

## AXIS REAL ESTATE INVESTMENT TRUST (“AXIS-REIT” OR “FUND”)

- (I) PROPOSED AUTHORITY TO ALLOT AND ISSUE UP TO 86,040,951 NEW UNITS IN AXIS-REIT (“UNITS”) (“PLACEMENT UNITS”), REPRESENTING UP TO 18.65% OF THE EXISTING ISSUED FUND SIZE OF AXIS-REIT OF 461,239,089 UNITS (“PROPOSED AUTHORITY”) TO FACILITATE A PLACEMENT EXERCISE (“PROPOSED PLACEMENT”);
- (II) PROPOSED INCREASE IN THE EXISTING ISSUED FUND SIZE OF AXIS-REIT FROM 461,239,089 UNITS UP TO A MAXIMUM OF 547,280,040 UNITS PURSUANT TO THE PROPOSED AUTHORITY (“PROPOSED INCREASE IN FUND SIZE”); AND
- (III) PROPOSED SUBSCRIPTION OF NEW UNITS UNDER THE PROPOSED PLACEMENT BY THE INTERESTED PERSONS (AS DEFINED HEREIN) (“PROPOSED SUBSCRIPTION”)

(THE PROPOSED AUTHORITY, PROPOSED INCREASE IN FUND SIZE AND PROPOSED SUBSCRIPTION ARE COLLECTIVELY REFERRED TO AS “PROPOSALS”)

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### 1. INTRODUCTION

1.1 On behalf of the Board of Directors of Axis REIT Managers Berhad (“**Board**”), being the management company of Axis-REIT (“**Manager**”), Maybank Investment Bank Berhad (“**Maybank IB**”) wishes to announce that an application has been submitted to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) today to seek an extension of time of up to 3 October 2014 to complete the following proposals:

- (i) authority to allot and issue up to 90,762,819 new Units to facilitate a placement exercise (“**Earlier Approved Proposed Authority 1**”); and
- (ii) authority to allot and issue up to 2,000,000 new Units for the purpose of the payment of management fee to the Manager in the form of new Units.

1.2 In addition, Maybank IB wishes to announce that the Manager proposes to undertake the following:

- (i) renewal of the authority to allot and issue up to 86,040,951 new Units, representing up to 18.65% of the existing issued fund size of Axis-REIT of 461,239,089 Units;

In order to accommodate the issuance of up to 86,040,951 new Units pursuant to the Proposed Authority to facilitate the Proposed Placement, the Manager proposes to increase the existing issued fund size of Axis-REIT from 461,239,089 Units up to a maximum of 547,280,040 Units; and

- (ii) the Proposed Subscription.

1.3 By way of background, on 30 April 2013, the unitholders of Axis-REIT (“**Unitholders**”) approved, among others, the following proposals at the Unitholders’ meeting convened and held on the same date:

- (i) authority to allot and issue up to 90,762,819 new Units, representing up to 19.88% of the then existing issued fund size of Axis-REIT of 456,517,221 Units to facilitate the Proposed Placement;
- (ii) increase in the then existing issued fund size of Axis-REIT from 456,517,221 Units up to a maximum of 547,280,040 Units; and

- (iii) subscription of the Placement Units by the Interested Persons.

Such authority shall be in force from the date of the Unitholders' approval and shall only continue to be in force for:

- (i) a maximum of 1 year from the date of the Unitholders' meeting at which the Earlier Approved Proposed Authority 1 was approved, and it shall lapse upon the expiry of the aforesaid 1 year subject to the renewal of such authority, by a resolution passed by Unitholders at a Unitholders' meeting; or
- (ii) where the Earlier Approved Proposed Authority 1 is revoked or varied by a resolution passed by the Unitholders at any of the subsequent Unitholders' meeting,

whichever is the earliest.

1.4 As such, the Manager will be seeking the Unitholders' approval to undertake the Proposed Authority as the Earlier Approved Proposed Authority 1 will expire on 29 April 2014. As the Proposed Authority and Proposed Increase in Fund Size are inter-conditional while the Proposed Subscription is conditional upon the Proposed Authority and Proposed Increase in Fund Size, the Manager is also required to obtain the Unitholders' approval for the Proposed Increase in Fund Size and Proposed Subscription.

