

5. RISK FACTORS (Cont'd)

- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Malaysian REITs and investments in Malaysia and overseas;
- any inability on Sunway REIT's part to implement successfully its investment and growth strategies; and
- broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, Units may trade at prices that are higher or lower than the Net Asset Value per Unit. To the extent that Sunway REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on Sunway REIT's part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested. If Sunway REIT is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Units.

5.5.3 There can be no assurance that Sunway REIT will be able to make distributions or maintain any given level of distributions

The Net Property Income earned from real estate investments depends on, among other factors, the amount of rental income received and the amount of operating and other expenses incurred. If the Properties and any other assets held by Sunway REIT from time to time do not generate sufficient Net Property Income and Sunway REIT is unable to borrow funds from the market in a timely and cost-effective manner, Sunway REIT's income, cash flow and ability to make distributions will be adversely affected.

Additionally, as the Manager may receive some or all of the Manager Fee in Units, an application to Bursa Securities for the listing of and quotation for such Units will be required as and when the Manager Fee is paid in Units. In the event that the approval from Bursa Securities for the listing of and quotation for the Units for the Manager Fee is not obtained, the Manager Fee would be paid in cash. As a result, Distributable Income would be affected. Please refer to Section 7.3 of this Prospectus for further details of the Manager Fee paid in Units.

No assurance can be given as to Sunway REIT's ability to make or maintain distributions. Nor is there any assurance that the level of distributions will increase over time, or that there will be increases in rent under the tenancies of the Properties, that vacated properties will be re-rented or that the receipt of rental revenue in connection with any expansion of the properties or future acquisitions of properties will increase Sunway REIT's income available for distribution to Unitholders.

5.5.4 Unitholders have no right to require the repurchase of their Units

Unitholders have no right to require the repurchase of their Units while Sunway REIT is listed. Therefore, there can be no assurance that a Unitholder will be able to dispose of its Units at the price at which they purchased the Units or any price, or at all. Accordingly, Unitholders may only be able to liquidate or dispose of their Units through a sale of such Units to third parties in the secondary market.

5.5.5 The Manager may issue new Units that would result in a dilution of the existing Units

The Deed provides that the Manager shall determine the issue price of any issue of new Units based on market-based principles. The issue price of any new Units issued after the Listing Date may be at or below the then current NAV of the existing Units. If new Units are issued at less than NAV, the NAV of existing Units will be diluted.

The Deed also provides that the Manager may receive some or all of the Manager Fee in Units. If the Manager receives such fees in Units, this may have the effect of diluting the unitholdings of other Unitholders.

5. RISK FACTORS (Cont'd)

5.5.6 Certain regulations that apply to other securities and investments in Malaysia do not apply to the Units and Sunway REIT

Unitholders' rights differ from, and may be less protective in certain respects than, those granted to shareholders of public listed companies in Malaysia.

The Malaysian Code on Takeovers and Mergers, 1998 does not apply to acquisition of units in REITs, which means (among other things) that a person may acquire any number of Units without being required to make a general offer to acquire the Units held by other Unitholders. Accordingly, Unitholders may not benefit from a possible premium price and may not receive equal prices for the Units sold by an acquirer of the Units.

In addition, while the REIT Guidelines regulate transactions entered into by or on behalf of Sunway REIT including the acquisition and disposal of assets and related party transactions which aim to protect the interest of Unitholders, they differ from and in certain circumstances are less protective compared with those accorded to shareholders under the Listing Requirements.

5.5.7 There may be a delay or failure in Listing of the Units

The occurrence of any one or more of the following events may cause a delay in or failure of the Listing of the Units on the Main Market of Bursa Securities:

- The identified investors under the Institutional Offering fail to subscribe for the portion of the Units allocated to them;
- The Joint Bookrunners exercising their rights pursuant to the Placement Agreement or Underwriting Agreement, as the case may be, to discharge themselves from their obligations there under; or
- Sunway REIT being unable to meet the public spread requirement as determined by Bursa Securities, including at least 25% of the total number of Units in the hands of a minimum of 1,000 public Unitholders holding not less than 100 Units each upon completion of the Initial Public Offering and at the point of the Listing.

In such an event investors will not receive any Offer Units and Sunway REIT will return in full without interest all monies paid in respect of any application for the Offer Units in compliance with the provision of sub-section 243(2) of the CMA.

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6. DETAILS OF THE PROPERTIES

6.1 Overview

Sunway REIT is a real estate investment trust formed to own and invest in a diverse portfolio of income-generating real estate in Malaysia and other Asia-Pacific countries. The strategy to achieve these objectives is set forth under the Section 4.4 of this Prospectus. Sunway REIT's initial portfolio will, on the Listing Date, comprise real estate in the retail, hospitality and office sectors in Malaysia. For details of the locations of the Properties, please refer to Section 6.1.1 below.

The Retail Properties consist of:

- (i) *Sunway Pyramid Shopping Mall*: a premier four-storey regional shopping mall in Bandar Sunway, with 711 tenancies (as of 28 February 2010), totalling approximately 1.69 million sq. ft. of Net Lettable Area. The mall includes a 12-screen cineplex, an ice-skating rink, a 48-lane bowling alley, a convention centre, and multi-storey parking facilities with more than 3,800 car parking bays;
- (ii) *Sunway Carnival Shopping Mall*: a premier five-storey lifestyle shopping mall in Pusat Bandar Seberang Jaya, with 154 tenancies (as of 28 February 2010) totalling approximately 484,364 sq. ft. of Net Lettable Area. The mall includes an eight-screen cineplex, an amusement centre, a convention centre and more than 1,100 car parking bays; and
- (iii) *SunCity Ipoh Hypermarket*: a single-storey hypermarket in Sunway City Ipoh totalling approximately 181,216 sq. ft. of Net Lettable Area.

The Hospitality Properties consist of:

- (i) *Sunway Resort Hotel & Spa*: a 19-storey, five-star hotel in Bandar Sunway, with 439 guest rooms and three villas;
- (ii) *Pyramid Tower Hotel*: a nine-storey, four-star hotel in Bandar Sunway, with 549 guest rooms; and
- (iii) *Sunway Hotel Seberang Jaya*: a 17-storey, four-star hotel in Pusat Bandar Seberang Jaya, mainland Penang, with 202 guest rooms.

The Office Properties consist of:

- (i) *Menara Sunway*: a 19-storey prime office building in Bandar Sunway with a Net Lettable Area of 268,978 sq. ft., comprising an office tower with an annex and more than 660 car parking bays; and
- (ii) *Sunway Tower*: a 33-storey prime office building in Kuala Lumpur with a Net Lettable Area of 268,412 sq. ft. and more than 290 car parking bays.

The Properties consist of approximately 5,453,453 sq. ft., 1,582,185 sq. ft. and 1,111,387 sq. ft. of retail, hospitality and office Gross Floor Area, respectively, and an Appraised Value of RM3,729 million.

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6. DETAILS OF THE PROPERTIES *(Cont'd)*

6.1.1 Locations of the Properties

The Properties are located in Malaysia at the locations depicted in the map below:



Bandar Sunway

85.5% of the Properties by Appraised Value are located in Bandar Sunway, Selangor. Bandar Sunway is an 800 acres integrated master planned township developed by the Sponsor, since 1986. Bandar Sunway is located in the Klang Valley, approximately 18 kilometres southwest of Kuala Lumpur, the capital and commercial centre of Malaysia. Bandar Sunway includes a mix of residential, commercial, hospitality, leisure, medical, convention and educational properties and is one of the largest integrated townships in the Klang Valley. The Bandar Sunway Properties are located among a diverse mix of complementary properties owned by the Sponsor. The Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa and Pyramid Tower Hotel are located adjacent to each other and collectively form a significant part of the Sunway Integrated Resort. For further details, please refer to Section 6.2 (vii) and (viii) on the competitive strengths of the Properties and Sunway REIT.

Recent announcements relating to Bandar Sunway include the Sponsor's Sunway South Quay, a middle upper market development of lakeside homes adjacent to the Sunway Integrated Resort. Sunway South Quay is currently under construction and is expected to consist of more than 4,000 residential and commercial units. Additional transportation options connecting Bandar Sunway with Kuala Lumpur have also been announced by the Government, including the extension of the city's LRT system to the suburbs of Subang Jaya and UEP Subang Jaya, which will connect to Bandar Sunway via feeder buses. In addition, the three education institutions located at Bandar Sunway, namely Sunway International School, Sunway University College and Monash University Sunway Campus, have announced expansion plans that are expected to materially increase the student population over the next few years from its current base of approximately 13,000.

6. DETAILS OF THE PROPERTIES (Cont'd)

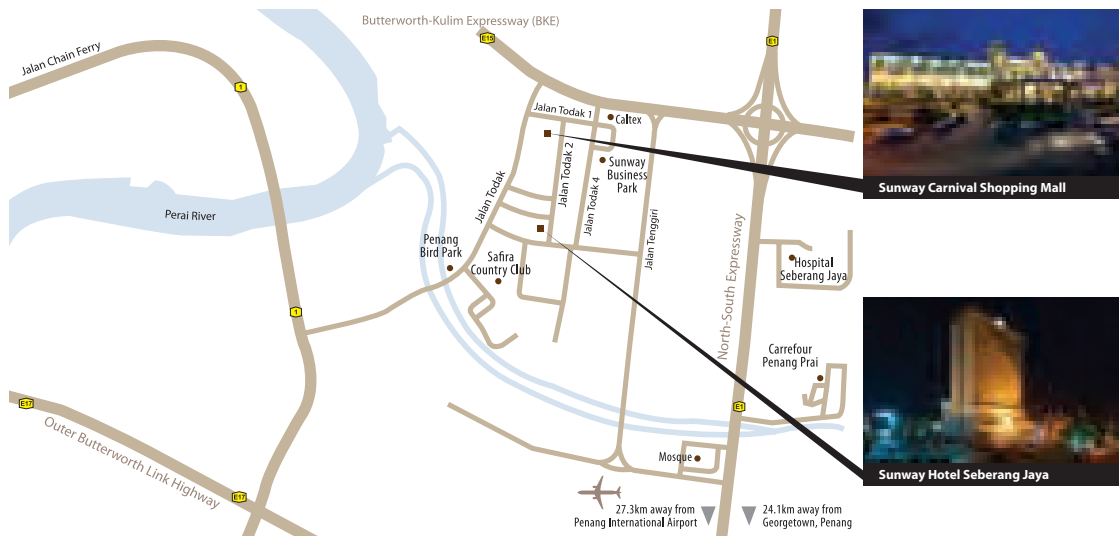
Bandar Sunway is also home to the recently expanded Sunway Medical Centre, which is positioned to take advantage of increasing medical tourism to Malaysia. The medical tourism market is expected to have a significant impact on both the Retail and Hospitality Properties, if travelling patients and their families can successfully be attracted to the township's medical facilities. The Manager believes that the Bandar Sunway Properties' proximity to medical facilities which appeal to medical tourists, much like proximity to private educational institutions, provides diversity and a steady stream of customers to tenants of the Properties, increasing visitors to Sunway Pyramid Shopping Mall. The Manager expects that these initiatives will not only help to increase Bandar Sunway's immediate catchment area but will also broaden the reach of its extended catchment area by making the township more accessible to the rest of the Klang Valley as well as international tourists.

The location of Bandar Sunway is illustrated by the map below:



Pusat Bandar Seberang Jaya

Sunway Carnival Shopping Mall and Sunway Hotel Seberang Jaya are located in Pusat Bandar Seberang Jaya, in the State of Penang. Pusat Bandar Seberang Jaya is an integrated township initiated by the Penang State government to enhance the administrative, residential, industrial and commercial sector of Malaysia's northern region. The township is served by two hypermarkets, Carrefour and TESCO Extra, and two major shopping malls, Sunway Carnival Shopping Mall and Pacific Mall. Two institutions of higher learning are located in Seberang Jaya, namely Universiti Teknologi Mara, Penang branch, and Polytechnic Seberang Perai. The locations of Sunway Hotel Seberang Jaya and Sunway Carnival Shopping Mall are shown in the following map:



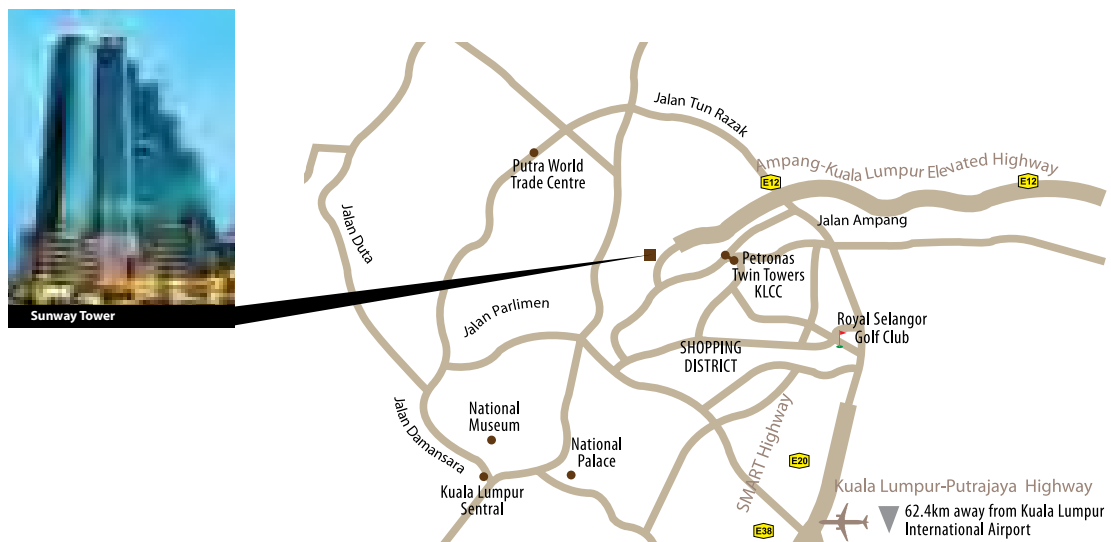
6. DETAILS OF THE PROPERTIES (Cont'd)

Sunway City Ipoh

SunCity Ipoh Hypermarket is located in Sunway City Ipoh, in the state of Perak. Sunway City Ipoh is an integrated township being developed by the Sponsor with approximately 3,000 residential and commercial properties by 2018. Besides residential and commercial developments, the township also comprises leisure, hospitality and education properties, which are expected to attract domestic and international visitors. There are ongoing residential and commercial developments which will increase the population in the catchment area of SunCity Ipoh Hypermarket. Amongst the notable completed commercial developments in the township are the award-winning Lost World of Tambun theme park and The Banjaran Hotsprings Retreat, a spa and resort facility. Future plans by the Sponsor include the expansion of the Lost World of Tambun and other leisure and entertainment facilities. The location of SunCity Ipoh Hypermarket is shown in the following map:

**Kuala Lumpur**

Sunway Tower is strategically located in the Golden Triangle/Central Business District within the Kuala Lumpur city centre and is adjacent to the entry and exit points of the Ampang-Kuala Lumpur Elevated Highway. Sunway Tower is also accessible by nearby LRT stations and is within walking distance to major shopping malls and office buildings. The location of Sunway Tower is shown in the following map:



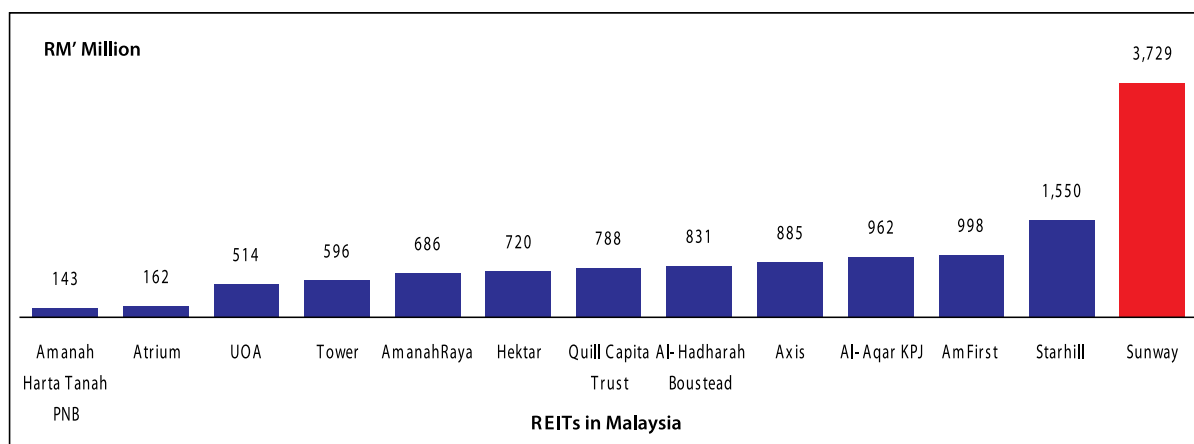
6. DETAILS OF THE PROPERTIES *(Cont'd)*

6.2 Competitive strengths

The Manager believes that the competitive strengths of the Properties and Sunway REIT include the following:

(i) Largest REIT in Malaysia upon listing

According to the Independent Property Valuer, the Appraised Value of the Properties is RM3,729 million as of 3 February 2010, likely making Sunway REIT the largest REIT in Malaysia by Appraised Value upon Listing. The chart below shows the reported value of the investment properties held by REITs listed in Malaysia as of 31 December 2009 and the Appraised Value of the Properties that will initially make up Sunway REIT upon Listing.



Source: As appraised by the Independent Property Valuer as of 3 February 2010 in respect of Sunway REIT and according to latest publicly available financial statements as at 31 December 2009 in respect of the other REITs shown.

The Manager believes that the size of Sunway REIT will make it more visible to local and international investors and that the scale of Sunway REIT will enable Sunway REIT to raise larger amounts of capital for acquisitions than other smaller domestic REITs. The Manager expects that this incremental capital-raising capacity will enable Sunway REIT to acquire properties domestically and abroad that smaller domestic REITs may not be able to acquire.

The Manager expects that Sunway REIT's loan to value ratio upon Listing will be 30% based on the Appraised Value of the Properties. Sunway REIT may consider pursuing further acquisitions as a means of growing its asset size. Further, based on the Appraised Value of the Properties, the Manager could raise approximately RM373 million of additional debt to fund acquisitions by increasing Sunway REIT's loan to value ratio from 30% to 40%.

(ii) Properties located in high growth regions

The Properties are generally located in areas which have experienced high population growth. The Properties are located within close proximity to major expressways, Malaysia's major cities and business centres, namely the Klang Valley, the mainland of Penang and Ipoh. The Manager believes that these areas provide opportunities to acquire income generating properties with potential for capital appreciation and rental growth.

85.5% of the Properties by Appraised Value are located in Bandar Sunway, one of the largest integrated townships in the Klang Valley. Bandar Sunway is located in Petaling Jaya in the State of Selangor, one of the fastest growing regions in Malaysia in terms of population growth. Petaling Jaya and Selangor recorded above average population growth of 3.1% and 2.4% (compound annual growth rate) from 2000 to 2009, relative to 2.1% for Malaysia as a whole.

The State of Selangor has also enjoyed above average household income growth. From 1999 to 2007, monthly household income grew at a compound annual growth rate of 5.3% per annum in Selangor relative to 5.1% for the whole of Malaysia.

6. DETAILS OF THE PROPERTIES *(Cont'd)*

Sunway Carnival Shopping Mall and the Sunway Hotel Seberang Jaya are located on the mainland of Penang, within the town centre of Pusat Bandar Seberang Jaya. Pusat Bandar Seberang Jaya is an integrated township initiated by the Penang State government to promote residential, industrial and commercial development activities in the region. Air-Asia, a low-cost Malaysian airline, has increased its connectivity to Penang, which the Manager believes will help bring more business and leisure travellers to the area and positively impact both of the Properties located in Penang. The State of Penang is enjoying robust growth in household income, with the average monthly household income growing at 3.1% (compound annual growth rate) from 1999 to 2007.

The SunCity Ipoh Hypermarket is located in Sunway City Ipoh, a township currently being developed by the Sponsor. The Sponsor is seeking to replicate the model used for Bandar Sunway to develop a thriving integrated township in Ipoh. Sunway City Ipoh is readily accessible via the North-South Expressway that connects Kuala Lumpur and Penang. In addition, the Intereity Shuttle Train service between Kuala Lumpur and Ipoh has reduced travel time between the two cities to approximately two hours and fifteen minutes. From 2001 to 2007 the average GDP growth for the State of Perak was 4.6% compared to 4.9% for the whole of Malaysia. In addition, the mean household income for the State of Perak grew by 4.8% (compound annual growth rate) from 1999 to 2007.

Please refer to the independent property market overview report under Appendix III of this Prospectus for further details.

(iii) Positive synergies from the location of several Properties in Bandar Sunway

The Manager believes that Sunway REIT will significantly benefit from the location of the Bandar Sunway Properties in the Sunway Integrated Resort, a key component of Bandar Sunway. Bandar Sunway is an integrated and master-planned township with a mix of residential, commercial, hospitality, leisure, medical, convention and educational properties. For example, guests staying at the Sunway Resort Hotel & Spa and Pyramid Tower Hotel have convenient access to shopping at Sunway Pyramid Shopping Mall, which is directly linked to both hotels. Similarly, patients of Sunway Medical Centre and their families may enjoy the convenient access to retail, hospitality and entertainment options in close proximity to the medical centre. Sunway Resort Hotel & Spa and Pyramid Tower Hotel regularly host guests who visit the Sunway Lagoon, Menara Sunway and the Sunway Pyramid Convention Centre. Sunway South Quay, the Sponsor's middle to upper market lakeside residential development, is expected to increase the immediate catchment area for the Bandar Sunway Properties by bringing shoppers with relatively high spending power to Bandar Sunway. In addition, Bandar Sunway's two private higher education institutions, namely Sunway University College and Monash University Sunway Campus as well as Sunway International School, have a combined student population of approximately 13,000 which is expected to grow significantly over the coming years. These and the many other private colleges in the vicinity of Bandar Sunway such as Taylor's University College, Inti College Subang Jaya, Metropolitan College and One Academy provide the Sunway Pyramid Shopping Mall with a steady stream of weekdays shoppers, complementing the traditional weekend shoppers. Bandar Sunway has also hosted world-class entertainment and events such as music concerts, which have also succeeded in drawing international tourists to the township.

The Manager believes that the unique mix of properties and attractions at Bandar Sunway will benefit Sunway REIT by enhancing the attraction of each Property, improved resiliency in economic downturn and generate potential upside for Sunway REIT through higher rentals and occupancies, than if each Property were on its own.

(iv) Strong rental rates and resilient occupancy rates

The Properties have demonstrated increasing rental rates and relatively stable occupancy rates in recent years despite the challenging operating conditions during the global financial crisis of 2008 to 2009.

6. DETAILS OF THE PROPERTIES (Cont'd)

Rental rates and Average Occupancy Rates at the Retail Properties and Office Properties and Average Daily Rate at the Hospitality Properties have generally increased despite the adverse economic conditions present during the global financial crisis of 2008 to 2009. For example, at Sunway Pyramid Shopping Mall, average monthly rental rates (excluding promotional and service charges) were RM7.93, RM8.41, RM8.79 and RM8.99 per sq. ft. for the year ended 30 June 2007, 2008, 2009 and eight months ended 28 February 2010, respectively. This represented an increase in average monthly rental rates of 6.1%, 4.5% and 2.3% from June 2007 to June 2008, June 2008 to June 2009 and from July 2009 to February 2010, respectively. Occupancy at this property was similarly resilient with Average Occupancy Rate being 93.1%, 92.3%, 97.9% and 99.3% for the year ended 30 June 2007, 2008, 2009 and eight months ended 28 February 2010, respectively.

Management believes that the resiliency of rental and occupancy rates at the Retail Properties and Office Properties are in part due to their appeal including their attractive locations, good management and quality tenants. The Hospitality Properties also benefit from the combination of domestic and international tourism in Bandar Sunway and business travellers in Seberang Jaya.

For further information, please refer to Sections 6.3 and 7.2.5 of this Prospectus for the rental and occupancy rates of the Properties and Management's discussion and analysis of financial conditions and results of operations on the revenue and other income, respectively.

(v) Diversified portfolio strategy

Sunway REIT owns a diverse portfolio of real estate in the retail, hospitality and office sectors. The Manager intends to seek out different types of income producing real estate for acquisition by Sunway REIT in the future. The Manager believes that by pursuing a strategy of owning a diversified portfolio of real estate, Sunway REIT will be able to market itself to, and benefit from, tenants operating across a range of industries. This diversification strategy is expected to provide Sunway REIT with a variety of sources of rental income and exposure to industries which may not be exposed to the same economic cycle. By doing so, the Manager expects Sunway REIT to reduce the risks of relying on the performance of one particular real estate sub-sector.

(vi) Diverse quality tenant mix of the Retail Properties

As of 28 February 2010, the Retail Properties have a diverse tenant mix comprising 866 tenancies. Tenant diversification increases cash flow stability by minimising each tenant's overall contribution to revenue and therefore minimising the effect that any individual tenant's default would have on Sunway REIT. The Retail Properties, which made up approximately 59.9% of the total revenue of the Properties for the month ended 28 February 2010, benefit from diverse sources of income and are not dependent on any one retail sub-sector or small group of tenants. The tenants in the Retail Properties include many international and domestic leading retailers with strong brand names including Jusco, Tanjong Golden Village Cinemas, Harvey Norman, Giant, Parkson, Marks & Spencer, Esprit and Mango. These brand names add to the appeal of the Retail Properties and are important to attract shoppers.

(vii) Right to acquire properties from the Sponsor

Sunway REIT has the benefit of a Right of First Refusal with respect to any properties to be disposed of by the Sponsor or its wholly owned subsidiaries. The Manager intends to complement its acquisition growth strategy by exercising this Right of First Refusal where the acquisition meets the investment criteria of Sunway REIT. The Manager expects that Sunway REIT will benefit from a close relationship with a well-recognised sponsor with an extensive development pipeline. Because of the Right of First Refusal, Sunway REIT is in a preferred position to acquire additional properties from the Sponsor and its wholly owned subsidiaries. The Sponsor intends to replicate its successful Bandar Sunway township model in Malaysia and other parts of Asia. In addition, the Sponsor has invested in real estate developments in China, India, Australia and Cambodia in recent years, which could provide further potential growth opportunities to Sunway REIT in the future.

6. DETAILS OF THE PROPERTIES (Cont'd)

(viii) Strong recognition of the Sunway brand

The Sponsor's "Sunway" brand enjoys strong recognition in Malaysia and abroad for real estate developments due to its track record in developing integrated resorts, townships and other real estate projects, as well as its marketing efforts. This brand recognition is evidenced by a recent exercise conducted by *Interbrand* that sought to identify the most recognisable brands in Malaysia. The "Sunway" brand name made the list as one of the 30 most valuable brands in Malaysia from year 2007 to 2009. The Sponsor has recently instituted campaigns to improve its brand awareness abroad, most notably in the Asia Pacific and Middle East. This effort has resulted in a sizeable increase in the number of visitors from the Asia Pacific and Middle East to the Hospitality Properties and the Sunway Pyramid Shopping Mall. The Sponsor has won numerous development awards, including Top Property Developers' Award each year from 2003 to 2009 by The Edge publication and CNBC Asia Pacific Property Award (Best Highrise Residential Development in Malaysia) by CNBC Television. The Manager believes that Sunway REIT will benefit from the Sponsor's track record, brand name, reputation for quality real estate development, market reach and network of contacts in the real estate industry in attracting reputable tenants, maintaining tenant relationships, attracting visitors, marketing and operating the Properties and exploring investment opportunities. As the Sponsor has expanded its businesses to China, India, Australia and Cambodia in recent years, the reach of the "Sunway" brand recognition may continue to grow, which may further benefit Sunway REIT in future.

6.3 Rental and occupancy rates

The following table sets forth information on the average monthly rental rates (excluding promotional and service charges, where applicable) derived from the Retail Properties and the Office Properties and the Average Daily Rate derived from the Hospitality Properties for the periods indicated:

	Year ended 30 June			Eight months ended 28 February
	2007	2008	2009	2010
Average monthly rental rates (excluding promotional and service charges)				
Retail Properties (RM/sq. ft.)				
Sunway Pyramid Shopping Mall ⁽¹⁾	7.93	8.41	8.79	8.99
Sunway Carnival Shopping Mall ⁽²⁾	N.A.	3.17	3.66	3.82
SunCity Ipoh Hypermarket ⁽³⁾	1.17	1.74	1.87	1.87
Hospitality Properties (RM/night)				
Average Daily Rate				
Sunway Resort Hotel & Spa ⁽⁴⁾	302	384	409	397
Pyramid Tower Hotel	174	223	246	254
Sunway Hotel Seberang Jaya.....	144	152	153	158
Office Properties (RM/sq. ft.)				
Average monthly rental rates (excluding service charges)				
Menara Sunway	2.46	2.79	3.22	3.29
Sunway Tower ⁽⁵⁾	N.A.	3.35	3.48	4.27

Notes:

- (1) For the year ended 30 June 2008 and subsequent periods, Sunway Pyramid Shopping Mall's results also reflect the Phase 2 expansion, which commenced business on 29 September 2007. Computation of the average monthly rental rate excludes rental from the convention centre.
- (2) As Sunway Carnival Shopping Mall commenced operations on 22 June 2007, the results of operations for the year ended 30 June 2007 are not available. Computation of the average monthly rental rate excludes rental from the convention centre.
- (3) SunCity Ipoh Hypermarket has one tenant, Giant Hypermarket.
- (4) The Average Daily Rate of Sunway Resort Hotel & Spa is calculated on the basis of 439 guest rooms and exclude the three villas at the property.
- (5) As Sunway Tower was acquired by the Sponsor in November 2007, rates preceding that month are not available and the rates for the year ended 30 June 2008 do not reflect 12 full months of operation.

6. DETAILS OF THE PROPERTIES (Cont'd)

The table below sets out the Average Occupancy Rates of the Properties over the past three years and the eight months ended 28 February 2010.

	Average Occupancy Rates			
	Year ended 30 June			Eight months ended 28 February
	2007	2008	2009	2010
	(%)	(%)	(%)	(%)
Retail Properties				
Sunway Pyramid Shopping Mall ⁽¹⁾	93.1	92.3	97.9	99.3
Sunway Carnival Shopping Mall ⁽²⁾	N.A.	86.8	91.8	93.6
SunCity Ipoh Hypermarket ⁽³⁾	100.0	100.0	100.0	100.0
Hospitality Properties				
Sunway Resort Hotel & Spa ⁽⁴⁾	74.1	78.0	61.0	66.1
Pyramid Tower Hotel	86.8	82.1	78.8	79.2
Sunway Hotel Seberang Jaya	78.5	81.2	78.8	76.7
Office Properties				
Menara Sunway	88.6	94.0	97.3	97.7
Sunway Tower ⁽⁵⁾	N.A.	70.1	67.1	95.9

Notes:

- (1) For the year ended 30 June 2008 and subsequent periods, Sunway Pyramid Shopping Mall's results also reflect the Phase 2 expansion, which commenced business on 29 September 2007.
- (2) Sunway Carnival Shopping Mall commenced operations on 22 June 2007, the results of operations for the year ended 30 June 2007 are not available.
- (3) SunCity Ipoh Hypermarket has one tenant, Giant Hypermarket.
- (4) The Average Occupancy Rates of Sunway Resort Hotel & Spa are calculated on the basis of 439 guest rooms and exclude the three villas at the property.
- (5) As Sunway Tower was acquired by the Sponsor in November 2007, rates preceding that month are not available and the rates for the year ended 30 June 2008 do not reflect 12 full months of operation.

In respect of the Retail Properties, average monthly rental and the Average Occupancy Rate for retail space in Sunway Pyramid Shopping Mall have been enhanced by the completion of its Phase 2 expansion, which almost doubled the size of the mall, adding a more varied tenant mix and a higher proportion of specialty stores. Both the average rent and Average Occupancy Rate for Sunway Carnival Shopping Mall increased for the year ended 30 June 2008 and 2009, respectively. See Section 6.6 of this Prospectus for further details of the Retail Properties.

In respect of the Hospitality Properties, the Average Daily Rate improved across all of the Hospitality Properties during the periods indicated above. Increases in Sunway Resort Hotel & Spa's Average Daily Rate were due to the conversion of 299 deluxe rooms to premier rooms between February 2007 and December 2008. Similarly, Pyramid Tower Hotel's Average Daily Rate increased during the same period due to reservations transferred from Sunway Resort & Spa to Pyramid Tower Hotel during the refurbishment period, increasing demand. The Average Occupancy Rate for Sunway Resort Hotel & Spa dropped from 78.0% to 61.0% over the year ended 30 June 2009, due to the increase in the supply of rooms upon completion of the refurbishment and due to the global financial crisis. See Section 6.7 of this Prospectus for further details of the Hospitality Properties.

In respect of the Office Properties, average monthly rental rates and Average Occupancy Rate for Menara Sunway consistently increased year on year from January 2007. Sunway Tower was acquired by the Sponsor in November 2007 and recorded low average monthly rental rates and Average Occupancy Rate for the years ended December 2007 and 2008. Rental and occupancy rates have increased significantly since the reletting of the building following the extensive refurbishment of the property which was completed in July 2009. Please refer to Section 6.8 of this Prospectus for further information on the Office Properties.

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6. DETAILS OF THE PROPERTIES (Cont'd)

The weighted average lease expiry of the Properties is approximately 2.87 years as of 28 February 2010. The table below sets forth information relating to tenancies and Hotel Master Leases that will expire during the periods indicated:

Period	Total number of expiring tenancies	NLA of expiring tenancies ⁽¹⁾ (sq. ft.)	Expiring tenancies as a percentage of total NLA (%)	Expiring tenancies as a percentage of total Gross Rental Income (%)	Average monthly rental (excluding promotional and service charges) of expiring tenancies (RM/sq. ft.)
Year ending 30 June 2010	120	249,635	5.6	5.6	5.1
Year ending 30 June 2011	483	1,639,140	36.7	46.2	6.6
Year ending 30 June 2012	136	501,548	11.2	15.2	6.8
After 1 July 2012 ⁽²⁾	115	2,022,427	45.2	32.0	3.9
Monthly tenancy ⁽³⁾	64	-	-	1.0	-
Total	918	4,412,750	98.7	100.0	

Notes:

- (1) *The Net Lettable Area of the Hospitality Properties refers to Gross Floor Area.*
(2) *Includes SHSJ Master Lease and SRH Master Lease, which for the purposes of this illustration are assumed to be in place as of 28 February 2010.*
(3) *This refers to 64 pushcarts.*

6.4 Tenant profile

The Manager believes the Properties have a superior tenant profile, including several well-known major retail tenants such as Giant Hypermarket, Parkson Department Store and Jusco, as well as office tenants such as Worley Parsons, Maxis, Merck, the Sponsor and companies affiliated with the Sponsor.

The Bandar Sunway Properties also benefit from nearby leisure, sports and entertainment options, multiplex cinemas, food courts and restaurants. The locations of all the Properties have been carefully planned based on the profile of the relevant catchment areas as well as customer and tenant preferences, with the aim of attracting a range of domestic and international tenants, shoppers, travellers and customers.

The Manager believes the Properties have a diverse tenant mix, with over 600 domestic and over 200 international tenants as of 28 February 2010, operating in a range of industries. The major tenants of the Properties comprise entities in a range of business trades, including department stores, supermarkets, leisure and entertainment as well as fashion and footwear.

As of 28 February 2010, the Properties were rented to a total of 916 tenancies. The ten largest tenants of the Properties accounted for 11.5% of total revenue for the month ended 28 February 2010. None of the ten largest tenants (in terms of revenue for the month ended 28 February 2010) are connected persons of Sunway REIT, except for SRH and the Sponsor.

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6. DETAILS OF THE PROPERTIES (Cont'd)

The following table sets forth information on the ten largest tenants of the Properties in terms of total revenue for the month ended 28 February 2010.

Tenant	Trade	Percentage of total revenue ⁽¹⁾ (%)
Ranhill Worley Parsons Sdn Bhd	Consultancy (oil & gas)	2.7
Parkson Corporation Sdn Bhd	Department store	1.6
GCH	Supermarket	1.8
Aeon-Jusco	Department store	1.3
TGV Cinemas Sdn Bhd	Cinema	0.9
Alcatel-Lucent Malaysia Sdn Bhd	Communication	0.8
SRH	Convention centre	0.8
Sponsor	Property	0.6
JV Fitness Concepts Sdn Bhd	Fitness	0.5
Maxis Mobile Sdn Bhd	Communication	0.5
		11.5
Other tenants and revenue streams		88.5
Total		100.0

Note:

- (1) All tenancies of the same tenant have been aggregated for purposes of ascribing a percentage of total revenue to tenants with multiple tenancies.

6.5 Valuation

Sunway REIT will initially invest in and own the Properties. The aggregate purchase consideration for the Acquisitions was RM3,729 million, subject to adjustment under the Price Adjustment Mechanism, and the aggregate Appraised Value of the Properties, was RM3,729 million. For details of the valuation method used by the Independent Property Valuer, see Appendix II of this Prospectus.

The Properties were appraised by the Independent Property Valuer and the Appraised Values of each of the Properties and purchase consideration for the Acquisitions are set forth in the following table:

Property	Net book value ⁽¹⁾ (RM million)	Appraised Value ⁽²⁾ (RM million)	Percentage aggregate Appraised Value of the Properties (%)	Purchase consideration for the Acquisition ⁽³⁾ (RM million)	Revaluation surplus/deficit (as compared to the previous valuation) ⁽⁴⁾ (RM million)
Sunway Pyramid Shopping Mall ⁽⁵⁾ ..	2,148	2,300	61.7	2,300	100
Sunway Carnival Shopping Mall	250	250	6.7	250	30
SunCity Ipoh Hypermarket	50	50	1.3	50	5
Sunway Resort Hotel & Spa	365	480	12.9	480	(15)
Pyramid Tower Hotel	92	270	7.2	270	(30)
Sunway Hotel Seberang Jaya	26	56	1.5	56	(2)
Menara Sunway	138	138	3.7	138	-
Sunway Tower	185	185	5.0	185	(20)
Total	3,254	3,729	100.0	3,729	68

Notes:

- (1) The net book value is based on unaudited financial statements of the Sponsor as of 28 February 2010.
- (2) The Appraised Value is as of 3 February 2010.
- (3) Subject to adjustment under the Price Adjustment Mechanism.
- (4) The revaluation surplus/deficit is calculated based on the difference between the Appraised Value and the latest valuation available to the Sponsor prior to the valuation referred to in note (2).
- (5) For purposes of computing the net book value of Sunway Pyramid Shopping Mall, the net book value includes the net book value of SP2 Land. For a discussion of SP2 Land and the sole and purchase agreement to be entered into between the Sponsor and SPSB for the SP2 Land, please refer to Section 16.1 of this Prospectus.

6. DETAILS OF THE PROPERTIES (Cont'd)**Revaluation policy**

The Properties will be subject to a full revaluation at least once every three years from the last valuation date or more frequently as the REIT Guidelines may stipulate. Such full revaluations will be conducted on the basis and methods which are in accordance with the Securities Commission Guidelines on Asset Valuation issued by the Securities Commission. In addition, in interim years the Manager intends to subject the Properties to an annual condensed valuation as required by prevailing accounting standards, which may affect the fair value of the Properties.

6.6 Retail Properties**6.6.1 Overview**

The Retail Properties comprise Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall and SunCity Ipoh Hypermarket. In the year ended 30 June 2009 and the eight months ended 28 February 2010, the Retail Properties generated Total Retail Revenue of RM211.7 million and RM149.4 million, respectively, or 53.9% and 53.0%, respectively, of the Properties' total revenue.

The Retail Properties cater to a broad spectrum of the retail market and serve the needs of customers with different buying patterns and purchasing power. The Retail Properties have a diverse tenant profile, including well-established domestic and international retailers, and are characterised by their high quality design and construction and well-developed infrastructure. Certain of the Retail Properties include leisure and entertainment options such as multiplex cinemas, sports facilities and restaurants.

Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall are strategically located to attract a mix of international brands, national retailers and leading local retailers. The placement of each retailer located within these malls is carefully planned by the property managers based on consumer preferences, their ability to complement neighbouring retailers and floor themes.

The Retail Properties have a diverse tenant mix comprising 866 tenancies as of 28 February 2010. The major tenants of the Retail Properties include well-known Malaysian retailers such as Jusco, Parkson Department Store and Giant Hypermarket.

Set forth below is Net Lettable Area of the Retail Properties:

Property	Net Lettable Area (sq. ft.)
Sunway Pyramid Shopping Mall	1,542,101 (retail) 143,467 (convention centre)
Sunway Carnival Shopping Mall	452,072 (retail) 32,292 (convention centre)
SunCity Ipoh Hypermarket	181,216
Total	2,351,148

Set forth below is certain key financial information relating to the Retail Properties for the year ended 30 June 2009 and the eight months ended 28 February 2010:

Property	Year ended 30 June 2009				Eight months ended 28 February 2010			
	Total Retail Revenue (RM million)	Other income (RM million)	Expenses (RM million)	EBITDA (RM million)	Total Retail Revenue (RM million)	Other income (RM million)	Expenses (RM million)	EBITDA (RM million)
Sunway Pyramid Shopping Mall	184.2	3.0	60.5	126.7	129.8	3.7	42.0	91.5
Sunway Carnival Shopping Mall	23.4	4.6	16.2	11.8	16.8	2.4	10.3	8.9
SunCity Ipoh Hypermarket	4.1	-	0.2	3.9	2.8	-	0.2	2.6
Total	211.7	7.6	76.9	142.4	149.4	6.1	52.5	103.0

6. DETAILS OF THE PROPERTIES (Cont'd)

The table below sets forth the percentage of anchor and non-anchor tenants at Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall as a proportion of occupied area, as of 28 February 2010:

Property	Percentage of anchor tenants ⁽¹⁾	Percentage of non-anchor tenants
	←-----(% of occupied area)----->	
Sunway Pyramid Shopping Mall.....	21.7	78.3
Sunway Carnival Shopping Mall.....	41.8	58.2

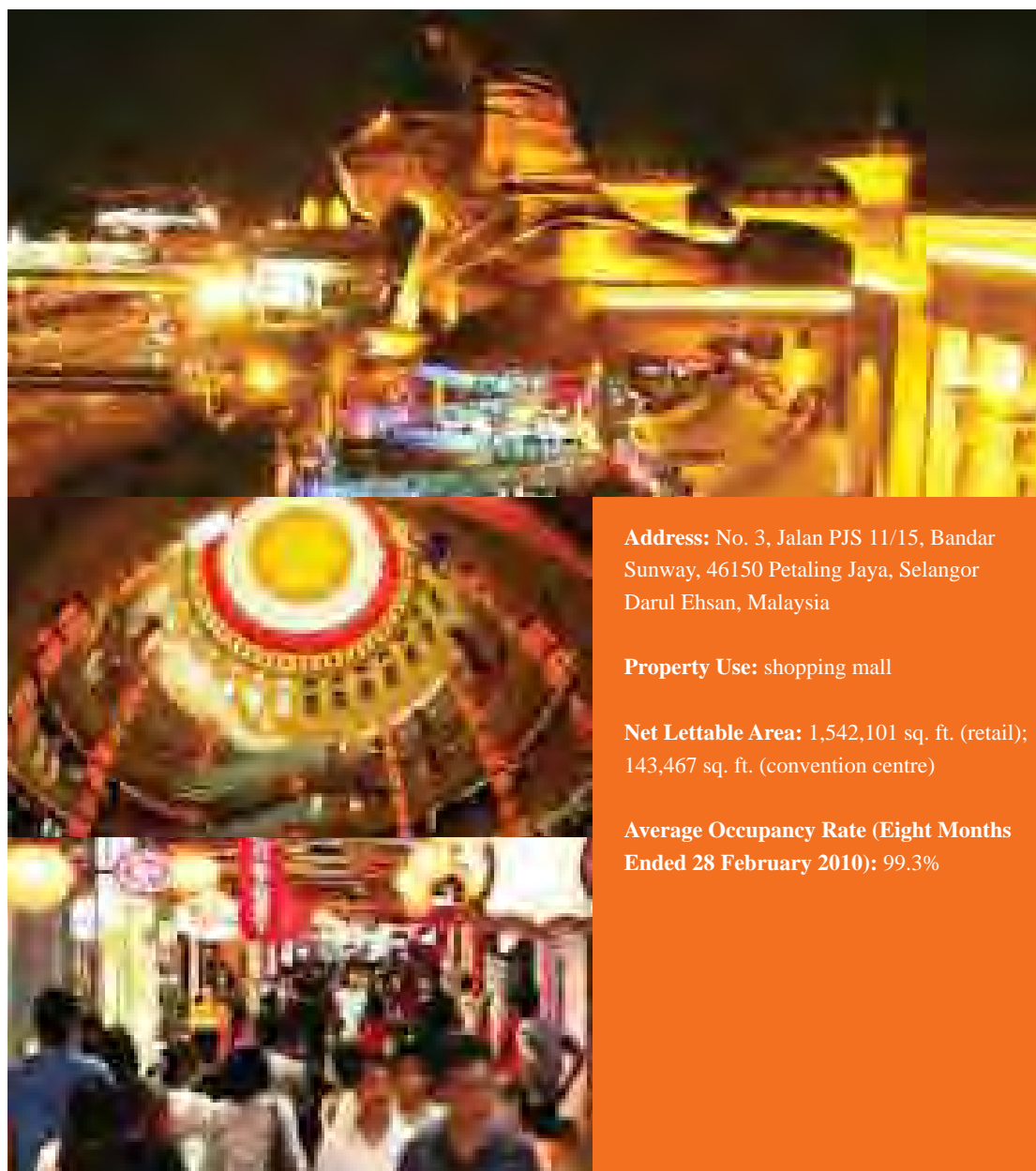
Note:

(1) *An anchor tenant is defined as tenant occupying area exceeding 100,000 sq. ft. and/or is a "crowd-puller" due to its large variety and attractive offerings.*

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6. DETAILS OF THE PROPERTIES (Cont'd)

6.6.2 Sunway Pyramid Shopping Mall



Address: No. 3, Jalan PJS 11/15, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Property Use: shopping mall

Net Lettable Area: 1,542,101 sq. ft. (retail); 143,467 sq. ft. (convention centre)

Average Occupancy Rate (Eight Months Ended 28 February 2010): 99.3%

Key Statistics	
Land area	820,070 sq. ft.
Gross Floor Area	4,276,945 sq. ft. (include 1,873,470 sq. ft. car park)
Title	99 year lease; built across five parcels of land – PN 17414 Lot 62059 (expiring on 21 February 2102), PN 9495 Lot 32, H.S.(D) 259957 PT 1312 and PN 9500 Lot 51175 (all expiring on 1 April 2097) and H.S.(D) 233143 PT 891 (expiring on 14 August 2105), all in the Town of Sunway, District of Petaling, State of Selangor
Year of completion	Phase 1 in 1997; Phase 2 in 2007
Age of building	13 years (refurbished and expanded three years ago)
Number of tenancies	711
Car parking bays	More than 3,800

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

Sunway Pyramid Shopping Mall is a premier four-storey regional shopping mall in Bandar Sunway, with 711 tenancies (as of 28 February 2010) and approximately 1.69 million sq. ft. of Net Lettable Area. The mall includes a convention centre and multi-storey parking facilities with more than 3,800 car parking bays. The mall has an Egyptian-inspired architectural design with four themed precincts each with unique interior designs and retail concepts. The mall, located at Sunway Integrated Resort, is linked to the 7 Sunway Resort Hotel & Spa, Pyramid Tower Hotel and the Sunway Lagoon and is accessible to Kuala Lumpur and the Klang Valley generally via five major expressways, namely, New Pantai Expressway, North Klang Valley Expressway, KESAS Expressway, Damansara Puchong Highway, and the Federal Highway.

Since its completion in 1997, Sunway Pyramid Shopping Mall has been and remains a prime shopping destination in the Klang Valley. The mall serves as a one-stop destination centre for this expanding area, featuring a wide variety of dining, fashion, specialty offerings and entertainment, including a 12-screen cineplex and Malaysia's only ice-skating rink. Large-scale regional competitive events have been held at the mall, such as international bowling tournaments at its 48-lane bowling alley. After the completion of an expansion and refurbishment on 29 September 2007, Sunway Pyramid Shopping Mall became one of Malaysia's largest malls measured by Net Lettable Area.

(ii) Competitive strengths of Sunway Pyramid Shopping Mall

- The mall is well positioned within Bandar Sunway with direct links to Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Lagoon, and universities, offices and a medical centre close by.
- With a unique Egyptian-themed design, the mall provides a rich shopping experience, combining a "one-stop" concept of entertainment options including a 12-screen cineplex, Malaysia's only ice-skating rink and a 48-lane bowling alley.
- The mall is one of the largest in Malaysia (by Net Lettable Area) and has a diverse tenant profile with established major tenants.
- The mall benefits from the recognition and reputation of the "Sunway" brand name and has been recognised by the International Council of Shopping Centres who awarded it the "Asia Shopping Centre Award – development and design category" (2008).
- The marketing and positioning of the mall is designed to appeal to the large student population nearby, tourists and residents in the immediate catchment area.
- Accessible via major highways: the New Pantai Expressway, KESAS Expressway, Damansara Puchong Highway, Federal Highway and the North Klang Valley Expressway.
- Features a convention centre with seating capacity of 4,000 for conferences, exhibitions, weddings and events.
- The car park features a convenient parking system with light indicators to help shoppers looking for available car parking bays.

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6. DETAILS OF THE PROPERTIES (Cont'd)**(iii) Average Occupancy Rate and average monthly rental**

The following table sets forth information on the Average Occupancy Rate and average monthly rental (excluding promotional and service charges) per rented square foot of Sunway Pyramid Shopping Mall for the periods indicated.

Period	Average Occupancy Rate	Average monthly rental (excluding promotional and service charges) per rented sq. ft. of NLA
	(%)	(RM)
Year ended 30 June 2007.....	93.1	7.93
Year ended 30 June 2008.....	92.3	8.41
Year ended 30 June 2009.....	97.9	8.79
Eight months ended 28 February 2010.....	99.3	8.99

(iv) Tenant profile

The mall maintains a diversified mix of well-established tenants. Parkson Department Store, Jusco, Giant Supermarket, Mango, Nike, Adidas Marks & Spencer, Esprit and Harvey Norman provide a mixture of international and national chain retailers.

As of 28 February 2010, Sunway Pyramid Shopping Mall has a total of 711 tenancies. The ten largest tenants of the mall accounted for 13.4% of the Gross Rental Income of the mall for the month ended 28 February 2010 as shown in the following table:

Tenant	Trade	Tenancy expiry date	Percentage of Sunway Pyramid Shopping Mall's Gross Rental Income
			(%)
Aeon Co. (M) Bhd – Jusco.....	Department store	30 September 2010	2.6
TGV Cinemas Sdn Bhd - Tanjung Golden Village Cinemas .	Cinema	22 July 2012	1.8
Parkson Corporation Sdn Bhd - Parkson Department Store...	Department store	31 August 2010	1.7
SRH - Sunway Pyramid Convention Centre	Convention centre	31 December 2010	1.5
JV Fitness Concepts Sdn Bhd - Celebrity Fitness Express.....	Fitness	30 September 2010	1.1
Pyramid Bowl Sdn Bhd - Pyramid Bowl.....	Entertainment	22 July 2012	1.0
Padini Dot Com Sdn Bhd – Padini Concept Store.....	Fashion	30 September 2010	1.0
Peregrine Technology Sdn Bhd - Digital Centre.....	Digital	14 February 2012	1.0
Elitetrax Marketing Sdn Bhd - Harvey Norman.....	Electrical	30 September 2010	0.9
Giant Ace Sdn Bhd – Ace Hardware.....	Hardware	30 September 2010	0.8
Total.....			13.4

The top 10 tenancies shown above have an aggregate Net Lettable Area of 691,538 sq. ft.

(v) Trade sector analysis

The Manager believes Sunway Pyramid Shopping Mall's tenant mix is diversified and not overly dependent on any particular trade sector. For the month ended 28 February 2010, Sunway Pyramid Shopping Mall's largest trade segment, fashion and footwear, accounted for 35.2% of the total monthly Gross Rental Income and 21.1% of the mall's Net Lettable Area.

