

Eastland Equity Bhd (“Eastland” or “the Company”)
- Debt Restructuring Agreement

Unless stated otherwise, definitions used in this announcement shall carry the same meaning as defined in the announcement dated 20 September 2013 in relation to the Debt Restructuring Agreement.

We refer to our announcement dated 20 September 2013 on the above matter.

The Board of Directors of the Company wishes to announce the following additional information:-

1. DETAILS ON THE SAID LAND AND CONDOS

<u>The said Land</u>		
Location	:	HS(D) 7868, PT 300 Seksyen 21, Bandar Kota Bharu, Daerah Jajahan Kota Bharu, Negeri Kelantan
Tenure	:	66 years expiry on 01.03.2075
Land area	:	5,766.975 square metres
Category of Land Use	:	Building
Encumbrances	:	Nil
Existing use	:	Car Park
Market value	:	- N/A -
Net Book Value as of audited financial statements 31.12.2012	:	RM18,176,184

<u>Condos</u>		
Location	:	(i) Strata Title Grn 39291/M1/22/237, No. Lot 678 Seksyen 21, Bandar Kota Bharu, Daerah Kota Bharu, Negeri Kelantan (ii) Strata Title Grn 39291/M1/24/251, No. Lot 678 Seksyen 21, Bandar Kota Bharu, Daerah Kota Bharu, Negeri Kelantan (iii) Strata Title Grn 39291/M1/26/270, No. Lot 678 Seksyen 21, Bandar Kota Bharu, Daerah Kota Bharu, Negeri Kelantan
Tenure	:	Freehold

Building area	:	Grn 39291/M1/22/237 - 133 square metre Grn 39291/M1/24/251 - 139 square metre Grn 39291/M1/26/270 - 121 square metre
Encumbrances	:	Nil
Existing use	:	Residential
Market value	:	Grn 39291/M1/22/237 – RM280,000 Grn 39291/M1/24/251 - RM280,000 Grn 39291/M1/26/270 - RM280,000
Age of building	:	15 years
Net Book Value	:	Grn 39291/M1/22/237 – RM180,432 Grn 39291/M1/24/251 - RM189,415 Grn 39291/M1/26/270 - RM161,054

2. BASIS OF ARRIVING AT THE VALUE OF THE SAID LAND AND CONDOS

The said Land and Condos were transferred to Explicit Vantage at RM18,120,000 and RM840,000 respectively. The value of the said Land was based on the book value of Eastern Biscuit of RM4,938,314 and upgrading value of RM13,181,428, which includes the construction work with anchor, earth excavation, piling works, ready mixed, site office and sheet pile as stated in the book of Eastern Biscuit appearing in unaudited financial statements as at 31 August 2013. The value of the Condos was based on the estimated market value assessed by the Management.

3. EXPECTED GAINS OR LOSSES TO EASTLAND GROUP ARISING FROM THE TRANSFER OF PROPERTIES

The expected gains to Eastland group arising from the Transfer of Condos is RM309,099.00.

There is no gains/losses arising from the transfer of the said Land as it is transferred at book value.

4. SUBSTANTIAL SHAREHOLDERS OF FAZWIN AND EXPLICIT VANTAGE

The shareholders of Fazwin are (i) Nor Arwina binti Ariffin holding 25,000 shares (2.5%), (ii) Hasnamin binti Mat Zin holding 175,000 shares (17.5%), and (iii) Hassan Fahmin bin Haji Mat Zin holding 800,000 shares (80%).

Explicit Vantage is a wholly-owned subsidiary of Austral Amalgamated Berhad (585406-H).

5. NET BOOK VALUE OF THE SAID LAND AND CONDOS

The Net Book Value of the said Land and Condos based on Eastern Biscuit's Audited Financial Statements as at 31 December 2012 are RM18,176,184 and RM530,901.21 respectively.

6. EFFECTS OF THE DEBTS RESTRUCTURING NET ASSETS PER SHARE AND GEARING

The Debts Restructuring is expected to improve the net assets per share by 15 cents from 73 cents to 88 cents and reduce gearing by 0.41 (times) based on the latest Audited Financial Statement as at 31 December 2012.

In consideration of the assignment of Fazwin's debt to Explicit Vantage and the Transfer of the Properties to Explicit Vantage, Explicit Vantage irrevocably agreed to waive and forgive entirely and absolutely FBO Land's Debt from FBO Land.

7. PARTICULARS OF ALL LIABILITIES TO BE ASSUMED BY EXPLICIT VANTAGE ARISING FROM THE TRANSFER OF PROPERTIES

There are no liabilities to be assumed by Explicit Vantage arising from the Transfer of Properties.

8. ORIGINAL COST OF INVESTMENT AND DATE OF INVESTMENT

The said Land was acquired by Eastern Biscuit on 26.04.2005 and the original cost of the land is RM5,418,045.

The Condos were developed by Eastern Biscuit in its ordinary course of business.

9. FBO LAND'S DEBT

FBO Land's debt was part of debt settlement scheme arising from the corporate restructuring exercise of Austral Amalgamated Berhad as announced in October 2002 whereby Explicit Vantage, a former sub-subsiary of Eastland, is a special purpose vehicle to facilitate the debt settlement scheme.

Explicit Vantage ceased as sub-subsiary of Eastland since 10 December 2010.

10. ESTIMATED TIME FRAME FOR COMPLETION

The Debts Restructuring is deemed completed upon execution of the Debt Restructuring Agreement and Deed of Power of Attorney on 20 September 2013.

11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Transfer of Properties pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 11.59%.

12. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Debts Restructuring, is of the opinion that the terms of the Debts Restructuring is in the best interest of Eastland Group.

The view of the Board was arrived at after having considered the terms and conditions of the Debts Restructuring Agreement, the rationale for the Debt Restructuring, as well as the effects of the Debts Restructuring on Eastland Group.

This announcement is dated 24 September 2013.