

JOHORE TIN BERHAD (“JTB” OR “COMPANY”)

(I) PROPOSED LAND ACQUISITION; AND

(II) PROPOSED DIVERSIFICATION

(COLLECTIVELY, THE “PROPOSALS”)

This announcement is dated 3 June 2021 (“**Announcement**”).

1. INTRODUCTION

On behalf of the Board of Directors of JTB (“**Board**”), AmInvestment Bank Berhad (“**AmInvestment Bank**”) wishes to announce the following:-

- (i) JTB through its wholly owned subsidiaries namely Able Dairies Sdn. Bhd. (“**ADSB**”), Unican Industries Sdn. Bhd. (“**UISB**”), and Able Development Sdn. Bhd. (“**ASB**”) (collectively referred to as the “**Purchasers**”), had on 3 June 2021, entered into a conditional sale and purchase agreement (“**SPA**”) with PNB Development Sdn. Berhad (“**PDSB**” or the “**Vendor**”) to acquire a piece of freehold land measuring approximately 297.51 acres located at Mukim Bandar, Daerah Kuala Langat, Selangor Darul Ehsan (“**Land**”) for a total cash consideration of approximately RM169.8 million (“**Purchase Consideration**”) (“**Proposed Land Acquisition**”); and
- (ii) JTB proposes to undertake a diversification of its existing businesses to include property development (“**Proposed Diversification**”).

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

2. PROPOSED LAND ACQUISITION

JTB Group proposes to undertake the Proposed Land Acquisition to restructure and expand its manufacturing operations and to undertake property development activities. Accordingly, the Land will be sub divided and registered under JTB’s respective subsidiaries as follows:-

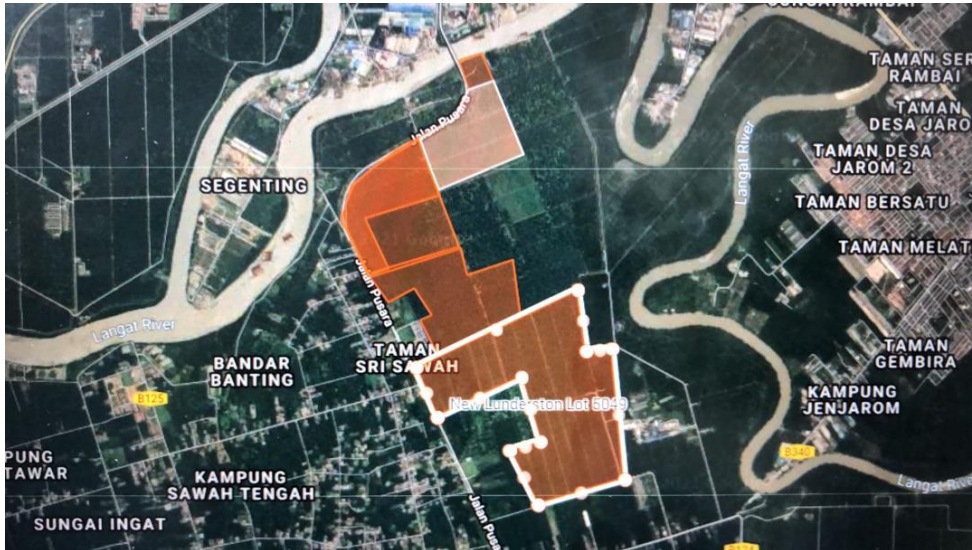
Subsidiary	Land Area (acres)	Purpose
ADSB	80.33	Manufacturing facilities
UISB	8.93	Manufacturing facilities
ASB	*208.25	Property development
Total	297.51	

Note * : This subdivided parcel shall be divided into such sub-parcels to be decided by ASB in due course.

The salient terms of the SPA are detailed in Section 2.5 below.

2.1 Information on the Land

The Land is located along the eastern side of Jalan Pusara within Banting. It lies approximately 11 kilometres north-west and 33 kilometres south-west of town centre of Banting and city centre of Shah Alam respectively.



A summary of the Land's details (as furnished by the Vendor) are set out below:-

Description	:	An approximate 297.51 acres parcel of development land located along Jalan Pusara within Banting, Selangor Darul Ehsan.
Registered Owner	:	PNB Development Sdn. Berhad.
Title	:	GRN 252112 Lot 5049, Mukim Bandar, District of Kuala Langat, Selangor Darul Ehsan
Size	:	120.4 hectares (approximately 297.51 acres)
Tenure	:	Freehold
Existing use	:	Agricultural (with oil palms)
Category of land use	:	Nil
Express condition	:	Nil
Restriction in interest	:	Nil
Net book value of Land as at 31 December 2020	:	RM88,274,330
Endorsement	:	Nil
Encumbrance	:	Nil

The Land is currently an oil palm estate with oil palm trees profile as follows:-

<u>Age (years)</u>	<u>Area (acres)</u>
9 years (2012)	70
6 years (2015)	227

The production of the oil palm trees for the last 3 years are as follows:-

<u>Year</u>	<u>Production (ton/month)</u>
2020	150
2019	120
2018	100

The Land is zoned for mixed development of industrial, residential and commercial properties. Amongst others, the terms of the SPA require the land to be sub-divided by the Vendor. Thereafter, upon conversion of the Land from agriculture to industrial, JTB intends to utilise approximately 89.26 acres of the Land to expand its manufacturing facilities. JTB intends to utilise the balance 208.25 acres of the Land for property development purposes.

As at LPD, JTB has yet to decide on the plans for the development of the Land. Accordingly, the gross development value and gross development cost for the Land can only be determined after completion of the Proposed Land Acquisition and the conversion of Land's use to industrial. In the interim, JTB intends to engage third party to manage the oil palm estate. The profit from the oil palm estate operation is not expected to contribute 25% or more to JTB's net profits.

2.2 Information on Purchasers

2.2.1 ADSB

ADSB was incorporated in Malaysia under the Companies Act 1965 ("CA 1965") on 9 March 2007 as a private limited company. ADSB is a wholly owned subsidiary of JTB.

ADSB is a manufacturing company and its principal activities are the manufacturing and selling of milk and other related dairy products.

As at 12 May 2021, being the latest practicable date prior to this Announcement ("LPD"), ADSB's share capital is RM45,000,000 comprising 45,000,000 ordinary shares.

As at LPD, the directors of ADSB are Edward Goh Swee Wang and Ng Keng Hoe.

2.2.2 UISB

UISB was incorporated in Malaysia under the CA 1965 on 21 September 1988 as a private limited company. UISB is a wholly owned subsidiary of JTB.

