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## **JOINT ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY**

#### **SUMMARY**

TTLL Board and AIHL Board are pleased to announce that on 3 December 2009, the Vendor, AH Resort, AH Villas, AH View and the Purchaser entered into an Agreement regarding the Disposal. The Vendor is a wholly owned subsidiary of AIHL and is the holding company of AH Land which in turn holds AH Resort as to 99.98%, AH Villas as to 100% and AH View as to 100%.

The Property mainly comprises the Golf Course Land, the Golf Resort which is situated on the Golf Course Land, the Condominium Land and the Bungalow Land. The Property is in Johor Bahru, Johor, Malaysia with a total area of approximately 453.14 acres. The Golf Course Land is registered in the name of AH Resort. The Condominium Land is registered in the name of AH View. Out of the eighty five (85) pieces of the Bungalow Land, fifty three (53) pieces are registered in the name of AH Villas and thirty two (32) pieces are registered in the name of Light Industrial.

For the development and operation of the Golf Resort, the Vendor has extended to AH Land loans which were advanced to AH Resort, AH Villas and AH View. As at 30 June 2009, the outstanding loans stood at an aggregate amount of HK\$422,792,335.77.

As security for the aforesaid loans advanced by the Vendor, AH Resort had deposited the title deeds of the Golf Course Land with the Vendor which had caused a lien-holder's caveat to be lodged on the Golf Course Land with the Land Registry, Johor Bahru, Malaysia in accordance with the provisions of the National Land Code 1965 of Malaysia.

The aforesaid loans are repayable to the Vendor. In consideration of the Vendor agreeing at the request of AH Resort, AH Villas and AH View not to enforce the lien, the parties reached an amicable settlement whereby the Property shall be disposed of and the net proceeds from the Disposal be paid directly to the Vendor in discharge of the indebtedness of AH Resort, AH Villas and AH View to AH Land and in turn in discharge of AH Land's indebtedness to the Vendor. The Vendor and AH Land agreed to accept the payments referred to in the Agreement as full and

final settlement of all sums owing to them respectively. The financing of the Golf Resort has resulted in a long term inter-Group loan. The development and operation of the Golf Resort is not a profitable investment for the Group and the Disposal will recoup and enable the repayment of inter-Group loans used to finance the Golf Resort. The net proceeds from the Disposal would be retained by the Vendor up to the amount of the aforesaid loans, with the excess being retained by the Proprietors.

More than one applicable percentage ratios calculated under Chapter 14 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%. The Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

**As the Disposal may or may not proceed, TTLL Shareholders, AIHL Shareholders and potential investors are advised to exercise caution in dealing in TTLL Shares and AIHL Shares respectively.**

**At the request of TTLL and AIHL, trading in the shares in each of TTLL and AIHL on the Stock Exchange were suspended from 9:30 a.m. on 4 December 2009 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares in each of TTLL and AIHL with effect from 9:30 a.m. on 14 December 2009.**

TTLL Board and AIHL Board are pleased to announce that on 3 December 2009, the Vendor, AH Resort, AH Villas, AH View and the Purchaser entered into an Agreement regarding the Disposal.

## **THE AGREEMENT**

### **Date**

3 December 2009

### **Parties to the Agreement**

Vendor: Associated International Resorts Limited

Proprietors: Austin Hills Country Resort Berhad  
Austin Hills Villas Sdn. Bhd.  
Austin Hills View Sdn. Bhd.

Purchaser: Detik Hartamas Sdn. Bhd.

### **Information relating to the Property**

The Property mainly comprises the Golf Course Land, the Golf Resort which is situated on the Golf Course Land, the Condominium Land and the Bungalow Land. The Property is in Johor Bahru, Johor, Malaysia with a total area of approximately 453.14 acres. The Golf Course Land is registered in the name of AH Resort. The Condominium Land is registered in the name of AH View. Out of the eighty five (85) pieces of the Bungalow Land, fifty

three (53) pieces are registered in the name of AH Villas and thirty two (32) pieces are registered in the name of Light Industrial. The aforesaid thirty two (32) pieces of land are subject to the restriction that they may only be sold to Bumiputra unless the Relevant Authority approves otherwise. Pursuant to an agreement between Light Industrial and AH Resort, Light Industrial has granted AH Resort an irrevocable power of attorney to deal with the said land.

