

BERTAM ALLIANCE BERHAD (“BERTAM” OR THE “COMPANY”)

PROPOSED RATIFICATION ON THE JOINT VENTURE (“JV”) BETWEEN SEPAKAT HEIGHTS SDN BHD (“SHSB” OR THE “DEVELOPER” OR THE “SUBLESSEE”) A WHOLLY-OWNED SUBSIDIARY OF BERTAM, AND JUMAT BIN LAIYO (“JUMAT” OR THE “SUBLESSOR”) FOR THE PROPOSED DEVELOPMENT OF LOT A LANDS (AS DEFINED IN APPENDIX I) INTO RESIDENTIAL DEVELOPMENT (“JV RESIDENTIAL PROJECT DEVELOPMENT”), STRICTLY CONDITIONAL UPON APPROVAL OF THE APPLICATION FOR AMALGAMATION, SUBDIVISION AND CONVERSION OF THE LAND TITLES IN LOT A LANDS FROM NATIVE TITLES (“NT”) INTO COUNTRY LEASE (“CL”) TITLES AND/OR TOWN LEASE LANDS (“PROPOSED JV RATIFICATION - LOT A LANDS”)

Reference is made to the announcements made by the Company on 22 May 2017, 24 May 2017 (**“Announcement”**), 6 June 2017, 9 August 2017, 7 September 2017 and 2 November 2017 respectively in relation to the Proposed JV Ratification – Lot A Lands. Unless otherwise defined, the definitions set out in the Announcement shall apply herein.

The Board of Directors of Bertam (“Board”) wishes to announce the following additional information to the Proposed JV Ratification – Lot A Lands:-

1. Information of Jumat or the Sublessor

Jumat, aged 33, a Malaysian and a native of Sabah. He is the Sublessor of Lot A Lands and a businessman involved in trading business. Jumat was the director of Wow Land Sdn Bhd (**“WLSB”**) from 1 April 2015 to 1 November 2016 and a substantial shareholder with 87% equity interest in WLSB prior to the acquisition of WLSB by Bertam Development Sdn Bhd (**“BDSB”**) on 8 August 2016.

On 8 August 2016, WLSB became the wholly-owned subsidiary of BDSB following the acquisition of 100 ordinary shares of WLSB by BDSB on the said date. BDSB is the wholly-owned subsidiary of Bertam.

2. Details of Lot A Lands

The Lot A Lands comprise of seventeen (17) contiguous parcels of land located in Kepayan, District of Penampang, with a total net land area of 24.43 acres (equivalent to 9.89 hectares). It is situated approximately 7.1 kilometers linear due south of Kota Kinabalu City Centre and about 3.1 kilometers linear due north-west of Donggongon New Township. With the completion of the Penampang Bypass (also known as Jalan Pintas-Donggongon), the area where Lot A Lands are located is rapidly being developed for commercial and residential purposes.

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Further details of Lot A Lands are summarised in the table below:

Titles details	NT 213038825 NT 213021508 NT 213200858 NT 213021106 NT 213021491 NT 213021062 NT 213021115 NT 213081193 NT 213021124	NT 213077886 NT 213021151 NT 213021133 NT 213020930 NT 213032029 NT 213038156 NT 213038147 NT 213077895
District	Penampang	
Address	Off Jalan Pintas-Donggongon, Kepayan	
Registered owner	Jumat	
Category of land use	Residential use ⁽¹⁾	
Existing use	Vacant land	
Proposed use	Residential development	
Tenure	In perpetuity	
Restriction in interest	Nil	
30-year upfront lease rental paid by SHSB	RM45,997,500	
Market value⁽²⁾	RM97,000,000	
Encumbrances	Sublease to SHSB for 30 years, with effect from 5 April 2016 to 4 April 2046	

Notes:

(1) Residential apartment

(2) Based on the valuation report dated 13 November 2017 prepared by JS Valuers Property Consultants (E.M.) Sdn Bhd ("**Valuation Report – Lot A**")

On 2 December 2016, the Lands and Surveys Department approved Jumat's application for the amalgamation, subdivision and conversion of the land titles in Lot A Lands from NT to CL. The premium of RM2,200,000 has been fully settled on 7 December 2016, and the land amalgamation survey has been submitted for approval by the Lands and Surveys Department on 18 April 2017. Once the approval is obtained, a draft CL title will be issued and SHSB will surrender the NT titles for the issuance of the final CL title. The CL title shall be leasehold for 99 years, commencing on 1 January 2017 and expiring on 31 December 2115.

3. Highest Percentage Ratio

Given that Lot A Lands is contiguous to Lot B and Lot C Lands, which are several other parcels of lands also to be acquired by Bertam or its subsidiaries (which shall be announced separately after this announcement to Bursa Securities), the abovementioned lands (i.e., Lot A, B and C Lands) should be aggregated, pursuant to Paragraph 10.12(2)(c) of the MMLR.

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In calculating the percentage ratios, we have considered the dates of the agreements, period of lease rental payments as set out below:-

Lands	Agreement	Date of execution	30-year lease rental RM
Lot A Lands	JVA Supplementary JVA SPAs Memorandum of Sublease (“MOS”)	8 January 2015 23 January 2015 13 March 2015 to 23 September 2015 5 April 2016	
Period of lease rental payment	2 January 2015 to 23 June 2015		45,997,500
Lot B Lands	JVA SPAs MOS	21 September 2015 and 1 October 2015 6 October 2015 and 28 October 2015 5 April 2016 and 24 May 2017	
Period of lease rental payment	28 October 2015 to 5 April 2016		21,223,289
Lot C Lands	JVA SPAs MOS	29 February 2016 27 June 2016 and 6 September 2017 25 October 2016 and 7 September 2017	
Period of lease rental payment	25 October 2016 to 7 September 2017		9,058,203
	Total		76,278,992

Given that the last MOS for Lot C Lands was executed on 7 September 2017, the percentage ratios pursuant to Paragraph 10.02(g) of the MMLR should be calculated based on the latest audited accounts of Bertam as at 31 December 2016.

We have revised the calculation of the percentage ratios applicable to the Proposed JV Ratification (aggregated with payments made for Lot A Lands, Lot B Lands and C Lands) and noted that the highest percentage ratio is 53.08%.

4. Submission to the authority and estimated timeframe for completion

Bursa Securities had, vide its letter dated 1 November 2017, approved the Company’s application for an extension of time until 31 December 2017 to submit the draft circular to shareholders in relation to the Proposed JV Ratification – Lot A Lands.

Bertam will submit the valuation report for Lot A Lands to Bursa Securities by end November 2017.

Barring any unforeseen circumstances and subject to all the requisite approvals being obtained, the Proposed JV Ratification – Lot A Lands is expected to be completed by March 2018.

5. Adviser

Sierac Corporate Adviser Sdn Bhd has been appointed as the Adviser for the Proposed JV Ratification- Lot A Lands.

6. Documents available for inspection

Copies of the following documents are available for inspection at the registered office of our Company at Suite 10.03, Level 10, The Garden South Tower, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur during normal business hours between Monday to Friday (except public holidays) for a period of at least three (3) months from the date of this announcement:

- (i) The JVA – Lot A Lands;
- (ii) The Supplemental JVA – Lot A Lands; and
- (iii) MOS – Lot A Lands.

This announcement is dated 20 November 2017.