

## **PART C – SCHEME OF ARRANGEMENT**

1. PRELIMINARY
2. PROPOSED SCHEME OF ARRANGEMENT
3. VARIATION OF SALE AND PURCHASE AGREEMENTS
4. MISCELLANEOUS

**PROPOSED SCHEME OF ARRANGEMENT  
KORAKYAT PLANTATIONS SDN BHD (IN LIQUIDATION)**

BETWEEN **Korakyat Plantations Sdn Bhd** (In Liquidation) ("**the Company**") AND the **Purchasers** as hereinafter defined.

**1.0 PRELIMINARY**

1.1 Definitions

In this document and the accompanying Schedules the following abbreviations shall have the following meanings (with singular and plurals to have correlative meanings) unless otherwise stated:

“Act”	The Companies Act 1965
“ABMB”	Alliance Bank Malaysia Berhad (Company No.88103-W) (formerly known as Multi-Purpose Bank Berhad).
“Company”	Korakyat Plantations Sdn Bhd (Company No.144726-A) (In Liquidation) including where the context so requires the Liquidators.
“Completion Costs”	The estimated building costs to complete the Project until the stage that water and electricity supply are ready for connection to the respective units and delivery of vacant possession thereof can be effected and, in relation to the respective units, a proportionate amount thereof attributable to the completion of such unit. The particulars of the Completion Costs are shown in Schedule A to this Explanatory Statement.
"Conditions of Completion”	The terms and conditions appearing in the 1 <sup>st</sup> Schedule annexed herewith to be read together with the Sale and Purchase Agreements and expressly regulating, inter alia, the payment of the Fund, the management of the Escrow Account and the handing over of the vacant possession of the respective units to the Participating Purchasers and ABMB, as the case may be.
“Contribution Threshold”	The notional value of approximately RM32,000,000.00 which would be reached based on the number of Participating Purchasers and their expected cumulative payments towards the Fund.
“Court Sanction”	The approval of the High Court of the Proposed Scheme of Arrangement under Section 176 of the Act before the same can be implemented.

“Cut-Off Date”	The date of 10.5.2000 being the date of the winding up order made by the High Court against the Company.
“Escrow Account”	The account where the Fund will be maintained and managed by the Liquidators.
“Explanatory Statement”	The statement required under Section 177 of the Act to be sent to the Scheme Creditors explaining, inter alia, the effect of the Proposed Scheme of Arrangement.
“Fund”	The fund maintained by the Liquidators in the Escrow Account for the purposes of funding the Scheme Costs.
“High Court”	The High Court of Malaya at Kuala Lumpur.
“Lands”	The lands held under Master Titles No. H.S.(D) 85492, P.T. 24900 and H.S.(D) 85493, P.T.249100, Mukim and District of Petaling, Selangor.
“Liquidators”	Ler Cheng Chye and Lum Tuck Cheong, of Messrs. Ler Lum & Co. with an address at B-3-11 Megan Phileo Avenue, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur
“Non-participating Purchasers”	Purchasers who do not vote for the Proposed Scheme of Arrangement or having voted in favour of it but subsequently fail or neglect to make full proportionate payment towards the Fund.
“Outstanding Progress Billings”	The amounts outstanding and payable by the Participating Purchasers under their respective Sale and Purchase Agreements.
“Participating Purchasers”	Purchasers who vote for the Proposed Scheme of Arrangement and who effect full proportionate payment towards the Fund.
“Progress Payments”	The payments already paid or deemed to have been paid or otherwise already due and payable by the Purchasers under their respective Sale and Purchase Agreements.
“Project”	The development known as Taman Perindustrian Subang Mewah being undertaken on the Lands.
“Proposed Scheme of Arrangement”	The proposed scheme of arrangement between the Company and the Purchasers.
“Purchasers”	The parties whose names appear as purchasers in the Sale and Purchase Agreements, excluding the Disputed Purchasers. For those purchasers who have assigned their rights under such Sale and Purchase Agreements, then such reference will be to the assignee. Unless the context suggests otherwise, the expression also includes both Participating Purchasers and the Non-

	participating Purchasers.
“Purchase Price”	The price of the Property as set out in section 1 of the 2 <sup>nd</sup> Schedule of the Sale and Purchase Agreements or as duly adjusted.
“Sale and Purchase Agreements”	The sale and purchase agreements previously entered into between the Company and the Purchasers for the conveyance of the respective units of the Project.
“Scheme Conditions Precedent”	The conditions precedent set out in paragraph 7 of the Explanatory Statement which the Proposed Scheme of Arrangement are subject and which are made up of the Statutory Approvals for the Proposed Scheme of Arrangement, the Contribution Threshold and the Court Sanction.
“Scheme Costs”	The total costs of or arising out of or incurred in the implementation and completion of the Project and the Proposed Scheme of Arrangement including the Completion Costs as shown in the Schedule A of the Explanatory Statement.
“Scheme Creditors”	Refers to the Purchasers as herein defined
“Scheme Creditors’ Meeting”	The meeting for the Purchasers to be convened pursuant to Section 176 to the Act
“Scheme Creditors’ Meeting”	The meeting for the Purchasers to be convened pursuant to Section 176 to the Act.
“Settlement Units”	The 26 or such other units from the Project which the Company may with the agreement of ABMB select, and, which shall have a cumulative notional value of RM6,809,000.00, to be transferred to ABMB as full and final settlement of ABMB’s claim. The particulars of the said 26 units are contained in Schedule B to the Explanatory Statement.
“Scheme of Arrangement”	The Proposed Scheme of Arrangement upon it being effective, whether with or without modifications
“Statutory Approvals”	The approval required under Section 176 of the Act being a majority in number representing three-fourths in value of the class of creditors voting at the Scheme Creditors’ Meeting
“Top-up Payment”	The amount payable by each of the Participating Purchasers to be maintained in the Fund and which is calculated at 20% of their respective Purchase Price.

