

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) Proposed 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 (“Proposed Rights Issue”).**

(Collectively, referred to as the “Proposals”)

(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.)

1. INTRODUCTION

We refer to the announcements on 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 Pelaburan Hartanah Nasional Berhad (“PHNB” or “Manager”) (“Board”), MIDF Investment, wishes to announce the following:

- (i) the Trustee for AHP, had on 14 March 2016 entered into a supplemental agreement (“Supplemental Agreement”) with Mydin for the Acquisition; and
- (ii) the Manager had received an additional letter of irrevocable undertaking from PNB dated 14 March 2016 to subscribe for the remaining Rights Units which have not been subscribed by other Entitled Unit Holders of AHP and/or their renounees pursuant to the Proposed Rights Issue and the excess Rights Units applications, up to the maximum of 60,413,600 Rights Units, via excess application under the Proposed Rights Issue (“Additional Undertaking”).

Further details on the Proposals and Additional Undertaking 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 PROPOSALS

2.1 Acquisition

Based on the SPA, all the Vendor's Conditions Precedent have been fulfilled save for the Vendor's obligation to undertake the Material Repair, Rectification, Remedial and Replacement Works (based on the results of the Building Due Diligence Inspection and Audit Report) to the satisfaction of the independent consultant ("Outstanding Vendor's Conditions Precedent").

Messrs. W.M. Malik & Kamaruzaman, the appointed independent consultant ("Independent Consultant"), has completed the Building Due Diligence Inspection and Audit and subsequently issued the Building Due Diligence Inspection and Audit Report on 8 June 2015 and the Further Structure Investigation Audit Report on 10 December 2015. Based on the results of the Building Due Diligence Inspection and Audit and the Further Structure Investigation Audit, the material defects detected in the three-level car park block which is attached to the main structure of the Property ("Car Park Block") are as follows:

- (i) Slab thickness of the floor slab in certain areas is less than the relevant design;
- (ii) Concrete cover of the floor slab exceeded the relevant design;
- (iii) Overstress of the reinforced ground floor slab type GS3 End Span; and
- (iv) High carbonation in the concrete mixture ("High Carbonation Issue"),

(collectively referred to as the "Material Defects")

Pursuant to the above, the Vendor will undertake the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects subject to the terms and conditions of the Supplemental Agreement which will vary the SPA including in the following manner:

- (i) due to the inter-conditionality of the Acquisition and the Proposed Rights Issue, the Vendor and the Purchaser have agreed to vary the Outstanding Vendor's Conditions Precedent to permit the Vendor to complete the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects within the Material Defects Rectification Period (as defined below) to facilitate the completion of the Acquisition and hasten the expected benefits arising from the Acquisition to AHP; and
- (ii) the SPA has been varied to require a fresh Unit Holders' approval in relation to the Proposed Rights Issue arising from the Additional Undertaking.

Notwithstanding the above, the structural integrity of the Property is sound and safe for occupation.

Other details of the Supplemental Agreement are set out in Section 2.1.1 of this Announcement.

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2.1.1 Salient Terms of the Supplemental Agreement

The salient terms of the Supplemental Agreement are as follows:

