

**SYF RESOURCES BERHAD ("SYF" OR "COMPANY")**

- (I) PROPOSED JOINT VENTURE BETWEEN SYF DEVELOPMENT SDN BHD (FORMERLY KNOWN AS TWENTY-ONE SJ SDN BHD) ("SYFD" OR "DEVELOPER"), A WHOLLY-OWNED SUB-SUBSIDIARY OF SYF, AND KIARA SUSILA SDN BHD ("KSSB"), CHEE AH KUAN, CHA KIM PANG, CHA NYEN KONG, CHUNG DAI THAI AND LEW KA TEK, TO JOINTLY DEVELOP FOUR (4) PARCELS OF FREEHOLD LAND IDENTIFIED AS LOT NOS. 1329, 1719, 2114 AND 2115, MUKIM OF SEMENYIH, DISTRICT OF ULU LANGAT, SELANGOR DARUL EHSAN, MEASURING IN AGGREGATE APPROXIMATELY 38.34 ACRES ("HI TECH LANDS") INTO AN INDUSTRIAL DEVELOPMENT ("PROPOSED HI TECH JOINT VENTURE"); AND**
- (II) PROPOSED JOINT VENTURE BETWEEN SYFD AND ASTANA BARU SDN BHD ("ASTANA"), A WHOLLY-OWNED SUBSIDIARY OF KSSB, TO JOINTLY DEVELOP FIVE (5) ADJOINING PIECES OF VACANT COMMERCIAL LAND IDENTIFIED AS LOT NOS. PT 25263 TO 25266 AND PT 30291, MUKIM OF SEMENYIH, DISTRICT OF ULU LANGAT, SELANGOR DARUL EHSAN, MEASURING IN AGGREGATE APPROXIMATELY 5.02 ACRES ("KIARA PLAZA LANDS") INTO A COMMERCIAL DEVELOPMENT ("PROPOSED KIARA PLAZA JOINT VENTURE") ; AND**
- (III) PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF SYF AND ITS SUBSIDIARIES ("SYF GROUP" OR "GROUP") TO INCLUDE PROPERTY DEVELOPMENT ("PROPOSED DIVERSIFICATION")**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**1. INTRODUCTION**

On behalf of the Board of Directors of SYF ("Board"), M&A Securities Sdn Bhd ("M&A Securities") wishes to announce that SYFD had on 15 November 2011 entered into two (2) separate joint venture agreements ("JVAs") with

- (i) KSSB, Chee Ah Kuan ("Madam Chee") and Cha Kim Pang, Cha Nyen Kong, Chung Dai Thai and Lew Ka Tek ("Third Party JV"), to jointly develop the Hi Tech Lands into an industrial area consisting of industrial lots which tentatively shall be named as "Semenyih Hi Tech 5" ("Hi Tech JVA"); and

(the joint venture partners of the Hi Tech JVA shall collectively be referred to as the "Hi Tech JV Partners")

- (ii) Astana (a wholly-owned subsidiary of KSSB), to jointly develop the Kiara Plaza Lands into commercial center comprising amongst others, shophouses and service apartments which tentatively shall be named as "Kiara Plaza" ("Kiara Plaza JVA").

(Collectively known as "the Proposed Joint Ventures")

To facilitate the Proposed Joint Ventures, Powers of Attorney were executed on 15 November 2011 by the Hi Tech JV Partners and Astana granting in favour of SYFD the powers to deal in the Hi Tech Lands and Kiara Plaza Lands in respect of the development of the Proposed Joint Ventures ("Powers of Attorney").

Upon the implementation of the Proposed Joint Ventures, the principal activities of the SYF Group would be diversified to include property development.

## 2. DETAILS OF THE PROPOSED JOINT VENTURES

The Proposed Joint Ventures entails the joint venture between SYFD and the respective landowners to undertake the overall development, construction and completion thereof on both the Hi Tech Lands and Kiara Plaza Lands into its agreed development scheme.

### 2.1 Information on SYFD

SYFD was incorporated in Malaysia on 19 September 1989 under the Companies Act, 1965 ("Act") as a private limited company under the name of Twenty-One SJ Sdn Bhd. It subsequently changed its name to SYFD on 3 October 2011. SYFD is a wholly-owned subsidiary of SYF Venture Sdn Bhd which in turn is a wholly-owned subsidiary of SYF. Pursuant to the Proposed Joint Ventures, SYFD shall carry out the business of property development, which will include the development, design, construction and/or sale of the industrial and commercial properties on the Hi Tech Lands and Kiara Plaza Lands.

The authorised share capital of SYFD is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which RM2,100,000 comprising 2,100,000 ordinary shares of RM1.00 each are fully paid-up.

The directors of SYFD as at the date of this announcement are Ng Ah Chai and Cheong Yee Kiong.

### 2.2 Details of the Hi Tech Lands

The Hi Tech Lands comprises four (4) adjoining pieces of freehold industrial land identified as Lot Nos. 1329, 1719, 2114 and 2115, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan and has a total area of approximately 38.34 acres. The Hi Tech Lands are located off the eastern side of Jalan Sungai Lalang, Semenyih, Selangor Darul Ehsan and its immediate surrounding include detached and semi-detached factories, terrace factories, vacant industrial lands and agricultural lands.

The Hi Tech Lands are designated for industrial use and it is proposed to be developed into fifty four (54) units of semi-detached factories and two (2) units of detached factories together with the facilities, infrastructure and amenities. Lot Nos. 1329 and 1719 have been issued with planning permission on 12 August 2011 and 23 August 2011 respectively whilst planning permission for Lot Nos. 2114 and 2115 is being finalised and is expected to be submitted by the end of December 2011. The estimated gross development value for Hi Tech Lands is approximately RM85.1 million whilst the estimated gross development cost (inclusive of landowner's entitlement under the Hi Tech Lands JVA) is approximately RM71.2 million, yielding a development profit of RM13.9 million. The said development is expected to commence in the first quarter of 2012 and completed in 2014.

