

Other Operating Expenses

Other operating expenses are assumed to be consistent for the Forecast Year 2013 and Forecast Year 2014 based on historical expenses. Other operating expenses, among others, include property management fee which is assumed to be RM0.1 million per annum for the Forecast Year 2013 and Forecast Year 2014.

Profit Income

Profit Income relates to profit earned from the placement of excess cash in Islamic deposits. Profit Income on Islamic deposits is computed on monthly basis at a profit rate of 3% per annum.

Management Fee

For the Forecast Year 2013 and the Forecast Year 2014, the Management Fee will be computed based on the following:

- (a) base fee: 0.3% per annum of the Total Asset Value of KLCC REIT (excluding cash and bank balances); and
- (b) performance fee of 3% per annum of the Net Property Income of KLCC REIT.

Total Asset Value of KLCC REIT assumed to be RM8.8 billion throughout the financial years ending 31 December 2013 and 2014.

Trustee's Fee

The trustee fee is assumed to be RM0.6 million per annum throughout the Forecast Year 2013 and Forecast Year 2014.

Fair Value Adjustment

For the Forecast Year 2013 and Forecast Year 2014, it is assumed that the fair value of investment properties of KLCC REIT remains unchanged from its fair value as at 1 October 2012 as the future market value cannot be reliably measured, resulting in no fair value gain or loss.

Financing Costs

Included in financing costs are interest/profit for borrowings/financing and fair value accretion of financial instruments. Interest/profit for borrowings/financing is assumed to be incurred based on the financing agreements.

Taxation

KLCC REIT is assumed to distribute 95% of its distributable income for the Forecast Year 2013 and Forecast Year 2014 respectively which is expected to be more than 90% of its total income as defined under the Income Tax Act, and therefore be tax exempted pursuant to Section 61A of the Income Tax Act.

Other REIT Expenses

Other REIT expenses include auditor's fee, valuation fee, professional fees, Shariah Adviser's fee, annual listing fee, tax consultant's fees and general expenses that are directly related to and necessary for the administration of KLCC REIT and all other expenses related to KLCC REIT as provided for in the Deed.

General Assumptions

- (a) There will be no significant changes in the assets portfolio and structure of KLCC REIT.
- (b) There will be no significant changes in the principal activities of KLCC REIT.
- (c) There will be no change in the prevailing inflation rate, property expenses, the financing costs and trust expenses of KLCC REIT other than that forecast.
- (d) There will be no major changes in KLCC REIT's operations that will adversely affect the performance of KLCC REIT.
- (e) There will not be any significant changes in tax laws that will affect KLCC REIT. Goods and services tax will not be implemented during the forecast years.
- (f) There will be no material changes in the present legislation or government regulations, lending guidelines and other operating guidelines and regulations that will adversely affect the principal activities of KLCC REIT.
- (g) There will be no significant changes to the prevailing Malaysian and global economic and political conditions which will adversely affect the activities or performance of KLCC REIT.
- (h) There will be no major disruption in the operations and there will be no other events and abnormal factors including war, terrorism attacks, epidemic outbreak or natural disaster which will adversely affect the operation of KLCC REIT.
- (i) There will be no major industrial disputes or any other abnormal factors or changes that will significantly affect KLCC REIT's operation or rental rate or disrupt its planned operations.
- (j) KLCC REIT will not be engaged in any material litigation and there will be no legal proceedings which will adversely affect its activities or performance or give rise to any additional contingent liabilities, which will materially affect its business.
- (k) There will be no significant changes in the Malaysian FRS issued by Malaysian Accounting Standards Board or other financial reporting requirements that may have a material effect on the profit forecasts.
- (l) There will be no significant changes in the terms and conditions of material contracts and agreements, including but not limited to, the SPAs, the Deed, the lease agreements and the property management agreement.

4.3 SENSITIVITY ANALYSIS

The profit forecasts for KLCCP Stapled Group and KLCC REIT included in this Prospectus are based on a number of assumptions as outlined in Section 4.1.5.2 of this Prospectus entitled "Bases and assumptions" and Section 4.2.5.3 of this Prospectus entitled "Bases and assumptions".

Shareholders should be aware that the bases and assumptions are inherently subject to significant business, economic and competitive uncertainties and contingencies, which are beyond the Company and the Manager's control.

However, as a significant portion of rental contribution are derived from long term triple net leases from high quality tenants with rental rates locked in for the duration of the forecast years, the Company and the Manager does not expect the profit forecasts to be sensitive to variations in occupancy rates, rental rates, operating expenses.

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5. RISK FACTORS

An investment in the Stapled Securities involves risk. Shareholders should rely on their own evaluation and carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus.

This Prospectus contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results of the KLCCP Stapled Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Prospectus. If any of the risks described herein actually occur, the KLCCP Stapled Group's business, prospects, financial condition, results of operations and ability to make distributions could be negatively affected and the trading price of the Stapled Securities could decline.

Unless specified or quantified in the relevant risk factors set out herein, neither the Manager nor the Company is in a position to quantify the financial or other implication of any of the risks described in this section. In addition, the following risk factors may not be exhaustive and additional risks and uncertainties not presently known to the KLCCP Stapled Group, the Manager or the Company, or which are currently deemed to be immaterial may become material in the future, which would have a material adverse effect on the KLCCP Stapled Group or the trading price of the Stapled Securities.

Shareholders should be aware that the trading price of the Stapled Securities may fluctuate.

The risks disclosed in this Section are not exhaustive and are primarily on the risks of investing in the Stapled Securities and the risks relating to the investment portfolio of KLCC REIT. Additional risks and uncertainties, whether known or unknown, may in the future have a material and adverse effect on the Stapled Securities and/or investment portfolio of KLCC REIT. Risks on the business and operations of the KLCCP Stapled Group have not been disclosed on the premise that the business and operations of the KLCCP Stapled Group is essentially the business and operations of the KLCCP Group prior to the implementation of the Pre-Listing Restructuring.

5.1 RISKS RELATING TO THE INVESTMENT PORTFOLIO OF KLCC REIT AND THE SUBJECT PROPERTIES BEING HELD UNDER A REIT

5.1.1 Property investment risk

Property investments are subject to varying degrees of risk. The returns available from such investments depend largely on the amount of income earned and capital appreciation generated by the properties. If the properties do not generate sufficient revenue to meet operating expenses, including debt service and capital expenditure, the ability to make distributions to shareholders will be adversely affected. The revenues and values of property investment projects may be adversely affected by a number of factors, including: international, regional and local economic climate; local real estate conditions; perceptions by businesses, retailers or shoppers of the attractiveness of the development projects; competition from other available properties; changes in market rates for comparable sales and rental; the inability to collect rent due to bankruptcy or insolvency of tenants or otherwise; the need of periodical repair and re-let space and the costs thereof and, as the properties get older, the need to undertake major renovations that necessitate capital expenditure and that may result in loss

of income during the period of renovation; casualty losses due to fire, floods and other natural and man-made disasters; the ability of an owner to provide adequate maintenance and insurance; and increased operating costs.

Property investments are also affected by such factors as changes in interest rates; the availability of funds; changes in government regulations; changes in tax laws or rates; and potential environmental or other legal liabilities. Certain significant expenditure associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) generally are not reduced when circumstances cause a reduction in revenue from the investment.

Nevertheless, PETRONAS Twin Towers and the Office Tower of Menara 3 PETRONAS are currently leased to PETRONAS on a triple net lease basis whereby the lessee, PETRONAS, in addition to paying rent, also pays and is responsible for all expenses for fit-out costs, taxes, insurance and maintenance. Effectively, KLCC REIT, mainly incurs interest expense for loans taken in relation to the said Subject Properties. This helps mitigate several of the property investment risks as mentioned above.

5.1.2 Oversupply in the local office sector and cyclical property market conditions

Upon Listing, KLCC REIT's investment portfolio will comprise mainly of office buildings. As such, the financial performance and value of KLCC REIT may be adversely affected by the local office sector market condition particularly in the KLCC area, such as oversupply of offices of similar grade, or demand for office space in the vicinity. The ability of KLCC REIT to maintain or increase rental revenue will also be dependent on market conditions at the time of lease/tenancy renewal or rent review and the availability of space and rental terms of comparable properties.

Nevertheless, the Subject Properties have an advantage over other comparable properties by virtue of its location within the KLCC Development which provides its lessees/tenants accessibility to entertainment, shopping, hotel and residential facilities, all designed within a park setting. The KLCC park, covering approximately 50.00% of KLCC, offers the entire KLCC Development a more balanced environment, which is not found elsewhere in Kuala Lumpur. As a result, the Subject Properties command rentals generally higher than other offices of similar grade within the vicinity.

Moreover, PETRONAS Twin Towers and the Office Tower of Menara 3 PETRONAS are currently leased to PETRONAS on a triple net lease basis whereby the leases are for a 15 years period, while Menara Exxonmobil is leased for a five year period. With such long term leases in place, such risk is, to a large extent, mitigated.

5.1.3 Dependency on major lease renewals

The two major lessees of the Subject Properties, namely, PETRONAS and ExxonMobil, accounted for approximately 93.70% of the total revenue from the Subject Properties for FY 31 December 2012. Hence, KLCC REIT's future revenue is dependent, to a certain extent, on the continuous renewals of the lease agreements with these major lessees, with favourable leases adjustments.

Leases in Malaysia are typically entered into for a period of three years or more for office space. However, the leases entered into in respect of the Subject Properties are long-term leases - 15 years each in respect of PETRONAS Twin Towers and the Office Tower of Menara 3 PETRONAS and five years in respect of Menara ExxonMobil. With such long term leases in place, such risk is, to a large extent, mitigated.

5.1.4 The loss of key tenants/lessees of the Subject Properties, a downturn in the businesses of the Subject Properties' key tenants/lessees or any breach by the tenants/lessees of their obligations under their tenancy/lease agreements may have a material adverse effect on the financial conditions and results of operations of KLCC REIT

KLCC REIT's financial condition and results of operations and ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of the tenants/lessees of the Subject Properties, as well as the decision by one or more of these tenants/lessees not to renew its tenancy/lease. New tenants/lessees on the same terms (or no less favourable terms) may not be found in time or at all.

Further, in the event that any key tenants/lessees of the Subject Properties are unable to pay their rent or breach their obligations under the tenancy/lease agreements, KLCC REIT's financial condition and results of operations and ability to make distributions may be adversely affected. The performance of the key tenants'/lessees' other businesses could also have an impact on their ability to make rental payments to KLCC REIT. The departure of key tenants/lessees could also impact the interests of potential and existing tenants/lessees in the Subject Properties as well.

Factors that affect the ability of such key tenants/lessees to meet their obligations include, but are not limited to:

- (a) general economic conditions;
- (b) their operating results;
- (c) the local economies in which they have business operations; and
- (d) the ability of such key tenants/lessees to compete with their competitors.

5.1.5 The Subject Properties may require significant capital expenditure beyond the Manager's current estimate and KLCC REIT may not be able to secure funding

The Subject Properties may require significant capital expenditure beyond the Manager's current estimate. KLCC REIT may not be able to fund capital improvements solely from cash derived from its operating activities or obtain additional equity or debt financing on favourable terms or at all. If KLCC REIT is not able to procure such financing, the Manager may be unable to refurbish, renovate or improve the Subject Properties which may adversely affect rental negotiations and rental rates. KLCC REIT may also require additional debt and equity financing to fund future expansion, operational needs and debt service payments. Without the required funding, KLCC REIT may not be able to sufficiently fund capital improvements, carry out its operations effectively or respond to competitive pressures.

Nevertheless, PETRONAS Twin Towers and the Officer Tower of Menara 3 PETRONAS are currently leased to PETRONAS on a triple net lease basis whereby the lessee, PETRONAS, is responsible for, amongst others, expenses for fit-out costs and maintenance. This helps mitigate the abovementioned risk.

5.1.6 Transportation infrastructure near the Subject Properties may be redirected, relocated and/or terminated

There is no assurance that the existing transportation infrastructure and public transport services around the Subject Properties will not be redirected, relocated and/or terminated. If the current infrastructure is redirected, relocated and/or terminated, it may have an adverse effect on the accessibility of the Subject Properties. This may then have an adverse effect on the demand, appeal and the rental rates for the Subject Properties and have an adverse effect on the financial condition and results of operations of KLCC REIT.

5.1.7 Save for PETRONAS Twin Towers and the Office Tower of Menara 3 PETRONAS, the Subject Properties might be adversely affected if the Manager and the Property Manager do not provide adequate management and maintenance

Save for PETRONAS Twin Towers and the Office Tower of Menara 3 PETRONAS wherein the Property Manager's scope of services is reduced to a supervisory role over PETRONAS to ensure that PETRONAS carries out the relevant services satisfactorily and in accordance with the PETRONAS Twin Towers Lease and Menara 3 PETRONAS (Office Tower) Lease, should the Manager and the Property Manager fail to provide adequate management and maintenance, the value of the Subject Properties might be adversely affected and this may result in the loss of tenants/lessees or lower rental rates, which will adversely affect the financial condition of KLCC REIT and its ability to make distributions to Unitholders.

5.1.8 KLCC REIT may suffer material losses in excess of takaful/insurance proceeds or KLCC REIT may not put in place or maintain adequate takaful/insurance in relation to the Subject Properties and its potential liabilities to third parties

The Subject Properties may face the risk of suffering physical damage caused by fire, acts of God such as natural disasters or other causes, as well as potential public liability claims from shoppers, contractors and tenants/lessees.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other damages caused by breaches of environmental law) may be uninsurable or the cost of takaful/insurance may be prohibitive when compared to the risk.

Should an uninsured loss or a loss in excess of insured amounts occur, KLCC REIT could be required to pay compensation and/or lose capital invested in the affected Subject Property as well as anticipated future revenue from that Subject Property as it may not be able to rent out or sell the affected property. No assurance can be given that material losses in excess of takaful/insurance proceeds (if any) will not occur.

In addition, the takaful/insurance policies and terms of coverage will be subject to renewal 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 takaful/insurance rates or decrease in available coverage in the future will adversely affect KLCC REIT's business, results of operations and financial condition.

5.1.9 The appraised values of the Subject Properties are based on various assumptions which may or may not materialise; the price at which KLCC REIT is able to sell the Subject Properties in future may be lower than the acquisition value of the Subject Properties

There can be no assurance that the assumptions relied on to derive the appraised values of the Subject Properties are accurate measures of the market, and the said values of the Subject Properties may be evaluated inaccurately. Property valuation in general involves using assumptions, estimates, subjective parameters and/or close proxies. The Independent Property Valuer may have included a subjective determination of certain factors relating to the Subject Properties such as their relative market positions, financial and competitive strengths, and physical condition. The Independent Property Valuer may also have taken into account external factors such as demand and supply, general economic conditions and interest rates.

The valuation of any of the Subject Properties does not guarantee a sale price at that value at present or in the future as values might change and are subject to market conditions as well. The price at which KLCC REIT may sell any of the Subject Properties may be lower than the appraised value or its purchase consideration.

5.1.10 KLCC REIT is dependent on third parties for certain services

Certain services to the Subject Properties, for example, water, electricity, liquefied petroleum gas and sewerage treatment may be provided by third party service providers or may not be located within the Subject Properties. There is no assurance that the third parties or other parties contracted by the third parties will fulfil their obligations under any contracts of service. KLCC REIT is also dependent on the Property Manager for providing retail consultancy services, property management services, financial management services, letting and tenancy management services and property promotion services. Any interruption to such services to the Subject Properties may disrupt business operations and have a material adverse effect on KLCC REIT's business, financial condition, results of operations and prospects.

5.1.11 The Subject Properties or any part of them may be acquired compulsorily

Under Section 3 of the Land Acquisition Act 1960, the State Authority has the power to acquire any land, whether in whole or in part, which is needed:

- (a) for any public purpose;
- (b) by any person or corporation for any purpose which, in the opinion of the State Authority, is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or
- (c) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. The market value of the Subject Properties as determined by the State Authority may be lower than the market value as determined by any independent property valuer appointed by KLCC REIT. Or, if any of the Subject Properties were acquired compulsorily by the State Authority at a point in time when the market value of the Subject Properties has decreased, the level of compensation paid to KLCC REIT may be less than the price which KLCC REIT paid for the Subject Properties, which may have an adverse effect on the trading price of the Stapled

Securities and KLCC REIT's business, financial condition, results of operations and prospects. If the compulsory acquisition concerned a material section of the Subject Properties such as office and retail space, car park areas and/or access areas to the Subject Properties, the business and operation of the Subject Properties may be adversely affected thereby resulting in a reduction of Total Revenue and the market value of the Subject Properties.

5.1.12 Unitholders may be unable to recover claims brought against the Manager as the Manager is not an entity with significant assets

Unitholders may in future have claims against the Manager in connection with the carrying on of its duties as manager of KLCC REIT.

Under the terms of the Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as manager of KLCC REIT unless occasioned by fraud, negligence, wilful default or breach of the Deed by the Manager. In the event of any such fraud, negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim.

5.1.13 Performance of the Subject Properties may be adversely affected should the Trustee and Manager subsequently fail to co-operate with one another

There is a risk that the performance of the Subject Properties may be adversely affected should the Trustee and Manager subsequently fail to co-operate with one another on the control and management of the Subject Properties. However, this may not occur if the Subject Properties were to remain under the KLCCP Group as the Subject Properties will be controlled and managed by a single person, i.e. management.

5.1.14 KLCC REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations

KLCC REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager, which include the licenced personnel under the CMSA. These key personnel may leave the employment of the Manager. If the above were to occur, the Manager will need to spend time searching for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on KLCC REIT's financial condition and the results of operations. Any loss involving the Manager's licenced personnel may result in the Manager losing its Capital Market Services Licence ("CMSL"). One of the requirements of the CMSL is to have at least two licenced personnel, one of which must be a director of the Manager.

5.1.15 The removal of the Manager could have an adverse effect on KLCC REIT's financial condition and results of operations

There is no assurance that the Manager will remain the management company of KLCC REIT. In the event that the Manager ceases to be eligible to act as a REIT manager under the CMSA or is removed pursuant to the Deed or the Relevant Laws and Requirements, KLCC REIT may need to appoint another manager, which may materially and adversely affect KLCC REIT's financial condition and results of operations. The removal of the Manager will also lead to KLCC REIT losing the right of first refusal to be granted by KLCCCH to KLCC REIT over its property assets.

5.2 RISKS RELATING TO THE STAPLED SECURITIES

5.2.1 The structure involving the listing of the KLCCP Stapled Group and the Stapled Securities is novel and there is no precedent for it in the Malaysian capital market. Despite considerable efforts having been made to afford Holders the level of investor protection equivalent to those enjoyed by shareholders of companies or unitholders of REITs listed on the Main Market of Bursa Securities, the application of the relevant investor protection legislation to the Stapled Securities structure is subject to the interpretation of the courts

While considerable efforts have been made to afford Holders levels of investor protection equivalent to those applicable to shareholders of companies and unitholders of REITs listed on the Main Market of Bursa Securities, the application of the relevant investor protection legislation to the Stapled Securities structure is subject to the interpretation of the courts. To mitigate this risk, the Stapled Securities (and thereby, the KLCCP Stapled Group, the Company, the Trustee and the KLCC REIT) will be governed by the highest common denomination currently provided to REIT unitholders and shareholders of companies listed on Bursa Securities under existing laws including the Act, the CMSA, the Listing Requirements, the REIT Guidelines and the Islamic REIT Guidelines.

5.2.2 Given that the listing of the stapled structure involving KLCC REIT, the Company and the Stapled Securities is novel, the KLCCP Stapled Group may be affected by the introduction of any new legislation, regulations, guidelines or directives affecting it

As the listing of the stapled structure involving KLCC REIT, the Company and the Stapled Securities is novel, there is no assurance that the introduction of any new legislation, regulations, guidelines or directives affecting the KLCCP Stapled Group, KLCC REIT and/or the Company will not adversely affect the financial condition and results of operations of the KLCCP Stapled Group, KLCC REIT, the Company, and/or an investment by Shareholders or the Holders.

5.2.3 The Stapled Securities have never been publicly traded and the listing of the Stapled Securities on the Main Market of Bursa Securities may not result in an active or liquid market for the Stapled Securities

The stapled structure is unprecedented in Malaysia and prior to the Listing, there is no public market for the Stapled Securities and an active public market for the Stapled Securities may not develop or be sustained after the Listing. The approval from Bursa Securities for the listing of and quotation for the Stapled Securities on the Main Market of Bursa Securities has been received. However, the listing and quotation does not guarantee (a) that a trading market for the Stapled Securities will develop or (b) if a market does develop, the liquidity of that market for the Stapled Securities. As such, prospective Holders must be prepared to hold their Stapled Securities for an indefinite length of time.

Further it may be difficult to assess the KLCCP Stapled Group's performance against domestic benchmarks as there is no domestic benchmark for stapled securities as at the date of this Prospectus, the Stapled Securities being the first of its kind in the domestic market. The unprecedented stapled structure in Malaysia could lead to a lack of liquidity for the Stapled Securities and a general lack of investor demand for it. There can be no assurance that an active market for the stapled securities will develop in Malaysia.

5.2.4 The market price of the Stapled Securities may decline after the Listing

Post Listing, the Stapled Securities may trade at prices significantly below the price of the Stapled Securities at the time of Listing. The trading price of the Stapled Securities will depend on many factors, including:

- the perceived prospects of the business and investments of the KLCCP Stapled Group and the real estate market in Malaysia;
- changes in analysts' recommendations or projections, if any;
- changes in general economic or market conditions and specifically, in the real estate market;
- the market value of the KLCCP Stapled Group's assets;
- the perceived attractiveness of the Stapled Securities against those of other equity, units in other REIT, or debt securities, including those not in the real estate sector;
- the number of buyers and sellers of the Stapled Securities;
- the future size and liquidity of the market;
- any changes to the regulatory system, including the tax system, in relation to companies and REITs;
- the ability on the part of the KLCCP Stapled Group to implement successfully its investment and growth strategies; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

For these reasons, amongst others, the Stapled Securities may trade at prices higher or lower than the NAV per Stapled Security. To the extent that the KLCCP Stapled Group retains operating cash flow for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Stapled Securities. Any failure on the part of the KLCCP Stapled Group to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Stapled Securities.

In addition, the Stapled Securities are not capital-safe products. There is no guarantee that Holders can realise a higher amount or even the principal amount of their investment. If KLCC REIT, the Company or the KLCCP Stapled Group is terminated or liquidated, it is possible that Shareholders may lose all or a part of their investments in the Stapled Securities.

5.2.5 The KLCCP Stapled Group may not be able to make distributions to Holders at all or the level of distributions may fall

If the KLCCP Stapled Group's businesses do not generate sufficient profits, the KLCCP Stapled Group's cash flow and its ability to make distributions will be adversely affected.

Distributions to the Holders will comprise dividends from the Company and/or distributions from KLCC REIT. There can be no assurance that the Company and KLCC REIT will have sufficient distributable profits or other distributable reserves in any future period to make dividends, distributions or any other payments to the Holders. The ability of the KLCCP Stapled Group to make distributions may be affected by a number of factors including, amongst others:

- the KLCCP Stapled Group's businesses and respective financial positions;
- insufficient cash flows received from assets held by the KLCCP Stapled Group;

- applicable laws and regulations which may restrict the payment of dividends and other distributions by the Company and/or the KLCC REIT;
- losses incurred by the KLCCP Stapled Group in any financial year; and
- fund requirements with reference to the prevailing business environment and operations, expansion plans, other capital management considerations, the overall stability of distributions and prevailing industry practice.

No assurance can be given to the KLCCP Stapled Group's ability to pay or maintain distributions in respect of the Stapled Securities or that the level of distributions will increase over time.

5.2.6 The performance of the Company and/or KLCC REIT may be affected if either or both over-distribute

In determining the distribution policy of the KLCCP Stapled Group, considerations have been made in respect of the cash flow position and debt headroom of the Company and KLCC REIT. Notwithstanding this, distributions made by the Company and KLCC REIT may adversely affect the ability of the Company and/or KLCC REIT to fund unexpected capital expenditures which may result in having an adverse effect on the business development of the Company and/or KLCC REIT and may potentially constrain the ability of the Company and/or KLCC REIT to make interest and principal repayments on any of their financing outstanding at the time. As a result, the Company and/or KLCC REIT may be required to obtain new financing or raise capital by issuing equity securities on terms which may not be favourable to the Company and/or KLCC REIT or the Company and/or KLCC REIT may not be able to obtain any new financing or raise capital by issuing equity securities. In addition, such new financing may also impose covenants restricting the ability of the Company and/or KLCC REIT from making distributions.

5.2.7 The actual performance of the Company, KLCC REIT and the KLCCP Stapled Group could differ materially from the forward-looking statements in this Prospectus

This Prospectus contains forward-looking statements regarding, amongst others, forecast and projected distribution/yield levels for the Forecast Year 2013 and the Forecast Year 2014. These forward-looking statements are based on a number of assumptions which are deemed to be reasonable as at the date of this Prospectus and subject to uncertainties and contingencies which are outside of the control of the KLCCP Stapled Group. As the actual results may differ materially from the forecasts, Shareholders are advised to read and understand the assumptions underlying the profit forecasts as set out in Section 4.1.5.2 of this Prospectus entitled "Bases and assumptions" and Section 4.2.5.3 of this Prospectus entitled "Bases and assumptions". KLCCP Stapled Group's ability to achieve the forecast and projected distributions / yields is subject to events and circumstances assumed which may not occur as expected, or events and circumstances not anticipated which may arise.

No assurance is given that the assumptions will be realised and the actual distributions / yields will be as forecasted.

In addition, certain forward-looking statements with regards to the KLCCP Stapled Group are 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. The inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation or warranty by the advisers or the KLCCP Stapled Group, that the plans and objectives of the KLCCP Stapled Group will be achieved.

5.2.8 The market price of the Stapled Securities may be adversely affected

The Stapled Securities will be tradable on the Main Market of Bursa Securities. If any of the principal Holders sells or is perceived as intending to sell a substantial amount of their respective direct or effective interest in the Stapled Securities held as at the Listing Date, the market price of the Stapled Securities may be adversely affected. Nevertheless, this risk is no different from that applicable to a listed REIT or listed company.

5.2.9 Holders of the Stapled Securities who do not or are not able to participate in future equity financing by the Company and KLCC REIT will experience a dilution of their interest in the KLCCP Stapled Group

If the Holders of the Stapled Securities do not or are not able to participate in any future equity fund raising, such as rights issues or private placements by the Company and KLCC REIT, their proportionate interest in the KLCCP Stapled Group will be reduced accordingly. Any consideration received by such Holders in exchange for any rights under future equity fund raisings may not be sufficient to compensate for the dilution of their unitholdings as a result of the equity fund raising.

Furthermore, a notice to Holders in relation to an offer of Stapled Securities to existing Holders will only be issued by the KLCCP Stapled Group to Holders who have a registered address or a service address in Malaysia; or in the case of Holders whose registered address or service address is outside Malaysia ("**Foreign Holders**"), to those Foreign Holders who have provided the Manager or Bursa Depository with a registered address or service address in Malaysia unless the Manager and the Company have received legal advice confirming that such notice may be lawfully issued to that Foreign Holder without any registration or approval requirements of the foreign jurisdiction ("**Legal Advice**"), in which case the notice shall be issued to that Foreign Holder at the registered address or service address in that foreign jurisdiction. As such, there is a risk that Foreign Holders who do not have a registered address or service address in Malaysia or is not covered under the Legal Advice will not be able to participate in any future equity fund raising because notice for the same would not have been sent to them thus diluting their unitholdings as a result of the equity fund raising.

5.2.10 Cancellation of Units cannot take place without a corresponding reduction in the issued and paid-up share capital of the Company which has to be approved by Shareholders and which is subject to sanction from the High Court of Malaya

Any cancellation of Units is by the Trustee upon written instruction from the Manager. The Unitholders have no right to request the Manager to redeem their Units. A reduction in the share capital of the Company requires a Special Resolution of the Shareholders and the additional sanction from the High Court of Malaya.

Notwithstanding that the Shareholders may have approved the proposed capital reduction by Special Resolution, the High Court of Malaya has the ultimate discretion as to whether to allow the proposed capital reduction and in arriving at its discretion, it will consider, amongst others, the compliance by the Company of the requirements of the Act, whether the proposed capital reduction is fair and equitable to the Shareholders and whether the rights and interest of the creditors of the Company are safeguarded and are not prejudiced. The High Court of Malaya could either require the Company to obtain the consent of its creditors or direct or order the Company to secure the debt or undertake to set aside an amount sufficient to satisfy the debts due to creditors (if any).

As such, if, amongst other reasons, there is objection from the creditors of the Company and they are able to prove that the proposed capital reduction is prejudicial to them, the High Court of Malaya may not sanction the capital reduction to return capital to the Shareholders. As such, there is no assurance that the proposed share capital reduction will be approved by the Shareholders and be sanctioned by the High Court of Malaya.

5.2.11 The Stapled Securities may be subsequently Unstapled. In the unlikely event that the Stapled Securities are Unstapled, the structure of the KLCCP Stapled Group may be undermined and there may be ramifications and adverse effects to the Holders

The Stapled Securities may only be Unstapled if (a) approved by the Holders via Special Resolutions and with prior approval, where applicable, from the relevant regulators for such Unstapling; (b) the Stapling becomes, in future, unlawful or prohibited by the Listing Requirements or the REIT Guidelines or any other relevant laws, regulations and guidelines and with notification provided to Bursa Securities prior to such Unstapling; or (c) either KLCC REIT or (as the case may be) the Company is terminated or (as the case may be) wound up. In the unlikely event that the Stapled Securities are Unstapled, the structure of the KLCCP Stapled Group may be undermined and there may be ramifications and adverse effects to the Holders. The approval from Bursa Securities is for the listing of and quotation for the Stapled Securities on the Main Market of Bursa Securities and does not extend to the listing and quotation of the Units nor is it intended for the Shares to continue being listed and quoted. As such, upon Unstapling, the Stapled Securities will be de-listed from Bursa Securities. On the premise that neither the Company nor KLCC REIT subsequently applies for a re-listing of its respective securities (in the event of the Unstapling), the Shareholders' ability to liquidate their investments in the Units and/or the Shares may be adversely affected. Please refer to Section 10.2.7 of this Prospectus entitled "Unstapling" for further details on the consequences of Unstapling.

5.2.12 There is no assurance that the Stapled Securities will remain listed on Bursa Securities and/or not be suspended from trading

Although it is intended that the Stapled Securities will be and remain listed on Bursa Securities, there is no guarantee of the continued listing of the Stapled Securities. Amongst other factors, the KLCCP Stapled Group may not comply with the Listing Requirements. Accordingly, the Holders will not be able to sell their Stapled Securities through trading on Bursa Securities if the Stapled Securities are no longer listed on Bursa Securities and/or are suspended from trading for an indefinite period.

5.2.13 Foreign investment in Malaysian assets may be subject to further controls

Foreign investment in Malaysian assets is regulated and monitored by the Economic Planning Unit of the Prime Minister's Department. Currently there are no restrictions imposed on foreign investors who have invested in Malaysian assets. However, there can be no assurance that the Economic Planning Unit of the Prime Minister's Department and/or the Government will not impose any restrictive or other controls relating to foreign investment in Malaysian assets. Any imposition or variation of such controls may affect the ability of the Holders to sell the Stapled Securities to foreign parties and may affect the liquidity of the Stapled Securities. Such conditions may also limit the KLCCP Stapled Group's access to future foreign sources of equity capital.

5.2.14 A stapled structure may be restrictive compared to KLCC REIT being a standalone REIT or the Company being a standalone listed issuer, where each of the Company and KLCC REIT would be able to conduct its respective affairs individually without having to consult one another and/or to ensure that corresponding actions (or inactions) are undertaken by the other

To facilitate the stapling and towards the alignment of the interests between the Company and KLCC REIT, the Stapling Deed provides that, to the extent permitted by the Relevant Laws and Requirements, the Company and the Manager must cooperate with each other in respect of all matters relating to the Stapled Securities and must do all things necessary to give effect to the Stapling Deed including, amongst others, where appropriate, adopting consistent accounting policies and valuation policies, consulting before taking any action (or omitting any action) which may materially affect the value of the Stapled Securities, co-ordinating any dividend or distribution re-investment plan, co-ordinating announcement and payment of dividends and distributions. Matters such as major acquisitions or disposals by either the Company, its subsidiaries or the Manager would require prior consultation with one another and any issuance of Units or right or option to acquire Units must be accompanied by a corresponding issuance of Shares or right or option to acquire Shares and vice versa. Another example would be where the cancellation of Units by the Trustee requires a corresponding reduction in the Company's issued and paid-up share capital which cannot be carried out without the sanction by the High Court of Malaya and which exercise comes with its own inherent risks as highlighted under Section 5.2.10 of this Prospectus. These additional requirements accompanying the stapling may prove to be restrictive because were KLCC REIT a standalone REIT, each of the Company and KLCC REIT would be able to conduct its respective affairs without having to consult one another and/or to ensure that corresponding actions (or inactions) are undertaken by the other.

5.2.15 Reclassification of the Shariah status of the Stapled Securities to be non Shariah-compliant pursuant to periodic review by the SAC of the SC or the Shariah Adviser

There is a risk that the currently Shariah-compliant KLCCP Stapled Group, may be subsequently reclassified to be non Shariah-compliant in the periodic review by the SAC of the SC or the Shariah Adviser. Although the Company and the Manager may take the necessary steps in accordance with the advice from the Shariah Adviser to maintain the Shariah status of the Stapled Securities, there is no assurance that the Stapled Securities will not be reclassified as non Shariah-compliant in the future. If this occurs, the price of the Stapled Securities may be adversely affected as certain Holders may be required to dispose off their holdings in the Stapled Securities.

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6. THE MANAGER

6.1 CORPORATE INFORMATION

The Manager, KLCC REIT Management Sdn Bhd, was incorporated in Malaysia on 5 December 2012. As at the date of this Prospectus, it has an authorised share capital of RM10,000,000.00 comprising 10,000,000 ordinary shares of par value RM1.00 each of which 1,000,000 ordinary shares of par value RM1.00 each have been issued and are fully paid-up. The principal activity of the Manager is to manage and administer the KLCC REIT. The Manager is a wholly-owned subsidiary of the Company.

As at the date of this Prospectus, the Manager only manages KLCC REIT.

6.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager shall, subject to the provisions of the Deed, the Stapling Deed and the Relevant Laws and Requirements and be guided by the Shariah Adviser, carry out all activities as it may deem necessary for the management of the KLCC REIT and its business. The Manager's main responsibility is to manage activities in relation to KLCC REIT.

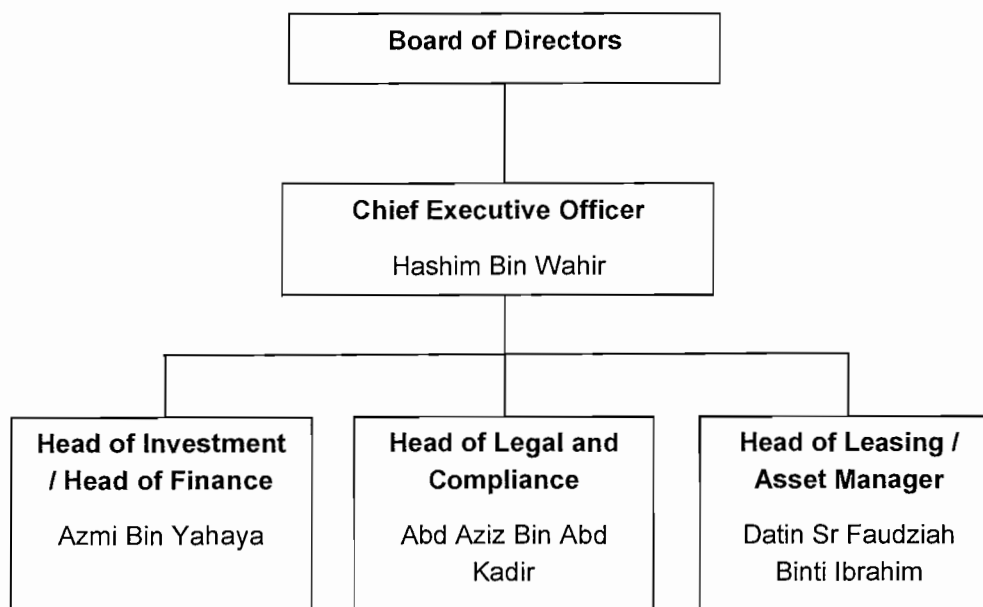
The Manager shall, in managing KLCC REIT, undertake primary management activities in relation to KLCC REIT, including but not limited to overall strategy, risk management strategy, new acquisition and disposal analysis, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed.

In addition, the Manager covenants, amongst others, the following:

- (a) to carry on and conduct its business in a proper, diligent and efficient manner and to ensure that KLCC REIT is managed and administered in a proper, diligent and efficient manner and in accordance with the Deed, the Relevant Laws and Requirements and acceptable and efficacious business practices in the real estate investment industry;
- (b) to act with due care, skill and diligence in managing KLCC REIT and effectively employ the resources and procedures necessary for the proper performance of KLCC REIT;
- (c) to observe high standards of integrity and fair dealing in managing KLCC REIT to the best and exclusive interest of the Unitholders;
- (d) not to take on, lease or otherwise acquire, any immovable property or any interest therein, except for the purposes of operating KLCC REIT and those entered into in the ordinary course of business;
- (e) not to make improper use of its position in, or information acquired through, managing KLCC REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interests of Unitholders and to ensure that its officers and delegates comply with the same;

- (f) to the same extent as if the Trustee was a director of the Manager:
 - (i) to make available to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee, for inspection the whole of the books and records of the Manager in relation to KLCC REIT wherever kept;
 - (ii) to make available to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee, for inspection all financial and other records of KLCC REIT wherever kept; and
 - (iii) to give to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee such oral or written information, explanation or other assistance that they may require with respect to all matters relating to KLCC REIT or any Deposited Property (whether acquired before or after the date of the Deed) or otherwise relating to the affairs of KLCC REIT;
- (g) to ensure that KLCC REIT has, at all times, an appointed Trustee, a Shariah Adviser and a person responsible for ensuring compliance with the Deed and the Relevant Laws and Requirements;
- (h) unless otherwise permitted by the SC and the provisions of the Valuer, Appraisers and Estate Agents Act 1981, to appoint a property management company which has been approved by the Trustee to manage the Real Estate held by KLCC REIT and which possesses adequate human resources with the necessary qualifications, expertise and experience in real estate management;
- (i) to insure and keep covered or insured in the name of the Trustee for their full replacement value or such amounts as may be recommended by a qualified valuer against fire, explosion, storm, tempest, flood, lightning and other usual risks including loss of rent where applicable on all Real Estate comprised in the Deposited Property and on request by the Trustee produce for the inspection of the Trustee all takaful certificates/insurance policies effected;
- (j) to take all necessary steps to ensure that the Deposited Property are adequately protected and properly segregated;
- (k) to take all reasonable steps and exercise due diligence to ensure that the Deposited Property and the Units are correctly valued in accordance with provisions of the Deed and the Relevant Laws and Requirements; and
- (l) to establish and maintain risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to KLCC REIT.

