TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : RELATED PARTY TRANSACTIONS GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED DISPOSAL BY HONG LEONG REAL ESTATE HOLDINGS SDN BHD ("HLREH"), A WHOLLY-OWNED SUBSIDIARY OF GLM, OF THE ENTIRE EQUITY INTEREST IN DC TOWER SDN BHD ("DCT")

GUOCOLAND (MALAYSIA) BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RELATED PARTY TRANSACTIONS
Description	GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED DISPOSAL BY HONG LEONG REAL ESTATE HOLDINGS SDN BHD ("HLREH"), A WHOLLY-OWNED SUBSIDIARY OF GLM, OF THE ENTIRE EQUITY INTEREST IN DC TOWER SDN BHD ("DCT")

On behalf of GLM, Hong Leong Investment Bank Berhad wishes to announce that HLREH, a wholly-owned subsidiary of the Company, has entered into a conditional share sale agreement ("**SSA**") on 3 July 2015 for the proposed disposal of the entire issued and paid-up share capital of DCT to Hong Leong Bank Berhad for an indicative cash consideration of RM189,333,000, subject to adjustments (if any) pursuant to the terms and conditions of the SSA ("**Proposed Disposal**").

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

This announcement is dated 3 July 2015.

Please refer attachment below.

Attachments

GLM - Proposed Disposal - 3 July 2015.pdf
254.4 kB

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
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GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY")

PROPOSED DISPOSAL BY HONG LEONG REAL ESTATE HOLDINGS SDN BHD ("HLREH"), A WHOLLY-OWNED SUBSIDIARY OF GLM, OF THE ENTIRE EQUITY INTEREST IN DC TOWER SDN BHD ("DCT")

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1. INTRODUCTION

On behalf of GLM, Hong Leong Investment Bank Berhad ("**HLIB**") wishes to announce that HLREH, a wholly-owned subsidiary of the Company, has entered into a conditional share sale agreement ("**SSA**") on 3 July 2015 for the proposed disposal of the entire issued and paid-up share capital of DCT to Hong Leong Bank Berhad ("**HLB**") for an indicative cash consideration of RM189,333,000 ("**Initial Disposal Consideration**"), subject to adjustments (if any) pursuant to the terms and conditions of the SSA ("**Proposed Disposal**"). As at 29 June 2015, being the latest practicable date prior to this announcement ("**LPD**"), the issued and paid-up share capital of DCT comprises 2,500,002 ordinary shares of RM1.00 each ("**DCT Shares**") and 36,450 redeemable preference shares of RM1.00 each with a premium of RM999.00 each ("**DCT RPS**"). The DCT Shares and the DCT RPS shall be collectively referred to as the "**Sale Shares**".

Further details of the Proposed Disposal are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on DCT

DCT was incorporated in Malaysia under the Companies Act, 1965 on 28 December 2011 under the name of Tegas Jejaka Sdn Bhd as a private limited company and assumed its present name on 11 October 2012. As at the LPD, the authorised share capital of DCT is RM5,000,000 comprising 4,950,000 DCT Shares and 50,000 DCT RPS, of which 2,500,002 DCT Shares and 36,450 DCT RPS have been issued and paid-up.

DCT is principally a property investment company, holding the development and ownership rights in respect of a 33-storey purpose-built stratified office building currently referred to as Office Tower A which is located within the on-going integrated development project known as Damansara City Kuala Lumpur ("**Project**"). The Project is constructed on Geran 74955, Lot 58303, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur ("**Land**").

The Project consists of 2 Grade-A office towers, including Office Tower A, 2 high-rise towers of luxury residences, a lifestyle mall and a 5-star international-class hotel.

