

# **PUNCAK NIAGA HOLDINGS BERHAD**

## **Extraordinary General Meeting**

### **Proposed Disposal of Lands**

### **7 February 2024**



*PUNCAK NIAGA HOLDINGS BERHAD*

# Details Of The Proposed Disposal Of Lands

On 17 August 2023, our Board announced that:

- i. Puncak Niaga Holdings Berhad (“Puncak”) had entered into the Conditional SPA 1 with Alpha Galaxy Sdn Bhd (“AGSB”) for the proposed disposal of Lot 7093 for a cash consideration of approximately RM98.63 million;*
- ii. Puncak had entered into the Conditional SPA 2 with Alpha Galaxy 1 Berhad (“AG1B”) for the proposed disposal of Lot 7095 for a cash consideration of approximately RM106.32 million; and*
- iii. Puncak Niaga Management Services Sdn Bhd (“PNMSSB”) had entered into the Conditional SPA 3 with AGBS for the proposed disposal of Lot 7094 for a cash consideration of approximately RM101.12 million;*

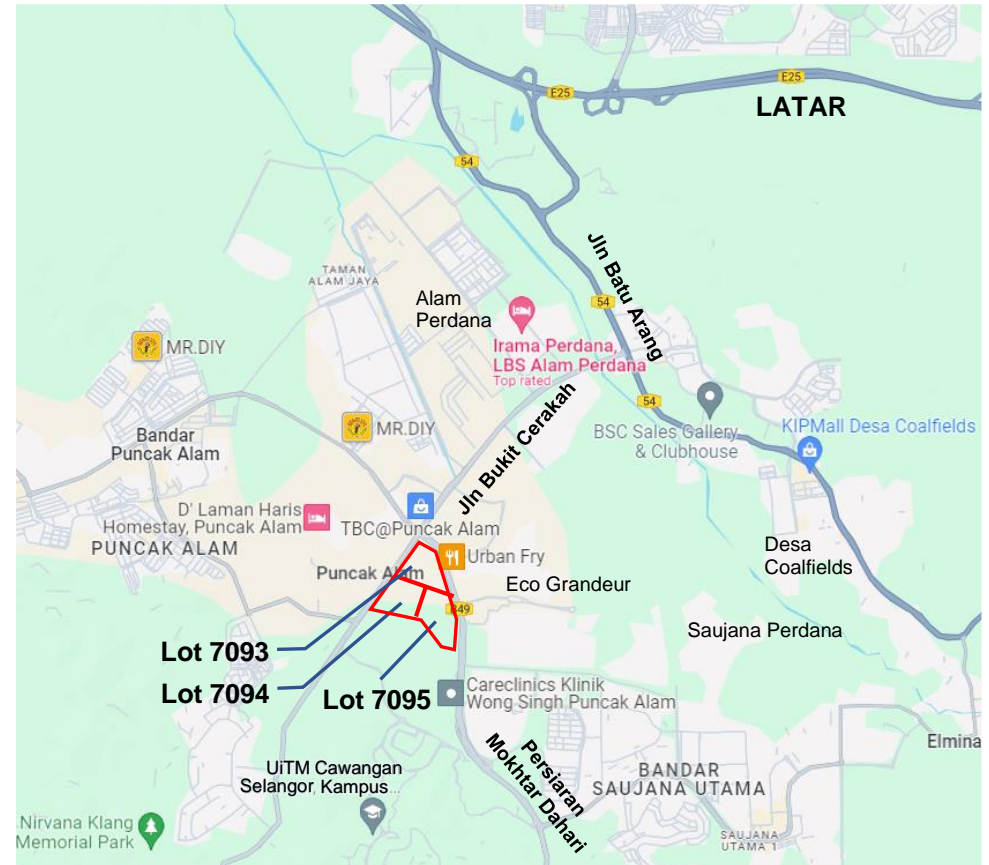
(collectively referred to as the “Proposed Disposal of Lands”).

The Disposal Consideration for the Proposed Disposal of Lands is approximately **RM306.07 million.**

## Details Of The Proposed Disposal Of Lands (cont'd)

The Lands comprise three (3) parcels of adjoining leasehold land located within the locality of Bandar Puncak Alam, Selangor Darul Ehsan measuring 672,089 square meter (approximately 166 acres).

Generally, the Lands are flat in physical terrain and enjoy frontages onto Jalan Bukit Cerakah and Persiaran Mokhtar Dahari, within Bandar Puncak Alam. The nearby townships within the general vicinity include Eco Grandeur, Alam Perdana, Bandar Saujana Utama, Saujana Perdana, Hillpark @ Shah Alam North and Desa Coalfields.



