

CHEMICAL COMPANY OF MALAYSIA BERHAD (“CCMB” OR “COMPANY”)

PROPOSED DISPOSAL OF SHAH ALAM LAND

(Unless otherwise stated, all abbreviations and definitions used herein shall have the same meaning as those used in the Company’s announcement dated 2 August 2017 in relation to the Proposed Disposal of Shah Alam Land)

1. INTRODUCTION

We refer to the Company’s announcements dated 2 August 2017, 4 August 2017, 11 August 2017, 30 August 2017, 19 September 2017 and 31 October 2017 in relation to the Proposed Disposal of Shah Alam Land.

On behalf of the Board, Maybank IB wishes to announce that the Company (“**Vendor**”) has today entered into a SPA with Global Vision Logistics Sdn Bhd (“**GVL**” or “**Purchaser**”), being the party nominated by GBA Corp for purposes of the conditional SPA, for the Proposed Disposal of Shah Alam Land which comprises the lands held under:

- a) Pajakan Negeri 112585, Lot 818 Seksyen 16, Bandar Shah Alam, Daerah Petaling, Negeri Selangor (“**Lot 818**”);
- b) H.S.(D) 135878, No. PT 757 Seksyen 16, Bandar Shah Alam, Daerah Petaling, Negeri Selangor (“**PT 757**”); and
- c) H.S.(D) 135879, No. PT 758 Seksyen 16, Bandar Shah Alam, Daerah Petaling, Negeri Selangor (“**PT 758**”),

together with all remaining buildings and structures (“**Buildings**”) excluding such portion of the Buildings which are to be demolished and/or removed by the Company and any Existing Tenants¹ (collectively referred to as “**Shah Alam Land**” or “**Property**”) for a cash consideration of RM190 million (“**Disposal Consideration**”), the salient terms of which are set out in Section 3 of this Announcement.

2. BACKGROUND INFORMATION ON THE PURCHASER

GVL is a private limited company incorporated in Malaysia on 27 October 2017. It is a joint venture established by Aspen Vision Properties Sdn Bhd, Hartamas Mentari Sdn Bhd, Swift Haulage Sdn Bhd, Ideal Force Sdn Bhd and Dato’ Seri Nazir Ariff bin Mushir for purposes of undertaking a business of warehousing and storage services.

As at 29 November 2017, being the latest practicable date prior to this Announcement (“**LPD**”), the issued share capital of GVL is RM250,000 comprising 2,500,000 ordinary shares.

As at the LPD, GVL does not have any subsidiaries or associated companies.

¹ “**Existing Tenants**” means collectively:

- (a) CCM Fertilizers Sdn. Bhd. (“**Tenant 1**”) pursuant to a tenancy agreement dated 1 March 2017 made between the Vendor as the landlord and Tenant 1;
- (b) CCM Chemicals Sdn. Bhd. (“**Tenant 2**”) pursuant to two (2) tenancy agreements, both dated 1 March 2017 between the Vendor as the landlord and Tenant 2; and
- (c) Orica-CCM Energy Systems Sdn. Bhd. (“**Tenant 3**”) pursuant to a tenancy agreement dated 1 March 2017 between the Vendor as the landlord and Tenant 3.

As at the LPD, the directors of GVL and their respective shareholdings in GVL are as follows:

	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Oh Kim Sun	-	-	⁽¹⁾ 925,000	37.0
Tan Jing Jeong	-	-	⁽²⁾ 750,000	30.0

As at the LPD, the shareholders of GVL and their respective shareholdings in GVL are as follows:

	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Aspen Vision Properties Sdn Bhd	750,000	30.0	-	-
Hartamas Mentari Sdn Bhd	750,000	30.0	-	-
Swift Haulage Sdn Bhd	625,000	25.0	-	-
Ideal Force Sdn Bhd	175,000	7.0	⁽³⁾ 750,000	30.0
Dato'Seri Nazir Ariff bin Mushir Ariff	200,000	8.0	-	-

Notes:

⁽¹⁾ Via interest in Ideal Force Sdn Bhd and Hartamas Mentari Sdn Bhd.

⁽²⁾ Via interest in Hartamas Mentari Sdn Bhd.

⁽³⁾ Via its interest in Hartamas Mentari Sdn Bhd.

