

# **TALAM GLOBAL DEBT SETTLEMENT**

## White Paper



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## TALAM WHITE PAPER

### 1.0 **BACKGROUND OF THE WHITE PAPER**

- 1.1 This paper sets out the facts in relation to the Talam Debts and how they arose, the Talam Debts Settlement with Menteri Besar Selangor (Incorporation) (“MBI”) as well as the reasons, rationale and basis for the arrangement that was first discussed in late 2009 and which subsequently resulted in Settlement Agreements being entered into with Talam in early 2010.
- 1.2 The Talam Debts Settlement scheme was discussed and approved at the State Executive Council (EXCO) on 2 November 2009 and also at the Selangor State Assembly on 16 November 2009.
- 1.3 It is important to explain the background of how the Talam Debts arose in the first place, and attempts of the previous State Government to recover the outstanding amounts which had not been successful. The Talam Debts Settlement with MBI in 2010 represents a fresh effort by the present State Government to recover from Talam after the failure of those previous attempts. This White Paper will demonstrate that the debt settlement was not just a necessity but the mechanism identified and adopted was effective in recovering the long outstanding debt dating back to before 2005.

### 2.0 **THE TALAM DEBTS – HOW THEY AROSE**

- 2.1 The Talam Debts initially arose in the books of Kumpulan Hartanah Selangor Berhad (“KHSB”), “Pendidikan Industri YS Sdn. Bhd.” (PIYSB)/ Universiti Industri Selangor (“UNISEL”) and Permodalan Negeri Selangor Berhad (“PNSB”) from various joint venture (“JV”) arrangements entered into by Talam with KHSB and PNSB for property development ventures (under JV agreements dated 1994 to 2002) whereas the amount owing to UNISEL arose out of a privatisation

agreement for the construction of Universiti Industri Selangor (pursuant to privatisation agreements dated 2001 & 2003).

Talam had failed in its obligation to pay KHSB and PNSB their portion of the JV profits. As for UNISEL, Talam was unable to complete the construction of the University.

That the Talam related debts posed a serious problem to the State was acknowledged by the previous Administration, in that six (6) separate debt settlement agreements were signed between Talam and each of KHSB and PIYSB/UNISEL from 2005 to 2008<sup>1</sup>. All of these past attempts to settle the Talam debts failed and no monies were recovered.

All of the failed joint ventures and transactions entered into with Talam were entered into while Selangor was under the previous State Administration.

- 2.2 Given the failure of the previous State Administration to recover the Talam Debts, the present Selangor State Government in 2009 / 2010 was obliged to make a fresh effort for such recovery. Accordingly, the present Selangor State Government chose to initiate a Global Settlement Agreement (“GSA”) with Talam with a view to resolve the Talam Debts in one single debt recovery exercise.

The total amount owed by Talam Group to the State GLCs totalled some RM500 million, where only the undisputed amounts totalling RM392 million were included in the GSA. Disputed items are still being pursued by the relevant State GLC separately.

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<sup>1</sup> Two (2) settlement agreements were signed between UNISEL and Maxisegar (Talam subsidiary) in 2005 and 2007. Four (4) settlement agreements were entered into between KHSB and Talam companies between 2005 and 2008. There was no attempt to recover amount owed by Talam to PNSB at any point in time prior to 2009.

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### **3.0 THE TALAM DEBT SETTLEMENT SOLUTION**

- 3.1 Talam was in serious financial difficulty and was categorised as a PN17 status company between 1 September 2006 and 10 June 2010 for failing to pay the balance of its loan and bond obligations. Pursuant to Paragraph 8.04(3) of the Listing Requirements of Bursa Malaysia Securities Berhad, a PN 17 status Company must regularise its financial condition by submitting a regularisation plan to Bursa Malaysia Securities Berhad. There was an urgent and serious need for the Selangor State Government to resolve the debt issues with Talam. The consequence of a failed Talam financial regularisation plan would have an adverse impact on all the affected Selangor State GLCs.
- 3.2 The GSA initiated by the Selangor State Government was a viable option as the arrangement enabled full and final satisfaction of the amount owing from Talam. The three (3) affected Selangor State Linked Companies are considered unsecured creditors of Talam and with the acquisition by the State of Talam's debts, the recovery of Talam's debts was put on a more secured footing.
- 3.3 Before the GSA could be signed, the State Government had implemented a series of steps in order to move the Talam Debts from the three (3) affected Selangor GLCs to MBI. This was in order to centralise the process of collection and enforcement through MBI. In compliance with the State policies these mechanism / steps as depicted in Appendix 1, were approved by the State EXCO on 2 November 2009 and also approved at the State Assembly on 16 November 2009:-
- 3.3.1 Selangor State Government acquired from the affected State GLCs the debt (receivables) from Talam;
- 3.3.2 The receivables were then sold to Selangor Industrial Corporation (SIC).
- 3.3.3 To purchase the receivables from the State Government, SIC obtained a loan from CIMB amounting to RM392 million. SIC is a company wholly