The Vendor is a wholly owned subsidiary of AIHL. The Vendor is the holding company of AH Land which in turn holds AH Resort as to 99.98%, AH Villas as to 100% and AH View as to 100%.

For the development and operation of the Golf Resort, the Vendor has extended to AH Land loans which were advanced to AH Resort, AH Villas and AH View. As at 30 June 2009, the outstanding loans stood at an aggregate amount of HK\$422,792,335.77.

As security for the aforesaid loans advanced by the Vendor, AH Resort had deposited the title deeds of the Golf Course Land with the Vendor which had caused a lien-holder's caveat to be lodged on the Golf Course Land with the Land Registry, Johor Bahru, Malaysia in accordance with the provisions of the National Land Code 1965 of Malaysia.

The aforesaid loans are repayable to the Vendor. In consideration of the Vendor agreeing at the request of AH Resort, AH Villas and AH View not to enforce the lien, the parties reached an amicable settlement whereby the Property shall be disposed of and the net proceeds from the Disposal be paid directly to the Vendor in discharge of the indebtedness of AH Resort, AH Villas and AH View to AH Land and in turn in discharge of AH Land's indebtedness to the Vendor. The Vendor and AH Land agreed to accept the payments referred to in the Agreement as full and final settlement of all sums owing to them respectively. The net proceeds from the Disposal would be retained by the Vendor up to the amount of the aforesaid loans, with the excess being retained by the Proprietors.

The Property was purchased by the Purchaser for a consideration of RM204,581,600 (equivalent to approximately HK\$462,456,707), being the Purchase Price, on the basis that the approval for the subdivision and conversion in relation to the Converted Land (as defined below) is obtained and no additional land in excess of 260 acres in relation to the Converted Land will be approved for conversion ("**Consideration Assumptions**").

In the event that the area of the Converted Land after the approval for the subdivision and conversion being granted is more than 260 acres, then the Purchaser shall pay additional purchase price calculated at the rate of RM11 per square foot on the area in excess of 260 acres. However it is expected that application will not be made at the time of Disposal for sub-division and conversion in respect of any land substantially in excess of 260 acres.

In relation to the purchase of the Golf Course Business, the Purchaser shall have the option to either acquire all the AH Land shares in AH Resort or the Vendor's interest in AH Land upon the completion of the transfer of the Property at the consideration of RM1 or set up a new golf club and offer golfing and other social activities at the Golf Course Land excluding the Converted Land to the AH Resort's existing valid members. In the event that the Purchaser exercises the option to acquire all the AH Land shares in AH Resort, AH Resort will cease to be a subsidiary of AH Land. In the event that the Purchaser exercises the option to acquire the Vendor's interest in AH Land, AH Land will cease to be a subsidiary of the Vendor.

The Property, excluding furniture, fixtures and other equipment, was valued by VPC Alliance (JB) Sdn Bhd (formerly known as Vigers (JB) Sdn. Bhd.), an independent property valuer, as at 30 September 2009, at a value of RM123,579,968 (equivalent to approximately to HK\$267,488,841 at the exchange rate of RM1= HK\$2.1645 on 30 September 2009), on a market value basis. The net book value of furniture, fixtures and other equipment as at 30 September 2009 was RM721,256 (equivalent to approximately to HK\$1,561,159 at the exchange rate of RM1=HK\$2.1645 on 30 September 2009). The unaudited book value of the Property as at 30 September 2009 was RM124,301,224 (equivalent to approximately to HK\$269,050,000 at the exchange rate of RM1=HK\$2.1645 on 30 September 2009).

There are no net profits, before taxation and extraordinary items, and after taxation and extraordinary items, attributable to the Property in respect of TTLL and AIHL for the financial years ended 31 March 2008 and 31 March 2009.