A summary of the salient information on Office Tower A is as follows:

Description	:	33-storey purpose-built stratified office building currently referred to as Office Tower A, which is still under construction as at the LPD
Tenure	:	Freehold
Category of land use	:	Building
Proposed usage	:	Offices
Estimated net lettable area	:	506,069 square feet ("**sq ft**")
Estimated development cost	:	RM350.6 million

Market value upon completion	:	RM582,000,000 as appraised by Rahim & Co Chartered Surveyors Sdn Bhd ("**R&C**") via its valuation certificate dated 30 June 2015 ("**Valuation Certificate**") based on the comparison and investment method of valuation
Audited net book value of Office Tower A	:	RM196.6 million (as at 30 June 2014)
Encumbrances	:	The Land is charged to Public Bank Berhad
Commencement and expected completion date	:	Development of Office Tower A commenced in August 2013 and is expected to be completed by December 2015
Stage or percentage of completion	:	71% (as at 31 May 2015)
Sources of funds to finance development cost	:	Bank borrowings and shareholders' equity
Relevant approvals for the development and dates obtained	:	(i) Development Order dated 7 July 2006, 10 March 2010, 22 February 2011 and 8 October 2012; and (ii) Building Plan Approval dated 6 September 2010, 23 November 2012 and 11 May 2015.

The valuation carried out by R&C is based on the following bases:

(i) Office Tower A is a 33-storey purpose-built stratified office building with a total net lettable area of 506,069 sq ft (about 47,015.35 square metres) located within the on-going integrated commercial development known as Damansara City Kuala Lumpur;

(ii) Office Tower A has been completed in accordance with the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC) ("**Completion of Office Tower A**"); and

(iii) Office Tower A will be issued with the individual strata titles and the tenure of Office Tower A will be the same as the parent lot, i.e. freehold tenure and the strata titles will be good, marketable and registrable.

Further information on DCT is set out in Appendix I of this announcement.

2.2 Salient terms of the SSA

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

2.2.1 Conditions Precedent

(i) The completion of the SSA is subject to and conditional upon all of the following conditions precedent ("**Conditions Precedent**") being fulfilled and or obtained within 12 months from the date of the SSA or within such extended period as may be agreed between HLREH and HLB in writing ("**Conditional Period**"):-

(a) HLREH obtaining the approval of Public Bank Berhad, the financier to DCT, for the change of shareholder of DCT;

(b) HLREH obtaining the approval of the shareholders of GLM at a general meeting, for HLREH's sale of the Sale Shares; and

(c) HLREH obtaining the certificate of practical completion for Office Tower A.

(ii) HLREH and HLB may, where permitted by law, mutually agree in writing to waive any or all of the Conditions Precedent.

(iii) If any of the Conditions Precedent shall not be fulfilled or if an outcome of the appeal for a waiver of conditions imposed on an approval satisfactory to each of HLREH and HLB is not achieved within the Conditional Period, then either HLREH or HLB may at any time thereafter terminate the SSA by giving 7 days' written notice to the other party whereupon (a) neither HLREH nor HLB shall have further claims against the other party in respect of the SSA save and except of any antecedent breaches of the SSA, and (b) HLREH shall within 14 days of receiving written notice by HLB, refund to HLB the Deposit (as defined in Section 2.2.3(i)(a) herein) free of interest.

(iv) The SSA shall be regarded as unconditional on the date the last of all Conditions Precedent (if not waived pursuant to Section 2.2.1(ii) above) is fulfilled ("**Unconditional Date**").

2.2.2 Purchase Price

(i) The purchase price for the Sale Shares shall be the aggregate sum of:-

(a) the consideration for such number of DCT RPS which are issued and fully paid-up but not yet redeemed as at the Unconditional Date, calculated at RM1,000 only for each DCT RPS ("**RPS Purchase Price**"); and

(b) the consideration for the DCT Shares, being a sum equivalent to the net asset value of DCT as at the Unconditional Date based on the Building Value (as defined below), as shown in the audited accounts of DCT as at the Unconditional Date ("**Audited Accounts**"), and after deducting the RPS Purchase Price.

"**Building Value**" shall mean the value of Office Tower A, which shall be calculated based on RM1,150 only per sq ft over the aggregate Net Lettable Area (as defined below) of Office Tower A as confirmed by a registered surveyor.

"**Net Lettable Area**" shall mean the total areas within Office Tower A that are available and can be used exclusively by DCT. For the purpose of calculating the Purchase Price, the Net Lettable Area in excess of 5% of the initial estimated Net Lettable Area of 506,069 sq ft of Office Tower A shall be ignored.

(ii) The Initial Disposal Consideration for the Sale Shares is RM189,333,000, and the final purchase price shall be determined in accordance with the provisions of Section 2.2.2(i) above ("**Purchase Price**").

(iii) Within 30 days from the Unconditional Date, HLREH shall deliver to HLB the following documents:-

(a) the management accounts (the "**Management Accounts**") of DCT as at the last day of the month preceding the month in which the Unconditional Date occurs;

(b) the certificate of the registered surveyor stating the Net Lettable Area; and

(c) upon HLB's request, accounting books and records relating to DCT.

(iv) HLREH and HLB shall jointly appoint an independent auditor (the "**Auditor**") to audit the accounts of DCT as at the Unconditional Date. The Audited Accounts shall be final and binding on HLREH and HLB for all purposes of the SSA, save for manifest error.

2.2.3 Payment

(i) The Purchase Price shall be paid or caused to be paid by HLB in the following manner:-

(a) a sum of RM5,679,990.00 only ("**RPGT Sum**"), being a sum equivalent to 3% of the Initial Disposal Consideration, has been paid by HLB to HLB's solicitors as stakeholders for the purpose of compliance with the Real Property Gains Tax Act 1976 upon the execution of the SSA by way of cash; and

(b) a sum of RM13,253,310.00 only ("**Balance Deposit**"), being a sum equivalent to 7% of the Initial Disposal Consideration, has been paid by HLB to HLREH upon the execution of the SSA by way of cash; and

(The RPGT Sum and the Balance Deposit are hereinafter collectively called "**Deposit**".)

(c) the balance of the Purchase Price, being the Purchase Price determined pursuant to the Management Accounts (but otherwise in accordance with Section 2.2.2(i)) above less the Deposit ("**Balance Purchase Price**"), shall be paid or caused to be paid by HLB to HLREH within 21 days of the receipt by HLB of the Management Accounts ("**Completion Date**") by way of cash.

(ii) Any increase or reduction in the Purchase Price determined in a comparison between the Audited Accounts and the Management Accounts (but otherwise in accordance with Section 2.2.2(i)) shall be paid by HLB or HLREH (as appropriate) within 14 days after the Auditor delivers the Audited Accounts to HLREH and HLB.

2.2.4 Events of Default

(i) Default by HLREH

In the event that HLREH fails to observe or perform or is otherwise found to be in breach of any of the material provisions of the SSA for any reason whatsoever, HLB shall be entitled either (a) to terminate the SSA by way of a written notice to HLREH and HLREH shall forthwith refund to HLB all monies paid by HLB to HLREH including the Deposit and any payments towards the Purchase Price together with an amount equivalent to 10% of the Initial Disposal Consideration as agreed liquidated damages; or (b) to sue for the remedy of specific performance of the SSA against HLREH.

(ii) Default by HLB

In the event that HLB fails to observe or perform or is otherwise found to be in breach of any of the material provisions of the SSA for any reason whatsoever, HLREH shall be entitled either (a) to terminate the SSA by way of a written notice to HLB and to forfeit 10% of the Initial Disposal Consideration as agreed liquidated damages; or (b) to sue for the remedy of specific performance of the SSA against HLB.

(iii) No event of default under Sections 2.2.4(i) and 2.2.4(ii) will occur if the failure to comply or breach is capable of remedy and is remedied within 14 days of either HLREH or HLB, as the case may be, giving notice to HLB or HLREH, as the case may be, of the failure to comply or breach.

2.2.5 Indemnity

HLREH agrees to indemnify and will keep HLB fully indemnified against any and all claims, losses, damages, costs, expenses and deficiencies (including legal fees) suffered, incurred or sustained by HLB in consequence of or in relation to any breach of HLREH's warranties and representations set out in the SSA provided always:-

(i) HLREH shall not be liable to indemnify HLB for any claims made or brought by HLB against HLREH more than 1 year after the Completion Date;

(ii) such claim must set out in sufficient details the breach alleged and the amount claimed; and

(iii) no such claim(s) shall be made unless the amount which arises from or is attributable to a single breach exceeds RM250,000.00, and the total liability of HLREH for breach of undertakings and warranties shall not exceed 10% of the Initial Disposal Consideration.

