

QL RESOURCES BERHAD (“QL” OR “COMPANY”)

- (1) PROPOSED ACQUISITION OF A PIECE OF LAND WITH A SINGLE STOREY HOUSE ERECTED THEREON HELD UNDER CL 025115860, KAMPUNG KELATUAN, DISTRICT OF PAPAR, SABAH BY QL AGROVENTURES SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF QL FROM A RELATED PARTY, NAMELY, M.B. AGRICULTURE (SABAH) SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM2,098,000.00.**
- (2) PROPOSED ACQUISITION OF A PIECE OF FREEHOLD VACANT INDUSTRIAL HELD UNDER TITLE NO. H.S.(D) 287237, PT 50414, MUKIM SUNGAI BULOH, DAERAH PETALING, NEGERI SELANGOR AND BEARING POSTAL ADDRESS NO. 4, JALAN METEOR U16/153, ELMINA EAST, 40160 SHAH ALAM, SELANGOR BY QL KITCHEN SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF QL FROM A RELATED PARTY, NAMELY, SIZEABLE PROPERTIES SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM19,000,000.00.**
- (3) PROPOSED ACQUISITION OF A ONE THIRD (1/3) UNDIVIDED SHARE IN ALL THAT PIECE OF LEASEHOLD VACANT INDUSTRIAL LAND HELD UNDER TITLE NO. PAJAKAN NEGERI 106522, LOT 169483 (FORMERLY HELD UNDER HSD 145300, NO. PT 141924), MUKIM KLANG, DAERAH KLANG, NEGERI SELANGOR BY KS GALAH SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF QL FROM A RELATED PARTY, NAMELY, INSPIRASI DELIMA SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM23,000,000.00.**
- (4) PROPOSED ACQUISITION OF TWO (2) PIECES OF FREEHOLD AGRICULTURE LAND HELD UNDER GM 3871 (FORMERLY HELD UNDER GM 1138), LOT NO. 2651 & GM 4056 (FORMERLY HELD UNDER GM 1139), LOT NO. 2652, MUKIM HUTAN MELINTANG, TEMPAT TELUK, DAERAH BAGAN DATUK, NEGERI PERAK BY QL FOODS SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF QL FROM A RELATED PARTY, NAMELY, CREDENTIAL DEVELOPMENT SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM4,600,000.00.**

1. INTRODUCTION

The Board of Directors (“Board”) of the Company wishes to announce that the following wholly-owned subsidiaries of QL had on 20 December 2018 entered into a Sale and Purchase Agreement (“Agreement”) with the respective related parties (as disclosed below) to acquire lands of which the details are summarised below:-

| No. | QL’s wholly-owned subsidiary | Related Party | Description of the acquired land | Total Consideration (RM) |
|------------|-------------------------------------|------------------------------------|---|---------------------------------|
| 1. | QL Agroventures Sdn. Bhd. | M.B. Agriculture (Sabah) Sdn. Bhd. | A piece of land held with a single storey house erected thereon under CL 025115860, Kampung Kelatuan, District of Papar, Sabah, measuring approximately 17.15 acres (hereinafter referred to as “Proposed Acquisition 1”) | 2,098,000 |