3. SALIENT TERMS OF THE SPA

3.1 Basis of sale

The sale of the Property shall be on “as is where is” basis as at the date of full payment of the Disposal Consideration by the Purchaser to the Vendor (“**Completion Date**”) subject to, amongst others:

- (i) the removal of the portion of the Buildings by the Vendor and/or any Existing Tenants;
- (ii) the tenancies granted to the Existing Tenants (“**Existing Tenancies**”)* which are subsisting at the Completion Date and the terms and conditions of the relevant tenancy agreements (“**Existing Tenancy Agreements**”) as well as the subsequent letter of authorisation (hereinafter referred to as “**Letter of Authorisation**”) issued or to be issued to the relevant Existing Tenant(s) whereby the Vendor has authorised or will authorise the relevant Existing Tenant(s) to remain within the relevant premises of the Property to enable the relevant Existing Tenant(s) to carry out the environmental rehabilitation works until such time they have been completed;
- (iii) the terms and conditions of the land exchange agreement dated 1 July 2004 (“**Land Exchange Agreement**”) as amended and supplemented by a supplemental agreement to the Land Exchange Agreement dated 4 April 2016 (“**Supplemental Land Exchange Agreement**”), both entered into between the Vendor and Perbadanan Kemajuan Negeri Selangor (“**PKNS**”);

- (iv) the Vendor and/or the Existing Tenants' rights in respect of the utilities lines or cables or ducting or any matter of similar nature which are required for the provision of utilities and services to the Existing Tenants during the subsistence of the Existing Tenancies;
- (v) Tenaga Nasional Berhad's rights to access, occupy, use, manage and/or operate the electricity substations which are located within the Property;
- (vi) the Vendor's and/or the Existing Tenants' right to access, occupy, use, manage and/or operate the electricity substations, water reservoirs and weighbridge, all of which are located within the Property; and
- (vii) the environmental rehabilitation works to be carried out by the Vendor in accordance with the terms and conditions of the SPA.

**There are presently three (3) parties occupying the Property as follows:-*

- (1) *CCM Fertilizers Sdn. Bhd. i.e. Tenant 1 whose tenancy has expired but has since been authorised by the Vendor vide a letter of authorisation (hereinafter referred to as the "**CCMF Letter of Authorisation**") to remain within the relevant premises of the Property so as to enable the Tenant 1 to carry out the relevant Initial Rehabilitation Works (as defined hereinafter) and/or the Subsequent Rehabilitation Works (as defined hereinafter) until such time such works have been completed;*
- (2) *CCM Chemicals Sdn. Bhd i.e. Tenant 2 who has been granted with two tenancies both expiring on 28 February 2018 and each with an option to renew for a further period of one year ("**Existing Tenancy 2**" and "**Existing Tenancy 3**" respectively); and*
- (3) *Orica-CCM Energy Systems Sdn. Bhd. i.e. Tenant 3 whose tenancy is due to on 28 February 2018 with an option to renew for a further period of one (1) year ("**Existing Tenancy 4**").*

3.2 Condition precedent ("CP")

CCMB is to obtain the approval of CCMB's shareholders for the sale of the Property to the Purchaser on terms acceptable to the Vendor on or before the expiry of ninety (90) days from the date of the SPA ("**CP Period**"). The date the CP is fulfilled and the conditional SPA becomes unconditional shall be referred to as "**Unconditional Date**".

3.3 Other conditions

3.3.1 Economic Planning Unit ("EPU") approval

- (i) The Purchaser shall apply for and obtain the approval of the EPU of the Prime Minister's Department to the transfer of the Shah Alam Land in favour of the Purchaser ("**EPU Approval**") on or before 15 May 2018.
- (ii) The Purchaser shall submit or cause to be submitted the application for the EPU Approval within fourteen (14) business days of the execution of the SPA or three (3) business days from the Purchaser's receipt of all relevant documents relating to the Vendor, whichever is later (save and except for documents relating to the Vendor's majority shareholder which shall be submitted within fourteen (14) business days from the date of CCMB's receipt of a copy of the relevant submission letter enclosing the Purchaser's application for the EPU Approval to the EPU).

- (iii) To assist the Purchaser in its application for the EPU Approval, CCMB has agreed to apply to Jabatan Penilaian dan Perkhidmatan Harta for a valuation report in respect of the Property at the cost and expense of the Purchaser.

