

JAYA TIASA HOLDINGS BERHAD (“JTH” OR “COMPANY”)

PROPOSED ACQUISITION BY JTH OF 55.00% EQUITY INTEREST IN WEALTH HOUSES DEVELOPMENT SDN BHD (“WHD”) FOR A CASH CONSIDERATION OF RM52,250,000 (“PROPOSED ACQUISITION”)

1. INTRODUCTION

The board of directors of JTH (“**Board**”) wishes to announce that JTH had on 4 July 2023 entered into a conditional share sale agreement (“**SSA**”) with Tiong Toh Siong Holdings Sdn Bhd (“**TTSH**”), Tiong Toh Siong Enterprises Sdn Bhd (“**TTSE**”) and Knightbridge Venture Sdn Bhd (“**KVSB**”) (collectively, the “**Vendors**”) to acquire 825,000 ordinary shares in WHD (“**WHD Shares**”) (“**Sale Shares**”), representing 55.00% equity interest in WHD, for a cash consideration of RM52,250,000 (“**Purchase Consideration**”).

The Proposed Acquisition is deemed as a related-party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) in view of the interests of certain directors and major shareholder of JTH, further details of which are set out in Section 10 of this Announcement.

Details of the Proposed Acquisition are set out in the ensuing sections of this Announcement.

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition by JTH of a total of 825,000 WHD Shares, representing 55.00% equity interest in WHD from the Vendors for the Purchase Consideration of RM52,250,000, subject to the terms and conditions of the SSA.

Pursuant to the terms of the SSA, the Vendors have agreed to sell and JTH has agreed to purchase the Sale Shares free from all encumbrances and together with all rights, benefits and entitlements whatsoever attaching thereto as at the date of the completion of the SSA.

The details of the Sale Shares to be acquired by JTH from each of the Vendors are as follows:

Vendor	Sale Shares	Purchase Consideration RM	%
TTSH	375,000	23,750,000	25.00
TTSE	270,000	17,100,000	18.00
KVSB	180,000	11,400,000	12.00
Total	825,000	52,250,000	55.00

Upon the completion of the Proposed Acquisition, WHD will become a 55.00%-owned subsidiary of JTH.

2.1 Mode of settlement of the Purchase Consideration

Pursuant to the terms of the SSA, the Purchase Consideration will be satisfied entirely by cash in the manner set out below:

Details	Timing of settlement	Purchase Consideration RM	%
Non-refundable deposit ⁽¹⁾	Upon execution of the SSA which was paid on 4 July 2023. The deposit less Retention Sum (as defined below) will be released by the solicitors to the Vendor on the Unconditional Date (as defined below).	3,000,000	5.74
Balance sum	Within 6 months from the date when all the conditions precedent have been fulfilled or are satisfied or is waived by JTH (“ Unconditional Date ”).	49,250,000	94.26
Total		52,250,000	100.00

Note:

- (1) *The deposit amounting to RM3,000,000 was paid by JTH to the solicitors upon execution of the SSA. As required under the Real Property Gain Tax 1976, an amount of RM1,567,500, being 3.00% of the Purchase Consideration, will be retained and remitted to the Director-General of Inland Revenue Board (“**Retention Sum**”). The Retention Sum will be released to the Vendors by the Director-General of Inland Revenue Board upon a certificate of clearance being issued by the Director-General of Inland Revenue Board (if any), or in the event that the taxes levied are less than the Retention Sum (if any), the balance of the Retention Sum after full settlement of the taxes levied will be released to the Vendor by the Director-General of Inland Revenue Board upon an official receipt being issued by the Director-General of Inland Revenue Board.*

2.2 Information on WHD

WHD owns a piece of leasehold land with an area of 5,967.10 hectares at Lot 108 Block 14 Bruit Land District, which is located at Mukah Division, Sarawak (“**Land**”). WHD entered into a joint venture agreement dated 27 July 2004 and supplementary agreement dated 2 January 2023 (collectively, “**JVA**”) with Erajaya, a wholly-owned subsidiary of JTH, to jointly develop the said Land into oil palm plantation.

Please refer to Appendix I of this Announcement for information on WHD.

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM52,250,000 for the 55.00% equity interest in WHD was arrived at on a ‘willing-buyer willing-seller’ basis and after taking into consideration the following:

- (i) the market value of the Land as appraised by Henry Butcher Malaysia (Miri) Sdn Bhd (“**Valuer**”) vide its valuation report dated 27 March 2023 (“**Valuation Report**”) of RM96,000,000, which amounts to RM52,800,000 based on 55.00% equity interest;
- (ii) the rationale and benefits of the Proposed Acquisition, further details of which are set out in Section 4 of this Announcement; and
- (iii) the prospects of WHD as detailed in Section 5.3 of this Announcement.

JTH had appointed the Valuer to undertake an independent valuation on the Land and the Valuer had vide its Valuation Report ascribed a market value of RM96,000,000 for the Land using the Comparison Method of valuation only. The Comparison Method is the market approach of comparing the Land with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing properties, due consideration is given to factors such as location, size, building differences, amenities, time element and other relevant factors to arrive at the Valuer's opinion of value.

The Land is administratively divided into blocks, i.e. Block A1-57 and B1-51. The blocks are differentiated by year of planting, hectarage and planting materials. For the purposes of the Valuation Report, the Valuer has valued the Land as vacant land, i.e. vacant land basis. Hence, the details of the cultivations are disregarded from the computation of the value of the Land.

2.4 Information on the Vendors

(i) Information on TTSH

TTSH was incorporated in Malaysia on 10 August 1983 under the Companies Act, 1965 ("**CA 1965**") and its principal activities are renting of properties and investment holding. Its registered address is at Menara Rimbunan Hijau, 101 Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak.

As at 15 June 2023, TTSH has an issued share capital of RM21,000,000 comprising 21,000,000 ordinary shares.

As at 15 June 2023, the directors and shareholders of TTSH and their respective shareholdings in TTSH are as follows:

Directors

Name	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King (" Tan Sri THK ")	Malaysian	2,143,000	10.20	⁽¹⁾ 4,652,000	22.15
Dato' Sri Dr Tiong Ik King (" Dato' Sri Dr TIK ")	Malaysian	2,830,000	13.48	-	-
Datuk Tiong Thai King (" Datuk TTK ")	Malaysian	2,830,000	13.48	-	-
Tiong Chiong Ie	Malaysian	-	-	⁽²⁾ 2,830,000	13.48
Tiong Choon	Malaysian	-	-	⁽³⁾ 200,000	0.95

Notes:

- (1) Deemed interested in shares held by Teck Sing Lik Enterprise Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016 ("**Act**") and shares held by his spouse and children by virtue of Section 59(11)(c) of the Act.
- (2) Deemed interested in shares held by Prihartta Development Sdn Bhd by virtue of Section 8(4) of the Act.
- (3) Deemed interested in shares held by TC Blessed Holdings Sdn Bhd by virtue of Section 8(4) of the Act.

