

Announcement

The letters 'UP' are rendered in a bold, blue, three-dimensional serif font. The letters have a slight shadow and a beveled edge, giving them a 3D appearance. They are centered on the page.

UNITED PLANTATIONS BERHAD

(Company no. 240-A)

Jendarata Estate • 36009 Teluk Intan • Darul Ridzuan • Malaysia

United Plantations Berhad

UNITED PLANTATIONS BERHAD (“UP” OR “COMPANY”)

PROPOSED ACQUISITION OF AGRICULTURE LAND MEASURING APPROXIMATELY 8,999.13 ACRES TOGETHER WITH ALL STRUCTURES ATTACHED TO THE LAND IN DAERAH HILIR PERAK FROM PINEHILL PACIFIC BERHAD’S GROUP OF COMPANIES FOR A TOTAL COMBINED PURCHASE CONSIDERATION OF APPROXIMATELY RM413.57 MILLION AS FOLLOWS:-

- (I) 5 PARCELS OF AGRICULTURE LAND MEASURING APPROXIMATELY 7,615.42 ACRES TOGETHER WITH ALL STRUCTURES ATTACHED TO THE LANDS INCLUDING A PALM OIL MILL, WORKERS’ LIVING QUARTERS AND SITE OFFICE FROM PINEHILL PLANTATIONS (MALAYSIA) SDN BHD (“PPM”) FOR A TOTAL CASH CONSIDERATION OF APPROXIMATELY RM350.30 MILLION (“PROPOSED ACQUISITION 1”);
- (II) A PARCEL OF AGRICULTURE LAND MEASURING APPROXIMATELY 954.42 ACRES FROM SYARIKAT KAUM MELAYU HILIR PERAK SDN BHD (“SKM”) FOR A CASH CONSIDERATION OF APPROXIMATELY RM43.52 MILLION (“PROPOSED ACQUISITION 2”); AND
- (III) A PARCEL OF AGRICULTURE LAND MEASURING APPROXIMATELY 429.29 ACRES FROM TAHIR, ROZLAN AND TASARIFF SDN BHD (“TRT”) FOR A CASH CONSIDERATION OF APPROXIMATELY RM19.75 MILLION (“PROPOSED ACQUISITION 3”).

(PROPOSED ACQUISITION 1, PROPOSED ACQUISITION 2 AND PROPOSED ACQUISITION 3 ARE COLLECTIVELY REFERRED TO AS THE “PROPOSED ACQUISITIONS”.)

1. INTRODUCTION

On behalf of the Board of Directors of UP (“**Board**”), AmInvestment Bank Berhad (“**AmInvestment Bank**”) wishes to announce that UP had on 21 September 2018 entered into 3 conditional sales and purchase agreements in relation to the Proposed Acquisitions (“**SPA(s)**”) from Pinehill Pacific Berhad’s (“**PPB**”) group of companies for a total combined cash consideration of RM413,574,302.49 (“**Purchase Consideration**”) as follows:-

- (i) SPA with PPM to acquire 5 parcels of agriculture land measuring approximately 7,615.42 acres, together with all structures attached to the land including a palm oil mill, workers’ living quarters and site office (“**Subject Property 1**”) for a total purchase consideration of RM350,301,630.30 (“**Purchase Consideration 1**”) to be satisfied entirely via cash (“**SPA 1**”);
- (ii) SPA with SKM to acquire a parcel of agriculture land measuring approximately 954.42 acres (“**Subject Property 2**”) for a purchase consideration of RM43,525,932.67 (“**Purchase Consideration 2**”) to be satisfied entirely via cash (“**SPA 2**”); and
- (iii) SPA with TRT to acquire a parcel of agriculture land measuring approximately 429.29 acres (“**Subject Property 3**”) for a purchase consideration of RM19,746,739.52 (“**Purchase Consideration 3**”) to be satisfied entirely via cash (“**SPA 3**”).

(Subject Property 1, Subject Property 2 and Subject Property 3 are collectively referred to as “**Subject Properties**”.)

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2. DETAILS OF THE PROPOSED ACQUISITIONS

2.1 Background information of the Proposed Acquisition 1

PPM has agreed to sell and UP has agreed to purchase the Subject Property 1 on an “as is where is” basis, free from all encumbrances (as defined herein) (“**Encumbrances**”) with vacant possession and subject to the category of land use, and all restrictions and conditions of title to the Subject Property 1, whether expressed or implied in the document of title of the Subject Property 1 at the Purchase Consideration 1 and upon the terms and conditions contained in the SPA 1.

For the purposes of the Proposed Acquisitions, Encumbrance as defined in the SPAs means any lien, pledge, mortgage, debenture, security interest, lease, charge, caveats, title retention, restraints or conditional sales contract, option, reversionary interest, right of first refusal, voting trust arrangement, preemptive right, claim under bailment, easement, provisional attachment, composition, hypothecation, restriction as to transfer (other than title conditions), use or possession, subordination to any right of any other person or any other adverse claim or right whatsoever pertaining to the Subject Properties.

2.1.1 Information on the vendor

PPM, a 94.5%-owned subsidiary of PPB (a company listed on the Main Market of Bursa Malaysia Securities Berhad), was incorporated in Malaysia under the then Companies Act, 1965 (deemed incorporated under the Companies Act, 2016 (“**Act**”)) on 17 March 1967. The principal activities of PPM are investment holding, cultivation of oil palm and processing of palm oil.

As at 20 September 2018, being the latest practicable date prior to the date of this announcement (“**LPD**”), the issued share capital of PPM is RM50,400,000 comprising 50,400,000 ordinary shares.

The directors of PPM are Dato’ Nik Mohd Amin Bin Nik Abu Bakar, Dato’ Ong Kim Hoay, and Amarution A/L Nadaraja.

The shareholder’s shareholdings of PPM as at the LPD are as follows:-

Name	Shares held	%
PPB	47,627,175	94.50
Lim Piak Chiang Holding Sdn Bhd	1,621,049	3.22
Toh Whui Limited	1,134,974	2.25
Leong Kok Cheng @ Leong Kok Heng	10,000	0.02
Tan Sri Dato’ Chek Lin Kwai	5,000	0.01
Teoh Boon Beng @ Teoh Eng Kuan	1,000	Neg
Trustee of Dato’ Mohd Othman Bin Mohd Din	800	Neg
Tang Yow San	1	Neg
K. Selveswaran A/L Kanagaratnam	1	Neg

Note:

Neg Negligible

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2.1.2 Details of Subject Property 1

Subject Property 1 (comprising Lot 10052, 7258, 7280, 7281 and 11501) consists of 5 parcels of agricultural land measuring approximately 7,615.42 acres, together with all structures attached to the land including a palm oil mill, workers' living quarters and site office ("**Buildings**") as follows:-

Registered owner	: PPM
Title details	: (i) PN 349423, Lot 10052, Mukim of Durian Sebatang, Daerah Hilir Perak, Negeri Perak. (ii) PN 290568, Lot 7258, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak. (iii) PN 290563, Lot 7280, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak. (iv) PN 290566, Lot 7281, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak. (v) PN 309287, Lot 11501, Mukim of Durian Sebatang, Daerah Hilir Perak, Negeri Perak.
Category of land use	: Agriculture
Conditions	: Commercial plantation – oil palm
Existing use	: Palm oil plantation and palm oil mill together with workers' living quarters and site office
Proposed use	: Palm oil plantation and palm oil mill together with workers' living quarters and site office
Age of Buildings	: 36 years to 44 years
Tenure	: <u>Lot 10052</u> Leasehold – 60 years (Expiring on 4 December 2035) <u>Lot 7258, 7280 and 7281</u> Leasehold – 60 years (Expiring on 4 December 2035) <u>Lot 11501</u> Leasehold – 60 years (Expiring on 14 December 2032)
Land area	: 7,615.42 acres or 3,081.85 hectares (" ha ")
Planted area	: 7,137.85 acres or 2,888.59 ha (inclusive of 528.83 acres or 214.01 ha which are reserved for planting but yet to be planted)

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Restriction in interest	: This land shall not be transferred, leased, charged or sold without the consent of the Menteri Besar of Perak.
Audited net book value (“NBV”) as at 30 June 2017 (RM’000)	: RM243,604
Purchase consideration (RM’000)	: RM350,302
Market value (RM’000)	: RM315,676 ⁽¹⁾
Date of inspection	: 23 August 2018 ⁽¹⁾
Encumbrances	: The Subject Property 1 is presently charged to Export-Import Bank of Malaysia Berhad (Company No. 357198-K) of Level 1, Exim Bank Jalan Sultan Ismail, 50250 Wilayah Persekutuan KL (“Chargee”) under charge Presentation No. 8274/2013.

Note:

- (1) Based on the valuation report and valuation certificate dated 13 September 2018 issued by VPC Alliance (Kajang) Sdn. Bhd., being the independent registered valuer (“**Valuer**”).

2.2 Background information of the Proposed Acquisition 2

SKM has agreed to sell and UP has agreed to purchase the Subject Property 2 on an “as is where is” basis, free from all Encumbrances with vacant possession and subject to the category of land use, and all restrictions and conditions of title to the Subject Property 2, whether expressed or implied in the document of title of the Subject Property 2 at the Purchase Consideration 2 and upon the terms and conditions contained in the SPA 2.

2.2.1 Information on the vendor

SKM, a wholly-owned subsidiary of PPM, was incorporated in Malaysia under the then Companies Act, 1965 (deemed incorporated under the Act) on 5 July 1973. The principal activity of SKM is cultivation of oil palm.

As at the LPD, the issued share capital of SKM is RM7,800,000 comprising 7,800,000 ordinary shares.

The directors of SKM are Dato’ Nik Mohd Amin Bin Nik Abu Bakar, K. Selveswaran A/L Kanagaratnam and Amarution A/L Nadaraja.

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2.2.2 Details of Subject Property 2

Subject Property 2 consists of a parcel of agriculture land measuring approximately 954.42 acres as follows:-

Registered owner	: SKM
Title details	: PN 308136, Lot 5936, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak.
Category of land use	: Agriculture
Conditions	: Commercial plantation – oil palm
Existing use	: Palm oil plantation
Proposed use	: Palm oil plantation
Tenure	: Leasehold – 60 years (Expiring on 15 September 2035)
Land area	: 954.42 acres or 386.24 ha
Planted area	: 937.71 acres or 379.48 ha
Restriction in interest	: This land shall not be transferred, leased, charged or sold without the consent of the Menteri Besar of Perak.
Audited NBV as at 30 June 2017 (RM'000)	: RM32,359
Purchase consideration (RM'000)	: RM43,523
Market value (RM'000)	: RM39,542 ⁽¹⁾
Date of inspection	: 23 August 2018 ⁽¹⁾
Encumbrances	: The Subject Property 2 is presently charged to the Chargee under charge Presentation No. 8270/2013. 14.48 acres of the Subject Property 2 are presently involved with the installation of a system for the distribution of electricity under Section 11 of the Electricity Supply Act 1990 and under Presentation No. 385/2004. The Subject Property 2 is also presently subject to a registrar's caveat under Presentation No. 7543/2015 dated 9 June 2015.

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Note:

- (1) Based on the valuation report and valuation certificate dated 13 September 2018 issued by the Valuer.

2.3 Background information of the Proposed Acquisition 3

TRT has agreed to sell and UP has agreed to purchase the Subject Property 3 on an “as is where is” basis, free from all Encumbrances with vacant possession and subject to the category of land use, and all restrictions and conditions of title to the Subject Property 3, whether expressed or implied in the document of title of the Subject Property 3 at the Purchase Consideration 3 and upon the terms and conditions contained in the SPA 3.

2.3.1 Information on the vendor

TRT, a 91.33%-owned subsidiary of PPM, was incorporated in Malaysia under the then Companies Act 1965 (deemed incorporated under the Act) on 17 January 1976. The principal activity of TRT is the cultivation of oil palm.

As at the LPD, the issued share capital of TRT is RM2,400,000 comprising 2,400,000 ordinary shares.

