

Share Sale Agreements between KrisAssets Holdings Berhad (“KA”) and IGB Corporation Berhad (“IGB”) in relation to the disposal by KA of the entire equity interests in Mid Valley City Sdn Bhd (“MVC”) and Mid Valley City Gardens Sdn Bhd (“MVCG”) for a total cash consideration of RM200,000

1.0 Introduction

The Board of Directors of KA (“Board”) wishes to announce that KA had on 15 March 2013 entered into 2 Share Sale Agreements (“SSAs”) with IGB (“Purchaser”) for the following disposals:

- (a) 100,000 ordinary shares of RM1.00 each in MVC, representing 100% of the issued and paid-up share capital of MVC, for a cash consideration of RM100,000 to be satisfied by cash (“MVC Disposal”); and
- (b) 100,000 ordinary shares of RM1.00 each in MVCG, representing 100% of the issued and paid-up share capital of MVCG, for a cash consideration of RM100,000 to be satisfied by cash (“MVCG Disposal”)

MVC Disposal and MVCG Disposal are collectively referred to as the “Disposal”.

Reference is made to items 4.1 and 9 of KA’s Circular to Shareholders dated 24 June 2012 (“Circular”). The relevant paragraphs in the Circular stated that the Board of Directors of KA has no intention to maintain the listing status of KA.

KA will convene an extraordinary general meeting to seek its shareholders’ approval to wind-up KA (“Proposed Winding-up”). An application will be submitted to delist KA from the Official List of Bursa Securities after the receipt of the approval of KA shareholders for the Proposed Winding-up.

In order to facilitate the Proposed Winding-up, MVC and MVCG are disposed off to IGB at the remaining net asset value (“NAV”) after completion of the Proposed Distribution and the latter was completed on 6 February 2013.

Following the execution of the SSAs, MVC and MVCG ceased to be subsidiaries of KA.

2.0 Information on IGB

(a) IGB

IGB was incorporated as a private limited company under the Companies Act 1965 (“Act”) on 12 November 1964 as Ipoh Garden Limited. On 15 April 1966, it changed its name to Ipoh Gardens Sdn Berhad and was converted into a public limited company on 16 May 1975 under the name of Ipoh Garden Berhad. IGB was listed on the Main Board of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 10 September 1981 and assumed its present name on 11 February 1984. The present issued and paid-up share capital of IGB is RM745,148,003.50. IGB is the holding company of KA with an interest of 63.5%. The principal activities of IGB Group are investment holding, property development, property investment and management, hotel operations and construction.

(b) MVC

MVC was incorporated in Malaysia as a private limited company under the Act as Bandar Incorporated Development Sdn Bhd on 26 June 1983 and assumed its present name on 16 June 1989. The present issued and paid-up share capital of MVC is RM100,000. MVC is principally engaged in providing management services or businesses/services of a service provider.

Based on its audited financial statements for the financial year ended 31 December 2012 (“FY2012”), MVC recorded a profit after tax of RM2.129 billion. Excluding the gain on disposal of investment property i.e. Mid Valley Megamall (“MVM”) and related assets to IGB Real Estate Investment Trust (“IGB REIT”) as well as fair value gains on MVM and assets held for sale of RM2.083 billion, the profit after tax of MVC for FY2012 was RM46.0 million. Following the disposal of MVM, MVC ceased to be the owner and operator of MVM. MVC is presently the service provider for the Property Manager of IGB REIT.

Subsequent to FY2012, MVC has carried out a capital reduction and repayment exercise (“CRR”) and declared dividends to KA, being capital in excess of MVC’s needs post-disposal, as well as to facilitate the capital repayment and special dividend to entitled shareholders of KA (“CRR Exercise”).

Based on the condensed interim financial information of MVC as at 28 February 2013, the NAV of MVC as at 28 February 2013 was RM100,000 (“MVC NAV”).

(c) MVCG

MVCG was incorporated in Malaysia as a private limited company under the Act as IEH Corporation Sdn Bhd on 5 September 1989 and assumed its present name on 28 October 2004. The present issued and paid-up share capital of MVCG is RM100,000. MVCG is principally engaged in providing management services or businesses/services of a service provider.

Based on its audited financial statements for FY2012, MVCG recorded a profit after tax of RM397.8 million. Excluding the gain on disposal of investment property i.e. The Gardens Mall ("TGM") and related assets to IGB REIT as well as fair value gains on TGM and assets held for sale of RM366.4 million, the profit after tax of MVCG for FY2012 was RM31.4 million. Following the disposal of TGM, MVCG ceased to be the owner and operator of TGM. MVCG is presently the service provider for the Property Manager of IGB REIT.

Subsequent to FY2012, MVCG has carried out a CRR and declared dividends to KA, being capital in excess of MVCG's needs post-disposal, as well as to facilitate the CRR Exercise.

Based on the condensed interim financial information of MVCG as at 28 February 2013, the NAV of MVCG as at 28 February 2013 was RM100,000 ("MVCG NAV").

3.0 Consideration

The total consideration of RM200,000 is based on MVC NAV and MVCG NAV, and has been paid by IGB to KA on the date of execution of the SSAs.

4.0 Effects of the Disposal

The Disposal has no effect on KA's share capital and the substantial shareholders' shareholdings. The Disposal is not expected to have any material financial effect either on KA's earnings per share or net assets per share.

5.0 Approvals required

The Disposal is a related party transaction pursuant to paragraph 10.08 of the Main Market Listing Requirements ("MMLR") of Bursa Securities. The Disposal is not subject to the approval of KA's shareholders as the total value of consideration of RM200,000 is less than RM250,000 as set out in paragraph 10.08(1)(a) of the MMLR. The Disposal is also not subject to the approval from the relevant authorities.

6.0 Interests of Directors, Major Shareholders and/or persons connected with them

Save as disclosed below, none of KA's Directors, Major Shareholders or persons connected to them have any interest, direct or indirect, in the Disposal:

- (a) Robert Tan Chung Meng, Tan Boon Lee, Tan Lei Cheng, Daniel Yong Chen-I and Elizabeth Tan Hui Ning (collectively, "Interested Directors") are deemed interested in the Disposal by virtue of their direct and/or indirect shareholdings in KA and IGB. Accordingly, the Interested Directors have abstained from Board deliberations and voting on the resolution pertaining to the Disposal.
- (b) IGB, Goldis Berhad, Tan Chin Nam Sdn Bhd, Tan Kim Yeow Sdn Bhd, Wah Seong (Malaya) Trading Co. Sdn Bhd, Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat (collectively, "Major Shareholders") are deemed interested in the Disposal by virtue of their direct and/indirect shareholdings in KA and IGB.

7.0 Directors' Statement

The Board (save for the Interested Directors) has considered all aspects of the Disposal and is of the view that the Disposal is in the best interest of KA.

8.0 Documents for inspection

The SSAs are available for shareholders' inspection for three months from the date of this announcement during normal business hours at the registered office of KA at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.