

Alliance Islamic Bank Berhad, being the Sponsor, was responsible for the admission of WTEC Group Berhad to the Official List of the ACE Market of Bursa Malaysia Securities Berhad on 29 April 2025.

WTEC GROUP BERHAD (“WTEC GROUP” OR THE “COMPANY”)

PROPOSED ACQUISITION BY WTEC SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WTEC GROUP, OF AN INDUSTRIAL BUILDING HELD UNDER HSD 116275, PT28724, MUKIM SEMENYIH, DAERAH ULU LANGAT, NEGERI SELANGOR DARUL EHSAN FOR A TOTAL PURCHASE CONSIDERATION OF RM10.80 MILLION (“PROPOSED ACQUISITION”)

1. INTRODUCTION

On behalf of the Board of Directors of WTEC Group (“**Board**”), Alliance Islamic Bank Berhad (“**AIS**”) wishes to announce that WTEC Sdn Bhd (“**WTEC**” or “**Purchaser**”), a wholly-owned subsidiary of WTEC Group, had on 14 May 2026, entered into a sale and purchase agreement (“**SPA**” or the “**Agreement**”) with Athens Park Machineries Sdn Bhd (“**APMSB**” or “**Vendor**”) for the proposed acquisition of an industrial building held under HSD 116275, PT28724, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan (“**Subject Property**”) for a total purchase consideration of RM10,800,000 (“**Purchase Consideration**”) (“**Proposed Acquisition**”).

Further details of the Proposed Acquisition are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED ACQUISITION

The Vendor has agreed to sell and WTEC has agreed to purchase the Subject Property with legal/vacant possession, free from all charges, liens, trusts, caveats, encumbrances and/or such other beneficial interests but subject to such conditions and restrictions in interests in the title imposed by the authorities on the Subject Property whether express or implied. The salient terms of the SPA are set out in **Appendix I** of this Announcement.

2.1 Information on the Subject Property

The Subject Property is an industrial building which is currently being used as a factory complex, bearing postal address No. 13, Jalan 6/9, Seksyen 6, Bandar Rinching, 43500 Semenyih, Selangor Darul Ehsan. It comprises a three-storey office and an annexed single-storey warehouse together with ancillary buildings.

The Subject Property is situated along Jalan 6/9 within Bandar Rinching, Semenyih, Selangor Darul Ehsan. It is located approximately 40 kilometres from southeast of Kuala Lumpur city centre and approximately 18 kilometres from Kajang town centre.

The surrounding area of the Subject Property comprises a mixture of residential, commercial and industrial developments, including among others, terraced houses, detached houses, shop lots, terraced factories, and detached factories.

Further information on the Subject Property is set out below:

Lot no.	: PT 28724
Title no.	: HSD 116275
Location	: Mukim of Semenyih, District of Ulu Langat, State of Selangor

Postal address	: No. 13, Jalan 6/9, Seksyen 6, Bandar Rinching, 43500 Semenyih, Selangor Darul Ehsan
Tenure	: Grant in perpetuity
Provisional land area	: Approximately 4,038.00 square metres (“ sqm ”) or 43,465.03 square feet (“ sqft ”)
Gross floor area	: Approximately 2,471.67 sqm or 26,605.06 sqft
Registered owner	: Athens Park Machineries Sdn. Bhd.
Category of land use	: “Industri”
Express conditions	: “Perusahaan”
Restriction in interest	: “Tiada”
Encumbrances	: Charged twice to Public Islamic Bank Berhad vide: <ul style="list-style-type: none"> i. Presentation No. 001SC34607/2018 on 17 April 2018; and ii. Presentation No. 001SC34608/2018 on 17 April 2018.
Endorsements	: A private caveat was lodged by Public Islamic Bank Berhad vide Presentation No. 001B9257/2018 on 22 February 2018
Quit rent	: RM1,325.00 per annum
Age of the building	: Approximately 6 years
Occupancy status	: Tenanted ⁽¹⁾
Audited net book value	: Not available ⁽²⁾
Market value / Date of Valuation	: RM10,800,000 ⁽³⁾ / 24 April 2026

Notes:

- (1) The tenant shall vacate the Subject Property by 20 August 2026. After the completion of the Proposed Acquisition, the Subject Property will be occupied by the Company for its own use.
- (2) The audited net book value of the Subject Property is not available as the Company is not privy to such information from the Vendor.
- (3) The market value of the Subject Property is appraised by an independent valuer. The market value was arrived at using the comparison approach by comparing the Subject Property with recently transacted properties of a similar nature or offers for sale/rental of similar properties in the area. Adjustments are then made for differences in location, size and shape of the lot, size, condition and design of the building, site facilities available, market conditions and other factors in order to arrive at a common basis for comparison.

