

FAR EAST HOLDINGS BERHAD (“FEHB” OR “COMPANY”)

JOINT VENTURE AND SHAREHOLDERS AGREEMENT IN RELATION TO PARAS (PROGRESSIVE AGRICULTURAL RESEARCH AND SERVICES) SDN. BHD.

1.0 INTRODUCTION

- 1.1 The Board of Directors of FEHB (“**the Board**”) wishes to announce that FEHB had on 23 July 2024 entered into a Shareholders Agreement in relation to subscription of shares in PARAS (Progressive Agricultural Research and Services) Sdn. Bhd. (“PARAS”).
- 1.2 FEHB, Prosper Capital Holdings Sdn. Bhd. (“PCHSB”) and United Malacca Berhad (“UMB”) had entered into a joint venture via a joint venture company i.e. PARAS to provide services for plantation management (alternately referred to as “Joint Venture”).
- 1.3 In the spirit of mutual co-operation and pursuant to the parties’ interest and intentions, the parties have entered into this Shareholders Agreement.
- 1.4 Pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Shareholders Agreement is deemed a related-party transaction in view of the interests of certain directors and connection with the major shareholder of FEHB, further details of which are set out in Section 11 of this Announcement.

Details of the Shareholders Agreement are set out in the ensuing sections of this Announcement.

FEHB, PCHSB and UMB collectively be referred to as “Parties” or “Joint Venture Parties”.

2.0 DETAILED INFORMATION ON JOINT VENTURE COMPANY

- 2.1 PARAS (Registration No.: 202401001528 (1547379-W)) was incorporated on 11 January 2024 as a private limited company incorporated in Malaysia and having its registered office at No. 9, Jalan Bayu Tinggi 2A/KS6, Taipan 2, Batu Unjur, 41200 Klang, Selangor and business address at Unit 901, Level 9, Wisma Prosper, Block B, Kelana Centre Point, No. 3, Jalan SS 7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor.
- 2.2 Its present paid-up share capital is RM2.00 comprising of 2 ordinary shares of RM1.00 each. The company paid-up share capital will be increased to RM2,000,000.00 comprising of 2,000,000 of RM1.00 each ordinary shares via the following parties share subscription pursuant to the Shareholders Agreement:-

Parties	Number of Shares Held	% of Holding	RM
FEHB	700,000	35	700,000
PCHSB	700,000	35	700,000
UMB	600,000	30	600,000
Total	2,000,000	100	2,000,000

2.3 The principal activities of PARAS include providing plantation management services, research and development on agricultural science and activities of holding companies.

2.4 As at 5 July 2024, the directors of PARAS are as follows:-

- (1) YH Dato' Sri Tee Lip Sin
- (2) YH Dato' Asmin binti Yahya
- (3) Encik Nazaruddin bin Hasim
- (4) Mr Young Lee Chern
- (5) Mr Tee Lip Jen
- (6) Mr Tee Lip Zhun

3.0 DETAILED INFORMATION ON JOINT VENTURE PARTIES

3.1 Information on PCHSB

PCHSB (Registration No.: 197801000199 (37206-D)) was incorporated on 13 January 1978, a private limited company incorporated in Malaysia and having its registered address at No. 9, Jalan Bayu Tinggi 2A/KS 6, Taipan 2, Batu Unjur, 41200 Klang, Selangor and business address at Unit 901, Wisma Prosper, Block B, Kelana Centre Point, No. 3, Jalan SS7/19, Kelana Jaya, 47310 Petaling Jaya, Selangor.

The paid-up capital of PCHSB is RM75,000,000.00 comprising 75,000,000 ordinary shares. The principal activity of PCHSB is operating palm oil mills.

As at 5 July 2024, the shareholders in PCHSB are as follows:-

Name	Number of Shares Held	% of Holding
Winners Acres Sdn. Bhd.	45,000,000	60
Far East Holdings Berhad	30,000,000	40
Total	75,000,000	100

As at 5 July 2024, PCHSB directly holds 44.68% equity shares in Prosper Trading Sdn. Bhd. (PTSB) and PTSB currently holds 23.73% in FEHB.

