

**GENERAL ANNOUNCEMENT::PROPOSED ACQUISITION BY DAGANG SEJAHTERA OF ENTIRE EQUITY INTEREST IN LADANG PERMAI DAMAI**

## Issuer &amp; Securities

## Issuer/ Manager

FRASER AND NEAVE LIMITED.

## Securities

FRASER AND NEAVE, LIMITED - SG1T58930911 - F99

## Stapled Security

No

## Announcement Details

## Announcement Title

General Announcement

## Date &amp; Time of Broadcast

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Proposed Acquisition by Dagang Sejahtera of Entire Equity Interest in Ladang Permai Damai

## Announcement Reference

SG220425OTHR1KUB

## Submitted By (Co./ Ind. Name)

Samuel Lee

## Designation

Company Secretary

## Description (Please provide a detailed description of the event in the box below)

Fraser and Neave, Limited (the "Company") attaches, for information, an announcement released on Bursa Malaysia this evening by Fraser & Neave Holdings Bhd ("F&NHB") on the entry by its subsidiary Dagang Sejahtera Sdn Bhd into a conditional share sale agreement to acquire the entire equity interest in Ladang Permai Damai Sdn Bhd for a cash consideration of RM215,588,160.00. The Company holds a stake of approximately 55.5% in F&NHB, which is listed on Bursa Malaysia.

## Attachments

[FNHB Announcement - Proposed Acquisition of Equity Interest 25.04.2022.pdf](#)

Total size =288K MB

## TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : RELATED PARTY TRANSACTIONS FRASER & NEAVE HOLDINGS BERHAD ("F&NHB" OR "COMPANY") PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN LADANG PERMAI DAMAI SDN BHD FOR A CASH CONSIDERATION OF RM215,588,160.00

### FRASER & NEAVE HOLDINGS BHD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RELATED PARTY TRANSACTIONS
Description	FRASER & NEAVE HOLDINGS BERHAD ("F&NHB" OR "COMPANY") PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN LADANG PERMAI DAMAI SDN BHD FOR A CASH CONSIDERATION OF RM215,588,160.00

The Board of Directors ("**Board**") of F&NHB wishes to announce that its indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd ("**DSSB**" or the "**Purchaser**"), had on 25 April 2022 entered into a conditional share sale agreement (the "**Share Sale Agreement**") with (1) Dupont & Leosk Enterprises Sdn Bhd ("**Dupont & Leosk**" or the "**Vendor**") as beneficial owner of 25,000,000 ordinary shares of RM1.00 each in Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd) ("**Ladang Permai Damai**") (the "**Sale Shares**") and (2) Malaysia Nominees (Tempatan) Sdn Bhd as registered owner of the Sale Shares and nominee company of OCBC Bank (Malaysia) Berhad holding the Sale Shares as nominee and chargee for the benefit of OCBC Bank (Malaysia) Berhad, to acquire the Sale Shares representing the Vendor's 100% equity interest in Ladang Permai Damai for a total cash consideration of RM215,588,160.00 (the "**Purchase Price**") (the "**Proposed Acquisition**").

Details of the Proposed Acquisition are set out in the attachment below.

This announcement is dated 25 April 2022.

Please refer attachment below.

#### Attachments



[Proposed Acquisition of Equity Interest.pdf](#)

211.9 kB

#### Announcement Info

Company Name	FRASER & NEAVE HOLDINGS BHD
Stock Name	F&N
Date Announced	25 Apr 2022
Category	General Announcement for PLC
Reference Number	GA1-25042022-00044

**FRASER & NEAVE HOLDINGS BERHAD ("F&NHB" OR "COMPANY")**  
**PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN LADANG PERMAI DAMAI SDN BHD FOR A CASH CONSIDERATION OF RM215,588,160.00**

