

THIS DOCUMENT (AS DEFINED HEREIN) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE PROPOSALS (AS DEFINED HEREIN).

If you have sold or transferred all your units in Amanah Harta Tanah PNB, you should hand this Document together with the accompanying Form of Proxy immediately to the person through whom you have effected the sale or transfer, for transmission to the purchaser or transferee.

The Securities Commission Malaysia (“SC”) has notified that it has no further comments to this Document pursuant to Paragraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions. However, such notification shall not be taken to suggest that the SC recommends the Proposals or that the SC agrees with the recommendation of the board of directors of Pelaburan Hartanah Nasional Berhad, the Manager of Amanah Harta Tanah PNB (other than the interested directors) or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

The SC is not responsible for the contents of this Document, does not represent that this Document is accurate or complete and disclaims any liability whatsoever for any loss arising from, or due to, your reliance upon the whole or any part of the contents of this Document.



AMANAH HARTA TANAH PNB

(a real estate investment trust constituted under the laws of Malaysia)

PART A

CIRCULAR TO UNIT HOLDERS IN RELATION TO THE PROPOSED CONVERSION OF AMANAH HARTA TANAH PNB (“AHP”) TO AN UNLISTED REAL ESTATE INVESTMENT TRUST BY WAY OF PROPOSED SELECTIVE UNIT REDEMPTION EXERCISE AND PROPOSED AMENDMENTS TO THE FIRST RESTATED DEED OF AHP DATED 13 AUGUST 2015 (“PROPOSALS”)

PART B

INDEPENDENT ADVICE LETTER TO UNIT HOLDERS IN RELATION TO THE PROPOSALS

AND

NOTICE OF UNIT HOLDERS’ MEETING

Principal Adviser for Part A



MIDF AMANAH INVESTMENT BANK BERHAD
(Registration No. 197501002077 (23878-X))

Independent Adviser for Part B



AFFIN HWANG INVESTMENT BANK BERHAD
(Registration No. 197301000792 (14389-U))

The Unit Holders’ Meeting will be held via Remote Participation and Electronic Voting facilities and live streaming from the broadcast venue at Theatre, Level 2, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Tuesday, 8 December 2020 at 2.30 p.m., or at any adjournment thereof. The Notice of Unit Holders’ Meeting together with the Form of Proxy are enclosed in this Document.

You may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete, sign and deposit the enclosed Form of Proxy for the Unit Holders’ Meeting in accordance with the instructions contained therein, at the registered office of the appointed registrar of AHP at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or the proxy appointment may also be lodged electronically at <https://boardroomlimited.my>, which is free and available to all individual Unit Holders not less than 48 hours before the time appointed for holding the Unit Holders’ Meeting or at any adjournment thereof. The lodging of the Form of Proxy for the Unit Holders’ Meeting will not preclude you from attending and voting in person at the Unit Holders’ Meeting should you subsequently decide to do so.

Date and time of the Unit Holders’ Meeting	: Tuesday, 8 December 2020 at 2.30 p.m., or at any adjournment thereof
Last day and time for lodging of the Form of Proxy for the Unit Holders’ Meeting	: Sunday, 6 December 2020 at 2.30 p.m.

This Document is dated 16 November 2020

DEFINITIONS

For the purpose of this Document, except where the context otherwise requires, the following definitions shall apply:

6M-FPE 2020	:	Financial period ended 30 June 2020
Act	:	Companies Act, 2016
Affin Hwang IB or Independent Adviser	:	Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
AHP	:	Amanah Harta Tanah PNB
AHP Units or Units	:	Units in AHP
ASB	:	Amanah Saham Bumiputera, a unit trust fund managed by ASNB
ASNB	:	Amanah Saham Nasional Berhad (Registration No. 197901003200 (47457-V))
Bangunan AHP	:	4-storey office with one level of sub-basement carpark located at Taman Tun Dr Ismail, Kuala Lumpur
BM REIT Index	:	Bursa Securities' REIT index
Board	:	Board of Directors of PHNB
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
Circular	:	This circular dated 16 November 2020 to the Unit Holders in relation to the Proposals, as set out in Part A of this Document
CLSB	:	Consolidated Legend (M) Sdn Bhd (Registration No. 199601000387 (372732-H))
CMSA	:	Capital Markets and Services Act 2007
COVID-19	:	Coronavirus disease 2019
Deed	:	The First Restated Deed dated 13 August 2015 as amended by the First Supplemental Deed dated 28 November 2019 entered into between the Manager, the Trustee and the several persons therein mentioned, constituting AHP
Directors	:	A natural person who holds a directorship in the Manager, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA

DEFINITIONS (CONT'D)

Distribution	:	A dividend/income distribution or other distribution of any nature whatsoever
Document	:	This document dated 16 November 2020 comprising the Circular, the IAL and all the appendices, collectively to the Unit Holders in relation to the Proposals
eDividend Accounts	:	The bank accounts registered with Bursa Depository by the Entitled Unit Holders for purposes of receiving electronic cash dividend payments
Effective Date	:	The 10th market day from the date of lodgement of the Second Supplemental Deed with the SC
Entitled Unit Holders	:	Unit Holders (other than the Non-Entitled Unit Holders) whose names appear in the Record of Depositors of AHP as at the close of business on the Entitlement Date
Entitlement Date	:	The date on which the names of the Entitled Unit Holders must be registered in the Record of Depositors of AHP as at the close of business for the purpose of determining their entitlement under the Proposals, which shall be determined and announced later by the Board
EPU	:	Earnings per Unit
FYE	:	Financial year ended/ending 31 December
FPE	:	Financial period ended
IAL	:	The independent advice letter dated 16 November 2020 prepared by the Independent Adviser in relation to the Proposals, as set out in Part B of this Document
Indicative Issue Price	:	Indicative issue price of RM1.2568 per AHP Unit
Interested Directors	:	Collectively, Encik Ahmad Zulqarnain bin Che On, Dato' Johan bin Ariffin, Encik Rizal Rickman bin Ramli and Datuk Mohd Anwar bin Yahya
Interested Unit Holders	:	Collectively, ORE, PNB and ASB
Listed REIT Guidelines	:	SC's Guidelines on Listed Real Estate Investment Trusts
LPD	:	11 November 2020, being the latest practicable date prior to the issuance of this Document
LTD	:	17 September 2020, being the last trading day prior to the receipt of the SUR Proposal Letter by the Board
M-REITs	:	Comprising 18 REITs listed on Bursa Securities as at the LPD
Majority Resolution	:	A resolution passed by a majority consisting of not less than two thirds (2/3) of Unit Holders on a show of hands or by poll
Management	:	Management of the Manager
Market Day	:	Any day between Monday to Friday (both days inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities

DEFINITIONS (CONT'D)

MCO	:	Movement Control Order
MFRS	:	Malaysian Financial Reporting Standards
MIDF Group	:	MIDF Investment and its subsidiaries, as well as its holding company, Malaysian Industrial Development Finance Berhad and the subsidiaries and associated companies of its holding company
MIDF Investment or Principal Adviser	:	MIDF Amanah Investment Bank Berhad (Registration No. 197501002077 (23878-X))
MMLR	:	Main Market Listing Requirements of Bursa Securities
Mydin Hypermarket Seremban 2	:	3-storey mall cum hypermarket with 2 levels of sub-basement carpark located at Seremban 2, Negeri Sembilan
NA	:	Net assets
NAV	:	Net asset value
NBV	:	Net book value
Non-Entitled Unit Holders	:	Collectively, ORE, PNB and ASB
Non-Interested Directors	:	The Directors other than the Interested Directors
Non-Interested Unit Holders	:	The Unit Holders other than the Interested Unit Holders
Offeror or ORE	:	Ombak Real Estate Sdn Bhd (Registration No. 2020010008886 (1365206-P))
Official List	:	List specifying all securities which have been admitted for listing on Bursa Securities and not removed
PAC	:	The persons acting in concert with ORE and PNB in relation to the Proposed SUR pursuant to Sections 216(2) and 216(3) of the CMSA. As at the LPD, the person acting in concert with ORE and PNB is ASB
PAT	:	Profit after tax
PBT	:	Profit before tax
PHNB or Manager	:	Pelaburan Hartanah Nasional Berhad (Registration No. 198801008611 (175967-W)), being the manager of AHP
Plaza VADS	:	A 24-storey tower office block with a 5-storey podium annex and a 3-level split-level basement car park located at Taman Tun Dr Ismail, Kuala Lumpur
Proposals	:	Collectively, the Proposed Amendments and Proposed SUR
Proposed Amendments	:	Collectively, the Proposed Amendments for SUR and Proposed Amendments for Unlisted REIT

DEFINITIONS (CONT'D)

Proposed Amendments for SUR	:	Proposed amendments to the relevant clause in the Deed to allow the implementation of the Proposed SUR, to be effected by way of the Second Supplemental Deed
Proposed Amendments for Unlisted REIT	:	Proposed amendments to the relevant clauses in the Deed to allow the conversion of AHP to an Unlisted REIT, to be effected by way of the Second Restated Deed
Proposed SUR	:	Proposed selective unit redemption by AHP of all Units that are held by the Entitled Unit Holders for the SUR Offer Price that is payable to such Entitled Unit Holders whose names appear in the Record of Depositors on the Entitlement Date
Real Estate Assets	:	Plaza VADS, Bangunan AHP and Mydin Hypermarket Seremban 2, collectively
Record of Depositors	:	The record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
REIT	:	Real estate investment trust
RNAV	:	Revalued net assets value
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
s.m.	:	Square meter
SC	:	Securities Commission Malaysia
Second Restated Deed	:	The second restated deed to be entered into between the Manager and the Trustee, to allow for the conversion of AHP to an Unlisted REIT, subject to the approval of the Unit Holders for the Proposals to be effective upon the completion of the Proposed SUR
Second Supplemental Deed	:	The second supplemental deed to the Deed to be entered into between the Manager and the Trustee, to allow the implementation of the Proposed SUR, subject to the approval of the Unit Holders for the Proposals
sq ft	:	Square feet
SUR Cash Amount	:	The total cash payment payable to the Entitled Unit Holders as at the Entitlement Date based on the SUR Offer Price for the number of AHP Units held by the Entitled Unit Holders as at the Entitlement Date, of which the indicative amount is RM118,641,600 based on a total of 118,641,600 AHP Units held by the Entitled Unit Holders as at the LPD
SUR Offer Price	:	RM1.00 per AHP Unit, being the cash consideration to be paid for the redemption of each AHP Unit held by the Entitled Unit Holders on the Entitlement Date pursuant to the Proposed SUR
SUR Proposal Letter	:	The proposal letter dated 18 September 2020 issued by ORE to the Board requesting AHP to undertake the Proposals
Trustee	:	AmanahRaya Trustees Berhad (Registration No. 200701008892 (766894-T)), being the trustee for AHP

DEFINITIONS (CONT'D)

Ultimate Offeror or PNB	:	Permodalan Nasional Berhad (Registration No. 197801001190 (38218-X))
Unit Holders' Meeting	:	Unit Holders' meeting of AHP
Unit Holders	:	Any person registered as the holder of a Unit in accordance with the provisions of the Deed
Unlisted REIT	:	Unlisted real estate investment trust
VWAP	:	Volume weighted average market price
W M Malik & Kamaruzaman or Valuer	:	W. M. Malik & Kamaruzaman Sdn. Bhd. (Registration No. 199601040070 (412423-T))
Works	:	Certain upgrading, refurbishment and rectification works at Plaza VADS

CURRENCIES

RM and sen	:	Ringgit Malaysia and sen, respectively
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Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Document shall be a reference to Malaysian time, unless otherwise stated.

References to "we", "us", "our" and "ourselves" are to the Manager save where the context otherwise required, and references to "you" or "your" are to the Unit Holders of the REIT.

Any discrepancy in the figures included in this Document between the amounts listed, actual figures and the totals thereof are due to rounding.

All statements other than statements of historical facts included in this Document are or may be forward-looking. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ from those described in such forward-looking statements and Unit Holders should not place undue reliance on such forward-looking statements.

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PART A

**CIRCULAR TO UNIT HOLDERS OF AHP IN RELATION TO THE
PROPOSALS**

PHNB

PELABURAN HARTANAH NASIONAL BERHAD

(Registration No. 198801008611 (175967-W))
(Incorporated in Malaysia)

Registered Office:

4th Floor, Balai PNB
201-A, Jalan Tun Razak
50400 Kuala Lumpur

16 November 2020

Board of Directors

Dato' Johan bin Ariffin (Independent Non-Executive Chairman)
Encik Ahmad Zulqarnain bin Che On (Non-Independent Non-Executive Director)
Dato' Nafisah binti Radin (Independent Non-Executive Director)
Datuk Wong Tuck Wai (Independent Non-Executive Director)
Datuk Mohd Anwar bin Yahya (Independent Non-Executive Director)
Encik Rizal Rickman bin Ramli (Non-Independent Non-Executive Director)
Encik Hafidz Atrash Kosai bin Mohd Zihim (Chief Executive Officer/ Non-Independent Executive Director)

To: The Unit Holders of AHP

Dear Sir/Madam,

PROPOSED CONVERSION OF AHP TO AN UNLISTED REAL ESTATE INVESTMENT TRUST BY WAY OF:

- (i) **PROPOSED SELECTIVE UNIT REDEMPTION EXERCISE; AND**
- (ii) **PROPOSED AMENDMENTS TO THE FIRST RESTATED DEED OF AHP DATED 13 AUGUST 2015**

1. INTRODUCTION

On 18 September 2020, our Board announced that it had on the same date received the SUR Proposal Letter from ORE, informing us of its proposal to convert AHP to an Unlisted REIT by way of the:

- (i) Proposed SUR; and
- (ii) Proposed Amendments.

Upon the completion of the Proposals including the transfer of all AHP Units held by PNB to ORE, ASB and ORE shall be the only Unit Holders of AHP. It should be noted that ORE does not intend to maintain the listing status of AHP on the Main Market of Bursa Securities upon completion of the Proposals. Please refer to Section 2, Part A of this Document for further details on the Proposals.

On 12 October 2020, our Non-Interested Directors, appointed Affin Hwang IB as the Independent Adviser to provide comments, opinions, information and recommendation to our Non-Interested Directors and to our Non-Interested Unit Holders in respect of the Proposals. The IAL is set out in Part B of this Document.

On 12 October 2020, MIDF Investment, on behalf of our Board, announced that our Non-Interested Directors (save for Encik Hafidz Atrash Kosai bin Mohd Zihim) had, at a meeting held on even date, deliberated on the contents of the SUR Proposal Letter and had resolved to table the Proposals on the terms of the SUR Proposal Letter to our Non-Interested Unit Holders for their consideration.

On 11 November 2020, MIDF Investment, on behalf of our Board, announced that the SC had, vide its letter dated 11 November 2020, approved the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines pursuant to the Proposed SUR.

The SC had through its letter dated 13 November 2020 notified that the SC has no further comments on this Document. However, such notification shall not be taken to indicate that the SC recommends the Proposals or that the SC agrees with the recommendation of our Board or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

THE PURPOSE OF THIS DOCUMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE PROPOSALS VIA THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING UNIT HOLDERS' MEETING. THE NOTICE OF THE UNIT HOLDERS' MEETING AND THE FORM OF PROXY ARE ENCLOSED HEREIN.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS. YOU SHOULD CONSIDER THE RECOMMENDATION OF THE INDEPENDENT ADVISER AS SET OUT IN PART B OF THIS DOCUMENT CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS.

2. DETAILS OF THE PROPOSALS

2.1 Proposed SUR

The Proposed SUR entails the redemption of all AHP Units held by AHP's Unit Holders, save and except for the AHP Units held by ORE, PNB and the PAC which involves a redemption payment at the cash amount of RM1.00 per Unit being made to all Entitled Unit Holders whose names appear in the Record of Depositors on the Entitlement Date. As the SUR Offer Price is a payment for redemption of Units held by the Entitled Unit Holders and not a distribution of income, withholding tax is not applicable under Section 109D of the Income Tax Act 1967.

As at the LPD, a total of 220,000,000 AHP Units are in circulation of which 118,641,600 AHP Units are held by the Entitled Unit Holders, representing approximately 53.93% interest in AHP.

The redemption is conditional upon the fulfilment of the following:

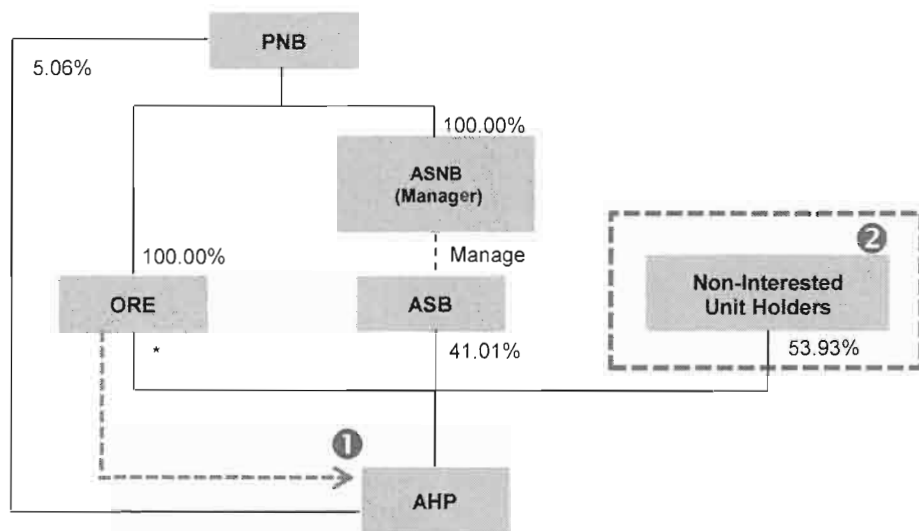
- (i) the approval of the Non-Interested Unit Holders in relation to the Proposed SUR and Proposed Amendments for SUR at the forthcoming Unit Holders' Meeting of AHP;
- (ii) the approval of the SC, for the registration of the Second Supplemental Deed immediately upon the approval of the Non-Interested Unit Holders;

- (iii) the approval of the SC, for the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines from having to comply with certain provisions of the Listed REIT Guidelines pursuant to the Proposed SUR, which have been obtained vide its letter dated 11 November 2020; and
- (iv) the approval or consent of the financiers of AHP pursuant to the terms of the banking facilities agreements.

Upon fulfilment of the above, all 118,641,600 AHP Units held by the Entitled Unit Holders will be redeemed by AHP at the SUR Offer Price. The total cash payment for the SUR Offer Price is RM118,641,600, subject to the total number of Units held by the Entitled Unit Holders on the Entitlement Date. Upon the payment of the SUR Offer Price, the Units that are redeemed shall be debited/removed from the Entitled Unit Holders' CDS Account and will be cancelled pursuant to the Proposed SUR.

The SUR Cash Amount shall be funded by way of advances to AHP by ORE.

The Proposed SUR is depicted in the diagram below:



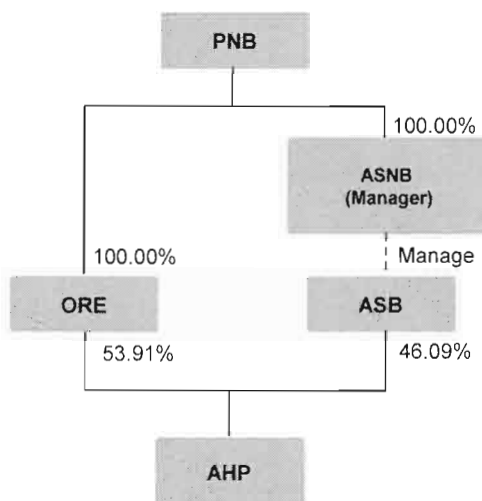
Notes:

* Less than 0.01%

1. ORE has submitted the SUR Proposal Letter to AHP vide the Manager and the Trustee on 18 September 2020.
2. Assuming fulfilment of the conditions expressed in paragraph 3 of this Section, AHP will redeem and cancel approximately 53.93% interest in AHP.

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Immediately upon the redemption and cancellation of all AHP Units held by the Entitled Unit Holders, PNB will transfer all AHP Units held by PNB to ORE, and the remaining 101,358,400 AHP Units will be held by ASB and ORE which will represent the entire equity interest in AHP. In addition, AHP will capitalise the advances by ORE to AHP which was used to fund the Proposed SUR by issuing new AHP Units to ORE. Upon the completion of this process, the unit holding structure of AHP shall be as below:



ORE does not intend to maintain the listing status of AHP on the Main Market of Bursa Securities upon completion of the Proposals. Pursuant thereto, ORE will request the Manager to make an application to Bursa Securities to withdraw the listing status of AHP from the Official List within 3 months after the completion of the Proposals.

2.1.1 Salient terms of the Proposed SUR

The salient terms of the Proposed SUR as set out in the SUR Proposal Letter are as follows:

- (a) If AHP declares, makes and/or pays a Distribution after the date of the SUR Proposal Letter up to the completion of the Proposals, the SUR Offer Price shall be reduced by an amount equivalent to the Distribution made per AHP Unit;
- (b) From the date of the SUR Proposal Letter until the completion of the Proposals, the Manager and/or the Trustee shall undertake that they will not, without ORE's prior written consent:
 - (i) undertake any form of capital raising exercise, whether in the form of debt or equity (save for the advances to AHP by ORE for the purpose of the Proposed SUR) and will not grant any options over the AHP Units or issue any new AHP Units;
 - (ii) cause AHP to enter into any material commitment or material contract or undertake any obligation or acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
 - (iii) pass any resolution in a meeting (other than in respect of any ordinary business tabled in annual general meeting or pursuant to the Proposals) or make any alteration to the provisions of the Deed;
 - (iv) do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligation of AHP;

- (v) dilute the interest, holdings or economic interest of AHP in which AHP holds shares; or
 - (vi) enter into any discussion, negotiation or agreement, with any other party with respect to the sale of the assets and liabilities of AHP (save for in the ordinary course of business).
- (c) In addition, the Manager and/or Trustee shall not enter into any discussion, negotiation or agreement, with any other party with respect to any privatisation proposal involving AHP or any of the matters specified under paragraph 2.1.1(b) above at any time until completion of the Proposals; and
- (d) The Manager and/or Trustee shall also agree with and undertake to ORE that, as from the date of acceptance of the Proposals (in accordance with the terms of the SUR Proposal Letter) until the completion of the Proposals, the Manager and/or Trustee (and the Manager and/or Trustee shall use reasonable endeavours to cause and procure that AHP) shall carry on the business of AHP only in the usual, regular and ordinary course in substantially the same manner as it is carried on as of the date of the SUR Proposal Letter so as to preserve AHP's relationship with all parties in ensuring that AHP's goodwill and going concern shall not be materially impaired at the completion of the Proposals, save as otherwise agreed in writing by ORE.

2.1.2 Listing status of AHP

It is the intention of ORE not to maintain the listing status of AHP on the Main Market of Bursa Securities and accordingly, following the completion of the Proposals, ORE will request the Manager to make an application to Bursa Securities pursuant to Paragraph 16.08 of the MMLR to withdraw the listing status of AHP from the Official List within 3 months after the completion of the Proposals.

2.1.3 Basis and justification of the SUR Offer Price

The SUR Offer Price was determined after taking into account the following:

- (i) The offer for sale price of RM1.00 per AHP Unit pursuant to the initial public offering of AHP Units on 21 September 1990;
- (ii) The historical AHP Unit price performance for the past 5 years; and
- (iii) AHP's audited and unaudited NAV of RM282.13 million or RM1.2824 per AHP Unit and RM280.30 million or RM1.2741 per AHP Unit as at the FYE 2019 and the FPE 30 June 2020 respectively, which implies a price-to-book ratio of 0.78 times and 0.79 times respectively.

The SUR Offer Price of RM1.00 per AHP Unit represents a premium based on the following historical market prices of AHP Unit:

	Market price/ VWAP	Premium/ (Discount)	
	RM	RM	(%)
Closing price as at the LTD	0.67	0.33	49.25
5-day VWAP up to the LTD	0.67	0.33	49.25
1-month VWAP up to the LTD	0.67	0.33	49.25
3-month VWAP up to the LTD	0.69	0.31	44.93
6-month VWAP up to the LTD	0.69	0.31	44.93
1-year VWAP up to the LTD	0.72	0.28	38.89

(Source: Bloomberg Finance L.P.)

The SUR Offer Price represents a premium ranging from 38.89% to 49.25% based on the closing market prices of the AHP Units on the LTD, the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LTD.

ORE, PNB and/or PAC have not acquired any Unit at a price higher than the SUR Offer Price of RM1.00 per Unit during the past 3 months prior to 18 September 2020, being the date of the SUR Proposal Letter. If ORE, PNB or PAC acquires any Unit at a price higher than the SUR Offer Price during the period commencing from the SUR Proposal Letter to the completion of the Proposals, ORE shall revise the SUR Offer Price accordingly.

2.1.4 Source of Funds

The payment of the SUR Cash Amount shall be funded by way of advances to AHP by ORE, subject to compliance with Paragraphs 8.29, 8.30 and 8.32 of the Listed REIT Guidelines as set out below:

- (i) AHP may use borrowings or financing facilities to invest in real estate and for capital expenditure purposes;
- (ii) AHP may only borrow or obtain financing facilities from financial institutions or through the issuance of debt securities or sukuk; and
- (iii) the total borrowings or financing facilities, including borrowings or financing through issuance of debt securities or sukuk, and deferred payment arrangements of AHP, must not exceed 50% of the total asset value of AHP at the time the borrowings or financing facilities, or deferred payment arrangements are incurred.

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The advances by ORE to AHP to undertake the Proposed SUR, which is deemed as a borrowing by AHP, is used for the purpose of funding the SUR Cash Amount. Further, the advances by ORE are not borrowings by AHP from financial institution or through the issuance of debt securities or sukuk. Prior to the capitalisation of the advances by ORE to AHP, the total financing of AHP (including the advances by ORE to AHP) are expected to exceed 50% of the total asset value of AHP, which is illustrated in the table below:

	Audited as at 31 December 2019	Upon the receipt of advances from ORE ⁽³⁾
	RM'000	RM'000
Total financing	163,288	⁽¹⁾ 281,930
Total assets	457,540	457,540
Gearing (%)⁽²⁾	35.69	61.62

Notes:

- (1) After taking into account the advances by ORE to AHP to fund the Proposed SUR in the amount of approximately RM118.64 million.
- (2) Gearing is represented as a percentage of total financing over total assets.
- (3) Prior to the capitalisation of the advances by ORE to AHP.

In view of the above, the relevant exemptions for the Proposed SUR have been obtained from the SC on 11 November 2020 under Paragraph 1.06 of the Listed REIT Guidelines which states that the SC may, upon application, grant an exemption from or variation to the requirements of the Listed REIT Guidelines if the SC is satisfied that:

- (a) such variation is not contrary to the intended purpose of the relevant requirement in the Listed REIT Guidelines; or
- (b) there are mitigating factors which justify the said exemption or variation.

In addition, ORE had confirmed it has sufficient financial resources and that the Proposals will not fail by reason of insufficient financial capability.

MIDF Investment is satisfied that the Proposed SUR would not fail due to insufficient financial capability of ORE and that every Entitled Unit Holder will be paid the SUR Offer Price in full.

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2.2 Proposed Amendments

AHP was established as a real estate investment trust and constituted by the Deed and regulated under the CMSA and Listed REIT Guidelines.

AHP is a unit trust scheme that invests in real estates and other authorised investments with the objective of providing reasonable level of income return to its Unit Holders and allowing them to gain from capital growth through the acquisition of a selected portfolio of real estate investments which have potential for long term capital growth.

The Proposed Amendments for SUR will enable AHP to implement the Proposed SUR and subsequently, to undertake the de-listing procedures under Paragraph 16.07(b) of the MMLR which involve the insertion of a new sub-Clause 11(12) after the existing Clause 11(11) in the Deed.

The salient terms of the new sub-Clause 11(12) are as follows:

Clause	Existing Clause in the Deed	Proposed Amendments for SUR
To insert a new sub-Clause 11(12)	None.	<p>Insertion of a new sub-Clause 11(12) after Clause 11(11) of the Deed which reads as follows:</p> <p><u>“Redemption of Units and Conversion of AHP to an Unlisted Real Estate Investment Trust</u></p> <p>(a) Subject to the requirements of all Applicable Laws and Requirements, the Manager may, determine the date on which the Record of Depositors and Register will be closed in order to determine the Registered Holders who will be participating in and affected by the matters described in clause 11(12)(c) (“Entitlement Date”).</p> <p>(b) At any time after the Entitlement Date, but subject to all Applicable Laws and Requirements, the Manager may, determine the date on which the matters described in clause 11(12)(c) are to be implemented (“Closing Date”).</p> <p>(c) On the Closing Date, notwithstanding anything to the contrary in this Deed but subject to the requirements of all Applicable Laws and Requirements,:</p> <p>(i) all Units, save and except for Units registered in the name of Ombak Real Estate Sdn Bhd (Registration No. 2020010008886 (1365206-P)), PNB and Amanah Saham Bumiputera, a unit trust scheme managed by ASNB; shall be redeemed by the Manager as of the Entitlement Date;</p> <p>(ii) in consideration of such redemption, and subject to paragraph (iii) below each Registered Holder whose Units are so redeemed shall be paid the redemption price of RM1.00 per Unit (“Redemption Price”) which shall be paid in cash; and</p> <p>(iii) notwithstanding paragraph (ii) above in the event of any distribution by AHP made prior to the Closing Date, the Redemption Price shall be reduced by the amount of such distribution.</p> <p>(d) Upon redemption each redeemed Unit shall be cancelled forthwith, and Registered Holders whose Units are so redeemed shall cease to have any further right or obligation under this Deed.</p>

Clause	Existing Clause in the Deed	Proposed Amendments for SUR
		(e) <i>At any time after the Closing Date, the Manager shall take all such steps as may be necessary to modify this Deed to comply with the Applicable Laws and Requirements for unlisted real estate investment trusts and lodge a supplementary deed in respect of such modification and shall procure the withdrawal of the listing status of the Units of the Fund from the Official List of Bursa Securities."</i>

The Proposed Amendments for Unlisted REIT is to facilitate the conversion of AHP into an Unlisted REIT, which primarily entail the removal of all clauses applicable to listed real estate investment trusts. The details on the Proposed Amendments for Unlisted REIT are set out in the draft Second Restated Deed in **Appendix I** of this Document.

If the Proposals are approved by the Non-Interested Unit Holders, the Deed will be amended in the form as set out:

- (i) in the table above by way of the Second Supplemental Deed for the Proposed Amendments for SUR; and
- (ii) in the draft Second Restated Deed appended in **Appendix I** of this Document for the Proposed Amendments for Unlisted REIT.

For clarity, the Second Supplemental Deed will be registered and lodged with the SC upon the approval of the Non-Interested Unit Holders in relation to the Proposals and the Second Restated Deed will only be registered and lodged with the SC upon the completion of the Proposed SUR. The Deed incorporating the amendments under the Proposed Amendments will be binding upon each and all Unit Holders.

Upon the redemption of the Units, each redeemed Unit shall be cancelled, and each Unit Holder whose Units are redeemed shall cease to have any further right or obligation under the Deed. The Manager shall take all steps as may be necessary to procure the withdrawal of the listing status of AHP from the Official List of Bursa Securities.

Upon the completion of the Proposals including the transfer of all the AHP Units held by PNB to ORE, AHP will be converted to an Unlisted REIT with ORE and ASB being its Unit Holders. As an Unlisted REIT, AHP will be regulated by the CMSA and SC's Guidelines on Real Estate Investment Trusts.

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3. RATIONALE FOR THE PROPOSALS

3.1 Proposed SUR

AHP is a real estate investment trust and constituted by the Deed. AHP Units were offered for sale at RM1.00 per Unit pursuant to the initial public offering of AHP Units on 21 September 1990 followed by the listing of AHP on 28 December 1990.

Since its listing, AHP has been distributing its distributable earnings to its Unit Holders. As such, the NAV of AHP had only increased by approximately RM0.10 per AHP Unit since its listing date i.e. from RM1.1660 per AHP Unit to RM1.2741 per AHP Unit as at 30 June 2020.

The ability of AHP to grow its assets vis-à-vis sustainability of its yield moving forward appears limited after taking into consideration the following:

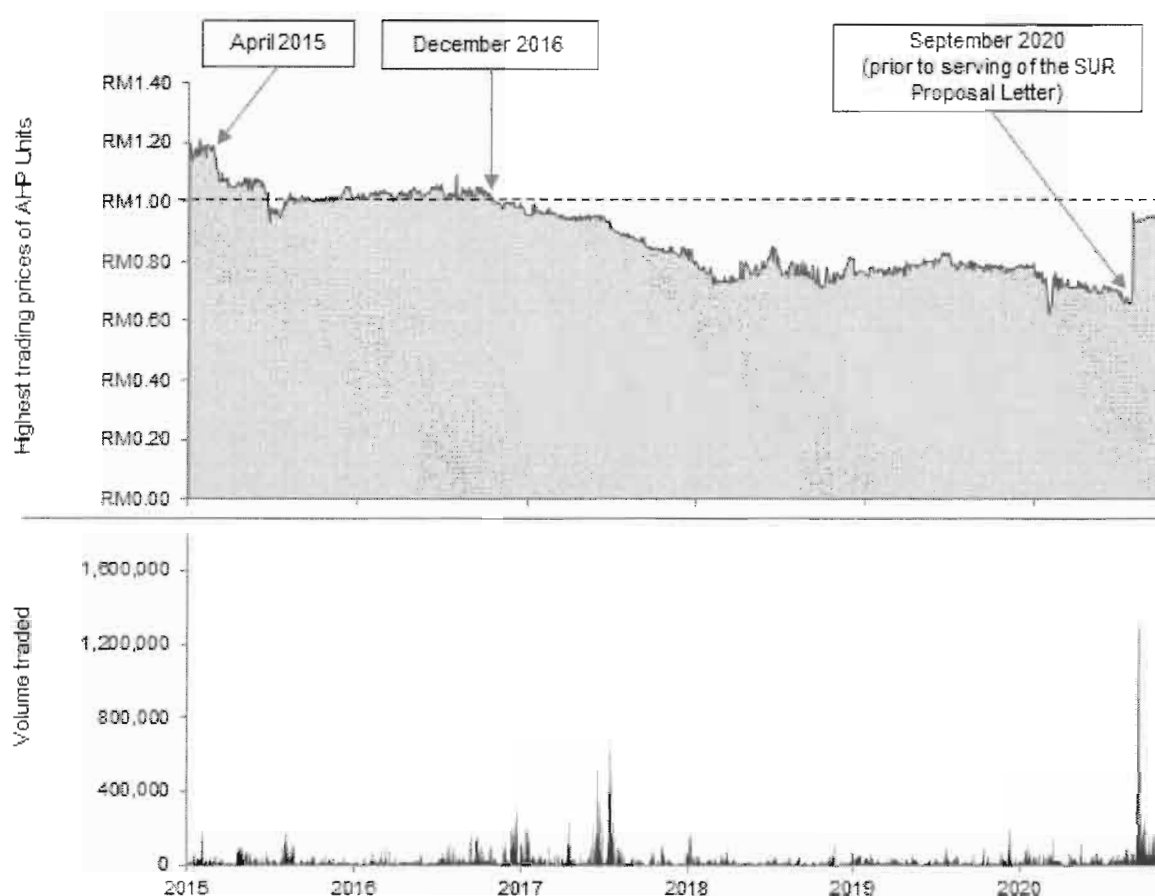
- (i) the existing state and outlook of the Malaysian property market performance as reported in the Malaysian Property Market Report for the First Half of 2020 prepared by the Valuation and Property Services Department, which stated a soft occupancy performance of both purpose-built office and the retail sub sector, in the first half of 2020, and that the property market is expected to remain soft for the remaining half of 2020;
- (ii) analysis of comparable REIT with assets portfolio comprising office and commercial properties, AHP has the smallest market capitalisation and assets size of approximately RM168.3 million and RM457.5 million respectively as at 31 December 2019. Given the relatively small market capitalisation of AHP and the present economic and capital market condition, any proposals to expand and restructure the assets of AHP through capital fund raising would be challenging; and
- (iii) the costs involved in the restructuring and rebalancing of AHP's property portfolio as AHP is subject to comply with the requisite regulatory framework applicable to AHP's current listing status.

In view of the above, the Board acknowledges the challenges facing AHP to maintain its income distribution yield moving forward.

Hence, the Proposals are intended to facilitate the restructuring and rebalancing of AHP's property portfolio which may involve, amongst others, removing from or injecting certain assets into AHP. In view that AHP is subject to comply with the requisite regulatory framework, any proposals triggering applicable percentage threshold, will require the appointment of advisers and professionals as well as the convening of extraordinary general meetings, which are lengthy and costly. In this respect, the Proposed SUR will provide greater flexibility in executing and managing any form of restructuring or corporate exercises.

Further, AHP Units have been thinly traded, recording an average daily trading volume of 53,016 AHP Units for the past 1 year up to the LPD, which represents approximately 0.05% of AHP's total free float. This is relatively low when compared to the average liquidity of shares/units of companies in the property sector traded on Bursa Securities and comparable listed real estate investment trusts with assets portfolio comprising office and commercial properties of 0.84% and 0.13%, respectively.

Additionally, the Unit price of AHP has also been trending downwards since April 2015. The most recent date in which AHP Units traded above the SUR Offer Price is in December 2016. The chart below depicts the highest trading prices of AHP Units and the trading volume of AHP Units since 1 January 2015 up to the LPD:



(Source: Bloomberg Finance L.P.)

In view of the above, the Proposed SUR provides an opportunity for the Entitled Unit Holders to realise their investments in AHP in an efficient and expeditious manner at a premium to the prevailing market prices of the AHP Units, with the SUR Offer Price representing a premium ranging from 38.89% to 49.25% over the closing market prices of the AHP Units on the LTD, the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LTD as tabulated in Section 2.1.3, Part A of this Document.

3.2 Proposed Amendments

The Proposed Amendments are undertaken to facilitate the implementation of the Proposed SUR and the conversion of AHP to an Unlisted REIT upon completion of the Proposed SUR.

4. FUTURE PLANS FOR AHP AND THE EMPLOYEES OF THE MANAGER

Our Non-Interested Directors have taken note of the intention of the Offeror and Ultimate Offeror as at the LPD with respect to AHP's future plans, business and employees as follows:

(i) Continuation of AHP's businesses

Upon completion of the Proposals including the transfer of all the AHP Units held by PNB to ORE, AHP will be converted to an Unlisted REIT with ORE and ASB as the Unit Holders. ORE intends to continue with the existing investment objectives or businesses and operations of AHP. ORE intends to review the assets and operations of AHP and make such arrangements, rationalisation and reorganisation as it considers suitable to restructure and rebalance AHP's property portfolio to a target total asset size of RM3 billion and to optimise profitability and return on investments of AHP. Upon meeting the proposed target total assets size and the minimum pre-tax yield, ORE targets to relist AHP.

(ii) Major changes to AHP's business

The Offeror and Ultimate Offeror do not have any plans to introduce or effect material changes to the existing investment objectives of AHP, dispose of any major assets or undertake any major redeployment of the properties held by AHP upon the completion of the Proposals except where such change, acquisition/disposal and/or redeployment is necessary to improve the prospects and future growth of AHP.

(iii) Employees

As at the LPD, AHP does not have any employees as the management and administration of AHP are carried out by the Manager. PHNB will continue to be the Manager of AHP subject to the terms of the Deed.

Notwithstanding the above, the Offeror and the Ultimate Offeror shall retain the flexibility to consider any options which are in the best interest of AHP.

Our Non-Interested Directors have also taken note that, as at the LPD, the Offeror and Ultimate Offeror have not entered into any negotiation, arrangement or understanding with any third party with regard to any significant change in AHP's business, assets or Unit holding structure.

5. RISK FACTORS OF THE PROPOSALS

Save for the following, our Board does not foresee any additional risk that AHP and/or the Unit Holders are exposed to, pursuant to the Proposals:

5.1 Completion risk

The Proposals are conditional upon the fulfillment of all of the conditions precedent as set out in Section 7.1, Part A of this Document.

If the conditions as set out in paragraph 3 of Section 2.1, Part A of this Circular are not fulfilled, the SUR Cash Amount will not be paid to the Entitled Unit Holders and the expected effects on AHP arising from the Proposals as identified in Section 6, Part A of this Document will not materialise.

Nevertheless, the Manager will take all reasonable steps to fulfill the conditions precedent for the Proposals, where relevant to AHP.

5.2 Timing of the payment of the SUR Offer Price

Notwithstanding Section 5.1 above, the completion of the Proposals is subject to the estimated time frame as set out in Section 10, Part A of this Document. Accordingly, the payment for the SUR Offer Price is subject to the said implementation process. Any delay in the implementation process will have a consequential impact on the timing of the said payments.

Notwithstanding the above, the Manager will use its best endeavours to ensure that the SUR Cash Amount will be paid to the respective Entitled Unit Holders in a timely manner. Please refer to Section 11, Part A of this Document for further details on the mode and timing of settlement.

6. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on the Unit Holders' capital of AHP, the NAV, NAV per Unit, gearing, earnings, EPU and substantial Unit Holders' holdings in AHP.

The effects of the Proposed SUR are set out in the ensuing sections:

6.1 Unit Holders' capital

The pro forma effects of the Proposed SUR on the Unit Holders' capital of AHP are as follows:

	No. of Units	RM
Unit Holders' capital as at the LPD	220,000,000	219,120,869
<u>Adjustment: Proposed SUR</u>		
Less: AHP Units to be cancelled pursuant to the Proposed SUR ⁽¹⁾	(118,641,600)	(118,167,502)
Add: Capitalisation of advances from ORE ⁽²⁾	94,399,745	118,641,600
The resultant Unit Holders' capital of AHP after the Proposed SUR	195,758,145	219,594,967

Notes:

- (1) Based on 118,641,600 AHP Units held by the Entitled Unit Holders as at the LPD. The Unit Holders' capital of AHP will be reduced upon cancellation of 118,641,600 AHP Units at RM0.9960 per Unit calculated from RM219,120,869 divided by the number of Units in circulation as at the LPD; and
- (2) After taking into account the capitalisation of the advances by ORE to AHP which was used to fund the Proposed SUR into new AHP Units. The number of new AHP Units to be issued for the capitalisation of advances from ORE will be dependent on the NAV of AHP at the point of capitalisation. For illustration purpose, the new AHP Units are issued at the Indicative Issue Price of RM1.2568 per AHP Unit derived as follows:

	RM'000
NAV of AHP as at 30 June 2020 (unaudited)	280,297
Less: Revaluation adjustments ^(a)	(3,805)
RNAV of AHP	276,492
Indicative Issue Price^(b)	1.2568

- (a) Revaluation deficit computed based on the valuation of the properties held by AHP as at 28 September 2020 of RM432.90 million (as compared to RM437.13 million as at 30 June 2020) and after adjusting for deferred tax based on the applicable real property gains tax rate of 10%. Please refer to **Appendix VII** of this Circular for the updated valuation certificates dated 6 October 2020 of the properties held by AHP prepared by W M Malik & Kamaruzaman; and
- (b) Computed based on the RNAV of AHP over 220 million AHP Units in circulation as at the LPD.

6.2 NAV, NAV per Unit and gearing

Based on the latest audited statement of financial position of AHP as at 31 December 2019, the pro forma effects of the Proposed SUR on the NAV per Unit and gearing of AHP are as follows:

	Audited as at 31 December 2019	After Proposed SUR
	RM'000	RM'000
Unit Holders' capital	219,121	⁽¹⁾ 219,595
Retained earnings	63,011	⁽²⁾ 61,372
Total Unit Holders' funds	282,132	280,967
No. of Units in circulation ('000)	220,000	⁽¹⁾ 195,758
NAV per Unit (RM)	1.2824	1.4353
Total assets (RM'000)	457,540	456,376
Financing (RM'000)	163,288	⁽³⁾ 163,288
Gearing ratio ⁽⁴⁾ (%)	35.69	35.78

Notes:

- (1) Assuming 118,641,600 AHP Units are redeemed by AHP pursuant to the Proposed SUR and the capitalisation of the advances by ORE to AHP which was used to fund the Proposed SUR into new AHP Units at the Indicative Issue Price.
- (2) After taking into consideration:
 - (a) the estimated expenses (comprising professional fees, regulatory fees and administrative expenses) of RM1.16 million in relation to the Proposals; and
 - (b) the capitalised expenses of RM0.47 million pursuant to the earlier issuance of AHP Units which was transferred from the Unit Holders' Capital to retained earnings.
- (3) After capitalisation of the advances by ORE to AHP to fund the Proposed SUR of RM118.64 million. For information, the gearing ratio of AHP after redemption and cancellation of the Units pursuant to the Proposed SUR and prior to capitalisation of the advances by ORE to AHP is 61.62%.
- (4) Gearing is represented as a percentage of total financing over total assets.

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6.3 Earnings and EPU

The Proposed SUR is expected to be completed in the first quarter of 2021. As such, the Proposed SUR is not expected to have a material effect on the earnings of AHP for the FYE 2020 and FYE 2021, other than the estimated expenses for the Proposed SUR of RM1.16 million.

Immediately upon redemption and cancellation of the AHP Units, the EPU of AHP will increase due to the decrease in the number of AHP Units. However, upon the capitalisation of the entire advances amounting to RM118,641,600 from ORE to AHP, the pro forma EPU of AHP will be diluted close to the position prior to the redemption and cancellation of the AHP Units.

Assuming the Proposed SUR was completed on 1 January 2019, being the beginning of the FYE 31 December 2019, the pro forma effects of the Proposed SUR on the earnings and EPU of AHP are as follows:

	Audited as at 31 December 2019	After Proposed SUR
	RM'000	RM'000
Net income after taxation (RM'000)	12,793	⁽¹⁾ 11,628
No. of Units in circulation ('000)	220,000	⁽²⁾ 195,758
EPU (sen)	5.81	5.94

Notes:

- (1) After taking into consideration the estimated expenses (comprising professional fees, regulatory fees and administrative expenses) of RM1.16 million in relation to the Proposals.
- (2) Assuming 118,641,600 AHP Units are redeemed by AHP pursuant to the Proposed SUR and the capitalisation of the advances by ORE to AHP which was used to fund the Proposed SUR into new AHP Units at the Indicative Issue Price.

6.4 Convertible Securities

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

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6.5 Substantial Unit Holders' unit holdings

The pro forma effects of the Proposed SUR on the unit holding structure of the substantial Unit Holders are as follows:

Substantial Unit Holders	As at the LPD			After Proposed SUR		
	Direct		Indirect	Direct		Indirect
	No. of Units	%		No. of Units	%	
ASB	90,218,700	41.01	-	90,218,700	46.09	-
Mydin Mohamed Holdings Bhd	50,906,800	23.14	-	-	-	-
PNB	11,139,600	5.06	⁽¹⁾ 100	-	-	⁽¹⁾ 105,539,445
ORE	100	[^]	-	⁽³⁾ 105,539,445	53.91	-
Yayasan Pelaburan Bumiputra	-	-	⁽²⁾ 11,139,700	-	-	⁽²⁾ 105,539,445
						53.91

Notes:

[^] Less than 0.01%

(1) Deemed interest pursuant to Section 8 of the Act by virtue of ORE being a wholly-owned subsidiary of PNB.

(2) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in PNB.

(3) After taking into account the transfer of all AHP Units held by PNB to ORE and the capitalisation of the advances by ORE to AHP which was used to fund the Proposed SUR into new AHP Units at the Indicative Issue Price.

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7. APPROVALS REQUIRED

7.1 Conditions precedent

The completion of the Proposals shall be subject to the fulfilment of all the following requisite conditions precedent:

- (a) the approval of the Non-Interested Unit Holders in relation to the Proposals at the forthcoming Unit Holders' Meeting of AHP;
- (b) the approval of the SC, for the registration of the Second Supplemental Deed immediately upon the approval of the Non-Interested Unit Holders and the Second Restated Deed upon the completion of the Proposed SUR;
- (c) the approval of the SC, for the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines from having to comply with certain provisions of the Listed REIT Guidelines pursuant to the Proposed SUR, which have been obtained vide its letter dated 11 November 2020;
- (d) the approval of Bursa Securities, for the withdrawal of the listing status of AHP from the Official List of Bursa Securities after the completion of the Proposed SUR; and
- (e) the approval or consent of the financiers of AHP pursuant to the terms of the banking facilities agreements.

The resolutions for the Proposals will be tabled at the Unit Holders' Meeting of AHP. The special resolutions for the Proposed Amendments for SUR and the Proposed SUR must be approved by:

- (i) at least a majority in number of the Non-Interested Unit Holders and 75% in value to the votes attached to the AHP Units held by the Non-Interested Unit Holders that are cast either in person or by proxy at the Unit Holders' Meeting; and
- (ii) the value of the votes cast against the resolution approving the Proposed Amendments for SUR and the Proposed SUR is not more than 10% of the votes attaching to all AHP Units held by the Non-Interested Unit Holders.

The Proposed Amendments for Unlisted REIT requires a Majority Resolution to be passed by a majority of not less than two thirds (2/3) of the Non-Interested Unit Holders voting at the meeting. ORE, PNB, ASB and persons connected to them will abstain from voting on the resolutions for the Proposals.

The Proposed SUR and the Proposed Amendments for SUR are inter-conditional. The Proposed Amendments for Unlisted REIT is conditional upon the Proposed SUR.

The Proposed Amendments for SUR will become effective upon registration of the Second Supplemental Deed and the Proposed Amendments for Unlisted REIT will become effective upon registration of the Second Restated Deed with the SC. The payment of the SUR Cash Amount to the Entitled Unit Holders will be made within 10 days from the Effective Date.