The directors of TRT are K. Selveswaran A/L Kanagaratnam and Dato' Nik Mohd Amin Bin Nik Abu Bakar.

The shareholder's shareholdings of TRT as at the LPD are as follows:-

<u>Name</u>	<u>Shares held</u>	<u>%</u>
PPM	2,191,990	91.33
Trustee of Dato' Mohd Othman Bin Mohd Din	208,008	8.67
K. Selveswaran A/L Kanagaratnam	1	Neg
Tang Yow San	1	Neg

Note:

Neg Negligible

2.3.2 Details of Subject Property 3

Subject Property 3 consists of a parcel of agriculture land measuring approximately 429.29 acres as follows:-

Registered owner	: TRT
Title details	: PN 286020, Lot 7362, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak.
Category of land use	: Agriculture
Conditions	: Commercial plantation – oil palm
Existing use	: Palm oil plantation

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Proposed use	: Palm oil plantation
Tenure	: Leasehold – 60 years (Expiring on 4 December 2035)
Land area	: 429.29 acres or 173.73 ha
Planted area	: 416.94 acres or 168.73 ha
Restriction in interest	: This land shall not be transferred, leased, charged or sold without the consent of the Menteri Besar of Perak.
Audited NBV as at 30 June 2017 (RM'000)	: RM14,275
Purchase consideration (RM'000)	: RM19,747
Market value (RM'000)	: RM17,782 ⁽¹⁾
Date of inspection	: 23 August 2018 ⁽¹⁾
Encumbrances	: The Subject Property 3 is presently charged to the Chargee under charge Presentation No. 8272/2013.

Note:

- (1) Based on the valuation report and valuation certificate dated 13 September 2018 issued by the Valuer.

2.4 Basis and Justification for the Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the total market value of the Subject Properties of RM373,000,000.00 as appraised by the Valuer via its valuation report dated 13 September 2018 (“**Valuation Report**”) as follows:-

- (a) Subject Property 1 of RM315,676,000, which was derived using the market approach and income approach methods of valuation. The Purchase Consideration 1 of RM350,301,630.30 represents a premium of approximately RM34,625,630.30 or 10.97% above the market value of the Subject Property 1;
- (b) Subject Property 2 of RM39,542,000, which was derived using the market approach and income approach methods of valuation. The Purchase Consideration 2 of RM43,525,932.67 represents a premium of approximately RM3,983,932.67 or 10.08% above the market value of the Subject Property 2; and
- (c) Subject Property 3 of RM17,782,000, which was derived using the market approach and income approach methods of valuation. The Purchase

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Consideration 3 of RM19,746,739.52 represents a premium of approximately RM1,964,739.52 or 11.05% above the market value of the Subject Property 3.

The abovesaid market value is arrived on the assumption that the Subject Properties are surrendered and re-alienated to the landowner under fresh 99-year leasehold titles with all the relevant premiums fully paid.

The total combined purchase consideration of the Subject Properties of RM413,574,302.49 represents a total premium of RM40,574,302.49 or 10.88% above the total market value of the Subject Properties.

The Purchase Consideration is justified after taking into consideration the following:-

- (i) the Subject Properties will be incorporated into UP's existing business as they have good accessibility and are located in close proximity to UP's existing plantations thereby providing economies of scale through operational synergies and enable UP to expand its landbank in Malaysia;
- (ii) good agronomic qualities of the Subject Properties in the form of soil texture and fertility as well as suitable terrain for mechanisation which in combination provides an excellent basis for future yield enhancement and high operational productivity providing good earnings potential in the medium to long term;
- (iii) the brown field status of the Subject Properties provides an avenue, free of obstacles, for UP to transform this plantation to produce certified sustainable palm oil in accordance with the criteria of the round table on sustainable palm oil ("RSPO") thereby strictly upholding the Company's zero deforestation pledge; and
- (iv) the Subject Properties are located in Perak, the home state of UP, in which UP has operated since 1906. Thus, UP is confident and willing to commit to the long-term investment and development in the Subject Properties, due to its familiarity with the geographical and cultural environment of Perak.

2.5 Method of valuations

As the Subject Properties are agriculture lands, two valuation methods have been used for the valuation of the Subject Properties, which are the market approach valuation and the income approach valuation.

The Valuer has adopted the market approach valuation as the primary valuation method and the income approach valuation is used to support the market approach valuation. The market approach valuation seeks to determine the market value of the plantations by comparing recent transactions and sale evidences involving other similar properties in the vicinity of the plantations as well as the regions. Adjustments are made to the transaction value by taking into account factors such as time, size, location, accessibility, cultivation and tenure of the titles. There has been a number of transactions of plantation lands that provide a good basis for the adoption of the market approach valuation. Therefore, the market approach valuation is the preferred method owing to the location and transacted prices of similar lands.

The Valuer has also adopted the income approach valuation using the estimated future income and taking into consideration the relevant replanting and related upkeep and maintenance costs. The plantation has a preponderance of very old trees and will have to be replanted.

2.6 Salient terms of the SPAs

2.6.1 SPA 1

The key salient terms of the SPA 1 have been set out in the ensuing sections. Please refer to Appendix I of this announcement for other salient terms of the SPA 1.

2.6.1.1 Conditions Precedent

- (i) The completion of the sale and purchase of the Subject Property 1 is subject to the following conditions precedent that are to be fulfilled within 6 months with an automatic extension of a further 2 months upon the expiry of the first 6 months or such other longer period as may be mutually agreed by the parties ("**Conditional Period 1**"):-
 - (a) PPM obtaining the approvals of the shareholders of (1) PPM and (2) PPB, the holding and/or ultimate holding company of PPM, for the sale of the Subject Property 1 to UP on the terms and conditions of the SPA 1;
 - (b) PPM obtaining the written consent of the Estate Land Board for the transfer of the Subject Property 1 to UP ("**ELB Approval 1**") upon the terms and conditions acceptable to UP;
 - (c) PPM obtaining the written consent of the Perak State Authority for the transfer of the Subject Property 1 to UP pursuant to the restriction-in-interest contained in the title deeds of the Subject Property 1 upon the terms and conditions acceptable to UP;
 - (d) if required, UP obtaining the approval of the Economic Planning Unit ("**EPU**") for the acquisition of the Subject Property 1 by UP from PPM upon terms and conditions acceptable to UP or the written confirmation of the EPU that EPU's approval is not required for the acquisition of the Subject Property 1 by UP from PPM, as the case may be;
 - (e) UP obtaining the approval of the Perak State Authority pursuant to Section 433B of the National Land Code, 1965 upon terms and conditions acceptable to UP;
 - (f) the fulfillment of all conditions precedent set out in Sections 2.6.2.1(i)(a) to 2.6.2.1(i)(e) and Section 2.6.2.1(i)(g) of this announcement, and Sections 2.6.3.1(i)(a) to 2.6.3.1(i)(e) and Section 2.6.3.1(i)(g) of this announcement; and
 - (g) the approvals of any other relevant authorities arising from any new laws and/or regulations as may be required for the implementation of the sale and purchase of the Subject Property 1.

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- (ii) In the event that any of the conditions precedent of the SPA 2 and/or the SPA 3 is/are not fulfilled within the conditional periods provided under the SPA 2 and/or SPA 3 respectively ("**Affected SPA 1**"), UP shall have the option to continue with the sale and purchase of the Subject Property 1 under the SPA 1 ("**Option to Continue 1**"). Where UP exercises its Option to Continue 1, the fulfillment of the conditions precedent under the relevant Affected SPA 1 shall cease to be a condition precedent under the SPA 1 and subject to the fulfillment of all other conditions precedent under Section 2.6.1.1(i) of this announcement, the sale and purchase of the Subject Property 1 shall proceed without further reference to the relevant Affected SPA 1. The Option to Continue 1 shall be issued by UP within 10 business days of the expiry of the conditional period provided under the terms of the relevant Affected SPA 1 failing which UP shall be deemed to have elected not to exercise its Option to Continue 1 and in such event the condition precedent under Section 2.6.1.1(i)(f) of this announcement shall be deemed not fulfilled and the provisions of Section 2.6.1.1(iv) shall be applicable.
- (iii) Subject to Section 2.6.1.1(ii) of this announcement, SPA 1 shall become unconditional on the date of receipt by the relevant party of the fulfillment of the last of the Conditions Precedent set out in Section 2.6.1.1(i) of this announcement ("**Unconditional Date 1**").
- (iv) Subject to Section 2.6.1.1(ii) of this announcement, in the event that the Conditions Precedent shall not have been fulfilled by the expiry of the Conditional Period 1, the SPA 1 shall, unless extended by mutual agreement of the parties, lapse and terminate and be of no further effect whatsoever whereupon:-
 - (a) UP's solicitors shall refund to UP the RPGT Sum 1 (as defined herein) (with all interest accrued) within 5 business days provided that UP's solicitors shall not have already paid the RPGT Sum 1 to the Director-General of Inland Revenue;
 - (b) UP's solicitors shall refund to UP the Balance Deposit 1 (as defined herein) (with all interest accrued) within 5 business days of the expiry of the Conditional Period 1; and
 - (c) thereafter, PPM shall be at liberty to sell or otherwise deal with the Subject Property 1 in such manner and to such persons as PPM shall deem fit, but without prejudice to any other rights or remedies of either party under the SPA 1 for any antecedent breach under the SPA 1.

2.6.1.2 Payment of the Purchase Consideration 1

- (i) The Purchase Consideration 1 shall be paid by UP in the following manner:-
 - (a) a sum of RM35,030,163.03 equivalent to 10% of the Purchase Consideration 1, being the deposit ("**Deposit 1**") shall be paid in the following manner upon the execution of the SPA 1:-

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- (aa) a sum of RM10,509,048.91 amounting to 3% of the Purchase Consideration 1 (“**RPGT Sum 1**”) shall be deposited with UP’s solicitors as stakeholders; and
 - (bb) a sum of RM24,521,114.12 amounting to 7% of the Purchase Consideration 1 (“**Balance Deposit 1**”) shall be deposited with UP’s solicitors as stakeholders and UP’s solicitors shall hold the Balance Deposit 1 in a fixed deposit account whereby all interest accrued or earned on the Balance Deposit 1 shall form part of the Balance Deposit 1, and the Balance Deposit 1 (with all interest accrued) shall be released by UP’s solicitors to PPM within three (3) business days of the Unconditional Date 1 and in accordance with their terms of appointment jointly executed by PPM and UP;
- (b) a sum of RM315,271,467.27 amounting to 90% of the Purchase Consideration 1 (“**Balance Purchase Price 1**”) shall be paid within 2 months from the Unconditional Date 1 (“**Completion Period**”) in the following manner:
- (aa) the redemption sum to the Chargee to redeem the Subject Property 1; and
 - (bb) the Balance Purchase Price 1 less the redemption sum* (“**Final Balance 1**”) to be deposited with PPM’s Solicitors as stakeholders to be dealt with in accordance with Section 2.6.1.3 of this announcement.

Note:

- * If the Balance Purchase Price 1 is less than the redemption sum due to the Chargee (“**Shortfall 1**”), PPM shall within ten (10) days upon receipt of written notification by the PPM’s Solicitors, unconditionally deposit the Shortfall 1 with the PPM’s Solicitors who are authorized to immediately release the same to the Chargee together with the Balance Purchase Price 1.

- (ii) If UP is unable to pay the Balance Purchase Price 1 by the expiry of Completion Period in accordance with the provisions of Section 2.6.1.2(i) above, PPM irrevocably automatically grants to UP an extension of 1 month from the expiry of the Completion Period (“**Extended Completion Period**”) to complete the purchase of the Subject Property 1 subject to UP paying to PPM interest on the unpaid and outstanding amount of the Balance Purchase Price 1 calculated on a daily basis at the rate of 8% per annum from the day following the expiry of the Completion Period to the date of full payment thereof, based on a 365 day year on the actual number of days elapsed (“**Late Payment Interest 1**”), such Late Payment Interest 1 shall be payable together with such part of the Balance Purchase Price 1 as remains unpaid.

