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GUOCO GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

The board of directors of Guoco Group Limited currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. Ding Wai Chuen as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.

General AnnouncementReference No **GG-111108-61789**

Company Name : **GUOCOLAND (MALAYSIA) BERHAD**
 Stock Name : **GUOCO**
 Date Announced : **08/11/2011**

Type : **Announcement**
 Subject : **TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
 RELATED PARTY TRANSACTIONS**

Description : **Proposed acquisitions by GuocoLand (Malaysia) Berhad of the entire equity interests in:**
 (i) **PJ City Development Sdn Bhd from GuoLine Asset Sdn Bhd for a cash consideration of RM29,785,000; and**
 (ii) **PJ Corporate Park Sdn Bhd from MPI Holdings Sdn Bhd for a cash consideration of RM258,000.**

Attachments : **[GLM - acquisition of PJ City and PJ Corp.pdf](#)**

Announcement Details/Table Section :

GuocoLand (Malaysia) Berhad ("GLM") wishes to announce the following:

- (i) GLM had on 8 November 2011, entered into a conditional share sale agreement with GuoLine Asset Sdn Bhd for the proposed acquisition of the entire equity interest in PJ City Development Sdn Bhd representing 5,000,002 ordinary shares of RM1.00 each, for a total purchase consideration of RM29,785,000 to be satisfied by cash ("Proposed Acquisition of PJ City"); and
- (ii) GLM had on 8 November 2011, entered into a conditional share sale agreement with MPI Holdings Sdn Bhd for the proposed acquisition of the entire equity interest in PJ Corporate Park Sdn Bhd representing 20,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM258,000 to be satisfied by cash ("Proposed Acquisition of PJ Corp").

The Proposed Acquisition of PJ City and the Proposed Acquisition of PJ Corp are collectively referred to as the "Proposed Acquisitions".

Please refer to the attachment for further details of the Proposed Acquisitions.

This announcement is dated 8 November 2011.

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GuocoLand (Malaysia) Berhad (“GLM” or “Company”)

Proposed acquisitions by GLM of the entire equity interests in:

- (i) **PJ City Development Sdn Bhd from GuoLine Asset Sdn Bhd for a cash consideration of RM29,785,000; and**
- (ii) **PJ Corporate Park Sdn Bhd from MPI Holdings Sdn Bhd for a cash consideration of RM258,000.**

1. INTRODUCTION

The Board of Directors of GLM (“**Board**”) wishes to announce the following:

- (i) GLM had on 8 November 2011, entered into a conditional share sale agreement with GuoLine Asset Sdn Bhd (“**GASB**”) for the proposed acquisition of the entire equity interest in PJ City Development Sdn Bhd (“**PJ City**”) (“**PJ City SSA**”) representing 5,000,002 ordinary shares of RM1.00 each (“**PJ City Sale Shares**”), for a total purchase consideration of RM29,785,000 to be satisfied by cash (“**Proposed Acquisition of PJ City**”); and
- (ii) GLM had on 8 November 2011, entered into a conditional share sale agreement with MPI Holdings Sdn Bhd (“**MPIH**”) for the proposed acquisition of the entire equity interest in PJ Corporate Park Sdn Bhd (“**PJ Corp**”) (“**PJ Corp SSA**”) representing 20,000,000 ordinary shares of RM1.00 each (“**PJ Corp Sale Shares**”), for a total purchase consideration of RM258,000 to be satisfied by cash (“**Proposed Acquisition of PJ Corp**”).

The Proposed Acquisition of PJ City and the Proposed Acquisition of PJ Corp are collectively referred to as the “**Proposed Acquisitions**”.

2. DETAILS OF THE PROPOSED ACQUISITIONS

2.1 Proposed Acquisition of PJ City

The Proposed Acquisition of PJ City involves the Company acquiring the PJ City Sale Shares from GASB for a purchase consideration of RM29,785,000 to be satisfied by cash.