2.2.6 Defects Liability Period

(i) As at the date of issuance of the certificate of completion and compliance:-

(a) Office Tower A is in good and substantial repair and fit for the purposes for which it is intended to be used; and

(b) there shall be no evidence of any structural or other defect in Office Tower A which is likely to involve other than routine maintenance in the foreseeable future.

(ii) Any defect, shrinkage or other faults in Office Tower A which shall become apparent within a period of 12 calendar months after the Completion Date and which are due to defective workmanship or material or Office Tower A not having been constructed in accordance with the plans and description as approved or amended by the relevant authorities or as stated in the SSA (save and except for defect, shrinkage or other fault resulting from any alterations to Office Tower A during the aforesaid period of 12 calendar months made or cause to be made by HLB and/or DCT) shall be repaired and made good by HLREH at its own cost and expenses within 45 days of its having received written notice thereof from HLB and/or DCT, failing which HLB and/or DCT may proceed to repair and make good the said defect, shrinkage or other faults and shall be entitled to recover from HLREH the costs of repairing and making good the same (which shall have been notified to HLREH prior thereto).

(iii) The rights of HLB under Section 2.2.6 are separate and independent of the rights of HLB under any other clause of the SSA.

2.3 Basis and justification of arriving at the Initial Disposal Consideration

The Initial Disposal Consideration of RM189.3 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following:

(i) the unaudited net assets ("**NA**") of DCT as at 31 May 2015 of approximately RM38.2 million; and

(ii) the estimated market value of Office Tower A of RM582.0 million as appraised by an independent firm of valuers, R&C, using the investment and comparison methods of valuation.

For illustrative purposes, the realisable NA value of DCT, after adjusting for the fair value adjustment based on the estimated market value, is as follows:

	RM million
Unaudited NA of DCT as at 31 May 2015	38.2
Add: Net gain on fair value adjustment	151.1
Estimated realisable NA of DCT	**189.3**

The Initial Disposal Consideration of RM189.3 million represents the estimated realisable NA of DCT of RM189.3 million as at the Completion of Office Tower A.

2.4 Original cost and dates of investment in the Sale Shares

The total original cost of investment made by HLREH for the DCT Shares on 13 June 2012 and 19 June 2012 is RM2 and RM2,500,000 respectively, and the total original cost of investment for the DCT RPS made on 29 June 2012 amounted to RM36,450,000.

2.5 Liabilities to be assumed

Save for liabilities comprised in DCT, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by HLB pursuant to the Proposed Disposal.

2.6 Information on HLB

HLB was incorporated as Kwong Lee Bank Limited in Malaysia on 26 October 1934 and changed its name to Kwong Lee Bank Berhad on 15 April 1966. In 1982, Kwong Lee Bank Berhad was acquired by MUI Group and on 2 February 1983, HLB changed its name to Malayan United Bank Berhad. Subsequently on 26 June 1989, HLB changed its name to MUI Bank Berhad. In January 1994, Hong Leong Group Malaysia acquired MUI Bank Berhad and HLB assumed its present name on 10 January 1994. In January 2001, HLB merged with Wah Tat Bank Berhad and HLB's wholly-owned subsidiary, Hong Leong Finance Berhad merged with Credit Corporation (Malaysia) Berhad. HLB completed the merger of the finance company business of its subsidiary, Hong Leong Finance Berhad, with the commercial banking business of HLB in August 2004.

On 6 May 2011, HLB completed the acquisition of the entire assets and liabilities of EON Capital Berhad. On 1 July 2011, the entire business of the former EON Bank Berhad, including all its assets and liabilities, was transferred to HLB in accordance with the vesting order granted by the High Court of Malaya.

HLB is a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The principal activities of HLB and its subsidiaries include commercial banking business, Islamic banking business, real property investment, investment holding and nominee services.

