

TELADAN SETIA GROUP BERHAD ("TELADAN" OR THE "COMPANY")

PROPOSED ACQUISITION OF 5 PARCELS OF LEASEHOLD LAND IN MUKIM OF AYER PANAS, DISTRICT OF JASIN, STATE OF MELAKA, MEASURING AN APPROXIMATE AREA OF 136.916 HECTARES IN AGGREGATE BY RIVERWELL RESOURCES SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TELADAN FOR A TOTAL CASH CONSIDERATION OF RM117,897,754 ("PROPOSED ACQUISITION")

1.0 INTRODUCTION

On behalf of the Board of Directors of Teladan ("**Board**"), M & A Securities Sdn Bhd is pleased to announce that Riverwell Resources Sdn Bhd ("**Riverwell**" or "**Purchaser**"), a wholly-owned subsidiary of Teladan, had on 6 September 2021 entered into a conditional sale and purchase agreement ("**SPA**") with Bakat Muhibbah Sdn Bhd ("**BMSB**" or "**Vendor**"), wherein BMSB shall sell and Riverwell shall purchase 5 parcels of leasehold land, all of which are situated in the Mukim of Ayer Panas, District of Jasin, State of Melaka, measuring an approximate area of 136.916 hectares in aggregate (collectively referred to as "**Lands**") for a total cash consideration of RM117,897,754 only ("**Purchase Consideration**").

Further details of the Proposed Acquisition are set out in the ensuing sections of this announcement.

2.0 DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition

The Proposed Acquisition entails the acquisition of Lands by Riverwell from BMSB for the Purchase Consideration subject to the terms and conditions of the SPA. Pursuant to the SPA, Riverwell shall purchase the Lands subject to the following:

- (i) all restrictions in interest and conditions of title, whether express or implied, affecting the Lands; and
- (ii) condition precedent to be fulfilled by both Vendor and Purchaser, details of which are set out in Appendix I of this announcement.

2.1.1 Details of the Lands

The Lands comprise 5 parcels of leasehold land measuring an approximate area of 136.916 hectares, which are situated within the Mukim of Ayer Panas, District of Jasin, State of Melaka.

The Lands are situated between Jasin Town, Melaka City and Muar. It is situated less than 20 kilometres ("**km**") from Jasin Town and approximately 20 km from Malacca City and 60 km from Muar. They are easily accessible from North South Expressway via the Jasin and Ayer Keroh Interchange and Alor Gajah - Central Malacca - Jasin Highway. The Lands are highly visible and easily accessible from all directions from Malacca City, Ayer Keroh, Durian Tunggal, Bemban, Serkam, Merlimau and Muar.

The Lands are proposed for mixed development. However, as at the date of this announcement, it is too preliminary to ascertain the exact total gross development value, development cost, the expected commencement and completion dates of the development and the expected profits to be derived from the development of the Lands.

The details of the Land are as follows:

	Land 1	Land 2	Land 3	Land 4	Land 5
Lot No.	4672 (New surveyed Lot No. 14716)	4674	4676 (New surveyed Lot No. 14719)	14717	14718
Title No.	Pajakan Negeri 26772	Pajakan Negeri 30156	Pajakan Negeri 30157	Pajakan Negeri 56855	Pajakan Negeri 56854
Mukim / District / State	Mukim of Ayer Panas, District of Jasin, State of Melaka				
Tenure	Leasehold for a term of 99 years, expiring on 15 Aug 2094				
Description of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Net land areas (hectares)	27.92	17.27	32.15	27.59	31.99
⁽¹⁾Surveyed land area (hectares)	27.92	17.27	31.99	27.59	31.99
Category of land use	Industrial	Building	Building	Industrial	Building
Encumbrances	Nil	Nil	Nil	Nil	Nil
Expressed condition	For industrial use only	For residential use only	For residential use only	For industrial use only	For residential use only
Restriction in interest	The Lands shall not be transferred or leased except with the consent of the State Authority of Melaka.				
Purchase consideration (RM'mil)	117.9				

Note:

- (1) The Valuer (as defined hereafter) has adopted the surveyed land area bearing a total land area of 136.76 hectares in their valuation.

Further details of the salient terms of the SPA are set out in **Appendix I** of this announcement.

2.2 Basis and justification of Purchase Consideration

The Purchase Consideration was arrived at on a willing-buyer willing-seller after taking into consideration the following:

- (i) the market value of the Lands of RM118.0 million, as appraised by CH Williams Talhar & Wong Sdn Bhd (the "**Valuer**"), based on its valuation letter dated 9 August 2021 using the comparison approach method of valuation; and
- (ii) the property development potential of the Lands, in view that the Lands are strategically located between Jasin Town, Muar and Melaka City.

The Board is of the opinion that the consideration is fair as it approximates the market value of the Lands as appraised by the Valuer.

2.3 Information on BMSB

BMSB is the registered proprietor of the Land. It was incorporated in Malaysia as private limited company on 7 July 1992. The principal activity of BMSB is property development. As at 3 September 2021, being the latest practicable date prior to this announcement ("**LPD**"), the issued share capital of BMSB is RM10,700,000 comprising 10,700,000 ordinary shares.

The Directors of BMSB are Lim Shiak Ling, Lim Chin Sean, Dato' Lim Chee Meng and Lim Siew Ling.

The shareholders of BMSB and their respective shareholdings are as follows:

Shareholders	No. of BMSB shares	%
Dato' Lim Chee Meng	2,667,500	24.93
Lim Ai Ling	727,500	6.80
LGB Holdings Sdn Bhd	1,000,000	9.34
Lim Chin Sean	2,667,500	24.93
Datin Geh Sok Lan @ Goay Sook Lan	242,500	2.27
Lim Shiak Ling	727,500	6.80
Lim Siew Ling	727,500	6.80
L-Six Holdings Sdn Bhd	242,500	2.27
Rockwills Trustee Berhad	1,697,500	15.86
Total	10,700,000	100.0

2.4 Source of funding

RM94.3 million or 80% of the Purchase Consideration is expected to be financed by bank borrowings and the remaining balance of RM23.6 million or 20% is to be funded via internally generated funds as well as proceeds raised from the Company's initial public offering ("**IPO**").

2.5 Assumption of liabilities

Save for the bank borrowings that will be undertaken to fund the Purchase Consideration, there are no other liabilities, including contingent liabilities and guarantees to be assumed by Teladan pursuant to the Proposed Acquisition.

3.0 RATIONALE AND JUSTIFICATION FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with Teladan's strategy of replenishing its land bank at locations with strong growth potential and to scale up its property development activities to generate long term sustainable income. The close proximity between the Company's existing developments and the Lands will enable the Company to leverage on the market acceptance on its existing development as well as economies of scale, as the Company has incurred existing investment in access roads and infrastructure for its existing developments. As such, the Proposed Acquisition augurs well for the Company as it will strengthen its property development presence in the District of Jasin.

4.0 RISK FACTORS

The potential risk factors relating to the Proposed Acquisition, which may not be exhaustive, are as follows:

4.1 Completion risk

The completion of the Proposed Acquisition is conditional upon the fulfilment of the conditions precedent in the SPA. If any of the conditions precedent is not met or waived, the SPA may be terminated and Teladan will not be able to complete the Proposed Acquisition. However, Teladan shall use its best endeavours to ensure every effort is made to obtain all necessary approvals, including from Teladan shareholders for the Proposed Acquisition.

4.2 Acquisition risk

The Proposed Acquisition is expected to contribute positively to Teladan. However, there can be no assurance that the anticipated benefits arising from the development of the Lands will fully materialise in the future, and even more so with the uncertainties and restrictions arising from the COVID-19 pandemic. As such, the anticipated benefits of the Proposed Acquisition to be realised may be insufficient to offset the cost associated with the Proposed Acquisition.

4.3 Financing risk

Teladan will be seeking external financing to partially fund the Proposed Acquisition. Teladan's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, or any restrictions imposed by the Government of Malaysia and political, social and economic conditions in Malaysia. The Company may also be exposed to fluctuations in interest rate movements. Any future significant fluctuation of interest rates could have an effect on the Company's cash flows and profitability. Nevertheless, Teladan will endeavor to manage its cash flow position and funding requirements prudently, to address the risk.

4.4 Political, economic and regulatory risk

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial and prospects of the property development business. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introductions of new rules or regulations affecting the property development industry, changes in interest rates, inflation, taxation method, general employment outlook and political leadership.

Teladan will continue to review its business development strategies in response to the changes in political, monetary, fiscal and economic conditions. Nonetheless, any adverse change to these factors may have a material adverse impact on Teladan's business in the future.

5.0 INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic ("E&E") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector expenditure and strong exports. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

Despite the recent re-imposition of containment measures, the impact on growth is expected to be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Higher production from existing and new manufacturing facilities, particularly in the E&E and primary-related sub-sectors, as well as oil and gas facilities will provide a further impetus to growth. The roll-out of the domestic COVID-19 vaccine programme will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors.

(Source: Economic and Financial Developments in Malaysia, BNM Quarterly Bulletin, First Quarter (1Q) 2021, 11 May 2021, Bank Negara Malaysia)

Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of the year, cushioning the significant contraction in the first half.

Malaysia's gross domestic product ("GDP") contracted 3.4% for the fourth quarter of 2020 as compared to a decline of 2.6% in the third quarter. For overall year 2020, Malaysia's GDP contracted 5.6% as compared to 4.3% in 2019.

The performance of the fourth quarter of 2020 in terms of Malaysia's monthly GDP performance, the Malaysian economy recorded a contraction of 4.7% in October, declining slower in November (-4.0%) and December (-1.7%). For the quarter-on-quarter seasonally adjusted was recorded at negative growth 0.3% (Q3 2020: 18.2%) in the fourth quarter.

Thus, Malaysia's GDP is expected to rebound between 6.5% and 7.5% in 2021.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia and Malaysia Economic Performance Fourth Quarter 2020, Department of Statistics Malaysia)

5.2 Overview and outlook of the property development industry in Malaysia

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign, exemption of real properties gain tax, the introduction of rent to own (RTO) scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects, including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

(Source: Macroeconomic Outlook, Economic Outlook 2021, Ministry of Finance Malaysia)

The property market performance recorded a significant decline in 2020 compared to 2019. A total of 295,968 transactions worth RM119.08 billion were recorded, showing a decrease of 9.9% in volume and 15.8% in value compared to 2019, which recorded 328,647 transactions worth RM141.40 billion.

Volume of transactions across the sub-sectors contracted sharply in 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 8.6%, 21.0%, 24.0%, 10.7% and 2.6% respectively.

In terms of value of transactions, residential, commercial, industrial and development land sub-sectors recorded sharp decline of 9.0%, 32.6%, 14.0% and 34.0% respectively, whereas agriculture recorded otherwise, increased by 0.6%.

The residential sub-sector led the overall property market, with 64.7% contribution in volume. This was followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%). In terms of value, residential took the lead with 55.3% share, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%).

(Source: Annual Property Market Report 2020, JPPH Malaysia)

The property market performance is expected to remain cautious and soft in 2021 with dependency on the country's economic and financial outlook. Incentives introduced under Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-term Economic Recovery Plan (PENJANA) in 2020 as well as Budget 2021 would continue to support the property market. The availability and rolling out of COVID-19 vaccine throughout the country is seen as fundamental to deter any new wave of infection spread. This will help boost business confidence, household sentiments as well as the general economy, which will likely see a soft upturn in the property market in the second half of 2021.

(Source: Press Release Malaysia Property Market 2020, 05 April 2021, JPPH Malaysia)

5.3 Prospects of Teladan

Notwithstanding the negative outlook of the Malaysian economy and property market in the near term, the Board is of the opinion that it is now presented with an opportunity to acquire a strategically located land which will allow the Company to carry out its proposed development plans. Jasin is the largest district in State of Melaka which located next to the North-South Expressway. It is also easily accessible via the Alor Gajah–Melaka Tengah–Jasin Highway to both Melaka and Muar townships, where the demand for residential and commercial development is expected to be positive in the immediate future, given its prominent location, well-developed infrastructure, fast growing residential area and accessibility.

The Lands are strategically located between Tiara Melaka Golf and Country Club and Orna Golf and Country Club, just after the North-East boundary of Central Melaka. There are also nearby amenities such as the Mydin Hypermarket, Family Store, Jasin Hospital, banks, schools. The Lands are also minutes away from Melaka International Trade Centre (MITC), where most of the Melaka state government departments and utilities are located.

However, it is too preliminary to ascertain the exact development mix, total costs to complete the project, expected completion date or estimated profits to be derived at this juncture as Teladan has yet to finalise the development plans for the Lands. Nevertheless, given the strategic location of the Lands and barring any other unforeseen circumstances, the Board is confident that the Lands has good development potential which will contribute positively to the earnings of Teladan in future.

(Source: Management of Teladan)

6.0 EFFECTS OF THE PROPOSED ACQUISITION

The pro forma effects of the Proposed Acquisition on the issued share capital, net assets ("NA"), NA per share, gearing, earnings and earnings per share ("EPS") of the Company as well as substantial shareholders' shareholdings in Teladan are illustrated in the ensuing sections.

6.1 Issued share capital

The Proposed Acquisition will not have any effect on the total issued share capital as it Proposed Acquisition does not involve any issuance of new ordinary shares in Teladan ("Teladan Shares" or "Shares").

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6.2 NA, NA per Share and gearing

The Proposed Acquisition will not have a material effect on the NA of Teladan for the financial year ending ("FYE") 31 December 2021. As set out in Section 2.4, the Proposed Acquisition will be funded by a combination of bank borrowings as well as proceeds raised from the Company's IPO, of which the final composition of the funding will be determined at a later stage.

For illustrative purposes, assuming that 80% of the total consideration which amounts to approximately RM94.3 million is funded by bank borrowings with the balance funded via internally generated funds, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Company is as follows:

	Audited as at 31 December 2020	⁽¹⁾ Unaudited as at 30 June 2021	After the Proposed Acquisition
	RM'000	RM'000	RM'000
Share capital	3,750	⁽²⁾ 397,045	397,045
Merger deficit	-	(318,369)	(318,369)
Retained profits	365,935	372,809	⁽³⁾ 372,609
Equity attributable to owners' of the parent	369,685	451,485	451,285
No. of Shares ('000)	644,238	805,298	⁽⁵⁾ 805,298
NA per Share (RM)	0.57	0.56	0.56
Borrowings ('000)	133,447	144,483	⁽⁴⁾ 238,803
Gearing (times)	0.36	0.32	0.53

Notes:

- (1) Being the latest available consolidated financial statements of our Group, which have accounted for:
 - acquisition of the entire equity interest in Teladan Setia Sdn Bhd for a total consideration of RM322,119,000, satisfied by the issuance of 644,238,000 Teladan Shares at an issue price of RM0.50 each, which was completed on 20 January 2021;
 - public issue of 161,060,000 new Teladan Shares at the issue price of RM0.48 each, which was completed on 16 March 2021; and
 - utilisation of proceeds arising from the IPO of RM5.2 million for the estimated listing expenses.
- (2) After listing expenses of RM2.4 million, being used to offset against the share capital for the issuance of new Teladan Shares pursuant to the IPO exercise.
- (3) After deducting estimated expenses of RM200,000 for the Proposed Acquisition.
- (4) Assuming 80% of the total consideration amounting to RM94.3 million is financed by bank borrowings and the balance is funded by IPO proceeds.
- (5) Number of shares as at LPD.

6.3 Earnings and EPS

The Proposed Acquisition is not expected to have any material effect on the earnings and EPS of Teladan for FYE 31 December 2021. Nevertheless, the Proposed Acquisition is expected to be earnings accretive when development and sales activities on the Lands materialise.

6.4 Convertible securities

The Company does not have any convertible securities outstanding as at LPD.

The Company had on 12 July 2021, announced its undertaking of a bonus issue of up to 241,589,400 free warrants in Teladan ("**Warrants**") on the basis of 3 free Warrants for every 10 existing Teladan shares held by the entitled shareholders of the Company at 5.00 p.m. on 17 September 2021. The Proposed Acquisition will not have any effect on the number and exercise price of the Warrants.

6.5 Substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the substantial shareholders' shareholdings as it does not involve any issuance of new ordinary shares in Teladan Shares.

7.0 APPROVALS REQUIRED

The Proposed Acquisition is subject to the following being obtained:

- (i) Approval from the State Authority of Melaka and Economic Planning Unit of Prime Minister's Department (if applicable), for the transfer of the Lands from the Vendor to the Purchaser;
- (ii) Approval from the shareholders of Teladan at an extraordinary general meeting to be convened for the Proposed Acquisition; and
- (iii) Any other relevant approvals, if required.

8.0 INTERESTS OF DIRECTORS', MAJOR SHAREHOLDERS', CHIEF EXECUTIVES AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders and/or chief executives of Teladan and/or persons connected to them have any interest, either direct or indirect, in the Proposed Acquisition.

9.0 DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of Teladan.

The view of the Board was arrived at after having considered, inter-alia, the terms and conditions of the SPA, the basis and justifications of arriving at the Purchase Consideration, rationale for the Proposed Acquisition and prospects of the Lands.

10.0 HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to the Paragraph 10.02 (g) of the ACE Market Listing Requirements of Bursa Securities is 31.9% calculated based on the Purchase Consideration against the NA of Teladan approximately RM369.7 million based on the latest audited combined financial statements of Teladan as at 31 December 2020.

11.0 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the fourth quarter of 2021.

12.0 PRINCIPAL ADVISER

M & A Securities Sdn Bhd has been appointed by the Company to act as the Principal Adviser for the Proposed Acquisition.

13.0 DOCUMENTS AVAILABLE FOR INSPECTION

The SPA is available for inspection by the shareholders of Teladan at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, during the normal business hours from Mondays to Fridays (except for Public Holiday) for a period of 3 months from the date of this announcement.

In adherence to the standard operating procedures imposed by the regulatory authority(ies), all inspection of documents at registered office of the Company may only be conducted by prior appointment only. For appointment(s) request, please contact +603-2084 9000 or email: info@sshshb.com.my.

This announcement is dated 6 September 2021.

SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:

1. Agreement to sell and to purchase

The Vendor hereby agrees to sell and the Purchaser hereby agrees to purchase the Lands free from all encumbrances and with vacant possession on an "as is where is" and "as-a-whole (en-bloc)" basis but subject to the conditions of title whether expressed or implied and restriction in interest (if any) affecting the Lands.

The terms of payment are as follows:

- (a) Prior to the execution of the SPA, RM2,357,955.10 has been paid by the Purchaser to the Purchaser's solicitors (the "**Earnest Deposit**");
- (b) Upon execution of the SPA, RM9,431,820.30 shall be paid by the Purchaser to the Purchaser's solicitors (the "**Balance Deposit**"); and
- (c) The balance Purchase Consideration of RM106,107,978.20 shall be fully paid by the Purchaser to the Vendor's solicitor within 6 months from the date of the SPA or 2 months from the date when the last conditions precedent is satisfied, whichever is the later.