2.2 Information on the Vendor

APMSB was incorporated on 10 February 2015 as a private limited company in Malaysia under the Companies Act 1965. APMSB is principally involved in trading and rental of construction machineries.

As at 11 May 2026, being the latest practicable date prior to this Announcement (“**LPD**”), the issued share capital of APMSB is RM300,000 comprising 300,000 ordinary shares.

As at the LPD, the directors of APMSB are Ho Zee Kim, Kuan Mun Chyi and Soo Sun Phui, while Ho Han Ying serves as the alternate director to Ho Zee Kim.

As at the LPD, the shareholdings of APMSB are as follows:

Name	Nationality	Shareholdings as at the LPD			
		Direct		Indirect	
		No. of shares	%	No. of shares	%
Ho Zee Kim	Malaysian	100,000	33.33	-	-
Kuan Mun Chyi	Malaysian	100,000	33.33	-	-
Soo Sun Phui	Malaysian	100,000	33.33	-	-

2.3 Information on the Purchaser

WTEC was incorporated in Malaysia on 19 November 2001 as a private limited company under the Companies Act 1965 and is principally involved in the manufacturing and trading of form and non-form products.

The directors of WTEC are Tan Kok Kheng, Tiow See Yen and Eu Tiong Nam.

As at the LPD, the issued share capital of WTEC is RM3,642,000 comprising 3,642,000 ordinary shares.

WTEC is a wholly-owned subsidiary of WTEC Group.

2.4 Basis and justification of determining the Purchase Consideration

The Purchase Consideration of RM10.80 million was arrived at on a 'willing-buyer willing-seller' basis, after taking into consideration the following:

- (i) the market value of the Subject Property amounting to RM10.80 million as appraised by an independent valuer based on the date of inspection of the Subject Property on 24 April 2026;
- (ii) the rationale of the Proposed Acquisition as set out in **Section 3** of this announcement; and
- (iii) the prospects of the Subject Property as set out in **Section 4.3** of this announcement.

2.5 Mode of settlement of the Purchase Consideration

Pursuant to the terms of the SPA, the Purchase Consideration is to be satisfied entirely in cash, in the following manner:

Payment Terms	Timing of settlement	Purchase Consideration	
		RM'000	%
Earnest Deposit (2% of the Purchase Consideration)	Upon execution of the Letter of Offer	216	2.00
Retention Sum (3% of the Purchase Consideration)	Upon execution of the SPA	324	3.00
Balance Deposit (5% of the Purchase Consideration)	Upon execution of the SPA	540	5.00
Balance Purchase Consideration (90% of the Purchase Consideration)	Within 3 months from the date of the SPA	9,720	90.00
Total		10,800	100.00

2.6 Source of funding

The Purchase Consideration will be funded through a combination of internally generated funds and the proceeds raised from the initial public offering of the Company on 29 April 2025 (“**IPO**”) (“**IPO Proceeds**”), further breakdown of which are set out below:

Source of funds	RM'000
IPO Proceeds for the acquisition of a new factory ⁽¹⁾	9,425
Internally generated funds	1,375
Purchase Consideration	10,800

Note:

- (1) The Board had on 28 April 2026 resolved to vary the use of IPO Proceeds. Following the reallocation of RM2 million originally earmarked for the renovation of the new factory, the IPO proceeds allocated for the acquisition of a new factory amounting to RM9.42 million.