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## **1. INTRODUCTION**

The Board of Directors ("**Board**") of F&NHB wishes to announce that its indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd ("**DSSB**" or the "**Purchaser**"), had on 25 April 2022 entered into a conditional share sale agreement (the "**Share Sale Agreement**") with (1) Dupont & Leosk Enterprises Sdn Bhd ("**Dupont & Leosk**" or the "**Vendor**") as beneficial owner of 25,000,000 ordinary shares of RM1.00 each in Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd) ("**Ladang Permai Damai**") (the "**Sale Shares**") and (2) Malaysia Nominees (Tempatan) Sdn Bhd as registered owner of the Sale Shares and nominee company of OCBC Bank (Malaysia) Berhad holding the Sale Shares as nominee and chargee for the benefit of OCBC Bank (Malaysia) Berhad, to acquire the Sale Shares representing the Vendor's 100% equity interest in Ladang Permai Damai for a total cash consideration of RM215,588,160.00 (the "**Purchase Price**") (the "**Proposed Acquisition**").

35% of the issued share capital of DSSB is owned by Dagang Permai Sdn Bhd ("**Dagang Permai**"), a company which is wholly-owned by D.Y.M.M. Tuanku Syed Sirajuddin ibni Almarhum Tuanku Syed Putra Jamalullail, Raja Perlis ("**DYMM Tuanku Raja Perlis**").

The Proposed Acquisition is deemed a related party transaction by virtue of the Chairman and Non-Independent Non-Executive Director of F&NHB Y.A.M. Tengku Syed Badarudin Jamalullail's deemed interest as disclosed in Section 9 of this announcement. For clarification, there is no relationship between the Vendor of Ladang Permai Damai and F&NHB, its directors, major shareholders and their connected persons.

## **2. THE PROPOSED ACQUISITION**

### **2.1 Proposed Acquisition of Ladang Permai Damai**

Pursuant to the Share Sale Agreement, the Purchaser has agreed to acquire from the Vendor the Sale Shares representing the entire issued share capital in Ladang Permai Damai free from all charges, pledges or liens or any other encumbrances and Ladang Permai Damai being free from any assets, liabilities and employees but with the land known as Permai Damai Estates (as defined below) remaining at completion for the Purchase Price to be satisfied in cash subject to the terms and conditions of the Share Sale Agreement.

The Purchase Price for the Sale Shares shall be paid by the Purchaser in the following manner:

- (i) RM4,220,463.36 (the "**Earnest Deposit**") has been deposited in a joint stakeholders interest-bearing account. The Earnest Deposit will be released and dealt with by the joint stakeholders (who are the solicitors for the Purchaser and for the Vendor) in accordance with the terms of the Share Sale Agreement.
- (ii) Upon signing of the Share Sale Agreement:-
  - (a) RM10,870,707.84 as further deposit (the "**Further Deposit**") has been deposited with the joint stakeholders in the joint stakeholders account to be released together

with the Earnest Deposit and Balance Purchase Price.

- (b) RM6,467,644.80 representing 3% of the Purchase Price (the “**RPGT Retention Sum**”) has been deposited with the joint stakeholders as security for the purposes of paying any real property gains tax by the Vendor (if applicable) in connection with the sale of the Sale Shares by reason of Ladang Permai Damai being a real property company (as defined in the Real Property Gains Tax Act 1976).

The aggregate of the Earnest Deposit, the Further Deposit and the RPGT Retention Sum amounting to RM21,558,816 represents 10% of the Purchase Price (the “**Deposit**”).

- (iii) RM194,029,344 representing 90% of the Purchase Price (the “**Balance Purchase Price**”) shall be paid as soon as practicable after the date of the fulfilment of the last condition precedent and at completion in the manner set out in the Share Sale Agreement.

Further details of the Share Sale Agreement are set out in the Appendix I to this announcement.

## 2.2 Information on Ladang Permai Damai, the Target Company

Ladang Permai Damai was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 18 February 1989 and is deemed registered under the Companies Act 2016. Ladang Permai Damai is principally engaged in the cultivation of oil palm, processing of fresh fruit bunches and marketing of crude palm oil, palm kernel and fresh fruit bunches.

The share capital of Ladang Permai Damai is RM25,000,000 comprising of 25,000,000 ordinary shares, all of which have been issued and fully paid-up.

As at the date of this announcement, the sole registered shareholder of Ladang Permai Damai is as follows:

No.	Name of shareholder	No. of shares Held	% of issued shares
1.	Malaysia Nominees (Tempatan) Sdn Bhd	25,000,000*	100

\* *The Sale Shares are beneficially owned by Dupont & Leosk Enterprises Sdn Bhd and are currently registered in the name of Malaysia Nominees (Tempatan) Sdn Bhd as security for a term loan facility granted by OCBC Bank (Malaysia) Berhad in favour of Dupont & Leosk Enterprises Sdn Bhd.*

The current directors of Ladang Permai Damai are Sin Wi Kock, Ma Su Teng and Sin Ah Mooi.

As at the date of this announcement, Ladang Permai Damai does not have any subsidiary or associated company.

Based on the unaudited management accounts for the financial year ended 31 December 2021, Ladang Permai Damai recorded loss after tax of RM25,471 and shareholders' funds of RM18,896,561.

The main underlying assets of Ladang Permai Damai are 8 parcels of agricultural leasehold land measuring in aggregate 2,726.48 hectares located in Mukim Gemas, Daerah Tampin, Negeri Sembilan (the “**Permai Damai Estates**”).

Please refer to Appendix II of this Announcement for further details on Ladang Permai Damai and the Permai Damai Estates.

### 2.3 Information on Dupont & Leosk, the Vendor

Dupont & Leosk was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 13 October 1984 and is deemed registered under the Companies Act 2016. It is principally engaged in the trading of palm oil fruits and operation of palm oil mill.

As at 21 April 2022, being the latest practicable date (“**LPD**”) of this announcement, the issued share capital of Dupont & Leosk is RM5,000,000 comprising 5,000,000 ordinary shares.

As at LPD, the directors of Dupont & Leosk are Sin Ah Mooi, Ma Su Teng, Marina Ma, Mariady and Sin Wi Kock.

As at LPD, the shareholders of Dupont & Leosk are:-

No.	Name of shareholder	No. of shares held	% of issued shares
1.	Sin Ah Mooi	2,500,000	50
2.	Zamri bin Kadiman	1,000,000	20
3.	Mariady	500,000	10
4.	Dato’ Seri Shaziman bin Abu Mansor	500,000	10
5.	Sin Wi Kock	250,000	5
6.	Marina Ma	250,000	5
	<b>Total</b>	5,000,000	100

Save for the Proposed Acquisition, F&NHB and its subsidiaries (“**F&NHB Group**”) do not have any transaction with Dupont & Leosk for the preceding 12 months.

### 2.4 Information on DSSB, the Purchaser

DSSB was incorporated in Malaysia under the Companies Act 2016 as a private limited company on 22 March 2022. It is principally engaged in investment holding activities.

The share capital of DSSB is RM8,570,000 comprising of 8,570,000 ordinary shares, all of which have been issued and fully paid-up.

As at the date of this announcement, the shareholders of DSSB are as follows:

No.	Name of shareholder	No. of shares held	% of issued shares
1.	Usahaniaga Abadi Sdn Bhd ("UASB"), a wholly-owned subsidiary of F&NHB	5,570,000	65
2.	Dagang Permai Sdn Bhd	3,000,000	35
	<b>Total</b>	8,570,000	100

UASB had subscribed for 5,570,000 ordinary shares at RM1.00 each representing 65% of the issued share capital of DSSB pursuant to a share subscription agreement dated 20 April 2022 between (1) UASB, (2) Dagang Permai and (3) DSSB. UASB had subscribed for its portion of ordinary shares in DSSB from internally generated funds.

F&NHB expects its total investment (including shareholder's loans and guarantee to DSSB to facilitate the Proposed Acquisition of Ladang Permai Damai) will not exceed RM130.0 million.

The directors of DSSB are as follows:-

1. Y.A.M. Dato' Seri DiRaja Syed Razlan ibni Almarhum Tuanku Syed Putra Jamalullail ("**Dato' Seri Syed Razlan**")
2. Dato' Raffiq bin Md Ariff
3. Lee Lay Yean

Dato' Seri Syed Razlan is a brother of DYMM Tuanku Raja Perlis, who wholly-owns Dagang Permai and Y.A.M Tengku Syed Badarudin Jamalullail, Chairman and a Non-Independent Non-Executive Director of F&NHB.