Shareholders

Name	Country of Incorporation/ Nationality	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Bring Rich Corporation Inc	Hong Kong	1,575,000	7.50	-	-
Teck Sing Lik Enterprise Sdn Bhd	Malaysia	3,257,000	15.51	-	-
Priharta Development Sdn Bhd	Malaysia	2,830,000	13.48	-	-
Fisiojaya Jaya Sdn Bhd	Malaysia	2,830,000	13.48	-	-
Dato' Sri Dr TIK	Malaysian	2,830,000	13.48	-	-
Datuk TTK	Malaysian	2,830,000	13.48	-	-
Tan Sri THK	Malaysian	2,143,000	10.20	⁽¹⁾ 4,652,000	22.15
Tiong Chiong Ie	Malaysian	-	-	⁽²⁾ 2,830,000	13.48
Datin Tiong Ching	Malaysian	200,000	0.95	-	-
ETI Blessed Holdings Sdn Bhd	Malaysia	200,000	0.95	-	-
Ngu Yii Chuo	Malaysian	280,000	1.32	-	-
R.H. Forestry Sdn Bhd	Malaysia	515,000	2.45	-	-
Rejang Healthcare Corporation Sdn Bhd	Malaysia	200,000	0.95	-	-
TC Blessed Holdings Sdn Bhd	Malaysia	200,000	0.95	-	-
Tiong Ai Ling	Malaysian	200,000	0.95	-	-
Tiong Chiew	Malaysian	200,000	0.95	-	-
Tiong Chiong Ong	Malaysian	515,000	2.45	-	-
Tiong Lok Hee	Malaysian	200,000	0.95	-	-

Notes:

(1) Deemed interested in shares held by Teck Sing Lik Enterprise Sdn Bhd by virtue of Section 8(4) of the Act and shares held by his spouse and children by virtue of Section 59(11)(c) of the Act.

(2) Deemed interested in shares held by Priharta Development Sdn Bhd by virtue of Section 8(4) of the Act.

(ii) **Information on TTSE**

TTSE was incorporated in Malaysia on 27 January 1989 under the CA 1965 and its principal activity is investment holding. Its registered address is at Menara Rimbunan Hijau, 101 Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak.

As at 15 June 2023, TTSE has an issued share capital of RM10,000,000 comprising 10,000,000 ordinary shares.

As at 15 June 2023, the directors and shareholders of TTSE and their respective shareholdings in TTSE are as follows:

Directors

Name	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Tan Sri THK	Malaysian	-	-	⁽¹⁾ 3,000,000	30.00
Datuk TTK	Malaysian	-	-	⁽²⁾ 1,400,000	14.00
Tiong Kiong King	Malaysian	-	-	⁽³⁾ 1,400,000	14.00

Notes:

- (1) Deemed interested in shares held by Teck Sing Lik Enterprise Sdn Bhd by virtue of Section 8(4) of the Act.
- (2) Deemed interested in shares held by Fatherland Enterprise Sdn Bhd by virtue of Section 8(4) of the Act.
- (3) Deemed interested in shares held by Biru-Hijau Enterprise Sdn Bhd by virtue of Section 8(4) of the Act.

Shareholders

Name	Country of Incorporation/ Nationality	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Biru-Hijau Enterprise Sdn Bhd	Malaysia	1,400,000	14.00	-	-
Bring Rich Corporation Inc	Hong Kong	1,400,000	14.00	-	-
Fatherland Enterprise Sdn Bhd	Malaysia	1,400,000	14.00	-	-
Priharta Development Sdn Bhd	Malaysia	1,400,000	14.00	-	-
Teck Sing Lik Enterprise Sdn Bhd	Malaysia	3,000,000	30.00	-	-
Dato' Sri Dr TIK	Malaysian	1,400,000	14.00	-	-

(iii) **Information on KVSB**

KVSB was incorporated in Malaysia on 7 November 2000 under the CA 1965 and its principal activity is investment holding. Its registered address is at Menara Rimbunan Hijau, 101 Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak.

As at 15 June 2023, KVSB has an issued share capital of RM100,000 comprising 100,000 ordinary shares.

As at 15 June 2023, the directors and shareholders of KVSB and their respective shareholdings in KVSB are as follows:

Directors

Name	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Tan Sri THK	Malaysian	-	-	⁽¹⁾ 100,000	100.00
Datuk TTK	Malaysian	-	-	-	-
Tiong Choon	Malaysian	-	-	-	-

Note:

(1) Deemed interested in shares held by TTSE by virtue Section 8(4) of the Act.

Shareholders

Name	Country of Incorporation	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
TTSE	Malaysia	100,000	100.00	-	-

2.5 Original cost and date of investment

The original cost and date of investment in WHD by the Vendors are set out below:

Vendors	Date of investment	No. of WHD Shares acquired/(disposed)	Consideration RM
TTSH	12.09.1996	1,000,000	1,000,000
	17.02.2003	50,000	50,000
	15.03.2004	(225,000)	(225,000)
	01.07.2008	(450,000)	(450,000)
		375,000	375,000
TTSE	07.09.2004	45,000	600,480
	17.09.2004	225,000	225,000
		270,000	825,480
KVSB	15.03.2004	180,000	180,000
		180,000	180,000
Total		825,000	1,380,480

2.6 Source of funding

The Purchase Consideration will be fully funded from the internally generated funds of JTH and its group of companies (“**JTH Group**” or “**Group**”).

For information purposes, JTH Group’s cash and cash equivalents stood at approximately RM172.20 million based on the latest unaudited financial statements of JTH Group for the financial period ended 31 March 2023.

2.7 Liabilities/Guarantees in relation to the Proposed Acquisition

Save for the obligations and liabilities stated in and arising from, pursuant to or in connection with the SSA, there is no other liability, including any contingent liability or guarantee, to be assumed by JTH arising from the Proposed Acquisition.

2.8 Additional financial commitment required

Save for the Purchase Consideration and the estimated cost to replant the oil palm at the Land, which is estimated to be approximately RM44 million over the course of 3 years, there is no other additional financial commitment required by JTH to put the business of WHD on-stream in view that WHD is already an on-going business entity with historical profit track record as set out in Section 6 of Appendix I of this Announcement.

2.9 Salient terms of the SSA

Please refer to Appendix II of this Announcement for the salient terms of the SSA.

3. INFORMATION ON THE LAND

The Land is an oil palm plantation estate with an area of 5,967.10 hectares located at Lot 108 Block 14 Bruit Land District, Mukah Division, Sarawak. WHD is the registered proprietor of the Land.

The Land is located in the southern part of Pulau Bruit, lies in the northern part of the Rajang Delta area, about 32 kilometres (“**km**”) north-west of the Sarikei Town and 45km west of Sibu Town, Sarawak. The nearest township is Daro, found about 8km to the south-east. Access to the Land from Sibu town centre can be made by way of Sibu-Tanjung Manis Road, connected via the Igan Bridge, Lebaan Bridge, bridge cross L.Sebutah, bridge crossing Hulu Seredang, bridge crossing Muara Payang, ferry point at Batang Paloh before reaching the Land. It is about 77 minutes (excluding ferry point waiting time) driving distance from the Sibu town centre.

The Land is situated within a locality with agriculture development with main agricultural activities in the vicinity are oil palm plantation.

Further information on the Land is as follows:

Title description	:	Lot 108 Block 14 Bruit Land District, Mukah Division, Sarawak
Locality	:	Pulau Bruit, Daro
Title type	:	Lease of state land
Description	:	Oil palm plantation
Land area	:	5,967.10 hectares <ul style="list-style-type: none">• total planted area of 5,745.00 hectares• total unplanted area of 222.10 hectares (include

building site, reserved area and etc.)