1.5 On 13 June 2013 and 13 December 2013, 2,423,762 and 2,298,106 new Units were issued respectively pursuant to the income distribution reinvestment plan that allows the Unitholders the option to reinvest their income distribution in new Units ("IDRP"). As such, the issued fund size of the Fund had increased from 456,517,221 Units to 461,239,089 Units. Given that the approval of the Securities Commission Malaysia ("SC") for the increase in fund size of the Fund to accommodate the issuance of new Units pursuant to the Proposed Placement was up to a maximum of 547,280,040 Units and taking into account the total of 4,721,868 new Units which had been issued in 2013 pursuant to the IDR, the revised number of Units that the Manager can place out under the placement exercise would decrease to 86,040,951 Units.

## 2. DETAILS OF THE PROPOSED AUTHORITY AND PROPOSED SUBSCRIPTION

2.1 The Manager proposes to allot and issue up to 86,040,951 new Units, representing up to 18.65% of the existing issued fund size of Axis-REIT of 461,239,089 Units pursuant to Clause 14.03 of the Guidelines on Real Estate Investment Trusts issued by the SC on 21 August 2008, and updated on 28 December 2012 ("REIT Guidelines") to facilitate the Proposed Placement. The Proposed Authority will empower the Board with the flexibility to allot and issue new Units at any time to such persons and for such purposes as the Board may deem fit, provided that, among others, the aggregate number of Units to be issued pursuant to the Proposed Authority does not exceed 18.65% of the existing issued fund size of Axis-REIT. Based on Axis-REIT's existing issued fund size of 461,239,089 Units, the Proposed Authority will enable the Manager to allot and issue up to 86,040,951 Units via the Proposed Placement at its absolute discretion.

2.2 The Placement Units will be placed to, among others, the following persons pursuant to the letters of intention from them received by the Manager on 13 September 2012 for the Proposed Subscription. Details of the Proposed Subscription are as follows:

<b>No.</b>	<b>Name</b>	<b>Interest in the Manager/Fund</b>	<b>No. of Placement Units</b>	<b>% of the total no. of Placement Units</b>
(i)	Dato' Abas Carl Gunnar bin Abdullah ( <b>"Dato' Abas"</b> )	Dato' Abas, the Executive Deputy Chairman of the Manager is also one of the ultimate major shareholders of the Manager and a Unitholder, having an indirect interest of 100% in the Manager and a direct interest of 3.03% in the Fund as at 28 February 2014, being the latest practicable date prior to this Announcement ( <b>"LPD"</b> )	Up to 200,000 Placement Units	0.23
(ii)	Datin Ka Ya-Shih ( <i>also known as Datin Kuyas Emiloglu</i> )	Datin Ka Ya-Shih ( <i>also known as Datin Kuyas Emiloglu</i> ), who is the spouse of Dato' Abas is also a Unitholder, having a direct interest of 1.08% in the Fund as at the LPD	Up to 100,000 Placement Units	0.12
(iii)	Tew Peng Hwee @ Teoh Peng Hwee	Tew Peng Hwee @ Teoh Peng Hwee, the Non-Independent Non-Executive Director of the Manager is also one of the ultimate major shareholders of the Manager and a substantial Unitholder, having an indirect interest of 100% in the Manager and a direct interest of 5.88% in the Fund as at the LPD	Up to 200,000 Placement Units	0.23
(iv)	Dato' George Stewart LaBrooy ( <b>"Dato' Stewart LaBrooy"</b> )	Dato' Stewart LaBrooy, the Executive Director/Chief Executive Officer of the Manager is also a Unitholder, having a direct interest of 0.04% in the Fund as at the LPD	Up to 50,000 Placement Units	0.06
(v)	Alex Lee Lao	Alex Lee Lao, an alternate director to Dato' Abas is also one of the ultimate major shareholders of the Manager and a substantial Unitholder, having an indirect interest of 100% in the Manager and a direct interest of 5.36% in the Fund as at the LPD	Up to 250,000 Placement Units	0.29
(vi)	Dean Lee Lao	Dean Lee Lao, who is a brother of Alex Lee Lao is also a Unitholder, having a direct interest of 0.13% in the Fund as at the LPD	Up to 1,050,000 Placement Units	1.22
(vii)	John Lee Lao	John Lee Lao, who is a brother of Alex Lee Lao is also a Unitholder, having a direct interest of 0.07% in the Fund as at the LPD	Up to 550,000 Placement Units	0.64
				<b>2.79</b>

