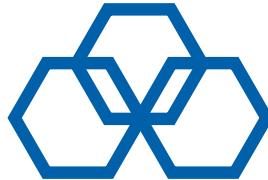


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**AMANAH HARTA TANAH PNB**

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

**CIRCULAR TO UNIT HOLDERS**

**IN RELATION TO**

- (I) PROPOSED ACQUISITION BY AMANAHRAYA TRUSTEES BERHAD FOR AND ON BEHALF OF AMANAH HARTA TANAH PNB (“AHP” OR THE “TRUST”), OF THE PROPERTY (AS DEFINED HEREIN) FOR A CASH CONSIDERATION OF RM240,000,000; AND**
- (II) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 120,000,000 NEW UNITS IN AHP (“RIGHTS UNIT(S)”) ON THE BASIS OF SIX (6) RIGHTS UNITS FOR EVERY FIVE (5) EXISTING UNITS IN AHP AT AN ENTITLEMENT DATE TO BE DETERMINED LATER**

**AND**

**NOTICE OF UNIT HOLDERS’ MEETING**

*Principal Adviser*



MIDF AMANAH INVESTMENT BANK BERHAD (23878-X)

The notice of the Extraordinary General Meeting (“EGM”) of the unit holders of AHP to be held at The Theatre, Level 2 of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Friday, 14 August 2015 at 3.00 p.m. or at any adjournment thereof, together with the Form of Proxy, is enclosed herein.

The Form of Proxy should be lodged at the Registered Office of the appointed Registrar of AHP, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time set for the holding of EGM. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 12 August 2015 at 3.00 p.m.  
Date and time of the EGM : Friday, 14 August 2015 at 3.00 p.m.

**This Circular is dated 30 July 2015**

## DEFINITIONS

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In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

|   |  |
|---|--|
| “Act”   | : The Companies Act, 1965  |
| “Agreement to Lease”  | : An agreement to lease dated 27 April 2015 entered into between the Trustee, for and on behalf of AHP and Mydin in respect of the Property pursuant to the Proposed Acquisition   |
| “AHP” or the “Trust”  | : Amanah Harta Tanah PNB   |
| “Amendments”  | : Collectively, the amendment for acquisition and disposal fees, the amendment for investment objective, the Amendment for Pledging of Trust’s Assets to Secure Borrowings and Increase in Borrowing Limit and the other amendments which are, subject to the approval of the Unit Holders, to be effected by way of the First Restated Deed   |
| “Amendment for Pledging of Trust’s Assets to Secure Borrowings and Increase in Borrowing Limit” | : Amendment to the relevant clause in the Principal Deed to permit the pledging of the Trust’s assets to secure borrowings and increase the borrowing limit in accordance with the REIT Guidelines   |
| “Board”   | : Board of Directors of PHNB   |
| “Bursa Depository”  | : Bursa Malaysia Depository Sdn Bhd (165570-W)   |
| “Bursa Securities”  | : Bursa Malaysia Securities Berhad (635998-W)  |
| “CMSA”  | : Capital Markets and Services Act, 2007   |
| “Director”  | : A director, whether in an executive or non-executive capacity  |
| “DPU”   | : Distribution per unit  |
| “EGM”   | : Extraordinary general meeting  |
| “EPU”   | : Earnings per unit  |
| “Entitled Unit Holders”   | : Unit Holder(s) whose names appear in the Record of Depositors of AHP on the Entitlement Date   |
| “Entitlement Date”  | : A date, to be determined and announced later by the Board, on which Unit Holders must be registered in the Record of Depositors of AHP in order to be entitled to participate in the Proposed Rights Issue   |
| “Existing Tenancies”  | : (i) a license granted by the Vendor to Scenic Prima of the relevant licensed spaces as demarcated in and pursuant to a license agreement dated 30 <sup>th</sup> September 2014 made between the Vendor and Scenic Prima;<br><br>(ii) a tenancy granted by the Vendor to Food Court Main Tenant of the food court of the building located on the Property as demarcated in and pursuant to an agreement dated 9 <sup>th</sup> February 2015 made between the Vendor and the Food Court Main Tenant; |

## DEFINITIONS (*cont'd*)

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- (iii) the tenancies and/or licenses and/or other legal arrangements entered into by the Vendor as landlord or Scenic Prima or the Food Court Main Tenant, as the case may be, with the relevant Existing Tenants in respect of the building located on the Property or such relevant portion thereof including all tenancies in substitution thereof (of which list of such tenancies and/or licenses and/or other legal arrangements are more particularly set out in the Third Schedule of the SPA); and
  - (iv) all such other tenancies and/or licenses and/or other legal arrangements entered into by the Vendor as landlord or Scenic Prima or the Food Court Main Tenant, as the case may be, with the relevant Existing Tenants in respect of the building located on the Property or such relevant portion thereof which are currently subsisting as at the date of the SPA and which are ***not*** specifically set out in the Third Schedule of the SPA and which shall include all tenancies in substitution thereof.
- “Existing Tenants” : (i) Scenic Prima;
- (ii) the Food Court Main Tenant; and
- (iii) all those tenants, licensors, licensees and/or other occupant of the various parts of the building located on the Property under the Existing Tenancies, the definitions of which shall include their respective permitted assigns and successors-in-title and all tenants in substitution thereof
- “First Restated Deed” : The first restated deed dated 5 June 2015 entered between the Manager and the Trustee and the several persons therein mentioned pursuant to the Amendments which is still pending registration with the SC
- “Food Court Main Tenant” : Mydin Foodcourt Sdn Bhd (Company No. 682439-P)
- “Foreign Addressed Unit Holders” : Foreign Unit Holders of AHP on the Entitlement Date who have not provided an address in Malaysia for the service of documents to be issued for purposes of the Proposed Rights Issue
- “FPE” : Financial period ended/ending
- “FYE” : Financial year ended/ending
- “Issue Price” : The issue price of the Rights Units, will be fixed at a later date by the Board and announced closer to the implementation of the Proposed Rights Issue
- “Lease” : The lease of the Property granted by the Purchaser to the Vendor, which is registrable under the National Land Code, 1965 for an initial term of thirty (30) years and upon the terms and conditions contained in the Agreement to Lease and/or the Lease Agreement with an option to renew the same which renewal of the Lease is subject to the sole and absolute discretion of the Purchaser and which initial term of the Lease is to commence on the Completion Date (being the date on which the full Balance Purchase Price has been paid by the Purchaser to the Vendor’s solicitors as stakeholders in accordance with the terms of the SPA)
- “Lease Agreement” : The lease agreement to be entered into between the Purchaser and the Vendor in respect of the Lease
- “LPD” : 30 June 2015, being the latest practicable date prior to the issuance of this Circular

## **DEFINITIONS (*cont'd*)**

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|  |   |  |
|--|---|--|
| “Manager” or “PHNB”  | : | Pelaburan Hartanah Nasional Berhad (175967-W)  |
| “Market Day(s)”  | : | A day on which the stock market of Bursa Securities is open for trading in securities  |
| “MIDF Investment” or “Principal Adviser” or “Managing Underwriter” | : | MIDF Amanah Investment Bank Berhad (23878-X)   |
| “MMLR”   | : | Main Market Listing Requirements of Bursa Securities   |
| “Mydin” or the “Vendor” or the “Lessee”                            | : | Mydin Mohamed Holdings Berhad (Company No. 221448-A)   |
| “NAV”  | : | Net asset value  |
| “New Tenancy Agreement(s)”   | : | Collectively all those agreement(s), letters of offer or other legal arrangement entered into by the Vendor or Scenic Prima or the Food Court Main Tenant, as the case may be, with any such other tenant(s), licensee or occupant (other than the Existing Tenants) in respect of the building located on the Property or any part thereof whose tenancy(ies) or licenses or occupancy have been created since the date of the SPA in respect of the building located on the Property or such relevant portion thereof. |
| “Purchase Consideration”   | : | Purchase consideration of RM240,000,000 pursuant to the Proposed Acquisition   |
| “PNB”  | : | Permodalan Nasional Berhad (38218-X)   |
| “Price Fixing Date”  | : | A date to be determined later by the Board and announced closer to the implementation of the Proposed Rights Issue, after obtaining requisite approvals from Bursa Securities, the Unit Holders of AHP at an extraordinary general meeting to be convened and all relevant approvals for the Proposed Rights Issue   |
| “Principal Deed”   | : | Principal deed dated 20 March 1989 and as amended by the Supplementary Deeds entered between the Manager, the Trustee and the several persons therein mentioned  |
| “Property”   | : | The piece of land held in perpetuity under Lot No. P.T. 557, Title No. H.S.(D) 206530, Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus measuring approximately 54,175 sq. m. (583,135 sq. ft. or 13.387 acres) on which is erected a three (3) storey mall cum hypermarket with two (2) sub-basements having a gross area of approximately 103,520.47 sq. m. (1,114,301.44 sq. ft.)    |
| “Proposals”  | : | Proposed Acquisition and Proposed Rights Issue, collectively   |
| “Proposed Acquisition”   | : | Proposed acquisition by the Trustee, for and on behalf of AHP, of the Property from Mydin for a purchase consideration of RM240,000,000  |
| “Proposed Rights Issue”  | : | Proposed renounceable rights issue of 120,000,000 Rights Units on the basis of six (6) rights units for every five (5) existing Units at an entitlement date to be determined later  |
| “Record of Depositors”   | : | A record of securities holders established and maintained by Bursa Depository  |

## DEFINITIONS (*cont'd*)

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|                                      |   |
|--------------------------------------|---|
| “REITs”                              | : Real estate investment trusts   |
| “REIT Guidelines”                    | : The Guidelines on Real Estate Investment Trusts issued by the SC on 21 August 2008 and updated on 28 December 2012  |
| “Registrar”                          | : Symphony Share Registrars Sdn Bhd (378993-D)  |
| “Rights Unit”                        | : 120,000,000 rights units to be issued pursuant to the Proposed Rights Issue   |
| “RM” and “sen”                       | : Ringgit Malaysia and sen, respectively  |
| “SC”                                 | : Securities Commission Malaysia  |
| “Scenic Prima”                       | : Scenic Prima Sdn Bhd (Company No. 588159-T)   |
| “SPA”                                | : Conditional sale and purchase agreement dated 27 April 2015 entered into between the Trustee for and on behalf of AHP and Mydin for the Proposed Acquisition  |
| “Supplementary Deeds”                | : Collectively, the First Supplemental Trust Deed dated 6 November 1990, the Second Supplemental Trust Deed dated 18 December 1990, the Third Supplemental Trust Deed dated 12 March 1999, the Fourth Supplemental Trust Deed dated 15 January 2010 and the First Restated Deed   |
| “sq. ft.”                            | : Square feet   |
| “sq. m.”                             | : Square metre  |
| “TERP”                               | : Theoretical ex-rights price of AHP Units  |
| “Trustee” or “Purchaser” or “Lessor” | : AmanahRaya Trustees Berhad (766894-T)   |
| “Undertakings”                       | : Letters of irrevocable undertaking dated 27 May 2015 from the following:<br><br>(i) AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) to subscribe in full of its entitlement and excess application up to 2% of the enlarged total Units in issue; and<br><br>(ii) PNB to subscribe in full of its respective entitlement<br><br>under the Proposed Rights Issue |
| “Undertaking Unit Holders”           | : The major and substantial unit holders of AHP, namely AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) and PNB, respectively   |
| “Underwritten Portion”               | : The underwriting arrangements for the remaining Rights Units not covered by the Undertakings will be made and finalised upon the determination of the portion covered by the Undertakings   |
| “Units”                              | : Units in AHP  |
| “Unit Holders”                       | : Any person(s) registered as the holder of a Unit in accordance with the provisions of the Principal Deed  |

**DEFINITIONS (*cont'd*)**

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- “Valuer” : Messrs. W.M. Malik & Kamaruzaman (Registration Number: V(2) 0001)
- “VWAMP” : Volume weighted average market price

All references to “we”, “us”, “our”, “ourselves” or “AHP” in this Circular are to AHP.

All references to “you” in this Circular are to the Unit Holders of AHP who are entitled to attend and vote at the EGM and whose names appear in the Record of Depositors at the time and on the date to be determined by the Board.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular 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 Circular shall be a reference to Malaysian time, unless otherwise stated.

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**Pelaburan Hartanah Nasional Berhad**  
(Company No. 175967-W)  
(Incorporated in Malaysia)

**Registered Office:**

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

30 July 2015

**The Board of Directors of PHNB**

YABhg. Tun Ahmad Sarji bin Abdul Hamid (*Non-Independent Non-Executive Chairman*)  
YBhg. Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman (*Non-Independent Non-Executive Director*)  
YBhg. Tan Sri Dato' Seri Ainum binti Mohamed Saaid (*Independent Non-Executive Director*)  
YBhg. Tan Sri Dato' Seri Abd. Wahab bin Maskan (*Independent Non-Executive Director*)  
YBhg. Dato' Seri Mohd. Hussaini bin Haji Abdul Jamil (*Independent Non-Executive Director*)  
YBhg. Dato' Idris bin Kechot (*Non-Independent Non-Executive Director*)  
Encik Hafidz Atrash Kosai bin Mohd Zihim (*Non-Independent Executive Director/Chief Executive Officer*)

**To: The Unit Holders of AHP**

Dear Sir/ Madam,

**(I) PROPOSED ACQUISITION; AND**

**(II) PROPOSED RIGHTS ISSUE**

---

**1. INTRODUCTION**

On 27 April 2015 on behalf of the Board of PHNB, the Manager of AHP, MIDF Investment announced the following:

- (i) that the Trustee, for and on behalf of AHP, had entered into a SPA with Mydin for the proposed acquisition of the Property for a purchase consideration of RM240,000,000; and
- (ii) in conjunction with the abovementioned Proposed Acquisition and the Proposed Rights Issue.

On 26 June 2015, MIDF Investment, on behalf of the Board, announced that the Circular in relation to the Proposals and listing application in relation to the Proposed Rights Issue had been submitted to Bursa Securities.

Subsequently, on 20 July 2015, MIDF Investment, on behalf of the Board, announced that Bursa Securities had vide its letter dated 16 July 2015, approved the listing and quotation of 120,000,000 Rights Units, subject to the conditions disclosed in Section 9 of this Circular.

The details of the Proposals are set out in Section 2 of this Circular.

The Proposed Acquisition is not subject to the approval of Unit Holders and details of the Proposed Acquisition are included in this Circular for information only.



**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD, AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 PROPOSED ACQUISITION**

The Proposed Acquisition entails the acquisition by the Trustee, for and on behalf of AHP, of the Property, free from all encumbrances (save for the Lease, the Existing Tenancies and the tenancies under the New Tenancy Agreement(s) from Mydin. The Purchase Consideration shall be satisfied by the Trustee, for and on behalf of AHP via the proceeds from the Proposed Rights Issue and bank borrowings in the following indicative proportions:

| <b>Purchase Consideration</b>           | <b>RM'000</b>          |
|---|------------------------|
| Bank borrowings                         | 125,000 <sup>(1)</sup> |
| Proceeds from the Proposed Rights Issue | 115,000 <sup>(2)</sup> |
| <b>Total</b>                            | <b>240,000</b>         |

Notes:

<sup>(1)</sup> The Trustee, for and on behalf of AHP had on 7 July 2015, obtained an Islamic Commodity Murabahah Term Financing Facility of RM125.00 million from Maybank Islamic Berhad which shall be utilised solely to part finance the Purchase Consideration. The balance of the Purchase Consideration of RM115.00 million shall be funded by the proceeds from the Proposed Rights Issue.

<sup>(2)</sup> The gross proceeds from the Proposed Rights Issue is RM129.60 million based on the indicative Issue Price of RM1.08 per Rights Unit and the 120,000,000 Rights Units to be issued pursuant to the Proposed Rights Issue on the basis of six (6) Rights Units for every five (5) existing Units. RM115.00 million has been allocated to part finance the Purchase Consideration and RM14.60 million has been allocated to part finance the estimated expenses for the Proposals. The details on the Proposed Rights Issue and the utilisation of proceeds from the Proposed Rights Issue are set out in Section 2.2 and Section 4 of this Circular.

The proposed indicative funding proportion as set out above was determined based on the indicative Issue Price for the Rights Units and after taking into consideration the distribution capacity of AHP whilst maintaining borrowings below the limit of 50% of the total asset value of the Trust. However, the actual funding proportion is dependent on the Issue Price to be fixed at a Price Fixing Date.

In conjunction with the Proposed Acquisition, the Trustee, for and on behalf of AHP, has concurrently entered into the Agreement to Lease to be replaced by the Lease Agreement under the registered Lease after completion of the Proposed Acquisition.

#### **2.1.1 Bank Borrowings**

In relation to the bank borrowings, the Trustee, for and on behalf of AHP, had, by virtue of a Letter of Offer dated 7 July 2015, obtained an Islamic Commodity Murabahah Term Financing Facility from Maybank Islamic Berhad of which shall be utilised solely to part finance the Purchase Consideration. The Property shall be pledged as security for the said facility.

