

OTHERS GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED DISPOSAL OF LAND BY VINTAGE HEIGHTS SDN BHD, AN ASSOCIATED COMPANY OF GLM

GUOCOLAND (MALAYSIA) BERHAD

Type	Announcement
Subject	OTHERS
Description	GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED DISPOSAL OF LAND BY VINTAGE HEIGHTS SDN BHD, AN ASSOCIATED COMPANY OF GLM

GLM writes to inform that Vintage Heights Sdn Bhd ("VHSB"), an associated company of GLM, had on 16 October 2015, entered into a conditional sale and purchase agreement with Putrajaya Properties Sdn Bhd ("PPSB") and Hap Seng Consolidated Berhad for the proposed disposal by VHSB to PPSB of a parcel of land located in Mukim and District of Sepang, Selangor for a cash consideration of RM474,992,765 ("Proposed Disposal").

Kindly refer to the attached document for the details of the Proposed Disposal.

This announcement is dated 19 October 2015.

Please refer attachment below.

Attachments



GLM-Disposal of Land.pdf
130.1 kB

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	19 Oct 2015
Category	General Announcement for PLC
Reference Number	GA1-16102015-00062

GUOCOLAND (MALAYSIA) BERHAD (“GLM” OR THE “COMPANY”)

PROPOSED DISPOSAL OF LAND BY VINTAGE HEIGHTS SDN BHD, AN ASSOCIATED COMPANY OF GLM

1. INTRODUCTION

GLM writes to inform that Vintage Heights Sdn Bhd (“VHSB”), an associated company of GLM, had on 16 October 2015, entered into a conditional sale and purchase agreement (“SPA”) with Putrajaya Properties Sdn Bhd (“PPSB”) and Hap Seng Consolidated Berhad (“HSCB”) for the proposed disposal by VHSB to PPSB of a parcel of land located in Mukim and District of Sepang, Selangor for a cash consideration of RM474,992,765 (“Consideration”) (“Proposed Disposal”).

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on the land

VHSB is the beneficial owner of a parcel of land held under Geran No. Hakmilik 118269, Lot 3910 (originally CT 6668, Lot 43), Mukim and District of Sepang, State of Selangor Darul Ehsan, measuring approximately 679.2 hectares (equivalent to 73,108,480 square feet (“sq ft”)), together with all structures and buildings thereon and fixtures and fittings annexed and attached thereto (the “Land”).

HSCB is a shareholder of VHSB and the registered proprietor of the Land. VHSB had, by a sale and purchase agreement dated 27 March 1992, acquired *inter alia* the Land from HSCB. HSCB had, on completion of the sale and purchase, granted a Power of Attorney in favour of VHSB which empowers VHSB to, *inter alia*, deal with the Land as if it is the registered proprietor of the same including the execution of a sale and purchase agreement and memorandum of transfer for a sale and transfer of the same.

Part of the Land measuring approximately 0.75 acres in total area (approximately 32,670 sq ft) is to be surrendered by VHSB to the relevant governmental authority in Selangor (“State Authority”) (“Surrender”).

VHSB proposes to sell to PPSB the Land excluding such portion thereof affected by the Surrender (the “Property”). The total area of the Property after the Surrender is approximately 73,075,810 sq ft.

There are at present existing tenancies on the Property.

A summary of other salient information on the Property is as follows:

Tenure	: Freehold
Category of land use	: Not specified in title
Existing usage	: Oil palm plantation, whereby: <ul style="list-style-type: none">(i) the oil palm trees planted on the Property are aged approximately 23 to 36 years; and(ii) the average yearly fruit bunches harvested from the Property for the past 3 years was approximately 3,457.5 metric tonnes.
Cost and original date of investment	: RM50.48 million made on 27 March 1992
Net book value	: RM84.16 million as at 30 June 2015

Valuation : Market value of RM203.15 million based on valuation by CB Richard Ellis (Malaysia) Sdn Bhd as at 31 January 2013

Total rental for the year ending 31 December 2015 : RM17,700

Encumbrance : The Land is charged to Public Bank Berhad

2.2 Salient terms of the SPA

The salient terms of the SPA are set out in the ensuing sections.

2.2.1 Sale and Purchase

VHSB agrees to sell and PPSB agrees to purchase the Property subject to all existing conditions of title, restrictions in interest and category of land use, express or implied, relating to or affecting the Property and free from encumbrances and with vacant possession, on an "as is where is" basis, at the Consideration, and on the terms and subject to the conditions contained in the SPA.

