

## AMANAH HARTA TANAH PNB (“AHP” OR “THE TRUST”)

- (I) Acquisition by AmanahRaya Trustees Berhad (“Trustee”) for and on behalf of AHP, of the piece of land held in perpetuity under Lot No. P.T. 557, Title No. H.S.(D) 206530, Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan on which is erected a three (3) storey mall cum hypermarket with two (2) sub-basements from Mydin Mohamed Holdings Berhad (“Mydin”) (“Property”) for a cash consideration of RM240,000,000 (“Purchase Consideration”) (“Acquisition”); and
- (II) Renounceable rights issue of 120,000,000 new units in AHP (“Units”) (“Rights Unit(s)”) on the basis of six (6) Rights Units for every five (5) existing units in AHP held at an entitlement date to be determined later (“Rights Issue”).

(Collectively, referred to as the “Proposals”)

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*(Unless otherwise stated, abbreviations and definitions used throughout this announcement shall be the same as those previously defined in the circular to the unit holders of AHP dated 30 July 2015 in relation to the Proposals (“Circular”).)*

### 1. INTRODUCTION

We refer to the announcements dated 23 November 2016, 24 October 2016, 18 August 2016, 26 July 2016, 22 July 2016, 18 April 2016, 15 March 2016, 22 January 2016, 18 December 2015, 25 September 2015, 14 August 2015, 29 July 2015, 20 July 2015, 26 June 2015, 1 June 2015 and 27 April 2015 in relation to the Proposals.

On behalf of the Board of Directors of PHNB, MIDF Investment wishes to announce that the Board has resolved to fix the issue price for the Rights Units at RM1.00 per Rights Unit.

In addition, MIDF Investment wishes to announce on behalf of the Board that on 28 November 2016, PHNB, the Trustee, RHB Investment Bank Berhad (“RHB Investment”) and MIDF Investment (RHB Investment and MIDF Investment are collectively referred to as the “Joint Underwriters”) had entered into an underwriting agreement (“Underwriting Agreement”) for the underwriting of 64,713,600 Rights Units under the Rights Issue (“Underwritten Rights Units”) (“Underwriting Arrangement”) which represents the balance of the Rights Units after taking into consideration the entitlements of the Undertaking Unit Holders.

In view of the Underwriting Arrangement, the Trustee and the Manager have released ASB from its obligation to subscribe for the excess Rights Units up to two per centum (2%) of the enlarged Units in circulation (as stated in the irrevocable undertaking letter dated 27 May 2015 by ASB) and PNB from the Additional Undertaking.

Further details are set out in the ensuing sections of this announcement.

Save as disclosed in this announcement, there is no change in the Proposals.

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## **2. DETAILS OF THE RIGHTS ISSUE**

The Rights Issue was approved by the Unit Holders at the extraordinary general meeting (“EGM”) on 14 August 2015.

The details of the Rights Issue as disclosed in the Circular dated 30 July 2015, remain the same and involves the issuance of 120,000,000 Rights Units on the basis of six (6) Rights Units for every five (5) existing Units in AHP held on an entitlement date to be determined later.

### **2.1 Issue Price for the Rights Units**

The issue price for the Rights Units which has been fixed at RM1.00 per Rights Unit represents a discount of approximately 1.0% or RM0.01 to the theoretical ex-Rights price of the Units of RM1.01, calculated based on the five (5)-day VWAMP up to and including 25 November 2016, being the last trading date prior to the price-fixing date of RM1.02.

### **2.2 Unit Holders’ Undertakings and Underwriting Agreement**

On 28 November 2016, PHNB, the Trustee, RHB Investment and MIDF Investment had entered into the Underwriting Agreement for the underwriting of the Underwritten Rights Units.

As announced on 15 March 2016, premised on the Undertakings and the Additional Undertaking and based on the assumption that no other Entitled Unit Holders save for the Undertaking Unit Holders subscribe for the Rights Units, the direct unit holdings of PNB and ASB may increase to 75.48% after the Rights Issue. As a result, AHP will not be in compliance with the public shareholding spread requirement under the MMLR. Furthermore, PNB and its persons acting in concert would trigger an obligation to undertake a mandatory take-over offer for all the remaining Units in AHP not already owned by them. Depending on the acceptance level of the mandatory take-over offer, the public shareholding spread of AHP may reduce further and could potentially result in the delisting of AHP, if the non-compliance of the public shareholding spread requirement under the MMLR is not addressed within the stipulated time.

The Trustee and the Board are of the opinion that it is in the best interest of AHP to implement the Underwriting Arrangement for the Rights Issue and avoid the risk of non-compliance with the public shareholding spread requirement under the MMLR and possible delisting of AHP following the Rights Issue.

