

1. INTRODUCTION

The Board of Directors of L&G ("**Board**") is pleased to announce that BTSB had on 22 December 2010 entered into a conditional sale and purchase agreement (the "**SPA**") with SGRB for the proposed acquisition of the Properties for a total purchase consideration of RM25,000,000 (the "**Purchase Consideration**") to be settled in cash ("**Proposed Acquisition**").

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on BTSB, the Purchaser

BTSB is a private limited company incorporated in Malaysia on 22 October 2009 under the Companies Act, 1965 ("**Act**"). As at 22 December 2010, the authorised share capital of BTSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 2 shares have been issued and fully paid-up. BTSB is principally involved in property development.

2.2 Information on SGRB, the Vendor

SGRB was incorporated as a private limited company on 2 September 1991 under the Act as Seremban Golf Resort Sdn Bhd. It subsequently converted into a public limited company on 15 January 1993 and since then assumed its present name.

As at 22 December 2010, the authorised share capital of the Vendor is RM15,000,000 comprising 15,000,000 ordinary shares of RM1.00 each of which 13,598,400 shares have been issued and fully paid-up. The Vendor was previously involved in recreational golf and family resort, property holdings and development and related services.

As at the date of this announcement, the registered shareholders of SGRB are FEH Land & Leisure Sdn Bhd (53.44%), Y.A.M Tunku Jawahir Binti Tuanku Ja'afar (14.75%), Metropolitan Portfolio Sdn Bhd (13.83%), Jacob Lim Hoon Teong (7.28%), Yeo Hock Boon @ Yeo Chew Kang (5.46%), Leow Lee Keng (4.14%), and Lim Hoong Hoom (1.09%).

The Vendor is the registered proprietor of the Properties and the Properties are currently charged to a financial institution ("**Chargee**"). Pursuant to the Deed of Debenture dated 28 August 1995, 24 November 1997, 26 January 1999 and 23 August 2004 made between the Vendor and the Chargee ("**Debentures**"), the Chargee appointed Ong Kong Lai and Wong Cham Mew of O&M Corporate Advisory Sdn Bhd as the Receiver and Managers of the Properties, other properties, assets and undertakings of the Vendor on 8 January 2007.

The High Court of Malaya at Kuala Lumpur had on 14 December 2006 granted an order that the Vendor be wound up pursuant to the Winding-up Petition No. D4-28-714-2006 and Lean Chee Seng of Lean Oh & Associates was appointed as Liquidator for the Vendor ("**Liquidator**") pursuant to the court order dated 31 March 2008.

2.3 Information on the Properties

The Proposed Acquisition involves the acquisition of ten (10) parcels of land improved with 27-hole golf course with a club house and other supporting facilities, five (5) parcels of vacant residential development land, forty-four (44) parcels of vacant bungalow plots, a single storey bungalow house and a parcel of industrial plot designated for TNB substation. The Properties are situated within the Tuanku Jaafar Golf and Country Resort ("**TJGCR**"), Seremban. Kuala Lumpur city and Seremban

town are located approximately eighty (80) kilometres and fourteen (14) kilometres to the north-west of the Properties.

TJGCR comprises a 27-hole golf course with a club house together with sporting facilities, food and beverage outlets, detached plots and residential lands. It is situated off the eastern side of the North South (PLUS) Highway and is presently accessible from the same highway.

The Properties are to be acquired from the Vendor free from all encumbrances. Further details of the Properties are attached herein as Appendix I to this announcement.

2.4 Salient terms and conditions of the SPA

2.4.1 Settlement of the Purchase Consideration

The Purchase Consideration shall be paid by BTSSB to the Vendor in the following manner: -

- (i) the sum of RM1.25 million paid by the Purchaser to the Vendor as earnest deposit, prior to the execution of the SPA, on 30 April 2010;
- (ii) the sum of RM1.25 million paid by the Purchaser to the Vendor upon the execution of the SPA; and

(the amounts in (i) and (ii) above is collectively the "**Deposit**").

