



Form Version 2.0

General Announcement

Initiated by MB_CIMB4 on 08/05/2005 03:07:54 PM

Submitted by MB_CIMB4 on 08/05/2005 05:26:38 PM

Reference No MM-050805-54474

(Submitted)

(*) Indicates a mandatory field. Please fill in all the necessary information.

New Announcement

Submitting Merchant Bank (if applicable)	:	COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD
Submitting Secretarial Firm Name (if applicable)	:	
* Company name	:	GUOCOLAND (MALAYSIA) BERHAD
* Stock name	:	GUOCO
* Stock code	:	1503
* Type	:	Announcement
* Subject :		

GUOCOLAND (MALAYSIA) BERHAD (formerly known as Hong Leong Properties Berhad) ("GLM")

PROPOSED DISPOSALS OF HP TOWERS AND MENARA HLA TO A REAL ESTATE INVESTMENT TRUST TO BE ESTABLISHED BY GLM ("PROPOSED DISPOSALS")

* Contents :-

1. INTRODUCTION

On behalf of GLM, Commerce International Merchant Bankers Berhad ("CIMB") wishes to announce that the subsidiaries of GLM are proposing to dispose of their entire interest in the following properties to a real estate investment trust to be established by GLM ("GLM REIT"), for a consideration to be determined later. The purchase consideration will be satisfied by way of cash or units in GLM REIT or a combination of both.

The Proposed Disposals shall involve the disposals by:

- (i) Prophills Development Sdn Bhd ("PDSB") of 2 blocks of office buildings identified as Block A (9 storey) and Block B (21 storey) with a 3-level connecting podium and a 4-level basement car park situated at No. 12, Jalan Gelenggang, Bukit Damansara, 50490 Kuala Lumpur and located on a piece of freehold land held under Lot No. PT 5748, Title No. HS(D) 100327, Town and District of Kuala Lumpur, Wilayah Persekutuan (known as "HP Towers"); and

- (ii) Kiapeng Development Sdn Bhd ("KDSB") of a 32 storey high-rise office building with a 4-level basement car park situated at No. 3, Jalan Kia Peng, 50450 Kuala Lumpur and sited on part of a piece of freehold land held under Lot No. 1286, Section 57, Title No. Geran 43969, Town and District of Kuala Lumpur, Wilayah Persekutuan (known as "Menara HLA").

PDSB is a wholly-owned subsidiary of Bedford Land Sdn Bhd, which in turn is a wholly-owned subsidiary of Hong Leong Real Estate Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of GLM. KDSB is a wholly-owned subsidiary of Guoman Hotel & Resort Holdings Sdn Bhd ("GHRH"), which in turn is a 70%-owned subsidiary of GLM. The remaining 30% of GHRH is held by Cheltenham Investments Pte Ltd, a wholly-owned subsidiary of GuocoLand Limited, which in turn is a major shareholder of GLM.

GLM REIT is a proposed real estate investment trust with the investment objectives to acquire and invest primarily in a portfolio of quality yield-accretive real estate. It will focus on commercial properties which will provide stable income and medium to long-term capital appreciation. Subject to the approvals of the relevant authorities, GLM REIT proposes to undertake a public issue of units in GLM REIT and subsequent listing of and quotation for its entire issued and paid-up units on the Main Board of Bursa Malaysia Securities Berhad ("Proposed Listing").

2. FURTHER INFORMATION ON THE PROPERTIES

2.1 HP Towers

HP Towers is situated within the commercial area of Bukit Damansara and is sited on the northern (right) side of Jalan Semantan (forming part of the SPRINT Highway), travelling from Kuala Lumpur city centre towards Petaling Jaya. The subject property lies about 8 kilometres (5 miles) due west of the Kuala Lumpur city centre.

HP Towers is approximately 13 years old. It has a total gross built-up area of 493,351 square feet and net lettable area of 350,056 square feet.

2.2 Menara HLA

Menara HLA is located within the heart of the Golden Triangle of Kuala Lumpur, the city's main central business district accommodating prime office buildings, prime retail centres and prestigious international class hotels.

Menara HLA is approximately 6 years old. It has a total gross built-up area of 506,427 square feet and net lettable area of 396,820 square feet.

3. RATIONALE FOR THE PROPOSED DISPOSALS

The Proposed Disposals will allow GLM and its subsidiaries ("GLM Group") to realise their investments in HP Towers and Menara HLA. Part of the proceeds from the Proposed Disposals will be utilised to repay the borrowings of the GLM Group. The Proposed Disposals will also enable the GLM Group to participate in the local real estate investment market through its proposed holdings in the units in GLM REIT as well as its involvement in the management of GLM REIT upon the completion of the Proposed Disposals and Proposed Listing.

4. APPROVALS REQUIRED

The Proposed Disposals are subject to, amongst others, the approvals of shareholders of GLM and all relevant authorities.

5. ADVISERS

5.1 Main Adviser

CIMB has been appointed by GLM as the Main Adviser for the Proposed Disposals.

5.2 Independent Adviser

The Proposed Disposals are related party transactions. In compliance with Chapter 10 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Directors of GLM, save for the interested Directors, have appointed RHB Sakura Merchant Bankers Berhad as the independent adviser to advise the independent directors and non-interested shareholders of GLM in respect of the Proposed Disposals.

6. FURTHER DETAILS

Further details will be announced upon finalisation of the terms and conditions of the Proposed Disposals.

(This announcement is dated 5 August 2005).

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: