

Type : Announcement

Subject : PROPOSED DISPOSAL BY AMANAHRAYA TRUSTEES BERHAD (COMPANY NO. 766894-T) (“TRUSTEE” OR “ART”) AS TRUSTEE FOR AMANAH HARTA TANAH PNB (“AHP”) TO ARENSI (M) SDN. BHD. (Co. No. 331761-H) (“ARENSI” OR “THE PURCHASER”) OF A FREEHOLD LAND HELD UNDER, GERAN 43749, LOT 51882, MUKIM AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR TOGETHER WITH AN INTERMEDIATE THREE-STOREY TERRACED SHOPOFFICE LOCATED AT NO. 30, JALAN WAN KADIR 4, TAMAN TUN DR ISMAIL, 60000 KUALA LUMPUR. (“**THE TTDI PROPERTY**”) FOR A CASH CONSIDERATION OF RINGGIT MALAYSIA FOUR MILLION AND EIGHT HUNDRED THOUSAND ONLY (RM4,800,000.00) (“**THE DISPOSAL**”).

1. INTRODUCTION

Pelaburan Hartanah Nasional Berhad (Company No. 175967) (“**PHNB**” or the “**Manager**”), the management company of AHP wishes to announce that on 12 December 2018, ART as trustee for AHP has entered into a Sale and Purchase Agreement dated 12 December 2018 (“SPA”) with Arensi in respect of the Disposal for a cash consideration of RM4,800,000.00 (“Disposal Consideration”).

2. DETAILS OF THE DISPOSAL

2.1 Information on the TTDI Property

TTDI Property is an intermediate three storey terraced shopoffice erected on a piece of freehold land held under Lot 51882, GERAN 43749, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, bearing a postal address No. 30, Jalan Wan Kadir 4, Taman Tun Dr Ismail, 60000 Kuala Lumpur. It has a land area of 178 square metres and gross built-up area of 490.53 square metres.

Certain pertinent information of TTDI Property is as follows:-

Postal Address:	No. 30, Jalan Wan Kadir 4, Taman Tun Dr Ismail, 60000 Kuala Lumpur
Particular of Title:	Lot 51882, Geran 43749, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Tenure :	Freehold
Type of Property:	An intermediate three storey terraced shopoffice
Land area:	178 sq. metres (1,916 sq. ft.)
Gross Built-up area:	490.53 sq. metres (5,280 sq. ft.)
Existing use:	Showroom and tuition center
Appraised value (as at 30 November 2017):	RM4,300,000 By Rahim & Co International Sdn Bhd

Update Valuation (as at 1 October 2018):	RM4,500,000 By Rahim & Co International Sdn Bhd
Carrying Value (as at 30 November 2018):	RM4,300,000
Date of Acquisition :	16 October 1995
Acquisition Price	RM909,879
Occupancy rate (as at 31 October 2018):	64%
Current Tenants	Rozel Corporation Sdn Bhd and Skylace Language Centre Sdn Bhd
Encumbrances:	Nil

2.2 Salient terms and conditions of the Disposal

The salient terms and conditions of the Disposal are as follows:-

- (i) The Disposal is on “*as is where is*” basis subject to the terms and conditions of the SPA.
- (ii) The consideration for the Disposal is arrived at on a “*willing-buyer-willing-seller*” basis after taking into consideration the fair market value as determined by. Rahim & Co. International Sdn Bhd as at 30 November 2017 and an update valuation as at 1 October 2018.
- (iii) The Disposal is conditional upon and subject to the approval of the Trustee and any relevant authorities (the “**Conditions Precedent**”).
- (iv) The SPA shall become unconditional on the date on which the Conditions Precedent shall have been obtained in accordance with the provisions of the SPA (“**the Unconditional Date**”).

2.3 The Purchaser shall pay the Disposal Consideration in the following manner:-

- (i) a sum of Ringgit Malaysia Ninety Six Thousand (RM96,000.00) only being the earnest deposit under the SPA, which has been paid to AHP, upon acceptance of the offer for sale prior to the execution of the SPA;
- (ii) a sum of Ringgit Malaysia Three Hundred and Eighty Four Thousand (RM384,000.00) only being the additional deposit under SPA upon execution of the SPA; and
- (iii) the aggregate balance of Ringgit Malaysia Four Million Three Hundred and Twenty Thousand (RM4,320,000.00) only shall be paid to the Purchaser’s solicitor as stakeholders on the completion date (defined in the SPA as a period of three (3)

months commencing from the date of the SPA) or the Unconditional Date, whichever is later.

The Purchaser shall acquire the TTDI Property, which is currently free from encumbrances and subject to the existing tenancy, but otherwise, with vacant possession.

2.4 Basis of arriving at the Disposal Consideration

The Disposal Consideration for the TTDI Property was arrived at on a willing buyer and willing seller basis and at its market value (as at 30 November 2017 and updated market value as at 1 October 2018) of RM4,500,000 as valued by Rahim & Co International Sdn Bhd, an independent firm of registered valuer. The valuation of RM4,500,000 was arrived by using a combination of comparison and investment methods of valuation.

3. INFORMATION ON THE PURCHASER

Arensi is a private limited company and was incorporated in Year 1995 with issued and paid up capital of RM15,000,003 (RM14,000,000 transferred from share premium account). The principal activities of the Company are trading of general plastic goods and property investment.

4. RATIONALE FOR THE DISPOSAL

The Disposal is in line with the objective of PHNB, the Manager of AHP, to restructure and rebrand the portfolio of AHP.

5. UTILIZATION OF SALES PROCEED

Proceeds from the Disposal of RM4,800,000 will be utilized to pare down the existing borrowing of AHP and subsequently reduce its gearing level.

6. EFFECTS OF THE DISPOSAL

The Disposal will not have any effect on the unit holders' capital or unit holdings of the substantial unit holders of AHP.

The expected net gain on disposal is approximately RM300,000 arising from the Disposal and will not have significant impact to the earnings of AHP for the financial year ending 31 December 2018.

7. APPROVALS REQUIRED

The Disposal has been approved by the Trustee on 29 November 2018. It is not subject to the approvals of the unit holders of AHP and any regulatory authorities.

8. DIRECTORS' AND MAJOR SHAREHOLDER'/UNIT HOLDERS' INTEREST

None of the Directors or major shareholders of PHNB and/or major unit holders of AHP or persons connected with them, has interest, direct or indirect, in the Disposal.

9. STATEMENT BY DIRECTORS

The Board of Directors of PHNB, after careful consideration of all aspects of the Disposal, is of the opinion that the Disposal is fair and reasonable and is in the best interest of AHP and its' unit holders.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Disposal is expected to be completed by the first quarter of the financial year 2019.

11. DEPARTURE FROM THE REIT GUIDELINES

To the best knowledge of the Board of Directors of the Manager, the Disposal does not depart from the Guidelines on Real Estate Investment Trust.

12. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the business address of the Manager at 31st Floor, Menara PNB, 201-A Jalan Tun Razak, 50400 Kuala Lumpur during normal office hours from Monday to Friday (*except on public holidays*) for a period of three (3) months from the date of this announcement:-

- (i) the Sale and Purchase Agreement dated 12 December 2018; and
- (ii) the Valuation Report and Update Valuation Report of the TTDI Property by Rahim & Co International Sdn Bhd dated 30 November 2017 and 1 October 2018, respectively.

This announcement is dated 12 December 2018.