

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

PROPOSED RATIFICATION ON THE JOINT VENTURE (“JV”) BETWEEN SUNRISE AVENUE SDN BHD (“SASB” OR THE “DEVELOPER” OR THE “SUBLESSEE”), A WHOLLY-OWNED SUBSIDIARY OF BERTAM, AND ROSALIA ANTHONY (“ROSALIA” OR THE “SUBLESSOR”) FOR THE PROPOSED DEVELOPMENT OF LOT B LANDS INTO COMMERCIAL DEVELOPMENT (“JV COMMERCIAL PROJECT DEVELOPMENT”), STRICTLY CONDITIONAL UPON APPROVAL OF THE APPLICATION FOR AMALGAMATION, SUBDIVISION AND CONVERSION OF THE LAND TITLES IN LOT B LANDS FROM NATIVE TITLES (“NT”) INTO COUNTRY LEASE (“CL”) TITLES AND/OR TOWN LEASE LANDS (“PROPOSED JV RATIFICATION - LOT B 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 B Lands. Unless otherwise defined, the definitions set out in the announcement dated 24 May 2017 shall apply herein.

Pursuant to further JVs entered by SASB with Rosalia in relation to lands contiguous to the Lot B Lands (previously defined as Lots B1 to B6 in the Announcement), the lands involved in the new JVs shall be known as Lots B7, C2 and C5. Further information on the new JVs shall be provided in Section 2 of this announcement below.

In consideration of the above, Lots B1, B2, B3, B4, B5, B6 and B7 are collectively referred to as Lot B Lands (**“Lot B Lands”**). Whereas, Lots C2 and C5 are collectively referred to as Lot C Lands (**“Lot C Lands”**).

The Proposed JV Ratification for Lot C Lands shall be known as the **“Proposed JV Ratification – Lot C Lands”**.

The Board of Directors of Bertam (**“Board”**) wishes to announce the additional information to the Proposed JV Ratification – Lot B Lands and Lot C Lands:-

1. Information of Rosalia or the Sublessor

Rosalia, aged 44, a Malaysian and native of Sabah. She is the Sublessor of Lot B Lands and Lot C Lands. Rosalia worked as an operation executive at Bertam’s office in Kota Kinabalu, Sabah since 1 September 2014 until to-date.

As an employee of Bertam, Rosalia is at all times answerable to the entire Board and she is not accustomed to act in accordance to the directions, instructions or wishes of any particular director.

Hence, the Board is of the opinion that the execution of JVAs and Memorandum of Sublease (**“MOS”**) on Lot B Lands and Lot C Lands (as defined in Section 2 herein) between SASB and Rosalia (**“Transactions”**) should not be construed as related party transactions. The Board had sought external legal consultation to confirm their views that Rosalia should not be considered as a related party in the Transactions on 30 October 2017.

2. Details of the Proposed JV Ratification- Lot B Lands and Lot C Lands

The Proposed JV Ratification – Lot B Lands comprises of six (6) pieces of lands with native title nos: NT 213021526, 213021535, 213021544, 213021562, 213021553 and 213021580 (also identified as Lot B1, B2, B3, B4, B5 and B6 respectively), District of Penampang.

Pursuant thereto, SASB and Rosalia had executed three (3) JVAs and four (4) MOS to include three (3) pieces of lands with native title nos: NT 213021571, NT 213206896 and part of NT 213021973 (also identified as Lot B7, C2 and C5 respectively), District of Penampang to undertake the JV Commercial Project Development, strictly conditional upon approval of the application for amalgamation, subdivision and conversion of the land titles from native title to country lease title or town lease land title.

The details of the JVAs and MOS executed for Lots B7, C2 and C5 are set out in table below:-

| No | Date of JVA | Date of MOS | Lot No | NT nos | Land area | Annual lease rental | 30-year lease rental |
|----|---------------------------|---------------------------|--------|-----------|--------------|---------------------|----------------------|
| | | | | | Acres | RM | RM |
| 1 | 01.10.2015 ⁽¹⁾ | 24.05.2017 ⁽¹⁾ | B7 | 213021571 | 0.813 | 148,271 | 4,448,129 |
| 2 | 29.02.2016 ⁽²⁾ | 25.10.2016 ⁽²⁾ | C2 | 213206896 | 1.260 | 159,342 | 4,780,274 |
| 3 | 29.02.2016 ⁽³⁾ | 25.10.2016 ⁽³⁾ | C5 (a) | 213021973 | 0.200 | 36,666 | 1,100,000 |
| 4 | 29.02.2016 ⁽³⁾ | 07.09.2017 ⁽³⁾ | C5 (b) | 213021973 | 0.747 | 105,930 | 3,177,928 |
| | Total | | | | 3.020 | 450,209 | 13,506,331 |

Notes:

(1) Please refer to Appendix I for the salient terms of the JVA and MOS for Lot B7.

(2) Please refer to Appendix II for the salient terms of the JVA and MOS for Lot C2.

(3) Please refer to Appendix III for the salient terms of the JVA and MOS for Lot C5.

SASB and Rosalia executed the JVAs for Lots B7, C2 and C5 on 1 October 2015, 29 February 2016 and 29 February 2016 respectively. On the date of the execution of the JVAs, the corresponding sale and purchase agreements between the respective owners of those lands and Rosalia (“SPA”) and the transfer of land titles from the owners of these lands to Rosalia as the new registered legal and beneficial owner were still pending.

The SPA for Lot B7 was executed on 28 October 2015, while the SPA for Lot C2 was executed on 27 June 2016. The SPA for Lot C5(a), which accounts for 0.2 acres under the NT no. 213021973, was executed on 27 June 2016, and the SPA for Lot C5(b), which is 0.747 acres under native land NT 213021973, was executed on 6 September 2017.

The land title for Lot B7 was duly transferred to and registered in Rosalia’s name on 1 April 2016. Lot C2 was transferred to and registered in the name of Rosalia on 30 Aug 2017, and Lot C5(a) was transferred to and registered in the name of Rosalia on 16 January 2017. Lot C5(b) is currently in the process of being transferred to Rosalia’s name, and the transfer is expected to be completed before the application for the issuance of CL title for Lot C Lands is made to the Lands and Surveys Department.

Consequently, on 25 October 2016, SASB entered into two (2) MOS for Lots C2 and C5(a), under which Rosalia subleased the said lands to SASB for a period of thirty (30) years commencing on 25 October 2016 and expiring on 24 October 2046. Similar agreements were entered into for Lot B7 on 24 May 2017 and for Lot C5(b) on 7 September 2017. The sublease period for Lot B7 is from 24 May 2017 to 23 May 2047, while the sublease period for Lot C5(b) is from 7 September 2017 to 6 September 2047.

