

# SUNWAY REIT MANAGEMENT SDN BHD

(Company No. 806330-X)

## STATEMENT OF POLICY REGARDING SECURITIES TRADES BY COMPANY PERSONNEL (“INSIDER TRADING POLICY”)

### Reasons for an Insider Trading Policy

The Capital Markets and Services Act 2007 (“CMSA”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) prohibit the purchase or sale of securities by persons, whether directly or indirectly, on the basis of material non-public information about a company (“**inside information**”), as well as the disclosure of inside information to others who then trade in the company’s securities. These transactions are commonly known as “insider trading.”

Insider trading violations are pursued vigorously by the Securities Commission and are punished severely. While the regulatory authorities concentrate their efforts on individuals who trade, or who communicate inside information to others who trade, the securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by company personnel.

The Board of Directors of Sunway REIT Management Sdn Bhd (“**the Company**”) has adopted this *Statement of Policy Regarding Securities Trades by Company Personnel*, which is hereafter referred to as the Company’s “**Insider Trading Policy**”, both to satisfy the Company’s obligation to prevent insider trading and to help Company personnel avoid committing acts that contravene the insider trading laws.

This Insider Trading Policy is also intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company, not just so-called “insiders.” We have all worked hard over the years to establish our reputation for integrity and ethical conduct, and we cannot afford to have that reputation damaged.

### Consequences of an Insider Trading Violation

The consequences of an insider trading violation can be severe:

**On Traders** : Company personnel (or their tippees) who trade on inside information are subject to the following penalties:

#### Criminal Penalty under the CMSA

- A fine of not less than RM1,000,000 (no matter how small the profit); and
- A jail term of up to 10 years.

#### Civil Liability under the CMSA

A person who suffers loss or damages by reason of, or by relying on the conduct of another person who committed the offence of insider trading may recover the amount of loss or damage

by instituting civil proceedings against the other person. The Securities Commission may, if it considers that it is in the public interest to do so, institute civil action against the insider or any other person involved in the contravention to recover an amount equal to 3 times the amount being the difference between the price at which the securities disposed of or agreed to be disposed of and the price which they would have been likely to have been disposed of at the time of the disposal or agreement if the information had been generally available and claim civil penalty being an amount not more than RM1,000,000.

***On Tippers*** : An employee who communicates, or “tips” inside information to a person who then trades is subject to the same penalties as the tippee, even if the employee did not trade and did not profit from the tippee’s trading.

***Additional Sanctions by the Company*** : An employee’s failure to comply with the Company’s Insider Trading Policy may subject the employee to Company-imposed sanctions, including termination of employment for cause, whether or not the employee is charged with an offence in respect of the contravention of Section 188 of the CMSA or whether or not a contravention has been proven in a prosecution. Needless to say, an investigation, a charge in a court of law or an investigation by the Securities Commission, whether or not result in prosecution, can tarnish one’s reputation and irreparably damage his/her career and future prospects.

### **Persons subject to Insider Trading Policy**

So long as you are a director, officer or employee of the Company, this Insider Trading Policy applies to:

- You.
- Your family members who reside with you.
- Any family members who do not live in your household but whose transactions in the securities of Sunway Real Estate Investment Trust (“**SUNREIT**”) are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in the securities of SUNREIT.)
- Friends, acquaintances or business associates whom you know or ought reasonably to know that such person, either by himself/herself or a third person, would or would tend to trade on the basis of the inside information.

As a director, officer or employee, you are responsible for the transactions of the abovementioned persons and therefore you should make them aware of the need to confer with you before they trade in the securities of SUNREIT. As used in this Insider Trading Policy, “you” means anyone subject to this Insider Trading Policy.

If you are in possession of inside information when you cease being a director, officer or employee, this Insider Trading Policy will continue to apply until that information has become public or is no longer material.

## **Specific Restrictions**

### ***1. No Trading or Acting on Inside Information***

If you possess inside information relating to SUNREIT, you may not, either directly or through family members or other persons or entities:

- Buy or sell securities of SUNREIT.
- Engage in any other action to take personal advantage of that inside information.
- Pass that inside information on to others outside the Company, including members of your family, friends, acquaintances and business associates.

Also, if you learn of inside information about another company with which SUNREIT does business, including a customer or supplier, you may not trade in the other company's securities until that information becomes public or is no longer material.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not exempted from the Insider Trading Policy. The securities laws do not recognise such mitigating circumstances and in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

**When Information Becomes Public** : Information is not deemed to become "public" until the information has been disclosed broadly to the marketplace (such as by the Company's press release or an announcement made to Bursa Securities) and the investing public has had time to absorb the information fully.