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- (iii) The receipt by (a) UP's solicitors of any part of the Deposit 1, and the (b) Chargee or PPM's Solicitors of any part of the Balance Purchase Price 1 shall be deemed sufficient discharge by UP of the sums so received.

2.6.1.3 Release of the Final Balance 1

- (i) PPM's Solicitors shall deal with the Final Balance 1 (together with any Late Payment Interest 1), in the following manner:
 - (a) to pay out such sums as are due and owing by PPM to the relevant authorities in respect of any quit rents, assessment, rates, taxes, sewerage and all other outgoings outstanding as at the date of delivery of vacant possession of the Subject Property 1 to UP ("**Outstanding Outgoings 1**") and to retain RM200,000.00 to be used towards payment of any outstanding bills for utilities (with any balance thereof after such payment of utilities bill(s) to be released to PPM as at the date of delivery of vacant possession of this Subject Property 1 to UP ("**Utilities Retention Sum 1**"); and
 - (b) to release the Final Balance 1 and Late Payment Interest 1 (if any) less the Outstanding Outgoings 1 (if any) and the Utilities Retention Sum 1 (if any) to PPM ("**Final Releasable Sums 1**") upon the expiry of 14 days of the presentation of the Transfer 1 for registration at the relevant land registry, PROVIDED THAT vacant possession of the Subject Property 1 has been duly delivered to UP, unless prior to such release the PPM's solicitors receive notification that the presentation of the Transfer 1 is not accepted or the Transfer 1 is rejected by the relevant land registry, in which event the PPM's solicitors shall withhold the release of the Final Releasable Sums 1 until the impediment to the registration of the Transfer 1 is removed and the Transfer 1 can be duly registered with the relevant land registry. For the purposes of this sub-section (b), presentation of the memoranda of transfer of Subject Property 1 ("**Transfer 1**") for registration at the relevant land registry, if it has not taken place sooner, shall be deemed to have taken place on the 5th business day of receipt by UP's solicitors of the stamp certificate evidencing payment of the stamp duty on the Transfer 1, the original title deeds to the Subject Property 1, the stamped duplicate of the charge, the discharge of the charge (Form 16N) duly executed by the Chargee and stamped, the relevant year quit rent, the relevant year assessment receipts in respect of the Subject Property 1, if applicable, or if applicable, the relevant authority's letter confirming that the quit rent and/or assessment in respect of the Subject Property 1 are not payable, the original ELB Approval 1, the original State Authority Approval, the requisite registration fee for the ELB Approval 1 and the requisite registration fee for the State Authority Approval (if applicable), and all such other documents as may be required by the relevant land registry for the presentation and registration of the Transfer 1 which are incumbent upon PPM to deliver.

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- (ii) Notwithstanding Section 2.6.1.3(i)(b), it is agreed that (a) if the date of release of the Final Releasable Sums 1 under the SPA 1 and the date of release of the final releasable sums under the SPA 2 and SPA 3 should fall on the same date, then the final releasable sums under the SPA 1, and under the SPA 2 and SPA 3 shall be made simultaneously on the same date, and (b) if the date of release of the Final Releasable Sums 1 under the SPA 1 does not fall on the same date as the date for release of the final releasable sums under the SPA 2 and SPA 3, then the Final Releasable Sums 1 under the SPA 1 shall be on the date when the final releasable sums under the SPA 1, the SPA 2, or the SPA 3 shall become payable (whichever shall be the last).

2.6.2 SPA 2

The key salient terms of the SPA 2 have been set out in the ensuing sections. Please refer to Appendix II of this announcement for other salient terms of the SPA 2.

2.6.2.1 Conditions Precedent

- (i) The completion of the sale and purchase of the Subject Property 2 is subject to the following conditions precedent that are to be fulfilled within 6 months with an automatic extension of a further 2 months upon the expiry of the first 6 months or such other longer period as may be mutually agreed by the parties ("**Conditional Period 2**"):-
 - (a) SKM obtaining the approvals of the shareholders of (1) SKM and (2) PPB, the holding and/or ultimate holding company of SKM, for the sale of the Subject Property 2 to UP on the terms and conditions of the SPA 2;
 - (b) SKM obtaining the written consent of the Estate Land Board for the transfer of the Subject Property 2 to UP ("**ELB Approval 2**") upon the terms and conditions acceptable to UP;
 - (c) SKM obtaining the written consent of the Perak State Authority for the transfer of the Subject Property 2 to UP pursuant to the restriction-in-interest contained in the title deed of the Subject Property 2 upon terms and conditions acceptable to UP;
 - (d) SKM procuring the withdrawal and/or removal of the Registrar's caveat registered on the title deed to the Subject Property 2;
 - (e) if required, UP obtaining the approval of the EPU for the acquisition of the Subject Property 2 by UP from SKM upon terms and conditions acceptable to UP or the written confirmation of the EPU that EPU's approval is not required for the acquisition of the Subject Property 2 by UP from SKM, as the case may be;
 - (f) UP obtaining the approval of the Perak State Authority pursuant to Section 433B of the National Land Code, 1965 upon terms and conditions acceptable to UP;

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- (g) the fulfillment of all conditions precedent set out in Sections 2.6.1.1(i)(a) to 2.6.1.1(e) and Section 2.6.2.1(i)(g) of this announcement and Sections 2.6.3.1(i)(a) to 2.6.3.1(i)(e) and Section 2.6.3.1(i)(g) of this announcement; and
 - (h) the approvals of any other relevant authorities arising from any new laws and/or regulations as may be required for the implementation of the sale and purchase of the Subject Property 2.
- (ii) In the event that any of the conditions precedent of the SPA 1 and/or the SPA 3 is/are not fulfilled within the conditional periods under the SPA 1 and/or SPA 3 respectively ("**Affected SPA 2**"), UP shall have the option to continue with the sale and purchase of the Subject Property 2 under the SPA 2 ("**Option to Continue 2**"). Where UP exercises its Option to Continue 2, the fulfillment of the conditions precedent under the relevant Affected SPA 2 shall cease to be a condition precedent under the SPA 2 and subject to the fulfillment of all other conditions precedent under Section 2.6.2.1(i) of this announcement, the sale and purchase of the Subject Property 2 shall proceed without further reference to the relevant Affected SPA 2. The Option to Continue 2 shall be issued by UP within 10 business days of the expiry of the conditional period provided under the terms of the relevant Affected SPA 2 failing which UP shall be deemed to have elected not to exercise its Option to Continue 2 and in such event the condition precedent under Section 2.6.2.1(i)(f) of this announcement shall be deemed not fulfilled and the provisions of Section 2.6.2.1(iv) shall be applicable.
- (iii) Subject to Section 2.6.2.1(ii) of this announcement, SPA 2 shall become unconditional on the date of receipt by the relevant party of the fulfillment of the last of the Conditions Precedent set out in Section 2.6.2.1(i) of this announcement ("**Unconditional Date 2**").
- (iv) Subject to Section 2.6.2.1(ii) of this announcement, in the event that the Conditions Precedent shall not have been fulfilled by the expiry of the Conditional Period 2, the SPA 2 shall, unless extended by mutual agreement of the parties, lapse and terminate and be of no further effect whatsoever whereupon:-
 - (a) UP's solicitors shall refund to UP the RPGT Sum 2 (as defined herein) (with all interest accrued) within 5 business days provided that UP's solicitors shall not have already paid the RPGT Sum 2 to the Director-General of Inland Revenue;
 - (b) UP's solicitors shall refund to UP the Balance Deposit 2 (as defined herein) (with all interest accrued) within 5 business days of the expiry of the Conditional Period 2; and
 - (c) thereafter, SKM shall be at liberty to sell or otherwise deal with the Subject Property 2 in such manner and to such persons as SKM shall deem fit, but without prejudice to any other rights or remedies of either party under the SPA 2 for any antecedent breach under the SPA 2.

2.6.2.2 Payment of the Purchase Consideration 2

- (i) The Purchase Consideration 2 shall be paid by UP in the following manner:-
- (a) a sum of RM4,352,593.27 equivalent to 10% of the Purchase Consideration 2, being the deposit ("**Deposit 2**") shall be paid in the following manner upon the execution of the SPA 2:-
 - (aa) a sum of RM1,305,777.98 amounting to 3% of the Purchase Consideration 2 ("**RPGT Sum 2**") shall be deposited with UP's solicitors as stakeholders; and
 - (bb) a sum of RM3,046,815.29 amounting to 7% of the Purchase Consideration 2 ("**Balance Deposit 2**") shall be deposited with UP's solicitors as stakeholders and UP's solicitors shall hold the Balance Deposit 2 in a fixed deposit account whereby all interest accrued or earned on the Balance Deposit 2 shall form part of the Balance Deposit 2 as referred to in the SPA 2, and the Balance Deposit 2 (with all interest accrued) shall be released by UP's solicitors to SKM within three (3) business days of the Unconditional Date 2 and in accordance with their terms of appointment jointly executed by SKM and UP;
 - (b) a sum of RM39,173,339.40 amounting to 90% of the Purchase Consideration 2 ("**Balance Purchase Price 2**") shall be paid within 2 months from the Unconditional Date 2 ("**Completion Period**") in the following manner:
 - (aa) the redemption sum to the Chargee to redeem the Subject Property 2; and
 - (bb) the Balance Purchase Price 2 less the redemption sum* ("**Final Balance 2**") to be deposited with SKM's solicitors as stakeholders to be dealt with in accordance with Section 2.6.2.3 of this announcement.

Note:

- * If the Balance Purchase Price 2 is less than the redemption sum due to the Chargee ("**Shortfall 2**"), SKM shall within ten (10) days upon receipt of written notification by the SKM's Solicitors, unconditionally deposit the Shortfall 2 with the SKM's Solicitors who are authorized to immediately release the same to the Chargee together with the Balance Purchase Price 2.

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- (ii) If UP is unable to pay the Balance Purchase Price 2 by the expiry of Completion Period in accordance with the provisions of Section 2.6.2.2(i) above, SKM irrevocably automatically grants to UP an extension of 1 month from the expiry of the Completion Period ("**Extended Completion Period**") to complete the purchase of the Subject Property 2 subject to UP paying to SKM interest on the unpaid and outstanding amount of the Balance Purchase Price 2 calculated on a daily basis at the rate of 8% per annum from the day following the expiry of the Completion Period to the date of full payment thereof, based on a 365 day year on the actual number of days elapsed ("**Late Payment Interest 2**"), such Late Payment Interest 2 shall be payable together with such part of the Balance Purchase Price 2 as remains unpaid.
- (iii) The receipt by (a) UP's solicitors of any part of the Deposit 2, and (b) the Chargee or SKM's solicitors of any part of the Balance Purchase Price 2 shall be deemed sufficient discharge by UP of the sums so received.

2.6.2.3 Release of the Final Balance 2

- (i) SKM's solicitors shall deal with the Final Balance 2 (together with any Late Payment Interest 2), in the following manner:
 - (a) to pay out such sums as are due and owing by SKM to the relevant authorities in respect of any quit rents, assessment, rates, taxes, sewerage and all other outgoings outstanding as at the date of delivery of vacant possession of the Subject Property 2 to UP ("**Outstanding Outgoings 2**") and to retain RM10,000.00 to be used towards payment of any outstanding bills for utilities (with any balance thereof after such payment of utilities bill(s) to be released to SKM as at the date of delivery of vacant possession of this Subject Property 2 to UP ("**Utilities Retention Sum 2**"); and
 - (b) to release the Final Balance 2 and Late Payment Interest 2 (if any) less the Outstanding Outgoings 2 (if any) and the Utilities Retention Sum 2 (if any) to SKM ("**Final Releasable Sums 2**") upon the expiry of 14 days of the presentation of the Transfer 2 for registration at the relevant land registry, PROVIDED THAT vacant possession of the Subject Property 2 has been duly delivered to UP, unless prior to such release the SKM's solicitors receive notification that the presentation of the Transfer 2 is not accepted or the Transfer 2 is rejected by the relevant land registry, in which event the SKM's solicitors shall withhold the release of the Final Releasable Sums 2 until the impediment to the registration of the Transfer 2 is removed and the Transfer 2 can be duly registered with the relevant land registry. For the purposes of this sub-section (b), presentation of the memoranda of transfer of Subject Property 2 ("**Transfer 2**") for registration at the relevant land registry, if it has not taken place sooner, shall be deemed to have taken place on the 5th business day of receipt by UP's solicitors of the stamp certificate evidencing payment of the stamp duty on the Transfer 2, the original title deed to the Subject Property 2, the stamped duplicate of the charge, the discharge of

the charge (Form 16N) duly executed by the Chargee and stamped, the relevant year quit rent, the relevant year assessment receipts in respect of the Subject Property 2, if applicable, or if applicable, the relevant authority's letter confirming that the quit rent and/or assessment in respect of the Subject Property 2 are not payable, the original ELB Approval 2, the original State Authority Approval, the requisite registration fee for the ELB Approval 2 and the requisite registration fee for the State Authority Approval (if applicable), and all such other documents as may be required by the relevant land registry for the presentation and registration of the Transfer 2 which are incumbent upon SKM to deliver.

