PROPOSED JOINT VENTURE BETWEEN SUCCESS VIEW SDN. BHD. ("SVSB"), A WHOLLY OWNED SUBSIDIARY OF LAND & GENERAL BERHAD ("L&G" OR THE "COMPANY") AND PACIFIC SKYLAND SDN. BHD. ("PSSB"), A WHOLLY OWNED SUBSIDIARY OF LAND PACIFIC DEVELOPMENT SDN. BHD. ("LPDSB") AND POSITIVE VALLEY SDN. BHD. ("PVSB"), A WHOLLY OWNED SUBSIDIARY OF MALAYSIA LAND PROPERTIES SDN. BHD. ("MAYLAND"), TO ACQUIRE AND DEVELOP A COMMERCIAL FREEHOLD LAND HELD UNDER TITLE NO. GERAN 312795, LOT 25300 IN THE MUKIM OF SEMENYIH, DISTRICT OF ULU LANGAT, AND STATE OF SELANGOR MEASURING APPROXIMATELY 34,740 SQUARE METRES / 3.474 HECTARES / 373,938 SQUARE FEET IN AREA ("PROPERTY") VIA PACIFIC PARKLAND SDN. BHD. ("PPSB") AS THE JOINT VENTURE COMPANY ("PROPOSED JOINT VENTURE")

1. INTRODUCTION

The Board of Directors of L&G ("**the Board**") would like to announce the following:

(i) L&G had on 23 October 2020, via its wholly owned subsidiary, SVSB, entered into a Joint Venture and Shareholders' Agreement ("**JVSA**") with PVSB, a wholly owned subsidiary of Mayland and PSSB, a wholly owned subsidiary of LPDSB, to acquire and develop the Property via PPSB as the joint venture company; and

(ii) PPSB had on 16 March 2020 entered into a conditional Sale and Purchase Agreement ("**SPA**") with **Giat Armada Sdn. Bhd.** ("**GASB**") for the proposed acquisition of the Property from GASB for a total cash consideration of **Ringgit Malaysia Thirty-Three Million Six Hundred Fifty-Four Thousand Four Hundred and Twenty (RM33,654,420.00) only** ("**Purchase Price**") ("**Proposed Acquisition**").

In view of the interest of certain Directors and major shareholder of L&G in the Proposed Joint Venture as set out in Section 7 of this Announcement, the Proposed Joint Venture is deemed a related party transaction pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the Proposed Joint Venture are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED JOINT VENTURE

2.1 Proposed Joint Venture

2.1.1. Details of the Proposed Joint Venture

The Proposed Joint Venture involves the acquisition and development of a commercial freehold land held under Title No. Geran 312795, Lot 25300 in the Mukim of Semenyih, District of Ulu Langat, in the state of Selangor measuring approximately 34,740 square metres / 3.474 hectares / 373,938 square feet in area.

Pursuant to the JVSA, SVSB, PVSB and PSSB shall subscribe to the following number of ordinary shares in PPSB ("**Shares**"):

(i) 75,000 Shares by SVSB ("**SVSB Subscription Shares**");

(ii) 75,000 Shares by PVSB ("**PVSB Subscription Shares**"); and

(iii) 99,999 Shares by PSSB ("**PSSB Subscription Shares**");

(collectively referred to as "**Subscription Shares**").

Subsequent to the completion of the Subscription Shares, SVSB, PVSB and PSSB shall hold 30%, 30% and 40% equity interest in PPSB, respectively ("**Shareholding Proportions**").

The Subscription Shares and the Shareholding Proportions are summarized in the table below:

	As at the last practicable date immediately prior to this Announcement ("LPD")		After Completion of Subscription Shares	
	No. of shares	**%**	**No. of shares**	**%**
PSSB	1	100.0	100,000	40.0
SVSB	-	-	75,000	30.0
PVSB	-	-	75,000	30.0
Total	**1**	**100.0**	**250,000**	**100.0**

Apart from subscription of the Subscription Shares upon the terms and conditions of the JVSA, SVSB, PVSB and PSSB had pursuant to the JVSA, collectively agreed to provide further financial assistance via Shareholders Advances, subscriptions of Redeemable Preference Shares ("**RPS**") and Special Redeemable Preference Shares ("**Special RPS**") and if required by the banks or financial institutions, corporate guarantees, based on their respective Shareholding Proportions ("**Financial Assistance**"). The details of the total financial commitment of SVSB for the Proposed Joint Venture are set out in Section 2.1.7 of this Announcement.

The salient terms of the JVSA are set out in Section 2.1.6 of this Announcement.

2.1.2. Information on SVSB

SVSB was incorporated in Malaysia on 9 June 2020 as a private company limited by shares under the Companies Act 2016 ("**Act**") and it is a wholly-owned subsidiary of L&G. SVSB is principally engaged in real estate activities.

The issued and paid-up share capital of SVSB is RM2.00 comprising two (2) ordinary shares of RM1.00 each in SVSB.

As at the LPD, the directors of SVSB are Mr Low Gay Teck and Mr Chiah Hwa Kai.

2.1.3. Information on PVSB

PVSB was incorporated in Malaysia on 20 May 2011 as a private company limited by shares under the Act. PVSB is principally engaged in real estate activities.

The issued and paid-up share capital of PVSB is RM2.00 comprising two (2) ordinary shares of RM1.00 each in PVSB.

As at the LPD, the directors of PVSB are Mr Lau Siang Ee and Ms Lee Yim Farn.

2.1.4. Information on PSSB

PSSB was incorporated in Malaysia on 23 January 2020 as a private company limited by shares under the Act, and it is a wholly-owned subsidiary of LPDSB. The principal activity of PSSB is real estate activities, construction of building and activities of holding companies.

The issued and paid-up share capital of PSSB is RM1.00 comprising one (1) ordinary share of RM1.00 each in PSSB.

As at the LPD, the directors of PSSB are Mr. Tan Theng Por and Mr. Shek Sze Yin Simon.

2.1.5. Information on PPSB

PPSB was incorporated in Malaysia on 24 January 2020 as a private company limited by shares under the Act. As at LPD, it is a wholly-owned subsidiary of PSSB, which in turn is a wholly-owned subsidiary of LPDSB and is principally engaged in property development. Pursuant to the JVSA and upon completion of the Shares Subscriptions, the shareholders of PPSB would be SVSB, PVSB and PSSB, holding 30%, 30% and 40% of the equity interest in PPSB, respectively.

As at LPD, the issued and paid-up share capital of PPSB is RM1.00 comprising one (1) ordinary share of RM1.00 each in PPSB. In conjunction with the completion of the Share Subscriptions, the issued and paid-up share capital would be increased to RM250,000 comprising 250,000 Shares.

As at the LPD, the directors of PPSB are Mr. Shek Sze Yin Simon and Mr. Tan Theng Por.

2.1.6. Salient terms of the JVSA

The salient terms of the JVSA, inter-alia, are as follows:

2.1.6.1 <u>Joint venture</u>

Subject to the fulfillment of the Condition Precedent (as defined in Section 2.1.6.2 of this Announcement), SVSB, PVSB and PSSB ("collectively, "**Shareholders**") agree to enter into a joint venture via PPSB to acquire the Property and to commence, construct, manage, develop and implement development and sale of the Property ("**Joint Venture**").

(SVSB, PVSB, PSSB and PPSB hereinafter collectively known as "**JV Parties**")

2.1.6.2 <u>Condition Precedent</u>

(i) The obligations of the JV Parties to subscribe for the Subscription Shares under the JVSA is conditional upon the fulfilment of the condition(s) precedent under the SPA upon the terms and conditions contained therein ("**Condition Precedent**"). These are:

(a) the approval *or* letter of no objection from the Economic Planning Unit, Prime Minister's Department ("**EPU**") pursuant to the EPU guidelines for the acquisition of the Property by PPSB from GASB, which was dated 25 June 2020 and being obtained on 30 June 2020; and

(b) the approval from the appropriate authorities, as required under Section 433B of the National Land Code, 1965 for the acquisition of the Property by PPSB from GASB, which was dated 27 July 2020 and being obtained on 26 August 2020.

(ii) If the Condition Precedent is not fulfilled within six (6) months from the date of the JVSA or such extended period as may be mutually agreed upon by the JV Parties ("**Conditional Period**"), the JVSA shall terminate subject to the provisions below:

Upon the termination of the JVSA:

(a) PPSB shall within fourteen (14) days from the date of termination, refund to PSSB all monies paid by PSSB to or for the account of PPSB free from all interest, including but not limited to all payment(s) made under the SPA;

(b) SVSB and PVSB shall reimburse PSSB according to the Shareholding Proportion, for all fees, charges, taxes, disbursements, costs and/or expenses paid or incurred by PSSB relating and/or incidental to the Proposed Acquisition, the proposed development of the Property by PPSB ("**Proposed Development**") and the entry and performance of the JVSA, within fourteen (14) days from the date of termination; and

(c) thereafter, all rights, obligations and liabilities of the JV Parties hereunder shall cease to have effect and none of the JV Parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches.

2.1.6.3 <u>Subscription For Shares</u>

(i) Subject to the fulfillment of the Condition Precedent, and upon the terms and conditions of the JVSA:

(a) SVSB agrees to subscribe for the SVSB Subscription Shares at the issue price of RM1.00 per Share and pay to PPSB the sum of RM75,000.00 for the subscription of the SVSB Subscription Shares ("**SVSB Subscription Amount**") on a date falling within one (1) month after the Condition Precedent is fulfilled, as the Shareholders may inform PPSB by way of written notice or such other dates as may be mutually agreed in writing between the Shareholders ("**Subscription Date**");

(b) PVSB agrees to subscribe for the PVSB Subscription Shares at the issue price of RM1.00 per Share and pay to PPSB the sum of RM75,000.00 for the subscription of the PVSB Subscription Shares ("**PVSB Subscription Amount**") on the Subscription Date; and

(c) PSSB agrees to subscribe for the PSSB Subscription Shares at the issue price of RM1.00 per Share and pay to PPSB the sum of RM99,999.00 for the subscription of the PSSB Subscription Shares ("**PSSB Subscription Amount**") on the Subscription Date.

(ii) PSSB agrees to cause and procure PPSB to allot and issue and PPSB agrees to allot and issue:

(a) SVSB Subscription Shares to SVSB;

(b) PVSB Subscription Shares to PVSB; and

(c) PSSB Subscription Shares to PSSB.

(iii) The Subscription Shares shall be allotted and issued to the JV Parties as fully paid up ordinary shares, free from all encumbrances whatsoever and shall rank *pari passu* in all respects with the existing issued and paid up ordinary shares in the capital of PPSB and shall carry all rights, benefits, advantages and full voting power in general meetings.

(iv) A Shareholder shall not pledge, charge, mortgage, assign as security, create a lien over otherwise encumber any of its Shares without prior written consent of the other Shareholders.

2.1.6.4 Post Subscription

(i) After the Subscription Date, unless otherwise varied in accordance with the JVSA terms or mutually in writing between the JV Parties, the issued and paid up share capital of PPSB shall be as follows:

	No. of Shares	**Shareholding Proportions (%)**
PSSB	100,000	40.0
SVSB	75,000	30.0
PVSB	75,000	30.0
	250,000	**100.0**

(ii) Unless otherwise mutually agreed in writing by the Shareholders, any Shares for the time being unissued and any new Shares from time to time created shall, before they are issued, be offered to each of the Shareholders in the ratio of their respective Shareholding Proportion, provided always that if any of the Shareholders does not accept or only accepts a portion of its pro-rata entitlement in relation to any new Shares to be issued within thirty (30) days of its receipt of the offer, then such unaccepted shares shall be offered to the other Shareholders according to the Shareholding Proportion above if such Shareholders have accepted their respective entitlement under such issue.