Currently, the Principal Deed governing the Trust does not permit the pledging of assets of the Trust to secure borrowings and borrowings are limited to 10% of the gross asset value of the Trust. However, the borrowings to part finance the Proposed Acquisition would increase the gearing of the Trust to 36.71% as disclosed in Section 5.2 of this Circular.

On 3 March 2015, MIDF Investment on behalf of the Board had announced the Amendments to the Principal Deed and subsequently approval from Unit Holders was obtained for the Amendments at the adjourned general meeting held on 14 April 2015. The Amendments entail, amongst others, amendments to permit pledging of trust assets to secure borrowings and to increase the borrowing limit from 10% to 50% of the total asset value of the Trust in line with the REIT Guidelines. The Amendments were formalised in the First Restated Deed dated 5 June 2015 and which is still pending registration with the SC as required by law.

As the bank borrowings are required to part finance the Proposed Acquisition, the Proposed Acquisition is conditional upon the registration with the SC of the First Restated Deed in relation to the Amendment for Pledging of Trust's Assets to Secure Borrowings and Increase in Borrowing Limit.

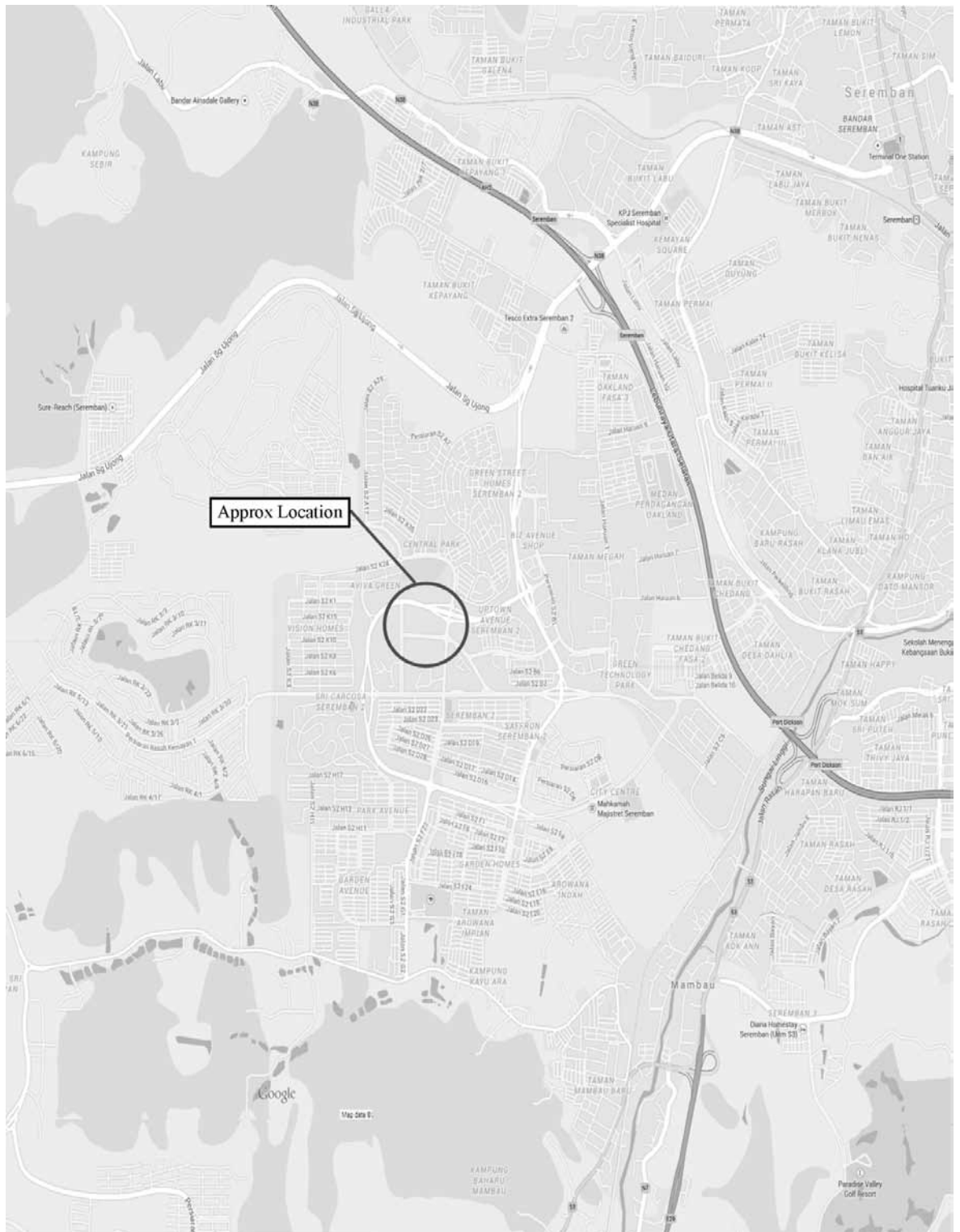
### **2.1.2 Description of the Property**

The Property is a parcel of commercial land held in perpetuity on which is constructed a three (3) storey mall cum hypermarket with two (2) sub-basements with a total of approximately 1,454 car parking bays. The title particulars are Lot No. P.T. 557, Title No. H.S.(D) 206530, Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus.

The Property is located in the commercial centre of Seremban 2 Negeri Sembilan, 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. Seremban 2 is a comprehensive township development comprising residential and commercial developments. Access to the Property from Seremban town is via Jalan Sungai Ujong followed by the main road leading to Seremban 2 i.e. Persiaran S2/1, by-passing AEON Seremban 2 Shopping Centre, thence taking right into Persiaran S2/2 followed by a left turn into Persiaran S2/M and finally turning right into Persiaran S2/B7 onto which the Property fronts. Access from the North-South Highway is via the Seremban toll exit, taking a right turn into Jalan Sungai Ujong and then followed by the main road leading to Seremban 2 i.e. Persiaran S2/1.

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The approximate location of the Property is as follows:



(Source: Valuation Report)

Other information on the Property as extracted from the Valuation Report dated 3 April 2015 is as follows:

|   |   |
|---|---|
| <b>Postal Address</b>                         | Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus  |
| <b>Land title details</b>                     | Lot No. PT 557 held under Title No. HSD 206530, Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan                     |
| <b>Tenure</b>                                 | In perpetuity   |
| <b>Registered owner</b>                       | Mydin Mohamed Holdings Berhad   |
| <b>Net land area for the Property</b>         | 54,175 sq. m. (583,135 sq. ft. or 13.387 acres)   |
| <b>Property use</b>                           | Three (3) storey mall cum hypermarket with two (2) sub-basements  |
| <b>Age of the building</b>                    | One (1) year and four (4) months old  |
| <b>Commencement of operations</b>             | December 2013   |
| <b>Number of car parking bays</b>             | Approximately 1,454   |
| <b>Gross built-up area</b>                    | 103,520.47 sq. m. (1,114,301.44 sq. ft.)  |
| <b>Net lettable area</b>                      | 40,003.55 sq. m. (430,594.62 sq. ft.)   |
| <b>Occupancy rate as at 31 January 2015</b>   | Approximately 89.10%  |
| <b>Gross rental income</b>                    | RM1,710,014.34 a month (equivalent to RM20,520,172.08 per annum)  |
| <b>Encumbrances</b>                           | Charged to Danajamin Nasional Berhad  |
| <b>Category of land use</b>                   | Building  |
| <b>Express conditions</b>                     | “Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja”  |
| <b>Restriction in interest</b>                | “Tanah yang diberimilik ini tidak boleh dipindahmilik, dipajak, digadai atau dicagarkan melainkan dengan kebenaran Pihak Berkuasa Negeri” |
| <b>Net book value as at 31 December 2014*</b> | RM156,456,199   |
| <b>Market value as appraised by valuer</b>    | RM240,000,000 by W.M. Malik & Kamaruzaman   |
| <b>Date of valuation</b>                      | 31 January 2015   |

*Note:*

\* *Provided by the management of Mydin.*

### 2.1.3 Salient terms of the SPA

The salient terms of the SPA are as follows:

#### (i) Agreement for Sale

In consideration of the Purchase Consideration in respect of the Property, the Vendor hereby agrees to sell and the Purchaser hereby agrees to purchase the Property together with the Said Fixtures and Fittings (as defined therein the SPA) free from all encumbrances and with vacant possession (save and except for the Lease and the Existing Tenancies and the tenancies under the New Tenancy Agreement(s), subject to the category of land use and the terms and conditions express or implied in the issue document of title to the Property on an “as is where is” basis and upon the terms and conditions contained in the SPA.

(ii) **Terms of Payment**

The Purchase Consideration is to be paid as follows:

- (a) within fourteen (14) Business Days from the date of the SPA or such extended period mutually agreed, the sum of Ringgit Malaysia Four Million Eight Hundred Thousand (RM4,800,000.00) (two per centum (2%) of the Purchase Consideration) to be paid to the Vendor's solicitors as stakeholders as a deposit ("**Deposit**"). The Vendor's solicitors are authorised to release the Deposit to the Vendor on the day next after the Unconditional Date (as defined in the SPA) being the date when both the Vendor and Purchaser have reverted to each other with their respective written confirmations of the approval or fulfilment of all of their respective conditions precedent as set out in the SPA and which written confirmation shall also confirm that there has been no breach of their respective representations and warranties as at the date of such confirmation;

The Deposit was paid to the Vendor's solicitors as stakeholders on 15 May 2015.

- (b) the balance purchase price of Ringgit Malaysia Two Hundred Thirty Five Million and Two Hundred Thousand (RM235,200,000) ("**Balance Purchase Price**") to be paid as follows:
- (i) the Purchaser to pay the difference if any between the Balance Purchase Price and the Purchaser's loan which the Purchaser proposes to apply and obtain from a financial institution ("**Loan**") and which Loan amount is approximately Ringgit Malaysia One Hundred and Twenty Five Million (RM125,000,000.00) only ("**the Differential Sum**")<sup>1</sup> to the Vendor's solicitors as stakeholders and cause the financial institution to which the Purchaser applies for the Loan ("**the Financier**") to forward its undertaking to pay the Loan within four (4) months from SPA date or one (1) month from the Unconditional Date whichever is the later, or upon the expiry thereof, such other further period as shall be mutually agreed upon by the Vendor and the Purchaser ("**Completion Period**");

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<sup>1</sup> The Differential Sum to be paid by the Purchaser to the Vendor's solicitors based on the borrowings obtained from Maybank Islamic Berhad of up to RM125,000,000 is approximately Ringgit Malaysia One Hundred Ten Million and Two Hundred Thousand (RM110,200,000.00) only.

- (ii) the Financier is to pay the Redemption Sum<sup>2</sup> (being the sum of monies owing and payable by the Vendor to Danajamin Nasional Berhad (the “Chargee”) under or pursuant to the Vendor’s loan with the Chargee (“Vendor’s Loan”)) to the Chargee to redeem/discharge the Property;
- (iii) the balance of the Loan to be paid to the Vendor’s solicitors as stakeholders; and
- (iv) Ringgit Malaysia Twelve Million (RM12,000,000) (“Retention Sum”) from the Differential Sum to be released by the Vendor’s solicitors to Purchaser’s solicitors as stakeholders pending completion of the Vendor’s obligations in respect of the repair, rectification, remedial and replacement works listed as non-material by the independent consultant (“Non-Material Repair, Rectification, Remedial and Replacement Works”) in the report (“Building Due Diligence Inspection and Audit Report”) that will be prepared by the independent consultant pursuant to its building due diligence inspection and audit of, inter alia, the condition state nature and character of the Property (“Building Due Diligence Inspection and Audit”) and/or upon completion of the Vendor’s obligations to make good any change, deviation, defects or damage to the Property as disclosed in the joint inspection of the Property to be conducted by both the Vendor and the Purchaser (“Joint Inspection”) and/or which shall become apparent within a period of twenty four (24) months after the date of issue of the certificate of practical completion for the building located on the Property and/or upon

<sup>2</sup> The Redemption Sum cannot be ascertained as yet as the Chargee has not issued its redemption statement which, inter alia will, state the sum owing and payable by the Vendor to the Chargee by the Vendor’ (“Redemption Statement”). The Redemption Statement will be procured after the SPA becomes unconditional in accordance with the terms thereof. However, the solicitors for the Vendor had previously given an indication circa January 2015 that the Redemption Sum is approximately Ringgit Malaysia One Hundred and Twenty Three Million (RM123,000,000.00). The actual Redemption Sum will be ascertained by the Chargee after the fulfilment of Conditions Precedent.

On the assumption that the Redemption Sum is Ringgit Malaysia One Hundred and Twenty Three Million (RM123,000,000.00), then it is estimated that the balance of the Loan payable to the Vendor’s solicitors as stakeholders as referred under paragraph 2.1.3(ii)(b)(iii) of this Circular above would be Ringgit Malaysia Two Million (RM2,000,000.00) only.

A tabulation showing the estimated amounts of each payment of the Balance Purchase Price and the estimated time frames thereof is provided below:

| Item         | Amount                  | Purpose                         | Time for Payment  | Payee   |
|--------------|-------------------------|---------------------------------|---|---|
| 1            | RM110,200,000.00*       | Differential Sum                | Within the Completion Period.   | Vendor’s solicitors as stakeholders.  |
| 2            | RM123,000,000.00**      | Redemption Sum                  | Within the Completion Period.   | The Chargee or to the Vendor’s Solicitors as stakeholders for their onward delivery to the Chargee.                         |
| 3            | RM2,000,000.00***       | Balance of the Purchaser’s Loan | Within the Completion Period.   | Vendor’s solicitors as stakeholders.  |
| <b>TOTAL</b> | <b>RM235,200,000.00</b> |                                 |   |   |
| 4            | RM12,000,000.00         | Retention Sum                   | Within the Completion Period and simultaneously with the balance of the Purchaser’s Loan. | To be deducted from the Differential Sum by the Vendor’s solicitors and paid to the Purchaser’s solicitors as stakeholders. |

Notes:

\* Subject to confirmation of the Loan amount

\*\* Only an indicative figure and subject to confirmation vide the Chargee’s Redemption Statement

\*\*\* Subject to change depending on the Redemption Sum to be confirmed vide the Chargee’s Redemption Statement

completion of the Vendor's obligations to rectify or make good the Property if within twelve (12) months of the date of the SPA any warranty or representation given by the Vendor in respect of the building located on the Property is found to be untrue or inaccurate and the building located on the Property requires repairs, remedial and/or replacement works to be carried out, failing which the Purchaser shall be entitled to carry out the necessary works and thereafter the costs and expenses thereof shall be claimed and deducted from the Retention Sum. Any balance of the Retention Sum shall be released to the Vendor's solicitors upon written confirmation by the Purchaser.

- (c) if the Balance Purchase Price is not paid by the expiry of the Completion Period, the Purchaser has a further period of thirty (30) days to pay subject to interest at the rate of eight per centum (8%)<sup>3</sup> per annum on the Balance Purchase Price or such part thereof as shall not have been paid, as the case may be, to be calculated on a daily basis from the day falling after the expiry of the Completion Period until actual payment;
- (d) if the Redemption Sum exceeds the Balance Purchase Price less the Retention Sum, the Vendor to deposit the excess amount within seven (7) days failing which the Vendor shall grant to the Purchaser an extension of time free of interest to pay the Balance Purchase Price; and
- (e) any residue from the Balance Purchase Price after payment of the Redemption Sum and deduction of the Retention Sum to be released to Vendor after expiry of fourteen (14) days of the presentation of the Memorandum of Transfer (being the statutory form of Form 14A prescribed under the National Land Code, 1965 to be executed by the Vendor and the Purchaser for the transfer of the Property from the Vendor to the Purchaser in accordance with the terms and conditions of the SPA) at the relevant land authority.

**(iii) Conditions Precedent**

The SPA shall be conditional upon the following conditions being fulfilled by the Vendor or the Purchaser (as the case may be), at their own costs and expense within the cut-off period being a period of five (5) months from the date of the SPA or such other further extension as shall be mutually agreed in writing by the Purchaser and the Vendor ("**Cut-Off Period**").

**Vendor's Conditions Precedent**

- (a) the approval of the Vendor's board of directors and shareholders (if required) for the disposal of the Property and for the Lease which resolutions were passed on 27 April 2015;
- (b) the receipt of consent to transfer the Property from the Vendor to the Purchaser from the State Authority, Negeri Sembilan which is pending pursuant to the application dated 5 June 2015;

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<sup>3</sup> The late payment interest rate is set at a rate agreed between the Vendor and the Purchaser.

- (c) the Agreement to Lease upon due execution having been duly stamped which is pending and the due execution of the Lease Documents (being the Lease Agreement, the statutory form of Form 15A prescribed under the National Land Code 1965 for the registration of the Lease in favour of Mydin and the application to obtain approval from the State Authority for its consent to lease the Property to Mydin (“**Consent To Lease**”) which will be undertaken after Completion of the Proposed Acquisition); and
- (d) the Vendor to undertake the repair, rectification, remedial and replacement works which are listed as material by the independent consultant (“**Material Repair, Rectification, Remedial and Replacement Works**”) (based on the results of the Building Due Diligence Inspection and Audit Report) to the satisfaction of the independent consultant. The Building Due Diligence Inspection and Audit Report was issued by Messrs. W.M. Malik & Kamaruzaman on 8 June 2015 and forwarded to the Vendor’s solicitors for onward transmission to the Vendor for them to undertake the Material Repair, Rectification, Remedial and Replacement Works.

**Purchaser’s Conditions Precedent**

- (a) the approval of the Purchaser’s board of directors for the acquisition of the Property and for the Lease which were passed on 29 May 2015;
- (b) the Purchaser to undertake a Building Due Diligence Inspection and Audit on the Property and a written report to be prepared by an independent consultant (to be appointed by the Purchaser at the Purchaser’s cost), the results of which are to be satisfactory to the Purchaser. The Building Due Diligence Inspection and Audit Report was issued by Messrs. W.M. Malik & Kamaruzaman on 8 June 2015;
- (c) the Purchaser’s solicitors to conduct legal due diligence on the Property the results of which are to be satisfactory to the Purchaser. The report in respect of the legal due diligence on the Property was issued on 29 July 2015;
- (d) the receipt of consent to charge the Property from the State Authority, Negeri Sembilan (for the Purchaser’s Loan) which is to be applied for in due course;
- (e) the approval of the SC for the Abridged Prospectus pursuant to the Proposed Rights Issue which is to be applied for in due course;
- (f) the approval of the SC for the valuation of the Property (if required) (“**SC Approval for Valuation**”);
- (g) the approval of Bursa Securities for the listing and quotation of new units of AHP pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities which was obtained on 16 July 2015;
- (h) the approval of the Unit Holders to the Amendment for Pledging of Trust’s Assets to Secure Borrowings and Increase in Borrowing Limit which was obtained at an adjourned EGM held on 14 April 2015 and the Proposed Rights Issue at an EGM to be convened and in respect of the Amendment for Pledging of Trust’s Assets to Secure Borrowings and Increase in Borrowing Limit, the registration of the First Restated Deed with the SC which is pending;
- (i) the execution of the Lease Documents (being the Lease Agreement, the statutory form of Form 15A prescribed under the National Land Code 1965 for the registration of the Lease in favour of Mydin and the Consent To Lease) by the Purchaser, which will be undertaken after Completion of the Proposed Acquisition; and
- (j) the approval of any other relevant authorities, if required.



## **Non-Fulfilment of Conditions Precedent**

In the event of the non-fulfilment of any of the Conditions Precedent within the Cut-Off Period, either the Vendor or the Purchaser may proceed to terminate the SPA by written notice to the other party. In such event, the Vendor must refund or cause to be refunded all monies paid by the Purchaser to the Vendor together with all accrued interest therefrom within seven (7) Business Days from the date of termination (interest of eight per centum (8%) per annum on a daily basis will be imposed should the Vendor fail to refund within this time frame). Both the Vendor and the Purchaser will also be obliged to return to each other all documents earlier exchanged between themselves. Neither party will then have any claim against the other save in respect of any right or obligation that accrued as of such termination in respect of any matter under the SPA.

Specifically, where the application for the SC Approval for Valuation is rejected by the SC due to the SC's rejection of the valuation of the Property (as stated in the relevant valuation report submitted to the SC) and/or the SC's rejection of the Purchase Consideration, as the case may be, then both the Vendor and the Purchaser are to negotiate in good faith on an appropriate adjustment of the Purchase Consideration within fourteen (14) Business Days of the SC's rejection or such further period as mutually agreed so as to comply with the requirements of the SC and/or to procure the SC Approval for Valuation but the Vendor retains absolute discretion to decide whether or not to adjust the Purchase Consideration. Failure to reach an agreement on an appropriate adjustment of the Purchase Consideration upon expiry of the aforesaid negotiation period, will entitle either the Vendor or the Purchaser to terminate the SPA by giving notice in writing to the other party whereupon the provisions as described above shall apply mutatis mutandis.

## **Other Exit Provisions**

### **(a) Default by Purchaser**

The Vendor is entitled to terminate the SPA and forfeit the Deposit and the Purchaser is also obliged to pay to the Vendor a sum equivalent to 8% of the Purchase Consideration as agreed liquidated damages and Vendor shall refund all other monies paid within fourteen (14) Business Days from the date of the notice of termination. Alternatively the Vendor is entitled to compel the Purchaser to complete the SPA by way of specific performance.

Note: In the event of an appointment of a new trustee in place of AmanahRaya Trustees Berhad, the events set out in Clauses 8.01(a)(3) and (4)<sup>4</sup> shall not be regarded as default on the part of the Purchaser.

### **(b) Force Majeure (which occurs prior to the Completion Date of the SPA)**

Either the Vendor or the Purchaser is entitled to terminate the SPA whereupon the Vendor shall within fourteen (14) Business Days of the Vendor's issuance or receipt (as the case may be) of the notice of termination refund the Purchase Consideration together with all accrued interest and reimburse all the Purchaser's expenses incurred with regard to the SPA, including without limitation the Purchaser's legal costs, stamp duties (in the event that no refund of the stamp duties paid by the Purchaser on the MOT can be obtained from the Inland Revenue Board), valuation fees and other costs and expenses (interest of eight per centum (8%) per annum on a daily basis will be imposed should the Vendor fail to refund within this time frame).

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<sup>4</sup> **Clause 8.01(a)(3):** A petition is presented, an order is made, a resolution passed or legislation enacted for the winding up of the Purchaser, or if a receiver and/or manager is appointed over the Purchaser's assets and/or undertakings or any part thereof.

**Clause 8.01(a)(4):** The Purchaser is or becomes unable to pay its debts when they are due or becomes unable to pay its debts within the meaning of the Companies Act 1965 and which inability may in the opinion of the Vendor have a substantially adverse effect on the ability of the Purchaser to perform its obligations under this Agreement.

(c) Compulsory Acquisition

The Purchaser may terminate in which event the same provision above for Force Majeure shall apply mutatis mutandis or the Purchaser may opt to proceed in which event all relevant compensation is to be paid to the Purchaser.

(d) Breach of covenants, warranties/misrepresentation

In the event of any material breach or misrepresentations of, *inter alia*, the relevant Party's representations and warranties, the affected Party may prior to the Completion Date, elect, in the event of such breach or misrepresentation to rescind the SPA.

(e) Non-registration of Memorandum of Transfer

Parties shall revert to status quo whereby the same provision above for Force Majeure shall apply mutatis mutandis

(f) Unsatisfactory outcome of Joint Inspection

The Purchaser has the following rights:

- if the defects materially or adversely affect or might affect valuation of the Property or the viability of the purchase, the Purchaser may terminate the SPA and thereafter the Vendor shall refund any monies paid towards the Purchase Consideration and the Purchaser shall be entitled to claim a further sum equal to 10% of the Purchase Consideration as liquidated damages; and
- in all other cases, the Purchaser may request the Vendor to make good such change, deviation, defects or damage to the said Property.

(g) Default by the Vendor

The SPA shall be terminated and the Vendor shall refund any monies paid towards the Purchase Consideration and the Purchaser shall be entitled to claim a further sum equal to 10% of the Purchase Consideration as liquidated damages. Alternatively the Purchaser is entitled to compel the Vendor to complete the SPA by way of specific performance.

(h) If there are issue(s) arising from the Building Due Diligence Inspection and Audit which materially affects valuation of the Property or the viability of purchase, the Parties shall in good faith enter into discussions and mutually agree upon an appropriate adjustment to the Purchase Consideration. If the Parties are unable to arrive at an agreed adjustment of the Purchase Consideration, either Party may terminate the SPA.

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## 2.1.4 Salient terms of Agreement to Lease

| Term                      | Details  |   |                  |   |   |               |                           |
|---------------------------|--|---|------------------|---|---|---------------|---------------------------|
| Lessor                    | AmanahRaya Trustees Berhad as trustee for AHP  |   |                  |   |   |               |                           |
| Lessee                    | Mydin  |   |                  |   |   |               |                           |
| Building/Demised Premises | <table border="1"> <thead> <tr> <th>Building</th> <th>Gross Floor Area</th> </tr> </thead> <tbody> <tr> <td>Three (3) storey mall cum hypermarket building with two (2) sub-basements</td> <td>1,114,301.44 sq. ft. or 103,520.47 sq. m.</td> </tr> <tr> <td>Car park bays</td> <td>Approximately 1,454 units</td> </tr> </tbody> </table> | Building                                  | Gross Floor Area | Three (3) storey mall cum hypermarket building with two (2) sub-basements | 1,114,301.44 sq. ft. or 103,520.47 sq. m. | Car park bays | Approximately 1,454 units |
|                           | Building   | Gross Floor Area                          |                  |   |   |               |                           |
|                           | Three (3) storey mall cum hypermarket building with two (2) sub-basements  | 1,114,301.44 sq. ft. or 103,520.47 sq. m. |                  |   |   |               |                           |
| Car park bays             | Approximately 1,454 units  |   |                  |   |   |               |                           |

which is located on the Property

**Initial Lease Period** An initial thirty (30) years commencing from the Commencement Date (being the date on which the full Balance Purchase Price has been paid by the Lessor to the Lessee's solicitors as stakeholders in accordance with the terms of the SPA) divided into separate periods in relation to the Rent amount

**Commencement Dates** Commencement of the Lease and Term (which consists of the Initial Lease Period as mentioned above and any extended lease period thereto, if applicable) is conditional upon completion of the transaction under the SPA

**Conditions Precedent**

- Consent to Lease; and
- Lessor being registered as registered proprietor of the Demised Premises free from all encumbrances

If (a) above is not fulfilled, then Parties continue with the Lease which is governed by the terms of the Agreement to Lease/Lease Agreement on a landlord and tenant basis and as if the Lease Agreement has been duly registered with the land registry

If (b) above is not fulfilled, then the Agreement to Lease is terminated and all Rent already paid will be retained by the Trustee

**Term** Initial Lease Period (as described earlier above) and/or the Extended Lease Period (being the subsequent lease period of the Lease in the event the Lease is renewed in accordance with the terms of the Agreement to Lease/Lease Agreement), as the case may be

**Rent** The agreed rental for the Initial Lease Period are as follows:

| Term    | Period             | Rent (per month) |
|---------|--------------------|------------------|
| Term 1  | Year 1 to Year 4   | RM1,400,000.00   |
| Term 2  | Year 5 to Year 8   | RM1,540,000.00   |
| Term 3  | Year 9 to Year 11  | RM1,694,000.00   |
| Term 4  | Year 12 to Year 14 | RM1,863,400.00   |
| Term 5  | Year 15 to Year 17 | RM2,049,740.00   |
| Term 6  | Year 18 to Year 20 | RM2,254,714.00   |
| Term 7  | Year 21 to Year 23 | RM2,480,185.42   |
| Term 8  | Year 24 to Year 26 | RM2,728,203.92   |
| Term 9  | Year 27 to Year 29 | RM3,001,024.33   |
| Term 10 | Year 30            | RM3,301,126.75   |

For the Extended Lease Period – such Rent to be mutually agreed by both Parties.

The initial rental rate was based on a seven percent (7%) triple net yield of the Purchase Consideration and the rental renewal is at every four (4) years for the first two (2) terms and subsequently at every three (3) years for subsequent terms, at ten percent (10%) incremental rate for every term renewal.

| Term  | Details   |
|---|---|
|   | The initial lease term of thirty (30) years is to ensure the continuity of Mydin’s business, together with the steady stream of rental income to be accrued from the property, benefitting the Trust.   |
| Terms of Payment  | Rent shall be paid in advance on monthly basis on or before the 7th day of each month throughout the Term   |
| Security Deposit  | The sum equivalent to the aggregate of 3.18 months’ Rent which shall be revised accordingly to reflect the Rent for Term 1, Term 2, Term 3, Term 4, Term 5, Term 6, Term 7, Term 8, Term 9, Term 10 and the Extended Lease Period respectively in the form of an irrevocable bank guarantee in such form and substance as may be acceptable to the Lessor, acting reasonably  |
| Utilities Deposits  | The sum equivalent to the aggregate of 1.06 month’s Rent, which shall be revised accordingly to reflect the Rent for Term 1, Term 2, Term 3, Term 4, Term 5, Term 6, Term 7, Term 8, Term 9, Term 10 and the Extended Lease Period respectively in the form of an irrevocable bank guarantee in such form and substance as may be acceptable to the Lessor, acting reasonably   |
| Option for Renewal of Lease upon expiry of Term of 30 years | Upon Mydin’s written request made not less than twelve (12) months before the expiration of the Initial Lease Period of thirty (30) years, the Trustee may, at its sole and absolute discretion, grant to Mydin a further extension of the Lease for the Extended Lease Period (the length of which shall be mutually agreed to between the Trustee and Mydin) subject to the same terms and conditions in the Agreement to Lease/the Lease Agreement (save for provision for renewal under the Agreement to Lease)   |
| Lessee’s Default  | <p>Upon default by Mydin (not rectified for two (2) months), the Trustee shall be entitled to:</p> <ul style="list-style-type: none"> <li>• specific performance; or</li> <li>• termination of Lease whereby: <ul style="list-style-type: none"> <li>- Mydin shall within three (3) months of receipt of termination notice from the Trustee source for a replacement lessee acceptable to the Trustee (“<b>Replacement Lessee</b>”) for the unexpired period of the Initial Lease Period/Extended Lease Period and upon such terms and conditions as shall be acceptable to the Trustee PROVIDED THAT Mydin shall pay any shortfall between the Rent and the rent payable to the Trustee by the Replacement Lessee</li> <li>- If Mydin fails to find a Replacement Lessee, the Trustee shall forfeit the Security Deposit, the Utilities Deposit and claim damages not exceeding the Rent for the entire unexpired period of the Term (less the Security Deposit) PROVIDED THAT the Trustee shall use reasonable efforts to mitigate and recoup the losses suffered</li> </ul> </li> </ul> |
| Lessor’s Default  | <p>Upon default by the Trustee (not rectified for three (3) months), Mydin shall be entitled to:</p> <ul style="list-style-type: none"> <li>• specific performance; or</li> <li>• termination of Lease whereby:</li> </ul> <p>The Trustee to refund the Security Deposit, the Utilities Deposit free of interest and pay damages not exceeding the Rent for the entire unexpired period of the Term</p>   |
| Lessee’s Responsibility                                     | <p>The Lessee is responsible for upkeep, repair and maintenance of the Property including payment for quit rent, assessments, insurance and other outgoings in respect of the Property</p> <p>In addition to the above, the Lessee shall also be responsible to bear other expenses which include, inter alia,-</p> <p>(a) all application and connection fees, deposits, charges and outgoings in respect of installation and supply of electricity, water, gas, telecommunication services, sewerage services, maintenance charges and other utilities or consumption used at the Property;</p>   |

- (b) charges for the supply of telephone service and telecommunication services at the Property;
- (c) the costs and expenses of repairing and mending any damages, repairs, replacements and/or defects due to want of care, misuse, abuse or otherwise by the Vendor, its tenants or their employees, servants, agents, visitors or invitees;
- (d) the cost and expense of procuring all approvals, permits, consents and/or licenses for carrying out its businesses and activities at the Property;
- (e) the cost and expense of maintaining the Property (including internal and external structures, the roof, flooring and interior plaster or other surface materials) in good tenantable and acceptable repair and clean sanitary condition (fair wear and tear excepted);
- (f) the cost and expense of replacing or repairing any part of the exterior and interior of the Property (the flooring and interior plaster or surface materials, or rendering on walls and ceilings, the Lessor's fixtures therein inclusive of air-conditioning and ventilation systems, electrical wiring or mechanical fittings, plumbing system, lifts, escalators, fire fighting system, CCTV or Building Management System (BMS) (if any) and stairways, internal and external structures, exterior and interior wall, interior floors and the roof, gutters, drainage and sewerage systems, water tanks, gates and fencing, roadways, interior and exterior doors, windows, glass shutters, locks and fastenings, installations and fittings for the light and power and other fixtures and additions therein which shall be broken or damaged or otherwise require replacement or repair during the Term. The Lessee is to be wholly responsible for any damage, loss or injury caused to the Purchaser or to any person whomsoever, directly or indirectly, through the damaged condition of any part of the Property including, without limitation, the aforesaid items;
- (g) the cost and expense of providing security for the Property;
- (h) the cost and expense of keeping in effect a separate public risk liability insurance and building insurance for loss of damage by fire, lightning, tempest, flood, riot, civil commotion, strike, malicious acts, loss of rentals, breakdown of machinery and breaking of glass for such amount as the Purchaser deems adequate and proper with an insurer approved by the Purchaser in the names of the Purchaser (including AHP and PHNB);
- (i) the cost and expense of any necessary alterations to the sprinkler, fire alarm and fire safety installation;
- (j) the cost and expense of procuring and obtaining all necessary licenses, permits, registration, authorities and approvals (including trade name and licenses for the Vendor's or its tenants' signages and advertisements) and other consents necessary for the use of the Property for their lawful activities to be conducted at the Property;
- (k) on determination of the Lease (whether due to expiry of sooner determination thereof), the cost and expense of restoring and reinstating the Property to a good and substantial, clean and tenantable state and condition as at the commencement date of the Lease (fair wear and tear excepted) including the removal of all equipment, signs and all erections, alterations, additions and other items of the Vendor or its tenants;
- (l) the cost and expense of managing and maintaining the whole of the Property including without limitation, the structures, walls, entrances, exits, stairways, corridors, lifts, all car parks servicing the Property, walkways and passages, in good repair and condition throughout the term of the Lease, whether by the Vendor itself or through a property management company to be appointed by the Vendor at its discretion.