Pending the fulfilment of the Conditions Precedent (as defined below), the Earnest Deposit and Balance Deposit will be held by the Purchaser's solicitors as stakeholders and to be placed in an interest bearing fixed deposit account. The Earnest Deposit and Balance Deposit (together with accrued interest) will be released to the Vendor's solicitors upon fulfilment of all the Conditions Precedent (as defined below) or to be refunded to the Purchaser as stipulated in paragraph 2 below.

2. Conditions precedent

The sale and purchase of the Lands under the SPA is conditional upon the following conditions precedent ("**Conditions Precedent**"):

- (a) A due diligence exercise to be conducted on the Lands by the Purchaser within 3 months from the date of the SPA or such other extension as may be mutually agreed by the parties ("**CP Period 1**").

The due diligence exercise will be deemed completed on (i) the date the Purchaser or the Purchaser's solicitors notify the Vendor or the Vendor's solicitors in writing that the Purchaser is satisfied with the due diligence exercise or (ii) the expiry of CP Period 1 if the Purchaser does not notify the Vendor whether the results of the due diligence exercise is satisfactory.

If the Purchaser is not satisfied with the outcome of the due diligence exercise and has notified the Vendor by the expiry of CP Period 1, the Purchaser will be entitled to terminate the SPA whereupon the Purchaser's solicitors must refund the Earnest Deposit and Balance Deposit (together with accrued interest) to the Purchaser.

- (b) The following being fulfilled within 9 months from the date of the SPA or such other extension as may be mutually agreed by the parties ("**CP Period 2**"):
- (i) Vendor's receipt of the approval of the State Authority of Melaka for the transfer of the Lands from the Vendor to Purchaser pursuant to restriction-in-interest endorsed on the titles to the Lands ("**State Approval**");
 - (ii) if it is a condition imposed by the relevant authorities pursuant to the State Approval, Vendor's receipt of the approval of the Economic Planning Unit of Prime Minister's Department for the transfer of the Lands from the Vendor to the Purchaser ("**EPU Approval**");
 - (iii) Vendor terminating the existing tenancy agreement, licence agreement and sub-licence agreement on the Lands with written documentary evidence to be provided to the Purchaser ("**Existing Agreements**"); and
 - (iv) the approval of the shareholders of Teladan, being the holding company of the Purchaser, at an extraordinary general meeting, for the purchase of the Lands pursuant to the terms of the SPA and/or its implementation thereof ("**Shareholders' Approval**").

In the event the application for the State Approval or EPU Approval (if applicable) is rejected or obtained subject to any conditions which is/are not acceptable to either party, such affected party shall within 14 business day upon receiving such terms and conditions, at its own cost and expenses, give a notice in writing to other party to seek for an appeal on the rejection or waiver or variation of such terms and conditions. Failure to notify by one party to another party of its non-acceptance of any conditions imposed in the State Approval or EPU Approval (if applicable) within the 14 business day stated above will be deemed as an acceptance of the conditions by such party.

If as at the expiry of the CP Period 2:

- (aa) the application for State Approval or EPU Approval (if applicable) is rejected or the State Approval or EPU Approval (if applicable) is not obtained or the appeal made pursuant to the foregoing paragraph is rejected or still pending; or
- (bb) the Existing Agreements are not terminated by the Vendor; or
- (cc) the Shareholders' Approval is not obtained by the Company,

any party may terminate the SPA whereby upon such termination, the Purchaser's solicitors will be authorised to refund the Earnest Deposit and Balance Deposit (together with accrued interest) to the Purchaser. Thereafter, neither party shall have further claim against each other, save for antecedent breach.