| No. | QL's Subsidiary | Related Party | Description of Land | Total Consideration (RM) |
|--------------|----------------------|----------------------------------|--|--------------------------|
| 2. | QL Kitchen Sdn. Bhd. | Sizeable Properties Sdn. Bhd. | A piece of freehold vacant industrial land held under title no. H.S.(D) 287237, PT 50414, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor and bearing postal address No. 4, Jalan Meteor U16/153, , Elmina East, 40160 Shah Alam, Selangor , measuring approximately 4.046 acres (hereinafter referred to as "Proposed Acquisition 2") | 19,000,000 |
| 3. | KS Galah Sdn. Bhd. | Inspirasi Delima Sdn. Bhd. | One third (1/3) undivided share in all that piece of leasehold vacant industrial land held under Title No. Pajakan Negeri 106522, Lot 169483 (formerly held under HSD145300, No. PT 141924), Mukim Klang, Daerah Klang, Negeri Selangor, measuring approximately 9.605 acres (hereinafter referred to as "Proposed Acquisition 3") | 23,000,000 |
| 4. | QL Foods Sdn. Bhd. | Credential Development Sdn. Bhd. | Two (2) pieces of freehold agriculture land held under:- a. GM 3871 (formerly held under GM 1138), Lot No. 2651 Mukim Hutan Melintang, Tempat Teluk Daerah Bagan Datuk, Negeri Perak, measuring approximately 5.825 acres b. GM 4056 (formerly held under GM 1138), Lot No. 2652, Mukim Hutan Melintang, Tempat Teluk Daerah Bagan Datuk, Negeri Perak, measuring approximately 4.775 acres (hereinafter collectively referred to as "Proposed Acquisition 4") | 4,600,000 |
| TOTAL | | | | 48,698,000 |

The abovementioned proposed acquisitions are collectively referred to as the "Proposed Acquisitions".

2. INFORMATION ON QL'S WHOLLY OWNED SUBSIDIARIES

QL Agroventures Sdn. Bhd. (“QLAV”) is wholly-owned by QL via its wholly-owned subsidiary, QL Feedingstuffs Sdn. Bhd and is principally engaged in layer and broiler farming. The directors of QLAV are Dr Chia Song Kun, Mr Chia Song Kooi and Mr Chia Seong Fatt.

KS Galah Sdn. Bhd. (“KSG”) is wholly-owned by QL via its wholly-owned subsidiary, QL Feedingstuffs Sdn. Bhd and its intended business activity is feed milling. The directors of KSG are Mr Chia Song Kooi and Mr Chia Seong Pow.

QL Kitchen Sdn. Bhd. (“QLK”) is wholly-owned by QL via its wholly-owned subsidiary, QL Carbon Sdn. Bhd and is principally engaged in central kitchen operation. The directors of QLK are Mr Chia Song Kooi, Mr Chia Lik Khai, Mr Cheah Juw Teck and Ms Chia Juak Sui.

QL Foods Sdn. Bhd. (“QLF”) is wholly-owned by QL via its wholly-owned subsidiary, QL Fishery Sdn. Bhd and is involve in investment activities, manufacturing of surimi and surimi-based products. The directors of QLF are Mr Chia Song Kooi, Mr Cheah Juw Teck, Mr Chia Seong Pow, Mr Cheah Yaw Song, Mr Chia Song Phuan and Mr Chia Teow Guan.

3. INFORMATION ON THE RELATED PARTIES

M.B. Agriculture (Sabah) Sdn. Bhd. (“MBS”), Inspirasi Delima Sdn. Bhd. (“ID”) and Sizeable Properties Sdn. Bhd. (“SP”) are wholly-owned by Ruby Technique Sdn. Bhd. (“RT”), which in turn is 77.67% and 22.33% owned by CBG Holdings Sdn. Bhd. (“CBG”) and Farsathy Holdings Sdn. Bhd. (“Farsathy”) respectively. CBG is a person connected to CBG (L) Pte Ltd (CBG (L)), a major shareholder of QL. Farsathy is also a major shareholder of QL.

MBS is engaged in livestock farming and its directors are Mr Chia Song Kooi, Mr Chia Seong Fatt and Mr Chia Song Pou.

Meanwhile, ID is a property holding company and the directors are Mr Chia Song Swa and Mr Chia Lik Khai.

SP is also a property holding company and its directors are Mr Chia Song Swa and Mr Chia Lik Khai.

Credential Development Sdn. Bhd. (“CD”) is wholly-owned by CBG and is engaged in investment activities. The directors of CD are Dr Chia Song Kun, Mr Chia Song Swa and Mr Chia Mak Hooi.

4. ORIGINAL COST OF INVESTMENT, BASIS AND JUSTIFICATION IN ARRIVING AT THE PURCHASE CONSIDERATION

The original cost of investment, basis and justification in arriving at the purchase consideration of the respective proposed acquisitions are outlined in **Appendix 1** herein.

