

PENTAMASTER CORPORATION BERHAD (“PMCB” OR “VENDOR” OR THE “COMPANY”)

- (I) PROPOSED PESB DISPOSAL; AND
- (II) PROPOSED PSSB DISPOSAL

(COLLECTIVELY, THE “PROPOSAL”)

1.0 INTRODUCTION

The Board of Directors of PMCB (“**Board**”) wishes to announce that the Company is proposing to undertake the following:-

- (a) Proposed disposal by PMCB of 12,490,000 ordinary shares of RM1.00 each in Pentamaster Engineering (M) Sdn Bhd (“**PESB**”) (“**PESB Shares**”), representing 100% of the issued and paid-up share capital of PESB, to GEMS-Asia Emerging Technology Fund LP (“**GAETF**” or “**Purchaser**”) for a cash consideration of RM2,600,000 (“**Proposed PESB Disposal**”); and
- (b) Proposed disposal by PMCB of 500,000 ordinary shares of RM1.00 each in Pentamaster Solutions Sdn Bhd (“**PSSB**”) (“**PSSB Shares**”), representing 100% of the issued and paid-up share capital of PSSB, to GAETF for a cash consideration of RM2,400,000 (“**Proposed PSSB Disposal**”).

Further details of the Proposal are set out in the ensuing sections.

2.0 DETAILS OF THE PROPOSAL

2.1 Background information on the Proposal

2.1.1 Sale and Purchase Agreement for Proposed PESB Disposal and Proposed PSSB Disposal

PMCB had on 10 July 2015 entered into a sale and purchase agreement with GAETF (“**SPA**”), wherein PMCB shall sell and GAETF shall purchase:

- a) 12,490,000 PESB Shares, representing 100% of the issued and paid-up share capital of PESB, for a cash consideration of RM2,600,000 (“**PESB Disposal Consideration**”); and
- b) 500,000 PSSB Shares, representing 100% of the issued and paid-up share capital of PSSB, for a cash consideration of RM2,400,000 (“**PSSB Disposal Consideration**”).

The salient terms of the SPA are set out in Appendix I herein.

2.1.2 Information on PESB

PESB was incorporated in Malaysia as a private limited company under the Companies Act, 1965 (“**Act**”) on 30 March 1998. Its principal activity is manufacturing of automated, semi-automated machine and equipment.

The authorised share capital of PESB is RM25,000,000 comprising 25,000,000 PESB Shares, of which 12,490,000 PESB Shares have been issued and fully paid-up. PESB is a wholly owned subsidiary of PMCB. The Directors of PESB are Chuah Choon Bin, Tan Boon Teik and Hon Tuck Weng.

2.1.3 Information on PSSB

PSSB was incorporated in Malaysia as a private limited company under the Act on 19 July 2004. Its principal activity is manufacturing of intelligent sortation systems, components and parts thereof.

The authorised share capital of PSSB is RM500,000 comprising 500,000 PSSB Shares, of which 500,000 PSSB Shares have been issued and fully paid-up. PSSB is a wholly owned subsidiary of PMCB. The Directors of PSSB are Chuah Choon Bin and Tan Boon Teik.

2.1.4 Information on GAETF

GAETF is a private equity limited partnership fund incorporated in Singapore with the Accounting and Corporate Regulatory Authority and having its registered office at No. 1, Raffles Place, No.21-01, One Raffles Place, Singapore 048616. GAETF is a registered private equity fund with focus on investment in the technology and “Emerging” technology space in Asia through its investment in both listed and unlisted entities. It is managed by GEMS Capital Pte Ltd, a Registered Fund Management Company in Singapore with its address at 1 Raffles Place #21-01, One Raffles Place, Singapore 048616. GEMS Capital Pte Ltd was formed in 1999 and has been in the fund management business for over 15 years.

For further details on GEMS Capital Pte Ltd please refer to its website www.gemscapital.com

2.2 Proposed PESB Disposal

2.2.1 Basis of arriving at and justification for the PESB Disposal Consideration

The PESB Disposal Consideration of RM2,600,000 was arrived at on a “willing-buyer willing-seller” basis after negotiation based substantially on the audited net asset value of PESB amounting to RM2,674,936 as at 31 December 2014.

The Board is of the opinion that the agreed price which was based substantially on the net asset value of PESB is the most appropriate basis to value the shares of PESB considering that PESB has recorded losses from its operations in the past 3 financial years.