2.1.6.5 Capital Contributions and Shareholders Advances (If Applicable)

(i) In the event that Shareholders Advances are granted to PPSB in accordance with the law ("**Shareholders Advance**"), the following principles shall :

(a) any Shareholders Advance, other than the Committed Funding (as defined in Section 2.1.6.5(ii) of this Announcement) and other amounts which have been agreed to be provided by the Shareholders under the JVSA, shall only be required to be provided by the Shareholders if it is approved by the Shareholders unanimously;

(b) any Shareholders Advance must be repaid in whole or in part by PPSB within two (2) years after the delivery of vacant possession of the first parcel within the Proposed Development, by PPSB to the purchaser pursuant to the terms and conditions stated in the contract for sale and purchase of the parcel entered between PPSB and the purchaser ("**VP Delivery**"); or on such other date(s) as the Shareholders may mutually agree, provided that (unless the Shareholders agree otherwise) repayment shall be made to all Shareholders in proportion to the outstanding principal amount of each of their respective Shareholders Advances and (unless the Shareholders agree otherwise) after payment of all outstanding interest payable on any Shareholders Advance;

(c) each Shareholder will contribute the Shareholders Advance according to their Shareholding Proportions;

(d) unless otherwise expressly provided in the JVSA or approved by the board of directors of PPSB ("**PPSB's Board**"), no Shareholders Advance shall be repayable on demand by any Shareholder; and

(e) if required as a condition of the grant of loans or credit facilities by banks and/or financial institutions to PPSB, each Shareholder shall subordinate its Shareholders Advance and interest thereon to the loans or credit facilities granted to PPSB.

(ii) Each Shareholder shall pay to PPSB a sum proportionate to the Shareholding Proportions to meet the following financial requirements of PPSB, in the form of Shares (or if the Shareholders mutually agree, RPS, Shareholders Advances or such other forms of capital contributions as mutually agreed among the Shareholders):

(a) the Purchase Price of the Property (less any part of the Purchase Price funded by the external financing to be obtained by PPSB from a licensed bank or financial institution in Malaysia to part finance the Proposed Acquisition ("**Purchase Financing**"), if any);

(b) all costs and expenses relating and/or incidental to the Proposed Acquisition including but not limited to the legal fee, stamp duty, registration fee, disbursements, taxes, charges and/or any other payments made in connection with the negotiation, drafting, preparation, stamping and completion of the SPA and the due diligence exercise conducted on the Property;

(c) all costs and expenses relating and/or incidental to the construction and completion of the Main Access Road (as defined in Section 2.2.6.8 of this Announcement) and Internal Access Road (as defined in Section 2.2.6.9 of this Announcement); and

(d) all costs and expenses relating and/or incidental to the planning, consultation, construction, management, development, implementation, marketing, sale and completion of the Proposed Development, an amount to be mutually agreed by the Shareholders and all additional costs which may from time to time be mutually approved by the Shareholders;

(collectively, the "**Committed Funding**").

(iii) SVSB and PVSB shall reimburse PSSB according to the Shareholding Proportion, for all fees, charges, taxes, disbursements, costs and/or expenses paid or incurred by PSSB prior to the date on which the condition precedent under the SPA is fulfilled relating and/or incidental to the Proposed Acquisition, the Proposed Development and the entry and performance of the JVSA, within fourteen (14)days upon receiving a written notice from PSSB or such other period as the Shareholders may mutually agree.

(iv) If the Committed Funding is made by way of:

(a) provision of Shareholders Advances by the Shareholders to PPSB (save as provided in Section 2.1.6.5 (x)(a) of this Announcement), PPSB shall pay to the Shareholders interest at the rate of five per centum (5%) per annum ("**Prescribed Rate**") or such other rate as the Shareholders may mutually agree from time to time as the Prescribed Rate; or

(b) subscription of RPS by the Shareholders to PPSB (save for as provided in Section 2.1.6.5 (x)(a) of this Announcement), the RPS shall, subject to the Act, be of such terms and carry such dividend rate as referred to in Section 2.1.6.6 herein. Subject to the Act and in respect of each financial year of PPSB, PPSB shall declare and pay the non-cumulative dividend rate of three point eight per centum (3.8%) per annum or such other rate as PPSB's Board may determine from time to time as the Prescribed Dividend Rate ("**Prescribed Dividend Rate**") to each Shareholder subscribing the RPS on annual basis within three (3) months after tabling or circulating the audited accounts of PPSB for that financial year to the Shareholders.

(v) Subject to Section 2.6.1.5 (vi), no Shareholder shall be obliged to fund any amounts above the Committed Funding.

(vi) In the event PPSB's Board determines that PPSB requires additional funding from the Shareholders in excess of the Committed Funding ("**Additional Funding**"), PPSB's Board shall notify the Shareholders in writing of the details of the Additional Funding. The Shareholders shall have a period of forty-five (45) days to consider whether or not to fund the Additional Funding and to obtain any internal approvals required by the Shareholders for the Additional Funding, subject that if SVSB requires the shareholders' approval of L&G to fund the Additional Funding, SVSB shall be given a period of three (3) months to consider and to obtain the required shareholders' approval. The Shareholders agree that in considering whether or not to approve the request for the Additional Funding, they shall have regard to the mutual commitment and spirit of the Proposed Joint Venture and the potential reputational risk to PPSB and the Shareholders in the event the request for Additional Funding is not approved and the Proposed Development is uncompleted.

(vii) Where the request for Additional Funding or any part thereof has been unanimously approved by the Shareholders ("**Approved Additional Funding**"), a funding call shall be made by notice in writing to each of the Shareholders in an amount equivalent to the Approved Additional Funding in proportion to the Shareholding Proportions, or as agreed by the Shareholders in accordance with Section 2.6.1.5 (vi), and on the same terms and conditions. Upon receipt of such a funding call, each Shareholder shall contribute the agreed amount of the Approved Additional Funding in the form of subscription of Shares (or if the Shareholders mutually agree, RPS or Shareholders Advances or such other form as mutually agree among the Shareholders), as follows:

(a) where the Approved Additional Funding or any part thereof shall be funded by way of subscription of Shares, each Shareholder shall subscribe and pay for all (and not part only) of the number of Shares representing its Shareholding Proportion of the total number of Shares to be subscribed within thirty (30) days of its receipt of the capital call notice;

(b) where the Approved Additional Funding or any part thereof shall be funded by way of subscription of RPS, each Shareholder shall subscribe and pay for all (and not part only) of the number of RPS representing its Shareholding Proportion of the total number of Shares to be subscribed within thirty (30) days of its receipt of the capital call notice;

(c) if the Shareholders agree that the Approved Additional Funding or any part thereof shall be funded by way of Shareholders Advances, each Shareholder shall extend the Shareholders Advances equal to the amount representing its Shareholding Proportions of the Approved Additional Funding to be funded by Shareholders Advances within thirty (30) days of its receipt of the funding call notice; or

(d) if the Shareholders agree that the Approved Additional Funding or any part thereof shall be funded by way of such other form of securities as the Shareholders may agree, each Shareholder shall subscribe and pay for all (and not part only) of the number of securities representing its Shareholding Proportion of the total number of securities to be subscribed within thirty (30) days of its receipt of the funding call notice.

PPSB shall pay to each Shareholder making a Shareholders Advances for the Approved Additional Funding interest at the Prescribed Rate.

Subject to the Act and in respect of each financial year of PPSB, PPSB shall declare and pay dividend at the Prescribed Dividend Rate to each Shareholder subscribing the RPS on an annual basis within three (3) months after the tabling or circulating of the audited accounts of PPSB for that financial year to its Shareholders.

(viii) Where the Shareholders are unable to reach a unanimous decision on whether to approve the request for Additional Funding or any part thereof, any one or more of the Shareholders who agrees or approve the request for Additional Funding ("**Approving Shareholders**") shall be entitled to fund up to 100% of the Additional Funding, by way of Shareholders Advances or subscription of Special RPS, and if is more than one Approving Shareholder, the Approving Shareholders shall be entitled to fund based on their respective Shareholder Proportion *inter se*, and

(a) If the Additional Funding is made by way of Shareholders Advance, PPSB shall pay to the Approving Shareholders interest thereon at the rate of five per centum (5%) per annum above the Prescribed Rate, provided always that such Additional Funding will not result in the dilution of the other Shareholders; and

(b) if the Additional Funding is made by way of subscription of Special RPS, the Special RPS shall subject to the Act, be of such terms and carry such dividend rate as referred to in Section 2.1.6.6. Subject to the Act and in respect of each financial year of PPSB, PPSB shall declare and pay the cumulative dividend rate of seven point six per centum (7.6%) per annum or such other rate as PPSB's Board may determine from time to time ("**Special Dividend Rate**") to each Shareholder subscribing the Special RPS on an annual basis within three (3) months after tabling or circulating the audited accounts of PPSB to Shareholders.

(ix) In the event that any Shareholder fails to pay in full to PPSB:

(a) its Shareholding Proportion of the Committed Funding; or

(b) its Shareholding Proportion of the Approved Additional Funding;

in each case within thirty (30) days of its receipt of the capital call notice (such Shareholder, the "**Non-Funding Shareholder**"), and such failure to fund is not remedied within fourteen (14) business days after receiving notice issued by PPSB to remedy the same, the following paragraph (x) shall apply.

(x) The failure of a Non-Funding Shareholder to fund in full its Shareholding Proportion of the Committed Funding or the Approved Additional Funding shall entitle the Shareholder who has funded in full its Shareholding Proportion of the Committed Funding or the Approved Additional Funding, as the case maybe ("**Funding Shareholder**") to the following:

(a) the Funding Shareholder, at its election, upon the expiry of the remedy period to the funding call notice shall be entitled but not obliged to fund all or part of the Non-Funding Shareholder's Shareholding Proportion of the Committed Funding or the Approved Additional Funding, by way of Shareholders Advances or by way of subscription of Special RPS, and where

(A) the funding is in the form of Shareholders Advances, PPSB shall pay to the Funding Shareholder making such Shareholders Advances interest at the rate of five per centum (5%) above the Prescribed Rate; and

(B) the funding is in the form of the Special RPS, the Special RPS shall, subject to the Act, be of such terms and carry such dividend rate as referred to in Section 2.1.6.6. Subject to the Act and in respect of each financial year of PPSB, PPSB shall declare and pay the Special Dividend Rate to each Shareholder subscribing the Special RPS on annual basis within three (3) months after tabling or circulating the audited accounts of PPSB to Shareholders.

(b) in addition to the above, the Funding Shareholder shall be entitled to elect either of the below:

(A) notwithstanding the Section 2.1.6.4, PPSB may at its own accord or shall, if requested by any Funding Shareholder, issue a notice to the Non-Funding Shareholder to make funding contributions to PPSB in the Shareholding Proportions in Shares or such other form as previously agreed among the Shareholders, and if the Non-Funding Shareholder shall fail to provide the proportionate funding in full to PPSB within fourteen (14) business days after the date of notice, any Funding Shareholder who has funded its Shareholding Proportion of the Committed Funding or the Approved Additional Funding in the form as agreed among the Shareholders may require PPSB to:

1. where the funding was made in the form of Shareholders Advances, capitalise all such Shareholder Advances made and any interest accrued thereon as equity, and PPSB shall issue and allot new Shares to such Shareholder at an issue price of RM1.00 per Share. In addition, where the Funding Shareholder has funded the Non-Funding Shareholder’s Shareholding Proportion of Committed Funding or the Approved Additional Funding by way of Shareholders Advances, the Funding Shareholder may require PPSB to capitalise all such Shareholders Advances made and any interest accrued thereon as equity, and PPSB shall issue and allot new Shares to such Shareholder at an issue price of RM1.00 per Share; or

2. where the funding was made in the form of RPS or Special RPS or such other form of securities as previously mutually agreed among the Shareholders, convert RPS or Special RPS or securities and any dividend accrued thereon and unpaid into equity, and PPSB shall issue and allot new Shares to such Shareholder at an issue price of RM1.00 per Share with reference to the issue

price at which the RPS, Special RPS or such other securities was subscribed and any unpaid dividend accrued and unpaid. In addition, where the Funding Shareholder has funded the Non-Funding Shareholder's Shareholding Proportion of Committed Funding or the Approved Additional Funding by RPS or Special RPS or such other form of securities as agreed among the Shareholders, the Funding Shareholder may require PPSB to convert all such RPS or Special RPS or securities and any dividend (if any) accrued thereon into equity, and PPSB shall issue and allot new Shares to such Shareholder at an issue price of RM1.00 per Share with reference to the issue price at which the RPS or Special RPS or such other securities was subscribed and any dividend accrued and unpaid.

In such an event, the Shareholding Proportion of the Shareholders shall be varied and revised accordingly after taking in consideration of the total Shares allotted and issued.

