

JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT is made the 2nd day of October 2013

BETWEEN:

PKB-OPERASI TEMBAGA SDN. BHD. (COMPANY NO: 372589-U), a company incorporated in Malaysia with its registered office at No. 5015, Tingkat Satu, Taman PKNK, Jalan Tun Abdul Razak, Alor Setar, 05200 Kedah and business office at Plot 18 & 19, Lebuhraya Kampung Jawa, Non Free Trade Zone, Bayan Lepas, 11900 Penang (hereinafter referred to as **“the Landowner”**)

AND

LANGKAWI CEMERLANG RESORT SDN BHD (Company No. 941946-A) a company incorporated in Malaysia with its registered office at No. 4-1, Kompleks Niaga Melaka Perdana, Jalan KNMP 3, Bukit Katil, 75450 Melaka and business office at No. JP1, Jalan Pelangi, Kelibang, Bandar Kuah, Langkawi, 07000 Kedah Darul Aman (hereinafter referred to as **“the Developer”**).

WHEREAS:-

A. The Landowner and Developer are desirous of entering into a Joint Venture for the development of the following properties:-

CHALET TYPE B (SEMI-DETACHED)

Description of the said Property situated at Bandar Kuah, Seksyen 6, Tempat Kelibang, Daerah Langkawi, Negeri Kedah

NO.	LOT NO.	PT NO.	HS (M)
1	18	1584	6236
2	19	1585	6237
3	20	1586	6238
4	21	1587	6239
5	22	1588	6240

6	23	1589	6241
7	24	1590	6242
8	25	1591	6243
9	26	1592	6244
10	27	1593	6245
11	28	1594	6246
12	29	1595	6247
13	30	1596	6248
14	31	1597	6249
15	32	1598	6250
16	33	1599	6251
17	34	1600	6252
18	35	1601	6253
19	36	1602	6254
20	37	1603	6255
21	38	1604	6256
22	39	1605	6257
23	40	1606	6258
24	41	1607	6259
25	42	1608	6260
26	43	1609	6261
27	44	1610	6262
28	45	1611	6263
29	46	1612	6264
30	47	1613	6265
31	48	1614	6266
32	49	1615	6267
33	50	1616	6268
34	51	1617	6269

35	52	1618	6270
36	53	1619	6271

CHALET TYPE C (24' x 70')

Description of the said Property situated at Bandar Kuah, Seksyen 6, Tempat Kelibang, Daerah Langkawi, Negeri Kedah

NO.	LOT NO.	PT NO.	HS(M)
1	54	1620	6272
2	55	1621	6273
3	56	1622	6274
4	57	1623	6275
5	58	1624	6276
6	59	1625	6277
7	60	1626	6278
8	61	1627	6279
9	62	1628	6280
10	63	1629	6281
11	64	1630	6282
12	65	1631	6283
13	66	1632	6284
14	67	1633	6285
15	68	1634	6286
16	69	1635	6287
17	70	1636	6288
18	71	1637	6289
19	72	1638	6290
20	73	1639	6291
21	74	1640	6292

22	75	1641	6293
23	76	1642	6294
24	77	1643	6295
25	78	1644	6296
26	79	1645	6297
27	80	1646	6298
28	81	1647	6299
29	82	1648	6300
30	83	1649	6301
31	84	1650	6302
32	85	1651	6303
33	86	1652	6304
34	87	1653	6305
35	88	1654	6306
36	89	1655	6307
37	90	1656	6308
38	91	1657	6309
39	92	1658	6310

CHALET TYPE D (24' x 65')

Description of the said Property situated at Bandar Kuah, Seksyen 6, Tempat Kelibang, Daerah Langkawi, Negeri Kedah

NO.	LOT NO.	PT NO.	HS(M)
1	134	1700	6352
2	133	1699	6351
3	132	1698	6350
4	131	1697	6349
5	130	1696	6348

6	129	1695	6347
7	128	1694	6346
8	127	1693	6345
9	126	1692	6344
10	125	1691	6343
11	124	1690	6342
12	123	1689	6341
13	122	1688	6340
14	121	1687	6339
15	120	1686	6338
16	119	1685	6337
17	118	1684	6336
18	117	1683	6335
19	116	1682	6334
20	115	1681	6333
21	114	1680	6332
22	113	1679	6331
23	112	1678	6330
24	111	1677	6329
25	110	1676	6328
26	109	1675	6327
27	108	1674	6326
28	107	1673	6325
29	106	1672	6324
30	105	1671	6323
31	104	1670	6322
32	103	1669	6321
33	102	1668	6320
34	101	1667	6319

35	100	1666	6318
36	99	1665	6317
37	98	1664	6316
38	97	1663	6315
39	96	1662	6314
40	95	1661	6313
41	94	1660	6312
42	93	1659	6311

(hereinafter collectively referred to as **“the Properties”**).