- (iii) the balance of the Purchase Consideration amounting to RM22.50 million shall be paid by the Purchaser to the Vendor's Solicitors within the Completion Period or the Extended Completion Period (as defined in the SPA), as the case may be ("**Balance Purchase Consideration**").

2.4.2 Conditions Precedent

The Proposed Acquisition shall be subject to conditions precedent stated below and which shall be procured within six (6) months from the date of the SPA or any such reasonable extension of time as may be granted by the party not applying for the same, at its absolute discretion:-

- (i) The Purchaser obtaining the unconditional written consent from the Economic Planning Unit, Malaysia ("**EPU**") for the purchase of the Properties;
- (ii) The Purchaser obtaining the unconditional written consent from the relevant State Authority for the purchase of the Properties, if required; and
- (iii) the Vendor procuring a redemption statement and undertaking from the Chargee in favour of the Purchaser (in such form and terms as ordinarily issued by a chargee) confirming that the redemption sum is equivalent or lesser than the Purchase Consideration and undertaking to deliver to the Purchaser or the Purchaser's financier's solicitors, as the case may be, the Discharge, the Title and all relevant documents upon payment of the said redemption sum.

2.4.3 Non-Fulfilment of the Conditions Precedent

In the event of non-fulfilment of the conditions precedent, the parties shall be at liberty to terminate the SPA by notice in writing to the other and upon such termination:-

- (i) the Deposit paid by the Purchaser shall be refunded, free from interest, within fourteen (14) days of termination;
- (ii) the Purchaser shall, upon receipt of the Deposit, return the Transfer (as defined in the SPA) and all the relevant documents to effect the transfer of the Properties in favour of the Purchaser to the Vendor;
- (iii) the Purchaser shall, upon receipt of the Deposit, re-deliver or cause to be re-delivered to the Vendor the legal/vacant possession of the Properties;
- (iv) the Purchaser shall, upon receipt of the Deposit, remove/uplift caveats(s) or any encumbrances lodged by the Purchaser over the Properties; and

thereafter neither party shall have any claims against the other save and in respect of any antecedent breach.

2.4.4 Removal of Caveats and Encumbrances

- (i) The Vendor covenants and undertakes to remove or cause the Chargee to remove all valid caveats and encumbrances (save for the charges in favour of Chargee (which shall be removed in the manner provided in the SPA) and any encumbrances created by the Purchaser, lawful assignee, successors and/or arising from any dealings, claims and transactions related to the Purchaser) lodged or created on the Properties within a period of six (6) months from the date of the SPA; and
- (ii) the Vendor undertakes to procure the compliance of the above clause within the time frame stipulated therein but in any event no later than nine (9) months from the date of the SPA or such other period as shall be mutually agreed upon, failing which the Purchaser shall be entitled to impose the provisions of the Section 2.4.4 below.

2.4.5 Default by the Vendor

In the event the Vendor shall:-

- (a) fail, refuse or neglect to complete the sale and transfer of the Properties to the Purchaser free from encumbrances, restraints, caveats or liens in accordance with the provisions of the SPA; or
- (b) commit any breach of any of the provisions of the SPA, and if the same is capable of being remedied, is not remedied within fourteen (14) days from the date of being so notified by the Purchaser or the Purchaser's solicitors.

then it is agreed between the parties that without prejudice to any other rights or remedies that the Purchaser may have, the Purchaser shall be at liberty to:

- (a) either take such action in law to compel the Vendor by way of specific performance to complete the sale and for damages;

(b) or forthwith terminate the SPA by giving a notice in writing to the Vendor whereupon:-

- (aa) the Vendor shall within fourteen (14) days refund to the Purchaser free from interest the Deposit and all moneys previously paid by the Purchaser to the Vendor or for the Vendor's benefit pursuant to the provisions of the SPA and re-deliver or cause to be redelivered to the Purchaser all documents which have been exchanged between the parties pursuant to the SPA;
- (bb) the Purchaser shall, upon receipt of the refund referred to in the preceding paragraphs, re-deliver or cause to be re-delivered to the Vendor vacant/legal possession of the Properties, if the same has been delivered by the Vendor to the Purchaser ;

and subject to the aforesaid, the SPA shall become null and void and shall cease to have any further effect and neither party hereto shall have any further claims against the other save and except for any antecedent breach.

