

# OTHERS PUNCAK NIAGA HOLDINGS BERHAD (416087-U) ("PUNCAK" OR THE "COMPANY") PROPOSED DISPOSAL OF 80% OF EQUITY INTEREST IN HEBEI SINO PANLONG INDUSTRIAL WATER SUPPLY CO., LTD TO YUANSI COUNTY PANLONG INDUSTRIAL WATER SUPPLY CO., LTD

## PUNCAK NIAGA HOLDINGS BERHAD

<b>Type</b>	Announcement
<b>Subject</b>	OTHERS
<b>Description</b>	PUNCAK NIAGA HOLDINGS BERHAD (416087-U) ("PUNCAK" OR THE "COMPANY") PROPOSED DISPOSAL OF 80% OF EQUITY INTEREST IN HEBEI SINO PANLONG INDUSTRIAL WATER SUPPLY CO., LTD TO YUANSI COUNTY PANLONG INDUSTRIAL WATER SUPPLY CO., LTD

The Board of Directors of Puncak wishes to announce that the Company's subsidiary, Sino Water Pte Ltd ("Sino Water") had on 12 August 2015 entered into an Equity Transfer Agreement ("ETA") with Yuanshi County Panlong Industrial Water Supply Co., Ltd ("YCPiWS" or "the Purchaser") for the disposal of 80% equity interest in Hebei Sino Panlong Industrial Water Supply Co., Ltd ("Hebei Sino Co Ltd") for a cash consideration of RMB500,000.00 (equivalent to RM306,500.00) ("Proposed Disposal").

For full details of the announcement, kindly refer to the attached file.

This announcement is dated 12 August 2015.

Please refer attachment below.

### Attachments

Proposed Disposal Hebei.pdf  
72.6 kB

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### Announcement Info

<b>Company Name</b>	PUNCAK NIAGA HOLDINGS BERHAD
<b>Stock Name</b>	PUNCAK
<b>Date Announced</b>	12 Aug 2015
<b>Category</b>	General Announcement for PLC
<b>Reference Number</b>	GA1-12082015-00082

**PUNCAK NIAGA HOLDINGS BERHAD (416087-U) ("PUNCAK" OR "COMPANY")  
PROPOSED DISPOSAL OF 80% OF EQUITY INTEREST IN HEBEI SINO PANLONG  
INDUSTRIAL WATER SUPPLY CO., LTD, A SUB-SUBSIDIARY OF THE COMPANY  
TO YUANSI COUNTY PANLONG INDUSTRIAL WATER SUPPLY CO., LTD ("THE  
PURCHASER") FOR A CASH CONSIDERATION OF RMB500,000.00**

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**1. INTRODUCTION**

The Board of Directors of Puncak wishes to announce that the Company's subsidiary, Sino Water Pte Ltd ("Sino Water") had on 12 August 2015 entered into an Equity Transfer Agreement ("ETA") with Yuanshi County Panlong Industrial Water Supply Co., Ltd ("YCPIWS" or "the Purchaser") for the disposal of 80% equity interest in Hebei Sino Panlong Industrial Water Supply Co., Ltd ("Hebei Sino Co Ltd") for a cash consideration of RMB500,000.00 (equivalent to RM306,500.00) ("Proposed Disposal").

**2. DETAILS OF THE PROPOSED DISPOSAL**

**2.1 Information on Hebei Sino Co Ltd**

Hebei Sino Co Ltd is a limited liability company incorporated in Yuanshi County, Hebei Province, People's of Republic of China ("PRC"), with its principal activity in the treatment and distribution of water to industrial areas in Yuanshi County. Sino Water currently holds 80% equity interest in Hebei Sino Co Ltd, with the balance of equity interest held by YCPIWS.

**2.2 Information on the Purchaser**

YCPIWS is a limited liability company incorporated in Yuanshi County, Hebei Province, PRC with a paid-up registered capital of RMB2.0 million. It currently holds 20% equity interest in Hebei Sino Co Ltd.

**2.3 Basis of consideration and terms of Payment**

- (a) The cash consideration was determined on a "willing buyer-willing seller" basis after taking into account of the net liability and future expected losses of Hebei Sino Co Ltd.
- (b) The cash consideration of RMB500,000.00 (equivalent to RM306,500.00) is subject to the deduction of stamp duty and withholding tax payable by Sino Water.

- (c) The net consideration shall be fully paid by the Purchaser after the Proposed Disposal is approved by the relevant authorities of the PRC.

#### **2.4 Approval Required**

The Proposed Disposal is subject to the approval of the regulatory authorities of the PRC.

#### **2.5 Estimated Time Frame To Complete the Transaction**

The Proposed Disposal is expected to be completed by the end of the year or by the first Quarter of 2016.

### **3. RATIONALE FOR THE PROPOSED DISPOSAL**

The Proposed Disposal will allow Sino Water to divest its loss making subsidiary and to limit its losses arising from this investment.

### **4. FINANCIAL EFFECT OF THE PROPOSED DISPOSAL**

- (i) The original investment cost of Sino Water's 80% equity interest in Hebei Sino Co Ltd was RM12.9 million on 16 September 2009.
- (ii) The Proposed Disposal will not have any material effect on the issued and paid-up share capital of the Company as well as the shareholdings of the substantial shareholders of the Company.
- (iii) The Proposed Disposal will not have any material impact on the earnings, net assets per share or gearing of the the Group for the financial year ending 31 December 2015.

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

None of the Directors, major shareholders and/or persons connected with a Director or a major shareholder of the Company, have any interest, direct or indirect, in the said Proposed Disposal.

This announcement is dated 12 August 2015.