- Term : Leasehold of 60 years expiring on 18 May 2064, with unexpired term of about 41 years remaining
- Classification/category : Mixed zone land/country land
- Annual rent : RM179,013.00 per annum
- Date of registration : 12 April 2007
- Special conditions :
- (i) This Land shall be used only for agricultural purposes and purposes incidental to the production and processing of crops grown thereon and such other purposes as may be from time to time approved by the Director of Lands and Surveys;
 - (ii) All points of ingress to and egress from any trunk road shall be subject to the approval in writing of the Director of Lands and Surveys which approval shall be obtained prior to the commencement of construction and/or use of such point of ingress or egress;
 - (iii) No building shall be erected within a distance of 300 feet from the edge of the road reserve without the prior authority in writing of the Director of Lands and Surveys;
 - (iv) The lessee shall not be entitled to a lease for an area equal to the area stated to be alienated if, upon completion of a survey, such area is not found to be available for any reason including that required to be implement local plan;
 - (v) The proprietor shall not disturb the Land within the 66-foot reserve along the bank of navigable river or stream;
 - (vi) The proprietor shall have no rights to extract timber or mineral deposits from the Land without an appropriate licence issued by the relevant authority;
 - (vii) The development of the Land shall not interfere with the rights of the existing timber and/or mining licensee to fell and extract timber or to extract mineral deposit within the respective licensee's authorised area of operation;
 - (viii) The proprietor is required under the Natural Resources and Environment (Prescribed Activities) Order, 1994 to undertake an Environmental Impact Assessment Study on the area prior to project implementation and to submit 10 copies of the Report to the Secretary, Natural Resources and Environmental Board;
 - (ix) In the event that adjacent areas have been alienated for different crops and crop zoning is not possible, a buffer zone of 200 metres shall be instituted along the common boundary of the estates. No drain shall be built within the distance of 200 metres from each side of the estates boundary. Activities carried out within this buffer zone shall be limited and have to be approved by the Land Plantation Committee or any designated authority;

- (x) Prior to commercial development of peat soils, the project proponent shall carry out a survey and submit a report on the peat depth and long term drainability of the proposed project area;
- (xi) No transfer affecting the Land may be effected without the consent in writing of the Director of Lands and Surveys;
- (xii) No sublease affecting the Land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of 5 years from 19 May 2004;
- (xiii) The proprietor shall commence field planting within 2 years from 19 May 2004. The whole of the net plantable area shall be fully planted by the end of the 5th year from 19 May 2004;
- (xiv) The observance of condition (xiii) shall be enforced by the Minister from the time being responsible for Land Development or any agents duly authorised by him in writing in that behalf and the Minister or the agents so appointed shall have the rights of access to the Land at all reasonable time; and
- (xv) A breach or a default in the observance of any or all the conditions specified above shall render the Land liable to forfeiture and the superintendent or other officer authorised by him may, on behalf of the Government, declare the estate or interest secured by that document of title to be forfeited and re-enter the Land or the portion thereof in respect of which the breach or default occurs in accordance with section 33(1) of the Land Code.

Registered proprietor	:	WHD
Registered encumbrance	:	Power of Attorney (Irrevocable) granted to Erajaya Synergy Sdn Bhd vid L.53/2005 of 4.1.2005
Registered annotation	:	Annual rent revised with effect from 1.1.2023 vide L.2862/2022 of 29.12.2022
Audited net book value as at 30 June 2022 ⁽¹⁾	:	RM3,001,090 (based on historical cost)
Valuer	:	Henry Butcher Malaysia (Miri) Sdn Bhd
Market value ascribed by the Valuer	:	RM96,000,000
Method of valuation	:	Comparison Method
Date of valuation	:	27 March 2023

(Source: Valuation Report)

Note:

(1) *Based on the audited financial statements of WHD for the financial year ended ("FYE") 30 June 2022.*

The age profile of the Land's oil palm as at 30 June 2022 are as follows:

Age profile	Percentage %	Hectare
Mature – Tall (≥ 20 years)	-	-
Mature – Prime (7 - 19 years)	100.0	5,745
Mature – Young (4 - 6 years)	-	-
Immature (0 - 3 years)	-	-
Total planted area	100.0	5,745

The fresh fruit bunch (“**FFB**”) production of the oil palm estates and the yield for the past 3 FYEs 30 June 2020 to 30 June 2022 are as follows:

FYE 30 June	2020	2021	2022
FFB production (metric ton)	99,984	59,897	51,163
FFB yield (metric ton/hectare)	17.37	10.40	8.89

4. RATIONALE AND BENEFIT OF THE PROPOSED ACQUISITION

Apart from Erajaya, all the plantation subsidiaries of JTH own their own plantation lands. This acquisition is proposed to expand the total oil palm plantation land bank directly owned by JTH.

Under the JVA where WHD as the registered proprietor of the Land and Erajaya as the developer to jointly develop the Land into an oil palm plantation, Erajaya is to manage and maintain the said plantation for one crop cycle of 25 years which will be expiring on 26 July 2029 and will be extended for another crop cycle of 25 years. Erajaya will share FFB sales premium with WHD on the basis of monthly production volume of FFB produced from the Land. In view of the interests of certain directors and major shareholder of JTH (further details of which are set out in Section 10 of this Announcement), JTH has obtained a shareholders' mandate annually for the Group to enter into the recurrent related party transaction with WHD in relation to the FFB sales premium payable by Erajaya to WHD.

Since Erajaya has jointly developed the Land with WHD and invested significantly in infrastructure, it would also be more cost effective for the Group to undertake future replanting on the said Land.

The Proposed Acquisition will afford JTH a controlling interest in WHD which owns the said Land. This will ensure security of tenure for future replanting at the Land instead of relying on the JVA which may be subject to changes at any time.

5. PROSPECTS, OUTLOOK AND FUTURE PLAN

5.1 Overview and outlook of the Malaysian economy and the oil palm plantation industry in Malaysia

The Malaysian economy is expected to edge up from 4.0% to 5.0% in Year 2023 despite slower external demand. Growth will be driven by domestic demand, supported by improving labour market conditions, higher tourism activity and further progress of multi-year investment projects. The risks to Malaysia's growth outlook are fairly balanced. Upside risks are mainly from domestic factors such as stronger than expected tourism activity and implementation of projects including those from the re-tabled Budget 2023. Meanwhile, downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions.

The oil palm industry in Malaysia has a promising future as the world's population and the global demand for vegetable oils are on the rise. Despite facing the challenges of a global economic slowdown amid rising interest rates and recession fears predicted in 2023, the overall market for the Malaysian palm oil is expected to remain robust. As the global economy is gradually opening up again, a better performance is anticipated, supported by the improvement in production, competitive prices and strong demand from key export destinations.

5.2 Prospects of WHD

WHD owns the Land which has been developed into oil palm plantation by Erajaya. WHD derives its revenue from the share of FFB sales premium with Erajaya on the basis of monthly production volume of FFB produced from the Land. The historical profit track record of WHD is as set out in Section 6 of Appendix I of this Announcement.

With the signing of the Memorandum of Understanding (MOU) on 1 April 2022 between Malaysia and Indonesia for the entry and employment of Indonesian workers, the Group expects the labour shortages issue will ease further with more manpower to accelerate the planting efforts, thereby enable higher production from its oil palm segment to mitigate any dip in the palm oil prices.