- (a) the term “Completion Period” (which is the time period for the Purchaser to pay the full Balance Purchase Price) as defined under the SPA shall now mean a period of two (2) months from the Unconditional Date or such further period to be mutually agreed by the Vendor and the Purchaser;
- (b) the payment of the Balance Purchase Price is no longer conditional on the completion of the Material Repair, Rectification, Remedial and Replacement Works by the Vendor. The Vendor and the Purchaser have agreed to proceed with the completion of the sale and purchase of the Property whereby the Purchaser shall proceed to pay the Balance Purchase Price upon the fulfillment of all remaining conditions precedent and in accordance with the terms and conditions of the SPA as substituted amended or modified by the Variation Letter and the Supplemental Agreement;
- (c) as there are material variations in the disclosure in the Circular dated 30 July 2015 to the Unit Holders of AHP in relation to Proposed Rights Issue, the Supplemental Agreement has also introduced a new condition precedent i.e. the Purchaser is required to obtain the approval of the Unit Holders of AHP afresh in respect of the Proposed Rights Issue;
- (d) for the purposes of completing the Material Repair, Rectification, Remedial and Replacement Works:
 - (i) Messrs. 3R System Sdn Bhd, a third party specialist contractor has conducted further additional tests on the Material Defects (“Additional Tests”); and
 - (ii) the method of rectification of the Material Defects (“Method of Rectification”) will be based on EITHER:
 - (1) the proposal by the Vendor’s civil and structural engineer i.e. Messrs. TDC Engineering Consultants Sdn Bhd (“TDC”) which must be based on results of the Additional Tests. TDC’s proposal must be agreed to by the Independent Consultant; OR
 - (2) if the Independent Consultant, based on sound engineering practices and standards for similar buildings and defects of similar nature and in accordance with the Standard Engineering Practice Code (“Sound Engineering Standards and Norms”) and after taking into consideration the age and the nature of usage of the Property and the fact that the Purchaser is acquiring the Property as a used property and not a newly built property with new fixtures, fittings and installations (“Age, Usage and Acquisition Factors”), is disagreeable with TDC’s proposal, then on such other alternative Method of Rectification (based on Sound Engineering Standards and Norms and after taking into consideration the Age, Usage and Acquisition Factors) as may be recommended by the Independent Consultant,

- (iii) the Vendor must complete the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects within six (6) months from the Completion Date (hereinafter referred to as the “Material Defects Rectification Period”);
- (iv) upon completion of the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects, the Purchaser and the Independent Consultant must inform the Vendor whether or not the Purchaser and the Independent Consultant are satisfied with the results, based on the Sound Engineering Standards and Norms after taking into account the Age, Usage and Acquisition Factors, and if not satisfactory, the Vendor must undertake such further rectification works. The Independent Consultant shall again determine whether such further works undertaken by the Vendor are satisfactory or otherwise based on the Sound Engineering Standards and Norms after taking into account the Age, Usage and Acquisition Factors;
- (v) if either:
 - (1) the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects have not been completed within the Material Defects Rectification Period; and/or
 - (2) the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects have not been completed to the satisfaction of the Independent Consultant based on the Sound Engineering Standards and Norms after taking into account the Age, Usage and Acquisition Factors, then the Purchaser is entitled to carry out the relevant repair works to the Material Defects. In such an event, the Purchaser’s solicitors are to release all costs and expenses incurred by the Purchaser in carrying out the aforesaid works from the Retention Sum (as defined hereinafter);
- (e) subject to the Independent Consultant’s satisfaction of the Material Repair, Rectification, Remedial and Replacement Works undertaken to the Material Defects and in the event the Lease is terminated, the Vendor’s rights, interest, benefits, obligations and liabilities under the contracts and warranties in respect of the Material Repair, Rectification, Remedial and Replacement Works, if any are then subsisting, are to be novated to the Purchaser by way of a novation agreement(s). The Agreement to Lease is to be amended (by way of the Supplemental Agreement to Lease) together with the Lease Agreement to incorporate this obligation of and undertaking by the Vendor;

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- (f) with regards to the High Carbonation Issue, the Vendor shall conduct a further test after signing of the Supplemental Agreement to measure the carbonation in the concrete mixture at the Car Park Block and if fifty per cent (50%) of the results of the test confirms carbonation in the concrete mixture is higher than 6 millimetres, the Vendor is to undertake anti-carbonation painting. Otherwise if fifty per cent (50%) of the results of the test confirms the carbonation in the concrete mixture is 6 millimetres or less, a follow up test is to be conducted within three (3) months from the Supplemental Agreement whereby anti-carbonation painting is to be undertaken by the Vendor where fifty per cent (50%) of the results of this second test confirms that the carbonation in the concrete mixture at the Car Park Block is higher than 6 millimeters. All of the aforesaid is to be undertaken at the Vendor's cost and expense and any failure by the Vendor to carry out the anti-carbonation painting will entitle the Purchaser to carry out such anti-carbonation painting and claim all costs and expenses from the Retention Sum;
- (g) If there are any defects caused to the Property in future during the Lease due to the High Carbonation Issue, then the Vendor is obligated to undertake the relevant repairs to make good such defects. This will also be incorporated into the Supplemental Agreement to Lease and the Lease Agreement;
- (h) under the Supplemental Agreement, the Vendor must represent and warrant, inter alia, that if there are any defects, shrinkage or other faults in the Car Park Block which are attributable to the Material Defects or failure of the Material Repair, Rectification, Remedial and Replacement Works undertaken by the Vendor to the Material Defects as determined by the Independent Consultant within a period of twelve (12) months after the date of completion of the Material Repair, Rectification, Remedial and Replacement Works as certified by the Independent Consultant ("Defect Liability Period (Material Defects)"), then the Vendor must carry out further works which must be satisfactory to the Independent Consultant, based on the Sound Engineering Standards and Norms after taking into account the Age, Usage and Acquisition Factors, within a thirty (30) day period from the Vendor's receipt of the Purchaser's notification. Failure to do so will result in the Purchaser being entitled to carry out the repair works and to recover from the Vendor such costs including by claiming from the Retention Sum;
- (i) if the Purchaser were to undertake the further works as described under paragraph (d)(v) and/or (h) above and the Retention Sum is not sufficient to cover the Purchaser's costs, then the Vendor is also obliged to reimburse to the Purchaser for such costs in excess of the Retention Sum;
- (j) the term "Retention Sum" as defined under the SPA is increased from Ringgit Malaysia Twelve Million (RM12,000,000.00) to the sum of Ringgit Malaysia Fifteen Million (RM15,000,000.00);
- (k) in any event, the Retention Sum shall be utilised:
- (i) in accordance with the provisions of the SPA, including the costs of undertaking any non-material repair, rectification, remedial and replacement works which have not been completed by the Vendor in accordance with the SPA;

- (ii) to complete the anti-carbonation painting in the event the Vendor fails to do so and for any future works in the event of defects caused to the Property in future during the Lease due to the High Carbonation Issue in the event the Vendor fails to do so;
 - (iii) to complete the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects to the satisfaction of the Independent Consultant in the event the Vendor fails to do so;
 - (iv) to complete such further works in respect of defects shrinkage or other faults in the Car Park Block attributable to the Material Defects or failure of the Material Repair, Rectification, Remedial and Replacement Works undertaken by the Vendor to the Material Defects as determined by the Independent Consultant arising during the Defect Liability Period (Material Defects) to the satisfaction of the Independent Consultant in the event the Vendor fails to do so;
 - (v) towards the fees and expenses due and payable to the Independent Consultant in relation to the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects.
- (l) upon expiry of the Defect Liability Period (Material Defects), the Purchaser's solicitors are to release the Retention Sum to the Vendor less any sums referred to under the Supplemental Agreement (including the costs referred under paragraph (k) above) but subject always to the completion of all relevant works which is obliged to be undertaken by the Vendor under the SPA as substituted amended or modified by the Variation Letter and the Supplemental Agreement including:
- (i) the non-material repair, rectification, remedial and replacement works which have not been completed by the Vendor in accordance with the SPA;
 - (ii) completion of the anti-carbonation painting;
 - (iii) completion of the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects;
 - (iv) completion of any repair or rectification works required under the SPA (including during the defect liability period provided for therein);
 - (v) completion of the necessary repairs to the Car Park Block due to defects, shrinkage or other faults arising during the Defect Liability Period (Material Defects); and
 - (vi) upon confirmation of the full settlement by the Vendor of all fees and expenses due and payable to the Independent Consultant in relation to the Material Repair, Rectification, Remedial and Replacement Works to the Material Defects.
- (m) all fees and expenses of the Independent Consultant in relation to the matters and scope of work to be undertaken by the Independent Consultant under the Supplemental Agreement is to be borne by the Vendor. If the Purchaser were to pay such costs to the Independent Consultant, then such costs of the Independent Consultant may be deducted from the Retention Sum if the Vendor fails to reimburse the Purchaser for such costs.

2.2 Proposed Rights Issue

The Proposed Rights Issue has been approved by the Unit Holders at the EGM on 14 August 2015.

The details of Proposed Rights Issue as disclosed in Circular dated 30 July 2015, remains the same whereby it entails 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.