3. RATIONALE

The Proposed Disposal is undertaken to enable GLM and its subsidiaries ("**GLM Group**") to unlock its investment in DCT (which owns Office Tower A) at its current market value and realise its gain. The Proposed Disposal also allows GLM Group to strengthen its liquidity and cash flow position by raising cash proceeds of RM189.3 million which will be utilised for, *inter alia*, the repayment of its bank borrowings.

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4. UTILISATION OF PROCEEDS

The estimated gross proceeds of approximately RM189.3 million arising from the Proposed Disposal are intended to be utilised in the following manner:

Details of utilisation	RM million	Expected timeframe of utilisation of proceeds from the Completion Date
Repayment of bank borrowings[(1)]	176.2	Within 12 months
Estimated tax and expenses for the Proposed Disposal[(2)]	13.1	Within 3 months
	189.3	

Notes:

(1) As at the LPD, the total bank borrowings of GLM Group stood at approximately RM1,325 million. The Company intends to utilise RM176.2 million of the proceeds raised from the Proposed Disposal to pare down the existing borrowings of GLM Group. Based on the weighted average cost of borrowings of approximately 4.4% per annum, such repayments are expected to result in an annual interest savings of approximately RM7.8 million.

*(2) The estimated tax and expenses of RM13.1 million for the Proposed Disposal comprise professional fees, payments to the relevant authorities, expenses to convene an extraordinary general meeting ("**EGM**") in relation to the Proposed Disposal, printing, advertisement and other ancillary expenses. In the event the actual expenses incurred are higher/lower than budgeted, the deficit/surplus will be funded from/contributed to the portion allocated for the repayment of bank borrowings.*

5. RISK FACTOR

The risk factor in relation to the Proposed Disposal is the delay or non-completion of the Proposed Disposal.

The Proposed Disposal is conditional upon all the conditions precedent as set out in the SSA being obtained/fulfilled or waived. There is no assurance that the Proposed Disposal can be completed within the timeframe stipulated under the SSA. Any delay in the fulfilment of the conditions precedent may lead to a delay in the completion or termination of the Proposed Disposal.

Notwithstanding the above, HLREH will take reasonable steps to ensure that the conditions precedent as set out in the SSA that are within HLREH's control are met on a timely basis in order for the Proposed Disposal to be completed within a reasonable timeframe.

6. EFFECTS

6.1 Issued and paid-up share capital and substantial shareholders' shareholdings

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 as the Proposed Disposal does not involve any issuance of new GLM Shares.

6.2 NA and gearing

Based on the latest audited consolidated financial statements of GLM for the financial year ended ("**FYE**") 30 June 2014, the proforma effects of the Proposed Disposal on the consolidated NA and gearing of the Company are set out below:

	Audited as at 30 June 2014 (RM '000)	After the Proposed Disposal (RM '000)
Share capital	350,229	350,229
Share premium	35,089	35,089
Exchange reserve	2,457	2,457
Fair value reserve	2,675	2,675
Share option reserve	684	684
Merger reserve	(24,028)	(24,028)
Capital redemption reserve	17	17
Shares held by executive share schemes trust	(23,883)	(23,883)
Retained profits	609,319	(1)746,602
NA attributable to owners of the parent	**952,559**	**1,089,842**
Number of shares in issue ('000)	700,459	700,459
NA per share (RM)	1.36	1.56
Total borrowings (RM '000)	1,000,516	(2)740,866
Gearing (times)	1.05	0.68

Notes:

(1) After taking into consideration the estimated net gain on disposal of approximately RM137.3 million based on the original cost of investment in DCT and after deducting estimated tax and expenses of approximately RM13.1 million in relation to the Proposed Disposal.

(2) Assuming repayment of bank borrowings of RM176.2 million as disclosed in Section 4 above.

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6.3 Earnings and earnings per share ("EPS")

Upon completion of the Proposed Disposal, GLM Group is expected to realise a net gain on disposal of approximately RM137.3 million based on the original cost of investment in DCT, and after deducting estimated tax and expenses of approximately RM13.1 million in relation to the Proposed Disposal. The net gain attributable to owners of the Company represents an increase in EPS of approximately RM0.20.

7. APPROVALS REQUIRED

The Proposed Disposal is subject to, amongst others, the approval of the shareholders of GLM being obtained at an EGM to be convened.