UISB is a manufacturing company and its principal activity is the manufacturing of various tins, cans and other containers.

As at LPD, UISB's share capital is RM18,000,000 comprising 18,000,000 ordinary shares.

As at LPD, the directors of UISB are Edward Goh Swee Wang, Tan Boon Kait and Yeow Ah Seng @ Yow Ah Seng.

2.2.3 ASB

ASB was incorporated in Malaysia under the Companies Act 2016 (the “**Act**”) on 18 February 2021 as a private limited company. ASB is a wholly owned subsidiary of JTB.

ASB is a property development company. As at LPD, ASB has not commenced operation.

As at LPD, ASB’s share capital is RM10 comprising 10 ordinary shares.

As at LPD, the directors of ASB are Edward Goh Swee Wang, Ng Keng Hoe and Siah Chin Leong.

2.3 Information on Vendor

PDSB was incorporated in Malaysia on 24 June 2000 as a private limited company under the CA 1965, and is deemed registered under the Act.

PDSB was incorporated under the name of PNB Industries Sdn. Berhad. It subsequently changed its name to PNB Property Development Sdn. Berhad on 20 August 2008 and assumed its present name on 2 July 2009. PDSB is principally involved in the business of investment holding.

As at LPD, PDSB is wholly owned by Permodalan Nasional Berhad (“**PNB**”) and had a total issued share capital of RM1,483,222,760 comprising 100,000,000 ordinary shares, 9,431,230 redeemable convertible preference shares, 440,100,000 Islamic redeemable convertible preference shares and 933,691,530 shares premium.

As at LPD, the directors of PDSB are Dato’ Mohd Nizam bin Zainordin, Rizal Rickman bin Ramli and Megat Rozlan bin Abdul Rahman.

2.4 Basis and justification for the Purchase Consideration

The Purchase Consideration of approximately RM169.8 million was arrived at on a willing buyer willing seller basis after negotiations with PDSB and taking into consideration the following:-

- i) the Purchase Consideration represents a slight discount of approximately RM0.20 million or 0.12% to the RM170.0 million market value of the Land ascribed by Savills (Malaysia) Sdn Bhd, the independent valuer (“**Valuer**”) appointed by JTB;
- ii) the Land’s suitability for JTB Group to restructure and expand its operations; and
- iii) the development potential of the Land for industrial purposes.

For information, the Company had appointed the Valuer to undertake an independent valuation on the Land and the Valuer had vide its letter dated 25 May 2021 ascribed a market value of RM170.0 million using the Comparison Approach.

The Comparison Approach is the market approach of comparing the Land with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, improvements and amenities, time element and other relevant factors to arrive at the Valuer’s opinion of value.

2.5 Salient terms of the SPA

The salient terms of the SPA include the following:-

2.5.1 The Purchase Consideration shall be paid by the Purchasers at the time and in the manner as follows:-

Prior to the execution of the SPA	2% (" Earnest Deposit ")	RM3,395,398
Upon execution of the SPA	8% (" Balance Deposit ")	RM13,581,594
Within 90 days from the date of SPA or 30 days from the Unconditional Date (defined in Clause 2.5.2 below), whichever is later (the " Payment Period ")	90% (" Balance Purchase Price ")	RM152,792,924
Total	100%	RM169,769,916

The Earnest Deposit and Balance Deposit will collectively be referred to as the "**Deposit**". If the Purchasers fail to pay within the Payment Period, they shall automatically be granted 60 days from the expiry of the Payment Period or any further period as mutually agreed (the "**Extended Payment Period**") subject to payment of late payment interest at 6% per annum calculated on daily basis on the outstanding sum (the "**late payment interest**").

2.5.2 The SPA is subject to and conditional upon the fulfilment of the following conditions precedent (collectively the "**Conditions Precedent**"):-

(i) To be fulfilled by Vendor

- (a) the approval from the Estate Land Board ("**ELB**") pursuant to Section 214A of the National Land Code 1965 ("**NLC**") to transfer the Land to the Purchasers, if applicable;
- (b) the approval from the State Authority of Selangor in respect of the transfer of the Land, if applicable;
- (c) the approval of the Vendor's board of directors and its shareholders, if required, for the disposal of the Land;
- (d) the approval of the holding company of the Vendor, if required;

(ii) To be fulfilled by Purchasers

- (a) the approval from the Economic Planning Unit of the Prime Minister's Department ("**EPU**") for the Proposed Land Acquisition, if necessary;
- (b) the approval from the State Authority of Selangor in respect of the charge of the Land, if applicable;
- (c) the approval of the Purchasers' board of directors and their shareholders, if required, for the Proposed Land Acquisition;
- (d) the approval of JTB for the Proposed Land Acquisition.

The Conditions Precedent are to be fulfilled within 180 days from the date of the SPA, subject to an extension of 90 days to fulfil the Conditions Precedent. The SPA will become unconditional on the date when all the Conditions Precedent have been fulfilled and the fulfilment has been notified to the other party or its solicitors (the “**Unconditional Date**”). Where any of the Conditions Precedent is not fulfilled, in absence of a mutual agreement for a further extension of time, either party may terminate the SPA whereupon the Deposit shall be refunded to the Purchasers.

- 2.5.3 The Vendor will submit an application to the appropriate authority for subdivision of the Land at the Purchasers’ cost, and procure the issuance of the individual subdivided titles as follows (the “**Subdivision Exercise**”):-

	Land size	Transferee/ Beneficiary	
(i)	Approximately 80.33 acres	ADSB	Parcel A
(ii)	Approximately 8.93 acres	UISB	Parcel B
(iii)	Approximately 208.25 acres	ASB	Parcel C
		Parcel C shall be divided into such sub-parcels to be instructed/ proposed by ASB in due course.	
Total	Approximately 297.51 acres		

Upon issuance of the individual subdivided titles, the Vendor will transfer the same to the Purchasers in the above proportions (or the modification/ amendment thereof, if any, if approved by the Purchasers) at the Purchaser’s cost. Where the approvals from the ELB and State Authority of Selangor are required for the transfer of the individual subdivided titles, they will be obtained at the Vendor’s cost. Where the approvals of the EPU for the transfer and State Authority of Selangor for the charge of the individual subdivided titles are required, they will be obtained at the Purchasers’ cost. If any of these approvals are not obtained within 6 months from the date of application, the Purchasers will have the right to terminate the SPA whereupon all payments made towards the Purchase Consideration will be returned by the Vendor to the Purchasers.

