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ATTACHED IS AN ELECTRONIC COPY OF THE INFORMATION MEMORANDUM DATED 31 MAY 2019 (“INFORMATION MEMORANDUM”), IN RELATION TO THE ISSUANCE OF COMMERCIAL PAPERS (“CPs”) PURSUANT TO A COMMERCIAL PAPERS PROGRAMME OF UP TO RM3.0 BILLION IN NOMINAL VALUE (“CP PROGRAMME”), BY SUNREIT CAPITAL BERHAD (COMPANY NO. 927634-X) (“ISSUER”).

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STRICTLY PRIVATE AND CONFIDENTIAL



SUNREIT CAPITAL BERHAD
(COMPANY No. 927634-X)

Information Memorandum

Commercial Paper Issuance Programme of up to
RM3.0 billion in Nominal Value

PRINCIPAL ADVISER/LEAD ARRANGER



Public Investment Bank Berhad
(Company No. 20027-W)

This Information Memorandum is dated 31 May 2019

IMPORTANT NOTICE

Responsibility Statements

This Information Memorandum has been approved by the board of directors of SUNREIT Capital Berhad (Company No. 927634-X) ("**Issuer**"), RHB Trustees Berhad (Company No. 573019-U) in its capacity as the trustee for Sunway Real Estate Investment Trust ("**SUNREIT**") ("**REIT Trustee**") and Sunway REIT Management Sdn Bhd (Company No. 806330-X) in its capacity as the manager for SUNREIT ("**REIT Manager**") and they collectively accept full responsibility for the accuracy of the information contained in this Information Memorandum. All references to the REIT Trustee and the REIT Manager in this Information Memorandum are in regard to their capacities as the trustee and the manager of SUNREIT respectively and not in their personal capacity as body corporates.

The Issuer, the REIT Trustee and the REIT Manager after having made all reasonable enquiries, confirms that all information contained in this Information Memorandum is true and correct in all material respects, that there is no omission of a material fact necessary to make the information contained in this Information Memorandum, in the light of the circumstances under which it is provided, not misleading, and that the opinions and intentions expressed in the information contained in this Information Memorandum are honestly held. Enquiries have been made by the Issuer, the REIT Trustee and the REIT Manager to ascertain all material facts have been disclosed and to verify the accuracy of all such information and statements. In this context, the Issuer, the REIT Trustee and the REIT Manager accepts full responsibility for such information contained in this Information Memorandum.

Important Notice and General Statement of Disclaimer

This Information Memorandum is being furnished on a private and confidential basis solely for the purpose of enabling prospective investors to consider the purchase of the CPs (as defined in this Information Memorandum) to be issued by the Issuer pursuant to the CP Programme (as defined in this Information Memorandum).

The CP Programme has been assigned an initial rating of P1(s), by RAM Rating Services Berhad. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the rating agency.

Public Investment Bank Berhad as the principal adviser and the lead arranger of the CP Programme ("**PA/LA**") state that none of the information or data contained in this Information Memorandum has been independently verified by them. Accordingly, no representation, warranty or undertaking, express or implied, is given or assumed by the PA/LA as to the authenticity, origin, validity, accuracy or completeness of the information or data contained in this Information Memorandum or that such information or data remains unchanged in any respect after the relevant date shown in this Information Memorandum. The PA/LA has not accepted and will not accept any responsibility for the information and data contained in this Information Memorandum or otherwise in relation to the CPs and shall not be liable for any consequences of reliance on any of the information or data in this Information Memorandum, except as provided by Malaysian laws.

The information in this Information Memorandum supersedes all other information and material previously supplied (if any) to the recipients. By taking possession of this Information Memorandum, the recipients are acknowledging and agreeing and are deemed to have acknowledged and agreed that they will not rely on any previous information supplied. No person is authorised to give any information or data or to make any representation or warranty other than as contained in this Information Memorandum and, if given or made, any such information, data, representation or warranty must not be relied upon as having been authorised by the Issuer, the

PA/LA or any other person.

This Information Memorandum has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia ("**Foreign Jurisdiction**") and has not been and will not be lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any Foreign Jurisdiction and it does not constitute an issue, offer or sale of, or an invitation to subscribe or purchase the CPs or any other securities of any kind by any party in any Foreign Jurisdiction.

This Information Memorandum is not and is not intended to be a prospectus. Unless otherwise specified in this Information Memorandum, the information contained in this Information Memorandum is current as at the date hereof.

The distribution or possession of this Information Memorandum in or from certain jurisdictions may be restricted or prohibited by law. Each recipient is required to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer nor the PA/LA accepts any responsibility or liability to any person in relation to the distribution or possession of this Information Memorandum in or from any such Foreign Jurisdiction.

By accepting delivery of this Information Memorandum, each recipient agrees to the terms upon which this Information Memorandum is provided to such recipient as set out in this Information Memorandum, and further agrees and confirms that (a) it will keep confidential all of such information and data, (b) it is lawful for the recipient to subscribe for or purchase the CPs under all jurisdictions to which the recipient is subject, (c) the recipient has complied with all applicable laws in connection with such subscription or purchase of the CPs, (d) the Issuer, the REIT Trustee, the REIT Manager, the PA/LA and their respective directors, officers, employees and professional advisers are not and will not be in breach of the laws of any jurisdiction to which the recipient is subject as a result of such subscription or purchase of the CPs, and they shall not have any responsibility or liability in the event that such subscription or purchase of the CPs is or shall become unlawful, unenforceable, voidable or void, (e) it is aware that the CPs can only be offered, sold, transferred or otherwise disposed of directly or indirectly in accordance with the relevant selling restrictions and all applicable laws, (f) it has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the CPs, and is able and is prepared to bear the economic and financial risks of investing in or holding the CPs, (g) it is subscribing or accepting the CPs for its own account, and (h) it is a person falling within in Part I of Schedule 6 of the CMSA, and Part I of Schedule 7 of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA at the point of issuance; and Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA thereafter. Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. For the avoidance of doubt, this Information Memorandum shall not constitute an offer or invitation to subscribe or purchase the CPs in relation to any recipient who does not fall within item (h) above.

This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of the CPs is not, and should not be construed as, a recommendation by the Issuer, the REIT Trustee, the REIT Manager and/or the PA/LA, to subscribe or purchase the CPs. This Information Memorandum is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all-inclusive. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the REIT Trustee, the REIT Manager, SUNREIT, the CP Programme and all other relevant matters, and each recipient should consult its own professional advisers. All information and statements herein are subject to the detailed provisions of the respective agreements referred to herein and are qualified in their entirety by reference to such documents.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any CPs

shall in any circumstance imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the CP Programme is correct as of any time subsequent to the date indicated in the document containing the same. Neither the PA/LA nor any other advisers for the CP Programme undertakes to review the financial condition or affairs of the Issuer or to advise any participants of the CP Programme or investor in any CPs of any information coming to their respective attention. The recipient of this Information Memorandum or the prospective investor should review, inter alia, the most recently published documents incorporated by reference to this Information Memorandum when deciding whether or not to purchase any CPs.

Certain statements, information, estimates and reports in this Information Memorandum are based on historical data, which may not be reflective of the future, and others are forward-looking in nature and are subject to risks and uncertainties, including, among others, the Issuer's business strategy and expectation concerning each of its position in the Malaysian economy, future operations, growth prospects and industry prospects. While the Board of Directors of the Issuer respectively believe that these forward-looking statements are reasonable, these statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward looking statements. In light of all this, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer that the plans and objectives of the Issuer will be achieved.

All discrepancies (if any) between the listed amounts and totals thereof in the tables included in this Information Memorandum are due to certain numbers shown after rounding.

This Information Memorandum includes certain historical information, estimates, or reports thereon derived from sources mentioned in this Information Memorandum and other parties with respect to the Malaysian economy, the material businesses which the Issuer operates and certain other matters. Such information, estimates, or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimates and/or reports thereon derived from such sources or from other third party sources.

Acknowledgement

The Issuer hereby acknowledges that it has authorised the PA/LA to circulate or distribute this Information Memorandum on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the CPs to prospective investors who fall within ambit of the selling restriction as stated herein and that no further evidence of authorisation is required.

Statements of Disclaimer by the Securities Commission Malaysia

A copy of this Information Memorandum will be lodged with the Securities Commission Malaysia ("SC"), who takes no responsibility for its contents.

The issue, offer or invitation in relation to the CPs to be issued under the CP Programme is subject to the fulfilment of various conditions precedent including without limitation the lodgement in respect of the proposed issuance of the CPs with the SC ("**Lodgement**").

Each recipient of this Information Memorandum acknowledges and agrees that the Lodgement shall not be taken to indicate that the SC recommends the subscription or purchase of the CPs.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE ISSUER AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED OR CONTAINED IN THIS INFORMATION MEMORANDUM.

EACH ISSUE OF CPs UNDER THE CP PROGRAMME WILL CARRY DIFFERENT RISKS AND ALL PROSPECTIVE INVESTORS SHOULD EVALUATE EACH ISSUE OF CPS ON ITS MERITS. PROSPECTIVE INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR SUBSCRIBING FOR THE CPs.

Documents Incorporated by Reference

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (i) the most recently published audited annual financial statements and the most recently published interim financial statements (if any) of the Issuer; and
- (ii) any supplements or amendments to this Information Memorandum circulated by the Issuer, if any, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

CONFIDENTIALITY

To the recipient of this Information Memorandum:

This Information Memorandum and its contents are strictly confidential and the information herein contained is given to the recipient strictly on the basis that they will remain confidential. Accordingly, this Information Memorandum and its contents, or any information, which is made available in connection with any further enquiries, must be held in complete confidence.

This Information Memorandum is submitted to prospective investors specifically in reference to the CP Programme and may not be reproduced or used, in whole or in part, for any purpose, nor furnished to any person other than those to whom copies have been sent by the PA/LA.

The recipient must return this Information Memorandum and all reproductions whether in whole or in part and any other information in connection therewith to the PA/LA promptly upon the PA/LA's request.

PRIVACY NOTICE

Pursuant to the Personal Data Protection Act 2010 which came into force on 15 November 2013, the PA/LA and its affiliates are required to issue privacy notice to any person for the use and processing of personal information of such person. The privacy notices of the PA/LA are available at the PA/LA's respective websites.

In respect of a person which is a body corporate, the consent and authority of their directors, shareholders, authorised signatories and officers are deemed to have duly obtained to provide the personal data (as defined under the Personal Data Protection Act 2010) as required by the PA/LA and its respective affiliates.

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DEFINITIONS

In this Information Memorandum, the following words or expressions shall have the following meanings except where the context otherwise requires:

Appraised Value	- In relation to a Property, the value of that Property as appraised by the Independent Property Valuer as of 30 June 2018.
Assets of SUNREIT	- The total assets of SUNREIT comprising primarily the Properties and including all its Authorised Investments and other assets in accordance with the applicable approved accounting standards in Malaysia, for the time being held and/or deemed to be held upon trust under the REIT Deed.
Authorised Investments	<ul style="list-style-type: none">- Subject to the provisions of the REIT Guidelines, the following investments in which SUNREIT may invest in:<ul style="list-style-type: none">(a) Real Estate;(b) Non-Real Estate Assets;(c) Cash, deposit and money market instruments; and(d) any other investment not covered by paragraphs (a) to (c) above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC from time to time.
Average Daily Rate	- The total hotel room revenue divided by the total number of Room Nights sold within a given period.
Average Occupancy Rate	- In respect of the Retail and Office Properties, the average of the lettable area as a proportion of the total Net Lettable Area (of the relevant time) as of the last day of each month comprising the relevant period. In respect of the Hospitality Properties, the total number of Room Nights sold divided by the total number of Room Nights available for sale within a given period.
BNM	- Bank Negara Malaysia.
Bursa Securities	- Bursa Malaysia Securities Berhad (Company No. 635998-W).
CMSA	- Capital Markets and Services Act 2007, as amended from time to time and includes any re-enactment thereof.
CP Programme	- The commercial paper issuance programme of up to RM3.0 billion in nominal value.
CPholders	- The holders of the CPs.
CPs	- The commercial papers to be issued from time to time under the CP Programme.
F&B	- Food and beverage.
Facility Agent	- PIVB.

FIABCI	The French acronym for "Federation Internationale des Administrateurs de Bien-Conselis Immobiliers", which means "The International Real Estate Federation".
Financial Year	- The period ending on 30 June in each year or any other period, as may be determined by the REIT Manager and approved by the REIT Trustee.
GCH	- GCH Retail (Malaysia) Sdn Bhd (Company No. 667035-P).
GDP	- Gross domestic product.
Government	- The Government of Malaysia.
Gross Floor Area	- In respect of a Property, the area contained within the external walls of the building measured at each floor level, together with the area of each balcony in the building, which shall be calculated from the overall dimensions of the balcony (including the thickness of the sides thereof), and including the thickness of external walls of the building.
Gross Rental Income	- In respect of the Retail Properties, the total of rental income, promotional and service charges to the tenants. In respect of Office Properties, the total of rental income and service charges to the tenants.
HSBC	HSBC Amanah Malaysia Berhad (Company No. 807705-X).
HSBC Revolving-i Facility	The revolving-i facility of up to US Dollars One Hundred Million (USD100,000,000.00) only made available by HSBC to the REIT Trustee upon the terms and subject to the conditions contained in the HSBC Revolving-i Facility letter of offer dated 2 February 2018 and includes any amendments, variations and/or supplementals made from time to time.
Hospitality Properties	- Collectively, Sunway Resort Hotel & Spa, Sunway Pyramid Hotel, Sunway Hotel Seberang Jaya, Sunway Putra Hotel, Sunway Hotel Georgetown and Sunway Clio Property.
Hotel Manager	- Sunway International Hotels & Resorts Sdn Bhd (Company No. 430654-V).
Hotel Master Leases	- Collectively, the SRH Master Lease, the SHSJ Master Lease, the SPH Master Lease, the SHGP Master Lease and the SCH Lease.
Independent Property Valuer	- C H Williams Talhar & Wong Sdn Bhd, or Knight Frank Malaysia Sdn Bhd, as the case may be.
Issuer	- SUNREIT Capital Berhad (Company No. 927634-X).
Lead Arranger	- PIVB.
Lessee(s)	- SRH in respect of Sunway Resort Hotel & Spa, Sunway Pyramid Hotel and Sunway Clio Hotel, SHSJ in respect of Sunway Hotel Seberang Jaya, SPH in respect of Sunway Putra Hotel, and SBH in respect of Sunway Hotel Georgetown, pursuant to the Hotel Master Leases.
LRT	- Light rail transit.

Manager Fees	<ul style="list-style-type: none"> - Fees payable to the Manager comprising: <ul style="list-style-type: none"> (a) a base fee (exclusive of tax, if any) of 0.3% per annum of the Total Asset Value; (b) a performance fee (exclusive of tax, if any) of 3% per annum of Net Property Income but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement; (c) an acquisition fee of 1% of the acquisition price of any future Assets of SUNREIT being a Real Estate or a Special Purpose Vehicle acquired by the REIT Trustee for SUNREIT (pro rated if applicable to the proportion of the interest in Real Estate or Special Purpose Vehicle purchased by the REIT Trustee for SUNREIT); and (d) a divestment fee of 0.5% of the sale price of any Asset of SUNREIT being a Real Estate or a Special Purpose Vehicle sold or divested by the REIT Trustee (pro-rated if applicable to the proportion of the interest of SUNREIT in the Assets of SUNREIT sold).
MICE	<ul style="list-style-type: none"> - Meetings, incentives, conventions and exhibitions.
Net Asset Value or NAV	<ul style="list-style-type: none"> - At any time, net asset value of SUNREIT as determined by deducting the value of all SUNREIT's liabilities from the Total Asset Value.
Net Lettable Area or NLA	<ul style="list-style-type: none"> - Area in a building that is available for leasing, excluding common areas, and is usually the area in respect of which rent is payable.
Net Property Income or NPI	<ul style="list-style-type: none"> - The amount determined by the REIT Manager in accordance with the REIT Deed as representing total revenue (inclusive of rental income, service charges, advertisement and promotion income, car park rental income and other income) less property operating expenses pertaining to the Real Estate.
New Debt	<ul style="list-style-type: none"> - The New Finance or any new corporate bonds/Sukuk that may be issued by the Issuer or another special purpose vehicle(s) of SUNREIT.
New Finance	<ul style="list-style-type: none"> - Such permitted indebtedness incurred or to be incurred by the REIT Trustee on behalf of SUNREIT or by any other special purpose vehicle(s) set up by the REIT Trustee on behalf of SUNREIT, in the form of bilateral and/or syndicated loan arising from the provision of financing by the New Financiers.
New Financiers	<ul style="list-style-type: none"> - All party(ies) for the time being providing or making available directly or indirectly financing in the form of bilateral and/or syndicated loan to the REIT Trustee on behalf of SUNREIT or to other special purpose vehicle(s) set up by the REIT Trustee on behalf of SUNREIT (other than from subscription or purchase of CPs).
Newly Acquired Properties	<ul style="list-style-type: none"> - Such properties acquired or to be acquired from time to time (other than the Secured Properties) by the REIT Trustee by proceeds of any New Debt.
Non-Real Estate Assets	<ul style="list-style-type: none"> - Any assets that include:

	<ul style="list-style-type: none"> a) units of other listed real estate investment trusts; b) listed shares; c) listed securities of and issued by property companies; d) debt securities or sukuk issued by, or fully guaranteed by, the government of Malaysia; e) debt securities or sukuk issued by property companies, and real estate-related asset-backed securities; and f) commercial papers or Islamic commercial papers; or debt securities or sukuk issued by companies or institutions falling within the top three long-term credit rating and highest short-term credit rating by any domestic or global rating agency.
Office Properties	- Collectively, Menara Sunway, Sunway Tower, Sunway Putra Tower and Wisma Sunway.
Other Properties	- Collectively, Sunway Medical Centre (Tower A and B) and Sunway REIT Industrial – Shah Alam 1.
Pari Passu Debt	- such New Debt which ranks pari passu in terms of security with the CPs, as described in the Security Agency and Sharing Agreement. Currently, the existing Pari Passu Debt are the Unrated MTNs and the HSBC Revolving-i Facility.
PayNet	- Payments Network Malaysia Sdn Bhd (Company No. 836743-D).
PBB	- Public Bank Berhad (Company No. 6463-H).
PIVB	- Public Investment Bank Berhad (Company No. 20027-W).
Principal Adviser	- PIVB.
Properties	- Collectively, the Hospitality Properties, the Office Properties, the Retail Properties and the Other Properties and references to “Property” include references to any one of the aforesaid properties.
Property Management Agreement	- The property management agreement dated 1 August 2018 entered into between the REIT Manager, the REIT Trustee and the Property Manager in respect of the appointment of the Property Manager to operate, maintain, manage and market all of the Office Properties and the Retail Properties.
Property Manager	- AREM (Malaysia) Sdn Bhd (Company No. 1074784-A).
PWTC	- Putra World Trade Centre.
RAM Ratings	- RAM Rating Services Berhad (Company No. 763588-T).
Real Estate	- The ownership of all rights, interest and benefits related to the ownership of land and all things that are a natural part of the land as well as things attached to the land (both below and above the ground), and including real estate which is being developed to the extent permitted by the REIT Guidelines.
Real Estate Assets	- Real Estate and Special Purpose Vehicles.

REIT	- Real estate investment trust.
REIT Deed	- The deed dated 20 May 2010 entered into between the REIT Trustee and the REIT Manager constituting SUNREIT, the supplemental deed dated 10 June 2010 entered into between the REIT Trustee and the REIT Manager, the amended and restated deed dated 18 September 2018 entered into between the REIT Trustee and the REIT Manager and any other supplemental deeds thereto.
REIT Guidelines	- The guidelines on listed real estate investment trusts, issued by SC issued on 15 March 2018 including any amendments thereto from time to time.
REIT Manager	- Sunway REIT Management Sdn Bhd (Company No. 806330-X), in its capacity as the manager of SUNREIT.
REIT Trustee	- RHB Trustees Berhad (Company No. 573019-U), in its capacity as the trustee for SUNREIT.
Retail Properties	- Collectively, Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, SunCity Ipoh Hypermarket, and Sunway Putra Mall.
Right of First Refusal	- Right of first refusal dated 26 May 2010 granted by SunCity to the REIT Trustee and novated from SunCity to Sunway with effect from 18 August 2011 pursuant to a deed of novation dated 14 July 2011.
ROFR Assets	- Means investment properties owned by Sunway and/or its wholly-owned subsidiaries and shares of wholly-owned subsidiaries of Sunway which own investment properties.
Room Nights	- The number of times a hotel guest room is used or available for use by a paying guest(s) for an overnight stay of up to twenty-four (24) hours in a given period.
SBH	- Sunway Biz Hotel Sdn Bhd (Company No. 130380-T), a subsidiary of SunCity.
SC	- Securities Commission Malaysia.
SCH Lease	- Lease for Sunway Clio Hotel dated 3 August 2017 entered into between the REIT Trustee (on behalf of SUNREIT) as lessor, the REIT Manager and SRH as lessee.
Secured Hospitality Properties	- Collectively, Sunway Resort Hotel & Spa, Sunway Pyramid Hotel, Sunway Putra Hotel and Sunway Clio Property.
Secured Office Properties	- Collectively, Menara Sunway, Sunway Tower, Sunway Putra Tower and Wisma Sunway.
Secured Other Properties	- Collectively, Sunway Medical Centre (Tower A and B) and Sunway REIT - Industrial Shah Alam 1.
Secured Parties	- The secured parties as defined in the Security Agency and Sharing Agreement.
Secured Properties	- Collectively, the Secured Hospitality Properties, the Secured Office Properties, the Secured Retail Properties and the Secured

Other Properties.

Secured Retail Properties	- Collectively, Sunway Pyramid Shopping Mall, Suncity Ipoh Hypermarket and Sunway Putra Mall.
Security Agent	- PIVB.
Security Value	- The open market value of the Secured Properties and any other immovable properties constituting security for the CP Programme at the applicable time, based on the latest available valuation report prepared by an independent licensed valuer acceptable to the Security Agent.
SHGP Master Lease	- Lease for Sunway Hotel Georgetown dated 8 December 2014 entered into between the REIT Trustee (on behalf of SUNREIT) as lessor, the REIT Manager and SBH as lessee.
SHSJ	- Sunway Hotel Seberang Jaya Sdn Bhd (Company No. 238606-A), a subsidiary of Sunway City (Penang) Sdn Bhd.
SHSJ Master Lease	- Lease for Sunway Hotel Seberang Jaya dated 26 May 2010 entered into between the REIT Trustee (on behalf of SUNREIT) as lessor, the REIT Manager and SHSJ as lessee as amended by the first supplemental agreement dated 27 July 2017.
Special Purpose Vehicle	- means a special purpose vehicle as referred to in the REIT Guidelines.
SPH	- Sunway Putra Hotel Sdn Bhd (Company No. 938275-T), a subsidiary of SunCity.
SPH Master Lease	- Lease for Sunway Putra Hotel dated 29 June 2011 entered into between the REIT Trustee (on behalf of SUNREIT) as lessor, the REIT Manager and SPH as lessee as amended by the supplemental agreement dated 5 January 2012, second supplemental agreement dated 3 July 2013 and third supplemental agreement dated 6 October 2015.
sq. ft.	- Square feet.
sq. m.	- Square metres.
SRH	- Sunway Resort Hotel Sdn Bhd (Company No. 182198-M), a subsidiary of SunCity.
SRH Master Lease	- Lease for Sunway Resort Hotel & Spa and Sunway Pyramid Hotel dated 26 May 2010 entered into between the REIT Trustee (on behalf of SUNREIT) as lessor, the REIT Manager and SRH as lessee as amended by the first supplemental agreement dated 11 September 2014 and the second supplemental agreement dated 16 August 2018.
SunCity	- Sunway City Sdn Bhd (Company No. 87564-X), a subsidiary of Sunway.
SUNREIT	- Sunway Real Estate Investment Trust, a real estate investment trust whose units are listed on the Main Market of Bursa Securities.
Sunway	- Sunway Berhad (Company No. 921551-D).

Sunway Group	- Collectively, Sunway and its subsidiaries.
Sunway City	- A 324-hectare (800-acre) integrated development of entertainment, recreation, leisure, shopping, medical, hospitality, commercial facilities, residential units and education, including Sunway Resort Hotel & Spa, Sunway Pyramid Hotel, Sunway Clio Property, Sunway Pyramid Shopping Mall, Sunway Lagoon theme park, Sunway University, Monash University Malaysia, Menara Sunway, Sunway Pinnacle and Sunway Medical Centre.
Sunway City Properties	- Collectively, Sunway Pyramid Shopping Mall, Menara Sunway, Sunway Resort Hotel & Spa, Sunway Pyramid Hotel, Sunway Clio Property and Sunway Medical Centre (Tower A and B).
Sunway Putra	- Collectively, Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower.
Total Asset Value or TAV	- The total asset value of the Assets of SUNREIT.
Total Loans	- The aggregate principal amount/nominal value outstanding under the CPs and all the Pari Passu Debt.
Trust Deed Guidelines	- The guidelines on trust deed issued by SC (effective from 12 July 2011 and updated to 12 August 2011) including any amendments thereto from time to time.
Trustee	- PB Trustee Services Berhad (Company No.7968-T), as trustee for the CP Programme.
Underwriter	- PBB and/or such other institution providing the Underwriting Facility.
Underwriting Facility	- The underwriting facility up to such underwritten commitment requested by the Issuer and agreed to by the Underwriter at any time and from time to time.
Unit(s)	- Undivided rights or interests in SUNREIT including any subunit thereof.
Unrated MTNs	- The unrated medium term notes secured by the Secured Properties and issued pursuant to the medium term notes programme of up to Ringgit Malaysia Ten Billion (RM10,000,000,000.00) in nominal value established by SUNREIT Unrated Bond Berhad, a special purpose vehicle set up by REIT Trustee on behalf of SUNREIT, which is arranged by Affin Hwang Investment Bank Berhad.

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SECTION 1.0 EXECUTIVE SUMMARY

1.1 The Issuer

The Issuer was deemed incorporated on 29 December 2010 in Malaysia under the name of Noble Pioneer Sdn Bhd, as a private company limited by shares under the Companies Act 2016. On 25 April 2011, the Issuer changed its name to SUNREIT Capital Sdn Bhd. The Issuer adopted its current name, SUNREIT Capital Berhad, upon conversion to a public company limited by shares on 20 May 2011. The principal activity of the Issuer is to undertake the issuance of CPs pursuant to the CP programme and/or medium term notes (“**MTN**”) programme and all matters relating to the CP/MTN programme. The registered office of the Issuer is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The Issuer is a special purpose company incorporated for the issuance of the CPs, whose shares are held by the REIT Trustee on behalf of SUNREIT.

1.2 Utilisation of proceeds

Proceeds raised from the CP Programme shall be utilised by the Issuer for the following purposes:

- (a) for the purpose of advancing to SUNREIT where the REIT Trustee shall utilise such proceeds for the sole or a combination of the following purposes:
 - (i) to repay the amount outstanding under the revolving loan facility granted by PBB;
 - (ii) working capital requirements of SUNREIT and to defray expenses incurred in relation to the CP Programme;
 - (iii) to repay financing of existing/future borrowings undertaken by SUNREIT for its investment activities (including capital expenditure and the related acquisition and financing expenses);
 - (iv) to finance (including repayment of cash utilised by SUNREIT to part finance) the investment activities (including capital expenditure and the related acquisition and financing expenses) of SUNREIT;in accordance with the REIT Guidelines issued by the SC;
- (b) to refinance maturing CPs on their respective maturity dates subsequent to first issuance;
- (c) to refinance the maturing commercial paper under the commercial paper programme of up to RM1.6 billion in nominal value established by the Issuer; and
- (d) to refinance debt and/or hybrid securities that has been issued or may be issued by any other special purpose vehicle established by SUNREIT.

1.3 Brief Description of the CP Programme

The CP Programme has a tenure of up to seven (7) years (“**Tenure**”) commencing from the date of first issuance.

The CPs may be issued for various tenures ranging from one (1), two (2), three (3), six (6), nine (9), twelve (12) months or any other tenures not exceeding twelve (12) months as the Issuer may select, provided always that the CPs shall mature prior to the expiry of the CP Programme.

The CPs will be issued at a discount to face value and the issue price shall be determined closer to the date of each issuance and calculated in accordance with PayNet. Any amount of CPs that has been issued may be reissued or rolled over within the limit and the Tenure.

The CP Programme has been accorded an initial rating of P1(s) by RAM Ratings.

The CPs may be issued via competitive tender, direct or private placement, bought deal basis or book building basis, all without prospectus at the option of the Issuer.

The CPs may be underwritten by the Undewriter, fully or partially, up to such underwritten commitment ("**Prevailing Underwriting Commitment**") at any time and from time to time. For the avoidance of doubt, any issue of CPs may or may not be underwritten. Any increase or decrease in the then Prevailing Underwriting Commitment is subject to the terms of the relevant agreement between the Issuer and the relevant Underwriter. The Underwriter reserves the right to sell down all or part of its underwriting commitment.