- (ii) Notwithstanding Section 2.6.2.3(i)(b), it is agreed that (a) if the date of release of the Final Releasable Sums 2 under the SPA 2 and the date of release of the final releasable sums under the SPA 1 and SPA 3 should fall on the same date, then the Final Releasable Sums 2 under the SPA 2, and under the SPA 1 and SPA 3 shall be made simultaneously on the same date, and (b) if the date of release of the Final Releasable Sums 2 under the SPA 2 does not fall on the same date as the date for release of the final releasable sums under the SPA 1 and SPA 3, then the Final Releasable Sums 2 under the SPA 2 shall be on the date when the final releasable sums under the SPA 1, the SPA 2, or the SPA 3 shall become payable (whichever shall be the last).

2.6.3 SPA 3

The key salient terms of the SPA 3 have been set out in the ensuing sections. Please refer to Appendix III of this announcement for other salient terms of the SPA 3.

2.6.3.1 Conditions Precedent

- (i) The completion of the sale and purchase of the Subject Property 3 is subject to the following conditions precedent that are to be fulfilled within 6 months with an automatic extension of a further 2 months upon the expiry of the first 6 months or such other longer period as may be mutually agreed by the parties ("**Conditional Period 3**"):-
 - (a) TRT obtaining the approvals of the shareholders of (1) TRT and (2) PPB, the holding and/or ultimate holding company of TRT, for the sale of the Subject Property 3 to UP on the terms and conditions of the SPA 3;
 - (b) TRT obtaining the written consent of the Estate Land Board for the transfer of the Subject Property 3 to UP ("**ELB Approval 3**") upon terms and conditions acceptable to UP;
 - (c) TRT obtaining the written consent of the Perak State Authority for the transfer of the Subject Property 3 to UP pursuant to the restriction-in-interest contained in the title deed of the Subject Property 3 upon terms and conditions acceptable to UP;

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- (d) if required, UP obtaining the approval of the EPU for the acquisition of the Subject Property 3 by UP from TRT upon terms and conditions acceptable to UP or the written confirmation of the EPU that EPU's approval is not required for the acquisition of the Subject Property 3 by UP from TRT, as the case may be;
 - (e) UP obtaining the approval of the Perak State Authority pursuant to Section 433B of the National Land Code, 1965 upon terms and conditions acceptable to UP;
 - (f) the fulfillment of all conditions precedent set out in Sections 2.6.1.1(i)(a) to 2.6.1.1(i)(e) and Section 2.6.1.1(i)(g) of this announcement, and Sections 2.6.2.1(i)(a) to 2.6.2.1(i)(e) and Section 2.6.2.1(i)(g) of this announcement; and
 - (g) the approvals of any other relevant authorities arising from any new laws and/or regulations as may be required for the implementation of the sale and purchase of the Subject Property 3.
- (ii) In the event that any of the conditions precedent of the SPA 1 and/or the SPA 2 is/are not fulfilled within the conditional period provided under the terms of the SPA 1 and/or SPA 2 respectively ("**Affected SPA 3**"), UP shall have the option to continue with the sale and purchase of the Subject Property 3 under the SPA 3 ("**Option to Continue 3**"). Where UP exercises its Option to Continue 3, the fulfillment of the conditions precedent under the relevant Affected SPA 3 shall cease to be a condition precedent under the SPA 3 and subject to the fulfilment of all other conditions precedent under Section 2.6.3.1(i) of this announcement, the sale and purchase of the Subject Property 3 shall proceed without further reference to the relevant Affected SPA 3. The Option to Continue 3 shall be issued by UP within 10 business days of the expiry of the conditional period provided under the terms of the relevant Affected SPA 3 failing which UP shall be deemed to have elected not to exercise its Option to Continue 3 and in such event the condition precedent under Section 2.6.3.1(i)(f) of this announcement shall be deemed not fulfilled and the provisions of Section 2.6.3.1(iv) shall be applicable.
- (iii) Subject to Section 2.6.3.1(ii) of this announcement, SPA 3 shall become unconditional on the date of receipt by the relevant party of the fulfillment of the last of the Conditions Precedent set out in Section 2.6.3.1(i) of this announcement ("**Unconditional Date 3**").
- (iv) Subject to Section 2.6.3.1(ii) of this announcement, in the event that the Conditions Precedent shall not have been fulfilled by the expiry of the Conditional Period 3, the SPA 3 shall, unless extended by mutual agreement of the parties, lapse and terminate and be of no further effect whatsoever whereupon:-
- (a) UP's solicitors shall refund to UP the RPGT Sum 3 (as defined herein) (with all interest accrued) within 5 business days provided that UP's solicitors shall not have already paid the RPGT Sum 3 to the Director-General of Inland Revenue;

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- (b) UP's solicitors shall refund to UP the Balance Deposit 3 (as defined herein) (with all interest accrued) within 5 business days of the expiry of the Conditional Period 3; and
- (c) thereafter, TRT shall be at liberty to sell or otherwise deal with the Subject Property 3 in such manner and to such persons as TRT shall deem fit, but without prejudice to any other rights or remedies of either party under the SPA 3 for any antecedent breach under the SPA 3.

2.6.3.2 Payment of the Purchase Consideration 3

- (i) The Purchase Consideration 3 shall be paid by UP in the following manner:-
 - (a) a sum of RM1,974,673.95 equivalent to 10% of the Purchase Consideration 3, being the deposit ("**Deposit 3**") shall be paid in the following manner upon the execution of the SPA 3:-
 - (aa) a sum of RM592,402.19 amounting to 3% of the Purchase Consideration 3 ("**RPGT Sum 3**") shall be deposited with UP's solicitors as stakeholders; and
 - (bb) a sum of RM1,382,271.76 amounting to 7% of the Purchase Consideration 3 ("**Balance Deposit 3**") shall be deposited with UP's solicitors as stakeholders upon the execution of the SPA 3 and UP's solicitors shall hold the Balance Deposit 3 in a fixed deposit account whereby interest accrued or earned on the Balance Deposit 3 shall form part of the Balance Deposit 3, and the Balance Deposit 3 (with all interest accrued) shall be released by UP's solicitors to TRT within three (3) business days of the Unconditional Date 3 and in accordance with their terms of appointment jointly executed by TRT and UP;
 - (b) a sum of RM17,772,065.57 amounting to 90% of the Purchase Consideration 3 ("**Balance Purchase Price 3**") shall be paid within 2 months from the Unconditional Date 3 ("**Completion Period**") in the following manner:
 - (aa) the redemption sum to the Chargee to redeem the Subject Property 3; and
 - (bb) the Balance Purchase Price 3 less the redemption sum* ("**Final Balance 3**") to be deposited with TRT's solicitors as stakeholders to be dealt with in accordance with Section 2.6.3.3 of this announcement.

Note:

- * If the Balance Purchase Price 3 is less than the redemption sum due to the Chargee ("**Shortfall 3**"), TRT shall within ten (10) days upon receipt of

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written notification by the TRT's Solicitors, unconditionally deposit the Shortfall 3 with the TRT's Solicitors who are authorized to immediately release the same to the Chargee together with the Balance Purchase Price 3.

- (ii) If UP is unable to pay the Balance Purchase Price 3 by the expiry of Completion Period in accordance with the provisions of Section 2.6.3.2(i) above, TRT irrevocably automatically grants to UP an extension of 1 month from the expiry of the Completion Period ("**Extended Completion Period**") to complete the purchase of the Subject Property 3 subject to UP paying to TRT interest on the unpaid and outstanding amount of the Balance Purchase Price 3 calculated on a daily basis at the rate of 8% per annum from the day following the expiry of the Completion Period to the date of full payment thereof, based on a 365 day year on the actual number of days elapsed ("**Late Payment Interest 3**"), such Late Payment Interest 3 shall be payable together with such part of the Balance Purchase Price 3 as remains unpaid.
- (iii) The receipt by (a) UP's solicitors of any part of the Deposit 3, and (b) the Chargee or TRT's solicitors of any part of the Balance Purchase Price 3 shall be deemed sufficient discharge by UP of the sums so received.

2.6.3.3 Release of the Final Balance 3

- (i) TRT's solicitors shall deal with the Final Balance 3 and Late Payment Interest 3 (if any) in the following manner:
 - (a) to pay out such sums as are due and owing by TRT to the relevant authorities in respect of any quit rents, assessment, rates, taxes, sewerage and all other outgoings outstanding as at the date of delivery of vacant possession of the Subject Property 3 to UP ("**Outstanding Outgoings 3**") and to retain RM10,000.00 to be used towards payment of any outstanding bills for utilities (with any balance thereof after such payment of utilities bill(s) to be released to TRT as at the date of delivery of vacant possession of this Subject Property 3 to UP ("**Utilities Retention Sum 3**"); and
 - (b) to release the Final Balance 3 and Late Payment Interest 3 (if any) less the Outstanding Outgoings 3 (if any) and the Utilities Retention Sum 3 (if any) to TRT ("**Final Releasable Sums 3**") upon the expiry of 14 days of the presentation of the Transfer 3 for registration at the relevant land registry, PROVIDED THAT vacant possession of the Subject Property 2 has been duly delivered to UP, unless prior to such release the TRT's solicitors receive notification that the presentation of the Transfer 3 is not accepted or the Transfer 3 is rejected by the relevant land registry, in which event the TRT's solicitors shall withhold the release of the Final Releasable Sums 3 until the impediment to the registration of the Transfer 3 is removed and the Transfer 3 can be duly registered with the relevant land registry. For the purposes of this sub-section (bb), presentation of the memoranda of transfer of Subject Property 3 ("**Transfer 3**") for registration at the relevant land registry, if it has not taken place sooner, shall be deemed to

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have taken place on the 5th business day of receipt by UP's solicitors of the stamp certificate evidencing payment of the stamp duty on the Transfer 3, the original title deed to the Subject Property 3, the stamped duplicate of the charge, the discharge of the charge (Form 16N) duly executed by the Chargee and stamped, the relevant year quit rent, the relevant year assessment receipts, if applicable, or if applicable, the relevant authority's letter confirming that the quit rent and/or assessment in respect of the Subject Property 3 are not payable, the original ELB Approval 3, the original State Authority Approval, the requisite registration fee for the ELB Approval 3 and the requisite registration fee for the State Authority Approval (if applicable), and all such other documents as may be required by the relevant land registry for the presentation and registration of the Transfer 3 which are incumbent upon TRT to deliver.

- (ii) Notwithstanding Section 2.6.3.3(i)(b), it is agreed that (a) if the date of release of the Final Releasable Sums 3 under the SPA 3 and the date of release of the final releasable sums under the SPA 1 and SPA 2 should fall on the same date, then the Final Releasable Sums 3 under the SPA 3, and under the SPA 1 and SPA 2 shall be made simultaneously on the same date, and (b) if the date of release of the Final Releasable Sums 3 under the SPA 3 does not fall on the same date as the date for release of the final releasable sums under the SPA 1 and SPA 2, then the Final Releasable Sums 3 under the SPA 3 shall be on the date when the final releasable sums under the SPA 1, the SPA 2, or the SPA 3 shall become payable (whichever shall be the last).

