

TRANSACTION: NON-RELATED PARTY TRANSACTION

- (A) SALES AND PURCHASE AGREEMENTS ENTERED BETWEEN ELIQ MANAGEMENT SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND EKOVEST CAPITAL SDN. BHD. IN RELATION TO THE PROPOSED ACQUISITION OF TWO (2) PARCELS OF BUILDING LOTS HELD UNDER GERAN 78870 LOT 480726, MUKIM KUALA LUMPUR, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN;
- (B) SALES AND PURCHASE AGREEMENTS ENTERED BETWEEN KAB AND EKOVEST CAPITAL SDN. BHD. IN RELATION TO THE PROPOSED ACQUISITION OF FOUR (4) PARCELS OF BUILDING LOTS HELD UNDER GERAN 78870 LOT 480726, MUKIM KUALA LUMPUR, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN.
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1. INTRODUCTION

The Board of Directors of KAB wishes to announce on the following agreements:

- (a) Eliq Management Sdn. Bhd. [Registration No. 202001026526 (1382846-P)], a wholly-owned subsidiary of the Company (“**EMSB**” or “**the Purchaser**”) had on 5 May 2021 entered into two (2) Sale and Purchase Agreement (“**SPA**”) with Ekovest Capital Sdn. Bhd. [Registration No. 199901011171 (486071-X)] (“**Ekovest**” or “**the Vendor**”) for the purpose of acquired two (2) parcels of building lots nos. J-29-06 and J-29-16 held under Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a total purchase consideration of RM1,316,990/- (“**Purchase Consideration**”) (“**Proposed Acquisition 1**”). There was no announcement made on the Proposed Acquisition 1 as the percentage ratio involves represented only 1.64% of the Group’s total net asset of RM80.07 million, which was less than the 5% requirement under Chapter 10.05(1) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).
- (b) The Company had on 26 October 2021 entered into a SPA with Ekovest for the purpose of acquired one (1) parcel of building lot no. J-20-09 held under Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a total purchase consideration of RM629,463/- (“**Purchase Consideration**”) (“**Proposed Acquisition 2**”). There was no announcement made on the Proposed Acquisition 2 as the percentage ratio involves represented only 0.79% of the Group’s total net asset of RM80.07 million, which was less than the 5% requirement under Chapter 10.05(1) of the MMLR of Bursa Securities and no announcement required on the Proposed Acquisition 1 and 2 pursuant to Chapter 10.12 of the MMLR of Bursa Securities as the aggregate percentage ratio involved only 2.43%.
- (c) The Company had on 17 January 2022 entered into a SPA with Ekovest for the purpose of acquired one (1) parcel of building lot no. E-31-01 held under Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a total purchase consideration of RM1,075,315/- (“**Purchase Consideration**”) (“**Proposed Acquisition 3**”). There was no announcement made on the Proposed Acquisition 3 as the percentage ratio involves represented only 1.34% of the Group’s total net asset of RM80.07 million, which was less than the 5% requirement under Chapter 10.05(1) of the MMLR of Bursa Securities and no announcement required on the Proposed Acquisition 1, 2 and 3 pursuant to Chapter 10.12 of the MMLR of Bursa Securities as the aggregate percentage ratio involved only 3.77%.
- (d) The Company entered into two (2) SPA with Ekovest for the purpose of acquired two (2) parcels of building lots nos. H-20-10 and H-30-05 held under Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a total purchase

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consideration of RM1,669,893/- (“Purchase Consideration”) (“Proposed Acquisition 4”). With the Proposed Acquisition 4, an announcement is required pursuant to Chapter 10.12 of the MMLR of Bursa Securities as the aggregate percentage ratio involved was 5.86%.

2. INFORMATION ON THE PURCHASER

Eliq Management Sdn. Bhd. [Registration No. 202001026526 (1382846-P)], was incorporate in Malaysia on 4 September 2020 and having its registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The issued share capital of EMSB is RM100.00 comprising 100 ordinary shares. EMSB is principally engaged in property investment and management.

The Directors of EMSB are as follows:-

- (a) Dato' Lai Keng Onn; and
- (b) Mr. Goh Kok Boon.

EMSB is a wholly-owned subsidiary of the Company.

3. INFORMATION ON THE VENDOR

Ekovest Capital Sdn. Bhd. [Registration No. 199901011171 (486071-X)] was incorporated in Malaysia on 16 June 1999 and having its registered office and business office at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan.

The issued share capital of Ekovest is RM408,050,000 comprising 408,050,000 ordinary shares. Ekovest is principally engaged in Property development.

The Directors and shareholders of Ekovest are as follows:-

Directors and shareholders	No. of Ekovest shares	Issued and paid-up share capital of Ekovest (%)
<u>Directors</u>		
(i) Lim Soo San	-	-
(ii) Lim Keng Cheng	-	-
(iii) Wong Khai Shiang	-	-

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(iv) Lim Chen Thai	-	-
(v) Kuek Gek Hia	-	-
<u>Shareholders</u>		
(i) Ekovest Berhad	408,050,000	100%

4. SALIENT TERMS ON THE PROPOSED ACQUISITIONS

The details of the Proposed Acquisitions are set out as below:-

Proposed Acquisition 1

- Registered Owner : Ekovest Capital Sdn. Bhd.
- Type : Service Apartment
- Parcel Nos. : J-29-06 and J-29-16, Block J
- Title Details : Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan
- Tenure : Freehold
- Category of land use : Housing land
- Encumbrances : The Land is charged to CIMB Bank Berhad as security for the loan granted to the Vendor
- Built-up Area : 762 square feet each
- Consideration : RM658,495/- each

Proposed Acquisition 2

- Registered Owner : Ekovest Capital Sdn. Bhd.

