

**OVERSEA ENTERPRISE BERHAD (“OEB” or “the Company”)  
Registration No. 199401031473 (317155-U)**

**Subject:** TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS): RELATED PARTY TRANSACTION

Description: OVERSEA ENTERPRISE BERHAD (“OEB” OR “THE COMPANY”) – DISPOSAL OF PROPERTIES BY SUBSIDIARIES

## **1. INTRODUCTION**

The Board of Directors of OEB wishes to announce that its subsidiaries, EMP Collection Sdn Bhd (formerly known as Restoran Tsim Tung Sdn Bhd) and Haewaytian Restaurant Sdn Bhd had on 17 August 2022 entered into the Sale and Purchase Agreements with Mr Yu Soo Chye @ Yee Soo Chye, Ms Yu Suat Yin and Ms Yu Suat Li to dispose the three properties of below:-

- (1) An intermediate single-storey shop office known as Pajakan Mukim 945, No Lot 38626, Tempat Taman Pandan Indah II, Mukim Empang, Daerah Hulu Langat, Negeri Selangor held under a leasehold 99 years land, expiring on 06/06/2093 with postal address No 18, Jalan Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring 121 square meters;
- (2) An intermediate single-storey shop office known as Pajakan Mukim 944, No Lot 38625, Tempat Taman Pandan Indah II, Mukim Empang, Daerah Hulu Langat, Negeri Selangor held under a leasehold 99 years land, expiring on 06/06/2093 with postal address No 20, Jalan Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring 121 square meters; and
- (3) An intermediate four-storey shop office known as Pajakan Negeri 369757 Lot 6539N, Bandar Ipoh (U), Daerah Kinta, Negeri Perak held under a leasehold 99 years land, expiring on 20/12/2078 with postal address 57, Jalan Seenivisagam, 30450 Ipoh, Perak measuring 176 square meters,

for a total purchase consideration of RM3,100,000.00 subject to the terms and conditions of the Sale and Purchase Agreements.

## **2. DETAILS OF THE PARTIES TO THE AGREEMENTS**

The Vendors

- i. Haewaytian Restaurant Sdn Bhd [Registration No. 198201006132 (85886-A)], a wholly-owned subsidiary of OEB, is a private company incorporated in Malaysia and having its registered address at 12<sup>th</sup> Floor Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. The principal activity of Haewaytian Restaurant Sdn Bhd is Restaurateurs.
- ii. EMP Collection Sdn Bhd (formerly known as Restoran Tsim Tung Sdn Bhd) [Registration No. 200401034823 (673332-U)], a wholly-owned subsidiary of OEB, is a private company incorporated in Malaysia and having its registered address at 12<sup>th</sup> Floor Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. The principal activity of EMP Collection Sdn Bhd is Restaurateurs.

## The Purchasers

- i. Mr Yu Soo Chye @ Yee Soo Chye is the former Chairman and Group Managing Director of OEB and former Director of its subsidiaries.
- ii. Ms Yu Suat Yin is the Director of subsidiaries of OEB.
- iii. Ms Yu Suat Li is family member of Mr Yu Soo Chye and Ms Yu Suat Yin.

### **3. SALIENT TERMS AND CONDITIONS OF THE AGREEMENT**

The salient terms and conditions of the Agreements are as follows:

- (A) Purchase Price : RM3,100,000.00.
- (B) The Vendor as the registered owner of the said Property has agreed to sell and the Purchaser has agreed to purchase the said Property with vacant possession together with the fixtures and fittings as listed and free from all encumbrances whatsoever but subject to the conditions, express or implied, attached to the title to the said Property at the price and upon the terms and conditions.
- (C) Payment of Purchase Price to the Vendor's Solicitors:
  - i. Deposit Payment of the sum RM310,000.00 has been paid to the Purchaser's Solicitors prior the execution of SPA.
  - ii. Balance purchase price RM2,790,000.00 (90%) shall be paid to the Vendor's Solicitors within 3 months from the Unconditional Date (upon fulfillment of the Conditions Precedent as stated in clause (d) below) (hereinafter referred to as "the Completion Date").
- (D) Conditions Precedent :
  - i. This Agreement is conditional upon the Vendor's Solicitors procurement of the State Authority's Consent for the transfer of ownership of the said Property from the Vendor to the Purchaser or their nominee or nominees within three (3) months from the date of this Agreement.
  - ii. The Vendor shall within fourteen (14) days from the date of the Vendor's Solicitors receipt of the duly stamped copy of this Agreement from the Purchaser's Solicitors, apply to the relevant Authority for the Written Consent to Transfer in respect of the acquisition and transfer of the said Property from the Vendor to the Purchaser. The Vendor's Solicitors shall forward to the Purchaser's Solicitors a copy of the official receipt issued by the Land Office/Registry for the submission of the Vendor's application for the Written Consent to Transfer.
  - iii. In the event that the relevant Authority refuses to grant the relevant Written Consent to Transfer for any reason whatsoever OR the Written Consent to Transfer are not obtained within three (3) months from the date of this Agreement, the Purchaser has agreed to grant a further of two (2) months extension of period (hereinafter referred to as "the Extension Period") to enable the Vendor to procure and obtain the Written Consent to Transfer.