**What Constitutes Material Information** : Material information is any information that a reasonable investor would consider important in making a decision to buy, hold or sell securities. Any information that might reasonably be expected to affect the company's stock price, whether it is positive or negative, should be considered material. Some examples of information that would ordinarily be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance.
- A pending or proposed merger, acquisition or tender offer.
- A pending or proposed acquisition or disposition of a significant asset.
- A change in dividend policy, declaration of a stock split, or an offering of additional securities.
- A change in management.
- Introduction or development of a new product or discovery.

- Impending bankruptcy, existence of severe liquidity problems or default in loan repayments.
- Occurrence of labour dispute with sub-contractors, customers or suppliers.
- Acquisition or loss of a contract, franchise or distributorship rights.
- Commencement of or involvement in litigation.
- A change in general business direction.

In addition, “information” is defined in the CMSA for purposes of the rules on insider trading include the following:

- matters of supposition and other matters that are insufficiently definite to warrant being made known to the public;
- matters relating to the intentions, or likely intentions of a person;
- matters relating to negotiations or proposals with respect to commercial dealings or dealing in securities;
- information relating to the financial performance of a corporation;
- information that a person proposes to enter into, or has previously entered into one or more transactions or agreements in relation to securities or has prepared or proposes to issue a statement relating to such securities; and
- matters relating to the future.

***20/20 Hindsight*** : Remember, anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

## ***2. No Individual Disclosure of Information***

The Company is required to avoid the selective disclosure of inside information. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. Therefore:

- You may not disclose information about SUNREIT to anyone outside the Company, including family members, friends, acquaintances and business associates; and
- You may not discuss about the Company, SUNREIT or its business in an internet “chat room” or similar internet-based forum, blogs, social networks such as Facebook and Twitter.

### **3. Other Prohibited Transaction**

The Company considers it improper and inappropriate for any director, officer or other employee of the Company to engage in speculative transactions in the securities of SUNREIT or other transactions which might give the appearance of impropriety. Therefore, this Insider Trading Policy also prohibits the following transaction:

**Margin Accounts and Pledges** : Securities purchased on margin may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities held in an account which may be borrowed against or are otherwise pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale may occur at a time when the pledgor is aware of inside information or otherwise is not permitted to trade in the company's securities.

Therefore, you may not purchase the securities of SUNREIT on margin, or borrow against any account in which the securities are held, or pledge the securities as collateral for a loan.

*[NOTE: An exception to the prohibition against pledges may be granted where a person wishes to pledge the securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge the securities as collateral for a loan must submit a request for approval to the Company Secretary at least 2 weeks prior to the execution of the documents evidencing the proposed pledge.]*

#### **Exemptions from Compliance**

This Insider Trading Policy does not apply to the following categories of dealings:

- Acceptance or exercise of options or rights under a share issuance scheme or share option scheme.
- Exercise of warrants.
- Conversion of convertible securities.
- Acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of the securities or to all holders of a relevant class of its securities, on the same terms.
- Undertaking to accept, or the acceptance of a take-over offer.
- Undertaking to accept, or the acceptance of securities as part of a merger by way of a scheme of arrangement.

Subsequent dealings in the securities of SUNREIT obtained as a result of the above dealings, are NOT exempted from compliance with this Insider Trading Policy.

#### **Assistance**

If you have a question about this Insider Trading Policy or its application to any proposed transaction, you may obtain additional guidance from Mr Tan Kim Aun, the Company Secretary at telephone no: (03) 5639 8856. Ultimately, however, the responsibility for adhering to this Insider Trading Policy and avoiding unlawful transactions rests with you.

## **SUPPLEMENT TO THE INSIDER TRADING POLICY FOR DIRECTORS, EXECUTIVE OFFICERS AND OTHER EMPLOYEES**

This Supplement to the Company's Insider Trading Policy governs transactions in the securities of SUNREIT by directors, executive officers and other employees who have possession of earnings information or other inside information about SUNREIT. **They MUST NOT deal in the securities of SUNREIT as long as they are in possession of inside information, as they shall be liable for insider trading.** However, those who are NOT in possession of inside information, may engage in dealings during a "**closed period**" provided that they comply with the procedures set out in this Supplement.

**"Closed period"** means a period commencing 30 calendar days before the targeted date of announcement up to the date of announcement of SUNREIT's financial quarterly results to Bursa Securities.

The policies and procedures described in this Supplement are a part of the Company's Insider Trading Policy and are in addition to the other requirements of the Insider Trading Policy.