- B. The Landowner is the registered owner of the Properties.
- C. The Landowner and Developer have agreed to enter into a joint venture and record their respective rights, duties and obligations in accordance with the terms and conditions contained herein.

IT IS HEREBY AGREED AS FOLLOWS:-

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement including the Recitals unless the context otherwise requires the following terms shall have the following meanings:-

“Agreement” means this Agreement including the Schedules and Annexures, if any;

“Business” means the business of carrying on activity together with any other business conducted by the Joint Venture from time to time;

“Encumber” means to mortgage, pledge, charge, assign by way of security or otherwise encumber;

“Transfer” means to sell, assign, transfer, convey or otherwise dispose of:

“The Landowner’s solicitors” means Messrs G K Khoo & Company of No. 21-C, Jalan Vermont, 10450 Penang;

“The Developer’s solicitors” means Messrs Anoop & See , No. 55-12-B & 55-21-B, Menara Northam, Jalan Sultan Ahmad Shah, 10050 Penang;

- 1.2 In this Agreement unless the contrary intention appears:-
- (a) The singular includes the plural and vice versa;
 - (b) The word person includes a firm, a body corporate and unincorporated association or an authority;
 - (c) The words importing the masculine gender, includes the feminine and neuter genders and vice versa;
 - (d) A reference to a person includes a reference to the persons executors, administrators, successors, substitutes and assigns;
 - (e) The period specified and the dates from a given day or the date of an act or event, will be calculated exclusive of that day;
 - (f) A reference to a recital, annexure, attachment or schedule is a reference to a recital, annexure, attachment or schedule to this Agreement.
- 1.3 Headings are inserted for convenience and do not affect interpretation of this Agreement.
- 1.4 A reference to any legislation or any provision of any legislation includes any modification or re-enactment of the legislation or any legislative provisions substituted for, and all legislation statutory instrument and regulation issued under, for legislation.
- 1.5 Where any work or phrase is given a definite meaning in this Agreement any part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning.
- 1.6 If a party is or includes a Trustee, the Trustee is bound by the provisions of this Agreement both as Trustee and in its own right

2. AGREEMENT TO ENTER INTO A JOINT VENTURE

In consideration of the sum of RM600,000-00 paid now by the Developer to the Landowner, the receipt of which the Landowner acknowledges, and in further consideration of the terms and conditions contained herein, the Landowner and Developer do hereby agree to enter into a joint venture

business in relation to development and sale of the Properties and/or part thereof, as more specifically provided in this Agreement.

3. THE JOINT VENTURE AND DEVELOPMENT

The Landowner and Developer have agreed as follows:-

- (a) That the Properties shall be developed by the Developer, in a mixed development called the “**Taman Simfoni**” (or such change of name as may be decided upon by the Developer as its absolute discretion) comprising inter alia 81 units of terrace houses and 36 units of semi-detached houses (or such change in constitution as the Developer may later decide upon) (hereinafter referred to as “**the Development**”);
- (b) That the Landowner shall grant a Power of Attorney in favour of the Developer to deal with the Properties and the Development;
- (c) The Developer is fully authorized by the Landowner to develop and deal with the Properties, including charging the Properties, selling the individual built units, entering into the Sale and Purchase Agreements with individual buyers, determining the costs and sale price of the built units and dealing with the Properties and the Development in whatsoever way they see fit.