6.3 MANAGEMENT REPORTING STRUCTURE



6.4 DIRECTORS OF THE MANAGER

The Board of the Manager is entrusted with the responsibility for the overall management of the Manager. The Board of the Manager is the same as the Board of the Company and consists of eight directors. This ensures continuity in the management of the Subject Properties. Moreover, having the same Board and management team will ensure alignment in the interests and directions of the KLCCP Group and KLCC REIT within the KLCCP Staped Group. The following table sets out certain information regarding the directors of the Manager:

No.	Name	Nationality	Position
1.	Krishnan A/L C K Menon	Malaysian	Independent Non-Executive Director; Chairman
2.	Datuk Manharlal A/L Ratilal	Malaysian	Non-Independent Non-Executive Director
3.	Augustus Ralph Marshall	Malaysian	Independent Non-Executive Director
4.	Datuk Ishak Bin Imam Abas	Malaysian	Non-Independent Non-Executive Director
5.	Dato' Leong Ah Hin @ Leong Swee Kong	Malaysian	Independent Non-Executive Director

No.	Name	Nationality	Position
6.	Dato' Halipah Binti Esa	Malaysian	Independent Non-Executive Director
7.	Pragasas Moorthi A/L Krishnasamy	Malaysian	Independent Non-Executive Director
8.	Hashim Bin Wahir	Malaysian	Chief Executive Officer

6.4.1 Experience and expertise of the Board of Directors

Information on the business and working experience of the directors of the Manager is set out below:

Krishnan A/L C K Menon, aged 63, was appointed to the Board and Chairman of the Manager on 5 December 2012. He was appointed to the Board and Chairman of the Company on 25 October 2010.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

He spent 13 years in public practice with Hanafiah Raslan & Mohamad, seven years of which he served as a partner. He then joined Public Bank Berhad as General Manager and was subsequently promoted to Executive Vice President. After serving two public listed companies, he joined Putrajaya Holdings Sdn Bhd as Chief Operating Officer in 1997 for three years before leaving in 2000.

Mr. Menon is presently the Chairman of Scicom (MSC) Berhad and KLCCH. He is also a Non-Executive Director of PETRONAS and MISC Berhad.

Datuk Manharlal A/L Ratilal, aged 53, was appointed to the Board of the Manager on 5 December 2012. He was appointed to the Board of the Company on 16 June 2004 and as member of the Company's Audit Committee on 9 July 2004.

He obtained his degree in Bachelor of Arts (Honours) in Accountancy from the City of Birmingham Polytechnic, United Kingdom in 1982 and Master in Business Administration from the University of Aston in Birmingham, United Kingdom in 1984.

Datuk Manharlal is the Executive Vice President (Finance) of PETRONAS, a member of PETRONAS board of directors, Executive Committee and Management Committee.

Prior to joining PETRONAS in 2003, he was working in a local investment bank for 18 years, concentrating in corporate finance where he was involved in advisory work in mergers and acquisitions, equity and debt capital markets. From 1997 to 2002, he served as Managing Director of the investment bank.

He also sits on the board of directors of PETRONAS, Cagamas Holdings Berhad, MISC Berhad and other subsidiaries of PETRONAS.

Augustus Ralph Marshall, aged 61, was appointed to the Board of the Manager on 5 December 2012. He was appointed to the Board of the Company and as the Chairman of the Company's Audit Committee on 1 September 2005.

He has more than 30 years of experience in financial and general management. He is an Associate of the Institute of Chartered Accountants in England and Wales and a member of Malaysian Institute of Certified Public Accountants.

He started his career as an audit senior with Ernst & Young in 1976. In 1979, he joined Inchcape Malaysia Holdings Berhad, where his last position held was Group Finance Director. In 1988, he joined Usaha Tegas Sdn Bhd ("**UTSB**"), where he currently serves as an Executive Director.

In addition, he was the Chief Executive Officer of MEASAT Broadcast Network Systems Sdn Bhd (from 1995 to 2006), the Executive Deputy Chairman and Group Chief Executive Officer of ASTRO ALL ASIA NETWORKS plc (from 2003 to 2010). In June 2010, Mr. Marshall was appointed as the Group Chief Executive Officer of Astro Holdings Sdn Bhd, a position he continues to hold today.

Currently, Mr. Marshall holds directorships in several companies in which UTSB has significant interests, including that of Non-Executive Deputy Chairman of Astro Malaysia Holdings Berhad (listed on the Main Market), and Executive Director of Tanjong Public Limited Company, and Non-Executive Director of Maxis Berhad ("**Maxis**") (listed on the Main Market), Maxis Communications Berhad (the holding company of Maxis), and Johnston Press plc (listed on the London Stock Exchange plc) respectively.

Datuk Ishak Bin Imam Abas, aged 67, was appointed to the Board of the Manager on 5 December 2012. He was appointed to the Board of the Company on 7 February 2004 and designated as the Chief Executive Officer until his retirement on 1 April 2007 when he was redesignated as Non-Independent Non-Executive Director.

Datuk Ishak is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) and a member of the Malaysian Institute of Accountants (MIA).

Prior to joining PETRONAS in 1981, he worked as, amongst others, Finance Director of Pfizer (M) Sdn Bhd, Bursar of the National University of Malaysia, Finance Director of Western Digital (M) Sdn Bhd and as an accountant in PERNAS International Holding Bhd. He joined PETRONAS in April 1981 and held various senior positions including Deputy General Manager Commercial of PETRONAS Dagangan Berhad, Senior General Manager (Finance) of PETRONAS and Vice-President (Finance) of PETRONAS, and Senior Vice-President of PETRONAS. He was also a board member of PETRONAS and several of its subsidiaries.

Currently, Datuk Ishak is Non-Executive Director on the boards of Deleum Berhad, Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad and Integrated Petroleum Services Sdn Bhd.

He is a Non-Executive Chairman of Putrajaya Holding Sdn Bhd which is part of the PETRONAS group. He is also a Non-Executive Director of Kuala Lumpur City Park Berhad.

Dato' Leong Ah Hin @ Leong Swee Kong, aged 65, was appointed to the Board of the Manager on 5 December 2012. He was appointed to the Board of the Company on 5 July 2004 and as member of the Company's Audit Committee on 9 July 2004.

Dato' Leong obtained his Bachelor of Economics (Honours) degree and Diploma in Business Administration from the University of Malaya in 1971 and 1983 respectively. He also attended courses on taxation at the University of Bath, United Kingdom in 1986; Senior Management Programme at Mount Eliza, Melbourne, Australia in 1989; and on Public Sector Budgeting at Harvard University, Boston, United States of America in 1997.

Dato' Leong served the Malaysian civil service from 1971 to 2004, and had held a number of positions including Secretary General of the Ministry of Science, Technology and the Environment, State Financial Officer of Pulau Pinang and Deputy Director Budget of the Ministry of Finance.

Currently, he sits on the board of several private limited companies.

Dato' Halipah Binti Esa, aged 63, was appointed to the Board of the Manager on 5 December 2012. She was appointed to the Board of the Company and as member of the Company's Audit Committee on 1 March 2007.

Dato' Halipah received her Bachelor of Arts (Honours) degree in Economics and a Master of Economics from the University of Malaya. She also holds a Certificate in Economic Management from the IMF Institute, Washington and the Kiel Institute for World Economics, Germany as well as a Certificate in Advanced Management Programme from Adam Smith Institute, London.

She started her career with the Administrative and Diplomatic Services in 1973 in the Economic Planning Unit ("EPU") of the Prime Minister's Department. During her tenure in EPU, she served in various capacities in the areas of infrastructure, water supply, energy, health, housing, telecommunications, urban services, human resource development, macro economy, international economy, environment, regional development and distribution. She held various senior positions in the EPU and retired as the Director General in 2006. She had also served in the Ministry of Finance as Deputy Secretary General.

Currently, she serves on the boards of MISC Berhad, Malaysia Marine and Heavy Engineering Holdings Berhad, Northport (Malaysia) Bhd, Perbadanan Insuran Deposit Malaysia and Securities Industry Dispute Resolution Centre.

She was previously Chairman of Pengurusan Aset Air Berhad and had also served on the boards of PETRONAS, Employees Provident Fund (EPF), Inland Revenue Board (IRB), Bank Pertanian, Federal Land Development Authority and UDA Holdings Berhad. She was a consultant to the World Bank and United Nations Development Programme (UNDP) in advising the Royal Kingdom of Saudi Arabia on economic planning, and had also provided technical advice to planning agencies in Vietnam, Cambodia, Indonesia and several African countries.

Pragasa Moorthi A/L Krishnasamy, aged 66, was appointed to the Board of the Manager on 5 December 2012. He was appointed to the Board of the Company on 9 September 2004.

He graduated as a Quantity Surveyor from Curtin University, West Australia.

He worked as a Project Quantity Surveyor for a number of projects in Perth, West Australia from 1971 to 1976. He was then appointed as General Manager/Director of Safuan Group Sdn Bhd from 1977 to 1981 and subsequently, as Project Director of Sepang Development Sdn Bhd from 1981 to 1983 before he was engaged as a Project Director with WTW Consultant Sdn Bhd.

He joined KLCC Projeks Sdn Bhd in March 1993 as General Manager, a position which he held for four years overseeing the management of design, construction and completion of the various building in KLCC such as the PETRONAS Twin Towers, Menara Maxis and Menara ExxonMobil. Subsequently he was appointed Managing Director of KLCC Projeks Sdn Bhd for another four years.

Presently, Mr. Pragasa sits on the board of United Contract Management Sdn Bhd, a private limited company incorporated in Malaysia.

Hashim Bin Wahir, aged 55, was appointed to the Board of the Manager on 5 December 2012. He was appointed to the Board of the Company on 1 November 2007 and designated as the Chief Executive Officer.

He graduated from Universiti Teknologi Malaysia with a Bachelor of Engineering (Hons) in Mechanical Engineering. He also attended Executive Development Programs at Ashridge Management College, United Kingdom and Johnson School of Management, Cornell University, USA in 1993 and 1998, respectively.

Encik Hashim joined PETRONAS on 16 June 1981 after graduation from Universiti Teknologi Malaysia. Whilst in PETRONAS, he undertook various assignments within the PETRONAS group including exploration and production ("**E&P**") operations, international E&P and gas asset acquisitions, group strategic planning and corporate development.

He also held various senior management positions in PETRONAS such as Senior Manager, Petroleum Engineering Department of Petronas Carigali Sdn Bhd ("**PCSB**") from 1995 until 1999, General Manager of Chad/Cameroon JV Project, PCSB from 1999 until 2000, and General Manager of Group Planning & Resource Allocation, PETRONAS from 2000 until 2004.

Encik Hashim was appointed as the Chairman for the PETRONAS group of companies in the Republic of Sudan until November 2007. He was then appointed as Group Chief Executive Officer of KLCCH and Chief Executive Officer of the Company.

His other directorships include KLCCH and its subsidiaries and associate companies, and subsidiaries of the Company.

The rationale for the Manager to have the same Board as the Company is as set out below:

(a) **Avoidance of conflict of interest**

In view of the stapling nature of the KLCCP Stapled Group, the Shareholders will eventually be holding the Stapled Securities which will be quoted and traded as one security. The KLCCP Stapled Group, albeit having two different vehicles under it, one being a limited company and the other being a REIT, would essentially operate as a single economic entity for the interest of the same group of persons who are the Shareholders and at the same time Unitholders.

Premised on the above, and unlike other standalone REITs, having a common Board for the Company and the Manager would enable the Board to evaluate the various aspects of a proposal from a stapled group's perspective and avoid situation of conflict of interest, since the Board will always act in the best interest of the KLCCP Stapled Group as a whole.

(b) **Alignment of interest/decision**

Having a common Board for both the Company and the Manager will also ensure that the interests of both the Company and KLCC REIT are aligned at all times.

Furthermore, due to the stapled nature of the Stapled Securities, any issuance of new Shares will also result in issuance of new Units, and vice versa. Therefore, operationally, it is critical that both entities make the same decision. If the decisions are not coordinated, the inefficiency of one party could affect the other and that could render the KLCCP Stapled Group as a whole to be less efficient.

(c) **Continuity in management and proven track record**

Prior to the Acquisitions, the Subject Properties were owned and operated by the Company (through its subsidiaries) which is under the stewardship of the Chief Executive Officer of the Company and its success is evidence of the Chief Executive Officer's ability to manage and realise the Subject Properties to its full potential.

Thus, having a common Chief Executive Officer for both the Company and the Manager will ensure continuity in the management of the Subject Properties and ensure the continued growth and success of the Subject Properties, despite them being held under a different property holding vehicle.

(d) **Potential future acquisitions for KLCC REIT**

In the event of acquisition of new asset(s) by either the Company or KLCC REIT in the future, the proposed arrangement of having the same Board for both the Company and the Manager would ensure that the type of assets to be invested will be in line with the overall strategy and growth of the KLCCP Stapled Group thus avoiding potential situations of conflicting decisions between the two entities.

Notwithstanding the above, in the unlikely event that the Stapled Securities are to be Unstapled for whatever reason, a new full-time Chief Executive Officer and Board for the Manager will be appointed.

6.4.2 Directorship of Directors of the Manager in other management companies

As at the LPD, none of the Directors of the Manager hold directorships in any other management companies managing REITs.

6.4.3 Role of the Board of Directors

The key roles of the Board are to:

- guide the corporate strategy and directors of the Manager (including acquisition and divestment of Deposited Property);
- oversee the proper conduct of the Manager (including budgeting approval and all other financial matters);
- set guidelines for internal controls;
- ensure compliance with relevant laws and requirements; and
- determine and approve the distribution amounts to Holders of Stapled Security Units and payment of Management Fees.

The Board comprises eight members, five of whom are Independent Non-Executive Directors. The Audit Committee of the Board comprises of Augustus Ralph Marshall, Datuk Manharlal A/L Ratilal, Dato' Leong Ah Hin @ Leong Swee Kong and Dato' Halipah Binti Esa. Augustus Ralph Marshall will assume the position of Chairman of the Audit Committee.

The Board will have in place a set of internal controls which set out certain approval limits to facilitate operational efficiency as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

Changes to regulations and accounting standards are monitored closely by the Audit Committee. To keep pace with regulatory changes, where these changes have an important bearing on the Manager's or its directors' disclosure obligations, the directors of the Manager will be briefed either during Board meetings or at specially convened sessions involving relevant professionals.

Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

At least one-third of the directors of the Manager are non-executive and independent. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman and the Chief Executive Officer, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to maintain an effective check and balance. The Chairman of the Board is Krishnan A/L C K Menon while the Chief Executive Officer is Hashim Bin Wahir.

There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer of the Manager. This is to ensure an appropriate balance of power and authority to facilitate effective oversight and clear segregating of duties. The Chairman assumes responsibility for the management of the Board and ensures that members of the Board and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategies, business operations, enterprise risk and other plans. The Chief Executive Officer reports to the Chairman. The Chief Executive Officer has overall responsibility for the day-to-day operational management of KLCC REIT, including execution of the agreed business policies and directions set by the Board and of all operational decisions in managing KLCC REIT and the KLCCP Stapled Group.

The Board has direct access to the advice and services of senior management and the company secretary in furtherance of their duties. The Board may seek independent professional advice on any matter connected with the discharge of its responsibilities as it may deem necessary and appropriate.

6.5 MANAGEMENT TEAM OF THE MANAGER

The executive officers of the Manager are entrusted with the responsibility for the daily operations of the Manager. The following table sets forth information regarding the executive officers of the Manager:

No.	Name	Nationality	Position
1.	Hashim Bin Wahir	Malaysian	Chief Executive Officer
2.	Azmi Bin Yahaya	Malaysian	Head of Investment / Head of Finance
3.	Abd Aziz Bin Abd Kadir	Malaysian	Head of Legal and Compliance
4.	Datin Sr Faudziah Binti Ibrahim	Malaysian	Head of Leasing / Asset Manager

6.5.1 Expertise and experience of executive officers

Information on the working experience of the executive officers of the Manager is set out below:

For Hashim Bin Wahir, the Chief Executive Officer of the Manager, appointed on 5 December 2012, please refer to Section 6.4.1 of this Prospectus entitled "Experience and expertise of the Board of Directors" for details.

Azmi Bin Yahaya is the Head of Investment / Head of Finance of the Manager, appointed on 5 December 2012.

He is presently the Head of Finance & Accounts Division, appointed on 4 January 2010.

He graduated from University of New South Wales (UNSW), Sydney, Australia with a Bachelor of Commerce (Accounting) and is a member of the Institute of Chartered Accountants in Australia.

Prior to joining the Company in 2010, he was attached with Arthur Andersen & Co, Melbourne Australia as an Audit Senior from 1994 until late 1997. He later joined PETRONAS upon his return to Malaysia in 1998. Since joining PETRONAS, he has been seconded to various companies such as BASF PETRONAS Chemicals Sdn Bhd from 1998 until 2004, PETRONAS Dagangan Berhad from 2004 to 2007 and East Coast Economic Region Development Council (ECERDC) from 2008 to 2009.

He also sits on the board of directors of several subsidiaries of the Company and several subsidiaries of KLCCH as a non-executive director.

Abd Aziz Bin Abd Kadir is the Head of Legal and Compliance of the Manager, appointed on 5 December 2012.

He is also the Company Secretary of the Company, appointed on 16 November 2009.

He obtained his LLB (Honours) degree from International Islamic University, Malaysia. He began his career with PETRONAS in July 1991 and had held various positions in Legal Services Division including corporate services, petrochemical business, exploration and production, and trading and marketing.

Prior to joining the Company on 1 October 2009 as the Head of Legal and Corporate Services Division, he was with MISC Berhad as General Manager, Legal and Corporate Secretarial Affairs Division.

Currently, he sits on the board of directors of several subsidiaries of KLCCP Group and several subsidiaries and associate companies of KLCCH in a non-executive capacity.

Datin Sr Faudziah Binti Ibrahim is the Head of Leasing / Asset Manager of the Manager, appointed on 5 December 2012.

She joined KLCCH on 13 November 1995 and held various positions with main responsibilities in the Development and Commercial Leasing of KLCC Development. Since 1 January 2012, Datin Sr Faudziah was appointed as the Head of Development Division of the Company.

She obtained her Diploma in Estate Management, Institute Teknologi MARA (now UiTM) in 1984, Bachelor of Science (Honours) in Estate Management, Heriot-Watt University, Edinburgh Scotland, United Kingdom in 1986, Masters of Science in Construction Management (majoring Project Management), Heriot-Watt University, Edinburgh, Scotland, United Kingdom in 1987 and Diploma in Public Venue Management, Institute of Public Venue Management Australia in 2003.

She is a Registered Valuer and Registered Estate Agent with the Board of Valuers, Estate Agents and Appraisers Malaysia since 1998, a member of the Royal Institute of Surveyors Malaysia (RISM) since 1998 and a member of Royal Institute of Chartered Surveyors (RICS) United Kingdom since 2010.

Prior to joining the Company, she worked as an Assistant Director, Project Coordination Unit of Dewan Bandaraya Kuala Lumpur from February until early August 1988, Senior Lecturer/Head of Department of Urban Estate Management, Northern Consortium United Kingdom/ITM from mid August 1988 until December 1994 and a Valuer of Rahim & Co Chartered Surveyors from January 1995 until October 1995.

6.5.2 Roles of the executive officers of the Manager

The **Chief Executive Officer** will work together with the Board of the Manager to determine the strategy for KLCC REIT. The Chief Executive Officer will also work with the other members of the Manager's management team to ensure that KLCC REIT operates in accordance with the Manager's stated investment strategy. In addition, the Chief Executive Officer will be responsible for planning the future strategic development of KLCC REIT, strategic planning, the overall day-to-day management and operations of KLCC REIT and working with the Manager's investment, asset management, financial and legal compliance personnel in meeting the strategic, investment and operational objectives of KLCC REIT.

The **Head of Investment / Head of Finance** is in charge of the investment team, which is responsible for identifying, researching and evaluating potential acquisitions and related investments with a view to enhancing KLCC REIT's portfolio, or divestments where a property is no longer strategic, fails to enhance the value of KLCC REIT's portfolio or fails to be yield accretive. In order to support these various initiatives, the investment team will undertake detailed analysis to test the financial impact of different courses of action. The Head of Investment / Head of Finance will also work with the Chief Executive Officer and will be responsible for applying the appropriate capital management strategy, including tax and treasury matters, as well as finance and accounting matters, overseeing implementation of KLCC REIT's short and medium-term business plans, cash and funding management activities and financial condition.

The **Head of Legal and Compliance** is responsible for ensuring that KLCC REIT complies with the Relevant Laws and Requirements. The Head of Legal and Compliance is also responsible for monitoring the internal corporate governance policies of KLCC REIT and will report directly to the Board of the Manager on specific compliance matters.

The **Head of Leasing / Asset Manager** is in charge of the asset management team which is responsible for formulating the business planning in relation to KLCC REIT's properties with short, medium and long-term objectives and with a view to maximising the rental income of KLCC REIT. The Head of Leasing / Asset Manager will ensure that the asset management team works closely with the appointed Property Manager to implement KLCC REIT's strategies to maximise the income generation potential and minimise the expense base of the properties without compromising their marketability. The asset management team led by the Head of Leasing / Asset Manager focuses on the operations of KLCC REIT's properties, the implementation of the short to medium-term objectives of KLCC REIT's portfolio and supervises the Property Manager in the implementation of KLCC REIT's property-related strategies including analysing and recommending asset enhancement initiatives.

6.6 MANAGEMENT FEES

6.6.1 Details of the Management Fees

The Manager will receive the Management Fee in cash. The Manager is entitled under the Deed to the following Management Fees (exclusive of service tax, if any):

(a) Base Fee

Up to 1.00% per annum of the Total Asset Value of KLCC REIT (excluding cash and bank balances).

For the purposes of calculating the Base Fee only, where KLCC REIT holds its investments through one or more SPVs, the Total Asset Value shall include the value of all the assets of the relevant SPV, pro-rated, if applicable, to the proportion of KLCC REIT's interest in the said SPV.

The Manager intends to charge a Base Fee of 0.30% for the Forecast Year 2013 and the Forecast Year 2014.

(b) Performance Fee

Up to 5.00% per annum of KLCC REIT's NPI in the relevant financial year.

The Manager intends to charge a Performance Fee of 3.00% for the Forecast Year 2013 and the Forecast Year 2014.

The Management Fee should not be higher than that disclosed above in this Section 6.6 of this Prospectus entitled "Management Fees" unless:

- (i) the Manager has notified the Trustee in writing of the new higher rate and subject to the Trustee's consent;
- (ii) the Manager has notified Bursa Securities of the higher fee rate and its effective date; and
- (iii) 90 days have elapsed since the date of the announcement of this Prospectus.

The Management Fee as disclosed in this section may only be varied upwards from that stated in this Section 6.6 of this Prospectus entitled "Management Fees" with the prior approval of the Unitholders obtained by way of a majority resolution (or such other majority as may be required under the REIT Guidelines or the Stapling Deed from time to time) and shall be effected by way of a supplemental deed and in accordance with the requirements of the CMSA.

Based on the Profit Forecast, the Management Fee estimated for the Forecast Year 2013 and Forecast Year 2014 amounts to approximately RM43.00 million each, which were computed based on a base fee of 0.30% per annum of the Total Asset Value of KLCC REIT (excluding cash and bank balances) and a performance fee of 3.00% per annum of the NPI of KLCC REIT for both the Forecast Year 2013 and the Forecast Year 2014. For the avoidance of doubt, the Management Fee payable to the Manager will be of no effect to the KLCCP Stapled Group on a consolidated basis as the Manager is a wholly-owned subsidiary of the Company and will be consolidated as part of the KLCCP Stapled Group.

The Management Fee is payable to the Manager in cash and must be paid within seven days of the announcement of the relevant quarterly financial reports.

6.6.2 Illustration of the Management Fee payable

To illustrate the Management Fee payable in any particular financial year (other than for FY2013 and FY2014), the following scenarios for KLCC REIT's financial position and performance as well as acquisition and divestment activities are assumed:

Total Asset Value as at the end of the current FY : RM8,800.00 million

NPI for the current FY : RM560.00 million

Based on the above, the Management Fees payable by KLCC REIT are illustrated on the two following scenarios as set out in the table below:

Base Case : Assuming Management Fee is charged at the rate in line with the assumptions for the Profit Forecasts (see Section 4.2.5.3 of this Prospectus entitled "Bases and assumptions" for further details)

Maximum Case : Assuming Management Fee is charged at the maximum rate provided for under the Deed

	Base Case	Maximum Case
Base Fee	0.30% of Total Asset Value = 0.30% of RM8,800.00 million = RM26.40 million	1.00% of Total Asset Value = 1.00% of RM8,800.00 million = RM88.00 million
Performance Fee	3.00% of NPI = 3.00% of RM560.00 million = RM16.80 million	5.00% of NPI = 5.00% of RM560.00 million = RM28.00 million
Total	RM43.20 million	RM116.00 million

The aggregate annual Management Fee and its proportion as a percentage of NPI based on the illustrations above are RM43.20 million (7.71% of NPI) and RM116.00 million (20.71% of NPI) for the Base Case and Maximum Case, respectively.

6.7 OUTSOURCING OF THE REGISTRAR FUNCTION

The SC has approved the outsourcing of the registrar function by the Manager to Tricor Investor Services Sdn Bhd on 12 March 2013.

The Manager has entered into an agreement with Tricor Investor Services Sdn Bhd to delegate the function of registrar to Tricor Investor Services Sdn Bhd.

Tricor Investor Services Sdn Bhd was incorporated in Malaysia under the Act on 21 April 1984. As at the LPD, the authorised share capital of Tricor Investor Services Sdn Bhd is RM25,000.00 comprising 25,000 ordinary shares of RM1.00 each, of which 20,000 are currently issued and credited as fully paid-up. Tricor Investor Services Sdn Bhd is principally involved in the provision of share registration services.

The principal services to be provided by the Registrar shall comprise, inter alia, the following:

- (a) setting up maintenance of the principal register and keeping the same updated in compliance with the CMSA, Securities Industry (Central Depositories) Act 1991 ("SICDA") and the Relevant Laws and Requirements and in accordance with the provisions in the Deed;
- (b) maintaining of records, books and documents for the time period in accordance to the provisions as stipulated in the Relevant Laws and Requirements;
- (c) attending to relevant correspondences and enquiries from the Unitholders and any other parties pertaining to the principal register which include changes of names and addresses, replacement of lost certificates (if applicable), distribution statements, registration of powers of attorneys, letters of administration, grant of probate, indemnities, court orders and any other matters ancillary thereto;
- (d) acting as advisor to the Manager on all matters in relation to Bursa Depository or SICDA and be the official link between Bursa Depository and the Manager;
- (e) performing registration formalities on consolidation and splitting of Unit certificate received from Bursa Depository;
- (f) dispatching annual reports, interim reports, circulars, notices and documents to Unitholders;
- (g) providing statistical reports or detailed Unitholders' information that may be required by the Manager or the relevant authorities on a regular basis or upon receipt of a written request, which shall include:
 - (i) analysis of Unitholders by size and type; and/or
 - (ii) top 30 Unitholders list;
- (h) preparing, verifying and despatching of distribution cheques and statements reconciling and submitting the distribution accounts to the Registrar of Unclaimed Moneys in accordance with the Unclaimed Moneys Act, 1965;
- (i) processing issue of new Units including computation and allotment, verification of data for crediting into the respective CDS account and the subsequent despatching of new certificates, notices of allotment and relevant confirmation letter(s) to the Unitholders;
- (j) providing where applicable, information to Bursa Depository on relevant dates for book closure and payment; and
- (k) preparing for and handling the registration for Unitholders' meeting using the Registrar's e-meeting system which includes the following:
 - (i) handling registration of Unitholders for meeting purpose; and
 - (ii) handling lodgment and processing of proxy forms received up to providing the analysis of voting instruction based on proxy forms received.

Notwithstanding the above, the services of the Registrar are not intended, in anyway, to diminish the responsibilities of the Manager. The registrar function is the responsibility of the Manager.

6.8 OUTSOURCING OF THE INTERNAL AUDIT FUNCTION

The SC has approved the outsourcing of the internal audit function by the Manager to the Group Internal Audit Division of KLCCH on 12 March 2013.

The Manager has entered into an agreement with KLCCH to delegate the function of internal auditor to the Group Internal Audit Division of KLCCH.

The Group Internal Audit Division of KLCCH was established in 2010 for purposes of providing internal audit services for KLCCH and the KLCCP Group.

The principal services to be provided by Internal Auditor shall comprise, inter alia, the following:

- (a) to develop an annual internal audit plan;
- (b) to conduct an internal control review ("ICR") annually or as and when advised by the Manager. The ICR shall cover the following key business processes:
 - (i) to procure payment of property operating expenses and property enhancement services;
 - (ii) tenancy management to collection of rentals;
 - (iii) acquisition and divestment of investment properties and fund management activities;
 - (iv) operational units, i.e. marketing, leasing, finance, building services, housekeeping, fit-out, business development and safety and health; and
 - (v) risk management;
- (c) to present the findings on ICR to the audit committee and/or Board of the Manager at its meeting as and when required;
- (d) conducting a follow-up review to report on the status of implementation of management action plans arising from the ICR conducted (as necessary);
- (e) reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and reporting such information;
- (f) reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, regulations and contracts which could have a significant impact on operations and reports, and determine whether KLCC REIT is in compliance;
- (g) reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- (h) appraising the economy and efficiency with which resources are employed;
- (i) reviewing operations or programs to ascertain whether the results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- (j) co-ordinating with the external auditors; and
- (k) as and when advised by the Manager, undertake ICR for each tenant in respect of the tenant sales verification audits, special reviews and/or investigations.

Notwithstanding the above, the primary obligation, accountability and responsibility with regards to the scope of internal audit services shall remain with the Board and the Manager at all times.

The Manager shall ensure that the internal audit function implemented is an audit approach for KLCC REIT which is guided by the International Professional Practice Framework of the Institute of Internal Audits Malaysia.

6.9 HOLDINGS OF SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL OF THE MANAGER IN KLCC REIT

As KLCC REIT was only established on 9 April 2013, save for the two subscriber Units held by the Company (all of which shall be redeemed prior to the Stapling taking place), the substantial shareholders, directors and key management personnel of the Manager will not hold any Units, direct and/or indirect, in KLCC REIT prior to the Acquisitions and Listing. Based on shareholdings in the Company available as at LPD, the expected Unitholding of the substantial shareholders, directors and key management personnel of the Manager (as at LPD) after completion of the RCULS Conversion, the Midciti Acquisition and the Acquisitions and upon Listing are set out in the table below:

	Direct		Indirect	
	No. of Units '000	(%)	No. of Units '000	(%)
Substantial Shareholders				
PETRONAS ⁽¹⁾	194,817	10.79	1,167,639 ⁽²⁾	64.68
KLCC ⁽¹⁾	1,167,639	64.68	-	-
Company ⁽³⁾	-	-	-	-
Directors				
Krishnan A/L C K Menon	-	-	-	-
Datuk Manharlal A/L Ratilal	5	0.00054	-	-
Augustus Ralph Marshall	50	0.0054	-	-
Datuk Ishak Bin Imam Abas	-	-	-	-
Dato' Leong Ah Hin @ Leong Swee Kong	50	0.0054	-	-
Dato' Halipah Binti Esa	-	-	-	-
Pragasa Moorthi A/L Krishnasamy	-	-	-	-

	Direct		Indirect	
	No. of Units '000	(%)	No. of Units '000	(%)
Hashim Bin Wahir	-	-	-	-
Key Management Personnel				
Hashim Bin Wahir	-	-	-	-
Azmi Bin Yahaya	-	-	-	-
Abd Aziz Bin Abd Kadir	-	-	-	-
Datin Sr Faudziah Binti Ibrahim	17	0.0018	-	-

Notes:

- (1) *The company is an indirect substantial shareholder of the Manager, deemed to have an interest in the Company's 100% equity interest in the Manager pursuant to Section 6A of the Act.*
- (2) *Deemed to have an interest in the Units pursuant to Section 4 of the CMSA by virtue of KLCCH being its wholly-owned subsidiary.*
- (3) *The Manager is a wholly-owned subsidiary of the Company.*

6.10 SUMMARY OF THE MANAGER'S FINANCIAL POSITION SINCE THE DATE OF INCORPORATION

The Manager was incorporated in Malaysia under the Act on 5 December 2012 as a private limited company and it has not commenced operations. As at the date of this Prospectus, the Manager has an issued and paid up share capital of RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

6.11 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

6.11.1 Retirement

The Manager may retire upon giving six month's written notice to the Trustee (or such shorter period as may be agreed upon with the Trustee) and then the Trustee shall appoint in writing any other corporation as the management company in its stead subject to the approval of the SC.

6.11.2 Removal and replacement

The Trustee shall take all reasonable steps to remove the Manager from its appointment under the following circumstances:

- (a) the Manager has ceased to exist;
- (b) the Manager was not validly appointed;
- (c) the Manager ceases to be eligible to act as a management company pursuant to the CMSA or its appointment to act as the management company of KLCC REIT is revoked by the SC;
- (d) the Manager fails or refuses to act as Manager in accordance with the material provisions or covenants of the Deed or the provisions of the CMSA;
- (e) the Manager has a receiver appointed over the whole or a substantial part of its assets or undertaking and the Manager has not ceased to act under the appointment, or a petition is presented for the winding up of the Manager (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Manager becomes or is declared to be insolvent);
- (f) the Manager is under investigation for conduct amounting to fraud or of similar serious nature being a contravention of the Act or any securities law and is found guilty by the Courts of Malaysia of such offence as charged;
- (g) the Manager is required to be removed by the SC or is required to be removed pursuant to the provisions of the REIT Guidelines; or
- (h) the Manager is required to be removed by the Unitholders by way of a Special Resolution (or otherwise in accordance with the requirements of the REIT Guidelines), passed at a meeting of Unitholders convened for that purpose on the grounds that the Manager is in breach of its obligations under the Deed and the Manager has failed to remedy the breach despite the request from the Trustee to remedy the breach.

The Trustee may then appoint a replacement management company which is eligible to be appointed to act as a management company under the CMSA and which has been approved by the SC. Without prejudice to the Trustee's right to appoint a replacement management company, the Manager shall have the right to nominate a new management company (which is eligible to be appointed to act as management company under the CMSA) which shall not be a related corporation or an associated person of the Manager, within 14 days of its removal for consideration by the Trustee.

6.12 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

The Deed provides that the Manager, the Trustee and any delegate of either of them shall avoid conflicts of interest arising, or if conflicts arise, shall ensure that KLCC REIT is not disadvantaged by the transaction concerned. The Manager must not make improper use of its position in, or information acquired through, managing KLCC REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interests of Unitholders and to ensure that its officers and delegates comply with the same.

The directors of the Manager who are also the directors of the Company are under a fiduciary duty towards KLCC REIT and the Company to act in the best interest of the KLCCP Stapled Group on a whole. In addition, the Executive and Non-Executive Directors (including the Chief Executive Officer) and the executive officers of the Manager are expected to act with honesty and integrity at all times.

Under the Deed, a Related Party of the Manager (as defined in the Deed) may hold Units. Unless otherwise permitted by the SC, the Relevant Laws and Requirements and the Stapling Deed, Related Parties of the Manager shall not exercise the voting rights with respect to the Units held and shall not be counted in a quorum at any Unitholders' meeting, if they have interest in the outcome of the transaction tabled for approval at the meeting which is different from the interest of other Unitholders.

Please refer to Section 11 of this Prospectus entitled "Corporate Governance, Related Party Transactions and Conflicts of Interest" for further details on conflicts of interest and related party transactions.

6.13 CORPORATE GOVERNANCE

Please refer to Section 11 of this Prospectus entitled "Corporate Governance, Related Party Transactions and Conflicts of Interest".

6.14 MATERIAL LITIGATION AND ARBITRATION

As at the LPD, the Manager is not engaged in any material litigation and arbitration, either as plaintiff or defendant which has a material effect on its financial position and its directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

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7. THE TRUSTEE

The following information in this section (save where it relates to the Deed) has been prepared and provided by the Trustee. None of the Manager, the Company, the Principal Adviser, the International Financial Adviser and any other person has independently verified this information and, therefore none of the Manager, the Company, the Principal Adviser and the International Financial Adviser make any representation as to the correctness, accuracy or completeness of such information. Accordingly, Shareholders should not place undue reliance on such information.

7.1 CORPORATE INFORMATION

The Trustee, Maybank Trustees Berhad (formerly known as Mayban Trustees Berhad) (Company Number: 5004-P), was incorporated in Malaysia on 12 April 1963 and registered as a trust company under the Trust Companies Act, 1949 on 11 November 1963. The Trustee was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients. As at the LPD, the authorised share capital of the Trustee is RM2,000,000.00 comprising 200,000 ordinary shares of RM10.00 each whilst the paid-up capital is RM500,000.00.

The principal activity of the Trustee is the provision of trustee services. The Trustee has been in the trustee business for more than 20 years. As at the LPD, the Trustee has a total of 36 staff, comprising 27 executives and nine non-executives.

The Trustee undertakes all types of trustee business allowed under the Trust Companies Act 1949, specialising in corporate trustee services which include acting as trustee for unit trust funds or schemes and REITs. As of the LPD, the Trustee is trustee for 52 unit trust funds and three listed REITs or property trust funds.

7.2 BOARD OF DIRECTORS OF THE TRUSTEE

The following table sets out information regarding the Board of Directors and Chief Executive Officer of the Trustee:

Name	Directorship
Zainal Abidin Jamal	Non Independent Non-Executive Director (Chairman)
Mohd. Hanif bin Suadi	Non Independent Executive Director
Dato' Dr Tan Tat Wai	Independent Non-Executive Director
Ong Sau Yin	Independent Non-Executive Director

Chief Executive Officer of the Trustee: Ms Eunice Chan

Ms Eunice Chan was appointed as the Director of Securities Services of Malayan Banking Berhad and Chief Executive Officer of Maybank Trustee Berhad with effect from 1 November 2012. Prior to her appointment, Eunice was the Director of Custodial Services. She joined Malayan Banking Berhad group of companies in 1997 as Head of Business Operations in Mayban Unit Trust Berhad.

She has extensive experience in business operations of the Unit Trust and she oversees the fund distribution, network management and operational activities of the company. In 2007, she was appointed as the Head of Business Process Management in Service Level Management and Quality cum Strategic Planning and Performance Management in the Chief Operating Officer's office. In 2009, she was seconded to the Transformation Office to spearhead the PMO of restructuring initiatives of the bank. Prior to joining Malayan Banking Berhad, she was with the New Zealand Stock Exchange and she holds a Bachelor of Commerce and Administration from the Victoria University of Wellington, New Zealand.

7.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

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

- (a) at all times, through proper and adequate supervision, to safeguard the interests of the Unitholders and will actively monitor the administration of KLCC REIT by the Manager to ensure that the interests of Unitholders are upheld at all times;
- (b) to act continuously as Trustee under the trust created by the Deed until KLCC REIT is terminated as provided in the Deed or until the Trustee has retired from KLCC REIT in the manner provided in the Deed;
- (c) to ensure that KLCC REIT has, at all times, an appointed Manager and a Shariah Adviser;
- (d) to ensure that the Manager does not make improper use of its position in managing KLCC REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of the Unitholders of KLCC REIT;
- (e) to exercise all due care, skill, diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the Unitholders in accordance with the Deed and the Relevant Laws and Requirements;
- (f) at all times, through proper and adequate supervision, to ensure that KLCC REIT is managed and administered by the Manager in accordance with KLCC REIT's objectives as set out in this Prospectus, the Deed and the Relevant Laws and Requirements and acceptable and efficacious business practices within the real estate investment industry. In ensuring compliance with the requirements and safeguarding the interests of the Unitholders, the Trustee covenants to conduct independent reviews and not only depend on the submission of information by the Manager. It covenants to exercise reasonable diligence in monitoring the function of the Manager in accordance with the provisions of the Deed and to do everything in its power to ensure that the Manager remedies any breach known to the Trustee

of the provisions or covenants of the Deed, unless the Trustee is satisfied that the breach will not materially prejudice the Unitholders' interests;

- (g) to immediately notify the SC of any irregularity, breach of the Deed, the Relevant Laws and Requirements or any other matter properly regarded by the Trustee as not being in the interests of Unitholders; and
- (h) to take all reasonable steps and exercise due diligence to ensure that the Deposited Property are correctly valued and valued by the qualified valuer in accordance with the provisions of the Deed and the Relevant Laws and Requirements.

7.4 FINANCIAL INFORMATION OF THE TRUSTEE

The following is a summary of the Trustee's past audited financial performance for the past three financial years:

	Year Ended (Audited)			
	30 June 2010	30 June 2011	31 December 2011 ⁽¹⁾	31 December 2012
	(RM)	(RM)	(RM)	(RM)
Paid-up share capital	500,000	500,000	500,000	500,000
Shareholders' funds	3,901,376	6,239,462	8,678,875	12,107,452
Revenue	9,114,792	9,784,269	6,506,087	14,047,931
Profit before tax	3,052,910	3,168,312	3,242,278	4,571,241
Profit after tax	2,278,125	2,338,086	2,439,413	3,428,577

Note:

- (1) Change of FY to 31 December by Malayan Banking Berhad group of companies of which the Trustee is a group member.

7.5 TRUSTEE'S FEE

In accordance with the Deed, KLCC REIT will pay the Trustee an annual trusteeship fee of up to 0.025% per annum of the NAV of KLCC REIT, subject to a maximum cap of RM600,000.00 per annum. Any upward variation exceeding the maximum cap will only be made with the prior approval of the Unitholders obtained by way of a majority resolution (or such other majority as may be required under the REIT Guidelines from time to time) and shall be effected by way of a supplemental deed in accordance with the requirements of the CMSA.

7.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

7.6.1 Retirement

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

7.6.2 Removal and replacement

If the Trustee:

- (a) has ceased to exist;
- (b) is not validly appointed;
- (c) ceases to be eligible to act as trustee pursuant to the CMSA or its appointment as trustee for KLCC REIT is revoked by the SC;
- (d) fails or refuses to act as trustee in accordance with the provisions or covenants of the Deed or the provisions of the CMSA;
- (e) has a receiver appointed over the whole or a substantial part of its assets or undertaking and the Trustee has not ceased to act under the appointment, or a petition is presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- (f) is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustees Act 1949, the Act or any securities law and an adverse finding is found,

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

The Trustee may be removed on grounds that the Trustee is in breach of its obligations under the Deed and the Trustee has failed to remedy the breach despite the request from the Manager to remedy the breach and another trustee (which is eligible to be appointed to act as trustee under the CMSA and duly approved by the SC) has been appointed if the Unitholders decide on such removal and replacement by a Special Resolution (or otherwise in accordance with the requirements of the REIT Guidelines), passed at a duly convened meeting which is requisitioned by the Unitholders in the manner provided in the Deed.

Nothing in the Deed limits the right of the SC under Section 292(2) of the CMSA to remove the Trustee and appoint a replacement on the SC's own accord, or on the application of the Manager or of a Unitholder, on any of the grounds stated in sub-paragraphs (a) to (f) above.

7.7 TRUSTEE'S RESPONSIBILITY STATEMENT

The Trustee has given its willingness to assume the position as trustee of KLCC REIT and all the obligations in accordance with the Deed and all the Relevant Laws and Requirements.

7.8 MATERIAL LITIGATION AND ARBITRATION

Save as disclosed below, as at the LPD, the Trustee is not engaged in any material litigation and arbitration as plaintiff or defendant, and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business:

(a) Kuala Lumpur High Court Civil Suit No. D5(D6)-22-1810-2005

The Bondholders of the Al-Bai Bithaman Ajil ("**ABBA**") Bonds ("**bondholders**") issued by Pesaka Astana (M) Sdn Bhd ("**PASB**") have sued PASB for its failure to meet its bonds payment obligations under Kuala Lumpur High Court Civil Suit No. D5 (D6)-22-1810-2005 (the "**ABBA Suit**") and cited the Trustee as one of 12 co-defendants in the ABBA Suit. The claim in the ABBA Suit is for RM149,315,000.00 or any other sum that the Court deems fit. The other defendants in the ABBA Suit include among others the Facility Agent, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director. The Trustee has defended the ABBA Suit and its trial has concluded.

The Trustee had appealed against the decision made by the High Court on 30 June 2010 in respect of the ABBA Suit in awarding judgement against it and another Defendant. The appeals proceeded on 22, 23, 26, 27, 28, 29 and 30 September 2011 and 3 October 2011. The Court of Appeal had on 8 November 2011 awarded the Trustee and the Facility Agent a limited indemnity against PASB, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director but found the Trustee and the Facility Agent equally liable to the bondholders. The Federal Court has on 5 April 2012 granted the Trustee leave to appeal to the Federal Court against certain parts of the decision of the Court of Appeal ("**Federal Court Appeal**"). The Federal Court Appeal was heard on 6, 7, 8, 20, 21 and 23 November 2012 and on 2, 3 and 4 January 2013. The hearing dates of 17 to 19 October 2012 and 19 November 2012 were vacated. Decision is reserved to a date to be notified by the Federal Court.

(b) Kuala Lumpur High Court Civil Suit No. D2-22-1085-2006

Connected to the ABBA Suit, Amanah Short Deposits Berhad (now MIDF Amanah Investment Bank Berhad ("**MIDF**")), a Noteholder of the Combined Commercial Papers and/or Medium Term Notes/Letters of Credit/Financial Guarantee Facilities ("**CP/MTN**") totalling RM13 million and issued by PASB, have also sued PASB for full payment under the CP/MTN arising from a cross-default by PASB under its ABBA Bonds, under Kuala Lumpur High Court Civil Suit No. D2-22-1085-2006 (the "**CP/MTN Suit**"). The Trustee was cited as one of 5 co-defendants in the CP/MTN Suit. The claim in the CP/MTN Suit is for RM13 million or any other sum that the

Court deems fit and damages. The other defendants in the CP/MTN Suit are the Facility Agent, PASB's Chief Executive Officer and one of PASB's directors. The Trustee is defending the CP/MTN Suit. The trial of the CP/MTN Suit is stayed until the disposal of the Federal Court Appeal.

The Trustee has obtained leave of the court to proceed with the actions against PASB given that further to an unrelated suit a provisional liquidator had been appointed against PASB.

Following the winding-up of PASB, the Trustee will seek leave of the court to proceed with the actions against PASB.

In any event, any successful claim that may be established against the Trustee will be covered by the Trustee's insurer and/or Malayan Banking Berhad as the ultimate holding company of the Trustee.

As such, the ABBA Suit and the CP/MTN Suit will not materially affect the business or financial position of the Trustee.

(c) Kuala Lumpur High Court Originating Summons No. 24A-30-2011

Connected to the CP/MTN Suit, MIDF has under Kuala Lumpur High Court Originating Summons No. 24A-30-2011 against the Trustee and another Defendant sought a declaration that the Trustee hold in trust for MIDF the sum of RM3,453,000.00, which said sum is in the possession of the Trustee, and that the said sum be paid to MIDF upon the order of the Court (the "OS"). The OS was fixed for hearing on 22 June 2011 wherein the Court granted order in terms. The Trustee has complied with the order of the Court on 28 July 2011. The OS will not materially affect the business or financial position of the Trustee.

(d) Kuala Lumpur High Court Suit No : D-22NCC-2339-2010

The sole Junior Noteholder of the Junior Notes ("**Junior Noteholder**") issued by Aldwich Berhad ("**Aldwich**") has sued the Trustee and the Security Agent of the Junior Notes for the sum of RM556,500,000.00 together with interest and costs under Kuala Lumpur High Court Suit No : D-22NCC-2339-2010 (the "**JN Suit**"). The JN Suit arises in the Trustee's ordinary course of business and in the performance of its duties and responsibilities to the Senior Bondholders in respect of the Senior Bonds also issued by Aldwich and in acting responsibly further to the instructions of the Senior Bondholders via special resolution in declaring an Event Of Default for the Senior Bonds ("**EOD For Bonds**"). Subsequently, the EOD For Bonds had caused a cross default on the Junior Notes resulting in the Trustee acting responsibly in declaring an Event Of Default for the Junior Notes in order to avoid the interests of the Junior Noteholder being jeopardized. The Trustee does not admit any liability to and has defended the JN Suit. The JN Suit will not materially affect the business or financial position of the Trustee. The Trustee's lawyers are of the view that the JN Suit is devoid of merit.

The JN Suit trial proceeded on 15, 19, 20 and 28 July 2011 and 15 August 2011. The High Court had on 30 September 2011 dismissed the JN Suit against both the Trustee and the Security Agent. The Junior Noteholder had filed an appeal to the Court of Appeal against the decision of the High Court ("**Appeal**"). The Court of Appeal had on 7 March 2012 dismissed the Appeal. The Junior Noteholder has filed an application at the Federal Court to seek leave to appeal against the decision of the Court of Appeal in favour of the Trustee ("**Application**"). The Application is fixed for hearing on 29 April 2013.

(e) Kuala Lumpur High Court Suit No : D-22NCC-1622-11/2012

Several holders of the bonds ("**bondholders**") issued by Aldwich Berhad (In Receivership) ("**Aldwich**") have sued Aldwich for its failure to settle its indebtedness to the bondholders following the default of the Aldwich Bonds in 2010 and cited the Trustee as one of six co-defendants under Kuala Lumpur High Court Suit No. D-22NCC-1622-11/2012 (the "**Bondholders' Suit**"). The claim against the Trustee is for the sum of RM156,251,210.67 or any other sum that the Court deems fit. The other defendants are Maybank Investment Bank Berhad, Aldwich Enviro-Management Sdn Bhd, Kamalul Arifin Yusof and Ernst & Young. The Trustee does not admit liability to the Bondholders' Suit and shall defend it. The Bondholders' Suit is not set for trial yet. The Bondholders' Suit will not materially affect the business or financial position of the Trustee.

The Trustee reiterates that it has in place a strong team of professionals with priority chiefly on protecting the interest of all stakeholders and upholding best standards of service and management practice.

7.9 DELEGATION OF THE TRUSTEE'S FUNCTION

As at the LPD, none of the Trustee's function in relation to KLCC REIT has been delegated.

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8. THE PROPERTY MANAGER

The following information in this section (save where it relates to the Property Management Agreement) has been prepared and provided by the Property Manager. None of the Manager, the Company, the Principal Adviser, the International Financial Adviser and any other person has independently verified this information and, therefore none of the Manager, the Company, the Principal Adviser and the International Financial Adviser makes any representation as to the correctness, accuracy or completeness of such information. Accordingly, Shareholders should not place undue reliance on such information.

8.1 CORPORATE INFORMATION

The Property Manager, Rahim & Co Chartered Surveyors Sdn Bhd (Company Number: 69437-W), is a firm of international property consultant. The Property Manager has been providing professional valuation, research, property management and estate agency services since 1976. The Property Manager is registered with the Board of Valuers, Appraisers and Estate Agents Malaysia under Section 19 of the Valuers, Appraisers and Estate Agents Act 1981 to undertake property management functions under the registration number VE(1)0065 and is therefore qualified to act as the property manager of KLCC REIT.

The Property Manager was incorporated in Malaysia on 9 April 1981. As at the LPD, it has an authorised share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares of par value RM1.00 each of which 600,001 ordinary shares have been issued and are fully paid-up.

The Property Manager has 36 years of experience in property management and is currently managing a total of ten property sites and with a current total of 302 employees.

8.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE PROPERTY MANAGER

The Trustee, the Manager and the Property Manager entered into the Property Management Agreement on 10 April 2013 for the appointment of the Property Manager to provide property management services to manage, operate, maintain and market the Subject Properties upon the terms and conditions therein.

The services provided by the Property Manager for each property under its management include, amongst others, the following:

- (a) retail consultancy services, including carrying out regular reviews, analysis and surveys relating to property management practices adopted by other existing and new centres, trends in consumer buying behaviour, changes in demographic and psychographic characteristics of target consumers, expenditure patterns and trends in the industry, trends in tenant-mix, and tenant requirements and expectations and design, layout and building trends for retail centres or office buildings;

- (b) facilities management services, including operation and maintenance of the centre, property security of the centre, ensuring compliance with building and safety regulations, advising on building improvement and upgrading and recommending and advising on appointment of service contractors and terms, monitoring and supervision of appointed contractors and frequent objective evaluation of performance;
- (c) financial management services by assisting the Manager in respect of the financial, cost and budgetary coordination, administration and measurement including preparation of budgets for management operation, procedures for monitoring budgetary performance and compliance, and providing annual reports and analysis of operation performance;
- (d) letting and tenancy management services, including formulating appropriate leasing and tenancy strategies, securing potential tenants, preparing leasing and tenancy documentation, organising regular meetings with tenants and implementing effective rental collection policies and practices;
- (e) property promotion services, including advising the Manager on marketing and public relations, planning, preparation of and contracting for advertising and promotional programs for the property; and
- (f) professional service management to seek advice and consult with other expertise within the Property Manager on capital value and assessment value and with other professionals in legal, technical, financial and accounting matters.

Notwithstanding anything stating to the contrary in the Property Management Agreement, the Property Manager's scope of services in respect of PETRONAS Twin Towers and Menara 3 PETRONAS, is reduced to a supervisory role over PETRONAS to ensure that PETRONAS carries out the services (as outlined in paragraphs (b) to (d) above) satisfactorily, and in accordance with the respective PETRONAS Twin Towers Lease and Menara 3 PETRONAS (Office Tower) Lease.

In accordance with the terms of the Property Management Agreement, the Property Manager shall at all times during the duration of the Property Management Agreement, employ, by itself or through third party service providers, personnel required to properly operate, maintain, manage and market all the Subject Properties on such terms and conditions as are commercially reasonable or appropriate having regard to the qualification, skill and experience of the persons employed for the relevant positions, responsibilities and duties. Please refer to Section 8.6 of this Prospectus entitled "Salient Terms of the Property Management Agreement" for further details of the Property Management Agreement.

8.3 EXPERIENCE IN PROPERTY MANAGEMENT AND PROPERTIES MANAGED

The Property Manager has provided management services for numerous properties including the following:

- Putra World Trade Centre;
- Bursa Malaysia Exchange Square Bukit Kewangan;
- Wisma Bernama;
- Menara AmBank;
- Yayasan Tun Razak;
- Menara MBPJ; and
- Wisma Amanah Raya.

As at the LPD, the Property Manager has NLA of office space of approximately 2,145,000 sq. ft under its management.

The Property Manager's portfolio includes a total of nine units of commercial buildings, retail buildings, etc. located in Klang Valley.

8.4 INFORMATION ON KEY PERSONNEL AND STAFF STRENGTH

The profiles of the key personnel of the Property Manager who are involved in the management of the Subject Properties are as follows:

Senator Dato' Abdul Rahim Rahman is the Executive Chairman of Rahim & Co group of companies and has more than 44 years of experience in the real estate industry.

Senator Dato' Rahim established Rahim & Co in 1976. Prior to that, he served as a Valuation Officer with London Borough of Hounslow, a Valuation Officer with the Valuation Division of the Ministry of Finance, the Properties Manager with Malayan Railways and the Properties with Bank Bumiputra Malaysia Berhad.

In his professional capacity, he has served as a member of the Board of Valuers, Appraisers & Estate Agents, Malaysia. He is the past President of the Institution of Surveyors, Malaysia (1986-1987), the International Real Estate Federation ("FIABCI") Malaysian Chapter (1984-1986), the Asia Pacific Real Estate Federation (1985-1988) and the Association of Valuers, Property Managers, Estate Agents and Property Consultants in Sector Malaysia (1990-1994). He was elected the Deputy World President of the FIABCI in 1990 for a two-year term.

He was awarded the Darjah Indera Mahkota Pahang (DIMP) by HRH The Sultan of Pahang in 1980, the Darjah Mulia Seri Melaka (DMSM) by TYT The Governor of Malacca in 2002 and the Darjah Dato' Paduka Tuanku Ja'afar (DPTJ) by the late HRH The Yang DiPertuan Besar of Negeri Sembilan. All these awards carry the title Dato's.

He was appointed as a Senator by Seri Paduka Baginda Yang di-Pertuan Agong on 3 May 2010.

Alisa M. Rahim is the Executive Director of Rahim & Co Engineering Sdn Bhd, Executive Director of Rahim & Co Research Sdn Bhd and the Head of Corporate Development Strategy for Rahim & Co group of companies. She was trained in the United Kingdom with a Degree in Land Management from the University of Reading and a Master's Degree in Property Investment from the City University.

Prior to joining the firm in 1998, she practiced in London with Savills, an international property consultant. Her professional experience includes valuation, property management, real estate agency, research and consultancy. She is also on the management board of the company and is actively involved in the day to day operations of the company.

Muhammad Kamal Bin Abdullah is the General Manager of Rahim & Co's Facilities & Maintenance Department. Generally, he is responsible for overseeing the department on the day to day operations to ensure all request and requirement by any one of the clients are met accordingly which also includes his involvement in tactical and operational-level management of properties. Besides his direct involvement in operation, he is also involved in strategising, marketing and pitching for new projects. Hotelier by qualification, he joined Rahim & Co in 2008. In 2009, he relocated to the headquarters to further assist the departments' operations and have successfully maintained several accounts.

8.5 PROPERTY MANAGEMENT FEE

The Property Manager is entitled to receive RM7,500.00 per month for the Subject Properties. In addition, the Property Manager is also entitled to reimbursement of all costs and expenses properly incurred in the operation, maintenance, administration, advertising, marketing and promotion activities of the Subject Properties, including fees and disbursements for similar permissible expenses payable to its service provider(s).

8.6 SALIENT TERMS OF THE PROPERTY MANAGEMENT AGREEMENT

- (a) Subject to the right of termination under the Property Management Agreement, the appointment of the Property Manager shall commence from the Listing Date and shall unless terminated in accordance with the Property Management Agreement, continue for an initial period of two years and may be extended for a further term on such terms and conditions as may be mutually agreed between the parties ("**Management Period**").
- (b) The functions, duties and responsibilities of the Property Manager under the Property Management Agreement is summarised in Section 8.2 of this Prospectus entitled "Functions, Duties and Responsibilities of the Property Manager".
- (c) The Property Management Agreement may be terminated in accordance to the terms and conditions therein under any one of the following circumstances:
 - (i) upon expiry of the Management Period;
 - (ii) upon termination by the Trustee of the appointment of the Manager as the management company of KLCC REIT;

- (iii) upon exercise by the parties therein of the right of termination by giving not less than three months' notice in writing to the other parties;
- (iv) upon occurrence of any force majeure event which results in the failure of the Property Manager to deliver a substantial majority of the services contemplated under the Property Management Agreement for at least 14 days;
- (v) upon the sale or disposal of all or any of the Subject Properties; and
- (vi) at the option of the Manager and/or the Trustee, upon occurrence of any one or more of the events:
 - (1) the Property Manager is in breach of its obligations and/or any of the terms or conditions of the Property Management Agreement and such breach continues for a period of 30 business days after its receipt from the Manager and/or the Trustee a notice specifying such breach and requesting that the same be remedied;
 - (2) there is a revocation, withholding or modification of licence, authorisation or approval that impairs or prejudices the Property Manager's ability to comply with the material terms and conditions of the Property Management Agreement;
 - (3) any of the material provisions in the Property Management Agreement becomes ineffective, invalid or unenforceable;
 - (4) the Property Manager changes the nature or scope of its core business, suspends or ceases or threatens to suspend or cease a substantial part of its business operations;
 - (5) an order is made or a resolution is passed for winding up or dissolution of the Property Manager; and/or
 - (6) the Property Manager becomes insolvent or a receiver has been appointed over the whole or a substantial part of the assets of the Property Manager.

For the purposes of this Section 8.6, "**force majeure event**" means all events which are beyond the reasonable control of the parties to the Property Management Agreement and which are unforeseen or if foreseen are unavoidable and which render impossible the performance of any material obligation or the exercise of any material right under the Property Management Agreement by any of the parties and shall include but is not limited to (i) war, invasion, rebellion, revolution, insurrection or civil war; (ii) act of government in its sovereign capacity; (iii) earthquakes, fire, lightning, storms, floods or any other occurrence caused by the operation of the forces of nature; (iv) strikes, lockouts, boycotts or labour disputes affecting the operation of a Subject Property; (v) terrorism, sabotage or arson; and (vi) change in law.

8.7 UNITHOLDING OF THE PROPERTY MANAGER IN KLCC REIT AND THE KLCCP STAPLED GROUP

The Property Manager will not hold any Units upon Listing.

8.8 SERVICE PROVIDERS TO PROVIDE PERSONNEL TO THE PROPERTY MANAGER

Pursuant to the Property Management Agreement, the Property Manager may appoint any third party service provider to, amongst others, provide personnel in order for the Property Manager to carry out its services under the Property Management Agreement to the best of its abilities provided that the appointment of such third party service providers have been approved by the Manager. The amount of such third party service providers' fees will be determined under the approved annual business plan and budget for the Subject Properties. The service providers' fees, costs, expenses and reimbursement properly incurred by the service providers for the provision of the services will form part of the property expenses to be paid by the Trustee on the advice and/or recommendation of the Manager under the Property Management Agreement.

There are Service Provider Agreements between the Property Manager and each of Suria and KLCC Urusharta, wherein Suria and KLCC Urusharta will provide the Property Manager with, amongst others, a team of personnel with the necessary qualifications, expertise, experience and internal working and operation knowledge of the Retail Podium of Menara 3 PETRONAS and Menara ExxonMobil to facilitate the Property Manager in carrying out its obligations under the Property Management Agreement, in accordance with the terms and conditions of the Service Provider Agreements.

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9. THE SHARIAH ADVISER

9.1 CORPORATE INFORMATION

The Company and the Manager have jointly appointed CIMB Islamic as the Shariah Adviser for the KLCCP Stapled Group to advise on all Shariah matters and to ensure full compliance with the REIT Guidelines, the Islamic REIT Guidelines and such other guidelines related to Shariah matters.

CIMB Islamic is a licensed Islamic bank and is an approved institution to act as a Shariah Adviser pursuant to the Islamic REIT Guidelines. CIMB Islamic was incorporated in Malaysia on 2 November 2004.

CIMB Islamic is the global Islamic banking and finance franchise of CIMB group of companies as a result of the merger with Commerce Tijari Bank Berhad on 6 June 2006. Currently, CIMB Islamic provides comprehensive and innovative Shariah-compliant financial products and services to satisfy the needs of individual, small and medium scale enterprises and large institutional customers in investment banking, consumer banking, asset management, private banking and takaful. Its retail banking is co-located at CIMB Bank Berhad's 312 branches nationwide.

CIMB Islamic provides services on various Islamic banking and finance products to ensure compliance with applicable Shariah principles as well as the relevant resolutions and rulings made by the Shariah advisory councils of the regulatory bodies and CIMB Islamic's in-house Shariah committee ("**Shariah Committee**").

As at the LPD, the Shariah Committee acts as Shariah adviser for a total of 45 funds. The Shariah Adviser will meet every two months (six times a year) to address Shariah advisory matters pertaining to the KLCCP Stapled Group, if any, and review the KLCCP Stapled Group's investment to ensure compliance with Shariah principles. Semi-annual review is conducted to ensure the KLCCP Stapled Group's investment is in compliance with the Shariah principles.

9.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE SHARIAH ADVISER

The role of the Shariah Adviser is to ensure that the operations and investments made on behalf of the KLCCP Stapled Group are in compliance with Shariah requirements. In line with the Islamic REIT Guidelines, the Shariah Adviser shall provide the following Shariah advisory services:

- (a) providing expertise and guidance on all matters relating to the Stapled Securities' Shariah requirements, including its structure, investment process, documentations and other operational matters;
- (b) advising on the Islamic modes of ancillary activities relating to the Stapled Securities such as investment in liquid and short terms funds or assets, marketing materials and SC's Shariah methodology;

- (c) performing Shariah compliance assessment to ensure that all activities of the stapled structure and/or the composition/contribution of Non-Permissible Activities of the stapled structure is within the tolerable benchmark as per relevant Shariah guidelines;
- (d) reviewing necessary documentations and information submitted by the Company, not limited to the Deed and other relevant information in relation to the stapled structure including this Prospectus, Stapling Deed, tenancy agreement, financing agreement, takaful/insurance policy and financial statements;
- (e) reviewing and endorsing proposed investment of the KLCCP Stapled Group from time to time provided always that the Company has provided all relevant information in relation to the proposed investments;
- (f) reviewing the investment of the KLCCP Stapled Group on a semi-annual basis reflecting transactions to ensure compliance with the prescribed investment policies and guidelines approved by the Shariah Adviser;
- (g) preparing periodic report certifying whether the Stapled Securities has been managed in accordance with applicable guidelines, rulings or decision issued by the SC pertaining to Shariah matters;
- (h) consulting with the SC who may consult the SAC of the SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
- (i) ensuring the Company is committed to, and regularly engage in, fiscal purification in a manner that is in line with Shariah. The process of purification involves cleansing the impure earning or tainted income (if any) to be distributed to suitable and deserving charitable bodies endorsed by the Shariah Adviser.

9.3 DESIGNATED PERSON RESPONSIBLE FOR THE KLCCP STAPLED GROUP

The designated person responsible for Shariah matters relating to the KLCCP Stapled Group is Head of Shariah Department of CIMB Islamic, Abdul Ghani Endut. In addition, CIMB Islamic is backed by its own respective Shariah Committee comprising the following members:

- (a) Prof. Dr. Mohammad Hashim Kamali;
- (b) Dr. Haji Mohd Nai'm bin Haji Mokhtar;
- (c) Assc. Prof. Dr. Shafaai Bin Musa;
- (d) Sheikh Nedham Yaqoobi;
- (e) Dr. Yousef Abdullah Al Shubaily; and
- (f) Prof. Dr. Noor Inayah Yaakub.

Name	Prof. Dr. Mohammad Hashim Kamali
Experience	He is the Chairman and CEO of the International Institute of Advanced Islamic Studies and the member of the SAC of the SC for the period from July 2010 to June 2012. He has been teaching Islamic law and jurisprudence since 1985 and a former Professor of International Institute of Islamic Thought and Civilisation (ISTAC), and Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia (IIUM). He is also a renowned writer in the area of Islamic law and jurisprudence and has written many books and articles on the subject.
Qualifications	He holds a first Class, BA Honours degree in Law and Political Science from Kabul University, Afghanistan, LLM degree from the London School of Economics, England and a PhD in Islamic Law from the School of Oriental & African Studies, University of London, England.

Name	Dr. Haji Mohd Nai'm bin Haji Mokhtar
Experience	Currently, serving as Director in Family Support Division, Malaysian Shariah Judiciary Department of the Prime Minister's Department. Previously, he served as a lecturer at Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1990 to 1997. He then joined Messrs Zulkifli Yong, Azmi & Co as a Shariah lawyer before being appointed as a Syariah Judge in 1998. He was also assigned as a research officer at Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 to 2004 as well as a Shariah Subordinate Court Judge for Federal Territory from 2007 to 2008 and a Shariah Prosecutor, Federal Territory in 2008.
Qualifications	He received his LLB degree from International Islamic University, Malaysia (IIUM), LLM from University of London, UK and PhD in Shariah from National University of Malaysia. He also holds a Diploma in Shariah Law & Practice and Diploma in Administration & Islamic Judiciary both from Islamic International University, Malaysia (IIUM).

Name	Assc Prof Dr. Shafaai bin Musa
Experience	He is currently serving as Associate Professor of Ahmad Ibrahim Kulliyah Of Laws, IIUM. He is also the Chairman of CIMB Aviva Takaful Shariah Committee. He has more than 10 years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He served as Shariah adviser for Department of Islamic Development Malaysia in 2005.

Qualifications	He received his Degree in Shariah from University of Al-Azhar, Egypt, Master in Comparative Laws from IIUM and Ph.D. from Glasgow Caledonian University, UK.
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Name	Sheikh Nedham Yaqoobi
Experience	A Bahrain national and is a renowned Shariah scholar. He sits on various Shariah boards of Islamic banking and financial institutions globally including the Dow Jones Islamic Market Indexes (DJIM), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Islamic Financial Market (IIFM). He is the author of several articles and publications on Islamic finance and other sciences, in English and Arabic.
Qualifications	He was educated in the classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhhamed Yasin al Fadani (Makkah), Shaikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others. He has a BA in Economics and Comparative Religion and M.SC. in Finance from McGill University, Montreal, Canada.

Name	Dr. Yousef Abdullah Al Shubaily
Experience	<p>A citizen of the Kingdom of Saudi Arabia, Dr. Yousef is currently attached as a Lecturer at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom. He also serves as a Co-operating professor for the American Open University.</p> <p>Beyond his academic career, Dr. Yousef has an extensive experience in serving various Shariah boards of a number of banks and financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, USA and Britain. He also holds advisory functions in numerous religious and charitable organisations within and outside the Kingdom.</p> <p>Dr. Yousef has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programs on television and radio broadcasts in the Kingdom and abroad. He is a permanent guest for various television programs including the programs aired by Al Majd, MBC and CNBC channels.</p>

Qualifications	He received his Bachelor Degree from the Faculty of Shariah and Fundamentals of Islam and a Masters Degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University and Ph.D in Islamic Jurisprudence from Muhammad bin Saud Islamic University.
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Name	Prof. Dr. Noor Inayah Yaakub
Experience	<p>Prof. Dr. Noor Inayah is a Malaysian, currently attached as a Professor at Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM) and Principal Fellow of Institute of West Asian Studies, UKM. She is also a Director of Centre for Corporate Planning & Leadership, University Kebangsaan Malaysia.</p> <p>She received her Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) from International Islamic University, Malaysia, LLM (Master of Comparative Civil & Banking Law) from University of Bristol, UK and Ph.D (Comparative Civil & Islamic Banking Law of Guarantee) from the University of Manchester, UK. She holds a certificate of Product Management from ISIS Centre, University of Oxford, UK.</p> <p>She was admitted to the Malaysian Bar as an Advocate & Solicitor of the High Court of Malaya in 1996 and in the same year she was a qualified Shariah Lawyer. She practised law with Messrs. Abraham & Ooi and Co. from 1996 to 1997 before joining UKM as a lecturer in 1998.</p> <p>She has more than 15 years of experience in teaching Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity & Trust Law and Business Law and Ethics. She has produced several academic research papers and articles mainly on the subject of Islamic and conventional banking law and takaful and insurance law of which some were presented in Islamic banking and finance proceedings and conferences and published in Malaysian and International high refereed/impact journals.</p>
Qualifications	She received her Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) from International Islamic University, Malaysia, LLM (Master of Comparative Civil & Banking Law) from University of Bristol, UK and Ph.D (Comparative Civil & Islamic Banking Law of Guarantee) from the University of Manchester, UK.

Name	Abdul Ghani Endut
Experience	<p>Abdul Ghani joined CIMB in January 2005 as Manager, Shariah Advisory Unit and the Secretary of CIMB Islamic Shariah Committee. Previously, he was attached to the Shariah Department of the first Islamic bank in Malaysia for more than 10 years. There, he was the Head of the Shariah Department and the Secretary of the Shariah Supervisory Council. He was actively involved in Shariah advisory activities of the bank and other external parties, in Retail, Commercial, Corporate Banking and Debt Capital Market. He was also involved in the structuring of Islamic Venture Capital and Shariah advisor to Islamic Unit Trusts.</p> <p>He now leads the overall function of Shariah Department which is responsible to provide the Shariah advisory for all type of Islamic products both to the CIMB group of companies and external parties in asset & fund management, investment & corporate banking, retail & commercial banking, treasury & structured products, takaful, private equity and etc. He is also involved in developing curriculum for industry owned institutes dedicated for human capital development in the Islamic finance industry such as IBFIM, AIF etc.</p> <p>He is currently a member of the Shariah Governance Working Group for the Islamic Financial Services Board (IFSB), an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets, takaful and insurance sectors.</p>
Qualifications	He holds a Bachelor of Art (Hons) in Business Studies from the University of East London, UK and a Bachelor of Art (Hons) in Islamic Jurisprudence and Legislation from the University of Jordan.

9.4 SHARIAH ADVISER'S FEE

The Shariah Adviser will be paid the following:

- (a) by the Company:
 - (i) an annual retainer fee of RM5,000.00; and
- (b) by KLCC REIT:
 - (i) establishment fee of RM50,000.00 being a one-off fee, payable upon issuance of the Shariah pronouncement for the establishment of KLCC REIT;
 - (ii) an annual retainer fee of RM15,000.00; and
 - (iii) RM10,000.00 payable upon issuance of the Shariah pronouncement for each new investment.

10. SALIENT TERMS OF THE DEED AND THE STAPLING DEED

The Deed and the Stapling Deed are complex documents and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Deed and the Stapling Deed. Certain salient terms of the Deed and Stapling Deed are summarised in other sections of this Prospectus. Recipients of this Prospectus should refer to the Deed and Stapling Deed respectively to confirm specific information or for a detailed understanding of the KLCC REIT and the KLCCP Stapled Group. The Deed and Stapling Deed are available for inspection at the registered office of the Manager.

10.1 THE DEED

The KLCC REIT is a REIT constituted by the Deed, as entered into between the Trustee and the Manager on 2 April 2013. The Deed came into effect on 9 April 2013 when it was registered with the SC.

Each Unitholder and all persons claiming through it shall be entitled to the benefit of and shall be bound by the terms and conditions of the Deed and any supplementary deed as if it had been a party thereto and as if the Deed contained covenants on the part of each Unitholder to observe and be bound by all the provisions thereof and an authorisation by each Unitholder to do all such acts and things as the Deed may require the Trustee or the Manager (as the case may be) to do. The Deed does not establish either the Trustee or the Manager as the agent of the Unitholders and does not create any other relationship other than that which is established by the provisions of the Deed.

Pursuant to the Deed, the Trustee shall hold the Deposited Property upon trust for the Unitholders and the Deposited Property so held shall be segregated from the general assets of the Trustee. The rights of the Unitholders under the Deed are divided into Units.

The Manager and the Trustee shall in the performance of their respective duties under the Deed, at all times comply with applicable provisions of the relevant laws and requirements, subject to compliance with any applicable waiver or exemption given by any relevant regulatory authority (including the SC or Bursa Securities, as the case may be) in respect of the relevant laws and requirements. Please refer to "Information Summary – Fees and Charges" for a summary of fees payable to the Manager and the Trustee, Section 6.6 of this Prospectus entitled "Management Fees" for further details of the Management Fee payable to the Manager and Section 7.5 of this Prospectus entitled "Trustee's Fee" for further details of the Trustee's fee payable to the Trustee, pursuant to the terms of the Deed.

The Deed is governed by, and shall be construed in accordance with, the laws of Malaysia.

10.1.1 Nature of Units

Each Unit is of equal value and represents an undivided interest in KLCC REIT. There is only one class of Units in KLCC REIT, and all issued Units rank *pari passu* provided the issue price is fully paid and to the extent that Units are Stapled to Shares, the Manager shall not, without the prior written consent of the Company, issue any other class of unit in KLCC REIT. A Unit shall not confer any interest in any particular asset of KLCC REIT held by the Trustee on the trust of the Deed but only such interest in KLCC REIT as a whole as is conferred on a Unit under the provisions of the Deed, subject to the liabilities of KLCC REIT.

10.1.2 Rights of Unitholders

Units shall confer on the Unitholder the rights (amongst others) to receive any distribution entitlements and such other rights, benefits, entitlements and privileges as are conferred on the Units or attached to the Units by the provisions of the Deed, subject to the Stapling Deed.

10.1.3 Limitation of liability and rights of Unitholders

The liability of each Unitholder shall be limited to the Unitholder's investment in KLCC REIT. Provided that the issue price is paid in full, no Unitholder shall be under any obligation personally to indemnify the Trustee or the Manager or any of their creditors against any liability of the Trustee or the Manager in respect of KLCC REIT.

Subject to the Stapling Deed and subject further to the rights of Unitholders created by the Deed and by law:

- (a) a Unitholder has no equitable or proprietary interest in the Deposited Property and is not entitled to the transfer to it, any Deposited Property or any part of the Deposited Property or of any estate or interest in the Deposited Property or in any part of the Deposited Property;
- (b) the right of a Unitholder in the Deposited Property and under the Deed is limited to the right to require the due administration of KLCC REIT in accordance with the Deed including, without limitation, by suit against the Trustee or the Manager; and
- (c) without limiting the generality of the foregoing, each Unitholder acknowledges and agrees that:
 - (i) he will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the Deposited Property or any part of the Deposited Property and hereby waives any rights it may otherwise have to such relief;
 - (ii) if the Trustee or the Manager breaches or threatens to breach its duties or obligations to a Unitholder under the Deed, that Unitholder's recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction; and
 - (iii) damages or compensation is an adequate remedy for such breach or threatened breach;
- (d) subject to the Stapling Deed, a Unitholder may not (at a meeting of Unitholders):
 - (i) interfere or seek to interfere with the rights, powers, authority or discretion of the Manager or the Trustee or restrict the exercise of any discretion expressly conferred on the Manager or Trustee under the Deed or the determination of any matter which, under the Deed, requires the agreement of either or both of the Manager and the Trustee;
 - (ii) exercise any right in respect of the Deposited Property or any part of the Deposited Property or lodge any caveat or other notice affecting the Deposited Property or any part of the Deposited Property;

- (iii) require that any Deposited Property or any part of the Deposited Property be transferred to the Unitholder; or
 - (iv) give any directions to the Manager or Trustee which would require the Manager or Trustee to do or omit doing anything which may result in KLCC REIT ceasing to comply with the Relevant Laws and Requirements or which may result in the Manager or the Trustee being required to do anything which is inconsistent with their duties at law or under the Deed; and
- (e) other than in accordance with the provisions of the Stapling Deed, no Unitholder shall have any right solely by reason of his being a Unitholder to attend any meetings of shareholders, stockholders or debenture holders of the Manager, the Trustee or a company whose shares form part of the Deposited Property, or to vote or take part in or consent to any such company or shareholders', stockholders' or debenture holders' action.

10.1.4 Creation of Units

There shall be no offering of Units to the general public pursuant to the Listing as the Units will be distributed to the Shareholders on the basis of one Unit for every one Share held by a Shareholder pursuant to the Bonus RPS Issue and subsequent redemption thereof. No applications for Units in relation to the Listing shall be made and the Manager shall ensure that the Units are allotted and issued to the Shareholders on the basis of one Unit for one Share held pursuant to the Bonus RPS Issue and subsequent redemption thereof. For the avoidance of doubt, no Unitholder is required to pay any application monies or any other monies for Units issued and received at the time of the Listing. Subject to the Relevant Laws and Requirements and the Stapling Deed, the Manager shall determine the issue price, on market-based principles, taking into account the best interests of KLCC REIT and Unitholders.

10.1.5 Suspension of, dealing in and issue of Units

Subject to the Stapling Deed, the Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Requirements, suspend the issue of Units during exceptional circumstance which in the opinion of the Trustee and the Manager provides good and sufficient reason to do so, having taken into consideration the interests of the Unitholders. Such suspension will take effect forthwith upon the written approval by the Manager or the Trustee pursuant to any the declaration in writing of the same by the other and shall terminate upon the written approval by the Manager or the Trustee pursuant to any declaration in writing of the same by the other which will be made after the condition or any other conditions giving rise to the suspension ceases to exist subject always to the Relevant Laws and Requirements.

The Trustee shall, in consultation with the Manager and where it deems appropriate and subject to the REIT Guidelines and the Stapling Deed, suspend dealing in the Units due to exceptional circumstances, where there is a good and sufficient reason to do so, considering the interests of the Unitholders or potential investors. Such suspension must cease as soon as practicable after the exceptional circumstances have ceased, and in any event within 21 days of the commencement of the suspension. The Trustee should immediately notify the SC in writing of such suspension, stating the reason for suspension and the proposed resumption of dealings in Units and the date of the proposed resumption.