### **Persons subject to this Supplement Policy**

This Supplement Policy applies to all directors, executive officers and other employees of the Company who are subject to the requirements of Chapter 14 of the Main Market Listing Requirements of Bursa Securities. In addition, the Company Secretary may from time to time designate any employee, either by name or title, as subject to this Supplement Policy, and this Supplement Policy will be effective as to each such employee immediately upon the employee's receipt of notice of designation and a copy of this Supplement Policy. If you have been provided with a copy of this Supplement by the Company, you are subject to this Supplement Policy. So long as you are a director or executive officer or employee who has been designated as subject to these policies and procedures, this Supplement Policy applies to:

- You.
- Your family members who reside with you.
- Any family members who do not live in your household but whose transactions in the securities of SUNREIT are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in the securities of SUNREIT).

You are responsible for the transactions of these other persons and therefore you should make them aware of these procedures and their need to confer with you before they engage in any transaction subject to these procedures. As used in this Supplement Policy, "you" means anyone subject to the policies and procedures described in this Supplement Policy.

This Supplement Policy will cease to apply to your transactions in the securities of SUNREIT upon the expiration of any “blackout period” (see below) in existence at the time of the termination of your service as a director, executive officer or employee, or if you are designated by the Company Secretary as no longer subject to this Supplement Policy.

### **Procedure for Dealings in Securities during Closed Periods**

- (a) Before the proposed dealing, you must give notice of intention to deal in writing to the Company Secretary.
- (b) Upon receipt of such notice, an immediate announcement must be made to Bursa Securities, stating the following information:-
  - (i) your current holdings of securities in SUNREIT; and
  - (ii) your intention to deal in the securities of SUNREIT during a closed period.
- (c) The proposed dealing can only be effected or commence after 1 full market day from the date of announcement made pursuant to item (b) above. “**1 full market day**” excludes the day on which an announcement is made.
- (d) You must give notice of the dealing in writing to the Company Secretary within 1 full market day after the dealing has occurred and the Company Secretary must immediately announce such notice to Bursa Securities. The notice and announcement shall contain the following information:
  - (i) the date on which the dealing occurred;
  - (ii) the consideration for the dealing; and
  - (iii) the number of securities involved in the dealing, both in absolute terms and as a percentage of all issued securities of that class in SUNREIT.

### **Procedure for Dealings in Securities outside Closed Periods**

If you deal in the securities of SUNREIT outside closed periods, you must **within 3 market days** after the dealing has occurred, give notice of the dealing in writing to the Company Secretary who will then make an immediate announcement to Bursa Securities of such dealing. The notice and announcement shall contain the following information:

- (i) the date on which the dealing occurred;
- (ii) the consideration for the dealing; and
- (iii) the number of securities involved in the dealing, both in absolute terms and as a percentage of all issued securities of that class in SUNREIT.

### **Event-Specific Blackouts**

From time to time, an event may occur that is material to the Company and is known by only a few individuals inside the Company. If you are one of those individuals, or if it would appear to an outsider that you were likely to have had access to inside information about the event, then you will not be allowed to trade in the securities of SUNREIT so long as the event remains material, confidential and non-public.

Also, the Company may on occasion issue material information by means of a press release, an announcement to Bursa Securities or other means designed to achieve widespread dissemination of the information.

The existence of an event-specific blackout will not be announced. If you are aware of the existence of an event-specific blackout, you should not disclose the existence of the blackout to any other person. Whether or not you are designated as being subject to an event-specific blackout, you still have the obligation not to trade while aware of inside information.

### **Certification**

All directors, executive officers and other employees subject to this Supplement Policy must certify their understanding of, and intent to comply with, not only this Supplement but also the other provisions of the Company's Insider Trading Policy. Please sign, date and return the attached Certification within 5 days after your receipt of this Supplement Policy.



**CERTIFICATION**

I hereby certify that:

1. I have read and understand the Company’s Statement of Policy Regarding Securities Trades by Company Personnel, and the Supplement thereto for Directors, Executive Officers and Other Employees (together, the “**Insider Trading Policy**”);
2. I understand that the Company Secretary is available to answer any question I may have regarding the Insider Trading Policy;
3. Since I have been a director or employee of the Company or otherwise designated as subject to the Insider Trading Policy, I have complied with the Insider Trading Policy; and
4. I will continue to comply with the Insider Trading Policy for as long as I am subject to the Policy.

Signature: \_\_\_\_\_

Name : \_\_\_\_\_

Date : \_\_\_\_\_