

UEM SUNRISE BERHAD (“UEMS” OR THE “COMPANY”)

HEADS OF AGREEMENT (“HOA”) IN RELATION TO THE PROPOSED DISPOSAL OF SEVENTY-TWO (72) FREEHOLD INDUSTRIAL PLOTS MEASURING APPROXIMATELY 169.8 ACRES IN PHASE 3, SOUTHERN INDUSTRIAL & LOGISTICS CLUSTERS (“SILC”) IN ISKANDAR PUTERI, JOHOR FOR A TOTAL PURCHASE CONSIDERATION OF RM434.3 MILLION

1. INTRODUCTION

The Company wishes to announce that its wholly-owned subsidiary, UEM Land Berhad (“UEM Land” or Vendor”) and its indirect wholly-owned subsidiary, Nusajaya Heights Sdn Bhd (“NHSB” or “Proprietor”) have today entered into two separate HOAs. The first HOA (“HOA 1”) was entered into with Pentagon Land Sdn Bhd (“Pentagon”) and Greenhill SILC Sdn Bhd (“Greenhill”) (collectively defined as “Purchaser”), while the second HOA (“HOA 2”) was entered into with Pentagon (HOA 1 and HOA 2 are collectively defined as “Signed HOA”). Both Pentagon and Greenhill are subsidiaries of AME Elite Consortium Berhad (“AME”).

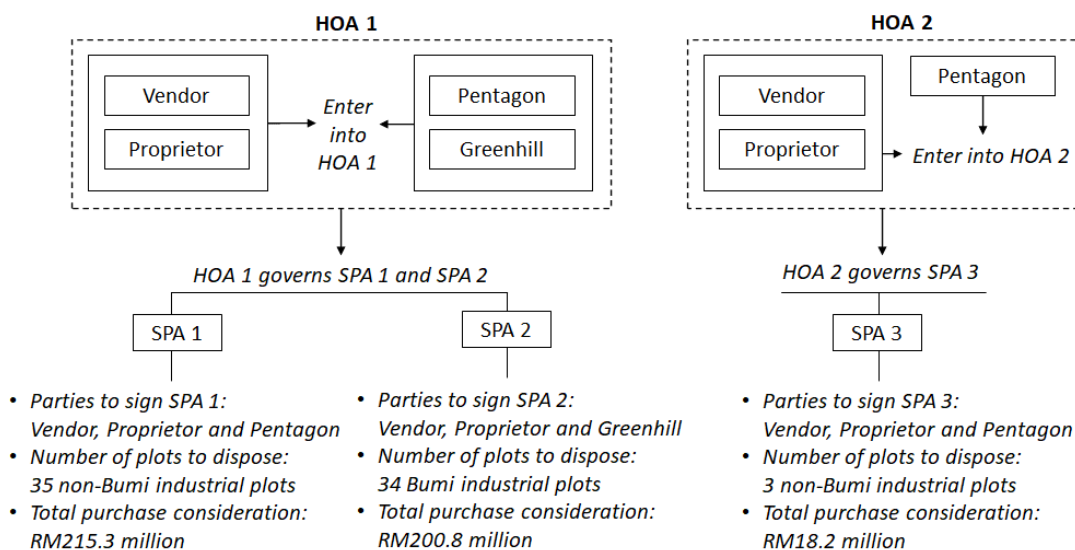
The Signed HOA is in relation to the disposal of seventy-two (72) freehold industrial plots in SiLC phase 3 measuring a total acreage of approximately 169.8 acres (“Industrial Plots”) to the Purchaser for a total purchase consideration of RM434.3 million (“Proposed Disposal”).

A detailed announcement pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) in relation to the Proposed Disposal will be made upon the execution of the definitive agreements.

2. SALIENT TERMS OF THE SIGNED HOA

2.1 Structure

The structure of the Signed HOA for the Proposed Disposal is illustrated below:



SPA – Sale and Purchase Agreements, Bumi – Bumiputera

2.2 Salient Terms

- The Proposed Disposal is conditional upon the execution of legal binding agreements comprising the SPA, amongst others (“Definitive Agreements”).
 - SPA 1 and SPA 2 are conditional upon the Purchasers obtaining their respective boards and shareholders’ approval including AME’s, and the Vendor obtaining the Economic Planning Unit’s (“EPU”) approval in respect of the Proposed Disposal

as well as the approval to release Bumiputera restrictions on the thirty-four (34) Bumiputera industrial plots.

