

AMDB unit buys 60% in UK property firm

KUALA LUMPUR: AMDB Bhd hopes to penetrate the property market in Britain via wholly-owned unit Walleng Enterprise Sdn Bhd, which has subscribed for 60% in Westlink Global Investment Ltd (WLG).

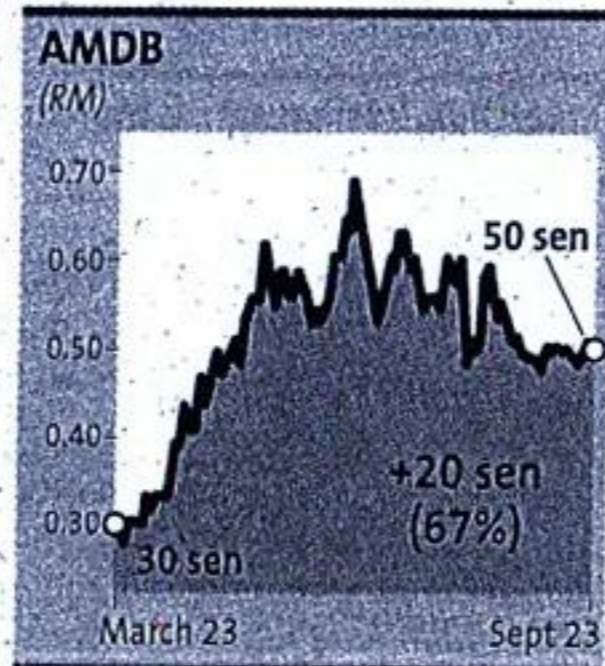
In a filing with Bursa Malaysia yesterday, AMDB said Walleng had subscribed for 60 ordinary shares of £1 each in WLG, representing 60% of the issued and paid-up share capital of WLG at par for £60 cash.

WLG would become an indirect subsidiary of AMDB upon completion of the subscription.

Following the subscription, Walleng has committed to provide shareholders' advances to WLG of up to £13.5mil (RM80mil).

"Due to the contraction of the global economy, the subscription in WLG represents a timely opportunity for AMDB to enhance shareholders' long-term value by penetrating and gaining access to the property market in Britain," it said.

AMDB said due to the financial crisis, property values had dropped



significantly and fundamentals showed it was now the right time to invest in the London property market, which offers prime properties in a highly liquid market.

WLG has entered into a sale and purchase agreement with LS Victoria Properties Ltd to purchase a property located in London for £50.5mil.

The property comprises two freehold office buildings known as 40

and 50 Eastbourne Terrace located in Paddington.

"The property provides a net lettable space of 146,000 sq ft of retail and office accommodation which are currently let to a variety of tenants with about 94% occupancy. Based on current rentals from the tenants, the net rental yield on the property is 8.65%," AMDB said.

In a separate statement, AMDB said wholly-owned subsidiary AMDB Technics Sdn Bhd has entered into a sale and purchase agreement with SGB-SMIT International GmbH to dispose of 35% of equity interest of AM SGB Sdn Bhd for RM31.2mil cash.

AMDB Technics would cease to be a shareholder of AM SGB upon completion of the disposal.

AMDB is expected to record a gain on disposal of about RM9.7mil from the disposal based on the carrying value of RM21.5mil as at Aug 31.

It would utilise RM21.2mil from the proceeds to repay its borrowings, RM10mil as working capital and the balance for expenses for the disposal.