7.2 Details of irrevocable undertakings

As at the LPD, the Manager and ORE have not received any irrevocable undertaking from any Non-Interested Unit Holder to vote in favour of the Proposals at the forthcoming Unit Holders' Meeting.

8. HISTORICAL UNIT PRICES

The monthly highest and lowest closing market prices and the end of the month closing prices of AHP Units as traded on the Main Market of Bursa Securities from April 2020 to September 2020, being the period commencing 6 months prior to the date of the SUR Proposal Letter up to the LPD are as follows:

	High	Low	End of month closing
2020			
March	0.77	0.58	0.66
April	0.76	0.70	0.71
May	0.74	0.71	0.72
June	0.73	0.70	0.70
July	0.72	0.69	0.70
August	0.71	0.66	0.66
September	0.94	0.65	0.94
October	0.95	0.93	0.95
November (up to LPD)	0.95	0.94	0.95

Last transacted price of AHP Units as at the LTD (RM) 0.67

Last transacted price of AHP Units as at the LPD (RM) 0.95

(Source: Bloomberg Finance L.P.)

The highest and lowest closing market prices of AHP Units during the period commencing 6 months prior to the date of the SUR Proposal Letter and up to the LPD are RM0.95 (on 20 October 2020, 21 October 2020, 22 October 2020, 10 November 2020 and 11 November 2020) and RM0.58 (on 19 March 2020) respectively.

9. INTERESTS OF DIRECTORS OF THE MANAGER, MAJOR UNIT HOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, there are no other directors of the Manager, major Unit Holders of AHP and/or persons connected to them who are interested in the Proposals.

Interested Directors of the Manager

- (a) Encik Ahmad Zulqarnain bin Che On, is the President and Group Chief Executive of PNB and a Non-Independent Non-Executive Director of the Manager;
- (b) Dato' Johan bin Ariffin, is a Director of PNB and an Independent Non-Executive Chairman of the Manager;
- (c) Encik Rizal Rickman bin Ramli, is the Chief Investment Officer – Real Estate of PNB and a Non-Independent Non-Executive Director of the Manager; and
- (d) Datuk Mohd Anwar bin Yahya, is an Independent Non-Executive Director of ASNB and an Independent Non-Executive Director of the Manager.

Accordingly, the Interested Directors will abstain from all deliberations and voting on the resolutions pertaining to the Proposals at the relevant meetings of the Board.

Encik Hafidz Atrash Kosai bin Mohd Zihim, who is the Chief Executive Officer and Non-Independent Executive Director of the Manager has voluntarily opted to abstain from all deliberations and voting on the resolutions pertaining to the Proposals at the relevant meetings of the Board.

None of the Interested Directors own any AHP Units. Nevertheless, the Interested Directors will ensure that all persons connected to them will abstain from voting in respect of their direct and/or indirect Unit holding in AHP (if any) on the resolutions pertaining to the Proposals at the forthcoming Unit Holders' Meeting.

Major Unit Holders

As at the LPD, ORE and ASNB are wholly-owned subsidiaries of PNB. ASNB is the manager of ASB, a major Unit Holder of AHP. As at the LPD, ORE, PNB and ASB collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP. In this regard, ORE, PNB and ASB are Interested Unit Holders pursuant to the Proposals. ORE, PNB and ASB will abstain from voting in respect of their respective direct and/or indirect Unit holdings in AHP, on the resolutions pertaining to the Proposals at the forthcoming Unit Holders' Meeting. In addition, ORE, PNB and ASB will ensure that all persons connected to them will abstain from voting in respect of their direct and/or indirect Unit holdings in AHP (if any) on the resolutions pertaining to the Proposals at the forthcoming Unit Holders' Meeting.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the conditions set out in Section 7.1, Part A of this Document being fulfilled, the Board expects the Proposals to be completed by the first quarter of 2021.

The tentative timetable for the implementation of the Proposals is as follows:

Date	Events
8 December 2020	<ul style="list-style-type: none"> Unit Holders' Meeting for the Proposals
After 8 December 2020	<ul style="list-style-type: none"> Registration and lodgement of the Second Supplemental Deed Announcement of Entitlement Date for repayment to the Entitled Unit Holders
January 2021	<ul style="list-style-type: none"> Announcement of notice of suspension Entitlement Date⁽¹⁾ Settlement of the SUR Cash Amount
February 2021	<ul style="list-style-type: none"> Registration and lodgement of the Second Restated Deed Completion of the Proposals De-listing of AHP from the Official List of Bursa Securities

Note:

⁽¹⁾ *The trading of AHP Units on the Main Market of Bursa Securities will be suspended 3 clear Market Days prior to the Entitlement Date.*

11. MODE AND TIMING OF SETTLEMENT

Entitled Unit Holders whose names appear in the Record of Depositors on the Entitlement Date shall collectively receive from AHP, a total cash payment of RM118,641,600 which represents the cash amount of RM1.00 per AHP Unit. The final total cash payment for the SUR Offer Price is subject to the total number of Units held by the Entitled Unit Holders on the Entitlement Date.

The settlement of the SUR Offer Price will be effected via electronic remittance to the Entitled Unit Holders' eDividend Accounts duly registered with Bursa Depository within 10 days from the Effective Date. For the Entitled Unit Holders who do not maintain eDividend Accounts, the settlement of the SUR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Unit Holders (or their designated agents, as they may direct) at the Entitled Unit Holders' registered addresses with Bursa Depository as at the Entitlement Date at their own risk within 10 days from the Effective Date.

Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the SUR Offer Price to which the Entitled Unit Holders are entitled under the Proposed SUR will be implemented in full in accordance with the terms of the Proposed SUR without regard to any lien, right of set-off, counter claim or other analogous rights to which ORE may otherwise be or claim to be entitled as against the Entitled Unit Holders.

Entitled Unit Holders who are not residents of Malaysia are advised that the settlement of the SUR Offer Price will be made in RM. Such Entitled Unit Holders who wish to convert the amount received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective financial institutions.

12. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there are no outstanding corporate proposals which have been announced by AHP but pending completion as at LPD.

13. INDEPENDENT ADVISER

In accordance with Paragraph 3.06 of the Rules, the Non-Interested Directors had on 12 October 2020 appointed Affin Hwang IB as the Independent Adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and the Non-Interested Unit Holders in respect of the Proposals.

Please refer to Part B of this Document for the IAL in relation to the Proposals. The Non-Interested Unit Holders are advised to read and carefully consider the contents of the IAL before voting on the resolutions to give effect to the Proposals at the forthcoming Unit Holders' Meeting.

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14. DIRECTORS' RECOMMENDATION

The Non-Interested Directors (save for Encik Hafidz Atrash Kosai bin Mohd Zihim), have considered all aspects of the Proposals, in particular:

- (a) the rationale of the Proposals as set out in Section 3, Part A of this Document;
- (b) the advice of the Independent Adviser, that the Proposals are not fair but reasonable; and
- (c) the Independent Adviser's recommendation for the Non-Interested Unit Holders to vote in favour of the resolutions pertaining to the Proposals.

Accordingly, the Non-Interested Directors (save for Encik Hafidz Atrash Kosai bin Mohd Zihim), concur with the evaluation and recommendation of the Independent Adviser that the Proposals are **not fair but reasonable** and recommend that the Non-Interested Unit Holders to **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming Unit Holders' Meeting.

15. UNIT HOLDERS' MEETING

The Unit Holders' Meeting, the notice of which is enclosed in this Document, will be held via Remote Participation and Electronic Voting facilities and live streaming from the broadcast venue at Theatre, Level 2, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Tuesday, 8 December 2020 at 2.30 p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions so as to give effect to the Proposals.

You may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete, sign and deposit the enclosed Form of Proxy for the Unit Holders' Meeting in accordance with the instructions contained therein, at the registered office of the appointed registrar of AHP, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or the proxy appointment may also be lodged electronically at <https://boardroomlimited.my>, which is free and available to all individual Unit Holders not less than 48 hours before the time appointed for holding the Unit Holders' Meeting or at any adjournment thereof. The lodging of the Form of Proxy for the Unit Holders' Meeting will not preclude you from attending and voting in person at the Unit Holders' Meeting should you subsequently decide to do so.

16. FURTHER INFORMATION

You are advised to refer to the enclosed appendices of this Document for further information.

Yours faithfully

For and on behalf of the Board of

PELABURAN HARTANAH NASIONAL BERHAD

Datuk Wong Tuck Wai

Independent Non-Executive Director

PART B

**IAL FROM AFFIN HWANG IB TO THE NON-INTERESTED UNIT
HOLDERS IN RELATION TO THE PROPOSALS**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section in this Document, except where the context otherwise requires or where otherwise defined herein. All references to "we", "us" or "our" in this IAL are references to Affin Hwang IB, being the independent adviser for the Proposals.

This Executive Summary represents only a summary of the pertinent information on the Proposals and the independent adviser's evaluation of the Proposals. You are advised to read carefully and understand fully the contents of this IAL, which is to be read in conjunction with Part A of this Document: Circular to Unit Holders in relation to the Proposals as well as the accompanying appendices for other relevant information. You should not rely solely on this Executive Summary in forming your opinion on the Proposals.

You are also advised to carefully consider the recommendations contained in this Document before voting on the resolutions in relation to the Proposals.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

1. INTRODUCTION

On 18 September 2020, the Board announced that it had on the same date received the SUR Proposal Letter from ORE, informing the Manager of its proposal to convert AHP to an Unlisted REIT by way of the:

- (i) Proposed SUR; and
- (ii) Proposed Amendments.

Upon completion of the Proposals including the transfer of all AHP Units held by PNB to ORE, ASB and ORE shall be the only beneficiaries of AHP. ORE does not intend to maintain the listing status of AHP on the Main Market of Bursa Securities upon completion of the Proposals. Please refer to Section 2, Part A of this Document for further information on the Proposals.

On 12 October 2020, the Non-Interested Directors, had appointed us as the independent adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and to the Non-Interested Unit Holders in respect of the Proposals.

On 12 October 2020, MIDF Investment, on behalf of the Board, announced that the Non-Interested Directors (save for Encik Hafidz Atrash Kosai bin Mohd Zihim) had, at a meeting held on even date, deliberated on the contents of the SUR Proposal Letter and had resolved to table the Proposals based on the terms of the SUR Proposal Letter to the Non-Interested Unit Holders for their consideration at the Unit Holders' Meeting.

On 11 November 2020, MIDF Investment, on behalf of the Board, announced that the SC had, vide its letter dated 11 November 2020, approved the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines pursuant to the Proposed SUR. Please refer to Section 2.1.4, Part A of this Document for further information on the exemption sought under Paragraph 1.06 of the Listed REIT Guidelines, submitted by MIDF Investment, on behalf of the Board.

The SC had through its letter dated 13 November 2020 notified that the SC has no further comments on the IAL. However, such notification shall not be taken to indicate that the SC recommends the Proposals or that the SC agrees with the recommendation of the Independent Adviser or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

The purpose of this IAL is to provide you with relevant information on the Proposals and our independent evaluation of the Proposals together with our recommendation on whether you should vote in favour of or against the resolutions in relation to the Proposals at the Unit Holders' Meeting, subject to the scope of our role and limitations specified in this IAL.

EXECUTIVE SUMMARY

2. EVALUATION OF THE PROPOSALS BY THE INDEPENDENT ADVISER

In arriving at our conclusion and recommendation in respect of the Proposals, we have assessed the fairness and reasonableness of the Proposals in accordance with Paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as 2 distinct criteria, i.e. whether the Proposals are “**fair**” and whether the Proposals are “**reasonable**”, rather than as a composite term;
- (ii) the Proposals are considered as “**fair**” if the SUR Offer Price is:
 - equal to or higher than the market price; and
 - also equal to or higher than the value of the AHP Units.

However, if the SUR Offer Price is equal to or higher than the market price but is lower than the value of the AHP Units, the Proposals are considered as “**not fair**”;

- (iii) in considering whether the Proposals are “**reasonable**”, we have taken into consideration matters other than the valuation of the AHP Units;
- (iv) generally, the Proposals would be considered “**reasonable**” if they are “**fair**”.

Fairness of the Proposals

In assessing the fairness of the Proposals, we have adopted the RNAV method as the most appropriate valuation method to evaluate the fairness of the Proposals. Based on the RNAV method, the value of AHP is approximately RM276.49 million which translates to approximately RM1.2568 per AHP Unit. The SUR Offer Price of RM1.00 is lower than the estimated RNAV per AHP Unit representing a discount of RM0.2568 or 20.43% to the estimated RNAV per AHP Unit of RM1.2568.

Accordingly, we are of the view that the Proposals are **not fair** to the Non-Interested Unit Holders in view that the SUR Offer Price is **lower than** the estimated RNAV per AHP Unit.

The Non-Interested Unit Holders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Proposals and not rely solely on the valuation of the AHP Units derived based on the RNAV method in assessing the Proposals.

Reasonableness of the Proposals

In considering whether the offer is “reasonable”, we have taken into consideration factors in addition to the valuation of the AHP Units, i.e. historical market price analysis of the AHP Units, historical liquidity analysis of the AHP Units, the likelihood of any alternative proposal and the Non-Entitled Unit Holders’ level of control.

We are of the view that the Proposals are **reasonable**, due to the following:

Section in the IAL	Section of evaluation	Comments
4.2.1	Historical market price analysis of the AHP Units	<p>Based on the historical market price analysis, we note the following:</p> <ul style="list-style-type: none">(i) The AHP Units have not traded above the SUR Offer Price for the past one (1) year before the date of the SUR Proposal Letter and up to the LPD;

EXECUTIVE SUMMARY

Section in the IAL	Section of evaluation	Comments
		<p>(ii) The SUR Offer Price represents a premium of 49.25% over the closing market price of the AHP Units on the LTD of RM0.67 and premiums ranging between 38.89% and 49.25% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LTD; and</p> <p>(iii) The SUR Offer Price represents a premium of 5.26% over the closing market price of the AHP Units on the LPD of RM0.95 and premiums ranging between 6.38% and 19.05% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LPD.</p>
4.2.2	Historical liquidity analysis of the AHP Units	<p>The average monthly traded volume (excluding September and October 2020, which are deemed as outliers) of 500,420 AHP Units for the past one (1) year up to October 2020 (being the last full trading month prior to the LPD) was approximately 0.74% of the free float of the AHP Units which was lower than that of BM REIT Index⁽¹⁾ with a simple average of 1.21% (excluding February, March, May and September 2020, which are deemed as outliers). Accordingly, if the Non-Interested Unit Holders are holding a significant number of the AHP Units, the Non-Interested Unit Holders may have difficulties realising their investments in the open market if they choose to do so taking into account that the AHP Units are thinly traded.</p> <p>Note: (1) Where AHP is a member of the BM REIT Index.</p>
4.2.3	No alternative proposal	<p>(i) As at the LPD, the Board has not received any alternative proposal for the AHP Units and any other offer to acquire the assets and liabilities of AHP. As such, the Proposals represent the only available offer for the consideration of the Non-Interested Unit Holders as at the LPD and for the Non-Interested Unit Holders to realise their investment in the AHP Units at a premium over the prevailing market prices;</p> <p>(ii) The AHP Units were offered for sale at RM1.00 per Unit pursuant to the initial public offering of the AHP Units. The Proposals will allow the Non-Interested Unit Holders to exit their investments at the SUR Offer Price which is equivalent to the offer price during the initial public offering; and</p> <p>(iii) Unit Holders who have invested in the AHP Units since its initial public offering would have enjoyed a total income distribution of RM2.15 per Unit since the listing of AHP on 28 December 1990.</p>

EXECUTIVE SUMMARY

Section in the IAL	Section of evaluation	Comments
4.2.4	The level of control of the Non-Entitled Unit Holders	As at the LPD, the Non-Entitled Unit Holders (PNB, ORE and ASB) collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP. Accordingly, the Non-Entitled Unit Holders are generally able to influence the outcome of most of the resolutions sought at general meetings of AHP, unless they are required to abstain from voting. This includes their significant influence over the passing of ordinary resolution which requires approval from more than 50% of the total votes casted, and their ability to oppose any special resolution which requires approval from 75% or more of the total votes casted.
Our view		The Proposals are reasonable as it provides an exit opportunity to the Non-Interested Unit Holders (particularly those holding a significant number of the AHP Units) to realise their investment in AHP in cash at the SUR Offer Price which represents premiums over the historical market prices as highlighted in Section 4.2.1 of this IAL.

3. RECOMMENDATION

Premised on the above, although the Proposals are deemed **not fair**, we are of the view that the Proposals are **reasonable**.

Accordingly, we recommend the Non-Interested Unit Holders to **vote in favour of** the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting.

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16 November 2020

To: The Non-Interested Unit Holders

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED UNIT HOLDERS IN RELATION TO THE PROPOSALS

1. INTRODUCTION

On 18 September 2020, the Board announced that it had on the same date received the SUR Proposal Letter from ORE, informing the Manager of its proposal to convert AHP to an Unlisted REIT by way of the:

- (i) Proposed SUR; and
- (ii) Proposed Amendments.

Upon completion of the Proposals including the transfer of all AHP Units held by PNB to ORE, ASB and ORE shall be the only beneficiaries of AHP. ORE does not intend to maintain the listing status of AHP on the Main Market of Bursa Securities upon completion of the Proposals. Please refer to Section 2, Part A of this Document for further information on the Proposals.

On 12 October 2020, the Non-Interested Directors, had appointed us as the independent adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and to the Non-Interested Unit Holders in respect of the Proposals.

On 12 October 2020, MIDF Investment, on behalf of the Board, announced that the Non-Interested Directors (save for Encik Hafidz Atrash Kosai bin Mohd Zihim) had, at a meeting held on even date, deliberated on the contents of the SUR Proposal Letter and had resolved to table the Proposals based on the terms of the SUR Proposal Letter to the Non-Interested Unit Holders for their consideration at the Unit Holders' Meeting.

On 11 November 2020, MIDF Investment, on behalf of the Board, announced that the SC had, vide its letter dated 11 November 2020, approved the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines pursuant to the Proposed SUR. Please refer to Section 2.1.4, Part A of this Document for further information on the exemption sought under Paragraph 1.06 of the Listed REIT Guidelines, submitted by MIDF Investment, on behalf of the Board.

The SC had through its letter dated 13 November 2020 notified that the SC has no further comments on the IAL. However, such notification shall not be taken to indicate that the SC recommends the Proposals or that the SC agrees with the recommendation of the Independent Adviser or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

As provided for under Schedule 3 of the Rules, the special resolutions in relation to the Proposals:

- (i) must be approved by at least a majority in number of the Non-Interested Unit Holders and 75% in value to the votes attached to the AHP Units held by the Non-Interested Unit Holders that are cast either in person or by proxy at the Unit Holders' Meeting; and
- (ii) must not be voted against by more than 10% of the votes attaching to all AHP Units held by the Non-Interested Unit Holders.

The purpose of this IAL is to provide the Non-Interested Unit Holders with relevant information on the Proposals and our independent evaluation of the Proposals together with our recommendation on whether the Non-Interested Unit Holders should vote in favour of or against the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting, subject to the scope of our role and evaluation set out in this IAL.

You are advised to read this IAL and Part A of this Document together with the appendices and consider carefully the evaluation and recommendation contained in this IAL before voting on the resolutions in relation to the Proposals.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

2. SCOPE AND LIMITATION TO THE EVALUATION OF THE PROPOSALS

We have not been involved in the formulation, deliberations and negotiations of the terms and conditions of the Proposals. Our scope as independent adviser is limited to providing comments, opinions, information and recommendation on the Proposals based on information and documents provided to us or which are available to us, including the following:

- (i) the information set out in Part A of this Document and the appendices attached thereto;
- (ii) audited financial statements of AHP for the FYE 2019, FYE 2018 and FYE 2017;
- (iii) latest unaudited financial statements of AHP for the 6-month FPE 30 June 2020;
- (iv) valuation reports dated 6 October 2020 and valuation certificates for the Real Estate Assets referred to in Appendix VII of this Document prepared by the Valuer;
- (v) other relevant information, documents and representations furnished to us by the Board and Management;
- (vi) discussion with the Management; and
- (vii) other publicly available information.

We have made all reasonable enquiries to the Board and the Management and have relied on the Board and the Management to take due care to ensure that all information, documents and representations in respect of AHP provided to us by them to facilitate our evaluation of the Proposals are accurate, valid and complete in all material aspects.

We have obtained confirmation from the Board that all relevant material facts and information required for the purposes of our evaluation of the Proposals have been disclosed to us and the Board has accepted full responsibility for the accuracy of the information provided to us. After making all reasonable enquiries and to the best of our knowledge, we are satisfied that all relevant facts and information and/or representations necessary for our evaluation of the Proposals are available to us and such information is sufficient, accurate, valid and there is no omission of any material facts, which would make any information available to us incomplete, misleading or inaccurate.

Our evaluation as set out in the IAL is rendered solely for the benefit of the Non-Interested Unit Holders and not for a specific group of Non-Interested Unit Holders.

Hence, in carrying out our evaluation, we have not taken into consideration separate specific investment objective, risk profile, financial and tax situation or any particular needs of any individual Non-Interested Unit Holder or any specific group of Non-Interested Unit Holders. We therefore recommend any Non-Interested Unit Holders who is in doubt as to the action to be taken in relation to the Proposals in the context of his/her individual investment objectives, risk profile, financial and tax situation or particular needs, to consult his/her respective stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our evaluation and opinion as set out in this IAL are based upon prevailing capital market, economic, industry, regulatory, monetary, socio-political and other conditions (if applicable), and the information and/or documents available to us, as at the LPD. Such conditions may change significantly over time.

We will immediately notify the Non-Interested Unit Holders by way of an announcement through Bursa Securities if, after despatching this IAL, as guided by Paragraph 11.07(1) of the Rules, we become aware that this IAL:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we shall send a supplementary IAL to the Non-Interested Unit Holders in accordance with Paragraph 11.07(2) of the Rules.

3. DETAILS OF THE PROPOSALS

The details of the Proposals are as follows:

Consideration for the Proposals	:	<p>Cash amount of RM1.00 per AHP Unit to be paid for the redemption of each AHP Unit held by the Entitled Unit Holders on the Entitlement Date under the Proposed SUR.</p> <p>If AHP declares, makes and/or pays a Distribution after the date of the SUR Proposal Letter up to the completion of the Proposals, the SUR Offer Price shall be reduced by an amount equivalent to the Distribution made per AHP Unit.</p>
Mode and timing of settlement	:	<p>The settlement of the SUR Offer Price will be effected via electronic remittance to the Entitled Unit Holders' eDividend Accounts duly registered with Bursa Depository within 10 days from the Effective Date. For the Entitled Unit Holders who do not maintain eDividend Accounts, the settlement of the SUR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Unit Holders (or their designated agents, as they may direct) at the Entitled Unit Holders' registered addresses with Bursa Depository as at the Entitlement Date at their own risk within 10 days from the Effective Date.</p>
Conditions of the Proposals	:	<p>The completion of the Proposals shall be subject to the fulfilment of all the following requisite conditions precedent:</p> <p>(a) the approval of the Non-Interested Unit Holders in relation to the Proposals at the forthcoming Unit Holders' Meeting of AHP;</p>

- (b) the approval of the SC, for the registration of the Second Supplemental Deed immediately upon the approval of the Non-Interested Unit Holders, and the Second Restated Deed upon the completion of the Proposed SUR;
- (c) the approval of the SC, for the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines from having to comply with certain provisions of the Listed REIT Guidelines pursuant to the Proposed SUR, which have been obtained vide its letter dated 11 November 2020;
- (d) the approval of Bursa Securities, for the withdrawal of the listing status of AHP from the Official List of Bursa Securities after the completion of the Proposed SUR; and
- (e) the approval or consent of the financiers of AHP pursuant to the terms of the banking facilities agreements.

The Proposed SUR and the Proposed Amendments for SUR are inter-conditional. The Proposed Amendments for Unlisted REIT is conditional upon the Proposed SUR.

- | | | |
|---------------------------|---|---|
| Irrevocable undertaking | : | As at the LPD, the Manager and ORE have not received any irrevocable undertaking from any Non-Interested Unit Holder to vote in favour of the Proposals at the forthcoming Unit Holders' Meeting. |
| Funding for the Proposals | : | The payment of the SUR Cash Amount shall be funded by way of advances to AHP by ORE, subject to compliance with Paragraphs 8.29, 8.30 and 8.32 of the Listed REIT Guidelines. |

ORE had confirmed it has sufficient financial resources and that the Proposals will not fail by reason of insufficient financial capability.

MIDF Investment is satisfied that the Proposed SUR would not fail due to insufficient financial capability of ORE and that every Entitled Unit Holder will be paid the SUR Offer Price in full.

Further information on the Proposals are set out in Section 2, Part A of this Document.

4. EVALUATION OF THE PROPOSALS

The Proposals comprise the Proposed SUR and Proposed Amendments. The Proposed Amendments are undertaken to facilitate the implementation of the Proposed SUR and the conversion of AHP to an Unlisted REIT. The Proposed Amendments and Proposed SUR are inter-conditional upon each other. Accordingly, in arriving at our conclusion and recommendation in respect of the Proposals, we have assessed the fairness and reasonableness of the Proposals in accordance with Paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as 2 distinct criteria, i.e. whether the Proposals are “**fair**” and whether the Proposals are “**reasonable**”, rather than as a composite term;
- (ii) the Proposals are considered as “**fair**” if the SUR Offer Price is:
 - equal to or higher than the market price; and
 - also equal to or higher than the value of the AHP Units.

However, if the SUR Offer Price is equal to or higher than the market price but is lower than the value of the AHP Units, the Proposals are considered as **"not fair"**;

- (iii) in considering whether the Proposals are **"reasonable"**, we have taken into consideration matters other than the valuation of the AHP Units;
- (iv) generally, the Proposals would be considered **"reasonable"** if they are **"fair"**. Nevertheless, an independent adviser may also recommend for the Non-Interested Unit Holders to vote in favour of the resolutions despite the Proposals being **"not fair"**, if the independent adviser is of the view that there are sufficiently strong reasons for the Non-Interested Unit Holders to vote in favour of the said resolutions in the absence of a higher bid and such reasons should be clearly explained; and
- (v) in the event the independent adviser concludes that the Proposals are **"not fair but reasonable"**, the independent adviser must clearly explain the following:
 - (a) what is meant by **"not fair but reasonable"**;
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the Non-Interested Unit Holders are recommended to take pursuant to the conclusion.

We have taken into consideration the following factors, in evaluating the fairness and reasonableness of the Proposals:

Fairness of the Proposals		Section in the IAL
(i)	Valuation of the AHP Units	4.1.1
Reasonableness of the Proposals		Section in the IAL
(i)	Historical market price analysis of the AHP Units	4.2.1
(ii)	Historical liquidity analysis of the AHP Units	4.2.2
(iii)	No alternative proposal	4.2.3
(iv)	The level of control of the Non-Entitled Unit Holders	4.2.4

4.1 FAIRNESS OF THE PROPOSALS

4.1.1 Valuation of the AHP Units

AHP operates as a REIT. The investment objective of AHP is to provide a reasonable level of income return to Unit Holders and allow the Unit Holders to gain from capital growth through the acquisition of a selected portfolio of real estate investments, which have potential for long-term capital growth. It is in the ordinary course of business of AHP to acquire and invest in real estates used for commercial purposes including but not limited to office buildings, retail malls/hypermarkets, education complexes, hospitality buildings and other real estates, with a view to provide sustainable income for distribution and capital growth. We noted that the real estate portfolio of AHP as at the LPD, consist of 3 real estate investments as follows:

- (i) Plaza VADS;
- (ii) Bangunan AHP; and
- (iii) Mydin Hypermarket Seremban 2.

As AHP is a REIT, the assets composition of AHP is primarily in real estate assets. Based on AHP's latest audited financial statements for the FYE 2019, the Real Estate Assets and its related assets formed 95.82% of the total amount of AHP's total assets.

We set out below the composition of the assets of AHP based on the audited financial statements as at 31 December 2019 and unaudited financial statements as at 30 June 2020:

	Audited FYE 2019		Unaudited FPE 30 June 2020	
	RM'000	% over total assets %	RM'000	% over total assets %
Investments				
Real estates	409,689	89.54	404,246	88.75
Real estates - accrued rental income	28,711	6.28	32,630	7.16
Real estate - asset enhancement	-	-	252	0.06
Deposits with financial institutions	13,590	2.97	11,916	2.62
Total investments	451,990	98.79	449,044	98.59
Other assets				
Equipment, furniture and fittings	6	*	5	*
Trade receivables	4,717	1.03	5,602	1.23
Other receivables	531	0.12	534	0.12
Cash and cash equivalents	297	0.06	285	0.06
Total other assets	5,550	1.21	6,426	1.41
Total assets	457,540	100.00	455,470	100.00

* Negligible

In view of the asset composition of AHP as at 30 June 2020 where AHP's existing real estate portfolio consist mainly of the Real Estate Assets, we are of the view that the RNAV method (which is an asset-based valuation method) to be the most appropriate method to derive the value of the AHP Units.

The RNAV is the market value of an entity's assets that can be expected to be realised by an entity upon the sale of the assets on a willing-buyer willing-seller basis. Under the RNAV valuation method, the carrying value or NBV of the assets are adjusted to their market values based on valuation surpluses/deficits (net of relevant provisions of deferred tax, if any) on such assets as derived from the latest valuation of the assets.

In applying the RNAV method, certain assumptions are made which include the following:

- (i) AHP will continue to operate as a going concern;
- (ii) there will be a ready and committed buyer for each asset at its fully revalued basis and the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (iii) there will not be any significant or material changes to the agreements, approvals, licences, permits and regulations governing the real estate assets;

- (iv) there will not be any compulsory acquisition of the AHP's lands by the relevant state authorities pursuant to the provisions of the Land Acquisition Act, 1960. In the event of any compulsory acquisition by the relevant state authorities, AHP would receive fair compensation based on market value in accordance with the Land Acquisition Act, 1960;
- (v) insurable risks relating to the AHP's assets are and will continue to be appropriately covered by relevant insurance policies and the sums insured are adequate;
- (vi) the current accounting policies adopted by AHP will remain relevant and there will not be any significant changes in the accounting policies of AHP which will have a material adverse impact on the financial performance and financial position of AHP; and
- (vii) there will not be any material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the property industry in Malaysia.

Apart from the Real Estate Assets, we have adopted the carrying value of the assets below to derive their valuation due to the following:

- (a) **Deposits with financial institutions and cash and cash equivalents** – The carrying amounts in respect of the deposits with financial institutions and cash and cash equivalents are expected to approximate their fair values.
- (b) **Equipment, furniture and fittings** – Equipment, furniture and fittings are stated at cost less accumulated depreciation and impairment losses and are reasonably expected to approximate their fair values. In addition, we noted that the amount classified under "equipment, furniture and fittings" is not a material amount.
- (c) **Trade and other receivables** – Trade receivables comprise trade receivable from tenants whereas other receivables comprise interest, deposits, prepayments and Sales and Services Tax receivable. As stated in the annual report 2019 of AHP, trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. Other receivables are also reasonably expected to approximate their fair values.

As at the LPD, the Management is not aware of any evidence of impairment in respect of any material assets of AHP save for the Real Estate Assets, whereby the market value is lower than the NBV. In addition, the Management is not aware of any material contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial position of AHP.

We have relied on the valuation conducted by the Valuer. The valuation certificates for the Real Estate Assets are set out in Appendix VII, Part A of this Document. We have reviewed the valuation reports dated 6 October 2020 prepared by the Valuer and are of the view that the valuation methods are reasonable, appropriate, consistent and in accordance with the Asset Valuations Guidelines issued by the SC and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. We are satisfied with the basis and key assumptions used by the Valuer for the purpose of the valuation. As such, after having made all reasonable enquiries, we are satisfied with the reasonableness of the market value of the Real Estate Assets which were used in our assessment.

The date of valuation of the Real Estate Assets was 28 September 2020, which in our opinion are current valuations which reflect the market value of the Real Estate Assets.

In arriving at the valuation for the Real Estate Assets, the Valuer has adopted the Income Approach (Investment Method) and the Comparison Approach is used as a check as set out below:

Income Approach (Investment Method)

The Income Approach using the Investment Method is a 2-stage capitalisation (term and reversion) of the net rental income of the property at market derived rates of return (yield) consistent with the type and quality of the property, to arrive at the market value. The term income is the passing rents and is capitalised for the unexpired period of the tenancies, after deducting expenses/outgoings. The reversion income is derived from market derived rental rates which is capitalised to perpetuity, after deducting expenses/outgoings.

Following are the key bases and assumptions adopted by the Valuer to derive at the valuation using the Income Approach (Investment Method):

No	Key bases and assumptions	Descriptions	Key bases and assumptions		
			Plaza VADS	Bangunan AHP	Mydin Hypermarket Seremban 2
(a)	Gross rental income	<p><u>Current term</u> The term income is the passing rents and is capitalised for the unexpired period of the tenancies, after deducting expenses/outgoings.</p> <p><u>Reversion term</u> The reversion income is derived from market derived rental rates which is capitalised to perpetuity, after deducting estimated expenses/outgoings.</p>	<p><u>Current term</u> 24-storey office tower: RM2.50 to RM4.40 per sq ft</p> <p>5-storey podium: RM3.80 to RM6.20 per sq ft</p> <p><u>Reversion term</u> 24-storey office tower: RM3.00 to RM4.40 per sq ft</p> <p>5-storey podium: RM3.80 to RM6.50 per sq ft</p>	<p><u>Current term</u> RM2.00 to RM5.35 per sq ft</p> <p><u>Reversion term</u> RM3.60 to RM5.00 per sq ft</p>	<p><u>Current term</u> RM3.58 per sq ft (actual rent based on the 30-year lease agreement dated 21 September 2016 between the Trustee (on behalf of AHP, as Lessor) and Mydin Mohamed Holdings Berhad (Lessee).</p> <p>Final term rent: RM7.67 per sq ft</p> <p><u>Reversion term</u> RM2.50 per sq ft</p>
(b)	Expenses/Outgoings	<p>The outgoings consist of among others, assessment, quit rent, insurance, water and sewerage, property manager's fee and site costs, security, repair and maintenance.</p> <p>The expenses/outgoings adopted for the gross rental income for the current term for the respective Real Estate Assets are within the range of the expenses and outgoings of the respective Real Estate Assets currently incurred. While the expenses/outgoings adopted for the gross rental income for the reversion term for the respective Real Estate Assets are an estimation based on current expenses/outgoings of the respective Real Estate Assets.</p>	<p><u>Current term</u> RM1.60 per sq ft</p> <p><u>Reversion term</u> RM1.65 per sq ft</p> <p>The current term is based on the analysed current outgoings of the subject property which is the actual cost.</p> <p>The slightly higher rate of RM1.65 per sq ft is adopted for the reversion term to allow for increase in cost.</p>	<p><u>Current term</u> RM1.85 per sq ft</p> <p><u>Reversion term</u> RM1.90 per sq ft</p> <p>The current term is based on the analysed current outgoings of the subject property which is the actual cost.</p> <p>The slightly higher rate of RM1.90 per sq ft is adopted for the reversion term to allow for increase in cost.</p>	<p><u>Current term</u> For current term (13 September 2020 to 12 September 2024): Lessor's insurance of RM36,036.00 and property manager's fee of RM22,896.00</p> <p>Subsequent term: Increased by 10% for each term</p> <p><u>Reversion term</u> RM1.85 per sq ft</p>

No	Key bases and assumptions	Descriptions	Key bases and assumptions		
			Plaza VADS	Bangunan AHP	Mydin Hypermarket Seremban 2
(c)	Void allowance	Void allowance for the reversion term is deducted from the net rental income to provide for vacancy period, rent free and fitting-out periods.	<p>10%</p> <p>The current occupancy rate for Plaza VADS is 86.04%, thus, a void allowance of 10% to perpetuity has been used.</p>	<p>10%</p> <p>The current occupancy rate of Bangunan AHP is 92.73%, thus a void allowance of 10% to perpetuity has been used.</p>	<p>25.0%</p> <p>The average occupancy rate of shopping complexes in Negeri Sembilan declined slightly to 69.4% for first half of 2020 compared to 69.8% in second half of 2019 due to the negative take-up (Source: Property Market Report H1 2020, Valuation and Property Services Department). In view of the above, a void allowance 25% to perpetuity has been used.</p>
(d)	Yield	Yield is the rate of return that is expected on an investment property. Yield is derived based on the yield of transactions of comparable properties in locations that are similar to the subject property.	<p><u>Current term</u> 5.5%</p> <p><u>Reversion term</u> 6.0%</p> <p>The current term is based on analysis of net yields of transactions of similar properties which range from 5.36% to 5.65%.</p> <p>The slightly higher reversion term of 6.0% is adopted to reflect the higher risk for reversion rent.</p>	<p><u>Current term</u> 5.5%</p> <p><u>Reversion term</u> 6.0%</p> <p>The current term is based on analysis of net yields of transactions of similar properties which range from 5.22% to 5.50%.</p> <p>The slightly higher reversion term of 6.0% is adopted to reflect the higher risk for reversion rent.</p>	<p><u>Current term</u> 8.0%</p> <p><u>Reversion term</u> 7.0%</p> <p>The current term is based on analysis of net yields of transactions of similar properties which range from 6.48% to 7.84%. A higher yield is adopted for the current term due the high rental rate compared to market.</p> <p>The reversion term is within the range of net yields of transactions.</p>

Please refer to the valuation certificates for the Real Estate Assets in Appendix VII of this Document for further information on the key bases and assumptions adopted by the Valuer.

Comparison Approach

The Comparison Approach entails analysis of sales of comparable properties. The sales comparables which are considered in arriving at the market value of the subject property are analysed on the net lettable area (NLA) basis and adjustments have been made to recognise various differences between the sales comparables and the subject property for time factor, location, tenure, building age/condition, building type and size.

Based on the valuation conducted by the Valuer, the Real Estate Assets recorded net revaluation deficits as computed below:

No.	Description	Existing use	Date of acquisition/age of the building	Date of last revaluation	Tenure	Valuation methods	(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) + (D)
							Market value as at 28 September 2020 RM'000	Unaudited NBV as at 30 June 2020 RM'000	Revaluation deficit RM'000	Adjustment to deferred tax ⁽¹⁾ RM'000	Net revaluation deficit RM'000
1.	Plaza VADS A 24-storey tower office block with a 5-storey podium annex and a 3-level split-level basement car park located at Taman Tun Dr Ismail, Kuala Lumpur	Office building	21 March 1989 / 24-storey office building: 33 years	2 December 2019	Freehold	Income Approach and Comparison Approach (check method)	137,300	139,231	(1,931)	193	(1,738)
	Address : No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr Ismail, 60000 Kuala Lumpur Title no : Geran 23511 Lot no : 50969 Land area : 66,919.00 sq ft (6,217.00 s.m.) Gross floor area : Approximately 533,948.00 sq ft (49,605.39 s.m.) Net lettable area : 248,376.00 sq ft (23,074.89 s.m.) Category of land use : Building Planning provision : Commercial use Registered owner : AmanahRaya Trustees Berhad (as Trustee) Date of valuation : 28 September 2020										

No.	Description	Existing use	Date of acquisition/ age of the building	Date of last revaluation	Tenure	Valuation methods	(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) + (D)																				
							Market value as at 28 September 2020 RM'000	Unaudited NBV as at 30 June 2020 RM'000	Revaluation deficit RM'000	Adjustment to deferred tax ⁽¹⁾ RM'000	Net revaluation deficit RM'000																				
2.	<div><div>Bangunan AHP</div><div>4-storey office building with one level of sub-basement car park located at Taman Tun Dr Ismail, Kuala Lumpur</div><table><tr><td>Address</td><td>: No.2 Jalan Tun Mohd Fuad 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur</td></tr><tr><td>Title no</td><td>: HSD 4928</td></tr><tr><td>Lot no</td><td>: 29508</td></tr><tr><td>Land area</td><td>: 88,272.00 sq ft (8,200.75 s.m.) ⁽²⁾</td></tr><tr><td>Gross floor area</td><td>: Approximately 173,847.00 sq ft (16,150.92 s.m.)</td></tr><tr><td>Net lettable area</td><td>: 94,414.00 sq ft (8,771.35 s.m.)</td></tr><tr><td>Category of land use</td><td>: Building</td></tr><tr><td>Planning provision</td><td>: Commercial use</td></tr><tr><td>Registered owner</td><td>: AmanahRaya Trustees Berhad (as Trustee)</td></tr><tr><td>Date of valuation</td><td>: 28 September 2020</td></tr></table></div>	Address	: No.2 Jalan Tun Mohd Fuad 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Title no	: HSD 4928	Lot no	: 29508	Land area	: 88,272.00 sq ft (8,200.75 s.m.) ⁽²⁾	Gross floor area	: Approximately 173,847.00 sq ft (16,150.92 s.m.)	Net lettable area	: 94,414.00 sq ft (8,771.35 s.m.)	Category of land use	: Building	Planning provision	: Commercial use	Registered owner	: AmanahRaya Trustees Berhad (as Trustee)	Date of valuation	: 28 September 2020	Office building	21 March 1989 / 32 years	2 December 2019	Freehold	Income Approach and Comparison Approach (check method)	⁽²⁾ 43,600	44,897	(1,297)	130	(1,167)
Address	: No.2 Jalan Tun Mohd Fuad 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur																														
Title no	: HSD 4928																														
Lot no	: 29508																														
Land area	: 88,272.00 sq ft (8,200.75 s.m.) ⁽²⁾																														
Gross floor area	: Approximately 173,847.00 sq ft (16,150.92 s.m.)																														
Net lettable area	: 94,414.00 sq ft (8,771.35 s.m.)																														
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Date of valuation	: 28 September 2020																														

No.	Description	Existing use	Date of acquisition/age of the building	Date of last revaluation	Tenure	Valuation methods	(A)	(B)	(C) = (A) - (B)	(D)	(E) = (C) + (D)
							Market value as at 28 September 2020 RM'000	Unaudited NBV as at 30 June 2020 RM'000	Revaluation deficit RM'000	Adjustment to deferred tax ⁽¹⁾ RM'000	Net revaluation deficit RM'000
3.	Mydin Hypermarket Seremban 2 3-storey mall cum hypermarket with 2 levels of sub-basement car park located at Seremban 2, Negeri Sembilan	Hypermarket and mall	27 April 2015 / 7 years	2 December 2019	Perpetuity ⁽⁴⁾	Income Approach and Comparison Approach (check method)	252,000	253,000	(1,000)	100	(900)
	Address : Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus Title no : GRN 273548 (formerly HSD 206530) Lot no : 50454 (formerly Lot PT 557) Land area : 583,080.00 sq ft (54,170.00 s.m.) Gross floor area : Approximately 1,114,301.44 sq ft (103,522.00 s.m.) Net lettable area : 430,642.47 sq ft (40,008.00 s.m.) Category of land use : Building Planning provision : Commercial use Registered owner : AmanahRaya Trustees Berhad (as Trustee) Date of valuation : 28 September 2020										
Total							432,900	437,128	(4,228)	423	(3,805)

Note:

- (1) Computed based on the applicable real property gains tax rate of 10%.
- (2) Including an amount of RM1,100,000, representing extension works which are 39% complete as at 21 August 2020 based on the total estimated extension cost of RM2,782,080.
- (3) The surveyed land area is 85,121.00 sq ft (7,908.00 s.m.), which is smaller than the land area as stated in the land title.
- (4) Mydin Hypermarket Seremban 2 is held in perpetuity requiring consent from the State Authority to transfer, lease and charge.

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After considering the valuation of the Real Estate Assets as derived by the Valuer, the estimated RNAV of AHP is as follows:

	Amount RM'000	Amount RM
Unaudited NAV ⁽¹⁾ of AHP as at 30 June 2020	280,297	
Less: Net revaluation deficit arising from Real Estate Assets (Please refer to the table above for computation)	⁽²⁾ (3,805)	
Estimated RNAV of AHP ⁽³⁾	276,492	
No. of the AHP Units in issue	⁽⁴⁾ 220,000	
Estimated RNAV per AHP Unit		1.2568
SUR Offer Price		1.00
Discount represented by the SUR Offer Price		
– RM		0.2568
– %		20.43

Note:

- (1) Derived from AHP's total assets less total liabilities.
- (2) Taking into account that the market value of the Real Estate Assets is lower than the NBV as at 30 June 2020, it is the intention of the Management to incorporate the latest market value of the Real Estate Assets and to recognise the revaluation deficit based on the valuation conducted by the Valuer in the unaudited financial results of AHP for the 9-month FPE 30 September 2020.
- (3) The unaudited NAV of AHP as at 30 June 2020 is adjusted to take into account the net revaluation deficit arising from revaluation of the Real Estate Assets to arrive at the estimated RNAV of AHP.
- (4) Based on the number of the AHP Units in issue of 220,000,000 as at the LPD.

As set out above, the estimated RNAV of AHP is approximately RM276.49 million which translates into RM1.2568 per AHP Unit. The SUR Offer Price of RM1.00 per AHP Unit, represents a discount of RM0.2568 or 20.43% to the estimated RNAV of RM1.2568 per AHP Unit.

The RNAV of the AHP Units is based on prevailing economic, market and other conditions as well as information provided by AHP up to the LPD. Events or circumstances occurring subsequent to the LPD may significantly change the bases and assumptions used which may then materially affect the RNAV of AHP, whether favourably or adversely. If circumstances require, we shall send a supplementary IAL to the Non-Interested Unit Holders in accordance with Paragraph 11.07(2) of the Rules.

The Non-Interested Unit Holders should also note that any sale of the Real Estate Assets may be protracted in view of the current soft property market condition and AHP may not be able to realise its assets at their full values.

Accordingly, the Non-Interested Unit Holders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Proposals.

FAIRNESS OF THE PROPOSALS

We have reviewed the financial position and asset composition of AHP for our evaluation. In view of the asset composition of AHP as at 30 June 2020 where AHP's existing real estate portfolio consist mainly of the Real Estate Assets, we have considered the RNAV method (which is an asset-based valuation method) to be the most appropriate method to derive the value of the AHP Units. Using the RNAV method, the value of AHP is approximately RM276.49 million which translates to approximately RM1.2568 per AHP Unit. The SUR Offer Price of RM1.00 is lower than the estimated RNAV per AHP Unit representing a discount of RM0.2568 or 20.43% to the estimated RNAV per AHP Unit of RM1.2568.

The Proposals are **not fair** in view that the SUR Offer Price is lower than the estimated RNAV per AHP Unit.

Non-Interested Unit Holders should note that the fairness of the Proposals is not the only criteria for consideration and should also consider the evaluation of the reasonableness of the Proposals as set out in Section 4.2 of this IAL before voting on the resolutions in relation to the Proposals.

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4.2 REASONABLENESS OF THE PROPOSALS

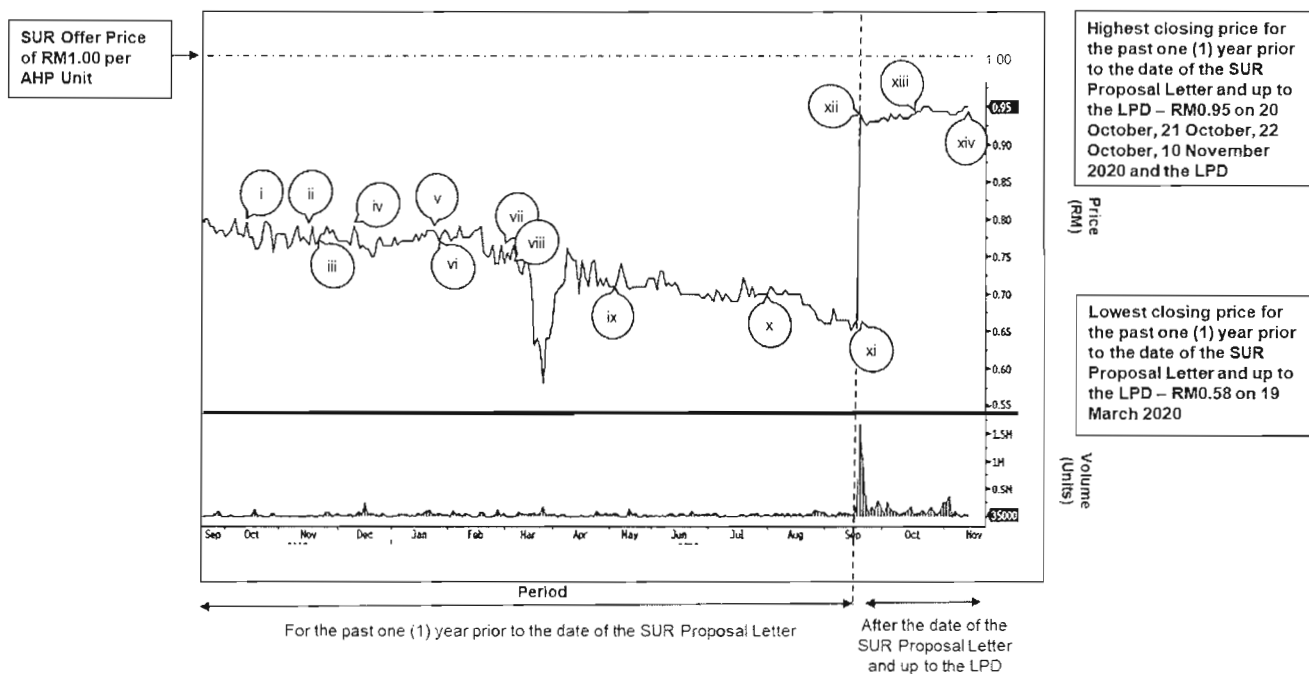
In assessing the reasonableness of the Proposals, we have taken into consideration the following:

- (i) historical market price analysis of the AHP Units;
- (ii) historical liquidity analysis of the AHP Units;
- (iii) no alternative proposal; and
- (iv) the level of control of the Non-Entitled Unit Holders.