2.7 Liabilities to be assumed

Save for the obligations and liabilities arising from the Proposed Acquisition, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by the Group pursuant to the Proposed Acquisition.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is consistent with the Group’s expansion plan. As stated in the Company’s prospectus dated 9 April 2025 issued in conjunction with the IPO, the Company intends to consolidate some of the existing manufacturing operations from 4 different facilities into 1 new factory. To support this expansion plan, the Company intends to acquire the Subject Property, given its strategic proximity to the Group’s existing operational facilities, which is expected to improve operational efficiency and streamline the consolidation of manufacturing activities.

After the completion of the Proposed Acquisition, the Group expects to derive the following benefits from the establishment and consolidation of some of the Group’s existing manufacturing operations at the Subject Property:

- (i) reduction in the rental expenses, transportation costs and overall processing time and improvement in material flow and efficiency arising from fewer transfers of in-process material between the different factories as more processes will be consolidated at the Subject Property;
- (ii) achieve greater operational efficiency and efficient management of the Group’s manufacturing operations and quality control; and
- (iii) the potential to provide additional space to install new machinery and equipment to develop and grow its business.

Premised on the above, the Board is of the view that the Proposed Acquisition is in the best interest of the Company and is expected to contribute positively to its long-term growth.

4. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy advanced by 6.3% in the fourth quarter of 2025 (3Q 2025: 5.4%), driven mainly by domestic demand. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics goods. Inbound tourism and communication technology related services also contributed to services exports growth and surplus in the current account balance. Meanwhile, imports remained strong driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects.

Going forward, headline inflation is expected to remain moderate in 2026 amid the continued easing in global cost conditions. The modest commodity price outlook would help to contain cost pressures on inflation. Core inflation is expected to remain broadly stable and close to its long-term average in 2026, reflecting continued expansion in economic activity and the absence of excessive demand pressures. The domestic policy reforms implemented in 2025, such as the Sales and Service Tax expansion and targeted RON95 subsidy rationalisation, are projected to result in only modest effects on inflation in 2026.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia)

4.2 Overview and outlook of the manufacturing sector in Malaysia

The sales value of the manufacturing sector in 2025 reached RM1.97 trillion, increased 4.2 per cent (2024: 4.6%), while the sales in December 2025 amounted to RM168.6 billion (6.4%). The growth of sales value in the manufacturing sector was primarily driven by the Electrical & electronics products, grew 12.6 per cent in December 2025 (November 2025: 10.8%). This growth was further supported by the Food, beverages & tobacco and non-metallic mineral products, basic metal & fabricated metal products sub-sectors, which increased 10.4 per cent (November 2025: 7.7%) and 5.3 per cent (November 2025: 3.4%), respectively. Comparison by month on month, the sales value growth shrank by 0.5 per cent, as against RM169.4 billion recorded in November 2025.

The sales value growth of export-oriented industries which representing 70.4 per cent of total sales, improved 6.8 per cent in December 2025 (November 2025: 4.6%). The performance was predominantly attributable to the increase in the manufacture of computer, electronics & optical products at 13.3 per cent (November 2025: 11.1%). This was followed by manufacture of vegetable & animal oils and fats which grew 11.1 per cent (November 2025: 6.5%), as well as manufacture of electrical equipment (9.5%). Comparison with the preceding month, export-oriented industries contracted 1.0 per cent (November 2025: -2.9%).

The domestic-oriented industries increased by 5.6 per cent in December 2025, after registered 4.6 per cent a month ago. The increase was contributed by a rise in the manufacture of food processing products at 9.6 per cent in December 2025 (November 2025: 8.9%); along with manufacture of basic metals (6.5%); and the manufacture of fabricated metal products, except machinery & equipment (5.3%) industries. Besides that, domestic-oriented industries rose by 0.7 per cent as compared to the preceding month.

(Source: Monthly Manufacturing Statistics, Malaysia, December 2025, Department of Statistics Malaysia)

4.3 Prospects of the Subject Property

The Subject Property is strategically located within an established industrial area in Bandar Rinching, Semenyih, which is supported by well-developed infrastructure and good connectivity via major highways such as the Kajang–Seremban Highway, SILK Highway and Cheras–Kajang Expressway. It is located approximately 40 kilometres southeast of Kuala Lumpur city centre and approximately 18 kilometres from Kajang town centre, offering convenient access to the Group’s suppliers, customers and skilled workforce.

