

YNH PROPERTY BHD (“YNH” OR “COMPANY”)

DISPOSAL OF AEON MALL SERI MANJUNG

1. INTRODUCTION

The Board wishes to announce that a Sale and Purchase Agreement (“SPA” or “**this Agreement**”) has been entered into between Kar Sin Bhd (“KSB” or “**the Registered Owner**”) and YNH Hospitality Sdn Bhd (“YNHH” or “**the Vendor**”), both the wholly-owned subsidiary of the Company with RHB Trustees Berhad [As Trustee of Sunway Real Estate Investment Trust, (hereinafter referred to as “Sunway REIT”)] (“RHBT” or “**the Purchaser**”) on 20 January 2025 for the disposal of Aeon Mall Seri Manjung (“**Aeon Seri Manjung**”) for a total consideration of RM138.0 million (“**Disposal Consideration**”) (“**Disposal**”).

(KSB, YNHH and RHBT are collectively referred to as “the Parties”.)

2. DETAILS OF THE DISPOSAL

2.1 Information of KSB

KSB was incorporated as a private limited company on 24 May 1982 in Malaysia under the Companies Act, 1965 (“**Act**”). It was later converted to a public limited company on 7 March 1997. Its registered office is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, while its business office operates at No. 188, Jalan PPMP 3/3, Pusat Perniagaan Manjung Point 3, 32040 Seri Manjung, Perak. KSB is a wholly-owned subsidiary of the Company. The principal activity of KSB is property development and cultivation and sale of oil palm produce.

As at the date of this announcement, KSB has a total paid up share capital of RM102,600,000.00 consisting of 102,600,000 ordinary shares. The Directors of KSB are Dato’ Dr. Yu Kuan Chon and Dato’ Yu Kuan Huat and Datin Dr. Chan Sow Keng as the alternate director to Dato’ Dr. Yu Kuan Chon.

2.2 Information of YNHH

YNHH was incorporated as a private limited company on 25 June 2009 in Malaysia under the Act. Its registered office is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, while its business office operates at No. 10, Jalan Cendana Off Jalan Sultan Ismail, 50250 Kuala Lumpur, W.P. Kuala Lumpur. YNHH is a wholly-owned subsidiary of the Company. The principal activity of YNHH is providing management services and lodging facilities on the property managed.

As at the date of this announcement, YNHH has a total paid up share capital of RM2,600,000.00 consisting of 2,600,000 ordinary shares. The Directors of YNHH are Dato’ Dr. Yu Kuan Chon and Dato’ Yu Kuan Huat.

2.3 Information of RHBT

RHBT is a company incorporated in Malaysia with its registered address at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur and its business address at Level 11, Tower Three, RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur.

RHBT is the trustee of Sunway REIT, a real estate investment trust constituted by a trust deed dated 20 May 2010, a supplementary deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 between the Purchaser and Sunway REIT Management Sdn. Bhd. [Registration No. 200801005046 (806330-X)], being the management company of Sunway REIT. Sunway REIT is the beneficial owner of this SPA, and RHBT enters into this SPA solely in its capacity as trustee of Sunway REIT and not in its personal capacity.

2.4 Registered Owner & Vendor

- (A) The Registered Owner is the registered proprietor of a parcel of commercial freehold land with a two-storey retail shopping centre known as AEON MALL Seri Manjung, coupled with carpark bays located on the ground floor and rooftop level (“the **“Building”**”) held under H.S.(D) 34532, PT 15074, Mukim Lumut, Daerah Manjung, Negeri Perak and bearing the postal address of AEON MALL Seri Manjung, Pusat Perniagaan Manjung Point 3, 32040 Seri Manjung, Perak with a total land area measuring approximately 30.25 acres, further particulars of which are set out in item 2.5 (“**Land**”).

(The Land and Building are collectively referred to as “the Property”).

