DAMANSARA REALTY BERHAD ("DBHD" OR THE "COMPANY")

(I) PROPOSED JOINT VENTURE BETWEEN DAMANSARA REALTY (JOHOR) SDN BHD ("DRJ"), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF DBHD, AND COUNTRY GARDEN MANAGEMENT SDN BHD ("CGM"), A WHOLLY-OWNED SUBSIDIARY OF COUNTRY GARDEN HOLDINGS COMPANY LIMITED ("CG"), WHICH IS LISTED ON THE HONG KONG STOCK EXCHANGE, THROUGH WHICH DRJ AND CGM SHALL JOINTLY UNDERTAKE AND IMPLEMENT A DEVELOPMENT PROJECT UNDER A JOINT VENTURE COMPANY, NAMELY DAC PROPERTIES SDN BHD ("DAC PROPERTIES") ("PROPOSED JOINT VENTURE");

(II) PROPOSED SETTLEMENT OF AN AGGREGATE SETTLEMENT SUM OF RM141,526,000 BETWEEN DBHD, DRJ, JOHOR CORPORATION ("JCORP"), JOHOR CITY DEVELOPMENT SDN BHD ("JCD") AND JOHOR LAND BERHAD ("JLAND") FOR THE PURPOSE OF OBTAINING IDENTIFIED PORTION OF APPROXIMATELY 63.15 ACRES OF LAND WITHIN LOT 413, MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU AND STATE OF JOHOR ("TDA LAND"), IN CONNECTION WITH AN INTEGRATED TOWNSHIP DEVELOPMENT KNOWN AS "TAMAN DAMANSARA ALIFF" ("PROJECT") ("PROPOSED SETTLEMENT"); AND

(III) PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO DAC PROPERTIES UNDER THE PROPOSED JOINT VENTURE ("PROPOSED PROVISION OF FINANCIAL ASSISTANCE")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of the Board of Directors of DBhd ("Board"), RHB Investment Bank Berhad ("RHB Investment Bank") wishes to announce that DRJ had on 13 October 2016, entered into the following:-

(i) a subscription and shareholders’ agreement with CGM ("Shareholders’ Agreement") to record certain commitments of the parties with regards to the subscription of shares in DAC Properties and to regulate their rights as shareholders of DAC Properties and the conduct of the business and affairs of DAC Properties, which has been identified as the joint venture vehicle between DRJ and CGM to undertake the Proposed Joint Venture on a portion of approximately 53.08 acres of land within the TDA Land ("JV Land"); and

(ii) a share sale agreement with CGM ("SSA") for the disposal of 26,500 ordinary shares of RM0.10 each in DAC Properties ("DAC Prop Share(s)") ("Sale Share(s)") held by DRJ to CGM, resulting in DRJ and CGM holding 30.0% and 70.0% of the equity interest in DAC Properties, respectively for a disposal consideration of RM18,800,000 ("Share Disposal Consideration"), upon the terms and subject to the conditions contained therein, which form part of the Proposed Joint Venture ("Proposed Share Transfer").

Subsequently, DRJ had on 14 October 2016 entered into a settlement agreement with DBhd, JCD, JCorp, and JLand ("Settlement Agreement") to settle an aggregate sum of RM141,526,000 ("Aggregate Settlement Sum") for the TDA Land. The Aggregate Settlement Sum shall be settled through (i) the consideration arising from the purchase of the JV Land by DAC Properties; and (ii) the consideration arising from the purchase of the remaining portion of approximately 10.07 acres of the TDA Land ("Remaining Land") by DRJ and its wholly-owned subsidiary, namely DAC Land Sdn Bhd ("DAC Land"), which will be effected via the following two (2) sale and purchase agreements:-
(i) a sale and purchase agreement entered into between JCD (as vendor), JCorp (as registered proprietor) and DAC Properties (as purchaser) ("SPA 1"), for the acquisition of the JV Land for a sale and purchase consideration of RM130,300,000 ("Purchase Consideration 1") ("Proposed Acquisition 1"); and

(ii) a sale and purchase agreement between JCorp (as registered proprietor), JLand (as vendor), DRJ and DAC Land (as purchasers) ("SPA 2"), for the acquisition of the Remaining Land for a purchase consideration of RM11,226,000 ("Purchase Consideration 2") ("Proposed Acquisition 2").

A diagrammatic structure of the Proposals is set out below:-

![Diagram of Proposed Settlement and Proposals]

* Deemed interested through direct and indirect interests of JCorp in DBhd.

Further details on the Proposals are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED JOINT VENTURE

DRJ has entered into the Shareholders’ Agreement with CGM and DAC Properties to jointly commence, manage, implement and develop the JV Land through DAC Properties into an integrated township development comprising, amongst others, residential, commercial shop lots, and amenities ("JV Project").

In tandem with the Shareholders’ Agreement, DRJ had also entered into the SSA for the Proposed Share Transfer, which will result in DRJ and CGM holding 30.0% and 70.0% equity interest in DAC Properties, details of which are set out in Section 2.3 of this announcement.
2.1 Details of the JV Project

The JV Land is currently vacant and is designated for a mixed development, which currently does not have any permits or development plans submitted to the authorities. The JV Project is expected to entail an integrated township development comprising, amongst others, residential homes, commercial shop lots, and amenities. Further details of the JV Project (such as the total development costs, the expected profit to be derived from the JV Project and the exact composition of the mixed development) have not been determined at this juncture pending finalisation of the actual development plans. Barring any unforeseen circumstances and subject to obtaining all required approvals, the planning and development of the JV Land is expected to commence by the end of 2016, with development period expected to span over a period of six (6) to eight (8) years.

2.2 Salient terms of the Shareholders’ Agreement

The salient terms of the Shareholders’ Agreement are, amongst others, set out below:-

2.2.1 Subscription for DAC Prop Shares

(i) Subscription, allotment and issuance of DAC Prop Shares

DRJ and CGM shall within seven (7) days of the execution of the Shareholders’ Agreement, subscribe for 56,480 and 43,500 DAC Prop Shares at RM1.00 per DAC Prop Share, ("Subscription Share(s)") respectively and DAC Properties shall, allot and issue the Subscription Shares to DRJ and CGM.

Following the completion of the Subscription Shares, the entire enlarged issued and paid-up share capital of DAC Properties is as follows:-

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>No. of existing DAC Prop Shares</th>
<th>No. of Subscription Shares</th>
<th>Resultant DAC Prop Shares held</th>
<th>Shareholding Proportions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRJ</td>
<td>20</td>
<td>56,480</td>
<td>56,500</td>
<td>56.5</td>
</tr>
<tr>
<td>CGM</td>
<td>-</td>
<td>43,500</td>
<td>43,500</td>
<td>43.5</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>99,980</td>
<td>100,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>

2.2.2 Proposed acquisition of the JV Land

DRJ and CGM agree to procure DAC Properties to enter into:-

(i) SPA 1; and

(ii) a stakeholders agreement with JCD, JCorp, JLand and DRJ (“Stakeholders’ Agreement”) to appoint a stakeholder to hold and deal with, amongst others, the Purchase Consideration 1 and the issue document(s) of title to the JV Land in accordance with the terms of SPA 1 and the Stakeholders’ Agreement,

within three (3) days after the execution of the Shareholders’ Agreement.
2.2.3 Subscription and issuance of 277,956 new redeemable preference shares – class A of par value of RM0.10 per share (“RPS-A”) (“Subscription RPS-A”)

(i) Agreement for subscription and issuance of Subscription RPS-A

(a) CGM shall subscribe for the Subscription RPS-A in tranches at a subscription price of RM381.79 per RPS-A (“RPS-A Subscription Price”) and on or before each subscription date as set out below, and DAC Properties shall, immediately upon the subscription and payment of the relevant RPS-A Subscription Price, allot and issue new RPS-A to CGM:

<table>
<thead>
<tr>
<th>Date of subscription</th>
<th>No. of Subscription RPS-A</th>
<th>Subscription Price (RM'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within seven (7) days after the date of the Shareholders Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 October 2016</td>
<td>31,667</td>
<td>12,090</td>
</tr>
<tr>
<td>31 January 2017</td>
<td>31,667</td>
<td>12,090</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>31,667</td>
<td>12,090</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>31,667</td>
<td>12,090</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>31,667</td>
<td>12,090</td>
</tr>
<tr>
<td>31 May 2017</td>
<td>31,667</td>
<td>12,090</td>
</tr>
<tr>
<td>30 June 2017</td>
<td>24,621</td>
<td>9,400</td>
</tr>
<tr>
<td>Total</td>
<td>277,956</td>
<td>106,120</td>
</tr>
</tbody>
</table>

(b) Following the completion of all the Subscription RPS-A by CGM, the entire enlarged issued and paid-up share capital of DAC Properties is as follows:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>No. of DAC Prop Shares held after the Subscription Shares</th>
<th>No. of Subscription RPS-A</th>
<th>Shareholding Proportions (based on DAC Prop Shares held) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRJ</td>
<td>56,500</td>
<td>-</td>
<td>56.5</td>
</tr>
<tr>
<td>CGM</td>
<td>43,500</td>
<td>277,956</td>
<td>43.5</td>
</tr>
<tr>
<td>Total</td>
<td>100,000</td>
<td>277,956</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(ii) Basis of subscription and issuance of Subscription RPS-A

The Subscription RPS-A shall be issued:

(a) free from all encumbrances and with full legal and beneficial title; and

(b) with all rights, privileges and restrictions comprising amongst others, the tenure of each RPS-A shall be in perpetuity, commencing from and inclusive of the issuance date, unless otherwise redeemed at the redemption price of RM0.10 per RPS-A, being the par value of the RPS-A or such redemption price as may be agreed upon and approved unanimously by DRJ and CGM, with effect from the date of allotment.

(iii) Utilisation of the RPS-A Subscription Price

DAC Properties to immediately utilise the RPS-A Subscription Price, following the Subscription RPS-A by CGM in tranches as referred to above, to acquire and purchase the JV Land from JCD.
2.2.4 Granting of initial advances

(i) Initial advances by CGM

DRJ and CGM agree that for the purpose of acquisition of the JV Land, CGM shall grant an interest-free shareholder’s advance amounting to an aggregate sum of RM24,180,000 to DAC Properties in two (2) tranches (“Initial Advances”) in the following manner:-

(a) a sum of RM12,090,000 at least three (3) days prior to 30 November 2016; and

(b) a sum of RM12,090,000 at least three (3) days prior to 31 December 2016.

(ii) Utilisation of the Initial Advances

DAC Properties to immediately utilise the Initial Advances, as and when received, to acquire and purchase the JV Land from JCD.

(iii) Capitalisation of Initial Advances

DRJ and CGM agree that they shall procure DAC Properties to capitalise the Initial Advances into 158,335 new redeemable preference shares – class B of par value of RM0.10 per share (“RPS-B”) at a subscription price of RM152.71 per RPS-B (“RPS-B Subscription Price”) (“Subscription RPS-B”) in favour of CGM within fourteen (14) days after the issue documents of title to the JV Land have been transferred to DAC Properties.

(iv) Basis of subscription and issuance of Subscription RPS-B

The Subscription RPS-B shall be issued:-

(a) free from all encumbrances and with full legal and beneficial title; and

(b) with all rights, privileges and restrictions comprising amongst others, the tenure of each RPS-B shall be in perpetuity, commencing from and inclusive of the issuance date, unless otherwise redeemed at the redemption price of RM0.10 per RPS-B, being the par value of the RPS-B or such redemption price as may be agreed upon and approved unanimously by DRJ and CGM,

with effect from the date of their allotment.

2.2.5 Conditions Precedent of Shareholders Agreement

(i) Conditions precedent

The obligations of CGM in respect of the fourth tranche of the Subscription RPS-A on or before each subscription date from 28 February 2017 onwards are conditional upon the conditions precedent set out below (“Shareholders’ Agreement CPs”) being obtained/fulfilled or waived (as the case may be) by 31 December 2016 or such later date as the parties may mutually agree upon (“Cut-Off Date”).:-

(a) DRJ having obtained the development order or Keberanan Merancang for the JV Project;
(b) DRJ having obtained the relevant supporting letters of no objection from Telekom Malaysia, SAJ Holdings Sdn Bhd, Indah Water Konsortium Berhad and Tenaga Nasional Berhad in the course of applying and obtaining the development order or Kebenaran Merancang;

(c) DRJ having obtained a Limited Power of Attorney (as defined herein) from JCorp in favour of DAC Properties to facilitate DAC Properties in obtaining all the necessary written approvals in relation to the JV Project/JV Land pending the completion of the SPA 1; and

(d) CGM having satisfied with the results of the land searches conducted by CGM confirming that the JV Land shall be free from all encumbrances.