(The persons listed in (i) to (vii) above are referred to as **"Interested Persons"**).

2.3 *Clause 14.03(e) of the REIT Guidelines states that:*

*“Where the unit holders of a fund have, via a resolution in a general meeting, given a general mandate to the management company to issue units, any issue of units under such general mandate must comply with the following requirements:*

- (e) Units must not be placed to-*
  - (i) interested persons of the management company, whether in their own names or through nominees;*
  - (ii) persons connected to the interested persons mentioned in sub-clause (i) above; or*
  - (iii) nominee companies, unless the names of the ultimate beneficiaries are disclosed.”*

As the Placement Units will be placed to, among others, the Interested Persons, this represents a departure from Clauses 14.03(e)(i) and (ii) of the REIT Guidelines as discussed above. Hence, Axis-REIT is required to comply with Clause 14.04 of the REIT Guidelines which states that:

*“Where an issue of units departs from any of the applicable requirements stipulated in Clause 14.03, the following requirements must be complied with:*

- (a) The management company must obtain unit holders’ approval by way of an ordinary resolution for the precise terms and conditions of the issue, in particular on-*
  - (i) the persons to whom the units will be issued (hereafter referred to as “placees”);*
  - (ii) the amount of units to be placed to each placee.”*

The proposed variation to Clauses 14.04(a)(i) and (ii) of the REIT Guidelines (“**Proposed Variation**”) is necessary for Axis-REIT to undertake the Proposed Placement without having to fully comply with Clauses 14.04(a)(i) and (ii) of the REIT Guidelines as the placees, save for the Interested Persons and the exact number of Placement Units to be placed to each placee as required under Clauses 14.04(a)(i) and (ii) respectively, cannot be ascertained at this juncture given that the Proposed Placement would be carried out via a bookbuilding process. The final list of placees and the number of Placement Units to be placed to each placee can only be determined upon the close of the bookbuilding process.

In view of the above, Axis-REIT had on 14 December 2012, obtained the SC’s approval for the Proposed Variation.

2.4 Such authority shall be in force from the date of the Unitholders’ approval and shall only continue to be in force for:

- (i) a maximum of 1 year from the date of the Unitholders’ meeting at which the Proposed Authority is approved, and it will lapse upon the expiry of the aforesaid 1 year subject to renewal of such authority, by a resolution passed by the Unitholders at a Unitholders’ meeting; or*

- (ii) where the Proposed Authority is revoked or varied by a resolution passed by the Unitholders at any of the subsequent Unitholders' meeting,

whichever is the earliest.

- 2.5 The Proposed Authority will enable Axis-REIT to raise funds via the Proposed Placement upon obtaining the relevant approvals. The Proposed Placement may be implemented in a single tranche or in multiple tranches depending on the Manager's anticipation of when Axis-REIT's loan facilities would exceed 35% of the total assets of the Fund (an internal benchmark as part of prudent capital management) resulting from future acquisitions of new properties.
- 2.6 The actual number of Placement Units will be determined at a later stage by the Manager, in consultation with the placement agent to be appointed for the Proposed Placement, at a price-fixing date to be determined after the relevant approvals have been obtained. In any event, the number of Placement Units to be issued will not exceed 86,040,951 new Units. The Placement Units will be placed out to placees including the Interested Persons, to be identified at a later stage.
- 2.7 The issue price of the Placement Units will be determined by the Manager, in consultation with the placement agent to be appointed for the Proposed Placement, based on the 5-day volume weighted average market price ("VWAMP") of the Units at a discount (which will not be more than 10% after taking into consideration, among others, the prevailing market conditions and market price of the Units), on a price-fixing date to be determined later.