10.1.6 Vendor Units

In the case of the issue of Units to vendors of Authorised Investments and subject to the Relevant Laws and Requirements and the Stapling Deed, the Manager may only offer Units to vendors as consideration (in whole or in part) for Authorised Investments proposed to be acquired by KLCC REIT at a price determined by the Manager and approved by the Trustee if the following conditions are met so long as KLCC REIT is listed:

- (a) the terms and conditions of the acquisition are approved by the Unitholders pursuant to the REIT Guidelines;
- (b) neither the Manager nor the person to whom the Units are to be issued nor any associated person of that person votes in relation to the above approval of the Unitholders pursuant to the REIT Guidelines; and
- (c) if and to the extent required, the acquisition is approved by the SC and any other relevant regulatory authority.

10.1.7 Distributable Income

The Distributable Income for each Distribution Period shall be the realised income for the Distribution Period being the Net Income for the Distributable Period adjusted (in whole or in part) as deemed necessary by the Manager in the interest of KLCC REIT and the Unitholders for the following effects which may or may not have been recorded in the profit or loss for the relevant Distribution Period:

- (a) the portion of the Manager's management fees paid or payable in Units;
- (b) amortisation and other non-cash expenses or gains;
- (c) valuation gain/ loss on investment properties and financial instruments;
- (d) depreciation or impairment of assets;
- (e) any other entries, provisions, write-offs or adjustments required by the approved accounting standards;
- (f) expenses/ loss which is charged to the profit or loss relating to issuance of new units or expenses that is capital in nature; and
- (g) unamortised costs which had been paid and incurred but had not been expensed off to the profit or loss other than those incurred for issuance of units or raising of funds.

The Distributable Income which the Manager may distribute for any Distribution Period shall take into consideration the following and the Stapling Deed:

- (i) total returns for the period;
- (ii) income for the period;
- (iii) cash flow for distribution;
- (iv) stability and sustainability of distribution of income and/or capital; and
- (v) the investment objective and distribution policy of KLCC REIT.

All (or such lower percentage as determined by the Manager in its absolute discretion) of the Distributable Income will be distributed among the persons who on the relevant Book Closing Date for a Distribution Period are Unitholders, in proportion to their Units. Each Unitholder's entitlement to the percentage of Distributable Income (before deductions as provided for in Clause 17.6) is to be determined in accordance with the following formula:

Distribution Entitlement = % of DI x UH / UI

where:

DI = Distributable Income

UH = the number of Units held by the Unitholder at the close of business on the Books Closing Date for the relevant Distribution Period adjusted to the extent it is entitled to participate in the Distributable Income.

UI = the total number of Units in issue in KLCC REIT at the close of business on the Book Closing Date for the relevant Distribution Period adjusted to the extent it is entitled to participate in the Distributable Income.

10.1.8 Investment policies of KLCC REIT

(a) Authorised Investments

- (i) Subject to Paragraph 10.1.8(b), the REIT Guidelines and the Islamic REIT Guidelines, KLCC REIT may invest in any Authorised Investments which shall at all times comply with Shariah principles.
- (ii) The Trustee must act as custodian and take into its custody, or under its control (in the event of delegation of custody), the Deposited Property and hold the Deposited Property in trust for the Unitholders in accordance with the Deed and the Relevant Laws and Requirements and the Stapling Deed. The Deposited Property shall be registered in the name of the Trustee for and on behalf of the Unitholders, or assigned to the Trustee for and on behalf of the Unitholders, or to the order of KLCC REIT.

For the avoidance of doubt, the Manager may use financial derivatives including but not limited to entering into futures, forwards, options and swaps contracts for the purpose of achieving the investment objective of KLCC REIT if in compliance with the Relevant Laws and Regulations subject to the Stapling Deed.

(b) Investment limits

The Manager shall observe and the Trustee shall ensure that the Manager observes the investment limits or such other limits as may be established by the SC and the Stapling Deed.

In exercising its powers to make investment on behalf of KLCC REIT, and subject to limits as may be prescribed by the SC or the REIT Guidelines from time to time and subject always to the Stapling Deed, the Manager must ensure that:

- (i) at least 50.00% of the Total Asset Value of KLCC REIT must be invested in Real Estate Assets at all times; and

- (ii) not more than 25.00% of the Total Asset Value of KLCCP REIT is invested in Non-Real Estate Related Assets and/or Cash, Shariah-compliant deposits and Islamic money market instruments; or
- (iii) such other investment or limits as may be permitted by the SC or the REIT Guidelines

provided that arising from the disposal of Deposited Property or pending acquisition of any Authorised Investments or following capital raising of KLCCP REIT, the actual investment ratio of KLCCP REIT may be at a variance from the provisions stipulated above, the REIT Guidelines and the Islamic REIT Guidelines. However, the Manager may, in consultation with the Trustee and subject to the Stapling Deed, vary the investments forming part of the Deposited Property in the best interests of the Unitholders provided that such variance is in compliance with the REIT Guidelines and the Islamic REIT Guidelines. Any breach must be rectified within 12 months from the date of the breach (or any other period as may be permitted by the SC).

(c) Restriction on investment / activities

Without limiting the generality of the following, and subject always to the provision of the REIT Guidelines, the Islamic REIT Guidelines and the Stapling Deed, KLCC REIT shall not at any time be involved in the following activities:

- (i) the extension of financing or other credit facilities by KLCC REIT;
- (ii) property development, except in circumstances permitted by the REIT Guidelines and the Islamic REIT Guidelines; and
- (iii) acquisition of vacant land; or
- (iv) any other activity which does not comply with the REIT Guidelines and the Islamic REIT Guidelines and where no waiver from the SC is obtained to exempt compliance with the relevant guidelines.

(d) Investment objective / policy

- (i) The principal investment policy of KLCC REIT is to invest, directly and indirectly, in a Shariah-compliant portfolio of income producing Real Estate used primarily for office and retail purposes as well as Real Estate-Related Assets subject always to the investment limits imposed by the REIT Guidelines and the Islamic REIT Guidelines. KLCC REIT may invest in Malaysia and overseas.
- (ii) The Manager may, in consultation with the Trustee and subject to all Relevant Laws and Requirements and the Stapling Deed, from time to time change the investment objective/policy of KLCC REIT.

- (iii) The Trustee shall ensure that it is fully informed at all times by the Manager of the investment objectives/policies and of changes made by the Manager to the investment objectives/policies of KLCC REIT. Unless otherwise provided by the Relevant Laws and Requirements and the Stapling Deed, any modification to the Deed involving any material change to the investment objective set out for KLCC REIT, must be approved by the Unitholders by way of a resolution of not less than two-thirds of all Unitholders at a Unitholders' meeting duly convened and held in accordance with the Deed.

10.1.9 Concerning the Trustee

The Trustee is responsible for the safe custody of the Deposited Property. Any Authorised Investment forming part of the Deposited Property, whether in bearer or registered form, is to be paid, assigned or transferred to or to the order of the Trustee forthwith on receipt by the Manager and is to be dealt with as the Trustee may think proper for the purpose of providing for the safe custody of the same.

The Trustee may act as custodian of the Deposited Property itself or the Trustee may delegate this role to another person as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint with the prior consent in writing of the Trustee, sub-custodians. Any such delegation can only be carried out by the Trustee in compliance with the REIT Guidelines and the Trustee shall remain responsible for the actions and omissions of any delegate as though they were its own actions and omissions. Where this role is delegated, the Trustee should ensure that:

- (a) it retains control of KLCC REIT's property at all times; and
- (b) there are adequate arrangements to prevent the delegate from releasing the custody or control of KLCC REIT's property without its prior consent.

The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the Deposited Property or any part thereof or any corporate or Unitholders' action which in its opinion would or might involve it in expense or liability, unless the Manager shall so request in writing, and shall so often as required by the Trustee furnished it with an indemnity satisfactory to it against any such expense and liability in full.

Unless otherwise expressly provided in the Deed or the Stapling Deed, the Trustee as regards all the trusts, powers, authorities and discretions vested in it, has absolute and uncontrolled discretion as to the exercise of the same, whether in relation to the manner or as to the mode of and time for such exercise, and in the absence of fraud, negligence, wilful default, breach of the Deed or breach of trust, the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise of the same.

Please refer to Section 7.3 of this Prospectus entitled “Functions, Duties and Responsibilities of the Trustee” for other salient terms of the duties, responsibilities and covenants of the Trustee as provided in the Deed.

10.1.10 Functions, duties and responsibilities of the Trustee

Please refer to Section 7.3 of this Prospectus entitled “Functions, Duties and Responsibilities of the Trustee” for details of the functions, duties and responsibilities of the Trustee as provided in the Deed.

10.1.11 Retirement, removal and replacement of the Trustee

Please refer to Section 7.6 of this Prospectus entitled “Retirement, Removal and Replacement of the Trustee” for details of the retirement, removal and replacement of the Trustee.

10.1.12 Limitation of liability and indemnity of the Trustee

It is expressly agreed that the Trustee enters into the Deed and any documents in relation thereto only in its capacity as trustee of KLCC REIT. A liability arising under the Deed and any such document shall be limited to and can be enforced against the Trustee only to the extent to which the Trustee can satisfy such liability out of the Deposited Property. Subject as herein expressly provided and the Relevant Laws and Requirements and without prejudice to any right of indemnity at law given to the Trustee, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof:

- (a) if the same are not caused by any fraud, negligence, recklessness, wilful act or omission, breach of trust or breach of contractual duty on the part of the Trustee or by its failure to show the degree of care, due diligence and vigilance required of a trustee in the execution or performance of its obligations under the Deed and/or any other documents in relation thereto; or
- (b) where a majority of not less than three-fourths ($\frac{3}{4}$) of all Unitholders for the time being, voting at a meeting summoned for the purposes releases the Trustee with respect to specific acts or omission.

10.1.13 Manager’s activities

The Manager shall, subject to the provisions of the Deed, the Stapling Deed and Relevant Laws and Requirements and be guided by the Shariah Adviser, carry out all activities as it may deem necessary for the management of KLCC REIT and its business, including but not limited to undertaking the following activities:

- (a) develop a business plan for the Deposited Property in the short, medium and long term with a view to maximising income of KLCC REIT;
- (b) to recommend to the Trustee in writing to purchase, transfer, acquire, hire, let, lease, license, exchange, dispose of, convey, surrender or otherwise deal with any Authorised Investment in furtherance of the investment policy and prevailing investment strategy of KLCCP REIT including negotiating the commercial terms in relation thereto; and

- (c) supervise and oversee the management of Deposited Property (including but not limited to lease audit, systems control, data management and business plan implementation) in accordance with the provisions of the Deed;

Unless otherwise expressly provided in the Deed, the Manager shall as regards all the powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud, negligence, wilful default or breach of the Deed, the Manager shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof. Notwithstanding the above, the Manager shall be responsible at all times for the exercise or non-exercise of its powers, authorities and discretions in respect of the management of KLCC REIT and the investment of the Deposited Property.

10.1.14 Functions, duties and responsibilities of the Manager

Please refer to Section 6.2 of this Prospectus entitled "Functions, Duties and Responsibilities of the Manager" for other salient terms of the functions, duties and responsibilities of the Manager as provided in the Deed.

10.1.15 Retirement removal and replacement of the Manager

Please refer to Section 6.11 of this Prospectus entitled "Retirement, Removal and Replacement of the Manager" for details of the retirement, removal and replacement of the Manager.

10.1.16 Limitation of liability and indemnity of the Manager

The Manager shall not be under any liability except such liability as may be assumed by it under the Deed nor shall the Manager (save as herein otherwise appears) be liable for any act or omission of the Trustee.

Subject as expressly provided under the Deed and without prejudice to any right of indemnity at law given to the Manager, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager, to have recourse to the Deposited Property, save where such action, cost, claim, damage, expense or demand is occasioned by fraud, negligence, wilful default or breach of the Deed by the Manager.

10.1.17 Manager's fees and Trustee's fees

The provisions on the Manager's fees and the Trustee's fees are set out in the Deed. Please refer to Section 6.6 of this Prospectus entitled "Management Fees" and Section 7.5 "Trustee's Fees" for details of the Manager's fees and the Trustee's fees respectively.

10.1.18 Permitted charges of KLCC REIT

The Trustee and/or the Manager shall in addition to their remuneration and rights to indemnification or reimbursement conferred under any other provision of the Deed or by law, respectively be indemnified and shall be reimbursed out of either the income of KLCC REIT or the capital of KLCC REIT (subject always to the provisions of the Stapling Deed) for all fees, costs, charges, expenses and outgoings reasonably and properly incurred by or on behalf of the Trustee or the Manager as the case may, that are directly related and necessary to the business of KLCC REIT.

10.1.19 Modification of the Deed

All modifications to the Deed must be made through a deed supplementary to the Deed and will take effect only upon registration of the supplementary deed with the SC. The Manager must submit any such supplementary deed to the SC for such registration pursuant to the CMSA. In addition to the foregoing, any material change to the investment objectives of KLCC REIT must be approved by resolution passed by not less than two-thirds of the Unitholders voting thereat upon a show of hands and if a poll is demanded, then by a majority consisting of not less than two-thirds of the votes given on such poll, for the time being (or such other majority as may be required under the REIT Guidelines from time to time), given at a meeting of Unitholders duly convened and held.

10.1.20 Termination and winding-up of KLCC REIT

Subject to the Stapling Deed, the Trustee shall terminate KLCC REIT:

- (a) if at a duly convened meeting of Unitholders a Special Resolution (or otherwise in accordance with the requirements of the REIT Guidelines), is passed that KLCC REIT be terminated; or
- (b) if the Manager is in liquidation or where the Trustee is of the opinion that the Manager has ceased to carry on business or has, to the prejudice of the Unitholders, failed to comply with any provision or covenant of the Deed or contravened any provisions of any relevant laws, guidelines or regulatory requirements, and at a meeting duly summoned in accordance with Section 301 of the CMSA, a Special Resolution is passed that KLCC REIT be terminated; or
- (c) if at any time during the life of KLCC REIT, the Manager, after consultation with the Trustee, is of the opinion that changes in the economic climate or taxation law have caused or are likely to cause Unitholders to be detrimentally affected, the Manager requests the Trustee to summon a meeting of Unitholders and place a Special Resolution (or otherwise in accordance with the requirements of the REIT Guidelines), before such a meeting, setting out the action they recommend the meeting to endorse to meet such changes, and the meeting decides to terminate KLCC REIT; or
- (d) if the Listing does not take place within three months from the date of the Prospectus for the Listing and a Special Resolution (or otherwise in accordance with the requirements of the REIT Guidelines), is passed at a duly convened meeting of Unitholders (if any) to terminate KLCC REIT; or
- (e) if at any time after the date of Listing, the Units are suspended from Listing and not readmitted for Listing within a continuous period of 90 Market Days after such suspension and the Unitholders shall thereafter, by a Special Resolution passed at a meeting of the Unitholders duly convened, resolve in favour of a winding up of KLCC REIT, in which case, the winding up of KLCC REIT in accordance with Clause 28 of the Deed will commence immediately upon obtaining the approval of the Unitholders; or
- (f) if the SC's approval is revoked under Section 214(A)(2) of the CMSA; or

- (g) if an approved transfer scheme (referred to in the Deed) has been effected and resulted in KLCC REIT being left with no assets or properties.

If a determination event in Paragraph (b) above occur, the Trustee must apply to the Court for an order confirming the Unitholders' resolution. The Court may confirm the resolution if the Court is satisfied that it is in the interests of the Unitholders to do and may make orders for the winding-up of KLCC REIT (including but not limited to procedures for a voluntary winding-up of KLCC REIT), which orders must be carried out by the Trustee.

Upon termination of KLCC REIT (other than due to the events in paragraph (b) above), the following provisions shall have effect:

- (a) the Trustee and the Manager shall ensure that the provisions of the Stapling Deed governing the event of an Unstapling are strictly complied with;
- (b) the Trustee shall as soon as practicable sell, call in and convert into money the Deposited Property, and divide the proceeds of such sale, calling in and conversion less all proper costs and disbursement, commissions, brokerage fees, fees payable to the Manager and the Trustee on termination of KLCC REIT and other outgoings including costs of final distribution of capital and income and all proper provisions for Liabilities of KLCC REIT, among the Unitholders in proportion to the number of Units which they hold respectively at the date of the decision to terminate KLCC REIT provided that the Trustee may at its discretion make a partial distribution of capital from time to time and the Trustee and Manager shall on termination of KLCC REIT be deemed as preferential creditors;
- (c) the Trustee shall as soon as practicable after the date of the notice in Clause 26.3 of the Deed, give to each Unitholder notice of impending distribution;
- (d) the Trustee may postpone the sale, calling in and conversion of any part of the investment and property comprised in KLCC REIT for such time as it thinks it desirable so to do in the interest of the Unitholders and shall not be responsible for any loss attributable to such postponement except to the extent that such loss may be attributable to the Trustee's own neglect or default;
- (e) the Trustee may retain in its hands or under its control for such time as it thinks desirable to do so in the interest of the Unitholders such part of KLCC REIT's monies as in its opinion may be required to meet any outgoings of KLCC REIT or any of the investments thereof provided that any investments or monies so retained to the extent that they are ultimately found not to be so required shall remain subject to KLCC REIT for conversion and distribution in accordance with the Deed;
- (f) the Trustee and the Manager are entitled to:
 - (i) be paid from the proceeds of realisation of KLCC REIT before any payment is made to the Unitholders, all costs incurred:
 - (1) by the Trustee and the Manager before the winding up of KLCC REIT which has not been recouped;
 - (2) by the Trustee and the Manager in connection with the winding up of KLCC REIT and the realisation of the Deposited Property;

- (3) by or on behalf of any creditor of the Trustee or the Manager in relation to KLCC REIT;
 - (4) by or on behalf of any agent, solicitor, banker, accountant or other person employed by the Trustee or the Manager in connection with the winding up of KLCC REIT; and
- (ii) following the termination of KLCC REIT and until the winding up is completed, their remuneration provided for in the Deed.

10.1.21 Meetings of Unitholders

Either the Trustee or the Manager may convene a meeting of Unitholders by giving notice in accordance with the Deed, which notice shall specify the general nature of the business to be transacted. The Manager shall within 21 days after a requisition has been delivered to the Manager at its registered office, being a requisition by not fewer than 50, or one-tenth in number, whichever is less, of all Unitholders, convene a meeting of Unitholders in accordance with the Deed for the purposes of laying before the meeting the most recent financial statements of KLCC REIT or for the purpose of giving to the Trustee such directions as the meeting thinks proper or to consider any other matter in relation to the Deed.

The Manager is entitled to receive notice of and to attend and speak at any meeting of the Unitholders but the Manager shall not be entitled to exercise its voting rights in respect of Units which it or its nominee hold or is deemed to hold in such meeting, regardless of the party who requested for and called the meeting and the matter or matters that are laid before the Unitholders, unless otherwise permitted by the SC or the Relevant Laws and Requirements.

10.1.22 Undertaking as to the PETRONAS Twin Towers and Menara 3 PETRONAS

- (a) Notwithstanding any provision in the Deed, the Manager and the Trustee acknowledge the Right of First Refusal (as defined below) granted to PETRONAS in relation to the following properties:
- (i) the piece of land held under Geran 43697 Lot 169, Section 58 in the Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with two 88 storey office towers with a podium erected thereon and otherwise known as the PETRONAS Twin Towers; and
 - (ii) the piece of land held under Geran 43699 Lot 171, Section 58 in the Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with the office building erected thereon and otherwise known as the Menara 3 PETRONAS,

under the (a) PETRONAS Twin Towers Lease, and the (b) Menara 3 PETRONAS (Office Tower) Lease, which have been or are to be novated to KLCC REIT respectively.

The "Right of First Refusal" means the right of PETRONAS or its nominee to purchase the PETRONAS Twin Towers and/or Menara 3 PETRONAS from the Trustee at (1) the same price offered to a third party by KLCC REIT or by a third party to KLCC REIT or (2) market rate as determined by an independent valuation if KLCC REIT proposes to sell the PETRONAS Twin Towers and/or Menara 3 PETRONAS absent any offer from or to a third party.

- (b) Notwithstanding any provision in the Deed and regardless of whether the PETRONAS Twin Towers Lease or Menara 3 PETRONAS (Office Tower) Lease is still subsisting, the Manager and the Trustee acknowledge that they have undertaken to grant the Right of First Refusal to PETRONAS or its nominee; and the Manager and the Trustee shall execute or procure the execution of the letters of undertaking respectively and all relevant documents and perform their obligations provided under the terms and conditions therein, to give full effect to the Right of First Refusal conferred upon PETRONAS whether pursuant to the PETRONAS Twin Towers Lease and Menara 3 PETRONAS (Office Tower) Lease or otherwise.

10.2 STAPLING DEED

10.2.1 Co-operation and consultation

The Manager and the Company agree to make available to each other all information in their possession as may be necessary or desirable to fulfil their respective obligations under the Stapling Deed or any other document, deed or arrangement relating to the Stapled Securities or the affairs of any of KLCC REIT, the Company and each of their respective subsidiaries and sub trusts.

To the extent permitted by the Relevant Laws and Requirements, the Manager and the Company must cooperate with each other in respect of all matters relating to the Stapled Securities and must do all things necessary to give effect to the Stapling Deed, including:

- (a) complying with their respective obligations under the REIT Guidelines, the Islamic REIT Guidelines, the Listing Requirements and the other Relevant Laws and Requirements;
- (b) co-ordinating their disclosure to the, depositors, Holders, Bursa Securities, the SC, the Shariah Adviser, other regulatory authorities and to the general public;
- (c) to the extent possible, facilitating the composition of the board of directors and senior management of each other to be identical;
- (d) appointing and maintaining the same auditor from time to time and agreeing on any change of auditor so that any change of auditor is implemented for KLCC REIT and the Company at the same time;
- (e) where appropriate, adopting consistent accounting policies;
- (f) where appropriate, adopting consistent valuation policies;
- (g) taking a consistent approach on proposed investments, and keep each other properly informed of their investment policies and any changes to those policies;

- (h) where necessary, holding depositors' meeting or Holders' meetings concurrently or, where appropriate, consecutively;
- (i) permitting the directors or other representatives of the Manager, the Company and, where applicable, the Trustee to attend and speak, or invite any other person to attend and speak, at meetings of the Unitholders and meetings of the Shareholders;
- (j) agreeing on the terms and timing of all new issues, bonus and rights issues, placements and redemptions and buy-backs;
- (k) consulting before taking any action (or omitting any action) which may materially affect the value of the Stapled Securities;
- (l) co-ordinating the announcement and payment of dividends and distributions;
- (m) co-ordinating any dividend or distribution re-investment plan; and
- (n) performing their obligations under the Stapling Deed and carry out their duties under their respective constitutions with a view to enhance the market value of the Stapled Securities.

Each of the Trustee, the Manager and the Company agree to do all that is necessary to assist each other to enable each party to give effect to the Stapling Deed and their respective obligations under the Stapling Deed from time to time.

10.2.2 Major acquisitions or disposals

The Manager and the Company must:

- (a) give ten market days' written notice to the other, or such shorter period as agreed between the parties, of its intention to acquire or dispose of an asset the value of which amounts to five percent or more of the aggregate current Stapled Security value at the time of giving the notice; and
- (b) not make an acquisition or disposal, or allow any of their respective subsidiaries to acquire or dispose, of an asset as contemplated by Section 10.2.2(a) without having first consulted with the other party.

10.2.3 Borrowings/Financing

Neither the Company nor the Manager as the management company of KLCC REIT may borrow or raise money, or allow any of their respective subsidiaries or sub-trusts to borrow or raise money) amounting to five percent or more of the aggregate current Stapled Security value except on the following terms:

- (a) if the Trustee or the Company intends to borrow, obtain financial accommodation or raise money, then it must consult with all the other parties to the Stapling Deed about this prior to the event and must continue to comply with all Relevant Laws and Requirements. For the avoidance of doubt, the other party shall not object if such borrowing, financial accommodation or raising of money complies with the Deed and/or the Company's Memorandum and Articles of Association;

- (b) if any financing or other financial accommodation is undertaken or any guarantee or security is given by the Trustee or any entity in the KLCCP Stapled Group, then whichever entity receives the proceeds of the borrowing or other financial accommodation must:
 - (i) repay the financing or financial accommodation;
 - (ii) pay all fees, profits, expenses and other amounts in respect of the financing or financial accommodation; and
 - (iii) indemnify the other joint borrower, guarantor or provider of security for any loss suffered if the entity that receives the proceeds of the borrowing or other financial accommodation fails to pay or repay any amount referred to in paragraphs (i) and (ii).
- (c) The indemnity referred to in Section 10.2.3(b)(iii) survives the termination of the Stapling Deed.

10.2.4 Dealings in Stapled Securities

On and from the commencement date of the Stapling:

- (a) each Unit must be Stapled to a Share (and vice versa);
- (b) the Manager must not issue a Unit unless a Share is issued at the same time and to the same person;
- (c) the Company must not issue a Share unless a Unit is issued at the same time and to the same person;
- (d) the Company must not issue any right or option to acquire any Share unless the Manager issues a corresponding right or option to acquire a Unit (and vice versa);
- (e) the Company may not without the prior written consent of the Manager issue any other class of share in the Company other than an ordinary share or any right or option to acquire any such share; and
- (f) the Manager may not without the prior written consent of the Company issue any other class of unit in KLCC REIT other than an ordinary unit or any right or option to acquire any such unit.

10.2.5 Issue price

Subject to any Relevant Laws and Requirements, the Manager and the Company must agree from time to time what part of the amount payable for the issue, redemption or buy-back of a Stapled Security is to represent the issue, redemption or buy-back price of the Unit and the Share comprising the Stapled Security, which may (but need not) be determined by reference to the current Stapled Security value on the date of the issue of the Stapled Securities.

Unless otherwise agreed between the Company and the Manager, the allocation of this amount is to be in the ratio that the net assets of each of KLCC REIT and the Company at the end of the relevant period immediately prior to the issue, redemption or buy-back of the Stapled Security bears to the amount of the aggregate net assets of both KLCC REIT and the Company at the end of the relevant period immediately prior to the issue, redemption or buy-back of the Stapled Security or based on such other method of valuation as may be appropriate to establish the value of both the Units and the Shares and as may be mutually agreed from time to time prior to the relevant issue.

10.2.6 Duties in relation to Stapling

While Stapling applies, notwithstanding any other provision of the Stapling Deed, or any rule of law or equity to the contrary, in exercising any power or discretion:

- (a) the Manager, the Trustee and the Company may have regard to the interests of the Holders as a whole and not only to the interests of the Unitholders and the Shareholders considered separately;
- (b) the Manager shall exercise all due diligence and vigilance to safeguard the rights and interests of the Holders, whose rights and interests shall prevail in the event of a conflict of interests between the Manager and the shareholders of the Manager collectively, and the Holders; and
- (c) the Company shall exercise all due diligence and vigilance to safeguard the rights and interests of the Holders, whose rights and interests shall prevail in the event of a conflict of interests between the Company and the Shareholders collectively, and the Holders.

10.2.7 Unstapling

From the commencement date of the Stapling, all Units will remain Stapled to Shares (and vice versa) for so long as the Stapled Securities remain in issue, until:

- (a) otherwise determined by Special Resolutions of both the Shareholders and the Unitholders (but subject always to all regulatory approvals, where required, having been obtained); or
- (b) Stapling becomes unlawful or prohibited by the Listing Requirements or the REIT Guidelines or the Islamic REIT Guidelines or other Relevant Laws and Requirements; or
- (c) the date on which KLCC REIT is terminated; or
- (d) the date on which the Company is wound up.

If, as a consequence of Unstapling, the Units and Shares are no longer Stapled to each other:

- (a) the Company must promptly:
 - (i) repay any outstanding amount under any financial accommodation given to the Company by the Manager or the Trustee prior to Unstapling, unless the Manager and the Trustee otherwise agrees to waive the outstanding amount;
 - (ii) pay any outstanding amounts which the relevant parties have agreed in accordance with Section 10.2.3 is the responsibility of the Company to repay unless such parties otherwise agree; and
 - (iii) obtain a release of the Manager and the Trustee from any guarantee given by the Manager and the Trustee to any person in respect of any liability of the Company; and
- (b) the Manager and the Trustee must promptly:
 - (i) repay any outstanding amount under any financial accommodation given to the Manager and the Trustee by the Company prior to Unstapling, unless the Company otherwise agrees to waive the outstanding amount;
 - (ii) pay any outstanding amounts which the relevant parties have agreed in accordance with Section 10.2.3 is the responsibility of the Manager and the Trustee to repay unless such parties otherwise agree; and
 - (iii) obtain a release of the Company from any guarantee given by the Company to any person in respect of any liability of the Manager and the Trustee on behalf of KLCC REIT.

10.2.8 Administration

The Manager and the Company shall jointly perform the administrative functions of the Stapled Securities such as developing and maintaining investor relations, including but not limited to customer service to investors, register of Holders analysis, information co-ordination and distribution, co-ordination of investor and analyst briefing and marketing, coordination of media releases and the announcements to Bursa Securities (if applicable); corporate branding; and liaising with and responding to queries from the public in relation to the Stapled Securities. Where necessary or appropriate, the Company shall be the responsible entity appointed by the Manager for the purpose of this paragraph.

10.2.9 Undertaking as to the PETRONAS Twin Towers and Menara 3 PETRONAS

- (a) Notwithstanding any provision in the Stapling Deed, the Manager, the Trustee and the Company acknowledge the Right of First Refusal (as defined below) granted to PETRONAS in relation to the following properties:
 - (i) the piece of land held under Geran 43697 Lot 169, Section 58 in the Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with two 88 storey office towers with a podium erected thereon and otherwise known as the PETRONAS Twin Towers; and

- (ii) the piece of land held under Geran 43699 Lot 171, Section 58 in the Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with the office building erected thereon and otherwise known as the Menara 3 PETRONAS,

under the (a) PETRONAS Twin Towers Lease, and the (b) Menara 3 PETRONAS (Office Tower) Lease, which have been or are to be novated to KLCC REIT respectively.

The "Right of First Refusal" means the right of PETRONAS or its nominee, to purchase the PETRONAS Twin Towers and/or the Menara 3 PETRONAS from the Trustee at (1) the same price offered to a third party by KLCC REIT or by a third party to KLCC REIT vis-à-vis a third party or (2) market rate as determined by an independent valuation if KLCC REIT proposes to sell the PETRONAS Twin Towers and/or the Menara 3 PETRONAS absent any offer from or to a third party.

- (b) Notwithstanding any provision in the Stapling Deed and regardless of whether the PETRONAS Twin Towers Lease or Menara 3 PETRONAS (Office Tower) Lease are still subsisting, the Manager, the Trustee and the Company acknowledge that the Manager and the Trustee have undertaken to grant the Right of First Refusal to PETRONAS or its nominee; and the Manager and the Trustee shall execute or procure the execution of the letters of undertaking respectively and all relevant documents and perform their obligations provided under the terms and conditions therein, to give full effect to the Right of First Refusal conferred upon PETRONAS whether pursuant to the PETRONAS Twin Towers Lease and Menara 3 PETRONAS (Office Tower) Lease or otherwise.

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11. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

11.1 CORPORATE GOVERNANCE

As the Company is already listed on the Main Market, its corporate governance, related party transactions and conflicts of interest have already been disclosed to its shareholders in its prospectus issued in respect of the KLCCP IPO and from time to time in its annual reports and announcements made to Bursa Securities, where necessary.

As for KLCC REIT, the Manager intends to adopt a corporate governance framework that meets best practices of good governance on structures and internal processes by adopting the requirements and guidelines set out in the REIT Guidelines, the Listing Requirements, the Malaysian Code on Corporate Governance 2012 issued by the SC and the Corporate Governance Guide issued by Bursa Securities, in the performance of its obligations and duties as described in the Deed.

11.2 EXISTING AND ON-GOING RELATED PARTY TRANSACTIONS

A related party transaction pursuant to the REIT Guidelines is any transaction between the REIT and its related parties, and a "related party" includes:

- (a) the management company, the trustee or a major unitholder of the REIT;
- (b) a director, chief executive officer or major shareholder of the management company; or
- (c) persons connected with any director, chief executive officer, or major shareholder of the management company, or a person connected with the management company, trustee or a major unitholder of the REIT.

Once the KLCC Stapled Group is in place, transactions between:

- (a) the Company or its wholly-owned subsidiaries; and
- (b) KLCC REIT or its wholly-owned subsidiaries or wholly-owned sub-funds,

provided the components of the Stapled Securities remain stapled to each other, should not be regarded as related party transactions.

11.2.1 Related party transactions

Set out below are the details of the existing and on-going and potential transactions between the Vendors and/or persons connected with the Company and/or the Manager relating to the Subject Properties. Upon completion of the SPAs, all rights and obligations of the Vendors pursuant to these transactions will be transferred and/or assumed by the KLCC REIT.

(a) Existing and on-going related party transactions:

No.	Nature of transactions relating to the Subject Properties that will be assumed by KLCC REIT	Transacting / Related Parties	Relationship
1.	Grant of a 15 years lease for PETRONAS Twin Towers	<ul style="list-style-type: none"> PETRONAS 	<ul style="list-style-type: none"> PETRONAS is a substantial Holder
2.	Grant of a 15 years lease for the Office Tower of Menara 3 PETRONAS	<ul style="list-style-type: none"> PETRONAS 	<ul style="list-style-type: none"> PETRONAS is a substantial Holder
3.	Supply of chilled water to Menara ExxonMobil	<ul style="list-style-type: none"> Gas District Cooling (M) Sdn Bhd 	<ul style="list-style-type: none"> Gas District Cooling (M) Sdn Bhd is a wholly-owned subsidiary of KLCCH who in turn is a substantial Holder
4.	Supply of chilled water to the Retail Podium of Menara 3 PETRONAS	<ul style="list-style-type: none"> Gas District Cooling (M) Sdn Bhd 	<ul style="list-style-type: none"> Gas District Cooling (M) Sdn Bhd is a wholly-owned subsidiary of KLCCH who in turn is a substantial Holder

11.2.2 Potential related party transactions

(a) ROFR granted to the KLCCP Stapled Group

By a letter dated 10 April 2013 ("**ROFR Letter**"), KLCCH has undertaken to both the Company and the Trustee that with effect from the Listing Date and for so long as:

- (i) the Manager or any of its related corporations remains the management company of KLCC REIT;
- (ii) PETRONAS and/or any of its related corporations, alone or in aggregate, remains as:
 - (1) an Absolute Controlling Shareholder of the Company; and
 - (2) an Absolute Controlling Unitholder of KLCC REIT;
- (iii) KLCC REIT remains listed on Bursa Securities; and
- (iv) the Shares remain Stapled to the Units,

neither KLCCH nor any KLCCH Entity will dispose of any Relevant Asset without giving the right of first refusal to the Company and the Trustee to purchase such Relevant Asset for and on behalf of the Company or KLCC REIT, on the terms set out in the ROFR Letter ("**Right of First Refusal**").

For purposes of this section:

- an "**Absolute Controlling Shareholder**" means a person who holds directly or indirectly more than 50 per cent of the nominal amount of all voting shares of the Company;
- an "**Absolute Controlling Unitholder**" means a person who holds directly or indirectly more than 50 per cent of all issued Units;
- a "**KLCCH Entity**" means any of KLCCH's existing or future wholly-owned subsidiaries and where such subsidiaries are not wholly-owned by KLCCH, and whose other shareholder(s) is/are third parties, such subsidiaries will be subject to the Right of First Refusal only upon obtaining the consent of such third parties. At as the LPD, no consent of such third parties relating to the Right of First Refusal has been obtained; and
- a "**Relevant Asset**" refers to real estate used solely or predominantly for office or retail purposes (including mixed-use developments with a retail component) in Malaysia. Where such real estate is held through a single purpose company, vehicle or entity (a "**SPV**") established solely to own such real estate, the term "**Relevant Asset**" shall refer to the shares or equity interests, as the case may be, in that SPV.

11.3 POTENTIAL CONFLICTS OF INTEREST

11.3.1 KLCCH

KLCCH and its related corporations are engaged in, and/or may engage in amongst others, investment in, and the development, management and operation of mixed development which may compete with the Subject Properties. Further, KLCCH and its related corporations may also sponsor, manage or invest in other REITs or other vehicles which may compete with KLCC REIT and the KLCCP Stapled Group.

Certain directors of the Manager sit on the board of KLCCH. As a result, the strategies and activities of KLCC REIT to some extent may be influenced by the overall interests of KLCCH. There can be no assurance that conflicts of interest may not arise amongst KLCC REIT, the Manager and KLCCH in the future.

11.3.2 The Trustee

The Trustee is part of Malayan Banking Berhad group of companies (“**Maybank Group**”), a diversified financial group engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management, insurance and credit transaction services businesses. Potential conflict of interest may arise if any member of Maybank Group engages in transactions with and perform services for KLCC REIT, the Manager and/or its affiliates in the future. Such transactions may also be deemed as related party transactions under the REIT Guidelines depending on the circumstances at the material time.

11.3.3 Manager’s policy on related party transactions and dealing with conflict of interest situations

Upon Listing, KLCC REIT will be subjected to the REIT Guidelines and/or the Listing Requirements (where applicable) on related party transactions. Compliance of KLCC REIT with the Listing Requirements and the REIT Guidelines will ensure that related party transactions will not prejudice the interests of the Unitholders as a whole.

The Trustee’s consent is required for all related party transactions which involves real estate, and where the transaction value is equal or greater than 5.00% of the percentage ratio of the KLCCP Stapled Group under the Listing Requirements, the prior approval of Unitholders by way of an ordinary resolution is required. In addition, the related parties of the Manager should not vote or be counted as quorum at a meeting if they have interest in the outcome of a transaction tabled for approval which is different from the interests of other Unitholders.

In respect of tenancies to be entered into with related parties, the REIT Guidelines require the Trustee to ensure that the terms and conditions of the tenancy agreements are reasonable under the prevailing market conditions. In determining the rental rates for related tenants, the Trustee should be guided by the recommendation of at least one independent valuer appointed by the Trustee.

The Listing Requirements oblige the Manager to make prompt announcements and disclosures in KLCC REIT’s annual reports in relation to any related party transactions.

In order to mitigate any potential conflict of interests, the Manager has also instituted the following procedure:

- (a) in respect of matters or transactions which a director or a person connected to him or her has an interest (directly or indirectly), such director shall not participate in any proceedings of the Board and shall abstain from voting in respect of such matter or transaction;
- (b) the Board shall maintain a minimum ratio of at least one third independent directors at all times;
- (c) the directors of the Manager owe fiduciary duties to the Manager and KLCC REIT including the duty to act in good faith and in the best interest of KLCC REIT; and

- (d) any transactions in which a conflict of interest will arise should be executed on terms which are the best available for KLCC REIT and which are no less favourable to KLCC REIT than arms length transactions between independent parties and be adequately disclosed in the prospectus and fund reports of KLCC REIT.

All related party transactions are subject to regular periodic review by the Audit Committee prior to recommendation to the Board. If a member of the Audit Committee has an interest in the transaction, he is to abstain from participating in the review and recommendation process in relation to that transaction.

11.4 INTERESTS OF DIRECTORS AND OTHER SUBSTANTIAL SHAREHOLDERS OF THE MANAGER IN OTHER CORPORATIONS CARRYING ON SIMILAR BUSINESSES

As at the LPD, none of the directors of the Manager and substantial shareholders of the Manager hold any interests in other corporations carrying on similar businesses.

For the purpose of this Section, "**similar business**" means the management of a REIT with an investment policy of investing in Real Estate used primarily for retail and office purposes. Real Estate used primarily for retail and office purposes will include retail properties and mixed-use developments with a retail or office component.

11.5 OTHER PERTINENT INFORMATION

11.5.1 Related party transactions

The Manager will comply with all requirements as laid out in the Listing Requirements and the REIT Guidelines on related party transactions including provisions contained in the Deed.

The Manager will establish procedures that will ensure that such transactions are undertaken in full compliance with the REIT Guidelines and are carried out on an arm's length basis and under normal commercial terms and in the best interest of the Unitholders. The Manager would have to demonstrate to the Audit Committee that transactions (whether purchase of services or property) would be taken on normal commercial terms, which may include in the case of the purchase of services, the obtaining of quotations from parties unrelated to the Manager where appropriate, or in the case of purchase of property, the obtaining of valuation from an independent valuer.

Related party transactions will require the Trustee to ensure that such transactions are at arm's length, based on normal commercial terms and not prejudicial to the interest of the Unitholders.

11.5.2 Information pertaining to a Director of the Company and the Manager

Certain media reports have alleged that summonses have been issued by the Indonesian authorities to Mr Augustus Ralph Marshall ("**Mr Marshall**"), an Independent Non-Executive Director of the Company and the Manager. Both Mr Marshall and his counsel in Indonesia do not have any knowledge of these summonses, nor have they been provided with any details of the arrest warrant that had purportedly been issued against Mr Marshall, other than what has been reported in the media. Moreover, Mr Marshall has not been approached by the Indonesian authorities referred to in such media reports, nor the Malaysian authorities, to assist in any investigation.

Further, a First Information Report has been registered in October 2011 by the Central Bureau of Investigations of India against, among others, Mr Marshall, commencing formal investigations relating to allegations of criminal conspiracy and corruption in relation to the acquisition of Aircel Limited ("**Aircel**") by Maxis Communications Berhad ("**MCB**") and the subscription of shares in Sun Direct TV Private Limited ("**Sun Direct**") by a subsidiary of ASTRO Overseas Limited ("**AOL**"). Media reports suggest that the allegation under investigation is that the subscription of shares in Sun Direct by AOL's subsidiary, which was completed in December 2007, was an illegal gratification made for facilitating the acquisition of Aircel by MCB, which was completed in March 2006. To the best of Mr Marshall's knowledge, as at the LPD, no charge or any criminal proceeding has been instituted against him in any court of law.

11.6 DECLARATIONS BY ADVISERS

11.6.1 CIMB

CIMB confirms that there is no conflict of interest in its capacity as Principal Adviser in relation to the Listing.

CIMB also acted as the Principal Adviser for the disposal of the Subject Properties together with the Associated Rights and Benefits and the Related Assets and Liabilities by the Vendors to KLCC REIT and the Bonus RPS Issue.

CIMB, its subsidiaries and associated companies, as well as its holding company CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company (the "**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for KLCCCH, the KLCCP Stapled Group, the Manager and/or its affiliates, in addition to the roles set out above. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with an member of the KLCCP Stapled Group, the Manager and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of the KLCCP Stapled Group, the Manager and/or its affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers in the future, may have interest or take actions that may conflict with the interests of the KLCCP Stapled Group.

11.6.2 CIMB Islamic

CIMB Islamic confirms that there is no conflict of interest in its capacity as the Shariah Adviser of the KLCCP Stapled Group.

CIMB Islamic and the CIMB Group form a diversified financial group and are engaged in a wide range of investment and commercial transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for KLCCCH, the KLCCP Stapled Group, the Manager and/or its affiliates, in addition to the roles set out above. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with a member of the KLCCP Stapled Group, the Manager and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity

securities or senior loans of the KLCCP Stapled Group, the Manager and/or its affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers in the future, may have interest or take actions that may conflict with the interests of the KLCCP Stapled Group.

11.6.3 Citi

Citi confirms that there is no conflict of interest in its capacity as International Financial Adviser in relation to the Listing.

Citi and its affiliates are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research). Members of Citi and its affiliates, and businesses within each of Citi and its affiliates generally act independently of each other, both for their own account and for the account of clients. Accordingly, there may be situations where parts of Citi and its affiliates and/or their clients may in the future have interests, or take actions, that may conflict with the interests of the KLCCP Stapled Group.

11.6.4 Ernst & Young

Ernst & Young confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants of KLCC REIT.

11.6.5 Tax Consultant

Ernst & Young Tax Consultants Sdn Bhd confirms that there is no conflict of interest in its capacity as the Tax Consultant of KLCC REIT.

11.6.6 Cheston

Cheston confirms that there is no conflict of interest in its capacity as Independent Property Valuer in relation to the Listing.

In its capacity as Independent Property Valuer, Cheston was responsible for preparing the Valuation Certificates found in Appendix A of this Prospectus entitled "Valuation Certificates".

11.6.7 ASL

ASL acted as legal counsel and legal due diligence solicitors to the Company in connection with the issuance of the circular and notice of the extraordinary general meeting to the Shareholders, seeking their approval for, amongst others, the Midciti Acquisition, the Acquisitions and the Listing. Mr. Sundra Moorthi A/L V.M. Krishnasamy, a partner of ASL is the brother of Mr. Pragasa Moorthi A/L Krishnasamy, a director of the Manager. However, Mr. Sundra Moorthi A/L V.M. Krishnasamy is not involved in this matter and ASL confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Manager as to Malaysian Law in relation to the Listing.

12. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS

12.1 APPROVALS AND CONDITIONS

- (a) The SC has, through its letter dated 7 March 2013, approved the establishment of the KLCCP Stapled Group (including KLCC REIT and the appointment of the Manager and the Trustee), the Acquisitions, the Stapling and the Listing. The conditions imposed by the SC and the status of compliance are as follows:

Details of conditions imposed	Status of compliance
The Manager is to obtain the relevant fund management license prior to the establishment of KLCC REIT.	Complied. The relevant fund management license was obtained on 9 April 2013.
The Manager or its advisers is to provide evidence of compliance with Paragraph 3.28 of the REIT Guidelines prior to the registration of the Prospectus.	Complied as informed via a letter dated 10 April 2013 to the SC.
The Manager or its adviser is to obtain a "no comments letter" from the SC on the draft Stapling Deed.	Complied. The "no comments letter" on the Stapling Deed was obtained on 2 April 2013.
The Manager or its advisers is to submit an operational audit report of KLCC REIT's operations to the SC within six months after the Stapled Securities are listed. The appointment of the auditor and scope of work shall be subject to the clearance of the SC.	Noted and to be complied.
The Manager or its adviser is to inform the SC of the Listing Date prior to the Listing.	Noted and to be complied.
The Listing must be completed within six months from the date of SC's decision letter. SC's approval is deemed to lapse if the Manager fails to do so within the stipulated timeframe.	Noted and to be complied.

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- (b) The SC has further granted its approval, through its letter dated 12 March 2013, for the outsourcing of the registrar and internal audit functions by the Manager to Tricor Investor Services Sdn Bhd and the Group Internal Audit Division of KLCCH respectively. The conditions imposed by the SC and the status of compliance are as follows:

Details of conditions imposed	Status of compliance
KLCC REIT is to perform an assessment of share registrar services rendered by Tricor Investor Services Sdn Bhd on the 12 th month from commencement of the outsourcing arrangement. A report of this assessment must be submitted immediately to the SC.	Noted and to be complied.
KLCC REIT is to submit a copy of the duly executed service level agreements with Tricor Investor Services Sdn Bhd and the Group Internal Audit Division of KLCCH within one month of SC's approval.	Complied as informed via a letter dated 10 April 2013 to the SC.

- (c) the SC (Authorisation and Licensing Department) has, through its letter dated 9 April 2013, approved the following:
- (i) a Capital Markets Services License to the Manager; and
 - (ii) a Capital Markets Services Representative's License to each of the two proposed representatives of the Manager.

The approval of the SC for the above is subject to the following conditions:

Details of conditions imposed	Status of compliance
The components of the Stapled Securities, namely the Units and the Shares remain stapled to each other.	Noted.
The Manager manages only KLCC REIT.	Noted.
There are no adverse records on the Manager's shareholders, directors, company secretary and representatives from the external security vetting conducted.	Noted.

- (d) The SAC of the SC has, through its letter dated 4 February 2013, classified the Stapled Securities as Shariah-compliant subject to the conditions that the components of the Stapled Securities, namely the Units and the Shares are Shariah-compliant and the conditions set out in items 17 and 18 of Section 12.2(a) below;
- (e) The SC (Equity Compliance Unit) has, through its letter dated 19 February 2013, approved that no equity condition will be imposed pursuant to the Listing;

- (f) Bank Negara Malaysia has, through its letter dated 28 December 2012, granted its approval for the issuance of the RPS to the Company's non-resident Shareholders pursuant to the Bonus RPS Issue. The conditions imposed by Bank Negara Malaysia and the status of compliance are as follows:

Details of conditions imposed	Status of compliance
The Company is to obtain the approval and comply with the conditions prescribed by the relevant authorities in Malaysia for the issuance of the RPS.	Complied.
The Company is to apply for the prior approval from the Foreign Exchange Control Officer for any amendments to the terms and the purpose of the RPS.	Noted.

- (g) Bursa Securities has, through its letter dated 10 April 2013, approved the following:
- (i) the listing and quotation of 510,596,968 new Shares pursuant to the Midciti Acquisition; and
 - (ii) admission to the Official List and the listing of and quotation for 1,805,333,083 Stapled Securities on the Main Market of Bursa Securities.

12.2 WAIVERS AND VARIATIONS

Waivers and variations from the REIT Guidelines, the Islamic REIT Guidelines and CIS Prospectus Guidelines issued by the SC

- (a) The SC has, through its letter dated 7 March 2013, granted the following waivers and variations in respect of compliance with the REIT Guidelines, the Islamic REIT Guidelines and the CIS Prospectus Guidelines (collectively, the "**Guidelines**"):

No.	Relevant section of the Guidelines	Details of the waiver or variation granted	Details of conditions imposed	Status of compliance
1	Paragraph 3.12 of the REIT Guidelines	Variation to allow the Manager to have a non full-time chief executive officer.	The variation is subject to the condition that: <ul style="list-style-type: none"> (a) the components of the Stapled Securities, namely the Units and the Shares, remain stapled to each other; and (b) the Manager only manages KLCC REIT. 	Noted.

No.	Relevant section of the Guidelines	Details of the waiver or variation granted	Details of conditions imposed	Status of compliance
2	Paragraphs 8.07 and 8.08 of the REIT Guidelines	KLCC REIT has been granted an extension of time to comply with Paragraphs 8.07 and 8.08 of the REIT Guidelines whereby at least 50.00% of a fund's total asset value must be invested in real estate and/or single purpose companies at all times, and a fund's investment in non-real estate-related assets and/or cash, deposits and money market instruments must not exceed 25.00% of a fund's total asset value.	The extension of time is granted until the Listing.	Noted and to be complied prior to the Listing.
3	Paragraph 9.01 of the REIT Guidelines	Transactions between the following parties will not be regarded as related-party transactions: (a) the Company or its wholly-owned subsidiaries; and (b) KLCC REIT or its wholly-owned subsidiaries or wholly-owned sub-funds.	The components of the Stapled Securities remain stapled to each other.	Noted.
4	Paragraphs 8.35 and 8.44(a) of the REIT Guidelines	Variation to allow KLCC REIT to borrow from the Company and its subsidiaries (excluding KLCC REIT), or to extend a loan/credit facility to the Company (collectively " Inter-Entity Debt ").	The variation is subject to the following: (a) the components of the Stapled Securities remaining stapled to each other; and (b) the source of funding for any Inter-Entity Debt must not emanate from any borrowings, and that all Inter-Entity Debt are to be taken into account towards determining KLCC REIT's gearing ratio.	Noted.

No.	Relevant section of the Guidelines	Details of the waiver or variation granted	Details of conditions imposed	Status of compliance
5	Paragraph 8.35 of the REIT Guidelines	Variation to allow KLCC REIT to borrow from Great Eastern Life Assurance (Malaysia) Berhad.	<p>The variation is subject to the condition that:</p> <p>(a) such variation is only applicable for the proposed transfer of Menara ExxonMobil to KLCC REIT; and</p> <p>(b) the terms and conditions of the financing agreement are the same or more favourable to KLCC REIT compared to the terms and conditions of the existing financing agreement applicable to AJSB.</p>	Noted.
6	Paragraphs 6(a)(v) and 11(g) of Schedule B of the REIT Guideline	Variation to allow disclosure of the Stapled Security price or price per Stapled Security of the KLCCP Stapled Group, instead of price per unit or price of KLCC REIT.	The variation is subject to the components of the Stapled Securities remain stapled to each other.	Noted.
7	Paragraph 6(a)(viii) of Schedule B of the REIT Guidelines	Variation to allow disclosure of the distribution yield of the KLCCP Stapled Group calculated on the basis of total distribution of the KLCCP Stapled Group over the reference price of the Stapled Security, instead of distribution yield of KLCC REIT.	The variation is subject to the components of the Stapled Securities remain stapled to each other. Such disclosure must be accompanied by a qualification that the yield is not directly comparable with that of other standalone REITs.	Noted.
8	Paragraph 1.10 of Part II: Listed Funds of the CIS Prospectus Guidelines	Variation to dispense with the requirement to publish the summary advertisement of this Prospectus in a widely-circulated Bahasa Malaysia newspaper.	None.	Not applicable.

No.	Relevant section of the Guidelines	Details of the waiver or variation granted	Details of conditions imposed	Status of compliance
9	Paragraph 17.01 of Part II: Listed Funds of the CIS Prospectus Guidelines	Variation for this Prospectus to contain information on how investors can track "Stapled Security price" of the Stapled Securities instead of "unit price" of KLCC REIT.	None.	Not applicable.
10	Paragraph 20.09 of Part II: Listed Funds of the CIS Prospectus Guidelines	Exemption from the inclusion of an overview of the real estate/property market and the outlook for the types of real estate that are or to be acquired by the fund in this Prospectus.	None.	Not applicable.
11	Paragraph 20.32(e) of Part II: Listed Funds of the CIS Prospectus Guidelines	Variation for distribution estimate/forecast disclosed in this Prospectus to include the distribution yield of the KLCCP Stapled Group calculated on the basis of total distribution of the KLCCP Stapled Group over the reference price of the Stapled Security, instead of the distribution yield of KLCC REIT.	None.	Not applicable.
12	Paragraph 3.05 of Part IV: Registration and Lodgement of a Prospectus of the CIS Prospectus Guidelines	Exemption from the need for public exposure of this Prospectus.	None.	Not applicable.
13	Paragraph 3.10(b) of Part IV: Registration and Lodgement of a Prospectus of the CIS Prospectus Guidelines	Variation to dispense with the requirement to submit two copies of this Prospectus in Bahasa Malaysia.	None.	Not applicable.

No.	Relevant section of the Guidelines	Details of the waiver or variation granted	Details of conditions imposed	Status of compliance
14	Paragraph 3.10(k) of Part IV: Registration and Lodgement of a Prospectus of the CIS Prospectus Guidelines	Variation to dispense with the requirement to submit original or certified copies in Bahasa Malaysia of reports or letters from experts disclosed in this Prospectus.	None.	Not applicable.
15	Paragraph 3.10(q) of Part IV: Registration and Lodgement of a Prospectus of the CIS Prospectus Guidelines	Variation to dispense with the requirement to publish the summary advertisement of this Prospectus in a widely-distributed Bahasa Malaysia newspaper.	None.	Not applicable.
16	Paragraph 4.04(b) of Part IV: Registration and Lodgement of a Prospectus of the CIS Prospectus Guidelines	Variation to dispense with the requirement to submit two copies of this Prospectus and its application form in Bahasa Malaysia.	None.	Not applicable.
17	Paragraph 2.1 of the Islamic REIT Guidelines	Variation to allow KLCC REIT to maintain the cash or deposits holdings in conventional current accounts.	The SC has requested for all cash/deposit holdings in conventional current accounts must be transferred to Islamic accounts prior to the Listing.	Noted and to be complied prior to the Listing.
		Variation to allow KLCC REIT to maintain the existing conventional term loan which will expire in March 2014.	None.	Not applicable.
18	Paragraph 3.1 of the Islamic REIT Guidelines	Variation to allow the existing conventional insurance policies which will expire in December 2013 to be maintained.	None.	Not applicable.

- (b) Bursa Securities has, through its letter dated 11 March 2013, granted its approval for the acceptance of a lower public holding spread of 24.50% subject to the following:
- (i) the Company is to use its best endeavours to increase the percentage of public holding spread to at least 25.00%; and
 - (ii) the Company is to notify Bursa Securities immediately, if in conjunction with the preparation of the Company's semi-annual returns and/or the Company otherwise becomes aware of the following:
 - (1) any decrease to the Company's issued and paid-up capital; and
 - (2) any decrease in the percentage of public holding spread below 24.50%; and
- (c) SC has, through its letter dated 11 January 2013, granted its approval for the exemption from the obligation to undertake a mandatory offer for the remaining Shares pursuant to the RCULS Conversion.

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13. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA GOVERNING THE KLCCP STAPLED GROUP

The structure involving the listing of the KLCCP Stapled Group and the Stapled Securities is novel and there is no precedent for it in the Malaysian capital market. As such, the application of the relevant investor protection legislation to the Stapled Securities structure is subject to the interpretation of the courts. To address this, the Stapled Securities (and thereby, the KLCCP Stapled Group, the Company, the Trustee and KLCC REIT) will be governed by the highest common denomination currently provided to REIT unitholders and shareholders of companies listed on Bursa Securities under existing laws including the Act, the CMSA, the Listing Requirements, the REIT Guidelines and the Islamic REIT Guidelines.

13.1 OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN MALAYSIA GOVERNING COMPANIES LISTED ON THE MAIN MARKET OF BURSA SECURITIES

The Company is governed and regulated by CCM under the Act and being a listed issuer, it is also subject to the purview of Bursa Securities.

13.2 OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN MALAYSIA GOVERNING REITS LISTED ON THE MAIN MARKET OF BURSA SECURITIES

In Malaysia, REITs are governed and regulated by the SC and in addition, a listed REIT would also be subject to the purview of Bursa Securities. The SC is empowered to ensure compliance with the CMSA, the REIT Guidelines, the Islamic REIT Guidelines and the Take-over Code while Bursa Securities is empowered to ensure the compliance of the listed REIT with the relevant sections of the Listing Requirements. The appointments of the management company and the trustee are subject to the approval of the SC. The CMSA, the REIT Guidelines, the Islamic REIT Guidelines, the Listing Requirements serve to govern the operation and administration of Islamic REITs and together with the Take-over Code serve to protect the interest of unitholders and to facilitate an orderly development of REITs. The trustee and the management company of an Islamic REIT, including their officers and directors, must comply with the CMSA, the REIT Guidelines, the Islamic REIT Guidelines, the Listing Requirements, the Take-over Code and all other Relevant Laws and Requirements.

13.2.1 Under the CMSA, the REIT Guidelines and/or the Islamic REIT Guidelines

- (a) **The management company** – A management company must, amongst others, be an entity incorporated in Malaysia; have a minimum shareholders fund of RM1 million at all times and approved by the SC. The REIT Guidelines contain provisions on reconstruction, amalgamation and change in shareholding of the management company (which will require the prior approval of the SC), composition of the board of directors (including independent members), appointment of a chief executive officer, designated person responsible for the REIT, compliance person and property manager.

- (b) **The trustee** – The appointment of a trustee must be approved by the SC. The minimum requirements of a trustee include, amongst other things, that it must be a trust company registered under the Trust Companies Act 1949 or incorporated under the Public Trust Corporation Act 1995; be registered with the SC; have a minimum issued and paid-up capital of not less than RM500,000.00; have the adequate human resources, expertise, and experience and have adequate and appropriate systems, procedures and processes, to carry out its duties and responsibilities. A trustee is also obliged by the CMSA to notify the SC as soon as practicable of any irregularity, any breach of the provisions or covenants of the Deed or any contravention of securities laws.
- (c) **Delegation and outsourcing** – A management company or a trustee may delegate and outsource its functions to third parties. Nonetheless, this does not relieve a management company or a trustee from its responsibilities. When delegation takes place, it is the duty of the management company and the trustee to ensure that adequate procedures are in place and that the deed of trust, prospectus, guidelines and securities laws are complied with. Note also that the delegation of a management company's function requires the SC's prior approval.
- (d) **Investment of the REIT** – The REIT Guidelines set out the investment perimeters of REITs in Malaysia including amongst other things, concentration limits, etc, Real Estate-Related Assets, Non-Real-Estate Assets, investments in deposits, investments in foreign real estate/markets and the level of borrowings (which shall not exceed 50.00% of the Total Asset Value of the REIT at any time), acquisition of real estate (i.e., at a price more than 110.00% of the value assessed in a valuation report (unless varied by the SC) and likewise a REIT should not dispose of a real estate asset at a price lower than 90.00% of the value assessed in a valuation report; and the disposal of any real estate (e.g, any disposal of real estate at a value exceeding 50.00% of the REITs' Total Asset Value must be sanctioned by the unitholders by way of an ordinary resolution).

For Islamic REITs, in addition to the REIT Guidelines, the Islamic REITs need to adhere to the investment perimeters of Islamic REITs set out in the Islamic REIT Guidelines, details of which are set out in Section 1.7.3 of this Prospectus entitled "Shariah Investment Guidelines".

- (e) **Valuation** – Valuations of real estate are required to be undertaken at least once every three years. The REIT Guidelines also govern the valuation of Real Estate-Related Assets and Non-Real Estate-Related Assets, appointment of the valuer, preparation of the valuation report and regulatory parameters on valuation of real estate.
- (f) **Fees** – The REIT Guidelines contain provisions for the remuneration of the management company, remuneration of the trustee and other expenses of the REIT. The management company and the trustee may only be remunerated by way of an annual fee charged to REIT, which must be permitted by the deed of trust and disclosed in the prospectus and only expenses directly related to the operation and administration of the REIT may be paid out of the REIT including, among other things, the maintenance of real estate belonging to the REIT, fees for the valuation of any investment of the REIT and listing expenses for listing on the stock exchange.

- (g) **Issue of securities by a REIT** – Unless contemplated in the deed of trust constituting the REIT and approved by the SC, any issuance of new units by a REIT is subject to approval by the unitholders and, where relevant, the prior approval of the SC.
- (h) **Operational matters** – The chapter on operational matters in the REIT Guidelines covers issues such as the registration of unitholders, the branch register of unitholders outside Malaysia, distribution of income, rebates and commission, transfer scheme (which is an arrangement to transfer REIT property from a REIT to another REIT), unitholders' meetings, notice, voting rights, chairperson of meetings, quorum, corporate governance principles and best industry standards for all activities conducted in relation to the REIT.

13.2.2 Under the Listing Requirements

In addition to prescribing the admission procedures and requirements for the admission and listing of a REIT on the Main Market, the Listing Requirements also prescribe the following:

- (a) **Board of directors of the management company** – The board of directors of the management company must have at least two independent directors while maintaining a minimum ratio of at least 1/3 independent directors at all times.
- (b) **General meetings** – The deed of a listed REIT is required to be in compliance with the Listing Requirements in relation to notice, proxies and voting rights of the unitholders.
- (c) **Continuing listing obligation** – The chapter on continuing listing obligation covers the unitholding spread requirement of a listed REIT of at least 25.00% of the total number of listed units to be held by a minimum number of 1,000 public unitholders holding not less than 100 units each.
- (d) **Continuing disclosure** – The chapter on continuing disclosure requirements sets out the disclosure policy of Bursa Securities which a listed REIT is required to adhere to, immediate disclosure of any material information, preparation of announcements, financial statements and reports, and consequences for failure to comply.

13.2.3 Under the Take-over Code

The Take-over Code applies to REITs that are listed on Bursa Securities. Under the Take-over Code, any person acquiring an interest, either individually or with parties acting in concert, in more than 33.00% of the units (being voting units in KLCC REIT) is required to extend a mandatory offer for the remaining Units in accordance with the Take-over Code, unless otherwise exempted. A take-over offer is also required to be made if a person holding more than 33.00% but not more than 50.00% of the Units, either individually or in concert, acquires more than 2.00% of the Units in any six-month period under the Take-over Code, unless otherwise exempted.

On the basis that KLCC REIT is a “listed issuer” for purposes of the Listing Requirements, acquisitions of Units which may result in a change in control of KLCC REIT will be subject to the provisions of the Take-over Code, such as a requirement to make a mandatory offer for Units.

13.3 OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN MALAYSIA GOVERNING THE KLCCP STAPLED GROUP

Notwithstanding the Stapling, both the Company and KLCC REIT will remain as separate legal entities, albeit operating as a single economic entity essentially. Where a transaction affects both the Company and KLCC REIT, approval and meeting of both Shareholders and Unitholders are required and the governing constitutions of the Company and KLCC REIT must be met, namely, the Memorandum and Articles of Association of the Company and the Deed for KLCC REIT. For the avoidance of doubt, where a transaction affects only one entity, only that entity’s requirements must be met. However, due to the nature of Stapling, both entities must mutually consult each other on the transaction.

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14. ADDITIONAL INFORMATION

14.1 GENERAL

- (a) The Stapled Securities will rank pari passu in all respects and will be entitled to all distributions that may be declared subsequent to the date of this Prospectus.
- (b) In accordance with the Deed and REIT Guidelines, the Manager is required, on a quarterly basis, to carry out a valuation of KLCC REIT's investments in Real Estate-Related Assets and announce the NAV of KLCC REIT to Bursa Securities. Holders of the Stapled Securities are able to keep track of the market price per Stapled Security and the NAV per Stapled Security as announced by the Manager through Bursa Securities' website www.bursamalaysia.com.
- (c) Both the Company and KLCC REIT will be providing the Holders with an annual report on their respective performance which will also include information on the NAV per Stapled Security. In addition, the Manager must also give the SC the annual report of the KLCC REIT no later than two months after the end of the financial period the report relates to.

Holders can obtain information on the current developments and annual reports of the KLCCP Stapled Group from the Bursa Securities' website www.bursamalaysia.com after the Listing.

- (d) If you require further information on KLCC REIT, the Manager may be contacted at:

Levels 4 & 5, City Point
Kompleks Dayabumi
Jalan Sultan Hishamuddin
50050 Kuala Lumpur

Telephone Number: +603 2382 800

E-mail: info@klcc.com.my

Website: www.klcc.com.my

- (e) Save as disclosed in this Prospectus, as at the LPD, the directors of the Company and the Manager confirm that the KLCCP Stapled Group's financial conditions and operations are not affected by any of the following factors:
 - (i) known trends, demands, commitments, events or uncertainties that have had or that the Manager reasonably expect to have, a material favourable or unfavourable impact on the KLCCP Stapled Group's financial performance, liquidity, position and operations;
 - (ii) material commitments for capital expenditure; and
 - (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the KLCCP Stapled Group's financial performance, position and operation.

- (f) The Manager has not established any policies or procedures to counter the risk involving money-laundering activities. It is not pertinent for the Manager to adopt such policies and procedures as unlike other unit trust funds, KLCC REIT will not be sourcing for investment funds on a regular basis nor does KLCC REIT allow for redemption of its Units. Further KLCC REIT does not receive monies from Shareholders on cash terms.

14.2 MATERIAL CONTRACTS

The dates of, parties to, and general nature of every material contract which the KLCC REIT (via the Trustee) has entered into since its establishment up to the date of this Prospectus (not being contracts entered into in the ordinary course of business of the KLCC REIT) are as follows:

- (a) the Deed dated 2 April 2013 entered into between the Manager and the Trustee for the benefit of the Unitholders, constituting the KLCC REIT and registered with the SC on 9 April 2013;
- (b) the Stapling Deed dated 2 April 2013 entered into amongst the Manager, the Trustee and the Company pursuant to which each Unit is stapled to each Share;
- (c) the PETRONAS Twin Towers SPA dated 10 April 2013 entered into between Midciti and the Trustee pursuant to which the Trustee agreed to purchase PETRONAS Twin Towers together with the Associated Rights and Benefits and the PETRONAS Twin Towers Related Assets and Liabilities for a purchase consideration of RM6,544,336,393.00 to be satisfied by way of (i) issuance of 1,421,262,749 new Units and (ii) the adoption and acceptance by the Trustee (or a subsidiary of KLCC REIT) or in any other manner howsoever procuring the discharge of all remaining and outstanding debt obligations and liabilities of Midciti pursuant to the terms and conditions of the PETRONAS Twin Towers SPA;
- (d) the Menara 3 PETRONAS SPA dated 10 April 2013 entered into between AMSB and the Trustee pursuant to which the Trustee agreed to purchase Menara 3 PETRONAS together with the Associated Rights and Benefits and the Menara 3 PETRONAS Related Assets and Liabilities for a purchase consideration of RM1,824,759,754.00 to be satisfied by way of (i) issuance of 290,192,416 new Units and (ii) the adoption and acceptance by the Trustee (or a subsidiary of KLCC REIT) or in any other manner howsoever procuring the discharge of all remaining and outstanding debt obligations and liabilities of AMSB pursuant to the terms and conditions of the Menara 3 PETRONAS SPA;
- (e) the Menara ExxonMobil SPA dated 10 April 2013 entered into between AJSB and the Trustee pursuant to which the Trustee agreed to purchase Menara ExxonMobil together with the Associated Rights and Benefits and the Menara ExxonMobil Related Assets and Liabilities for a purchase consideration of RM454,002,978.00 to be satisfied by way of (i) issuance of 93,877,918 new Units and (ii) the adoption and acceptance by the Trustee (or a subsidiary of KLCC REIT) or in any other manner howsoever procuring the discharge of all remaining and outstanding debt obligations and liabilities of AJSB pursuant to the terms and conditions of the

Menara ExxonMobil SPA; and

- (f) the property management agreement dated 10 April 2013 entered into amongst the Property Manager, the Trustee and the Manager pursuant to which the Property Manager will provide certain management services for the Subject Properties.

As the Company is already listed on the Main Market, the material contracts entered into by the KLCCP Group have already been disclosed via announcements to Bursa Securities from time to time.

14.3 SALIENT TERMS OF THE SPAs

The principal terms of the SPAs are summarised below:

14.3.1 Overview of the SPAs

Pursuant to the SPAs, the Trustee will acquire the Subject Properties from the Vendors free from encumbrances but subject to amongst others, the following:

- (a) all conditions of title and all restrictions-in-interest whether express or implied in the master titles to the lands where the Subject Properties have been constructed upon; and
- (b) all the leases, tenancies, loans (conventional and Islamic) and charges in respect of any part or parts of the Subject Properties together with all the rights, benefits and obligations thereunder.

The SPAs are interdependent and the Trustee is not obliged to complete the purchase of either Subject Property unless the purchases of the Subject Properties are completed in the manner set out under the SPAs.

14.3.2 Purchase consideration

The total purchase consideration for the Subject Properties together with the Associated Rights and Benefits and the Related Assets and Liabilities amount to RM8,823,099,125.00 to be satisfied by the Trustee by:

- (a) the issuance and allotment of the Consideration Units to be credited into the CDS Account of the Holders, on the Completion Date of the SPAs or such other date as the parties thereto may agree in writing; and
- (b) the adoption and acceptance by the Trustee (or a subsidiary of KLCC REIT) or in any other manner howsoever procuring the discharge of all remaining and outstanding debt obligations and liabilities of the respective Vendors pursuant to the terms and conditions of the respective SPAs.

14.3.3 Conditions precedent

The sale, purchase and transfer of the Subject Properties were conditional upon, amongst others:

(a) PETRONAS Twin Towers:

- (i) the holder(s) of the Sukuk having given their consent in writing to the PETRONAS Twin Towers Lease (if not given earlier) and the sale of PETRONAS Twin Towers together with the Associated Rights and Benefits and the PETRONAS Twin Towers Related Assets and Liabilities and the holder(s) of the Sukuk having executed and delivered the novation agreements in relation to the applicable agreements, documents and instruments entered into or issued by Midciti in relation to the Sukuk;
- (ii) the consent in writing of the lessee to the sale and transfer of the land and the lessee having executed and delivered the novation of the PETRONAS Twin Towers Lease;
- (iii) all applicable third parties (other than the holder(s) of the Sukuk and the lessee) having executed the novation of the applicable existing contracts pertaining to PETRONAS Twin Towers;
- (iv) the Shareholders having approved and passed all necessary resolutions for the purpose of the PETRONAS Twin Towers SPA and the Stapling; and
- (v) the issue and delivery of the Manager Undertaking to KLCCH (or at its written request, to PETRONAS);

(b) Menara ExxonMobil:

- (i) the relevant State Authority having given its consent in writing to the lessee accepting the Menara ExxonMobil Lease from AJSB pursuant to the provisions of Section 433B of the National Land Code 1965;
- (ii) the lessee having given its consent in writing to the transfer of the land and having executed and delivered all necessary lease documents to be given by it and the novation of the Menara ExxonMobil Lease;
- (iii) the lender having given its consent in writing to the Menara ExxonMobil Lease (if not given earlier) and to the sale of Menara ExxonMobil together with the Associated Rights and Benefits and the Menara ExxonMobil Related Assets and Liabilities and transfer of the land subject to the charge and having executed and delivered the novation of the loan documents;
- (iv) all applicable third parties (other than the lessee and the lender) having executed and delivered the novation of the applicable existing contracts pertaining to Menara ExxonMobil; and
- (v) the Shareholders having approved and passed all necessary resolutions for the purpose of the Menara ExxonMobil SPA and the Stapling; and

- (c) Menara 3 PETRONAS:
- (i) the financier having given its consent in writing to the Menara 3 PETRONAS (Office Tower) Lease (if not given earlier) and the sale of Menara 3 PETRONAS together with the Associated Rights and Benefits and the Menara 3 PETRONAS Related Assets and Liabilities and the transfer of the land subject to the charge and the financier having executed and delivered the novation of the Islamic financing documents;
 - (ii) the lessee having given its consent in writing to the sale and transfer of the land and having executed and delivered the novation of the Menara 3 PETRONAS (Office Tower) Lease;
 - (iii) all applicable third parties (other than the financier and the lessee) having executed and delivered the novation of the applicable existing contracts pertaining to Menara 3 PETRONAS;
 - (iv) the Shareholders having approved and passed all necessary resolutions for the purpose of the Menara 3 PETRONAS SPA and the Stapling; and
 - (v) the issue and delivery of the Manager Undertaking to KLCCH (or at its written request, to PETRONAS);

14.3.4 Completion

Subject to the fulfilment of the conditions precedent set out in Section 14.3.3 of this Prospectus entitled "Conditions precedent" and in respect of the sale, purchase and transfer of PETRONAS Twin Towers and Menara ExxonMobil, the completion of the sale, purchase and transfer of Menara 3 PETRONAS, on the Completion Date of the SPAs, amongst others:

- (a) all the rights, title, interest, benefits or claims, charges and liabilities in and to the Subject Properties shall pass from the Vendors to the Trustee;
- (b) all the rights, benefits, interest and liabilities in all the leases and tenancies in respect of the Subject Properties which are subsisting on the Completion Date of the SPAs will be novated and/or assigned by the Vendors to the Trustee;
- (c) all existing contracts pertaining to the Subject Properties will be novated to the Trustee (and to the extent there are no obligations to be transferred to the Trustee under an existing contract, then on the basis that all remaining benefits, rights, titles, entitlements and interest of the Vendors under such existing contract is assigned to the Trustee and due notice there is given to the applicable third party);
- (d) in respect of PETRONAS Twin Towers, there will not be any apportionment of all outgoings such as quit rent, assessment and any other rates, taxes, duties or charges by whatever name called that may be chargeable in respect of PETRONAS Twin Towers. Under the PETRONAS Twin Tower Lease between Midciti and the lessee of PETRONAS Twin Towers, all the outgoings shall be borne by the lessee;

- (e) in respect of Menara 3 PETRONAS, there will not be any apportionment of outgoings such as quit rent, assessment and any other rates, taxes, duties or charges by whatever name called that may be chargeable in respect of all that part of Menara 3 PETRONAS leased to the lessee of Menara 3 PETRONAS under the Menara 3 PETRONAS (Office Tower) Lease. Under the Menara 3 PETRONAS (Office Tower) Lease between AMSB and the lessee, such outgoings shall be borne by the lessee. In relation to outgoings which is payable for all that part of Menara 3 PETRONAS that is not covered by the Menara 3 PETRONAS (Office Tower) Lease, AMSB and the Trustee agree as follows:
- (i) AMSB shall settle all such outgoings up to the Completion Date and shall forward all relevant receipts to the Trustee's Solicitors for apportionment between the parties as from the Completion Date so that all such outgoings incurred prior to the Completion Date shall be borne by AMSB and all such outgoings incurred on and after the Completion Date shall be borne by the Trustee;
 - (ii) as from the Completion Date, in relation to the accounts of AMSB with the applicable utility or other service provider for facilities made available for Menara 3 PETRONAS, AMSB shall be entitled at its election to either (aa) transfer its accounts for utility or other like facilities (together with the deposits paid thereunder) to the Trustee; or (bb) recover all deposits paid by AMSB to the relevant utility or service providers, whereupon the Trustee shall pay fresh deposits to the relevant utility or service provider to ensure that the continued supply or availability of utilities or applicable service to Menara 3 PETRONAS. Where any deposit paid by AMSB to the relevant utility or service provider is in the form of a bank guarantee, the Trustee will furnish a fresh bank guarantee in replacement thereof;
 - (iii) AMSB shall indemnify and keep the Trustee indemnified in full against all claims, action, proceedings, suits, demands, losses, damages, expenses and costs which may be taken against, sustained or incurred by the Trustee by reason of or arising from the failure of AMSB to pay any and all outgoings before (and excluding) the Completion Date; and
 - (iv) subject to AMSB having made available all applicable invoices, bills and statements to show the amounts that is required to be paid towards any outstanding outgoings as at the Completion Date, the Trustee shall indemnify and keep AMSB indemnified in full against all claims, action, proceedings, suits, demands, losses, damages, expenses and costs which may be taken against, sustained or incurred by AMSB by reason of or arising from the failure of the Trustee to pay any and all such outgoings as from (and including) the Completion Date;
- (f) in respect of Menara ExxonMobil, all outgoings shall be apportioned as from the Completion Date and AJSB shall bear and settle the outgoings prior to the Completion Date and the Trustee shall bear and settle the outgoings due and payable on and after the Completion Date. As from the Completion Date, in relation to the accounts of AJSB with the applicable utility or other service provider for facilities made available for Menara ExxonMobil, AJSB shall be entitled at its

election to either (i) transfer its accounts for utility or other like facilities (together with the deposits paid thereunder) to the Trustee; or (ii) recover all deposits paid by AJSB to the relevant utility or service providers, whereupon the Trustee shall pay fresh deposits to the relevant utility or service provider to ensure that the continued supply or availability of utilities or applicable service to Menara ExxonMobil. Where any deposit paid by AJSB to the relevant utility or service provider is in the form of a bank guarantee, the Trustee shall furnish a fresh bank guarantee in replacement thereof;

- (g) the Trustee shall be entitled to receive all amounts payable by the lessee and tenants under the respective lease agreement and tenancy agreements; and
- (h) in respect of PETRONAS Twin Towers and Menara 3 PETRONAS, the Trustee shall sign and deliver to the respective Vendor (or at its written request, to PETRONAS) the Trustee Undertaking and, if not signed and delivered earlier, procure the Manager to sign and deliver the Manager Undertaking.

14.3.5 Representations and warranties

The Vendors have given specific warranties and undertakings relating to, amongst others, the Subject Properties to the Trustee. In the event of the breach of the said warranties and undertakings, the Trustee shall only be entitled to terminate the respective SPAs by giving notice in writing to the Vendors.

14.4 CONSENTS

- (a) The written consents of the Trustee, the Shariah Adviser, the Principal Adviser and the International Financial Adviser, the principal bankers, the Issuing House, the legal advisers, the Property Manager, the company secretary of the Manager, the Registrar and the Internal Auditor to the inclusion in this Prospectus of their names in the manner and form in which such names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of the Auditors/Reporting Accountants to the inclusion in this Prospectus of their letters on Profit Forecasts as well as the letters relating to the Pro Forma Consolidated Statements of Financial Position, Pro Forma Consolidated Statements of Comprehensive Income, and their names in the manner, form and context in which they appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (c) The written consent of the Tax Consultant to the inclusion in this Prospectus of their letters on taxation of KLCC REIT and Unitholders, and the Company and Shareholders, and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

- (d) The written consent of the Independent Property Valuer to the inclusion in this Prospectus of their Valuation Certificates and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

14.5 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Manager, for a period of 12 months from the date of this Prospectus:

- (a) the material contracts referred to in Section 14.2 of this Prospectus entitled “Material Contracts”;
- (b) the Valuation Certificates dated 1 October 2012 as set out in Appendix A of this Prospectus as well as the full valuation reports dated 1 October 2012 for the Subject Properties;
- (c) the Tax Consultant’s Letters on Taxation of KLCC REIT and Unitholders, and Taxation of the Company and Shareholders as set out in Appendix B of this Prospectus;
- (d) the Reporting Accountants’ Letter on the Profit Forecasts for the KLCCP Stapled Group for the Years Ending 31 December 2013 and 2014 as set out in Appendix C of this Prospectus;
- (e) the Reporting Accountants’ Letter on the Profit Forecasts for KLCC REIT for the Years Ending 31 December 2013 and 2014 as set out in Appendix D of this Prospectus;
- (f) the Reporting Accountants’ Letters on the Pro Forma Consolidated Statement of Financial Position of the KLCCP Stapled Group as at 31 December 2012, and the Pro Forma Consolidated Statements of Comprehensive Income of the KLCCP Stapled Group for the Years Ended 31 March 2010 and 2011, Nine (9)–Month Period Ended 31 December 2011 and Year Ended 31 December 2012 as set out in Appendix E of this Prospectus;
- (g) the Reporting Accountants’ Letters on the Pro Forma Consolidated Statement of Financial Position of KLCC REIT as at the Listing Date, and the Pro Forma Consolidated Statements of Comprehensive Income of KLCC REIT for the Years Ended 31 March 2010 and 2011, Nine (9)–Month Period Ended 31 December 2011 and Year Ended 31 December 2012 as set out in Appendix F of this Prospectus;
- (h) the letters of consent referred to in Section 14.4 of this Prospectus entitled “Consents”; and
- (i) the writ and cause papers in respect of the material litigation of the Trustee as referred to in Section 7.8 of this Prospectus entitled “Material Litigation and Arbitration”, which shall only be made available at the Trustee’s registered office.

14.6 RESPONSIBILITY STATEMENTS

This Prospectus has been reviewed and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Prospectus false or misleading. Each of the Directors accepts full responsibility for the Profit Forecasts included in this Prospectus and confirm that the Profit Forecasts have been prepared based on the assumptions made.

The information pertaining to the Trustee and the Property Manager were provided by the management and/or directors of the Trustee and the Property Manager, respectively. The responsibility of the Directors is therefore restricted to the accurate reproduction of such relevant information as included in this Prospectus.

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VALUATION CERTIFICATES



Chartered Surveyors
International Property Consultants
Registered Valuers, Real Estate Agents
Property Managers, Plant & Machinery Valuers

CHESTON INTERNATIONAL (KL) SDN. BHD.
(Company Regn No: 647245 W) VE(1) 0199/1
Suite 2A, 2nd Floor, Plaza Flamingo,
No. 2, Tasik Ampang, Jalan Hulu Kelang,
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E-mail : ciki@chestonint.com
Website: www.chestonint.com

Our Ref: V/KLCC REIT/PTT/12

1 0 APR 2013

KLCC PROPERTY HOLDINGS BERHAD ("KLCCP")

Level 54, Tower 2
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 KUALA LUMPUR

Dear Sir,

VALUATION CERTIFICATE OF TWO 88-STOREY OFFICE TOWERS LINKED BY A SKY BRIDGE AND A PODIUM TOGETHER WITH THE RIGHTS TO USE SUCH NUMBER OF BAYS IN THE NORTH-WEST DEVELOPMENT CAR PARK KNOWN AS PETRONAS TWIN TOWERS.

We were instructed by KLCC Property Holdings Berhad ("KLCCP") to conduct a valuation of PETRONAS Twin Towers and the details of the valuation are in our formal Valuation Report bearing Reference No. V/KLCC REIT/PTT/12 dated 27 November 2012.

This Valuation Certificate is prepared for inclusion in the Prospectus of the KLCCP Stapled Group where the units in an Islamic real estate investment trust to be established will be stapled together with the existing ordinary shares of KLCCP in forming the stapled securities to be listed on the Main Market of Bursa Malaysia Securities Berhad.

PETRONAS Twin Towers was inspected on 1st October 2012. The relevant date of valuation of the above legal interest is 1st October 2012.

The valuation was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

CHESTON INTERNATIONAL (JOHOR) SDN. BHD.

43-A, Jalan Kuning Dua, Taman Pelangi,
80400 Johor Bahru, Malaysia.
Tel: +6 07-334 3363 Fax +6 07-334 3361
E-mail : cheston@myjaring.net



1.0 SALIENT DETAILS OF PETRONAS TWIN TOWERS

Interest Valued / Type of Property

The interest in perpetuity in two 88-storey office towers linked by a sky bridge and a podium together with the rights to use such number of bays in the north-west development car park ("NWD Car Park") sited on Lot 169, Section 58, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur, held under Title No. Grant 43697.

Name and Address

PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

Location

PETRONAS Twin Towers is located within Kuala Lumpur City Centre ("KLCC") which is the nucleus of the 'Golden Triangle' in the heart of the bustling Kuala Lumpur city.

The KLCC Master Plan design concept by Klages, Carter, Vail & Partners (KCV) was selected after an international competition held in 1990. KLCC is one of the world's largest real estate developments with distinctive and international standard buildings along the perimeter of the KLCC Park which was tastefully designed by the famous Brazilian landscape artist, the late Roberto Burle Marx. KLCC Park, serves as a 'green lung' and a functional showpiece, to integrate and harmonise the office towers, retail complexes, hotels, residential buildings, entertainment and recreation amenities within KLCC. All buildings within this development are designed to maintain design integrity with the park and create a sense of unity. The buildings also designed to enjoy uninterrupted view of the park, which has separate areas for active, passive, formal and informal activities.

The expertly planned KLCC is a purpose-built, fully integrated inner city development featuring quality and intelligent buildings, state-of-the-art amenities and the finest communication facilities. It is also a main node of the country's well publicised Multimedia Super Corridor ("MSC").

Due to its prime location and excellent accessibility, KLCC is designed as an ideal place to live, work, visit, shop and relax in a convenient and pleasant environment. It is a self-contained city-within-a-city, with the infrastructure and amenities to satisfy the varied and demanding needs of people and companies doing business in this dynamic world.

KLCC, marks a milestone in the growth of Kuala Lumpur, setting the bench-mark for urban spatial planning and development in Malaysia.

PETRONAS Twin Towers enjoys dual frontages onto the major business thoroughfares of the Kuala Lumpur city, Jalan Ampang and Jalan P. Ramlee and is strategically located at the north-western corner of KLCC Development representing a prominent gateway to this world renowned development.

Title Particulars	Lot No:	Lot 169, Section 58, Title No. Grant 43697, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur.
	Land area:	21,740.0 square metres (234,007.2 square feet).
	Tenure:	Interest in perpetuity.
	Category of Land Use:	Building.
	Registered Proprietor:	Midciti Resources Sdn. Bhd.

Property Description

PETRONAS Twin Towers is part of Phase One of the KLCC Development. Located at the north-western corner of the 42-hectare (104-arce) development, the towers stand majestically at 452 metres (1,483 feet) above street level with the pinnacles reaching a height of about 73.575 metres (241 feet). The towers are visible from 30-kilometre radius outside the city.

The site on which the PETRONAS Twin Towers constructed is a regular shaped parcel of corner land having a title land area of about 21,740.0 square metres (234,007.2 square feet). The north-eastern site boundary enjoys frontage of about 88.56 metres (290.55 feet) onto Jalan Ampang, the south-western site boundary which measures about 94.25 metres (309.2 feet) has a return frontage onto Jalan P. Ramlee. The southern, south-eastern and eastern site boundaries share common boundaries with Suria KLCC.

The design, by the renowned architect, Cesar Pelli & Associates, was selected through an international competition in 1991. The floor plates of the towers are designed based on geometric patterns common in Islamic heritage architecture. It is composed of two rotated and super-imposed squares with small circular infills. The interior design, patterns and material were specifically selected to reflect the Malaysian identity.

Attached to each main tower is the 44-storey side tower of 'bustles' which provides an architectural balance to the slender profile of the main towers. This coreless bustle also provides additional office space and enhances the space efficiency of the buildings.

PETRONAS Twin Towers is constructed of reinforced concrete core walls and columns with composite steel beam. The floor slabs are of metal deck with cast in-situ concrete. The beams are supported by concrete ring-beams at the exterior and act compositely with reinforced concrete floor slabs utilising sheer studs.

The composite metal slab deck system support raised floor where applicable above the structural slab, the space of which is used for the distribution of electrical power and communication system.

The external elevations are generally of horizontal ribbons of tinted, laminated and reflective curtain glass wall shaded by tear-drop stainless steel louvers and fully unitised stainless steel claddings framed with bull nose moldings of stainless steel.

PETRONAS Twin Towers is an Intelligent Building ("IB") which features advanced Building Management System ("BMS"). The Building Control System ("BCS") which forms part of BMS provides central management and monitoring of the air conditioning system within the building which is an automatic temperature control system via the latest technology of Variable Air Volume ("VAV") and intelligent Direct Digital Control ("DDC").

The Building Security System ("BSS") within PETRONAS Twin Towers is an Integrated and Computerised system comprising of: -

- Card Access and Alarm Monitoring System
- Closed Circuit Television System ("CCTV")
- Voice Intercom System
- Audio Alarm Surveillance System
- Photo Identification System and
- Security Guards

A 58.4-metre (192-feet) sky bridge at Levels 41 and 42 links the Twin Towers. The unique double-deck sky bridge which stands at 170 metres (558 feet) above street level is the highest 2-storey bridge in the world and its arch support forms a symbolical gateway to the KLCC.

PETRONAS Twin Towers was completed in 1997 and is in good state of decorative repair.

At the podium levels, the PETRONAS Twin Towers features the following: -

- A 864-seat Concert Hall known as Dewan Filharmonik PETRONAS;
- PETROSAINS – an interactive petroleum discovery centre
- A reference library on energy, petroleum, petro-chemical and related industries;
- The well-known PETRONAS Art Gallery;
- PETRONAS in-house sports and cultural centre;
- The PETRONAS gift shop;
- Twin Towers Fitness Centre;
- Box Office for Dewan Filharmonik PETRONAS;
- Sky Bridge Visitor Ticket Counter;
- PETRONAS Card Centre;
- Kedai Mesra Shoppe;
- Sincere Fine Watches and Canali;
- RHB Forex and CIMB Forex; and
- Management offices, stores, cleaner's office, house keeping, maintenance office, in-house utility areas, security office, etc.

PETRONAS Twin Towers is located within the boundary of MSC Malaysia Cybercity and Tower 2 of PETRONAS Twin Towers is a "designated premise" of the MSC Malaysia Cybercity.

PETRONAS Twin Towers, the national icon, is the most prestigious office address in the country. Since completion in 1997, there has not been any office building in Malaysia with similar quality and standard as PETRONAS Twin Towers.

PETRONAS Twin Towers is the symbol of Malaysia's success. The National Landmark development was developed during the leadership of our former Prime Minister, Tun Dr. Mahathir Mohamad's Vision 2020 Malaysia, with an objective to move the country into achieving the goal of becoming a developed industrialised nation. Today, PETRONAS Twin Towers has highlighted Malaysia on the world map. The twin skyscrapers were the tallest buildings in the world from 1998 until surpassed by Taipei 101 in 2004. However, PETRONAS Twin Towers has been acknowledged by the Council on Tall Buildings and Urban Habitat as the tallest twin buildings in the world ever built.

Since inception, PETRONAS Twin Towers, symbolising Malaysia's strength and growth, has become the nucleus of the city with developments in the city have been designed and orientated to have a view of the Towers.

Gross Floor Area 510,917.8 square metres (5,499,468.0 square feet).

Net Lettable Area 296,876.0 square metres (3,195,544.0 square feet).

Common Facilities Agreement

In accordance with the Common Facilities Agreement, we note that Midciti Resources Sdn. Bhd., Suria KLCC Sdn. Bhd. and Impian Klasik Sdn. Bhd., the owners of PETRONAS Twin Towers, Suria KLCC and Menara Maxis (known as the North-West Development), respectively, entered into an agreement to design, develop, construct, complete, maintain and manage the North-West Development Common Facilities including the NWD Car Park as an integrated development.

The owners of North-West Development, prior to the construction of the respective buildings, acknowledged that the development would have facilities that lie on or under their respective lots, straddle the boundary of each lot that would be common between them. Thus, the design development and construction of the North-West Development Common Facilities including the NWD Car Park was carried out as an integrated development and the cost allocation of the common facilities was on the basis of mutual trust, co-operation and for their mutual benefit.

The owners are liable for the costs and liabilities in respect of the North-West Development Common Facilities in accordance with the Final Cost Allocation Formula ("FCAF").

The owners have jointly appointed KLCC Urusharta Sdn. Bhd. as the Manager to manage the common facilities excluding the NWD Car Park.

North-West Development Car Park

Beneath the entire three sites which accommodate the PETRONAS Twin Towers, Menara Maxis and Suria KLCC is the NWD Car Park. The underground car park is constructed over 4 levels (P1, P2, P3 and P4) and according to the latest audit, accommodates 5,053 car parking bays. However, only 4,889 car parking bays are suitable to be used as the remaining 164 bays are located at the exit of the fire rated doors, safety and security exits and are unsuitable car park bays. As recommended by the fire services department and after consultation with the owners, KLCC Parking Management Sdn. Bhd. has not been utilising the 164 car park bays. In order to avoid anyone from parking on these bays, stand bollards are affixed on the bays.

In accordance with the Common Facilities Agreement, we note that the share of car park ownership among Midciti Resources Sdn. Bhd., Suria KLCC Sdn. Bhd. and Impian Klasik Sdn. Bhd. of NWD Car Park is according to the FCAF. The allocation of FCAF in respect of Midciti Resources Sdn. Bhd. is 67.75%.

Thus, the number of car parking bays Midciti Resources Sdn. Bhd. has the right to use according to the above formula is 3,312 bays.

Planning Details

PETRONAS Twin Towers is located within an area designated for commercial use and a Certificate of Fitness for Occupation bearing Reference No. 24936 (BP E 930037) was issued on 14th July 2001.

Lease / Tenancy Profile And Details

PETRONAS Twin Towers has been leased to a single Lessee, Petroliam Nasional Berhad ("PETRONAS").

PETRONAS occupies Tower 1, a majority of Tower 2 and the entire podium block whilst part of Tower 2 is sub-tenanted/sub-leased to various third party tenants/lettings.

PETRONAS is the national oil and gas company of Malaysia and is wholly-owned by the Government of Malaysia.

As per the initial Triple Net Lease Agreement dated 8th May 1998, we note that PETRONAS Twin Towers was leased on a triple net basis with rights to use such number of bays in the basement car park in the North-West Development of KLCC as accrued to them pursuant to the terms of the Common Facilities Agreement and the rights of ingress and egress to and from the car park.

The initial Lease was for a term of fifteen (15) years commencing from 1st October 1997 and had expired on 30th September 2012.

Vide a recently executed Triple Net Lease Agreement dated 27th November 2012 made between Midciti Resources Sdn. Bhd. ("Lessor") and Petroliam Nasional Berhad ("PETRONAS") ("Lessee"), we note that the Lessor has granted to the Lessee an option to extend the initial Lease for a further period of 15 years commencing from 1st October 2012 and expiring on 30th September 2027.

The agreement also stipulates that the Lessee shall not determine the Lease hereby granted before the expiry of the term and in the event of unilateral determination on part of the Lessee, the Lessee shall remain liable to pay to the Lessor the rent in full for the remaining unexpired period of the term which amounts shall together with any arrears to be recovered as a debt due to the Lessor.

Property Performance

The historical operating performance of PETRONAS Twin Towers as provided by Midciti Resources Sdn. Bhd. is as per Table 1.0.

Table 1.0: Historical Operating Performance Of PETRONAS Twin Towers

Period	Occupancy Rate	Triple Net Rental Receivable *
As At 31st March 2009 (RM)	100%	335,837,796
As At 31st March 2010 (RM)	100%	335,837,790
As At 31st March 2011 (RM)	100%	335,837,784
From 1st April - 31st December 2011 (9 months) (RM)	100%	251,878,338
From 1st January - 31st August 2012 (8 months) (RM)	100%	223,891,856

Source: Midciti Resources Sdn. Bhd.

* As the 15-year Lease is irrevocable, in accordance with FRS 117, the rental income is straight-lined over the period of the Lease.

1.1 MARKET VALUE

Date of Valuation

1 October 2012

Valuation Methodology

In arriving at our opinion of the Market Value of PETRONAS Twin Towers, we have adopted the Investment Method as the valuation methodology.

Investment Method

This method is premised on the principle that the value of an income-producing property is represented by "the present worth of future rights to income, or utility". The value estimated under this method is derived by ascertaining the market rent of the property (i.e. that income which is ascribable to the property under its highest and best use); deducting all reasonable operating expenses (as would be experienced under typical management) and then capitalising the resultant net income by an appropriate rate of capitalisation to obtain the present value of the income stream.

Term

Triple Net Rental

In undertaking our assessment of market value under the capitalisation approach, we have adopted the triple net rental as per the renewed Lease Agreement for the term. Upon expiry of the Lease (reversion), the rent is reverted to Market Rent.

In accordance to the renewed Lease Agreement, the current term is identified as Term 1, commencing from 1st October 2012 and expiring on 30th September 2015 and the triple net rent is RM29,109,285 per month (inclusive of the rights to use such number of bays in the NWD Car Park) which is analysed to RM9.11 per sq. ft. per month. The Rent shall be reviewed every three (3) years commencing on the third anniversary of the Lease commencement date based on the formula of three percent (3%) per annum compounded for the preceding three (3) years. The triple net rentals of the remaining lease terms are summarised in Table 2.0.

Table 2.0: The Current 15-Year Triple Net Rent

Term	Monthly Rental (RM)	Yearly Rental (RM) *
1st Term (01/10/2012 – 30/09/2015)	29,109,285	349,311,420
2nd Term (01/10/2015 – 30/09/2018)	31,808,502	381,702,024
3rd Term (01/10/2018 – 30/09/2021)	34,758,009	417,096,108
4th Term (01/10/2021 – 30/09/2024)	37,981,015	455,772,180
5th Term (01/10/2024 – 30/09/2027)	41,502,881	498,034,572

* Rent Review: Formula of 3% per annum compounded for the preceding 3 years.

Capitalisation Rate: **5.5%** adopted for the term

Reversionary

Gross Rental: **RM11.523** per sq. ft. per month
 Car Park Income: **RM793,423** per month
 Other Revenue: **RM5,000** per month
 Outgoings: **RM2.20** per sq. ft. per month
 Capitalisation Rate: **6.0%** adopted for the reversion

Gross Rental

Upon expiry of the Lease (reversion), the rent is reverted to Market Rent. Our assessment of the market rent of PETRONAS Twin Towers is based on the historical and passing rental of sub-tenanted/sub-let tenants of Tower 2 as well as analysis of the past and current contractual rents.

The past contractual rent in respect of the initial 15-year term which was commenced from 1st October 1997 and expired on 30th September 2012 is as per Table 3.0.

Table 3.0: The Initial 15-Year Triple Net Rent

Term	Monthly Rental (RM)	Yearly Rental (RM) *
First Reset Period (01/10/1997 – 30/09/2000)	20,416,667	245,000,000
Second Reset Period (01/10/2000 – 30/09/2003)	22,309,843	267,718,115
Third Reset Period (01/10/2003 – 30/09/2006)	24,378,568	292,542,813
Fourth Reset Period (01/10/2006 – 30/09/2009)	26,639,119	319,669,430
Fifth Reset Period (01/10/2009 – 30/09/2012)	29,109,285	349,311,420

* Rent Review: Formula of 3% per annum compounded for the preceding 3 years.

We note from the tenancy schedule of Tower 2 that the average gross rental of office space occupied by the sub-tenants/sub-lettings is about RM12.74 per sq. ft. per month.

In arriving at our opinion of the Market Rental of PETRONAS Twin Towers upon reversion, we also have taken into consideration the rental evidences of sale transactions of office buildings summarised in Table 7.0.

In addition, we also have taken into account the current asking rental of office space of Prime Office Buildings in Kuala Lumpur city as per Table 4.0.

Table 4.0: Asking Rental Of Prime Office Space

Building	(RM Per Sq. Ft. Per Month)
Menara Maxis	10.50
Vista Tower, The Intermark	9.00 – 9.50
Integra Tower, The Intermark	9.00 – 10.50
Menara Prestige	8.50
G-Tower	8.50
Menara IMC	8.50
Menara Dion	9.00

Source: Cheston Research

In undertaking our assessment of the Market Rental Value upon reversion, we have considered various factors including, current market condition, location and accessibility, building characteristics, grade, quality, facilities, age, condition and size as well as allowance for negotiation on the asking rentals.

Based on the analysis of past and current contractual rentals of PETRONAS Twin Towers under the Lease Agreement, analysis of historical and passing rentals of sub-tenanted/sub-let rentals of Tower 2, analysis of the rental evidences and analysis of current asking rentals of office buildings, we have adopted RM11.523 per sq. ft. per month as the average fair market rental, upon reversion.

Income And Expenditures Of Car Park

The NWD Car Park is an integrated underground development which linked with the Ampang-Hulu Kelang Elevated Highway and Jalan Tun Razak via the Binjai Tunnel. It is also constructed with ingress and egress from other business thoroughfares in the city comprising Jalan Ampang, Jalan P. Ramlee, Persiaran KLCC and Jalan Pinang. It is designed to have easy and convenient accessibility for vehicles entering KLCC development from various directions of Kuala Lumpur city. The NWD Car Park also caters for the large number of visitors entering KLCC development, mainly to the office towers and the shopping complex. The shopping complex requires higher number of car parks especially after office hours, weekends and public holidays. The three owners of the NWD Car Park, instead of separately operating the car park bays according to the FCAF, have come up with a system to optimise the utilisation of the usable car park bays within the NWD Car Park.

In order to have an orderly and co-ordinated operation of the NWD car park, Midciti Resources Sdn. Bhd., Suria KLCC Sdn. Bhd. and Impian Klasik Sdn. Bhd. entered into Car Park Operation Agreement with KLCC Parking Management Sdn. Bhd. where KLCC Parking Management Sdn. Bhd. ("KPM") ("the Operator") has been appointed as the car park operator.

The distribution of the car park income and contribution towards the operation and maintenance cost are as per the Common Facilities Agreement.

The analysis of past three (3) years annual gross revenue and annual operating expenditure of NWD Car Park is as per Table 5.0.

Table 5.0: Annual Gross Revenue And Operating Expenditure Of NWD Car Park

Period	Annual Gross Revenue	Annual Operating Expenditure	Annual Operating Revenue
As At 31st March 2009 (RM)	26,682,708	7,437,767	19,244,941
As At 31st March 2010 (RM)	29,730,988	7,025,128	22,705,860
As At 31st March 2011 (RM)	30,258,123	7,624,694	22,633,429
From 1st April - 31st December 2011 (9 mths) (RM)	24,457,174	5,927,567	18,529,607
From 1st January - 31st August 2012 (8 mths) (RM)	22,712,869	5,371,443	17,341,426
Adopted in Valuation Upon Reversion as at 1st October 2012	32,000,000	7,800,000	24,200,000

Source: *Midciti Resources Sdn. Bhd.*

In accordance with the Car Park Operation Agreement, the percentage share of Midciti Resources Sdn. Bhd. of the total annual gross revenue and annual operating expenditure are 47.5% and 50.50%, respectively.

We also have investigated the current commanding monthly car park rate of other office buildings in the vicinity.

Based on the analysis of past three (3) years income and expenditure of NWD Car Park and analysis of commanding car park rates of other commercial developments in Kuala Lumpur city, we have adopted RM9,521,080 per annum as the fair net car park revenue, upon reversion.

Other Revenue

The other revenue comprises the contribution from the income of telecommunication utility rooms. Based on the past three years income of telecommunication utility rooms, we note that the monthly rental receivable is RM5,000.

We have adopted the above amount as other revenue.

Outgoings

The net rent is the residue of gross annual market rent less annual expenses (outgoings) required to sustain the rent with allowance for void and property management fees.

The annual outgoings of PETRONAS Twin Towers for the years ended 31st March 2009, 2010, 2011, from 1st April 2011 up to 31st December 2011 (9 months) and 1st January 2012 up to 31st August 2012 (8 months) as provided by Midciti Resources Sdn. Bhd. are as per Table 6.0.

Table 6.0: Outgoings

Period	Annual Outgoings (RM)	Analysis of Outgoings (RM Per Sq. Ft. Per Month)
As At 31st March 2009	77,085,317.52	2.01
As At 31st March 2010	79,101,060.97	2.06
As At 31st March 2011	80,624,714.33	2.10
From 1st April 2011 – 31st December 2011 (9 mths)	61,495,921.30	2.14
From 1st January 2012 – 31st August 2012 (8 mths)	54,915,121.71	2.15
Adopted in the Valuation as at 1st October 2012	84,417,893.80	2.20

Source: *Midciti Resources Sdn. Bhd.*

We have analysed past years annual outgoings of PETRONAS Twin Towers and made diligent adjustments to arrive at the fair outgoings.

Investigation also made on outgoings of other office buildings and necessary adjustments were made before arriving at the fair outgoings of PETRONAS Twin Towers.

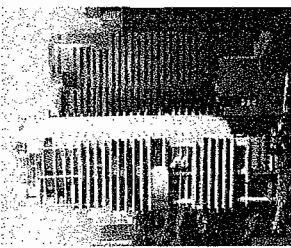
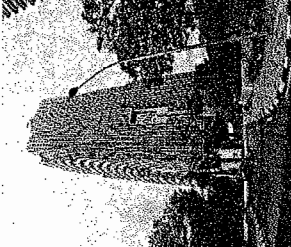
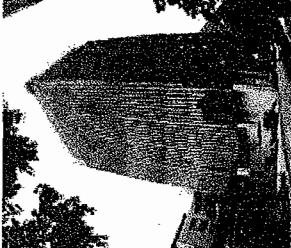
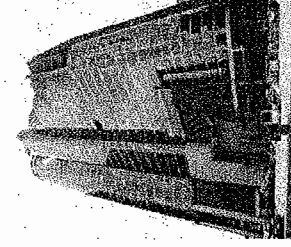
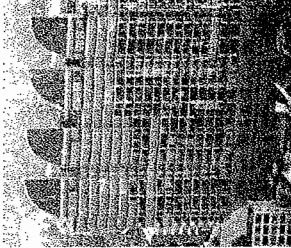
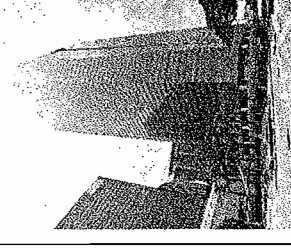
Based on the above analysis, we have adopted outgoings of RM2.20 per sq. ft. per month, upon reversion which is considered fair representation of the outgoings of PETRONAS Twin Towers.

Rent Loss Adjustment /
Vacancy Allowance

Taking into consideration the general trend of office vacancy for similar type of properties and the duration of the rent free allowance based on prevailing market practise, we have allocated 5% of the gross annual rental for vacancy period; vacancy between rent reviews and rent free & fitting out periods as fair representation for the reversion.

The followings are the rental comparison and yield analysis of sale transactions of office buildings in Kuala Lumpur city.

Table 7.0: Average Gross Monthly Rental And Analysis Of Yield Of Sale Transactions

						
Property	Menara Prudential	Menara Multi-Purpose	Pavilion Tower	Sunway Tower 2	The Icon (East Wing)	Menara Citibank
Location	Jalan Sultan Ismail	Jalan Munshi Abdullah	Jalan Bukit Bintang	Jalan Ampang	Jalan Tun Razak	Jalan Ampang
Net Lettable Area ("NLA")	147,812	541,424	167,407	268,412	278,183	733,634
Average Gross Rental (Per Sq. Ft.)	5.50 - 6.00	4.00 - 4.50	5.50 - 6.00	4.75 - 5.00	6.00 - 6.50	6.00 - 6.50
Consideration	RM142,226,000	RM375,000,000	RM123,500,000	RM171,489,000	RM226,514,800	RM607,448,952
Net Income (includes car park & other income)	RM9,250,000	RM24,300,000	RM8,035,536	RM11,595,400	RM15,355,700	RM40,496,600
Outgoings	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.50 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)
Year of Transaction	21-December-11	26-September-11	1-June-11	15-June-10	24-December-09	8-July-09
Analysed Yield	6.50%	6.48%	6.51%	6.70%	6.80%	6.67%

Source: Bursa Malaysia Securities Berhad / Cheston Research

Yield / Capitalisation Rate

We have adopted a market corroborated capitalisation rate to arrive at the capital value of PETRONAS Twin Towers. In arriving at our opinion of the appropriate capitalisation rate using the above methodology, thorough examination and analysis of several recent sales of office buildings were carried out. Exercising judgment based on our experience in the industry, we have compared the relative investment characteristics of PETRONAS Twin Towers and the sales. We made all the necessary and diligent adjustments to arrive at the fair capitalisation rate. We have given emphasis on the time, location, quality and characteristics of PETRONAS Twin Towers being the world class office towers. We also have taken into account the current economic condition, the existing and future demand and supply of office buildings in arriving at the fair capitalisation rate.

The above yield analysis reveals that, the yield trend of office buildings in Kuala Lumpur city have been declining from 2009 to 2012. Our research on the yield trend revealed that yields of prime office buildings are under further compression due to the uncertain global economic environment, moderate Malaysian economy and impending supply of office space to come on stream in the short term.

PETRONAS Twin Towers is currently being leased for a second term of 15 years upon expiry of the initial term, which was expired on 30th September 2012. The revenue for PETRONAS Twin Towers is fully secured during the current economic and office market condition and for the next 15 years.

We also note from the new Lease Agreement that the Lessor has granted the Lessee an option to extend the existing Lease for a further term of 15 years upon expiry of the Lease on 30th September 2027 subject to terms and conditions to be agreed by both parties.

We further note that the Lease Agreement stipulates that the Lessee shall not determine the Lease hereby granted before the expiry of the term and in the event of unilateral determination on part of the Lessee, the Lessee shall remain liable to pay to the Lessor the rent in full for the remaining unexpired period of the term which amounts shall together with any arrears to be recovered as a debt due to the Lessor.

Having considered the above and other relevant factors including current market condition, location and accessibility, building characteristics, grade, quality, facilities, age, condition and size, lease terms, occupancy and quality of the tenant/lessee, and carefully going through the past and current rental profile, we have adopted a reversionary yield of 6.0% whilst the adopted term yield is 5.5% which reflects the security of the existing lease, certain, fixed, staggered and increasing rental income and quality of the Lessee.

The upward adjustment of 50 basis points (bps) on the reversionary yield is to reflect a higher risk on the future lease/tenancy, the Malaysian economy and the future revenue. The above rates adopted are in line with our analysis of prevailing market yields of office buildings in Kuala Lumpur city.

Valuation Rational

We note that PETRONAS Twin Towers is a superior quality world class office building subject to a long term lease based on specific terms and conditions. The Comparison Method is an appropriate method to be adopted for homogeneous properties with minimal dissimilarities which require less complicated adjustments. However, for income generating investment properties which are physically, functionally and economically complex and where the adjustments are numerous and more difficult to quantify, it will be arduous to make adjustments using the Comparison Method. The market value of an investment property is a function of the future income stream. The cash flows of an investment property are subject to the specific nature of the particular investment property and the terms and conditions of the lease/tenancy. It will be strenuous to make all the relevant qualitative and quantitative adjustments accurately for investment properties using Comparison Method in the absence of similar type of comparables having similar lease details.

We also note that the recent sale comparables are inferior compared to the superior quality national icon, PETRONAS Twin Towers. In view of the above, the Comparison Method would not be a suitable valuation methodology to ascertain the market value of PETRONAS Twin Towers.

Hence, we have considered the market value derived from the Investment Method as a fair representation of the market value of PETRONAS Twin Towers and accordingly have advised as our fair opinion of value.


**Market Value Derived
From The Investment
Method**

RM6,500,959,348

Opinion of Value

Having regard to the foregoing, taking into consideration all pertinent factors and based upon our analysis of relevant market data, we are of the opinion that the market value of the interest in perpetuity in two 88-storey office towers linked by a sky bridge and a podium together with the rights to use such number of bays in the north-west development car park known as PETRONAS Twin Towers, identified as Lot 169, Section 58, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur held under Title No. Grant 43697, subject to the existing Triple Net Lease to PETRONAS and the title being free of all encumbrances, good, marketable and registrable is **RM6,500,000,000 (Ringgit Malaysia Six Billion and Five Hundred Million Only)**.

For And On Behalf Of
CHESTON INTERNATIONAL (KL) SDN. BHD.



**G PAREMES SIVAM, FRISM, MRICS, MPEPS, MIPPM
CHARTERED SURVEYOR
REGISTERED VALUER, V-480
DATE OF VALUATION: 1ST OCTOBER 2012**



Chartered Surveyors
International Property Consultants
Registered Valuers, Real Estate Agents
Property Managers, Plant & Machinery Valuers

CHESTON INTERNATIONAL (KL) SDN. BHD.
(Company Regn No: 647245 W) VE(1) 0199/1
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E-mail : cikl@chestonint.com
Website: www.chestonint.com

Our Ref: V/KLCC REIT/EXXON/12

1 0 APR 2013

KLCC PROPERTY HOLDINGS BERHAD ("KLCCP")
Level 54, Tower 2
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 KUALA LUMPUR

Dear Sir,

VALUATION CERTIFICATE OF A 29-STOREY OFFICE BUILDING INCLUDING 4 LEVELS OF ELEVATED CAR PARK TOGETHER WITH 3 LEVELS OF BASEMENT CAR PARK KNOWN AS MENARA EXXONMOBIL.

We were instructed by KLCC Property Holdings Berhad ("KLCCP") to conduct valuation of Menara ExxonMobil for the purposes of submission to the Securities Commission for approval in conjunction with the proposed establishment of KLCC REIT.

This Valuation Certificate is prepared for inclusion in the Prospectus of the KLCCP Stapled Group where the units in an Islamic real estate investment trust to be established will be stapled together with the existing ordinary shares of KLCCP in forming the stapled securities to be listed on the Main Market of Bursa Malaysia Securities Berhad.

Menara ExxonMobil was inspected on 1st October 2012. The relevant date of valuation of the above legal interest is 1st October 2012.

The valuation was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

CHESTON INTERNATIONAL (JOHOR) SDN. BHD.

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80400 Johor Bahru, Malaysia.
Tel: +6 07-334 3363 Fax +6 07-334 3361
E-mail : cheston@myjaring.net



1.0 SALIENT DETAILS OF MENARA EXXONMOBIL

Interest Valued/ Type of Property	The interest in perpetuity in a 29-storey purpose built office building comprising a ground floor lobby cum office area, 4 levels of elevated car park cum mechanical & electrical ("M & E") areas, 24 levels of office space and 3 levels of basement car park cum M & E areas and roof top M & E area known as Menara ExxonMobil.
Name and Address	Menara ExxonMobil, Kuala Lumpur City Centre, 50088 Kuala Lumpur.
Location	<p>Menara ExxonMobil is located within Kuala Lumpur City Centre ("KLCC") which is the nucleus of the 'Golden Triangle' in the heart of the bustling Kuala Lumpur city.</p> <p>The KLCC Master Plan design concept by Klages, Carter, Vail & Partners (KCV) was selected after an international competition held in 1990. KLCC is one of the world's largest real estate developments with distinctive and international standard buildings along the perimeter of the KLCC Park which was tastefully designed by the famous Brazilian landscape artist, the late Roberto Burle Marx. KLCC Park, serves as a 'green lung' and a functional showpiece, to integrate and harmonise the office towers, retail complexes, hotels, residential buildings, entertainment and recreation amenities within KLCC. All buildings within this development are designed to maintain design integrity with the park and create a sense of unity. The buildings also designed to enjoy uninterrupted view of the park, which has separate areas for active, passive, formal and informal activities.</p> <p>The expertly planned KLCC is a purpose-built, fully integrated inner city development featuring quality and intelligent buildings, state-of-the-art amenities and the finest communication facilities. It is also a main node of the country's well publicised Multimedia Super Corridor ("MSC").</p> <p>Due to its prime location and excellent accessibility, KLCC is designed as an ideal place to live, work, visit, shop and relax in a convenient and pleasant environment. It is a self-contained city-within-a-city, with the infrastructure and amenities to satisfy the varied and demanding needs of people and companies doing business in this dynamic world.</p> <p>KLCC, marks a milestone in the growth of Kuala Lumpur, setting the bench-mark for urban spatial planning and development in Malaysia.</p> <p>Menara ExxonMobil fronts onto Persiaran KLCC and is strategically located at the south-eastern portion of the KLCC Development. The building enjoys uninterrupted view of PETRONAS Twin Towers and the KLCC Park.</p>
Title Particulars	<p>Lot No: Lot 157, Section 58, Title No. Grant 43685, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur.</p> <p>Land area: 3,999.0 square metres (43,044.8 square feet).</p> <p>Tenure: Interest in perpetuity.</p> <p>Category of Land Use: Building.</p> <p>Registered Proprietor: Arena Johan Sdn. Bhd.</p>

Property Description

The site on which Menara ExxonMobil constructed is an almost rectangular shaped parcel of land having a title land area of 3,999.0 square metres (43,044.8 square feet).

Menara ExxonMobil is a near rectangular-shaped 29-storey purpose built office building constructed of reinforced concrete frame with brick infills rendered externally and plastered internally supporting a reinforced concrete flat roof concealed behind parapet walls.

The building is designed as a modern office tower with a central service core accommodating lift lobbies, lifts, staircases, toilets as well as mechanical and electrical areas. The external elevations are generally lined with structurally glazed and fully unitised curtain walling with tinted, laminated and reflective laminated glass panels.

Menara ExxonMobil is equipped with Building Control System ("BCS") which interfaces, controls and monitors most of the Mechanical and Electrical services and facilitated with modern information and communication technology features.

Menara ExxonMobil was completed in April 1996 and is in good state of decorative repair.

Gross Floor Area

74,369.0 square metres (800,501.0 square feet).

Net Lettable Area

36,775.8 square metres (395,851.2 square feet).

Number of Car Park

524 car parking bays.

Planning Details

Menara ExxonMobil is located within an area designated for commercial use and a Certificate of Fitness for Occupation bearing Reference No. 25208 (BP E 940075) (T3) was issued on 19th April 2002.

Lease / Tenancy Profile And Details

Menara ExxonMobil has been leased to a single Lessee, ExxonMobil Exploration And Production Malaysia Inc. ("EMEPMI") since 1st February 1997.

Vide a Lease Agreement dated 19th June 2000 made between Arena Johan Sdn. Bhd. (the Lessor) and Esso Production Malaysia Inc. (the Lessee), we note that Menara ExxonMobil had been leased for a 12-year Primary Term from 1st February 1997 until 31st January 2009.