In the event that any conditions are imposed by the relevant authorities which are not acceptable to CGM, DRJ shall use its best endeavours to apply for waiver or appeal for such conditions to the satisfaction of CGM, at the costs and expenses of DAC Properties.

(ii) Special conditions

The parties agree that DRJ shall obtain the approval of the shareholders of DBhd at an extraordinary general meeting ("EGM") to be convened for, amongst others, the Proposed Joint Venture, including the proposed disposal of the Sale Shares in favour of CGM under the Proposed Share Transfer and the proposed disposal of the JV Land to DAC Properties in accordance with the terms and conditions of the Shareholders’ Agreement on or before 31 January 2017 or such later date as the parties may mutually agree upon.

(iii) Right to terminate

If:-

(a) at any time prior to the expiry of the Cut-Off Date, any of the Shareholders’ Agreement CPs shall have been refused and appeals to the relevant authorities or persons against such refusal have not been successful; or

(b) on the expiry of the Cut-Off Date, any of the Shareholders’ Agreement CPs shall have not been obtained or fulfilled; or

(c) at any time prior to the expiry of the Cut-Off Date, any of the Shareholders’ Agreement CPs shall have been granted subject to the terms and conditions which are not acceptable to the affected party, and further representations to the relevant authorities or persons to vary such terms and conditions have not been successful, and the affected party is not willing to accept such terms and conditions then imposed; or

(d) after 31 January 2017, the special condition stated in Section 2.2.5 (ii) above has not been obtained or fulfilled for whatever reason,

then either party shall be entitled to terminate the Shareholders’ Agreement by giving a notice of termination to that effect to the other party, whereupon DRJ shall, within two (2) months from the date of termination:-
(a) acquire all the DAC Prop Shares, the RPS-A held by CGM at a purchase consideration equivalent to the amount of subscription price paid in respect of the DAC Prop Shares and RPS-A by CGM;

(b) acquire all the RPS-B at a purchase consideration equivalent to the sum of the Initial Advances or pay back to CGM all the Initial Advances if the Initial Advances have not been capitalised by DAC Properties; and

(c) pay back to CGM any unutilised financing/advances as at the date of termination (other than the Initial Advances) extended by CGM up to the date of termination;

(collectively, the “CGM Investment Cost”), failing which, if the JV Land has been registered in the name of DAC Properties as at the date of termination, then DAC Properties shall dispose the JV Land at a disposal consideration to be agreed upon by the parties, in which the proceeds arising from such disposal shall be first utilised to pay the CGM Investment Cost within seven (7) days from date of receipt of the proceeds.

2.2.6 Proposed Share Transfer

(i) Proposed Share Transfer

(a) CGM and DRJ shall upon the execution of the Shareholders’ Agreement execute the SSA for the Proposed Share Transfer;

(b) Subject to the completion of the Proposed Share Transfer, the entire enlarged issued and paid-up share capital of DAC Properties shall be and throughout the duration of the Shareholders’ Agreement be maintained in the following manner (“Shareholding Proportions”):-

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>No. of DAC Prop Shares held after the Subscription Shares</th>
<th>No. of Sale Shares</th>
<th>Resultant DAC Prop Shares held</th>
<th>Shareholding Proportions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRJ</td>
<td>56,500</td>
<td>(26,500)</td>
<td>30,000</td>
<td>30.0</td>
</tr>
<tr>
<td>CGM</td>
<td>43,500</td>
<td>26,500</td>
<td>70,000</td>
<td>70.0</td>
</tr>
<tr>
<td>Total</td>
<td>100,000</td>
<td></td>
<td>100,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>

2.2.7 Financing principles

(i) Financing for DAC Properties (save for the Initial Advances) shall be obtained from the following sources and in the following order of priority:-

(a) Financing from banks and financial institutions on the most favourable terms reasonably obtainable, but without allowing a prospective financier a right to participate in the share capital of DAC Properties as conditions of making available the financing;

(b) Financing/advances (save for the Initial Advances) from DRJ or CGM or their related companies or any other company of which DRJ and CGM is the controlling shareholder, in the form of cash (“Shareholders’ Financing/Advances”) and/or subscription for redeemable preference shares in the share capital of DAC Properties;

(c) Issue of ordinary shares or redeemable preference shares in the share capital of DAC Properties, subject to the unanimous approval of DRJ and CGM; and
(d) Any other source of financing to be mutually agreed by DRJ and CGM.

(ii) The form of funding shall be procured in accordance with the Shareholding Proportions. Any Shareholders’ Financing/Advances extended by CGM or DRJ to DAC Properties shall be repaid by DAC Properties with interest to be agreed upon (if any).

2.2.8 Termination

(i) Deemed termination events

The Shareholders’ Agreement shall be deemed terminated upon occurrence of any of the following events:-

(a) the termination of the Shareholders’ Agreement by mutual written consent of DRJ and CGM; or

(b) the winding-up of DAC Properties in accordance with the terms under the Shareholders’ Agreement; or

(c) the termination of the SPA 1, including where the termination of the SPA 1 arises from the non-registration of the JV Land in the name of DAC Properties; or

(d) when DAC Properties ceases to carry on any business.

(ii) Termination arising from default

In the event that DRJ or CGM (the “Defaulting Shareholder”):-

(a) commits any material breach of any of its obligations under the Shareholders’ Agreement and fails to take appropriate steps to remedy such breach (if capable of remedy) within 30 days after being given notice to do so by the other non-defaulting party; or

(b) assigns, transfers or disposes of its DAC Prop Shares in violation of the terms and conditions of the Shareholders’ Agreement; or

(c) goes into liquidation, whether compulsory or voluntary or shall cease or threaten to cease to carry on the whole or substantially all of its business; or

(d) becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or

(e) DRJ or CGM undergoes a change in control otherwise than for the purpose of an internal restructuring. For this purpose, a “change in control” occurs where more than 50% of the shares in such DRJ or CGM becomes legally or beneficially owned by a person or persons who did not directly own such shares at the date of the Shareholders’ Agreement,

then the other party (other than the Defaulting Shareholder) will be entitled to give a notice to the Defaulting Shareholder.
2.3 Details of the Proposed Share Transfer

The Proposed Share Transfer, which forms part of the Proposed Joint Venture, entails the disposal by DRJ, of the Sale Shares at the Share Disposal Consideration to be settled fully via cash in accordance with the SSA, resulting in CGM and DRJ holding 70% and 30% equity interests in DAC Properties, respectively. DAC Properties will be the joint venture company to undertake and implement, amongst other, the JV Project.

2.3.1 Salient terms of the SSA

The salient terms of the SSA are, amongst others, set out below:-

(a) Agreement for sale and purchase of Sale Shares

(i) Agreement for sale and purchase of Sale Shares

DRJ, as registered and beneficial owner, shall sell, and CGM shall purchase, the Sale Shares subject to and upon the terms and conditions contained in the SSA.

(ii) Basis of sale of Sale Shares

The Sale Shares are sold:-

(1) free from all encumbrances and with full legal and beneficial title; and

(2) with all rights attaching thereto (including all dividends and distributions, whether declared or undeclared, in respect thereof),

with effect from the Completion Date (as defined herein).

(b) Conditions precedent

(i) Conditions precedent

The obligations of the parties that are set out in the SSA are conditional upon the various applicable conditions precedent set out below (“SSA Conditions Precedent”) being obtained/fulfilled or waived (as the case may be) by 31 January 2017 or such later date as the parties may mutually agree upon (“SSA Cut-Off Date”):-

(a) DRJ having obtained, at the costs and expenses of DRJ the approval from the Economic Planning Unit for the sale and purchase of the Sale Shares under the SSA; and

(b) the Shareholders’ Agreement having become unconditional in accordance with the terms contained therein.

(ii) Right to terminate

If:-

(a) on the expiry of the SSA Cut-Off Date, any of the SSA Conditions Precedent shall have been refused and appeal or appeals to the persons against such refusal have not been successful; or
(b) on the expiry of the SSA Cut-Off Date, any of the SSA Conditions Precedent have not been obtained or fulfilled; or

(c) at any time prior to the expiry of the SSA Cut-Off Date, any of the SSA Conditions Precedent shall have been granted subject to terms and conditions which are not acceptable to CGM being terms and conditions which affect CGM, and further representations to the persons to vary such terms and conditions have not been successful, and CGM is not willing to accept such terms and conditions then imposed by the relevant authorities or persons,

then any party shall be entitled to terminate the SSA by giving a notice of termination to that effect to the other party, whereupon:-

(a) DRJ shall, within one (1) month from the date of termination of the SSA, refund and repay to CGM, or procure the refund and repayment to CGM of all moneys paid by CGM, if any, free of interest; and/or

(b) where the deposit of the Retention Sum (as defined herein) remains with CGM’s solicitors as stakeholder as at the date of termination, the parties agree that CGM’s solicitors are authorised to release the deposit of the Retention Sum to CGM.

(c) Share Disposal Consideration and payment

(i) Share Disposal Consideration

The aggregate sale and purchase consideration for the Sale Shares is RM18,800,000.

(ii) Manner of payment

(a) Upon the execution of the SSA, CGM shall:-

(1) pay a sum equivalent to 47% of the Share Disposal Consideration to DRJ; and

(2) pay a sum equivalent to 3% of the Share Disposal Consideration pursuant to Section 21B of the Real Property Gains Tax Act, 1976 (“Retention Sum”) as deposit and part payment of the Share Disposal Consideration to CGM’s solicitors to hold and deal with in accordance with the terms of the SSA.

(b) On the 7th business day after the SSA Conditions Precedent having been obtained/fulfilled or waived (as the case may be), or such other date as may be agreed upon between the parties upon which completion is to take place, CGM shall pay the remaining 50% of the Share Disposal Consideration to DRJ.
(iii) Execution of shares pledge agreement

In consideration of CGM agreeing to pay 50% of the Share Disposal Consideration upon the execution of the SSA, DRJ agrees and covenants to execute a shares pledge agreement in favour of CGM to pledge DRJ’s entire issued and paid-up share capital of DAC Properties held by DRJ in favour of CGM as security pending completion of the sale and purchase of the Sale Shares as contemplated under the SSA ("Share Pledge Agreement").

2.4 Source of funding in the joint venture company

DRJ’s portion of investment in DAC Properties will be funded through internally generated funds of DRJ.

2.5 Original cost of investment

As DAC Properties is a newly incorporated company, the original cost of investment of DRJ in DAC Properties in relation to the Proposed Share Transfer is only RM26,500.

2.6 Proposed utilisation of proceeds

The proceeds arising from the Proposed Share Transfer will be part utilised for the Purchase Consideration 2 whilst the remaining balance will be utilised for the working capital requirements of DRJ.

2.7 Liabilities to be assumed

Save for DRJ’s obligations as set out in the Shareholders’ Agreement, there are no other liabilities or guarantees to be assumed by DBhd and its group of companies (collectively, the “DBhd Group”) with regards to the Proposed Joint Venture.

2.8 Estimated additional financial commitment

Save for the Subscription Shares and the Shareholders’ Financing/Advances in accordance with the shareholding proportions of DRJ in DAC Properties as set out in Sections 2.2.1(i) and 2.2.7(ii) of this announcement, respectively the DBhd Group does not expect any additional financial commitment in connection with the Proposed Joint Venture.

The development costs for JV Land shall be funded by way of internally generated funds and/or external borrowings in accordance with the shareholding proportions of DRJ, the breakdown and manner of which is to be ascertained at a later date.

3. DETAILS OF THE PROPOSED SETTLEMENT

3.1 Background of the Project

JCorp is the registered owner of all that piece of master land held under Lot 413, Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring approximately 250 acres, which has subsequently been subdivided into individual lots (“Development Land”).

On 3 July 1999, JCorp and JCD had entered into a sale and purchase agreement, whereby JCorp agreed to dispose of and JCD agreed to acquire the Development Land. The sale and purchase of the Development Land was completed and accordingly JCD is the beneficial owner of the Development Land.
On 5 August 2002, JCD and DBhd had entered into a sale and purchase agreement whereby, amongst others, JCD agreed to dispose of and DBhd agreed to acquire the Development Land for the Project, for a purchase consideration of RM180.0 million ("Principal SPA"). The Principal SPA also stipulated the appointment of DBhd as the developer ("Appointment") for the Project.

On 10 October 2002, DBhd and DRJ had entered into a deed of assignment, whereby DBhd assigned all DBhd’s rights and interest in the Development Land in respect of the Principal SPA together with the Appointment to DRJ and it was agreed that DRJ shall do all acts and everything necessary as the developer for the purpose of developing the Development Land into a mixed development project known as “Taman Damansara Aliff” ("Developer").

On 18 October 2002, JCorp and DRJ had entered into a development rights agreement, whereby JCD, as the beneficial owner of the Development Land grants DRJ the right to develop the Project ("Development Rights Agreement").

On 11 December 2003, JCD, DBhd, DRJ and JCorp had entered into a mutual termination of the Principal SPA and supplemental agreement to the Development Rights Agreement ("Supplemental Agreement"), whereby the parties agreed, amongst others, the following:-

(i) to terminate the Principal SPA;

(ii) that the Development Rights Agreement shall survive the termination of the Principal SPA. JCD further acknowledged the appointment of DRJ as the Developer;

(iii) DRJ’s appointment as the Developer for the Project shall be in force from 11 December 2003 to 31 December 2009 for the consideration of RM180.0 million ("DR Consideration") on deferred payment terms from 31 December 2006 up to 31 December 2009; and

(iv) upon full payment of the DR Consideration, any balance parcels of the undeveloped Development Land shall be effectively transferred to DRJ free from encumbrances.

On 28 December 2007, DRJ and Damansara Assets Sdn Bhd ("DASB") had entered into a sale and purchase agreement, whereby DRJ had agreed to sell and DASB had agreed to purchase a piece of land held under H.S.(D) 491584 PTD 153248, Mukim of Tebrau, District of Johor Bahru, State of Johor identified as parcel C5 ("C5"), measuring approximately 2.19 acres situated on the Development Land at the purchase price of RM7.5 million. The transaction has been completed and the beneficial ownership of the C5 was subsequently transferred by DASB to JLand on 25 March 2013.

Subsequently, JCD, DBhd, DRJ and JCorp had enter into a settlement agreement dated 22 April 2008 as well as other relevant supplemental agreements to revise the settlement of the DR Consideration and resulted in DRJ settling RM59.1 million of the DR Consideration, via amongst others, the disposal by DRJ of all its rights, title and interest in respect of all that piece of land held under H.S.(D) 491582, PTD 153246, Mukim of Tebrau, District of Johor Bahru, State of Johor identified as parcel C7 ("C7"), measuring approximately 6.72 acres to Kumpulan Penambang (Johor) Sdn Bhd (now known as JCorp Hotels and Resorts Sdn Bhd), at the purchase price of RM20.7 million.

On 8 August 2009, DRJ and JLand had entered into a sale and purchase agreement, whereby DRJ has agreed to sell and JLand has agreed to purchase the development rights over a piece of land identified as parcel C3-3 ("C3-3"), measuring approximately 2.176 acres being part of H.S.(D) 367338 PTD 104978, Mukim of Tebrau, District of Johor Bahru, State of Johor, situated on the Development Land and 10 units of the double storey terrace in the project “Aliff Putri-Package 1” situated on the Development Land at an aggregate purchase price of approximately RM9.49 million. The sale and purchase of C3-3 has been completed and accordingly the beneficial interest of C3-3 is held by JLand.
On 1 July 2011, JCD had granted DRJ an extension of five (5) years until 30 September 2016 for the appointment of DRJ as the Developer for the Project and until 31 December 2016 to pay and settle the remaining balance of the DR Consideration amounting to RM120.9 million ("Balance DR Consideration") payable under the Supplemental Agreement.

In addition to the Balance DR Consideration, there is a sum of RM10,776,000 incurred by JLand for, amongst others, (i) Master infrastructure cost incurred on the Development Land amounting to RM9.4 million; and (ii) quit rent, rates, assessments, maintenance charges, fees and other lawful outgoings incurred in respect of the Development Land prior to the date of the Settlement Agreement amounting to RM1,376,000, agreed to be shared and paid by DRJ to JLand under the Settlement Agreement (collectively referred to as the “Reimbursement Costs”).

Currently, the identified remaining undeveloped land from the Development Land is approximately 61.55 acres, comprising the following:-

(a) JV Land measuring approximately 53.08 acres (inclusive of a portion of C3-3 and C5 measuring approximately 0.13 acres and 1.14 acres, respectively); and

(b) a portion of the Remaining Land measuring approximately 7.24 acres (inclusive of a portion of C3-3 measuring approximately 0.46 acres) and a portion of C7 measuring approximately 1.23 acres ("Exchanged Land"),

(collectively referred to as the “Undeveloped Land”).

For the avoidance of doubt, approximately 0.59 acres of C3-3 ("C3-3 Parcel"), 1.14 acres of C5 ("C5 Parcel") and the Exchanged Land, which in aggregate totals to 2.96 acres, are beneficially owned by JCorp and JLand. JCorp and/or JLand had agreed to transfer their respective beneficial interests and rights on the said 2.96 acres of Undeveloped Land for the consideration and in the manner as set out below:-

(a) in respect of the Exchanged Land, DRJ agrees to forgo its entitlement to a parcel of undeveloped land comprised in the Development Land held under HSD 491586 PTD 153141, Mukim of Tebrau, District of Johor Bahru, State of Johor measuring approximately 3.77 acres ("PTD 153141"); and

(b) in respect of the C3-3 Parcel and C5 Parcel measuring approximately 1.73 acres, DRJ agrees to procure DAC Land to pay a repurchase consideration of RM9.85 million ("Repurchase Price").

The Exchanged Land comprised of, amongst others, a bus stop and terrace shop lots, is located within the master development plan of the DBhd Group as well as within close vicinity of the JV Land, which is considered a more strategic location as compared to PTD 153141, which is located further from the master development plan as per the map disclosed under Section 3.5 of this announcement.

As such, JCD, JLand, JCorp, DRJ and DBhd had agreed to enter into the Settlement Agreement to lay out the terms and conditions for the Aggregate Settlement Sum, comprising the full settlement of the Balance DR Consideration, the Reimbursement Costs and the Repurchase Price by DRJ via the payment of Purchase Consideration 1 and Purchase Consideration 2 to be made by DAC Properties and DAC Land, respectively as well as to undertake the swap of Exchanged Land and PTD 153141.
3.2 Details of the Proposed Settlement

The Proposed Settlement entails the full settlement of the Aggregate Settlement Sum of RM141,526,000, the breakdown of which are as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Aggregate Settlement Sum</th>
<th>(RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Balance DR Consideration</td>
<td>120,900</td>
</tr>
<tr>
<td>2.</td>
<td>Reimbursement Costs</td>
<td>10,776</td>
</tr>
<tr>
<td>3.</td>
<td>Repurchase Price</td>
<td>9,850</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>141,526</td>
</tr>
</tbody>
</table>

Upon the settlement of the Aggregate Settlement Sum of RM141,526,000, JCorp, JCD and/or JLand shall transfer the Undeveloped Land to DAC Properties and DAC Land, respectively, together with the parcel(s) of land measuring approximately 1.60 acres of commercial development in Damansara Aliff Square 1 ("DAS 1") and Damansara Aliff Square 2 ("DAS 2"), consisting of 23.5 units and 16 units of shop office each (collectively, the "Shop Units in DAS 1 and DAS 2"), to be transferred by JCorp to the end-purchasers and/or DRJ, as illustrated below:

(a) the JV Land in favour of DAC Properties;
(b) the Exchanged Land in favour of DAC Land;
(c) a portion of the Remaining Land measuring approximately 7.24 acres in favour of DAC Land; and
(d) the Shop Units in DAS 1 and DAS 2 to the respective end-purchasers and/or DRJ.

In conjunction with the Proposed Settlement, DRJ had also entered into SPA 1 and SPA 2, whereby the Purchase Consideration 1 and the Purchase Consideration 2 will be utilised to settle the Aggregate Settlement Sum, details of which are set out under Sections 3.3 and 3.4 of this announcement.

3.2.1 Salient terms of the Settlement Agreement

The salient terms of the Settlement Agreement are summarised as follows:

3.2.1.1 Aggregate Settlement Sum

(i) JCD and JLand agree that the Aggregate Settlement Sum shall be paid by DRJ via payment of the Purchase Consideration 1 and the Purchase Consideration 2 in the following manner:

(a) Purchase Consideration 1 shall be paid by DAC Properties pursuant to and in accordance with the terms of SPA 1; and
(b) Purchase Consideration 2 shall be paid by DAC Land and/or DRJ pursuant to and in accordance with the terms of SPA 2,
on or before each payment date as prescribed in the schedule below (“Payment Schedule”):-

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Details of Payment</th>
<th>Amount (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) First Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>24,180,000</td>
</tr>
<tr>
<td>31 October 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Second Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>31 October 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Third Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>31 December 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Fourth Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>31 December 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Fifth Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>31 January 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f) Sixth Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>28 February 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Seventh Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>31 March 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(h) Eighth Payment</td>
<td>Balance DR Consideration payable by DAC Properties to JCorp</td>
<td>12,090,000</td>
</tr>
<tr>
<td>30 April 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Ninth Payment</td>
<td>Comprising of:-</td>
<td></td>
</tr>
<tr>
<td>31 May 2017</td>
<td>(i) Balance DR Consideration of RM12,090,000 payable by DAC Properties to JCorp; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ii) Part of Reimbursement Costs of RM1,376,000 payable by DAC Land/DRJ to JLand</td>
<td></td>
</tr>
<tr>
<td>(j) By 30 June 2017</td>
<td>Part of Reimbursement Costs of RM9,400,000 payable by DAC Properties to JLand/DRJ; and</td>
<td>9,400,000</td>
</tr>
<tr>
<td>(k) By 30 September 2019</td>
<td>Repurchase Price payable by DAC Land to JLand</td>
<td>9,850,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>141,526,000</td>
</tr>
</tbody>
</table>

(ii) In the event that DRJ and/or DAC Properties and/or DAC Land fails to pay the aforesaid payments on or before each payment date, DRJ shall pay and/or procure DAC Properties and DAC Land to pay to JCorp or JLand, as the case may be, the penalty on late payment on such part of the Aggregate Settlement Sum which is due and payable, at the rate of ten per centum (10%) per annum to be calculated on a daily basis from the date following the payment date until such time when such unpaid portion thereof shall have been paid up.

### 3.2.1.2 Manner of settlement of Aggregate Settlement Sum

(i) Subject to the Payment Schedule, the Aggregate Settlement Sum shall be paid and settled by the DAC Properties and DAC Land in the following manner:-

(a) the Purchase Consideration 1 of RM130,300,000 shall be paid by DAC Properties to Messrs Ikbal Salam & Associates ("Stakeholder"), JCorp or JLand on or before each payment date as stipulated in the Payment Schedule; and
(b) the Purchase Consideration 2 of RM11,226,000 shall be paid by DAC Land and/or DRJ to JLand on or before each payment date in the Payment Schedule.

(ii) The full payment of the Purchase Consideration 1 and the Purchase Consideration 2 in accordance with the Payment Schedule shall be deemed payment towards the account of the Aggregate Settlement Sum and shall release the obligation of DRJ from paying the Aggregate Settlement Sum and/or any other monies due and payable by DRJ to JCorp and/or JLand pursuant to the Settlement Agreement;

(iii) the Stakeholder shall be appointed for the Settlement Agreement and enter into the Stakeholders’ Agreements in respect of part of the Purchase Consideration 1 which is paid prior to the DBhd Shareholders’ Approval (“DBhd Shareholders’ Approval”) date and the transfer documents (being amongst others, the issue documents of title, the memorandum of transfer, full power of attorney granted by JCorp) (“Transfer Documents”), at the costs and expenses of DRJ; and

(iv) The Stakeholder shall and are hereby authorised to place the first payment, second payment, third payment and fourth payment (if applicable) as stipulated in the Payment Schedule or any other sum as may be received by them pursuant to the provisions of the Settlement Agreement and SPA 1 within three (3) business days of their receipt of such monies, into an interest bearing account with a licensed bank or financial institution of their choice, on such terms and conditions and at such interest rate as they see fit.

3.2.1.3 Deposit of Limited Power of Attorney and Transfer Documents

(i) JCorp shall upon the execution of the Settlement Agreement, execute and deposit:

(a) a valid and registrable power of attorney in respect of the JV Land in favour of DAC Properties and the Remaining Land in favour of DAC Land and DRJ, respectively in the manner as set out in the Settlement Agreement (“Limited Power of Attorney”); and

(b) the Transfer Documents,

with the Stakeholder, which shall be held and dealt with by the Stakeholder in accordance with the terms of the Settlement Agreement, SPA 1 and SPA 2.

(ii) JCorp, with the consent of JCD and JLand, shall grant the Limited Power of Attorney in favour of DAC Properties, DAC Land and DRJ respectively, on and with effect from the First Instalment Date and maintain the Limited Power of Attorney in full force and effect until the termination of the Settlement Agreement.
(iii) Upon receipt of the written request from DRJ and/or DAC Properties/DAC Land, JCorp, JCD and JLand agree to authorise the Stakeholder to release the original issue documents of title for the JV Land, the Remaining Land or any parts thereof for the sole purpose of amalgamation and sub-division (“Amalgamation & Subdivision”), subject to DAC Properties and DAC Land providing its undertaking to return the newly issued original issue documents of title upon completion of the Amalgamation & Subdivision exercise, with JCorp’s interest intact as the proprietor thereof, to the Stakeholder to hold the same in accordance to the terms of the Stakeholders’ Agreement.

