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General Announcement

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Submitting Merchant Bank :
(if applicable)
Submitting Secretarial Firm Name :
(if applicable)
* Company name : **GuocoLand (Malaysia) Berhad**
* Stock name : **GUOCO**
* Stock code : **1503**
* Contact person : **Ms Tanny Lim Yew Yoke**
* Designation : **Company Secretary**

* Type : ☒ **Announcement** ☐ **Reply to query**

* Subject :

GuocoLand (Malaysia) Berhad

- A) Proposed Acquisition of 100% equity interest in Sabna Development Sdn Bhd by Bedford Development Sdn Bhd ("BDSB"), a wholly-owned subsidiary of the Company, from Putrajaya Properties Sdn Bhd ("PPSB") for a cash consideration of RM82.99 million**
- B) Proposed Disposal of BDSB's entire 50% equity interest in PPSB to Putrajaya Holdings Sdn Bhd for a cash consideration of RM73.92 million**

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1. INTRODUCTION

GuocoLand (Malaysia) Berhad ("GLM" or the "Company") writes to inform that Bedford Development Sdn Bhd ("BDSB"), a wholly-owned subsidiary of the Company, had on 3 November 2006, entered into the following agreements:

- a. Share Sale Agreement ("Sabna Agreement") with Putrajaya Properties Sdn Bhd ("PPSB") for the proposed acquisition by BDSB of 100% equity interest in Sabna Development Sdn Bhd ("Sabna") from PPSB for a cash consideration of RM82.99 million ["Purchase Price"] ("Proposed Acquisition of Sabna"); and
- b. Share Sale Agreement ("PPSB Agreement") with Putrajaya Holdings Sdn Bhd ("PHSB") for the proposed disposal by BDSB of its entire 50% equity interest in PPSB to PHSB for a cash consideration of RM73.92 million ["Sale Price"] ("Proposed Disposal of PPSB").

(The Proposed Acquisition of Sabna and Proposed Disposal of PPSB are collectively referred as "Proposals").

2. INFORMATION ON COMPANIES

2.1 PHSB

PHSB was incorporated in Malaysia on 19 October 1995. The authorised share capital of PHSB is RM3,000,000,000 divided into 3,000,000 ordinary shares of RM1,000 each. The present issued and paid-up share capital is RM2,200,000,000 comprising 2,200,000 ordinary shares of RM1,000 each. PHSB is principally engaged in property development, lease of buildings and investment holding.

2.2 Sabna

Sabna was incorporated in Malaysia on 19 March 1992. The authorised share capital of

Sabna is RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. Sabna is principally engaged in property development.

2.3 PPSB

PPSB was incorporated in Malaysia on 6 March 1997. The authorised share capital of PPSB is RM200,000,000 divided into 200,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital is RM80,000,001.20 comprising 2 ordinary shares of RM1.00 each fully paid up and 199,999,998 ordinary shares of RM1.00 each issued at a premium of RM0.75 per share, partly paid at RM0.40 nominal value per share and RM0.30 premium per share. PPSB is principally engaged in investment holding.

The existing shareholders of PPSB are BDSB, PHSB and Putrajaya Capital Management Sdn Bhd, a wholly-owned subsidiary of PHSB, each holding 50%, 30% and 20% equity interest respectively.

3. DETAILS OF THE PROPOSALS

The Purchase Price for the Proposed Acquisition of Sabna was arrived at on a willing buyer willing seller basis and based on the adjusted net tangible assets ("NTA") of Sabna as at 31 August 2005 of RM82.99 million. The audited NTA of Sabna as at 30 June 2006 is RM75.5 million and the audited loss after tax of Sabna for the financial year ended 30 June 2006 is RM9.3 million.

Save for the operating liabilities of Sabna, there are no other liabilities to be assumed by BDSB arising from the Proposed Acquisition of Sabna.

The Sale Price for the Proposed Disposal of PPSB was arrived at on a willing buyer willing seller basis and based on the adjusted NTA of PPSB as at 31 August 2005 of RM73.92 million. The audited NTA of PPSB as at 30 June 2006 is RM142.7 million and the audited loss after tax of PPSB for the financial year ended 30 June 2006 is RM20 million.

The original cost of investment by BDSB in PPSB was RM70 million made in May 1997.

The Purchase Price and the Sale Price will be settled within 14 days from the date the last condition precedent is fulfilled ("Completion Date"). The net consideration payable by BDSB will be financed from internally generated funds.

4. SALIENT TERMS OF THE SABNA AGREEMENT AND PPSB AGREEMENT

- (i) The equity interests in Sabna and PPSB will be acquired/disposed of free from all encumbrances whatsoever and with all rights and benefits attaching thereto.
- (ii) The Joint Venture Agreement dated 5 May 1997 between PHSB and GLM as amended and supplemented will be terminated on the Completion Date.

5. RATIONALE FOR THE PROPOSALS

BDSB to exit the joint venture.

6. EFFECTS OF THE PROPOSALS

6.1 Share capital and major shareholders' shareholdings

The Proposals will not have any effect on the share capital and major shareholders' shareholdings of GLM.

6.2 Earnings and NTA

The Proposals are not expected to have any material effect on the earnings per share and NTA of the GLM Group for the financial year ending 30 June 2007.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The Company is not aware of any of its Directors and major shareholders or any persons connected to the Directors and major shareholders, having any interest, direct or indirect, in the Proposals.

8. CONDITIONS FOR THE PROPOSALS

The Proposals are subject to the approval of the Foreign Investment Committee. The Proposals do not require the approval of shareholders of GLM.

The Proposed Acquisition of Sabna and Proposed Disposal of PPSB are inter-conditional.

9. DIRECTORS' OPINION

The Board of Directors of GLM is of the opinion that the Proposals are in the best interest of the GLM Group.

10. DOCUMENTS FOR INSPECTION

The Sabna Agreement and PPSB Agreement are available for inspection at the Registered Office of GLM at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 3 November 2006.

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement: