



General Announcement

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Company Information

Main Board/ Second Board Company
 New Announcement

Submitting Investment
 Bank/Advisor (if applicable)

Submitting Secretarial Firm (if
 applicable)

* Company name	BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD
* Stock name	BAT
* Stock code	4162
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Type *

Announcement

Subject *:

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD ("BATM" OR "COMPANY") PROPOSED DISPOSAL OF ALL THAT PARCEL OF LAND HELD UNDER HS (D) 20274, PT NO. 4992, MUKIM SUNGAI BULOH, DAERAH PETALING, NEGERI SELANGOR DARUL EHSAN TOGETHER WITH A THREE (3) STOREY SHOP OFFICE ERECTED THEREON BEARING POSTAL ADDRESS AT NO. 27, JALAN SS 26/8, TAMAN MAYANG JAYA, PETALING JAYA, SELANGOR DARUL EHSAN ("THE PROPERTY") TO SUNFLOWER MONTESSORI CAMPUS SDN BHD (COMPANY NO. 822462-T) ("THE PURCHASER" or "SMC") FOR A TOTAL CONSIDERATION OF RINGGIT MALAYSIA ONE MILLION AND FIFTY THOUSAND (RM1,050,000.00) ONLY ("THE PROPOSED DISPOSAL")

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

BATM PROPOSED DISPOSAL OF A THREE (3) STOREY SHOP OFFICE BEARING POSTAL ADDRESS AT NO. 27, JALAN SS 26/8, TAMAN MAYANG JAYA, PETALING JAYA, SELANGOR DARUL EHSAN TO SUNFLOWER MONTESSORI CAMPUS SDN BHD FOR A TOTAL CONSIDERATION OF RINGGIT MALAYSIA ONE MILLION AND FIFTY THOUSAND (RM1,050,000.00) ONLY

Announcement Details :-

(This field is for the details of the announcement, if applicable)

1. INTRODUCTION

The Board of Directors of BATM wishes to announce that on 12 September 2008 BATM entered into a sale and purchase agreement ("the SPA") with SMC in respect of the Proposed Disposal.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Background information on the Property

The Property is freehold in tenure, not subject to any restriction in interest and is presently free from charges and all other encumbrances.

2.2 Details of the parties to the SPA

2.2.1 Details of SMC

SMC was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 20 June 2008.

As at the date hereof, the authorised share capital of SMC is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each, of which RM3.00 has been issued and fully paid up.

SMC is principally engaged in educational activities and investment holdings business.

2.2.2 Details of BATM

BATM was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 11 September 1961 under the name of Rothmans of Pall Mall (Malaya) Limited. On 15 April 1966, it was converted to a public limited company with the name Rothmans of Pall Mall (Malaysia) Berhad. On 2 November 1999, Rothmans of Pall Mall (Malaysia) Berhad changed its name to British American Tobacco (Malaysia) Berhad.

As at the date hereof, the authorised share capital of BATM is RM385,000,000.00 comprising 770,000,000 ordinary shares of RM0.50 each, of which RM142,765,000.00 has been issued and is fully paid up.

BATM is principally engaged in day-to-day management and administrative services to its subsidiaries which are principally engaged in the manufacture, import, sale of cigarettes, pipe tobaccos and cigars business.

2.3 Salient Terms of the SPA

The salient terms of the SPA are as follows:-

2.3.1 BATM has agreed to sell and SMC has agreed to purchase the Property for a consideration of Ringgit Malaysia One Million and Fifty Thousand (RM1,050,000.00) ("Purchase Price"), free from all encumbrances and with vacant possession but subject to the existing category of land use and all express and implied condition endorsed on the document of title to the Property and upon the terms and conditions of the SPA;

2.3.2 The Purchase Price shall be paid to BATM in the following manner:

- (a) a deposit of Ringgit Malaysia One Hundred and Five Thousand (RM105,000.00) by way of deposit and earnest deposit. The earnest deposit of Ringgit Malaysia Twenty One Thousand (RM21,000.00) has been paid by SMC to BATM prior to the execution of the SPA;

- (b) the balance purchase price of Ringgit Malaysia Nine Hundred Forty Five Thousand (RM945,000.00) ("Balance Purchase Price") shall be paid by SMC to BATM's solicitors as stakeholders on or before the day which falls three (3) months after the date of the SPA ("the Payment Deadline"); and
- (c) if SMC is unable to pay the Balance Purchase Price in accordance with Clause 2.2 of the SPA, the Payment Deadline shall be automatically extended to one (1) month after the last day of the Payment Deadline ("Extended Period"), provided that SMC pays to BATM interest on the Balance Purchase Price then outstanding at the rate of ten per cent (10%) per annum calculated on a daily basis from the first day of the Extended Period until the Completion Date (as defined in the SPA). The interest due, if any, shall be paid at the same time as the payment of the Balance Purchase Price,

2.4 Basis of arriving at the Purchase Price

The Purchase Price was arrived at on a "willing buyer willing seller" basis.

2.5 Proposed Utilisation of Proceeds

The proceeds from the Proposed Disposal will be used for working capital purposes.

2.6 No Liabilities Assumed

There are no liabilities to be assumed by BATM or SMC arising from the Proposed Disposal in accordance with the terms of the SPA.

2.7 Original Cost of Investment

The Property was acquired by BATM on 1993 at an approximate cost of RM666,247.00. The net book value of the Property as at 31 December 2007 stood at RM557,786.00 .

3.0 RATIONALE FOR THE PROPOSED DISPOSAL

The Property has not been in use and remains unoccupied since 2005.

4.0 EFFECTS OF THE PROPOSED DISPOSAL

4.1 Share Capital and Shareholdings of Substantial Shareholders

The Proposed Disposal will not have any effect on the issued and paid-up share capital of BATM and the shareholdings of the substantial shareholders in BATM.

4.2 Earnings per share, net assets per share and gearing

Based on the audited financial statements for the year ended 31 December 2007, the Proposed Disposal will not have any material impact on the earnings per share, net assets per share and gearing of BATM. The Proposed Disposal is also not expected to result in any material gains or losses by BATM.

5.0 APPROVALS REQUIRED

The Proposed Disposal is not subject to the approval of the shareholders of BATM and any relevant government authorities.

6.0 ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the parties expect to complete the Proposed Disposal by the fourth quarter of 2008.

7.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the directors and/or major shareholders of BATM and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Disposal.

8.0 DIRECTORS' STATEMENT

The Directors of BATM, having considered all aspects of the Proposed Disposal are of the opinion that the Proposed Disposal is in the best interest of BATM Group.

9.0 DEPARTURE FROM THE SECURITIES COMMISSION'S POLICIES AND GUIDELINES ON THE OFFERING OF EQUITY AND EQUITY-LINKED SECURITIES ("SC GUIDELINES")

To the best knowledge of the Directors of BATM, the Proposed Disposal does not depart from the SC Guidelines.

10.0 DOCUMENT AVAILABLE FOR INSPECTION

The SPA and other relevant documents are available for inspection at the registered office of BATM at Virginia Park, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan during normal business 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 12 September 2008.

Attachment(s):- (please attach the attachments here)
- No Attachment Found -

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement;

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