As at 5 July 2024, the directors of PCHSB are as follows:-

- (1) YH Dato' Sri Tee Lip Sin
- (2) YH Dato' Sri Haji Hasan bin Arifin
- (3) Encik Mohd Zabidi bin Yaakub
- (4) Mr Tee Kim Tee @ Tee Ching Tee
- (5) Mr Tee Cheng Hua

- (6) Mr Man Foh @ Chan Man Foh
- (7) Mr Tee Lip Chuan
- (8) Mr Tee Lip Jen
- (9) Mr Tee Lip Hian
- (10) Mr Tee Lip Teng (Alt. Director)
- (11) Ms Tee Chain Yee (Alt. Director)
- (12) Mr Tee Lip Jen (Alt. Director)

3.2 Information on UMB

UMB (Registration No.: 191001000010 (1319-V)), a public listed company incorporated in Malaysia and having its registered and business office at 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka. The paid-up capital of UMB is RM255,375,039.00 comprising 209,769,201 units ordinary shares. UMB principally involves plantation business i.e. cultivation of oil palm and investment holding.

As at 5 July 2024, the directors of UMB are as follows:-

- (1) YBhg Datin Paduka Tan Siok Choo
- (2) YBhg Datin Noor Azimah binti Abd Rahim
- (3) YH Dato Dr Nik Ramlah binti Nik Mahmood
- (4) YH Dato' Sri Tee Lip Sin
- (5) Mr Tee Cheng Hua
- (6) Mr Teo Leng
- (7) Mr Han Kee Juan
- (8) Mr Ong Keng Siew

4.0 RATIONALE FOR THE JOINT VENTURE

The Joint Venture is aimed at creating synergy between the expertise of shareholders in PARAS and provide comprehensive range of essential services and one stop center for plantation management services includes but not limited to professional opinions from field expertise to research and development center for plantation cultivation.

5.0 SALIENT TERMS OF THE SHAREHOLDERS AGREEMENT

Refer to **Appendix I** of this Announcement for the salient terms of the Shareholders Agreement.

6.0 RISK FACTORS AND FUTURE PROSPECTS

6.1 Risk Factors

The risk factors are associated with the normal risks of the oil palm industry. Save for the normal operational risks, business risks and investment risks associated with the Joint Venture Parties, the Board of Directors of FEHB is of the view that there would be no critical risk which may arise from this proposed Shareholders Agreement that may affect the operations and earning of the FEHB Group.

6.2 Future Prospects

FEHB is constantly seeking to expand its business through viable investments that are expected to strengthen its position in the oil palm industry. The investment in PARAS is expected to complement FEHB's core business activities.

7.0 FINANCIAL EFFECT OF THE JOINT VENTURE

7.1 Share Capital

The Joint Venture will not have any effect on the issued and paid-up share capital of FEHB.

7.2 Net Assets ("NA") and Gearing

The Joint Venture will not have a material effect on the NA and gearing of FEHB Group.

7.3 Earnings

The Joint Venture is not expected to have any material impact on the consolidated earnings of FEHB for the financial year ending 31 December 2024.

8.0 LIABILITIES/GUARANTEES IN RELATION TO THE JOINT VENTURE

There are no liabilities to be assumed by FEHB from the Joint Venture apart from the subscription of shares amounting to RM700,000 at this juncture.

9.0 SOURCE OF FUNDING

The Joint Venture will be funded from internally generated funds of FEHB.

10.0 APPROVAL REQUIRED

The Joint Venture and/or proposed Shareholders Agreement does not require the approval of FEHB's shareholders and the relevant government authorities and is not conditional upon any other corporate exercise undertaken by the FEHB Group.

11.0 PERCENTAGE RATIO

The percentage ratio applicable to this Joint Venture pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is **0.05%**.

The overall percentage ratio applicable to this Joint Venture and Acquisition of Merchong Palm Oil Mill Sdn. Bhd. (refer Paragraph 15.0 below) pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad amounts to **4.63%**, which is below 5.0%, hence, does not require the approval from the shareholders of FEHB.