5. RATIONALE FOR THE PROPOSED ACQUISITIONS AND PROSPECTS OF THE ASSETS

The rationale for the respective proposed acquisition and prospects of the assets are as follows:-

| Proposed Acquisition | Rationale and Prospect of Assets |
|-----------------------------|--|
| Proposed Acquisition 1 | The land acquired will be used by QLAV for the purpose of its farming expansion. The said land is adjacent to the current broiler farm and has ready utilities supply with good road access. The new broiler farm is expected to increase the total farms' production capacity by 50%. |
| Proposed Acquisition 2 | The land acquired will be used for QLK's food processing operation. The location of the land is suitable for such expansion as it is near the elevated Damansara-Shah Alam Highway and Guthrie Corridor Expressway. |
| Proposed Acquisition 3 | The land acquired will be used by KSG to build a feed mill plant. The land is currently located near the West Port, which is the most strategic seaport in Peninsular Malaysia, hence saving logistic costs. This is in line with the Group's strategic plan in establishing its broiler integration project. |
| Proposed Acquisition 4 | The land acquired will be used for QLF's expansion on its food manufacturing business. The said land is adjacent to the existing water treatment plant and the acquisition will facilitate the urgent need to expand its water treatment facilities to cater for the increasing production capacity of the new production plant. |

6. SALIENT FEATURES OF THE AGREEMENT

The salient features of the Agreement of the respective proposed acquisitions are outlined in **Appendix 1** herein.

6. RISK FACTOR(S)

As QL Group's businesses are diversified into integrated livestock farming, marine products manufacturing and food manufacturing, it has already been exposed to inherent risks in these businesses. In this regard, the Board will ensure the adequacy and integrity of the risk management and internal control systems in such businesses.

7. THE FINANCIAL EFFECT OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions do not have any effect on QL's earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding.

8. SOURCE OF FUNDING

The Proposed Acquisitions will be funded by internally generated funds and/or borrowings.

9. PARTICULARS OF LIABILITIES TO BE ASSUMED BY THE SUBSIDIARIES ARISING FROM THE PROPOSED ACQUISITIONS

There are no liabilities (including contingent liabilities and guarantees) to be assumed by the respective subsidiaries arising from the Proposed Acquisitions.

10. APPROVAL

The respective subsidiaries had obtained approval from its shareholders and/or board of directors on the Proposed Acquisitions. No other approval from the shareholders of the Company or relevant authorities is required for the Proposed Acquisitions save for state authority consent and other parties (if any).

The Proposed Acquisitions are not inter-conditional on one another. The Proposed Acquisitions are also not conditional upon any other corporate exercise of the Company.

11. INTEREST OF THE DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of our other directors and/or major shareholders and person connected with them in QL has any interest, direct or indirect in the Proposed Acquisitions:-

| Name | Number of Shares as at 30.11.2018 ('000) | | | |
|----------------------------------|--|------------------|----------------------|------------------|
| | Direct | % ⁽¹⁾ | Indirect | % ⁽¹⁾ |
| <u>Major Shareholders</u> | | | | |
| CBG (L) | 668,304 | 41.91 | - | - |
| Farsathy | 190,955 | 11.77 | - | - |
| <u>Directors</u> | | | | |
| Chia Song Kun | 877 | 0.05 | 681,277 ^a | 41.99 |
| Chia Song Kooi | 1,131 | 0.07 | 3,173 ^b | 0.20 |
| Chia Seong Pow | 2,560 | 0.16 | 194,963 ^c | 12.02 |
| Chia Seong Fatt | 632 | 0.04 | 192,776 ^d | 11.88 |
| Chia Song Swa | 737 | 0.05 | 2,110 ^e | 0.13 |
| Chia Mak Hooi | 2,753 | 0.17 | 476 ^b | 0.03 |
| Cheah Juw Teck | 2,552 | 0.16 | 1,100 ^b | 0.07 |
| Chia Lik Khai | 1,768 | 0.11 | 190 ^b | 0.01 |
| <u>Persons Connected</u> | | | | |
| Cheah Yaw Song | 7,098 | 0.44 | 4,713 ^e | 0.29 |
| Chia Song Phuan | 6,700 | 0.41 | 7,225 ^e | 0.44 |
| Chia Song Pou | 5,581 | 0.34 | 3,459 ^e | 0.21 |
| Chia Teow Guan | 3,574 | 0.22 | 2,454 ^e | 0.15 |
| Chia Juak Sui | 1,360 | 0.08 | 476 ^b | 0.03 |