### **2.1.5 Basis of determining the Purchase Consideration**

The Purchase Consideration was arrived based on the market value of the Property of RM240,000,000 as appraised by the Valuer.

As stated in the Valuation Report dated 3 April 2015, the basis of valuation is the market value which is defined by the Malaysian Valuation Standards as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Valuer, has in its Valuation Report, assessed the market value of the Property based on the Income Approach using the Investment Method. The Comparison Approach is used as a check. The market value of the Property derived from the Income Approach using the Investment Method is RM240,000,000 while the market value derived from the Comparison Approach is RM248,000,000. The Valuer considers the market value derived based on the Income Approach using the Investment Method to be the most appropriate method of valuation as the Property is an income generating property supported by the rental income received.

The Income Approach using the Investment Method is a two (2)-stage capitalisation (Term & Reversion) of the net rental income of the property at appropriate 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 outgoings. The Reversion income is derived from market derived rental rates, as well as taking into consideration the passing rents, which is capitalised to perpetuity, after deducting outgoings.

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 have been analysed on the net lettable area ("NLA") basis and adjustments have been made to recognise the various differences between the sales comparables and subject property for time factor, location, building age/condition, building type, size of the building based on the NLA and tenure.

Further details are set out in the valuation certificate for the Property dated 3 April 2015 as enclosed in Appendix I of this Circular.

### **2.1.6 Additional financial commitment**

Save for the financing to be secured to partly fund the Proposed Acquisition and capital expenditure to be incurred in the normal course of operations, AHP does not expect to incur any other financial commitment arising from the Proposed Acquisition.

### **2.1.7 Liabilities to be assumed**

There are no contingent liabilities and guarantees to be assumed by AHP arising from the Proposed Acquisition.

### **2.1.8 Information on Mydin Mohamed Holdings Berhad**

Mydin Mohamed Holdings Berhad was incorporated as a private limited liability company on 23 July 1991 in Malaysia under the Act. It was subsequently converted into a public limited liability company on 23 August 2001. The Company's authorised share capital is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each of which RM69,800,000 comprising 69,800,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The Company is principally engaged in the hypermarket, supermarket, emporium, franchising, wholesale business and shopping mall management. As at LPD, the directors are Murad Ali Bin Mydin Mohamad, YBhg. Datuk Wira (Dr.) Hj. Ameer Ali Bin Mydin, Ahimmat Bin Mydin Mohamed, Salim Bin Mydin Mohamed and YBhg. Datin Wira (Dr.) Hjh. Siti Hawa Binti Mohd. Munji.

The shareholders of Mydin and their shareholdings as at LPD are as follows:

| Shareholders                                     | Direct           |       | Indirect         |   |
|--|------------------|-------|------------------|---|
|  | Number of shares | %     | Number of shares | % |
| Murad Ali Bin Mydin Mohamad                      | 7,250,000        | 10.39 | -                | - |
| Datuk Wira (Dr.) Hj. Ameer Ali Bin Mydin         | 7,250,000        | 10.39 | -                | - |
| Ahimmat Bin Mydin Mohamed                        | 7,250,000        | 10.39 | -                | - |
| Salim Bin Mydin Mohamed                          | 7,250,000        | 10.39 | -                | - |
| Datin Wira (Dr.) Hj. Siti Hawa Binti Mohd. Munji | 40,800,000       | 58.44 | -                | - |

## 2.2 PROPOSED RIGHTS ISSUE

The Proposed Rights Issue entails the issuance of 120,000,000 Rights Units on the basis of six (6) Rights Units for every five (5) existing Units in AHP held on an entitlement date to be determined later.

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

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

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

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

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

### 2.2.1 Basis of determining the issue price of the Rights Units

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

- (a) the TERP based on the five (5)-day VWAMP of AHP immediately prior to the price fixing date;
- (b) the funding requirements of AHP;
- (c) the funding proportion for the Proposed Acquisition;
- (d) the borrowing limit of the Trust; and
- (e) the distribution capacity of AHP.

For illustrative purposes, assuming based on an illustrative price of RM1.08 per Rights Issue, the TERP of the Units is approximately RM1.12 based on the five (5)-day VWAMP up to and including 24 April 2015, being the last trading day prior to the date of the initial Announcement of RM1.17. The illustrative issue of RM1.08 per Rights Unit therefore represents a discount of approximately 3.6% over the TERP.

It should be noted that the issue price has not been fixed and will be announced in due course once determined. The issue price may or may not be fixed at a discount to the TERP, where the Trust will need to raise proceeds of RM129,600,000 from the Proposed Rights Issue which will be allocated to part finance the Proposed Acquisition and estimated expenses for the Proposals of RM15.00 million and RM14.60 million, respectively after taking into consideration the indicative funding proportion, while at the same time maintaining borrowings below the limit of 50% of the total asset value of the Trust and taking cognisance of any impact to the NAV per unit and DPU.

The final amount of Units to be issued pursuant to the Rights Issue will depend on the final issue price at Price Fixing Date.

### 2.2.2 Ranking of the Rights Units

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

### 2.2.3 Listing of and quotation for the Rights Units

Bursa Securities had, vide its letter dated 16 July 2015, granted its approval for the listing and quotation of the Rights Units on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in Section 9 of this Circular.

The listing of and quotation for the Rights Units is expected to be completed in fourth (4<sup>th</sup>) quarter of calendar year 2015.

### 2.2.4 Substantial and Major Unit Holders' undertaking and underwriting agreements

AHP intends to raise gross proceeds of RM129,600,000 from the Proposed Rights Issue to meet the funding requirements of AHP that will be channelled toward the proposed utilisation as set out in Section 4 of this Circular.

Pursuant to the Proposed Rights Issue, the Undertaking Unit Holders have given their Undertakings. For illustration, the details of the Undertakings are as follows:

| Names   | No. of Units directly held as at LPD | % over total Unit in circulation <sup>(1)</sup> | No. of Rights Units to be subscribed pursuant to the Undertakings | No. of Rights Units to be subscribed pursuant to the excess application | Total units held after Rights Issue | % of total Rights Units <sup>(2)</sup> |
|---|--------------------------------------|---|---|---|-------------------------------------|--|
| AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) | 41,008,500                           | 41.01   | 49,210,200  | 4,300,000   | 94,518,700                          | 42.96                                  |
| PNB   | 5,063,500                            | 5.06  | 6,076,200   | -   | 11,139,700                          | 5.06                                   |
| <b>Total</b>  | <b>46,072,000</b>                    | <b>46.07</b>                                    | <b>55,286,400</b>   | <b>4,300,000</b>  | <b>105,658,400</b>                  | <b>48.02</b>                           |

Notes:

<sup>(1)</sup> Based on the units in issue of 100,000,000 as at LPD.

<sup>(2)</sup> Based on the enlarged units in issue of 220,000,000 units.



The actual number of Units to be subscribed subject to the Undertakings shall depend on the holdings on the Entitlement Date.

The Undertaking Unit Holders have provided their respective irrevocable written confirmation that they have allocated sufficient financial resources to solely subscribe in full for their respective entitlement together with the excess application of 4,300,000 Rights Units as mentioned above under the Proposed Rights Issue. The 4,300,000 excess Rights Units represents not more than two per centum (2%) of the enlarged units in issue of AHP which may be issued pursuant to the Proposed Rights Issue. As the Principal Adviser to PHNB, as the Manager of AHP in respect of the Proposed Rights Issue, MIDF Investment has verified the abovementioned confirmations made by the Undertaking Unit Holders.

MIDF Investment has been appointed as the Managing Underwriter to manage the underwriting of the remaining Rights Units to be issued which are not subject to the Undertakings involving 64,713,600 Rights Units, representing approximately 53.93% of the total Rights Units to be issued under the Proposed Rights Issue. The underwriting agreement for the Underwritten Portion will be finalised prior to the implementation of the Proposed Rights Issue through an underwriting agreement to be entered into between the Manager and MIDF Investment, being the underwriter for the Proposed Rights Issue upon such terms and conditions to be agreed at later stage. The underwriting agreement has not been entered into at this juncture. The underwriting commission will be borne by the Trust based on normal commercial terms. The Undertakings together with the Underwritten Portion will constitute the full subscription level for 120,000,000 Rights Units under the Proposed Rights Issue.

After taking into consideration the Undertakings and the Underwritten Portion, the Manager confirms that the abovementioned subscription of the Rights Units will not give rise to a mandatory general offer obligation pursuant to the Malaysian Code on Take Over and Mergers, 2010.

The Proposed Rights Issue will not be undertaken on a minimum subscription basis.

#### **2.2.5 Foreign Addressed Unit Holders**

An abridged prospectus and the relevant documents to be issued pursuant to the Proposed Rights Issue are not intended to comply with the laws of any jurisdiction other than Malaysia and will not be registered under applicable securities legislation of any overseas jurisdiction. Accordingly, the Proposed Rights Issue will not be offered for subscription in any country other than Malaysia.

Therefore the abridged prospectus and the relevant documents relating to the Proposed Rights Issue will not be sent to Foreign Unit Holders who have not provided an address in Malaysia for the service of documents as at the Entitlement Date. Foreign Unit Holders may, prior to the Entitlement Date, provide an address in Malaysia for service of documents to their respective stockbrokers as well as the Registrar to effect the change of address. Alternatively, such Foreign Unit Holders may collect the abridged prospectus and the relevant documents from the Registrar, in which event, the Registrar shall be entitled to request for such evidence (i.e. identification or authorisation documents) as the Registrar may deem necessary to satisfy itself as to the identity and authority of the person collecting the abridged prospectus and the relevant documents.

The Registrar will not make or be bound to make any enquiry as to whether the Entitled Unit Holders have a registered address other than as stated in the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Unit Holders of the Trust may only exercise their rights in respect of the Proposed Rights Issue to the extent that it would be lawful to do so, and the Manager, Trustee and/or the advisers and the Directors, officers and employees of the Manager, Trustee and/or the advisers would not, in connection with the Proposed Rights Issue, be in breach of the laws of any jurisdiction that the Unit Holders of the Trust might be subject to. The Unit Holders of the Trust shall be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subject to, and a participation by Unit Holders of the Trust in the Proposed Rights Issue shall be on the basis of a warranty by the Unit Holders that they may lawfully participate without the Manager, Trustee and/or the advisers and the Directors, officers and employees of the Manager, Trustee and/or the advisers being in breach of the laws of any jurisdiction.

The Foreign Addressed Unit Holders will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in any foreign jurisdiction they might be subject to and the Trust shall be entitled to be fully indemnified and held harmless by such foreign applicants for any such payments.

The Manager, Trustee and/or the advisers and the Directors, officers and employees of the Manager, Trustee and/or the advisers shall not accept any responsibility or liability in the event that any acceptance of a Foreign Addressed Unit Holders of their rights in respect of the Proposed Rights Issue is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

The Foreign Addressed Unit Holders who are not entitled to subscribe for the Rights Unit pursuant to the Proposed Rights Issue under the laws and jurisdiction to which they are subject to, will have no claim whatsoever against the Manager, Trustee and/or the advisers and the Directors, officers and employees of the Manager, Trustee and/or the advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue.

### **3. RATIONALE FOR THE PROPOSALS**

#### **3.1 Proposed Acquisition**

The Proposed Acquisition is in line with the objective of the Manager to enhance its acquisition strategy to provide reasonable level of income return to Unit Holders and allow to gain from capital growth.

The Manager believes that the Proposed Acquisition will bring the following key benefits:

- (i) the Proposed Acquisition is expected to be DPU accretive;
- (ii) the Proposed Acquisition will provide AHP with additional stable and sustainable income stream pursuant to the leaseback agreement with Mydin with a committed lease of thirty (30) years;
- (iii) the addition of the Property, a three (3) storey mall cum hypermarket located in Seremban 2, Negeri Sembilan, will add greater geographical and income diversification to AHP's existing portfolio and also provide its Unit Holders exposure to the retail sector; and
- (iv) the Proposed Acquisition will grow the size of AHP, thus providing further opportunities for growth of the fund, potential capital appreciation of units and increased units in circulation for the potential trading in the market, which are all for the benefit of Unit Holders.

#### **3.2 Proposed Rights Issue**

The Proposed Rights Issue is undertaken to raise funds for the purposes as stated in section 4 below.

The benefits to the Unit Holders are as follows:

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

#### 4. UTILISATION OF PROCEEDS

For illustration purposes, based on an illustrative issue price of RM1.08 per Rights Unit, the Proposed Rights Issue will raise gross proceeds of approximately RM129,600,000. The proceeds arising from the Proposed Rights Issue shall be utilised in the following manner:

| Proposed utilisation   | Expected timeframe for utilisation | RM'000         |
|--|------------------------------------|----------------|
| Part finance the Purchase Consideration of the Proposed Acquisition <sup>(a)</sup> | Within one (1) month               | 115,000        |
| Estimated expenses for the Proposals <sup>(b)</sup>                                | Within one (1) month               | 14,600         |
|  |                                    | <b>129,600</b> |

Notes:

<sup>(a)</sup> The balance of the Purchase Consideration will be financed via bank borrowings.

<sup>(b)</sup> The estimated total expenses for the Proposals is RM18.64 million of which RM14.60 million is to be funded from the proceeds of the Proposed Rights Issue and the balance of RM4.04 million is to be funded via the borrowings from existing facility of AHP. The breakdown of the estimated total expenses for the Proposals is as below:

| Estimated total expenses for the Proposals | RM'000        |
|--|---------------|
| Professional fees                          | 1,487         |
| Authorities fees                           | 70            |
| Underwriter's fee                          | 1,400         |
| Printing and administration                | 418           |
| Stamp duty                                 | 625           |
| Goods and Services Tax                     | 14,640        |
| <b>TOTAL</b>                               | <b>18,640</b> |

The cost of issuing and registering the abridged prospectus for the Proposed Rights Issue is to be charged to the Trust based on the assumption that the First Restated Deed in relation to the Amendments to the Principal Deed relating to such costs has been registered with the SC prior to the issuance of the abridged prospectus.

#### 5. EFFECTS OF THE PROPOSALS

For illustration purposes, the proforma effects of the Proposals on AHP's Unit Holders' capital, NAV and gearing, earnings and EPU, substantial Unit Holders' unitholdings are set out below:

##### 5.1 Unit Holders' capital

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

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

## 5.2 NAV and gearing

Based on the audited financial statements of AHP for the FYE 31 December 2014, the proforma effects of the Proposed Acquisition and the Proposed Rights Issue on the NAV and gearing of AHP are as follows:

|                            | Audited as at<br>31 December 2014 | (I)<br>After the Proposed<br>Rights Issue | (II)<br>After (I) and the<br>Proposed Acquisition |
|----------------------------|-----------------------------------|---|---|
|                            | RM'000                            | RM'000                                    | RM'000  |
| Unit Holders' capital      | 100,000                           | 227,107 <sup>(a)</sup>                    | 227,107   |
| Retained earnings          | 54,441                            | 54,441                                    | 54,441  |
| <b>Total NAV</b>           | <b>154,441</b>                    | <b>281,548</b>                            | <b>281,548</b>                                    |
| No. of units ('000)        | 100,000                           | 220,000                                   | 220,000   |
| NAV per Unit (RM)          | 1.5444                            | 1.2798                                    | 1.2798  |
| Total Borrowings           | 38,466                            | 38,466                                    | 167,506 <sup>(c)</sup>                            |
| Total Assets               | 200,173                           | 327,280 <sup>(b)</sup>                    | 456,320 <sup>(c)</sup>                            |
| Gearing (%) <sup>(d)</sup> | 19.22                             | 11.75                                     | 36.71   |

Notes:

<sup>(a)</sup> After the completion of the Proposed Rights Issue of 120,000,000 Units based on indicative issue price of RM1.08, net of estimated expenses of RM2,493,000 for the Proposed Rights Issue. The breakdown for the estimated expenses of RM2,493,000 is as below:

| <i>Estimated expenses for the Proposed Rights Issue</i> | <i>RM'000</i> |
|---|---------------|
| <i>Professional fees</i>                                | 625           |
| <i>Authorities fees</i>                                 | 70            |
| <i>Underwriter's fee</i>                                | 1,400         |
| <i>Printing and administration</i>                      | 398           |
| <b>TOTAL</b>  | <b>2,493</b>  |

<sup>(b)</sup> Includes cash proceeds from the Proposed Rights Issue of RM129,600,000 based on indicative issue price of RM1.08, net of estimated expenses of RM2,493,000 for the Proposed Rights Issue. The estimated expenses include the cost of issuing and registering the abridged prospectus for the Proposed Rights Issue which is to be charged to the Trust based on the assumption that the First Restated Deed in relation to the Amendments to the Principal Deed relating to such costs has been registered with the SC prior to the issue of the abridged prospectus.

