

Contact Partners:

Lambert Rasa-Ratnam  
T: +603 6208 5859  
E: [lr@lh-ag.com](mailto:lr@lh-ag.com)

**BANKING & INSOLVENCY**

Kumar Kanagasingam  
T: +603 6208 5803  
E: [kk@lh-ag.com](mailto:kk@lh-ag.com)

Sean Yeow Huang-Meng  
T: +603 6208 5867  
E: [yhm@lh-ag.com](mailto:yhm@lh-ag.com)

Andrew Chiew Ean Vooi  
T: +603 6208 5852  
E: [ac@lh-ag.com](mailto:ac@lh-ag.com)

Mong Chung Seng  
T: +603 6208 5864  
E: [mcs@lh-ag.com](mailto:mcs@lh-ag.com)

Hoi Jack S'ng  
T: +603 6208 5908  
E: [hjs@lh-ag.com](mailto:hjs@lh-ag.com)

**CONSTRUCTION**

Dato' Nitin Nadkarni  
T: +603 6208 5866  
E: [nn@lh-ag.com](mailto:nn@lh-ag.com)

Darshendev Singh  
T: +603 6208 5845  
E: [ds@lh-ag.com](mailto:ds@lh-ag.com)

**CORPORATE & COMMERCIAL DISPUTES**

Rosli Dahlan  
T: +603 6208 5804  
E: [rd@lh-ag.com](mailto:rd@lh-ag.com)

G Vijay Kumar  
T: +603 6208 5870  
E: [vkq@lh-ag.com](mailto:vkq@lh-ag.com)

SM Shanmugam  
T: +603 6208 5865  
E: [ssm@lh-ag.com](mailto:ssm@lh-ag.com)

Ang Hean Leng  
T: +603 6208 5809  
E: [ahl@lh-ag.com](mailto:ahl@lh-ag.com)

Ho Ai Ting  
T: +603 6208 5907  
E: [hat@lh-ag.com](mailto:hat@lh-ag.com)

30 NOVEMBER 2018

**Conditional Sale of Estate Land is Not Illegal**

*Gula Perak Berhad v Datuk Lim Sue Beng* <sup>[1]</sup>

| by CK Lung |

The National Land Code (the Code) prohibits <sup>[2]</sup> the transfer, conveyance or disposal of any estate land <sup>[3]</sup> in any manner whatsoever unless approved by the Estate Land Board.

In an agreement for the sale of an oil palm estate, it was expressly provided that the sale was conditional upon the vendor obtaining the approval of the Estate Land Board before the transfer of the land can be effected. <sup>[4]</sup>

The validity of the agreement was, however, challenged on the basis that it was illegal for contravening the prohibition in the Code.

The Federal Court held that it is trite law that a conditional or contingent agreement does not take effect unless and until the conditions are fulfilled. <sup>[5]</sup> Therefore, the prohibition in the Code <sup>[6]</sup> does not prevent parties from entering into such an agreement because the agreement of itself, being a conditional or contingent agreement, does not effect any transfer or disposal of the land.

The grounds of judgment of the Federal Court may be viewed [here](#).

**CK Lung** ([ckl@lh-ag.com](mailto:ckl@lh-ag.com))

If you have any queries, please contact the author or his team partner [SM Shanmugam](#) ([ssm@lh-ag.com](mailto:ssm@lh-ag.com)).

Lee Hishammuddin Allen & Gledhill

Level 6, Menara 1 Dutamas  
Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Malaysia

T +603 6208 5888  
F +603 6201 0122/0136  
E [enquiry@lh-ag.com](mailto:enquiry@lh-ag.com)  
W [www.lh-ag.com](http://www.lh-ag.com)

Published by the Dispute Resolution Practice Group

© Lee Hishammuddin Allen & Gledhill. All rights reserved. The views and opinions attributable to the authors or editor of this publication are not to be imputed to the firm, Lee Hishammuddin Allen & Gledhill. The contents of this publication are intended for purposes of general information and academic discussion only. It should not be construed as legal advice or legal opinion on any fact or circumstance.

[Feedback](#)

[Unsubscribe](#)

---

[1] [2018] 8 AMR 1; [2018] 1 LNS 1617 (FC)

[2] The Code, s 214A(1)

[3] An estate land means any agricultural land not less than 40 hectares and where the alienated lands constituting such area are contiguous: s 214A(11)

[4] Paragraph 46(iii) of the judgment

[5] *Ibid*, para 47

[6] *Supra* n 2