3.3.2 State Authority approval

- (i) The Vendor shall apply for and obtain the approval of the State Authority to the transfer of PT 757 and PT 758 in favour of the Purchaser pursuant to the restriction-in-interest over PT 757 and PT 758 respectively ("**State Consent to Transfer**") on or before 15 May 2018 provided that the Purchaser has delivered to the Vendor the relevant documents relating to the Purchaser as required for the application for the State Consent to Transfer;
- (ii) The Purchaser shall apply for and obtain the approval of the State Authority to the charge of PT 757 and PT 758 in favour of the Purchaser's financier ("**Purchaser's Financier**") pursuant to the restriction-in-interest over PT 757 and PT 758 respectively ("**State Consent to Charge**") on or before 15 May 2018 provided that the Vendor has delivered to the Purchaser the relevant documents relating to the Vendor as required for the application for the State Consent to Charge;
- (iii) The Vendor shall submit or cause to be submitted the application for the State Consent to Transfer within fourteen (14) business days of the execution of the SPA or three (3) business days from the Vendor's receipt of the relevant documents relating to the Purchaser as required by the Appropriate Authorities in respect of the application for the State Consent to Transfer, whichever is later; and
- (iv) The Purchaser shall submit or cause to be submitted the application for the State Consent to Charge within fourteen (14) business days of the execution of the SPA or three (3) business days from the Purchaser's receipt of the relevant documents relating to the Vendor as required by the Appropriate Authorities in respect of the application for the State Consent to Charge, whichever is later, failing which the Purchaser shall be deemed to have not obtained the Facility (as defined below) and complete the sale and purchase transaction by paying the Balance Disposal Consideration (as defined below) wholly from its own cash funds.

3.4 Payment Terms

- (a) Prior to the execution of the SPA, the Purchaser has paid the amount of RM3,800,000.00 only ("**Earnest Deposit**") directly to the Vendor upon acceptance by the Vendor of the letter of offer dated 2 August 2017 issued by the Purchaser to the Vendor.
- (b) Upon execution of the SPA, the Purchaser shall pay the following sums in the following manner:
 - (i) RM5,700,000.00 only, being three percent (3%) of the Disposal Consideration ("**Retention Sum**") to Messrs. Anad & Noraini ("**Purchaser's Solicitors**") as stakeholders, to be remitted by the Purchaser's Solicitors to the Director General of Inland Revenue ("**Director General**") in accordance with the terms and conditions of the SPA; and

- (ii) RM9,500,000.00 only ("**Balance Deposit**"), being five percent (5%) of the Disposal Consideration, directly to the Vendor.
- (c) Subject always to, inter-alia, the SPA becoming unconditional on the Unconditional Date and the procurement of the EPU Approval, the State Consent to Transfer and the State Consent to Charge (collectively, "**Approvals**") on or before 15 May 2018 in accordance with the terms and conditions of the SPA, the Purchaser shall pay RM171,000,000.00 only, being ninety percent (90%) of the Disposal Consideration ("**Balance Disposal Consideration**") to Messrs. Zain & Co. ("**Vendor's Solicitors**") as stakeholders on or before 31 May 2018 ("**Payment Deadline**").
- (d) In the event the Purchaser obtains a facility from the Purchaser's Financier ("**Facility**") to finance/part finance the purchase of the Property, then on or before the expiry of the Payment Deadline:
 - (i) the Purchaser shall deposit the difference between the Balance Disposal Consideration and the sum of the Facility with the Vendor's Solicitors as stakeholders; and
 - (ii) the Purchaser shall cause the Purchaser's Financier to deposit with the Vendor's Solicitors as stakeholders the sum of the Facility.
- (e) In the event the Purchaser is unable to pay or cause to be paid the Balance Disposal Consideration on or before the expiry of the Payment Deadline, the Vendor shall automatically grant to the Purchaser a new deadline of 30 June 2018 ("**Extended Payment Deadline**") to make the full payment of the Balance Disposal Consideration subject to the Purchaser paying to the Vendor the Late Payment Charges² which shall be payable at the same time as the full payment of the Balance Disposal Consideration by the Purchaser which the Late Payment Charges shall be calculated from either:-
 - (i) the date immediately next after the expiry of the Payment Deadline to the date of actual receipt by the Vendor or the Vendor's Solicitors of the full Balance Disposal Consideration or such amount thereof as shall then be outstanding; or
 - (ii) the date immediately next after the expiry of the Payment Deadline to the date of actual payment of the Differential Sum³ and the sum of the Facility or such amount thereof as shall then be outstanding,

whichever is applicable.
- (f) Subject to any extension to the deadline for the procurement of the Approvals to be mutually agreed between the parties, if the last of the Approvals is obtained after 15 May 2018, the Purchaser shall pay the Balance Disposal Consideration prior to 31 July 2018 subject to the Purchaser paying the Vendor the Late Payment Charges which shall be chargeable from 1 June 2018.