The aggregate annual and 30-year lease rental payment amount to RM450,209 and RM13,506,331 respectively. As at 6 September 2017, all cash settlement of the 30-year lease rental payment has been made by Bertam Development Sdn Bhd (“**BDSB**”) on behalf of SASB. BDSB is a wholly-owned subsidiary of Bertam and is also the holding company of SASB, and has made the payments as part of an intercompany loan to SASB. The SPA for Lot C5(b) provides, amongst others, payment in-kind clause, which provides that part of the payment shall be made through the transfer of a corner unit in the JV Commercial Development Project at a value of not less than RM1,190,000, and shall be settled by SASB upon the completion of the JV Commercial Development Project towards settlement of its sublease rental payment for Lot C5(b).

3. Details of the Lot B Lands and Lot C Lands

Lot B Lands and Lot C Lands comprise of nine (9) adjoining vacant agricultural lands located in Kepayan, District of Penampang, with a total net land area of 10.59 acres (equivalent to 4.28 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 B Lands and Lot C Lands are located is rapidly being developed for commercial and residential purposes.

Further details of Lot B Lands and Lot C Lands are summarised in the table below:

| | | |
|--|--|--|
| Title details | NT. 213021526 NT. 213021535 NT. 213021544 NT. 213021562 NT. 213021553 | NT. 213021580 NT. 213021571 NT. 213206896 NT. 213021973 |
| District | Penampang | |
| Address | Off Jalan Pintas-Donggongon, Kepayan | |
| Registered owner | Rosalia Anthony | |
| Category of land use | Agriculture use | |
| Existing use | Vacant land | |
| Proposed use | Commercial development | |
| Tenure | In perpetuity | |
| Restriction in interest | Nil | |
| 30-year upfront lease rental paid by SASB | RM30,281,492 | |
| Market value⁽¹⁾ | RM21,474,300 (Basis A ⁽²⁾) RM55,356,000 (Basis B ⁽³⁾) | |
| Encumbrances | Sublease to SASB for 30 years, as below: | |
| | NT. 213021526 NT. 213021535 NT. 213021544 NT. 213021562 NT. 213021553 NT. 213021580 | 5 April 2016 to 4 April 2046 |
| | NT. 213021571 | 24 May 2017 to 23 May 2047 |
| | NT. 213206896 NT. 213021973 (C5(a)) | 25 October 2016 to 24 October 2046 |
| | NT. 213021973 (C5(b)) | 7 September 2017 to 6 September 2047 |

Notes:

- (1) Based on the valuation report dated 13 November 2017 prepared by JS Valuers Property Consultants (E.M.) Sdn Bhd (“**Valuation Report – Lot B Lands and Lot C Lands**”)
- (2) In its existing condition, i.e. vacant agricultural lands zoned under “padi conservation” with potential to be rezoned for commercial use based on sublessee’s interest.
- (3) Upon amalgamation and conversion of the native titles to country lease titles specifically for commercial use with conversion premiums and fees fully paid.

SASB is still in the process of rezoning Lot B Lands and Lot C Lands from agriculture to commercial. The amalgamation, subdivision and conversion of the land titles in Lot B Lands and Lot C Lands from native titles to country lease titles is estimated to be completed by June 2019.

4. Highest percentage ratio

Given that Lot B Lands and Lot C Lands are contiguous to Lot A Lands, the abovementioned lands (i.e., Lot A, B and C Lands) should be aggregated, pursuant to Paragraph 10.12(2)(c) of the MMLR.

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 Sublease | 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 Supplemental JVA (Lot B1-B6 only) SPAs Sub-lease | 21 September 2015 and 1 October 2015 30 September 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 Sublease- Lot C Lands | 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 Lot C Lands) and noted that the highest percentage ratio is 53.08%.

5. 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 B Lands and Lot C Lands.

Bertam will submit the valuation report for Lot B Lands and Lot C 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 B Lands and Lot C Lands is expected to be completed by March 2018.

6. Adviser

Sierac Corporate Advisers Sdn Bhd has been appointed as the Adviser for the Proposed JV Ratification - Lot B Lands and Lot C Lands.

7. 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 B Lands and Lot C Lands;
- (ii) The Supplemental JVA – Lot B Lands and Lot C Lands; and
- (iii) Memorandum of Sublease – Lot B Lands and Lot C Lands; and

This announcement is dated 20 November 2017.

SALIENT TERMS OF THE JVA FOR LOT B7

The salient terms of the JVA for Lot B7 as below have been extracted verbatim from the JVA for Lot B7 executed between SASB and Rosalia on 1 October 2015.

The abbreviations used in this appendix shall have the same meaning as those defined in the Announcement unless otherwise stated.

| Clause | Content | | | | | | | | | | | | |
|--|---|---------------------|----------------|---|---|--|--|--------------|---|----------------------|---|--------------------|--|
| 1 | DEFINITIONS & INTERPRETATION | | | | | | | | | | | | |
| 1.1 | In the JVA for Lot B7 the following terms have the following meanings: <table border="1" data-bbox="316 638 1375 1563"> <thead> <tr> <th>Abbreviation</th> <th>Meaning</th> </tr> </thead> <tbody> <tr> <td>Amalgamation, Subdivision and Conversion Approval</td> <td>The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot B7 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot B7.</td> </tr> <tr> <td>Amalgamation, Subdivision and Conversion Effective Approval Date</td> <td>The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Land Ordinance (Sabah Cap.68) ("Sabah Land Ordinance") is to be obtained by Rosalia.</td> </tr> <tr> <td>Business Day</td> <td>A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business.</td> </tr> <tr> <td>Relevant Authorities</td> <td>Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot B7 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to.</td> </tr> <tr> <td>Unconditional Date</td> <td>The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties.</td> </tr> </tbody> </table> | Abbreviation | Meaning | Amalgamation, Subdivision and Conversion Approval | The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot B7 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot B7. | Amalgamation, Subdivision and Conversion Effective Approval Date | The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Land Ordinance (Sabah Cap.68) (" Sabah Land Ordinance ") is to be obtained by Rosalia. | Business Day | A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business. | Relevant Authorities | Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot B7 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to. | Unconditional Date | The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties. |
| Abbreviation | Meaning | | | | | | | | | | | | |
| Amalgamation, Subdivision and Conversion Approval | The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot B7 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot B7. | | | | | | | | | | | | |
| Amalgamation, Subdivision and Conversion Effective Approval Date | The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Land Ordinance (Sabah Cap.68) (" Sabah Land Ordinance ") is to be obtained by Rosalia. | | | | | | | | | | | | |
| Business Day | A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business. | | | | | | | | | | | | |
| Relevant Authorities | Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot B7 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to. | | | | | | | | | | | | |
| Unconditional Date | The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties. | | | | | | | | | | | | |
| 2. | SCOPE OF THE JOINT VENTURE | | | | | | | | | | | | |
| 2.1 | In consideration of and subject to the respective agreements, undertakings, warranties, representations, covenants and obligations of the parties herein, the parties agree to combine their resources to undertake, carry out and complete the JV Commercial Project Development. | | | | | | | | | | | | |
| 2.2 | The parties agree that SASB shall have sole and absolute control over all aspects of the JV Commercial Project Development including the assignment of the development rights as envisaged in the JVA for Lot B7. | | | | | | | | | | | | |
| 2.3 | The parties shall fully co-operate with each other in relation to the JV Commercial Project Development in accordance with the provisions of the JVA for Lot B7 and act at all times in such a way as to further the common interest of the parties herein. | | | | | | | | | | | | |

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| 3. | CONDITIONS PRECEDENT |
| 3.1 | The parties agree that the performance by the parties of their respective obligations under the JVA for Lot B7 is conditional upon the board of directors of SASB approving the execution of the JVA for Lot B7 and performance of the obligations of SASB and Rosalia's obligations under the JVA for Lot B7 and the completion of the transactions contemplated hereunder (" Condition "). |
| 3.2 | If the Condition is not fulfilled within seven (7) business Days from the date of the JVA for Lot B7 (or such other period as may be mutually agreed by the parties), the JVA for Lot B7 shall automatically be rendered null and void, cease to have effect and each party shall have no claim under it against the other, save in respect of any prior breach. |
| 4. | ROSALIA'S OBLIGATIONS |
| 4.1 | Subject to Clauses 5.1(a) and 6 of the JVA for Lot B7, Rosalia shall: |
| 4.2 | As soon as reasonably practicable and in any event not later than seven (7) Business Days after: <ul style="list-style-type: none"> (a) the execution of the JVA for Lot B7: <ul style="list-style-type: none"> (i) execute the MOS (Lot B7) in respect of the Sublease; (ii) deliver or cause to deliver to SASB the valid and registrable MOS (Lot B7) referred to in Clause 4.2(a)(ii) of the JVA for Lot B7. (b) the Transfer of Lands (i.e., the registration of the duly executed, valid and registrable memoranda of transfer in respect of Lot B7 in favour of Rosalia): <ul style="list-style-type: none"> (i) grant a MOS (Lot B7) to SASB for a period of THIRTY (30) years at an annual rental of RINGGIT MALAYSIA ONE HUNDRED FORTY-EIGHT THOUSAND TWO HUNDRED AND SEVENTY AND CENTS NINETY-EIGHT ONLY (RM148,270.98 only) ("Rental"); and (ii) submit all necessary applications, documents and forms whatsoever to the Relevant Authorities for Lot B7 to be amalgamated and converted into CL or Town Lease ("Lot B7 Amalgamation, Subdivision and Conversion Application"); (c) the Amalgamation, Subdivision and Conversion Effective Approval Date, execute, grant and deliver to SASB or its nominee an irrevocable power of attorney in the form and content set out in Schedule 2 of the JVA for Lot B7. |

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| 5. | SASB'S OBLIGATIONS |
| 5.1 | SASB shall as soon as reasonably practicable after: (a) compliance by Rosalia with her obligations under Clause 4.2(a) of the JVA for Lot B7, pay the Rental for the whole duration of the MOS (Lot B7) in accordance with Clause 6 of the JVA for Lot B7; (b) the execution, grant and delivery of the power of attorney referred to in Clause 4.2(c) of the JVA for Lot B7, undertake, carry out and complete the JV Commercial Project Development including planning and developing a concept, determining suitable development mix, designing each component or phase within the JV Commercial Project Development and other structures proposed to be erected on Lot B7, obtaining all approvals from the Relevant Authorities, constructing all buildings, infrastructure and amenities in accordance with the approved plans and doing all matters necessary, incidental and in connection with the JV Commercial Project Development. |
| 5.2 | All costs incurred in connection with the JV Commercial Project Development shall be borne by SASB. |
| 7. | ROSALIA'S AND SASB'S RESPECTIVE ENTITLEMENTS |
| 7.1 | Upon completion of the JV Commercial Project Development, Rosalia shall be entitled to a percentage of FIVE (5%) of the net profits of the JV Commercial Project Development (" Rosalia's Entitlements "), unless Rosalia fails to fulfill the prerequisites set out in Clause 4.2 of the JVA for Lot B7. |
| 7.2 | Subject to the payment of Rosalia's Entitlements, SASB is entitled to retain and enjoy all income to be derived from the JV Commercial Project Development for its own benefit. |
| 11. | ACCESS AND POSSESSION OF LOT B7 |
| 11.1 | Upon the registration of the MOS (Lot B7), SASB shall be entitled and be at full liberty to have free and unrestricted access and possession of Lot B7 at all times and to enter upon the same with its workmen, agents, servants, licensees, consultants, suppliers, contractors and/or other person authorised by SASB with or without vehicle and/or equipment and to remain thereon throughout the duration of the JVA for Lot B7. |
| 12. | DURATION OF THE JVA FOR LOT B7 |
| 12.1 | The JVA for Lot B7 shall be effective from the Unconditional Date and, except as provided herein, shall continue until each party has completed and settled all its obligations and liabilities under the JVA for Lot B7. |
| 12.2 | It is the intention of the parties that upon the approval of the Lot B7 Amalgamation, Subdivision and Conversion Application and the development plan application being obtained, SASB may but shall not be obliged to, at its option, continue with the JVA for Lot B7 or request Rosalia to transfer ownership of the CL or town lease to SASB or SASB's nominee. In the event that such transfer envisaged herein cannot be effected due to conditions imposed in the CL or town lease in relation to fulfillment, inter alia, of building covenants, Rosalia shall execute an irrevocable power of attorney to SASB (" Irrevocable Power of Attorney ") with full powers including powers to execute the valid and registerable memorandum of transfer and all other relevant documents for the effectual transfer of the CL or town lease into the name of SASB or SASB's nominee and the execution of a trust deed declaring that Rosalia is holding the CL or town lease as a bare trustee for SASB. |
| 12.3 | Notwithstanding of any such transfer or the Irrevocable Power of Attorney, Rosalia's entitlements shall not be affected. |