- (B) On 31 March 2015, the Registered Owner entered into a sale and purchase agreement (hereinafter referred to as “**the Principal SPA**”) with the Vendor, as part of a lawful asset reorganization exercise within the Company. Pursuant to the Principal SPA, the Registered Owner sold the Property to the Vendor. Although the Vendor paid the Registered Owner the full purchase price and all other sums due under the Principal SPA, the Registered Owner and the Vendor mutually agreed as follows: (1) the Registered Owner would remain the legal registered owner of the Property, while the beneficial ownership of the Property would vest absolutely in the Vendor; and (2) AEON Co. (M) Bhd would continue remitting the Monthly Rentals to the Rental Proceeds Account (hereinafter collectively referred to as “**the Agreement between the Registered Owner and the Vendor**”). The Chargee and AEON Co. (M) Bhd were duly notified by the Registered Owner and Vendor of the Principal SPA and the Agreement between the Registered Owner and the Vendor, wherein the Chargee and AEON Co. (M) Bhd raised no objections to the same.
- (C) Upon expiry of the Initial Term of the Lease, the Registered Owner and AEON Co. (M) Bhd, with the consent of the Vendor, renewed the Principal Lease by way of letter dated 14 November 2022 for a further one (1) term of five (5) years commencing from 4 December 2022 and expiring on 3 December 2027 (hereinafter referred to as “**the First Renewal Term**”). On 23 February 2024, the Registered Owner and AEON Co. (M) Bhd executed a first renewal lease agreement in respect of the First Renewal Term (hereinafter referred to as “**the First Renewal Lease**”).
- (D) On 13 January 2025, the Registered Owner, Vendor and AEON Co. (M) Bhd entered into a supplemental lease agreement (hereinafter referred to as “**the Second Renewal Lease**”) to amend the Principal Lease and First Renewal Lease, which includes, amongst others:
- (i) to early renew the Lease for a further two (2) terms of five (5) years each, commencing from 4 December 2027 and expiring on 3 December 2037, at a fixed five (5) percent incremental rate for each renewal term based on the preceding term’s rental rate; and
 - (ii) to revise Clause 7.6 of the Principal Lease such that mutual agreement of both lessor and lessee is required for any extension of the Property.

(The Principal Lease and the First Renewal Lease, as amended by the Second Renewal Lease shall hereinafter collectively be referred to as “the Lease”).

- (E) On 10 January 2025, the Registered Owner obtained a conditional waiver of first option to purchase the Property from AEON Co. (M) Bhd pursuant to Clause 12 of the Principal Lease (“**Conditional Waiver**”). Subsequently on 20 January 2025, the Registered Owner complied with all the conditions as stated in the Conditional Waiver.

2.5 Information of Property

Aeon Seri Manjung is a two-storey retail shopping centre coupled with carpark bays located on the ground floor and rooftop level held under H.S.(D) 34532, PT 15074, Mukim Lumut, Daerah Manjung, Negeri Perak. Further particulars of which are set out below:-

Lot and title number	:	H.S.(D) 34532, PT 15074, Mukim Lumut, Manjung, Perak
Postal address	:	AEON MALL Seri Manjung, Pusat Perniagaan Manjung Point 3, 32040 Seri Manjung, Perak
Tenure	:	Freehold
Category of land use	:	Bangunan
Express conditions	:	<i>Perniagaan – Bangunan Perniagaan</i>
Restriction-in interest	:	Nil
Land area	:	122,405 square metres
Existing use	:	Retail shopping centre
Gross property revenue for the financial year ended (“FYE”) 30 June 2024	:	RM10,403,000
Approximate age of the building as at the announcement date	:	12 years
Gross built-up area	:	681,570 square feet
Net lettable space	:	427,919 square feet
Approximate occupancy rate as at the announcement date	:	100% leased to single tenant
Audited carrying amount as at 30 June 2024	:	RM152,000,000
Encumbrances	:	(1) UOB vide charge presentation number 00SC21892/2012 duly registered on 21 May 2012; (2) UOB vide charge presentation number 00SC21891/2012 on 21 May 2012; and (3) PBB vide charge presentation number 00SC21893/2012 on 21 May 2023.