“Undisposed Unit”	The total factory units remaining of the 478 deducting the Settlement Unit and those units to be conveyed to the Participating Purchasers.
“Unsecured Creditors Claims”	The claims of all other creditors of the Company excluding those of the Participating Purchasers and ABMB.
“Vendor”	The Company.

**2.0 PROPOSED SCHEME OF ARRANGEMENT**

**2.1 Approval by Purchasers**

The Statutory Approval of the Proposed Scheme of Arrangement is governed by Section 176 of the Act and if approved by 50% in number representing 75% in value of the claims by the Purchasers present and voting at the Scheme Creditors’ Meeting and sanctioned by the Court, will be binding on all Purchasers.

**2.2 Computation of Claims by Purchasers**

In computing the values of the claims by the Purchasers for the purposes of the Statutory Approval, the Company will adopt the amounts of the Progress Payments made by the Purchasers.

**2.3 Payment of Fund upon Procurement of the Court Sanction**

- (a) Within thirty (30) days after notification by the Company in the manner stipulated in the Conditions of Completion that the Court Sanction for the Proposed Scheme of Arrangement has been procured, the Participating Purchasers shall pay into the Escrow Account the 1<sup>st</sup> half of the Top-Up Payment being 10% of the Purchase Price of their respective units;
- (b) The remaining 2<sup>nd</sup> half of the Top-Up Payment being the next 10% of the Purchase Price of the respective unit shall be paid into the Escrow Account within thirty (30) days after the expiry of the thirty (30) days stated in paragraph (a) above.
- (c) The Outstanding Progress Billings shall be paid into the Escrow Account upon the certification at each stage of the Project in the manner stipulated in the schedule of payments annexed in section 2 of the 2<sup>nd</sup> Schedule in the Sale and Purchase Agreement or as notified to the Purchasers upon certification by the architect.
- (d) A mandatory late payment charge to be determined by the Liquidators will be levied in respect of payments made after the expiry of the requisite time period of the sums described in 2.3 (a), (b) & (c) above. The imposition of the late payment charge shall be for a maximum of thirty (30) days after which the Liquidators may at its sole discretion

exclude such Participating Purchasers from the Scheme of Arrangement in the manner as described in paragraph 2.4 below.

2.4 **Default of Payment of Fund**

Should the Participating Purchasers fail to pay the Outstanding Progress Billings and/or the Top-up Payment within the stipulated time periods or such other time as the Company may in its absolute discretion decide, then such Purchasers will be deemed to be Non-Participating Purchasers and would fall to be treated as Unsecured Creditors under the Post Scheme of Arrangement described in the Explanatory Statement. In such an event, to the extent of any payment made by the Purchaser towards the Fund, whether in the form of Top-Up Payment or Outstanding Progress Billings, 20% thereof will be forfeited by the Company whilst the remaining 80% will be refunded to the Purchaser upon completion of the Project free of interest.

2.5 **Escrow Account**

The Fund will be maintained by the Liquidators in an Escrow Account to be disbursed in the manner set out in the Conditions of Completion.

2.6 **Completion**

The completion of the Project including the manner of effecting vacant possession of the Property to the Participating Purchasers are set out in the respective Sale and Purchase Agreements and Conditions of Completion.

3.0 **VARIATION OF SALE AND PURCHASE AGREEMENTS**

3.1 Upon the achievement of the Scheme Conditions Precedent, all the Sale and Purchase Agreements previously executed by the Participating Purchasers shall be adopted and affirmed by the Company and shall be read together with and subject to the Conditions of Completion.

3.2 In the event that the Proposed Scheme of Arrangement is for any reason aborted before any payment by the Participating Purchasers, then any claims by the Participating Purchasers against the Company shall be to the extent of the amounts of the Progress Payments which shall be addressed solely in the normal course of the winding up of the Company. For the avoidance of doubt, in such an event, the Participating Purchasers shall have no other claims whether against the Company or the Liquidators in relation to any other matters arising from or in connection with the Sale and Purchase Agreements or the Proposed Scheme of Arrangement.

3.3 In the event however, that the Proposed Scheme of Arrangement is for any reason aborted after any payment made by the Participating Purchasers, whether in respect of the Top-Up Payment or the Outstanding Progress Billings, any such amounts paid shall be refunded to the Purchasers free of interest.

**4.0 MISCELLANEOUS**

- 4.1 This Proposed Scheme of Arrangement herein shall become effective after, amongst other things, the Scheme Conditions Precedent have been met and as soon as thereafter an office copy of the Court Order sanctioning the Proposed Scheme of Arrangement shall have been delivered for registration to the Registrar of Companies as required under the Act.
- 4.2 All the costs, charges, fees and expenses of and incidental to the negotiations for and preparation of the Proposed Scheme of Arrangement and the carrying of the same into effect shall be borne from the Fund.
- 4.3 The Company may consent to any modification of or addition to the Proposed Scheme of Arrangement or any condition which the Court may think fit to approve or impose.
- 4.4 Neither the Company, the Liquidators nor any of its agents or servants or any professional persons employed by any of them shall have or incur any liability to any person for any act taken or omission made in good faith in connection with or related to formulating, negotiating, implementing, confirming or consummating the Proposed Scheme of Arrangement or any other agreement or document created in connection thereto.
- 4.5 Unless otherwise expressly provided, the rights, benefits and obligations of the Purchasers shall be binding upon, and shall inure to the benefit of the heir, executor, administrator, successor or assignee of such person.
- 4.6 The Proposed Scheme of Arrangement and the rights, duties and obligations arising therefrom shall be governed by the Laws of Malaysia.