The basis for the Proposed Rights Issue of six (6) Rights Units for every five (5) existing units in AHP is to meet the funding requirement for the Acquisition and after taking into consideration the distribution capacity of AHP whilst maintaining borrowings below the limit of 50% of the total asset value of the Trust.

The Proposed Rights Issue will be provisionally allotted and issued to Unit Holders whose names appear in the Record of Depositors of AHP at the close of business on the entitlement date after obtaining all the relevant approvals for the Proposed Rights Issue.

The number of 120,000,000 Rights Units have been arrived after taking into consideration the units in issue of AHP as at LPD of 100,000,000 Units.

The Entitled Unit Holders may subscribe for their respective entitlements of the Rights Units in full or in part as the Proposed Rights Issue is proposed to be undertaken on a renounceable basis. Any unsubscribed Rights Units shall be first offered to the other Entitled Unit Holders and/or their renounee(s) under the excess Rights Units application. It is the intention of the Board to allocate the excess Rights Units in a fair and equitable manner on a basis to be determined by the Board and announced at a later date.

Any fractional entitlements under the Proposed Rights Issue will be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion think expedient or in the interest of the Trust, including, inter alia, in a manner so as to minimise the number of odd lots of Rights Units arising therefrom.

The Proposed Rights Issue is undertaken to raise funds for the purposes as stated in section 3 below.

The benefits to the Unit Holders are as follows:

- (i) the Proposed Rights Issue will provide Unit Holders with future upside from the new property to be acquired which is expected to improve the overall yield of AHP and the opportunity to participate in the equity of the Trust on a pro-rata basis at a discount from market price;
- (ii) the Proposed Rights Issue will involve the issuance of new AHP units without diluting the existing Unit Holders' equity interest (assuming the Unit Holders subscribe fully for their respective entitlements) as opposed to private placement; and
- (iii) the liquidity and marketability of AHP units are also expected to improve with an increased capital base and hence would enable greater participation of both retail and institutional investors.

Pursuant to the Additional Undertaking and the possibility of an mandatory take-over offer obligation being triggered under the Malaysian Code on Take Over and Mergers, 2010 (“Code”) as set out in Section 2.2.4 below, a fresh approval from the Unit Holders is to be sought in respect of the Proposed Rights Issue.

2.2.1 Basis of determining the issue price of the Rights Units

As at the date of this announcement, the issue price has not been fixed and will be fixed at a later date by the Board.

The Issue Price for the Rights Units will be fixed at a price that is deemed appropriate after taking into consideration the basis and justification as follows:

- (i) the TERP based on the five (5)-day VWAMP of AHP immediately prior to the price fixing date;
- (i) the funding requirements of AHP;
- (ii) the funding proportion for the Acquisition;
- (iii) the borrowing limit of the Trust; and
- (iv) the distribution capacity of AHP.

For illustrative purposes, assuming the indicative issue price of RM1.00 per Rights Unit, the total gross proceeds to be raised from the Proposed Rights Issue is RM120,000,000. Based on the indicative issue price of RM1.00 per Rights Unit, the TERP of the Units is approximately RM1.01 based on the five (5)-day VWAMP up to and including 14 March 2016, being the last trading date prior to the date of this announcement of RM1.02. The indicative issue price of RM1.00 per Rights Unit therefore represents a discount of approximately 1.0% over the TERP.

2.2.2 Ranking of the Rights Units

The Rights Units shall, upon allotment and issue, rank *pari passu* in all respects with the existing Units, save and except that they shall not be entitled to any distributable income, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment of the Rights Units.

2.2.3 Listing of and quotation for the Rights Units

Bursa Securities had, vide its letter dated 16 July 2015, granted its approval for the listing and quotation of the Rights Units on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in Section 5 of this announcement.

The listing of and quotation for the Rights Units is expected to be completed by third (3rd) quarter of calendar year 2016.

2.2.4 Unit Holders' Undertakings

The Manager has procured the Undertakings from Permodalan Nasional Berhad (“PNB”) and AmanahRaya Trustees Berhad as trustee for Amanah Saham Bumiputera (“ASB”) and the Additional Undertaking from PNB in relation to the Proposed Rights Issue.