The SPA shall become unconditional on the date on which the last Condition Precedent is fulfilled ("**Unconditional Date**").

3. Caveat by Purchaser

Upon execution of the SPA, the Purchaser shall be entitled to lodge a private caveat against any dealing with the Lands provided that the Purchaser shall execute a withdrawal of private caveat and deposit with the Purchaser's solicitors who are hereby irrevocably authorised by the Purchaser to withdraw/remove the private caveat so entered upon the termination of the SPA in accordance with the provisions therein.

4. Default by Purchaser

If the Purchaser shall:

- (i) fail for any reason whatsoever to complete the sale and purchase of the Lands pursuant to the terms in the SPA;
- (ii) fail and/or neglect to make payment of the Purchase Consideration or any part thereof in accordance with the provisions of the SPA;
- (iii) commit any breach of the terms and conditions, covenants, stipulations contained in the SPA which is incapable of being remedied or which being capable of remedied, is not remedied within 14 business days of notice in writing by the Vendor/ Vendor's solicitors to the Purchaser/ Purchaser's solicitors requiring such breach to be remedied, and/or
- (iv) before payment in full of the Purchase Consideration, commits an act of bankruptcy or enter into any composition or arrangement with its creditors or being a company, enter into liquidation whether compulsory or voluntary bankruptcy proceedings is filed against the Purchaser,

Provided that such failure is not occasioned by any act, default, omission of the Vendor, Vendor shall be entitled to terminate the SPA and to forfeit the Earnest Deposit and Balance Deposit as agreed liquidated damages, and thereafter to refund all remaining sums paid by the Purchaser to the Vendor (if any) free of interest within 14 business days from the date of termination of the SPA.

5. Default by Vendor

If:

- (i) The Vendor shall fail for any reason whatsoever to complete the sale and purchase of the Lands pursuant to the terms of the SPA and/or shall commit any breach of the terms and conditions or covenants contained in the SPA which is incapable of being remedied or which being capable of remedied, is not remedied within 14 business days of notice in writing by the Purchaser/ Purchaser's solicitors to the Vendor/ Vendor's solicitors requiring such breach to be remedied or at such extended period or periods at the Purchaser's discretion; or
- (ii) Before full payment of the balance of Purchase Consideration, a winding up petition is filed or a winding up order is made against the Vendor,

the Purchaser shall be entitled to take proceedings to enforce specific performance of the SPA and to all reliefs flowing therefrom OR be entitled to terminate the SPA by notice in writing to the Vendor's solicitors and the Vendor shall refund all monies paid towards the account of the Purchase Consideration without interest within 14 business days from the date of the Vendor's solicitors' receipt of the written notice of termination of the SPA and the Vendor shall pay a further sum equivalent to the Initial Deposit and Balance Deposit as agreed liquidated damages for breach of contract.

6. Non-registration of Transfer or Charge

In the event:

- (i) that the Instrument of Transfer for any of the Lands cannot be registered by the relevant authorities for any reason whatsoever not occasioned by any act default or wilful refusal on the part of either party or both parties; and
- (ii) that that the Instrument of Charge (if applicable) cannot be registered by the relevant authorities for any reason whatsoever not occasioned by any act default or wilful refusal on the part of the Purchaser's financier or the Purchaser or both parties thereto; and
- (iii) the parties mentioned in paragraphs (i) and (ii) above shall have within a period of 14 business days from the date of the parties being notified by written notice of such non-registration of Instrument of Transfer and the Instrument of Charge (if applicable), carried out all of its respective obligations covenanted to be undertaken above and have made all efforts to rectify and remedy the reasons for which the Instrument of Transfer cannot be registered,

then either party shall be entitled to determine the sale and purchase of the Lands, by way of a written notice to the other party and the Vendor shall within 14 business days of the date of receipt the written notice of such determination of the sale and purchase of the Lands, refund to the Purchaser all monies paid towards the account of the Purchase Consideration without interest.