- 2.5.4 The appropriate party shall apply to the appropriate authority at the Purchasers’ cost to convert the zoning of the Land (or individual subdivided titles) to light and medium industry/industrial (if applicable) and vary the category of land use to industry/industrial, with the express condition that the land shall be used for light and medium industry/industrial according to the proposal approved by the Purchasers (including modification/amendment thereof, if any), pursuant to Section 124 of the NLC and the relevant laws and regulations (the “**Conversion Exercise**”). The appropriate party shall procure the issuance of the individual subdivided titles and plans from the appropriate authority in the condition, nature and specification according to the proposal and requirements (or such modifications/ amendments) approved by the Purchasers and/or its consultants.

Where the Conversion Exercise approved by the appropriate authority is subject to conditions imposed, the Purchasers have the option to accept, reject or appeal against such conditions, and in the event of rejection of the conditions or outcome of the appeal, the Purchasers shall have the right to terminate the SPA whereupon all payments made towards the Purchase Consideration will be returned by the Vendor to the Purchasers, but the Vendor shall be entitled to retain 12.5% of the Purchase Consideration being compensation to the Vendor for termination of the SPA by reason of such rejection, and in the event that the land has been transferred to the Purchasers, the Purchasers shall re-transfer the land to the Vendor.

- 2.5.5 If the Subdivision Exercise or the Conversion Exercise or the appeal thereof is rejected or is not approved by the appropriate authority(ies) within 18 months from the date of the SPA (unless further extension is granted by the Purchasers), the Purchasers may in their absolute discretion terminate the SPA, whereupon the Vendor will refund all monies paid towards the Purchase Consideration to the Purchasers and in return of the refund, the Purchasers will return the original title to the Land or the individual subdivided titles (as the case may be) with the Vendor's rights title and interest on the Land or individual subdivided titles intact, and in the event that the land has been transferred to the Purchasers, the Purchasers shall re-transfer the land to the Vendor.
- 2.5.6 The Purchasers are fully aware of and satisfied with the condition, state, nature and character of the Land, and agree that the purchase of the Land is on an "as is where is" basis subject to the completion of the Subdivision Exercise and approval of Conversion Exercise.
- 2.5.7 Vacant possession of the Land shall be delivered to the Purchasers within 7 business days from the date of payment of the Purchase Consideration, subject to payment of the outgoings (namely quit rent, assessment, utilities and other lawful outgoings) to be apportioned on the date of vacant possession.
- 2.5.8 If the Vendor breaches any of the terms of the SPA and failed to remedy within 30 days from the written notice by the Purchasers specifying such breach, or if the Vendor fails to complete the sale and purchase of the Land, the Purchasers shall be entitled to either take an action to enforce specific performance of the SPA, or to terminate the SPA whereupon all payment towards the Purchase Consideration will be refunded by the Vendor to the Purchasers, together with a sum equivalent to the Deposit as liquidated ascertained damages.
- 2.5.9 If the Purchasers fail to pay the Balance Purchase Price and late payment interest (if applicable) on or before the expiry of the Extended Payment Period, or other sums due under the SPA or fail to remedy any breach under the SPA within 30 days from the receipt of a written notice from the Vendor specifying such breach, the Vendor may terminate the SPA by notice whereupon the Deposit shall be immediately forfeited to the Vendor as agreed liquidated damages, and all payments towards the Purchase Consideration in excess of the Deposit will be refunded to the Purchasers.

Notwithstanding that, the Vendor is entitled to the remedy of specific performance as an alternative remedy in lieu of termination unless:-

- (i) the Purchaser(s) is experiencing substantial financial constraint at the material time; or
- (ii) the Purchaser(s) is unable to obtain a loan from a licensed financial institution to finance the acquisition of the Land with the terms that are commercially reasonable or usual for financing of similar transaction; or

- (iii) the Purchaser(s) is unable to obtain the approval from the shareholders or the appropriate authority.

2.5.10 The sale and purchase of the Land shall be completed upon fulfilment of the following:-

- (i) the full payment of the Purchase Consideration and late payment interest (if applicable);
- (ii) the delivery of vacant possession of the Land to the Purchasers;
- (iii) apportionment of the outgoings payable on the Land;
- (iv) the completion of the Subdivision Exercise; and
- (v) the Conversion Exercise had been approved by the appropriate authority(ies) with conditions acceptable by the Purchasers.

2.6 Source of funding

The Purchase Consideration of approximately RM169.8 million is proposed to be funded via internally generated funds and bank borrowings as follows:-

Source of funding	RM'million	%
Internally generated funds	50.9	30.0
Bank borrowings	118.9	70.0
Total	169.8	100.0

As at 31 March 2021, JTB Group has a cash and bank balances of approximately RM102.4 million.

2.7 Liabilities to be assumed by JTB

JTB Group will not be assuming any liabilities (including contingent liabilities and guarantees, if any) pursuant to the Proposed Land Acquisition.

2.8 Transaction entered into with PDSB for the preceding 12 months

On 5 May 2021, JTB through its wholly owned subsidiary ADSB had entered into an SPA with Seriemas Development Sdn. Berhad ("**SDSB**") (previously known as I & P Seriemas Sdn. Bhd.), a wholly owned subsidiary of PDSB, to acquire a piece of freehold land measuring approximately 0.65 hectares (approximately 1.59 acres) located at Pekan Jenjarom, Daerah Kuala Langat, Negeri Selangor Darul Ehsan for a total cash consideration of approximately RM4.16 million ("**Proposed Jenjarom Land Acquisition**").

For clarification, this transaction is not subject to the approval of JTB's shareholders.

Further details of the transaction are disclosed in Appendix I of this Announcement.

3. PROPOSED DIVERSIFICATION

JTB Group is principally involved in the manufacturing and trading of various tins, cans and other containers, and production of milk and other dairy products.

The Group's revenue for the last 3 financial years ended ("FY") 31 December 2018 ("FY2018"), 2019 ("FY2019") and 2020 ("FY2020") are set out below:-

FY 31 December	Audited					
	2018		2019		2020	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
<u>Revenue</u>						
Sales of tins and cans	117,021	23.35	131,113	22.61	115,384	22.97
Sales of dairies products	384,102	76.65	448,672	77.39	386,875	77.03
Total revenue	<u>501,123</u>		<u>579,785</u>		<u>502,259</u>	

JTB Group has been seeking opportunities to expand its income stream. The Proposed Land Acquisition, upon completion, will provide JTB Group the opportunity to expand its income base via venturing into property development activities.