For the purposes of above (A), the JV Parties shall take all necessary action including the passing of board and shareholders resolution to effect the offer, allotment and issuance of new Shares to the Funding Shareholder and where necessary, amend the terms of RPS or Special RPS or such other securities previously issued;

Or

(B) the Funding Shareholder shall be entitled but not obliged to treat the failure by the Non-Funding Shareholder to fund its Shareholding Proportion of the Committed Funding or the Approved Additional Funding as an event of default provided always that it shall not be an event of default if the Funding Shareholder has not funded all (even if part only is funded) of its Shareholding Proportion of the Committed Funding or the Approved Additional Funding.

(xi) Unless otherwise agreed by the JV Parties:

(a) any Director nominated by the Non-Funding Shareholder shall refrain from voting at any Board meeting or resolution for the acceptance of Shareholders Advances, RPS or Special RPS or such other form of funding from the Funding Shareholder or for the issuance of Shares referred to in Section 2.1.6.5, and any vote casted by such Director shall be disqualified and excluded;

(b) Non-Funding Shareholder shall refrain from voting at any Shareholders' meeting or resolution for the acceptance of Shareholders Advances, RPS or Special RPS or such other form of funding from the Funding Shareholder or for the issuance of Shares referred to in Section 2.1.6.5, and any vote casted by such Shareholder shall be disqualified and excluded.

2.1.6.6 <u>RPS and Special RPS</u>

(i) Notwithstanding Section 2.1.6.5 above and subject to other terms as may be mutually agreed by the Shareholders, the funding contributions to PPSB, including the Committed Funding, the Approved Additional Funding and/or any other amounts which have been agreed to be provided by the Shareholders under the JVSA, can be made by the issuance of:

(a) non-cumulative RPS by PPSB to the Shareholders, on such other terms as may be mutually agreed between the Shareholders and consistent with the terms of the JVSA, according to its Shareholding Proportions; and/or

(b) cumulative Special RPS by PPSB to any Approving Shareholders or Funding Shareholders, on such other terms as may be mutually agreed between the Shareholders and consistent with the terms of the JVSA.

(ii) The RPS shall, subject to the Act:

(a) be of a separate class from ordinary Shares and shall in respect of payment of dividend, redemption, and return of capital, rank ahead of ordinary Shares issued to all the Shareholders;

(b) subject to Section 2.1.6.6 (iv), be redeemable at any time at the option of PPSB by notice to the holders of the RPS at such redemption price and on such terms to be determined by PPSB's Board prior to the issue of the RPS;

(c) carry no right to convert to ordinary shares of PPSB save as except where the Funding Shareholder elects to exercise its rights under Section 2.1.6.5 (x)(b)(A), at such conversion rate and on such terms to be determined by PPSB's Board prior to the issue of the RPS; and

(d) carry a Prescribed Dividend Rate.

(iii) The Special RPS shall, subject to the Act:

(a) be of a separate class from ordinary Shares and RPS and shall in respect of payment of dividend, redemption, and return of capital, rank ahead of ordinary Shares and the RPS issued to all the Shareholders under the Section 2.1.6.5 (iv)(b) and (vii)(b);

(b) subject to Section 2.1.6.6 (iv), be redeemable at any time at the option of PPSB by notice to the holders of the Special RPS at such redemption price and on such terms similar to those of the RPS or at such price or on such terms to be determined by PPSB's Board (which shall exclude Directors nominated by non-Funding Shareholder) prior to the issue of the Special RPS;

(c) carry no right to convert to ordinary shares of PPSB save as except where the Funding Shareholder elects to exercise its rights under Section 2.1.6.5 (x)(b)(A) for Special RPS issued to such Funding Shareholder, at such conversion rate and on such terms similar to those of the RPS or at such conversion rate or on such terms to be determined by PPSB's Board (which shall exclude Directors nominated by non-Funding Shareholder) prior to the issue of the Special RPS; and

(d) shall carry a Special Dividend Rate.

(iv) Subject to the Act, and subject to repayment of all Shareholders Advances and all outstanding RPS dividend and Special RPS dividend, PPSB shall redeem the RPS and the Special RPS within two (2) years after the VP Delivery or on such other dates as the holders of RPS and/or Special RPS may mutually agree, provided that (unless the Shareholders agree otherwise) the redemption of:

(a) the Special RPS shall be rank ahead of redemption of the RPS;

(b) the RPS shall be made to all holders of RPS in proportion to their respective shareholder proportion; and

(c) the Special RPS shall be made to holders of Special RPS in proportion to their respective shareholding proportion.

2.1.6.7 Monetary Matters

(i) The Shareholders hereby expressly agree that the Purchase Price shall be promptly contributed by the Shareholders proportionate to the Shareholding Proportions in the form of subscription of Shares or where mutually agreed between the Shareholders, by way of RPS, Shareholders Advances or any other such agreed form.

(ii) The JV Parties agree that where further financing may be required by PPSB, PPSB shall be primarily responsible to procure all the funds required to finance the business by obtaining loans or facilities from banks or financial institutions on reasonable terms as to interest, repayment and security. Where it is a requirement of the banks or financial institutions for the Shareholders to grant any undertakings for the financing, such guarantees or undertakings shall be subject to each Shareholder obtaining its necessary board approval for the same, and shall be provided in proportion to their Shareholding Proportion.

(iii) Where financing from banks or financial institutions is not available to PPSB or is made on terms not acceptable to any JV Party, unless otherwise agreed, each Shareholder agrees that it will provide financing to PPSB and such financing may be provided by way of Shares or other forms of capital injection as mutually agreed among the Shareholders in accordance with the Shareholding Proportions.

2.1.6.8 Board Composition and Board Meetings

(i) Board Composition

PPSB's Board shall consist of three (3) Directors, of which:

(a) One (1) Director shall be nominated by SVSB;

(b) One (1) Director shall be nominated by PVSB; and

(c) One (1) Director shall be nominated by PSSB;

or such other number of Directors as may be mutually agreed by the Shareholders in writing.

Each of the JV Parties shall take all necessary action including the passing of the necessary resolutions of PPSB's Board or the JV Parties to appoint the Directors nominated by the Shareholders above.

Where there is a change in the shareholding structure of PPSB, the composition of PPSB's Board shall be such other number and composition of Directors as the JV Parties may agree, with the Directors nominated by each of the Shareholders representing, as closely as possible, the Shareholding Proportions of the respective Shareholders, and such right of nomination shall include the right of the relevant Shareholder from time to time to remove any of its nominated Director(s) and/or substitute another in his place and in such event the Shareholders agree to exercise their respective voting rights in PPSB to give effect thereto.

(ii) Chairman

The Chairman shall be appointed by PPSB's Board and shall not have a second or casting vote at any meeting of PPSB's Board.

(iii) Resolutions

All resolutions of PPSB's Board may only be passed by:

(a) a simple majority vote by the Directors present in person or by their alternates at the relevant meeting; or

(b) a circular written resolution signed by a simple majority of Directors; or

(c) If a Board meeting cannot be convened on three (3) consecutive occasions for lack of quorum, or if PPSB's Board is unable to make a decision on any matter for three (3) consecutive meetings, such matter shall be referred to the Shareholders. If the matter so referred is:

(A) a matter other than a Reserved Matter (as defined in Section 2.1.6.12 of this Announcement), such matter shall be decided by resolution passed by a simple majority of the votes cast by the holder of Shares present in person, by corporate representative or by proxy at the general meeting sufficient to form quorum;

(B) a Reserved Matter, such matter shall be decided by resolution passed by all the Shareholders.

2.1.6.9 Shareholders' Meeting

Subject to Section 2.1.6.12 and any other provisions to the contrary contained in the JVSA, a simple majority vote of those present and voting will suffice to pass a resolution save and except for those resolutions that require a three-fourths (3/4) majority as prescribed in the Act

2.1.6.10 Restrictions on Shares

(i) No Shareholder shall transfer any Shares held by it in the capital of PPSB unless:

(a) it is selling all the Shares held by it in PPSB;

(b) it is selling all the RPS or Special RPS or any other securities in PPSB and any Shareholder's Advances together with the sale of the Shares; and

(c) the sale is made in accordance with the provisions of the Constitution and the JVSA.

(ii) No Shareholder shall transfer any RPS or Special RPS or any securities held by it in PPSB save where it is selling the RPS or Special RPS or any other securities together with its sale of the Shares in PPSB.

(iii) Subject to Section 2.1.6.10 (i), any share proposed to be sold by any Shareholder ("**Transferor**") shall first be offered to the other Shareholder(s) by giving a notice in writing to PPSB that it desired to transfer the same ("**Transfer Notice**") at a price offered by the Transferor ("**Transfer Price**"). The Transfer Notice shall indicate the number of shares, RPS, Special RPS, other securities and the Shareholders Advances to be sold by the Transferor ("**Transfer Shares**") and Transfer Price and the Transfer Notice shall be irrevocable unless prior written approval by the majority of the Directors is obtained.

(iv) upon receipt of the Transfer Notice, the Directors shall forthwith by notice in writing inform each Shareholder other than the Transferor, of the number of the Transfer Shares to which the Shareholders is entitled to purchase based on the Shareholding Proportions, and the Transfer Price and invite such Shareholders to apply in writing to PPSB to indicate their intention to purchase the said Transfer Shares or any portion thereof within fourteen (14) days of the date the said Transfer Notice (which date shall be specified therein).

(v) If Shareholders shall within the period of fourteen (14) days set out in Section 2.1.6.10 (iv), indicate their interest to purchase all or any of the Transfer Shares offered to them, the Directors shall allocate the relevant Transfer Shares to them and forthwith give written notice of such allocations ("**Allocation Notice**") to the Transferor and to the Shareholders to whom the Transfer Shares have been allocated and shall specify in such Allocation Notice the place and date (being a date that is not later than thirty (30) days after the date of the Allocation Notice) at/on which the sale of the Transfer Shares so allocated shall be completed.

(vi) the Transferor shall be bound to transfer the Transfer Shares indicated in an Allocation Notice to the Shareholders named therein at the place and date so specified and, if he fails to do so, the chairman of PPSB's Board or some other person appointed by PPSB's Board shall be deemed to have been appointed attorney of the Transferor with full powers to execute, complete and deliver, in the name and on behalf of the Transferor, instruments of transfer of the Transfer Shares to the relevant Shareholders against payment of the Transfer Price to PPSB. On payment of the Transfer Price to PPSB, PPSB shall forthwith place the Transfer Price into a separate bank account in PPSB's name and shall hold such Transfer Price on trust for the Transferor.

(vii) If none of the other Shareholders accept the offer referred to in the Transfer Notice in respect of all the Transfer Shares or if not all of the Transfer Shares are agreed to be taken up by the Shareholders within fourteen (14) days after the date of the Transfer Notice, the Transferor may, at the expiry of the said fourteen (14) days, be at liberty to sell all or the remaining Transfer Shares, as the case may be, to any third party on terms no more favourable than those specified in the Transfer Notice. Provided always that:

(a) the price at which such third party buys the Transfer Shares shall not be below the Transfer Price;

(b) the Transferor shall remain and continue to be liable and be responsible for the discharge, observance and performance of all his liabilities and obligations, whether actual or contingent, arising out of or in connection with the JVSA at any time up to and including the date of the transfer of the Transfer Shares and shall remain entitled to all accrued rights and benefits in connection with the Transfer Shares; and

(c) the third party shall be approved by Shareholders holding more than half of the Shares in aggregate (not including the Shares held by the Transferor), before the said third party can acquire the Transfer Shares.

(viii) Unless otherwise agreed by the Shareholders, it shall be a condition precedent to the right of any Transferor to transfer Shares that a transferee of such Shares (if not already bound by the provisions of the JVSA) executes in such form as may be reasonably required by and agreed between the other Shareholders a deed of ratification and accession under which the transferee shall agree to be bound by the obligations and shall be entitled to the benefit of the JVSA as if an original party hereto in place of the Transferor.

(ix) notwithstanding any provisions hereof, a Shareholder may at any time and from time to time transfer all or part of its Shares to an affiliate of the transferring Shareholder. In the case of any transfer made in reliance on the provisions of the section 2.1.6.10, the transferee (a "**Permitted Transferee**") shall execute a deed of ratification and accession under which the transferee shall agree to be bound by the obligations and shall be entitled to the benefit of the JVSA as if an original party hereto. Thereupon, the Permitted Transferee shall have the same rights, and shall be subject to the same obligations and restrictions, as the transferring Shareholder under the JVSA.

(x) The sale and transfer of the Shareholders Advances may be made by way of the purchasing Shareholder making corresponding Shareholders Advances to PPSB for the repayment by PPSB of the Shareholders Advances to the Transferor.

