

BOUSTEAD PLANTATIONS BERHAD (“BPB” OR “COMPANY”)

PROPOSED ACQUISITION OF OIL PALM PLANTATION LANDS MEASURING A TOTAL OF 12,144.99 ACRES (4,915.25 HECTARES) TOGETHER WITH A PALM OIL MILL IN SABAH FOR A TOTAL CASH CONSIDERATION OF RM397.0 MILLION

1. INTRODUCTION

On behalf of the Board of Directors of BPB (“**Board**”), Affin Hwang Investment Bank Berhad (“**Affin Hwang IB**”) wishes to announce that Boustead Rimba Nilai Sdn Bhd (“**BRNSB**”), a wholly-owned subsidiary of BPB, had on 1 August 2018 entered into a sale and purchase agreement (“**SPA**”) with the following parties for the acquisition of oil palm plantation lands comprising 17 land titles measuring a total of 12,144.99 acres (4,915.25 hectares (“**Ha**”)) in Sabah (“**Plantation Lands**”) together with a palm oil mill and buildings erected thereon as well as movable assets, machineries and vehicles (collectively referred to as the “**Plantation Assets**”) for a cash consideration of RM397 million (“**Purchase Consideration**”) (“**Proposed Acquisition**”):

Vendors	District	No. of land titles	Land area	
			Acres	Ha
Sit Seng & Sons Realty Sdn Bhd (“ Sit Seng ”)	Labuk & Sugut	3	3,184.31	1,288.65
Ever-Yield Sdn Bhd (“ Ever-Yield ”)	Labuk & Sugut	1	617.00	249.70
Sapatanian Sdn Bhd (“ Sapatanian ”)	Beluran, Labuk & Sugut	3	1,967.94	796.39
Belutanian Sdn Bhd (“ Belutanian ”)	Labuk & Sugut	1	750.00	303.51
Realwood Enterprise Sdn Bhd (“ Realwood ”)	Labuk & Sugut	1	616.70	249.60
Syarikat Tani Desa Sdn Bhd (“ Tani Desa ”)	Labuk & Sugut	1	752.90	304.69
Upaya Abadi Sdn Bhd (“ Upaya Abadi ”)	Labuk & Sugut	1	616.80	249.60
Lubah Plantations (S) Sdn Bhd (“ Lubah ”)	Labuk & Sugut	1	1,233.00	499.30
Sri Istisafa Sdn Bhd (“ Sri Istisafa ”)	Labuk & Sugut	1	929.40	376.10
Aikbee Timbers (Sabah) Sdn Bhd (“ Aikbee Timber ”)	Beluran	2	246.38	99.71
Borneo Glow Sdn Bhd (“ Borneo Glow ”)	Kinabatangan	1	614.06	248.50
Vibrant Voyage Sdn Bhd (“ Vibrant Voyage ”)	Labuk & Sugut	1	616.50	249.50
		17	12,144.99	4,915.25

Further details on the Proposed Acquisition are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Description of the Plantation Assets

The Plantation Lands comprise 11 country lease and 6 provisional lease land titles measuring a total of 12,144.99 acres in the Districts of Beluran, Kinabatangan and Labuk & Sugut, Sabah. They are currently cultivated with oil palm and include a 75 metric tonne (“**MT**”) per hour palm oil mill (“**Ever-Yield Mill**”), buildings, agricultural equipment, machineries, vehicles and other amenities.

Further details on the Plantation Assets are set out below:

(i) Plantation Lands

Age profile of the oil palm	Age profile	Acres	%
	Young mature (4 to 9 years)	566.45	5.16
	Prime mature (10 to 20 years)	3,960.59	36.09
	Past mature (more than 20 years)	6,448.56	58.75
	Total planted area	10,975.60	100.00
Estate land area	Estate land area	Acres	%
	Planted area	10,975.60	90.37
	Building, sites and roads	927.73	7.64
	Other reserve and grid line	241.66	1.99
	Total estate land area	12,144.99	100.00
Average production of fresh fruit bunches ("FFB")	For the FYE 30 April	MT/acres	
	2017	5.81	
	2016	6.94	
	2015	7.33	
Plantation profit	For the FYE 30 April	RM'000	
	2017	16,648	
	2016	12,708	
	2015	13,588	
Audited net book value ("NBV") as at 30 April 2017	RM54,015,606		
Market value as at 2 July 2018 *	RM348,300,000		

Note:

* Based on the valuation report dated 2 July 2018 prepared by Messrs Jones Lang Wootton, a firm of independent valuers registered with the Board of Valuers, Appraisers and Estate Agents Malaysia ("Valuer"), on the Plantation Assets ("Valuation Report").

Please refer to **Appendix I** of this announcement for further information on each of the Plantation Lands.

(ii) Ever-Yield Mill

Registered owner	: Ever-Yield
Location	: Mile 77, Labuk Road, District of Labuk & Sugut, Sabah
Title	: PL 086290128 ⁽¹⁾
Tenure	: 99 years leasehold interest expiring on 31 December 2077
Encumbrances on the mill	: Nil
Built-up area	: 123,353 square feet
Land area	: 10.84 acres

Plant and machinery on the mill complex	:	No.	Plant and machinery			
			<hr/>			
		1.	FFB reception			
		2.	FFB loading ramp			
		3.	Marshalling yards			
		4.	Sterilizer station			
		5.	Crane threshing station			
		6.	Empty fruit bunches press station			
		7.	Pressing station			
		8.	Depericarper & nut station			
		9.	Clarification station			
		10.	Crude palm oil ("CPO") storage tank			
		11.	Kernel recovery station			
		12.	Boiler station			
		13.	Power house / engine room			
		14.	Raw water treatment plant			
		15.	Effluent treatment plant ponds			
Year of commission	:	2002				
Production capacity	:	75 MT per hour				
Average extraction rate and production	:	For the FYE 30 April	2015	2016	2017	
		Oil extraction rate (%)	21.77	21.45	21.06	
		Kernel extraction rate (%)	5.03	5.08	4.91	
		CPO production (MT)	43,111	37,381	35,669	
		Palm kernel production (MT)	9,970	8,850	8,311	
Date of inspection	:	2 July 2018				
Date of valuation	:	2 July 2018				
Audited NBV as at 30 April 2017	:	RM21,590,777				
Market value as at 2 July 2018 ⁽²⁾	:	RM45,000,000				

Notes:

(1) *The application for the subdivision and conversion of the said land by way of surrender and re-alienation, which was approved by the Lands and Surveys Department Kota Kinabalu on 10 October 2017, is currently pending issuance of the new titles. The said land will be subdivided as follows:*

<u>New category of land use</u>	<u>No. of titles</u>	<u>Land area</u> <u>Acres</u>
Industrial	1	10.84
Agriculture	1	461.67

(2) *Based on the Valuation Report.*

2.2 Basis and justification of arriving at the Purchase Consideration

The Vendors agree to sell and BRNSB agrees to purchase the Plantation Assets free from all encumbrances, caveats, liens and other restraints, subject to the restrictions in interest and conditions of the titles of the Plantation Lands and the conditions set out in the SPA.

The Purchase Consideration is derived at on a “willing-buyer willing-seller” basis after taking into consideration the market value of the Plantation Assets of RM393.3 million as appraised by the Valuer as at the material date of valuation of 2 July 2018.

In arriving at the market value of the Plantation Lands, the Valuer has adopted the profits method (discounted cash flow) as the main method of valuation and the comparison method as a check.

The profits method (discounted cash flow) involves the capitalisation of all future profits from the operations of the Plantation Lands to determine the market value of the property.

As a check, comparison is made against recent transactions and sale evidences of other properties similar to the Plantation Lands, where adjustments are made to the transaction value for dissimilarities.

In arriving at the market value of the Ever-Yield Mill, the Valuer has adopted the comparison method as the method of valuation.

The Purchase Consideration represents a premium of RM3.7 million or 0.94% over the market value of the Plantation Assets of RM393.3 million. The market value excludes a workshop and building materials located on one of the Plantation Lands.

2.3 Salient terms of the SPA

The salient terms of the SPA include, among others, the following:

2.3.1 Conditions precedent (“CPs”)

The SPA is subject to and conditional upon the following CPs being fulfilled within a period of 3 months from the date of the SPA with a further automatic extension of 3 months or such other extension to be mutually agreed between BRNSB and the Vendors (“**Conditional Period**”):

- (i) the approval from the Board of Directors and shareholders of the Vendors, if applicable;
- (ii) the approval from the Board and shareholders of BPB, if applicable;
- (iii) the approval of any regulatory authorities for the sale and transfer of the Plantation Lands to be obtained by the Vendors, if required;
- (iv) copies of the latest agriculture report of each of the Plantation Lands to be obtained by the Vendors;
- (v) the issuance of the subdivided titles for PL 086290128 ready to be transferred directly in favour of BRNSB, to be obtained by the Vendors; and

- (vi) the removal of the equity restriction for one of the Plantation Lands held under CL 085325408 which is registered in the name of Lubah ("**Lubah Equity Restriction**"), to be obtained by the Vendors.