Summary details of the Hi Tech Lands are set out below:

Location	: Lot Nos. 1329, 1719, 2114 and 2115, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan
Tenure	: Freehold
Land area	: Lot No 1329: 21.75 acres Lot No 1719: 5.09 acres Lot No 2114: 5.79 acres Lot No 2115: 5.71 acres <b>Total : 38.34 acres</b>
Category of Land Use	: Industrial ( <i>Perusahaan</i> )

Express Conditions	: <i>Medium Industry (Industri Sederhana)</i>
Restriction-in-Interest	: Nil
Encumbrances/Restraint of dealings	: Lot No 1329: Charged to Public Bank Berhad Lot No 1719: Caveated by KSSB Lot No 2114: Nil Lot No 2115: Nil
Existing and proposed use	: Currently the Hi Tech Lands are vacant. Proposed to be developed into an industrial development
Market value	: <b>RM26,730,000</b> as appraised by KGV International Property Consultants (M) Sdn Bhd ("KGV") vide its report dated 27 October 2011 ("Hi Tech Lands Valuation Report") using Comparison approach as the primary valuation method and the Residual approach as a counter-check.

### 2.3 Details of the Kiara Plaza Lands

The Kiara Plaza Lands comprise five (5) adjoining pieces of freehold vacant commercial land identified as Lot Nos. PT 25263 to 25266 and PT 30291, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan and has a total area of approximately 5.02 acres. Kiara Plaza Lands are located at the approximate Batu 19, Jalan Semenyih, Semenyih, Selangor Darul Ehsan and is sited along the western side of Jalan Semenyih and its immediate surroundings comprise detached factories and vacant industrial lands.

The Kiara Plaza Lands are designated for commercial use and SYFD proposes to develop the Kiara Plaza Lands into a development scheme comprising of eight (8) units of three (3) storey shop offices, thirty six (36) units of double storey shop offices, the Kiara Plaza Hotel (as defined hereunder) and twenty six (26) storey service apartment comprising of three hundred and twelve (312) units together with such facilities, infrastructure and amenities for the time being known as Kiara Plaza.

*Note :- Kiara Plaza Hotel is defined as the proposed construction by the Developer for Astana of a ten (10) storey hotel together with such facilities and amenities*

The application and the layout plan for the said development have yet to be submitted to the relevant authorities for approval. The estimated gross development value for Kiara Plaza Land (excluding the Kiara Plaza Hotel) is approximately RM94.8 million whilst the estimated gross development cost (inclusive of landowner's entitlement) is approximately RM69.9 million, yielding a development profit of RM25.0 million. The said development is expected to commence in mid 2012 and completed in 2015.

Summary details of the Kiara Plaza Lands are set out below:

Location	: Lot Nos. PT 25263 to 25266 and PT 30291, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan
Tenure	: Freehold

Land area	: Lot No 25263: 1.204 acres Lot No 25264: 1.204 acres Lot No 25265: 1.204 acres Lot No 25266: 0.994 acres Lot No PT30291: 0.412 acres <b>Total: 5.02 acres (approximate)</b>
Category of Land Use	: Building
Express Conditions	: Commercial Building
Restriction-in-Interest	: Nil
Encumbrances/Restraint of dealings	: All the parcels of Kiara Plaza Lands are caveated by Astana
Other matters	: By a Sale and Purchase Agreement dated 12 September 2011 made between Pioneerfield Capital Sdn Bhd, a company incorporated in Malaysia under the Act ("Pioneerfield") and Astana, Pioneerfield had agreed to sell and Astana had agreed to purchase the Kiara Plaza Lands upon the terms and subject to the conditions therein contained ("Kiara Plaza SPA").  The completion of the Kiara Plaza SPA and the transfer of the Kiara Plaza Lands to Astana as the registered owner are currently pending.  The cash consideration payable by Astana under the Kiara Plaza SPA is RM14,848,140.
Existing and proposed use	: Currently the Kiara Plaza Lands are vacant. Proposed to be developed into a commercial development
Market value	: <b>RM16,375,000</b> as appraised by KGV vide its report dated 25 October 2011 ("Kiara Plaza Lands Valuation Report") using Comparison Method

## 2.4 Salient terms of the Hi Tech JVA

In consideration of mutual covenants and undertaking contained in the Hi Tech JVA, the Hi Tech JV Partners agree to appoint SYFD as the developer to undertake, carry out and successfully completed the development project on the Hi Tech Lands together with the facilities, infrastructure and amenities in accordance with the approved plans as set out in the Hi Tech JVA and for the entire project management and the sales, financial and entire administration of the Proposed Hi Tech Joint Venture. The other salient terms of the Proposed Hi Tech Joint Venture are as follows:

### 2.4.1 Conditions Precedent

The Hi Tech JVA is subject to and conditional upon the fulfillment of all of the following conditions:

- (i) SYFD receiving a certified true copy of the issue document of title to the Hi Tech Lands reflecting the conversion of the category of land use, where applicable, of the Hi Tech Lands from its present status to "Industrial" or such

other category of land use with such express conditions acceptable to SYFD for the purpose of the Proposed Hi Tech Joint Venture;

- (ii) SYFD obtaining the necessary approvals from the relevant authorities for the Proposed Hi Tech Joint Venture;
- (iii) SYFD obtaining and/or procuring the approval of the shareholders of SYF in a general meeting to undertake the Proposed Hi Tech Joint Venture and for SYFD to undertake the Proposed Kiara Plaza Joint Venture;
- (iv) SYFD obtaining and/or procuring the approval of the holders of the redeemable convertible secured loan stocks with an aggregate nominal value of RM25,679,325 only issued by SYF; and
- (v) KSSB obtaining and/or procuring the approval of its directors and shareholders in a general meeting accepting and approving the transactions contemplated in the Hi Tech JVA.

If any of the above conditions precedent are not fulfilled for reasons not attributable to SYFD or the Hi Tech JV Partners within one (1) year from the date of the Hi Tech JVA save where it is extended by the parties for such period of time as the parties shall mutually agree upon, the Hi Tech JVA shall be deemed terminated and shall be null and void and of no further force or effect whatsoever against each other.

If any of the conditions precedent are not fulfilled for reasons attributable to the Hi Tech JV Partners, then SYFD is entitled to:

- (i) terminate and rescind the Hi Tech JVA without prejudice to such other remedies as may be available to SYFD; and
- (ii) compensation from the defaulting Hi Tech JV Partner of such amount of monies which SYFD would have received towards the aggregate Gross Development Value of the land owned by the defaulting Hi Tech JV Partner if the Proposed Hi Tech Joint Venture or such part thereof was completed on the land owned by the defaulting Hi Tech JV Partner if not for the breach of the defaulting Hi Tech JV Partner; or
- (iii) the remedy of specific performance and all reliefs flowing therefrom and without prejudice to any right of SYFD to claim damages for the breach by the defaulting Hi Tech JV Partner.

Upon all the conditions precedent being fulfilled or waived in writing by SYFD in accordance with the provisions of the Hi Tech JVA, the Hi Tech JVA shall become unconditional and shall be completed in the manner provided in the Hi Tech JVA ("Effective Date of the High Tech JVA").

"Gross Development Value" shall mean, in relation to the individual units of semi-detached and detached factories to be erected on the Hi Tech Lands ("Hi Tech Units"), the price at which a Hi Tech Unit might reasonably be expected to be sold to a willing purchaser.

#### **2.4.2 Landowner's and The Developer's Respective Entitlement**

For the Hi Tech Lands, each Hi Tech JV Partner is entitled to a sum equivalent to thirty percent (30%) of the Gross Development Value attributable to the land owned by that Hi Tech JV Partner; OR a sum of RM650,000 only per acre of the land owned by that Hi Tech JV Partner whichever is the higher ("Hi Tech JV Partners'

Entitlement"). SYFD is entitled to the remaining seventy percent (70%) of the aggregate Gross Development Value attributable to the Hi Tech Lands.

Subject to provisions of the Hi Tech JVA, SYFD shall settle the Hi Tech JV Partners' Entitlement by paying to the respective Hi Tech JV Partner such sum of monies from the proceeds which SYFD receives from time to time, from the sale of a Hi Tech Unit situated on the land owned by that Hi Tech JV Partner within fourteen (14) days from its receipt of same from the end-purchaser of a Hi Tech Unit or its financier.

If there are Hi Tech Units which remains unsold by SYFD after three (3) years from the Effective Date of the Hi Tech JVA thereby resulting a Hi Tech JV Partner not receiving its entitlement in full ("Balance Entitlement"), SYFD shall be entitled to determine and allocate such number of Hi Tech Units to the said Hi Tech JV Partner sufficient to settle the Balance Entitlement ("Hi Tech JV Partners' Units"). Save for the Hi Tech JV Partners' Units, SYFD is entitled to the remaining Hi Tech Units.

#### **2.4.3 Vacant Possession**

SYFD shall hand over to the Hi Tech JV Partners and let the Hi Tech JV Partners into vacant possession of the Hi Tech JV Partners' Units subject to the issue by the SYFD's architect of a certificate certifying that the construction of the Hi Tech JV Partners' Units have been practically completed and water and electricity supply are ready for connection and PROVIDED THAT such possession shall neither give the Hi Tech JV Partners the right to occupy alter nor renovate the Hi Tech JV Partners' Units and the Hi Tech JV Partners shall neither occupy alter nor renovate the Hi Tech JV Partners' Units until such time as the requisite certificate of completion and compliance for the Hi Tech JV Partners' Units are issued. Upon the expiry of fourteen (14) days from the date of a notice from SYFD requesting the Hi Tech JV Partners to take possession of the Hi Tech JV Partners' Units, whether or not the Hi Tech JV Partners have actually entered into possession or occupation thereof, the Hi Tech JV Partners shall be deemed to have taken delivery of vacant possession thereof and SYFD shall not thereafter be liable for any loss and/or damage to the Hi Tech JV Partners' Units.

#### **2.4.4 Termination**

Upon the occurrence of any of the following events:

- (a) if any party shall fail, refuse or neglect to take all necessary action to completely and/or fully remedy and/or cure any breach or default of the Hi Tech JVA within thirty (30) days from the date of service of any written notice by the other party complaining of such breach and/or default; or
- (b) if any party ceases or threatens to cease to carry on the whole or any substantial part of their business or go into voluntary liquidation otherwise than for the purpose of reconstruction or amalgamation or a petition or an order or resolution is made for their bankruptcy or winding up or compulsory liquidation or it shall have a receiving order made against them or are unable to pay their debts or enter into any composition or arrangement with its creditors or a receiver or receiver and manager is appointed over the whole or any part of its undertaking or assets; or
- (c) if a distress or execution is levied or issued against any asset or property of any party or all or a substantial part of their assets are expropriated or otherwise placed under the direct control of any government; or
- (d) if any party shall have made any misrepresentation or warranty to induce the other party to enter into the Hi Tech JVA;

THEN:

- (i) if the above is solely attributable to SYFD subject to the affected Hi Tech JV Partner having complied with its obligations hereunder, the affected Hi Tech JV Partner ("Non-Defaulting JV Party") shall have the right to give not less than seven (7) days' written notice terminating the Hi Tech JVA in which event:
  - (aa) the Hi Tech JVA shall terminate and have no further force or effect on the date specified in such termination notice or upon expiry of the said seven (7) days.

Such right of termination shall be in addition to and not in substitution for any other remedies that may be available to the Non-Defaulting JV Party and any termination in the exercise of such right shall not relieve any party from any obligation accrued to the date of termination or release SYFD from any liability and damages to the Non-Defaulting JV Party for breach of the Hi Tech JVA and shall be without prejudice to any right of the Non-Defaulting JV Party to sue SYFD for any antecedent breach of the Hi Tech JVA; and
  - (bb) the Non-Defaulting JV Party shall be entitled to possession of the said Land owned by the Non-Defaulting JV Party and shall be entitled in its absolute discretion to enter into an agreement with any party to complete the Proposed Hi Tech Joint Venture.
- (ii) if the above is attributable to a Hi Tech JV Partner who is in default ("Defaulting JV Party"):
  - (aa) SYFD shall have the right to give not less than seven (7) days' written notice terminating the Hi Tech JVA as against the Defaulting JV Party only in which event the Hi Tech JVA shall terminate and have no further force or effect on the date specified in such termination notice or upon expiry of the said seven (7) days. Such right of termination shall be in addition to and not in substitution for any other remedies that may be available to SYFD and any termination in the exercise of such right shall not relieve any party from any obligation accrued to the date of termination or release the Defaulting JV Party from any liability and damages to SYFD for breach of the Hi Tech JVA and shall be without prejudice to any right of SYFD to sue the Defaulting JV Party for any antecedent breach of the Hi Tech JVA; and
  - (bb) the Defaulting JV Party agrees to compensate SYFD such amount of monies which SYFD would have received towards the aggregate Gross Development Value of the land owned by the Defaulting JV Party if the Proposed Hi Tech Joint Venture or such part thereof was completed on the said Land owned by the Defaulting JV Party if not for the breach of the Defaulting JV Party. To this end, the Hi Tech JV Partners hereby agree and accept the aggregate Gross Development Value in respect of the Hi Tech Lands as being reasonable and foreseeable as supported by the valuation report and the feasibility report prepared by KGV International Property Consultants for the Proposed Hi Tech Joint Venture (which reports are hereby acknowledged, understood and agreed by the Hi Tech JV Partners); OR
  - (cc) be entitled to the remedy of specific performance of the Hi Tech JVA and all reliefs flowing therefrom and without prejudice to any right of SYFD to claim damages for the breach by the Defaulting JV Party.

