

BURSA ANNOUNCEMENT

VEHICLE PARKING AGREEMENT BETWEEN MBSB TOWER SDN BHD AND SEMASA PARKING SDN BHD

1. INTRODUCTION

Malaysia Building Society Berhad (“MBSB” or “the Company”) wishes to announce that MBSB Tower Sdn Bhd (“MBSBT”), a wholly owned subsidiary of MBSB, has on 30 March 2021 entered into a Vehicle Parking Agreement (“Agreement”) with Semasa Parking Sdn Bhd (“SPSB”), a wholly owned subsidiary of Malaysian Resources Corporation Berhad (“MRCB”) with regard to the allocation of car park and motorcycle bays at PJ Sentral Office Building to MBSBT for a period of 15 years at a total estimated consideration of up to RM13.56 million (excluding SST) (known as “the Transaction”).

2. BACKGROUND

MBSBT

MBSBT was incorporated in Malaysia on 12 November 2012 as a private limited company. The total amount of issued share capital of MBSBT of RM2.00 is held by MBSB.

The principal activity of MBSBT is property development.

SPSB

SPSB was incorporated in Malaysia on 6 August 1997 and its principal activity is operation and management of car parks and parking areas. SPSB is a wholly-owned subsidiary of MRCB.

RELATIONSHIP BETWEEN MBSBT AND SPSB

In view of the interest of the Interested Directors and Interested Major Shareholder as set out in Section 10 of this announcement, the Transaction is deemed a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

3. DETAILS OF THE TRANSACTION

The key salient terms of the Agreement are as follows:-

item	Salient Term	Description
1.	Number of bays	450 car park bays, 280 motorcycle bays
2.	Parking charges	RM100.00 per car parking bay per month and RM20.00 per motorcycle parking bay per month (The parking charges shall be increased every three (3) years by a sum of not less than 10% and not more than 20% than the prevailing monthly charges.
3.	Term	15 years.
4.	Late payment interest	8% per annum
5.	Termination and discharge	The Parties may at any time terminate this Agreement by mutual agreement without any compensation, penalty, damages, payment or liability to either Party

4. RATIONALE

It was part of the Sales and Purchase Agreement dated 12 December 2012 entered between P.J. Sentral Development Sdn Bhd (“PJ Sentral”) and MBSBT for PJ Sentral to allocate or procure the car park operator to allocate to MBSBT the parking bays with effect from the Vacant Possession Date of the new office building located at Lot 12, Seksyen 26, Pusat Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan, for a period of 15 years.

The new office building has been completed and MBSBT and SPSB are now entering into the Vehicle Parking Agreement.

5. RISK FACTORS

The Board does not foresee any material risk pursuant to the Transaction except for the inherent risk factors associated with the car park operations, maintenance and safety. The inherent risk is mitigated through the fixed monthly fee from MBSBT to SPSB and the maintenance contract in place ensuring effective traffic management system with adequate signage, good standards of lighting, speed control measures, clear visibility for both drivers and pedestrians and CCTV system monitored centrally.

6. FINANCIAL EFFECTS

6.1 Earnings and Earnings per Share

The Transaction is not expected to have any material effect on the earnings and earnings per share of MBSB for the financial year ending 31 December 2021.

6.2 Net assets per share and gearing

The Transaction is not expected to have any material effect on the net assets per share, and gearing of MBSB for the financial year ending 31 December 2021.

6.3 Share Capital and Substantial Shareholders Shareholding

The Transaction will not have any effect on the issued and paid-up capital of the Company as well as the substantial shareholders’ shareholding in the Company as it does not involve any issuance of shares.

7. APPROVALS REQUIRED

The Transaction does not require the approvals of the shareholders of MBSB or any regulatory authority.

8. PERCENTAGE RATIO

The highest percentage ratio applicable to the Transaction pursuant to Paragraph 10.02(g) of the Listing Requirements is 0.16%.

10. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

Save and as disclosed below, none of the Directors of MBSB and/or any persons connected to them have any interest, direct or indirect in the Transaction:

EPF is the holding company of MBSB and is deemed interested in the Transaction by virtue of EPF being the major shareholder of MRCB, which is the holding company of SPSB.

YBhg Tan Sri Azlan bin Mohd Zainol is the Chairman / Non-Independent Non-Executive Director of MBSB and representative of EPF on the Board of MBSB. He is also an Independent Chairman of MRCB.

As such, YBhg Tan Sri Azlan bin Mohd Zainol (referred to as the “Interested Director”) is deemed interested in the Transaction. Accordingly, the Interested Director has abstained and will continue to abstain from all Board deliberations and voting in respect of the Transaction.

11. TRANSACTION WITH SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

The Company and/or its subsidiaries have not entered into any transaction with same related party for the preceding 12 months.

12. STATEMENT BY THE AUDIT COMMITTEE (“AC”)

The AC is of the opinion that the Transaction is in the best interest of the Company and the terms of the Transaction are fair, reasonable and on normal commercial terms and hence, will not be detrimental to the interests of the minority shareholders of the Company.

The view of the AC was arrived at after having considered, among others, the terms and conditions of the Vehicle Parking Agreement, the rationale for and the prospects of the Transaction.

13. STATEMENT BY THE BOARD OF DIRECTORS

The Board (save for the Interested Directors), after having considered all aspects of the Transaction and after careful deliberation, is of the opinion that the Transaction is in the best interest of the Company and the terms of the Transaction are fair, reasonable and on normal commercial terms and will not be detrimental to the interest of the minority shareholders of the Company.

The view of the Board (save for the Interested Directors) was arrived at after having considered amongst others, the terms and conditions of the Vehicle Parking Agreement, the rationale for and the prospects of the Transaction.

14. ESTIMATED TIMEFRAME

Barring any unforeseen circumstances, the Transaction will span over 15 years from year 2021.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The Agreement will be made available for inspection at the registered office of MBSB at 11th Floor, Wisma MBSB, 48 Jalan Dungun, Damansara Heights, 40590 Kuala Lumpur, Malaysia during normal business hours (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 30 March 2021.