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6. DETAILS OF THE PROPERTIES (Cont'd)

The table below sets forth the mix of tenants of Sunway Pyramid Shopping Mall by the principal nature of their businesses. It shows the percentages of Net Lettable Area and Gross Rental Income by category of retailer for the month ended 28 February 2010.

Trade	Percentage of Net Lettable Area	Percentage of Gross Rental Income
	(%)	(%)
Fashion & footwear.....	21.1	35.2
Food & beverage.....	15.9	19.1
Department store.....	21.6	5.0
Leisure & entertainment.....	10.2	4.7
Electronics	4.7	4.1
Education & services	2.2	2.8
Others.....	23.6	29.1
Vacancy	0.7	-
Total.....	100.0	100.0

(vi) Tenancy expiries and renewals

The following table sets forth information on tenancies that have expired and those that have been renewed by the existing tenants during the periods indicated:

Period	Number of expired tenancies	NLA of expired tenancies (sq. ft.)	Number of expired tenancies renewed	Renewal rate by total NLA of expired tenancies (%)	Renewal rate by number of expired tenancies (%)
Year ended 30 June 2007	176	534,632	159	92.6	90.3
Year ended 30 June 2008	48	57,104	36	82.5	75.0
Year ended 30 June 2009	49	99,215	36	79.6	73.5
Eight months ended 28 February 2010...	61	206,817	50	94.2	82.0

For the three months ended 31 March 2010, the rental per square foot per month for tenancies which were renewed during that period increased by a weighted average of 12.3%, compared to the rental rate in place immediately prior to the renewal.

The table below sets forth information relating to tenancies that will expire during the periods indicated:

Period	Total number of expiring tenancies	NLA of expiring tenancies (sq. ft.)	Expiring tenancies as a percentage of total NLA (%)	Average monthly rental (excluding promotional and service charges) of expiring tenancies (RM/sq. ft.)	Expiring tenancies attributable to anchor tenants as a percentage of expiring NLA (%)
Year ending 30 June 2010	30	32,939	2.0	8.61	-
Year ending 30 June 2011	400	1,015,226	60.2	8.86	25.1
Year ending 30 June 2012	114	207,953	12.3	10.73	51.9
After 1 July 2012	103	417,787	24.8	7.10	25.8
Monthly tenancy ⁽¹⁾	64	-	-	-	-
Total.....	711	1,673,905	99.3		

Note:

(1) This refers to 64 pushcarts.

6. DETAILS OF THE PROPERTIES (Cont'd)**(vii) Parking facilities**

Sunway Pyramid Shopping Mall has parking facilities comprising more than 3,800 car parking bays. The parking facilities will be operated by Mega Capacity under a carpark tenancy agreement, for which Sunway REIT will receive rental payments.

The table below sets forth certain information concerning the parking facilities at Sunway Pyramid Shopping Mall for the periods indicated.

Period	Car park income (RM'000)
Year ended 30 June 2007	2,850
Year ended 30 June 2008	3,798
Year ended 30 June 2009	5,196
Eight months ended 28 February 2010	3,464

(viii) Convention centre

A significant number of meetings, exhibitions, conventions and events are held at the Sunway Pyramid Convention Centre. The Sunway Pyramid Convention Centre is leased to SRH, who manages the operations of the Sunway Pyramid Convention Centre. For the year ended 30 June 2009 and the eight months ended 28 February 2010, Gross Rental Income from the Sunway Pyramid Convention Centre was RM3.0 million and RM2.0 million, respectively.

(ix) Tenancy agreements

The tenancy agreements for Sunway Pyramid Shopping Mall generally contain, among other terms and conditions, provisions relating to the duration, security deposit, alteration and improvement of premises as well as renewal and termination of the tenancy. A majority of the tenancy agreements contain Sunway Pyramid Shopping Mall's standard terms and conditions. However, in certain cases (for example where a large floor space has been let to an anchor tenant or a major tenant or the prospective tenant has committed to making a significant initial capital investment) these terms and conditions may vary and be negotiated on a case-by-case basis to accommodate the specific needs of the tenants.

The tenancy agreements entered into with the mall's retail tenants are generally for three-year term, with the option to renew for another three-year term, subject to renewal at market rates. Certain anchor tenants or major tenants have the option to renew their tenancies for four terms of three years each. For the month ended 28 February 2010, approximately 75% of tenancies were based on the greater of a fixed base rent or turnover rent, with the remaining tenancies on a fixed base rent basis.

Tenants are required to provide a security deposit of up to three months' rent. Certain tenants are also required to provide utilities, renovation and restoration deposits. Security deposits are held on an unsecured basis and do not bear interest on the tenant's behalf. Rent, service charges and promotional charges are payable monthly. The promotional charge is a fixed amount assessed on each tenant to fund marketing of the mall and its tenants.

(x) Competition

The retail property sector in Malaysia remains highly competitive. The principal factors impacting the competition in the retail sector include rental rates, location of the properties, supply of comparable space and accessibility as well as trade mix within the mall. The retail property market in Malaysia has evolved from simple retail centres to entertainment destinations to attract tourists, business travellers, office workers and local shoppers. Within the Klang Valley, Sunway Pyramid Shopping Mall faces direct competition from other malls offering similar entertainment amenities, such as 1 Utama Shopping Centre and Mid Valley Megamall. Several of these competitors also benefit from being part of an integrated township development such as 1 Utama Shopping Centre, The Curve, Mid Valley Megamall, and Mines Shopping Fair.

6. DETAILS OF THE PROPERTIES (Cont'd)

6.6.3 Sunway Carnival Shopping Mall



Address: 3068, Jalan Todak, Pusat Bandar Seberang Jaya, 13700 Perai, Pulau Pinang, Malaysia

Property Use: shopping mall

Net Lettable Area: 452,072 sq. ft. (retail); 32,292 sq. ft. (convention centre)

Average Occupancy Rate (Eight Months Ended 28 February 2010): 93.6%

Key Statistics	
Land area	348,428 sq. ft.
Gross Floor Area	983,100 sq. ft. (include 213,554 sq. ft. car park)
Title	99 year lease; three parcels of land – PN 1816 Lot 5497, PN 1817 Lot 5498 and PN 1818 Lot 5499 all in Mukim 1, District of Seberang Perai Tengah, State of Pulau Pinang (expiring on 21 October 2092)
Year of completion	2007
Age of building	3 years
Number of tenancies	154
Car parking bays	More than 1,100

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

Sunway Carnival Shopping Mall is a premier five-storey lifestyle shopping mall in Pusat Bandar Seberang Jaya, with 154 tenancies (as of 28 February 2010) and approximately 484,364 sq. ft. of Net Lettable Area. The mall includes an eight-screen cineplex, an amusement centre, a convention centre, a Parkson Department Store and Giant Supermarket.

The mall is located within Pusat Bandar Seberang Jaya, a 56 acres development initiated by the Penang State government at an estimated cost of more than RMI billion. The township consists of office buildings, a hotel, factories and residential properties. The mall is situated in Northern Malaysia near the bridge to Penang Island, one of Malaysia's top tourist destinations. The mall principally attracts shoppers from mainland Malaysia who, prior to the development of the mall in 2007, often crossed a toll-bridge to Penang Island to fulfill their shopping needs. The Sponsor believes the mall has since emerged as one of the leading shopping malls in northern Malaysia. The mall is situated close to from both the North-South Expressway and Butterworth-Kulim Expressway.

(ii) Competitive strengths of Sunway Carnival Shopping Mall

- Well positioned in an established commercial and industrial area serving the niche market of shoppers from mainland Penang, among a large and growing residential population.
- The mall has a diverse tenant profile with established anchor tenants including Parkson Department Store and Giant Supermarket.
- The mall offers a selection of entertainment options including an eight-screen cineplex and amusement centre.
- Features the Sunway Carnival Convention Centre, a 1,200 person capacity convention centre, the largest in northern Malaysia. The convention centre is managed by Sunway Hotel Seberang Jaya, which creates opportunities to draw visitors to both the hotel and convention centre into the mall.
- Limited competition from prime malls on the mainland within its vicinity.
- The mall is in close proximity to the North-South Expressway and Butterworth-Kulim Expressway.
- The mall benefits from the recognition and reputation of the "Sunway" brand name.

(iii) Average Occupancy Rate and average monthly rental

The following table sets forth information on the Average Occupancy Rate and average monthly rental (excluding promotional and service charges) per rented square foot of Sunway Carnival Shopping Mall for the periods indicated:

Period	Average Occupancy Rate (%)	Average monthly rental (excluding promotional and service charges) per rented sq. ft. of NLA (RM)
Year ended 30 June 2007 ⁽¹⁾	N.A.	N.A.
Year ended 30 June 2008.....	86.8	3.17
Year ended 30 June 2009.....	91.8	3.66
Eight months ended 28 February 2010	93.6	3.82

Note:

- (1) As Sunway Carnival Shopping Mall commenced operations on 22 June 2007, the results of operations for the year ended 30 June 2007 are not available.

6. DETAILS OF THE PROPERTIES (Cont'd)**(iv) Tenant profile**

The mall maintains a diversified mix of tenants. The mall's anchor tenants include Giant Supermarket, one of the top supermarket and retail chains in Malaysia, and Parkson Department Store, a leading department store in Malaysia, China and Vietnam.

As of 28 February 2010, Sunway Carnival Shopping Mall has a total of 154 tenancies. The ten largest tenants of the mall accounted for 34.1% of the Gross Rental Income of the mall for the month ended 28 February 2010, as shown in the following table.

Tenant	Trade	Tenancy expiry date	Percentage of Sunway Carnival Shopping Mall's Gross Rental Income (%)
Parkson Corporation Sdn Bhd - Parkson Department Store.....	Department store	18 July 2010	12.9
GCH - Giant Supermarket.....	Supermarket	21 June 2010	5.5
SHSJ - Sunway Carnival Convention Centre	Convention centre	6 March 2011	2.9
Cheah Chyuan Yong (M) Sdn Bhd - CYC Mega Leisure	Entertainment	13 September 2010	2.5
Eu Yan Sang (1959) Sdn Bhd - Eu Yan Sang.....	Pharmacy	21 June 2010	2.4
Chairman Entertainment (M) Sdn Bhd - AMP Square Karaoke.....	Entertainment	14 October 2011	2.3
Golden Screen Cinemas Sdn Bhd - GSC Sunway Carnival	Cinema	21 September 2010	1.4
RSH (M) Sdn Bhd - Studio R	Fashion	21 June 2010	1.4
MJ Department Stores Sdn Bhd.....	Fashion	23 September 2010	1.4
Esprit De Corp (M) Sdn Bhd - Esprit	Fashion	21 June 2010	1.4
Total.....			34.1

The top 10 tenancies shown above have an aggregate Net Lettable Area of 296,453 sq. ft.

(v) Trade sector analysis

The Manager believes that Sunway Carnival Shopping Mall's tenant mix is diversified and not overly dependent on any particular trade sector. For the month ended 28 February 2010, the mall's largest trade segment, department stores, accounted for 18.4% of the monthly Gross Rental Income and 39.6% of the mall's Net Lettable Area.

The table below sets forth the mix of tenants of Sunway Carnival Shopping Mall by the principal nature of their businesses. It shows the percentages of Net Lettable Area and Gross Rental Income by category of retailer for the month ended 28 February 2010.

Trade	Percentage of Net Lettable Area (%)	Percentage of Gross Rental Income (%)
Department store.....	39.6	18.4
Leisure & entertainment	11.9	7.4
Fashion & footwear	11.2	27.5
Food & beverage.....	7.7	12.7
Education & services	4.5	8.5
Electronics	3.0	4.8
Others	17.0	20.7
Vacancy.....	5.1	-
Total.....	100.0	100.0

6. DETAILS OF THE PROPERTIES (Cont'd)**(vi) Tenancy expiries and renewals**

Sunway Carnival Shopping Mall commenced operations on 22 June 2007 and the majority of its tenancies are three-year tenancies with renewal option due in June 2010. Tenancies did not expire in significant numbers from such date of commencement through 28 February 2010. The table below sets forth information relating to tenancies that will expire during the periods indicated:

Period	Total number of expiring tenancies	NLA of expiring tenancies (sq. ft.)	Expiring tenancies as a percentage of total NLA (%)	Average monthly rental (excluding promotional and service charges) of expiring tenancies (RM/sq. ft.)	Expiring tenancies attributable to anchor tenants as a percentage of expiring NLA (%)
Year ending 30 June 2010.....	87	203,301	42.0	4.65	31.6
Year ending 30 June 2011.....	52	220,675	45.6	2.83	57.9
Year ending 30 June 2012.....	8	21,165	4.4	2.92	-
Year ending 30 June 2013.....	7	14,372	2.9	3.64	-
Total.....	154	459,513	94.9		

(vii) Parking facilities

Sunway Carnival Shopping Mall has parking facilities comprising more than 1,100 car parking bays. The parking facilities will be operated by Mega Capacity under a carpark tenancy agreement, for which Sunway REIT will receive rental payments.

The table below sets forth certain information concerning the parking facilities at Sunway Carnival Shopping Mall for the periods indicated:

Period	Car park income (RM'000)
Year ended 30 June 2008.....	737
Year ended 30 June 2009.....	1,113
Eight months ended 28 February 2010.....	807

(viii) Tenancy agreements

The tenancy agreements for Sunway Carnival Shopping Mall generally contain, among other terms and conditions, provisions relating to the duration, security deposit, alteration and improvement of premises as well as renewal and termination of the tenancy. A majority of the tenancy agreements contain Sunway Carnival Shopping Mall's standard terms and conditions. However, in certain cases (for example where a large floor space has been let to an anchor tenant or a major tenant or the prospective tenant has committed to making a significant initial capital investment) these terms and conditions may vary and be negotiated on a case-by-case basis to accommodate the specific needs of the tenant.

The tenancy agreements entered into with the mall's retail tenants are generally for three-year terms, with the option to renew for another three-year term. Certain anchor tenants or major tenants have the option to renew their tenancies for four terms of three years each, subject to renewal at market rates. For the month ended 28 February 2010, approximately 33.8% of tenancies were based on the greater of a fixed base rent and turnover rent, with the remaining tenancies on a fixed base rent basis.

Tenants are required to provide a security deposit of up to three months' rent. Certain tenants are also required to provide utilities, renovation and restoration deposits. Security deposits are held on an unsecured basis and do not bear interest on the tenant's behalf. Rent, service charges and promotion charges are payable monthly. The promotion charge is a fixed amount assessed on each tenant to fund marketing of the mall and its tenants.

6. DETAILS OF THE PROPERTIES (Cont'd)

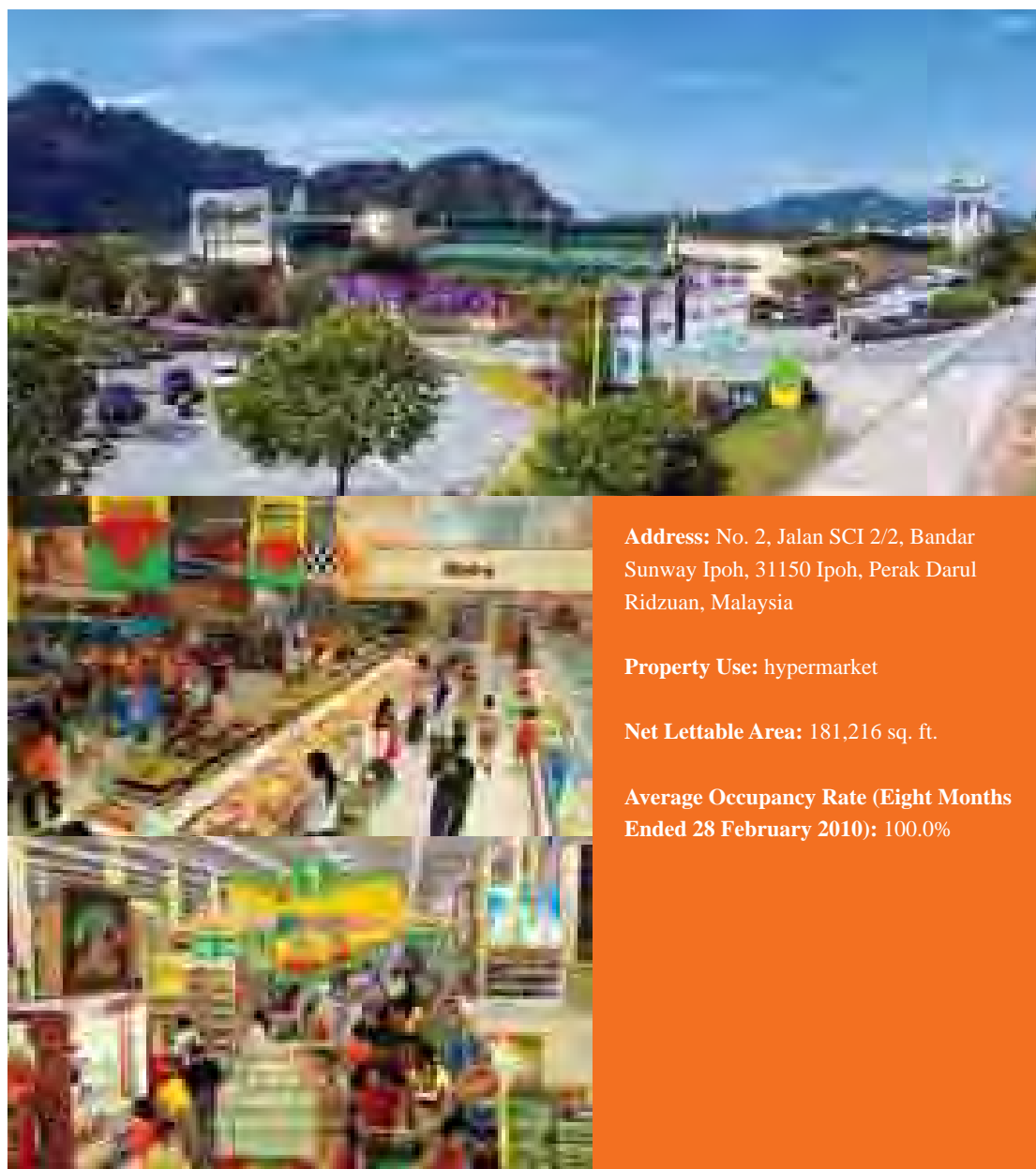
(ix) Competition

Sunway Carnival Shopping Mall is one of only three "prime" shopping centres competing for tenants and shoppers in the Seberang Jaya district of Penang. The two main competitors on mainland Penang are Megamall Penang and Aeon Seberang Perai City Shopping Centre. Because Sunway Carnival Shopping Mall is one of the leading malls in the state of Penang, it competes with the large malls on Penang Island as well, including the recently completed Pan Palace Plaza.

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6. DETAILS OF THE PROPERTIES (Cont'd)

6.6.4 SunCity Ipoh Hypermarket



Address: No. 2, Jalan SCI 2/2, Bandar Sunway Ipoh, 31150 Ipoh, Perak Darul Ridzuan, Malaysia

Property Use: hypermarket

Net Lettable Area: 181,216 sq. ft.

Average Occupancy Rate (Eight Months Ended 28 February 2010): 100.0%

Key Statistics	
Land area	354,994 sq. ft.
Gross Floor Area	193,408 sq. ft.
Title	99 year lease; a parcel of land held under PN 258216 Lot 331232 in Mukim of Hulu Kinta, District of Kinta, State of Perak (expiring on 22 February 2100)
Year of completion	2005
Number of tenancies	1
Age of building	5 years
Car parking bays (non-income generating)	400

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

SunCity Ipoh Hypermarket is a single-storey hypermarket in Sunway City Ipoh, covering 181,216 sq. ft. of Net Lettable Area. The Sponsor designed and purpose-built SunCity Ipoh Hypermarket to the specifications of the original and current sole tenant, GCH, a major hypermarket and retailer chain operating under the "Giant" brand in Malaysia, Singapore, Indonesia and Brunei Darussalam. In addition to operating the Giant Hypermarket at the property, GCH also sublets floor space to a number of smaller tenants who are complementary to the hypermarket. GCH solely manages the subleasing arrangements.

Opened in 2005, the hypermarket is located in Sunway City Ipoh township, a development of the Sponsor, in collaboration with the State government. Sunway City Ipoh was launched in 1996 and is being developed to replicate many of the key features of the Bandar Sunway township. Sunway City Ipoh is the first township in the surrounding area. It is conveniently located near an exit point of the North-South Expressway that connects Kuala Lumpur to Penang. The township is planned to include approximately 3,000 residential and commercial properties by 2018, 1,320 of which have been built by the Sponsor. The township offers a diverse mix of retail, office, entertainment, hospitality and residential properties. The township includes the Lost World of Tambun theme park as well as the luxury Banjaran Hot Springs Retreat.

The future development of Sunway City Ipoh township will be modelled after the Sunway Integrated Resort. The next phase of the township project involves the development of the 154-room Lost World Hotel and an additional 220 townhouses to be launched by mid-2010. Like Bandar Sunway, Sunway City Ipoh is expected to create synergies and cross-promotion opportunities between the various Sunway properties within Sunway City Ipoh, which is expected to support and grow the customer base of SunCity Ipoh Hypermarket.

(ii) Competitive strengths of SunCity Ipoh Hypermarket

- The SunCity Ipoh Hypermarket is positioned as part of the Sunway City Ipoh development, with approximately 1,320 residential and commercial properties in close proximity to the hypermarket and an approximately 1,680 residential and commercial properties planned in future.
- The property is tenanted by a leading retail grocery chain, GCH, a leading retailer with a stable and established track record.
- The population of the catchment area of the SunCity Ipoh Hypermarket is expected to grow rapidly and have good purchasing power, generally coming from an upper-middle class demographic.
- Sunway City Ipoh is earmarked by the Perak State government as an area for the development of tourism, recreation and education in the Ipoh area.
- The major tenant maintains a complementary tenant mix of specialty retail subtenants to complement the main hypermarket.
- The SunCity Ipoh Hypermarket is readily accessible via the North-South Expressway.

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6. DETAILS OF THE PROPERTIES (Cont'd)**(iii) Tenancy agreement**

The tenancy agreement originally dated 28 April 2005 and supplemented on 26 March 2007, provides for the tenant, GCH, to act as operator of the Giant Hypermarket located on the property in Ipoh, Malaysia. The term of the agreement is six years (comprising two consecutive terms of three years each) from 28 April 2005 with a tenant option to renew for two additional consecutive terms of three years each.

The monthly rental rate is a function of the Gross Floor Area which includes the building but not the outdoor cafe, outdoor walkway or parking bays. The monthly rental rate for the first two years (28 April 2005 to 27 April 2007) was calculated at RM1.05 per sq. ft. The third year's monthly rental rate (28 April 2007 to 27 April 2008) was calculated at RM1.70 per sq. ft. due to a trigger in the tenancy agreement whereby rent increased from RM1.05 per sq. ft. in the event the tenant's gross sales exceeded RM48 million during the first two years of the tenancy. The monthly rental rate for years four through six (28 April 2008 to 27 April 2011) is calculated at RM1.87 per sq. ft. In the event GCH chooses to exercise the option for the following three-year term, the tenancy provides for a fixed increase of 10% above the rent payable during the guaranteed term. Rental rates during the third term will be based on an additional 10% increase over the rental rates of the second term. The tenancy includes free use of the 400 car parking bays located on the property.

GCH is responsible for payment of all utilities. In addition, GCH is obligated to ensure the security, upkeep and maintenance of the entire exterior, interior, fittings and fixtures of the Property. GCH provided a three months rental and utilities deposits.

Both parties enjoy a right of termination should the property become unfit for occupation due to fire, lightning, riot, civil commotion, natural disaster or other unforeseen causes. The parties are given 30 days to examine the extent of such damage and use their best efforts to repair the damage. With the exception of certain parts of the retail area of the Property, GCH may not sublet or otherwise part with the actual or legal possession of the Property except with the lessor's written consent. Pursuant to the supplemental agreement dated 26 March 2007, the lessor granted permission for GCH to sublet approximately 3,060 sq. ft. of the car park space for the building of a showroom.

(iv) Competition

There are four hypermarkets in Ipoh, three of which are operated by Tesco, with additional hypermarkets expected in various parts of Ipoh city. SunCity Ipoh Hypermarket is the only hypermarket located within Sunway City Ipoh.

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6. DETAILS OF THE PROPERTIES (Cont'd)

6.7 Hospitality Properties

6.7.1 Overview

The Hospitality Properties consist of three hotels – Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya. Sunway Resort Hotel & Spa is a five-star hotel primarily serving business and upper-class leisure customers. Pyramid Tower Hotel is a four-star hotel primarily aimed at value-conscious business and leisure travellers. Sunway Hotel Seberang Jaya is a four-star hotel aimed at serving business travellers.

The Hospitality Properties have been indirect beneficiaries of the Government's recent tourist promotion. Malaysia offers a range of travel options, from meetings, incentives, conventions and exhibitions (or MICE) travel to beach holidays and the Government is committed to supporting an industry that is a key generator of foreign exchange. In June 2009, state news agency Bernama reported that Tourism Malaysia is embarking on a three-year project to collect market data on health tourism, as the country seeks to increase the number of people visiting the country for medical treatment. The Prime Minister, Datuk Seri Najib Tun Razak's call to tap into the health and medical tourism industry to promote Malaysia as a medical tourism destination globally will also influence this segment positively.

The Hotel Manager has recently been pursuing an aggressive sales strategy by engaging in direct selling efforts both in Malaysia and abroad, most notably in the Asia Pacific and Middle East, which draws a significant number of visitors. The Hotel Manager has participated in several international trade shows in 2009 in cities such as Melbourne, Frankfurt, Bangkok, Moscow and Barcelona. Participation in these trade shows has garnered interest in both rooms and MICE segments.

The Hotel Manager has employed an upgraded sales system that gives occupancy and demand projections in real-time and allows the staff to determine the most favourable rates. In addition, the Hotel Manager increased direct sales via the hotels' websites after making significant investments in the hotels' websites. The online booking facility for the Hospitality Properties was revamped in 2007 with the implementation of a global distribution system, (or GDS), which provides interconnected travel distribution technologies and services for thousands of travel companies worldwide, including travel agencies, corporations, travel suppliers and travel Web sites. Hotel reservations through GDS allow travel agents to search and shop for hotel rooms on a real-time basis.

The Manager believes that marketing the two hotels located in Bandar Sunway as a "destination" that includes all the facilities and attractions of the entire township, such as Sunway Pyramid Shopping Mall and the Sunway Lagoon, has facilitated the recognition of the Sunway Integrated Resort as one of the top tourist attractions in Malaysia. In addition, medical tourism is a growing market in Malaysia and the Hotel Manager plans to work with Sunway Medical Centre to market its services.

The Manager believes the acquisition of Hospitality Properties by Sunway REIT follows a global trend to separate hotel ownership from hotel operation, allowing hotel managers to focus on hotel operation and brand extension, while the owners are able to focus on asset ownership and growth opportunities.

6.7.2 Hospitality occupancy and income

For the eight months ended 28 February 2010, the occupancy rates for the Sunway Resort Hotel & Spa, the Pyramid Tower Hotel and the Sunway Hotel Seberang Jaya were 66.1%, 79.2% and 76.7%, respectively. For the month ended 28 February 2010, the Hospitality Properties constituted 32.5% of the total revenue from the Properties, with Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya constituting 59.6%, 30.1% and 10.3%, respectively.

6. DETAILS OF THE PROPERTIES (Cont'd)

Set forth below is certain key information relating to the Hospitality Properties for the year ended 30 June 2009:

Property	Land area (sq. ft.)	Number of rooms	Average Daily Rate (RM)	RevPAR (RM)
Sunway Resort Hotel & Spa.....	376,274	439	409 ⁽¹⁾	249 ⁽¹⁾
Pyramid Tower Hotel	82,713	549	246	194
Sunway Hotel Seberang Jaya.....	46,220	202	153	121
Total.....	505,207	1,190		

Note:

(1) Average Daily Rate and RevPAR of Sunway Resort Hotel & Spa are calculated on the basis of 439 guest rooms and exclude the three villas at the property.

Set forth below is certain financial information relating to the Hospitality Properties for the year ended 30 June 2009 and eight months ended 28 February 2010:

Property	Year ended 30 June 2009				Eight months ended 28 February 2010			
	Total Hospitality Revenue (RM millions)	Other Income (RM millions)	Expenses (RM millions)	EBITDA (RM millions)	Total Hospitality Revenue (RM millions)	Other Income (RM millions)	Expenses (RM millions)	EBITDA (RM millions)
Sunway Resort Hotel & Spa.....	96.8	5.9	71.6	31.1	68.4	3.5	48.0	23.9
Pyramid Tower Hotel	47.5	2.3	27.7	22.1	32.6	1.6	19.5	14.7
Sunway Hotel Seberang Jaya...	16.3	0.5	12.0	4.8	11.3	0.3	8.4	3.2
Total	160.6	8.7	111.3	58.0	112.3	5.4	75.9	41.8

The hotels located in Bandar Sunway enjoy significant revenue contribution from corporate customers as a result of the Hotel Manager's marketing efforts, the attraction of the Sunway Pyramid Convention Centre and the Office Properties. The table below sets forth the percentage of revenue generated by each hotel based on room revenue contribution for the month ended 28 February 2010 from corporate customers and leisure/other customers:

Hotel	Corporate Customers (%)	Leisure/Other Customers (%)
Sunway Resort Hotel & Spa	59.1	40.9
Pyramid Tower Hotel	79.7	20.3
Sunway Hotel Seberang Jaya.....	64.0	36.0

6.7.3 The Hotel Master Leases

The Trustee as lessor and SRH as Lessee and the Manager have entered into a lease agreement dated 26 May 2010 (the "SRH Master Lease") for the lease of the Sunway Resort Hotel & Spa and Pyramid Tower Hotel upon the terms and conditions set out in the SRH Master Lease.

The Trustee as lessor and SHSJ as Lessee and the Manager have entered into a lease agreement dated 26 May 2010 (the "SHSJ Master Lease") for the lease of the Sunway Hotel Seberang Jaya upon the terms and conditions set out in the SHSJ Master Lease.

Please refer to Section 16.4 of this Prospectus for details on the Hotel Master Leases.

6. DETAILS OF THE PROPERTIES (Cont'd)

6.7.4 Hotel Management Agreement

SRH and the Hotel Manager have entered into a hotel management agreement dated 1 July 2003 ("SRH Hotel Management Agreement") whereby SRH has appointed the Hotel Manager to manage the Sunway Resort Hotel & Spa and Pyramid Tower Hotel. A supplemental agreement will be entered into between SRH and the Hotel Manager on the Completion Date to amend certain terms and conditions of the SRH Hotel Management Agreement to incorporate primarily certain provisions required in the SRH Master Lease to be incorporated into the SRH Hotel Management Agreement.

SHSJ and the Hotel Manager have entered into a hotel management agreement dated 1 October 2008 ("SHSJ Hotel Management Agreement") whereby SHSJ has appointed the Hotel Manager to manage the Sunway Hotel Seberang Jaya. A supplemental agreement will be entered into between SHSJ and the Hotel Manager on the Completion Date to amend certain terms and conditions of the SHSJ Hotel Management Agreement to incorporate primarily certain provisions required in the SHSJ Master Lease to be incorporated into the SHSJ Hotel Management Agreement.

For more details on these agreements, please refer to Section 16.5 of this Prospectus.

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6. DETAILS OF THE PROPERTIES *(Cont'd)*

6.7.5 Sunway Resort Hotel & Spa



Address: Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Property Use: five-star hotel

Rooms: 439 guest rooms and three villas

Average Occupancy Rate, excluding three villas (Eight Months Ended 28 February 2010): 66.1%

Key Statistics	
Land area	376,274 sq. ft.
Gross Floor Area	1,050,497 sq. ft.
Title	99 year lease, expiring 2097; two parcels of land - PN 9492 Lot 35 and PN 9498 Lot 51173, both in the town of Sunway, District of Petaling, State of Selangor (expiring on 1 April 2097)
Year of completion	1997 (Sunway Resort Hotel & Spa) 2004 (three villas)
Age of building	13 years (Sunway Resort Hotel & Spa) Six years (three villas)
Car parking bays	More than 640

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

The Sunway Resort Hotel & Spa is 19-storey five-star hotel in Bandar Sunway with 439 guest rooms and three villas. The facilities available at Sunway Resort Hotel & Spa include in-room high-speed Internet access, swimming pools, convention and banquet facilities, restaurants and lounges, room service and parking facilities. The hotel offers recreational and entertainment facilities, including access to sports and spa facilities as well as close proximity to award-winning Sunway Lagoon and Sunway Pyramid Shopping Mall. In 2007 and 2008, the hotel underwent a floor-by-floor renovation at a cost of approximately RM40 million. The upgrades made to the hotel include the renovation of the club rooms, suites, and theme suites, as well as the upgrade of 299 guest rooms to higher rate premier guest rooms.

SRH also operates the Sunway Pyramid Convention Centre, one of the largest convention centres in Malaysia, which can accommodate up to 4,000 persons for a variety of events. The hotel features an internationally recognised dance music club franchise, Euphoria by Ministry of Sound, under a seven-year contract.

(ii) Competitive strengths of the Sunway Resort Hotel & Spa

- The hotel is well positioned within Bandar Sunway with direct links to Sunway Pyramid Shopping Mall, Sunway Pyramid Convention Centre, Pyramid Tower Hotel and Sunway Lagoon, with universities, offices, a medical centre and diverse food and beverage choices close by.
- The hotel is readily accessible via the New Pantai Expressway, Damansara Puchong Highway, KESAS Expressway, North Klang Valley Expressway and the Federal Highway.
- A five-star international standard hotel with a full suite of services including direct access to the award-winning Mandara Spa.
- Function and meeting rooms are available in the hotel to accommodate events such as graduation ceremonies, conventions, banquets as well as business meetings and training events.
- The hotel benefits from the recognition and reputation of the "Sunway" brand name, appealing to both domestic and international tourists. The quality and standard of the hotel has been recognised by numerous awards including the Hospitality Asia Platinum Award – Best Five-Star MICE Hotel Award (2005 and 2007) and the Tourism Malaysia – Best Five-Star Resort Award (2004, 2005 and 2007).
- The hotel enjoys a strong corporate customer base with many business travellers to Petaling Jaya and Shah Alam choosing to stay at the hotel.

(iii) Occupancy and room rate information (excluding three villas)

The following table sets forth key information relating to occupancy and room rates:

Period	Available rooms	Occupied rooms	Average Occupancy Rate (%)	Average Daily Rate (RM)	RevPAR (RM)
Year ended 30 June 2007.....	135,165	100,122	74.1	302	224
Year ended 30 June 2008 ⁽¹⁾	117,161	91,372	78.0	384	300
Year ended 30 June 2009.....	149,999	91,431	61.0	409	249
Eight months ended 28 February 2010 ...	106,677	70,557	66.1	397	263

Note:

(1) Average Occupancy Rate and RevPAR increased in the year ended 30 June 2008 due to the temporary unavailability of an average of 120 guest rooms (at any given period) during the hotel's refurbishment and upgrade to higher-rate premier rooms before starting to revert to a normal path of growth in the year ended 30 June 2009.

6. DETAILS OF THE PROPERTIES (Cont'd)**(iv) Competition**

The Sunway Resort Hotel & Spa is located in the Klang Valley, where there are a limited number of five-star resort style hotels. Hotels in the immediate vicinity of the Sunway Hotel Resort & Spa are predominantly stand-alone hotels, with only a few being part of a mixed development. Competition for the Sunway Resort Hotel & Spa comes primarily from Petaling Jaya Hilton Hotel, Grand Dorsett Subang Hotel and Holiday Villa Hotel & Suites Subang. In addition, Sunway Resort Hotel & Spa is also in competition with other hotels such as the One World Hotel in Bandar Utama and the Palace of the Golden Horses within the Mines Resort City in Seri Kembangan.

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6. DETAILS OF THE PROPERTIES (Cont'd)

6.7.6 Pyramid Tower Hotel



Address: Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Property Use: four-star hotel

Rooms: 549 guest rooms

Average Occupancy Rate (Eight Months Ended 28 February 2010):
79.2%

Key Statistics	
Gross Floor Area	356,888 sq. ft. strata floor area (Levels 1 to 9)
Title	99 year lease; strata title no. PN 17415/M1/1/1, Parcel No. 1, Building No. M1 together with Accessory Parcel Nos. A1 to A547 (inclusive), Lot No. 62060, Town of Sunway, District of Petaling, State of Selangor (expiring on 21 February 2102)
Year of completion	2004
Age of building	6 years
Car parking bays	More than 530

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

Pyramid Tower Hotel is a nine-storey, four-star hotel in Bandar Sunway, with 549 guest rooms. The facilities available at Pyramid Tower Hotel include in-room high-speed Internet access, business centre, restaurant and lounge, room service and parking facilities. The hotel offers recreational and entertainment facilities, including access to sports and spa facilities as well as close proximity to Sunway Lagoon and Sunway Pyramid Shopping Mall.

The Pyramid Tower Hotel offers a business centre, a 400-seat restaurant and a 100-seat lounge and hotel guests have access to the amenities offered at the five-star Sunway Resort Hotel & Spa, which is adjacent and linked to the Pyramid Tower Hotel.

(ii) Competitive Strengths of the Pyramid Tower Hotel

- The hotel is well positioned within Bandar Sunway with direct links to Sunway Pyramid Shopping Mall, Sunway Pyramid Convention Centre, Sunway Resort Hotel & Spa and Sunway Lagoon, with universities, offices, a medical centre and diverse food and beverage choices close by.
- The hotel is readily accessible via the New Pantai Expressway, KESAS Expressway, Damansara Puchong Highway, Federal Highway and the North Klang Valley Expressway.
- Hotel guests are able to enjoy the additional facilities at the neighbouring five-star Sunway Resort Hotel & Spa.
- The hotel benefits from the recognition and reputation of the "Sunway" brand name, appealing to both domestic and international tourists.
- The hotel enjoys a strong corporate customer base with many business travellers to Petaling Jaya and Shah Alam choosing to stay at the hotel and is an attractive alternative to the Sunway Resort Hotel & Spa.

(iii) Occupancy and room rate information

The following table sets forth key information relating to occupancy and room rates:

Period	Available rooms	Occupied rooms	Average Occupancy Rate	Average Daily Rate	RevPAR
			(%)	(RM)	(RM)
Year ended 30 June 2007	195,337	169,614	86.8	174	151
Year ended 30 June 2008	198,006	162,563	82.1	223	183
Year ended 30 June 2009	197,465	155,700	78.8	246	194
Eight months ended 28 February 2010....	131,463	104,113	79.2	254	201

(iv) Competition

The Pyramid Tower Hotel's major competitors in the four-star hotel market include the Boulevard Hotel, Summit Hotel, Holiday Inn Glenmarie, Eastin Hotel and the Empire Hotel, which is expected to be completed in 2010.

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6. DETAILS OF THE PROPERTIES (Cont'd)

6.7.7 Sunway Hotel Seberang Jaya

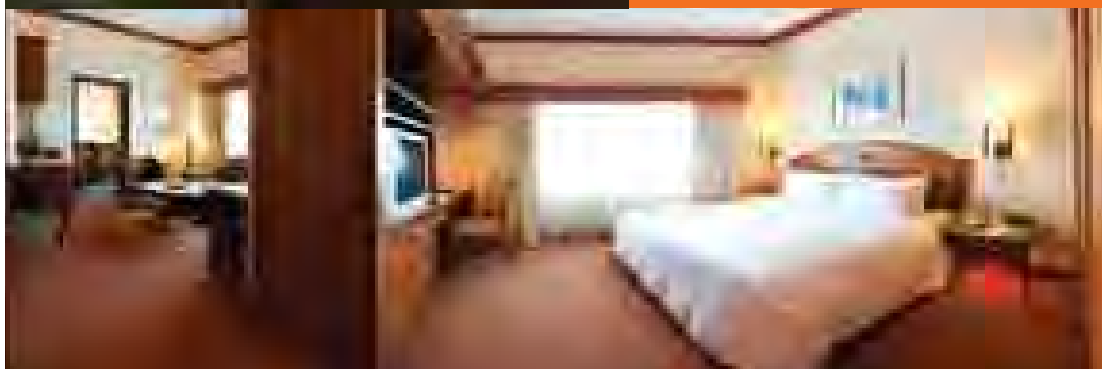


Address: 11, Lebuhr Tenggiri 2, Pusat Bandar Seberang Jaya, 13700 Perai, Pulau Pinang, Malaysia

Property Use: four-star hotel

Rooms: 202 guest rooms

Average Occupancy Rate (Eight months ended 28 February 2010): 76.7%



Key Statistics	
Land area	46,220 sq. ft.
Gross Floor Area	174,800 sq. ft.
Title	99 year lease; a parcel of land held under PN 2602 Lot 5785, in Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang (expiring on 21 October 2092)
Year of completion	1997
Age of building	13 years
Car parking bays	64

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

The Sunway Hotel Seberang Jaya is a 17-storey, four-star hotel in Pusat Bandar Seberang Jaya with 202 guest rooms. The hotel's amenities include a health and fitness centre, internet access, two lounges, a restaurant, a ballroom and eight function rooms. The hotel also leases and manages the 32,292 sq. ft. Sunway Carnival Convention Centre which, at a seating capacity of 1,200, is the largest on the mainland of Penang.

Sunway Hotel Seberang Jaya primarily serves business travellers seeking to access the industrial hubs and commercial zones located on Penang's mainland. Pusat Bandar Seberang Jaya is a township consisting of office buildings, factories and residential properties. Sunway Hotel Seberang Jaya is located approximately 100 meters from the Sunway Carnival Shopping Mall. The hotel is also near the access point to Penang Island, one of Malaysia's top tourist destinations.

(ii) Competitive strengths of Sunway Hotel Seherang Jaya

- The hotel is close to industrial parks, namely Seherang Jaya Industrial Park, Prai Industrial Park, Bukit Tengah Industrial Park, Bukit Minyak Industrial Park and Kulim Hi-Tech Park.
- The hotel enjoys a strong corporate customer base with many business travellers to the nearby industrial areas choosing to stay at the hotel.
- The hotel is the only four-star hotel in the vicinity and the highest graded hotel on the mainland of Penang.
- The hotel is within walking distance to Sunway Carnival Shopping Mall and Sunway Carnival Convention Centre, an attractive feature for travellers attending events at the convention centre.
- The hotel is readily accessible via the North-South Expressway and East-West Expressway.
- The hotel benefits from the recognition and reputation of the "Sunway" brand name, appealing to both tourists and business travellers.

(iii) Occupancy and room rate information

The following table sets forth key information relating to occupancy and room rates.

Period	Available rooms	Occupied rooms	Average Occupancy Rate (%)	Average Daily Rate (RM)	RevPAR (RM)
Year ended 30 June 2007	73,730	57,912	78.5	144	113
Year ended 30 June 2008	73,932	60,063	81.2	152	124
Year ended 30 June 2009	73,730	58,129	78.8	153	121
Eight months ended 28 February 2010.....	49,086	37,646	76.7	158	121

(iv) Competition

Sunway Hotel Seberang Jaya is the only four-star hotel in the mainland of Penang. Other hotels in mainland Penang include the three-star Pearl View Hotel in Butterworth and the three-star Summit Hotel in Bukit Mertajam. There are however many five-star and four-star hotels available on Penang Island that are in direct competition with Sunway Hotel Seberang Jaya. The competitors, however, cater primarily to visitors to Penang Island. The hotels on Penang Island cater to both corporate and leisure customers and offer packages and additional facilities to attract customers.

6. DETAILS OF THE PROPERTIES (Cont'd)**6.8 Office Properties****6.8.1 Overview**

The Office Properties consist of Menara Sunway and Sunway Tower. Menara Sunway is a 19-storey office building located in Bandar Sunway. Sunway Tower is a 33-storey office tower located in the Golden Triangle/Central Business District within Kuala Lumpur city centre.

Set forth below is the Net Lettable Area of the Office Properties:

Property	Net Lettable Area (sq. ft.)
Menara Sunway	268,978
Sunway Tower.....	268,412
Total.....	537,390

Set forth below is certain financial information relating to the Office Properties for the year ended 30 June 2009 and the eight months ended 28 February 2010:

Property	Year ended 30 June 2009				Eight months ended 28 February 2010			
	Total Office Revenue	Other income	Expenses	EBITDA	Total Office Revenue	Other income	Expenses	EBITDA
	(RM millions)	(RM millions)	(RM millions)	(RM millions)	(RM millions)	(RM millions)	(RM millions)	(RM millions)
Menara Sunway	13.0	-	4.3	8.2	8.9	1.4	3.7	6.6
Sunway Tower.....	7.2	-	4.0	3.2	11.2	-	3.2	8.0
Total	20.2	-	8.8	11.4	20.1	1.4	6.9	14.6

The table below sets forth the mix of tenants of the Office Properties by the principal nature of their businesses. It shows the percentages of Net Lettable Area and Gross Rental Income by category of the tenant for the month ended 28 February 2010.

Trade	Percentage of Net Lettable Area	Percentage of Gross Rental Income
	(%)	(%)
Consultancy (oil & gas).....	32.1	38.3
Communications.....	18.4	17.3
Management services	10.6	10.5
Property	7.9	8.3
Construction	5.8	5.7
Medical.....	4.9	3.6
Others	16.3	16.3
Vacancy.....	4.0	-
Total.....	100.0	100.0

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6. DETAILS OF THE PROPERTIES (Cont'd)

6.8.2 Menara Sunway



Address: Jalan Lagoon Timur, 46150
Bandar Sunway, Petaling Jaya, Selangor
Darul Ehsan, Malaysia

Property Use: office space

Net Lettable Area: 268,978 sq. ft.

**Average Occupancy Rate (Eight Months
Ended 28 February 2010):** 97.7%

Key Statistics	
Land area	193,395 sq. ft.
Gross Floor Area	654,783 sq. ft. (include 266,696 sq. ft. car park)
Title	99 year lease; a parcel of land held under PN 17105 Lot 61760. Town of Sunway, District of Petaling, State of Selangor (expiring on 1 April 2097)
Year of completion	1993
Age of building	17 years
Number of tenancies	36
Car parking bays	More than 660

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

Menara Sunway is a 19-storey office building in Bandar Sunway with a Net Lettable Area of 268,978 sq. ft., consisting of a main tower and an annex, with more than 660 car parking bays. Unlike a standalone office building, Menara Sunway is marketed as an office environment where its tenants can take advantage of the convention centre and the surrounding hospitality, leisure and retail options offered by the Sunway Integrated Resort.

(ii) Competitive strengths of Menara Sunway

- Menara Sunway is well positioned within Bandar Sunway in close proximity to Sunway Pyramid Shopping Mall, Sunway Pyramid Convention Centre, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Lagoon, universities, offices, a medical centre and diverse food and beverage choices.
- It is located in close proximity to highly populated suburbs such as Petaling Jaya, Puchong and Subang Jaya, with reduced travel time compared to a commute to central Kuala Lumpur.
- It is readily accessible via the New Pantai Expressway, KESAS Expressway, Damansara Puchong Highway, Federal Highway and the North Klang Valley Expressway.
- It offers a unique office environment benefiting from the amenities of the nearby Sunway Integrated Resort.
- It enjoys a close relationship with the Sponsor and Sponsor-related tenants and blue-chip non-Sponsor major tenants such as Maxis and Merck.

(iii) Average Occupancy Rate and average monthly rental

The following table sets forth information on the Average Occupancy Rate and average monthly rental (excluding service charges) per rented square foot.

Period	Average Occupancy Rate	Average monthly rental (excluding service charges) per rented sq. ft. of NLA
	(%)	(RM)
Year ended 30 June 2007	88.6	2.46
Year ended 30 June 2008	94.0	2.79
Year ended 30 June 2009	97.3	3.22
Eight months ended 28 February 2010.....	97.7	3.29

(iv) Tenant profile

Menara Sunway has a high quality tenant mix, with 31 tenants as of 28 February 2010. The majority of the tenancies are with entities owned by or affiliated with the Sponsor, which occupied approximately 67.5% of the Net Lettable Area and contributed approximately 73.9% of Menara Sunway's Total Office Revenue for the month ended 28 February 2010. As of 28 February 2010, other major tenants of Menara Sunway included Maxis Mobile Sdn Bhd and Merck Sdn Bhd.

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6. DETAILS OF THE PROPERTIES (Cont'd)

As of 28 February 2010, Menara Sunway was rented to a total of 31 tenants under a total of 36 tenancies. The table below sets forth certain information relating to the ten largest tenants by Gross Rental Income for the month ended 28 February 2010.

Tenant	Trade	Tenancy expiry date	Percentage of Menara Sunway's Gross Rental Income (%)
Sponsor.....	Property	31 December 2010	18.0
SMSB.....	Management Services	31 December 2010	14.2
Maxis Mobile Sdn Bhd.....	Communications	14 May 2012	15.1
Sunway Construction Sdn Bhd.....	Construction	31 December 2010	8.8
Sunway Shared Services Centre Sdn Bhd.....	Management Services	31 December 2010	8.8
Merck Sdn Bhd.....	Medical	31 August 2010	8.0
Dekon Sdn Bhd.....	Construction	31 December 2010	3.6
Sunway Computer Services Sdn Bhd.....	Technology	31 December 2010	3.2
Sunway Leasing Sdn Bhd.....	Leasing	31 December 2010	3.2
Sunway Marketing Sdn Bhd.....	Trading	31 December 2010	3.1
Other tenants.....			14.0
Total.....			100.0

The top 10 tenancies shown above have an aggregate Net Lettable Area of 228,418 sq. ft.

(v) Trade sector analysis

The table below sets forth the mix of tenants of Menara Sunway by the principal nature of their businesses. It shows the percentages of Net Lettable Area and Gross Rental Income by category of business for the month ended 28 February 2010. The largest group of tenants is in the management services sector.

Trade	Percentage of Net Lettable Area (%)	Percentage of Gross Rental Income (%)
Management services.....	21.1	22.9
Property.....	15.7	18.0
Communication.....	17.8	15.1
Construction.....	11.7	12.5
Medical.....	9.9	8.0
Technology.....	2.9	3.2
Trading.....	2.9	3.2
Leasing.....	2.9	3.1
Other trades.....	13.7	14.0
Vacancy.....	1.4	-
Total.....	100.0	100.0

(vi) Tenancy expiries and renewals

The following table sets forth information on tenancies that have expired and those that have been renewed by the existing tenants during the periods indicated:

Period	Number of expired tenancies	NLA of expired tenancies (sq. ft.)	Number of expired tenancies renewed	Renewal rate by total NLA of expired tenancies (%)	Renewal rate by number of expired tenancies (%)
Year ended 30 June 2007.....	13	59,391	8	55.4	61.5
Year ended 30 June 2008.....	25	157,233	25	100.0	100.0
Year ended 30 June 2009.....	10	50,384	10	100.0	100.0
Eight months ended 28 February 2010...	8	3,729	8	100.0	100.0

6. DETAILS OF THE PROPERTIES (Cont'd)

The table below sets forth information relating to tenancies that will expire during the periods indicated:

Period	Total number of expiring tenancies	NLA of expiring tenancies (sq. ft.)	Expiring tenancies as a percentage of total NLA (%)	Average monthly rental (excluding service charges) of expiring tenancies (RM/sq. ft.)
Year ending 30 June 2010.....	2	4,527	1.7	2.35
Year ending 30 June 2011.....	29	212,086	78.8	3.44
Year ending 30 June 2012.....	3	42,285	15.7	2.63
After 1 July 2012.....	2	6,352	2.4	3.08
Total.....	36	265,250	98.6	

(vii) Parking facilities

Menara Sunway has parking facilities comprising more than 660 car parking bays. The parking facilities will be operated by Mega Capacity under a carpark tenancy agreement, for which Sunway REIT will receive rental payments.

The table below sets forth certain information concerning the parking facilities as at Menara Sunway for the periods indicated below:

Period	Car park income (RM'000)
Year ended 30 June 2007.....	425
Year ended 30 June 2008.....	533
Year ended 30 June 2009.....	727
Eight months ended 28 February 2010.....	489

(viii) Tenancy Agreements

The tenancy agreements entered into for Menara Sunway are generally for terms of three years with an option to renew for another one to two terms of two or three years each, with rental rate adjustments to prevailing market rates at the expiry of each term.