4.2.1 Historical market price analysis of the AHP Units

In assessing the historical market price analysis of the AHP Units, we have considered the historical trading prices and trading volume of the AHP Units for the past 3 years prior to the date of the SUR Proposal Letter and up to the LPD. We note that the market prices of the AHP Units were on a downward trend for the past 3 years under review since 18 September 2017 until the announcement on the receipt by AHP of the SUR Proposal Letter on 18 September 2020. The downward trending market price is in line with the challenging overview of the property market. Nonetheless, we are of the view that the historical market prices based on the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD would be more reflective of the current market conditions to assess the historical market prices of the AHP Units.

The graph below sets out the historical closing prices and trading volume of the AHP Units for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD (which have been extracted from Bloomberg and no adjustment has been made as there were no corporate exercises and/or declaration of income distributions that may have a material effect on the market prices and volume traded of the AHP Units throughout the period):



(Source: Bloomberg)

Based on the above, we note that AHP Units have consistently traded below the SUR Offer Price for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD with the following highest and lowest closing market prices:

- (i) The highest closing market price of the AHP Units for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD was RM0.95, which were transacted on 20 October, 21 October, 22 October, 10 November 2020 and the LPD, being transaction dates after AHP received the SUR Proposal Letter; and
- (ii) The lowest closing market price for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD was RM0.58 on 19 March 2020, which was in-line with the overall market decline due to the announcement of the MCO by the Malaysian government that commenced on 18 March 2020.

The average closing market price for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD was RM0.76. Since September 2019, the market prices of the AHP Units have been trending downward to a low of RM0.58 for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD.

During the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD, AHP had made the following announcements, among others:

	Date of announcements	Overview of events
(i)	17 October 2019	Announcement on the amendments to the First Restated Deed dated 13 August 2015 entered into between PHNB, the Trustee and the several persons therein mentioned constituting AHP to align the Deed with Appendix 4A of the MMLR and Section 295(4) of the CMSA (" Proposed Amendments On First Restated Deed ").
(ii)	12 November 2019	Announcement on the outcome of Unit Holders' Meeting that the resolutions as set out in the notice of Unit Holders' Meeting of AHP dated 21 October 2019 in relation to the Proposed Amendments On First Restated Deed were duly approved by the Unit Holders by way of poll at the Unit Holders' Meeting held on even date.
(iii)	18 November 2019	Announcement on AHP's 3 rd quarter results for the FPE 30 September 2019. AHP recorded a revenue of RM23.46 million and PBT of RM11.88 million for the 9-month period ended 30 September 2019, as compared to the revenue of RM23.72 million and PBT of RM9.62 million for the corresponding 9-month period ended 30 September 2018.
(iv)	9 December 2019	Announcement that the first supplemental deed dated 28 November 2019 has been registered by and lodged with the SC on 4 December 2019 and 9 December 2019, respectively. As such, the first supplemental deed is effective from 4 December 2019.
(v)	20 January 2020	<p>(a) Announcement on AHP's 4th quarter results for the FYE 2019. AHP recorded a revenue of RM31.25 million and PBT of RM14.94 million for the FYE 2019, as compared to the revenue of RM31.85 million and PBT of RM12.24 million for the FYE 2018;</p> <p>(b) Announcement that an update valuation of all four (4) properties in the portfolio of AHP has been carried out pursuant to Clause 10.02(b) of the Listed REIT Guidelines; and</p> <p>(c) Announcement on the final income distribution of 2.90 sen a unit (taxable) for the period from 1 July 2019 to 31 December 2019.</p>
(vi)	21 January 2020	Announcement on notice of book closure for the final income distribution of 2.90 sen a unit (taxable) for the period from 1 July 2019 to 31 December 2019.

	Date of announcements	Overview of events
(vii)	27 February 2020	Announcement on the notice of 8 th annual general meeting.
(viii)	2 March 2020	Announcement on the completion of the disposal by AmanahRaya Trustees Berhad as trustee for AHP of two units of stratified shop lots identified as Ground and First floor, Lot 55, Block G, Asia City Phase 1B, Kampung Air, Kota Kinabalu, Sabah (" Asia City Property ") to Hua Hing Seafood for a cash consideration of RM1.8 million.
(ix)	6 May 2020	Announcement on AHP's 1 st quarter results for the FPE 31 March 2020. AHP recorded a revenue of RM7.89 million and PBT of RM3.08 million for the 3-month period ended 31 March 2020, as compared to the revenue of RM7.53 million and PBT of RM3.13 million for the corresponding 3-month period ended 31 March 2019.
(x)	30 July 2020	(a) Announcement on AHP's 2 nd quarter results for the FPE 30 June 2020. AHP recorded a revenue of RM13.03 million and PBT of RM4.55 million for the 6-month period ended 30 June 2020, as compared to the revenue of RM15.36 million and PBT of RM8.13 million for the corresponding 6-months ended 30 June 2019; and (b) Announcement on the interim income distribution of 1.75 sen a unit (taxable) for the period from 1 January 2020 to 30 June 2020.
(xi)	17 September 2020	Announcement on request for suspension and approval for request for suspension in the trading of AHP Units with effect from 9.00 a.m., 18 September 2020 pending the release of a material announcement.
(xii)	18 September 2020	Announcement on the receipt by AHP of the SUR Proposal Letter.
(xiii)	12 October 2020	Announcement on the tabling of the Proposals to the Non-Interested Unit Holders for their consideration and appointment of Affin Hwang IB as the independent adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and to the Non-Interested Unit Holders in respect of the Proposals.
(xiv)	11 November 2020	Announcement on the approval of the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines pursuant to the Proposed SUR from the SC vide its letter dated 11 November 2020.

We note that save for the following, there were no other announcements of material developments affecting AHP for the past one (1) year prior to the date of the SUR Proposal Letter and up to the LPD which could likely contribute to the decrease or increase in market prices of the AHP Units:

- (i) announcements in relation to the interim financial reports of AHP;
- (ii) announcements for the declaration of income distributions;
- (iii) announcements for the disposal of the Asia City Property; and
- (iv) announcements for matters relating to the Proposals.

For the FYE 2020, based on AHP's announcements on 6 May 2020 and 30 July 2020 respectively in respect of its 1st and 2nd quarter results for the financial year, AHP continued to record declining profits. The declining profitability and the current economic slowdown, in particular the property sector may have contributed to the downward trending market price performance for the past one (1) year prior to the date of the SUR Proposal Letter.

Non-Interested Unit Holders are advised to take into consideration the historical price trend and trading volume of the AHP Units on Bursa Securities.

The SUR Offer Price is yielding the following premiums to the historical closing market prices/VWAP of the AHP Units (which have been extracted from Bloomberg and no adjustment has been made as there were no corporate exercises and/or declaration of income distributions that may have a material effect on the market prices and volume traded of the AHP Units throughout the period):

	Unit price	Premium over market price	
		RM	%
(i) The relevant market prices of the AHP Units on and up to the LTD:			
(a) Closing market price on the LTD	0.67	0.33	49.25
(b) 5-day VWAP up to and including the LTD	0.67	0.33	49.25
(c) 1-month VWAP up to and including the LTD	0.67	0.33	49.25
(d) 3-month VWAP up to and including the LTD	0.69	0.31	44.93
(e) 6-month VWAP up to and including the LTD	0.69	0.31	44.93
(f) 1-year VWAP up to and including the LTD	0.72	0.28	38.89
(ii) The relevant market prices of the AHP Units on and up to the LPD:			
(a) Closing market price on the LPD	0.95	0.05	5.26
(b) 5-day VWAP up to and including the LPD	0.94	0.06	6.38
(c) 1-month VWAP up to and including the LPD	0.94	0.06	6.38
(d) 3-month VWAP up to and including the LPD	0.90	0.10	11.11
(e) 6-month VWAP up to and including the LPD	0.87	0.13	14.94
(f) 1-year VWAP up to and including the LPD	0.84	0.16	19.05

(Source: Bloomberg)

Based on the above, we note the following:

(i) As of the LTD:

- (a) the SUR Offer Price represents a 49.25% premium to the closing market price of RM0.67; and
- (b) the SUR Offer Price represents premiums ranging between 38.89% and 49.25% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LTD.

(ii) As of the LPD:

- (a) the SUR Offer Price represents a 5.26% premium to the closing market price of RM0.95; and
- (b) the SUR Offer Price represents premiums ranging between 6.38% and 19.05% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LPD.

We note that the AHP Units were last traded above the SUR Offer Price in December 2016. Since April 2015, the market prices of the AHP Units were on a downward trend until the announcement on the receipt by AHP of the SUR Proposal Letter on 18 September 2020.

The closing market price of the AHP Units as at the LPD was RM0.95 which is close to but still lower than the SUR Offer Price.

Therefore, Non-Interested Unit Holders should monitor the market price of the AHP Units before arriving at a decision on whether to vote in favour of or against the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting. If the market price of the AHP Units is above the SUR Offer Price, Non-Interested Unit Holders may consider disposing of their AHP Units in the open market.

The Non-Interested Unit Holders are advised to refer to Section 4.2.2 of this IAL for our comments on the trading liquidity of the AHP Units.

It should be noted that the market prices of the AHP Units have traded upwards and closer to the SUR Offer Price after the LTD and up to the LPD. However, this may not be an indication of future market price performance of the AHP Units and there can be no assurance that the market price of the AHP Units will continue to trade at the current price levels in the event the Proposals are not successful.

The above evaluation is based on the historical market prices of the AHP Units as at the specific dates/periods and should not be relied upon as an indication of the future trading performance of the AHP Units. The actual capital value/cash realisation for the Non-Interested Unit Holders would depend on the subsequent market price performance of the AHP Units. The future market price performance of the AHP Units will depend upon, amongst others, on prevailing stock market conditions, liquidity, performance, prospects and fundamentals of AHP, future income distributions (if any), and the outlook and prospects of the industry and markets in which AHP operates.

4.2.2 Historical liquidity analysis of the AHP Units

The table below sets out the monthly highest and lowest closing market prices (which have been extracted from Bloomberg and no adjustment has been made as there were no corporate exercises and/or declaration of income distributions that may have a material effect on the market prices and volume traded of the AHP Units throughout the period) and the trading volume of the AHP Units over the past one (1) year up to October 2020 (being the last full trading month prior to the LPD):

	High (RM)	Low (RM)	⁽¹⁾ Monthly traded volume (No. of Units)	⁽²⁾ Monthly traded volume over free float (%)
2020				
October	0.95	0.93	⁽³⁾ 2,014,900	2.97
September	0.94	0.65	⁽³⁾ 4,084,700	6.03
August	0.71	0.66	773,000	1.14
July	0.72	0.69	361,000	0.53
June	0.73	0.70	463,000	0.68
May	0.74	0.71	361,300	0.53
April	0.76	0.70	340,900	0.50
March	0.77	0.58	573,600	0.85
February	0.79	0.74	610,900	0.90
January	0.79	0.77	595,300	0.88
2019				
December	0.79	0.75	603,300	0.89
November	0.79	0.76	321,900	0.48
Average monthly traded volume			925,317	-
Average monthly traded volume (excluding September and October 2020)			500,420	-

	High (RM)	Low (RM)	⁽¹⁾ Monthly traded volume (No. of Units)	⁽²⁾ Monthly traded volume over free float (%)
Average month traded volume over free float			-	1.37
Average monthly traded volume over free float (excluding September and October 2020)			-	0.74

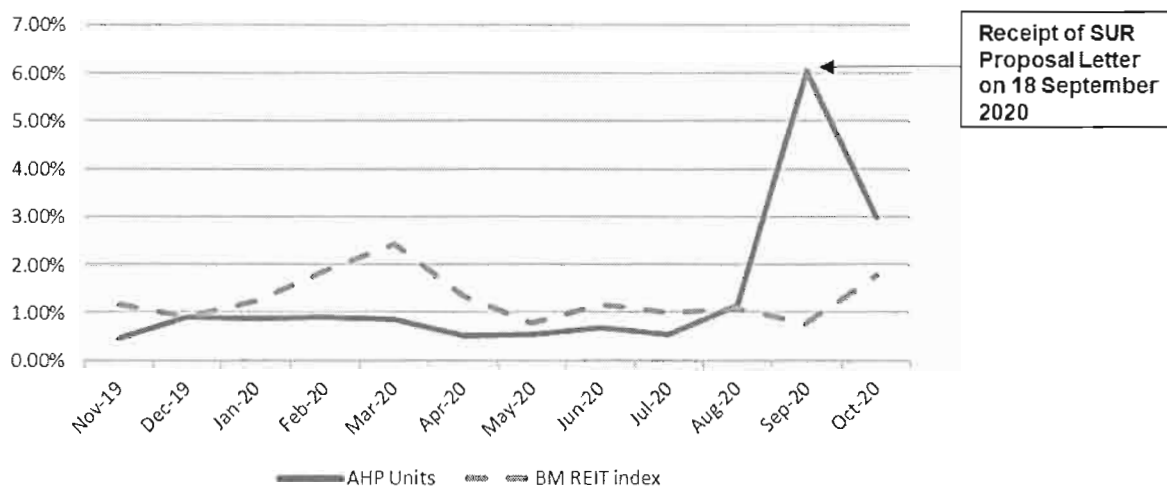
(Source: Bloomberg)

Note:

- (1) Based on announcements of AHP, there were no dealings by the substantial Unit Holders during the respective months.
- (2) The free float of the AHP Units as at the LPD refers to the number of the AHP Units held by public Unit Holders (excluding those Units held by the substantial Unit Holders as at the LPD). As at the LPD, the free float of the AHP Units was 67,734,900 AHP Units.
- (3) Denotes an outlier being excluded from the computation of the average monthly trading volume over free float of the AHP Units. An outlier is determined based on extreme deviation from the simple average (including outliers). We have generally regarded values outside of up to one (1) standard deviation of the average as extreme deviation.

We note that from November 2019 to October 2020, the trading volume-to-free float of the AHP Units have generally been lower than the trading volume for BM REIT Index (where AHP is a member of the BM REIT Index) save for the months of August, September and October 2020, as shown in the graph below:

Monthly traded volume over free float (%)



(Source: Bloomberg)

We note that the average monthly traded volume of 925,317 AHP Units for the past one (1) year up to October 2020 was approximately 1.37% of the free float of the AHP Units, which was higher than that of BM REIT Index with a simple average of 1.29%. However, the average monthly traded volume (excluding September and October 2020, which are deemed as outliers) of 500,420 AHP Units for the past one (1) year up to October 2020 was approximately 0.74% of the free float of the AHP Units, which was lower than that of BM REIT Index with a simple average of 1.21% (excluding February, March, May and September 2020, which are deemed as outliers). The higher traded volume of the AHP Units for the month of August 2020 may have been driven by the 31 July 2020 announcement of AHP's 2nd quarter results for the FPE 30 June 2020 and on the interim income distribution for the period from 1 January 2020 to 30 June 2020. The higher traded volume of the AHP Units for the months of September and October 2020 may have been driven by the receipt of the SUR Proposal Letter on 18 September 2020. Accordingly, if the Non-Interested Unit Holders are holding a significant number of the AHP Units, the Non-Interested Unit Holders may have difficulties in realising their investment in AHP in the open market if they choose to do so. The low trading liquidity may also be due to the consistent income distributions that the Unit Holders had enjoyed in the past, where Unit Holders may tend to hold and maintain their investment in AHP for regular dividend income source. However, we noted that the Board acknowledges the challenges facing AHP in maintaining its income distribution yield moving forward taking into account the occupancy performance of both purpose-built office and the retail sub-sector as they remained soft in the first half of 2020 based on the Malaysian Property Market Report for the First Half of 2020 prepared by the Valuation and Property Services Department.

The above evaluation is based on the historical trading volume of the AHP Units as at the respective dates/periods and should not be relied upon as an indication of the future trading volume of the AHP Units. In addition, if ORE or PNB increases its unit holding in AHP via acquisitions (on and off market), the liquidity of the AHP Units and the ability of Non-Interested Unit Holders to dispose of their AHP Units in the open market may be further constrained.

Considering the above, the Proposals represent an avenue for the Non-Interested Unit Holders to realise their investment in the AHP Units in cash at the SUR Offer Price which represents premiums over the historical market prices as highlighted in Section 4.2.1 of this IAL.

4.2.3 No alternative proposal

As at the LPD, the Board has not received any alternative proposal for the AHP Units and any offer to acquire the assets and liabilities of AHP.

As such, the Proposals represents the only available offer for the consideration of the Non-Interested Unit Holders as at the LPD.

In addition, we note that the AHP Units were offered for sale at RM1.00 per Unit pursuant to the initial public offering of the AHP Units. The Proposals will allow the Non-Interested Unit Holders to exit their investments at the SUR Offer Price which is equivalent to the offer price during the initial public offering.

Unit Holders who have invested in the AHP Units since its initial public offering would have enjoyed a total income distribution of RM2.15 per Unit since the listing of AHP on 28 December 1990.

4.2.4 The level of control of the Non-Entitled Unit Holders

As at the LPD, the Non-Entitled Unit Holders (PNB, ORE and ASB) collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP. Accordingly, the Non-Entitled Unit Holders are generally able to influence the outcome of most of the resolutions sought at general meetings of AHP, unless they are required to abstain from voting. This includes their significant influence over the passing of ordinary resolution which requires approval from more than 50% of the total votes casted, and their ability to oppose any special resolution which requires approval from 75% or more of the total votes casted.

REASONABLENESS OF THE PROPOSALS

Based on our analysis as set out in Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4 of this IAL, we are of the view that the Proposals are reasonable, due to the following:

Historical market price analysis of the AHP Units

- (i) The AHP Units have not traded above the SUR Offer Price for the past one (1) year before the date of the SUR Proposal Letter and up to the LPD.
- (ii) The SUR Offer Price represents a premium of 49.25% over the closing market price of the AHP Units of RM0.67 on the LTD and premiums ranging between 38.89% and 49.25% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LTD.
- (iii) The SUR Offer Price represents a premium of 5.26% over the closing market price of the AHP Units of RM0.95 on the LPD and premiums ranging between 6.38% and 19.05% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LPD.

Historical liquidity analysis of the AHP Units

The AHP Units are thinly traded. The average monthly traded volume (excluding September and October 2020, which are deemed as outliers) of 500,420 AHP Units for the past one (1) year up to October 2020 (being the last full trading month prior to the LPD) was approximately 0.74% of the free float of the AHP Units which was lower than that of BM REIT Index with a simple average of 1.21% (excluding February, March, May and September 2020, which are deemed as outliers). Accordingly, if the Non-Interested Unit Holders are holding a significant number of the AHP Units, the Non-Interested Unit Holders may have difficulties realising their investments in the open market if they choose to do so taking into account that the AHP Units are thinly traded.

No alternative proposal

As at the LPD, the Board has not received any alternative proposal for the AHP Units and any other offer to acquire the assets and liabilities of AHP. As such, the Proposals represent the only available offer for the consideration of the Non-Interested Unit Holders as at the LPD and for the Non-Interested Unit Holders to realise their investment in the AHP Units at a premium over the prevailing market prices.

The AHP Units were offered for sale at RM1.00 per Unit pursuant to the initial public offering of the AHP Units. The Proposals will allow the Non-Interested Unit Holders to exit their investments at the SUR Offer Price which is equivalent to the offer price during the initial public offering.

Unit Holders who have invested in the AHP Units since its initial public offering would have enjoyed a total income distribution of RM2.15 per Unit since the listing of AHP on 28 December 1990.

The level of control of the Non-Entitled Unit Holders

As at the LPD, the Non-Entitled Unit Holders (PNB, ORE and ASB) collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP. Accordingly, the Non-Entitled Unit Holders are generally able to influence the outcome of most of the resolutions sought at general meetings of AHP, unless they are required to abstain from voting. This includes their significant influence over the passing of ordinary resolution which requires approval from more than 50% of the total votes casted, and their ability to oppose any special resolution which requires approval from 75% or more of the total votes casted.

5. RATIONALE FOR THE PROPOSALS AND FUTURE PLANS FOR AHP AND ITS EMPLOYEES

5.1 Rationale for the Proposals

ORE's rationale for the Proposals are set out in Section 3, Part A of this Document, is summarised below:

Proposed SUR

Ability of AHP to grow its assets vis-à-vis sustainability of its yield moving forward appears limited after taking into consideration the following:

- (i) the existing state and outlook of the Malaysian property market performance;*
- (ii) the relatively small market capitalisation of AHP and the present economic and capital market condition, any proposals to expand and restructure the assets of AHP through capital fund raising would be challenging; and*
- (iii) the costs involved in the restructuring and rebalancing of AHP's property portfolio as AHP is subject to comply with the requisite regulatory framework applicable to AHP's current listing status.*

We note that the Board acknowledges the challenges facing AHP to maintain its income distribution yield moving forward.

The AHP Units have been thinly traded and the Unit price of AHP has also been trending downwards since April 2015. In view of this, the Proposed SUR provides an opportunity for the Entitled Unit Holders to realise their investments in AHP in an efficient and expeditious manner at a premium to the prevailing market prices of the AHP Units.

Proposed Amendments

The Proposed Amendments are undertaken to facilitate the implementation of the Proposed SUR and the conversion of AHP to an Unlisted REIT upon completion of the Proposed SUR.

Comments by Affin Hwang IB

In terms of the economic outlook and state of the property sector in Malaysia, we note the following:

The economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; 3Q 2009: -1.1%).

On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1Q 2020: -2.0%).

Economic activity in Malaysia contracted sharply in the first half of the year (-8.3%) as the measures introduced to contain the pandemic globally and domestically resulted in a concurrent supply and demand shock to the economy. However, growth is expected to have troughed in 2Q 2020. Economic activity has resumed significantly since the economy began to reopen in early May. Monthly indicators such as wholesale and retail trade, industrial production, electricity generation, and gross exports all grew faster in June than in the period between March and May. The improvement in growth in 2H 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment.

(Source: Bank Negara Malaysia Quarterly Bulletin Q2 2020)

Purpose-Built Office

The overall performance of purpose-built office was stable, with occupancy rate of 80.6% in H1 2020, similar as H2 2019. The purpose-built office consists of 1,545 private buildings (17,088,560 s.m.) and 1,003 government buildings (5,865,691 s.m.). As for the private office buildings, the average occupancy rate moderated at 74.3%, declined further from 74.8% recorded in H2 2019. Wilayah Persekutuan Kuala Lumpur and Pulau Pinang secured higher occupancy rate at 75.8% and 78.6% respectively; whereas Selangor and Johor were lower than national level at 69.8% and 65.0% respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate at 39.1%.

Shopping Complex

The performance of shopping complex softened, recording an overall occupancy rate of 78.6%, decreased slightly from 79.2% in H2 2019. Wilayah Persekutuan Kuala Lumpur and Selangor recorded 82.4% and 80.0% occupancy rate respectively, whereas Johor and Pulau Pinang managed to secure an average occupancy of 78.1% and 73.3% respectively. Melaka and Negeri Sembilan recorded the lowest occupancy rate at 67.5% and 69.4% respectively.

(Source: Property Market Report H1 2020, Valuation and Property Services Department)

Based on the quarterly announcement of AHP for the FPE 30 June 2020, the short-term outlook for the sector remains cloudy with substantial incoming future supply and unstable economic condition. Hence, the profitability of AHP may be affected and AHP may have difficulties in sustaining its yield moving forward.

Facing unprecedented challenges resulting from the COVID-19 pandemic and MCO, it is pervasive for malls owners and/or managers of REIT of shopping malls to provide varying degrees of rental assistance to tenants. Broadly, the retail assets were one of the worst affected asset classes during the COVID-19 pandemic apart from hotel assets. It is expected that retail assets should see higher business activities in second half of 2020 due to the easing of restrictions under the Recovery Movement Control Order that allows for businesses to operate under strict standard operating procedures. Although it is expected that there will be some earnings recovery but retail assets' earnings may only recover to pre-COVID-19 levels by 2022 in anticipation of weaker retailers' sentiment and cautious consumer spending.

While offices were resilient in the first 6 months of 2020, its growth prospects remained uncertain. Despite the stable near-term outlook for offices, the offices' long-term prospects are expected to be affected by weak regional economy and the rising popularity of the "work-from-home" arrangements, a forced shift due to the COVID-19 pandemic. In the long run, the office segment may see the risk of lower occupancy or lower rental rates as tenants opt to shrink their office space, opt for co-working space or leave the market entirely. Overall, the "work-from-home" trend will put pressures on the increase in office rental, but it should not have a material implication to the sector within the current or next tenancy cycle.

In tandem with the lower earnings per unit in the REIT sector, lower income distributions by most REITs is widely anticipated.

(Source: Affin Hwang Capital Research report dated 15 September 2020)

Based on the latest unaudited financial statements of AHP for the 6-month FPE 30 June 2020, AHP has an asset size of RM455.47 million and a market capitalisation of RM209.00 million as at the LPD.

In Malaysia, there are in total 18 REITs listed on Bursa Securities as at the LPD as follows:

	Name	Asset size (RM'mil)	Market capitalisation as at the LPD (RM'mil)
(1)	AHP	455.47	209.00
(2)	Atrium Real Estate Investment Trust	467.04	231.23
(3)	Tower Real Estate Investment Trust	837.95	154.28
(4)	KIP Real Estate Investment Trust	840.59	406.77
(5)	UOA Real Estate Investment Trust	1,053.72	498.99
(6)	Al-Salam Real Estate Investment Trust	1,243.84	298.70
(7)	Hektar Real Estate Investment Trust	1,295.76	240.22
(8)	AmFIRST Real Estate Investment Trust	1,687.78	284.86
(9)	AmanahRaya Real Estate Investment Trust	1,466.79	352.53
(10)	Al-Aqar Healthcare REIT	1,674.52	949.42
(11)	MRCB-Quill REIT	2,210.31	852.07
(12)	Axis Real Estate Investment Trust	3,321.84	3,043.32
(13)	Capitaland Malaysia Mall Trust	4,158.21	1,212.68
(14)	YTL Hospitality REIT	4,693.54	1,312.38
(15)	IGB Real Estate Investment Trust	5,223.54	6,124.16
(16)	Pavilion Real Estate Investment Trust	6,337.24	4,354.79
(17)	Sunway Real Estate Investment Trust	8,460.25	5,000.22
(18)	KLCC Real Estate Investment Trust	18,197.66	13,955.22

(Source: Announcements, and latest financial results of the respective M-REITs available as at the LPD and Bloomberg)

As shown from the above table, AHP is the smallest REIT among the M-REITs in terms of asset size. AHP had a market capitalisation of approximately RM168.30 million as at 31 December 2019, which was the smallest market capitalisation among M-REITs then. Although the market capitalisation of AHP has increased from RM168.30 million to RM209.00 million as at the LPD due to the increased market price of the AHP Units driven primarily by the receipt of the SUR Proposal Letter, AHP remains as one of the smallest REITs among the M-REITs as at the LPD.

Notably, some of the M-REITs are not comparable to AHP due to differences in asset class, asset size and market capitalisation. For our evaluation, in selecting M-REITs that provide a closer proxy to AHP, we have adopted the following selection criteria that in our view, are broadly comparable to AHP:

- (i) less than RM1 billion asset size;
- (ii) property type with a combination of office buildings and/or hypermarkets;
- (iii) less than RM500 million market capitalisation; and
- (iv) listed in Malaysia.

We wish to highlight that the selected comparable M-REITs may differ from AHP in terms of marketability and liquidity of units, size of operations, asset base, financial performance, operating and financial leverage, accounting and taxation policies, risk profile and future prospects.

The comparable M-REITs based on the above selection criteria as at the LPD are:

Name	Principal activities	Asset size (RM'mil)	Market capitalisation as at the LPD (RM'mil)
AHP	Amanah Harta Tanah PNB operates as a REIT in Malaysia. The trust engages in the investment of freehold and leasehold real estate properties.	455.47	209.00
Tower Real Estate Investment Trust	Tower Real Estate Investment Trust is a REIT in Malaysia. The trust invests primarily in a portfolio of office buildings and commercial buildings.	837.95	154.28

Name	Principal activities	Asset size (RM'mil)	Market capitalisation as at the LPD (RM'mil)
KIP Real Estate Investment Trust	KIP Real Estate Investment Trust operates as a REIT. The trust owns and develops retail properties such as malls, outlets, and shopping centres.	840.59	406.77

(Source: Announcements, and latest financial results of the respective M-REITs available as at the LPD and Bloomberg)

Although Atrium Real Estate Investment Trust has an assets size of less than RM1 billion and a market capitalisation of less than RM500 million as at the LPD, we have deemed Atrium Real Estate Investment Trust as not comparable to AHP as Atrium Real Estate Investment Trust primarily invests in properties comprising logistics warehouses and factory complexes tenanted to logistics companies and manufacturers.

We are of the view that it would be challenging to expand and restructure AHP's assets due to:

- (i) its relatively small asset size and market capitalisation. Given the relatively small market capitalisation of AHP, it would be challenging to undertake a fund raising exercise to finance any acquisition or expansion plans. Such fund raising exercise include being able to tap the capital market by securing the necessary institutional and retail investors' interest either through a rights issue or placements or the debt market through debt raising or borrowings. Such exercises depend on the yield to be derived for potential investors from an investment in AHP or appropriate financing cost and debt threshold permissible from the perspective of potential debt financiers;
- (ii) contraction in the economy and less favourable earnings outlook amidst the unprecedented challenges brought about by the COVID-19 pandemic. This has led to lower business activity and lower profitability for AHP as evidenced by the recent 1st and 2nd quarter financial results for the FYE 2020. This places pressure on AHP to maintain the yield for the Unit Holders moving forward;
- (iii) yield-compression in the property market due to rental assistance to tenants amidst the current contraction in business activity following the outbreak of the COVID-19 pandemic, the outcome of which currently remains uncertain. Based on the quarterly announcement of AHP for the FPE 30 June 2020, the Manager has received requests from tenants for rental waiver during MCO. To ease the burden of the tenants, especially the Small Medium Enterprises (as defined by SME Corporation Malaysia), the Manager, together with PNB has devised a rental discount framework. Generally, tenants with continuing tenancy and with rental arrears of not more than 3 months are eligible to be considered for rental discount for the period between April to September 2020. The rental discount given for the period ended 30 June 2020 are in line with the recommendation by the Government. Accordingly, acquiring property assets within the current yield-compression climate may not be yield-accretive to AHP; and
- (iv) the low trading liquidity of the AHP Units as compared to the BM REIT Index and its trading price which is below AHP's NAV per Unit will place further challenges on the Manager to raise adequate funds from the capital markets to acquire property assets to expand the asset size of AHP. This will also pose a challenge for AHP to issue AHP Units as consideration units and price them appropriately to vendors of property assets whilst still ensuring that it is a yield-accretive acquisition for AHP.

Accordingly, the Proposals provide the Non-Interested Unit Holders with an opportunity to exit their investment in AHP at a premium of RM0.05 or 5.26% over the closing market price of the AHP Units of RM0.95 as at the LPD. Taking into consideration the factors discussed above, it would otherwise be unlikely for the Non-Interested Unit Holders to realise their investment in AHP at such a premium in the absence of the Proposals.

5.2 Future plans for AHP and the employees of the Manager

ORE's and PNB's future plans for AHP and the employees of the Manager are set out in Section 4, Part A of this Document.

In summary, upon completion of the Proposals:

- (i) *ORE intends to continue with the existing investment objectives or businesses and operations of AHP. ORE intends to review the assets and operations of AHP and make such arrangements, rationalisation and reorganisation as it considers suitable to restructure and rebalance AHP's property portfolio to a target total asset size of RM3 billion and to optimise profitability and return on investments of AHP. Upon meeting the proposed target total asset size and the minimum pre-tax yield, ORE targets to relist AHP;*
- (ii) *The Offeror and Ultimate Offeror do not have any plans to introduce or effect material changes to the existing investment objectives of AHP, dispose of any major assets or undertake any major redeployment of the properties held by AHP upon the completion of the Proposals except where such change, acquisition/disposal and/or redeployment is necessary to improve the prospects and future growth of AHP; and*
- (iii) *As at the LPD, AHP does not have any employees as the management and administration of AHP are carried out by the Manager. PHNB will continue to be the Manager of AHP subject to the terms of the Deed.*

As at the LPD, the Offeror and Ultimate Offeror have not entered into any negotiation, arrangement or understanding with any third party with regard to any significant change in AHP's business, assets or Unit holding structure.

Comments by Affin Hwang IB

With a view to improve the prospects and future growth of AHP, ORE intends to restructure and rebalance AHP's property portfolio to a target total asset size of RM3 billion and to optimise profitability and return on investments of AHP and upon meeting the proposed target total asset size and the minimum pre-tax yield, ORE targets to relist AHP.

Non-Interested Unit Holders should note that there is no assurance that ORE's future plans in relation to AHP's business operations after the Proposals will materialise as expected and create additional value to AHP after the completion of the Proposals. Taking into the account the current economic climate, including the soft demand and yield compression in the property investment segment, and the small asset size of AHP currently, the Offeror and Ultimate Offeror are expected to require a period of time to realise their future plan to grow AHP's property portfolio to a target total asset size of RM3 billion with the minimum pre-tax yield which meets the expectations of potential investors for a relisting. Further, we note that although the Ultimate Offeror, PNB, is one of the largest fund management companies in Malaysia, any form of rationalisation and reorganisation of real property assets may require time to execute and realise, and will also be subject to other regulatory compliance.

6. INTERESTS OF DIRECTORS OF THE MANAGER, MAJOR UNIT HOLDERS AND/OR PERSONS CONNECTED TO THEM

The interests of the Directors of the Manager, major Unit Holders and/or persons connected to them (together with their course of actions in relation to the Proposals) are set out in Section 9, Part A of this Document.

7. UNIT HOLDING OF THE DIRECTORS OF THE MANAGER AND INTENTION TO VOTE

As at the LPD, the Directors of the Manager do not have any interest, whether direct or indirect, in AHP.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposals. The Interested Directors will ensure that all persons connected to them will abstain from voting in respect of their direct and/or indirect Unit holding in AHP, if any, on the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting.

Encik Hafidz Atrash Kosai bin Mohd Zihim, who is the Chief Executive Officer and Non-Independent Executive Director of the Manager has voluntarily opted to abstain from all deliberations and voting on the resolutions in relation to the Proposals at the relevant meetings of the Board.

8. FURTHER INFORMATION

We advise the Non-Interested Unit Holders to refer to the views and recommendation of the Board (save for the Interested Directors) as set out in Part A of this Document and other relevant information in this Document for further information in relation to the Proposals.

9. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the terms of the Proposals and have set out our evaluation in Section 4 of this IAL. Non-Interested Unit Holders should consider the merits and demerits of the Proposals carefully based on all relevant and pertinent factors including those set out below and other considerations as set out in this Document and other publicly available information prior to making a decision on whether to vote in favour of or against the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting.

In arriving at our conclusion and recommendation in respect of the Proposals, we have assessed the fairness and reasonableness of the Proposals in accordance with Paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term "**fair and reasonable**" should generally be analysed as 2 distinct criteria, i.e. whether the Proposals are "**fair**" and whether the Proposals are "**reasonable**", rather than as a composite term;
- (ii) the Proposals are considered as "**fair**" if the SUR Offer Price is:
 - equal to or higher than the market price; and
 - also equal to or higher than the value of the AHP Units.

However, if the SUR Offer Price is equal to or higher than the market price but is lower than the value of the AHP Units, the Proposals are considered as "**not fair**";

- (iii) in considering whether the Proposals are "**reasonable**", we have taken into consideration matters other than the valuation of the AHP Units;
- (iv) generally, the Proposals would be considered "**reasonable**" if they are "**fair**". Nevertheless, an independent adviser may also recommend for the Non-Interested Unit Holders to vote in favour of the resolutions despite the Proposals being "**not fair**", if the independent adviser is of the view that there are sufficiently strong reasons for the Non-Interested Unit Holders to vote in favour of the said resolutions in the absence of a higher bid and such reasons should be clearly explained; and
- (v) in the event the independent adviser concludes that the Proposals are "**not fair but reasonable**", the independent adviser must clearly explain the following:
 - (a) what is meant by "**not fair but reasonable**";
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the Non-Interested Unit Holders are recommended to take pursuant to the conclusion.

FAIRNESS OF THE PROPOSALS

We have adopted the RNAV method as the most appropriate valuation method to evaluate the fairness of the Proposals. Based on the RNAV method, the value of AHP is approximately RM276.49 million which translates to approximately RM1.2568 per AHP Unit. The SUR Offer Price of RM1.00 is lower than the estimated RNAV per AHP Unit representing a discount of RM0.2568 or 20.43% to the estimated RNAV per AHP Unit of RM1.2568.

We are of the view that the Proposals are **not fair** as the SUR Offer Price is lower than the estimated RNAV per AHP Unit.

REASONABLENESS OF THE PROPOSALS

Based on the analysis as set out in Section 4.2 of this IAL, in assessing the reasonableness of the Proposals, we have considered the historical market prices and liquidity of the AHP Units, the likelihood of other alternative proposal and the Non-Entitled Unit Holders' level of control.

We are of the view that the Proposals are **reasonable** in view of the following:

- (i) AHP Units have not traded above the SUR Offer Price for the past one (1) year before the date of the SUR Proposal Letter and up to the LPD. The SUR Offer Price represents premiums ranging between RM0.06 and RM0.16 or 6.38% and 19.05% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the AHP Units up to and including the LPD. As at the LPD, the SUR Offer Price represents a premium of RM0.05 or 5.26% over the closing market price of the AHP Units of RM0.95;
- (ii) the AHP Units are thinly traded, where the average monthly traded volume (excluding September and October 2020, which are deemed as outliers) of 500,420 AHP Units for the past one (1) year up to October 2020 (being the last full trading month prior to the LPD) is approximately 0.74% of the free float of the AHP Units;
- (iii) the Proposals represent the only available offer for the consideration of the Non-Interested Unit Holders as at the LPD. The AHP Units were offered for sale at RM1.00 per Unit pursuant to the initial public offering of the AHP Units. The Proposals will allow the Non-Interested Unit Holders to exit their investments at the SUR Offer Price which is equivalent to the offer price during the initial public offering. Unit Holders who have invested in the AHP Units since its initial public offering would have enjoyed a total income distribution of RM2.15 per Unit since the listing of AHP on 28 December 1990; and

REASONABLENESS OF THE PROPOSALS
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- | |
|---|
| (iv) as at the LPD, the Non-Entitled Unit Holders (PNB, ORE and ASB) collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP. Accordingly, the Non-Entitled Unit Holders are generally able to influence the outcome of most of the resolutions sought at general meetings of AHP, unless they are required to abstain from voting. This includes their significant influence over the passing of ordinary resolution which requires approval from more than 50% of the total votes casted, and their ability to oppose any special resolution which requires approval from 75% or more of the total votes casted. |
|---|

Premised on the above, although the Proposals are deemed **not fair**, we are of the view that the Proposals are **reasonable**. Therefore, we recommend the Non-Interested Unit Holders to vote **in favour of** the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting.

We advise you to monitor the market price and trading volume of the AHP Units and evaluate the SUR Offer Price before deciding whether to vote in favour of or against the resolutions in relation to the Proposals at the forthcoming Unit Holders' Meeting. If you wish, you may also consider to dispose of your AHP Units in the open market to realise your investment in the AHP Units if the market price is higher than the SUR Offer Price.

We have not taken into consideration any specific investment objective, financial situation or particular need of any individual Non-Interested Unit Holder. We recommend that any Non-Interested Unit Holder who requires advice in relation to the Proposals in the context of their individual investment objectives, financial situation or particular needs, to consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

Yours faithfully
for and on behalf of
AFFIN HWANG INVESTMENT BANK BERHAD

JOHAN HASHIM
Head
Corporate Finance

STELLA CHOY
Director
Corporate Finance

FURTHER INFORMATION

1. DISCLOSURE OF INTERESTS AND DEALINGS IN THE AHP UNITS**1.1 By AHP****(i) Disclosure of interests in ORE and PNB**

As at the LPD, AHP does not have any interest, whether direct or indirect, in any voting shares and/or convertible securities in ORE and/or PNB.

(ii) Dealings in the securities of ORE and PNB

AHP has not dealt, directly or indirectly, in any voting shares and/or convertible securities in ORE and/or PNB during the period commencing 6 months prior to the date of the SUR Proposal Letter and up to the LPD.

(iii) Dealings in the securities of AHP

AHP has not dealt, directly or indirectly, in any AHP Units during the period commencing 6 months prior to the date of the SUR Proposal Letter and up to the LPD.

1.2 By the Directors of PHNB**(i) Disclosure of interests in ORE and PNB**

As at the LPD, the Directors of PHNB do not have any interest, whether direct or indirect, in the voting shares and/or convertible securities in ORE and/or PNB.

(ii) Dealings in the securities of ORE and PNB

The Directors of PHNB have not dealt, directly or indirectly, in any voting shares and/or convertible securities in ORE and/or PNB during the period commencing 6 months prior to the date of the SUR Proposal Letter and up to the LPD.

(iii) Disclosure of interests in AHP

As at the LPD, the Directors of PHNB do not have any interest, whether direct or indirect, in AHP.

(iv) Dealings in the securities of AHP

The Directors of PHNB have not dealt, directly or indirectly, in any AHP Units during the period commencing 6 months prior to the date of the SUR Proposal Letter and up to the LPD.

1.3 By persons with whom AHP or any persons acting in concert with it has any arrangement

As at the LPD, AHP or any persons acting in concert with it, has not entered into any arrangement including any arrangement involving rights over units, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the AHP Units which may be an inducement to deal or to refrain from dealing, in relation to the AHP Units.

1.4 By persons with whom AHP or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom AHP or any persons acting in concert with it, has borrowed or lent any AHP Units.

FURTHER INFORMATION

1.5 By Affin Hwang IB**(i) Disclosure of interests in AHP**

Affin Hwang IB and funds whose investments are managed under Affin Bank Berhad (being the holding company of Affin Hwang IB), and its subsidiaries and associated companies, on a discretionary basis, do not have any interest, whether direct or indirect, in any AHP Units as at the LPD.

(ii) Dealing in the securities of AHP

Affin Hwang IB and funds whose investments are managed under Affin Bank Berhad (being the holding company of Affin Hwang IB), and its subsidiaries and associated companies, on a discretionary basis, have not dealt, whether direct or indirect, in any AHP Units during the period commencing 6 months prior to the date of the SUR Proposal Letter up to the LPD.

2. SERVICE CONTRACTS

As at the LPD, none of the Directors or proposed directors of PHNB have any service contracts with AHP or PHNB, which have been entered into or amended within 6 months prior to the date of the SUR Proposal Letter or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term "service contracts" excludes those expiring or determinable by the employing company/entity without payment of compensation within 12 months from the date of this IAL.

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DATED THIS DAY OF 2020

PELABURAN HARTANAH NASIONAL BERHAD

(Company Registration No. 198801008611 (175967-W))

of the 1st Part

AMANAHRAYA TRUSTEES BERHAD

(Company Registration No. 200701008892 (766894-T))

of the 2nd Part

AND

THE SEVERAL PERSONS HEREIN MENTIONED

of the 3rd Part

Relating to

AMANAH HARTA TANAH PNB

SECOND RESTATED DEED

MESSRS ZAINAL ABIDIN & CO.

Advocates & Solicitors

Suite 1803-1806, 18th Floor

Plaza Permata (IGB)

Jalan Kampar, Off Jalan Tun Razak

50400 Kuala Lumpur

Tel. No.: 03-40415266

Fax No.: 03-40427179

[Ref: 3.GP1.8.1.26/20]

THIS SECOND RESTATED DEED is made the day of 2020 **BETWEEN** **PELABURAN HARTANAH NASIONAL BERHAD** (Company Registration No. 175967-W), a company incorporated under the laws of Malaysia and having its registered office at 4th Floor, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur (hereinafter referred to as the "Manager") of the first part, **AMANAHRAYA TRUSTEES BERHAD** (Company Registration No. 766894-T) a trust corporation registered under the Trust Companies Act 1949 and incorporated under the laws of Malaysia and having its registered address at Tingkat 14, Wisma AmanahRaya No. 2, Jalan Ampang, 50508 Kuala Lumpur and its business address at Tingkat 2, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur (hereinafter referred to as the "Trustee") of the second part, and (subject to the provisions of Clause 42 hereof) **THE SEVERAL PERSONS** who acquire Units as hereinafter mentioned, of the third part.

WHEREAS:-

- A. By a Deed dated the 20th day of March 1989 entered into between the parties hereto (hereinafter referred to as the "Principal Deed") a real estate investment trust called "AMANA HARTA TANAH PNB" (hereinafter referred to as the "Trust") was established and constituted upon the terms and conditions contained therein.
- B. The Manager and the Trustee have previously modified the Principal Deed by the First Supplemental Trust Deed dated 6 of November 1990, the Second Supplemental Trust Deed dated the 18 December 1990, the Third Supplemental Trust Deed dated the 12 March 1999, the Fourth Supplemental Trust Deed dated the 15 January 2010.
- C. On the 13th day of August 2015, the First Restated Deed replaced the Principal Deed and was amended by the First Supplemental Deed to the First Restated Deed dated 28 November 2019 and the Second Supplemental Deed to the First Restated Deed dated [] 2020 (hereinafter collectively referred to as the "Deed").
- D. It is an express term of the Deed that the Manager and the Trustee may, in accordance with Clause 48 of the First Restated Deed and the law, make any modifications to the Deed which they think proper by a supplementary deed.

APPENDIX I – DRAFT SECOND RESTATED DEED (CONT'D)

E. Pursuant to Section 295 of the Capital Markets and Services Act 2007 (hereinafter referred to as the "CMSA") and Clause 48 of the Principal Deed, the Manager and the Trustee, with the approval of the Registered Holders, wish to amend and restate the Deed in the manner as herein contained for the purpose of, inter alia:-

- (a) to convert AHP to an unlisted real estate investment trusts;
- (b) to amend the provisions of the Deed to comply with the law and the Guidelines on Real Estate Investment Trusts (hereinafter referred to as the "REIT Guidelines") issued by the Securities Commission Malaysia to comply with all legal and regulatory requirements for unlisted real estate investment trusts;
- (c) to consolidate all amendments made to the Deed by way of this Second Restated Deed;

(the proposed amendments in paragraph (a) to (d) above are collectively referred to herein as the "Proposed Amendments").

F. This Second Restated Deed is executed pursuant to the resolutions approving the Proposed Amendments passed at an extraordinary general meeting of the Registered Holders (as defined herein) duly convened and held in accordance with the provisions of Clause 37 of the I Deed on the [] 202[] sanctioning and approving the Proposed Amendments to Convert AHP to an Unlisted REIT and authorising the execution of this Second Restated Deed.

NOW THIS SECOND RESTATED DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED that the Deed is hereby further amended and restated in its entirety by this Second Restated Deed, which, for avoidance of doubt, shall replace the First Restated Deed, and the Trustee hereby agrees to hold any and all property and assets, tangible or intangible, which are currently owned by the Trust, or which is hereafter transferred, conveyed or paid to the Trustee in its capacity as Trustee, and all rents, income, profits and gains therefrom for the benefit of the Unit Holders in accordance with and subject to the express provisions of this Second Restated Deed.

APPENDIX I – DRAFT SECOND RESTATED DEED (CONT'D)

1. The provisions of this Second Restated Deed shall not, in any way be construed as derogating from or limiting any of the provisions of any Applicable Laws and Requirements and the Manager and the Trustee shall in the performance of their respective duties under this Second Restated Deed comply with the Applicable Laws and Requirements, subject to any applicable waiver or exemption given by any Relevant Authority.
2. In the event of a conflict or inconsistency between the provisions of the Applicable Laws and Requirements and/or any such waivers or exemptions, and the provisions of this Second Restated Deed, then to the extent of such conflict or inconsistency, the provisions of the Applicable Laws and Requirements and/or any such waivers or exemptions shall prevail.
3. This Second Restated Deed is governed by, and shall be construed in accordance with, the laws of Malaysia.
4. As from the date of registration of this Second Restated Deed the amendments as contained in Schedule A hereto shall take effect and shall be binding on the Trustee, the Manager and all Registered Holders.

(the remainder of this page is intentionally left blank)

APPENDIX I – DRAFT SECOND RESTATED DEED (CONT'D)

IN WITNESS WHEREOF these presents have been executed the day and year first abovewritten.

THE COMMON SEAL OF)
PELABURAN HARTANAH)
NASIONAL BERHAD)
was hereunto duly affixed)
in the presence of :)

.....
Director

.....
Director/Secretary

THE COMMON SEAL OF)
AMANAHRAYA TRUSTEES)
BERHAD)
was hereunto affixed)
in the presence of :)

.....
Director/
Authorised Signatory

.....
Director/Secretary/
Authorised Signatory

SCHEDULE A

1. DEFINITIONS

In this Deed unless there be something in the subject or context inconsistent therewith the expressions following shall have the meanings hereinafter mentioned that is to say:-

"Accounting Records" include the management company's books and records and the Trust's financial and other records, invoices, receipts, orders for payment of money, bills of exchange, cheques, promissory notes, vouchers and other documents of prime entry and also includes such working papers and other documents as are necessary to explain the methods and calculations by which accounts are made up.

"Accounts" mean a profit and loss account (for statement of comprehensive income) and balance sheet (or statement of financial position) and includes notes or statements (other than the Auditor's report or directors' report) attached or intended to be read together with the profit and loss account and balance sheet.

"Accrual Period" means a period ascertained as follows:-

- (i) The first Accrual Period shall begin on the Commencement Date and end on the 31st day of December, 1989.
- (ii) Each subsequent Accrual Period shall be for a period of six (6) months and shall begin on the first day of January, and the first day of July, in each year and end on the 30th day of June and the 31st day of December respectively in each year

"Applicable Laws and Requirements" means the laws, regulations, guidelines, rules and official requirements, guidance notes, practice notes (whether or not having force of law) applicable to real estate investment trusts from time to time including Securities Laws, the REIT Guidelines, the Asset Valuation Guidelines, and taxation laws and rulings.

"Approved Company Auditor" shall have the meaning given to it by the Companies Act.

"Approved Fund Size" refers to the maximum number of Units which the Manager is authorised to issue and shall include any increase from time to time approved by the Securities Commission and the Registered Holders under the terms of this Deed and Applicable Laws and Requirements.

"Assets of the Trust" means the total assets of the Trust, including all Authorised Investments and other assets (after consulting with the Auditor) to be in the nature of assets in accordance with generally accepted accounting practices in Malaysia, for the time being held upon the trusts of this Deed.

"Asset Valuation Guidelines" means the asset valuation guidelines issued by the Securities Commission effective 3 August 2009 which regulate valuations of property by a valuer, as the same may be modified, amended, supplemented, revised or replaced from time to time.

"Auditor" means any auditor appointed under any of the provisions of Clause 36 hereof.

"Authorised Investments" means:-

- (a) Real Estate;
- (b) Single Purpose Companies;
- (c) Real Estate-Related Assets;
- (d) Non-real Estate-Related Assets;
- (e) cash, deposits, and money market instruments; and
- (f) any other kind of investment or investments approved by the Trustee and the Securities Commission and any other regulatory authority as an Authorised Investment provided always the making of such investments do not contravene any Applicable Laws and Requirements.

"Authorised Size of Fund" refers to the maximum number of Units approved by the Registered Holders in the resolution dated 3 November 1998 passed at a duly convened Extraordinary General Meeting of the Registered Holders held on the same date.

"Bonus Book Closing Date" means the date declared by the Manager to be the Bonus Book Closing Date in respect of an issue of a Bonus pursuant to Clause 11(4) hereof.

"Bonus Distribution Sum" means the sum which the Manager shall decide pursuant to Clause 11(4) hereof on each Bonus Book Closing Date to be the Bonus Distribution Sum.

"Bonus Period" means the period between each Bonus Book Closing Date and, until such time as the first Bonus Book Closing Date is specified by the Manager, means the period from the 21st day of March 1989 until the first Bonus Book Closing Date.

"Bonus Units" means Units issued pursuant to Clause 11(4) or 25(8)(d) hereof which Units shall, save as otherwise herein expressly provided, rank pari passu with other Units then in issue.

"Business Day" means a day which is a working day in Kuala Lumpur, Malaysia.

"Capital Value of the Fund" means the sum arrived at in the manner referred to in Clause 10(5) hereof.

"cash" includes cheque, money order, warrant or other document entitling the holder to receive cash.

"Cash Produce" means all cash receivable by the Trustee by way of:-

- (i) all dividends and interest in respect of shares, Government Securities and debentures and any unit trust or similar undertaking or scheme;
- (ii) cash received by the Manager or the Trustee on account of the Trust;
- (iii) all interest and receipts in the nature of income;
- (iv) rents less appropriate outgoings payable pursuant to Clause 24 hereof;
- (v) any profit or any part thereof on the sale of shares or debentures or other investment which is treated as Cash Produce pursuant to Clause 8(2) hereof;

- (vi) any other sum having the nature of income which the Manager and Trustee (having consulted the Auditor) deem to be Cash Produce or cash receipts.

"CMSA" means the Capital Markets and Services Act 2007 and includes any amendments from time to time;

"Commencement Date" means the date of establishment of the Trust which was 21st March 1989.

"company" includes a private company and a foreign company and any other company as defined in the Companies Act or public body or authority whosoever constituted.

"Companies Act" means the Companies Act, 2016 and any amendments thereto or any statutory modifications or re-enactments thereof.

"Costs and Disbursements" include all those costs, fees and expenses referred to in Clause 24 hereof and all other legal costs, taxes, stamp duty, survey and valuation fees, registration fees, search and enquiry fees and all other usual and proper charges on an acquisition, sale, transfer, exchange, development or other dealing with or disposal of any Authorised Investment.

"Deed" has the same meaning as given under the CMSA

"debenture" includes debenture stock, bond, note and other security or obligation of a company whether constituting a charge on the assets of the company or not and includes the right to subscribe for any debenture.

"Distribution Account" means the account referred to in Clause 25(2)(a) hereof.

"Distribution Book Closing Date" means the date declared by the Manager and approved by the Trustee to be the Distribution Book Closing Date in respect of each distribution of income pursuant to Clause 25(b) hereof.

"Financial Statements" include a profit and loss account (or statement of comprehensive income), a balance sheet (or statement of financial position), a statement showing either all changes in equity, or changes in equity other than those arising from capital transactions with owners and distribution to owners, a cash flow statement and accounting policies and explanatory notes.

"Financial Year" means the period of twelve (12) months ending on the last day of December in each year after the first Financial Year which shall end on the 31st day of December, 1989.

"Fund" means the funds of the Trust and shall comprise:-

- (i) the Original Investment;
- (ii) the further investments and cash which the Manager may in pursuance of Clause 4 or Clause 11(6) hereof lodge or caused to be lodged with the Trustee;
- (iii) investments lodged by the Manager with the Trustee under Clause 5 hereof;
- (iv) any investments acquired with the cash comprising part of the Original Investment;
- (v) the proceeds of the sale, redemption or repayment of any Authorised Investments;
- (vi) all additions or accretions to the Fund which may arise from any bonus distribution, premium or other payment or consideration received by the Trustee in respect of or in connection with any investment forming part of the Fund or from any other sources whatsoever and retained by the Trustee under the provisions hereinafter contained;
- (vii) all investments representing the reinvestment in accordance with the provisions hereinafter contained for any property forming part of or arising in respect of the Fund;
- (viii) the proceeds of any borrowing in pursuance of Clause 9 hereof and the investments acquired by the application of such proceeds; and,
- (ix) all Cash Produce for the time being in the hands of the Trustee and not directly represented by assets referred to in any of the previous sub-paragraphs of this definition,

but does not include any sums standing to the credit of the Distribution Account.

"Fund Report" refers to the annual report of the Trust or any other interim report issued by the Manager.

"Government Securities" includes any of the securities of the Federal Government or any State Governments of Malaysia, fixed interest securities issued in Malaysia with the approval of the Treasury by any public body or authority established under Federal or State Law, and the stocks, bonds, debentures or securities of any public body or authority or municipality in Malaysia.

"Gross Asset Value of the Fund" means the sum arrived at in the manner referred to in Clause 10(2) hereof.

"Gross Income of the Fund" means, in respect of any Accrual Period or part thereof, the sum of all rents, interest dividends, and all other income deriving from the Fund including benefits which the Manager decide to treat as income received and accrued up to and including the day prior to that on which the calculation is made together with any sums transferred to the income account under Clause 24(10), (11) or (12) hereof during that period.

"licensed institution" means any bank or financial institution licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013;

"Majority Resolution" where used in this Deed means a resolution passed at a meeting of the Registered Holders duly convened and held in accordance with the provisions herein contained by Registered Holders present and being entitled to vote under the provisions of this Deed by a majority consisting of not less than two thirds (2/3) of the persons voting thereat upon a show of hands if a poll is demanded then by a majority consisting of not less than two thirds (2/3) of the votes given on such poll.

"management company" shall have the same meaning as provided under the CMSA.

"Manager" includes any management company appointed under the provisions of Clause 33 hereof in place of Pelaburan Hartanah Nasional Berhad on their ceasing to be managers of the Trust for any reason and includes the Trustee at any time when he has assumed (and not relinquished) control of the Trust under Clause 22 hereof.

"Market Value" means the market price as determined under the Malaysian Valuation Standards or otherwise in accordance with the REIT Guidelines.

"month" means calendar month, according to the Gregorian calendar.

"Net Asset Value of the Fund" means the sum arrived at in the manner referred to in Clause 10(4) hereof.

NAV per Unit" means the Net Asset Value of the Fund divided by the number of Units in circulation at the valuation point.

"Net Income" means the Gross Income of the Fund less:-

- (1) any sum received in the Accrual Period which has been included as income in a previous Accrual Period;
- (2) such provision for bad or doubtful debts as the Manager may consider appropriate;
- (3) such amount as may have been transferred to reserve in that period from income of the Fund in accordance with Clause 24(11), (12) or (12A) hereof; and
- (4) adjustments or such provision for expenses as the Manager consider necessary or desirable to cover:-
 - (i) any interest payable on moneys borrowed for the purpose of the Fund and not repaid;
 - (ii) the accrued management fee in accordance with the terms of Clause 24(5) hereof;
 - (iii) the accrued property management fee referred to in Clause 2(4)(b) hereof;
 - (iv) the accrued Trustee's fees in accordance with the terms of Clause 24(7) hereof;
 - (v) the reimbursements to be made pursuant to Clause 24(9) hereof;
 - (vi) any outgoings and liabilities contingent or accrued and not already deducted above or under sub-clause (2) of Clause 24 hereof,

PROVIDED that any sums set aside to the credit of a reserve or reserves pursuant to sub-clause (11) of Clause 24 hereof shall not be included in such provisions; and

- (vii) the formation expenses (if any) for such period as the Manager may in their discretion determine.

"Non-Real Estate-Related Assets" shall have the meaning provided in the REIT Guidelines.

"Ordinary Resolution" where used in this Deed means a resolution passed at a meeting of the Registered Holders duly convened and held in accordance with the provisions herein contained by Registered Holders present and being entitled to vote under the provisions of this Deed by a majority consisting of more than half (½) of the persons voting thereto upon a show of hands and if a poll is demanded then by a majority consisting of more than half (½) of the votes given on such poll.

"Original Investment" means the property and other Authorised Investments and cash referred to in Clause 3 hereof.

"person" includes a company, firm, institution (whether incorporated or unincorporated) or body of persons.

"PNB" means Permodalan Nasional Berhad ((Registration No. 197801001190 (38218-X))a public company with its registered address at 4th Floor, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur or any company which succeeds to its undertaking by virtue of a scheme of reconstruction or amalgamation or otherwise.

"Property Investment" means an investment in Real Estate and Single Purpose Companies.

"Qualified Property Valuer" means a person who is independent of the Manager and the Trustee and who meets the criteria stipulated by the Securities Commission.

"Real Estate" means land and all things that are a natural part of the land as well as things attached to the land both below and above the ground and includes rights, interests and benefits related to the ownership of the real estate, but excludes mineral, or oil and gas assets and resources.

"Real Estate-Related Assets" includes units of other real estate investment trusts, listed securities of and issued by property companies, listed or unlisted debt securities or sukuk of and issued by property companies and real estate-related asset-backed securities.

"Recognised Stock Exchange" means the Principal Stock Exchange and any other stock exchange agreed in writing from time to time by the Manager and the Trustee.

"Register" means the Register of Registered Holders maintained by the Manager as required under the CMSA and the REIT Guidelines

"Registered Holder" means a unit holder as defined in the CMSA.

"REIT Guidelines" means the guidelines issued by the Securities Commission in respect of unlisted real estate investment trusts as amended from time to time.

"Related Party(ies)" has the meaning set out in the REIT Guidelines

"Related Party Transaction" means any transaction between the Trust and its related Parties with reference to Chapter 9 of the REIT Guidelines.

"Relevant Authorities" means the regulatory authorities having authority over the operation of real estate investment trusts.

"Securities Commission" means the Securities Commission Malaysia as defined in the Securities Commission Act 1993.

"Securities Laws" shall have the same meaning as set out in Section 2(1) of the Securities Commission Act 1993 and shall include the CMSA.

"shares" means shares (whether fully paid or not) in the share capital of any company and includes stock and the right to subscribe for any stock or shares.

"Single Purpose Company" means an unlisted company whose assets comprises of Real Estate, Real Estate Related Assets, Non-Real Estate-Related Assets and cash, deposits and money market instruments.

"Solicitor for the Trustee" means the solicitor or solicitors from time to time nominated in writing by the Trustee to act for the Trustee in relation to the acquisition or sale or exchange of Authorised Investments or proposed Authorised Investments.

"Special Resolution" means a resolution passed at a meeting of Registered Holders duly convened and held in accordance with the provisions contained in Clause 37 hereof and carried by a majority of not less than $\frac{3}{4}$ of Registered Holders present and being entitled to vote at any meeting under the provisions of this Deed provided always that for purposes of terminating or winding up the Fund, a special resolution must be passed by a majority in number representing at least $\frac{3}{4}$ of the value of the Units held by Registered Holders voting at the meeting

"Stock Exchange quotations" means the prices at which shares or debentures are offered or bid for or sold or purchased on and in connection with any Recognised Stock Exchange obtained in such manner as the Manager and Trustee deem appropriate.

"subsidiary" has the meaning stated in the Companies Act.

"Trust" or "AHP" means the Trust hereby created and constituted and called Amanah Harta Tanah PNB or such other name as the Trustee and the Manager may from time to time agree.

"Trustee" means the Trustee for the time being of this Deed whether original, additional or substituted.

"Units" means units which have been created pursuant to this Deed.

"Valuation Day" means the last day of every month

"value of an investment" of the following classes of investments at any date when such value falls to be ascertained or taken into account hereunder means:

- (i) in the case of Property Investments, their value as ascertained in the manner set out in Clause 10(3)(b) hereof and the Malaysian Valuation Standards or the Asset Valuation Guidelines (where applicable);
- (ii) in the case of a unlisted collective investment schemes, the last published repurchase price;

(iii) in the case of securities listed on any exchange the last done price thereof or if:-

(a) a valuation based on the market price does not represent the fair value of the securities, for example, during abnormal market conditions; or

(b) no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the trustee;

then the securities should be valued at fair value, as determined in good faith by the Manager or its delegate, based on the methods or bases approved by the trustee after appropriate technical consultation.

(iv) in the case of a deposit, the amount thereof and accrued interest thereon;

(v) in the case of unlisted bonds denominated in Ringgit Malaysia the price quoted by a bond pricing agency registered with the Securities Commission subject to the REIT Guidelines;

(vi) in the case of other unlisted bonds the fair value by reference to the average indicative yield by three (3) independent and reputable institutions;

(xi) in the case of other kinds of investment or investments the fair value as determined in good faith by the management company or its delegate, on methods or bases which have been verified by the Auditor and approved by the Trustee and, adequately disclosed in the prospectus of the Trust.

"Valuation Roll" means the record of all investments of the Trust and their respective values maintained by the Manager in accordance with Clause 10(2) hereof.

References in this Deed to any Act, Ordinance or Enactment and any subsidiary legislation made thereunder shall include any statutory modification, extension or re-enactment thereof.

Words importing the singular number include the plural and vice versa.

Masculine includes the feminine and vice versa and the neuter gender includes the masculine and feminine genders and vice versa.

The several paragraphs of these definitions are to be cumulative and in no case is the generality of any paragraph to be limited or restricted by reference to or inference from the terms of any other paragraph or by the application of any rule of construction ejusdem generis or otherwise.

Notwithstanding that any provision of this Deed may prove to be illegal or unenforceable, the remaining provisions of this Deed shall continue in full force and effect.

The headings of this Deed are for convenience only and shall not affect the construction hereof.

Save where the context otherwise requires all references in this Deed to other provisions or Clauses of this Deed shall be deemed to be references to such other provisions or Clauses as modified or varied from time to time under the provisions of Clause 48 hereof.

2A. INVESTMENT OBJECTIVE

The investment objective of the Trust is to provide reasonable level of income return to Registered Holders and allow them to gain from capital growth through the acquisition of a selected portfolio of real estate investments which have potential for long term capital growth.

2. MANAGEMENT OF THE TRUST

- (1) The Trust shall be managed by the Manager (with full power to delegate to its officers and employees or any of them). The Manager shall be entitled and are hereby authorised to perform such duties as required by the Manager under this Deed and the Applicable Laws and Requirements. The Manager shall carry out and perform the duties and obligations on their part which are herein contained during the Trust period as prescribed by Clause 22 hereof and who shall be subject to retirement and removal as hereinafter provided. Nothing herein contained shall be construed as preventing the Manager and the Trustee whether jointly or separately from establishing or acting as managers or trustee for other trusts whether of a nature similar to or different from the trusts of this Deed.
- (2) Without in any way affecting the generality of the foregoing sub-clause the Manager may, subject to the approval of the Trustee and the Securities Commission (where required):-
 - (a) Appoint any person to be attorney or agent of the Manager for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Manager) as they think fit with powers for the attorney or agent to sub-delegate any such powers authorities or discretions. The Manager shall be responsible for the acts and omissions of all persons to whom it may delegate its functions as if such acts or omissions were its own acts or omissions, and shall be solely responsible for the remuneration of any such attorney, agent, delegate, sub-delegate or sub-agent.
 - (b) Any delegation of function can only be carried out by the Manager in compliance with the REIT Guidelines and the Deed.

- (c) Authorise the issue in the name of the Manager of documents bearing facsimile signatures of the Manager or of any attorney or agent appointed by the Manager either with or without proper manuscript signatures of their officers thereon.
- (3) The Manager shall take all steps which in their opinion are necessary or desirable in connection with the investigation of, negotiation for and acquisition of every investment intended to be comprised in the Fund.
- (4)
 - (a) The Manager shall appoint a property manager approved by the Trustee, to manage the Property Investments held by the Trust. The Manager shall ensure that the appointed property manager possesses adequate human resources with the necessary qualifications, expertise and experience in real estate management.
 - (b) The Manager shall ensure that the property manager's fees are reasonable and do not exceed the scale of fees as prescribed in the Valuers, Appraisers and Estate Agents Act 1981 and the rules made thereunder. The fees of the property managers shall be a permitted expense to be charged to the Fund pursuant to Clause 24(9).
- (5) The Manager shall insure and keep insured in the name of the Trustee for such amount as may be recommended by a Qualified Property Valuer as the full replacement value thereof including loss of rental where appropriate, with a duly licensed insurance company approved of by the Trustee against fire, explosion, storm, tempest, flood, lightning and other usual risks all the Property Investments and insurable movable property connected with any Property Investments comprised in the Fund.
- (6) The Manager shall whenever required produce for the inspection of the Trustee all insurance policies effected in pursuance of sub-clause (5) of this Clause.
- (7) The Manager shall once at least in each Accrual Period certify to the Trustee that the provisions of sub-clause (5) of this Clause have been fully complied with.
- (8) Any change in the Manager or in the control of the Manager shall be subject to the approval of the Securities Commission and the Relevant Authorities.

3. THE FUND

- (1) The Manager shall on or before the Commencement Date lodge with the Trustee the Original Investment and in so far as it comprises Authorised Investments, they shall vest in the Trustee and in so far as it comprises cash it shall, in so far as the Manager consider in their absolute discretion that it is desirable to do so, be applied in the purchase of Authorised Investments, which shall vest in the Trustee.
- (2) The Original Investment shall comprise the original funds of the Trust hereby established and constituted as AMANAH HARTA TANAH PNB and the Trustee is hereby appointed as Trustee of the Trust and the Fund for the Registered Holders of the Units created and issued pursuant to this Deed and the Trustee hereby declares that he holds the same—in trust for the Registered Holders. From the date of the Third Supplemental Trust Deed the Authorised Size of Fund shall be One Billion (1,000,000,000) Units.
- (3) Any increase in the Approved Fund Size would require the approval of the Registered Holders and the prior approval of the Trustee and the Securities Commission (where required) under the Applicable Laws and Regulations.
- (4) Not later than the end of the next Business Day following after the day on which the Manager creates Bonus Units they shall give to the Trustee notice in writing of the date of such creation, and for the purpose of this Deed such date shall be deemed to be the date of creation thereof.
- (5) The Manager shall without any deductions pay to the Trustee not later than ten (10) days after their receipt by the Manager any moneys that under the provisions of these presents and any Applicable Laws and Requirements are payable by them to the Trustee.

Payments out of the Fund

- (6) There shall be payable out of the Fund all Costs and Disbursements incurred by the Trustee and the Manager incidental to the preparation and execution of this Deed and by reason of these presents and the creation of the Fund together with all taxes and stamp duty (if any) payable from time to time on or in respect of these presents and all purchase or sale charges (including governmental) arising on any purchase or sale of Authorised

Investments and all expenses incurred in relation to the registration and servicing of any investments or the holding of any investments and all fees payable to the Registrar of Companies or any governmental authorities.

- (7) Calls on partly paid shares made after they have been vested in the Trustee shall be paid out of the Fund and the Trustee shall have a right to an indemnity out of the Fund in respect of any liability incurred by him for such calls.

4. ADDITIONS TO THE FUND

- (1) New Authorised Investments may be purchased for the Fund pursuant to Clause 5 hereof and added to the Fund, and additions to the existing investments comprising the Fund may also be made provided that the following provisions are complied with:-
 - (a) Before any addition is made to the Fund, the Manager shall comply with the provisions of sub-clause (3) of this Clause 4 in the case of Property Investments and in respect of other investments, if required, furnish to the Trustee a certificate by a stockbroker who is a member of any Recognised Stock Exchange or by an expert valuer approved by the Trustee certifying the value of each investment proposed to be included therein and generally no property shall be acquired by the Manager for the Fund without the consent of the Trustee.
 - (b) At least fifty per centum (50%) of the Fund must consist of investments in Real Estate and Single Purpose Companies for all or most of the period of this Trust and the Manager shall not acquire any Property Investment for the purpose of speculation nor shall the Manager acquire incomplete buildings or engage in property development except as approved by the Relevant Authorities or permitted by the REIT Guidelines as Property Investments.
 - (c) Any acquisition of Authorised Investments which is to be satisfied in whole or in part by the issue of Units shall be subject to the approvals referred to in Clause 11(6)(B) hereof.

- (2) All additions to the Fund shall be paid for by the Manager either out of the proceeds of the sale of Authorised Investments or moneys borrowed pursuant to Clause 9 hereof or out of any other moneys in the hands of the Manager or by the issue of Units or by all or any of the ways aforementioned.
- (3) (a) Before making any investment or reinvestment in or any sale or taking in exchange of Property Investments or commencing any substantial improvement, enhancement, reconstruction, exchange, variation, modification or other change of Property Investments the Manager shall obtain the prior approval of the Trustee. In relation thereto the Manager shall make a proposal and recommendation to the Trustee which shall not be accepted by the Trustee unless the said proposal and recommendation are supported by a valuation report duly signed and certified by a Qualified Property Valuer giving an estimate of the Market Value of the Property Investment. The Trustee shall not give its approval in relation to such proposals and recommendations as involve properties which are of a speculative nature and which would not yield a reasonable imminent return.
- (b) Property Investment shall not be acquired by the Trustee at a price higher than 110% of the Market Value thereof or sold by the Trustee at a price lower than ninety per centum (90%) of the Market Value thereof assessed in a valuation report of a Qualified Property Valuer made or given not more than six (6) months before the proposal by the Manager of such acquisition or sale and provided that since the date of that valuation no circumstances have arisen that would have a material effect thereon and such valuation has not been revised by the Relevant Authorities AND if such investment is to be acquired from or sold to:-
- (i) the Manager;
- (ii) a company, which pursuant to the provisions of and within the meaning given in the Companies Act or securities law is deemed to be related to the Manager or associated with a director of the Manager;

(iii) another unit trust scheme managed by the Manager or by a company which pursuant to the provisions of and within the meaning given in the Companies Act or securities law, is deemed to be related to the Manager or associated with a director of the Manager;

(iv) a director of the Manager; or

(iv) a company controlled by a director of the Manager,

Such acquisition or sale shall be transacted only with the consent of the Trustee and strictly in accordance with the Applicable Laws and Requirements.

- (c) Unless the Trustee is satisfied that any transaction referred to in this sub-clause (3) is unlikely to result in any material prejudice to the interest of the Registered Holders the Trustee may in the Trustee's sole discretion decline to conclude the transaction. If the Trustee proceeds with the transaction the Trustee accepts no responsibility as to the suitability of the transaction.
- (d) Proposals which under the foregoing provisions of this Clause are not accepted or are rejected by the Trustee may be modified and resubmitted by the Manager and this Clause shall apply to the resubmitted proposals.
- (e) Subject to the foregoing provisions of this Clause and subject to all proper enquiries, investigations and other steps deemed appropriate by the Solicitor for the Trustee being taken the Trustee may accept the Manager's proposals and forthwith take all steps necessary to give effect to them or to empower the Manager to do so and shall be deemed to have accepted the Manager's proposals if the Trustee does not reject them in writing within fourteen (14) days of service of the said proposals on the Trustee.
- (f) Notwithstanding the foregoing provisions of this Clause, save and except on the termination of the Trust, no sale or disposal of any Authorised Investment, the value of which exceeds fifty per centum (50%) of the Gross Asset Value of the Fund on the day that the sale

is effected, and no sale or disposal of any Property Investment to the Manager or the Trustee or any person associated with the Manager or the Trustee shall be effected without the prior consent of an Ordinary Resolution passed by Registered Holders present and being entitled to vote at general under the provisions of this Deed at a meeting of the Registered Holders duly convened and held in accordance with the provisions of Clause 37 hereof. A person, who is a Registered Holder in his own right or is a Registered Holder who holds on behalf of a beneficial owner of Units and in either case is interested directly or indirectly in, or is associated with, any person who is interested in such sale or disposal shall not be entitled to vote at the meeting of the Registered Holders in relation to the resolution consenting to the sale or disposal and a statement to that effect shall be included in a circular to be sent to all Registered Holders prior to the meeting. If any Registered Holder fails to disclose his interest and such failure results in the Trust suffering loss such Registered Holder shall make good such loss to the Trust on demand from the Trustee.

A Registered Holder shall be deemed to be a person who has an interest (direct or indirect) in the sale or disposal of any Authorised Investment or Property Investment as aforesaid and to be an associate of another person with such an interest in circumstances similar to those in which, under Section 8 of the Companies Act, a person is deemed to have an interest in shares or to be an associate of another person with such an interest.

Acquisition of Property Investments

- (4) (a) With respect to any Property Investment the Trustee may accept the certificate of the Solicitor for the Trustee that the title to the investment is satisfactory.
- (b) The Trustee shall pay out of the Fund at the time referred to in sub-clause 4(e) of this Clause 4 all Costs and Disbursements and all other legal costs, valuation and other professional and consultants fees, stamp duties and fees, commissions and brokerage payable in connection with the negotiation for or acquisition of any investment

and of and in connection with any sale, transfer, exchange, development or other dealing with or disposal of any investment.

- (c) On the completion of the acquisition or disposal of any Property Investment the Manager shall furnish to the Trustee an adjustment sheet showing amounts paid or payable or received or receivable by way of capital and income respectively.
 - (d) In making up an adjustment sheet and in coming to any decision as to whether any item is capital or income, the Manager shall treat as income any item which would be considered income for the purposes of the Income Tax Act 1967 and charge against income all items which pursuant to Clause 24 hereof are properly deductible from the Gross Income of the Fund.
 - (e) At the time of the completion of the acquisition of a Property Investment the Manager shall present or cause to be presented to the Trustee the certificate of the Solicitors for the Trustee mentioned in sub-clause 4(a) hereof, and such evidence of insurance having been effected and other matters (if any) as the Trustee thinks necessary. Thereupon, the Trustee shall pay to the Manager or the vendor or such other person as maybe lawfully directed by the Manager, as the case maybe, the purchase monies and shall pay to the Manager all sums due to them from the Trustee under sub-clause 4(b) of this Clause 4 or otherwise by way of reimbursement of moneys properly expended by the Manager in connection with any such investment.
- (5) The Fund so vested with the Trustee shall be kept in safe custody by the Trustee as hereinafter provided and shall be held by the Trustee as a single common fund upon trust for the Registered Holders, *pari passu*, according and subject to the provisions of this Deed.

5. INVESTMENT

- (1) Cash for the time being in the hands of the Trustee shall be utilised in the purchase of Authorised Investments in a manner approved by the Trustee at the direction of the Manager, or may be exchanged for Authorised

Investments lodged by the Manager with the Trustee subject to the following provisions:-

- (a) the acquisition of such Authorised Investments shall not contravene the provisions of Clause 4 hereof;
- (b) in the case of an exchange the cash to be paid in exchange by the Trustee shall be an amount equal to the aggregate of:
 - (i) the value at the date of lodgement, as determined in accordance with the definition of "value of an investment", of the Authorised Investments so exchanged; and
 - (ii) an adjustment for brokerage, stamp duties and transfer fees and other usual charges (if any) which would be payable on the acquisition of such Authorised Investments.

6. SAFE CUSTODY OF THE FUND

- (1) The Manager covenants with the Trustee that they will deliver or cause to be delivered to the Trustee within thirty (30) days after their receipt by the Manager all documents which prove the ownership by the Trustee of Authorised Investments to which it has become entitled under the provisions of this Deed and all documents necessary to enable the Trustee to have Authorised Investments, to which it has become entitled under the provisions of these presents, duly registered wherever appropriate in the name of the Trustee.
- (2) Any investment forming part of the Fund shall, whether in bearer or registered form, be held in safe custody by the Trustee or deposited as the Trustee may think proper with any reputable licensed institution or other safe depository acceptable to the Manager for the purpose of providing for the safe custody thereof. Any investment in registered form shall, as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee or his nominee and shall remain so registered until disposed of pursuant to the provisions of this Deed. The Trustee shall also be at liberty to insure the documents-of-title wherever kept. Any expenses of whatever nature incurred by the Trustee in

effecting such registration or insurance or providing such safe custody shall be payable out of the Fund.

7. DATE OF VESTING OF INVESTMENTS IN THE TRUSTEE

(1) The Authorised Investments comprising the Original Investment lodged with the Trustee in pursuance of Clause 3(1) hereof and further Authorised Investments added to the Fund under Clauses 4 and 5 hereof shall be deemed to have been vested in the Trustee:-

(a) In all cases (other than Property Investments) on the happening of whichever of the following events occurs the first in time:-

- (i) the shares or debentures comprising such Authorised Investments have been registered in the name of the Trustee;
- (ii) transfers or other assurances in respect thereof duly stamped where necessary and certified as registerable to the satisfaction of the Trustee with relevant certificates covering the shares or debentures have been delivered to the Trustee;
- (iii) contract notes by brokers satisfactory to the Trustee accompanied by the brokers' receipt in a form satisfactory to the Trustee sufficient to complete such purchase and transfer including stamp duty (if any) have been delivered to the Trustee; or
- (iv) an undertaking by a licensed institution approved by the Trustee to the effect that effective provisions have been made for the transfer or delivery of such investments to the Trustee free of charge has been delivered to the Trustee.

(b) In the case of Property Investments when the Solicitor for the Trustee so certifies and a copy of his certificate is delivered to the Trustee.

(2) The Manager hereby undertakes to take all reasonable steps to assist in effecting the transfer to or vesting in the Trustee of the investments comprised in the Fund and any additions thereto.

8. DEALINGS IN INVESTMENTS COMPRISING THE FUND

- (1) At any time and from time to time the Manager may subject to the provisions of Clause 4 hereof and with the prior consent of the Trustee:-
- (a) Sell or otherwise dispose of some of the investments for the time being comprised in the Fund either in order to invest the proceeds of sale in Authorised Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit or partly for one of such purposes or partly for another. The Manager shall notify the Trustee in writing of such variation in the investments comprised in the Fund not later than the end of the next Business Day following that on which the variation was made.
- (b) Alternatively the Manager may decide to improve, enhance, reconstruct, exchange, vary, modify or otherwise change any Property Investment for the time being forming part of the Fund and shall notify the Trustee of their proposals in this connection in writing not later than the end of the Business Day following that on what the decision aforesaid is taken.
- (2) The Trustee shall upon receipt of a notification under sub-clause (1) of this Clause 8 execute the necessary transfer or other assurance of such investments and hand the same to the Manager and receive the net proceeds of sale and reinvest such part of the same, if any, in such Authorised Investments as the Manager direct, provided that such reinvestment shall be treated as if it were an addition to the Fund and the provisions of Clause 4 hereof shall be complied with and by agreement between the Manager and the Trustee, but only for the purpose of ensuring that the number or amount of the investment acquired by way of reinvestment is of a convenient number or amount, any moneys in the Fund which apart from this provision would be Cash Produce may be added to such net proceeds and used as part of such reinvestment as aforesaid. Alternatively, in the absolute discretion of the Manager the whole or a part of such net proceeds may be treated as Cash Produce and distributed accordingly.

- (3) If any of the investments for the time being comprised in the Fund are at any time during the continuance of the Trust redeemed by the company or other body by which they were issued either by payment in cash or with an option to convert the investments so to be redeemed into some other investments the Manager shall be entitled to call upon the Trustee in writing either:-
- (a) to convert the investments so to be redeemed into such other investments (being Authorised Investments) in pursuance of such option; or
 - (b) to accept repayment of the investments to be redeemed in cash and to reinvest all or any of the moneys becoming payable whether in respect of capital, premium or otherwise by reason of such redemption or repayment in cash in Authorised Investments to be purchased on its behalf by the Manager and to be added to the Fund provided that such reinvestment will be in accordance with the provisions of Clause 4 hereof.
- (4) Any shares, debentures or other properties received by the Trustee by way of bonus or in lieu of or in satisfaction (in whole or in part) of a dividend or distribution in respect of any investment forming part of the Fund or from the amalgamation or reconstruction of any company may at the discretion of the Manager, either be retained as part of the Fund, or sold or retained as to part and sold as to the balance and any cash or part thereof received on any such sale may be treated as part of the Cash Produce of the Fund.
- (5) When a company, the shares or debentures of which are included in the Fund, offers rights to subscribe for new shares or debentures to the Trustee (as owner of the shares or debentures so included) the Manager may in their discretion give the Trustee any of the following directions:-
- (a) to sell the whole of such rights and treat the proceeds as part of the Cash Produce of the Fund for the Accrual Period in which such proceeds are received or make such other provision regarding the treatment of such rights as may in any particular case seem to the Manager to be desirable and to which the Trustee agrees in writing;
 - (b) to sell some of such rights and use the proceeds or part of the proceeds to subscribe for the shares or debentures covered by the

remainder of such rights (in which case the new shares or debentures subscribed for shall be part of the investments of the Fund without any new Units being created),

and to treat as provided in paragraph (a) of this sub-clause (6) any part of the proceeds not so used; or

- (c) to raise out of the Fund such sum as is required to subscribe for such new shares or debentures and apply it accordingly.

and the Trustee shall give effect to every such direction.

9. BORROWING POWERS

- (1) Subject to any Applicable Laws and Requirements and any written requirements by the Securities Commission whether having the force of law or otherwise, the Trustee shall have power at the request of the Manager, to borrow in connection with and for the purpose of the performance of all or any of the provisions of this Deed and the Manager may require the Trustee to borrow such moneys as are required to finance the acquisition of any Authorised Investment or to repay existing borrowings or meet repurchase requests for Units and the Manager may, with the consent of the Trustee, pledge the Trust's property to secure borrowings.
- (2) Any such borrowing may be by way of overdraft accommodation from any licensed institution or by way of loan or deposit or otherwise.
- (3) In respect of any amounts borrowed by the Trustee under the provisions of this Clause 9 the following provisions shall have effect:-
 - (i) the aggregate principal amount borrowed and remaining outstanding shall not be greater than fifty per centum (50%) of the total asset value of the Trust at the time the borrowings are incurred unless a higher limit is approved by an Ordinary Resolution of the Registered Holders; and
 - (ii) the Manager shall not require the Trustee to borrow any moneys in respect of which the Trustee would be personally liable.

- (4) In acquiring Authorised Investments by the application by the Trustee of such borrowings, Clause 4 hereof shall be complied with.
- (5) There shall be discharged out of the Fund all duties and charges and any other expenses (including interest) incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements.
- (6) The Trustee shall not incur any liability by reason of any loss which a Registered Holder may suffer by reason of any depletion in the value of all or any part of the Fund which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the Fund in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this Clause 9 and the arrangements referred to herein.
- (7) Subject always to the provisions of Clause 47 hereof neither the Manager nor the Trustee nor any company associated with either of them shall be under any liability to account to the other or to the Registered Holders for any profits or advantages which it may derive from the lending of money to the Trust or the taking of money on deposit from the Trust under the provisions of this Clause 9.

10. VALUATION OF THE FUND

Periodical Valuation of Fund

- (1) The Manager shall value the Fund or cause the Fund to be valued at least at the end of every month ("the Valuation Day") or in accordance with the Applicable Laws and Requirements. The value of each investment forming part of the Fund shall be ascertained in accordance with the definition of "value of an investment" contained in Clause 1. In calculating the Gross Asset Value of the Fund or any portion thereof and in dividing such value by all the Units in issue:-
 - (a) every Unit agreed to be created by the Manager shall be deemed to be in issue;

- (b) the Fund shall be deemed to include not only cash and property in the hands of the Trustee but also the amount of any cash or other property to be received by the Trustee in respect of Units created and agreed to be created;
- (c) where an investment has been agreed to be purchased or sold but such purchase or sale has not been completed such investment shall be included or excluded and the total cost of acquisition or net sale proceeds excluded or included as the case may require as if such sale or purchase had been duly completed; and
- (d) any value (whether of an investment or cash) otherwise than in Ringgit Malaysia and any foreign currency borrowing effected by the Trust shall be converted into Ringgit Malaysia at the rate (whether official or otherwise) which the Manager in accordance with a method approved by the Trustee shall deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to costs of exchange.

Gross Asset Value of the Fund

- (2) The Manager shall keep current a Valuation Roll of all the investments in the Fund and their respective values. The sum of:-
 - (a) the value of the investments on the Valuation Roll;
 - (b) the total of all cash on hand or at any licensed institution which is not otherwise listed in the Valuation Roll;
 - (c) any income accrued in respect of investments in the Fund but not yet received and any other moneys to which the Fund is entitled but which it has not received; and
 - (d) for such period as the Manager may in their absolute discretion determine, the formation expenses (if any) or such part thereof as the Manager may think fit,

shall be the Gross Asset Value of the Fund.

- (3) (a) The values of the investments in the Fund shall be determined in accordance with the definition of "value of an investment" in Clause 1 hereof and, in so far as the same are applicable, in accordance with the provisions of sub-clauses (1) and 3(b) of this Clause 10.
- (b) The Trustee may at any time and shall on the recommendation of the Manager, whenever it is considered desirable to do so by the Manager, obtain valuations from a Qualified Property Valuer as to the value of each Property Investment forming part of the Fund and a copy of the valuation so obtained shall forthwith be delivered to the Auditor. In any event, the Trustee and the Manager shall ensure that such valuations are obtained not less than once in every three (3) year period after the last valuation (or as may be required under the REIT Guidelines) Such revaluation shall be submitted to the Securities Commission together with the annual report of the Fund. Whenever a new valuation of a Property Investment is received that valuation, or such lesser sum as the Manager may agree in writing with the Trustee shall, subject to the approval of the Relevant Authorities, be the value of the Property Investment. Until a valuation of a Property Investment is obtained aforesaid a Property Investment shall be valued at its cost of acquisition (which shall include all costs and disbursements relating thereto) or, subject to the Trustee's prior approval being obtained, at such lesser value as the Manager consider to be prudent.
- (c) No Qualified Property Valuer or any member of that Qualified Property Valuer's firm or company, shall make more than two (2) consecutive valuations of the same Property Investment. The Trustee shall instruct a Qualified Property Valuer in relation to a valuation and ensure that the Qualified Property Valuer receives all necessary information for the purposes of the valuation, including particulars of leases and current rent receipts by the Trust.

Net Asset Value of the Fund and NAV per Unit

- (4) There shall be deducted from the Gross Asset Value of the Fund on each Valuation Day any moneys borrowed for the purpose of the Fund and not

repaid and other liabilities and the balance shall be the Net Asset Value of the Fund each day.

- (4A) The Manager shall inform the Trustee of the NAV per Unit immediately upon completion of the valuation.
- (4B) The Manager shall at the same time inform the Registered Holders of the NAV per Unit.

The Capital Value of the Fund

- (5) There shall be deducted from the Net Asset Value of the Fund on each Valuation Day the Net Income of the Fund and the balance shall be the Capital Value of the Fund.

Capital Value of each Unit

- (6) The Capital Value of each Unit shall be the quotient arrived at by dividing the Capital Value of the Fund by the number of Units in issue at the close of business on the Valuation Day.

Determination of Net Income

- (7) On each Valuation Day, as stipulated in Clause 10(1) hereof, the Manager shall determine the Net Income of the Fund up to the last preceding Valuation Day.

Inspection of Valuation Roll

- (8) The Valuation Roll and the particulars referred to in sub-clauses (6) and (7) of this Clause 10 shall be available during ordinary business hours for inspection by a Registered Holder without charge at the registered office of the Manager during ordinary business hours.
- (9) In addition to the rights contained in sub-clause (3)(b) of this Clause 10 to obtain valuations of Property Investments from a Qualified Property Valuer, the Trustee shall be entitled at any time to appoint an independent expert valuer to value any of the other Assets of the Trust and a copy of any such valuation shall forthwith be delivered to the Auditor.

11. UNITS

- (1) Save as herein expressly provided all the Units into which the beneficial interest in the Fund is for the time being divided shall rank *pari passu* in all respects and be of equal value.
- (2) It is hereby declared that no certificates for the Units shall be issued to any subscribers or purchasers of Units pursuant to any prospectus.
- (3) The Manager may at any time with the approval of the Trustee on giving not less than twenty-one (21) days' previous notice in writing to the Registered Holders determine that Units shall be subdivided or consolidated and the Registered Holders shall be bound accordingly.
- (4) Notwithstanding any other provisions of this Deed the Manager may at any time declare a date to be a Bonus Book Closing Date and shall at the same time decide on the Bonus Distribution Sum and subject to the approval of the Registered Holders and of the Relevant Authorities and in accordance with the Applicable Laws and Requirements create such number of Bonus Units out of the Bonus Distribution Sum, without making any addition to the Fund as may be determined by the Manager and approved by the Trustee.
- (5) (i) (a) The Bonus Distribution sum shall be divided by the total number of Units in issue on the Bonus Book Closing Date and the quotient shall be described in this sub-clause (5)(i) as the Bonus Unit Entitlement.

(b) The Manager shall in accordance with the Applicable Laws and Requirements distribute Bonus Units to the value of the Bonus Distribution Sum amongst the persons who after close of business on the day preceding the relevant Bonus Book Closing Date were the Registered Holders of Units by multiplying the Units held by each Registered Holder on the day preceding the Bonus Book Closing Date by the Bonus Unit Entitlement.

(ii) Whole Units only shall be distributed as Bonus Units. Accordingly, if any Registered Holder 's entitlement to Bonus Units calculated in accordance with sub-clause (5)(i) of this Clause 11 results in a Registered Holder being entitled to a fraction of a Unit he shall forego

such fraction and accept the remaining whole Units only in full satisfaction of his rights to Bonus Units.

- (iii) On the distribution of Bonus Units the Manager shall send by prepaid registered post to each Registered Holder at his or her address as stated in the Register, a brief statement showing how his or her entitlement to Bonus Units is made up. With effect from the Bonus Book Closing Date each Bonus Unit shall rank *pari passu* with all other Units then in issue.

- (6) (A) Additional Units may, subject to the approval of the Registered Holders and the Relevant Authorities, be created from time to time from resources not comprised within the Fund by the Manager paying or causing to be paid cash, or transferring or causing to be transferred Authorised Investments, to the Trustee.

- (B) In the event that the cash paid or the Authorised Investment transferred to the Trustee pursuant to the provisions of sub-clause (A) of this sub-clause (6) is paid or transferred pursuant to or in connection with the terms of an acquisition of an Authorised Investment which provides for the satisfaction of the whole or part only of the consideration therefor by the issue of Units to the vendor thereof, the acquisition of that Authorised Investment and the creation of the required additional Units in satisfaction of the consideration therefor shall be subject to:-

- (i) the approval of the Securities Commission, and other Relevant Authorities in respect of the acquisition of that Authorised Investment and the creation of the required additional Units; and thereafter
- (ii) an Ordinary Resolution passed by Registered Holders present and being entitled to vote at general meeting under the provisions of this Deed at a meeting of the Registered Holders duly held and convened in accordance with the provisions of Clause 37 hereof approving the terms and conditions of the acquisition of the Authorised Investment on terms approved by the

Relevant Authorities at which neither the person to whom the additional Units are to be issued, nor any person associated with that person, votes in relation thereto.

- (C) Nothing in this sub-clause (6) contained shall be done and no powers in this sub-clause (6) contained shall be exercised unless the provisions of Clause 4 and sub-clause (2) of Clause 3 hereof are adhered to and fully and properly complied with.

12. MANAGER'S ENTITLEMENT TO HOLD UNITS

- (1) The Manager or its nominee may at any time hold Units but may not exercise any voting rights attached to such Units.
- (2) In so far as the Manager is entitled to the benefits of any Unit they shall, save as herein otherwise expressly provided, be deemed to be the Registered Holder thereof, subject always to the provisions of sub-clause (3) of this Clause 12.
- (3) Subject to Clause 37(2) hereof the Manager shall be entitled to enjoy all other rights enjoyed by other Registered Holders of Units in respect of any Units held by the Manager.

13. DEALING IN UNITS

- (1) (i) Any dealing in the Units should be at a price that is equal to the NAV per Unit as at the next valuation point after the request for sale or repurchase of units is received by the Manager.
- (ii) The Manager shall take all reasonable steps and exercise due diligence to ensure that the Units are correctly priced, in line with the provisions of the REIT Guidelines, this Deed and any prospectus.

14. REPURCHASE OF UNITS

1. (i) ASB may, issue a repurchase request to the Manager to repurchase all or any of the Units held by ASB in the manner prescribed in this Deed at any time and from time to time.
- (ii) The Manager shall repurchase Units in cash at a price equivalent to the NAV per Unit upon receipt of a request to repurchase from ASB.
- (iii) Subject to any variations or exemptions which may be granted by the Relevant Authorities, the Manager shall pay the proceeds of the repurchase of Units to a Registered Holder as soon as possible and within such time as may be prescribed by the Applicable Laws and Requirements.
- (iv) PNB/ORE have undertaken to the Trustee and the Manager that PNB/ORE shall upon receipt of a written notice from the Manager and ASB, advance to the Managers sufficient funds to enable AHP and the Manager to comply with the repurchase request and its obligations under this Clause 14 and Applicable Laws and Requirements.

15. SUSPENSION OF UNITS

- (1) The Trustee may, suspend the issue of Units during:
 - (a) the existence of any state of affairs which, in the opinion of the Trustee might seriously prejudice the interests of the Registered Holders as a whole or of the Assets of the Trust;
 - (b) any breakdown in the means of communication normally employed in determining the Net Asset Value of the Trust, or when for any reason the Net Asset Value of the Trust cannot be promptly and accurately ascertained;

- (c) any period when remittance of money which will or may be involved in the realization of any Assets of the Trust or in the payment for such Assets of the Trust cannot, in the opinion of the Trustee, be carried out at normal rates of exchanges;
- (d) when the business operations of the Manager or the Trustee in relation to the Trust are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (e) any other exceptional circumstance which in the opinion of the Trustee provides good and sufficient reason to do so, having taken into consideration the interest of Registered Holders. Such suspension will take effect forthwith upon the declaration in writing of the same by the Trustee and shall terminate upon the declaration in writing of the same by the Trustee on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist but in any event no later than twenty-one (21) days from the commencement of the suspension, and no other conditions under which suspensions is authorised (as set out above) exists. The Trustee will further ensure that notification of such suspension and its cessation is made to the Securities Commission;
- (f) where requests are made by the management company to cancel units to satisfy a repurchase request and the Trustee considers that it is not in the best interests of Registered Holder to permit the Assets of the Trust to be sold or that the Assets of the Trust cannot be liquidated at an appropriate price or on adequate terms.

16. REGISTERED HOLDERS

- (1) Subject to Clause 45 hereof all forms evidencing the right of a person to be the Registered Holder of Units shall be retained by the Manager and shall be open to the inspection of the Trustee and any change of name or address or national registration identity card number of a Registered Holder shall be notified in writing by the Registered Holder to the Manager and the Register shall be altered by an entry therein.

- (2) No notice of any trust (express, implied or constructive) shall be entered upon the Register otherwise than pursuant to Clauses 20 and 21 hereof, and no natural person may become a Registered Holder of Units who has not attained the age of eighteen (18) years.

17. REGISTER

(1) Register

The Manager shall keep and maintain the Register at the registered office of the Manager and enter into the Register the details and matters required to be kept under the Applicable Laws and Requirements and shall keep the Register up to date and ensure that the Register is made available for inspection free of charge to any Registered Holder at any time.

(2) Registered Holders

The Registered Holders whose names appear in the Register shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Units (whether conferred or imposed by this Deed or the Applicable Laws and Requirements) and shall be deemed to and be treated as the absolute owner of the Units, as if it were a person included in the Register.

(3) Extracts

Any Registered Holder may request the Manager to furnish it with an extract from the Register in so far as it relates to that Registered Holder's name, address and number of Units held by it, and the Manager shall, cause any extract so requested to be sent to that person within twenty-one (21) days from the date on which the request is received by the Manager.

(4) Copy to Trustee

The Trustee may for the purpose of convening a meeting of Registered Holders request the Manager to give to the Trustee a copy of the

Register disclosing the name and addresses of the Registered Holders and the number of Units held by each Registered Holders as at the time of receipt of such request.

(5) Authenticity

If the Trustee has no reason to doubt the correctness of the Register, the Trustee shall be entitled to accept the Register as being correct and the Trustee shall not be required to enquire into the authenticity of the Register nor shall it incur any liability or responsibility on account of any mistake in the Register.

(6) Change of Details

Any change of name or address of the Registered Holder shall be notified by the Registered Holder in writing to the Manager who shall alter the Register.