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Type : Service Apartment
Parcel No : J-20-09, Block J
Title Details : Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Tenure : Freehold
Category of land use : Housing land
Encumbrances : The Land is charged to CIMB Bank Berhad as security for the loan granted to the Vendor
Land Area : 762 square feet
Consideration : RM692,463/-

Proposed Acquisition 3

Registered Owner : Ekovest Capital Sdn. Bhd.
Type : Service Apartment
Parcel No : E-31-01, Block E
Title Details : Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Tenure : Freehold
Category of land use : Housing land
Encumbrances : The Land is charged to CIMB Bank Berhad as security for the loan granted to the Vendor
Land Area : 1,240 square feet
Consideration : RM1,075,315/-

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Proposed Acquisition 4

Registered Owner	:	Ekovest Capital Sdn. Bhd.
Type	:	Service Apartment
Parcel Nos	:	H-20-10 and H-30-05, Block H
Title Details	:	Geran 78870 Lot 480726, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Tenure	:	Freehold
Category of land use	:	Housing land
Encumbrances	:	The Land is charged to CIMB Bank Berhad as security for the loan granted to the Vendor
Land Area	:	1,168 square feet and 762 square feet
Consideration	:	RM978,065/- and RM691,828/-

5. SOURCE OF FUNDING

The Proposed Acquisitions 1, 2, 3 and 4 shall be made using a combination of internally-generated funds as well as by way of debt settlement.

6. LIABILITIES TO BE ASSUMED

There is no liability, including contingent liability and guarantee to be assumed by KAB with regards to the Proposed Acquisition.

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7. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITIONS

After some discussions and negotiations in the effort to recover partial amount owing and to capitalize on buyer market, as well as release of retention sum which would be held for longer period, the Board is of the view that the Proposed Acquisitions will contribute positively to the future cash flows of the Company as a result of the potential growth in capital value of the Property.

8. RISK FACTORS

The Board does not foresee any material risks pursuant to the Proposed Acquisitions except for the political and economic risk, as well as the inherent business risk factors associated with property development industry.

9. FINANCIAL EFFECTS

9.1 Share capital and shareholdings of substantial shareholders

The Proposed Acquisitions will not have any effect on the issued share capital of KAB nor on KAB's substantial shareholders' shareholdings in the Company as it does not involve the issuance of KAB shares.

9.2 Net Assets, Net Assets per share and gearing

The Proposed Acquisitions are not expected to have any material effect on the net assets, net assets per share and gearing of the Group for the financial year ending 31 December 2022.

9.3 Earnings and Earnings Per Share

The Proposed Acquisitions are not expected to have any material effect on the Group's earnings and earnings per share for the financial year ending 31 December 2022.

9.4 Convertible Securities

The Proposed Acquisitions are not expected to have any effect on the outstanding 881,927,638 warrants as the purchase consideration is to be fully settled by way of debt settlement.

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10. APPROVAL REQUIRED

The Proposed Acquisitions is not subject to the approval of shareholders and any other relevant authorities.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Acquisitions.

12. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of the Company, having reviewed and considered the terms and conditions of the SPAs, are of the opinion that the SPAs are in the best interest of the Company and the terms and conditions of the SPAs are fair, reasonable and on terms that are not detrimental to the minority shareholders of the Company.

13. PERCENTAGE RATIO

The highest percentage ratio pursuant to Paragraph 10.02(g) of the MMLR of Bursa Securities applicable to the Proposed Aggregate Acquisitions are 5.86% based on the purchase consideration and the latest audited financial statements of the Company for the financial year ended 31 December 2020.

The aggregate percentage ratio of the transactions entered by the Company and its subsidiary with Ekovest from the date of first transaction until the date of this announcement pursuant to Paragraph 10.12 of the MMLR is as follows: -

Name of Purchaser	Transactions	Relevant Percentage Ratio
Eliq Management Sdn. Bhd.*	SPA – Purchase of two (2) units of service apartment	1.64%
KAB	SPA – Purchase of one (1) unit of service apartment	0.79%

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KAB	SPA – Purchase of one (1) unit of service apartment	1.34%
KAB	SPA – Purchase of one (1) unit of service apartment	1.22%
KAB	SPA – Purchase of two (2) units of service apartment	0.86%
Total		5.86%

**Eliq Management Sdn. Bhd., is a wholly-owned subsidiary of KAB.*

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisitions are expected to be completed within ninety (90) days from the date of the SPAs.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The copies of the SPAs will be made available for inspection at the Company’s registered office Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

In adherence to the standard operating procedures imposed by the regulatory authority(ies), all inspection of documents at registered office of the Company could only be conducted by prior appointment only. For appointment(s) request, please contact +603-2084 9000 or email: info@sshbsb.com.my.

This announcement is dated 1 April 2022.