

Type : Announcement
Subject : Transactions (Chapter 10 of Listing Requirements): Non-Related Party Transactions
Description : SALE AND PURCHASE AGREEMENT (“SPA”) BETWEEN SOUTH EAST ASIA PLASTIC INDUSTRIES SDN. BHD. (REGISTRATION NO. 198001006428 [60212-D]) (HEREINAFTER REFERRED TO AS “THE VENDOR”) AND PART CENTER SDN. BHD. (REGISTRATION NO. 200301006755 [609175-K]) (HEREINAFTER REFERRED TO AS “THE PURCHASER”), A WHOLLY-OWNED SUBSIDIARY OF SOLID AUTOMOTIVE BERHAD (HEREINAFTER REFERRED TO AS “THE COMPANY”) FOR THE PURCHASE OF ALL THAT PIECE OF NINETY NINE (99) YEARS LEASEHOLD LAND EXPIRING ON 5TH SEPTEMBER 2074 HELD UNDER H.S.(M) 3775, PT 15, MUKIM BATU, TEMPAT JALAN PERUSAHAAN EMPAT, BATU CAVES, DAERAH GOMBAK, NEGERI SELANGOR WITH AN AREA MEASURING APPROXIMATELY 4,039.9423 SQUARE METRES (43,487 SQUARE FEET) TOGETHER WITH A UNIT OF SINGLE STOREY FACTORY AND TWO AND HALF (2 ½) STOREY OFFICE ERECTED THEREON AND BEARING POSTAL ADDRESS OF NO. 15, JALAN PERUSAHAAN EMPAT, PERUSAHAAN BATU CAVES, 68100 BATU CAVES, SELANGOR DARUL EHSAN (HEREINAFTER REFERRED TO AS “THE PROPOSED ACQUISITION”).

1. INTRODUCTION

Pursuant to Paragraph 10.06 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors of Solid Automotive Berhad (“SAB” or “the Company”) wishes to announce that Part Center Sdn. Bhd. (“PC” or “the Purchaser”), a wholly-owned subsidiary of the Company, had on 30th September 2024, entered into a Sale and Purchase Agreement (“SPA”) with South East Asia Plastic Industries Sdn. Bhd. (“SEAPI” or “the Vendor”) for the purchase of all that piece of ninety nine (99) years leasehold land expiring on 5th September 2074 held under H.S.(M) 3775, PT 15, Mukim Batu, Tempat Jalan Perusahaan Empat, Batu Caves, Daerah Gombak, Negeri Selangor with an area measuring approximately 4,039.9423 square metres (43,487 square feet) together with a unit of Single Storey Factory and Two and Half (2 ½) Storey Office erected thereon and bearing postal address of No. 15, Jalan Perusahaan Empat, Perusahaan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan (referred to as “the Proposed Acquisition”) at a total purchase price of RM 18,905,000.00 (“Purchase Consideration”) (exclusive of stamp duties) and upon the terms and conditions therein contained.

2. THE STAMP DUTIES FOR THE SALE AND PURCHASE

The quantum of the stamp duties is RM 740,200.00 (subject to final valuation by relevant authorities).

The Purchaser hereto shall be solely responsible for the said payment of stamp duties.

3. INFORMATION ON PURCHASER AND VENDOR

(i) Information on Purchaser

PC (Registration No. 200301006755 [609175-K]) is a private company limited by shares and was incorporated in Malaysia on 17th March 2003. PC is currently dormant, expected to engage in provision of warehousing and logistic services in future, and having its registered office at 40-01, Jalan Sri Pelangi 4, Taman Pelangi, 80400 Johor Bahru, Johor, Malaysia.

PC is a wholly-owned subsidiary of SAB and the Directors of PC are Ker Min Choo, Ker Hong, Ker Keddy and Ker Shiloong.

The currently issued and paid-up capital of PC is RM 2,762,723.00 comprising of 2,762,723 ordinary shares.