(7) Trust and joint-holders

The Manager shall not be obliged to enter on the Register notice of any trust express, implied or constructive in respect of any Unit otherwise than pursuant to an order of a court of competent jurisdiction or as required by law.

No joint-holders of any Units will be recognized.

(8) Closure

The Manager will give at least fourteen (14) days' notice to the Securities Commission of any Bonus Book Closing Date or Distribution Book Closing Date. No part of the Register shall be closed for more than 30 days in the aggregate in any calendar year.

(9) Rectification

Subject to and in accordance with the Applicable Laws and Requirements, a Registered Holder or the Trustee or any other person aggrieved by the inclusion or exclusion, or the manner of inclusion or exclusion of any name in the Register, may seek legal recourse for the rectification of the Register

18. TAX MATTERS

- (1) Pursuant to the Applicable Laws and Requirements, the Manager may use information available in or from the securities account of a Registered Holder to determine the residence status of the Registered Holder, that is, based on the nationality of the Registered Holder or otherwise as prescribed by the Applicable Laws and Requirements.
- (a) Each Registered Holder must as and when required by the Manager provide such information as to his place of residence, nationality and other matters for taxation purposes as the Manager may from time to time to determine. If a Registered Holder does not provide such information in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of tax from any distribution due to that Registered Holder
- (b) The Manager and the Trustee may rely on any representation made by a Registered Holder as to his tax status or other information made in a written declaration to the Manager (or agent) or the Trustee or other relevant documents to determine whether or not to deduct tax from his distribution and where applicable, the Manager and the Trustee shall proceed to deduct the appropriate amount of tax from any distribution due to that Registered Holder.
- (c) On a distribution having been made, the Trustee shall where necessary issue to each Registered Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the Inland Revenue Board. In the case of any distribution represents capital, what proportion represents income exempt from Malaysian income tax or income subject to Malaysian income tax and what proportion represents the tax portion of any tax payable by the Trustee on income and gains attributable to the Registered Holders.

19. TRANSFER OF UNITS

- (1) (i) Units shall be transferable between Registered Holders subject to the Manager's sole discretion.

- (ii) The Manager shall be entitled to prescribe the procedure and the conditions for the transfer of Units.
- (iii) Until the name of a transferee is duly entered into the Register, a transferor named in an instrument of transfer shall remain the Registered Holder in respect of the Units comprised in the instrument of transfer.

20. DECEASED REGISTERED HOLDERS

- (1) Subject only as provided by sub-clauses (2) of this Clause 20 no jointholders are to be recognised as Registered Holders of Units-
- (2) Upon the death of a Registered Holder the executor or administrator of his estate or other person duly authorised by any Applicable Laws and Requirements to represent his estate shall be the only person recognised by the Manager and the Trustee as having any title to the Units held by the deceased Registered Holder provided always that where the Units are a Deposited Security, subject to the Rules, a transfer or withdrawal of the Units may be carried out by the person becoming so entitled. Where there is more than one executor or administrator or other person duly authorised then notwithstanding sub-clause (1) of this Clause 20 all such executors, administrators or other duly authorised persons shall be recognised by the Manager and the Trustee as having title to such Units.

21. NO NOTICE TAKEN OF TRUSTS BY REGISTERED HOLDERS

The Manager and the Trustee will recognise the Registered Holder or his representative appointed by operation of law as the only person having any right or interest in the Units in respect of which he is registered and shall not save as ordered by a court of competent jurisdiction be bound to take notice of any trust or equity affecting any Unit or rights incidental thereto provided that where the Manager or the Trustee have received instructions, expressed to be irrevocable, to pay any moneys payable in respect of a holding of Units to a licensed institution they shall be entitled to rely upon such instructions and payment in accordance with those instructions shall be a good discharge for the moneys concerned. The

receipt of such Registered Holder or his legal representatives as aforesaid for any money payable hereunder to a Registered Holder shall be a good discharge to the Manager and the Trustee. For the purpose of this Clause the Manager shall as regards any Units of which no person is for the time being the Registered Holder or entitled under the provisions of Clause 20 hereof to be so registered be deemed to be the Registered Holder thereof, pursuant to the provisions of Clause 12 hereof.

22. PERIOD OF TRUST AND TERMINATION THEREOF

- (1) The Trust shall commence on the Commencement Date and shall, in accordance with the resolution dated 3 November 1998 passed at a duly convened Extraordinary General Meeting of the Registered Holders held on the same date, continue until terminated under any provision hereinafter contained.

Termination events

- (2) The Trustee shall terminate the Trust where:
- (a) if at a duly convened meeting of Registered Holders a Special Resolution is passed that the Trust be terminated; or
 - (b) the Manager is in liquidation or where the Trustee is of the opinion that the Manager has ceased to carry on business or has, to the prejudice of the Registered Holders, failed to comply with any provision or covenant of the Deed or contravened any provisions of any Applicable Laws and Requirements, and at a meeting duly summoned in accordance with Section 301 of the CMSA, a Special Resolution is passed that the Trust be terminated; or
 - (c) if at any time during the life of the Trust, the Manager, after consultation with the Trustee, is of the opinion that changes in the economic climate or taxation law have caused or are likely to cause the Registered Holders to be detrimentally affected, the Manager requests the Trustee to summon a meeting of Registered Holders and place a Special Resolution before such a meeting, setting out the action they recommend at the meeting to endorse to meet such changes, and the meeting decides to terminate the Trust; or

- (d) if the Securities Commission's approval is withdrawn under section 256E of the CMSA; or
 - (e) if the effective date of an approved transfer scheme has resulted in the Trust, which is the subject of a transfer scheme, being left with no assets or properties.
- (3) If the Manager fails to procure the continuance of the Indemnity to the Trustee set out in the Second Schedule at any future time as required in this Deed the Trustee may terminate the Trust or suspend the right of the Manager to manage the Trust and/or assume control of and manage the Trust, or appoint some other person to do so Provided always that the Trustee shall not be bound to terminate the Trust or suspend the Manager or to assume control of the Trust and shall not be liable for any failure to terminate the Trust or suspend the Manager or to assume control of the Trust.

Notice

- (3A) Upon any such decision to terminate the Trust under this Clause, the Manager and the Trustee shall notify all Registered Holders of such termination, the reasons and the date of the decision to terminate the Trust.
- (4) The Trustee shall comply with the provisions of securities law and the REIT Guidelines and, if at a meeting of Registered Holders duly convened pursuant thereto or under the provisions of Clause 37 hereof a Special Resolution is passed at the meeting that the Trust be terminated, shall terminate the Trust accordingly.

Termination By Law

- (5) If at any time during the term of the Trust any law is passed which renders it illegal to continue the Trust.
- (6) Termination of the Trust shall be effected by notice in writing and in accordance with the Applicable Laws and Requirements. Notice of termination shall be served on the Manager if given by the Trustee, and on the Trustee if given by the Manager.

23. ACTION TO BE TAKEN ON TERMINATION OF TRUST

Upon termination of the Trust under Clause 22 hereof the following provisions shall have effect:-

- (1) The Trustee shall as soon as practicable after the termination of the Trust give to each Registered Holder notice of such termination.
- (2) The Trustee shall sell all investments then remaining in his hands and shall repay out of the Fund any borrowings effected by the Trust (together with any interest thereon accrued but remaining unpaid) for the time being outstanding and pay out of the Fund all outstanding liabilities of the Trust and such sale, repayment and payment shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee thinks advisable.
- (3) The Trustee shall from time to time distribute to the Registered Holders pro rata to the number of Units held by them respectively net cash proceeds derived from the realisation of the Fund and available for the purpose of such distribution and any available Cash Produce provided that the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in his hands the amount of which is insufficient to pay Ringgit Malaysia One (RM1.00) in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any moneys in his hands under the provisions of this Clause 23 full provisions for all costs, charges, taxes, expenses, claims and demands incurred made or apprehended by the Trustee in connection with or arising out of the liquidation of this Trust and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, taxes, expenses, claims and demands. Each such distribution shall be made only against production of such evidence as the Trustee may require to prove the title of the Registered Holder relating to the Units in respect of which the same is made.
- (4) In the event of the Trust being terminated as herein provided the Trustee shall be at liberty to call upon the Manager to grant to the Trustee a full and complete release from and to this Deed and the Manager shall comply with such request and shall indemnify the Trustee against any claims arising out

of his execution of the Trust provided that such claims are not caused by its failure to show the degree of care and diligence required of a trustee as contemplated by securities law and the REIT Guidelines and provided further that any such release or indemnity shall not in any way prejudice or affect the liability of the Trustee under this Deed to the Registered Holders for any breach of trust or breach of the Trustee's duties whether under this Deed or imposed by any Applicable Laws and Requirements .

- (5) If for any reason there is no Trustee or the Trustee is unable or unwilling to do the acts and things referred to in sub-clauses (1), (2) and (3) of this Clause 23 the same shall be performed and done by the Manager.

24. COLLECTION AND DISPOSAL OF CASH PRODUCE OF THE FUND

- (1) The Trustee shall collect, receive and get in all Cash Produce.

Payments of Outgoings

- (2) The Trustee shall pay out of the Gross Income of the Fund, in addition to the reimbursements referred to in sub-clause (9) of this Clause 24, all outgoings (including all Federal and State Government taxes or duties) which are necessary and incidental to the investments of the Fund and without limiting the foregoing:-
- (a) rates, land tax, water rates, repairs and maintenance, insurance, electricity for common areas and cleaning of common areas, and all management fees, and applicable taxes hereon paid to property agents and managing agents who are employed by the Manager to manage any Property Investments;
 - (b) all expenses incurred by the Trustee in effecting registration, insurance and safe custody of the documents of title to all investments held upon the trusts of this Deed and applicable taxes thereon;
 - (c) all taxes, duties and charges and any other expenses (including interests) incurred in negotiating, entering into, varying, carrying into

effect, with or without variation, maintaining and termination of the borrowings of the Trust; and

- (d) the cost of preparing and printing the prospectus or any other offering document registered in relation to the Trust or any letters of offer or other documents for the issue of Units required by law and all other costs and expenses including underwriting brokerage and commissions, advisors' fees and expenses, fees payable to regulatory authorities, printing and advertising charges and applicable taxes thereon provided that no service charge or upfront fee is payable to the Manager in connection with such issue.
- (3) The Trustee shall make such provisions as the Manager request for meeting outgoings to be paid pursuant to sub-clause (2) of this Clause 24. Provided that such expenses are not excessive or in excess of standard commercial rates and that the Trustee in his discretion considers such expenses to be a legitimate charge against the Gross Income of the Fund.
- (4) The general expenses of the Manager and/or delegate and/or the Trustee in relation to services which they render in such capacity shall be paid out of the respective fees paid to them as provided in this Clause 24. Where there is an offer for sale of existing Units, the Manager is to ensure that all expenses of such offer for sale is borne by the offerors and not the Trust.

Management Fee

- (5) The Manager shall be entitled to be paid from the Gross Income of the Fund in each Accrual Period and retain for themselves a management fee computed as follows:-
 - (a) a sum not exceeding two per cent (2%) of the Net Asset Value of the Fund shall be calculated on each day of the Accrual Period and the said sums shall be added together to make a total for the Accrual Period; and
 - (b) the total for the Accrual Period calculated under paragraph (a) of this sub-clause (5) shall be divided by the number of days in the Accrual Period and the resultant quotient shall be the management fee.

The Manager shall be entitled to charge and recover from the Trust any applicable taxes levied on any fee paid to the Manager, if applicable.

(6) Acquisition and Disposal Fees

(a) The Manager is entitled to be paid out of the Gross Income of the Fund:

- (i) an acquisition fee of one per centum (1%) of the acquisition price of any Property Investment purchased directly or indirectly by the Fund. The acquisition fee may be paid in cash or Units and will be payable to the Manager as soon as practicable after completion of the acquisition, but in any event not later than thirty (30) days from the completion of the acquisition or such other date as may be agreed to between the Manager and the Trustee. No acquisition fee is payable in respect of the acquisition (whether directly or indirectly) of the real estate assets set out in the First Schedule hereof; and
- (ii) a disposal fee of zero point five per centum (0.5%) of the disposal price of any Property Investment disposed directly or indirectly by the Trust. The disposal fee may be paid in cash or Units to the Manager, and will be payable to the Manager as soon as practicable after completion of the disposal, but in any event not later than thirty (30) days from the completion of the disposal or such date as may be agreed to between the Manager and the Trustee.

(b) In making the payment of the acquisition fee and disposal fee mentioned above, the Trust also bears all applicable goods and services taxes or such other governmental imposition, duties and levies whatsoever imposed on the acquisition fee or disposal fee by the Relevant Authorities in Malaysia or elsewhere.

(c) This sub-clause (6) shall only be applicable while the Units of AHP are listed on a Recognised Stock Exchange.

Trustee's Fee

- (7) The Trustee shall be entitled to be paid from the Gross Income of the Fund in each Accrual Period a fee computed as follows:-
- (a) a sum not exceeding zero point one per cent (0.1%) of the Net Asset Value of the Fund shall be calculated on each day of the Accrual Period and the said sums shall be added together to make a total for the Accrual Period; and
 - (b) the total for the Accrual Period calculated under paragraph (a) of this sub-clause (7) shall be divided by the number of days in the Accrual Period and the resultant quotient shall be the Trustee's fee.

The fees (referred to under this sub-clause (7)) shall be paid at such rate as may be agreed between the Manager and the Trustee from time to time PROVIDED ALWAYS that the rate agreed between the Manager and the Trustee pursuant to this sub-clause (7) shall not in any case exceed the rate provided for from time to time by any Applicable Laws and Requirements for such service or duties and the Trustee shall in addition be entitled to be repaid on demand out of the Fund the amount of all his disbursements and expenses incurred wholly and exclusively in the performance of his duties hereunder. The Trustee shall be entitled to charge and recover from the Trust any applicable taxes levied on any fee paid to the Trustee, if applicable.

- (8) No amendment shall be made to this Deed, which would result in the management fee and the Trustee's fees referred to in sub-clauses (5) and (7) of this Clause 24 exceeding the maximum limits provided for in the said sub-clauses without the approval of a meeting of the Registered Holders.
- (9) As well as the fees payable to the Trustee and the Manager which are referred to in sub-clauses (7) and (5) of this Clause 24, the Trustee and/or the Manager shall be entitled to be reimbursed as hereinafter provided for the cost of the Auditor's reasonable fees and expenses, the property managers' fees and expenses, the costs of keeping or causing to be kept proper books of account and the costs of newspapers and other advertisements and sending out a statement of account, distribution cheques, dividends, tax certificates, correspondence referred to in Clause

41 hereof, circulars and other notices to Registered Holders, the cost of convening meetings of Registered Holders and carrying out resolutions passed by the Registered Holders (other than those for the benefit of the Manager), costs incurred for the modification of the Deed (other than those for the benefit of the Manager), and other expenses as may be agreed upon by the Trustee and Manager to be necessary to Registered Holders and the business of the Trust. These costs will be reimbursed out of the Gross Income of the Fund.

Temporary Investment of Cash Produce

- (10) The Trustee may put on deposit by way of temporary investment pending distribution or application of the same in reimbursing the Manager, any moneys received by it under sub-clause (1) of this Clause 24 provided that such deposit is an Authorised Investment.

Deductions

- (11) The Trustee may, if recommended to do so by the Manager, set aside out of the Gross Income of the Fund such sums as are determined by the Manager to the credit of a reserve or reserves for the purpose of meeting contingencies or for equalising distributions or such other purposes as the Manager shall in their absolute discretion think conducive to the interests of the Registered Holders, and may invest the sums so set aside in Authorised Investments and the provisions of this Deed relating to the investment of the Fund shall apply to the investment of such sums. The sums so set aside may be applied for the purpose of meeting the contingency for which the reserve was established and all or part of such reserve shall only be transferred to the income account in any Accrual Period and become available for distribution to Registered Holders with the prior written approval of both the Manager and the Trustee.
- (12) Where provision is to be made for the renewal, replacement or repair of any part of the Fund under the provisions of Clause 53 hereof the Trustee may set aside out of the Net Income of the Fund such sums to the credit of a provision for depreciation as may be decided by the Manager and may invest the sums so set aside in Authorised Investments and the provision of this Deed relating to the investment of the Fund shall apply to the investment of

such sums. The sums so set aside may be applied for the purpose of renewing, replacing or repairing the assets involved and all or part of such reserve shall only be released and transferred to the income account in any Accrual Period and become available for distribution to Registered Holders with the prior written approval of both the Manager and the Trustee.

- (12A) The Trustee may, if it approves any proposal of the Manager under Clause 4(3) (a) of this Deed, set aside out of the Net Income of the Fund such sums as may be decided by the Manager and may invest the sums so set aside in Authorised Investments and the provisions of this Deed relating to the investment of the Fund shall apply to the investment of such sums. The sums so set aside may be applied for any of the purposes set out in the said Clause 4(3) (a) and all or part of such reserve shall only be released and transferred to the income account in any Accrual Period and become available for distribution to Registered Holders with the prior written approval of both the Manager and the Trustee.
- (13) The Trustee may accept as satisfactory evidence of the amounts properly chargeable for such outgoings and expenses the certificate of the Auditor.

25. DISTRIBUTIONS

- (1) The Trustee shall at the end of each Accrual Period calculate the amount per Unit available for distribution by dividing the Net Income of the Fund for that Accrual Period, by the total number of Units in issue on a date to be declared by the Manager with the prior approval of the Trustee as the Distribution Book Closing Date for that Accrual Period. Any announcement of distribution of income shall be expressed as sen per unit where possible.

Trustee To Distribute Net Income

- (2) (a) As at the end of each Accrual Period the Net Income of the Fund shall be transferred to the Distribution Account. Any income earned by placing on deposit sums standing to the credit of the Distribution Account shall be treated as if it were Cash Produce and shall be dealt with accordingly but subject as aforesaid the amount standing to the credit of the Distribution Account shall not for any of the purposes of this Deed be treated as part of the Fund but shall be

held by the Trustee upon trust to distribute the same as herein provided.

- (b) The Trustee shall within two (2) months of the end of each Accrual Period distribute the Net Income of the Fund, after making the deductions and adjustments from the Net Income of the Fund referred to in sub-clauses (5) and (6) of this Clause 25 amongst the persons who after close of business on the Distribution Book Closing Date were the Registered Holders of Units, by multiplying the amount per Unit available for distribution by the number of Units held by each Registered Holder immediately after close of business on the Distribution Book Closing Date.

Notwithstanding the foregoing provisions of this sub-clause (4), if the Manager so requests, the Trustee may withhold from the first distribution to be made (in any Financial Year) an amount which would be sufficient and not more than sufficient to ensure that the amount per Unit available for that distribution and the next following distribution will as nearly as possible be equal.

(3) Frequency of Distribution

The Manager will endeavour to ensure that in each Financial Year there are two (2) distributions of income paid to the Registered Holders within the time stipulated in Clause 25(2)(b) above and subject to Clause 25(6) below.

Payment Of Federal and State Tax

- (4) The Manager or the Trustee may from time to time be liable to pay Federal or State Government taxes or duties relating to transactions of the Trust, including receipts from and payments to individual Registered Holders. The Trustee may deduct from the Net Income any Federal and State Government taxes or duties that the Manager consider should be paid by the Registered Holders. At the discretion of the Manager such deductions may be either:-

- (i) treated as a charge against the income of the Fund; or
- (ii) treated as a direct charge to individual Registered Holders.

Net Income not distributed until succeeding half year

- (5) If any Net Income is received at such a date that it is not in the opinion of the Trustee practicable to distribute it at the end of any Accrual Period it may be treated by the Trustee as having accrued in the next following Accrual Period and if owing to the smallness of the sum involved or for any other reason the Trustee omits to distribute any such Net Income at the end of any Accrual Period in respect of which it should have been distributed the Trustee may treat it as Net Income accrued at the beginning of the next following Accrual Period and distribute it accordingly.

Distribution Reinvestment

- (6) The Manager may, if it deems appropriate having regard to the Applicable Laws and Requirements, advise Registered Holders from time to time in writing that the Registered Holders may, on terms specified in the notice, participate in an arrangement under which the Registered Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units.

Action to be taken if Insufficient Cash Available

- (7) If at any time there shall be insufficient Cash Produce in the hands of the Trustee for discharging the sums payable under this Clause 25 then the Trustee shall make up the deficiency out of cash forming part of the Fund or by retaining all or any part of any investment designated by the Manager.

Distribution of Capital Gains

- (8) (a) The Manager may decide at any time to distribute to the Registered Holders an amount representing all or part of the capital gains arising from the realisation of any one or more of the Authorised Investments, referred to in this sub-clause (8) as "the capital gains available for distribution".
- (b) The capital gains available for distribution as aforesaid may be distributed either in cash or with the approval of the Relevant Authorities by the issue of Bonus Units, or partly in one way and partly in another.

- (c) Before a distribution is made in cash the Manager shall obtain the prior approval of the Trustee as to the quantum and the time when the distribution shall be made and it shall be dealt with at the times and in any one or more of the ways referred to in sub-clause (4) to (7) of this Clause 25 and shall be deemed to form part of the Net Income for the Accrual Period in respect of which it is distributed.
- (d) The Manager may, with the prior approval of the Trustee distribute the whole and part of the capital gains available for distribution by the issue of Bonus Units and notice of the intention to create the Bonus Units shall be given by notice in writing to the Trustee as specified in Clause 11(4) hereof and Bonus Units shall be issued to those persons who are Registered Holders as at the close of business on the Business Day prior to the day on which the Bonus Units are created. The Manager shall at the same time as they give notice to the Trustee give notice to the Registered Holders in accordance with this Deed and the Applicable Laws and Requirements.
- (e) The entitlement of each Registered Holder to receive Bonus Units from the capital gains available for distribution as aforesaid shall be arrived at in the manner set out in Clause 11 (5) hereof, save that in arriving at each Holder's entitlement to Bonus Units pursuant to this sub-clause (8) reference to:-
 - (i) "the Bonus Distribution Sum" shall mean the whole or that part of the capital gains available for distribution decided as aforesaid to be distributed by the issue of Bonus Units;
 - (ii) "the Bonus Period" shall mean the period between the date on which the Bonus Units were created, which is referred to in the notice given to the Trustee as mentioned in sub-clause (8)(d) of this Clause 25, and the date on which the Property or other Authorised Investment in respect of which the capital gains have been realised was last valued pursuant to Clause 10 hereof, or if it has not been valued pursuant to Clause 10 hereof then the date of its acquisition by the Fund; and

- (iii) "the Bonus Record date" shall mean the day on which the Bonus Units were created which is referred to in the notice given to the Trustee and mentioned in sub-clause (8)(d) of this Clause 25.
 - (f) Such distribution shall be made within two (2) months after the Bonus Record date, in the manner referred to in Clause 11(5)(i)(b) hereof.
 - (g) Generally where the context so permits the Manager shall comply with the provisions of Clause 11 (4) and 11(5) hereof as if the Bonus Units issued pursuant to this sub-clause were Bonus Units issued pursuant to Clause 11 (4) hereof.
- (9) The Manager may leave in the Fund to be reflected in the Capital Value of the Fund, for such period as they consider desirable all or part of the amounts representing the capital gain following realisation of any property or other Authorised Investments.

26. PAYMENT TO REGISTERED HOLDERS

- (1) All sums payable hereunder to a Registered Holder other than the Manager and all property transferable hereunder to such Registered Holder will be paid or transferred without regard to any equities, rights of set off or claims between such Registered Holder and the Trustee and the Manager.
- (2) Any moneys payable by the Trustee to a Registered Holder under the provisions of these presents shall where possible, be made by directly crediting the payment into such bank account as provided by such Registered Holder to the Manager from time to time. Where a Registered Holder has not provided bank account details to the Manager, any monies payable to such Registered Holder may be paid by cheque sent through the post to the registered address of the Registered Holder and the risk of such posting shall be borne by the person entitled to the cheque. Every such cheque shall be made payable to the order of the person to whom it is sent PROVIDED THAT on the written instructions of a Registered Holder, in a form the Trustee considers sufficient, the cheque may be payable to any other person nominated by the Registered Holder (in which case either the cheque shall be endorsed by the nominee or a receipt for the amount thereof

shall be furnished by it). Payment to a Registered Holder in the manner provided herein shall be good discharge to the Trustee. In no event shall the Trustee be bound to make any payment to any Registered Holder except out of the funds held by it for that purpose under the provisions of this Deed. No payments to Registered Holders shall bear any interest. Every such cheque or electronic or other methods of fund transfer or remittance shall be sent or remitted at the risk of the Registered Holder or the person nominated by the Registered Holder. Where a Registered Holder has provided the Manager with the relevant contact details for purposes of electronic notifications, the Manager and the Trustee shall ensure that the Registered Holder is duly notified once such money has been paid out of the account of the Fund.

27. ACCOUNTS AND AUDIT

Records

- (1) The Manager must maintain, and the Trustee must ensure that the Manager maintains, proper Accounting Records and other records as are necessary to:
 - (a) enable a complete and accurate view to be formed of the Trust;
 - (b) comply with this Deed and the Applicable Laws and Requirements.

Proper accounts

- (2) Without limiting the generality of sub-clause (1) the Manager must maintain, and the Trustee must ensure that the Manager maintains, proper Accounting Records and other records in relation to all transactions, dividends and income received (or incurred as the case may be) and distributed in respect of the Trust including:
 - (a) rents, dividends and other income received by the Trust;
 - (b) sums of capital received by it and belonging to the Trust;
 - (c) Costs and Disbursements, commissions, interest, fees, rates, taxes (including income tax, goods and services tax and quit rent),

expenses for repairs, fees, expenses of management and administration and other outgoings paid out of the Trust and properly chargeable to the income thereof;

- (d) income, capital and other distributions paid out of the Trust;
- (e) Authorised Investments and their respective values;
- (f) amounts credited to any reserve or provisions created pursuant to Clause 24(11) or (12);
- (g) all transactions entered into by the Trust pursuant to Clause 8.

Financial statements/Audit

- (3) The Manager shall prepare and present or cause to be prepared and presented the Financial Statements of the Trust in accordance with approved accounting standards, this Deed and the Applicable Laws and Requirements. The Trustee shall cause the Financial Statements of the Trust to be audited by the Auditor at the end of each Financial Year.

Inspection

- (4) The Accounting Records, Financial Statements and other records shall be kept at the office of the Manager and shall be open to inspection by the Trustee, an officer or employee of the Trustee authorized by it to carry out the inspection, and the Auditor and to take copies of or extracts from such records. The Manager shall give such persons any information, explanation or other assistance that they may require in relation to those records.
- (5) The Auditor shall report any non-compliance of this Deed or the Applicable Laws and Requirements to the Securities Commission which may come within his knowledge immediately upon becoming aware of such non-compliance.

28. FUND REPORTS

Fund Reports

- (1) The Manager must publish Fund Reports in respect of each Financial Year of the Trust as required under the Applicable Laws and Requirements in order to provide all necessary information to enable Registered Holders to evaluate the performance of the Trust during the relevant period. The Trustee must cause the Manager to carry out the foregoing:

Annual Report

- (2) (a) Within two (2) months of each Financial Year end, the Manager must issue the annual report of the Trust to the Securities Commission and send a copy of the same by post to each Registered Holder without charge. Upon request from any Registered Holder additional copies of the annual report of the Trust shall be sent to the Registered Holder within two (2) months after the request is received and upon payment of a reasonable sum as may be determined by the Manager and the Trustee.
- (b) The Manager shall ensure that the annual report of the Trust contains the information as required by the Applicable Laws and Requirements, including Financial Statements duly audited by the Auditor. The Manager shall also ensure that the annual report is accompanied by a report of the Trustee to the Registered Holders stating whether in the Trustee's opinion the Manager has managed the Fund in that period within the limitations imposed on the investment powers of the Manager and the Trustee under this Deed and the Applicable Laws and Requirements, and if it has not done so, details of the shortcomings and the steps taken to address the same.

Annual Report of the Manager

- (3) The Manager must lodge the annual report of the Manager with the Securities Commission within three (3) months of the Financial Year end of the Manager and upon request from a Registered Holder, send a copy of

such annual report within two (2) months after the request is received and upon payment of a reasonable sum as may be determined by the Manager.

29. JOINT COVENANTS OF THE MANAGEMENT COMPANY AND TRUSTEE

- (1) (a) The Manager and the Trustee should safeguard the interest of Registered Holders;
- (b) The Manager or the Trustee may not exercise the voting rights at any election for the appointment of a director of a corporation whose shares are so held, unless sanctioned by the Registered Holders of the Trust by way of an Ordinary Resolution; and
- (c) The Manager, the Trustee and any delegate should avoid a conflict of interest and ensure that the Trust is not disadvantaged by the transaction concerned.

30. DUTIES OF TRUSTEE

The Trustee hereby covenants with the Manager and with the intent that the benefit of the said covenants ensure not only to the Manager but also to the Registered Holders jointly and each of them severally:-

- (1) that it will comply with such guidelines and requirements of any Relevant Authorities, which may be issued from time to time, and with the provisions of this Deed and any Applicable Laws and Requirements;
- (2) that it will act as Trustee under the Trust herein set forth until such Trust is terminated as aforesaid or until it has retired or is removed from the Trust in the manner hereinafter provided;
- (3) that it will exercise all due care, skill, diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the Registered Holders and will take all reasonable steps to ensure fair treatment of investors;

- (4) that it shall cause the Manager to keep proper Accounting Records in relation to the Trust and proper records of all transactions, dividends, interest and income received and distributed in respect of the Fund;
- (5) that it will cause the Financial Statements to be audited at the end of each Accrual Period by the Auditor;
- (6) that it will post or cause the Manager to post to each of the Registered Holders the Fund Reports within the time period stipulated under any Applicable Laws and Requirements;
- (7) that it will require the Manager to keep it duly informed as to the Manager's policies regarding investment and borrowing and of any changes therein and if the Trustee is of the opinion that such policies are not in the interests of the Registered Holders, the Trustee may, after having given notice to the Manager of its opinion and duly considering any representation by the Manager, take such action as the Trustee deems fit and/or summon a meeting of Registered Holders to give such instructions to the Trustee as the meeting thinks proper;
- (8) that it will not at any time acquire or hold shares in the Manager or allow any member of his staff to hold any post with the Manager;
- (9) that it will use reasonable diligence to ascertain whether the Manager has committed any breach of the covenants of the Deed of any Applicable Laws or Requirements and do everything in its power to ensure the Manager remedy any breach and shall report to the Securities Commission any irregularity, breach of Clause 33 hereof or any other provision of this Deed, Applicable Laws and Requirements or any other matter which in the Trustee's opinion may indicate that the interest of the Registered Holders is not being served which may come within his knowledge;
- (10) that it will ensure that all Related Party Transactions are carried out in accordance with the REIT Guidelines and at arm's length and if any tenant of any Property Investment is a Related Party, the terms and conditions of the tenancy agreement entered into between the Manager and such related tenant are reasonable under the then prevailing market conditions, and that the rent prescribed for therein is in accordance with the rent recommended by at least one (1) Qualified Property Valuer;

- (11) that it will on receipt of written requisition signed by not less than fifty (50) or one tenth in number (whichever is the lesser) of the Registered Holders being entitled to vote at general meeting under the provisions of this Deed, stating the object of the meeting and the terms of any proposed resolution, convene a meeting of the Registered Holders in accordance with the provisions of Clause 37 hereof and shall serve a copy of the requisition on the Manager together with all relevant information;
- (12) that it will not, at any time, on its own behalf hold Units of the Fund or shares in the Manager or any relevant interests therein;
- (13) that it will ensure at all times that investments are not made to further the interest of any party related to the Manager or the Trustee and will safeguard the interests of Registered Holders;
- (14) that it shall, in safeguarding the interests of the Registered Holders in relation to the fees and other remuneration received by the Manager, consider whether the fees payable to the Manager in respect of the Fund are reasonable having regard to the nature, quality and extent of the services performed by the Manager, including and with reference to the amount of such fees and remuneration in relation to the size and composition of the portfolio of the Fund; the success of the Manager in meeting the investment objectives of the Fund; and the performance of the Fund including income, maintenance or appreciation of the Fund;
- (15) that it shall ensure that for the duration of the Trust there is a registered deed of trust in force at all times and, unless specified in writing by the Securities Commission, that the Trust has a duly appointed manager;
- (16) that it shall ensure that the Manager does not use its position improperly in managing the Trust to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interests of the Registered Holders;
- (17) that it shall act as the custodian of the Assets of the Trust, each of which shall be clearly identified and held separately from any other property held by the Trustee and shall actively monitor the administration of the Trust by the management company to ensure that the interest of the Registered Holders are upheld at all times;

- (18) that it shall take and retain custody and control of the Assets of the Trust and hold the Assets of the trust in trust for the Registered Holders and where the Trustee delegates the function of custody of any investments of the Trust the Trustee shall retain control over such Assets of the Trust;
- (19) that it should at all times, through proper and adequate supervision, ensure that the Trust is managed and administered by the Manager in accordance with the Deed, any document lodged with the Relevant Authorities and the Applicable Laws and Requirements, and acceptable and efficacious business practices within the real estate investment trust industry;
- (20) that it should take all reasonable steps to ensure that the Manager employs adequate systems, procedures and processes to ensure Assets of the Trust and the Units are correctly valued and are valued in accordance with the Deed, Applicable Laws and Requirements, valuation standards and documents lodged with the Relevant Authorities;
- (21) that it should ensure that sale, repurchase, creation, and cancellation of Units is in accordance with instructions properly given by the Manager (which are not contrary to the Deed, Applicable Law and Requirements or any document lodged with the Relevant Authorities), the Deed and the Applicable Laws and Requirements ;
- (22) that it shall take all steps necessary to effect any instruction properly given by the Manager (which are not contrary to the Deed, Applicable Law and Requirements or any document lodged with the Relevant Authorities) in relation to the acquisition, disposal or exercise of the right attached to any Assets of the Trust;
- (23) that it shall have in place adequate compliance and monitoring mechanisms for regular review of compliance by the Manager including the monitoring and checking of compliance with investment limits as well as processes for reconciliation;
- (24) that it shall satisfy itself of the provisions of any prospectus of the Trust do not contain any matter which is inconsistent with the Deed.

- (25) that it shall give the Registered Holders a statement explaining the effect of any proposal that the Manager submits to the Registered Holders before any meeting that:-
 - (i) the Court orders in relation to a scheme of arrangement or compromise under subsection 366(1) of the Companies Act; or
 - (ii) the Trustee may call under section 306 of the CMSA; and
- (26) it shall comply with any direction given to it at a meeting of the Registered Holders referred to in Section 305, 306 or 307 of the CMSA, unless:-
 - (i) the Trustee is of the opinion that the direction is inconsistent with any provision or covenant of this Deed or the provisions of the CMSA or is otherwise objectionable; and
 - (ii) the Trustee has either obtained, or is in the process of obtaining, an order from the Court under section 314 of the CMSA to set aside or vary such direction.

31. POWERS AND LIABILITIES OF TRUSTEE

In addition to all powers, privileges and indemnities given by law to trustees and by these presents to the Trustee, and by way of supplement thereto, it is hereby expressly declared as follows:-

- (1A) the Trustee shall be entitled and is hereby authorised to perform such duties as required of the Trustee under this Deed and the Applicable Laws and Requirements.
- (1) the Trustee may in relation to these presents act upon the opinion or advice of or information obtained from any lawyer, Qualified Property Valuer, broker or other expert and shall not be responsible for any loss occasioned by so doing, and in particular the Trustee may accept as sufficient evidence of any fact and in particular of the value of any investment or the cost price or sale price thereof or of any Stock Exchange quotation a certificate by the Manager or by a stockbroker or expert valuer approved by the Trustee;

- (2) any such advice, opinion or information may be sent by letter, facsimile transmission, telex, telegram, cablegram or radiogram and the Trustee shall not be liable for acting on any advice opinion or information purporting to be conveyed by any such letter, facsimile transmission, telex, telegram, cablegram or radiogram although the same may contain some error or is not authentic;
- (3) the Trustee shall not be responsible for any loss incurred through any act, neglect, mistake or default of the Manager or of any delegate and shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or pursuance of any request or advice of the Manager. When pursuant to any provision of this Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any person or persons whose signature(s) the Trustee is for the time being authorised by the Manager to accept;
- (4) the Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence, on the part of any attorney, banker, lawyer, valuer, agent or other person appointed by it or be bound to supervise the proceedings of any such appointee;
- (5) the Trustee shall as regards all the powers authorities and discretions vested in it have absolute and unfettered discretion as to the exercise thereof whether in relation to the manner or as to the mode or time for the exercise thereof and in the absence of fraud it shall be in no way responsible for any loss, costs, damages or inconveniences that may result from the exercise or non-exercise thereof;
- (6) subject always to the provisions of this Deed and in particular Clauses 4(3)(b), 4(3)(c) and 47 hereof and any Applicable Laws and Requirements, nothing herein shall prevent the Trustee from contracting or entering into any financial, banking or other transaction with the Manager or any Registered Holder or any company or body of any of whose shares or

- securities form part of the Fund or from being interested in any such contract or transaction;
- (7) in no event shall the Trustee be bound to make any payment to the Registered Holders except out of funds held by it for that purpose under the provisions of this Deed;
- (8) the Trustee shall not be under any obligation to appear in prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Fund or any part thereof or any corporation's or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Manager shall so reasonably request in writing and shall so often as required by the Trustee furnish it an indemnity satisfactory to it against any such expense or liability;
- (9) subject as herein provided the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses, calls or demands to which it may be put as Trustee to have recourse to the Fund or any part thereof and may realise investments (after consulting the Manager) comprised therein for such purpose;
- (10) before making any distribution or other payment in respect of any Units registered in the name of a Registered Holder the Trustee may make such deduction as by any Applicable Laws and Requirements or by the law of any other country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other Governmental taxes or charges payable by it or for which it might be liable in respect of such distribution or any documents signed by it in connection therewith;
- (11) the Trustee shall have full power to determine all questions and doubts arising relating to any of the provisions hereof and every such determination whether made upon a question actually raised or implied in the acts or proceedings of the Trustee or the Manager shall be conclusive and shall bind the Manager and all persons interested under these presents; and
- (12) the Trustee shall be entitled to select and nominate the solicitor, licensed land broker or conveyancer to act in connection with the purchase of any

Property Investment on behalf of the Trust and shall approve of any adviser or valuer.

PROVIDED ALWAYS that the foregoing provisions of this Clause shall not be construed in any way so as to exempt the Trustee or indemnify him against liability for breach of trust arising out of the wilful negligence, dishonesty or fraud of the Trustee or any breach of his obligations under this Deed.

32. RETIREMENT AND REMOVAL OF TRUSTEE

- (1) The Trustee may retire having first by deed appointed in its stead a new Trustee, or may appoint an additional Trustee, subject to the approval of such authority as may be prescribed by or under any Applicable Laws and Requirements and the Relevant Authorities.
- (2) The Trustee may be removed and another Trustee (duly approved as aforesaid) may be appointed by Special Resolution of the Registered Holders at a duly convened meeting of which notice has been given to the Trustee and the Manager, and the Manager covenants with the Registered Holders that on receipt of the like application as is referred to in Clause 37(4) hereof they will summon a meeting of Registered Holders for the purposes of considering and if thought fit passing a resolution for the removal of the Trustee.
- (3) In the event that the Trustee is in breach of the provisions of Clause 30 hereof the Manager may summon a meeting of the Registered Holders for the purpose of considering and if they think fit passing a resolution for the removal of the Trustee.
- (4) In addition to the above, the Trustee may also be removed in any other manner consistent with the law.

33. DUTIES OF THE MANAGER

- (1) Notwithstanding anything herein contained it shall be the duty of the Manager to prepare all cheques for payments and all notices and statements which the Trustee has to make and as hereby provided, to stamp

any cheques and to produce such cheques, notices and statements to the Trustee so as to afford the Trustee ample time to examine and check them and to sign such cheques and return them to the Manager for despatch on the day on which they ought to be despatched.

- (2) The Manager covenants with the Trustee and each of the Registered Holders that:-
- (i) they will use their best endeavours to carry on and conduct their own business in a proper and efficient manner in accordance with this Deed and the Applicable Laws and Requirements and to ensure that the Trust is carried on and conducted in a proper, diligent and efficient manner in accordance with acceptable and efficacious business practice in the real estate investment trust industry;
 - (ii) they will make available or ensure that there is made available to the Trustee such details as it requires with respect to all matters relating to the Trust;
 - (iii) they will comply with the provisions of this Deed and any Applicable Laws and Requirements for the time being in force relating to moneys which come into their possession which form part of the Fund and shall pay the Trustee within ten (10) days after receipt by the Manager of any money, which under this Deed, is payable to the Trustee;
 - (iv) they will retire if given notice by the Trustee pursuant to, and subject to, the provisions of Clause 34(1) hereof and will use their best endeavours to facilitate the transfer of the management of the Trust to their successors;
 - (v) they shall manage the assets of the Trust in the best interests of the Registered Holders in good faith and to the best of their ability and shall not make improper use of its position to gain any undue advantage for itself or any Related Party or their officers or to cause detriment to the Registered Holders and shall safeguard the interests of the Registered Holders;

- (vi) they shall account to the Trustee for any loss in the value of the Assets of the Trust where such loss has been caused by the negligence, recklessness, wilful act or omission of the Manager or any person to whom the Manager may delegate its functions;
- (vii) they shall submit to the Securities Commission such information relating to the Trust and its business and any periodical return as may from time to time be specified by the Securities Commission;
- (viii) they shall only transact in investments on behalf of the trusts it manages and not on behalf of any other person or on its own behalf;
- (ix) they shall, if directed by the Trustee, perform the duties of collection and distribution of periodical distribution of income on behalf of the Trustee;
- (x) they shall obtain the prior approval of the Trustee to all acquisitions and disposals of property.
- (xi) they shall ensure that for the duration of the Trust there is a registered deed of trust in force at all times and, unless specified in writing by the Securities Commission, that the Trust has a duly appointed trustee;
- (xii) they shall act with due care, skill and diligence in managing the Trust and effectively employ the resources and procedures necessary for the proper performance of the Trust;
- (xiii) they shall observe high standards of integrity and fair dealing in managing the Trust to the best and exclusive interest of the Registered Holders;
- (xiv) they should not take on lease or otherwise acquire any immovable property or any interest therein, except for the purposes of operating real estate investment trusts and those entered into in the ordinary course of business;
- (xv) they shall ensure that all Real Estate acquired are insured in the name of the Trustee and upon request by the Trustee to produce for inspection all relevant insurance policies;

- (xvi) they shall take all necessary steps to ensure that the Assets of the Trust are adequately protected and properly segregated;
- (xvii) they shall keep proper Accounting Records and other records relevant to the Trust;
- (xviii) they shall take all reasonable steps and exercise due diligence to ensure that the Fund's assets or the units of the Trust are correctly valued in accordance with the Deed, Applicable Laws and Requirements or valuation standards;
- (xix) they shall inform the Trustee in writing of any acquisition or disposal of investments of the Trust within one (1) day after the acquisition or disposal was affected
- (xx) they shall not sell any Units otherwise than at a price calculated in accordance with this Deed;
- (xxi) they shall, at the request of a Registered Holder, purchase from the Registered Holder the Units held by that Registered, and that the purchase price will be a price calculated in accordance with this Deed;
- (xxii) they should take all reasonable steps to ensure that the Units are correctly priced in accordance with the Applicable Laws and Requirements and this Deed and shall not do or omit anything that would, or might confer on itself a benefit or advantage at the expense of Registered Holders or potential Registered Holders;
- (xxiii) they shall pay to the Trustee, within the time prescribed by the relevant laws, any moneys that, under this Deed, are payable by the Manager to the Trustee;
- (xxiv) subject to Clause 52, they shall not act as principal in any transaction with the Trust and conduct all transactions for the Trust at arm's length and should not act or conduct transactions in any manner that would result in unnecessary cost or risk to the Trust;

- (xxv) they shall maintain adequate risk management systems and controls to enable the Manager to identify, assess, mitigate, control and monitor risks in relation to the Trust; and
 - (xxvi) they shall maintain adequate and appropriate systems, procedures, and processes to undertake the business in a proper and efficient manner.
- (3) The Manager covenants with the Trustee that to the same extent as if the Trustee was a Director of the Manager, the Manager will:-
 - (a) make available to the Trustee, or to any approved company auditor appointed by the Trustee, for inspection the Accounting Records whether at their registered office or elsewhere;
 - (b) give to the Trustee or to any such auditor such oral or written information as they require with respect to all matters relating to the undertaking, scheme or enterprise of the Manager or any property (whether acquired before or after the date of this Deed) of the Manager or otherwise relating to the affairs of the Manager; and
 - (c) make available or ensure there is made available to the Trustee such information as may be required by the Securities Commission or the Trustee requires with respect to all matters relating to the undertaking scheme or enterprise to which this Deed relates.
- (4) The Manager covenants with the Trustee and each of the Registered Holders that they will not publish or cause to be published any advertisement circular or other document containing any statement with respect to the sale price of Units or the yield therefrom or containing any invitation to buy Units or publish or cause to be published any other advertisement, circular or document relating to the Trust without the consent of the Trustee (such consent not to be unreasonably withheld).

Returns To The Relevant Authorities

- (5) The Manager shall lodge, submit and file with the Relevant Authorities all documents, deeds, applications, notifications and reports as may be required in accordance with the Applicable Laws and Requirements.

34. RETIREMENT AND REMOVAL OF MANAGER

- (1) The Manager for the time being shall retire if so requested by the Trustee or will be subject to removal by notice in writing given by the Trustee to the Manager in any of the following events:-
- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or cease to carry on business or if a receiver or manager shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of their assets;
 - (ii) subject to the approval of the Relevant Authorities and the Registered Holders, if the Manager has failed or neglected to carry out their duties to the satisfaction of the Trustee and Trustee considers that it would be in the interests of the Registered Holders, after the Trustee has given notice to the Manager of its opinion and its reasons for that opinion and has duly considered any representation by the Manager;
 - (iii) if a Special Resolution that the Manager be removed is duly passed by the Registered Holders present and entitled to vote at general meeting under the provisions of this Deed that the Manager be removed at a meeting of Registered Holders called for that purpose; or
 - (iv) if the Manager is in breach of their obligations under this Deed or the Manager fail or neglect to carry out their duties under this Deed to the satisfaction of the Trustee (after reasonable notice from the Trustee thereof).

In any of the cases aforesaid the Manager for the time being shall upon receipt of such notice by the Trustee as aforesaid, but subject as in paragraph (ii) of this sub-clause (1), cease to be the Manager and shall not be entitled thereon to receive any extra payment and/or benefit in relation thereto. Thereupon the Trustee shall by writing under his Seal appoint some other public company approved by the Relevant Authorities as may be prescribed by or under any Applicable Law and Requirements to be the Manager of the Trust upon and subject to such company entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of their duties as Manager during the remainder of the period of the Trust; but this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in any of the events in which in accordance with the provisions herein contained the right of terminating the Trust is vested in the Trustee.

- (2) The Manager shall have the power to retire in favour of some other management company approved in writing by the Trustee (which approval the Trustee may in his discretion give or withhold) and by the Relevant Authorities as may prescribed by or under any Applicable Laws and Requirements upon and subject to fulfilment of the following conditions:-
- (i) the retiring Manager shall appoint such management company by writing under the Seal of the retiring Manager as Manager of the Trust in their stead and assign to such appointees all their rights and duties as such Manager; and
 - (ii) the management company so appointed shall execute a deed in writing in such a form as the Trustee may require whereby such management company shall undertake to the Trustee and the Registered Holders jointly and severally all obligations of the retiring Manager hereunder and thereupon and upon payment to the Trustee of all sums due to the Trustee hereunder at the date thereof the retiring Manager shall be absolved and released from all further obligations hereunder, PROVIDED THAT any release so provided for and given in accordance with this Clause 34 hereof shall not extend to any existing or antecedent neglect or default on the part of the retiring Manager or any existing or antecedent breach of their duties

imposed by any Applicable Laws and Requirements or rule of law. The new Manager shall and may thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Manager hereunder as fully as though such new Manager had been originally named as a party hereto.

35. DISCHARGE OF THE MANAGER

The Trustee shall be entitled to settle with the Manager the amount of any sums payable by the Manager to the Trustee under the provision hereof and to give the Manager a discharge in respect thereof and any such agreement or discharge shall be conclusive and binding upon all persons claiming hereunder and in particular if the Manager cease to be Manager under the preceding Clause hereto or if they go into liquidation or for any other reason cease to be capable of conducting the management hereof even though no new Manager is appointed in their place the Trustee may make such arrangements as it thinks fit for the discharge of the Manager from any existing liability and any liability which might thereafter arise under the provisions hereof and may discharge the Manager in accordance with such arrangements and any such discharge shall be conclusive and binding as aforesaid except in the case of fraud.

36. THE AUDITOR

- (1) Subject to sub-clause (2) of this Clause, the Auditor, who shall be an Approved Company Auditor, shall be appointed by the Trustee on their commendation of the Manager and all hold office, subject to the succeeding sub-clauses of this Clause, until such time as it may be removed from office or may voluntarily retire by notice in writing to the Trustee. The Auditor may also be the auditors of the Manager.
- (2) If at any time a Resolution that the Auditor be requested to retire is passed by Registered Holders present and being entitled to vote at general meeting under the provisions of this Deed at a duly convened meeting of which notice (specifying the intention to propose such resolution) has been given to the Trustee and the Manager as well as the Registered Holders then and in such event the Trustee shall by notice in writing to the Auditor remove him and shall appoint such other qualified person to be the Auditor as a majority in value of the Registered Holders present in person or by

proxy at a duly convened meeting of which notice has been given as aforesaid may nominate, or (failing such nomination) as the Manager shall nominate.