Pursuant to the Underwriting Agreement, the underwriting commission of 0.2% of the Underwritten Rights Units is payable to the Joint Underwriters which will be borne by AHP.

In view of the foregoing, the Trustee and the Manager has released the respective obligations of ASB to subscribe for the excess Rights Units up to two per centum (2%) of the enlarged units in issue of AHP (as stated in the irrevocable undertaking dated 27 May 2015 by ASB) and the Additional Undertaking by PNB.

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For illustration purposes, the unit holdings details of the Undertaking Unit Holders before and after the Rights Issue are as below:

<b>Names</b>	<b>No. of Units directly held as at LPD (as defined herein)</b>	<b>% of total Units in circulation <sup>(1)</sup></b>	<b>No. of Rights Units to be subscribed pursuant to entitlements based on the Undertakings</b>	<b>% of total Rights Units to be subscribed <sup>(2)</sup></b>	<b>Total Units held after Rights Issue</b>	<b>% of total Units held after Rights Issue <sup>(3)</sup></b>
AmanahRaya Trustees Berhad as trustee for ASB	41,008,500	41.01	49,210,200	41.01	90,218,700	41.01
PNB	5,063,500	5.06	6,076,200	5.06	11,139,700	5.06
<b>Total</b>	<b>46,072,000</b>	<b>46.07</b>	<b>55,286,400</b>	<b>46.07</b>	<b>101,358,400</b>	<b>46.07</b>

Notes:

<sup>(1)</sup> Based on the Units in circulation of 100,000,000 as at 21 November 2016, being the latest practicable date prior to this announcement ("LPD").

<sup>(2)</sup> Based on the total Rights Units of 120,000,000.

<sup>(3)</sup> Based on the enlarged Units in circulation of 220,000,000 Units.

Pursuant to the undertakings by the Undertaking Unit Holders to subscribe only for their respective entitlements of the Rights Units and the Underwriting Arrangement with the Joint Underwriters, the Manager confirms that the abovementioned subscription of the Rights Units will not give rise to a mandatory take-over offer obligation pursuant to Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC.

In view of the above, no fresh Unit Holders' approval required for the Rights Issue.

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### 3. UTILISATION OF PROCEEDS

The Rights Issue will raise gross proceeds of RM120,000,000. The proceeds arising from the Rights Issue shall be utilised in the following manner:

Proposed utilisation	Expected timeframe for utilisation from the receipt of the proceeds	RM'000
Part finance the Purchase Consideration of the Acquisition <sup>(a)</sup>	Within one (1) month	115,000
Part payment for the estimated expenses for the Proposals <sup>(b)</sup>	Within one (1) month	5,000
		<b>120,000</b>

Notes:

<sup>(a)</sup> The balance of the Purchase Consideration is financed via bank borrowings of RM125.00 million.

<sup>(b)</sup> The estimated total expenses for the Proposals are RM17.73 million of which RM5.00 million is to be funded from the proceeds of the Rights Issue and the balance of RM12.73 million is to be funded via bank borrowings. The breakdown of the estimated total expenses for the Proposals is as below:

Estimated total expenses for the Proposals	RM'000
Professional fees	1,329
Authorities fees	685
Joint Underwriters' fees	129
Printing and administration	409
Stamp duty	625
Goods and Services Tax ("GST")	14,555
<b>TOTAL</b>	<b>17,732</b>

### 4. EFFECTS OF THE PROPOSALS

For illustration purposes, the pro forma effects of the Proposals on AHP's Units in circulation, NAV and gearing, substantial and major unit holders' unit holdings, earnings and EPU and convertible securities are set out below.

#### 4.1 Units in Circulation

The Acquisition will not have any effect on the Units in circulation. The pro forma effects of the Rights Issue on the Units in circulation are set out below:

	No. of Units
Existing as at LPD	100,000,000
To be issued pursuant to the Rights Issue	120,000,000
<b>Enlarged Units in Circulation</b>	<b>220,000,000</b>

## 4.2 NAV and gearing

Based on the audited financial statements of AHP for the FYE 31 December 2015, the pro forma effects of the Proposals on the NAV and gearing of AHP are as follows:

	Audited as at 31 December 2015 RM'000	(I) After the Rights Issue RM'000	(II) After (I) and the Acquisition RM'000
Unit Holders' capital	100,000	218,759 <sup>(a)</sup>	218,759
Retained earnings	59,546	59,546	59,546
<b>Total NAV</b>	<b>159,546</b>	<b>278,305</b>	<b>278,305</b>
No. of Units ('000)	100,000	220,000	220,000
NAV per Unit (RM)	1.5955	1.2650	1.2650
Total Borrowings	59,894	59,894	197,626 <sup>(c)</sup>
Total Assets	226,854	345,613 <sup>(b)</sup>	483,345 <sup>(c)</sup>
Gearing (%) <sup>(d)</sup>	26.40	17.33	40.89