² "**Late Payment Charges**" means ta'widh (compensation) on the Balance Disposal Consideration or any part thereof as shall then remain outstanding upon the expiry of the Payment Deadline, calculated at the Maybank Lending Rate prevailing on the date of the Purchaser's full payment of the Balance Disposal Consideration, calculated on a day to day basis based on a three hundred and sixty five (365) day year.

³ "**Differential Sum**" means the difference between the Balance Disposal Consideration and the sum of the Facility.

- (g) The Balance Disposal Consideration and the Late Payment Charges (if any) shall be released by the Vendor's Solicitors to the Vendor within seven (7) days from the Vendor's Solicitors receipt of the Balance Disposal Consideration or the Differential Sum and the sum of the Facility, whichever is applicable provided always that:
- (1) the Transfers⁴ have been registered at the land office or a period of fourteen (14) days has lapsed from the presentation of the Transfers for registration at the land office, whichever is the earlier;
 - (2) legal possession of those parts of the Property which are subject to the Existing Tenancies has been delivered by the Vendor to the Purchaser; and
 - (3) vacant possession of those parts of the Property which are not subject to the Existing Tenancies or are no longer subject to the relevant Existing Tenancies, as the case may be, has been delivered by the Vendor to the Purchaser.

3.5 Ongoing Matters

The Purchaser is to take note and be agreeable to the following matters:

- (i) Pursuant to the Land Exchange Agreement as amended and supplemented by the Supplemental Land Exchange Agreement, PKNS and the Vendor have undertaken the application to the relevant authorities on behalf of the Vendor for the surrender of a portion of Lot 818 measuring approximately 11,655 square metres in accordance with the terms and conditions of the Land Exchange Agreement as amended and supplemented by the Supplemental Land Exchange Agreement ("**Surrender Application**"). The surrender is therefore deemed to be completed with the Vendor having procured the endorsement of a memorial of the approval of the Surrender Application on to the current document of title of Lot 818.

⁴ "**Transfers**" means the valid and registrable memoranda of transfers in Form 14A of the National Land Code 1965 to be executed by the Vendor in favour of the Purchaser in respect of each of Lot 818, PT 757 and PT 758 respectively.

- (ii) The Vendor shall demolish and/or remove or cause to be demolished or removed those structures identified in the SPA ("**Excluded Structures**") from the Property either before the payment of the full Balance Disposal Consideration and any late payment charges ("**Completion Date**") or if necessary, after the Completion Date at its own cost and expense save and except for such cost and expense which form part of the costs and expenses for the undertaking of the Initial Rehabilitation Works (as defined in Section 3.8 of this Announcement) and/or the Subsequent Rehabilitation Work(s) (as defined in Section 3.8 of this Announcement) and which costs and expenses of the Initial Rehabilitation and/or the Subsequent Rehabilitation Work(s) shall be borne by both the Vendor and the Purchaser equally provided that the costs and expenses to be borne by the Purchaser shall not exceed RM5,000,000.00 only. Any of the Existing Tenants may also demolish and/or remove or cause to be demolished or removed the Excluded Structures on the Property upon the expiry of the relevant Existing Tenancies if necessary, after the Completion Date. The demolition of the Excluded Structures to the ground level shall be deemed full satisfaction of such removal and that neither the Vendor nor any of the Existing Tenants shall be required to remove any buildings or structures or equipment below ground level. In the event that the aforesaid demolition and/or removal are not yet been completed by the Completion Date, the Purchaser shall nevertheless allow the Vendor and/or any of the Existing Tenants and/or their respective contractors, workmen, employees and/or agents access to the Property after the Completion Date onwards to complete the said demolition and/or removal. If the Vendor is unable to demolish and/or remove the Excluded Structures or to complete the same for any reasons whatsoever including due to any legal impediment or injunction, the Vendor shall not be obligated to complete such demolition and/or removal of the Excluded Structures and shall not be liable to the Purchaser for such non-completion.

3.6 Delivery of Legal/Vacant Possession and apportionment of outgoings

- (a) Legal possession of the parts of the Property which are subject to the Existing Tenancies (including the electricity substations, water reservoirs and weighbridge, all of which are located within the Property) shall be deemed delivered to the Purchaser upon payment of the Balance Disposal Consideration, the Late Payment Interest (if any) and the Purchaser's portion of the outgoings (if applicable) and upon the payment of the apportioned rental on such parts of the Property which are subject to Existing Tenancies by the Vendor to the Purchaser. The Vendor and the Purchaser agree that all risk in respect of the Property shall pass unto the Purchaser as at such date.
- (b) Vacant possession of the parts of the Property which are not subject to the Existing Tenancies or no longer subject to the relevant Existing Tenancies shall be delivered by the Vendor to the Purchaser upon payment of the Balance Disposal Consideration, the Late Payment Interest (if any) and the Purchaser's portion of the outgoings (if applicable) subject always to the rights of the relevant tenant under the Existing Tenancies which are still subsisting as at such date of delivery of vacant possession to any rights of access and/or common areas which are situated within the Property. The Vendor and the Purchaser agree that all risk in respect of the Property shall pass unto the Purchaser as at such date of delivery of vacant possession.
- (c) There are also specific obligations which are expected from the Purchaser as follows:

- (i) From the date of deemed delivery of legal possession and/or delivery of vacant possession (as the case may be), the Purchaser is to ensure that a competent and qualified chargeman take over the use, operations, management and/or maintenance of the two (2) electricity substations located on the Shah Alam Land ("**Electricity Substations**"), subject always to, inter-alia, the terms and conditions of the Existing Tenancies.
- (ii) for the purposes of enabling the Vendor and/or its related corporation to continue to provide electricity supply to the relevant subsisting Existing Tenants and the common area, the Purchaser is to allow the continued employment of the Vendor's/its related corporation's chargeman to use, maintain, manage and/or operate the Electricity Substations throughout the subsistence of any of the Existing Tenancies and free of rent and any other charges. The Vendor and/or its related corporation shall be entitled to charge the Existing Tenants and/or the landlord under the Existing Tenancies (including the Purchaser) for the electricity supplied from or through the Electricity Substations at such rates as the Vendor deems fit.
- (iii) for the purposes of enabling the Vendor and/or its related corporation to continue to provide water supply to the relevant subsisting Existing Tenants and the common area, the Purchaser is to allow the Vendor and/or its contractor, agent, nominee or related corporation to use, maintain, manage and/or operate the water reservoirs currently located on the Shah Alam Land ("**Water Reservoirs**") throughout the subsistence of any of the Existing Tenancies and free of rent and any other charges. The Vendor and/or its related corporation shall be entitled to charge the Existing Tenants and/or the landlord under the Existing Tenancies (including the Purchaser) for the water supplied from or through the Water Reservoirs at such rates as the Vendor deems fit.
- (iv) for the purposes of enabling the Vendor and/or its related corporation to continue to provide the use of the weighbridge currently located on the Shah Alam Land ("**Weighbridge**") to the relevant subsisting Existing Tenants, the Purchaser is to allow the Vendor and/or Vendor's contractor, agent, nominee or related corporation to use, maintain, manage and/or operate the Weighbridge throughout the subsistence of any of the Existing and free of rent and any other charges. The Vendor and/or its related corporation shall be entitled to charge the Existing Tenants and/or the landlord under the Existing Tenancies (including the Purchaser) for the use of the Weighbridge at such rates as the Vendor deems fit.

3.7 Novation of the Existing Tenancy Agreements

- (a) Within fourteen (14) days of the execution of the SPA, the Purchaser and the Vendor shall enter into the relevant novation agreements with the Existing Tenants (save for Tenant 1) for the novation of the Existing Tenancies from the Vendor to the Purchaser ("**Novation Agreements**") and the Vendor shall cause the respective Existing Tenants to execute the Novation Agreements.
- (b) The Novation Agreements shall be effective from the Completion Date.