2.1.1 Background information on PJ City

PJ City was incorporated on 12 August 1991 under the Malaysian Companies Act, 1965. It has an authorised capital of RM10,750,000 divided into 10,000,000 ordinary shares of RM1.00 each and 75,000,000 redeemable preference shares (“**RPS**”) of RM0.01 each. The total issued and paid-up capital of PJ City is RM5,000,002 comprising 5,000,002 ordinary shares of RM1.00 each. PJ City is principally engaged in property development and property investment activities.

Based on its audited financial statements for the financial year ended (“**FYE**”) 30 June 2011, PJ City recorded a profit after tax of RM4,751,899 whilst its net assets was RM38,616,933.

PJ City is the beneficial owner of 2 parcels of land situated in Section 32 in the District of Petaling, State of Selangor (the “**Lands**”), details of which are as follows:

	Commercial Land ^(Note 1)	Industrial Land ^(Note 3)
Title and Lot No.	PN91908 Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	PN91909 Lot 13508, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling
Land use	Building	Industrial
Land area	Total: 7.920 acres Vacant: Approximately 3.0 acres	Total: 7.757 acres Vacant: 7.757 acres
Total audited net book value as at 30 June 2011 ^(Note 2)	RM36.836 million	
Tenure	99-year leasehold interest expiring on 12 December 2107	
Restriction-in-interest	The Lands held under the titles can be transferred, leased or charged upon obtaining the approval from the State Authority.	
Encumbrances	The Lands are free from encumbrances.	

Notes:

- 1 *A development order had been obtained by PJ City to develop the Commercial Land measuring 7.920 acres into 6 blocks of office buildings with basement car parks. Currently, PJ City has completed 2 blocks of 6-storey commercial buildings with 2 levels of basement car parks and a food court on the Commercial Land. The 2 blocks of completed office building had been sold to Hong Leong Bank Berhad (“HLB”) and Hong Leong Assurance Berhad (“HLA”). The food court and open air car park are currently let out for a total monthly rental income of RM14,000. The rear portion of the Commercial Land, earmarked for development of the remaining 4 blocks of office building and measuring approximately 3.0 acres, is currently vacant.*
- 2 *Excludes the 2 blocks of completed office buildings already sold to HLB and HLA.*
- 3 *The Industrial Land lies next to the Commercial Land and enjoys direct frontage/access from Jalan 225. Presently, the site is partly used as an open car park and also tenanted for a cement plant, generating a total monthly rental income of RM36,000. PJ City had submitted applications to the relevant authorities for a development order and building plan to build corporate factories on the Industrial Land.*

The Lands are located within Section 51A, Petaling Jaya next to the Federal Highway at approximately 2 kilometres south-west of the city centre of Petaling Jaya and 12 kilometres south-west of the city centre of Kuala Lumpur.

2.1.2 Basis and justification in arriving at the purchase consideration

The purchase consideration for the Proposed Acquisition of PJ City was arrived at on a willing buyer-willing seller basis, taking into consideration the net tangible assets (“NTA”) of PJ City of RM8.770 million as at 31 October 2011 and after adjusting for the market value of the Lands (excluding the commercial buildings owned by HLB and HLA) as valued by Messrs. CB Richard Ellis (Malaysia) Sdn Bhd at RM69.1 million, using the Residual Method for the Commercial Land and the Comparison Method for the Industrial Land, vide its valuation report dated 31 October 2011.

The purchase consideration for the Proposed Acquisition of PJ City represents a discount of approximately 9.28% to the adjusted NTA of PJ City as at 31 October 2011 of RM32.833 million.

2.1.3 Salient terms of the PJ City SSA

(a) Inter-dependent

The parties agree that the PJ City SSA and the PJ Corp SSA shall be completed concurrently. In the event that the PJ Corp SSA is terminated or cannot be completed on PJ City Completion Date (as defined below), the PJ City SSA shall also be terminated, provided always that:

- (i) if the PJ Corp SSA is terminated or cannot be completed due to the default of MPIH, the PJ City SSA shall only be terminated at the sole and absolute discretion of GLM; and
- (ii) if the PJ Corp SSA is terminated or cannot be completed due to the default of GLM, the PJ City SSA shall only be terminated at the sole and absolute discretion of GASB (upon notification by either party under the PJ Corp SSA).