Notes:

<sup>(a)</sup> After the completion of the Rights Issue of 120,000,000 Units based on issue price of RM1.00, net of estimated expenses of RM1,241,000 for the Rights Issue. The breakdown for the estimated expenses is as below:

<i>Estimated expenses for the Rights Issue</i>	<i>RM'000</i>
<i>Professional fees</i>	637
<i>Authorities fees</i>	85
<i>Joint Underwriter's fees</i>	129
<i>Printing and administration</i>	390
<b>TOTAL</b>	<b>1,241</b>

<sup>(b)</sup> Includes cash proceeds from the Rights Issue of RM120,000,000 based on issue price of RM1.00, net of estimated expenses of RM1,241,000 for the Rights Issue.

<sup>(c)</sup> Includes bank borrowings of RM125,000,000 to partly finance the Acquisition and an additional RM2,732,680 and RM10,000,000 bank borrowings from existing and new facilities, respectively for working capital purposes.

<sup>(d)</sup> Total borrowings divided by total assets.

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### 4.3 Substantial and Major Unit Holders' unit holdings

The Acquisition will not have any effect on the substantial and major unit holders' unit holdings in AHP.

Based on the undertaking by the Undertaking Unit Holders to subscribe for their respective entitlements of the Rights Units and the Underwriting Arrangement, the proforma effects of the Rights Issue on the substantial and major Unit Holders' unit holdings as at LPD are as follows:

	As at the LPD				After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Units ( <b>'000</b> )	%	No. of Units ( <b>'000</b> )	%	No. of Units ( <b>'000</b> )	%	No. of Units ( <b>'000</b> )	%
AmanahRaya Trustees Berhad as trustee for ASB	41,009	41.01	-	-	90,219	41.01	-	-
PNB	5,064	5.06	852 <sup>(i)</sup>	0.85	11,140	5.06	1,874 <sup>(i)</sup>	0.85

Note:

<sup>(i)</sup> Deemed interested by virtue of its interest in Boh Plantations Sdn Bhd pursuant to Section 4(3) of the CMSA.

### 4.4 Earnings and EPU

Whilst the Rights Issue may have a short-term dilutive impact on the EPU of the Trust given the enlarged number of units in circulation after the Rights Issue among other factors, the Manager expects the medium term impact on the EPU to be positive.

The future rental income of RM16,800,000 per annum from the Property is expected to contribute positively to the future earnings of AHP. For illustration purposes, the effect of the Proposals on the historical EPU for the FYE 31 December 2015 based on the audited financial statement of comprehensive income for the said financial year and on the assumption that the Proposals were effected on 1 January 2015, is set out below:

	Audited as at 31 December 2015 RM	(I) After the Rights Issue RM	(II) After (I) and the Acquisition RM
Total comprehensive income	12,305,407	12,305,407	21,569,846 <sup>(1)</sup>
Net realised income	3,786,380	3,786,380	13,050,819 <sup>(1)</sup>
Number of Units in circulation	100,000,000	220,000,000	220,000,000
EPU – Total comprehensive income (Sen) <sup>(2)</sup>	12.31	5.59	9.80
EPU – Net realised income (Sen) <sup>(3)</sup>	3.79	1.72	5.93

Notes:

- (1) *After taking into consideration the net property income from the Acquisition of RM16,650,000 (gross rental income of RM16,800,000 less property manager's fee of RM150,000) and adjusted for the corresponding manager's fee of RM1,187,590 and financing costs of RM6,197,971 but does not include the effect of acquisition fee which may be charged by the Manager pursuant to the First Restated Deed in view that such fee is a one-off non-recurring expenses.*
- (2) *Total comprehensive income divided by number of Units in circulation.*
- (3) *Net realised income divided by number of Units in circulation.*

In view of the above, the Acquisition is expected to contribute positively to the future earnings of AHP.

The Manager had declared and paid an income distribution of 7.00 sen per Unit for the FYE 31 December 2015. The Manager intends to distribute at least 90.0% of the distributable income of AHP for each financial year. The Proposals are not expected to have any material effect on the above distribution policy as determined by the Board. The decision to declare and pay any distributions in the future would depend on, inter alia, the financial performance, cash flow position and financing requirements of AHP.

Any issuance of new Units pursuant to the Rights Issue will dilute the distribution per unit, given the enlarged number of Units in circulation. Nevertheless, any immediate dilution as a result of the increase in the number of Units issued is expected to be compensated by the improved future earnings and cash flow of AHP arising from the Acquisition.

#### **4.5 Convertible securities**

As at the LPD, AHP does not have any existing options, warrants or convertible securities.

### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

The Underwriting Agreement is available for inspection at the office of PHNB, as the Manager of AHP, at 31<sup>st</sup> Floor, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.