

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR THE "COMPANY") PROPOSED DISPOSAL OF LAND BY SABNA DEVELOPMENT SDN BHD, A 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 DISPOSAL OF LAND BY SABNA DEVELOPMENT SDN BHD, A SUBSIDIARY OF GLM

GLM writes to inform that Sabna Development Sdn Bhd ("**SDSB**"), an indirect wholly-owned subsidiary of GLM, had on 30 October 2015, entered into a sale and purchase agreement ("**SPA**") with Kumpulan Wang Persaraan (Diperbadankan) (Retirement Fund (Incorporated)) ("**KWAP**") for the proposed disposal by SDSB to KWAP of a parcel of land located in the District and State of Wilayah Persekutuan Kuala Lumpur for a cash consideration of RM87,915,229 ("**Proposed Disposal**").

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

This announcement is dated 30 October 2015.

Please refer attachment below.

Attachments



Disposal of Land (CKP).pdf
135.4 kB

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	30 Oct 2015
Category	General Announcement for PLC
Reference Number	GA1-30102015-00056

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

PROPOSED DISPOSAL OF LAND BY SABNA DEVELOPMENT SDN BHD, A SUBSIDIARY OF GLM

1. INTRODUCTION

GLM writes to inform that Sabna Development Sdn Bhd (“**SDSB**”), an indirect wholly-owned subsidiary of GLM, had on 30 October 2015, entered into a sale and purchase agreement (“**SPA**”) with Kumpulan Wang Persaraan (Diperbadankan) (Retirement Fund (Incorporated)) (“**KWAP**”) for the proposed disposal by SDSB to KWAP of a parcel of land located in the District and State of Wilayah Persekutuan Kuala Lumpur for a cash consideration of RM87,915,229 (“**Consideration**”) (“**Proposed Disposal**”).

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on the land

SDSB is the legal and beneficial owner of a parcel of land held under Geran 76355, Lot 392, Seksyen 63, Town of Kuala Lumpur, District and State of Wilayah Persekutuan Kuala Lumpur, measuring approximately 2,917 square metres (equivalent to approximately 31,398 square feet (“**sq ft**”)) in total area, located at Jalan Changkat Kia Peng (“**Property**”).

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

Tenure	: Freehold
Category of land use	: Building
Existing usage	: Vacant
Cost and original date of investment	: RM55.46 million made on 14 January 2008
Net book value	: RM61.74 million (as at 30 June 2015)
Valuation	: Market value of RM62 million based on valuation by CB Richard Ellis (Malaysia) Sdn Bhd as at 31 January 2013
Encumbrance	: The Property is charged to Affin 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

SDSB agrees to sell and KWAP agrees to purchase the Property free from encumbrances on completion and with vacant possession, but 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 on an “as is where is” basis, at the Consideration, and on the terms and subject to the conditions of the SPA.

2.2.2 Completion

The date of completion of the sale and purchase of the Property shall take place on or before the expiration of 90 days from the date of the SPA, subject thereafter to an extension of 30 days only (in the event that KWAP should request in writing for the same prior to the expiry of the aforesaid 90 days period), provided always that KWAP shall pay SDSB interest at the rate of 8% per annum on the Balance Consideration (as defined in section 2.2.3(ii) below) or any part thereof which remains outstanding as at the expiry of the said 90 days period, calculated on a daily basis until the date of full payment of the outstanding balance, including all interest thereon, or any other date as may be agreed between SDSB and KWAP ("**Completion Date**").

2.2.3 Payment of Consideration

The Consideration shall be paid by KWAP to SDSB in the following manner:

- (i) a deposit of RM8,791,522 ("**Deposit**") has been paid to SDSB upon execution of the SPA; and
- (ii) on or before the Completion Date, KWAP shall pay or cause to be paid to SDSB's solicitors the balance RM79,123,707 ("**Balance Consideration**").

2.2.4 Vacant Possession

Vacant possession of the Property shall be deemed to have been delivered to KWAP on the Completion Date subject always to receipt in full by SDSB's solicitors of the entire Consideration and any and all other moneys (including but not limited to interest, and all apportioned outgoings) payable by KWAP to SDSB 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 net Consideration is proposed to be used for repayment of borrowings and/or working capital purposes of GLM Group.

2.5 Liabilities to be assumed

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

2.6 Information on KWAP

KWAP was established on 1 March 2007 under the Retirement Fund Act 2007. KWAP's objective is to manage the fund established under Section 13 of the Retirement Fund Act 2007 towards achieving optimum returns on its investments, and to apply the said fund towards assisting the Federal Government of Malaysia in financing its pension liability.

3. RATIONALE

The Proposed Disposal will enable GLM Group 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.

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 decrease from 1.03 times to 0.94 times upon completion of the Proposed Disposal.

Upon completion of the Proposed Disposal, GLM Group is expected to realise a net gain on disposal of approximately RM19.94 million. 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 2.98 sen.

5. APPROVALS REQUIRED

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

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. DIRECTORS' STATEMENT

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

8. 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 Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 7.83%.

9. ESTIMATED TIMEFRAME FOR COMPLETION

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

10. 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 30 October 2015.