

# OTHERS ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR THE "COMPANY") PROPOSED SETTLEMENT

## ADVANCECON HOLDINGS BERHAD

Type	Announcement
Subject	OTHERS
Description	ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR THE "COMPANY")  PROPOSED SETTLEMENT

*Reference is made to the circular to shareholders of Advancecon dated 11 October 2021 which include, amongst others, the Acquisition (as defined herein).*

On behalf of the Board of Directors of Advancecon ("**Board**"), UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") wishes to announce that Advancecon had on 18 October 2022, entered into a supplemental agreement with Fook Hua Holdings Sdn Bhd ("**FHHSB**") to facilitate the early settlement of the Profit Guarantee (as defined herein) obligations of FHHSB under the share sale agreement dated 17 June 2021 ("**SSA**"), in respect of the acquisition of 51% equity interest in Spring Energy Resources Berhad ("**Acquisition**"), upon terms and conditions contained in the SSA ("**Proposed Settlement**").

Further details of the Proposed Settlement are set out in the attachment below.

**This announcement is dated 18 October 2022.**

Please refer attachment below.

### Attachments

[Advancecon\\_Proposed Settlement \(Final\).pdf](#)  
242.8 kB

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### Announcement Info

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## ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR THE "COMPANY")

### PROPOSED SETTLEMENT

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#### 1. INTRODUCTION

On 17 June 2021, UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") had on behalf of the Board of Directors of Advancecon ("**Board**"), announced that Advancecon had on even date entered into the following agreements:-

- i. a conditional share sale agreement ("**SSA**") with Fook Hua Holdings Sdn Bhd ("**FHHSB**" or the "**Vendor**") for the sale and purchase of 260,100,006 ordinary shares in Spring Energy Resources Berhad ("**SERB**"), representing 51% equity interest, for a total purchase consideration of RM30,400,000 to be satisfied via a combination of cash payment of RM15,220,000 and the remaining purchase consideration of RM15,180,000 to be satisfied via an issuance and allotment of 33,000,000 new ordinary shares of Advancecon ("**Considerations Share(s)**") at the issue price of RM0.46 per Consideration Share ("**Acquisition**"); and
- ii. a shareholders' agreement with FHHSB and SERB to regulate the relationship of the shareholders and govern the management and operation of SERB between the shareholders of SERB upon completion of the Acquisition ("**SHA**").

Pursuant to the SSA, the Vendor had severally covenanted, warranted and guaranteed to Advancecon a profit guarantee for SERB and its subsidiaries ("**SERB Group**") of an aggregated cumulative profit after tax of not less than RM12,000,000 for two (2) 12-month financial years (i.e. 12-month financial year ending 31 December 2022 and 12-month financial year ending 31 December 2023) ("**Profit Guarantee Period**") ("**Profit Guarantee**").

On 26 October 2021, the shareholders of the Company ("**Shareholders**") had approved the ordinary resolution for the Acquisition at an extraordinary general meeting ("**EGM**") held. The Acquisition was subsequently completed on 13 December 2021.

In this regard, on behalf of the Board, UOBKH wishes to announce that the Company and the Vendor (collectively referred to as the "**Parties**") had on 18 October 2022 entered into a supplemental agreement to set out the terms and conditions for the amicable early settlement of the Profit Guarantee ("**Supplemental Agreement**") ("**Proposed Settlement**"), in view of the force majeure event and the challenging situation faced by the construction and property market that had affected the financial performance of SERB Group, further details as set out in **Section 2** of this announcement.

The Supplemental Agreement is to facilitate the early settlement of the Profit Guarantee obligations of FHHSB under the SSA, upon terms and conditions contained in the SSA. Further details of the Proposed Settlement are set out in the ensuing sections of this announcement.

The salient terms of the Supplemental Agreement are set out in **Appendix I** of this announcement.

#### 2. DETAILS OF THE PROPOSED SETTLEMENT

The terms and conditions of the Profit Guarantee as set out in the SSA were determined based on business-as-usual assumptions at the point of the Acquisition. In the first half of 2022, SERB Group's financial results have deteriorated due to the following factors:-

- i. severe flood that halted SERB Group's quarry production in 2 quarries located in Tanjung Dua Belas from early January 2022 onwards; and
- ii. the slower than anticipated recovery for SERB Group in the construction and property industries.