2.4.6 Purchaser's Shareholders' Approval

- (i) The Purchaser agrees and undertakes to procure L&G to convene an Extraordinary General Meeting ("EGM") to seek the shareholder's approval for the acquisition of the Properties in the manner provided in the SPA within three (3) months from the date of the SPA.
- (ii) In the event the EGM approval cannot be obtained, the Purchaser shall immediately give written notice to the Vendor and at the sole cost and expense of the Purchaser, to assign and/or novate all the Purchaser's rights, obligations and interests to an assignee nominated by the Purchaser to acquire the Properties based on the same terms and conditions as the SPA. The parties shall enter into a Deed of Novation cum Assignment of all rights, obligations, and interests herein in favour of the Purchaser's assignee.

2.4.7 Default by the Purchaser

In the event the Purchaser shall fail to pay the Balance Purchase Consideration or any part thereof on or before the Extended Completion Period (as defined in the SPA) in accordance to the provisions of the SPA and/or should commit a material breach of any the provisions of the SPA, the Vendor shall be entitled to terminate the SPA and the Deposit shall be forfeited by the Vendor as agreed liquidated damages and all other monies paid herein by the Purchaser shall be refunded to the Purchaser.

2.5 Basis of arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a willing buyer and willing seller basis, after taking into consideration the indicative valuation on the Properties carried out by Raine & Horne International Zaki + Partners Sdn Bhd ("**Valuers**"), an independent firm of valuers appointed by the Company. The Valuers had vide their letter dated 20 December 2010 assessed the indicative market value of the Properties at RM37.372 million using the Comparison method and Cost method of Valuation.

2.6 Source of funding for the Purchase Consideration

The Purchase Consideration for the Proposed Acquisition will be satisfied entirely in cash which will be financed in the following manner:-

Description	RM'million
Internally generated funds	10.00
Bank borrowings	15.00
Total	25.00

2.7 Assumption of Liabilities

There are no other liabilities, including contingent liability and guarantee, to be assumed by L&G and its subsidiaries (“**L&G Group**” or “**Group**”) arising from the Proposed Acquisition.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Properties will provide an opportunity for the L&G Group to expand and complement its existing business of property development of residential and commercial properties. It would also serve as an opportunity for the L&G Group to venture and penetrate into the development activities in the vicinity of Senawang and Seremban in Negeri Sembilan.

In addition, the Proposed Development is expected to enhance L&G’s future revenue stream which in turn is expected to contribute positively to the L&G Group’s financial performance in the future.

Based on the aforesaid, the Board is of the view that the Proposed Acquisition provides an excellent and timely opportunity for the efficient deployment of the Group’s surplus financial resources in order to achieve a better return for its shareholders in the long term.

4. OUTLOOK AND PROSPECTS

The Properties are located within TJGCR in Senawang and are approximately about ten (10) minutes drive from Seremban, the state capital of Negeri Sembilan. TJGCR is a fully matured residential & golf resort with the entire major infrastructure fully constructed and completed. The availability of such existing infrastructure is expected to augur well for the development of residential units on the Properties.

Within its vicinity are established neighbourhoods which include Taman Tuanku Jaafar, Taman Tengku Najihah, Taman Senawang Jaya, Taman Senawang Indah, Taman Desa Dahlia, Taman Desa Melor, Taman Satria, and Taman Cempaka. These are all residential developments which are fully developed and occupied.

TJGCR is a well known residential development & golf resort not only locally but also internationally. There are already a host of amenities & facilities within TJGCR such as club house, food and beverage outlets, changing rooms, swimming pool, a big function hall (with badminton courts), function rooms, driving range, tennis courts, etc.

It is easily accessible from the KL-Seremban Highway within five (5) minutes via the Senawang Toll and just ten (10) minutes from Seremban. In addition, there are also a number of huge factories operating within Senawang at the Tuanku Jaafar Industrial Park with tenants such as Samsung, Philips Semiconductors, Baerlochem (M) Sdn Bhd, Shin Wha Intertek (M) Sdn Bhd & Sanpo Seimitsu Sdn Bhd.

The Group intends to develop the Properties into an upscale high quality residential development with a modern tropical concept which shall include bungalow lots, double-storey cluster semi-detached houses, link cluster houses and apartments (“**Proposed Development**”). The estimated gross development value of the Proposed Development is RM555 million with an estimated gross development cost of RM419.54 million (excluding land cost) and estimated gross development profit of RM135.52 million (excluding land cost). The Proposed Development will be financed through internally generated funds and borrowings.

The Group is in the midst of finalising the master plan for the Proposed Development. Subject to obtaining all the approvals for the Proposed Development from the relevant authorities, the Proposed Development is expected to commence in the year 2011/2012, and to be developed over a span of six (6) years with target completion in 2018.

5. RISK FACTORS

The Company has considered the following in their evaluation of the investment risks associated with the Proposed Acquisition.

5.1 Political, Economic and Regulatory Considerations

Adverse developments in political, economic and regulatory conditions in Malaysia, could materially and adversely affect the financial prospects of the L&G Group and the Properties. Political and economic uncertainties include but are not limited to changes in labour laws, availability of labour, a switch in political leadership and/or changes in the government policies on interest rates, methods of taxation and licensing regulations. These factors affect all players in the property industry and are generally beyond the management's control.

However, the Group will continuously take reasonable steps to mitigate the above risks and to respond and adapt to the ever-changing economic and regulatory environment in order to alleviate any difficulties arising from the changes in the political, economic and regulatory circumstances should they arise in future. Notwithstanding the above, there can be no assurance that these changes will not materially affect the L&G Group.

5.2 Business Risk

As the L&G Group is principally involved in property development, the Company is subject to certain business risks inherent in the property development industry. These business risks may include but are not limited to, changes in general economic conditions, government regulations, inflation, competitions from existing players and new entrants, shortage of labour for project completion, disruption in the supply of building materials, non-renewal of licenses and risks relating to the financing of the Proposed Acquisition.

Despite the fact that the management continuously seeks to limit and mitigate these risks through the implementation of prudent business strategies, continuous review of the operation and marketing strategies, efforts taken to improve efficiency, as well as, close monitoring of the Company's property development projects and the Group's cash flows, there can be no assurance that any change to these risks would not have any material adverse impact on the Group's ongoing or future business undertakings.

5.3 Competition

The Group's business faces competition from various competitors including local and foreign property developer, which include availability of strategically located and reasonably priced land banks. The property development market is highly competitive.

The Group will continue to take measures to mitigate competition risk such as conducting market intelligence surveys, monitoring and adjusting development and marketing strategies in response to changing economic conditions and market demand.

5.4 Delays in commencement and completion of the development projects

The timely completion of property development projects are dependant on many external factors, including inter-alia, obtaining the necessary approvals from land offices, planning authorities and local councils as scheduled, securing construction materials in adequate amounts and the satisfactory performance by our appointed building contractors.

It has been the Group's commitment to closely monitor the progress of the development projects and endeavor to promptly rectify any setbacks in order to ensure the Group's performance is not adversely affected.

