

Type	Announcement
Subject	Transactions (Chapter 10 of Listing Requirements) Non Related Party Transactions

Description:-

TITIJAYA LAND BERHAD ("TLB" OR "THE COMPANY")

PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN TAMARIND HEIGHTS SDN. BHD. FROM RAFIDAH BINTI MENAN AND NUR DIANA BINTI ARIFIN FOR A TOTAL CASH CONSIDERATION OF RM2.00 ("PROPOSED ACQUISITION")

1. INTRODUCTION

The Board of Directors of TLB wishes to announce that the Company had on 19 February 2016 entered into a Share Sale Agreement ("**SSA**") with Rafidah binti Menan and Nur Diana binti Arifin (collectively referred to as the "**Vendors**") for the acquisition of two (2) ordinary shares of RM1.00 each in Tamarind Heights Sdn. Bhd. ("**THSB**"), ("**Sale Shares**"), for a total consideration of RM2.00, upon the terms and conditions as stipulated in the SSA ("**Proposed Acquisition**"). Upon the completion of the Proposed Acquisition, THSB will become a wholly owned subsidiary of TLB.

2. BACKGROUND INFORMATION ON THSB

THSB was incorporated in Malaysia under the Act on 22 January 2016 as a private limited company. THSB has an authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares have been issued and fully paid-up.

THSB is principally carrying on the business of property development.

As at the date of this announcement, the Directors and shareholders of THSB are as follows:-

Name of Directors	<ul style="list-style-type: none"> ➤ Rafidah Binti Menan ➤ Nur Diana Binti Arifin 	
Name of shareholders	Name of shareholders	Shareholding
	Rafidah Binti Menan	50%
	Nur Diana Binti Arifin	50%

2.1 Information and salient terms of the Un-incorporated Joint Venture Agreement between Dreamvista Development Sdn Bhd ("DVSB") and Tamarind Heights Sdn Bhd ("THSB").

DVSB and THSB had on 2 February 2016 entered into an Un-incorporated Joint Venture Agreement ("**JVA**") to jointly undertake the development of a mixed development project on all that land held under Geran No. 31814, Lot No. 1317, Seksyen 41, Geran No. 37101, Lot No.1835, Seksyen 41, and Geran No. 39991, Lot No. 1316, Seksyen 41 all at Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with existing structures erected thereon, having a total aggregate land area of approximately 2.91 acres and situated at No. 237 - 239, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur ("**Land**") ("**Business**") based upon the terms

and subject to the condition as stipulated in the JVA. The beneficial owner of the Land is Golden Vogue Sdn Bhd ("**Landowner**").

The salient terms of the JVA include, *inter alia* the following:-

2.1.1 In pursuance to the JVA and subject to the terms and conditions stipulated therein, THSB and DVSB (collectively referred to as "**Participants**") agree that, DVSB shall be the principal vehicle to undertake the proposed property development project ("**Project**") on the Land including any and all legal engagements related to the Business howsoever including but not limited to the engaging of consultants, contractors, suppliers, advisors, purchasers, financiers, the relevant and appropriate authorities, the Landowner and any and all other matters whatsoever related to the JVA and the Business. DVSB will be the named developer of the Project and will at all times maintain and ensure the subsistence of the JVA during the entire duration of the Project until its completion. In consideration thereof and subject to DVSB complying with all the terms and conditions of the JVA, THSB agrees to undertake all the responsibilities and obligations provided in the JVA.

2.1.2 In consideration of DVSB agreeing to be bound by the terms and conditions of the JVA, THSB agrees to pay to DVSB 20% of the gross development value ("**GDV**") of the Project, deducting any rebates, discounts and freebies accorded to the end purchasers of the properties to be developed as part of the Project, to be tabulated based on the prevailing normal and applicable accounting practice ("**Consideration**") in the following time and manner:-

- (a) Upon the execution of the JVA, THSB will pay to DVSB a total sum equivalent to RM37,000,000.00 only, provided always that if the Project is not approved for development, this payment shall become and be deemed a refundable payment by DVSB to THSB.
- (b) With effect from the 15th month for the duration of 20 payments to be made every quarterly thereafter, from the date of the JVA becoming unconditional an equal quarterly payment proportionate to the remaining balance of the Consideration or in accordance to the progress of the construction stage of the Project whichever is the earlier.
- (c) Each and every installment payment of the remaining balance of the Consideration that is/are to be paid by THSB to DVSB shall be subjected to the fulfilment of the conditions precedent as stated in the JVA.