The approval of Bank Negara Malaysia (**"BNM"**) was obtained by HLB for its proposed acquisition of DCT vide BNM's letter dated 13 February 2015.

The Proposed Disposal is not conditional upon any other proposals undertaken or to be undertaken by the Company.

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

Save as disclosed below, none of the directors and major shareholders of GLM and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.

Hong Leong Company (Malaysia) Berhad ("**HLCM**") is a major shareholder of GLM and HLB through GLL (Malaysia) Pte Ltd (**"GLLM"**) and Hong Leong Financial Group Berhad respectively.

YBhg Tan Sri Quek Leng Chan is a Director and major shareholder of GLM, HLB and HLCM. Mr Kwek Leng Beng is a major shareholder of GLM and HLB, and a Director and major shareholder of HLCM. Mr Quek Leng Chye and Mr Kwek Leng Kee are major shareholders of GLM, HLB and HLCM. YBhg Tan Sri Quek Leng Chan and Mr Quek Leng Chye are brothers.

The shareholdings of HLCM, GLLM, YBhg Tan Sri Quek Leng Chan, Mr Kwek Leng Beng, Mr Quek Leng Chye and Mr Kwek Leng Kee in GLM as at the LPD are as follows:

	←-----Direct-----→		←-----Indirect-----→	
	No. of shares	**%**	**No. of shares**	**%**
HLCM	-	-	455,198,596(1)	64.99
GLLM	455,130,580	64.98	-	-
Tan Sri Quek Leng Chan	19,506,780	2.78	455,698,596(2)	65.06
Mr Kwek Leng Beng	-	-	455,698,596(2)	65.06
Mr Quek Leng Chye	-	-	455,698,596(2)	65.06
Mr Kwek Leng Kee	-	-	455,698,596(2)	65.06

Notes:

(1) Held through subsidiaries.

(2) Held through HLCM and a company in which the substantial shareholder has interest.

YBhg Tan Sri Quek Leng Chan had abstained and will continue to abstain from deliberating and voting at the relevant meetings or on the relevant resolutions of the Board of Directors of GLM in respect of the Proposed Disposal.

HLCM, GLLM, YBhg Tan Sri Quek Leng Chan, Mr Kwek Leng Beng, Mr Quek Leng Chye and Mr Kwek Leng Kee shall abstain from voting, in respect of their direct and/or indirect interests, on the proposed ordinary resolution pertaining to the Proposed Disposal at an EGM to be convened. HLCM, GLLM, YBhg Tan Sri Quek Leng Chan, Mr Kwek Leng Beng, Mr Quek Leng Chye and Mr Kwek Leng Kee will ensure that persons connected with them will also abstain from voting, in respect of their direct and/or indirect interests, if any, on the proposed ordinary resolution pertaining to the Proposed Disposal at an EGM to be convened.

Save as disclosed above, 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.

9. RELATED PARTY TRANSACTIONS

In view of the interests disclosed in Section 8 of this announcement, the Proposed Disposal is deemed a related party transaction pursuant to Chapter 10.08 of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**").

As at the date of this announcement, save for the recurrent related parties transactions that are disclosed in the circular to the shareholders of GLM dated 22 September 2014 and had been approved by the shareholders on 14 October 2014, there were no other related party transactions transacted with HLB for the 12 months preceding the date of this announcement.

10. HIGHEST PERCENTAGE RATIO

Based on the Initial Disposal Consideration, the highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is 40.6%. In this regard, GLM is required to issue a circular to shareholders, convene an EGM to seek shareholders' approval for the Proposed Disposal, appoint a Principal Adviser and an Independent Adviser.

11. ADVISERS

HLIB has been appointed as the Principal Adviser in relation to the Proposed Disposal.

Inter-Pacific Securities Sdn Bhd has been appointed by the Company to act as the Independent Adviser to advise the non-interested directors and non-interested shareholders as to whether the Proposed Disposal is fair and reasonable so far as the non-interested shareholders are concerned and whether the Proposed Disposal is to the detriment of the non-interested shareholders of the Company.