For the avoidance of doubt, the issue price to the Interested Persons will be equivalent to the issue price to other placees to be identified later.

- 2.8 The Placement Units shall, upon allotment and issue, rank equally in all respects with the existing Units except that the Placement Units will not be entitled to any distributable income, rights, benefits, entitlement and/or any other distributions that may be declared before the date of allotment and issue of such new Units.
- 2.9 The exact amount of proceeds to be raised from the Proposed Placement is dependent upon the issue price of the Placement Units. For illustrative purposes, assuming the Placement Units are issued at an issue price of RM2.93 per Unit (representing a discount of 5% to the 5-day VWAMP of the Units up to and including the LPD. The discount of 5% is in line with the discount used for the issuance of 75,180,200 new Units for the previous placement exercise, which were issued on 6 December 2011), the Proposed Placement will raise gross proceeds of approximately RM252.10 million. The proceeds after deducting the estimated expenses in relation to the Proposed Placement will be used to fully repay Axis-REIT's existing bank financing (including finance cost payable) which was taken up to finance the acquisitions of properties which were completed for more than 1 year.

### **3. DETAILS OF THE PROPOSED INCREASE IN FUND SIZE**

In order to accommodate the issuance of up to 86,040,951 new Units pursuant to the Proposed Authority, the Manager proposes to increase the existing issued fund size of Axis-REIT from 461,239,089 Units up to a maximum of 547,280,040 Units.

#### **4. CONDITIONALITY**

The Proposed Placement, Proposed Authority and Proposed Increase in Fund Size are inter-conditional.

The proposed subscription of the Placement Units by each of the Interested Persons is conditional upon the Proposed Authority, Proposed Increase in Fund Size and Proposed Placement but not vice versa.

The proposed subscription of the Placement Units by each of the Interested Persons is independent of one another.

#### **5. RATIONALE FOR THE PROPOSALS**

##### **5.1 Proposed Authority, Proposed Increase in Fund Size and Proposed Placement**

The Proposed Authority is to facilitate Axis-REIT in raising funds via the Proposed Placement.

After due consideration of the various funding options available, the Board is of the view that the Proposed Placement is currently the most appropriate avenue of fund raising for the following reasons:

- (i) the Proposed Placement will enable Axis-REIT to raise funds to repay its existing loan facilities (including finance cost payable). This is in line with the Board's decision to implement the Proposed Placement when Axis-REIT anticipates that its gearing will exceed 35% of the total assets of the Fund (an internal benchmark as part of prudent capital management). This will provide Axis-REIT with sufficient headroom to make future cash acquisitions which is in line with its capital management and growth strategy; and
- (ii) the Proposed Placement will involve the issuance of new Units which will increase the number of Units in circulation and will improve the trading liquidity of the Units.

The purpose of the Proposed Increase in Fund Size is to accommodate the issuance of up to 86,040,951 new Units to be implemented via the Proposed Placement pursuant to the Proposed Authority.

##### **5.2 Proposed Subscription**

The Proposed Subscription will enable the placement of the Placement Units to the Interested Persons. The purpose of the placement of the Placement Units to the Interested Persons is to strengthen the alignment of the Interested Persons' interests in the Fund.

## 6. EFFECTS OF THE PROPOSALS

### 6.1 Unitholders' capital

The proforma effects of the Proposed Authority and Proposed Placement based on the maximum number of new Units which may be issued by Axis-REIT, on the Unitholders' capital are as follows:

	<u>No. of Units</u>
As at the LPD	461,239,089
Issuance of new Units pursuant to the Proposed Authority <sup>(1)</sup>	86,040,951
<b>Enlarged Unitholders' capital</b>	<b><u>547,280,040</u></b>

**Note:**

<sup>(1)</sup> Assuming the maximum number of new Units are issued under the Proposed Authority.

Based on the above, the existing approved fund size of Axis-REIT would have increased by approximately 18.65% from 461,239,089 Units up to a maximum of 547,280,040 Units.