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| 13. | Termination |
| 13.1 | <p>SASB shall be entitled forthwith to terminate the JVA for Lot B7 (other than the Surviving Provisions) by written notice to Rosalia if:</p> <ul style="list-style-type: none"> (a) the transfer of Lot B7 cannot be completed within three (3) months from the SPA completion; (b) the Lot B7 Amalgamation, Subdivision and Conversion Application is rejected by the Relevant Authorities; (c) the Amalgamation, Subdivision and Conversion Approval is not obtained within a period of twelve (12) months from the date of the transfer of Lot B7; (d) the Amalgamation, Subdivision and Conversion Approval is subject to onerous covenant(s) or condition(s); (e) she commits a material breach or persistent breaches of her obligations under the JVA for Lot B7 (whether such breach or breaches amount to a repudiatory breach or breaches or not and whether capable of remedy or otherwise); (f) at any time throughout the duration of the JVA for Lot B7, any of the warranties is untrue, inaccurate or misleading. |
| 14. | CONSEQUENCES OF TERMINATION |
| 14.1 | <p>Upon termination of the JVA for Lot B7 by SASB pursuant to Clause 13 of the JVA for Lot B7, Rosalia shall within thirty (30) Business Days from the date of the written notice referred to in Clause 13.1 of the JVA for Lot B7, pay to SASB a sum of RINGGIT MALAYSIA FOUR MILLION FOUR HUNDRED FORTY-EIGHT THOUSAND AND ONE HUNDRED AND TWENTY-NINE AND CENTS FORTY ONLY (RM4,448,129.40 only) as agreed liquidated damages.</p> |
| 14.2 | <p>To the extent permitted by law, Rosalia shall use his best endeavours (including charge or caused to be charged any or all of Lot B7) to obtain financing from banks and/or (if necessary) to dispose of Lot B7 as directed by SASB to discharge her payment obligation under Clause 14.1 of the JVA for Lot B7.</p> |
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SALIENT TERMS OF THE MEMORANDUM OF SUBLEASE FOR LOT B7

The salient terms of the MOS for Lot B7 as below have been extracted verbatim from the MOS for Lot B7, executed between SASB and Rosalia on 28 October 2015.

The abbreviations used in this appendix shall have the same meaning as those defined in the Announcement unless otherwise stated.

| Clause | Content |
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| 6. | CONTINGENT OPTION |
| | <p>It is a condition precedent of the MOS (Lot B7) that the Rosalia hereby grants an irrevocable option to SASB to purchase Lot B7 and SASB shall be deemed to have exercised the option to purchase Lot B7 immediately upon approval for the conversion/exchange of Lot B7 into the Converted Titles (defined herein) thereto has even obtained subject to the provisions of the Land Ordinance (Sabah Cap. 68), the Town and Country Planning Ordinance (Cap. 141) or any other relevant laws as amended from time to time, and Subject further to the following conditions:</p> <ul style="list-style-type: none"> <li data-bbox="304 819 1391 913">(a) The consideration for the purchase and transfer of Lot B7 upon conversion into CL or Town Lease (hereinafter referred to as “the Converted Title”) shall be the total rental paid and received by Rosalia up to the date of the Converted Title being issued; <li data-bbox="304 954 1391 1115">(b) All costs and expenses incurred in the development and enhancing the value of Lot B7 including the premium for conversion, survey fees, legal fees and other costs incidental thereto in relation to either convert Lot B7 or to secure the consent of the transfer under Section 17 of the Land Ordinance (Sabah Cap. 68) directly and indirectly incurred pursuant to such transfer shall be wholly borne by SASB; <li data-bbox="304 1155 1391 1249">(c) Upon issuance of the Converted Titles from Lot B7, the Said Solicitors (defined herein) shall hereby be irrevocably authorized to cause the transfer of the Converted Titles into the name of SASB or its nominee in accordance with the terms herein; and <li data-bbox="304 1290 1391 1621">(d) For the purpose of effectuating the transfer of the Converted Titles into the name of the SASB, Rosalia hereby expressly agree and undertake to execute the memorandum of transfer and/or shall simultaneous with the execution of the Sublease (B7) deliver duly executed memorandum of transfer in with irrevocable instruction to legal Firm of Messrs Fernandez & Co, No. 143, Jalan Tangki, Dezsons Building (Next to Karamunsing Complex), Karamunsing, 88100, Kota Kinabalu, PO box 13834, 88844, Kota Kinabalu “Said Solicitors”) to cause the lodgment and registration of the transfer of the Converted Titles into the name of SASB or its nominees within a reasonable time after issuance and delivery of the Converted Titles to SASB Solicitors as envisaged herein. <li data-bbox="304 1662 1391 1955">(e) In the event that the transfer of the Converted Titles into the name of SASB or its nominees as envisaged under the preceding Clause 6(d) of the JVA for Lot B7 cannot be effected due to conditions imposed in the draft Converted Titles in relation to the fulfilment, inter alia, of building covenants, Rosalia hereto hereby expressly agree and undertake to execute an Irrevocable Power of Attorney to SASB with full powers including powers to execute the memorandum of transfer and all other relevant documents for the effectual transfer of the Converted Titles into the name of SASB or its nominees including the execution of a trust deed with Rosalia’s declaration that she is holding Lot B7 as bare trustee for SASB. |

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| 9. | The Sublease (Lot B7) shall continue to be valid and binding notwithstanding that the entering into the Sublease (Lot B7) may be invalid or in excess of the powers of any party herein or of any director, attorney, partner, agent or other person purporting to act on behalf of any party herein and notwithstanding any other irregularity in entering into the Sublease (Lot B7) by the signatory or party concerned. |
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SALIENT TERMS OF THE JVA FOR LOT C2

The salient terms of the JVA for Lot C2 as below have been extracted verbatim from the JVA for Lot C2 executed between SASB and Rosalia on 29 February 2016.

The abbreviations used in this appendix shall have the same meaning as those defined in the Announcement unless otherwise stated.