(iv) Subject to the depository of the Limited Power of Attorney by JCorp with the Stakeholder, the Stakeholder shall and is hereby irrevocably and unconditionally authorised to release the Limited Power of Attorney to DAC Properties and DAC Land/DRJ on the First Instalment Date.

(v) Subject to the depository of the Transfer Documents by JCorp with the Stakeholder pursuant to the provisions of this clause, the Stakeholder shall and are hereby irrevocably and unconditionally authorised to, within two (2) days after DRJ’s notification of the procurement of DBhd’s Shareholders’ Approval:

(a) release the Transfer Documents for the JV Land or any parts thereof to DAC Properties upon full payment of the respective payments in accordance to the Payment Schedule together with any penalty on late payment (if any);

(b) release the Transfer Documents for the Remaining Land (save for the Transfer Documents for the Shop Units in DAS 1 and DAS 2) to DAC Land; and

(c) release any and all monies received by the Stakeholder towards account of the Purchase Consideration 1 to JCorp.

DAC Properties and DAC Land shall, upon receipt of the Transfer Documents, have the absolute right to submit the memorandum of transfers (“Transfers”) to the stamp office for the purpose of adjudication and stamping and then present the Transfer Documents for registration at the land registry as soon as reasonably practicable.

3.2.1.4 Security for payment of Purchase Consideration 2

(i) In consideration of JCorp, JCD and JLand agreeing to the registration of the Remaining Land and the Amalgamated Land (as hereinafter defined) (if applicable) in favour of the DAC Land and/or DRJ prior to the full payment of the Purchase Consideration 2 and as a security for the performance by DRJ and/or DAC Land in respect of their payment obligation, DRJ hereby agrees to procure DAC Land, within 7 days after the registration of transfer of 7.24 acres of the Remaining Land, the Exchanged Land and/or the Amalgamated Land (if applicable) in its favour, to deposit the following security documents to JLand who shall thereafter have the absolute right to enter into and lodge a lien holder’s caveat in respect of the 7.24 acres of the Remaining Land and/or the Amalgamated Land (if applicable) (collectively, the “Security Land”):

(a) the original issue document of title for the 7.24 acres of the Remaining Land and/or the Amalgamated Land (if applicable);
(b) the letter of consent to caveat in the format attached in the Settlement Agreement; and

(c) the certified true copy of DAC Land’s board of directors resolution approving the creation of the lien holder’s caveat on 7.24 acres of the Remaining Land and/or the Amalgamated Land (if applicable),

(hereinafter collectively referred to as the “Security Documents”).

For the purpose of facilitating JLand to register a lien holder’s caveat on 7.24 acres of the Remaining Land and/or the Amalgamated Land (if applicable), DAC Land and DRJ undertake to deposit any other documents as may be required by the land authority for the purpose of the registration of the lien holder’s caveat in favour of JLand.

(ii) JLand agrees, covenants and undertakes to remove the lien holder’s caveat over the Security Land or any parts thereof at JLand’s own costs and expenses, subject to the followings:-

(a) the receipt of the full payment of the Balance DR Consideration by JCorp; and

(b) the receipt of the payment of the Purchase Consideration 2 by JLand or any parts thereof, in accordance to the Schedule 2 of the SPA 2.

(iii) JLand agrees, covenants and undertakes to release the original issue document(s) of title to the Security Land to DAC Land, including removal of the relevant lienholder’s caveat at JLand’s sole costs and expenses in the following manner:-

(a) 7.24 acres of the Remaining Land

in accordance with Schedule 2 of the SPA 2 within 3 days after JLand’s receipt of such portion of the Purchase Consideration 2;

(b) Amalgamated Land

within 3 days after JLand’s receipt of the portion of such part of the Purchase Consideration 2 for the portion of the Remaining Land being amalgamated, in accordance to the breakdown of Purchase Consideration 2 set out in the SPA 2.

(iv) With respect to the Purchase Consideration 2, DRJ agrees, confirms and acknowledges that in the event DAC Land and/or DRJ breach their obligations under the SPA 2 to pay and settle the Purchase Consideration 2 or any part thereof (together with the penalty for late payment, if any) within ninety (90) days from the said amount becoming due and payable to JLand under the terms of the SPA 2, JCorp and JLand shall collectively be entitled to:-
(a) terminate SPA 2 by a notice in writing to DAC Land and DRJ and shall thereafter be entitled to enforce JLand’s right as the lien holder of the Security Land in accordance to the provisions of the National Land Code. Save and except for the titles which have been released in accordance with the terms of the SPA 2, the parties hereby agree that for the purpose of the enforcement of the lien holder’s caveat created over the Security Land or any parts thereof, JLand shall be entitled to apply for an order for sale over such titles of the Security Land, and the sales proceeds thereof shall be used to settle the amount due and owing to JLand pursuant to SPA 2 and any surplus thereof shall be refunded to DAC Land; or

(b) in the event the lien holder’s caveat could not be enforced by JLand, then the consequences of termination as set out in the Settlement Agreement shall apply.

(v) Notwithstanding the provisions of paragraph (iii) above and the provisions of the PMC Agreement for DAS 2 (as hereinafter defined), the parties hereby agree that payment by DAC Land and/or DRJ of the Purchase Consideration 2 under the SPA 2 shall be deemed satisfaction towards the consideration for the Shop Units in DAS1 and DAS2.

The parties agree that upon payment by DAC Land and/or DRJ of the Purchase Consideration 2:-

(i) JLand and/or JCorp shall give effect to the transfer of the Shop Units in DAS 1 and DAS 2 to the end purchasers for and on behalf of DRJ;

(ii) any sale proceeds arising from the disposal of the Shop Units in DAS 1 and DAS 2 shall belong to DRJ and shall be dealt with separately and in accordance with the terms of the PMC Agreement for DAS 2; and

(iii) upon expiry of 18 months from the date of the PMC Agreement for DAS 2, in the event that there are Shop Units in DAS 1 and DAS 2 which were not transferred to the end purchasers, such shop units shall be dealt with in accordance to the terms of the PMC Agreement for DAS2.

3.2.1.5 Development of DAS 1 and DAS 2

(i) Development of DAS 1

(a) DRJ and JLand had prior to the Settlement Agreement, agreed to jointly develop DAS 1 wherein DRJ had agreed to appoint JLand as its project management consultant ("PMC") in accordance with the terms and conditions as set out in the letters of appointment dated 23 May 2013 and 1 June 2013 issued by DRJ to JLand; and

(b) As at the date of the Settlement Agreement, DAS 1 had been completed with the Certificate of Completion and Compliance for all 23.5 units of shop office belonging to DRJ duly issued by the relevant authority.
(ii) Development of DAS 2

(a) DRJ and JLand hereby agree to jointly develop DAS 2 into a commercial development consisting of 26 units of shop office;

(b) DRJ and JLand have further agreed that the distribution of ownership of the shop office units in DAS 2 shall be as follows:

<table>
<thead>
<tr>
<th></th>
<th>DBhd/DRJ</th>
<th>JLand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>16 units</td>
<td>10 units</td>
</tr>
</tbody>
</table>

For the avoidance of doubt, DRJ and JLand shall bear the cost for the construction of DAS 2 and be entitled to the sale proceeds of the shop office in accordance to the shop office units allotted to each of them respectively; and

(c) DRJ further agrees to appoint JLand as the PMC for DAS 2 and for the said purpose, shall execute a PMC agreement for DAS 2 ("PMC Agreement for DAS 2"), which shall be executed simultaneously with the execution of the Settlement Agreement.

3.2.1.6 Exchanged Land

(i) JCorp warrants and represents to DRJ that JCorp is the registered and beneficial owner of the Exchanged Land;

(ii) JCorp hereby agrees to transfer all its rights, title and interest in respect of Exchanged Land to DAC Land and in consideration thereof, DRJ agrees to waive all its right to claim against PTD 153141;

(iii) JCorp and DRJ hereby agree that the completion of the exchange of the Exchanged Land shall take place upon receipt of the Balance DR Consideration by JCorp under the SPA 1 and no separate purchase consideration is payable by DRJ and the DAC Land in respect of the Exchanged Land. As such, JCorp shall execute and grant a full power of attorney in respect of the Exchanged Land in favour of DAC Land and procure the Stakeholder to release the Transfer Documents in respect of the Exchanged Land on the date of JCorp receiving the Balance DR Consideration; and

(iv) In the event DAC Land and DRJ intend to carry out the Amalgamation & Subdivision involving the Exchanged Land, and a new issue document of title is subsequently issued for a combined area involving such portion of Remaining Land and the Exchanged Land ("Amalgamated Land"), the parties agree that DRJ and/or DAC Land shall do the necessary to ensure that JLand is able to register a lien holder’s caveat over the Amalgamated Land in accordance with the National Land Code.

3.2.1.7 Termination

(i) Termination prior to DBhd Shareholders’ Approval

In the event DBhd Shareholders’ Approval is not obtained within four (4) months from the Settlement Agreement:-
(a) JCD shall procure the Stakeholder to refund to the DAC Properties, all monies paid by DAC Properties to the Stakeholder together with all interest accrued thereon;

(b) the Stakeholder shall thereafter return the Transfer Documents to JCorp with JCorp’s interest therein intact as soon as practicable; and

(c) DRJ and/or the respective DAC Properties and DAC Land shall redeliver the vacant possession of the JV Land and Remaining Land to JCD and JLand, as the case may be, if vacant possession has been delivered.

(ii) Termination after DBhd Shareholders’ Approval

(a) If either of the parties shall make default in any of the provision of the Settlement Agreement (“Defaulting Party”), the affected parties will have all rights and remedies accorded to it in law in the event the Defaulting Party continues such default or fail to or does not remedy the default within fourteen (14) days from the date of the notice. If the Defaulting Party fails to remedy the relevant default within fourteen (14) days from the date of the notice, then the affected parties may without prejudice to any other rights or remedies that Defaulting Party may have at law or in equity in respect of the default of the parties, terminate the Settlement Agreement;

(b) Notwithstanding the above, in the event of non-payment of any of the payments as stipulated in the Payment Schedule by DRJ and/or the DAC Properties and/or DAC Land, as the case may be, JCD and/or JLand shall be entitled to terminate the Settlement Agreement by notice in writing to DRJ and/or the DAC Properties and/or DAC Land. If a notice of termination is given pursuant to this clause:-

(A) in respect of JV Land:

(i) DAC Properties shall re-deliver to JCD and/or JLand, as the case maybe, possession of such portion of the JV Land equivalent in areas, to the Purchase Consideration 1 then outstanding;

(ii) DAC Properties shall return the Limited Power of Attorney or full power of attorney in respect of such portion of the JV Land equivalent in areas, to the Purchase Consideration 1 then outstanding, to JCorp;

(iii) the Stakeholder shall deliver the Transfer Documents in relation to such portion of the JV Land equivalent in areas, to the Purchase Consideration 1 then outstanding, to JCD and/or JLand; and

(iv) JCD and/or JLand shall thereafter deal with such portion of the JV Land equivalent in areas, to the Purchase Consideration 1 then outstanding, as they deem fit;
(B) in respect of the Remaining Land, JLand shall be entitled to enforce JLand’s right as a lien holder of the Security Land in accordance to the provisions in the National Land Code. For the avoidance of doubt, any sale proceeds received from the enforcement of JLand’s right as lien holder shall be utilised to settle the outstanding sum due and owing by DAC Land and/or DRJ to JLand in the Settlement Agreement (insofar as the Purchase Consideration 2 is concerned) and under the SPA 2.

The parties acknowledge and agree that:

(1) Following the termination under this clause, JCorp, JCD and JLand hereby agree, confirm and acknowledge that notwithstanding any other provisions of the Settlement Agreement, JCorp, JCD and JLand shall not be entitled to initiate any action which may require DAC Properties or DAC Land/DRJ to re-transfer the JV Land or any part thereof or the Remaining Land which has earlier been released and transferred to DAC Properties and DAC Land upon part satisfaction of the Purchase Consideration 1 or Purchase Consideration 2 pursuant to the SPA 1 and SPA 2 to JCorp, JCD and JLand or to discharge any charge or other security entered over such land on behalf of DAC Properties and DAC Land.

(2) The SPA 1 and SPA 2 are not inter-conditional upon each other and termination of either agreement does not give rise to a right of termination or the other agreement nor affect the rights and obligations of the parties under the other agreement.

3.3 Details of the Proposed Acquisition 1

The Proposed Acquisition 1, which forms part of the Proposed Settlement, entails the acquisition by DAC Properties, being the joint venture company for DRJ and CGM for the JV Land at the Purchase Consideration 1 to be settled fully via cash in accordance with SPA 1.