3.8 Rehabilitation works

- (a) Based on a site characterization study report dated 28 August 2018 and an environmental site characterization presentation dated 30 August 2018 issued by the Vendor's consultant ("**Consultant's Initial Report**") following an inspection over the Property including the granulation plant located thereon (other than the parts of the Property which are subject to the Existing Tenancy 2, Existing Tenancy 3 and Existing Tenancy 4 including the Electricity Substations, Water Reservoirs and Weighbridge, all of which are located within the Property ("**Initial Environmental Inspection and Investigation**"), the Vendor shall carry out the rehabilitation works based on the remedial approach in respect of the areas of the Property covered under the Initial Environmental Inspection and Investigation as set out in the Consultant's Initial Report ("**Initial Rehabilitation Works**") and which Initial Rehabilitation Works are to be carried out on a reasonable endeavour basis based on the Consultant's Initial Report and to be completed to the satisfaction of the consultant not later than three (3) months from the Completion Date or such further extended period(s) thereto as may be mutually agreed between the Vendor and the Purchaser.
- (b) The Vendor's consultant shall carry out further environmental inspection(s) and investigation(s) over those parts of the Property which are subject to the Existing Tenancy 2 and Existing Tenancy 4 as indicated in the Consultant's Initial Report ("**Subsequent Environmental Inspection(s) and Investigation(s)**") at the approximate times as proposed by the consultant in the Consultant's Initial Report and that the consultant shall issue certified written report(s) pursuant to the Subsequent Environmental Inspection(s) and Investigation(s) ("**Consultant's Subsequent Report(s)**").
- (c) Based on the Consultant's Subsequent Report(s), the Vendor shall carry out the rehabilitation works based on the remedial approach in respect of the areas of the Property covered under the Subsequent Environmental Inspection(s) and Investigation(s) as set out in the Consultant's Subsequent Report(s) ("**Subsequent Rehabilitation Work(s)**") and which Subsequent Rehabilitation Work(s) are to be carried out on a reasonable endeavour basis based on the Consultant's Subsequent Report(s) and to be completed to the satisfaction of the consultant not later than 31 December 2018 and in that regard, the Vendor shall procure that the respective Tenant 2 and Tenant 3 vacate the Property at such point of time that would allow the Subsequent Rehabilitation Works to be completed by 31 December 2018 on a reasonable effort basis and subject always to the rights and obligations of the Tenant 1 under the CCMF Letter of Authorisation. The Purchaser acknowledges and agrees that the Subsequent Rehabilitation Works may only commence after Tenant 2 and Tenant 3 have vacated the Property. Upon completion of the Subsequent Rehabilitation Works, the Vendor shall procure the consultant to carry out an inspection on such parts of the Property and issue a report to confirm that the Subsequent Rehabilitation Works have been completed in accordance with the remedial approach which may be set out in the Consultant's Subsequent Report(s) which shall incorporate all comments from the Department of Environment of Malaysia.

- (d) The Vendor's consultant's fees and the costs and expenses for the undertaking of the Initial Rehabilitation Works and the Subsequent Rehabilitation Works shall be borne by the Vendor and the Purchaser equally provided always that the costs and expenses to be borne by the Purchaser shall not exceed RM5,000,000.00 only and that the Purchaser shall pay to the Vendor 50% of such costs and expenses incurred by the Vendor simultaneously with the Purchaser's payment of the Balance Disposal Consideration or the Purchaser's Financier's payment of the sum of the Facility to the Vendor, as the case may be, provided always that the Vendor shall have furnished to the Purchaser copies of the tax invoices (if available) of the consultant and the relevant contractors issued to the Vendor, Tenant 1 or their nominees but in the event that that where the relevant contractors have not issued any tax invoices, the Vendor shall furnish documents to the Purchaser setting out and evidencing the relevant costs and expenses incurred by such relevant contractors instead. For the avoidance of doubt, any further or additional costs and expenses incurred in respect of the Initial Rehabilitation Works and the Subsequent Rehabilitation Works after the Purchaser's payment of the Balance Disposal Consideration or the Purchaser's Financier's payment of the Facility Sum to the Vendor, as the case may be, shall be paid by the Purchaser to the Vendor as and when incurred from time to time up to the aforesaid threshold of RM5,000,000.00 only.

3.9 Limited Power of Attorney

- (a) The Vendor may grant a limited power of attorney upon terms and conditions to be mutually agreed between both Parties ("**Limited Power of Attorney**") whereby the Vendor appoints the Purchaser to do, perform and execute all limited and lawful acts, deeds and/or things to enable the Purchaser to apply for the relevant development order from the Appropriate Authorities in respect of the relevant lawful project that the Purchaser proposes to undertake on the Property (hereinafter referred to as the "**Project**").(b) The granting of the Limited Power of Attorney shall be strictly subject to:
- (i) the Vendor obtaining the relevant approval of the Vendor's board of directors authorising the granting of the Limited Power of Attorney to the Purchaser; and
 - (ii) the Purchaser fully indemnifying the Vendor and its related corporations, shareholders, directors, officers, contractors and agents from and against all liabilities, damages, losses, costs, expenses, claims demands and proceedings whatsoever and howsoever including those made by third parties arising out of and in relation to the Limited Power of Attorney and/or arising out of or in relation to the application(s) for the relevant development order in respect of the Project.
- (b) If the SPA is terminated for whatsoever reason, then the Limited Power of Attorney shall also automatically terminate whereupon:
- (i) the Purchaser shall immediately cease to exercise all powers granted to it the Limited Power of Attorney and shall cancel the Limited Power of Attorney at its own cost and expense including attending to the revocation of the Limited Power of Attorney at the relevant High Court of Malaya;

