

Company	:	TDM BERHAD
Type	:	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON-RELATED PARTY TRANSACTIONS
Subject	:	SHARE PURCHASE AGREEMENT (“SPA”) BETWEEN TH PLANTATIONS BERHAD (“THP” OR “THE SELLER”) AND TDM BERHAD (“TDM” OR “THE PURCHASER”) IN RELATION TO THE SALE AND PURCHASE OF 25,900,000 ORDINARY SHARES OF THE ISSUED SHARE CAPITAL IN THP-YT PLANTATION SDN BHD (“THP-YT” OR “THE COMPANY”) (“PROPOSED PURCHASE”) [COLLECTIVELY OR INDIVIDUALLY, THP AND TDM, BEING THE PARTIES TO THE SPA] AND SETTLEMENT AGREEMENT (“SA”) BETWEEN TDM WITH THP SURIA MEKAR SDN BHD (“THSM”) AND THP-YT [COLLECTIVELY OR INDIVIDUALLY, THSM, THP-YT AND TDM, BEING THE PARTIES TO THE SA]

We refer to the announcement dated 3 March 2020 and 12 March 2020 in relation to the signing of the Share Purchase Agreement dated 3 March 2020 between TH Plantations Berhad (“THP”) and TDM Berhad (“SPA”) with regards to the sale and purchase of 25,900,000 ordinary shares of the issued share capital in THP-YT Plantation Sdn Bhd (THP-YT) and the Settlement Agreement dated 3 March 2020 between TDM Berhad, THP Suria Mekar Sdn Bhd (“THPSM”) and THP-YT (“SA”).

Unless otherwise stated, the definitions used herein shall have the same meanings as set out in the Announcement.

The Board of Directors of TDM Berhad (“TDM”) wishes to announce that the Company had on 18 May 2020 entered into two (2) variation letters to vary and/or amend the terms of the SPA and SA respectively (the two (2) Variation Letters are collectively referred to as the “Variation Letters”).

1. BACKGROUND

The outbreak of the novel coronavirus (COVID-19), declared as a global pandemic by the World Health Organization, has disrupted and looks likely to disrupt businesses all over the world in the foreseeable future.

In Malaysia, a Movement Control Order (“MCO”) has been imposed by the government, initially from 18 March 2020 to 31 March 2020 (Phase 1) which has since been extended to 14 April 2020 (Phase 2), 28 April 2020 (Phase 3), 12 May 2020 (Phase 4) and 9 June 2020 (Phase 5) to curb the spread of COVID-19 in Malaysia. It is uncertain whether the government will extend the MCO further.

Resulting thereto, both parties are facing much setbacks in fulfilling their respective obligations under the SPA, particularly in relation to the fulfilment of the Conditions Precedents and the determination of THP-YT’s RPC status. Inevitably, both parties foresee that this will lead to a delay in Completion of the SPA and SA.

Both parties have now agreed to enter into two (2) Variation Letters to vary the terms of the SPA and SA in the manner as set out in paragraph 2 below so as to allow ample time for the parties to fulfil their respective obligations under the SPA and SA pursuant to Clause 29 of the SPA and Clause 19 of the SA respectively.

2. VARIATIONS TO THE SHARE PURCHASE AGREEMENT

- 2.1 The definition of “Long Stop Date” in Clause 1.1 of the SPA shall be deleted and substituted with the following:

“**Long Stop Date**” means one hundred and twenty (120) days from the date hereof, or such later date as the parties may mutually determine;”

- 2.2 Clause 8.1 of the SPA shall be deleted as the parties have agreed that the THP-YT is an RPC.