| Clause | Content | | | | | | | | | | | | |
|--|--|---------------------|----------------|---|---|--|---|--------------|---|----------------------|---|--------------------|--|
| 1 | DEFINITIONS & INTERPRETATION | | | | | | | | | | | | |
| 1.1 | In the JVA for Lot C2 the following terms have the following meanings: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Abbreviation</th> <th>Meaning</th> </tr> </thead> <tbody> <tr> <td>Amalgamation, Subdivision and Conversion Approval</td> <td>The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot C2 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot C2.</td> </tr> <tr> <td>Amalgamation, Subdivision and Conversion Effective Approval Date</td> <td>The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Sabah Land Ordinance is to be obtained by Rosalia.</td> </tr> <tr> <td>Business Day</td> <td>A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business.</td> </tr> <tr> <td>Relevant Authorities</td> <td>Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot C2 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to.</td> </tr> <tr> <td>Unconditional Date</td> <td>The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties.</td> </tr> </tbody> </table> | Abbreviation | Meaning | Amalgamation, Subdivision and Conversion Approval | The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot C2 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot C2. | Amalgamation, Subdivision and Conversion Effective Approval Date | The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Sabah Land Ordinance is to be obtained by Rosalia. | Business Day | A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business. | Relevant Authorities | Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot C2 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to. | Unconditional Date | The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties. |
| Abbreviation | Meaning | | | | | | | | | | | | |
| Amalgamation, Subdivision and Conversion Approval | The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot C2 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot C2. | | | | | | | | | | | | |
| Amalgamation, Subdivision and Conversion Effective Approval Date | The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Sabah Land Ordinance is to be obtained by Rosalia. | | | | | | | | | | | | |
| Business Day | A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business. | | | | | | | | | | | | |
| Relevant Authorities | Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot C2 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to. | | | | | | | | | | | | |
| Unconditional Date | The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties. | | | | | | | | | | | | |
| 2. | SCOPE OF THE JOINT VENTURE | | | | | | | | | | | | |
| 2.1 | In consideration of and subject to the respective agreements, undertakings, warranties, representations, covenants and obligations of the parties herein, the parties agree to combine their resources to undertake, carry out and complete the JV Commercial Project Development. | | | | | | | | | | | | |
| 2.2 | The parties agree that SASB shall have sole and absolute control over all aspects of the JV Commercial Project Development including the assignment of the development rights as envisaged in the JVA for Lot C2. | | | | | | | | | | | | |
| 2.3 | The parties shall fully co-operate with each other in relation to the JV Commercial Project Development in accordance with the provisions of the JVA for Lot C2 and act at all times in such a way as to further the common interest of the parties herein. | | | | | | | | | | | | |

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| 3. | CONDITIONS PRECEDENT |
| 3.1 | The parties agree that the performance by the parties of their respective obligations under the JVA for Lot C2 is conditional upon the board of directors of SASB approving the execution of the JVA for Lot C2 and performance of the obligations of SASB and Rosalia's obligations under the JVA for Lot C2 and the completion of the transactions contemplated hereunder. |
| 3.2 | If the Condition is not fulfilled within seven (7) business Days from the date of the JVA for Lot C2 (or such other period as may be mutually agreed by the parties), the JVA for Lot C2 shall automatically be rendered null and void, cease to have effect and each party shall have no claim under it against the other, save in respect of any prior breach. |
| 4. | ROSALIA'S OBLIGATIONS |
| 4.1 | Subject to Clauses 5.1(a) and 6 of the JVA for Lot C2, Rosalia shall: |
| 4.2 | As soon as reasonably practicable and in any event not later than seven (7) Business Days after: <ul style="list-style-type: none"> (a) the execution of the JVA for Lot C2: <ul style="list-style-type: none"> (i) execute the MOS (Lot C2) in respect of the Sublease; (ii) deliver or cause to deliver to SASB the valid and registrable MOS (Lot C2) referred to in Clause 4.2(a)(ii) of the JVA for Lot C2. (b) the Transfer of Lands (i.e., the registration of the duly executed, valid and registrable memoranda of transfer in respect of Lot C2 in favour of Rosalia): <ul style="list-style-type: none"> (i) grant a MOS (Lot C2) to SASB for a period of THIRTY (30) years at an annual rental of RINGGIT MALAYSIA ONE HUNDRED FIFTY-NINE THOUSAND THREE HUNDRED AND FORTY-TWO AND CENTS FORTY-SIX ONLY (RM159,342.46 only); and (ii) submit all necessary applications, documents and forms whatsoever to the Relevant Authorities for Lot C2 to be amalgamated and converted into CL or Town Lease; (c) the Amalgamation, Subdivision and Conversion Effective Approval Date, execute, grant and deliver to SASB or its nominee an irrevocable power of attorney in the form and content set out in Schedule 2 of the JVA for Lot C2. |

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| 5. | SASB'S OBLIGATIONS |
| 5.1 | SASB shall as soon as reasonably practicable after: (a) compliance by Rosalia with her obligations under Clause 4.2(a) of the JVA for Lot C2, pay the Rental for the whole duration of the MOS (Lot C2) in accordance with Clause 6 of the JVA for Lot C2; (b) the execution, grant and delivery of the power of attorney referred to in Clause 4.2(c) of the JVA for Lot C2, undertake, carry out and complete the JV Commercial Project Development including planning and developing a concept, determining suitable development mix, designing each component or phase within the JV Commercial Project Development and other structures proposed to be erected on Lot C2, obtaining all approvals from the Relevant Authorities, constructing all buildings, infrastructure and amenities in accordance with the approved plans and doing all matters necessary, incidental and in connection with the JV Commercial Project Development. |
| 5.2 | All costs incurred in connection with the JV Commercial Project Development shall be borne by SASB. |
| | |
| 7. | ROSALIA'S AND SASB'S RESPECTIVE ENTITLEMENTS |
| 7.1 | Upon completion of the JV Commercial Project Development, Rosalia shall be entitled to a percentage of FIVE (5%) of the net profits of the JV Commercial Project Development, unless Rosalia fails to fulfill the prerequisites set out in Clause 4.2 of the JVA for Lot C2. |
| 7.2 | Subject to the payment of Rosalia's Entitlements, SASB is entitled to retain and enjoy all income to be derived from the JV Commercial Project Development for its own benefit. |
| | |
| 11. | ACCESS AND POSSESSION OF LOT C2 |
| 11.1 | Upon the registration of the MOS (Lot C2), SASB shall be entitled and be at full liberty to have free and unrestricted access and possession of Lot C2 at all times and to enter upon the same with its workmen, agents, servants, licensees, consultants, suppliers, contractors and/or other person authorised by SASB with or without vehicle and/or equipment and to remain thereon throughout the duration of the JVA for Lot C2. |
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| 12. | DURATION OF THE JVA FOR LOT C2 |
| 12.1 | The JVA for Lot C2 shall be effective from the Unconditional Date and, except as provided herein, shall continue until each party has completed and settled all its obligations and liabilities under the JVA for Lot C2. |
| 12.2 | It is the intention of the parties that upon the approval of the Lot C2 Amalgamation, Subdivision and Conversion Application and the development plan application being obtained, SASB may but shall not be obliged to, at its option, continue with the JVA for Lot C2 or request Rosalia to transfer ownership of the CL or town lease to SASB or SASB's nominee. In the event that such transfer envisaged herein cannot be effected due to conditions imposed in the CL or town lease in relation to fulfillment, inter alia, of building covenants, Rosalia shall execute an Irrevocable Power of Attorney to SASB with full powers including powers to execute the valid and registerable memorandum of transfer and all other relevant documents for the effectual transfer of the CL or town lease into the name of SASB or SASB's nominee and the execution of a trust deed declaring that Rosalia is holding the CL or town lease as a bare trustee for SASB. |
| 12.3 | Notwithstanding of any such transfer or the Irrevocable Power of Attorney, Rosalia's entitlements shall not be affected. |

