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UMLand in JV with Raffles

> They propose to develop international school in Johor

PETALING JAYA: Property developer United Malayan Land Bhd (UMLand) has signed an agreement with Singapore-based Raffles Campus Pte Ltd to form a joint venture (JV) called Raffles Campus (Seri Alam) Sdn Bhd (RCSA) to jointly develop an international school for use by Raffles as its Johor campus.

The JV, 51% owned by UMLand's unit Seri Alam Properties Sdn Bhd and 49% by Raffles, will develop a 19.71-acre piece of land in Bandar Seri Alam, Johor into an international school/campus.

RCSA had on Sunday entered into a

separate agreement with Seri Alam to acquire the land for RM10.83 million.

UMLand told Bursa Malaysia yesterday that the gross development cost of the project's initial phase is estimated at RM45 million, with total cost estimated at RM100 million, and construction is expected to commence in 2012 and completed by June 2013.

Seri Alam and Raffles had on Sunday also entered into an option to purchase shares agreement (OPSA), granting Raffles the option to purchase the remaining 51% equity in RCSA from Seri Alam within three years from the

commencement of a lease agreement between the two firms. The price of the option shares will be calculated based on the net tangible assets or par value of the option shares, whichever is higher.

Under the OPSA, Raffles also offers Seri Alam the right to retain up to 30% of the shares in RCSA.

Meanwhile, the international school, when completed, will be leased to Raffles for over 21 years as its Johor campus and be named the Excelsior International School. It will cater for children from kindergarten to high school.