2.2.2 Assumption of liabilities

Save for the liabilities disclosed in the financial statements of PESB, there are no liabilities, including contingent liabilities and guarantees, to be assumed by GAETF arising from the Proposed PESB Disposal.

2.2.3 Date and original cost of investment

The original cost and date of investment of the Company’s investment in PESB were as follows : -

Date of Investment	Number of Shares subscribed	% held	Cost of Investment (RM)
30/11/2002	600,000	100	17,879,185
22/09/2014	11,890,000	100	11,890,000
			<hr/> 29,769,185
Total impairment to date			(15,651,287)
Net carrying value			<hr/> 14,117,898

2.2.4 Proposed utilisation of the proceeds from the Proposed PESB Disposal

The gross proceeds arising from the Proposed PESB Disposal of approximately RM2,600,000 shall be utilised for the working capital requirements of PMCB and its group of companies (“**PMCB Group**”) which comprise of, amongst others, payment to creditors, salaries, purchase of raw materials and operating expenses as and when the need arise. The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore cannot be determined at this juncture. Additional surplus proceeds shall be redeployed for better investment and returns by PMCB Group.

2.3 Proposed PSSB Disposal

2.3.1 Basis of arriving at and justification for the PSSB Disposal Consideration

The PSSB Disposal Consideration of RM2,400,000 was arrived at on a “willing-buyer willing-seller” basis after negotiation based substantially on the audited net asset value of PSSB amounting to RM2,413,404 as at 31 December 2014.

The Board is of the opinion that the agreed price which was based substantially on the net asset value of PSSB is the most appropriate basis to value the shares of PSSB considering that PSSB has recorded losses from its operations in the past 3 financial years.

2.3.2 Assumption of liabilities

Save for the liabilities disclosed in the financial statements of PSSB, there are no liabilities, including contingent liabilities and guarantees, to be assumed by GAETF arising from the Proposed PSSB Disposal.

2.3.3 Date and original cost of investment

The original cost and date of investment of the Company’s investment in PSSB were as follows :-

Date of Investment	Number of Shares subscribed	% held	Cost of Investment (RM)
19/07/2004	2	100	2
11/01/2007	499,998	100	499,998
			<hr/> 500,000
Total impairment to date			(499,999)
Net carrying value			<hr/> <hr/> 1

2.3.4 Proposed utilisation of the proceeds from the Proposed PSSB Disposal

The gross proceeds arising from the Proposed PSSB Disposal of approximately RM2,400,000 shall be utilised for the working capital requirements of PMCB Group which comprise of, amongst others, payment to creditors, salaries, purchase of raw materials and operating expenses as and when the need arise. The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore cannot be determined at this juncture. Additional surplus proceeds shall be redeployed for better investment and returns by PMCB Group

3.0 RATIONALE FOR THE PROPOSAL

The Proposal is in line with the objective of the PMCB Group to rationalise its financial and capital resources as PESB and PSSB had incurred losses for a few years resulting in working capital support required from PMCB Group for their ongoing operations. Further investment or working capital support are required in PESB and PSSB but the Directors are of the view that there is uncertainty of positive returns in the foreseeable future. With the Disposal, not only will PMCB Group be relieved of further potential losses in its investment in PESB and PSSB, it will also enable PMCB Group to streamline the Group’s structure for better efficiency and channel its financial and capital resources for better investment and returns.

4.0 RISK FACTOR

Save for the risk of non-completion of the SPA, the Board is not aware of any other risk factors arising from the Proposal which could adversely affect the operating and financial conditions of the PMCB Group.

5.0 EFFECTS OF THE PROPOSAL

5.1 Share capital and substantial shareholders' shareholdings

The Proposal is not expected to have any effects on the share capital and the substantial shareholders' shareholdings of PMCB as no new ordinary shares of RM0.50 each in PMCB ("PMCB Shares" or "Shares") will be issued pursuant thereto.

5.2 Earnings and earnings per Share

Barring any unforeseen circumstances and on the assumption that the Proposal will be completed by the third (3rd) quarter of 2015, the Proposal is anticipated to result in a loss on disposal of approximately RM100,000, which will be translated into a consolidated loss per share of approximately 0.08 sen to PMCB Group for the financial year ending 31 December 2015.