In view of the Undertakings procured from the substantial Unit Holders of AHP (“Undertaking Unit Holders”) and the Additional Undertaking procured from PNB, the underwriting arrangement is no longer required for the Proposed Rights Issue. Hence, the estimated expenses for the Proposed Rights Issue accordingly will be reduced by RM1.40 million being the estimated underwriting fees.

For illustration, pursuant to the Undertakings and the Additional Undertaking, the unit holdings details of Undertaking Unit Holders before and after the Proposed Rights Issue are as below:

| Names | No. of Units directly held as at LPD (as defined herein) | % of total Units in issue ⁽¹⁾ | No. of Rights Units to be subscribed pursuant to the respective entitlements based on the Undertakings | No. of maximum Rights Units to be subscribed pursuant to the excess application based on the Undertakings and Additional Undertaking | Total Units held after Proposed Rights Issue ⁽²⁾ | % of total Units held after Proposed Rights Issue ⁽³⁾ |
|---|--|--|--|--|---|--|
| AmanahRaya Trustees Berhad as trustee for ASB | 41,008,500 | 41.01 | 49,210,200 | 4,300,000 | 94,518,700 | 42.96 |
| PNB | 5,063,500 | 5.06 | 6,076,200 | 60,413,600 | 71,553,300 | 32.52 |
| Total | 46,072,000 | 46.07 | 55,286,400 | 64,713,600 | 166,072,000 | 75.48 |

Notes:

⁽¹⁾ Based on the units in issue of 100,000,000 as at 19 February 2016, being the latest practicable date prior to this announcement (“LPD”).

⁽²⁾ Assuming no other Entitled Unit Holders subscribe for the Rights Units.

⁽³⁾ Based on the enlarged units in issue of 220,000,000 Units.

The Undertaking Unit Holders have provided their respective irrevocable written confirmation that they have allocated sufficient financial resources to solely subscribe in full for their respective entitlement and excess application under the Proposed Rights Issue. As the Principal Adviser for the Proposed Rights Issue, MIDF Investment has verified the abovementioned confirmations made by the Undertaking Unit Holders.

For Unit Holders' information purposes, only in the event of a shortfall in the subscription of the Rights Units (including the Entitled Unit Holders and/or their renounees' respective entitlements and any excess Rights Units applied for but excluding the Additional Undertaking) as compared to the number of Rights Units to be issued of 120,000,000 Rights Units as at the closing date and time of the receipt of applications, the Additional Undertaking shall then crystallise whereby PNB shall apply via the excess Rights Units application (to fulfil its obligation under the Additional Undertaking), to subscribe for all the remaining Rights Units not subscribed by the other Entitled Unit Holders and/or to their renounees, if any.

For the avoidance of doubt, the Entitled Unit Holders and/or their renounees, if any (excluding PNB pursuant to the Additional Undertaking) shall be given priority and shall first be allocated with all the excess Rights Units applied for, if any, on a full subscription basis based on their respective applications. Upon the completion of the allocation of such excess Rights Units to the Entitled Unit Holders and/or their renounees, if any (excluding PNB pursuant to the Additional Undertaking), PNB shall then apply and be allocated the remaining number of undersubscribed Rights Units, if any.

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 Proposed Rights Issue.

Pursuant to Part I, Paragraph 3(b) and Part III, Paragraph 9(1)(b) of the Code, if a person or a group of persons acting in concert holding more than 33% but less than 50% of the units of a real estate investment trust ("REIT") have acquired more than 2% of the units of the REIT in any period of six (6) months, there is an obligation to undertake a mandatory take-over offer for all the remaining units of the REIT not already owned by the said person or its person(s) acting in concert.

In view of the above, PNB will at all times observe and ensure compliance with the provisions of the Code and its obligations thereunder in respect of the mandatory take-over offer, if triggered.

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3. UTILISATION OF PROCEEDS

For illustration purposes, based on the indicative issue price of RM1.00 per Rights Unit, the Proposed Rights Issue will raise gross proceeds of approximately RM120,000,000. The proceeds arising from the Proposed Rights Issue shall be utilised in the following manner:

| Proposed utilisation | Expected timeframe for utilisation | RM'000 |
|---|------------------------------------|----------------|
| Part finance the Purchase Consideration of the Acquisition ^(a) | Within one (1) month | 115,000 |
| Part payment for the estimated expenses for the Proposals ^(b) | Within one (1) month | 5,000 |
| | | 120,000 |

Notes:

^(a) The balance of the Purchase Consideration will be financed via bank borrowings.