The consolidation of the Group’s existing manufacturing operations at the Subject Property is expected to enhance operational efficiencies, including cost savings from reduced rental expenses, improved logistics and material flow, as well as better coordination of manufacturing processes and quality control. Following the above-mentioned consolidation, additional space may be made available, providing capacity for the installation of new machinery and equipment, thereby supporting the Group’s future growth and operational scalability.

In addition, upon completion of the Proposed Acquisition, the Subject Property may offer potential capital appreciation over time. Collectively, these factors are expected to contribute positively to the Group’s overall operational efficiency and long-term business prospects.

5. RISK FACTORS OF THE PROPOSED ACQUISITION

5.1 Completion risk

The completion of the Proposed Acquisition is subject to, inter-alia, the fulfilment of the terms and conditions of the SPA. In the event of non-fulfilment of any terms and conditions of the SPA, it may result in the termination of the SPA. The Board will take all reasonable steps to ensure that the terms and conditions of the SPA are met within the prescribed timeframe.

5.2 Market risk

The value of the Subject Property is subject to fluctuations driven by broader economic conditions, changes in supply and demand dynamics in the industrial property market as well as regulatory or policy changes. Any downturn in the industrial property market may affect the market value and future appreciation of the Subject Property.

5.3 Acquisition risk

There is no assurance that the anticipated benefits from the Proposed Acquisition will be realised by the Company. In addition, any deterioration in economic conditions may affect the potential benefits to be derived from the Proposed Acquisition.

The Board, after having considered the potential risks and benefits associated with the Proposed Acquisition, is still optimistic of the potential benefits to be derived from it.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital and substantial shareholders’ shareholdings

The Proposed Acquisition will not have any effect on the issued share capital of the Company and substantial shareholders’ shareholdings in the Company as the Proposed Acquisition does not involve any issuance of new ordinary shares in WTEC Group.

6.2 Net assets (“NA”), NA per share and gearing

The Proposed Acquisition is not expected to have any material effect on the Group's NA, NA per share and gearing for the financial year ending 31 December 2026.

6.3 Earnings and earnings per share (“EPS”)

The Proposed Acquisition is not expected to have any material effect on the Group's earnings and EPS for the financial year ending 31 December 2026.

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is not subject to the approval from the shareholders of the Company.

The Proposed Acquisition is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

8. HIGHEST PERCENTAGE RATIO APPLICABLE

Pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Proposed Acquisition is 18.33%, calculated based on the Purchase Consideration and the NA of WTEC Group based on the latest audited consolidated financial statements of WTEC Group for the financial year ended 31 December 2025.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders and/or chief executive of the Company and/or any person connected with them have any interest, direct or indirect, in the Proposed Acquisition.

10. DIRECTORS' STATEMENT

After taking into consideration all aspects of the Proposed Acquisition, the Board is of the opinion that the Proposed Acquisition is in the best interest of the Company.

11. PRINCIPAL ADVISER

AIS has been appointed as the Principal Adviser to the Company in relation to the Proposed Acquisition.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the third quarter of 2026.

13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition, the Board confirms that as at the date of this announcement, there are no other outstanding corporate exercises that have been announced but pending completion by the Company.

14. DOCUMENTS AVAILABLE FOR INSPECTION

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

This announcement is dated 14 May 2026.

APPENDIX I - SALIENT TERMS OF THE SPA

The definitions used throughout this Appendix I shall only be applicable for this Appendix I only.

The salient terms of the SPA are as follows:

1. Sale and Purchase of the Subject Property

- (i) The Vendor agrees to sell and the Purchaser agrees to purchase the Subject Property free from unauthorised occupiers, squatters, tenants or persons, all charges, liens, trusts and encumbrances with legal/vacant possession and subject to such conditions and restrictions-in-interests in the title imposed by the appropriate authorities on the Subject Property whether express or implied and upon the terms and conditions contained in the SPA for a total purchase consideration of RM10,800,000 ("**Purchase Consideration**").
- (ii) A part payment, representing 10% of the Purchase Consideration ("**Deposit**") is paid by the Purchaser to the Vendor in the manner as follows:
 - (a) RM216,000 earlier paid by the Purchaser to the Vendor's solicitors as stakeholders prior to the date of execution of the SPA (referred to as "**the Earnest Deposit**");
 - (b) RM324,000 to the Purchaser's solicitors as stakeholders upon execution of the SPA for the purpose of payment of the contingent Real Property Gains Tax liability of the Vendor to Director General of the Inland Revenue Board within 30 days from the date of execution of the SPA ("**Retention Sum**"); and
 - (c) RM540,000 to the Vendor upon execution of the SPA by the Vendor ("**Balance Deposit**").