2.3.2 Mode of payment

The Purchase Consideration will be settled in the following manner:

- (i) payment of RM39.7 million, being 10% of the Purchase Consideration ("**Deposit**"), breakdown as follows:
 - (a) RM7.56 million, being the earnest deposit which was paid to the Vendors on 8 May 2018, prior to the execution of the SPA;
 - (b) RM20.23 million to be paid to the Vendors upon execution of the SPA; and
 - (c) RM11.91 million, being approximately 3% of the Purchase Consideration, upon execution of the SPA, which shall be paid to BRNSB's solicitors as payment for the purpose of real property gains tax,
- (ii) payment of RM357.3 million, being 90% of the Purchase Consideration ("**Balance Purchase Consideration**"), within 2 months from the fulfilment of all CPs in the following order:
 - (a) such amount necessary to redeem the charges on the Plantation Lands, to be paid directly to the respective chargees ("**Redemption Sum**"); and
 - (b) the remaining Balance Purchase Consideration, after deducting the Redemption Sum, to be paid to the Vendors' solicitors as stakeholders ("**Completion Date**").

If BRNSB fails to pay the Balance Purchase Consideration within the stipulated period, the Vendors will grant BRNSB an automatic extension of 1 month to pay the Balance Purchase Consideration, subject to a late payment interest rate of 8% per annum.

2.3.3 Execution of transfer ("**Transfer**")

Upon execution of the SPA, the Vendors will execute 2 original Transfers for each of the land titles and assets under the Plantation Assets in escrow and deposit the same with BRNSB's solicitors, who will attend to the adjudication of the stamp duty payable on the Transfers.

2.3.4 Delivery of land titles

Within 14 business days from the payment of the Balance Purchase Consideration, the Vendors' solicitors will deliver the original document of titles for each of the Plantation Assets (including the subdivided titles) ("**Title Deeds**") together with the duly executed discharge of charge documents to BRNSB's solicitors for the presentation of the Transfers in favour of BRNSB.

2.3.5 Caveat

Upon execution of the SPA, BRNSB shall be entitled to enter private caveats on the land titles to protect its interest on the Plantation Assets pending the completion of the SPA.

2.3.6 Non-fulfilment of the CPs

If one or more of the CPs is not fulfilled within the Conditional Period, the SPA will be terminated. The Vendors will return the Deposit to BRNSB, free of interest, within 10 business days from the date of the notice issued jointly by the Vendors and BRNSB. Thereafter, both parties will not have any claim against the other except any pre-existing breach under the SPA and the Vendors can sell or deal with the Plantation Assets in such manner they deem fit.

2.3.7 Non-perfection of the Transfer

If the transfer of the land titles and assets under the Plantation Assets cannot be registered by the relevant land authority for any reason or defect which cannot be rectified within 30 days, BRNSB may terminate the SPA by written notice to the Vendors, in which:

- (i) the Vendors will return all monies paid relating to the Purchase Consideration free of interest to BRNSB (“**Refund**”) within 10 business days from the date of BRNSB’s termination notice to the Vendors; and
- (ii) in simultaneous exchange of the Refund, BRNSB will withdraw all private caveats lodged over the Plantation Assets, return the Transfers, the original Title Deeds (if delivered) and all other related documents with the Vendors’ interest on the Plantation Assets intact and the Plantation Assets are in the same state and condition as at the date of their delivery and free from any structures which BRNSB may have erected or constructed and occupiers. In the event where BRNSB fails to remove any structures or constructions or occupiers within 10 business days, the Vendors may remove any such structures or constructions of occupiers at the cost and expenses to be paid by BRNSB.

Thereafter, the SPA will be terminated and both parties will not have any claim against the other except any pre-existing breach under the SPA. The Vendors can sell or deal with the Plantation Assets in such manner they deem fit.

2.3.8 Default by BRNSB

If BRNSB fails to pay the Balance Purchase Consideration or any part of it and the Vendors have complied with all its obligations pursuant to the SPA, the Vendors may terminate the SPA and forfeit the Deposit as agreed liquidated damages. If the SPA is terminated, subject to the withdrawal of the private caveats lodged by BRNSB on the Plantation Assets (if any) and re-delivery of the possession of the Plantation Assets in the same state and condition as at the date of its delivery, the Vendors will return to BRNSB all payments of the Purchase Consideration, free of interest, after deducting the Deposit. Thereafter, the SPA will have no further effect and both parties will not have any claim against the other except any pre-existing breach under the SPA. The Vendors can sell or deal with the Plantation Assets in such manner they deem fit.

Each party will pay its own solicitors' fees and the respective costs agreed to be borne and discharged by the party as set out in the SPA without any contribution by the other.

2.3.9 Default by the Vendors

If the Vendors fail to complete the sale of the Plantation Assets or breach any of the material terms and conditions under the SPA and BRNSB had complied with all its obligations pursuant to the SPA, BRNSB may provide a notice to the Vendors specifying such failure or breach. If the Vendors fail to remedy such failure or breach within 10 business days from the date of receipt of such notice, BRNSB may either seek specific performance and all other remedies available under the law or terminate the SPA. If the SPA is terminated, the Vendors will return to BRNSB all payments of the Purchase Consideration and a further sum equivalent to the Deposit as agreed liquidated damages. Thereafter, the SPA will have no further effect and both parties will not have any claims against the other except any pre-existing breach, without prejudice to other rights and remedies available to BRNSB, in law or equity or under the SPA.

If the Vendors fail to deliver any of the agricultural equipment and vehicles of the Plantation Assets ("**Assets**") upon Completion Date, the Vendors will refund any amount paid for such Assets within 7 business days from the Completion Date, failing which late payment interest at the 8% per annum shall be chargeable on such amount until full settlement of the aforesaid amount.

2.3.10 Representations and warranties

The representations and warranties made by the Vendors under the SPA are, among others, as follows:

- (i) the Vendors are the registered owners of the Plantation Assets. The Plantation Assets are free from encumbrances, charges, caveats, liens and restrictions-in-interest unless otherwise disclosed in the SPA;
- (ii) the Vendors are not in default under any agreement or instrument to which it is a party or by which it may be bound and there is no pending or imminent litigation, arbitration or administrative proceedings, as the case may be, which might materially affect or impair the Vendors' ability to perform its obligations, stipulations and undertakings under the SPA;
- (iii) there are no demands, suits, proceedings, claims or liabilities whatsoever by any third party against the Vendors which would affect the obligations of the Vendors under the provisions of the SPA;
- (iv) the Plantation Assets or any part of it have not been acquired by the Sabah State Government or any other authorities and the Vendors have not received any notice under Section 3 or a declaration under Section 5 of the Land Acquisition Ordinance (Sabah Cap. 69) that the Plantation Assets or any part of it are subject to acquisition or intended acquisition by the Sabah State Government or any authorities;
- (v) there are no outstanding notices in respect of the Plantation Assets served upon the Vendors from any local authorities, which might affect or impair the Vendors' ability to perform their obligations under the SPA;

- (vi) no winding-up proceedings have been commenced against the Vendors as at the date of the SPA and the Vendors have not commenced any action or passed any resolution for its voluntary winding-up;
- (vii) all outgoings (including fines and penalties, if any) assessed or imposed upon the Plantation Assets which are due and payable as at the date of the SPA have been fully settled by the Vendors and any outgoings (including fines and penalties, if any) that may be assessed or imposed at any time between the date of the SPA and the delivery of vacant possession of the Plantation Assets will be fully settled by the Vendors; and
- (viii) the Vendors have observed and complied with all conditions of title, covenants, restrictions and category of use, whether express or implied, in respect of the Plantation Lands and will indemnify BRNSB against any liabilities in respect of taxes, fees, charges or other amounts payable in respect of the Plantation Lands before the delivery of vacant possession of the Plantation Lands as provided under the SPA.

The representations and warranties made by BRNSB under the SPA are, among others, as follows:

- (a) BRNSB is not in default under any agreement or instrument to which it is a party or by which it may be bound and there is no pending or imminent litigation, arbitration or administrative proceedings which might materially affect or impair BRNSB's ability to perform its obligations under the SPA;
- (b) there are no demands, suits, proceedings, claims or liabilities by any third party against BRNSB which would affect the rights of BRNSB to purchase the Plantation Assets; and
- (c) no winding-up proceedings have been commenced against BRNSB as at the date of the SPA and BRNSB has not commenced any action or passed any resolution for its voluntary winding-up.

2.3.11 Condition of the Plantation Assets

The Plantation Lands will be sold to BRNSB free from all encumbrances, caveats, liens and other restraints subject to the restrictions in interest and conditions implied on the Title Deeds. BRNSB has inspected the Plantation Assets prior to the execution of the SPA. Upon delivery of vacant possession of the Plantation Assets, BRNSB will comply with all notices and requirements of the Sabah State Government and local authorities in respect of the Plantation Lands, if any.

2.3.12 Vacant possession

The vacant possession of the Plantation Assets will be delivered by the Vendors to BRNSB in a good working condition as at the date of inspection by BRNSB upon payment of the remaining Balance Purchase Consideration, subject to the following:

- (i) the Plantation Lands will be free from all debts and liabilities on Completion Date;

- (ii) the Vendors have settled all lease and/or hire purchase instalments which are due and payable on or prior to the Completion Date, save for those with encumbrances as disclosed in the SPA;
- (iii) from the date of the SPA until Completion Date, the Vendors undertake to continue operating the Plantation Assets in its ordinary course of business and in accordance to their scheduled program for the Plantation Assets;
- (iv) all contracts relating to the Plantation Assets will be terminated on or before delivery of vacant possession, the costs of which shall be borne by the Vendors; and
- (v) the Vendors shall provide all reasonable assistance required for the application of licenses, permits and certificates in relation to Plantation Assets which are to be registered in the name of BRNSB.

2.3.13 Appointment of observer

Between the execution of the SPA and the Completion Date, BRNSB shall be entitled to appoint a representative at its own cost to observe the running of the Plantation Assets to ensure a smooth transition and handover of the Plantation Assets to BRNSB on the Completion Date.

2.4 Source of funding

BPB intends to fund the Proposed Acquisition through internally generated funds and borrowings in the following manner:

	<u>RM'million</u>
Internally generated funds	47.0
Bank borrowings	350.0
Purchase Consideration	<u>397.0</u>

2.5 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by BPB arising from the Proposed Acquisition.

2.6 Additional financial commitment

Save for the operational expenses in relation to the Plantation Assets, bank borrowings to fund the Purchase Consideration and other expenses relating to the Proposed Acquisition, BPB and its subsidiaries ("**BPB Group**") does not expect to incur any other additional financial commitment after the completion of the Proposed Acquisition.

2.7 Information on BRNSB

BRNSB was incorporated in Malaysia under the then Companies Act, 1965 (deemed incorporated under the Companies Act, 2016) (“**Act**”) on 13 June 1995 as a private limited company under the name of Rimba Nilai Sdn Bhd. On 4 March 2004, the company assumed its present name. BRNSB is a wholly-owned subsidiary of BPB. It is principally involved in the cultivation of oil palm and processing of FFB.

As at 18 July 2018, being the latest practicable date prior to the date of this announcement (“**LPD**”), the total issued shares of BRNSB is RM100,000,000 comprising 100,000,000 ordinary shares of BRNSB.

The existing directors of BRNSB are Mr Chow Kok Choy, Dato’ Shoib Abdullah and Sharudin Jaffar.

2.8 Information on the Vendors

Please refer to **Appendix II** of this announcement for the information on the Vendors.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition represents a move to replace some of BPB Group’s plantation lands in Peninsular Malaysia which were disposed in recent years with sizable plantation lands in Sabah at a lower cost. This is in view of the rapid developments in Peninsular Malaysia which have resulted in lands being less viable for plantation activities. This strategy also presents BPB Group with the opportunity to improve its income over the long term for its future growth.

The Proposed Acquisition is part of BPB Group’s strategy to acquire more plantation lands in Malaysia in view of the scarcity of suitable and sizeable land banks for oil palm cultivation. Upon completion of the Proposed Acquisition, the total plantation land bank held by BPB Group will increase by about 5%, from 93,417 Ha to 98,332 Ha. This also represents an increase of about 6% in total planted area under oil palms from 74,985 Ha to 79,427 Ha.

The Plantation Lands are centrally located within BPB Group’s existing estates as well as the recently acquired Pertama Estates. The Plantation Lands, together with these estates, will form a large business unit in Sandakan which allows BPB Group to further expand its market presence in Sabah.

The acquisition of the Ever-Yield Mill enables BPB Group to benefit in terms of processing the FFB produced from the Plantation Lands as well as BPB Group’s existing estates surrounding the mill. It will also reduce BPB Group’s estimated capital expenditure for the Pertama Estates as previously announced on 30 October 2017 considering that the Ever-Yield Mill will now replace BPB Group’s initial plan to construct a new palm oil mill on one of the Pertama Estates.

After taking into consideration the above as well as the prospects of the Plantation Assets as further elaborated in **Section 4.3** of this announcement, BPB is of the view that the Proposed Acquisition represents a strategic investment which enables BPB Group to achieve economies of scale and operational efficiencies, hence growing its plantation revenue and profitability in the future.

4. INDUSTRY OUTLOOK AND PROSPECTS

4.1 Overview of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2018 (4Q 2017: 5.9%), driven by continued growth in private sector spending (5.2%; 4Q 2017: 7.4%) and strong growth in net exports (62.4%; 4Q 2017: 2.3%). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.4% (4Q 2017: 1.0%).

Domestic demand recorded a moderate growth of 4.1% (4Q 2017: 6.2%), due to lower growth of private sector expenditure (5.2%; 4Q 2017: 7.4%) and a marginal decline in public sector spending (-0.1%; 4Q 2017: +3.4%). Private consumption registered a sustained growth of 6.9% (4Q 2017: 7.0%), supported by continued strength in wage and employment growth.

Growth of private investment moderated to 0.5% (4Q 2017: 9.2%). Private investment was weighed down by lower capital spending in structures, particularly in residential and commercial properties, and machinery and equipment during the quarter. On a sectoral basis, private investment was supported mainly by the services sector, particularly the education and healthcare sub-sectors.

Public consumption growth was lower at 0.4% (4Q 2017: 6.8%) on account of lower expenditure on supplies and services. Public investment continued to decline in the first quarter (-1.0%; 4Q 2017: -1.4%), attributed to the contraction in spending on fixed assets by public corporations. The lower capital spending by public corporations was due mainly to the near completion of a few large-scale projects.

Growth in the agriculture sector moderated, reflecting mainly lower rubber tapping activities amid weak rubber prices during the quarter. However, the mining sector's growth rebounded, supported mainly by higher oil production.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2018, Bank Negara Malaysia)

4.2 Industry outlook

The Malaysian oil palm industry showed sterling performance in 2017. CPO production and FFB yield witnessed significant increases following recovery from the impact of the El-Nino phenomenon a year earlier. According to the Department of Statistics, Malaysia, higher palm oil prices and improved export demand helped push export earnings to RM77.85 billion, up from RM67.92 billion in 2016.

Oil palm planted area in 2017 reached 5.81 million hectares, an increase of 1.3% as against 5.74 million hectares the previous year. Sarawak overtook Sabah as the largest oil palm planted state, with 1.56 million hectares or 26.8% of the total Malaysian oil palm planted area, followed by Sabah with 1.55 million hectares or 26.6% and Peninsular Malaysia with 2.70 million hectares or 46.6%.

In 2017, CPO production increased by 15.0%, reaching 19.92 million tonnes as against 17.32 million tonnes in 2016. The increase was due to higher FFB processed, up by 17.7% arising from higher FFB production that increased by 12.4%. CPO production in Peninsular Malaysia, Sabah and Sarawak increased by 19.0%, 7.6% and 15.1% to 10.58 million tonnes, 5.22 million tonnes and 4.13 million tonnes, respectively.

The FFB yield improved significantly in 2017 by 12.4% to 17.89 tonnes per hectare as against 15.91 tonnes per hectare in 2016. FFB yield for Peninsular Malaysia increased by 18.6% to 18.70 tonnes per hectare as against 15.77 tonnes per hectare in 2016. Sabah's FFB yield registered an increase of 7.3% to 18.35 tonnes per hectare as against 17.10 tonnes, while that of Sarawak was equally higher at 16.13 tonnes per hectare, up by 8.5% compared to 14.86 tonnes per hectare in 2016.

The National oil extraction rate (OER) in 2017 declined slightly by 2.3% to 19.72% from 20.18% in 2016 due to lower quality FFB processed by the mills. OER in Peninsular Malaysia, Sabah and Sarawak declined by 2.8%, 2.4% and 0.2% to 19.21%, 20.60% and 19.98% respectively.

(Source: Overview of the Malaysian Oil Palm Industry, 2017, Malaysian Palm Oil Board ("MPOB"))

4.3 Prospects of the Plantation Assets

The palm oil industry is recognised as a main contributor for the domestic economy, hence BPB is of the view that the future prospects for the Plantation Assets will remain favourable.

