

ANNOUNCEMENT: GENERAL

PJ DEVELOPMENT HOLDINGS BERHAD (“PJDH” OR “COMPANY”)

- 1. PROPOSED SHAREHOLDERS’ AGREEMENT FOR THE DEVELOPMENT OF A PIECE OF LAND HELD UNDER GERAN 71968, LOT 67756, MUKIM BATU, DAERAH KUALA LUMPUR; AND**
 - 2. PROPOSED DISPOSAL OF A PIECE OF LAND HELD UNDER GERAN 71968, LOT 67756, MUKIM BATU, DAERAH KUALA LUMPUR.**
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1. INTRODUCTION

The Board of Directors of PJDH is pleased to announce that on 20 January 2014 -

1. PJD-MM2H SDN BHD, a wholly owned subsidiary of PJDH entered into a Shareholders’ Agreement (“SA”) with AGILE REAL ESTATE DEVELOPMENT (M) SDN BHD for the development of a piece of land held under Geran 71968, Lot 67756, Mukim Batu, Daerah Kuala Lumpur (“the Land”) subject to the terms and conditions as contained in the SPA and
2. PJD REGENCY SDN BHD (“PJDR” or “the Vendor”), a wholly-owned subsidiary of PJDH entered into a Sale and Purchase Agreement (“SPA”) with AGILE PJD DEVELOPMENT SDN BHD (“Agile PJD” or “the Purchaser”) for the disposal of the Land subject to the terms and conditions as contained in the SPA (“Proposed Disposal”).

Collectively known as the (“Proposals”).

2. INFORMATION OF THE LAND (S)

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| Title No./ Lot No | : | Geran 71968, Lot 67756, Mukim Batu Daerah Kuala Lumpur |
| Land Area | : | 41,130 sq meters |
| Tenure | : | Freehold |
| Express Condition | : | Residential Building with ‘landed strata’ and condominium |
| Registered & Beneficial Owner | : | PJD Regency Sdn Bhd |
| Existing Encumbrance | : | United Overseas Bank (Malaysia) Bhd |
| Date of Investment | : | 28.11.2001 |
| Audited net book value as at 30 June 2013 | : | RM85,601,000 |

3. DETAILS OF THE PROPOSALS

3.1. Details of the Proposed Shareholders Agreement (“SA”)

3.1.1 Information of the Shareholders

- (a) Agile Real Estate Development (M) Sdn Bhd (“Agile Real Estate”) (formerly known as Vista Oasis Sdn Bhd) was incorporated in Malaysia on 6 January 2014 under the Companies Act, 1965 as a private limited company and having its registered office and business office at Level 18, The Gardens North Tower, Mid Valley, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The present authorized share capital of Agile Real Estate is RM400,000 comprising 400,000 ordinary shares of RM1.00 each and the issued and paid-up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

The principal activity of Agile Real Estate is in property investment. The ultimate holding company is Agile Property Holdings Limited, being one of the leading integrated developers in China, listed on the Main Board of The Stock Exchange of Hong Kong.

- (b) PJD-MM2H Sdn Bhd (“MM2H”) (Co. No. 737636-H) was incorporated in Malaysia on 14 June 2006 under the Companies Act, 1965 as a private limited company and having its registered office and business office at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur

The present authorized share capital of MM2H is RM100,000 comprising 100,000 ordinary shares of RM1.00 each and the issued and paid-up capital is RM50,000.00 comprising 50,000 ordinary shares of RM1.00 each.

The principal activities of MM2H are in investment holding, property development and property investment.

3.1.2 Equity interest Structure

Agile Real Estate and MM2H will hold 70% and 30% in Agile PJD respectively upon completion of the Proposed SA.

3.1.3 Salient terms of the SA

- (a) Board representations

Agile Real Estate will hold three (3) board representations in Agile PJD whilst MM2H will hold one (1) board representation in Agile PJD.

- (b) Agile Real Estate shall render all assistance to Agile PJD with regards to the establishment of Agile PJD's management, operation, administration and project departments; and recruitments of suitable employees to carry out businesses of Agile PJD in accordance to the SA.

3.1.4 Eventual issued and paid-up capital

Upon completion of the Proposed SA, the eventual issued and paid-up share capital of Agile PJD will be RM400,000 comprising 400,000 ordinary shares of RM1.00 each and RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each respectively.

3.1.5 Sources of funds

The equity participation of MM2H in Agile PJD will be from internal funds and external financing.

3.2 Details of the Proposed Disposal

3.2.1 Basis and justification of arriving at the total cash consideration

The sale consideration of RM186,043,888 ("Purchase Price") was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the management's best estimate of the indicative market value of Land and the estimated market value of the properties within the vicinity of the said Land.

3.2.2 Salient Terms and Conditions of the SPA

- (i) The SPA shall be conditional upon the fulfillment of the following conditions precedent:-
 - (a) the attainment by the Purchaser of the requisite approval from Economic Planning Unit, Prime Minister's Department;
 - (b) the attainment by the Purchaser of the requisite consent from the State Authority to the transfer of the said Land in favour of the Purchaser pursuant to Section 433B of the National Land Code, 1965; and
 - (c) such other legal or regulatory requirements as may be imposed on the Purchaser for the acquisition of said Land not expressly covered herein;(hereinafter collectively called "the Conditions Precedent").
- (ii) In the event that the Conditions Precedent cannot be obtained within six (6) months from date of the SPA or such period as may be mutually extended by the parties hereto, then either party shall be at liberty to terminate the SPA by notice in writing to the other party, whereupon the Vendor shall be liable to refund all moneys paid by the Purchaser towards the Purchase Price pursuant to the SPA free from interest.