- (ii) the Purchaser shall (unless the Vendor instructs otherwise in writing) undo all exercises undertaken by the Purchaser under the Limited Power of Attorney and the Purchaser shall withdraw all applications and documents that are submitted to the Appropriate Authorities, agencies or other persons with the Vendor's rights, title and interest in the Property intact.

3.10 Exit provisions

3.10.1 Non-fulfilment of CP

Either the Vendor or the Purchaser may by written notice to the other party terminate the SPA whereupon the Earnest Deposit, Balance Disposal Consideration and Retention Sum shall be refunded to the Purchaser, free of interest/profit save where if the Retention Sum has been remitted to the Director General, the Purchaser shall deliver to the Vendor a letter issued by the Purchaser to the Director General to confirm the termination of the SPA and the Vendor shall, within fourteen (14) days of receipt of the letter request the Director General to return the Retention Sum to the Vendor. The Vendor shall, within fourteen (14) days upon receipt of the refund of the Retention Sum from the Director General, refund the Retention Sum free of interest directly to the Purchaser. In the event of such termination, then the Limited Power of Attorney shall also automatically terminate whereupon the Purchaser shall cancel the Limited Power of Attorney at its own cost and expense.

3.10.2 Non-procurement of Approvals

In the event that the EPU Approval, State Consent to Transfer and/or, if applicable, the State Consent to Charge, as the case may be, is/are not obtained for any reason whatsoever, or an appeal is not granted or has been rejected by the Appropriate Authorities on or before 30 June 2018, and in the absence of a mutual agreement for a further extension of time, either party may terminate the SPA whereupon the Earnest Deposit, Balance Disposal Consideration and Retention Sum shall be refunded to the Purchaser, free of interest/profit within fourteen (14) days from the date of such notice save where if the Retention Sum has been remitted to the Director General, the Purchaser shall deliver to the Vendor a letter issued by the Purchaser to the Director General to confirm the termination of the SPA and the Vendor shall, within seven (7) days of receipt of the letter request the Director General to return the Retention Sum to the Vendor. The Vendor shall, within seven (7) days upon receipt of the refund of the Retention Sum from the Director General, refund the Retention Sum free of interest directly to the Purchaser.

3.10.3 Default by the Purchaser (which, if rectifiable, is not rectified within thirty (30) days)

- (i) The Vendor is entitled to terminate the SPA and the Deposit shall be forfeited to the Vendor and subject to the Purchaser having cancelled the Limited Power of Attorney including revoking the same at the relevant High Court, the Vendor shall refund all other monies paid within fourteen (14) days from the date of the notice of termination save where if the Retention Sum has been remitted to the Director General, the Purchaser shall deliver to the Vendor a letter issued by the Purchaser to the Director General to confirm the termination of the SPA and request the Director General to return the Retention Sum to the Vendor who shall, within seven (7) days of receipt of the Purchaser's said letter request the Director General to return the Retention Sum to the Vendor directly.

- (ii) Alternative to termination, the Vendor is entitled to the remedy of specific performance and damages against the Purchaser.

3.10.4 Default by the Vendor (which, if rectifiable, is not rectified within thirty (30) days)

- (i) The Purchaser is entitled to terminate the SPA and subject to the Purchaser having cancelled the Limited Power of Attorney including revoking the same at the relevant High Court, the Vendor shall refund all monies paid towards the Disposal Consideration free of interest/profit within fourteen (14) days from the date of the notice of termination save where if the Retention Sum has been remitted to the Director General, the Purchaser shall deliver to the Vendor a letter issued by the Purchaser to the Director General to confirm the termination of the SPA and the Vendor shall, within seven (7) days of receipt of the Purchaser's said letter request the Director General to return the Retention Sum to the Vendor. The Vendor shall, within seven (7) days upon receipt of the refund of the Retention Sum from the Director General, refund the Retention Sum free of interest directly to the Purchaser.
- (ii) The Vendor is obliged to pay to the Purchaser a further sum equivalent to the Deposit as agreed liquidated damages.
- (iii) Alternative to termination, the Purchaser is entitled to the remedy of specific performance against the Vendor.