Notes:-

- (1) *The percentage shareholding is calculated based on 1,622,438,259 ordinary shares in circulation.*
- a *Deemed interest via his and his spouse's interests in CBG (L), Song Bak Holdings Sdn. Bhd. (fka: Attractive Features Sdn. Bhd.) and his and his spouse's indirect interests in RT as well as his spouse's, children's and their spouse's interests in QL.*
- b *Deemed interest via their spouse's interests in QL.*
- c *Deemed interest via his and his spouse's beneficial interests in Farsathy, his and his spouse's indirect interests in RT, his spouse and children's interests in QL.*
- d *Deemed interest via his and his spouse's beneficial interests in Farsathy, his and his spouse's indirect interests in RT and his children's interests in QL.*
- e *Deemed interest via their spouse and children's interests in QL.*

The directors disclosed above, who are interested in the Proposed Acquisitions, have abstained, and will continue to abstain from all Board deliberations and voting in the Board resolutions pertaining to the Proposed Acquisitions.

12. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee, having taken into consideration all aspect of the Proposed Acquisitions, including without limitation, the independent valuation conducted is of the view that the Proposed Acquisitions are in the best interests of the Company, fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders.

13. STATEMENT BY THE BOARD OF DIRECTORS

After taking into consideration, among others, the rationale for and benefits of the Proposed Acquisitions and the basis of and justification for the respective consideration for each of the acquisitions, the Board of QL (except for the interested Directors) is of the opinion that the Proposed Acquisitions are in the best interests of the Company.

14. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisitions pursuant to paragraph 10.02(g) of the Main Market Listing Requirements is 2.57%.

15. DATE OF COMPLETION

The Proposed Acquisitions are expected to be completed within 6 months from the date of the Sale and Purchase Agreements.

16. THE TOTAL AMOUNT TRANSACTED WITH THE RELATED PARTIES FOR THE PRECEDING 12 MONTHS

Save for the Proposed Acquisitions and the Recurrent Related Party Transactions set out in the Circular to Shareholders dated 27 July 2018, there are no transactions between QL and/or its subsidiaries and the interested directors and major shareholders as disclosed in Section 10 of this announcement in the preceding 12 months.

17. DOCUMENTS FOR INSPECTION

The Sale and Purchase Agreements and the valuation reports for each of the Proposed Acquisitions will be made available for inspection at the registered office of the Company at No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor during normal business hours from Mondays to Fridays (except public holidays) for a period of one month from the date of this announcement.

This announcement is dated 20 December 2018.

| Description of land | Original cost of investment and date of investment | Basis of arriving at the consideration, the justification for the consideration, the manner in which the consideration will be satisfied including the terms as well as financial information on the assets | Salient terms of the Agreement |
|---|--|---|--|
| <p><i>Proposed Acquisition 1:</i></p> <p>Proposed acquisition of a piece of land held with a single storey house erected thereon under CL 025115860, Kampung Kelatuan, District of Papar, Sabah, measuring approximately 17.15 acres by QLAV from MBS</p> | <p>Original cost: RM231,525</p> <p>Date of investment: 5 July 1994</p> | <p>The consideration is arrived based on the market value of RM2,098,000 as per the valuation report issued by Messrs CH William Talhar and Wong (CHW) dated 20 December 2018 using comparison method.</p> <p>The comparison method entails comparing the subject land by reference to transactions of similar lands in the surrounding which were recently sold or are being marketed with adjustment made for differences in location, size and shape of land, tenure, title restrictions if any and other relevant characteristics.</p> <p>The consideration will be satisfied by cash.</p> <p>The net book value of the asset as at 30 November 2018 was approximately RM429,000.00.</p> | <p>MBS has agreed to sell and QLAV has agreed to purchase the land on an as is where is basis, free from all charges, caveats and encumbrances, and with vacant possession, at the consideration (and subject to all conditions of title whether express or implied contained in the document of title to the land and subject to the terms and conditions the Agreement.</p> <p>QLAV shall upon the execution of the Agreement, pay RM209,800.00 (“Deposit”) in the following manner:</p> <p>(i) RM62,940.00 for payment towards Real Property Gains Tax (“RPGT Retention Sum”), if any, shall be deposited with the QLAV’s solicitors as stakeholders, which will be dealt with accordingly;</p> <p>(ii) the balance of the Deposit (after deducting the RPGT Retention Sum) shall be paid to MBS.</p> <p>QLAV shall pay RM1,888,200.00 (“Balance Purchase Price”) to MBS within the period of three (3) months from the date of this Agreement (“Completion Period”) PROVIDED ALWAYS in the event that QLAV is unable to pay the Balance Purchase Price by the expiry of the Completion Period, MBS shall grant to QLAV the extension period of one (1) month to pay the Balance Purchase Price or such part thereof that remains outstanding, subject to QLAV paying to MBS interest for late payment at</p> |

| Description of land | Original cost of investment and date of investment | Basis of arriving at the consideration, the justification for the consideration, the manner in which the consideration will be satisfied including the terms as well as financial information on the assets | Salient terms of the Agreement |
|---|--|--|---|
| | | | the rate of six per cent (6%) per annum calculated on a daily basis on the outstanding amount of the Balance Purchase Price commencing from the date of expiry of the Completion Period until the date of actual and full payment thereof, which interest shall be paid simultaneously with QLAV's full payment of the Balance Purchase Price. |
| <p><i>Proposed Acquisition 2:</i></p> <p>Proposed acquisition of a piece of freehold vacant industrial land held under title no. H.S.(D) 287237, PT 50414, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor and bearing the postal address No. 4, Jalan Meteor U16/153, Elmina East, 40160 Shah Alam, Selangor, measuring approximately 4.046 acres by QLK from SP.</p> | <p>Original cost: RM15,156,963</p> <p>Date of investment: 25 June 2013</p> | <p>The consideration is arrived based on the market value RM19,000,000 as per the valuation report issued by CHW dated 14 December 2018 using comparison method and on an as is where is basis, free from all encumbrances and with vacant possession.</p> <p>The comparison method entails analysing recent transactions and asking prices of similar property in the locality are analysed for comparison purposes with adjustments made for differences in location, size and shape of land, terrain, tenure, title restrictions if any and other relevant characteristics to arrive at the market value.</p> <p>The consideration will be satisfied by cash.</p> <p>The net book value of the asset as at 30 November 2018 was approximately RM 14,091,00.00</p> | <p>SP has agreed to sell and QLK has agreed to purchase the land on an as is where is basis, free from all charges, caveats and encumbrances, and with vacant possession, at the consideration (and subject to all conditions of title whether express or implied contained in the document of title to the land and subject to the terms and conditions the Agreement.</p> <p>QLK shall upon the execution of the Agreement, pay RM1,900,000.00, being the deposit to SP.</p> <p>QLK shall pay the balance purchase price of RM17,100,000.00 (“Balance Purchase Price”) to SP within the period of three (3) months from the date of this Agreement (“Completion Period”) PROVIDED ALWAYS in the event that QLK is unable to pay the Balance Purchase Price by the expiry of the Completion Period, SP shall grant to QLK the extension period of one (1) month to pay the Balance Purchase Price or such part thereof that remains outstanding, subject to QLK paying to SP interest for late payment at the rate of six per cent (6%) per annum calculated on a daily basis on the outstanding amount of the</p> |

| Description of land | Original cost of investment and date of investment | Basis of arriving at the consideration, the justification for the consideration, the manner in which the consideration will be satisfied including the terms as well as financial information on the assets | Salient terms of the Agreement |
|---|---|---|---|
| | | | Balance Purchase Price commencing from the date of expiry of the Completion Period until the date of actual and full payment thereof, which interest shall be paid simultaneously with QLK's full payment of the Balance Purchase Price. |
| <p><i>Proposed Acquisition 3:</i></p> <p>Proposed acquisition of one third (1/3) undivided share in all that piece of leasehold vacant industrial land held under title no. Pajakan Negeri 106522, No. Lot 169438 (formerly held under HSD145300, No. PT 141924), Mukim Klang, Daerah Klang, Negeri Selangor, measuring approximately 9.605 acres by KSG from ID.</p> | <p>Original cost: RM9,104,293.33</p> <p>Date of investment: 9 June 2014</p> | <p>The consideration is arrived based on the market value of RM23,000,000 as per the valuation report issued by CHW dated 14 December 2018 using comparison method and on an as is where is basis, free from all encumbrances and with vacant possession, subject to the restriction-in-interest "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri".</p> <p>The comparison method entails analysing recent transactions and asking prices of similar property in the locality are analysed for comparison purposes with adjustments made for differences in location, size and shape of land, terrain, tenure, title restrictions if any and other relevant characteristics to arrive at the market value.</p> <p>The consideration will be satisfied by cash.</p> <p>The net book value of the asset as at 30 November 2018 was approximately RM 11,856,000.00.</p> | <p>ID has agreed to sell and KSG has agreed to purchase the land on an as is where is basis, free from all charges, caveats and encumbrances, and with vacant possession, at the consideration (and subject to all conditions of title whether express or implied contained in the document of title to the land, the terms and conditions of the co-ownership agreement dated 9 June 2014, and subject to the terms and conditions the Agreement.</p> <p>The Agreement shall be subject to fulfilment or satisfaction of the following conditions precedent within six (6) months from the date of the Agreement or such other longer period as may be mutually agreed by the parties in writing :</p> <p>(i) ID at its own costs and expense having obtained the consent of the State Authority for the sale and transfer of the land in favour of KSG ("Approval"), and the original copy of the Approval having been received by KSG's solicitors;</p> <p>(ii) KSG and the parties to the co-ownership agreement shall have executed a Deed of Novation in escrow, for the novation and</p> |

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|---------------------|--|---|--|
| | | | <p>assignment of the rights and obligations of the ID in favour of KSG to take effect on the completion date hereof, and the same has been deposited with the KSG's solicitors.</p> <p>In the event any of the conditions precedent stipulated above cannot be fulfilled within the period stipulated above or if the Approval is granted with consideration and/or conditions that cannot be complied with by KSG, ID shall forthwith refund or cause to be refunded to KSG the deposit free of interest within fourteen (14) days from the date of receiving a notice of demand from KSG, and in exchange for such refund as aforesaid KSG shall return or cause to be returned all documents forwarded to KSG or its solicitors with ID's interests intact, redeliver possession of the land (if already delivered) in the same state nature and condition as it was when delivered to KSG and withdraw all caveats lodged by KSG at its costs and expense. Thereafter the Agreement shall terminate and be of no further legal effect.</p> <p>KSG shall upon the execution of the Agreement, pay RM2,300,000.00, being the deposit to ID.</p> <p>KSG shall pay the balance purchase price of RM20,700,000.00 ("Balance Purchase Price") to ID within the period of three (3) months from the date of this Agreement ("Completion Period") PROVIDED ALWAYS in the event that KSG is unable to pay the Balance Purchase Price by the</p> |