^(b) The estimated total expenses for the Proposals are RM17.437 million of which RM5.00 million is to be funded from the proceeds of the Proposed Rights Issue and the balance of RM12.437 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 | 1,637 |
| Authorities fees | 85 |
| Printing and administration | 518 |
| Stamp duty | 625 |
| Goods and Services Tax ("GST")* | 14,572 |
| TOTAL | 17,437 |

Note:

* The GST which is claimable as GST input tax is estimated to be RM14.572 million.

4. EFFECTS OF THE PROPOSALS

For illustration purposes, the proforma effects of the Proposals on AHP's Units in Issue, NAV and gearing, substantial and major Unit Holders' unit holdings, earnings and EPU and convertible securities are set out below:

4.1 Units in Issue

The Acquisition will not have any effect on the Unit Holders' capital of AHP. The proforma effects of the Proposed Rights Issue on the Unit Holders' capital of AHP are set out below:

| | No. of Units |
|--|--------------------|
| Existing as at LPD | 100,000,000 |
| To be issued pursuant to the Proposed Rights Issue | 120,000,000 |
| Enlarged Unit Holders' capital | 220,000,000 |

4.2 NAV and gearing

Based on the audited financial statements of AHP for the FYE 31 December 2015, the proforma 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 Proposed Rights Issue RM'000 | (II) After (I) and the Acquisition RM'000 |
|----------------------------|---|---|--|
| Unit Holders' capital | 100,000 | 218,642 ^(a) | 218,642 |
| Retained earnings | 59,546 | 59,546 | 59,546 |
| Total NAV | 159,546 | 278,188 | 278,188 |
| No. of Units ('000) | 100,000 | 220,000 | 220,000 |
| NAV per Unit (RM) | 1.5955 | 1.2645 | 1.2645 |
| Total Borrowings | 59,894 | 59,894 | 197,331 ^(c) |
| Total Assets | 226,854 | 345,496 ^(b) | 482,933 ^(c) |
| Gearing (%) ^(d) | 26.40 | 17.34 | 40.86 |

Notes:

^(a) After the completion of the Proposed Rights Issue of 120,000,000 Units based on indicative issue price of RM1.00, net of estimated expenses of RM1,358,000 for the Proposed Rights Issue. The breakdown for the estimated expenses of RM1,358,000 is as below:

| <i>Estimated expenses for the Proposed Rights Issue</i> | <i>RM'000</i> |
|---|---------------------|
| <i>Professional fees</i> | 775 |
| <i>Authorities fees</i> | 85 |
| <i>Printing and administration</i> | 498 |
| <i>TOTAL</i> | <u>1,358</u> |

^(b) Includes cash proceeds from the Proposed Rights Issue of RM120,000,000 based on indicative issue price of RM1.00, net of estimated expenses of RM1,358,000 for the Proposed Rights Issue.

^(c) Includes bank borrowings of RM125,000,000 to partly finance the Acquisition and an additional RM2,436,900 and RM10,000,000 borrowings from existing and new facilities, respectively for working capital purposes.

^(d) 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.

Assuming no other Entitled Unit Holders subscribe for the Rights Units save for the Undertaking Unit Holders, based on the Record of Depositors of AHP as at LPD, the proforma effects of the Proposed Rights Issue on the substantial and major Unit Holders' unit holdings are as follows:

| | As at the LPD | | | | After the Proposed Rights Issue | | | |
|---|---------------|-------|--------------------|------|---------------------------------|-------|--------------|------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Units | % | No. of Units | % | No. of Units | % | No. of Units | % |
| | ('000) | | ('000) | | ('000) | | ('000) | |
| AmanahRaya Trustees Berhad as trustee for ASB | 41,009 | 41.01 | - | - | 94,519 | 42.96 | - | - |
| PNB | 5,064 | 5.06 | 764 ⁽ⁱ⁾ | 0.76 | 71,553 | 32.52 | 764 | 0.35 |

Note:

⁽ⁱ⁾ Deemed interested by virtue of its interest in Boh Plantations Sdn Bhd pursuant to Section 4(3) of the Capital Markets and Services Act, 2007 ("CMSA").