2.1.6.11 <u>Tag Along Option</u>

(i) If a Shareholder proposes to transfer all of its Shares in PPSB (“**Selling Party**”), the other Shareholder(s) (“**Tagging Party**”) shall have the right to tag along in such sale or disposal, to sell all its holding of Shares, RPS or Special RPS, any other securities and Shareholders Advances, subject to the terms and conditions as are to apply to the Selling Party, provided that the Tagging Party will make to the transferee, severally and not jointly with the Selling Party, substantially the same representations, warranties, indemnities, and agreements as the Selling Party, but:

(a) only to the extent of matters relating to the Tagging Party, including authority to sell its Shares, its sole ownership of its Shares, its good and valid to title to its Shares, the fact that the sale of its Shares does not violate its charter or bylaws, any indenture, or other agreement to which it is a party or by which it or its properties are bound; and

(b) not as to matters relating to PPSB that extend beyond Tagging Party’s actual knowledge.

(ii) the Selling Party shall give notice to the Tagging Party of each proposed transfer giving rise to the rights of such Tagging Party set forth in the preceding paragraph hereof (“**Tag-Along Notice**”), at least sixty (60) days prior to the consummation date for such proposed Transfer, setting forth the number of Shares proposed to be so transferred, the name and address of the proposed transferee, the proposed amount and form of consideration and the other terms and conditions offered by the proposed transferee and a representation that the proposed transferee has been informed of the tag-along rights provided for in Section 2.1.6.11 (i) and has agreed to purchase the Shares in accordance with the terms hereof. The Transferor shall deliver to the Tagging Party copies of all transaction documents relating to the proposed Transfer (including draft and final versions of such documents) as the same become available. The tag-along rights provided by Section 2.1.6.11 (i) and (ii) shall be exercised by the Tagging Party within forty-five (45) days following receipt by the Tagging Party of the Tag-Along Notice required by the preceding sentence, by delivery of a written notice to the Transferor indicating the desire of such Tagging Party to exercise its rights and specifying the number of Shares it desires to sell.

(iii) If any Tagging Party exercises its rights to tag along, the Selling Party shall procure the proposed purchaser to purchase all the Shares, RPS or Special RPS, any other securities held by the Tagging Party and the relevant Shareholders Advances on the same basis of sale as the Selling Party, and the closing of the sale of the Transferor's Shares shall take place concurrently with the closing of the sale of the Shares with respect to which such rights have been exercised by the Tagging Party.

(iv) The sale and transfer of the Shareholders Advances may be made by way of the proposed purchaser making corresponding Shareholders Advances to PPSB for the repayment by PPSB of the Shareholders Advances to the Tagging Party.

2.1.6.12 Reserved Matters

(i) Subject to the provisions of the JVSA, the Shareholders and PPSB agree that none of the following actions of PPSB shall be taken except with the approval in writing of all the Shareholders ("**Reserved Matters**"):

(a) consolidating, sub-dividing or converting any of PPSB's share capital;

(b) subject to Section 2.1.6.5 (x)(b), the creation, allotment or issue of any Shares in the capital of PPSB or of any other security or the grant of any option or rights to subscribe in respect thereof or convert any instrument into such Shares;

(c) any change in the nature and/or scope of the business for the time being of PPSB;

(d) amendment to the Constitution or other constituent documents of PPSB;

(e) the increase or reduction of the paid-up capital of PPSB;

(f) the initial public offering of shares in PPSB on any stock exchange;

(g) the presentation of any petition or passing of any resolution for PPSB to be put into administration or to be wound up;

(h) the amalgamation, reconstruction, consolidation or merger of PPSB;

(i) change of the name of PPSB;

(j) any transaction by PPSB to enter into any contract or commitment involving expenditure exceeding RM1,000,000 other than those provided in the business plan of PPSB setting out, inter-alia, the management, operational, marketing and/or financial plan in relation to the business of PPSB as approved by PPSB's Board and the Shareholders unanimously ("**Approved Business Plan**");

(k) dividend policy;

(l) the acceptance of loan, borrowings and credit facilities other than those provided for in the Approved Business Plan;

(m) the creation of any fixed or floating charge, lien or other encumbrance over the whole or any part of the undertaking, property or assets other than those provided for in the Approved Business Plan;

(n) the purchase, acquisition or lease of any assets or properties (including developmental or capital expenditure) other than those provided for in the Approved Business Plan; or

(o) the fixing, deletion and/or variation of the operating mandates and the authorisations, withdrawal limits and appointment of the authorized signatories for the Bank accounts for the purposes of PPSB, the business of PPSB and the Proposed Development.

(ii) Subject to the provisions of the JVSA, the Shareholders and PPSB agree that all matters relating to the operation of PPSB (save and except those set out in Section 2.1.6.12 (i) of this Announcement) shall be approved by PPSB's Board.

2.1.6.13 Dividends

PPSB shall, within 12 months after the VP Delivery, declare payment of a dividend out of the net profit after tax to be divided among the Shareholders in proportion to the Shareholding Proportions, provided always that no dividends shall be distributed during the course of Proposed Development. The Directors in making any recommendations shall take into consideration the financial requirements and the cash flow position of PPSB and any restrictions imposed by the Act and the Constitution. The net profit of PPSB shall be the net profit after tax determined by the auditors of PPSB from time to time.

2.1.6.14 Default

(i) In the event:

(a) any of the Shareholders shall commit a material breach of the JVSA or materially violates the Constitution ("**Defaulting Party**"), which is incapable of being remedied or being capable of remedy but is not remedied within thirty (30) days from the date on which notice requiring it to do so is served on it by any of the other Shareholders; or

(b) the Defaulting Party goes into liquidation, whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation) or is wound up by any court; or

(c) the Defaulting Party is convicted of an offence relating to bribery and/or corruption after the date of the JVSA where such charges would adversely affect the reputation of PPSB; or

(d) an administrator or receiver and/or manager or judicial manager or similar officer appointed over the whole or a substantial part of the assets or undertaking of the Defaulting Party; or

(e) the Defaulting Party becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or

(f) the Defaulting Party ceases or threatens to cease to carry on the whole or any substantial part of its business; or

(g) the Defaulting Party has committed a material breach of any applicable laws in its conduct in relation to the business of PPSB; or

(h) the Defaulting Party fails to diligently perform its obligations as set out in the JVSA; or

(i) the Defaulting Party, without any reason acceptable to the other JV Parties, suspends performance of all or any of its obligations under the JVSA;

then any of the other Shareholders ("**Non-Defaulting Parties**") may (in addition to seeking contractual damages or other remedies permitted by law in the case of a breach of the JVSA) within three (3) months from the date the event of default first came to its or their knowledge ("**Notice Period**") by notice in writing ("**Default Notice**") require the Defaulting Party to offer its Shares for sale to the Non-Defaulting Parties in proportion to their Shareholding Proportions in PPSB at the time of the offer and upon the determination of the fair market value of the Defaulting Party's Shares by the independent licensed valuer to be appointed by PPSB ("**Independent Valuer**") and the auditor for the time being of PPSB as mutually agreed between the Shareholders ("**Auditor**"), the Defaulting Party shall be deemed to have given a Transfer Notice under the Section 2.1.6.10 (iii), for the sale of all its Shares at the Default Sale Price (as defined in Section 2.1.6.14 (ii) of this Announcement).

If the Non-Defaulting Party(ies) does not take up the offer to acquire such Shares within the Notice Period, it shall be deemed to have waived its rights to acquire the said Shares.

(ii) If the Non-Defaulting Party(ies) elect to take up the offer under the Section 2.1.6.14 (i), the Non-Defaulting Party(ies) shall serve a written notice on PPSB and the Defaulting Party on the same and the Defaulting Party shall be bound to transfer its Shares in accordance with the provisions of the JVSA and the Constitution and the purchase price per Share of which shall be the fair market value per

Share as determined by the Independent Valuer and the Auditor with a discount of twenty per centum (20%) ("**Default Sale Price**").

(iii) In the event that there shall be more than one (1) Non-Defaulting Party electing to take up the offer under the Section 2.1.6.14 (i), the Defaulting Party's Shares shall be sold to the Non-Defaulting Party(ies) in the ratio that is reflective of their respective Shareholding Proportion or such other ratio as may be mutually agreed by the Non-Defaulting Parties.

(iv) On payment of the purchase price to the Defaulting Party, the Non-Defaulting Party shall be deemed to have obtained a good discharge for such payment and on execution and delivery of the transfer, the transferees shall be entitled to insist upon their names being entered in the Register of Members of PPSB as the holders of the Shares concerned. If the Defaulting Party does not accept payment of the purchase price, the transferees may pay the purchase price into a separate bank account to be held in trust for the Defaulting Party.

(v) Determination of Fair Market Value:

(a) The Non-Defaulting Party(ies) shall within fourteen (14) days from the date of service of the Default Notice appoint:

(A) an Independent Valuer to revalue and determine open market value for all real properties of PPSB; and

(B) an Auditor determine the amount by which the total revalued assets (which shall reflect the re-valuation and determination of the open market value for all real properties of PPSB ("**Property Value**") as determined by the Independent Valuer) of PPSB ("**Net Asset Value**") and the fair market value of the Defaulting Party's Shares as at the date of the Default Notice.

(b) The Independent Valuer and the Auditor shall:

(A) act as experts and not as arbitrators;

(B) apply such customary accounting and valuation principles, practices and methodologies (including comparisons with recent similar transactions and/or valuation ratios of comparable public companies) as they shall think fit and appropriate for the nature of the business and assets in order to provide a fair and accurate appraisal of the fair market value of the Defaulting Party's Shares as at the relevant valuation date;

(C) assume the Shares to be valued are the subject of an arm's length on a willing buyer and willing seller basis, but disregard the shareholding percentage which such Shares represent in PPSB; and

(D) resolve any difficulties determining the fair market value of the Defaulting Party's Shares in such manner as they shall think fit and appropriate.

(c) Subject to Section 2.1.6.14 (v)(d), the Independent Valuer and the Auditor shall complete and deliver their written report and determination of the matters referred to them not later than sixty (60) days from the date of their appointment. The decision and determination of the Independent Valuer shall be final and binding on the Defaulting Party and Non-Defaulting Party(ies) save in the case of negligence or manifest error.

(d) The fees of the Independent Valuer and the Auditor shall be borne and paid by the Defaulting Party.

2.1.6.15 <u>Deadlock Resolution</u>

i) A deadlock ("**Deadlock**") is deemed to have occurred if:

(a) a Reserved Matter has been raised and/or considered at a general meeting, and no resolution has been passed at three (3) consecutive general meetings by reason of a disagreement on the matter(s); or

(b) no resolution has been passed by reason of an absence of a quorum at any three (3) successive Shareholders meetings which all the Shareholders have been notified.

ii) In the event of a Deadlock, any of the Shareholders may at any time after such adjourned meeting give notice ("**Deadlock Notice**") to the other Shareholders and to PPSB that a deadlock has arisen.

iii) PPSB shall forthwith upon receiving the Deadlock Notice appoint an Independent Valuer and an Auditor to determine the fair market value of a Share at its own cost, within forty-five (45) days of such appointment. The fair market value of a Share shall be determined based on Net Asset Value of PPSB as of the date on which the Deadlock Notice was served. The Independent Valuer and the Auditor shall, in determining the fair market value of a Share, act as experts and not as arbitrators and their decision shall (save for manifest error) be final and binding on the Shareholders.

iv) Upon the determination of the fair market value of a Share, PPSB shall forthwith give notice ("**Fair Value Notice**") to the Shareholders of the fair market value so determined by the Independent Valuer and the Auditor and the following provisions:

(a) upon being notified of the fair market value, any Shareholder(s) ("**Initiating Member**") shall be entitled to, within thirty (30) days from the date of their receipt of the Fair Value Notice, serve upon the other Shareholder ("**Responding Member**") and PPSB a written notice ("**Option Notice**") offering to the Responding Member both of the following options (for the Responding Member to elect to exercise one (1) option):

(A) purchase (or procure the purchase by a nominee) all of the Initiating Member's Shares, RPS, Shareholders Advances and such other securities in PPSB held by the Initiating Member, at a price proposed by the Initiating Member ("**Deadlock Price**") or;

(B) sell to the Initiating Member (or its nominee) all of the Responding Member's Shares, RPS, Shareholders Advances and such other securities in PPSB held by the Responding Member, at the Deadlock Price (subject to any proportionate adjustments in the event that the total Shares, RPS and/or Shareholders Advances held by the Responding Member is not the exact number as the total Shares, RPS and/or Shareholders Advance held by the Initiating Member).