## 2.5 Basis and justification of the Purchase Price

The Purchase Price of RM215,588,160 was arrived at on a "willing-buyer willing-seller" basis after taking into account, inter-alia, the following:-

- (i) the market value of RM224.2 million for the underlying assets of Ladang Permai Damai, namely the Permai Damai Estates, as ascribed by an independent valuer, Henry Butcher Malaysia (NS) Sdn Bhd (the "**Valuer**") on 29 December 2021. The Valuer had adopted the comparison approach in forming their opinion on the current market value of the Permai Damai Estates;
- (ii) the suitability of the Permai Damai Estates for F&NHB Group's integrated dairy farming project; and
- (iii) Ladang Permai Damai will have no outstanding debts or liabilities on completion.

Based on the above, DSSB enjoys a purchase price discount of RM8.6 million, being the difference between the RM224.2 million market value of Permai Damai Estates and the RM215.6 million agreed Purchase Price.

For information, the original cost of investment of the Vendor in Ladang Permai Damai was RM152.0 million, being the purchase consideration for the acquisition of the entire equity interest

in Ladang Permai Damai, which was completed on 23 December 2016.

## **2.6 Source of funding**

DSSB proposes to finance the Proposed Acquisition via internal funds and/or borrowings. The exact funding mix will be decided at a later stage taking into consideration F&NHB Group's gearing level, borrowing costs as well as internal cash requirements. Other than funding the Proposed Acquisition, it is not expected that DSSB will require any further or additional capital or funds.

## **2.7 Liabilities to be assumed**

No liabilities will be assumed by DSSB or F&NHB pursuant to the Proposed Acquisition.

## **3. RATIONALE OF THE PROPOSED ACQUISITION**

The business intention for DSSB in acquiring Ladang Permai Damai is for the F&NHB Group to embark on the upstream fresh milk business for downstream production and distribution of fresh milk. It is the intention that after completion of the Proposed Acquisition, Ladang Permai Damai will lease the Permai Damai Estates to the F&NHB Group at a fair market rate to carry out operations of the integrated dairy farm and crop plantation. The Permai Damai Estates will enable the F&NHB Group to own a vertical integration business and operations based on locally grown crop for feed to F&NHB's dairy farm, which in turn will lower the value chain cost per litre. This will enable F&NHB to be less dependent on imported milk and promote local agricultural industry.

More details of the project will be announced once they are finalised.

## **4. PROSPECTS OF PERMAI DAMAI ESTATES**

F&NHB's master plan for the Permai Damai Estates in relation to the vertical integration model will be based on a sustainability agenda, using precision agronomy technology and good practices that will reduce the overall carbon footprint of the farm. The dairy operations that may be implemented would include temperate-controlled barns for dairy production, manufacturing facilities for processing and packing of dairy products at the farm. This fully integrated model currently being contemplated may include or involve green technology such as solar panels, biodigester system, solid effluent and others. The plan may also include research and development elements related to dairy and crop farming.

## **5. RISK FACTORS RELATING TO THE PROPOSED ACQUISITION**

### **5.1 Non-completion risk**

The Proposed Acquisition is subject to the terms and conditions of the Share Sale Agreement, including the government approval(s) to be obtained as conditions precedent to completion. There is no definitive assurance that the Proposed Acquisition will not be exposed to risk such as an inability of either party to complete the Proposed Acquisition due to the lack of such relevant government approval(s) within the time period prescribed under the Share Sale Agreement.

However, the Board will take reasonable steps to ensure that conditions precedent under the Share Sale Agreement (as set out in Appendix I to this announcement) are met and fulfilled within the prescribed timeframe, besides ensuring every effort is made to obtain all the necessary approvals in order to complete the Proposed Acquisition in a timely manner.

