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Danamodal Signed S&P Agreement With Arab-Malaysian Finance Berhad for the Sale of 100% Equity Interest In MBf Finance Berhad

Danamodal Nasional Berhad (Danamodal) announced today that it has entered into a share sale and purchase agreement with Arab-Malaysian Finance Berhad (AMFB) for its 100% equity interest in MBf Finance Berhad (MBf Finance).



The sale consideration for MBf Finance is RM925 million, of which RM475 million will be paid in cash. The balance of RM450 million is contingent on recoveries of non-performing loans of MBf Finance.

The valuation of the 100% equity stake at MBf Finance amounting to RM925 million is based on the estimated present economic value. With the sale agreement, Danamodal has recouped part of its RM1.6 billion recapitalisation of MBf Finance on 11 March 1999.

This sale, done in the greater interest of the banking consolidation exercise, is consistent with Danamodal's objective to act as a catalyst in the merger exercise.

The proposed sale, which is subject to the approval of other regulatory and relevant authorities, is expected to be completed before the end of 2001.

Danamodal Nasional Berhad
3 August 2001