

## HO HUP CONSTRUCTION COMPANY BERHAD (“HO HUP” OR THE “COMPANY”)

### PROPOSED DISPOSALS OF THE FOLLOWING: -

- ALL THAT PIECE OF FREEHOLD VACANT LAND HELD UNDER LOT NO. P.T. 4150, H.S.(D) 812 MUKIM OF CHERAS, DISTRICT OF HULU LANGAT, STATE OF SELANGOR MEASURING APPROXIMATELY 5.5 ACRES FOR A CASH CONSIDERATION OF RM7,200,000; AND
  - ALL THAT PIECE OF FREEHOLD VACANT LAND HELD UNDER LOT NO. 39868, GERAN 53418 MUKIM OF PETALING, DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR MEASURING APPROXIMATELY 2.6 ACRES FOR A CASH CONSIDERATION OF RM5,678,046.
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## 1. INTRODUCTION

On behalf of the Board of Directors of Ho Hup (“**Board**”), AmInvestment Bank Berhad (a member of AmInvestment Bank Group) (“**AmInvestment Bank**”) wishes to announce that:-

- (i) the Company had on 25 September 2009 entered into a conditional sale and purchase agreement (“**SPA 1**”) with Kentlee (M) Sdn Bhd (“**KMSB**”) to dispose all that piece of freehold vacant land held under Lot No. P.T. 4150, H.S.(D) 812 Mukim of Cheras, District of Hulu Langat, State of Selangor measuring approximately 5.5 acres (“**Property 1**”) for a cash consideration of RM7,200,000 (“**Disposal Consideration 1**”) (“**Proposed Property 1 Disposal**”); and
- (ii) Bukit Jalil Development Sdn. Bhd. (“**BJD**”), a wholly owned subsidiary of Ho Hup, had on 25 September 2009 entered into a conditional sale and purchase agreement (“**SPA 2**”) with Etnik Masyhur Sdn Bhd (now known as Lifomax Land Sdn. Bhd.) (“**EMSB**”) to dispose all that piece of freehold vacant land held under Lot No. 39868, Geran 53418 Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur measuring approximately 2.6 acres (“**Property 2**”) for a cash consideration of RM5,678,046 (“**Disposal Consideration 2**”) (“**Proposed Property 2 Disposal**”).

(Collectively referred to as the “**Proposed Disposals**”)

(KMSB and EMSB are collectively referred to as the “**Purchasers**”)

(SPA 1 and SPA 2 are collectively referred to as the “**SPAs**”)

(Property 1 and Property 2 are collectively referred to as the “**Properties**”)

## 2. THE PROPOSED DISPOSALS

### 2.1 Details of the Proposed Disposals

In consideration of the earnest deposit of RM72,000 paid by KMSB to Ho Hup (“**Earnest Deposit**”) prior to the signing of SPA 1, and the balance deposit of RM648,000 paid by KMSB to their solicitors as stakeholders (“**Balance Deposit**”) upon the signing of SPA 1, Ho Hup agrees to sell and KMSB agrees to purchase, Property 1 free from all encumbrances and free from squatters, inhabitants, buildings and containers and with vacant possession.

Additionally, in consideration of the deposit of RM567,804.60 paid by EMSB to BJD and a further sum of RM1,135,608 (being part payment towards the Balance Disposal Consideration 2 (as hereinafter defined)) upon the signing of SPA 2, BJD agrees to sell and EMSB agrees to purchase, Property 2 free from all encumbrances and with vacant possession.

## **2.2 Details of the Properties**

### **2.2.1 Details of Property 1**

Property 1 comprises of a parcel of freehold industrial land measuring approximately 5.5 acres held under Lot No. P.T. 4150, H.S.(D) 812 Mukim of Cheras, District of Hulu Langat, State of Selangor. Property 1 is sited alongside an unnamed road reserve which is an extension of Jalan KB 2/15, Off Jalan Balakong within the locality of Kampung Baru Balakong, and lies within the Mukim of Cheras, District of Hulu Langat and State of Selangor Darul Ehsan.