(b) it is agreed as follows:

(A) the Option Notice shall not be revocable unless it is with the written consent of the Responding Member; and

(B) the Option Notice from any Shareholder must be received by the other Shareholder(s) and PPSB on the same day.

(c) regardless of the contents of the Option Notice, namely whether it contains an offer to purchase or to sell, the Option Notice shall constitute an offer by the Initiating Member, and during the time period of thirty (30) days from the date of service of the Option Notice upon PPSB and the Responding Member ("**Option Period**"), the Responding Member must exercise its option either to:

(A) purchase (or procure the purchase by a nominee) all of the Initiating Member's Shares, RPS, Shareholders Advances and such other securities in PPSB held by the Initiating Member at the Deadlock Price; or

(B) sell to the Initiating Member (or its nominee) all of the Responding Member's Shares, RPS, Shareholders Advances and such other securities in PPSB held by the Responding Member at the Deadlock Price (subject to any proportionate adjustments in the event that the total Shares, RPS, and/or Shareholders Advances held by the Responding Member is not the exact number as the total Shares, RPS and/or Shareholders Advances held by the Initiating Member).

(d) the Responding Member shall exercise one of the options stated in Section 2.1.6.15(iv)(c) above at any time before the expiry of the Option Period by serving a written notice upon the Initiating Member and PPSB ("**Responding Member's Reply**"). Upon service of the Responding Member's Reply on the Initiating Member and PPSB, the Initiating Member shall be bound by the option elected by the Responding Member.

(e) in the event the Responding Member shall fail to elect to exercise its option under Section 2.1.6.15(iv)(c) within the Option Period, the Responding Member shall be deemed to have elected to sell to the Initiating Member all of its Shares, RPS, Shareholders Advances and other securities in PPSB at the Deadlock Price (subject to any proportionate adjustments in the event that the total Shares, RPS, and/or Shareholders Advances held by the Responding Member is not the exact number as the total Shares, RPS and/or Shareholders Advances held by the Initiating Member).

(f) if PPSB receives more than one (1) Option Notice from the Shareholders, the Option Notice with an offer to purchase or sell at the highest price will prevail.

2.1.6.16 Change in Control

(i) The Shareholders hereby agree and undertake that it shall not permit any change to its shareholding structure, control or shareholders without first obtaining the prior written consent of PPSB and other Shareholders.

(ii) Notwithstanding the Section 2.1.6.16, if any of the Shareholders undergoes a Change in Control (as defined in the JVSA) (“**Change in Control Shareholder**”), then the Change in Control Shareholder shall, within thirty (30) days upon the completion of the Change in Control, inform PPSB and the other Shareholders (“**Non-Change in Control Shareholder**”) of the same by way of written notice. Upon PPSB receiving a written notice of Change in Control (“**Change in Control Notice**”), the following shall apply:

(a) the PPSB shall forthwith, upon the request of any of the Non-Change in Control Shareholders, appoint an Independent Valuer and an Auditor to determine the fair market value of a Share at the cost of the Change in Control Shareholder, within forty-five (45) days of such appointment. The fair market value of a Share shall be determined based on the Net Asset Value of the PPSB as of the date on which the Change in Control Notice was served. The Independent Valuer and the Auditor shall, in determining the fair market value of a Share, act as experts and not as arbitrators and their decision shall (save for manifest error) be final and binding on the Shareholders;

(b) upon being notified of the fair market value, PPSB shall forthwith give the Fair Value Notice to the Non-Change in Control Shareholders of the fair market value so determined by the Independent Valuer and the Auditor, and any of the Non-Change in Control Shareholders may, within fourteen (14) days from the date of their receipt of the Fair Value Notice, elect to serve a notice to the Change in Control Shareholder and PPSB in accordance with this Clause, to either:

(A) require the Change in Control Shareholder to purchase from the Non-Change in Control Shareholder (such option shall be referred to as “**Change in Control Put Option**” and such notice shall be referred to as “**Change in Control Put Option Notice**”):

1. all the legal and beneficial ownership of the Shares held by the Non-Change in Control Shareholder free from all encumbrances and with all rights and advantages attaching thereto ("**Change in Control Put Option Shares**") based on the Net Asset Value of PPSB;

2. all the legal and beneficial ownership of the RPS (if any) held by the Non-Change in Control Shareholder free from all encumbrances and with all rights and advantages attaching thereto ("**Change in Control Put Option RPS**") at the issue price and all accrued and unpaid dividends (if any) thereon up to the date immediately preceding the date of the transfer of such RPS; and

3. all its Shareholders Advances ("**Change in Control Put Option Advances**") at the outstanding principal and all accrued and unpaid interest thereon up to the date immediately preceding the date of the transfer such Shareholders Advances,

(collectively, the "**Change in Control Put Option Price**");

Or

(B) require the Change in Control Shareholder to sell to the Non-Change in Control Shareholder (such option shall be referred to as "**Change in Control Call Option**" and such notice shall be referred to as "**Change in Control Call Option Notice**"):

1. all the legal and beneficial ownership of the Shares held by the Change in Control Shareholder free from all encumbrances and with all rights and advantages attaching thereto ("**Change in Control Call Option Shares**") based on the Net Asset Value of PPSB;

2. all the legal and beneficial ownership of the RPS (if any) held by the Change in Control Shareholder free from all encumbrances and with all rights and advantages attaching thereto ("**Change in Control Call Option RPS**") at the issue price and all accrued and unpaid dividends (if any) thereon up to the date immediately preceding the date of the transfer of such RPS; and

3. all its Shareholders Advances ("**Change in Control Call Option Advances**") at the outstanding principal and all accrued and unpaid interest there on up to the date immediately preceding the date of the transfer of such Shareholders Advances;

(collectively, the "**Change in Control Call Option Price**").

(iii) The Auditor and/or the Independent Valuer shall then determine the Change in Control Put Option Price or the Change in Control Call Option Price (as the case may be), and their decision shall (save for manifest error) be final and binding on the Shareholders.

(iv) The Change in Control Shareholder shall, within twenty-one (21) days from the determination of the Change in Control Put Option Price or the Change in Control Call Option Price (as the case may be) pursuant to Section 2.1.6.16 (iii):

(a) where the Change in Control Put Option has been exercised, purchase from the Non-Change in Control Shareholder the Change in Control Put Option Shares, the Change in Control Put Option RPS and the Change in Control Put Option Advances at the Change in Control Put Option Price; or

(b) where the Change in Control Call Option has been exercised, sell to the Non-Change in Control Shareholder the Change in Control Call Option Shares, the Change in Control Call Option RPS and the Change in Control Call Option Advances at the Change in Control Call Option Price.

(v) Any transfer of the Shares under or pursuant to Section 2.1.6.16 shall be subject to the prior written approval of the relevant authorities having been obtained where required. In such case, the relevant Shareholder shall have a period of up to four (4) months from the date it becomes bound to sell or as the case may be, purchase such Shares or such longer period(s) as the Shareholders may mutually agree to apply for and obtain the transfer approval.

(vi) If in any case the Change in Control Shareholder after having become bound as aforesaid in transferring the Change in Control Call Option Shares, Change in Control Call Option RPS and Change in Control Call Option Advances, PPSB may receive the purchase money from the Non-Change in Control Shareholder and the Change in Control Shareholder shall be deemed to have appointed any one (1) Director or the Company Secretary of PPSB as its agent to execute a transfer of the Change in Control Call Option Shares, Change in Control Call Option RPS and Change in Control Call Option Advances to the Non-Change in Control Shareholder, and upon the execution of such transfer PPSB shall hold the purchase money in trust for the Change in Control Shareholder. The receipt by PPSB for the purchase money shall be a good discharge to the Non-Change in Control Shareholder, and after the name of the Non-Change in Control Shareholder has been entered in the Register of Members in purported exercise of the aforesaid power, the transfer of the Change in Control Call Option Shares, Change in Control Call Option RPS and Change in Control Call Option Advances shall be valid and complete.

(vii) Upon such transfer, the Change in Control Shareholder shall cease to have any equity interest in PPSB or to have any rights or obligations under the JVSA.

2.1.7 Basis and justification in arriving at the total financial commitment for the Proposed Joint Venture

Pursuant to the Proposed Joint Venture, the JV Parties agreed to provide Financial Assistance to PPSB, via Shareholders Advances, subscription of RPS and Special RPS and if required, corporate guarantees for the credit facilities to be secured by PPSB, based on their respective Shareholding Proportions to finance the Purchase Price and the working capital requirements of PPSB for the Proposed Development.

The Shareholders Advances to be provided by the JV Parties would bear interest at the Prescribed Rate and must be repaid in whole or in part by PPSB within two (2) years after the VP Delivery or on such other dates as the Shareholders may mutually agree. The RPS to be subscribed the JV Parties would carry a Prescribed Dividend Rate whereas the Special RPS would carry a Special Dividend Rate. The corporate guarantee to be provided by the JV Parties would be interest free.

The details of the total financial commitment of up to approximately RM180.0 million ("**Financial Commitment**") for the Proposed Joint Venture and Proposed Acquisition to be borne by the JV Parties based on their Shareholding Proportions are set out below:

Source of funding	**Estimated Gross Development Cost ("GDC") (RM'million)**
Shareholders Advances and/or Financial Assistance for the Purchase Price	33.7
Shareholders Advances and/or Financial Assistance for the GDC	146.3
Total Financial Commitment	**180.0**
Cash flow generated from the Proposed Development	369.8
Total	**549.8**

The total Financial Commitment was arrived at between the JV Parties on the mutually agreed Shareholding Proportions after taking into consideration of the following:

(i) the funding requirements of the Proposed Acquisition;

(ii) the estimated development costs and expenses to be incurred by PPSB in relation to the Proposed Development; and

(iii) the working capital requirements of PPSB.

2.1.8 Sources of funding

L&G intends to finance its portion of the Financial Commitment, as set out in Section 2.1.7 of this Announcement, through internally generated funds and/or external borrowings. The proportion which will be financed internally generated funds and/or external borrowings has yet to be determined by the Board as at LPD.

2.1.9 Original date and cost of investment

The original date and cost of investment in PPSB by PSSB is 24 January 2020 and RM1.00 respectively.

2.1.10 Assumption of liabilities

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the JVSA and the Financial Commitment as disclosed in Section 2.1.7 of this Announcement, the L&G Group will not assume any other liabilities, including contingent liabilities and guarantees arising from the Proposed Joint Venture.

2.1.11 Additional financial commitment

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the JVSA and the Financial Commitment as disclosed in Section 2.1.7 of this Announcement, the Board does not expect to incur any additional material financial commitment for the Proposed Joint Venture.

2.2 Proposed Acquisition

2.2.1 Details of the Proposed Acquisition

On 16 March 2020, PPSB had entered into the SPA with GASB for the Proposed Acquisition. PPSB and GASB shall hereinafter be referred to as the "**SPA Parties**".

The Proposed Acquisition entails of the proposed acquisition of a freehold land held under Title No. GRN 312795, Lot 25300 in the Mukim of Semenyih, District of Ulu Langat, in the state of Selangor measuring approximately 34,740 square metres / 3.474 hectares / 373,938 square feet in area by PPSB from GASB, on *as is where is* basis and free from encumbrances and with vacant possession, for a total cash consideration of **Ringgit Malaysia Thirty-Three Million Six Hundred Fifty-Four Thousand Four Hundred and Four Hundred Twenty (**RM33,654,420.00) only (which is calculated at the rate of Ringgit Malaysia Ninety (RM90.00) per square foot).

Following GASB's Application for Surrender of Land dated 19.10.2017 in Form 12B under Section 200 of the National Land Code, 1965, to surrender part of the Property measuring approximately 1.512 acres / 65,862.72 square feet in area, which has been approved by *Pejabat Daerah / Tanah Hulu Langat* on 4 October 2018, a note of the surrender has been endorsed on the register document of title of the Property on 28 March 2018 vide presentation number 1570/2018. As a result of this, the area of the Property shall be reduced to 7.072 acres / 308,056.32 square feet (which is calculated at the rate of RM109.25 per square foot).

2.2.2 Information on GASB

GASB was incorporated in Malaysia on 28 June 2011 as a private company limited by shares under the Act and it is an indirect wholly-owned subsidiary of SYF Resources Berhad **("SYF")**. GASB is principally engaged in property development.