(b) Payment

The purchase consideration shall be paid by GLM to GASB in the following manner:

- (i) a sum of RM2,978,500 ("**PJ City Deposit**") shall be paid by GLM to GASB upon the execution of the PJ City SSA;
- (ii) a sum of RM26,806,500 shall be paid at PJ City Completion Date (as defined below). If GLM pays the balance purchase consideration or any part thereof during the Extension Period (as defined below), GLM shall pay to GASB interest at the rate of 8% per annum of the balance purchase consideration or the unpaid balance thereof calculated on a daily basis from the commencement of the Extension Period until the date of full settlement of the balance purchase consideration.

"Extension Period" shall mean the period commencing from the 31st day after the PJ City Unconditional Date (as defined below) until PJ City Completion Date as may be agreed by the parties.

(c) Conditions precedent

- (i) The PJ City SSA is conditional upon all of the following conditions precedent being fulfilled and or obtained within 4 months from the date of the PJ City SSA or within such extended period as may be agreed between the parties in writing ("**PJ City Conditional Period**"):
 - GLM's shareholders' approval at a general meeting;
 - GASB's shareholders' approval at a general meeting; and
 - the fulfillment of all conditions precedent in the PJ Corp SSA.

The last date of the PJ City Conditional Period shall be PJ City Cut-Off Date.

- (ii) The parties may, where permitted by law, mutually agree to waive any or all of the conditions precedent.
- (iii) If any of the conditions precedent are not fulfilled on PJ City Cut-Off Date or on any extended date, as the case may be, then any of the parties hereto may at any time thereafter terminate the PJ City SSA by 14 days' written notice to the other party.

- (iv) The PJ City SSA shall be regarded as unconditional on the date that the last of all conditions precedent (if not waived) are fulfilled (“**PJ City Unconditional Date**”).

(d) Completion

Completion of the sale and purchase of the PJ City Sale Shares shall take place at the office of GASB on the 30th day after the PJ City Unconditional Date or such other date as may be agreed by the parties (“**PJ City Completion Date**”).

(e) Events of default

- (i) In the event that GASB shall fail to observe or perform or otherwise be in breach of any of the material provisions of the PJ City SSA, GLM shall be entitled either (a) to terminate the PJ City SSA and GASB shall refund to GLM all monies paid by GLM to GASB including the PJ City Deposit and any payments towards the purchase consideration together with an amount equivalent to 10% of the purchase consideration as agreed liquidated damages; OR (b) to sue for the remedy of specific performance of the PJ City SSA against GASB.
- (ii) In the event that GLM shall fail to observe or perform or otherwise be in breach of any of the material provisions of the PJ City SSA, GASB shall be entitled either (a) to terminate the PJ City SSA and to forfeit 10% of the purchase consideration as agreed liquidated damages; OR (b) to sue for the remedy of specific performance of the PJ City SSA against GLM.

2.1.4 Source of funding

The purchase consideration for the Proposed Acquisition of PJ City will be financed wholly from borrowings.

2.1.5 Liabilities to be assumed

There are no liabilities, which include contingent liabilities or guarantees, to be assumed by GLM arising from the Proposed Acquisition of PJ City.

2.1.6 Additional financial commitment required

After the completion of the Proposed Acquisition of PJ City, the GLM Group intends to develop commercial office buildings and corporate factories on the Lands. The development plans are currently at a preliminary stage and might be subject to changes. Hence, further details in relation to the same, such as development cost, the amount of financial commitment required, expected profits to be derived, expected commencement and completion date of the development, are unavailable at this juncture.

2.1.7 Background information on GASB

GASB was incorporated on 12 July 1984 under the Malaysian Companies Act, 1965. It has an authorised capital of RM5,000,000 divided into 4,999,950 ordinary shares of RM1.00 each and 5,000 RPS of RM0.01 each. The total issued and paid-up capital of GASB is RM2,500,038.22 comprising 2,500,000 ordinary shares of RM1.00 each and 3,822 RPS of RM0.01 each. GASB is an investment holding company.