Property 1 is easily accessible from the Kuala Lumpur city centre (“**KLCC**”) by way of Jalan Cheras, Cheras – Kajang Highway by exiting at the Balakong interchange onto the short stretch of Jalan Balakong and later the SILK Highway (Sungai Besi bound). Alternatively, it is also accessible from the KLCC by way of Jalan Sungai Besi followed by the Sungai Besi Highway and SILK Highway. Other than that, it is also approachable from the Kuala Lumpur – Seremban Expressway by exiting at the University Putra Malaysia / Serdang interchange into the Silk Highway.

The immediate and larger neighbourhood of Property 1 is of mixed land use where the lands are generally developed into a mix of industrial, commercial and residential use.

Property 1 is currently vacant, save for several residential dwellings of temporary construction. Property 1 is currently not in use save for a section which is currently being utilised as a storage area for pre-cast concrete materials and culverts. The original cost of investment to Ho Hup was RM1,711,863 and the date of the acquisition was 30 January 1985. The net book value of Property 1 based on the latest audited financial statements of Ho Hup for the financial year ended (“**FYE**”) 31 December 2008 was RM1,711,863.

Property 1 is currently charged to Malayan Banking Berhad (“**Chargee**”) for banking facilities extended by the Chargee.

### **2.2.2 Details of Property 2**

Property 2 comprises of a parcel of freehold building land measuring approximately 2.6 acres held under Lot No. 39868, Geran 53418 Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur. Property 2 is located at the intersection of Jalan 13/115C and Jalan 17/115C, within the ongoing development of Bandar Bukit Jalil and lies at the southern periphery of the Wilayah Persekutuan Kuala Lumpur / Selangor Darul Ehsan state boundary, within the Mukim of Petaling, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur.

Property 2 is accessible from the KLCC via either Jalan Tun Razak or Lebuhraya Mahameru and thereafter the Kuala Lumpur – Seremban Expressway before exiting onto Lebuhraya Bukit Jalil. Property 2 is also accessible from the KLCC via the Maju Expressway by exiting at the Bukit Jalil Interchange onto the Shah Alam Expressway for a short distance and doubling back into the Shah Alam bound at the Sri Petaling interchange of the Shah Alam Expressway and thereafter continuing onto Jalan Barat and then onto Lebuhraya Bukit Jalil. Alternatively, the locality in general and Property 2 in particular are also accessible from the Shah Alam Expressway as well as from the Middle Ring Road II by exiting at the Awan Besar Interchange directly onto Jalan 1/155B and then turning into Jalan 13/115C.

Bandar Bukit Jalil, wherein Property 2 is sited, is a comprehensive mixed development undertaken by BJD, comprising commercial and residential developments. The immediate and larger neighbourhood of Property 2 is of mixed land use where the lands are generally developed into a mix of industrial, commercial and residential use.

In accordance to the 'Draft Kuala Lumpur 2020 City Plan' Property 2 lies within an area which has been zoned for commercial use.

Property 2 is currently vacant and not in use, save for as a temporary yard for construction materials. The original cost of investment to BJD was RM 1,927,859 and the date of the acquisition was 12 September 1995. The net book value of Property 2 based on the latest audited financial statements of BJD for the FYE 31 December 2008 was RM2,021,819.

Further details of the Properties are summarised in **Table 1**.

## **2.3 Salient terms of SPA 1**

### **2.3.1 Condition Precedent**

The Proposed Property 1 Disposal under SPA 1 is conditional upon Ho Hup obtaining the following within 45 days from the date of SPA 1 (hereinafter referred to as the "**Requisite Period**"):-

- (i) the approval of Ho Hup's shareholders for the disposal of Property 1 (the "**Approval**"); and
- (ii) the Chargee's redemption statement cum undertaking in favour of KMSB (the "**Redemption Statement**") with the redemption sum not more than RM7,200,000.00 only.