2. Balance Purchase Consideration

The parties hereby agree that the balance of the Purchase Consideration of RM9,720,000 ("**Balance Purchase Consideration**") for the Subject Property shall be paid by the Purchaser to the Vendor's solicitors as stakeholders within the completion period of three (3) months from the date of the SPA ("**Completion Period**") or the extended period of one (1) month commencing immediately upon the expiry of the Completion Period ("**Extended Completion Period**"), as the case may be, subject to the terms and conditions herein contained.

3. Private Caveat

The Purchaser shall be at liberty to lodge a private caveat on the Subject Property on the execution of the SPA provided that in the event that the SPA is terminated, the Purchaser shall forthwith at his/her/their/its own costs and expense remove all caveats, if any, lodged by the Purchaser against the Subject Property. In this connection, the Purchaser shall execute the withdrawal of private caveat and deposit the same together with the requisite registration fees with the Purchaser's solicitors who are irrevocably authorised to register the same in the event of termination of the SPA.

4. Vacant Possession

- (i) The Subject Property is presently tenanted via a tenancy agreement dated 31 March 2023 ("**Tenancy Agreement**") made between the Vendor and Premmega Construction Sdn. Bhd. (Company No.: 936624-T) ("**Tenant**"). The Tenancy Agreement commenced on 1 May 2023 and is for a term of three (3) years expiring on 30 April 2026 ("**Tenancy**") with a monthly rental of RM20,000.00 for the period from 1 May 2023 to 30 April 2024, RM21,000.00 for the period from 1 May 2024 to 30 April 2025, and RM22,000.00 for the period from 1 May 2025 to 30 April 2026 ("**Rental**"). Pursuant to the Tenancy Agreement, the Vendor has collected the security deposit of RM40,000 ("**Security Deposit**"), utility deposit of RM20,000 ("**Utility Deposit**") and reinstatement deposit of RM20,000 ("**Reinstatement Deposit**").

APPENDIX I - SALIENT TERMS OF THE SPA (CONT'D)