owned by Perbadanan Kemajuan Negeri Selangor, an agency of the State Government. The proceed from the loan was necessary in order to record the movement of cash and the sale of the debts of Talam which were owned by the Selangor State Government (the “Talam Debts”) to SIC. The sale of the Selangor State Government of the Talam Debt for cash was necessary because under applicable Government accounting principles, only cash can be recorded in the State Consolidated Account and not receivables.

3.3.4 The CIMB loan of RM392 million was utilised by SIC to pay to the State Government the consideration for the purchase of the Receivables.

3.3.5 The State using the consideration of RM392 million paid by SIC in turn granted MBI a grant of RM392 million to fund MBI’s acquisition of the Talam Debts from SIC. The same RM392 million, originally from the CIMB drawdown was used by MBI to pay SIC. SIC in turn paid back the entire RM392 million to CIMB, to repay the loan that it earlier obtained. This entire exercise is to enable the debt to be transferred from the State Government to MBI.

3.3.6 The CIMB loan was drawn down on 9 November 2009 and was fully repaid on 10 November 2009.

The above proves that the transfer of debts from Talam to the State Government (eventually put under MBI) did not involve public money being paid to Talam. The objective of moving the Talam debts to MBI was to enable MBI to control the settlement process including the sale of Settlement Assets at a later stage. A cost of RM420,000 was incurred during the exercise above which comprise mainly of legal fees and interest charged by CIMB. In a nutshell, by incurring RM420,000, the present State Government had been able to recover RM 392 million. This is obviously, money well spent.

3.4 Salient Terms of the Settlement Agreement dated 12 March 2010 and Supplementary Settlement Agreement dated 9 April 2010 between MBI and Talam (“GSA”) are as follows:

3.4.1 Under the GSA, Talam undertakes to settle the sum of RM392 million (“Receivables”) by way of transferring assets to MBI. Please refer to Appendix 2 for this list of assets. The asset transfer so undertaken by Talam is collectively referred to as Exercise 1.

3.4.2 The Parties agree that upon successful transfer and registration of the assets under Exercise 1 in the name of MBI and/or its nominee, the sum of RM57,393,589.09 shall be set off from the Receivables.

3.4.3 Apart from the assets under Exercise 1, Talam also undertakes to transfer a list of encumbered assets, which are legally or beneficially owned by Talam. The list of encumbered assets is summarised on Appendix 3 where:

- a) Talam agrees to transfer the Bestari Jaya Land, Bukit Beruntung Land and Danau Putra Land on an as is where is basis, free from all encumbrances and with vacant possession subject to the express conditions and restrictions-in-interest affecting the titles to the said assets.
- b) The total consideration for the transfer of the Bestari Jaya Land, Bukit Beruntung Land and Danau Putra Land shall be RM285,737,478.00 of which RM101,763,750.00 shall be paid to the respective chargees whilst the balance of RM183,973,728.00 shall be set off against the Receivables as part of the Global Settlement Exercise.

3.4.4 The total debt recovered under the Settlement Agreement was only RM241,367,317.09 which is derived as follows:

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Debt recovered under Exercise 1	RM 57,393,589.09
Debt recovered pursuant to the transfer of the Bestari Jaya Land, Bukit Beruntung Land and Danau Putra Land	
	<u>RM 183,973,728.00</u>
Total	<u>RM241,367,317.09</u>

3.4.5 In order to conclude the Global Settlement Exercise, Talam and MBI had executed a Supplementary Settlement Agreement on 9 April 2012 for the settlement of the balance sum of RM150,619,155.91.