In event that the Approval and the Redemption Statement shall not be granted or cannot be obtained within the Requisite Period or such longer period as KMSB may agree, Ho Hup shall refund to KMSB free of interest the Earnest Deposit and the Balance Deposit and SPA 1 shall then become null and void and neither party shall have any claim against each other.

SPA 1 shall cease to be conditional on the date (hereinafter referred to as the "**Unconditional Date**") when KMSB or their solicitors are in receipt of the original copy of the Approval and the Redemption Statement from Ho Hup.

### 2.3.2 Completion

- (i) If KMSB is not obtaining a loan from a financial institution then upon receipt by KMSB's solicitors as stakeholders, of the balance disposal price of RM6,480,000.00 ("**Balance Disposal Consideration 1**"), Ho Hup shall release or secure the release to KMSB's solicitors the Issue Document of Title to Property 1 together with all the relevant documents, to enable KMSB's solicitors to present the Memorandum of Transfer in Form 14A of the National Land Code No. 56 of 1965 ("**Transfer Document**") for registration with the relevant land office / registry.
- (ii) In the event that KMSB takes a loan from a financial institution to complete the transaction, KMSB shall not later than three (3) months from the Unconditional Date:-
  - (a) pay to KMSB's solicitors as stakeholders the full difference between Balance Disposal Consideration 1 and the said loan;
  - (b) cause their financiers to release from the said loan such sum as is necessary to redeem Property 1 from the Chargee; and
  - (c) cause their financiers or their financier's solicitors to release the balance of the said loan, if any, to KMSB's solicitors upon the presentation of the Transfer Document and charge of Property 1 in favour of KMSB and the financier respectively for registration at the relevant land office / registry.

### 2.3.3 Non-Completion by KMSB

In the event KMSB shall fail for any reason whatsoever (not attributable to any fault on the part of the Ho Hup) to complete the sale and purchase of Property 1 and / or in the event KMSB shall be in material breach of any of the terms and conditions as contained in SPA 1, Ho Hup shall be entitled to forfeit a sum equivalent to ten percent (10%) of Disposal Consideration 1 ("**Forfeiture Sum**"). Simultaneous with the payment and refund by Ho Hup of all the monies in excess of the Forfeiture Sum already paid by KMSB towards the account of the Disposal Consideration 1, KMSB shall redeliver or cause to be redelivered the Transfer Document and all other relevant documents with Ho Hup's interest remaining intact and vacant possession of Property 1 to Ho Hup if vacant possession of Property 1 has been delivered to KMSB and thereafter SPA 1 shall be null and void and of no further effect and neither party shall have any claim against the other and Ho Hup shall be entitled at their absolute discretion to resell Property 1 either by public auction or by private contract and at such time and place and subject to such conditions and in such manner as Ho Hup shall think fit without the necessity of previously tendering or offering to make any sale to KMSB.

### 2.3.4 Non-Completion by Ho Hup

If Ho Hup shall fail, neglect and / or refuse to sell and / or transfer Property 1 to Ho Hup in accordance with the provisions of SPA 1 or is willfully in breach of any of the provisions of SPA 1 when KMSB has performed their obligations as contained in SPA 1, as far as they are able, then KMSB shall be entitled to the remedy of specific performance against Ho Hup and to all reliefs following therefrom.

### 2.3.5 Vacant Possession

Upon receipt by KMSB's solicitors of Balance Disposal Consideration 1 and late payment interest and outgoing apportionment payable by KMSB (if any), vacant possession of Property 1 shall be delivered to KMSB by Ho Hup within seven (7) working days, failing which Ho Hup shall pay to KMSB interest at eight percent (8%) per annum calculated on a daily basis on Disposal Consideration 1, from the expiry of the said seven (7) working days, until the date vacant possession is delivered to KMSB.