Subject to the terms and conditions contained in SPA 1, JCD, JLand and JCorp shall sell and DAC Properties shall purchase the JV Land, free from any encumbrances, with vacant possession, subject to all restriction of interest and conditions of title, whether express or implied, existing category of land use affecting the JV Land and on the basis that each of the warranties relating to the JV Land are true and accurate in all respects.

3.3.1 Salient terms of SPA 1

The salient terms of SPA 1 are, amongst others, as follows:-

(a) Purchase Consideration 1, Payment and Completion

(i) Purchase Consideration 1

The aggregate sale and purchase consideration for the JV Land shall be RM130,300,000.
(ii) Payment of Purchase Consideration 1

DAC Properties shall pay the Purchase Consideration 1 in the following manner:

(a) DAC Properties shall pay such portion of the Purchase Consideration 1 to the Stakeholder in full on or before each payment date as set out in the Payment Schedule prior to the DBhd Shareholders’ Approval having been obtained, towards the payment of the Purchase Consideration 1 ("Initial Sum"); and

(b) DAC Properties shall pay the remaining Purchase Consideration 1 after the Initial Sum ("Balance Sum") directly to JCD in full on or before each payment date as set out in the Payment Schedule.

(iii) Penalty on late payment

In the event that DAC Properties is unable to pay any part of the Purchase Consideration 1 as set out in the Payment Schedule, DAC Properties shall pay to the JCD penalty at the rate of 10% per annum on such part of the Purchase Consideration 1 which is due and payable, calculated on a daily basis.

(iv) Deposit of Limited Power of Attorney and Transfer Documents

JCorp and JCD shall upon the execution of the SPA 1, execute and deposit and procure to be deposited a valid and registrable Limited Power of Attorney in the form as set out in SPA 1 in favour of DAC Properties in respect of the JV Land and the Transfer Documents with the Stakeholder.

(v) Release of Limited Power of Attorney

Subject to the depository of the Limited Power of Attorney by JCorp with the Stakeholder, the Stakeholder shall and are hereby irrevocably and unconditionally authorised to release the Limited Power of Attorney to DAC Properties on the First Instalment Date who shall thereafter have the absolute right to give full effect of the Limited Power of Attorney and register the Limited Power of Attorney at the High Court of Malaya and the Land Registry, where applicable.

(vi) Release of Initial Sum and Transfer Documents

Subject to (i) the payment of the Initial Sum and the penalty on late payment, if any and (ii) the depository of the Transfer Documents by JCorp, the Stakeholder shall within two (2) days after the DBhd Shareholders’ Approval date:

(a) release the Transfer Documents to DAC Properties in accordance to the Payment Schedule who shall thereafter have the absolute right to submit the Transfers to the stamp office for the purpose of adjudication and stamping and then present the Transfer Documents for registration at the land registry as soon as reasonably practicable; and

(b) release the Initial Sum (including all interest accrued thereon, if any) and the penalty on late payment charges, if any, to JCD.
The Stakeholder shall and are hereby authorised to release the original issue documents of title for the JV Land or any parts thereof to DAC Properties for the sole purpose of Amalgamation & Subdivision, upon receiving the authorisation from JCD.

The parties hereby agree that the Stakeholder shall release the Transfer Documents as and when such portion of the Purchase Consideration 1 has been paid by DAC Properties in accordance to the Payment Schedule and the penalty on late payment, if applicable;

DAC Properties agrees that immediately after the DBhd Shareholders’ Approval date, the Balance Sum shall be paid directly to JCD and/or its nominees in full on or before each payment date as set out in the Payment Schedule. Simultaneously with the payment of such portion of the Balance Sum and the penalty on late payment charges, if any, the Stakeholder shall be authorised to release the Transfer Documents to DAC Properties. JCD undertakes to procure the respective nominees to immediately, on the next following day after the receipt of such portion of the Balance Sum, issue a written notification on the confirmation of such payment to the Stakeholder, failing which the Stakeholder shall and are hereby irrevocably and unconditionally authorised to release the relevant Transfer Documents to DAC Properties immediately on the next day after payment is made by DAC Properties to JCD and/or its nominees fail to issue such written notification.

(b) Termination and Breach

(i) If DAC Properties defaults in the satisfaction of Purchase Consideration 1 together with the penalty on late payment, if any within 90 days from such amount become due and payable to JCD, JCD and JCorp will collectively be entitled to terminate SPA 1 by notice in writing to DAC Properties; and

(ii) DAC Properties will be entitled to, at any time prior to completion and after any such default arises, give notice to JCD and JCorp terminating the SPA 1 if:-

(a) any of the warranties as set out in SPA 1 are found at any time to be untrue or incorrect;

(b) JCD or JCorp fails, neglects or refuses to complete the sale in accordance with the provisions of the SPA 1; or

(c) JCD or JCorp fails, neglects or refuses to perform or comply with any of its obligations under the SPA 1, and JCD or JCorp fails within fourteen (14) days of receipt of a notice from DAC Properties to remedy the breach or the matter.

(c) Termination prior to DBhd Shareholders’ Approval date

If a notice terminating the SPA 1 is duly given under paragraph (b) above by either DAC Properties or JCD and JCorp collectively at any time prior to DBhd Shareholders’ Approval date, then within 3 days of the giving of the notice of termination:-
(i) JCD shall procure the Stakeholder to refund all moneys received by them as part of the Initial Sum to DAC Properties, together with all interest accrued thereon;

(ii) in exchange for the Stakeholder simultaneous compliance with the provisions of paragraphs (c)(i) above, DAC Properties shall return the Limited Power of Attorney to JCorp; and

(iii) DAC Properties shall re-deliver to JCD possession of the JV Land, if the same has been delivered to DAC Properties.

(d) Consequences of termination after DBhd Shareholders’ Approval date

(1) If a notice terminating SPA 1 is duly given under paragraph (b) by either DAC Properties or JCD and JCorp collectively at any time after the DBhd Shareholders’ Approval date, then within 3 days of the giving of the notice of termination:-

(i) DAC Properties shall return the Limited Power of Attorney to JCorp; and

(ii) subject to paragraph (e) below, DAC Properties shall re-deliver to JCD possession of the JV Land, if the same has been delivered to JCD Properties.

(2) Following the termination under the provisions of paragraph (d) above, JCD and JCorp agree, confirm and acknowledge that notwithstanding any other provisions of the SPA 1, JCD and JCorp shall not be entitled to initiate any action which may require DAC Properties to re-transfer the JV Land which has earlier been released and transferred to DAC Properties pursuant to the terms of the SPA 1 to JCD or to discharge any charge or other security entered over such JV Land on behalf of DAC Properties and the Transfer Documents in respect of such JV Land shall not be revoked, remain valid and intact in favour of DAC Properties.

(e) Vacant possession

Vacant possession of the JV Land free from all encumbrance and claims whatsoever (including free from any squatters and encroachment), will be deemed delivered to DAC Properties by JCD on the First Instalment Date.

3.4 Details of the Proposed Acquisition 2

The Proposed Acquisition 2 entails the acquisition by DRJ and its wholly-owned subsidiary, being DAC Land, of the Remaining Land at the Purchase Consideration 2 to be settled fully via cash in accordance with SPA 2.

Subject to the terms and conditions contained in SPA 2, JCD, JLand and JCorp shall sell and DAC Land and DRJ shall purchase the Remaining Land, free from any encumbrances, with vacant possession, subject to all restriction of interest and conditions of title, whether express or implied, existing category of land use affecting the Remaining Land and on the basis that each of the warranties relating to the Remaining Land are true and accurate in all respects.
3.4.1 Salient terms of SPA 2

The salient terms of SPA 2 are, amongst others, as follows:-

(a) Purchase Consideration 2, Payment and Completion

(i) Purchase Consideration 2

The aggregate sale and purchase consideration for the Remaining Land shall be RM11,226,000.

(ii) Payment of Purchase Consideration 2

DAC Land shall settle the Purchase Consideration 2 to JLand in the following manner:

(a) A fixed sum of RM1,376,000 shall be paid in full by DAC Land and/or DRJ to JLand on or before 31 May 2017 ("First Payment Date"); and

(b) The balance of the Purchase Consideration 2, being RM9,850,000, shall be paid in full by DAC Land and/or DRJ to JLand on or before 30 September 2019 ("Final Payment Date").

(iii) Penalty on late payment

In the event that the DAC Land and DRJ are unable to pay any part of the Purchase Consideration 2 on or before the First Payment Date and Final Payment Date, DAC Land and DRJ shall pay to JLand, interest at the rate of 10% per annum on such part of the Purchase Consideration 2 which is due and payable, calculated on a daily basis.

(iv) Exchanged Land

(a) The parties hereby agree, covenant and acknowledge that there is no purchase consideration required to be paid and settled by DAC Land and/or DRJ in respect of the Exchanged Land.

(b) In consideration of JCorp transferring all its rights, title and interest in respect of the Exchanged Land to DAC Land, DRJ agrees and undertakes to waive all its right to claim against PTD 153141.

(c) The parties hereby agree that JLand’s solicitors shall release the Transfer Documents for the Exchanged Land to DAC Land and/or DRJ upon the receipt of:-

(1) full payment of the Balance DR Consideration by JCorp pursuant to the Settlement Agreement; and

(2) the Security Documents by JLand in accordance with the SPA 2,

thereafter the registered proprietorship and beneficial ownership of the Exchanged Land shall be deemed transferred to DAC Land.

(d) In the event DAC Land and/or DRJ intend to carry out the Amalgamation & Subdivision involving the Exchanged Land resulting in the issuance of a new issue document of title for a combined area involving the Amalgamated Land agrees to release the original issue documents of titles in accordance to the SPA 2.
(v) Deposit of Limited Power of Attorney and Transfer Documents

JCorp and JLand shall upon execution of the SPA 2, execute and deposit and procure to be deposited a valid and registrable Limited Power of Attorney to the Remaining Land in the form as set out in SPA 2 and the Transfer Documents with JLand’s solicitors.

(vi) Release of Limited Power of Attorney

Subject to the depository of the Limited Power of Attorney by JCorp with JLand’s solicitors, JLand’s solicitors shall and are hereby irrevocably and unconditionally authorised to release the Limited Power of Attorney to DAC Land and/or DRJ on the First Instalment Date who shall thereafter have the absolute right to give full effect of the Limited Power of Attorney and register the Limited Power of Attorney at the High Court of Malaya.

(vii) Release of Transfer Documents

Subject to the depository of the Transfer Documents by JCorp and JLand with JLand’s solicitors pursuant to the deposit of Limited Power of Attorney and Transfer Documents, JLand’s solicitors shall and are hereby irrevocably and unconditionally authorised to, within three (3) business days after the DBhd Shareholders’ Approval date, release the Transfer Documents to DAC Land and/or DRJ who shall thereafter have the absolute right to submit the Transfers to the stamp office for the purpose of adjudication and stamping and then present the Transfer Documents for registration at the land registry as soon as reasonably practicable;

(viii) Security for the payment of the Purchase Consideration 2

(a) As a security for the performance by DRJ and DAC Land in respect of the Purchase Consideration 2, DRJ and DAC Land shall give effect to a lien holder’s caveat to be created over the Security Land in favour of JLand at the sole costs and expenses of JLand in accordance with the terms of the SPA 2;

(b) For the purpose of the aforesaid lien holder’s caveat, DRJ and DAC Land undertake that they shall deliver the Security Documents to JLand within 7 days upon receipt of the original issue document(s) of title to the Security Land have been registered under the name of DAC Land, of which DAC Land shall do the necessary to ensure that JLand is able to register a lien holder’s caveat over the Security Land, as the case may be, in accordance with the National Land Code;

(c) For the avoidance of doubt, JLand and JCorp agree and acknowledge that that no lien holder’s caveat will be created on the Shop Units in DAS 1 and DAS 2 or the Exchanged Land; and

(d) JLand agrees, confirms and acknowledges that in the event that DRJ or DAC Land breaches its obligation under the SPA 2 to pay and settle any portion of the Purchase Consideration 2 in accordance with the terms of the SPA 2, JLand shall be entitled, save for the Security Land as a lien holder for the non-payment of the Purchase Consideration 2 payable under the SPA 2 by applying for an order for sale over such titles of the Security Land. In the event that such titles include the area of the Exchanged Land, then the sales proceeds derived therefrom shall be used to settle the amount due and owing to JLand pursuant to the SPA 2 and any surplus thereof shall be refunded to DAC Land.
(ix) Release of original issue document(s) of title

JLand agrees, covenants and undertakes to release the original issue document(s) of title to the Security Land to DAC Land and/or DRJ, including removal of the relevant lienholder’s caveat at JLand’s sole costs and expenses in the following manner:

(a) 7.24 acres of the Remaining Land

Within 3 days after JLand’s receipt of such portion of the Purchase Consideration 2 in accordance with the SPA 2

(b) Amalgamated Land

Within 3 days after JLand’s receipt of the portion of such part of the Purchase Consideration 2 solely for such portion of 7.24 acres of the Remaining Land being amalgamated with the Exchanged Land, in accordance to the breakdown of Purchase Consideration 2 as set out in in the SPA 2.