2.1.8 Original cost of investment

GASB's original cost of investment in PJ City was RM5,000,002 made up to 29 March 1993.

2.2 Proposed Acquisition of PJ Corp

The Proposed Acquisition of PJ Corp involves the Company acquiring the PJ Corp Sale Shares from MPIH for a purchase consideration of RM258,000 to be satisfied by cash.

2.2.1 Background information on PJ Corp

PJ Corp was incorporated on 24 May 1972 under the Malaysian Companies Act, 1965. It has an authorised capital of RM25,000,000 divided into 25,000,000 ordinary shares of RM1.00 each. The total issued and paid-up capital of PJ Corp is RM20,000,000 comprising 20,000,000 ordinary shares of RM1.00 each. PJ Corp is principally engaged in property development.

PJ Corp is the registered proprietor of the Lands. Pursuant to a sale and purchase agreement dated 10 September 2004, PJ Corp sold the Lands to PJ City. Pursuant to a deed of trust dated 10 September 2004, PJ Corp is currently holding the Lands as bare trustee for PJ City, and pursuant to a power of attorney dated 10 September 2004, PJ City has powers to deal with the Lands.

PJ Corp owns 2 units of low-cost house located in Masai, Johor. These houses are residual units from a housing development project undertaken by PJ Corp in the 1980s. The total audited net book value of these 2 low-cost houses as at 30 June 2011 was RM44,000.

Based on its audited financial statements for the FYE 30 June 2011, PJ Corp recorded a loss after tax of RM9,648 whilst its net assets was RM249,303.

2.2.2 Basis and justification in arriving at the purchase consideration

The purchase consideration for the Proposed Acquisition of PJ Corp was arrived at on a willing buyer-willing seller basis, after taking into consideration the NTA of PJ Corp of RM258,375 as at 31 October 2011.

No independent valuation on the 2 units of low-cost house owned by PJ Corp was undertaken.

2.2.3 Salient terms of the PJ Corp SSA

(a) Inter-dependent

The parties agree that the PJ Corp SSA and the PJ City SSA shall be completed concurrently. In the event that the PJ City SSA is terminated or cannot be completed on PJ Corp Completion Date (as defined below), the PJ Corp SSA shall also be terminated, provided always that:

- (i) if the PJ City SSA is terminated or cannot be completed due to the default of GASB, the PJ Corp SSA shall only be terminated at the sole and absolute discretion of GLM; and
- (ii) if the PJ City SSA is terminated or cannot be completed due to the default of GLM, the PJ Corp SSA shall only be terminated at the sole and absolute discretion of MPIH (upon notification by either party under the PJ City SSA).

(b) Payment

The purchase consideration shall be paid by GLM to MPIH in the following manner:

- (i) a sum of RM25,800 (“**PJ Corp Deposit**”) shall be paid by GLM to MPIH upon the execution of the PJ Corp SSA;

- (ii) a sum of RM232,200 shall be paid at PJ Corp Completion Date (as defined below). If GLM pays the balance purchase consideration or any part thereof during the Extension Period (as defined below), GLM shall pay to MPIH interest at the rate of 8% per annum of the balance purchase consideration or the unpaid balance thereof calculated on a daily basis from the commencement of the Extension Period until the date of full settlement of the balance purchase consideration.

“Extension Period” shall mean the period commencing from the 31st day after PJ Corp Unconditional Date (as defined below) until PJ Corp Completion Date as may be agreed by the parties.

(c) Conditions precedent

- (i) The PJ Corp SSA is conditional upon all of the following conditions precedent being fulfilled and or obtained within 4 months from the date of the PJ Corp SSA or within such extended period as may be agreed between the parties in writing (“**PJ Corp Conditional Period**”):

- GLM’s shareholders’ approval at a general meeting;
- MPIH’s shareholders’ approval at a general meeting; and
- the fulfillment of all conditions precedent in the PJ City SSA.

The last date of the PJ Corp Conditional Period shall be PJ Corp Cut-Off Date.