### **Consideration and payment terms of the Disposal**

The Purchase Price for the Disposal has been determined after arm's length negotiations between the Vendor and the Purchaser on a willing buyer willing seller basis.

The Purchase Price for the Disposal is payable to the Vendor by cashier's order or banker's draft in the following manner:

- (a) an initial deposit in the sum of RM3,000,000 (equivalent to approximately HK\$6,781,500) shall be paid by the Purchaser upon signing of the Agreement ("**Deposit**");
- (b) a sum equal to 10% of the Purchase Price less the Deposit shall be paid to the Vendor within fourteen (14) Business Days from the Unconditional Date;
- (c) the balance thereof ("**Balance Purchase Price**") shall be paid to the Vendor within three (3) months from the Unconditional Date.

### **Conditions Precedent**

Pursuant to the terms of the Agreement, the Disposal is conditional upon and subject to the fulfillment of the following conditions precedent on or before the Cut-Off Date:

- (a) the approval of the FIC for the purchase and transfer of the Property to the Purchaser;

- (b) the transfer of the Condominium Land by AH View in favour of AH Resort;
- (c) the approval of the relevant municipal council including but not limited to Majlis Bandaraya Johor Bahru for the planning approval or development order for the project based on the Layout Plan;
- (d) the approval of the Relevant Authority based on the Layout Plan for the subdivision and conversion by way of surrender and re-alienation of the Condominium Land and the Golf Course Land so that a part of the Golf Course, with the existing Condominium Land and the existing Bungalow Land, a total minimum area of 260 acres of land is available for housing development (collectively “**Converted Land**”);
- (e) the issuance of the new titles by the Relevant Authority to the land affected by the above subdivision and conversion; and
- (f) the approval of the Relevant Authority for the assignment in favour of the Purchaser of the development right in respect of the Bumi Lots.

In the event any one of the conditions precedent described in (a) to (f) above is not fulfilled by the Cut-Off Date by reason that one or more approvals is or are pending the approval of the Relevant Authority or, if an application is rejected, an appeal is outstanding, the date for fulfilment of the conditions precedent shall be extended subject to the consent of the Vendor (which consent shall not be unreasonably withheld) by a further three (3) months from the Cut-Off Date (“**Extended Cut-Off Date**”).

Both the Vendor and the Purchaser agree that the Purchaser shall be entitled to waive the fulfillment of any of the conditions precedent described in (a) to (f) above to the extent permitted by law on or before the Cut-Off Date or the Extended Cut-Off Date, as the case may be.

Subject to the aforesaid waivers to be made by the Purchaser, in the event that any one of the conditions precedent described in (a) to (f) above is not fulfilled on or before the Extended Cut-Off Date, either party shall be entitled, by written notice to the other, to terminate the Agreement.

Furthermore, in the event that any condition which may materially and adversely affect the commercial viability of the Purchaser’s plans as contemplated under the Layout Plan (“**Adverse Condition**”) is imposed by the Relevant Authority in respect of any of the approvals as referred to in the conditions precedent set out in the Agreement which is not acceptable to the Purchaser, the Purchaser shall be entitled to, by notice in writing to the Vendor on or before the expiry of fourteen (14) Business Days from the date of receipt by the Purchaser of the notification of the Adverse Condition, elect to (a) terminate the Agreement, (b) appeal against the Adverse Condition, or (c) accept that Adverse Condition.

**As the Disposal may or may not proceed, TTLL Shareholders, AIHL Shareholders and potential investors are advised to exercise caution in dealing in TTLL Shares and AIHL Shares respectively.**

## **Completion of the Disposal**

Completion of the Disposal will be on the date on which the full Balance Purchase Price is paid by the Purchaser to the Vendor and is expected to take place by 3 April 2011. Immediately upon completion, the Proprietors will deliver the premises of the Property to the Purchaser.

## **Option to participate in housing development**

Pursuant to the Agreement, the Purchaser shall offer the Vendor the right to participate up to 49% in a joint venture for the development of the Converted Land and the carrying on of the Golf Course Business, on terms and conditions to be finalized at a later date. Such offer of participation shall be valid for six (6) months from the date of the Agreement.