- iv. In the event that the Written Consent to Transfer is not obtain within the Extension Period, the parties shall be entitled to terminate this Agreement by a written notice to the Vendor or its Solicitors thereafter the Vendor shall cause to refund to the Purchaser the Deposit and any other monies received by the Vendor or the Vendor's Solicitors from the Purchaser towards the Purchase Price within fourteen (14) days of the Vendor's Solicitors are in receipt of the written notice from the Purchaser or the Purchaser's Solicitors of such termination. In the event of delay by the Vendor in refunding any monies stipulated under this Agreement beyond the period allowed by this Agreement, then the Vendor shall be liable to pay interest at the rate of eight per centum (8%) per annum calculated on daily basis on the outstanding sum to be returned until full settlement. Upon receipt of the all such due monies under this Agreement, the Purchaser shall return to the Vendor or the Vendor's Solicitors all documents in respect of this transaction delivered to the Purchaser with the Vendor interest and intact. This Agreement shall thereafter be null and void and of no further force and neither party shall have any further claims against the other.

### 3.1 Details on Properties Disposed

Property A  
Location : No. 18, Pandan Indah 4/6, Pandan Indah,  
55100 Kuala Lumpur  
Land area : Approximately 1,302 square feet  
Tenure : Leasehold 99 years  
Vendor : EMP Collection Sdn Bhd (formerly known  
as Restoran Tsim Tung Sdn Bhd)  
Purchaser : Yu Suat Li  
Purchase : RM1,000,000.00  
Consideration

Property B  
Location : No. 20, Pandan Indah 4/6, Pandan Indah,  
55100 Kuala Lumpur  
Land area : Approximately 1,302 square feet  
Tenure : Leasehold 99 years  
Vendor : EMP Collection Sdn Bhd (formerly known  
as Restoran Tsim Tung Sdn Bhd)  
Purchaser : Yu Suat Yin  
Purchase : RM1,000,000.00  
Consideration

Property C  
Location : No. 57, Jalan Seenivasagam, 30450 Ipoh,  
Perak  
Land area : Approximately 1,894 square feet  
Tenure : Leasehold 99 years  
Vendor : Haewaytian Restaurant Sdn. Bhd.  
Purchaser : Yu Soo Chye @ Yee Soo Chye  
Purchase : RM1,100,000.00  
Consideration

### 3.2 Basis of Arriving at the Consideration

The Consideration were determined based on the latest valuation carried out by OEB in March 2021, with an independent property valuer appointed to perform the valuation work. Subsequent to that, a Desk Valuation was done on two out of the three properties disposed and confirmed that no changes on the value of the properties.

### 3.3 Utilisation of the Proceeds

The proceeds from the Disposal will be utilised to fund OEB's operations in the form of working capital, capital expenditures and to pay off some bank borrowings.

Properties	Sales Proceeds	Utilisation of Proceeds	Timeframe for full utilisation
Property A	RM1,000,000.00	Loan repayment, for working capital and capital expenditure	Within 1 year
Property B	RM1,000,000.00	Loan repayment, for working capital and capital expenditure	Within 1 year
Property C	RM1,100,000.00	Working Capital	Within 2 years

### 3.4 Net Book Value, Original Cost and Date of Investment

Properties	Net Book Value	Date of Acquisition	Cost of Investment
Property A	RM1,000,000.00	6 August 2013	RM930,000.00
Property B	RM1,000,000.00	6 August 2013	RM930,000.00
Property C	RM1,100,000.00	16 May 1985	RM375,000.00

### 3.5 Estimated Timeframe to Complete the Disposal

The Disposal is expected to be completed by 1 February 2023. The sales proceeds will be settled by Purchasers Mr Yu Soo Chye @ Yee Soo Chye, Ms Yu Suat Yin and Ms Yu Suat Li from the date of signing the Sales and Purchase Agreements.

Purchaser's default - In the event that the Purchaser fails to pay the Balance Purchase Price by end of the Extended Completion Date pursuant to Clause 6 of the Sale And Purchase Agreement hereinafter it is hereby agreed that the Vendor shall have the right to terminate this Agreement by written notice to the Purchaser and forfeit the Deposit as agreed liquidated damages absolutely and any sum paid in excess thereof shall be refunded to the Purchaser free of interest within fourteen (14) days of notification of such termination PROVIDED THAT within fourteen (14) days of notification of such termination the Purchaser's Solicitors shall in exchange return or cause to be returned to the Vendor or the Vendor's Solicitors the original issue document of title to the said Property together with any other relevant documents delivered to the Purchaser or his Financiers or his /their Solicitors in the course of this transaction with the Vendor's interest in the Property intact and free from all encumbrances (if the same has been delivered to the Purchaser's Solicitors/or Purchaser's Financier Solicitors), provided in the event that the said Memorandum of Transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser or the Purchaser's Solicitors shall be entitled to forward the duly stamped Memorandum of Transfer to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by the Purchaser

and thereafter to forward the said Memorandum of Transfer to the Vendor or the Vendor's Solicitors for cancellation; redeliver to the Vendor legal/vacant possession, as the case may be, of the said Property to its original condition, state, nature and character (if vacant/legal possession has been delivered to the Purchaser) and thereafter this Agreement shall be null and void and neither party hereto shall have any claim against the other and the Vendor shall be entitled at its absolute discretion to resell the Said Property.

**3.6 The Particulars of any liabilities, including contingent liabilities, in relation to the Disposal which will remain with OEB or Vendors, together with the details and justification for such arrangements.**

Nil. Properties are sold on an 'as is where is' basis.

**3.7 The particulars of any guarantees given by OEB or Vendors to the Purchasers.**

Nil. There are no guarantees given by OEB or Vendors to the Purchasers.

**3.8 Other Details of the Properties**

	<b>Properties</b>	<b>Details in relation to the Properties</b>
Existing Use of the Properties	Property A	Tenanted
	Property B	Tenanted
	Property C	Partially occupied by Vendor
The Age of the Properties	Property A	26 years
	Property B	26 years
	Property C	43 years
The Expiry Date of the Lease	Property A	6 June 2093
	Property B	6 June 2093
	Property C	20 December 2078
The encumbrances against the properties, if any	Property A	Bank Borrowing
	Property B	Bank Borrowing
	Property C	NONE

**4. RATIONALE FOR THE EXECUTION OF THE AGREEMENTS**

The disposal of the properties is for OEB to monetise the Company's investment and redeploy its existing financial resources.

The proceeds from the Disposal will be used to fund OEB's operations in the form of working capital, capital expenditure and repayment of some bank borrowing.

## 5. FINANCIAL EFFECTS

The execution of the Sale and Purchase Agreements will not have any material effect on the earnings, gearing and net assets of the OEB Group for the financial year ending 31 March 2023.

The Pro forma effects of the Disposal on the Net Assets per share and gearing of OEB, assuming the Disposal had been completed by end of 2022 are as follows:

	Audited as at 31 March 2022 (RM)	After Disposal (RM)
Share Capital	87,085,446	87,085,446
Reserve	(11,802,885)	(11,802,885)
Shareholders' equity	75,282,561	75,282,561
No. of ordinary shares in issue ('000)	1,146,670	1,146,670
Net Asset per Share (RM)	0.066	0.066
Losses per Share (sen)	(0.77)	(0.77)
Total Borrowing	1,147,737	197,945
Gearing (times)	0.015	0.003

## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Mr Yu Soo Chye @ Yee Soo Chye is a former Director of OEB and its subsidiaries. Ms Yu Suat Yin is the Director of OEB's subsidiaries. Ms Yu Suat Li is family member of both Mr Yu Soo Chye and Ms Yu Suat Yin.

Save as disclosed above, none of the others Directors and/or Major Shareholders of OEB and/or persons connected with them has any interest, direct or indirect, in the Agreement.

## 7. PERCENTAGE RATIO

The highest percentage ratio applicable to the Agreements pursuant to Rule 10.02(g) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is 4.12% based on the latest financial statements of the OEB for the financial year ended 31 March 2022.

## 8. APPROVAL REQUIRED

No approval of the shareholders of the Company or any relevant authorities is required for this transactions except the State Authority's Consent for the transfer of ownership of the said Properties from the Vendors to the Purchasers.

## 9. STATEMENT BY AUDIT COMMITTEE (AC)

The AC, having considered all aspects of the Agreement, is of the opinion that the Agreement is in the best interest of the Company. The AC is also of the opinion that the Agreement is fair,

reasonable and is based on commercial terms not more favourable than those available to the general public and is not detrimental to the interest of the non-interested shareholders.

In forming its view and opinion, the AC has considered, amongst others, the basis, rationale and financial effects of the Agreement as disclosed above. No independent advice was sought by the AC as the percentage ratio applicable to the Agreement is less than 5%.

## **10. STATEMENT BY DIRECTORS**

Save for the interested Directors, Mr Yu Soo Chye @ Yee Soo Chye who being the former Director of the Company, the Board of Directors of the Company is of the opinion that the Agreements are fair and reasonable and the transactions are in the best interest of the OEB Group.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

The Agreements are available for inspection at the Registered Office of the Company at 12th Floor Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 17 August 2022.