Circular. There is also no guarantee that MCE Group can source for ready buyers for the Land in the future and may not be able to dispose the Land at a higher value.

5. EFFECTS OF THE PROPOSED DISPOSAL

As at the LPD, the issued share capital of MCE is RM64,088,565 comprising 123,557,404 MCE Shares. The Company does not have any treasury shares nor any other outstanding convertible securities, save for the outstanding 61,778,702 Warrants which will be expired on 15 January 2029.

For illustrative purpose, the pro forma effects of the Proposed Disposal are illustrated below:

Minimum Scenario : Assuming none of the 61,778,702 outstanding Warrants as at the LPD is exercised prior to the implementation of the Proposed Disposal

Maximum Scenario : Assuming all 61,778,702 outstanding Warrants as at the LPD are fully exercised prior to the implementation of the Proposed Disposal

5.1 Issued share capital and substantial shareholder's shareholding

The Proposed Disposal will not have any effect on the Company's issued share capital and the substantial shareholder's shareholdings in MCE as the Disposal Consideration will be fully satisfied in cash and does not involve any issuance of MCE Shares.

5.2

NA, NA per share and gearing

For illustrative purposes, assuming that the Proposed Disposal had been effected at the end of the FYE 31 July 2023, the pro forma effects of the Proposed Disposal on the NA, NA per share and gearing of MCE Group are set out as follows:

Minimum Scenario

	Audited as at 31 July 2023 (RM'000)	After subsequent event ⁽¹⁾ (RM'000)	(II) After (I) and the Proposed Disposal (RM'000)
Share capital	64,089	64,089	64,089
Capital reserve	1,006	1,006	1,006
Retained profits	52,689	52,433 ⁽²⁾	58,282 ⁽³⁾
Equity attributable to owners of the Company / NA	117,784	117,528	123,377
No. of shares in issue ('000)	61,779	123,557	123,557
NA per share (RM)	1.91	0.95	1.00
Total borrowings (RM'000)	15,900	15,900	15,900
Gearing ratio (times)	0.13	0.14	0.13

Notes:

- (1) After accounting for the 61,778,702 new Shares issued pursuant to the Bonus Issue.
- (2) After deducting the expenses of approximately RM0.26 million incurred pursuant to the Bonus Issue.
- (3) After taking into consideration the estimated pro forma gain on the disposal of the Land of approximately RM5.85 million to be incurred in relation to the Proposed Disposal.

5.2 NA, NA per share and gearing (cont'd)

Maximum Scenario

	(I) Audited as at 31 July 2023 (RM'000)	(II) After (I) and assuming full exercise of the Warrants ⁽³⁾ (RM'000)	(III) After (I), (II) and the Proposed Disposal (RM'000)
Share capital	64,089	113,512	113,512
Capital reserve	1,006	1,006	1,006
Retained profits	52,689	52,433 ⁽²⁾	58,282 ⁽⁴⁾
Equity attributable to owners of the Company / NA	117,784	166,951	172,800

No. of shares in issue ('000)
NA per share (RM)
Total borrowings (RM'000)
Gearing ratio (times)

	61,779	123,557	185,336
	1.91	0.95	0.90
	15,900	15,900	15,900
	0.13	0.14	0.10

Notes:

- (1) After accounting for the 61,778,702 new Shares issued pursuant to the Bonus Issue.
- (2) After deducting the expenses of approximately RM0.26 million incurred pursuant to the Bonus Issue.
- (3) Assuming all 61,778,702 outstanding Warrants are fully exercised into new MCE Shares at the exercise price of RM0.80 per Warrant.
- (4) After taking into consideration the estimated pro forma gain on the disposal of the Land of approximately RM5.85 million to be incurred in relation to the Proposed Disposal.

5.3 Earnings and EPS

The Proposed Disposal is not expected to have an immediate effect on the earnings and EPS of the MCE Group for the FYE 31 July 2024. Barring any unforeseen circumstances and on the assumption that the Proposed Disposal will be completed in the 4th quarter of 2024, the Proposed Disposal is expected to contribute positively to the earnings and EPS of the MCE Group for the FYE 31 July 2025 with the recognition of an estimated pro forma gain on the disposal of the Land.

For illustrative purposes, assuming that the Proposed Disposal had been effected at the beginning of the FYE 31 July 2023, the pro forma effects of the Proposed Disposal on the earnings and EPS of the Group are as follows:

Minimum Scenario	Audited as at 31 July 2023	(I) After subsequent event⁽¹⁾	(II) After (I) and the Proposed Disposal
PAT (RM'000)	15,394	15,394	⁽²⁾ 21,242
No. of shares in issue ('000)	61,779	123,557	123,557
EPS (sen)	24.92	12.46	17.19

Notes:

- (1) After accounting for the 61,778,702 new Shares issued pursuant to the Bonus Issue.
- (2) After taking into consideration the estimated pro forma gain on the disposal of the Land of approximately RM5.85 million to be incurred in relation to the Proposed Disposal.

Maximum Scenario	Audited as at 31 July 2023	(I) After subsequent event⁽¹⁾	(II) After (I) and assuming full exercise of the Warrants⁽²⁾	(III) After (I), (II) and the Proposed Disposal
PAT (RM'000)	15,394	15,394	15,394	⁽³⁾ 21,242
No. of shares in issue ('000)	61,779	123,557	185,336	185,336
EPS (sen)	24.92	12.46	8.31	11.46

Notes:

- (1) After accounting for the 61,778,702 new Shares issued pursuant to the Bonus Issue.
- (2) Assuming all 61,778,702 outstanding Warrants are fully exercised into new MCE Shares at the exercise price of RM0.80 per Warrant.
- (3) After taking into consideration the estimated pro forma gain on the disposal of the Land of approximately RM5.85 million to be incurred in relation to the Proposed Disposal.

5.4 Convertible securities

As at the LPD, save for the 61,778,702 outstanding Warrants which have an exercise price of RM0.80 per Warrant and are expiring on 15 January 2029, the Company does not have any other convertible securities.

The Proposed Disposal will not give rise to any adjustments to the exercise price and/or the outstanding number of Warrants.

6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Disposal is subject to the following approvals being obtained from the following parties:

- (i) the shareholders of the Company at an EGM to be convened; and
- (ii) any other relevant authorities, if required.

The Proposed Disposal is not conditional or inter-conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is 37.09% calculated based on the Disposal Consideration compared with the audited NA of the MCE Group as at 31 July 2023.

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

None of the directors, major shareholders of MCE and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Disposal.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Disposal, including but not limited to the terms and conditions of the SPA, rationale and effects of the Proposed Disposal, is of the opinion that the Proposed Disposal are in the best interest of the Company.

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

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal are expected to be completed by 4th quarter of 2024.

11. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Disposal, the Board confirms that as at the date of this Circular, there are no other outstanding corporate exercises that have been announced but pending completion by the Company.

12. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Diamond 3, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor on Friday, 28 June 2024 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution so as to give effect to the Proposed Disposal.

If you are unable to attend, speak and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the registered office of the Company at Suite 5.11 & 5.12, 5th floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor or alternatively by electronic means by way of submitting to mcejb@multicode.com.my not later than forty-eight (48) hours before the time for holding the EGM. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
MCE Holdings Berhad

Dr. Goh Kar Chun
Group Managing Director

APPENDIX I – SALIENT TERMS OF THE SPA

The salient terms of the SPA are set out as below:

1. Agreement to sell and to purchase

- (a) Vantage as the vendor agrees to sell, and GASB as the purchaser agrees to purchase the Land on an 'as is where is basis', free from all encumbrances and with vacant possession, but subject to the conditions, express and implied by law, on the title and upon the terms and conditions of the SPA, at the Disposal Consideration;
- (b) prior to the date of the SPA, the Purchaser paid the Earnest Deposit of RM873,726.90, being 2% of the Disposal Consideration to the Purchaser's solicitors to be held as stakeholder and which shall be deposited into a fixed deposit account or in an interest bearing account to the extent reasonably practicable;
- (c) upon execution of the SPA, the Purchaser shall pay the Balance Deposit of RM3,494,907.60, being 8% of the Disposal Consideration to the Purchaser's solicitors to be held as stakeholder and which shall be deposited into a fixed deposit account or in an interest bearing account to the extent reasonably practicable, excluding the Retention Sum of RM1,310,590.35, being 3% of the Disposal Consideration; and
- (d) the Purchaser's solicitors shall release Deposit less the Retention Sum together with all interests earned thereto to the Vendor and/or the Vendor's solicitors as stakeholder as part payment of the Disposal Consideration on the Unconditional Date.

2. Conditions Precedent

The sale and purchase of the Land is conditional upon the following Conditions Precedent being satisfied and fulfilled by the date that falls 6 months from the date of the SPA or such extended period as may be mutually agreed by the Vendor and the Purchaser in writing ("**Cut-Off Date**"):

- (i) in respect of the Previous SPA, the Vendor procuring a letter from the Previous Owner approving the transfer of the Land to the Purchaser on such terms and conditions that are acceptable to the Purchaser and MCE at the sole cost and expense of the Vendor;
- (ii) MCE procuring its shareholders' approval for the transfer of the Land by the Vendor to the Purchaser at the sole cost and expense of the Vendor;
- (iii) the Purchaser procuring an approval from the relevant authorities for the re-zoning of the Land such that activities relating to the Specific Uses are allowed to be carried out on the Land at the sole cost and expense of the Purchaser and in this regard, the Purchaser shall submit the application to obtain such approval within thirty (30) days from the date of the SPA;
- (iv) the Purchaser procuring the approval or letter of no objection from the MOE for the MOE Approval at the cost and expense of the Purchaser, if required and in this regard, the Purchaser shall submit the application to obtain such approval within thirty (30) days from the date of the SPA provided always that all documents and information from the Vendor shall have been received by the Purchaser's solicitors; and
- (v) the Purchaser obtaining all other relevant authorities' approvals required for the acquisition of the Land from the Vendor, if applicable, and in this regard, the Purchaser shall submit the application to obtain such approval(s) within thirty (30) days from the date of the SPA.

APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)

In the event any approvals referred to in the Conditions Precedent are granted subject to conditions which are unacceptable to the Purchaser, the Purchaser may reject such conditions and the Conditions Precedent shall be deemed unfulfilled or alternatively the Purchaser may within fourteen (14) days of receipt of the approval containing the unacceptable conditions appeal against or request the Vendor to appeal against the said conditions. If the Purchaser does not appeal against the rejection or request the Vendor to appeal against the said conditions within the stipulated deadline, the Conditions Precedent shall be deemed unfulfilled. In the event the conditions related to the approval referred in the Conditions Precedent is not acceptable to by the Vendor, the Vendor shall work together with the Purchaser to make an appeal against the condition at the Vendor's sole cost and expense.

In the event:

- (a) any of the Conditions Precedent is not fulfilled for any reason whatsoever by 5.00 pm on the Cut-Off Date;
- (b) any of the Conditions Precedent is rejected prior to the Cut-Off Date and the Purchaser does not wish to appeal against the rejection;
- (c) any of the approvals referred to under the Conditions Precedent contains conditions that are not acceptable to the Purchaser and the Purchaser does not wish to appeal against the condition;
- (d) any one of the appeals is rejected on or before the Cut-Off Date and the Purchaser does not wish to appeal against such rejection; or
- (e) the decision of any one of the appeals is not received by 5.00pm on the Cut-Off Date,

and none of the unfulfilled Conditions Precedent are waived by the Purchaser, the Purchaser shall be entitled to terminate the SPA by issuing a written notice to the Vendor and within five (5) business days from such notice of termination, the Purchaser's solicitors shall refund to the Purchaser the Deposit together with all interest earned thereto (if any) and in exchange of the refund, the Purchaser shall:

- (a) return to the Vendor all documents relating to the Land that had been forwarded to the Purchaser and/or the Purchaser's solicitors by the Vendor and/or the Vendor's solicitors;
- (b) withdraw or procure the withdrawal of any private caveat lodged by the Purchaser against the Land; and
- (c) return the vacant possession of the Land in the event vacant possession of the Land has been delivered to the Purchaser, the re-delivery of vacant possession of the Land to the Vendor shall be in the same state and conditions as delivered by the Vendor to the Purchaser.

Thereafter, the SPA shall be terminated and cease to have any further force or effect and neither the Purchaser nor the Vendor shall have any claim against the other save and except in respect of any antecedent breach.

APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)

The date whereupon the last of the Conditions Precedent are fulfilled as follows:

- (a) the Purchaser's solicitors receipt of a certified true copy of the consent letter from the Previous Owner;
- (b) the Purchaser's solicitors receipt of a certified true copy of MCE's shareholders resolution approving the transfer of the Land by the Vendor to the Purchaser;
- (c) the Purchaser's receipt of the relevant approvals approving the usage of the Land for Specific Uses;
- (d) the Vendor's solicitors receipt of a certified true copy of the MOE Approval, if required; and
- (e) the Purchaser's solicitors receipt of any other approval required for the transfer of the Land from the Vendor to the Purchaser, if any,

shall be known as the "**Unconditional Date**" and the SPA shall become unconditional on the Unconditional Date.

3. Completion

The Purchaser shall pay the Balance Disposal Consideration of RM39,317,710.50, being 90% of the Disposal Consideration within the Completion Period (which expression shall include Extended Completion Period) in the following manner:

- (i) if the Purchaser is not taking a loan, by paying to the Vendor's solicitors as stakeholder the Balance Disposal Consideration; and
- (ii) if the Purchaser is taking a loan, (i) by paying to the Vendor's solicitors as stakeholder, the difference, if any, between the Balance Disposal Consideration and the loan; and (ii) by causing the Purchaser's financier to pay the loan to the Vendor's solicitors as stakeholder.

The Vendor's solicitors are authorised to release to the Vendor the Balance Disposal Consideration that had been paid to them under the SPA as stakeholder within three (3) business days from the issuance of and receipt by the Purchaser of the title with the Purchaser duly registered as the registered proprietor provided always that:

- (i) vacant possession of the Land shall have been delivered to the Purchaser; and
- (ii) all outgoings in respect of the Land payable by the Vendor have been fully settled or paid to the Purchaser.

4. Extension of the Completion Period

In the event the Balance Disposal Consideration is not paid within the Completion Period, the Vendor shall grant to the Purchaser the Extended Completion Period to complete payment of the Balance Disposal Consideration provided always that the Purchaser shall pay to the Vendor the interest charges on the Balance Disposal Consideration or such part thereof as remains outstanding at the rate of 8% per annum calculated on a day to day basis commencing from the day of the expiry of the Completion Period until the day of actual receipt of the Balance Disposal Consideration which is outstanding by the Vendor's solicitors.

5. Default by the Purchaser

If the Purchaser fails to pay or to cause the Balance Disposal Consideration to be paid in accordance with the SPA, the Vendor shall be entitled to terminate the SPA by notice in writing to the Purchaser, in which event the Deposit shall be automatically forfeited by the Vendor as agreed liquidated damages. In the event the Deposit is in the custody of the Purchaser's solicitors, the Purchaser's solicitors shall release the Deposit together with interest earned thereto to the Vendor's solicitors as stakeholder within seven (7) days from the receipt of the notice of termination from the Vendor. Within fourteen (14) days from the date of receipt of the notice of termination by the Purchaser, the Vendor shall refund and/or cause to be refunded to the Purchaser, all other sums paid by or on behalf of the Purchaser towards account of the Disposal Consideration (less the Deposit), without interest, in accordance with the SPA failing which the Vendor shall pay to the Purchaser interest charges on the sum remaining to be refunded at the rate of 8% per annum calculated on a day to day basis commencing from the day after the expiry of the abovementioned fourteen (14) days until the day of actual receipt of the said sums which is outstanding and the relevant late payment interest, if any, by the Purchaser's solicitors.

6. Default by the Vendor

If the Vendor fails to complete the sale of the Land or in any way or breaches any of the material terms of the SPA, the Purchaser shall be entitled to:

- (a) the remedy of specific performance at the cost and expense of the Vendor; or alternatively
- (b) terminate the SPA by notice in writing to the Vendor, in which event the Vendor shall within fourteen (14) days of the receipt of such notice:
 - (i) pay to the Purchaser a sum equivalent to the Deposit being the agreed liquidated damages; and
 - (ii) refund and cause to be refunded to the Purchaser, the Deposit and all other sums paid by or on behalf of the Purchaser towards account of the Disposal Consideration in accordance with the SPA with all interest earned (if any). In this regard, if the Retention Sum has already been paid to the DGIR, the Vendor shall refund the Retention Sum to the Purchaser and the Vendor shall on its own accord apply the refund of the Retention Sum from the DGIR. If the Retention Sum has not been paid to the DGIR, the Purchaser's solicitors are hereby authorised to release the Retention Sum with interest thereof earned (if any) to the Purchaser,

if the Vendor fails to refund, the Vendor shall pay to the Purchaser interest charges on the sum remaining to be refunded or paid at the rate of 8% per annum calculated on a day to day basis commencing from the day after the expiry of abovementioned fourteen (14) days until the day of actual receipt of the said sums which is outstanding and the relevant late payment interest, if any, by the Purchaser's solicitors.

APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)

7. Termination / Rescission of Agreement

Upon any termination of the SPA pursuant to any provision of the SPA and in exchange for the refund of the Disposal Consideration:

- (a) the Purchaser shall re-deliver the vacant possession of the Land to the Vendor on an as-is-where-is basis in the same state and conditions as delivered by the Vendor to the Purchaser if the same has been delivered;
- (b) the Vendor and the Purchaser shall return to the other party all documents which may have been received by it from the other party pursuant to the SPA (including but not limited to the original Title and the transfer document) with each other party's interest remaining intact subject to the Purchaser's right to retain the transfer for submission to the stamp office in the event the transfer document is required for purpose of refund of stamp duty paid thereon; and
- (c) if any caveat and/or other encumbrances have been lodged or created over the Land by the Purchaser or the Purchaser's financier or any third party on the account of the Purchaser, the Purchaser shall withdraw or cause to be withdrawn such caveat and/or other encumbrances lodged or created over the Land,

the SPA shall thereafter cease to have any further force or effect without prejudice to the rights of either party hereto to bring any legal action against the other for any antecedent breach of its respective obligations hereunder.

8. Guarantee

On the date of the SPA, MFCB and MCE each issued a letter of guarantee to the other guaranteeing the performance of the obligations of the Vendor and the Purchaser respectively under the SPA.