#### **2.4.5 Powers of Attorney**

The Hi Tech JV Partners shall simultaneously with the execution of the Hi Tech JVA, execute, grant and deliver to SYFD and/or its nominees an irrevocable power of attorney or such other authorisation as may at any time and from time to time be requested by SYFD in connection with any of the matters for the Proposed Hi Tech JVA and shall not revoke, amend, vary or alter any authority or instruction formerly given to SYFD in connection with the Proposed Hi Tech JVA or any part thereof on which SYFD has acted or relied upon in any material respect.

#### **2.5 Salient terms of the Proposed Kiara Plaza Venture**

In consideration of mutual covenants and undertaking contained in the Kiara Plaza JVA, Astana agrees to appoint SYFD as the developer to undertake, carry out and successfully complete the development project on the Kiara Plaza Lands together with the facilities, infrastructure and amenities in accordance with the approved plans as set out in the Kiara Plaza JVA and for the entire project management and the sales, financial and entire administration of the Proposed Kiara Plaza Joint Venture. The other salient terms of the Proposed Kiara Plaza Joint Venture are as follows:

##### **2.5.1 Conditions Precedent**

The Kiara Plaza JVA is subject to and conditional upon the fulfillment of all of the following conditions:

- (i) the completion of the Kiara Plaza SPA in accordance with its terms;
- (ii) SYFD receiving a certified true copy of the issue document of title to the Kiara Plaza Lands reflecting (i) Astana as the registered owner of the Kiara Plaza Lands and (ii) the conversion of the category of land use, where applicable, of the Kiara Plaza Lands from its present status to "Industrial" or such other category of land use with such express conditions acceptable to SYFD for the purpose of the Proposed Kiara Plaza Joint Venture;
- (iii) SYFD obtaining the necessary approvals from the relevant authorities for the Proposed Kiara Plaza Joint Venture;
- (iv) SYFD obtaining and/or procuring the approval of the shareholders of SYF in a general meeting to undertake the Proposed Kiara Plaza Joint Venture and for SYFD to undertake the Proposed Hi Tech Joint Venture;
- (v) SYFD obtaining and/or procuring the approval of the holders of the redeemable convertible secured loan stocks with an aggregate nominal value of RM25,679,325 only issued by SYF; and
- (vi) Astana obtaining and/or procuring the approval of its directors and shareholders in a general meeting accepting and approving the transactions contemplated in the Kiara Plaza JVA.

If any of the above conditions precedent are not fulfilled for reasons not attributable to SYFD or Astana within one (1) year from the date of the Kiara Plaza JVA save where it is extended by the parties for such period of time as the parties shall mutually agree upon, the Kiara Plaza JVA shall be deemed terminated and shall be null and void and of no further force or effect whatsoever against each other.

If any of the conditions precedent are not fulfilled for reasons attributable to Astana, then SYFD is entitled to:



- (i) terminate and rescind the Kiara Plaza JVA without prejudice to such other remedies as may be available to SYFD; and
- (ii) compensation from Astana of such amount of monies which SYFD would have received towards the aggregate Gross Development Value of the Kiara Plaza Lands if the Proposed Kiara Plaza Joint Venture or such part thereof was completed on the Kiara Plaza Lands if not for the breach of Astana; or
- (iii) the remedy of specific performance and all reliefs flowing therefrom and without prejudice to any right of SYFD to claim damages for the breach by Astana.

Upon all the conditions precedent being fulfilled or waived in writing by SYFD in accordance with the provisions of the Kiara Plaza JVA, the Kiara Plaza JVA shall become unconditional and shall be completed in the manner provided in the Kiara Plaza JVA ("Effective Date of the Kiara Plaza JVA").

### **2.5.2 Landowner's and The Developer's Respective Entitlement**

For the Kiara Plaza Lands, Astana is entitled to a sum equivalent to twenty percent (20%) of the aggregate GDV; OR a sum of RM18,968,000 whichever is the higher ("Astana's Entitlement"). SYFD is entitled to the remaining eighty percent (80%) of the aggregate GDV.

Subject to provisions of the Kiara Plaza JVA, SYFD shall settle Astana's Entitlement by paying to Astana such sum of monies from the proceeds which SYFD receives from time to time, from the sale of a Kiara Plaza Unit situated on the Kiara Plaza Lands within fourteen (14) days from its receipt of same from the end-purchaser of a Kiara Plaza Unit or its financier.

If there are Kiara Plaza Units which remains unsold by SYFD after three (3) years from the Effective Date of the Kiara Plaza JVA thereby resulting Astana not receiving its entitlement in full ("Astana's Balance Entitlement"), SYFD shall be entitled to determine and allocate such number of Kiara Plaza Units to Astana sufficient to settle Astana's Balance Entitlement ("Astana's Units"). Save for the Astana's Units, SYFD is entitled to the remaining Units.

For the Kiara Plaza Hotel, SYFD shall be entitled to and Astana shall pay to SYFD a sum equivalent to the Development Cost together with an additional ten percent (10%) of the Development Cost within fourteen (14) days from the date of the notice issued by SYFD to Astana requesting for such payment or such other date as may be specified in the said notice.

"Development Cost" shall mean the aggregate of all costs, fees and expenses or otherwise wholly and exclusively expended or incurred by SYFD in relation to the development and construction of the Kiara Plaza Hotel.

"GDV" shall mean, the price at which a Kiara Plaza Unit might reasonably be expected to be sold to a willing purchaser.

"Kiara Plaza Hotel" shall mean the ten (10) storey hotel together with such facilities and amenities as may be deemed necessary by the relevant authorities and/or SYFD to be constructed by SYFD for Astana on the Kiara Plaza Lands.

"Kiara Plaza Units" shall mean the eight (8) units of three (3) storey shop offices, thirty six (36) units of double (2) storey shop offices and the three hundred and twelve (312) units of service apartments to be erected on the Kiara Plaza Lands.