Premised on the above and the outlook of the oil palm plantation industry in Malaysia, barring any unforeseen circumstances, the Board is optimistic that the Proposed Acquisition is expected to continue to contribute to the future growth of the Group.

6. RISKS OF THE PROPOSED ACQUISITION

The risk factors relating to the Proposed Acquisition are as follows:

(i) Delay or non-completion of the Proposed Acquisition

The completion of the SSA is subject to fulfilment of all the conditions precedent and terms and conditions as set out in the SSA.

Notwithstanding the above, the management and the Board will endeavour to take all reasonable steps necessary to ensure that the conditions precedent and terms and conditions of the SSA which are within the Group's control are fulfilled and met on a timely basis to facilitate the Proposed Acquisition. Nonetheless, there can be no assurance that the SSA will not be terminated as a result of any breach or default attributable to any of the parties.

(ii) Compulsory acquisition of land by state authority

Pursuant to the Land Acquisition Act, 1960, the ruler of the Yang Di-Pertua Negeri of the respective state has the power to compulsorily acquire any land within the jurisdiction of such relevant state authority in Malaysia in accordance with the aforesaid legislation. In the event of any compulsory acquisition of the Land or any part thereof, the amount of compensation to be compensated will be determined on the basis prescribed in the First Schedule of the Land Acquisition Act, 1960. If all or any portion of the Land is compulsorily acquired by the relevant state authority at any point in time, the amount of such compensation may be less than the purchase consideration paid by JTH under the Proposed Acquisition.

In the event of any compulsory acquisition of the Land or any part thereof after the completion of the SSA, JTH may seek to minimise any potential losses from such transactions by invoking the relevant provisions in the Land Acquisition Act, 1960 in relation to its rights to submit an objection in respect of the amount of compensation, where necessary.

(iii) Inherent business risk in the plantation industry

JTH Group and WHD are subject to risks inherent to the plantation industry, which include but not limited to changes in global, regional and national economy, competitions from existing and new oil palm producers, changes in weather conditions, fluctuations in commodity prices, changes in consumer tastes, outbreaks of pests and crop diseases, changes in technology, increases in production, labour and storage costs, and changes in business and credit conditions.

The performance of JTH Group and WHD are also dependent on the crude palm oil prices in the oil palm industry at any particular time. As a globally traded commodity, the fluctuation in palm oil prices correlates with the demand and supply of the vegetable oils and fats market thereby giving rise to volatile price movements.

7. EFFECTS OF THE PROPOSED ACQUISITION

7.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition is not expected to have any effect on the issued share capital of JTH and the substantial shareholders' shareholdings of the Company as the Proposed Acquisition will not involve the issuance of any new ordinary shares in JTH ("JTH Shares").

7.2 Net assets ("NA") per JTH Share and gearing

Based on the latest audited consolidated statements of financial position of JTH Group as at 30 June 2022 and assuming that the Proposed Acquisition had been effected on that date, the pro forma effects of the Proposed Acquisition on the NA per JTH Share and gearing of JTH Group are set out below:

	Audited as at 30 June 2022 RM'000	After the Proposed Acquisition RM'000
Share capital	977,402	977,402
Treasury shares	(13,687)	(13,687)
Other reserves	(22,934)	(22,934)
Retained earnings	330,149	⁽¹⁾ 329,749
NA/Equity attributable to equity holders of the Company	1,270,930	1,270,530
Non-controlling interests	(1,237)	(1,237)
Total equity	1,269,693	1,269,293

	Audited as at 30 June 2022 RM'000	After the Proposed Acquisition RM'000
No. of JTH Shares in issue ('000) ⁽²⁾	967,991	967,991
NA per JTH Share (RM) ⁽³⁾	1.31	1.31
Total borrowings (RM'000)	572,839	⁽⁴⁾ 572,839
Gearing ratio (times) ⁽⁵⁾	0.45	0.45

Notes:

- (1) *After deducting the estimated expenses in relation to the Proposed Acquisition of approximately RM400,000, comprising professional fees and other incidental expenses in relation to the Proposed Acquisition.*
- (2) *Excluding 5,727,000 treasury shares in JTH.*
- (3) *Calculated based on NA/equity attributable to equity holders of the Company over number of JTH Shares in issue.*
- (4) *WHD does not have any borrowings based on its unaudited financial statements for the 9-month FPE 31 March 2023.*
- (5) *Calculated based on total borrowings over total equity.*

7.3 Earnings and earnings per JTH Share (“EPS”)

The Proposed Acquisition is not expected to have a material impact on the Group's earnings and EPS for the FYE 30 June 2024, save for the estimated expenses in relation to the Proposed Acquisition of approximately RM400,000.

Further, the Proposed Acquisition is expected to contribute positively to the future prospect of the Group.

7.4 Convertible securities

As at the date of this Announcement, the Company does not have any convertible securities.

8. APPROVALS REQUIRED

The Proposed Acquisition does not require the approval of the shareholders of JTH and the relevant government authorities, and is not conditional upon any other corporate exercise undertaken or to be undertaken by the JTH Group.

9. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 4.11% based on the Purchase Consideration of 52,250,000, compared with the NA of JTH as at 30 June 2022 of RM1,270,930,000.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors and major shareholders of JTH and/or persons connected with them have any interest, whether direct and/or indirect, in the Proposed Acquisition:

- (i) Tan Sri THK is the indirect major shareholder of JTH (holding 0.92% direct equity interest and 29.26% indirect equity interest in JTH via TTSH, Tiong Toh Siong & Sons Sdn Bhd, TTSE, Teck Sing Lik Enterprise Sdn Bhd and Pertumbuhan Abadi Asia Sdn Bhd) (“**Interested Major Shareholder**”). He is also a director of WHD and indirect major shareholder of WHD (holding 85.00% indirect equity interest in WHD via TTSH, TTSE, KVSB and Pertumbuhan Abadi Asia Sdn Bhd). He is deemed interested in the Proposed Acquisition by virtue of his directorships and substantial interests in the Vendors as detailed in Section 2.4 of this Announcement;
- (ii) Datuk TTK is the director of certain subsidiaries of JTH and a shareholder of JTH (holding 0.37% direct equity interest in JTH). He is also a director of WHD. He is a brother of the Interested Major Shareholder and the father of Tiong Chiong Hee (an executive director of JTH). He is deemed interested in the Proposed Acquisition by virtue of him being the managing director of the Vendors and having substantial interests in TTSH and TTSE as detailed in Section 2.4 of this Announcement, as well as his family relationship with the Interested Major Shareholder and Tiong Chiong Hee;
- (iii) Tiong Chiong Hee is the executive director of JTH and has indirect equity interest in JTH. He is the son of Datuk TTK. He is deemed interested in the Proposed Acquisition by virtue of his family relationship with Datuk TTK;
- (iv) Clara Tiong Siew Ee is the executive director of JTH and has 0.08% indirect equity interest in JTH. She is the granddaughter of the Interested Major Shareholder. She is deemed interested in the Proposed Acquisition by virtue of her family relationship with the Interested Major Shareholder;
- (v) Tiong Choon is the non-independent non-executive director of JTH and has 0.15% indirect equity interest in JTH. She is the daughter of the Interested Major Shareholder. She is deemed interested in the Proposed Acquisition by virtue of her directorship in TTSH and KVSB, as well as her family relationship with the Interested Major Shareholder; and
- (vi) Dato’ Sri Dr TIK is the non-independent non-executive director of JTH and has 0.04% direct equity interest in JTH. He is a brother of both the Interested Major Shareholder and Datuk TTK. He is deemed interested in the Proposed Acquisition by virtue of his family relationship with the Interested Major Shareholder and Datuk TTK.