3.4.6 Pursuant to the Supplementary Settlement Agreement, Talam agrees to transfer Additional Settlement Assets on an as it is where it is basis subject to the express conditions and restrictions-in-interest effecting the title to the Additional Settlement Assets but otherwise free from all encumbrances and with vacant possession. The Additional Settlement Assets are listed in Appendix 4.

3.4.7 The total consideration for the transfer of the Additional Settlement Assets are valued at RM345,632,918.40 is to be dealt by MBI in the following manner:-

- a) A sum of RM164,500,000.00 is to be paid as redemption sum to the respective Talam's Financiers/Chargees.
- b) The sum of not less than RM150,619,155.91 be set off against the Receivables as part of the Global Settlement Exercise; and
- c) The Excess Amount of RM30,513,762.49 to be settled by MBI to Talam with suitable parcels of land equivalent to such value.

3.4.8 Under the Supplementary Settlement Agreement, Talam undertakes with MBI that in the event any redemption sum exceed the sum as stated above i.e RM164,500,000.00, Talam shall deposit the shortfall with MBI within 7 days of Talam's receipt of notification of the same from MBI and/or Talam's Financiers/Chargees or such other mutually extended



period failing which the parties agree that MBI shall be entitled to set off such excess against the Excess Amounts.

There is an **undertaking by Talam** in the GSA whereby Talam shall procure that they shall do all acts and deeds as shall be necessary to ensure the due settlement of the entire amount of the Talam Debts of RM392 million.

On the basis of this undertaking, the State Government was assured that the entire amount of Talam Debts of RM392 million will eventually be settled.

**3.5 The benefits from the Talam Debt settlement exercise** under the GSA arrangement are as listed below:

3.5.1 The consolidation of debts at State level – MBI will ensure that the debt recovery process be handled holistically and be resolved expeditiously in comparison to the earlier option of each individual State GLCs dealing directly with Talam.

3.5.2 In helping the State GLCs procure the settlement with Talam, this will directly help the State GLCs in enhancing their financial standing via the strengthening of the individual State GLC's Balance sheet. Talam Debts were not recorded in PIYSB/UNISEL's books while PNSB partially recorded the debts. Talam Debts in KHSB's books were fully provided for in the accounts. Therefore, the Net Tangible Assets (NTA) position of these State GLCs will improve once the Talam Debt settlement exercise is completed.

3.5.3 Save for the disputed amounts referred to in paragraph 2.2 above, the State GLCs had become unsecured creditors of MBI instead of unsecured creditors of Talam under the Talam Debt Settlement. (see paragraph 3.7 below). As MBI enjoys a higher level of credit-worthiness in comparison to Talam, the State GLCs had thereby improved their position considerably. Further, as the Global Settlement Exercise proceeds, Talam's indebtedness to MBI is progressively reduced by the transfer of

Settlement Assets to MBI which it could then dispose of in an orderly manner at optimum prices.

### **3.6 Valuation**

The facts in relation to valuation matters are as follows:

- 3.6.1 Based on Talam's Circular to shareholders dated 15 March 2011, valuations were performed by two (2) professional valuers appointed by Talam. The valuations were compared to the gross consideration for the Settlement Assets whereby the total valuation of RM685 million was higher than the gross consideration accepted by MBI of RM676 million. Whilst the difference is only 1.3%, the lower amount accepted was favourable to MBI.
- 3.6.2 The State Government had undertaken various valuations but it was not specifically for the purpose of the GSA. Notwithstanding the above, the State Government had documented in minutes of internal meetings that internal valuation reports were indeed considered prior to entering the GSA.

Although valuations were not carried out by MBI specifically for the GSA, MBI and State GLCs did carry out valuations, for internal purposes, on the major parcels of land included in the Settlement Assets specifically the land in Bukit Beruntung and Bestari Jaya. The valuations undertaken several months before the GSA by the State Government was in fact higher than the value listed in the GSA (Settlement Assets). It was on this basis that the State had considered and accepted the value of the Settlement Assets in the GSA. This is again favourable to MBI.