Pursuant to Paragraph 10.13(1) of the Listing Requirements, JTB is required to obtain the approval of its shareholders in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either of the following:-

- (i) the diversion of 25% or more of the net assets of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or
- (ii) the contribution from such an operation of 25% or more of the net profits of the listed issuer.

In view that the proposed development of the 208.25 acres of the Land could trigger the above provision over time, JTB proposes to seek its shareholders' approval upfront to undertake the Proposed Diversification.

Notwithstanding the Proposed Diversification, the Company remains committed to its existing businesses.

3.1 Proposed plans for the property development business

As at LPD, JTB Group has yet to decide on the plans for its property development business, which may include, amongst others, entering into a joint-venture arrangement for the development of the land. The Group has also not made any decision on the type of development to be undertaken on the land.

The Board takes cognisance that the Proposed Diversification will require specific expertise and significant financial resources. In this regard, the Group plans to employ personnel with the necessary skillset to undertake the Group's property development activities. The Group will also consider, amongst others, funding options and property market conditions when planning its proposed property development.

In the interim, the Group has identified Mr Ng Keng Hoe ("**Mr Ng**"), an Executive Director of JTB, to oversee the Proposed Diversification. Mr Ng will be in charge of recruiting the relevant personnel and reporting to the Board on matters relating to the Proposed Diversification. Mr Ng's profile is detailed in Section 3.2 below.

3.2 Background of Mr Ng

Mr Ng, aged 47, has over 10 years of experience property development activities. He is a substantial shareholder and an executive director of Klanggroup Holdings Sdn Bhd, an established property developer which has successfully completed numerous industrial development projects in Selangor.

Mr Ng, in his capacity as executive director of Klanggroup Holdings Sdn Bhd was responsible for the implementation and delivery of the following projects:-

<u>Development Name/ Project Details</u>	<u>Location</u>	<u>Year of Completion</u>
Excellent Technology Park (“ETP”), 44 units of semi-detached factories	Klang, Selangor	2014
Sungai Puloh Technology Park, 12 units of semi-detached factories	Klang, Selangor	2015
ETP 2 (phase 1), 32 units of semi-detached factories	Klang, Selangor	2016
ETP 3 (phase 1), 36 units of semi-detached factories	Kapar, Selangor	2017
ETP 2 (phase 2), 7 units of semi-detached factories	Klang, Selangor	2019
ETP 3 (phase 2), 10 units of semi-detached factories	Kapar, Selangor	*2021
ETP 4, 22 units of semi-detached factories	Banting, Selangor	*2021

Note *: ETP 3 (phase 2) and ETP 4 is currently under construction and is expected to be completed in 2021.

4. RATIONALE

4.1 PROPOSED LAND ACQUISITION

JTB Group is principally involved in manufacturing and trading of various products which include, amongst others, tins, cans, other containers, milk and other related dairy products. In line with the Board’s plans to expand and grow its operations, the Proposed Land Acquisition would allow JTB Group to utilise a portion of the Land to expand its manufacturing operations.

As at LPD, JTB Group has 6 factories and warehouses over a total land area of approximately 25 acres in Skudai, Johor, Seberang Prai, Penang and Teluk Panglima Garang, Selangor. The portion of the Land assigned for the existing business is sizeable and allows JTB Group to restructure and expand its operations in the central region of Peninsular Malaysia as JTB Group has 4 factories and warehouses in the area of Teluk Panglima Garang, Selangor.

4.2 PROPOSED DIVERSIFICATION

The Proposed Diversification allows the Group to expand its income base to include property development activities. As and when the Group’s proposed development of the Land materialises, it should provide the Group with an additional source of the revenue and earnings and reduce its dependence on the existing businesses. The Proposed Diversification places the Group in the property development sector with risk exposures that differ from that applicable to the Group’s existing manufacturing activities.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and Outlook of the Malaysian Economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical & electronic (“E&E”) products. Growth was also supported by the continued policy measures.

The imposition of the Second Movement Control Order (“**MCO 2.0**”) and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector spending and strong growth in trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

In terms of sectoral performance, all economic sectors registered an improvement. The manufacturing sector expanded at a higher pace of 6.6% (4Q 2020: 3.0%), driven by the robust E&E production and continued recovery in the consumer-, primary- and construction related clusters. The strong performance of the E&E subsectors reflected the higher global demand for semiconductors components, as reflected by the improvement in the World Semiconductor Trade Statistics. Despite the imposition of MCO 2.0, the consumer- and primary-related manufacturing also recorded higher growth, as most manufacturing sectors were allowed to operate while adhering to stringent standard operating procedures (“**SOP(s)**”). Global concerns surrounding electronic-chip shortages on the automotive sector had only a limited impact on the strong domestic passenger car production due to the lower chip intensity of most mass market vehicles. In addition, the extension of Sales and Services Tax (“**SST**”) exemption for the purchase of motor vehicles until June 2021 also helped Malaysia’s motor vehicle production.

The construction sector contracted by a smaller rate of 10.4% (4Q 2020: -13.9%). Activity was supported by the ramp up of construction works in commercial projects that are nearing completion and the continued implementation of small-scale projects. This resulted in a strong positive growth in the special trade subsector. However, activity in the residential, non-residential and civil engineering subsectors remained weak, affected by labour shortages and site shutdowns due to COVID-19 outbreaks. The implementation of MCO 2.0 also weighed on growth, as activity in construction sites that did not meet the conditions to operate were halted.

Domestic demand recorded a smaller decline of 1.0% (4Q 2020: -4.5%) in the first quarter of 2021, weighed down by the contraction in private sector expenditure amid the imposition of MCO 2.0. However, the impact of MCO 2.0 was smaller given that most economic sectors were allowed to operate and with continued policy support for households and businesses. On the external front, robust external demand particularly for E&E products, contributed to a continued expansion in net exports.

Private consumption contracted by 1.5% during the quarter (4Q 2020: -3.5%). Although household spending was affected by the imposition of MCO 2.0, the impact was smaller compared to the MCO last year amid relatively less restrictive containment measures. While wage and employment growth remain in contraction, the overall growth improved, as most businesses continued to operate, which lent support to household spending. Spending on online platforms also continued to increase, cushioning the impact of the drop of in-store spending, as reflected in the expansion of the index of online retail sales (1Q 2021: 22.8%; 4Q 2020: 30.4%). Furthermore, consumer expenditure remained supported by various stimulus measures including the EPF i-Sinar withdrawals, wage subsidies as well as the Targeted Repayment Assistance (“**TRA**”).