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| 13. | Termination |
| 13.1 | <p>SASB shall be entitled forthwith to terminate the JVA for Lot C2 (other than the Surviving Provisions) by written notice to Rosalia if:</p> <ul style="list-style-type: none"> (a) the transfer of Lot C2 cannot be completed within three (3) months from the SPA completion; (b) the Lot C2 Amalgamation, Subdivision and Conversion Application is rejected by the Relevant Authorities; (c) the Amalgamation, Subdivision and Conversion Approval is not obtained within a period of twelve (12) months from the date of the transfer of Lot C2; (d) the Amalgamation, Subdivision and Conversion Approval is subject to onerous covenant(s) or condition(s); (e) she commits a material breach or persistent breaches of her obligations under the JVA for Lot C2 (whether such breach or breaches amount to a repudiatory breach or breaches or not and whether capable of remedy or otherwise); (f) at any time throughout the duration of the JVA for Lot C2, any of the warranties is untrue, inaccurate or misleading. |
| | |
| 14. | CONSEQUENCES OF TERMINATION |
| 14.1 | <p>Upon termination of the JVA for Lot C2 by SASB pursuant to Clause 13 of the JVA for Lot C2, Rosalia shall within thirty (30) Business Days from the date of the written notice referred to in Clause 13.1 of the JVA for Lot C2, pay to SASB a sum of RINGGIT MALAYSIA FOUR MILLION SEVEN HUNDRED EIGHTY THOUSAND AND TWO HUNDRED AND SEVENTY-FOUR ONLY (RM4,780,274.00 only) as agreed liquidated damages.</p> |
| 14.2 | <p>To the extent permitted by law, Rosalia shall use his best endeavours (including charge or caused to be charged any or all of Lot C2) to obtain financing from banks and/or (if necessary) to dispose of Lot C2 as directed by SASB to discharge her payment obligation under Clause 14.1 of the JVA for Lot C2.</p> |
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SALIENT TERMS OF THE MEMORANDUM OF SUBLEASE FOR LOT C2

The salient terms of the MOS for Lot C2 as below have been extracted verbatim from the MOS for Lot C2, executed between SASB and Rosalia on 25 October 2016.

The abbreviations used in this appendix shall have the same meaning as those defined in the Announcement unless otherwise stated.

| Clause | Content |
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| 6. | CONTINGENT OPTION |
| | <p>It is a condition precedent of the MOS (Lot C2) that the Rosalia hereby grants an irrevocable option to SASB to purchase Lot C2 and SASB shall be deemed to have exercised the option to purchase Lot C2 immediately upon approval for the conversion/exchange of Lot C2 into the Converted Titles (defined herein) thereto has even obtained subject to the provisions of the Land Ordinance (Sabah Cap. 68), the Town and Country Planning Ordinance (Cap. 141) or any other relevant laws as amended from time to time, and Subject further to the following conditions:</p> <p>(a) The consideration for the purchase and transfer of Lot C2 upon conversion into CL or Town Lease shall be the total rental paid and received by Rosalia up to the date of the Converted Title being issued;</p> <p>(b) All costs and expenses incurred in the development and enhancing the value of Lot C2 including the premium for conversion, survey fees, legal fees and other costs incidental thereto in relation to either convert Lot C2 or to secure the consent of the transfer under Section 17 of the Land Ordinance (Sabah Cap. 68) directly and indirectly incurred pursuant to such transfer shall be wholly borne by SASB;</p> <p>(c) Upon issuance of the Converted Titles from Lot C2, the Said Solicitors (defined herein) shall hereby be irrevocably authorized to cause the transfer of the Converted Titles into the name of SASB or its nominee in accordance with the terms herein; and</p> <p>(d) For the purpose of effectuating the transfer of the Converted Titles into the name of the SASB, Rosalia hereby expressly agree and undertake to execute the memorandum of transfer and/or shall simultaneous with the execution of the Sublease (C2) deliver duly executed memorandum of transfer in with irrevocable instruction to legal Firm of Messrs Fernandez & Co, No. 143, Jalan Tangki, Dezsons Building (Next to Karamunsing Complex), Karamunsing, 88100, Kota Kinabalu, PO box 13834, 88844, Kota Kinabalu to cause the lodgment and registration of the transfer of the Converted Titles into the name of SASB or its nominees within a reasonable time after issuance and delivery of the Converted Titles to SASB Solicitors as envisaged herein.</p> <p>(e) In the event that the transfer of the Converted Titles into the name of SASB or its nominees as envisaged under the preceding Clause 6(d) of the JVA for Lot C2 cannot be effected due to conditions imposed in the draft Converted Titles in relation to the fulfilment, inter alia, of building covenants, Rosalia hereto hereby expressly agree and undertake to execute an Irrevocable Power of Attorney to SASB with full powers including powers to execute the memorandum of transfer and all other relevant documents for the effectual transfer of the Converted Titles into the name of SASB or its nominees including the execution of a trust deed with Rosalia's declaration that she is holding Lot C2 as bare trustee for SASB.</p> |

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| 9. | The Sublease (Lot C2) shall continue to be valid and binding notwithstanding that the entering into the Sublease (Lot C2) may be invalid or in excess of the powers of any party herein or of any director, attorney, partner, agent or other person purporting to act on behalf of any party herein and notwithstanding any other irregularity in entering into the Sublease (Lot C2) by the signatory or party concerned. |
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SALIENT TERMS OF THE JVA FOR LOT C5

The salient terms of the JVA for Lot C5 as below have been extracted verbatim from the JVA for Lot C5 executed between SASB and Rosalia on 29 February 2016.