3. RATIONALE FOR THE DISPOSAL

The Disposal represents an opportunity for the Group to unlock the value of and monetise its investments in the Property. The Group is expected to record a pro forma net gain of approximately RM12,033,000.

The Disposal will also enable the Group to raise proceeds of RM138,000,000 to be utilised for the purpose as set out in Section 7 of this announcement which includes for repayment of outstanding loan and working capital. The utilisation of the said proceeds is expected to contribute positively to the future cash flow of the Group when it materialises.

4. BASIS AND JUSTIFICATION FOR ARRIVING AT THE CONSIDERATION

The Disposal Consideration was arrived at on a “willing buyer willing seller” basis based on the negotiation between the parties, after taking into consideration the market value of the Property by comparing the Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. No valuation was carried out on the Property for the Disposal.

5. DATE AND ORIGINAL COST OF INVESTMENT

The total development cost in relation to Aeon Seri Manjung, including land cost, building cost and renovation cost was RM121,957,000.

6. EXPECTED GAIN FROM THE DISPOSAL

Based on the Company’s audited consolidated financial statements for the financial year ended (“FYE”) 30 June 2024, the Group is expected to realise a pro forma net gain of approximately RM12,033,000 pursuant to the Disposal as follows:

	<u>RM’000</u>
Disposal consideration	138,000
Less: Net Book Value	(125,967)
Pro forma net gain	<u>12,033</u>

7. UTILISATION OF PROCEEDS

Based on the total Disposal Consideration of RM138.0 million, the Company intends to utilise the proceeds received in the following manner:

	<u>(RM)</u>	<u>Estimated utilisation timeframe from receipt of proceeds</u>
Repayment of outstanding loan	86,000,000	12 months
Working capital	52,000,000	12 months
Total	<u>138,000,000</u>	

8. **MODE OF PAYMENT OF THE DISPOSAL CONSIDERATION**

Upon the execution of this Agreement, the sum of Ringgit Malaysia Thirteen Million Eight Hundred Thousand (RM13,800,000.00) only (hereinafter referred to as “**the Deposit**”) shall be paid by the Purchaser to the bank account of the Vendor.

The sum of Ringgit Malaysia One Hundred Twenty Four Million Two Hundred Thousand (RM124,200,000.00) only (hereinafter referred to as “**the Balance Purchase Price**”) shall be deposited by the Purchaser with the Stakeholder to the bank account of the Stakeholder within three (3) months from the Unconditional Date (hereinafter referred to as “**the Completion Period**”); failing which the Vendor shall in any event automatically grant to the Purchaser an extension of time of One (1) month from the expiry of the Completion Period to pay the Balance Purchase Price in consideration whereof the Purchaser shall pay interest at the rate of Eight per centum (8%) per annum on the unpaid portion of the Balance Purchase Price to be calculated daily from the expiry of the Completion Period until the Balance Purchase Price is paid in full (hereinafter referred to as “**the Late Payment Interest**”), such interest to be paid to the Stakeholder together with the Balance Purchase Price.

If the Purchaser obtains a loan, the Balance Purchase Price shall be paid in the manner stated in the SPA. The date of the Stakeholder’s actual receipt of the Balance Purchase Price and the Late Payment Interest (if any) in full shall hereinafter be referred to as “**the Completion Date**”.

9. **SALIENT TERMS OF THE SPA**

The salient terms of the SPA are set out in Appendix 1 of this announcement.

10. **ASSUMPTION OF LIABILITIES**

There are no liabilities, including contingent liabilities and guarantees to be assumed by the Group, arising from the Disposal.

11. **RISK OF THE DISPOSAL**

The Disposal is not expected to pose any risk factors which could materially and/or adversely affect the business operations and financial performance of the Group. Notwithstanding the above, the Company shall use its best endeavor to ensure that all the terms and conditions set out in the SPA are met and that the Disposal is completed in a timely manner.