(Tiong Chiong Hee, Clara Tiong Siew Ee, Tiong Choon and Dato’ Sri Dr TIK are collectively referred to as the “**Interested Directors**”).

In view of the above, the Interested Directors have abstained and will continue to abstain from all board deliberations and voting at the relevant board meetings and on the resolution pertaining to the Proposed Acquisition.

11. AMOUNT TRANSACTED WITH THE INTERESTED MAJOR SHAREHOLDER AND INTERESTED DIRECTORS FOR THE PRECEDING 12 MONTHS

Other than the Proposed Acquisition and certain recurrent related party transactions as disclosed in the circular to shareholders of JTH dated 28 October 2022 as well as Note 29 of the audited financial statements of JTH Group in its Annual Report 2022, there were no other transactions entered into by the Company with the Interested Major Shareholder and Interested Directors for the preceding 12 months from the date of this Announcement.

12. DIRECTORS' STATEMENT

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Acquisition, including the basis and justification for arriving at the Purchase Consideration, salient terms of the SSA, rationale and benefits of the Proposed Acquisition, the effects of the Proposed Acquisition as well as the evaluation by the Valuer, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

13. AUDIT COMMITTEE'S STATEMENT

The Audit Committee, after having considered all aspects of the Proposed Acquisition, including the basis and justification for arriving at the Purchase Consideration, salient terms of the SSA, rationale and benefits of the Proposed Acquisition, the effects of the Proposed Acquisition as well as the evaluation by the Valuer, is of the opinion that the Proposed Acquisition is:

- (i) in the best interest of the Company;
- (ii) fair, reasonable, and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders of the Company.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the fourth quarter of calendar year 2023.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SSA and the Valuation Report will be made available for inspection at the registered office and principal place of business of JTH at No. 1 - 9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibul, Sarawak, Malaysia during normal office hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement.

This Announcement is dated 4 July 2023.

INFORMATION ON WHD

1. HISTORY AND BUSINESS

WHD was incorporated in Malaysia on 8 October 1984 under the CA 1965 as a private limited company and is deemed registered under the Act. WHD owns the Land and engaged Erajaya to jointly develop the Land into an oil palm plantation via JVA and thereafter Erajaya to manage and maintain the said plantation.

WHD commenced deriving its revenue from the share of FFB sales premium with Erajaya on the basis of monthly production volume of FFB produced from the Land on 31 August 2008. WHD currently owns the Land as its sole material asset. Please refer to Section 3 of this Announcement for the information on the Land.

2. SHARE CAPITAL

As at 15 June 2023, the issued share capital of WHD is RM1,500,000 comprising 1,500,000 WHD Shares.

3. DIRECTORS

As at 15 June 2023, the directors of WHD and their respective shareholdings in WHD are as follows:

Name	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of WHD Shares	%	No. of WHD Shares	%
Tiong Kiong King	Malaysian	-	-	-	-
Datuk TTK	Malaysian	-	-	-	-
Tan Sri THK	Malaysian	-	-	⁽¹⁾ 1,275,000	85.00

Note:

(1) Deemed interested in shares held by TTSH, TTSE, KVSB and Pertumbuhan Abadi Asia Sdn Bhd by virtue of Section 8(4) of the Act.

4. SHAREHOLDERS

As at 15 June 2023, the shareholders of WHD and their respective shareholdings in WHD are as follows:

Name	Country of Incorporation/ Nationality	<-----Direct----->		<-----Indirect----->	
		No. of WHD Shares	%	No. of WHD Shares	%
TTSH	Malaysia	375,000	25.00	-	-
TTSE	Malaysia	270,000	18.00	⁽¹⁾ 180,000	12.00
KVSB	Malaysia	180,000	12.00	-	-
Pertumbuhan Abadi Asia Sdn Bhd	Malaysia	450,000	30.00	-	-
Lembaga Amanah Kebajikan Masjid Negeri Sarawak	Malaysia	225,000	15.00	-	-

Note:

(1) Deemed interested in shares held by KVSB by virtue of Section 8(4) of the Act.

INFORMATION ON WHD (CONT'D)

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

As at 15 June 2023, WHD does not have any subsidiary and associated company.

WHD had entered into the JVA with with Erajaya to jointly develop the Land into an oil palm plantation, further details are as set out in Section 4 of this Announcement.

6. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of WHD as extracted from the audited financial statements of WHD for the past 3 FYEs 30 June 2020 to 30 June 2022 and the unaudited financial statements of WHD for the 9-month FPE 31 March 2023 are as follows:

	<----- Audited ----->			Unaudited
	<----- FYE 30 June ----->			9-month
	2020	2021	2022	FPE 31 March
	RM	RM	RM	2023
				RM
Revenue	499,922	299,485	255,816	419,999
Profit before taxation	414,359	213,258	166,056	365,149
Profit after taxation ("PAT")	331,109	164,656	125,371	365,149
Share capital	1,500,000	1,500,000	1,500,000	1,500,000
Shareholders' fund/NA	4,309,468	4,474,124	4,599,495	4,964,644
Total borrowings	-	-	-	-
No. of issued shares	1,500,000	1,500,000	1,500,000	1,500,000
Earnings per share (RM) ⁽¹⁾	0.22	0.11	0.08	0.24
NA per share (RM) ⁽²⁾	2.87	2.98	3.07	3.31
Current ratio (times) ⁽³⁾	9.69	14.18	410.01	38,060.47
Gearing ratio (times) ⁽⁴⁾	-	-	-	-

Notes:

- (1) Calculated based on PAT over total number of issued shares.
- (2) Calculated based on NA over total number of issued shares.
- (3) Calculated based on current assets over current liabilities.
- (4) Calculated based on total interest-bearing borrowings over total shareholders' funds.