The details of the production output of SERB Group's quarry and premix products for its 6 on-going commercial quarry operations are set out as follows:-

No	Quarry Site	Maximum monthly capacity (million MT)	Estimated monthly output (million MT)	Actual average monthly output from January 2022 to June 2022 (million MT)
i.	Seremban	0.06	0.04	0.03
ii.	Semenyih	0.15	0.11	0.07
iii.	Sungai Buloh	0.16	0.14	0.10
iv.	Tanjung Dua Belas 1	0.10	0.08	-
v.	Tanjung Dua Belas 2	0.18	0.16	0.05
vi.	Kuantan	0.06	0.03	0.04

Based on the table above, the actual average monthly output for all quarry operations (save for the Kuantan site) from January 2022 to June 2022 has fallen below the estimated monthly output for each quarry site.

Based on the latest unaudited financial statements of SERB Group for the financial period ended ("**FPE**") 30 June 2022, SERB Group has recorded losses attributable to the owners of the Company of RM13.82 million. In view of the deterioration in SERB Group's financial results, the Board has taken pro-active measures to negotiate with the Vendor for the early settlement of the Profit Guarantee.

#### **Arrangement for the Proposed Settlement**

As stated in **Section 2.1** of the circular to the shareholders of Advancecon dated 11 October 2021 ("**Circular**"), SERB Group had provided an impairment of approximately RM67.50 million for the financial year ended ("**FYE**") 31 December 2020 in relation to the provision of construction works undertaken by Spring Energy Sdn Bhd ("**SERB**"), a wholly owned subsidiary of SERB, for the MEX II Projects (as defined in the Circular) ("**Impaired Amount**").

On 3 August 2021, Spring Energy Sdn Bhd ("**SESB**") had entered into a settlement agreement with the contract awardee of the MEX II Projects, namely Maju Holdings Sdn Bhd ("**MHSB**") to resolve their disputes whereby MHSB shall pay SESB the sum of RM48,000,000 ("**Maju Settlement Sum**") within 6 months from the date of the settlement agreement ("**Maju Settlement Agreement**") of which:-

- i. RM30,800,000 of the Maju Settlement Sum has been settled through the transfer of a land held under title no. Geran 67421, Lot No. 7957, Town of Gurun, District of Kuala Muda, State of Kedah ("**Land**") to SESB; and
- ii. RM17,200,000 of the remaining Maju Settlement Sum ("**Remaining Maju Settlement Sum**") shall be recoverable against MHSB through all legal means available including but not limited to specific performance and/ or winding up of MHSB to recover the balance thereof. As at the 30 September 2022, being the latest practicable date of this announcement ("**LPD**"), SESB has received a sum of RM5,000,000.00 from MHSB out of the Remaining Maju Settlement Sum.

Pursuant to the SSA and SHA, Advancecon had agreed that in the event that SESB is successful to recover any of the Impaired Amount, FHHSB will receive from SESB a sum equivalent to 100% of the recovered amount less all cost and expenses (including tax) incurred or payable by the SERB Group (save for any costs and expenses already paid by FHHSB or already paid by SESB prior to 17 June 2021) ("**Award Sum**"), in consideration for FHHSB's successful management of all disputes involving SERB Group in relation to the works undertaken by SERB Group for the MEX II Projects.

Premised on the aforesaid, FHHSB shall pursuant to the SSA and the SHA be entitled to the said Land and proceeds from the dealing thereof together with the RM17,200,000.00 Remaining Maju Settlement Sum that may be recovered pursuant to the Maju Settlement Agreement.