12.0 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save as disclosed below, none of the directors and major shareholders of FEHB and/or person connected with them have any interest, whether direct and/or indirect, in the Joint Venture:-

- (i) YH Dato' Asmin binti Yahya is the director of FEHB and direct shareholder of FEHB (holding 0.06% equity interest in FEHB). She is also a director of PARAS. She is deemed interested in the Joint Venture by virtue of her directorship in PARAS.
- (ii) Mr Tee Cheng Hua is the director of FEHB and direct shareholder of FEHB (holding 1.48% equity interest in FEHB). He is also a director of PCHSB. He is also a director and a shareholder (direct and indirect) of UMB. He is deemed interested in the Joint Venture by virtue of him being the director and shareholder of UMB and also a director of PCHSB as well as his family relationship with Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Lip Teng, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan, Mr Tee Lip Hian and Mr Tee Lip Jen.
- (iii) Mr Tee Kim Tee @ Tee Ching Tee is the director of FEHB and direct shareholder of FEHB (holding 3.22% equity interest in FEHB). He is also a director of PCHSB and indirect shareholder of UMB. He is deemed interested in the Joint Venture by virtue of him being the director of PCHSB and having indirect interest in UMB as well as his family relationship with Mr Tee Cheng Hua, Mr Tee Lip Teng, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan, Mr Tee Lip Hian and Mr Tee Lip Jen.
- (iv) Mr Tee Lip Teng is the director of FEHB and direct shareholder of FEHB (holding 0.21% equity interest in FEHB). He is also an alternate director to Mr Tee Cheng Chua of PCHSB. He is deemed interested in the Joint Venture by virtue of him being an alternate director of PCHSB as well as his family relationship with Mr Tee Cheng Hua, Mr Tee Kim Tee @ Tee Ching Tee, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan, Mr Tee Lip Hian and Mr Tee Lip Jen.
- (v) Mr Tee Lip Jen is an alternate director to Mr Tee Kim Tee @ Tee Ching Tee of FEHB and direct shareholder of FEHB (holding 0.37% equity interest in FEHB). He is also a director of PARAS and an alternate director to Mr Tee Kim Tee @ Tee Ching Tee of PCHSB. He is deemed interested in the Joint Venture by virtue of him being a director of PARAS and an alternate director of PCHSB as well as his family relationship with Mr Tee Cheng Hua, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Lip Teng, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan and Mr Tee Lip Hian.

(YH Dato' Asmin binti Yahya, Mr Tee Cheng Hua, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Lip Teng and Mr Tee Lip Jen are collectively referred to as the **"Interested Directors"**).

In view of the above, the Interested Directors have abstained and will continue to abstain from all board deliberation and voting at the relevant board meetings and on the resolution pertaining to the Joint Venture and Shareholders Agreement.

13.0 AUDIT COMMITTEE'S STATEMENT

The Audit Committee, after having considered all aspects of the Joint Venture including but not limited to the rationale, the salient terms of the Shareholders Agreement as well as effects of the Joint Venture, is of the opinion that the Joint Venture and the Shareholders Agreement are:-

- (i) In the best interests of the Company;
- (ii) Fair, reasonable and on normal commercial terms; and
- (iii) Not detrimental to the interest of the minority shareholders of the Company.

14.0 DIRECTORS' STATEMENT

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Shareholders Agreement, including the rationale for the Proposed Shareholders Agreement, the Board is of the opinion that the Proposed Shareholders Agreement is in the best interest of the Company.

15.0 AMOUNT TRANSACTED WITH THE INTERESTED DIRECTORS FOR THE PRECEDING 12 MONTHS

Other than the Joint Venture and certain recurrent related party transactions as disclosed in the circular to shareholders of FEHB dated 26 April 2024 as well as Note 26 of the audited financial statements of FEHB Group in its Annual Report 2023, there were no other transactions entered into by the Company with the Interested Directors for the preceding 12 months from the date of this Announcement SAVE AND EXCEPT as disclosed below:-

Acquisition of 100% Equity Interest in Merchong Palm Oil Mill Sdn. Bhd. ("Acquisition")

FEHB had on 28 February 2024 entered into a Share Sale and Purchase Agreement with Endau Palm Oil Mill Sdn. Bhd. ("EPOM"), Rangkaian Delima Plantation Sdn. Bhd. ("RDPSB") and Insan Sejahtera Sdn. Bhd. ("ISSB") to acquire 10,000,000 ordinary shares in Merchong Palm Oil Mill Sdn. Bhd. ("MPOM"), representing 100% equity interest in MPOM for a purchase consideration of RM10.00 million, satisfied entirely by cash and liabilities to be assumed by FEHB totalling RM52.86 million.