The CPs issued under the CP Programme shall be secured by the following:

- (i) third party legal charge by the REIT Trustee over the Secured Properties;
- (ii) third party legal assignment by the REIT Trustee of all rental proceeds, proceeds from bank guarantees in respect of tenants' obligations and insurance proceeds in relation to the Secured Properties;
- (iii) third party legal charge and assignment by the REIT Trustee over the bank accounts (namely the Proceeds Account, Individual Collection Accounts and Master Collection Account) and third party legal charge and assignment by the REIT Manager over the Operation Account, all accounts opened with such licensed financial institution acceptable to the Security Agent, for the purpose of depositing monies from the Secured Properties;
- (iv) first party first legal charge and assignment by the Issuer over the Trustee's Reimbursement Account, an account opened by the Issuer with such licensed financial institution acceptable to the Security Agent and to be operated by the Trustee as required under the Trust Deed Guidelines ("**Charge over TRA**");
- (v) a letter of undertaking from the REIT Manager:
 - (1) to cause the Issuer to redeem/rollover the CPs on the maturity date;
 - (2) to deposit or cause to be deposited all sale/insurance proceeds paid in relation to the Secured Properties into the Proceeds Account;
 - (3) to deposit all rental/cashflow generated from the Secured Properties into the Individual Collection Accounts;
 - (4) to operate or cause to be operated the designated accounts in accordance to the terms set out in the Transaction Documents; and
 - (5) that it shall not declare or distribute any dividend/distributions to the SUNREIT unitholders if:
 - (A) an Event of Default has occurred, is continuing and has not been waived or following such declaration or distribution, an Event of Default would occur; or

- (B) the financial covenants are not met or will not be met prior and after such distribution.
- (vi) third party legal charges over future properties acquired by the REIT Trustee (such properties to be referred to as "**Newly Acquired Property(ies)**") in the event that any New Debt wishes to take security over the Secured Properties; and
- (vii) such other security to be agreed between the Issuer, REIT Trustee, REIT Manager, the Underwriter, the Secured Parties and/or advised by the Solicitors.

The above security shall be shared on pari passu basis in terms of priority and security amongst the CP Programme and the Pari Passu Debt (save and except for the Charge over TRA).

PROVIDED THAT the ratio of the Total Loans to the Security Value shall not exceed forty-five per cent (45%) at all times.

In the event the ratio of the Total Loans to Security Value exceeds forty-five per cent (45%), the Issuer/REIT Trustee is required to restore the stipulated ratio by providing additional security acceptable to the Underwriter and the Trustee for the CPs or reducing the Total Loans.

The security sharing arrangement is evidenced by a security sharing agreement ("**Security Agent and Sharing Agreement**") between, amongst others, the Issuer, the REIT Trustee, the Security Agent, the Trustee for the CPs and the other parties of the Pari Passu Debt.

1.4 Source of repayment

The primary source of repayment at maturity of the CPs will be via refinancing by proceeds from the loan market and/or capital markets instruments which will only be determined at the time such repayment is due.

The secondary sources of repayment for the CPs will be from the disposal of the property(ies) securing the CPs or issuance of additional REIT units or a combination of both.

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SECTION 2.0 THE CP PROGRAMME

2.1 Principal Terms and Conditions

Words and expressions used and defined in this Section 2.0 shall, in the event of inconsistency with the definition section of this Information Memorandum, only be applicable to this Section 2.0.

DETAILS OF FACILITY / PROGRAMME

1. Name of facility : A commercial papers ("**CPs**") programme of up to RM3.0 billion in nominal value ("**CP Programme**").
2. One time issue or programme : Programme.
3. Shariah Principle (for Sukuk) : Not applicable.
4. Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC)

The commercial papers issued under the CP Programme are referred to as "**CPs**". Holders of the CPs are referred to as "**CP holders**".

Pursuant to the CP Programme, the Issuer may, from time to time, issue CPs whereby the nominal value of outstanding CPs shall not exceed RM3.0 billion at any one time.

Any amounts of CPs that have been issued may be reissued or rolled over within the limit and tenure of the CP Programme.

The CP Programme maybe underwritten by the Underwriter, fully or partially, up to such underwritten commitment ("**Prevailing Underwriting Commitment**") at any time and from time to time. For the avoidance of doubt, any issue of CPs may or may not be underwritten.

Any increase or decrease in the then Prevailing Underwriting Commitment is subject to the terms of the relevant agreement between the Issuer and the relevant Underwriter.

The Underwriter reserves the right to sell down all or part of its underwriting commitment.
5. Currency : Ringgit.
6. Expected facility/programme size (for programme, to state the option to upsize) : RM3.0 billion in nominal value.
Option to upsize: Yes.
7. Tenure of facility/programme : Seven (7) years
8. Availability period of sukuk programme : The CP Programme is available upon compliance of all the conditions precedent for the first issue, until the expiry of the CP Programme.

The first issuance of CP shall be made within sixty (60) business days from the date of the Lodgement with SC.
9. Clearing and settlement platform : Payments Network Malaysia Sdn Bhd ("**PayNet**").

10. Mode of issue	:	<input checked="" type="checkbox"/>	Book building
		<input checked="" type="checkbox"/>	Bought deal
		<input checked="" type="checkbox"/>	Private/direct placement
		<input checked="" type="checkbox"/>	Tender

11. Selling restrictions	:	(i) At issuance	
		<input type="checkbox"/>	Exclusively to persons outside Malaysia
		<input checked="" type="checkbox"/>	Part 1 of Schedule 6 of the CMSA
		<input checked="" type="checkbox"/>	Part 1 of Schedule 7 of the CMSA
		<input checked="" type="checkbox"/>	Read together with Schedule 9 of CMSA
		<input type="checkbox"/>	Schedule 8 of CMSA
		<input type="checkbox"/>	Section 2(6) of the Companies Act, 2016
		<input checked="" type="checkbox"/>	Other

Selling Restrictions at Issuance

The CPs may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the CPs and to whom the CPs are issued would fall within Part 1 of Schedule 6 of the Capital Markets and Services Act, 2007 as amended from time to time ("**CMSA**") and Part 1 of Schedule 7 read together with Schedule 9 or Section 257(3) of the CMSA.

(ii) After issuance	
<input type="checkbox"/>	Exclusively to persons outside Malaysia
<input checked="" type="checkbox"/>	Part 1 of Schedule 6 of the CMSA
<input checked="" type="checkbox"/>	Read together with Schedule 9 of CMSA
<input type="checkbox"/>	Schedule 8 of CMSA
<input type="checkbox"/>	Section 2(6) of the Companies Act, 2016
<input checked="" type="checkbox"/>	Other

Selling Restrictions after Issuance

The CPs may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the CPs and to whom the CPs are issued would fall within Part 1 of Schedule 6 (or Section 229(1)(b)) of the CMSA read together with Schedule 9 (or Section 257(3)) of the CMSA.

- | | | |
|---|---|---|
| 12. Tradability and transferability | : | <u>Size in Ringgit which are tradable and transferable:</u>
MYR 3,000,000,000.00 |
| 13. Details of security/collateral pledged, if applicable | : | <p>The CPs issued/to be issued under the CP Programme shall be secured by the following:</p> <p>(i) third party legal charge by the REIT Trustee over the following properties ("Secured Properties"):</p> <p>(a) Sunway Pyramid Shopping Mall;</p> <p>(b) Suncity Ipoh Hypermarket;</p> <p>(c) Sunway Resort Hotel & Spa;</p> <p>(d) Menara Sunway;</p> |

- (e) Sunway Tower;
- (f) Sunway Pyramid Hotel;
- (g) Sunway Putra comprising Sunway Putra Mall, Sunway Putra Tower and Sunway Putra Hotel;
- (h) Sunway Medical Centre;
- (i) Wisma Sunway;
- (j) Sunway REIT Industrial – Shah Alam 1;
- (k) Sunway Clio Property; and
- (l) any such other properties to be identified and agreed between the Issuer, the REIT Manager, the REIT Trustee and the Secured Parties (as defined below) from time to time;

Details of the Secured Properties as set out in Appendix 1 hereto.

- (ii) third party legal assignment by the REIT Trustee of all rental proceeds, proceeds from bank guarantees in respect of tenants' obligations and insurance proceeds in relation to the Secured Properties;
- (iii) third party legal charge and assignment by the REIT Trustee over the bank accounts (namely the Proceeds Account, Individual Collection Accounts and Master Collection Account) and third party legal charge and assignment by the REIT Manager over the Operation Account, all accounts opened with such licensed financial institution acceptable to the Security Agent, for the purpose of depositing monies from the Secured Properties;
- (iv) a letter of undertaking from the REIT Manager:
 - (1) to cause the Issuer to redeem/rollover the CPs on the maturity date;
 - (2) to deposit or cause to be deposited all sale/insurance proceeds paid in relation to the Secured Properties into the Proceeds Account;
 - (3) to deposit all rental/cashflow generated from the Secured Properties into the Individual Collection Accounts; and
 - (4) to operate or cause to be operated the designated accounts in accordance to the terms set out in the Transaction Documents;
 - (5) that it shall not declare or distribute any dividend/distributions to the SUNREIT unitholders if:
 - (i) an Event of Default has occurred, is continuing and has not been waived or following such declaration or distribution, an Event of Default would occur; or
 - (ii) the financial covenants are not met or will not be met prior and after such distribution;
- (v) third party legal charges over future properties acquired by the REIT Trustee (such properties to be referred to as **"Newly Acquired Property(ies)"**) in the event that any New Debt (as defined below) wishes to take security over the Secured Properties;
- (vi) such other security to be agreed between the Issuer, the REIT Trustee, the REIT Manager, the Underwriter, the

Secured Parties and/or advised by the Solicitors.
The above security shall be shared on pari passu basis in terms of priority and security amongst the CP Programme and the borrowings which terms require a pari passu ranking charge over the above security (such borrowings shall be collectively referred to as the **"Pari Passu Debt"**, as further defined below).

PROVIDED THAT the ratio of the Total Loans (as defined below) to the Security Value (as defined below) shall not exceed 45% at all times.

In the event the ratio of the Total Loans to Security Value exceeds 45%, the Issuer/REIT Trustee is required to restore the stipulated ratio by providing additional security acceptable to the Underwriter and the Trustee for the CPs or reducing the Total Loans.

The security sharing agreement is evidenced by a security agency and sharing agreement (**"Security Agency and Sharing Agreement"**) between, amongst others, the Issuer, the REIT Trustee, the Security Agent, the Trustee for the CPs and the other financiers of the Pari Passu Debt.

"Pari Passu Debt" means:

- (1) any New Finance;
 - (2) any new corporate bonds and/or sukuk that may be issued by the Issuer or another special purpose vehicle of SUNREIT.
- Currently, the existing Pari Passu Debt are the Unrated MTNs and the HSBC Revolving Facility.

"HSBC Revolving Facility" means the revolving facility of up to US Dollars One Hundred Million (USD100,000,000.00) only made available by HSBC Amanah Malaysia Berhad (**"HSBC"**) to the REIT Trustee upon the terms and subject to the conditions contained in the HSBC Revolving Facility letter of offer dated 2 February 2018 and includes any amendments, variations and/or supplementals made from time to time.

"New Debt" means any New Finance or any new corporate bonds/Sukuk that may be issued by the Issuer or another special purpose vehicle of SUNREIT.

"New Finance" means such permitted indebtedness incurred or to be incurred by the REIT Trustee or by any other special purpose vehicle set up by the REIT Trustee on behalf of SUNREIT, in the form of bilateral and/or syndicated loan.

"Secured Parties" means the secured parties as defined in the Security Agency and Sharing Agreement.

"Security Value" shall mean the open market value of the Secured Properties and any other immovable properties constituting security for the CP Programme at the applicable time, based on the latest available valuation report prepared by an independent licensed valuer acceptable to the Security Agent.

"Total Loans" shall mean the aggregate principal amount/nominal value outstanding under the CPs and all the

Pari Passu Debt.

“Unrated MTNs” means the unrated medium term notes secured by the Secured Properties and issued pursuant to the medium term notes programme of up to Ringgit Malaysia Ten Billion (RM10,000,000,000.00) in nominal value established by SUNREIT Unrated Bond Berhad, a special purpose vehicle set up by the REIT Trustee on behalf of SUNREIT, which is arranged by Affin Hwang Investment Bank Berhad.

- | | | |
|--|---|---|
| 14. Details of guarantee, if applicable | : | Not guaranteed. |
| 15. Convertibility of issuance and details of the convertibility | : | Non-convertible. |
| 16. Exchangeability of issuance and details of the exchangeability | : | Non-exchangeable. |
| 17. Call option and details, if applicable | : | No call option. |
| 18. Put option and details, if applicable | : | No put option. |
| 19. Details of covenants:
(a) Positive Covenants | : | <p>To include but are not limited to:-</p> <ul style="list-style-type: none">(i) The Issuer, the REIT Trustee and the REIT Manager will preserve and keep in full force and effect all consents and rights necessary for the conduct of its business;(ii) The Issuer, the REIT Trustee and the REIT Manager shall exercise reasonable diligence in carrying out its business in a proper and efficient manner which should ensure, amongst others, that all necessary approvals or relevant licences are obtained and maintained;(iii) The Issuer will at all times maintain a paying agent for the CPs in Malaysia, and the Issuer shall cause and procure such paying agent to notify the Trustee (through a facility agent) in the event the paying agent does not receive payment from the Issuer on the due dates as required under the trust deed and the terms and conditions of the CPs;(iv) The Issuer, the REIT Trustee and the REIT Manager will keep proper books and accounts at all times and to provide the Trustee and any person appointed by it to have access to such books and accounts to the extent permitted by law;(v) The Issuer, the REIT Trustee and the REIT Manager will comply with all provisions and perform all its obligations under the Transaction Documents;(vi) The Issuer, the REIT Trustee and the REIT Manager shall procure that the Secured Properties be valued annually as follows:<ul style="list-style-type: none">(1) a full valuation once every three (3) years;(2) in the year where a full valuation is not done, a |

desktop valuation,
and copies of all the valuation reports shall be delivered
to the Trustee, Security Agent and RAM Ratings;

- (vii) The Issuer and the REIT Trustee shall from time to time inform RAM Ratings of their creation of any security interest over their respective properties and assets and the terms of the financing relating thereto prior to such security interest and financing being entered into;
- (viii) The REIT Trustee shall forward to the Trustee and RAM Ratings at least on an annual basis, a certificate confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the CPs and any other Pari Passu Debt, and that there did not exist or had not existed, from the date the CPs or such Pari Passu Debt were first issued/drawdown or date of the previous certificate as the case may be, any Event of Default, and if such is not the case to specify the same;
- (ix) the Issuer shall at all times remain as a wholly owned direct subsidiary of the REIT Trustee;
- (x) the REIT Trustee shall at all times maintain the Issuer to be its wholly owned direct subsidiary;
- (xi) The Issuer and the REIT Manager shall procure delivery to RAM Ratings, a quarterly report on the business performance of the Secured Properties which sets out the average occupancy rate, average rental rate, monthly revenue and such further information in connection therewith;
- (xii) The Issuer and the REIT Manager shall procure delivery to the Trustee and RAM Ratings the annual operating expenditure budget prepared by the REIT Manager;
- (xiii) The REIT Trustee and the REIT Manager shall ensure that SUNREIT does not incur borrowings in contravention of the restrictions set out in the transaction documents and the Listed REIT Guidelines;
- (xiv) The REIT Manager shall operate the relevant Designated Accounts which are to be operated by it, in accordance with the terms set out in the trust deed and the relevant security documents;
- (xv) The Issuer shall ensure that the terms in the Lodgement do not contain any matter which is inconsistent with the provisions of the Information Memorandum; and
- (xvi) Any other covenants as advised by the Solicitors and/or as required by RAM Ratings to be provided by the Issuer, REIT Trustee and the REIT Manager including such covenants required in order to comply with the Trust Deed Guidelines issued by the SC;

(b) Negative covenants

: To include but are not limited to the following:-

- (i) the Issuer shall not incur, assume or permit any additional indebtedness except in connection with the CPs issuance and shareholders advances (if any) which are to be subordinated to the CPs or any Permitted Indebtedness;

“Permitted Indebtedness” means any Pari Passu Debt issued by the Issuer and disclosed to the Trustee and Security Agent prior to first the issuance of the CPs.

- (ii) the REIT Trustee and the REIT Manager shall not make any distributions to the unitholders of SUNREIT if an Event of Default has occurred or is continuing (and has not been waived) or following such distribution, an Event of Default would occur;
- (iii) The Issuer shall not declare any dividends or make any other distributions on or in respect of its share capital;
- (iv) Other than those created for the benefit of the holders of the CPs, those as disclosed to and agreed by the PA/LA and the Trustee prior to the execution of the Transaction Documents, and the Permitted Security Interest, the REIT Trustee, shall not charge, pledge, assign or otherwise create or permit to exist any security interest over the Secured Properties or any other properties or assets of SUNREIT and revenues present or future of the Secured Properties or any other properties or assets of SUNREIT, without approval of the Trustee;

“Permitted Security Interest” means:

- (1) the relevant security interest created by the REIT Trustee and the Issuer to secure the CPs;
- (2) such first ranking security created or to be created by the REIT Trustee over the Newly Acquired Properties and their cashflow and income and designated bank accounts, in favour of or for the benefit of New Financiers, and security over the same assets for the benefit of the holders of the CPs;
- (3) such security created or to be created by the REIT Trustee over assets securing the CP Programme, to secure New Finance or any new corporate bonds that may be issued by the Issuer or another special purpose vehicle of SUNREIT (collectively, **“New Debts”**) PROVIDED THAT the ratio of the Total Loans to the Security Value shall not exceed 45% and provided that if such New Debts shall rank pari passu with the CP Programme as Pari Passu Debt, the REIT Trustee shall grant pari passu security over all assets (if any) securing the New Debt, in favour of the holders of the CPs.

“New Financiers” means all party(ies) for the time being providing or making available directly or indirectly financing in the form of bilateral and/or syndicated loan to the REIT Trustee or to other special purpose vehicle set up by the REIT Trustee on behalf of SUNREIT (other than from subscription or purchase of CPs).

- (v) Other than those created for the benefit of the holders of the CPs, those as disclosed to and agreed by the PA/LA and the Trustee and the Permitted Security Interest, the Issuer shall not charge, pledge, assign or otherwise create or permit to exist any security interest over the whole or any part of its undertakings, assets, property or revenues, present or future;
- (vi) The Issuer shall not amend, supplement or vary its Memorandum and Articles of Association/Constitution in a manner which may be materially prejudicial to the interests of the CP holders;
- (vii) The Issuer, the REIT Trustee and the REIT Manager shall not assign its rights or transfer its obligations under the Transaction Documents except in the case of REIT Trustee and REIT Manager, if such assignment and transfer is in favour of a new trustee and new manage pursuant to a change of trustee or manager for SUNREIT approved by the unitholders of SUNREIT;
- (viii) The Issuer, the REIT Trustee and the REIT Manager shall not surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under any of the Transaction Documents except in the case of REIT Trustee and REIT Manager, if such surrender, transfer, assignment, relinquishment or disposal is in favour of a new trustee and new manage pursuant to a change of trustee or manager for SUNREIT approved by the unitholders of SUNREIT;
- (ix) The Issuer shall not enter into any amalgamation, demerger, reconstruction or winding up of itself, and each of the REIT Trustee and the REIT Manager shall not enter into any amalgamation, demerger or reconstruction exercise which may materially affect its ability to perform its obligations under the Transaction Documents to which it is a party, or to take any steps to enter into any winding up of itself;
- (x) The Issuer shall not make any loans to its directors, shareholder(s) or its related or associated companies except as permitted under this principal terms and conditions;
- (xi) The Issuer shall not open any bank accounts other than the Designated Accounts and any other accounts which have been disclosed to and agreed by the Security Agent;
- (xii) The Issuer shall not enter into any other contracts, agreements or other arrangements or commitments other than those expressly permitted under the Transaction Documents;
- (xiii) The Issuer will not undertake any investments other than the Permitted Investments (as defined in the section entitled *Permitted Investments*);

- (xiv) The Issuer shall not reduce its issued and paid-up capital and permit any change in its shareholders;
- (xv) The Issuer will not enter into a transaction, whether directly or indirectly with any interested persons (including a director, major shareholder or chief executive) unless:
 - (1) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and
 - (2) with respect to transactions involving an aggregate payment or value equal to or greater than RM 20 million, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

Provided that:

the Issuer certifies to the Trustee that the transaction complies with paragraph (1);

- (A) the Issuer has received certification referred to in paragraph (2) where applicable); and
 - (B) the transaction has been approved by the majority of the Issuer's board of directors or shareholders in a general meeting, as the case may require.
- (xvi) the REIT Trustee shall not encumber, dispose, deal with in any manner or exercise any rights in respect of, its shares in the Issuer in any manner which may prejudice the rights of the holders of the CPs;
 - (xvii) the Issuer shall not change the utilisation of proceeds of the CPs as set out in the programme agreement and the trust deed;
 - (xviii) the REIT Trustee and the REIT Manager shall deliver to the Trustee such information as requested by the Trustee including but not limited to such information which the Trustee may require in order to discharge its duties and obligations as trustee under the relevant Transaction Documents relating to the Issuer's affairs to the extent permitted by law;
 - (xiv) Any other covenants as advised by the Solicitor and/or required by RAM Ratings to be provided by the Issuer, REIT Trustee and the REIT Manager including such covenants required in order to comply with the Trust Deed Guidelines issued by the SC.

(c) Financial covenant

: To include but are not limited to:-

- (i) The Issuer and the REIT Trustee shall ensure that the ratio of the Total Loans to the Security Value shall not exceed forty five per centum (45%) at all times; and
- (ii) Any other financial covenants as advised by the Solicitor and/or required to be provided by the Issuer,

REIT Trustee and the REIT Manager.

(d) Information covenants : To include but are not limited to the following:-

- (i) The Issuer shall deliver to the Trustee and copy to the Security Agent such information as requested by the Trustee, including but not limited to the following:
 - (1) as soon as they become available (and in any event within one hundred and eighty (180) calendar days after the end of each financial year) copies of its financial statements for that financial year which shall contain the income statement, balance sheet and cash flow statement of the Issuer and which are audited and certified without qualification by independent accountants permitted under applicable laws;
 - (2) as soon as they become available (and in any event within ninety (90) calendar days after the end of each quarter of its financial year) copies of its unaudited quarterly financial statements for that period which shall contain the income statement, balance sheet and cash flow statement of the Issuer which are duly certified by any one of its directors;
 - (3) at least on an annual basis, a certificate (a) confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the CPs, and that there did not exist or had not existed, from the date the CPs were first issued or date of the previous certificate as the case may be, any Event of Default, and if such is not the case to specify the same; (b) containing details of any additional borrowings incurred since the date the CPs were first issued or date of the previous certificate, as the case may be;
 - (4) such information which the Trustee may require in order to discharge its duties and obligations as trustee under the relevant Transaction Documents relating to the Issuer's affairs to the extent permitted by law;

The information in sub-paragraphs (i)(1), (i)(2) and (i)(3) above shall also be delivered to RAM Ratings.

- (ii) The REIT Manager shall deliver to the Trustee and copy to the Security Agent such information as requested by the Trustee, including but not limited to the following:
 - (1) as soon as they become available (and in any event within one hundred and eighty (180) calendar days after the end of each financial year) copies of the financial statements of SUNREIT for that financial year which shall contain the income statement, balance sheet and cash flow statement of SUNREIT and which

- are audited and certified without qualification by independent accountants permitted under applicable laws;
- (2) as soon as they become available (and in any event within ninety (90) calendar days after the end of each quarter of SUNREIT's financial year) copies of the unaudited quarterly financial statements of SUNREIT for that period which shall contain the income statement, balance sheet and cash flow statement of SUNREIT which are duly certified by any one of its directors;
- (iii) The Issuer shall notify the Trustee and RAM Ratings in the event that the Issuer becomes aware of the following:-
- (1) any Event of Default or that such other right or remedy under the terms, provisions and covenants of the Transaction Documents have become immediately enforceable;
 - (2) any circumstance that has occurred that would materially prejudice the Issuer or any security included in or created by the Transaction Documents (where applicable);
 - (3) any substantial change in the nature of the business of the Issuer;
 - (4) any change in withholding tax position of the Issuer;
 - (5) any change in the utilisation of proceeds of the CPs as set out in the programme agreement and the trust deed; and
 - (6) any other matter that may materially prejudice the interest of the holders of the CPs.
- (iv) The REIT Trustee shall notify the Trustee and RAM Ratings in the event that the REIT Trustee becomes aware of the following:-
- (1) any Event of Default or that such other right or remedy under the terms, provisions and covenants of the Transaction Documents have become immediately enforceable;
 - (2) any circumstance that has occurred that would materially prejudice the Issuer or any security included in or created by the Transaction Documents (where applicable);
 - (3) any substantial change in the nature of the business of SUNREIT;
 - (4) any change in withholding tax position of the SUNREIT; and

- (5) any other matter that may materially prejudice the interest of the holders of the CPs;
- (v) The REIT Manager shall notify the Trustee and RAM Ratings in the event that the REIT Manager becomes aware of the following:-
 - (1) any Event of Default;
 - (2) any substantial change in the nature of the business of the REIT Manager;
 - (3) any other matter that may materially prejudice the interest of the holders of the CPs.

20. Details of designated account(s), if applicable

: The Issuer shall open and maintain or cause to be opened and maintained the following designated accounts:

(i) Proceeds Account

Opened/ to be opened by	REIT Trustee
Maintained/ operated or to be maintained/ operated by	REIT Trustee
Signatories to the account	REIT Trustee
Sources of funds	All insurance proceeds received by the REIT Trustee in respect of the Secured Properties.
Utilisation of funds	<p>The funds in this account cannot be withdrawn save for such withdrawals which are actually funded by identified insurance proceeds already credited into the Proceeds Account made to make good the damage or loss or disrepair to the Secured Properties or made as compensation due to loss of business income with respect to the Secured Properties (in respect of which such insurance proceeds were paid by insurance companies) Provided That:</p> <p>(i) such withdrawal must be accompanied by relevant supporting documents evidencing the amount payable to make good such damage or loss or disrepair furnished by the REIT Trustee;</p> <p>(ii) no Event of Default has occurred under the applicable facilities and is subsisting at the time such withdrawal is made or would, following such withdrawal, occur; and</p> <p>“Event of Default” means an event of default under the CP Programme or any Pari Passu Debt.</p>

	<p>(iii) the amount of such withdrawal (or when aggregated with previous permitted withdrawals made for the same purpose) would not exceed ten per centum (10%) of the then prevailing market value of the relevant Secured Properties (in respect of which such withdrawal relates).</p> <p>Without prejudice to this paragraph, the REIT Trustee may subject to the prior written consent of the Security Agent (which consent shall not be unreasonably withheld) withdraw monies from the Proceeds Account which are actually funded by the identified insurance proceeds claims made under the insurances relating to the Secured Properties that have already been credited into the Proceeds Account and which are in excess of ten percent (10%) of the then prevailing market value of the relevant Secured Properties (in respect of which such withdrawal relates) (hereinafter referred to as the "Increased Permitted Withdrawals") to make good the damage or loss or disrepair to the relevant Secured Properties PROVIDED THAT:</p> <p>(a) The REIT Trustee furnishes the Security Agent with relevant supporting documents (including but not limited to a certified true copy of the relevant insurance claims and/or invoices acceptable to the Security Agent certifying the cost and/or expense incurred or to be incurred in respect of the repair made or to be made on the relevant Secured Properties);</p> <p>(b) such Increased Permitted Withdrawals would not result in an event having a Material Adverse Effect to occur.</p> <p>"Material Adverse Effect" means a material adverse effect on (i) the business, operations, property, condition (financial or otherwise) or prospects of the SUNREIT, the REIT Trustee, the Issuer or on the earnings and/or cashflow of the Secured Properties taken as a whole; (ii) the ability of the REIT Trustee or the Issuer to perform its obligations under the applicable transaction documents; or (iii) the legality, validity or enforceability</p>
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	of the applicable transaction documents or the rights or remedies of the Trustee or holders of the CPs or financiers under any Pari Passu Debt under the applicable transaction documents.
Note	There may be more than one Proceeds Account relating to the Secured Properties for the ease of operations.

(ii) Master Collection Account

Opened/ to be opened by	REIT Trustee
Maintained/ operated or to be maintained/ operated by	REIT Trustee
Signatories to the account	REIT Trustee
Sources of funds	All amounts standing to the credit of each of the Individual Collection Accounts (as defined below).
Utilisation of funds	<p>The funds in this account will be applied to meet the following permitted expenditure in the following order of priority if no Event of Default has occurred:</p> <p>(i) such amount necessary:</p> <p>(a) for transfers to the Operation Account to fund the operating expenditure (including tax and other statutory obligations) in respect of the Secured Properties based on the annual budget approved by the Trustee and the Pari Passu Debt and such withdrawal is to be credited into the Operation Accounts (as defined below); and</p> <p>(b) for the payment of all other fees, charges, expenses and outgoings which are permitted to be incurred by the REIT Trustee by the provisions of the deed dated 20 May 2010 (as supplemented by a deed dated 10 June 2010) entered into between the REIT Manager and the REIT Trustee ("REIT Deed") not accounted for in the annual budget as referred to under paragraph (ia) above:</p> <p>(A) to the extent that the payment of such fees, costs, charges, expenses and outgoings is incidental to the carrying of business of SUNREIT;</p>

	<p>and</p> <p>(B) to fund Permitted Investments, so long as:</p> <p>(I) following the making of any withdrawal under this paragraph (ib) there are sufficient funds standing to the credit of the Master Collection Account to meet the obligations to service such interest/principal that is due and payable under the CPs and the Pari Passu Debt on no later than five (5) business days before payment date;</p> <p>(II) any withdrawal of such amount made by the REIT Trustee for the purposes set out in this paragraph (ib) shall be immediately notified by the REIT Trustee to the Security Agent; and</p> <p>(III) payment of any such fees, costs, charges, expenses and outgoings is incidental to the carrying of business of SUNREIT not accounted for in the annual budget which is more than 10% of the budgeted amount shall only be made with prior approval from the applicable facility agents/lenders/trustees in respect of the CP Programme and the Pari Passu Debt, the Trustee for the CP holders and the New Financiers, if any;</p> <p>(ii) on a <i>pari passu</i> basis fees and expenses under the CP Programme and the Pari Passu Debt;</p>
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	<p>(iii) Income distribution payment to the SUNREIT unitholders to the extent permitted by the Transaction Documents (as defined below) for the CPs and the Pari Passu Debt;</p> <p>(iv) the balance (if any) thereafter can be utilised by the REIT Trustee at its option to pay for deposit or tender deposit for any future acquisition of real estate and single purpose company;</p> <p>Provided Always that any withdrawal of such amount made by the REIT Trustee for the purposes set out in this subparagraph (iv) shall be permitted by the Security Agent for so long as such withdrawal is accompanied by relevant supporting documents (in form and substance satisfactory to the Security Agent).</p>
Note	There may be more than one Master Collection Account relating to the Secured Properties for the ease of operations.