<sup>(c)</sup> Includes bank borrowings of RM125,000,000 to partly finance the Proposed Acquisition and an additional RM4,040,000 borrowing from existing facility, for working capital purposes.

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

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### 5.3 Substantial and Major Unit Holders' unitholdings

The Proposed Acquisition will not have any effect on the substantial Unit Holders' unitholdings in AHP.

Based on the Record of Depositors of AHP as at LPD, the proforma effects of the Proposed Rights Issue on the substantial Unit Holders' unitholdings are as follows:

|   | As at the LPD |       |                    |      | After the Proposed Rights Issue |       |              |      |
|---|---------------|-------|--------------------|------|---------------------------------|-------|--------------|------|
|   | Direct        |       | Indirect           |      | Direct                          |       | Indirect     |      |
|   | No. of Units  | %     | No. of Units       | %    | No. of Units                    | %     | No. of Units | %    |
|   | ('000)        |       | ('000)             |      | ('000)                          |       | ('000)       |      |
| AmanahRaya Trustees Berhad (Skim Amanah Saham Bumiputera) | 41,009        | 41.01 | -                  | -    | 90,219 <sup>(ii)</sup>          | 41.01 | -            | -    |
| PNB   | 5,064         | 5.06  | 719 <sup>(i)</sup> | 0.72 | 11,140                          | 5.06  | 1,581        | 0.72 |

Notes:

<sup>(i)</sup> Deemed interested by virtue of its interest in Boh Plantations Sdn Bhd pursuant to Section 6A of the Act; and  
<sup>(ii)</sup> Assuming everyone subscribed for their respective entitlements.

### 5.4 Earnings and distributable income

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

The future rental income of RM16,800,000 per annum from the Property is expected to contribute positively to the future earnings of AHP. For illustration purposes, the effect of the Proposals on the historical EPU for the FYE 31 December 2014 based on the audited statement of comprehensive income for the said financial year and on the assumption that the Proposals were effected on 1 January 2014, is set out below:

|  | Audited as at 31 December 2014 | (I)<br>After the Proposed Rights Issue | (II)<br>After (I) and the Proposed Acquisition |
|--|--------------------------------|--|--|
|  | RM                             | RM                                     | RM   |
| Total comprehensive income             | 3,887,172                      | 3,887,172                              | 13,459,302 <sup>(1)</sup>                      |
| Net realised income                    | 5,298,289                      | 5,298,289                              | 14,870,419 <sup>(1)</sup>                      |
| No. of Units in circulation            | 100,000,000                    | 220,000,000                            | 220,000,000                                    |
| EPU – Total comprehensive income (Sen) | 3.89                           | 1.77                                   | 6.12   |
| EPU – Net realised income (Sen)        | 5.30                           | 2.41                                   | 6.76   |

Note:

<sup>(1)</sup> After taking into consideration the net property income from the Proposed Acquisition of RM16,650,000 (gross rental income of RM16,800,000 less property manager's fee of RM150,000) and adjusted for the corresponding manager's fee of RM1,271,070 and financing costs of RM5,806,800 but does not include the effect of acquisition fee which may be charged by the Manager pursuant to the First Restated Deed in view that such fee is a one-off non-recurring expenses.

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

The Manager had declared and paid an income distribution of 7.40 sen per Unit for the FYE 31 December 2014. The Manager intends to distribute at least 90.0% of the distributable income of AHP for each financial year. The Proposed Rights Issue and Proposed Acquisition are not expected to have any material effect on the above distribution policy as determined by the Board. The decision to declare and pay any distributable income in the future would depend on, inter alia, the financial performance, cash flow position and financing requirements of AHP.

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

## **5.5 Convertible securities**

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

## **6. RISK FACTORS**

Unit Holders should consider the following risks inherent in the property market and the risk factors (which may not be exhaustive) pertaining to the Proposed Acquisition:

- (i) The SPA and the Agreement to Lease may not be completed if the conditions precedent set out in Section 2.1.3 (iii) are not fulfilled within the stipulated time frame and the SPA and the Agreement to Lease may be terminated due to an occurrence of an event of default pursuant to the terms and conditions stipulated therein. The SPA may also be rescinded for events which are not attributable to the default of either the Vendor or the Purchaser such as the occurrence of a continuing force majeure event or the acquisition or intended acquisition of the Property or any part thereof by the State Authority or any other acquiring authority or the Memorandum of Transfer is rejected by the relevant land registry through no fault of either the Vendor or the Purchaser despite efforts to rectify. However, the Manager and the Trustee will monitor the status and progress of the Proposed Acquisition and shall endeavour, to the extent possible, to meet and fulfil the conditions precedent of the SPA and the Agreement to Lease and the terms and conditions of the SPA and the Agreement to Lease;
- (ii) The Property may be affected by the increased competition from other retail malls. This could in turn have an adverse impact on AHP's future earnings and results of operations. However, the risk is mitigated in view that the Property will be leased for thirty (30) years on agreed rental rates;
- (iii) In the event AHP intends to dispose the property, the valuation and the price at which AHP is able to sell the Property may be different from the appraised value or the initial acquisition price of the Property depending on the property market and occupancy of the building after the expiry of the Lease Agreement or in the event the sub-tenants vacate the Property;
- (iv) Due diligence on the Property may not identify all defects, breaches or non-compliance of any applicable laws including by-laws, rules and regulations, requirements of the regulatory authorities and other deficiencies, which could result in rectifications being required. The representations, warranties and indemnities made in favour of AHP by Mydin may not offer sufficient protection for the costs and liabilities arising from any defect or deficiency;
- (v) AHP will depend on external financing to partly finance the Proposed Acquisition and its ability to pay distributions may be adversely affected by this new loan agreement combined with AHP's current financing arrangements and/or future loan agreements or any interest rate fluctuations;

- (vi) AHP's revenue derived from the Property may be affected by the sustainability of the Lessee's business which may affect the ability of the Lessee to pay the rental for the Property. This could, in turn, have an adverse effect on AHP's future earnings and results of operations. Nevertheless the Agreement to Lease and the Lease Agreement do provide that where the Lease is terminated due to an unrectified material breach by the Lessee of its obligations therein, the Lessee shall within three (3) months of receipt of termination notice from the Lessor source for the Replacement Lessee for the unexpired period of the Initial Lease Period/Extended Lease Period and upon such terms and conditions as shall be acceptable to the Lessor PROVIDED THAT the Lessee shall pay any shortfall between the Rent and the rent payable to the Trustee by the Replacement Lessee. Failure by the Lessee to find a Replacement Lessee would then entitle the Lessor to the Security Deposit, the Utilities Deposit and claim damages not exceeding the Rent for the entire unexpired period of the Term (less the Security Deposit) PROVIDED THAT the Lessor shall use reasonable efforts to mitigate and recoup the losses suffered; and
- (vii) If the Lessee does not renew the Lease, given the location and size of the Property and its utilisation as a mall-cum hypermarket, there may be prolonged vacancy of the Property in view of difficulty in identifying suitable tenants as replacement resulting in loss of revenue over such period.

All the risk factors stated above are normal in the ordinary course of business of a REIT and would apply to any acquisition of property. The Manager will endeavour to mitigate these risks so that AHP will not be subject to unreasonable risks.

## **7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS**

### **7.1 Overview and outlook of the Malaysian Economy**

The Malaysian economy registered a growth of 5.6% in the first quarter of 2015 (4Q 2014: 5.7%), underpinned mainly by the private sector demand. On the supply side, growth was supported by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.2% (4Q 2014: 1.8%).

Private sector activity remained the key driver of growth during the quarter. Private consumption expanded at a stronger pace of 8.8% (4Q 2014: 7.6%), supported by stable labour market conditions and higher wage growth. The strong private consumption growth was also contributed by the flood relief efforts early in the year, and the front-loading of household spending prior to the implementation of GST. Private investment recorded a growth of 11.7% (4Q 2014: 11.1%), underpinned by capital expenditure in the manufacturing and services sectors. Growth in public consumption improved in the first quarter (4.1%; 4Q 2014: 2.5%), due to higher growth in supplies and services amid moderate growth in emoluments. Public investment turned around to register a positive growth of 0.5% (4Q 2014: -1.9%) following higher capital spending by the Federal Government.

On the supply side, growth in the first quarter was supported by the major economic sectors. The services sector was underpinned by growth in all sub-sectors, particularly consumption-related sub-sectors. Growth in the manufacturing sector was supported by stronger performance in the export-oriented industries, particularly the electronics and electrical (E&E) cluster. The construction sector was supported mainly by the non-residential and residential sub-sectors, while the mining sector continued to record stronger growth amid higher crude oil production. Meanwhile, the agriculture sector contracted as a result of lower palm oil production, arising from flood-related disruptions.

The Malaysian economy is expected to remain on a steady growth path. Domestic demand will remain the key driver of growth amid the lower oil prices. Investment activity is projected to remain resilient, with continued capital spending by both the private and public sectors. While private consumption is expected to moderate as households adjust to the introduction of the Goods and Services Tax (GST), the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2015, Bank Negara Malaysia)*

The Malaysian economy remained resilient to record a steady growth of 5.6% in the first quarter of 2015 (Q4 2014: 5.7%), despite uncertainties in the external environment. Growth was supported by strong domestic economic activity, particularly private consumption and investment. On the supply side, the services sector sustained a growth of 6.4% (Q4 2014: 6.6%) supported mainly by wholesale and retail trade, information and communication as well as business services subsectors. Meanwhile, growth in the manufacturing sector further strengthened by 5.6% (Q4 2014: 5.4%), boosted by better performance of export-oriented industries, particularly the electrical and electronics (E&E) as well as transport equipment subsectors. The construction sector grew at a stronger pace of 9.7% (Q4 2014: 8.8%) on account of higher activity in the non-residential and residential subsectors. Similarly, the mining and quarrying sector recorded a robust growth of 9.6% (Q4 2014: 9.5%) following higher production of crude oil. However, the agriculture sector declined further by 4.7% (Q4 2014: -3.7%) due to lower production of oil palm as well as forestry and logging activities.

*(Source: Malaysian Economic First Quarter 2015, Ministry of Finance)*

Meanwhile, the Malaysian economy has benefited from several initiatives and reforms taken over the years to enhance its resilience and competitiveness. Consequently, Malaysia is now well placed to gain further from the gradual global recovery with a more broad-based growth. The nation's strengths include: strong macroeconomic fundamentals such as a diversified economy; low unemployment; strong international reserves; growing role of the private sector as the driver of growth with its share of investment currently accounting for 68.9% of total investment during the first half of 2014; and a healthy financial system to support economic activity. Thus, the domestic economy will continue to expand in the second half of the year, albeit moderately, mainly due to the high-base effect of export performance from the previous year. For 2014, the economy is projected to grow 5.5% - 6% (2013: 4.7%), which is higher than the initial forecast of 4.5% - 5.5% in early 2014.

The economic growth momentum in 2014 is expected to continue in 2015 driven by improving external demand and resilient domestic economic activity. Growth will be private-led in line with the Governments' efforts to strengthen the private sector's role in the economy. On the supply side, all economic sectors are expected to record positive growth in 2015, with the services and manufacturing sectors remaining the major contributors to growth. Sustained growth in domestic demand, albeit at a moderate pace, is expected to contribute to the expansion in domestic-related activities. Meanwhile, the export-oriented industries, particularly the electronics and electrical ("E&E") subsector will benefit from the improvement in external conditions in line with improving global growth. The agriculture sector is expected to expand on account of higher output of palm oil while the construction sector is expected to record higher growth driven by robust activity in the civil engineering and residential subsectors. Hence, the economy is projected to grow 5% - 6% in 2015.

*(Source: Economic Report 2014/2015, Ministry of Finance)*

## **7.2 Overview and prospect of the retail property in Negeri Sembilan**

Property market in Negeri Sembilan continued to firm up in 2014. The review period registered 23,257 transactions with a total value of RM6.79 billion, up by 5.6% and 25.2% respectively against 2013. The residential property remained the leading sub-sector, contributing 71.0% of overall market share. Agricultural and commercial sub-sectors were the next leading contributor, each with respective market share of 14.6% and 8.3%.

In the commercial sub-sector, shops located within established housing schemes and enjoyed good accessibility gained advantage whilst those nearby housing schemes in Seremban 2 and Senawang also recorded gains.

Rentals of ground floor shops and office space in shops witnessed stable trend except in selected location. Ground floor shops within strategic locations and those adjacent to new development known as Bandar IOI Jempol experienced rental growth.

Rentals of retail space in shopping complex and office space in purpose-built office were generally stable.



The shopping complex performance moderated as the overall occupancy declined from 83.1% in 2013 to 15.9% in 2014. However, the entrance of Mydin hypermarket Seremban 2 and newly refurbished Palm Mall, is hoped to ignite some excitement into the market. New construction activity saw two starts (2,652 s.m.) and five new planned supply (63,060 s.m.) in the review period.

*(Source: Property Market Report 2014, Valuation and Property Services Department, Ministry of Finance, Malaysia)*

### **7.3 Prospects of the Property**

Mydin Hypermarket which is operated by Mydin, is the major occupier of the Property. The mall area comprising of shoplots, bazaar lots, kiosks, promotion space, push carts and massage chairs area are let to various tenants. 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.

The bazaar lots, kiosks, promotion space, push cart together with the massage chairs area are referred to as 'Scenic Prima' license spaces, licensed to Scenic Prima Sdn Bhd (as Leasing Agent –'Licensee'), managing this space for 20% of the rent received with the remaining 80% apportioned to Mydin as proprietor/landlord, for tenancies let on permanent basis (let for more than one month). For tenancies let on temporary basis (let day-to-day or for less than one month), the licensee is entitled to 30% of the rent received with the remaining 70% apportioned to Mydin.

Overall, the subject property has an occupancy rate of about 89.10% as at 31 January 2015.

Tenants are from various types of retail businesses such as apparels, electronics, telecommunication service providers, jewelry, food & beverages and entertainment. Some major names in the mall include Adidas, Bata, Habib Jewels, Samsung, Sony, Digi, Celcom, Marrybrown, The Chicken Rice Shop and A&W.

In view of the existing tenancies and the current market condition, the rental for the Property is expected to remain stable despite the uncertainties in the global and domestic economy due to the recent decline in the crude oil prices and depreciating ringgit.

Mydin is known for offering shoppers bargains and relatively lower prices for products and services attracting demand especially from medium income earners in the area and the surroundings. Mydin Mall Seremban 2 is expected to benefit from this demand.

*(Source: Valuation Report)*

The Board believes that the demand from the medium income customers within the vicinity of Seremban and its surrounding areas would provide better business to the Mydin Mall cum Hypermarket. Hence, the Board believes that the Proposed Acquisition will contribute to and benefit the future performance of the Trust.

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## 8. HISTORICAL UNIT PRICES

The monthly highest and lowest prices of AHP Units traded on Bursa Securities for the past twelve (12) months are as follows:

|             | High<br>RM | Low<br>RM |
|-------------|------------|-----------|
| <b>2014</b> |            |           |
| July        | 1.20       | 1.17      |
| August      | 1.22       | 1.16      |
| September   | 1.18       | 1.16      |
| October     | 1.20       | 1.15      |
| November    | 1.17       | 1.15      |
| December    | 1.16       | 1.10      |
| <b>2015</b> |            |           |
| January     | 1.17       | 1.11      |
| February    | 1.19       | 1.14      |
| March       | 1.21       | 1.14      |
| April       | 1.19       | 1.13      |
| May         | 1.12       | 1.05      |
| June        | 1.08       | 1.04      |

(Source: Bloomberg)

Last transacted market price of AHP Units on 24 April 2015, being the day prior to the date of announcement of the Proposals RM1.17

Last transacted market price of AHP Units on the 28 July 2015, being the day prior to the printing of the Circular RM1.07

## 9. APPROVALS REQUIRED AND INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are subject to the following approvals from the following parties being obtained:

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

| Conditions imposed   | Status of compliance                      |
|--|---|
| (i) AHP and MIDF Investment must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Proposed Rights Issue;                                     | To be complied by AHP and MIDF Investment |
| (ii) AHP and MIDF Investment to inform Bursa Securities upon the completion of the Proposed Rights Issue;  | To be complied by AHP and MIDF Investment |
| (iii) AHP to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; | To be complied by AHP                     |

| Conditions imposed |  | Status of compliance  |
|--------------------|--|-----------------------|
| (iv)               | Certified true copy of the resolution passed by the unit holders in general meeting approving the Proposed Rights Issue; and | To be complied by AHP |
| (v)                | To incorporate comments from Bursa Securities in respect of the draft circular to unit holders for the Proposals.            | Complied              |

- (ii) the Unit Holders of AHP at a Unit Holders' EGM for the Proposed Rights Issue;
- (iii) the Negeri Sembilan State Authority approvals for the transfer and charging of the Property; and
- (iv) any other relevant regulatory authorities or parties, if required.