### **2.5.3 Vacant Possession**

SYFD shall hand over to Astana and let Astana into vacant possession of the Astana's Units and the Kiara Plaza Hotel subject to the issue by SYFD's architect of a certificate certifying that the construction of the Astana's Units and the Kiara Plaza Hotel have been practically completed and water and electricity supply are ready for connection and PROVIDED THAT such possession shall neither give Astana the right to occupy alter nor renovate the Astana's Units and the Kiara Plaza Hotel and Astana shall neither occupy alter nor renovate the Astana's Units and the Kiara Plaza Hotel until such time as the requisite certificate of completion and compliance for the Astana's Units and the Kiara Plaza Hotel are issued. Upon the expiry of fourteen (14) days from the date of a notice from SYFD requesting Astana to take possession of the Astana's Units and the Kiara Plaza Hotel, whether or not Astana has actually entered into possession or occupation thereof, Astana shall be deemed to have taken delivery of vacant possession thereof and SYFD shall not thereafter be liable for any loss and/or damage to the Astana's Units and the Kiara Plaza Hotel.

### **2.5.4 Termination**

Upon the occurrence of any of the following events:

- (a) if any party shall fail, refuse or neglect to take all necessary action to completely and/or fully remedy and/or cure any breach or default of the Kiara Plaza JVA within thirty (30) days from the date of service of any written notice by the other party complaining of such breach and/or default; or
- (b) if any party ceases or threatens to cease to carry on the whole or any substantial part of their business or go into voluntary liquidation otherwise than for the purpose of reconstruction or amalgamation or a petition or an order or resolution is made for their bankruptcy or winding up or compulsory liquidation or it shall have a receiving order made against them or are unable to pay their debts or enter into any composition or arrangement with its creditors or a receiver or receiver and manager is appointed over the whole or any part of its undertaking or assets; or
- (c) if a distress or execution is levied or issued against any asset or property of any party or all or a substantial part of their assets are expropriated or otherwise placed under the direct control of any government; or
- (d) if any party shall have made any misrepresentation or warranty to induce the other party to enter into the Kiara Plaza JVA;

THEN:

- (i) if the above is solely attributable to SYFD subject to Astana having complied with its obligations hereunder, Astana shall have the right to give not less than seven (7) days' written notice terminating the Kiara Plaza JVA in which event:
  - (aa) the Kiara Plaza JVA shall terminate and have no further force or effect on the date specified in such termination notice or upon expiry of the said seven (7) days.

Such right of termination shall be in addition to and not in substitution for any other remedies that may be available to Astana and any termination in the exercise of such right shall not relieve any party from any obligation accrued to the date of termination or release SYFD from any liability and damages to Astana for breach of the Kiara Plaza JVA and shall be without prejudice to any right of Astana to sue SYFD for any antecedent breach of the Kiara Plaza JVA; and

- (bb) Astana shall be entitled to possession of Kiara Plaza Lands and shall be entitled in its absolute discretion to enter into an agreement with any party to complete the Proposed Kiara Plaza Joint Venture.
- (ii) if the above is attributable to Astana:
- (aa) SYFD shall have the right to give not less than seven (7) days' written notice terminating the Kiara Plaza JVA in which event the Kiara Plaza JVA shall terminate and have no further force or effect on the date specified in such termination notice or upon expiry of the said seven (7) days. Such right of termination shall be in addition to and not in substitution for any other remedies that may be available to SYFD and any termination in the exercise of such right shall not relieve any party from any obligation accrued to the date of termination or release Astana from any liability and damages to SYFD for breach of the Kiara Plaza JVA and shall be without prejudice to any right of SYFD to sue Astana for any antecedent breach of the Kiara Plaza JVA; and
  - (bb) Astana agrees to compensate SYFD such amount of monies which SYFD would have received towards the aggregate GDV of the said Lands if the Proposed Kiara Plaza Joint Venture or such part thereof was completed on the said Lands if not for the breach of Astana. To this end, Astana hereby agrees and accepts the aggregate GDV in respect of the said Lands as being reasonable and foreseeable as supported by the valuation report and the feasibility report prepared by KGV International Property Consultants (which reports are hereby acknowledged, understood and agreed by Astana); OR
  - (cc) be entitled to the remedy of specific performance of the Kiara Plaza JVA and all reliefs flowing therefrom and without prejudice to any right of SYFD to claim damages for the breach by Astana.

### **2.5.5 Powers of Attorney**

Astana shall simultaneously with the execution of the Kiara Plaza JVA, execute to grant and deliver to SYFD and/or its nominees (subject to Astana being the registered owner of the Kiara Plaza Lands) an irrevocable power of attorney or such other authorisation as may at any time and from time to time be requested by SYFD in connection with any of the matters herein and shall not revoke, amend, vary or alter any authority or instruction formerly given to SYFD in connection with the Proposed Kiara Plaza Joint Venture or any part thereof on which SYFD has acted or relied upon in any material respect.

### **2.6 Basis and justification of the JV Consideration**

The landowners' entitlement was arrived at between SYFD and Hi Tech JV Partners and Astana on a "willing buyer-willing seller" basis after taking consideration the following:

- (i) the market value of the Hi Tech Lands and Kiara Plaza Lands of RM26,730,000 and RM16,375,000 respectively as appraised by KGV, an independent registered valuer ("Valuation Reports"); and
- (ii) the development potential and prospects of the Hi Tech Lands and Kiara Plaza Lands as set out in Section 5.3 below.

The aggregate minimum landowners' entitlement of RM43,895,500 pursuant to the Hi Tech JVA and Kiara Plaza JVA represents a premium of approximately only RM790,500 (or about 2%) to the aggregate market value of the Hi Tech Lands and Kiara Plaza Lands of RM43,105,000 as appraised by the KGV.

## **2.6 Source of funding**

SYFD intends to finance the development of Proposed Joint Ventures through internally generated funds and/or bank borrowings. The proportion which will be financed via bank borrowings has yet to be determined as at the date of this announcement.

## **2.7 Assumption of liabilities**

SYF will not assume any other liabilities, including contingent liability and guarantee arising from the Proposed Joint Ventures, other than the cost and expenses to be incurred in relation to the Proposed Joint Ventures as set out in the JVAs.