(x) JCorp as bare trustee for Shop Units in DAS 1 and DAS 2

The parties hereby agree and covenant that upon payment by DAC Land and/or DRJ of the Purchase Consideration 2 on or before the First Payment Date and Final Payment Date, which shall be deemed satisfaction of the consideration for the Shop Units in DAS 1 and DAS 2,

(a) neither JCorp nor JLand shall have any claim or entitlement in respect of the Shop Units in DAS 1 and DAS 2. Any proceeds and entitlements arising from the disposal and/or transfer of the Shop Units in DAS 1 and DAS 2 shall be channelled into an escrow account opened and maintained by JLand and DRJ and thereafter shall be distributed in accordance with the terms of PMC Agreement for DAS 2 entered into between DRJ and JLand simultaneously with the execution of the SPA 2;

(b) JCorp and/or JLand shall hold and deal with the Shop Units in DAS 1 and DAS 2 as bare trustee for and on behalf of DRJ and/or end-purchasers in accordance to the PMC Agreement for DAS 2; and

(c) JCorp agrees and undertakes that the issue documents of individual title to the Shop Units in DAS 1 and DAS 2 shall remain and to be kept in the possession of JCorp. JCorp, JCD and JLand hereby agree, covenant and undertake to transfer the relevant issue documents of individual title of the Shop Units in DAS 1 and DAS 2 to the end-purchasers of DAS 1 and DAS 2 or DRJ in due course.

(b) Termination and breach

(i) If DAC Land and/or DRJ defaults in the satisfaction of Purchase Consideration 2 together with any interest accrued thereof within 90 days from such amount become due and payable to JLand, JLand and JCorp will be collectively entitled to terminate SPA 2 by notice in writing to DAC Land and/or DRJ;

(ii) DAC Land and/or DRJ will be entitled to, at any time prior to the completion of the sale and purchase of the Land 2 as contemplated under the SPA 2 and after any such default arises, give notice to JLand and JCorp terminating the SPA 2 if:-
(a) any of the warranties as set out in SPA 2 are found at any time to be untrue or incorrect;

(b) JLand or JCorp fails, neglects or refuses to complete the sale in accordance with the provisions of the SPA 2; or

(c) JLand or JCorp fails, neglects or refuses to perform or comply with any of its obligations under the SPA 2,

and JLand or JCorp fails within fourteen (14) days of receipt of a notice from DAC Land and/or DRJ to remedy the breach or the matter; and

(c) Consequences of termination prior to DBhd Shareholders’ Approval date

If a notice terminating the SPA 2 is duly given under paragraph (b) above by either DRJ and DAC Land or JLand and JCorp collectively at any time prior to DBhd Shareholders’ Approval date, then within 3 days of the giving of the notice of termination:-

(i) DRJ and DAC Land shall return the Limited Power of Attorney to JCorp; and

(ii) DRJ and DAC Land shall re-deliver to JLand possession of the 7.24 acres of the Remaining Land and/or Shop Units in DAS 1 and DAS 2, if the same has been delivered to DRJ and DAC Land.

(d) Consequences of termination after DBhd Shareholders’ Approval

(i) If a notice terminating the SPA 2 is duly given by either JLand and JCorp collectively at any time after the DBhd Shareholders’ Approval date, then JLand and JCorp shall be entitled to a full legal rights over such portion of 7.24 acres of the Remaining Land equivalent in areas to such portion of Purchase Consideration 2 then outstanding in accordance with the terms of the SPA 2 and the Security Documents.

(ii) If a notice terminating the SPA 2 is duly given by either DRJ and/or DAC Land or JLand and JCorp collectively at any time after the DBhd Shareholders’ Approval date, then within 3 days of the giving of the notice of termination:-

(1) DRJ and/or DAC Land shall return the Limited Power of Attorney of such portion of the 7.24 acres of the Remaining Land and/or the Shop Units in DAS 1 and DAS 2 equivalent in areas to such portion of the Purchase Consideration 2 then outstanding to JCorp; and

(2) DRJ and/or DAC Land shall re-deliver to JLand possession of such portion of the Remaining Land equivalent in areas to such portion of the Purchase Consideration 2 then outstanding, if the same has been delivered to DRJ and/or DAC Land.

(e) Following the termination under the provisions of paragraph (d), JLand and JCorp agree, confirm and acknowledge that notwithstanding any other provisions of the SPA 2, JLand and JCorp shall not be entitled to initiate any action which may require DRJ and DAC Land to re-transfer the Land 2 which has earlier been released and transferred to DRJ and DAC Land pursuant to the terms of the SPA 2 to JLand or to discharge any charge or other security entered over such Land 2 on behalf of DRJ and DAC Land.
(f) **Vacant possession**

Vacant possession of the Remaining Land free from all encumbrance, squatters or encroachment and claims whatsoever, will be deemed delivered to DAC Land and/or DRJ by JLand on the First Instalment Date.

### 3.5 Information on the TDA Land

The TDA Land are variously located within and forms part of the on-going Development Land measuring approximately 63.15 acres in area held under Lot No. 413 (presently has been subdivided into individual issue documents of title), Mukim of Tebrau, District of Johor Bahru and State of Johor Darul Takzim. The TDA Land is located along Jalan Tampoi, at approximately 5 kilometres to the North West of Johor Bahru city centre. Bounded by Pasir Gudang Highway to the north and Jalan Tampoi to the south, the TDA Land is accessible from the Johor Bahru city centre via Jalan Tun Razak and Jalan Skudai.

The TDA Land comprises three (3) parcels of residential land (“RL”), six (6) parcels of commercial land (“CL”), a petrol station site (“PSS”), two (2) kindergarten sites (“KS”), 116 vacant terrace shop lots (“VTSL”) and 39½ terrace shop lots (“TSL”) complete with individual registrable documents of title and main infrastructural facilities available thereon with the sites (except for the 39½ TSL) ready for immediate building purposes. Presently, these sites are generally flat, lie about level with the surrounding areas and covered with light vegetative growths. The 39½ TSL are already built upon with 3/4 storey shop/office units and for the purpose of valuing the TDA Land, the Shop Units of DAS 1 and DAS 2 have been excluded from the valuation.

The map of the various location of the TDA Land is as shown below:-
The summary of the salient details of TDA Land is, amongst others, set out as follows:-

| Type of property | JV Land | - Four (4) parcels of CL; and  
|                  |        | - Three (3) parcels of RL  
|                  |        | Remaining Land  
|                  |        | - Two (2) parcels of CL  
|                  |        | (excluding Shop Units of  
|                  |        | DAS 1 and DAS 2)  
|                  |        | - A PSS  
|                  |        | - Two (2) KS  
|                  |        | - 116 VTSL  
| Land area        | JV Land | 53.08 acres / 214,747.946 sq m / 2,311,528 sq ft  
|                  | Remaining Land | 8.47 acres / 34,285.932 sq m / 369,039 sq ft  
|                  | Land on Shop Units of DAS 1 and DAS 2 | 1.60 acres / 6,471.149 sq m / 69,650 sq ft  
| Postal address   | Taman Damansara Aliff, Pasir Gudang Highway, Jalan Tampoi, Johor Bahru  
| Title details / Express conditions | Lot 413, subdivided into individual lots held under the following titles:-  
|                | JV Land | Express conditions  
|                | RL      | Apartments  
|                | - HSD 520382/Lot PTD 170415;  
|                | - HSD 520383/Lot PTD 170416; and  
|                | - HSD 520344/Lot PTD 170377  
|                | CL      | Commercial  
|                | - HSD 520345/Lot PTD 170378;  
|                | - HSD 520346/Lot PTD 170379;  
|                | - HSD 520347/Lot PTD 170420;  
|                | - HSD 520348/Lot PTD 170421;  

The summary of the salient details of TDA Land is, amongst others, set out as follows:-

| Type of property | JV Land | - Four (4) parcels of CL; and  
|                  |        | - Three (3) parcels of RL  
|                  |        | Remaining Land  
|                  |        | - Two (2) parcels of CL  
|                  |        | (excluding Shop Units of  
|                  |        | DAS 1 and DAS 2)  
|                  |        | - A PSS  
|                  |        | - Two (2) KS  
|                  |        | - 116 VTSL  
| Land area        | JV Land | 53.08 acres / 214,747.946 sq m / 2,311,528 sq ft  
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|                | JV Land | Express conditions  
|                | RL      | Apartments  
|                | - HSD 520382/Lot PTD 170415;  
|                | - HSD 520383/Lot PTD 170416; and  
|                | - HSD 520344/Lot PTD 170377  
|                | CL      | Commercial  
|                | - HSD 520345/Lot PTD 170378;  
|                | - HSD 520346/Lot PTD 170379;  
|                | - HSD 520347/Lot PTD 170420;  
|                | - HSD 520348/Lot PTD 170421;  

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### Title details / Express conditions (Cont’d)

<table>
<thead>
<tr>
<th>Portion of the Remaining Land (inclusive of Exchanged Land):-</th>
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<tbody>
<tr>
<td><strong>CL</strong></td>
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<tr>
<td>HSD 520588/Lot PTD 153151; and Commercial</td>
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<tr>
<td>HSD 520387/Lot PTD 162934 Commercial</td>
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<tr>
<td><strong>PSS</strong></td>
</tr>
<tr>
<td>HSD 458305/Lot PTD 138523 Petrol Station</td>
</tr>
<tr>
<td><strong>KS</strong></td>
</tr>
<tr>
<td>HSD 491580/Lot PTD 153149; and Private Kindergarten</td>
</tr>
<tr>
<td>HSD 491581/Lot PTD 153256 Private Kindergarten</td>
</tr>
<tr>
<td><strong>VTSL</strong></td>
</tr>
<tr>
<td>HSD 520296/PTD 170326 to HSD Commercial</td>
</tr>
<tr>
<td>520306/PTD 170336; and Commercial</td>
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<tr>
<td>HSD 520307/PTD 170337 to HSD Commercial</td>
</tr>
<tr>
<td>520319/PTD 170349; and Commercial</td>
</tr>
<tr>
<td>HSD 520320/PTD 170350 to HSD Shop/Office</td>
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<tr>
<td>520331/PTD 170361; and (vacant/undeveloped)</td>
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<tr>
<td>HSD 520419/PTD 170455 to HSD Shop/Office</td>
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<tr>
<td>520428/PTD 170464; and Units</td>
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<td>HSD 520429/PTD 170475; and</td>
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<tr>
<td>HSD 520434/PTD 170487; and</td>
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<td>HSD 520452/PTD 170488 to HSD Shop/Office</td>
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<td>520460/PTD 170496; and</td>
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<tr>
<td>HSD 520461/PTD 170497 to HSD Shop/Office</td>
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<tr>
<td>520473/PTD 170509; and</td>
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<tr>
<td>HSD 520474/PTD 170510 to HSD Shop/Office</td>
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<tr>
<td>520486/PTD 170522</td>
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<tr>
<td><strong>39½ TSL</strong></td>
</tr>
<tr>
<td>HSD 520357/PTD 170390 to HSD Completed 3/4</td>
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<tr>
<td>520381/PTD 170414; and Storey Shop/Office</td>
</tr>
<tr>
<td>HSD 520386/PTD 170422 to HSD Shop/Office</td>
</tr>
<tr>
<td>520400/PTD 170436 (½ lot)</td>
</tr>
<tr>
<td>all in Mukim of Tebrau, District of Johor Bahru, Johor</td>
</tr>
</tbody>
</table>

#### Tenure: Freehold

**Registered owner:** JCorp and various other individual purchasers for the Shop Units in DAS 1 and DAS 2

**Current ownership / beneficial ownership:** JCD, as the Vendor/beneficial owner and DRJ as the Developer

**Encumbrances:** Nil

**Category of land use:** Building

**Restriction in interest:** *Tanah yang terkandung di dalam hak milik ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara/Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri*

**Aggregate Settlement Sum:** RM141,526,000

**Market value (a):** RM333,000,000

**Net book value (b):** RM158,078,286

**Notes:**

(a) As appraised by Messrs Savills (Malaysia) Sdn Bhd ("Savills"), an independent registered valuers appointed by DBhd vide its valuation certificate dated 11 October 2016 ("Valuation Certificate"), on an en-bloc basis, using comparison approach for the TDA Land and residual method (income approach) for the VTSL.