## 5.2 Cross contamination from neighbouring plantation

The Permai Damai Estates are generally surrounded by agriculture estates, with rubber and palm oil as the main cultivations. It is impossible to control the activities carried out in neighbouring properties that may impact the soil, water and air quality in and around the Permai Damai Estates. The mitigating factor to counter the risk is by periodically conducting environmental monitoring checks and maintaining a good relationship with and keeping an open communication channel with the relevant neighbours to be informed of any activity that may impact the Permai Damai Estates.

## 6. EFFECTS OF THE PROPOSED ACQUISITION

### 6.1 Share Capital and Substantial Shareholders' Shareholdings

The Proposed Acquisition has no effect on the share capital and substantial shareholders' shareholdings of F&NHB as it does not involve issuance of shares in F&NHB.

### 6.2 Net Assets ("NA") per F&NHB share and Gearing

For illustrative purposes, based on the latest audited consolidated financial statements of F&NHB Group as at 30 September 2021 and assuming that the Proposed Acquisition had been effected at the end of F&NHB's financial year ended 30 September 2021, the proforma effects of the Proposed Acquisition on the NA, NA per share and gearing are set out below.

Notwithstanding that the Purchase Price may be partly or wholly funded via bank borrowings, the Proposed Acquisition is not expected to have a material impact on the gearing of the F&NHB Group.

	<b>Audited consolidated financial statements as at 30 September 2021 RM'000</b>	<b>Proforma effects after the Proposed Acquisition RM'000</b>
Share capital	816,770	816,770
Shares held by Share Grant Plan ("SGP") Trust	(4,626)	(4,626)
Reserves	2,006,821	2,006,821
Equity attributable to owners of the Company / NA	2,818,965	2,818,965
No. of shares in issue	366,778,501	366,778,501
NA per F&NHB share (RM) <sup>(1)</sup>	7.69	7.69
Total borrowings including lease liabilities (RM'000) <sup>(2)</sup>	65,047	205,179
Gearing (times) <sup>(3)</sup>	0.0231	0.0728



Notes:

- (1) Computed based on shareholders' funds / NA over number of F&NHB shares, net of shares held by SGP Trust.
- (2) The Proposed Acquisition will be satisfied in cash which shall be funded through internally generated funds and/or borrowings. The exact funding mix will be decided at a later stage taking into consideration of the F&NHB Group's gearing level, borrowing costs as well as internal cash requirements. For illustrative purposes, it is assumed that the Proposed Acquisition shall be fully funded through bank borrowings.
- (3) Computed based on total borrowings including lease liabilities over NA.

### 6.3 Earnings per F&NHB share

For illustrative purposes and based on the audited consolidated financial statements of F&NHB Group for the financial year ended 30 September 2021 and the assumption that the Proposed Acquisition had been effected at the beginning of that financial year, the Proposed Acquisition's effect on the consolidated earnings and EPS of the F&NHB Group is as shown below:

	Audited as at 30 September 2021	Proforma effects after the Proposed Acquisition <sup>(1) (2)</sup>
Profit for the year attributable to ordinary shareholders (RM'000)	395,164	386,379
Basic EPS (sen)	107.8	105.4
Diluted EPS (sen)	107.6	105.2

Notes:

- (1) The Proposed Acquisition will be satisfied in cash which shall be funded through internally generated funds and/or borrowings. The exact funding mix will be decided at a later stage taking into consideration of the F&NHB Group's gearing level, borrowing costs as well as internal cash requirements. For illustrative purposes, it is assumed that the Proposed Acquisition shall be fully funded through bank borrowings.
- (2) After deducting financing cost and estimated expenses in relation to the Proposed Acquisition of RM5.4m and RM3.4 million respectively. Such estimated expenses consist of professional fees and stamp duty and other costs such as quit rent and depreciation.

The Proposed Acquisition is not expected to have any material effect on the earnings of the F&NHB Group for the financial year ending 30 September 2022.

### 7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition is 4.97% computed based on F&NHB's 65% share of the Purchase Price, over the consolidated NA of F&NHB as at 30 September 2021, based on the latest available audited financial statements.