4. PAYMENT TO THE LANDOWNER

- (a) The Developer shall allocate to the Landowner, **the agreed percentage of the sales value of the total built up units** in the Development less the sum of RM600,000-00 already paid which is **8 units of the terrace houses and 4 units of the semi-detached houses** (the units shall hereinafter collectively be referred to as “the said allocated units”);
- (b) The said allocation of the said allocated units to the Landowner shall be according to the discretion of the Developer;
- (c) The period for the Developer to build and allocate **eight (8) of the said allocated units (the terrace houses)** to the Landowner shall be three (3) year(s) from the date of this Agreement , with an extended period of two (2) years interest free.
- (d) The period for Developer to build and allocate the remainder of the said allocated units (**the 4 semi detached houses**) to the Landowner shall be six (6) years from the date of this Agreement or an extended period of two (2) years, interest free;

- (e) In the event the Developer is able to sell the said allocated units, or any one or more of the units, to third party purchasers with the landowner's consent, the Developer will pay to the Landowner by cash the sale proceeds received. This option is only exercisable by the Developer.

The costs of the transfer of titles of the said allocated units to the third party purchaser(s), if applicable, shall be borne by the third party purchaser(s) respectively.

The total sales value for the said allocated units shall be not exceeding RM6.4 Million (less the RM600,0000-00) already paid). The total sales value shall be determined by the Developer.

The manner and time of payment of the cash for the sale of these units shall be within thirty (30) days of receipt of the respective sale proceeds, or as mutually agreed upon between parties.

The Real Property Gains Tax ("RPGT") incurred on the sales, pursuant to the Real Property Gains Tax Act 1976 and subsequent or related legislation, shall be borne by the Landowner.

5. WARRANTIES AND UNDERTAKINGS

The Landowner hereby warrants and undertakes as follows:-

- (a) that the statement and recitals herein are true and correct;
- (b) that the Landowner is the registered owner of the Properties and shall not further encumber the Properties unless at the request or with the consent of the Developer;
- (c) that all resolutions and other relevant documents required for the ratification of this Agreement and the Power of Attorney granted by the Landowner to the Developer, as mentioned herein, shall be duly delivered to the Developer's Solicitors;
- (d) the Landowner is not engaged in any litigation or arbitration proceedings, and knows of no facts or matters likely to give rise thereto EXCEPT where already disclosed to the Developer prior to the signing of this Agreement;

- (e) possession of the Properties shall be handed over to the Developer upon the execution of this Agreement;
- (f) the Landowner has not been wound-up; and
- (g) The Landowner shall not intervene in the Development or matters pertaining thereto.

The Developer hereby warrants and represents:-

- (a) the Developer has not been wound up;
- (b) to adhere to the Housing Development (Control and Licensing) Act 1966 and all existing and future legislation in relation thereto;
- (c) to maintain a housing developer's account in accordance with the Housing Development (Control and Licensing) Act 1966 and regulations;
- (d) the said allocated units shall not be charged for any bank/financing facilities unless mutually agreed upon between the parties hereto, OR the written consent of the Landowner is first had and obtained, which consent shall not be unreasonably withheld;
- (e) to develop the Properties in accordance with the approved plans or approved amended plans;
- (f) To purchase the necessary insurance coverage, to be determined in accordance with the Developer's discretion;
- (g) To indemnify the Landowner for claims directly in relation to the Development, where such claims arise from the act, omission or default of the Developer.

The Landowner and Developer agree and acknowledge that the other contractual party is entering into this Agreement in reliance of the warranties and undertakings , given by them respectively, as stated above.

6. POSSESSION OF THE PROPERTIES AND TITLES

The possession of the Properties and the Issue Documents of Titles for each and every one of the Properties (if not encumbered) shall be handed over to the Developer upon the signing of this Agreement.

7. PAYMENTS ADVANCED BY THE SECOND PARTY

The Landowner shall reimburse the Developer for payments advanced and/or to be advanced by the Second Party, including but not limited to the payment of quit rent, assessments and outgoings in relation to the Properties.

8. DEVELOPMENT, CONSTRUCTION AND RELATED COSTS AND EXPENSES

The Developer shall bear the development and construction expenses in relation to the Development and/or the construction of the units/houses, including the application fees and premiums for the requisite approvals for the Development, the construction costs, the surveyors and architect's fees.

The Developer shall bear the land reclamation costs.

The Developer shall further bear the costs of eviction or removal of squatters and/or occupiers in the Properties or part thereof.

9. EVENTS OF DEFAULT

In the event of any default or breach by the Landowner of the terms of this Agreement, the Developer shall be entitled to sue for the specific performance of this Agreement and/or damages.