(iii) Individual Collection Accounts

Opened/ to be opened by	REIT Trustee
Maintained/ operated or to be maintained/ operated by	REIT Trustee
Signatories to the account	REIT Trustee
Sources of funds	All revenue proceeds from the Secured Properties which shall include but not limited to security deposits to satisfy tenant's obligations, rental and rental deposits received by the REIT Trustee from the renting of the Secured Properties and all such other miscellaneous income.
Utilisation of funds	<p>The REIT Trustee shall be permitted from time to time to utilise the funds held in the Designated Accounts to make Permitted Investments provided no Event of Default has occurred.</p> <p>The REIT Trustee shall do such acts and thing which is necessary (including but not limited to the execution and delivery of a standing instruction or any such documents in connection therewith (in such form satisfactory to the Security Agent)) to the account bank to remit all</p>

	<p>amounts standing to the credit of each of the Individual Collection Accounts to facilitate the withdrawal of such amount from each of the Individual Collection Accounts to be credited into the Master Collection Account at least on a weekly basis.</p> <p>The funds in this account cannot be withdrawn save and except where the withdrawal of such amount is necessary to be credited into the Master Collection Account.</p>
Note	There may be more than one Individual Collection Account relating to the Secured Properties for the ease of operations.

(iv) Operation Accounts

Opened/ to be opened by	REIT Manager
Maintained/ operated or to be maintained/ operated by	REIT Manager
Signatories to the account	REIT Manager
Sources of funds	Monies will be credited into this account on a monthly basis from the Master Collection Account in accordance with the operating expenditure budget prepared by the REIT Manager.
Utilisation of funds	<p>The funds in this account cannot be withdrawn save for the following purposes in the order of priority as herein set out:</p> <ul style="list-style-type: none"> (a) to meet administrative expenses under the CP Programme and the Pari Passu Debt; (b) to meet the Secured Properties' projected operating expenditure; (c) any excess thereafter shall be credited back into the Master Collection Account. <p>Funds held in the Operation Account may be utilised for investments in Permitted Investments, provided always that such Permitted Investments shall mature and the proceeds be remitted into the Operation Account no later than five (5) business days before any payment obligations become due and payable.</p> <p>In addition, proceeds from issuance of CPs may be credited into the applicable Operation Account identified prior to the</p>

	relevant issuance of CPs, and such proceeds may be withdrawn for the purposes described in <i>Other terms and conditions - Utilisation of proceeds by Issuer</i> below.
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21. Name of credit rating agency, credit rating(state whether final or indicative) and amount rated, if applicable :

Credit Rating Agency	Credit Rating	Final/ Indicative Rating	Partial	Name of Class/Series/Tranche	Amount Rated
RAM	P1(s)	Indicative	No	Not applicable	RM3.0 billion

22. Conditions precedent

: Including but not limited to the following:

Conditions precedent in respect of the availability of the CP Programme:

- (i) All relevant Transaction Documents shall have been executed and duly endorsed as exempted under the Stamp Duty Exemption (No 23) Order 2000;
- (ii) A certified true copy of a board resolution of the Issuer authorising, among others, the establishment of the CP Programme, the issuance of CPs, the execution of the Transaction Documents to which it is a party, the performance of its obligations under the Transaction Documents to which it is a party and the appointment of the adviser of the CP Programme;
- (iii) The relevant consents and approvals (including without limitation consents of existing lenders (if any)) and resolution empowering the REIT Trustee and the REIT Manager have been obtained and remain valid for the REIT Trustee (1) to provide security in respect of the CP Programme, (2) to enter into and execute the relevant agreements in relation to the CP Programme and for the issuance of the CPs thereunder and (3) to do all that is necessary for the Issuer to undertake the CP Programme and the issuance of the CPs thereunder;
- (iv) Evidence that the relevant Transaction Documents (including but not limited to the Trust Deed) which contain a power of attorney clause have been presented to the High Court of Malaya for registration of the power of attorney therein contained;
- (v) Certified true copies of the certificate of incorporation, the Constitution, the latest Form of Annual Return, Forms 24, 44 and 49 (and such equivalent forms prescribed by the Companies Act) of the Issuer, REIT Trustee and the REIT Manager
- (vi) A list of the authorised signatories and the respective specimen signatures of the Issuer, REIT Trustee and the REIT Manager;

- (vii) A report of the relevant company search of the Issuer, the REIT Trustee and the REIT Manager which reveals that there are no other encumbrances which affect the securities envisaged under the Transaction Documents;
- (viii) A report of the winding up search conducted on the Issuer, REIT Trustee and the REIT Manager confirming that the Issuer, REIT Trustee and the REIT Manager have not been wound up;
- (ix) A report of the bankruptcy search conducted on the directors of the Issuer, the REIT Trustee and the REIT Manager confirming that the directors of , the REIT Trustee and the REIT Manager are not bankrupt;
- (x) Receipt of acknowledgement in respect of the lodgement to the SC all relevant information and documents set out in the lodgement form in respect of the CP Programme;
- (xi) The required rating from RAM Ratings;
- (xii) Representations and warranties of the Issuer remain true and correct in all material respects and no Event of Default or potential Event of Default has occurred and is continuing or may occur following the issuance of the CPs;
- (xiii) Receipt of a confirmation letter from the Underwriter accepting principal terms and conditions of the CP Programme and agreeing to underwrite the CP Programme;
- (xiv) The completion of the conditions precedent in relation to the Prevailing Underwriting Commitment;
- (xv) Evidence that the Trustees' Reimbursement Account (as defined in the section entitled *Other Terms and Conditions - Trustees' Reimbursement Account*) has been opened by the Trustee and a sum of RM30,000.00 has been deposited into the Trustees' Reimbursement Account;
- (xvi) Receipt of a legal due diligence report satisfactory to the PA/LA;
- (xvii) Submission of the Declaration Form from the authorised signatory(ies) of the Issuer pursuant to BNM's Guidelines on Credit Transactions and Exposures with Connected Parties;
- (xviii) Where applicable, consents from the state authority to create a legal charge over the Secured Properties in favour of the Security Agent and any conditions imposed by the state authority shall have been complied with;
- (xix) The third party legal charge over each of the Secured Properties has been presented for registration at the

relevant land office;

- (xx) Receipt of valuation reports or valuation updates on the Secured Properties in form and substance acceptable to the PA/LA;
- (xxi) The Designated Accounts have been duly opened and the mandate for operations of such accounts are in accordance with the terms of the Issuer's, REIT Trustee or REIT Manager's Board of Directors' resolution;
- (xxii) Evidence that the notice of assignment to the assignment and charge over the designated accounts have been served by the Issuer and the original acknowledgment have been returned by the counterparty to the Security Agent;
- (xxiii) Evidence that all quit rent and assessment on Secured Properties has been paid up to date and certified true copies of the current receipts of the same shall be furnished to the Security Agent;
- (xxiv) Receipt of fire, flood and theft insurance policy and/or contractor's all risk insurance policies and/or other risks deemed necessary taken with the panel insurer of the bank with the Security Agent endorsed as the chargee/loss payee on Secured Properties;
- (xxv) Payment or such arrangement has been made for payment of all relevant fees and amounts due by the Issuer in connection with the CP Programme;
- (xxvi) a letter of undertaking from the REIT Trustee:
 - (1) not to encumber, dispose, deal with in any manner or exercise any rights in respect of its shares in the Issuer;
 - (2) not to make any distributions to the unitholders of SUNREIT if an Event of Default has occurred or is continuing (and has not been waived) or following such distribution, an Event of Default would occur; and
- (xxvii) Such other conditions precedent as may be advised by the Solicitors and to be mutually agreed between the PA/LA and the Issuer.

Conditions precedent where the proceeds of the CPs are to be used to finance acquisitions/ investments in real properties:

- (i) Receipt of the relevant certified true copies of the executed sales & purchase agreement(s);
- (ii) Legal opinion from the solicitors acting in respect of the sales & purchase agreement(s) that all conditions precedents of the sales & purchase agreement(s) have been duly fulfilled or deemed to have been fulfilled or waived; and
- (iii) Such other conditions precedent as may be advised by

the Solicitors and to be mutually agreed between the PA/LA and the Issuer.

Conditions precedent where the proceeds of the CPs are to be used to refinance any credit facilities:

- (i) Redemption statements from the lenders have been obtained and in the form and substance acceptable to the PA/LA; and
- (ii) Such other conditions precedent as may be advised by the Solicitors and to be mutually agreed between the PA/LA and the Issuer.

23. Representations and warranties

: To include but are not limited to the following:

- (i) The Issuer is a company duly incorporated and existing under Malaysian law and has the power and authority to enter into the business in which it is engaged;
- (ii) The Issuer (to the extent where it is a party) has the power to enter into, exercise its rights under and perform its obligations under the Transaction Documents to which it is a party;
- (iii) All necessary actions, authorisations and consents required by the Issuer under the Transaction Documents to which it is a party have been taken, fulfilled and obtained and remain in full force and effect;
- (iv) The Issuer's entry into the Transaction Documents (to which it is a party), exercise of its rights under and performance of the Transaction Documents do not and will not violate any existing law or any agreements to which it is a party;
- (v) The Transaction Documents to which it is a party create valid and binding obligations which are enforceable against the Issuer;
- (vi) The Issuer's audited financial statements will be and are prepared in accordance with approved accounting principles and standards in Malaysia and fairly represent its financial position;
- (vii) No event that would constitute a contravention of or default under the Transaction Documents has occurred;
- (viii) No litigation or arbitration is current or, to the best of the Issuer's knowledge, information and belief, is threatened, which if adversely determined would have a material adverse effect;
- (ix) the financial statements and other information supplied or to be supplied by the Issuer (which is not disclosed in the Information Memorandum) are true and accurate in all respects and not misleading except that, where the warranted information is a forecast, the warranty will be to the effect that the forecast has been made on

the basis of assumptions which were reasonable at the time when they were made and after due inquiry;

- (x) the Issuer has disclosed to the Lead Arranger all information with regard to the Issuer, its business, financial condition and assets which is material in the context of the issue of the CPs and such disclosed information is true and accurate in all material respects and not misleading nor containing material omission; and
- (xi) any other representation or warranty as advised by the Solicitors and/or as required by RAM Ratings and the SC under the REIT Deed and Guidelines on Listed Real Estate Investment Trust ("**Listed REIT Guidelines**"), the LOLA Guidelines and the Trust Deed Guidelines.

Similar representations and warranties shall be given by the REIT Trustee, and the REIT Manager under the relevant Transaction Documents.

24. Events of default or enforcement events, where applicable, including recourse available to investors

: To include but are not limited to the following:

- (i) the Issuer fails to pay any sum due in respect of the CPs or, if so payable, on demand;
- (ii) the Issuer, the REIT Manager or the REIT Trustee fails to observe or perform any of their obligations under provisions of the Transaction Documents to which they are a party or the CPs (other than an obligation of the type referred to in paragraph (i) above) which is not capable of remedy or which, if is capable of remedy, is not remedied within thirty (30) days after the earlier of the Issuer, the REIT Manager or the REIT Trustee, as the case may be, becoming aware of or having been notified in writing by the Trustee of the event or situation, or such other longer remedy period as may be agreed between the Trustee and the Issuer, the REIT Manager or the REIT Trustee, as the case may be;
- (iii) any representation or warranty made by the Issuer, the REIT Manager or the REIT Trustee under the Transaction Documents or any information, notice, opinion or certificate or other document delivered pursuant to the terms of the Transaction Documents proves to have been materially incorrect or misleading as of the date at which made or deemed to be made;
- (iv) any provision of the Transaction Documents is or becomes unenforceable for any reason whatsoever;
- (v) any step or action is taken for the winding up, dissolution or liquidation of the Issuer, the REIT Manager or the REIT Trustee (including, without limitation, the presentation of a petition for the winding up against the Issuer, the REIT Manager or the REIT Trustee, or the making of any order or the passing of any resolution for the winding up, dissolution or liquidation of the Issuer, the REIT Manager or the

REIT Trustee) unless such petition is contested in good faith and set aside within thirty (30) days (or such longer period as may be agreed by the Trustee) from the date of service of such winding-up petition, or if a winding-up order has been made against it;

- (vi) a distress, execution, attachment or other legal process is levied, enforced or sued out against any of the assets of the Issuer or the Secured Properties or the material assets of the REIT Trustee or the REIT Manager or any part thereof, and is not discharged, dismissed or struck out within sixty (60) days which in the reasonable opinion of the Trustee would have a Material Adverse Effect;
- (vii) a receiver, manager, liquidator, trustee, administrator, judicial manager, bailiff or similar officer is appointed in respect of the Issuer, the REIT Manager or the REIT Trustee, or in respect of all or any part of the assets, properties or undertaking of the Issuer, the REIT Manager or the REIT Trustee;
- (viii) the Issuer ceases or threatens to cease to carry on all or any part of its business;
- (ix) the Issuer fails to satisfy any judgment obtained against it or the REIT Trustee or the REIT Manager fails to satisfy any judgement involving material liabilities ("material" for the purpose of this paragraph (ix) means, exceeding in aggregate the amount equivalent to 5% of SUNREIT's latest audited profit for the financial year) obtained against it excluding those liabilities in which it is confirmed that insurance coverage can be claimed, provided that no Event of Default shall occur if an application is made to appeal such judgements within thirty (30) days of such judgements to a higher court within the Malaysian judicial system and the Trustee, Underwriter and Security Agent receive a legal opinion from a reputable firm acting for the Issuer or the REIT Trustee or the REIT Manager (as the case may be) stating that the Issuer or the REIT Trustee or the REIT Manager (as the case may be) has valid grounds for appeal;
- (x) the Issuer, the REIT Manager or the REIT Trustee stops, suspends or threatens to stop or suspend payment of all or any part of its debts, begins negotiations with any of its creditors or takes any proceeding or other step with a view of readjustment, rescheduling or deferral of all of its indebtedness (or of any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or proposes to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspensions of payments generally (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such

reconstruction it becomes or is declared to be insolvent) or where a scheme of arrangement under section 366 of the Companies Act 2016 has been initiated by or against it;

- (xi) an event of total loss occurs on any of the Secured Properties which in the reasonable opinion of the Trustee would have a Material Adverse Effect;
- (xii) any event which the Trustee reasonably determines has a Material Adverse Effect;
- (xiii) any indebtedness of the Issuer; or any Pari Passu Debt, becomes due and is not paid (after the expiry of any originally applicable grace period) or is capable of being declared due prematurely by reason of a default or an event of default (however described);
- (xiv) where there is a revocation, withholding or modification of any licence, authorisation or approval that impairs or prejudices the Issuer's ability to comply with the terms and conditions of the CPs or any of the Transaction Documents; and
- (xv) any other event of default as advised by the Solicitors and/or as required by RAM Ratings including such event of default required in order to comply with the Trust Deed Guidelines issued by the SC.

Upon occurrence of an Event of Default, the Trustee may, or if so directed by a special resolution of all holders of the CPs, shall declare that an Event of Default has occurred in respect of all the outstanding CPs and that notwithstanding the stated maturity of all the outstanding CPs, all the outstanding CPs shall become immediately due and payable in full. Upon declaration of an Event of Default, the CP Programme shall be cancelled.

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| 25. Governing laws | : Laws of Malaysia. |
| 26. Provisions on buy-back, if applicable | : The Issuer, its subsidiaries or its agents may at any time purchase the CPs in the open market or by private treaty. Such CPs purchased by the Issuer, its subsidiaries or its agents shall be cancelled and cannot be resold or offered for sale. |
| 27. Provisions on early redemption, if applicable | : None. |
| 28. Voting | : The CP holders shall have no voting rights in the Issuer. |

Voting by the CP holders under the CP Programme shall be carried out as follows:-

Prior to upsizing of the CP Programme

All matters (save in relation to the upsizing of the CP Programme) which require the CP holders' consent under the CP Programme shall be carried out on a collective basis.

Post upsizing of the CP Programme

All matters which require the CP holders' consent under the

CP Programme shall be carried out on a per series basis. CP holders holding a requisite amount under each series (to be determined under the Trust Deed) shall provide their consent for the relevant matters to be passed under the CP Programme and the consent from CP holders of all outstanding series shall have been obtained for any such resolution to be carried.

“**series**” shall mean, in relation to any CPs, such CPs with the same issue date.

29. Permitted investments, if applicable : Permitted Investments shall mean:
- (1) Securities guaranteed by the Government of Malaysia;
 - (2) Fixed income securities issued in Malaysia with the approval of the Government of Malaysia by any authority established under federal or state law;
 - (3) Money market instruments where there is the flexibility of early withdrawal without incurring any penalty such as bankers' acceptance or promissory notes or certificates of deposit issued by any bank licensed pursuant to the Financial Services Act 2013 and having a minimum long term rating of A1 and short term rating of P1 or its equivalent;
 - (4) Deposits with any bank licensed pursuant to the Financial Services Act 2013 and having a minimum long term rating of A1 and short term rating of P1 or its equivalent; and
 - (5) Other debt or capital market instruments of private entities having a long term rating of at least AAA and short term rating of P1 as determined by RAM Ratings or its equivalent and such other investments as may be agreed by RAM Ratings and the Trustee;

PROVIDED THAT the Permitted Investments shall mature no later than five (5) business days provided that there are sufficient funds standing to the credit of the Master Collection Account prior to any payment obligations are due and payable under the CP Programme.

30. Ta'widh : Not applicable.
31. Ibra' : Not applicable.
32. Kafalah : Not applicable.
33. Other terms and conditions :
- (a) Utilisation of proceeds : Proceeds raised from the CP issuance shall be utilised by the Issuer for the following purposes:
- (i) For the purpose of advancing to SUNREIT where the REIT Trustee shall utilise such proceeds for the sole or a combination of the following purposes:
 - (a) to repay the amount outstanding under the revolving loan facility granted by PBB;
 - (b) working capital requirements of SUNREIT and to

defray expenses incurred in relation to the CP Programme;

- (c) to repay financing of existing/future borrowings undertaken by SUNREIT for its investment activities (including capital expenditure and the related acquisition and financing expenses);
- (d) to finance (including repayment of cash utilized by SUNREIT to part finance) the investment activities (including capital expenditure and the related acquisition and financing expenses) of SUNREIT;

in accordance with the Listed REIT Guidelines issued by the SC.

- (ii) To refinance maturing CPs on their respective maturity dates subsequent to first issuance;
- (iii) To refinance the maturing commercial paper under the commercial paper programme of up to RM1.6 billion in nominal value established by the Issuer; and
- (iv) To refinance debt and/or hybrid securities that has been issued or may be issued by any other special purpose vehicle established by SUNREIT.

- (b) Issue Price : The CPs will be issued at a discount to face value, and the issue price shall be determined closer to the date of issuance and calculated in accordance with PayNet.
- (c) Yield to maturity : To be determined prior to issuance on a when issued basis.
- (d) Redemption : Unless previously redeemed, purchased and cancelled, the CPs shall be redeemed by the Issuer at their nominal values on their respective maturity dates.

Rescission of a sale and purchase agreement

In the event that a sale and purchase agreement for the acquisition of future properties for the SUNREIT is rescinded and such acquisition was financed by the proceeds of a particular series of CPs, the Issuer may early redeem the outstanding CPs of that series (at their nominal value plus accrued interest), and the holders of such series of the CPs shall be obligated to allow the Issuer to redeem such series.

- (e) Form and Denomination : Form

Each series of CPs shall be represented by a Global Certificate to be deposited with BNM and shall be in bearer form. No physical delivery of the CPs is permitted.

The CPs will be prescribed in accordance with (1) the "Participation and Operation Rules for Payment and Securities Services" issued by PayNet ("**PayNet Rules**") and (2) the Operational Procedures for Securities Services issued by PayNet ("**PayNet Procedures**"), or their replacement thereof (collectively, "**PayNet Rules and Procedures**") applicable from time to time.

Denomination

The CPs will be in the denomination of RM1,000 or in multiples of RM1,000 thereof or such other denominations as may be allowed by PayNet/BNM.

- (f) Minimum level of subscription : There will be no minimum level of subscription.
- (g) Status : The CPs will constitute direct, secured and unconditional obligations of the Issuer.
- (h) Limited Recourse : The CPs are limited recourse in nature in that payment obligations of the Issuer under the CPs and the payment obligations of the REIT Trustee under the respective security documents are limited to the extent of the properties and all other assets that have been charged/assigned as security or designated for the CP Programme ("**Properties**"). If the net proceeds from the realisation of the Properties are not sufficient to make all payments due to the holders of the CPs, such holders will have no further claim against the Issuer and the REIT Trustee in respect of such shortfall and any unsatisfied claims shall be extinguished.
- (i) Interest/Coupon Rate : Not applicable as the CPs will be issued at a discount to face value.
- (j) Interest/Coupon payment frequency : Not applicable.
- (k) Interest/Coupon Payment Basis : Not applicable.
- (l) Expenses : All expenses including but not limited to legal fees, stamp duty, out-of-pocket expenses, and other costs reasonably incurred in arranging this financing whether on an abortive basis or otherwise, shall be for the account of the Issuer/REIT Trustee and on a full indemnity basis.
- (m) Trustees' Reimbursement Account : The Trustees' Reimbursement Account into which the Issuer shall deposit an amount equivalent to RM30,000.00 ("**Initial Amount**"). The Issuer shall maintain the Initial Amount throughout the tenure of the CP Programme. The Trustee shall be the sole signatory to the Trustee's Reimbursement Account.
- (n) Taxes : All payments in respect of the CPs will be made by the Issuer after deducting or withholding any amount for or on account of any present or future taxes or duties of whatsoever nature imposed or levied by the Government of Malaysia or any authority thereof or therein having power to tax and which are required by law to be deducted or withheld.

The Issuer shall not be required to pay any additional amount in respect of any such deduction or withholding or payment of principal or interest for or on account of any such taxes and duties.

- (o) Underwriting Fee : The Issuer shall pay to the Underwriter such underwriting fee to be agreed with the Underwriter.
- (p) Transaction Documents : The Transaction Documents shall include the following:
- (1) the Programme Agreement;
 - (2) the Trust Deed;
 - (3) the Security Documents;
 - (4) the Security Sharing Agreement (including any supplementals made from time to time);
 - (5) the Tender Panel Agreement;
 - (6) the Securities Lodgement Form; and
 - (7) such other agreements as may be advised by the Solicitor.
- (q) Tenure of the CPs : The CPs shall have the tenures of one (1), two (2), three (3), six (6), nine (9), twelve (12) months or any other tenures not exceeding twelve (12) months as the Issuer may select provided always that the CPs shall mature prior to the expiry of the CP Programme.

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SECTION 3.0 THE ISSUER

3.1 Introduction

The Issuer is a special purpose company deemed incorporated in Malaysia as a private company limited by shares under the Companies Act 2016 on 29 December 2010. The Issuer has converted to a public company limited by shares on 20 May 2011. The Issuer is established for the purpose of raising financing on behalf of SUNREIT through the issuance of CPs under the CP Programme. SUNREIT, constituted by the REIT Deed, is a REIT whose units are listed on the Main Market of Bursa Securities formed to invest in retail, hospitality, office, industrial and other Real Estate Assets, to provide the SUNREIT unitholders with an exposure to a diversified portfolio of Authorised Investments that will provide stable cash distributions with the potential for sustainable growth in Net Asset Value per unit of SUNREIT.

3.2 Share capital

As at 31 March 2019, the issued and paid up capital of the Issuer is RM2.00 comprising 2 ordinary shares.

3.3 Shareholding structure

The Issuer is wholly-owned by the REIT Trustee.

3.4 Profiles of Directors

As at 29 March 2019, the directors of the Issuer are as follows:

Dato' Ng Tiong Lip

Dato' Jeffrey Ng Tiong Lip, aged 62, was appointed to the Board on 21 March 2011. He is a graduate of Monash University, Melbourne with a Bachelor of Economics and completed his professional articleship in an international accounting firm in Australia before returning to Malaysia. He has more than 35 years of extensive experience in finance, corporate planning and executive management in the property and hotel industry in both Malaysia and Australia.

He is currently the Chief Executive Officer and an Executive Director of the REIT Manager.

Prior to joining Sunway Group, Dato' Jeffrey Ng was the former Managing Director of AP Land Berhad. He was also the former Executive Director of Sunway City Berhad, a company formerly 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 (KL) Branch, Director of Construction Industry Development Board (CIDB), Vice President and Secretary General of FIABCI Malaysian Chapter (International Real Estate Federation), Vice President of Malaysian Association of Hotel Owners (MAHO), Chapter Chairman of Young Presidents Organisation (YPO) Malaysian Chapter and Vice Chairman of Malaysia Australia Business Council (MABC). He was a former panel member of the Appeal Board under the Federal Territory (Planning) Act 1982.

Dato' Jeffrey Ng is currently the Chairman of both Malaysian REIT Managers Association (MRMA) and REHDA Institute as well as Chairman & Independent Non-Executive Director of United Overseas Bank (Malaysia) Berhad. He is also a Member of the Board of Studies – Master of Real Estate Development, University Tunku Abdul Rahman. Professionally, he is a member of the Malaysian Institute of Certified Public Accountants and Chartered Accountants, Australia & New Zealand. He also holds a Capital Markets Services Representative's Licence (CMSRL).

In 1999, he was conferred a fellowship by Malaysian Institute of Directors and accorded the 'Entrepreneur of the Year' by MABC in 2003. In 2008, he was advanced to fellowship member of Chartered Accountants, Australia & New Zealand. In 2009, he was conferred the patron of REHDA. Dato' Jeffrey Ng was awarded "REHDA Personality of the Year 2015" for his contribution to the real estate industry. In 2018, he was awarded The Asset Best CEO - Property.

His directorships in other public companies are SUNREIT Unrated Bond Berhad, SUNREIT Perpetual Bond Berhad and Sunway Lagoon Club Berhad.

Sarena Cheah Yean Tih, s.m.s

Ms Sarena Cheah Yean Tih, aged 44, was appointed to the Board on 21 March 2011. She graduated from the University of Western Australia with a Bachelor of Commerce (Accounting and Finance) in 1994. She also obtained a Masters in Business Administration from Melbourne Business School in 2001. She is a member of the Association of Chartered Certified Accountants (ACCA) and Capital Markets Services Representative's Licence (CMRSL) holder.

She started her career with the Sunway Group since 1995 and served under various roles in the Corporate Finance, Internal Audit and Business Department departments. In 2006, she was made General Manager for Sales and Marketing of the Group's Property Development division before assuming the position of Director of Strategy and Corporate Development in 2009, during which she oversaw the successful merger and integration of Sunway Holdings Berhad and Sunway City Berhad. In May 2013, she was appointed as Joint Managing Director of Property Development Division, Malaysia/Singapore and subsequently took on her current position as Managing Director of Property Development Division of Sunway Berhad in May 2015. She has led Sunway Berhad's property arm to multiple achievements including being ranked as Malaysia's Top Property Developer by The Edge Top Property Developer Awards since 2014.

She is a Board member of the REIT Manager as well as the Board of Valuers, Appraisers, Estate Agents and Property Manager.

Her directorships in other public companies are Sunway Berhad, SUNREIT Unrated Bond Berhad, Institute of Corporate Directors' Malaysia, Yayasan Raja Muda Selangor and SUNREIT Perpetual Bond Berhad.

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3.5 Financial Highlights

Statement of Comprehensive Income	Audited Financial Year Ended 30 June 2018 (RM)
Finance income	931,020
Finance costs	(931,020)
Breakeven for the financial year	-

Statement of Financial Position	Audited As At 30 June 2018 (RM)
Current asset	
Amount due from holding company	2,124
Total asset	2,124
Equity attributable to equity holder of the Company	
Share capital	2
Accumulated losses	(5,878)
	(5,876)
Current liability	
Other payables	8,000
Total equity and liability	2,124

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SECTION 4.0

SUNREIT AND THE SECURED PROPERTIES

4.1 Introduction on SUNREIT

4.1.1 Background Information

SUNREIT was established in Malaysia under the REIT Deed executed between the REIT Manager and the REIT Trustee and is principally regulated by the CMSA and the REIT Guidelines. The REIT Manager's key investment objective for SUNREIT is to provide the unitholders of SUNREIT with exposure to a diversified portfolio of Authorised Investments that will provide stable cash distributions with the potential for sustainable growth in NAV per unit of SUNREIT.

SUNREIT was listed on the Main Market of Bursa Securities on 8 July 2010 with an initial market capitalisation of RM2.4 billion. The market capitalisation of SUNREIT stood at RM5.3 billion as at 31 March 2019. SUNREIT was established with an initial portfolio of eight (8) assets and has now grown to sixteen (16) properties comprising the Retail Properties, the Hospitality Properties, the Office Properties and Other Properties. SUNREIT's assets are primarily located in Sunway City, Selangor, Malaysia's first Green Building Index (GBI) certified integrated township master-planned and developed by Sunway Berhad. The assets located in Sunway City are Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa, Sunway Pyramid Hotel, Sunway Clio Property, Menara Sunway and Sunway Medical Centre (Tower A and B). In addition to that, the newly acquired asset, Purpose-Built Campus (as defined below) is also located within the township.

The success of Sunway City is replicated in Sunway City Ipoh, Perak, the first integrated township in Southeast Asia with five (5) FIABCI accolades, where SunCity Ipoh Hypermarket is located. In Penang, SUNREIT owns Sunway Carnival Shopping Mall, Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown. SUNREIT owns four (4) properties in Kuala Lumpur, namely, Sunway Tower and the remaining 3 which constitute part of the 3-in-1 integrated development, Sunway Putra, consisting of Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower. In Shah Alam, Selangor, SUNREIT owns Wisma Sunway and Sunway REIT Industrial – Shah Alam 1 in Section 23, which is a prime industrial hub, that is predominantly occupied by established multinational logistics and manufacturing companies.

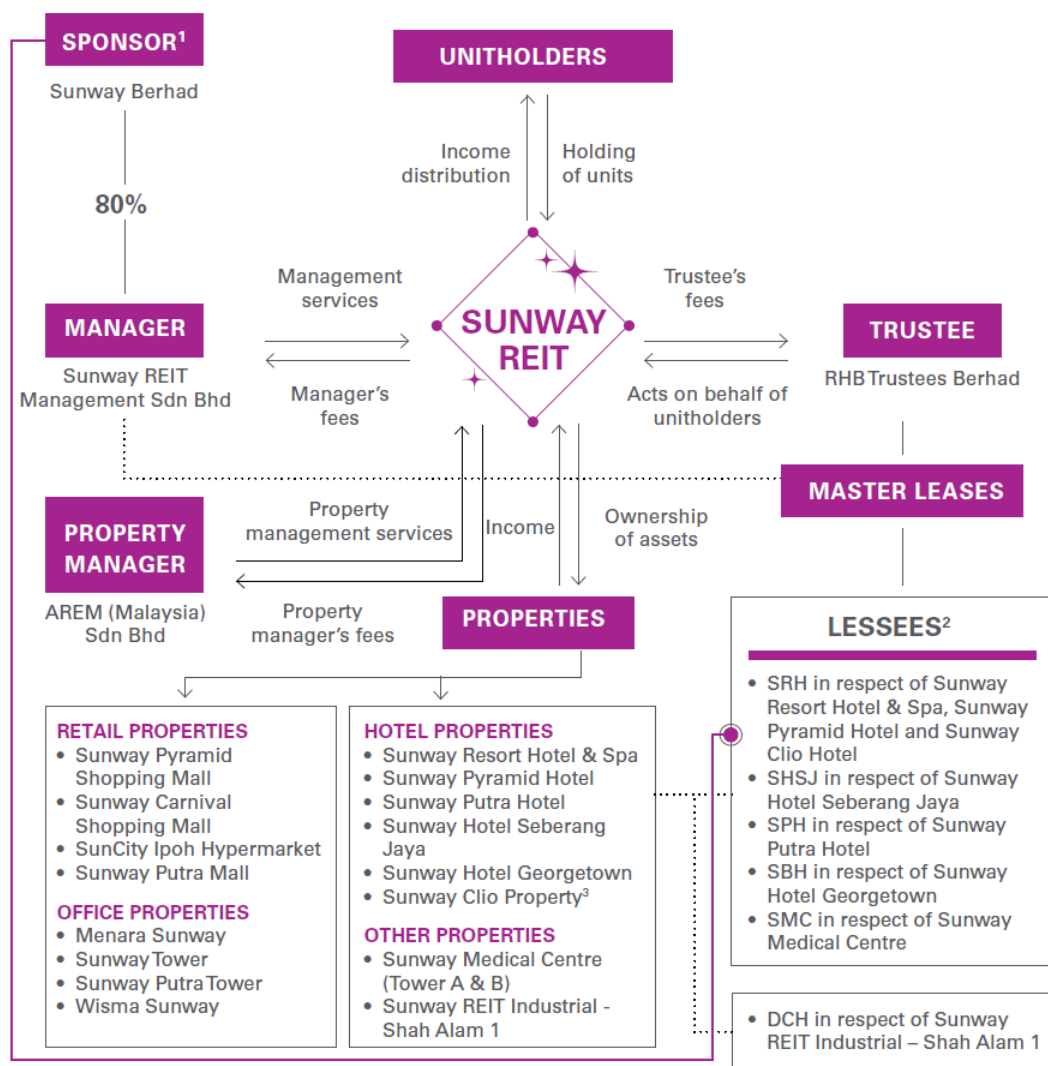
Under the SUNREIT structure, Sunway REIT Management Sdn Bhd is the REIT Manager whilst RHB Trustees Berhad is appointed as the REIT Trustee for SUNREIT's unitholders pursuant to the REIT Guidelines. As at 30 June 2018, SUNREIT's portfolio of sixteen (16) properties has an aggregate Appraised Value of RM7,253 million with Net Lettable Area of 4.05 million sq. ft. for the Retail Properties and the Office Properties whilst the Hotel Properties have a total of 2,506 hotel guest rooms and three (3) villas. The Gross Floor Area for the Other Properties are 1.17 million sq. ft.

Further information on SUNREIT is available on its website at www.sunwayreit.com. The Principal Adviser/Lead Arranger takes no responsibility for the contents or information contained on SUNREIT's website.

This Information Memorandum will not contain detailed information on the Assets of SUNREIT which are not part of the Secured Properties.

4.1.2 Structure of SUNREIT

TRUST STRUCTURE



¹ Sunway Berhad has 40.9% investment in Sunway REIT as at 30 June 2018

² Sunway Resort Hotel Sdn Bhd (SRH) is the lessee for Sunway Resort Hotel & Spa, Sunway Pyramid Hotel and Sunway Clio Hotel

Sunway Hotel (Seberang Jaya) Sdn Bhd (SHSJ) is the lessee for Sunway Hotel Seberang Jaya

Sunway Putra Hotel Sdn Bhd (SPH) is the lessee for Sunway Putra Hotel

Sunway Biz Hotel Sdn Bhd (SBH) is the lessee for Sunway Hotel Georgetown

Sunway Medical Centre Sdn Bhd (SMC) is the lessee for Sunway Medical Centre

DCH Contract Manufacturing Sdn Bhd (formerly known as IDS Manufacturing Sdn Bhd) is the lessee for Sunway REIT Industrial – Shah Alam 1

The hotel lessees are wholly owned subsidiaries of Sunway Berhad whilst SMC is a 99.2% owned subsidiary

³ Sunway Clio Property comprise of a hotel and a retail component

4.1.3 Financial Highlights

Set out below are the key historical financial highlights of SUNREIT based on the financial year ended 30 June 2018, 30 June 2017 and 30 June 2016 respectively.

Statement of Comprehensive Income - Key Data & Financial Ratios	(Audited) Financial Period Ended 30 June 2018 (RM'000)	(Audited) Financial Period Ended 30 June 2017 (RM'000)	(Audited) Financial Period Ended 30 June 2016 (RM'000)
Gross revenue	560,406	522,868	507,013
Net property income	419,930	388,817	373,851
Income available for distribution (realised)	282,394	271,099	270,588
Earnings per unit (sen)	9.57	9.19	8.92
Distribution per unit (DPU)(sen)	9.57	9.19	9.18
Distribution yield (%)	5.4	5.2	5.5
Management expense ratio (%)	0.89	0.85	0.88
Statement of Financial Position – Key Data & Financial Ratios	As At 30 June 2018 (RM'000)	As At 30 June 2017 (RM'000)	As At 30 June 2016 (RM'000)
Investment properties	7,280,225	6,689,200	6,433,00
Other non-current assets	13,591	9,063	8,698
Current assets	230,042	145,170	95,561
Total Asset Value (TAV)	7,523,858	6,843,433	6,537,259
Current liabilities	(2,786,457)	(2,559,564)	(998,538)
Non-current liabilities	(384,165)	(72,149)	(1,487,491)
Total liabilities	(3,170,622)	(2,631,713)	(2,486,029)
Net Asset Value (NAV)	4,353,236	4,211,720	4,051,230
Total Unitholders' Funds	4,353,236	4,211,720	4,051,230

4.1.4 Annual Audited Accounts

The annual audited accounts of SUNREIT are available on Bursa Securities' website at www.bursamalaysia.com. The Principal Adviser/Lead Arranger takes no responsibility for the contents or information contained on Bursa Securities' website.

4.2 The Secured Properties

The Secured Properties comprise Real Estate in the retail, hospitality, office, services and industrial sectors in Malaysia. Further details on the Secured Properties can be found in the website of SUNREIT at www.sunwayreit.com/ and its annual reports.

The Secured Retail Properties consist of:

1. Sunway Pyramid Shopping Mall



Since it first opened its doors in 1997, Sunway Pyramid Shopping Mall, Malaysia's first themed shopping and entertainment mall has undergone a transformation back in 2007 to herald a new shopping kingdom that boasts 4 million square feet of retail extravaganza.

The Egyptian-inspired Pyramid with a lion at the entrance is now joined by two domes – the Orange Atrium and Blue Atrium in the expansion. The remodelled mall is connected at all 4 floors in a loop corridor, offering comfort and convenience to shoppers. The mall contains more than 900 specialty outlets, including fashion, accessories, shoes, jewellery, timepieces, music, videos, gifts, souvenirs, leathers, books, pharmacies, electrical products, home furnishing, wellness and a one-stop IT centre.

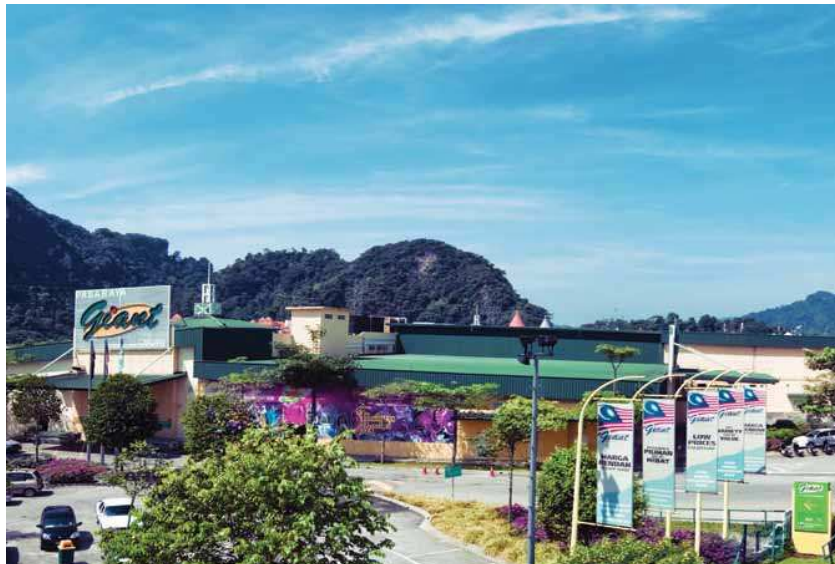
Location	:	Selangor
Date of Acquisition	:	8 July 2010
Acquisition Price (RM million)	:	2,132
Title, Expiry Date & Years Remaining	:	<p>Sunway Pyramid was built on five parcels of land titles with different expiry as follow:</p> <ul style="list-style-type: none"> • PN 17414 Lot No. 62059 – 21 February 2102 (83 years remaining); • PN 9495 Lot No. 32 – 1 April 2097 (78 years remaining); • HS(D) 259957 Lot No. PT 1312 – 1 April 2097 (78 years remaining); • PN 9500 Lot No. 51175 – 1 April 2097 (78 years remaining); and • HS(D) 233143 Lot No. PT 891 – 14 August 2105 (86 years remaining),

		all in Bandar Sunway, Daerah Petaling, Negeri Selangor
Tenure		Leasehold – 99 years
Encumbrance	:	1. Charge in favour of Public Investment Bank Berhad; and 2. Lienholder's Caveat by Public Investment Bank Berhad.
Year of Completion	:	Phase 1 in 1997; Phase 2 in 2007
Appraised Value (RM million)	:	3,580
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	The express condition in Bahasa Malaysia as set out in the issue documents of title is "Bangunan Perniagaan". The English translation of the above is "Commercial Building".
Restriction of Interest	:	The restriction of interest in Bahasa Malaysia as set out in the issue documents of title is "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri." The English translation of the above is "The alienated land shall not be transferred, leased or charged except with the consent of the State Authority."
Land area (sq. ft.) as at 30 June 2018	:	820,070
Gross Floor Area (sq. ft.) as at 30 June 2018	:	Retail & Convention Centre - 2,454,795 Car Park - 1,873,470
Net Lettable Area (sq. ft.) as at 31 March 2019	:	1,782,596
No. of parking bays as at 30 June 2018	:	> 3,900
No. of tenancies as at 31 March 2019	:	763
Weighted average lease expiry (years) as at 31 March 2019	:	1.2

Occupancy rate (%) as at 31 March 2019	:	98.6
Total Lettable Area Occupied (sq. ft.) as at 31 March 2019	:	1,757,327
Revenue (RM million) as at 31 March 2019*	:	246.6
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	192.7

* For the period from 1 July 2018 to 31 March 2019

2. SunCity Ipoh Hypermarket



SunCity Ipoh Hypermarket is a single-storey hypermarket designed and purpose-built to the specifications of the original and current sole tenant, GCH. GCH is a major hypermarket and retailer chain operating under the “Giant” brand in Malaysia, Singapore, Indonesia and Brunei Darussalam.

The hypermarket, located in Sunway City Ipoh township, opened in 2005 and 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 3,500 residential and commercial properties by 2025, more than 1,650 of which have been built by Sunway City (Ipoh) Sdn Bhd. The township offers a diverse mix of retail, office, entertainment, hospitality and residential properties, which includes the Lost World of Tambun Theme Park, a 174-room Lost World Hotel and a luxury retreat known as The Banjaran Hotsprings Retreat.

Mirroring the success of the Sunway City, Sunway City Ipoh is expected to succeed through synergies and cross-promotion opportunities between various Sunway properties that were built within Sunway City Ipoh. This will directly grow and support the customer base of SunCity Ipoh Hypermarket in a sustainable manner.

Location	:	Perak
Date of Acquisition	:	8 July 2010
Acquisition Price (RM million)	:	46
Title, Expiry Date & Years Remaining	:	PN 258216 Lot No. 331232 – 22 February 2100 (81 years remaining) Mukim Hulu Kinta, Daerah Kinta, Negeri Perak
Tenure	:	Leasehold – 99 years
Encumbrance	:	1. Charge in favour of Public Investment Bank Berhad; and 2. Lienholder's Caveat by Public Investment Bank Berhad.
Year of Completion	:	2005
Appraised Value (RM million)	:	61
Date of Latest Valuation	:	30 June 2018
Valuer		C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	The express condition in Bahasa Malaysia as set out in the issue document of title is "Perniagaan – Pusat Membeli Belah". The English translation of the above is "Retail Shopping Mall Business".
Restriction of Interest		The restriction of interest in Bahasa Malaysia as set out in the issue document of title is "Tanah ini boleh dipindah milik atau dipajak dengan kebenaran bertulis oleh Pihak Berkuasa Negeri". The English translation of the above is "This Land may be transferred or leased with the written approval of the State Authority".
Land area (sq. ft.) as at 30 June 2018	:	354,994
Gross Floor Area (sq. ft.) as at 30 June 2018	:	193,408
Net Lettable Area (sq. ft.) as at 31 March 2019	:	183,327
No. of parking bays as at 30 June 2018	:	400

No. of tenancies as at 31 March 2019	:	1
Occupancy rate (%) as at 31 March 2019	:	100%
Revenue (RM million) as at 31 March 2019*	:	3.3
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	3.1

* For the period from 1 July 2018 to 31 March 2019

3. Sunway Putra Mall

Sunway Putra Mall, a self-sustained integrated development positioned in the heart of the Diamond Triangle, is a vibrant business hub and residential district in downtown Kuala Lumpur. Its refurbishment was completed in February 2015 and the mall reopened on 28 May 2015. Completely revamped with a modern architecture design and interior layout, the mall enjoys superb access and connectivity providing a place to cater to the surrounding business and residents with 9 levels of retail podiums.

Sunway Putra Mall hosts more than 300 international fashion and local brands alongside food and beverages. The mall also hosts an array of fashion from local designer brands such as Bonia, Bohari Kuala Lumpur, Gerobok Kalsom and Ratio Apparel. Visitors can also enjoy a feast at Selera Street which promotes the local heritage concept while the Market Place is a gathering point for all essentials from fresh and quality products, household items, fancy knick-knacks, to delectable snacks and cosy eateries. Apart from that, Sunway Putra Mall has an array of home décor, a wellness centres and The Parenthood, Malaysia's first London family theme park. The mall also has 2 main mini-anchors – TGV Cinemas and Cold Storage.

Sunway Putra Mall has immediate access from Sunway Putra Hotel, Seri Pacific Hotel, Vistana Hotel, Quality Hotel, Silka Hotel and many other prominent hotels nearby. In terms of connectivity, the mall enjoys a superb pedestrian traffic and accessibility via a number of public transportation namely KTM, Rapid KL, bus, monorail and LRT.

Location	:	Kuala Lumpur
Date of Acquisition	:	19 April 2011
Acquisition Price (RM million)	:	219
Title, Expiry Date & Years Remaining	:	Geran 10012, Lot No. 38, Seksyen 51 Kuala Lumpur, Wilayah Persekutuan
Tenure	:	Freehold
Encumbrance	:	<ol style="list-style-type: none"> 1. Charge in favour of Public Investment Bank Berhad; 2. 30 years lease to Tenaga Nasional Berhad expiring 4 April 2047; and 3. Lienholder's Caveat by Public Investment Bank Berhad.

Year of Completion	:	1988; Refurbished in 2015
Appraised Value (RM million)	:	595
Date of Latest Valuation	:	30 June 2018
Valuer	:	Knight Frank Malaysia Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue document of title is “Tanah ini hendaklah digunakan untuk pembinaan bangunan-bangunan jenis dan rekabentuknya diluluskan oleh Datuk Bandar Kuala Lumpur”.</p> <p>The English translation of the above is “The land shall be used for the construction of buildings which type and design has been approved by the Mayor of Kuala Lumpur”.</p>
Restriction of Interest	:	Nil
Land area (sq. ft.) as at 30 June 2018	:	193,621 ¹
Gross Floor Area (sq. ft.) as at 30 June 2018	:	Retail – 1,248,216 Car Park – 574,588 ¹
Net Lettable Area (sq. ft.) as at 31 March 2019	:	548,922
No. of parking bays as at 30 June 2018	:	> 1,500 ¹
No. of tenancies as at 31 March 2019	:	236
Weighted average lease expiry (years) as at 31 March 2019	:	1.5
Occupancy rate (%) as at 31 March 2019	:	89.8
Total Lettable Area Occupied (sq. ft.) as at 31 March 2019	:	492,789
Revenue (RM million) as at 31 March 2019*	:	35.7
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	16.7

* For the period from 1 July 2018 to 31 March 2019

¹ For the entire complex comprising Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower

The Secured Hospitality Properties consist of:

4. Sunway Resort Hotel & Spa



Sunway Resort Hotel & Spa is the flagship 5-star hotel located in the integrated township of Sunway City. The hotel is part of a cluster of 3 hotels, a convention centre, a shopping mall and a theme park in the 800-acre vibrant destination, just minutes to Kuala Lumpur city centre.

As one of Kuala Lumpur's most iconic hotels, Sunway Resort Hotel & Spa offers 442 well-appointed guestrooms, suites and pool villas with commanding view of the theme park or the resort city skyline. The collection of rooms includes the Premier Rooms, Junior Suites, Premier Executive Suites, the Club Rooms and Suites, a Presidential Suite and the Pool Villas which are tucked away amidst lush tropical gardens. Equipped with all the conveniences and modern amenities, the hotel is a preferred choice for both business and leisure travellers.

Located next to Sunway Resort Hotel & Spa is the Sunway Pyramid Hotel which showcases a collection of 564 deluxe guestrooms and the new purpose-built Family Rooms and Suites to cater to the needs of a new generation of travellers. In the west side of integrated destination is the 401-room Sunway Clio Hotel. The cluster of three hotels offers over 1,400 guestrooms, suites and pool villas, affording guests every conceivable choice and budget.

For meetings, incentives, conventions and exhibitions, this integrated destination offers over 10,000 square metres of world-class meeting space, including 62 meeting and function rooms, a grand ballroom, specialised meeting zone and the massive Sunway Pyramid Convention Centre, making Sunway Resort Hotel & Spa one of the most versatile conventions and exhibitions venues in Malaysia.

Location	:	Selangor
Date of Acquisition	:	8 July 2010
Acquisition Price (RM million)	:	445
Title, Expiry Date & Years Remaining	:	<p>SRHS was built on two parcels of land titles with the same expiry as follows:</p> <ul style="list-style-type: none"> • PN 9492 Lot No. 35 – 1 April 2097 (78 years remaining); and • PN 9498 Lot No. 51173 – 1 April 2097 (78 years remaining), <p>all in Bandar Sunway, Daerah Petaling, Negeri Selangor</p>
Tenure	:	Leasehold – 99 years
Encumbrance	:	<ol style="list-style-type: none"> 1. Charge in favour of Public Investment Bank Berhad; 2. 10 years lease to Sunway Resort Hotel Sdn Bhd expiring 7 July 2020; and 3. Lienholder's Caveat by Public Investment Bank Berhad
Year of Completion	:	Sunway Resort Hotel & Spa (1997); Three Villas: 2004
Appraised Value (RM million)	:	530
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue document of title is "Bangunan Perniagaan".</p> <p>The English translation of the above is "Commercial Building".</p>
Restriction of Interest	:	<p>The express condition in Bahasa Malaysia as set out in the issue document of title is "Bangunan Perniagaan".</p> <p>The English translation of the above is "Commercial Building".</p>
Land area (sq. ft.) as at 30 June 2018	:	376,274

Gross Floor Area (sq. ft.) as at 30 June 2018	:	1,130,177
No. of rooms as at 30 June 2018	:	439 rooms and 3 villas
No. of parking bays as at 30 June 2018	:	>580
Average occupancy rate (%) as at 31 March 2019**	:	64.8
Lease expiry (years) as at 31 March 2019	:	1.3
Revenue* (RM million) as at 31 March 2019**	:	15.9
Net Property Income / (Loss) (RM million) as at 31 March 2019**	:	14.7

* The revenue represents the total rent under the hotel master lease and car park tenancy agreement

** For the period from 1 July 2018 to 31 March 2019, the grand ballroom, meeting and functions rooms was closed for refurbishment from July 2018 to November 2018

5. Sunway Pyramid Hotel



Sunway Pyramid Hotel forms part of the cluster of hotels in Sunway City. The hotel underwent a major refurbishment in 2016 to early 2017 and now offers 564 rooms, including 21 new family rooms and suites, purpose-built to accommodate a growing increase in family and leisure travellers to the destination. Each guestroom and suite in Sunway Pyramid Hotel includes convenient touches and technology improvements, complemented by enhanced facilities and technology upgrades which includes complimentary Wi-Fi, smart lighting, bedside USB charger outlets, 42" LED Smart TV with satellite news, sports and movies channels, high pressure walk-in shower and other enhanced facilities and services.

The hotel is located next to Sunway Resort Hotel & Spa. At the lobby level of the hotel, Kaffeinate serves freshly brewed speciality beverages and light snacks for those on the go. Guests of Sunway Pyramid Hotel have access to the leisure facilities at Sunway Resort Hotel & Spa. These include the free-form landscaped swimming pool with cascading waterfall, a fitness centre and the Balinese-inspired Mandara Spa to enhance the leisure experience for travellers. The hotel is directly linked to the Sunway Pyramid Mall and within steps away from Sunway Lagoon theme park.

Location	:	Selangor
Date of Acquisition	:	8 July 2010
Acquisition Price (RM million)	:	250
Title, Expiry Date & Years Remaining	:	Strata Title: PN 17415/M1/1/1 with accessory parcels A1-A547 on Lot No. 62060, Bandar Sunway, Daerah Petaling, Negeri Selangor – 21 February 2102 (83 years remaining)
Tenure	:	Leasehold – 99 years
Encumbrance	:	1. Charge in favour of Public Investment Bank Berhad; and 2. Lienholder's Caveat by Public Investment Bank Berhad.
Year of Completion	:	2004; refurbished in 2017
Appraised Value (RM million)	:	360
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Nil
Express Condition	:	The express condition in Bahasa Malaysia as set out in the issue document of title is "Bangunan Perniagaan". The English translation of the above is "Commercial Building".
Restriction of Interest	:	The restriction of interest in Bahasa Malaysia as set out in the issue document of title is "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran pihak berkuasa negeri". The English translation of the above is "The alienated land shall not be transferred, leased or charged except with the consent of the state authority."
Land area (sq. ft.) as at 30 June 2018	:	Nil ¹

Gross Floor Area (sq. ft.) as at 30 June 2018	:	356,888
No. of rooms as at 30 June 2018	:	564
No. of parking bays as at 30 June 2018	:	> 540
Lease expiry (years) as at 31 March 2019	:	1.3
Average occupancy rate (%) as at 31 March 2019**	:	66.9
Revenue* (RM million) as at 31 March 2019**	:	12.3
Net Property Income / (Loss) (RM million) as at 31 March 2019**	:	11.7

[†] The hotel is on a strata title

* The revenue represents the total rent under the hotel master lease and car park tenancy agreement

** For the period from 1 July 2018 to 31 March 2019

6. Sunway Putra Hotel



Sunway Putra Hotel is a 5-star hotel which forms part of the 3-in-1 mixed use development comprising a retail mall, a hotel and an office tower. Located opposite PWTC and within the city's main commercial district, the hotel is easily accessible and key transportation services are virtually at the hotel's doorstep.

The hotel boasts 650 refurbished guestrooms, 15 function rooms and 3 outlets namely the Coffee House, the Atrium Lounge and the Gen Japanese restaurant. The hotel is ideal for business travellers, tourists and MICE activities. The collection of rooms ranges from Superior room, Deluxe room, Family room, Club room, Junior Suites and Club Suites.

Hotel guests have easy access to Sunway Putra Mall which offers a wide spectrum of international and local brands, delectable dining as well as entertainment experience. The hotel is conveniently connected to popular tourist hotspots and major retail mall in the city.

Location	:	Kuala Lumpur
Date of Acquisition	:	19 April 2011
Acquisition Price (RM million)	:	214
Title, Expiry Date & Years Remaining	:	Geran 10012, Lot No. 38, Seksyen 51 Kuala Lumpur, Wilayah Persekutuan
Tenure	:	Freehold
Encumbrance	:	<ol style="list-style-type: none"> 1. Charge in favour of Public Investment Bank Berhad; 2. 30 years lease to Tenaga Nasional Berhad expiring 4 April 2047; and 3. Lienholder's Caveat by Public Investment Bank Berhad
Year of Completion	:	1993; Refurnished in 2015
Appraised Value (RM million)	:	345
Date of Latest Valuation	:	30 June 2018
Valuer	:	Knight Frank Malaysia Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue document of title is "Tanah ini hendaklah digunakan untuk pembinaan bangunan-bangunan jenis dan rekabentuknya diluluskan oleh Datuk Bandar Kuala Lumpur".</p> <p>The English translation of the above is "The land shall be used for the construction of buildings which type and design has been approved by the Mayor of Kuala Lumpur".</p>
Restriction of Interest	:	Nil
Land area (sq. ft.) as at 30 June 2018	:	193,621 ¹
Gross Floor Area (sq. ft.) as at 30 June 2018	:	833,844
No. of rooms as at 30 June 2018	:	650
No. of parking bays as at 30 June 2018	:	> 1,500 ¹
Lease expiry (years) as at 31 March 2019	:	2.5

Average occupancy rate (%) as at 31 March 2019**	:	62.3
Revenue* (RM million) as at 31 March 2019**	:	8.5
Net Property Income / (Loss) (RM million) as at 31 March 2019**	:	7.6

For the entire complex comprising Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower

* The revenue represents the total rent under the hotel master lease

** For the period from 1 July 2018 to 31 March 2019

7. Sunway Clio Property



Sunway Clio Hotel forms part of the cluster of hotels in Sunway City. Located on the west side of the iconic Sunway Pyramid, the 26-storey hotel features 401 guestrooms, each including convenient touches such as complimentary Wi-Fi and wired broadband internet access, USB charger outlets, 42" LED Smart TV with satellite news, sports and movie channels, flexible workspaces, high pressure walk-in rain shower, ample closet space, in-room electronic safe box and coffee and tea making facilities.

Sunway Clio Hotel provides the right balance between work and play. The hotel has 5 fully equipped function rooms with a seating capacity of 20 to 160 persons and a host of other facilities including the 174-seater Café West, the hotel's all-day dining restaurant, in-room dining services, a fitness centre and an outdoor swimming pool. The hotel comprises approximately 88,000 sq. ft. of retail space with a plethora of family-friendly F&B and retail offerings as well as an all-in-one child enrichment and edutainment centre. It is also within steps away from Sunway Lagoon theme park.

Location	:	Selangor
Date of Acquisition	:	9 February 2018

Acquisition Price (RM million)	:	340
Title, Expiry Date & Years Remaining	:	HSD 259881 Lot No. PT 1333 Bandar Sunway, Daerah Petaling, Negeri Selangor – 16 November 2108 (89 years remaining)
Tenure	:	Leasehold – 99 years
Encumbrance	:	1. Charge in favour of Public Investment Bank Berhad; and 2. 10 years lease to Sunway Resort Hotel Sdn Bhd expiring 9 February 2028.
Year of Completion	:	2016
Appraised Value (RM million)	:	340
Date of Latest Valuation	:	30 June 2018
Valuer	:	Knight Frank Malaysia Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	The express condition in Bahasa Malaysia as set out in the issue document of title is “Bangunan Perniagaan”. The English translation of the above is “Commercial Building”.
Restriction of Interest	:	The restriction of interest in Bahasa Malaysia as set out in the issue document of title is “Tanah ini boleh dipindah milik atau dipajak dengan kebenaran bertulis oleh Pihak Berkuasa Negeri”. The English translation of the above is “This Land may be transferred or leased with the written approval of the State Authority”.
Land area (sq. ft.) as at 30 June 2018	:	77,403
Gross Floor Area (sq. ft.) as at 30 June 2018	:	798,762
No. of rooms as at 30 June 2018	:	401
No. of parking bays as at 30 June 2018	:	> 730
Lease expiry (years) as at 31 March 2019	:	8.8
Average occupancy rate (%) as at 31 March 2019**	:	74.8 (Hotel) 93.1 (Retail)

Revenue* (RM million) as at 31 March 2019**	:	21.0
Net Property Income / (Loss) (RM million) as at 31 March 2019**	:	18.2

* The revenue represents the total rent under the hotel master lease, retail and car park tenancy agreement. Guaranteed NPI of RM20.23 million per annum for the first 4 years excluding podium carpark comprising 274 bays.

** For the period from 1 July 2018 to 31 March 2019

The Secured Office Properties consist of:

8. Menara Sunway



Menara Sunway is a 19-storey office building in Sunway City consisting of a main tower and an annexe. Unlike a standalone office building, Menara Sunway offers a unique office environment where its tenants can take advantage of the convention centre and the surrounding hospitality, leisure and retail options offered by Sunway City. With its headquarters based in Menara Sunway, Sunway Group is the main tenant occupying approximately 70% of the NLA.

It is easily accessible via 5 major expressways namely New Pantai Expressway, North Klang Valley Expressway, KESAS Expressway, Damansara-Puchong Highway and the Federal Highway. Surrounded by highly populated suburbs such as Subang Jaya, Puchong and Petaling Jaya, Menara Sunway is a preferred office location for office workers due to shorter travel time as compared to commuting to the city centre.

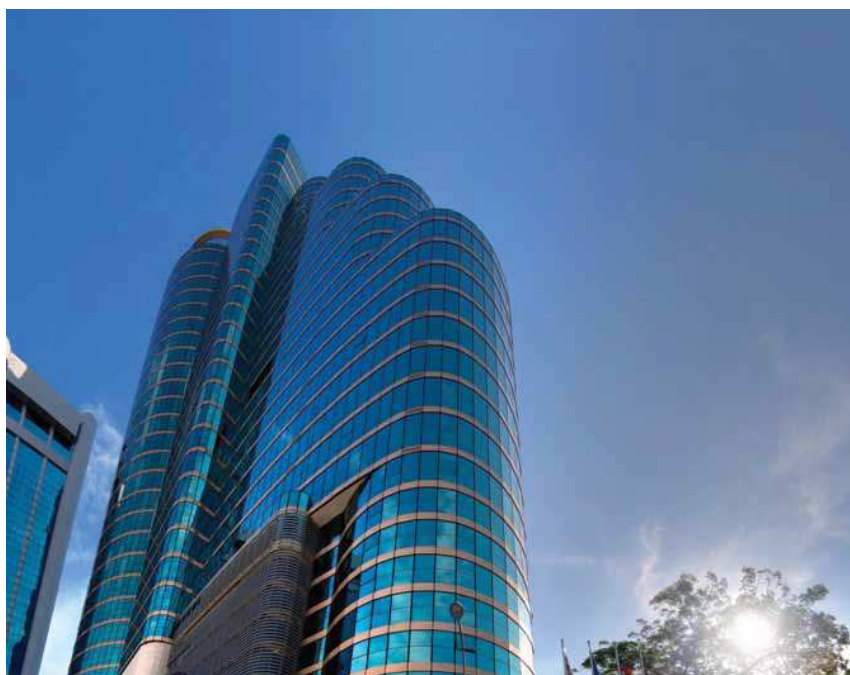
Location	:	Selangor
Date of Acquisition	:	8 July 2010
Acquisition Price (RM million)	:	128

Title, Expiry Date & Years Remaining	:	PN 17105 Lot No. 61760 Bandar Sunway, Daerah Petaling, Negeri Selangor – 1 April 2097 (78 years remaining)
Tenure	:	Leasehold – 99 years
Encumbrance	:	1. Charge in favour of Public Investment Bank Berhad; and 2. Lienholder's Caveat by Public Investment Bank Berhad.
Year of Completion	:	1993
Appraised Value (RM million)	:	169
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	The express condition in Bahasa Malaysia as set out in the issue document of title is "Bangunan Perniagaan". The English translation of the above is "Commercial Building".
Restriction of Interest	:	The restriction of interest in Bahasa Malaysia as set out in the issue document of title is "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri". The English translation of the above is "The alienated land shall not be transferred, leased or charged except with the consent of the State Authority".
Land area (sq. ft.) as at 30 June 2018	:	193,395
Gross Floor Area (sq. ft.) as at 30 June 2018	:	Office – 399,446 Car Park – 266,696
Net Lettable Area (sq. ft.) as at 31 March 2019	:	291,370
No. of parking bays as at 30 June 2018	:	> 630
No. of tenancies as at 31 March 2019	:	52

Weighted average lease expiry (years) as at 31 March 2019	:	2.1
Occupancy rate (%) as at 31 March 2019	:	94.8
Total Lettable Area Occupied (sq. ft.) as at 31 March 2019	:	276,196
Revenue (RM million) as at 31 March 2019*	:	12.9
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	8.3

* For the period from 1 July 2018 to 31 March 2019

9. Sunway Tower



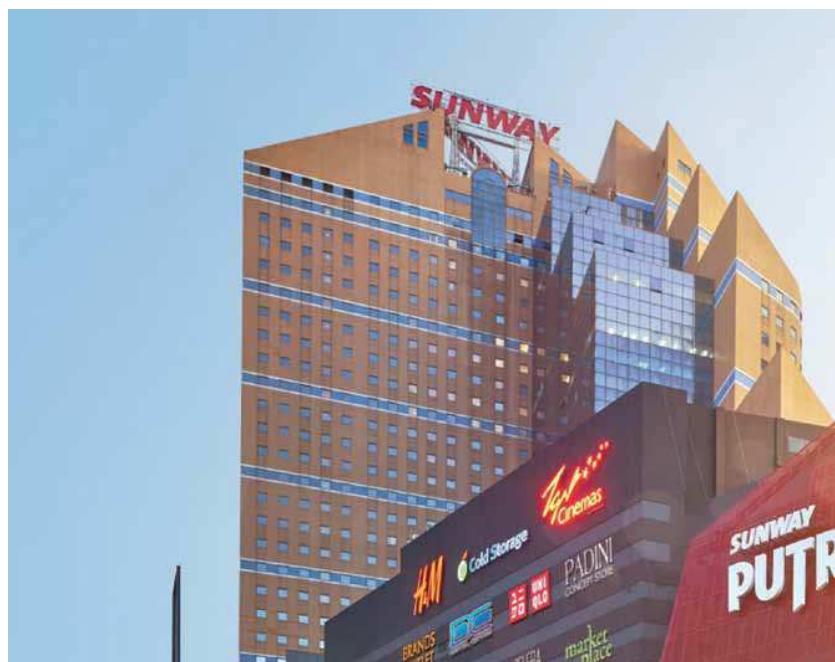
Sunway Tower is a 33-storey prime office building with close proximity to the iconic landmark of Petronas Twin Tower and Kuala Lumpur Convention Centre (KLCC). It is strategically located near the intersection of Jalan Sultan Ismail and Jalan Ampang in Kuala Lumpur which is famously known as the Golden Triangle. With excellent infrastructure connectivity, Sunway Tower is adjacently located next to Dang Wangi LRT Station, Bukit Nanas Monorail station and at the entry and exit points of the Ampang-Kuala Lumpur Elevated Highway (AKLEH) which links to major highways within and around Klang Valley.

Location	:	Kuala Lumpur
Date of Acquisition	:	8 July 2010
Acquisition Price (RM million)	:	171
Title, Expiry Date & Years Remaining	:	Geran 45110, Lot No. 55, Seksyen 45 Kuala Lumpur, Wilayah Persekutuan
Tenure	:	Freehold
Encumbrance	:	<ol style="list-style-type: none"> 1. Charge in favour of Public Investment Bank Berhad; 2. 30 years lease to Tenaga Nasional Berhad expiring 14 January 2023; and 3. Lienholder's Caveat by Public Investment Bank Berhad
Year of Completion	:	1996
Appraised Value (RM million)	:	123
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue document of title is "Tanah yang diberi milik ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan pejabat sahaja".</p> <p>The English translation of the above is "The alienated land shall be used for trade buildings for office purpose only".</p>
Restriction of Interest	:	Nil
Land area (sq. ft.) as at 30 June 2018	:	25,898
Gross Floor Area (sq. ft.) as at 30 June 2018	:	Office – 348,998 Car Park – 107,606
Net Lettable Area (sq. ft.) as at 31 March 2019	:	268,306
No. of parking bays as at 30 June 2018	:	> 290
No. of tenancies as at 31 March 2019	:	9

Weighted average lease expiry (years) as at 31 March 2019	:	1.0
Occupancy rate (%) as at 31 March 2019	:	21.9
Total Lettable Area Occupied (sq. ft.) as at 31 March 2019	:	58,677
Revenue (RM million) as at 31 March 2019*	:	2.2
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	(0.5)

* For the period from 1 July 2018 to 31 March 2019

10. Sunway Putra Tower



Sunway Putra Tower is an office tower which forms part of a 3-in-1 mixed-use development comprising a retail mall, a hotel and an office tower.

Sunway Putra Tower is strategically located in Kuala Lumpur's commercial district right across PWTC. It is easily accessible via major highways and well served by public transportation such as the LRT, KTM Komuter Train and bus.

Location	:	Kuala Lumpur
Date of Acquisition	:	19 April 2011
Acquisition Price (RM million)	:	80

Title, Expiry Date & Years Remaining	:	Geran 10012, Lot No. 38, Seksyen 51 Kuala Lumpur, Wilayah Persekutuan
Tenure	:	Freehold
Encumbrance	:	<ol style="list-style-type: none"> 1. Charge in favour of Public Investment Bank Berhad; 2. 30 years lease to Tenaga Nasional Berhad expiring 4 April 2047; and 3. Lienholder's Caveat by Public Investment Bank Berhad
Year of Completion	:	1993; refurbished in 2015
Appraised Value (RM million)	:	123
Date of Latest Valuation	:	30 June 2018
Valuer	:	Knight Frank Malaysia Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue document of title is "Tanah ini hendaklah digunakan untuk pembinaan bangunan-bangunan jenis dan rekabentuknya diluluskan oleh Datuk Bandar Kuala Lumpur".</p> <p>The English translation of the above is "The land shall be used for the construction of buildings which type and design has been approved by the Mayor of Kuala Lumpur."</p>
Restriction of Interest	:	Nil
Land area (sq. ft.) as at 30 June 2018	:	193,621 ¹
Gross Floor Area (sq. ft.) as at 30 June 2018	:	Office – 453,842 Car Park – 574,588 ¹
Net Lettable Area (sq. ft.) as at 31 March 2019	:	317,051
No. of parking bays as at 30 June 2018	:	> 1,500 ¹
No. of tenancies as at 31 March 2019	:	14
Weighted average lease expiry (years) as at 31 March 2019	:	2.0
Occupancy rate (%) as at 31 March 2019	:	85.6

Total Lettable Area Occupied (sq. ft.) as at 31 March 2019	:	271,360
Revenue (RM million) as at 31 March 2019*	:	8.5
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	5.5

[†] For the entire complex comprising Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower

* For the period from 1 July 2018 to 31 March 2019

11. Wisma Sunway



Wisma Sunway is a stratified 19-storey office building¹ located in the vibrant Section 9, Shah Alam, the state government precinct of Selangor. Its location next to a hotel and a shopping complex offers convenience to its tenants. Wisma Sunway is easily accessible from the Federal Highway and the North Klang Valley Expressway. Wisma Sunway is substantially tenanted by government agencies.

Note¹ :Excluding Unit No. L2A

Location	:	Selangor
Date of Acquisition	:	23 March 2015
Acquisition Price (RM million)	:	60
Title, Expiry Date & Years Remaining	:	Wisma Sunway was built on the following parcels of land titles with the same expiry as follows: Strata Title

		<ul style="list-style-type: none"> • PN 21876/M1/B1/1; • PN 21876/M1/1/3; • PN 21876/M1/N1/4; • PN 21876/M1/N1/5; • PN 21876/M1/2/6; • PN 21876/M1/8/7; • PN 21876/M1/9/8; • PN 21876/M1/10/9; • PN 21876/M1/11/10; • PN 21876/M1/12/11; • PN 21876/M1/13/12; • PN 21876/M1/14/13; • PN 21876/M1/15/14; • PN 21876/M1/16/15; and • PN 21876/M1/17/16, <p>all situated on Parent Lot No, 517, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan - 29 August 2094 (75 years remaining)</p>
Tenure	:	Leasehold – 99 years
Encumbrance	:	<ol style="list-style-type: none"> 1. Charge in favour of Public Investment Bank Berhad; and 2. Lienholder's Caveat by Public Investment Bank Berhad
Year of Completion	:	1997; Refurbished in 2013
Appraised Value (RM million)	:	59
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H Williams Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue documents of title is "Bangunan Perniagaan".</p> <p>The English translation of the above is "Commercial Building".</p>
Restriction of Interest	:	<p>The restriction of interest in Bahasa Malaysia as set out in the issue documents of title is "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran pihak berkuasa negeri".</p> <p>The English translation of the above is "This alienated land shall not be transferred, leased or charged except with the consent of the state authority".</p>
Land area (sq. ft.) as at 30 June 2018	:	Nil ¹

Gross Floor Area (sq. ft.) as at 30 June 2018	:	Office - 174,544 ¹ Car Park – 123,440
Net Lettable Area (sq. ft.) as at 31 March 2019	:	171,544 ¹
No. of parking bays as at 30 June 2018	:	> 380
No. of tenancies as at 31 March 2019	:	6
Weighted average lease expiry (years) as at 31 March 2019	:	1.9
Occupancy rate (%) as at 31 March 2019	:	100.0
Total Lettable Area Occupied (sq. ft.) as at 31 March 2019	:	171,544
Revenue (RM million) as at 31 March 2019*	:	4.7
Net Property Income / (Loss) (RM million) as at 31 March 2019*	:	2.2

¹ The office is a stratified property. Gross Floor Area and Net Lettable Area are based on surveyed floor area

* For the period from 1 July 2018 to 31 March 2019

The Secured Other Properties consists of:

12. Sunway Medical Centre (Tower A and B)



Established in November 1999, Sunway Medical Centre is a private hospital accredited by the Australian Council on Healthcare Standards (ACHS) and Malaysian Society for Quality in Health (MSQH). It is strategically located within Sunway City. As one of the leading private tertiary medical care centres in the country, Sunway Medical Centre is poised to set new standards of service for its growing clientele with a total of 369 licensed beds, 130 consultation suites and 12 operation theatres.

SMC offers a comprehensive range of medical services, which include facilities and advanced medical technologies for outpatient and inpatient specialty care, health and wellness programmes and 24-hour emergency services. These are coupled with a strong support system comprising more than 2,000 dedicated healthcare professionals including medical consultants, professional allied health staff as well as trained and dedicated nursing staff. SMC is affiliated with the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Malaysia, University of Cambridge, Royal Papworth Hospital and Harvard Medical School to further meet the demands of medical education, training and research.

SMC is well connected as it enjoys easy access to Klang Valley via five major highways namely New Pantai Expressway, North-Klang Valley Expressway, KESAS Expressway, Damansara-Puchong Highway and Federal Highway.

Location	:	Selangor
Date of Acquisition	:	31 December 2012
Acquisition Price (RM million)	:	310
Title, Expiry Date & Years Remaining	:	SMC was built on two parcels of land titles with the same expiry as follows: <ul style="list-style-type: none"> • PN 12549 Lot No. 38160 – 1 April 2097 (78 years remaining); and • PN 12550 Lot No. 45 – 1 April 2097 (78 years remaining), Bandar Sunway, Daerah Petaling, Negeri Selangor
Tenure	:	Leasehold – 99 years
Encumbrance	:	1. 10 years lease to Sunway Medical Centre Sdn. Bhd. expiring 30 December 2022; 2. Charge in favour of Public Investment Bank Berhad; and 3. Lienholder's Caveat for Public Investment Bank Berhad
Year of Completion	:	Phase 1 – 2001; Phase 2 – 2009
Appraised Value (RM million)	:	340
Date of Latest Valuation	:	30 June 2018
Valuer	:	Knight Frank Malaysia Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building

Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue documents of title is “Bangunan Perniagaan”.</p> <p>The English translation of the above is “Commercial Building”.</p>
Restriction of Interest	:	<p>The restriction of interest in Bahasa Malaysia as set out in the issue documents of title is “Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri”.</p> <p>The English translation of the above is “This alienated land shall not be transferred, leased or charged unless with the consent of the State Authority”.</p>
Land area (sq. ft.) as at 30 June 2018	:	195,838
Gross Floor Area (sq. ft.) as at 30 June 2018	:	Medical Centre – 563,416 Car Park – 217,162
No. of parking bays as at 30 June 2018	:	639
Lease expiry (years) as at 31 March 2019	:	3.8
Revenue* (RM million) as at 31 March 2019**	:	17.5
Net Property Income / (Loss) (RM million) as at 31 March 2019**	:	17.5

* The revenue represents rent under a master lease agreement

** For the period from 1 July 2018 to 31 March 2019

13. Sunway REIT Industrial – Shah Alam 1



Sunway REIT Industrial – Shah Alam 1 (SRISA 1) is strategically located within the prime industrial hub in Section 23, Shah Alam, Selangor. The industrial hub in Shah Alam houses many established multinationals, logistics and manufacturing companies. SRISA 1 is easily accessible by 3 major highways, namely Federal Highway, Elite Highway and Shah Alam Expressway as well as close proximity to the Kuala Lumpur International Airport and Port Klang, the largest sea gateway in the country.

SRISA 1 is leased to DCH Contract Manufacturing Sdn Bhd, part of a reputable group of companies listed in the Hong Kong Stock Exchange. The lessee offers end-to-end solutions for fast-moving consumer goods (FMCG) companies, from product development, manufacturing, packing, warehousing and distribution.

Location	:	Selangor
Date of Acquisition	:	1 August 2017
Acquisition Price (RM million)	:	91.5
Title, Expiry Date & Years Remaining	:	HS(D) 132499, PT 65 Seksyen 23, Shah Alam, Daerah Petaling, Negeri Selangor – 30 May 2098 (79 years remaining)
Tenure	:	Leasehold – 99 years
Encumbrance	:	1. Lease to DCH Contract Manufacturing Sdn. Bhd. expiring 31 December 2034; and 2. Charged to Public Investment Bank Berhad
Year of Completion	:	Phase 1 – 1993; Phase 2 – 2010
Appraised Value (RM million)	:	92
Date of Latest Valuation	:	30 June 2018
Valuer	:	C H William Talhar & Wong Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Industrial
Express Condition	:	The express condition in Bahasa Malaysia as set out in the issue documents of title is “Perusahaan”. The English translation of the above is “Industrial”.
Restriction of Interest	:	The restriction of interest in Bahasa Malaysia as set out in the issue documents of title is “Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri”. The English translation of the above is “This alienated land shall not be transferred, leased or charged unless with the consent of the State Authority”.

Land area (sq. ft.) as at 30 June 2018	:	673,684
Gross Floor Area (sq. ft.) as at 30 June 2018	:	386,856
Lease expiry (years) as at 31 March 2019	:	15.8
Revenue* (RM million) as at 31 March 2019**	:	4.3
Net Property Income / (Loss) (RM million) as at 31 March 2019**	:	4.3

* The revenue represents rent under a master lease agreement

** For the period from 1 July 2018 to 31 March 2019

4.2.1 Recent Acquisition

The REIT Manager has, on 17 May 2019, obtained consent from the REIT Trustee to pledge the newly acquired Purpose-Built Campus as part of the Secured Properties.

Purpose-Built Campus



The purpose-built campus is located within Sunway City and well-connected through an extensive network of roads, expressways and public transportation to nearby cities such as Kuala Lumpur and Shah Alam. The purpose-built campus consists of academic blocks, hostel apartments, sports facilities and car park which houses mainly Sunway University and Sunway College. Both Sunway University and Sunway College are reputable established educational higher learning institutions and were established in 2004 and 1987 respectively.

Sunway University has over 7,000 enrolled students. The university offers a variety of courses from diploma to post graduates programmes. Sunway University also has more than 10 affiliations with universities and professional bodies around the world.

Sunway College offers pre-university programmes such as Cambridge GCE A-Level, Australian Matriculation, Canadian International Matriculation, Monash University Foundation Year and many others foundation programmes to prepare students to university.

Location	:	Selangor
Date of Acquisition	:	15 April 2019
Acquisition Price (RM million)	:	550
Title, Expiry Date & Years Remaining	:	<p>Purpose-built campus was built on three parcels of land titles with the same expiry as follow:</p> <ul style="list-style-type: none"> • HS(D) 118332 Lot No. PT 28 – 1 April 2097 (78 years remaining); • HS(D) 118325 Lot No. PT 1904 – 1 April 2097 (78 years remaining); and • HS(D) 118326 Lot No. PT 1905 – 1 April 2097 (78 years remaining), <p>all in Bandar Sunway, Daerah Petaling, Negeri Selangor</p>
Tenure	:	Leasehold – 99 years
Encumbrance	:	Nil
Year of Completion	:	Phase 1 – 1993 and 1996; Phase 2 – 2015 and 2016
Appraised Value (RM million)	:	550
Date of Latest Valuation	:	5 December 2018
Valuer	:	Knight Frank Malaysia Sdn Bhd
Registered Owner	:	REIT Trustee
Category of Land Use	:	Building
Express Condition	:	<p>The express condition in Bahasa Malaysia as set out in the issue documents of title is “Institusi”.</p> <p>The English translation of the above is “Institution”.</p>
Restriction of Interest	:	<p>The restriction of interest in Bahasa Malaysia as set out in the issue documents of title is “Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri”.</p> <p>The English translation of the above is “This land shall not be transferred, leased or charged unless with the consent of the State Authority”.</p>
Land area (sq. ft.) as at 5 December 2018	:	733,237
Gross Floor Area (sq. ft.) as at 5 December 2018	:	1,880,245

Lease expiry (years) as at 15 April 2019*	:	29.7
Revenue (RM million) per annum**	:	Year 1: 34.2 Year 30: 66.1
Net Property Income (RM million) per annum**	:	Year 1: 34.2 Year 30: 66.1

* Being the date of completion of the sale and purchase agreement

** Rental is based on triple net basis whereby the lessees will undertake to pay all cost of outgoings / property expenses; save and except for structural repairs

Further information on the acquisition of the Purpose-Built Campus is detailed in Section 9.2.3.

4.3 Competitive Strengths of SUNREIT and the Secured Properties

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

(a) Largest REIT in Malaysia

SUNREIT is the one of the largest Malaysia REIT in terms of total asset value size, standing at RM7.37 billion as at 31 March 2019.

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

(b) Secured Properties located in high growth regions

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

79.2% of the Secured Properties by Appraised Value are located in Sunway City, one of the largest integrated townships in the Klang Valley. Sunway City is located in Subang Jaya in the State of Selangor, one of the fastest growing regions in Malaysia in terms of population growth.

Kuala Lumpur recorded a total population of 7.56 million in 2018, is the capital and largest city in Malaysia.

SunCity Ipoh Hypermarket is located in Sunway City Ipoh, a township currently being developed by Sunway City (Ipoh) Sdn Bhd, a subsidiary of SunCity. Sunway Group is seeking to replicate the model used for Sunway City to develop a thriving integrated new township in Ipoh. Sunway City Ipoh is readily accessible via the North-South Expressway that connects Kuala Lumpur and Penang. In addition, the intercity shuttle train service between Kuala Lumpur and Ipoh has reduced the travel time between these two cities.

(c) Positive synergies from the location of the Sunway City Properties

The REIT Manager believes that SUNREIT will significantly benefit from the location of the Sunway City Properties in the Sunway City, an integrated and master-planned township with a mix of residential, commercial, hospitality, leisure, medical, convention and educational properties. For example, guests who are staying at Sunway Resort Hotel & Spa, Sunway Pyramid Hotel and Sunway Clio Hotel have convenient access to shops at Sunway Pyramid Shopping Mall, which is directly linked to the 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, Sunway Pyramid Hotel and Sunway Clio Hotel regularly host guests who visit the Sunway Lagoon theme park, Menara Sunway, Sunway Pinnacle and Sunway Pyramid Convention Centre. Meanwhile, Sunway South Quay, Sunway's middle to upper market lakeside residential development, is expected to increase the immediate catchment area for the Sunway City Properties by bringing shoppers with relatively high spending power to Sunway City. In addition, Sunway City's two private higher education institutions, namely Sunway University and Monash University Malaysia as well as Sunway International School, which have a combined student population of approximately 30,000 which is expected to grow significantly over the coming years. These institutions and the many other private colleges in Sunway City's vicinity such as Taylor's University Lakeside Campus, Inti International College Subang, Metropolitan College and One Academy will also draw a steady stream of weekday shoppers to Sunway Pyramid Shopping Mall, complementing the traditional weekend shoppers. Sunway City has also hosted world-class entertainment and events such as music concerts, which have also succeeded in drawing international tourists to the township.

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

(d) Strong rental rates and resilient occupancy rates

The purpose-built office sub-sector recorded a better performance with an average occupancy rate of 75.4% in the first half of 2018 as compared with 75.5% in the second half of 2017. The purpose-built office witnessed an annual take up rate of 19,579 s.m in the review period, lower than 166,083 s.m charted in the second half of 2017. Rentals of office buildings were generally stable across the board. Office buildings in good locations with proximity or within city transit hub are amongst those which were in demand and fetched higher rents. Damansara Uptown 1 obtained top rental ranged from RM118 p.s.m to RM126 p.s.m per month (*source: Property Market Report First Half 2018, Ministry of Finance*). The occupancy rate for Menara Sunway in Sunway City was at 94.8% and Wisma Sunway in Shah Alam was at 100.0% as at 31 March 2019. The occupancy rates for both the buildings are expected to be stable going forward due to their captive markets. The purpose-built office market is expected to be pressured further in terms of vacancy rates and rentals.

Being a tenants' market, landlords are in dire need to apply attractive leasing packages to the potential tenants, especially in terms of attractive rental and rent-free period. In the near to medium-term, the improvement of public transportation with LRT extension, completion of MRT and implementation of new BRT line,

together with the upgrades of highways, are expected to continue to help the mobilisation of workers travelling from the city centre to outside Kuala Lumpur.

(e) Diversified portfolio strategy

SUNREIT owns a diverse portfolio of real estate in the retail, hospitality, office, services, industrial and other sectors. The REIT Manager intends to seek out different types of income producing real estate for acquisition by SUNREIT in the future. The REIT Manager believes that by pursuing a strategy of owning a diversified portfolio of real estate, SUNREIT will be able to market itself to, and benefit from, tenants operating across a range of industries. This diversification strategy is expected to provide SUNREIT 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 REIT Manager expects SUNREIT to reduce the risks of relying on the performance of one particular real estate sub-sector.

(f) Diverse quality tenant mix of the Secured Retail Properties

As of 31 March 2019, the Secured Retail Properties have a diverse tenant mix comprising more than 1,000 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 SUNREIT. The Secured Retail Properties, which made up approximately 73% of the total revenue of the Secured Properties for as at 31 March 2019, benefitted from the diverse sources of income and are not dependent on any one retail sub-sector or small group of tenants. The tenants in the Secured Retail Properties include several international and domestic leading retailers with strong brand names including Aeon, Tanjong Golden Village Cinemas, Harvey Norman, Parkson, Marks & Spencer, JD, H&M and Innisfree. These brand names add to the appeal of the Secured Retail Properties and are important to attract diverse groups of shoppers.

(g) Right to acquire properties from Sunway

SUNREIT has entered into the Right of First Refusal with SunCity on 26 May 2010 which grants the REIT Trustee the right of first refusal to purchase the ROFR Assets or any of them which satisfy SUNREIT's investment mandate. The Right of First Refusal has since been novated to Sunway effective 18 August 2011 vide a novation agreement dated 14 July 2011 and consequential to the sale of the businesses and assets of SunCity and Sunway Holdings Berhad to Sunway. The REIT Manager intends to complement its growth strategy by exercising this Right of First Refusal where the acquisition meets the investment criteria of SUNREIT. The REIT Manager expects that SUNREIT will benefit from a close relationship with the Sunway Group which has an extensive development pipeline. With this Right of First Refusal, SUNREIT is in a preferred position to acquire additional properties from Sunway and its wholly-owned subsidiaries. Sunway intends to replicate its successful Sunway City township model in Malaysia and other parts of Asia. In addition, the Sunway Group has invested in real estate developments in China, India and Australia in recent years, which could provide further potential growth opportunities to SUNREIT in the future.

(h) Strong recognition of the Sunway brand

The "Sunway" brand enjoys strong recognition in Malaysia and abroad for real estate developments and constructions due to its track record in developing integrated resorts, and townships plus providing fully integrated construction services. The brand has received more than 20 awards in 2017 which include The Edge Top Property Developers Award, Putra Brand Award, FIABCI Malaysia Property Award, BCI Asia's Award for top 10 property developers and IDC Smart City Asia Pacific Awards. This brand recognition is also evidenced by an exercise conducted by *Interbrand* that sought to identify the most recognisable brands in

Malaysia. SunCity has recently instituted campaigns to enhance its brand awareness abroad, most notably in the Asia Pacific and Middle East. Such effort has resulted in an increase in the number of visitors from the Asia Pacific and Middle East to the Secured Hospitality Properties and Sunway Pyramid Shopping Mall. SunCity has won numerous development awards, including Top Property Developers' Award each year from 2003 to 2011 by The Edge publication and CNBC Asia Pacific Property Award (Best Highrise Residential Development in Malaysia) by CNBC Television. The REIT Manager believes that SUNREIT will benefit from the Sunway Group'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 Secured Properties and exploring investment opportunities. As the Sunway Group has expanded its businesses to China, India and Australia, the reach of the "Sunway" brand recognition may continue to grow, which may further benefit SUNREIT in future.

4.4 Occupancy rates

The table below sets out the Average Occupancy Rates of the Secured Properties over the past four (4) years ended 30 June 2015 to 30 June 2018.

