

JOHORE TIN BERHAD ("JTB" or "the Company")

NON-RELATED PARTY TRANSACTION PROPOSED ACQUISITION OF LAND BY ABLE DAIRIES SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF JOHORE TIN BERHAD ("THE ACQUISITION")

1. INTRODUCTION

The Board of Directors of Johore Tin Berhad ("**JTB" or "the Company"**) wishes to announce that Able Dairies Sdn. Bhd. ("**Able Dairies" or "the Purchaser"**), a wholly-owned subsidiary of JTB, had on 15th September 2020 entered into a Sale and Purchase Agreement ("**SPA"**) with Golden Valley Industries Sdn. Bhd. [Company No. 201901024288 (1333617-H)] a company having its registered office at Room 1.02 50A & 52A, Jalan Pasar, 41400 Klang, Selangor ("**the Vendor"**) for the purchase of land (referred as "**Sale Lot"** in the SPA) for a purchase consideration of Ringgit Malaysia Forty Four Million Two Hundred Sixty Thousand Six Hundred Sixty Two and Sen Sixty (RM44,260,662.60) only based on Ringgit Malaysia Thirty Five (RM35.00) per square foot, subject to the terms and conditions as stipulated in the said SPA.

2. DETAILS OF THE ACQUISITION OF THE SALE LOT

The Sale Lot is known as Lot No.: 7 measuring approximately 29.031 acres (1,264,590.36 sq. ft.) situated within the master land held under Geran 48068, Lot 91, Mukim Klang, Daerah Klang, Negeri Selangor.

The salient terms of the SPA include, inter alia, the following:-

- 2.1 The purchase price shall be paid by the Purchaser to the Vendor by instalments at the time and in the manner as prescribed below:-

Immediately upon the execution of the SPA.	10%	RM4,426,066.26
Within ninety (90) days from the date of the Purchaser's receipt of the Vendor's written notice of the completion of the Rezoning Exercise in favour of the Sale Lot, supported with a copy of the approval and confirmation issued by the relevant Authorities confirming the same, certified true by the Vendor's Solicitors.	10%	RM4,426,066.26
Within ninety (90) days from the date of the Purchaser's receipt of the Vendor's written notice that the individual separate title and plan to the Sale Lot has been issued by the relevant Authorities in accordance to Clause 8.1 of the SPA, supported with a copy of the new title deed and plan of the Sale Lot, certified true by the relevant land registry/ registrar AND that the necessary approval/ consent from the relevant Authorities had been obtained approving the sale and purchase of the Sale Lot pursuant to the SPA (if applicable) AND the Memorandum of Transfer together with the requisite documents for registration thereof had been delivered	75%	RM33,195,496.95

Purchaser's Solicitors Provided that the letter of undertaking by the Financier to release the Loan for the acquisition of the Sale Lot by the Purchaser had been delivered to the Vendor's Solicitors and that the differential sum between the Balance Purchase Price and the Loan, if any, had been/will be paid by the Purchaser to the Vendor.		
Within forty five (45) days from the date of the Purchaser's receipt of the Vendor's written notification of delivery of vacant possession of the Sale Lot together with completion of earthwork in accordance with Clause 7.1 and Clause 7.2 of the SPA, supported with the confirmation made by the appointed contractor(s) confirming the same.	5%	RM2,213,033.13
TOTAL	100%	RM44,260,662.60

In the event that the Purchaser failed to pay any of the instalment or instalments after the expiration of the respective stipulated period, the Vendor shall grant to the Purchaser an automatic extension of one (1) month from the expiry of the original due date within which to pay the outstanding instalment due and payable provided that the Purchaser shall pay late payment interest on such outstanding payment due and payable at the rate of six per centum (6%) per annum calculated on a day to day basis (non-compounding) from the commencement of the extended period until full settlement of the relevant instalment due and payable.

2.2 The SPA is subject to and conditional upon the fulfilment of the following conditions (collectively referred to as "the Conditions Precedent"):-

- (i) the receipt by the Purchaser's Solicitors of the board of directors' and members' resolution of the Vendor approving the sale and disposal of the Sale Lot pursuant to the SPA, certified true by the company secretary; and
- (ii) if applicable, the issuance of the necessary approval/consent/no-objection from the relevant Authority(ies) approving the sale and purchase of the Sale Lot pursuant to the SPA.

In the event that any of the relevant Conditions Precedent is unable or failed to be fulfilled within fifteen (15) months from the date of SPA (unless further extension of time has been granted by the Purchaser), the Purchaser may at its sole and absolute discretion to rescind/terminate the SPA by notice in writing to the Vendor or the Vendor's Solicitors.

2.3 If the size, measurement or area of the Sale Lot as shown in the individual separate title to the Sale Lot when issued shall be different from the size, measurement or area as stated in the SPA and such discrepancy exceeds ten per centum (10%) from the original proposed size as stated in the SPA, the Purchaser shall be entitled at its sole and absolute discretion either:-

- (a) to accept the Sale Lot in the new size, measurement or area (subject to price adjustment based on Ringgit Malaysia Thirty Five (RM35.00) per square foot); or
- (b) to rescind/ terminate the SPA by notice in writing to the Vendor or the Vendor's Solicitors.

2.4 The Vendor shall deliver vacant possession of the Sale Lot free from all Encumbrances (other than encumbrances created by the Purchaser or its Financier), with earthwork done and completed [the original ground level (OGL) of the Sale Lot shall be filled to the minimum road

level of 3 meters and well compacted (with tolerance level of 0.05 meter)], to the Purchaser within fifteen (15) months from the date of SPA.