The Lease is subject to the Lessor providing the Lessee with two (2) successive options for renewal. The first option is for a period of three (3) years commencing from the expiry of the Primary Term (the First Option) whilst the second option is for a period of five (5) years commencing from the expiry of the First Option (the Second Option). The First Option Term was exercised by the Lessee which commenced on 1st February 2009 and had expired on 31st January 2012.

We note that the Second Option Term has been exercised which commenced on 1st February 2012 and will be expiring on 31st January 2017.

We note from the Lease Agreement that the Recreational Floor on Level 6 of the building is excluded as part of the Net Lettable Area subject to the followings: -

- i) the Recreational Floor should be used for recreational purposes and/or part thereof for a surau;
- ii) the Recreational Floor shall not be subleased or sublet to any other party; and
- iii) the recreational facilities are provided to its users free of charge.

The Lease Area excluding the Recreational Floor area is 35,376 square metres (380,797 square feet).

The Lease Agreement also stipulated that as long as the Lessee either occupies or remains the primary or Head Lessee for more than fifty per cent (50%) of the Net Lettable Area in the Building, the Lessor shall accord the right to establishing exclusive interior and exterior signages identifying the Lessee's presence, including naming rights of the building.

Property Performance

The historical operating performance of Menara ExxonMobil as provided by Arena Johan Sdn. Bhd. is tabulated as below.

Table 1.0: Historical Operating Performance Of Menara ExxonMobil

	As At 31st March 2009 (RM)	As At 31st March 2010 (RM)	As At 31st March 2011 (RM)	From 1st April - 31st December 2011 (9 months) (RM)	From 1st January - 31st August 2012 (8 months) (RM)
Occupancy Rate	100%	100%	100%	100%	100%
Gross Rental Receivable					
Rental Income	25,665,718	34,043,252	34,043,252	25,532,439	22,695,501
Car Park Income	827,920	1,037,520	1,037,520	778,140	744,960
Other Income *	62,400	62,400	62,400	46,800	41,600
Total Gross Income	26,556,038	35,143,172	35,143,172	26,357,379	23,512,061
Outgoings	6,595,090	7,158,074	7,266,402	5,293,409	4,635,013
Net Income	19,960,948	27,985,098	27,876,770	21,063,970	18,877,048
* Other Income comprises rental from telecommunication rooms	* RM5,200/month	* RM5,200/month	* RM5,200/month	* RM5,200/month	* RM5,200/month

Source: Arena Johan Sdn. Bhd.

1.1 MARKET VALUE

Date of Valuation 1 October 2012

Valuation Methodology In arriving at our opinion of the Market Value of Menara ExxonMobil, we have adopted the Investment and Comparison Methods of Valuation.

Investment Method

This method is premised on the principle that the value of an income-producing property is represented by "the present worth of future rights to income, or utility". The value estimated under this method is derived by ascertaining the market rent of the property (i.e. that income which is ascribable to the property under its highest and best use); deducting all reasonable operating expenses (as would be experienced under typical management) and then capitalising the resultant net income by an appropriate rate of capitalisation to obtain the present value of the income stream.

Term

Rental: In undertaking our assessment of value under the capitalisation approach, we have adopted the contractual passing rental as per the abovementioned Lease Agreement for the current and future terms as follow:-

- (i) From 1st February 2012 until 31st January 2014 – **RM7.45** per sq. ft. per month; and
- (ii) From 1st February 2014 until 31st January 2017 – **RM8.50** per sq. ft. per month.

Car Park Income: RM93,272 per month
 Other Revenue: RM5,200 per month
 Outgoings: **RM1.55** per sq. ft. per month for the term, 1st February 2012 until 31st January 2014
RM1.60 per sq. ft. per month for the term, 1st February 2014 until 31st January 2017
 Capitalisation Rate: **6.25%** adopted for the term

Reversionary

Gross Rental: **RM8.20** per sq. ft. per month
 Car Park Income: RM115,280 per month
 Other Revenue: RM5,200 per month
 Outgoings: **RM1.75** per sq. ft. per month
 Capitalisation Rate: **6.75%** adopted for the reversion

Gross Rental Upon expiry of the Lease (reversion), the rent is reverted to Market Rent. Our assessment of the market rent is based on the historical and contractual passing rental of Menara ExxonMobil.

The contractual passing rental of Menara ExxonMobil is tabulated below:-

Table 2.0: Summary Of The Contractual Passing Rental

	Term	Date Of Commencement	Date Of Expiry	Rental (RM Per Sq. Ft. Per Month)
First Option Term	3	1st February 2009	31st January 2012	7.45
Second Option Term	5	1st February 2012	31st January 2014	7.45
		1st February 2014	31st January 2017	8.50

In arriving at our opinion of the Market Rental of Menara ExxonMobil upon reversion, we also have taken into consideration the rental evidences of sale transactions of office buildings summarised in Table 5.0.

In addition, we have taken into account the current asking rental of office space of Prime Office Buildings in Kuala Lumpur city as tabulated below: -

Table 3.0: Asking Rental Of Prime Office Space

Building	(RM Per Sq. Ft. Per Month)
Menara Maxis	10.50
Vista Tower, The Intermark	9.00 – 9.50
Integra Tower, The Intermark	9.00 – 10.50
Menara Prestige	8.50
G-Tower	8.50
Menara IMC	8.50
Menara Dion	9.00

Source: Cheston Research

In undertaking our assessment of the Market Rental upon reversion, we have considered various factors including, current market condition, location and accessibility, building characteristics, grade, quality, facilities, age, condition and size as well as allowance for negotiation on the asking rentals.

Based on the analysis of the contractual passing rental of Menara ExxonMobil under the Lease Agreement, analysis of the rental evidences and analysis of current asking rental of similar type of office buildings, we have adopted RM8.20 per sq. ft. as the fair market rental of Menara ExxonMobil upon reversion.

Car Park Revenue

In arriving at the car park revenue for the term, we have adopted the contractual rental as per the Lease Agreement for the current and future terms. The car park rental as per the Lease Agreement is RM178.00 per bay, for the entire duration of the Second Option Term.

Upon expiry of the Lease, the car park revenue is reverted to prevailing market rate.

We have investigated the current commanding monthly car park rate of other office buildings in the vicinity of Menara ExxonMobil. Based on the prevailing car park rate of selected office buildings within Kuala Lumpur city, we have adopted RM220 per bay per month as fair gross car park revenue upon reversion.

Other Revenue

The other revenue is the contribution from the income of telecommunication utility rooms. Based on the License Agreement made between Arena Johan Sdn. Bhd. (Licensor) and Maxis Broadband Sdn. Bhd (Licensee), we note that the telecommunication utility rooms have been licensed for a period of 3 years and the monthly rental payable is RM5,200. The abovementioned license to operate is subject to an option for renewal for a further term of 3 years.

We have adopted the above existing rates as other revenue in our computation.

Outgoings

The net rent is arrived which is the residue of gross annual market rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

The annual outgoings of Menara ExxonMobil for the years ended 31st March 2009, 2010, 2011, from 1st April 2011 up to 31st December 2011 (9 months) and 1st January 2012 up to 31st August 2012 (8 months) (as provided by Arena Johan Sdn. Bhd. are tabulated below: -

Table 4.0: Outgoings

Period	Annual Outgoings (RM)	Analysis of Outgoings (RM Per Sq. Ft. Per Month)
As At 31st March 2009	6,595,090	1.39
As At 31st March 2010	7,158,074	1.51
As At 31st March 2011	7,266,402	1.53
From 1st April - 31st December 2011 (9 months)	5,293,409	1.49
From 1st January - 31st August 2012 (8 months)	4,635,013	1.46
Adopted in Valuation as at 1st October 2012 (Current Term)	7,358,261	1.55

Source: Arena Johan Sdn. Bhd.

We have analysed the past annual outgoings of Menara ExxonMobil and made diligent adjustments to arrive at the fair outgoings.

Investigation also made on outgoings of other office buildings and necessary adjustments were made before arriving at the fair outgoings of Menara ExxonMobil.

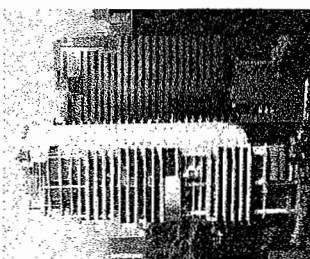
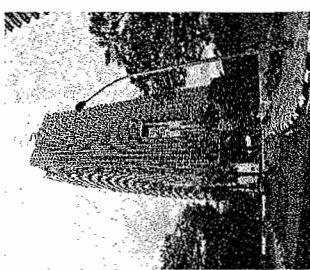
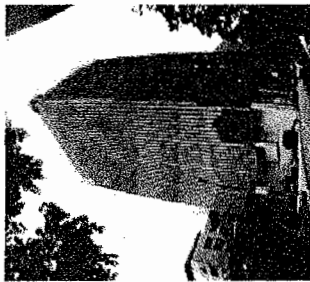
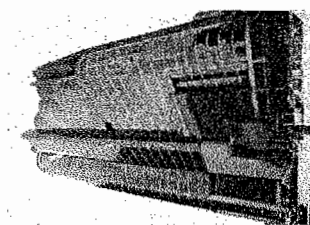
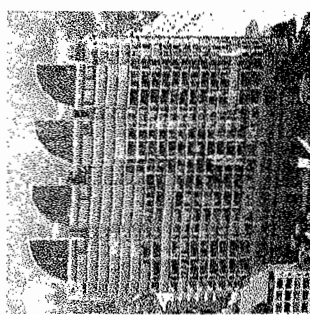
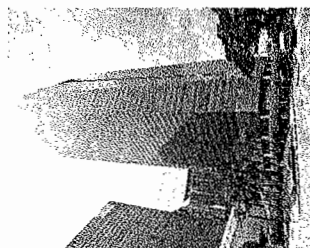
Based on the above analysis, we have adopted outgoings of RM1.55 per sq. ft. per month for the current term, RM1.60 per sq. ft. per month for the future term and RM1.75 per sq. ft. per month for the reversion which is considered fair representation of the outgoings of Menara ExxonMobil. We note that, during the tenure of the Lease, the Lessee provides security to the building and responsible for cleaning of the part of the common areas. Thus, upon reversion, we have reflected the above expenses as the responsibility of the Landlord and reflected in the Outgoings.

**Rent Loss Adjustment
/Vacancy Allowance**

Taking into consideration the general trend of office vacancy for similar type of properties and the duration of the rent free allowance based on prevailing market practise, we have allocated 5% of the gross annual rental for vacancy period, vacancy between rent reviews and rent free & fitting out periods as fair representation for the reversion.

The followings are the rental comparison and yield analysis of sales transactions of office buildings in Kuala Lumpur city.

Table 5.0: Average Gross Monthly Rental And Analysis Of Yield Of Sale Transactions

						
Property	Menara Prudential	Menara Multi-Purpose	Pavilion Tower	Sunway Tower 2	The Icon (East Wing)	Menara Citibank
Location	Jalan Sultan Ismail	Jalan Munshi Abdullah	Jalan Bukit Bintang	Jalan Ampang	Jalan Tun Razak	Jalan Ampang
Net Lettable Area ("NLA")	147,812	541,424	167,407	268,412	278,183	733,634
Average Gross Rental (Per Sq. Ft.)	RM5.50 - RM6.00	RM4.00 - RM4.50	RM5.50 - RM6.00	RM4.75 - RM5.00	RM6.00 - RM6.50	RM6.00 - RM6.50
Consideration	RM142,226,000	RM375,000,000	RM123,500,000	RM171,489,000	RM226,514,800	RM607,448,952
Net Income (includes car park & other income)	RM9,250,000	RM24,300,000	RM8,035,536	RM11,595,400	RM15,355,700	RM40,496,600
Outgoings	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.50 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)
Date of Transaction	21-December-2011	26-September-2011	1-June-2011	15-June-2010	24-December-2009	8-July-2009
Analysed Yield	6.50%	6.48%	6.51%	6.70%	6.80%	6.67%

Source: Bursa Malaysia Securities Berhad / Cheston Research

Yield / Capitalisation Rate

We have adopted a market corroborated capitalisation rate to arrive at the capital value of Menara ExxonMobil. In arriving at our opinion of the appropriate capitalisation rate using the above methodology, thorough examination and analysis of several recent sales of office buildings were carried out. Exercising judgment based on our experience in the industry, we have compared the relative investment characteristics of Menara ExxonMobil and the sales. We made all the necessary and diligent adjustments to arrive at the capitalisation rate. We have given emphasis on the current market condition, location, quality and characteristics of Menara ExxonMobil which is located within the world class development. We have also taken into account the current economic condition, the existing and future demand and supply of office space in arriving at the fair capitalisation rate.

The above yield analysis reveals that, the yield trend of office buildings in Kuala Lumpur city have been declining from 2009 to 2012. At present, our research on the yield trend revealed that yields of prime office buildings are under further compression due to the uncertain global economic environment, moderate Malaysian economy and impending supply of office space to come on stream in the short term.

Menara ExxonMobil is currently being leased under the Second Option Term for a further term of 5 years upon the expiry of the primary term (which had expired on 31st January 2009) and the First Option Term (which had expired on 31st January 2012).

EMEPMI and KLCCP (for and on behalf of Arena Johan Sdn. Bhd.) will discuss EMEPMI's future office space requirements, and opportunities for KLCCP or Arena Johan Sdn. Bhd. to meet these requirements beyond year 2016 ("Requirements") on a best endeavour basis.

We note that the revenue for Menara ExxonMobil is fully secured for the current economic and office market condition until the expiry of the Lease on 31st January 2017. Thereafter, the downtrend in the economy and office market is expected to reverse in tandem with the recovery in the global economy.

Having considered the above and other relevant factors including time, location and accessibility, building characteristics, grade, quality, facilities, age, condition and size, lease terms, occupancy and quality of the tenant/lessee, and carefully going through the past and current lease/tenancy profile, we have adopted reversionary yield of 6.75% whilst the adopted term yield is 6.25% which reflects the security of the existing lease, certain, fixed, staggered and increasing rental income and quality of the Lessee.

The upward adjustment of 50 basis points (bps) on the reversionary yield is to reflect a higher risk on the future tenancy, Malaysian economy and the future revenue. The above rates adopted are in line with our analysis of prevailing market yields of office buildings in Kuala Lumpur city.

Comparison Method

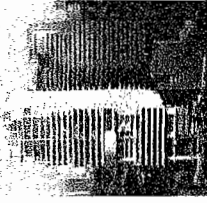
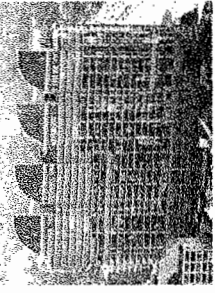
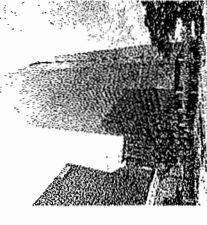
The Comparison Method is premised on the principle that comparison is made for the property under valuation with sales of other similar properties where dissimilarities exist, adjustment are made.

Under this method, an estimate of the market value is derived by comparing the property under valuation with other similar properties that had been sold in the recent past.

In determining the value by this method, a survey was made for property sales which had occurred in this or similar areas within the recent past. These comparable sale prices are then adjusted for comparability to reflect differences in time, location and accessibility, building characteristics, grade, quality, facilities, age, condition, and size to render the sold properties as similar as possible with Menara ExxonMobil.

We have compiled and analysed sale evidences of office buildings in Kuala Lumpur. In arriving at our opinion of the market value of Menara ExxonMobil using the Comparison Method, the following sale evidences, amongst others, are considered suitable comparables and adopted.

Table 6.0: Details Of The Sale Transactions And Comparison Method

	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
a	 Menara Prudential, No. 10, Jalan Sultan Ismail, 50250 Kuala Lumpur	 The Icon (East Wing), Jalan Tun Razak, Kuala Lumpur	 Menara Citibank, No. 165, Jalan Ampang, 50450 Kuala Lumpur
b	A 24-storey purpose built office building with 7 basement levels car park	A 20-level purpose built office building with 4 levels of basement car park shared with West Wing	A 50-level purpose built office building with 5 levels of basement car park shared with InterContinental KL
c	Interest In Perpetuity	Interest In Perpetuity	Interest In Perpetuity
d	Year Of Completion 2000	2009	1997
e	Net Lettable Area ("NLA") 147,812 Square Feet	278,182 Square Feet	733,634 Square Feet
f	No. of Car Parks 201 Bays	301 Bays	1,505 car park bays located within 5 basement levels is common property to be shared by Menara Citibank and InterContinental KL. Menara Citibank is entitled for 63.59% of the share of 950 Bays
g	NLA/Car Park Ratio 735 Square Feet Per Bay	924 Square Feet Per Bay	772 Square Feet Per Bay
h	Consideration RM142,226,000	RM226,514,800	RM607,448,952
i	Date Of Transaction 21-December-2011	24-December-09	8-July-09
j	Vendor P.B Pacific Sdn. Bhd.	Mah Sing Group Berhad	Inverfin Sdn. Bhd.
k	Purchaser OCBC Capital (Malaysia) Sdn. Bhd.	T. S. Law Realty Sdn. Bhd.	Hap Seng Consolidated Bhd.
l	Source Bursa Malaysia Securities Bhd.	Bursa Malaysia Securities Bhd.	Bursa Malaysia Securities Bhd.
	Analysis (Per Sq. Ft.) RM962	RM814	RM828
	Adjustment Upward adjustments are made for market condition, location & accessibility and building.	Upward adjustments are made for market condition, location & accessibility and building.	Upward adjustments are made for market condition, location & accessibility and size.
	Effective Adjusted Value (Per Sq. Ft.) RM1,154.65	RM1,139.98	RM1,117.80

In arriving at the market value using the Comparison Method, we have emphasized upon Comparable 1 which has the least dissimilarities against Menara ExxonMobil and also being the latest transaction. We have adopted the adjusted value of RM1,154.65 per sq. ft. from the adjustments of Comparable 1 as fair representation which translate into a market value of RM457,069,787.

Reconciliation Of Values The Comparison Method is an appropriate method to be adopted for homogeneous properties with minimal dissimilarities which require less complicated adjustments. However, for income generating investment properties which are physically, functionally and economically complex where adjustments are numerous and more difficult to quantify, it will be difficult to make adjustments using the Comparison Method. The Market Value of an investment property is a function of the future income stream. The cash flows of an investment property are subject to the specific nature of the particular investment property and the lease/tenancy terms. It will be strenuous to make all the relevant qualitative and quantitative adjustments accurately for investment properties using Comparison Method.

Method of Valuation	Market Value
Investment Method	RM450,593,524
Comparison Method	RM457,069,787
Market Value Adopted	RM450,000,000


Nevertheless, the comparative analysis provides a range of values and guide to the Market Value as details of sale comparables are easily available. In light of the above, in arriving at our opinion of the Market Value of Menara ExxonMobil, the Comparison Method is adopted as a guide and supportive method to the Investment Method.

Hence, we have considered the Market Value derived from the Investment Method as fair and accurate representation of Market Value of Menara ExxonMobil supported by the Comparison Method.

Opinion of Value

Having regard to the foregoing, taking into consideration all pertinent factors and based upon our analysis of relevant market data, we are of the opinion that the Market Value of the interest in perpetuity in a 29-storey office building including 4 levels of elevated car park together with 3 levels of basement car park known as Menara ExxonMobil identified as Lot 157, Section 58, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur, held under Title No. Grant 43685, subject to the existing Lease to ExxonMobil Exploration And Production Malaysia Inc. (the Lessee) and the title being free of all encumbrances, good, marketable and registrable is **RM450,000,000 (Ringgit Malaysia Four Hundred And Fifty Million Only)**.

For And On Behalf Of
CHESTON INTERNATIONAL (KL) SDN. BHD.


G PAREMES SIVAM, FRISM, MRICS, MPEPS, MIPPM
CHARTERED SURVEYOR
REGISTERED VALUER, V-480
DATE OF VALUATION: 1ST OCTOBER 2012



Our Ref: V/KLCC REIT/PT3/12

1 0 APR 2013

Chartered Surveyors
International Property Consultants
Registered Valuers, Real Estate Agents
Property Managers, Plant & Machinery Valuers

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KLCC PROPERTY HOLDINGS BERHAD ("KLCCP")
Level 54, Tower 2
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 KUALA LUMPUR

Dear Sir,

VALUATION CERTIFICATE OF A 58-STOREY COMMERCIAL TOWER COMPRISING 52 LEVELS OF OFFICE SPACE AND 6 LEVELS OF RETAIL PODIUM TOGETHER WITH 4 LEVELS OF BASEMENT CAR PARK KNOWN AS MENARA 3 PETRONAS.

We were instructed by KLCC Property Holdings Berhad ("KLCCP") to conduct valuation of Menara 3 PETRONAS for the purposes of submission to the Securities Commission for approval in conjunction with the proposed establishment of KLCC REIT.

This Valuation Certificate is prepared for inclusion in the Prospectus of the KLCCP Staped Group where the units in an Islamic real estate investment trust to be established will be stapled together with the existing ordinary shares of KLCCP in forming the stapled securities to be listed on the Main Market of Bursa Malaysia Securities Berhad.

Menara 3 PETRONAS was inspected on 1st October 2012. The relevant date of valuation of the above legal interest is 1st October 2012.

The valuation was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

1.0 SALIENT DETAILS OF MENARA 3 PETRONAS

Interest Valued/ Type of Property	The interest in perpetuity in a 58-storey commercial tower comprising 52 levels of office space inclusive of a sky lobby level, 4 levels of M & E services, a lift motor room at roof level, 6 levels of retail podium inclusive of a level of M & E services, a level of retail concourse and 4 levels of basement car park known as Menara 3 PETRONAS.
Name and Address	Menara 3 PETRONAS, Kuala Lumpur City Centre, 50088 Kuala Lumpur.
Location	<p>Menara 3 PETRONAS is located within Kuala Lumpur City Centre ("KLCC") which is the nucleus of the 'Golden Triangle' in the heart of the bustling Kuala Lumpur city.</p> <p>The KLCC Master Plan design concept by Klages, Carter, Vail & Partners (KCV) was selected after an international competition held in 1990. KLCC is one of the world's largest real estate developments with distinctive and international standard buildings along the perimeter of the KLCC Park which was tastefully designed by the famous Brazilian landscape artist, the late Roberto Burle Marx. KLCC Park serves, as a 'green lung' and a functional showpiece, to integrate and harmonise the office towers, retail complexes, hotels, residential buildings, entertainment and recreation amenities within KLCC. All buildings within this development are designed to maintain design integrity with the park and create a sense of unity. The buildings also designed to enjoy uninterrupted panoramic view of the park, which has separate areas for active, passive, formal and informal activities.</p> <p>The expertly planned KLCC is a purpose-built, fully integrated inner city development featuring quality and intelligent buildings, state-of-the-art amenities and the finest communication facilities. It is also a main node of the country's well publicised Multimedia Super Corridor ("MSC").</p> <p>Due to its prime location and excellent accessibility, KLCC is designed as an ideal place to live, work, visit, shop and relax in a convenient and pleasant environment. It is a self-contained city-within-a-city, with the infrastructure and amenities to satisfy the varied and demanding needs of people and companies doing business in this dynamic world. KLCC, marks a milestone in the growth of Kuala Lumpur, setting the bench-mark for urban spatial planning and development in Malaysia.</p> <p>Menara 3 PETRONAS fronts onto Jalan P. Ramlee and is strategically located at the north-western portion of the KLCC Development. It is a prestigious 58-storey commercial tower and the latest addition to the world class KLCC development.</p>
Title Particulars	<p>Lot No: Lot 171, Section 58, Title No. Grant 43699, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur.</p> <p>Land area: 4,302.0 square metres (46,306.3 square feet).</p> <p>Tenure: Interest in perpetuity.</p> <p>Category of Land Use: Building.</p> <p>Registered Proprietor: Arena Merdu Sdn. Bhd.</p>

Property Description

Menara 3 PETRONAS, stands majestically at 267 metres (876 feet) above the street level complimenting the 452-metre (1,483-foot) high 88-storey PETRONAS Twin Towers.

The site on which Menara 3 PETRONAS constructed is a near square shaped parcel of land having a title land area of 4,302.0 square metres (46,306.3 square feet).

The design, by Pelli Clarke, Pelli Architects is designed with a combination of geometric square and triangular shaped tower with a central service core comprising lifts, staircases and toilets. At the podium, the Tower features exclusive retail space which has a seamless link with Suria KLCC.

The building is constructed of reinforced concrete frame and core walls supporting a waterproofed reinforced concrete flat roof. The external columns, beams and other reinforced concrete areas are lined with protective perforated aluminium cladding panels. The floor is of 125 mm raised floor and the floor to ceiling height is about 2.65 metres.

Menara 3 PETRONAS is equipped with the intelligent building system comprising Building Control System, Fire Alarm System & Building Security System, state-of-the-art facilities and amenities, modern information and communication technology features as well as integrated security system with advanced features.

An application has been submitted to the Multimedia Development Corporation Sdn. Bhd. for (a) the expansion of the site of Menara 3 PETRONAS as the boundary of MSC Malaysia Cybercity and (b) the inclusion of Menara 3 PETRONAS as a "designated premise" in the MSC Malaysia Cybercity, and the application is in progress.

Gross Floor Area

155,296.5 square metres (1,671,596.0 square feet).

Net Lettable Areas

Menara 3 PETRONAS	Square Metres	Square Feet
Office Tower	75,512.2	812,806.0
Retail Podium	12,272.6	132,101.0
Total	87,784.8	944,907.0

Car Park

Menara 3 PETRONAS has 195 car parking bays within its footprint. However, only 193 car parking bays are suitable to be used as car park. All the four (4) levels of the car park of Menara 3 PETRONAS have seamless connection with the North-West Development Car Park.

Planning Details

Menara 3 PETRONAS is located within an area designated for commercial use and a Certificate of Completion and Compliance bearing Reference No. LAM/WP/No.2361 was issued on 30th December 2011.

Lease / Tenancy Profile And Details

Office Tower, Menara 3 PETRONAS

Office Tower, Menara 3 PETRONAS has been leased to a single Lessee, Petroliam Nasional Berhad ("PETRONAS"), for a term of fifteen (15) years commencing on 15th December 2011 and expiring on 14th December 2026.

PETRONAS is the national oil and gas company of Malaysia and is wholly-owned by the Government of Malaysia.

Vide a Triple Net Lease Agreement dated 27th November 2012, we note that the office tower, Menara 3 PETRONAS, excluding the Retail Podium has been leased on a triple net basis with rights to use 195 car park bays to be provided or procured by the Lessor for the Lessee within the Premises or in the vicinity of the Premises, subject to any further available allocation from time to time.

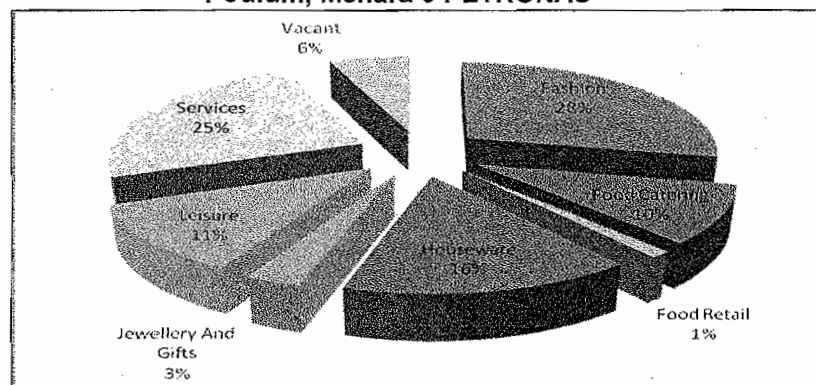
The Lease shall be for a term of fifteen (15) years commencing on 15th December 2011 and expiring on 14th December 2026.

The agreement also stipulates that the Lessee shall not determine the Lease hereby granted before the expiry of the Term and in the event of unilateral determination on part of the Lessee, the Lessee shall remain liable to pay to the Lessor the rent in full for the remaining unexpired period of the term which amount shall together with any arrears to be recovered as a debt due to the Lessor.

Retail Podium, Menara 3 PETRONAS

The retail podium, Menara 3 PETRONAS is positioned as an upper middle to upper income level boutique retail mall targeting affluent families and tourist. The mall is also an extension to Suria KLCC and has a seamless connection with Suria KLCC. At the date of the valuation, the retail podium enjoys an occupancy rate of about 93.9%. The retailers comprise fashion, services, leisure, houseware, food catering, jewellery & gifts and food retail. Fashion and services represent the major tenant mix of the mall at 28% and 25% of total net lettable area respectively, followed by houseware and food catering with a share of 16% and 10% of total net lettable area, respectively. Jewellery & gifts and food retail represent 3% and 1% of total net lettable area, respectively.

Chart 1.0: Tenancy Profile By Net Lettable Area Of Retail Podium, Menara 3 PETRONAS



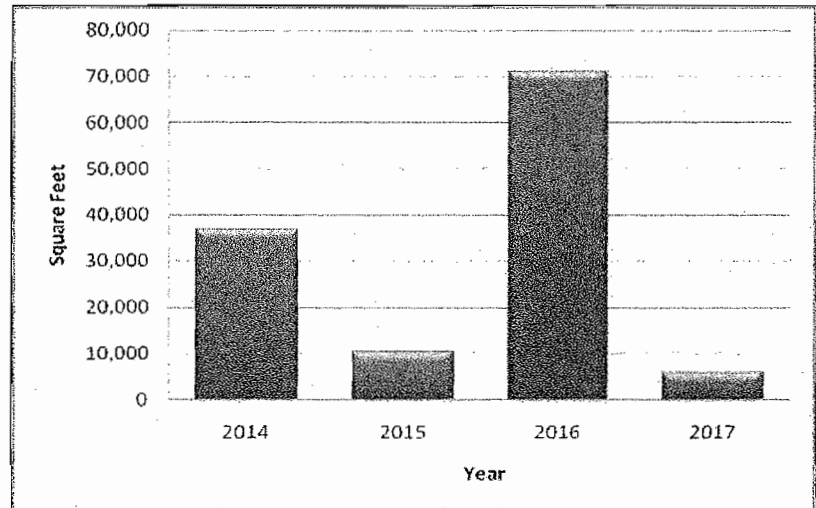
Prominent fashion retailers within the mall comprise Ermenegildo Zegna, Versace, Giorgio Armani, Chanel, Etienne Aigner, Ted Baker, French Sole, Anya Hindmarch and Moschino.

We note that about 24.32% of the tenancies have been let for a 3-year term with step up rental of 5% annually and about 67.57% of the tenancies have been let for a 5-year term with an increase of 5% for the second, fourth and fifth year minor reviews whilst the third year major review is with an increase from 10% to 15%. Upon rent renewal for the both 3-year and 5-year tenancies, the rent is adjusted with major rent review ranging from 10% to 15%.

The retail podium is being managed by Suria KLCC Sdn. Bhd. and the current service charge is RM4.89 per sq. ft. which is in line with the service charge of Suria KLCC.

The tenancy expiring profile of the retail podium, Menara 3 PETRONAS is as follow:-

Chart 2.0: Tenancy Expiring Profile Of The Retail Podium, Menara 3 PETRONAS



Property Performance

The operating performance of the office tower and retail podium, Menara 3 PETRONAS for the period of 1st January 2012 to 31st August 2012 (8 months) as provided by Arena Merdu Sdn. Bhd. is tabulated as below.

Table 1.0 Operating Performance Of Office Tower, Menara 3 PETRONAS

	From 1st January - 31st August 2012 (8 months) (RM)
Occupancy Rate	100%
Triple Net Rental Receivable	59,978,263

Source: Arena Merdu Sdn. Bhd.

Table 2.0: Operating Performance Of Retail Podium, Menara 3 PETRONAS

	From 1st January - 31st August 2012 (8 months) (RM)
Occupancy Rate	93.89%
Gross Rental Receivable	15,307,076
Total Gross Income	15,307,076
Total Outgoings	5,586,237
Net Income	9,720,839

Source: Arena Merdu Sdn. Bhd.

1.1 MARKET VALUE

Date of Valuation 1 October 2012

Valuation Methodology In arriving at our opinion of the Market Value of the office tower and retail podium of Menara 3 PETRONAS, we have adopted the Investment and Comparison Methods of Valuation.

Investment Method This method is premised on the principle that the value of an income-producing property is represented by “the present worth of future rights to income, or utility”. The value estimated under this method is derived by ascertaining the market rent of the property (i.e. that income which is ascribable to the property under its highest and best use); deducting all reasonable operating expenses (as would be experienced under typical management) and then capitalising the resultant net income by an appropriate rate of capitalisation to obtain the present value of the income stream.

**Office Tower,
Menara 3 PETRONAS**

Term

Rental: In undertaking our assessment of value under the capitalisation approach, we have adopted the triple net rental as per the abovementioned Lease Agreement for the term. Upon expiry of the Lease (reversion), the rent is reverted to Market Rent.

In accordance with the abovementioned Lease Agreement, the current term is identified as Term 1, commencing from 15th December 2011 and expiring on 14th December 2014 and the triple net rent is RM7.35 per sq. ft. per month payable quarterly in advance on or before the first day of every quarter. The rent shall be reviewed every three (3) years commencing on the third anniversary of the Lease Commencement Date based on the formula of three percent (3%) per annum compounded for the preceding three (3) years. The triple net rental for the remaining lease terms are summarised as follows:-

Table 3.0: The Current 15-Year Triple Net Rent

Term	Monthly Rental (Per Sq. Ft.) *
Term 1 (15/12/2011 – 14/12/2014)	RM7.350
Term 2 (15/12/2014 – 14/12/2017)	RM8.032
Term 3 (15/12/2017 – 14/12/2020)	RM8.776
Term 4 (15/12/2020 – 14/12/2023)	RM9.590
Term 5 (15/12/2023 – 14/12/2026)	RM10.479

* Rent review: Formula of 3% per annum compounded for the preceding 3 years.

** Rent Free: 15/12/2011 to 14/2/2012

Capitalisation Rate: 6.00% adopted for the term

Reversionary

Gross Rental:	RM9.93 per sq. ft. per month
Car Park Income:	RM48,250 per month
Other Revenue:	RM4,600 per month.
Outgoings:	RM1.90 per sq. ft. per month
Capitalisation Rate:	6.50% adopted for the reversion

Gross Rental Upon expiry of the Lease (reversion), the rent is reverted to Market Rent. Our assessment of the Market Rent upon reversion is based on the analysis of passing rental of sub-tenanted/sub-lettings of the office tower, Menara 3 PETRONAS.

Our analysis of the existing sub-tenancies/sub-lettings of the office tower, Menara 3 PETRONAS revealed that about 45% of the office space has been sub-tenanted/sub-let to third party tenants and the average gross rental per month over the occupied area is RM4,002,883 which is analysed to RM10.93 per sq. ft.

In arriving at our opinion of the Market Rental of office tower, Menara 3 PETRONAS upon reversion, we also have taken into consideration the rental evidences of sale transactions of office buildings summarised as Table 4.0.

Based on the analysis of passing rental of sub-tenanted/sub-let tenancy of office tower, Menara 3 PETRONAS, analysis of the rental evidences and analysis of current asking rental of office buildings, also taking into consideration inadequacy of car parking bays, we have adopted RM9.93 per sq. ft. as the fair market rental of office tower, Menara 3 PETRONAS, upon reversion.

Car Park Revenue The office tower, Menara 3 PETRONAS is leased on a triple net basis to PETRONAS (Lessee) and PETRONAS is entitled to the car park revenue during the Lease. As such, we did not reflect the car park revenue during the tenure of the Lease.

However, we have reflected the car park revenue upon reversion. There are 195 car park bays within Menara 3 PETRONAS and out of that 193 are usable bays.

We have investigated the current commanding monthly car park rate of other office buildings in the vicinity of Menara 3 PETRONAS. Based on the prevailing car park rate of selected office buildings within Kuala Lumpur city, we have adopted RM250 per bay per month as fair car park revenue upon reversion.

Other Revenue The other revenue is the contribution from the income of telecommunication utility rooms. Vide a License Agreement made between PETRONAS (Licensor) and Maxis Broadband Sdn. Bhd. (Licensee), we note that the telecommunication utility rooms have been licensed for a period of 3 years commencing on 1st June 2012. The monthly rental payable is RM2,600. The abovementioned license to operate is subject to an option for renewal for a further term of 3 years.

Vide another License Agreement made between PETRONAS (Licensor) and TT dotcom Sdn. Bhd. (Licensee), we note that another telecommunication utility room has been licensed for a period of 3 years commencing on 1st January 2012. The monthly rental payable is RM2,000. The abovementioned license to operate is subject to an option for renewal for a further term of 3 years.

We have adopted the above existing rates as other revenue in our computation.

Outgoings

The net rent is arrived which is the residue of gross annual market rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

The office tower, Menara 3 PETRONAS was completed on 30th December 2011 and we were informed that the full operating expenses have not been finalised as yet. The outgoings of office tower, Menara 3 PETRONAS for the period of 1st January 2012 up to 31st August 2012 (8 months) (as provided by Arena Merdu Sdn. Bhd.) is RM8,973,638 which is analysed to RM1.38 per sq. ft.

We have analysed the outgoings of office tower, Menara 3 PETRONAS for the past 8 months and made diligent adjustments to arrive at the fair outgoings.

Investigation also made on outgoings of other office buildings and necessary adjustments were made before arriving at the fair outgoings of the office tower, Menara 3 PETRONAS.

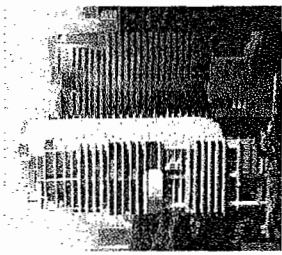
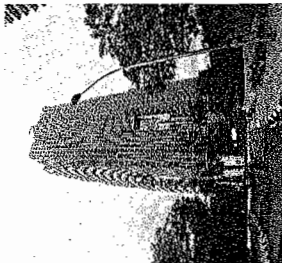
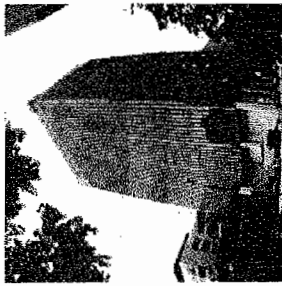
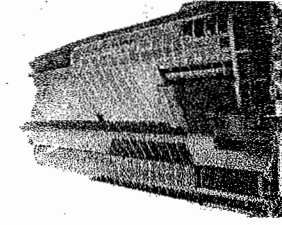
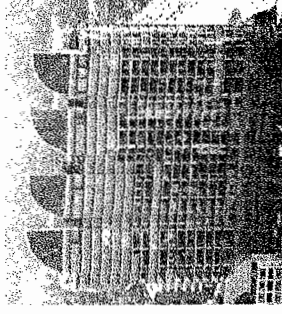
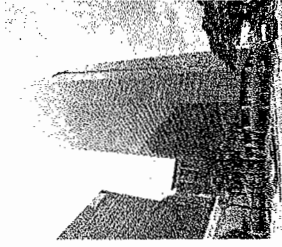
Based on the above analysis, we have adopted outgoings of RM1.90 per sq. ft. per month upon reversion which is considered fair representation of the outgoings of office tower, Menara 3 PETRONAS.

Rent Loss Adjustment / Vacancy Allowance

Taking into consideration the general trend of office vacancy for similar type of properties and the duration of the rent free allowance based on prevailing market practise, we have allocated 5% of the gross annual rental for vacancy period, vacancy between rent reviews and rent free & fitting out periods as fair representation for the reversion.

The followings are the rental comparison and yield analysis of sales transactions of office buildings in Kuala Lumpur city.

