



Dear Valued Shareholders,

If you are not already aware the company recently agreed to terms for a private investor to purchase the Gympie, Southside Town Centre at a passing yield of 6.5% or \$28.3million.

As a result of this positive outcome surrounding the sale of the Southside Town Centre, the board of AHC Limited has approved what we believe to be a significant liquidity event and opportunity for the shareholders to realize their investment in AHC Limited.

This decision is possible due to the sale of the Southside Town Centre. The nature and size of the Board's approved course of action has never been undertaken previously by the company in its 26 year history, largely due to the fact that the company has simply not been in a position to do so.

The directors have approved the following:

1. DIVIDEND PAYMENT

. A **\$1.00**/share fully franked dividend - On 13 November 2015 AHC Limited will announce a \$1.00/share special fully franked dividend with a record date of 25 November 2015 and dividend payment date being 9 December 2015.

. **\$0.428**cents/share franking credit -The dividend will be fully franked with \$0.428cents/share in franking tax credits.

2. BUYBACK OFFER

\$2.10/share equal access share buy-back – This share offer will be an equal access buy-back offered to shareholders.

This offer is limited to 10% of the AHC shares on issue (552,101 shares) in accordance with ASIC 10/12 limit. The 10/12 limit allows the company to only purchase 10% of the company's shares on issue in any 12 month period. This is an important issue for shareholders to consider as it places a limit on the volume of shares able to be purchased by the company.

The deadline for shareholders to consider the offer and confirm an agreement for the company to buy-back each individual shareholding remains open until 5.00pm 16 December 2015. A share transfer form will be attached to this correspondence for return to the company secretary of AHC Limited should you wish to take up the offer.

3. SUMMARY

The Board's decision provides shareholders with a total value entitlement/opportunity of \$3.528 per share



Example of offer to an individual shareholder

For simplicity please find 'example' of the limited opportunity offer in accordance with the deadline 16 December 2015.

Example 10,000 share holding:-

10,000 shares x \$1.00 dividend = \$10,000 Proposed dividend payment date – 9 December 2015. The franking tax credit is \$4,285.71.

10,000 shares x \$2.10 share buy-back = \$21,000 Proposed payment date – 20 January 2016.

Total receivable = \$31,000 cash for a 10,000 individual share parcel under buy-back offer in conjunction with the declared dividend.

Background

Earlier this year the board of AHC Limited agreed to offer the Southside Town Centre For Sale, largely due to the ongoing compression of retail investment yields.

The board was of the view that the opportunity had arisen to capitalise on the market strength by taking strong profits and to position the company with a strong ongoing cash position for the future.

The sale which reflects an initial yield of around 6.5% was a fantastic result and is the sole reason why the company is able to put to shareholders the \$3.53 total value offer.

Importantly it should be re-stated that an 'offer' of this nature and size has never been offered previously by the company in its 26 year history largely due to the fact that the company has simply not been in a position to do so.

Further it is also important to state that as the company largely develops investment stock for long term holdings, it is unlikely that an offer of this size and scale could or would be offered again within the next 10 – 20 years. This remains a limited opportunity for all shareholders to realize their investment in AHC Limited.



Buy-back offer price

As you are all aware the company delisted from the ASX in December 2013. At the time of delisting and for some consistent amount of time previous the company's share price remained at approximately \$2.10/share

Since December 2013 the company's shares have been available to trade on the Low Volume Market. The most recent trade was completed at a sale price of \$1.95/share.

Currently there are nine sellers on the LVM seeking to sell the shares in AHC Limited.

A snapshot of these sellers is as follows.

- 1 at \$1.90/share
- 2 at \$1.95/share
- 3 at \$2.00/share
- 2 at \$2.10/share

Given the list of registered sellers on the LVM above and the most recent trade at \$1.95 being below that of the last known ASX trade back in 2013, AHC Limited is of the belief that the buy-back price of \$2.10/share is both transparent and consistent with on market and off market trading.

It could even be said that the \$2.10 buy-back price is at a premium given the list of sellers above and the last trade at \$1.95/share

Buy –Back offer deadline

The buy-back deadline has been set at 16 December 2015. Shareholders will be required to submit a share transfer form prior to the 16 December deadline should they wish to take up the offer.

The deadline is important as the board of AHC Limited makes the buy-back offer due to the availability of cash currently at the company's disposal.

However it is the intention of the board to utilize remaining cash on hand to commence works on existing holding projects at Howard and Drury Lane as well as reinvesting in other retail green-field sites. Once the company reinvests the opportunity to realize your investment in AHC limited maybe diminished or lost.



Buy Back payment date

Upon the company receiving all buy-back agreements by the deadline date of 16 December 2015, these will be collated and calculated to ensure compliance with the 10/12 ASIC limit.

The company proposes a share buy-back payment date of 20 January 2016.

Enquiries regarding the dividend and buy-back offer should be directed to Rod MacLeod Managing Director by e-mail to reception@ahc.com.au

Kind Regards,

Rod MacLeod
Managing Director
AHC Limited