9. Delivery of Vacant Possession

The Vendor shall be deemed to have delivered vacant possession of the Land to the Purchaser on an as-is-where-is basis immediately upon the payment of the Balance Disposal Consideration and the late payment interest thereon (if any) by the Purchaser and/or the Purchaser's financier to the Vendor's solicitors as stakeholder.

10. Tax

The Purchaser's solicitors are authorised to release the Retention Sum to the DGIR together with the filing of the Purchaser's RPGT returns within forty-five (45) days from the date of the SPA or the MOE Approval (if required), as the case may be, and the Purchaser's solicitors shall within three (3) days upon payment thereof furnish the receipt and the relevant forms evidencing the payment of the Retention Sum to the Vendor's solicitors.

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Our Reference : VSJ24.258.02

18 March 2024

The Board of Directors
MCE HOLDINGS BERHAD
No. 2 & 4, Jalan Waja 7
Kawasan Perindustrian Pandan
81100 Johor Bahru
Johor Darul Takzim

Dear Sirs,

VALUATION CERTIFICATE FOR:

**VALUATION OF HSD 306627, PT 37252, MUKIM OF BUKIT RAJA, DISTRICT OF PETALING, SELANGOR DARUL EHSAN COMPRISING A PARCEL OF VACANT COMMERCIAL LAND SPECIFIED BY THE MASTER DEVELOPER FOR MEDICAL CENTRE/FACILITY USE BEARING ADDRESS NO. 30 (PT 37252), PERSIARAN SETIA DAGANG, SETIA ALAM, 40170 SHAH ALAM, SELANGOR DARUL EHSAN
(HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")**

This Valuation Certificate has been prepared for inclusion in the Circular to Shareholders of MCE Holdings Berhad ("MCE") in relation to proposed disposal of the Subject Property by Vantage Realm Sdn Bhd, an indirect wholly-owned subsidiary of MCE, to Grand Ascent Sdn Bhd ("Proposed Disposal").

In accordance with your instructions to value the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad, we have inspected the Subject Property on 6 February 2024 and gathered all relevant information pertinent to the valuation. The material date of valuation is as 6 February 2024.

The valuation has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and with the necessary professional responsibility and due diligence.

Our basis of valuation is the "Market Value" which is defined in the Malaysian Valuation Standards as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The details of the Subject Property are as follows:

1.0 IDENTIFICATION OF PROPERTY**1.1 Property Address**

No. 30 (PT 37252), Persiaran Setia Dagang, Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan.

1.2 Type of Property

A parcel of vacant commercial land specified by the master developer for medical centre/facility use.

Perunding Harta Tanah Antarabangsa • International Property Consultants

KUALA LUMPUR PENANG IPOH KLANG PETALING JAYA SUBANG JAYA SEREMBAN MELAKA Kuantan JOHOR BAHRU KUCHING KOTA KINABALU

Representative offices throughout Asia, Australia, New Zealand, Europe, Americas & Africa

**Raine&Horne®**

www.raineandhorne.com.my

1.3 Title Particulars

We have conducted the official title search at the Selangor Land Registry on 29 February 2024 confirming the particulars of the Subject Property as follows:-

Title No.	:	HSD 306627.
Lot / Mukim / District / State	:	PT 37252, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan.
Tenure	:	Freehold.
Title Area	:	13,263.38 square metres.
Annual Rent	:	RM28,238.00.
Registered Owner	:	VANTAGE REALM SDN BHD.
Category of Land Use	:	Bangunan.
Express Condition	:	Bangunan Perniagaan.
Restriction in Interest	:	Nil.
Encumbrance	:	Nil.
Endorsement	:	Nil.

Notes:

Based on the Principal Sale And Purchase Agreement ("SPA") made between Bandar Setia Alam Sdn Bhd ("The Developer") and Vantage Realm Sdn Bhd ("The Purchaser") dated 18 November 2013, we note that the principal terms and conditions imposed by the Developer who is also the Master Developer of Setia Alam included the following:-

- i) The Subject Property shall be used solely and strictly for the development and construction of medical centre/facility and other ancillary buildings for medical related services as well as wellness and/or patient care facility (Clause 9.1.1).
- ii) The Purchaser agrees to personally liable and accountable to the Developer to procure and ensure that any sub-purchaser in any subsequent sale by the Purchaser shall expressly agree and undertake to be bound by the conditions and covenants imposed on the Purchaser (Clause 9.1.6).
- iii) In the event at any time after the completion of the Principal SPA but prior to commencement of construction of the Main Building, the Purchaser intends to dispose the Subject Property, the Purchaser hereby grants to the Developer the right of first refusal to purchase the Subject Property at the price equivalent to the Principal SPA price. The Purchaser's Offer shall remain open for acceptance for thirty (30) business days and in the event the Developer does not wish to purchase the Subject Property or if on the expiry of the said thirty (30) business days, the Purchaser shall be at liberty to sell the Subject Property to third party (Clause 9.2)

Based on the Draft SPA made between Vantage Realm Sdn Bhd (The Purchaser) and Grand Ascent Sdn Bhd (The Sub-Purchaser), we note that the Purchaser shall procure a letter from the Developer approving the transfer of the Subject Property to the Sub-Purchaser on such terms and conditions that are acceptable to the Sub-Purchaser and MCE (Clause 3.1[a]).