The Acquisition is deemed as a related-party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in view of the interests of certain directors and major shareholder of FEHB, further details as below:-

- (i) YH Dato' Sri Kamaruddin bin Mohammed is the director of FEHB and a shareholder of FEHB (holding 2.83% indirect equity interest in FEHB). He is also a director of RDPSB. He is also a director and indirect shareholder of MPOM. He is also a director and a shareholder of ISSB. He is deemed interested in the Acquisition by virtue of him being the director of RDPSB and ISSB and having interest in ISSB.
- (ii) Mr Tee Cheng Hua is the director of FEHB and a shareholder of FEHB (holding 1.48% direct equity interest in FEHB). He is also a director and indirect shareholder of MPOM and EPOM. He is deemed interested in the Acquisition by virtue of him being the director of EPOM and having indirect

interest in EPOM as well as his family relationship with Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Lip Teng, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan, Mr Tee Lip Hian and Mr Tee Lip Jen.

- (iii) Mr Tee Kim Tee @ Tee Ching Tee is the director of FEHB and a shareholder of FEHB (holding 3.22% direct equity interest in FEHB). He is also a director and indirect shareholder of MPOM and EPOM. He is deemed interested in the Acquisition by virtue of him being the director of EPOM and having indirect interest in EPOM as well as his family relationship with Mr Tee Cheng Hua, Mr Tee Lip Teng, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan, Mr Tee Lip Hian and Mr Tee Lip Jen.
- (iv) Mr Tee Lip Teng is the director of FEHB and a shareholder of FEHB (holding 0.21% direct equity interest in FEHB). He is also a director and indirect shareholder of MPOM and EPOM. He is deemed interested in the Acquisition by virtue of him being the director of EPOM and having indirect interest in EPOM as well as his family relationship with Mr Tee Cheng Hua, Mr Tee Kim Tee @ Tee Ching Tee, YH Dato' Sri Tee Lip Sin, Mr Tee Lip Chuan, Mr Tee Lip Hian and Mr Tee Lip Jen.

The details of the above transaction was announced to Bursa Malaysia Securities Berhad on 28 February 2024.

16.0 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Joint Venture is expected to be completed by the second half of 2024.

17.0 DOCUMENT FOR INSPECTION

The Shareholders Agreement is available for inspection at FEHB's registered office at Level 23, Menara Zenith, Jalan Putra Square 6, 25200 Kuantan, Pahang during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 23 July 2024.

SALIENT TERMS OF THE SHAREHOLDERS AGREEMENT (“SA”)

The salient terms of the SA are set out below:-

1. SALE AND PURCHASE OF SALE SHARES**1.1 Subject to the terms and conditions of the SA:**

- (a) The Shareholders, namely Far East Holdings Berhad (“FEHB”), Prosper Capital Holdings Sdn. Bhd. (“PCHSB”), United Malacca Berhad (“UMB”) and PARAS (Progressive Agricultural Research and Services) (“the Company”) intend to collaborate to explore and develop the Agreed Business (as defined in the SA).
- (b) As at the date of this Agreement, the Company has an issued and paid-up share capital of RM2 (Ringgit Malaysia Two) comprising of 2 (Two) Shares.
- (c) The Company wishes to increase its issued and paid-up share capital to RM2,000,000 (Ringgit Malaysia Two Million) only divided into 2,000,000 ordinary shares of RM1 (Ringgit Malaysia One) each to be held by the Shareholders in the proportions set out in the provisions of SA.
- (d) To give effect to the aforesaid intention and to regulate their relationship as Shareholders and in the management of the Company, the Parties agree to enter into this Agreement.

2. TRANSFER OF SHARES AND CREATION OF CHARGES**2.1 No creation of security interest or voting arrangement:** Without the prior written consent of the other Shareholders, no Shareholder may:

- (1) mortgage, pledge or otherwise charge or create any security interest in or over any Share; nor
- (2) enter into or agree to enter into any agreement or arrangement in respect of the voting rights attached to its Shares or to do any of the aforesaid.

