

SIME DARBY BERHAD

SALE OF ONE (1) BLOCK OF TWELVE (12)-STOREY COMMERCIAL OFFICE BUILDING KNOWN AS BLOCK H, OASIS SQUARE

1. INTRODUCTION

Sime Darby Ara Damansara Development Sdn Bhd (“SDAD”) and Sime Darby Brunfield Holding Sdn Bhd (“SDBH”), the indirect subsidiaries of Sime Darby, have on 15 May 2013 entered into a Sale and Purchase Agreement (“SPA”) with Brunfield Oasis Tower Sdn Bhd (“BOTSB”) for the sale of Block H, Oasis Square (as hereinafter defined) (“Property”) by SDBH to BOTSB at a total cash consideration of RM124,500,000.00 (“Sale”).

2. DETAILS OF THE SALE

2.1 Information on the Property

SDAD is the registered and beneficial owner of all that piece of freehold land held under H.S.(D) 111073, No.P.T. 9 in the Mukim of Damansara, District of Petaling, State of Selangor measuring approximately 63,862 square meters (“Land”). Pursuant to the Agreement for Development of Land dated 12 October 2006 entered into between SDBH and SDAD, SDAD has granted the rights to SDBH to develop a portion of the Land into, amongst others, one (1) block of twelve (12)-storey commercial office building known as Block H, Oasis Square measuring in net saleable area of 191,399 square feet bearing a postal address of Block H, No. 2, Jalan PJU 1A/2 Ara Damansara 47301 Petaling Jaya, Selangor Darul Ehsan for commercial use (“Development”) and to sell the Development on the Land.

2.2 Salient Terms of the SPA

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

- i) The purchase price shall be paid by BOTSB in cash in accordance with the following terms of the SPA:
 - a) RM12,450,000.00 will be paid upon signing of the SPA; and
 - b) RM112,050,000.00 (“Balance Purchase Price”) will be paid within 90 days from the date of the SPA (“Completion Date”).
- ii) In the event the Balance Purchase Price shall remain unpaid on or before the Completion Date, SDBH shall grant to BOTSB a further extension period of 30 days to pay the Balance Purchase Price and BOTSB shall pay to SDBH a sum equivalent to the rate of 8% per annum calculated on a daily basis on such sum as shall remain unpaid out of the Balance.

The Property is disposed free from any encumbrances, with vacant possession and subject to all express conditions of title and restrictions in interests endorsed on the document of title to the Land and on the strata title to the Property.

2.3 Basis of the Sale Consideration

The total sale consideration for the Property was arrived after taking into consideration the current market price of property in the surrounding area. The Property was valued at RM115,000,000.00 by VPC Alliance KL Sdn Bhd in its report dated 29 March 2013 (“Valuation Report”). The valuation on the Property was carried out on 21 March 2013 based on the comparison and investment method.

The expected gain to SDBH in aggregate from the Sale is RM10,859,262. Based on the Valuation Report, the selling price of the Property is 8.3% above the valuation of the Property.

2.4 Utilisation of Proceeds

The proceeds from the Sale will be used for working capital of SDBH.

3. INFORMATION ON THE PARTIES

3.1 Information on SDAD

SDAD is a wholly-owned subsidiary of Sime Darby Property Berhad (“SDPB”), which in turn is a wholly-owned subsidiary of Sime Darby.

SDAD is a private limited company incorporated in Malaysia on 13 December 1991 under the Companies Act, 1965. SDAD has an authorised share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2,500,001.00 comprising 2,500,001 ordinary shares of RM1.00 each. The principal activity of SDAD is property investment and development.

3.2 Information on SDBH

SDBH is a 60%-owned subsidiary of SDPB, which in turn is a wholly-owned subsidiary of Sime Darby. The remaining 40% shareholding in SDBH is held by Brunfield Metropolitan Sdn Bhd (“BMSB”). Dato’ Dr Ir Gan Thian Leong and Encik Mohamad Hassan bin Zakaria are directors and major shareholders of SDBH (indirectly through BMSB).

SDBH is a private limited company incorporated in Malaysia on 8 February 2006 under the Companies Act, 1965. SDBH has an authorised share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The principal activity of SDBH is property development and investment holding.

3.3 Information on BOTSB

BOTSB is held by the major shareholders, namely Encik Mohamad Hassan bin Zakaria and Encik Goh Siew Chin through their direct equity interest of 50% in BOTSB, respectively. Encik Mohamad Hassan bin Zakaria and Encik Goh Siew Chin are also the directors of BOTSB.

BOTSB is a private limited company incorporated in Malaysia on 12 December 2012 under the Companies Act, 1965. BOTSB has an authorised share capital of RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. The principal activity of BOTSB is property investment.

4. RATIONALE

SDBH is principally involved in property development activities and the Sale is in the ordinary course of business of SDBH. The Sale would allow Sime Darby and its subsidiaries (“Sime Darby Group”) to optimise the allocation of its capital in order to maximise its returns on investments through the utilisation of the proceeds from the Sale.

5. FINANCIAL EFFECTS

The Sale will not have a material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholding of Sime Darby for the financial year ending 30 June 2013.

6. APPROVALS REQUIRED

The Sale is not subject to the approval of shareholders of Sime Darby or any other authorities/parties.

7. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

Save as disclosed below, none of the directors and/or major shareholders of Sime Darby or SDBH or SDAD and/or persons connected to them have any interest, direct or indirect, in the Sale:-

Encik Mohamad Hassan bin Zakaria is a director and a major shareholder of SDBH and BOTSB. Encik Mohamad Hassan bin Zakaria has abstained from deliberating and voting in respect of the Sale at the board meeting of SDBH.

8. TRANSACTION FOR THE PRECEDING 12 MONTHS

The transaction between the subsidiaries of Sime Darby which involves the same related parties for the preceding 12 months, from April 2012 to April 2013, is as follows:

Transacting Parties	Nature of Transaction	Amount (RM)
SDAD, SDBH and Brunnsfield Oasis Square Sdn Bhd	Sale and Purchase Agreements for the sale of 15 units of Centre Piazza Double Storey Kiosk and the Oasis Retail Mall.	82,535,297.00

9. **GOVERNANCE & AUDIT COMMITTEE'S STATEMENT**

The Governance & Audit Committee of Sime Darby, having considered all aspects of the Sale including but not limited to the rationale as discussed in Section 4 above, is of the opinion that the Sale is:-

- i) in the best interests of Sime Darby;
- ii) fair, reasonable and on normal commercial terms; and
- iii) not detrimental to the interest of the minority shareholders of Sime Darby.

10. **DIRECTORS' STATEMENT**

The Board of Sime Darby, having considered all aspects of the Sale, is of the opinion that the Sale is in the best interest of the Sime Darby Group.

11. **OTHER MATTERS**

11.1 **Percentage Ratio**

The highest percentage ratio applicable to the Sale pursuant to Paragraph 10.02(g) of Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.48% based on the latest audited consolidated financial statements of Sime Darby for the financial year ended 30 June 2012.

11.2 **Estimated Time Frame for the Sale**

Barring any unforeseen circumstances, the Sale is expected to be completed within 3 months from the date of the SPA, unless otherwise extended.

11.3 **Documents Available for Inspection**

The SPA is available for inspection at the registered office of Sime Darby at 19th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 16 May 2013.