(b) Based on the latest audited financial statements of DRJ as at 31 December 2015.
3.6 Basis and justification of arriving at the Aggregate Settlement Sum

The Aggregate Settlement Sum of RM141,526,000 was determined after taking into consideration, the following:-

(a) the Aggregate Settlement Sum pursuant to the Development Rights Agreement and the Supplemental Agreement, comprising the following:-

(i) the Balance DR Consideration of RM120,900,000;

(ii) the Reimbursement Costs amounting to RM10,776,000, in respect of master infrastructure costs, quit rent, rates, assessments, maintenance charges, fees and other lawful outgoings incurred in respect of the Development Land; and

(iii) the Repurchase Price amounting to RM9,850,000 in respect of the C3-3 Parcel and C-5 Parcel measuring approximately 1.73 acres;

(b) the opportunity to secure the TDA Land prior to the expiry of the Development Rights Agreement and Supplemental Agreement; and

(c) the strategic location and earnings potential of the TDA Land.

The basis of deriving at the Aggregate Settlement Sum is further supported by the market value of the TDA Land of RM333.0 million as appraised by the independent registered valuer, Savills, via its Valuation Certificate dated 11 October 2016, on an en-bloc basis, using the comparison method of valuation and the residual method of valuation.

Save for the vacant terrace shop lots and 39½ terrace shop lots, Savills has adopted only the comparison method of valuation for the TDA Land, which is deemed as the best approach for the purpose of the valuation, as currently there are no building plans or development order being finalised or submitted to the authorities. The comparison method of valuation involves determining the market value by directly comparing the land under valuation with similar past transactions, with appropriate adjustments then made for differences in location, size, market conditions and other factors in order to arrive at a common basis for comparison.

In addition to the comparison method of valuation, Savills has also adopted the residual method of valuation for the terrace shop lots as it has an adequate basis in determining the relevant value and provides a more precise reflection of the market value for the terrace shop lots. In arriving at the market value of the terrace shop lots, various material factors affecting value such as location, accessibility, size, physical features, content/concept of development, development approvals, restrictions and other relevant characteristics have been taken into consideration without the requirement for any percentage hypothetical adjustments.

The Aggregate Settlement Sum of RM141,526,000 represents a discount of approximately 57.5% to the appraised market value.

3.7 Source of funding

The Proposed Settlement will be funded through (i) the Purchase Consideration 1, which is fully funded by DAC Properties, which in turn will be the sole responsibility of CGM and (ii) the Purchase Consideration 2, which is fully funded by DAC Land and/or DRJ.

3.8 Original cost of investment

Based on the circular to DBhd’s shareholders dated 13 May 2004, JCD’s original cost of investment in the entire 250 acres of the Development Land was RM216.0 million and the Development Land was acquired by JCD on 31 December 1999.
3.9 Liabilities to be assumed

Save for DRJ’s obligations as set out in the Settlement Agreement, there are no other liabilities or guarantees to be assumed by the DBhd Group with regards to the Proposed Settlement.

3.10 Estimated additional financial commitment

Save for the Purchase Consideration 2, the DBhd Group does not expect any additional financial commitment in connection with the Proposed Settlement.

4. DETAILS OF THE PROPOSED PROVISION OF FINANCIAL ASSISTANCE

Pursuant to Paragraph 8.23(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) with regards to the provision of financial assistance, the DBhd Group may be required to provide financial assistance to DAC Properties in accordance with its shareholding proportions pursuant to the Proposed Joint Venture.

The DBhd Group is expected to extend shareholders’ advances and/or corporate guarantees, in accordance with DRJ’s shareholding proportions in DAC Properties, when necessary to fund the future project development cost over the duration of the development of the JV Land. The quantum of such future shareholders’ advances and/or corporate guarantees cannot be determined at this juncture as the amount would depend on, amongst others, the amount of external financing obtained by DAC Properties and the actual development cost for the JV Project.

5. BACKGROUND INFORMATION ON THE PARTIES

5.1 DRJ

DRJ was incorporated on 27 December 1975 in Malaysia under the Companies Act, 1965 (“Act”) as a private limited company under the name of Kuala Krai Realty (Sdn) Berhad. On 23 September 1982 and subsequently on 24 October 2000, it changed its name to Kuala Krai Realty Sdn Bhd and Damansara Rhyolite Sdn Bhd, respectively. It assumed its present name on 2 October 2002.

DRJ is principally involved in property development. DRJ has been the Developer for the Development Land since 10 October 2002.

As at the 30 September 2016, being the latest practicable date used for the announcement (“LPD”), the authorised share capital of DRJ is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each (“DRJ Share(s)”), of which 2,650,018 DRJ Shares have been issued and paid-up.

As at the LPD, the directors of DRJ are Dato’ Aisom Omar, Brian Iskandar Zulkarim, Zain Azrai Zainuddin, Lukman Haji Abu Bakar and Mohd Razif Abdul Rahim (alternate director to Lukman Haji Abu Bakar).
As at the LPD, the shareholders of DRJ are as follow:-

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of DRJ Shares</td>
<td>%</td>
</tr>
<tr>
<td>DBhd</td>
<td>250,000</td>
<td>9.4</td>
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<td>Kesang Properties Sdn Bhd (“KPSB”)</td>
<td>2,400,018</td>
<td>90.6</td>
</tr>
</tbody>
</table>

Note:-

(1) Deemed interested by virtue of its shareholdings in KPSB pursuant to Section 6A of the Act.

5.2 JCD

JCD was incorporated on 11 July 1991 in Malaysia under the Act as a private limited company. JCD is principally involved in property development.

As at the LPD, the authorised share capital of JCD is RM250,000,000 comprising 250,000,000 ordinary shares of RM1.00 each ("JCD Share(s)"), of which 212,500,002 JCD Shares have been issued and paid-up.

As at the LPD, the directors of JCD are Lukman Haji Abu Bakar, Wan Su Ali, Mariana Sidi, Mohd Yusof Ahmad and Rabiatul Adawiah Adnan. JCD is a wholly-owned subsidiary of JCorp Group.

5.3 JLand

JLand was incorporated on 13 July 1972 in Malaysia under the Act as a private limited company. The principal activities of JLand comprises of property development, construction and investment holding.

As at the LPD, the authorised share capital of JLand is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each ("JLand Share(s)"), of which 445,745,488 JLand Shares have been issued and paid-up.

As at the LPD, the directors of JLand are Dato’ Kamaruzzaman Abu Kassim, Lukman Haji Abu Bakar, Zulkifli Ibrahim, Yusaini Sidek, Ibrahim Abdul Samad, Aminudin Dawam, Rabiatul Adawiah Adnan and Satira Omar.

As at the LPD, the shareholders of JLand are as follow:-

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of JLand Shares</td>
<td>%</td>
</tr>
<tr>
<td>JCorp</td>
<td>393,040,783</td>
<td>88.2</td>
</tr>
<tr>
<td>DASB</td>
<td>52,704,705</td>
<td>11.8</td>
</tr>
</tbody>
</table>

Note:-

(1) Deemed interested by virtue of its shareholdings in DASB pursuant to Section 6A of the Act.

5.4 JCORP

JCorp is a statutory body incorporated on 25 May 1968 under the Johor Corporation Enactment No. 4 of 1968 (as amended by Enactment No. 5 of 1995). JCorp is principally engaged in palm oil business, property development and management and investment holding whilst the JCorp group of companies (“JCorp Group”) is mainly involved in palm oil business, healthcare services, property development and management, intrapreneur ventures, quick service restaurants and investment holding.
As at the LPD, the directors of JCorp are Dato’ Mohamed Khaled Nordin, Tan Sri Dr Ali Hamsa, Dato’ Kamaruzzaman Abu Kassim, Dato’ Haji Ismail Karim, Dato’ Ishak Sahari, Tuan Haji Mohd Nasir Abd Salam, Datuk Dr. ‘Hafsah Hashim, Dato’ Siti Zauyah Md Desa, Datuk Haji Md Jais Haji Sarday, Encik Izaddeen Daud, Datuk Seri Dr. Rahamat Bivi Yusoff and Dato’ Azman Mahmud.

5.5 DAC Properties

DAC Properties was incorporated on 27 September 2016 in Malaysia under the Act as a private limited company and is acting as a joint venture company for DRJ and CGM under the Proposed Joint Venture.

As at the LPD, the authorised share capital of DAC Properties is RM500,000 comprising 4,000,000 DAC Prop Shares and 600,000 RPS-A and 400,000 RPS-B, of which 20 DAC Prop Shares have been issued and paid-up.

As at the LPD, the directors of DAC Properties are Dato’ Ahmad Zahri Jamil and Dato’ Daing A Malek Daing A Rahaman.

As at the LPD, DAC Properties is a wholly-owned subsidiary of DRJ.

5.6 DAC Land

DAC Land was incorporated on 27 September 2016 in Malaysia under the Act as a private limited company with principal activities of investment properties and property development company.

As at the LPD, the authorised share capital of DAC Land is RM400,000 comprising 4,000,000 ordinary shares of RM0.10 each (“DAC Land Share(s)”), of which 20 DAC Land Shares have been issued and paid-up.

As at the LPD, the directors of DAC Land are Brian Iskandar Zulkarim and Zain Azrai Zainuddin.

As at the LPD, DAC Land is a wholly-owned subsidiary of DRJ.

5.7 CGM

CGM was incorporated on 13 July 2016 in Malaysia under the Act as a private limited company under the name of Country Garden Logistics Sdn Bhd. It assumed its present name on 28 September 2016. The principal activity of CGM is investment holding and/or management company.

As at the LPD, the authorised share capital of CGM is RM400,000 comprising 400,000 ordinary shares of RM1.00 each (“CGM Share(s)”), of which two (2) CGM Shares have been issued and paid-up.

As at the LPD, the directors of CGM are Lin Gongbo and Deng Junyong.

CGM is a wholly-owned subsidiary of CG.
5.8 CG

CG was incorporated on 10 November 2006 in Cayman Islands and was listed on the Stock Exchange of Hong Kong Limited on 20 April 2007. The principal activities of CG comprises of property development, construction, decoration, property management, property investment, as well as hotel development and management.

As at 30 June 2016, the authorised share capital of CG is Hong Kong Dollar (“HKD”) 10,000,000,000, comprising 100,000,000,000 ordinary shares of HKD0.10 each (“CG Share(s)”), of which 22,325,391,782 CG Shares have been issued and paid-up.

As at 30 June 2016, the directors of CG are Yeung Kwok Keung, Yang Huiyan, Mo Bin, Zhu Rong Bin, Wu Jianbin, Yang Ziying, Su Rubo, Ou Xueming, Yang Zhicheng, Xie Shutai, Song Jun, Liang Guokun, Su Baiyuan, and Joseph Lai Ming.

6. RATIONALE AND PROSPECTS OF THE PROPOSALS

6.1 Proposed Joint Venture

The Proposed Joint Venture represents an opportunity for the DBhd Group to enter into a joint venture with CG group of companies (“CG Group”), a reputable property developer with vast experience in property development. Being one of the largest property developers in China, the CG Group boasts an impressive track record in successfully developing large-scale developments in China, Australia and Malaysia. The Proposed Joint Venture will allow the DBhd Group to collaborate with the CG Group to jointly participate in the JV Land via the Proposed Joint Venture.

The Proposed Joint Venture with the CG Group is expected to add value to the development of the JV Land and will allow the DBhd Group to leverage on the expertise, technical know-how, financial strength and sales and marketing capabilities of the CG Group for large scale property development projects. Based on the Shareholders’ Agreement, DRJ through DAC Properties will be entitled to 30% of the profits throughout the development period of the JV Project. As such, the Proposed Joint Venture is expected to contribute positively to the future earnings of the DBhd Group.

The Proposed Joint Venture facilitates the DBhd Group’s settlement of the Aggregate Settlement Sum without incurring any material cash-outlay.

6.2 Proposed Settlement

The Proposed Settlement is undertaken to settle the Aggregate Settlement Sum for the purpose of DRJ obtaining an identified portion of approximately 63.15 acres of the TDA. The Proposed Settlement provides an opportunity for DRJ, via DAC Properties and DAC Land to secure the JV Land and the Remaining Land at the Aggregate Settlement Sum which is at a discount to the market value of the TDA Land as appraised by Savills.

In addition to the benefits to be derived from the JV Land via the Proposed Acquisition 1, DRJ will also have the opportunity to gain from any capital appreciation and/or future development to be undertaken on the Remaining Land to be obtained under the Proposed Acquisition 2. Notwithstanding the forgoing, DRJ has no plans to develop the Remaining Land at this juncture.

The Board is of the opinion that the continued involvement of DRJ directly and indirectly in the development of TDA Land is expected to contribute positively to the earnings of the DBhd Group going forward.
6.3 Proposed Provision of Financial Assistance

The Proposed Provision of Financial Assistance will enable DAC Properties to obtain guarantees and/or raise the necessary funding in proportion to the shareholding of the joint venture parties in connection with the future development of the JV Project. The availability of expedient funding would help to avoid unnecessary delays throughout the development period and ensure the timely completion of the JV Project.