Valuations carried out by MBI/State GLCs are summarised below:

Details of property	Purchaser	GSA		Official Valuation Report	
		Gross consideration (RM'000)	Gross consideration per unit equivalent	Performed by (Date)	Per unit equivalent
Bukit Beruntung 1,348.38 acres	PNSB/ PKNS	362,582	RM6.20 psf	External valuer (6 Aug 2009)	RM6.50 psf
Bestari Jaya 2,263.53 acres	PNSB/ 1 plot unsold	181,082	RM80,000/ acre (RM1.84psf)	External valuer (30 Nov 2009)	RM88,000/ac re (RM2.00 psf)
Danau Putra 134.34 acres	3 <sup>rd</sup> party / 1 plot unsold	87,706	RM15.00 psf	Jabatan Penilaian (17 Nov 2011 & 20 Jul 2012)	RM23.50 psf RM19.40 psf (inclusive 10% conversion premium)
Bukit Jalil 12 acres	KHSB	12,000	RM23.00psf	External valuer (16 Aug 2010)	RM23.00 psf
Ulu Yam 400 acres	KHSB	18,000	RM1.00psf	External valuer (7 Jul 2011)	RM12.7 m, equivalent to RM0.73psf
60% shares in Ulu Yam Golf & Country Resort	KHSB	4,200	NA	NA	
Menara Pandan & Ukay Perdana retail lots	KHSB	10,524	NA	None *	
<b>Total assets to be transferred</b>		<b>676,094</b>			

\*Subject to independent valuation and acceptance by minority shareholders in an EGM

a) Bukit Beruntung Land

There are 2 valuations for this piece of land.

The first valuation was by Suleiman & Co performed prior to the GSA on 6 August 2009.

There was another valuation conducted by Jabatan Penilaian dan Perkhidmatan Harta Kementerian Kewangan (“Jabatan Penilaian”) dated 3 March 2010 which valued the Bukit Beruntung land at RM113 million whereas Suleiman & Co had valued the land at RM375 million. The material difference between these two valuations is primarily because Jabatan Penilaian only took into account the fact that the land was subject to the category of land use of “agriculture”. By contrast, Suleiman & Co’s valuation, considered the potential use of the Bukit Beruntung land for mixed development based on the fact that an application to change the category of land use of the said land from agriculture to mixed development had been made by Talam in 1994 and that Talam had paid the required premium of RM8 million for conversion of the category of land use of the said land.

However, the conversion process has yet to be fully completed as Talam had yet to pay the drainage cost amounting to RM4 million.

In 2010, MBI had paid the RM4 million to enable the sale of the land to PNSB. As such, the Selangor State Government is of the view that Suleiman & Co’s valuation is more reflective of the actual value of the Bukit Beruntung land.

The RM4 million paid by MBI shall be deducted from the excess amount as detailed in Para 3.4.7 (c).

b) Bestari Jaya Land

Bestari Jaya land was exchanged as consideration for the construction of the UNISEL campus back in 2001 at RM115,000 per acre.

Prior to the GSA, a valuation was carried out by Mitra Valuers on 30 November 2009 for the State, and Bestari Jaya land was valued at an average value of RM88,000 per acre.

In the valuation report, Mitra Valuers stated that the lands were generally undulating in terrain with some parts made up of ex-mining lakes, which needed earth filling for future development. In arriving at the valuation, Mitra Valuers had taken into consideration factors pertaining to the subject property and other factors affecting value in general.

Hence, an average valuation of RM80,000 per acre was considered and then accepted by MBI in the GSA. This is favourable to MBI compared to the price of RM115,000 per acre at which the subject property was previously transacted.

MBI received an offer from a third party on 19 June 2012 for the remaining unsold Bestari Jaya land of 950.64 acres at RM80,000 per acre.

c) Danau Putra Land

There were 2 valuations done on the Danau Putra Land by Jabatan Penilaian on 17 November 2011 and 20 July 2012. The Jabatan Penilaian valuation dated 20 July 2012 had valued the land at RM17.66 psf. Both valuations were commissioned by MBI after GSA and the 20 July 2012 valuation by Jabatan Penilaian was undertaken

only after the sale of 2 plots of land to Golden Sprint Sdn Bhd (GSSB) and Perikatan Progresif Sdn Bhd (PPSB) respectively, which were sold at RM15 psf, the same as the gross consideration agreed in the GSA. The 2 plots of land were sold to GSSB and PPSB based on the value per the GSA. Therefore, MBI had managed to recover the full value of these two plots of land as per the GSA.