The issued and paid-up share capital of GASB is RM1,000,000.00 comprising 1,000,000 ordinary shares.

As at the LPD, the directors of GASB are Dato' Sri Chee Hong Leong, Mr. Ng Wei Ping, and Dato' Sri Ng Ah Chai.

2.2.3 Information on the Property

The Property is located about forty-five (45) kilometres and nine (9) kilometres by road to the south-east of Kuala Lumpur City Centre and Kajang town centre, respectively. Semenyih town is located 3.5 kilometres by road to the south-east of the Property.

It is accessible from Kuala Lumpur City Centre and Cheras Town via Jalan Cheras, Lebuhraya Cheras – Kajang, Jalan Sungai Long, Kajang SILK Highway, Kajang Bypass, Jalan Semenyih and thereafter onto several unnamed metalled road within the Kajang East scheme leading to the Property. It is also accessible from Kajang Town via Kajang – Semenyih By-Pass, Jalan Semenyih and thereafter onto several unnamed metalled road leading to the Property.

There is no direct access to the Property from Kajang – Seremban Highway.

The immediate surrounding is predominantly industrial premises, 3-storey shop offices, serviced apartments, educational institutions, residential housing areas, vacant commercial / residential lands and several ongoing township schemes.

As at the LPD, the details of the Property are set out below:

Postal Address	:	Lot 25300, Mukim Semenyih, Ulu Langat, Selangor
Title no.	:	Geran 312795, Lot 25300 in the Mukim of Semenyih, District of Ulu Langat, in the state of Selangor
Land tenure	:	Freehold
Land area	:	3.474 square metres / 3.474 hectares / 373,938 square feet
Category of land use	:	*Bangunan*
Approvals obtained	:	Development order obtained from Majlis Perbandaran Kajang on 27 September 2017 (Expired on 27 September 2018) ("**DO**")
Latest audited net book value of the land	:	The information is not made available as the Board is not privy to such information
Market value of the land	:	Open market valuation by an independent registered valuer, CH Williams Talhar & Wongs Sdn. Bhd., using the comparison method of valuation at RM90.92 per sq. ft. or equivalent to approximately RM34,000,000
Encumbrances	:	The Property is charged to Hong Leong Bank Berhad vide presentation number 87838/2019 registered on 30 September 2019 ("**Existing Charge**")
Express conditions	:	*Bangunan Perniagaan*
Restrictions-in-interest	:	Tiada

2.2.4 Proposed Development

GASB had obtained the DO on 27 September 2017 which has expired on 27 September 2018. Based on the expired DO, the Proposed Development shall comprise 2 blocks of 31 – 32 storeys of serviced apartments and affordable housing units which includes 1-storey of sub-basement car park and 9-storeys podium containing shop offices, commercial units and kindergarten, car parks and facilities. The total number of residential units are:

Block A		Block B	
Serviced apartments	**Affordable units**	**Serviced apartments**	**Total**
437	**274**	**658**	**1,369**

It is PPSB's plan to apply to the appropriate authorities to increase the plot ratio for the Property, when it applies for the new DO. The planned total number of residential units, if approved, are:

Block A		Block B	
Serviced apartments	**Affordable units**	**Serviced apartments**	**Total**
798	**532**	**1,328**	**2,658**

The name of the Proposed Development has not been determined while the expected commencement and completion dates of the Proposed Development are as follows:

Proposed Development	Expected time frame
Expected commencement	Within 12 months from completion of Proposed Acquisition
Expected completion	Within 36 months after launching of Proposed Development

Actual commencement and completion dates will also depend on the property market conditions in future.

The estimated Gross Development Value ("**GDV**") and GDC for the Proposed Development are approximately RM733.5 million and RM549.8 million respectively. The estimated profit shall therefore be approximately RM183.7 million.

The estimated GDV and GDC are indicative values based on the expected approval for a new DO with higher plot ratio, and may vary accordingly to include amongst others, the variation to the number of units, car parks, other facilities, pricing and timing of development eventually launched, demand, construction costs and the then prevailing market conditions.

2.2.5 Basis and justification for the Purchase Price

The Purchase Price was arrived at on a willing buyer-willing seller basis after taking into account the following:

(i) The open market value of the Property at RM90.92 per square feet or equivalent to approximately RM34,000,000 as appraised by an independent registered valuer, CH Williams Talhar & Wongs Sdn. Bhd., appointed by PPSB, via its valuation report dated 23 June 2020 using the comparison method of valuation; and

(ii) The earnings potential of the Property – the Board believes that the type of units to be developed and the anticipated selling prices for this project at its location should be attractive to homebuyers, even in the present challenging property market.

2.2.6 Salient terms of the SPA

2.2.6.1 Agreement to sell and to purchase

Subject to the provisions of the SPA, GASB has agreed to sell and PPSB has agreed to purchase the Property on an *as is where is* basis and free from all encumbrances and with vacant possession.

2.2.6.2 Basis of the SPA

Subject to the fulfilment of the SPA Condition Precedent (as defined in Section 2.2.6.4 of this Announcement), GASB agrees to sell and PPSB agrees to purchase the Property at the Purchase Price, on the following basis:

(i) the Property is a freehold land with the category of land use of '*Bangunan*' and express condition of '*Bangunan Perniagaan*' as stated in individual issue document of title to the Property ("**Document of Title**");

(ii) the Property is delivered to PPSB with vacant possession and free from all encumbrances, charges, caveats, interest, squatters and claims, free of all natives' claim and/or access road hindrance. GASB shall at their own costs and expenses cause or procure all encumbrances and claims including caveats of whatsoever nature over the Property (if any), except for the caveats lodged by and/or for the benefit of PPSB or PPSB's Financier (if any), to be removed or withdrawn;

(iii) subject to the warranties in Clause 22.1 of the SPA; and

(iv) subject to all conditions of title and restrictions-in-interest whether express or implied affecting the Document of Title and the terms and conditions contained in the SPA.

2.2.6.3 Payment Terms

The Purchase Price shall be paid in the following manner:

(i) upon the execution of the SPA, PPSB has paid the sum of **Ringgit Malaysia Three Million Three Hundred Sixty-Five Thousand and Four Hundred Forty-Two (RM3,365,442.00) only**, being the ten per cent (10%) of the Purchase Price ("**Deposit**") to GASB's solicitors as stakeholders who shall only be authorized to release the same to GASB after the day on which the Purchaser's Approvals (as defined in Section 2.2.6.4 of this Announcement) are obtained and received by PPSB ("**SPA Unconditional Date**"); and

(ii) the balance of the Purchase Price in the sum of **Ringgit Malaysia Thirty Million Two Hundred Eighty-Eight Thousand Nine**

Hundred Seventy-Eight (RM30,288,978.00) only being ninety per cent (90%) of the Purchase Price ("**Balance Purchase Price**") to be paid to GASB's solicitors within three (3) months from the SPA Unconditional Date ("**Payment Period**").

If PPSB is unable to pay any part of the Balance Purchase Price on or before the expiry of the Payment Period, the Payment Period shall be extended for a period of one (1) month subject to PPSB's payment of interest on the Balance Purchase Price or any part thereof which is outstanding at the rate of eight per centum (8%) per annum calculated on a daily basis.

2.2.6.4 Condition Precedent

The sale and purchase of the Property is conditional upon PPSB having obtained the following ("**SPA Condition Precedent**"):

(i) the approval or letter of no objection from EPU pursuant to the EPU guidelines for acquisition of the Property by PPSB from GASB ("**EPU Approval**"), which was dated 25 June 2020 and being obtained on 30 June 2020; and

(ii) the approval from the appropriate authorities, as required under Section 433B of the National Land Code, 1965 for the acquisition of the Property by PPSB from GASB ("**S433B Approval**"), which was dated 27 July 2020 and being obtained on 26 August 2020;

(collectively, "**Purchaser's Approval**") within three (3) months from the date of the SPA subject to an automatic extension of three (3) months or such longer mutually agreed period ("**SPA Conditional Period**").

The Board wishes to highlight that the Proposed Acquisition is not conditional upon the DO which has been expired on 27 September 2018 being renewed, or that the DO approval, if obtained, comes with the desired plot ratio and/or without any restrictive condition.

2.2.6.5 Non-fulfilment of Condition Precedent

If the SPA Condition Precedent is not fulfilled within the SPA Conditional Period, either one of the SPA Parties shall have the option at its discretion, by notice in writing to the other SPA Party, to terminate the SPA whereupon the following shall apply:

(i) GASB shall refund and cause to be refunded to PPSB free from all interests within fourteen (14) days from the date of the notice of termination, all monies received by it or for its account as part of the Purchase Price (including the Deposit in full and without any deduction);

(ii) PPSB shall within fourteen (14) days upon GASB's compliance of Section 2.2.6.5 ((i) above:

    (a) return to GASB all relevant documents forwarded to PPSB and/or PPSB's solicitors (if any); and

(b) withdraw and cause to be withdrawn, at PPSB's own cost, any private caveat lodged by or on behalf of PPSB over the Property;

(iii) all obligations and liabilities of the SPA Parties hereunder shall cease to have effect and none of the SPA Parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches, and GASB shall be at liberty to deal with the Property as they deem fit.

2.2.6.6 Redemption Sum

(i) GASB shall, at its own costs and expenses cause all encumbrances against the Property to be removed on or before the date the Balance Purchase Price is received by GASB's solicitors ("**SPA Completion Date**").

(ii) GASB warrants and undertakes that the redemption sum that GASB is required to pay the Existing Chargee for or towards the full discharge and release of existing charge in respect of the Property as stated in the redemption statement shall not at any time exceed **Ringgit Malaysia Thirty Million Two Hundred Eighty-Eight Thousand Nine Hundred Seventy-Eight (RM30,288,978.00) only** ("**Redemption Sum**") and subject to the fulfilment of the SPA Condition Precedent, the Balance Purchase Price shall be utilized to settle the Redemption Sum to the Existing Chargee to procure the full discharge and release of the Existing Charge.

(iii) Notwithstanding the Section 2.2.6.6 (ii) above, in the event the Balance Purchase Price is insufficient to pay the Redemption Sum, GASB shall within three (3) business days of receipt of PPSB's solicitor's or PPSB's financier's solicitors letter informing so, deposit with GASB's solicitors the shortfall between the Balance Purchase Price and the Redemption Sum ("**Shortfall**").

2.2.6.7 Power of Attorney

GASB shall grant an irrevocable power of attorney to PPSB to enable PPSB as attorney of GASB, to inter alia:

(i) apply for, submit to and/or liaise with the appropriate authority for all necessary approvals, plans, licences, permits or consents relating development on the Property or any part therefore;

(ii) apply for, submit to and/or liaise with the appropriate authority for all necessary approvals relating to the construction and completion of the internal access road marked up in BLUE on the Infrastructure Plan annexed in Schedule 3 of the SPA ("**Internal Access Road**") on Geran 312794 Lot 25299 in the Mukim of Semenyih, District of Ulu Langat and State of Selangor ("**Adjoining Land**"); and

(iii) generally to exercise all rights, power and privileges and to do all such other acts, things and deeds as may be necessary or expedient which may now or hereafter be required in relation to any of the matters aforesaid.

2.2.6.8 Construction of the Main Access Road

After the SPA Unconditional Date:

(i) the SPA Parties shall jointly appoint **Icon Consulting Engineers Sdn. Bhd.** ("**Independent Engineer**") and upon its appointment to call for tender for the construction and completion of the main access road marked up in RED on the Infrastructure Plan annexed in Schedule 3 of the SPA ("**Main Access Road**") provided that PPSB shall be allowed to take part in all stages of the tender exercise or process for the supply of goods and services for the construction and completion of the Main Access Road AND any contract(s), agreement(s) and/or letter(s) awarded shall be agreed and approved by PPSB.

(ii) the Independent Engineer shall, upon receiving PPSB's written approval, award the said tender and supervise the construction of the Main Access Road within a period of two (2) years after GASB has obtained all necessary approvals, plans, licences, permits and/or consents (including but not limited to the *Surat Kebenaran Kerja*) for PPSB to commence and complete the construction of Main Access Road; or two (2) years after SPA Completion Date, whichever is the later; or such further period as the SPA Parties may mutually agree ("**Main Access Road Construction Period")**, and the costs and expenses of which shall be borne by PPSB.