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SALIENT TERMS OF THE SSA

The salient terms of the SSA are set out below:

1. Sale and Transfer of the Sale Shares

Subject to the terms and conditions of SSA, the Vendor shall sell and transfer to JTH and JTH shall purchase and accept, the Sale Shares in WHD as described below free from all encumbrances and together with all rights, benefits and entitlements whatsoever attaching thereto as at the Completion Date (as defined in **Paragraph 5.1 below**)

VENDOR OF THE SALE SHARES (Name and Registration No.)	SALE SHARES IN WHD (Number of Shares)	PERCENTAGE OF SALE SHARE IN THE ISSUED AND PAID-UP CAPITAL IN WHD
Tiong Toh Siong Holdings Sdn. Bhd. (Registration No. 198301009901 (105159-U))	375,000	25.00
Tiong Toh Siong Enterprises Sdn. Bhd. (Registration No. 198901000999 (178305-K))	270,000	18.00
Knightbridge Venture Sdn. Bhd. (Registration No. 200001028696 (531303-W))	180,000	12.00
Total Number of Sale Share: 825,000 shares		Total Sale Share percentage: 55%

2. Purchase Consideration, payment and adjustment

2.1 The total consideration for the sale, purchase and transfer of the Sale Shares shall be as provided in the table below ("**Purchase Consideration**") arrived at on a "willing buyer willing seller" basis:

SECTION 1 VENDOR (Name and Registration No.)	SECTION 2 PURCHASE CONSIDERATION (RM)	SECTION 3 DEPOSIT (RM)	SECTION 4 BALANCE (RM)
Tiong Toh Siong Holdings Sdn. Bhd. (Registration No. 198301009901 (105159-U))	23,750,000.00	1,364,000.00	22,386,000.00
Tiong Toh Siong Enterprises Sdn. Bhd. (Registration No. 198901000999 (178305-K))	17,100,000.00	982,000.00	16,118,000.00
Knightbridge Venture Sdn. Bhd. (Registration No. 200001028696 (531303-W))	11,400,000.00	654,000.00	10,746,000.00
Total Purchase Consideration: 52,250,000.00		Total Deposit: 3,000,000.00	Total Balance: 49,250,000.00

SALIENT TERMS OF THE SSA (CONT'D)

2.2 The Purchase Consideration shall be paid by JTH in the manner as follows:

- (a) The respective sum as provided in **Paragraph 2.1 above Section 3**, being the deposit (“**Deposit**”) shall be paid to the Stakeholder/ Solicitors of the SSA, upon execution of the Agreement and after the Retention Sum (as required under Section 21B of the Real Property Gain Tax 1976) has been deducted, the balance of the Deposit shall be released to the respective Vendor on the Unconditional Date and the said sum shall be released according to the Vendor’s respective Sale Shares to the account of which the Vendor shall notify the Stakeholders in writing on or before the Unconditional Date; and
- (b) The respective sum as provided in **Paragraph 2.1 above Section 4**, being the balance of the Purchase Consideration (“**Balance Sum**”), shall be paid to the Stakeholder within **six (6) months** from the date of the Unconditional Date (which is the date when all the Conditions Precedent as provided in **Paragraph 3.1 below** have been fulfilled or are satisfied or is waived by JTH) (“**Due Date**”) and upon the Completion Date as defined in **Paragraph 5.1 below** and fulfilment of the events as stated under **Paragraph 5.2 below**, the Balance Sum shall be released to the respective Vendor directly according to their respective Sale Shares to the account of which the Vendor shall notify the Stakeholders in writing before the Completion Date.

3. Conditions precedent

3.1 The sale and purchase of the Sale Shares and the completion thereof are conditional upon all of the following conditions being fulfilled or waived, at the option of JTH by written notice to the Vendor, at or prior to the Stop Date (which is the date falling **one (1) month** after the date of the SSA or such extended date as may be mutually agreed in writing by JTH and the Vendor:

(a) **Satisfactory Due Diligence**

The conduct of a legal and financial due diligence by JTH on WHD and the results of which are determined by JTH in its sole and absolute discretion to be satisfactory.

(b) **Board’s Approval and Shareholders’ Approval**

- (i) The Vendor have obtained and furnish to the Solicitors their Board’s approval and Shareholders’ Approval for entering into the SSA; and
- (ii) JTH has obtained and furnish to the Solicitors its Board’s Approval for entering into the SSA. JTH herein confirms that no Shareholders’ approval is required for entering into the SSA.

The Vendor and JTH shall upon a Condition Precedent being satisfied or being incapable of being satisfied (as the case may be), notify the other Party and the Solicitors in writing, with the necessary letter of confirmation for **Paragraph 3.1 (a) above** and resolutions for **Paragraph 3.1 (b) above**. The date when all the Conditions Precedent have been fulfilled or are satisfied or is waived by JTH in accordance with provision in the SSA, shall be deemed as the Unconditional Date, which the Solicitors shall notify all Parties’ Representative in writing.

SALIENT TERMS OF THE SSA (CONT'D)

The conditions precedent are inserted solely for the benefit of JTH and to the extent permitted by law, JTH reserves the right to waive in writing any of the conditions precedent and thereafter the Parties may proceed to Completion.

Where JTH elects to rescind the SSA in accordance with any of the provisions hereof, none of the Parties shall have any further claims against the others save and except for any antecedent breach.

4. Obligations prior to completion

4.1 Unless the Vendor has done so prior to the date of this Agreement or otherwise agreed by JTH, simultaneously upon execution of the SSA, the Vendor shall deliver the following documents to the Stakeholders/Solicitors:

- (a) the original share certificates in respect of the Sale Shares;
- (b) the duly executed, but undated and unstamped, Form of Transfer of Securities in respect of the Sale Shares, executed by the Vendor in favour of JTH and/or JTH's nominee(s);
- (c) a certified true copy of the latest audited accounts of WHD;
- (d) duly executed but undated resolution of the board of directors of WHD approving the sale and transfer of the Sale Shares from the Vendor to JTH in accordance with the terms of the SSA and the registration of JTH (and/or its nominee(s)) as the holder of the Sale Shares;
- (e) duly executed but undated resolution of the board of directors of WHD approving the appointment of additional **four (4)** of JTH's nominee as new directors in WHD with the names and details of the appointees left in blank;
- (f) duly signed but undated letter of resignation of directors of WHD appointed or nominated by the Vendor as named in **Section 1 of Schedule 4** of the SSA in the format set out in **Schedule 5** of the SSA;
- (g) letter of undertaking from the secretary of WHD that he shall fill via the online services or other authorised mode by the Companies Commission of Malaysia the Notification of Change in the Register of Directors, Managers and Secretaries under Section 58 of the Companies Act 2016, to effect the resignation of the Vendor's nominees as directors and the appointment of the Purchaser's nominees as directors after the Completion Date; and
- (h) any other document which may be required by JTH to give good title of the Sale Shares in WHD to JTH and/or its nominee(s) and to enable JTH and/or its nominee(s) to be registered as the owner of the Sale Shares in the Company with the relevant authority or persons, if any,

(collectively, the "**Vendor's Documents**").

4.2 The Vendor undertake that during the Completion Period, WHD shall be managed in the ordinary and normal course of business and that all reasonable measures shall be taken to protect and preserve WHD's assets and business. In particular, the Vendor shall procure that WHD does not without the prior written approval of the Purchaser, create or attempt to create any Encumbrances on or over all or any part of WHD's assets and the Sale Shares.

SALIENT TERMS OF THE SSA (CONT'D)

4.3 Vendor's Negative Covenants:

Without prejudice to the generality of **Paragraph 4.2 above** and unless the prior written consent of JTH has been given to the Vendor, the Vendor undertakes to JTH that during the Completion Period, the Vendor shall procure and ensure, and shall also cause and procure its nominated directors on the Board to procure and ensure, that WHD does not:

- (a) conduct its present business other than in accordance with its present practice and in the ordinary course of business;
- (b) incur any borrowing or indebtedness (other than those entered into in the ordinary course of business);
- (c) do anything (other than in the ordinary course of business) whereby income which should properly have arisen or be included in any financial year is deferred or is excluded therefrom;
- (d) terminate the employment of any of the key employees or management of WHD (other than for just cause);
- (e) enter into any employment contract or make any change in the terms and conditions of employment of or pay or provide or agree to pay or provide any additional fees, benefits or emoluments to any of its directors or employees;
- (f) make payments out of or drawings on its bank account except routine payments in the ordinary course of business;
- (g) make any loans or grant any credit to any person;
- (h) grant or issue any guarantee or indemnity;
- (i) do or omit to do or cause or allow to be done or omitted to be done any act or thing which would result (or be likely to result) in a breach of any of the Vendor's Warranties (as defined in the SSA including warranties under **Schedule 3 of the SSA**);
- (j) make any change in the terms of its banking arrangements, reschedule the payment of any debt or release or accept the release of any debt to or from its bankers or any creditor or debtor or attempt to negotiate the same;
- (k) compromise any litigation or arbitration proceeding or dispute on terms which are unfavourable to WHD;
- (l) enter into or implement any transaction or arrangement which is or will be contrary to laws; or
- (m) agree, conditionally or otherwise, to do any of the foregoing.