In both the Jabatan Penilaian and Talam valuation reports, it was mentioned that a large portion of the Danau Putra Land was made up of ex-mining lakes and was submerged in water. In arriving at the valuation amount, both valuers had taken into consideration estimated cost of earth filling for the area under water.

d) Bukit Jalil Land

The valuation on Bukit Jalil land performed by Raine & Horne subsequent to the GSA was for the purpose of the proposed part settlement of the MBI grant of RM115 million between KHSB and MBI via contra properties/Settlement Assets. The contra assets are still being discussed between KHSB and MBI.

For KHSB as a public listed company any material decision or transaction would require board and/or shareholders approval whenever/whichever is appropriate as required by law. For the above asset transaction, KHSB as public listed company must receive consent and approvals from the board of directors and minority shareholders in an EGM.

e) Ulu Yam Land

The Ulu Yam land was also included as part of the proposed settlement of the MBI grant to KHSB as mentioned above. Similarly, the valuation performed by Suleiman & Co was for this purpose.

Based on Suleiman &Co's valuation report, the Ulu Yam land was valued at RM12.7 million. MBI accepted a higher gross consideration of RM18 million in the GSA because this plot of land was the same land transacted at RM18 million in the joint venture agreement dated 26 May 1994 entered into between SAP Ulu Yam Sdn Bhd and Talam Leisure Development Sdn Bhd. Therefore, MBI had managed to recover the full value of these 2 plots of land as per GSA.

- 3.6.3 In addition, there were offers for the purchase of some of the disposals of Settlement Assets from Selangor State GLC such as PKNS. The offers appeared to be at values which were the same or higher than those stated in the GSA. Details are as follows:

Land Details	Letter of offer from	Date of Offer	Price RM psf. as per letter of offer	Value psf agreed in GSA (RM)
134.2 acres of Danau Putra	PKNS	21 Dec 2009	15.00	15.00
12 acres of Bukit Jalil	SIC	16 Dec 2009	26.78	22.90
25.94 acres of Bukit Beruntung	PKNS	21 Dec 2009	15.00	15.00

- 3.6.4 All assets listed as Settlement Assets have been sold / are being sold as at the date of this White Paper (with confirmed buyer, subject to negotiation of Sale & Purchase Agreement (SPA)) except for 950.64 acres of Bestari Jaya and 66.35 acres of Danau Putra land Lot 14002. MBI has received offers for the 2 plots of unsold land in Bestari Jaya and Danau Putra respectively. The value RM psf for each of these plots of land is the same as the value RM psf stated in the GSA. Therefore, MBI will ensure the recovery of full value of these 2 plots of land as per the GSA.

Under the GSA's Recitals, "*Talam further confirms that assets specifically mentioned in the proposed assets transfer are not encumbered and legally and beneficially owned by Talam and/or its related company*".

Accordingly, if in the course of transferring those properties identified as Settlement Assets any property is found to be encumbered or not legally belonging to Talam or any of its subsidiaries, the State/MBI would have the right to request for replacement assets

MBI was notified by the law firm MssrsSree, Harry & Co that Lot 14002 was already sold via a public auction to a private individual. The SPA was executed on 7 September 2010. MBI had requested for a replacement plot from Talam with a similar value. Talam had on 5<sup>th</sup> June 2012 issued a letter to MBI, agreeing to compensate MBI for the said land in the event Talam fails to transfer the land.

MBI will continue to exercise its rights under the GSA and ensure that all assets listed as Settlement Assets would be disposed of in an appropriate manner.

### **3.7 Compensation To The Three (3) Affected Companies**

Although the debts were novated to the State Government for a nominal sum RM10<sup>2</sup> each, MBI has agreed to provide additional compensation to the State GLCs in the following manner:

- 3.7.1 As compensation to UNISEL for the amount of RM248.7 million, MBI will take over the existing fixed assets/future capital expenditure and bank loans in relation to UNISEL. This will relieve UNISEL from the burden of future capital expenditure.

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<sup>2</sup> The novation agreement for KHSB, UNISEL and PNSB was only for a consideration of RM10 to legally put into effect the assignment of debts.



3.7.2 As for KHSB, MBI had agreed to provide KHSB a special grant for the principal amount of RM115 million to be settled in the form of assets and cash.