- (ii) The Parties agree that the Vendor shall procure the Tenant to vacate the Subject Property and to remove all the illegal renovations carried out on the Subject Property and reinstate the Subject Property in accordance with the Tenancy Agreement, save for such renovations as may be retained as proposed by the Purchaser (“**VP Condition**”).
- (iii) In the event that the Tenant has vacated the Subject Property on the Completion Date, vacant possession of the Subject Property in VP Condition shall be delivered by the Vendor to the Purchaser within five (5) business days from the date of receipt by the Vendor’s solicitors of the Balance Purchase Consideration in full together with the late payment interest (if any) and apportionment of outgoings, failing which, the Vendor shall pay to the Purchaser interest calculated at eight per centum (8%) per annum on the Purchase Consideration calculated on a daily basis from the expiry of the aforesaid stipulated period until the date that the Vendor delivers the vacant possession of the Subject Property in VP Condition to the Purchaser.
- (iv) The Vendor acknowledges that the Purchaser is acquiring the Subject Property for its own use and intends to take vacant possession. However, due to the transition period arising from the expiration of the existing Tenancy Agreement, the Tenant may require a short extension of the Tenancy in order to vacate the Subject Property. In the event the Tenant is unable to deliver vacant possession of the Subject Property in VP Condition to the Purchaser on the Completion Date (if the Completion Date falls prior to 20 August 2026), the Purchaser, on a goodwill basis, agrees to allow the Tenant to occupy the Subject Property no later than 20 August 2026, or within such extended period as may be mutually agreed between the Parties, in which case the Purchaser shall take legal possession of the Subject Property upon the Completion Date, provided that:
 - (a) The Tenant shall pay the Rental until vacant possession of the Subject Property in VP Condition is delivered to the Purchaser and Vendor shall transfer such portion of Rental to the Purchaser from the date of the Completion Date;
 - (b) The Vendor’s solicitors shall retain the Security Deposit, Utility Deposit and Reinstatement Deposit from the Balance Purchase Consideration and release to the Vendor after the Tenant has delivered vacant possession of the Subject Property in VP Condition to the Purchaser;
 - (c) The Vendor’s solicitors shall be authorised to use the retained sum stated in (b) above to exercise the Vendor’s rights under the Tenancy Agreement in accordance with the terms of this SPA and release the balance of the Security Deposit, Utility Deposit, and Reinstatement Deposit to the Vendor after the Tenant has delivered vacant possession of the Subject Property in VP Condition to the Purchaser;
 - (d) any amendments and/or renewal of the Tenancy shall be subject to prior consultation with the Purchaser and shall not in any event extend beyond 20 August 2026 unless with the Purchaser’s prior written consent; and
 - (e) Notwithstanding the completion of the SPA and payment of the Balance Purchase Consideration, the Vendor shall retain the right, as legal owner, to pursue and enforce all remedies against the Tenant until vacant possession of the Property in VP Condition has been duly delivered to the Purchaser. The Purchaser, as beneficial owner, shall provide reasonable cooperation to the Vendor in such proceedings. Upon registration of the title in the Purchaser’s name, all such rights of enforcement shall thereafter vest exclusively in the Purchaser and the Vendor shall, on good faith basis at the Purchaser’s request, provide all reasonable assistance to the Purchaser in pursuing any available legal remedies at law or in equity against the Tenant.

APPENDIX I - SALIENT TERMS OF THE SPA (CONT'D)

- (v) If prior to the delivery of the legal/vacant possession of the Subject Property to the Purchaser, the Subject Property shall be destroyed or damaged by fire or acts of god, the Purchaser shall be entitled to terminate the SPA by notice in writing to the Vendor whereupon the Vendor shall within fourteen (14) days from the date of such notice refund to the Purchaser the Deposit and all other monies paid by the Purchaser towards the Purchase Consideration of the Subject Property and thereafter the SPA shall be deemed null and void and of no further effect and neither party shall have any claims against the other. In the event the Purchaser elects to terminate the SPA and the Vendor fails to refund and/or pay the Deposit and all other monies paid by the Purchaser within fourteen (14) days from the date of the Purchaser's solicitors' notice of termination, the Vendor shall pay to the Purchaser interest at the rate of eight per centum (8%) per annum on the aforesaid monies calculated on a daily basis from the expiry of the fourteen (14) days until the date of the Purchaser's receipt from the Vendor of the said monies together with accrued interest.
- (vi) For the purpose of the SPA, risks in the Subject Property shall pass to the Purchaser on the date of delivery of legal/vacant possession of the Subject Property by the Vendor to the Purchaser.

5. Encumbrances by third parties on the Subject Property

- (i) In the event that upon the execution of the SPA a private caveat has been lodged against the Subject Property by a third party/ies and/or a prohibitory order has been obtained against the Subject Property by a third party/ies not occasioned by any act, default, omission or blameworthy conduct on the part of the Purchaser, the Vendor shall immediately upon receipt of notification of the same, resolve to remove the said private caveat/prohibitory order within one (1) month from the date of the said notification.
- (ii) The parties agree that during the subsistence of the private caveat/ prohibitory order, the obligation of the Purchaser to complete the sale shall be suspended and the Purchaser shall delay the completion of the sale and shall not be liable to pay the Vendor any interest on the Balance Purchase Consideration or loss or damages arising from any delay in completing the sale until the removal of the private caveat/ prohibitory order.
- (iii) In the event the Vendor is/are unable to remove the private caveat/ prohibitory order within one (1) month from the date the Vendor is/are notified of the private caveat/prohibitory order, the Purchaser shall have the option to:
 - (a) proceed with the completion of the sale in which event the Vendor shall bear and pay the cost and expenses reasonably incurred by the Purchaser to remove the private caveat/prohibitory order; or
 - (b) at the Purchaser's absolute discretion terminate the SPA in which event the Vendor shall deposit with the Vendor's Solicitors as stakeholders the Deposit and all monies paid herein within fourteen (14) days from the date of the termination notice failing which the Vendor shall pay to the Purchaser interest calculated at the rate of eight per centum (8%) per annum on the Deposit and all monies paid herein on a daily basis from the expiry of the fourteen (14) days from the date of the aforesaid notice until the date of full refund by the Vendor.