In Sabah, BPB Group currently operates 18 estates and 4 palm oil mills, with a total plantation land of 41,061 Ha, out of which 37,204 Ha is planted with oil palms. BPB Group has an established track record for its FFB yield and estate management in Sabah.

Upon completion of the Proposed Acquisition, the Plantation Lands, together with BPB Group's existing estates, will expand the size of BPB Group's business unit in Sandakan to more than 18,000 Ha. This will result in economies of scale and improved operational efficiency of BPB Group. It is also the intention of BPB's management to expand the capacity of the Ever-Yield Mill to 90 MT per hour which would enable the mill to process more FFB from the enlarged Sandakan business unit as well as surrounding estates in the future.

The Proposed Acquisition will enable BPB to strategically position itself to stay competitive in highly challenging market conditions. BPB Group believes that the strategic value creation to be derived from the Proposed Acquisition will translate into operational efficiencies thus improving profitability in the long run.

5. RISK FACTORS

Risk factors relating to the Proposed Acquisition include, but are not limited to, the following:

5.1 Inability to source for labour to operate the Plantation Assets

Due to increasing competition with other plantation companies to source for labour in Malaysia, there is no assurance that BPB Group will be able to source for sufficient labour required to operate and maintain the Plantation Assets. Additionally, BPB Group rely on foreign workers for its plantation operations. Any changes in local and foreign visa policies would hinder BPB Group's efforts to maintain a sufficient foreign labour workforce, potentially affecting the FFB production of the Plantation Assets.

Notwithstanding the above, BPB will continuously consider measures to attract and retain employees in ensuring the smooth operation of the Plantation Assets.

5.2 Non-completion of the Proposed Acquisition

There is a possibility that the SPA may not be completed due to non-fulfilment of any of the CPs. There is no assurance that the Proposed Acquisition can be completed within the time period prescribed under the SPA.

The Board will take reasonable steps to ensure that such CPs are met and fulfilled within the prescribed timeframe, besides ensuring every effort is made to obtain all the necessary approvals in order to complete the Proposed Acquisition in a timely manner.

5.3 Failure to maintain the Plantation Lands' yield

There can be no assurance that BPB Group will be able to achieve the expected yield from the Plantation Lands. This is because the performance of the Plantation Lands is subject to certain external factors that may cause disruptions or reduction in the production of supply of FFB, such as unfavourable weather, landslides, diseases, crop pests affecting the oil palm and insufficient labour to harvest the FFB.

5.4 Business risk

In undertaking the Proposed Acquisition, BPB is subject to certain risks inherent in the plantation industry. These include, but are not limited to, outbreaks of oil palm plantation diseases, damage from pests, fire or other natural disasters, unscheduled interruptions in palm oil milling, adverse climate conditions, changes in law and tax regulations affecting palm oil, increase in labour and/or other production costs and changes in business and credit conditions.

BPB's ability to mitigate these risks depends on various factors, including the ability to keep abreast of the latest technologies, disease prevention and plantation operations and other developments in the industry as well as BPB's ability to effectively implement business strategies. Although BPB seeks to limit these risks, no assurance can be given that any change in these factors will not have an adverse impact on BPB's plantation business.

5.5 Inability to renew licenses, permits and certificates

BPB requires various licenses, permits and certificates to operate its business and facilities. Failure to obtain such licenses, permits and certificates may interrupt the operations of the Plantation Assets which may have an adverse effect on the business and/or future financial performance of BPB Group.

While BPB Group has not experienced any significant difficulty in applying and/or renewing its licences, permits and certificates in the past, there is no assurance that the relevant authorities will approve such applications in a timely manner.

5.6 Fluctuations in CPO prices

The prices of palm oil fluctuate over time based on the demand and supply conditions in the global edible oils and fats market. Such factors are beyond BPB Group's control.

Any fluctuation in the prices of CPO will affect BPB Group's profitability. BPB seeks to mitigate any adverse effect caused by the fluctuations in CPO prices through adopting a more prudent management approach with the objectives of enhancing the cost effectiveness and optimisation of returns and focusing its efforts to improve the overall production efficiency and yield of the Plantation Assets.

5.7 Financing risk

BPB intends to finance the Proposed Acquisition and the capital expenditure to upgrade the palm oil mill upon completion of the Proposed Acquisition through a combination of internally generated funds and borrowings.

Any utilisation of internal funds is expected to result in a depletion of BPB's working capital, which may have an effect on the cash flow position of BPB Group. Any additional borrowings to finance the Proposed Acquisition and/or capital expenditure would expose BPB Group to a financing risk such as fluctuations in interest rates.

BPB will continue to take effective measures such as prudent financial management and conduct to manage its cash flow position and funding requirements, but there is no assurance that such measures would be adequate to address the aforesaid financing risks.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital as well as the substantial shareholders' shareholdings of BPB because it does not involve any issuance of new shares.

6.2 Earnings and earnings per share ("EPS")

The Proposed Acquisition is not expected to have any material impact on the earnings and EPS of BPB Group for the current financial year ending 31 December 2018. However, the Proposed Acquisition is expected to contribute positively to the future earnings of BPB Group.

6.3 Net assets (“NA”), NA per share and gearing

The Proposed Acquisition is not expected to have any material impact on the NA and NA per share of BPB Group.

After taking into account the additional bank borrowings of RM350 million to be obtained by BPB Group to partly fund the Proposed Acquisition, the gearing of BPB Group is expected to increase by about 0.14 times to 0.19 times from 0.05 times as at 31 December 2017, as illustrated below:

	<u>Audited as at 31 December 2017</u>	<u>After the Proposed Acquisition</u>
	RM'000	RM'000
Shareholders' equity / NA	2,547,161	2,547,161
Total borrowings	140,016	⁽¹⁾ 490,016
Gearing ratio (times) ⁽²⁾	0.05	0.19

Notes:

(1) After taking into consideration the additional bank borrowings of RM350 million to partly fund the Purchase Consideration.

(2) Gearing is calculated as total borrowings divided by shareholders' equity.

7. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 15.59% based on the Purchase Consideration against the audited consolidated NA of BPB as at 31 December 2017.

8. APPROVALS REQUIRED

The Proposed Acquisition is not subject to any other approvals from the regulatory authorities other than those set out in **Section 2.3.1** of this announcement.

The Proposed Acquisition is not subject to the approval of BPB's shareholders as the highest percentage ratio as set out in **Section 7** of this announcement is below 25%.

The Proposed Acquisition is not conditional upon any other corporate proposals undertaken or to be undertaken by BPB Group.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the directors and/or major shareholders of BPB and/or persons connected with them have any interest, direct or indirect, in the Proposed Acquisition.

10. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Acquisition including but not limited to the Purchase Consideration, the rationale, the terms of the SPA, the valuation on the Plantation Assets and the financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of BPB Group.

11. ESTIMATED TIMEFRAME FOR COMPLETION

The Proposed Acquisition is expected to be completed by the 1st quarter of 2019.

12. APPLICATION TO AUTHORITIES

Save for the application to the land authorities, BPB do not expect to make applications to any other relevant authorities in relation to the Proposed Acquisition.

13. ADVISER

Affin Hwang IB has been appointed as the Principal Adviser and Transaction Agent for the Proposed Acquisition.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA and the Valuation Report will be made available at BPB's registered office at 28th Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur from Monday to Friday (except public holiday) during business hours for a period of 1 month from the date of this announcement.

This announcement is dated 1 August 2018.

FURTHER INFORMATION ON PLANTATION LANDS

Further information on the Plantation Lands owned by the Vendors are set out below:

1. Sit Seng

Location	: Mile 74, 75 & 77, Labuk Road, District of Labuk and Sugut, Sabah		
Title particulars, division and tenure of leasehold period	Title particulars	Division	Tenure
	PL 086290217	Division IJ	99 years leasehold interest expiring on 31/12/2079
	PL 086290191	Division CE	99 years leasehold interest expiring on 31/12/2079
	PL 086290128 ⁽¹⁾	Division B400	99 years leasehold interest expiring on 31/12/2077
Existing use	: Oil palm plantation		
Description	: Cultivated with oil palm and include buildings, road facilities and other amenities		
Category of land use	: Agriculture		
Restriction in interest	: Nil		
Special terms	: Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles		
Encumbrances	: <u>PL 086290217</u> Charged in favour of Public Bank Berhad vide Memorial No. 20293100 dated 19 December 2007 and Public Islamic Bank Berhad vide Memorial No. MC1604080040 dated 26 April 2016 and MC 1805080057 dated 22 May 2018		
	: <u>PL 086290191</u> Charged in favour of Hong Leong Bank Berhad vide Memorial No. MC1803080021 dated 15 March 2018 and MC1709080006 dated 19 September 2017		
	: <u>PL 086290128</u> Charged in favour of OCBC Bank (Malaysia) Berhad vide Memorial No. MC1108080032 dated 23 August 2011 and MC1201080016 dated 27 January 2012		
Total land area	: 3,184.31 acres		
Age profile of the oil palm	Age profile	Acres	%
	Past mature (more than 20 years)	2,845.52	100.00
Estate land area	Land Area	Acres	%
	Planted area	2,845.52	89.36
	Building, sites and roads	302.34	9.49
	Other reserve and grid line	36.45	1.15
	Total land area	3,184.31	100.00
Average production of FFB	For the FYE 30 April	MT/acres	
	2017	5.61	
	2016	7.58	
	2015	8.41	
Plantation profit	For the FYE 30 April	RM'000	
	2017	3,976	
	2016	3,923	
	2015	4,487	
Audited NBV as at 30 April 2017	: RM1,558,150		
Market value as at 2 July 2018 ⁽²⁾	: RM84,100,000		

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)

Notes:

- (1) The Ever-Yield Mill is located on part of this land. The application for the subdivision and conversion of the said land by way of surrender and re-alienation, which was approved by the Lands and Surveys Department Kota Kinabalu on 10 October 2017, is currently pending issuance of the new titles. The said land will be subdivided as follows:

<u>New category of land use</u>	<u>No. of titles</u>	<u>Land area</u> <u>Acres</u>
Industrial	1	10.84
Agriculture	1	461.67

- (2) Based on the Valuation Report.

2. Ever-Yield

Location	:	Mile 78, Labuk Road, District of Labuk and Sugut, Sabah															
Title particulars, division and tenure of leasehold period	:	<table border="1"> <thead> <tr> <th><u>Title particulars</u></th> <th><u>Division</u></th> <th><u>Tenure</u></th> </tr> </thead> <tbody> <tr> <td>CL 085324090</td> <td>Division M</td> <td>99 years leasehold interest expiring on 31/12/2091</td> </tr> </tbody> </table>	<u>Title particulars</u>	<u>Division</u>	<u>Tenure</u>	CL 085324090	Division M	99 years leasehold interest expiring on 31/12/2091									
<u>Title particulars</u>	<u>Division</u>	<u>Tenure</u>															
CL 085324090	Division M	99 years leasehold interest expiring on 31/12/2091															
Existing use	:	Oil palm plantation															
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities															
Category of land use	:	Agriculture															
Restriction in interest	:	Nil															
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles															
Encumbrances	:	Charged in favour of OCBC Bank (Malaysia) Berhad vide Memorial No. MC1108080026 dated 23 August 2011															
Total land area	:	617.0 acres															
Age profile of the oil palm	:	<table border="1"> <thead> <tr> <th><u>Age profile</u></th> <th><u>Acres</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Prime mature (10 to 20 years)</td> <td>569.24</td> <td>100.00</td> </tr> </tbody> </table>	<u>Age profile</u>	<u>Acres</u>	<u>%</u>	Prime mature (10 to 20 years)	569.24	100.00									
<u>Age profile</u>	<u>Acres</u>	<u>%</u>															
Prime mature (10 to 20 years)	569.24	100.00															
Estate land area	:	<table border="1"> <thead> <tr> <th><u>Land Area</u></th> <th><u>Acres</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Planted area</td> <td>569.24</td> <td>92.26</td> </tr> <tr> <td>Building, sites and roads</td> <td>47.43</td> <td>7.69</td> </tr> <tr> <td>Other reserve and grid line</td> <td>0.33</td> <td>0.05</td> </tr> <tr> <td>Total land area</td> <td>617.00</td> <td>100.00</td> </tr> </tbody> </table>	<u>Land Area</u>	<u>Acres</u>	<u>%</u>	Planted area	569.24	92.26	Building, sites and roads	47.43	7.69	Other reserve and grid line	0.33	0.05	Total land area	617.00	100.00
<u>Land Area</u>	<u>Acres</u>	<u>%</u>															
Planted area	569.24	92.26															
Building, sites and roads	47.43	7.69															
Other reserve and grid line	0.33	0.05															
Total land area	617.00	100.00															
Average production of FFB	:	<table border="1"> <thead> <tr> <th><u>For the FYE 30 April</u></th> <th><u>MT/acres</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>8.18</td> </tr> <tr> <td>2016</td> <td>8.61</td> </tr> <tr> <td>2015</td> <td>7.94</td> </tr> </tbody> </table>	<u>For the FYE 30 April</u>	<u>MT/acres</u>	2017	8.18	2016	8.61	2015	7.94							
<u>For the FYE 30 April</u>	<u>MT/acres</u>																
2017	8.18																
2016	8.61																
2015	7.94																
Plantation profit	:	<table border="1"> <thead> <tr> <th><u>For the FYE 30 April</u></th> <th><u>RM'000</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1,811</td> </tr> <tr> <td>2016</td> <td>1,209</td> </tr> <tr> <td>2015</td> <td>857</td> </tr> </tbody> </table>	<u>For the FYE 30 April</u>	<u>RM'000</u>	2017	1,811	2016	1,209	2015	857							
<u>For the FYE 30 April</u>	<u>RM'000</u>																
2017	1,811																
2016	1,209																
2015	857																
Audited NBV as at 30 April 2017	:	RM2,029,254 ⁽¹⁾															
Market value as at 2 July 2018 ⁽²⁾	:	RM18,600,000															

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)
Notes:

(1) Excluding the NBV of the Ever-Yield Mill of RM21.59 million.

(2) Based on the Valuation Report.

3. Sapatanian

Location : Mile 70 & 75, Labuk Road, District of Beluran and District of Labuk and Sugut, Sabah

Title particulars, division and tenure of leasehold period	Title particulars	Division	Tenure
	PL 086290351	Division D	99 years leasehold interest expiring on 31/12/2078
	CL 085337980	Division PB	99 years leasehold interest expiring on 31/12/2080
	CL 085337971	Division KB	99 years leasehold interest expiring on 31/12/2080

Existing use : Oil palm plantation

Description : Cultivated with oil palm and include buildings, road facilities and other amenities

Category of land use : Agriculture

Restriction in interest : Nil

Special terms : Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles

Encumbrances : **PL 086290351**
Charged in favour of Public Islamic Bank Berhad vide Memorial No. MC1708080018 dated 25 July 2017, MC 1705080030 dated 25 May 2017 and MC1705080031 dated 25 May 2017

CL 085337980

Charged in favour of Hong Leong Bank Berhad vide Memorial No. MC 1803080022 dated 15 March 2018 and MC 1210080005 dated 2 October 2012

CL 085337971

Charged in favour of Hong Leong Bank Berhad vide Memorial No. MC1210080005 dated 2 October 2012

Total land area : 1,967.94 acres

Age profile of the oil palm	Age profile	Acres	%
	Prime mature (10 to 20 years)	570.65	33.01
	Past mature (more than 20 years)	1,158.21	66.99
	Total planted area	1,728.86	100.00

Estate land area	Land Area	Acres	%
	Planted area	1,728.86	87.85
	Building, sites and roads	143.92	7.31
	Other reserve and grid line	95.16	4.84
	Total land area	1,967.94	100.00

Average production of FFB	For the FYE 30 April	MT/acres
	2017	5.39
	2016	5.44
	2015	5.90

Plantation profit	For the FYE 30 April	RM'000
	2017	3,115
	2016	1,611
	2015	3,587

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)

Audited NBV as at 30 April 2017 : RM6,479,907

Market value as at 2 July 2018 ⁽¹⁾ : RM56,100,000

Note:

(1) Based on the Valuation Report.

4. Belutanian

Location : Mile 75, Labuk Road, District of Labuk and Sugut, Sabah

Title particulars, division and tenure of leasehold period	Title particulars	Division	Tenure
	PL 086290342	Division G	99 years leasehold interest expiring on 31/12/2078

Existing use : Oil palm plantation

Description : Cultivated with oil palm and include buildings, road facilities and other amenities

Category of land use : Agriculture

Restriction in interest : Nil

Special terms : Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles

Encumbrances : Charged in favour of Hong Leong Bank Berhad vide Memorial No. MC1210080116 dated 17 October 2012

Total land area : 750.00 acres

Age profile of the oil palm	Age profile	Acres	%
	Past mature (more than 20 years)	690.13	100.00

Estate land area	Land Area	Acres	%
	Planted area	690.13	92.02
	Building, sites and roads	57.82	7.71
	Other reserve and grid line	2.05	0.27
	Total land area	750.00	100.00

Average production of FFB	For the FYE 30 April	MT/acres
	2017	3.31
	2016	4.34
	2015	4.46

Plantation profit	For the FYE 30 April	RM'000
	2017	457
	2016	(338)
	2015	43

Audited NBV as at 30 April 2017 : RM152,338

Market value as at 2 July 2018 ⁽¹⁾ : RM20,600,000

Note:

(1) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)

5. Realwood

Location	:	Mile 78, Labuk Road, District of Labuk and Sugut, Sabah															
Title particulars, division and tenure of leasehold period	:	<table> <thead> <tr> <th><u>Title particulars</u></th> <th><u>Division</u></th> <th><u>Tenure</u></th> </tr> </thead> <tbody> <tr> <td>CL 085325917</td> <td>Division K</td> <td>99 years leasehold interest expiring on 31/12/2091</td> </tr> </tbody> </table>	<u>Title particulars</u>	<u>Division</u>	<u>Tenure</u>	CL 085325917	Division K	99 years leasehold interest expiring on 31/12/2091									
<u>Title particulars</u>	<u>Division</u>	<u>Tenure</u>															
CL 085325917	Division K	99 years leasehold interest expiring on 31/12/2091															
Existing use	:	Oil palm plantation															
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities															
Category of land use	:	Agriculture															
Restriction in interest	:	Nil															
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles															
Encumbrances	:	Charged in favour of Hong Leong Bank Berhad vide Memorial No. MC1210080118 dated 17 October 2012															
Total land area	:	616.70 acres															
Age profile of the oil palm	:	<table> <thead> <tr> <th><u>Age profile</u></th> <th><u>Acres</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Prime mature (10 to 20 years)</td> <td>569.67</td> <td>100.00</td> </tr> </tbody> </table>	<u>Age profile</u>	<u>Acres</u>	<u>%</u>	Prime mature (10 to 20 years)	569.67	100.00									
<u>Age profile</u>	<u>Acres</u>	<u>%</u>															
Prime mature (10 to 20 years)	569.67	100.00															
Estate land area	:	<table> <thead> <tr> <th><u>Land Area</u></th> <th><u>Acres</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Planted area</td> <td>569.67</td> <td>92.37</td> </tr> <tr> <td>Building, sites and roads</td> <td>46.99</td> <td>7.62</td> </tr> <tr> <td>Other reserve and grid line</td> <td>0.04</td> <td>0.01</td> </tr> <tr> <td>Total land area</td> <td>616.70</td> <td>100.00</td> </tr> </tbody> </table>	<u>Land Area</u>	<u>Acres</u>	<u>%</u>	Planted area	569.67	92.37	Building, sites and roads	46.99	7.62	Other reserve and grid line	0.04	0.01	Total land area	616.70	100.00
<u>Land Area</u>	<u>Acres</u>	<u>%</u>															
Planted area	569.67	92.37															
Building, sites and roads	46.99	7.62															
Other reserve and grid line	0.04	0.01															
Total land area	616.70	100.00															
Average production of FFB	:	<table> <thead> <tr> <th><u>For the FYE 30 April</u></th> <th><u>MT/acres</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>6.81</td> </tr> <tr> <td>2016</td> <td>5.90</td> </tr> <tr> <td>2015</td> <td>6.26</td> </tr> </tbody> </table>	<u>For the FYE 30 April</u>	<u>MT/acres</u>	2017	6.81	2016	5.90	2015	6.26							
<u>For the FYE 30 April</u>	<u>MT/acres</u>																
2017	6.81																
2016	5.90																
2015	6.26																
Plantation profit	:	<table> <thead> <tr> <th><u>For the FYE 30 April</u></th> <th><u>RM'000</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1,162</td> </tr> <tr> <td>2016</td> <td>463</td> </tr> <tr> <td>2015</td> <td>503</td> </tr> </tbody> </table>	<u>For the FYE 30 April</u>	<u>RM'000</u>	2017	1,162	2016	463	2015	503							
<u>For the FYE 30 April</u>	<u>RM'000</u>																
2017	1,162																
2016	463																
2015	503																
Audited NBV as at 30 April 2017	:	RM64,226															
Market value as at 2 July 2018 ⁽¹⁾	:	RM18,200,000															

Note:

(1) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)
6. Tani Desa

Location	:	Mile 75, Labuk Road, District of Labuk and Sugut, Sabah		
Title particulars, division and tenure of leasehold period	:	Title particulars PL 086290360	Division Division F	Tenure 99 years leasehold interest expiring on 31/12/2078
Existing use	:	Oil palm plantation		
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities		
Category of land use	:	Agriculture		
Restriction in interest	:	Nil		
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles		
Encumbrances	:	Charged in favour of Public Islamic Bank Berhad vide Memorial No. MC1705080034 dated 25 May 2017, MC1707080022 dated 25 July 2017 and MC1705080033 dated 25 May 2017		
Total land area	:	752.90 acres		
Age profile of the oil palm	:	Age profile	Acres	%
		Past mature (more than 20 years)	693.26	100.00
Estate land area	:	Land Area	Acres	%
		Planted area	693.26	92.08
		Building, sites and roads	54.24	7.20
		Other reserve and grid line	5.40	0.72
		Total land area	752.90	100.00
Average production of FFB	:	For the FYE 30 April	MT/acres	
		2017	6.89	
		2016	11.22	
		2015	10.53	
Plantation profit	:	For the FYE 30 April	RM'000	
		2017	1,477	
		2016	1,955	
		2015	1,339	
Audited NBV as at 30 April 2017	:	RM939,838		
Market value as at 2 July 2018 ⁽¹⁾	:	RM20,900,000		

Note:

(1) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)

7. Upaya Abadi

Location	:	Mile 78, Labuk Road, District of Labuk and Sugut, Sabah		
Title particulars, division and tenure of leasehold period	:	Title particulars	Division	Tenure
		CL 085325926	Division L	99 years leasehold interest expiring on 31/12/ 2091
Existing use	:	Oil palm plantation		
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities		
Category of land use	:	Agriculture		
Restriction in interest	:	Nil		
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles		
Encumbrances	:	Charged in favour of Public Islamic Bank Berhad vide Memorial No. MC 1707080013 dated 25 July 2017, MC1705080036 dated 26 May 2017 and MC1705080037 dated 26 May 2017		
Total land area	:	616.80 acres		
Age profile of the oil palm	:	Age profile	Acres	%
		Prime mature (10 to 20 years)	569.95	100.00
Estate land area	:	Land Area	Acres	%
		Planted area	569.95	92.40
		Building, sites and roads	42.60	6.91
		Other reserve and grid line	4.25	0.69
		Total land area	616.80	100.00
Average production of FFB	:	For the FYE 30 April	MT/acres	
		2017	6.06	
		2016	6.57	
		2015	6.38	
Plantation profit	:	For the FYE 30 April	RM'000	
		2017	909	
		2016	484	
		2015	315	
Audited NBV as at 30 April 2017	:	RM137,774		
Market value as at 2 July 2018 ⁽¹⁾	:	RM18,400,000		

Note:

(1) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)
8. Lubah

Location	:	Labuk Road Telupid, District of Labuk and Sugut, Sabah		
Title particulars, division and tenure of leasehold period	:	Title particulars CL 085325408	Division Division O	Tenure 99 years leasehold interest expiring on 31/12/2091
Existing use	:	Oil palm plantation		
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities		
Category of land use	:	Agriculture		
Restriction in interest	:	Subject to the Lubah Equity Restriction, further details as set out Section 2.3.1(vi) of this announcement		
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles		
Encumbrances	:	Charged in favour of Hong Leong Bank Berhad vide Memorial No. MC1210080117 dated 17 October 2012		
Total land area	:	1,233.00 acres		
Age profile of the oil palm	:	Age profile	Acres	%
		Prime mature (10 to 20 years)	1,123.61	100.00
Estate land area	:	Land Area	Acres	%
		Planted area	1,123.61	91.12
		Building, sites and roads	101.68	8.25
		Other reserve and grid line	7.71	0.63
		Total land area	1,233.00	100.00
Average production of FFB	:	For the FYE 30 April	MT/acres	
		2017	6.21	
		2016	7.69	
		2015	7.74	
Plantation profit	:	For the FYE 30 April	RM'000	
		2017	2,070	
		2016	1,666	
		2015	1,486	
Audited NBV as at 30 April 2017	:	RM203,518		
Market value as at 2 July 2018 ⁽¹⁾	:	RM37,600,000		

Note:

(1) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)
9. Sri Istisafa

Location	: Mile 75, Labuk Road, District of Labuk and Sugut, Sabah		
Title particulars, division and tenure of leasehold period	: Title particulars	Division	Tenure
	CL 085314441	Division H	99 years leasehold interest expiring on 31/12/2081
Existing use	: Oil palm plantation		
Description	: Cultivated with oil palm and include buildings, road facilities and other amenities		
Category of land use	: Agriculture		
Restriction in interest	: Nil		
Special terms	: Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles		
Encumbrances	: Charged in favour of Public Bank Berhad vide Memorial No. MC1506080004 dated 15 June 2015, 20290239 dated 22 May 2007, 20290240 dated 22 May 2007, and Public Islamic Bank Berhad vide Memorial No. MC1605080001 dated 4 May 2016 and MC1805080056 dated 22 May 2018		
Total land area	: 929.40 acres		
Age profile of the oil palm	: Age profile	Acres	%
	Past mature (more than 20 years)	863.68	100.00
Estate land area	: Land Area	Acres	%
	Planted area	863.68	92.93
	Building, sites and roads	61.65	6.63
	Other reserve and grid line	4.07	0.44
	Total land area	929.40	100.00
Average production of FFB	: For the FYE 30 April	MT/acres	
	2017	3.09	
	2016	3.45	
	2015	4.44	
Plantation profit	: For the FYE 30 April	RM'000	
	2017	982	
	2016	953	
	2015	381	
Audited NBV as at 30 April 2017	: RM13,033,104		
Market value as at 2 July 2018 ⁽¹⁾	: RM26,200,000		

Note:

(1) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)
10. Aikbee Timber

Location	:	Mile 78, Labuk Road, District of Beluran, Sabah																	
Title particulars, division and tenure of leasehold period	:	<table border="1"> <thead> <tr> <th>Title particulars</th> <th>Division</th> <th>Tenure</th> </tr> </thead> <tbody> <tr> <td>CL 085334818</td> <td>Division B200</td> <td>99 years leasehold interest expiring on 31/12/2078</td> </tr> <tr> <td>CL 085334809</td> <td>Division B200</td> <td>99 years leasehold interest expiring on 31/12/2078</td> </tr> </tbody> </table>	Title particulars	Division	Tenure	CL 085334818	Division B200	99 years leasehold interest expiring on 31/12/2078	CL 085334809	Division B200	99 years leasehold interest expiring on 31/12/2078								
Title particulars	Division	Tenure																	
CL 085334818	Division B200	99 years leasehold interest expiring on 31/12/2078																	
CL 085334809	Division B200	99 years leasehold interest expiring on 31/12/2078																	
Existing use	:	Oil palm plantation																	
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities																	
Category of land use	:	<u>CL 085334818</u> Agriculture <u>CL 085334809</u> ⁽¹⁾ Industrial																	
Restriction in interest	:	Nil																	
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles																	
Encumbrances	:	<u>CL 085334818</u> & <u>CL 085334809</u> Charged in favour of Bangkok Bank Berhad vide Memorial No. 20239647 dated 11 November 1997, MC1412080001 dated 1 December 2014, 20288859 dated 6 February 2007 and 20288860 dated 6 February 2007																	
Total land area	:	246.38 acres																	
Age profile of the oil palm	:	<table border="1"> <thead> <tr> <th>Age profile</th> <th>Acres</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Young mature (4 to 9 years)</td> <td>12.87</td> <td>6.11</td> </tr> <tr> <td>Past mature (more than 20 years)</td> <td>197.76</td> <td>93.89</td> </tr> <tr> <td>Total planted area</td> <td>210.63</td> <td>100.00</td> </tr> </tbody> </table>	Age profile	Acres	%	Young mature (4 to 9 years)	12.87	6.11	Past mature (more than 20 years)	197.76	93.89	Total planted area	210.63	100.00					
Age profile	Acres	%																	
Young mature (4 to 9 years)	12.87	6.11																	
Past mature (more than 20 years)	197.76	93.89																	
Total planted area	210.63	100.00																	
Estate land area	:	<table border="1"> <thead> <tr> <th>Land Area</th> <th>Acres</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Planted area</td> <td>210.63</td> <td>85.49</td> </tr> <tr> <td>Building, sites and roads</td> <td>23.14</td> <td>9.39</td> </tr> <tr> <td>Other reserve and grid line</td> <td>12.61</td> <td>5.12</td> </tr> <tr> <td>Total land area</td> <td>246.38</td> <td>100.00</td> </tr> </tbody> </table>	Land Area	Acres	%	Planted area	210.63	85.49	Building, sites and roads	23.14	9.39	Other reserve and grid line	12.61	5.12	Total land area	246.38	100.00		
Land Area	Acres	%																	
Planted area	210.63	85.49																	
Building, sites and roads	23.14	9.39																	
Other reserve and grid line	12.61	5.12																	
Total land area	246.38	100.00																	
Average production of FFB	:	<table border="1"> <thead> <tr> <th>For the FYE 30 April</th> <th>MT/acres</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>10.45</td> </tr> <tr> <td>2016</td> <td>12.42</td> </tr> <tr> <td>2015</td> <td>13.16</td> </tr> </tbody> </table>	For the FYE 30 April	MT/acres	2017	10.45	2016	12.42	2015	13.16									
For the FYE 30 April	MT/acres																		
2017	10.45																		
2016	12.42																		
2015	13.16																		
Plantation profit	:	<table border="1"> <thead> <tr> <th>For the FYE 30 April</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>739</td> </tr> <tr> <td>2016</td> <td>782</td> </tr> <tr> <td>2015</td> <td>590</td> </tr> </tbody> </table>	For the FYE 30 April	RM'000	2017	739	2016	782	2015	590									
For the FYE 30 April	RM'000																		
2017	739																		
2016	782																		
2015	590																		
Audited NBV as at 30 April 2017	:	RM9,882,943																	
Market value as at 2 July 2018 ⁽²⁾	:	RM6,500,000																	

Notes:

(1) Part of the land comprises a workshop and building materials.

(2) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)

11. Borneo Glow

Location	:	Sg Milian, District of Kinabatangan, Sabah		
Title particulars, division and tenure of leasehold period	:	Title particulars CL 095330037	Division Division Karamuak	Tenure 99 years leasehold interest expiring on 31/12/2097
Existing use	:	Oil palm plantation		
Description	:	Cultivated with oil palm and include buildings, road facilities and other amenities		
Category of land use	:	Agriculture		
Restriction in interest	:	Nil		
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles		
Encumbrances	:	Charged in favour of Hong Leong Bank Berhad vide Memorial No. 1803090029 and 1803090030, both dated 14 March 2018		
Total land area	:	614.06 acres		
Age profile of the oil palm	:	Age profile	Acres	%
		Young mature (4 to 9 years)	553.58	100.00
Estate land area	:	Land Area	Acres	%
		Planted area	553.58	90.15
		Building, sites, roads, other reserve and grid line	60.48	9.85
		Total land area	614.06	100.00
Average production of FFB	:	For the FYE 30 April	MT/acres	
		2017	(1) -	
		2016	(1) -	
		2015	(1) -	
Plantation profit	:	For the FYE 30 April	RM'000	
		2017	(1) -	
		2016	(1) -	
		2015	(1) -	
Audited NBV as at 30 April 2017	:	RM1,572,879		
Market value as at 2 July 2018 ⁽²⁾	:	RM22,900,000		

Notes:

- (1) The oil palm plantation does not have any FFB production as it was replanted in 2015.
- (2) Based on the Valuation Report.

FURTHER INFORMATION ON PLANTATION LANDS (CONT'D)

