

### **Acquisition of Commercial Office Units in Cyberjaya by Foreign-Owned Company**

We represented our client in structuring and negotiating its purchase of a block of commercial offices in Cyberjaya used in its operations. The property was previously rented from the landlord who was also the developer of the property. The previous tenancy had an option to purchase in favour of our client, who exercised the option and wished to purchase the property for its continued business use.

#### **Our Scope**

- We structured and negotiated the term sheet / memorandum of intent, some elements of which were legally binding in order to protect our client's investment of time and money into the process, and to secure a level of certainty and commitment from the seller.
- Concurrent with the deal structuring and negotiations, we also conducted due diligence on the property. This included ensuring the express conditions in title searches are satisfied, ensuring property related taxes are not outstanding, verifying that the certificate of completion and compliance is valid, that the seller and its directors are not insolvent. This process helped us to identify a specific and obscure regulation imposing a minimum purchase threshold applicable to property in that zone.
- We drafted the SPA and also a supplementary letter to govern how the purchase monies were to be released to safeguard our client's interest in the event of certain contingencies.
- We liaised with the state authority to secure the foreigner consent smoothly
- Assisted with completion and ensuring that biometric verification by the foreign client's representatives were done smoothly at the land office.

#### **Impact on the client**

- We advised the client, being foreign owned, on the s433B NLC's foreigner State Authority consent required, and minimum property purchase thresholds that applied in that location, which applied to each unit of property purchased with separate strata titles.
- Once the term sheet and Sale and Purchase Agreement was agreed and signed by both parties, there were 2 separate government consents that needed to be secured, one by the vendor and the other by the foreign owned purchaser. Rental was being incurred and paid during this entire transaction process, which we managed to secure the foreigner consent without delay and saved the client from incurring rental unnecessarily.
- Advised on stamp duty rate applicable to foreign owned companies to ensure that the correct stamp duty rate was applied.

## WORK HIGHLIGHT CORPORATE & COMMERCIAL

- Being a foreign owned company, obtaining a loan facility to finance the property purchase was challenging for the client given the bank's need for corporate security by the parent company. We advised the client on the bank's detailed requests along with the risks and practical implications of such requirements on the transaction.

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### Key Contact

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