5.3 Net Assets ("NA") and gearing

The effects of the Proposal on the consolidated NA per Share and gearing of PMCB based on the audited consolidated financial statements of PMCB for the FYE 2014 are as follows:-

	Audited as at 31 December 2014 RM'000	(I) After the Proposed PESB Disposal RM'000	(II) After (I) and the Proposed PSSB Disposal RM'000
Share capital	66,621	66,621	66,621
Share premium	4,865	4,865	4,865
Exchange translation reserve	60	60	60
Accumulated losses	(10,088)	(10,163) ⁽¹⁾	(10,177) ⁽²⁾
Shareholders' equity/ NA	61,458	61,383	61,369
No. of Shares ('000)	133,243	133,243	133,243
NA per Share (RM)	0.46	0.46	0.46
Borrowings (RM'000)	188	188	188
Gearing (times)	0.003	0.003	0.003

Notes:-

(1) After incorporating the loss on disposal of RM74,936 from the Proposed PESB Disposal.

(2) After incorporating the loss on disposal of RM13,404 from the Proposed PSSB Disposal.

6.0 APPROVALS REQUIRED

The Proposal is not subject to the approvals of the shareholders of PMCB or any other relevant authorities.

7.0 CONDITIONALITY

The Proposal is not conditional upon any other corporate proposals undertaken or to be undertaken by PMCB.

8.0 PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 11.8% based on the latest audited consolidated financial statements of PMCB for the FYE 2014.

9.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors, major shareholders and/or persons connected with the Directors and/or major shareholders of PMCB have any interest, direct or indirect, in the Proposal.

10.0 DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposal, including but not limited to the rationale, financial effects, terms of the SPA and risk associated with the Proposal, is of the opinion that the Proposal is in the best interest of the Company.

11.0 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposal is expected to be completed by the third (3rd) quarter of 2015.

12.0 DOCUMENTS AVAILABLE FOR INSPECTION

The SPA is available for inspection at the Registered Office of PMCB at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Penang during normal business 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 10 July 2015.

SALIENT TERMS OF THE AGREEMENTS

1.0 SALIENT TERMS OF THE SPA

The salient terms of the SPA are, amongst others, as follows:-

- 1.1 Subject to the terms and conditions set out the SPA, the Vendor shall sell as legal and beneficial owner and the Purchaser shall purchase the business of PESB and PSSB (the “Subsidiaries”) via the purchase of one hundred per centum (100%) of the Issued Shares of the Subsidiaries free from all equities, charges, liens, options, encumbrances, claims and other adverse interest whatsoever and with the right to dividends and distributions of whatsoever nature declared and unpaid or to be declared in respect thereof with effect from the date of the SPA which shall be inclusive of all tangible and intangible assets owned by Subsidiaries thereof, that are used in, or necessary for the conduct of their current businesses, including but without limitation to any developed software and technology and subject to any obligations contained in disclosed license agreements and all related intellectual properties, fixed assets, any and all customer lists and the goodwill associated therewith.
- 1.2 The purchase price for PESB shall be the aggregate of RM2,600,000 only and the purchase price for PSSB shall be the aggregate of RM2,400,000 only totalling RM5,000,000 only (hereinafter referred to as “the Purchase Price”).
- 1.3 Simultaneously with the execution of the SPA, the Purchaser shall pay a sum of RM500,000 only (hereinafter referred to as “the Earnest Deposit Sum”) to the Vendor’s Solicitors, Messrs PERRY&CO., Advocates & Solicitors (hereinafter referred to as “the Vendor’s Solicitors”) as stakeholders as deposit and towards account of the Purchase Price.
- 1.4 The balance deposit sum amounting to RM2,000,000.00 only (hereinafter referred to as “the Balance Deposit Sum”) shall be paid by the Purchaser to the Vendor towards account of the Purchase Price by depositing the same with the Vendor’s Solicitors as stakeholders upon the completion of the legal, financial and commercial due diligence exercise within the time period as stated in Section 1.6 below (hereinafter referred to as “the Due Diligence Period”).
- 1.5 The balance of the purchase price amounting to RM2,500,000.00 only (hereinafter referred to as “the Balance Purchase Price”) shall be paid by the Purchaser to the Vendor on or before the date of 17-July-2015 by depositing the same with the Vendor’s Solicitors as stakeholders to be held pending the completion of the agreement (hereinafter referred to as “the Completion Date”).
- 1.6 The Vendor represents and warrants to the Purchaser that the Vendor shall fulfil or cause to be fulfilled the following completion periods in order to perfect the transfer and control of the Subsidiaries to the Purchaser:-

Time Period	Expected date of achievement
Execution of Agreement and Related Documents by the Vendor and the Purchaser	On or Before 14-July-2015
Legal, Commercial & Financial Due Diligence Period	From 1 July 2015 to 10-July-2015, or any other period that may be mutually agreed upon by the parties
Taking over control of the operations of Subsidiaries	On or Before 17-July-2015
Legal Documentations & Compliance for the perfection of transfer of the Subsidiaries	On or Before 30-September-2015

- 1.7 The Vendor’s Solicitors are authorised by the parties to release the Purchase Price to the Vendor on the Completion Date.

SALIENT TERMS OF THE AGREEMENTS (CONT'D)

- 1.8 The sale and purchase of the Subsidiaries shall be subject to the following conditions precedent being fulfilled, satisfied, effected or waived to the extent and in the manner set out hereinafter (hereinafter referred to as “the Conditions Precedent”):-
- 1.8.1 Upon the execution of the SPA the Vendor shall deliver to the Purchaser’s Solicitors to hold as stakeholders, the share transfer forms duly executed by the Vendor and a copy of the resolution certified by the secretary or a director of the Subsidiaries respectively as true copy of such resolution of the Subsidiaries’ Board of Directors approving the sale and transfer of the shares of the Subsidiaries to the Purchaser or its nominees together with all the relevant share certificates of the said shares (hereinafter referred to as “the Documents”).
- 1.8.2 From the date of SPA until the Completion Date there shall not be any breach of and/or material inaccuracy in any of the warranties, undertakings and/or representations made by the Vendor.
- 1.8.3 For the purpose of verifying the provision in the SPA the Vendor agree to cause the Subsidiaries to consent to the Purchaser to audit in accordance with professional standards the books and all relevant documents of the Subsidiaries and to verify that the legal, financial and business status of the Subsidiaries is as represented and warranted by the Vendor (hereinafter referred to as “the Due Diligence Exercise”). The Vendor shall allow and/or cause the Subsidiaries to allow any and all professionals engaged by the Purchaser to enter and remain in all of the Subsidiaries’ premises where such books and documents may be found and to render all assistance to the Purchaser to carry out the Due Diligence Exercise.
- 1.8.4 The approval of the Appropriate Authorities being obtained by the Vendor for the sale and transfer of the legal and beneficial interest of the Subsidiaries to the Purchaser or its nominees, where applicable, on the terms and conditions of the SPA (hereinafter collectively referred to “the Approvals”) being obtained within sixty (60) days from the date of the SPA (hereinafter referred to as “the Approval Period”) where such approvals are necessary for the effective performance of the SPA. If the approvals are not obtained within the Approval Period the said period shall be extended for a further period as may be mutually agreed upon by both parties (hereinafter referred to as “the Extended Approval Period”) from the expiry of the Approval Period (hereinafter referred to as “the Extended Approval Period”) to obtain the Approvals failing which the SPA shall lapse.
- 1.8.5 To ensure operational stability and the smooth transition of the businesses of the Subsidiaries to the Purchaser, the Vendor agrees that Mr. Chuah Choon Bin shall be engaged by the Purchaser to act as an Advisor to the Subsidiaries on such terms as may be mutually agreed upon by the parties and the Vendor shall use its best endeavour to assist the Purchaser to retain and employ the key employees of the Subsidiaries.
- 1.8.6 In the event any one or more of the Conditions Precedent stated in the clauses above is not satisfied, and/or if any time before the Completion Date the Purchaser finds that any of the undertaking, warranties or representations of the Vendor made hereunder are materially incorrect or have not been or are incapable of being carried out then the Purchaser may forthwith by writing, elect to:-

Affirm the SPA (for the purposes of the SPA if no election is made the Purchaser shall be deemed to have affirmed the SPA); or

Rescind the SPA whereupon the following shall take effect:-

- a. The Deposit Sum shall be refunded by the Vendor’s Solicitors to the Purchaser or its nominee forthwith;
- b. The Documents shall be returned to the Vendor forthwith;

SALIENT TERMS OF THE AGREEMENTS (CONT'D)

c. Each party shall bear their own cost in this matter

thereafter the SPA shall be null and void and of no further effect and neither party shall have any claim against each other.