Pending Completion or termination of the SSA whichever is earlier, the Vendor shall not, and shall also cause and procure its nominated directors on the Board to not, directly or indirectly enter into or continue any negotiations or discussions with any other potential investors, partners or purchasers, which relate to:

- (a) investment opportunities in WHD; or
- (b) acquisition of any of the shares in or assets or business of WHD.

SALIENT TERMS OF THE SSA (CONT'D)

4.4 Vendor' Affirmative Covenants

The Vendor undertakes to JTH that pending Completion:

- (a) the Vendor will not act in any manner which will jeopardise the licences held by WHD and shall ensure that WHD does not surrender or agree to surrender any of the licences, whether or not in exchange for any new licences except with the prior written approval of JTH and on such terms and conditions as shall be acceptable to JTH;
- (b) the Vendor shall promptly notify JTH in the event:
 - (i) any of the covenants set out herein is breached;
 - (ii) any of the Vendor' Warranties given under the SSA and in **Schedule 3 of the SSA** is breached; or
 - (iii) there is a Material Adverse Effect (as defined in the SSA).

4.5 Access to Information

Pending Completion, the Vendor shall procure that JTH and/or its officers, employees, professional advisers, agents and representatives are given full access to the properties, books, records, key employees, advisers and operations of WHD as will allow them to complete the due diligence investigations and the Vendor shall upon request, furnish or procure WHD to furnish, such information regarding the business of WHD as JTH may require and all information provided being accurate, complete and not misleading.

4.6 No other dealing with the Sale Shares

The Vendor shall not, after the execution of the SSA, enter into any agreement, transaction or arrangement whatsoever (whether conditional or otherwise) to sell, dispose of, transfer, assign, convey or encumber the Sale Shares or any part thereof to any other person whomsoever.

4.7 Appointment of JTH's representative as observer

Pending Completion, the Vendor shall procure WHD to appoint JTH's representative, **Dato' Jin Kee Mou (WN.KP.650824-13-5317)** or such other representative as authorised by JTH, as the observer for the conduct, operation and administration of WHD to ensure that the Vendor complies with the affirmative and restrictive covenants as contained herein.

4.8 Warranties/Indemnities

- 4.8.1 The Vendor gives the Vendor's Warranties in favour of JTH as at the date of the SSA and as at Completion. The Vendor hereby warrants to JTH that the information and statements set out in the Vendor's Warranties are true, accurate and correct in all respects at the date of the SSA and will continue to be so up to and including Completion.

SALIENT TERMS OF THE SSA (CONT'D)

- 4.8.2 (1) The Vendor indemnifies and shall keep JTH indemnified in full against all losses, damages, costs, expenses and outgoings which JTH may incur or be liable for in respect of any claim, demand, liability, action, proceedings or suits arising out of or in connection with:
- (a) a material breach of a Warranty;
 - (b) any Warranty not being true and correct in any material respect;
 - (c) any Warranty being misleading in any material respect; or
 - (d) any default or breach relating to WHD's statutory obligations in relation to tax matters and contribution to the Employers Provident Fund.
- (2) The Vendor hereby warrant and undertake that in the event that there are any Taxation liabilities of the Company in respect of the period for all the prior financial years of the Company up to the Completion Date as may be imposed by the Public Authority/Taxation authority at any time, the Vendors shall indemnify and keep the Purchaser and/or the Company fully indemnified of the same and the Vendor undertake to settle in full all such Taxation liabilities as imposed by the Public Authority/Taxation authority by remitting the required sum to the Company without delay for its settlement of the Taxation liabilities within the time frame as prescribed by the Public Authority/ Taxation authority
- 4.8.3 The Vendor have procured WHD to declare a dividend of up to a total sum of Ringgit Malaysia Two Million (RM2,000,000.00) only to the existing shareholders of WHD, which has been paid out on or before 30 June 2023. The payment records of the said dividend, certified true copy (CTC) of the Board resolution approving the dividend payment supported by document confirming that WHD has met the dividend payment solvency test requirement as stipulated under Section 131 and 132 of the Companies Act 2016, have been provided to JTH prior to the execution of the SSA. Save as provided above, the Vendor shall procure WHD not to declare or pay any dividend or bonus issue or make any distribution whether of an income or capital nature and whether in cash or in specie or by the issue of shares credited as fully paid-up by way of capitalization of profits and/or reserves prior to the Completion Date.
- 4.8.4 The Vendors warrant that they will procure WHD not to make, enter or approve any further transactions subsequent to the Account Date that will cause WHD to incur indebtedness and/or liabilities due by WHD to the Vendors and/or any third parties.

5. Completion

- 5.1 Subject to:
- (a) the fulfilment of the Conditions Precedent or its waiver by JTH;
 - (b) the Vendor having furnished the Vendor's Documents to the Stakeholders;
 - (c) JTH having paid to the Stakeholders the Balance Sum;

SALIENT TERMS OF THE SSA (CONT'D)

- (d) JTH having furnished the Statutory Declaration by a Person before appointment as Director and other necessary forms for appointment of new director/s;
- (e) there being no petition for winding-up filed against the Vendor which has not been withdrawn or struck off within ninety (90) days from the day the Vendor becomes aware of such petition; and in the event that the Vendor has not informed the Solicitors of any such petition upon the full payment of Purchase Consideration, this condition shall be deemed fulfilled; and
- (f) there being no breach of any of the covenants and undertakings herein and the Vendor's Warranties; and in the event that JTH has not informed the Solicitors of any such breach upon the full payment of Purchase Consideration, this condition shall be deemed fulfilled.

Completion shall take place on the **next Business Day** after JTH shall have deposited the Balance Sum with the Stakeholders, which will be confirmed in writing by the Solicitors/the Stakeholders ("**Completion Date**").

5.2 Upon receipt of the Balance Sum from JTH, the Stakeholders shall be authorised to do the following:

- (a) date all the Vendor's Documents held by them and to release such part of the Vendor's Documents to the Secretary of WHD for registration, save and except that the Form of Transfer of Securities may be dated **one (1) month** before the Due Date for purposes of submitting the same for assessment of stamp duties. The Vendor and JTH undertake to remit the stamp duty within **seven (7) days** from the date of notice of adjudication are issued by the Inland Revenue Board which are to be enclosed by the Solicitors to Parties; and
- (b) after the Form of Transfer of Securities have been duly stamped, arrange with the secretary of WHD to register the transfer of the Sale Shares and to issue the new share certificate in respect of the Sale Shares to the Purchaser or its nominees and thereafter, for the secretary of WHD to deliver such new share certificates to the Stakeholders for the Stakeholders to deliver the same to the Purchaser; and
- (c) notify the secretary of WHD in writing to give effect to the resignation of directors and appointment of a new director accordingly by lodging via the online services or other authorised mode by the Companies Commission of Malaysia the Notification of Change in the Register of Directors, Managers and Secretaries under Section 58 of the Companies Act 2016 and the appropriate Statutory Declaration by a Person before appointment as Director.