2.7 Further Information of the Subject Properties

(i) Location of the Subject Properties

The Subject Properties are located in a well-developed agricultural area within the locality popularly known as Changkat Jong approximately 8 to 10 kilometers (“km”) before the township of Teluk Intan, Perak Darul Ridzuan. The plantation is situated about a 100-meter off the existing upgraded road linking the towns of Bidor and Teluk Intan. The general locality of the area is within the administrative district of the Majlis Perbandaran Teluk Intan. Notable kampung-type developments include Kampung Bharu Bikam, Kampung Ayer Kuning, Kampung Ayer Hitam, Kampung Changkat Jong and Kampung Batang Poyan. Some of the larger estates within the immediate locality include Moccis Estate, Felcra Sungai Sungkai Mati, Selaba Estate, Seri Pelangi Estate, Sussex Estate, Cloucester Estate, Cicely Estate, Teluk Anson Plantation, United Plantations, Nova Scotia Estate and Kuala Bikam Estate.

The Subject Properties enjoy easy access as they are situated almost on the Bidor–Teluk Intan road, which has been upgraded in recent years. Jalan Bidor–Teluk Intan links the North South Highway (PLUS) to the old existing from Klang to Taiping coastal road. The proposed West Coast Expressway cuts through this road just after the Selaba Estate and this expressway is currently under construction. There is also easy access to Jalan Changkat Jong via well-planned service roads.

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The Subject Properties lie about 100-metre south of Jalan Changkat Jong (the Bidor-Teluk Intan main road). Teluk Intan town centre is within comfortable commuting distance about 10km on the northwest, whilst the Bidor town centre and the North-South Expressway are located about 30km on the northeast. In view of the favourable location, the area is expected to maintain its appeal for agricultural development in the foreseeable future.

(Source: Valuation Report)

(ii) Plantation Profile of the Subject Properties

Description	Acres
Reserve for planting	528.83
Mature palms (above 4 years old)	7,883.01
Immature palms (below 4 years old)	80.66
Total planted area	8,492.50

(iii) Production of the Subject Properties

The historical total production of fresh fruit bunches (“FFB”) and crude palm oil of the Subject Properties for the past three (3) financial years ended (“FYE”) 30 June 2015 to 2017 is as follows:-

FYE 30 June	FFB (metric tonne)	Crude palm oil (metric tonne)
2017	40,526.75	7,662.78
2016	45,029.81	8,613.17
2015	55,121.16	10,423.23

2.8 Sources of funding

The Company intends to fund the Proposed Acquisitions entirely through internally generated fund.

2.9 Liabilities to be assumed

UP will not be assuming any liabilities, contingent liabilities or guarantees pursuant to the Proposed Acquisitions.

2.10 Additional financial commitment

Save for the premium to be paid to renew the leasehold periods of the Subject Properties to 99-year leasehold periods as disclosed in Section 5.3 of this announcement and the costs to be incurred for the rehabilitation of the Subject Properties (being part of UP’s ordinary business operations) as disclosed in Section 4.3 of this announcement, there is no other additional financial commitment to be incurred by UP in relation to the Proposed Acquisitions.

3. RATIONALE

The Proposed Acquisitions are consistent with the growth plan of UP and its subsidiaries (“UP Group” or “Group”) to continue to expand its land bank when good business opportunities arise, as the Proposed Acquisitions are expected to increase the Group’s Malaysian plantation land bank by almost 10% from approximately 40,821 ha to 44,463 ha, thereby increasing the total land bank of UP Group (including the Group’s land bank in Indonesia of 18,663 ha) to 63,126 ha from the

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current 59,484 ha. Furthermore, the management of UP is of the view that the Proposed Acquisitions represent a strategic investment, after taking into consideration of the following:-

- (i) good agronomic qualities of the Subject Properties in the form of soil texture and fertility as well as suitable terrain will with the introduction of UP's high yielding planting materials, combined with its total commitment towards enforcing sustainable practices, provide an excellent basis for future yield enhancement. In addition, the land is flat and ideal for mechanisation which is expected to enhance the operational productivities going forward. With the above, the acquisition is expected to provide good earnings potential in the medium to long term;
- (ii) the Subject Properties have good accessibility and are located in close proximity to UP's existing plantations providing economies of scale through operational and infrastructure synergies as well as availability of human resources and experienced management. With the increased FFB production, expected in the medium term, the Group will benefit by generating more renewable energy via its established biogas plant and biomass boilers on Jendarata Estate, Perak, thereby reducing the Group's carbon footprint;
- (iii) the Subject Properties provide an excellent growth possibility considering the scarcity of suitable and sizeable land banks for oil palm cultivation in Perak, which are available for acquisition. With UP's commitment to No Deforestation and No Development of High Conservation Value and High Carbon Stock areas combined with the principles and criteria of the RSPO, expansion of land bank is basically only possible through acquisition of established plantation areas (Brown-Field areas) which is why the Proposed Acquisitions make great strategic sense; and
- (iv) the Subject Properties are located in Perak, the home state of UP, in which UP has operated since 1906. Thus, UP is confident and willing to commit to the long-term investment and development in the Subject Properties, due to its familiarity with the geographical and cultural environment of Perak.

In view of the above, the Proposed Acquisitions are expected to contribute positively to the earnings as well as the shareholders' value of the Company in the medium to long term.

4. INDUSTRY OUTLOOK AND PROSPECT

4.1 Overview of the Malaysian Economy

The Malaysian economy expanded at a slower pace of 4.5% in the second quarter of 2018 (1Q 2018: 5.4%). On the demand side, growth was dampened by lower public investment and net export growth. Private sector spending remained resilient, expanding further by 7.5% (1Q 2018: 5.2%). In particular, private consumption increased strongly by 8.0% (1Q 2018: 6.9%). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.3% (1Q 2018: 1.4%).

Domestic demand recorded a stronger growth of 5.6% (1Q 2018: 4.1%), as the higher private sector activity (7.5%; 1Q 2018: 5.2%) more than offset the decline in public sector spending (-1.4%; 1Q 2018: -0.1%). Private consumption expanded at a stronger pace of 8.0% (1Q 2018: 6.9%), the highest since the first quarter of 2015, driven by continued strength in income and employment. Public consumption registered a higher growth of 3.1% (1Q 2018: 0.4%), supported by improvement in supplies and services and sustained growth in emoluments.

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On the supply side, growth was affected by commodity-specific shocks. Major economic sectors, notably the services and manufacturing sectors, remained supportive of growth.

The Malaysian economy continued to expand in the first half of 2018. The Malaysian economy is expected to remain on a steady growth path in 2018 as private sector activity remained firm. Going forward, growth is expected to be broadly sustained, supported mainly by private sector spending.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2018, Bank Negara Malaysia)

4.2 Outlook of the oil palm plantation industry

The Malaysian oil palm industry showed sterling performance in 2017. Crude palm oil (CPO) production and FFB yield witnessed significant increases following recovery from the impact of the El-Nino phenomenon a year earlier. According to the Department of Statistics, Malaysia, higher palm oil prices and improved export demand helped push export earnings to RM77.85 billion up from RM67.92 billion in 2016.

In 2017, CPO production increased by 15.0%, reaching 19.92 million tonnes as against 17.32 million tonnes in 2016. The increase was due to higher FFB processed, up by 17.7% arising from higher FFB production that increased by 12.4%. CPO production in Peninsular Malaysia, Sabah and Sarawak increased by 19.0%, 7.6% and 15.1% to 10.58 million tonnes, 5.22 million tonnes and 4.13 million tonnes, respectively.

The FFB yield improved significantly in 2017 by 12.4% to 17.89 tonnes per ha as against 15.91 tonnes per ha in 2016. FFB yield for Peninsular Malaysia increased by 18.6% to 18.70 tonnes per ha as against 15.77 tonnes per ha in 2016. Sabah's FFB yield registered an increase of 7.3% to 18.35 tonnes per ha as against 17.10 tonnes, while that of Sarawak was equally higher at 16.13 tonnes per ha, up by 8.5% compared to 14.86 tonnes per ha in 2016.

(Source: Overview of the Malaysia Oil Palm Industry 2017, Malaysia Palm Oil Board)

The total area under cultivation with oil palms in Malaysia stands at 5.85 million ha today. Whilst Malaysia is the world's second largest producer of palm oil with an annual production of about 20 million tons, it nevertheless remains a versatile producer with infrastructural and logistical advantages that enable many of its producers to be amongst the most efficient producers in the world.

The world demand for oils and fats is expected to reach a new high in 2019. Palm oil and palm kernel oil accounting for about 60% of all net exports of vegetable oils worldwide will continue to play a dominant role in meeting this growing demand wherefore the palm oil industry will continue to account for well over 50% of the net annual growth in demand of vegetable oils and fats not just in 2019 but also right up to 2025.

Having said this the industry must closely monitor the developments within the European Union where trade barriers are being considered to limit the use of palm oil within the biofuels sector. The latter could have a negative effect on the overall vegetable oil price complex.

The world population reached 7.65 billion people by the end of 2017 and is according to the United Nations expected to reach a staggering 9.7 billion people by the end of 2050.

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This will exert a tremendous pressure on global food production. So much so that the Food and Agricultural Organization, under the United Nations, has recently stated that global food production will have to increase by over 60% during the course of the next 32 years if the world is to meet the demands by a world population expected to increase by just over 2 billion people by 2050. This combined with the tremendous demands from a growing middle class will exert an even greater pressure on global food production as this segment of the population which on average consumes 25% more calories per person per day is expected to grow from the present 2.5 billion people to 5 billion people by 2050.

As such, the oils and fats sector is expected to play a crucial role in contributing towards meeting this growing demand.

(Source: United Nations 2017, Oil World 2017 & 2018)

4.3 Prospects of the Subject Properties

The management of UP intends to focus on improving the productivity of the Subject Properties upon completion of the Proposed Acquisitions by embarking on a rehabilitation exercise. This rehabilitation exercise would entail the following:-

- (i) improvement on estate upkeep and maintenance practices in order to improve the yields of the existing oil palm trees on the Subject Properties;
- (ii) an accelerated replanting of old and low yielding oil palm trees with UP's higher yielding planting materials developed in-house at UP's research and development centre;
- (iii) improve the efficiency of FFB harvesting and evacuation through proven practices currently adopted by UP throughout its plantation assets; and
- (iv) provide modern housing facilities and an overall upgrade on infrastructure on the property combined with the intention of becoming Malaysian Sustainable Palm Oil (MSPO) and RSPO certified as soon as possible by implementing the groups sustainability standards throughout the new operations.

The Proposed Acquisitions will enable UP to continue its position as one of the most cost-efficient producers of sustainable palm oil in Malaysia by fully exploiting the economies of scale made possible through the close proximity of the Subject Properties to UP's headquarters located approximately 10km away from the Subject Properties.

The good accessibility and geographic location will enable UP's top management to intervene and be present on a daily basis thereby introducing high standards and upholding an agricultural discipline which UP is known for today.

Furthermore, the increase in FFB production harvested from the Subject Properties will also enable the Group to generate more renewable energy via its established biomass boilers and biogas plants thereby reduces its carbon footprint significantly. This is expected to result in notable cost reductions for the Group.

As such, the Subject Properties are expected to contribute positively to UP Group's profitability in the medium to long term and the Proposed Acquisitions will increase UP's plantation hectareage and thereby its presence in the Malaysian oil palm sector.

(Source: The management of UP)

5. RISK FACTORS

The Proposed Acquisitions would subject UP to certain risks, which include, amongst others, the following key risk factors:-

5.1 Non-completion risk

The Proposed Acquisitions are subject to the terms and conditions of the SPAs. There is no definitive assurance that the Proposed Acquisitions will not be exposed to risk such as an inability of either party to complete the Proposed Acquisitions in accordance with the terms of the SPAs and within the time period prescribed under the SPAs.