## **2.8 Information on joint venture partners**

KSSB was incorporated in Malaysia on 21 November 2007 under the Act as a private limited company. The authorised share capital of KSSB is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which RM6,000,000 comprising 6,000,000 ordinary shares of RM1.00 each are fully paid-up. The Directors of KSSB are Datuk Chee Hong Leong and Chee Chik Eng. The shareholders of KSSB are Ng Ah Chai, Madam Chee, Datuk Chee Hong Leong and Chee Chik Eng . Please refer to Section 9 of this Announcement for further details of the interest of the Directors and major shareholder of SYF in the Proposed Joint Ventures.

Astana is a wholly-owned subsidiary of KSSB. The Directors of Astana are Datuk Chee Hong Leong and Chee Chik Eng. KSSB and Astana are principally involved in property development. KSSB has undertaken property development projects in the vicinity of Semenyih, Selangor Darul Ehsan.

Madam Chee is the spouse of Ng Ah Chai and sister of Chee Chik Eng. The Third Party JV are landowners of certain parcels of the Hi Tech Lands.

## **3. DETAILS OF THE PROPOSED DIVERSIFICATION**

Upon the implementation of the Proposed Joint Ventures, the principal activities of the SYF Group are expected to be diversified to include property development. Based on the estimated gross development value under the Proposed Joint Ventures, the future contribution of the Proposed Joint Ventures to the net profits of the SYF Group may be more than twenty five per cent (25%). Accordingly, SYF would be seeking the approval of its shareholders for the Proposed Diversification pursuant to Paragraph 10.13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

#### **4. RATIONALE FOR THE PROPOSALS**

The principal activity of SYF is investment holding whilst its subsidiaries are principally engaged in rubberwood material processing, furniture manufacturing and export of moulded timber, furniture and furniture products. The Proposed Diversification represents part of SYF's long term strategy to diversify into other industry with strong growth prospects instead of depending mainly on SYF's furniture business which have been adversely impacted by amongst others, the global economic downturn, the strengthening of the RM relative to the USD (which affected overseas sales), as well as the increase in raw material prices for the manufacturing of finished furniture products which eroded profit margins.

The Directors of SYF are of the opinion that diversifying into property development business will offer good growth prospects for the Group in the long term given the said industry's dynamism and the Group can leverage on the competencies and experience of the Directors and key management of the Group in the existing property development business. In addition, the Proposed Diversification will potentially provide the Group with another stream of revenue and diversifies its earnings base. In addition, the Board has also appointed KGV to conduct a market study on the development of the Hi Tech Lands and Kiara Plaza Lands. KGV had vide its reports dated 10 November 2011 ("Feasibility Reports") assessed the said developments, their impact on the property market in Semenyih and the marketability of the said developments. After taking into consideration of the results of the Feasibility Reports, the Board is of the view that the said developments are viable.

#### **5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS**

##### **5.1 Overview and Outlook of the Malaysian Economy**

The Malaysian economy continued to expand despite a more challenging external environment. Real Gross Domestic Product ("GDP") registered a growth of 4.4% during the first half of 2011. The moderation was due to slowing exports following the weaker-than expected United States ("USA") economic performance, deepening euro sovereign debt crisis, global supply chain disruptions resulting from earthquake and tsunami in Japan as well as rising global inflation. The moderation was also partly attributed to the high-base effect as GDP grew at a strong pace of 9.5% during the same period in 2010. However, the growth momentum is expected to pick up in the second half of the year on the back of resilient private consumption and strong private investment. Growth will also be supported by the acceleration of public infrastructure projects and sustained strong exports of commodities and resource-based manufactured goods. Against this backdrop, the Malaysian economy is projected to grow 5%-5.5% in 2011 (2010: 7.2%)

*(Source: Economic Report 2011- 2012, Ministry of Finance)*

##### **5.2 Overview of the real estate, residential and non-residential sub-sectors**

At the end of Q2 2011, the existing stock of residential properties stood at 4,466,062 units, including the completions of 11,780 units. A marginal increase from 4,454,282 units was noted against Q1 2011. During the past four quarters, a total of 73,964 housing units were completed. The average number of completed units within the period was 18,491 units per quarter. The highest number of completions recorded was 25,516 units (Q3 2010) whilst the lowest was in the review quarter. The incoming supply increased by 2.4% from 547,751 units recorded in Q1 2011 to 560,636 units. The figure was an additional of 6.3% from 527,419 units (Q on Q).

The past four quarters saw a total of 99,184 houses commenced construction. The total comprised 20,738 units (Q3 2010), 24,612 units (Q4 2010), 29,169 units (Q1 2011) and 24,665 units (Q2 2011). In the review quarter, planned supply was 665,699 units, a marginal decrease from 670,999 units recorded in the previous

quarter. On the other hand, a marginal increase from 665,134 units was registered against Q2 2010.

### **Residential Property**

Existing residential units increased from 4,454,282 units (Q1 2011) to 4,466,062 units, contributed by the completion of 11,780 units in the review quarter. Selangor Darul Ehsan continued her dominance with 28.8% of the total, followed by Johor, Kuala Lumpur and Perak, each with 15.1%, 9.3% and 8.6% respectively. By types, terraced units formed 40.2% (1,797,378 units) of the total, comprised predominantly 2-3 storey (948,489 units) and single storey terraced houses (848,889 units).

### **Shops**

There were 369,132 shops available in the market with the completions of 1,478 units at the end of Q2 2011. The numbers increased marginally from 367,721 units in Q1 2011. It recorded an increase of 2.4% from 360,530 units (Q on Q). In the past four quarters, a total of 7,648 units were completed. The average number of completed units within the period was 1,912 units per quarter. The highest number of completions recorded was 2,550 units (Q3 2010) whilst the lowest was in the review quarter. Incoming supply of shops increased marginally to 49,734 units when compared to Q1 2011 (48,799 units) as starts outnumbered completions during the review quarter. Similarly, a marginal increase from 47,815 units was observed (Q on Q).

### **Shopping Complexes**

The development of shopping complexes was mixed in the review quarter. At the end of Q2 2011, the existing retail space stood at 10,776,927 square metres with 18,120 square metres (4 buildings) added in the review quarter. The total space was offered by 776 commercial complexes across the country. The retail space increased marginally from 10,751,894 square metres. (Q1 2011). During the review quarter, a building in Kuala Lumpur with a total retail space of 42,097 square metres ceased operation and is currently undergoing major renovation. Similarly, it noted an increase of 3.9% from 10,369,392 square metres (Q on Q). During the past four quarters, the total retail space which entered the market was 442,338 square metres, contributed by the completions of 29 new shopping complexes. The highest retail space completions recorded was 172,958 square metres (11 buildings) in Q1 2011 whilst the lowest was in the review quarter.