- (ii) The parties may, where permitted by law, mutually agree to waive any or all of the conditions precedent.
- (iii) If any of the conditions precedent are not fulfilled on PJ Corp Cut-Off Date or on any extended date, as the case may be, then any of the parties hereto may at any time thereafter terminate the PJ Corp SSA by 14 days’ written notice to the other party.
- (iv) The PJ Corp SSA shall be regarded as unconditional on the date that the last of all conditions precedent (if not waived) are fulfilled (“**PJ Corp Unconditional Date**”).

(d) Completion

Completion of the sale and purchase of the PJ Corp Sale Shares shall take place at the office of MPIH on the 30th day after the PJ Corp Unconditional Date or such other date as may be agreed by the parties (“**PJ Corp Completion Date**”).

(e) Events of default

- (i) In the event that MPIH shall fail to observe or perform or otherwise be in breach of any of the material provisions of the PJ Corp SSA, GLM shall be entitled either (a) to terminate the PJ Corp SSA and MPIH shall refund to GLM all monies paid by GLM to MPIH including the PJ Corp Deposit and any payments towards the purchase consideration together with an amount equivalent to 10% of the purchase consideration as agreed liquidated damages; OR (b) to sue for the remedy of specific performance of the PJ Corp SSA against MPIH.

- (ii) In the event that GLM shall fail to observe or perform or otherwise be in breach of any of the material provisions of the PJ Corp SSA, MPIH shall be entitled either (a) to terminate the PJ Corp SSA and to forfeit 10% of the purchase consideration as agreed liquidated damages; OR (b) to sue for the remedy of specific performance of the PJ Corp SSA against GLM.

2.2.4 Source of funding

The purchase consideration for the Proposed Acquisition of PJ Corp will be financed wholly from borrowings.

2.2.5 Liabilities to be assumed

There are no liabilities, which include contingent liabilities or guarantees, to be assumed by GLM arising from the Proposed Acquisition of PJ Corp.

2.2.6 Additional financial commitment required

No additional financial commitment is expected to be required in putting PJ Corp on-stream.

2.2.7 Background information on MPIH

MPIH was incorporated on 15 January 1975 under the Malaysian Companies Act, 1965. It has an authorised capital of RM5,000,000 divided into 4,991,970 ordinary shares of RM1.00 each and 803,000 RPS of RM0.01 each. The total issued and paid-up capital of MPIH is RM300,000 comprising 300,000 ordinary shares of RM1.00 each. MPIH is an investment holding company.

2.2.8 Original cost of investment

MPIH's original cost of investment in PJ Corp was RM265,000 made on 4 May 2011.

3. RATIONALE FOR THE PROPOSED ACQUISITIONS

The Proposed Acquisitions will enable GLM Group to increase its land banks in strategic locations for future developments and to enhance its earnings.

As PJ Corp is the registered proprietor of the Lands, the Proposed Acquisition of PJ Corp will enable GLM Group to have better control over the administrative matters in relation to the Lands.

4. OUTLOOK AND PROSPECTS

4.1 Overview and prospects of the Malaysian non-residential property sector

Construction in the non-residential sub-sector continued to expand in line with higher business activity. Following the strong business sentiment, demand for office space especially in Kuala Lumpur, Pulau Pinang, Selangor and Johor was buoyant, with an average occupancy rate of 80%, 78.2%, 77.9% and 77.4%, respectively. As a result, the national occupancy rate of office space remained high at 83.2% (end-June 2010: 84.4%). Meanwhile, office space under construction surged significantly by 34.9% to 2.84 million square metres (sm) (January - June 2010: 6.7%; 2.11 million sm), mostly in the Klang Valley.

(Source: Economic Report 2011/2012)

Demand for ready built factories, particularly semi-detached factories, continued to be strong in the first half of 2011 with developers continuing to source suitable land for development. Average market prices for ready built factories increased during Q2 2011. Similarly, the average rental range had remained stable with marginal increases in select areas.

Petaling Jaya and Shah Alam, where more industrial activities and developments are taking place, continued to enjoy higher market prices compared with other places in the Klang Valley.

(Source: The Malaysian Quarterly (2nd quarter 2011), Jones Lang Wootton)

4.2 Prospects arising from the Proposed Acquisitions

The Lands are strategically located in Petaling Jaya, an established preferred address midpoint between Kuala Lumpur and Port Klang. It is situated strategically close to superior infrastructures connecting to various parts of major conurbations, such as Klang, USJ, Damansara, Puchong, Petaling Jaya, Subang Jaya, as well as to the north and south of Malaysia.

This strategic location gives the development site good exposure with convenient access, well-planned amenities within the nearby vicinities and large catchment of skilled workers within the neighbouring townships, thereby positioning it as an ideal hub for smart and vibrant businesses and industries.

Taking into consideration the above factors and barring any unforeseen circumstances, the Proposed Acquisitions are expected to contribute to the profitability of the GLM Group, with the launch of the proposed development on the Lands in the near future.

5. RISKS IN RELATION TO THE PROPOSED ACQUISITIONS

Save as disclosed below, the Board does not foresee any material risk pursuant to the Proposed Acquisitions except for the inherent risk factors associated with the property development and investment industry, of which the GLM Group is already involved in, and will be addressed as part of the GLM's Group ordinary course of business.

(a) Risk of non-completion

The completion of the Proposed Acquisitions is subject to certain conditions precedent pursuant to the PJ City SSA and PJ Corp SSA. There is no assurance that the Proposed Acquisitions will be completed as contemplated by the GLM Group. Hence, the GLM Group might not be able to achieve the objectives of the Proposed Acquisitions as stated in Section 3 of this announcement. However, GLM will take reasonable steps within its control to ensure the completion of the Proposed Acquisitions.

(b) Acquisition risk

There can be no assurance that the anticipated objectives and benefits of the Proposed Acquisitions will be realised or that the GLM Group will be able to generate sufficient future revenues from the Proposed Acquisitions to offset the acquisition costs. The GLM Group will however, seek to mitigate such risks by exercising due diligence in the development of the Lands.

6. EFFECTS OF THE PROPOSED ACQUISITIONS

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisitions will not have any effect on the share capital and substantial shareholders' shareholdings of GLM as the total consideration will be satisfied wholly in cash.

6.2 Net Assets ("NA")

The Proposed Acquisitions are not expected to have any material effect on the audited consolidated NA and NA per share of the GLM Group.

6.3 Gearing

For illustrative purposes, the proforma effects of the Proposed Acquisitions on the audited gearing of the GLM Group as at 30 June 2011, assuming the Proposed Acquisitions had been completed on 30 June 2011, are set out as follows:

	Audited as at 30 June 2011	Proforma I After the Proposed Acquisition of PJ City	Proforma II After Proforma I and the Proposed Acquisition of PJ Corp
	RM'000	RM'000	RM'000
Shareholders' funds	777,747	780,795	780,795
Borrowings	881,952	938,738 ⁽¹⁾	938,996 ⁽²⁾
Gearing ratio (times)	1.13	1.20	1.20

Notes:

- (1) After taking into account that the Proposed Acquisition of PJ City will be financed wholly from borrowings and including the total borrowing of PJ City of RM27.001 million as at 31 October 2011.
- (2) After taking into account that the Proposed Acquisition of PJ Corp will be financed wholly from borrowings.

6.4 Earnings

The Proposed Acquisitions are not expected to have any material effect on the earnings of the GLM Group for the FYE 30 June 2012. However, the Proposed Acquisitions are expected to contribute positively to the earnings of the GLM Group in future years.

6.5 Convertible securities

As at to date, the Company does not have any outstanding convertible securities.

7. APPROVALS REQUIRED

The Proposed Acquisitions are subject to the approval of shareholders of GLM at an extraordinary general meeting ("EGM") to be convened.

The Proposed Acquisition of PJ City is also subject to the following being obtained:

- (i) approval of shareholders of GASB; and
- (ii) any other approvals, if required.

The Proposed Acquisition of PJ Corp is also subject to the following being obtained:

- (i) approval of shareholders of MPIH; and
- (ii) any other approvals, if required.