However, the Board will take reasonable steps to ensure that such conditions precedent 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 Acquisitions in a timely manner.

5.2 Investment risk

Although the Proposed Acquisitions are expected to contribute positively to the earnings of UP, there is no guarantee that the anticipated benefits from the Proposed Acquisitions will be realised and the duration required for UP to recoup its investment may be longer than anticipated.

The Board has exercised due care in considering the potential risks and benefits associated with the Proposed Acquisitions and the Board has unanimously concluded that the Proposed Acquisitions are believed to be of strategic importance and will beyond doubt help to create long term value to all its shareholders.

5.3 Leasehold terms extension risk

The Subject Properties are leasehold lands and UP, as owner after the completion of the Proposed Acquisitions, will apply to the Perak State Authority for the leasehold terms to be extended before the expiry of the term specified in the documents of titles. The approval of an application for extension of the term shall be at the discretion of the Perak State Authority, and such approval if given, will be subject to payment of premium and other charges as may be prescribed by the Perak State Authority. There may also be other conditions imposed by the Perak State Authority pursuant to the lease extension granted.

Such conditions imposed by the state authorities upon renewal of the Subject Properties' leasehold tenures may affect the operating profits of UP.

6. EFFECTS OF THE PROPOSED ACQUISITIONS

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisitions will not have any effect on the share capital and substantial shareholders' shareholdings as the Proposed Acquisitions will be satisfied entirely in cash and does not involve any issuance of new ordinary shares in UP.

6.2 Net assets ("NA") and gearing

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The Proposed Acquisitions will not have any effect on the NA and gearing of UP as the Proposed Acquisitions will be satisfied entirely in cash and does not involve any issuance of new ordinary shares and borrowings in UP.

6.3 Earnings

The Proposed Acquisitions are not expected to have any material effect on the earnings and earnings per share (“**EPS**”) of UP for the FYE 31 December 2018 as the completion of the Proposed Acquisitions are expected to be in the first quarter of FYE 31 December 2019. Nevertheless, the Proposed Acquisitions are expected to contribute positively to the future earnings and EPS of UP in the medium to long term.

7. APPROVALS REQUIRED

The Proposed Acquisitions are not subject to the approval from the shareholders of UP.

The purchase and/or transfer of the Subject Properties is subject to and conditional upon the approvals being obtained from the following authorities:-

- (i) the Estate Land Board;
- (ii) the Perak State Authority;
- (iii) the EPU, if required; and
- (iv) any other authorities, if required.

8. APPLICATIONS TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the applications to the relevant authorities for the purchase and/or transfer of the Subject Properties are expected to be submitted within 2 months from the date of this announcement.

9. INTER-CONDITIONALITY OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions are conditional upon each other. However, pursuant to the terms under the SPAs as disclosed in Section 2.6.1.1(ii), Section 2.6.2.1(ii) and Section 2.6.3.1(ii) of this announcement, UP has the option to continue with any of the SPA(s) in the event that the conditions precedent of any of the other SPA(s) are not fulfilled. Furthermore, the concurrent completion of the SPAs is subject to Section 6 of the Appendices of this announcement.

The Proposed Acquisitions are not conditional upon any other corporate proposals of the Company.

10. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO DIRECTORS OR MAJOR SHAREHOLDERS

None of the directors and/or major shareholders of UP and/or persons connected to them have any interest, direct or indirect, in the Proposed Acquisitions.

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For information purposes only, Jendarata Bernam Provident Fund, being an employee retirement fund of UP, is holding 3,596,000 shares or 2.40% equity interest in PPB as at the LPD. For the avoidance of doubt, the investment in PPB by the above said retirement fund is to generate investment return for the employees, being the beneficial of the said retirement fund.

11. DIRECTORS' STATEMENT

The Board, after taking into consideration all aspects of the Proposed Acquisitions, including amongst others, the terms and conditions of the SPAs, the basis and justification of the Proposed Acquisitions, rationale and prospects is of the opinion that the Proposed Acquisitions are in the best interest of UP.

12. ADVISERS

AmInvestment Bank has been appointed as the Principal Adviser for the Proposed Acquisitions.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Proposed Acquisitions are expected to be completed in the first quarter of FYE 31 December 2019.

14. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Acquisitions pursuant to paragraph 10.02(g) of Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 16.50%.

15. DOCUMENTS FOR INSPECTION

The SPAs, Valuation Report and valuation certificate in relation to the Proposed Acquisitions are available for inspection at UP's registered office located at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) after seven (7) days from the date of this announcement for a period of three (3) months.

This announcement is dated 21 September 2018

The other salient terms of the SPA 1 are as follows:

1. Vacant Possession

- (i) Vacant possession of the Subject Property 1 shall be delivered by PPM to UP within 5 business days of the completion date ("**Vacant Possession Period**").
- (ii) In the event that PPM fail and/or neglect to deliver vacant possession of the Subject Property 1 to UP within the Vacant Possession Period, PPM shall be liable to pay UP agreed late delivery interest at the rate of 8.0% per annum on the Purchase Consideration 1 calculated on daily basis from the expiry of the Vacant Possession Period until vacant possession is delivered to UP ("**Late Delivery Interest 1**").
- (iii) Vacant possession of the Subject Property 1 shall mean the delivery of the Subject Property 1 (together with the structures) free from (i) Encumbrances and (ii) all occupants, trespassers, squatters, tenants, licensees, and (iii) the Non-Continuing Workers (as defined herein) together with their families (if any), but shall not include the delivery of the Subject Property 1 free of the Continuing Workers (and their families, if any).
- (iv) No later than one (1) month from the Unconditional Date 1 or such other date as the parties shall mutually agree to, PPM shall terminate and issue compensation to all its affected staff, employees and workers who are working in the oil palm estate comprising the Subject Property 1 set out in the SPA 1 ("**Affected Workers**") which shall take effect on the date failing on the expiry of the Vacant Possession Period.
- (v) Simultaneously with the issuance of the termination notice by PPM, UP shall offer a new employment contract to all the Affected Workers on terms no less favourable than the Affected Workers' current terms of employment (but subject to a probationary period at UP's discretion).
- (vi) All Affected Workers offered a new employment contract shall have no more than 7 days from the date of UP's offer, to accept or reject the new employment contract. Where any Affected Worker accepts the new employment contract ("**Continuing Worker**"), then such Continuing Worker (together with their families, if any) shall be the responsibility of UP from the commencement of the new employment contract.
- (vii) Where any Affected Worker does not accept the offer of a new employment contract by UP ("**Non-Continuing Worker**"), PPM shall complete the termination exercise in respect of such Non-Continuing Worker on a date between the Completion Date and the expiry of the Vacant Possession Period and procure that all Non-Continuing Workers and their families shall vacate the Subject Property 1 on or before the expiry of the Vacant Possession Period.
- (viii) All palm kernel and all palm oil extracted and stored in tanks within the Subject Property 1 ("**Existing Products**") as at the expiry of the Vacant Possession Period, shall belong absolutely to PPM. In this regard, PPM and its servants, agents, contractors, and appointees shall be permitted, within 5 business days of the expiry of the Vacant Possession Period, to enter upon the Subject Property 1 for the sole purpose of removing the said Existing Products at its own costs, expense and risk.

2. Basis of Sale

- (i) UP confirms and declares that the sale of the Subject Property 1 is on an “as is where is” basis and that UP has inspected and conducted independent search and inquiries into the Subject Property 1 and is satisfied with and accepts the condition, state, nature and character of the Subject Property 1, and all topographical and geographical aspects thereof including that the Subject Property 1 is currently cultivated as an oil palm estate, and as to all conditions of title, category of land use, and restrictions in interest set out in the title deeds and applicable thereto and the present zoning or other schemes whatsoever affecting the Subject Property 1 (if any), and UP shall not be entitled to terminate the SPA 1 or make any claim or claims whatsoever in respect of any mis-description of the area, condition, or state of the Subject Property 1 as aforesaid (save for any misrepresentation or fraud on the part of PPM). PPM confirms and covenants with UP that SUBJECT ALWAYS TO this Section 2 of this Appendix I, the Subject Property 1 shall be substantially in and of the same condition, state, nature and character at the delivery date of vacant possession of the Subject Property 1 as it is as at the date of the SPA 1 (fair wear and tear excepted).
- (ii) The sale and purchase of the Subject Property 1 shall include all buildings and structures currently standing on and/or located within the Subject Property 1 (“**Structures**”) which forms a part of the Subject Property 1, and a reference to the Subject Property 1 in the SPA 1 shall be taken to include the Structures. As clarification such Structures shall include office buildings, an oil palm mill, residential quarters for workers at the plantation, and a temple/shrine. In this regard, PPM makes no representations nor gives any warranties whatsoever as to the state, nature, condition, and suitability for use or purpose of any of the said Structures.
- (iii) PPM confirms and declares that there are no penalties or fines relating to the Structures and/or the Subject Property 1 as at the delivery date of vacant possession of the Subject Property 1 to UP. PPM shall indemnify UP in respect of all penalties, fines and damages that may arise as a result of any late payment by PPM of the penalties or fines which may be incurred before the delivery date of vacant possession of the Subject Property 1 to UP and Provided Further that the outstanding penalties and fines incurred in respect of the Subject Property 1 prior to PPM's delivery of vacant possession shall remain the liability of PPM and shall be paid by PPM forthwith.

3. Default by the Vendor

If PPM shall default in taking the necessary steps to complete the sale or to transfer the Subject Property 1 to UP in accordance with the provisions of the SPA 1, UP shall be entitled at its option to either:-

- (i) specific performance of the SPA 1; or
- (ii) to terminate the SPA 1 whereupon:
 - (a) PPM shall within 14 days of receiving a written notice of such termination from UP (“**Termination Notice 1**”):-
 - (aa) refund or procure the refund to UP free of interest all monies paid by UP towards the account of the Purchase Consideration 1 and Late Payment Interest 1 (if any), including the Deposit 1 (free of interest) (“**S&P monies 1**”). In respect of the redemption sum paid to the Chargee (if any), PPM shall procure the Chargee to refund to UP within 14 days from the expiry of the Termination Notice 1; and

- (bb) pay to UP as liquidated damages an amount equal to the Deposit 1 (“**Liquidated Damages 1**”).
- (b) UP’s solicitors shall within 5 business days from the date of receipt of the S&P monies 1 and the Liquidated Damages 1 by UP in accordance with Section 3(ii)(a) of this Appendix I present the withdrawal of private caveat executed in escrow by UP for registration at the relevant land registry and forward documentary evidence of said registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to PPM’s solicitors.
- (c) UP shall within 5 business days from the date of receipt of the S&P monies 1 and the Liquidated Damages 1 by UP in accordance with Section 3(ii)(a) of this Appendix I at its own cost and expense, return or cause to be returned to PPM, all documents forwarded by PPM, PPM’s solicitors, and the Chargee with PPM’s interest therein intact other than the Transfer 1 if the Transfer 1 has been adjudicated and stamped to enable UP’s solicitors to submit the Transfer 1 to the Stamp Office for cancellation and refund of the stamp duty paid thereon.

Thereafter, the SPA 1 shall lapse and terminate and be of no further effect whatsoever.

4. Default by the Purchaser

In the event that UP shall default in the payment of the Balance Purchase Price 1 within the Extended Completion Period, PPM shall be entitled to terminate the SPA 1 by giving written notice to UP whereupon the Deposit 1 shall be forfeited absolutely to PPM by way of agreed liquidated damages (“**Forfeiture and Termination Notice 1**”) and PPM shall within 14 days from the expiry of the Forfeiture and Termination Notice 1 refund or procure to refund all other monies paid by UP towards account of the Purchase Consideration 1, free of interest. In respect of the redemption sum paid to the Chargee (if any), which PPM shall procure the Chargee to refund to UP within 14 days from the expiry of the Forfeiture and Termination Notice 1, it is agreed that to facilitate the refund of the redemption sum, the said refund shall be subject to UP returning the title deeds and the discharge documents to the Chargee with the Chargee’s interest therein remaining intact. UP shall within 14 days of the Forfeiture and Termination Notice 1 but subject always to the refund of all the amounts due to UP having been deposited with UP’s solicitors for release to UP, at its own cost and expense do the following:-

- (a) return or cause to be returned to PPM, all documents forwarded by PPM, PPM’s solicitors and the Chargee with PPM’s interest therein intact other than the Transfer 1 if the Transfer 1 has been adjudicated and stamped to enable UP’s solicitors to submit the Transfer 1 to the Stamp Office for cancellation and refund of the stamp duty paid thereon; and
- (b) forward documentary evidence of registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to PPM’s solicitors.