	Average Occupancy Rates			
	Year ended 30 June			
	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<u>Secured Retail Properties</u>				
Sunway Pyramid Shopping Mall.....	98.9	98.0	98.3	98.1
SunCity Ipoh Hypermarket	100.0	100.0	100.0	100.0
Sunway Putra Mall	90.7	86.3	74.9	82.4
<u>Secured Hospitality Properties</u>				
Sunway Resort Hotel & Spa..	73.5	81.5	81.2	77.9
Sunway Pyramid Hotel.....	71.4	56.8	71.8	81.2
Sunway Putra Hotel	71.0	68.0	50.2	28.8
Sunway Clio Hotel ¹	71.5	72.3	69.9	n/a
Sunway Clio Retail ¹	88.6	43.0	3.0	n/a
<u>Secured Office Properties</u>				
Menara Sunway	93.8	92.1	89.3	97.1
Sunway Tower	21.0	20.7	19.6	66.9
Sunway Putra Tower.....	56.0	36.6	26.4	52.8
Wisma Sunway	78.3	86.9	90.1	89.8
<u>Secured Other Properties</u>				
Sunway Medical Centre (Tower A and B)	83.0	72.0	69.0	74.0
Sunway REIT Industrial – Shah Alam 1 ²	100.0	100.0	100.0	100.0

¹ The acquisition of Sunway Clio Property, comprising Sunway Clio Hotel and Sunway Clio Retail, was completed on 9 February 2018

² The acquisition of Sunway REIT Industrial – Shah Alam 1 was completed on 1 August 2017

4.5 Valuation

The Secured Properties were appraised by the Independent Property Valuer on 30 June 2018 and the Appraised Value of each of the Secured Properties is set forth in the following table:

Secured Properties	Appraised Value (RM million)	Percentage aggregate Appraised Value of the Secured Properties (%)
Sunway Pyramid Shopping Mall	3,580	53.3
SunCity Ipoh Hypermarket	61	0.9
Sunway Resort Hotel & Spa	530	7.9
Sunway Pyramid Hotel	360	5.3
Sunway Clio Property	340	5.1
Wisma Sunway	59	0.9
Menara Sunway	169	2.5
Sunway Tower	123	1.8
Sunway Putra Mall	595	8.9
Sunway Putra Hotel	345	5.1
Sunway Putra Tower	123	1.8
Sunway Medical Centre (Tower A and B)	340	5.1
Sunway REIT Industrial - Shah Alam 1	92	1.4
Total	6,717	100.0

Revaluation policy

As per the REIT Guidelines, the Secured Properties will be valued at least once a financial year by an independent registered valuer. Such valuations will be conducted on the basis and methods which are in accordance with the Malaysian Valuation Standards and complies with the Asset Valuation Guidelines by SC. In addition, as permitted under the Malaysian Valuation Standards, the valuation of the Secured Properties is allowed to be full valuation for the first year, and subsequently update valuation for the second and third year.

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SECTION 5.0

THE REIT TRUSTEE AND THE REIT MANAGER AND THE PROPERTY MANAGER

5.1 THE REIT TRUSTEE

5.1.1 Introduction

The REIT Trustee was deemed incorporated in Malaysia under the Companies Act 2016 on 6 March 2002. It is registered as a trust company under the Trust Companies Act 1949 and is also registered with the SC to conduct unit trust business.

The principal activity of the REIT Trustee is providing private and corporate trustee services. The REIT Trustee has been in the trustee business since 2002. The registered office of the REIT Trustee is located at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

5.1.2 Share capital

As at 31 March 2019, the issued and paid-up share capital of the REIT Trustee is RM12,000,000.00 comprising 1,200,000 ordinary shares of RM10.00 each.

5.1.3 Shareholding structure

As at 31 March 2019, the shareholders of the REIT Trustee are as follows:

Shareholders	%
RHB Bank Berhad	20
RHB Investment Bank Berhad	20
RHB Nominees (Tempatan) Sdn Bhd	20
RHB Nominees (Asing) Sdn Bhd	20
RHB Futures and Options Sdn Bhd	20

5.1.4 Profiles of directors

As at 31 March 2019, the directors of the REIT Trustee are as follows:

Tony Chieng Siong Ung

Mr Tony Chieng Siong Ung holds a Master of Business Administration specialising in finance from University of Southern Queensland and professional certification from the Institute of Chartered Secretaries & Administration. Prior to joining RHB Trustees Berhad, he is the Head of Operations with Maybank Securities Services managing a team of 45 staff that covers Trustee, Custodian and Fund Accounting services with over 60 unit trust funds ("UTF"), 85 private debt securities ("PDS") and real estate investment trusts ("REITs") and over 3,500 accounts under custodianship with Asset under Custody ("AUC") worth of more than RM70.0 billion. Mr Chieng has more than 17 years experience in financial services industry encompassing hands on experience in day to day operations of trusteeship such as UTF, PDS, REITs, Estate Administrations, Wills and Wasiat; custodian roles such as trade settlement and corporate action, fund accounting, asset management, stock broking and insurance. He is responsible for overall business direction and management of RHB Trustees Berhad, including but not limited to business development and day-to-day operations for UTF, REITs and PDS.

Foo San Kan

Mr Foo was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practicing accountant. He has thirty four (34) years of experience in the accounting profession, the first four (4) years in the United Kingdom (UK) and the other 30 years were spent in various positions in Ernst & Young. He is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants, a Fellow of the Institute of Chartered Accountants in England and Wales as well as the Chartered Tax Institute of Malaysia.

Mr Foo is also an Independent Non-Executive Director of several public companies in Malaysia, namely OSK Holdings Berhad, OSK Investment Bank Berhad, OSK Ventures International Berhad, Malaysian Trustees Berhad, Symphony House Berhad, Allianz Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company (Malaysia) Berhad and SEG International Berhad.

Syed Ahmad Taufik Albar

Mr Syed Ahmad Taufik Albar holds a Master of Economics and a Bachelor of Accounting degree from International Islamic University Malaysia. He is a fellow of Chartered Institute of Management Accountant and a member of Malaysian Institute of Accountants.

Mr Syed Ahmad has a total of 20 years working experience as an accountant and a finance professional with domestic and international exposures in oil & gas, mobile telecommunications and infrastructure conglomerate covering highway concession, property development and construction among others. Prior to joining RHB Banking Group, he was Group Chief Financial Officer of UEM Group Berhad.

5.1.5 Management team

The key personnel in the management team of the REIT Trustee as at 31 March 2019 are as follows:

Name	Designation
Tony Chieng Siong Ung	Head of RHB Trustees Berhad
Samuel Hwa	Head of Business Development
Lim San San	Head of Marketing Support

The profiles of the key personnel in the management team of the REIT Trustee as at 31 March 2019 are as follow:

Tony Chieng Siong Ung

Mr Chieng's profile appears above in Paragraph 5.1.4 "Profile of Directors".

Samuel Hwa

Mr Samuel Hwa graduated from a law school in London and business school in America double majoring in Finance and Marketing/Management.

He started his career in America with Merrill Lynch. In 2014 he returned to Malaysia and joined ING Insurance.

Prior to joining RHB Trustees Berhad, he was with CIMB Investment Bank as a Business Development Manager and later as a Product Manager in Securities Services. He then joined Maybank as the Head of Business Development in Securities Services and was subsequently promoted as Head of Securities Services Malaysia.

Lim San San

Ms Lim San San is a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and Chartered Accountant of MIA (Malaysia Institute of Accountants).

She has over 15 years of experience in the unit trust and asset management industry. Prior joining RHB Trustees Berhad, she was the Head of the Unit Trust section of an established trustee company, where she oversaw the Company's day to day Operations of over 60 unit trust funds, specializing in trade settlement, money market placements, corporate actions, fund accounting and the compliance functions. She was also previously attached to a reputable asset management company, where she is responsible for fund accounting and other back office functions.

Her scope of work at RHB Trustees Berhad includes on-boarding, operation and marketing support for Estate Administrations, Wills & Wasiat and Private Trust.

5.2 THE REIT MANAGER

5.2.1 Introduction

The REIT Manager was deemed incorporated pursuant to the Companies Act 2016 on 14 February 2008. The REIT Manager is responsible for the management and operations of SUNREIT pursuant to the REIT Deed. The REIT Manager's appointment as the manager for SUNREIT has been approved by the SC.

The REIT Manager has general power of management over the Assets of SUNREIT. The REIT Manager's primary responsibility is to manage SUNREIT and the Properties in accordance with the REIT Deed in the sole interest of the unitholders of SUNREIT. Under the REIT Guidelines, the REIT Manager cannot manage any other REIT if it gives rise to a conflict of interest. The REIT Manager will establish the investment, strategic direction and risk management policies of SUNREIT and will manage the Assets of SUNREIT in accordance with the REIT Manager's investment strategy and in accordance with the provisions of the REIT Deed and the compliance procedure.

The REIT Manager is responsible for SUNREIT's investment and financing strategies, asset acquisition and disposition policies and overall management of real estate-related asset. In exercising its powers, and subject to limits as may be prescribed by the SC and/or the REIT Guidelines, the REIT Manager must ensure that at least seventy-five per cent (75%) of the Total Asset Value must be invested in Real Estate that generates recurrent rental income at all times. The REIT Manager must ensure that SUNREIT's investment in Non-Real Estate Assets and/or cash, deposits and money market instruments must not exceed twenty-five per cent (25%) of the Total Asset Value.

5.2.2 Share capital

As at 31 March 2019, the issued and paid-up share capital is RM1,000,000.00 comprising 1,000,000 ordinary shares.

5.2.3 Shareholding structure

As at 31 March 2019, the shareholders of the REIT Manager are as follows:

Shareholders	%
Sunway Berhad	80
Millennium Pavilion Sdn Bhd	20

5.2.4 Profiles of directors

As at 29 March 2019, the directors of the REIT Manager are as follows:

Tan Sri Ahmad Bin Mohd Don

Chairman, Independent Non-Executive Director

Tan Sri Ahmad Bin Mohd Don, aged 71, was appointed to the Board on 25 August 2010. He also serves as a member of the Audit Committee, the Nomination and Remuneration Committee as well as the Risk Management Committee.

Tan Sri Ahmad graduated with Summa cum Laude in Economics and Business from Aberystwyth University, United Kingdom in 1969. He is a Fellow of the Institute of Chartered Accountants in England and Wales as well as a Member of the Malaysian Institute of Certified Public Accountants.

Tan Sri Ahmad started his career with the Corp of Accountants, Government of Malaysia from 1972 to 1974 before joining the private sector. He served as Financial Controller from 1974 to 1980 in companies such as Syarikat Jengka Sdn Bhd, Mansfield Berhad and Pernas Securities Sdn Bhd where he was also the Company Secretary. In November 1980, he joined Permodalan Nasional Berhad as the Deputy General Manager and was involved in the planning and launching of the National Unit Trust Scheme in 1981. Subsequently in April 1982, he joined Malayan Banking Berhad as the General Manager of Treasury. During his service with Malayan Banking Berhad, he rose through the ranks of Senior General Manager and Board Member, then as Executive Director and in January 1991, he was appointed the Group Managing Director and Chief Executive Officer, a position which he held until 1994.

In May 1994, Tan Sri Ahmad was appointed the Governor of Bank Negara Malaysia, a position which he held until August 1998.

His current directorships in public companies are Alliance Bank Malaysia Berhad, Hap Seng Plantations Holdings Berhad, United Malacca Berhad and Zurich Insurance Malaysia Berhad.

Dato' Ng Tiong Lip

Chief Executive Officer, Non-Independent Executive Director

Dato' Jeffrey Ng Tiong Lip, aged 62, was appointed to the Board on 24 March 2010.

He is a graduate of Monash University, Melbourne with a Bachelor of Economics and completed his professional articleship in an international accounting firm in Australia before returning to Malaysia. He has more than 35 years of extensive experience in finance, corporate planning and executive management in the property and hotel industry in both Malaysia and Australia.

Prior to joining Sunway Group, Dato' Jeffrey Ng was the former Managing Director of AP Land Berhad. He was also the former Executive Director of Sunway City Berhad, a company formerly 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 (KL) Branch, Director of Construction Industry Development Board (CIDB), Vice President and Secretary General of FIABCI Malaysian Chapter (International Real Estate Federation), Vice President of Malaysian Association of Hotel Owners (MAHO), Chapter Chairman of Young Presidents Organisation (YPO) Malaysian Chapter and Vice Chairman of Malaysia Australia Business Council (MABC). He was a former panel member of the Appeal Board under the Federal Territory (Planning) Act 1982.

Dato' Jeffrey Ng is currently the Chairman of both Malaysian REIT Managers Association (MRMA) and REHDA Institute as well as Chairman & Independent Non-Executive Director

of United Overseas Bank (Malaysia) Berhad. He is also a Member of the Board of Studies – Master of Real Estate Development, University Tunku Abdul Rahman. Professionally, he is a member of the Malaysian Institute of Certified Public Accountants and Chartered Accountants, Australia & New Zealand. He also holds a Capital Markets Services Representative's Licence (CMSRL).

In 1999, he was conferred a fellowship by Malaysian Institute of Directors and accorded the 'Entrepreneur of the Year' by MABC in 2003. In 2008, he was advanced to fellowship member of Chartered Accountants, Australia & New Zealand. In 2009, he was conferred the patron of REHDA. Dato' Jeffrey Ng was awarded "REHDA Personality of the Year 2015" for his contribution to the real estate industry. In 2018, he was awarded The Asset Best CEO - Property.

His directorships in other public companies are SUNREIT Capital Berhad, SUNREIT Unrated Bond Berhad, SUNREIT Perpetual Bond Berhad and Sunway Lagoon Club Berhad.

Elvin A/L Berty Luke Fernandez
Independent Non-Executive Director

Elvin A/L Berty Luke Fernandez, aged 69, was appointed to the Board on 24 March 2010. He also serves as Chairman of the Audit Committee, and a member of the Nomination and Remuneration Committee and the Risk Management Committee.

He graduated from the Institution of Surveyors Malaysia (ISM), now known as the Royal Institution of Surveyors Malaysia (RISM). He is also a:

- Fellow, Royal Institution of Chartered Surveyors, United Kingdom (RICS);
- Honorary Member, China Appraisal Society (CAS);
- Honorary Member, Indian Institution of Valuers;
- Honorary Member, Indonesian Society of Appraisers (MAPPI);
- Honorary Member, Institute of Philippine Real Estate Appraisers (IPREA);
- Honorary Member, National Association of Romanian Valuers (ANEVAR);
- Honorary Member, Practising Valuers Association, India (PVAI);
- Member and Qualified Business Valuation Instructor, International Association of Certified Valuation Specialists (IACVS);
- Member, Investigating Tribunal Panel, Malaysian Bar Council;
- Member, Malaysian Institute of Estate Agents (MIEA);
- Member, Malaysian Institute of Professional Property Managers (MIPPM);
- National Committee Member of FIABCI Malaysian Chapter (FIABCI is the French acronym for "Federation Internationale des Administrateurs de Bien-Conselis Immobiliers", which means "The International Real Estate Federation");
- President, Business Valuers Association Malaysia (BVAM); and
- Executive Committee Member of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) and Chairman of the Valuation & Property Consultancy Committee of PEPS.

He is currently the Managing Director of the Khong & Jaafar Group of Companies. He has held various positions in the past, such as:

- President of the Royal Institution of Surveyors Malaysia (Session 2010/2011);
- Member/Exco-Member of the Board of Valuers, Appraisers & Estate Agents Malaysia (1993-2007);
- President of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (2000/2002);
- Adjunct Professor of University Malaya - Faculty of Built Environment (2013/2014); and
- Member of the RICS Malaysia Board from 1 June 2014 until 31 May 2016.

Internationally, he was a past Chairman of the International Valuation Standards Council (2007/2008) and a past Secretary-General of the ASEAN Valuers Association (2010/2018). In May 2008, he was appointed as a Consultant for the establishment of a Real Estate

Investment Trust Framework (Valuation Aspects) by the Securities Commission of Pakistan. In 2013, he was invited by the China Appraisal Society to advise them as well as the Ministry of Finance of the People's Republic of China on their proposed valuation law. Only four International experts from around the world were called to be on the Advisory Committee.

He was awarded:

- “Property Consultant of the Year 2005” by the Board of Valuers, Appraisers & Estate Agents Malaysia on 12 January 2006;
- “Professional Excellence” Award in the “Engineering, Construction & Property” category by the Malaysian Professional Centre or Balai Ikhtisas Malaysia on 21 May 2011;
- “Valuer of the Year 2013” Award by the Valuation Division of the Royal Institution of Surveyors Malaysia on 10 January 2014;
- Presented with a Honorary Membership of the International Association of Consultants, Valuers and Analysts (IACVA) now known as the International Association of Certified Valuation Specialists (IACVS) in recognition of his contributions to the global valuation profession on 12 December 2015;
- “Million Dollar Roof Top” Award by the Malaysian Institute of Estate Agents (MIEA) on 1 October 2016;
- RISM Excellence Award 2017 “Malaysian Surveyor of the Year” on 20 May 2017; and
- CIDB Fellowship Award in recognition of his contribution to the development and advancement of the construction industry in Malaysia on 2 November 2018.

His current directorship in other public company is Malaysian Property Incorporated.

Sarena Cheah Yeah Tih, S.M.S

Non-Independent Non-Executive Director

Sarena Cheah Yeah Tih, aged 44, was appointed to the Board on 25 August 2010. She also serves as a member of the Nomination and Remuneration Committee.

She graduated from the University of Western Australia with a Bachelor of Commerce (Accounting and Finance) in 1994. She also obtained a Masters in Business Administration from Melbourne Business School in 2001. She is a member of the Association of Chartered Certified Accountants (ACCA) and Capital Markets Services Representative's Licence (CMRSL) holder.

She started her career with the Sunway Group since 1995 and served under various roles in the Corporate Finance, Internal Audit and Business Department departments. In 2006, she was made General Manager for Sales and Marketing of the Group's Property Development division before assuming the position of Director of Strategy and Corporate Development in 2009, during which she oversaw the successful merger and integration of Sunway Holdings Berhad and Sunway City Berhad. In May 2013, she was appointed as Joint Managing Director of Property Development Division, Malaysia/Singapore and subsequently took on her current position as Managing Director of Property Development Division of Sunway Berhad in May 2015. She has led Sunway Berhad's property arm to multiple achievements including being ranked as Malaysia's Top Property Developer by The Edge Top Property Developer Awards since 2014.

Her directorships in other public companies are Sunway Berhad, SUNREIT Capital Berhad, SUNREIT Unrated Bond Berhad, Institute of Corporate Directors' Malaysia, Yayasan Raja Muda Selangor and SUNREIT Perpetual Bond Berhad.

Ng Sing Hwa

Non-Independent Non-Executive Director

Ng Sing Hwa, aged 73, was appointed to the Board on 18 November 2013. He also serves as Chairman of the Risk Management Committee, and a member of the Audit Committee.

He completed the Program for Management Development, Harvard University Graduate School of Business Administration, Boston. He was the President of the Harvard Business School Alumni Club of Malaysia 1980/81. He is a qualified chartered accountant, and a member of the Malaysian Institute of Accountants as well as the Malaysia Institute of Certified Public Accountants.

He was formerly the Executive Chairman of Bertam Alliance Berhad, a company listed on the Malaysian Stock Exchange, whose principal activities are property development, construction and planting of plantation. He resigned from Bertam Alliance Berhad as Director and Executive Chairman on 1 March 2012 following the disposal of his substantial shareholding in the company.

He has vast experience in the areas of corporate finance, hospitality industry, property & construction industry and manufacturing of building materials. He had held the positions of Group Chief Executive of Faber Merlin Malaysia Berhad from 1977 to 1985 and Managing Director of CI Holdings Berhad from 1985 to 1988 prior to venturing into management consultancy services and own property development in 1989.

He is currently the Executive Chairman of Miramas Development Sdn Bhd. He is also a Director of Millennium Pavilion Sdn Bhd, a major shareholder of the REIT Manager.

Tengku Nurul Azian Binti Tengku Shahrman

Independent Non-Executive Director

Tengku Nurul Azian Binti Tengku Shahrman, aged 56, was appointed to the Board on 11 March 2016. She also serves as Chairman of the Nomination and Remuneration Committee, and a member of the Audit Committee and the Risk Management Committee.

She is a graduate of School of Oriental & African Studies, University of London with a Law Degree. She was called to the Bar of England and Wales by the Honourable Society of the Inner Temple and a former Advocate & Solicitor of the High Court of Malaya.

Tengku Azian is currently the Executive Vice President and Partner of PEMANDU Associates Sdn Bhd, a management consulting firm, focused on public sector transformation and business turnaround with global experience. Prior to the appointment, she was the Director of Education & Human Capital Development, National Transformation Programme of the Performance Management and Delivery Unit, Prime Minister's Department (PEMANDU) from 2010 to February 2017.

Before joining PEMANDU, she was in investment banking for 18 years, her last position was Head of Corporate Finance in RHB Investment Bank Berhad, a member of the RHB Banking Group.

Her current directorship in public company is Dutch Lady Milk Industries Berhad.

Yeo Kar Peng

Independent Non-Executive Director

Yeo Kar Peng, aged 57, was appointed to the Board on 2 January 2019. She also serves as a member of the Audit Committee as well as the Nomination and Remuneration Committee.

She graduated from Monash University, Clayton Melbourne with a Bachelor of Economics majoring in accounting and finance. She is also an Associate Member of Australian Society of Accountants.

Madam Yeo is Chairman and Managing Partner of Kendall Court Capital Partner, a mezzanine fund providing growth and expansionary capital focused in South East Asia. Prior to establishing Kendall Court in 2004, Madam Yeo was a Managing Director at Citigroup Global Markets. She was responsible in the setting up and building of Citigroup's

investment banking franchise in Malaysia. She was the key coverage banker in charge of Citigroup's deal origination and execution with special focus in cross-border mergers and acquisitions and debt and equity capital market transactions. Prior to Citi Group, Madam Yeo was Head of Research with UBS and led a team of 8 analysts in charge of the Malaysian equity research. She was the number 1 ranked analyst in 1997 by Asia Money Poll with the UBS Malaysian team ranking third. Prior to UBS, Madam Yeo was Head of Research at WI Carr and was ranked as one of the top three analysts in Malaysia for several years by Asia Money and Euro Money polls. Early in her career, Madam Yeo also spent time as an auditor at the precursor of Ernst & Young in Malaysia.

Her directorship in other public company is Top Glove Foundation.

5.2.5 Management team

The management team and key personnel of the REIT Manager as at 31 March 2019 are as follows:

Name	Designation
Management Team	
Dato' Ng Tiong Lip	Chief Executive Officer
Irene Sin May Lin	Chief Financial Officer
Crystal Teh Lay Ling	Senior Manager, Investor Relations
Raymond Ng Meng Chun	Senior Manager, Business Development
Koh Sin Yee	Assistant General Manager, Contract and Project Management
Key Personnel	
Samantha Khoo May Lin	Compliance Officer

The profiles of the management team and key personnel of the REIT Manager as at 31 March 2019 are as follow:

Dato' Ng Tiong Lip *Chief Executive Officer*

Dato' Ng Tiong Lip's profile appears above in Paragraph 5.2.4 "*Profile of Directors*".

Irene Sin May Lin *Chief Financial Officer*

Irene Sin May Lin, aged 44, was appointed as the Chief Financial Officer of the REIT Manager on 7 May 2018.

She graduated with a Bachelor of Business (Accounting) from University of Technology, Sydney. She is a Fellow of Certified Practising Accountant (CPA), Australia and a Chartered Accountant of the Malaysian Institute of Accountants. She is also a holder of Capital Markets Services Representative's Licence (CMRSL).

Ms Irene Sin has experience in financial accounting and reporting, strategic planning, investment evaluation and project management accounting across a variety of industries including property investment, property management, leisure and hospitality where she held various financial positions. She started her career in 1996 at PricewaterhouseCoopers in its Assurance Division before expanded her experience to the corporate sector. Ms Irene Sin joined Sunway City Berhad (now known as Sunway City Sdn Bhd) in 2010 and prior to her appointment as Chief Financial Officer of the REIT Manager, she was the General Manager - Finance, Property Investment Division of Sunway Property.

Her directorship in other public company is Sunway Lagoon Club Berhad.

Crystal Teh Lay Ling

Senior Manager, Investor Relations

Crystal Teh Lay Ling, aged 43, was appointed as the Senior Manager, Investor Relations of the REIT Manager on 2 January 2015.

She graduated with a Bachelor of Science (Hons) Banking and Finance from University of London.

Prior to joining the REIT Manager, Ms Crystal Teh was attached to Westports Holdings Berhad. She was instrumental in the formation of the investor relations functions of the REIT Manager. She started her career as Investment Analyst in Kuala Lumpur City Asset Management Sdn Bhd in 2000 followed by TA Asset Management Sdn Bhd (TAAM) in 2004 where she managed unit trust funds and high net worth clients. She has collectively 10 years of experience in equity research and fund management prior to embarking her career into investor relations.

Raymond Ng Meng Chun

Senior Manager, Business Development

Raymond Ng Meng Chun, aged 35, was appointed as the Senior Manager, Business Development of the REIT Manager on 10 July 2017.

He graduated with a Bachelor of Engineering (Hons) Electronics majoring in Telecommunications from Multimedia University, Malaysia and a Master of Science in Biomedical Engineering from University of Oxford, United Kingdom. He is also a Chartered Financial Analyst (CFA) Charterholder.

Prior to joining the REIT Manager, Mr Raymond Ng gained his experience in the real estate sector working for Employees Provident Fund and Iskandar Investment Berhad where he was involved in investment analysis, financial modelling and deal structuring. He also has experience in the banking industry performing strategy and investment functions, having been involved in the acquisition of a local investment banking group.

Koh Sin Yee

Assistant General Manager, Contract & Project Management

Koh Sin Yee, aged 38, was appointed as the Assistant General Manager, Contract and Project Management of the REIT Manager on 1 November 2017.

She graduated with a Bachelor of Science in Building Contract Management from John Moores University, Liverpool, United Kingdom and she is also a graduate member of The Royal Institution of Surveyors Malaysia.

Ms Koh started her career in 2004 with consultancy firm prior to joining Sunway City Berhad in 2009. At Sunway City Bhd (now known as Sunway City Sdn Bhd), she has gained comprehensive knowledge and experience in Quantity Surveying, Contract Management and Project Management across a variety of industries including property investment, property development, leisure and hospitality where she held various positions. Her last role was Head of Department for Supply Chain & Contract Management, Property Investment Division of Sunway Integrated Properties Sdn Bhd before assuming her current position as Assistant General Manager.

Samantha Khoo May Lin
Compliance Officer

Samantha Khoo May Lin, aged 41, was appointed as the Compliance Officer of the REIT Manager on 23 October 2012.

She graduated with a Bachelor of Laws and Bachelor of Commerce from Monash University, Melbourne, Australia.

Ms Samantha Khoo joined the Sunway Group on 16 May 2012 and was subsequently appointed as the compliance officer for Sunway REIT on 23 October 2012. She started her career at Presgrave & Matthews, a prominent law firm in Penang, specialising in property and real estate, banking and finance and general corporate advisory. She then further expanded her experience in the property, real estate and corporate practice areas in a boutique law firm in Kuala Lumpur, after which she joined ZICO Law (then Zaid Ibrahim & Co) and specialized in equity capital markets and mergers and acquisitions. She was part of the advisory team involved in the listing of Sunway REIT in 2010, amongst other notable transactions. Prior to joining the Sunway Group, she was the legal counsel of a biopharmaceutical company with predominantly European operations.

5.3 THE PROPERTY MANAGER

5.3.1 Introduction

The Property Manager was incorporated in Malaysia on 19 December 2013 principally to carry out integrated facilities management, property management, real estate and valuation for residential, commercial, institutional and industrial building in Malaysia.

The Property Manager will administer the Retail Properties and the Office Properties (including Pinnacle Annex and Sunway Clio Retail Space but excluding SunCity Ipoh Hypermarket) subject to the overall management and supervision of the REIT Manager, upon the terms and conditions set out in the Property Management Agreement entered into between the REIT Manager, the REIT Trustee and the Property Manager ("**PMA**").

5.3.2 Functions, duties and responsibilities

Pursuant to the PMA, subject to the overall management and supervision of the REIT Manager, the Property Manager will provide, amongst others, building management, maintenance, marketing communications, leasing and letting, lease and/or tenancy administration, property tax, collection, receipts and disbursements, insurances, books and records reporting and defects rectification in relation to those properties under the PMA.

In accordance with the terms of the PMA, the Property Manager shall, during the duration of the PMA, employ, by itself or through service providers via secondment or other arrangements of similar nature, personnel required to properly operate, maintain, manage and market the Office Properties and the Retail Properties (including Pinnacle Annex and Sunway Clio Retail Space but excluding SunCity Ipoh Hypermarket) 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.

5.3.3 Fees of the Property Manager

Under the PMA, the Property Manager is entitled to receive property management fees in an amount equal to a fixed fee of RM15,000.00 per month.

In respect of each property under the PMA, the REIT Trustee, on the recommendation of the REIT Manager, shall reimburse the Property Manager and/or its service providers in full for the agreed employee expenditure and the property expenses incurred for each month in

a fiscal year, within ten (10) business days after the REIT Trustee's receipt of the Property Manager's invoice and the invoices of the service providers thereof for that month.

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SECTION 6.0

SALIENT TERMS OF THE AGREEMENTS

6.1 Introduction

With respect to the CP Programme, the transaction documents (the “**Transaction Documents**”) include:

- (a) the programme agreement (“**Programme Agreement**”) setting out the terms of the CP Programme;
- (b) the trust deed constituting the CPs (“**Trust Deed**”);
- (c) the security documents (“**Security Documents**”) pursuant to which security interest is created over certain assets of SUNREIT; and
- (d) the security agency and sharing agreement (“**Security Agency and Sharing Agreement**”), which is entered into if any other borrowings of SUNREIT takes security interest over Assets of SUNREIT which secures the CP Programme.

All the Transaction Documents will be governed by the laws of Malaysia. The Transaction Documents have been executed on 25 March 2019 (save for the Security Agency and Sharing Agreement which was executed on 15 August 2012). A brief description of the significant Transaction Documents is set out below (in no particular order).