2.2.6.9 Construction of the Internal Access Road on the Adjoining Land

PPSB shall be obliged to construct and complete the Internal Access Road to connect the Main Access Road to the Adjoining Land and the Property, within a period of three (3) years after PPSB has obtained all necessary approvals, plans, licences, permits and/or consents (including but not limited to the *Notis Memulakan Kerja*), whichever applicable, for PPSB to commence and complete the construction of the Internal Access Road; or three (3) years after SPA Completion Date, whichever is the later; or such further period as the SPA Parties may mutually agree ("**Internal Access Road Construction Period")**, at its own costs and expenses.

2.2.6.10 Surrendering Parts of the Adjoining Land

(i) GASB agrees and undertakes that they shall, at its own costs and expenses, within the time frame stipulated by the appropriate authorities for the obtaining or issuance of all the necessary approvals, plans, licences, permits or consents relating to the construction and completion of the Proposed Development (including but not limited to the development order / planning permission, the building plan approval and the Certificate Completion and Compliance in respect of the Proposed Development) or if no such time frame stipulated by the appropriate authority, at such appropriate time as may be required for the effective and timely completion of the Proposed Development by PPSB, surrender parts of the Adjoining Land shaded in BLUE in the Land Surrender Plan annexed in Schedule 6 of the SPA (or such other area as may be required by the appropriate authority), to the appropriate authority for the Internal Access Road ("**Land Surrender**").

(ii) In the event that GASB sells, transfer, assigns or disposes of the Adjoining Land to any third party(ies) prior to the completion of the Land Surrender to the appropriate authority set out in Section 2.2.6.10 (i) above, GASB shall inform PPSB of the same in writing and shall procure the transferee, assignee or purchaser to execute a letter of undertaking to agreeing to be bound by the covenants and obligations therein stated under the SPA in place of GASB.

2.2.6.11 Performance Guarantee

GASB shall deliver or procure to be delivered to PPSB an irrevocable undertaking and guarantee from GASB's parent company, SYF to PPSB to guarantee GASB's full, due and timely performance of its obligations under the SPA as a primary obligor and SYF shall indemnify PPSB in full and keep PPSB indemnified in full against all costs, losses, damages, expenses, liabilities, penalties, actions, claims, proceedings and/or demands which PPSB may incur, suffer, sustain and/or are liable arising out of or resulting from GASB's breach, failure, delay, neglect and/or default in carrying out their obligations upon the terms and conditions under the SPA.

2.2.6.12 Release of Money

The Balance Purchase Price shall be utilized in the following manner and priority:

(i) firstly, to make any payment which GASB is obliged to pay under the SPA including but not limited to Redemption Sum, the late delivery interest (if any) or late refund interest (if any), GASB's portion of all outstanding arrears (if any) of quit rent and assessment, other outgoings relating to the Property, fees, stamp duties and other costs, and all costs to remove any encumbrances on the Property; and

(ii) thereafter, to release the remaining balance thereof to GASB upon the expiry of twenty-one (21) days from the date of presentation of the Transfer and the Charge at the relevant land office or upon registration thereof, whichever is the later provided that vacant possession of the Property has been delivered to PPSB.

2.2.6.13 Vacant Possession

Vacant possession of the Property in the same state and condition as existing on the SPA date but free of any debris, rubbish, squatters, occupiers, trespassers and encroachment shall be delivered to PPSB within three (3) business days from the SPA Completion Date, failing which GASB shall pay interest at eight per cent (8%) per annum calculated on daily basis on the Purchase Price until the actual date of delivery of vacant possession by GASB to PPSB in accordance with the SPA.

2.2.6.14 Non-Registration of Transfer

In the event the Transfer cannot be registered at the relevant land office for any reason which is not attributable to any default of either SPA Parties, and the cause or remedy cannot be rectified within a period of one (1) month from the date of the non-acceptance or rejection or non-registration is made known to the SPA Parties, either SPA Party shall be entitled to terminate the SPA by written notice to the other SPA Party.

2.2.6.15 PPSB's Default

In the event that:

(i) PPSB defaults in the payment of Purchase Price and such default has not been remedied within fourteen (14) days from the date of a written notice from GASB requiring the same to be remedied; or

(ii) if there is material breach of any obligations under the SPA by PPSB which is not capable of remedy or if capable of remedy but is not remedied within fourteen (14) days from the date of receipt of a written notice from GASB requiring the same to be remedied;

GASB shall be entitled by giving notice in writing to PPSB to terminate the SPA whereupon the following, but subject to the provisions under the SPA:

(a) the Deposit shall be forfeited to GASB as agreed liquidated damages; and

(b) GASB shall refund and cause to be refunded to PPSB all monies received by GASB less the Deposit free from interest.

2.2.6.16 GASB's Default

In the event that:

(i) GASB defaults or fails in completing the sale of the Property; or

(ii) there is any breach by GASB of any of its representations, warranties, covenants, undertakings or obligations under the SPA which is not capable of remedy; or if capable of remedy but is not remedied within fourteen (14) days from the date of receipt of a written notice PPSB requiring the same to be remedied;

PPSB shall be entitled at PPSB's sole election by giving notice in writing to GASB (i) to the remedy of specific performance against GASB and to all reliefs flowing therefrom at the costs and expenses of GASB, or (ii) to terminate the SPA whereupon:

(a) GASB shall within fourteen (14) days of such termination notice being given, pay an amount equivalent to the Deposit as agreed liquidated damages; and

(b) refund and cause to be refunded to PPSB all monies received by them or for their account as part of the Purchase Price received by GASB including Deposit in full and without any deduction) free of interest.

2.2.7 Sources of funding

The Purchase Price will be satisfied by cash and/or external borrowings. The proportion which will be financed by cash and/or external borrowings has yet to be determined as at LPD.

2.2.8 Original date and cost of investment

The original acquisition cost of the Property by GASB is **Ringgit Malaysia Eleven Million Nine Hundred Sixty Thousand Eight Hundred and Fifty-Seven (RM11,960,857.00)** only as announced by SYF on 16 March 2020. However, the original acquisition date is not known to the Board as it is not privy to such information.

2.2.9 Assumption of liabilities

There are no liabilities, including contingent liabilities and guarantees, to be assumed by L&G arising from the Proposed Acquisition.

2.2.10 Additional financial commitment

Save for the Purchase Price and the development cost of the Proposed Development, the Board does not expect to incur any additional material financial commitment for the Proposed Acquisition.

2.2.11 Encumbrances for the Proposed Acquisition

The Property will be acquired by PPSB free from all encumbrances, charges, caveats, interest, squatters and claims, free of all natives' claim and/or access road hindrance and any other claims whatsoever in respect of the same on the terms and conditions of the SPA.

3. RATIONALE FOR THE PROPOSED JOINT VENTURE

The Proposed Joint Venture is to facilitate the Proposed Acquisition and the Proposed Development, which has a strong earnings potential owing to the type of units to be developed and the anticipated selling prices for this project at its location which the management believes should be attractive to new homebuyers. The Proposed Joint Venture will allow L&G Group to jointly participate in this project's earnings potentials.

LPDSB has launched its maiden development, Canopy Hills, 1,271 open-market units and 318 affordable units, in Kajang, Selangor in April 2018. Targeted to complete in time by 2nd quarter of 2022, Canopy Hills has a take-up rate of approximately 95% as at the LPD. With the experience of a successful project launch, LPDSB believes that it will be able to replicate the success of its Canopy Hills on the Property as the type of units to be developed and the sale pricing levels are similar.

L&G Group and Mayland Group have jointly developed *Elements* and *Astoria* at Ampang, so both parties have the track record of successful joint developments. The Proposed Joint Venture will enable all three (3) parties to leverage on their respective strengths to ensure the successful execution of the Proposed Development.

The Board is therefore of the view that the Proposed Joint Venture will contribute positively to the future earnings and cash flows of the L&G Group.

4. EFFECTS OF THE PROPOSED JOINT VENTURE

4.1 Issued and paid-up share capital

The Proposed Joint Venture is not expected to have any effect on the issued and paid-up share capital of L&G as the Proposed Joint Venture does not involve any issuance of new securities by L&G.

4.2 Net Assets ("NA") and gearing

Barring any unforeseen circumstances, the Proposed Joint Venture, if implemented, is not expected to have any immediate material impact on the NA of the L&G Group for the financial year ending 31 March 2021. However, it is expected to enhance the NA of the L&G Group through the contribution in earnings in the future financial years when the Proposed Development is developed and sold progressively.

The effect of the Proposed Joint Venture on the gearing of the L&G Group will be dependent on the funding mix and timing of utilization of bank borrowings to finance the Proposed Development and the L&G's Financial Commitment. The management shall use its best endeavours to optimize the funding mix and commence construction and sales activities of the Proposed Development to maximize the cash flows and minimize the gearing of the L&G Group.

For illustration purposes only, assuming the L&G Group provides L&G's portion of the Financial Commitment (as set out in Section 2.1.7 of this Announcement) to PPSB via external bank borrowings, the proforma effects of the shareholders' advances on the NA and gearing of the L&G Group based on the audited financial statements of L&G as at 31 March 2020 are as follow:

The L&G Group	**Audited as at 31 March 2020 RM'000**	**After L&G's Financial Commitment RM'000**
Share capital	660,232	660,232
Retained earnings	407,926	407,926
Other reserves	12,121	12,121
Equity attributable to shareholders of L&G	**1,080,279**	**1,080,279**
No. of L&G Shares in issue ('000)	2,972,135	2,972,135
NA per L&G Share (RM)	0.36	0.36
Total borrowings (RM'000)	205,948	259,948
Gearing (times)	0.19	0.24

4.3 Substantial shareholders' shareholdings

The Proposed Joint Venture is not expected to have any effect on substantial shareholders' shareholdings of L&G as the Proposed Joint Venture does not involve any issuance of new securities by L&G.

4.4 Earnings and Earnings Per Share ("EPS")

Barring any unforeseen circumstances, the Proposed Joint Venture is not expected to have any immediate material impact on the earnings and EPS of the L&G Group for the financial year ending 31 March 2021 as the Proposed Acquisition is expected to be completed by the second (2nd) half of 2020. However, the potential future earnings contribution arising from the Proposed Development when the development commences may enhance the earnings and EPS of the L&G Group.

5. <u>INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF THE GROUP</u>

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in 2Q 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; 3Q 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1Q 2020: -2.0%).

Weak growth was recorded across most economic sectors amid the imposition of the Movement Control Order (MCO), followed by the Conditional and Recovery MCO, during 2Q 2020.

Domestic demand declined by 18.7% in 2Q 2020 (1Q 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments. While net exports continued to decline, the contribution of the external sector to the economy improved due mainly to the larger contraction in imports vis-a-vis the previous quarter.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), declined to -2.6% during the quarter (1Q 2020: 0.9%). The lower headline inflation was primarily due to the substantial decline in retail fuel prices and the implementation of the tiered electricity tariff rebate beginning the month of April.

Labour market conditions weakened as containment measures and weak demand led firms to undertake cost-cutting actions. Measures such as retrenchments, pay-cuts and unpaid leave weighed on employment and income conditions. Employment declined by 1.3% (1Q 2020: +1.6%). Job losses were concentrated in the tourism-related industries as demand weakened considerably amid border closures. As a result, the unemployment rate rose to 5.1 % (1Q 2020: 3.5%)

In addition to the job losses, shorter working hours and pay-cuts among those who remained in employment resulted in negative private sector wage growth in 2Q 2020 (-5.6%, 1Q 2020: 2.1%). The negative private services wage growth in 2Q 2020 (-6.4%, 1Q 2020: 1.4%) was driven mainly by tourism- related services, such as wholesale and retail trade, food and beverage, and accommodation (-3.5%; 1Q 2020: 1.9%) as well as transportation and storage (-29.7%; 1Q 2020: -3.5%) sub-sectors.

The Monetary Policy Committee (MPC) reduced the Overnight Policy Rate (OPR) by a cumulative 125 basis points on four occasions in 2020. This has brought the OPR to the current level of 1.75%. These OPR adjustments complement other monetary and financial measures undertaken by Bank Negara Malaysia, as well as fiscal measures implemented. These include financial relief measures, regulatory and supervisory measures, lending facilities for SMEs, and adjustments to the Statutory Reserve Requirement (SRR) in March and May 2020.