UP’s solicitors are authorised to release the aforesaid refund to UP after UP has complied with the provisions (a) and (b) above.

Thereafter, the SPA 1 shall lapse and terminate and be of no further effect whatsoever.

5. Non-registration of purchaser's transfer

- (i) In the event that the Transfer 1 in favour of UP cannot be registered by the relevant authority for any reason or defect not attributable to any act, omission, fault, neglect and/or blameworthy conduct on the part of the parties to the SPA 1 and which cannot be rectified within 3 months from the parties' knowledge of the reason or defect, then either party shall be entitled to terminate the SPA 1 by written notice served upon the other whereupon:-
- (a) PPM shall within 14 days of receipt of such termination notice refund to UP all monies paid by UP towards Purchase Consideration 1 including the Deposit 1, free of interest, such refund shall be made to UP's solicitors as stakeholders;
- (b) UP shall within 5 business days from the date of such refund:
- (aa) return or cause to be returned to PPM all documents forwarded by PPM, PPM's solicitors and the Chargee with PPM's interest therein intact other than the Transfer 1 if the Transfer 1 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 1 to the Stamp Office for cancellation and refund of the stamp duty paid thereon;
- (bb) forward the documentary evidence of registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to PPM's solicitors (in the event such private caveat has been lodged against the Subject Property 1) pursuant to the provisions hereunder; and
- (cc) deliver vacant possession of the Subject Property 1 to PPM, if the same should have already been delivered, free of any rental or compensation payable to PPM for the period during which UP had possession of the Subject Property 1.
- (c) Thereafter, UP's solicitors shall be irrevocably authorised to release the aforesaid refund to UP after UP has complied with sub-section (b) hereinabove.
- (ii) Thereafter, the SPA 1 shall lapse and terminate and be of no further effect whatsoever.

6. Termination or completion of SPA 2 and/or SPA 3

- (i) Subject to Section 6(ii) of this Appendix I, the completion for the sale and purchase of the Subject Property 1 shall be conditional upon the concurrent completion of the SPA 2 and SPA 3 in accordance with the terms of the SPA 2 and the SPA 3.
- (ii) In the event that the SPA 2 and/or the SPA 3 are/is not completed as provided in Section 6(i) of this Appendix I, the following shall apply:-
- (a) if the sale and purchase of Subject Property 2 and Subject Property 3 are/is not completed due to no default of any of the parties in accordance with the SPA 2 and/or the SPA 3, the parties may mutually agree to continue with the sale and purchase herein or alternatively, either party shall be entitled at its discretion by notice in writing to the other party, terminate the sale and purchase herein whereupon the provisions of Section 5 of this Appendix I shall apply *mutatis mutandis*;

- (b) if the sale and purchase of the Subject Property 2 and/or Subject Property 3 are/is not completed due to the default of UP in accordance with the provisions of the SPA 2 and/or the SPA 3 resulting in the termination of SPA 2 and/or the SPA 3, PPM shall be entitled at its discretion by notice in writing to UP either to continue with the sale and purchase herein or alternatively to terminate the sale and purchase herein whereupon the provisions of Section 4 of this Appendix I shall apply as though UP is in default under the SPA 1; or
- (c) if the sale and purchase of the Subject Property 2 and/or Subject Property 3 are/is not completed due to the default of PPM in accordance with the provisions of the SPA 2 and/or the SPA 3 resulting in the termination of the SPA 2 and/or the SPA 3, UP shall be entitled at its discretion by notice in writing to PPM either to continue with the sale and purchase herein or alternatively to terminate the sale and purchase herein whereupon the provisions of Section 3 of this Appendix I shall apply as though PPM is in default under the SPA 1.
- (iii) If the conditional period or the completion for the SPA 2 and/or the SPA 3 are/is extended in accordance with the provisions of the SPA 2 and/or the SPA 3, the Conditional Period 1 or the Completion Period shall be extended accordingly to be consistent with the SPA 2 and/or the SPA 3.

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The other salient terms of the SPA 2 are as follows:

1. Vacant Possession

- (i) Vacant possession of the Subject Property 2 shall be delivered by SKM to UP within the Vacant Possession Period.
- (ii) In the event that SKM shall for any reason whatsoever fail and/or neglect to deliver vacant possession of the Subject Property 2 to UP within the Vacant Possession Period, SKM shall be liable to pay UP agreed late delivery interest at the rate of 8.0% per annum on the Purchase Consideration 2 calculated on daily basis from the expiry of the Vacant Possession Period until vacant possession is delivered to UP ("**Late Delivery Interest 2**"). Such Late Delivery Interest 2 shall be paid by SKM to UP simultaneously with the delivery of vacant possession of the Subject Property 2 to UP.
- (iii) Vacant possession of the Subject Property 2 shall mean the delivery of the Subject Property 2 free from all structures, occupants, trespassers, squatters, tenants, licensees and SKM's staff, employees and workers.

2. Basis of Sale

- (i) UP confirms and declares that the sale of the Subject Property 2 pursuant to the SPA 2 is on an "as is where is" basis and that UP has inspected and conducted independent search and inquiries into the Subject Property 2 and is satisfied with and accepts the condition, state, nature, and character of the Subject Property 2, and all topographical and geographical aspects thereof including that the Subject Property 2 is currently cultivated as an oil palm estate, and as to all conditions of title, category of land use, and restrictions in interest set out in the title deed and applicable thereto, the present zoning or other schemes whatsoever affecting the Subject Property 2 (if any) and the rights registered pursuant to Section 11 of the Electricity Supply Act 1990 under Presentation No. 385/2004 dated 3 July 2004 in relation to 5.8598532 hectares of land which is part of the Subject Property 2, and UP shall not be entitled to terminate the SPA 2 or make any claim or claims whatsoever in respect of any mis-description of the area, condition, or state of the Subject Property 2 as aforesaid (save for any misrepresentation or fraud on the part of SKM). SKM confirms and covenants with UP that SUBJECT ALWAYS TO this Section 2 of this Appendix II, the Subject Property 2 shall be substantially in and of the same condition, state, nature and character at the delivery date of vacant possession of the Subject Property 2 as it is as at the date of the SPA 2 (fair wear and tear excepted).
- (ii) SKM confirms and declares that there are no penalties or fines relating to the Subject Property 2 as at the delivery date of vacant possession of the Subject Property 2 to UP. SKM shall indemnify UP in respect of all penalties, fines and damages that may arise as a result of any late payment by SKM of the penalties or fines which may be incurred before the date of delivery of vacant possession of the Subject Property 2 to UP and Provided Further that the outstanding penalties and fines incurred in respect of the Subject Property 2 prior to SKM's delivery of vacant possession shall remain the liability of SKM and shall be paid by SKM forthwith.

3. Default by the Vendor

If SKM shall default in taking the necessary steps to complete the sale or to transfer the Subject Property 2 to UP in accordance with the provisions of the SPA 2, UP shall be entitled at its option to either:-

- (i) specific performance of the SPA 2; or

- (ii) to terminate the SPA 2 whereupon:
- (a) SKM shall within 14 days of receiving a written notice of such termination from UP ("**Termination Notice 2**"):-
 - (aa) refund or procure the refund to UP free of interest all monies paid by UP towards the account of the Purchase Consideration 2 and Late Payment Interest 2 (if any), including the Deposit 2 (free of interest) ("**S&P monies 2**"). In respect of the redemption sum paid to the Chargee (if any), SKM shall procure the Chargee to refund to UP within 14 days from the expiry of the Termination Notice 2; and
 - (bb) pay to UP as liquidated damages an amount equal to the Deposit 2 ("**Liquidated Damages 2**").
 - (b) UP's solicitors shall within 5 business days from the date of receipt of the S&P monies 2 and the Liquidated Damages 2 by UP in accordance with Section 3(ii)(a) of this Appendix II present the withdrawal of private caveat executed in escrow by UP for registration at the relevant land registry and forward documentary evidence of said registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to SKM's solicitors.
 - (c) UP shall within 5 business days from the date of receipt of the S&P monies 2 and the Liquidated Damages 2 by UP in accordance with Section 3(ii)(a) of this Appendix II at its own cost and expense, return or cause to be returned to SKM, all documents forwarded by SKM, SKM's solicitors, and the Chargee with SKM's interest therein intact other than the Transfer 2 if the Transfer 2 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 2 to the Stamp Office for cancellation and refund of the stamp duty paid thereon.

Thereafter, the SPA 2 shall lapse and terminate and be of no further effect whatsoever.

4. Default by the Purchaser

In the event that UP shall default in the payment of the Balance Purchase Price 2 within the Extended Completion Period, SKM shall be entitled to terminate the SPA 2 by giving written notice to UP whereupon the Deposit 2 shall be forfeited absolutely to SKM by way of agreed liquidated damages ("**Forfeiture and Termination Notice 2**") and SKM shall within 14 days from the expiry of the Forfeiture and Termination Notice 2 refund or procure to refund all other monies paid by UP towards account of the Purchase Consideration 2, free of interest. In respect of the redemption sum paid to the Chargee (if any), which SKM shall procure the Chargee to refund to UP within 14 days from the expiry of the Forfeiture and Termination Notice 2, it is agreed that to facilitate the refund of the redemption sum, the said refund shall be subject to UP returning the title deed and the discharge documents to the Chargee with the Chargee's interest therein remaining intact. UP shall within 14 days of the Forfeiture and Termination Notice 2 but subject always to the refund of all the amounts due to UP having been deposited with UP's solicitors for release to UP, at its own cost and expense do the following:-

- (a) return or cause to be returned to SKM, all documents forwarded by SKM, SKM's solicitors and the Chargee with SKM's interest therein intact other than the Transfer 2 if the Transfer 2 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 2 to the Stamp Office for cancellation and refund of the stamp duty paid thereon; and
- (b) forward documentary evidence of registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to SKM's solicitors.

UP's solicitors are authorised to release the aforesaid refund to UP after UP has complied with the provisions (a) and (b) above.

Thereafter, the SPA 2 shall lapse and terminate and be of no further effect whatsoever.

5. **Non-registration of purchaser's transfer**

- (i) In the event that the Transfer 2 in favour of UP cannot be registered by the relevant authority for any reason or defect not attributable to any act, omission, fault, neglect and/or blameworthy conduct on the part of the parties to the SPA 2 and which cannot be rectified within 3 months from the parties' knowledge of the reason or defect, then either party shall be entitled to terminate the SPA 2 by written notice served upon the other whereupon:-
 - (a) SKM shall within 14 days of receipt of such termination notice refund to UP all monies paid by UP towards Purchase Consideration 2 including the Deposit 2, free of interest, such refund shall be made to UP's solicitors as stakeholders;
 - (b) UP shall within 5 business days from the date of such refund:
 - (aa) return or cause to be returned to SKM all documents forwarded by SKM, SKM's solicitors and the Chargee with SKM's interest therein intact other than the Transfer 2 if the Transfer 2 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 2 to the Stamp Office for cancellation and refund of the stamp duty paid thereon;
 - (bb) forward the documentary evidence of registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to SKM's solicitors (in the event such private caveat has been lodged against the Subject Property 2) pursuant to the provisions hereunder; and
 - (cc) deliver vacant possession of the Subject Property 2 to SKM, if the same should have already been delivered, free of any rental or compensation payable to SKM for the period during which UP had possession of the Subject Property 2.
 - (c) Thereafter, UP's solicitors shall be irrevocably authorised to release the aforesaid refund to UP after UP has complied with sub-section (b) hereinabove.
- (ii) Thereafter, the SPA 2 shall lapse and terminate and be of no further effect whatsoever.