Public consumption improved to 5.9% (4Q 2020: 2.4%) amid a rebound in supplies and services spending, particularly by the Federal Government. Growth was also supported by faster expansion in emoluments.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), turned positive to 0.5% during the quarter (4Q 2020: -1.5%). This was due mainly to positive albeit low fuel inflation, as well as a lapse in the effect from the tiered electricity tariff rebate². The positive fuel inflation was driven by the base effect from low domestic retail fuel prices last year. These were partly offset by lower inflation in other categories, in particular, rental and jewelleryes.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2021, Bank Negara Malaysia)

In 2021, the economy is projected to expand between 6.5% and 7.5% in tandem with the anticipated improvement in global trade, consumer sentiments and business confidence. The 2021 Budget will implement measures to enhance the well-being of the people, steer the economy towards a sustainable growth path, enable sustainable living and improve public service delivery. As targeted in the 12MP and the 2030 Shared Prosperity Vision, the Budget will lay the foundation for the country to progress towards a developed and inclusive nation.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

5.2 Overview of the Malaysian Property Market

The property market performance recorded a significant decline in 2020 compared to 2019. A total of 295,968 transactions worth RM119.08 billion were recorded, showing a decrease of 9.9% in volume and 15.8% in value compared to 2019, which recorded 328,647 transactions worth RM141.40 billion. Volume of transactions across the sub-sectors contracted sharply in 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 8.6%, 21.0%, 24.0%, 10.7% and 2.6% respectively. In terms of value of transactions, residential, commercial, industrial and development land sub-sectors recorded sharp decline of 9.0%, 32.6%, 14.0% and 34.0% respectively, whereas agriculture recorded otherwise, increased by 0.6%. The residential sub-sector led the overall property market, with 64.7% contribution in volume. This was followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%). In terms of value, residential took the lead with 55.3% share, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%)

Based on the current prolonged Covid-19 pandemic and the foreseeable impact on the overall economy, the property market performance is expected to remain cautious and soft in 2021. Bank Negara Malaysia is forecasting the Malaysia's GDP to grow within the range of 5.5% to 8.0% in 2021 while the World Bank is forecasting Malaysia's economy to grow by 6.7%.

Nevertheless, the government has introduced Prihatin Rakyat Economic Stimulus Package ("PRIHATIN") and Short-term Economic Recovery Plan ("PENJANA") in 2020 as well as Budget 2021 to help cushion the impact on property market.

In conclusion, the property market performance in 2021 is much dependent on the country's economic and financial outlook. The availability and rolling out of Covid-19 vaccine throughout the country is seen as fundamental to deter any new wave of infection spread. This will help boost business confidence, household sentiments as well as the general economy, which will likely see a soft upturn in the property market in the second half of 2021.

(Source: Property Market Report 2020, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

5.3 Overview of the Property Market in Central Region

The Land is located in the Central Region.

The Central Region property market performance softened in H1 2020, indicated by the contraction in market activity and construction activity. The region registered 26,950 transactions worth RM20.85 billion, decreased by 31.0% and 30.4% in volume and value respectively as compared to H1 2019. Combined, these three states formed about 23.3% and 44.4% of the national volume and value of transactions.

In terms of transaction volume, all three states showed a downward trend. Putrajaya decreased by -57.1%, followed by Selangor (-31.6%), and Kuala Lumpur (-27.8%).

Similar downtrend situation was seen in terms of transaction value. Putrajaya decreased by 33.1%, followed by Kuala Lumpur (-31.3%) and Selangor (-30.0%).

By state, Selangor dominated the region's overall property transactions with 79.5% in volume (21,419 transactions) and 73.3% in value (RM15.28 billion) of the total transactions.

By sub-sector, residential continued to dominate the region's property transactions, contributing 79.3% (21,379 transactions) of the total. Likewise, residential sub-sector dominated the region's overall property transaction value with 55.7% share.

(Source: Property Market Report First Half 2020, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

5.4 Prospects of the Land

The Land is located along the eastern side of Jalan Pusara within Banting. It lies approximately 11 kilometres north-west and 33 kilometres south-west of Town Centre of Banting and City Centre of Shah Alam respectively. The Land is also accessible by major roads such as Persiaran Majlis, Jalan Sultan Alam Shah, Jalan Sultan Abdul Samad, Jalan Serdang Belah and Jalan Sungai Buaya.

The Land is also near to 4 of JTB Group's factories and warehouses in Teluk Panglima Garang, Selangor. Based on the location of the Land and the Group's preliminary plan for the Land (which will be subject to the relevant authorities' approval), the Group believes that the contribution from the planned utilisation of the Land to expand its manufacturing operations and also undertake property development activities should contribute positively to the Group's financials moving forward.

(Source: Management of JTB)

6. RISKS RELATING TO THE PROPOSALS

Proposed Land Acquisition

The Proposed Land Acquisition is affected by, amongst others, non-completion risk if any of the Conditions Precedent as set out in Section 2.5.2 above is not fulfilled, financing and interest rate risk for the bank borrowings procured to satisfy the Purchase Consideration and future market valuation risk based on the valuation of the Land at a later date.

In addition, if the Subdivision Exercise or the Conversion Exercise (as set out in Section 2.5.3 and Section 2.5.4 of this Announcement) is rejected or is not approved by the appropriate authority(ies) within 18 months from the date of the SPA, the SPA may be terminated.

Proposed Diversification

Upon the Proposed Diversification being materialised, the Proposed Diversification would result in the diversification of JTB Group's existing businesses to include property development business. JTB Group would then be subjected to new challenges and risks arising from the Group's involvement in the property development of which JTB Group has no prior experience in. Such risks inherent in the property development industry include but not limited to shortage of construction materials and skilled workers, price increase in construction materials, labour shortages, competition, delays in project completion, cost over-runs, etc.

A detailed discussion of the risk factors will be set out in the circular to shareholders of JTB to be issued in due course.

7. EFFECTS OF THE PROPOSALS

The Proposed Diversification will not have any effect on the share capital and substantial shareholders' shareholdings of the Company as it does not involve the issuance of any securities in JTB.

Barring unforeseen circumstances, the Board expects that the proposed property development, as and when it materialises, should contribute positively to the future earnings, EPS and NA of the Group. The gearing of the Group will depend on, amongst others, the funding taken for its proposed development activities

The effects of the Proposed Land Acquisition are detailed below.