Economic activity in Malaysia contracted sharply in the first half of the year (-8.3%) as the measures introduced to contain the pandemic globally and domestically resulted in a concurrent supply and demand shock to the economy. However, growth is expected to have troughed in 2Q 2020. Economic activity has resumed significantly since the economy began to reopen in early May. Monthly indicators such as wholesale and retail trade, industrial production, electricity generation, and gross exports all grew faster in June than in the period between March and May.

The improvement in growth in 2H 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. While there is upside potential to growth, the pace and strength of the recovery remain susceptible to downside risks emanating from domestic and external factors. Growth could potentially be lifted by a larger-than-expected impact from stimulus measures. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth.

(Source: Quarterly Bulletin Second Quarter 2020, Bank Negara Malaysia)

5.2 Overview and outlook of the Malaysian property development market

The property market performance recorded a sharp decline in the first half of 2020 (H1 2020) compared to the same period last year (H1 2019). A total of 115,476 transactions worth RM46.94 billion were recorded, showing a decrease of 27.9% in volume and 31.5% in value compared to the same period last year, which recorded 160,165 transactions worth RM68.53 billion.

The residential sub-sector led the overall property market, with 65.2% contribution. This was followed by agriculture sub-sector (20.1%), commercial (7.0%), development land and others (5.9%) and Industrial (1.7%). In terms of transaction value, residential took the led with 54.6% share, followed by commercial (18.1%), industrial (11.5%), agriculture (8.8%) and development land and others (7.0%).

Volume of transactions across the sub-sectors contracted sharply in H1 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 24.6%, 37.4%, 36.9%, 32.8% and 28.6% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 26.1%, 33.2%, 23.0%, 39.1% and 55.3% respectively.

The sharp decline was in consonant with the Malaysian economic performance, which contracted by 17.1% in Q2 2020 (Q12020: 0.7%). According to Bank Negara Malaysia report, Malaysian economy is expected to recover gradually in H2 2020 as the economy progressively re-opens and external demand improves. The Malaysia's Gross Domestic Product is projected to grow within the range of -3.5% to -5.5% in 2020 and 5.5% to 8.0% in 2021.

With the resuming of economic activities since early May 2020, property market activities recorded in the month of May and June 2020 saw a turnaround.

Further assistance from the government, initiated under a new short-term Economic Recovery Plan or Penjana, proposed a recovery plan which is related to property which include:

1. Reintroduction of Home Ownership Campaign ("HOC")
2. Real Property Gains Tax exemption for disposal of residential homes from 1st June 2020 to 31st December 2021 (This exemption is limited to the disposal of three units of residential homes per individual)
3. The uplifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC, subject to internal risk management practices of financial institutions.

Notwithstanding the upturn of market activity and the proposed measures under Penjana, the property market is more than likely to remain soft for the rest of the second half 2020. The pace of improvement, will be depend on both domestic and external factors such as political stability, global oil and commodity prices as well as the COVID-19 pandemic development.

(Source: Property Market Report First Half 2020, Ministry of Finance Malaysia)

5.3 Prospects and outlook of the Property and the Proposed Development

The Proposed Development is located in Semenyih, in the growing southern corridor of the Greater Klang Valley. The Property is located approximately forty-five (45) kilometres southeast of Kuala Lumpur city centre and approximately twenty-five (25) kilometres from Kuala Lumpur International Airport. Furthermore, the Property is located within five (5) kilometres radius of the Group's Diamond City project in Semenyih, a joint-venture development with Country Garden Properties (Malaysia) Sdn. Bhd. The Proposed Development is easily accessible via the Kajang Silk Highway and Seremban Highway and enjoys close proximity to matured townships of Kajang, Bangi, Putrajaya and Cyberjaya.

The Proposed Development as it is currently planned envisages a development of 2,126 units of serviced apartments and 532 units of affordable units, which will be affordably priced targeting at B40 and M40 groups of home buyers. Demand for housing remains firm, particularly for properties priced below RM500,000.00. With Semenyih developing into a growth area for residential housing, its good accessibility with its connectivity to several highways and its proximity to Kuala Lumpur city centre, the Board believes the Proposed Development should be well received by home buyers when it is launched.

The Proposed Joint Venture will allow the L&G Group to jointly participate in the earnings potentials of the Proposed Development.

6. RISK FACTORS

6.1 Political, regulatory and economic risks

The property market can be characterised as cyclical in nature and is somewhat correlated to the general economic conditions of Malaysia. Adverse developments in political, regulatory and economic conditions in Malaysia could materially affect the property industry in the country. Political, regulatory and economic uncertainties include the changes in labour laws, interest rates, fiscal and monetary policies, risks of expropriation of land by authorities and methods of taxation. In mitigating such risk, the L&G Group will continue to review its business development strategies in response to the changes in political, regulatory and economic conditions. Nonetheless, no assurance can be given that any change to these factors would not have any material adverse impact on the L&G Group's financial performance in the future.

6.2 Joint venture risks

The Proposed Joint Venture may potentially expose the L&G Group to certain risks which may include but are not limited to the diversion of financial resources from its existing operations. There is no assurance that the anticipated benefits from Proposed Joint Venture will be realized and that the L&G Group will be able to generate sufficient revenue to offset the costs which would have been invested by L&G in the Proposed Joint Venture.

Pursuant to the Proposed Joint Venture, L&G would have invested significantly in PPSB and as such, any adverse event in the Proposed Joint Venture may have an adverse material financial impact on L&G.

The collective efforts of the JV Parties to take advantage of business opportunities, manage the joint venture company, resolve conflicts and overcome challenges will be critical to the success of the joint venture. Nevertheless, the Board endeavours to take reasonable steps to ensure that the potential benefits from the Proposed Joint Venture will be realized.

6.3 Renewal of Development Order

It is important to note that the Proposed Acquisition is not conditional upon the DO which has expired on 27 September 2018 being renewed, or that the DO approval, if obtained, comes with the desired plot ratio and /or without any restrictive condition.

In the event the approved DO is obtained without the desired plot ratio and/or with adverse condition(s), the JV Parties shall endeavour to work together to overcome these challenges and manage the development to ensure that all the potential benefits from the Proposed Joint Venture will materialise.

6.4 Completion risk and delay in completion

There is always a potential risk that the returns from the Proposed Development may have a longer payback period than expected, or the investment in the Proposed Development may not generate the expected return due to various factors including, inter-alia, increased in development and/or construction costs, unavailability of skilled manpower, delay in completion of project and obtaining approvals from relevant authorities for the development, securing adequate funding for the Proposed Development and a ready market that would be available for the developed units in the future. Adverse development in respect these factors can lead to interruptions or delays in completing a project, which can consequently result in cost overruns and affect the profitability and cash flows of the L&G Group.

Although the L&G Group will mitigate its investment risks by exercising due care in the evaluation of its investments and continuously review and evaluate market conditions, the work in progress of the Proposed Development and cash flow, there can be no assurance that the Proposed Joint Venture will yield positive returns to the L&G Group. The L&G Group will closely supervise the progress of the various elements of the development project and plan and manage its cash flow.

6.5 Oversupply of properties

The continuing oversupply situation in the property market has created an imbalance in the demand and supply of properties, which in turn creates an uncertain outlook on the ability of property developers to achieve a good take up rate for new property launches.

There can be no assurance that the Proposed Development will be shielded from a situation of a low take-up rate when the Semenyih Land project is launched in future. Nonetheless, the L&G Group will exercise due care in evaluating market demands prior to launching the Semenyih Land project.

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

Save as disclosed below, none of the Directors, major shareholders and/or persons connected to them has any interest, direct and/or indirect, in the Proposed Joint Venture.

The Proposed Joint Venture is deemed a related party transaction under the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") due to the interests of the major shareholders and the Directors of L&G and persons connected to the major shareholders of L&G.

7.1 Major Shareholders' interests

As at the LPD, Mayland Parkview Sdn. Bhd. ("MPSB") is a major shareholder of L&G, holdings 34.74% equity interest in L&G. MPSB is a wholly-owned subsidiary of Mayland, which in turn is a wholly-owned subsidiary of Prestige Aspect Sdn Bhd ("**PASB**").

Tan Sri Dato David Chiu is a major and controlling shareholder of PASB via his interest in the holding company of PASB. Therefore, Tan Sri Dato David Chiu is deemed as a major shareholder of L&G and Mayland.

Accordingly, MPSB and Tan Sri Dato David Chiu ("**Interested Major Shareholders**") are deemed interested in the Proposed Joint Venture.

7.2 Directors' interests

Mr. Low Gay Teck, the Managing Director of L&G, is also the nominee Director of MPSB on the Board. Mr. Low Gay Teck is also a director of MPSB and Mayland.

Mr. Andrew Chiu, a Non-Independent Non-Executive Director of L&G, is also the nominee director of MPSB on the Board. Mr. Andrew Chiu is the son of Tan Sri Dato David Chiu and also a director of LPDSB, MPSB and Mayland. Mr Andrew Chiu also a 50% ultimate shareholder of LPDSB.

Mr. Hoong Cheong Thard, a Non-Independent, Non-Executive Director of L&G, is also a nominee director of MPSB on the Board and a member of Audit Committee of L&G.

As such, Mr. Low Gay Teck, Mr. Andrew Chiu and Mr. Hoong Cheong Thard ("**Interested Directors**") are deemed interested in the Proposed Joint Venture.

The direct and indirect interests of the Interested Directors in respect of the Proposed Joint Venture are as follows:

	Direct		**Indirect**	
	No. of L&G Shares	**%**	**No. of L&G Shares**	**%**
Low Gay Teck	-	-	-	-
Andrew Chiu [(a)]	-	-	1,032,773,600	34.74%
Hoong Cheong Thard	-	-	-	-

Note: (a) Deemed interested through MPSB

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the resolution pertaining to the Proposed Joint Venture at the Board Meetings of L&G.

8. <u>OTHER TRANSACTIONS WITH RELATED PARTIES</u>

There is no other transaction entered into between the L&G Group and its related parties in the twelve (12) months preceding the date of this Announcement.

9. HIGHEST PERCENTAGE RATIO APPLICABLE TO THE PROPOSED JOINT VENTURE

Pursuant to Paragraph 10.02 (g) of the Listing Requirements, the highest percentage ratio applicable to the Proposed Joint Venture is 4.99%, computed based on L&G's 30% portion of the Total Financial Commitment in PPSB as compared to the audited consolidated net assets of L&G as at 31 March 2020.

10 APPROVALS REQUIRED AND INTERCONTIONALITY OF THE PROPOSED JOINT VENTURE

10.1 Approvals Required

The Proposed Joint Venture is not subject to approval being obtained from the shareholders of L&G or any other relevant authorities.

10.2 Inter-conditionality

The Proposed Joint Venture is inter-conditional with the Proposed Acquisition.

Save as disclosed above, the Proposed Joint Venture and the Proposed Acquisition are not conditional upon any other corporate exercise being undertaken by L&G.

11 DIRECTORS' STATEMENT

The Board (save for the Interested Directors who have abstained from all deliberations and voting on the Proposed Joint Venture), having considered all aspects of the Proposed Joint Venture, including but not limited to the Proposed Acquisition, rationale and justifications, financial effects, valuation and risks associated with the Proposed Joint Venture as well as the prospects of the Property and the Proposed Development, is of the opinion that the Proposed Joint Venture is in the best interest of the Company.

12 AUDIT COMMITTEE'S STATEMENT

The Audit Committee (save for Mr. Hoong Cheong Thard) having considered all aspects of the Proposed Joint Venture, is of the opinion that the Proposed Joint Venture is:

(i) in the best interest of L&G;

(ii) fair and reasonable and based on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested shareholders of L&G.

In arriving at its preceding views, the Audit Committee (save for Mr. Hoong Cheong Thard) had taken into consideration, among others, the following:

(i) the basis and justification in arriving at L&G's portion of the Financial Commitment as set out in Section 2.1.7 of this Announcement;

(ii) the rationale for the Proposed Joint Venture as set out in Section 3 of this Announcement; and

(iii) the salient terms of the JVSA and the SPA as set out in Sections 2.1.6 and 2.2.6 of this Announcement, respectively.

13 ESTIMATED TIME-FRAME FOR COMPLETION

With the signing of the JVSA on 23 October 2020, the Proposed Joint Venture is now in effect.

14 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of L&G at 8trium, Level 21, Menara 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, 52200 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this Announcement:

(i) the JVSA;

(ii) the SPA; and

(iii) the valuation report and valuation certificate from CH Williams Talhar & Wongs Sdn. Bhd. dated 23 June 2020.

This Announcement is dated 23 October 2020.