6.2 Programme Agreement

The Programme Agreement dated 25 March 2019 was executed by the Issuer and PIVB as the Lead Arranger and Facility Agent.

The Programme Agreement sets out the terms of the CP Programme including the conditions precedent to each issuance of the CPs, the utilisation of the proceeds of the CPs, and the representations and warranties to be given by the Issuer, and the events which may result in the CP Programme to be cancelled.

6.3 Trust Deed

The Trust Deed dated 25 March 2019 was entered into between the Issuer, the REIT Trustee, the REIT Manager and the Trustee. The CPs are constituted subject to the terms and conditions contained in the Trust Deed.

The Trust Deed contains provisions applicable to all CPs such as provisions in relation to redemption of the CPs, covenants, the powers and duties of the Trustee, and the meeting provisions. The following terms are also set out in the Trust Deed:

- (a) description of security;
- (b) description of designated accounts and application of cashflow;
- (c) financial covenants; and
- (d) events of default.

6.4 Security Documents

The CP Programme is secured by the following security:

- (a) third party first legal charges by the REIT Trustee over the Secured Properties;

- (b) third party first legal assignment by the REIT Trustee of all rental proceeds, proceeds from bank guarantees in respect of tenants' obligations and insurance proceeds in relation to the Secured Properties;
- (c) third party first legal charge and assignment by the REIT Trustee over the bank accounts (namely the Proceeds Account, Individual Collection Accounts and Master Collection Account) and third party first legal charge and assignment by the REIT Manager over the Operation Account, all accounts opened with such licensed financial institution acceptable to the Security Agent, for the purpose of depositing monies from the Secured Properties;
- (d) Charge over TRA;
- (e) a letter of undertaking from the REIT Manager:
 - (1) to cause the Issuer to redeem/rollover the CPs on the maturity date;
 - (2) to deposit or cause to be deposited all sale/insurance proceeds paid in relation to the Secured Properties into the Proceeds Account;
 - (3) to deposit all rental/cashflow generated from the Secured Properties into the Individual Collection Accounts;
 - (4) To operate or cause to be operated the designated accounts in accordance to the terms set out in the Transaction Documents; and
 - (5) that it shall not declare or distribute any dividend/distributions to the SUNREIT unitholders if:-
 - (A) an Event of Default has occurred, is continuing and has not been waived or following such declaration or distribution, an Event of Default would occur; or
 - (B) the financial covenants are not met or will not be met prior and after such distribution;
- (f) third party legal charges over the Newly Acquired Property(ies) in the event that any New Debt wishes to take security over the Secured Properties; and
- (g) such other security to be agreed between the Issuer, REIT Trustee, the REIT Manager, the Underwriter, the Secured Parties and/or advised by the Solicitors.

The above security shall be shared on pari passu basis in terms of priority and security amongst the CP Programme and the Pari Passu Debt (save and except for the Charge over TRA) PROVIDED THAT the ratio of the Total Loans to the Security Value shall not exceed forty-five per cent (45%) at all times.

In the event the ratio of the Total Loans to Security Value exceeds forty-five per cent (45%), the Issuer/REIT Trustee is required to restore the stipulated ratio by providing additional security acceptable to the Underwriter and Trustee for the CPs or reducing the Total Loans.

A security sharing agreement ("**Security Agency and Sharing Agreement**") has been entered into to evidence, inter alia the said security sharing arrangement.

All terms and phrases used in this Section 6.4 shall, unless repugnant to the context, have the same meaning ascribed to in the Principal Terms and Conditions of the CP Programme.

6.5 Security Agency and Sharing Agreement

The Security Agency and Sharing Agreement was entered into between, among others, the Issuer, the REIT Trustee, the Security Agent, the Trustee for the CPs and the parties of the Pari Passu Debt. Parties in respect of the Pari Passu Debt may be added as parties to the Security Agency and Sharing Agreement from time to time by execution of an accession letter (substantially in the form set out in the Security Agency and Sharing Agreement).

The Security Agency and Sharing Agreement is an inter-creditor agreement which sets out, among others:

- (a) the priority and security ranking of the CP Programme vis a vis the Pari Passu Debt;
- (b) the order of distribution of proceeds from the secured assets prior to and after events of default; and
- (c) the class of creditors who can make enforcement and other decisions and instructions with respect to the secured assets.

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SECTION 7.0

INVESTMENT CONSIDERATIONS

Investment in the CPs involves certain risks. This section provides a summary of certain risk factors, each of which, among others, may materially and adversely affect the ability of the Issuer to make payment under any CPs in full at or before the Maturity Date for such CPs. This section is not intended to be exhaustive. Prospective purchasers of the CPs should read and carefully consider, among other things, the following factors in connection with the purchase of the CPs and undertake their own investigations and analyses on the Issuer/SUNREIT, its business and risks associated with the CPs.

The information contained in this Information Memorandum includes forward looking statements, which implies risk and uncertainties. The Issuer's / SUNREIT's actual results could differ materially from those anticipated in these forward looking statements and/or otherwise projected as a result of certain factors, including but not limited to those set forth in this section.

This section highlights the investment considerations relating to the Secured Properties only and not all the Assets of SUNREIT, as the Secured Properties and the cashflow from the Secured Properties are the primary security for the CP Programme.

7.1 Considerations Relating to the CP Programme

7.1.1 Rating of the CPs

The CP Programme has been accorded an initial rating of P1(s) by RAM Ratings, which is subject to annual review by RAM Ratings. The rating addresses the likelihood of full and timely repayment of principal to the CPholders.

However, a rating is not a recommendation to purchase, hold or sell the CPs as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that a rating will remain in effect for any given period of time or that a rating will not be downgraded, suspended or withdrawn entirely by RAM Ratings in the future, if, in its judgment, circumstances in the future so warrant. Further, such a rating assigned is not a guarantee of repayment or that there will be no default by the Issuer under the CPs. In the event that the rating initially assigned to the CPs is subsequently downgraded, suspended or withdrawn for any reason, there is no obligation on the part of the Issuer, the Principal Adviser/Lead Arranger or the Trustee to provide any additional credit enhancement with respect to the CPs. Any downgrade, suspension or withdrawal of a rating may have an adverse effect on the liquidity and market price of the CPs.

7.1.2 No prior market for the CPs

The CPs to be issued from the CP Programme comprises new issue of securities for which there is currently no public market. There can be no assurance that any such market for the CPs will develop or, if it does develop, that it will provide the holders of the CPs with the liquidity of such investments or will continue for the entire tenure of the CPs. If a market develops, the market value of the CPs may fluctuate. Any sale of the CPs by the CPholders in any secondary market which may develop may be at a lower discount from the original issue price of the CPs.

7.1.3 Security risk

The CPs under the CP Programme shall be secured by the Secured Properties and the other security referred to in Section 6.4. There is a security sharing arrangement between the CP Programme and the Pari Passu Debt having the first ranking charge over the said Secured Properties and other security (save and except for the Charge over TRA).

Any declaration of event of default and enforcement of the security shall be subjected to the Security Agency and Sharing Agreement and could be detrimental to the interest of the CPholders.

7.1.4 Market risk

Trading prices of the CPs may be influenced by numerous factors, including the operating results and/or financial conditions of SUNREIT, political, economic, financial and any other factors that can affect capital markets in general. Any adverse political, economic and financial developments could have an effect on the market value of the CPs. Thus, there is no assurance that the CPholders can realise a disposal value higher than their market value.

7.1.5 Issuer's ability to meet its obligations under the CPs

The ability of the Issuer to meet its obligations to the CPholders in terms of full payment of amounts due under the CPs will depend on the strength of the Secured Properties' net cash flow in the future. Repayment of the CPs will be the obligations of the Issuer and the REIT Trustee (limited to its capacity as trustee of SUNREIT and recourse to the Secured Properties which it owns on behalf of the unitholders). In particular, the CPs will not be obligations or responsibilities of the Principal Adviser/Lead Arranger, the Facility Agent, the Trustee or any subsidiary or affiliate thereof, and any other persons involved or interested in the transactions envisaged under the CP Programme. None of such persons will accept any liability whatsoever to the CPholders in respect of any failure by the Issuer or the REIT Trustee to pay any amount due under the CPs.

7.1.6 Refinancing requirement

Based on the cash flow projections prepared by the REIT Manager and the bullet repayment nature of the principal amount of the CPs at maturity, it is the intention of the REIT Manager to refinance the outstanding CPs to meet the repayment obligations due at maturity.

Notwithstanding the need to refinance the CPs at maturity, RAM Ratings has accorded the prescribed rating of P1(s) partly due to SUNREIT's above-average asset quality and the benefit of industry diversification, notwithstanding there is no assurance that the REIT Manager would be able to secure the refinancing amount at terms and conditions at least compatible to the CP Programme in the future.

7.1.7 Sensitivity to economic, political risks and changes in Governmental policies

The structure of the CP Programme and the issue of the CPs are based on Malaysian law, tax and administrative practice as at the date of this Information Memorandum. Adverse developments in the political, economic monetary and fiscal and regulatory conditions in Malaysia and any adverse change in government policies could materially affect the financial and operational condition or the overall profitability of the Issuer/SUNREIT. No assurance can be given that Malaysia's law, administrative practice, economic, monetary, fiscal, political and governmental policies will not change after the date hereof or that such change will not adversely impact the structure of the transaction and the treatment of the CPs and the financial conditions of the Issuer and the performance of the Properties. Political and economic uncertainties, which may affect the Issuer/SUNREIT, include the risk of war, expropriation, nationalisation, renegotiation, or nullification of existing contracts, changes in rates of interest and methods of taxation.

7.1.8 Illiquidity of real estate investments

Upon occurrence of a trigger event or declaration of event of default, the Security Agent's ability to promptly sell the Secured Properties may be limited. The market for acquiring/disposing of retail, hospitality or office properties has traditionally not been very active or liquid in Malaysia and is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Security Agent's control. The Security Agent may not be able to dispose of the Secured Properties prior to the legal maturity date. Hence, there may be

delay in the repayment of matured CPs or the eventual amount realised from the disposal of the Secured Properties may not be adequate to fully repay the CPs.

7.2 General Considerations

7.2.1 Risks relating to the Secured Properties

(a) The Secured Properties are dependent on major tenants

The Secured Retail Properties and the Secured Office Properties all have major tenants who contribute to the popularity and economic success of such Secured Properties, and two of the Secured Properties, SunCity Ipoh Hypermarket and Sunway REIT Industrial – Shah Alam 1, carry a single tenant each. Any tenant occupying a large portion of the Net Lettable Area of a Secured Property, an anchor tenant, or a tenant that is SUNREIT's anchor tenant at more than one Property may suffer a downturn in business, may no longer open for business, may become insolvent or may decide not to renew its tenancy. Any of these events would result in a reduction or cessation in rental payments to SUNREIT and would materially affect its business, results of operations, financial condition and ability to make timely repayment of the CPs when due and payable.

Additionally, a termination or non-renewal of a tenancy by an anchor tenant could negatively impact the attractiveness of the related Secured Property to other tenants, who could also decide not to renew their tenancies. In such event, SUNREIT may be unable to find substitute tenants or re-rent the vacated space timely. Even if SUNREIT subsequently re-lets a vacated unit to a new anchor tenant, the transfer to a new anchor tenant could still lead to a decrease in customer traffic at the Secured Property (especially, for example, in connection with the Secured Retail Properties), which could reduce occupancy and rental rates at that Secured Property.

In the event that SUNREIT is unable to re-rent the vacated space to a new anchor tenant, SUNREIT may incur additional expenses in order to remodel the space so that it may be rented to more than one tenant. This could have an adverse effect on SUNREIT's business, results of operations, financial condition and ability to make timely repayment of the CPs when due and payable. The REIT Manager believes it will nevertheless be able to continually attract new anchor or other tenants through its track record, investment strategies and competitive strengths.

(b) The Secured Properties are not geographically diversified

The Secured Properties are all located in Malaysia. Accordingly, SUNREIT is exposed to the risks associated with the geographical concentration of the Secured Properties, including the risk of an overall downturn in economic and real estate conditions in Malaysia.

Furthermore, six (6) out of thirteen (13) of the Secured Properties are located in Sunway City and significantly dependent on the success and economic viability of the Sunway City. Each of the Sunway Pyramid Shopping Mall, Sunway Pyramid Hotel, Sunway Resort Hotel & Spa, Sunway Clio Property, Menara Sunway and Sunway Medical Centre are located in, and form a substantial portion of, the Sunway City. The Sunway City is significantly dependent on leisure and business travellers and is therefore subject to, among other risks, the risks associated with the tourism, hospitality and MICE industry. In addition, a downturn in one or more of the retail, hospitality or office industries or loss of popularity of the Sunway City may have more pronounced effects on the financial condition, results of operations and amount of cash available to SUNREIT for repayment of the CPs than if it had further diversified its investments across wider sectors in different geographical locations.

(c) The illiquidity of real estate investments and the lack of alternative uses for the Secured Properties could significantly limit the ability of SUNREIT to sell the Secured Properties in a timely manner

SUNREIT's ability to promptly sell any of the Secured Properties or to vary its investment portfolio in response to changing economic, market, financial and investment conditions may be limited. The market for acquiring/disposing of retail, hospitality or office properties has traditionally not been very active or liquid in Malaysia and is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond SUNREIT's control.

In addition, the Secured Properties may not readily be converted to alternative uses if they were to become unprofitable due to competition, age, decreased demand or other factors. The conversion of a retail, hospitality or office property to alternative uses would also generally require substantial capital expenditures in addition to securing relevant regulatory approval for the conversion. While the REIT Manager believes that the presence of SUNREIT in the market and the establishment of other REITs have the potential to create an opportunity to improve liquidity and encourage more active trading of real estate in the future, there can be no assurance that such developments will occur as envisaged or at all.

(d) The Secured Properties are subject to the risk of non-renewal of expiring tenancies

The tenancy agreements for most of the Secured Retail Properties and the Secured Office Properties stipulate three (3) year terms with options to renew for three (3) year terms, typically at prevailing market rates. As a result, a number of the Secured Properties may experience periods during which a significant number of tenancies may expire. This frequency of renewals and manner of rent calculation make SUNREIT susceptible to rental market fluctuation which, in a declining market, may lead to higher vacancies and lower rental rates and lower rental income, which will in turn reduce the revenue of SUNREIT. The tenants may not renew their tenancies at all or, because of market conditions, may only be able to renew their tenancies on terms that are less favourable to SUNREIT than the terms of the current tenancies. If the rental rates upon renewal or re-letting are significantly lower than expected rates, then SUNREIT's results of operations and financial condition will be adversely affected. Furthermore, if a tenancy is terminated or not renewed, there can be no assurance that SUNREIT will be able to re-let the vacant units timely and for the rent previously received.

(e) Damage to, or other potential losses involving the Secured Properties may not be covered by insurance

SUNREIT will maintain comprehensive property and liability insurance policies with coverage features and insured limits that the REIT Manager believes are consistent with market practice in the real estate industry in Malaysia. Market forces beyond SUNREIT's control may nonetheless limit the scope of insurance coverage that it can secure or its ability to obtain such coverage at reasonable premium. Design, construction or other latent property or equipment defects or deficiencies in the Secured Properties may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties and may not be covered by insurance. In addition, certain types of losses, generally of a catastrophic nature, such as natural disasters, terrorist acts, the outbreak of infectious diseases or any losses as a result there from, may be uninsurable or the required insurance premiums may be too expensive to justify obtaining insurance cover from insurers. As a result, SUNREIT may not be successful in obtaining insurance without increases in cost or decreases in coverage levels or new warranties imposed by the insurers that could not be favourable. In addition, in the event of a substantial loss, the

insurance coverage it carries may not be sufficient to pay the full market value or replacement cost of its lost investment or that of its tenants or in some cases could result in certain losses being totally uninsured. Accordingly, SUNREIT could lose some or all of the capital it has invested in a Secured Property if claims, if paid by the insurers may not be adequate to settle third party liabilities as well as the anticipated future revenue from the Secured Property, and it could remain obligated for guarantees, debt, or other financial obligations related to the Secured Property.

Moreover, SUNREIT's insurance policies and terms of coverage will be subject to renewals and negotiations on a periodic basis in the future and there is no assurance as to the nature and extent of coverage that will be available on commercially reasonable terms in the future. Any material increase in insurance premium or decrease in available coverage in the future will adversely affect SUNREIT's business and financial condition.

(f) Renovation, asset enhancement works or physical damage to the Secured Properties may disrupt the business and operations of those Secured Properties and collection of rental income or otherwise adversely impact SUNREIT's business and financial condition

The demand and rental rates for the Secured Properties are affected by the quality and design of the Secured Properties. The Secured Properties may require renovation or asset enhancement works from time to time to retain their attractiveness to tenants, shoppers (in the case of the Secured Retail Properties) and guests (in the case of the Secured Hospitality Properties). During the period of such renovation works, the businesses and operations of the Secured Properties may be disrupted and it may not be possible for SUNREIT to collect rental income on premises affected by such renovation works. The costs of maintaining property and the risk of unforeseen maintenance or repair requirements tend to increase over time as such property ages. In addition, physical damage to the Secured Properties resulting from acts of God, fire or other causes may lead to a significant disruption to the businesses or operations of any of the Properties. In order to address such damages or need for renovation, the REIT Manager and the Property Manager may have to procure the provision of maintenance and other services from third parties, but qualified third parties may not be immediately found or their services may be inadequate.

Any disruption to the businesses or operations of the Secured Properties could limit SUNREIT's ability to collect rental income, reduce shopper traffic in the case of the Secured Retail Properties, reduce occupancy and F&B revenue in the case of the Secured Hospitality Properties, or impose unbudgeted costs on SUNREIT which could result in an adverse impact on SUNREIT's financial condition and results of operations.

(g) Risk relating to natural disaster, communicable diseases and other acts of God, terrorist activity and war could adversely affect SUNREIT's revenues

SUNREIT will be subject to risks such as natural disasters, outbreak of communicable diseases or other acts of God in locations where SUNREIT owns the Secured Properties as well as areas from which its tenants draw a large number of customers, which could cause a decline in the level of business and leisure travel and reduce the demand for the Secured Properties. Actual or threatened war, terrorist activity, political unrest, civil strife, travel alerts imposed by a foreign government and other geopolitical uncertainty may have a similar effect. Any one or more of these events may reduce the overall demand for, or SUNREIT's revenue from, the Secured Properties, which could have a material adverse effect on its results of operations, financial condition and ability to make timely repayment of the CPs when due and payable. Certain events could also

cause damage to the Secured Properties, which may not or adequately be covered by insurance.

(h) While the Secured Properties are located in Malaysia, SUNREIT's future acquisitions may be located outside Malaysia, which would expose SUNREIT to risks in other countries

The REIT Manager may, upon approval from the REIT Trustee, invest in real estate located outside Malaysia in the future, which would expose SUNREIT to risks relating to local conditions in those countries, including:

- (i) A decline in general economic or political and social conditions or local real estate market conditions affecting the attractiveness of the properties or reducing demand for such properties;
- (ii) Exchange rate fluctuations between the Malaysian Ringgit and the local currency, and foreign government regulations in relation to foreign exchange;
- (iii) Foreign laws and policies, such as government controls over property investments or laws concerning foreign ownership of property, compulsory acquisition or nationalisation of property and limitations on the ability of SUNREIT to seek legal recourse;
- (iv) Differing levels of income tax, withholding tax, capital gains tax, or any other taxes that may be imposed in other countries or in Malaysia, and potential increases thereto; and
- (v) Uncertainty as to whether SUNREIT will be able to repatriate to Malaysia the income and gains derived from investment in the properties on a timely and regular basis.

(i) Political, economic and social developments in Malaysia may adversely affect SUNREIT

SUNREIT's business, prospects, financial condition and results of operations may be adversely affected by political, economic, monetary, fiscal and social developments in Malaysia. Political, economic and monetary uncertainties include but are not limited to the risks of war, terrorism, riots, expropriation, nationalism, renegotiations or nullification of existing contracts, and changes in interest rates, foreign exchange rates, methods of taxation and import duties and restrictions. Any change in Government policy, changes to senior positions within the Government and parliament, or any political instability in Malaysia or other countries that may arise from these changes may have a material adverse effect on SUNREIT.

(j) The Secured Properties may be acquired compulsorily

The Government has the power to acquire compulsorily any land in Malaysia for the public interest pursuant to the provisions of applicable legislation including the Land Acquisition Act, 1960.

In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the market value of a property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. If any of the Secured Properties were acquired compulsorily by the Government, the level of compensation paid to SUNREIT might be less than the price which SUNREIT paid for such Secured Properties or less than the market price or carrying value of the Secured Properties upon the sale of the Secured Properties in the open market.

7.2.2 Risks relating to the Secured Retail Properties

(a) The Secured Retail Properties and their tenants face competition from other retail properties located within their catchment areas as well as other retail channels

The Secured Retail Properties face competition from other retail developments operating in the same catchment areas. Shopping malls compete aggressively to attract quality tenants as well as shoppers. Other retail centres also compete with SUNREIT's retail tenants for customers, affecting the cash flow of such tenants and thus affecting their ability to pay rent and other charges. The financial condition of the Secured Retail Properties may have a material adverse effect if competing retail developments are substantially upgraded and refurbished with new attractions or are more successful in attracting tenants and shoppers.

Furthermore, SUNREIT's retail tenants face potentially changing consumer lifestyle/preferences and increasing competition from other forms of retailing, such as catalogues, warehouse sales, internet shopping, multi-level marketing and telemarketing. In addition, some of the tenants' rent payments are based on the amount of sales revenue that they generate. If these tenants experience competition, the amount of their rent may decrease consequent to the decline in sales revenue and SUNREIT's cash flow will decrease and financial condition impacted.

7.2.3 Risks relating to the Secured Hospitality Properties

(a) The hospitality industry is susceptible to external factors outside the control of SUNREIT and the REIT Manager

The hospitality business is generally cyclical and sensitive to changes in the global, regional or domestic economy. Since demand for hotel/MICE services in Malaysia is affected by economic growth, a global, regional or domestic downturn could have a material adverse effect on the hospitality, travel and leisure industries, including the financial results of the Secured Hospitality Properties, the Lessees and SUNREIT.

Other factors outside the control of SUNREIT and the REIT Manager, the Lessees and the Hotel Manager could include political or civil unrest, natural disasters, outbreaks of communicable disease, increases in energy costs and other travel expenses, international military conflict, changes in law and other events which, if they occur in Malaysia or elsewhere in the world, may have a negative impact on the tourism industry and hotel business, including hotel and convention facilities bookings and food and beverage services at hotels in Malaysia. The occurrence of one or more of these events may have an adverse effect on the operating performance of the Secured Hospitality Properties, the Lessees and SUNREIT.

(b) The loss of the Lessees, or a downturn in the business of the Lessees could have a material adverse effect on the financial condition and results of operations of SUNREIT

The financial performance of SUNREIT is dependent upon the revenue and net operating profit of each of the Secured Hospitality Properties. The Secured Hospitality Properties are leased to the Lessees and the Lessees will engage the Hotel Manager to manage the Secured Hospitality Properties. SUNREIT is significantly dependant on rental payments from the Lessees because the Secured Hospitality Properties are one of the major contributors of income to SUNREIT. Therefore, SUNREIT's financial condition and results of operations will depend upon the ability of the Lessees to make timely payments pursuant to the Hotel Master Leases. As such, the financial condition and results of operations of SUNREIT may be adversely affected by the bankruptcy, insolvency or downturn in

the business of either of the Lessees. There can be no assurance that the Lessees will have sufficient cash flow/income from the operations of the Secured Hospitality Properties to enable them to satisfy their obligations under their respective Hotel Master Leases.

Furthermore, if either of the Lessees terminates or defaults on their respective Master Lease or they do not renew it upon expiry, the financial performance of SUNREIT may be adversely affected. In addition, the amount of rent and the terms on which the Hotel Master Leases are renewed may be less favourable than the current Hotel Master Leases. The replacement of the Lessees on satisfactory terms may not be carried out in a timely manner or at all should SUNREIT wishes to continue with the existing business model.

(c) The REIT Manager's ability to effectively monitor the obligations of the Hotel Manager under the Hotel Master Leases and to actively manage the Secured Hospitality Properties is limited

The Hotel Master Leases contain provisions intended to provide that the Secured Hospitality Properties will be adequately maintained and that the Lessees and the Hotel Manager are incentivised to increase revenue and profits and to enhance the quality and value of the Secured Hospitality Properties. Under the terms of the Hotel Master Leases, the Lessees have appointed the Hotel Manager to operate and manage the Secured Hospitality Properties. During the term of the Hotel Master Leases, although the REIT Manager will monitor the performance by the Lessees of their obligations under the Hotel Master Leases and cooperate with the Lessees to develop and implement plans to improve the performance of the Secured Hospitality Properties, the REIT Manager has limited rights in regard to the daily management and operations of the Secured Hospitality Properties. There can therefore be no assurance that the Secured Hospitality Properties will continue to be operated, managed, branded or marketed effectively at the same level in the future in the event that the Hotel Manager underperformed or a new Hotel Manager is appointed.

(d) The profitability of the Secured Hospitality Properties will affect SUNREIT's performance

SUNREIT will lease the Secured Hospitality Properties to the Lessees pursuant to the Hotel Master Leases which will provide SUNREIT with a variable rent structure, subject to certain minimum guarantees. As a result, the financial performance of SUNREIT is dependent on the performance of the Lessees and the Hotel Manager. In addition, the profitability of the Secured Hospitality Properties and the general economic outlook for the hotel industry in Malaysia will affect (i) the ability of the Lessees to pay the respective rental for the Hotel Master Leases; (ii) the property values of the Secured Hospitality Properties; (iii) the ability of SUNREIT to renew the Hotel Master Leases on favourable terms following the termination or expiration of the Hotel Master Leases; and (iv) the REIT Manager's ability to successfully pursue its long-term internal and external growth strategies.

(e) The hotel industry is highly competitive

The hotel industry is highly competitive and ongoing completion of new hotels or refurbishment/upgrading of competing hotel properties can reduce the competitiveness of older or existing hotel properties. The success of a hotel, including any of the Secured Hospitality Properties, depends on, amongst others, its ability to compete in areas such as room rates, quality of accommodation, brand recognition, service level, convenience of location and the quality and scope of lobby areas and other amenities, including business center, gymnasium and F&B facilities. Competition is generally most intense in the immediate vicinity of a hotel's location where many hotels endeavour to offer similar prices, standards of service and facilities.

There can be no assurance that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or develop, significantly expand, or improve, facilities and branding in the market in which the Secured Hospitality Properties operate or in close proximity to their location. There may also be competition when new hotels competing in the same target market/segment are opened in the vicinity of the Secured Hospitality Properties. Occupancy rates, Average Daily Rates, F&B and MICE revenue are dependent on supply and demand forces in the hotel markets where the Secured Hospitality Properties operate. If there were to be an increase in the supply of hotel rooms that exceed increases in demand, it is likely that the Secured Hospitality Properties will experience lower occupancy rates or lower Average Daily Rates or both and lower F&B and MICE revenue, which would have an adverse effect on the operating performance of the Secured Hospitality Properties, the Lessees and SUNREIT. An inability to compete effectively could adversely affect the performance of the Secured Hospitality Properties and the Lessees, the value of the Secured Hospitality Properties and the financial condition of SUNREIT.

7.2.4 Risks relating to the Secured Office Properties

(a) The Secured Office Properties operate in a highly competitive environment

The office property market in Malaysia is highly competitive. SUNREIT competes for tenants with numerous developers, owners and operators of office properties, many of which own properties similar or newer to those of SUNREIT. An inability to compete effectively with existing and new players could reduce SUNREIT's total revenue and thus adversely affect SUNREIT's business, financial condition and results of operations.

(b) SUNREIT relies on SunCity for a substantial portion of its Gross Rental Income from the Secured Office Properties

For the month ended 31 March 2019, Sunway rented an aggregate of 20% of the Net Lettable Area of the Secured Office Properties and contributed 23% to the Gross Rental Income of the Secured Office Properties. Any adverse conditions with respect to Sunway and its business operations may have a material adverse effect on the business and financial conditions and the results of operations of SUNREIT.

7.2.5 General

(a) Forward Looking Statements

Certain statements, information, estimates and reports in this Information Memorandum are based on historical data, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the Issuer, and although the Board of Directors of the Issuer believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer or the Principal Adviser/Lead Arranger or other advisers, and there can be no assurance that the plans and objectives SUNREIT will be achieved. A deterioration in the financial condition of the Issuer or SUNREIT could adversely affect the market value of the CPs and the ability of the Issuer to make payments under the CPs when due, if at all.

(b) Political, Economy and Regulatory Considerations

Adverse developments in the political and economic conditions in Malaysia and other countries in the region could materially affect the financial prospects of the Issuer and SUNREIT. Political and economic uncertainties include risks of war, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates, changes to labour/food safety laws, methods of taxation and currency exchange controls.

Investors should note that whilst the Issuer and SUNREIT strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that adverse political and economic factors will not materially affect the Issuer and SUNREIT.

(c) Change of law

The issue of the CPs is based on Malaysian law, tax and administrative practices in effect at the date hereof and have due regard to the expected tax treatment of all relevant statutes under such law and practice. No assurance can be given that Malaysian law, tax or administrative practice will not change after the closing or that such changes will not adversely impact the structure of the transaction and the treatment of the CPs.

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SECTION 8.0

INDUSTRY OVERVIEW

8.1 Overview of the Economy

The Malaysian economy grew by 4.5% in the first quarter of 2019. Overall GDP growth was moderate at 4.5% in the first quarter of 2019 (4Q 2018: 4.7%), driven mainly by the expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.1% (4Q 2018: 1.3%).

Domestic demand expanded by 4.4% in the first quarter (4Q 2018: 5.7%), driven by firm household spending amid weaker capital expenditure. After three consecutive quarters of robust spending, private consumption growth moderated but remained strong at 7.6% (4Q 2018: 8.4%). This mainly reflected the normalisation in spending following the frontloading of purchases during the tax holiday period. Nonetheless, household spending continued to be supported by income and employment growth. Public consumption expanded at a faster pace of 6.3% (4Q 2018: 4.0%), attributable to higher growth in spending on supplies and services.

