OTHERS PROPOSED DISPOSAL OF LAND BY GLM EMERALD INDUSTRIAL PARK (JASIN) SDN BHD, A 68%-OWNED INDIRECT SUBSIDIARY OF GUOCOLAND (MALAYSIA) BERHAD

GUOCOLAND (MALAYSIA) BERHAD

Type	Announcement
Subject	OTHERS
Description	PROPOSED DISPOSAL OF LAND BY GLM EMERALD INDUSTRIAL PARK (JASIN) SDN BHD, A 68%-OWNED INDIRECT SUBSIDIARY OF GUOCOLAND (MALAYSIA) BERHAD

GuocoLand (Malaysia) Berhad ("**Company**") wishes to announce that GLM Emerald Industrial Park (Jasin) Sdn Bhd ("**GLM EIPJ**"), a 68%-owned indirect subsidiary of the Company, has on 27 April 2023 entered into a sale and purchase agreement with Mr Subrayan A/L Sellapan, Ms Lila @ Linda A/P Sinasamy and Mr Sreetharan A/L Muthusamy (collectively, the "**Purchasers**") and IOI Corporation Berhad, for the proposed disposal by GLM EIPJ to the Purchasers of a parcel of land located in the Mukim and District of Jasin, State of Melaka for a total cash consideration of RM19,027,364.40 ("**Proposed Disposal**").

Please refer to the attached announcement for the details of the Proposed Disposal.

This announcement is dated 27 April 2023.

Please refer attachment below.

Attachments

GLM-Proposed Disposal of Land by GLM EIPJ.pdf
116.9 kB

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	27 Apr 2023
Category	General Announcement for PLC
Reference Number	GA1-27042023-00024

GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY")

PROPOSED DISPOSAL OF LAND BY GLM EMERALD INDUSTRIAL PARK (JASIN) SDN BHD, A 68%-OWNED INDIRECT SUBSIDIARY OF GLM

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1. INTRODUCTION

GLM wishes to announce that GLM Emerald Industrial Park (Jasin) Sdn Bhd (**"GLM EIPJ"** or the **"Vendor"**), a 68%-owned indirect subsidiary of the Company, has on 27 April 2023 entered into a sale and purchase agreement (**"SPA"**) with Mr Subrayan A/L Sellapan, Ms Lila @ Linda A/P Sinasamy and Mr Sreetharan A/L Muthusamy (collectively, the **"Purchasers"**) and IOI Corporation Berhad (**"IOIC"** or the **"Proprietor"**), for the proposed disposal by GLM EIPJ to the Purchasers of a parcel of land located in the Mukim and District of Jasin, State of Melaka for a total cash consideration of RM19,027,364.40 (**"Purchase Price"**) (**"Proposed Disposal"**).

2. DETAILS OF THE PROPOSED DISPOSAL

GLM EIPJ is the beneficial owner of the parcel of freehold land held under GRN 53455, Lot 7001 in Mukim and District of Jasin, State of Melaka measuring approximately 32.14 hectares in total area (the **"Property"**).

IOIC is the registered owner of the Property. GLM EIPJ had, by a sale and purchase agreement dated 22 May 1996, acquired *inter alia* the Property from IOIC. IOIC had, on completion of the sale and purchase, granted a Power of Attorney dated 6 August 1997 in favour of GLM EIPJ which empowers GLM EIPJ to, *inter alia*, deal with the Property 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.

GLM EIPJ has agreed to sell and the Purchasers has agreed to purchase the Property free of encumbrances and with possession, subject to all existing conditions of title, restrictions in interest (if any) and category of land use, express or implied, relating to or affecting the Property, and on an "as is where is" basis, at the Purchase Price, and on the terms and subject to the conditions contained in the SPA.

The Purchase Price was arrived at on a willing buyer-willing seller basis after arm's length negotiation, taking into consideration a valuation report dated 25 November 2022 (**"Valuation Report"**) obtained from Zerin Properties Corporate Valuers Sdn Bhd which appraised the Property at RM18.0 million.

The salient terms of the SPA are set out in **Appendix I** of this announcement.

3. RATIONALE

The Proposed Disposal will enable GLM Group to realise its investment in the Property and to focus on its core business of property development.

4. USE OF PROCEEDS

The gross proceeds of RM19.027 million arising from the Proposed Disposal are proposed to be used by GLM EIPJ in the following manner:

Details of utilisation	RM '000	Expected timeframe of utilisation of proceeds from completion of the Proposed Disposal
General working capital requirements and/or distribution to shareholders of GLM EIPJ (1)	15,128	Within 18 months
Defray estimated tax and expenses relating to the Proposed Disposal (2)	3,899	Within 18 months
	19,027	

Notes:

(1) The exact breakdown of the amount to be allocated for working capital and/or distribution to shareholders has yet to be determined at this juncture, and will be finalised by the Board of Directors of GLM EIPJ at a later stage.

(2) Includes professional fees, corporate tax and other incidental expenses in relation to the Proposed Disposal. Any variation to the amount of estimated expenses incurred in relation to the Proposed Disposal will be adjusted against the amount allocated for working capital and/or distribution to shareholders of GLM EIPJ.

5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Issued share capital, substantial shareholders' shareholdings, net assets and gearing

The Proposed Disposal will not have any effect on the issued 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 net assets and gearing of GLM Group.

5.2 Earnings and earnings per share ("EPS")

Upon completion of the Proposed Disposal, GLM Group expects to realise an estimated net gain on disposal of approximately RM6.5 million, which is computed as follows:

	RM '000
Purchase Price	19,027
Less: Net book value of the Property as at 30 June 2022	(5,995)
	13,032
Less: Estimated tax and expenses relating to the Proposed Disposal (1)	(3,472)
	9,560
Less: Non-controlling interests	(3,059)
Estimated net gain on disposal attributable to GLM Group	**6,501**

Note:

(1) The estimated tax and expenses relating to the Proposed Disposal to be incurred by GLM Group is RM3.47 million upon elimination of inter-group transaction.

For illustrative purposes only, based on 669,880,418 GLM shares in issue (after excluding 30,578,100 GLM shares held by executive share scheme trust) as at 30 June 2022, the consolidated EPS of GLM is expected to increase approximately by 0.97 sen after the completion of the Proposed Disposal.

6. APPROVALS REQUIRED

The Proposed Disposal is not subject to the approval of the shareholders of GLM or any regulatory authorities.

7. 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.

8. DIRECTORS' STATEMENT

The Board of Directors of GLM is of the opinion that the Proposed Disposal is in the best interest of the Company.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the first half of year 2023.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA and the Valuation Report will be made available for inspection at the Company's registered office at Level 32, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 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 27 April 2023.

SALIENT TERMS OF THE SPA

As stated in Section 2 of the announcement, the salient terms of the SPA are set out below.

1. Payment of Purchase Price

The Purchase Price shall be paid by the Purchasers to the Vendor in the following manner:

(a) a sum of RM1,902,736.44 being 10% of the Purchase Price (**"Deposit"**) has been paid to the Vendor upon execution of the SPA; and

(b) the Purchasers shall pay or cause to be paid to the Vendor's solicitors a sum of RM17,124,627.96 being 90% of the Purchase Price (**"Balance Purchase Price"**) by or before the Completion Date (as defined in paragraph 2(i) below).

2. Completion of the sale and purchase

(i) Completion of the sale and purchase of the Property shall take place on a business day on or before the expiration of:

(a) 90 days from the date of the SPA; or

(b) 10 business days from the date a copy of the original issue document of title to the Property as described in the SPA is provided to the Purchasers;

whichever is the later, failing which completion shall be automatically extended by 30 days only subject to the Purchasers paying the Vendor interest at a rate of 8% p.a. calculated on a daily basis on the Balance Purchase Price or any part thereof which remains outstanding as at the expiry of the aforesaid 90 days or at the expiry of the aforesaid 10 business days, whichever is the later until the date of full payment (**"Completion Date"**).

(ii) The Vendor shall within 10 business days from the date of the SPA (or such other date as may be agreed between the parties) do all acts and things necessary including submitting the relevant applications to the relevant authority to remove the notation of an expired lease over part of the Property and to insert IOIC's company registration number and registered address in the original issue document of title to the Property.

(iii) The parties hereby agree that subject to the Vendor complying with paragraph 2(ii) above, a copy of the original issue document of title to the Property shall be provided to the Purchasers within 120 days from the date of the SPA, failing which the Vendor shall be entitled to terminate the SPA by prior written notice to the Purchasers without any liability to the Purchasers.

In the event of such termination, the Vendor shall within 10 business days after the Vendor's receipt of the documents stated in the SPA refund and/or cause the Deposit to be refunded to the Purchasers free of interest. Thereafter, the SPA shall be null and void and of no effect, and no party shall have any claim whatsoever against any of the other parties in respect of anything arising from or in connection with the SPA, and the Vendor shall be at liberty to dispose and/or otherwise deal with the Property in any manner whatsoever which the Vendor may deem fit at its sole and absolute discretion without any reference whatsoever to the Purchasers.

3. Delivery of possession

Possession of the Property shall be delivered to the Purchasers on the Completion Date, subject to receipt by the Vendor of the entire Purchase Price and any and all other moneys payable by the Purchasers to the Vendor.