- (iii) Mode of payment :-
 - (a) Upon the execution of the SPA, the Purchaser shall pay to the Vendor's solicitors' as stakeholders ten per centum (10%) of the Purchase Price, as deposit and towards part payment of the Purchase Price; and
 - (b) The balance of the Purchase Price of ninety per centum (90%) of the Purchase Price shall be paid to the Vendor's Solicitors as stakeholders within three (3) months from the date of the last of the Conditions Precedent is fulfilled.
- (iv) Estimated time frame for completion
 - (a) The Proposed Disposal is expected to be completed within four (4) months from date of the SPA or such period as may be mutually extended by the said parties.
 - (b) Barring unforeseen circumstances, the Proposed Disposal is expected to be completed by the second half of the calendar year 2014.

3.2.3 Information on the Purchaser

Agile PJD Development Sdn Bhd (formerly known as Rexpoint Capital Sdn Bhd) was incorporated in Malaysia on 3 January 2014 under the Companies Act, 1965 as a private limited company and having its registered office and business office at having its registered office and business office at Level 18, The Gardens North Tower, Mid Valley, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The present authorized share capital of Agile PJD is RM400,000 comprising 400,000 ordinary shares of RM 1.00 each and the issued and paid-up capital is RM10.00 comprising 10 ordinary shares of RM1.00 each.

The principal activity of Agile PJD is in property investment.

3.2.4 Information on the Vendor

PJD Regency Sdn Bhd was incorporated in Malaysia on 8 December 1999 under the Companies Act, 1965 as a private limited company and having its registered office and business office at 18th Floor, Plaza OSK, Jalan Ampang 50450 Kuala Lumpur.

The present authorized share capital of PJDR is RM5,000,000 comprising 5,000,000 ordinary shares of RM 1.00 each and the issued and paid-up capital is RM2,500,000 comprising 2,500,000 ordinary shares of RM1.00 each.

PJDR is principally involved in property development.

4. RATIONALE FOR THE PROPOSALS

The Proposals is envisaged to unlock the value of the Land whilst the Company stands to receive upfront cash consideration of RM RM186,043,888 and future earnings arising from the joint development of the Land.

Further, with the formation of a partnership with an established foreign property investment company, the Company will have the opportunity to pursue new exploits in the innovative property industry as well as obtaining a wider customer base vide the said partnership.

Additionally, it is also pertinent to note that the proceeds received from the Proposed Disposal will be channeled towards working capital and repayment of bank borrowings.

5. EFFECTS OF THE PROPOSED ACQUISITION

5.1 Share Capital and Substantial Shareholders' shareholding

The Proposals does not have any impact on the issued and paid up share capital of the Company, the substantial shareholders' shareholding and the shareholding structure.

5.2 Net Assets ("NA"), Net Assets per share and Gearing

Based on the audited consolidated statement of financial position of the PJDH Group as at 30 June 2013, net assets per share of the Group will increase by approximately RM0.12 per share as a result of the post tax net gain arising from the Proposed Disposal of RM52.7 million.

In addition, the gearing of the PJDH Group will also reduce as the proceeds received from the Proposed Disposal will be partially utilised towards the repayment of bank borrowings.

5.3 Earnings and Earnings Per share ("EPS")

The Proposal Disposal is expected to realize a post tax net gain of RM52.7 million representing earning per share of approximately RM0.12 per share.

6. INTEREST OF THE DIRECTORS, MAJOR SHAREHOLDERS AND /OR PERSONS CONNECTED WITH THEM

None of the Directors and/or substantial shareholders and/or persons connected with the directors and/or major shareholders of PJDH have any interest, direct or indirect in the Proposals.

7. CASH COMPANY OR PN17 COMPANY

The Proposed Disposal will not result in PJDH Group becoming a cash company or a PN17 company, as defined under the Main Market Listing Requirements of Bursa Malaysia

8. APPROVALS REQUIRED

The Proposals is not subject to the approval of the shareholders of PJDH other than the relevant Authorities mentioned under Conditions Precedent.

9. DIRECTORS' STATEMENT

The Board of Directors of PJDH having carefully considered all aspects of the Proposals is of the opinion that the Proposals is in the best interest of PJDH Group.

10. PERCENTAGE RATIOS UNDER PARAGRAPH 10.02(G) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The highest percentage ratio triggered for the Proposals pursuant to paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 19.4% being the total cash consideration compared to the net assets of PJDH Group based on the Company's audited financial statements for the financial year ended 30th June 2013.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, from Monday to Friday (except public holidays) during normal business hours for a period of three (3) months from the date of this announcement :-

The SA and the SPA in relation to the Proposals is available for inspection at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, from Monday to Friday (except public holidays) during normal business hours for a period of three (3) months from the date of this announcement.

**For and On Behalf of
PJ Development Holdings Berhad**

**Wong Chong Shee
Managing Director**