12. **FINANCIAL EFFECTS OF THE DISPOSAL**

Share Capital and Substantial Shareholders’ Shareholdings

The Disposal is not expected to have any effect on the issued share capital and substantial shareholders’ shareholdings as the Disposal does not involve the issuance of any new shares in the Company.

12.1 Net asset (“NA”) per share and gearing

- a. The NA per share shall increase from RM2.13 to RM2.15 immediately before and upon completion of the Disposal based on the proforma basis FYE 30 June 2024.

- b. The gearing shall decrease from 0.71% to 0.62% immediately before and upon completion of the Disposal based on the proforma basis FYE 30 June 2024.

	Audited FYE 30.06.2024	Proforma After the Proposed Disposal
	RM'000	RM'000
Share capital	529,000	529,000
Treasury shares	(970)	(970)
Reserves	26,528	26,528
Retained profit	227,284	239,317
Shareholders' equity	781,842	793,875
Perpetual securities	345,284	345,284
Equity attributable to owns of Company	1,127,126	1,139,159
Net borrowings	795,563	709,564
Number of ordinary shares in the Company in issue ('000)	528,487,067	528,487,067
Net Asset ("NA") per share (RM)	2.13	2.15
Gearing (times)	0.71%	0.62%

12.2 Earnings and earnings per share ("EPS")

	Audited FYE 30.06.2024	Proforma After the Proposed Disposal
	RM'000	RM'000
Profit / (loss) for the financial year attributable to owners of the Company	(41,454)	(29,422)
(-) Less distribution to holders of perpetual securities	(23,975)	(23,975)
(-) Loss attributable to ordinary equity holders of the Company	(65,429)	(53,397)
Weighted average number of ordinary shares for the computation of basic earnings per share ('000)	528,487,067	528,487,067
Basic loss per ordinary share in sen	(12.37)	(10.09)

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Disposal is estimated to be completed within 6 months from the date of the SPA.

14. HIGHEST PERCENTAGE RATIO

For clarification purposes, pursuant to paragraph 2.1(a)(ii) of the Practice Note 14 of the Bursa Malaysia Securities Berhad, a transaction which has been approved by shareholders or which was the subject of aggregation with a transaction approved by shareholders pursuant to Chapter 10 of the Listing Requirements will not be aggregated with the latest transaction when determining whether any obligations are applicable.

The Board wishes to inform that the transactions (Transaction 1 & Transaction 2) entered into with the same party, i.e. Sunway REIT have been disclosed and aggregated as outlined in the Circular to Shareholders dated 30 August 2024, and shareholders' approval was

obtained for Transaction 2 at the general meeting held on 19 September 2024.

(Source: YNH Property Bhd's Circular to Shareholders dated 30 August 2024)

In relation thereto, the Disposal shall not aggregate with the previous 2 transactions. The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 12.24%.

15. APPROVAL REQUIRED

The Disposal is not subject to the approval of YNH's shareholders or any relevant regulatory authorities. However, the Disposal is contingent upon the fulfillment of the conditions precedent outlined in the SPA.

16. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors and major shareholders of the Company and/or persons connected to the Directors and major shareholders have any interest, whether direct or indirect in the Disposal.

17. DIRECTORS' STATEMENT

The Board of Directors of the Company, after having considered all relevant aspects of the Disposal, including but not limited to the rationale, justification and the financial effects of the Disposal, is of the opinion that the Disposal is in the best interest of the Group.

18. DOCUMENTS FOR INSPECTION

The SPA is available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia from Monday to Friday (except public holidays) during normal business hours for a period of 3 months from the date of this announcement.

This announcement is dated 21 January 2025.