- 2.3 Clause 8.2 of the SPA shall be deleted and substituted with the following:

“8.2 In the event that the disposal of the Sale Shares by the THP is not subject to tax or is exempt from the payment of tax under the RPGT Act as at the date of this Agreement, including where the THP is able to procure documentary evidence showing that the Sale Shares are disposed off at a loss:-

- (a) in such event, the THP elects that the TDM be given a concession from its obligation to retain and remit the RPGT Retention Sum to the Director General under the RPGT Act;

(b) the THP shall:-

- (i) file a signed copy each of CKHT 1B and CKHT 3 with the Director General at the branch of the Inland Revenue Board at which the THP's tax file is maintained; and
- (ii) provide the TDM's Solicitors with a copy of CKHT 3 completed by the THP and the particulars of the THP's income tax reference number and the branch of the Inland Revenue Board at which the THP's tax file is maintained;

at least two (2) weeks prior to expiry of the Extended Period;

- (c) the TDM's Solicitors shall, within seven (7) days of its receipt of the documents and information referred to in Clause 8.2(b)(ii) from the THP, release such documents and information to the TDM and the TDM or the TDM's Solicitors, as the case may be, shall pay the RPGT Retention Sum to the THP; and
- (d) the TDM shall file a signed copy of CKHT 2A and the copy of CKHT 3 provided to the TDM's Solicitors with the Director General at the branch of the Inland Revenue Board at which the THP's tax file is maintained prior to expiry of the Extended Period. The TDM's Solicitors shall provide the THP with a photocopy of the return filed by TDM within five (5) Business Days after the same has been filed with the Director General."

2.4 Clause 8.3 of the SPA shall be deleted and substituted with the following:

"In the event that as at the date of this Agreement, the disposal of the Sale Shares by the THP is subject to tax under the RPGT Act, including where the THP is unable to show that the Sale Shares are disposed off at a loss:-

- (a) the TDM shall at any time before fourteen (14) days prior to the expiry of the Extended Period notify the Director General of the sale and purchase of the Sale Shares by filing the prescribed CKHT 2A form at the branch of the Inland Revenue Board at which the THP's tax file is maintained;

- (b) the TDM shall on or before 14 May 2020 deposit the RPGT Retention Sum with the TDM's Solicitors who shall pay the RPGT Retention Sum to the Director General in accordance with Section 21B(1) of the RPGT Act. The TDM's Solicitors shall provide the THP immediately with the receipt issued by the Director General for the RPGT Retention Sum; and
- (c) the THP shall prior to expiry of the Extended Period notify the Director General of the sale and purchase of the Sale Shares by filing the prescribed CKHT 1B form at the branch of the Inland Revenue Board at which the THP's tax file is maintained.”

3. **VARIATIONS TO THE SETTLEMENT AGREEMENT**

- 3.1 The definition of “Long Stop Date” in Clause 1.1 of the Settlement Agreement shall be deleted and substituted with the following:

“**Long Stop Date**” means one hundred and twenty (120) days from the date hereof, or such later date as THP and TDM may mutually determine;”

4. **FINANCIAL EFFECT**

- 4.1 Issued share capital and substantial shareholders' shareholdings

The Variation Letters will not have any effect on the issued share capital and substantial shareholders' shareholdings of TDM .

- 4.2 Net assets (“NA”), NA per share and gearing

The Variation Letters will not have any material effect on the NA, NA per share and gearing for the financial year ending 31 December 2020.

- 4.3 Earnings and earnings per share (“EPS”)

The Variation Letters will not have any material effect on the earnings and EPS of TDM for the financial year ending 31 December 2020.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors, major Shareholders of TDM and/ or persons connected to them have any interest, whether direct or indirect, in the said Variation Letters.

6. SPA and SA

- 6.1 Other terms of the SA and SA not expressly amended under the Variation Letters shall remain binding and effective.
- 6.2 In the event of any inconsistency between the Variation Letters and the SPA and SA respectively, the terms in the Variation Letters shall prevail to the extent of such inconsistency.
- 6.3 The Variation Letters are supplemental to and shall be read together with the SPA and SA respectively.

7. DOCUMENTS FOR INSPECTION

A copy of the Variation Letters will be made available for inspection at the Registered Office of TDM at Aras 5, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin, 20100 Kuala Terengganu, Terengganu Darul Iman during normal office hours from Sundays to Thursdays (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 18 May 2020.