### 6.2 Distributable income

The Manager has declared and paid an income distribution of 18.50 sen per Unit for the financial year ended ("FYE") 31 December 2013 (approximately 99.9% of Axis-REIT's income available for distribution).

The Proposals are not expected to have any material effect on Axis-REIT's distributable income policy as determined by the Board. The decision to declare and pay distributable income in the future would depend on the financial performance and cash flow position of Axis-REIT, and prevailing economic conditions.

### 6.3 Substantial Unitholders' unitholdings

Any issuance of new Units by Axis-REIT under the Proposed Authority to be implemented via the Proposed Placement to the Unitholders other than the substantial Unitholders, will dilute the percentage of unitholdings of the substantial Unitholders. Any issuance of new Units by Axis-REIT under the Proposed Authority which is to be implemented via the Proposed Placement to the substantial Unitholders will increase their unitholdings in Axis-REIT accordingly.

The proforma effects of the Proposed Authority and Proposed Subscription based on the maximum number of new Units which may be issued by Axis-REIT, on Axis-REIT's substantial Unitholders' direct unitholdings in Axis-REIT are as follows:

Substantial Unitholders	As at the LPD		After the Proposed Authority and Proposed Subscription <sup>(1)</sup>	
	No. of Units held	%	No. of Units held	%
Employees Provident Fund Board	59,258,566	12.85	59,258,566	10.83
Kumpulan Wang Persaraan (Diperbadankan)	32,650,101	7.08	32,650,101	5.97

Substantial Unitholders	As at the LPD		After the Proposed Authority and Proposed Subscription <sup>(1)</sup>	
	No. of Units held	%	No. of Units held	%
Tew Peng Hwee @ Teoh Peng Hwee	27,100,050	5.88	27,300,050	4.99
AmanahRaya Trustee Berhad (Skim Amanah Saham Bumiputera)	44,423,280	9.63	44,423,280	8.12
Alex Lee Lao	24,722,671	5.36	24,972,671	4.56

**Note:**

<sup>(1)</sup> Assuming none of the substantial Unitholders subscribe for the new Units to be issued under the Proposed Authority to be implemented via the Proposed Placement, save for Tew Peng Hwee @ Teoh Peng Hwee and Alex Lee Lao who intend to subscribe for up to 200,000 Placement Units and 250,000 Placement Units respectively.

#### 6.4 Earnings per Unit

Any issuance of new Units pursuant to the Proposed Authority to be implemented via the Proposed Placement will dilute the earnings per Unit, the quantum of which would depend on the number of new Units to be issued.

For illustration purposes only, based on the audited financial statements of Axis-REIT for the FYE 31 December 2013, the proforma effects of the Proposed Authority on the earnings per Unit of Axis-REIT, assuming all the new Units pursuant to the Proposed Authority have been issued and allotted at the beginning of the said financial year are as follows:

	Audited for the FYE 31 December 2013	After the Proposed Authority
	RM'000	RM'000
Net income	111,281	111,281
Weighted average number of Units in circulation ('000) <sup>(1)</sup>	457,953	543,994
Earnings per Unit (sen)	24.30	20.46

**Note:**

<sup>(1)</sup> Based on the weighted average number of Units for the FYE 31 December 2013 of 457,952,689 Units as per the audited financial statements of the Fund for the FYE 31 December 2013.

Moving forward, the effect of the Proposed Authority on the earnings of the Fund will depend on the contribution from the Fund's existing real estate properties, properties to be acquired in the future and the finance cost savings arising from the repayment of bank borrowings using the proceeds from the Proposed Authority.