Ker Min Choo, Ker Hong, Ker Keddy and Ker Shiloong are also Directors of SAB.

As at 16th August 2024, shareholdings of Ker Min Choo, Ker Hong, Ker Keddy and Ker Shiloong in SAB are as follows:

Name	Direct Interest		Indirect Interest	
	No. of shares	Shareholding (%)	No. of Shares	Shareholding (%)
Ker Min Choo	102,534,189	19.742	7,868,231	1.515
Ker Hong	4,143,899	0.798	459,700	0.089
Ker Keddy	5,322,000	1.025	-	-
Ker Shiloong	43,056,000	8.290	-	-

(ii) Information on the Vendor

SEAPI (Registration No. 198001006428 [60212-D]) is a private company limited by shares and was incorporated in Malaysia on 14th July 1980. SEAPI is principally involved in manufacturing and trading of plastics chairs and other related plastics products, and having its registered office at Tkt.3, No.17, Jalan Ipoh Kecil, 50350 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The Directors of SEAPI are Ng Ken Tet, Ng Teck Cheong, Ng Kim Choo and Ng Tek Sang.

The shareholders/members of SEAPI and their respective shareholdings are as follows:-

Names	Shareholdings (%)	No. of Shares Held
Ng Zi Yi	4.16	49,950
Tan Yeow Min Joseph	4.86	58,333
Ng Wei Fong	4.16	49,950
Ng Tek Sang	28.00	336,000
Ng Kin Kek	5.84	70,069
Ng Teck Cheong	28.00	336,000
Ng Eng Ping	16.65	199,800
Ng Jia Rong	8.33	99,900
Total:	100.00	1,200,002

4. DETAILS OF THE PROPOSED ACQUISITION

The details of the Proposed Acquisition are as follows:

Date of Agreement	: 30 th September 2024
Registered owner	: PC (Registration No. 200301006755 [609175-K])
Title particulars	: H.S.(M) 3775, PT 15, Mukim Batu, Tempat Jalan Perusahaan Empat, Batu Caves, Daerah Gombak, Negeri Selangor
Category of land use	: Industry
Existing use and description	: A unit of Single Storey Factory and Two and Half (2 ½) Storey Office erected thereon and bearing postal address of No. 15, Jalan Perusahaan Empat, Perusahaan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan
Encumbrances	: The Proposed Acquisition is currently not subject to any encumbrances
Express Condition	: Perusahaan
Restriction-in-interest	: Tanah ini tidak boleh dipindahmilik atau dipajak melainkan dengan kebenaran Pihak Berkuasa Negeri
Tenure	: Ninety nine (99) years leasehold land expiring on 5th September 2074
Total land area	: Approximately 4,039.9423 square metres (43,487 square feet)

5. BASIS OF AND JUSTIFICATION FOR THE PURCHASE PRICE

The Proposed Acquisition's Purchase Consideration of RM 18,905,000.00 was arrived at on a willing buyer-willing seller basis.

The Directors of PC are of the view that the Purchase Consideration is fair and reasonable and the acquisition is in the best interest of SAB Group's future strategic plan.

6. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is consistent with the strategic plan of the Company and its subsidiaries ("**SAB Group**") to operate in a more efficient manner, as the acquisition is expected to facilitate the Company's consolidation plan. Furthermore, the management of the Company is of the view that the acquisition represents strategic investments, after taking into consideration of the followings, inclusive but not limited to:

- a) Good accessibility – Located at one of the main automotive aftermarket parts hubs; and
- b) Bigger size of land and building – Facilitate consolidation of 3 existing warehouses; and
- c) Better building layout – Facilitate operation efficiency

7. FINANCIAL INFORMATION ON THE ACQUISITION

Proposed acquisition is acquisition of assets, therefore, this paragraph is not applicable.