SALIENT TERMS OF THE SPA**1. CONDITIONS PRECEDENT**

- (a) Subject to Clause 1A (b) below, this Agreement shall be conditional upon the fulfillment of the following conditions precedent (hereinafter collectively referred to as “**the Conditions Precedent**” or each “**a Condition Precedent**”):
- (i) **Vendor’s Board’s Resolution and Registered Owner’s Board’s Resolution and Holding Company’s Board Resolution:** The Vendor and Registered Owner having obtained and delivered to the Purchaser’s Solicitors, at the Vendor’s and the Registered Owner’s cost and expenses, Four (4) certified true copies each (duly certified by the company secretary) of the Vendor’s, the Registered Owner’s and Holding Company’s board of directors’ resolution authorizing (1) the Principal SPA (2) the Agreement between the Registered Owner and the Vendor and (3) the sale of the Property from the Vendor to the Purchaser upon the terms and conditions in this Agreement with full powers to assent to any condition, modification, variation and/or amendment and to do all such acts and things as may be required or imposed by the relevant authority and/or as the authorised person may consider necessary and expedient, including the execution of this Agreement and all other documents relating thereto or to be executed by the Vendor and the Registered Owner pursuant to this Agreement (hereinafter referred to as “**the Vendor’s Board’s Resolution, the Registered Owner’s Board’s Resolution and the Holding Company’s Board Resolution**”);
 - (ii) **Holding Company’s Members’ Resolution:** If required, the Vendor and the Registered Owner having obtained and delivered to the Purchaser’s Solicitors, at the Vendor’s and Registered Owner’s cost and expenses, Four (4) certified true copies each (duly certified by the Holding Company’s company secretary) of the Holding Company’s shareholders’ resolution in general meeting authorizing (1) the Principal SPA (2) the Agreement between the Registered Owner and the Vendor and (3) the sale of the Property from the Vendor to the Purchaser upon the terms and conditions in this Agreement with full powers to assent to any condition, modification, variation and/or amendment and to do all such acts and things as may be required or imposed by the relevant authority and/or as the Vendor and Registered Owner may consider necessary and expedient, including the execution of this Agreement and all other documents relating thereto or to be executed by the Vendor and Registered Owner pursuant to this Agreement (hereinafter referred to as “**the Holding Company’s Members’ Resolution**”). **Provided always that**, unless the Vendor and the Registered Owner delivers to the Purchaser a written confirmation from the Holding Company’s company secretary that the Holding Company’s Members’ Resolution is not required (hereinafter referred to as “**Holding Company Secretary’s Confirmation**”), the Vendor and Registered Owner shall deliver the Holding Company’s Members’ Resolution as required in this Clause;
 - (iii) **Purchaser’s Board’s Resolution:** The Purchaser having obtained and delivered to the Vendor’s Solicitors, at the Purchaser’s own cost and expenses, Four (4) certified true copies (duly certified by the Purchaser’s company secretary) of the Purchaser’s board of directors’ resolution authorizing the purchase of the Property from the Vendor by the Purchaser upon the terms and conditions in this Agreement with full powers to assent to any condition, modification, variation and/or amendment and to do all such acts and things as may be required or imposed by the relevant authority and/or as the authorised person may consider necessary and expedient, including the execution of this Agreement and all other documents relating thereto or to be executed by the Purchaser pursuant to this Agreement (hereinafter referred to as “**the Purchaser’s Board’s Resolution**”);
 - (iv) **Satisfactory Due Diligence by the Purchaser:** The Purchaser having conducted a comprehensive satisfactory due diligence exercise as stated in Clause 1B below (hereinafter referred to as “**the Due Diligence**”) as confirmed by the Purchaser’s Solicitors;