Our valuation is on the basis that the letter from the Developer approving the transfer of the Subject Property to the Sub-Purchaser will not be unreasonably withheld.

2.0 PROPERTY DESCRIPTION**2.1 Location**

The Subject Property is situated in the locality of Section U13, Shah Alam and within the commercial area of Setia City, Setia Alam which is sited off the right (northern) side of Persiaran Setia Alam, travelling from New Klang Valley Expressway (NKVE) towards Jalan Meru.

Kuala Lumpur city centre and Klang town are located approximately 36 kilometres and 12 kilometres due north-east and south-west of the Subject Property respectively. Access to the Subject Property from the NKVE is via the Setia Alam Interchange, Persiaran Setia Alam, Persiaran Setia Perdana, Persiaran Setia Wawasan and Persiaran Setia Dagang which leads to the Subject Property.

Persiaran Setia Alam also links the Setia Alam township and NKVE to Jalan Meru and vice versa. The Setia Alam Interchange of NKVE is located approximately 5 kilometres to the south-east of the Subject Property.

The Subject Property is located within Setia City, the main commercial hub of Setia Alam which spans an area of 240 acres. It is bounded by Persiaran Setia Alam to the south, Persiaran Setia Perdana to the west, Persiaran Setia Wawasan to the north and Persiaran Setia Prima to the east. The Subject Property is sited at the junction of Persiaran Setia Wawasan and Persiaran Setia Dagang.

Properties in the immediate vicinity of the Subject Property are predominantly mixed residential, commercial and industrial in character comprising terraced, semi-detached, detached and individually designed detached houses, apartment and condominium developments, terraced shopoffices, stratified shop and office lots as well as vacant parcels of development land.

We also note that there is one (1) private hospital known as Selgate Setia Alam Hospital which is under construction and located along Jalan Setia Gemilang BG U13/BG, approximately 3.5 kilometres to the north-east of the Subject Property.

2.2 Site

The Subject Property comprises a parcel of vacant commercial land specified by the master developer for medical centre/facility use which is almost rectangular in shape with a splay corner. It has a provisional title land area of 13,263.38 square metres (142,766 square feet).

Based on the Certified Plan (PA) No. 204955 issued by Jabatan Ukur Dan Pemetaan, Selangor Darul Ehsan, we note that final survey of the Subject Property has been carried out and the Subject Property has been ascribed a new surveyed lot number identified as Lot 98324 and having a surveyed land area of 13,264 square metres (142,772 square feet). Notwithstanding the above, for the purpose of this valuation, we have adopted the provisional title area of 13,263.38 square metres (142,766 square feet) to arrive at our opinion of value because the sales evidence for the Subject Property were analysed based on title areas.

The subject site has a frontage of about 111.23 metres (365 feet) onto Persiaran Setia Dagang along the south-eastern boundary, a splay of about 18.28 metres (60 feet) and an another frontage of about 117.70 metres (386 feet) onto Persiaran Setia Wawasan to the north.

The site is generally flat in terrain and lies at about the same level as the frontage metalled roads. The site boundaries are not demarcated by any form of fencing. The site is vacant and is covered with grass. There is also an overhead pedestrian bridge connecting from the first floor of Setia City Residences to the frontage of the subject site along Persiaran Setia Dagang.

2.3 Occupancy Status

The Subject Property is vacant.

2.4 Planning Details

Based on the Rancangan Tempatan Majlis Bandaraya Shah Alam 2035 (Pengantian) and our enquiries at the Planning Department of Majlis Bandaraya Shah Alam (MBSA), we note that the Subject Property is located within an area zoned for mixed development use at a permitted plot ratio of 5. The classification of land use under mixed development (K2[A]) covers various commercial, institutional and recreational activities.

Our enquiries with MBSA revealed that medical centre/facility use is permitted to be developed on the Subject Property.

3.0 VALUATION

3.1 Date of Valuation

The material date of valuation is 6 February 2024.

3.2 Valuation Approach

In arriving at the Market Value of the Subject Property, we have adopted the **Comparison Approach** which seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar property in the vicinity. Where dissimilarities exist, adjustments are made.