- 1.9 Upon the execution of the SPA the Vendor shall cause the appointment of one (1) person nominated by the Purchaser to be a director in the Board of Directors of each of the Subsidiaries (hereinafter referred to as “the Interim Directors”) Provided Always That the Interim Directors have deposited with the Vendor’s Solicitors to hold as stakeholders, undated resignation letters whereby the Interim Directors shall resign from the Board of Directors of the Subsidiaries in the event that the SPA is rescinded or terminated (hereinafter referred to as “the Resignation Letters”).
- 1.10 In the event that the SPA is rescinded or terminated the Vendor shall be entitled to forthwith cause the removal of the Interim Directors from the Board of Directors of the Subsidiaries.
- 1.11 Provided it has not been rescinded or terminated, the completion of the SPA shall take place at the office of the Vendor upon satisfaction of the Conditions Precedent.
- 1.12 On the Completion Date all the transactions mentioned in the following shall take place:-
- 1.12.1 the Vendor or its Solicitors has duly delivered to the Purchaser or its Solicitors the following:-
- (a) transfers in respect of all the shares of the Subsidiaries duly executed by the registered holder(s) thereof and completed in favour of the Purchaser, together with duly executed share certificate(s) in respect thereof and duly executed resolutions of the board of directors of the Vendor and the Subsidiaries, as the case may be, approving the sale, transfer and registration in respect of all the shares of the Subsidiaries;
 - (b) such waivers, consents and other documents as may be required (if any), all duly executed to give good title to the shares of the Subsidiaries to the Purchaser and to enable the Purchaser to become the registered holder thereof; and
 - (c) duly certified true and accurate copies of all necessary approvals from government and/or regulatory authorities where applicable, including the FIC and the Security Commission for the transactions contemplated in the SPA and the resolution of the shareholders of the Vendor approving the sale of the Subsidiaries to the Purchaser under the SPA.
 - (d) the Vendor has made available the transfers of the shares of the Subsidiaries contemplated in the SPA to be registered (subject to stamping) in the register of transfers in the name of the Purchaser in the register of members of the Subsidiaries notwithstanding any provision to the contrary in the Articles of Association of the Subsidiaries.
- 1.12.2 The Purchaser has paid the full Purchase Price to the Vendor or the Vendor’s Solicitors as stakeholders as the case may be
- 1.12.3 The parties have done all acts and things and execute all documents as shall be necessary or expedient to give effect to the sale and transfer of the shares of the Subsidiaries upon the terms and conditions specified in the SPA

SALIENT TERMS OF THE AGREEMENTS (CONT'D)

- 1.12.4 If the documents required to be delivered to any party on Completion Date are not forthcoming for any reason or if in any other respect the provisions of this Clause is not fully complied with by any Party, the non defaulting party shall be entitled:-
- (a) to elect to terminate the SPA as against the party in default without prejudice to any other rights or remedies which the non-defaulting party may be entitled under the SPA or under any applicable laws;
 - (b) to effect Completion so far as practicable having regard to the defaults which have occurred without prejudice to any other rights or remedies which the non-defaulting party may be entitled under the SPA or under any applicable laws;
 - (c) to require specific performance by the party in default without prejudice to any other rights or remedies which the non-defaulting party may be entitled to under the SPA and/or any applicable laws; or
 - (d) to fix a new date for Completion Date in which case the foregoing provisions of this Clause shall apply to the Completion Date as so deferred.
- 1.13 Without prejudice to the generality of the provisions of this clause, the Parties hereby agree that the Purchaser shall not be obliged to complete the purchase of the shares of the Subsidiaries unless completion takes place in respect of all the shares of the Subsidiaries.
- 1.14 The Vendor shall warrant and undertake to cause the Subsidiaries to comply with the following acts unless otherwise consented to by the Purchaser in writing:-
- (a) the business of the Subsidiaries shall only be conducted in the ordinary course of business and there shall be no material change, other than changes in the ordinary course of business, in the assets or liabilities of such business;
 - (b) the Subsidiaries shall use reasonable efforts to preserve its business organisation and the goodwill of its customers, suppliers and others having business relations with the Subsidiaries and shall not in any way depart from the ordinary course of its day to day business either as regards the nature, scope or manner of conducting the same;
 - (c) the Subsidiaries shall duly and in a timely manner observe and comply in all material respects with all laws, rules, regulations, ordinances, codes, orders, licences, agreements and permits relating to its assets and business;
 - (d) the Subsidiaries shall not sell, lease, abandon, assign, transfer, license or otherwise dispose of any of its material assets or any material interest therein except in the ordinary course of business, or any part of its business nor assign any of its material contracts;
 - (e) the Subsidiaries shall not acquire any assets of a value in excess of RM20,000 on hire purchase or deferred terms except in the ordinary course of business, or any part of its business;
 - (f) the Subsidiaries shall not knowingly permit any of its normal insurances to lapse or do anything to make any policy of insurance void or voidable; and
 - (g) the Subsidiaries shall not after the date of this Agreement declare any dividends or make any other distributions to its shareholders without the prior written consent of the Purchaser.
 - (h) The Vendor shall warrant and ensure that since the Balance Sheet Date, the Subsidiaries has not encountered any material decrease or erosion in its NTA.
 - (i) The Vendor agree that from the date of execution of the SPA any and all moneys, proceeds, collections received by the Subsidiaries or the Vendor shall remain in the Subsidiaries and shall not be used to declare any dividends.