Table 4.0: Average Gross Monthly Rental And Analysis Of Yield Of Sale Transactions

						
Property	Menara Prudential	Menara Multi-Purpose	Pavilion Tower	Sunway Tower 2	The Icon (East Wing)	Menara Citibank
Location	Jalan Sultan Ismail	Jalan Munshi Abdullah	Jalan Bukit Bintang	Jalan Ampang	Jalan Tun Razak	Jalan Ampang
Net Lettable Area ("NLA")	147,812	541,424	167,407	268,412	278,183	733,634
Average Gross Rental (Per Sq. Ft.)	RM5.50 - RM6.00	RM4.00 - RM4.50	RM5.50 - RM6.00	RM4.75 - RM5.00	RM6.00 - RM6.50	RM6.00 - RM6.50
Consideration	RM142,226,000	RM375,000,000	RM123,500,000	RM171,489,000	RM226,514,800	RM607,448,952
Net Income (includes car park & other income)	RM9,250,000	RM24,300,000	RM8,035,536	RM11,595,400	RM15,355,700	RM40,496,600
Outgoings	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.50 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)	(Estimated based on outgoings of about RM1.40 per sq. ft. per month over NLA)
Date Of Transaction	21-December-2011	26-September-2011	1-June-2011	15-June-2010	24-December-2009	8-July-2009
Analysed Yield	6.50%	6.48%	6.51%	6.70%	6.80%	6.67%

Source: Bursa Malaysia Securities Berhad / Cheston Research

Yield / Capitalisation Rate We have adopted a market corroborated capitalisation rate to arrive at the capital value of office tower, Menara 3 PETRONAS. In arriving at our opinion of the appropriate capitalisation rate using the above methodology, thorough examination and analysis of several recent sales of office buildings were carried out. Exercising judgment based on our experience in the industry, we have compared the relative investment characteristics of office tower, Menara 3 PETRONAS and the sales. We have made necessary diligent adjustments to arrive at the capitalisation rate. We have given emphasis on the current market condition, location, quality and characteristics of office tower, Menara 3 PETRONAS. We also have taken into account the current economic condition, the existing and future demand and supply of office space in arriving at the capitalisation rate.

The above yield analysis reveals that the yield trend of office buildings in Kuala Lumpur city have been declining from 2009 to 2012. At present, our research on the yield trend revealed that yields of prime office buildings are under further compression due to the uncertain global economic environment, moderate Malaysian economy and impending supply of office space to come on stream in the short term.

The office tower of Menara 3 PETRONAS is currently being leased for a term of 15 years commencing on 15th December 2011 and expiring on 14th December 2026.

The revenue for Menara 3 PETRONAS is fully secured for the current economic and office market condition until the expiry of the Lease on 14th December 2026.

We also note from the new Lease Agreement that the Lessor has granted the Lessee an option to extend the existing Lease for a further term of 15 years upon expiry of the existing Lease on 14th September 2026 subject to the terms and conditions to be agreed by both parties.

Having considered the above and other relevant factors including current market condition, location and accessibility, building characteristics, grade, quality, facilities, age, condition and size, lease terms, occupancy and quality of the tenant/lessee, and carefully going through the past and current lease/tenancy profile, we have adopted reversionary yield of 6.5% whilst the adopted term yield is 6.0% which reflects the security of the existing lease, certain, fixed, staggered and increasing rental income and quality of the lessee/tenant.

The upward adjustment of 50 basis points (bps) on the reversionary yield is to reflect a higher risk on the future tenancy, Malaysian economy and the future revenue. The above rates adopted are in line with our analysis of prevailing market yields of office buildings in Kuala Lumpur city.

Comparison Method

The Comparison Method is premised on the principle that comparison is made for the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made.

Under this method, an estimate of the market value is derived by comparing the property under valuation with other similar properties that had been sold in the recent past.

In determining the value by this method, a survey was made for property sales which had occurred in this or similar areas within the recent past. These comparable sale prices are then adjusted for comparability to reflect differences in time, location and accessibility, building characteristics, grade, quality, facilities, age, condition, and size to render the sold properties as similar as possible with office tower, Menara 3 PETRONAS.

We have compiled and analysed sale evidences of office buildings in Kuala Lumpur. In arriving at our opinion of the market value of Menara 3 PETRONAS using the Comparison Method, the following sale evidences, amongst others, are considered suitable comparables and adopted.

Table 5.0: Details Of The Sale Transactions And Comparison Method

	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
a	Property Menara Prudential, No. 10, Jalan Sultan Ismail, 50250 Kuala Lumpur	The Icon (East Wing), Jalan Tun Razak, Kuala Lumpur	Menara Citibank, No. 165, Jalan Ampang, 50450 Kuala Lumpur
b	Description of the Building A 24-storey purpose built office building with 7 basement levels car park	A 20-level purpose built office building with 4 levels of basement car park shared with West Wing	A 50-level purpose built office building with 5 levels of basement car park shared with InterContinental KL
c	Tenure Interest In Perpetuity	Interest In Perpetuity	Interest In Perpetuity
d	Year Of Completion 2000	2009	1997
e	Net Lettable Area ("NLA") 147,812 Square Feet	278,182 Square Feet	733,634 Square Feet
f	No. of Car Parks 201 Bays	301 Bays	1,505 car park bays located within 5 basement levels is common property to be shared by Menara Citibank and InterContinental KL. Menara Citibank is entitled for 63.59% of the share of 950 Bays
g	Consideration RM142,226,000	RM226,514,800	RM607,448,952
h	Date Of Transaction 21-December-11	24-December-09	8-July-09
i	Vendor P.B. Pacific Sdn. Bhd.	Mah Sing Group Berhad	Inverfin Sdn. Bhd.
j	Purchaser OCBC Capital (Malaysia) Sdn. Bhd.	T.S.Law Realty Sdn. Bhd.	Hap Seng Consolidated Bhd.
k	Source Bursa Malaysia Securities Bhd.	Bursa Malaysia Securities Bhd.	Bursa Malaysia Securities Bhd.
	Analysis (Per Sq. Ft.) RM962	RM814	RM828
	Adjustment Upward adjustments are made for market condition, location & accessibility, building and long term triple net lease/security of income. Downward adjustments are made for size, inadequate car park & contribution for easement/right of way.	Upward adjustments are made for market condition, location & accessibility, building and long term triple net lease/security of income. Downward adjustments are made for size, inadequate car park & contribution for easement/right of way.	Upward adjustments are made for market condition, location & accessibility, building and long term triple net lease/security of income. Downward adjustment is made in inadequate car park & contribution for easement/right of way.
	Effective Adjusted Value (Per Sq. Ft.) RM1,587.64	RM1,587.82	RM1,573.20

In arriving at the market value using the Comparison Method, we have emphasized upon Comparable 1 which has the least dissimilarities against office tower, Menara 3 PETRONAS and also being the latest transaction. We have adopted the adjusted value of RM1,587.64 per sq. ft. from the adjustments of Comparable 1 as fair representation which translate into a market value of RM1,290,446,927.

**Retail Podium,
Menara 3 PETRONAS**

Term

Average Gross Rental:	RM23.61 per sq. ft. per month over prevailing occupied net lettable area.
Outgoings:	RM5.50 per sq. ft. per month
Other Income:	RM50,000 per month
Capitalisation Rate:	6.50% adopted for the term

Reversionary

Average Gross Rental:	RM28.89 per sq. ft. per month on fully tenanted basis.
Void Allowance:	3%
Outgoings:	RM6.38 per sq. ft. per month over total net lettable area
Capitalisation Rate	6.75% adopted for the reversion

Gross Rental Upon expiry of the tenancies (reversion), the rent is reverted to Market Rent. Our assessment of the Market Rent of retail podium, Menara 3 PETRONAS upon reversion is based on the trend of the passing rental of the Retail Podium. We have adopted 10% increase upon reversion as fair representation of the Market Rent.

In arriving at our opinion of the Market Rental of retail podium, Menara 3 PETRONAS upon reversion, we also have taken into consideration the rental evidences of shopping/retail centre transactions summarised as Table 8.0.

In undertaking our assessment of the Market Rental upon reversion, we have considered various factors comprising current market condition, location, accessibility, tenant mix & positioning, building design, integrated development, size and tenure, occupancy and quality of the tenant/lessee and carefully going through the current lease/tenancy profile.

Car Park Revenue The Retail Podium is not allocated with any car park and thus does not entitle for any car park revenue. As such, we have not reflected any car park revenue for the term and reversion.

Outgoings The net rent is arrived which is the residue of gross annual market rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

The outgoings of the Retail Podium for the period of 1st January 2012 up to 31st August 2012 (8 months) (as provided by Arena Merdu Sdn. Bhd.) is RM5,586,237 which is analysed to RM5.29 per sq. ft.

We have analysed the past 8 months outgoings of retail podium, Menara 3 PETRONAS and made diligent adjustments to arrive at the fair outgoings.

Investigation also made on outgoings of other shopping/retail centres and necessary adjustments were made before arriving at the fair outgoings of retail podium, Menara 3 PETRONAS.

Outgoings of other shopping/retail centres are tabulated below.

Table 6.0: Outgoings Of Shopping/Retail Centres

No.	Shopping/Retail Centres	Net Lettable Area (Sq. Ft.)	Outgoings (Per Sq. Ft. Per Month)
1	Pavillion Kuala Lumpur Mall	1,335,119	RM4.20 – RM4.25
2	Mid Valley Megamall	1,718,951	RM2.65 – RM2.70
3	The Gardens Mall, Mid Valley City	817,053	RM3.50 – RM3.55
4	Sunway Pyramid	1,685,568	RM2.75 – RM2.80
5	Lot 10 Shopping Centre	256,811	RM3.15 – RM3.20
6	Starhill Gallery	297,354	RM3.00 – RM3.05

Source: Bursa Malaysia Securities Berhad/Cheston Research

Based on the above analysis, we have adopted outgoings of RM5.50 per sq. ft. per month for the current term, escalated 3% per annum for the future term and RM6.38 per sq. ft. per month for the reversion which are considered fair representation of the outgoings of the Retail Podium.

Table 7.0: Outgoing Rates Adopted

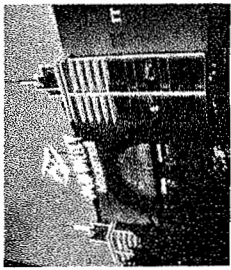
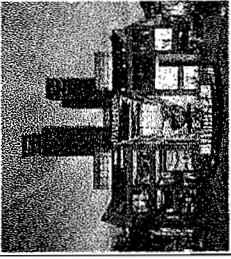
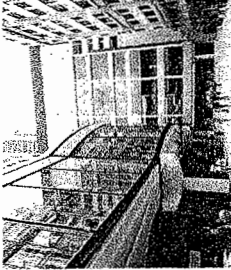
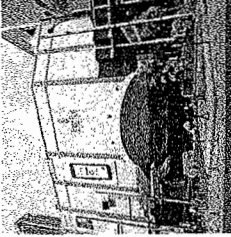
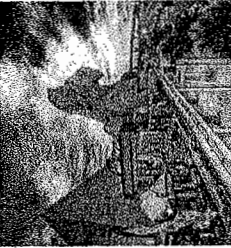
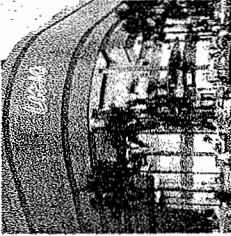
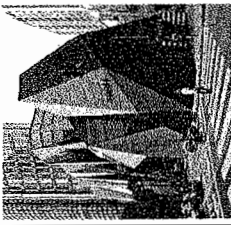
Year	RM Per Sq. Ft. Per Month
2012	5.50
2013	5.67
2014	5.83
2015	6.01
Reversion	6.38

Rent Loss Adjustment / Vacancy Allowance

Taking into consideration the general trend of retail vacancy for similar type of properties and the duration of the rent free allowance based on prevailing market practise, we have allocated 3% of the gross annual rental for vacancy period, vacancy between rent reviews and rent free & fitting out periods as fair representation upon reversion.

The followings are the rental comparison and yield analysis of sale transactions of shopping/retail centres.

Table 8.0: Average Gross Monthly Rental And Analysis Of Yield Of Sale Transactions

Property							
Location	Mid Valley Megamall Lorong Syed Putra	Pavilion Kuala Lumpur Mall Jalan Bukit Bintang	The Gardens Mall, Mid Valley City Lorong Syed Putra	Sungei Wang Plaza Golden Triangle, Kuala Lumpur	Sunway Pyramid Bandar Sunway	Lot 10 Shopping Centre Golden Triangle, Kuala Lumpur	Starhill Gallery Golden Triangle, Kuala Lumpur
Net Lettable Area ("NLA")	1,718,951	1,335,119	817,053	450,470	1,685,568	256,811	297,354
Average Gross Rental (Per Sq. Ft.)	RM11.57	RM17.36	RM10.77	RM10.90	RM10.00	RM12.00	RM15.00
Consideration	RM3,440,000,000	RM3,190,300,000	RM1,160,000,000	RM724,000,000	RM2,132,025,000	RM401,000,000	RM629,000,000
Annual Net Income (Including Car Park & Other Income)	RM183,008,000	RM210,000,000	RM70,876,000	RM49,956,000	RM146,000,000	RM27,250,000	RM42,800,000
Monthly Net Rental (Per Sq. Ft.)	RM8.87	RM13.11	RM7.23	RM9.24	RM7.22	RM8.84	RM11.99
Monthly Outgoings (Per Sq. Ft.)	RM2.70	RM4.25	RM3.54	RM1.66	RM2.78	RM3.16	RM3.01
Date of Transaction	1-May-12	1-June-11	1-May-12	28-June-10	15-June-10	16-April-10	16-April-10
Analysed Yield	5.32%	6.58%	6.11%	6.90%	6.85%	6.80%	6.80%

Source: Bursa Malaysia Securities Berhad / Cheston Research

Yield / Capitalisation Rate

We have adopted a market corroborated capitalisation rate to arrive at the capital value of retail podium, Menara 3 PETRONAS. In arriving at our opinion of the appropriate capitalisation rate using the above methodology, thorough examination and analysis of several recent sales of shopping/retail centres were carried out. Exercising judgment based on our experience in the industry, we have compared the relative investment characteristics of retail podium, Menara 3 PETRONAS and the sales. We made all the necessary and diligent adjustments to arrive at the capitalisation rate. We have given emphasis on the location, quality and characteristic of retail podium, Menara 3 PETRONAS. We have also taken into account the current economic condition, the existing and future demand and supply of shopping/retail centres in arriving at the capitalisation rate.

The above yield analysis reveals that, yields of shopping/retail centres in Kuala Lumpur city ranges from 5.32% to 6.9% depending on the time, location, accessibility, tenant mix & positioning, building design, integrated development, size and tenure.

Having considered the above and other relevant factors including time, location, accessibility, tenant mix & positioning, building design, integrated development, size and tenure, occupancy and quality of the tenant/lessee and carefully going through the current lease/tenancy profile, we have adopted reversionary yield of 6.75% whilst the adopted term yield is 6.5% which reflects the security of the existing lease, certain, fixed, staggered and increasing rental income and quality of the tenants.

The additional spread of 25 basis points (bps) on the reversionary yield is to reflect a higher risk on the future tenancy, Malaysian economy and the future revenue. The above rates adopted are in line with our analysis of prevailing market yields of shopping/retail centres.

Comparison Method

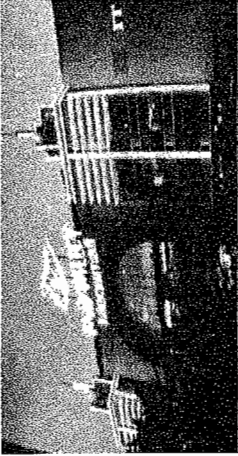
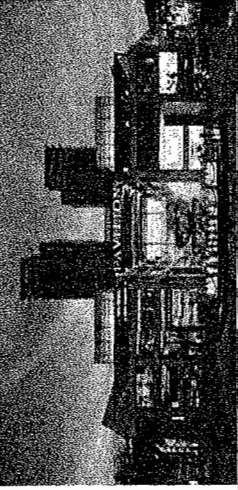

The Comparison Method is premised on the principle that comparison is made for the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made.

Under this method, an estimate of the market value is derived by comparing the property under valuation with other similar properties that had been sold in the recent past.

In determining the value by this method, a survey was made for which had property sales that have occurred in this or similar areas within the recent past. These comparable sale prices are then adjusted for comparability to reflect differences in time, location and accessibility, building characteristics, grade, quality, facilities, age, condition and size to render the sold properties as similar as possible with retail podium, Menara 3 PETRONAS.

We have analysed and made diligent adjustments for differences of the comparable sale transactions against retail podium, Menara 3 PETRONAS. After making the necessary adjustments for time, location, accessibility, tenant mix & positioning, building design, integrated development, size and tenure, occupancy and quality of the tenant/lessee, the adjusted values range from RM3,703.76 per sq. ft. to RM3,913.35 per sq. ft.

Table 9.0: Details Of The Sale Transactions And Comparison Method

	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
a) Building	 Mid Valley MegaMall, Lorong Syed Putra, Kuala Lumpur	 Pavilion Kuala Lumpur Mall, Jalan Bukit Bintang, Kuala Lumpur	 Starhill Gallery, Jalan Bukit Bintang, Kuala Lumpur
b) Description	A 5 storey retail mall (from Level LG to 3) with 1 mezzanine floor, 2 levels of basement car and 4 levels of elevated car park	A 7 storey shopping mall together with 3 storey retail office block sited atop and annexed with a 4 storey retail/entertainment connection block and 3 levels of basement car park	Part of a 7-storey shopping centre with 5 basement and a 12-level annexed building with 3 basement
c) Building Size (Net Lettable Area)	1,729,108 Square Feet	1,335,119 Square Feet	297,354 Square Feet
d) Building Size (Gross Floor Area)	6,107,103 Square Feet	2,202,557 Square Feet	504,571 Square Feet
e) Year Of Completion	1999	2007	1997
f) Property Component	Integrated mixed development on 9.7 acres land within Mid Valley City including two 31-storey office towers (Office), Garden Hotel & Residences (Hospitality), and the Gardens Mall (Retail)	Integrated mixed development on 12.6 acres land located along Jalan Bukit Bintang consisting Pavilion Kuala Lumpur Mall (Retail), Pavilion Tower (Office) and Pavilion Residences (Residential)	
g) Positioning	Middle Income Level	Upper Middle To Upper Income Level	Upper Income Level
h) Target Market	Families And Teenagers	Affluent Families And Tourist	High Net Worth Shoppers & Tourist
i) Sale Price	RM3,440,000,000	RM3,190,300,000	RM629,000,000
j) Date Of Transaction	1-May-12	1-June-11	16-April-10
k) Tenure	99- year leasehold expiring on 6/6/2103	99- year leasehold expiring on 26/10/2109	Interest In Perpetuity
l) Vendor	Mid Valley City Sdn Bhd	Urusharta Cemerlang Sdn Bhd	Mayban Trustee Berhad
m) Purchaser	AmTrustee Berhad, the trustee of IGB REIT	AmTrustee Berhad, the trustee of Pavilion REIT	HSBC Institutional Trust Services (Singapore) Limited, the trustee of Stallhill Global REIT
n) Source	Bursa Malaysia Securities Bhd.	Bursa Malaysia Securities Bhd.	Bursa Malaysia Securities Bhd.
Analysis (Per Sq. Ft.)	RM1,989	RM2,390	RM2,115
Adjusted Sales Price (Per Sq. Ft.)	RM3,779.98	RM3,703.76	RM3,913.35
	Upward adjustments are made for location, accessibility, tenant mix & positioning, size and tenure.	Upward adjustments are made for market condition, location, accessibility, size and tenure	Upward adjustments are made for market condition, location, accessibility, tenant mix & positioning, building design/integrated development, and size

In arriving at the market value using the Comparison Method, we have emphasized upon Comparable 2 which has the least dissimilarities against retail podium, Menara 3 PETRONAS.

We have adopted the adjusted value of RM3,703.76 per sq. ft. from the adjustments of Comparable 2 as a fair representation which translate into a market value of RM489,270,860.

Reconciliation Of Values The Comparison Method is an appropriate method to be adopted for homogeneous properties with minimal dissimilarities which require less complicated adjustments. However, for income generating investment properties which are physically, functionally and economically complex where adjustments are numerous and more difficult to quantify, it will be difficult to make adjustments using the Comparison Method. The Market Value of an investment property is a function of the future income stream. The cash flows of an investment property are subject to the specific nature of the particular investment property and the lease/tenancy terms. It will be strenuous to make all the relevant qualitative and quantitative adjustments accurately for investment properties using the Comparison Method.

Method of Valuation	Office Tower, Menara 3 PETRONAS	Retail Podium, Menara 3 PETRONAS
Investment Method	RM1,306,977,100	RM492,015,620
Comparison Method	RM1,290,446,927	RM489,270,860
Market Value Adopted	RM1,300,000,000	RM490,000,000

Nevertheless, the comparative analysis provides a range of values and guide to the Market Value as details of sale comparables are easily available. In light of the above, in arriving at our opinion of Market Value of Menara 3 PETRONAS, the Comparison Method is adopted as a guide and supportive method to the Investment Method.

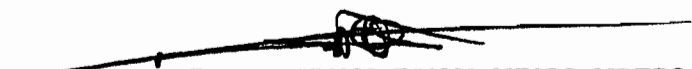
Hence, we have considered the Market Value derived from the Investment Method as fair and accurate representation of Market Value of Menara 3 PETRONAS supported by the Comparison Method.

Opinion of Value

Having regard to the foregoing, taking into consideration all pertinent factors and based upon our analysis of relevant market data, we are of the opinion that the market value of the interest in perpetuity in a 58-storey commercial tower comprising 52 levels of office space and 6 levels of retail podium together with 4 levels of basement car park known as Menara 3 PETRONAS, identified as Lot 171, Section 58, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur, held under Title No. Grant 43699, subject to the existing Lease to PETRONAS in respect of the office tower and the title being free of all encumbrances, good, marketable and registrable is as tabulated below.

Menara 3 PETRONAS	Market Value
Office Tower	RM1,300,000,000
Retail Podium	RM490,000,000
Total	RM1,790,000,000

For And On Behalf Of
CHESTON INTERNATIONAL (KL) SDN. BHD.



G PAREMES SIVAM, FRISM, MRICS, MPEPS, MIPPM
CHARTERED SURVEYOR
REGISTERED VALUER, V-480
DATE OF VALUATION: 1ST OCTOBER 2012

**TAX CONSULTANT'S LETTERS ON TAXATION OF KLCC REIT AND UNITHOLDERS, AND
TAXATION OF THE COMPANY AND SHAREHOLDERS**



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Taxation adviser's letter in respect of the taxation
of the unit trust and the unit holders
(prepared for inclusion in this prospectus)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur

9 April 2013

The Board of Directors
KLCC REIT Management Sdn Bhd
Levels 4 & 5, City Point
Kompleks Dayabumi
Jalan Sultan Hishamuddin
50050 Kuala Lumpur

Maybank Trustees Berhad
34th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

Dear Sirs

Taxation of KLCC Real Estate Investment Trust ("KLCC REIT) and unit holders

This letter has been prepared for inclusion in the Prospectus in connection with the listing of and quotation for 1,805,333,083 stapled securities comprising the stapling of 1,805,333,083 ordinary shares of RM1.00 each in KLCC Property Holdings Berhad ("KLCCP") and 1,805,333,083 units in KLCC REIT on the Main Market of Bursa Malaysia Securities Berhad.

The purpose of this letter is to provide unit holders with an overview of the impact of taxation on KLCC REIT and the unit holders.



The Board of Directors
KLCC REIT Management Sdn Bhd
9 April 2013

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A. Taxation of KLCC REIT

Notwithstanding that the KLCCP shares are “stapled¹” with the units in REIT, the tax profile and tax status of KLCC REIT should continue to remain the same. KLCC REIT will be subject to the provisions of Sections 61, 61A and 63C of the Malaysian Income Tax Act, 1967.

There should not be any different treatment for the REIT as compared to any other stand alone REIT in Malaysia. The tax treatment of KLCC REIT is discussed in more detail in the following paragraphs.

KLCC REIT will be regarded as Malaysian resident for Malaysian income tax purposes as the Trustee of KLCC REIT is resident in Malaysia.

KLCC REIT is treated as a unit trust for Malaysian tax purposes. The taxation of KLCC REIT is subject to the provisions of the Malaysian Income Tax Act, 1967 (“MITA”), particularly Sections 61, 61A and 63C.

Income of KLCC REIT will be exempted from income tax for a year of assessment (“YA”) pursuant to Section 61A of the MITA where 90% or more of its total income² (as defined in the MITA) is distributed to the unit holders for that YA.

Pursuant to the Public Ruling No. 9/2012 - Taxation of REIT/ Property Trust Funds (“PTF”) issued by the Inland Revenue Board of Malaysia (“IRB”), the distribution must be made within 2 months from the close of the financial year which forms the basis period for a YA of the REIT.

Where the REIT does not distribute at least 90% of its total income or the 90% distribution is not made within 2 months from the close of its financial year end, the REIT would be subject to income tax of 25% on its total income.

1. Dividend income

Taxable Malaysian dividend income which is paid out on or before 31 December 2013 of the 108 balance [under the saving and transitional provisions of the Finance Act 2007 (Act 683)] of the payer would have been taxed at source at the prevailing corporate tax rate.

¹ The existing ordinary shares in KLCC will be stapled with the units in KLCC REIT. Thereafter, the KLCCP shares together with units in KLCC REIT will be quoted and dealt with as one (1) security on the Main Market of Bursa Malaysia Securities Berhad.

² Total income would generally be gross income reduced by tax deductible expenses and capital allowances.



The Board of Directors
KLCC REIT Management Sdn Bhd
9 April 2013

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Tax deducted at source from Malaysian dividends received by KLCC REIT will be available as a credit against the tax liability of KLCC REIT. Should the tax deducted at source exceed the tax liability of KLCC REIT, the excess is refundable to KLCC REIT³.

2. Exempt income

The following income/ gains of KLCC REIT are exempt from income tax and will not be included in computing the total income of KLCC REIT:

a) Single tier dividends

Pursuant to paragraph 12B of Schedule 6 of the MITA, single tier dividends paid by a company are exempt from tax.

b) Interest

Unit trusts, including REITS would be exempt from tax on the following interest income:

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or Islamic securities, (other than convertible loan stock) approved by the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks or financial institutions licensed under the Banking and Financial Institutions Act, 1989 or the Islamic Banking Act, 1983;
- (v) interest from Islamic securities originating from Malaysia, other than convertible loan stock issued in any currency in Malaysia and approved by Securities Commission or Labuan Financial Services Authority (LFSA)
- (vi) interest received from bonds or securities issued by Pengurusan Danaharta Nasional Berhad; and

³ Pursuant to Section 51 of the Finance Act 2007, a person is not entitled for a set-off if the shares are held for less than 90 days or the dividend is not derived from ordinary shares. This prohibition is not applicable for shares in a company listed on the Bursa Malaysia. Further, Section 50 of Finance Act 2009 indicates that a person is not entitled to a set-off if the dividend paid to that person is not in cash.

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(vii) interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad (MESDAQ)⁴.

c) Discount

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

d) Foreign income

Dividends, interest and other income derived from sources outside Malaysia and received in Malaysia by KLCC REIT is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

e) Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of KLCC REIT and hence, are not subject to income tax.

Such gains may be subject to real property gains tax ("RPGT") under the Real Property Gains Tax Act, 1976 ("RPGT Act"), if the gains are derived from the sale of chargeable assets⁵, as defined in the RPGT Act.

With effect from 1 January 2013, pursuant to Real Property Gains Tax (Exemption) Order 2012 [P.U. (A) 415], any chargeable gain on the disposal of chargeable assets by KLCC REIT would be subject to RPGT at the applicable tax rate depending on the holding period as follows:

⁴ MESDAQ was replaced by FTSE Bursa Malaysia ACE with effect from 3 August 2009, therefore any interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the MESDAQ should still qualify for an exemption up to 2 August 2009. However, from 3 August 2009 and up to the date of this letter, there is no new gazette order issued to exempt interest derived from bonds paid or credited by a company listed in the new FTSE Bursa Malaysia ACE.

⁵ Chargeable assets would include real property (i.e. land situated in Malaysia and any interest, option or other right in or over such land) and shares in real property companies ("RPC"). A RPC is a controlled company which acquires real property or shares in a real property company or both, whereby the market value of the real property or shares or both, owned at that date is not less than 75% of the value of its total tangible assets. "Controlled company" means a company having not more than 50 members and controlled by not more than 5 persons.

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	Disposal period	RPGT rates
(i)	Disposal made within 2 years	15%
(ii)	Disposal made in the 3 rd to 5 th year	10%
(iii)	Disposal made in the 6 th year onwards	0%

3. Rental income

Rental income received by KLCC REIT from investments in real properties will be treated as business income pursuant to Section 63C of the MITA.

Expenses incurred in the production of rental income will be claimed against gross rental income. Any excess of the expenses due to insufficient rental income will be disregarded and are not allowed to be carried forward to be utilised in following years.

In arriving at the statutory income from rental, capital allowance (including industrial building allowance⁶) on qualifying assets employed for the rental business is allowed to be claimed against the adjusted income (i.e. net rental income after allowing for tax deductible expenses) from the rental source. Any excess capital allowance due to insufficient adjusted income will not be allowed to be carried forward to be utilised in following years.

4. Deduction of withholding tax

Where KLCC REIT's total income is exempted from tax pursuant to Section 61A of the MITA KLCC REIT is required to withhold and remit tax to the MIRB within one month after distributing the total income to the unit holder, at the following rates:

Unit holders	Malaysian income tax rates
Malaysian tax resident: <ul style="list-style-type: none"> • Individuals and institutional investors • Resident companies 	<ul style="list-style-type: none"> • 10%^ • Nil
Non-resident: <ul style="list-style-type: none"> • Individuals and institutional investors • Non-resident companies • Foreign institutional investors⁷ • Others (including individuals) 	<ul style="list-style-type: none"> • 10%^ • 25% • 10%^ • 10%^

⁶ Industrial building allowance is allowed only where the tenant uses the building as an industrial building (i.e. factory, warehouse, hotel).

⁷ "Institutional investor" means a pension fund, collective investment scheme or such other person approved by the Minister.

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^Rates applicable until 31 December 2016.

B. Taxation of unit holders

a) Where KLCC REIT distributes at least 90% of total income (and is exempt from tax under Section 61A of the MITA)

As the tax withheld [as discussed in (4) above] is a final tax, resident individuals and non-corporate investors unit holders will not be required to declare the income received from KLCC REIT in their respective Malaysian income tax returns.

No withholding tax would apply on distributions to resident corporate investors. Resident corporate investors are required to report income from REIT distributions in their own corporate tax return, in which the REIT distributions would be subject to the prevailing corporate tax rate which is generally 25%.

b) Where KLCC REIT distributes less than 90% of total income

Where in a year of assessment KLCC REIT does not qualify for the tax exemption as it does not distribute at least 90% of total income, KLCC REIT would have paid taxes on its taxable income in that year of assessment. The distributions made by KLCC REIT will have tax credits attached to it. The tax treatment for the unit holders will be as follows:

- Both resident and non-resident unitholders will be entitled to utilise the tax credit as a set-off against the Malaysian tax payable by them, if any. No other withholding tax will be imposed on the income distribution of KLCC REIT which has been subjected to income tax at KLCC REIT.
- Resident corporate investors are required to report the REIT distribution in their own corporate tax returns and will be entitled to tax credits based on the taxes paid by the REIT.

c) Tax exempt income and capital gains

Distribution of tax exempt income (i.e. exempt dividends and interest and foreign sourced income) and capital gains earned by KLCC REIT will not be taxable in the hands of the unitholders.

Malaysia does not impose tax on capital gains. As the units in KLCC REIT and KLCCP shares are stapled together, gains on the disposal of the stapled securities by unitholders which are considered to be capital in nature will not be subject to income tax.



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Where a unitholder has held the units for long term investment purposes, any gains arising from the disposal of the stapled securities should be regarded as capital gains and thus, should not be subject to income tax.

Where the stapled securities are held as trading assets of a trade or business carried on in Malaysia, gains arising from the sale of stapled securities will be viewed as part of business income and subject to income tax. Dealers in securities (including any person actively buying and selling securities/ units on a regular basis) and financial institutions in Malaysia (i.e. insurance companies and banks) will be subject to income tax since the gains are viewed as business income. Foreign dealers and financial institutions with no business presence or permanent establishment presence in Malaysia will not be subject to income tax in Malaysia on the gains. However, such gains may be subject to tax in the investors' respective jurisdictions.

Upon winding up of KLCC REIT, the tax treatment on the gains received in the form of cash or residual distribution will again depend on whether the gains are capital gains or trading income.

Unitholders who elect to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution.

Unit splits issued by KLCC REIT are not taxable in the hands of unit holders.

7. Stamp duty

Pursuant to the Stamp Duty (Exemption) (No. 4) Order 2004, all instruments of transfer of real property to a REIT or PTF approved by the Securities Commission are exempted from stamp duty. All instruments of deed of assignment executed between a REIT or a PTF approved by the Securities Commission and the disposer relating to the purchase of real property are exempted from stamp duty.

Any transfer of units in KLCC REIT by the unitholders will be exempted from stamp duty pursuant to Item 32, Exemption Paragraph (c), First Schedule of the Stamp Act 1949.

The units are stapled and sold together with the shares in KLCCP (i.e. the stapled securities). The sale of stapled securities would be subject to stamp duty at the rate of 0.1% on the stapled security value, up to RM 200 and payable by the transferee.

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We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in KLCC REIT. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in KLCC REIT.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Prospectus and has not withdrawn such consent before the date of issue of this Prospectus.

Taxation adviser's letter in respect of the taxation
of KLCC Property Holdings Berhad and its shareholders
(prepared for inclusion in this prospectus)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur

9 April 2013

The Board of Directors
KLCC Property Holdings Bhd
Levels 4 & 5, City Point
Kompleks Dayabumi
Jalan Sultan Hishamuddin
50050 Kuala Lumpur

Dear Sirs

Taxation of KLCC Property Holdings Berhad ("KLCCP") and its shareholders

This letter has been prepared for inclusion in the Prospectus in connection with the listing of and quotation for 1,805,333,083 stapled securities comprising the stapling of 1,805,333,083 ordinary shares of RM1.00 each in KLCCP and 1,805,333,083 units in KLCC Real Estate Investment Trust ("KLCC REIT") on the Main Market of Bursa Malaysia Securities Berhad.

The purpose of this letter is to provide KLCCP's shareholders with an overview on the impact of taxation on KLCCP.

1. Taxation of KLCCP

Notwithstanding that the KLCCP shares are "stapled¹" with the units in REIT, the tax profile and tax status of KLCCP should continue to remain the same. There should not be any different tax treatment for KLCCP as compared to any other investment holding company listed on the Bursa Malaysia. The tax treatment of KLCCP is discussed in more detail in the following paragraphs.

¹ The existing ordinary shares in KLCCP will be stapled with the units in KLCC REIT. Thereafter, the KLCCP shares together with units in KLCC REIT will be quoted and dealt with as one (1) security on the Main Market of Bursa Malaysia Securities Berhad.

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KLCCP is treated as an investment holding company for Malaysian income tax purposes as its activities consist mainly in the holding of investments. It will be treated as a separate entity from KLCC REIT and will be taxed as an investment holding company.

The tax treatment for investment holding companies listed on the Bursa Malaysia is prescribed in Section 60FA of the Income Tax Act, 1967 ("MITA").

KLCCP's investment income will be treated as business income and expenses incurred in the production of its income would be deductible against that income. Any expenditure in excess of income will be disregarded and cannot be set-off against income from other businesses nor carried forward to be utilised in the following year.

Capital allowances (where relevant) can be claimed against the adjusted income (i.e. net taxable income after allowing for tax deductible expenses) from the relevant business source. Any capital allowances in excess of adjusted income will be disregarded and cannot be carried forward to be utilised in following years.

2. Distribution of dividends to shareholders

Dividend distribution would depend on the availability of profits of KLCCP and subject to the relevant provisions of the Companies Act, 1965.

As KLCCP no longer has Section 108 balance, KLCCP can only issue single tier dividend which is exempted in the hand of the shareholders.

3. Tax implications on the disposal of properties by KLCCP

Malaysia does not impose tax on capital gains. Therefore gains on the disposal of properties by KLCCP will not be subject to income tax where the gains are considered to be capital gains.

Where KLCCP has held the properties for long term investment purposes, any gains arising from the disposal of properties should be regarded as capital gains and thus, should not be subject to income tax.

Where the properties are held as trading assets, gains arising from the sale of properties will be viewed as part of business income and subject to income tax.

On the basis that KLCCP is not in the business of trading in properties/ investments, gains arising from the disposal of properties by KLCCP would be viewed as capital gains and not subject to income tax.

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Such gains may be subject to real property gains tax ("RPGT") under the Real Property Gains Tax Act, 1976 ("RPGT Act").

With effect from 1 January 2013, pursuant to Real Property Gains Tax (Exemption) Order 2012 [P.U. (A) 415], any chargeable gain on the disposal of chargeable assets² would be subject to RPGT at the applicable tax rate depending on the holding period as follows:

	Disposal period	RPGT rates
(i)	Disposal made within 2 years	15%
(ii)	Disposal made in the 3 rd to 5 th year	10%
(iii)	Disposal made in the 6 th year onwards	0%

Any chargeable gains accruing on the disposal of chargeable assets to a REIT or PTF which is approved by the Securities Commission are exempt from RPGT pursuant to the Real Property Gains Tax (Exemption) (No. 4) Order 2003.

4. Disposal of shares in KLCCP by shareholders

- **Stamp duty**

The shares in KLCCP are stapled and sold together with the units in KLCC REIT (i.e. the stapled securities). The stapled securities will be subject to stamp duty at the rate of 0.1% on the stapled security value, up to RM 200 and payable by the transferee.

- **Income tax**

Malaysia does not impose tax on capital gains. Therefore gains on the disposal of the stapled securities by investors which are considered to be capital in nature will not be subject to income tax.

Where a shareholder has held the stapled securities for long term investment purposes, any gains arising from the disposal of stapled securities should be regarded as capital gains and thus, should not be subject to income tax.

² Chargeable assets would include real property (i.e. land situated in Malaysia and any interest, option or other right in or over such land) and shares in real property companies ("RPC"). A RPC is a controlled company which acquires real property or shares in a real property company or both, whereby the market value of the real property or shares or both, owned at that date is not less than 75% of the value of its total tangible assets. "Controlled company" means a company having not more than 50 members and controlled by not more than 5 persons.



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Where the stapled securities are held as trading assets of a trade or business carried on in Malaysia, gains arising from the sale of stapled securities will be viewed as part of business income and subject to income tax.

Dealers in securities (including any person actively buying and selling securities on a regular basis) and financial institutions in Malaysia (i.e. insurance companies and banks) will be subject to income tax since the gains are viewed as business income. Foreign dealers and financial institutions with no business presence or permanent establishment presence in Malaysia will not be subject to income tax in Malaysia on the gains. However, such gains may be subject to tax in the investors' respective jurisdictions.

- **RPGT**

As KLCCP is not regarded as a controlled company (i.e. company having not more than 50 members and controlled by not more than 5 persons) and hence does not meet the definition of a RPC, gains on the disposal of the stapled securities would not be subject to RPGT.

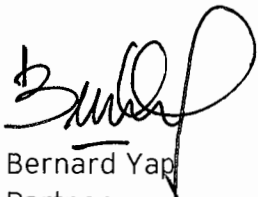
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We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in KLCCP. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in KLCCP.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Prospectus and has not withdrawn such consent before the date of issue of this Prospectus.