## 6.5 Net asset value (“NAV”) per Unit and gearing

The proforma effects of the Proposed Authority and Proposed Subscription on the NAV per Unit and gearing of the Fund based on the audited financial statements of Axis-REIT as at 31 December 2013 are as follows:

	<b>Audited as at 31 December 2013</b>	<b>After the Proposed Authority</b>
	<b>RM'000</b>	<b>RM'000</b>
Unitholders' capital	750,966	<sup>(1)</sup> 1,000,246
Reserves	277,674	277,674
<b>Total unitholders' funds/NAV</b>	<b>1,028,640</b>	<b>1,277,920</b>
Number of Units in circulation ('000)	461,239	<sup>(2)</sup> 547,280
NAV per Unit (RM)	2.23	2.34
Total financing	528,004	<sup>(3)</sup> 278,724
Total assets	1,616,523	1,616,523
Gross gearing (%) <sup>(4)</sup>	32.66	17.24

### Notes:

<sup>(1)</sup> Assuming a maximum of 86,040,951 new Units, representing 18.65% of the existing issued fund size of Axis-REIT, are issued at an issue price of RM2.93 per Unit (representing a discount of 5% to the 5-day VWAMP of the Units up to and including the LPD) and after netting-off estimated expenses for issuance of the new Units pursuant to the Proposed Authority to be implemented via the Proposed Placement of about RM2.82 million.

<sup>(2)</sup> After taking into account the maximum of 86,040,951 new Units which may be issued pursuant to the Proposed Authority to be implemented via the Proposed Placement.

<sup>(3)</sup> Assuming the entire net proceeds from the issuance of new Units pursuant to the Proposed Authority to be implemented via the Proposed Placement are utilised for the repayment of Axis-REIT's existing financing (including finance cost payable) which were taken up to finance for acquisitions of properties which were completed for more than 1 year.

<sup>(4)</sup> Gearing (%) is calculated based on total financing divided by total assets.

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) the Trustee, which was obtained on 14 June 2012 as supplemented by a supplemental letter dated 19 September 2012;
- (ii) SC for the following:
  - (a) the issuance and listing of up to 90,762,819 new Units to be issued pursuant to the Earlier Approved Proposed Authority 1;
  - (b) the increase in the then existing issued fund size of Axis-REIT from 456,517,221 Units up to a maximum of 547,280,040 Units; and
  - (c) Proposed Variation.

The approval of the SC for (a) to (c) above was obtained on 14 December 2012, subject to the following conditions:

<b>No.</b>	<b>Conditions imposed</b>	<b>Status of compliance</b>
1.	The Manager and Maybank IB are required to disclose the details of repayment of bank borrowings in the Circular to Unitholders	Complied
2.	The Manager and Maybank IB are required to inform the SC of the actual number of Units issued, the date of the issuance of the Units and the date of listing of and quotation for the new Units on the Main Market of Bursa Securities	To be complied
3.	The Manager and Maybank IB are required to disclose the following information in the Circular to Unitholders:	
	(a) Bayan Lepas Distribution Centre	Complied. The details were disclosed in the circular to Unitholders dated 8 April 2013
	(i) Details of the structural defects;	
	(ii) Details of remedial works completed/ carried out;	
	(iii) Actual cost incurred; and	
	(iv) The party that will bear the costs	
	(b) Seberang Prai Logistic Warehouse 3	Complied. The details were disclosed in the circular to Unitholders dated 8 April 2013
	(i) Details of the structural defects;	
	(ii) Details of remedial works to be carried out;	
	(iii) Expected time to complete the remedial works;	
	(iv) The estimated cost to be incurred; and	
	(v) The party that will bear the costs	
(iii)	Bursa Securities for the listing of and quotation for up to 90,762,819 new Units to be issued pursuant to the Earlier Approved Proposed Authority 1 to be implemented via the Proposed Placement on the Main Market of Bursa Securities, which was obtained on 4 April 2013. Subsequently, Bursa Securities granted an extension of time of up to 3 April 2014 to complete, among others, the authority to allot and issue up to 90,762,819 new Units;	
	On 13 June 2013 and 13 December 2013, 2,423,762 and 2,298,106 new Units were issued respectively pursuant to the IDRPs. As such, the issued fund size of the Fund increased from 456,517,221 Units to 461,239,089 Units. As the approval of the SC for the increase in fund size of the Fund to facilitate the Proposed Placement was up to a maximum of 547,280,040 Units and taking into account the total of 4,721,868 new Units which had been issued in 2013 pursuant to the IDRPs, the revised number of Units that the Manager can place out under the Proposed Placement would decrease to 86,040,951 Units;	
(iv)	Unitholders at a Unitholders' meeting to be convened; and	
(v)	any other relevant authorities and/or parties (if required).	