3. SALIENT TERMS OF THE SSA

The salient terms of the SSA include, *inter alia* the following:-

3.1 Agreement for sale of Sale Shares

That the Vendors shall sell to TLB and TLB shall purchase from the Vendors the Sale Shares subject to all the terms and conditions as stipulated in the SSA.

Title to, beneficial ownership of, and any risk attaching to the Sale Shares shall pass on the Completion Date and the Sale Shares shall be sold and purchased together with all rights and benefits attached or accruing to them at Completion Date (including the right to receive any dividends, distributions or returns of capital declared, paid or made by the Company on or after the Completion Date).

3.2 Completion

The Completion of this Agreement shall be the date when the Sale Shares are duly registered in the name of TLB.

4. CONSIDERATION FOR THE PROPOSED ACQUISITION AND THE JVA

The purchase price for the Sale Shares was arrived at between THSB and the Vendors based on the par value of the Sale Shares of RM1.00 each.

The consideration for the JVA was arrived at upon mutual agreement between DVSB and THSB, after taking into account, *inter alia*, the following:-

- (i) The rationale of the Proposed Acquisition as set out in Section 6 of this announcement; and
- (ii) The potential development prospects of the Land as set out in Section 7 of this announcement.

5. SOURCE OF FUNDING

The purchase price for the Sale Shares shall be satisfied via internally generated funds.

6. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's intention to build up its development activities in Kuala Lumpur City Centre with high development value. The Group is confident that the proposed acquisition would further enhance the future revenue stream of the Group and contribute positively to the Group's financial performance.

7. PROSPECT FOR THE PROPOSED ACQUISITION

The Proposed Acquisition will further expand our presence in Kuala Lumpur City Centre and a strategy for the Group to sustain its future growth.

8. KEY RISK FACTORS

Risk factors affecting the Proposed Acquisition include but are not limited to changes in conditions of competition, economic, business, political and legal framework environment. TLB will undertake the necessary efforts to mitigate the various business risks identified.

9. LIABILITIES TO BE ASSUMED

TLB and THSB are not expected to assume other liabilities, including contingent liabilities and guarantees arising from the Proposed Acquisition and the JVA.

10. EFFECT OF THE PROPOSED ACQUISITION

10.1 Issued and paid-up share capital

The Proposed Acquisition will have no effect on the issued and paid-up share capital of the Company as it does not involve any issuance of new shares of TLB.

10.2 Net Assets ("NA") and gearing

The Proposed Acquisition is not expected to have any material impact on the NA and gearing of the Group for the financial year ending 30 June 2016 as the total cost will be funded via internally generated funds.

10.3 Earnings and earnings per share ("EPS")

The Proposed Acquisition is not expected to have a material impact on the consolidated earnings and EPS of TLB for the financial year ending 30 June 2016.

Nevertheless, barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings of TLB as and when the Project comes on-stream.

10.4 Substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the substantial shareholders' shareholdings as it does not involve any issuance of new shares of TLB.

11. APPROVAL REQUIRED

The Proposed Acquisition is not subject to the approval of the Company's shareholders or any relevant government authorities.

12. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition and the JVA pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 8%.

13. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS AND PERSONS CONNECTED TO DIRECTORS AND MAJOR SHAREHOLDERS

None of the Directors and/or Major Shareholders of TLB or persons connected to them has any interest, direct or indirect, in the Proposed Acquisition.

14. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of TLB having considered all aspects of the Proposed Acquisition (including but not limited to the basis of the Consideration, rationale, prospects and financial effects of the Business), is of the opinion that the Proposed Acquisition is in the best interest of the Company.

15. ESTIMATED TIME FRAME FOR COMPLETION

Under the terms of the SSA, the completion of the Proposed Acquisition is subject to satisfaction of certain conditions precedent. Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the third financial quarter of the Company's financial year ending 30 June 2016.

16. DOCUMENT FOR INSPECTION

The SSA and the JVA are available for inspection at the Registered Office of the Company at Level 7, Menara Millenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 23 February 2016.