6. Termination

(i) Vendor's right to terminate

The Vendor shall be entitled to give notice to the Purchaser terminating the SPA if the Purchaser default in the satisfaction of any part of the Purchase Consideration in accordance with the provisions of the SPA.

(ii) Purchaser's right to terminate

(a) The Purchaser shall be entitled to give notice to the Vendor to terminate the SPA if the Vendor fails, neglects or refuses to sell the Subject Property in accordance with the provisions of the SPA; and/or

(b) any of the representations or warranties of the Vendor is found to be untrue or inaccurate or misleading.

(iii) Termination in event of insolvency

Each party shall be entitled, at any time, to give notice to the other terminating the SPA if:

(a) the party is or becomes, or is adjudicated or found to be, bankrupt or insolvent or commits any act of bankruptcy or suspends payment of his debts or is (or is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of his creditors generally or proceedings are commenced in relation to the party under any law regulation or procedure relating to reconstruction or adjustment of its debts; or

(b) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the party.

(iv) Consequences of termination

(a) In the event the SPA is terminated by the Vendor, the deposit shall be forfeited by the Vendor as agreed liquidated damages, and the Vendor shall deposit with the Vendor's Solicitors as stakeholders all other monies paid by the Purchaser towards the account of Purchase Consideration and then the Purchaser and/or the Purchaser's solicitors shall redeliver the legal/vacant possession of the Subject Property to the Vendor (if it has already been delivered to the Purchaser) substantially in the same state and condition (fair wear and tear excepted); redeliver to the Vendor's solicitors all documents pertaining to the Subject Property including but not limited to the discharge documents and the memorandum of transfer with the Vendor's interest remain intact; and withdraw the private caveats lodged against the Subject Property by the Purchaser and/or the Purchaser's financier shall be refunded, subject to the Purchaser returning legal/vacant possession (if it has already been delivered to the Purchaser), redelivering all relevant documents pertaining to the Subject Property, and withdrawing the private caveats lodged against the Subject Property by the Purchaser and/or the Purchaser's financier.

APPENDIX I - SALIENT TERMS OF THE SPA (CONT'D)

In the event that the Vendor fails to refund the monies already paid by the Purchaser within fourteen (14) days from the date of termination of the SPA, the Vendor shall pay to the Purchaser interest at the rate of eight per centum (8%) per annum on the monies which the Purchaser has/have paid to the Vendor calculated on a daily rests basis from the expiry of the fourteen (14) days until the date of the Purchaser's receipt of the monies already paid by the Purchaser to the Vendor from the Vendor.

- (b) In the event that the SPA is terminated by the Purchaser, the Vendor shall deposit with the Vendor's Solicitors as stakeholders the Deposit together with all other monies paid by the Purchaser towards the Purchase Consideration of the Subject Property, and the Vendor shall also pay to the Vendor's Solicitors as stakeholders a further sum equivalent to the Deposit as agreed liquidated damages.

In the event that the Vendor fails to refund to the Purchaser the Deposit together with all other monies paid by the Purchaser towards the Purchase Consideration of the Subject Property within fourteen (14) days from the date of termination of the SPA pursuant to this termination section, the Vendor shall pay to the Purchaser interest at the rate of eight per centum (8%) per annum on the Deposit together with all other monies paid by the Purchaser towards the Purchase Consideration calculated on a daily rests basis from the expiry of fourteen (14) days until the date of the Purchaser's receipt of the Deposit together with all other monies paid by the Purchaser towards the Purchase Consideration of the Subject Property together with interests thereon.

- (v) Specific performance

In the event that the Vendor shall make default in the performance of its obligations and covenants which are contained in the SPA, the Purchaser shall be entitled to the remedy of specific performance against the Vendor.

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