Gross fixed capital formation (GFCF) contracted by 3.5% (4Q 2018: 0.6%), weighed down by weaker private and public sector investment. By type of assets, investment in structures declined by 1.3% (4Q 2018: 1.3%) amid subdued property market activity. Capital expenditure on machinery and equipment registered a larger contraction of 7.4% (4Q 2018: -1.3%), affected mainly by a decline in transport equipment spending. Investment in other types of assets also declined by 2.2% (4Q 2018: 4.5%) due mainly to lower research and development (R&D) spending.

Private investment growth slowed to 0.4% (4Q 2018: 5.8%). Investment activity was affected by heightened uncertainty surrounding global trade negotiations and prevailing weaknesses in the broad property segment. Nevertheless, spending on large multi-year projects provided some support to investment growth, particularly in the primary-related manufacturing and utilities services sub-sectors. Public investment declined further by 13.2% (4Q 2018: -5.9%), on account of lower capital spending by the Federal Government and public corporations.

The services sector growth moderated as the wholesale and retail trade subsector registered slower growth following the post-tax holiday normalisation. However, this was partially offset by higher car sales following the release of new models. Growth in the finance and insurance subsector was sustained, supported by higher insurance premiums relative to claims which offset slower financing. The utilities subsector recorded an improvement given higher demand for electricity, particularly from households amid warmer weather conditions. The information and communication subsector remained supported by demand for data communication services.

Growth in the manufacturing sector moderated, mainly driven by the slowdown in the electronics and electrical (E&E) and primary-related clusters. The slower growth in the E&E cluster was due to lower global demand for semiconductors. The implementation of stricter vehicle emission standards in the EU and expiring tax rebates for cars in PR China weighed on demand for automotive semiconductors. Growth in the primary-related cluster also moderated as unplanned closure of gas facilities in Sarawak in February affected the production of refined petroleum products, particularly liquefied natural gas. Meanwhile, recovery in the production of palm-oil based products led to an improvement in the consumer-related cluster during the quarter.

The agriculture sector's growth rebounded due to the strong recovery in oil palm yields from the adverse weather last year. Additionally, natural rubber production improved as higher rubber prices spurred more tapping activities during the quarter.

Growth in the mining sector declined further as oil production was affected primarily by unplanned facility closures in Peninsular Malaysia and Sabah. Growth was also weighed by weaker natural gas production as operations were affected by unplanned closure of gas facilities in Sarawak.

The construction sector registered lower growth reflecting slower activities in the non-residential, civil engineering and special trade subsectors. The near completion of large petrochemical projects resulted in a lower growth for the civil engineering subsector. The special trade subsector's growth moderated due mainly to declining early works from transportation projects transitioning to mid-phase. In the non-residential and residential subsectors, growth remained weak due to the oversupply of commercial properties and a high number of unsold residential properties.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), declined to -0.3% in the first quarter of 2019 (4Q 2018: 0.3%). The decline was primarily due to lower domestic fuel prices, arising from the resumption of the managed float fuel pricing mechanism from 5 January 2019 amid lower global oil prices during the quarter. The lower price ceiling on RON95 petrol at RM2.08/ litre effective 2 March 2019 also helped contain the increase in domestic fuel prices in March. The negative inflation during the quarter was not broad-based, with 81% of consumer items not experiencing price declines.

Core inflation, excluding the impact of consumption tax policy changes, was unchanged at 1.6%. While the steady expansion in economic activity was supported by continued employment and income growth, demand-driven inflationary pressures in the economy remained contained in the absence of excessive wage pressure and some degree of spare capacity in the capital stock.

Labour market conditions remained supportive of economic activity. Employment continued to expand albeit at a more moderate pace of 2.2% (4Q 2018: 2.4%), amid stable unemployment rate (3.3%; 4Q 2018: 3.3%). Strong net employment gains were recorded in the services sector.

Manufacturing sector wage growth remained firm at 7.0% (4Q 2018: 9.8%). Wage growth in export-oriented industries (7.7%; 4Q 2018: 10.8%) continued to outpace that of domestic-oriented industries (5.2%; 4Q 2018: 6.6%).

(Source: Bank Negara Malaysia Quarterly Bulletin (First Quarter 2019))

Outlook

The outlook for the Malaysian economy remains resilient in the near term despite considerable external and domestic headwinds. Real GDP is projected to expand 4.8% and 4.9% in 2018 and 2019, respectively, supported mainly by domestic demand. Private sector expenditure, in particular, household spending will remain as the anchor of growth following a continuous increase in employment and wage amid benign inflation. Meanwhile, private investment will be supported by new and ongoing projects in the services and manufacturing sectors. On the contrary, public expenditure is expected to grow marginally in 2018 and contract in 2019 following the lower capital outlays by public corporations.

From the supply side, the services sector is expected to remain as the largest contributor, namely wholesale and retail trade, finance and insurance as well as information and communication subsectors, benefitting from steady consumer spending. The manufacturing sector is projected to register a firm growth primarily driven by continuous demand for E&E. agricultural and mining sectors are expected to rebound in 2019 after recording a marginal contraction in 2018 following an increase in the production of crude palm oil and liquefied natural gas. Meanwhile, the construction sector is expected to moderate following the near completion of infrastructure projects as well as property overhang, particularly in the non-residential segment.

Malaysia's external position is projected to remain resilient in line with steady global economic and trade performances. However, exports are expected to moderate mainly due to slower global trade and investment activities. At the same time, the current account surplus is expected to narrow following widening deficits in the services and income accounts.

(Source: Economic Outlook 2019, Ministry of Finance, Malaysia)

8.2 Overview of the Property Sector

Overview

The Malaysia economy expanded 4.9% in the first half 2018, as compared to 5.7% during the same period last year. Services and manufacturing sectors remained as the key players contributing to the GDP growth with a share of 55.3% and 23.6% respectively. The property market recorded a marginal decline in the first half of 2018 in line with a challenging economic and financial situation. A total of 149,889 transactions worth RM67.74 billion were recorded, each showing a decrease of 2.4% and 0.1% compared to the same period last year which recorded 153,526 transactions worth RM67.83 billion.

On the demand-side, mixed trends are also seen in the indicators of residential and non-residential property demand. The amount of loans applied for the purchase of residential property decreased by 3.1% as compared to H1 2017 while the approved loan fell by 0.2%. However, the situation differs for non-residential property where loans applied for and approved for this purpose indicate an increase of 14.2% and 6.6% respectively.

The Consumer Sentiment Index jumped 132.9 points, while the Business Conditions Index hit 116.3 points. The upsurge was due to anticipation of higher growth in jobs and wages, lower inflation and an increase in household disposable income with the zero-rated GST. The manufacturing sector grew 4.9% supported by electrical and electronic, petroleum, chemical, rubber and plastic products; as well as transport equipment. However, the agricultural sector declined 2.5% weighed down by lower production of crude palm oil (CPO) and rubber. Meanwhile, the construction sector increased 4.7% mainly led by civil engineering and special trade segments. However, growth of the residential and non-residential segments declined due to oversupply as well as completion of projects.

The leisure sub-sector is also less encouraging as the number of tourist arrivals to Malaysia in 2018 (January - April 2018) fell 3.4% from 8.78 million to 8.48 million in the same period of 2017 as reported by Tourism Malaysia.

Market activity recorded a total of 149,889 transactions valued at RM67.74 billion, down by 2.4% in the number and 0.1% in value compared to H1 2017. The residential sub-sector continued to lead the overall market, with a contribution of 62.8% and 46.7% in volume and value respectively. However, this sub-sector recorded a slight decrease of 0.8% and 3.6% in the number and value respectively. Commercial and industrial sub-sectors recorded upward movements in the volume, increased by 3.5% and 3.8% respectively.

Shopping Complex

Three shopping complex transactions worth RM160.20 million were recorded during the review period; each in Johor, Terengganu and Kelantan. The main transaction was Mydin Mall in Wakaf Tembesu which transacted at RM155.0 million in 2017 but concluded in 2018.

The retail sub-sector recorded stable performance though its average occupancy rate decreased slightly to 79.9% (H2 2017: 81.3%). The decline was due to negative take-up in two major states namely Kuala Lumpur (35,306 s.m.) and Selangor (56,387 s.m.). Although several other states such as Perak, Sarawak and Negeri Sembilan showed positive take-up, it was not enough to cover the overall reduction. The states' occupancy rate was still encouraging with nine states attaining rates above 80.0%. Perlis had full occupancy while the major states, Kuala Lumpur, Selangor and Johor each saw its occupancy rate declined marginally to 83.6% (H2 2017: 85.0%), 84.1% (H2 2017: 85.4%) and 74.2% (H2 2017: 79.9%) respectively. Pulau Pinang, however managed to secure 72.4% (H2 2017: 72.6%).

The vibrancy in construction activity was lesser in the review period where completed units until June 2018 declined by 47.8% to 200,313 s.m., while starts recorded 38,149 s.m., comprised Negeri Sembilan and Pahang compared to 288,791 s.m. in the same period of the previous year. Seven complexes made their debut in the first half. Among the main

ones: Shoppes @ Four Season Place in Jalan Ampang, EVO Mall in Bandar Baru Bangi, Amerin Mall in Balakong, Mydin Mutiara Rini in Johor Bahru, Country Garden Mall in Danga Bay, Falim Supermarket in Ipoh and Mydin Petra Jaya in Bako, Kuching.

As at end-June 2018, there were 15.7 million s.m. existing retail space from 1,001 shopping complexes. There are 51 other complexes (1.75 million s.m.) in the incoming supply and 29 complexes (1.31 million s.m.) in the planned supply. Selangor dominated the existing retail space with 144 shopping complexes offering 3.49 million s.m retail space.

Rentals of retail space in major states were stable for most shopping complexes. Suria KLCC sustained its prominence, fetching the highest rental range per month from RM271 p.s.m. to as high as RM2,055 p.s.m. at concourse floor. Sunway Velocity Mall, a new completed shopping complex recorded monthly rental between RM92 p.s.m. and RM323 p.s.m. for its ground floor to level four. In Johor, upward rental movements were recorded in selected complexes namely Watex Parade in Muar and Kip Mart Tampoi in Johor Bahru due to tenancy renewals and rental revisions. In Pulau Pinang, rental of some retail space in ground floor of Plaza Bukit Mertajam experienced rental downtrend due to building condition.

Purpose-Built Office

Nineteen office buildings transactions worth at RM485.47 million were recorded during the review period. Kuala Lumpur and Selangor each recorded six transactions, which included Wisma Megah in Jalan Tun HS Lee, Wisma UOA Pantai in Bangsar South and ECM Libra in Jalan Damansara Endah, which dated in 2017 but concluded in the review period. Other transactions were three in Pulau Pinang, two in Johor and each in Perak and Sabah.

The performance of purpose-built office showed a minimal decrease in occupancy to 82.8% (H2 2017: 83.3%). The take-up contracted (-5,101 s.m.) where Kuala Lumpur showed the largest drop of -68,543 s.m. Kuala Lumpur recorded only 79.4% occupancy, declined from H2 2017 (80.0%). Kedah recorded the highest take-up of 24,911s.m. In terms of performance, 14 states recorded more than 80.0% occupancy, of which Perlis retained its 100% occupancy.

Six new completed buildings offered a total space of 104,593 s.m., significantly lower than that recorded in the same period of the year (H1 2017: 252,336 s.m.). Starts showed a promising increase of 345,702 s.m. while new planned supply was only recorded in Kuala Lumpur with 340,861 s.m. Office buildings completed until June 2018 were as follows; IPD Brickfields, Bangsar, The Atmosphere of PJH, Putrajaya, Star Central, Cyberjaya, New Office of RISDA, Segamat, Kuantan Municipal Council Office, Kuantan, and Wisma Sego, Kuching. As at end-June 2018, there was a total of 21.62 million s.m. existing office space from 2,502 buildings, while another 68 buildings (2.48 million s.m.) in the incoming supply and 30 buildings (0.78 million s.m.) in the planned supply. Kuala Lumpur dominated all three categories of supplies.

The office rental market saw a stable performance with positive movements recorded in several building. In Kuala Lumpur, a double-digit growth was witnessed at Hampshire Place Office, Plaza Berjaya and Menara UOA Bangsar. Hampshire Place Office recorded the highest increase of 10.9% from RM62.43 p.s.m per month to RM69.97 p.s.m per month. In Selangor, rental of office buildings was generally stable. Office buildings in the city's transit hub or nearby received more demand and enjoyed higher rental rates. Damansara Uptown fetch a monthly rent between RM118 p.s.m to RM126 p.s.m. Wisma Consplant recorded RM62 p.s.m to RM70 p.s.m while Wisma UEP recorded a monthly rent of RM66 p.s.m. In Johor, marginal growth was seen in several office buildings namely Menara Landmark in Johor Bahru and Wisma Tiam Lock in Muar due to tenancy renewals and rental revisions. In Pulau Pinang, NB Tower, Wisma Sempilai and Wisma Ng Ah Yan recorded rental increase in several floor levels due to rental revisions.

Leisure Property

Nine hotel transactions were recorded in the review period worth RM523.27 million. Among the major sales were the Sunway Clio Hotel in Sunway City, Geo Hotel in Jalan Hang Kasturi and Nova Hotel Off Jalan Bukit Bintang, each at a consideration of RM340 million, RM85.5 million and RM93.9 million.

The hotel sub-sector recorded 10 new completed hotels (2,037 rooms), slightly lower than H1 2017 (2,372 rooms). Starts recorded a drop of 48.4% to 677 rooms compared to 1,313 rooms on H1 2017. The incoming supply and planned supply also showed a decline of 8.3% and 34.5% respectively. However, the new planned supply saw a promising increase of 1,526 rooms, an increase of 27.6% over H1 2017. As at end-June 2018, there were 3,182 hotels nationwide offering 254,214 rooms. Amongst the newly completed hotels in the first half year were Ramada (Meridin Hotel 'Suite' @ Medini), Johor Bahru, Hotel Sentral, Jempol, Hotel Palm Spring, Port Dickson, Hotel River View, Jempol, Hotel Grand Baron, Larut Matang, Riverside Majestic Hotel Astana Wing, Kuching, Hilton Garden Inn, Petaling, Hotel Mercu Zikay, Kuala Lumpur, Paragon Labuan Hotel, Labuan and Grand Zenith, Putrajaya.

(Source: Property Market Report, First Half 2018, Valuation and Property Services Department, Ministry of Finance Malaysia)

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SECTION 9.0

OTHER INFORMATION

9.1 Conflict of Interest

Save as disclosed below, the Principal Adviser/Lead Arranger, the Issuer and the REIT Trustee and the Trustees are not aware of any circumstances, which may potentially give rise to a conflict of interest in the CP Programme:

Public Investment Bank Berhad

Save as disclosed below, after making enquiries as were reasonable in the circumstances, PIVB is not aware of any circumstance that would give rise to a conflict of interest situation in its capacity as the Principal Adviser/Lead Arranger/Facility Agent/Security Agent in relation to the CP Programme:

Public Bank Berhad, a related company of PIVB is the underwriter for the CP Programme up to the Prevailing Commitment Limit based on the terms and conditions as agreed with the Issuer. PBB has also granted a revolving loan facility to the REIT Trustee.

In addition, Public Investment Bank Berhad and Public Bank Berhad are each holding twenty per cent (20%) shares respectively in PB Trustee Services Berhad, the trustee in relation to the CP Programme.

In view of the above, there is a potential conflict of interest situation arising from PIVB's role as the Principal Adviser/Lead Arranger/Facility Agent/Security Agent in relation to the CP Programme.

Public Investment Bank Berhad has considered the factors involved and it believes that objectivity and independence, in carrying out its role as the PA/LA, Facility Agent and Security Agent in relation to the CP Programme, have been and will be maintained at all times for the following reasons:-

1. Public Investment Bank Berhad is a licensed financial institution regulated by BNM and SC and governed under, inter alia, the Financial Services Act 2013 and the Capital Markets and Services Act 2007. The appointment of Public Investment Bank Berhad in its capacity as the PA/LA, Facility Agent and Security Agent in relation to the CP Programme is in its ordinary course of business;
2. the role of Public Investment Bank Berhad will be governed by the SC Guidelines, the Guidelines on Due Diligence Conduct for Corporate Proposals (effective 1 February 2008) issued by the SC and the relevant agreements and documentation which shall clearly set out the rights, duties and responsibilities of Public Investment Bank Berhad in its capacity as the PA/LA, Facility Agent and Security Agent in relation to the CP Programme;
3. Public Investment Bank Berhad is committed to upholding its professional integrity and responsibilities in relation to the CP Programme.

In order to further mitigate or address the potential conflict of interest situations described above, the following measures have been taken:-

- (a) the situations have been brought to the attention of the board of directors of the Issuer and it is hence fully aware of the same. Notwithstanding the potential conflict of interest situations, the board of directors of the Issuer is agreeable to proceed with the establishment of the CP Programme and the issuance of CPs thereunder based on the present arrangement and terms; and
- (b) a due diligence review pursuant to the CP Programme has been undertaken by professional and independent advisers.

PB Trustee Services Berhad

Save as disclosed below, after making enquiries as were reasonable in the circumstances, PB Trustee Services Berhad is not aware of any circumstance that would give rise to a conflict of interest situation in its capacity as the trustee in relation to the CP Programme:

Public Investment Bank Berhad and Public Bank Berhad are each holding twenty per cent (20%) shares respectively in PB Trustee Services Berhad. Public Bank Berhad is the underwriter for the CP Programme based on the terms and conditions as agreed with the Issuer.

However, PB Trustee Services Berhad meets the criteria of the Guidelines on allowing a person to be appointed or to act as a trustee under subsection 69(2) of the Securities Commission Act 1993 (Please note that subsection 69(2) of the Securities Commission Act has since been replaced with section 260(2) of the CMSA).

PB Trustee Services has considered the factors involved and it believes that objectivity and independence, in carrying out its role as the trustee in relation to the CP Programme, have been and will be maintained at all times for the following reasons:-

1. PB Trustee Services Berhad is a trust corporation duly qualified to act as trustee for the purpose of the Capital Markets and Services Act 2007 and the Trust Companies Act 1949. The appointment of PB Trustee Services Berhad in its capacity as the trustee in relation to the CP Programme is in its ordinary course of business;
2. the role of PB Trustee Services Berhad will be governed by the relevant agreements and documentation which shall clearly set out the rights, duties and responsibilities of PB Trustee Services Berhad in its capacity as the trustee in relation to the CP Programme; and
3. PB Trustee Services Berhad is committed to upholding its professional integrity and responsibilities in relation to the CP Programme.

In order to further mitigate or address the potential conflict of interest situations described above, the following measures have been taken:-

- (a) the situations have been brought to the attention of the board of directors of the Issuer and it is hence fully aware of the same. Notwithstanding the potential conflict of interest situations, the board of directors of the Issuer is agreeable to proceed with the establishment of the CP Programme and the issuance of CPs thereunder based on the present arrangement and terms; and
- (b) a due diligence review pursuant to the CP Programme has been undertaken by professional and independent adviser.

9.2 Material Contracts

Save as disclosed below, none of the Issuer, the REIT Trustee or the REIT Manager have entered into any contract which are or may be material within the past two (2) years preceding 31 March 2019:

9.2.1 The REIT Deed

On 18 September 2018, the REIT Manager and the REIT Trustee executed a supplementary amended and restated deed to the main REIT Deed dated 20 May 2010 and the supplementary deed dated 10 June 2010. The purpose of the supplementary amended and restated deed was to update the existing REIT to the

requirements of the REIT Guidelines and the new requirements of the Bursa Main Market Listing Requirements pertaining to real estate investment trusts. The supplementary amended and restated deed dated 18 September 2018 was registered by the Securities Commission on 20 September 2018. The effective date of the supplementary amended and restated deed is therefore 20 September 2018.

9.2.2 **Pari Passu Debt**

As at 31 March 2019, the security shall be shared on pari passu basis in terms of priority and security amongst the CP Programme and the following Pari Passu Debt:

- (a) a revolving financing facility of up to the maximum aggregate amount of United States Dollars One Hundred Million (US\$100,000,000) granted by HSBC Amanah Malaysia Berhad by a letter of offer dated 2 February 2018; and
- (b) all Unrated MTNs (as defined in the Security Agency and Sharing Agreement) issued under the medium term note programme of up to RM10.0 billion in nominal value established by SUNREIT Unrated Bond Berhad which is arranged by Affin Hwang Investment Bank Berhad.

9.2.3 **The Purpose-Built Campus**

On 24 December 2018, the REIT Trustee entered into a conditional sale and purchase agreement ("**SPA**") with Sunway Destiny Sdn Bhd ("**Vendor**"), a wholly-owned subsidiary of Sunway City Sdn Bhd ("**SunCity**"), which is in turn a wholly-owned subsidiary of Sunway Berhad ("**Sunway**"), for its proposed acquisition of the Purpose-Built Campus (as defined below) for a total purchase consideration of RM550 million to be entirely satisfied in cash (the "**Proposed Acquisition**").

The Proposed Acquisition entails the acquisition of 3 parcels of leasehold land held under H.S.(D) 118326 Lot No. PT 1905 ("**Land 1**"), H.S.(D) 118325 Lot No. PT 1904 ("**Land 2**") and H.S. (D) 118332 Lot No. PT 28 ("**Land 3**"), all in the town of Sunway, District of Petaling, State of Selangor (collectively, "**Lands**") together with buildings (including all fixtures and fittings, services infrastructure and systems located or used in the buildings) which comprise a 5-storey academic block along with a lower ground level, a 6-storey academic block along with a lower ground level, a 13-storey academic block together with a 2-storey basement car park, 4 blocks of 5-storey walk up hostel apartment (collectively, "**Buildings**"), and sports facilities which comprise a football field, basketball court, netball court and tennis court. The Lands, Buildings and sports facilities are collectively the "**Purpose-Built Campus**".

The Proposed Acquisition excludes the acquisition a 2-storey office administrative block, a 2-storey academic block along with a sub-basement level for education facilities, a 3-storey academic block, and a 3-storey academic block along with 1 1/2 sub-basement level for housing an international school (collectively, "**Excluded Buildings**").

The Excluded Buildings are erected on a portion of Land 2 and a portion of Land 3 ("**Leased Lands**"). The Vendor has leased the Leased Lands to Sunway Education Group Sdn Bhd and granted them full permission to occupy and construct the Excluded Buildings.

The Purpose-Built Campus is sold on an "as is where is" basis and free from encumbrances (save for the Vendor's existing charge, which will be discharged upon completion), with legal possession, and that all the rights, benefits, interest, obligations and liabilities of the Vendor pursuant to the lease agreements are novated to the REIT Trustee following the terms and conditions stipulated in agreed forms of novation agreements to be signed simultaneously with the

execution of the SPA and deposited in escrow with the REIT Trustees' solicitors to be dated on completion date, subject to all applicable valid and subsisting licenses, certifications and permits affecting the Purpose-Built Campus.

The completion of the SPA took place on 15 April 2019. The novation agreements for the respective lease agreements between the Vendor, the REIT Trustee and the respective lessees was effective on 15 April 2019.

9.2.4 Property Development

On 27 February 2018, the REIT Manager has, pursuant to the authority given by the REIT Trustee, awarded Sunway Construction Sdn Bhd ("**SunCon**"), a wholly-owned subsidiary of Sunway Construction Group Berhad ("**SunCon Group**") as project delivery partner ("**PDP**"), an award with the provisional contract sum of RM274 million for the planning, coordination, construction and completion of the proposed expansion of Sunway Carnival Shopping Mall on Lot No. 5493, 5497, 5498, 5499 and PT 5044 (also referred to as Lot 10299), Jalan Todak 1, Pusat Bandar Seberang Jaya, Seberang Perai Tengah, Pulau Pinang ("**Award**").

On 20 July 2018, the REIT Manager has, pursuant to the authority given by the REIT Trustee, issued a supplemental letter of award to SunCon in respect of the project whereby both parties have mutually agreed that the provisional contract sum for the Award be revised from RM274 million to RM286 million arising from the additional scope of works to further enhance the design of the external façade of the building, civil and infrastructure works and other related works and services.

9.2.5 Sunway Clio Property

The sale and purchase agreement dated 3 August 2017 was entered into between the REIT Trustee and Sunway Forum Hotel Sdn Bhd, a wholly-owned subsidiary of Sunway Berhad, for the proposed acquisition of a parcel of leasehold land held under H.S. (D) 259881, Lot No. PT 1333, Bandar Sunway, District of Petaling, Selangor Darul Ehsan together with a 27-storey building with a lower ground floor (and all services infrastructure, fixtures and fittings affixed or located or used in the property) comprising:

- (i) a 19-storey 4-star rated hotel with 401 hotel rooms and facilities including a swimming pool, an exercise area, a dining area and meeting rooms known as Sunway Clio Hotel ("**Hotel Property**");
- (ii) 3-storey (including 1 storey at lower ground floor) retail lots known as Sunway Pyramid West ("**Retail Space**");
- (iii) a 6-storey podium car park and 4-storey basement car park (collectively, "**Multi-storey Car Park**"),

collectively, the "**Sunway Clio Property**".

The Sunway Clio Property is located at Jalan PJS 11/15, Bandar Sunway, 47500 Subang Jaya and is strategically located within Sunway City, a 324-hectare (800-acre) "Resort-within-a City" integrated development. Sunway City is also a renowned self-contained township which showcases the best of education, entertainment, recreation, leisure, shopping, medical, hospitality and commercial facilities. The acquisition of Sunway Clio Property was made with a total purchase consideration of RM340 million to be entirely satisfied in cash ("**Acquisition**").

The completion of the Proposed Acquisition was on 9 February 2018.

Concurrently with the sale and purchase agreement, a hotel lease agreement was entered into between the REIT Trustee, REIT Manager and Sunway Resort Hotel Sdn Bhd for the lease of the Hotel Property for an initial term of 10 years commencing from 10 February 2018 with an option to renew for a further term of

10 years. Additionally, a car park tenancy agreement was entered into on 3 August 2017 between the Trustee and Sunway Leisure Sdn Bhd for the tenancy of the Multi-Storey Car Park for a period of 3 years from 10 August 2017 with an option to renew for a further term of 3 years.

9.2.6 Perpetual Note Programme

SUNREIT Perpetual Bond Berhad ("**SPBB**"), a special purpose vehicle whose shares are held by the REIT Trustee, had on 21 March 2019, lodged with SC the required information and documents relating to the establishment of a perpetual note programme of RM10.0 billion ("**Perpetual Note Programme**"). The first issuance of the notes under the Perpetual Note Programme shall be within 60 business days from the date of lodgement.

The perpetual securities constitute direct, unsecured and subordinated obligations of SPBB and shall rank pari passu without any preference amongst themselves and will be issued with a perpetual tenure that does not have a fixed maturity date.

The perpetual securities to be issued under the Perpetual Note Programme may be rated or unrated which shall be determined prior to each issuance and shall be transferable and tradable.

9.3 Material Litigation

High Court suit no. 22NCVC-523-09/2015

On 28 September 2015, Metroplex Holdings Sdn Bhd ("**Plaintiff**") commenced an action against RHB Trustees Berhad as Trustee for SUNREIT ("**REIT Trustee**") and Sunway REIT Management Sdn Bhd, as manager for SUNREIT ("**REIT Manager**") and a striking out application was instituted by the REIT Manager to strike out the writ summons and statement of claim.

The High Court of Malaya had on 31 March 2016, dismissed the striking out application dated 24 November 2015 filed by the Plaintiff claiming for various chattels and movable items (e.g. furniture and office equipment, decorations, cutlery, kitchen equipment, bar equipment, concierge and reception tables, blinds and curtains) which were allegedly acquired and owned by the Plaintiff but not removed by the Plaintiff when the REIT Manager took possession of the hotel at Sunway Putra on 27 September 2011.

The striking out application was filed by the REIT Manager on the grounds that the claim by the Plaintiff was scandalous, frivolous or vexatious and/or an abuse of the process of the court. The Learned High Court Judge dismissed the REIT Manager's application on the grounds that there are triable issues in the pleadings and that the Plaintiff should be given an opportunity to prove its claim.

The trial took place on 5 June 2017 and 6 June 2017. The decision was delivered on 3 November 2017, in favour of the Plaintiff. The REIT Trustee and REIT Manager have on 6 November 2017, filed an appeal to the Court of Appeal against the decision delivered by the High Court Judge on 3 November 2017. An application for the stay of proceedings will be filed, if required, pending the outcome of the appeal.

The High Court had allowed the Plaintiff's claim on liability on 3 November 2017 and ordered damages to be assessed. The assessment of damages were withdrawn by the Plaintiff with the liberty to file afresh.

Court of Appeal Civil Appeal No. W-02-(NCVC)(W)-2284-11/2017

In relation to the matter above, the REIT Trustee and the REIT Manager made an appeal to the Court of Appeal. The appeal was heard on 3 September 2018 and on 22 January 2019. The Court of Appeal unanimously allowed the appeal of the REIT Trustee and the REIT Manager and set aside the High Court's decision. The Court of Appeal awarded costs of RM50,000 to the REIT Trustee and the REIT Manager.

Federal Court Case No. 08(f)-53-02/2019

The Plaintiff served a sealed Notice of Motion dated 20 February 2019 for leave to appeal to the Federal Court on the solicitors for the REIT Trustee and the REIT Manager on 21 February 2019. The Plaintiff is seeking leave to appeal against the decision of the Court of Appeal on 22 January 2019. The hearing is fixed on 28 August 2019.

9.4 Material contingent liabilities

None.

9.5 Conviction and Offences

None of the Issuer or its board members have been convicted or charged with any offence under the securities laws, corporations laws or other laws involving fraud or dishonesty in a court of law, for the last five (5) years prior to the date of this Information Memorandum.

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