- (v) **Approvals/Consents:** If applicable, any approval(s)/consent(s) (regulatory or otherwise) required for the purpose of the disposal and/or transfer of the Property by the Vendor and/or the Registered Owner to the Purchaser, all of which to be obtained by the Vendor and/or the Registered Owner at the Vendor's and/or the Registered Owner's cost and expense and delivered to the Purchaser's Solicitors;
- (vi) **Novation Agreement:** The Registered Owner and the Vendor shall execute and ensure that AEON Co. (M) Bhd executes the Novation Agreement, in the form attached hereto as **Annexure III**, in favor of the Purchaser in respect of the Property leased to AEON Co. (M) Bhd (hereinafter referred to as "**the Novation Agreement**"). The Registered Owner and the Vendor shall deposit the duly executed but undated Novation Agreement, together with the copies of the Lease (duly certified true copies by the Vendor's Solicitors of the Original stamped Lease and the related stamp certificates), with the Purchaser's Solicitors. The Purchaser shall bear all stamp duties, registration fees, and other costs and charges associated with the Novation Agreement.
- (vii) **Other Conditions:** Any other terms as may be required or identified by the Purchaser from the Due Diligence and if applicable, execution of a supplementary sale and purchase agreement between the Registered Owner, the Vendor and the Purchaser pursuant thereto,

within three (3) months from the date of this Agreement or such further extended period(s) as the Vendor and the Purchaser may mutually agree (hereinafter referred to as "**the Conditional Period**"). In the event the Conditions Precedent are not fulfilled by the expiry of the Conditional Period, Purchaser shall be entitled to terminate this Agreement by serving a written notice to the Vendor, whereupon, the Vendor shall no later than Five (5) working days refund all monies paid to the Vendor (including the Deposit) at the date of termination (if any) and the interest earned thereon (if any) up to the termination date to the Purchaser and this Agreement shall determine and be of no further effect and neither Party hereto shall have any further claim against the other.

- (b) The Parties shall mutually be entitled at their mutual discretion to modify or waive any of the Conditions Precedent, in whole or in part, on such terms as it may stipulate at their mutual discretion. Such modification and/or waiver shall be effected by way of a written notice/agreement agreed between the Vendor, the Purchaser and the Registered Owner.
- (c) This Agreement shall become unconditional on the date the Conditions Precedent are fulfilled (hereinafter referred to as the "**Unconditional Date**").
- (d) The Parties hereby affirm and mutually covenant that each Party shall diligently undertake all necessary actions to secure and fulfil the Conditions Precedent assigned to them within the prescribed Conditional Period. Failure to do so within the stipulated timeframe shall be deemed a material breach, granting the aggrieved party the right to either terminate this Agreement or pursue the equitable remedy of specific performance, in which case the relevant provisions of Clauses 5 or 6 below (as applicable) shall come into effect.

2. **DEFAULT BY THE PURCHASER**

PROVIDED ALWAYS THAT the Vendor and the Registered Owner are not in breach of this Agreement, it is hereby agreed between the parties herein that if the Purchaser fails to pay the Balance Purchase Price to the Vendor in accordance with the terms and conditions of this Agreement or commits other breach of the provisions of this Agreement, and the Purchaser fails to rectify the said breach within Fourteen (14) days after the Purchaser's Solicitors are in receipt of a written notification for the Purchaser to remedy the said breach, then the Vendor shall be entitled by giving notice in writing to the Purchaser EITHER (i) to the equitable remedy of specific performance (including all other lawful relief) against the Purchaser and at the cost of the Purchaser OR (ii) terminate this Agreement (hereinafter referred to as "**the Vendor's Termination Notice**") whereupon:

- (a) the Deposit shall be absolutely forfeited to the Vendor as agreed liquidated damages; and

- (b) the Vendor shall, subject to redelivery to the Vendor of the Vendor's and the Registered Owner's Documents (if the same had earlier been delivered to the Purchaser or the Purchaser's Solicitors, as the case may be) with the Vendor's interest in the Property intact and removal by the Purchaser and the Purchaser's Financier at its own cost and expenses of any caveat lodged by them against the Property and redeliver legal possession of the Property (if delivered), in exchange for the same return to the Purchaser any other sums paid by the Purchaser to the Vendor free of interest on or before the expiry of Fourteen (14) days from the Purchaser's or the Purchaser's Solicitors' receipt of the Vendor's Termination Notice. In the event the Vendor does not refund all moneys due and owing to the Purchaser pursuant to this clause within the aforesaid time limit, the Vendor shall pay interest thereon at the rate of Eight per centum (8%) per annum at daily rests commencing from the day next after expiry of the aforesaid time limit to the date of receipt by the Purchaser or the Purchaser's Solicitors of such moneys,