5.3 Upon the completion of the events in **Paragraph 5.2 above**:

5.3.1 the Stakeholders shall be irrevocably authorised to do the following:-

- (a) release the original new share certificate of the Sale Shares together with the remaining Vendor's Documents and the Notification of Change of Register of Directors, Managers and Secretaries to JTH; and
- (b) release the full Balance Sum paid by JTH to the Stakeholders under the provisions of Clause 3 above to the Vendor respectively.

SALIENT TERMS OF THE SSA (CONT'D)

5.3.2 Vendor shall forthwith deliver all the original and duplicates (where applicable) title, corporate forms, statutory forms, seal, licences, approvals, consents, permits, contracts, agreements, accounts, statements, records, books, registers, documents, forms and whatsoever documents belonged to, issued by or against, affecting and/or relating to WHD and/or its affairs, assets and liabilities, including but not limited to items listed **Schedule 6 of the SSA**, to JTH or its representative at the registered office of JTH.

6. Termination***Termination by JTH***

6.1 On the occurrence of any of the events stated hereunder, JTH shall be entitled to give notice in writing to the Vendor specifying the default or breach requiring the Vendor to remedy the said default or breach within fourteen (14) days of the receipt of such notice. The events are:

(a) **Breach**

the Vendor or WHD breaches any material or fundamental term or condition of the SSA (including the Warranties) or if it fails to perform or observe any material or fundamental undertaking, obligation or agreement expressed or implied in the SSA;

(b) **Receiver**

a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Vendor or WHD;

(c) **Insolvency**

the Vendor or WHD is or becomes unable to pay its debts when they are due or becomes unable to pay its debts within the meaning of the Companies Act, 1965 or any other legislation regarding insolvency of the jurisdiction in which it carries on business;

(d) **Arrangements**

the Vendor or WHD enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;

(e) **Winding Up**

an application or order is made for the winding up or dissolution of the Vendor or WHD or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Vendor or WHD otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of JTH;

(f) **Cessation of business**

the Vendor or WHD ceases or threatens to cease carrying on its business; or

SALIENT TERMS OF THE SSA (CONT'D)

(g) **Events of Default**

The Vendor or WHD commits any act or omits to do any act which results in the breach or non-fulfilment of any term or condition which may have the effect of causing the events specified in **sub-paragraph (b), (c), (d), (e) or (f) above** to occur.

- 6.2 If the Vendor fails to remedy the relevant default or breach within the said fourteen (14) days, the SSA may be terminated forthwith by notice in writing from JTH.
- 6.3 Without limiting any right or remedy available to JTH at law or in equity (which includes the right to claim damages and to specific performance) upon failure to remedy the relevant default or breach in accordance with **Paragraph 6.2 above** the Vendor shall indemnify JTH for all damages, costs, charges and expenses incurred by it in connection with the negotiation and preparation, breach of or non-compliance with the SSA and termination or rescission of the SSA and all matters which are connected therewith.
- 6.4 The rights and remedies of JTH in respect of any default or breach of the terms and conditions herein (including but not limited to the Warranties) shall not be affected by Completion, by any investigation made by it or on its behalf in respect of the Sale Shares or WHD, by any disclosure, by its rescinding, or failing to rescind the SSA, or any other event or matter whatsoever, except as a specific and duly authorised written waiver or release, and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

Termination by the Vendor

- 6.5 On the occurrence of any of the events stated hereunder, the Vendor shall be entitled to give notice in writing to JTH specifying the default or breach requiring JTH to remedy the said default or breach within fourteen (14) days of the receipt of such notice. The events are:
- (a) **Breach**
- JTH breaches any material or fundamental term or condition of the SSA or if it fails to perform or observe any material or fundamental undertaking, obligation or agreement expressed or implied in the SSA;
- (b) **Receiver**
- a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of JTH;
- (c) **Insolvency**
- JTH is or becomes unable to pay its debts when they are due or becomes unable to pay its debts within the meaning of the Companies Act, 1965 or any other legislation regarding insolvency of the jurisdiction in which it carries on business;
- (d) **Arrangements**
- JTH enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;

SALIENT TERMS OF THE SSA (CONT'D)

(e) **Winding Up**

an application or order is made for the winding up or dissolution of JTH or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of JTH otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Vendor; or

(f) **Cessation of business**

JTH ceases or threatens to cease carrying on its business.

- 6.6 If JTH fails to remedy the relevant default or breach within the said fourteen (14) days, the SSA may be terminated forthwith by notice in writing from the Vendor.
- 6.7 Without limiting any right or remedy available to the Vendor at law or in equity (which includes the right to claim damages and to specific performance) upon failure to remedy the relevant default or breach in accordance with **Paragraph 6.6 above** JTH shall indemnify the Vendor for all damages, costs, charges and expenses incurred by it in connection with the negotiation and preparation, breach of or non-compliance with the SSA and termination or rescission of the SSA and all matters which are connected therewith.

7. **Real Property Gains Tax Act 1976**

7.1 **Notification of Transaction**

The parties hereby agree that notification of this transaction shall be made by both parties respectively to the Director-General of Inland Revenue Board, Malaysia or other relevant authorities under the Real Property Gains Tax Act 1976 within **sixty (60) days** from the date of the SSA ("**Prescribed Time**").

7.2 **Retention Sum**

It is hereby agreed that a sum of **Ringgit Malaysia One Million Five Hundred Sixty Seven Thousand and Five Hundred Only (RM1,567,500.00)** being 3% of the Purchase Consideration received by the Vendor for the disposal of the Sale Shares ("**Retained Sum**") shall be retained and remitted to the Director-General of Inland Revenue by the Solicitors/the Stakeholders from the Deposit deposited with the Solicitors/the Stakeholders as required by Section 21B of the Real Property Gains Tax Act 1976 upon Unconditional Date or within the Prescribed Time in the event the Stop Date has been extended by the Parties. The Retained Sum will be refunded to the Vendors by the Director-General of Inland Revenue upon a Certificate of Clearance being issued by the Director-General of Inland Revenue (if any); or in the event that the taxes levied are less than the Retained Sum (if any), the balance of the Retained Sum after full settlement of the taxes levied will be refunded to them by the Director-General of Inland Revenue upon an official receipt being issued by the Director-General of Inland Revenue.

7.3 **Vendor's Covenant to Pay**

The Vendor covenants with JTH that the Vendor shall pay all real property gains tax and all other taxes and levies whatsoever payable and chargeable in relation to the disposal of the Sale Shares immediately upon demand being made by the relevant authorities and the Vendor shall indemnify and keep JTH and their successors in title and effects indemnified in full against all actions, claims, demands, proceedings, costs and expenses whatsoever which may be incurred or suffered by JTH in consequence of any failure by the Vendor to comply with this covenant.