2.2 Restrictions on transfer of Shares: Unless otherwise agreed by all Shareholders, no Shareholder shall sell, transfer, assign or otherwise dispose of any Share or any legal or beneficial interest in a Share EXCEPT to an Affiliate of the Shareholder at any time with the prior written consent of the other Shareholders (such consent not to be unreasonably withheld, delayed or conditioned), provided that such Shareholder undertakes in writing:-

- (1) to be responsible to the other Shareholders for the actions of its Affiliate; and
- (2) to perform such obligations and covenants set out in the SA that the Affiliate fails to perform in accordance with the terms set out therein or in the event the Affiliate delays in the performance thereof;

and procures its Affiliate to maintain its Affiliate status with the transferring party within the meaning of an Affiliate as defined in the SA, provided that it remains registered on the Company's share register as the holder of Shares and its Affiliate shall enter into a deed of adherence substantially as prescribed in the SA.

2.3 **Right of First Refusal:**

Without the prior written consent of all Shareholders have been obtained, no Shareholder ("Offeror") shall sell, transfer or otherwise dispose of its Shares in the Company without first making an offer in writing to sell the same to the other Shareholders ("Offerees") in proportion to the Offerees' respective shareholdings in the Company as they bear to each other at the date of the offer ("Offer") and in accordance with this provision:-

- (1) every offer shall state the number of Shares being offered for sale ("**Offer Shares**"), the price at which the Offer Shares are to be offered (being the price at which the Offeror intends to sell to an independent third party in a bona fide sale arrangement) ("**Offer Price**"), the name and address of the potential purchaser (including, amongst others, the names of the ultimate shareholders, directors and principal businesses of the potential bona fide purchaser), the proposed completion date and a summary of all material terms and conditions of the Offer. Such offer shall remain open for a period of thirty (30) days from the date of the Offer;
- (2) any Offeree who wishes to purchase all or any of the Offer Shares at the Offer Price shall notify the Offeror in writing (with a copy to the Company) prior to the end of the thirty (30) days period referred above. In the event that the aggregate number of Shares the Offerees wish to purchase exceeds the number of the Offer Shares, the Offerees shall be entitled to purchase the Offer Shares in proportion, as nearly as practicable, to their respective shareholdings in the Company as they bear to each other at the date of the Offer, but no Offeree shall be obliged to purchase more Offer Shares than the number of Offer Shares specified in its notice to the Offeror. In the event that the Offeror receives written notices from Offerees in respect of an aggregate number of Shares which equals the number of the Offer Shares, the Offeror shall be obliged to transfer the Offer Shares to the relevant Offerees, in accordance (where appropriate) with the arrangements set out in the preceding sentence. If however, the aggregate number of Shares which the Offerees notify the Offeror they wish to purchase is less than the number of the Offer Shares, the Offeror may, in its discretion, elect to transfer to the Offerees such aggregate number of the Offer Shares as is specified in the notices given by the Offerees or, alternatively, treat the Offer as having been rejected by the Offerees;

- (3) the transfer of the Offer Shares accepted within the period as specified above shall be completed at the registered office of the Company upon the expiration of thirty (30) days from the date of the notice of the Offeree accepting the Offer.
- 2.4 If the Offer shall be rejected by the Offerees or lapse by effluxion of time, then the Offeror shall be at liberty to sell, transfer or otherwise dispose to any third party the Offer Shares or the balance of the Offer Shares, provided that:
 - (1) such transfer must be made at a price not less than the Offer Price and on terms not more favourable than those offered to the Offerees;
 - (2) such transfer must be made within the period of one (1) month following the rejection or lapse aforesaid of the Offer; and
 - (3) such third party has agreed in writing to be and become bound by all the provisions of this Agreement binding on the Offeror and comply with **Conditions of Transfer** as provided in the SA therein.
- 2.5 If the Offeror shall fail to sell, transfer or otherwise dispose of its shares pursuant to the above clause, and if it shall at any time thereafter be desirous of selling, transferring or disposing the Offer Shares or any part thereof or desirous of selling, transferring or disposing the Offer Shares, then it shall be obliged to make another offer to sell the same in accordance with the provisions of SA therein.
- 2.6 **Tag-along Rights:** If FEHB receives and intends to accept an offer from a third party for all or part of the Shares held by FEHB:-
 - (1) which is a bona fide offer; and
 - (2) which contains all material terms and conditions of the offer ("**Tag-along Offer**"), including without limitation the number of Shares held by FEHB offered to purchase by the third party, the consideration payable for the Shares held by FEHB, the name and address of the third party (including, amongst others, the names of the ultimate shareholders, directors and principal businesses of the third party) and the proposed completion date,