Save as disclosed in Section 4 of this Announcement, the Proposals are not conditional upon any other corporate exercise/scheme of Axis-REIT.

## **8. INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS OF THE MANAGER, MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED TO THEM**

### **8.1 Directors and major shareholders of the Manager, and major Unitholders**

Other than the persons as set out in Sections 2.2(i), (iii), (iv) and (v) of this Announcement and as disclosed below, none of the directors and major shareholders of the Manager, and major Unitholders have any interest, direct or indirect, in the Proposed Authority, Proposed Increase in Fund Size, Proposed Placement and Proposed Subscription:

- (i) Alvin Dim Lao, the Non-Independent Non-Executive Director of the Manager represents the interest of the Lao family (including that of Alex Lee Lao's) on the Board. He does not have any interest, direct or indirect, in the Manager and the Fund as at LPD.

Dato' Abas, Tew Peng Hwee @ Teoh Peng Hwee, Dato' Stewart LaBrooy and Alex Lee Lao are deemed interested in the Proposed Authority, Proposed Increase in Fund Size, Proposed Placement and Proposed Subscription given that they, being the Interested Persons, may be subscribing for the new Placement Units to be issued pursuant to the Proposed Authority. Alvin Dim Lao is also deemed interested in the Proposed Authority, Proposed Increase in Fund Size, Proposed Placement and Proposed Subscription given that he represents the interest of the Lao family (including that of Alex Lee Lao's) on the Board.

Accordingly, they have abstained and will continue to abstain from deliberating and voting on the resolutions pertaining to the Proposed Authority, Proposed Increase in Fund Size, Proposed Placement and Proposed Subscription at the relevant Board meetings. They will abstain and have also undertaken to ensure that persons connected to them as set out in Section 8.2 of this Announcement will abstain from voting at the forthcoming Unitholders' meeting in respect of their direct and/or indirect unitholdings on the resolutions pertaining to the Proposed Authority, Proposed Increase in Fund Size and Proposed Subscription.

### **8.2 Persons connected to the Directors and major shareholders of the Manager, and major Unitholders**

Other than the persons as set out in Sections 2.2(ii), (vi) and (vii) of this Announcement and as disclosed below (based on the disclosure made by the interested Directors to the Manager), there are no other persons connected to the Directors and major shareholders of the Manager, and major Unitholders having any interest, direct or indirect, in the Proposed Authority, Proposed Increase in Fund Size, Proposed Placement and Proposed Subscription:

- (i) Amanda Tan Myhre, who is the daughter of Dato' Abas has a direct interest of 0.01% in the Fund as at the LPD;
- (ii) Tan Siew Geok, who is the spouse of Tew Peng Hwee @ Teoh Peng Hwee has a direct interest of 0.07% in the Fund as at the LPD;
- (iii) Datin LaBrooy Nee Janet Mary Kay, who is the spouse of Dato' Stewart LaBrooy has 20,000 Units as at the LPD;
- (iv) Lao, Yin Yong Lee, who is a brother of Alex Lee Lao has deemed interest in the direct and indirect interests of Alex Lee Lao in the Fund. He has a direct interest of 0.09% in the Fund as at the LPD; and

- (v) Leon Lee Lao, who is a brother of Alex Lee Lao has deemed interest in the direct and indirect interests of Alex Lee Lao in the Fund. He has a direct interest of 0.24% in the Fund as at the LPD.

**9. DIRECTORS' STATEMENT**

The Board (other than Dato' Abas, Tew Peng Hwee @ Teoh Peng Hwee, Dato' Stewart LaBrooy, Alex Lee Lao and Alvin Dim Lao), having considered all aspects of the Proposals and after careful deliberation is of the opinion that the Proposals are in the best interest of the Fund.

**10. ADVISER**

The Manager has appointed Maybank IB as the Principal Adviser for the Proposals.

**11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be completed by the 3<sup>rd</sup> quarter of 2014.

**This announcement is dated 11 March 2014.**