12. DIRECTORS' STATEMENT

The Board of Directors of GLM (save for YBhg Tan Sri Quek Leng Chan who has abstained from all voting and deliberation), having taken into consideration all aspects of the Proposed Disposal (including but not limited to the rationale for the Proposed Disposal, the proposed utilisation of proceeds arising from the Proposed Disposal and the effects of the Proposed Disposal) is of the opinion that the Proposed Disposal is in the best interest of the Company.

13. BOARD AUDIT & RISK MANAGEMENT COMMITTEE'S STATEMENT

The Board Audit & Risk Management Committee ("**BARMC**") of the Company, having considered all aspects of the Proposed Disposal (including, but not limited to the terms and rationale for the Proposed Disposal), is of the opinion that the Proposed Disposal is:

(i) in the best interest of GLM;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested shareholders of GLM.

In arriving at the above view, the BARMC had taken into consideration, among others, the following:

(i) the preliminary view of the Independent Adviser;

(ii) the basis of arriving at the Initial Disposal Consideration; and

(iii) the Valuation Certificate.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the first quarter of 2016.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA and the Valuation Certificate 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 3 July 2015.

INFORMATION ON DCT

A summary of the audited financial information of DCT for the financial period ended ("**FPE**") 30 June 2012, FYEs 30 June 2013 to 2014 as well as the unaudited financial information of DCT for the 11-month FPE 31 May 2015 is set out below:

	Audited FPE 30 June 2012(1) (RM '000)	Audited FYE 30 June 2013 (RM '000)	Audited FYE 30 June 2014 (RM '000)	Unaudited 11-month FPE 31 May 2015 (RM '000)
Revenue	-(2)	-(2)	-(2)	-(2)
Profit before tax ("**PBT**")/(loss before tax) ("**LBT**")	(12)	670	65,529	(3,199)
Profit after tax ("**PAT**")/(loss after tax)("**LAT**")	(12)	670	62,240	(3,199)
Share capital	2,536	2,536	2,536	2,536
Shareholders' funds/NA	38,938	39,608	101,848	38,233
Total borrowings	52,050	58,107	83,450	235,133
Gross EPS/loss per share ("**LPS**") (RM)	(-)*	0.27	26.21	(1.28)
Net EPS/LPS (RM)	(-)*	0.27	24.90	(1.28)
NA per share (RM)	15.58	15.84	40.74	15.29
Current ratio (times)	-*	-*	-*	0.07
Gearing ratio (times)	1.34	1.47	0.82	6.15

Notes:

* *Negligible amount.*

(1) *Audited accounts from 28 December 2011, being the date of incorporation of DCT, to 30 June 2012.*

(2) *DCT did not record any revenue as its only investment property, Office Tower A, is still under construction as at the date of this announcement.*

Commentary

FPE 30 June 2012

For the FPE 30 June 2012, DCT recorded a LBT of RM0.01 million as no revenue was generated during the said financial period and administrative expenses of RM0.01 million were incurred.

FYE 30 June 2013

For the FYE 30 June 2013, DCT recorded higher PBT of RM0.67 million, which represented an increase of RM0.68 million or more than 100% from a LBT of RM0.01 million for the FPE 30 June 2012. The increase in PBT was mainly due to the recognition of gain amounting to RM0.66 million arising from the fair value changes of derivative financial asset. The fair value changes are attributable to changes in the Kuala Lumpur Interbank Offered Rate.

FYE 30 June 2014

For the FYE 30 June 2014, DCT recorded higher PBT of RM65.53 million, which represented an increase of RM64.86 million or more than 100% from RM0.67 million for the FYE 30 June 2013. The increase in PBT was mainly due to the gain on fair value adjustments of RM65.77 million based on valuation carried out on Office Tower A by an accredited independent valuer.

INFORMATION ON DCT

Unaudited 11-month FPE 31 May 2015

For the 11-month FPE 31 May 2015, DCT recorded a LBT of RM3.20 million, which represented a decrease of RM3.49 million or more than 100% from PBT RM0.29 million for the 11-month FPE 31 May 2014. The decrease in PBT was mainly due to the finance cost of RM2.30 million incurred for the period under review.

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