12. Vibrant Voyage

Location	:	Mile 78, Labuk Road, District of Labuk and Sugut, Sabah															
Title particulars, division and tenure of leasehold period	:	<table> <thead> <tr> <th><u>Title particulars</u></th> <th><u>Division</u></th> <th><u>Tenure</u></th> </tr> </thead> <tbody> <tr> <td>CL 085324107</td> <td>Division N</td> <td>99 years leasehold interest expiring on 31/12/2091</td> </tr> </tbody> </table>	<u>Title particulars</u>	<u>Division</u>	<u>Tenure</u>	CL 085324107	Division N	99 years leasehold interest expiring on 31/12/2091									
<u>Title particulars</u>	<u>Division</u>	<u>Tenure</u>															
CL 085324107	Division N	99 years leasehold interest expiring on 31/12/2091															
Existing use	:	Oil palm plantation															
Description	:	Cultivated with oil palm and include road facilities and other amenities															
Category of land use	:	Agriculture															
Restriction in interest	:	Nil															
Special terms	:	Subject to the provisions and conditions contained in the Land Ordinance (Sabah Cap. 68) and the special terms as per the respective land titles															
Encumbrances	:	Charged in favour of Public Islamic Bank Berhad vide Memorial No. MC1703080014 dated 16 March 2017															
Total land area	:	616.50 acres															
Age profile of the oil palm	:	<table> <thead> <tr> <th><u>Age profile</u></th> <th><u>Acres</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Prime mature (10 to 20 years)</td> <td>557.47</td> <td>100.00</td> </tr> </tbody> </table>	<u>Age profile</u>	<u>Acres</u>	<u>%</u>	Prime mature (10 to 20 years)	557.47	100.00									
<u>Age profile</u>	<u>Acres</u>	<u>%</u>															
Prime mature (10 to 20 years)	557.47	100.00															
Estate land area	:	<table> <thead> <tr> <th><u>Land Area</u></th> <th><u>Acres</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Planted area</td> <td>557.47</td> <td>90.42</td> </tr> <tr> <td>Building, sites and roads</td> <td>45.92</td> <td>7.45</td> </tr> <tr> <td>Other reserve and grid line</td> <td>13.11</td> <td>2.13</td> </tr> <tr> <td>Total land area</td> <td>616.50</td> <td>100.00</td> </tr> </tbody> </table>	<u>Land Area</u>	<u>Acres</u>	<u>%</u>	Planted area	557.47	90.42	Building, sites and roads	45.92	7.45	Other reserve and grid line	13.11	2.13	Total land area	616.50	100.00
<u>Land Area</u>	<u>Acres</u>	<u>%</u>															
Planted area	557.47	90.42															
Building, sites and roads	45.92	7.45															
Other reserve and grid line	13.11	2.13															
Total land area	616.50	100.00															
Average production of FFB	:	<table> <thead> <tr> <th><u>For the FYE 30 April</u></th> <th><u>MT/acres</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>7.99</td> </tr> <tr> <td>2016</td> <td>7.86</td> </tr> <tr> <td>2015</td> <td>8.86</td> </tr> </tbody> </table>	<u>For the FYE 30 April</u>	<u>MT/acres</u>	2017	7.99	2016	7.86	2015	8.86							
<u>For the FYE 30 April</u>	<u>MT/acres</u>																
2017	7.99																
2016	7.86																
2015	8.86																
Plantation profit/(loss)	:	<table> <thead> <tr> <th><u>For the FYE 30 April</u></th> <th><u>RM'000</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>(50)</td> </tr> <tr> <td>2016</td> <td>(1) Not available</td> </tr> <tr> <td>2015</td> <td>(1) Not available</td> </tr> </tbody> </table>	<u>For the FYE 30 April</u>	<u>RM'000</u>	2017	(50)	2016	(1) Not available	2015	(1) Not available							
<u>For the FYE 30 April</u>	<u>RM'000</u>																
2017	(50)																
2016	(1) Not available																
2015	(1) Not available																
Audited NBV as at 30 April 2017	:	RM17,961,675															
Market value as at 2 July 2018 ⁽¹⁾	:	RM18,200,000															

Notes:

- (1) Not available as the land was acquired by Vibrant Voyage in 2017.
- (2) Based on the Valuation Report.

INFORMATION ON THE VENDORS

1. Sit Seng

Sit Seng was incorporated in Malaysia under the Act on 9 November 1979 as a private limited company. It is principally involved in the renting of properties, investment holding, trading in logs and oil palm cultivation.

As at the LPD, the issued share capital of Sit Seng is RM3,000,000 comprising 3,000,000 ordinary shares. The shareholders and directors of Sit Seng as well as their respective shareholdings in Sit Seng are as follows:

<u>Directors</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Dato' Sri Tan Aik Chong	1,500,000	50.00	-	-
Dato' Sri Tan Aik Kiong	885,000	29.50	-	-
Sua Ah Boo	615,000	20.50	-	-
Datin Sri Chia Ee Wei	-	-	-	-

2. Ever-Yield

Ever-Yield was incorporated in Malaysia under the Act on 27 September 1985 as a private limited company. It is principally involved in the operation of a palm oil mill and cultivation of oil palm.

As at the LPD, the issued share capital of Ever-Yield is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholders and directors of Ever-Yield as well as their respective shareholdings in Ever-Yield are as follows:

<u>Shareholder</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00
Datin Sri Chia Ee Wei	-	-	-	-
Datin Sri Michele Chew Pei Sian	-	-	-	-

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

INFORMATION ON THE VENDORS (CONT'D)

3. Sapatanian

Sapatanian was incorporated in Malaysia under the Act on 20 April 1981 as a private limited company. It is principally involved in cultivation of oil palm and provision of plantation management services.

As at the LPD, the issued share capital of Sapatanian is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholders and directors of Sapatanian as well as their respective shareholdings in Sapatanian are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

4. Belutanian

Belutanian was incorporated in Malaysia under the Act on 4 March 1981 as a private limited company. It is principally involved in cultivation of oil palm.

As at the LPD, the issued share capital of Belutanian is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholders and directors of Belutanian as well as their respective shareholdings in Belutanian are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

INFORMATION ON THE VENDORS (CONT'D)

5. Realwood

Realwood was incorporated in Malaysia under the Act on 12 July 1985 as a private limited company. It is principally involved in cultivation of oil palm.

As at the LPD, the issued share capital of Realwood is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholders and directors of Realwood as well as their respective shareholdings in Realwood are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

6. Tani Desa

Tani Desa was incorporated in Malaysia under the Act on 18 February 1981 as a private limited company. It is principally involved in cultivation of oil palm.

As at the LPD, the issued share capital of Tani Desa is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholders and directors of Tani Desa as well as their respective shareholdings in Tani Desa are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

INFORMATION ON THE VENDORS (CONT'D)

7. Upaya Abadi

Upaya Abadi was incorporated in Malaysia under the Act on 10 October 1985 as a private limited company. It is principally involved in cultivation of oil palm.

As at the LPD, the issued share capital of Upaya Abadi is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholder and directors of Upaya Abadi as well as their respective shareholdings in Upaya Abadi are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

8. Lubah

Lubah was incorporated in Malaysia under the Act on 21 July 1986 as a private limited company. It is principally involved in cultivation of oil palm.

As at the LPD, the issued share capital of Lubah is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholder and directors of Lubah as well as their respective shareholdings in Lubah are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

INFORMATION ON THE VENDORS (CONT'D)

9. Sri Istisafa

Sri Istisafa was incorporated in Malaysia under the Act on 23 December 1995 as a private limited company. It is principally involved in cultivation of oil palm, trading of FFB and provision of transportation services.

As at the LPD, the issued share capital of Sri Istisafa is RM5,200,000 comprising 5,200,000 ordinary shares. The shareholder and directors of Sri Istisafa as well as their respective shareholdings in Sri Istisafa are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sit Seng	5,200,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 5,200,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 5,200,000	100.00

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.

10. Aikbee Timber

Aikbee Timber was incorporated in Malaysia under the Act on 5 October 1990 as a private limited company. It is principally involved in manufacturing of moulding timbers, sawmilling of timbers, logs extraction, timber trading and plantation management.

As at the LPD, the issued share capital of Aikbee Timber is RM3,931,200 comprising 3,931,200 ordinary shares. The shareholder and directors of Aikbee Timber as well as their respective shareholdings in Aikbee Timber are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Aikbee Resources Sdn Bhd	3,931,200	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 3,931,200	100.00
Dato' Sri Tan Aik Kiong	-	-	* 3,931,200	100.00
Datin Sri Chia Ee Wei	-	-	-	-
Datin Sri Michele Chew Pei Sian	-	-	-	-

Note:

* Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Aikbee Resources Berhad.

INFORMATION ON THE VENDORS (CONT'D)
11. Borneo Glow

Borneo Glow was incorporated in Malaysia under the Act on 22 January 1992 as a private limited company. It is principally involved in cultivation and sales of FFB.

As at the LPD, the issued share capital of Borneo Glow is RM3,157,895 comprising 3,157,895 ordinary shares. The shareholders and directors of Borneo Glow as well as their respective shareholdings in Borneo Glow are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholders</u>				
Sit Seng	2,999,998	95.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	1	**	* 2,999,998	95.00
Dato' Sri Tan Aik Kiong	1	**	* 2,999,998	95.00
Sua Ah Booi	-	-	* 2,999,998	95.00
Datin Sri Chia Ee Wei	-	-	-	-
Yap Keat Choon	157,895	5.00	-	-
Tan Aik Hooi	-	-	-	-

Notes:

- * Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.
 ** Negligible.

12. Vibrant Voyage

Vibrant Voyage was incorporated in Malaysia under the Act on 18 April 2016 as a private limited company. It is principally involved in cultivation of oil palm.

As at the LPD, the issued share capital of Vibrant Voyage is RM2,600,000 comprising 2,600,000 ordinary shares. The shareholder and directors of Vibrant Voyage as well as their respective shareholdings in Vibrant Voyage are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Shareholder</u>				
Sapatanian	2,600,000	100.00	-	-
<u>Directors</u>				
Dato' Sri Tan Aik Chong	-	-	* 2,600,000	100.00
Dato' Sri Tan Aik Kiong	-	-	* 2,600,000	100.00

Note:

- * Deemed interested pursuant to Section 8 of the Act by virtue of their respective shareholdings in Sit Seng.