7.1 Share capital and substantial shareholder's shareholdings

The Proposed Land Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings in JTB as the Proposed Land Acquisition does not involve the issuance of shares in JTB.

7.2 Net Asset ("NA"), NA per share and gearing

Based on JTB's audited consolidated financial statements for FY 2020, assuming the Proposed Land Acquisition had been effected on the last day of FY2020, the acquisition does not give rise to a material impact on the consolidated NA and NA per share of JTB.

The gearing of JTB would increase according to the amount of bank borrowings taken by JTB to finance the Proposed Land Acquisition. For illustration purposes, assuming that RM118.9 million bank borrowings are taken to fund the Proposed Land Acquisition, the gearing of JTB as at 31 December 2020 will increase from 0.13 times to 0.46 times.

7.3 Earnings and earnings per share ("EPS")

Any bank borrowings undertaken for the Proposed Land Acquisition will have an impact on the earnings and EPS of JTB for FY 2021.

For illustration purposes and subject to the Company auditor's confirmation, based on the audited consolidated financial statements of JTB Group for FY 2020, assuming the Proposed Land Acquisition was completed at the beginning of the financial year, the financial effects of the Proposed Land Acquisition on the earnings and EPS of JTB Group are as follows:-

<u>Proforma Effects</u>	Audited FY 2020 RM'000
Profit attributable to owners of the Company	39,490
(Less) Estimated expenses in relation to the Proposed Land Acquisition ⁽ⁱ⁾	(7,300)
(Less) Estimated finance cost for the bank borrowings ⁽ⁱⁱ⁾	(4,502)
	27,688
No. of Shares (excluding treasury shares) ('000)	310,471
Existing basic EPS (sen)	12.72
Proforma basic EPS (sen)	8.92

Notes:-

- (i) *Estimated expenses relating to fees for principal adviser, solicitor, valuer, Bursa Securities and stamp duty for the purchase of the Land.*
- (ii) *Assuming the Company has undertaken bank borrowings of RM118.9 million at an interest rate of 3.79% per annum.*

JTB believes that the Proposed Land Acquisition should contribute positively to the future earnings of JTB Group as and when the land can be developed and properties being sold.

8. APPROVALS REQUIRED

The Proposed Land Acquisition is subject to the following approvals being obtained:-

- (i) shareholders of JTB at an EGM to be convened;
- (ii) Estate Land Board pursuant to Section 214A of the National Land Code 1965 to transfer the Land and/or its individual subdivided titles, if applicable;
- (iii) Economic Planning Unit of the Prime Minister's Department for the acquisition of the Land and/or its individual subdivided titles, if necessary;
- (iv) the Vendor's board of directors and its shareholders, if required;
- (v) the holding company of the Vendor, if applicable;
- (vi) State Authority of Selangor in consenting to the transfer of the Land and/or its individual subdivided titles, if applicable;
- (vii) State Authority of Selangor in consenting to the charge of the Land and/or its individual subdivided titles, if applicable; and
- (viii) all such other consents and regulatory and/or governmental approvals required to be obtained by JTB in order to effect the completion of the Proposed Land Acquisition, as the case may be.

The Proposed Diversification is subject to the approval of shareholders of JTB at the EGM to be convened.

The Proposals are inter-conditional upon each other but not conditional upon any other corporate exercises/schemes undertaken or to be undertaken by JTB.

9. INTERESTS FROM DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposals.

10. DIRECTORS' STATEMENT

The Board after having considered all relevant aspects of the Proposals including the terms and conditions of the SPA, basis and justification of the Purchase Consideration, rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of JTB.

11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Land Acquisition pursuant to paragraph 10.02(g) of the Listing Requirements is 47.69% derived by the aggregate value of the Purchase Consideration of RM169.8 million over the audited NA attributable to shareholders of JTB Group of RM356.06 million as at 31 December 2020.

For information only, the highest percentage ratio applicable to the Proposed Jenjarom Land Acquisition is 1.17% derived by the aggregate value of the Jenjarom Land Consideration (as defined herein) of RM4.16 million over the audited NA attributable to shareholders of JTB Group of RM356.06 million as at 31 December 2020.

12. ADVISER

AmInvestment Bank has been appointed as the Adviser for the Proposals.

13. ESTIMATED TIMEFRAME FOR THE COMPLETION OF THE PROPOSALS

Barring any unforeseen circumstances, the Proposed Diversification will take an immediate effect upon obtaining JTB's shareholders' approval at the EGM to be convened.

The Proposed Land Acquisition should be completed in the 4th quarter of 2022.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA dated 3 June 2021 and the valuation letter dated 25 May 2021 issued by the Valuer are available for inspection at the registered office of JTB at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement.

1. PROPOSED JENJAROM LAND ACQUISITION

On 5 May 2021, JTB through its wholly owned subsidiary ADSB entered into the sale and purchase agreement with SDSB, a wholly owned subsidiary of PDSB (“**Jenjarom Land SPA**”), to acquire a piece of freehold land measuring approximately 0.65 hectares (approximately 1.59 acres) located at Pekan Jenjarom, Daerah Kuala Langat, Negeri Selangor Darul Ehsan (“**Jenjarom Land**”) for a total cash consideration of approximately RM4.16 million (“**Jenjarom Land Consideration**”).

As at LPD, the Proposed Jenjarom Land Acquisition is pending fulfilment of the condition precedents that are stated in Section 1.5.2 of Appendix I.

1.1 Information on the Jenjarom Land

The Jenjarom Land is located along the north-eastern side of Jalan Klang-Banting within Jenjarom, Selangor Darul Ehsan. It lies approximately 12 kilometres north and 28 kilometres south of Town Centre of Banting and City Centre of Shah Alam respectively.

A summary of the Jenjarom Land’s details (as furnished by the Vendor) is set out below:-

Description	:	An approximately 0.65 hectares (approximately 1.59-acres) parcel of development land located along Jalan Klang-Banting within Jenjarom, Selangor Darul Ehsan.
Registered Owner	:	I & P SERIEMAS SDN. BHD. (now known as Seriemas Development Sdn. Berhad)
Title	:	HSD 27277 PT No. 136, Pekan Jenjarom, District of Kuala Langat, Negeri Selangor Darul Ehsan
Size	:	0.65 hectare (approximately 1.59 acres)
Tenure	:	Freehold
Existing use	:	Vacant land
Category of land use	:	Nil
Express condition	:	Nil
Restriction in interest	:	Nil
Net book value of Land as at 31 December 2020	:	RM119,009
Endorsement	:	Nil
Encumbrance	:	Nil

As at LPD, JTB has yet to decide on the plans for the development of the Jenjarom Land. The purpose of the acquisition of the Jenjarom Land is to increase JTB’s landbank.