6. **Termination or completion of SPA 1 and/or SPA 3**

- (i) Subject to Section 6(ii) of this Appendix II, the completion for the sale and purchase of the Subject Property 2 shall be conditional upon the concurrent completion of the SPA 1 and SPA 3 in accordance with the terms of the SPA 1 and the SPA 3.
- (ii) In the event that the SPA 1 and/or the SPA 3 are/is not completed as provided in Section 6(ii) of this Appendix II, the following shall apply:-
 - (a) if the sale and purchase of Subject Property 1 and Subject Property 3 are/is not completed due to no default of any of the parties in accordance with the SPA 1 and/or the SPA 3, the parties may mutually agree to continue with the sale and purchase herein or alternatively, either party shall be entitled at its discretion by notice in writing to the other party, terminate the sale and purchase herein whereupon the provisions of Section 5 of this Appendix II shall apply *mutatis mutandis*;

- (b) if the sale and purchase of the Subject Property 1 and/or Subject Property 3 are/is not completed due to the default of UP in accordance with the provisions of the SPA 1 and/or the SPA 3 resulting in the termination of SPA 1 and/or the SPA 3, SKM shall be entitled at its discretion by notice in writing to UP either to continue with the sale and purchase herein or alternatively to terminate the sale and purchase herein whereupon the provisions of Section 4 of this Appendix II shall apply as though UP is in default under the SPA 2; or
 - (c) if the sale and purchase of the Subject Property 1 and/or Subject Property 3 are/is not completed due to the default of respective vendors in accordance with the provisions of the SPA 1 and/or the SPA 3 resulting in the termination of the SPA 1 and/or the SPA 3, UP shall be entitled at its discretion by notice in writing to SKM either to continue with the sale and purchase herein or alternatively to terminate the sale and purchase herein whereupon the provisions of Section 3 of this Appendix II shall apply as though SKM is in default under the SPA 2.
- (iii) If the conditional period or the completion for the SPA 1 and/or the SPA 3 are/is extended in accordance with the provisions of the SPA 1 and/or the SPA 3, the Conditional Period 2 or the Completion Period shall be extended accordingly to be consistent with the SPA 1 and/or the SPA 3.

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The other salient terms of the SPA 3 are as follows:

1. Vacant Possession

- (i) Vacant possession of the Subject Property 3 shall be delivered by TRT to UP within the Vacant Possession Period.
- (ii) In the event that TRT shall for any reason whatsoever fail and/or neglect to deliver vacant possession of the Subject Property 3 to UP within the Vacant Possession Period, TRT shall be liable to pay UP agreed late delivery interest at the rate of 8.0% per annum on the Purchase Consideration 3 calculated on daily basis from the expiry of the Vacant Possession Period until vacant possession is delivered to UP ("**Late Delivery Interest 3**"). Such Late Delivery Interest 3 shall be paid by TRT to UP simultaneously with the delivery of vacant possession of the Subject Property 3 to UP.
- (iii) Vacant possession of the Subject Property 3 shall mean the delivery of the Subject Property 3 free from all structures, occupants, trespassers, squatters, tenants, licensees and TRT's staff, employees and workers.

2. Basis of Sale

- (i) UP confirms and declares that the sale of the Subject Property 3 pursuant to the SPA 3 is on an "as is where is" basis and that UP has inspected and conducted independent search and inquiries into the Subject Property 3 and is satisfied with and accepts the condition, state, nature, and character of the Subject Property 3, and all topographical and geographical aspects thereof including that the Subject Property 3 is currently cultivated as an oil palm estate, and as to all conditions of title, category of land use, and restrictions in interest set out in the title deed and applicable thereto and the present zoning or other schemes whatsoever affecting the Subject Property 3 (if any), and UP shall not be entitled to terminate the SPA 3 or make any claim or claims whatsoever in respect of any mis-description of the area, condition, or state of the Subject Property 3 as aforesaid (save for any misrepresentation or fraud on the part of TRT). TRT confirms and covenants with UP that SUBJECT ALWAYS TO the Section 2 of this Appendix III, the Subject Property 3 shall be substantially in and of the same condition, state, nature and character at the date of delivery of vacant possession of the Subject Property 3 as it is as at the date of the SPA 3 (fair wear and tear excepted).
- (ii) TRT confirms and declares that there are no penalties or fines relating to the Subject Property 3 as at the date of delivery of vacant possession of the Subject Property 3 to UP. TRT shall indemnify UP in respect of all penalties, fines and damages that may arise as a result of any late payment by TRT of the penalties or fines which may be incurred before the date of delivery of vacant possession of the Subject Property 3 to UP and Provided Further that the outstanding penalties and fines incurred in respect of the Subject Property 3 prior to TRT's delivery of vacant possession shall remain the liability of TRT and shall be paid by TRT forthwith.

3. Default by the Vendor

If TRT shall default in taking the necessary steps to complete the sale or to transfer the Subject Property 3 to UP in accordance with the provisions of the SPA 3, UP shall be entitled at its option to either:-

- (i) specific performance of the SPA 3; or
- (ii) to terminate the SPA 3 whereupon:

- (a) TRT shall within 14 days of receiving a written notice of such termination from UP ("**Termination Notice 3**"):-
 - (aa) refund or procure the refund to UP free of interest all monies paid by UP towards the account of the Purchase Consideration 3 and Late Payment Interest 3 (if any), including the Deposit 3 (free of interest) ("**S&P monies 3**"). In respect of the redemption sum paid to the Chargee (if any), TRT shall procure the Chargee to refund to UP within 14 days from the expiry of the Termination Notice 3; and
 - (bb) pay to UP as liquidated damages an amount equal to the Deposit 3 ("**Liquidated Damages 3**").
- (b) UP's solicitors shall within 5 business days from the date of receipt of the S&P monies 3 and the Liquidated Damages 3 by UP in accordance with Section 3(ii)(a) of this Appendix III present the withdrawal of private caveat executed in escrow by UP for registration at the relevant land registry and forward documentary evidence of said registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to TRT's solicitors.
- (c) UP shall within 5 business days from the date of receipt of the S&P monies 3 and the Liquidated Damages 3 by UP in accordance with Section 3(ii)(a) of this Appendix III at its own cost and expense, return or cause to be returned to TRT, all documents forwarded by TRT, TRT's solicitors, and the Chargee with TRT's interest therein intact other than the Transfer 3 if the Transfer 3 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 3 to the Stamp Office for cancellation and refund of the stamp duty paid thereon.

Thereafter, the SPA 3 shall lapse and terminate and be of no further effect whatsoever.

4. Default by the Purchaser

In the event that UP shall default in the payment of the Balance Purchase Price 3 within the Extended Completion Period, TRT shall be entitled to terminate the SPA 3 by giving written notice to UP whereupon the Deposit 3 shall be forfeited absolutely to TRT by way of agreed liquidated damages ("**Forfeiture and Termination Notice 3**") and TRT shall within 14 days from the expiry of the Forfeiture and Termination Notice 3 refund or procure to refund all other monies paid by UP towards account of the Purchase Consideration 3, free of interest. In respect of the redemption sum paid to the Chargee (if any), which TRT shall procure the Chargee to refund to UP within 14 days from the expiry of the Forfeiture and Termination Notice 3, it is agreed that to facilitate the refund of the redemption sum, the said refund shall be subject to UP returning the title deed and the discharge documents to the Chargee with the Chargee's interest therein remaining intact. UP shall within 14 days of the Forfeiture and Termination Notice 3 but subject always to the refund of all the amounts due to UP having been deposited with UP's solicitors for release to UP, at its own cost and expense do the following:-

- (a) return or cause to be returned to TRT, all documents forwarded by TRT, TRT's solicitors and the Chargee with TRT's interest therein intact other than the Transfer 3 if the Transfer 3 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 3 to the Stamp Office for cancellation and refund of the stamp duty paid thereon; and
- (b) forward documentary evidence of registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to TRT's solicitors.

UP's solicitors are authorised to release the aforesaid refund to UP after UP has complied with the provisions (a) and (b) above.

Thereafter, the SPA 3 shall lapse and terminate and be of no further effect whatsoever.

5. Non-registration of purchaser's transfer

- (i) In the event that the Transfer 3 in favour of UP cannot be registered by the relevant authority for any reason or defect not attributable to any act, omission, fault, neglect and/or blameworthy conduct on the part of the parties to the SPA 3 and which cannot be rectified within 3 months from the parties' knowledge of the reason or defect, then either party shall be entitled to terminate the SPA 3 by written notice served upon the other whereupon:-
- (a) TRT shall within 14 days of receipt of such termination notice refund to UP all monies paid by UP towards Purchase Consideration 3 including the Deposit 3, free of interest, such refund shall be made to UP's solicitors as stakeholders;
- (b) UP shall within 5 business days from the date of such refund:
- (aa) return or cause to be returned to TRT all documents forwarded by TRT, TRT's solicitors and the Chargee with TRT's interest therein intact other than the Transfer 3 if the Transfer 3 has been adjudicated and stamped to enable UP's solicitors to submit the Transfer 3 to the Stamp Office for cancellation and refund of the stamp duty paid thereon;
- (bb) forward the documentary evidence of registration at the relevant land registry of the withdrawal of the private caveat lodged by UP to TRT's solicitors (in the event such private caveat has been lodged against the Subject Property 3) pursuant to the provisions hereunder; and
- (cc) deliver vacant possession of the Subject Property 3 to TRT, if the same should have already been delivered, free of any rental or compensation payable to TRT for the period during which UP had possession of the Subject Property 3.
- (c) Thereafter, UP's solicitors shall be irrevocably authorised to release the aforesaid refund to UP after UP has complied with sub-section (b) hereinabove.
- (ii) Thereafter, the SPA 3 shall lapse and terminate and be of no further effect whatsoever.

6. Termination or completion of SPA 1 and/or SPA 2

- (i) Subject to Section 6(ii) of this Appendix III, the completion for the sale and purchase of the Subject Property 3 shall be conditional upon the concurrent completion of the SPA 1 and SPA 2 in accordance with the terms of the SPA 1 and the SPA 2.
- (ii) In the event that the SPA 1 and/or the SPA 2 are/is not completed as provided in Section 6(i) of this Appendix III, the following shall apply:-
- (a) if the sale and purchase of Subject Property 1 and Subject Property 2 are/is not completed due to no default of any of the parties in accordance with the SPA 1 and/or the SPA 2, the parties may mutually agree to continue with the sale and purchase herein or alternatively, either party shall be entitled at its discretion by notice in writing to the other party, terminate the sale and purchase herein whereupon the provisions of Section 5 of this Appendix III shall apply *mutatis mutandis*;

- (b) if the sale and purchase of the Subject Property 1 and/or Subject Property 2 are/is not completed due to the default of UP in accordance with the provisions of the SPA 1 and/or the SPA 2 resulting in the termination of SPA 1 and/or the SPA 2, TRT shall be entitled at its discretion by notice in writing to UP either to continue with the sale and purchase herein or alternatively to terminate the sale and purchase herein whereupon the provisions of Section 4 of this Appendix III shall apply as though UP is in default under the SPA 3; or
 - (c) if the sale and purchase of the Subject Property 1 and/or Subject Property 2 are/is not completed due to the default of respective vendors in accordance with the provisions of the SPA 1 and/or the SPA 2 resulting in the termination of the SPA 1 and/or the SPA 2, UP shall be entitled at its discretion by notice in writing to TRT either to continue with the sale and purchase herein or alternatively to terminate the sale and purchase herein whereupon the provisions of Section 3 of this Appendix III shall apply as though TRT is in default under the SPA 2.
- (iii) If the conditional period or the completion for the SPA 1 and/or the SPA 2 are/is extended in accordance with the provisions of the SPA 1 and/or the SPA 2, the Conditional Period 3 or the Completion Period shall be extended accordingly to be consistent with the SPA 1 and/or the SPA 2.

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