

## SELANGOR PROPERTIES BERHAD

Type	Announcement
Subject	OTHERS
Description	SELANGOR PROPERTIES BERHAD ("SPB" OR THE "COMPANY") PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF SPB PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SCR")

We refer to our announcements dated 25 October 2018, 26 October 2018, 8 November 2018, 17 December 2018 and 20 December 2018 in relation to the Proposed SCR ("**Announcements**"). Unless otherwise defined, the terms used herein shall have the same meaning as those defined in the Announcements.

On behalf of the Board, CIMB Investment Bank Berhad wishes to announce that the Board, has today, received a letter from Kayin Holdings Sdn Bhd to revise the SCR Offer Price for the Proposed SCR from RM6.00 to RM6.30 for each existing SPB Share ("**Revised SCR Offer Price**") held by the Entitled Shareholders ("**Revised Proposal Letter**").

The Board, save for the Interested Director, has deliberated on the contents of the Revised Proposal Letter.

The Board has on 17 December 2018 resolved to table the Proposed SCR to the shareholders of SPB for their consideration. Following the revision of the SCR Offer Price, the Proposed SCR to be tabled to the shareholders of SPB would take into account the Revised SCR Offer Price and any consequential adjustments arising from the revision of the SCR Offer Price.

The Board notes that, save for the Revised SCR Offer Price and the consequential adjustments in light of the Revised SCR Offer Price, all other material terms and conditions to the Proposed SCR remain the same.

A copy of the Revised Proposal Letter and the announcement setting out the consequential adjustments arising from the revision of the SCR Offer Price are enclosed herewith.

**This announcement is dated 15 January 2019.**

Please refer attachment below.

## SELANGOR PROPERTIES BERHAD (“SPB” OR THE “COMPANY”)

### PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF SPB PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 (“PROPOSED SCR”)

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*We refer to our announcements dated 25 October 2018, 26 October 2018, 8 November 2018, 17 December 2018 and 20 December 2018 in relation to the Proposed SCR (“Announcements”). Unless otherwise defined, the terms used herein shall have the same meaning as those defined in the Announcements.*

#### 1. INTRODUCTION

The Company had on 25 October 2018, announced that the board of directors of SPB (“**Board**”) had on even date received a letter from its major shareholder, Kayin Holdings Sdn Bhd (“**Kayin**” or the “**Non-Entitled Shareholder**”), informing the Board of its intention to privatise the Company by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act, 2016 (“**Act**”) and requesting the Company to undertake the Proposed SCR (“**Proposal Letter**”).

On 17 December 2018, the Company announced that the Board received a revised proposal letter from Kayin, informing that the offer price for the ordinary shares in SPB (“**SPB Share(s)**”) has been revised from RM5.70 to RM6.00 for each existing SPB Share (“**SCR Offer Price**”). On even date, the Board resolved to table the Proposed SCR to the shareholders of SPB for their consideration.

On behalf of the Board, CIMB Investment Bank Berhad wishes to announce that the Board had on 15 January 2019, received a letter from Kayin, informing the Board that Kayin wishes to further revise the SCR Offer Price for the Proposed SCR from RM6.00 to RM6.30 for each existing SPB Share (“**Revised SCR Offer Price**”) held by the Entitled Shareholders (“**Revised Proposal Letter**”). Following the revision of the SCR Offer Price, the Proposed SCR to be tabled to the shareholders of SPB would take into account the Revised SCR Offer Price and any consequential adjustments arising from the revision of the SCR Offer Price.

Further details pertaining to the Proposed SCR are set out below.

#### 2. DETAILS OF THE PROPOSED SCR

##### 2.1 Proposed SCR

Consequent to the revision of the SCR Offer Price, the Entitled Shareholders will receive a total capital repayment of RM 687,768,007.50 which represents a cash repayment of RM6.30 for each SPB Share held by the Entitled Shareholders on the Entitlement Date.

The issued share capital of SPB will be reduced by up to RM687,768,007.50 pursuant to the Proposed SCR.

In view that the issued share capital to be reduced is higher than the existing issued share capital of SPB of RM545,370,929, SPB will undertake a bonus issue of up to 382,093,338 Bonus Shares by way of capitalising up to RM382,093,338 from the retained earnings of the Company, in order to increase the share capital of SPB up to a level which is sufficient for the capital reduction (“**Proposed Bonus Issue**”). The Proposed Bonus Issue is proposed purely to facilitate the implementation of the Proposed SCR.

## 2.2 Basis of arriving at the Revised SCR Offer Price

The Revised SCR Offer Price was arrived at after taking into consideration the closing price and VWAP of the SPB Shares up to and including 24 October 2018, being the last trading day prior to the receipt of the Proposal Letter by the Board (“LTD”), as follows:

	Market price	Premium over market price/VWAP	
	RM	RM	%
Closing price as at the LTD	4.0600	2.2400	55.17
5-day VWAP up to the LTD	4.0583	2.2417	55.24
1-month VWAP up to the LTD	4.1694	2.1306	51.10
3-month VWAP up to the LTD	4.1525	2.1475	51.72
6-month VWAP up to the LTD	4.1680	2.1320	51.15
1-year VWAP up to the LTD	4.7650	1.5350	32.21

(Source: Bloomberg)

## 3. EFFECTS OF THE PROPOSED SCR

Save for the following, there is no material changes to the financial effects of the Proposed SCR as announced on 17 December 2018.