### **Purpose-Built Office Buildings**

The existing supply of office space in purpose-built office buildings stood at 16,913,493 square metres, retaining the same number recorded in the previous quarter. Against Q2 2010, it noted an increase of 2.9% from 16,431,260 square metres. No completion was recorded in the review period. In the past four quarters, a total of 408,154 square metres of office space from 20 buildings entered the market. The highest completed space was 246,951 square metres (11 buildings) in Q1 2011 whilst none was recorded in the review quarter. The incoming supply increased marginally from 2,839,332 square metres to 2,840,179 square metres. This small increase was attributed to only 847 square metres of space that commenced construction as against nil completion in the review quarter. However, it recorded a substantial increase of 23.1% from 2,306,360 square metres (quarter-on-quarter).

### **Industrial Units**

The review period saw a marginal increase of existing industrial units to 93,384 units as against 93,278 units recorded in Q1 2011. The marginal increase was contributed by 106 completed factories. In the past four quarters, a total of 502 units of factories were completed. The highest completions were 302 units (Q4 2010) whilst the lowest was 42 units (Q1 2011).

The incoming supply was 7,808 units, a marginal increase from 7,799 units (Q1 2011). It noted a 4.6% increase from 7,464 units (Q on Q). The past four quarters saw a total of 748 factories commenced construction. Likewise, the planned supply increased marginally from 22,447 units (Q1 2011) to 22,765 units. Similarly, it recorded an increase of 2.4% from 22,224 units (Q on Q).

### **Leisure Property Sub-Sector**

Generally, the performance of the leisure property sub-sector sustained. At the end of Q2 2011, there were 171,130 rooms offered by 2,455 hotels across the country, a marginal increase from 170,882 rooms (Q1 2011). The marginal increase was due to only one new hotel with a total of 104 rooms entered the market in the review quarter. At the same time, the addition of 571 rooms to 14 hotels and the conversion of two shop units to hotels with a total 99 rooms had also resulted in the marginal increase in the number of hotel rooms. The number of hotel rooms increased by 2.7% from 166,659 rooms offered by 2,398 hotels (quarter-on-quarter).

*(Source: Property Stock Report Quarter 2, 2011, Valuation & Property Services Department, Ministry of Finance)*

## **5.3 Prospects of the Proposed Joint Ventures**

The Proposed Joint Ventures is expected to be well received as it is sited in-between the Kajang and Semenyih towns and it is considered a growth corridor.

*According to the Valuation Reports and the Feasibility Reports, a number of new industrial schemes were launched in the Semenyih locality and some were reported to have been fully sold. The recent entry of SP Setia augurs well for the Semenyih locality. The newly opened Lebuhraya Kajang-Seremban (LEKAS) together with the Silk Highway and Kajang-Semenyih By-Pass further enhances the accessibility to the locality."*

*(Source: The Management of KSSB)*

## **6. RISK FACTORS**

The potential risk factors in relation to the Proposals, if implemented/undertaken, which may not be exhaustive, are as follows:

### **6.1 Business risk**

Pursuant to the implementation/undertaking of the Proposals, the SYF Group will be subject to risks inherent to the property development. These may include, amongst others, general economic downturn in the global and regional economy, entry of new players, socio-political instability, changes in demand and oversupply of properties, increases in the costs of labour and building materials, labour and building materials disruptions/shortages, changes in credit conditions and changes in the legal and environment framework within which this industry operate.

Although the SYF Group will seek to limit these risks through, *inter-alia*, effective human resource and project management and cost-control policy, implementing

prudent business strategies, keeping abreast with the latest development in the industry and continuously review the operations and marketing strategies, no assurance can be given that any changes to these risks will not have a material adverse effect on the SYF Group's business and earnings in the future.

## **6.2 Business diversification risk**

The SYF Group is principally engaged in rubberwood material processing, furniture manufacturing and export of moulded timber, furniture and furniture products. As the implementation of the Proposed Joint Ventures would result in diversification of the SYF Group's business to include property development, the SYF Group will be subject to new challenges and risks arising from property development business in which the SYF Group has not been directly participating in the past. The SYF Group seeks to mitigate these risks by leveraging on the competencies and experience of the senior management of SYF who has been involved in the property development sector and also to hire/outsource to the relevant professionals.

However, there is no assurance that the loss of any Director(s) and key management personnel may not adversely affect the SYF Group's ability to succeed and compete in the property development business.

## **6.3 Political, economic and environmental considerations**

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial and prospects of the Proposed Joint Ventures. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introduction of new rules or regulation, changes in interest rates, inflation and taxation and political leadership. In mitigating such risk, the SYF Group will continue to review its business development strategies in response to the changes in political and economic conditions.

## **6.4 Competition**

Upon the diversification of its businesses, the SYF Group will face direct competition from both new entrants and existing players in the property development industry. The SYF Group may also face disadvantages as a new entrant in the property development industry as it lacks of track record as compared to the existing players which enjoy the privilege on their established brand name and reputation in the industry.

## **6.5 Completion risk and delay in completion**

There is always a potential risk that the returns from the Proposed Joint Ventures may have a longer payback period than expected or the investment in the Proposed Joint Ventures may not generate the expected return due to various factors including, *inter-alia*, increased in development and/or construction costs, unavailability of skill manpower, delay in completion of project and obtaining approvals from the relevant authorities for the development, securing adequate funding for the Proposed Joint Ventures and a ready market would be available for the developed units in Kiara Plaza and Semenyih Hi Tech in the future. Adverse developments in respect of these factors can lead to interruptions or delays in completing a project, which can consequently result in cost overruns and affect the profitability and cash flows of the SYF Group. The SYF Group also intends to mitigate the risk by developing the Hi Tech Lands and Kiara Plaza Lands in stages and to closely supervise the progress of the Proposed Joint Ventures and manage its cashflows.



## **6.6 Financing Risk**

The development costs of the development under the Proposed Joint Ventures are to be borne by SYFD and are expected to be funded through a combination of internally generated funds and/or bank borrowings. If bank borrowings are secured to fund the development costs, the gearing level of the Group will increase and any adverse movement in the interest rates may have a significant impact on the project costs which could adversely affect the Group's financial performance in the future.