7. EFFECTS OF THE PROPOSALS

7.1 Share capital and substantial shareholders’ shareholdings

The Proposals will not have any effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of DBhd as the Proposals do not involve any issuance of new shares in DBhd.

7.2 Earnings and earnings per share (“EPS”)

The Proposed Acquisition 1 and Proposed Acquisition 2, which forms part of the Proposed Settlement is expected to be completed by 30 June 2017 and 30 September 2019, respectively which is not expected to have any material impact on the earnings and EPS of the DBhd Group for the financial year ended (“FYE”) 31 December 2016.

However, for illustrative purposes only, based on the latest audited consolidated financial statements of the DBhd Group as at 31 December 2015 and on the assumption that the Proposed Share Transfer in relation to the Proposed Joint Venture had been effected on that date, the DBhd Group expects to realise a gain on disposal of approximately RM18.77 million.

In addition, the potential future earnings contribution arising from the Proposed Joint Venture when the development commences is expected to enhance the earnings and EPS of the DBhd Group.
7.3 NA and gearing

Based on the audited consolidated statement of financial position of the DBhd Group for the FYE 31 December 2015, the proforma effects of the Proposals, which are provided for illustrative purposes only assuming that the Proposals had been effected on that date, on the NA and gearing of the DBhd Group are set out below:-

<table>
<thead>
<tr>
<th></th>
<th>Audited as at 31 December 2015 (RM’000)</th>
<th>Pro forma I After the Proposals (RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>154,685</td>
<td>154,685</td>
</tr>
<tr>
<td>Share premium</td>
<td>156</td>
<td>156</td>
</tr>
<tr>
<td>Merger deficit</td>
<td>(18,568)</td>
<td>(18,568)</td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(20,531)</td>
<td>(3)(12,560)</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>-</td>
<td>(4)36,006</td>
</tr>
<tr>
<td>Exchange reserve</td>
<td>(1,031)</td>
<td>(1,031)</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Shareholders’ equity/NA</td>
<td>114,796</td>
<td>158,773</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>8,688</td>
<td>8,688</td>
</tr>
<tr>
<td>Total equity</td>
<td>123,484</td>
<td>167,461</td>
</tr>
<tr>
<td>No. of DBhd shares in issued (’000)</td>
<td>309,371</td>
<td>309,371</td>
</tr>
<tr>
<td>NA per DBhd share (RM) (1)</td>
<td>0.37</td>
<td>0.51</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>19,415</td>
<td>19,415</td>
</tr>
<tr>
<td>Gearing (times) (2)</td>
<td>0.16</td>
<td>0.12</td>
</tr>
</tbody>
</table>

Notes:-

(1) Computed based on shareholders’ equity/NA divided by number of DBhd shares in issue as at 31 December 2015.

(2) Computed based on total borrowings divided by total equity.

(3) Arising from the net gain on the Share Disposal Consideration against the net loss incurred from the settlement of the Balance DR Consideration.

(4) Mainly arising from the current market value of a portion of the Remaining Land under the SPA 2 less the acquisition cost.

8. RISK FACTORS

8.1 Non-completion risks

The completion of the Proposed Joint Venture and the Proposed Settlement are subject to certain conditions prescribed in the Shareholders’ Agreement, the SSA, the Settlement Agreement, the SPA 1 and the SPA 2, which are beyond the control of the DBhd Group, such as the approvals of relevant authorities and shareholders of DBhd. There can be no assurance that the conditions will be fulfilled and/or waived (as the case may be) and that the Proposed Joint Venture and the Proposed Settlement can be completed within the timeframe set. Any delay or non-completion of the Proposed Joint Venture and the Proposed Settlement will delay or preclude the DBhd Group from deriving any revenue or profit from the development to be undertaken on the TDA Land.
Notwithstanding the forgoing, the management of DBhd and the Board will endeavour to take all steps necessary to complete the Proposed Joint Venture and the Proposed Settlement by, amongst other, ensuring that all terms and conditions of the relevant agreements which are within the DBhd Group’s control are fulfilled by the stipulated dates as prescribed in the respective agreements.

8.2 Joint venture risks

DAC Properties may potentially expose the DBhd Group to new risks including those associated with the assimilation of new operations and personnel, the diversion of financial management resources from existing operations and the inability to successfully integrate the Proposed Joint Venture with its current business. There is also no assurance that the anticipated benefits from the Proposed Joint Venture will be realised, and that the DBhd Group will be able to generate sufficient revenue to offset the associated costs from the Proposed Joint Venture.

Nevertheless, the Board has and will continue to exercise due care in considering the risks and benefits associated with the Proposed Joint Venture and is committed towards the close monitoring of the development of DAC Properties’ business in order to minimise any implementation issues or delays. It is pertinent to note that the DBhd Group exposure to the joint venture is limited to its 30.0% equity participation in the joint venture.

8.3 Business risk

The proposed development of the Undeveloped Land is subject to risks inherent in the property development industry of which the DBhd Group is already involved in. Such risks may include, adverse change in real estate market prices, changes in demand for types of residential and commercial properties, competition from other property developers, changes in economic, social and political condition, delay in completion of property development projects against the scheduled completion, performance of third-party sub-contractors, labour and material supply shortages, fluctuations in the prices of building materials and costs of labour charges, increase in real property gain tax and implementation of goods and services tax and adverse changes in property tax assessments and other statutory charges. Any adverse change in such conditions may have an adverse material effect on the DBhd Group.

The DBhd Group will take measures to mitigate the above risks such as conducting market intelligence surveys, monitoring and adjusting development and marketing strategies in response to changing economic conditions and market demand, conducting continuous reviews of the DBhd Group’s operations, closely monitoring the progress of the developments as well as leveraging on the DBhd Group’s experienced and capable management team.

8.4 Risks of default by the DAC Properties shareholders

CGM, as a joint venture partner, will play a prominent role in the future success of DAC Properties as CGM will provide financial support from time to time for any developments on the JV Land. However, like all joint ventures, the Proposed Joint Venture may involve risks associated with the possibility that the joint venture partners may have disputes and disagreements which may have an adverse effect on the operational and financial performances of DAC Properties.

Notwithstanding the above, the DBhd Group endeavours to ensure that all terms and conditions of the Shareholders Agreements are met as well as maintaining a close working relationship with CGM to ensure issues, if any, can be addressed and resolved promptly and amicably.
9. **APPROVALS REQUIRED**

The Proposals are conditional upon approvals being obtained from the following:-

(a) the approval of the shareholders of DBhd at an EGM to be convened;

(b) DRJ having obtained, the approval from the Economic Planning Unit for the sale and purchase of the Sale Shares to CGM under the SSA; and

(c) any other relevant authorities/party, if required.

The Proposed Joint Venture and the Proposed Settlement are inter-conditional upon each other. The Proposed Provision of Financial Assistance is conditional upon the Proposed Joint Venture and not vice versa.

Save for the above, the Proposals are not conditional upon any other corporate exercises currently undertaken by the Company.

10. **INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save as disclosed below, none of the Directors and major shareholders of DBhd and persons connected to them have any interest, whether direct or indirect, in the Proposals:-

In respect of the Proposed Settlement, save and except as disclosed below, none of the Directors, major shareholders of DBhd and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Settlement.

Wan Azman Ismail (“Interested Directors”) is deemed interested in the Proposed Settlement by virtue of him being a Director of DBhd and person connected to JCorp, by virtue of him being a member of the senior management of the JCorp Group.

In addition, the interested major shareholders of DBhd, namely JCorp, Kulim and Sindora (“Interested Major Shareholders”) are deemed interested in the Proposed Settlement by virtue of JCorp being the proprietor of the TDA Land and also the holding company of JCD and JLand, who are the respective vendors of the TDA Land.

In view of the interests of the Interested Major Shareholders and the Interested Director, the Proposed Settlement is deemed a related party transaction of DBhd pursuant to Chapter 10 of the Listing Requirements.

The Interested Director and Interested Major Shareholders are also deemed to be interested in the Proposed Joint Venture in view that the Proposed Settlement and Proposed Joint Venture are inter-conditional upon each other.

Accordingly, the Interested Director has abstained and will continue to abstain from deliberating and voting at all Board meetings pertaining to the Proposed Joint Venture and Proposed Settlement. The Interested Director will also abstain from voting in respect of his direct and/or indirect shareholdings in DBhd, if any on the resolutions pertaining to the Proposed Joint Venture and Proposed Settlement at the EGM to be convened. Further, the Interested Director has also undertaken to ensure persons connected to him will abstain from voting on the resolutions pertaining to the Proposed Joint Venture and Proposed Settlement at the EGM to be convened.
The Interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in DBhd on the Proposed Joint Venture and Proposed Settlement at the EGM to be convened. The Interested Major Shareholders have also undertaken to ensure persons connected to them shall abstain from voting on the resolutions pertaining to the Proposed Joint Venture and Proposed Settlement at the EGM to be convened.

The direct and indirect shareholdings of the Interested Major Shareholders and the Interested Director in DBhd as at the LPD are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of</td>
<td>No. of</td>
</tr>
<tr>
<td></td>
<td>DBhd shares</td>
<td>%</td>
</tr>
<tr>
<td><strong>Interested Major Shareholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JCorp</td>
<td>10,679,926</td>
<td>3.5</td>
</tr>
<tr>
<td>Kulim</td>
<td>3,200,000</td>
<td>1.0</td>
</tr>
<tr>
<td>Sindora</td>
<td>30,084,332</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Interested Director</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wan Azman Ismail</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Deemed interested by virtue of its shareholdings in Kulim and Sindora pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of its shareholdings in Sindora pursuant to Section 6A of the Act.

11. **ADVISERS**

RHB Investment Bank has been appointed as the Principal Adviser to the Company for the Proposals.

Given that the Proposed Settlement is deemed a related party transaction, Mercury Securities Sdn Bhd ("Mercury") has been appointed to act as the Independent Adviser to undertake the following in relation to the Proposed Settlement:

(a) comment as to:

(i) whether the Proposed Settlement is fair and reasonable in so far as the shareholders of DBhd are concerned; and

(ii) whether the Proposed Settlement is to the detriment of the non-interested shareholders of DBhd,

and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;

(b) advise the non-interested shareholders of DBhd whether they should vote in favour of the Proposed Settlement; and

(c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in paragraphs (a) and (b) above.

The independent advice letter from Mercury in relation to the Proposed Settlement will be made available to all the shareholders of DBhd (together with the circular to shareholders) in due course.
12. RELATED PARTY TRANSACTIONS FOR THE PAST TWELVE MONTHS

Save for the recurrent related party transactions entered into with the JCorp Group in the ordinary course of business as disclosed in the circular to shareholders dated 29 April 2016 and the Proposed Settlement, there are no other related party transactions with the parties mentioned in Section 10 of this announcement.

13. AUDIT COMMITTEE’S STATEMENT

The Audit Committee, in arriving at their views, have sought the advice of Mercury, being the appointed Independent Adviser for the Proposed Settlement.

After taking into consideration, amongst others, the rationale and all aspects of the Proposals, including the advice of the Independent Adviser, the Audit Committee is of the opinion that the Proposals are:-

(i) in the best interest of the DBhd Group;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the minority shareholders of DBhd.

14. DIRECTORS’ STATEMENT

The Board (save for the Interested Director) after taking into consideration, amongst others, the rationale and all aspects of the Proposals, including the advice of the Independent Adviser, is of the opinion that the Proposals are:-

(i) in the best interest of the DBhd Group;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the minority shareholders of DBhd.

15. PERCENTAGE RATIOS

Based on the audited consolidated financial statements of the DBhd Group for the FYE 31 December 2015 and pursuant to Paragraph 10.02(g) of the Listing Requirements, the highest percentage ratio applicable to the Proposals is more than 100%.

16. ESTIMATED TIMEFRAME FOR THE APPLICATION AND COMPLETION

The application to the relevant authorities for the Proposals is expected to be submitted within one (1) month from the date of this announcement.

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Acquisition 1 and the Proposed Acquisition 2, which forms part of the Proposed Settlement is expected to be completed by 30 June 2017 and 30 September 2019, respectively. The Proposed Joint Venture is expected to be on-going, which is estimated to be over a period of six (6) to eight (8) years. Hence, the Proposed Provision of Financial Assistance shall be for the entire duration of the development for the JV Project.
17. DOCUMENTS AVAILABLE FOR INSPECTION

The Shareholders’ Agreement, the SSA, the Settlement Agreement, the SPA 1, the SPA 2, the Stakeholders’ Agreement, Share Pledge Agreement, the PMC Agreement for DAS 2, the Limited Power of Attorney and the Valuation Certificate, in relation to the Proposals are available for inspection at the registered office of DBhd at Lot 10.3, Level 10, Wisma Chase Perdana, Off Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 14 October 2016.