and thereafter this Agreement shall be deemed null and void and none of the parties herein shall have any claim against the other and the Vendor shall be at liberty to resell the Property either by public auctions or by private contract and at such time and place and subject to such conditions and in such manner as the Vendor shall think fit without the necessity of previously tendering or offering to make any sale to the Purchaser.

3. **DEFAULT BY THE VENDOR AND/OR THE REGISTERED OWNER**

PROVIDED ALWAYS THAT the Purchaser is not in breach of this Agreement, it is hereby agreed between the parties herein that if the Vendor and/or the Registered Owner fail, refuse or neglect to complete the sale and transfer of the Property to the Purchaser free from all encumbrances in accordance with the provisions of this Agreement or fail to carry out its obligations under this Agreement, and the Vendor and/or Registered Owner fail to rectify the said breach within Fourteen (14) days after the party and/or their solicitors' receipt of a written notification from the Purchaser or the Purchaser's Solicitors to remedy the said breach, the Purchaser shall be entitled by giving notice in writing to the Vendor and Registered Owner EITHER (i) to the equitable remedy of specific performance (including all other lawful relief) against the Vendor and/or the Registered Owner and at the cost of the Vendor and/or the Registered Owner OR (ii) elect to terminate this Agreement (hereinafter referred to as "**the Purchaser's Termination Notice**") whereupon:

- (a) the Vendor shall refund to the Purchaser within Fourteen (14) days from the Vendor's or the Vendor's Solicitors' receipt of the Purchaser's Termination Notice, all moneys paid by the Purchaser hereunder free of interest, and further pay to the Purchaser a sum equivalent to the sum of the Deposit as agreed liquidated damages; and
- (b) the Purchaser shall simultaneously upon the Vendor's refund and payment in accordance with Clause 6(a) of the SPA, return to the Vendor the Vendor's and the Registered Owner's Documents which have been forwarded to Purchaser or to the Purchaser's Solicitors with the Vendor's interest in the Property intact, remove at the Purchaser's own costs and expenses any caveat lodged by the Purchaser and the Purchaser's Financier against the Property and redeliver legal possession of the Property (if delivered).

In the event the Vendor does not refund and/or pay all moneys due and owing to the Purchaser pursuant to this clause within Fourteen (14) days, the Vendor shall pay interest thereon at the rate of Eight per centum (8%) per annum at daily rests commencing from the day next after the expiry of the aforesaid time limit to the date of receipt by the Purchaser or the Purchaser's Solicitors of such moneys.

4. **NON-REGISTRATION OF MEMORANDUM OF TRANSFER**

If for any reason whatsoever due to no fault of any of the parties hereto the Memorandum of Transfer of the Property in favor of the Purchaser are rejected for registration by the registering authority and where all necessary remedial actions have been exhausted then notwithstanding any of the provisions herein contained, the Vendor shall in exchange of:-

- (a) the Purchaser having withdrawn any private caveat lodged by them against the Property;
and
- (b) the return of the Vendor's and the Registered Owner's Documents to the Vendor (if the same or any have been delivered to the Purchaser or the Purchaser's Financier),

refund free of interest to the Purchaser all moneys paid to the Vendor towards account of the Purchase Price, whereupon neither party hereto shall have any further claim against the other and this Agreement shall terminate and be of no further effect. In the event the Vendor does not refund all moneys due and owing to the Purchaser pursuant to this clause, the Vendor shall pay interest thereon at the rate of Eight per centum (8%) per annum at daily rests commencing from the day next after the expiry of the time when the Vendor ought to have refunded the said monies to the date of receipt by the Purchaser or the Purchaser's Solicitors of such moneys.