3.10.5 Non-registration of Transfers for Lot 818, PT 757 and PT 758 (which cannot be rectified within thirty (30) days)

The Purchaser is entitled to terminate the SPA and subject to the Purchaser having cancelled the Limited Power of Attorney including revoking the same at the relevant High Court, the Vendor shall refund all monies paid towards the Disposal Consideration free of interest/profit and such sum that has been paid by the Purchaser to the Vendor towards the Consultant's fees and the costs and expenses for the undertaking of the Initial Rehabilitation Works and the Subsequent Rehabilitation Works free of interest/profit within fourteen (14) days from the date of the notice of termination save where if the Retention Sum has been remitted to the Director General, the Purchaser shall deliver to the Vendor a letter issued by the Purchaser to the Director General to confirm the termination of the SPA and the Vendor shall, within seven (7) days of receipt of the Purchaser's said letter request the Director General to return the Retention Sum to the Vendor. The Vendor shall, within seven (7) days upon receipt of the refund of the Retention Sum from the Director General, refund the Retention Sum free of interest directly to the Purchaser.

3.10.6 Compulsory acquisition

- (i) In the event the Vendor receives notice of intended acquisition exceeding more than five percent (5%) of the total area of Lot 818, PT 757 and PT 758 prior to the Completion Date, the Purchaser may opt to terminate the SPA following which the Vendor shall, subject to the Purchaser having cancelled the Limited Power of Attorney including revoking the same at the relevant High Court, refund all monies paid towards the Disposal Consideration free of interest/profit within fourteen (14) days from the date of the notice of termination save where if the Retention Sum has been remitted to the Director General, the Purchaser shall deliver to the Vendor a letter issued by the Purchaser to the Director General to confirm the termination of the SPA and request the Director General to return the Retention Sum to the Vendor. The Vendor shall, within seven (7) days upon receipt of the refund of the Retention Sum from the Director General, refund the Retention Sum free of interest directly to the Purchaser.
- (ii) Alternatively, the Purchaser may opt to proceed with the SPA in which event all relevant compensation awarded shall belong to the Purchaser provided always that the Purchaser has first paid the Disposal Consideration in full.

3.11 Non-registration of transfer for PT 757 and PT 758 in Absence of Fault (which cannot be rectified within thirty (30) days)

- (a) The Purchaser shall have the sole option to complete the purchase of Lot 818 and terminate the purchase of PT 757 and/or PT 758 for which the relevant transfers cannot be registered provided always that the Disposal Consideration shall be reduced by the portion of the Disposal Consideration allocated for such Shah Alam Land.
- (b) Alternatively, the Purchaser may elect to pay to the Vendor's Solicitors as stakeholder such portion of the Disposal Consideration allocated for the Shah Alam Land for which the relevant transfers cannot be registered. In the meantime, both parties shall continue to do such acts as are necessary to enable the relevant transfers to be registered in the name of the Purchaser. In the event that the relevant transfers still cannot be registered within a period of twelve (12) months from the Completion Date or such further period as may be mutually agreed between the Vendor and the Purchaser, then either the Vendor or the Purchaser may issue a written notice to the other, whereupon the relevant portion of the Disposal Consideration paid to the Vendor's Solicitors as stakeholder shall be refunded to the Purchaser within fourteen (14) days of receipt of the aforesaid notice from the Vendor or the Purchaser and vacant or legal possession as the case may be, is to be re-delivered back to the Vendor (if applicable). The Purchaser is to indemnify the Vendor against all losses, claims, damages and costs suffered or otherwise incurred by the Vendor arising out of or resulting from any actions, proceedings, liabilities, penalties, costs, claims, demands, damages and expenses arising from the relevant Shah Alam Land and which are attributable to any act, happening, event and/or cause of action arising during the time when the Purchaser had vacant or legal possession, as the case may be, of the relevant Shah Alam Land.

4. DOCUMENT AVAILABLE FOR INSPECTION

The conditional SPA is available for inspection at the registered office of CCMB at 13th Floor, Menara PNB 201-A, Jalan Tun Razak 50400 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This Announcement is dated 30 November 2017.