Assuming all the Entitled Unit Holders subscribe for their respective entitlements to the Proposed Rights Issue based on the Record of Depositors of AHP as at LPD, the proforma effects of the Proposed Rights Issue on the substantial and major Unit Holders' unit holdings are as follows:

| | As at the LPD | | | | After the Proposed Rights Issue | | | |
|---|---------------|-------|--------------------|------|---------------------------------|-------|--------------|------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Units | % | No. of Units | % | No. of Units | % | No. of Units | % |
| | ('000) | | ('000) | | ('000) | | ('000) | |
| AmanahRaya Trustees Berhad as trustee for ASB | 41,009 | 41.01 | - | - | 90,219 | 41.01 | - | - |
| PNB | 5,064 | 5.06 | 764 ⁽ⁱ⁾ | 0.76 | 11,140 | 5.06 | 1,680 | 0.76 |

Note:

⁽ⁱ⁾ 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 Proposed Rights Issue may have a short-term dilutive impact on the EPU of the Trust given the enlarged number of units in issue after the Proposed 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 for the initial four (4)-years from the commencement of the lease which will increase in accordance with the terms of the Agreement to Lease 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 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 Proposed Rights Issue RM | (II) After (I) and the Acquisition RM |
|--|--|--|--|
| Total comprehensive income | 12,305,407 | 12,305,407 | 21,584,327 ⁽¹⁾ |
| Net realised income | 3,786,380 | 3,786,380 | 13,065,300 ⁽¹⁾ |
| Number of Units in issue | 100,000,000 | 220,000,000 | 220,000,000 |
| EPU – Total comprehensive income (Sen) ⁽²⁾ | 12.31 | 5.59 | 9.81 |
| EPU – Net realised income (Sen) ⁽³⁾ | 3.79 | 1.72 | 5.94 |

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 RM1,186,420 and financing costs of RM6,184,660 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 dividend by number of Units in issue.

⁽³⁾ Net realised income divided by number of Units in issue.

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 Proposed Rights Issue will dilute the distribution per unit, given the enlarged number of Units in issue. Nevertheless, any 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. APPROVALS REQUIRED

The Proposed Rights Issue is subject to the following approvals from the following parties being obtained:

- (i) Bursa Securities for the listing of and quotation for the Rights Units on the Main Market of Bursa Securities; which was obtained vide its letter dated 16 July 2015, subject to the following conditions; and

| Conditions imposed | Status of compliance |
|--|---|
| (i) AHP and MIDF Investment must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Proposed Rights Issue; | To be complied by AHP and MIDF Investment |
| (ii) AHP and MIDF Investment to inform Bursa Securities upon the completion of the Proposed Rights Issue; | To be complied by AHP and MIDF Investment |
| (iii) AHP to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; | To be complied by AHP |
| (iv) Certified true copy of the resolution passed by the unit holders in general meeting approving the Proposed Rights Issue; and | To be complied by AHP |
| (v) To incorporate comments from Bursa Securities in respect of the draft circular to unit holders for the Proposals. | Complied |

- (ii) the Unit Holders of AHP at a Unit Holders' EGM to be convened.

The Proposed Rights Issue and the Acquisition are inter-conditional with each other.

The Proposals are not conditional upon any other proposals.

6. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS OF PHNB, MAJOR UNIT HOLDERS AND PERSONS CONNECTED TO THEM

None of the Directors and major shareholders of PHNB, major Unit Holders of AHP and persons connected to them have any interest, direct or indirect, in the Proposed Rights Issue beyond their respective entitlements and their right to apply for excess Rights Units as Unit Holders of AHP for the Proposed Rights Issue, which is the same as all other Unit Holders of AHP.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Rights Issue and after careful deliberation, is of the opinion that the Proposed Rights Issue is in the best interest of AHP.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the third (3rd) quarter of 2016.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The Supplemental Agreement is available for inspection at the office of PHNB, as the Manager of AHP, at 31st 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.

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