

**PDC HERITAGE HOTEL SDN BHD (PHH)
CHRONOLOGY OF EVENTS**

Date	Description of Events
20.5.94	Meeting between PDC and YTL Corporation Bhd (YTL) pertaining to YTL's proposal to form a joint venture company for the development of a classic hotel in Penang. PDC later identified a piece of land at Farquhar Street for the said purpose.
29.8.94	YTL's proposal was tabled to the PDC Board at its meeting No. 6/94. However, the PDC Board deferred the decision because the said land was owned by State and had not being alienated to PDC. The Board directed PDC to apply for alienation of the land from the State Government.
15.12.94	Application by PDC to State Government for alienation of land.
17.10.95	Incorporation of PDC Heritage Hotel Sdn Bhd (PHH) by YTL as a wholly-owned subsidiary of YTL with an initial paid-up capital of RM2.00.
3.1.96	Approval by State Government on PDC's application for alienation of land.
25.3.96	The proposal was re-tabled to the PDC Board at its meeting No. 2/96 and the Board approved the proposal for PDC to form a joint venture with YTL Hotels & Properties Sdn Bhd (YTL H&P) for the development of a heritage hotel with equity participation of 49%:51% respectively.
22.4.96	The Joint Venture Agreement was signed between PDC and YTL H&P.
3.9.99	<p>The Sale & Purchase Agreement was signed between PDC and PHH for the purchase of a piece of land by PHH of approximately 3.47 acres at Gat Lebu Leith at a total price of RM26.7 million (i.e. RM176.52 p.s.f).</p> <p>The paid-up capital of PHH was RM26,696,900 and was based on the cost of the land. PDC's cost of investment amounting to RM13,081,481 was by way of land contribution.</p>
30.4.01	<p>Presentation by YTL H&P to the PDC Board at its meeting No. 3/2001 on the development proposal similar to "Bintang Walk", KL comprising suitable restaurants, cafes, bistros and other suitable shops. This development proposal will only be on a temporary basis until an improvement in the market condition, whereby PHH will then proceed with the original development.</p> <p>The PDC Board agreed to the above proposal. However, it was aborted by PHH later on in view of the high estimated project cost of RM15.0 million, which made the proposal not viable.</p>
2002 - 2006	No new development after the above proposal was aborted.

18.1.07	<p>Presentation by YTL on the development proposal of the site to YAB Chairman at a breakfast meeting on the following matters:-</p> <ol style="list-style-type: none"> (1) To allow the development of commercial and residential properties, including apartments and/or service apartments for sale to the general public; (2) To convert the leasehold status of the land to freehold <p>En. Mohd Bazid, PDC's nominee director who attended the Board meeting of PHH on the same day informed that YTL will submit the revised proposal together with detailed costing to PDC in 2 months' time i.e. by 18 March 07.</p>
9.5.07	<p>Reply from YTL H&P stating that YTL H&P is ready to present the development proposal to PDC. The proposal was prepared in line with the above two issues which was agreed in principle by YAB Chairman on 18 January 2007.</p>
21.5.07	<p>YTL's letter to YAB Chairman enclosing development proposal and requested for the endorsement of their proposal on the basis that the development of commercial and residential properties, including apartments and/or service apartments for sale to the general public would be allowed and the leasehold status of the land can be converted to freehold.</p>
17.7.07	<p>Letter from PDC to YTL on the following:-</p> <ol style="list-style-type: none"> (1) Requested PHH to submit official application to PTG on the proposed upgrading of land status from leasehold to freehold; (2) To clean up the project site; (3) To start renovation works on the existing JKR building.
8.1.08	<p>Submission of development plan to MPPP.</p>
13.2.09	<p>Briefing by YTL to YAB Chairman.</p>
17.2.09	<p>Letter from PHH to YAB Chairman (copy to Pejabat Daerah dan Tanah, Daerah Timur Laut) requesting for the following:-</p> <ol style="list-style-type: none"> (1) to convert the leasehold status of the land to freehold; (2) to change the "syarat-syarat nyata" in the land title from "Tanah yang diberimilik ini hendaklah digunakan untuk tujuan bangunan hotel, perniagaan dan service apartment sahaja" to "untuk tujuan kediaman dan perniagaan sahaja".
25.2.09	<p>Letter from PDC to PHH on the following:-</p> <ol style="list-style-type: none"> (1) Requested PHH to liaise with PTG regarding the conversion of the land status; (2) The State will give due consideration on the above matter subject to YTL agreeing to give the State (through PDC) a majority 51% equity control in PHH.

5.3.09	Reply from PHH, objecting on the proposal for PDC to hold a majority stake of 51% in PHH.
23.3.09	Letter from PTG stating that PHH's application to change the "syarat nyata" was approved by Penang Land Committee on 19.3.09 subject to PDC holding at least 50% equity in the Company. The Company is required to restructure its equity before the said application can be tabled at MMK meeting.
23.3.09	Letter from PHH offering PDC to purchase additional 1% equity in PHH at fair market value, taking into account all holding and other costs.
22.5.09	Letter from PDC to PHH informing directive of YAB Chairman that PDC shall increase its shareholding in PHH by 1% whereby the full cost shall be borne by YTL H&P and PDC shall assistance to fast track all necessary all necessary approvals from the various governmental authorities on the processing approvals related to the PHH project as mentioned in their letter dated 11.5.09.
25.5.09	PDC Board approved at its Board Meeting no. 2/2009 on the following:- <ul style="list-style-type: none"> (1) PDC increase its equity shareholding by 1% from 49% to 50% in PHH at the total cost of RM266,970 and the full cost shall be borne by YTL H&P. (2) To appoint YAB Tuan Lim Guan Eng as additional PDC's nominee director in PHH.
25.6.09	Letter from Pejabat Daerah dan Tanah (PDT) approving PHH's application subject to total payment of RM8,253,259.38 (i.e. premium of RM6,356,508 and conversion fee of RM1,896,751.38.). Among other additional conditions imposed by PDT are PDC must hold at least 50% equity shareholding in PHH and all related payments on the above application shall be borne by YTL H&P.
14.9.09	At its Board Meeting no. 5/2009, PDC Board agreed to provide an interest-free loan amounting RM4,126,629.69 to YTL H&P to finance the 50% payment of RM8,253,259.38 (i.e. premium of RM6,356,508 and conversion fee of RM1,896,751.38) amounting to to Pejabat Tanah & Galian. This payment shall be treated as an interest free loan to YTL H&P and shall be repaid in four (4) equal annual installments in four (4) years and the loan shall be released by PDC upon YTL H&P effecting the increase in PDC's equity shareholding from 49% to 50% in PHH.
30.9.09	Letter from PHH to PDC accepting the offer and agreeing to proceed with the loan agreement.
6.10.09	Letter from PHH to PDC enclosing the draft Supplemental Agreement.
16.10.09	Letter from PDC to PHH emphasizing that the increase in PDC's equity shareholding from 49% to 50% in PHH needs to be effected by YTL H&P prior to the release of the loan by PDC and the conversion of the land title

	from leasehold to freehold.
18.11.09	Letter from YTL to PDC mentioning that YTL has decided not to accept the loan from PDC and will proceed to pay the land premium.