# Rationale and Benefit for the Proposed Disposal of Lands

Unlock the value of the investment properties

*Puncak Group can capitalize on the growth of the property market in Puncak Alam and unlock the value of the Lands at an attractive price.*

Generate cash flow to the Group

*It allows the Group to raise a net proceeds of approximately RM283.11 million, after deducting the Real Property Gains Tax (“RPGT”) and expenses in relation to the Proposed Disposal of Lands of RM22.96 million; and*

Strengthen the Group’s financial position

*The proceeds will be utilized, mainly for the purpose of:*

- Repayment of bank borrowings of RM190.0 million,*
- Future investment of RM10.0 million,*
- General working capital of RM83.1 million.*



# Disposal Consideration

The total Disposal Consideration of RM306.07 million is calculated based on RM43.00 per square foot (save and except for the RM20.00 per square foot for the Buffer Zone) was arrived at on a willing-buyer willing-seller and on an as is where is basis, after consideration the following factors:

- a) The growth of property market in Puncak Alam;*
- b) The initial cost of investment of the Lands of approximately RM91.80 million in 2015;*
- c) The estimated capital gain on disposal of approximately RM212.57 million (after deducting the initial cost of investment and the estimated expenses of RM1.70 million in relation to the Proposed Disposal of Lands); and*
- d) The market value of Lands of RM325.47 million as ascribed by the independent valuer.*

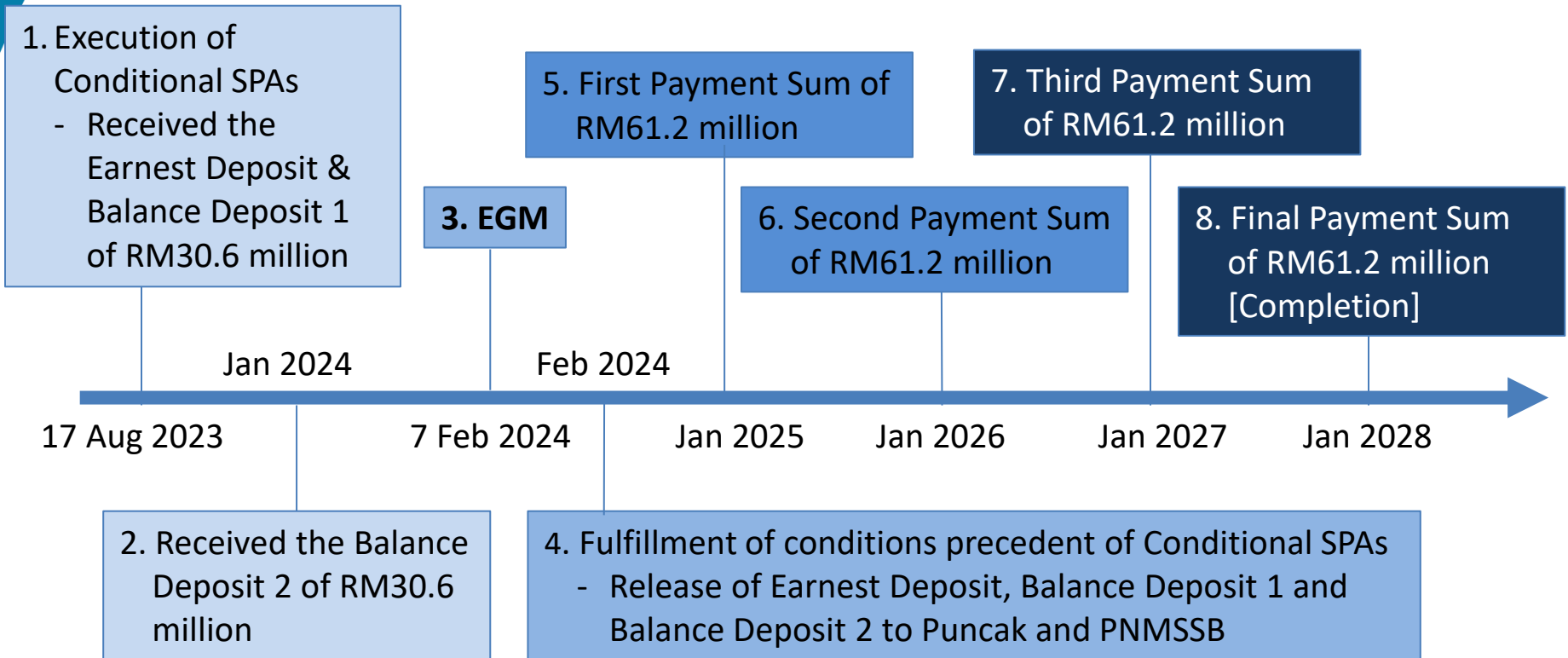
## Disposal Consideration (cont'd)

The Disposal Consideration represents a discount of approximately 6% or RM19.4 million to the market value of the Lands as at 11 September 2023.

The Board is of the opinion that the discount is justifiable after taking into consideration the following factors:

- i. the Group is able to simultaneously dispose three (3) pieces of the Group's Lands totaling approximately 166 acres to the Purchaser for a Disposal Consideration of RM306.07 million; and*
- ii. the Purchaser will be making cash payment to the Group over a period of 53 months, with an option to provide the Bank Guarantee(s) for the Balance Disposal Price in exchange of the Power of Attorney 2, as defined in Section 2.6 of the Circular.*

# Estimate Time Frame For Completion of The Proposed Disposal of Lands



**The title and legal ownership of the Lands remain with the Group before receiving the full Disposal Consideration or the Bank Guarantee(s) for the Balance Disposal Price from the Purchaser.**



**Thank You**