In the event of any default or breach by the Developer of the terms of this Agreement, the Landowner shall, subject to serving the notice of termination, where required, be entitled to demand the surrender of all titles pertaining to the Properties or part thereof which have NOT yet been transferred or sold to third party purchasers and to reclaim possession of the Properties or part thereof, which have NOT yet been transferred or sold to third party purchasers.

10. TIME OF THE ESSENCE

Time wherever mentioned shall be the essence of this Agreement.

11. LEGAL COSTS AND DISBURSEMENTS

The Landowner and Developer shall bear their respective solicitors' costs and expenses as mentioned herein this Agreement.

12. KNOWLEDGE AND ACQUIESCENCE

Knowledge or acquiescence by either party hereto of or in any breach of any of the terms conditions or covenants herein contained shall not operate as or be deemed to be a waiver of such terms conditions or covenants or any of them and notwithstanding such knowledge or acquiescence each party hereto shall be entitled to exercise their respective rights under this Agreement and to require strict performance by the other of the terms conditions and covenants herein.

13 SEVERABILITY

Any term, condition, stipulation, provision, covenant or undertaking in this Agreement which is illegal, void, prohibited or unenforceable shall be ineffective only to the extent of such illegality, voidness, prohibition or unenforceability without affecting the validity, legality or enforceability of the remaining provisions of this Agreement.

14 RIGHTS AND REMEDIES

The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law and no failure or delay in exercising nor any omission to exercise any right power privilege or remedy accruing to any of the parties hereto shall impair any such right power privilege or remedy.

14A TERMINATION

- a) In the event either party is in default or breach of their duties and obligations under this Agreement the other party shall serve a notice on the defaulting party giving 30 days notice to remedy the breach;
- b) In the event the breach is not remedied within the stipulated period, and provided the subject party, is not in breach or default in this Agreement, the subject party may issue and serve a written notice of termination on the defaulting party, providing three (3) months' notice, to terminate this Agreement.

15 LAW & JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of Malaysia and the parties :

- (a) irrevocably submit to the exclusive jurisdiction of the Courts in Malaysia;
- (b) consent to service of legal process in respect of or arising out of this Agreement by forwarding a copy of such legal process by prepaid registered post to their last known address or in any other manner permitted by the relevant law.

16 EXECUTION

The execution of this Agreement by or on behalf of a party shall constitute an authority to the solicitors acting for the party in connection with this Agreement to deliver and date it on behalf of that party.

17 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.

18 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all previous agreements, whether oral or otherwise, with respect to its subject matter.

19 HEADINGS

The headings of each of the provisions herein contained are inserted merely for convenience of reference and shall be ignored in the interpretation and construction of any of the provisions herein contained.

20 SCHEDULES

The schedule(s) hereto, if any, shall form part of this Agreement and shall be read, taken and construed as an essential part of this Agreement.

21 SURVIVAL

Notwithstanding the completion of the sale and purchase herein, the provisions of this Agreement shall continue in full force and effect so long as any of its provisions remain to be performed or observed by the parties hereto.

22. BINDING EFFECT

This Agreement shall bind all respective heirs, personal representatives, legal and permitted assigns and successors in title of the First and Second Party.

23. NOTICE

Any notice to be given under this Agreement shall be in writing and shall be deemed to be sufficiently served:-


23.1 If it is sent by prepaid registered post addressed to the other party at the address hereinbefore mentioned or to his solicitor and in such a case it shall be deemed (whether it is actually delivered or not) to have been received at the time when such registered letter would be in the ordinary course be delivered; or


23.2 If it is despatched by hand to the solicitors for the other party; or

23.3 If it is sent by facsimile transmission to the solicitor's office.


IN WITNESS WHEREOF the parties hereto have hereunto set their respective hand and seal on the day and year first above written.


The Common Seal of PKB-OPERASI)
TEMBAGA SDN. BHD. (372589-U))
was affixed hereto in the)
presence of:-)


.....
Director
Name: JIMMY ONG CHIN KENG


.....
Director
Name: LIM POH LENG

The Common Seal of LANGKAWI)
CERMERLANG RESORT SDN. BHD.)
(941946-A) was affixed hereto in the)
presence of:-)


.....
Director
Name: YONG CHEAU LING


.....
Director
Name: KHOO KAH HONG