At the time of entering into a tenancy, tenants at Menara Sunway are required to provide a security deposit of approximately two to three months' rent. Security deposits are unsecured and do not bear interest. Tenants generally are required to pay their monthly rent in advance. Consistent with market practice, rent-free periods, varying depending on market conditions but typically for a one-month period at the beginning of the tenancy, are commonly granted to tenants. Tenants are generally not permitted to assign or sublet the premises, except with approval of management.

Under the tenancies, tenants are normally responsible for payment of their own utilities. Management fees, however, are not paid by the tenant but are included in the rent. Tenants are generally also responsible for repairs, as well as the payment of all other expenses relating to the interior of the premises, while the landlord is generally responsible for repairing the exterior and main structure of the building.

(ix) Competition

The closest competing office buildings to Menara Sunway are located in Subang Jaya, including Menara Summit, Heitech Village and Wisma Consplant 1 & 2. The overall supply of new office space in Petaling Jaya has increased over the last 24 months resulting in strong competition among existing landlords. In addition, several new offices have been identified for completion between 2010 and 2012 in the Petaling Jaya and Subang Jaya areas.

6. DETAILS OF THE PROPERTIES (Cont'd)

6.8.3 Sunway Tower



Address: No. 86 Jalan Ampang, 50450 Kuala Lumpur, Malaysia

Property Use: office space

Net Lettable Area: 268,412 sq. ft.

Average Occupancy Rate (Eight Months Ended 28 February 2010): 95.9%

Key Statistics

Land area	25,898 sq. ft.
Gross Floor Area	456,604 sq. ft. (include 107,606 sq. ft. carpark)
Title	Freehold; a parcel of land held under Geran 45110, Lot 55, Seksyen 0045, Town and District of Kuala Lumpur, State of Wilayah Persekutuan, Kuala Lumpur
Year of completion	1996
Age of building	14 years
Number of tenancies	14
Car parking bays	More than 290

6. DETAILS OF THE PROPERTIES (Cont'd)**(i) Description**

Sunway Tower is a 33-storey prime office building in Kuala Lumpur with a Net Lettable Area of 268,412 sq. ft. and more than 290 car parking bays. The building was acquired by the Sponsor in November 2007 for RM144 million. In 2009, the Sponsor completed an extensive refurbishment of the property, at a cost of approximately RM16 million. The refurbishment was an upgrade of the building facade, ground floor and all other lobbies, the facilities, security systems and gating. The Sponsor owns an adjacent 41,040 sq. ft. parcel of freehold land and has announced its intention to construct an office building on that parcel.

Sunway Tower is strategically located near the intersection of Jalan Sultan Ismail and Jalan Ampang in Kuala Lumpur. The property's location is in an area commonly referred to as the Golden Triangle/Central Business District and adjacent to the entry and exit points of the Ampang-Kuala Lumpur Elevated Highway that links to major highways within and around the Klang Valley as well as the Dang Wangi LRT station and Bukit Nanas monorail station.

(ii) Competitive strengths of Sunway Tower

- Sunway Tower is strategically located in Kuala Lumpur's Golden Triangle/Central Business District within proximity of many prime-grade office buildings, international-class four and five-star hotels, high quality amenities and facilities including several major shopping centres.
- It is readily accessible from two nearby LRT stations and the Ampang-Kuala Lumpur Elevated Highway.
- It benefits from an extensive recent refurbishment completed in July 2009, which upgraded the building's features and presentation, including energy saving measures.
- The office building has high quality tenants including international companies such as Ranhill Worley Parsons Sdn Bhd and Alcatel-Lucent Malaysia Sdn Bhd.

(iii) Average Occupancy Rate and average monthly rental

The following table sets forth information on the Average Occupancy Rate and average monthly rental (excluding service charges) per rented square foot.

Period	Average Occupancy Rate	Average monthly rental (excluding service charges) per rented sq. ft. of NLA
	(%)	(RM)
Year ended 30 June 2007 ⁽¹⁾	N.A.	N.A.
Year ended 30 June 2008 ⁽¹⁾	70.1	3.35
Year ended 30 June 2009	67.1	3.48
Eight months ended 28 February 2010	95.9	4.27

Note:

(1) As Sunway Tower was acquired by the Sponsor in November 2007, rates preceding that month are not available and the rates for the year ended 30 June 2008 do not reflect 12 full months of operation.

(iv) Tenant profile

Sunway Tower has a high quality tenant mix. The major tenant is Ranhill Worley Parsons Sdn Bhd, which occupies approximately 60.1% of the Net Lettable Area and contributed approximately 66.1% of the Property's Gross Rental Income for the month ended 28 February 2010.

As of 28 February 2010, Sunway Tower has a total of 10 tenants under a total of 14 tenancies. The table below sets forth certain information relating to the five largest tenants by Gross Rental Income for the month ended 28 February 2010.

6. DETAILS OF THE PROPERTIES (Cont'd)

Tenant	Trade	Tenancy expiry date	Percentage of the Sunway Tower's Gross Rental Income (%)
Ranhill Worley Parsons Sdn Bhd	Consultancy (oil & gas)	30 June 2012	66.1
Alcatel-Lucent Malaysia Sdn Bhd.....	Communication	31 May 2012	15.2
Alcatel-Lucent Malaysia Sdn Bhd.....	Communication	30 September 2010	3.7
Worley Parsons Services Sdn Bhd	Consultancy (oil & gas)	30 June 2012	4.5
ACCA Malaysia Sdn Bhd	Accounting	31 May 2010 [^]	3.3
Royal Danish Embassy.....	Embassy office	31 May 2012	2.8
Other tenants			4.4
Total			100.0

Note:

[^] ACCA Malaysia Sdn Bhd had on 26 May 2010 signed an agreement to renew its tenancy.

The top five tenancies shown above have an aggregate Net Lettable Area of 237,757 sq. ft.

(v) Trade sector analysis

The table below sets forth the mix of tenants of Sunway Tower by the principal nature of their businesses. It shows the percentages of Net Lettable Area and Gross Rental Income by category of business for the month ended 28 February 2010.

Trade sector	Percentage of Net Lettable Area	Percentage of Gross Rental Income
	(%)	(%)
Consultancy (oil & gas)	64.2	70.6
Communication.....	18.9	19.1
Accounting.....	3.3	3.3
Embassy.....	2.2	2.8
Glove manufacturer	2.3	1.9
Consultancy	1.4	1.6
Food & beverages	0.4	0.5
Leisure & entertainment	0.5	0.2
Vacancy.....	6.8	-
Total.....	100.0	100.0

(vi) Tenancy expiries and renewals

The following table sets forth information on tenancies that have expired and those that have been renewed by the existing tenants during the periods indicated:

Period	Number of expired tenancies	NLA of expired tenancies (sq. ft.)	Number of expired tenancies renewed	Renewal rate by total NLA of expired tenancies (%)	Renewal rate by number of expired tenancies (%)
Year ended 30 June 2007	-	-	-	-	-
Year ended 30 June 2008	3	130,750	1	6.7	33.3
Year ended 30 June 2009	8	84,692	7	85.1	87.5
Eight months ended 28 February 2010...	-	-	-	-	-

6. DETAILS OF THE PROPERTIES (Cont'd)

The following table sets forth information relating to tenancies that will expire during the periods indicated:

Period	Total number of expiring tenancies	NLA of expiring tenancies (sq. ft.)	Expiring tenancies as a percentage of total NLA (%)	Average monthly rental (excluding service charges) of expiring tenancies (RM/sq. ft.)
Year ending 30 June 2010.....	1	8,868	3.3	4.00
Year ending 30 June 2011.....	1	9,937	3.7	4.00
Year ending 30 June 2012.....	11	230,145	85.7	4.40
After 1 July 2012.....	1	1,281	0.5	2.50
Total.....	14	250,231	93.2	

(vii) Parking Facilities

Sunway Tower has parking facilities comprising more than 290 car parking bays. The parking facilities will be operated by Mega Capacity under a carpark tenancy agreement, for which Sunway REIT will receive rental payments.

The table below sets forth certain information concerning the parking facilities at Sunway Tower for the periods indicated below:

Period	Car park income (RM'000)
Year ended 30 June 2008.....	141
Year ended 30 June 2009.....	269
Eight months ended 28 February 2010.....	419

(viii) Tenancy agreements

The tenancy agreements entered into for Sunway Tower are generally for terms of three years with an option to renew for another one to two terms of two or three years each, with rental rate adjustments to prevailing market rates at the expiry of each term.

At the time of entering into a tenancy, tenants at Sunway Tower are required to provide a security deposit of approximately three months' rent. Security deposits are unsecured and do not bear interest. Tenants generally are required to pay their monthly rent in advance. Consistent with market practice, rent-free periods, varying depending on market conditions but typically for a one-month period at the beginning of the tenancy, are commonly granted to tenants. Tenants are generally not permitted to assign or sublet the premises, except with approval of management.

Under the tenancies, tenants are normally responsible for payment of their own utilities. Management fees, however, are not paid by the tenant but are included in the rent. Tenants are generally also responsible for repairs, as well as the payment of all other expenses relating to the interior of the premises, while the landlord is generally responsible for repairing the exterior and main structure of the building.

(ix) Competition

Sunway Tower competes with prime offices in the Golden Triangle/Central Business District areas, including Menara Citibank and Wisma Genting. The Golden Triangle/Central Business District area are expected to receive 4.684 million sq. ft. and 0.775 million sq. ft., respectively, of additional office space by the end of 2012. In addition, CapSquare, a commercial development by Bandar Raya Developments Bhd, is located within the immediate vicinity of Sunway Tower.

6. DETAILS OF THE PROPERTIES (Cont'd)

6.9 Litigation

None of Sunway REIT, the Manager, the Property Manager, the Hotel Manager or the Sponsor is currently involved in any material litigation. In addition, to the best of the Manager's knowledge, there is no material litigation currently threatened against any of Sunway REIT, the Manager, the Property Manager, the Hotel Manager, the Sponsor or any of the Properties.

6.10 Legal and regulatory compliance

Sunway REIT will be subject to the Factories and Machinery Act, 1967, the Street, Drainage and Building Act, 1974, the Fire Services Act, 1988, the Electricity Supply Act, 1990, the Gas Supply Act, 1993 and other applicable laws and regulations. Requirements under these laws and regulations include (i) ensuring all machineries, lifts, escalators, steam boilers and tanks of the Properties comply with the Factories and Machinery Act, 1967; (ii) obtaining the fire certificate, renewable annually, for each Property under the Fire Services Act, 1988; (iii) obtaining a license for use and registering installation with the Energy Commission of Malaysia under the Electricity Supply Act, 1990; and (iv) obtaining from the Energy Commission of Malaysia a license for the supply of gas through gas pipelines. Prior to making any alterations or additions to a Property, relevant regulatory approvals must be obtained under the Street, Drainage and Building Act, 1974. In addition, the operator of the Hospitality Properties is required to register the Hospitality Properties as a tourist accommodation premises under the Tourism Industry Act, 1992.

Sunway REIT's operations are also subject to various environmental laws. Historically, the Manager has operated the Properties, and going forward the Manager will continue to manage them, in compliance with applicable environmental laws and regulations, including those relating to waste disposal, water pollution control, air pollution control and noise control. None of the Sponsor or the Properties' tenants has ever received any material fines or penalties associated with the breach of any environmental laws and regulations. Please refer to Section 5.1.27 of this Prospectus for the risk factor on "Sunway REIT is subject to various environmental regulations that could adversely affect Sunway REIT's operations and financial condition".

SPSB is currently pursuing with the Malaysian Highway Authority for the issuance of the certificate of fitness ("CF") for the ramps on New Pantai Expressway ("NPE") (from Kuala Lumpur direction) which leads into Sunway Pyramid Shopping Mall. SPSB has already obtained the CF for the NPE ramps (from Subang direction). The Management expects that the CF will be obtained by June 2010.

6.11 Restrictions in interest and encumbrances

Pursuant to Section 5 of the Malaysian National Land Code 1965 ("NLC"), a "restriction in interest" means *"any limitation imposed by the State Authority on any powers conferred on a registered proprietor by Part Nine, or on any of his powers of dealing under Division IV, and any like limitation imposed under any previous land law."*

Under Part Nine of the NLC, a registered proprietor has the power to sub-divide, partition and amalgamate any alienated land with the approval of the State Director or Land Administrator.

Under Division IV of the NLC, a registered proprietor has the power to deal with any alienated land i.e. transfers, charges, leases etc.

Generally, a restriction in interest on an issue document of title reads as follows:

"The land herein described shall not be sub-divided, transferred, charged, leased, sub-leased or dealt with in any way whatsoever without the written consent of the State Authority."

If there is such restriction in interest endorsed on the issue document of title, written consent from the State Authority must first be obtained and presented together with the instruments of dealing.

6. DETAILS OF THE PROPERTIES (Cont'd)

“Encumbrances” are not defined under the NLC, but generally it encompasses interests in land which may be registered, as per Lord Diplock in the case of *Damodaran v Choe Kuan Him [1979] 2 MLJ 267*. These interests include any form of legal, equitable or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, security interest, hypothecation, options, rights of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise), caveats and any other encumbrance or condition whatsoever or any other arrangement having similar effect.

As such, any dealings with an encumbered land may first require that these encumbrances be removed, unless consent from the party who has encumbered the land is obtained.

The following table sets forth the restrictions in interest and encumbrances upon each of the Properties as of LPD:

Property	Restrictions in Interest	Encumbrances
Sunway Pyramid Shopping Mall	This alienated land cannot be transferred, leased or charged unless with the consent of the State Authority	(i) Lien-holder's caveat lodged by CIMB Bank Berhad in relation to Lot 32 and Lot 51175; and (ii) Charged to Southern Bank Berhad (now known as CIMB Bank Berhad) in relation to Lot 62059
Sunway Carnival Shopping Mall	This alienated land cannot be subdivided, transferred, charged, leased, sub-leased or transferred in any manner whatsoever without the written consent of the State Authority	(i) Charged to Public Bank Berhad
SunCity Ipoh Hypermarket	This alienated land can be transferred or leased with the written consent of the State Authority	(i) Charged to HSBC Bank Malaysia Bhd
Sunway Resort Hotel & Spa	This alienated land cannot be transferred, leased or charged unless with the consent of the State Authority	
Pyramid Tower Hotel	This alienated land cannot be transferred, leased or charged unless with the consent of the State Authority	
Sunway Hotel Seberang Jaya	This alienated land cannot be subdivided, transferred, charged, leased, sub-leased or otherwise in any manner dealt with or disposed of without the written approval of the State Authority	(i) Charged to OCBC Bank (Malaysia) Berhad; and (ii) Lease over part of the land in favour of Tenaga Nasional Berhad
Menara Sunway	This alienated land cannot be transferred, leased or charged unless with the consent of the State Authority	(i) Charged to OCBC Bank (Malaysia) Berhad
Sunway Tower	Nil	(i) Charged to Affin Bank Berhad; and (ii) Lease over part of the land in favour of Tenaga Nasional Berhad

The Vendors have obtained all the relevant consents from the respective State Authorities to, where required, transfer the Properties to the Trustee on behalf of Sunway REIT. The Trustee on behalf of Sunway REIT has also obtained all relevant consents from the respective State Authorities to register land charges over Sunway Pyramid Shopping Mall, SunCity Ipoh Hypermarket, Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Menara Sunway in favour of the lenders to Sunway REIT. The Trustee on behalf of Sunway REIT has also obtained the relevant consents from the respective State Authorities to register the leases of (i) Sunway Hotel Resort & Spa and Pyramid Tower Hotel in favour of SRH; and (ii) Sunway Hotel Seberang Jaya in favour of SHSJ.

6. DETAILS OF THE PROPERTIES (Cont'd)

Date of approval	Property	Nature of consent	Remarks
22 April 2010	Sunway Carnival Shopping Mall and Sunway Hotel Seberang Jaya	Consent to transfer	NIL
28 April 2010	SunCity Ipoh Hypermarket	Consent to transfer	The approval shall be valid for one year from the date of approval and registration of the transfer shall also be completed within one year from the date of approval
13 May 2010	Pyramid Tower Hotel, Sunway Resort Hotel & Spa, Sunway Pyramid Shopping Mall and Menara Sunway	Consent to transfer	The approval shall be valid for three years from the date of approval
		Consent to charge	The approval shall be valid for one year from the date of approval
25 May 2010	Pyramid Tower Hotel and Sunway Resort Hotel & Spa	Consent to lease	The approval granted for a 10-year lease and shall be valid for three years from the date of approval
27 May 2010	Sunway Hotel Seberang Jaya	Consent to lease	The approval granted for a 20-year lease commencing from 26 May 2010

As Sunway Hotel Seberang Jaya and Sunway Carnival Shopping Mall will not be charged as security for the Facility, the consent of the State Authority to create a charge for these Properties is not required.

In respect of the leases over part of the land in favour of Tenaga Nasional Berhad for Sunway Hotel Seberang Jaya and Sunway Tower, letters of no objection for the transfer and/or charge and/or lease of the two properties have been obtained.

6.12 Insurance

Sunway REIT intends to maintain comprehensive property and liability insurance policies with coverage features and insured limits that the Manager believes are consistent with real estate industry in Malaysia. This is expected to include property damage, machinery, directors' and officers' liability and public liability insurance (including personal injury) policies. There are generally no significant or unusual excess or deductible amounts required under such policies. Market forces beyond Sunway REIT's control may nonetheless limit the scope of insurance coverage that it can obtain and its ability to obtain coverage at reasonable rates. Certain types of losses, generally of a catastrophic nature, natural disasters, terrorist acts, the outbreak of SARS, or any losses as a result there from, may be uninsurable or too expensive to justify obtaining insurance. Please refer to Section 5.1.17 of this Prospectus for the risk factor on "Damage to, or other potential losses involving the Properties may not be covered by insurance".

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT**7.1 Historical combined financial information**

The following selected historical audited combined financial information as at or for the years ended 30 June 2007, 2008 and 2009, and as at or for the eight months ended 28 February 2009 (unaudited) and 28 February 2010 (audited), has been derived from the audited combined financial statements of the Predecessor Group. As Sunway REIT is a newly established fund, save for the Properties to be acquired, it does not have any portfolio of Real Estates and Real Estate-Related Assets and no historical financial information has been prepared since its establishment. The selected historical audited combined financial information should be read in conjunction with the "Independent Auditors' Report on the Combined Financial Statements" as set out in Appendix IV of this Prospectus and the notes thereon. The combined financial statements have been prepared in accordance with Malaysian FRS. Investors should note that the Predecessor Group's past operating results are not indicative of Sunway REIT's future operating performance.

7.1.1 Combined income statements data

	Year ended 30 June			Eight months ended 28 February	
	2007	2008	2009	2009	2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
	←-----Audited----->			Unaudited	Audited
Revenue.....	231,482	331,294	392,495	268,068	281,790
Cost of sales	(51,046)	(54,812)	(59,273)	(42,672)	(40,367)
Gross profit	180,436	276,482	333,222	225,396	241,423
Other income.....	14,813	332,637	642,432	514,504	92,745
Administrative expenses.....	(57,688)	(64,138)	(91,888)	(63,696)	(52,663)
Selling and marketing expenses.....	(12,559)	(15,904)	(20,338)	(13,326)	(13,491)
Other expenses	(42,530)	(55,880)	(59,142)	(39,357)	(41,183)
Operating profit	82,472	473,197	804,286	623,521	226,831
Finance costs	(13,353)	(27,136)	(29,720)	(20,914)	(17,660)
Profit before tax	69,119	446,061	774,566	602,607	209,171
Income tax.....	(2,582)	(97,704)	(193,641)	(152,314)	280,535
Profit for the year/period	66,537	348,357	580,925	450,293	489,706

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

7.1.2 Combined balance sheets data

	As of 30 June			As of 28 February
	2007 (RM'000)	2008 (RM'000)	2009 (RM'000)	2010 (RM'000)
	←-----Audited----->			
ASSETS				
Non-current assets				
Property, plant and equipment	884,425	26,887	482,536	4,228
Prepaid land lease payments.....	22,026	1,014	45,608	-
Investment properties	917,000	144,000	2,645,286	-
Investment in subsidiaries.....	10	10	10	13
Investment in associate.....	2,000	2,000	2,000	2,000
Other non-current investments.....	6	6	6	24
Deferred tax assets.....	1,138	5,645	-	-
	<u>1,826,605</u>	<u>179,562</u>	<u>3,175,446</u>	<u>6,265</u>
Current assets				
Inventories.....	2,814	3,543	3,591	3,805
Trade receivables.....	14,103	23,792	22,387	25,900
Other receivables.....	44,268	6,451	6,444	5,944
Tax recoverable	629	5	159	286
Amounts due from subsidiaries	13,905	13,183	7,877	4,848
Amounts due from immediate holding companies.....	177	177	177	177
Amounts due from ultimate holding company.....	15,641	17,001	60,826	137,824
Amounts due from related companies	2,814	2,048	2,217	758
Cash and bank balances.....	93,990	54,089	80,593	83,117
	<u>188,341</u>	<u>120,289</u>	<u>184,271</u>	<u>262,659</u>
Non-current assets classified as held for sale.....	-	2,419,206	-	3,256,588
	<u>188,341</u>	<u>2,539,495</u>	<u>184,271</u>	<u>3,519,247</u>
	<u>2,014,946</u>	<u>2,719,057</u>	<u>3,359,717</u>	<u>3,525,512</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the entities comprising the Predecessor Group				
Share capital.....	157,010	157,260	157,260	157,260
Share premium	262,480	262,480	262,480	262,480
Reserves	429,738	778,095	1,359,020	1,848,726
Shareholders' equity.....	<u>849,228</u>	<u>1,197,835</u>	<u>1,778,760</u>	<u>2,268,466</u>
Non-current liabilities				
Borrowings.....	257,691	317,316	484,429	546,383
Redeemable preference shares.....	47,216	13,736	-	-
Other long term liabilities.....	16,683	12,645	40,977	21,558
Hire purchase and finance lease liabilities.....	697	206	-	-
Deferred tax liabilities	132,340	212,879	372,507	69,660
	<u>454,627</u>	<u>556,782</u>	<u>897,913</u>	<u>637,601</u>
Current liabilities				
Trade payables.....	6,348	7,190	4,985	7,894
Other payables.....	152,778	196,741	96,069	108,359
Redeemable preference shares.....	33,308	33,480	15,819	-
Borrowings.....	1,707	105,382	14,507	22,121
Hire purchase and finance lease liabilities	552	491	249	-
Advances by a shareholder	120,895	131,555	127,554	124,554
Amount due to immediate holding company.....	34,967	34,702	221	3
Amount due to ultimate holding company.....	241,959	444,144	404,756	342,048
Amount due to a subsidiary.....	996	1,091	1,152	-
Amounts due to related companies.....	114,784	1,334	1,919	1,169
Tax payable	2,797	8,330	15,813	13,297
	<u>711,091</u>	<u>964,440</u>	<u>683,044</u>	<u>619,445</u>
	<u>2,014,946</u>	<u>2,719,057</u>	<u>3,359,717</u>	<u>3,525,512</u>

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.1.3 Combined cash flow data**

	Year ended 30 June			Eight months ended 28 February	
	2007 (RM'000)	2008 (RM'000)	2009 (RM'000)	2009 (RM'000)	2010 (RM'000)
	←-----Audited----->			Unaudited	Audited
Cash flows from operating activities					
Receipts from customers	234,368	323,512	395,784	274,151	280,881
Other receipts	7,397	16,167	29,558	11,169	11,244
Payment to suppliers and contractors.....	(52,899)	(57,751)	(64,377)	(48,007)	(41,960)
Payment of expenses	(62,887)	(110,621)	(161,120)	(124,354)	(103,306)
Dividend received	-	-	-	-	1,429
Cash generated from operations	125,979	171,307	199,845	112,959	148,288
Taxes paid	(10,567)	(15,515)	(21,039)	(10,693)	(24,955)
Interest received	145	28	39	2	-
Net cash generated from operating activities..	115,557	155,820	178,845	102,268	123,333
Cash flows from investing activities					
Interest received	2,333	1,698	1,853	1,445	1,466
Purchase of property, plant and equipment	(273,270)	(45,874)	(27,870)	(22,296)	(8,868)
Additions and subsequent expenditure of investment properties	-	(309,379)	(26,138)	(877)	(11,429)
Prepaid land lease payments	-	(45,153)	-	-	-
Deposit paid for purchase of investment property.....	(28,800)	-	-	-	-
Payment of incidental costs for purchase of investment property	(91)	-	-	-	-
Investment in subsidiary.....	-	-	-	-	(3)
Proceeds from disposal of investment in subsidiary.....	-	-	3	3	-
Purchase of other investments	-	-	-	-	(24)
Disposal of other investments.....	-	-	-	-	6
Proceeds from disposal of property, plant and equipment.....	114	264	22	10	4
Net cash used in investing activities.....	(299,714)	(398,444)	(52,130)	(21,715)	(18,848)
Cash flows from financing activities					
Drawdown of term loan.....	202,672	165,007	83,120	83,120	77,200
Repayment of term loan	(1,447)	(1,707)	(6,882)	(1,632)	(7,632)
Repayment of hire purchase and finance leases.....	(788)	(552)	(448)	(321)	(249)
Proceeds from issuance of ordinary shares	-	250	-	-	-
Redemption of preference shares.....	(33,137)	(33,308)	(31,397)	(15,677)	(15,819)
Advances from a shareholder	-	10,660	-	-	-
Repayment to a shareholder.....	(4,500)	-	(4,001)	(4,001)	(3,000)
Dividends paid.....	(544)	-	(282)	-	-
Interest paid.....	(10,852)	(22,051)	(25,171)	(17,948)	(15,171)
Net change in inter-company indebtedness.....	84,626	84,424	(115,150)	(79,687)	(137,290)
Net cash generated from/(used) in financing activities.....	236,030	202,723	(100,211)	(36,146)	(101,961)
Net increase/(decrease) in cash and cash equivalents.....	51,873	(39,901)	26,504	44,407	2,524
Cash and cash equivalents at beginning of year/period	42,117	93,990	54,089	54,089	80,593
Cash and cash equivalents at end of year/period.....	93,990	54,089	80,593	98,496	83,117

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

7.2 Management's discussion and analysis of financial condition and results of operations

Investors should read the following discussion in conjunction with the combined financial statements and notes thereto included in Appendix IV of this Prospectus.

7.2.1 Basis of discussion and presentation

Sunway REIT, which will complete the Acquisition on the Completion Date (expected to be 8 July 2010), has no operating history. The Manager has therefore set forth below a discussion of the operating results of the Predecessor Group. The audited combined financial statements of the Predecessor Group comprise the combined balance sheets of the entities comprising the Predecessor Group as of 30 June 2007, 2008, 2009 and 28 February 2010 and the combined income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2007, 2008 and 2009 and the eight months ended 28 February 2010. The unaudited combined financial statements of the Predecessor Group comprise the combined income statements, statements of changes in equity and cash flow statements for the eight months ended 28 February 2009. While the entities comprising the Predecessor Group have been under the common control of the Sponsor during the years/periods under review, it should be noted that these entities were neither collectively operated nor managed as a separate group by the Sponsor, nor were they previously combined for financial reporting purposes. The combined financial statements have been prepared for the sole purpose of the IPO.

The combined financial statements may not necessarily reflect the consolidated financial results of the operations, financial position and cash flows of what the Predecessor Group would have been had it been a separately managed group during the periods presented. In addition, the combined financial statements of the Predecessor Group do not represent the consolidated financial results of Sunway REIT as if it had existed earlier, nor do they give an indication of the financial results, cash flows and financial position of Sunway REIT in the future.

After the Listing Date, there will be certain changes to Sunway REIT's cost structure, level of indebtedness and operations. The cost structure of Sunway REIT after the Listing Date will differ in certain significant respects from the historical cost structure of the Predecessor Group. For example, certain historical costs of the Predecessor Group will no longer be costs of Sunway REIT. Similarly, there are certain costs, such as the Manager's, Property Manager's and Trustee's fees, that will be costs of Sunway REIT going forward that were not costs of the Predecessor Group historically. For a discussion of the primary income items and other financial statement items of Sunway REIT that may be affected by the Initial Public Offering, please refer to Section 7.4 of this Prospectus entitled "Management's discussion and analysis of future operations" in this Prospectus.

7.2.2 Overview of Sunway REIT

Sunway REIT is a real estate investment trust formed to own and invest in a diverse portfolio of income-generating real estate in Malaysia and other Asia-Pacific countries. The strategy to achieve these objectives is set forth under the Section 4.4 of this Prospectus. Sunway REIT's initial portfolio will, on the Listing Date, comprise real estate in the retail, hospitality and office sectors in Malaysia. For details of the locations of the Properties, refer to the Section 6.1.1 of this Prospectus.

The Retail Properties consist of:

- (i) *Sunway Pyramid Shopping Mall*: a premier four-storey regional shopping mall in Bandar Sunway, with 711 tenancies (as of 28 February 2010), totalling approximately 1.69 million sq. ft. of Net Lettable Area. The mall includes a 12-screen cineplex, an ice-skating rink, a 48-lane bowling alley, a convention centre, and multi-storey parking facilities with more than 3,800 car parking bays;
- (ii) *Sunway Carnival Shopping Mall*: a premier five-storey lifestyle shopping mall in Pusat Bandar Seberang Jaya, with 154 tenancies (as of 28 February 2010) totalling approximately 484,364 sq. ft. of Net Lettable Area. The mall includes an eight-screen cineplex, an amusement centre, a convention centre and more than 1,100 car parking bays; and
- (iii) *SunCity Ipoh Hypermarket*: a single-storey hypermarket in Sunway City Ipoh totalling approximately 181,216 sq. ft. of Net Lettable Area.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

The Hospitality Properties consist of:

- (i) *Sunway Resort Hotel & Spa*: a 19-storey, five-star hotel in Bandar Sunway, with 439 guest rooms and three villas;
- (ii) *Pyramid Tower Hotel*: a nine-storey, four-star hotel in Bandar Sunway, with 549 guest rooms; and
- (iii) *Sunway Hotel Seberang Jaya*: a 17-storey, four-star hotel in Pusat Bandar Seherang Jaya, mainland Penang, with 202 guest rooms.

The Office Properties consist of:

- (i) *Menara Sunway*: a 19-storey prime office building in Bandar Sunway with a Net Lettable Area of 268,978 sq. ft., comprising an office tower with an annex and more than 660 car parking bays; and
- (ii) *Sunway Tower*: a 33-storey prime office building in Kuala Lumpur with a Net Lettable Area of 268,412 sq. ft. and more than 290 car parking bays.

The Properties consist of approximately 5,453,453 sq. ft., 1,582,185 sq. ft. and 1,111,387 sq. ft. of retail, hospitality and office Gross Floor Area, respectively, and an Appraised Value of RM3,729 million.

7.2.3 Critical accounting policies, estimates and judgments

Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may not equal the related actual results, because of the possibility that future events affecting the estimate may differ significantly from Management's current judgments. For further discussion, please refer to Note 2 of the combined financial statements of the Predecessor Group set out in Appendix IV of this Prospectus.

7.2.3.1 Significant accounting policies

Management believes that the following are certain critical accounting policies used in the preparation of the financial statements:

(i) *Revenue Recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Predecessor Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (a) *Rental income*. Rental income including those from investment properties is recognised on an accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.
- (b) *Income from hotel operations*. Income from rental of hotel rooms is recognised on an accrual basis.
- (c) *Income from car park operations*. Income from car park operation is recognised on a receipt basis as all transactions are in cash.
- (d) *Promotion income*. Promotion income is derived from tenants as contribution toward the costs and expenses of promotional or advertising campaigns, income from sponsorships and rental of promotion areas and is recognised on accrual basis.
- (e) *Sale of goods*. Revenue from sale of goods is recognised based on the invoiced value of goods sold.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

- (f) *Interest income.* Interest income from short term deposits and advances is recognised on an accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on a receipt basis. Interest income on other non-current investments is recognised on a receipt basis due to the uncertainty of the amount that may be recovered.
- (g) *Service charges.* Service charges including those from investment properties are recognised on an accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(ii) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed annually by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year/period in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Predecessor Group holds it to earn rental or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year/period in which they arise.

7.2.3.2 Critical judgments made in applying accounting policies

Management of the Predecessor Group has made the following judgment in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the combined financial statements:

(i) Classification between investment properties and property, plant and equipment

The Predecessor Group has developed certain criteria based on FRS 140 when deciding whether a property qualifies as an investment property. Investment property is property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the management of the Predecessor Group would account for the portions separately.

If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.2.3.3 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheets dates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Depreciation of property, plant and equipment

The useful lives and residual values of components of property, plant and equipment are also estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required by the management of the Predecessor Group to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

The total carrying values of recognised tax losses and capital allowances of the Predecessor Group as of 30 June 2007, 2008 and 2009 and 28 February 2010 were RM36.4 million, RM68.4 million, RM83.9 million and RM95.9 million, respectively.

(iii) Allowance for doubtful debts

The Predecessor Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

7.2.4 Factors affecting results of operations

The performance of the Predecessor Group was, and the performance of Sunway REIT will be, affected by the demand for, and supply of, retail, hospitality and office properties in Malaysia, especially in the Klang Valley and, to a lesser extent, Penang. The major factors affecting Sunway REIT's results of operations and financial condition include the following.

(i) *Rental and occupancy rates*

Sunway REIT's total revenue will depend principally on the rental rates the Properties are able to command and the occupancy rates it is able to maintain.

Factors affecting the rental rates for tenancies include the effect of competing properties, tenant size, assumed tenant retention rates on expiry of the tenancy, market conditions and general macroeconomic and supply/demand trends affecting the real estate market in Malaysia including inflation rates, tenant demand levels and occupancy rates.

In addition to general macroeconomic and supply/demand trends affecting the real estate market in Malaysia, occupancy rates depend on rental rates relative to other competing properties and the ability to minimise downtime arising from expiries or early terminations of tenancies.

(ii) *Scheduled tenancy expiries and rent reviews*

Tenancies accounting for approximately 7.6%, 59.7% and 14.1% of the Gross Rental Income of the Retail Properties and 2.4%, 39.9% and 56.5% of the Gross Rental Income of the Office Properties for the month ended 28 February 2010 will be due for renewal in the years ending 30 June 2010, 2011 and 2012, respectively. Sunway REIT's ability to replace expiring tenancies will impact its results of operations.

Rental terms for tenancies in respect of the Retail Properties are generally for a three-year term with the option to renew for another three-year term subject to renewal and market rates. Certain anchor tenants or major tenants have the option to renew their tenancies for four terms of three years each.

Tenancy periods for the Office Properties generally range from two to three years, in line with general practice in the Malaysian property market for office tenancies. Tenancy periods for pre-furnished office space are typically longer, and result in higher rents, than tenancy periods for unfurnished office space.

(iii) *Visitor arrivals*

The results of the Predecessor Group were significantly affected by the number and profile of visitor arrivals to the Sunway Integrated Resort and mainland Penang (the visitors to which include a relatively higher proportion of business travellers), as such visitors represent the bulk of demand for hotel accommodation and also affect the results of the co-located Retail Properties.

According to the Independent Market Researcher, tourist arrivals in Malaysia grew an average of 12% between 1997 and 2009, totalling 23.6 million arrivals in 2009. Additionally, over the same period, tourist receipts grew approximately 15% per year, totalling approximately RM51 billion in 2009. Please refer to Appendix III of this Prospectus for further details.

Going forward, the Hospitality Properties will be leased to the Lessees pursuant to the Hotel Master Leases, and the rents payable will consist of variable rent or guaranteed rent, whichever is higher. Since its primary source of revenue will be the rental payments payable under the Lease Agreements, Sunway REIT will have significantly less exposure to the results of the operations of the Hospitality Properties than in the case of the Predecessor Group where the principal source of revenue was income from the hotel operation of the Hospitality Properties. Please refer to Section 7.4.2 of this Prospectus for further details.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**(iv) Movement in fair value of investment properties**

The annual revaluation of the Properties has in the past resulted in significant fluctuations in the results of operations of the Predecessor Group and will affect Sunway REIT's results of operations in the future. The fair value of investment properties was adjusted upward by RM2.0 million, RM316.1 million, RM626.2 million and RM79.9 million in the years ended 30 June 2007, 2008 and 2009 and eight months ended 28 February 2010 respectively. See also Note 12 to the combined financial statements of the Predecessor Group set out in Appendix IV to this Prospectus.

(v) Economic conditions and cyclicalities

Demand for rooms and services at the Hospitality Properties and demand for tenancies at the Retail Properties and the Office Properties have historically shown a strong correlation to economic activity in Malaysia, as measured by GDP. The Manager believes that generally positive economic conditions in Malaysia in 2007 and 2008 positively contributed to the increase in the average rental/room rates and occupancy rates of the Properties. From 2002 to 2007, Malaysia's GDP grew at an average annual growth rate of 5.9%. Though the Malaysian Ministry of Finance has indicated that the Malaysian economy contracted 1.7% in 2009, GDP growth in 2010 is expected to be approximately 5.0%.

In addition to the rate of economic growth in Malaysia, property values are affected by, among other factors, supply and demand of comparable properties, interest rates, inflation, and political developments in Malaysia. The Malaysian property market has historically been cyclical and future cyclical changes could result in significant fluctuations in fair value of investment properties and Sunway REIT's operating results. For additional information on the cyclicalities of the Malaysia property market, see Appendix III of this Prospectus.

7.2.5 Components of results of operations

Historically, the Predecessor Group generated rental income and promotion income from the Retail Properties, income from services undertaken at the Retail Properties and the Office Properties, and food and beverage and related income from the Hospitality Properties. In the future, Sunway REIT expects to receive income from the Hospitality Properties solely as governed by the Hotel Master Leases, as described under Section 7.4.2 of this Prospectus.

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

Revenue and other income

The following table sets forth a breakdown of the revenue and other income of the Predecessor Group for the periods indicated:

	Year ended 30 June			Eight months ended 28 February	
	2007 (RM'000)	2008 (RM'000)	2009 (RM'000)	2009 (RM'000) Unaudited	2010 (RM'000) Audited
	←----- Audited ----->				
Retail					
Rental income					
- Shopping mall/retail rental income.....	64,846	130,123	172,878	114,804	122,249
- Pyramid ice income.....	4,574	4,962	5,092	3,410	3,564
- Car park income.....	2,850	4,535	6,309	4,170	4,271
- Miscellaneous income.....	31	374	645	413	615
Rental income	72,301	139,994	184,924	122,797	130,699
Promotion income	3,195	6,658	8,112	5,387	5,714
Service charges	7,597	14,241	18,660	12,196	12,964
Total Retail Revenue.....	83,093	160,893	211,696	140,380	149,377
Hospitality					
Hotel room income	69,953	82,225	86,195	59,845	61,520
Food and beverage and related income	68,027	70,880	74,452	54,958	50,822
Total Hospitality Revenue.....	137,980	153,105	160,647	114,803	112,342
Office					
Rental income					
- Office rental income.....	7,206	12,775	14,468	9,251	14,859
- Car park income.....	425	674	996	626	908
- Miscellaneous income.....	124	143	239	137	178
Rental income	7,755	13,592	15,703	10,014	15,945
Service charges	2,654	3,704	4,449	2,871	4,126
Total Office Revenue.....	10,409	17,296	20,152	12,885	20,071
Revenue	231,482	331,294	392,495	268,068	281,790
Fair value adjustment of investment properties.....	2,000	316,133	626,198	503,407	79,891
Interest income.....	4,395	2,157	2,972	1,853	3,620
Other rental income.....	1,886	1,899	1,878	1,437	1,423
Other ⁽¹⁾	6,532	12,448	11,384	7,807	7,811
Other income	14,813	332,637	642,432	514,504	92,745

Note:

(1) Other line items in other income are dividend income, gain on disposal of property, plant and equipment, gain on disposal of investment in subsidiary, realised gain on foreign exchange and miscellaneous items primarily from the Hospitality Properties including income from laundry, telephone charges, business centre and car park receipts.

Shopping mall/retail

Shopping mall/retail rental income in respect of the Retail Properties represents the amounts paid by tenants under their tenancies. Rents paid under tenancies generally range from two to three years. The financial statements distinguish among the following types of retail rental income: rents from shopping mall/retail tenancies, income from the ice-skating rink at Sunway Pyramid Shopping Mall, car park income from the Retail Properties and miscellaneous rental income.

Promotion income comprises promotional charges received from tenants as contribution toward the costs and expenses of promotional or advertising campaigns, income from sponsorships and rental of promotion areas. Service charges income reflects sums of money paid by tenants for services provided in respect of the Retail Properties' maintenance and upkeep of the common areas of the Retail Properties, as well as for lifts, escalators and other mechanical and electrical installations, and payments for the supply of electricity and water.

Hospitality

Hotel room income in respect of the Hospitality Properties represents the rates paid for hotel rooms.

Food and beverage and related income represent income received from the sale of food and beverage and income from banqueting, meetings and functions.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Office*

Rental income in respect of the Office Properties represents the amounts paid by tenants under their tenancies. Rents paid under tenancies are typically fixed for three year terms. The financial statements distinguish among the following types of office rental income: rents from office tenancies, car park income from the Office Properties and miscellaneous rental income.

Service charges income reflects sums of money paid by tenants for services provided in respect of the Office Properties' maintenance and upkeep of the common areas of the Office Properties, as well as for lifts, escalators and other mechanical and electrical installation, and payments for the supply of electricity and water.

Other income

Other income consists primarily of fair value adjustment of investment properties, interest income and other rental income, and also includes dividend income, gain on disposal of property, plant and equipment, gain on disposal of investment in subsidiary, realised gain on foreign exchange and miscellaneous items primarily from the Hospitality Properties, including income from laundry, telephone charges, business centre and car park receipts.

Fair value adjustments are determined by reference to open market values for which the property could be exchanged on the date of valuation between a willing buyer and willing seller on an arm's length basis.

Costs and expenses

The following table sets forth a breakdown of the costs and expenses of the Predecessor Group for the periods indicated:

	Year ended 30 June			Eight months ended 28	
	2007	2008	2009	February	
	(RM'000)	(RM'000)	(RM'000)	2009	2010
	←-----Audited----->			Unaudited	Audited
Cost of sales	51,046	54,812	59,273	42,672	40,367
Administrative expenses	57,688	64,138	91,888	63,696	52,663
Selling and marketing expenses	12,559	15,904	20,338	13,326	13,491
Other expenses	42,530	55,880	59,142	39,357	41,183
Finance costs	13,353	27,136	29,720	20,914	17,660
Income tax	2,582	97,704	193,641	152,314	(280,535)

Cost of sales

Cost of sales consists of the cost of services provided and goods sold at the Properties, primarily comprising the cost of guest services provided and food and beverage sold at the Hospitality Properties.

Administrative expenses

Administrative expenses reflect expenses paid out for administrative purposes, including audit fees, bank charges, filing fees, licence, permit and statutory fees, printing, professional fees, quit rent, tax fees, telephone bills and travel expenses. Administrative expenses also include depreciation of fixed assets accounted for as property, plant and equipment.

Selling and marketing expenses

Selling and marketing expenses comprise sales and marketing department staff costs, advertising and promotion expenses.

Other expenses

Other expenses include operations staff costs, security, insurance and utilities and maintenance.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Finance costs*

Finance costs primarily comprise interest expense on financing such as term lending, hire purchase arrangements, loans from the SunCity Group and related parties.

Income tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates enacted on the balance sheet date.

Deferred tax represents the origination and/or reversal of temporary differences.

7.2.6 Results of operations for the eight months ended 28 February 2010 compared to the eight months ended 28 February 2009

Profit was RM489.7 million for the eight months ended 28 February 2010 compared to a profit of RM450.3 million for the same period in 2009, as a result of the combined effect of the factors described below.

*Revenue and other income**Shopping mall/retail*

Shopping mall/retail rental income increased by RM7.9 million, or 6.4%, to RM130.7 million for the eight months ended 28 February 2010 from RM122.8 million for the eight months ended 28 February 2009, as occupancy and rental rates for Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall increased compared to the eight months ended 28 February 2009.

Promotion income increased by RM0.3 million, or 5.6%, to RM5.7 million for the eight months ended 28 February 2010 from RM5.4 million for the eight months ended 28 February 2009, in line with increased occupancy rates. Income from service charges increased by RM0.8 million, or 6.6%, to RM13.0 million for the eight months ended 28 February 2010 from RM12.2 million for the eight months ended 28 February 2009, primarily as a result of increased occupancy rates.

Hospitality

Hotel room income increased by RM1.7 million, or 2.8%, to RM61.5 million for the eight months ended 28 February 2010 from RM59.8 million for the same period in 2009, primarily as a result of increased average room rates, partially offset by decreased occupancy rates.

Food and beverage and related income decreased by RM4.2 million, or 7.6%, to RM50.8 million for the eight months ended 28 February 2010 from RM55.0 million for the same period in 2009, primarily as a result of the financial crisis in 2009, which in turn has resulted in lower occupancy rates and decreased spending by hotel patrons on food and beverage, as well as from fewer functions, meetings and conventions held at the Hospitality Properties.

Office

Office rental income increased by RM5.9 million, or 59.0%, to RM15.9 million for the eight months ended 28 February 2010 from RM10.0 million for the same period in 2009, primarily due to significantly improved occupancy (from 55.0% to 95.9%) and rental rates (excluding service charges) at Sunway Tower (from RM3.35 per sq. ft. to RM4.27 per sq. ft.) upon completion of its extensive refurbishment in July 2009.

Income from service charges increased by RM1.2 million, or 41.4%, to RM4.1 million for the eight months ended 28 February 2010 from RM2.9 million for the eight months ended 28 February 2009, primarily due to increased occupancy rates at Sunway Tower.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Other income*

Other income decreased by RM421.8 million, or 82.0%, to RM92.7 million for the eight months ended 28 February 2010 from RM514.5 million for the same period in 2009, as fair value gain recorded for the 8 months ended 28 February 2010 was RM79.9 million as compared to RM503.4 million for the same period in 2009.

*Costs and expenses**Cost of sales*

Cost of sales decreased by RM2.3 million, or 5.4%, to RM40.4 million for the eight months ended 28 February 2010 from RM42.7 million for the same period in 2009, consistent with the overall decrease in income from food and beverage sales and guest services at the Hospitality Properties.

Administrative expenses

Administrative expenses decreased by RM11.0 million, or 17.3%, to RM52.7 million for the eight months ended 28 February 2010 from RM63.7 million for the same period in 2009, primarily due to the reclassification of certain fixed assets as property, plant and equipment that had previously been classified as assets held for sale, resulting in additional depreciation expenses of RM8.8 million for the eight months ended 28 February 2009 which would otherwise have been incurred in the six months ended 30 June 2008. This amount of depreciation expenses was in addition to RM16.2 million in depreciation expenses attributable to the eight months ended 28 February 2009, for a total of RM25.0 million for the period. In comparison, depreciation charges were RM12.3 million in the eight months ended 28 February 2010. Excluding depreciation charges, administrative expenses increased by RM1.7 million, or 4.4%, mainly due to the year ended 30 June 2009 being the first full year of operations after the expansion of Sunway Pyramid Shopping Mall.

Selling and marketing expenses

Selling and marketing expenses increased by RM0.2 million, or 1.5%, to RM13.5 million for the eight months ended 28 February 2010 from RM13.3 million for the same period in 2009, in line with efforts to continuously promote and market the Properties.

Other expenses

Other expenses increased by RM1.8 million, or 4.6%, to RM41.2 million for the eight months ended 28 February 2010 from RM39.4 million for the same period in 2009, primarily due to the expiry of several post-construction maintenance warranties for Sunway Pyramid Shopping Mall in 2009 as well as the expiry of the 18-month post-construction maintenance warranty for Sunway Carnival Shopping Mall (on 31 December 2008) and the subsequent incurrence of maintenance costs.

Finance costs

Finance costs decreased by RM3.2 million, or 15.3%, to RM17.7 million for the eight months ended 28 February 2010 from RM20.9 million for the same period in 2009. Interest expense was lower compared to the previous period primarily due to a decrease in interest rates in 2009, which was partially offset by increased loan balances as a result of a loan drawdown in connection with the financing of Sunway Pyramid Shopping Mall's Phase 2 construction. The average effective interest rates applicable to the interest-bearing liability of the Predecessor Group decreased to 3.7% in 2010 from 4.8% in 2009.

Income tax

Income tax benefit was RM280.5 million for the eight months ended 28 February 2010 compared to income tax expense of RM152.3 million for the same period in 2009. The total amount of income tax benefit for the eight months ended 28 February 2010 comprised RM22.3 million of Malaysian income tax and RM302.8 million of reversal of net deferred tax liabilities, most of which relates to the change in the expected manner of recovery of assets to be disposed to Sunway REIT. This compared to RM18.2 million of Malaysian income tax and RM134.1 million of net deferred tax liabilities for the eight months ended 28 February 2009.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.2.7 Results of operations for the year ended 30 June 2009 compared to the year ended 30 June 2008**

Profit was RM580.9 million for the year ended 30 June 2009 compared to a profit of RM348.4 million for the year ended 30 June 2008, as a result of the combined effect of the factors described below.

*Revenue and Other Income**Shopping mall/retail*

Shopping mall/retail rental income increased by RM44.9 million, or 32.1%, to RM184.9 million for the year ended 30 June 2009 from RM140.0 million for the year ended 30 June 2008. This was primarily due to the year being the first full financial year of operation for Phase 2 of Sunway Pyramid Shopping Mall, as well as the continued increase in occupancy rates for both Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall, after initial gestation and fit-out periods. In addition, rental income increased as a result of an overall increase in average rental rates, partially due to a more specialised tenant mix in the year ended 30 June 2009 as compared to the year ended 30 June 2008.

Promotion income increased by RM1.4 million, or 20.9%, to RM8.1 million for the year ended 30 June 2009 from RM6.7 million for the year ended 30 June 2008. Income from service charges increased by RM4.5 million, or 31.7%, to RM18.7 million for the year ended 30 June 2009 from RM14.2 million for the year ended 30 June 2008. These increases were primarily due to the year ended 30 June 2009 being the first full year of operations by Phase 2 of Sunway Pyramid Shopping Mall.

Hospitality

Hotel room income increased by RM4.0 million, or 4.9%, to RM86.2 million for the year ended 30 June 2009 from RM82.2 million for the year ended 30 June 2008 primarily as a result of increased room rates. Hotel room income improved at Sunway Resort Hotel & Spa due to the completion of the refurbishment of 299 deluxe rooms and their subsequent reclassification as premier rooms, which was completed in December 2008, resulting in higher average room rates for the year ended 30 June 2009, as compared to the year ended 30 June 2008. Hotel room income of Pyramid Tower Hotel increased primarily due to a partial shift in demand from Sunway Resort Hotel & Spa during the renovations.

Food and beverage and related income increased by RM3.6 million, or 5.1%, to RM74.5 million for the year ended 30 June 2009 from RM70.9 million for the year ended 30 June 2008, primarily due to the addition of the in-hotel Ministry of Sound franchise at Sunway Resort Hotel & Spa.

Office

Office rental income increased by RM2.1 million, or 15.4%, to RM15.7 million for the year ended 30 June 2009 from RM13.6 million for the year ended 30 June 2008, primarily as a result of an increase in average rental rates at Menara Sunway in connection with certain tenancy renewals, together with an increase in average rental rates at Sunway Tower. Income from service charges accordingly increased by RM0.7 million, or 18.9%, to RM4.4 million for the year ended 30 June 2009 from RM3.7 million for the year ended 30 June 2008.

Other income

Other income increased by RM309.8 million or 93.1% to RM642.4 million for the year ended 30 June 2009 from RM332.6 million for the year ended 30 June 2008, primarily due to a fair value adjustment of RM626.2 million following revaluation by the Independent Property Valuer.