## **INTENDED USE OF THE PROCEEDS FROM THE DISPOSAL**

The net proceeds from the Disposal which are expected to be amounting to approximately RM195,400,000 (equivalent to approximately HK\$441,701,700) on the basis of the Consideration Assumptions will be used internally for the full settlement of inter-Group loans and all such net proceeds (including any excess amount over such loans) will be retained by the Group. Such proceeds will be used for investment purposes and/or used for general working capital purposes. No specific opportunities have been identified at this time.

## **FINANCIAL EFFECT OF THE DISPOSAL**

As a result of the Disposal, it is estimated that the Group will record an unaudited gain on the Disposal of approximately HK\$172,700,000 (being the Purchase Price for the Disposal on the basis of the Consideration Assumptions less the carrying value of the Property as at 30 September 2009 with an exchange rate of RM1 = HK\$2.1645 on 30 September 2009 and other expenses in relation to the Disposal).

## **REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENT**

The financing of the Golf Resort has resulted in a long term inter-Group loan. The development and operation of the Golf Resort is not a profitable investment for the Group and the Disposal will recoup and enable the repayment of inter-Group loans used to finance the Golf Resort.

TTLL Board and AIHL Board consider that the terms of the Agreement are fair and reasonable and in the interests of the shareholders of TTLL and AIHL as a whole, and that the Agreement is in the ordinary course of business of the Group, which is property investment and investment holding.

TTLL Board and AIHL Board consider that the Disposal will be beneficial to the Group and the shareholders of TTLL and AIHL as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

More than one applicable percentage ratios calculated under Chapter 14 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%. The Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

## **GENERAL**

As far as TTLL and AIHL are aware after making reasonable enquiries, the Purchaser is principally engaged in transacting business as a real property and housing developer.

The principal activities of the Group are property investment and investment holding.

To the best of the knowledge, information and belief of TTLL Board and AIHL Board, having made all reasonable enquiries, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of and not connected with TTLL and AIHL.

## **RESUMPTION OF TRADING**

**At the request of TTLL and AIHL, trading in the shares in each of TTLL and AIHL on the Stock Exchange were suspended from 9:30 a.m. on 4 December 2009 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares in each of TTLL and AIHL with effect from 9:30 a.m. on 14 December 2009.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Agreement”	the sale and purchase agreement entered into amongst the Vendor, AH Resort, AH Villas, AH View and the Purchaser dated 3 December 2009;
“AH Land”	Austin Hills Land Sdn. Bhd., a company incorporated in Malaysia and wholly owned by the Vendor;
“AH Resort”	Austin Hills Country Resort Berhad, a company incorporated in Malaysia and 99.98% owned by AIHL;
“AH Villas”	Austin Hills Villas Sdn. Bhd., a company incorporated in Malaysia and wholly owned by AIHL;
“AH View”	Austin Hills View Sdn. Bhd., a company incorporated in Malaysia and wholly owned by AIHL;
“AIHL”	Associated International Hotels Limited (stock code: 105), a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange and