- (3) The Trustee may if it deems fit at any time remove the Auditor and appoint another Auditor, on the recommendation of the Manager in his place.
- (4) Subject to sub-clause (2) any vacancy in the office of Auditor otherwise occurring shall be filled by the Trustee who on the recommendation of the Manager shall appoint a duly qualified person to fill such vacancy.

37. MEETINGS OF REGISTERED HOLDERS

- (1) Either the Trustee or the Manager may at any time convene a meeting of the Registered Holders.
- (2) (a) At least fourteen (14) days' notice in writing of any meeting (twenty-one (21) days in the case of an annual general meeting or a meeting where a Special Resolution to be passed) of Registered Holders shall be given by the Manager (or by the Trustee if the Manager fail to give such notice within fourteen (14) days from a request by the Trustee):
 - (i) by sending a notice by post of the proposed meeting at least fourteen (14) days (twenty-one (21) days in the case of the annual general meeting or a meeting where a Special Resolution to be passed) before the date of the proposed meeting to each Registered Holder at his last known address in the Register in accordance with the provisions of Clause 37 and the Applicable Laws and Requirements.
 - (ii) by publishing at least fourteen (14) days twenty-one (21) days in the case of the annual general meeting or a meeting where a Special Resolution to be passed) before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language and English daily newspaper circulating in Malaysia; and
 - (iii) in writing to the Trustee and the Securities Commission.

(b) Subject always to:-

- (i) any special permission that may be given pursuant to the provisions of this Deed to any Registered Holder, who is otherwise unable to vote or to be counted in a quorum, by the Securities Commission to vote and be counted in the quorum present at any particular meeting and any adjournment thereof and compliance with any conditions imposed by the Securities Commission; and
- (ii) any direction given by the Securities Commission that the Units or any part of the Units held by PNB shall be deemed to be in issue for the purposes of this Clause, while PNB is related to the Manager.

the following provisions of this sub-clause (2)(c) to Clause 37 shall have effect namely:-

The Manager and any parties related to the Manager, while Registered Holders shall be entitled to receive notice of and to attend at any meeting of the Registered Holders in respect of Units which they hold or are deemed to hold. The Manager shall not be entitled to vote at any meeting of the Trust. The right of a Related Party of the Manager to vote in respect of its Units shall be as provided in the Applicable Laws and Requirements.

- (3) At a meeting convened by the Trustee or the Registered Holders some person nominated by the Registered Holders (whether a Registered Holder or not) or, where no such appointment is made, a nominee of the Trustee shall preside as Chairman. Both on a vote on a show of hands and on a poll, in the event of an equality of votes the Chairman shall have a casting vote in addition to any vote or votes to which he may be entitled as a Registered Holder.

At a meeting convened by the Manager a person appointed by the Manager (whether a Registered Holder or not) shall preside as Chairman.

- (4) (a) The Manager and the Trustee hereby covenant with each other and also with the Registered Holders that the Manager and the Trustee will:
- (i) immediately serve each on the other a copy of any application or requisition calling a meeting, together with all other relevant information, which is served upon it by the applicants or requisitionists; and
 - (ii) in any case, not later than twenty-one (21) days after receipt by the Manager or the Trustee (as the case may be) at their Registered Office of any application or requisition from not less than fifty (50) or one tenth in number of the Registered Holders, whichever is the less, by giving appropriate notice, as required by sub-clause (2) of this Clause, before the proposed meeting by letter addressed to each of the Registered Holders at his last known address and also by advertisement as therein provided, summon a meeting of the Registered Holders for the purpose of laying before the meeting the accounts and balance sheet which were laid before the last preceding annual general meeting of the Manager or the last audited statement of accounts of the Trustee or for any other lawful purpose contemplated by this Trust Deed and for the purpose of giving to the Manager or the Trustee such directions as the meeting thinks proper.
- (b) Such meeting shall be held at the time and place specified in the notice and advertisement which shall not be later than two (2) months after the giving of the notice and under the chairmanship of:
- (i) such person as is appointed in that behalf by the Registered Holders present at the meeting; or
 - (ii) where no such appointment is made, a nominee of the Trustee, or failing nomination, a representative approved by the Registrar of Companies;

and shall be conducted in accordance with the provisions herein contained or in so far as this Deed makes no provisions as directed by the Chairman of the meeting.

- (c) Where any direction is given to the Manager or the Trustee at a meeting summoned as aforesaid and the Manager or the Trustee are of the opinion that any such direction as aforesaid is inconsistent with this Deed or the provisions of securities law or is otherwise objectionable, the Manager or the Trustee may apply to the Court for an order confirming, setting aside or varying such direction as aforesaid and the Court may make such order as it thinks fit.
- (d) Subject to any order made by the Court as aforesaid :-
 - (i) the Manager or the Trustee (as the case may be) shall comply with any direction given to the Manager or the Trustee at a meeting as aforesaid unless it is inconsistent with this Deed or the provisions of the securities law; and further;
 - (ii) the Manager or the Trustee shall not be liable for anything done or omitted to be done by reason only of following such direction as aforesaid.
- (5) Subject always to sub-clause (2)(c) of this Clause 37 hereof every Registered Holder shall subject to this Deed be entitled to attend and vote at every meeting of Registered Holder and on a show of hands every Registered Holder who is present in person or by proxy shall have one (1) vote, provided that if a person is present in the capacity of a Registered Holder and a proxy for other Registered Holders or as proxy for more than one Registered Holder he shall only be entitled to exercise one (1) vote on a show of hands.
- (6) A poll may be demanded before or immediately after any question is put to a show of hands.
- (7) (i) Every question arising at any general meeting of Registered Holders which is to be decided by ordinary resolution shall be decided by a show of hands unless a poll is demanded in accordance with the provisions herein contained or as required by Applicable Laws and

Requirements. Every question arising at a general meeting of Registered Holders which is to be decided by Special or Majority Resolution or which is to be measured by a percentage of the voters present shall be decided by a poll.

- (ii) A poll may be demanded either before or after any question is put to a show of hands by the Chairman of the meeting, the Trustee, the Manager or by Registered Holders holding (or representing by proxy) between them not less than one-tenth of the total number of Units then in Issue. Unless a poll is required in any event as provided in sub-clause (i) of this Clause or is so demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (8) If a poll is duly demanded it shall be taken in such manner as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (9) A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time and place as the Chairman directs. No notice need be given of a poll not taken immediately. A demand for a poll may be withdrawn at any time.
- (10) Subject as aforesaid the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (11) Subject always to the provisions of sub-clauses (2) and (12) upon of this Clause 37 upon a poll every Registered Holder present in person or by proxy shall have one (1) vote for every Unit held by him.
- (12) (a) A Registered Holder shall be entitled to appoint another person (whether a Registered Holder or not) as his proxy to attend and vote at any meeting. Where a Registered Holder is a corporation, its duly authorised representative shall be entitled to attend and vote at any meeting of the Registered Holders, and shall be entitled to appoint

another person (whether a Registered Holder or not) as its proxy to attend and vote.

- (b) A Registered Holder shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where a Registered Holder appoints two (2) proxies the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. Any proxy shall have the same rights as a Registered Holder to vote on a poll or on a show of hands, to speak and to be reckoned in a quorum.
- (13) Every instrument of proxy whether for a specific meeting or otherwise shall as nearly as circumstances admit be in the following form or in such other form as the Trustee may agree with the Manager;

I/We being a Registered Holder of.....
Units in the Amanah Harta Tanah PNB hereby appoint
.....of as my/our
proxy to vote for me/us and on my/our

behalf at the meeting of Registered Holders to be held on the..... day of
.....20..... and at any adjournment thereof. SIGNED by the
said..... on the day of..... 20... in the
presence of:

(Witness's signature) (Signature)

- (14) The instrument appointing a proxy shall be duly stamped and deposited at the office of the Manager or the Registrar not less than forty-eight (48) hours before the time of holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote.
- (15) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the power of attorney or other authority under which the proxy was signed or the sale of Units in respect of which the proxy was given provided that no intimation in writing of such death, insanity revocation or sale shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the Registered Office of

the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

- (16) The quorum for a meeting convened to pass Special Resolution shall be Registered Holder(s) present in person or by proxy holding at least twenty-five per centum (25%) of the Units in issue carrying the right to vote at that meeting, and for any other meeting shall be at least one (1) Registered Holder(s) present in person or by proxy. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
- (17) If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of Registered Holders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fifteen (15) days thereafter and to such place as may be appointed by the Chairman, and at such adjourned meeting the Registered Holders present in person or by proxy shall be a quorum for the transaction of business including the passing of Special Resolutions. At least seven (7) days' notice of any adjourned meeting of Registered Holders shall be given in the same manner as for an original meeting and such notice shall state that the Registered Holders present and being entitled, under the provisions of this Deed, to vote at the adjourned meeting whatever their number and the number of Units held by them will form a quorum.
- (18) The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at the adjourned meeting other than business which might lawfully have been transacted at the meeting from which the adjournment took place.
- (19) Every Resolution of the Registered Holders which is lawful and duly and properly passed in accordance with the provisions of this Deed shall be binding upon all Registered Holders whether present or not present at the meeting and each of the Registered Holders and the Trustee and the Manager shall subject to the provisions of Clause 48 and to the provisions relating to indemnity in this Deed contained be bound to give effect thereto accordingly.

38. NOTICES

- (1) Subject to sub-clause (4) of Clause 37 any notice required to be given to a Registered Holder hereunder shall be deemed to have been duly given if it be in writing and either delivered or sent by post in a prepaid envelope addressed to him at his address appearing in the Register and any such notice shall be deemed to be served on the seventh day following that on which the same is posted.
- (2) Any notice or document delivered at or posted to the registered address of a Registered Holder shall notwithstanding that such Registered Holder be then dead and whether or not the Trustee or the Manager has notice of his death be deemed to have been duly served and such service shall be deemed a sufficient service on the executor or administrator of the deceased Registered Holder.

39. GENERAL

- (1) The Trustee shall subject to sub-clause (2) hereof appoint the Manager or cause them to be appointed to represent it in respect of the exercise of all rights which may appertain to the Trustee as owner of the Fund including the right to attend and vote at meetings of shareholders stockholders or debenture holders and take part in or consent to any corporate or shareholders' action and for that purpose the Trustee shall execute such proxies, powers of attorney or other documents as may be necessary to enable the Manager or their nominees to attend and vote at any such meetings.
- (2) The Manager and the Trustee covenant with each other and with each of the Registered Holders that neither the Manager nor the Trustee will exercise the right to vote in respect of any shares relating to the Units to which this Deed relates held by the Manager or the Trustee at any election for directors of a company whose shares are so held without the consent of the majority of the Registered Holders of the Units present in person and voting given at a meeting of those Registered Holders summoned in the manner provided by Clause 37 for the purposes of authorising the exercise of the right at the next election.

40. NOTICES BETWEEN MANAGERS AND TRUSTEE

- (1) The Trustee shall without delay forward to the Manager all notices of meetings, reports, circulars and other written information and documents received by the Trustee in respect of or relating to any investments of the Fund.
- (2) All instructions, consents, requests and notices required by this Deed to be given by the Manager to the Trustee or by the Trustee to the Manager shall be given in writing and signed by a duly authorised person on behalf of the party giving the same.

41. TAX CERTIFICATES AND RELATED MATTERS

The Trustee shall provide:-

- (a) such information as may be lawfully required by the Malaysian Director General of Inland Revenue relating to the income received by any Registered Holder from the Fund; and
- (b) such Tax Certificates relating to such income as may be lawfully required by the said Director General of Inland Revenue.

In respect of any lost Tax Certificate a duplicate may be issued at the discretion of the Manager on payment of such fee not exceeding Ringgit Malaysia Ten (RM10.00) or such other sum as may be required by the Manager from time to time.

42. ALL REGISTERED HOLDERS BOUND BY TRUST DEED

All Registered Holders shall be entitled to the benefit of and shall be bound by the terms and conditions of this Deed and any supplemental deed referred to in Clause 48 hereof during such period as they remain Registered Holders.

43. REGISTERED HOLDER TO HAVE NO RIGHTS IN RELATION TO SPECIFIC INVESTMENTS OF THE FUND

No Registered Holder shall have any right by reason of his holding of Units in the Trust to attend meetings of shareholders, stockholders or debenture holders or to

vote or take part in or consent to any company or shareholders', stockholders or debenture holders' action.

44. REGISTERED HOLDERS TO HAVE NO RIGHTS OF MANAGEMENT

No Registered Holder (other than the Manager) shall be entitled to require the transfer to him of any of the property comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as owner of such property.

45. RESTRICTION ON THE DESTRUCTION OF DOCUMENTS

(1) The Trustee (or the Manager on its behalf) shall (subject as hereinafter provided) be entitled to destroy:-

- (a) records showing the number of units held by each Registered Holder; the date on which the name of each person was entered in the Register as a Registered Holder; the date on which any person ceased to be a Registered Holder; and any other relevant information or particulars of the Registered Holder including all forms of application for Units and forms of transfer at any time after the expiration of twelve (12) years from the date on which the applicant or transferee ceased to be a Registered Holder or if there shall have been taken and retained microfilm recordings thereof at any time after the expiration of three (3) years from the date of the issue of Units pursuant to the application or the transfer and all such microfilm recordings at any time after the expiration of twelve (12) years from the date on which the applicant or transfer ceased to be a Registered Holder;
- (b) all forms of record of Registered Holders' entitlement to Units, if any, and dividend mandates which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof;
- (c) all notifications of change of address or identity card number after the expiration of three (3) years from the date of the recording thereof; all forms of proxy in respect of any Meeting of Registered Holders three

- (3) years from the date of the Meetings at which the same are used;
and
 - (d) all registers statements and other records and documents relating to the Trust at any time after the expiration of seven (7) years from the termination of the Trust.
- (2) Neither the Trustee nor the Manager shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every certificate and other forms of Record of Registered Holders' entitlement to Units, if any, so destroyed shall be deemed to have been a valid Certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof PROVIDED ALWAYS that:-
 - (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (ii) nothing in this Clause 45 shall be construed as imposing upon the Trustee or the Manager any liabilities in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) of this Clause 45 are not fulfilled; and
 - (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

46. DOCUMENTS SENT AT REGISTERED HOLDER'S RISK

All cheques, warrants, notices and other documents of any kind sent by post by the Trustee or the Manager to any Registered Holder shall be sent at the risk of the person entitled thereto.

47. NO LOANS TO MANAGER OR TRUSTEE OR RELATED COMPANIES

It is hereby acknowledged and the Manager and the Trustee covenant with each other and each of the Registered Holders that no moneys available for investment under this Deed may be invested in or lent to the Manager or to the Trustee or their representatives or to any company (other than a prescribed corporation referred to in Section 38(7) of the Companies Act or which has been prescribed for such purposes by any Applicable Laws and Requirements for the time being in force) which is a Related Party of the Manager or the Trustee.

48. ALTERATIONS TO TRUST DEED

- (1) The Manager and the Trustee may (with such approvals as may be required under any Applicable Laws and Requirements) by a deed expressed to be supplementary to this Deed and submitted by the Manager to the Securities Commission for registration, make such modifications, additions or deletion to this Deed in such manner and to such extent as they may consider expedient for any purpose, accompanied by a resolution passed by not less than two-thirds (2/3) (or such other majority as may be required under the Applicable Laws and Requirements) of all Registered Holders at a meeting duly convened and held according to the provisions and covenants of this Deed and the Applicable Laws and Requirements Provided Always the approval of Registered Holders shall not be required where the supplementary deed is submitted for registration accompanied by a statement from the Trustee and Manager certifying that in their opinion such modification, addition or deletion does not materially prejudice the interest of the Registered Holders and does not operate to release the Trustee or the Manager from any responsibility to the Registered Holders.

49. ACTION TO BE TAKEN ON ALTERATION OF TRUST DEED

- (1) Copies of this Deed and of any Supplemental Deed executed under Clause 48 hereof and a statement containing particulars of the investments for the time being constituting the Fund shall at all reasonable times be open to inspection by any Registered Holders without charge at the principal place of business of the Trustee and of the Manager and the Manager shall at the

request of a Registered Holder and upon payment by him to the Manager of a sum to be determined by the Manager but not exceeding Ringgit Malaysia Ten (RM10.00) supply such Registered Holder with a copy of the Deed and/or any supplemental deed and/or the said statement.

- (2) As soon as possible after the execution of any such supplemental deed as aforesaid and not in any case later than the date on which the next statement showing allocation of Cash Produce is sent to Registered Holders, notice of such supplemental deed containing a short summary of the effect of it shall be sent by the Manager to the Registered Holders.
- (3) Any Registered Holder may by notice in writing to the Manager given not less than one (1) month prior to the end of any Accrual Period require to be, notified of the investments comprising the Fund at the end of such Accrual Period and the Manager shall supply him with a list of such investments at the end of such Accrual Period.

50. TRUSTEE MAY ACT BY ITS AUTHORISED OFFICERS

- (1) The Trustee may act by its authorised officers for the time being and the Trustee shall furnish the Manager with the specimen signatures of such authorised officers and such officers shall have powers to exercise for or on behalf of the Trustee all of any of the powers or authorities exercisable by the Trustee under the provisions of this Deed or Applicable Laws and Requirements.
- (2) Subject to the provision of Clause 31 hereof the Trustee covenants with the Manager and with each of the Registered Holders that any of the persons authorised by the Trustee to perform his powers or functions will duly observe and perform the covenants and obligations of this Deed in the same manner as is required of the Trustee and the Trustee will keep the Manager indemnified for their own benefit or for the benefit of the Fund against any loss or damage to the Fund or the Manager or the Registered Holders which may have been incurred or sustained by reason of wilful negligence or fraud of such person in the observance or performance or any such covenants or obligations.

51. LIMITATION OF LIABILITY OF MANAGER AND TRUSTEE

- (1) Neither the Trustee nor the Manager shall incur any liability in respect of any action taken or things suffered by them in good faith in reliance upon a notice, resolution, direction, order, consent, certificate, affidavit, statement, grant of representation to a deceased's estate, Kathi's certificate or other paper or document believed to be genuine and to have been passed, sealed, made or signed by the proper parties.
- (2) Neither the Trustee nor the Manager shall incur any liability to the Registered Holders for doing or (as the case may be) failing to do an act or thing which either or both of them shall do or perform or forbear from doing or performing by reason of any provision of any present or future law or regulation made pursuant thereto, or in compliance with any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise). If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed the Trustee and the Manager shall be under no liability therefor or thereby.
- (3) Neither the Trustee nor the Manager shall be responsible for the authenticity of any signature or of any seal affixed to or any endorsement on any certificate or to any transfer or form of application, endorsement or other document or be in any way liable for any forged or unauthorised signature on or any seal to such endorsement transfer or other document or for acting or giving effect to any such forged or unauthorised signature or seal.
- (4) Neither the Trustee nor the Manager shall incur any liability either to the other or to the Registered Holders (save as may be imposed by any written law for the time being in force) for any failure to comply with their obligations hereunder or for any loss resulting therefrom where such failure arises from mobilisation, hostilities acts of Malaysia's enemies or war (whether declared or not), Government action, act of God, riots, lock-outs, strikes or disturbances wherever taking place, interruptions to communications or power supplies, fire, flood, heat, storm, tempest, or intemperate weather, accidents to or breakdown of machinery or any other cause or any

circumstances whatsoever beyond their control or any acts of third parties whether criminal or otherwise.

52. PERMITTED DEALINGS BETWEEN MANAGER AND TRUSTEE AND RELATED COMPANIES

(1) Subject always to the provisions of sub-clause (2) of this Clause 52 neither the Trustee nor the Manager nor any company controlled by them or either of them nor any person, firm or corporation (hereinafter referred to as a "delegate") entitled to exercise any investment powers or discretion under this Deed pursuant to a delegation by the Manager, shall as principal sell, or deal in the sale of, investments to the Trustee for the account of the Trust or vest investments in the Trustee against the issue of Units (otherwise than pursuant to an offer made generally to all holders of units, sub-units or shares in any other unit trust scheme lawfully operating in Malaysia to exchange such units, sub-units or shares for Units of the Trust) or purchase investments from the Trustee acting for the account of the Trust and each shall (without incurring any liability for failure to do so) use its best endeavours to procure that no such sale or dealing or vesting or purchase shall be made by:-

- (i) any person, firm or company holding or beneficially entitled to ten per cent (10%), or more of the share capital of the Trustee or the Manager or any delegate;
- (ii) any company controlled by any such person, firm or company;
- (iii) any Director of the Trustee, or of the Manager, or of any delegate (being a company) or of any company; or
- (iv) by any partner of any such firm.

Each such person or body (other than the Trustee and the Manager) referred to in (i) to (iv) of this sub-clause (1) shall be known in this Clause 52 as a "connected person".

(2) Nothing in sub-clause (1) of this Clause 52 (or elsewhere in this Deed) shall prevent any such sale or dealing or vesting as is referred to in such sub-clause being made by PNB or its successors or any other company

controlled by PNB in any case where it shall first have been established to the satisfaction of the Trustee that the transaction either alone or when considered in relation to other similar transactions is fair and reasonable and does not prejudice the interest of the other Registered Holders and the Trustee and the Manager shall be at liberty:-

- (i) to purchase Authorised Investments from PNB for account of the Trust at prices not exceeding those which would be payable to the Manager under Clause 5(1)(b) hereof if the transaction were an exchange as referred to in that Clause;
 - (ii) to sell any of the investments comprised in the Fund to PNB at prices not lower than would be received (after deducting brokerage, duties, transfer fees and any other usual charges which would be payable on the sale) if such investments were sold on the open market; and
 - (iii) to grant to PNB an option to acquire (at prices asset out in paragraph (ii) of this sub-clause (2)) investments comprised in the Fund which were purchased for, or otherwise transferred to the Trustee for account of the Trust from PNB or the Manager.
- (3) Subject always to the provisions of this Trust Deed the Manager or any connected person who is entitled to be a Registered Holder of Units may :-
- (i) dispose of or otherwise deal with the same with the same rights (subject as provided in Clause 12(3) hereof) which they would have had if neither the Manager nor any connected person were a party to or delegate under this Deed; or
 - (ii) buy, hold or deal in any investments upon their respective individual accounts, notwithstanding that similar investments may be held under this Deed as part of the Fund
- (4) Neither the Manager nor PNB shall be accountable to the Trustee or the Registered Holders for any profit or other benefit resulting from any contracts or transactions.
- (5) Subject always to the provisions of Clause 4 hereof nothing herein or elsewhere in this Deed contained shall prevent any sale for account of the Trust of any investment to, or any purchase for account of the Trust of any

Investment from, the Trustee or Manager of any other unit trust scheme lawfully operating in Malaysia for account of such scheme, notwithstanding that the Trustee and/or the Manager and/or any connected person may be, or be interested in, the trustee or the managers of or any person, firm or corporation to who many investment powers or discretions may have been delegated under such scheme Provided always that:

- (i) the value of the investment in question is certified in writing for the purpose of the transaction by a member of the Recognised Stock Exchange or, in the case of an unquoted investment, by some person selected or approved by the Trustee as qualified to value such investment; and
- (ii) the Trustee be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Registered Holders.

53. PROVISION FOR DEPRECIATION

The Manager may (and shall if required so to do by the Trustee) set aside such sum or sums as they think fit out of the income or capital of the Fund to provide for the renewal, replacement or repair of any asset owned or leased by the Fund.

54. DEDUCTION OF TAX

Before making any distribution or other payment in respect of any Certificate the Trustee may make such deduction as by the laws of Malaysia or by the laws of any other country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any income or other taxes charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other Governmental taxes or charges payable by him or for which he might be made liable in respect of such distribution or any documents signed by him in connection therewith.

55. INSPECTION OF DOCUMENTS

The Manager and the Trustee shall make copies of this Deed, any supplementary deed executed pursuant to Clause 48, any prospectus, supplementary prospectus, latest Fund Reports, and any other documents stipulated under the REIT Guidelines available at all times during ordinary business hours for inspection without charge by the Registered Holders or investors at their respective principal place of business. Registered Holders Registered Holder may purchase a copy of the Deed, supplementary deed, prospectus, supplementary prospectus or Fund Report from the Manager or Trustee at a reasonable fee as may be determined by the Manager.

56. GOVERNING LAW

This Deed shall be binding of each Registered Holder as if a party to the Deed and shall in all respects be governed by and construed in accordance with the law of Malaysia. In the event of there being any conflict between the provisions of this Deed and any translation thereof the English text shall prevail.

57. LIABILITY OF REGISTERED HOLDERS OF UNITS

No Registered Holder of Units shall by reason of the provisions of this Deed and the relationship created hereby between the Registered Holders of Units, the Trustee and the Manager be liable for any amount in excess of the purchase price paid for the Units of which he or she is the Registered Holder, as determined pursuant to the provisions of this Deed at the time he or she purchased those Units, and any charges payable in relation thereto pursuant to the provisions of this Deed, and shall not be under any obligations to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Trust pursuant to and/or in the performance of the provisions of this Deed exceed the Gross Asset Value of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

58. AMENDMENT TO GUIDELINES

- (1) This Deed has been drawn up in such manner so as to accommodate and contain the requirements of all Applicable Laws and Requirements including the guidelines of the Relevant Authorities. Notwithstanding Clause 48 hereof, in the event the applicable provisions of the said guidelines are from time to time amended, modified or varied or exemptions given or implied under or virtue of the said guidelines or such amendment, modification or variation this Deed shall be read and construed and have effect as if such amendment, modification, variation or exemption had been inserted or authorised herein, without the necessity of having this Deed amended by a supplemental deed unless required by the amending law or requirement or rule.
- (2) Notwithstanding anything herein contained in the event that exemptions and variations to the REIT Guidelines are given, the Manager and Trustee shall not be absolved from any duty and liability under any relevant law.

FIRST SCHEDULE

No.	Description of Property	Title Particulars	Date of Acquisition
1.	24-storey office building known as Plaza VADS Taman Tun Dr. Ismail Kuala Lumpur	Geran 23511 Lot 50969 Mukim Kuala Lumpur Daerah Kuala Lumpur Negeri Wilayah Persekutuan K.L	21/03/1989
2.	4-storey commercial building known as Bangunan AHP Taman Tun Dr Ismail Kuala Lumpur	H.S. (D) 4928 Lot No. 29508 Mukim Kuala Lumpur Daerah Kuala Lumpur Negeri Wiliayah Persekutan K.L	21/03/1989
3.	3-storey mall cum hypermarket known as Mydin Hypermarket Seremban 2	GRN 273548 Lot 50454 Mukim Bandar Seremban Utama Daerah Seremban Negeri Sembilan	27/4/2015

SECOND SCHEDULE
(PHNB Letterhead)

Date:

AmanahRaya Trustee Berhad,
Tingkat 11, Wisma AmanahRaya
No. 2, Jalan Ampang
50508 Kuala Lumpur

RE: MANAGER'S INDEMNITY TO TRUSTEE OF AMANAH HARTA TANAH PNB ("AHP")

WHEREAS AHP was constituted as a real estate investment trust on 20 March 1989 under the Trust Deed dated 20 March 1989; as modified by the First Supplemental Deed dated 6 November 1990, the Second Supplemental Deed dated 18 December 1990, the Third Supplemental Deed dated 12 March 1999, Fourth Supplemental Trust Deed dated 15 January 2010, the First Restated Deed dated 13 August 2015 as amended by the First Supplemental Deed to the First Restated Deed dated 28 November 2019 and the Second Supplemental Deed to the First Restated Deed dated [] 2020) and the Second Restated Deed dated [] 2020 (collectively, the "Deed"), made between Pelaburan Hartanah Nasional Berhad (Company Registration No. 198801008611 (175967-W)), a company incorporated under the laws of Malaysia and having its registered office at 4th Floor, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur ("PHNB") as Manager of AHP of the first part, AmanahRaya Trustees Berhad (Company Registration No. 200701008892 (766894-T)), a trust corporation registered under Trust Companies Act 1949 and incorporated under the laws of Malaysia and having its registered office at Tingkat 11, Wisma AmanahRaya No.2, Jalan Ampang, 50450 Kuala Lumpur ("ART") as Trustee of AHP of the second part, and the several persons who hold Units in AHP in the manner prescribed in the Deed.

AND WHEREAS PHNB has agreed to indemnify and keep indemnified ART for any loss suffered by AHP as a result of PHNB's breach of any of its duties as Manager or any failure to exercise the degree of care and diligence required in operating and managing AHP.

APPENDIX I – DRAFT SECOND RESTATED DEED (CONT'D)

THIS INDEMNITY WITNESSES that in consideration of ART agreeing to continue to act as the Trustee of AHP pursuant to the Deed, PHNB undertakes to indemnify and keep indemnified ART against any and all losses, claims, demands, damages, suits, costs and expenses arising out of the execution of the trusts under the Deed (as from time to time amended) provided such losses, claims, demands, damages, suits, costs and expenses are not caused by the wilful negligence or fraud of ART or its failure to show the degree of care and diligence required of them as the Trustee of AHP having regard to the provisions of the Deed (as from time to time amended) conferring upon them the powers authorities and discretion therein contained.

The Common Seal of PHNB is hereby affixed to this instrument in accordance with its Constitution.

AHMAD ZULQARNAIN ONN
Director

ADIBAH KHAIRIAH ISMAIL @ DAUD
Secretary

APPENDIX II – INFORMATION ON ORE

1. History and business

ORE was incorporated in Malaysia on 11 March 2020 under the Act as a private limited company, under the name of Ombak Real Estate Sdn. Bhd.

The principal activities of ORE are investment holding and direct and/or indirect property investment.

2. Share capital

As at the LPD, the issued share capital of ORE is as follows:

	No. of shares	RM
Ordinary shares	2	2

3. Substantial shareholders' shareholdings

The substantial shareholders of ORE and its respective shareholdings in ORE as at the LPD are as follows:

Name	Country of incorporation / Nationality	Registration number/ Identification card no.	Direct		Indirect	
			No. of shares	%	No. of shares	%
Permodalan Nasional Berhad	Malaysia	197801001190 (38218-X)	2	100.00	-	-
Yayasan Pelaburan Bumiputra	Malaysia	197801000107 (37113-P)	-	-	⁽¹⁾ 2	100.00

Note:

(1) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in PNB.

4. Directors and Directors' shareholdings

The directors of ORE and their respective shareholdings in ORE as at the LPD are as follows:

Name	Designation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ahmad Zulqarnain bin Che On	Director/ Malaysian	-	-	-	-
Rizal Rickman bin Ramli	Director/ Malaysian	-	-	-	-

5. Subsidiary and associate company

As at the LPD, ORE does not have any subsidiary and associate company.

6. Profit and dividend record

There is no audited financial statements of ORE in view that ORE was incorporated on 11 March 2020.

7. Statement of assets and liabilities

There is no audited financial statements of ORE in view that ORE was incorporated on 11 March 2020.

8. Material changes in financial position

There is no audited financial statements of ORE in view that ORE was incorporated on 11 March 2020.

Save for the transfer of 100 AHP Units from PNB to ORE, there are no known material changes noted in the financial position of ORE since its incorporation up to the LPD.

9. Accounting policies

There is no audited financial statements of ORE in view that ORE was incorporated on 11 March 2020.

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APPENDIX III – INFORMATION ON PNB

1. History and business

PNB was incorporated in Malaysia on 17 March 1978 under the Companies Act, 1965 as a public limited company, under the name of Permodalan Nasional Berhad.

PNB is principally involved in the acquisition and holding of shares to promote greater ownership of share capital in the corporate sector in Malaysia by bumiputeras.

2. Share capital

As at the LPD, the issued share capital of PNB is as follows:

	No. of shares	RM
Ordinary shares	100,000,000	100,000,000

3. Substantial shareholder's shareholdings

The substantial shareholder of PNB and its respective shareholding in PNB as at the LPD are as follows:

Name	Country of incorporation / Nationality	Registration number/ Identification card no.	Direct		Indirect	
			No. of shares	%	No. of shares	%
Yayasan Pelaburan Bumiputra	Malaysia	197801000107 (37113-P)	99,999,999	⁽¹⁾ 100.00	-	-

Note:

(1) 1 share in PNB is held by Minister of Finance, Incorporated

4. Directors and Directors' shareholdings

The directors of PNB and their respective shareholdings in PNB as at the LPD are as follows:

Name	Designation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Sri Dr. Zeti Akhtar Aziz	Group Chairman/ Non-Independent Non-Executive Director/ Malaysian	-	-	-	-
Ahmad Zulqarnain bin Che On	President & Group Chief Executive/ Non-Independent Non-Executive Director/ Malaysian	-	-	-	-
Dato' Asri bin Hamidin @ Hamidon	Independent Non-Executive Director/ Malaysian	-	-	-	-

APPENDIX III – INFORMATION ON PNB (CONT'D)

Name	Designation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Sri Datuk Zainun binti Ali	Independent Non-Executive Director/ Malaysian	-	-	-	-
Datuk Dr. Mohd. Yaakub bin Haji Johari	Independent Non-Executive Director/ Malaysian	-	-	-	-
Datu Haji Soedirman bin Aini	Independent Non-Executive Director/ Malaysian	-	-	-	-
Dato Dr. Nik Ramlah binti Nik Mahmood	Independent Non-Executive Director/ Malaysian	-	-	-	-
Dato' Johan bin Ariffin	Independent Non-Executive Director/ Malaysian	-	-	-	-

5. Subsidiaries and associate companies

As at the LPD, the details of PNB's subsidiaries and associate companies are as follows:

Company name	Place of incorporation	Effective equity interest (%)	Principal activities and markets
Subsidiaries			
Amanah Saham Nasional Berhad	Malaysia	100.00	Manager of unit trusts
Attana Assets Sdn. Bhd	Malaysia	100.00	Investment holding
Attana Hospitality Group Sdn Bhd	Malaysia	100.00	Investment holding
Attana Hotel & Resorts Sdn. Bhd	Malaysia	100.00	Providing management services to training centres, holiday resorts and service apartments
Pelaburan Hartanah Nasional Berhad	Malaysia	100.00	Manager of real estate investment trust
Pengurusan Pelaburan ASN Berhad	Malaysia	100.00	Under liquidation
PNB Capital Holdings Sdn. Bhd.	Malaysia	100.00	Dormant
PNB Capital LLC	Malaysia	100.00	Investment holding
PNB Capital Sdn. Bhd.	Malaysia	100.00	Investment holding
PNB Equity Resource Corporation Sdn. Berhad	Malaysia	100.00	Providing equity financing to companies
PNB International Limited	Malaysia	100.00	Investment holding

APPENDIX III – INFORMATION ON PNB (CONT'D)

Company name	Place of incorporation	Effective equity interest (%)	Principal activities and markets
PNB Investment Institute Sdn. Bhd.	Malaysia	100.00	Provision of education and training courses in investment and finance. Currently dormant.
PNB Jersey Limited	Malaysia	100.00	Investment holding
PNB Jewel Holding Limited	Malaysia	100.00	Investment holding
PNB Merdeka Ventures Sdn. Bhd.	Malaysia	100.00	Management and development of stadium land and buildings
PNB Research Institute Sdn. Berhad	Malaysia	100.00	Undertaking and conducting research studies
PNB Value Homes Sdn. Bhd.	Malaysia	100.00	Property development
UTF Star Two Limited	Jersey	100.00	Investment holding
Ombak Real Estate Sdn Bhd	Malaysia	100.00	Investment holding
Malaysian Industrial Development Finance Berhad	Malaysia	100.00	Provision of finance and leasing services
PFM Capital Holdings Sdn. Berhad	Malaysia	100.00	Investment holding
Island & Peninsular Sdn. Berhad	Malaysia	100.00	Investment holding and provision of management services to subsidiaries. Currently dormant.
Tuntas Jati Sdn. Bhd	Malaysia	100.00	Investment holding
Guthrie Holdings Limited	United Kingdom	100.00	Dormant
PNB Commercial Sdn. Bhd.	Malaysia	100.00	Property and investment holding and provision of property management services
PNB Development Sdn. Bhd.	Malaysia	100.00	Investment holding
Projek Lintasan Kota Holdings Sdn. Berhad	Malaysia	100.00	Investment holding and the provision of management services
Panelex Sdn. Berhad	Malaysia	90.00	Dormant
Pernec Corporation Berhad	Malaysia	70.01	Identifying, planning and marketing of telecommunication and information technology products and support services
Associate companies			
Carrier International Sdn. Berhad	Malaysia	49.00	Manufacture and assembly of air-conditioners
Goodyear Malaysia Berhad	Malaysia	49.00	Manufacturing and marketing of tyres and related rubber products

APPENDIX III – INFORMATION ON PNB (CONT'D)

Company name	Place of incorporation	Effective equity interest (%)	Principal activities and markets
Rahim & Co International Sdn. Berhad	Malaysia	49.00	Property valuation, real estate agency, project management, investment consultancy
Duopharma Biotech Berhad <i>(listed on the Main Market of Bursa Securities)</i>	Malaysia	46.88	Investment holding
Chemical Company Of Malaysia Berhad <i>(listed on the Main Market of Bursa Securities)</i>	Malaysia	45.59	Investment holding
Akzo Nobel Paints (Malaysia) Sdn. Berhad	Malaysia	40.05	Manufacture and marketing of a wide range of paints
Mondi Kuala Lumpur Sdn. Berhad	Malaysia	38.00	Manufacture and sale of industrial paper bags
Valuecap Sdn. Berhad	Malaysia	33.33	Investment holding
PJS Damansara Sdn. Berhad	Malaysia	33.33	Property development
KAF Investment Bank Berhad	Malaysia	33.05	Investment holding
Carter Realty Sdn. Berhad	Malaysia	30.00	Investment holding
Strategic Sonata Sdn. Berhad	Malaysia	30.00	Investment holding
KIG Glass Industrial Berhad	Malaysia	29.03	Under liquidation
S P Setia Berhad <i>(listed on the Main Market of Bursa Securities)</i>	Malaysia	26.13	Building contractors and investment holding
Boh Plantations Sdn. Berhad	Malaysia	25.61	Production and packaging tea for retail trade and the growing of oil palm
E - Lock Corporation Sdn. Berhad	Malaysia	25.13	Research, development, and distribution of computer software, solutions and services
Ansell N.P. Sdn. Berhad	Malaysia	25.00	Production of rubber surgical glove and examination glove
Tracoma Holdings Berhad	Malaysia	24.50	Under liquidation
Maybank Asset Management Group Berhad	Malaysia	20.00	Investment holding and provision of management services
MNRB Holdings Berhad <i>(listed on the Main Market of Bursa Securities)</i>	Malaysia	12.79	Investment holding and provision of management services
Velesto Energy Berhad <i>(listed on the Main Market of Bursa Securities)</i>	Malaysia	12.35	Investment holding

APPENDIX III – INFORMATION ON PNB (CONT'D)

Company name	Place of incorporation	Effective equity interest (%)	Principal activities and markets
Malayan Banking Berhad (listed on the Main Market of Bursa Securities)	Malaysia	7.87	Business of banking and finance include Islamic Banking Scheme operations
Sime Darby Berhad (listed on the Main Market of Bursa Securities)	Malaysia	7.31	Plantation, property, heavy equipment, motor vehicle, energy and utilities, and general trading and services
UMW Holdings Berhad (listed on the Main Market of Bursa Securities)	Malaysia	7.15	Import, assembly and marketing of passenger and commercial vehicles, manufacturing automotive parts and heavy equipment, and provision of oil and gas services
Sime Darby Property Berhad (listed on the Main Market of Bursa Securities)	Malaysia	6.57	Investment holding, property development and provision of management services
Sime Darby Plantation Berhad (listed on the Main Market of Bursa Securities)	Malaysia	3.24	Palm oil plantation company
Sapura Energy Berhad (listed on the Main Market of Bursa Securities)	Malaysia	1.33	Integrated oil & gas services company

Note:

* Pursuant to accounting policies, significant influence is demonstrated by virtue of board representation and cumulative holdings in these companies.

6. Profit and dividend record

The profit and dividend record of PNB based on its audited financial statements for the past 3 FYEs 2017 to 2019 of PNB are as follows:

	AUDITED		
	FYE 2017	FYE 2018	FYE 2019
	RM'000	RM'000	RM'000
Revenue	3,992,427	4,193,325	2,858,489
PBT and zakat	3,139,771	3,105,509	1,240,781
Taxation and zakat	(82,387)	(79,292)	(41,714)
PAT and zakat	3,057,384	3,026,217	1,199,067
Number of shares in issue ('000)	100,000	100,000	100,000
Basic earnings per share (RM)	30.57	30.26	11.99
Dividend per share (RM)	N/A	5.85	8.11
Non-controlling interest	-	-	-

Note:

* Not applicable as the financial results of the subsidiaries and associate companies are not consolidated into PNB's financial results as consented by the shareholders of PNB. The consolidated financial statements are prepared at Yayasan Pelaburan Bumiputera level.

APPENDIX III – INFORMATION ON PNB (CONT'D)

There are no material exceptional items noted in the audited financial statements for the past 3 FYEs 2017 to 2019.

7. Statement of assets and liabilities

The statement of assets and liabilities of PNB based on its audited financial statements for the FYE 2018 and FYE 2019 are as follows:

	AUDITED FYE 2018 RM'000	AUDITED FYE 2019 RM'000
ASSETS		
Investment properties, equipments & others	3,716,096	3,109,994
Investment in subsidiaries, associates, unit trusts & others	37,183,511	40,518,943
Cash & bank balances	4,612,113	3,325,679
Other assets	3,266,648	2,707,156
	48,778,368	49,661,772
LIABILITIES		
Borrowings	14,761,859	15,392,179
Provision for dividend payable	585,074	811,225
Other payables	1,096,495	734,128
	16,443,428	16,937,532
REPRESENTED BY:		
Share capital	100,000	100,000
Reserves	32,234,940	32,624,240
	32,334,940	32,724,240
TOTAL LIABILITIES AND EQUITY	48,778,368	49,661,772

8. Material changes in financial position

As at LPD, there are no known material changes noted in the financial position of PNB subsequent to the last audited financial statements for the FYE 31 December 2019.

9. Accounting policies

The audited financial statements of PNB for the FYEs 2017 to 2019 have been prepared in accordance with MFRS, as modified by the specification issued by the SC and the requirements of the Act in Malaysia and there was no audit qualification on PNB's financial statements for the respective years under review.

There is no significant change in the accounting policies which would result in a material variation to the comparable figures for the audited financial statements of PNB for FYEs 2017 to 2019.

1. History and business

AHP was established as a real estate investment trust and constituted by the Deed and regulated under the CMSA and Listed REIT Guidelines.

AHP was launched on 21 March 1989 and was listed on Kuala Lumpur Stock Exchange (now known as Bursa Securities) on 28 December 1990.

The investment objective of AHP is to provide a reasonable level of income return to Unit Holders and allow them to gain from capital growth through the acquisition of a selected portfolio of real estate investments which have potential for long term capital growth.

AHP is under the trusteeship of the Trustee and managed and administered by the Manager.

2. Unit Holders' capital**2.1 Issued and fully paid AHP Units**

As at the LPD, the issued and fully paid AHP Units are as follows:

	No. of Units	RM
Issued and fully paid AHP Units	220,000,000	219,120,869

As at the LPD, there is only one class of units in AHP i.e. the AHP Units. All the AHP Units rank equally in terms of voting rights and entitlements to any dividends, income distribution, rights, allotments and/or distributions (including any capital distributions) which may be declared, made or paid to Unit Holders.

2.2 Changes in Unit Holders' capital

Since the end of FYE 2019 up to the LPD, there is no change in the Unit Holders' capital of AHP.

2.3 Convertible securities

As at the LPD, AHP does not have any convertible securities.

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APPENDIX IV – INFORMATION ON AHP (CONT'D)

3. Substantial Unit Holders

The substantial Unit Holders of AHP and their respective Unit holdings in AHP as at the LPD are as follows:

Substantial Unit Holders	Country of incorporation / Nationality	Registration number/ Identification card no.	As at the LPD			
			Direct		Indirect	
			No. of Units	%	No. of Units	%
ASB	Malaysia	Not applicable	90,218,700	41.01	-	-
Mydin Mohamed Holdings Bhd	Malaysia	199101011136 (221448-A)	50,906,800	23.14	-	-
PNB	Malaysia	197801001190 (38218-X)	11,139,600	5.06	⁽¹⁾ 100	^
Yayasan Pelaburan Bumiputra	Malaysia	197801000107 (37113-P)	-	-	⁽²⁾ 11,139,700	5.06

Notes:

^ Less than 0.01%

(1) Deemed interest pursuant to Section 8 of the Act by virtue of ORE being a wholly-owned subsidiary of PNB.

(2) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in PNB.

4. Directors and Directors' Unit holdings

The directors of PHNB and their respective Unit holdings in AHP as at the LPD are as follows:

Name	Designation/ Nationality	Correspondence address	Direct		Indirect	
			No. of Units	%	No. of Units	%
Dato' Johan bin Ariffin	Independent Non- Executive Chairman/ Malaysian	8, Persiaran Bukit Jaya Bukit Antarabangsa Ulu Kelang 68000 Kuala Lumpur Wilayah Persekutuan	-	-	-	-
Ahmad Zulqarnain bin Che On	Non-Independent Non- Executive Director/ Malaysian	46, Jalan Leong Yew Koh Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan	-	-	-	-
Dato' Nafisah binti Radin	Independent Non-Executive Director/ Malaysian	No. 1, Jalan Puncak Kiara 4 Kiara View Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan	-	-	-	-
Datuk Wong Tuck Wai	Independent Non-Executive Director/ Malaysian	SP Setia Berhad, Corporate HQ No. 12, Persiaran Setia Dagang Setia Alam, Seksyen U13 40170 Shah Alam Selangor	-	-	-	-

APPENDIX IV – INFORMATION ON AHP (CONT'D)

Name	Designation/ Nationality	Correspondence address	Direct		Indirect	
			No. of Units	%	No. of Units	%
Datuk Mohd Anwar bin Yahya	Independent Non-Executive Director/ Malaysian	No. 126 Pinggir Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	-	-	-	-
Rizal Rickman bin Ramli	Non-Independent Non-Executive Director/ Malaysian	B-22-6 Seni Mont Kiara 2A Changkat Duta Kiara 50480 Kuala Lumpur Wilayah Persekutuan	-	-	-	-
Hafidz Atrash Kosai bin Mohd Zihim	Chief Executive Officer/ Non-Independent Executive Director/ Malaysian	18, Taman Hillview Ulu Kelang 68000 Ampang Selangor	-	-	-	-

5. Subsidiary and associate company

As at the LPD, AHP does not have any subsidiary and associate company.

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APPENDIX IV – INFORMATION ON AHP (CONT'D)

6. PROPERTIES HELD BY AHP

Details on the properties held by AHP and the audited net book value as at 31 December 2019 and the respective market values⁽¹⁾ are set out below:

Name	Type of property	Location / Postal address	Tenure	Date of valuation	Audited net book value as at 31 December 2019 (RM'000)	Market value as at date of valuation (RM'000)
Plaza VADS	24-storey tower office block with a 5-storey podium annex and a 3-level split-level basement car park	Plaza VADS No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Freehold	28 September 2020	139,000	137,300
Bangunan AHP	4-storey office with one level of basement carpark	Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Freehold	28 September 2020	44,600	43,600
Mydin Hypermarket Seremban 2	3-storey mall cum hypermarket with a 2-level sub-basement car park	Mydin Hypermarket Seremban 2, Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan	Perpetuity	28 September 2020	253,000	252,000
Total					436,600	432,900

Note:

(1) Based on the valuation reports prepared by W M Malik & Kamaruzaman dated 6 October 2020. Please refer to **Appendix VII** of this Document for the valuation certificates of the properties prepared by W M Malik & Kamaruzaman.

APPENDIX IV – INFORMATION ON AHP (CONT'D)

7. Profit and income distribution record

The profit and income distribution record of AHP based on its audited financial statements for the past 3 FYEs 2017 to 2019 as well as the 6-month unaudited financial results for the 6M-FPE 2020 are as follows:

	AUDITED			UNAUDITED
	FYE 2017	FYE 2018	FYE 2019	6M-FPE 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	39,545	39,221	38,576	⁽¹⁾ 16,776
Net income before taxation	17,733	12,241	14,938	4,545
Income tax expense	(315)	79	(2,146)	-
Net income after taxation	17,418	12,319	12,793	4,545
Number of Units in circulation ('000)	220,000	220,000	220,000	220,000
Basic EPU (RM'sen)	7.92	5.60	5.81	2.07
Income distribution per Unit (RM'sen)	5.20	5.63	5.75	1.75

Note:

(1) For consistency with the figures stated in the audited financial statements, the amount has been adjusted to include unbilled rental income receivable and exclude interest income from deposit with financial institution.

There are no material exceptional items noted in the audited financial statements for the past 3 FYEs 31 December 2017 to 2019 as well as the unaudited financial results of AHP for the 6-month FPE 2020.

