

# DJ Prime Investments International Group Limited Disposal of Asset Further to Circular

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PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

Disposal of Land Asset and

Acquisition of Indirect Interest in Makkah Madinah Commercial Investment Company JSC ("MM"); and Surrounding Matters

The Shariah-compliant, PLUS-quoted, real estate investment company, Prime Investments International Group Limited ("Prime" or the "Company"), announces that, on 2 May 2012, it entered into a conditional contract to sell for \$400 million its 67-plot freehold interest in the mixed-use development known as the Eye of Ajman in Ajman, UAE (the "Asset").

At the same time, it agreed to acquire from the purchasers of the Asset, for like consideration 100 per cent of the issued share capital of Makkah & Madinah International Limited, an investment holding company in the Free Trade Zone of Ras al Khaimah, UAE ("MM RAK"). Owing to the purchasers' intentions in respect of the Asset, the disposal was dependent on Prime's shareholders' approval. This approval was forthcoming at a General Meeting of the Company held on 8 May 2012.

An explanatory circular was posted on 12 April 2012 giving further details of the proposed Asset disposal and convening a General Meeting on 8 May 2012 to consider the transaction among other resolutions; this document is available as a downloadable PDF on the Company's pages of the PLUS Market website and from Prime's website [http://www.prime-holdings.com/images/uploads/pdf/Circular\\_-\\_Meeting\\_Notice.pdf](http://www.prime-holdings.com/images/uploads/pdf/Circular_-_Meeting_Notice.pdf), where it is also accessible in the Arabic language.

The conditional contract became unconditional on 26 May 2012, upon the fulfilment of certain conditions in relation to the valuation of the consideration to be received by Prime from the vendors of MM RAK.

About the Asset

The Asset is a land bank of 67 mixed-use development plots in the Northern Emirate of Ajman. It was valued at the end of 2010 at the intended sale price; the Asset has yet to be developed.

About MM RAK

MM RAK is a private investment holding company established for the purpose of

holding an equity interest in MM. MM RAK has no substantive assets other than its shareholding in MM and no substantive liabilities other than its issued share capital. Prime will acquire the whole of the share capital of MM RAK, thereby indirectly becoming the owner of a 34.12 per cent stake in MM.

#### About MM

MM is as a private company with multiple shareholders, incorporated in the Kingdom of Saudi Arabia ("KSA"). It has a profitable trading history and is run as a Shariah-compliant business. MM and its subsidiaries own development land and income-generating property developments in the provinces of Makkah, Madinah, Riyadh and Jeddah in the KSA. The Holy City of Makkah itself, where MM owns investments, is the location of some of the highest, current property prices in the world. MM and the Company have been working together since 2011 to evaluate, and develop plans for, a number of projects within the KSA and elsewhere in the region.

MM had itself been valued by independent consultants on the basis of financial information as at 30 June 2011 at approximately US\$833 million. The same valuation consultants have recently revised the valuation of MM in the light of more recent financial information as at 31 March 2012 to US\$1,172,266,805. It is intended that, following completion of the acquisition of MM RAK, and hence of 34.12 percent of MM, Prime shall be represented on the board of MM.

#### Sector Classification

Effective from Friday, 20 April 2012, Prime's shares were re-classified from the Financial Services' sector to the Real Estate Investment & Services' sector of the ICB Real Estate "super-sector" 8600.

#### Conclusion

Commenting on the conditional disposal and acquisition, Muin El Saleh, the Chief Executive of Prime, said, "We believe the sale of Prime's interest in the Asset at this valuation represents full value for what is at present not an income-generative item in our balance sheet. We are exchanging this for a substantial investment in a business with a proven track record of producing income and earnings from its property investments in the largest of the Arabian economies. We are furthermore providing Prime's shareholders around the world with an opportunity to participate in a market which has hitherto been closed to investors from outside the Arabian Peninsula. The directors of the Company are enthusiastic at the prospect of working with the management of MM, jointly to create value for each interested group of shareholders."

The Asset disposal was approved at a General Meeting held on 8 May 2012, the outcome of which was announced separately, and shareholders also then approved a further resolution, changing the Company's name to Makkah Madinah Holdings

Limited, which the directors believe will better reflect the Company's business strategy and its intended investment in MM. The name-change will become effective on receipt of a change of name certificate, whereupon the shares will be quoted on PLUS under the new ticker symbol of "MAMP."

Muin El-Saleh, MBA,

Director and Chief Executive Officer,

Dubai, 29 May 2012

This announcement has been made after due and careful enquiry; the directors of Prime accept responsibility for its content.

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