

## **FLEXIDYNAMIC HOLDINGS BERHAD (“Flexidynamic” or “Company”)**

### **PROPOSED ACQUISITION OF PROPERTY BY FLEXIDYNAMIC ENGINEERING SDN BHD, A SUBSIDIARY OF FLEXIDYNAMIC FOR A CONSIDERATION OF RM4,888,888.00**

*(All abbreviations used in this announcement are defined in the announcement dated 5 July 2022)*

Refer to the query letter from Bursa Malaysia Securities Berhad (“Bursa Securities”) dated 6 July 2022, please find our response to the additional information requested by Bursa Securities: -

**1. Whether the encumbrances charged to CIMB Bank Berhad will be removed prior to completion of the Proposed Acquisition.**

In accordance to the SPA dated 5 July 2022, the encumbrances charged to CIMB Bank Berhad will be removed prior to completion of the Proposed Acquisition.

**2. Whether Klangcapital Development Sdn Bhd has entered into a separate agreement with FESB and if yes, the details of such agreement.**

There was no separate agreement entered between Klangcapital Development Sdn Bhd (“Developer”) and FESB. Notwithstanding the above, Klangcapital Development Sdn Bhd had provided a consent letter dated 29 March 2022 to give consent to Eraglo Properties Sdn Bhd to the transfer of the Property directly to FESB.

**3. The justification of the premium of RM188,888 or approximately 4.02% of the purchase consideration over the valuation accorded by the Valuers.**

The Board deems the premium necessary as the property is located adjacent to the existing Banting factory and thus the Group is able to efficiently transfer raw materials/completed goods between the 2 factories.

**4. The date the earnest deposit was paid and the date(s)/expected date(s) of payments of the balance deposit of RM244,444.40 and Balance Sum respectively.**

<b>Date</b>	<b>Description</b>	<b>Amount (RM)</b>
22 February 2022	Earnest deposit	97,777.76
4 July 2022	Balance deposit	244,444.40
4 July 2022	Retention sum (3% of consideration)	146,666.64
August 2022	Balance sum	4,399,999.20
	<b>Total</b>	<b>4,888,888.00</b>

(Earnest deposit, balance deposit, and retention sum shall collectively be referred to as “Deposit”)

**5. The conditions precedents to be fulfilled within 3 months from the date of execution of the SPA.**

The conditions precedents to be fulfilled within 3 months from the date of execution of the SPA are as follows:

- A. SPA shall be conditional upon the receipt by the Purchaser's Solicitors of: -
- (a) the Direct Memorandum of Transfer ("Direct MOT");
  - (b) a copy of the duly stamped First MOT (as defined below); and
  - (c) the written confirmation from the Developer or the Vendor's Solicitors that the issue documents of title to the Property is in their custody.
- B The Vendor shall at the Vendor's costs and expense cause the Developer to execute the Direct MOT within two (2) months from the date of SPA or such other extended period or periods as may be mutually agreed and obtain all other relevant documents necessary for effecting the transfer of the Property to the Purchaser and shall deposit the same with the Purchaser's Solicitors who shall present the same for adjudication only. Upon the Direct MOT being adjudicated the Purchaser shall pay the stamp duty thereon upon being notified by the Purchaser's Solicitors. Thereafter the duly stamped Direct MOT shall be held by the Purchaser's Solicitors as stakeholders and to be presented to the relevant land registry for registration upon compliance Clause 3.1 and if applicable, Clause 3(2) or Clause 4.2(a) of SPA, whichever is applicable.
- C In the event that the Developer refuses to execute the Direct MOT in favour of the Purchaser within two (2) months from the date of SPA due to whatsoever reason, the Vendor shall:-
- (i) within two (2) months upon expiry of Item B of conditions precedent, cause the Developer to execute a valid and registrable Memorandum of Transfer in favour of the Vendor and deliver all other relevant documents for the purpose of affecting the transfer in favour of the Vendor (hereinafter referred to as "the First MOT") and deposit the same with the Vendor's Solicitors who shall present the same for adjudication. Upon the First MOT being adjudicated the Vendor shall pay the stamp duty for the First MOT upon being notified by the Vendor's Solicitors. Thereafter, the Vendor's Solicitors shall forward the duly stamped First MOT to the Purchaser's Solicitors whom shall present the same together with the duly stamped Second MOT (as defined below) at the relevant land office/registry for registration upon compliance of Clause 3.1 of SPA if the Purchaser is purchasing the Property by cash herein by the Purchaser OR Purchaser's Solicitors shall forward the stamped First MOT and the stamped Second MOT to the Purchaser's Financier's Solicitors who shall present the same at the relevant land registry for registration upon compliance of Clause 4.2(a) of SPA herein by the Purchaser, whichever shall be applicable; and
  - (ii) execute and forward or cause to be forwarded "the Second MOT" and all other relevant documents for the purpose of effecting the transfer of the Property in favour of the Purchaser together with any other relevant documents necessary for the registration of the Second MOT to the

Purchaser's Solicitors as stakeholders who shall present the Second MOT for adjudication only upon receipt of a copy of the First MOT duly adjudicated and stamped from the Vendor's Solicitors. Upon the Second MOT thereon being adjudicated the Purchaser shall pay the stamp duty for the Second MOT thereon upon being notified by the Purchaser's Solicitors. Thereafter, the duly stamped Second MOT shall be held by the Purchaser's Solicitors as stakeholders who shall present the same together with the duly stamped First MOT at the relevant land office/registry for registration upon the compliance of Clause 3.1 of SPA and if applicable Clause 3.2 of SPA by the Purchaser, if the Purchaser is purchasing the Property by cash or forward the same to the Purchaser's Financier's Solicitors who shall present the same together with the duly stamped First MOT at the relevant land office/registry for registration upon compliance of Clause 4.2(a) of SPA.

- (iii) In event that the First MOT cannot be obtained within the time stipulated in Item (c)(i) of conditions precedent, the Purchaser shall at his sole direction to grant an extension of time to the Vendor to obtain the duly executed First MOT. If the Purchaser shall decide not to grant any extension of time for the Vendor to obtain the same, either party shall be entitled by notice to the other party to terminate SPA whereupon the provisions of Clause 2.2 of SPA shall apply.

D Upon receipt of the Direct MOT by the Purchaser's Solicitors OR a copy of the duly stamped First MOT by the Purchaser's Solicitors together with written confirmation by the Developer or the Vendor's Solicitors that the original issue document of title to the Property is in their custody, SPA shall become unconditional.

E The cost of and incidental to the preparation and execution of the First MOT including stamp duty and registration fees thereon shall be borne by the Vendor. The Vendor further agrees to pay as and when required any additional sum as excess stamp duty and/or penalty that may be imposed by the Collector of Stamp Duties or such other competent authority or authorities in respect of the First MOT.

Upon occurrence of the event stated in Item (C)(iii) of the above conditions precedent, the Vendor shall refund to the Purchaser free of interest the Deposit [as defined in Clause 3.1(a) hereof] within fourteen (14) days from the date of receipt by the Vendor's Solicitors or the Purchaser's Solicitors, as the case may be, of the notice of termination and in exchange, the Purchaser shall perform its obligations under Clause 10.1, thereafter Clause 10.2 shall ensue.

**6. To make available for inspection the valuation report, and the time and place where the valuation report may be inspected.**

Valuation report will be made available for inspection at the Registered Office of Flexidynamic at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of the announcement.