	which is 50.01% owned by TTLL;
“AIHL Board”	the board of directors of AIHL;
“AIHL Share(s)”	ordinary share(s) of HK\$1 each in the share capital of AIHL;
“AIHL Shareholder(s)”	holder(s) of AIHL Share(s);
“Bumi Lots”	thirty two (32) pieces of Bungalow Land registered in the name of Light Industrial;
“Bungalow Land”	eighty five (85) pieces of freehold bungalow land located in Johor Bahru, Johor, Malaysia with a total area of approximately 19.04 acres, out of which fifty three (53) pieces are registered in the name of AH Villas and thirty two (32) pieces are registered in the name of Light Industrial;
“Business Day”	a day (excluding gazetted public holidays, Saturdays and Sundays) on which banks are open for a full range of banking business in Johor, Malaysia;
“Condominium Land”	a piece of freehold condominium land located in Johor Bahru, Johor, Malaysia with a total area of approximately 12.75 acres and registered in the name of AH View;
“Cut-Off Date”	the date falling nine (9) months from the date of the Agreement;
“Disposal”	disposal of the Property pursuant to the Agreement;
“FIC”	the Foreign Investment Committee of the Prime Minister’s Department in Malaysia;
“Golf Course Business”	the goodwill in relation to the golf course business carried on by AH Resort and all the property, assets and rights of the Vendor used in the conduct of the business;
“Golf Course Land”	four (4) pieces of freehold golf course land located in Johor Bahru, Johor, Malaysia with a total area of approximately 421.35 acres and registered in the name of AH Resort;
“Golf Resort”	the golf and country club in Johor Bahru, Johor, Malaysia known as Austin Hills Golf Resort comprising a 27-hole golf course with a clubhouse and resort facilities;
“Group”	TTLL and its subsidiaries, including AIHL;
“Layout Plan”	the proposed layout plan in respect of the Property as may be amended by the Purchaser from time to time;



“Light Industrial”	Light Industrial Estate (Johore) Sdn. Bhd., a company incorporated in Malaysia;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange;
“Property”	Golf Course Land, Condominium Land and Bungalow Land and any buildings and fixtures now or hereafter or from time to time erected thereon or affixed thereto or any part or portion thereof and having the meaning assigned to the term “land” under the National Land Code 1965 of Malaysia. It also includes the Golf Course Business;
“Proprietors”	(a) of the Golf Course Land, means AH Resort; (b) of the Condominium Land, means AH View; and (c) of the fifty three (53) pieces of the Bungalow Land, means AH Villas; and (d) of the thirty two (32) pieces of the Bungalow Land, means AH Resort as the lawful attorney of Light Industrial;
“Purchase Price”	RM204,581,600;
“Purchaser”	Detik Hartamas Sdn. Bhd., a company incorporated in Malaysia;
“Relevant Authority”	any governmental, semi or quasi-governmental and/or statutory departments, agencies or bodies, or any municipal government or statutory or any non-statutory authority or any other body or corporation having authority or jurisdiction over the relevant matter or issue in question or under consideration;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TTLL”	Tian Teck Land Limited (stock code: 266), a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange;
“TTLL Board”	the board of directors of TTLL;
“TTLL Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of TTLL;
“TTLL Shareholder(s)”	holder(s) of TTLL Share(s);
“Unconditional Date”	the date on which the last of the conditions precedent is fulfilled or waived in accordance with the Agreement;

“Vendor”	Associated International Resorts Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of AIHL and a 50.01% indirectly owned subsidiary of TTLL;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RM”	Ringgit Malaysia, the lawful currency of Malaysia;
“%”	per cent.

Unless otherwise specified in this announcement, amounts denominated in Ringgit Malaysia have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of RM1 = HK\$2.2605. The exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By order of the Board of  
**Tian Teck Land Limited**  
**Ng Sau Fong**  
Company Secretary

By order of the Board of  
**Associated International Hotels Limited**  
**Ng Sau Fong**  
Company Secretary

Hong Kong, 11 December 2009

*As at the date of this announcement, TTLL Board comprises the following directors:*

*Mr Cheong Hooi Hong, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi, Mr Cheong Sim Lam and Miss Cheong Chong Ling are executive directors, Mr Sin Cho Chiu, Charles and Mr Lau Wah Sum are non-executive directors, and Mr Chow Wan Hoi, Paul, Mr Yau Allen Lee-nam and Mr Tse Pang Yuen are independent non-executive directors.*

*As at the date of this announcement, AIHL Board comprises the following directors:*

*Mr Cheong Hooi Hong, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi, Mr Cheong Sim Lam and Miss Cheong Chong Ling are executive directors, Mr Sin Cho Chiu, Charles and Mr Lau Wah Sum are non-executive directors, and Mr Chow Wan Hoi, Paul, Mr Yau Allen Lee-nam and Mr Lee Chung are independent non-executive directors.*