## 2.4 Salient Terms of SPA 2

### 2.4.1 Conditions Precedent

SPA 2 is conditional upon the following conditions precedent being fulfilled:-

- (i) BJD obtaining its shareholders' approval for the disposal of Property 2; and
- (ii) in the event that EMSB obtains a loan from a financial institution to assist in the payment of the balance disposal price of RM5,110,241.40 ("**Balance Disposal Consideration 2**"):-
  - (a) the financier or the financier's solicitors shall have first given to BJD a written undertaking to release the said loan to EMSB's solicitors as stakeholders forthwith upon the presentation of valid and registrable but unstamped transfer documents in favour of EMSB together with all other relevant document(s) for registration at the appropriate government registry's office and upon such undertaking being given, BJD shall also give the financiers a direct written undertaking to refund all monies released towards the Balance Disposal Consideration 2 in the event that the said transfer cannot be registered for any reason(s) whatsoever PROVIDED THAT the Issue Document of Title to Property 2 and all other relevant documents are returned to BJD with BJD's interest intact and PROVIDED FURTHER THAT the Balance Disposal Consideration 2 shall always be paid to BJD within three (3) months from the date of SPA 2 or from the date of the receipt of a copy of the State Authority Consent by EMSB's solicitors, whichever is the later ("**Completion Date**");
  - (b) a written confirmation by BJD's solicitors that EMSB has duly paid the difference between the said loan and the Balance Disposal Consideration 2, if any, to EMSB's solicitors as stakeholders;
  - (c) that a sufficient sum shall have been released from the Balance Disposal Consideration 2 towards payment of the redemption sum in the event that Property 2 is charged to a financial institution of any other party; and
  - (d) subject to the special express conditions as set out in Section 2.4.2 below.

## 2.4.2 Special Express Conditions

SPA 2 is further subject to, *inter-alia*, the following special express conditions:-

- (i) By execution of SPA 2, BJD warrants that there is no bankruptcy / winding up voluntary or involuntary proceeding(s) filed nor is there any bankruptcy / winding up proceedings pending against them;
- (ii) Upon execution of SPA 2, BJD shall not during the subsistence of the agreement sell, transfer, charge, encumber, lease, agree to let or to sell or otherwise dispose of Property 2 or any part thereof save and except to EMSB;
- (iii) BJD warrants that they have not, prior to the date of execution and stamping of SPA 2, received any notice of acquisition pursuant to the Land Acquisition Act, 1960 affecting Property 2;
- (iv) BJD shall deliver or cause to be delivered to EMSB's solicitors or EMSB's financier's solicitors, as the case may be, the duly executed undertaking by BJD to refund the loan sum released by EMSB's financier in the event the Memorandum of Transfer in favour of EMSB cannot be registered for any reason whatsoever within fourteen (14) days from the date of written request for the same, failing which the time delayed in delivering the same shall be deemed to be the time extended in favour of EMSB free of interest and shall for that purpose be computed into the Completion Date accordingly;
- (v) BJD shall deliver or cause to be delivered to EMSB's solicitors or EMSB's financier's solicitors, as the case may be, the original copy of the redemption statement in respect of Property 2 and the necessary undertaking from BJD's financier within fourteen (14) days from the date of written request for the same, failing which the time delayed in delivering the same shall be deemed to be the time extended in favour of EMSB free of interest and shall for that purpose be computed into the Completion Date accordingly; and
- (vi) In the event BJD fails to deliver vacant possession of Property 2 upon full payment of Balance Disposal Consideration 2 in accordance with SPA 2 and receipt of the apportioned outgoings, BJD shall pay interest to EMSB at the rate of eight percent (8%) per annum on the whole Disposal Consideration 2 calculated on a daily basis until the date of actual delivery of vacant possession to EMSB, without prejudice however to EMSB's rights as set out in Section 2.4.5 below.

## 2.4.3 Completion

The completion of SPA 2 shall take place on or before the Completion Date, whereby an extension of one (1) additional month may be sought, subject to payment by EMSB of eight percent (8%) per annum calculated on the outstanding Balance Disposal Consideration 2 to be calculated on a daily basis, as late payment interest for the said extension, and when EMSB shall have made full payment of the Balance Disposal Consideration 2 to EMSB's solicitors as stakeholders and EMSB's solicitors shall thereafter present the transfer documents for registration at the appropriate government registry's office.

#### **2.4.4 Purchaser's Default**

In the event that EMSB shall fail to pay the Balance Disposal Consideration 2 on the Completion Date, BJD shall have the absolute right to terminate SPA 2 by forfeiting a sum equivalent to ten percent (10%) of Disposal Consideration 2 as agreed liquidated damages, and any sum in excess thereof paid by EMSB to BJD shall be refunded to EMSB after such forfeiture, free of interest and after the withdrawal of private caveat, if any lodged on Property 2 by EMSB and / or their financier(s) and thereafter SPA 2 shall then be null and void and be of no further effect and neither party shall have any claim(s) against the other, SAVE AND EXCEPT for any antecedent breach(es).

#### **2.4.5 Vendor's Default**

If for any reason(s) (default or non-compliance by EMSB excepted) BJD shall wilfully fail to effect the transfer of Property 2 to EMSB free from all charge(s) and encumbrance(s) within the time stipulated, (provided that such failure is not caused by any default, wilful neglect, omission or blameworthy conduct on the part of EMSB) EMSB shall at their sole discretion and absolute option be entitled to any of the following:-

- (i) EMSB shall be entitled to rescind SPA 2 whereupon BJD shall within seven (7) days on written demand by EMSB's solicitors, refund the full Disposal Consideration 2 or such part thereof as shall have already been paid by EMSB to BJD as the case may be free of interest and BJD shall further pay to EMSB such further sum(s) equivalent to ten percent (10%) of Disposal Consideration 2 as agreed liquidated damages and thereafter SPA 2 shall then be null and void and shall be of no further effect and neither party shall have any claim(s) against the other SAVE AND EXCEPT for any antecedent breach(es).
- (ii) Notwithstanding the provisions in Section 2.4.5 (i) above, it shall be EMSB's right and prerogative, if they so choose to insist on, to be entitled forthwith to specific performance of SPA 2.

#### **2.4.6 Vacant Possession**

Vacant possession of Property 2 shall be delivered by BJD to EMSB upon full payment of Disposal Consideration 2 to EMSB's solicitors as stakeholders.

### **2.5 Basis of arriving at the Disposal Considerations**

The total disposal consideration of RM12,878,046 for the Properties was arrived at based on a willing-buyer willing-seller basis, after taking into consideration, amongst others, the open market value of the Properties, based on the appraisal by Messrs. Hakimi & Associates Sdn Bhd ("**Valuer**"), an independent firm registered with the Board of Valuers, Appraisers & Estate Agents Malaysia and who were appointed by Ho Hup and BJD. The valuation of Property 1 was carried out using the Comparison Approach, while the valuation of Property 2 was carried out using the Comparison Approach and counterchecked using the Residual Approach, and are as follows: -

- (i) RM7,145,000 for Property 1 based on the valuation report dated 2 September 2009; and
- (ii) RM5,680,000 for Property 2 based on the valuation report dated 2 September 2009,

(collectively referred to as the "**Valuation Reports**").

The total disposal consideration of RM12,878,046 represents a premium of RM53,046 or approximately 0.4% over the aggregated valuation of RM12,825,000 accorded by the Valuer.

## 2.6 Utilisation of Proceeds

The gross proceeds of RM12.9 million arising from the Proposed Disposals would be utilised by Ho Hup and its subsidiaries (“**Ho Hup Group**” or the “**Group**”) mainly for repayment of borrowings, working capital and to defray estimated expenses in relation to the Proposed Disposals of which the details are as set out below: -

Details of Utilisation	RM'000	Timeframe for full utilisation
Repayment of borrowings	7,200	3 months
Working capital	5,528	6 months
Estimated expenses in relation to the Proposed Disposals	150	6 months
<b>Total</b>	<b>12,878</b>	

## 2.7 Background information on Purchasers

### 2.7.1 Kentlee (M) Sdn Bhd

KMSB was incorporated in Malaysia on 28 December 1984 under the Companies Act, 1965 as a private limited company. KMSB is principally involved in trading of plastic products.

The shareholders of KMSB comprise of Ong Ken Sim, Ong Kam Hong, Ong Kin Seong and Pang Mooi.

As at 31 August 2009, the authorised share capital of KMSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 50,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

### 2.7.2 Etnik Masyhur Sdn Bhd

EMSB was incorporated in Malaysia on 8 August 2005 under the Companies Act, 1965 as a private limited company under the name Etnik Masyhur Sdn Bhd and subsequently changed its name to Lifomax Land Sdn Bhd on 8 April 2009. EMSB is principally involved in property development and construction.

The shareholders of EMSB comprise of Lim Aik Kiat and Lim Tau Fong.

As at 31 August 2009, the authorised share capital of KMSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 100 ordinary shares of RM1.00 each have been issued and fully paid-up.

## 2.8 Rationale and benefits of the Proposed Disposals

The Properties are currently vacant and not in use, and are currently surplus to Ho Hup's requirements whereby the Properties are not expected to contribute materially to the business of Ho Hup in the future, given that the Company currently does not have any plans to develop the said parcels of land. In this respect, the Proposed Disposals offer an opportunity for Ho Hup and BJD to realise the capital appreciation of the Properties and to raise funds to repay a portion of its existing bank borrowings and for its working capital purposes. The aggregate net book value of the Properties as at 31 December 2008 is RM3.7 million.

After taking into consideration the open market value of the Properties at the valuation date, the estimated capital gain to Ho Hup is expected to be RM7.9 million (after minority interest and estimated expenses in relation to the Proposed Disposals).

The Proposed Disposals will result in a cash inflow for the Group of RM12.9 million of which RM7.2 million will be utilised to pare down its existing bank borrowings.

## **2.9 Assumption of liabilities**

There are no liabilities to be assumed by Ho Hup pursuant to the Proposed Disposals.

## **3. EFFECTS OF THE PROPOSED DISPOSALS**

### **3.1 Share capital and substantial shareholders' shareholding**

The Proposed Disposals will not have any effect on the issued and paid-up share capital of Ho Hup as well as Ho Hup's substantial shareholders' shareholdings, as the Proposed Disposals are to be satisfied wholly by cash.

### **3.2 Earnings and Earnings Per Share ("EPS")**

Ho Hup is expected to realise an estimated gain of RM7.9 million, which translates to a gain of RM0.08 per share against the aggregate net book value of the Properties based on the audited consolidated financial statements of Ho Hup as at 31 December 2008 upon completion of the Proposed Disposals.

### **3.3 Net assets ("NA") and gearing**

The proforma effects of the Proposed Disposals on the NA, NA per share and gearing of Ho Hup based on the latest audited consolidated financial statements of Ho Hup as at 31 December 2008 is set out in **Table 2**.

## **4. APPROVALS REQUIRED**

The Proposed Disposals are conditional upon approvals being obtained from the following: -

- (i) the shareholders of Ho Hup at a forthcoming extraordinary general meeting to be convened; and
- (ii) any other relevant authorities, if required.

## **5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors, major shareholders and / or persons connected with them, of Ho Hup have any interest, direct or indirect, in the Proposed Disposals.

## **6. DIRECTORS' STATEMENT**

After having taken into consideration all aspects of the Proposed Disposals, the Board is of the opinion that the Proposed Disposals are in the best interests of the Group.