8. SALIENT TERMS OF THE AGREEMENTS

- A. The Vendor is the registered owner of all that piece of ninety nine (99) years leasehold land expiring on 5th September 2074 held under H.S.(M) 3775, PT 15, Mukim Batu, Tempat Jalan Perusahaan Empat, Batu Caves, Daerah Gombak, Negeri Selangor with an area measuring approximately 4039.9423 square metres (43487 square feet) together with a unit of Single Storey Factory and Two and Half (2 ½) Storey Office erected thereon and bearing postal address of No. 15, Jalan Perusahaan Empat, Perusahaan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan (hereinafter referred to as "the said Property").
- B. The said Property is currently not subject to any encumbrances.
- C. The said Property is subject to the express condition and restriction-in-interest stated in the title as follows:-

Express condition: Perusahaan

Restriction-in-interest: Tanah ini tidak boleh dipindahmilik atau dipajak melainkan dengan kebenaran Pihak Berkuasa Negeri
- D. The said Property is currently tenanted by the Vendor to MAXKAR AUTO SDN. BHD. [Registration No. 202101018892 (1419192-K)] (hereinafter referred to as "the Tenant") vide a Tenancy Agreement dated 1st September 2021 (hereinafter referred to as "the Tenancy Agreement"). The tenancy will be expiring on 31st August 2024 (hereinafter referred to as "the Tenancy"). A copy of the Tenancy Agreement is annexed hereto as Appendix A.
- E. The Vendor has agreed to sell and the Purchaser has agreed to purchase the said Property on an "as is where is" basis as at the date of the joint inspection during which the Purchaser is satisfied with the condition of the said Property as stipulated in Clause 5.1 herein, free from all encumbrances, caveats, liens, charges, the Tenancy and/or any claims of whatsoever nature with vacant possession but subject to the conditions and restriction-in-interest whether express or implied affecting the title to the said Property and upon all the terms and conditions hereinafter provided.
- F. The Purchaser may be desirous of applying to a bank or financial institution (hereinafter referred to as "the Purchaser's Financier") for a loan (hereinafter referred to as "the Loan") to assist the Purchaser in the purchase of the said Property.
- G. MESSRS JR NG & CHIN, Advocates & Solicitors of B-5-6, Block B, Ativo Plaza, No. 1, Jalan PJU 9/1, Damansara Avenue, Bandar Sri Damansara, 52200 Kuala Lumpur are the solicitors for the Vendor (hereinafter referred to as "the Vendor's Solicitors") and MESSRS YU YI LAW CHAMBERS, Advocates & Solicitors of D-25-01, Lakeville Residence, No. 68, Jalan SibU, Taman Wahyu, 68100 Kuala Lumpur are the solicitors for the Purchaser (hereinafter referred to as "the Purchaser's Solicitors").

2.0 PAYMENT OF PURCHASE PRICE AND COMPLETION PERIOD

2.1 The Purchase Price shall be paid by the Purchaser at the time and in the manner as follows:-

- (a) a sum of Ringgit Malaysia One Million Eight Hundred Ninety Thousand and Five Hundred (RM1,890,500.00) Only (hereinafter referred to as "the Deposit") shall be paid by the Purchaser in the manner stated in Clause 2.2 herein upon execution of this Agreement and shall form part payment towards the Purchase Price; and
- (b) the balance sum of Ringgit Malaysia Seventeen Million Fourteen Thousand and Five Hundred

(RM17,014,500.00) Only (hereinafter referred to as "the Balance Purchase Price") shall be paid by the Purchaser to the Vendor by depositing the same with the Vendor's Solicitors, as stakeholders, within THREE (3) MONTHS from the Unconditional Date (as defined in Clause 5.4) (hereinafter referred to as "the Completion Period") Provided Always That if the Balance Purchase Price is not fully paid within the Completion Period, the Vendor shall automatically grant to the Purchaser a further period of ONE (1) MONTH from the expiry of the Completion Period (hereinafter referred to as "the Extended Completion Period") to pay the balance thereof subject to the Purchaser paying to the Vendor interest on the Balance Purchase Price or any part thereof remaining unpaid at the rate of eight per centum (8%) per annum calculated on a daily basis from the expiry of the Completion Period until full payment of the Balance Purchase Price.