3.7.3 As for PNSB, MBI had agreed to provide PNSB a development grant amounting to RM28 million.

With the above, MBI has undertaken to compensate the State GLCs for the Talam Debts.

#### 4.0. CONCLUSION

4.1 This exercise was undertaken to ensure that the State GLCs are able to recover the debts owing to them by Talam. This is **not a bailout** but a pure debt recovery exercise. **No payments in cash or in kind have ever been made to Talam for its land or properties.**

4.2 The exercise resulted in consolidation of the debts at State level. MBI will ensure that the debt recovery process would **be handled** holistically and would be resolved **expeditiously in comparison to the alternative of each individual GLC dealing directly with Talam.**

4.3 The GSA had in 2010, enabled the Selangor State via MBI through a single debt recovery exercise, to finally obtain satisfaction of the debt owed by Talam.

4.4 The exercise had directly helped the State GLCs to enhance their financial standing via the strengthening of each State GLC's Balance Sheet. Without the exercise, the RM392 million Talam Debts would have been impaired and would have to be provided for.

4.5 Save for the disputed amounts referred to in paragraph 2.2 above, the State GLCs had become unsecured creditors of MBI instead of unsecured creditors of Talam under the Talam Debt Settlement. (see paragraph 3.7 above). As MBI enjoys a higher level of credit-worthiness in comparison to Talam, the State

GLCs had thereby improved their position considerably. Further, as the Global Settlement Exercise proceeds, Talam's indebtedness to MBI is progressively reduced by the transfer of Settlement Assets to MBI which it could then dispose of in an orderly manner at optimum prices.

4.6 In an effort to establish independently the facts, so that the record can be set straight, the State had on 30 July 2012, appointed an established international accounting firm, KPMG Transaction & Restructuring Sdn Bhd ("KPMG") to conduct an independent review on the Talam Debts recovery exercise. In undertaking the above, KPMG had included in its scope of work/considered the following:-

4.6.1 recognition of Talam Debts in the books of KHSB, PIYSB/UNISEL and PNSB;

4.6.2 recognition of Talam Debts novated by KHSB, UNISEL and PNSB in the books of Selangor State Government;

4.6.3 Sale of Talam Debts to MBI;

4.6.4 Grant from Selangor State Government to MBI;

4.6.5 Talam Debts Settlement Scheme/Agreement;

4.6.6 Settlement of Talam Debts by Talam to MBI.

4.7 The KPMG report is available to public and can be access as per guideline mentioned in the Clause 6 , Freedom of Information (State of Selangor) Enactment 2010. Meanwhile, the supporting documents used in the KPMG audit process are available for public view. <sup>3</sup>

**KPMG is of the view that the decision of the State Government to initiate and conclude the GSA was a sound commercial decision as per Appendix 5.**

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<sup>3</sup> This white paper has also been prepared in Bahasa Malaysia so as to facilitate public view.

