

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS
GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED ACQUISITION OF LANDS BY
TUJUAN OPTIMA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF GLM

GUOCOLAND (MALAYSIA) BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED ACQUISITION OF LANDS BY TUJUAN OPTIMA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF GLM

GLM writes to inform that Tujuan Optima Sdn Bhd ("TOSB"), a wholly-owned subsidiary of GLM, had on 5 July 2016, entered into a sale and purchase agreement with MV Properties Sdn Bhd ("MVSB") for the proposed acquisition by TOSB from MVSB of two parcels of land located in Mukim Cheras, Daerah Hulu Langat, Negeri Selangor, for a total cash consideration of RM128,000,000 ("Proposed Acquisition").

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

This announcement is dated 5 July 2016.

Please refer attachment below.

Attachments



GLM-Acquisition of Lands.pdf
152.6 kB



Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	05 Jul 2016
Category	General Announcement for PLC
Reference Number	GA1-05072016-00060

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

PROPOSED ACQUISITION OF LANDS BY TUJUAN OPTIMA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF GLM

1. INTRODUCTION

GLM writes to inform that Tujuan Optima Sdn Bhd (“**TOSB**”), a wholly-owned subsidiary of GLM, had on 5 July 2016, entered into a sale and purchase agreement (“**SPA**”) with MV Properties Sdn Bhd (“**MVSB**”) for the proposed acquisition by TOSB from MVSB of two parcels of land located in Mukim Cheras, Daerah Hulu Langat, Negeri Selangor, for a total cash consideration of RM128,000,000 (“**Consideration**”) (“**Proposed Acquisition**”).

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the parcels of land

MVSB is the legal and beneficial owner of the following two parcels of freehold land:

- (i) Geran Mukim 563, Lot 809, Mukim Cheras, Daerah Hulu Langat, Negeri Selangor, measuring approximately 36,928 square metres (approximately 9.13 acres) (“**Land 1**”); and
- (ii) Geran Mukim 415, Lot 810, Mukim Cheras, Daerah Hulu Langat, Negeri Selangor, measuring approximately 11,002 square metres (approximately 2.71 acres) (“**Land 2**”),

(collectively “**Lands**”) with a total land area of approximately 47,930 square metres (approximately 11.84 acres).

The Lands are located at Batu 9, Cheras, within a precinct of mixed development comprising residential, retail and commercial properties. The Lands are approximately 11 kilometres to the South-East of the Kuala Lumpur city centre and is accessible from Kuala Lumpur city centre via Lebuhraya Cheras-Kajang.

A summary of other salient information on Land 1 is as follows:

Tenure	:	Freehold
Category of land use	:	Building
Existing usage	:	Vacant
Encumbrances	:	<ul style="list-style-type: none">• Land 1 is subject to partial compulsory acquisitions of approximately 3,102 square metres (approximately 0.77 acres) and 1,352 square metres (approximately 0.33 acres)• Land 1 is charged to OCBC Bank (Malaysia) Berhad

A summary of other salient information on Land 2 is as follows:

Tenure	:	Freehold
Category of land use	:	Agriculture
Existing usage	:	Vacant
Encumbrances	:	<ul style="list-style-type: none">• Land 2 is subject to a partial lease in favour of Tenaga Nasional Berhad for an area of approximately 375 square feet (approximately 35 square metres or 0.01 acres) which is expiring on 4 August 2019• Land 2 is charged to OCBC Bank (Malaysia) 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

MVSB agrees to sell and TOSB agrees to purchase the Lands free from all charges, debentures, liens, caveats, prohibitory orders and any other encumbrances of whatsoever nature and with vacant possession but subject to all conditions in the title to the Lands and on the terms and subject to the conditions of the SPA.

2.2.2 Condition Precedent

The sale and purchase of the Lands is subject to MVSB obtaining the approval of the shareholders of its holding company, Bertam Alliance Berhad ("**BAB**"), at an extraordinary general meeting ("**EGM of BAB**") to be convened, for the sale of the Lands in accordance with the terms and conditions of the SPA ("**Condition Precedent**") within 90 days from the date of the SPA or such other extended period as MVSB and TOSB may mutually agree in writing.

MVSB undertakes to cause BAB to convene the EGM of BAB and MVSB shall take all such action as may be necessary to fulfil the Condition Precedent as expeditiously as possible after the execution of the SPA.

MVSB shall notify TOSB in writing within 2 business days from fulfilling the Condition Precedent and the SPA shall become unconditional on the date of TOSB's receipt of MVSB's notice ("**Unconditional Date**").

2.2.3 Payment of Consideration

The Consideration shall be paid or cause to be paid by TOSB in the following manner:

- (i) prior to the execution of the SPA, a sum of RM2,560,000 has been paid to MVSB as an earnest deposit;
- (ii) upon the execution of the SPA, a sum of RM3,840,000 has been paid as an RPGT sum to MVSB's solicitors as stakeholders for the purpose of compliance with the Real Property Gains Tax Act 1976 and the provisions of the SPA;
- (iii) upon the execution of the SPA, a sum of RM6,400,000 has been paid as a balance deposit to MVSB's solicitors as stakeholder in accordance with the provisions of the SPA; and
- (iv) within 90 days from the Unconditional Date, TOSB shall pay to MVSB's solicitors the balance consideration of RM115,200,000.

2.2.4 Vacant Possession

Vacant possession of the Lands shall be delivered to TOSB within 3 business days of MVSB's solicitor's receipt of the full Consideration 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 Sources of funding

The Consideration shall be funded from internally-generated funds and external bank borrowings.

2.5 Liabilities to be assumed

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

2.6 Information on MVSB

MVSB was incorporated in Malaysia under the Companies Act, 1965 on 30 March 2005 as a private limited company. The principal activity of MVSB is property development.

MVSB is an indirect wholly-owned subsidiary of BAB, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

3. RATIONALE

The Proposed Acquisition will enable GLM Group to develop the Lands for future projects.

4. RISK FACTOR

The risk factor in relation to the Proposed Acquisition is the non-completion of the Proposed Acquisition. The completion of the Proposed Acquisition is conditional upon the approval of the shareholders of BAB at the EGM of BAB. In the event the approval from the shareholders of BAB is not obtained within the stipulated timeframe and both parties do not agree to extend the time period to fulfil the same, the SPA shall lapse.

5. EFFECTS OF THE PROPOSED ACQUISITION

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

For illustration purposes, the financial effects mentioned below have been computed assuming that 70% of the Consideration is funded from external bank borrowings and 30% from internally-generated funds.

Based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2015, the net gearing ratio of GLM Group is expected to increase from 1.03 times to 1.15 times upon completion of the Proposed Acquisition.

The Proposed Acquisition is not expected to have any material effect on the net assets per share of GLM Group.

The Proposed Acquisition is not expected to have any material effect on the earnings and earnings per share of GLM Group for the financial year ending 30 June 2017.

6. APPROVALS REQUIRED

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

The Proposed Acquisition is subject to the approval of the shareholders of BAB at the EGM of BAB.

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 Acquisition.

8. DIRECTORS' STATEMENT

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

9. HIGHEST PERCENTAGE RATIO

Based on the audited consolidated financial statements of GLM for the financial year ended 30 June 2015, the highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 11.40%.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in the 4th quarter of calendar year 2016.

11. 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 5 July 2016.