Based on the Supplemental Agreement, the Maju Settlement Sum of RM48,000,000 will be retained by SESB as consideration for the early settlement of the Profit Guarantee by FHHSB, instead of being paid to FHHSB pursuant to the SSA and SHA. Accordingly, the mode of early settlement of the Profit Guarantee is set out as follows:-

- i. the Land shall be retained by SESB with all legal and beneficial interest in tact in favour of SESB at the force sale value under the Maju Settlement Agreement of RM30,800,000 and shall only be dealt with by SESB (including proceeds therefrom) in accordance with the prior mutual written agreement between Advancecon and FHHSB;
- ii. SESB shall be entitled to all the Remaining Maju Settlement Sum from MHSB and all Remaining Settlement Sum so received shall only be dealt with by SESB in accordance with the prior mutual written agreement between Advancecon and FHHSB. For this purpose, FHHSB shall cause the Remaining Maju Settlement Sum to be paid to SESB directly; and
- iii. In the event there are amounts remaining under the Remaining Maju Settlement Sum to be received from MHSB after MHSB has been liquidated and dissolved ("**Unsettled Remaining Settlement Sum**"), FHHSB shall settle the Unsettled Remaining Settlement Sum immediately to SESB and in any event within fourteen (14) days from receipt of a written notice from Advancecon to do the same.

Pursuant to the above and subject to the fulfilment of the conditions precedent contained in the Supplemental Agreement, all rights of FHHSB in and to the Land (including proceeds therefrom) and the Remaining Maju Settlement Sum under the SSA and SHA (together with any Award Sum as described therein) shall cease immediately in favour of SESB as at the date of the Supplemental Agreement.

Please refer to **Appendix I** for further details of the Proposed Settlement.

### **3. RATIONALE AND JUSTIFICATION OF THE PROPOSED SETTLEMENT**

As set out in **Section 2** of this announcement, the Proposed Settlement is undertaken for the amicable early settlement of FHHSB's profit guarantee and related obligations of the Profit Guarantee contained in the SSA.

The terms and conditions of the Profit Guarantee pursuant to the SSA were determined based on business-as-usual assumptions at the point of the Acquisition. In the first half of 2022, SERB Group faced unforeseeable challenges due to severe flood that halted SERB Group's quarry production in 2 quarries located in Tanjung Dua Belas from early January 2022 onwards. The Group had incurred additional operational costs of approximately RM3.00 million in the first quarter of 2022 to recover the quarry sites conditions from catastrophic water damages that were caused by the severe flood. In addition, market demand for SERB Group's quarry and premix products has decreased in the first half of 2022 given the soft property market and construction industry, which had led to the average monthly actual output for SERB Group's quarry operations from January 2022 to June 2022 to fall below the estimated monthly output for each quarry operations site. Based on the latest unaudited financial statements of SERB Group for the FPE 30 June 2022, SERB Group has incurred losses attributable to the owners of the Company of RM13.82 million.

Given the above, the Board anticipates that SERB Group may not be able to achieve the Profit Guarantee within the Profit Guarantee Period, pursuant to the terms and conditions of the SSA. The Proposed Settlement will enable FHHSB to early settle its obligations for the Profit Guarantee as:-

- i. the Land with ascribed force sale value under the Maju Settlement Agreement of RM30,800,000 shall be retained by SESB; and
- ii. SESB shall be entitled to retain any Remaining Maju Settlement Sum recovered from MHSB and recover any Unsettled Remaining Settlement Sum from FHHSB.

Pursuant to the Proposed Settlement, SESB will be able to record an income from the reversal of impairment (being the Remaining Maju Settlement Sum of up to RM17,200,000) from the Impaired Amount in its FYE 31 December 2022 financial accounts and accordingly, this is expected to alleviate SERB Group's loss-making position for the financial year ending 2022, as the reversal of impairment will be consolidated at SERB Group's level.

#### **4. RISK FACTORS**

##### **4.1 Completion risk**

The Proposed Settlement is conditional upon the fulfilment of the conditions precedent in the Supplemental Agreement. If any of the conditions precedents are not fulfilled within the stipulated time frame, the Supplemental Agreement may be terminated and as a result, the Company may not be able to effect the Proposed Settlement and subsequently may not be able to recover the Profit Guarantee as and when it becomes due. Nevertheless, the Board endeavours to ensure the satisfaction of these conditions precedent in order to effect the Proposed Settlement and subsequently early settle the Profit Guarantee in a timely manner.

#### **5. EFFECTS OF THE PROPOSED SETTLEMENT**

For illustrative purposes, the effects of the Proposed Settlement shall be based on the following 2 scenarios:-

**Minimum Scenario** : Assuming all the treasury shares are retained prior to the implementation of the Proposed Settlement.

**Maximum Scenario** : Assuming all the treasury shares are resold on the open market prior to the implementation of the Proposed Settlement.

