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MTD CAPITAL TO JOINTLY DEVELOP NEW TOWNSHIP IN CHILE

KUALA LUMPUR, June 16 (Bernama) -- MTD Capital Bhd, through its wholly-owned subsidiary MTD Chile S.A., has entered into a joint-venture agreement with Jorge Fontaine Aldunate of Chile for a proposed property development project in Chile.

In a statement released today, MTD Capital said the proposed project would span over 600 hectares of land in Pirque, near Chile's capital, Santiago.

It was proposed to be developed into a satellite township within a resort cum country setting. The whole project was expected to be fully developed in the next eight to ten years.

The joint-venture would be undertaken by a joint-venture company, EL Principal S.A, of which MTD Chile will hold 51 percent of the equity in the company, while the remaining 49 percent would be owned by Aldunate.

EL Principal would have an issued share capital of US\$33.6 million (about RM84 million) comprising one million ordinary shares of US\$33.60 (about RM84) each to be fully subscribed in cash by both parties.

MTD Chile would invest US\$17.136 million (about RM42.84 million) into the joint-venture company, which would be financed via internally generated funds and borrowings from an offshore bank.

The joint-venture would allow MTD Capital to export its management expertise in property development and construction and further participate in the booming Chilean economy.

The investment was also in tandem with Prime Minister, Datuk Seri Dr Mahathir Mohamad's call to promote closer south south relationship. --
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