1.2 Information on Purchaser

ADSB was incorporated in Malaysia under the Companies Act 1965 (“CA 1965”) on 9 March 2007 as a private limited company. ADSB is a wholly owned subsidiary of JTB.

ADSB is a manufacturing company and its principal activities are the manufacturing and selling of milk and other related dairy products.

As at 12 May 2021, being the latest practicable date prior to this Announcement (“LPD”), ADSB’s share capital is RM45,000,000 comprising 45,000,000 ordinary shares.

As at LPD, the directors of ADSB are Edward Goh Swee Wang and Ng Keng Hoe.

1.3 Information on Vendor

SDSB was incorporated in Malaysia on 4 July 1984 as a private limited company under the CA 1965, and is deemed registered under the Act.

SDSB was incorporated under the name of Golden Hope Development Sdn. Bhd. It changed its name to I&P Seriemas Sdn. Bhd. on 22 March 2005 and subsequently to Seriemas Development Sdn. Bhd. on 24 September 2009. SDSB is principally involved in the business of property development.

As at LPD, SDSB is wholly owned by PDSB and has a total issued share capital of RM2,500,000 comprising 2,500,000 ordinary shares.

As at LPD, the directors of SDSB are Dato’ Mohd Nizam bin Zainordin, Rizal Rickman bin Ramli, Mazuki bin Abdullah and Megat Rozlan bin Abdul Rahman.

1.4 Basis and justification for the Jenjarom Land Consideration

The Jenjarom Land Consideration of approximately RM4.16 million was arrived at on a willing-buyer willing-seller basis after negotiations with SDSB and taking into consideration the following:-

- i) the Jenjarom Land Consideration represents a discount of approximately RM0.34 million or 7.6% to the RM4.50 million market value of the Jenjarom Land ascribed by the Valuer, Savills (Malaysia) Sdn Bhd for the Proposed Jenjarom Land Acquisition; and
- ii) it allows for JTB to increase its landbank.

For information, the Company had appointed the Valuer to undertake an independent valuation on the Jenjarom Land and the Valuer had vide its letter dated 4 May 2021, ascribed a market value of RM4.50 million using the Comparison Approach.

The Comparison Approach is the market approach of comparing the Land with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, improvements and amenities, time element and other relevant factors to arrive at the Valuer’s opinion of value.

1.5 Salient terms of the Jenjarom Land SPA

The salient terms of the Jenjarom Land SPA include the following:-

1.5.1 The Jenjarom Land Consideration shall be paid by ADSB at the time and in the manner as follows:-

Prior to the execution of the Jenjarom Land SPA	2% (“ JL Earnest Deposit ”)	RM83,112
Upon execution of the Jenjarom Land SPA	8% (“ JL Balance Deposit ”)	RM332,450
Within 90 days from the date of Jenjarom Land SPA or 30 days from the JL Unconditional Date (defined in Clause 1.5.2 below), whichever is later (the “ JL Payment Period ”)	90% (“ JL Balance Purchase Price ”)	RM3,740,062
Total	100%	RM4,155,624

The JL Earnest Deposit and JL Balance Deposit will collectively be referred to as the “**JL Deposit**”. If ADSB fails to pay within the JL Payment Period, ADSB shall automatically be granted 60 days from the expiry of the JL Payment Period or any further period as mutually agreed (the “**JL Extended Payment Period**”) subject to payment of late payment interest at 6% per annum calculated on daily basis on the outstanding sum (the “**late payment interest**”).

1.5.2 The Jenjarom Land SPA is subject to and conditional upon the fulfilment of the following conditions precedent (collectively the “**JL Conditions Precedent**”):-

- (i) To be fulfilled by SDSB
 - (a) the approval of the appropriate authority for the change in the category of land use of the Jenjarom Land from “Tiada” to “Building” or “Bangunan” with an express condition that the building constructed thereon shall be used for commercial purposes (the “**Conversion Approval**”) pursuant to Section 124 of the NLC and the relevant laws and regulations; the payment of the premium, levy, duty, tax and/or other charges imposed by the appropriate authority for the conversion application and Conversion Approval; and the issuance of a new freehold title after the conversion exercise;
 - (b) the approval from the appropriate authority in respect of the transfer of the Jenjarom Land (the “**Consent to Transfer**”), if applicable;
 - (c) the approval of SDSB’s board of directors and its shareholders, if required, for the disposal of the Jenjarom Land;
 - (d) the approval of the holding company of SDSB, if required;
- (ii) To be fulfilled by ADSB
 - (a) the approval from the appropriate authority in respect of the charge of the Jenjarom Land in favour of ADSB’s financier (the “**Consent to Charge**”), if applicable;

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- (b) the approval of ADSB's board of directors and its shareholders, if required, for the Proposed Jenjarom Land Land Acquisition;
- (c) the approval of JTB's shareholders, if applicable, for the Proposed Jenjarom Land Acquisition.

The JL Conditions Precedent are to be fulfilled within 180 days from the date of the Jenjarom Land SPA, subject to an extension of 90 days to fulfil the JL Conditions Precedent. The Jenjarom Land SPA will become unconditional on the date when all the JL Conditions Precedent have been fulfilled (the "**JL Unconditional Date**"). Where any of the JL Conditions Precedent is not fulfilled or the Conversion Approval is not obtained, in absence of a mutual agreement for a further extension of time, either party may terminate the Jenjarom Land SPA whereupon the JL Deposit shall be refunded to ADSB.

- 1.5.3 ADSB is fully aware of and satisfied with the condition, state, nature and character of the Jenjarom Land, and agree that the purchase of the Jenjarom Land is on an "as is where is" basis subject to the conversion exercise stated in Section 1.5.2(i)(a) above.
- 1.5.4 Vacant possession of the Jenjarom Land shall be delivered to ADSB within 7 business days from the date of payment of the Jenjarom Land Consideration, subject to payment of the outgoings (namely quit rent, assessment, utilities and other lawful outgoings) to be apportioned on the date of vacant possession.
- 1.5.5 If SDSB breaches any of the terms of the Jenjarom Land SPA and failed to remedy within 30 days from the written notice by ADSB specifying such breach, or if SDSB fails to complete the sale and purchase of the Jenjarom Land, ADSB shall be entitled to either take an action to enforce specific performance of the Jenjarom Land SPA, or to terminate the Jenjarom Land SPA whereupon all payment towards the Jenjarom Land Consideration will be refunded by SDSB to ADSB, together with a sum equivalent to the JL Deposit as liquidated ascertained damages.
- 1.5.6 If ADSB fails to pay the JL Balance Purchase Price and late payment interest (if applicable) on or before the expiry of the JL Extended Payment Period, or other sums due under the Jenjarom Land SPA or fail to remedy any breach under the Jenjarom Land SPA within 30 days from the receipt of a written notice from SDSB specifying such breach, SDSB may terminate the Jenjarom Land SPA by notice whereupon the JL Deposit shall be immediately forfeited to SDSB as agreed liquidated damages, and all payments towards the Jenjarom Land Consideration in excess of the JL Deposit will be refunded to ADSB.