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APPENDIX IV – INFORMATION ON AHP (CONT'D)

8. Statement of assets and liabilities

The statement of assets and liabilities of AHP based on its audited financial statements as at 31 December 2019 and unaudited financial results of AHP for the 6M-FPE 2020 are as follows:

	AUDITED	UNAUDITED
	FYE 2019	6M-FPE 2020
	RM'000	RM'000
INVESTMENTS		
Real estates	409,689	404,246
Real estates – accrued rental income	28,711	32,630
Real estates – asset enhancement	-	252
Deposits with financial institutions	13,590	11,916
TOTAL INVESTMENTS	451,990	449,044
OTHER ASSETS		
Equipment, furnitures and fittings	6	5
Trade receivables	4,717	5,602
Other receivables	531	534
Cash and bank balances	297	285
TOTAL OTHER ASSETS	5,550	6,426
TOTAL ASSETS	457,540	455,740
LIABILITIES		
Financing	163,288	163,288
Rental deposits	5,057	5,066
Other payables	2,591	2,372
Amount due to Manager	241	231
Deferred tax liability	4,231	4,216
TOTAL LIABILITIES	175,408	175,173
FINANCED BY:		
UNIT HOLDERS' FUNDS		
Unit Holders' Capital	219,121	219,121
Retained earnings	63,011	61,176
TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS	282,132	280,297
TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES	457,540	455,470

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APPENDIX IV – INFORMATION ON AHP (CONT'D)

9. Financing and contingent liabilities

9.1 Financing

As at 30 September 2020, which is not more than three months preceding the LPD, AHP has total outstanding financing of approximately RM161.49 million, which are profit bearing, as follows:

	UNAUDITED
	As at 30 September 2020
	RM'000
Financing	
<u>Non-current</u>	
Islamic term loan	125,000
Sub-total	125,000
<u>Current</u>	
Islamic revolving credit	36,488
Sub-total	36,488
Total financing	161,488

9.2 Contingent liabilities

As at 30 September 2020, which is not more than three months preceding the LPD, the Board is not aware of any material contingent liabilities incurred or known to be incurred by AHP which may, upon becoming enforceable, have a material impact on the financial results or position of AHP.

9.3 Material commitments

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by AHP which, upon becoming due or enforceable, may have a material impact on the financial position of AHP:

	RM'000
Asset enhancement for Bangunan AHP	2,560

10. Material changes in financial position or prospects

As at the LPD, there are no known material changes within the knowledge of the Board, ORE and PNB in the financial position or prospects of AHP subsequent to the last audited financial statements laid before AHP's Unit Holders at its annual general meeting held on 19 June 2020 other than as disclosed in announcements made by AHP on Bursa Securities, which include quarterly financial results, from time to time.

11. Accounting policies

The audited financial statements of AHP for the FYEs 2017 to 2019 have been prepared in accordance with MFRS, International Financial Reporting Standards and applicable SC's Listed REIT Guidelines and there was no audit qualification on AHP's financial statements for the respective years under review.

There is no significant change in the accounting policies which would result in a material variation to the comparable figures for the audited consolidated financial statements of AHP for FYEs 2017 to 2019.

APPENDIX V – DISCLOSURE OF INTERESTS AND DEALINGS IN AHP UNITS

1. Disclosure of interests in AHP Units

There is only one class of Units in AHP.

1.1 By ORE and PNB

Save as disclosed below, ORE and PNB does not have any other interest, whether direct or indirect, in AHP as at the LPD:

Unit Holders	As at the LPD			
	Direct		Indirect	
	No. of Units	%	No. of Units	%
PNB	11,139,600	5.06	⁽¹⁾ 100	[^]
ORE	100	[^]	-	-

Notes:

[^] Less than 0.01%

(1) Deemed interest pursuant to Section 8 of the Act by virtue of ORE being a wholly-owned subsidiary of PNB.

1.2 By the Directors of ORE and PNB

None of the directors of ORE and PNB has any interest, whether direct or indirect, in AHP as at the LPD.

1.3 By PAC

Save as disclosed below, the PAC does not have any other interest, whether direct or indirect, in AHP as at the LPD:

Unit Holder	As at the LPD			
	Direct		Indirect	
	No. of Units	%	No. of Units	%
ASB	90,218,700	41.01	-	-

1.4 By persons who have irrevocably committed to vote in favour of or against the Proposals

As at the LPD, ORE and PNB and PAC have not received any irrevocable undertaking from any Non-Interested Unit Holder of AHP to vote in favour of or against the resolutions to be tabled at the forthcoming Unit Holders' Meeting.

1.5 By persons with whom ORE and PNB and PAC have any arrangement, agreement or undertaking

As at the LPD, ORE and PNB and PAC have not entered into any arrangement including any arrangement involving rights over units, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the AHP Units which may be an inducement to deal or to refrain from dealing.

APPENDIX V – DISCLOSURE OF INTERESTS AND DEALINGS IN AHP UNITS (CONT'D)

1.6 By persons with whom ORE, PNB and PAC have borrowed or lent AHP Units

As at the LPD, none of the AHP Units are being borrowed or lent by ORE, PNB and PAC from or to another person.

2. Dealings in AHP Units**2.1 By AHP and the Directors of PHNB**

AHP and the Directors of PHNB have not dealt in AHP Units during the period commencing 6 months prior to 18 September 2020, being the date of the SUR Proposal Letter, and up to the LPD.

2.2 By ORE and its directors

Save as disclosed below, ORE and the directors of ORE have not dealt in AHP Units during the period commencing 6 months prior to 18 September 2020, being the date of the SUR Proposal Letter and up to the LPD:

Name	Date of transaction	Nature of transaction	No. of AHP Units	% unit holding in AHP as at the date of transaction	Transacted price
ORE	17 September 2020	Transfer from PNB	100	Less than 0.01%	RM0.6761

2.3 By PNB and its directors

Save as disclosed below, PNB and the directors of PNB have not dealt in AHP Units during the period commencing 6 months prior to 18 September 2020, being the date of the SUR Proposal Letter and up to the LPD:

Name	Date of transaction	Nature of transaction	No. of AHP Units	% unit holding in AHP as at the date of transaction	Transacted price
PNB	17 September 2020	Transfer to ORE	100	5.06	RM0.6761

2.4 By PAC

Save as disclosed below, the PAC has not dealt in AHP Units during the period commencing 6 months prior to 18 September 2020, being the date of the SUR Proposal Letter and up to the LPD:

The Manager does not hold any Unit in AHP and has not dealt in the Units during the past 6 months prior to the 18 September 2020, being the date of the SUR Proposal Letter and up to and including the LPD.

3. General disclosures

- 3.1 As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director of the Manager as compensation for loss of office or otherwise in connection with the Proposals.
- 3.2 As at the LPD, save for this Proposals that involves the Interested Director, there is no agreement, arrangement or understanding existing between ORE and PNB and the PAC and any of the existing Directors or recent Directors of the Manager (being such person who was, during the period of 6 months prior to 18 September 2020, being the date of the SUR Proposal Letter, a director of PHNB), or any existing Unit Holders or recent Unit Holders of AHP (being such person who was, during the period of 6 months prior to 18 September 2020, being the date of the SUR Proposal Letter, a Unit Holder of AHP) having any connection with or dependence upon the Proposals.
- 3.3 As at the LPD, save for the Proposals that involves the Interested Director, there is no agreement or arrangement between any Director of the Manager and any other person which is conditional on or dependent upon the outcome of the Proposals or otherwise connected with the outcome of the Proposals.
- 3.4 As at the LPD, there is no agreement, arrangement or understanding which is entered into by ORE and PNB and the PAC whereby any AHP Units held by ORE and PNB and PAC upon the completion of the Proposals will be transferred to any other person.
- 3.5 As at the LPD, ORE, PNB and PAC have not entered into any material contract in which any Director of the Manager has a material personal interest.

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OMBAK REAL ESTATE SDN. BHD.

Registration No. 202001008886 (NEW) 1365206-P (OLD)

18 September 2020

The Board of Directors
Pelaburan Hartanah Nasional Berhad
4th Floor, Balai PNB
201-A, Jalan Tun Razak
50400 Kuala Lumpur

Attention: Puan Adibah Khairiah binti Ismail @ Daud (Company Secretary)

AmanahRaya Trustees Berhad
(as trustee of Amanah Harta Tanah PNB)
Level 11, Wisma AmanahRaya,
No. 2, Jalan Ampang
50508 Kuala Lumpur



Attention: Encik Zainudin bin Suhaimi (Deputy Chief Executive Officer)

Dear Sirs,

AMANAH HARTA TANAH PNB ("AHP" OR "REIT")

PROPOSED CONVERSION OF AHP TO AN UNLISTED REAL ESTATE INVESTMENT TRUST BY WAY OF:

- (i) PROPOSED SELECTIVE UNIT REDEMPTION EXERCISE; AND
- (ii) AMENDMENTS TO THE FIRST RESTATED DEED OF AHP DATED 13 AUGUST 2015

1. INTRODUCTION

We, Ombak Real Estate Sdn Bhd (Registration No. 202001008886 (1365206-P)) ("**ORE**"), a wholly-owned subsidiary company of Permodalan Nasional Berhad (Registration No. 197801001190 (38218-X)) ("**PNB**") and a unit holder of AHP, wish to make a proposal to convert AHP to an unlisted real estate investment trust ("**Unlisted REIT**"), which will involve Pelaburan Hartanah Nasional Berhad (Registration No. 198801008611 (175967-W)), being the manager of AHP ("**Manager**") undertaking the following corporate exercises:

- (i) proposed amendments to the relevant clauses in the First Restated Deed dated 13 August 2015 and supplemented by the First Supplemental Deed dated 28 November 2019 ("**Deed**") entered into between the Manager, AmanahRaya Trustees Berhad (Registration No. 200701008892 (766894-T)), being the trustee of AHP ("**Trustee**") and the several persons therein mentioned, constituting AHP to allow for the following:
 - (a) the implementation of the Proposed SUR (as defined below); and

- (b) the conversion of AHP to an Unlisted REIT which beneficiaries shall be ORE, PNB and Amanah Saham Bumiputera ("**ASB**"),

(collectively referred to as the "**Proposed Amendments**")

- (ii) the proposed selective unit redemption exercise, involving the redemption by AHP of all undivided interest in AHP as constituted by the Deed ("**AHP Units**") held by AHP's unit holders (save and except for the AHP Units held by ORE, PNB and ASB) for RM1.00 per AHP Unit ("**SUR Offer Price**") ("**Proposed SUR**").

(the Proposed Amendments and the Proposed SUR are collectively referred to as the "**Proposals**").

As at 17 September 2020, being the latest practicable date ("**LPD**") prior to this letter ("**Proposal Letter**"), ORE, PNB, and the persons acting in concert with them in accordance with Section 216(2) and 216(3) of the Capital Markets and Services Act 2007 ("**PACs**") ("**CMSA**"), namely ASB, collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP Units.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Amendments

The Proposed Amendments are to facilitate the following:

2.1.1 Implementation of the Proposed SUR

The amendments to the Deed will enable AHP to implement the Proposed SUR and subsequently, to undertake the de-listing procedures under Chapter 16.07(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

2.1.2 Conversion of AHP to an Unlisted REIT

AHP was established as a real estate investment trust and constituted pursuant to the execution of the Deed. AHP is a unit trust scheme that invests in real estates and other authorised investments with the objectives of providing its investors with stable returns and for long term capital growth primarily from its investment in real estates.

AHP was launched on 21 March 1989 and was listed on the Kuala Lumpur Stock Exchange (now known as Bursa Securities) on 28 December 1990.

AHP is regulated by the CMSA and the Securities Commission Malaysia ("**SC**")'s Guidelines on Listed Real Estate Investment Trusts ("**Listed REIT Guidelines**"). Upon the completion of the Proposed SUR, AHP will be converted to an Unlisted REIT and regulated by the SC's Guidelines on Real Estate Investment Trusts.

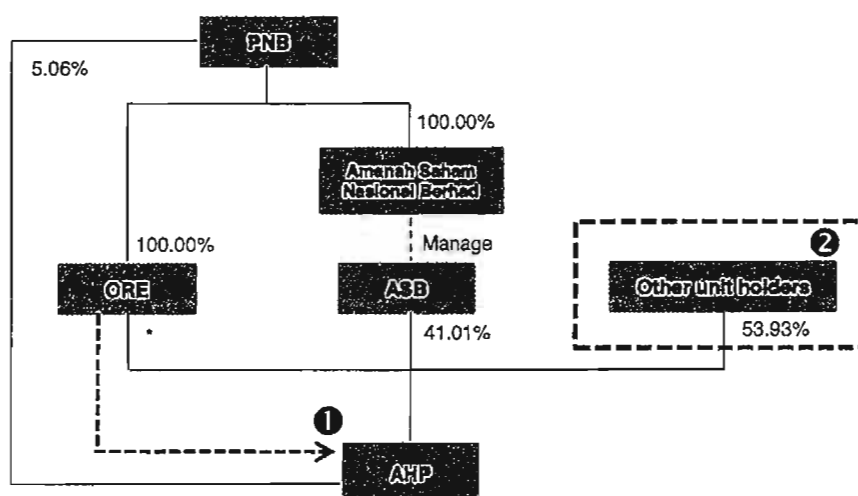
2.2 Proposed SUR

The Proposed SUR shall involve the redemption of all AHP Units held by AHP's unit holders, save and except for the AHP Units held by ORE, PNB and ASB, which involves a redemption payment at the SUR Offer Price being made to all unit holders of AHP (excluding ORE, PNB and ASB) ("Entitled Unit Holders") whose names appear in the Record of Depositors on an entitlement date to be determined later by the Board of Directors of the Manager ("Entitlement Date"). All AHP Units held by the Entitled Unit Holders will be cancelled pursuant to the Proposed SUR.

As at the LPD, a total of 220,000,000 AHP Units have been issued and are held by the unit holders of AHP. Pursuant to the Proposed SUR, AHP shall redeem and cancel 118,641,600 AHP Units held by the Entitled Unit Holders, representing approximately 53.93% interest in AHP Units.

Upon completion of the Proposed SUR, ORE, PNB and ASB will hold the remaining 101,358,400 AHP Units which will represent the entire interest in AHP. ORE does not intend to maintain the listing status of AHP on the Main Market of Bursa Securities upon completion of the Proposals. Pursuant thereto, ORE will request that the Manager make the application to Bursa Securities to delist AHP and withdraw its listing status from the Official List upon completion of the Proposals.

The Proposed SUR is depicted in the diagram below:



Notes:

* Less than 0.01%

1. ORE submits the Proposal Letter to AHP vide the Manager and the Trustee.
2. Assuming the Proposals are approved by the non-interested unit holders of AHP, AHP will redeem and cancel approximately 53.93% Interest in AHP Units.

2.3 Salient Terms of the Proposed SUR

The salient terms of the Proposed SUR are as follows:

- (a) If AHP declares, makes and/or pays a dividend or other distribution of any nature whatsoever ("**Distribution**") after the date of this Proposal Letter up to the completion of the Proposals, the SUR Offer Price shall be reduced by an amount equivalent to the Distribution made per AHP Unit;
- (b) From the date of this Proposal Letter until the completion of the Proposals, the Manager and/or the Trustee shall undertake that they will not:
 - (i) undertake any form of capital raising exercise, whether in the form of debt or equity (save for the advances to AHP by ORE for the purpose of the Proposed SUR) and will not grant any options over the AHP Units or issue any new AHP Units;
 - (ii) cause AHP to enter into any material commitment or material contract or undertake any obligation or acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
 - (iii) pass any resolution in a meeting (other than in respect of any ordinary business tabled in annual general meeting or pursuant to the Proposals) or make any alteration to the provisions of the Deed;
 - (iv) do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligation of AHP;
 - (v) dilute the interest, holdings or economic interest of AHP in which AHP holds shares; or
 - (vi) enter into any discussion, negotiation or agreement, with any other party with respect to the sale of the assets and liabilities of AHP (save for in the ordinary course of business)without ORE's prior written consent.
- (c) In addition, the Manager and/or Trustee shall not enter into any discussion, negotiation or agreement, with any other party with respect to any privatisation proposal involving AHP or any of the matters specified under paragraph 2.3(b) above at any time until completion of the Proposals; and
- (d) The Manager and/or Trustee shall also agree with and undertake to ORE that, as from the date of acceptance of the Proposals (in accordance with paragraph 8 of this Proposal Letter) until the completion of the Proposals, the Manager and/or Trustee (and the Manager and/or Trustee shall use reasonable endeavours to cause and procure that AHP) shall carry on the business of AHP only in the usual, regular and ordinary course in substantially the same manner as it is carried on as of the date hereof so as to preserve AHP's relationship with all parties in ensuring that AHP's goodwill and going

APPENDIX VI – A COPY OF THE SUR PROPOSAL LETTER (CONT'D)

concern shall not be materially impaired at the completion of the Proposals, save as otherwise agreed in writing by ORE.

The Proposed Amendments and the Proposed SUR are inter-conditional with each other.

2.4 SUR Offer Price

The consideration for the Proposed SUR is RM1.00 per AHP Unit.

Entitled Unit Holders whose names appear on the Entitlement Date and who collectively hold 118,641,600 AHP Units shall receive a total cash payment from AHP of RM118,641,600 ("**SUR Consideration**") which represents cash amount of RM1.00 per Unit.

For avoidance of doubt, if AHP declares, makes and/or pays any Distribution after the date of this Proposal Letter up to the completion of the Proposals, the SUR Offer Price shall be reduced by an amount equivalent to the Distribution made per AHP Unit.

The SUR Offer Price shall be funded by way of advances to AHP by ORE, subject to compliance with the relevant laws and regulations.

3. ANALYSIS OF THE PROPOSED SUR

For illustrative purposes only, a comparison of the SUR Offer Price against the closing price of AHP Units on 17 September 2020 (being the last full day of trading prior to the suspension of trading of AHP Units ("**LTD**")) and the 5-day, 1-month, 3-month, 6-month and 1-year volume-weighted average market prices ("**VWAP**") of AHP Units up to and including the LTD as set out below:

	Market price/VWAP	SUR Offer Price	Premium	
	RM	RM	RM	%
Closing price as at the LTD	0.67	1.00	0.33	49.25
5-day VWAP up to the LTD	0.67	1.00	0.33	49.25
1-month VWAP up to the LTD	0.67	1.00	0.33	49.25
3-month VWAP up to the LTD	0.69	1.00	0.31	44.93
6-month VWAP up to the LTD	0.69	1.00	0.31	44.93
1-year VWAP up to the LTD	0.72	1.00	0.28	38.89

(Source: Bloomberg)

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Amendments

The Proposed Amendments is undertaken to facilitate the implementation of the Proposed SUR and the conversion of AHP to an Unlisted REIT upon completion of the Proposed SUR.

4.2 Proposed SUR

AHP is a property unit trust i.e a collective pooling of financial resources of investors into a fund to be used to acquire a selected portfolio of investments. AHP was initiated and developed by PNB, and managed by Pelaburan Hartanah Nasional Berhad or the Manager, with the main investment objective of providing reasonable level of income return to unit holders and allow them to gain from capital growth through the acquisition of a selected portfolio of real estate investments which have potential for long term capital growth.

AHP Units were offer for sale at RM1.00 per unit pursuant to the initial public offer of AHP Units on 21 September 1990 followed by the listing of AHP on 28 December 1990.

Since the listing of AHP on 28 December 1990, AHP has been distributing its distributable earnings to its unit holders. The net asset value ("**NAV**") of AHP had only increased RM0.10 per AHP Unit since its listing i.e. from RM1.17 per AHP Unit to RM1.27 per AHP Unit as at 30 June 2020.

The ability of AHP to grow its assets vis-à-vis sustainability of its yield moving forward appears challenging after taking into consideration the existing state and outlook of the Malaysian property market. According to the Malaysian Property Market 2019 Report prepared by the Valuation and Property Services Department, the occupancy performance of both purpose-built office and the retail sub sector recorded a decrease as compared to the preceding year. In view of AHP's exposure to both sectors, PNB acknowledge the challenges facing AHP to maintain its dividend yield moving forward.

Further, based on the analysis of the comparable real estate investment trusts with assets portfolio comprising office and commercial properties, AHP has the smallest market capitalisation and assets size of approximately RM168.3 million and RM457.5 million respectively as at 31 December 2019. Given the relatively small market capitalisation of AHP and the present economic and capital market condition, any proposals to expand and restructure the assets of AHP through capital fund raising would be challenging.

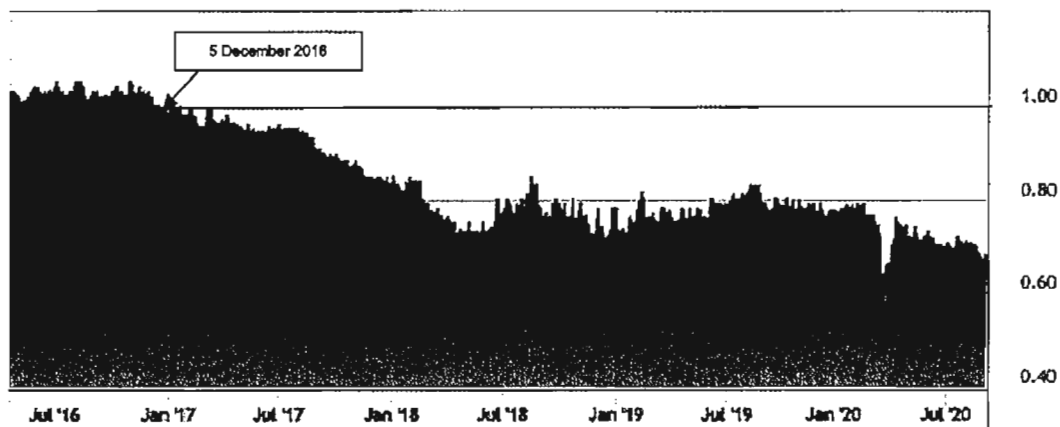
Hence, the Proposals are intended to facilitate the restructuring and rebalancing of AHP's property portfolio which may involve, amongst others, removing from or injecting certain assets into AHP. In view of AHP's current listing status, AHP is subject to comply with the requisite regulatory framework. Any proposals triggering applicable percentage threshold, will require the appointment of advisers and professionals as well as the convening of extraordinary general meetings, which are lengthy and costly. Hence, the Proposed SUR will provide greater flexibility in executing and managing any form of restructuring or corporate exercises.

Further, AHP Units have been thinly traded, recording an average daily trading volume of 27,578 AHP Units for the past 1 year up to the LPD, which represents approximately 0.02% of AHP's total free float. This is relatively low when compared to the average liquidity of shares/units of companies in the property sector traded on Bursa Securities and comparable

APPENDIX VI – A COPY OF THE SUR PROPOSAL LETTER (CONT'D)

listed real estate investment trusts with assets portfolio comprising office and commercial properties.

Additionally, the unit price of AHP has also been trending downwards over the past few years. The most recent date in which AHP Units traded above the SUR Offer Price is in December 2016.



In view of the above, the SUR Offer Price provides an opportunity for the Entitled Unit Holders to realise their investments in AHP in an efficient and expeditious manner at a premium to the prevailing market prices of AHP Units, with the SUR Offer Price representing a premium ranging from 38.89% to 49.25% over the closing price of AHP Units as tabulated in Section 3 of this letter.

5. CONDITIONS PRECEDENT

The completion of the Proposals shall be subject to the fulfilment of all requisite conditions precedent including, but not limited to the following:

- (a) the approval of the unit holders of AHP in relation to the Proposals at the extraordinary general meeting ("EGM") of AHP to be convened;
- (b) the approval of the SC, for the registration of the amended Deed pursuant to the Proposed Amendments;
- (c) the approval of the SC, for the application on conversion of AHP to an Unlisted REIT;
- (d) the approval of the SC, for the application for exemption under Paragraph 1.06 of the Listed REIT Guidelines from having to comply with certain provisions of the Listed REIT Guidelines pursuant to the Proposed SUR;
- (e) the approval of the SC, for the application under Paragraph 1.11 of the Rules on Takeovers, Mergers and Compulsory Acquisitions ("Rules") to extend the time for compliance with certain provisions of the Rules (if necessary) and its consent for the contents and issuance of the circular cum explanatory statement and the independent advice circular to the unit holders of AHP pursuant to the Proposals;

- (f) the approval of Bursa Securities, for the withdrawal of the listing status of AHP from the Official List of Bursa Securities after the completion of the Proposed SUR; and
- (g) the approval of any other third parties in relation to the Proposals (if necessary).

The special resolution for the Proposals to be tabled at the EGM of AHP must be approved by at least a majority in number of the non-interested unit holders and 75% in value to the votes attached to the AHP Units held by the non-interested unit holders that are cast either in person or by proxy at the EGM; and must not be voted against by more than 10% of the votes attaching to all AHP Units held by the non-interested unit holders. ORE, PNB, ASB and persons connected to them will abstain from voting on the special resolution pertaining to the Proposals.

The Proposed Amendments will become effective upon registration of the amended Deed with the SC. The payment of the SUR Consideration to the Entitled Unit Holders will be made as soon as possible after fulfilment of the abovementioned conditions precedent and the registration of the amended Deed with the SC.

6. DIRECTORS' AND MAJOR UNIT HOLDERS' INTEREST

Save as disclosed below, to the best of ORE's knowledge, there are no other directors of the Manager, major unit holders of AHP and/or persons connected to them who are interested in the Proposals.

Interested Directors of the Manager

- (i) Encik Ahmad Zulqarnain bin Che On ("**Encik Ahmad Zulqarnain**"), is the President and Group Chief Executive of PNB and a Non-Independent Non-Executive Director of the Manager;
- (ii) Dato' Johan bin Ariffin ("**Dato' Johan**"), is a Director of PNB and an Independent Non-Executive Chairman of the Manager;
- (iii) Encik Rizal Rickman bin Ramli ("**Encik Rizal Rickman**"), is the Chief Investment Officer – Real Estate of PNB and a Non-Independent Non-Executive Director of the Manager; and
- (iv) Datuk Mohd Anwar bin Yahya ("**Datuk Mohd Anwar**"), is an Independent Non-Executive Director of Amanah Saham Nasional Berhad ("**ASNB**") and an Independent Non-Executive Director of the Manager.

Accordingly, Encik Ahmad Zulqarnain, Dato' Johan, Encik Rizal Rickman and Datuk Mohd Anwar (collectively referred to as the "**Interested Directors**") will abstain from all deliberations and voting on the resolutions pertaining to the Proposals at the relevant meetings of the Board of Directors of the Manager.

None of the Interested Directors own any AHP Units. Nevertheless, the Interested Directors will ensure that all persons connected to them will abstain from voting in respect of their direct and/or indirect unit holding in AHP (if any) on the resolutions pertaining to the Proposals at AHP's EGM to be convened.

Major unit holders

As at the LPD, ORE and ASNB are wholly-owned subsidiaries of PNB. ASNB is the manager of ASB, a major unit holder of AHP. ORE, PNB and ASB collectively hold 101,358,400 AHP Units, representing approximately 46.07% interest in AHP Units. In this regard, ORE, PNB and ASB are interested unit holders pursuant to the Proposals. ORE, PNB and ASB will abstain from voting in respect of their respective direct and/or indirect unit holdings in AHP, on the resolutions pertaining to the Proposals at AHP's EGM to be convened. In addition, ORE, PNB and ASB will ensure that all persons connected to them will abstain from voting in respect of their direct and/or indirect unit holdings in AHP (if any) on the resolutions pertaining to the Proposals at AHP's EGM to be convened.

7. GOVERNING LAW AND DISPUTE RESOLUTION

This Proposal Letter and any agreement constituted by the acceptance of this Proposal Letter shall be governed by the laws of Malaysia and each party will submit to non-exclusive jurisdiction of the courts of Malaysia.

8. ACCEPTANCE PERIOD

If the Board of Directors of the Manager (save for the Interested Directors) is agreeable to take steps to implement the Proposals and to recommend the Proposals to the Entitled Unit Holders upon the terms envisaged in this Proposal Letter, please execute the enclosed duplicate of this Proposal Letter at the place indicated, and return the same to us so as to be received by us no later than 5.00 p.m., 19 October 2020 (or such other date as may be extended by us in writing) after which the Proposals in this Proposal Letter shall lapse.

Yours faithfully,

For and on behalf of the Board of Directors of
Ombak Real Estate Sdn Bhd




AHMAD ZULQARNAIN BIN CHE ON
Director

APPENDIX VI – A COPY OF THE SUR PROPOSAL LETTER (CONT'D)

TO: OMBAK REAL ESTATE SDN BHD

We, Pelaburan Hartanah Nasional Berhad (Registration No. 198801008611 (175967-W)), being the Manager of AHP, together with AmanahRaya Trustees Berhad (Registration No. 200701008892 (766894-T)), being the trustee of AHP, hereby acknowledge receipt of your letter dated 18 September 2020 in relation to the Proposals.



Authorised signatory

Name : Adibah Khairiah binti Ismail @ Daud
Group Company Secretary

Designation :

Date : 18/9/2020 @ 3.27pm

Authorised signatory

Name :

Designation :

Date :

APPENDIX VI – A COPY OF THE SUR PROPOSAL LETTER (CONT'D)

TO: OMBAK REAL ESTATE SDN BHD

We, Pelaburan Hartanah Nasional Berhad (Registration No. 198801008611 (175967-W)), being the Manager of AHP, together with AmanahRaya Trustees Berhad (Registration No. 200701008892 (766894-T)), being the trustee of AHP, hereby acknowledge receipt of your letter dated 18 September 2020 in relation to the Proposals.

Authorised signatory

Name :

Designation :

Date :

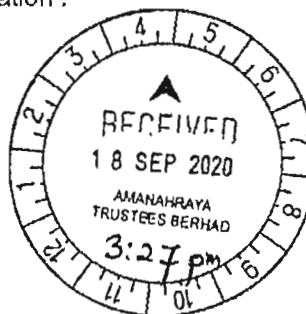
Authorised signatory

AMIR TARMIZI ABDUL HAMID
Head, Operations Department I
AMANAHRAYA TRUSTEES BERHAD

Designation :

Date :

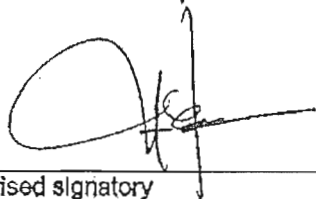
ZULHIDA ABD MAURAD
Head, Legal Department
AMANAHRAYA TRUSTEES BERHAD



APPENDIX VI – A COPY OF THE SUR PROPOSAL LETTER (CONT'D)

TO: OMBAK REAL ESTATE SDN BHD

We, Pelaburan Hartanah Nasional Berhad (Registration No. 198801008811 (175967-W)), being the Manager of AHP, together with AmanahRaya Trustees Berhad (Registration No. 200701008892 (768894-T)), being the trustee of AHP, hereby agree to and accept the terms of your letter dated 18 September 2020 in relation to the Proposals.



Authorised signatory

Name : DATUK WONG TUCK WAI

Designation : INDEPENDENT NON-EXECUTIVE
DIRECTOR

Date : 12 OCT 2020

Authorised signatory

Name :

Designation :

Date :

APPENDIX VI – A COPY OF THE SUR PROPOSAL LETTER (CONT'D)

TO: OMBAK REAL ESTATE SDN BHD

We, Pelaburan Hartanah Nasional Berhad (Registration No. 198801008611 (175967-W)), being the Manager of AHP, together with AmanahRaya Trustees Berhad (Registration No. 200701008892 (766894-T)), being the trustee of AHP, hereby agree to and accept the terms of your letter dated 18 September 2020 in relation to the Proposals.

Authorised signatory

Name :

Designation :

Date :

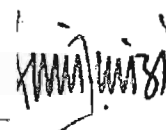
Authorised signatory

Name :

Designation : ZAINUDIN SUHAIMI
Chief Executive Officer
AmanahRaya Trustees Berhad

Date :

12 OCT 2020



TARMIZI ABDUL HAMID
Operations Department 1
AMANHAYA TRUSTEES BERHAD

W M Malik & Kamaruzaman Sdn. Bhd. (412423-T)

PROPERTY SURVEYORS • VALUERS • PROPERTY MANAGERS • ESTATE AGENTS

(formerly W. M. Malik & Kamaruzaman - estd 1969)
3rd Floor, Wisma Yakin, Jalan Melayu, 50100 Kuala Lumpur, Malaysia.
Tel: 03-2698 5522 Fax: 03-2692 5202
email: wmmkj@wmmkj.com website: www.wmmkj.com
Reg. No: VE(1) 0379

Directors:
Wan Malik Mohamed, FRICS, MRISM
Sr Kamaruzaman Jamil, BSc. (Hons) (London), FRISM, FPEPS
Johann Wan Malik, BSc. (Hons) Est. Mgt. (UK), MRISM
Sr Muhammad Zulfadli Kamaruzaman, BSc. (Hons) Est. Mgt. (UK), MRISM

(Valuation Certificate)

6th October 2020

Our Ref: SL 66/20

Chief Executive Officer
AmanahRaya Trustees Berhad
Level 4, Wisma TAS
No. 21, Jalan Melaka
50100 Kuala Lumpur

Dear Sir

**RE: VALUATION CERTIFICATE
PLAZA VADS
LOT 50969, GERAN 23511, MUKIM & DISTRICT OF KUALA LUMPUR
WILAYAH PERSEKUTUAN KUALA LUMPUR
(No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr. Ismail, 60000 Kuala Lumpur)
FOR SUBMISSION TO THE SECURITIES COMMISSION MALAYSIA**

In accordance with the letter of instructions dated 29th September 2020 from AmanahRaya Trustees Berhad, as the Trustee for Amanah Harta Tanah PNB (AHP), we are pleased to submit herein our opinion of the Market Value of the freehold interest in the above-mentioned property. This valuation certificate is prepared for the purpose of submission to the Securities Commission Malaysia in relation to the proposed conversion of Amanah Harta Tanah PNB (AHP) to an unlisted Real Estate Investment Trust.

This Valuation Certificate should be read in the context of the full valuation report bearing Reference No. SL 66/20 dated 6th October 2020, which has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia (revised on 19th January 2017) and the Malaysian Valuation Standards (6th Edition - 2019) issued by the Board of Valuers, Appraisers, Estate Agents & Property Managers Malaysia.

The basis of valuation is Market Value which is defined in the Malaysian Valuation Standards (6th Edition 2019) as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The date of valuation is 28th September 2020, which is the date of inspection.

BRANCHES

Klang : 1st Floor, No. 32, Jalan Tengku Diauddin, 41000 Klang. Tel: 603-3372 1932, 3373 0698 Fax: 603-3372 5945 Reg. No: VE(1) 0379/1
Petaling Jaya: No. 19, Jalan 227-A, 46100 Petaling Jaya. Tel: 603-7955 6454, 7958 8854 Fax: 603-7956 2049 Reg. No: VE(1) 0379/2

W M Malik & Kamaruzaman Sdn. Bhd. (412423-T)

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IDENTIFICATION OF PROPERTY

Subject Property	: Plaza VADS, a 24-storey tower office block with a 5-storey podium annex and a 3-level split-level basement car park.
Address/Location	: No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr. Ismail, 60000 Kuala Lumpur
Lot No	: 50969, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Title No	: Geran 23511
Tenure	: Freehold
Title Land Area	: 6,217 sq. metres or 66,919 sq. ft.
Category of Land Use	: Building
Express Conditions	: a) Tanah ini hendaklah digunakan hanya untuk tapak bangunan Pejabat sahaja. b) Pemilik hendaklah menyelenggarakan kawasan-kawasan ini mengikut kehendak-kehendak yang ditentukan oleh Pihak Berkuasa Tempatan (Local Authority).
Gross Floor Area (GFA)	: 533,948 sq. ft.
Net Lettable Area (NLA)	: 248,376 sq. ft.
Registered Proprietor	: AmanahRaya Trustees Berhad (as Trustee)
Encumbrances	: Charged twice to CIMB Islamic Bank Berhad

GENERAL DESCRIPTION

The subject property is known Plaza VADS, a 24-storey tower office block with a 5-storey podium annex and a 3-level split-level basement car park. It is located at the corner of Jalan Tun Mohd Fuad and Jalan Wan Kadir 5, Taman Tun Dr Ismail (TTDI) about 11 km west of Kuala Lumpur city centre.

TTDI is strategically located at the west fringe of Kuala Lumpur, close to Petaling Jaya and the commercial and residential developments of Bandar Utama, Damansara Kim, Damansara Utama, Mutiara Damansara and Damansara Perdana. The Jalan Wan Kadir area is adjacent to the western grounds of TPC Kuala Lumpur, Taman Rimba Kiara, TTDI Park and Kiara Hill Walk.

The TTDI MRT station (Sg Buloh – Kajang Line) is at the Jalan Wan Kadir area about 400 metres due southwest of Plaza VADS.

W M Malik & Kamaruzaman Sdn. Bhd. (412423-T)

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Land

The land is identified as Lot 50969, Mukim & District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. It is a commercial land with a land area of 6,217 sq. metres (66,919 square feet). It is a corner rectangular site of bounded by a one-way service road running parallel to the main Jalan Tun Mohd Fuad and bounded by Jalan Wan Kadir 5 along its eastern boundary, side lane along its west boundary and a rear lane along its south boundary

Building

The building is a 24-storey tower office block with a 5-storey podium annex and a 3-level split-level basement car park. The building was originally completed in 1987 ageing it at about 33 years. The Certificate of Fitness for Occupation (CFO) was issued in 1987. The office tower was refurbished and upgraded in 2016 with construction of the 5-storey podium annex. The Certificate of Completion and Compliance was issued on 29th January 2016.

The building is basically constructed of reinforced concrete framework, pitch reinforced concrete roof, partly plastered brick walls finished with ceramic tiles and partly tempered glass panels, and concrete floors. The internal walls at the lift lobbies and toilets are finished with ceramic tiles up to ceiling height. Ceiling is of plastered ceiling and suspended mineral fibre boards. Windows are of aluminium framed glass panels with top hung. Floor finishes are mainly ceramic tiles at the lift lobbies, service lobby, pantry, balconies and toilets and cement render at the office and parking area. The office areas are internally finished to the occupiers' choice such as carpet, raised timber floor or vinyl tiles.

The main entrance is secured with two pairs of frameless glass door. Other doors are mainly timber flushed doors, frameless glass doors and fire-rated timber doors.

Vertical access is via thirteen (13) lifts and concrete staircases. Two of the lifts serve the 5-storey podium annex.

The accommodation of the building is as follows:

24-Storey Office Tower	Accommodation
Ground Floor	Lift Lobby, Office Area, AHU room, Male and Female Toilets, Refuse area
Mezzanine Floor	Lift Lobby, Management Office, Office Areas, Motor Room, Lift Lobby, AHU Room, Male and Female Toilets, Electrical Room, Refuse area
1 st to 10 th Floor	Lift Lobby, Office Area, AHU room, Male and Female Toilets
10 th Mezzanine Floor	Lift Lobby, Office Area, AHU room, Male and Female Toilets
11 th Floor	Lift Lobby, Lift Motor room, Pump room and Mechanical room
12 th to 22 nd Floor	Lift Lobby, Office Area, Male and Female Toilets and AHU room (except 12 th Floor)
23 rd Floor	Lift Lobby, Office Area, Male and Female Toilets, AHU room and Lift Motor room
24 th Floor (rooftop)	Lift Motor room and Mechanical room
Lift Motor Room 25 th Floor (rooftop)	Lift Motor room
5-Storey Podium Annex	Accommodation
Ground Floor	Lift Lobby, Retail Space, Male & Female Toilets, M & E rooms, Car Park area
Mezzanine Floor	Lift Lobby, Retail Space, Food Court, Male & Female Toilets
4 th Floor (rooftop)	Roof Garden/Terrace, M & E rooms

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TOWN PLANNING

The subject property is zoned and approved for a commercial building by DBKL.

RENTAL INCOME

The current total rental income of Plaza VADS as at September 2020 is RM918,666.90 per month (equivalent to RM3.95 per sq. ft. of occupied space). The current passing rents are as follows:

Floor	Rent per sq. ft. per month
Ground	RM3.80 to RM6.20
Upper Floors	RM3.80 to RM4.40

OUTGOINGS/EXPENSES

The expenses/outgoings of the subject property for the period of 2017 to 2020 are as follows:

Year	Expenses/Outgoings	RM psf/month
2017	RM4,364,925	RM1.46
2018	RM5,127,611	RM1.72
2019	RM4,210,754	RM1.41
2020 ¹	RM3,277,515	RM1.65

¹ Figures for eight months i.e. up to August 2020

OCCUPANCY RATE

The occupancy rates of Plaza VADS are as follows:

Year	Occupancy Rate
2017	83.76%
2018	75.26%
2019	86.04%
2020 ¹	86.04%

¹ Figures for eight months i.e. up to August 2020

COVID-19 IMPACT

The property market is not spared from the negative impact of the pandemic. The property market performance recorded a sharp decline in the first half of 2020 (H1 2020) compared to the same period last year (H1 2019). The total transactions decreased by 27.9% in volume compared to the same period last year. Kuala Lumpur and Selangor recorded lower occupancy rates at 77.2% and 71.4% respectively compared to H2 2019 (78.3% and 71.6%). However, rental of office space was stable for most office buildings. (Source: Property Market Report H1 2020, JPPH)

The subject property has managed to maintain its occupancy and rental rates. However, the market will be more challenging in the next few years.

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VALUATION

The valuation is on the basis of Market Value. In assessing the Market Value of the interest in perpetuity of the subject property, we have adopted the Income Approach. The Comparison Approach is used as a check.

Income Approach

The Income Approach using the Investment Method is a 2-stage capitalisation (Term & Reversion) of the net rental income of the property at market derived rates of return (yield) consistent with the type and quality of the property, to arrive at the market value. The Term income is the passing rents and is capitalised for the unexpired period of the tenancies, after deducting expenses/outgoings. The Reversion income is derived from market derived rental rates, which is capitalised to perpetuity, after deducting expenses/outgoings.

The parameters adopted in the Income Approach using the Investment Method are as follows:

DESCRIPTION	TERM	REVERSION	REMARKS
24-Storey Office Tower			<u>Term:</u> We have adopted the current passing rents
Ground Floor	RM3.00 to RM3.80 per sq. ft.	RM3.80 per sq. ft.	<u>Reversion:</u> Considered the passing rents and market rentals of similar office buildings which range from RM2.50 to RM6.50 per sq. ft.
Mezzanine	RM2.50 per sq. ft.	RM3.00 per sq. ft.	
Upper Floors	RM3.80 to RM4.40 per sq. ft.	RM4.30 per sq. ft. and RM4.40 per sq. ft.	
5-Storey Podium Annex			<u>Term:</u> We have adopted the current passing rents
Ground Floor	RM6.20 per sq. ft.	RM6.50 per sq. ft.	<u>Reversion:</u> Considered the passing rents and market rentals of similar office buildings which range from RM2.50 to RM6.50 per sq. ft.
Mezzanine	RM4.80 per sq. ft.	RM5.00 per sq. ft.	
Upper Floors	RM3.80 per sq. ft.	RM3.80 per sq. ft.	
Outgoings/ Expenses	RM1.60 per sq. ft.	RM1.65 per sq. ft.	<u>Term:</u> Considered the analysed current outgoings of the subject property which is the actual cost. <u>Reversion:</u> We have adopted a slightly higher rate of RM1.65 per sq. ft. to allow for increase in cost
Yield (Capitalisation Rate)	5.5%	6.0%	<u>Term:</u> Analysis of net yields range from 5.36% to 5.65%. We have adopted 5.5%. <u>Reversion:</u> The slightly higher rate of 6.0% is adopted to reflect the higher risk for reversion rent.
Void Allowance	-	10%	The subject property has achieved occupancy rate of 75% to 86%. We have allowed 10% void to perpetuity which we consider reasonable.

The Income Approach using the Investment Method derived a value of RM137,300,000.00.

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Comparison Approach

The Comparison Approach entails analysis of sales of comparable properties. The sales comparables which are considered in arriving at the market value of the subject property are analysed on the net lettable area (NLA) basis and adjustments have been made to recognise the various differences between the sales comparables and the subject property for time factor, location, tenure, building age/condition, building type and size.

We have considered the following sales comparables which are similar purpose-built office buildings with NLA of more than 100,000 sq. ft.

Transactions:	Comparable 1	Comparable 2	Comparable 3
Address	UOA Corporate Tower, Avenue 10, Vertical Tower, Bangsar South, KL	Wisma CIMB No. 11, Jalan Pantai Jaya (Jalan 4/83A), Kuala Lumpur	The Ascent, Paradigm No 1, Jalan SS7/26A, Kelana Jaya, Petaling Jaya, Selangor
Type	38/S Office Tower	5/S Office	31/S Office with retail
Title/Lot No	PN15978, Lot 102 Town Petaling Jaya, District Petaling, Selangor	GRN 68832, Lot 57687 Mukim/District KL, WP KL	PN 107088, Lot 72658, Section 40, Town of Petaling Jaya & District of Petaling, Selangor
Tenure	99 years lease, expiry 16/08/2106 (86 years unexpired)	Freehold	99 years lease, expiry 9-Feb-2111 (91 years unexpired)
Transaction Date	28 September 2020	8 June 2018	23 February 2017
Net Lettable Area (NLA)	732,871 sq. ft.	157,089 sq. ft.	516,633 sq. ft.
Consideration	RM700,000,000	RM120,000,000	RM347,000,000
Price per sq. ft.	RM955.15 per sq. ft.	RM763.90 per sq. ft.	RM671.66 per sq. ft.
Source	Bursa Malaysia Company Announcement	JPPH	Bursa Malaysia Company Announcement
Adjustment Factors	Time, location, building age/condition, building type, parking, size (net lettable area), tenure		
Adjusted Value per sq. ft.	RM573.09 per sq. ft.	RM540.55 per sq. ft.	RM553.33 per sq. ft.

The adjusted value per sq. ft. range from about RM541 to RM573 per sq. ft. Comparable 1 is the most recent sale but the sale is yet to be completed. Comparison 3 with adjusted value of RM553.33 per sq. ft. has the least dissimilarities with the subject property. We therefore value the subject property using the Comparison Approach at RM550.00 per sq. ft. to arrive at the Market Value of RM136,600,000.

Reconciliation of Value

The Income Approach using the Investment Method derived a market value of RM137,300,000. The Comparison Approach derived a market value of RM136,600,000. We have relied more on the Income Approach because the subject property is an income generating property, supported by the rental income.

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Value

Considering all the above, we are of the opinion that the Market Value of the freehold interest in the subject property, Lot 50969, Geran 23511, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur built upon with Plaza VADS, a 24-storey tower office block with a 5-Storey podium annex and a 3-level split-level basement car park bearing postal address No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, free from encumbrances and subject to the existing tenancies is RM137,300,000.00 (Ringgit Malaysia One Hundred Thirty-Seven Million Three Hundred Thousand Only).

Yours faithfully
for and on behalf of
W M Malik & Kamaruzaman Sdn. Bhd.
Property Surveyors•Valuers•Property Managers•Estate Agents



Sr Kamaruzaman Jamil, BSc (Hons)(London), FRISM, FPEPS
Managing Director
Registered Valuer V-272
Ref. No.: SL 66/20

KJ/MZK/r

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Johann Wan Malik, BSc. (Hons) Est. Mgt. (UK), MRISM
Sr Muhammad Zulfadli Kamaruzaman, BSc. (Hons) Est. Mgt. (UK), MRISM

(Valuation Certificate)

6th October 2020

Our Ref: SL 377/14-20

Chief Executive Officer
AmanahRaya Trustees Berhad
Level 4, Wisma TAS
No. 21, Jalan Melaka
50100 Kuala Lumpur

Dear Sirs

**RE: VALUATION CERTIFICATE
BANGUNAN AHP
LOT 29508, HSD 4928, MUKIM & DISTRICT OF KUALA LUMPUR
WILAYAH PERSEKUTUAN KUALA LUMPUR
(No. 2, Jalan Tun Mohd Fuad 3, Taman Tun Dr. Ismail, 60000 Kuala Lumpur)
FOR SUBMISSION TO THE SECURITIES COMMISSION MALAYSIA**

In accordance with the letter of instructions dated 29th September 2020 from AmanahRaya Trustees Berhad, as the Trustee for Amanah Harta Tanah PNB (AHP), we are pleased to submit herein our opinion of the Market Value of the freehold interest in the above-mentioned property. This valuation certificate is prepared for the purpose of submission to the Securities Commission Malaysia in relation to the proposed conversion of Amanah Harta Tanah PNB (AHP) to an unlisted Real Estate Investment Trust.

This Valuation Certificate should be read in the context of the full valuation report bearing Reference No. SL 377/14-20 dated 6th October 2020, which has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia (revised on 19th January 2017) and the Malaysian Valuation Standards (6th Edition - 2019) issued by the Board of Valuers, Appraisers, Estate Agents & Property Managers Malaysia.

The basis of valuation is Market Value which is defined in the Malaysian Valuation Standards (6th Edition 2019) as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The date of valuation is 28th September 2020, which is the date of inspection.

BRANCHES

Klang : 1st Floor, No. 32, Jalan Tengku Diauddin, 41000 Klang. Tel: 603-3372 1932, 3373 0698 Fax: 603-3372 5945 Reg. No: VE(1) 0379/1
Petaling Jaya : No. 19, Jalan 227-A, 46100 Petaling Jaya. Tel: 603-7955 6454, 7958 8854 Fax: 603-7956 2049 Reg. No: VE(1) 0379/2

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PROPERTY IDENTIFICATION

Subject Property	: Bangunan AHP
Address/Location	: No. 2, Jalan Tun Mohd Fuad 3, Taman Tun Dr. Ismail, 60000 Kuala Lumpur
Property Description/Type	: 4-storey office building with one (1) level of sub-basement car park
Lot No	: Lot 29508, Mukim and District of Kuala Lumpur, Wilayah Persekutuan KL
Title No	: HSD 4928
Tenure	: Freehold
Title Land Area	: 8,200.748 square metres (about 88,272 square feet) (Note: The surveyed land area is 7,908 sq. metres or 85,121 sq. ft.)
Gross Floor Area (GFA)	: 173,847 square feet
Net Lettable Area (NLA)	: 94,414 square feet
Registered Proprietor	: AmanahRaya Trustees Berhad (as Trustee)
Express Condition	: Tanah yang dimaksudkan ini hendaklah digunakan untuk perdagangan.
Restrictions in Interest	: Nil
Encumbrances	: Nil
Others	: 3,460 square feet acquired by the State Authority vide Pers. No. 1681/1982 dated 1/6/1982.