*Costs and expenses**Cost of sales*

Cost of sales increased by RM4.5 million, or 8.2%, to RM59.3 million for the year ended 30 June 2009 from RM54.8 million for the year ended 30 June 2008. This represents a slight increase in the cost of sales margin (cost of sales as a percentage of hotel revenue), primarily due to the opening of the in-hotel Ministry of Sound franchise at Sunway Resort Hotel & Spa, where margins are lower, as well as a result of an overall increase in relevant prices.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Administrative expenses*

Administrative expenses increased by RM27.8 million, or 43.4%, to RM91.9 million for the year ended 30 June 2009 from RM64.1 million for the same period in 2008, primarily due to the reclassification of certain fixed assets as property, plant and equipment that had previously been classified as assets held for sale, resulting in additional depreciation expenses of RM8.8 million for the year ended 30 June 2009 which would otherwise have been incurred in the six months ended 30 June 2008. This amount of depreciation expenses was in addition to RM23.9 million in depreciation expenses attributable to the year ended 30 June 2009, for a total of RM32.7 million for the period. In comparison, depreciation charges were RM11.5 million in the year ended 30 June 2008. Excluding depreciation charges, administrative expenses increased by RM6.6 million, or 12.5%, mainly due to the year ended 30 June 2009 being the first full year of operations after the expansion of Sunway Pyramid Shopping Mall.

Selling and marketing expenses

Selling and marketing expenses increased by RM4.4 million, or 27.7%, to RM20.3 million for the year ended 30 June 2009 from RM15.9 million for the same period in 2008, primarily due to the year ended 30 June 2009 being the first full year of operations for Sunway Pyramid Shopping Mall, as well as from agency fees and commissions paid in connection with securing tenants at Sunway Tower.

Other expenses

Other expenses increased by RM3.2 million, or 5.7%, to RM59.1 million for the year ended 30 June 2009 from RM55.9 million for the same period in 2008, due to the expiry of the post-construction maintenance warranty for Sunway Carnival Shopping Mall (on 31 December 2008), which expired 18 months after the completion of construction, and the subsequent incurrence of maintenance costs.

Finance costs

Finance costs increased by RM2.6 million, or 9.6%, to RM29.7 million for the year ended 30 June 2009 from RM27.1 million for the year ended 30 June 2008 primarily as a result of the year ended 30 June 2009 being the first full year that included financing costs for Sunway Pyramid Shopping Mall, as well as from increased outstanding loan balances for Sunway Carnival Shopping Mall and Sunway Tower, partially offset by a decrease in average effective interest rates to 4.4% in 2009 from 6.1% in 2008.

Income tax

Income tax expense increased by RM95.9 million, or 98.2%, to RM193.6 million for the year ended 30 June 2009 from RM97.7 million for the year ended 30 June 2008, primarily due to the provision of deferred tax on certain fair value adjustments made during the year. The total amount of income tax expense for the year ended 30 June 2009 comprised RM28.4 million of Malaysian income tax (including both the current period and over provisions taken in respect of prior years) and RM165.3 million of deferred tax expense where RM162.1 million was related to the origination and reversal of certain temporary differences and RM3.2 million of under provisions in prior years. This compared to RM21.7 million of Malaysian income tax and RM76.0 million of deferred tax expense for the year ended 30 June 2008.

7.2.8 Results of operations for the year ended 30 June 2008 compared to the year ended 30 June 2007

Profit was RM348.4 million for the year ended 30 June 2008 compared to a profit of RM66.5 million for the year ended 30 June 2007, as a result of the combined effect of the factors described below.

*Revenue and other income**Shopping mall/retail*

Shopping mall/retail rental income almost doubled, by RM67.7 million, or 93.6%, to RM140.0 million for the year ended 30 June 2008 from RM72.3 million for the year ended 30 June 2007, mainly due to the commencement of Sunway Carnival Shopping Mall on 22 June 2007, which added 484,364 sq. ft. of Net Lettable Area, and to the opening of Phase 2 of Sunway Pyramid Shopping Mall on 29 September 2007, which almost doubled the Net Lettable Area of the mall to approximately 1.69 million

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

sq. ft. Upon completion of the Phase 2 expansion, Sunway Pyramid Shopping Mall was able to attract a more diverse tenant mix with a higher number of specialty stores and command higher rental rates.

Promotion income more than doubled, by RM3.5 million, or 109.4%, to RM6.7 million for the year ended 30 June 2008 from RM3.2 million for the year ended 30 June 2007. Income from service charges increased by RM6.6 million, or 86.8%, to RM14.2 million for the year ended 30 June 2008 from RM7.6 million for the year ended 30 June 2007. These increases were due to the commencement of Sunway Carnival Shopping Mall and the opening of Phase 2 of Sunway Pyramid Shopping Mall.

Hospitality

Hotel room income increased by RM12.2 million, or 17.4%, to RM82.2 million for the year ended 30 June 2008 from RM70.0 million for the year ended 30 June 2007. During this entire period, Sunway Resort Hotel & Spa underwent a conversion of 299 of its deluxe rooms to premier rooms. This resulted in a higher occupancy rate and higher rental rates partially counterbalanced by the unavailability of rooms being converted. The renovation also had the effect of increasing rates at Pyramid Tower Hotel, which absorbed overflow from the neighbouring Sunway Resort Hotel & Spa during its refurbishment. Sunway Hotel Seberang Jaya experienced a temporary spike in occupancy during the period, when delegates lodged there during regional elections taking place.

Food and beverage and related income increased by RM2.9 million, or 4.3%, to RM70.9 million for the year ended 30 June 2008 from RM68.0 million for the year ended 30 June 2007. A sizeable increase in income from the Sunway Resort Hotel & Spa convention centre, which returned to full operation after a period of closure during the Sunway Pyramid Shopping Mall's Phase 2 expansion the previous year, was partially mitigated by a decrease in banquet sales due to the closure of the business centre for renovations from October 2007 to April 2008.

Office

Office rental income increased by RM5.8 million, or 74.4%, to RM13.6 million for the year ended 30 June 2008 from RM7.8 million for the year ended 30 June 2007, due to the addition of Sunway Tower with effect from November 2007. Revenue for Menara Sunway also increased due to higher occupancy and rental rates.

Other

Other income increased by RM317.8 million, or 2147.3%, to RM332.6 million for the year ended 30 June 2008 from RM14.8 million for the year ended 30 June 2007, primarily due to an adjustment due to gains in the fair value of investment properties.

*Costs and expenses**Cost of sales*

Cost of sales increased by RM3.8 million, or 7.5%, to RM54.8 million for the year ended 30 June 2008 from RM51.0 million for the year ended 30 June 2007, consistent with the increase in food and beverage and related income.

Administrative expenses

Administrative expenses increased by RM6.4 million, or 11.1%, to RM64.1 million for the year ended 30 June 2008 from RM57.7 million for the year ended 30 June 2007, primarily due to administrative expenses related to the commencement of operations at Sunway Carnival Shopping Mall and Sunway Tower and the completion of Phase 2 of Sunway Pyramid Shopping Mall.

Selling and marketing expenses

Selling and marketing expenses increased by RM3.3 million, or 26.2%, to RM15.9 million for the year ended 30 June 2008 from RM12.6 million for the year ended 30 June 2007, primarily due to the marketing of the commencement of operations at Sunway Carnival Shopping Mall and Phase 2 of Sunway Pyramid Shopping Mall.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Other expenses*

Other expenses increased by RM13.4 million, or 31.5%, to RM55.9 million for the year ended 30 June 2008 from RM42.5 million for the year ended 30 June 2007, primarily due to other expenses related to the commencement of operations at Sunway Carnival Shopping Mall, Phase 2 of Sunway Pyramid Shopping Mall and Sunway Tower.

Finance costs

Finance costs more than doubled by RM13.7 million, or 102.2%, to RM27.1 million for the year ended 30 June 2008 from RM13.4 million for the year ended 30 June 2007, primarily due to increases in interest paid on bank borrowings. Finance costs that had been capitalised during the development phase were charged out upon commencement of operations in respect of Phase 2 of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall.

Income tax

Income tax expense increased by RM95.1 million, or 3657.7%, to RM97.7 million for the year ended 30 June 2008 from RM2.6 million for the year ended 30 June 2007. The total amount of income tax expense for the year ended 30 June 2008 comprised RM21.7 million of Malaysian income tax (including both the current period and under provisions taken in respect of prior years) and RM76.0 million of deferred tax expense, primarily from fair value adjustments made during the year. This compared to a total income tax expense for the year ended 30 June 2007 which comprised RM10.4 million of Malaysian income tax decreased by RM7.8 million of deferred tax savings, primarily related to changes in tax rate.

7.2.9 Liquidity and capital resources

The principal sources of funding for capital investments in the Properties have historically been from cash from operating activities and borrowings. See Section 7.4 titled "Management's discussion and analysis of future operations" in this Prospectus for changes to Sunway REIT's cost structure and operations after the Acquisitions as compared to the Predecessor Group.

The following table sets forth certain information in respect of cash flows for the periods indicated:

Cash flow data	Year ended 30 June			Eight months ended 28 February	
	2007 (RM'000)	2008 (RM'000)	2009 (RM'000)	2009 (RM'000)	2010 (RM'000)
	←----- Audited ----->			Unaudited	Audited
Cash flows from operating activities	115,557	155,820	178,845	102,268	123,333
Cash flows used in investing activities	(299,714)	(398,444)	(52,130)	(21,715)	(18,848)
Cash flows from/(used in) financing activities	236,030	202,723	(100,211)	(36,146)	(101,961)
Net increase/(decrease) in cash and cash equivalents	51,873	(39,901)	26,504	44,407	2,524
Cash and cash equivalents at beginning of year/period	42,117	93,990	54,089	54,089	80,593
Cash and cash equivalents at end of year/period	93,990	54,089	80,593	98,496	83,117

Cash flows from operating activities

Cash flows from operating activities for the eight months ended 28 February 2010 primarily comprised receipts from tenants, hotel guests and other customers of RM280.9 million, dividend received of RM1.4 million and other receipts of RM11.2 million, partially offset by payments for operating expenses of RM103.3 million, payments to suppliers and contractors of RM42.0 million and RM25.0 million in taxes paid. Cash flows from operating activities for the year ended 30 June 2009 primarily comprised receipts from tenants, hotel guests and other customers of RM395.8 million and other receipts of RM29.6 million, partially offset by payments for operating expenses of RM161.1 million, payments to suppliers and contractors of RM64.4 million and RM21.0 million in taxes paid. Cash flows from operating activities for the year ended 30 June 2008 primarily comprised receipts from tenants, hotel guests and other customers of RM323.5 million and other receipts of RM16.2 million, partially offset by payments for operating expenses of RM110.6 million, payments to suppliers and contractors of RM57.8 million and RM15.5 million in taxes paid. Cash flows from operating activities

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

for the year ended 30 June 2007 primarily comprised receipts from tenants, hotel guests and other customers of RM234.4 million, other receipts of RM7.4 million and RM0.1 million in interest received, partially offset by payments for operating expenses of RM62.9 million, payments to suppliers and contractors of RM52.9 million and RM10.6 million in taxes paid.

Cash flows from investing activities

Cash used in investing activities mainly comprised capital expenditures and payments made to acquire properties or in respect of property, plant and equipment. For the eight months ended 28 February 2010, net cash used in investing activities was RM18.8 million, mainly for the refurbishment of Sunway Tower. For the year ended 30 June 2009, net cash used in investing activities was RM52.1 million, mainly for the expansion of Sunway Pyramid Shopping Mall and the refurbishment of Sunway Resort Hotel & Spa and Sunway Tower. For the year ended 30 June 2008, net cash used in investing activities was RM398.4 million, mainly for the expansion of Sunway Pyramid Shopping Mall, the acquisition of Sunway Tower, the refurbishment of Sunway Resort Hotel & Spa and the development of Sunway Carnival Shopping Mall. For the year ended 30 June 2007, net cash used in investing activities was RM299.7 million, principally for the expansion of Sunway Pyramid Shopping Mall and the development of Sunway Carnival Shopping Mall.

Cash flows from financing activities

Cash used in financing activities is affected primarily by drawdowns from term loans, redemption of preference shares and net change in inter-company indebtedness. Cash used in financing activities for the eight months ended 28 February 2010 was RM102.0 million, reflecting primarily a negative movement in inter-company indebtedness of RM137.3 million and interest paid of RM15.2 million, partially offset by drawdowns of term loans in the amount of RM77.2 million. Cash used in financing activities for the year ended 30 June 2009 was RM100.2 million, reflecting primarily negative movements in inter-company indebtedness of RM115.2 million, interest paid of RM25.2 million and redemptions of preference shares in the amount of RM31.4 million. These items were partially offset by drawdowns of term loans in the amount of RM83.1 million. Cash generated from financing activities for the year ended 30 June 2008 was RM202.7 million, reflecting primarily drawdowns of term loans of RM165.0 million and net change in inter-company indebtedness of RM84.4 million. These items were partially offset by redemptions of preference shares in the amount of RM33.3 million and interest paid of RM22.1 million. Cash generated from financing activities for the year ended 30 June 2007 was RM236.0 million, reflecting primarily drawdowns of term loans of RM202.7 million and net change in inter-company indebtedness of RM84.6 million. These items were partially offset by redemptions of preference shares in the amount of RM33.1 million and interest paid of RM10.9 million.

7.2.10 Contractual obligations

The Predecessor Group's capital requirements primarily included debt repayment and expenditures for expansion relating to the expansion of Sunway Pyramid Shopping Mall, the development of Sunway Carnival Shopping Mall, the acquisition and refurbishment of Sunway Tower and the refurbishment of Sunway Resort Hotel & Spa, which were financed by cash flows from operations and the net proceeds received from bank borrowings. As set forth elsewhere in this Prospectus, including in Sections 7.4.3 and 7.4.4 of this Prospectus following the Acquisition and the Initial Public Offering, Sunway REIT will have different obligations and expenses.

7.2.11 Indebtedness

Historically, the indebtedness of the Predecessor Group consisted primarily of borrowings from banks and their ultimate holding company, the Sponsor. As of 28 February 2010, bank borrowings amounted to approximately RM568.5 million, representing a gearing ratio (total indebtedness over shareholders' equity) of 25.1%. As of 28 February 2010, the Predecessor Group had loans borrowed from the Sponsor in the amount of RM342.0 million, of which RM153.2 million was interest bearing at floating and fixed rates. As of 28 February 2010, the Predecessor Group had lent to the Sponsor an amount of RM137.8 million bearing interest based on a floating rate.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.2.12 Capital expenditures**

Capital expenditures amounted to RM273.3 million, RM355.3 million, RM54.0 million and RM20.3 million for the years ended 30 June 2007, 2008 and 2009 and the eight months ended 28 February 2010, respectively. These capital expenditures were used primarily for asset enhancement initiatives such as Phase 2 of Sunway Pyramid Shopping Mall, the development of Sunway Carnival Shopping Mall, the refurbishment of Sunway Resort Hotel & Spa and maintenance capital expenditures at each of the Properties.

The following table sets forth the amounts of capital expenditure in respect of each of the Properties for the periods indicated:

	Year ended 30 June			Eight months ended 28 February	
	2007	2008	2009	2009	2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
	←-----Audited----->			Unaudited	Audited
Sunway Pyramid Shopping Mall	168,433	173,458	28,453	3,643	5,554
Sunway Carnival Shopping Mall	85,927	31,417	355	227	279
SunCity Ipoh Hypermarket	-	-	-	-	-
Sunway Resort Hotel & Spa / Pyramid Tower Hotel....	18,050	30,146	16,471	14,491	4,863
Sunway Hotel Seberang Jaya	229	2,853	740	750	196
Menara Sunway	631	2088	1,369	947	1,957
Sunway Tower	-	115,291	6,620	3,115	7,449
Total	273,270	355,253	54,008	23,173	20,298

7.2.13 Financial risk management objectives and policies

The Predecessor Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Predecessor Group's business whilst managing its interest rate risks (both fair value and cash flow), liquidity risk and credit risk. The respective board of directors of the entities comprising the Predecessor Group reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been the Predecessor Group's policy throughout the years/period under review that no trading in derivative financial instruments shall be undertaken.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that value of a financial instrument will fluctuate due to changes in market interest rates.

The Predecessor Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Predecessor Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Predecessor Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Predecessor Group to fair value interest rate risk. The Predecessor Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Liquidity risk

The Predecessor Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Predecessor Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Predecessor Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Predecessor Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)***Credit risk***

The Predecessor Group's credit risk is primarily attributable to trade receivables, subsidiaries, related and holding companies. The Predecessor Group trades only with recognised and creditworthy third parties. It is the Predecessor Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Predecessor Group's exposure to bad debts is not significant. Since the Predecessor Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Predecessor Group's other financial assets, which comprise cash and bank balances, other receivables and tax recoverable, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

Fair values

The carrying amounts of financial assets and liabilities of the Predecessor Group at the balance sheet date approximated their fair values except for the following:

	As at 30 June			As at 28 February
	2007 (RM'000)	2008 (RM'000)	2009 (RM'000)	2010 (RM'000)
	←----- Audited ----->			
	Carrying amounts			
Financial liabilities				
Non-current:				
- Refundable deposits	16,683	12,645	40,977	21,558
- Redeemable preference shares	47,216	13,736	-	-
	Fair values			
Non-current:				
- Refundable deposits	15,332	11,461	36,498	20,261
- Redeemable preference shares	44,531	13,165	-	-

The fair values of refundable deposits and redeemable preference shares are estimated using discounted cash flow analysis based on current incremental lending rates offered to the Predecessor Group.

The carrying value of borrowings, which are mainly variable rate borrowings, is considered to be a reasonable estimate of the fair value as the borrowings will be repriced immediately in the event of any changes to the market interest rates.

The carrying amounts of cash and cash equivalents, trade and other receivables, amounts due from/(to) subsidiaries, associates, related companies, immediate holding companies, ultimate holding company, amounts due to contractors and consultants and advances by minority shareholders, trade and other payables and other short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It is not practical to determine the fair values of non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

7.2.14 Seasonality

The Hospitality Properties are subject to the normal operating risks common to the hotel industry, including seasonal and cyclical business fluctuations. The Hospitality Properties experience their highest occupancy rates and revenue from June to August of each year, primarily due to increased visitors from the Asia Pacific and Middle East during the summer holidays of their home countries. The Hospitality Properties also experience higher occupancy rates and revenue during November and December due to increased traffic from holidaymakers on vacation with children during the year-end school holiday in Malaysia. Since 2007, approximately 53% to 58% of annual Total Hospitality Revenue has been generated in the six months from July to December of each year, reflecting these seasonal trends.

The Retail Properties and the Office Properties do not experience noticeable seasonal fluctuations in occupancy rates or revenue.

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.3 Profit forecast**

Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager, Sunway REIT, the Joint Global Coordinators, the Trustee or any other person, nor that these results will be achieved or are likely to be achieved. See "Forward-Looking Statements" and Section 5 headed "Risk factors" in this Prospectus. Investors in the Offer Units are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this Prospectus.

The table below sets forth Sunway REIT's profit forecast for the Financial Year ending 30 June 2011. The financial year end of Sunway REIT is 30 June. Sunway REIT's first Financial Year shall be the year/period commencing on the date of the establishment of Sunway REIT and ending on 30 June 2011. The profit forecast is based on the assumptions set out in Appendix V of this Prospectus. The profit forecast has been reviewed and the computations have been checked by Ernst & Young. Their report on the profit forecast is set out in Appendix V headed "Reporting Accountants' Letter on the Profit Forecast" in this Prospectus.

The Directors have reviewed and analysed the bases and assumptions used in arriving at the profit forecast and are of the opinion that the profit forecast is fair and reasonable in light of the future plans, strategies and prospects of Sunway REIT, and after taking into consideration the forecast gearing levels, liquidity and working capital requirements of Sunway REIT.

This information necessarily is based upon a number of assumptions and estimates that, while presented with numerical specificity and considered reasonable by the Directors, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond its control, and upon assumptions with respect to future business decisions which are subject to change. Accordingly, the Directors cannot provide any assurance that these results will be realised. The prospective financial information presented in this Prospectus may vary materially from actual results. The Directors make no representation that these results will be achieved. Investors should not place undue reliance on this information.

The forecast financial information included in this Prospectus has been prepared by the Manager, and is the responsibility of the Directors. The financial information in Section 7.1 headed "Historical combined financial information" in this Prospectus relates to historical financial information. It does not extend to the prospective financial information and should not be read as doing so.

The Manager does not intend to furnish any updated or revised profit forecast.

The profit forecast contained in this Prospectus should be reviewed in conjunction with the details of the Properties, the historical financial information and the other information contained in this Prospectus, including the information set forth in Section 5 headed "Risk factors" of this Prospectus.

Investors are cautioned that rental yield on the Properties to be held by Sunway REIT is not equivalent to the yield of the Units. Current rental receipts and yields may not sustain. The values of the Properties may rise as well as fall.

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

	Forecast Financial Year ending 30 June 2011 (RM'000)
Revenue:	
Rental income	312,039
Carpark rental income	11,897
Other income	5,545
Property operating expenses:	
Quit rent, assessment and insurance expenses	(7,942)
Property management fees	(5,675)
Other property operating expenses	(69,470)
Net property income	246,394
Trust expenses:	
Manager Fee	
- Base	(11,816)
- Performance	(7,940)
Trustee Fee	(826)
Other trust expenses	(1,210)
Finance costs	(54,287)
Profit before taxation	170,315
Taxation	-
Profit after taxation	170,315
Reconciliation from profit after taxation to distribution to the Unitholders	
Profit after taxation	170,315
Add: Manager Fee paid in Units ⁽¹⁾	9,878
Distributable Income	180,193
Distribution to Unitholders	180,193
Distribution rate (%)	100
Units in issue (million)	2,680
Distribution per unit ⁽²⁾ (sen)	6.7
Distribution yield ⁽³⁾ (%)	6.9
Distribution cover ⁽⁴⁾ (%)	100.0

Notes:

- (1) In the event that the approval from Bursa Securities for the listing of and quotation for the Manager Fee paid in Units is not obtained, the Manager Fee would be paid in cash. Accordingly the available Distributable Income may be affected. Please refer to Section 5.5.3 of this Prospectus for further details.
- (2) Distribution per Unit is computed based on distribution to Unitholders divided by number of Units.
- (3) Distribution yield is computed based on distribution per Unit divided by the Retail Price. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price that differs from the Retail Price.
- (4) Distribution cover is computed based on Distributable Income divided by the actual distribution to Unitholders, expressed as a percentage.

The information in this table should be read in conjunction with "Reporting Accountants' Letter on the Profit Forecast" and the assumptions thereon as set out in Appendix V of this Prospectus.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.3.1 Sensitivity analysis**

The profit forecast included in this Prospectus is based on a number of assumptions that have been outlined in Appendix V of this Prospectus, subject to a number of risks as outlined in Section 5 of this Prospectus.

Investors should be aware that future events cannot be predicted with any certainty and that deviations from the figures forecasted in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the profit forecast, a table demonstrating the impact on Sunway REIT's distribution yield as a result of changes in (i) retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall, (ii) Average Occupancy Rate of the Hospitality Properties; and (iii) the floating interest rate is set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

(i) Retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall

Changes in retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall will impact Net Property Income of Sunway REIT, and, consequently, gross distribution yield. The effect of variations in retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall on gross distribution yield is set out below:

Annualised gross distribution yield (%) pursuant to changes in retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall	
	Forecast Financial Year ending 30 June 2011
Retail Price (RM)	0.97
<u>Retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall is 5% above base case</u>	
Total revenue (RM'000)	339,164
Distribution yield (%)	7.3
<u>Base case</u>	
Total revenue (RM'000)	329,481
Distribution yield (%)	6.9
<u>Retail rental income of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall is 5% below base case</u>	
Revenue (RM'000)	319,798
Distribution yield (%)	6.6

(ii) Average Occupancy Rate of the Hospitality Properties

Changes in Average Occupancy Rate of the Hospitality Properties will impact Net Property Income of Sunway REIT, and, consequently, gross distribution yield. The assumptions of Average Occupancy Rate of the Hospitality Properties are set out in Appendix V of this Prospectus. The effect of variations in Average Occupancy Rate of the Hospitality Properties on gross distribution yield is set out below:

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

Annualised gross distribution yield (%) pursuant to changes in Hospitality Properties' Average Occupancy Rate	
	Forecast Financial Year ending 30 June 2011
Retail Price (RM)	0.97
<u>Hospitality Properties' Average Occupancy Rate is 5% above base case</u>	
Total revenue (RM'000)	334,088
Distribution yield (%)	7.1
<u>Base case</u>	
Total revenue (RM'000)	329,481
Distribution yield (%)	6.9
<u>Hospitality Properties' Average Occupancy Rate is 5% below base case</u>	
Total revenue (RM'000)	324,874
Distribution yield (%)	6.8

(iii) Floating interest rate

Changes in the floating interest rate will impact the finance costs of Sunway REIT, and, consequently, gross distribution yield. The effect of variations in the floating interest rate on gross distribution yield is set out below:

Annualised gross distribution yield (%) pursuant to changes in floating interest rate	
	Forecast Financial Year ending 30 June 2011
Retail Price (RM)	0.97
<u>Floating interest rate is 0.25% above base case</u>	
Distribution yield (%)	6.9
<u>Base case</u>	
Distribution yield (%)	6.9
<u>Floating interest rate is 0.25% below base case</u>	
Distribution yield (%)	7.0

7.3.2 Directors' commentary and analysis

The Directors confirm that the profit forecast of Sunway REIT and the underlying bases and assumptions stated herein have been reviewed by the Directors after due and careful inquiries, and that the Directors, having taken into account the future prospects of the industry, the future direction of Sunway REIT and its level of gearing, liquidity and working capital requirements, are of the opinion that the profit forecast of Sunway REIT is achievable and the assumptions made are reasonable at the time of issue of this Prospectus, barring unforeseen circumstances.

Nevertheless, in the light of the current economic environment in Malaysia, regionally and globally, certain assumptions, including interest rates, may differ significantly from the date of this Prospectus and this may have a material impact on Sunway REIT's profit forecast.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

7.3.3 Distribution forecast

Distributions will be made at the election of the Manager on a quarterly basis or at such other times as the Manager in its sole discretion may determine. Currently, the Manager intends to distribute at least 100% of the Distributable Income for each of the first two Financial Years and at least 90% for each subsequent Financial Year. Please refer to Section 4.4.4 of this Prospectus for Sunway REIT's distribution policy.

Based on the profit forecast set out in Section 7.3 above, the Board forecasts that the distributions to the Unitholders for the Financial Year ending 30 June 2011 will be as follows:

		Forecast Financial Year ending 30 June 2011
Distributable Income	(RM'000)	180,193
Distribution rate	(%)	100
Distributions to Unitholders	(RM'000)	180,193
Distribution per unit	(sen)	6.7
Distribution yield	(%)	6.9
Distribution cover	(%)	100

7.4 Management's discussion and analysis of future operations

After the Acquisitions, there will be certain changes to Sunway REIT's cost structure, level of indebtedness and operations as compared to the Predecessor Group. The following discussion has been prepared to assist prospective investors' evaluation of the Acquisitions and the factors which may affect Sunway REIT's future results of operations. The Management considers the assumptions to be reasonable at the time of issue of this Prospectus. These assumptions are subject to uncertainties, which may cause actual results to differ materially from those projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Joint Global Coordinators, the Manager, Sunway REIT, the Trustee or any other person or that these results will be achieved or are likely to be achieved. Investors are cautioned not to place undue reliance on these forward-looking statements.

7.4.1 Overview

Sunway REIT is a real estate investment trust formed to own and invest in a diverse portfolio of income-generating real estate in Malaysia and other Asia-Pacific countries. Sunway REIT will initially invest in and own the Properties, described under Section 6 of this Prospectus.

The combined financial statements of the Predecessor Group set forth in Appendix IV of this Prospectus and the other historical financial information have been prepared based on the historical operations of the Predecessor Group. The sources of revenue and cost structure of Sunway REIT after the Listing Date will differ in certain significant respects from the historical revenue and cost structure of the Predecessor Group. Certain historical revenues of the Predecessor Group are expected to increase or decrease and in some cases, such as hotel room income derived from the Hospitality Properties and car park income derived from the Retail Properties and the Office Properties, revenues will be derived in accordance with new revenue and fee structures and agreements. Certain historical costs of the Predecessor Group will no longer be costs of Sunway REIT and certain other new costs, such as the fees of the Trustee, the Manager and the Property Manager, will be costs of Sunway REIT going forward that were not costs of the Predecessor Group historically.

In accordance with the Deed, Distribution Entitlement will be calculated on the Distribution Calculation Date and shall be distributed on a Market Day no later than two months from the Distribution Calculation Date fixed for determining the Distribution Entitlement for the relevant Distribution Period or other such date as the Manager may determine.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

Thus, for these and other reasons described below, historical net profit after tax of the Predecessor Group should not be treated as comparable to Distributable Income.

Further, the presentation format of Sunway REIT's financial information may differ from that of the combined financial statements set forth in Appendix IV of this Prospectus. Please refer to Appendix V for a description of assumptions used in the forecast.

Set forth below are details of the primary income items and other financial statement items of Sunway REIT that may be affected by the Acquisitions and the Initial Public Offering.

7.4.2 Change in nature of existing revenue and costs

Revenue from the Hotel Master Leases

Historically, the Predecessor Group derived all revenues generated from operating the Hospitality Properties, namely hotel room income, food and beverage and related income. Going forward, Sunway REIT will derive revenues as set out in the Hotel Master Leases. During the ten year term of the leases, each Lessee is required to make payments in arrear of SRH Total Rent and SHSJ Total Rent to the lessor on a monthly basis. Total rent for each of SRH and SHSJ will be the higher of a guaranteed rent component and a variable rent amount, as discussed in further detail below.

Guaranteed Rent

SRH Guaranteed Rent consists of RM42,044,934 for the first Financial Year and the second Financial Year, being 80% of projected SRH Variable Rent for the 12 months ending 30 June 2011 plus RM144,000 as determined by the Manager on the Date of Establishment ("SRH FY 2011 Variable Rent"), and RM31,569,701 for each of the Financial Years for the remaining 10-year term being 60% of SRH FY 2011 Variable Rent. SHSJ Guaranteed Rent consists of RM4,506,726 for the first Financial Year and the second Financial Year, being 80% of the projected SHSJ Variable Rent for the 12 months ending 30 June 2011 as determined by the Manager on the Date of Establishment ("SHSJ FY2011 Variable Rent"), and RM3,380,044 for each of the Financial Years for the remaining 10-year term being 60% of SHSJ FY2011 Variable Rent. Please refer to Section 7.4.7 below for the Proforma Financial Impact of the Hotel Master Lease.

Variable Rent

SRH Variable Rent is computed based on the sum of SRH Base Rent and 70% of the gross operating profit, calculated as revenue less operating expenses, FF&E Reserve, fees paid to the Hotel Manager and SRH Base Rent plus RM144,000 in relation to three villas located at Sunway Resort Hotel & Spa. If the computation of SRH Variable Rent yields a negative sum, the value of SRH Variable Rent will be zero.

SHSJ Variable Rent is computed based on the sum of SHSJ Base Rent and 70% of the gross operating profit, calculated as revenue less operating expenses, FF&E Reserve, fees paid to the Hotel Manager and SHSJ Base Rent. If the computation of SHSJ Variable Rent yields a negative sum, SHSJ Variable Rent will be zero.

Adjustment

Within four months after the end of each financial year of the Lessees, the Lessees will deliver to Sunway REIT an audited profit and loss statement showing the results of operations for the preceding financial year and containing a computation of revenue, gross operating profit and master lease expenses for the period. An adjustment to SRH Total Rent and/or SHSJ Total Rent will then be made based on these audited financial statements. Please refer to Section 16.4 of this Prospectus for further details.

Revenue from the car park tenancy agreements

Historically, the Predecessor Group derived revenues from car park operations located at certain of the Retail Properties and Office Properties by way of fixed rental payments received through arrangements with subsidiaries and other related companies. Going forward, Sunway REIT will derive revenue as set out in the Car Park Tenancy Agreements to be entered into between the Trustee and Mega Capacity on the Completion Date. Please refer to Section 16.8 of this Prospectus for further details.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Payment of rent*

Pursuant to the Car Park Tenancy Agreements, Mega Capacity is required to pay a rental amount equal to the aggregate of (i) base rent in an amount equal to 20% of car park gross operating revenue and (ii) 95% of car park gross operating profit, which is equivalent to car park gross operating revenue less (i) staff costs, (ii) staff related expenses, (iii) car park machine consumables, (iv) bank charges and (v) printing and stationary, (vi) rental, (vii) maintenance expense, (viii) telephone charges and (ix) other general administrative expenses.

Adjustment

The rental amount may be adjusted annually upon delivery of Mega Capacity's audited financial statements to ensure that Sunway REIT receives the appropriate car park rent for each financial year.

Ice-skating rink

Historically, the Predecessor Group derived the operating profit generated from the ice-skating rink at Sunway Pyramid Shopping Mall. Going forward, Sunway REIT will receive a fixed monthly rental of RM7 per sq. ft. in respect of the ice-skating rink area of approximately 18,000 sq. ft.

7.4.3 Trust expenses and taxation

Sunway REIT will incur fees and expenses associated with the REIT structure. Set out below are certain such additional cost items.

Manager Fee

Under the Deed, the Manager will receive the Manager Fee consisting of:

- (i) Base Fee of 0.3% per annum of the Total Asset Value;
- (ii) Performance Fee of 3% per annum of Net Property Income but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement;
- (iii) Acquisition Fee of 1% of the acquisition price of any future Assets of Sunway REIT or a Single-Purpose Company acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest in Real Estate or Single-Purpose Company purchased by the Trustee for Sunway REIT); and
- (iv) Divestment Fee of 0.5% of the sale price of any Asset of Sunway REIT or a Single-Purpose Company sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the Assets of Sunway REIT sold).

The Manager Fee shall be net of all applicable tax, duties and levies imposed by the relevant authorities in Malaysia.

The Manager shall be paid the Base Fee and Performance Fee which may be made in the forms of cash, new Units or a combination thereof, with the initial applicable proportion to be 50% in the form of cash and 50% in the form of new Units, such proportion which may be varied at the discretion of the Manager. When paid in the form of new Units, the Manager shall be entitled to receive such number of new Units as may be purchased with the relevant amount of the Manager Fee attributable to such period at an issue price equal to the Market Price of the Units.

The Base Fee and Performance Fee, whether paid in cash or in Units, will be treated as an expense item in the income statement. The portion of the Base Fee and Performance Fee that is paid in the form of Units will be an adjustment item that will be added back to the profit after taxation for purposes of calculating the Distributable Income.

For further information on these arrangements and a detailed description of the Manager Fee, see Sections 8.2(i) and 9.6 of this Prospectus.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)*Property management fees*

Under the Property Management Agreement, which is for a one-year renewable term, the Property Manager is entitled to receive a fixed property management fee of RM35,000 per month.

In addition, the Property Manager is fully reimbursed for costs and expenses incurred in the operation, maintenance, management and marketing of the Retail Properties and the Office Properties ("Property Expenses"). The bulk of the Property Expenses relates to the employment and remuneration costs of the centralised team of employees of the Property Manager and/or of its service providers for each of the Retail Properties and Office Properties. This reimbursable amount for employment and remuneration costs is estimated to be RM5,255,000 for the Financial Year ending 30 June 2011. For more details on property management fees and expenses, please refer to Section 16.3 of this Prospectus.

Trust expenses

Sunway REIT is constituted by the Deed. The recurring operating expenses of Sunway REIT (other than the Manager Fee and the fees and expenses under the Property Management Agreement) includes (a) Trustee Fee and (b) other trust expenses currently estimated to be RM1.2 million per annum for the Financial Year ending 30 June 2011 which include annual listing fees, registrar fees, valuation fees, accounting fees, audit and tax adviser's fees, costs associated with the preparation and distribution of reports to Unitholders and other miscellaneous expenses. For further information on these arrangements, see Section 8.2(iii) of this Prospectus.

Income tax

The Predecessor Group is subject to Malaysian income tax in respect of profits derived from the operation of the Properties and the current corporate tax rate is at the rate of 25%.

If the Predecessor Group is in the business of property development and the Properties are held as trading assets, any gain arising from disposal of Properties to REIT would be subject to income tax, also at the rate of 25%. If the Predecessor Group is holding the Properties for long term investment and periodic rental income, any gain arising from the disposal of Properties would be taxed under the Real Property Gains Tax ("RPGT") regime at 5% instead. The 5% RPGT is exempted if the properties have been held for more than 5 years or if the disposal is to an approved REIT.

All taxable income of Sunway REIT (a collective investment scheme) for a year of assessment approved by the Securities Commission as an approved REIT, is exempted from Malaysian income tax so long as it distributes 90% or more of its taxable income for that year of assessment. The investors of the REIT would instead be subject to tax based on a withholding tax mechanism. The rate of withholding tax is dependent on who the investors are as well as the tax residency of the investors.

If less than 90% of its taxable income is distributed, the income of Sunway REIT for that year of assessment will be subject to tax at 25%. Investors will be provided with tax credits based on the 25% tax that the REIT has paid.

Gains on disposal of investments by the REIT will not normally be subject to income tax. However, where the investments represent real properties and shares in real property companies, such gains will be subject to RPGT. RPGT of 5% will be applicable on gains on disposal of real properties or real property companies. RPGT is exempted for disposal of real property or real property companies held for more than 5 years.

7.4.4 Liquidity and capital resources

Upon completion of the Initial Public Offering, the net cash received by Sunway REIT from the operations of the Properties will be Sunway REIT's primary source of liquidity to fund distributions to Unitholders (which the Manager intends to be at least 100% of Sunway REIT's Distributable Income for each of the first two Financial Years and to be at least 90% subsequently), debt servicing, repairs and maintenance and other recurring operating and capital costs. Where appropriate, Sunway REIT may also seek to issue further Units and raise new credit facilities (under the REIT Guidelines, Sunway REIT is generally only allowed to borrow up to 50% of the Total Asset Value), particularly in relation to any proposal to acquire further properties.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

On occasion, the Manager expects to undertake capital expenditures on the Properties which will utilise cash resources and may not be deductible for taxation purposes. In such circumstances, the Manager will seek to incur such capital expenditures that will enhance the yield of the Properties either by improving rental rates or occupancy rates or otherwise increasing the Net Lettable Area of the Retail Properties and Office Properties, and expects that such enhancements would both increase the cash flows and value from the Properties, which may allow the Manager further flexibility to borrow in accordance with the REIT Guidelines.

As of 24 May 2010, Sunway REIT did not have any contractual commitments or obligations to make any capital expenditures. Sunway REIT currently has no planned material capital expenditures in relation to the Properties, though the Manager may consider such expenditures going forward. Any material capital expenditure in relation to the Properties is expected to be funded by external borrowings.

7.4.5 Working capital statement

Taking into consideration the financial resources available to Sunway REIT, including its internally generated funds, the Facility and the estimated net proceeds of the Initial Public Offering, the Manager believes that Sunway REIT has sufficient cash or liquid assets to meet its working capital and operating requirements for the 12 months following the Commencement Date.

7.4.6 Indebtedness

Upon completion of the Initial Public Offering, the total indebtedness of Sunway REIT will be RM1,118.7 million, or 30% of the Appraised Value of the Properties. The Facility will be in the principal amount of RM1,150.0 million from a group of banks, including HSBC Bank (Malaysia) Berhad, RHB Bank Berhad, CIMB Bank Berhad, Public Bank Berhad and OCBC Bank (Malaysia) Berhad, acting as mandated arrangers. In accordance with Financial Reporting Standards 139, indebtedness on the proforma balance sheet will be recognised as RM1,107.0 million, being the drawn amount of the Facility net of transaction costs pursuant to the Facility estimated at RM11.7 million.

For additional information, please see Section 16.2 of this Prospectus.

7.4.7 Estimated future income

The following table sets forth the amounts of estimated future revenue and Net Property Income in respect of each of the Properties for the periods indicated:

	Financial Year ending 30 June 2011	
	Revenue (RM'000)	NPI (RM'000)
Sunway Pyramid Shopping Mall.....	207,148	147,761
Sunway Carnival Shopping Mall.....	26,122	13,894
SunCity Ipoh Hypermarket.....	4,149	3,814
Sunway Resort Hotel & Spa.....	32,161	31,127
Pyramid Tower Hotel.....	21,859	21,172
Sunway Hotel Seberang Jaya.....	5,633	5,067
Menara Sunway.....	15,085	10,866
Sunway Tower.....	17,324	12,693
TOTAL.....	329,481	246,394

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.4.8 Proforma financial information**

The Manager presents the following proforma financial information for the eight months ended 28 February 2010 for illustrative purposes only, in order to show the financial effects on revenue, other income, expenses and NPI of the Properties comprising Sunway REIT, had Sunway REIT been established on 1 July 2009 (the "Proforma Financial Impacts"). The Directors are solely responsible for the preparation of the Proforma Financial Impacts.

The Proforma Financial Impacts are not necessarily indicative of the revenue, other income, expenses or NPI that would have been attained by Sunway REIT had it been established on 1 July 2009. The Proforma Financial Impacts, because of their nature, may not be reflective of Sunway REIT's and/or the Properties' actual revenue, other income, expenses or NPI. Furthermore, such information does not purport to predict the future financial information of Sunway REIT.

Basis of preparation of the Proforma Financial Impacts

The Proforma Financial Impacts have been prepared by the Directors on the basis stated in the notes described below using financial information derived from the respective audited separate financial statements of the entities comprising the Predecessor Group for the eight months ended 28 February 2010.

The preparation of the Proforma Financial Impacts requires the Directors to make certain estimates, key assumptions and adjustments to reflect the degree to which the revenue and cost structure of Sunway REIT will differ in certain respects from the historical revenue and cost structure of the entities comprising the Predecessor Group. Actual amounts could differ from those estimates, assumptions and adjustments.

The Proforma Financial Impacts is prepared based on the following key assumptions and adjustments:

- (a) It is assumed that Sunway REIT purchased the Properties on 1 July 2009 at their respective purchase prices plus the estimated acquisition costs and there will be no adjustments for any fair value gain or loss;
- (b) In respect of the Hospitality Properties, there will be cessation of hospitality business and Sunway REIT will commence to be involved in property rental business arising from the Hospitality Properties pursuant to the Hotel Master Leases. Accordingly, all historical revenue generated from and expenses incurred in operating the Hospitality Properties has been reversed and new adjustments have been effected to reflect the revenue and cost structure of the Hospitality Properties pursuant to the Hotel Master Leases;
- (c) In respect of the car park operations of the Properties, all historical revenue generated from and expenses incurred in operating the car parks at the respective Properties have been reversed and new adjustments have been effected to reflect the revenue and cost structure in operating the respective car parks under Sunway REIT pursuant to the Car Park Tenancy Agreements;
- (d) In respect of Sunway Pyramid Shopping Mall, all historical revenue generated from operating the ice-skating rink has been reversed and an adjustment has been effected to reflect the revenue to be generated by Sunway REIT based on a monthly rental of RM7 per sq. ft. in respect of an ice-skating rink area of approximately 18,000 sq. ft.;
- (e) Certain historical costs incurred by the entities comprising the Predecessor Group will no longer be applicable to Sunway REIT and new adjustments have been effected to reflect certain new costs to be incurred by Sunway REIT, in particular, the fees pursuant to the Property Management Agreement; and
- (f) Other new expenses, other than property operating expenses, to be incurred by Sunway REIT such as Manager Fee, Trustee Fee, finance costs and other trust expenses have not been reflected in the Proforma Financial Impacts for the purposes of illustrating NPI.

The Proforma Financial Impacts are presented in Ringgit Malaysia ("RM") and all amounts are rounded off to the nearest thousand except when otherwise indicated.

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

Details of Proforma I and Proforma II are as follows:

Proforma I

Proforma I illustrates the financial information derived from the respective audited separate financial statements of the entities comprising the Predecessor Group for the eight months ended 28 February 2010, adjusted for the following:

- (i) Reversal of significant intercompany transactions between the Properties or the entities comprising the Predecessor Group;
- (ii) Reversal of the financial contribution of 14 villas from Sunway Resort Hotel & Spa which will not be acquired by Sunway REIT;
- (iii) Reclassification of the following other income and expenses which do not form part of NPI of the respective Properties or the entities comprising the Predecessor Group:
 - a. fair value adjustments of investment properties recorded in other income; and
 - b. depreciation of property, plant and equipment, and amortisation of prepaid land lease payments recorded in expenses.

Proforma II

Proforma II illustrates the effects after Proforma I and adjusted for the cessation of the hospitality business and commencement of property rental business arising from the Hospitality Properties, as well as for the changes in car park and ice-skating rink operations of the Properties as follow:

- (i) Adjustments to reverse certain historical revenue and expenses relating to the hotel, car park and ice-skating rink operations of the Properties which are not applicable under Sunway REIT;
- (ii) Adjustments to reflect the revenue and cost structure of Sunway REIT pursuant to the Hotel Master Leases, Car Park Tenancy Agreements and Property Management Agreement; and
- (iii) Adjustments to align to Sunway REIT's structure and accounting policy to be adopted by Sunway REIT on revenue recognition and investment properties, amongst others.

Property	Financial Information derived from the audited financial statements for the 8 months ended 28 February 2010 (RM'000)	Adjustments ⁽¹⁾ (RM'000)	Proforma I (RM'000)	Adjustments ⁽²⁾ (RM'000)	Adjustments ⁽³⁾ (RM'000)	Proforma II (RM'000)
Sunway Pyramid Shopping Mall						
Revenue	131,788	(2,000)	129,788	(7,354)	7,198 ⁽⁴⁾	129,632
Other income	74,992	(71,308)	3,684	(2,446)	-	1,238
Expenses	(43,519)	1,588	(41,931)	4,739	(2,748) ⁽⁵⁾	(39,940)
*Operating profit/ **EBITDA/^NPI	163,261*		91,541**			90,930^
Sunway Carnival Shopping Mall						
Revenue	16,836		16,836	(807)	508 ⁽⁶⁾	16,537
Other income	7,499	(5,134)	2,365	(33)	-	2,332
Expenses	(10,623)	287	(10,336)	437	(396) ⁽⁵⁾	(10,295)
*Operating profit/ **EBITDA/^NPI	13,712*		8,865**			8,574^

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

Property	Financial information derived from the audited financial statements for the 8 months ended 28 February 2010					
	(RM'000)	Adjustments ⁽¹⁾ (RM'000)	Proforma I (RM'000)	Adjustments ⁽²⁾ (RM'000)	Adjustments ⁽³⁾ (RM'000)	Proforma II (RM'000)
SunCity Ipoh Hypermarket						
Revenue	2,753		2,753	-	-	2,753
Other income	1,009	(1,009)	-			-
Expenses	(152)	9	(143)	-	(58)	(201)
*Operating profit/ **EBITDA/^NPI	3,610*		2,610**			2,552^
Sunway Resort Hotel & Spa and Pyramid Tower Hotel ⁽⁹⁾						
Revenue	103,482	(2,446)	101,036	(101,036)	32,861 ⁽⁷⁾	32,861
Other income	5,280	(184)	5,096	(5,096)	-	-
Expenses	(81,127)	13,598	(67,529)	67,529	(1,172) ⁽⁸⁾	(1,172)
*Operating profit/ **EBITDA/^NPI	27,635*		38,603**			31,689^
Sunway Hotel Seberang Jaya						
Revenue	11,306		11,306	(11,306)	2,891 ⁽¹⁰⁾	2,891
Other income	267		267	(267)	-	-
Expenses	(9,025)	689	(8,336)	8,336	(218) ⁽¹¹⁾	(218)
*Operating profit/ **EBITDA/^NPI	2,548*		3,237**			2,673^
Menara Sunway						
Revenue	8,837		8,837	(489)	687 ⁽⁶⁾	9,035
Other income	5,241	(3,810)	1,431	(1,431)	-	-
Expenses	(3,924)	259	(3,665)	20	(28) ⁽¹¹⁾	(3,673)
*Operating profit/ **EBITDA/^NPI	10,154*		6,603**			5,362^
Sunway Tower						
Revenue	11,234		11,234	(419)	281 ⁽⁶⁾	11,096
Other income	(1,358)	1,369	11	-	-	11
Expenses	(3,238)	-	(3,238)	136	(395) ⁽¹²⁾	(3,497)
*Operating profit/ **EBITDA/^NPI	6,638*		8,007**			7,610^
Summary of Proforma Financial Impacts						
Total revenue	286,236	(4,446)	281,790	(121,411)	44,426	204,805
Total other income	92,929	(80,076)	12,853	(9,273)		3,580
Total expenses	(151,608)	16,430	(135,178)	81,197	(5,015)	(58,996)
*Operating profit/ **EBITDA/^NPI	227,557*		159,465**			149,389^
Depreciation and amortisation ^{(1)(a)(b)}	-	(12,525)	(12,525)			
Fair valuation gain ^{(1)(a)(b)}	-	79,891	79,891			
Operating profit	-		226,831			

Notes:

- (1) Adjustments to the financial information derived from the respective audited separate financial statements of the entities comprising the Predecessor Group as follows:
- Reversal of significant intercompany transactions between the Properties or the entities comprising the Predecessor Group;
 - Reversal of the financial contribution of 14 villas from Sunway Resort Hotel & Spa which will not be acquired by Sunway REIT;
 - Reclassification of the following other income and expenses which do not form part of NPI of the respective Properties or entities comprising the Predecessor Group:

7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)

- a. depreciation of property, plant and equipment, and amortisation of prepaid land lease payments recorded in expenses.
- b. fair value adjustment of investment properties recorded in other income; and
- (2) Adjustments to reverse certain historical income and expenses relating to the hotel, car park and ice-skating rink operations of the Properties which are not applicable under Sunway REIT.
- (3) Adjustments to illustrate the revenue and cost structure of Sunway REIT for the eight months period ended 28 February 2010 as follows:
- i. Revenue from the ice-skating rink operations at Sunway Pyramid Shopping Mall based on a monthly rental of RM7 per sq. ft. in respect of an ice-skating rink area of approximately 18,000 sq. ft.;
- ii. Revenue from car park operations for the Properties pursuant to the Car Park Tenancy Agreements;
- iii. Revenue from Hospitality Properties pursuant to the Hotel Master Leases; and
- iv. Property Manager's fee in respect of the Retail Properties and the Office Properties pursuant to the Property Management Agreement. The Property Manager's fee is computed based on a fixed property management fee of RM35,000 per month and an estimated reimbursable amount (inclusive of 5% government tax) of RM3.3 million for the eight months ended 28 February 2010. The Property Manager's fee is then allocated to each of the Retail Properties and the Office Properties based on the revenue proportion of each respective property to the total revenue of the Retail Properties and the Office Properties.
- (4) Adjustments to reflect rental revenue arising from Sunway Pyramid Shopping Mall's:
- i. ice-skating rink operations of RM1.0 million based on the terms as detailed in Note 3(i) above; and
- ii. car park operations of RM6.2 million pursuant to the Car Park Tenancy Agreements.
- (5) Adjustment to reflect the Property Manager's fee pursuant to the Property Management Agreement.
- (6) Adjustments to reflect rental revenue from Sunway Carnival Shopping Mall's car park operations pursuant to the Car Park Tenancy Agreements.
- (7) Adjustments to reflect rental revenue arising from:
- i. Sunway Hotel Resort & Spa and Pyramid Tower Hotel of RM31.8 million pursuant to the Hotel Master Lease; and
- ii. car park operations of RM1.1 million pursuant to the Car Park Tenancy Agreements.
- (8) Adjustments to restate expenses relating to quit rent, assessment charges and insurance, which will be borne by the Hospitality Properties comprising Sunway REIT.
- (9) The breakdown of Proforma II financial information on Sunway Resort Hotel & Spa and Pyramid Tower Hotel is as follows:

	Sunway Resort Hotel & Spa (RM'000)	Pyramid Tower Hotel (RM'000)	Total Proforma II (RM'000)
Revenue	20,327	12,534	32,861
Expenses	(888)	(284)	(1,172)
NPI	19,439	12,250	31,689

- (10) Adjustments to reflect rental revenue arising from:
- i. Sunway Hotel Seberang Jaya of RM2.9 million pursuant to the Hotel Master Leases; and
- ii. car park operations of approximately RM8,000 pursuant to the Car Park Tenancy Agreements.
- (11) Adjustment to transfer out staff costs of approximately RM162,000 to Sunway Tower pursuant to the new property management arrangement under Sunway REIT, and to incorporate the Property Manager's fee of approximately RM190,000 pursuant to the Property Management Agreement.
- (12) Adjustment for staff costs of approximately RM162,000 transferred from Menara Sunway pursuant to the new property management arrangement under Sunway REIT, and to incorporate the Property Manager's fee of approximately RM233,000 pursuant to the Property Management Agreement.