The abbreviations used in this appendix shall have the same meaning as those defined in the Announcement unless otherwise stated.

| Clause | Content | | | | | | | | | | | | |
|--|--|---------------------|----------------|---|---|--|---|--------------|---|----------------------|---|--------------------|--|
| 1 | DEFINITIONS & INTERPRETATION | | | | | | | | | | | | |
| 1.1 | In the JVA for Lot C5 the following terms have the following meanings: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Abbreviation</th> <th style="width: 50%;">Meaning</th> </tr> </thead> <tbody> <tr> <td>Amalgamation, Subdivision and Conversion Approval</td> <td>The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot C5 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot C5.</td> </tr> <tr> <td>Amalgamation, Subdivision and Conversion Effective Approval Date</td> <td>The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Sabah Land Ordinance is to be obtained by Rosalia.</td> </tr> <tr> <td>Business Day</td> <td>A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business.</td> </tr> <tr> <td>Relevant Authorities</td> <td>Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot C5 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to.</td> </tr> <tr> <td>Unconditional Date</td> <td>The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties.</td> </tr> </tbody> </table> | Abbreviation | Meaning | Amalgamation, Subdivision and Conversion Approval | The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot C5 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot C5. | Amalgamation, Subdivision and Conversion Effective Approval Date | The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Sabah Land Ordinance is to be obtained by Rosalia. | Business Day | A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business. | Relevant Authorities | Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot C5 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to. | Unconditional Date | The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties. |
| Abbreviation | Meaning | | | | | | | | | | | | |
| Amalgamation, Subdivision and Conversion Approval | The approval in the form of a letter of offer consequent on an application for the amalgamation/subdivision/conversion of Lot C5 issued by the director, Lands & Surveys Department Subject to payment of 100% conversion premium and the execution of the memorandum of surrender of Lot C5. | | | | | | | | | | | | |
| Amalgamation, Subdivision and Conversion Effective Approval Date | The date of the issuance of the memorandum of surrender of the Land by Lands & Survey Department pursuant to Section 38 of the Sabah Land Ordinance is to be obtained by Rosalia. | | | | | | | | | | | | |
| Business Day | A day on which commercial banks in Wilayah Persekutuan, Malaysia and Sabah, Malaysia are open for business. | | | | | | | | | | | | |
| Relevant Authorities | Any federal, state, and local government, statutory, semi-or quasi-governmental and/or other authorities and bodies having jurisdiction at any time and from time to time relevant to the Lot C5 Amalgamation, Subdivision and Conversion Application or any matters in relation with the JV Commercial Project Development that requires any bodies of approvals and/or applications need to be made to. | | | | | | | | | | | | |
| Unconditional Date | The date on which the Condition (defined herein) is satisfied or such other date as may be agreed between the parties. | | | | | | | | | | | | |
| 2. | SCOPE OF THE JOINT VENTURE | | | | | | | | | | | | |
| 2.1 | In consideration of and subject to the respective agreements, undertakings, warranties, representations, covenants and obligations of the parties herein, the parties agree to combine their resources to undertake, carry out and complete the JV Commercial Project Development. | | | | | | | | | | | | |
| 2.2 | The parties agree that SASB shall have sole and absolute control over all aspects of the JV Commercial Project Development including the assignment of the development rights as envisaged in the JVA for Lot C5. | | | | | | | | | | | | |
| 2.3 | The parties shall fully co-operate with each other in relation to the JV Commercial Project Development in accordance with the provisions of the JVA for Lot C5 and act at all times in such a way as to further the common interest of the parties herein. | | | | | | | | | | | | |

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| 3. | CONDITIONS PRECEDENT |
| 3.1 | The parties agree that the performance by the parties of their respective obligations under the JVA for Lot C5 is conditional upon the board of directors of SASB approving the execution of the JVA for Lot C5 and performance of the obligations of SASB and Rosalia's obligations under the JVA for Lot C5 and the completion of the transactions contemplated hereunder. |
| 3.2 | If the Condition is not fulfilled within seven (7) business Days from the date of the JVA for Lot C5 (or such other period as may be mutually agreed by the parties), the JVA for Lot C5 shall automatically be rendered null and void, cease to have effect and each party shall have no claim under it against the other, save in respect of any prior breach. |
| 4. | ROSALIA'S OBLIGATIONS |
| 4.1 | Subject to Clauses 5.1(a) and 6 of the JVA for Lot C5, Rosalia shall: |
| 4.2 | As soon as reasonably practicable and in any event not later than seven (7) Business Days after: <ul style="list-style-type: none"> (b) the execution of the JVA for Lot C5: <ul style="list-style-type: none"> (iii) execute the MOS (Lot C5) in respect of the Sublease; (iv) deliver or cause to deliver to SASB the valid and registrable MOS (Lot C5) referred to in Clause 4.2(a)(ii) of the JVA for Lot C5. (d) the Transfer of Lands (i.e., the registration of the duly executed, valid and registrable memoranda of transfer in respect of Lot C5 in favour of Rosalia): <ul style="list-style-type: none"> (i) grant a MOS (Lot C5) to SASB for a period of THIRTY (30) years at an annual rental of RINGGIT MALAYSIA ONE HUNDRED FORTY-TWO THOUSAND FIVE HUNDRED AND NINTY-SIX ONLY (RM142,596.00 only); and (ii) submit all necessary applications, documents and forms whatsoever to the Relevant Authorities for Lot C5 to be amalgamated and converted into CL or Town Lease; (e) the Amalgamation, Subdivision and Conversion Effective Approval Date, execute, grant and deliver to SASB or its nominee an irrevocable power of attorney in the form and content set out in Schedule 2 of the JVA for Lot C5. |

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| 5. | SASB'S OBLIGATIONS |
| 5.1 | SASB shall as soon as reasonably practicable after: (c) compliance by Rosalia with her obligations under Clause 4.2(a) of the JVA for Lot C5, pay the Rental for the whole duration of the MOS (Lot C5) in accordance with Clause 6 of the JVA for Lot C5; (d) the execution, grant and delivery of the power of attorney referred to in Clause 4.2(c) of the JVA for Lot C5, undertake, carry out and complete the JV Commercial Project Development including planning and developing a concept, determining suitable development mix, designing each component or phase within the JV Commercial Project Development and other structures proposed to be erected on Lot C5, obtaining all approvals from the Relevant Authorities, constructing all buildings, infrastructure and amenities in accordance with the approved plans and doing all matters necessary, incidental and in connection with the JV Commercial Project Development. |
| 5.2 | All costs incurred in connection with the JV Commercial Project Development shall be borne by SASB. |
| | |
| 7. | ROSALIA'S AND SASB'S RESPECTIVE ENTITLEMENTS |
| 7.1 | Upon completion of the JV Commercial Project Development, Rosalia shall be entitled to a percentage of FIVE (5%) of the net profits of the JV Commercial Project Development, unless Rosalia fails to fulfill the prerequisites set out in Clause 4.2 of the JVA for Lot C5. |
| 7.2 | Subject to the payment of Rosalia's Entitlements, SASB is entitled to retain and enjoy all income to be derived from the JV Commercial Project Development for its own benefit. |
| | |
| 11. | ACCESS AND POSSESSION OF LOT C5 |
| 11.1 | Upon the registration of the MOS (Lot C5), SASB shall be entitled and be at full liberty to have free and unrestricted access and possession of Lot C5 at all times and to enter upon the same with its workmen, agents, servants, licensees, consultants, suppliers, contractors and/or other person authorised by SASB with or without vehicle and/or equipment and to remain thereon throughout the duration of the JVA for Lot C5. |
| | |
| 12. | DURATION OF THE JVA FOR LOT C5 |
| 12.1 | The JVA for Lot C5 shall be effective from the Unconditional Date and, except as provided herein, shall continue until each party has completed and settled all its obligations and liabilities under the JVA for Lot C5. |
| 12.2 | It is the intention of the parties that upon the approval of the Lot C5 Amalgamation, Subdivision and Conversion Application and the development plan application being obtained, SASB may but shall not be obliged to, at its option, continue with the JVA for Lot C5 or request Rosalia to transfer ownership of the CL or town lease to SASB or SASB's nominee. In the event that such transfer envisaged herein cannot be effected due to conditions imposed in the CL or town lease in relation to fulfillment, inter alia, of building covenants, Rosalia shall execute an irrevocable power of attorney to SASB with full powers including powers to execute the valid and registerable memorandum of transfer and all other relevant documents for the effectual transfer of the CL or town lease into the name of SASB or SASB's nominee and the execution of a trust deed declaring that Rosalia is holding the CL or town lease as a bare trustee for SASB. |
| 12.3 | Notwithstanding of any such transfer or the Irrevocable Power of Attorney, Rosalia's entitlements shall not be affected. |

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| 13. | Termination |
| 13.1 | <p>SASB shall be entitled forthwith to terminate the JVA for Lot C5 (other than the Surviving Provisions) by written notice to Rosalia if:</p> <ul style="list-style-type: none"> (a) the transfer of Lot C5 cannot be completed within three (3) months from the SPA completion; (b) the Lot C5 Amalgamation, Subdivision and Conversion Application is rejected by the Relevant Authorities; (c) the Amalgamation, Subdivision and Conversion Approval is not obtained within a period of twelve (12) months from the date of the transfer of Lot C5; (d) the Amalgamation, Subdivision and Conversion Approval is subject to onerous covenant(s) or condition(s); (e) she commits a material breach or persistent breaches of her obligations under the JVA for Lot C5 (whether such breach or breaches amount to a repudiatory breach or breaches or not and whether capable of remedy or otherwise); (f) at any time throughout the duration of the JVA for Lot C5, any of the warranties is untrue, inaccurate or misleading. |
| | |
| 14. | CONSEQUENCES OF TERMINATION |
| 14.1 | <p>Upon termination of the JVA for Lot C5 by SASB pursuant to Clause 13 of the JVA for Lot C5, Rosalia shall within thirty (30) Business Days from the date of the written notice referred to in Clause 13.1 of the JVA for Lot C5, pay to SASB a sum of RINGGIT MALAYSIA FOUR MILLION TWO HUNDRED SEVENTY-SEVEN THOUSAND AND NINE HUNDRED AND TWENTY-EIGHT ONLY (RM4,277,928.00 only) as agreed liquidated damages.</p> |
| 14.2 | <p>To the extent permitted by law, Rosalia shall use his best endeavours (including charge or caused to be charged any or all of Lot C5) to obtain financing from banks and/or (if necessary) to dispose of Lot C5 as directed by SASB to discharge her payment obligation under Clause 14.1 of the JVA for Lot C5.</p> |

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SALIENT TERMS OF THE MEMORANDUM OF SUBLEASE FOR LOT C5

The salient terms of the MOS for Lot C5 as below have been extracted verbatim from the MOS for Lot C5, executed between SASB and Rosalia on 7 September 2017 (Lot C5-1) and 25 October 2016 (Lots C5-2 and C5-3).

The abbreviations used in this appendix shall have the same meaning as those defined in the Announcement unless otherwise stated.

| Clause | Content |
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| 6. | CONTINGENT OPTION |
| | <p>It is a condition precedent of the MOS (Lot C5) that the Rosalia hereby grants an irrevocable option to SASB to purchase Lot C5 and SASB shall be deemed to have exercised the option to purchase Lot C5 immediately upon approval for the conversion/exchange of Lot C5 into the Converted Titles (defined herein) thereto has even obtained subject to the provisions of the Land Ordinance (Sabah Cap. 68), the Town and Country Planning Ordinance (Cap. 141) or any other relevant laws as amended from time to time, and Subject further to the following conditions:</p> <p>(a) The consideration for the purchase and transfer of Lot C5 upon conversion into CL or Town Lease shall be the total rental paid and received by Rosalia up to the date of the Converted Title being issued;</p> <p>(b) All costs and expenses incurred in the development and enhancing the value of Lot C5 including the premium for conversion, survey fees, legal fees and other costs incidental thereto in relation to either convert Lot C5 or to secure the consent of the transfer under Section 17 of the Land Ordinance (Sabah Cap. 68) directly and indirectly incurred pursuant to such transfer shall be wholly borne by SASB;</p> <p>(c) Upon issuance of the Converted Titles from Lot C5, the Said Solicitors (defined herein) shall hereby be irrevocably authorized to cause the transfer of the Converted Titles into the name of SASB or its nominee in accordance with the terms herein; and</p> <p>(d) For the purpose of effectuating the transfer of the Converted Titles into the name of the SASB, Rosalia hereby expressly agree and undertake to execute the memorandum of transfer and/or shall simultaneous with the execution of the Sublease (C5) deliver duly executed memorandum of transfer in with irrevocable instruction to legal Firm of Messrs Fernandez & Co, No. 143, Jalan Tangki, Dezsons Building (Next to Karamuning Complex), Karamuning, 88100, Kota Kinabalu, PO box 13834, 88844, Kota Kinabalu to cause the lodgment and registration of the transfer of the Converted Titles into the name of SASB or its nominees within a reasonable time after issuance and delivery of the Converted Titles to SASB Solicitors as envisaged herein.</p> <p>(e) In the event that the transfer of the Converted Titles into the name of SASB or its nominees as envisaged under the preceding Clause 6(d) of the JVA for Lot C5 cannot be effected due to conditions imposed in the draft Converted Titles in relation to the fulfilment, inter alia, of building covenants, Rosalia hereto hereby expressly agree and undertake to execute an Irrevocable Power of Attorney to SASB with full powers including powers to execute the memorandum of transfer and all other relevant documents for the effectual transfer of the Converted Titles into the name of SASB or its nominees including the execution of a trust deed with Rosalia's declaration that she is holding Lot C5 as bare trustee for SASB.</p> |

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| 9. | The Sublease (Lot C5) shall continue to be valid and binding notwithstanding that the entering into the Sublease (Lot C5) may be invalid or in excess of the powers of any party herein or of any director, attorney, partner, agent or other person purporting to act on behalf of any party herein and notwithstanding any other irregularity in entering into the Sublease (Lot C5) by the signatory or party concerned. |
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