

## **IVORY PROPERTIES GROUP BERHAD (673211-M)**

**Type : ANNOUNCEMENT**

**Subject : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) :  
NON RELATED PARTY TRANSACTIONS**

**Description : ACQUISITION OF THE REMAINING 51% EQUITY INTEREST  
IN IVORY CONTINENTAL SDN BHD**

### **1. INTRODUCTION**

The Board of Directors of Ivory Properties Group Berhad ("**the Company**" or "**Ivory**" or "**Purchaser**") wishes to announce that the Company had on 27 December 2017 entered into a Shares Sale Agreement with Dato' Tan Yew Thong ("**Dato' Tan**") and Dato' Teh Yeong Keat ("**Dato' Teh**") (collectively known as "**Vendors**") to acquire 1,020,000 ordinary shares ("**Sale Shares**"), representing the remaining 51% equity interest of Ivory Continental Sdn Bhd ("**ICSB**") for a total cash consideration of RM8,000,000.00 ("**Acquisition Consideration**") in the following manner (hereinafter referred to as "**Acquisition**"):-

	<b>Name</b>	<b>No. of Sale Shares held</b>	<b>Acquisition Consideration (RM)</b>
1.	Dato' Tan	520,000	4,078,431.00
2.	Dato' Teh	500,000	3,921,569.00
	<b>Total</b>	<b>1,020,000</b>	<b>8,000,000.00</b>

Upon completion of the Acquisition, ICSB shall become a wholly-owned subsidiary of the Company.

### **2. BACKGROUND INFORMATION**

#### **2.1 Information of ICSB**

ICSB was incorporated in Malaysia under the Companies Act, 1965 on 5 August, 1999. ICSB is principally engaged in property development.

The total issued share capital of ICSB is RM2,000,000.00 comprising of 2,000,000 ordinary shares. Presently, the Vendors owned 51% equity interest and Ivory owned 49% equity interest in ICSB.

#### **2.2 Information on Vendors**

The Vendors are currently the legal and beneficial owners of 1,020,000 ordinary shares of ICSB which represents 51% of the share capital of ICSB.

### **3. BASIS OF ARRIVING AT ACQUISITION CONSIDERATION AND SOURCE OF FUNDING**

#### 3.1 Basis of arriving at Acquisition Consideration

The Acquisition Consideration was arrived at after taking into consideration of the following: -

- a) Audited Financial Statements of ICSB for the financial year ended 31 March 2017;
- b) Management Account of ICSB for the financial period ended 31 October 2017; and
- c) Profit forecast from the future property development profit.

#### 3.2 Source of Funding

The Acquisition Consideration shall be satisfied entirely by cash and it will be satisfied by internally generated funds.

### **4. RATIONALE FOR THE ACQUISITION**

The Acquisition will enable the Ivory Group to take 100% ownership of ICSB in order to facilitate corporate activities of Ivory Group going forward.

### **5. LIABILITIES TO BE ASSUMED BY THE PURCHASER**

There are no liabilities to be assumed by the Purchaser arising from the Acquisition.

### **6. FINANCIAL EFFECTS OF THE ACQUISITION**

#### 6.1 Share Capital and Substantial Shareholders' Shareholdings

The Acquisition will not have any effect on the total paid-up share capital of Ivory and substantial shareholders' shareholdings in Ivory.

#### 6.2 Earnings

The Acquisition is not expected to have any material impact on the Ivory Group's earnings, net assets and gearing for the financial year ending 31 March 2018. However, the Acquisition is expected to contribute positively towards the future earnings of Ivory Group.

#### 6.3 Highest Applicable Percentage Ratio

The highest percentage ratio, applicable to the Acquisition as per Paragraph 10.02(g) of Chapter 10 of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad is 1.8%.

### **7. RISK FACTOR**

The Board does not expect any material risk arising for the Acquisition other than normal business risk associated with the Acquisition. Ivory Group would take the appropriate measure to minimise the risks.

**8. APPROVAL**

The Acquisition is not subject to the approval from shareholders of Ivory or any government authorities.

**9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSON CONNECTED TO THEM**

None of the Directors and/or major shareholders and/or persons connected with them has any interest, direct and/or indirect, in the Acquisition.

**10. ESTIMATED TIMEFRAME FOR COMPLETION**

The Acquisition is expected to be completed within 3 months from the date of the Share Sale Agreement upon fulfilment of the obligations by the Vendors and the Purchaser as stated in the Share Sale Agreement.

**11. STATEMENTS BY THE BOARD OF DIRECTORS**

Having considered all relevant aspects of the Acquisition, the Board of Directors is of the opinion that the Acquisition is in the best interest of the Ivory Group on normal commercial terms and not detrimental to the interest of the minority shareholders.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

The Share Sale Agreement will be made available for inspection at the Registered Office of Ivory at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 Georgetown, Penang during normal working hours from Monday to Friday (except public holiday) for a period of 3 months from the date of this announcement.

This announcement is dated 27 December 2017.