### 8. APPROVALS REQUIRED IN RESPECT OF PROPOSED ACQUISITION

The Proposed Acquisition is subject to the following:

- (i) the approval(s)/consent(s) of OCBC Bank (Malaysia) Berhad ("OCBC Bank") and other existing lender(s) of the Vendor and Ladang Permai Damai, to be obtained within 45 days from the date of the Share Sale Agreement, on the sale of the Sale Shares for the discharge

of liabilities of Ladang Permai Damai under its facility with OCBC Bank, the discharge of the charge over the Sale Shares created by the Vendor in favour of OCBC Bank (the “**Charge of the Sale Shares**”) and the discharge of the charge over the Land created by Ladang Permai Damai in favour of OCBC Bank (the “**Charge over the Land**”); and

- (ii) the approval of the Economic Planning Unit of the Prime Minister’s Department of Malaysia (“**EPU**”) in connection with the Purchaser’s purchase of the Sale Shares or if appropriate, the waiver from such application, within 90 days from the date of the Share Sale Agreement.

DSSB will submit the application to the EPU as soon as practicable after the date hereof to obtain the relevant consents/approvals as soon as possible.

## **9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

As at LPD, Y.A.M. Tengku Syed Badarudin Jamalullail, the Chairman and a Non-Independent Non-Executive Director of F&NHB holds 2,062,000 shares in F&NHB (0.56%).

Save and except for Y.A.M. Tengku Syed Badarudin Jamalullail, being the brother of DYMM Tuanku Raja Perlis and Dato’ Seri Syed Razlan, none of the directors, major shareholders of F&NHB and/or persons connected to them has any interest, direct or indirect, in the Proposed Acquisition.

Accordingly, Y.A.M. Tengku Syed Badarudin Jamalullail has abstained from all deliberations and voting in respect of the Proposed Acquisition at the relevant Board meetings.

## **10. STATEMENT BY AUDIT COMMITTEE**

The audit committee of F&NHB has considered the Proposed Acquisition and is of the view that the Proposed Acquisition is fair, reasonable, and on commercial terms, in the best interest of F&NHB and not detrimental to the non-interested shareholders of F&NHB.

In considering the Proposed Acquisition, the audit committee is of the view that the Proposed Acquisition will benefit the F&NHB Group by enabling the F&NHB Group to embark on the upstream fresh milk business for downstream production and distribution of fresh milk. Going forward, the F&NHB Group will own a vertical integration business and operations based on locally grown crop for feed to F&NHB’s dairy farm, which in turn will lower the value chain cost per litre. This will enable F&NHB to be less dependent on imported milk and promote local agricultural industry.

## **11. DIRECTORS’ RECOMMENDATION**

The Board (save for Y.A.M. Tengku Syed Badarudin Jamalullail) having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of F&NHB Group.

## **12. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the fulfilment of the conditions precedent, the Proposed Acquisition is expected to be completed in the 3rd quarter of 2022.

### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

The Share Sale Agreement and the valuation report dated 29 December 2021 issued by the Valuer are available for inspection at the Registered Office of F&NHB at Level 3A, F&N Point, No.3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur, Wilayah Persekutuan during normal office hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 25 April 2022.

## APPENDIX I - SALIENT TERMS OF THE SHARE SALE AGREEMENT

The salient terms of the Share Sale Agreement are as follows:

1. Conditions Precedent : The Share Sale Agreement is conditional upon the fulfilment of the following conditions within the period prescribed thereto ("**Approval Period**") (unless otherwise waived by the Purchaser)
- (a) the completion of the Due Diligence to the satisfaction of the Purchaser within 45 days from the date of the Share Sale Agreement subject to the Vendor furnishing all of the required documents;
  - (b) the approval(s)/consent(s) of OCBC Bank and other existing lender(s) of the Vendor and Ladang Permai Damai, to be obtained within 45 days from the date of the Share Sale Agreement, on the sale of the Sale Shares for the discharge of liabilities of Ladang Permai Damai under its facility with OCBC Bank, the discharge of the Charge over the Sale Shares and the discharge of the Charge over the Land;
  - (c) the approval of the EPU in connection with the Purchaser's purchase of the Sale Shares or if appropriate, the waiver from such application, within 90 days from the date of the Share Sale Agreement;
  - (d) the Vendor procuring the Audited Accounts of Ladang Permai Damai for the financial years ended 31st December 2020 and 31st December 2021 to be finalised and filed with the CCM within 45 days from the date of the Share Sale Agreement or such extended period as the parties may mutually agree and furnishing the same immediately to the Purchaser to enable the Purchaser to assess that the financial position of Ladang Permai Damai remains in substance similar to the prior assessment made by the Purchaser; and
  - (e) the Vendor having procured Ladang Permai Damai to regularise, rectify and resolve all matters relating to Ladang Permai Damai which are currently not in compliance with the laws, rules and regulations governing companies carrying on business in Malaysia (if applicable), to be in accordance with the requirements of such laws, rules and regulations within 90 days from the date of the Share Sale Agreement.
  - (f) Extended Approval Period
- All the Conditions Precedent are to be fulfilled on or before the expiry of the Approval Period. In the event that any the Conditions Precedent are not fulfilled on or before the expiry of the respective Approval Period, the Approval Period shall be automatically extended by a further 30 days (or such longer period as the Purchaser may specify) from the expiry of the Approval Period ("**Extended Approval Period**").
- (g) Non-fulfilment of Conditions Precedent

In the event that any of the Conditions Precedent are not fulfilled, or not

waived by the Purchaser (to the extent permitted by laws), on or before the expiry of the Approval Period or Extended Approval Period, then, at the option of the Purchaser the Share Sale Agreement shall lapse and cease to have any effect whatsoever and the Deposit plus all interests or profits earned thereon shall be refunded to the Purchaser and thereafter neither Party shall have any rights or claims against the other save and except for any antecedent breach.

2. Basis of Purchase  
Ladang Permai Damai will be purchased on the basis that it will only have the Permai Damai Estates at Completion but will not have any liabilities, debts, assets and employees.
3. Completion  
Completion shall take place on any date falling within 60 days from the Unconditional Date ("**Completion**").
4. Payment of Balance Purchase Price  
The Balance Purchase Price shall be paid as soon as practicable after the date of the fulfilment of the last Condition Precedent (the "**Unconditional Date**") and at Completion in the following manner:
  - (a) a portion of the Balance Purchase Price will be released directly by the Purchaser to OCBC Bank against OCBC Bank's redemption statement(s) to secure the discharge of the Charge over the Land and the discharge of the Charge over the Sale Shares.
  - (b) the remaining balance of the Purchase Price after the payment of the Redemption Sum shall be released to the Joint Stakeholders.
  - (c) the Joint Stakeholders shall release, on the joint instruction of the Purchaser and the Vendor, the relevant amounts out of the funds in the Joint Stakeholders' account (excluding the RPGT Retention Sum) in order to pay Ladang Permai Damai's trade creditors and all other payables (including but not limited to salaries of workers, legal fees and disbursements) within 30 days from the date the remaining balance Purchase Price is released to the Joint Stakeholders in order to zeroise the liabilities and debts of Ladang Permai Damai which is a requirement for Completion.
  - (d) out of the sum paid by the Balance Purchase Price, a sum equal to 5% of the Purchase Price namely RM10,779,408.00 shall be retained by the Joint Stakeholders as a Retention Sum, to be kept in an interest-bearing account, for a period of 12 months from Completion for the purpose of taking into account any adjustment to the actual land area of the Land, any liabilities or indebtedness of Ladang Permai Damai as at Completion which have not been discharged by the Vendor and for indemnifying the Purchaser in respect of any breach of the undertakings, representations and warranties by the Vendor under the Share Sale Agreement.
  - (e) the net sum in the Joint Stakeholders' account (including interest which has been accruing thereon) after deducting the RPGT Retention Sum, the Retention Sum and the amounts paid under paragraph 4(c) above for the zeroisation of debts and liabilities of Ladang Permai Damai be released by

the Joint Stakeholders to the Vendor upon Completion (and provided that the Sale Shares have been registered in the name of the Purchaser).