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7. FINANCIAL PERFORMANCE OF SUNWAY REIT (Cont'd)**7.5 Unaudited proforma balance sheets**

The unaudited proforma balance sheets set out below which have been prepared by the Manager and of which the Directors are responsible, are solely for illustrative purposes only to show the effect of the Listing Scheme and the application of the amount raised from the Facility on the balance sheet of Sunway REIT as at the Date of Establishment had the Listing Scheme been completed on that date. The information in the table below should be read in conjunction with "Reporting Accountants' Letter on Unaudited Proforma Balance Sheets" and the notes thereon as set out in Appendix VI of this Prospectus.

	Proforma I As at the Date of Establishment <i>(unaudited)</i> <u>(RM'000)</u>	Proforma II After Proforma I and Acquisition <u>(RM'000)</u>	Proforma III After Proforma II, IPO and Facility <u>(RM'000)</u>
ASSETS			
Non-current assets			
Investment properties	-	3,729,000	3,729,000
Current assets			
Other receivables	-	-	2,139
Cash and bank balances	-	-	49,592
	-	3,729,000	51,731
	-	3,729,000	3,780,731
FINANCED BY:			
Units	-	-	2,610,300
Unitholders' fund	-	-	2,610,300
Non-current liabilities			
Borrowings	-	-	988,962
Long term liabilities	-	-	21,557
	-	-	1,010,519
Current liabilities			
Borrowings	-	-	118,013
Other payables	-	3,729,000	41,899
	-	3,729,000	159,912
	-	3,729,000	3,780,731
NAV			2,610,300
Number of Units in issue ('000)			2,680,112
NAV per Unit (RM)			0.97

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8. FEES AND CHARGES

There are fees involved and investors are advised to consider them before investing in Sunway REIT. Investors may incur the following fees and charges upon the purchase, sale and holding of their investment in Sunway REIT (in regards to Units that are listed).

8.1 Payable directly by Unitholders

(i) Transaction costs

Charges	
Clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction
Brokerage	A percentage of the transaction value as prescribed by the ADAs and as further described in Section 3.11 of this Prospectus
Stamp duty	RM1.00 for RM1,000 or fractional part of the transaction value (payable by both buyer and seller), subject to a maximum of RM200 per transaction

The above rates may be subject to changes by the relevant parties. For further information on the charges investors may incur from the trading of the Units on Bursa Securities, investors should refer to its website at www.hursamalaysia.com.

8.2 Payable indirectly by Unitholders

(i) Manager Fee

Fees	
Base Fee	0.3% per annum of the Total Asset Value (exclusive of tax, if any), accruing monthly and payable to the Manager every Quarter Year in arrear
Performance Fee	3% per annum of the NPI (exclusive of tax, if any), but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement, payable every Quarter Year
Acquisition Fee	1% of the acquisition price of any future Assets of Sunway REIT or a Single-Purpose Company acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest in Real Estate or Single-Purpose Company purchased by the Trustee for Sunway REIT)
Divestment Fee	0.5% of the sale price of any Asset of Sunway REIT or a Single-Purpose Company sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the Assets of Sunway REIT sold)

The Base Fee and Performance Fee may be paid in Units. For further details of the Manager Fee, please refer to Sections 7.4.3 and 9.6 of this Prospectus.

The Manager may charge a Unitholder a fee for performing any service or undertaking any task at the request of the Unitholder where no obligation to perform that service or undertake that task is expressly provided for in the Deed, the CMSA and the REIT Guidelines.

The Manager Fee may only be varied upwards with the prior approval of the Unitholders obtained by way of a Majority Resolution and shall be effected by way of a supplemental deed in accordance with the requirements of the CMSA.

8. FEES AND CHARGES (Cont'd)**(ii) Property management fees and expenses****Fees**

Property management fee	RM35,000 per month
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Reimbursable expenses	The Property Manager is fully reimbursed for costs and expenses incurred in the operation, maintenance, management and marketing of the Retail Properties and the Office Properties ("Property Expenses"). The bulk of the Property Expenses is the employment and remuneration costs of the centralised team of employees of the Property Manager and/or of its service providers for each of the Retail Properties and Office Properties. This reimbursable amount for employment and remuneration costs is estimated to be RM5,255,000 for the Financial Year ending 30 June 2011
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(iii) Trustee Fee

The Trustee Fee of up to 0.03% per annum of the Net Asset Value of Sunway REIT, net of all applicable tax, duties and levies imposed by the relevant authorities in Malaysia, is calculated on a monthly accrual basis, based on a year of 12 months and is payable to the Trustee in arrear by the seventh day of the following month.

The Trustee Fee may only be varied upwards with the prior approval of the Unitholders obtained by way of a Majority Resolution and shall be effected by way of a supplemental deed in accordance with the requirements of the CMSA.

(iv) Rebates and soft commissions

Any rebates or commissions arising from directing dealings in the investments of Sunway REIT must be directed to the account of Sunway REIT. However, goods and services ("soft commissions") from any broker or dealer in relation to investments of Sunway REIT may be retained by the Manager or any delegate thereof where soft commissions are of demonstrable benefit to the Unitholders.

(v) Other trust expenses

Other trust expenses to be incurred in the operation of Sunway REIT include annual listing fees, registrar fees, valuation fees, accounting fees, audit and tax adviser's fees, costs associated with the preparation and distribution of reports to Unitholders and other miscellaneous expenses. These expenses are currently estimated to be RM1.2 million per annum for the Financial Year ending 30 June 2010.

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9. THE MANAGER

9.1 Overview

Sunway REIT Management Sdn Bhd will serve as the Manager of Sunway REIT. The Manager was incorporated in Malaysia pursuant to the Companies Act on 14 February 2008. The Manager has entered into the Deed with the Trustee on 20 May 2010. The Manager will be responsible for the management and operations of Sunway REIT pursuant to the Deed. The Manager is a subsidiary of the Sponsor. Sunway REIT is the first REIT that the Manager will operate and manage.

The Manager has general power of management over the Assets of Sunway REIT. The Manager's primary responsibility is to manage Sunway REIT and the Properties in accordance with the Deed in the sole interest of the Unitholders. Under the REIT Guidelines, the Manager cannot manage any other REIT if it gives rise to a conflict of interest. The Manager will establish the investment, strategic direction and risk management policies of Sunway REIT and will manage the Assets of Sunway REIT in accordance with the Manager's investment strategy as stated in the Section 4.4 of this Prospectus and in accordance with the provisions of the Deed and the compliance procedures set forth in this Prospectus. The Manager's appointment as the manager for Sunway REIT has been approved by the Securities Commission.

The Manager is responsible for Sunway REIT's investment and financing strategies, asset acquisition and disposition policies and overall management of real estate and real estate-related assets. In exercising its powers, and subject to limits as may be prescribed by the Securities Commission and/or the REIT Guidelines, the Manager must ensure that at least 50% of the Total Asset Value must be invested in real estate assets and/or single-purpose companies at all times. The Manager must ensure that Sunway REIT's investment in Non-Real Estate-Related Assets and/or cash, deposits and money market instruments must not exceed 25% of the Total Asset Value.

9.1.1 Financial highlights

The authorised share capital of the Manager is RM1,000,000 divided into 1,000,000 ordinary shares of par value RM1.00 each and its paid-up share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each as of 24 May 2010. The following is a summary of the past performance of the Manager since its incorporation:

	Year ended 30 June 2008	18 months ended 31 December 2009
	RM	RM
Issued and paid-up capital	2	2
Shareholders' funds	(16,546)	(1,333)
Turnover	-	-
Pretax profit/loss	(16,548)	15,214
After tax profit/loss	(16,548)	15,214

9.2 Roles and responsibilities of the Manager

The Manager's responsibilities are set forth in the Deed. The Manager's primary responsibility is to manage the Assets of Sunway REIT. The detailed responsibilities of the Manager include, but are not limited to the following:

- (a) developing a business plan for the Assets of Sunway REIT in the short, medium and long term with a view to maximising the income of Sunway REIT;
- (b) purchase, transfer, acquire, hire, let, lease, license, exchange, dispose of, convey, surrender or otherwise deal with any investments permitted by the REIT Guidelines in furtherance of the investment policy and prevailing investment strategy of Sunway REIT;
- (c) supervising and overseeing the management of the Assets of Sunway REIT (including but not limited to lease audit, systems control, data management and business plan implementation) in accordance with the Deed;

9. THE MANAGER (Cont'd)

- (d) managing the Assets of Sunway REIT through the procurement of service providers to carry out specified activities, including but not limited to onsite property management, property maintenance, letting and leasing services and rent collection and arrear control;
- (e) managing the finances of Sunway REIT including account preparation, coordination of the budget process and forecast modelling;
- (f) ensuring legal and corporate compliance in relation to the Assets of Sunway REIT;
- (g) developing and maintaining investor relations including information coordination and distribution and customer service to the investors; and
- (h) carrying out such other activities as the Manager may consider necessary from time to time.

The Manager has covenanted in the Deed that it will exercise due care, skill and diligence in managing Sunway REIT, and observe high standards of integrity and fair dealing in managing Sunway REIT to the best and exclusive interest of the Unitholders.

9.3 The Board

The Board is responsible for the overall governance of the Manager, including establishing goals for management and monitoring the achievement of these goals. The Board has established a framework for the management of Sunway REIT, including a system of internal control and business risk management processes. For further details on the Manager's audit committee, internal control and risk management policies, please refer the Sections 9.3.6, 9.3.7 and 9.3.8 of this Prospectus.

The Board comprises five members, two of whom are Independent Non-Executive Directors. The Board principally oversees the day-to-day management of the Manager's affairs and the conduct of its business and is responsible for the overall governance of the Manager. The Board exercises its general powers within the limits defined by the Manager's Articles of Association, with a view to ensuring that Management discharges its duties and is compensated appropriately, and that sound internal control policies and risk management systems are maintained. The Board will also review major financial decisions and the performance of the Manager. In accordance with the REIT Guidelines, the Manager is required to act in the best interests of Unitholders, to whom it owes a fiduciary duty.

The following table sets forth certain information regarding the five Directors and the Board's sole Alternate Director.

<u>Directors</u>	<u>Age</u>	<u>Position</u>
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	65	Chairman & Non-Independent Non-Executive Director
Dato' Ng Tiong Lip	53	Chief Executive Officer & Non-Independent Executive Director
Ngew Voon Yean	58	Non-Independent Non-Executive Director
Willy Shee Ping Yah @ Shee Ping Yan	61	Independent Non-Executive Director
Elvin A/L Berty Luke Fernandez	60	Independent Non-Executive Director
<u>Alternate Director</u>		
Sarena Cheah Yean Tih	35	Alternate Director to the Chairman & Non-Independent Non-Executive Director

Information on the business and working experience of the Directors is set forth below.

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9. THE MANAGER (Cont'd)

9.3.1 Profile of the Directors

- (i) **Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO, Chairman & Non-Independent Non-Executive Director**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO, aged 65, was appointed to the Board on 24 March 2010. He is the visionary Founder and Executive Chairman of Sunway Group which encompasses two public listed companies namely Sunway Holdings Berhad and Sunway City Berhad.

An Accountant by profession, Tan Sri Jeffrey Cheah has been conferred eight honorary Doctorates by leading universities worldwide. He is also among the four leading givers in the country who made Forbes Asia's Hero of Philanthropy 2009. Tan Sri Jeffrey Cheah has established the Jeffrey Cheah Foundation which was launched by the Prime Minister of Malaysia on 18 March 2010. Tan Sri Jeffrey Cheah has pledged to transfer the entire ownership of Sunway Education Group Sdn Bhd together with its subsidiaries to the Jeffrey Cheah Foundation together with a cash donation of RM20 million. The Sunway Education Group comprises, *inter alia*, Sunway University College, Monash University Sunway Campus and the Sunway International School.

In 2008, he was appointed Officer of the Order of Australia (AO) by the Prime Minister of Australia, Kevin Rudd. The AO is one of Australia's most prestigious and highly respected awards conferred to a non-citizen of Australia. In 2007, the prestigious Monash University School of Medicine and Health Sciences was named after him in appreciation of his immense contribution to Monash University Sunway Campus. In 2006, His Royal Highness Sultan of Selangor installed Tan Sri Jeffrey Cheah as Foundation Chancellor of Sunway University College.

Tan Sri Jeffrey Cheah was appointed Chairman of the Malaysia Crime Prevention Foundation's Selangor Chapter by the Minister of Unity, Culture, Arts & Heritage in 2008. He is also the Chairman and Co-founder of Asian Strategy & Leadership Institute (ASLI). He is the Deputy President of National Kidney Foundation of Malaysia; Founding Trustee of Malaysian Liver Foundation since 1999; President of Malaysian Hakka Association 1997-2004; and the first non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce since 2002. In recognition of his contribution to education, he was, in 1996, appointed by the Minister of Education to the Higher Education Council of Malaysia. The Minister of Trade appointed him Director of National Productivity Centre in 1990. In 1996, the Prime Minister of Malaysia honoured him with the Chairmanship of Malaysian Industry-Government Group for High Technology for Construction and Housing (MIGHT). He was also EXCO member of the Malaysian Tourism Action Council, an appointment by the Minister of Tourism Malaysia in 1996. The following year, the Minister of Finance appointed him a Council Member of the Financial Reporting Foundation.

Other awards bestowed upon him include the Paul Harris Fellow Award, Property Man of the Year (Malaysia) in 1993, Chief Executive Officer of the Year (Malaysia) in 1996 and Asia's Most Innovative Chinese Entrepreneur Award 2005.

- (ii) **Dato' Ng Tiong Lip, Chief Executive Officer & Non-Independent Executive Director**

Dato' Ng Tiong Lip, aged 53, was appointed to the Board on 24 March 2010. He has more than 26 years of extensive experience in finance, corporate planning and executive management in the property and hotel industry in both Malaysia and Australia.

He was the former Managing Director of AP Land Berhad, a company listed on Bursa Malaysia. He has held various positions in the past such as the President of Real Estate and Housing Developers Association (REHDA), Past Chairman of REHDA Wilayah Persekutuan (K.L.) Branch, Board Member of the Construction Industry Development Board (CIDB), Vice-President and Secretary-General of the FIABCI Malaysian Chapter (the International Real Estate Federation), Vice-President of the Malaysian Association of Hotel Owners (MAHO), Chapter Chairman of the Young Presidents Organisation (YPO) Malaysia Chapter, and Vice Chairman of the Malaysia Australia Business Council (MABC).

9. THE MANAGER (Cont'd)

Currently, he is a member of the Malaysian Institute of Certified Public Accountants and the Institute of Chartered Accountants, Australia. In 1999, he was conferred a fellowship by the Malaysian Institute of Directors and accorded the 'Entrepreneur of the Year' by MABC in 2003. In 2008, he was advanced to fellowship member of the Institute of Chartered Accountants, Australia. In 2009, he was conferred the patron of REHDA.

Prior to joining the Manager, he was the Executive Director of the Sponsor. He is also a Director of Urban Hallmark Properties Sdn Bhd.

He is a graduate of Monash University, Melbourne with a Bachelor of Economics. He completed his professional articleship in an international accounting firm in Australia before returning to Malaysia.

(iii) Ngeow Voon Yean, Non-Independent Non-Executive Director

Ngeow Voon Yean, aged 58, was appointed to the Board on 24 March 2010. He has 29 years of experience working in the property development and investment sectors. He is the Honorary Adviser of the Malaysian Association of Shopping and Highrise Management (PPK), a Council Member of the Malaysian Association of Hotel Owners (MAHO) and a Member of the International Council of Shopping Centres (ICSC).

Mr Ngeow was the Founder President of Malaysia Association of Shopping and Highrise Management (PPK) and The Association for Shopping Centre Management Singapore (TASC). He has wide experience in the development and management of mixed-use developments. Mr Ngeow began his career with Landmarks Holdings Bhd, the developer and owner of Sungei Wang Plaza and Regent Hotel and followed by Metroplex Holdings Sdn Bhd, the developer of The Mall. Subsequently, Mr Ngeow moved to Singapore to join Marina Centre Holdings Pte Ltd, the developer and manager of Marina Square, a mixed-use waterfront development comprising three international-class hotels, shopping mall and offices in Singapore. He later joined Suntec City Development Pte Ltd as part of the pioneering team in the development of one of Singapore's largest private mixed-use projects comprising an international convention and exhibition centre, shopping mall and five office towers. Currently, he is the Managing Director – Property Investment of the Sponsor and he manages the investment portfolio which includes retail, commercial, hospitality, leisure and other asset management components of the Sponsor.

Mr Ngeow was appointed to the Board of the Sponsor on 21 April 1997 and also serves as a Member of the Executive Committee, Risk Management Committee and Employees' Share Option Scheme Committee of the Sponsor.

Mr Ngeow holds a Bachelor of Commerce Degree majoring in Business Studies and Economics from the University of Auckland, New Zealand.

(iv) Willy Shee Ping Yah @ Shee Ping Yan, Independent Non-Executive Director

Willy Shee Ping Yah @ Shee Ping Yan, aged 61, was appointed to the Board on 24 March 2010. He is currently the Chairman (Asia) of CB Richard Ellis (Pte) Ltd, a company listed on the New York Stock Exchange and is a leading real estate service provider with more than 400 offices in more than 50 countries. He is also a director of Ascendas Pte Ltd, NTUC Fairprice Co-operative Ltd, Lafe (Emerald Hill) Development Ltd, Strategic Partners Asia II, Pte Ltd, SLF AMK Pte Ltd, SLF Properties Pte Ltd and Bund Center Investment Ltd. Mr Shee is an Associate Member of New Zealand Property Institute, a Fellow Member of Singapore Institute of Surveyors and Valuers (FSISV) and Fellow Member of the Association of Facilities & Property Management. He is a Council Member of the Singapore Chinese Chamber of Commerce and Industry and an Honorary Advisor (Valuation) of the Real Estate Developers' Association of Singapore (REDAS).

Mr Shee graduated from the University of Auckland, New Zealand.

9. THE MANAGER (Cont'd)**(v) Elvin A/L Berty Luke Fernandez, Independent Non-Executive Director**

Elvin A/L Berty Luke Fernandez, aged 60, was appointed to the Board on 24 March 2010. He is currently the Managing Director of the Khong & Jaafar Group of Companies. He is the Deputy President from 2009 to 2010 and the President-Elect from 2010 to 2011 of the Institution of Surveyors Malaysia. He was a former member of the Board of Valuers, Appraisers & Estate Agents Malaysia from 1993 to 2007. Mr Fernandez was also a past president of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) from 2000 to 2002 and has been a member of the executive committee since 2004. He has also been a Council Member for the Governing Council of the ASEAN Valuers Association since 2008. Mr Fernandez is the immediate past chairman of the International Valuation Standards Committee from 2007 to 2008. He is a National Committee Member of FIABCI (International Real Estate Federation) Malaysia for 2009/2010. On May 2008, Mr Fernandez was appointed as a consultant for the establishment of a Real Estate Investment Trust Framework (Valuation Aspects) by the Securities Commission of Pakistan. On 1 January 2006, Mr Fernandez was awarded the "Property Consultant of the Year 2005" by the Board of Valuers, Appraisers & Estate Agents Malaysia.

Mr Fernandez graduated from the Institution of Surveyors Malaysia (ISM).

(vi) Sarena Cheah Yean Tih, Alternate Director to the Chairman & Non-Independent Non-Executive Director

Sarena Cheah Yean Tih, aged 35, was appointed to the Board on 24 March 2010. She is the Director of Strategic & Corporate Development of the Sponsor. Prior to this role, she was the Senior General Manager – Sales & Marketing, Property Development Division. She has been with the SunCity Group and Sunway Holdings Group for 13 years and her experience includes planning and managerial roles in Corporate Finance, Audit, Education and Healthcare. Ms Cheah sits on the board of several companies.

Ms Cheah graduated from the University of Western Australia with a Bachelor of Commerce (Accounting & Finance) Degree. She also holds a Master Degree in Business Administration from Melbourne Business School.

9.3.2 Independence of Directors

In assessing the independence of a Non-Executive Director, the Board will take into account the following factors, none of which is necessarily conclusive. Independence is more likely to be questioned if the Director:

- (a) is an executive director of the Manager or its subsidiaries or of any connected person of Sunway REIT;
- (b) holds 5% or more of the total issued units;
- (c) had personally provided advisory services to the Manager or its subsidiaries or with Sunway REIT within the last two years, or is presently a partner, director (except as an independent director) or major shareholder of a firm or corporation which has provided professional advisory services to the Manager or its subsidiaries or with Sunway REIT within the last two years;
- (d) had engaged personally in transactions with the Manager or its subsidiaries or with Sunway REIT within the last two years, or is presently a partner, director or major shareholder of a firm or corporation which has engaged in transactions with the Manager or its subsidiaries or with Sunway REIT within the last two years;
- (e) is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the Unitholders as a whole;
- (f) is connected with a Director or the chief executive of the Manager or its subsidiaries, or with a significant holder of Sunway REIT; and

9. THE MANAGER (Cont'd)

- (g) is, or has at any time within the last two years immediately prior to the date of his proposed appointment been, an officer (other than an independent non-executive director) of the Manager or its subsidiaries or of any connected person of Sunway REIT.

9.3.3 Compensation of Directors

Directors who are also employees of the Manager receive compensation in the form of salaries, allowances and benefits-in-kind, including the Manager's contribution to the mandatory provident fund scheme for its Directors. The remaining Directors receive fees from the Manager. Compensation of the Directors shall be, from time to time determined by the Manager in a general meeting.

9.3.4 Appointment and removal of Directors

The Board has the power to appoint any person to be a Director, either to fill a vacancy or as an addition to the existing Directors. Shareholders of the Manager may by Ordinary Resolution remove any Director and appoint another person in his stead. One-third of the Directors who are subject to retirement by rotation will retire at every annual general meeting with the exception of the first annual general meeting whereby all Directors shall retire from office. A retiring Director shall be eligible for re-election. The retiring Directors on each occasion will be those Directors who have remained in office the longest since their last appointment or re-appointment. As between persons who become Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot.

A Director's office will be vacated in the following circumstances:

- (a) When a petition is filed under bankruptcy laws or the Directors are declared bankrupt;
- (b) A criminal proceeding for the conviction for fraud, dishonesty or any other offence punishable with imprisonment of one year or more, anywhere in the world;
- (c) Any inquiry/investigation carried out by any government/statutory authority or body, in which an adverse finding was found;
- (d) If the Director has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
- (e) If the Director has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly;
- (f) If the Director has been convicted by a court of law of an offence under the securities laws or the Companies Act;
- (g) Any unethical practice and activity which would render the person unfit to be a director of a management company;
- (h) Becomes of unsound mind; or
- (i) Is absent from more than 50% of the total Board meetings held during a financial year.

9.3.5 Board meetings

Board meetings will be held at least four times per year. To ensure that Directors are given sufficient time to consider the issues to be tabled at the Board meetings, details of the venue and time of the meeting are required to be given at least seven days in advance of the meeting (except if there are exceptional circumstances or if the majority of Directors agree to a shorter notice period).

No Board meeting, or any adjourned Board meeting, will be quorate unless a simple majority of Directors for the time being (excluding any Directors which the Manager has a right to exclude for that purpose, whether pursuant to a contract or otherwise) is present at the time when the relevant business is transacted. A Director who, whether directly or indirectly, has a material interest in a contract or proposed contract with the Manager, which is of significance to the Manager's business, must declare

9. THE MANAGER (Cont'd)

the nature of his interest either at the Board meeting or by giving a general notice to the Directors before the question of entering into the contract is taken into consideration on behalf of the Manager.

A Director prohibited from voting by reason of a conflict of interest will not be allowed to vote on the relevant matter and will not be counted for the purposes of establishing the necessary quorum for the meeting.

Matters to be considered by the Board will be adopted on the basis of a majority of votes. In the case of an equality of vote, the Chairman of the Board will have a casting vote.

9.3.6 Audit committee

The audit committee will be appointed subsequent to the listing of Sunway REIT. The objective of the audit committee is to assist the Board in fulfilling its fiduciary responsibilities relating to internal control, financial and accounting records and policies as well as financial reporting practices of the Manager.

The audit committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members. All members of the audit committee must be Non-Executive Directors, a majority of whom are Independent Directors. No Alternate Director shall be appointed as a member of the audit committee. The members of the audit committee shall elect a Chairman amongst themselves, who shall be an Independent Director. The terms of office and performance of the audit committee and each of its members shall be reviewed by the Board no less than once every three years. However, the appointment terminates when a member ceases to be a Director.

The quorum for a audit committee meeting shall be at least two members, who must be Independent Directors. The audit committee shall meet at least four times a year and such additional meetings as the Chairman shall decide. The external auditors have the right to appear and be heard at any meeting of the audit committee and shall appear before the audit committee when required to do so. The audit committee should meet with the external auditors without the presence of Management at least twice a year. The internal auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.

The audit committee authorised by the Board to investigate any matters it deems appropriate within its written terms of reference and has full access to information, records and documents relevant to its activities. The audit committee may invite any Director, executive officer or employee of the Manager to attend its meetings and also may seek outside legal and independent professional advice to enable it to discharge its functions.

Other duties within its terms of reference shall include:

- (a) Reviewing external audit reports to ensure that where deficiencies in internal control have been identified, appropriate and prompt remedial action is taken by the Management.
- (b) Reviewing the nomination of external auditors and the adequacy of existing audits in respect of cost, scope and performance.
- (c) Reviewing the independence and objectivity of the external auditors and where the auditors also provide a substantial volume of non-audit services to Sunway REIT, the audit committee should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money.
- (d) Monitoring and evaluating the effectiveness of the Manager's internal control.
- (e) Reviewing the quality and reliability of information prepared for inclusion in financial reports.
- (f) Monitoring the procedures established to regulate related party transactions.
- (g) Monitoring the procedures in place to ensure compliance with the applicable legislations.

9. THE MANAGER (Cont'd)**9.3.7 Internal control**

The Board places importance on, and is committed to maintaining, a sound system of internal control and effective risk management practices at the Manager to ensure good corporate governance. The Board affirms its responsibility for reviewing the adequacy and integrity of the Manager's system of internal control and management information systems, including systems for compliance with applicable laws, rules, directives, guidelines and risk management practices.

As with any internal control system, the Manager's system of internal control will be designed to manage rather than eliminate the risk of failure to achieve business objectives. It follows, therefore, that the system of internal control could only provide reasonable but not absolute assurance against material misstatement or loss.

Periodic meetings of the Board, audit committee and Management represent the main platform by which the Manager's performance and conduct will be monitored. The daily running of the business will be entrusted to the Chief Executive Officer and his management teams.

The Chief Executive Officer will communicate the Board's expectations to Management at the management meetings. At these meetings, operational and financial risks will be discussed and dealt with.

The Board is responsible for setting the business direction and for overseeing the conduct of the Manager's operations through its audit committee and management reporting mechanisms. Through these mechanisms, the Board will be informed of all major control issues pertaining to internal control, regulatory compliance and risk taking.

9.3.8 Risk management

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is part of good business management practice. The Board acknowledges that all areas of the Manager's activities involve some degree of risk and is committed to ensuring that the Manager has an effective risk management framework which will allow the Manager to be able to identify, evaluate and manage risks that affect the achievement of the Manager's business objectives within defined risk parameters in a timely and effective manner.

The Board will provide an oversight to the risk management process by providing insight, advice and direction to the Management on identifying and mitigating key risks within the Manager.

9.4 Key personnel

The following table sets forth the managerial and reporting structure of the Manager:

<u>Office</u>	<u>Name</u>	<u>Reports To</u>
Chief Executive Officer	Dato' Ng Tiong Lip	the Board
Compliance Officer	Chin Soon Yenn	the Board
Chief Financial Officer	Wai Sow Fun	Chief Executive Officer
Investor Relations Manager	Lum Yew Choe	Chief Executive Officer
Investment/Business Development Manager	Cheah Wing Choong	Chief Executive Officer
Retail Asset Manager	Chan Hoi Choy	Chief Executive Officer
Commercial Asset Manager	Goh Hai Thun @ Ng Hai Thun	Chief Executive Officer
Finance Manager	Chow Pooi Onn	Chief Financial Officer

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9. THE MANAGER (Cont'd)

9.4.1 Roles of the key personnel of the Manager

The **Chief Executive Officer** leads the team of managers to plan overall strategies and ensure their effective execution to achieve the objectives of the Manager. The Chief Executive Officer will plan and set clear strategic directions, which are approved by the Board, and help ensure long-term sustainability of Sunway REIT.

The **Chief Financial Officer** is in charge of the finance team, which is responsible for the financial management functions including monitoring of cashflow of Sunway REIT. Key functions of the finance team shall include monitoring and reporting financial performance of Sunway REIT as well as prepare relevant financial reports for statutory requirements. The finance team will also develop and ensure effective implementation of the capital and risk management strategies to optimise the capital and cost structure of Sunway REIT.

The **Investor Relations Manager** is responsible for developing effective communications strategies with all stakeholders to achieve a fair valuation for Sunway REIT. This includes leading the investor relations team to ensure statutory reports are duly prepared, maintain continuous communications and disclosures as well as engaging with the investment community. The Investor Relations Manager will ensure not only financial strategies but also the broader strategies of the Manager are communicated to help project a consistent brand image to the market.

The **Investment/Business Development Manager's** primary role is to develop investment strategies and grow Sunway REIT's portfolio through strategic acquisitions. The Investment/Business Development Manager shall actively identify, research and evaluate potential investment proposals that shall add value to the portfolio through potential future capital appreciation and/or yield accretive income growth. Active portfolio management will also be carried out continuously to maximise the portfolio's return in the long run.

The **Asset Management team** comprises **Asset Managers** for the Retail Properties and the Office Properties. The roles of the Asset Managers include formulating strategies and business plans to ensure continuous asset enhancement initiatives are carried out to enhance property income and values in the long run. The Asset Managers will also ensure effective execution of the asset management strategies of Sunway REIT.

The **Compliance Officer's** role is to ensure that the operations and conduct of the Manager are in compliance with the Deed and the relevant guidelines and regulations governing real estate investment trusts in Malaysia.

9.4.2 Profile of key personnel of the Manager

Information on the experience of the key personnel is set out below. Please refer to Section 9.3.1(ii) of this Prospectus for the biography of the Executive Director and Chief Executive Officer, Dato' Ng Tiong Lip.

(i) Wai Sow Fun, Chief Financial Officer

Wai Sow Fun, aged 43, was appointed as the Chief Financial Officer of the Manager on 16 May 2010. She has more than 20 years experience in auditing, corporate finance, financial accounting and management across a variety of industries including property development, property investment, leisure and hospitality. She started her career in Arthur Andersen & Co and left the firm as an Audit Senior prior to joining the SunCity Group in 1994 as an Assistant Finance Manager. She rose through the ranks and was the General Manager of Finance of the Sponsor prior to joining the Manager.

Ms Wai graduated from the University of Malaya, Malaysia with a Bachelors Degree (Hons) in Accounting and is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountant (MICPA).

9. THE MANAGER (Cont'd)**(ii) Chin Soon Yenn, Compliance Officer**

Chin Soon Yenn, aged 32, was appointed as the Compliance Officer of the Manager on 20 May 2010. He is and has been the Legal Manager of the SunCity Group since 2007, where he is responsible for managing all of the Sponsor's legal affairs with a core emphasis on the property development division and property investment division. Before joining the Sponsor, he was the Legal Manager and subsequently the Personal Assistant to the Chief Executive Officer of a public listed company ensuring compliance with all legal and listing requirements. Prior to that, he spent six years with Allworth Real Estate where he was responsible for the firm's legal matters and community outreach programmes (property conservation and performing arts). He has sat on the Board of Governors of Montfort's Youth Centre, Melaka since 2004.

Mr Chin holds a LLB (Hons) from the University of Buckingham, United Kingdom.

(iii) Chow Pooi Onn, Finance Manager

Chow Pooi Onn, aged 30, was appointed as the Finance Manager of the Manager on 16 May 2010. Prior to that, he was the Finance Manager of the Sponsor and had also worked with Ernst & Young Kuala Lumpur and another local accounting firm for more than five years in assurance and financial advisory, where he was involved in audit, financial due diligence, agreed upon procedure and fraud investigation.

Mr Chow holds a Bachelor of Business in Accounting/Finance (with distinction) from the Charles Sturt University of Australia. He is also a member of the Malaysian Institute of Accountants (MIA) and Certified Practising Accountants (CPA) of Australia.

(iv) Lum Yew Choe, Investor Relations Manager

Lum Yew Choe, aged 39, was appointed as the Investor Relations Manager on 16 May 2010. Prior to joining the Manager, he was Head of the Australian MBA programme at Sunway University College and has more than 14 years of finance industry and academic experience. His academic experience included lecturing final year undergraduates on banking and finance subjects as well as facilitating business finance, business statistics and operations management for MBA participants.

Mr Lum received the Australian Government's Merit Scholarship and graduated with a Bachelor of Commerce (Hons.) specialising in Economics and Master of Commerce (Hons.) specialising in Economics and Econometrics, from the University of Melbourne, Australia. Mr Lum is currently a Fellow member of Financial Services Institute of Australasia (FINSIA) and also a Fellow member of Global Association of Risk Professionals (GARP). Mr Lum has been appointed by GARP as the Regional Director of GARP Malaysia chapter since 2005.

(v) Cheah Wing Choong, Investment/Business Development Manager

Cheah Wing Choong, aged 50, was appointed as the Investment/Business Development Manager of the Manager on 20 May 2010, where he is responsible for the investment and business development for the Manager. He is also the Chief Operating Officer (Property Investment Division) of the Sponsor since 2009. He started his career in 1982 with Rahim & Co Chartered Surveyors Sdn Bhd undertaking property consultancy, valuation and property management work before joining Peat Marwick Consultants in 1990 to rehabilitate housing schemes under the Central Bank's "Revival of Abandoned Housing Scheme Fund." In 1992, he joined Tan & Tan Developments Berhad and subsequently IGB Corporation Berhad (IGB), serving as the Senior General Manager. During his 15 years at Tan & Tan/IGB, he was involved in the asset and property management, marketing and leasing of the group's commercial office property (including Mid-Valley City); property management of all the condominiums developed, land banking and property development. He subsequently joined Tradewinds Corporation Berhad in 2008 as the Chief Operating Officer.

9. THE MANAGER (Cont'd)

He is a Chartered Surveyor with the Royal Institution of Chartered Surveyors, United Kingdom, a Registered Valuer and a Fellow of the Institution of Surveyors, Malaysia. He is also currently the Deputy Secretary-General of the Real Estate and Housing Developers Association (REHDA).

Mr Cheah holds a Bachelors of Science (Hons) (Estate Management) degree from Heriot-Watt University, Scotland and an MBA from the University of Bath, England.

(vi) Chan Hoi Choy, Retail Asset Manager

Chan Hoi Choy, aged 50, was appointed as the Retail Asset Manager of the Manager on 20 May 2010. He is also currently the Chief Executive Officer of SunCity Group's shopping malls, namely Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, Sunway Giza and Sunway Velocity and he also oversees the Sunway Lagoon and Lost World of Tambun, Ipoh. He spent his entire 27 years of his working career in shopping centre management and development. He has extensive working experience in general management, operations and marketing management of shopping centres including Sungei Wang Plaza, Berjaya Times Square and Sunway Pyramid Shopping Mall.

He started his career in Sungei Wang Plaza in 1983 and spent 11 years in this successful shopping centre. His next career move was to Berjaya Starcity (now known as Time Square) where he was appointed as the General Manager and was responsible for the development of a major shopping centre in Kuala Lumpur City Centre from 1994 to 1999.

He has also served as the Honorary Secretary and Vice President of Malaysian Association for Shopping & Highrise Complex Management (PPK) for the past 20 years. He is the current President of Malaysian Association for Shopping & Highrise Complex Management (PPK).

Mr Chan holds a Bachelor of Science (Hons) in Managerial and Administrative Studies from the University of Aston, Birmingham, United Kingdom.

(vii) Goh Hai Thun @ Ng Hai Thun, Commercial Asset Manager

Goh Hai Thun @ Ng Hai Thun, aged 54, was appointed as the Commercial Asset Manager of the Manager on 20 May 2010. He is also currently the General Manager of the Sponsor where he heads the Property and Facility Management Division. Prior to his current position, he was the Chief Operating Officer of a public listed infrastructure company. He has more than 23 years of experience in real estate and facility management which includes township maintenance, high-rise office complexes, educational institutions, industrial buildings and condominiums.

Mr Goh holds a MBA (Real Estate) degree from the University of Western Sydney, Australia.

9.5 Management succession planning

The Manager places high priority on ensuring that there is continuity in its key management team to ensure continuity of their service and to maintain their level of competitiveness. To achieve this, it is the policy of the Manager to groom the lower and middle management staff to gradually assume the responsibilities of the senior management. In addition, the middle management are continually involved in the various operations of the Manager's activities to ensure better understanding of the operations and to equip them with the necessary knowledge to succeed to senior management positions. The top management drives the Manager's strategy for management succession continuity. The Chief Executive Officer, together with the Executive Directors, are involved in the process of reviewing the potential successors' readiness, and in identifying key competencies and requirements for managerial and key senior positions for succession planning. Job and candidate profiles are developed for the management positions to be in line with Sunway REIT's business goals, strategies and culture.

9. THE MANAGER (Cont'd)**9.6 Manager Fee**

The Manager is entitled to receive the Manager Fee from the Trustee out of the Assets of Sunway REIT:

(a) Base Fee

A base fee (exclusive of tax, if any) is payable to the Manager in an amount equal to 0.3% per annum of the Total Asset Value. The Base Fee is payable every Quarter Year in arrear and accrues monthly. The Base Fee is calculated at the end of each Quarter Year and shall be paid to the Manager within seven days of the end of each Quarter Year.

(b) Performance Fee

A performance fee (exclusive of tax, if any) is payable to the Manager in an amount equal to 3% per annum of Net Property Income, as determined by the Manager in consultation with Sunway REIT's auditors, but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement. Payments of the Performance Fee are payable every Quarter Year and will be based on monthly management accounts, and will be reconciled to the amount calculated by reference to the audited financial statements of Sunway REIT for the relevant Financial Year. Any difference between the total amounts actually paid every Quarter Year and the amount calculated by reference to the audited financial statements will be paid/repaid accordingly within seven days of the Manager determining the difference in consultation with the Auditor but in any event should not be more than seven days after that audited financial statement is issued.

(c) Acquisition Fee

Other than in respect of the Acquisition in connection with the Initial Public Offering, an acquisition fee of 1% of the acquisition price of any future Assets of Sunway REIT or a Single-Purpose Company acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest in Real Estate or Single-Purpose Company purchased by the Trustee for Sunway REIT).

(d) Divestment Fee

A divestment fee of 0.5% of the sale price of any Asset of Sunway REIT or a Single-Purpose Company sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the Assets of Sunway REIT sold).

The Manager Fee shall be net of all applicable tax, duties and levies imposed by the relevant authorities in Malaysia. The Manager Fee may only be increased from the amounts stated above with the prior approval of Unitholders obtained by way of Majority Resolution.

The Manager shall be paid the Base Fee and Performance Fee which may be made in the forms of cash, new Units or a combination thereof, the initial applicable proportion to be 50% in the form of cash and 50% in the form of new Units, such proportion which may be varied at the discretion of the Manager. When paid in the form of new Units, the Manager shall be entitled to receive such number of new Units as may be purchased with the relevant amount of the Manager Fee attributable to such period at an issue price equal to the Market Price of the Units. The Manager shall be entitled to all the rights attached to any new Units so issued as any other Unitholders, subject to the provisions of the Deed, and the REIT Guidelines and applicable laws and requirements.

As set out in Section 3.3 of this Prospectus, the upfront approval has been obtained from the Securities Commission for the issuance of 100,000,000 new Units as part payment for the Manager Fee.

9. THE MANAGER (Cont'd)**9.7 Retirement, removal and replacement of the Manager**

The Manager may retire upon giving six months' written notice to the Trustee (or such shorter period as may be agreed upon with the Trustee) and the Trustee will appoint by way of a deed, a replacement Manager which is eligible to be appointed to act as a manager under the CMSA and which has been approved by the Securities Commission.

The Manager may be removed and replaced by the Trustee if the Manager:

- (a) has ceased to exist;
- (b) ceases to be eligible to act as manager or its appointment to act as the manager of Sunway REIT is revoked by the Securities Commission;
- (c) fails or refuses to act as manager in accordance with relevant requirements;
- (d) has a receiver appointed over the whole or a substantial part of its assets or undertaking, or a petition is presented for the winding up of the Manager;
- (e) is under investigation for conduct amounting to fraud or of similar serious nature being a contravention of the Companies Act or any securities law in Malaysia and is found guilty by the Courts in Malaysia of such offence as charged; or
- (f) is required to be removed by the Unitholders, by way of a Special Resolution passed at a duly convened meeting held for that purpose on the grounds that the Manager is in breach of its obligations and has failed to remedy such breach after being so requested by the Trustee.

The retirement or removal of the Manager in accordance with the foregoing will not be effective and the duties and liabilities of the Manager under the Deed will not cease until a replacement manager is appointed and has taken office as manager.

9.8 Limitation of liability of the Manager

The Deed also provides that in the absence of fraud, negligence, wilful default or breach of the Deed, the Manager will not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith. The Manager shall not be under any liability except such liability as may be assumed by it under the Deed nor shall the Manager be liable for any act or omission of the Trustee.

9.9 Right of indemnity of the Manager

The Manager will be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands which it may be put as Manager, to have recourse to the Assets of Sunway REIT, save where such action, cost, claim damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Deed by the Manager.

9.10 Material litigation of the Manager

The Manager is not involved in any litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of the Manager, and the Manager is not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of the Manager.

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9. THE MANAGER (Cont'd)**9.11 Unitholdings of the substantial shareholders, Directors and key personnel of the Manager in Sunway REIT**

Save as disclosed below, none of the substantial shareholders, Directors and key personnel of the Manager have any interest in Sunway REIT.

	Before the IPO				After the IPO ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	Number of Units '000	%	Number of Units '000	%	Number of Units '000	%	Number of Units '000	%
SPSB	-	-	-	-	844,643	31.5	-	-
SCSB	-	-	-	-	124,500	4.7	-	-
ST2SB	-	-	-	-	56,000	2.1	-	-
Sponsor	-	-	-	-	-	-	1,025,143 ⁽²⁾	38.3
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	-	-	-	-	-	-	1,025,143 ⁽³⁾	38.3
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng	-	-	-	-	-	-	1,025,143 ⁽³⁾	38.3
Sarena Cheah Yean Tih	-	-	-	-	-	-	1,025,143 ⁽³⁾	38.3
Sungei Way Corporation Sdn Bhd	-	-	-	-	-	-	1,025,143 ⁽³⁾	38.3
Active Equity Sdn Bhd	-	-	-	-	-	-	1,025,143 ⁽³⁾	38.3
Timah Dunia Dredging Sdn Bhd	-	-	-	-	-	-	1,025,143 ⁽³⁾	38.3
GIC	-	-	-	-	134,006 ⁽⁴⁾	5.0	1,025,143 ⁽³⁾	38.3
Reco Pyramid (M) Sdn Bhd	-	-	-	-	-	-	844,643 ⁽⁵⁾	31.5
Reco Pyramid Pte Ltd	-	-	-	-	-	-	844,643 ⁽⁶⁾	31.5
Recosia Pte Ltd	-	-	-	-	-	-	844,643 ⁽⁷⁾	31.5
Government of Singapore Investment Corporation (Realty) Pte Ltd	-	-	-	-	-	-	844,643 ⁽⁸⁾	31.5
Minister For Finance (Incorporated)	-	-	-	-	-	-	1,159,149 ⁽⁹⁾	43.3

Notes:

- (1) Before the Over-Allocation Option is exercised.
- (2) Deemed interest by virtue of Section 6A of the Companies Act held through its subsidiaries, SPSB, SCSB and ST2SB.
- (3) Deemed interest by virtue of Section 6A of the Companies Act held through the Sponsor and its subsidiaries, SPSB, SCSB and ST2SB.
- (4) Pursuant to the Cornerstone Agreement entered into on 27 May 2010 between the Manager, the Sponsor, Credit Suisse and GIC.
- (5) Deemed interest by virtue of Section 6A of the Companies Act held through SPSB.
- (6) Deemed interest by virtue of Section 6A of the Companies Act held through Reco Pyramid (M) Sdn Bhd and in turn through SPSB.
- (7) Deemed interest by virtue of Section 6A of the Companies Act held through Reco Pyramid Pte Ltd, Reco Pyramid (M) Sdn Bhd and in turn through SPSB.
- (8) Deemed interest by virtue of Section 6A of the Companies Act held through its subsidiary, Recosia Pte Ltd.
- (9) Deemed interest by virtue of Section 6A of the Companies Act held through its wholly owned companies, Government of Singapore Investment Corporation (Realty) Pte Ltd and GIC. Chua Geok Wah holds 1 share each in Government of Singapore Investment Corporation (Realty) Pte Ltd and GIC on behalf of Minister For Finance (Incorporated).

As of the LPD, none of the key personnel of the Manager has any unitholdings in Sunway REIT.

9. THE MANAGER (Cont'd)**9.12 Annual and quarterly reports**

An annual report of Sunway REIT will be issued by the Manager to the Securities Commission and Bursa Securities and provided to Unitholders within two months from the end of each Financial Year or such longer period as may be allowed by the Securities Commission and Bursa Securities. Upon request from any Unitholder, additional copies of the annual report of Sunway REIT shall be sent to the Unitholder within two months after the request is received and upon payment of a reasonable sum as may be determined by the Manager and the Trustee.

The Manager shall ensure that the annual report of Sunway REIT contains all information required by the Listing Requirements and the REIT Guidelines, including, among others: audited financial statements, auditor's report and the report of the Manager containing a review of the operations of Sunway REIT, the result of those operations and details of any significant changes in the state of affairs of Sunway REIT during the financial period. The Manager shall also ensure that the annual report is accompanied by a report of the Trustee to Unitholders stating whether in the Trustee's opinion the Manager has managed Sunway REIT in such period within the limitations imposed on the investment powers of the Manager and the Trustee under the Deed and the requirements of local law, and if it has not done so, details of the shortcomings and the steps taken to address the same.

A quarterly report of Sunway REIT will be issued by the Manager to the Securities Commission and Bursa Securities and provided to Unitholders within two months from the end of each quarter in a financial year or such other intervals as Bursa Securities may require, which shall contain all information required by the Listing Requirements.

9.13 Outsourced services

The Manager, has on 21 May 2010 entered into service agreements with Sunway Management Sdn Bhd and the Sponsor, respectively for the outsourcing of the unit registry services and the internal audit functions of the Manager. For further details of the outsourced services, please refer to Sections 16.9 and 16.10 of this Prospectus.

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10. THE PROPERTY MANAGER

10.1 Overview

The Property Manager, DTZ Nawawi Tie Leung Property Consultant Sdn Bhd, was incorporated in Malaysia on 7 May 2002. The Property Manager has six years of experience in property management while its principals have been involved in the property valuation, estate agency and property management for between 20 and 30 years. The Property Manager is currently managing a total of six properties and has a current total of 184 employees.

The Property Manager will administer the Retail Properties and the Office Properties subject to the overall management and supervision of the Manager, upon the terms and conditions set out in the Property Management Agreement entered into between the Manager, the Trustee and the Property Manager.

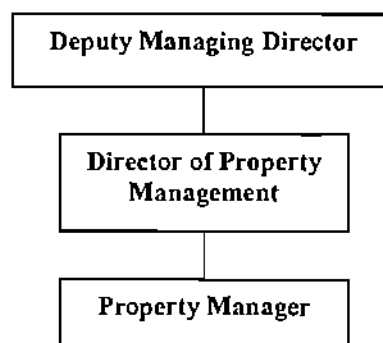
10.2 Functions, duties and responsibilities

Pursuant to the Property Management Agreement, subject to the overall management and supervision of the Manager, the Property Manager will provide, amongst others, the following services for Sunway REIT:

- (i) property management services, negotiating third party contracts for provision of property maintenance services, supervising the performance of service contractors, arranging for adequate insurance, managing litigation and ensuring compliance with building and safety regulations;
- (ii) lease management services, including coordinating tenants' fitting-out requirements, administration of rental collection, management of rental arrear, administration of property tax matters, and initiating lease renewals and negotiation of terms;
- (iii) marketing and public relations services, including acting as a marketing agent for the marketing and leasing of properties; and
- (iv) project management services in relation to the maintenance, repair, redecoration or improvement works to a property, including recommendation of project budgets and project consultants and supervision and implementation of the projects.

In accordance with the terms of the Property Management Agreement, the Property Manager shall, during the duration of the Property Management Agreement, employ, by itself or through service providers, personnel required to properly operate, maintain, manage and market all the Office Properties and Retail Properties on such terms and conditions as are commercially reasonable or appropriate having regard to the qualification, skill and experience of the persons employed for the relevant positions, responsibilities and duties. Please refer to Section 16.3 in this Prospectus for further details of the Property Management.

10.3 Management reporting structure of the Property Manager



10. THE PROPERTY MANAGER (Cont'd)**10.4 Executive officers of the Property Manager**

The following sets forth information on the working experience of the executive officers of the Property Manager:

(i) Adzman Mohd Shah, Deputy Managing Director

Adzman Shah Mohd Ariffin graduated from University of Glamorgan, Wales, United Kingdom with a Bachelor of Science Degree in Urban Estate Management.

With 20 years experience in the property industry, he first started his career as a valuer in Cardiff, Wales and subsequently returned to Malaysia in 1991 to work for Taylor Woodrow International in Kuala Lumpur on the STAR LRT project involving land acquisition and development. He later joined Colliers Jordan Lee & Jaafar Sdn Bhd for several years and was involved mainly in valuation of major properties and market research and consultancy. He subsequently joined Cold Storage Malaysia Bhd and was involved in commercial and retail property development, investment, management, marketing and leasing. Prior to joining the Property Manager, Adzman Shah was attached to Carrefour Malaysia as Director in charge of Expansion and Property overseeing the expansion of hypermarkets and the management of the shopping centres for almost nine years.

His responsibilities at the Property Manager include undertaking valuation of properties, property and centre management, research and consulting real estate investment in all sectors of the real estate market.

Adzman Shah is a Professional Member of the Royal Institution of Chartered Surveyor and a Member of Institution of Surveyors Malaysia. He is also a Registered Valuer and Registered Estate Agent with the Board of Valuers, Appraisers and Estate Agents of Malaysia.

(ii) Jimmy Foo, Director, Property Management

Jimmy Foo has 28 years of experience in the property industry and his areas of expertise cover valuation and property research consultancy. He has sound knowledge and understanding on market and feasibility studies for property-related developments.

He also has extensive experience in valuation of properties including residential, commercial, industrial properties, development and agricultural land as well as hotels, quarry mines and leisure/recreational properties for various valuation purposes.

He was briefly attached to the Inland Revenue Valuation Office for the London Borough of Ealing and Brent in England and undertook the valuation of domestic and non-domestic properties for taxation and rating purposes for the local authorities.

He then took on the portfolio of Senior Manager for Research and Consultancy with an established real estate firm. In his capacity, he was responsible for overseeing property research including feasibility studies, property industrial research and forecast, appraisal of development and financial evaluation.

He joined DTZ Debenham Tie Leung (Malaysia) in 2000 and currently holds the portfolio of property and facilities management as well as local and regional advisory services for the firm.

(iii) Robin Howland, Director, Centre Management

Robin is a Director of DTZ Debenham Tie Leung specialising in Centre Management. He currently provides Asset Management advice for a major global property investor and also heads the Occupier Services and Business Space departments. During his time at DTZ Debenham Tie Leung he has assisted a number of multi-national and local corporations with real estate and occupier solutions, as well as providing development and property management consultancy to a number of key local clients.