The Proposed Acquisition is subject to, inter alia, the conditions precedent specified in Section 2.1.3(iii) being satisfied within five (5) months of the date of the SPA.

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

The Proposals are conditional upon the Proposed Amendment for Pledging of Trust's Assets to Secure Borrowings and Increase in Borrowing Limit.

Save as disclosed above, the Proposals are not conditional upon any other proposals.

## 10. INTEREST OF DIRECTORS, MAJOR UNIT HOLDERS AND PERSONS CONNECTED TO THEM

### 10.1 Proposed Acquisition

None of the Directors of PHNB, PNB as the sole shareholder of PHNB, major Unit Holders of AHP and persons connected to them have any interest, direct or indirect, in the Proposed Acquisition.

### 10.2 Proposed Rights Issue

None of the Directors of PHNB, PNB as the sole shareholder of PHNB, major Unit Holders of AHP and persons connected to them have any interest, direct or indirect, in the Proposed Rights Issue beyond their respective entitlements as Unit Holders of AHP.

## 11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed by the fourth (4<sup>th</sup>) quarter of 2015. The tentative timeline for the implementation of the Proposed Rights Issue is as follows:

| Events   | Tentative Date     |
|--|--------------------|
| EGM for the Proposed Rights Issue  | Mid August 2015    |
| Announcement of book closure date for Rights Units                                   | End August 2015    |
| Issuance of abridged prospectus for the Proposed Rights Issue                        | Mid September 2015 |
| Fulfilment of all Conditions Precedent as stipulated in the SPA                      | End September 2015 |
| Closing date of applications and acceptances for the Rights Units                    | End September 2015 |
| Listing of and quotation for the Rights Units on the Main Market of Bursa Securities | Early October 2015 |
| Completion of the Proposed Acquisition   | End November 2015  |

## **12. CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED**

Save for the Proposals and the Amendments, AHP does not have any other outstanding proposals which have been announced but not yet completed as at the date of the Circular.

## **13. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Rights Issue and after careful deliberation, is of the opinion that the Proposed Rights Issue is in the best interest of AHP. As such, the Board recommends that the Unit Holders of AHP vote in favour of the resolution pertaining to the Proposed Rights Issue to be tabled at the forthcoming EGM of AHP.

## **14. EGM**

The EGM, notice of which is enclosed together with this Circular, will be held at The Theatre, Level 2 of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Friday, 14 August 2015 at 3.00 p.m. or at any adjournment thereof (as the case maybe), for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Rights Issue.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy for the EGM in accordance with the instructions printed therein as soon as possible, so as to arrive at the office of the appointed Registrar of AHP, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time set for the holding of the EGM or any adjournment thereof. The lodgment of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

## **15. FURTHER INFORMATION**

Unit Holders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,

For and on behalf of the Board of Directors

**PELABURAN HARTANAH NASIONAL BERHAD**

**Tun Ahmad Sarji bin Abdul Hamid**

*Non-Independent Non-Executive Chairman*

## VALUATION CERTIFICATE FOR THE PROPERTY


**W. M. Malik & Kamaruzaman** (estd: 1969)

CHARTERED SURVEYORS • VALUERS • PROPERTY MANAGERS • ESTATE AGENTS

 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: V(2) 0001

**Wan Malik Mohamed**, FRICS, MIS(M)  
**Sr Kamaruzaman Jamil**, BSc. (Hons) (London), FRICS, FIS(M)  
**Johann Wan Malik**, B.Sc (Hons) Est. Management

**Sr Syamzul Bahari Bin Saupi**, MISM  
 B.Sc (Hons) Property Management
3<sup>rd</sup> April 2015

Our Ref: NS 12/14

 Chief Executive Officer  
 AmanahRaya Trustees Berhad  
 Level 4, Wisma TAS  
 No. 21, Jalan Melaka  
 50100 Kuala Lumpur

Dear Sir

**RE: VALUATION CERTIFICATE  
 MYDIN MALL SEREMBAN 2  
 LOT PT 557 HSD 206530, TOWN OF SEREMBAN UTAMA  
 DISTRICT OF SEREMBAN, NEGERI SEMBILAN  
 FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD**

In accordance with the letter of instructions dated 5<sup>th</sup> November 2014 from Permodalan Nasional Berhad on behalf of Pelaburan Hartanah Nasional Berhad, the Manager of Amanah Harta Tanah PNB (AHP) and subsequently instruction from AmanahRaya Trustee Berhad, the Trustee of AHP, we are pleased to submit herein our opinion of the Market Value of the perpetual interest in the above-mentioned property. This valuation certificate is prepared for inclusion in the Circular to Unit Holders of AHP to be dated [ 30 July 2015 ] in relation to the proposed purchase and leaseback of Mydin Mall Seremban 2 by AmanahRaya Trustee Berhad [as Trustee of Amanah Harta Tanah PNB (AHP)] from Mydin Mohamed Holdings Berhad (Mydin).

The valuation is prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia issued on 8<sup>th</sup> May 2009 and the Malaysian Valuation Standards (4<sup>th</sup> Edition 2011) issued by the Board of Valuers, Appraisers and Estate Agents Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation is Market Value which is defined by the Malaysian Valuation Standards as 'the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

We have inspected the subject property on 12 November 2014 and 31 January 2015. The date of valuation is 31 January 2015.

**IDENTIFICATION OF PROPERTY**

Subject Property / Interest Valued : 3 storey mall cum hypermarket with 2 sub-basements known as Mydin Mall Seremban 2

Address/Location : Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan

**BRANCHES**
**Petaling Jaya** : No. 19, Jalan 227-A, 46100 Petaling Jaya. Tel: 603-7955 6454, 7958 8854 Fax: 603-7956 2049 Reg No. VE (2) 0062

**Klang** : 1st Floor, No. 32, Jalan Tengku Diauddin, 41000 Klang. Tel: 603-3372 1932, 3373 0698 Fax: 603-3372 5945 Reg No. VE(2) 0062/1



**W. M. Malik & Kamaruzaman** (estd: 1969)  
 CHARTERED SURVEYORS • VALUERS • PROPERTY MANAGERS • ESTATE AGENTS

|                         |   |
|-------------------------|---|
| Lot No                  | : PT 557, Town of Seremban Utama, District of Seremban, Negeri Sembilan                       |
| Title No                | : HSD 206530  |
| Tenure                  | : Perpetuity  |
| Title Land Area         | : 54,175 sq. m. (about 583,135 sq. ft. or 13.387 acres)                                       |
| Category of Land Use    | : Building (Commercial)   |
| Gross Floor Area (GFA)  | : 103,520.47 sq. m. (1,114,301.44 sq. ft.) (based on as-built floor plans)                    |
| Net Lettable Area (NLA) | : 40,003.55 sq. m. (430,594.62 sq. ft.) (based on the Tenancy Schedule as at 31 January 2015) |
| Registered Proprietor   | : Mydin Mohamed Holdings Berhad   |

### **TERMS OF REFERENCE**

The valuation is subject to and based on the following:

- i) That the subject property has a total net lettable area of 430,594.62 sq. ft. (40,003.55 sq. m.) as per Tenancy Schedule dated 31 January 2015 provided to us by Mydin.

### **GENERAL DESCRIPTION**

The subject property is known as Mydin Mall Seremban 2, bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan. It is located in the commercial centre of Seremban 2, Negeri Sembilan, about 7 km south-west of Seremban town centre. Seremban 2 is a comprehensive township development comprising residential and commercial developments.

The subject property is a 3 storey mall cum hypermarket with 2 sub-basements 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)



### Land

The land is identified as Lot PT 557, Town of Seremban Utama, District of Seremban, State of Negeri Sembilan. It has a provisional title land area of 54,175 sq. m. (about 583,135 sq. ft. or 13.387 acres) held in perpetuity. The land is more or less regular shaped with a rounded eastern boundary and bounded by roads on all sides. The main frontage road is Persiaran S2/B7. The land gradually ascends from Persiaran S2/M at the east boundary towards the western boundary to an unnamed metal road.

### Building

The building is a purpose-built 3 storey mall cum hypermarket with 2 sub-basements. Mydin Hypermarket is the anchor tenant. The Mall Area is in 4 levels (lower ground, ground, first & second floors) adjoining the Mydin Hypermarket which occupies the first and second floors. It comprises of shoplots (including food court & bowling area), bazaar lots, kiosks, promotion space, push carts and massage chairs area, let to various tenants.

The building is of permanent structure basically constructed of steel framework with roof partly of reinforced concrete, metal deck and flat concrete, plastered brick walls with aluminium panel facade and reinforced concrete floor slabs. The building features high ceiling heights of about 6.5 metres (about 21 feet) for the ground floor and 6.1 metres (about 20 feet) for first and second floors.

The gross floor area and net lettable area of the subject property are 103,520.47 sq. m. (1,114,301.44 sq. ft.) and 40,003.55 sq. m. (430,594.62 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.

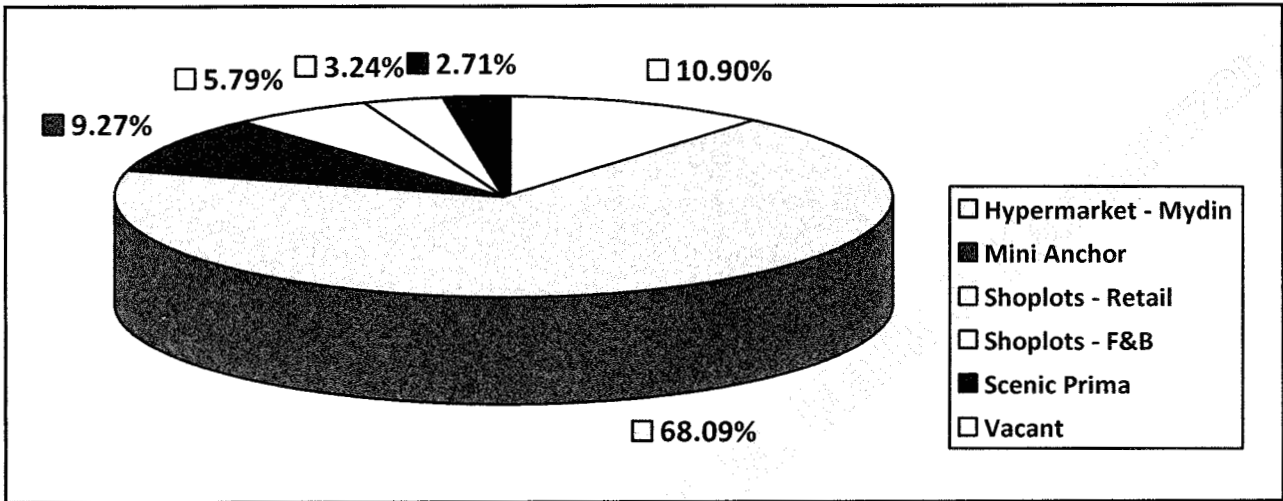
The subject property was completed about 1 year and 4 months ago when operations commenced in December 2013 and was issued with a Certificate of Completion and Compliance (CCC) on 8 January 2014.

### OCCUPIER/TENANCY

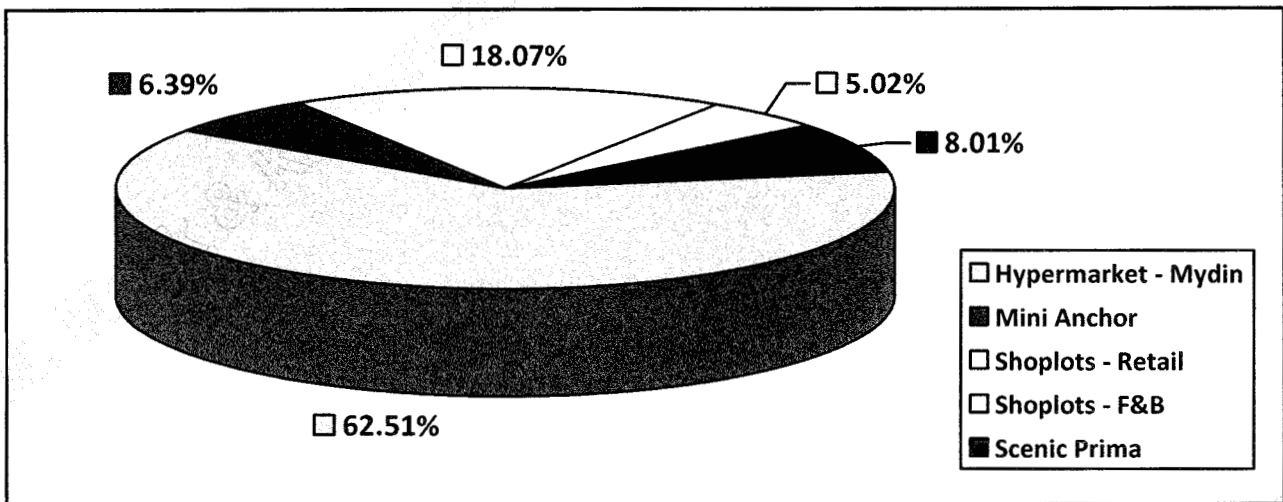
Mydin Hypermarket, which is operated by Mydin, is the major occupier of the subject property. The Mall Area comprising of shoplots, bazaar lots, kiosks, promotion space, push carts and massage chairs area are let to various tenants. The Mall Area also has mini anchor tenants namely Rasa Village Food Court and Ole-Ole Super Bowl. The shoplots are occupied as retail and food & beverage outlets.

The bazaar lots, kiosks, promotion space, push cart together with the massage chairs area are referred to as 'Scenic Prima' license spaces, licensed to Scenic Prima Sdn Bhd (as Leasing Agent - 'Licensee'), managing this space for 20% of the rent received with the remaining 80% apportioned to Mydin as proprietor/landlord, for tenancies let on permanent basis (let for more than one month). For tenancies let on temporary basis (let day-to-day or for less than one month), the Licensee is entitled to 30% of the rent received with the remaining 70% apportioned to Mydin. However, we also note that some tenancies let on permanent basis are paid 30% of the rent received to the Licensee and some tenancies let on temporary basis, the Licensee is paid 20% of the rent received.

The subject property has an occupancy rate of about 89.10% as at 31 January 2015. Mydin occupies 68.09% of the total NLA (Hypermarket Area) whilst 21.01% is occupied by tenants in the Mall Area. The pie chart herein shows the breakdown of the tenanted and the vacant areas.



In terms of rental income, Mydin attributed the major portion of the total rental income of about 62.51%. The remaining rental income is represented by the Mall Area at about 37.49%.



The tenancies for shoplots are typically for 2 or 3 years. For the Scenic Prima lots, the typical tenancy period is 1 to 2 years whilst lots let on temporary basis e.g. promotion space are for less than a month or day-to-day.

Except for the Scenic Prima lots, tenants are levied a separate maintenance charge at the rate of RM1.50 or RM2.00 per sq ft. per month.





### RENTAL INCOME

The total rental income for Mydin Mall Seremban 2 based on the Tenancy Schedule as at 31 January 2015 is summarised as follows:-

| Description  | Net Lettable Area (Sq Ft) | Gross Rental (Per Month)                      | Gross Rental (Per Annum) |
|--|---------------------------|---|--------------------------|
| <b>Mall Area</b><br>(Shoplots & Scenic Prima Lots) | 137,407.49                | RM641,160.70                                  | RM7,693,928.40           |
| <b>Hypermarket</b><br>(Mydin Hypermarket)          | 293,187.13                | RM1,068,853.64                                | RM12,826,243.68          |
| <b>Total</b>                                       | <b>430,594.62</b>         | <b>RM1,710,014.34</b><br>(RM3.97 per sq. ft.) | <b>RM20,250,172.08</b>   |

### OUTGOINGS/EXPENSES

The outgoings/expenses for January to December 2014 for the subject property have been analysed to RM1.63 per sq. ft. per month.

### TOWN PLANNING

The subject property is zoned and approved for commercial use as stated in the land title.

### VALUATION

The valuation is on the basis of Market Value. In assessing the Market Value of the perpetual interest in the subject property, we have adopted the Income Approach. The Comparison approach is used as a check.