SALIENT TERMS OF THE AGREEMENTS (CONT'D)

- (j) The Vendor agree that any amount owing by the Subsidiaries to the Vendor or any related company of the Vendor due to the Vendor's internal group legacies and operation matters shall be settled by the Purchaser accordingly within a reasonable time period upon the receipt by the Subsidiaries of any receivables that the Subsidiaries may receive after the Completion of the SPA.
 - (k) The Vendor agree to execute a formal tenancy agreement with the Subsidiaries and grant possession of the existing production facilities not already owned by the Subsidiaries for a period of three (3) years free of rental and thereafter upon expiry of the term of the tenancy the parties shall renew the tenancy agreement and negotiate the rental rate for the said facilities at the rate to be mutually agreed upon by the parties, provided always that, during the said rent-free period, the Subsidiaries shall comply with all the terms and conditions of the tenancy agreement.
- 1.15 The Purchaser represents and warrants to the Vendor as follows:-
- (a) the Purchaser has and shall have the full legal capacity and power to enter into and perform the SPA and the same constitutes or when executed shall constitute valid and binding obligations on the Purchaser in accordance with its terms;
 - (b) save as disclosed to the Vendor or its representatives, the execution and delivery of, and the performance by the Purchaser of its obligations under the SPA will not:-
 - i. result in a breach of any provision of the Memorandum and Articles of Association of the Purchaser; or
 - ii. result in a breach of any contract, or any order, judgement or decree of any court, governmental agency or regulatory body to which the Purchaser is a party or by which the Purchaser is bound;
 - (c) The Purchaser has enough funds to pay the Purchase Price and any other expenses accumulated by the Purchaser in connection with the SPA and the Purchaser has not incurred any obligations, commitment, restrictions, liabilities of any kind absolute or contingent present or future that would adversely affect its ability to perform its obligations under this Agreement.
 - (d) The Purchaser has not committed an act or omission that would give rise to any claim relating to any brokerage commission, finder fees or any similar payments.
 - (e) The Purchaser shall pay to the Vendor any amount owing by the Subsidiaries or any related company of the Vendor due to the Vendor's internal group legacies and operation matters which shall be settled by the Purchaser to Vendor accordingly within a reasonable time period upon the receipt by the Subsidiaries of any receivables that the Subsidiaries may receive after the Completion of the SPA.
- 1.16 Both parties undertakes to the other party respectively to forthwith disclose in writing to the other Party any event or circumstance which may arise or become known to it or its directors and/or officers after the date hereof and prior to the Completion Date which is inconsistent with any of the warranties and representations made or referred to herein, or which might make any of them inaccurate or misleading if they were given at any and all times from the date hereof down to the Completion Date or which is material to be known by a purchaser for value of the shares of the Subsidiaries to the intent that if the Vendor shall so disclose any event or circumstances pursuant to this Clause, the Purchaser shall have the right to rescind the SPA (without prejudice to all other rights and remedies available to it).