

General Announcement

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Company Name : **TASEK CORPORATION BERHAD**
Stock Name : **TASEK**
Date Announced : **13/07/2010**

Type : **Announcement**
Subject : **TASEK CORPORATION BERHAD – DISPOSAL OF A PIECE OF PROPERTY BY ITS WHOLLY-OWNED SUBSIDIARY, TASEK PLANTATION SDN. BHD.**

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Announcement Details :

1. Introduction

The Board of Directors of Tasek Corporation Berhad ("TCB or the Company") wishes to announce that TCB's wholly-owned subsidiary, Tasek Plantation Sdn. Bhd. ("TPSB") has entered into a Conditional Sales and Purchase Agreement ("the Agreement") with Ngan Yin Groundnut Factory Sdn. Bhd. (Co. No. 24765-P) ("the Purchaser") on 13 July 2010, to dispose of a piece of property known as "Gunong Kuang Estate" in the Mukim of Hulu Kinta, District of Kinta, Perak on an "as is" basis for a total cash consideration of Ringgit Malaysia Fifty Three Million Eight Hundred and Eighty Eight Thousand Nine Hundred and Ninety Nine (RM53,888,999) only ("the Disposal").

2. Information of TPSB

TPSB was incorporated in Malaysia under the Companies Act, 1965 on 27 July 1996. Its present authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each and its present issued and fully paid-up share capital is RM9,600,002 comprising 9,600,002 ordinary shares of RM1.00 each.

3. Details of the Disposal

3.1 Description

TPSB is the registered owner of the piece of property comprising an oil palm estate known as "Gunong Kuang Estate" in the Mukim of Hulu Kinta, District of Kinta, Perak held under as follows: -

Lot Number	Geran No. Hakmilik	Tenure	Measurement	Description & Existing use	Net Book Value RM'000
12397	15229	Freehold	60.6193 hectare (2.0923 hectare acquired by State Authority remaining 58.527 hectare)	Agricultural/ Future Development	1,139
15474	46736	Freehold	6.1765 hectare	Agricultural/ Future Development	124
36233	46746	Freehold	234.6161 hectare	Agricultural/ Future Development	4,425
17286	46501	Freehold	3.7762 hectare	Agricultural	106
34582	46640	Freehold	1.897 hectare	Agricultural	52
34057 & 34059	46748	Freehold	96.0419 hectare	Agricultural	3,634

The additional information of Gunong Kuang Estate is as follows: -

Field No.	Present and future usage	Type of estate or plantation	Maturity of the trees	Production for the past 3 years
PM 1985A/56 HRU	Oil Palm	Oil Palm	25 years	30.81 tonne/ hectare
PM 1985B/34 HRU	Oil Palm	Oil Palm	25 years	35.25 tonne/ hectare
PM 1991A/29 HRU	Oil Palm	Oil Palm	19 years	29.96 tonne/ hectare
PM 2000A/37 CH	Oil Palm	Oil Palm	10 years	30.10 tonne/ hectare
PM 2000B/68 CH	Oil Palm	Oil Palm	10 years	30.23 tonne/ hectare
PM 2003A/146 AA	Oil Palm	Oil Palm	7 years	26.61 tonne/ hectare

3.2 Consideration

The total cash consideration of RM53,888,999 was arrived at through a Sale by Expression of Interest being the highest price offered by the Purchaser. The total cash purchase consideration will be satisfied by a payment of 10% as deposit upon signing of the Agreement and the balance of 90% to be paid upon the relevant approval being obtained in accordance with the terms and conditions of the Agreement.

3.3 Financial information on the assets

The net profit attributable to Gunong Kuang Estate was RM2,570,242 as at 31 December 2009 and the net assets or net book value as at 31 December 2009 was RM13,128,172.

3.4 Expected Gains or Losses

The disposal of Gunong Kuang Estate is expected to have a gain of approximately RM43.6 million to the Group.

3.5 Utilisation of Proceeds

The total gross proceeds of RM53,888,999 from the Disposal is intended to be used for working capital purposes and/or future expansion in the event of any opportunity that arises.

3.6 Liabilities to be assumed

There are no liabilities including contingent liabilities and guarantees, to be assumed by the Purchaser arising from the Disposal.

3.7 Original Cost of Investment and Date of Investment

The original cost and date of investment in Gunong Kuang Estate was RM9.30 million incurred on 19 June 1992 by TCB and later transferred to TPSB in 1997 under a restructuring scheme involving the transfer of TCB's manufacturing operations and non-cement related properties to its wholly-owned subsidiary companies.

4. Salient Terms of the Conditional Sale and Purchase Agreement

The total purchase consideration of RM53,888,999 shall be payable by the Purchaser in the following manner:

- (a) 10% of the total purchase consideration to be paid in cash as deposit on execution of the Agreement (in the event the Purchaser cannot complete the purchase on the Agreement becoming absolute or unconditional, such deposit shall be forfeited by TPSB).
- (b) The sale is subject to the approval of the Estate Land Board for the transfer of the property under section 214A of the National Land Code 1965 within the conditional period of six (6) months from

the date of the Agreement or any extension thereafter.

- (c) Subject to the fulfillment of the approval set out in 4(b) above, the balance purchase consideration of 90% is payable within the period for completion of 120 days from the date the Agreement becomes absolute within the conditional period with late payment interest of 8% per annum for any extension.

5. Rationale for the Disposal

The rationale for the Disposal is to streamline the Group's core businesses by disposing of businesses or assets that are non-related to building materials. There are no apparent risks for the Disposal. The Disposal will realise cash for the Group of RM53.0 million.

6. Effects of the Disposal

6.1 Share Capital and Substantial Shareholders' Shareholdings

The Disposal will not have any effect on the issued and paid-up share capital and substantial shareholdings of TCB.

6.2 Earnings

The Disposal is expected to result in a net gain on disposal of approximately RM43.6 million for the Group or approximately RM0.23 per share of Tasek Corporation Berhad for the financial year ending 31st December 2010.

6.3 Net Assets ("NA") and Gearing

Based on the audited consolidated balance sheet of the Group and on the assumption that the Disposal had been effected on that date, the proforma effects of the Disposal on the Group's NA and gearing are set out below: -

	Audited as at 31 December 2009 RM	After the Disposal RM
Share Capital	185,407,200	185,407,200
Reserves	<u>722,674,676</u>	<u>766,262,961</u>
Total Shareholders' funds	908,081,876	951,670,161
	=====	=====

7. Interest of Directors, Substantial Shareholders and Persons Connected

None of the directors and substantial shareholders of Tasek Corporation Berhad or persons connected to them have any interest, direct or indirect in the Disposal.

8. Statement by the Board of Directors

The Directors of TCB are of the opinion that the Disposal is in the best interest of TCB and its Group.

9. Approval Required

Notwithstanding the approval required as set out in 4(b) above, the Disposal is not subject to approval of shareholders of TCB.

10. Estimated Time Frame for Completion

The Disposal is expected to be completed within 10 months from the date of the Agreement.

11. Highest Percentage Ratio

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements is 5.93%.

12. Documents for Inspection

The Agreement is available for inspection at the registered office of TCB, 6th Floor, Office Block, Grand Millennium Kuala Lumpur, 160 Jalan Bukit Bintang, 55100 Kuala Lumpur during normal office hours on any week day (except public holiday) for a period of one (1) month from the date of this announcement.

This announcement is dated 13 July 2010.