

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

The terms used herein shall have the same meaning as those defined in the announcement dated 1 August 2018, unless otherwise stated.

1. INTRODUCTION

We refer to the announcements dated 1 August 2018 and 31 January 2019 in relation to the Proposed Acquisition.

On behalf of the Board, Affin Hwang IB wishes to announce that BRNSB had on 25 March 2019 entered into the following:

- (i) a supplemental agreement with the Vendors to vary and amend certain arrangements, terms and conditions of the SPA (“**Supplemental Agreement**”); and
- (ii) a sale and purchase agreement with Lubah (“**Lubah SPA**”) for the proposed acquisition of an oil palm plantation land held under CL 085325408, Labuk Road Telupid, District of Labuk and Sugut, Sabah and all the buildings erected thereon as well as movable assets, machineries and vehicles (collectively referred to as the “**Lubah Plantation Assets**”) for a cash consideration of RM38.21 million (“**Lubah Purchase Consideration**”) (“**Proposed Acquisition of Lubah**”).

For avoidance of doubt, the Lubah Plantation Assets formed part of the Plantations Assets to be acquired under the original SPA.

2. SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT

2.1 Variation to the CPs

As at the date of the Supplemental Agreement, all of the CPs under the SPA have been fulfilled, save for the removal of the Lubah Equity Restriction. Under the Supplemental Agreement, BRNSB and the Vendors have mutually agreed to discharge each other from their respective obligations in relation to the purchase of the Lubah Plantation Assets, including the removal of the Lubah Equity Restriction as one of the CPs. Subsequently, BRNSB and the Vendors shall proceed to complete the purchase of the Plantation Assets, save for the Lubah Plantation Assets (“**Revised Plantation Assets**”).

With the fulfilment of all of the CPs for the purchase of the Revised Plantation Assets, the SPA is deemed unconditional as at the date of the Supplemental Agreement. The purchase of the Lubah Plantation Assets is deemed null and void under the SPA and the deposit paid in relation to the purchase of the Lubah Plantation Assets under the SPA will be transferred to the account of the Lubah SPA.

2.2 Revised Purchase Consideration

Details of the Revised Plantation Assets are set out below:

Vendors	District	No. of land titles	Land area	
			Acres	Ha
Sit Seng	Labuk & Sugut	* 4	3,181.21	1,287.39
Ever-Yield	Labuk & Sugut	1	617.00	249.70
Sapatanian	Beluran, Labuk & Sugut	3	1,967.94	796.39
Belutanian	Labuk & Sugut	1	750.00	303.51
Realwood	Labuk & Sugut	1	616.70	249.60
Tani Desa	Labuk & Sugut	1	752.90	304.69
Upaya Abadi	Labuk & Sugut	1	616.80	249.60
Sri Istisafa	Labuk & Sugut	1	929.40	376.10
Aikbee Timbers	Beluran	2	246.38	99.71
Borneo Glow	Kinabatangan	1	614.06	248.50
Vibrant Voyage	Labuk & Sugut	1	616.50	249.50
		17	10,908.89	4,414.69

Note:

* Inclusive of the 2 subdivided titles for PL 086290128 ⁽¹⁾, details as set out below:

Title particulars	Land area		Special terms
	Acres	Ha	
CL 085348652	10.53	4.26	Palm oil mill ⁽²⁾
CL 085348661	458.87	185.70	Cultivation of oil palm

Notes:

(1) BRNSB and the Vendors have mutually agreed to exclude CL 085348670 measuring 0.29 acres or 0.12 Ha under the Supplemental Agreement, which is to be used as road reserve land.

(2) Land title for the Ever-Yield Mill.

The revised purchase consideration for the purchase of the Revised Plantation Assets is RM358.66 million (“**Revised Purchase Consideration**”) and the revised balance purchase consideration is RM322.78 million (“**Revised Balance Purchase Consideration**”), computations of which are set out below:

	RM' million
Purchase Consideration under the SPA	397.00
Less: (i) Lubah Purchase Consideration	38.21
(ii) Adjustments for the difference in land area of the subdivided titles and exclusion of road reserve land	0.13
Revised Purchase Consideration	358.66
Less: Deposit (excluding deposit paid for the purchase of the Lubah Plantation Assets)	35.88
Revised Balance Purchase Consideration	322.78

The respective Revised Balance Purchase Consideration will be released to the Vendors simultaneously upon the receipt of the respective Title Deeds registered in BRNSB's name.

2.3 Other matters

The Supplemental Agreement shall be construed as one with the SPA. Accordingly, the term “Agreement” as used in the SPA shall refer to the SPA as amended by the Supplemental Agreement.

Except to the extent as expressly amended by the terms of the Supplemental Agreement, the terms and conditions of the SPA shall remain in full force and effect.

The Proposed Acquisition and the Proposed Acquisition of Lubah are not conditional upon the completion of one another.

3. SALIENT TERMS OF THE LUBAH SPA

3.1 CPs of the Lubah SPA

The Lubah SPA is subject to and conditional upon the following CPs being fulfilled within a period of 12 months from the date of the Lubah SPA with a further automatic extension of 3 months or such other further extension to be mutually agreed between BRNSB and Lubah (“**Conditional Period**”):

- (i) the approval from the Board of Directors and shareholders of Lubah, 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 Lubah Plantation Assets to be obtained by Lubah, if required;
- (iv) copies of the latest agriculture report of the Lubah Plantation Assets to be obtained by Lubah; and
- (v) the removal of the Lubah Equity Restriction to be obtained by Lubah.

3.2 Mode of payment

The Lubah Purchase Consideration will be settled in the following manner:

- (i) payment of RM3.82 million, being 10% of the Lubah Purchase Consideration, which was paid on 8 May 2018 and 1 August 2018 as part of the Deposit pursuant to the SPA:
 - (a) RM2.67 million, being the earnest deposit; and
 - (b) RM1.15 million, being approximately 3% of the Lubah Purchase Consideration for the purpose of real property gains tax.
- (ii) payment of RM34.39 million, being 90% of the Lubah Purchase Consideration (“**Balance Lubah Purchase Consideration**”), within 2 months from the fulfilment of all CPs of the Lubah SPA in the following order:
 - (a) such amount necessary to redeem the charges on the Lubah Plantation Assets, to be paid directly to the respective chargee (“**Lubah Redemption Sum**”); and

- (b) the remaining Balance Lubah Purchase Consideration, after deducting the Lubah Redemption Sum, to be paid to the Lubah's solicitors as stakeholders.

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

3.3 Other matters

Save for the underlying asset i.e. Lubah Plantation Assets, vendor to the agreement i.e. Lubah, CPs and mode of payment for the Lubah SPA, the terms and conditions of the Lubah SPA are identical to that of the SPA.

4. EFFECTS OF THE PROPOSED ACQUISITION

The Revised Purchase Consideration of RM358.66 million and the Lubah Purchase Consideration of RM38.21 million collectively amount to RM396.87 million, representing a difference of RM0.13 million from the Purchase Consideration of RM397.00 million due to the adjustments as set out in **Section 2.2** of this announcement. This marginal difference does not have any material impact on the effects of the Proposed Acquisition as disclosed in the announcement dated 1 August 2018.

5. DOCUMENTS AVAILABLE FOR INSPECTION

The Supplemental Agreement and the Lubah SPA 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 25 March 2019.