##### **5.1 Issued share capital and substantial shareholders' shareholdings**

The Proposed Settlement will not have any effect on the issued share capital and substantial shareholders' shareholdings as it does not involve any issuance of new ordinary shares of Advancecon.

##### **5.2 Net assets ("NA") per Share and gearing level**

Barring any unforeseen circumstances, the Proposed Settlement is not expected to have any immediate material effect on the NA and gearing level of Advancecon Group for the FYE 31 December 2022.

### 5.3 Earnings and earnings per share

Purely for illustration purpose, assuming the Proposed Settlement had been completed on 1 January 2021, being the beginning of the latest audited FYE 31 December 2021 of Advancecon, the pro forma effects of the Proposed Settlement on the earnings of Advancecon Group are illustrated as follows:-

#### **Minimum Scenario**

	<b>Audited FYE 31 December 2021 RM</b>	<b>After the Proposed Settlement RM</b>
Profit after tax (" <b>PAT</b> ") (attributable to shareholders)	2,049,957	2,049,957
Less: Loss after tax (" <b>LAT</b> ") of SERB Group for the FYE 31 December 2021	-	(4,282,679) <sup>*1</sup>
Add: Reversal of impairment from the Impaired Amount	-	8,772,000 <sup>*2</sup>
Less: Estimated expenses for the Proposed Settlement	-	(100,000) <sup>*3</sup>
<b>Total PAT</b>	<b>2,049,957</b>	<b>6,439,278</b>
Number of Shares in issue (excluding treasury shares)	483,374,700	483,374,700
<b>Basic earnings per share ("EPS") (sen)</b>	<b>0.42</b>	<b>1.33</b>

#### **Maximum Scenario**

	<b>Audited FYE 31 December 2021 RM</b>	<b>After the Proposed Settlement RM</b>
PAT (attributable to shareholders)	2,049,957	2,049,957
Less: LAT of SERB Group for the FYE 31 December 2021	-	(4,282,679) <sup>*1</sup>
Add: Reversal of impairment from the Impaired Amount	-	8,772,000 <sup>*2</sup>
Less: Estimated expenses for the Proposed Settlement	-	(100,000) <sup>*3</sup>
<b>Total PAT</b>	<b>2,049,957</b>	<b>6,439,278</b>
Number of Shares in issue (excluding treasury shares)	492,756,000	492,756,000
<b>Basic EPS (sen)</b>	<b>0.42</b>	<b>1.31</b>

#### **Notes:-**

<sup>\*1</sup> Computed based on 51% (being Advancecon's equity interest in SERB) of the audited LAT of SERB Group for the FYE 31 December 2021 of RM8.40 million.

<sup>\*2</sup> Computed based on 51% (being Advancecon's equity interest in SERB) of the reversal of impairment (being the amount of up to the Remaining Maju Settlement Sum of RM17,200,000) from the Impaired Amount, pursuant to the Proposed Settlement.

<sup>\*3</sup> After deducting the estimated expenses of RM100,000 for the Proposed Settlement.

### 5.4 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

**6. APPROVALS REQUIRED AND CONDITIONALITY**

The Proposed Settlement is subject to the following approvals being obtained:-

- i. the shareholders of the Company at an EGM to be convened; and
- ii. any other relevant authority and/ or party, if required.

The Proposed Settlement is not conditional upon any other proposals undertaken or to be undertaken by the Company.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM**

None of the directors, major shareholders, chief executive of the Company and/ or persons connected with them have any interest, direct or indirect, in the Proposed Settlement.

**8. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Proposed Settlement, including the rationale and justification for the Proposed Settlement, salient terms of the Supplemental Agreement and the effects of the Proposed Settlement, is of the opinion that the Proposed Settlement is in the best interest of the Company and the terms and conditions of the Supplemental Agreement are fair and reasonable.

**9. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Settlement is expected to be completed by the fourth quarter of 2022.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Supplemental Agreement will be made available for inspection at the registered office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor for a period of 3 months from the date of this announcement.