- 2.2 The Parties hereby authorise the Purchaser's Solicitors to retain a sum equivalent to three per centum (3%) of the Purchase Price amounting to Ringgit Malaysia Five Hundred Sixty Seven Thousand One Hundred and Fifty (RM567,150.00) Only (hereinafter referred to as "the RPGT Retention Sum") from the Deposit for payment of the real property gains tax in accordance with the Real Property Gains Tax Act, 1976 (hereinafter referred to as "the RPGT Act"). The balance sum of Ringgit Malaysia One Million Three Hundred Twenty Three Thousand Three Hundred and Fifty (RM1,323,350.00) Only shall be paid to the Vendor's Solicitors as stakeholders to hold and release the same to the Vendor upon the Unconditional Date.

5.0 CONDITION PRECEDENT

- 5.1 The Parties hereby agree that this Agreement shall be conditional upon the following:-

- (a) the procurement by the Vendor's Solicitors of the approval and prior written sanction of the State Authority of Selangor (hereinafter referred to as "the State Authority") permitting the transfer of the said Property by the Vendor to the Purchaser (hereinafter referred to as "the State Consent");
- (b) the determination of the Tenancy and the Tenant fulfilling its obligation in accordance with the Tenancy Agreement by reinstating the said Property to its original condition, yielding up the said Property, removing all fixtures and fittings belonging to it and making good all damage after such removal (if any); and
- (c) all the matters to be duly attended to by the Vendor prior to the delivery of the vacant possession which is annexed hereto as Appendix B;

within SIX (6) MONTHS from the date of this Agreement (hereinafter referred to as "the Conditional Period") or such further period the Parties may mutually agree upon in writing (hereinafter referred to as "the Condition Precedent"). Both the Parties or the Parties' representative shall conduct a joint inspection of the said Property upon fulfilment of the Condition Precedent to ensure that the said Property is delivered in accordance with the terms and conditions contained herein.

- 5.2 The Vendor shall at his own cost and expense apply for the State Consent. The Vendor and the Purchaser shall use their endeavour to comply with the terms and conditions and furnish all the documents and/or information which may be required by the State Authority in order to obtain the State Consent. Upon receipt of the State Consent, the Vendor shall forthwith deliver or cause to be delivered a certified true copy of the State Consent to the Purchaser's Solicitors.
- 5.3 In the event that the State Authority accepts the simultaneous application of the State Consent and the consent to charge in favour of the Purchaser's Financier, then the Purchaser or the Purchaser's Financier's Solicitors, as the case may be, shall furnish all necessary documents together with the application fees to the Vendor before the application of the State Consent is submitted to the State Authority for the simultaneous application of the State Consent and the consent to charge. For the avoidance of doubt, the Vendor is merely assisting the Purchaser in submitting the application of the consent to charge and has no obligation to ensure the accuracy of the documents required for the application of the consent to charge.
- 5.4 This Agreement shall be rendered unconditional on the date of receipt by the Purchaser's Solicitors of a certified true copy of the approved State Consent or the date of receipt by the Vendor's Solicitors of a letter from the Purchaser's Solicitors confirming the Purchaser's satisfaction with the condition of the said Property after the joint inspection, whichever is the later (hereinafter referred to as "the Unconditional Date").
- 5.5 In the event the Condition Precedent cannot be fulfilled within the Conditional Period:-

(a) the Purchaser shall be entitled to terminate this Agreement unless extended by consent of the Parties and upon such termination, the Vendor shall refund to the Purchaser the Deposit free of interest within fourteen (14) days from the date of the Vendor's Solicitors' receipt of a written notification from the Purchaser's Solicitors of such termination in simultaneous exchange for the return of all documents forwarded to the Purchaser and/or the Purchaser's Solicitors and/or the Purchaser's Financier and/or the