GENERAL DESCRIPTION

Bangunan AHP is located within one of the commercial hubs of Taman Tun Dr. Ismail (TTDI). It is located at the corner of Jalan Tun Mohd Fuad 3 and Jalan Tun Mohd Fuad 1 about 11 km west of Kuala Lumpur city centre.

TTDI is strategically located at the west fringe of Kuala Lumpur, close to Petaling Jaya and the commercial and residential developments of Bandar Utama, Damansara Kim, Damansara Utama, Mutiara Damansara and Damansara Perdana. The Jalan Wan Kadir area which is to the immediate south of Jalan Tun Mohd Fuad, is adjacent to the western grounds of TPC Kuala Lumpur, Taman Rimba Kiara, TTDI Park and Kiara Hill Walk.

The TTDI MRT station (Sg Buloh – Kajang Line) is at the Jalan Wan Kadir area about 1km to the south of Bangunan AHP. The western grounds of TPC Kuala Lumpur, Taman Rimba Kiara, TTDI Park and Kiara Hill Walk are towards the east.

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Land

The land is legally known as Lot 29508, HSD 4928, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. It is a corner site, rectangular in shape, flat in terrain and lies at the same level with the frontage road. At the rear is Jalan Tun Mohd Fuad 4. The provisional area as per title is 8,200.748 square metres (approximately 88,272 square feet). The surveyed land area is 7,908 square metres or 85,121 square feet with a frontage of about 285 feet and average depth of about 265 feet.

Building

The building was a 4-storey shopping centre with one (1) level of sub-basement car park completed in 1988 hence about 32 years of age. It was renovated and converted to an office building and issued with the Certificate of Fitness for Occupation (CFO) dated 21st February 2001 (about 19 years old post renovation).

The building is basically constructed of reinforced concrete frame, concrete flat roof, plastered brick walls and concrete floors. Its façade is finished with aluminium cladding and homogenous tiles. Ceiling is mainly of plastered ceiling and suspended mineral fibre boards. The floors are generally finished with marble for the entrance lobby, cement render for office areas, and ceramic tiles for toilets. The office areas are further laid with carpet, ceramic tiles or laminated timber flooring by the tenants.

The main entrance is secured with a pair of automatic frameless glass doors. Internal doors are mainly of timber flush type and aluminium framed glass doors. Windows are of tinted glass in aluminium casements. Vertical access is via three (3) lifts and concrete staircases. The building is in good condition and well maintained.

The gross floor area of the building is approximately 173,847 square feet whilst the total net lettable area is approximately 94,414 square feet. The building is in good condition and well maintained.

On-Going Extension Work

At the time of inspection, extension and renovation work was in progress at the front entrance at ground and first floor (two-storey) of the building, about 39% completed as at 21/8/2020. The extension has received approval from Dewan Bandaraya Kuala Lumpur (DBKL) via letter dated 10/9/2020. The extension will create retail and F&B outlets with an additional net lettable area of 4,475 sq. ft. Construction is basically of steel frame structure, concrete floor, metal roof and brickwalls. The total estimated cost to full completion for the extension is about RM2,782,080.

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Vertical access is via three (3) lifts and concrete staircases. The accommodation of the building is as follows:

Level (as per building plan)	Floor (as noted at building)	Accommodation
Basement	Basement	80 Car Park Bays, Mechanical & Electrical Rooms
Level 1	Ground	Entrance Lobby, Lift Lobby, Office Areas, Banking Hall, Control room, Genset room, TNB Substation, Loading Bay, Refuse Chamber, AHU room, Male and Female Toilets
Level 2	First	Lift Lobby, Office Areas, AHU room, Male and Female Toilets
Level 3	Second	Lift Lobby, Office Areas, AHU room, Male and Female Toilets
Level 4	Third	Lift Lobby, Office Areas, AHU room, Male and Female Toilets
Roof	Rooftop	Air-conditioning Chiller room, Mechanical & Electrical rooms
Extension	Ground	Retail / F&B units
Extension	First	Retail / F&B units, Male and female Toilets

TOWN PLANNING

The subject property is zoned and approved for a commercial building by DBKL.

RENTAL INCOME

The current total rental income of Bangunan AHP as at September 2020 is RM365,673.72 per month (equivalent to RM3.49 per sq. ft. of occupied space). The current passing rents are as follows:

Floor	Rent per sq. ft. per month
Ground	RM4.70 to RM5.35
Upper Floors	RM2.50 to RM3.60

OUTGOINGS/EXPENSES

The expenses/outgoings of the subject property for the period of 2017 to 2020 are as follows:

Year	Expenses/Outgoings	RM psf/month
2017	RM1,989,442	RM1.77
2018	RM2,337,528	RM2.06
2019	RM2,065,563	RM1.82
2020 ¹	RM1,413,469	RM1.87
	Ave. 2017 to 2019	RM1.88
	Ave. 2017 to 2020	RM1.87

¹ Figures for eight months i.e. up to August 2020

The expenses/outgoings of the subject property range from RM1.77 to RM2.06 per sq. ft. We have adopted the monthly outgoings rate of RM1.85 per sq. ft. for the term period and RM1.90 per sq. ft. for the Reversion.

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OCCUPANCY RATE

The occupancy rates of Bangunan AHP are as follows:

Year	Occupancy
2017	41.77%
2018	52.40%
2019	80.93%
2020 ¹	92.73%

¹ Figures for eight months i.e. up to August 2020

Based on the above, we are of the opinion a void allowance of 10% per annum to perpetuity is reasonable for the subject property.

COVID-19 IMPACT

The property market is not spared from the negative impact of the pandemic. The property market performance recorded a sharp decline in the first half of 2020 (H1, 2020) compared to the same period last year (H1, 2019). The total transactions decreased by 27.9% in volume compared to the same period last year. Kuala Lumpur and Selangor recorded lower occupancy rates at 77.2% and 71.4% respectively compared to H2, 2019 (78.3% and 71.6%). However, rental of office space was stable for most office buildings. (Source: Property Market Report H1, 2020, JPPH)

The subject property has managed to maintain its occupancy and rental rates. However, the market will be more challenging in the next few years.

VALUATION

The valuation is on the basis of Market Value. In assessing the Market Value of the interest in perpetuity of the subject property, we have adopted the Income Approach. The Comparison Approach is used as a check.

Income Approach

The Income Approach using the Investment Method is a 2-stage capitalisation (Term & Reversion) of the net rental income of the property at market derived rates of return (yield) consistent with the type and quality of the property, to arrive at the market value. The Term income is the passing rents and is capitalised for the unexpired period of the tenancies, after deducting expenses/outgoings. The Reversion income is derived from market derived rental rates, which is capitalised to perpetuity, after deducting expenses/outgoings.

APPENDIX VII – VALUATION CERTIFICATES DATED 6 OCTOBER 2020 ON THE REAL ESTATE ASSETS (CONT'D)

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The parameters adopted in the Income Approach using the Investment Method are as follows:

DESCRIPTION	TERM	REVERSION	REMARKS
Ground Floor	RM4.70 to RM5.35 per sq. ft.	RM5.00 per sq. ft.	<u>Term:</u> We have adopted the current passing rents
Upper Floors	RM2.00 to RM3.60 per sq. ft.	RM3.60 per sq. ft.	<u>Reversion:</u> Considered the passing rents and market rentals of similar office buildings which range from RM2.50 to RM6.50 per sq. ft.
Outgoings/ Expenses	RM1.85 per sq. ft.	RM1.90 per sq. ft.	<u>Term:</u> Considered the analysed current outgoings of the subject property which is the actual cost. <u>Reversion:</u> We have adopted a slightly higher rate of RM1.90 per sq. ft. to allow for increase in cost
Yield (Capitalisation Rate)	5.5%	6.0%	<u>Term:</u> Analysis of net yields range from 5.22% to 5.64%. We have adopted 5.5%. <u>Reversion:</u> The slightly higher rate of 6.0% is adopted to reflect the higher risk for reversion
Void Allowance	-	10%	The subject property has achieved occupancy rate of 80.93% in 2019 and currently at 92.73%. We have allowed 10% void to perpetuity which we consider reasonable

The Income Approach using the Investment Method gives a value of RM42,500,000.00.

Comparison Approach

The Comparison Approach entails analysis of sales of comparable properties. The sales comparables which are considered in arriving at the market value of the subject property are analysed on the net lettable area (nla) basis and adjustments have been made to recognise the various differences between the sales comparables and the subject property for time factor, location, tenure, building age/condition, building type and size.

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We have considered the following comparables:

Transactions:	Comparable 1	Comparable 2	Comparable 3
Address	Intan Square No. 3, Lorong Utara C, Sec 19, PJ, Selangor	Wisma CIMB No. 11, Jalan Pantai Jaya (Jalan 4/83A), Kuala Lumpur	Menara I&P, Jalan Dungun, Bukit Damansara, Kuala Lumpur
Type	8/S Office	5/S Office	14/S Office
Title/Lot No	PN15978, Lot 102 Town Petaling Jaya, District Petaling, Selangor	GRN 68832, Lot 57687 Mukim/District KL, WP KL	HSD 75780, Lot 474826, Mukim/District KL, WP KL
Tenure	Leasehold 99 years, expiry 19/05/2102 (82 years unexpired)	Freehold	Freehold
Transaction Date	1 August 2019	8 June 2018	28 November 2017
Net Lettable Area (NLA)	51,667 sq. ft.	157,089 sq. ft.	94,310 sq. ft.
Consideration	RM27,500,000	RM120,000,000	RM65,000,000
Price per sq. ft.	RM532.25 per sq. ft.	RM763.90 per sq. ft.	RM689.22 per sq. ft.
Source	JPPH	JPPH	JPPH
Adjustment Factors	Time, location, building age/condition, building type, parking, size (net lettable area), tenure		
Adjusted Value per sq. ft.	RM424.64 per sq. ft	RM476.96 per sq. ft.	RM432.12 per sq. ft.

The adjusted value per sq. ft. of NLA range from about RM423 to RM477 per sq. ft. The subject property has a NLA of 94,414 sq. ft. We are of the opinion, Comparable 3 is the best comparable as it has a similar NLA as compared to the subject property, i.e. 94,310 sq. ft. We therefore value the subject property using the Comparison Approach at RM430.00 per sq. ft. to arrive at the Market Value of RM40,600,000.

Reconciliation of Value

The Income Approach using the Investment Method derived a market value of RM42,500,000. The Comparison Approach derived a market value of RM40,600,000. We have relied more on the Income Approach because the subject property is an income generating property, supported by the rental income.

The extension work is about 39% completed as at 21/8/2020 and is valued at 39% of the total estimated cost of RM2,782,080 to full completion, rounded to RM1,100,000.

The total market value is as follows:

Market Value of Bangunan AHP	-	RM42,500,000.00
Value of Extension (39% completed)	-	RM 1,100,000.00
Total Market Value	-	RM43,600,000.00

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Value

Considering all the above, we are of the opinion that the Market Value of the freehold interest in the subject property, Lot 29508, HSD 4928, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur built upon with Bangunan AHP, a 4-storey office building with one (1) level of sub-basement car park bearing postal address No. 2 Jalan Tun Mohd Fuad 3, Taman Tun Dr. Ismail, Kuala Lumpur, free from encumbrances and subject to the existing tenancies is RM43,600,000.00 (Ringgit Malaysia Forty-Three Million Six Hundred Thousand Only).

Yours faithfully
for and on behalf of
W M Malik & Kamaruzaman Sdn. Bhd.
Property Surveyors•Valuers•Property Managers•Estate Agents



Sr Kamaruzaman Jamil, BSc (Hons)(London), FRISM, FPEPS
Managing Director
Registered Valuer V-272
Ref. No.: SL 377/14-20

KJ/MZK/r

W M Malik & Kamaruzaman Sdn. Bhd. (412423-T)

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Sr Kamaruzaman Jamil, BSc. (Hons) (London), FRISM, FPEPS
Johann Wan Malik, BSc. (Hons) Est. Mgt. (UK), MRISM
Sr Muhammad Zulfadli Kamaruzaman, BSc. (Hons) Est. Mgt. (UK), MRISM

(Valuation Certificate)

6th October 2020

Our Ref: NS 12/14-20

Chief Executive Officer
AmanahRaya Trustees Berhad
Level 4, Wisma TAS
No. 21, Jalan Melaka
50100 Kuala Lumpur

Dear Sir

**RE: VALUATION CERTIFICATE
MYDIN HYPERMARKET SEREMBAN 2
LOT 50454, GRN 273548 (formerly Lot PT 557, HSD 206530)
BANDAR SEREMBAN UTAMA, DISTRICT OF SEREMBAN
NEGERI SEMBILAN DARUL KHUSUS
(Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus)
FOR SUBMISSION TO THE SECURITIES COMMISSION MALAYSIA**

In accordance with the letter of instructions dated 29th September 2020 from AmanahRaya Trustees Berhad, as the Trustee for Amanah Harta Tanah PNB (AHP), we are pleased to submit herein our opinion of the Market Value of the interest in perpetuity of the above-mentioned property. This valuation certificate is prepared for the purpose of submission to the Securities Commission Malaysia in relation to the proposed conversion of Amanah Harta Tanah PNB (AHP) to an unlisted Real Estate Investment Trust.

This Valuation Certificate should be read in the context of the full valuation report bearing Reference No. NS 12/14-20 dated 6th October 2020 which has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia (revised on 19th January 2017) and the Malaysian Valuation Standards (6th Edition - 2019) issued by the Board of Valuers, Appraisers, Estate Agents & Property Managers Malaysia.

The basis of valuation is Market Value which is defined in the Malaysian Valuation Standards (6th Edition 2019) as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The date of inspection is 26th September 2020. The date of valuation is 28th September 2020 as required by the client.

BRANCHES

Klang : 1st Floor, No. 32, Jalan Tengku Diauddin, 41000 Klang. Tel: 603-3372 1932, 3373 0698 Fax: 603-3372 5945 Reg. No: VE(1) 0379/1
Petaling Jaya : No. 19, Jalan 227-A, 46100 Petaling Jaya. Tel: 603-7955 6454, 7958 8854 Fax: 603-7956 2049 Reg. No: VE(1) 0379/2

W M Malik & Kamaruzaman Sdn. Bhd. (412423-T)

PROPERTY SURVEYORS • VALUERS • PROPERTY MANAGERS • ESTATE AGENTS

IDENTIFICATION OF PROPERTY

Subject Property	: Mydin Hypermarket Seremban 2, a 3-storey mall cum hypermarket building with two (2) levels of sub-basement
Address/Location	: Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus
Lot No	: 50454 (formerly Lot PT 557), Bandar Seremban Utama, District of Seremban, Negeri Sembilan Darul Khusus
Title No	: GRN 273548 (formerly HSD 206530)
Tenure	: Perpetuity
Title Land Area	: 54,170 sq. metres (about 583,080 sq. ft. or 13.386 acres)
Category of Land Use	: Building
Express Condition	: Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja.
Restrictions in Interest	: Tanah yang diberimilik ini tidak boleh dipindahmilik, dipajak, digadai atau dicagarkan melainkan dengan kebenaran Pihak Berkuasa Negeri.
Gross Floor Area (GFA)	: 103,522.00 sq. metres (1,114,301.44 sq. ft.)
Net Lettable Area (NLA)	: 40,008.00 sq. metres (430,642.47 sq. ft.)
Registered Proprietor	: AmanahRaya Trustees Berhad (as Trustee)
Encumbrances	: Charged to Maybank Islamic Berhad vide Presn. No. 1774/2017 registered on 2 nd February 2017.

GENERAL DESCRIPTION

The subject property is known as Mydin Hypermarket Seremban 2, bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus. It is located in the commercial centre known as S2 Centrio, Seremban 2, Negeri Sembilan Darul Khusus, about 7 km south-west of Seremban town centre. Nilai, Bangi and Kuala Lumpur city centre are about 30 km, 45 km and 70 km respectively all situated due north of Seremban 2.

The subject property is a 3-storey mall cum hypermarket building with two (2) levels of sub-basement, comprising the following:

- Sub-Basement 2 : Car Park
- Sub-Basement 1 (Lower Ground) : Car Park, Lower Ground Entrance to Mall Area, Shoplots
- Ground Floor : Open and Covered Car Park, Porch, Main Entrance to Mall Area, Shoplots, 2nd Entrance to Mall Area
- First Floor : Mall Area (shoplots), Hypermarket, Stores (Mezzanine Level)
- Second Floor : Mall Area (shoplots), Hypermarket, Staff Dormitory & Stores (Mezzanine Level)

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The subject property is operated and managed by Mydin. Mydin Hypermarket is the major occupier of the subject property occupying two (2) floors of hypermarket space. The Mall Area is adjacent to the hypermarket and are at the Lower Ground Floor to the Second Floor and comprises of shoplots, bazaar lots, kiosks, promotion space, push carts and massage chairs area, let to various tenants by Mydin. The Mall Area also has mini anchor tenants namely Rasa Village Food Court and Ole-Ole Super Bowl. The shoplots are occupied as retail and food & beverage outlets.

Land

The land is identified as Lot 50454 (formerly Lot PT 557), Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan Darul Khusus. It has a land area of 54,170 sq. metres (about 583,080 sq. ft. or 13.386 acres) held in perpetuity. The land is more or less regular shaped with a rounded eastern boundary and bounded by roads on all sides including main road frontages to Persiaran Utama S2/2 at the north, Persiaran S2/B7 at the west and Persiaran S2/B4 at the south. The land gradually ascends from Persiaran S2/M at the east boundary towards the western boundary.

Building

The building is a purpose-built 3-storey mall cum hypermarket building with two (2) levels of sub-basement. The Mall Area is in 4 levels (lower ground, ground, first & second floors) adjoining the Mydin Hypermarket which has high ceiling are at the first and second floors. It is basically constructed of steel framework and reinforced concrete framework with part reinforced concrete roof and mainly metal deck sheets roof with fiberglass insulation, plastered brick walls and reinforced concrete floor slabs. The external wall façade is clad with light blue colour external aluminium panels.

The gross floor area and net lettable area of the subject property are 103,522.00 sq. m. (1,114,301.44 sq. ft.) and 40,008.00 sq. m. (430,642.47 sq. ft.) respectively. It has a total of 1,454 car parking bays and 223 motorcycle bays available at the ground floor (open and covered) and in the 2 sub-basements.

The subject property was completed about 7 years ago. The official opening was in December 2013 and was issued with a Certificate of Completion and Compliance (CCC) on 8th January 2014.

TOWN PLANNING

The subject property is zoned and approved for commercial use as stated in the land title.

LEASE AGREEMENT

The subject property is leased for thirty (30) years comprising ten (10) terms vide Lease Agreement dated 21st September 2016 between AmanahRaya Trustees Berhad (on behalf of AHP, as Lessor) and Mydin Mohamed Holdings Berhad (Mydin, the Lessee). The commencement date is 13th September 2016 and expiring on 12th September 2046. The lease is currently in the second term (13th September 2020 to 12th September 2024).

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RENTAL INCOME

As per the Lease Agreement, the initial rent is a guaranteed net yield of 7% per annum of the purchase price of RM240,000,000 (Sale & Purchase Agreement dated 19th September 2016), for the 1st Term with a 10% increase of the last preceding rent for each subsequent term.

Period	Rental
Term 1 (4 years) (13 Sept 2016 to 12 Sept 2020)	RM1,400,000.00 per month (RM3.25 psf) or RM16,800,000 per annum
Term 2 (4 years) (current term) (13 Sept 2020 to 12 Sept 2024)	RM1,540,000.00 per month (RM3.58 psf) or RM18,480,000.00 per annum
Term 3 (3 years) (13 Sept 2024 to 12 Sept 2027)	RM1,694,000.00 per month (RM3.93 psf) or RM20,328,000.00 per annum
Term 4 (3 years) (13 Sept 2027 to 12 Sept 2030)	RM1,863,400.00 per month (RM4.33 psf) or RM22,360,800.00 per annum
Term 5 (3 years) (13 Sept 2030 to 12 Sept 2033)	RM2,049,740.00 per month (RM4.76 psf) or RM24,596,880.00 per annum
Term 6 (3 years) (13 Sept 2033 to 12 Sept 2036)	RM2,254,714.00 per month (RM5.24 psf) or RM27,056,568.00 per annum
Term 7 (3 years) (13 Sept 2036 to 12 Sept 2039)	RM2,480,185.42 per month (RM5.76 psf) or RM29,762,225.00 per annum
Term 8 (3 years) (3 Sept 2039 to 12 Sept 2042)	RM2,728,203.92 per month (RM6.34 psf) or RM32,738,447.00 per annum
Term 9 (3 years) (13 Sept 2042 to 12 Sept 2045)	RM3,001,024.33 per month (RM6.97 psf) or RM36,012,292.00 per annum
Term 10 (1 year) (13 Sept 2045 to 12 Sept 2046)	RM3,301,126.75 per month (RM7.67 psf) or RM39,613,521.00 per annum

The current rent is RM1,540,000 per month or RM18,480,000 per annum (RM3.58 per sq. ft.).

OUTGOINGS/EXPENSES

The subject property is leased on Triple Net Basis. The Lessor's expenses/outgoings are minimal, currently at RM58,932 per annum, being responsible only for the property manager's fee and insurance for consequential loss of rent. All other expenses/outgoings of the building are borne by Mydin. The estimated expenses/outgoings for whole building based on expenses incurred by Mydin as operator plus the Lessor's expenses for the period of 2017 to 2019 are as follows:

Year	Expenses/Outgoings	RM psf/month
2017	RM8,348,960	RM1.62
2018	RM8,054,174	RM1.56
2019	RM9,431,657	RM1.83

The outgoings consist of assessment, quit rent, insurance, water, sewerage, property manager's fee, security, repair & maintenance and capital expenditure. Based on the above, we have adopted RM1.85 per sq. ft. for expenses/outgoings to be deducted from the Reversion income to arrive at the net rental income.

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COVID-19 IMPACT

The Southern Region property market performance softened in H1, 2020. The volume and value of transactions decreased by 29.5% and 39.6% respectively as compared to H1, 2019. The retail sub-sector softened as the average occupancy rate declined in Negeri Sembilan to 69.4% (H2, 2019: 69.8%). However, rentals were largely stable across the board. (Source: Property Market Report H1, 2020, JPPH)

The few years ahead will be challenging for the retail property market in Negeri Sembilan and will impact negatively on rental rates and occupancy.

VALUATION

The valuation is on the basis of Market Value. In assessing the Market Value of the interest in perpetuity of the subject property, we have adopted the Income Approach. The Comparison Approach is used as a check.

Income Approach

The Income Approach using the Investment Method is a 2-stage capitalisation (Term & Reversion) of the net rental income of the subject property at market derived rates of return (yield) consistent with the type and quality of the property, to arrive at the market value. The subject property is leased on Triple Net Basis for thirty (30) years comprising ten (10) terms with a 10% step up rent after each term. This is the Term income and the rental income flows are capitalised for the duration of the lease, after deducting the lessor's outgoings. The Reversion income is derived from market derived rental rates, capitalised to perpetuity, after deducting expenses/outgoings.

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The parameters adopted in the Income Approach using the Investment Method are as follows:

DESCRIPTION	TERM	REVERSION	REMARKS
Rent	As per rentals in the Lease Agreement (30 years lease) (refer Rental Income table above) The current term rent is RM1,540,000 per month or RM18,480,000 per annum (RM3.58 per sq. ft.) Final term rent is RM RM3,301,126.75 per month or RM39,613,521.00 per annum (RM7.67 per sq. ft.)	RM2.50 per sq. ft.	<u>Term:</u> The rent for the term are actual rent payable by the lessee for the duration of the lease <u>Reversion:</u> Considered the rent paid for whole hypermarket/shopping centre: - Aeon Mall Kinta City, Ipoh @ RM2.12 per sq. ft. - Mydin Hypermall, Bukit Mertajam @ RM2.53 per sq. ft. - Tesco Taman Bukit Indah, Johor Bahru @ RM2.78 per sq. ft.
Outgoings/ Expenses	For current term (13 Sept 2020 to 12 Sept 2024): Lessor's insurance – M36,036.00 Property manager's fee – RM22,896.00 <u>Subsequent term:</u> Increase by 10% for each term	RM1.85 per sq. ft.	<u>Term:</u> Actual outgoings incurred by lessor <u>Reversion:</u> This is based outgoings/expenses incurred by Mydin plus lessor's outgoings/expenses
Yield (Capitalisation Rate)	8.0%	7.0%	<u>Term:</u> Analysis of net yields range from 6.48% to 7.84%. A higher rate is used to reflect the high rent rate compared to market rate <u>Reversion:</u> The rate adopted is within the range of analysed net yields
Void Allowance	-	25%	The retail sub-sector average occupancy rate declined in Negeri Sembilan to 69.4% in H1, 2020 (H2, 2019: 69.8%) (Property Market Report H1, 2020). In view of the above, we have adopted 25.0% for the subject property

The Income Approach using the Investment Method derived a value of RM252,000,000.00.

Comparison Approach

The Comparison Approach entails analysis of sales of comparable properties. The sales comparables which are considered in arriving at the market value of the subject property are analysed on the net lettable area (NLA) basis and adjustments have been made to recognise the various differences between the sales comparables and the subject property for time factor, location, tenure, building age/condition, building type and size.

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There are no recent transactions of similar properties. We have considered the following comparables:

Transactions:	Comparable 1	Comparable 2	Comparable 3
Address	Aeon Mall Kinta City Jalan The Lean Swee, Taman Ipoh Selatan, Ipoh, Perak	Mydin Mall Gong Badak Dataran Austin, Jalan Gong Pak Damat, Kuala Terengganu, Terengganu	Aeon Mall Seremban 2 Persiaran S2 B1, Seremban 2, Negeri Sembilan
Type	3/S Shopping Mall	2/S Hypermarket	3/S Shopping Mall
Title/Lot No	GRN 72619, Lot 320549 Mukim Hulu Kinta, District Kinta, Perak	PN 10207 Lot 52606, Mukim & District Kuala Nerus, Terengganu	GRN 145168/ GRN 145188, Lots 27052 & 27071, Town/District Seremban, Negeri Sembilan
Tenure	Freehold	Leasehold 99 Years expiring on 26 Dec 2109 (about 89 years of unexpired term)	Freehold
Transaction Date	30 November 2018	2 October 2017	26 April 2016
Net Lettable Area (NLA)	589,232 sq. ft.	245,257 sq. ft.	397,931 sq. ft.
Consideration	RM208,000,000	RM155,000,000	RM215,000,000
Price per sq. ft.	RM392.32 per sq. ft.	RM631.99 per sq. ft.	RM540.29 per sq. ft.
Source	JPPH/Bursa Malaysia Company Announcement	JPPH/Bursa Malaysia Company Announcement	JPPH
Adjustment Factors	Time, location, building age/condition, building type, size (net lettable area), tenure		
Adjusted Value per sq. ft.	RM465.41 per sq. ft.	RM562.30 per sq. ft.	RM584.93 per sq. ft.

The adjusted value per sq. ft. of NLA range from about RM465 to RM585 per sq. ft. The subject property has a NLA of 430,642.47 sq. ft. Based on the analyses, we are of the opinion, Comparable 3 is the best comparable as it has about the same NLA of 397,931 sq. ft. and also located in Seremban 2. We therefore value the subject property using the Comparison Approach at RM585.00 per sq. ft. to arrive at the Market Value of RM252,000,000.

Reconciliation of Value

Both the Income Approach using the Investment Method and the Comparison Approach derived the same market value of RM252,000,000. However, we have relied more on the Income Approach because the subject property is an income generating property, supported by the rental income.

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Value

Considering all the above, we are of the opinion the Market Value of the interest in perpetuity of the subject property, Lot 50454, GRN 273548 (formerly Lot PT 557, HSD 206530), Bandar Seremban Utama, District of Seremban, Negeri Sembilan Darul Khusus built upon with Mydin Hypermarket Seremban 2, a 3-storey mall cum hypermarket building with two (2) levels of sub-basement bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus, free from encumbrances and subject to the existing lease is RM252,000,000.00 (Ringgit Malaysia Two Hundred Fifty-Two Million Only).

Yours faithfully
for and on behalf of
W M Malik & Kamaruzaman Sdn. Bhd.
Property Surveyors•Valuers•Property Managers•Estate Agents



Sr Kamaruzaman Jamil, B.Sc (Hons)(London), FRISM, FPEPS
Managing Director
Registered Valuer V-272
Ref. No.: NS 12/14-20

KJ/MZK/r

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Document has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information contained in this Document and confirm, that after having made all reasonable enquiries and to the best of their knowledge and belief that:

- (i) they have taken reasonable care to ensure the facts stated and opinions expressed herein are fair and accurate and have been arrived at after due and careful consideration;
- (ii) there are no false or misleading statements and/or information in this Document; and
- (iii) there are no other facts and/or information not contained in this Document, the omission of which would make any statement or information in this Document false or misleading.

Information on the Non-Entitled Unit Holders in this Document were provided by them or their respective management and/or obtained from publicly available sources. Any statement or information in relation to the Non-Entitled Unit Holders, as disclosed in this Document, is confirmed by them respectively, and have been seen and approved by the board of directors or authorised persons (as the case may be) of the Non-Entitled Unit Holders who collectively and individually accept full responsibility for the said information disclosed herein. The responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Document.

In respect of the independent advice and opinion of Affin Hwang IB in relation to the Proposals, the responsibility of the Board is to ensure the accuracy of the information provided to Affin Hwang IB for its evaluation of the Proposals and to ensure that all information that is relevant to Affin Hwang IB's evaluation of the Proposals have been completely disclosed to Affin Hwang IB and that no material facts have been omitted, the omission of which would make any information provided to Affin Hwang IB incomplete, false or misleading.

2. CONSENT AND CONFLICT OF INTERESTS**(i) MIDF Investment**

MIDF Investment has been appointed by PHNB as the Principal Adviser for the implementation of the Proposals to be carried out by PHNB, and has obtained the consent of ORE to act in the said capacity since MIDF Investment has also been appointed by ORE as the Principal Adviser for the Proposed SUR. Save as disclosed in this section, MIDF Investment confirms that there are no circumstances that would give rise to a conflict of interest in its capacity as the Principal Adviser to PHNB for the implementation of the Proposals. MIDF Investment has given and has not subsequently withdrawn its written consent to the inclusion in this Document of its name and all references thereto in the form and context in which it appears in this Document.

MIDF Investment is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad, which is wholly-owned by PNB. Hence, MIDF Investment is related to the Manager by virtue of common ultimate major shareholder namely PNB.

MIDF Group form a diversified financial group and are engaged in a wide range of financial activities.

MIDF Group has engaged and may in the future, engage in transactions with and perform services for PHNB and/or affiliates. In addition, any member of MIDF Group

may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with PHNB or its shareholder or their affiliates or any other entity or person.

The conduct of MIDF Investment is regulated strictly by the Financial Services Act 2013, the CMSA and its internal control policies and procedures to ensure that conflict of interest does not arise.

As mentioned above, MIDF Investment has also been appointed as the Principal Adviser to ORE for the Proposed SUR. MIDF Investment is of the view that such appointment does not result in a conflict of interest situation in respect of its capacity as the Principal Adviser to PHNB for the implementation of the Proposals as:

- (i) The Board has appointed Affin Hwang IB as the independent adviser to advise the Non-Interested Directors and Non-Interested Unit Holders in relation to the Proposals; and
- (ii) If and to the extent that any conflict of interest could have possibly arisen, it would have been mitigated by the appointment of and the role assumed by Affin Hwang IB.

(ii) Affin Hwang IB

Affin Hwang IB, being the Independent Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, IAL and all references thereto in the form and context in which it appears in this Document.

Affin Hwang IB confirmed that it is not aware of any circumstance that exists or is likely to give rise to a possible conflict of interest situation by virtue of its appointment as the Independent Adviser for the Proposals.

(iii) W M Malik & Kamaruzaman

W M Malik & Kamaruzaman has given and has not subsequently withdrawn its written consent to the inclusion of its name, valuation certificates and all references thereto in the form and context in which it appears in this Document.

W M Malik & Kamaruzaman confirmed that it is not aware of any circumstance that exists or is likely to give rise to a possible conflict of interest situation in its capacity as the valuer for the properties held by AHP.

3. MATERIAL CONTRACTS

As at LPD, AHP has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of the SUR Proposal Letter and up to LPD.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, AHP is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceeding, pending or threatened, against AHP or of any facts likely to give rise to any proceeding which may materially affect the business or financial position of AHP:

Mediation involving CLSB:

In 2012, CLSB was appointed as the contractor for the Works for RM39,438,908.00. The Project Quantity Surveyor issued the draft Final Accounts valuing the Works at RM39,883,773.47, of which PHNB has previously settled RM39,119,203.15. CLSB is disputing the draft Final Accounts, and claims an additional RM3,920,887.15 is due to them. CLSB and PHNB are currently in mediation to resolve the dispute. If mediation fails, CLSB may commence arbitration proceedings to recover its claim. The Project Architect is of the opinion that CLSB's claim is without basis and that PHNB can successfully defend the claim.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of PHNB at 20th Floor, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, during normal business hours from Mondays to Fridays (except for public holidays) from the date of this Document to the date of the forthcoming Unit Holders' Meeting:

- (a) the Deed;
- (b) the draft Second Supplemental Deed and draft Second Restated Deed;
- (c) the audited financial statements of AHP for the past three FYEs 2017, 2018 and 2019, as well as the unaudited financial results for 6-M FPE 2020;
- (d) the SUR Proposal Letter;
- (e) valuation certificates referred to in **Appendix VII** of this Document and valuation reports prepared by W M Malik & Kamaruzaman dated 6 October 2020;
- (f) the letters of consent and conflict of interest referred to in **Section 2** above; and
- (g) the relevant documents in relation to the material claim as referred to in **Section 4** above.

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AMANAH HARTA TANAH PNB

(a real estate investment trust constituted under the laws of Malaysia)

NOTICE OF UNIT HOLDERS' MEETING

NOTICE IS HEREBY GIVEN THAT the **Unit Holders' Meeting** of Amanah Harta Tanah PNB ("**AHP**") will be held via Remote Participation and Electronic Voting facilities and live streaming from the broadcast venue at Theatrette, Level 2, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Tuesday, 8 December 2020 at 2.30 p.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, to pass the following resolutions, with or without any modifications:

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE DEED FOR THE SELECTIVE UNIT REDEMPTION ("PROPOSED AMENDMENTS FOR SUR")

"THAT subject to the approvals being obtained from all relevant authorities and/or parties, where required, approval be and is hereby given to the Manager of AHP, Pelaburan Hartanah Nasional Berhad ("**Manager**") to adopt the proposed amendments to the First Restated Deed dated 13 August 2015 as amended by the First Supplemental Deed dated 28 November 2019 entered into between the Manager, AmanahRaya Trustees Berhad, being the Trustee of AHP ("**Trustee**") and the several persons therein mentioned, constituting AHP ("**Deed**") as set out in Section 2.2 of the Circular dated 16 November 2020 by including a new sub-Clause 11(12) after Clause 11(11) of the Deed by way of a second supplementary deed ("**Second Supplemental Deed**") to facilitate the implementation of the proposed selective unit redemption by Ombak Real Estate Sdn Bhd ("**ORE**") of all units of AHP ("**AHP Units**") that are held by the unit holders of AHP (other than ORE, Permodalan Nasional Berhad and Amanah Saham Bumiputera);

AND THAT the provisions on the Proposed Amendments for SUR will be effective from the date of registration of the Second Supplemental Deed with the Securities Commission Malaysia ("**SC**");

AND THAT the board of directors of the Manager ("**Board**") and the Trustee acting for and on behalf of AHP, be and are hereby authorised and empowered to take all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Amendments for SUR with full power to assent to or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities or as may be deemed necessary by the Board and to take all steps and actions as may be required by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Amendments for SUR."

SPECIAL RESOLUTION 2

PROPOSED SELECTIVE UNIT REDEMPTION BY ORE OF ALL UNITS OF AMANAH HARTA TANAH PNB ("AHP") THAT ARE HELD BY THE UNIT HOLDERS OF AHP (OTHER THAN ORE, PERMODALAN NASIONAL BERHAD AND AMANAH SAHAM BUMIPUTERA) ("PROPOSED SUR")

"**THAT** subject to the approvals being obtained from all relevant authorities and/or parties, where required, and provided that the Proposed Amendments for SUR have taken effect, approval be and is hereby given to the Manager to undertake and effect the Proposed SUR in the following manner:

- (a) to undertake a selective unit redemption in respect of AHP Units held by all unit holders of AHP (save for Ombak Real Estate Sdn Bhd, Permodalan Nasional Berhad and Amanah Saham Bumiputera) ("**Non-Entitled Unit Holders**"), whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**") ("**Entitled Unit Holders**");
- (b) cancel all the AHP Units in issue save for AHP Units which are held by the Non-Entitled Unit Holders as at the Entitlement Date;
- (c) thereafter, to effect the redemption by the payment of RM1.00 in cash for each existing AHP Unit held by the Entitled Unit Holders on the Entitlement Date;
- (d) prior to the redemption and cancellation of the AHP Units as set out in Paragraphs (a), (b) and (c) of this resolution, for AHP to obtain borrowings and/or advances of up to RM118,641,600 only from ORE, on such terms as may be determined by the Manager with the approval of the Trustee and that the Manager and/or the Trustee to do all such things and execute any agreement and document as may be required for the purposes of such borrowings and/or advances; and
- (e) at any time after the redemption and cancellation of the AHP Units as set out in Paragraphs (a), (b) and (c) of this resolution, the Manager shall take all such steps as may be necessary to procure the withdrawal of the listing status of the AHP Units from the Official List of Bursa Securities.

THAT, pursuant to the Proposed SUR, the Board be and is hereby authorised to take all such steps as it may deem necessary in connection with the Proposed SUR including:

- (i) to determine the Entitlement Date;
- (ii) to determine the date on which the matters described in Paragraphs (a), (b), (c), (d) and (e) of this resolution are to be implemented;
- (iii) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interest of AHP or as a consequence of any requirements imposed by the relevant authorities and/ or by the SC and/or as may be required to comply with any applicable laws, in relation to the Proposed SUR; and
- (iv) to do all such acts, deeds and/or things as the Board may consider fit, necessary and/or expedient in the best interest of AHP in order to implement, finalise, complete and to give full effect to the Proposed SUR, including to execute any documents, to enter into any arrangements and/or agreements with any party and to give any undertakings."

MAJORITY RESOLUTION 3

PROPOSED AMENDMENTS TO THE DEED FOR UNLISTED REIT ("PROPOSED AMENDMENTS FOR UNLISTED REIT")

"**THAT** subject to the approvals being obtained from all relevant authorities and/or parties, where required and provided that the Proposed SUR has been completed, approval be and is hereby given to the Manager to adopt the proposed amendments to the First Restated Deed dated 13 August 2015 as amended by the First Supplemental Deed dated 28 November 2019 and the Second Supplemental Deed to be executed and registered pursuant to Special Resolution 1 above, entered into between the Manager, AmanahRaya Trustees Berhad, being the Trustee and the several persons therein mentioned, constituting AHP ("**Deed**") as set out in Section 2.2 of the Circular dated 16 November 2020 ("**Circular**") by way of the second restated deed as set out in Appendix I of the Circular ("**Second Restated Deed**") in relation to the conversion of AHP to an unlisted real estate investment trust;

AND THAT the provisions on the Proposed Amendments for Unlisted REIT will be effective from the date of registration of the Second Restated Deed with the SC;

AND THAT the Board and the Trustee acting for and on behalf of AHP, be and are hereby authorised and empowered to take all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Amendments for Unlisted REIT with full power to assent to or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities or as may be deemed necessary by the Board and to take all steps and actions as may be required by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Amendments for Unlisted REIT".

BY ORDER OF THE BOARD

Pelaburan Hartanah Nasional Berhad (Registration No: 198801008611 (175967-W))
(as the Manager of Amanah Harta Tanah PNB)

Adibah Khairiah binti Ismail @ Daud (MIA 13755)

Company Secretary
Kuala Lumpur

Dated : 16 November 2020

Notes:-

1. A Unit Holder who is entitled to attend the meeting is entitled to appoint up to two (2) proxies to attend instead of him. Where a Unit Holder intends to appoint two proxies, the appointment shall be invalid unless the Unit Holder specifies the proportions of his holdings to be represented by each proxy.
2. Where a Unit Holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint a proxy in respect of each securities account it holds in units standing to the credit of the said securities account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of its attorney duly authorised in writing or if such appointer is a corporation either under its common seal or under the hand of an officer or attorney so authorised.
4. The instrument appointing proxy shall be deposited at the office of the appointed registrar of AHP, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or the proxy appointment may also be lodged electronically at <https://boardroomlimited.my>, which is free and available to all individual Unit Holders not less than forty eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Only Unit Holders whose names appear in the Record of Depositors as at 30 November 2020 shall be entitled to attend and speak at the Meeting or appoint proxy(ies) to attend on his behalf.
6. At any meeting, a resolution put to the vote of the meeting shall be decided on a poll.

ADMINISTRATIVE NOTES TO THE UNIT HOLDERS' MEETING

Meeting Date	:	Tuesday, 8 December 2020
Time	:	2.30 p.m.
Meeting Platform	:	https://web.lumiagm.com/
Mode of Communication	:	i. Submit questions to the Board prior to the meeting by emailing to phnb@pnb.com.my no later than 2.30 p.m., Sunday, 6 December 2020 ii. Pose questions to the Board via real time submission of typed texts at https://web.lumiagm.com/ during live streaming of the meeting
Broadcast Venue	:	Theatrette Level 2, Menara PNB 201-A, Jalan Tun Razak 50400 Kuala Lumpur

In light of the outbreak of COVID-19, and as part of the safety measures to prevent the further spread of the disease, the Unit Holders' Meeting ("Meeting") will be conducted on a fully virtual basis via Remote Participation Electronic Voting ("RPEV"). Please follow the procedures provided in this Administrative Notes in order to register, participate and vote remotely via LUMI AGM facilities.

The RPEV allows you to exercise your rights as a unit holder where you will be able to participate, view the live webcast of the Meeting, pose questions to the Board of Directors and/or Management of the Manager and cast your votes. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the meeting.



As the Meeting is conducted virtually, please ensure that you have a good internet connection throughout the duration of the Meeting. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of your internet connection.

No Members/Proxies/Corporate Representatives from the public shall be physically present nor admitted at the Broadcast Venue on the day of the meeting.

PROCEDURES FOR RPEV FACILITIES

Procedure		Actions
Before the day of the Meeting		
1.	Register Online with Boardroom Smart Investor Portal	<p><i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]</i></p> <ol style="list-style-type: none"> Access website https://boardroomlimited.my Click <<Login>> and click <<Register>> to sign up as a user. Complete registration and upload softcopy of MyKAD (for) front and back or Passport (for non-Malaysian) in JPEG or PNG format. Please enter a valid email address. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Procedure		Actions
Before the day of the Meeting		
2.	Submit request for remote participation (Meeting ID, Username and Password)	<p>Registration for remote access will be opened on 16 November 2020. Please note that the closing time to submit your request is at 2.30 p.m. on Sunday, 6 December 2020.</p> <p>Individual Members</p> <ol style="list-style-type: none"> Log in to https://boardroomlimited.my. Select “VIRTUAL MEETING” from main menu and select the correct Corporate Event “AMANAH HARTA TANAH PNB VIRTUAL UNIT HOLDERS’ MEETING”. Read and agree to the Terms & Conditions. Enter your CDS Account and thereafter submit your request. <p>Corporate Members</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request. Please provide a copy of Corporate Representative’s MyKAD (for Malaysian in JPEG or PNG format) front and back or Passport (for non-Malaysian in JPEG or PNG format) as well as his/her email address. <p>Authorised Nominee and Exempt Authorised Nominee</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Form of Proxy to submit the request. Please provide a copy of Corporate Representative’s MyKAD (for Malaysian in JPEG or PNG format) front and back or Passport (for non-Malaysian in JPEG or PNG format) as well as his/her email address.
3.	Email notification	<ol style="list-style-type: none"> You will receive notification(s) from Boardroom Share Registrars Sdn. Bhd. (“Boardroom”) that your request(s) has been received and is/are being verified. Upon system verification against the General Meeting Record of Depositories as at 30 November 2020, you will receive an email from Boardroom either approving or rejecting your registration for remote participation together with your remote access user ID, password and login user guide. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date. Please note that the closing date and time to submit your request is at 2.30 p.m. on Sunday, 6 December 2020.

Procedure		Actions
On the day of the Meeting		
4.	Login to Meeting Platform	<p>a. The Meeting Platform will be opened for login one (1) hour before the commencement of the Meeting.</p> <p>b. The Meeting Platform can be accessed via one of the following:</p> <ul style="list-style-type: none"> • Download the free Lumi AGM application from Apple App Store or Google Play Store; or • Scan the QR Code provided in the email notification; or • Navigate to the website at https://web.lumiagm.com/ <p>c. Enter the Meeting ID No. and sign in with the user ID and password provided to you via the email notification in Step 3.</p>
5.	Participate	<p><i>Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and identity of the participant raising the question.]</i></p> <p>a. If you would like to view the live webcast, select the broadcast  icon.</p> <p>b. If you would like to ask a question during the Meeting, select the messaging icon. </p> <p>c. Type your message within the chat box, once completed click the send button.</p>
6.	Voting	<p>a. Once voting has been opened, the polling icon will appear with the resolutions and your voting choices.</p> <p>b. To vote, simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, simply select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
7.	End of Participation	Upon the announcement by the Chairman on the closure of the Meeting, the live webcast will end and the messaging window will be disabled.

ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear on the Record of Depositors on 30 November 2020 (General Meeting Record of Depositors) shall be eligible to attend the Meeting and/or appoint proxy(ies) to attend, participate and/or vote on his/her behalf. The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting ('E-Voting'). A Scrutineer will be appointed to verify the poll results.

PROXY AND FORM OF PROXY

The appointment of Proxy may be made in hard copy or electronic form as follows:

In hard copy

Members may deposit the duly executed Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. no later than 2.30 p.m., Sunday, 6 December 2020.

In electronic form

The Form of Proxy may be submitted:

- i. electronic means through Boardroom Smart Investor Portal at <https://www.boardroomlimited.my/> (*for individual members only*); or
- ii. via e-mail to bsr.helpdesk@boardroomlimited.com

before the Form of Proxy lodgement cut-off time as mentioned above. You may download the Form of Proxy for the Meeting from our website at <http://www.ahp.com.my> or from Bursa Malaysia's website.

REVOCATION OF PROXY

If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in the virtual Meeting by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the Meeting.

NO FOOD PACKS, VOUCHERS AND DOOR GIFTS

There will be no distribution of food packs, vouchers and door gifts at the Meeting.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

Members may submit questions to the Board in advance of the Meeting by emailing to phnb@pnb.com.my no later than 2.30 p.m., Sunday, 6 December 2020. The Board will endeavor to answer the questions received at the Meeting.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the Meeting proceedings is allowed without the prior written permission of the Manager, Pelaburan Hartanah Nasional Berhad.

ENQUIRY

If you have any enquiries prior to the Meeting, please contact the share registrar, Boardroom Share Registrars at 03-7890 4700 during normal office hours (8.30 a.m. to 5.30 p.m.) or email bsr.helpdesk@boardroomlimited.com.

PERSONAL DATA PRIVACY

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s), the unit holder has consented to the use of such data for purposes of processing and administration by the Manager/AHP (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The unit holder agrees that he/she will indemnify the Manager/AHP in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



AMANAH HARTA TANAH PNB

(a real estate investment trust constituted under the laws of Malaysia)

No. of units held	
CDS Account No.	

FORM OF PROXY

(Before completing this form please refer to the notes below)

I/We _____
(Full name in block letters)

NRIC No./Passport No./Co. No. _____ Telephone no. _____

of _____
[Full address]

being a Registered Unit Holder of Amanah Harta Tanah PNB ("AHP") hereby appoint the following person(s):

	Full Name of Proxy, Address	NRIC	e-Mail Address and Telephone No.	% of units to be represented by proxy
1.				
2.				

or failing him/ her, the Chairman of the Meeting as my/ our proxy to vote for me/ us on my/ our behalf at the Unit Holders' Meeting of AHP to be held via Remote Participation and Electronic Voting facilities and live streaming from the broadcast venue at Theatre, Level 2, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, on Tuesday, 8 December 2020 at 2.30 p.m. or any adjournment thereof. My/ our proxy is to vote as indicated below:

Resolutions	First Proxy		Second Proxy	
	For	Against	For	Against
Special Resolution 1 - Proposed Amendments for SUR				
Special Resolution 2 - Proposed SUR				
Majority Resolution 3 - Proposed Amendments for Unlisted REIT				

(Please indicate with a "✓" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion. All voting will be conducted by way of poll).

Dated this _____ day of _____ 2020

Signature/Common Seal

Notes:-

1. A Unit Holder who is entitled to attend the meeting is entitled to appoint up to two (2) proxies to attend instead of him. Where a Unit Holder intends to appoint two proxies, the appointment shall be invalid unless the Unit Holder specifies the proportions of his holdings to be represented by each proxy.
2. Where a Unit Holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint a proxy in respect of each securities account it holds in units standing to the credit of the said securities account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of its attorney duly authorised in writing or if such appointer is a corporation either under its common seal or under the hand of an officer or attorney so authorised.
4. The instrument appointing proxy shall be deposited at the office of the appointed registrar of AHP, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or the proxy appointment may also be lodged electronically at <https://boardroomlimited.my>, which is free and available to all individual Unit Holders not less than forty eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
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6. At any meeting, a resolution put to the vote of the meeting shall be decided on a poll.

Fold this flap for sealing

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AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN BHD
(Registrar for Amanah Harta Tanah PNB)
(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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