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ASX ANNOUNCEMENT

15 June 2023

SIGNING OF TERM SHEET BY SUBSIDIARY COMPANIES

United Overseas Australia Ltd (ASX: UOS) provides the following reports relating to its subsidiary, UOA Development Bhd, as released to the Bursa Malaysia Securities Bhd.

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**UOA DEVELOPMENT BHD (“UOA DEV” or “the Company”)
SIGNING OF TERM SHEET BY SUBSIDIARY COMPANIES OF UOA DEV**

1. INTRODUCTION

The Company wishes to announce that the Company, via its wholly owned subsidiaries, Armada Hartasegar Sdn. Bhd. (Registration No. 202101002075 (1402373-X)) (“**Armada**”) and Regenta Development Sdn. Bhd. (Registration No. 201301000695 (1030532-H)) (“**Regenta**”) had entered into a Term Sheet agreement (“**Term Sheet**”) on 14 June 2023 with Hokkien Peng Restaturant Group Sdn. Bhd. (Registration No. 201401029398 (1105484-P)) (“**Hokkien Peng**”) and Hoteland Sdn. Bhd. (Registration No. 201601006327 (1177255-H)) (“**Hoteland**”).

Armada, Regenta and Hokkien Peng (hereinafter referred to as “**the Parties**”) have the intention to enter into business together through Hoteland via two of Hoteland’s subsidiaries, namely Bamboo Estate Sdn. Bhd. (Registration No. 202201006017 (1451714-P)) (“**Bamboo Estate**”) and Bamboo Circle Sdn. Bhd. (Registration No. 202201003509 (1449206-H)) (“**Bamboo Circle**”).

2. INFORMATION ON THE PARTIES TO THE TERM SHEET

- 2.1 Armada and Regenta are wholly owned subsidiaries of UOA Development Bhd.
- 2.2 Hokkien Peng is a private limited company incorporated in Malaysia, having its registered address at No. 9, Jalan Indah 16, Taman Cheras Indah, 56100 Kuala Lumpur, Wilayah Persekutuan. It has an issued and paid-up capital of RM1,000,000.00 represented by 1,000,000 ordinary shares. Its business activities are investment holdings.
- 2.3 Hoteland is a private limited company incorporated in Malaysia, having its registered address at No. 9, Jalan Indah 16, Taman Cheras Indah, 56100 Kuala Lumpur. Prior to the execution of the Term Sheet, its issued and paid-up capital is RM2.00 represented by 2 shares held by 2 unrelated individuals. Bamboo Estate and Bamboo Circle are subsidiaries of Hoteland and operate food and beverage business, namely Botanica Co Restaurant and Potager respectively (collectively referred to as “**the Business**”). Upon signing of the Term Sheet, the 2 shares will be transferred to Regenta to make up to Regenta’s proposed shareholding to 100 shares in the capital of Hoteland. In preparation for the Term Sheet, the Directors of Hoteland have been changed to Mr. Kong Sze Choon, Ms. Cecelia Chan and Ms. Yong Suan Moi. Mr. Kong Sze Choon is the Alternate Director to Mr. Kong Chong Soon @ Chi Suim, the Managing Director of UOA DEV, and a Director of Armada. Ms. Cecelia Chan is a Director of Armada, and UOA Holding Sdn. Bhd., a substantial shareholder of UOA DEV. Ms. Yong Suan Moi is a Director of HKP.

3. SALIENT TERMS OF THE TERM SHEET

3.1 Purpose of the Term Sheet

The purpose of the Term Sheet is to facilitate the obligations of the respective parties in respect of the activities of the Business, and to regulate the rights of the shareholders of Hoteland (“**Shareholders**”).

3.2 Share Capital

Pursuant to the Term Sheet, the Shareholders would hold the following shares issued at RM1.00 each in Hoteland.

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Shareholding Proportion</u>
Hokkien Peng	4,900	49%
Armada	5,000	50%
Regenta	100	1%
TOTAL:	10,000	100%

Accordingly, Hoteland would be a 51% owned subsidiary of UOA Dev.

3.3 Set-Up Cost of the Business

Armada will provide the set-up cost of the Business amounting to RM21,169,010.00 by way of subscription of redeemable preference shares (“RPS”) in the capital of Hoteland at a subscription price of RM1.00 per RPS. Subject to Hoteland making profit, the redemption of the RPS by Hoteland can be made partially or wholly on yearly basis after the issuance of the RPS. The redemption price share be the same as the subscription price and if the redemption of the RPS is made after five years from the issuance of the RPS, Hoteland shall fully pay cumulative dividend of 8% per annum up to the date of redemption of all the RPS. The RPS do not carry any voting rights.

3.4 Moratorium on HKP

HKP is only allowed to sell, transfer, charge, incumber, grant options over or otherwise dispose of any of the shares in Hoteland (“HKP Shares”) or any beneficial interest in any of the HKP Shares, after all the RPS have been fully redeemed.

3.5 Rights of Shareholders

- (i) All Shareholders will have pro rata right to participate in subsequent issuance of equity securities of Hoteland.
- (ii) Each Shareholder will have pro-rata right to purchase any equity securities in Hoteland proposed to be sold by any Shareholder.

4. RISK FACTORS

The risks associated with the Term Sheet are mainly those relating to the Business, which are otherwise faced by all businesses of similar nature. These risks include rising material and labour costs, potential labour shortage, rising financing costs, competition, changes in government regulations and changes in social, political and economic conditions in Malaysia, which are not within the direct control of the management of UOA DEV.

5. RATIONALE

The rationale to enter into the Term Sheet is to venture into new business.

6. FINANCIAL EFFECT

The Term Sheet has no immediate effect on the earnings, net asset and gearing of the Company. It does not have any impact on the Share Capital or the Substantial Shareholders' Shareholdings of the Company.

7. PERCENTAGE RATIO

The highest percentage ratio applicable to the Term Sheet pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.37%.

8. APPROVALS REQUIRED

The Term Sheet is not subject to the approvals of the shareholders of the Company or other relevant authorities.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Other than the common directorships as disclosed in item 2.3, none of the Directors and Substantial Shareholders of UOA DEV or persons connected to them has any interest, direct or indirect, in the Term Sheet.

10. DIRECTORS' STATEMENT

The Board of UOA DEV having considered the purpose of the Term Sheet is of the opinion that the Term Sheet is in the best interest of the Company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The Term Sheet will be available for inspection by shareholders of UOA DEV at the registered office of UOA at No. 9, Jalan Indah 16, Taman Cheras Indah, 56100 Kuala Lumpur during business hours from Monday to Friday (save for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 14 June 2023.