10. THE PROPERTY MANAGER (Cont'd)

Prior to joining the Property Manager, Robin worked in the United Kingdom, in the London West End market. His experience is predominantly of asset and property management for clients such as Halifax Bank of Scotland Group, The Crown Estate and Hammerson plc. His experience in this field gives him a valuable insight into the demands and real estate requirements of large multi-national corporations. Since joining, Robin has worked with a number of high profile clients, such as MGPA, Pramerica Real Estate Investors, Etiqa, Sensata Technologies, Exact Software, Oracle, Singapore Airlines Limited, Royal Bank of Scotland, Juniper Networks and SAP. He has also assisted the Property Management team with their advisory role to Layar Intan Sdn Bhd (KLCC) – the developers of The Binjai luxury condominium development.

Robin holds a degree in Urban Estate Management and has been a professional Member of the Royal Institute of Chartered Surveyors (R.I.C.S.) since 1996.

10.5 Fees of the Property Manager

Under the Property Management Agreement, the Property Manager is entitled to receive property management fees in an amount equal to a fixed fee of RM35,000 per month.

In respect of each Office Property and each Retail Property, the Trustee, on the recommendation of the Manager, shall reimburse the Property Manager and/or its service providers in full for the property expenses which include the employment and remuneration costs of the centralised team of employees of the Property Manager and/or its service providers as approved in the annual business plan and budget for that Property. The Manager, with the consent of the Trustee and concurrence of the Property Manager, may in writing and at the option of the Manager instruct the Trustee to make payment of any property expenses of the Retail Properties and the Office Properties from the account of Sunway REIT either (i) directly to the service provider, or (ii) to the operating account of the Manager for the Manager to utilise such payment to pay the service providers.

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11. THE TRUSTEE

11.1 Overview

11.1.1 History and business

The Trustee, OSK Trustees Berhad, was incorporated in Malaysia under the Companies Act on 6 March 2002. It is registered as a trust company under the Trust Companies Act, 1949 and is also registered with the Securities Commission to conduct unit trust business.

The principal activity of the Trustee is providing private and corporate trustee services. The Trustee has been in the trustee business since 2002.

The present authorised share capital of the Trustee is RM10,000,000 comprising 1,000,000 ordinary shares of RM10.00 each, of which 900,000 are currently issued and credited as partially paid-up of RM5.00 each in the Trustee. The shareholders are as follows:

Shareholders	%
OSK Holdings Berhad	20
OSK Investment Bank Berhad	20
OSK Nominees (Tempatan) Sdn Berhad	20
OSK Nominees (Asing) Sdn Berhad	20
OSK Futures And Options Sdn Bhd	20

11.1.2 Board of directors

The following table sets out the information regarding the board of directors of the Trustee:

Name	Directorship
Dato' Nik Mohamed bin Nik Yahya	Independent Non-Executive Director
Foo San Kan	Independent Non-Executive Director
Woo Lai Mei	Non-Independent Executive Director

11.1.3 Experience in trustee business

The Trustee undertakes all types of trustee business allowed under the Trust Companies Act 1949, ranging from private trustee services to corporate trustee services. The Trustee offers corporate trustee services such as trustee for REITs, unit trusts funds, custodian services, private debt securities, golf clubs/associations, time sharing schemes, provident and retirement funds, sinking funds and stakeholders. Its private trustee services includes estate planning services (will writing, custodian, executor/trustee services), trustee of charitable trust, trustee of insurance trust, attorney/agent for executor, administrator or trustee and trustee of private purpose trusts.

The Trustee is the trustee for 18 unit trust funds, 9 wholesale funds, 2 REITs under the revised REIT Guidelines, 26 private debt securities issues and 25 other appointments comprising custodian, creditor's agent and stakeholder.

The Trustee has staff strength of 36 executives and 5 non-executive staffs.

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11. THE TRUSTEE (Cont'd)**11.1.4 Financial highlights**

The following is a summary of the past performance of the Trustee based on its audited financial statements for the last three years:

	Year ended 31 December		
	2007	2008	2009
	(RM'000)	(RM'000)	(RM'000)
Issued and partially paid-up capital	4,500	4,500	4,500
Shareholders' funds	2,047	2,249	3,143
Turnover	3,772	5,263	6,037
Profit/Loss before taxation	(1,045)	218	903
Profit/Loss after taxation	(1,045)	202	894

11.1.5 Key management team**(i) Woo Lai Mei, Chief Operating Officer**

Ms Woo holds a Bachelor of Laws (Honours) from The University of Buckingham (UK) and is a Barrister-of-Law of Lincoln's Inn. She was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1989 and was in private practice at leading law firms in Singapore including M/s Lee and Lee and M/s Rajah & Tann, since her admission until 2000. Ms Woo had also served as a Director of Practice Standards and Special Projects with the Law Society of Singapore for 2 years. She was admitted as an advocate and solicitor of the High Court of Malaya in 2001 and was in the practice of M/s Zul Rafique & Partners and M/s Raja Darryl and Loh, before joining the OSK Group of Companies as Associate Director, Group Corporate and Legal Affairs in 2005. Prior to joining OSK Trustees Berhad, she headed the group's legal team which provides legal counsel and general corporate advisory to the board of directors and the group's subsidiaries (both local and regional) and its business and support units. She is currently the Executive Director/Chief Operating Officer of OSK Trustees Berhad.

(ii) Pauline Tan Hooi Hooi, Vice President, Corporate Trustee Services –REITs

She holds a Bachelor of Laws (Honours) degree from University of Wolverhampton, United Kingdom and a Certificate in Legal Practice from the Legal Profession Qualifying Board, Malaysia. She was called to the Malaysian Bar and admitted as an Advocate and Solicitor of the High Court of Malaya. She has practised as an Advocate & Solicitor with extensive experience in commercial, corporate, litigation, conveyancing and banking. She held the position of Group Legal Affairs Manager in a Multinational Group of Companies involving in retailing, hotels, food & confectionery, financial services, stockbroking, properties and travel & tourism and has previously served in the airline industry. Her current scope of work includes corporate trustee services for REITs.

(iii) Joyce Lim Eu Mei, Vice President, Corporate Trustee Services –Unit Trust

She holds a Master of Business Administration from the University of Bridgeport, Connecticut, US. She also earned her Bachelor of Science in Finance and International Business from the same institution. In addition, she is a Certified Financial Planner (CFP®) registered with the Financial Planning Association of Malaysia (FPAM). She has more than 10 years of experience in the financial services industry, specifically in Retail Banking, Reinsurance, Unit Trust and Private Trustee Services. Her current scope of work includes but is not limited to the operation and business development of Corporate Trustee services for Unit Trust Funds and Custodian Services.

11. THE TRUSTEE (Cont'd)**(iv) Wong Kok Keong, Vice President, Corporate Trustee Services –Private Debt Securities**

He holds a Master of Business Administration degree from University of Central Missouri, Missouri, US. He also obtained his Bachelor of Science in Business Administration (Finance) from the same university.

He has more than eight years of experience in the financial services industry. Before joining OSK Trustees Berhad, he was one of the team leaders in Debt Capital Markets of OSK Investment Bank Berhad. Prior to joining the OSK Group, he was attached with Corporate Planning and Services department of AmBank (M) Berhad. His current scope of work includes corporate trustee services for private debt securities.

(v) Emily Tan Hui Ping, Vice President, Private Trust

She holds a Bachelor of Laws degree from the University of Melbourne, Australia. Upon completion, she duly pursued her Graduate Diploma in Legal Practice with the College of Law, New South Wales, Australia. She was later admitted as a Legal Practitioner in the Supreme Court of New South Wales. Prior to her engagement with OSK Trustees Berhad, she was a paralegal in a law practice. Emily heads the Private Trust division which is responsible for setting up and administering various forms of trust arrangements which include family and charitable trusts, private retirement schemes and stakeholder arrangements for memorial parks. In addition, her team is also responsible in carrying out duties as an Executor/Administrator of estates where OSK Trustees has been appointed. She has been a regular contributor to Smart Investor by writing articles especially in the areas on trust and estate administration.

11.2 Functions, duties and responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) at all times, through proper and adequate supervision, to safeguard the interests of the Unitholders and will actively monitor the administration of Sunway REIT by the Manager to ensure that the interests of Unitholders are upheld at all times;
- (b) to act continuously as Trustee under the trust created by the Deed until the trust is terminated as provided in the Deed or until the Trustee has retired from Sunway REIT in the manner provided in the Deed;
- (c) to ensure that Sunway REIT has, at all times, an appointed Manager;
- (d) to ensure that the Manager does not make improper use of its position in managing Sunway REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of the Unitholders; and
- (e) to immediately notify the Securities Commission of any irregularity, breach of the Deed, applicable laws and requirements or any other matter properly regarded by the Trustee as not being in the interests of Unitholders.

The Trustee has covenanted in the Deed that it will exercise due diligence and vigilance in carrying out its duties and responsibilities, and in safeguarding the rights and interests of the Unitholders.

In addition, on the Manager's recommendations, the Trustee may incur borrowings for the acquisition of any real estate assets by Sunway REIT provided that the borrowings of Sunway REIT shall not exceed the limit prescribed under the REIT Guidelines. The Trustee may further consent to and pledge the assets of Sunway REIT to secure borrowings up to the permitted level of borrowings, provided that borrowings by Sunway REIT and the pledging of the assets of Sunway REIT are not prejudicial to the interest of the Unitholders.

11. THE TRUSTEE (Cont'd)

The Deed provides that the Trustee will be indemnified against all losses, claims, damages, suits and costs and expenses arising from the execution of the Deed if the same are not caused by any negligence, recklessness or willful act or omission or breach of trust on the part of the Trustee or by its failure to show the degree of care, due diligence and vigilance required of a trustee, or where a majority of not less than three-quarters of all Unitholders for the time being, voting at a meeting summoned for the purpose, released the Trustee with respect to specific acts or omissions.

11.3 Retirement, removal and replacement of the Trustee**(a) Retirement**

The Trustee may retire upon giving six months' written notice to the Manager (or such shorter period as may be agreed upon with the Manager), whereupon the Manager within three months after becoming aware of the intention of the Trustee to retire, must appoint by way of a deed, a replacement trustee who is eligible to be appointed to act as trustee under the CMSA, and which has been approved by the Securities Commission.

(b) Removal and replacement by Manager

The Manager shall as soon as practicable after becoming aware of any of the following events take all reasonable steps to remove the Trustee from its appointment under the Deed and appoint by way of deed a replacement trustee which is eligible to be appointed to act as trustee under the CMSA and which has been approved by the Securities Commission if the Trustee:

- (i) has ceased to exist;
- (ii) ceases to be eligible to act as trustee pursuant to the CMSA or its appointment as the trustee for Sunway REIT is revoked by the Securities Commission;
- (iii) fails or refuses to act as trustee in accordance with the relevant requirements;
- (iv) has a receiver appointed over the whole or substantial part of its assets or undertaking and the Trustee has not ceased to act under the appointment, or a petition is presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- (v) is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act or any securities law in Malaysia and an adverse finding is found.

(c) Removal by Unitholders

The Unitholders may remove the Trustee by a Special Resolution passed at a duly convened meeting held in accordance with the provisions of the Deed.

(d) Removal by the Securities Commission

The Securities Commission may remove the Trustee in accordance with applicable laws, or on the application of the Manager or of a Unitholder.

The retirement or removal of the Trustee in accordance with the foregoing shall not be effective and the duties and liabilities of the Trustee under the Deed shall not cease until a replacement trustee is appointed and has taken office as trustee.

11.4 Delegation of trustee function

The Trustee has not delegated any of its functions in relation to Sunway REIT to any third party.

11. THE TRUSTEE (Cont'd)**11.5 Trustee's responsibility statement**

The Trustee has stated its willingness to assume the position as trustee of Sunway REIT and all the obligations in accordance with the Deed and all relevant laws, regulations and rules.

11.6 Material litigation and arbitration

The Trustee is not engaged in any material litigation and arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the Trustee and the board of directors of the Trustee does not know of any other proceedings pending or threatened or of any facts likely to give rise to any proceedings, which might materially and adversely affect the financial position of the Trustee.

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12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS**12.1 Existing and proposed related party transactions and conflict of interests**

Save as disclosed below, there are no other existing and/or proposed related-party transactions and/or conflict-of-interest situations or other subsisting contracts of arrangements, involving Sunway REIT, the Manager, the Sponsor, the Vendors and/or persons connected to them.

Set out below are descriptions of all related party transactions that were entered into in relation to the Properties in the last two years immediately preceding the LPD.

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
1. Sunway Pyramid Shopping Mall				
1.	SPSB	Sponsor	In respect of the sale and purchase agreement for the disposition of PN 9495 Lot No. 32, PN 9500 Lot No. 51175 & HS(D) 259957 PT 1312 by the Sponsor to SPSB	The Sponsor is the major shareholder of SPSB and it holds 52,000,000 (52%) ordinary shares in SPSB
2.	SPSB	Sunway Parking Management Sdn Bhd ("SPMSB")	In respect of the management of the nine-storey car park (comprising 3721 car park bays) According to the management agreements dated 1 January 2008 and 1 January 2009, there are nine-storey car park (comprising 3,721 car park bays)	SPMSB is 100% owned subsidiary of SPSB and SPSB is 52% owned subsidiary of the Sponsor *These management agreements have expired
3.	SPSB	SRH	In respect of the convention centre	52% owned subsidiary of the Sponsor
4.	SPSB	Dekon Tajul Nursery & Landscaping Sdn Bhd	In respect of the provision of landscape maintenance	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
5.	SPSB	Sunway Construction Sdn Bhd	Building works and related services	100% owned subsidiary of Sunway Holdings Berhad
6.	SPSB	Sunway Engineering Sdn Bhd	Mechanical and electrical services	75.1% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
7.	SPSB	Sunway Design Sdn Bhd	Interior design related services	80% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
8.	SPSB	Dekon Sdn Bhd	Building works and related services	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
9.	SPSB	Sunway Risk Management Sdn Bhd	Insurance products and related services	100% owned subsidiary of Sunway Holdings Berhad

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
10.	SPSB	Dekon Style Sdn Bhd	Building works and related services	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
11.	SPSB	Sunway Shopping Centre Management Private Limited	Consultancy services	100% owned subsidiary of the Sponsor
12.	SPSB	Adasia (M) Sdn Bhd	Advertising and related services	100% owned by Sungei Way Corporation Sdn Bhd which Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO has 100% deemed interest. Sungei Way Corporation Sdn Bhd holds 33% in the Sponsor
13.	SPSB	Sponsor	Sale of entire paid-up and issued shares in SPMSB by SPSB to the Sponsor. This transaction is completed on 27 May 2010.	The Sponsor is the major shareholder of SPSB and it holds 52,000,000 (52%) ordinary shares in SPSB
2. Menara Sunway				
1.	MSSB	Dekon Tajul Nursery & Landscaping Sdn Bhd	Tenant at Menara Sunway Provision of landscape maintenance	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
2.	MSSB	Hotel Manager	Tenant at Menara Sunway	100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
3.	MSSB	Sunway International Vacation Club Berhad	Tenant at Menara Sunway	100% owned subsidiary of the Sponsor
4.	MSSB	Sponsor	Tenant at Menara Sunway Rental of accommodation for security staff	MSSB is 100% owned subsidiary of the Sponsor
5.	MSSB	Sunway Design Sdn Bhd	Tenant at Menara Sunway Interior design related services	80% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
6.	MSSB	Sunway Paving Solutions Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Sunway Holdings Berhad
7.	MSSB	Suncity SSC Sdn Bhd	Tenant at Menara Sunway Accounting services	100% owned subsidiary of the Sponsor
8.	MSSB	Sunway Shared Services Centre Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Sunway Holdings Berhad

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
9.	MSSB	Dekon Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
10.	MSSB	Sunwaymas Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Sunway Holdings Berhad
11.	MSSB	Sunway Construction Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Sunway Holdings Berhad
12.	MSSB	Sunway Engineering Sdn Bhd	Tenant at Menara Sunway	75.1% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
13.	MSSB	Sunway Marketing Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Sunway Holdings Berhad
14.	MSSB	Sunway Computer Services Sdn Bhd	Tenant at Menara Sunway	80.13% owned subsidiary of Sunway Technology Sdn Bhd which is 71.5% owned by Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO and 31.5% owned by Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng
15.	MSSB	SMSB	Tenant at Menara Sunway Secretarial services	100% owned subsidiary of Sunway Holdings Berhad
16.	MSSB	Sunway Homes (MM2H) Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of the Sponsor
17.	MSSB	Sunway Holdings Berhad	Tenant at Menara Sunway	45% owned by Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
18.	MSSB	Dekon Style Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
19.	MSSB	Sunway Leasing Sdn Bhd	Tenant at Menara Sunway	100% owned subsidiary of Sunway Holdings Berhad
20.	MSSB	Adasia (M) Sdn Bhd	Tenant at Menara Sunway	100% owned by Sungei Way Corporation Sdn Bhd which Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO has 100% deemed interest. Sungei Way Corporation Sdn Bhd holds 33% in the Sponsor
21.	MSSB	Decortrend Cleaning & Maintenance Services Sdn Bhd	Tenant at Menara Sunway Cleaning and maintenance services	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
3. Sunway Resort Hotel & Spa and Pyramid Tower Hotel				
1.	SRH	Hotel Manager	Agreement relating to the management of Sunway Resort Hotel & Spa and Pyramid Tower Hotel.	100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
2.	SRH	Allson International Hotels & Resorts (B.V.) Ltd.	Agreement relating to group services (including operating procedures, marketing, advertising and publicity services) to be provided to SRH.	100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
3.	SRH	SPMSB	Car park tenancy agreement (Sunway Resort Hotel & Spa).	100% owned subsidiary of SPSB *SPMSB will novate this agreement to Mega Capacity. See disclosure in the table set out in Section 12.2.2(b), item 8
4.	SRH	SPMSB	Car park tenancy agreement (Pyramid Tower Hotel)	100% owned subsidiary of SPSB *SPMSB will novate this agreement to Mega Capacity. See disclosure in the table set out in Section 12.2.2(b), item 8
5.	SRH	Sunway Travel Sdn Bhd	Tenancy agreement for demised premises at Pyramid Tower Hotel.	100% owned subsidiary of the Sponsor
6.	SRH	Sunway Leisure Services Sdn Bhd	Tenancy agreement for demised premises at Pyramid Tower Hotel.	100% owned subsidiary of the Sponsor
7.	SRH	Dekon Style Sdn Bhd	Refurbishment work to certain sections of Sunway Resort Hotel & Spa	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
8.	SRH	Sunway Design Sdn Bhd	Interior design work	80% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
9.	SRH	Dekon Tajul Nursery & Landscaping Sdn Bhd	Provision of landscape maintenance services	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
10.	SRH	SPSB	Rental of convention centre	52% owned subsidiary of the Sponsor
11.	SRH	Sunway Risk Management Sdn Bhd	Insurance products and related services	100% owned subsidiary of Sunway Holdings Berhad
12.	SRH	All related parties (please refer to Note 1)	Provision of hotel & related services to all related parties	(Please refer to Note 1)

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
13.	SRH	Sunway Engineering Sdn Bhd	Mechanical and electrical services	75.1% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
4. Sunway Carnival Shopping Mall				
1.	SCSB	SHSJ	In respect of the convention centre at Sunway Carnival Shopping Mall	100% owned subsidiary of Sunway City (Penang) Sdn Bhd which is a 100% owned subsidiary of the Sponsor
2.	SCSB	Adasia (M) Sdn Bhd	Advertising and related services	100% owned subsidiary of Sungei Way Corporation Sdn Bhd which Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO has 100% deemed interest. Sungei Way Corporation Sdn Bhd holds 33% in the Sponsor.
3.	SCSB	Akitek Akiprima Sdn Bhd	Architectural related services	Cheah Teik Jin (a brother to Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng) has directorship and 99.99% shareholding in Akitek Akiprima Sdn Bhd
4.	SCSB	Sunway Design Sdn Bhd	Interior design related services	80% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
5.	SCSB	Sunway Construction Sdn Bhd	Building works and related services	100% owned subsidiary of Sunway Holdings Berhad
6.	SCSB	Sunway Engineering Sdn Bhd	Construction machineries	75.1% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
7.	SCSB	Sunway Risk Management Sdn Bhd	Insurance products and related services	100% owned subsidiary of Sunway Holdings Berhad
5. Sunway City Ipoh Hypermarket				
1.	PKSB	Sunway Risk Management Sdn Bhd	Insurance products and related services	100% owned subsidiary of Sunway Holdings Berhad
6. Sunway Hotel Seberang Jaya				
1.	SHSJ	Hotel Manager	Agreement relating to the management of Sunway Hotel Seberang Jaya	100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
2.	SHSJ	Allson International Hotels & Resorts (B.V.) Ltd	Agreement relating to group services (including operating procedures, marketing, advertising and publicity services) to be provided to SHSJ	100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
3.	SHSJ	Sunway Travel Sdn Bhd	Tenancy Agreement for demised premises at SHSJ (Rental of ground level of Sunway Hotel Seberang Jaya to operate a travel business)	100% owned subsidiary of the Sponsor
4.	SHSJ	All related parties (please refer to Note 2)	Provision of hotel & related services to all related parties	(Please refer to Note 2)
5.	SHSJ	Sunway Risk Management Sdn Bhd	Insurance products and related services	100% owned subsidiary of Sunway Holdings Berhad
6.	SHSJ	Dekon Tajul Nursery & Landscaping Sdn Bhd	Purchase of plants for landscaping	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
7.	SHSJ	Sunway International Vacation Club Berhad	Tenant at SHSJ (Rental of 2 function rooms for time-sharing presentations and one other room for office space)	100% owned subsidiary of the Sponsor
8.	SHSJ	SCSB	Landlord for SHSJ at Sunway Carnival Convention Centre	100% owned subsidiary of Sunway City (Penang) Sdn Bhd which is a 100% owned subsidiary of the Sponsor
9.	SHSJ	Sunway Leasing Sdn Bhd	Leasing services for hotels	100% owned subsidiary of Sunway Holdings Berhad
7. Sunway Tower				
1.	ST2SB	Sunway IFM Sdn Bhd	Management and maintenance contract	100% owned subsidiary of the Sponsor
2.	ST2SB	Sunway Leisure Services Sdn Bhd	Tenant at Sunway Tower	100% owned subsidiary of the Sponsor
3.	ST2SB	Sunway Healthy Lifestyle Sdn Bhd	Tenant at Sunway Tower	100% owned subsidiary of the Sponsor
4.	ST2SB	Suncity SSC Sdn Bhd	Accounting services	100% owned subsidiary of the Sponsor
5.	ST2SB	Decortrend Cleaning & Maintenance Services Sdn Bhd	Cleaning and maintenance services	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
6.	ST2SB	Dekon Style Sdn Bhd	Renovation works	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
7.	ST2SB	Sunway Risk Management Sdn Bhd	Insurance products and related services	100% owned subsidiary of Sunway Holdings Berhad

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
8. Other existing related party transaction				
1.	SPSB	Sponsor	Tenancy agreement in respect of rental of accommodation for SPSB's staff	The Sponsor is the major shareholder of SPSB and it holds 52,000,000 (52%) ordinary shares in SPSB

Note 1: The term "All related parties" referred to under No. 12 of SRH in the above table means:

No.	List of companies referred to as "All related parties"	Relationship
1.	Dekon Holdings Sdn Bhd	25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
2.	Dekon Style Sdn Bhd	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
3.	Pyramid Bowl Sdn Bhd	40% owned associate company of SPSB which is a 52% owned subsidiary of the Sponsor
4.	SCSB	100% owned subsidiary of Sunway City (Penang) Sdn Bhd which is a 100% owned subsidiary of the Sponsor
5.	Sunway Construction Sdn Bhd	100% owned subsidiary of Sunway Holdings Berhad
6.	Sunway Design Sdn Bhd	80% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor
7.	Sunway Holdings Berhad	45% owned by Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
8.	Hotel Manager	100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
9.	Sunway International Vacation Club Berhad	100% owned subsidiary of the Sponsor
10.	SPMSB	100% owned subsidiary of SPSB which is a 52% owned subsidiary of the Sponsor
11.	Sunway Geotechnics (M) Sdn Bhd	100% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
12.	Sunway Innopave Sdn Bhd	100% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
13.	Sunway Keramo Sdn Bhd	100% owned subsidiary of Sunway Holdings Berhad
14.	Sunway Engineering Sdn Bhd	75.1% owned subsidiary of Sunway Construction Sdn Bhd which is a 100% owned subsidiary of Sunway Holdings Berhad
15.	Sunway Paving Solutions Sdn Bhd	100% owned subsidiary of Sunway Holdings Berhad
16.	Sunway Pipeplus Technology Sdn Bhd	100% owned subsidiary of Sunway Holdings Berhad
17.	Sunway Supply Chain Enterprise Sdn Bhd	100% owned subsidiary of Sunway Holdings Berhad

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Note 2: The term "All related parties" referred to under No. 4 of SHSJ means:

No.	List of companies referred to as "All related parties"	Relationship
1.	SCSB	100% owned subsidiary of Sunway City (Penang) Sdn Bhd which is a 100% owned subsidiary of the Sponsor
2.	Sponsor	44% owned by Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
3.	Sunway International Vacation Club Berhad	100% owned subsidiary of the Sponsor
4.	SPSB	52% owned subsidiary of the Sponsor
5.	Sunway Travel Sdn Bhd	100% owned subsidiary of the Sponsor
6.	Sunway Paving Solutions Sdn Bhd	100% owned subsidiary of Sunway Holdings Berhad
7.	Sunway City (Penang) Sdn Bhd	100% owned subsidiary of the Sponsor
8.	Dekon Style Sdn Bhd	100% owned subsidiary of Dekon Holdings Sdn Bhd, which is 25.6% owned by Datuk Razman M Hashim, the Deputy Executive Chairman with 0.08% shareholding in the Sponsor

The Trustee, the Manager and the Property Manager have entered into the Property Management Agreement on 26 May 2010. Please refer to Section 16.3 of this Prospectus for further information on the Property Management Agreement.

In connection thereto, the Property Manager will enter into a service provider agreement with Sunway IFM Sdn. Bhd. ("SIFM"), a subsidiary of the Sponsor, where the Property Manager appoints SIFM to provide the personnel required to properly operate, maintain, manage and market the Office Properties and the Retail Properties in accordance with the terms and conditions of the service provider agreement. Pursuant to the Property Management Agreement, the Trustee, on the instruction of the Manager and the concurrence of the Property Manager, is authorised to pay SIFM directly for the property expenses properly incurred in the performance of its obligations and duties as a service provider to the Property Manager.

The Manager, the Sponsor, Credit Suisse and GIC have entered into a Cornerstone Agreement dated 27 May 2010. Please refer to Sections 3.4.2 and 14.2 (v) of this Prospectus for further information.

12.2 Potential related party transactions and conflict of interests

12.2.1 Right of first refusal for property acquisition by Sunway REIT

Pursuant to the Right of First Refusal, the Sponsor has granted to the Trustee the right of first refusal to purchase real estate located in Malaysia and the Asia-Pacific region owned or from time to time owned by the Sponsor and/or its wholly owned subsidiaries and shares of such wholly owned subsidiaries. There could be potential conflict of interest arising from such transactions. However, such conflict of interest situation is mitigated in view that a valuation must be undertaken on the properties by a qualified independent valuer and a valuation report must be submitted to the Securities Commission and the Trustee for their approval, as provided in the Deed and the REIT Guidelines.

12.2.2 Other potential related party transactions

The other potential related party transactions include:

- (a) those agreements that are listed in the schedule under Section 12.1 above, which are mainly the existing related party agreements that will either be assigned or novated to the Trustee/Manager or new agreements of a similar nature which the Trustee/Manager will enter into with the existing tenants of the Properties and/or third party service providers upon completion of the Acquisitions; and

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

(b) the following:

No.	Related party	Party with whom the transactions were carried out	Nature of transactions	Relationship
1.	Manager and SRH	Trustee	In respect of the SRH Master Lease	The Manager is a 100% owned subsidiary of the Sponsor Trustee is the appointed trustee of Sunway REIT
2.	Manager and SHSJ	Trustee	In respect of the SHSJ Master Lease	The Manager is a 100% owned subsidiary of the Sponsor Trustee is the appointed trustee of Sunway REIT
3.	Mega Capacity	Trustee	In respect of the Car Park Tenancy Agreements for Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya, Menara Sunway and Sunway Tower	Mega Capacity is a 100% owned subsidiary of SPSB Trustee is the appointed trustee of Sunway REIT
4.	Manager	SMSB	In respect of the Service Agreement for the provision of unit registry services	The Manager is a 100% owned subsidiary of the Sponsor SMSB is a 100% owned subsidiary of Sunway Holdings Berhad
5.	Manager	Sponsor	In respect of the Service Agreement for the provision of internal audit services	The Manager is a 100% owned subsidiary of the Sponsor
6.	SHSJ	Hotel Manager	In respect of the Hotel Management Agreement for Sunway Hotel Seberang Jaya	The Hotel Manager is a 100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
7.	SRH	Hotel Manager	In respect of the Hotel Management Agreement for Sunway Resort Hotel and Pyramid Tower Hotel	The Hotel Manager is a 100% owned subsidiary of Sunway Hospitality Holdings Limited which is a 100% owned subsidiary of the Sponsor
8.	SPSB	Sponsor	Share sale agreement in relation to the sale of shares held by SPSB in Mega Capacity to the Sponsor	The Sponsor is the major shareholder of SPSB and it holds 52,000,000 (52%) ordinary shares in SPSB

12.3 Manager's policy with dealing with conflict-of-interest situations

The Deed provides that the Manager and the Trustee and any delegate thereof shall avoid conflict of interest situation and shall ensure that Sunway REIT is not disadvantaged by the transaction concerned.

Any related party transaction, dealing, investment and appointment carried out on behalf of Sunway REIT, should be executed on terms not more favourable to the related parties than those generally available to the public. In addition, any event or transaction in which a conflict of interest situation arises or could arise should be adequately disclosed in the prospectus and fund reports of Sunway REIT.

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

The appointment or renewal of appointment of any delegate or service provider who is a related party of the Manager must be approved by the Independent Directors of the Manager.

The Manager and its related parties are prohibited from voting in respect of their Units at any meeting of Unitholders convened and shall not form part of the quorum for the meeting, unless otherwise permitted by the Securities Commission.

Subject to the provisions of the REIT Guidelines and the Deed, Sunway REIT shall not invest in or give loans to the Manager or the Trustee or any related corporation of the Manager or the Trustee. The Manager and the Trustee may not act as principal in the sale and purchase of authorised investments to and from Sunway REIT.

In order to minimise the risks of conflicts of interest arising, the Manager has established the following procedures in managing potential conflicts of interest in relation to Sunway REIT:

- (a) The Manager will not manage any other REIT which invests in the same type of properties as Sunway REIT;
- (b) The Board shall comprise at least two Independent Directors while maintaining a minimum ratio of at least one-third Independent Directors at all times; and
- (c) In respect of matters in which any of the Directors or persons connected with him/her have an interest, whether direct or indirect, such interested Director shall abstain from deliberation and voting and shall not form part of the quorum for the meeting.

The Directors are under a fiduciary duty to Sunway REIT to act in its best interests in relation to decisions affecting Sunway REIT when they are voting as members of the Board. In addition, the Directors and executive officers of the Manager are expected to act with the utmost integrity and honesty at all times.

12.4 Shareholdings of the Directors and substantial shareholders of the Manager in other corporations carrying on similar business

The shareholdings of the Directors and substantial shareholders of the Manager in other corporations carrying on similar business are set out below:

Directors / Substantial Shareholders of the Manager	Company	Principal Activities	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO (Director & substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Sunway Platinum Success Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway Residence Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Spring Ambience Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Worldclass Symphony Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Directors / Substantial Shareholders of the Manager	Company	Principal Activities	Shareholdings			
			Direct		Indirect	
			No. of Sbares	%	No. of Sbares	%
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	-	-	2,000,000 ⁽¹⁾ 9,934,657 ⁽¹⁾ <i>(Non- Cumulative Redeemable Preference Shares of RM0.01)</i>	100.0 100.0
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽²⁾	100.0
	Sponsor	Property development and investment, and investment holding	12,823,251	2.7	192,473,117 ⁽³⁾	41.0
Ngeow Voon Yean (Director)	Sunway City Berhad	Property development and investment, and investment holding	300,000	0.1	-	-
Sarena Cheah Yean Tih (Alternate Director & substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Sunway Platinum Success Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway Residence Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Spring Ambience Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Worldclass Symphony Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	-	-	2,000,000 ⁽¹⁾	100.0
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽²⁾	100.0
	Sponsor	Property development and investment, and investment holding	10,000	0.002	205,286,368 ⁽⁴⁾	43.7

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Directors / Substantial Shareholders of the Manager	Company	Principal Activities	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Sponsor (Substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment	100,000	100.0	-	-
	Sunway Platinum Success Sdn Bhd	Property investment	2	100.0	-	-
	Sunway Residence Sdn Bhd	Property investment	100,000	100.0	-	-
	Spring Ambience Sdn Bhd	Property investment	2	100.0	-	-
	Worldclass Symphony Sdn Bhd	Property investment	2	100.0	-	-
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	2,000,000	100.0	-	-
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽³⁾	100.0
Sungei Way Corporation Sdn Bhd (Substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Sunway Platinum Success Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway Residence Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Spring Ambience Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Worldclass Symphony Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	-	-	2,000,000 ⁽¹⁾	100.0
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽²⁾	100.0
	Sponsor	Property development and investment, and investment holding	149,179,691	31.7	5,213,409 ⁽⁶⁾	1.1

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Directors / Substantial Shareholders of the Manager	Company	Principal Activities	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Timah Dunia Dredging Sdn Bhd (Substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment			100,000 ⁽¹⁾	100.0
	Sunway Platinum Success Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway Residence Sdn Bhd	Property investment	-	-	100,000 ⁽²⁾	100.0
	Spring Ambience Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Worldclass Symphony Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	-	-	2,000,000 ⁽¹⁾	100.0
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽²⁾	100.0
	Sponsor	Property development and investment, and investment holding	-	-	154,393,100 ⁽⁷⁾	32.9
Active Equity Sdn Bhd (Substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Sunway Platinum Success Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway Residence Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Spring Ambience Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Worldclass Symphony Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	-	-	2,000,000 ⁽¹⁾	100.0
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽²⁾	100.0

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Directors / Substantial Shareholders of the Manager	Company	Principal Activities	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
	Sponsor	Property development and investment, and investment holding	7,776,552	1.7	162,351,590 ⁽⁸⁾	34.6
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng (Substantial shareholder)	Stellar Destiny Sdn Bhd	Property investment			100,000 ⁽¹⁾	100.0
	Sunway Platinum Success Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway Residence Sdn Bhd	Property investment	-	-	100,000 ⁽¹⁾	100.0
	Spring Ambience Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Worldclass Symphony Sdn Bhd	Property investment	-	-	2 ⁽¹⁾	100.0
	Sunway City (Penang) Sdn Bhd	Property development, provision of property management services and investment holding	-	-	2,000,000 ⁽¹⁾	100.0
	Sunway Monash-U Residence Sdn Bhd	Property Investment	-	-	300,000 ⁽²⁾	100.0
	Sponsor	Property development and investment, and investment holding	10,000	0.002	205,286,368 ⁽⁹⁾	43.7

Notes:

- (1) Deemed interest by virtue of Section 6A of the Companies Act held through the Sponsor.
- (2) Deemed interest by virtue of Section 6A of the Companies Act held through the Sponsor, Sunway Lagoon Sdn Bhd and Sunway South Quay Sdn Bhd.
- (3) Deemed interest by virtue of Section 6A of the Companies Act held through Active Equity Sdn Bhd, Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and child.
- (4) Deemed interest by virtue of Section 6A of the Companies Act held through Active Equity Sdn Bhd, Active Builder Sdn Bhd, Sungei Way Corporation Sdn Bhd and parents.
- (5) Deemed interest by virtue of Section 6A of the Companies Act held through Sunway Lagoon Sdn Bhd and Sunway South Quay Sdn Bhd.
- (6) Deemed interest by virtue of Section 6A of the Companies Act held through Timah Sini-Sana Sdn Bhd.
- (7) Deemed interest by virtue of Section 6A of the Companies Act held through Sungei Way Corporation Sdn Bhd and Timah Sini-Sana Sdn Bhd.
- (8) Deemed interest by virtue of Section 6A of the Companies Act held through Progressive Traders Sdn Bhd, Sungei Way Corporation Sdn Bhd and Timah Sini-Sana Sdn Bhd.
- (9) Deemed interest by virtue of Section 6A of the Companies Act held through Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and child.

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)**12.5 Declarations by advisers**

- (a) RHB Investment Bank is of the view that there is no conflict of interest in its capacity as the Sole Financial Adviser, Joint Underwriter, Joint Global Coordinator and Joint Bookrunner in relation to the IPO. In the ordinary course of business, RHB Investment Bank Berhad and/or its related companies do engage in transactions with and perform services for SunCity Group. RHB Investment Bank Berhad and/or its related companies have extended credit facilities and/or have engaged and in the future may engage in transactions in their ordinary course of business with SunCity Group.

In addition, RHB Bank Berhad has, in the ordinary course of their banking businesses, extended credit facilities to the Sponsor and/or Vendor(s), for which part of the proceeds arising from the disposal of the Properties to Sunway REIT could be used to repay the same. RHB Bank Berhad is of the view that the aforementioned extension of credit facilities does not result in conflict of interest situation as the total credit facilities are not material compared to the audited total assets of RHB Bank Berhad as at 31 December 2008.

- (b) Credit Suisse is of the view that it has no conflict of interest in its capacity as Joint Global Coordinator and Joint Bookrunner in the listing of Sunway REIT in that Credit Suisse has not made any loans to the Manager, Trustee, SunCity, Sunway Holdings Berhad, Sungei Way Corporation Sdn Bhd and, in its capacity as Joint Global Coordinator and Joint Bookrunner, Credit Suisse will not receive proceeds from the IPO, except with respect to the fees and expenses of Credit Suisse in connection with the IPO.
- (c) Credit Suisse Malaysia is of the view that it has no conflict of interest in its capacity as Joint Bookrunner in the listing of Sunway REIT in that Credit Suisse Malaysia has not made any loans to the Manager, Trustee, SunCity, Sunway Holdings Berhad, Sungei Way Corporation Sdn Bhd and, in its capacity as Joint Bookrunner, Credit Suisse Malaysia will not receive proceeds from the IPO, except with respect to the fees and expenses of Credit Suisse Malaysia in connection with the IPO.
- (d) Maybank IB confirms that it has no conflict of interest and neither is there a conflict of interest in acting as Joint Bookrunner and Joint Underwriter in relation to the Listing and as the Sole Financial Adviser to the Sponsor for the proposed disposal of selected real estate properties.

Maybank IB, its subsidiaries and associated companies, as well as its holding company, Malayan Banking Berhad ("Maybank") and the subsidiaries and associated companies of its holding company ("Maybank Group"), are and in the ordinary course of business, engaged in investment banking, securities trading, asset and fund management, commercial banking, insurance and offshore banking services, respectively.

In this regard, Maybank may in the future provide financial or other services to the Sponsor, its subsidiaries and/or its affiliates. Further, Maybank Group may at any time (i) provide services to or engage in any transactions (on its own account or otherwise) with any member of SunCity Group or any other entity or person or (ii) hold long or short positions and may trade or otherwise effect transactions for its own account or the account of customers in debt or equity instruments or senior loans of any member of SunCity Group.

In addition, Maybank has, in the ordinary course of their banking businesses, extended credit facilities to a Vendor, for which part of the proceeds arising from the disposal of the Properties to Sunway REIT could be used to repay the same. Maybank is of the view that the aforementioned extension of credit facilities does not result in conflict of interest situation as the total credit facilities are not material compared to the audited total assets of Maybank as at 30 June 2009.

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (e) CIMB confirms that, save for as disclosed below, it is not aware of any possible conflict of interest by acting as one of the Joint Bookrunners and Joint Underwriters to Sunway REIT for the IPO.

CIMB, its related and associated companies (the "CIMB Group") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for Sunway REIT and/or its affiliates, in addition to the roles involved in the IPO. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of Sunway REIT and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of Sunway REIT and/or its affiliates. This is a result of the businesses of CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of Sunway REIT.

The CIMB Group has, in the ordinary course of their banking business, granted credit facilities to a Vendor, for which part of the proceeds arising from the disposal of the Properties to Sunway REIT could be used to repay the same. In addition, CIMB Group is one of the holders of the fixed income securities issued by the Sponsor.

CIMB is of the view that the aforementioned extension of credit facilities and fixed income securities holdings, do not result in conflict of interest situation as the total bonds and credit facilities are not material when compared to the audited total assets of CIMB Group as at 31 December 2008. Furthermore, the holding of the fixed income securities and extension of credit facilities arose in the ordinary course of business of the CIMB Group in view of CIMB Group's extensive participation in the Malaysian capital market and banking industry.

- (f) The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries including HSBC Bank Malaysia Berhad (collectively, "HSBC Group") do engage in transactions with and perform services for the Sponsor. HSBC Group have extended credit facilities and/or have engaged and in the future may engage in transactions in the ordinary course of their banking business with the Sponsor.

Part of the proceeds arising from the disposal of the Properties to Sunway REIT could be used to repay the credit facilities extended to the Sponsor and/or Vendor(s) by HSBC Bank Malaysia Berhad. They are of the view that this does not give rise to any conflict of interest in their capacity as Joint Bookrunner in respect of the Institutional Offering outside Malaysia in relation to the IPO.

- (g) J.P. Morgan confirms that there is no conflict of interest in its capacity as a Joint Bookrunner in relation to the IPO and the listing of Sunway REIT on the Main Market of Bursa Securities.
- (h) Zaid Ibrahim & Co has confirmed that there is no conflict of interest in its capacity as the Solicitors for the IPO as to Malaysian Law.
- (i) Allen & Overy is of the view that it has no conflict of interest acting as United States and English law counsel to Sunway REIT in relation to the IPO.
- (j) Ernst & Young confirms that they are not aware of any conflict of interest relating to their capacity as Auditors and Reporting Accountants in the IPO which would impair their ability to provide an independent review and opinion.
- (k) PricewaterhouseCoopers Taxation Services Sdn Bhd confirms that there is no conflict of interest in its capacity as the Tax Adviser of Sunway REIT in relation to the IPO.
- (l) Knight Frank (Proprietor: Ooi & Zaharin Sdn Bhd) has confirmed that there is no conflict of interest in its capacity as the Independent Property Valuer in relation to the IPO.

12. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (m) Jones Lang Wootton (Proprietor: Singham Sulaiman Sdn Bhd) confirms that in its opinion, it does not have a conflict of interest that prevents it from acting as the Independent Market Researcher and providing an independent property market overview report for inclusion in this Prospectus in relation to the IPO and the Listing.
- (n) Kadir, Andri & Partners has confirmed that there is no conflict of interest in its capacity as the legal counsel to the Joint Global Coordinators, Joint Underwriters and Joint Bookrunners as to Malaysian law, in relation to the IPO.
- (o) Linklaters Allen & Gledhill Pte Ltd has confirmed that it has no conflict of interest in its capacity as the International legal counsel to the Joint Global Coordinators and Joint Bookrunners as to United States and English law in relation to the IPO.

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13. APPROVALS AND CONDITIONS**13.1 Approval and conditions pursuant to the Initial Public Offering**

The Securities Commission had, by its letter dated 6 May 2010, approved the Initial Public Offering. The conditions imposed by the Securities Commission and status of compliance are as follows:

Conditions imposed by the Securities Commission		Status of compliance
1.	The Manager or its advisers to clearly disclose in the prospectus: (i) the rationale of having the Price Adjustment Mechanism; (ii) clear growth strategy and plans for Sunway REIT in the medium-term and long-term, such as acquisitions of additional real estates; and (iii) the expected date of obtaining the Certificate of Fitness from the authority for the ramp built on the New Pantai Expressway from Kuala Lumpur direction, which leads into the Sunway Pyramid Shopping Mall.	Complied
2.	For Sunway Resort Hotel & Spa, SRH is to rectify the renovation carried out on Level 20 and Level 21 (The Presidential Suit/Penthouse) within 12 months from the date of Securities Commission's approval letter;	Noted and to be complied with by SRH
3.	For Sunway Hotel Seberang Jaya, SHSJ is to rectify renovation and relocation works carried out within the subject compound within 12 months from the date of the Securities Commission's approval letter;	Noted and to be complied with by SHSJ
4.	For Menara Sunway, MSSB is to rectify all unapproved structures located on Level B2A of Menara Sunway Annex; i.e. the office space, within 12 months from the date of Securities Commission's approval letter;	Noted and to be complied with by MSSB
5.	In the event the owners' applications to the respective local council for the renovation works are rejected, the cost incurred to rectify any of the renovation should be borne by the owners, and not charged to the REIT;	Noted
6.	The Manager or its advisers to provide evidence of compliance with Paragraph 3.04(d) and Paragraph 3.28 of the REIT Guidelines prior to the registration of the prospectus of Sunway REIT;	Complied
7.	The Manager or its advisers to submit an operational audit report of Sunway REIT's operation to the SC within 6 months after Sunway REIT is launched and listed. The appointment of the auditors and scope of work shall be subject to the Securities Commission's clearance;	Noted and to be complied with
8.	The Manager or its adviser to inform the SC the listing date of Sunway REIT prior to the Listing;	Noted and to be complied with
9.	The Manager or its adviser to inform the SC upon the completion of the Listing; and	Noted and to be complied with
10.	The listing of Sunway REIT must be completed within 6 months from the date of the Securities Commission's approval letter. Securities Commission's approval is deemed to lapse if the Manager fails to do so within the stipulated timeframe	Noted

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13. APPROVALS AND CONDITIONS (Cont'd)**13.2 Other approvals granted by the Securities Commission**

The Securities Commission had further given approval, by its letter dated 18 May 2010, in relation to Sunway REIT as follows:

- (i) the outsourcing of the unit registrar function by the Manager to SMSB. The conditions imposed by the Securities Commission and status of compliance are as follows:

Conditions imposed by the Securities Commission		Status of compliance
1.	The Manager to formalise the service agreement before the outsourcing takes effect. The duly executed service agreement is to be submitted within one month of the date of approval;	Complied
2.	The Manager to inform the Securities Commission within ten working days in the event that any of their service agreements with the service providers are terminated or when there are material changes made to the said agreements; and	Noted and to be complied with
3.	The Manager to submit an audit report in relation to the Unit Registrar function rendered by SMSB to the Securities Commission within six months from the commencement of the outsourcing.	Noted and to be complied with

- (ii) the outsourcing of the internal control function by the Manager to the Sponsor. The conditions imposed by the Securities Commission and status of compliance are as follows:

Conditions imposed by the Securities Commission		Status of compliance
1.	The Manager to formalise the service agreement before the outsourcing takes effect. The duly executed service agreement is to be submitted within one month of the date of approval; and	Complied
2.	The Manager to inform the Securities Commission within ten working days in the event that any of their service agreements with the service providers are terminated or when there are material changes made to the said agreements.	Noted and to be complied with

13.3 Waivers granted by the Securities Commission

The Securities Commission had granted the following waivers by its letter dated 6 May 2010:

- (a) Waiver from Clause 3.04(c) of the REIT Guidelines on the requirement for the Manager to have 30% Bumiputera equity and is subject to the Manager maintaining 30% local shareholdings at all times; and
- (b) Waiver from Clause 14.04 of the Prospectus Guidelines for Collective Investment Schemes for the requirement of the Manager to provide details of direct and indirect interest of directors and substantial shareholders of the Manager in other corporations carrying on similar business in the Prospectus, is only allowed in relation to the following substantial shareholders:
- (a) Singapore Minister for Finance Incorporated; and
- (b) GIC.

14. ADDITIONAL INFORMATION

14.1 Other pertinent information to Unitholders

14.1.1 Means by which Unitholders can keep abreast of developments of Sunway REIT

Unitholders can keep abreast of the development of Sunway REIT via announcements made on Bursa Securities' website (www.bursamalaysia.com) and annual reports that will be sent to Unitholders.

14.1.2 Means by which Unitholders can keep track of the current price per Unit/ NAV per Unit

Unitholders are able to keep track of the market price per Unit and the NAV per Unit via Bursa Securities' website (www.bursamalaysia.com). Sunway REIT will also be providing the Unitholders with an annual report each year on its performance which will also include information on the NAV per Unit.

14.1.3 Unitholders services centre

Investors who require any assistance on Sunway REIT may contact the Manager at:

Sunway REIT Management Sdn Bhd
 Level 3, Menara Sunway,
 Jalan Lagoon Timur, Bandar Sunway
 46150 Petaling Jaya
 Selangor Darul Ehsan
 Tel. No : (603) 5639 8889
 E-mail: irsunrcit@sunway.com.my

14.2 Material contracts

Saved as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by Sunway REIT within the past two years immediately preceding the date of this Prospectus:

- (i) the Deed (please refer to Section 15.1 of this Prospectus for more details);
- (ii) the Underwriting Agreement (please refer to Section 3.10.1 of this Prospectus for more details);
- (iii) the Right of First Refusal (please refer to Section 16.6 of this Prospectus for more details);
- (iv) the Trademark Licensing Agreement dated 21 May 2010 made between the Manager and Sunway Holdings Berhad in relation to trademarks to be used in connection with Sunway REIT (please refer to section 16.11 of this Prospectus for more details); and
- (v) Cornerstone Agreement dated 27 May 2010 entered into among the Manager, the Sponsor, Credit Suisse and GIC, under which GIC has agreed to acquire from the Manager an aggregate number of 134,005,615 Offer Units, representing approximately 5% of the total number of Units to be listed at the Cornerstone Price.

14.3 Consents

The written consents of the Sole Financial Adviser, Joint Global Coordinators, Joint Bookrunners, Joint Underwriters, the Trustee, legal advisers, SMSB, Issuing House, the Property Manager and Principal Bankers to the inclusion in this Prospectus of their names in the manner, form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name and letters relating to the proforma financials in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14. ADDITIONAL INFORMATION (Cont'd)

The written consent of the Tax Adviser to the inclusion in this Prospectus, of its name and letter in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of the Independent Property Valuer and Independent Market Researcher to the inclusion in this Prospectus of their names and reports in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

14.4 Policies and procedures by the Manager to avoid money laundering activities

The Manager has policies and procedures in place to prevent money laundering activities. In order to implement these procedures, the Manager requires the Property Manager and its service providers to obtain from potential tenants detailed verification of identity including but not limited to proof of identity, residential or registered address, occupation or business, funds or source of income when registering their interest to rent the Retail Properties and Office Properties and to periodically update their records. Until satisfactory evidence has been received, the Property Manager and its service providers have the discretion to refuse or accept the application form from potential tenant. The Property Manager or its service provider may delay or refuse any application without giving any reason for doing so where this is in accordance to the Manager's anti-money laundering obligations. The Property Manager and its service providers shall have the right to request additional information including the identity of any potential tenants as may be required to support the verification of information and to allow the Property Manager and its service provider to carry out due diligence exercise on the potential tenants in compliance with the relevant anti-money laundering and anti-terrorism financing legislations.

Any suspicious transaction will be reported to the relevant authorities.

14.5 Documents for inspection

Copies of the following documents will be available for inspection during normal office hours (except public holidays) at the Manager's registered office at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway 46150 Petaling Jaya, Selangor Darul Ehsan from the date of this Prospectus for a period of 12 months:

- (i) the Deed;
- (ii) the material contracts referred to in Section 14.2 of this Prospectus;
- (iii) the material agreements relating to the Acquisitions as referred to in Section 16 of this Prospectus;
- (iv) the Taxation Adviser's Letter annexed as Appendix I of this Prospectus;
- (v) the Valuation Certificates annexed as Appendix II of this Prospectus;
- (vi) the independent property market overview report annexed as Appendix III of this Prospectus;
- (vii) the Independent Auditors' report on the combined financial statements annexed as Appendix IV of this Prospectus;
- (viii) the Reporting Accountants' Letters on the Profit Forecast and unaudited proforma balance sheets together with the bases and assumptions as included in Appendix V and VI respectively;
- (ix) the Independent Property Valuer's valuation reports on the Properties; and
- (x) the letters of consent referred to in Section 14.3 of this Prospectus.