5.5 Cost of material and development projects

The materials used in development projects represent a significant portion of the L&G Groups' total development costs. These materials are global commodities, for which their availability and prices depend on local and global market conditions. The volatility in petroleum prices, the revision of electricity tariffs and the lifting by the Government of the ceiling prices for steel and cement in Malaysia have created more uncertainty and fluctuation in transportation costs and the cost of building materials. Any fluctuation in transportation and materials costs will inevitably affect the Group's profit margins if the Group is unable to fully pass on any cost increase to the customers.

Notwithstanding that there would be fluctuating costs, L&G has considered such costs fluctuation when the Company embarks on a new project and will seek to limit these risks through, inter-alia, innovative pricing financial policy, close supervision on the projects and effective cost management.

5.6 Default by the Purchaser

In the event of default by the Purchaser of the terms of the SPA, that include, the failure to pay the Balance Purchase Consideration or any part thereof in accordance to the SPA, material breach of any provisions of the SPA and/or in the event the Purchaser's shareholders do not approve the Proposed Acquisition, the Vendor shall be entitled to terminate the SPA upon giving a notice in writing to the Purchaser, and upon such termination the Deposit shall be forfeited.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share capital and Major Shareholders' Shareholding

The Proposed Acquisition will not have any effect on the share capital and the major shareholders' shareholding of L&G as it does not involve any issue of new shares by L&G.

6.2 Net Asset and Gearing

	Audited as at 31 March 2010	After the Proposed Acquisition
	RM'000	RM'000
Share capital	119,661	119,661
Share premium	17,036	17,036
Reserves	20,310	20,310
Retained earnings	74,835	74,835
Shareholders funds/ Net assets	231,842	231,842
No of shares of RM0.20 each ('000)	598,305	598,305
Net Asset per share (RM)	0.39	0.39
Total Borrowings ('000)	484	15,484*
Gearing (times)	**	0.07

Notes:

* *After incorporating L&G's borrowings of RM15 million to fund the Proposed Acquisition.*

** *Negligible*

6.3 Earnings

The Proposed Acquisition will not have any material effect on the consolidated earnings and consolidated earnings per share of L&G for the financial year ending 31 March 2011. Nevertheless, barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings of L&G as and when the Properties are developed and sold.

7. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02 (g) of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements is approximately 10.78% based on the latest audited financial statements of L&G as at 31 March 2010.

8. MAJOR SHAREHOLDERS' AND DIRECTORS' INTEREST

The Proposed Acquisition is deemed as a related party transaction under Bursa Securities' Listing Requirements due to the interests of a person connected to the major shareholder of L&G. Mr Dennis Chiu is a major shareholder of FEH Land & Leisure Sdn Bhd, which in turn is a major shareholder of SGRB. Mr Dennis Chiu is deemed as a person connected to the major shareholders of L&G as set out below.

8.1 Major shareholders' interests

Mayland Parkview Sdn Bhd ("**MPSB**") is a major shareholder of L&G, holding 16.94% equity interest in L&G as at 22 December 2010. MPSB is a wholly-owned subsidiary of Malaysia Land Properties Sdn Bhd ("**MLP**"), which in turn is a wholly-owned subsidiary of Prestige Aspects Sdn Bhd ("**PASB**").

Tan Sri Dato David Chiu is a major and controlling shareholder of PASB via his interest in the holding company of PASB. Therefore Tan Sri Dato David Chiu is deemed as a major shareholder of L&G through his deemed interest of 16.94% in L&G. Tan Sri Dato David Chiu is the brother of Mr Dennis Chiu, the major shareholder of SGRB.

Accordingly, MPSB and Tan Sri Dato David Chiu, the major shareholders of L&G via their direct and/or indirect interest in L&G, are deemed interested in the Proposed Acquisition. They will abstain and ensure that persons connected to them will abstain from voting in respect of their respective direct and/or indirect interest in L&G, if any, on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM to be convened.

8.2 Directors' interests

Mr Low Gay Teck, the Managing Director of L&G, is a nominee director of MPSB on the Board of L&G. Mr Low Gay Teck is also director of MPSB and MLP.