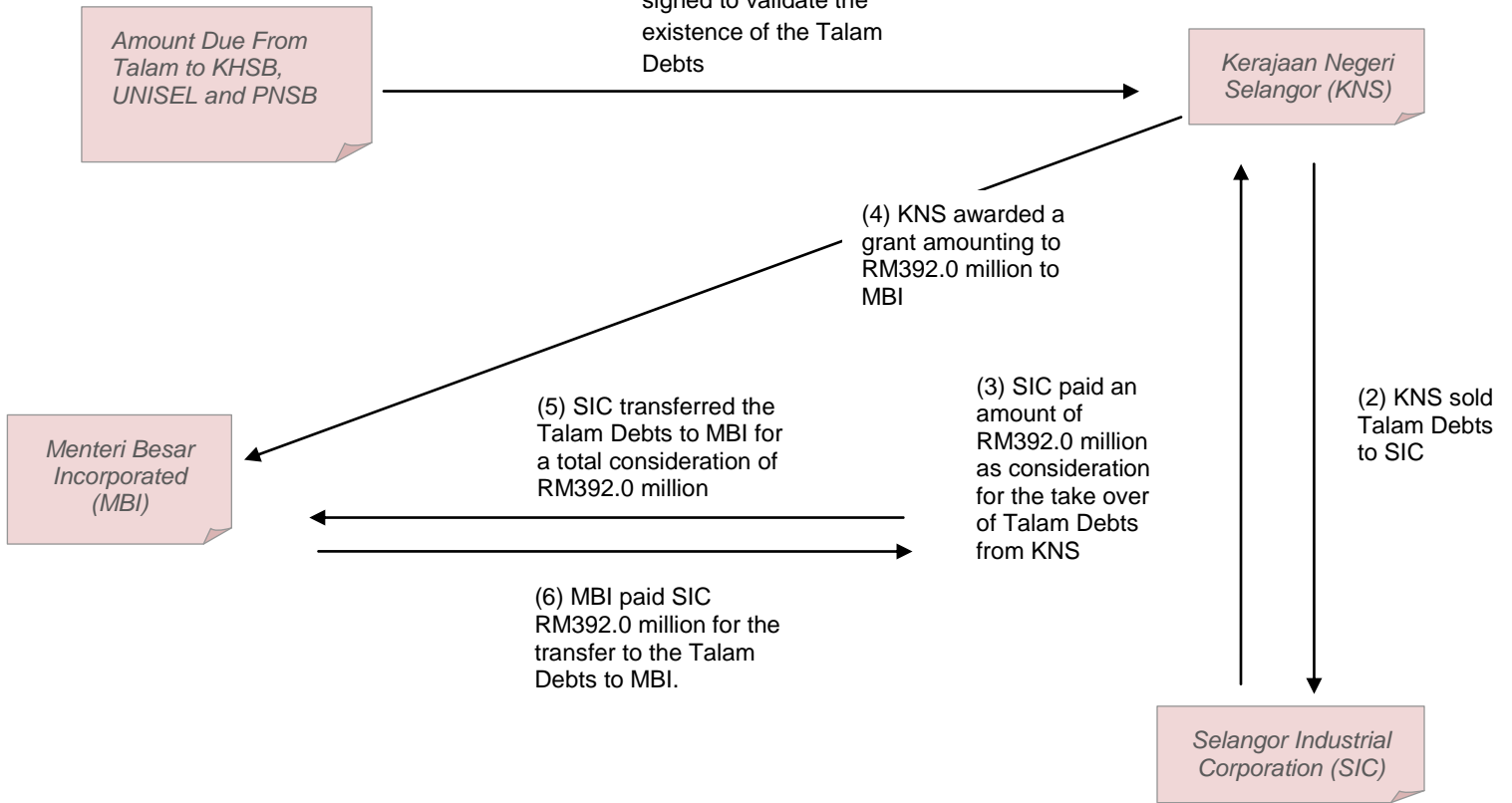
**5.0 NEXT STEPS:**

- 5.1 MBI will continue to ensure all land Sales and Purchase Agreements are concluded and cash is collected in full from the sale of these lands;
- 5.2 The disputed items as mentioned in paragraph 2.2 are being pursued by the State / State GLCs with Talam; and
- 5.3 The State Government will continue to review the market value of the Settlement Assets to ensure that the valuation is comparable to market. For reference, PNSB is in the process of obtaining the relevant approvals for the development of the Bestari Jaya and Bukit Beruntung land respectively.

**APPENDIX 1**

**MODUS OPERANDI**

- (1) Several agreements involving Talam, KHSB, UNISEL and PNSB were signed to validate the existence of the Talam Debts



**APPENDIX 2****List of Unencumbered Settlement Assets**

Item	Proposed Asset Transfer	Ownership	Encumbrances	Settlement Sum (RM)
1	12 acres PuncakJalil Land	Previously owned by MaxisegarSdnBhd and surrendered to State Government on 10 August 2005	Nil	12,000,000.00
2	400 acres Ulu Yam Land	Yayasan Selangor (Legal Owner) Talam (Beneficial Owner)	Nil	18,000,000.00
3	60% shares in Ulu Yam Golf and Country Resort SdnBhd	Talam Leisure Development SdnBhd (Legal Owner)	Nil	4,200,000.00
4	5 units office lots in MenaraPandan and retail lot measuring 2,745.83 square meter at UkayPerdana	Kumpulan DarulEhsanBerhad (Beneficial Owner)	Nil	10,523,900.00
5	Cash proceed via sales proceed of land in Saujana Putra	Assignment of sales proceed pursuant to a Sale and Purchase Agreement dated 29 June 2009 between GalianJutaSdnBhd and City Link Express (M) SdnBhd for a sale of land in Saujana Putra	Nil	5,000,000.00
6	Balance Earthwork Final Account	Owed by Unisel to KEB Builders	Nil	7,669,689.09
	Total			57,393,589.09