15. SALIENT TERMS OF THE DEED

The following outline summarises certain key terms of the Deed and is qualified in its entirety by, and is subject to, the contents of the Deed. The Deed is a complex document and prospective investors should refer to the Deed to confirm specific information or for a detailed understanding of Sunway REIT. The Deed is available for inspection at the registered office of the Manager.

15.1 The Deed

Sunway REIT is a real estate investment trust constituted by a deed entered into on 20 May 2010 between Sunway REIT Management Sdn Bhd, as Manager, and OSK Trustees Berhad, as Trustee, as amended by a supplemental deed dated 10 June 2010 between Sunway REIT Management Sdn Bhd, as Manager, and OSK Trustees Berhad, as Trustee. Sunway REIT is primarily regulated by the CMSA and the REIT Guidelines.

The objectives of Sunway REIT are to provide Unitholders with an exposure to a diversified portfolio of Authorised Investments permitted by the REIT Guidelines or as otherwise permitted by the Securities Commission that will provide stable cash distributions with the potential for sustainable growth of the Net Asset Value per Unit.

The terms and conditions of the Deed, as may be modified from time to time in accordance with the provisions of the Deed, are binding on each Unitholder and persons claiming through or under such Unitholder as if such Unitholder had been a party to and had executed the Deed, and as if the Deed contained covenants on the part of each Unitholder to observe and be bound by all the provisions hereof and an authorisation by each Unitholder to do all such acts and things as the Deed may require the Trustee or, as the case may be, the Manager to do.

15.2 The Units and Unitholders

The rights and interests of Unitholders are contained in the Deed. Under the Deed, these rights and interests are safeguarded by the Trustee.

Each Unit is of equal value and represents an undivided right or interest in Sunway REIT. There is only one class of Units in Sunway REIT and all issued Units rank *pari passu* provided the issue price is fully paid. A Unitholder has no equitable or proprietary interest in the Assets of Sunway REIT and is not entitled to the transfer to it of any Assets of Sunway REIT (or any part thereof) or any estate or interest in the Assets of Sunway REIT (or any part thereof). A Unitholder's right is limited to the right to require due administration of Sunway REIT in accordance with the provisions of the Deed. Further, unless otherwise expressly provided in the Deed, a Unitholder may not (i) interfere or seek to interfere with the rights, powers, authority or discretion of the Manager or the Trustee, or restrict the exercise of any discretion expressly conferred on the Manager or Trustee or the determination of any matter which, under the Deed, requires the agreement of either or both the Manager and the Trustee; (ii) exercise any right in respect of the Assets (or part thereof) of Sunway REIT or lodge any caveat or other notice affecting the Assets of Sunway REIT (or any part thereof); (iii) require that any Assets of Sunway REIT (or part thereof) be transferred to the Unitholders, or (iv) give any directions to the Manager or Trustee which would require the Manager or Trustee to do or omit doing anything which may result in Sunway REIT ceasing to comply with the applicable laws and requirements or which may be inconsistent with their duties at law or under the Deed.

15.3 Issue of Units

Applications for Units in relation to the Initial Public Offering shall be made in accordance with this Prospectus. No certificates for the Units shall be issued to any subscribers of Offer Units pursuant to this Prospectus. A Unit will be deemed to have been issued to the person entitled to such Unit when the name of such person has been entered onto the Record of Depositors. Units once listed shall be freely transferable on Bursa Securities in board lots of 100 Units, or such other number as Bursa Securities permits. All transfers of Units shall be effected in the manner provided under the Central Depositories Act and the Regulations.

15. SALIENT TERMS OF THE DEED (Cont'd)

Additional Units may be issued on recommendation from the Manager to the Trustee. Subject to requisite approvals, any subsequent issuance of Units may follow any method permitted under the REIT Guidelines. Notice to Unitholders, in relation to an offer of additional Units to existing Unitholders shall only be issued to those Unitholders whose names appear in the Register or Record of Depositors on the Books Closing Date, and who have a registered address or service address in Malaysia or, in the case of Unitholders whose registered address or service address in the Register or Record of Depositors is outside Malaysia, to those Unitholders who have provided the Manager or the Depository, as the case may be, with a registered address or service address in Malaysia for the service of notices or of documents at least five business days prior to the Books Closing Date.

The Manager may only offer Units to vendors as consideration (in whole or in part) for Authorised Investments proposed to be acquired by Sunway REIT at a price determined by the Manager and approved by the Trustee if the terms and conditions of the acquisition are approved by an Ordinary Resolution. Neither the Manager nor the person to whom the Units are to be issued nor any associated person (as defined in the CMSA) of that person votes in relation to such Ordinary Resolution and if and to the extent required, the acquisition is approved by the Securities Commission and any other relevant regulatory authority.

15.4 Rights and liabilities of Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of Sunway REIT;
- attend and vote at meetings of Unitholders; and
- participate in the termination of Sunway REIT in accordance with the provisions of the Deed.

The liability of each Unitholder shall be limited to the Unitholder's investment in Sunway REIT. Notwithstanding any other provisions of the Deed, no Unitholder shall be required to indemnify the Trustee or the Manager or any of the creditors against any liability of the Trustee or the Manager in respect of Sunway REIT.

15.5 Amendments of the Deed

Any amendment to the Deed must be made by way of supplementary deed and will only take effect upon registration of the supplementary deed with the Securities Commission. Unless an amendment to the Deed has been approved by a Majority Resolution (or such other majority as may be required under the REIT Guidelines from time to time), no amendment may be made to the provisions of the Deed unless:

- (a) the amendment or replacement is:
 - (i) necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law);
 - (ii) necessary to correct a manifest error of a formal, technical or administrative nature only;
 - (iii) necessary for the purpose of complying with any ruling issued by the Malaysian taxation authorities relating to taxation of Sunway REIT and/or the Unitholders; or
 - (iv) in any other circumstances not materially adverse to the interest of the Unitholders and not likely to become so; and
- (b) the Trustee and the Manager must certify in a written statement to the Securities Commission that in their opinion, such amendment does not materially prejudice the interests of Unitholders and does not operate to release the Trustee or the Manager from any responsibility to the Unitholders.

15. SALIENT TERMS OF THE DEED. (Cont'd)**15.6 Manager's role and responsibilities and Manager Fee**

Please refer to Sections 9.2 and 9.6 of this Prospectus.

15.7 Meetings of Unitholders

The Trustee or the Manager on behalf of the Trustee may at any time convene a meeting of Unitholders upon at least 14 days' written notice (or at least 21 days in the case of a Majority Resolution or Special Resolution, as defined below, to be passed). In addition, the Manager must, within 21 days after an application is delivered to the Manager at its registered office made by not fewer than 50 Unitholders or one-tenth in number of the Unitholders, whichever is less, convene a meeting of Unitholders. If the Manager fails to give the required notice within 14 days from a request by the Trustee or within 21 days after a requisition of the Unitholders, the Trustee may issue the required notice.

The Unitholder meetings will be chaired by such person as is appointed by the Unitholders that are present at the meeting or where no such appointment is made, be chaired by a nominee of the Trustee.

Quorum for an Ordinary Resolution shall be five Unitholders who are entitled to vote at the meeting, and quorum for a Majority Resolution or Special Resolution shall be five Unitholders who are entitled to vote at the meeting, holding or representing by proxy, in aggregate, at least 25% of all the Units in issue at the time of the meeting. A Related Party of the Manager or Trustee shall not be counted in a quorum for a meeting if it has an interest in the outcome of the transaction tabled for approval at the meeting.

At any meeting, a resolution put to the meeting shall be decided in the first instance by a show of hands, provided that a poll may be taken where (i) it is demanded by the chairman, (ii) it is required by the Deed or by law that the question be decided by the majority which is to be measured by a percentage of the votes of those present, (iii) it is demanded by the Trustee or the Manager or (iv) it is demanded either before or immediately after any question is put to a show of hands by Unitholders present, holding between them not less than one-tenth of the total number of Units issued. Votes may be given either personally or by proxy. The form of the instrument of proxy used shall be in accordance with the form illustrated in the Deed or in any other form which the Trustee shall approve.

Any Unitholder being a corporation may by resolution of its directors (or other governing body) authorise any person to act as its representative at any meeting of Unitholders. A person so authorized shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unitholder.

The Manager may not exercise the voting rights in respect of the Units it or its nominees hold in any Meeting, regardless of the party who requested the Meeting and the matter or matters that are laid before the Meeting. Any Related Party of the Manager or Trustee may not exercise the voting rights in respect of the Units held by them in any meeting.

In accordance with the Deed, a meeting of Unitholders will be convened to pass a Special Resolution when decisions with respect to certain matters require prior approval of Unitholders by way of a majority consisting of not less than 3/4 of the persons voting thereat upon a show of hands and if a poll is demanded, the by a majority consisting of not less than 3/4 of the votes given on such poll. Such matters include, without limitation, removal of the Trustee or Manager. For the purpose of terminating or winding up of Sunway REIT, a "Special Resolution" means a resolution passed by a majority in number representing at least 3/4 of the value of units held by the Unitholders voting at the meeting.

A meeting of Unitholders will be convened to pass a Majority Resolution in relation to decisions with respect to certain matters including without limitation (i) adjustment of the Manager Fee or the Trustee's Fee upward, (ii) removal and replacement of Sunway REIT's auditors, (iii) material changes to the investment objectives of Sunway REIT, and (iv) modifications to the Deed that materially affect the rights of Unitholders.

Any decisions to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless a Special Resolution or Majority Resolution is required by the Deed or applicable laws. Matters subject to approval by an Ordinary Resolution include, without limitation (i) substantial

15. SALIENT TERMS OF THE DEED (Cont'd)

disposal of real estate assets, (ii) certain related-party transactions, and (iii) increasing total borrowings to exceed the prescribed limits in the REIT Guidelines.

15.8 Suspension of dealing in the Units

Except as otherwise provided under the Deed, the Trustee may, subject to the Listing Requirements, suspend dealing in the Units (including issuance of the Units):

- (a) during any period when Bursa Securities or any other relevant recognised stock exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- (b) during the existence of any state of affairs which in the opinion of the Manager and the Trustee might seriously prejudice the interests of the Unitholders as a whole or of the Assets of Sunway REIT;
- (c) during any breakdown in the means of communication normally employed in determining the Net Asset Value of Sunway REIT, or when for any reason the Net Asset Value of Sunway REIT cannot be promptly and accurately ascertained;
- (d) during any period when remittance of money which will or may be involved in the realization of any Assets of Sunway REIT or in the payment for such Assets of Sunway REIT cannot, in the opinion of the Manager and the Trustee, be carried out at normal rates of exchange;
- (e) in relation to any general meeting of the Unitholders, the period of 48 hours before such general meeting or any adjournment thereof;
- (f) during any period where the issuance of Units is suspended pursuant to any order or direction issued by Bursa Securities or any other authorised regulatory body;
- (g) when the business operations of the Manager or the Trustee in relation to Sunway REIT are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection revolution, civil unrest, riots, strikes or acts of God; or
- (h) when any other exceptional circumstance which in the opinion of the Trustee provides good and sufficient reason to do so, having taken into consideration the interests of the Unitholders.

Such suspension will take effect forthwith upon the declaration in writing of the same by the Trustee and shall terminate upon the declaration in writing of the same by the Trustee on the day following the first Market Day on which the condition giving rise to the suspension ceases to exist but in any event no later than 21 days from the commencement of the suspension and no other conditions under which suspension is authorised (as set out above) exists. The Trustee will ensure that immediate announcement of such suspension is made to the Securities Commission stating the reasons therefore and of the proposed resumption of dealings in the Units and the date of the proposed resumption. The Manager shall ensure that the immediate announcement of such suspension and its cessation is made to Bursa Securities.

15.9 Functions, duties and responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) at all times, through proper and adequate supervision, to safeguard the interests of the Unitholders and will actively monitor the administration of Sunway REIT by the Manager to ensure that the interests of Unitholders are upheld at all times;
- (b) to act continuously as Trustee under the trust created by the Deed until the trust is terminated as provided in the Deed or until the Trustee has retired from Sunway REIT in the manner provided in the Deed;
- (c) to ensure that Sunway REIT has, at all times, an appointed Manager;

15. SALIENT TERMS OF THE DEED (Cont'd)

- (d) to ensure that the Manager does not make improper use of its position in managing Sunway REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of the Unitholders; and
- (e) to immediately notify the Securities Commission of any irregularity, breach of the Deed, applicable laws and requirements or any other matter properly regarded by the Trustee as not being in the interests of Unitholders.

The Trustee has covenanted in the Deed that it will, in accordance with applicable laws and regulations, exercise all due care, skill, diligence and vigilance in carrying out its duties and responsibilities in safeguarding the rights and interests of the Unitholders.

In addition, on the Manager's recommendations, the Trustee may incur borrowings for the acquisition of any real estate assets by Sunway REIT provided that the borrowings of Sunway REIT shall not exceed the limit prescribed under the REIT Guidelines. The Trustee may further consent to and pledge the assets of Sunway REIT to secure borrowings up to the permitted level of borrowings, provided that borrowings by Sunway REIT and the pledging of the assets of Sunway REIT are not prejudicial to the interest of the Unitholders.

The Deed provides that the Trustee will be indemnified against all losses, claims, damages, suits and costs and expenses arising from the execution of the Deed if the same are not caused by any negligence, recklessness or wilful act or omission or breach of trust on the part of the Trustee or by its failure to show the degree of care, due diligence and vigilance required of a trustee, or where a majority of not less than three-quarters of all Unitholders for the time being, voting at a meeting summoned for the purpose, released the Trustee with respect to specific acts or omissions.

15.10 Retirement and replacement of Trustee

The Trustee may retire upon giving six months' written notice to the Manager (or such shorter period as may be agreed upon with the Manager), whereupon the Manager within three months after becoming aware of the intention of the Trustee to retire, must appoint by way of a deed, a replacement trustee who is eligible to be appointed to act as trustee under the applicable laws and regulations, and approved by the Securities Commission.

The Trustee may be removed and replaced:

- by the Manager if: the trustee has ceased to exist; ceases to be eligible to act as trustee; fails or refuses to act as trustee in accordance with relevant requirements; has a receiver appointed over the whole or a substantial part of its assets or undertaking; a petition is presented for the winding up of the Trustee; the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act or any securities law in Malaysia and an adverse finding is found;
- by the Unitholders, by way of a Special Resolution (or otherwise in accordance with the requirements of the REIT Guidelines) passed at a duly convened meeting held in accordance with the provisions of the Deed; or
- by the Securities Commission in accordance with applicable laws, or on the application of the Manager or of a Unitholder.

The retirement or removal of the Trustee in accordance with the foregoing shall not be effective and the duties and liabilities of the Trustee under the Deed shall not cease until a replacement trustee is appointed and has taken office as trustee.

15.11 Trustee Fee

Please refer to Sections 7.4.3 and 8.2(iii) of this Prospectus.

15. SALIENT TERMS OF THE DEED (Cont'd)

15.12 Termination of Sunway REIT

Under the provisions of the Deed, Sunway REIT shall commence on the Commencement Date and shall terminate on the earlier of:

- the date 999 years after the Commencement Date;
- the date on which Sunway REIT is terminated by the Trustee, in such circumstances as set out under the provisions of the Deed; and
- the date on which Sunway REIT is terminated by the Manager in such circumstances as set out under the provisions of the Deed.

The Manager may in its absolute discretion terminate Sunway REIT by giving notice to all Unitholders and the Trustee not less than three months (or such shorter period if the circumstances reasonably necessitate earlier notice) in advance if any law is passed which renders it illegal to continue Sunway REIT.

15.13 Winding up

In winding up Sunway REIT, the Trustee must:

- Send a notice to the Unitholders, and if deemed appropriate by the Manager, publish an advertisement in a national language daily newspaper and circulating generally throughout Malaysia giving notice of the commencement of the winding up;
- Realise all realisable Assets;
- Pay any amount due to it and the Manager under the Deed;
- Pay all costs of the Trustee in its capacity as Trustee including, but not limited to, liabilities owed to any Unitholder who is a creditor of Sunway REIT; and
- Subject to any special rights or restrictions attached to any Unit or the direction in writing of all Unitholders, distribute the net proceeds of realisation among the Unitholders *pro rata* in accordance with the number of Units held by each Unitholder.

The Trustee must not distribute any asset to a Unitholder *in specie*.

15.14 Investment policies

The principal investment policy of Sunway REIT is to invest in commercial, office, industrial and other Real Estate Assets.

Investment limits and restrictions

In exercising its powers to make investment on behalf of Sunway REIT and subject to the limits as may be prescribed by the Securities Commission or the REIT Guidelines from time to time, the Manager shall ensure that:

- (a) at least 50% of the Total Asset Value of Sunway REIT must be invested in Real Estate Assets; and
- (b) not more than 25% of the Total Asset Value of Sunway REIT is invested in Non-Real Estate Related Assets, cash, deposits and/or money market instruments,

provided that arising from the disposal of Assets of Sunway REIT or pending acquisition of any authorised investments pursuant to the REIT Guidelines or following capital raising of Sunway REIT, the actual investment ratio of Sunway REIT may be at a variance subject to the provisions stipulated above and the REIT Guidelines.

15. SALIENT TERMS OF THE DEED (Cont'd)

Subject always to the provision of the REIT Guidelines and the Deed, Sunway REIT shall not at any time be involved in the following activities, including but not limited to:

- (a) investments in or loans to the Manager or the Trustee or any Related Corporation of the Manager or the Trustee;
- (b) forward purchase or sale of any currency or money including Ringgit Malaysia or any foreign exchange contracts of whatsoever nature, except where Sunway REIT has acquired or owns foreign Real Estate assets, any such participation in forward contracts is subject to the following conditions:
 - (i) it must be for hedging purposes for a specific Real Estate asset and a specific cash flow; and
 - (ii) it must be for risk-management purposes and limited to Sunway REIT's existing exposure;
- (c) property development, except in the circumstances permitted by the REIT Guidelines;
- (d) any other activity which does not comply with the REIT Guidelines and where no waiver from the Securities Commission is obtained to exempt compliance with the relevant guideline.

Gearing

In accordance with the Deed, the total borrowings of Sunway REIT shall not exceed the limits set forth in the REIT Guidelines (or such other level permitted by the Securities Commission) at the time the borrowings are incurred unless prior approval of the Unitholders has been obtained.

15.15 Permitted charges to Sunway REIT

The Trustee and/or the Manager shall, in addition to their remuneration and rights to indemnification or reimbursement conferred under any other provision of the Deed or by law, respectively be indemnified and shall be reimbursed out of either the income or capital of Sunway REIT for all fees, costs, charges, expenses and outgoings reasonably and properly incurred by or on behalf of the Trustee or the Manager as the case may be, that are directly related and necessary to the business of Sunway REIT, as detailed in the Deed.

The Trustee must ensure that the amount of expenses charged to Sunway REIT is not excessive or beyond standard commercial rates. The Trustee must exercise its discretion carefully and appropriately in determining the legitimacy of the expense and whether or not to allow all or any of the expense to be charged to Sunway REIT.

Notwithstanding the above, any losses, fees, costs and expenses incurred by either the Manager or the Trustee arising from or consequential to their own act of negligence resulting in a breach or default in the observance or performance of their obligations under the Deed shall not be paid out of the income or capital of Sunway REIT.

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16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS

The agreements and other documents described in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of Sunway REIT.

16.1 Sale and purchase agreements

The sale and purchase agreements (the “SPAs” and each a “SPA”) are conditional upon several factors and will be completed on the Completion Date.

The Properties

The assets and liabilities to be acquired under each SPA include (i) the land for the Properties; (ii) all the buildings on each of the Properties; (iii) interests in all tenancies and contracts entered into with third party service providers, which will be novated or assigned to the Trustee on completion of the Acquisitions, save and except for the tenancies and contracts in relation to the Hospitality Properties; and (iv) all conditions of title and restrictions in interests affecting each of the Properties.

The Sponsor is a party to the SPA for the Sunway Pyramid Shopping Mall as a registered proprietor of SP2 Land. By a sale and purchase agreement dated 7 May 2010 made between the Sponsor and SPSB (“SP2 SPA”), the Sponsor has agreed to sell and SPSB has agreed to purchase the SP2 Land upon terms and conditions therein contained. The sale and purchase of the SP2 Land has been completed as at the date of this Prospectus and SPSB is the beneficial owner of the SP2 Land. The Sponsor and SPSB have agreed in the SP2 SPA that the Sponsor shall deliver the instrument of transfer for the SP2 Land directly to the Trustee on behalf of Sunway REIT.

Conditions to sale

The SPAs for the Acquisitions are interdependent and the Trustee is not obliged to complete the purchase of any one of the Properties unless (i) the purchase of all the Properties are completed concurrently under the respective SPA or (ii) all of the other Properties are completed prior to the completion of the Acquisition of the Property.

The main conditions for the SPA are the receipt or completion of: (i) the approval of the directors and shareholders of the Vendors of each of the Properties and the Trustee; (ii) the approval-in-principle of Bursa Securities for the listing of the fund; (iii) the approval of, or no objection by, the State Authority in respect to the restrictions in interest for the disposal and transfer of the Properties to the Trustee, the Trustee’s financier’s charge (if applicable) and the Hotel Master Leases (if applicable); (iv) the consent of the existing chargee for the sale of the Properties by the Vendors; (v) the issuance of this Prospectus to the public in Malaysia for the Listing; (vi) the fulfilment of all conditions, variations or revisions imposed by the Securities Commission and Bursa Securities in respect of the Acquisition of the Properties and the listing; and (vii) the issuance by the Trustee of the Trustee’s certificate that all conditions precedent in the SPA are satisfied and that the SPA (other than the condition precedent that the Trustee has issued certificates to certify satisfaction of the conditions precedent under each of these agreements) are, in essence and to the extent practicable, ready for completion in accordance with its respective terms and conditions. The conditions referred to in paragraphs (i), (ii), (iii), (iv) and (vi) were fulfilled prior to the date of this Prospectus whilst the conditions referred to in paragraphs (v) and (vii) are fulfilled on the date of this Prospectus. Hence, the Acquisitions are unconditional as to completion on the Completion Date.

Completion to sale

On the Completion Date, with the fulfilment of the conditions of the SPA, several actions will occur simultaneously and immediately. The novation or assignment of all existing tenancies in favour of the Trustee shall occur and the respective Vendors of the Office Properties and the Retail Properties shall pay over all security and utilities deposits paid to the Vendors. The respective Vendors of the Office Properties and the Retail Properties will pay over to the Trustee all security deposits, utilities deposits and rental received from the existing tenants after the Completion Date and held upon trust by the respective Vendors for the Trustee. All rights, interests and obligations of the relevant Vendors of the Office Properties and the Retail Properties in and under the existing contracts entered into with third party service provider shall transfer to the Trustee. Lastly, the respective Vendors of the Properties will deliver to the Trustee all relevant documents, agreements, licences, permits, approvals, consents, plans and drawings in respect of the Properties.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)*Breaches of warranties*

The Vendors have given representations and warranties relating to the Properties and the Vendors have agreed to indemnify the Trustee against all losses, damages, costs, expenses and outgoings for a breach of the Vendors' warranties subject to certain limitations. The aggregate maximum liability of the Vendors is an amount equal to 20% of the purchase consideration for each of the Properties and the notice of such claims must be made within 24 months from the Completion Date. Such maximum liability cap does not apply to claims in respect of a Vendor's breach of warranty as to its due incorporation and existence, its power and authority to enter into and perform its obligations under the SPA, its ownership of the Property and the permitted land use of the Property. The minimum threshold for an individual claim is an amount exceeding RM500,000 (in respect of Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa and Pyramid Tower Hotel) and RM100,000 (in respect of the other Properties) whilst the aggregate minimum claim is RM1 million (in respect of Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa and Pyramid Tower Hotel) and RM200,000 (in respect of the other Properties).

Additional Covenants

Within 12 months from the date of the Securities Commission's approval letter dated 6 May 2010 ("Rectification Period"), at its own cost and expense, the respective Vendors for (i) Sunway Resort Hotel & Spa shall rectify the renovation works carried out on Level 20 and Level 21 (Presidential Suite/Penthouse); (ii) Sunway Hotel Sebrang Jaya shall rectify renovation and relocation works carried out within the subject compound; and (iii) Menara Sunway shall rectify all unapproved structures located on Level B2A of Menara Sunway Annexe, i.e. the office space (collectively "Unapproved Works"). In the event the respective Vendors' application to the relevant authority in respect of the Unapproved Works is rejected or not obtained within the Rectification Period, the respective Vendors shall bear all costs and expenses incurred and/or to be incurred in respect of the rectification of the Unapproved Works.

16.2 The Facility

Pursuant to a letter of offer dated 17 May 2010, HSBC Bank Malaysia Berhad ("HSBC Malaysia"), RHB Bank Berhad ("RHB Bank"), CIMB Bank Berhad ("CIMB Bank"), Public Bank Berhad ("Public Bank") and OCBC Bank (Malaysia) Berhad ("OCBC Bank") have granted to Sunway REIT the Facility comprising the following:

- (i) A RM300.0 million term loan facility with a term of two years, of which RM240.0 million bears a fixed interest rate to be determined prior to the first drawdown and RM60.0 million bears a floating interest rate of the respective banks' cost of funds plus margin of 1.25% per annum;
- (ii) A RM400.0 million term loan facility with a term of three years, of which RM160.0 million bears a fixed interest rate of to be determined prior to the first drawdown and RM240.0 million bears a floating interest rate of the respective banks' cost of funds plus margin of 1.25% per annum;
- (iii) A RM300.0 million term loan facility with a term of four years, of which RM99.0 million bears a fixed interest rate of to be determined prior to the first drawdown and RM201.0 million bears a floating interest rate of the respective banks' cost of funds plus margin of 1.25% per annum; and
- (iv) A RM150.0 million revolving credit facility bearing a fixed interest rate of 1.25% per annum on the drawn amount.

Security Documents

For the purpose of the documenting the Facility, the Trustee on behalf of Sunway REIT will enter into the following security documents:

- (a) the Facilities Agreement with HSBC Malaysia as the co-ordinating arranger, HSBC Malaysia, CIMB Bank, OCBC Bank, Public Bank and RHB Bank as the mandated lead arrangers,

16 MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)

- OCBC Bank as the security agent and HSBC Malaysia, CIMB Bank, OCBC Bank, Public Bank and RHB Bank as the lenders setting out the terms and conditions of the Facility;
- (b) the land charges with respect to Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Menara Sunway, Sunway Tower and SunCity Ipoh Hypermarket (collectively "Charged Assets") with the security agent whereby the Trustee grants in favour of the security agent a first ranking legal land charge over Charged Assets;
 - (c) the assignment and charge over relevant accounts with the security agent whereby the Trustee create an assignment over the collection account, the debt service reserve account and the proceeds account to be opened by Sunway REIT with the security agent;
 - (d) the assignment of proceeds with the security agent whereby the Trustee creates a legal assignment of the proceeds account to be opened by Sunway REIT with the security agent;
 - (e) the assignment of the SPAs for the Charged Assets with the security agent whereby the Trustee creates a legal assignment of all of Sunway REIT's benefits and rights over the SPAs in respect of the Charged Assets;
 - (f) the power of attorney granted by the Trustee in favour of the security agent whereby the Trustee grants to the security agent a power of attorney for the sale of the Charged Assets in the event of a declaration of an event of default; and
 - (g) the letter of undertaking issued by the Manager in favour of the security agent whereby the Manager undertakes to deposit all rental and cash flow generated from the Properties into the collection accounts maintained by the Trustee on behalf of Sunway REIT and that it should not declare any dividend or distributions to the Unitholders if an event of default has occurred or will occur as a result of such declaration or if the financial covenants will not be met after such distributions.

Events of Default

If an event of default occurs and is continuing, the Facility Agent may, and shall if directed by the majority lenders, by notice to the Trustee cancel the Facility and declare that all or part of the Facility, together with the accrued interest and all amounts accrued or outstanding be immediately due and payable and/or declare all or part of the Facility be payable on demand.

16.3 Property Management Agreement

The Office Properties and the Retail Properties and any subsequent properties directly or indirectly acquired or wholly or partly owned by Sunway REIT will be managed by the Property Manager pursuant to the Property Management Agreement entered into on 26 May 2010 by the Trustee, the Manager and the Property Manager and which will commence on the Completion Date. Pursuant to the Property Management Agreement, the parties appointed the Property Manager to operate, maintain, manage and market all of the Office Properties and the Retail Properties, subject to overall management by the Manager. The initial term of the Property Management Agreement is one year from the Completion Date or until termination.

Reappointment

On or before two months prior to the expiry of the initial term and if there are no outstanding or unremedied breaches by the Property Manager of its obligations, the Manager may give written notice to the Trustee and the Property Manager of its desire to extend the appointment of the Property Manager on the terms mutually agreed upon for an additional one-year term.

Property Manager's services

With respect to each property under its management, the Property Manager shall provide, including but not limited to, the following services:

- (i) property management services, negotiating third-party contracts for provision of property maintenance services, supervising the performance of service contractors, arranging for

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)

- adequate insurance, managing litigation and ensuring compliance with building and safety regulations;
- (ii) tenant management services, including coordinating tenants' fitting-out requirements, administration of rental collection, management of rental arrear, administration of property tax matters, and initiating tenancy renewals and negotiation of terms;
 - (iii) marketing and public relations services, including acting as a marketing agent for the marketing and leasing of properties; and
 - (iv) project management services in relation to the maintenance, repair, redecoration or improvement works to a property, including recommendation of project budgets and project consultants and supervision and implementation of the projects.

Fees

Under the Property Management Agreement, the Property Manager is entitled to receive property management fees of RM35,000.00 per month.

The Trustee will pay the fees to the Property Manager on or before the 15th of the month following the commencement date for the fee accruing from the preceding month. If the commencement date falls on a date other than the first day of that month, the Trustee will pay the prorated amount for the month of the commencement date on or before the 15th of the following month.

Expenses

The Trustee, on the recommendation of the Manager, shall reimburse the Property Manager and/or its service providers in full for the agreed employment expenditure and the property expenses incurred for each month in a fiscal Year, within 10 business days after the Trustee's receipt of the Property Manager's invoice and the invoices of the service providers for that month.

Provision of office space

Where applicable, the Trustee may, upon recommendation of the Manager, permit employees of the Property Manager or of the service providers who are engaged in the management of a property to occupy suitable office space at such property without requiring the Property Manager or the service providers to pay any rent, service charge, utility charges or other sums in respect thereof.

Termination

The Trustee (on the Manager's recommendation) or the Manager may terminate the appointment of the Property Manager in relation to all of the Office Properties and the Retail Properties under the management of the Property Manager on the occurrence of certain specified events, including the liquidation or cessation of business of the Property Manager. Notwithstanding the above, the Trustee, the Manager or the Property Manager may summarily terminate the Agreement by giving one month written notice. The Manager may also by way of two months written notice terminate the Property Management Agreement if the applicable laws and requirements are changed such that the Office Properties and the Retail Properties are not required to be managed by a property manager licensed under the Valuers, Appraisers and Estate Agents Act 1981.

The Trustee or the Manager may also terminate the appointment of the Property Manager specifically in relation to a Property under its management in the event of the sale of such Property, but the Property Management Agreement will continue to apply with respect to the remaining Properties managed by the Property Manager under the terms of the Property Management Agreement.

In addition, if either (a) the Trustee or the Manager or (b) the Property Manager, within 30 days of receipt of written notice, fails to remedy any breach of its obligations (which is capable of remedy) in relation to a Property, the non-breaching party or parties may terminate the Property Management Agreement upon giving 30 days written notice to the breaching party.

Upon termination of the appointment of the Property Manager under the Property Management Agreement in respect of a Property, the Manager shall as soon as practicable recommend to the Trustee the appointment of a replacement property manager in relation to the affected Property, and arrange for

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)

the Trustee, the Manager and the replacement property manager to enter into a property management agreement on similar terms to the Property Management Agreement.

Novation/assignment

The Trustee and the Manager are entitled to novate their respective rights, benefits and obligations under the Property Management Agreement to a new trustee or manager of Sunway REIT, as the case may be, appointed in accordance with the terms of the Deed. No other assignment or transfer of any rights or obligations under the Property Management Agreement is permitted without the consent of all other parties.

Indemnity and exclusion of liability

Each party to the Property Management Agreement shall indemnify each of the other parties from and against any and all actions, proceedings, liabilities, claims, demands, losses, damages, charges, costs and expenses that the indemnified party suffers or incurs, to the extent that they arise out of any breach, negligence, fraud or misconduct of the indemnifying party, its employees or agents, in the performance of the indemnifying party's obligations and duties under the Property Management Agreement.

In the absence of fraud, negligence, default, recklessness, omission or breach of the Property Management Agreement by the Property Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Property Management Agreement.

16.4 Hotel Master Lease

The Trustee (or "Lessor") entered into the (i) SRH Master Lease dated 26 May 2010 with SRH and the Manager which will commence on the Completion Date for Sunway Hotel Resort & Spa and the Pyramid Tower Hotel, and (ii) SHSJ Master Lease dated 26 May 2010 with SHSJ and the Manager which will commence on the Completion Date for Sunway Hotel Seberang Jaya.

Term

Each of the Hotel Master Leases is for a term of ten years commencing from Completion Date. At the end of the term, the Lessees will have the option to renew for an additional ten year term at a rental rate to be renegotiated with the Lessor.

Rent

SRH and SHSJ are required to make monthly payments in arrear of the SRH Total Rent and the SHSJ Total Rent respectively to the Lessor.

Within four months after the end of each financial year of the Lessees, the Lessees will deliver to the Lessor an audited profit and loss statement showing the results of operations for the preceding financial year and containing a computation of revenue, gross operating profit and master lease expenses for the period. An adjustment of the SRH Total Rent and/or the SHSJ Total Rent will then be made based on these audited financial statements. If the SRH Total Rent and/or the SHSJ Total Rent paid during the preceding financial year amounts to more than the SRH Total Rent and/or the SHSJ Total Rent to which the Lessor was entitled based on the audited financial statements, the Lessor will repay the difference back to SRH and/or SHSJ, as the case may be within 15 business days of the submission of the audited annual financial statements of the Lessee for the relevant period of the financial year unless the Lessor agrees otherwise that the difference may be deducted instead from the next monthly payment of the SRH Total Rent and/or the SHSJ Total Rent to the Lessor where the difference does not exceed that SRH Total Rent and/or the SHSJ Total Rent monthly payment. Conversely, if the SRH Total Rent and/or the SHSJ Total Rent paid during the preceding financial year amounts to less than the SRH Total Rent and/or the SHSJ Total Rent to which the Lessor was entitled based on the audited financial statements, SRH and/or SHSJ, as the case may be will pay the difference to the Lessor within 15 business days of the submission of the audited annual financial statements of the Lessee for the relevant period of that financial year.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)*Utilities*

The Lessees are responsible for payment of all amounts assessable, chargeable, paid or payable or otherwise incurred in respect of the premises or the ownership, control, operation, administration, management or maintenance of the premises plus tax on those amounts including but not limited to rates and levies, taxes, insurance premiums, cleaning, maintenance and repair, management and administration, security, pest control, compliance costs, lighting, gardening and landscaping ("Outgoings"). Where required by the Lessor, the Lessee must reimburse the Lessor for any amounts incurred by the Lessor on account of Outgoings.

Obligation to operate

The Lessees are required under the Hotel Master Leases to procure the Hotel Manager to manage and operate the hotel under the terms of the related hotel management agreement. The Lessees may replace the Hotel Manager subject to the approval of the Lessor. The Hotel Manager's fees to operate the Sunway Resort Hotel & Spa and Pyramid Tower Hotel may not exceed 5% of the Lessee's gross operating profit for the period of five years after 1 July 2008 and thereafter 7.5% of the gross operating profit with respect to the remaining period. The Hotel Manager's fees to operate Sunway Hotel Seberang Jaya may not exceed the aggregate of 1.5% of the revenue and 8% of the gross operating profit, all of SHSJ, with respect to the period of ten years after 1 October 2008 and thereafter a rate to be negotiated between SHSJ and the Hotel Manager with respect to the remaining period.

The Lessees are also required to submit to the Manager an annual budget which includes financial projections as well as a budget for operating expenses, FF&E works, repair and maintenance.

Routine repair and maintenance

The Lessees are primarily responsible to keep the Hospitality Properties and FF&E at all times in good and substantial condition and repair and in working order including repairing, repainting and replacement of FF&E required for the business but excluding any works which are in the nature of capital improvements. The Lessees shall also re-carpet, paint, varnish, paper or otherwise treat the walls, ceilings and other internal surfaces of the Hospitality Properties in substantially the same manner as they were finished on the commencing date.

Capital improvements

The Lessor is required, if necessary, to carry out capital improvements upon notification by the Lessees that capital improvements are required or the Lessor may elect to carry out the capital improvements on its own behalf, in which case the Lessor must take out and maintain or cause to be effected and maintained contract works and contract works liability insurance.

FF&E

The Lessees are required during each fiscal year to provide and set aside in the FF&E reserve an amount equivalent to 2.5% of the Hospitality Properties's revenue and 2.5% of the revenue of the Villas. The FF&E reserve will be used and disbursed only in accordance with an agreed FF&E plan for the acquisition and replacement of FF&E.

Alterations and works by the Lessee

The Lessees may, with the Lessor's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) make any alterations or additions to the hotel premises other than alterations which comprise capital improvements.

The Lessees must permit the Lessor and its consultants to inspect the alterations or works being undertaken at any time after reasonable notice and in the company of a representative of the Lessees.

Restrictions against alienation

The Lessees are not permitted, unless with the prior written consent of the Lessor, to assign, transfer, mortgage, charge, sub-lease or assign any rights or obligations under the Hotel Master Leases, except that prior written consent is not required for assignment or transfer to a subsidiary of the Sponsor. A change of control of the Lessees, including takeovers, mergers and change in the shareholding control

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)

(both direct and indirect) of the Lessees, is deemed to be a breach of the restriction on alienation on the Lessees.

The Lessor is permitted, without the consent of the Lessees, to sell, assign, transfer or dispose of the hotel premises provided that any such sale or disposal is subject to the Hotel Master Lease. The Lessor may also assign the benefit or create encumbrances over the relevant Hospitality Properties by way of security for borrowings.

Lessee's obligation to maintain hotel licence and other licences

The Lessees are required to maintain and renew all licenses required by law to enable the Lessees or the Hotel Manager to operate a hotel business at the Hospitality Properties and the Lessees must pay all fees in connection with such licenses. In addition, the Lessees must take action to ensure the requirements for maintaining the licenses are complied with.

Suspension of rental

Where the Hospitality Properties are damaged or destroyed and the Hospitality Properties:

- (a) cannot be used by the Lessees and neither Party exercise the right of termination then the Lessees are not liable to pay the SRH Total Rent or the SHSJ Total Rent, as the case may be, for the period that the Hospitality Properties cannot be used provided that the Lessor has received the monies in respect of loss of SRH Total Rent or the SHSJ Total Rent from the insurer; or
- (b) are still useable by the Lessees, but the useability is diminished because of the damage or destruction, then the Lessees' liability to pay the SRH Total Rent or the SHSJ Total Rent is adjusted in the manner set out below:
 - (i) if the damage to the Hospitality Properties is so severe and the operations of the Hospitality Properties are so adversely affected so as to render the Lessees unable to pay the SRH Guaranteed Rent or the SHSJ Guaranteed Rent, as the case may be, then for the period commencing from the date such damage or destruction occurred until the date of completion of restoration and reinstatement of such part(s) of the Hospitality Properties or until the monies received by the Lessor in respect of the loss of SRH Total Rent or the SHSJ Total Rent pursuant to the business interruption insurance policy taken out by the Lessor have been exhausted, whichever is earlier, the Lessees will pay the Lessor an amount equivalent to the SRH Variable Rent or the SHSJ Variable Rent and the portion of the gross operating profit less master lease expenses which the Lessees would be entitled for under the business interruption insurance policy taken out by the Lessor for such period and for such period the Lessees are not required to pay the SRH Total Rent or the SHSJ Total Rent. This clause shall not apply if such damage or destruction to the Hospitality Properties arises from the act, omission, negligence or default of the Lessees or the Lessees' agent so as to affect the Lessor's rights under any insurance policy (including claims made thereunder) or render any insurance policy invalid or liable to be cancelled, then in such event, the Lessees shall be required to pay the SRH Total Rent or SHSJ Total Rent.
 - (ii) if the damage to the Hospitality Properties is not so severe and the operations of the Hospitality Properties are not adversely affected so as to render the Lessees unable to pay the SRH Guaranteed Rent or the SHSJ Guaranteed Rent, then in respect of the period commencing from the date such damage or destruction occurred until the date of completion of restoration and reinstatement of such part(s) of the Hospitality Properties, the Lessees will continue to pay the Lessor the SHR Total Rent or the SHSJ Total Rent for such period, without any abatement of the SHR Total Rent or the SHSJ Total Rent.
- (c) are still usable by the Lessees but the useability is diminished because of the damage or destruction to the extent that the Lessees suffer losses in which event, all revenue generated by the operations of the Hospitality Properties shall be used to pay the operating expenses in

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)

priority and the Lessees are not liable to pay the SRH Total Rent and the SHSJ Total Rent for the period where the Lessee suffers losses.

Termination

The Lessor has the right to serve a notice of termination on the Lessees to terminate the Hotel Master Leases immediately upon the date of the termination notice where there is a failure to make payment of the SRH Total Rent and/or the SHSJ Total Rent or other sums payable under the Hotel Master Leases, or there are breaches of other essential terms under the agreement in respect of the Hospitality Properties, or there are insolvency proceedings instituted against the Lessees, and such failure shall continue for a period of 15 business days after written notice has been given by the Lessor

Force majeure

The parties to the Hotel Master Leases have agreed that neither the Lessor nor the Lessee shall be liable for failure to perform its obligations under the Hotel Master Leases to the extent that, and for so long as, observance or performance of such obligations is prevented by an event of force majeure provided, however, that the party whose performance is prevented or delayed by such force majeure shall make every good faith effort to overcome or dispel the event of force majeure and shall timely communicate the occurrence of such force majeure to the other party; and the time for performance of that obligation shall be extended accordingly. For the purpose of the Hotel Master Leases, an event of force majeure is an event beyond the control of the party to the Hotel Master Leases and which are unforeseen or if foreseen are unavoidable and which render impossible the performance of any material obligation or exercise of any material right by any of the parties and which shall include boycotts, act of government in its sovereign capacity, decrees or restraints by governmental authorities, terrorism, wars, invasion, rebellion, insurrection or civil law, acts of public enemy, criminal acts of third party, riots, earthquakes, fire, lightning, storms, flood and any other occurrence caused by the operation of forces of nature, acts of God, epidemic and outbreaks of disease in Malaysia.

In all other events, if the force majeure in question prevails for a continuous period in excess of three months, the Lessor and the Lessees shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangement as may be fair and reasonable, and if the Lessor and the Lessees are unable to agree on an alternative arrangement, either party may immediately terminate the Hotel Master Lease by notice in writing. During the first three months commencing from the occurrence of the force majeure, the Lessees' obligations to pay the SRH Total Rent or the SHSJ Total Rent, as the case may be, to the Lessor are suspended but which amount shall continue to accrue from the occurrence of the event constituting force majeure and bear interest at the rate of 1.5% above the base lending rate of Malayan Banking Berhad (or its successor bank) at the relevant time, and both the rent and interest payable shall be paid within 20 business days of the expiry of the aforesaid three months' period or upon termination of the Hotel Master Leases.

16.5 Hotel management agreement

SRH and the Hotel Manager have entered into a hotel management agreement dated 1 July 2003 ("SRH Hotel Management Agreement") whereby SRH has appointed the Hotel Manager to manage the Sunway Resort Hotel & Spa and Pyramid Tower Hotel. A supplemental agreement will be entered into between SRH and the Hotel Manager on the Completion Date to amend certain terms and conditions of the SRH Hotel Management Agreement to incorporate primarily certain provisions required in the SRH Master Lease to be incorporated into the SRH Hotel Management Agreement. The SRH Hotel Management Agreement as amended by the supplemental agreement shall hereafter be referred to as the Amended SRH Hotel Management Agreement.

SHSJ and the Hotel Manager have entered into a hotel management agreement dated 1 October 2008 ("SHSJ Hotel Management Agreement") whereby SHSJ has appointed the Hotel Manager to manage the Sunway Hotel Seberang Jaya. A supplemental agreement will be entered into between SHSJ and the Hotel Manager on the Completion Date to amend certain terms and conditions of the SHSJ Hotel Management Agreement to incorporate primarily certain provisions required in the SHSJ Master Lease to be incorporated into the SHSJ Hotel Management Agreement. The SHSJ Hotel Management Agreement as amended by the supplemental agreement shall hereafter be referred to as the Amended SHSJ Hotel Management Agreement.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)*Scope of work of the Hotel Manager*

Under the Amended SHR Hotel Management Agreement and the Amended SHSJ Hotel Management Agreement, the Hotel Manager shall, amongst others, (i) employ, train, pay, supervise, discharge and determine the compensation and fringe benefits of all employees necessary for the operation of the respective hotels including the managerial and working staff, department heads and all other employees. Every person employed at the hotel shall be the employee of SRH or SHSJ, respectively and not of the Hotel Manager, provided however that at Hotel Manager's written request to SRH or SHSJ, respectively, the Hotel Manager may designate certain senior employees of the hotels as employees of the Hotel Manager, (ii) as may be necessary or desirable from time to time, develop and implement revised food and beverage concepts and entertainment and amusement policies along with related policies and procedures and (iii) supervise, purchase (or arrange for the purchase of) and install (or arrange for the installation of) all furnishings and equipment and operating supplies which in the normal course of business are necessary and proper to maintain and operate these hotels in accordance with set quality standards and seek competitive prices for purchases of a significant nature having due regard for reliability and future benefits derived from continuous business with suppliers.

Assignment

Unless otherwise provided in the respective agreements, neither SHSJ or SRH (as the case may be) nor the Hotel Manager shall have the right to assign or otherwise transfer its interest in the respective agreements without the prior written consent of the other party hereto and the prior written consent of Sunway REIT (acting on the advice of the Manager). Any consent granted by either party to any such assignment or transfer shall not be deemed a waiver, in any subsequent case, of the prohibition contained herein;

SHSJ or SRH (as the case may be) or the Hotel Manager may assign or otherwise transfer its interests under the respective agreements subject to notification to Sunway REIT, without the other party's prior written consent, to any corporation controlled by the Sponsor, provided however that notwithstanding any such assignment, SHSJ or SRH still remains a subsidiary of the Sponsor or Sunway Holdings Berhad and the assignor shall (except in the case of an assignment or other transfer in connection with any such merger, consolidation or transfer of assets) continue to be liable hereunder with the same force and effect as if no such assignment or transfer had been made. Upon the making of any assignment or transfer as aforesaid, a copy of the instrument(s) effecting the same or other adequate notice shall be delivered to SHSJ or SRH (as the case may be).

Term

The Amended SRH Hotel Management Agreement is for a duration of 10 years ending on 30 June 2013 with the option to renew for two further terms of five years each and another further term of seven years. The Amended SHSJ Hotel Management Agreement is for a duration of 10 years ending on 30 September 2018 with the option to renew for two further terms of five years each and another further term of two years.

Termination

In addition to the existing termination provisions, and amongst other termination events as set out in the respective agreements, SHSJ or SRH (as the case may be) shall have the right to terminate the respective agreements without cause, in the event of a sale of the relevant Hospitality Properties resulting in the termination of the Hotel Master Lease or SHSJ or SRH (as the case may be) ceases to be a lessee of the Hospitality Properties for any reason whatsoever, by giving the Hotel Manager a 14 days notice in writing, in which event SRH or SHSJ will compensate the Hotel Manager on the basis as agreed in the respective agreements. If required by Sunway REIT, SRH or SHSJ shall terminate the Amended SRH Hotel Management Agreement or the Amended SHSJ Hotel Management Agreement without cause if the Hotel Manager ceases to be a subsidiary of the Sponsor.

Upon the termination of the lease under the Hotel Master Leases or termination of the Sunway REIT's or SHSJ's or SRH's right to possession of the respective Hospitality Property (as the case may be) for any reason or the Hotel Manager ceases to be a subsidiary of the Sponsor, the Amended SRH Hotel Management Agreement or the Amended SHSJ Hotel Management Agreement may be terminated by Sunway REIT through the Manager, without liability on the part of Sunway REIT for any payment due or to become due to the Hotel Manager under the respective agreements.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)**16.6 Right of First Refusal**

In consideration of the Trustee, in its capacity as trustee for Sunway REIT, entering into the SPA for the acquisition of the Properties, the Sponsor has granted to the Trustee the right of first refusal to purchase real estate located in Malaysia and the Asia-Pacific region owned or from time to time owned by the Sponsor and/or its wholly owned subsidiaries ("SCB Entities") ("Investment Properties"), and (ii) shares of the SCB Entities from time to time which own Investment Properties (collectively "ROFR Assets").

In the event that the Sponsor or any SCB Entities intends to offer the ROFR Assets or any of them for sale to any third party, the Sponsor shall or the Sponsor shall procure the SCB Entity to, as the case may be, first offer for sale of the ROFR Asset(s) to the Trustee at the same or better price and terms offered to such third party by way of a written notice to the Trustee, with a copy to the Manager. This right of first refusal does not apply to any intra-group transfers of property amongst, or amalgamations, restructurings, mergers and analogous events involving the Sponsor and its subsidiaries.

The Sponsor undertakes, and the Sponsor shall procure the SCB Entities, not to participate in any public tender of real estate located in Malaysia and the Asia-Pacific region which Sunway REIT intends to participate in or has submitted a bid.

The right of first refusal and the undertaking of the Sponsor in the paragraph above shall remain effective and binding on the Sponsor at any time and for so long as (a) the Sponsor holds an interest of 20% or more of Sunway REIT units; and (b) the Manager is a subsidiary of the Sponsor; and (c) Sunway REIT remains listed on the Official List.

16.7 Deed of easement**16.7.1 First deed of easement**

The Trustee will enter into a deed of easement with the Sponsor to grant, give and convey to the Sponsor, a non-exclusive easement over all that strip of land having an approximate length of 114 metres and width of 15 metres respectively situated on all that parcels of land held under PN 9500 Lot 51175, PN 9495 Lot 32 and H.S.(D) 259957, P.T.1312, Bandar Sunway, District of Petaling, Selangor Darul Ehsan in relation to Sunway Pyramid Shopping Mall to provide access for motor vehicle and pedestrian traffic to and from the Sponsor's land held under H.S.(D)98457 P.T.15757, Mukim Damansara, District of Petaling, Selangor Darul Ehsan and from and to the public highway commonly known as the New Pantai Expressway, including any such ancillary rights as may be reasonably necessary for the full and effective enjoyment thereof as provided under section 286(3) of the National Land Code, for the term beginning on the date of presentation of the easement with the relevant land office for registration and ending on 1 April 2097 or the date of termination of the easement in accordance with the provisions of the deed of easement, whichever is the earlier date. The consideration to be paid is agreed at a nominal sum of RM10.00.

16.7.2 Second deed of easement

The Trustee (or "Grantor") will enter into a deed of easement with the Sponsor (or "Grantee") to grant, give and convey to the Grantee, a non-exclusive easement over the escalator walkway of an approximate length of 75 metres and a width of 5.2 metres respectively including any such ancillary rights as may be reasonably necessary for the full and effective enjoyment thereof as provided under section 286(3) of the National Land Code, on part of leasehold land held under H.S.(D) 259956 P.T.1311, PN 9492, Lot 35 and H.S.(D) 259957, P.T.1312, all of Bandar Sunway, District of Petaling, Selangor Darul Ehsan respectively ("Walkway") to provide access for pedestrian traffic to and from Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Lagoon, for the term beginning on the date of presentation of the easement with the relevant land office for registration and ending on 1 April 2097 or the date of termination of the easement over the Walkway in accordance with the provisions of the deed of easement, whichever is the earlier date. The consideration to be paid is agreed at a nominal sum of RM10.00.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)**16.8 Car park tenancy agreements**

The Trustee (or "Landlord") will enter into seven car park tenancy agreements ("Car Park Tenancy Agreements") with Mega Capacity on the Completion Date in relation to the car parks of the Properties (except for SunCity Ipoh Hypermarket) for a period of three years commencing from the Completion Date.