**APPENDIX II – INFORMATION ON LADANG PERMAI DAMAI**

**1. HISTORY AND BUSINESS**

Ladang Permai Damai was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 18 February 1989 and is deemed registered under the Companies Act 2016. Ladang Permai Damai is principally engaged in the cultivation of oil palm, processing of fresh fruit bunches and marketing of crude palm oil, palm kernel and fresh fruit bunches.

The main underlying assets of Ladang Permai Damai is the Permai Damai Estates. Details of the Permai Damai Estates are as follows:-

Name of Estate	Permai Damai Estates							
	Ladang Londah				Ladang Pasir Besar		Ladang Bukit Rokan	
<b>Title</b>	PN 22316	PN 45594	HSD 8972	HSD 7078	HSD 9903	*PN 41067	PN 22315	PN 29457
<b>Lot No.</b>	4044	13450	PT 3479 <sup>a</sup> 272	PT 2400 <sup>a</sup> 271	PT 3919	12477	1850	11848
<b>Titled Area (Hectares)</b>	20.6	85.35	10.55	827.5	739.76	69.64	320.6	652.48
<b>Locality, District and State</b>	Mukim Gemas, Tampin, Negeri Sembilan							Mukim Gemenchah, Tampin, Negeri Sembilan
<b>Tenure</b>	Leasehold for 99 years							
<b>Expiry Date of Tenure</b>	7 August 2093	25 April 2090	19 September 2088	14 October 2091	30 March 2092	9 November 2090		
<b>Description and Existing Use</b>	Oil Palm							
<b>Planted Area (Hectares)</b>	871.76				768.19		801.13	

<b>Age of Palms</b>	8 years old : 23% 32 - 33 years old : 77%	All the palms are about 28 years old and older.	27 years old : 33% 28 years old : 67%
<b>Market Value</b>	RM79,100,000.00	RM82,300,000.00	RM62,800,000.00
<b>Valuation Method</b>	"Comparison Method" and Discounted Cash Flow (DCF) Method		
<b>Encumbrances</b>	Charged twice to OCBC Bank (Malaysia) Berhad registered on 26 December 2017 & 8 November 2018 and again twice to the same bank on 10 June 2020 & 15 June 2020.		
<b>Date of Valuation</b>	29 December 2021		
<b>Independent Valuer</b>	Henry Butcher Malaysia (NS) Sdn. Bhd.		

Notes:

\* *Gazetted under Malay Reserve Area*

<sup>a</sup> *As extracted from Survey Sheet No. 72A (Certified Plan Nos. 28977 -28981), the Independent Valuer noted that Lot Nos. PT 2400 and PT 3479 have been changed to Lot Nos. 271 and 272 respectively with surveyed land areas of approximately 827.5 hectares and 10.55 hectares respectively.*



The production of fresh fruit bunches (“FFB”) of the Permai Damai Estates

(h) Ladang Londah

As at	31.12.2019	31.12.2020	31.12.2021
FFB (Metric Tonne)	8,068.79	6,499.69	7,501.97
Yield (MT/Hectare)	9.26	7.46	8.61

(ii) Ladang Pasir Besar

As at	31.12.2019	31.12.2020	31.12.2021
FFB (Metric Tonne)	11,654.49	9,353.69	5,491.35
Yield (MT/Hectare)	15.17	12.18	7.15

(iii) Ladang Bukit Rokan

As at	31.12.2019	31.12.2020	31.12.2021
FFB (Metric Tonne)	9,826.05	8,645.39	4,102.74
Yield (MT/Hectare)	12.27	10.79	5.12

## 2. SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The financial information of Ladang Permai Damai are as follows:-

	<b>Audited 31.12.2018 (RM)</b>	<b>Audited 31.12.2019 (RM)</b>	<b>Unaudited 31.12.2020 (RM)</b>	<b>Unaudited 31.12.2021 (RM)</b>
Revenue	18,792,431	13,519,657	25,249,598	63,124,442
Profit/(Loss) before tax	1,193,863	(1,658,386)	(4,592,004)	(24,571)
Profit/(Loss) after tax	1,080,141	(2,169,420)	(4,144,691)	(24,571)
Net Assets/(Liabilities)	25,235,243	23,065,823	18,921,132	18,896,561