| Description of land | Original cost of investment and date of investment | Basis of arriving at the consideration, the justification for the consideration, the manner in which the consideration will be satisfied including the terms as well as financial information on the assets | Salient terms of the Agreement |
|--|--|---|---|
| | | | <p>expiry of the Completion Period, ID shall grant to KSG the extension period of one (1) month to pay the Balance Purchase Price or such part thereof that remains outstanding, subject to KSG paying to ID interest for late payment at the rate of six per cent (6%) per annum calculated on a daily basis on the outstanding amount of the Balance Purchase Price commencing from the date of expiry of the Completion Period until the date of actual and full payment thereof, which interest shall be paid simultaneously with KSG's full payment of the Balance Purchase Price.</p> |
| <p><i>Proposed Acquisition 4:</i></p> <p>Proposed acquisition of a piece of freehold agriculture land held under GM 3871 (formerly held under GM 1138), Lot No. 2651, Mukim Hutan Melintang, Tempat Teluk, Daerah Bagan Datuk, Negeri Perak, measuring approximately 5.825 acres by QLF from CD.</p> | <p>Original cost: RM874,000.00</p> <p>Date of investment: 23 December 2009</p> | <p>The consideration is arrived based on the market value of RM2,527,817.80 as per the valuation report issued by CHW dated 17 December 2018 using comparison method and on an as is where is basis, free from all encumbrances and with vacant possession.</p> <p>The comparison method entails analysing recent transactions and asking prices of similar property in the locality are analysed for comparison purposes with adjustments made for differences in location, size and shape of land, terrain, tenure, title restrictions if any and other relevant characteristics to arrive at the market value.</p> <p>The consideration will be satisfied by cash.</p> <p>The net book value of the asset as at 30 November 2018 was RM874,000.000</p> | <p>CD has agreed to sell and QLF has agreed to purchase the land on an as is where is basis, free from all charges, caveats and encumbrances, and with vacant possession, at the consideration (and subject to all conditions of title whether express or implied contained in the document of title to the land and subject to the terms and conditions the Agreement.</p> <p>QLF shall upon the execution of the Agreement, pay RM460,000.00 ("Deposit") in the following manner:</p> <p>(i) RM138,000.00 for payment towards Real Property Gains Tax ("RPGT Retention Sum"), if any, shall be deposited with the QLF's solicitors as stakeholders, which will be dealt with accordingly;</p> |

| Description of land | Original cost of investment and date of investment | Basis of arriving at the consideration, the justification for the consideration, the manner in which the consideration will be satisfied including the terms as well as financial information on the assets | Salient terms of the Agreement |
|--|---|--|---|
| <p>Proposed acquisition of a piece of freehold agriculture held under G.M. 4056 (formerly held under GM 1138), Lot No. 2652, Mukim Hutan Melintang, Tempat Teluk, Daerah Bagan Datuk, Negeri Perak measuring approximately 4.775 acres by QLF from CD.</p> | <p>Cost of investment: RM716,000.00</p> <p>Date of investment: 23 December 2009</p> | <p>The consideration is arrived based on the market value of RM2,072,182.20 as per the valuation report issued by CHW dated 17 December 2018 using comparison method and on an as is where is basis, free from all encumbrances and with vacant possession.</p> <p>The comparison method entails analysing recent transactions and asking prices of similar property in the locality are analysed for comparison purposes with adjustments made for differences in location, size and shape of land, terrain, tenure, title restrictions if any and other relevant characteristics to arrive at the market value.</p> <p>The consideration will be satisfied by cash.</p> <p>The net book value of the asset as at 30 November 2018 was RM716,000.00</p> | <p>(ii) the balance of the Deposit (after deducting the RPGT Retention Sum) shall be paid to CD.</p> <p>The Purchaser shall pay RM4,140,000.00 (“Balance Purchase Price”) to CD within the period of three (3) months from the date of this Agreement (“Completion Period”) PROVIDED ALWAYS in the event that QLF is unable to pay the Balance Purchase Price by the expiry of the Completion Period, CD shall grant to QLF the extension period of one (1) month to pay the Balance Purchase Price or such part thereof that remains outstanding, subject to QLF paying to CD interest for late payment at the rate of six per cent (6%) per annum calculated on a daily basis on the outstanding amount of the Balance Purchase Price commencing from the date of expiry of the Completion Period until the date of actual and full payment thereof, which interest shall be paid simultaneously with QLF’s full payment of the Balance Purchase Price.</p> |