The valuation is subject to and based on the following:

- i) That the subject property has a total net lettable area of 430,594.62 sq. ft. (40,003.55 sq. m.) as per Tenancy Schedule dated 31 January 2015 provided to us.

### 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 appropriate 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 outgoings. The reversion income is derived from market derived rental rates, as well as taking into consideration the passing rents, which is capitalised to perpetuity, after deducting outgoings.



**RICS**

The parameters adopted in the Income Approach using the Investment Method are as follows:

| DESCRIPTION                          |  | TERM   | REVERSION  | REMARKS   |
|--------------------------------------|--|--|--|---|
| <b>Lower Ground (Sub-Basement 1)</b> | Shoplots - Retail Lots                                     | RM5.62 to RM14.00 psf                                      | RM6.56 to RM15.00 psf                                      | <u>Term:</u><br>We have adopted the passing rents.<br><br><u>Reversion:</u><br>Considered the passing rents and market rentals of similar retail space in shopping complexes in Seremban i.e. Aeon Seremban 2 (near to subject property) at RM5.10 to RM16.50 psf for ground floor and RM2.45 to 20.70 psf for first floor. |
|                                      | Scenic Prima - Bazaar Lots                                 | RM1,280.00 to RM1,920.00 (RM6.13 to RM12.29 psf)           | RM1,350.00 to RM2,020.00 (RM6.45 to RM13.16 psf)           |   |
|                                      | Scenic Prima - Promotion Space                             | RM2,100.00 (RM32.81 psf)                                   | RM2,400.00 per lot (RM37.50 psf)                           |   |
|                                      | Scenic Prima - Car Wash (Sub-Basement 2)                   | RM1,920.00 (RM1.07 psf)                                    | RM2,020.00 (RM1.13 psf)                                    |   |
| <b>Ground Floor</b>                  | Shoplots - Retail Lots                                     | RM12.00 to RM21.00 psf                                     | RM13.00 to RM22.00 psf                                     |   |
|                                      | Shoplots - F&B Lots  | RM6.00 to RM12.00 psf (Outdoor & Open Seating: RM2.00 psf) | RM7.00 to RM13.00 psf (Outdoor & Open Seating: RM2.50 psf) |   |
|                                      | Scenic Prima - Food Kiosk                                  | RM2,560.00 per lot (RM13.50 psf)                           | RM2,690.00 per lot (RM12.35 to RM14.18 psf)                |   |
|                                      | Scenic Prima - Bazaar Lots (Covered Car Park)              | RM1,280.00 to RM1,600.00 (RM9.92 to RM13.49 psf)           | RM1,350.00 to RM1,680.00 (RM10.47 to RM14.16 psf)          |   |
|                                      | Scenic Prima - Promotion Space (Indoor)                    | RM630.00 to RM4,480.00 (RM6.19 to RM23.33 psf)             | RM2,240.00 to RM4,700.00 (RM6.50 to RM35.00 psf)           |   |
|                                      | Scenic Prima - Promotion Space (Concourse: Ground & First) | RM1,120.00 & RM4,200.00 (RM0.56 & RM2.33 psf)              | RM4,080.00 to RM4,800.00 (RM2.04 to RM5.21 psf)            |   |



| DESCRIPTION         |   | TERM  | REVERSION   | REMARKS  |
|---------------------|---|---|---|--|
| Ground Floor        | Scenic Prima - Push Cart  | RM1,280.00 per lot (RM42.67 psf)              | RM1,350.00 per lot (RM45.00 psf)                  | <u>Term:</u><br>We have adopted the passing rents.   |
|                     | Scenic Prima - Massage Chair  | RM1,120.00 per lot                            | RM1,180.00 per lot                                | <u>Reversion:</u><br>Considered the passing rents and market rentals of similar retail space in shopping complexes in Seremban i.e. Aeon Seremban 2 (near to subject property) at RM5.10 to RM16.50 psf for ground floor and RM2.45 to 20.70 psf for first floor.  |
|                     | ATM - Miscellaneous   | RM500.00 per lot                              | RM600.00 per lot                                  |  |
| First Floor         | Shoplots - Retail Lots  | RM8.00 to RM18.00 psf                         | RM9.00 to RM19.00 psf                             |  |
|                     | Shoplots - F&B Lots   | RM7.59 to RM9.67 psf                          | RM7.94 to RM10.74 psf                             |  |
|                     | Scenic Prima - Promotion Space  | RM91.00 to RM6,300.00 (RM1.42 to RM33.33 psf) | RM2,400.00 to RM4,700.00 (RM23.98 to RM38.10 psf) |  |
|                     | Scenic Prima - Push Cart  | RM1,280.00 per lot (RM40.00 psf)              | RM1,350.00 per lot (RM42.19 psf)                  |  |
| Second Floor        | Shoplots - Retail Lots  | RM3.39 & RM8.00 psf                           | RM3.56 to RM10.00 psf                             |  |
|                     | Shoplots - F&B Lots   | Vacant  | RM10.00 psf                                       |  |
|                     | Scenic Prima - Promotion Space  | Vacant  | RM1,920.00 & RM4,300.00 (RM21.94 & RM30.00 psf)   |  |
|                     | Scenic Prima - Push Cart  | RM960.00 (RM30.00 psf)                        | RM1,010.00 per lot (RM31.56 psf)                  |  |
| Mini Anchor Tenants | Rasa Village Food Court (Ground Floor)  | RM4.00 psf                                    | RM4.50 psf  | <u>Term:</u><br>We have adopted the passing rents.   |
|                     | Ole-Ole Super Bowl (Second Floor)   | RM1.50 psf                                    | RM2.50 psf  | <u>Reversion:</u><br>Considered the passing rents and market rentals of anchor tenants in shopping complexes in surrounding areas and in Peninsular Malaysia i.e. Aeon Seremban 2 (near to subject property) at RM2.45, Mahkota Parade, Melaka at RM3.30 - RM3.40 psf and Wetex Parade, Muar, Johor at RM3.15 psf. |
| Mydin Hypermarket   | First Floor   | RM4.00 psf                                    | RM3.00 psf  | Note: Average rental adopted for Mydin Hypermarket is about RM2.43 psf   |
|                     | Second Floor  | RM3.50 psf                                    | RM2.50 psf  |  |
|                     | Service Area, Staff Area & Dormitory (Ground, First, Second & Second Mezzanine) | RM3.50 psf                                    | RM2.00 psf  |  |

Note: The above rentals are inclusive of maintenance charge at RM1.50 or RM2.00 psf per month. (psf = per sq. ft.)



| DESCRIPTION                    |  | TERM       | REVERSION  | REMARKS   |
|--------------------------------|--|------------|------------|---|
| Outgoings                      |  | RM1.63 psf | RM1.80 psf | <p><u>Term:</u><br/>           Considered the analysed current outgoings of the subject property which is the actual cost.</p> <p><u>Reversion:</u><br/>           We have adopted an increase of about 10% to allow for increase in cost and capital expenditure.</p>  |
| Yield<br>(Capitalisation Rate) |  | 6.0%       | 6.5%       | <p>Based on analysis of recent transactions of shopping malls/hypermarkets in Peninsular Malaysia, the analysed yield ranges from 6.5% to 7.81%. The more recent transactions in 2014 are at yields of about 6.5%.</p> <p>Taking into consideration the location, type and quality, we have adopted 6.5% yield for the subject property</p> |
| Void Allowance                 | Mall Area<br>(Shoplots & Scenic Prima Lot) | -          | 5.0%       | We have adopted the void allowance of 5.0% for possible future vacancies and rent free periods offered for new tenancies in the Mall Area.  |
|                                | Hypermarket Area                           | -          | 0.0%       | No void allowance is adopted for the Hypermarket Area as it will be leased for 30 years.  |

The Income Approach using the Investment Method gives a value of RM240,000,000.00.

### 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 have been analysed on the net lettable area (NLA) basis and adjustments have been made to recognise the various differences between the sales comparables and subject property for time factor, location, building age/condition, building type, size of the building (NLA) and tenure.



We have considered the following comparables:

| Details                     | Comparable 1   | Comparable 1  | Comparable 2  | Comparable 4   |
|-----------------------------|--|---|---|--|
| Source                      | Bursa Malaysia Company Announcement  | Jabatan Penilaian & Perkhidmatan Harta (JPPH)   | Jabatan Penilaian & Perkhidmatan Harta (JPPH)   | Jabatan Penilaian & Perkhidmatan Harta (JPPH) & Bursa Malaysia Company Announcement  |
| Building Name               | KL Festival City Mall  | Mydin Mall Meru Raya  | Mydin Mall MITC   | East Coast Mall  |
| Address/Location            | Jalan Genting Klang, Setapak, Kuala Lumpur   | Jalan Meru Bestari B2, Bandar Meru Raya, Ipoh, Perak  | No 12, Jalan Komersial, MITC Ayer Keroh, Melaka   | Jalan Putra Square 6, Putra Square, Kuantan, Pahang  |
| Property Description/Type   | 3 storey Shopping Mall with 1 Level of Basement Car Park (Part of mixed development consist of serviced residence)       | 3 storey Mall cum Hypermarket   | 2 storey Mall cum Hypermarket   | 4 storey Shopping Mall with 1 Level of Basement Car Park   |
| Tenure                      | Leasehold 99 Years - Expiring on 20-Nov-2106 (Unexpired Term of 92 Years)  | Perpetuity  | Leasehold 99 Years - Expiring on 12-May-2103 (Unexpired Term of 88 Years)   | Leasehold 99 Years - Expiring on 18-Dec-2106 (Unexpired Term of 92 Years)  |
| Net Lettable Area (sq. ft.) | 487,342  | 408,212   | 370,346   | 441,342  |
| Vendor                      | Festival City Sdn Bhd  | Mydin Wholesale Cash & Carry Sdn Bhd  | Mydin Wholesale Cash & Carry Sdn Bhd  | Astral Realty Sdn Bhd  |
| Purchaser                   | Festiva Mall Sdn Bhd & AsiaMalls Sdn Bhd   | Lembaga Tabung Haji   | AmanahRaya Trustee Berhad (as Trustee for PNB REIT)   | AmTrustee Berhad (as Trustee for CapitaMalls Malaysia Trust)   |
| Date of Transaction         | 19 August 2014   | 9 May 2014  | 9 April 2012  | 14 June 2011   |
| Price Consideration         | RM349,000,000  | RM190,000,000   | RM115,000,000   | RM310,000,000  |
| Analysis                    | RM713.13 psf   | RM465.44 psf  | RM310.52 psf  | RM702.40 psf   |
| Adjustments                 | Upward adjustment for time, building age/condition, size and tenure. Downward adjustment for location and building type. | Upward adjustment for time, location and building age/condition. Zero adjustment for building type, size and tenure | Upward adjustment for time, location, building age/condition and tenure. Downward adjustment for size. Zero adjustment for building type. | Upward adjustment for time, building age/condition and tenure. Downward adjustment for location and building type. Zero adjustment for size. |
| Adjusted Value              | RM578.44 psf   | RM578.80 psf  | RM527.64 psf  | RM697.04 psf   |

We have relied on Comparables 1 and 2 with adjusted values of RM578.44 and RM578.80 psf respectively in the valuation of the subject property. Comparable 1 is the most recent sale. Comparable 2 is the Mydin Wholesale Cash & Carry, Bandar Meru Raya, Ipoh, Perak. We have therefore, valued the subject property based on the comparison approach at RM575.00 per sq. ft. of the NLA totalling RM248,000,000.00.



**W. M. Malik & Kamaruzaman** (estd: 1969)  
 CHARTERED SURVEYORS • VALUERS • PROPERTY MANAGERS • ESTATE AGENTS

### Reconciliation of Value


The Income Approach using the Investment Method gives a market value of RM240,000,000.00. The Comparison Approach gives a market value of RM248,000,000.00.

We have adopted the market value of the subject property derived based on the Income Approach using the Investment Method as it is an income generating property supported by the rental income received.

### Value

Considering all the above, we are of the opinion that the Market Value of the perpetual interest in the subject property, a 3 storey mall cum hypermarket with 2 sub-basements known as Mydin Mall Seremban 2, built on Lot PT 557, Town of Seremban Utama, District of Seremban, State of Negeri Sembilan, subject to the existing tenancies and free from all encumbrances is RM240,000,000.00 (Ringgit Malaysia Two Hundred Forty Million Only).

Yours faithfully  
 for and on behalf of  
 W. M. Malik & Kamaruzaman  
 Chartered Surveyors•Valuers•Property Managers•Estate Agents

  
 Sr Kamaruzaman Jamil, B.Sc (Hons)(London), FRICS, FIS(M)  
 Chartered Valuation Surveyor  
 Partner of the Firm  
 Registered Valuer V-272  
 Ref. No.: NS 12/14

KJ/MZK/r

**PRO FORMA STATEMENTS OF FINANCIAL POSITION OF AHP AS AT 31 DECEMBER 2014  
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**

Hanafiah Raslan & Mohamad

AF: 0002

**Chartered Accountants**  
GST Reg No: 000508764160  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia

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Mail Address:  
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50734 Kuala Lumpur, Malaysia

**REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITION INCLUDED IN THE CIRCULAR TO UNIT HOLDERS**  
(Prepared for inclusion in the Circular to Unit Holders of Amanah Harta Tanah PNB to be dated 30 July 2015 (the "Circular"))

29 July 2015

The Board of Directors  
Pelaburan Hartanah Nasional Berhad  
Level 4, Balai PNB  
50400 Kuala Lumpur

Dear Sirs

**AMANAH HARTA TANAH PNB ("AHP" OR THE "TRUST")**

**PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 IN CONNECTION WITH THE FOLLOWING PROPOSALS:**

- (I) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 120,000,000 NEW UNITS IN AHP ("RIGHTS UNIT(S)") ON THE BASIS OF SIX (6) RIGHTS UNITS FOR EVERY FIVE (5) EXISTING UNITS IN AHP AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE"); AND**
- (II) **PROPOSED ACQUISITION BY AMANAHRAYA TRUSTEES BERHAD FOR AND ON BEHALF OF AHP, OF A PROPERTY FOR A PURCHASE CONSIDERATION OF RM240,000,000 ("PROPOSED ACQUISITION")**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

We have completed our assurance engagement to report on the compilation of the Pro Forma Statements of Financial Position of AHP prepared by the Directors of Pelaburan Hartanah Nasional Berhad ("the Manager"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Statements of Financial Position are described in Appendix 1.

The Pro Forma Statements of Financial Position have been compiled by the Directors to illustrate the impact of the events or transactions set out in Appendix 1 on the Trust's financial position as at 31 December 2014 as if the events or transactions had taken place as at 31 December 2014. As part of this process, information about the financial position has been extracted by the Directors from the financial statements for the year ended 31 December 2014, on which audit reports have been published.

# Hanafiah Raslan & Mohamad

AF: 0002

## The Directors' Responsibility for the Pro Forma Statements of Financial Position

The Directors of the Manager are responsible for compiling the Pro Forma Statements of Financial Position on the basis of the applicable criteria.

### Our responsibilities

Our responsibility is to express an opinion, about whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position.

The purpose of the Pro Forma Statements of Financial Position is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.



## Hanafiah Raslan & Mohamad

AF: 0002

### Our responsibilities (cont'd)

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Trust, the events or transactions in respect of which the Pro Forma Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria.

### Other matters

This letter is issued for the sole purpose of inclusion in the Circular in relation to the Proposals. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Proposals described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Proposals.