Notwithstanding that, SDSB is entitled to the remedy of specific performance as an alternative remedy in lieu of termination unless:-

- (i) ADSB is experiencing substantial financial constraint at the material time; or
 - (ii) ADSB is unable to obtain a feasible loan from a licensed financial institution to finance the acquisition of the Jenjarom Land; or
 - (iii) ADSB is unable to obtain the approval from the shareholders or the appropriate authority, if applicable.
- 1.5.7 The sale and purchase of the Jenjarom Land shall be completed upon fulfilment of the following:-
 - (i) the full payment of the Jenjarom Land Consideration and late payment interest (if applicable);

- (ii) the delivery of vacant possession of the Jenjarom Land to ADSB;
- (iii) apportionment of the outgoings payable on the Jenjarom Land; and
- (iv) the title to the Jenjarom Land which has been converted to commercial has been registered in favour of ADSB.

1.6 Source of funding

The Jenjarom Land Consideration of approximately RM4.16million is proposed to be funded wholly via internally generated funds.

As at 31 March 2021, JTB Group has a cash and bank balance of approximately RM102.4 million.

1.7 Liabilities to be assumed by JTB

JTB Group will not be assuming any liabilities (including contingent liabilities and guarantees, if any) pursuant to the acquisition of the Jenjarom Land.

2. RATIONALE FOR THE PROPOSED JENJAROM LAND ACQUISITION

The acquisition of the Jenjarom Land will increase JTB's landbank for property development purposes as detailed in Section 3 of the Announcement.

3. INDUSTRY OVERVIEW AND PROSPECTS

3.1 Overview and Outlook of the Malaysian Economy and Malaysian Property Market

Kindly refer to Section 5 of this Announcement for further details.

3.2 Prospects of the Jenjarom Land

The Jenjarom Land is located along the north-eastern side of Jalan Klang-Banting within Jenjarom, Selangor Darul Ehsan. It lies approximately 12 kilometres north and 28 kilometres south of Town Centre of Banting and City Centre of Shah Alam respectively.

JTB is of the opinion that the Jenjarom Land is situated in a promising location and believes that the Proposed Jenjarom Land Acquisition provides a good opportunity for JTB to acquire the land for investment or future development purposes.

(Source: Management of JTB)

4. RISKS RELATING TO THE PROPOSED JENJAROM LAND ACQUISITION

The Proposed Jenjarom Land Acquisition is affected by, amongst others, non-completion risk if any of the Conditions Precedent as set out in Section 1.5.2 above is not fulfilled as well as future market valuation risk based on the valuation of the Jenjarom Land at a later date.

5. EFFECTS OF THE PROPOSED JENJAROM LAND ACQUISITION

The effects of the Proposed Jenjarom Land Acquisition are detailed below.

5.1 Share capital and substantial shareholder's shareholdings

The Proposed Jenjarom Land Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings in JTB as the acquisition does not involve the issuance of shares in JTB.

5.2 NA, NA per share and gearing

Based on JTB's audited consolidated financial statements for FY 2020, assuming the Proposed Jenjarom Land Acquisition had been effected on the last day of FY 2020, the acquisition does not give rise to a material impact on the consolidated NA, NA per share and gearing of JTB.

5.3 Earnings and earnings per share ("EPS")

For illustration purposes, based on the audited consolidated financial statements of JTB Group for FY 2020, assuming that the Proposed Jenjarom Land Acquisition was completed at the beginning of the financial year, the financial effects of the acquisition on the earnings and EPS of JTB Group are as follows:-

<u>Proforma Effects</u>	<u>Audited FY 2020 RM'000</u>
Profit attributable to owners of the Company	39,490
(Less) Estimated expenses in relation to the Proposed Jenjarom Land Acquisition ⁽ⁱ⁾	(180)
	<u>39,310</u>
No. of Shares (excluding treasury shares) ('000)	310,471
Existing basic EPS (sen)	12.72
Proforma basic EPS (sen)	12.66

Notes:-

(i) *Estimated expenses relating to fees for solicitor, valuer and stamp duty for the purchase of the Land.*

6. APPROVALS REQUIRED

The acquisition of the Jenjarom Land is subject to the following approvals being obtained:-

- (i) the Conversion Approval;
- (ii) SDSB's board of directors and its shareholders, if required;
- (iii) the holding company of SDSB, if applicable;
- (iv) the Consent to Transfer, if applicable;

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- (v) the Consent to Charge, if applicable; and
- (vi) all such other consents and regulatory and/or governmental approvals required to be obtained by JTB in order to effect the completion of the acquisition of the Jenjarom Land, as the case may be.

The Proposed Jenjarom Land Acquisition is not subject to JTB's shareholders approval. The Proposed Jenjarom Land Acquisition is not conditional upon any other proposal announced or to be announced by JTB Group.

7. INTERESTS FROM DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Jenjarom Land Acquisition.

8. DIRECTORS' STATEMENT

The Board after having considered all relevant aspects of the Proposed Jenjarom Land Acquisition including the terms and conditions of the Jenjarom Land SPA, basis and justification of the Jenjarom Land Consideration, rationale and effects of the Proposed Jenjarom Land Acquisition, is of the opinion that the Proposed Jenjarom Land Acquisition is in the best interest of JTB.

9. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Jenjarom Land Acquisition pursuant to paragraph 10.02(g) of the Listing Requirements is 1.17% derived by the aggregate value of the Jenjarom Land Consideration of RM4.16 million over the audited NA attributable to shareholders of JTB Group of RM356.06 million as at 31 December 2020.

10. ESTIMATED TIMEFRAME FOR THE COMPLETION OF THE PROPOSAL

The Proposed Jenjarom Land Acquisition should be completed in the 4th quarter of 2021.