

GENERAL ANNOUNCEMENT

Company Name : BOUSTEAD PLANTATIONS BERHAD
Stock Name : BPLANT
Stock Code : 5254
Date of Announcement : 19 May 2015

Type: : Announcement

Subject : BOUSTEAD PLANTATIONS BERHAD (“BPB” OR “COMPANY”)

PROPOSED DISPOSAL OF FREEHOLD LAND MEASURING A TOTAL OF APPROXIMATELY 88.17 HECTARES FOR A TOTAL CASH CONSIDERATION OF APPROXIMATELY RM48.99 MILLION

1. INTRODUCTION

The Board of Directors of BPB (“**Board**”) wishes to announce that on 19 May 2015, CIMB Islamic Trustee Berhad (“**CIMB Trustee**” or “**Vendor**”), acting solely in the capacity as a trustee for BPB, had entered into sale and purchase agreements with:

- (i) Seng Hong Quarry Sdn Bhd (“**SHSB**”), for the proposed disposal of part of a parcel of freehold land held under GRN 368030 Lot 44930 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 56.30 hectares (“**Ha**”) for a cash consideration of approximately RM29.09 million (“**SPA 1**”); and
- (ii) Bentara Gemilang Industries Sdn Bhd (“**BGSB**”), for the proposed disposal of part of 2 parcels of freehold land held under GRN 368030 Lot 44930 and GRN 236290 Lot 2939 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 31.87 Ha for a cash consideration of approximately RM19.90 million (“**SPA 2**”),

(collectively referred to as “**Proposed Disposal**”).

For the purpose of this announcement, SHSB and BGSB will collectively be referred to as the “**Buyers**” and SPA 1 and SPA 2 will collectively be referred to as the “**SPAs**”.

2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails the disposal of part of 2 parcels of freehold land held under GRN 368030 Lot 44930 and held under GRN 236290 Lot 2939 in Mukim Kulai, District of Kulaijaya, State of Johor measuring a total of approximately 88.17 Ha (collectively referred to as the “**Lands**”) by the Vendor to the Buyers for a total cash consideration of approximately RM48.99 million (“**Sale Consideration**”), details as follows:

<u>SPA</u>	<u>Owner</u>	<u>Buyer</u>	<u>Land area</u>	<u>Sale Consideration</u>
			<u>Ha</u>	<u>RM’ million</u>
1.	BPB	SHSB	56.30	29.09
2.	BPB	BGSB	31.87	19.90
			<u>88.17</u>	<u>48.99</u>

The total audited net book value of the Lands is RM7.33 million as at 31 December 2014.

2.1 Basis of arriving at the Sale Consideration

The Sale Consideration for the Proposed Disposal is derived at on a “willing-buyer willing-seller” basis after taking into consideration the fair market value of the Lands based on the valuation undertaken by Messrs. C H Williams Talhar & Wong, an independent professional valuer, on 11 May 2015.

2.2 Salient terms of the SPAs

The salient terms of the SPAs are as follows:

(i) Sub division of land titles

Within 60 days from the date of SPAs, the Vendor shall make the necessary application to apply for the subdivision of the titles of the Lands (“**Subdivided Titles**”), at the cost and expense of the Buyers. The original Subdivided Titles shall be delivered to the Buyers’ solicitors within 7 days from the receipt of the same (“**Completion Date**”).

(ii) Terms of payment

The Sale Consideration will be settled in the following manner:

- (a) Payment of deposit of RM4.90 million, being 10% of the Sale Consideration, upon the execution of the SPAs;
- (b) Payment of RM34.29 million, being 70% of the Sale Consideration, within 30 days from the date of the SPAs; and
- (c) Payment of RM9.8 million, being the balance 20% of the Sale Consideration, shall be deposited with the Company’s solicitors within 30 days from the date of the SPAs. The balance shall be released to the Vendor after the Completion Date.

(iii) Execution of Memorandum of Transfer

Upon the execution of the SPAs, the Vendor shall execute a Memorandum of Transfer in favour of the Buyers in escrow. The Memorandum of Transfer shall be adjudicated by the Buyers’ solicitors within 14 days from the Completion Date at the cost and expense of the Buyers.

3. EFFECTS OF THE PROPOSED DISPOSAL

3.1 Share capital and substantial shareholders shareholdings

The Proposed Disposal will not have any effect on BPB’s issued and paid-up share capital and its substantial shareholders’ shareholdings, as the Proposed Disposal will be satisfied wholly in cash.

3.2 Earnings

Upon the completion of the Proposed Disposal, BPB is expected to realise an estimated gain of RM38 million (after taxation), which translates into a gain of approximately 2.4 sen per BPB share for the financial year ending 31 December 2015.

3.3 Net assets (“NA”) and gearing

The Proposed Disposal is expected to improve the NA of BPB and its subsidiaries (‘BPB Group’) by approximately 2 sen per share. Assuming that proceeds from the Proposed Disposal are used for repayment of borrowings, the gearing of BPB Group is expected to be reduced by approximately 0.03 times.

4. APPROVALS REQUIRED

Other than the approval from the relevant land authorities for the subdivision and issuance of the subdivided titles of the Lands, the Proposed Disposal is not subject to the approval of BPB’s shareholders or any other authorities.

5. INTEREST OF MAJOR SHAREHOLDERS AND DIRECTORS

None of the major shareholders and/or directors of BPB and/or persons connected with them have any interest, direct or indirect, in the Proposed Disposal.

6. DIRECTORS’ STATEMENT

Having considered all aspects of the Proposed Disposal, the Board is of the opinion that the Proposed Disposal is in the best interest of BPB Group.

7. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the 4th quarter of 2015.

8. HIGHEST PERCENTAGE RATIO APPLICABLE

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 2.09% based on the Sale Consideration of the Lands against the audited consolidated NA of BPB Group as at 31 December 2014.

This announcement is dated 19 May 2015.