- SPA 3 is conditional upon the Purchaser obtaining its respective board and shareholders' approval including AME's, and the Vendor obtaining EPU's approval, if required.
- b. The purchase consideration for SPA 1 and SPA 2 will be paid in tranches to be stipulated under each SPA, and the SPAs will be deemed as completed upon full payment.
- c. The purchase consideration for SPA 3 will be paid within three (3) months from the date of SPA 3, failing which the completion period will be extended automatically for a further one (1) month subject to late payment charges at eight percent (8%) per annum. SPA 3 will be deemed as completed upon full payment.
- d. The Vendor will be responsible for the enhancement of existing infrastructures in SiLC phase 3 based on the terms to be stipulated in the Definitive Agreements.
- e. Both the Vendor and Proprietor will appoint a third party service provider to manage and maintain SiLC phase 3's gated development services for a duration of four (4) years starting from 1 January 2021.
- f. The Signed HOA will be valid for a period of thirty (30) days from the date of execution, or at an extended date as agreed in writing by all parties, whichever is the later. The Vendor and Proprietor will not enter into negotiations or dealings with other parties with regards to the Industrial Plots during this period.
- g. The Signed HOA is non-binding and not intended to create any legal obligations between the parties.

3. RATIONALE FOR THE PROPOSED HOA

- 3.1 AME and its subsidiaries specialise in the construction of customised large manufacturing plants, as well as design-and-build and development of industrial parks. The group also provides engineering services and property investment and management services in Malaysia. UEMS is the landowner and master developer of Iskandar Puteri in Johor. Among the catalytic developments under the Iskandar Puteri Development Masterplan is the development of integrated industrial parks.

SiLC's phases 1 and 2 are sold out. For phase 3, UEMS decided to collaborate with AME and develop it into an integrated industrial park development. This allows UEMS the ability to monetise the industrial park at a faster rate as compared to the sale of individual plots.

- 3.2 Negotiations between the parties have commenced with respect to the Definitive Agreements. Pending the conclusion of the negotiations, the parties have agreed to document their intentions as well as the salient terms to be incorporated in the Definitive Agreements via the Signed HOA.

4. INFORMATION OF PARTIES INVOLVED

- 4.1 UEM Land is a wholly-owned subsidiary of UEMS and was incorporated in Malaysia under the Companies Act 2016 on 7 October 1982. Its principal business is property development, property investment, project procurement and management, and strategic investment holding.
- 4.2 NHSB is an indirect wholly-owned subsidiary of UEMS via Bandar Nusajaya Development Sdn Bhd which in turn is a wholly-owned subsidiary of UEM Land. It was incorporated

under the Companies Act 2016 on 6 September 1994 and its principal business is property development, land trading and investment holding.

- 4.3 Pentagon is a private limited company incorporated in Malaysia under the Companies Act 2016 on 1 June 2020. Its principal activity is property development, investment holding and management of real estate. Pentagon is a wholly-owned subsidiary of AME.
- 4.4 Greenhill is a private limited company incorporated in Malaysia under the Companies Act 2016 on 2 June 2020. Its principal activity is property development, investment holding and management of real estate. Greenhill is a wholly-owned subsidiary of AME.
- 4.5 AME is a public limited company incorporated in Malaysia under the Companies Act 2016 on 27 August 2018 and listed on the Main Market of Bursa Malaysia. Its principal activities include development of industrial parks, construction of large scale manufacturing plants and industrial buildings, provision of engineering services, and provision of property investment and management services.

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

None of the directors and major shareholders of UEMS and/or persons connected to them have any interest, direct or indirect on the Signed HOA and Proposed Disposal.

6. DOCUMENT FOR INSPECTION

The Signed HOA is available for inspection during normal office hours at the registered office of the Company at Level U6, Block C5, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur for a period of three (3) months from the date of this announcement.

This announcement is dated 9 October 2020.