(The proposed asset transfer is collectively referred to as "Exercise 1")

**APPENDIX 3****List of Encumbered Settlement Assets**

Item	Proposed Asset Transfer	Consideration (RM)	Encumbrances (RM)	Settlement Sum (RM)
1	1,715.90 acres and 547.63 acres of land in Bestari Jaya ("Bestari Jaya Land")	181,082,400.00	58,253,750.00 (55,253,750.00 with TA First Credit SdnBhd; 3,000,000.00 with EON Bank Berhad)	122,828,650.00
2	25.94 acres of land in Bukit Beruntung ("Bukit Beruntung Land")	16,949,196.00	7,910,000.00 (Abrar Discount Bhd)	9,039,196.00
3	134.23 acres of land in Danau Putra ("Danau Putra Land")	87,705,882.00 (excluding all land premiums to be settled by Talam)	35,600,000.00 (25,000,000.00 with Insas Credit & Leasing; 6,600,000.00 with Bangkok Bank Berhad; 4,000,000.00 with IJM Construction SdnBhd)	52,105,882.00
	Total	285,737,478.00	101,763,750.00	183,973,728.00

**APPENDIX 4****The Additional Settlement Assets are as follows:-**

	Registered Owner	Title No.		Location and Category	Land Area	Loan Outstanding as at 1/3/2010 RM'mil	
		Lot	PT/Geran				
1	ECSB*	1995	Geran 44200 (Development)	MukimSerendah, Daerah Ulu Selangor, Negeri Selangor	259.75	43.50	Charged to CIMB
2	ECSB	2018	Geran 53432 (Development)	MukimSerendah, Daerah Ulu Selangor, Negeri Selangor	14.73		Charged to CIMB
3	ECSB	2066 & 2073	Geran 40124 (Development)	MukimUlu Yam, Daerah Ulu Selangor, Negeri Selangor	686.93	67.40	Charged to Abrar RCLSLS-C
4	ECSB	Lot 2067	PN 5282 (Development)	Mukimulu Yam, Daerah ulu Selangor, Negeri Selangor	20.03	0.60	Charges to EON RCLSLS-B
5	ECSB	Lot 3243	HS(D) 8160 (Pertanian to be converted by Talam to Development)	MukimUlu Yam, Daerah Ulu Selangor, Negeri Selangor	341.00	53.00	Charged to EON
TOTAL					1,322.44	164.50	

\* ECSB – Europlus Corporation SdnBhd

**Appendix 6****Garis panduan mengakses dokumen-dokumen berkaitan isu Pelunasan Menyeluruh Hutang Talam Corporation.**

- i. Pelawat hendaklah **mendaftarkan diri** terlebih dahulu dengan memberikan butiran peribadi seperti Nama Penuh, No. Kad Pengenalan dan Pertubuhan/ Agensi yang diwakili;
- ii. Masa yang dibenarkan untuk orang awam mengakses Pelunasan Menyeluruh Hutang Talam Corporation adalah **setiap hari bekerja** iaitu Isnin sehingga Jumaat daripada pukul **9.00 pagi sehingga pukul 4.30 petang** selama sebulan bermula daripada hari pertama Sidang Dewan Negeri bersidang (pertengahan bulan November 2012);
- iii. Hanya **seorang pelawat** dibenarkan mengakses dokumen-dokumen berkaitan Pelunasan Menyeluruh Hutang Talam pada sesuatu masa yang ditetapkan;
- iv. Pelawat hanya dibenarkan melihat dan membaca laporan tersebut sahaja. **Tiada sebarang perekodan dibenarkan** sama ada melalui salinan fotostat, mengambil gambar/ video menggunakan telefon bimbit/ kamera/ kamera video/ peralatan khas, mengambil catatan atau apa-apa jua kaedah. Sekiranya terdapat usaha perekodan dilakukan, pengawal bertugas boleh mengambil tindakan yang sewajarnya; dan
- v. Semua **maklumat adalah hak milik Kerajaan Negeri** dan maklumat-maklumat ini hendaklah dibaca secara keseluruhan dan tidak boleh diterjemahkan secara berasingan.