In the event that the Vendor fails to hand over vacant possession of the Sale Lot upon the expiry of the time and in the manner as stated in the SPA (unless further extension of time has been granted by the Purchaser), the Purchaser may at its sole and absolute discretion to rescind/terminate the SPA by notice in writing to the Vendor or the Vendor's Solicitors.

- 2.5 The Vendor shall apply and complete the Rezoning Exercise, the subdivision of the Master Land and to procure the issuance of separate individual title and plan to the Sale Lot from the appropriate Authorities within fifteen (15) months from the date of SPA which issue document of title shall be in the following conditions, nature and specification:-
- (i) industrial title with category and use of land for medium industrial;
 - (ii) freehold; and
 - (iii) free of restriction in interest and/or condition.

In the event that the Vendor failed to complete its obligations above upon the expiry of the time (unless further extension of time has been granted by the Purchaser), the Purchaser may at its sole and absolute discretion to rescind/ terminate the SPA by notice in writing to the Vendor or the Vendor's Solicitors.

3. DETAILS OF ABLE DAIRIES SDN. BHD. ("ABLE DAIRIES"), THE PURCHASER

Able Dairies is a private limited company a wholly-owned subsidiary of JTB and was incorporated in Malaysia on 9 March 2007 under the Companies Act, 1965. The present issued and paid-up share capital of Able Dairies is RM45,000,000.00 comprising 45,000,000 ordinary shares.

The principal activity of Able Dairies is manufacturing and selling of milk and other related dairy products.

The directors and substantial shareholder of Able Dairies are as follows:

List of Directors:-

Name	Designation
Ng Keng Hoe (Passport No. K1223101K)	Director
Edward Goh Swee Wang (NRIC No. 631221-01-5769)	Director

List of Shareholder:-

Name	Interest (%)
Johore Tin Berhad Registration No. 200001029963 (532570-V)	100.00

4. DETAILS OF GOLDEN VALLEY INDUSTRIES SDN. BHD., THE VENDOR

The Vendor is a private limited company incorporated in Malaysia on 10th July 2019 with registered office at Room 1.02 50A & 52A, Jalan Pasar, 41400 Klang, Selangor. The present issued and paid-up share capital of the Vendor is RM15,000,000.00 comprising 15,000,000 ordinary shares.

The principal activity of the Vendor are property developer, construction of building and non residential building and involve in general trading.

The directors and substantial shareholder of the Vendor are as follows:

List of Directors:-

Name	Designation
Goh Cheng Huat (NRIC No. 601101-07-5815)	Director
Gan Thiam Kok (NRIC No. 761126-10-5323)	Director
Ong Kwee Lee (NRIC No. 781116-01-5883)	Director

List of Shareholders:-

Name	Interest (%)
Aurora Industries Sdn. Bhd. Registration No. 201901024328 (1333657-V)	49%
KlangGroup Holdings Sdn. Bhd. Registration No. 201401011053 (1087129-A)	51%

5. BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION

The Acquisition is based on willing buyer-willing seller basis, taking into consideration the market valuation of RM48,050,000 (Ringgit Malaysia Forty Eight Million And Fifty Thousand) Only as appraised by independent registered valuer, namely KGV International Property Consultants (M) Sdn. Bhd. [Registration No. 198401013292 (125852-D)] on 11 February 2020.

6. RATIONALE AND PROSPECT

The Acquisition is part of JTB Group business expansion and development plan to expand and consolidate factories, facilities and production line for operational efficiency and efficacy. The Company intends to build factories, warehouses and offices at the Sale Lot.

7. SOURCE OF FUNDING

The Acquisition will be funded from internally generated funds and/or bank borrowings to be decided by the executive directors at a later stage, after taking into consideration its gearing level, interest costs as well as internal cash requirements for its business.

8. FINANCIAL EFFECTS

8.1 Earnings per share

The Acquisition will not have any material effect on the earnings of JTB for the financial year ending 31 December 2020.

8.2 Net Asset per share

The Acquisition will not have any material effect on the net assets per share of JTB for the financial year ending 31 December 2020.

8.3 Gearing

The Acquisition will not have any effect on the gearing of JTB.

8.4 Share Capital and Substantial Shareholders' shareholdings

The Acquisition will not have any effect on the issued and paid-up capital and the substantial shareholders' shareholdings of the Company as it does not involve any issuance of shares in JTB.

9. ESTIMATED TIME FRAME FOR COMPLETION

The estimated timeframe to complete the Acquisition will be fifteen (15) months from the date of SPA (unless further extension of time has been granted by the Purchaser) PLUS 45 days or 90 days payment term according to the payment schedule as stated in Paragraph 2.1 above, PLUS one (1) month extension (if applicable).

10. RISK FACTORS

The Company does not foresee any exceptional risk other than the normal operational risk associated with the Acquisition.

11. HIGHEST PERCENTAGE RATIO

Based on the latest audited financial statements of JTB for the financial year ended 31 December 2019, the highest percentage ratio applicable to the Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 13%.

12. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of JTB and/or persons connected to the Directors and/or major shareholders of JTB have any interest, direct or indirect, in the Acquisition.

13. APPROVAL OF SHAREHOLDERS

The Acquisition does not require the approval of the shareholders of JTB.

14. DIRECTORS' RECOMMENDATION

The Board of Directors of JTB, having considered all aspects of the transaction and is of the opinion that it is in the best interest of the JTB Group.

15. DOCUMENT FOR INSPECTION

A copy of SPA is available for inspection at the Company's Registered Office situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor during the normal business hours (8.30 a.m. to 5.30 p.m.) from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 15th September 2020.