Nonetheless, the management of SYF will continuously monitor and adjust development and marketing strategies in response to changes in economic conditions and market demand and that the Proposed Joint Ventures are carried out with due care and proper judgement.

## **7. APPROVALS REQUIRED**

The Proposals are conditional upon approvals being obtained from the following:

- (a) shareholders of SYF at an extraordinary general meeting ("EGM") to be convened for the Proposals; and
- (b) other authorities/parties mentioned in Sections 2.4.1 and 2.5.1 above.

The Proposed Joint Ventures is conditional upon the conditions precedent of both the Plaza Hi Tech JVA and Kiara JVA which includes fulfillment of the completion of the Kiara Plaza SPA in respect of the Proposed Kiara Plaza Joint Venture. Save for the requirement of SYF shareholders' approval for the Proposed Joint Ventures collectively, the Proposed Kiara Plaza Joint Venture and Proposed Hi Tech Joint Venture are not inter-conditional upon each other.

The Proposed Diversification and the Proposed Joint Ventures are inter-conditional upon each other. The Proposals are not conditional upon any other corporate exercise undertaken by SYF (if any).

## **8. FINANCIAL EFFECTS OF THE PROPOSALS**

### **8.1 Share capital and substantial shareholders' shareholdings**

The Proposals, if implemented, will not have any effect on the issued and paid-up share capital and shareholdings of the substantial shareholders in SYF as there will not be any issuance of securities by SYF.

### **8.2 Earnings**

Barring any unforeseen circumstances, the Proposals, if implemented, are expected to contribute positively to the earnings of the SYF Group (and consequentially its earnings per share) commencing from the financial year ending 31 July 2012.

### **8.3 Net Assets ("NA") and gearing**

Barring any unforeseen circumstances, the Proposals, if implemented, are expected to enhance the NA of the SYF Group through the improvement in earnings commencing from the financial year ending 31 July 2012.

As the SYF Group intends to partly fund the development costs through bank borrowings which have yet to be finalised at this juncture, thus the gearing of the SYF Group may increase in the future depending on the level of funding raised for the Proposed Joint Ventures.

## 9. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, none of the other Directors, major shareholders of SYF and/or persons connected to them have any interest, direct or indirect, in the Proposals.

Ng Ah Chai, a Director and major shareholder of SYF is also a major shareholder of KSSB. As such, Ng Ah Chai is deemed interested in the Proposed Joint Ventures. Madam Chee is the spouse of Ng Ah Chai and sister of Chee Chik Eng.

Datuk Chee Hong Leong, a Director of SYF is also a Director in both Astana and KSSB as well as a major shareholder of KSSB. As such, Datuk Chee Hong Leong is deemed interested in the Proposed Joint Ventures.

By virtue of the inter-conditionality among the Proposed Joint Ventures and Proposed Diversification, Ng Ah Chai and Datuk Chee Hong Leong are therefore deemed interested in the Proposed Diversification.

Accordingly, Ng Ah Chai will abstain from voting in respect of his shareholdings in SYF on the resolutions pertaining to the Proposals to be tabled at the EGM to be convened. In addition, Ng Ah Chai shall undertake to ensure that persons connected to him shall abstain from voting in respect of their direct/indirect shareholdings in SYF, if any, on the resolutions pertaining to the Proposals to be tabled at the EGM to be convened.

Datuk Chee Hong Leong and Ng Ah Chai have abstained and will continue to abstain from all deliberations and voting in relation to the Proposals at the Board meetings. Datuk Chee Hong Leong shall also abstain from voting in respect of his shareholdings in SYF, if any, on the resolutions pertaining to the Proposals to be tabled at the EGM to be convened. In addition, Datuk Chee Hong Leong shall undertake to ensure that persons connected to him shall abstain from voting in respect of their direct/indirect shareholdings in SYF, if any, on the resolutions pertaining to the Proposals to be tabled at the EGM to be convened.

The shareholdings of Ng Ah Chai and Datuk Chee Hong Leong in SYF as at the date of this announcement are as follows:

Name	<----Direct----->		<-----Indirect----->	
	No. of shares	%	No. of shares	%
Ng Ah Chai	50,711,600	29.8	-	-
Datuk Chee Hong Leong	-	-	-	-

## 10. HIGHEST PERCENTAGE RATIO APPLICABLE TO THE PROPOSED JOINT VENTURE PURSUANT TO PARAGRAPH 10.02(g) OF THE LISTING REQUIREMENTS

The highest percentage ratio applicable to the Proposed Joint Ventures pursuant to paragraph 10.02(g) of the Listing Requirements is 86%, computed based on the estimated total development cost for the development of both the Hi Tech Lands and Kiara Plaza Lands as compared to the audited total assets of the SYF Group as at 31 July 2011.

## 11. ADVISER

M&A Securities has been appointed by SYF as the Adviser in relation to the Proposals.

## **12. INDEPENDENT ADVISER**

The Proposed Joint Ventures is deemed to be related party transaction under paragraph 10.08 of Chapter 10 of the Listing Requirements given the interests of Ng Ah Chai and Datuk Chee Hong Leong in the Proposed Joint Ventures (details of which are set out in Section 9 above).

Accordingly, FHMH Corporate Advisory Sdn Bhd had been appointed as the Independent Adviser to advise the non-interested shareholders of SYF in relation to the Proposed Joint Ventures.

## **13. DIRECTORS' STATEMENT**

After having considered the rationale and all other aspects of the Proposals, all the Directors (save for Ng Ah Chai and Datuk Chee Hong Leong, who is deemed interested in the Proposals), are of the opinion that the Proposals are in the best interest of SYF as well as fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested shareholders of SYF.

## **14. AUDIT COMMITTEE'S STATEMENT**

After having considered the rationale and all other aspects of the Proposals and the opinion of the Independent Adviser on the Proposed Joint Ventures the Audit Committee of SYF is of the opinion that the Proposals are in the best interest of SYF as well as fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested shareholders of SYF.

## **15. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Hi Tech Joint Venture and the Proposed Kiara Plaza Joint Venture shall be completed within 3 years from the date the respective JVAs becomes unconditional.

## **16. DOCUMENTS FOR INSPECTION**

A copy of the Hi Tech JVA, Kiara Plaza JVA, Powers of Attorney, Feasibility Reports and the Valuation Reports are available for inspection at the registered office of SYF during normal business hours from Monday to Friday (except public holidays) at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur for a period of three (3) months from the date of this announcement.

This announcement is dated 15 November 2011.