Purchaser's Financier's Solicitors by the Vendor and/or the Vendor's Solicitors with the Vendor's interest remaining intact and redelivery of vacant possession of the said Property (if it has already been delivered to the Purchaser) substantially in the same state and condition (fair wear and tear excepted) and further upon proof of withdrawal of any private caveat lodged by the Purchaser and/or the Purchaser's Financier (if any) Provided Always That if the Vendor fails to refund the said monies within the said fourteen (14) days, the Purchaser shall be entitled to an interest at the rate of eight per centum (8%) per annum on the said monies or any part thereof remain outstanding calculated on a daily basis from the expiry of the fourteenth (14th) day until the actual date of payment. Thereafter, this Agreement shall become null and void and shall have no further effect and neither Party hereto shall have any claims against the other save for antecedent breach and the Vendor shall be at liberty to dispose of the said Property to such party and in such manner as the Vendor may in his sole discretion deem fit. For clarification purpose, no such interest shall be payable by the Vendor to the Purchaser until and unless all the aforesaid documents and/or vacant possession of the said Property have been deposited with and/or redelivered to the Vendor simultaneously with the refund of the said monies by the Vendor to the Purchaser; or alternatively

(b) the Parties may negotiate, discuss and/or render all necessary co-operation and assistance to the other for the purpose of completion of the sale and purchase of the said Property in an alternative lawful manner as the Parties may mutually agree.

14.0 DEFAULT BY THE PURCHASER

- 14.1 In the event that the Purchaser shall fail to pay the Purchase Price or any part thereof to the Vendor in the manner and within the time stipulated in this Agreement without any default of the Vendor, then it is hereby agreed between the Parties that the Vendor shall be entitled to terminate this Agreement and forfeit the Deposit paid to the Vendor absolutely as agreed liquidated damages and all other monies in excess of the Deposit paid to the Vendor hereunder shall be refunded to the Purchaser free of interest within fourteen (14) days from the date of the Purchaser's Solicitors' receipt of a written notification from the Vendor's Solicitors of such termination in simultaneous exchange for the return of all documents forwarded to the Purchaser and/or the Purchaser's Solicitors and/or the Purchaser's Financier and/or the Purchaser's Financier's Solicitors by the Vendor and/or the Vendor's Solicitors with the Vendor's interest remaining intact (if the Memorandum of Transfer is not required by the stamp office for cancellation and refund of the stamp duty paid by the Purchaser) and redelivery of vacant possession of the said Property (if it has already been delivered to the Purchaser) substantially in the same state and condition (fair wear and tear excepted) and further upon proof of withdrawal of any private caveat lodged by the Purchaser and/or the Purchaser's Financier (if any) Provided Always That if the Vendor fails to refund the said monies free of interest within the said fourteen (14) days, the Purchaser shall be entitled to an interest at the rate of eight per centum (8%) per annum on the said monies or any part thereof remain outstanding calculated on a daily basis from the expiry of the fourteenth (14th) day until the actual date of payment. Thereafter, this Agreement shall become null and void and shall have no further effect and neither Party hereto shall have any claims against the other save for antecedent breach and the Vendor shall be at liberty to dispose of the said Property to such party and in such manner as the Vendor may in his sole discretion deem fit. For clarification purpose, no such interest shall be payable by the Vendor to the Purchaser until and unless all the aforesaid documents and/or vacant possession of the said Property have been deposited with and/or redelivered to the Vendor simultaneously with the refund of the said monies by the Vendor to the Purchaser.