2.2.2 Conditions Precedent

- (a) The parties agree that VHSB's obligation to sell and PPSB's obligation to purchase the Property shall be conditional upon the following conditions precedent ("**Conditions Precedent**") being fulfilled by VHSB on or before the Cut-Off Date or Extended Cut Off Date (both as defined in section 2.2.2(c) below), as the case may be:
- (i) the completion of the Surrender with the issue document of title for the Property duly reissued by the State Authority with the Surrender endorsed thereon ("**New IDT**"); and
 - (ii) the approval of the Estate Land Board for the transfer of the Property from VHSB to PPSB ("**ELB Approval**") pursuant to Section 214A of the National Land Code 1965.
- (b) The SPA shall cease to be conditional on the last of the following dates ("**Unconditional Date**"):
- (i) the date of receipt by PPSB or PPSB's solicitors of a certified true copy of the New IDT; and
 - (ii) the date of receipt by PPSB or PPSB's solicitors of a certified true copy of the certificate certifying the grant of the ELB Approval duly issued by the relevant land registry/office or governmental body.
- (c) The time period for the satisfaction of the Conditions Precedent shall be 6 months from the date of the SPA (the last day of such period shall be referred to as the "**Cut-Off Date**"), with an automatic extension of a further 6 months upon the expiry of the Cut-Off Date (the last day of such extended period shall be referred to as "**Extended Cut-Off Date**").

- (d) In the event that any of the Conditions Precedent are not fulfilled by the Extended Cut-Off Date, either VHSB or PPSB shall be entitled to terminate the SPA by notice in writing to the other party and upon such termination, VHSB's solicitors shall refund the Deposit (as defined in section 2.2.3(i) below) together with any interest accumulated thereon to PPSB within 14 days of VHSB's receipt of the notice of termination from PPSB or the date of the notice of termination issued by VHSB, as the case may be, subject to PPSB simultaneously returning to VHSB the memorandum of transfer and providing evidence of the withdrawal of all private caveats lodged by PPSB or PPSB's financier or any person claiming through either of them over the Land or the Property or any part thereof, as the case may be, and thereafter the SPA shall be terminated and be of no further effect and no party shall have any claim against any other party save in respect of any antecedent breach of the SPA.

2.2.3 Payment of Consideration

The Consideration shall be paid by PPSB to VHSB in the following manner:

- (i) a deposit of RM47,499,276.50 equivalent to 10% of the Consideration ("**Deposit**") has been paid to VHSB's solicitors upon execution of the SPA; and
- (ii) PPSB shall pay or cause to be paid the balance RM427,493,488.50 equivalent to 90% of the Consideration ("**Balance Consideration**") within 90 days from the Unconditional Date.

Completion of the sale and purchase of the Property shall take place on the date of receipt by Public Bank Berhad as chargee and/or VHSB's solicitors of the Balance Consideration ("**Completion Date**").

2.2.4 Vacant Possession

Vacant possession of the Property shall be delivered to PPSB on the Completion Date subject always to payment by PPSB to VHSB or VHSB's solicitors, of the entire Consideration and any and all other moneys (including but not limited to interest, and all apportioned outgoings) payable by PPSB pursuant to and in accordance with the provisions of the SPA.

2.3 Basis and justification of arriving at the Consideration

The Consideration was arrived at on a willing buyer-willing seller basis after arm's length negotiation.

2.4 Utilisation of proceeds

The Consideration is proposed to be used for VHSB's working capital purposes, repayment of borrowings and/or distribution to shareholders of VHSB.

2.5 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by PPSB pursuant to the Proposed Disposal.

2.6 Information on PPSB

PPSB was incorporated in Malaysia on 6 March 1997, and is principally an investment holding company.

3. RATIONALE

The Proposed Disposal will enable VHSB to realise its investment in the Property.

4. EFFECTS OF THE PROPOSED DISPOSAL

The Proposed Disposal will not have any effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of the Company.

The Proposed Disposal is not expected to have any material effect on the gearing of the Company.

Upon completion of the Proposed Disposal, VHSB is expected to realise a net gain on disposal of approximately RM290 million, and approximately RM116 million is expected to be attributable to GLM Group. The net gain attributable to owners of the Company represents an increase in earnings per share and net assets per share of the Company of approximately 17.31 sen.

5. APPROVALS REQUIRED

The Proposed Disposal is subject to the approval of the Estate Land Board for the transfer of the Property from VHSB to PPSB.

The Proposed Disposal is not subject to the approval of the shareholders of GLM.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and major shareholders of the Company and/or any persons connected with them has any interest, direct or indirect, in the Proposed Disposal.

7. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the second half of year 2016.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection at the Company's registered office at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 19 October 2015.