We have used the Comparison Approach as the only approach in our valuation as there are sufficient sale evidences of similar properties. Accordingly, the use of Income Approach (Residual Method) is not applicable in this instance as there is no approved layout plan for the Subject Property.

3.3 Comparison Approach

In applying the Comparison Approach to arrive at the Market Value of the Subject Property, we note the following sales evidence of vacant parcels of commercial land:

Item	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Identification	HSD 316774, PT 37585, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan	HSD 316773, PT 37584, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan	Geran 273950, Lot 55786, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan	PM 17468, Lot 117426 & PM 17467, Lot 117427 (Formerly PM 416, Lot 31632 & PM 417, Lot 31633), Mukim of Kapar, District of Klang, Selangor Darul Ehsan
Locality	Fronting Persiaran Setia Dagang and Persiaran Setia Alam, Setia Alam	Fronting Persiaran Setia Dagang and Persiaran Setia Alam, Setia Alam	Fronting Persiaran Setia Dagang, Persiaran Setia Prima and Persiaran Setia Wawasan, Setia Alam	Fronting Persiaran Bukit Raja, Jalan Tiara 1 and Lebuhraya Baru Selat Klang Utara, Bandar Baru Klang
Property Type	A parcel of vacant commercial land zoned for mixed development use	A parcel of vacant commercial land zoned for mixed development use	A parcel of vacant commercial land zoned for mixed development use	Two (2) contiguous parcels of vacant commercial land
Tenure	Freehold	Freehold	Freehold	99 years leasehold interest expiring 8/5/2093
Town Planning	Mixed development use (Plot ratio 5)	Mixed development use (Plot ratio 5)	Mixed development use (Plot ratio 5)	Commercial use (Plot ratio 4)
Vendor	Bandar Setia Alam Sdn Bhd	Bandar Setia Alam Sdn Bhd	Bandar Setia Alam Sdn Bhd	88 Legacy Sdn Bhd
Purchaser	Armani KPF2 Development Sdn Bhd	Worldklang Group Realty Sdn Bhd	KSL Bestari Sdn Bhd	AG Avenue Sdn Bhd
Date of Sale	17/11/2022	30/9/2022	23/11/2023	14/4/2023
Land Area (sf)	113,165	102,977	783,828	308,396
Consideration	RM38,476,100	RM35,012,180	228,800,000	56,000,000.00
Analysed Land Value	RM340.00 psf	RM340.00 psf	RM291.90 psf	RM181.58 psf
Factors of Adjustment	Factors considered include time, location, land size, tenure, shape of land, town planning and restriction in land use			
Adjusted Land Value	RM289.00 psf	RM289.00 psf	RM306.50 psf	RM263.29 psf

(Source of Transactions: Jabatan Penilaian Dan Perkhidmatan Harta and Bursa Securities)

Note:

- Comparable 3 which was recently announced has not been completed as yet and is pending approval from Economic Planning Unit. However, it can be used as a comparable as the SPA has been signed and there is sufficient information on the transaction as per the disclosure to Bursa Securities
- Comparable 4 is pending completion as at the date of valuation but has received shareholders' approval. However, it can be used as a comparable as the SPA has been signed and there is sufficient information on the transaction as per the disclosure to Bursa Securities

3.4 Reconciliation of Market Value

From the analysis of the sales evidence, the adjusted land values are in the range of RM263.29 psf to RM306.50 psf. We have adopted Comparables 1 and 2 as the best comparables as they are located nearest to the Subject Property and have almost similar land size. Hence, we have adopted the land value at RM290.00 psf.

3.5 Market Value

Our opinion of the Market Value of the freehold interest in PT 37252, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan, a parcel of vacant commercial land specified by the master developer for medical centre/facility use bearing address No. 30 (PT 37252), Persiaran Setia Dagang, Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan, on the basis the title is free of all encumbrances and with vacant possession is **Ringgit Malaysia Forty One Million And Four Hundred Thousand Only (RM41,400,000.00)**.

The Market Value opinion is analysed over the land area of 142,766 square feet at **RM290 per square foot**.

Yours faithfully,
For & on behalf of

**RAINE & HORNE INTERNATIONAL
ZAKI + PARTNERS SDN BHD**



**HO SEK CHUEN, MRICS FRISM
REGISTERED VALUER, V-373**

Date of Valuation: 6 February 2024

APPENDIX III – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST**2.1 Principal Adviser**

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

AIS has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity to act as the Principal Adviser to the Company for the Proposed Disposal.

2.2 Valuer

Raine & Horne, being the Valuer for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

Raine & Horne has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity to act as the Valuer to the Company for the Proposed Disposal.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, there is no material litigation, claims or arbitration involving the Land which may materially and adversely affect the business or financial position of the Group.

4. MATERIAL COMMITMENT

As at the LPD, save as disclosed below, the Group does not have any material commitments incurred or known to be incurred, which have not been provided for, which upon becoming enforceable may have a material impact on the financial position of the Group:

	RM'000
Purchase of property, plant and equipment	28,405
Total	28,405

5. MATERIAL CONTINGENT LIABILITIES

As at the LPD, the Group does not have any contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or financial position of the Group.

APPENDIX III – FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Suite 5.11 & 5.12, 5th floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor during normal business hours from Mondays to Fridays (except on public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the Constitution of the Company;
- (ii) the audited consolidated financial statements of the Group for the FYE 31 July 2022 and FYE 31 July 2023 and the latest unaudited results of the Group for for the six (6)-month financial period ended 31 January 2024;
- (iii) the SPA and the Previous SPA;
- (iv) the Valuation Certificate referred to in Appendix II of this Circular and the Valuation Report prepared by the Valuer; and
- (v) the letters of consent and declaration on conflict of interest referred to in Section 2 above.

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MCE HOLDINGS BERHAD
(Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM” or “**Meeting**”) of MCE Holdings Berhad (“**MCE**” or “**Company**”) will be held at Diamond 3, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato’ Sulaiman, Taman Abad, 80250 Johor Bahru, Johor on Friday, 28 June 2024 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modification, the following resolution:

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF A PIECE OF FREEHOLD LAND HELD UNDER HS(D) 306627, PT 37252, MUKIM BUKIT RAJA, DAERAH PETALING, NEGERI SELANGOR, MEASURING APPROXIMATELY 13,263.38 SQUARE METRES IN AREA (“LAND”) BY VANTAGE REALM SDN BHD (“VANTAGE”), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MCE, TO GRAND ASCENT SDN BHD (“GASB”) FOR A CASH CONSIDERATION OF RM43,686,345 (“PROPOSED DISPOSAL”)

“**THAT**, contingent upon the fulfilment of all other conditions precedent under the conditional sale and purchase agreement in relation to the Proposed Disposal dated 26 February 2024 entered into between Vantage and GASB (“**SPA**”) and subject to the approval and consent from all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to Vantage for the disposal of the Land, for a cash consideration of RM43,686,345, based on the terms and conditions of the conditional sale and purchase agreement in relation to the Proposed Disposal dated 26 February 2024 entered into between Vantage and GASB;

THAT the proceeds arising from the Proposed Disposal be utilised for the purposes set out in Section 2.11 of the circular to shareholders in relation to the Proposed Disposal and the Board of Directors of the Company (“**Board**”) be authorised with full powers to vary the manner and/or purposes of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company;

AND THAT the Board be and is hereby authorised to take all steps, to do all acts, deeds and things and to execute, sign and deliver for and on behalf of the Company all such documents and to enter into any deeds, agreements, arrangements, transfers and/or indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to and to complete the Proposed Disposal, with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board to implement, finalise and give full effect to the Proposed Disposal.”

By Order of the Board
MCE HOLDINGS BERHAD

LEE WEE HEE (MAICSA 0773340) SSM Practicing Certificate No. 201908004010
HEW JING SIAN (MAICSA 7065968) SSM Practicing Certificate No. 202008001325
Company Secretaries

13 June 2024

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. Subject to the Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the following e-mail address mcejb@multicode.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 June 2024, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Voting by Poll

Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the resolution set out in this notice is to be voted by poll.



MCE HOLDINGS BERHAD
Registration No. 201501033021 (1158341-K)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held:	
CDS Account No.	

I/We _____ (NRIC No. _____) of (full address) _____ (email address) _____ and (contact no.) _____ a member / members of MCE HOLDINGS BERHAD hereby appoint

Name of Proxy (Full Name)	NRIC No. / Passport No.	% of Shareholding to be Represented (Refer to Note 2)
Address	Email address	Contact No.

*and/or failing him/her

Name of Proxy (Full Name)	NRIC No. / Passport No.	% of Shareholding to be Represented (Refer to Note 2)
Address	Email address	Contact No.

or failing him /her, *the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held on Friday, the 28th day of June, 2024 at 10.00 a.m. or at any adjournment thereof, at Diamond 3, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor to vote as indicated below in respect of the following resolution:-

* delete where applicable.

Resolution	FOR	AGAINST
Ordinary Resolution Proposed Disposal		

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

..... Dated this _____ day of _____ 2024
Signature/Common Seal of Member(s)

NOTES :

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notari ally certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
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8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 June 2024, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
MCE Holdings Berhad
Registration No: 201501033021 (1158341-K))
Suite 5.11 & 5.12, 5th floor, Menara TJB
No. 9, Jalan Syed Mohd. Mufti
80000 Johor Bahru
Johor, Malaysia

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