

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

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

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

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

(We refer to the Company’s announcements dated 21 September 2018 and 17 May 2019 in relation to the Proposed Acquisitions (“Announcements”). Unless otherwise defined, the definitions set out in the Announcements shall apply herein.)

1. INTRODUCTION

On behalf of the Board, AmInvestment Bank wishes to announce that UP had on 7 May 2019 obtained 3 letters of approval from the Perak State Authority pursuant to Section 433B of the National Land Code, 1965 for the acquisition and transfer of the Subject Properties to UP from PPM, SKM, and TRT (collectively, “the Vendors”) (“Perak State Authority Letter”) with conditions. As a result of these conditions, UP had on 10 June 2019 entered into 3 supplemental agreements to the SPAs with the respective Vendors to vary certain terms and conditions of the SPAs (“Supplemental Agreements”).

2. KEY SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENTS

The key variations to the terms and provisions of the SPAs are set out below. Other consequential changes have also been made to provisions in the SPAs.

All changes made below are, unless otherwise stated, applicable to all the SPAs.

2.1 Payment of Balance Purchase Price 1, Balance Purchase Price 2, and Balance Purchase Price 3 (collectively, “Balance Purchase Price”)

The respective Balance Purchase Price shall be paid within 2 months from the Unconditional Date as follows and to be released in accordance with Section 2.2 of this announcement:-

	Balance Purchase Price 1	Balance Purchase Price 2	Balance Purchase Price 3
(a)	Redemption sum to the Chargee to redeem the Subject Property 1	Redemption sum to the Chargee to redeem the Subject Property 2	Redemption sum to the Chargee to redeem the Subject Property 3
(b)	The sum of RM10,587,626.82 (“ Retention Sum 1 ”) to be deposited with the Vendors’ solicitors and UP’s solicitors jointly appointed by the Parties (“ Joint Stakeholders ”)	The sum of RM1,315,541.50 (“ Retention Sum 2 ”) to be deposited with the Joint Stakeholders	The sum of RM596,831.68 (“ Retention Sum 3 ”) to be deposited with the Joint Stakeholders
(c)	The sum equivalent to the Final Balance 1 less Retention Sum 1 (“ Nett Final Balance 1 ”) to be deposited with the Joint Stakeholders	The sum equivalent to the Final Balance 2 less Retention Sum 2 (“ Nett Final Balance 2 ”) to be deposited with the Joint Stakeholders	The sum equivalent to the Final Balance 3 less Retention Sum 3 (“ Nett Final Balance 3 ”) to be deposited with the Joint Stakeholders

Note:-

Inclusion of new clauses in relation to the payment of Balance Purchase Price are as follows:-

Clause 4A - Release of Retention Sum by the Joint Stakeholders

4A.1 If within the period commencing from the date of Supplemental Agreements (“**SA Date**”) up to the date of presentation and registration of the Transfer in favour of UP:-

- (i) either UP or the Vendor(s) **is required** by the appropriate authority to commence or implement certain exercises which include application by either party for the leasehold term extension in respect of the Subject Properties (“**Exercises**”) before the presentation and the registration of the Transfer in favour of UP, then the Joint Stakeholders shall release the Retention Sum and interest accrued thereon to UP within 5 business days of the registration of the Transfer in favour of UP.
- (ii) the appropriate authority **does not require** either UP or the Vendor(s) to commence or implement the Exercises before the presentation and the registration of the Transfer in favour of UP, then:
 - (a) during the period of 1 year commencing from the registration of the Transfer in favour of UP (“**Retention Period**”), the Joint Stakeholders shall release the Retention Sum and interest accrued thereon to UP within 5 business days of the receipt by the Joint Stakeholders of a notice from UP showing that UP has submitted the commencement of the Exercises to the appropriate authority (“**Retention Sum Notice**”).

- (b) *if the Joint Stakeholders do not receive the Retention Sum Notice from UP on the expiry of 5 business days from the expiry of the Retention Period, the Joint Stakeholders shall release the Retention Sum and interest accrued thereon to the Vendor(s) within 10 business days of the expiry of the Retention Period provided that the vacant possession of the Subject Property has been delivered to UP.*

Clause 4B - Release of Nett Final Balance

4B.1 *The Joint Stakeholders shall deal with the Nett Final Balance and interest accrued thereon as follows:-*

- (a) *if the appropriate authority **does not require** either UP or the Vendor(s) to commence or implement the Exercises before the registration of the Transfer in favour of UP, then provided that vacant possession of the Subject Property has been delivered to UP, the Nett Final Balance together with interests accrued thereon shall be released to the Vendor within 5 business days of the registration of the Transfer in favour of UP;*
- (b) *if the appropriate authority **requires** either UP or the Vendor(s) to commence or implement the Exercises before the presentation and the registration of the Transfer in favour of UP, then:*
 - (i) *the parties shall work together to implement the Exercises as soon as practicable so that the presentation and the registration of the Transfer in favour of UP can be completed in the shortest possible time; and*
 - (ii) *provided that vacant possession of the Subject Property has been delivered to UP, the Nett Final Balance together with interests accrued thereon shall be released to the Vendor(s) within 5 business days of the registration of the Transfer in favour of UP; and*
- (c) *if the appropriate authority **rejects or suspends** the presentation or registration of the Transfer in favour of UP and **requires** either UP or the Vendor(s) to commence or implement the Exercises before the registration of the Transfer in favour of UP, then:*
 - (i) *the Parties shall work together to implement the Exercises as soon as practicable so that the presentation and the registration of the Transfer in favour of UP can be completed in the shortest possible time; and*
 - (ii) *provided that vacant possession of the Subject Property has been delivered to UP, the Nett Final Balance together with interests accrued thereon shall be released to the Vendor(s) within 5 business days of the registration of the Transfer in favour of UP.*

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

2.2 Release of the Deposits, Retention Sum and Nett Final Balance

UP's solicitors, the Vendor's solicitors, and the Joint Stakeholders shall deal with the Balance Deposit, the Retention Sum, and the Nett Final Balance (together with all accrued interests thereto and any Late Payment Interest), as follows:-

- (a) in respect of UP's solicitors, to release the Balance Deposit to the Joint Stakeholders at any time after the Unconditional Date;*
- (b) in respect of the Joint Stakeholders:*
 - (i) to pay out Outstanding Outgoings 1, Outstanding Outgoings 2, Outstanding Outgoings 3, and to retain the Utilities Retention Sum 1, Utilities Retention Sum 2, and Utilities Retention Sum 3 as per the announcement dated 21 September 2018; and*
 - (ii) to release the Balance Deposits and the Nett Final Balance and Late Payment Interest (if any) less, amongst others, the Outstanding Outgoings and the Utilities Retention Sum (if any) to the Vendor(s) within 5 business days of the registration of the Transfer in favour of UP; and*
- (c) in respect of the Joint Stakeholders, to release the Retention Sum in accordance with Section 2.1(i), Clause 4A of this announcement.*

3. OTHER MATTERS

The Supplemental Agreements shall be construed as one with the respective SPAs. Except to the extent in which each SPA is expressly amended by the Supplemental Agreements, the terms and conditions of the SPAs shall remain in full force and effect.

On behalf of the Board, AmInvestment Bank wishes to announce that all conditions precedent of the SPAs have been fulfilled by the Parties and accordingly, the SPAs have become unconditional on 10 June 2019.

4. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Proposed Acquisitions are expected to be completed in the 3rd quarter of FYE 31 December 2019.

5. DOCUMENTS FOR INSPECTION

The Supplemental Agreements are available for inspection at UP's registered office located at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) after 7 days from the date of this announcement for a period of 3 months.

This announcement is dated 11 June 2019.