Payment of rent

Mega Capacity (the "Tenant") shall pay an amount equivalent to (i) 20% of the Gross Operating Revenue (as defined below) ("Base Rent") and (ii) 95% of the Gross Operating Profit (as defined below) being the rent ("Rent") to the Landlord by monthly payments in arrear on or before the fifteenth (15th) day of the month ("Rent Day"), with the first payment commencing on the fifteenth (15th) day of the month immediately following the commencement date of the Car Park Tenancy Agreements ("Commencement Date"). Gross Operating Revenue means the monthly aggregate parking fees and charges (excluding service tax) payable to or collected by the Tenant arising from the operation of the demised premises as a commercial car park for the relevant month for that financial year. Gross Operating Profit means the Gross Operating Revenue less the operating costs and the Base Rent. The Tenant shall pay to the Landlord a security deposit of an amount equivalent to three months Rent calculated using the Rent formula for the three months preceding the Commencement Date (the "Security Deposit"). The Security Deposit shall be payable on or before the Commencement Date.

Adjustment

Within four months after the end of each financial year of the Tenant, the Tenant shall deliver to the Landlord a profit and loss statement prepared in accordance with acceptable accounting standards in Malaysia with regard to the demised premises audited by a reputable firm of accountants appointed by the Tenant as its auditors for the time being, showing the results of the operation of the car park during the preceding fiscal year and containing a computation of the Gross Operating Revenue and the Gross Operating Profit for such period provided that if such accountant's opinion shall be unqualified, such audited statement shall be accepted by the parties as correct and conclusive for all purposes.

Upon delivery of the audited annual financial statements, an adjustment to the rent will be made based on such audited annual financial statements so that the Landlord shall receive its proper Rent for the said financial year.

Renewal Term

The Landlord (acting on the recommendation of the Manager) may, at its absolute discretion and on the written request of the Tenant made at least six months prior to the expiration of the term, and provided the Tenant shall not at the time of such request be in any existing breach or default of any of the terms, covenants, obligations, restrictions and conditions under the Car Park Tenancy Agreements, grant to the Tenant an extension to the tenancy of the demised premises for a further term of three years commencing from the day immediately following the expiration of the term on the same terms and conditions of the Car Park Tenancy Agreements.

16.9 Service agreement for unit registry services

Upon receipt of the approval from the Securities Commission for appointment of a delegate for the outsourcing of its unit registry services, the Manager has on 21 May 2010 entered into a service agreement with SMSB.

Term

The agreement will remain effective unless terminated by either Party giving three months prior written notice to the other Party or where termination is effected pursuant to the termination clause in the agreement. Prior to the commencement date of the agreement, the Manager shall obtain the approval of its Board to appoint SMSB to provide Unit Registry Services.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)*Scope of services*

The scope of services to be provided by SMSB to Sunway REIT includes but is not limited to (i) setting up and maintaining the register of Unitholders at the registered office of the Manager and entering into the register of Unitholders, details and matters required to be kept and for the period stipulated under the CMSA and any other applicable laws and requirements and keeping the Register up to date as well as making available for inspection free of charge to any Unitholder at any time (ii) upon request, furnishing the Unitholders with an extract from the record of depositors in so far as it relates to the name, address and number of units held by the Unitholder and to cause any extract so requested to be sent to that Unitholder within twenty one days or within a period which the Securities Commission considers reasonable in the circumstances commencing on the day after the date on which the request is received, (iii) arranging for the despatch of notices of Unitholders' meetings, the annual reports of Sunway REIT within two months after the financial year end or such period as may be allowed by the Securities Commission and Bursa Securities, free of charge to the Unitholders and arranging for the despatch of additional copies of the annual reports of Sunway REIT within two months after receipt of such request from the Unitholders and upon payment of a reasonable sum as may be determined by the Manager and (iv) attending the meetings of Unitholders which includes attending to the registration of the attendance of the Unitholders;

Termination

Either the Manager or SMSB may terminate the agreement if the other Party breaches a material provision of the agreement that is incapable of remedy, fails to remedy a breach of any material provision of the agreement capable of remedy, within 30 business days of receiving written notice from the other Party requiring it to do so, becomes subject to any form of insolvency proceedings, is unable to perform its obligations for a period of 30 business days following an event of force majeure, ceases to carry on its business; or becomes unable to pay its debts as they fall due or enters into any arrangement or compromise with its creditors other than for the purposes of reconstruction.

The agreement shall automatically terminate with immediate effect, without compensation due to SMSB, in the event the Securities Commission or Bursa Securities requires or directs the Manager to assume the unit registry services internally.

Non-exclusivity

The Manager agrees that SMSB is not restricted from providing share registry services, secretarial services and similar services to any persons.

Confidentiality

SMSB shall not, and shall procure that its employees and representatives shall not disclose to any person (other than the Trustee, the Manager or any competent regulatory authority in Malaysia) or use to the detriment of Sunway REIT, any confidential information, which may have come to its knowledge concerning the affairs of Sunway REIT or any proposed or actual investment of Sunway REIT other than disclosures made due to the strict requirements of any law or regulation applicable to it, or by an order of a court of competent jurisdiction, or requirement of a governmental or regulatory authority having jurisdiction over it, or where the disclosure relates to information that has come into the public domain or already known to SMSB before the commencement date of the agreement.

16.10 Service agreement for internal audit function

Upon receipt of the approval from the Securities Commission for appointment of an internal auditor to provide internal audit services, the Manager has on 21 May 2010 entered into a service agreement with the Sponsor.

Term

The agreement will remain effective unless terminated by either party giving three months prior written notice to the other party or where termination is effected pursuant to the termination clause in the agreement. Prior to the commencement date of the agreement, the Manager shall obtain the approval of its board of directors to appoint the Sponsor to provide such internal audit services as contemplated under the agreement.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)*Scope of services*

The scope of services to be provided by the Sponsor to Sunway REIT includes but is not limited to the following:

- (a) to evaluate the adequacy, effectiveness and efficiency of the internal controls, risk management processes and governance practices within the operations maintained by the Management Company; and
- (b) to ensure proper compliance to applicable operating policies, rules and regulations by the Management Company.

Notwithstanding the above, the primary obligation, accountability and responsibility with regards to the scope of services shall remain with the Board and management of the Manager at all times.

The Manager and the Sponsor shall ensure that the internal audit function implemented is an audit approach for Sunway REIT which is guided by the standards for professional practice of internal auditing issued by the Institute of Internal Auditors Malaysia.

Termination

Either the Manager or the Sponsor may terminate the service agreement if the other Party breaches a material provision of the agreement that is incapable of remedy, fails to remedy a breach of any material provision of the agreement capable of remedy, within 30 business days of receiving written notice from the other party requiring it to do so, becomes subject to any form of insolvency proceedings, is unable to perform its obligations for a period of 30 Market Days following an event of force majeure, ceases to carry on its business; or becomes unable to pay its debts as they fall due or enters into any arrangement or compromise with its creditors other than for the purposes of reconstruction.

This agreement shall automatically terminate with immediate effect, without compensation due to the Sponsor, in the event the Securities Commission or Bursa Securities requires or directs the Manager to assume the internal audit services internally.

Non-exclusivity

The Manager agrees that the Sponsor is not restricted from providing internal audit services and similar services to any persons.

Confidentiality

The Sponsor shall not, and shall procure that its employees and representatives shall not disclose to any person (other than the Trustee, the Manager or any competent regulatory authority in Malaysia) or use to the detriment of Sunway REIT, any confidential information, which may have come to its knowledge concerning the affairs of Sunway REIT or any proposed or actual investment of Sunway REIT other than disclosures made due to the strict requirements of any law or regulation applicable to it, or by an order of a court of competent jurisdiction, or requirement of a governmental or regulatory authority having jurisdiction over it, or where the disclosure relates to information that has come into the public domain or already known to the Sponsor before the commencement date of the agreement.

16.11 Trademark licensing agreement

Sunway Holdings Berhad is the owner of all rights, title and interest in and to, and has registered its ownership in and to, the trademarks to be used by Sunway REIT in relation to the Properties ("Sunway Marks"). The trademark licensing agreement documents the licensing arrangement between the Trustee as the "Licensee" and Sunway Holdings Berhad as the "Licensor" to use the Sunway Marks in accordance with the terms of the trademark licensing agreement entered into on 21 May 2010.

16. MATERIAL AGREEMENTS RELATING TO THE ACQUISITIONS (Cont'd)*Term*

The agreement shall commence on the date of the agreement and shall continue until terminated in accordance with the terms and conditions set out within the agreement.

Grant of rights and license fee

The Licensor grants to the Licensee a non-exclusive license to use the Sunway Marks for the purposes and benefit of Sunway REIT and its business. The Licensee is to pay a license fee of RM2,000 for each property and each corporation owning property which shares Sunway REIT owns from time to time annually in advance.

The Licensee is not entitled to grant sub-licenses to third parties in connection with the licensed use in the agreement unless provided that the Licensor's prior approval is obtained.

Termination

The Licensee may terminate the agreement upon thirty days' written notice to the Licensor. The Licensor may terminate the agreement upon thirty days' written notice to the Licensee in accordance with the terms and conditions of the agreement.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING

17.1 Opening and closing of Application

The Application for the Offer Units under the Retail Offering will open at 10.00 am on 15 June 2010 and will remain open until 5.00 pm on 22 June 2010 or such later date(s) as the Directors and the Joint Underwriters in their absolute discretion may mutually decide. Where the closing date of Application is extended from the original closing date, the notice of such extension(s) will be advertised in a widely circulated daily Bahasa Malaysia and English newspapers within Malaysia. Late Applications will not be accepted. Should there be an extension of the closing date, the Price Determination Date, balloting, date of despatch of notice of allotment of Offer Units under the Retail Offering and the Institutional Offering, and the Listing will be extended accordingly.

17.2 Procedure for Application

17.2.1 Methods of Application

Application Form or Electronic Application or Internet Application.

17.2.2 Application Form

The following relevant Application Form issued with the notes and instructions printed within are enclosed with this Prospectus and are deemed to form part thereof:

Class of Applicant	Application Method	No. of Offer Units Available
1. Malaysian Public (for individuals)	White Application Form or Electronic Application or Internet Application	134,005,600
2. Malaysian Public (for non-individuals e.g. corporation, institutions, etc)	White Application Form only	

White Application Form together with copies of this Prospectus may be obtained, subject to availability, from RHB Investment Bank, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and MIDFCCS.

Only one Application from each applicant will be considered and Applications must be for 100 Offer Units or multiples thereof. Multiple Applications will not be accepted. If you submit multiple Applications in your own name or by using the name of others, with or without their consent, you are committing an offence under Section 179 of the CMSA, which is punishable with a minimum fine of RM1 million and a jail term of up to 10 years under Section 182 of the CMSA.

THE AMOUNT PAYABLE IN FULL UPON APPLICATION IS RM0.97 PER OFFER UNIT. IF YOU SUBMIT AN APPLICATION BY WAY OF APPLICATION FORM, YOU MAY NOT SUBMIT APPLICATIONS BY WAY OF ELECTRONIC APPLICATIONS OR BY WAY OF INTERNET APPLICATIONS AND VICE VERSA. A CORPORATION OR INSTITUTION CANNOT APPLY FOR THE OFFER UNITS BY WAY OF ELECTRONIC APPLICATION OR BY WAY OF INTERNET APPLICATION.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

17.2.3 General conditions for Application

The Application shall be made in connection with and subject to the terms of this Prospectus and the Deed.

(i) Application by the Malaysian Public for allocations via balloting

Applications for the 134,005,600 Offer Units made available to the Malaysian Public must be made via the White Application Forms provided or by way of Electronic Application through a Participating Financial Institution's ATM or by way of Internet Application through an Internet Participating Financial Institution's website. A corporation or institution cannot apply for the Offer Units by way of Electronic Application or Internet Application.

Directors and employees of MIDFCCS and their immediate families are strictly prohibited from applying for the Offer Units under the Retail Offering and the Institutional Offering.

You must have a CDS Account before making the Application.

MULTIPLE APPLICATIONS MADE SHALL BE REJECTED. YOU MAY ONLY SUBMIT ONE APPLICATION FORM.

IF YOU ARE NOT A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME, NATIONAL REGISTRATION IDENTITY CARD NUMBER AND ADDRESS MUST BE EXACTLY THE SAME AS STATED IN:

- (a) (i) YOUR NATIONAL REGISTRATION IDENTITY CARD ("NRIC"); OR
 - (ii) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
 - (iii) YOUR RESIT PENGENALAN SEMENTARA (KPPK 09) ISSUED PURSUANT TO PERATURAN 5(5) PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (b) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME, AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, MUST BE EXACTLY THE SAME AS STATED IN YOUR AUTHORITY CARD.

IF YOU ARE A CORPORATE/ INSTITUTIONAL APPLICANT, YOUR NAME AND THE CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS YOUR CERTIFICATE OF INCORPORATION.

Neither the Manager nor MIDFCCS will acknowledge the receipt of Application Forms or application monies.

17.3 Terms and conditions for Applications using Application Forms

Application by way of Application Forms shall be made on, and subject to, the following terms and conditions:

- (a) If you are an individual, you must be a Malaysian citizen residing in Malaysia, with a Malaysian address and a CDS Account.
- (b) If you are a corporation/institution incorporated in Malaysia, you must have a CDS Account and be subject to the following:
 - (i) If you have a share capital, more than half of the issued share capital (*excluding preference share capital*) is held by Malaysian citizens; and

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

- (ii) There is a majority of Malaysian citizens on your board of directors/trustee.
- (c) If you are a superannuation, provident or pension fund, you must be established in or operating in Malaysia and have a CDS Account.
- (d) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnership or other incorporated bodies or associations, other than corporations/institutions referred to in Section 17.3 (b) and (c) above or the trustees thereof.
- (e) The Application Form must be completed in accordance with the notes and instructions printed on the reverse side of the Application Forms. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed within are accompanied by this Prospectus. Applications, which do not strictly conform, to the terms of this Prospectus or Application Form or notes and instructions printed within or which are illegible may not be accepted.
- (f) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCES IN RM FOR THE FULL AMOUNT PAYABLE EITHER BY:
- BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (*differentiated by a special red band for Bumiputera applicants*); OR
 - MONEY ORDER OR POSTAL ORDER (*for applicants from Sabah and Sarawak only*); OR
 - GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad (*differentiated by a special red band for Bumiputera applicants*); OR
 - ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - EON Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad;
 - Public Bank Berhad;
 - RHB Bank Berhad; or

MADE OUT IN FAVOUR OF:

"MIDF UNIT ISSUE ACCOUNT NO: 633"

AND CROSSED "A/C PAYEE ONLY" (*EXCLUDING ATM STATEMENTS*) AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS.

APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE OR INAPPROPRIATE BANKER'S DRAFT/ CASHIER'S ORDERS/ MONEY ORDERS/ POSTAL ORDERS/ GGO WILL NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (g) YOU MUST STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND YOU SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO YOUR CDS ACCOUNT TO MIDFCCS /THE MANAGER.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

- (h) YOUR NAME AND ADDRESS MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, POSTAL ORDER OR GGO FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD.
- (i) The Manager reserves the right to require you *(if your application is successful)* to appear in person at the registered office of MIDFCCS within 14 days of the date of the notice issued to you to ascertain the regularity or propriety of the application. The Manager shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (j) MIDFCCS, on the authority of the Manager, reserves the right to reject Applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (k) MIDFCCS, on the authority of the Manager, reserves the right to accept or reject any Application in part or in whole without assigning any reason. Due consideration will be given to the desirability of allotting the Offer Units under the Retail Offering to a reasonable number of applicants with a view to establish an adequate market for the Offer Units.
- (l) If your Application is not accepted or accepted in part, the full amount or the balance of the application monies, as the case may be, will be returned without interest and despatched to you within 10 Market Days from the date of the final ballot of the Applications by registered post to your address last maintained with Bursa Depository, or where the Application is not accepted due to you not having provided a CDS Account, to the address as per the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time or Authority card in the case of armed forces/police personnel, at your own risk.

A number of Applications, however, will be held in reserve to replace any successfully balloted Applications that are subsequently rejected. If your Application is held in reserve, and subsequently rejected, your application money (without interest or any units of revenue or other benefit arising therefrom) will be refunded to you by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to you within 10 Market Days from the day of the final ballot.

- (m) You shall ensure that your personal particulars as stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address, failing which, the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (n) MIDFCCS reserves the right to bank in all application monies from unsuccessful and partially successful applicants, which would subsequently be refunded without interest by registered post.
- (o) Each completed Application Form must be despatched by ORDINARY POST in the official envelopes provided to the following address:

MIDF Consultancy and Corporate Services Sendirian Berhad
 Level 8, Menara MIDF
 82, Jalan Raja Chulan
 50200 Kuala Lumpur
 P.O. Box 11122
 50736 Kuala Lumpur

OR DELIVERED BY HAND AND DEPOSITED in the Drop-in Boxes provided at the Ground Floor of Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur so as to arrive not later than 5.00 p.m. on the closing date or such later date(s) as the Directors and the Joint Underwriters in their absolute discretion may mutually decide.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

- (p) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIDFCCS VIA TELEPHONE AT 03-2173 8657, 658 AND 659 DURING OFFICE HOURS.

17.4 Terms and conditions for Application using Electronic Applications

- (i) **Steps for Electronic Application through a Participating Financial Institution's ATM**
- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) You must have a CDS Account; and
- (c) You may apply for the Offer Units via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the Application are set out in Section 17.4(iii). Follow the instructions on the ATM screen and enter the following minimum required information:
- Personal Identification Number ("PIN");
 - **MIDF Unit Issue Account No: 633;**
 - CDS Account Number;
 - Number of Offer Units applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

Note:

You should take note that the word "share" or "shares" appearing on the ATM screen should be taken to represent "Unit(s)" in the application process.

(ii) **Participating Financial Institutions**

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

(iii) **Terms and conditions for Electronic Applications**

The procedures for Electronic Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out in "Steps for Electronic Application through a Participating Financial Institution's ATM" in Section 17.4(i). Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to the "applicant" in the terms and conditions for Electronic Applications and the steps shall mean the applicant who applies for the Offer Units under the Retail Offering through an ATM of any of the Participating Financial Institutions.

Only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

You must have an existing account with, and be an ATM cardholder of, one of the Participating Financial Institutions before you can make an Electronic Application at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Offer Units under the Retail Offering at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by MIDFCCS or the Manager. You should retain the Transaction Record and should not submit it with any Application Form.

Upon the closing of the offer for the application for the Offer Units under the Retail Offering on closing date or such later date(s) as the Directors and the Joint Underwriters in their absolute discretion may mutually decide, the Participating Financial Institution shall submit a magnetic tape containing its' respective customers' applications for the Offer Units under the Retail Offering to MIDFCCS as soon as practicable but not later than 12:00 p.m. of the second business day after the closing date of the Application.

You will be allowed to make an Electronic Application for the Offer Units under the Retail Offering via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one Application.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

The Electronic Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Application shall be made in relation with and subject to the terms of this Prospectus and the Deed.
- (b) You are required to confirm the following statements *(by pressing predesignated keys (or buttons) on the ATM keyboard)* and undertake that the following information given is true and correct:
 - You have attained 18 years of age as at the closing date of the Offer Units application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of the Application;
 - This is the only Application that you are submitting; and
 - You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to MIDFCCS and other relevant authorities.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

The Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institution. By completing all the Steps, you are deemed to have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIDFCCS or any relevant regulatory bodies.

- (c) YOU MAY NOT APPLY FOR THE OFFER UNITS UNDER THE RETAIL OFFERING AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS MADE BY YOU AS THE BENEFICIAL OWNER. YOU ARE ALLOWED TO MAKE ONLY ONE ELECTRONIC APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE OFFER UNITS UNDER THE RETAIL OFFERING, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION, ON THE PRESCRIBED APPLICATION FORMS OR BY WAY OF INTERNET APPLICATION.
- (d) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which, your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is being made, will be rejected.
- (e) You agree and undertake to subscribe for or purchase and to accept the number of Offer Units under the Retail Offering applied for as stated on the Transaction Record or any lesser number of Offer Units under the Retail Offering that may be allotted or allocated to you in respect of your Electronic Application. In the event that the Manager decides to allot or allocate any lesser number of such Offer Units under the Retail Offering or not to allot or allocate any Offer Units under the Retail Offering to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (*by your action of pressing the designated key on the ATM*) of the number of Offer Units under the Retail Offering applied for shall signify, and shall be treated as, your acceptance of the number of Offer Units under the Retail Offering that may be allotted or allocated to you and to be bound by the Deed.
- (f) MIDFCCS, on the authority of the Manager, reserves the right to reject any Electronic Application or accept any Electronic Application in whole or in part without assigning any reason. Due consideration will be given to the desirability of allotting or allocating the Offer Units under the Retail Offering to a reasonable number of applicants with a view to establishing an adequate market for the Offer Units.
- (g) If your Electronic Application is not successful or successful in part only, MIDFCCS shall inform the relevant Participating Financial Institutions of the non-successful and partially successful Applications within two Market Days after the balloting date. The relevant Participating Financial Institutions will credit the full amount or balance of the application monies, as the case may be, in RM (without interest or any share of revenue or other benefits arising therefrom) into your account with that Participating Financial Institution within two Market Days after the receipt of confirmation from MIDFCCS. You may check your account on the 5th Market Day from the balloting date.

A number of Applications, however, will be held in reserve to replace any successfully balloted Applications that are subsequently rejected. If your Application is held in reserve, and subsequently rejected, your application money (without interest or any units of revenue or other benefit arising therefrom) will be refunded to you by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to you within 10 Market Days from the day of the final ballot.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

Please refer to your Participating Financial Institutions should you encounter any problems with your Electronic Application.

- (h) You request and authorise the Manager:
 - (i) To credit the Offer Units under the Retail Offering allotted or allocated to you into your CDS Account; and
 - (ii) To issue unit certificate(s) representing such Offer Units under the Retail Offering allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd to be sent to Bursa Depository.
- (i) You acknowledging that your Electronic Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Manager, MIDFCCS or the Participating Financial Institution. You irrevocably agree that if:
 - (i) MIDFCCS or the Manager does not receive your Electronic Application; and/ or
 - (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to MIDFCCS or the Manager,

you shall be deemed to not have made an Electronic Application and you shall have no claim whatsoever against the Manager, MIDFCCS or the Participating Financial Institution for the Offer Units under the Retail Offering applied for or for any compensation, loss or damage arising from this incident.

- (j) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be deemed to be true and correct and the Manager, MIDFCCS and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Application, you agree that:
 - (i) In consideration of the Manager agreeing to allow and accept the making of any Application for the Offer Units under the Retail Offering via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Application is irrevocable;
 - (ii) The Manager, the Participating Financial Institutions, Bursa Depository and MIDFCCS shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of the Manager, your acceptance of the offer to subscribe for and purchase the Offer Units under the Retail Offering for which your Electronic Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said Offer Units;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

- (iv) You irrevocably authorise Bursa Depository to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the Offer Units under the Retail Offering allotted or allocated to you; and
- (v) The Manager agrees that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Manager irrevocably submits to the jurisdiction of the Courts of Malaysia. You agree that in the event of legal disputes arising from the use of the Electronic Application, mutual rights, obligations and liabilities of parties involved shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (m) The Manager reserves the right to require you (*if your Application is successful*) to appear in person at the registered office of MIDFCCS within 14 days of the date of the notice issued to you to ascertain the regularity or propriety of the application. The Manager shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (n) MIDFCCS, on the authority of the Manager, reserves the right to reject Applications that do not conform to these instructions.
- (o) Save for Affin Bank Berhad, you will be charged RM2.50 per Electronic Application by your Participating Financial Institution.

17.5 Terms and conditions for Applications using Internet Applications

- (i) **Steps for Internet Applications through an Internet Participating Financial Institution's website**

The following steps have been set out for illustration purposes only. The exact steps for Internet Application in respect of the Offer Units under the Retail Offering are as set out on the internet financial services website of the Internet Participating Financial Institutions.

YOU MUST HAVE A CDS ACCOUNT BEFORE YOU CAN MAKE ANY APPLICATION FOR THE OFFER UNITS UNDER THE RETAIL OFFERING. PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (b) Login to the Internet financial services facility by entering your user identification and PIN/password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of the Offer Units to launch the Electronic Prospectus and the terms and conditions of the Internet Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the Units counter, NRIC number, CDS account number, number of Offer Units under the Retail Offering applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) Upon submission of your online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application money for the Offer Units under the Retail Offering.
- (i) As soon as your transaction is completed, a message from the Authorised Financial Institution pertaining to your payment status will appear on the screen of the website through which the online payment of your application money is being made.
- (j) Subsequent to the above, the Internet Participating Financial Institution shall confirm that your Internet Application has been completed, via the Confirmation Screen on its website.
- (k) You are advised to print out the Confirmation Screen for reference and retention.

(ii) Internet Participating Financial Institutions

Applications for the Offer Unit under the Retail Offering may be made through the internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR THE OFFER UNITS UNDER THE RETAIL OFFERING THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Application may be made through the internet financial services websites of the following Internet Participating Financial Institutions:

- Affin Bank Berhad at www.affinOnline.com;
- CIMB Investment Bank Berhad at www.eipocimb.com;
- CIMB Bank Berhad at www.eimbclicks.com.my; or
- RHB Bank Berhad at www.rhb.com.my;
- Malayan Banking Berhad at www.maybank2u.com.my.

(iii) Terms and conditions for Internet Application

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET APPLICATION.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Application shall be made on and shall be subject to the terms and conditions set out herein:

- (a) You can make an Internet Application if you fulfill all of the following:
 - (i) You are an individual with a CDS Account;
 - (ii) You have an existing account with access to internet financial services facilities with an Internet Participating Financial Institution. You must have

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

your user identification ("User ID") and PIN/ password for the relevant Internet financial services facilities; and

- (iii) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the Offer Units under the Retail Offering at internet financial service websites of other Internet Participating Financial Institutions.

- (b) An Internet Application shall be made on and shall be subject to the terms of this Prospectus and the Deed.
- (c) You are required to confirm the following statements *(by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution)* and to undertake that the following information given is true and correct:
- (i) You have attained 18 years of age as at the date of the application for the Offer Units under the Retail Offering;
- (ii) You are a Malaysian citizen residing in Malaysia;
- (iii) You have, prior to making your Internet Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have read and understood;
- (iv) You agree to all the terms and conditions of the Internet Application as set out in the Prospectus and have carefully considered the risk factors set out in the Prospectus, in addition to all other information contained in the Prospectus before making your Internet Application for the Offer Units under the Retail Offering;
- (v) Your Internet Application is the only application that you are submitting for the Offer Units under the Retail Offering;
- (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the Offer Units under the Retail Offering from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
- (vii) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Application or your account with the Internet Participating Financial Institution, to MIDFCCS and the Authorised Financial Institution, the Securities Commission and any other relevant authority;
- (viii) You are not applying for the Offer Units under the Retail Offering as a nominee of any other person and your application is made in your own name, as the beneficial owner and subject to the risks referred to in this Prospectus; and
- (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person (including any government or regulatory authority in any jurisdiction, the Manager or other relevant parties in connection with the initial public offering), all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the initial public offering. The Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of your information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

- (d) Your Application will not be successfully completed and cannot be recorded as a completed Application unless you have completed all the relevant application steps and procedures for the Internet Application. The internet financial services website will display a Confirmation Screen once your Application is successfully completed.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the internet financial services website, which confirms that your Internet Application has been completed and states the details of your Internet Application, including the number of Offer Units under the Retail Offering applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 17.5 (ii) (c).

- (e) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making your Internet Application, to cover and pay for the Offer Units under the Retail Offering and the related processing fees, charges and expenses, if any, to be incurred, failing which, your Internet Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Application is made shall be rejected.
- (f) You irrevocably agree and undertake to subscribe for and to accept the number of Offer Units under the Retail Offering applied for as stated on the Confirmation Screen or any lesser number of Offer Units under the Retail Offering that may be allotted or allocated to you in respect of the Internet Application. If the Manager decides to allot or allocate any lesser number of such Offer Units under the Retail Offering or not to allot any Offer Units under the Retail Offering to you, you agree to accept any such of the decision as final.

In the course of completing your Internet Application on the website of the Internet Participating Financial Institution, your confirmation of the number of Offer Units under the Retail Offering applied for *(by way of your action of clicking the designated hyperlink on the relevant screen of the website)* shall be deemed to signify and shall be treated as:

- (i) Your acceptance of the number of Offer Units under the Retail Offering that may be allotted or allocated to you in the event that your Internet Application is successful or successful in part, as the case may be; and
- (ii) Your agreement to be bound by the Deed;
- (g) You are fully aware that multiple or suspected multiple Internet Applications for the Offer Units under the Retail Offering will be rejected. The Manager reserves the right to reject any Internet Application or accept any Internet Application in part or in whole without assigning any reason. The Manager will give due consideration to the desirability of allotting or allocating the Offer Units under the Retail Offering to a reasonable number of applicants with a view to establishing an adequate market for the Offer Units under the Retail Offering;
- (h) If your Internet Application is not successful or successful in part only, the Internet Participating Financial Institution will be informed of the unsuccessful or partially

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

successful Internet Application. If your Internet Application is unsuccessful, the Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of your application money in RM (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two Market Days after receipt of written confirmation from MIDFCCS.

MIDFCCS shall inform the Internet Participating Financial Institution of unsuccessful or partially successful applications within two Market Days from the balloting date.

If your Internet Application is accepted in part only, the relevant Internet Participating Financial Institution will credit the balance of your application money in Ringgit Malaysia (without interest or any Units of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution within two Market Days after receipt of written confirmation from MIDFCCS.

A number of Applications will, however, be held in reserve to replace any successfully balloted Applications that are subsequently rejected. If your Application is held in reserve, and subsequently rejected, your application money (without interest or any units of revenue or other benefit arising therefrom) will be refunded to you by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to you within 10 Market Days from the day of the final ballot of the applications.

Except where MIDFCCS is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application money from unsuccessful or partially successful Internet Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which your Application was made in respect of the mode or procedure of enquiring on the status of your Internet Application in order to determine the status or exact number of Offer Units under the Retail Offering allotted or allocated, if any, before trading the Units on Bursa Securities;

- (i) Internet Applications will be closed at 5.00 p.m. on closing date or such later date(s) as the Directors and the Joint Underwriters in their absolute discretion may mutually decide. An Internet Application is deemed to be received only upon its completion, when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Applications will not be accepted;
- (j) You irrevocably agree and acknowledge that your Internet Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, MIDFCCS and the Manager. If, in any such event, the Manager, MIDFCCS and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Application and/or payment, or in the event that any data relating to your Internet Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed to not have made an Internet Application and you shall have no claim whatsoever against the Manager, MIDFCCS or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the Offer Units applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom;
- (k) All of your particulars in the records of the relevant Internet Participating Financial Institution at the time of your Internet Application shall be deemed to be true and correct, and the Manager, the Internet Participating Financial Institutions, MIDFCCS

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING. *(Cont'd)*

and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof;

You shall ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical, otherwise your Internet Application is liable to be rejected. The notification letter on successful allotment will be sent to your address last registered with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time;

- (l) By making and completing an Internet Application, you are deemed to have agreed that:
- (i) In consideration of the Manager making available the Internet Application facility to you, through the Internet Participating Financial Institution acting as the Manager's agents, the Internet Application is irrevocable;
 - (ii) You have irrevocably requested and authorised the Manager to register the Offer Units under the Retail Offering allotted or allocated to you for deposit into your CDS Account;
 - (iii) Neither the Manager nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to your Internet Application to MIDFCCS or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 17.5 (iii) (j) herein or any cause beyond their control;
 - (iv) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Application by MIDFCCS, the Manager and/or the Internet Participating Financial Institution for reasons of multiple Application, suspected multiple Applications, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;
 - (v) The acceptance of the offer made by you to subscribe for the Offer Units under the Retail Offering for which your Internet Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by or on behalf of the Manager and not otherwise, notwithstanding the receipt of any payment by or on behalf of the Manager;
 - (vi) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your Internet Application by the Manager;
 - (vii) In making the Internet Application, you have relied solely on the information contained in this Prospectus. The Manager, the Joint Underwriters, the Sole Financial Adviser and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied on by you in making the Internet Application;
 - (viii) The acceptance of your Internet Application by the Manager and the contract resulting therefrom under the initial public offering shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the courts of Malaysia; and,
- (m) The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

- CIMB Investment Bank Berhad (www.cipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
- CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with the CDS accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
- Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- RHB Bank Berhad (www.rhb.com.my) – RM2.50; and
- Affin Bank Berhad - No fee charged for Applications by their account holders.

17.6 Applications and acceptances

MIDFCCS, on the authority of the Manager, reserves the right to reject any Application, which does not strictly comply with the instructions, or to accept any Application in part only without assigning any reason.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

ALL APPLICATIONS MUST BE FOR 100 UNITS OR MULTIPLES THEREOF.

In the event of an over-subscription, acceptance of Applications by Malaysian Public shall be subject to ballot to be conducted in a manner as approved by the Manager. Due consideration will be given to the desirability of distributing the Offer Units under the Retail Offering to a reasonable number of applicants with a view to broadening the unitholding base and establishing an adequate market for the Offer Units.

Pursuant to the Listing Requirements, at least 25% of the total number of Units for which listing is sought must be held by a minimum number of 1,000 public unitholders holding not less than 100 units each. Sunway REIT is expected to achieve this at the point of its Listing. However, in the event that the above requirement is not met pursuant to this IPO, Sunway REIT may not be allowed to proceed with its Listing plan. In the event thereof, monies paid in respect of all Applications will be returned.

In the event of an under-subscription of the Retail Offering of the Offer Units, the unsubscribed portion will be allocated to the Joint Underwriters.

WHERE A SUCCESSFULLY BALLOTTED APPLICATION IS SUBSEQUENTLY NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO YOU WITHIN TEN MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATIONS BY REGISTERED POST TO YOUR ADDRESS REGISTERED WITH BURSA DEPOSITORY. MIDFCCS RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND PARTIALLY SUCCESSFUL APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATIONS BY REGISTERED POST TO YOUR ADDRESS REGISTERED WITH BURSA DEPOSITORY AT YOUR OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE HAVING BEEN PRESENTED FOR PAYMENT.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

17.7 CDS Accounts

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the Units as Prescribed Securities. In consequence thereof, the Units issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Units will be carried out in accordance with aforesaid Act and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of Securities Industry (Central Depositories) Act 1991, all dealings in the Units including the Offer Units under the Retail Offering and the Institutional Offering will be by book entries through CDS Accounts. No unit certificates will be issued to successful applicants.

You must have a CDS Account to make an Application whether it is via an Application Form, Electronic Application or Internet Application. You should clearly and accurately state your CDS Account number when making an Application. You shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to MIDFCCS or to the Manager. If you do not have a CDS Account, you may open one at an ADA prior to making an Application for the Offer Units under the Retail Offering.

In the case of Internet Applications, certain Internet Participating Financial Institutions may require you to have your CDS Account opened with them. If that is the case, your CDS Account number should automatically appear in the online form.

In certain cases, you can make an application by way of Internet Application only if you have a CDS account opened with the Internet Participating Financial Institution. Arising therewith, your CDS account number would automatically appear in the e-IPO online application form.

Failure to comply with the specific instructions as required by each mode of Application contained herewith or absence of a CDS Account number may result in the Application being rejected. Inaccuracy of the CDS Account number arising from use of invalid, third party or nominee accounts may result in the Application being rejected. Applications may also be rejected if particulars (such as your identity card number, name and nationality) provided in your application form or records from your Participating Financial Institution (in the case of Electronic Application) or Internet Participating Financial Institution (in the case of Internet Application) differ from records in Bursa Depository.

17.8 Refund mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address stated in the Application Form or to the address as stated in Bursa Depository's records for application made via the Electronic Application and Internet Application, of the successful applicants, within 10 Market Days from the date of the final ballot of applications, at the successful applicants' own risk.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

17.9 Notice of allotment

Offer Units under the Retail Offering allotted or allocated to you (*if your Application is successful or partially successful*) will be credited to your CDS Accounts. A notice of allotment will be despatched to you at your addresses last maintained with Bursa Depository at your own risk prior to the Listing. This notice serves only as an acknowledgement of the Offer Units under the Retail Offering allotted or allocated to you. No physical certificates will be issued to successful applicants.

You must inform Bursa Depository promptly of any change in your address, failing which, the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by logging on to the following MIDFCCS website or by calling your respective ADAs or at the telephone number stated below between 5 and 10 Market Days (*during office hours only*) after the final balloting date:

MIDFCCS Enquiry Services	:	03-2173 8657, 658 and 659
MIDFCCS Website	:	midf.com.my

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

17.10 List of ADAs

The list of ADAs and their respective broker codes are as follows:

<u>NAME, ADDRESS & TELEPHONE NUMBER</u>	<u>ADA Code</u>	<u>NAME, ADDRESS & TELEPHONE NUMBER</u>	<u>ADA Code</u>
<u>KUALA LUMPUR</u>			
A.A. ANTHONY SECURITIES SDN BHD N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6201 1155	078-004	AFFIN INVESTMENT BANK BERHAD Ground Mezzanine & 3rd Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD 17th Floor, Menara Multi-Purpose Capital square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2697 6333	076-001	AMINVESTMENT BANK BERHAD 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2078 2788	086-001
BIMB SECURITIES SDN BHD 1 st & 2 nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No.: 03-4043 3533	024-001	CIMB INVESTMENT BANK BERHAD 9 th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD 3 rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1888	052-001	ECM LIBRA INVESTMENT BANK BERHAD Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 1800	052-009
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i> Level 8, Menara HLA No.3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001	HWANGDBS INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD No. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5 th Floor, Cheras Commercial Centre, Jalan 5/101C Off Jalan Kaskas, 5 th Mile Cheras 56100 Kuala Lumpur Tel No.: 03-9130 3399	068-012	HWANGDBS INVESTMENT BANK BERHAD 7 th , 22 nd & 23 rd Floor Menara Keek Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001	INTER-PACIFIC SECURITIES SDN BHD Ground Floor 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
INTER-PACIFIC SECURITIES SDN BHD Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No.: 03-7981 8811	054-005	JUPITER SECURITIES SDN BHD Lot 7 th - 9 th Floor Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001	KENANGA INVESTMENT BANK BERHAD 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD No. 57-10, Level 10 The Boulevard Mid Valley City Lingkaran Syed Putra 55900 Kuala Lumpur Tel No.: 03-2287 1799	073-015	MAYBANK INVESTMENT BANK BERHAD 5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
M&A SECURITIES SDN BHD Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002	MERCURY SECURITIES SDN BHD L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIMB INVESTMENT BANK BERHAD Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899	061-001	MIDF AMANAH INVESTMENT BANK BERHAD Level 11 & 12, Menara MIOF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2178 8888	026-001
OSK INVESTMENT BANK BERHAD No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-6257 5869	056-028	OSK INVESTMENT BANK BERHAD 20 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	056-001
OSK INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	056-058	OSK INVESTMENT BANK BERHAD Ground Floor, No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	056-054
PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011	051-001	PM SECURITIES SDN BHD Ground, Mezzanine, 1 st & 10 th Floor Menara PMI No. 2, Jalan Cangkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
RHB INVESTMENT BANK BERHAD Level 9, Tower Three, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001	TA SECURITIES HOLDINGS BERHAD Floor 13-16, 23, 28-30, 34 & 35 TA One Tower No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING *(Cont'd)*

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
<u>SELANGOR DARUL EHSAN</u>			
AFFIN INVESTMENT BANK BERHAD 2 nd , 3 rd & 4 th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	028-002	AFFIN INVESTMENT BANK BERHAD Lot 229, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	028-003
AMINVESTMENT BANK BERHAD 4 th Floor, Plaza Damansara Utama No. 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003	HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i> 1 st , 2 nd & 3 rd Floor Plaza Damansara Utama No. 2 Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD 16 th , 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002	HWANGDBS INVESTMENT BANK BERHAD East Wing & Centre Link Floor 3A, Wisma Consplant 2, No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
INTER-PACIFIC SECURITIES SDN BHD No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Tel No.: 03-6137 1888	054-006	JF APEX SECURITIES BERHAD 6 th Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BERHAD 15 th & 16 th Floor Menara Choy Fook On No.1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002	KENANGA INVESTMENT BANK BERHAD 13 th Floor, Menara Yayasan Selangor 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7956 2169	073-005
KENANGA INVESTMENT BANK BERHAD Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016	OSK INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30, Jalan SS2/63, 47300 Petaling Jaya, Selangor Darul Ehsan Tel No.: 03-7873 6366	056-011
OSK INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	056-045	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	056-047

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
OSK INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Peniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	056-048	PM SECURITIES SDN BHD No 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007	SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy, Lot 72 Persiaran Jubli Perak Seksyen 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-51920202	096-001
TA SECURITIES HOLDINGS BERHAD No.2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005		
<u>MELAKA</u>			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-289 8800	065-006	ECM LIBRA INVESTMENT BANK BERHAD 71A & 73A Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-288 1720	052-008
MERCURY SECURITIES SDN BHD No. 81-B & 83-B, Jalan Merdeka Melaka Raya 75000 Melaka Tel No.: 06-292 1898	093-003	MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P.O.Box 248 75250 Melaka Tel No.: 06-337 1533	012-001
OSK INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-282 5211	056-003	PM SECURITIES SDN BHD No. 11 & 13 Jalan PM2 Plaza Mahkota 75000 Melaka Tel No.: 06-286 6008	064-006
RHB INVESTMENT BANK BERHAD Lot 7-13 & 15 1 st Floor, Bangunan Tabung Haji Jalan Bandar Kaba 75000 Melaka Tel No.: 06-283 3622	087-002		

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
<u>PERAK DARUL RIDZUAN</u>			
HWANGDBS INVESTMENT BANK BERHAD Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-255 9988	068-015	M&A SECURITIES SDN BHD M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-241 9800	057-001
MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 No. 42, Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh, Perak Darul Ridzuan Tel No.: 05-2453 400	098-002	OSK INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-241 5100	056-002
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 6498	056-014	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-692 1228	056-016
OSK INVESTMENT BANK BERHAD No. 72, Ground Floor, Jalan Idris, 31900 Kampar Perak Darul Ridzuan Tel No.: 05-465 1261	056-044	OSK INVESTMENT BANK BERHAD Ground Floor No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-808 8229	056-034
OSK SECURITIES BERHAD Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-717 0888	056-052	TA SECURITIES HOLDINGS BERHAD Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh, Perak Darul Ridzuan Tel No.: 05-253 1313	058-001
<u>PULAU PINANG</u>			
A.A. ANTHONY SECURITIES SDN BHD 1 st , 2 nd & 3 rd Floor, Bangunan Heng Gnan 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-229 9318	078-002	A.A. ANTHONY SECURITIES SDN BHD Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-554 1388	078-003
ALLIANCE INVESTMENT BANK BERHAD Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No.25, Lebuhraya Light 10200 Penang Tel No.: 04-261 1688	076-015	AMINVESTMENT BANK BERHAD Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-226 1818	086-004

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
CIMB INVESTMENT BANK BERHAD Ground Floor, Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-238 5900	065-003	ECM LIBRA INVESTMENT BANK BERHAD No. 111, Jalan Macalister 10400 Pulau Pinang Tel No.: 04-228 1833	052-003
ECM LIBRA INVESTMENT BANK BERHAD 7 th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-228 3355	052-010	HWANGDBS INVESTMENT BANK BERHAD Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-263 6996	068-001
HWANGDBS INVESTMENT BANK BERHAD No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-537 2882	068-006	INTER-PACIFIC SECURITIES SDN BHD Ground, Mezzanine & 8 th Floor Bangunan Maybank Trust No. 3, Penang Street 10200 Pulau Pinang Tel No.: 04-269 0888	054-002
KENANGA INVESTMENT BANK BERHAD Lot 1.02, Level 1, Menara KWSP, 38, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang Tel No.: 04-210 6666	073-013	MERCURY SECURITIES SDN BHD Ground, 1 st & 3 rd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Perai Pulau Pinang Tel No.: 04-332 2123	093-001
MERCURY SECURITIES SDN BHD 2 nd Floor, Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Pulau Pinang Tel No.: 04-263 9118	093-004	OSK INVESTMENT BANK BERHAD 64, Bishop Street 20E, 20F & 20G Penang Street 10200 Pulau Pinang Tel No.: 04-263 4222	056-004
OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai, Pulau Pinang Tel No.: 04-390 0022	056-005	OSK INVESTMENT BANK BERHAD Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-540 2888	056-015
OSK INVESTMENT BANK BERHAD No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-583 1888	056-032	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-15 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No.: 04-640 4888	056-042
PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-227 3000	064-004		

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
<u>KEDAH DARUL AMAN</u>			
ALLIANCE INVESTMENT BANK BERHAD 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-731 7088	076-004	A.A.ANTHONY SECURITIES SDN BHD Lot 4, 5 & 5A 1 st Floor EMUM 55 No.55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-732 2111	078-007
HWANGDBS INVESTMENT BANK BERHAD No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Pctani Kedah Darul Aman Tel No.: 04-425 6666	068-011	OSK INVESTMENT BANK BERHAD No. 117, Jalan Pengkalan Taman Pekan baru 08000 Sungai Pctani Kedah Darul Aman Tel No.: 04-420 4888	056-017
OSK INVESTMENT BANK BERHAD No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-496 4888	056-019	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor 215-A & 215-B, Medan Putra, Jalan Putra 05150 Alor Star Kedah Darul Aman Tel No.: 04-720 9888	056-021
<u>PERLIS INDRA KAYANGAN</u>			
ALLIANCE INVESTMENT BANK BERHAD 2 nd Floor, Podium Block Bangunan KWSP 01000 Kangar, Perlis Indra Kayangan Tel No.: 04-976 5200	076-003	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No.: 04-979 3888	056-061
<u>NEGERI SEMBILAN DARUL KHUSUS</u>			
ECM LIBRA INVESTMENT BANK BERHAD 1 C-G & 1D-G, Jalan Tuanku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-765 5998	052-013	HWANGDBS INVESTMENT BANK BERHAD Ground & 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-761 2288	068-007
HWANGDBS INVESTMENT BANK BERHAD No.6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3188	068-013	OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-764 1641	056-024
OSK INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-442 1000	056-037	OSK INVESTMENT BANK BERHAD 1 st & 2 nd Floor, No. 168, Jalan Mewah (Pusat Pemiagaan UMNO Jcmpol), 71200 Bahau Negeri Sembilan Datul Khusus Tel No.: 06-455 3011	056-040

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
OSK INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347 Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-646 1234	056-046	PM SECURITIES SDN BHD 1 st , 2 nd & 3 rd Floors, 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-762 3131	064-002
<u>JOHOR DARUL TAKZIM</u>			
A.A. ANTHONY SECURITIES SDN BHD Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-333 2000	078-001	A.A. ANTHONY SECURITIES SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-663 7398	078-005
A.A. ANTHONY SECURITIES SDN BHD No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-351 3218	078-006	ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-771 7922	076-006
AMINVESTMENT BANK BERHAD 2 nd , 3 rd & 4 th Floor Penggaram Complex 1 Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-434 2282	086-002	AMINVESTMENT BANK BERHAD 18 th Floor, Selcsa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-334 3855	086-006
ECM LIBRA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-467 8885	052-005	ECM LIBRA INVESTMENT BANK BERHAD No. 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 2222	052-004
INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-223 1211	054-004	HWANGDBS INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 2692	068-004
KENANGA INVESTMENT BANK BERHAD No. 31, Lorong Dato' Ahmad, Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No.: 06-954 2711	073-008	KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi, Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-333 3600	073-004

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
KENANGA INVESTMENT BANK BERHAD No. 33 & 35 (Ground & 1 st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-777 1161	073-010	KENANGA INVESTMENT BANK BERHAD No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-933 3515	073-009
KENANGA INVESTMENT BANK BERHAD No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 2292	073-011	MERCURY SECURITIES SDN BHD Suite 17.1, Level 17 Menara Pelangi No. 1, Jalan Kuning Taman Pclangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-331 6992	093-005
MIMB INVESTMENT BANK BERHAD Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 7388	061-002	OSK INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-438 0288	056-009
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-557 7628	056-029	OSK INVESTMENT BANK BERHAD 6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-278 8821	056-006
OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor, No. 17 Jalan Manggis, 86000 Kluang, Johor Darul Takzim Tel No.: 07-776 9655	056-031	OSK INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 8262	056-025
OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343 Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 7180	056-038	OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1, Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-932 1543	056-030
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor, No. 1 & 1-01, Jalan Rosmerah 2/11, Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-352 2293	056-043	OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10 Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-662 6288	056-035
OSK INVESTMENT BANK BERHAD 1 st Floor, No. 2 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-925 6881	056-039	PM SECURITIES SDN BHD Suite 51, Level 5, Menara Pelangi, Jalan Kuning, Taman Pclangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-278 1813	064-005

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-433 3608	064-008		
<u>KELANTAN DARUL NAIM</u>			
TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 2288	058-004	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 0077	056-020
<u>PAHANG DARUL MAKMUR</u>			
ALLIANCE INVESTMENT BANK BERHAD A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-566 0800	076-002	CIMB INVESTMENT BANK BERHAD No. A-27 (Ground, 1 st & 2 nd Floor) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-205 7800	065-007
ECM LIBRA INVESTMENT BANK BERHAD B62, Ground Floor Lorong Tun Ismail 8 Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 1698	052-007	OSK INVESTMENT BANK BERHAD B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 3811	056-007
OSK INVESTMENT BANK BERHAD Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-223 4943	056-022	OSK INVESTMENT BANK BERHAD Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-491 4913	056-041
<u>TERENGGANU DARUL IMAN</u>			
ALLIANCE INVESTMENT BANK BERHAD No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1 st & 2 nd Floor, Jalan Air Jernih 20300 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-631 7922	076-009	FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-623 8128	021-001
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-858 3109	056-027	OSK INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-626 1816	056-055

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

<u>NAME, ADDRESS & TELEPHONE NUMBER</u>	<u>ADA Code</u>	<u>NAME, ADDRESS & TELEPHONE NUMBER</u>	<u>ADA Code</u>
<u>SABAH</u>			
CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005	ECM LIBRA INVESTMENT BANK BERHAD Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	052-012
INNOSABAH SECURITIES BERHAD 11, Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Tel No.: 088-234 4090	020-001	HWANGDBS INVESTMENT BANK BERHAD Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1 Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
OSK INVESTMENT BANK BERHAD 5th floor, Wisma BSN Sabah Jalan Kemajuan Karamuning 88000 Kota Kinabalu Sabah Tel No.: 088-269788	056-010	OSK INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-229 286	056-057
<u>SARAWAK</u>			
AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-005	CIMB INVESTMENT BANK BERHAD Level 1 (North), Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-004
HWANGDBS INVESTMENT BANK BERHAD No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016	HWANGDBS INVESTMENT BANK BERHAD Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No.: 082-236 999	068-005
KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002	KENANGA INVESTMENT BANK BERHAD Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BERHAD No. 11-12 (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-012	OSK INVESTMENT BANK BERHAD Ground, 1 st Floor & 6 th Floor Wisma Chinese Chambers Lot 357, Section 47 K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No.: 082-422 252	056-008

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE RETAIL OFFERING (Cont'd)

<u>NAME, ADDRESS & TELEPHONE NUMBER</u>	<u>ADA Code</u>	<u>NAME, ADDRESS & TELEPHONE NUMBER</u>	<u>ADA Code</u>
OSK INVESTMENT BANK BERHAD Lot 1268, 1 st & 2 nd Floor Lot 1269 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	056-012	OSK INVESTMENT BANK BERHAD 101 & 102, Pusat Pcdada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	056-013
OSK INVESTMENT BANK BERHAD Ground Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	056-050	OSK INVESTMENT BANK BERHAD Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Tel No.: 086-311 770	056-053
TA SECURITIES HOLDINGS BERHAD 12G, H & I, Jalan Kampung Datu 96000 Sibul Sarawak Tel No.: 084-319 998	058-002	TA SECURITIES HOLDINGS BHD 2 nd Floor, (Bahagian Hadapan) Bangunan Binamas Lot 138, Section 54 Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006

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