15.0 DEFAULT BY THE VENDOR

- 15.1 In the event that the Vendor shall fail, neglect or refuse to complete the sale of the said Property in accordance with the provisions of this Agreement for any reason whatsoever without any default by the Purchaser, it is hereby agreed between the Parties that the Purchaser shall be entitled at his option to the right of specific performance of the provisions of this Agreement against the Vendor OR alternatively, to terminate this Agreement in which event the Vendor shall pay to the Purchaser an amount equivalent to ten per centum (10%) of the Purchase Price as agreed liquidated damages and shall refund the Deposit and all other monies that have been paid by the Purchaser to the Vendor hereunder free of interest within fourteen (14) days from the date of the Vendor's Solicitors' receipt of a written notification from the Purchaser's Solicitors of such termination in simultaneous exchange for the return of all documents forwarded to the Purchaser and/or the Purchaser's Solicitors and/or the Purchaser's Financier and/or the Purchaser's Financier's Solicitors by the Vendor and/or the Vendor's Solicitors with the Vendor's interest remaining intact (if the Memorandum of Transfer is not required by the stamp office for cancellation and refund of the stamp duty paid by the Purchaser) and redelivery of vacant possession of the said Property (if it has already been delivered to the Purchaser) substantially in the same state and condition (fair wear and tear excepted) and further upon proof of withdrawal of any private caveat lodged by the Purchaser and/or the Purchaser's Financier (if any) Provided Always That if the Vendor fails to pay and refund the said monies within the said fourteen (14) days, the Purchaser shall be entitled to an interest at the rate of eight per centum (8%) per annum on the said monies or any part thereof remain outstanding calculated on a daily basis from the expiry of the fourteenth (14th) day until the actual date of payment. Thereafter, this

Agreement shall become null and void and shall have no further effect and neither Party hereto shall have any claims against the other save for antecedent breach and the Vendor shall be at liberty to dispose of the said Property to such party and in such manner as the Vendor may in his sole discretion deem fit. For clarification purpose, no such interest shall be payable by the Vendor to the Purchaser until and unless all the aforesaid documents and/or vacant possession of the said Property have been deposited with and/or redelivered to the Vendor simultaneously with the refund of the said monies by the Vendor to the Purchaser.

9. RISK FACTOR

Non-completion of the Proposed Acquisition – The completion of the Proposed Acquisition is subject to the fulfilment of the conditions as set out in the SPA and in the event those conditions are not met, the Proposed Acquisition will be terminated. The Board endeavors to take all reasonable steps to ensure the completion of the Proposed Acquisition.

10. LIABILITIES TO BE ASSUMED

There are no liabilities including contingent liabilities and guarantees to be assumed by the Company arising from the Proposed Acquisition.

11. SOURCE OF FUNDING

The Proposed Acquisition will be satisfied in cash which shall be funded through internally generated funds and/or bank borrowings.

12. FINANCIAL EFFECT OF THE PROPOSED ACQUISITION

(i) Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued and paid-up share capital as well as the substantial shareholders' shareholdings in SAB Group as the acquisition do not involve issuance of shares.

(ii) Earnings and earnings per share

The Proposed Acquisition is not expected to have any material effect on the earnings and earnings per share of SAB Group for the current financial year ending 30 April 2025.

(iii) Net assets per share and gearing

The Proposed Acquisition is not expected to have any material effect on the net assets per share and gearing of SAB Group for the current financial year ending 30 April 2025.

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by Quarter 4 Financial Year 2025.

14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the Directors and/or substantial shareholders of the Company and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Acquisition.

15. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisitions pursuant to Paragraph 10.02(g) of the MMLR of Bursa Securities is 8.07% computed based on the latest audited financial statements of SAB for the financial year ended 30 April 2024.

16. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approvals of the Company's shareholders and any other relevant authorities.

17. DIRECTORS' RECOMMENDATION

The Board of Directors, having considered the Proposed Acquisition including the rationale for the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

18. DOCUMENTS FOR INSPECTION

The SPA is available for inspection at the registered office of the Company at Suite 9D, Level 9, Menara Ansar, No. 65, Jalan Trus, 80000 Johor Bahru, Johor during normal office hours for a period of three months from the date of this announcement.

This announcement is dated 30th September 2024.