Dato' Muhammad Khairun Aseh, the non-independent non-executive director of L&G is also the nominee director of MPSB on the Board of L&G.

Ms Wing Kwan Winnie Chiu, a non-independent non-executive director of L&G is also the nominee director of MPSB on the Board of L&G. Ms Wing Kwan Winnie Chiu is also a director of MPSB and MLP.

Mr Hoong Cheong Thard, a non-independent non-executive director of L&G is also a nominee director of MPSB on the Board of L&G and a member of the Audit Committee of L&G.

The direct and indirect interests of the interested Directors in respect of the Proposed Acquisition as at 22 December 2010 are as follows:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Low Gay Teck	-	-	-	-
Dato' Muhammad Khairun Aseh	-	-	-	-
Wing Kwan Winnie Chiu	-	-	101,380,000*	16.94
Hoong Cheong Thard	-	-	-	-

Note: * Deemed interest through MPSB pursuant to Section 6A of the Act.

As such, Mr Low Gay Teck, Dato' Muhammad Khairun Aseh, Ms Wing Kwan Winnie Chiu and Mr Hoong Cheong Thard ("**Interested Directors**"), are deemed interested in the Proposed Acquisition. Accordingly the Interested Directors have abstained from deliberating and voting on the relevant resolutions pertaining to the Proposed Acquisition at the Board meetings of L&G. The Interested Directors will also abstain and ensure that persons connected to them will abstain from voting in respect of their respective direct and/or indirect interest in L&G, if any, on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM to be convened.

Save as disclosed above, none of the other major shareholders and/or Directors of L&G and/or persons connected to them have any interest, direct or indirect, in the Proposed Acquisition.

9. OTHER TRANSACTIONS WITH THE RELATED PARTIES

Save for the Proposed Acquisition, there have been no other transactions entered into between the Company and the related parties to the Proposed Acquisition in the twelve (12) months preceding the date of this announcement.

10. APPROVALS REQUIRED

The Proposed Acquisition is subject to the approval(s) being obtained from the following authorities/parties:

- (i) the EPU ;
- (ii) the shareholders of L&G for the Proposed Acquisition at an EGM to be convened by the Company; and
- (iii) any other parties and/or relevant authorities, if required.

The applications to the authorities in relation to the Proposed Acquisition are expected to be made within two (2) months from the date of this announcement.

11. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in the third quarter of calendar year 2011.

12. INDEPENDENT ADVISER

As highlighted in Section 8 above, the Proposed Acquisition is deemed to be a related party transaction. Accordingly, in compliance with Chapter 10 of the Listing Requirements, L&G has appointed Kenanga Investment Bank Berhad as the independent adviser to the Company in respect of the Proposed Acquisition.

13. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors who have abstained from all deliberations on the Proposed Acquisition), having considered all aspects of the Proposed Acquisition, including but not limited to the rationale, financial effects, valuation and risks associated with the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

14. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of L&G (save for Mr Hoong Cheong Thard, who has abstained from all deliberations on the Proposed Acquisition), after having considered all aspects of the Proposed Acquisition, including but not limited to the rationale, financial effects, valuation and risks associated with the Proposed Acquisition, is of the opinion that the Proposed Acquisition is:

- (i) in the best interest of L&G;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders.

The Audit Committee has sought the opinion of the Independent Adviser in forming its views in relation to the Proposed Acquisition and has concurred with the Independent Adviser's findings that the financial terms of the Proposed Acquisition are fair and reasonable and not detrimental to the non-interested shareholders of L&G.

15. DOCUMENTS FOR INSPECTION

The SPA and letter from the Valuers dated 20 December 2010 are available for inspection at the registered office of L&G at Level 5, Block D, Damansara Business Park, Persiaran Industri, Bandar Sri Damansara, 52200 Kuala Lumpur, during normal office hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 22 December 2010.