Yours faithfully



Hanafiah Raslan & Mohamad  
AF: 0002  
Chartered Accountants



Muhammad Syarizal bin Abdul Rahim  
No. 3157/01/17 (J)  
Chartered Accountant

## Hanafiah Raslan &amp; Mohamad

AF: 0002

## AMANAH HARTA TANAH PNB

## PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

|   | Audited as at 31 Dec 2014 | Adjustments Proposed Rights Issue | Pro Forma I After the Proposed Rights Issue | Adjustments Proposed Acquisition | Pro Forma II After Pro Forma I and the Proposed Acquisition |
|---|---------------------------|-----------------------------------|---|----------------------------------|---|
| <b>INVESTMENTS</b>  |                           |                                   |   |                                  |   |
| Real estate   | 186,117,256               |                                   | 186,117,256                                 | 241,507,000                      | 427,624,256   |
| Real estate-related assets                                | 615,743                   |                                   | 615,743                                     |                                  | 615,743   |
| Non-real estate-related assets                            | 1,828,021                 |                                   | 1,828,021                                   |                                  | 1,828,021   |
| Deposits with financial institutions                      | 10,132,260                |                                   | 10,132,260                                  |                                  | 10,132,260  |
| <b>TOTAL INVESTMENTS</b>                                  | <b>198,693,280</b>        |                                   | <b>198,693,280</b>                          |                                  | <b>440,200,280</b>  |
| <b>OTHER ASSETS</b>                                       |                           |                                   |   |                                  |   |
| Equipment, furniture and fittings                         | 18,429                    |                                   | 18,429                                      |                                  | 18,429  |
| Tax recoverable   | 600,998                   |                                   | 600,998                                     |                                  | 600,998   |
| Trade receivables   | 646,635                   |                                   | 646,635                                     |                                  | 646,635   |
| Other receivables   | 189,065                   | 149,580                           | 338,645                                     | 14,490,420                       | 14,829,065  |
| Cash and bank balances                                    | 25,007                    | 126,957,420                       | 126,982,427                                 | (126,957,420)                    | 25,007  |
| <b>TOTAL OTHER ASSETS</b>                                 | <b>1,480,134</b>          |                                   | <b>128,587,134</b>                          |                                  | <b>16,120,134</b>   |
| <b>TOTAL ASSETS</b>                                       | <b>200,173,414</b>        |                                   | <b>327,280,414</b>                          |                                  | <b>456,320,414</b>  |
| <b>LIABILITIES</b>  |                           |                                   |   |                                  |   |
| Financing   | 38,465,824                |                                   | 38,465,824                                  | 129,040,000                      | 167,505,824   |
| Rental deposits   | 4,453,275                 |                                   | 4,453,275                                   |                                  | 4,453,275   |
| Other payables  | 731,295                   |                                   | 731,295                                     |                                  | 731,295   |
| Amount due to Manager                                     | 131,169                   |                                   | 131,169                                     |                                  | 131,169   |
| Deferred tax liability                                    | 1,950,689                 |                                   | 1,950,689                                   |                                  | 1,950,689   |
| <b>TOTAL LIABILITIES</b>                                  | <b>45,732,252</b>         |                                   | <b>45,732,252</b>                           |                                  | <b>174,772,252</b>  |
| <b>FINANCED BY:</b>                                       |                           |                                   |   |                                  |   |
| <b>UNIT HOLDERS' FUNDS</b>                                |                           |                                   |   |                                  |   |
| Unitholders' capital                                      | 100,000,000               | 127,107,000                       | 227,107,000                                 |                                  | 227,107,000   |
| Retained earnings   | 54,441,162                |                                   | 54,441,162                                  |                                  | 54,441,162  |
| <b>TOTAL NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS</b> | <b>154,441,162</b>        |                                   | <b>281,548,162</b>                          |                                  | <b>281,548,162</b>  |
| <b>TOTAL UNIT HOLDERS' FUNDS AND LIABILITIES</b>          | <b>200,173,414</b>        |                                   | <b>327,280,414</b>                          |                                  | <b>456,320,414</b>  |
| NUMBER OF UNITS IN CIRCULATION                            | 100,000,000               | 120,000,000                       | 220,000,000                                 |                                  | 220,000,000   |
| NET ASSET VALUE PER UNIT (RM)                             | 1.5444                    |                                   | 1.2798                                      |                                  | 1.2798  |

Note:

Net assets value per unit: Total net asset value attributable to unit holders divided by Number of units in circulation.

# Hanafiah Raslan & Mohamad

AF: 0002

## AMANAH HARTA TANAH PNB PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

### NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION

#### 1. Basis of preparation

The pro forma statements of financial position of Amanah Harta Tanah PNB ("AHP" or the "Trust") as at 31 December 2014 have been prepared solely to illustrate the impact of the following events or transactions on unadjusted financial information of AHP as if the events or transactions had been undertaken at 31 December 2014:

- (a) Proposed renounceable rights issue of 120,000,000 new units in AHP ("Rights Unit(s)") on the basis of six (6) Rights Units for every five (5) existing units in AHP at an entitlement date to be determined later ("Proposed Rights Issue"); and
- (b) Proposed acquisition by AmanahRaya Trustees Berhad for and on behalf of AHP of a Property (as defined below) for a purchase consideration of RM240,000,000 ("Proposed Acquisition").

(Collectively referred to as "the Proposals").

The pro forma statements of financial position as at 31 December 2014 of AHP have been prepared based on the audited statement of financial position of AHP as at 31 December 2014 and on a basis consistent with both the format of the audited financial statements and the accounting policies adopted by AHP in the preparation of the audited financial statements of AHP for the financial year ended 31 December 2014, which is in accordance with the Malaysian Financial Reporting Standards, to show the effects of the Proposals had they been completed on that date.

#### 2. Pro forma adjustments

The adjustments made in arriving at the pro forma statements of financial position encompass the following:

- (i) Pro Forma I

Pro Forma I incorporates the effect of the Proposed Rights Issue.

For the purposes of this Pro Forma Statements of Financial Position, the Proposed Rights Issue is assumed to be completed based on an illustrative issue price of RM1.08 per Rights Unit. The expenses to be incurred in relation to the Proposed Rights Issue is estimated to be RM2,493,000 and the Goods and Services Tax ("GST") which is claimable as GST input is estimated to be RM149,580.

## Hanafiah Raslan &amp; Mohamad

AF: 0002

AMANAH HARTA TANAH PNB  
PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

## NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D.)

## 2. Pro forma adjustments (cont'd.)

## (I) Pro Forma I (cont'd.)

The net proceeds from the Proposed Rights Issue are calculated as follows:

|  |                    |
|--|--------------------|
|  | RM                 |
| Proceeds from Proposed Rights Issue (Note i) | 129,600,000        |
| Less: Estimated expenses (Note i)            | (2,493,000)        |
| Less: GST on estimated expenses (Note ii)    | (149,580)          |
| Net proceeds from Proposed Rights Issue      | <u>126,957,420</u> |

Note i

The proceeds from the Proposed Rights Issue, net of estimated expenses of RM127,107,000 are credited as unit holders' capital.

Note ii

The GST of RM149,580 is claimable as GST input.

The net proceeds from the Proposed Rights Issue will be utilised for the Proposed Acquisition.

## (II) Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the effects of the Proposed Acquisition of a piece of land held in perpetuity under Lot No. P.T. 557, Title No. H.S.(D) 206530, Bandar Seremban Utama, District of Seremban, State of Negeri Sembilan bearing postal address Lot 31156, Persiaran S2/B7, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus, measuring approximately 54,175 sq. m. (583,135 sq. ft. or 13.387 acres) on which a three (3) storey mall cum hypermarket with two (2) sub-basements having a gross area of approximately 103,520.47 sq. m. (1,114,301.44 sq. ft.) is erected (the "Property"), for a purchase consideration of RM240,000,000. The direct expenses in relation to the Proposed Acquisition is estimated to be RM1,507,000 and the GST which is claimable as GST input is estimated to be RM14,490,420.

## Hanafiah Raslan &amp; Mohamad

AF: 0002

AMANAH HARTA TANAH PNB  
 PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

## NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D.)

## 2. Pro forma adjustments (cont'd.)

## (II) Pro Forma II (cont'd.)

|                                      |                    |
|--------------------------------------|--------------------|
|                                      | RM                 |
| Purchase consideration (Note iii)    | 240,000,000        |
| Estimated direct expenses (Note iii) | 1,507,000          |
| GST (Note iv)                        | 14,490,420         |
|                                      | <u>255,997,420</u> |
| Financed by:                         |                    |
| Proposed Rights Issue (Pro Forma I)  | 126,957,420        |
| Bank borrowings                      | 129,040,000        |
|                                      | <u>255,997,420</u> |

Note iii

The total acquisition cost of the Property is estimated to be RM241,507,000 (Purchase consideration of RM240,000,000 plus estimated direct expenses of RM1,507,000).

Note iv

The GST of RM14,490,420 is claimable as GST input.

## FURTHER INFORMATION

### 1. Directors' Responsibility Statement

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which, would make any statement in this Circular false or misleading.

### 2. Consents

MIDF Investment, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in the Circular of its name and all references thereto in the form and context in which it appears in this Circular.

Messrs. Hanafiah, Raslan & Mohamad, being the Reporting Accountants for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in the Circular of its name, letters and all references thereto in the form and context in which it appears in this Circular.

Messrs. W.M. Malik & Kamaruzaman, being the Valuer for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in the Circular of its name, letters and all references thereto in the form and context in which it appears in this Circular.

### 3. Declaration on Conflict of Interest

MIDF Investment is related to the Manager by virtue of the common ultimate major shareholder, PNB. MIDF Investment is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad, which is wholly-owned by PNB.

Save as disclosed above, MIDF Investment is not aware of any potential conflict of interest which exists or likely to give rise to a possible conflict of interest situation by virtue of MIDF Investment's appointment as Principal Adviser for the Proposals.

Notwithstanding the above, MIDF Investment is of the opinion that its role as the Principal Adviser does not give rise to potential conflict of interest given the followings:

- (i) MIDF Investment is a licensed investment bank which provides its customers with extensive range of financial solutions. MIDF Investment offers investment banking services which include, amongst others, corporate finance and advisory, underwriting services, loan syndications, capital market and treasury products. As such, the abovementioned facilities represent transactions entered into in the ordinary course of business.

The conduct of MIDF Investment is regulated strictly by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and its internal control policies and procedures to ensure that conflict of interest does not arise.

- (ii) The REITs industry is highly regulated in Malaysia as the role of a trustee and manager in the REIT structure is strictly governed in accordance with the provisions of the deed as well as relevant guidelines issued by the SC to protect the interest of the unit holders of a REIT.

Messrs. Hanafiah, Raslan & Mohamad is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Reporting Accountants to PHNB for the Proposals.

Messrs. W.M. Malik & Kamaruzaman is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Valuer to PHNB for the Proposed Acquisition.

**4. Material Litigation, Claim and Arbitration**

The Trustee, for and on behalf of AHP, is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant or otherwise, which has a material effect on the financial position of AHP and the Board is not aware of any proceedings, pending or threatened against the Trustee, for and on behalf of AHP or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position and business of AHP.

**5. Material Commitments and Contingent Liabilities****(i) Material commitments**

As at the LPD, the Board has confirmed that to the best of its knowledge and belief, there are no material commitments incurred or known to be incurred by AHP.

**(ii) Contingent Liabilities**

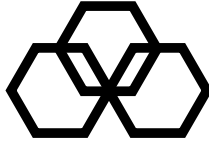
As at the LPD, the Board has confirmed that to the best of its knowledge and belief, there are no contingent liability incurred or known to be incurred by AHP, which upon becoming enforceable, may have a material impact on the financial position of AHP.

**6. Documents Available for Inspection**

Copies of the following documents will be available for inspection at the office of PHNB at 31st Floor, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, during normal business hours from Mondays to Fridays (except on public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the SPA;
- (ii) the Agreement to Lease;
- (iii) the Lease Agreement (undated and signed in escrow);
- (iv) the Valuation Report of the Property;
- (v) the audited financial statements of AHP for the past two (2) FYE 31 December 2013 and FYE 31 December 2014 as well as the latest unaudited financial statements of AHP for the three (3)-month FPE 31 March 2015;
- (vi) the letters of consent and conflict of interest referred to in Section 2 and 3 above;
- (vii) the pro forma statements of financial position of AHP as at 31 December 2014 together with the reporting accountants' letter thereon;
- (viii) the Principal Deed and the Supplementary Deeds; and
- (ix) the Undertakings referred to in Section 2.2.4 of this Circular.

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**AMANAH HARTA TANAH PNB**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (“**EGM**”) of unit holders of Amanah Harta Tanah PNB (“**AHP**” or the “**Trust**”) will be held at The Theatre, Level 2 of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on Friday, 14 August 2015 at 3.00 p.m. or at any adjournment thereof (as the case maybe) for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications):

**ORDINARY RESOLUTION**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 120,000,000 NEW UNITS IN AHP (“RIGHTS UNIT(S)”) ON THE BASIS OF SIX (6) RIGHTS UNITS FOR EVERY FIVE (5) EXISTING UNITS IN AHP (“UNITS”) AT AN ENTITLEMENT DATE AND FOR ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE”)**

**THAT** subject to the fulfilment of the conditions precedent in the Sale and Purchase Agreement dated 27 April 2015 in respect of the acquisition of the Property (as defined in the Circular to unit holders dated 30 July 2015) by AmanahRaya Trustee Berhad (“**the Trustee**”), for and on behalf of AHP, and all relevant approvals for the Proposed Rights Issue being obtained, approval be and is hereby given to the Board of Directors (“**Board**”) of Pelaburan Hartanah Nasional Berhad to allot (provisionally or otherwise) and issue the Rights Units to the unit holders of AHP (“**Unit Holder(s)**”) whose names appear on the Record of Depositors maintained by Bursa Malaysia Depository Sdn Bhd at a later date to be determined by the Board (“**Entitlement Date**”), on the basis of six (6) Rights Units for every five (5) existing Units held on the Entitlement Date at an issue price per Rights Unit to be fixed by the Board and announced later;

**THAT** the Board be and is hereby empowered to deal with any fractional entitlement that may arise from the Proposed Rights Issue as they shall, in their absolute discretion, deem fit and in the best interests of AHP;

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

**THAT** any Rights Units which are not taken up or not validly taken up shall be made available for excess applications in such manner as the Board shall, in their absolute discretion, deem fit;

**THAT** the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Rights Issue in the manner as set out in Section 4 of the Circular to unit holders dated 30 July 2015;

**THAT** in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board and the Trustee (acting for and on behalf of AHP) to do or to procure to be done all acts, deeds and things and to execute, sign deliver on behalf of AHP, all such documents as they may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Board and the Trustee may deem fit in connection with the Proposed Rights Issue;

**AND THAT** no documents pertaining to the Proposed Rights Issue shall be issued or sent to the unit holders of the Trust having registered addresses outside Malaysia or who have not provided an address in Malaysia at which such documents may be delivered to, prior to the Entitlement Date.



**BY ORDER OF THE BOARD**  
**Pelaburan Hartanah Nasional Berhad (175967-W)**  
**(as the Manager of Amanah Harta Tanah PNB)**

**Adibah Khairiah binti Ismail @ Daud (MIA 13755)**  
Company Secretary  
Kuala Lumpur  
30 July 2015

**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/her holdings to be represented by each proxy.
2. In the case of a vote to be taken by show of hands, every Registered Unit Holder who is present in person or by proxy shall have one (1) vote. In the event that a Registered Unit Holder appoints two (2) proxies, only the First Proxy shall vote on behalf of the Registered Unit Holders.
3. If a person is present in the capacity of a Registered Unit Holder and a proxy for another Registered Unit Holder or as proxy for more than one (1) Registered Unit Holders he shall be entitled to exercise only one (1) vote on a show of hands.
4. 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.
5. 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.
6. The instrument appointing proxy shall be deposited at the office of the appointed Registrar of AHP, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty eight (48) hours before the time appointed for holding the EGM or any adjournment thereof.
7. Only Unit Holders whose names appear in the Record of Depositors as at 31 July 2015 shall be entitled to attend and speak at the EGM or appoint proxy(ies) to attend on his behalf.



**AMANAH HARTA TANAH PNB**

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

**FORM OF PROXY**

I/ We \_\_\_\_\_ NRIC/ Company No. \_\_\_\_\_

Telephone no. \_\_\_\_\_ of \_\_\_\_\_

being a Registered Unit Holder of Amanah Harta Tanah PNB (“AHP”) hereby appoint:

|                                 | Full Name, Address and Telephone No. | NRIC No. | Proportion of Unit Holdings to be Represented |
|---------------------------------|--------------------------------------|----------|---|
| <b>1<sup>st</sup><br/>Proxy</b> |                                      |          |   |

and/or failing whom (to delete whichever is not applicable):

|                                 | Full Name, Address and Telephone No. | NRIC No. | Proportion of Unit Holdings to be Represented |
|---------------------------------|--------------------------------------|----------|---|
| <b>2<sup>nd</sup><br/>Proxy</b> |                                      |          |   |

or failing whom, the Chairman of the meeting as my/our proxy/proxies to attend and vote on my/our behalf the Extraordinary General Meeting of AHP to be held at the Theatre, Level 2 of Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur on 14 August 2015 at 3.00 p.m. or at any adjournment thereof (as the case maybe).

| Ordinary Resolution   | For | Against |
|-----------------------|-----|---------|
| Proposed Rights Issue |     |         |

Please indicate with an “X” in the space provided above as to how you wish your vote to be casted. In the absence of specific directions, your proxy/ proxies will vote or abstain from voting on the resolution at his/their discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015

|                      |  |
|----------------------|--|
| Number of Units Held |  |
| CDS Account No.      |  |

\_\_\_\_\_  
Signature/Seal of Unit Holder



Notes:

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- (7) Only Unit Holders whose names appear in the Record of Depositors as at 31 July 2015 shall be entitled to attend and speak at the Meeting or appoint proxy(ies) to attend on his behalf.

Fold this flap for sealing

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Then fold here

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AFFIX  
STAMP

**SYMPHONY SHARE REGISTRARS SDN BHD**  
(Registrar for Amanah Harta Tanah PNB)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/ 46  
47301 Petaling Jaya  
Selangor Darul Ehsan

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