FEHB must, after complying with the provisions of the SA and the Offerees did not accept the Offer, give written notice ("Tag-along Request Notice") to UMB and PCHSB as soon as practical after having received the Tag-along Offer notifying UMB and PCHSB of the Tag-along Offer and inviting each of UMB and PCHSB to offer to sell, at its option, all or some of the Shares held by UMB and PCHSB, free from all Encumbrances ("Tag-along Shares") on the same terms and conditions. If UMB and/or PCHSB elect to exercise their tag-along rights under this provision, FEHB shall procure that the third party making the Tag-along Offer shall make an offer to UMB and/or PCHSB for all the Tag-along Shares on the same terms and conditions as the Tag-along Offer.

2.7 If the Shareholder/s receives and intends to accept an offer from a third party for all or part of the Shares held respectively:-

- (1) which is a bona fide offer; and
- (2) which contains all material terms and conditions of the offer ("**Tag-along Offer**"), including without limitation the number of Shares held by the Shareholder/s offered to purchase by the third party, the consideration payable for the Shares held, the name and address of the third party (including, amongst others, the names of the ultimate shareholders, directors and principal businesses of the third party) and the proposed completion date,

the Shareholder/s must, after complying with the provisions of the SA and the Offerees did not accept the Offer, give written notice ("**Tag-along Request Notice**") to remaining parties as soon as practical after having received the Tag-along Offer notifying them of the Tag-along Offer and inviting them to offer to sell, at its option, all or some of the Shares held by them, free from all Encumbrances ("**Tag-along Shares**") on the same terms and conditions. If they elect to exercise their tag-along rights under this SA, the Shareholder/s shall procure that the third party making the Tag-along Offer shall make an offer to the remaining parties for all the Tag-along Shares on the same terms and conditions as the Tag-along Offer.

2.8 In the event that the recipients of the Tag-along Request Notice have issued a Tag-along Acceptance Notice, FEHB, UMB or PCHSB as the case may be, shall ensure that the third party complies with the Tag-along Acceptance Notice issued by the recipients of the Tag-along Request Notice and shall ensure that any sale and/or transfer of the Tag-along Shares shall be on the same terms and conditions as are applicable to the Shares by the Party receiving the offer and shall be transferred at the same time. Neither Shareholders shall accept an offer from and complete the sale to a third party for all or part of its Shares, until and unless the said Party has complied with the procedures set out in the SA therein.

2.9 **Conditions of Transfer:** In respect of each transfer of Shares made in accordance with the provisions of this Agreement and the Constitution, the Shareholders agree to procure that the Board shall approve such transfer, which approval shall be subject to the transferee of the Shares having first entered into a deed of adherence substantially in the form prescribed in the SA therein whereby the transferee agrees to be bound by the terms and conditions of this Agreement in place of the transferor, and the proportion of the rights and obligations of the transferor under this Agreement attributable to the Shares being transferred shall be transferred to the transferee, and the transferor will be released from any future obligations under this Agreement or, if not all the transferor's Shares are transferred, such release shall only be calculated or determined by reference to the Shares transferred without prejudice to any rights and obligations of the Shareholders attributable to the Shares being transferred which have accrued prior to the date of such transfer.

3. TERMINATION

- 3.1 **Duration of Agreement:** This Agreement shall take effect on the Effective Date and shall continue in full force and effect until terminated in accordance with the provisions hereunder.
- 3.2 **Termination Events:** This Agreement shall terminate if all the Shareholders agree in writing to collectively dispose of their Shares or to sell the whole of the undertaking of the Company as a going concern and in the latter case, the Shareholders shall thereafter wind up the Company and distribute the proceeds of such sale to the Shareholders in accordance with Malaysian laws.
- 3.3 **Effect of Termination:** The termination of this Agreement however caused, the dissolution (or cessation of existence as a separate entity) of the Company and the ceasing by any Shareholder to hold any Shares shall be without prejudice to any obligations or rights of any of the Shareholders which have accrued prior to such termination, dissolution or cessation and shall not affect any provision of this Agreement which is expressly or by implication provided to come into effect on or to continue in effect after such termination, dissolution or cessation.