### 3.1 Share capital

The pro forma effects of the Proposed SCR on the share capital of SPB are as follows:

	Number of SPB Shares	RM
Share capital as at the LPD	343,616,761	545,370,929
Add: SPB Shares to be issued pursuant to the Proposed Bonus Issue <sup>(1) (2)</sup>	382,093,338	382,093,338
Less: SPB Shares to be cancelled pursuant to the Proposed SCR <sup>(2)</sup>	(491,262,863)	*(687,768,008)
<b>Resultant share capital of SPB after the Proposed SCR</b>	<b><u>234,447,236</u></b>	<b><u>239,696,259</u></b>

#### Notes:

\* Rounded up to the nearest Ringgit.

(1) The Proposed Bonus Issue is undertaken only to facilitate the implementation of the Proposed SCR. The Bonus Shares will not be credited into the CDS accounts of the Entitled Shareholders and will be cancelled immediately after issuance to facilitate the Proposed SCR.

(2) For illustrative purpose only. The actual number of Bonus Shares to be issued and SPB Shares to be cancelled under the Proposed SCR will depend on, among others, the total number of SPB Shares held by the Entitled Shareholders.

### 3.2 Net asset (“NA”) per SPB Share and gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of SPB as at 31 October 2017, the pro forma effects of the Proposed SCR on the NA per SPB Share and gearing of SPB Group are as follows:

	<b>Audited as at 31 October 2017</b>	<b>After the Proposed SCR</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	545,371	239,696
Reserves	88,238	88,238
Retained earnings	1,906,618	<sup>(1)</sup> 1,522,725
<b>Shareholders' funds/ NA</b>	<b>2,540,227</b>	<b>1,850,659</b>
Number of SPB Shares ('000)	343,617	234,447
NA per SPB Share (RM)	7.39	7.89
Total borrowings (RM'000)	258,314	<sup>(2)</sup> 946,082
Gearing ratio (times)	0.10	<sup>(2)</sup> 0.51

**Notes:**

- (1) *After capitalising approximately RM382.1 million from the retained earnings account pursuant to the Proposed Bonus Issue and accounting for the estimated expenses of approximately RM1.8 million for the Proposed SCR.*
- (2) *Assuming the Company draws down bank facilities of approximately RM687.8 million for the purpose of implementing and giving effect to the Proposed SCR. In the event the Company utilises a combination of internally generated funds and bank borrowings to fund the Proposed SCR, the total borrowings and gearing ratio will vary accordingly.*

**This announcement is dated 15 January 2019.**

15 January 2019

**The Board of Directors**  
**SELANGOR PROPERTIES BERHAD**  
Lot 6.05, Level 6, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan



Dear Sirs,

**REVISED OFFER PRICE IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF SELANGOR PROPERTIES BERHAD ("SPB" OR THE "COMPANY") PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("ACT") ("PROPOSED SCR") ("REVISED PROPOSAL LETTER")**

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**1. INTRODUCTION**

We, Kayin Holdings Sdn Bhd ("**Non-Entitled Shareholder**") refer to the proposal letter dated 25 October 2018 served by us, to the board of directors of SPB ("**Board**"), notifying our intention to privatise the Company by way of a selective capital reduction and repayment exercise under Section 116 of the Act and requesting the Company to undertake the Proposed SCR ("**Proposal Letter**").

Further, we had on 17 December 2018 notified the Board that the offer price under the Proposed SCR has been revised from RM5.70 to RM6.00 for each existing ordinary share in SPB ("**Share(s)**") held by all the shareholders of SPB (other than the Non-Entitled Shareholder) whose names appear in the Record of Depositors of SPB as at the close of business on an entitlement date to be determined and announced later ("**Entitled Shareholders**").

**2. REVISED OFFER**

2.1 We wish to inform you that we wish to revise the **SCR Offer Price for each existing Share held by the Entitled Shareholders to RM6.30** ("**Revised SCR Offer Price**").

2.2 Consequential to the Revised SCR Offer Price, the issued share capital of SPB will be reduced by up to RM687,768,007.50 pursuant to the Proposed SCR. As a result of the Revised Offer Price, the capital reduction is still higher than the existing issued share capital of SPB and hence a bonus issue is still proposed to be undertaken by SPB to increase the share capital of SPB to a level which is sufficient for the capital reduction to facilitate the Proposed SCR.

KAYIN HOLDINGS SDN BERHAD Co. No.0215 - D

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A handwritten signature in black ink, appearing to be 'Lina'.

2.3 The Revised SCR Offer Price was arrived at after taking into consideration the closing price and volume weighted average market price ("VWAP") of the Shares up to and including 24 October 2018 (being the last full trading day prior to the service of the Proposal Letter) ("LTD"):


	Market price	Premium over market price/VWAP	
	RM	RM	%
Closing price as at the LTD	4.0600	2.2400	55.17
5-day VWAP up to the LTD	4.0583	2.2417	55.24
1-month VWAP up to the LTD	4.1694	2.1306	51.10
3-month VWAP up to the LTD	4.1525	2.1475	51.72
6-month VWAP up to the LTD	4.1680	2.1320	51.15
1-year VWAP up to the LTD	4.7650	1.5350	32.21

(Source: Bloomberg)

2.4 All other material terms and conditions as stated in the Proposal Letter shall remain unchanged.

If the Board (save for any interested directors) is agreeable to the terms envisaged in this Revised Proposal Letter as set out above, please execute the duplicate of this letter at the place indicated, and return the same to us.

Yours faithfully,  
 For and on behalf of  
**KAYIN HOLDINGS SDN BHD**

  
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**WEN MING KANG**  
 Director

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