**This announcement is dated 18 October 2022.**

## SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT

1. Full and Final Settlement of the Profit Guarantee

Subject to the fulfilment of **section 5 of Appendix I** (Conditions Precedent), FHHSB and Advancecon (together “**the Parties**”) agree to amicably settle the Profit Guarantee and other obligations of FHHSB under clause 6 the SSA as follows:

- 1.1 The Land shall be retained by SESB with all legal and beneficial interest in tact in favour of SESB at the force sale value under the Maju Settlement Agreement of RM30,800,000.00 only and shall only be dealt with by SESB (including proceeds therefrom) in accordance with the prior mutual written agreement between Advancecon and FHHSB.
- 1.2 SESB shall be entitled to all the Remaining Maju Settlement Sum from MHSB and all Remaining Settlement Sum so received shall only be dealt with by SESB in accordance with the prior mutual written agreement between Advancecon and FHHSB. For this purpose, FHHSB shall cause the Remaining Maju Settlement Sum to be paid to SESB directly.
- 1.3 In the event there are amounts remaining under the Remaining Maju Settlement Sum to be received from MHSB after MHSB has been liquidated and dissolved (“**Unsettled Remaining Settlement Sum**”), FHHSB shall settle the Unsettled Remaining Settlement Sum immediately to SESB and in any event within fourteen (14) days from receipt of a written notice from Advancecon to do the same in the following manner:
  - (i) that the Unsettled Remaining Settlement Sum shall be settled by FHHSB assigning in favour of SESB the right to receive the repayment of outstanding advances that are due from SERB to FHHSB equivalent to Unsettled Remaining Settlement Sum within the aforesaid fourteen (14) days period;
  - (ii) that pending the receipt of the full Remaining Settlement Sum and as security for the fulfilment of **section 1.3(i) of Appendix I** above, FHHSB shall ensure that the total principal amount of advances made by FHHSB to SERB that remains outstanding shall at all times be no less than the Remaining Settlement Sum that has yet to be received by SESB and FHHSB shall not demand any repayment of the same (including any interest thereon, if any) pending SESB’s receipt of the Remaining Settlement Sum in full;
  - (iii) if for whatever reason an order has been made or petition presented or resolution passed for the winding up of or bankruptcy petition against FHHSB, or any distress, execution or other process been levied in respect of FHHSB which remains undischarged prior to the liquidation or dissolution of MHSB or any event has occurred which in Advancecon’s opinion will jeopardise the ability of FHHSB to recover the Unsettled Remaining Settlement Sum, FHHSB shall immediately and in any event within fourteen (14) days of receipt of written notice from Advancecon execute the deed of assignment in favour of SESB to assign the aforementioned advances; and
  - (iv) if for whatever reason the advances owing by SERB to FHHSB which can be and/or which is to be assigned to SESB under the deed of assignment is lesser than the Unsettled Remaining Settlement Amount, FHHSB shall immediately pay the shortfall in cash to SESB and in any event within fourteen (14) days from receipt of a written notice from Advancecon to do the same.
- 1.4 all rights of FHHSB in and to the Land (including proceeds therefrom) and the Remaining Maju Settlement Sum under the SSA and SHA (together with any Award Sum as described therein) shall cease immediately in favour of SESB as at the date of the Supplemental Agreement.



**SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT (CONT'D)**2. Amendment of SSA

In consideration of **section 1 of Appendix I** above, the Parties agree that with effect from the date the last Conditions Precedent in section 4 of Appendix I is fulfilled ("**Completion Date**"):

- (1) the SSA will be amended as follows:
  - (a) all reference to Profit Guarantee Period as contained in clauses 8 and 9 of the SSA shall mean the period of two (2) years commencing from 1 January 2022 and ending on 31 December 2023 (both dates inclusive); and
  - (b) clause 8.15(v) of the SSA (*which relates to FFHSB's right to the Award Sum*) shall be deleted in entirety.
- (2) Advancecon waives its right under clause 14.1(p) of the SSA (*which relates to the maintenance of the consolidated net tangible assets of SERB Group prior to the completion of the Acquisition*).

3. Amendment of SHA

In consideration of **section 1 of Appendix I** above, the Parties hereby agree to amend the SHA as follows with effect from the Completion Date:

- (a) all reference to Profit Guarantee Period as contained in the SHA shall mean the period of two (2) years commencing from 1 January 2022 and ending on 31 December 2023 (both dates inclusive);
- (b) clause 3.6 of the SHA (*which relates to the escrow account for the receipt of the Award Sum*) shall be read subject to **section 1 of Appendix 1** above;
- (c) clause 9.1(iii) of the SHA (*which relates to FHHSB's obligations on the operations of SERB Group*) shall be subject to clause 10.5 of the SHA (*which relates to Advancecon's rights to assume the management and operations of SERB Group*); and
- (d) clause 9.5(vi) of the SHA (*which relates to FFHSB's right to the Award Sum*) shall be deleted in entirety.

4. Effect on the SSA and SHA

On Completion Date, save and except as amended pursuant to this Supplemental Agreement, including but not limited to:

- (a) the early settlement of clause 6 of the SSA in accordance with **section 1 of Appendix I**;
- (b) the waiver of Advancecon's right under clause 14.1(p) of the SSA; and
- (c) the waiver of FHHSB's right to the Award Sum, Land (including proceeds therefrom) and Remaining Maju Settlement Sum,

all other obligations of the Parties under the SSA and SHA shall continue to be binding and effective.

5. Conditions Precedent

- 5.1 **Sections 1 and 2 of Appendix I** above is conditional on Advancecon obtaining the approval of the board of directors and the shareholders of Advancecon for the same ("**Condition Precedent**").

**SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT (CONT'D)**

The above Condition Precedent shall be fulfilled within three (3) months from the date of the Supplemental Agreement with an automatic extension of a further one (1) month if the Condition Precedent shall not have been satisfied by the expiry of the aforesaid initial three (3) months period (hereinafter referred to as the “**Cut-Off Date**”). Thereafter, all Parties may (before or on expiry of the Cut-Off Date) have an extension(s) of time as may be agreed between the Parties to comply with the Condition Precedent.

5.2 If the Condition Precedent has not been fulfilled on the expiry of the Cut-Off Date or such extension of time agreed between the Parties, then either FHHSB or Advancecon shall be entitled to terminate this Supplemental Agreement by serving a written notice to the other Party(ies) whereupon:

- (a) The Supplemental Agreement shall lapse and cease to have any further force or effect neither Party shall have any claim against each other under this Supplemental Agreement save and except for antecedent breaches;
- (b) the obligations of the Parties under the SSA including clause 6 therein and SHA shall continue to have effect and the Parties shall respectively continue to be bound to perform its obligations therein contained; and
- (c) the SSA and SHA shall remain without the amendments contained in the Supplemental Agreement.

6. Standstill

The Parties hereby agree that:

- (a) pending the Completion Date or the earlier termination of this Agreement, each Party agrees not to enforce clause 6 or clause 14.1(p) of the SSA against each other;
- (b) pending the Completion Date or the earlier termination of this Agreement, FHHSB, SESB, SERB or any other company within SERB Group shall not utilise or deal with the Land and/or the Remaining Maju Settlement Sum and/or any Award Sum received (including proceeds therefrom) without the prior mutual written agreement between Advancecon and FHHSB;
- (c) pending the Completion Date or the earlier termination of this Agreement and save and except as set out in paragraphs (a) and (b) of this section 6 above, the Parties shall respectively continue to perform their respective obligations in accordance with the SSA and SHA.

7. Event of Default

An event of default shall have occurred if a Party (“**Defaulting Party**”) fails to observe or perform any of its obligations under the Supplemental Agreement or commits a breach of any of the terms of the Supplemental Agreement and in respect of any such failure or breach which in the opinion of the other Party (“**Non-Defaulting Party**”) is capable of remedy, such action as the Non-Defaulting Party may require shall not have been taken to remedy such failure or breach to the Non-Defaulting Party’s satisfaction within fourteen (14) days of the Non-Defaulting Party notifying the Defaulting Party of such default and of such required action or within such longer period as the Non-Defaulting Party may in their sole discretion grant to the Defaulting Party, as the case may be then, and in any such case and at any time thereafter, the Non-Defaulting Party shall notify the Defaulting Party of the event of default whereupon the Non-Defaulting Party shall become entitled to exercise any rights which it may have against the Defaulting Party under the Supplemental Agreement, the SSA or otherwise and to take any steps and actions to enforce the same including but not limited to specific performance and/or the winding up proceedings.