**7. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Disposals are expected to be completed by end-2009.

**8. PERCENTAGE RATIOS**

The highest percentage ratio applicable to the Proposed Disposals as per Paragraph 10.02(g) Chapter 10 of the Listing Requirements of Bursa Malaysia Securities Berhad is the value of the Properties, being the total disposal consideration of the Properties, compared with the net assets of Ho Hup based on the latest consolidated financial statements of Ho Hup as at the FYE 31 December 2008, which amounts to approximately 69%.

**9. ADVISER**

AmlInvestment Bank has been appointed by Ho Hup as the Adviser for the Proposed Disposals.

**10. DOCUMENTS FOR INSPECTION**

The SPAs and Valuation Reports are available for inspection by the shareholders of Ho Hup during normal office hours on Mondays to Fridays (except for public holidays) at the registered address of Ho Hup at No. 18, Jalan 17/155C, Bandar Bukit Jalil, 57000 Kuala Lumpur for a period of three (3) months from the date of this announcement.

This announcement is dated 25 September 2009.

**Table 1**

	<b>Property 1</b>	<b>Property 2</b>
<b>Lot No./ Title No./ Description</b>	Lot No. P.T. 4150, H.S.(D) 812 Mukim of Cheras, District of Hulu Langat, State of Selangor	Lot No. 39868, Geran 53418 Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur
<b>Aggregate Land Area</b>	5.5 acres	2.6 acres
<b>Land Use</b>	Industrial	Building
<b>Express Conditions</b>	Industrial	To be used for recreation club only
<b>Tenure</b>	Freehold land	Freehold land
<b>Registered Owner</b>	Ho Hup	BJD
<b>Encumbrances</b>	1) To Malayan Banking Berhad vide Presentation No. 86572/2006 dated 21 September 2006. 2) Private caveat lodged onto the land title by KMSB vide Presentation No. 25359/2009 dated 12 June 2009.	Private caveat lodged onto the land title by EMSB vide Presentation No. 7663/2009 dated 26 May 2009 which has yet to be registered.
<b>Other endorsements</b>	Quit rent revision (Pindaan Cukai Tanah) vide Presentation No. 27073/2005 dated 2 August 2008	Quit rent revision (Pindaan Cukai Tanah) vide Presentation No. 3588/2005 dated 24 August 2005
<b>Date of Investment / Cost of Investment</b>	30 January 1985 / RM1,711,863	12 September 1995 / 1,927,859
<b>Market Value</b>	RM7,145,500 <sup>1</sup>	RM5,680,000 <sup>1</sup>
<b>Net book value as at 31.12.2008</b>	RM1,711,863	RM2,021,819

*Note: -*

<sup>1</sup> Based on valuations performed by Messrs. Hakimi & Associates Sdn Bhd an independent registered firm of valuer as at 19 August 2009.

**Table 2**

Proforma effects of the Proposed Disposals based on the latest audited consolidated financial statements of Ho Hup as at 31 December 2008 are as follows:-

	<b>Audited as at 31.12.2008</b>	<b>After Proposed Disposals</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	102,000	102,000
Reserve	(83,231)	(75,334) <sup>1</sup>
Shareholders' equity / NA	<b>18,769</b>	<b>26,666</b>
Number of ordinary shares in issue ('000)	102,000	102,000
NA per share (RM)	0.18	0.26
Total borrowings (interest-bearing debt)	104,515	97,315 <sup>2</sup>
Gearing ratio (times) (Based on shareholders' funds)	5.57	3.65

Notes: -

- 1 *Inclusive of a gain of RM7.9 million (after minority interest) arising from the Proposed Disposals, which is derived after taking into consideration: -*
  - (a) *the carrying amount of the Properties of RM3.7 million; and*
  - (b) *the estimated expenses in relation to the Proposed Disposals of RM0.2 million*
  
- 2 *Assuming that RM7.2 million of the proceeds from disposal are used to repay banking facilities of the Company.*