The Proposed Acquisition of PJ City and the Proposed Acquisition of PJ Corp are inter-dependent upon each other as disclosed in Sections 2.1.3(a) and 2.2.3(a) of this announcement. Save as mentioned, the Proposed Acquisitions are not conditional upon any other corporate exercise undertaken or to be undertaken by GLM.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

Hong Leong Company (Malaysia) Berhad (“**HLCM**”) is a deemed major shareholder of GLM (through GLL (Malaysia) Pte Ltd (“**GLLM**”)), GASB and MPIH. YBhg Tan Sri Quek Leng Chan is a Director of GLM, and a deemed major shareholder of GLM, GASB and MPIH.

The shareholdings of GLLM, HLCM and YBhg Tan Sri Quek Leng Chan in GLM as at 31 October 2011 are as follows:

Name	No. of Shares held in GLM			
	Direct	%	Indirect	%
GLLM	455,130,580	64.98	-	-
HLCM	-	-	455,198,596	64.99*
Tan Sri Quek Leng Chan	19,506,780	2.78	456,055,616	65.11**

Notes:

* Held through subsidiaries

** Held through HLCM and a company in which Tan Sri Quek Leng Chan has interest

YBhg Tan Sri Quek Leng Chan has abstained and will continue to abstain from deliberation and voting on the resolutions pertaining to the Proposed Acquisitions at the Board level.

GLLM, HLCM, and YBhg Tan Sri Quek Leng Chan shall abstain from voting, and will ensure that persons connected with them will also abstain from voting, in respect of their direct and/or indirect interests, on the proposed ordinary resolutions pertaining to the Proposed Acquisitions at the EGM to be convened.

Save as disclosed above, GLM is not aware of any of its other Directors, major shareholders and/or any persons connected with them having any interest, direct or indirect, in the Proposed Acquisitions.

9. INDEPENDENT ADVISER

The Proposed Acquisitions are deemed to be related party transactions pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”). In this respect, Kenanga Investment Bank Berhad has been appointed by the Company to act as the Independent Adviser to advise the non-interested Directors and shareholders of GLM as to whether the Proposed Acquisitions are fair and reasonable so far as the non-interested shareholders are concerned and whether the Proposed Acquisitions are to the detriment of the non-interested shareholders.

10. STATEMENT BY THE BOARD AUDIT & RISK MANAGEMENT COMMITTEE (“AUDIT COMMITTEE”)

The Audit Committee, having considered all aspects of the Proposed Acquisitions (including, but not limited to the terms of the SPA, the rationale for the Proposed Acquisitions and the preliminary opinion of the Independent Adviser), is of the opinion that the Proposed Acquisitions are:

- (i) in the best interest of GLM;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interests of the non-interested shareholders of GLM.

11. DIRECTORS’ STATEMENT

The Board (save for YBhg Tan Sri Quek Leng Chan), having taken into consideration all aspects of the Proposed Acquisitions (including, but not limited to the terms of the SPA and the rationale for the Proposed Acquisitions), is of the opinion that the Proposed Acquisitions are in the best interest of the GLM Group.

12. PERCENTAGE RATIO APPLICABLE TO THE PROPOSALS

Based on the audited consolidated financial statements of GLM for the FYE 30 June 2011, the highest percentage ratio applicable to the Proposed Acquisitions pursuant to Paragraph 10.02(g) of the Listing Requirements and the principles of aggregation is 23.81%.

Save for the Proposed Acquisitions, GLM did not enter into any transactions with GASB and MPIH during the preceding 12 months up to the date of this announcement.

13. APPLICATION TO THE RELEVANT AUTHORITIES AND EXPECTED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the submission to the relevant authorities will be made within 3 months from the date of this announcement. Subject to the relevant approvals, the Proposed Acquisitions are expected to be completed by the 1st quarter of year 2012.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The PJ City SSA, PJ Corp SSA and the valuation report dated 31 October 2011 from Messrs. CB Richard Ellis (Malaysia) Sdn Bhd are available for inspection at the registered office of GLM during office hours from Mondays to Fridays (except for public holidays) at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur from the date of this announcement up to the date of the EGM of GLM to be convened to consider and approve the Proposed Acquisitions.

This announcement is dated 8 November 2011.