
14. ADDITIONAL INFORMATION

14.1 GENERAL

- (a) No Units will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (b) Al-Hadharah Boustead REIT is newly established and hence, save for the promoters Units of 1,000 at the issue price of RM1.00 each, there are no Units issued prior to the completion of the acquisitions of the Plantation Assets and Public Offering.
- (c) The Issue Units will rank pari passu in all respects with the other existing issued Units of Al-Hadharah Boustead REIT including the voting rights and the Issue Units will be entitled to all distributions that may be declared subsequent to the date of allotment of the Units.
- (d) In conjunction with the listing of the Al-Hadharah Boustead REIT, 472,001,000 Units of the Fund will be admitted to the Official List of the Main Board of Bursa Securities, of which 71,750,000 Units are to be admitted on Bursa Securities within six (6) months from the date of listing of the Fund or such other extended period as may be approved by the SC.

In accordance with the Deed and REIT Guidelines, the Manager is required, on a weekly basis, to carry out a valuation of Al-Hadharah Boustead REIT's investment in plantation estate-related assets and non-plantation estate assets and announce the NAV of the Fund to Bursa Securities. The Manager must also give the Exchange a financial report which is prepared on a quarterly basis no later than 2 months after the end of each quarter in a financial year.

- (e) Information on Boustead Holdings

Boustead Holdings was incorporated in Malaysia as a public company, under the name of Boustead & Company (1960) Limited, under the Companies Ordinances, 1940-1946 on 25 July 1960 and subsequently listed on Bursa Malaysia Securities Berhad on 17 March 1961. On 18 February 1966, its name was changed to Boustead Holdings Limited and subsequently changed to Boustead Holdings Berhad on 15 April 1966.

Boustead Holdings is principally an investment holding company. The principal activities of the subsidiaries of Boustead Holdings include the ownership and/or management of rubber and oil palm plantations, marketing, selling and distributing imported and locally manufactured products, shipping agencies, travel offices and car rental franchises, property development, leasing, managing commercial and residential properties, education, manufacturing and marketing materials handling systems, manufacturing of paints, manufacturing of pharmaceutical products and marketing of petroleum products.

The associated companies of Boustead Holdings are mainly involved in operating a commercial bank and a merchant bank, confectionery, toiletries and fibre cement products, financial services and engaging in general insurance, shipbuilding and ship repair activities.

The authorised, issued and fully paid-up share capital of Boustead Holdings as at 30 November 2006 is as follows:

Authorised share capital	RM500,000,000. comprising 1,000,000,000 ordinary shares of RM0.50 each.
Issued and fully paid-up share capital	RM299,134,994.50 comprising 598,269,989 ordinary shares of RM0.50 each.

As at 30 November 2006, the direct and indirect shareholdings of the major shareholder of Boustead Holdings in the Boustead Holdings are as follows:

Shareholders	Nationality/ Place of Incorporation	No. of ordinary shares held			
		Direct	%	Indirect	%
LTAT	Malaysia	382,010,462	63.85	-	-

(f) Information on Boustead Properties

Boustead Properties was incorporated in Malaysia under the name of Selangor Coconuts Limited on 16 February 1911 under the Companies Enactments, 1897. It was listed on Bursa Malaysia Securities on 1 August 1973. On 15 April 1966, its name was changed to Selangor Coconuts Berhad and subsequently changed to SCB Developments Berhad on 6 July 1995. On 12 April 2004, it changed its name to Boustead Properties Berhad.

The principal activities of Boustead Properties and its subsidiaries are property development, property investment, operating hotels, ownership and management of a district cooling plant and cultivation of oil palm. The principal activities of the associate are development and management of an entertainment complex.

The authorised, issued and fully paid-up share capital of Boustead Properties as at 30 November 2006 is as follows:

Authorised share capital	RM500,000,000 comprising 500,000,000 ordinary shares of RM1 each.
Issued and fully paid-up share capital	RM255,199,031 comprising 255,199,031 ordinary shares of RM1 each.

As at the 30 November 2006, the direct and indirect shareholdings of the major shareholders of Boustead Properties are as follows:

Shareholders	Nationality/Place of Incorporation	No of ordinary shares held			
		Direct	%	Indirect	%
Boustead Holdings	Malaysia	143,907,388	56.04		
LTAT	Malaysia	21,941,106	8.60	143,907,388	56.04

- (g) As at Latest Practicable Date, the Directors of Boustead REIT Managers confirm that the financial condition and operations of Boustead REIT Managers are not affected by any of the following factors:
- known trends, demands, commitments, events or uncertainties that have had or that Boustead REIT Managers reasonably expects to have, a material favourable or unfavourable impact on the financial performance, liquidity, position and operations of Boustead REIT Managers;
 - material commitments for capital expenditure; and
 - unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of Boustead REIT Managers.

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- (h) The interests of the Promoters, Substantial Shareholders, Directors and key personnel of the Manager in the Units of the Fund after the Public Offering and completion of the acquisition of Lepad Kabu Estate and Lepad Kabu Palm Oil Mill are as follows:

Ownership of Units by the Promoters and Substantial Shareholders of the Manager

	Before the Public Offering				After the Public Offering				After the completion of acquisition of Lepad Kabu Estate and Lepad Kabu Palm Oil Mill			
	<---Direct --->		<-Indirect-->		<---Direct --->		<-Indirect-->		<---Direct --->		<---Indirect--->	
	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%
Boustead Properties (Promoter)	-	-	-	-	117,006	29.2	-	-	117,006	24.8	-	-
Boustead Holdings (Promoter & substantial shareholder)	-	-	1 ⁽¹⁾	-	-	-	180,251 ⁽¹⁾	45.0	-	-	252,000 ⁽¹⁾	53.4
LTAT (substantial shareholder)	-	-	1 ⁽²⁾	-	-	-	180,251 ⁽²⁾	45.0	-	-	252,000 ⁽²⁾	53.4
IPSB (substantial shareholder)	-	-	-	-	-	-	-	-	-	-	-	-
YWP (substantial shareholder)	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- (1) Deemed interested pursuant to Section 6A of the Act by virtue of its substantial shareholdings in the Vendors and the Manager (which in turn holds 1,000 promoter's Units).
- (2) Deemed interested pursuant to Section 6A of the Act by virtue of its substantial shareholdings in Boustead Holdings and the Manager (which in turn holds 1,000 promoter's Units).

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Ownership of Units by the Directors of the Manager

	Before the Public Offering				After the Public Offering				After the completion of acquisition of Lepad Kabu Estate and Lepad Kabu Palm Oil Mill			
	<---Direct --->		<-Indirect-->		<---Direct --->		<-Indirect-->		<---Direct --->		<----Indirect--->	
	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%
Y. Bhg. Tan Sri Dato' Lodin Wok Kamaruddin	-	-	-	-	200*	0.05	-	-	200*	0.04	-	-
Daniel Ebinesan	-	-	-	-	100*	0.02	-	-	100*	0.02	-	-
Abdul Aziz Ismail	-	-	-	-	75*	0.02	-	-	75*	0.02	-	-
Kamaludin Abdul Kadir	-	-	-	-	75*	0.02	-	-	75*	0.02	-	-
David Loo Kean Beng	-	-	-	-	75*	0.02	-	-	75*	0.02	-	-

Note:

* Assuming all pink form allocation is fully subscribed by the eligible Directors of the Manager

Ownership of Units by key personnel of the Manager

Name	Designation	Before the Public Offering				After the Public Offering				After the completion of acquisition of Lepad Kabu Estate and Lepad Kabu Palm Oil Mill			
		<---Direct --->		<-Indirect-->		<---Direct --->		<-Indirect-->		<---Direct --->		<----Indirect--->	
		No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%	No. of Units ('000)	%
Mohd Mokhtar bin Ghazali	Chief Executive Officer	-	-	-	-	100*	0.02	-	-	100*	0.02	-	-
Fahmy Ismail	Strategic Planning and Investor Relationship Manager	-	-	-	-	50*	0.01	-	-	50*	0.01	-	-
Ng Foong Khen	Finance Manager	-	-	-	-	50*	0.01	-	-	50*	0.01	-	-

Note:

* Assuming all pink form allocation is fully subscribed by the eligible personnel of the Manager

14.2 OTHER PERTINENT INFORMATION TO UNITHOLDERS

- (i) Means by which Unitholders can keep abreast of developments of Al-Hadharah Boustead REIT

Unitholders can keep abreast of the developments of Al Hadharah Boustead REIT via announcements made on Bursa Securities' website (www.bursamalaysia.com), annual reports and interim reports that will be sent to Unitholders.

- (ii) Means by which Unitholders can keep track of the current price per Unit/NAV per Unit

Unitholders are able to keep track of the market price per Unit and the NAV per Unit as announced by us through Bursa Securities' website (www.bursamalaysia.com). As Al-Hadharah Boustead REIT will also be providing the Unitholders with an annual report and interim report each year on its performance which will also include information on the NAV per Unit.

- (iii) Unitholders Service Centre

If you require any assistance on Al Hadharah Boustead REIT, you may contact us at:

Boustead REIT Managers Sdn Bhd
2nd Floor, Menara Boustead
No 69, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 603 2141 9044
Fax: 603 2141 9750
Website: <http://www.boustead.com.my>

14.3 EXPENSES AND COMMISSIONS

The estimated expenses in respect of the Public Offering relating to the commissions, brokerage, registration and other expenses and fees incidental to the listing of and quotation for the entire Units of Al-Hadharah Boustead REIT on the Main Board of Bursa Securities amounting to RM9.5 million will be fully borne by the Fund.

Brokerage relating to the 20,000,000 Issue Units made available for application by the Malaysian public under the Retail Offering is payable by the Fund at the rate of 1.0% of the Retail Price in respect of successful applications which bear the stamps of MIMB/Affin Bank, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or MIDFCCS.

The Managing Underwriter and Underwriters have agreed to underwrite the 22,000,000 Issue Units to be offered pursuant to the Retail Offering at a managing underwriting commission and underwriting commission of 0.25% and 1.50% respectively of the Retail Price of RM0.99 for each Issue Unit being underwritten, payable by the Fund.

The Fund will also bear the placement fee payable to the Joint Placement Advisers and Placement Agent at the rate of 2.00% of the Institutional Price of RM1.05 for each Issue Unit pursuant to the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 3.5 in this Prospectus.

14.4 MATERIAL LITIGATION

As at the Latest Practicable Date, Boustead REIT Managers is not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of Boustead REIT Managers and the Directors of Boustead REIT Managers do not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position of Boustead REIT Managers.

As at Latest Practicable Date, the Trustee is not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Trustee and the Directors of the Trustee do not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position of the Trustee.

14.5 MATERIAL CONTRACTS

Saved as disclosed below, there are no other material contracts (excluding contracts entered into in the ordinary course of business) which have been entered into that relates to Al-Hadharah Boustead REIT within two (2) years preceding the Latest Practicable Date:

- (a) The Deed dated 11 December 2006 constituting the Al-Hadharah Boustead REIT, executed between Boustead REIT Managers as the management company and CIMB Trustee as the Trustee of Al-Hadharah Boustead REIT;
- (b) The SPAs dated 14 December 2006 between Boustead Properties and the Trustee relating to the acquisition of 6,923.26 hectares of plantation estates namely Bekoh Estate, Malaya Estate, Kulai Young Estate Bukit Mertajam Estate, Batu Pekaka Estate and Chamek Estate for a purchase consideration of RM252,750,000 to be satisfied by the issuance of 117,006,000 new Units at the issue price of RM1.00 per Unit and cash consideration of RM135,744,000;
- (c) The SPA dated 14 December 2006 between Boustead Heah Joo Seang Sdn Bhd and the Trustee relating to the acquisition of 3,712.56 hectares of plantation estate and mill namely Telok Sengat Estate and Telok Sengat Palm Oil Mill for a total purchase consideration of RM147,400,000 to be satisfied by the issuance of 63,244,000 new Units at the issue price of RM1.00 per Unit and cash consideration of RM84,156,000;
- (d) The SPAs dated 14 December 2006 between Boustead Plantations Berhad and the Trustee relating to the acquisition of 2,044.23 hectares of plantation estate and mill namely Lapan Kabu Estate and Lapan Kabu Palm Oil Mill for a total purchase consideration of RM71,750,000 to be satisfied by the issuance of 71,750,000 new Units at the issue price of RM1.00 per Unit;
- (e) The Ijarah Agreement dated 14 December 2006 between Boustead Properties and the Trustee in respect of 6,175.29.00 hectares of plantation estates in Bekoh Estate, Kulai Young Estate, Malaya Estate, Bukit Mertajam Estate, Batu Pekaka Estate and Chamek Estate;
- (f) The Ijarah Agreement dated 14 December 2006 between Boustead Properties and the Trustee in respect of 747.97 hectares of plantation estates under the Malay Reserved Land in Bukit Mertajam Estate and Batu Pekaka Estate;
- (g) The Ijarah Agreement dated 14 December 2006 between Boustead Heah Joo Seang Sdn Bhd and the Trustee in respect of 3,712.56 hectares of plantation estate and mill in Telok Sengat Estate and Telok Sengat Palm Oil Mill;

- (h) The Underwriting Agreement dated 14 December 2006 amongst Boustead REIT Managers, the Managing Underwriter and the Underwriters for the underwriting of 22,000,000 Issue Units under the Retail Offering;
- (i) Letter of appointment dated 7 December 2006 appointing the Plantation Adviser;
- (j) The Declaration of Trust dated 14 December 2006 by the Vendors in favor of the Trustee in respect of the Plantation Assets which are not Malay reserved land;
- (k) The Power of Attorney dated 14 December 2006 by the Vendors in favor of the Trustee in respect of the Plantation Assets which are not Malay reserved land; and
- (l) The Memorandum of Deposit dated 14 December 2006 between the Vendors and the Trustee.

14.6 PLANTATION ASSETS PURCHASED OR TO BE PURCHASED OUT OF THE PROCEEDS OF THE PUBLIC OFFERING

Other than acquisition of the Plantation Assets, there is no transaction, directly or indirectly, relating to any other plantation assets/real estates purchased or to be purchased out of proceeds of the Public Offering.

14.7 CONSENTS

- (a) The written consents of the Principal Adviser, Joint Financial Advisers, Trustee, Valuers, Managing Underwriter, Underwriters, Joint Placement Advisers, Placement Agent, Plantation Adviser, Shariah Adviser, Issuing House, Solicitors for the Vendors, Solicitors for the Joint Financial Advisers, Solicitors for Land Matters, Managing Underwriter and Underwriter, Tax Consultant, Auditors, Registrar and Company Secretary to the inclusion in this Prospectus of their names and references thereto in the manner, form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of the Reporting Accountants to the inclusion in this Prospectus of their name, references thereto and letters on the profit forecast and projections and proforma balance sheets in the manner, form and context in which it appears, 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 its name, references thereto and letter on taxation of Al-Hadharah Boustead REIT in the manner, form and context in which it appears, have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (d) The written consent of the Valuers to the inclusion in this Prospectus of their name, references thereto and valuation certificates in the manner, form and context in which it appears, have been given before the issue of this Prospectus and have not subsequently been withdrawn.

14.8 DIRECTORS' DECLARATION

This Prospectus has been seen and approved by the Directors of Boustead REIT Managers and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are other facts, the omission of which would make any statement herein misleading.

The information pertaining to the Trustee, Registrar and the Shariah Adviser were provided by the management and/or directors of CIMB Trustee, PFA and IBFIM. The responsibility of the Directors of Boustead REIT Managers are therefore restricted to the accurate reproduction of such relevant information as included in this Prospectus.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at registered office of the Manager, during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (a) Valuation reports dated 20 and 21 July 2006 prepared by CH Williams, Talhar & Wong Sdn Bhd;
- (b) Letter dated 14 December 2006 prepared by Ernst & Young on proforma balance sheet and profit forecast and projections of the Al-Hadharah Boustead REIT as referred to in Section 7 of this Prospectus.
- (c) Letter dated 18 December 2006 prepared by Tax Consultant as referred to in Section 12 of this Prospectus;
- (d) Audited accounts of Boustead REIT Managers for the past five (5) financial years ended 31 December 2005;
- (e) Material contracts referred to in Section 14.5 of this Prospectus; and
- (f) Letters of consent as referred to in Section 14.7 of this Prospectus.

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15. APPROVALS/EXEMPTIONS

15.1 APPROVALS AND CONDITIONS

The SC had approved the Proposals on 22 November 2006. The conditions imposed by the SC and their status of compliance are as follows:-

Conditions imposed	Status of compliance
(i) Boustead REIT Managers and its adviser must clearly disclose the following in the Prospectus:	
(a) Clear growth strategy and plans for Al-Hadharah Boustead REIT;	Duly complied with. Disclosed in Section 6.3 of the Prospectus.
(b) The growth plans for the Fund in the medium-term and long-term, such as acquisitions of additional plantation assets;	Duly complied with. Disclosed in Section 6.3.2 of the Prospectus.
(c) The issues pertaining to the plantation assets (transfer of ownership, conversion of land use, etc.), the process and the expected timelines for completion for the transfer of ownership to the Fund;	Duly complied with. Disclosed in Section 6.6.2 of the Prospectus.
(d) The land matters, issues and timeline for completion of the acquisition of Lepad Kabu estate and mill;	Duly complied with. Disclosed in Section 6.6.2 of the Prospectus.
(e) Justification and rationale for the re-planting cost to be borne by the Fund;	Duly complied with. Disclosed in Section 6.6.3 of the Prospectus.
(f) Methodology and formula as to how the proposed rental and future rentals are determined;	Duly complied with. Disclosed in Section 6.6.3 of the Prospectus.
(g) Risks associated with the single tenants and related-party tenants and how these risks are mitigated.	Duly complied with. Disclosed in Section 4.2.3 of the Prospectus.
(ii) Boustead REIT Managers and its adviser to ensure that application to Estate Land Board be made prior to registration of prospectus;	Save for Lepad Kabu Estate, the applications to Estate Land Board for the Plantation Assets have been made prior to registration of Prospectus.
(iii) Boustead REIT Managers and its adviser to ensure compliance with the following conditions with respect to the plantation assets:	

Property description and Conditions	Status of compliance
Kulai Young Estate, Mukim of Senai-Kulai District of Johor Bharu, Johor.	
<ul style="list-style-type: none"> <li data-bbox="384 286 903 347">• To confirm the inclusion of Lot PTD 71227 in the Fund; and <li data-bbox="384 380 903 501">• To make adequate disclosure in the Prospectus pertaining to the Fund holding parts of Lot Nos. 2939 and/or PTD 71227 in trust of the vendor. 	<p data-bbox="930 286 1155 318">Duly complied with.</p> <p data-bbox="930 376 1398 436">Duly complied with. Disclosed in Section 6.6.2 of the Prospectus.</p>
Chamek Estate, Mukim of Paloh and Nyior, District of Keluang, Johor.	
<ul style="list-style-type: none"> <li data-bbox="384 629 903 779">• To obtain the approval for the change of land use for Lot Nos. 132 & 266 to the suitable for oil palm cultivation within six (6) months of the approval letter 	To be complied with.
Malaya Estate, Mukim of Hulu Ijok, District of Selama, Perak.	
<ul style="list-style-type: none"> <li data-bbox="384 907 903 1270">• To obtain the approval for the change of land use of Lot Nos. 206, 208, 213, 206A, 209, 215, 507, 510, 544, 521, 720, 723, 750, 751, 542, 207, 212, 267, 268, 463, 471, 1365, 216, 556, 1275(34-15), 279, 282, 284, 285, 430, 431, 432, 721, 722, 898, 900 to 903, 649, 474, 591, 594 to 597, 875 to 878, 710, 717/718, 1241 1245 and 1830 to the use of suitable for oil palms cultivation within six (6) months of the approval letter. 	To be complied with.

Property description and Conditions	Status of compliance
--	-----------------------------

Bukit Mertajam Estate, Town of Karangan,
Sg. Kob & Kulim, Mukim of Karangan &
Padang China, District of Kulim, Kedah.

- | | |
|--|----------------------|
| <ul style="list-style-type: none">• To obtain approval for the change of land use of Lot Nos. 3, 4, 911, 1241, 71, PT B, 270, 274, 741, 742, 749, 5 to 8, 60, 143, 318, 319, 320, 476, 478, 479, 481, 482, 621, 1244, PT A, 15 to 20, 744, 752, 858, 1311, 1313, 1314 and 1316 to the use suitable for oil palms cultivation within six (6) months of the approval letter. | To be complied with. |
|--|----------------------|

Ladang Batu Pekaka, Mukim of Tawar,
District of Baling, Kedah.

- | | |
|---|---|
| <ul style="list-style-type: none">• To obtain approval for the change of land use of Lot Nos. 7371 to 7373, 246, 1617, 2568 and 242 to the use suitable for oil palms cultivation within six (6) months of the approval letter; and• To resolve the issue on the ownership of the Malay reserved land Lot No. 242 by the Fund prior to the issuance of the Prospectus. | To be complied with.

Duly complied with. |
|---|---|

Telok Sengat Estate, Mukim of Johor
Lama, District of Kota Tinggi, Johor.

- | | |
|--|----------------------|
| <ul style="list-style-type: none">• To obtain approval for the change of land use of Lot Nos. 77, 83, 84,95, 97 to 104, 106, 113, to 115, 117, 431, 706,875, 885 and 434 to the use suitable for oil palms cultivation within six (6) months of the approval letter. | To be complied with. |
|--|----------------------|

Property description and Conditions	Status of compliance
Lepan Kabu Estate, Mukim of Kuala Pahi, District of Kuala Krai, Kelantan.	
<ul style="list-style-type: none"> To obtain approval for the change of land use of Lot Nos. 4 and 5, Mukim of Kuala Pahi and Lot No. 735 Mukim of Manik Urai to the use suitable for oil palms cultivation within six (6) months of the approval letter; and 	To be complied with.
<ul style="list-style-type: none"> To resolve the issue on the ownership of the Malay Reserved Land Lot Nos. 97,735,1483,1484 and 1541 by the Fund prior to the issuance of the Prospectus. 	Duly complied with.
(iv) Boustead REIT Managers or its adviser to inform the SC upon receiving approval of the Estate Land Board, upon submission for the transfer of ownership of the plantation assets to the Fund and upon completion of the transfer of ownership to the Fund;	To be complied with.
(v) The plantation management company (if appointed) must be appointed and paid by the tenants;	Duly complied with. The Plantation Management Company, namely BEA has been appointed by the Tenants and the plantation management fee will be borne by the Tenants.
(vi) Boustead REIT Managers and its adviser to provide evidence of compliance with Clause 4.02(4) of the REIT Guidelines, prior to registration of Prospectus;	Duly complied with.
(vii) Boustead REIT Managers and its adviser to submit an operational audit report to the SC six (6) months after the Fund is launched and listed. The appointment and scope of work shall be subject to the SC's clearance;	To be complied with.
(viii) Boustead REIT Managers to maintain 30% Bumiputera equity at all times;	Noted and will be complied with at all times.

Property description and Conditions	Status of compliance
(ix) SC's approval for the proposed candidates for the Chief Executive Officer, members of the Board of Directors and Investment Committee Members is subject to there being no adverse findings from the vetting process conducted on all candidates;	Noted.
(x) Boustead REIT Managers or its adviser must inform the SC the date of appointment of the Chief Executive Officer, members of the Board of Directors and Investment Committee Members within two (2) weeks after the appointment is made effective;	Duly complied with.
(xi) Boustead REIT Managers or its adviser to inform the SC the listing date of Al-Hadharah Boustead REIT prior to the listing date of the REIT;	To be complied with.
(xii) Boustead REIT Managers and its adviser to inform the SC upon completion of the proposals;	To be complied with.
(xiii) Boustead REIT Managers, CIMB Trustee Berhad and Al-Hadharah Boustead REIT to fully comply with all the relevant requirements in the REIT Guidelines, SCA and any notices that are issued from time to time (where relevant); and	Complied with, where applicable, and save for the waiver granted by the SC as set out in Section 15.2 of the Prospectus.
(xiv) The listing of Al-Hadharah Boustead REIT must be completed within six (6) months from the date of this letter. SC's approval is deemed to lapse if Boustead REIT Managers fails to do so within the stipulated timeframe.	Noted and will be complied with.

15.2 EXEMPTIONS

The SC had also vide its letter dated 22 November 2006 approved the exemption to Boustead REIT Managers from complying with the requirements of being a subsidiary of :-

- (a) a company involved in financial services in Malaysia;
- (b) a property development company;
- (c) a property investment holding company; or
- (d) any other institution which the SC may permit.

16. SALIENT TERMS OF THE DEED

The provision of the SCA, the REIT Guidelines, the Guidelines on Unit Trust Funds issued by the SC and the Securities Industry (Central Depositories) Act 1991, the Rules of the Depository, the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 while the Units are deposited at the Depository pursuant to the Securities Industry (Central Depositories) Act 1991 and the Listing Requirements of Bursa Securities while the Units are listed on Bursa Securities, as amended from time to time, except to the extent of any express written exemption of waiver, affect the terms of the Deed and the rights and obligations of the Trustee, Boustead REIT Managers and the Unitholders.

The information set out below is a summary of the provisions of the Deed and is not exhaustive of the terms and conditions contained therein. A copy of the Deed is available for inspection at the principal place of business of Boustead REIT Managers and the principal place of business of the Trustee during ordinary business hours.

The Deed is a complex document and is summarised as follows. Certain salient terms of the Deed are summarised in other sections of this Prospectus. Recipients of this Prospectus and all prospective investors in the Units should refer to the Deed itself to confirm specific information or for a detailed understanding of the Fund.

The Deed

The Deed constituting Al-Hadharah Boustead REIT was entered into on 11 December 2006 between Boustead REIT Managers as the manager of Al-Hadharah Boustead REIT, and CIMB Trustee, as the trustee of Al-Hadharah Boustead REIT, and the Deed took effect on 14 December 2006 upon registration with the SC.

The terms and conditions of the Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Deed and as if the Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Deed and an authorisation by each Unitholder to do all such acts and things as the Deed may require the Manager or the Trustee (as the case may be) to do.

The provisions of the applicable laws and requirements prescribe certain terms of the Deed and certain rights, duties and obligations of the Manager, the Trustee and the Unitholders under the Deed. REIT Guidelines also impose certain restrictions on real estate investment trusts established in Malaysia, including a restriction on the types of investments which real estate investment trusts established in Malaysia may hold, a general limit on their level of financings (up to maximum of 50.0% of the total asset value of Al-Hadharah Boustead REIT at the time the financing is incurred) and certain restrictions with respect to transactions with related parties.

The Units and Unitholders

The rights and interests of Unitholders are contained in the Deed. Under the Deed, the Trustee safeguards these rights and interests.

Each Unit represents an undivided interest in Al-Hadharah Boustead REIT. A Unitholder has no legal, equitable or proprietary interest in the underlying assets of Al-Hadharah Boustead REIT and is not entitled to the transfer to it of any asset (or any part thereof) or any estate or interest in any asset (or any part thereof) of Al-Hadharah Boustead REIT.

The Unitholders whose names appear in the record of depositors as depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Units (whether conferred or imposed by this Deed or the applicable laws and requirements) and shall be deemed to and be treated as the absolute owner of the Units, as if it were a person included in the Register of Unitholders instead of the Depository or its nominee company in whose name the Units are registered. A global certificate for the Units will be issued and deposited with the Depository in accordance with the Securities Industry (Central Depositories) Act 1991 and Rules of the Depository and no certificates for the Units will be issued to any applications for Units pursuant to any Prospectus.

Issue of Units

Any issue of Units by the Manager shall be made in accordance with the applicable laws and regulations. No fractions of Units will be issued and the Manager may ignore fractions and round down each Unitholder's entitlement to Units to the nearest whole number and has the absolute discretion to resolve any difficulties arising incidentally in relation to the creation or distribution of Units pursuant to the Deed.

The size of the Fund upon listing on Bursa Securities will be up to 472,001,000 Units, of which 71,750,000 Units are to be listed and quoted within six (6) months from the date of listing of the Fund or such other extended period as may be approved by the SC. The prior approvals of the SC and the Trustee are required for any increase in the size of the Fund through the creation of further Units. The prior approval of the Unitholders by way of ordinary resolution or otherwise will also be required for the creation of further Units where stipulated in the Deed or under the application laws and requirements.

The Manager may from time to time recommend to the Trustee any subsequent issuance of Units by any method permitted under the REIT Guidelines and upon such terms as determined by the Manager.

Units, when listed on Bursa Securities, may be traded on Bursa Securities and settled through the Depository system. In addition to any other powers the Manager has to issue Units under the Deed, the Manager may, with the approval of the Trustee and the SC, issue Units at any time to any person at an issue price as follows:

- (a) for the issue of Units in accordance with the offer made in connection with the initial public offering of Units, Units shall be created and issued at the issue price(s) per Unit as set out in or calculated in accordance with the Prospectus.
- (b) for the issue of Units after the initial public offering of Units, subject to the provisions of the applicable laws and regulations, the Manager shall determine the issue price for Units on market-based principles, taking into account the best interests of Al-Hadharah Boustead REIT and the Unitholders.
- (c) where Units are issued or offered to a related corporation or associated person of the Manager or of the Trustee, the price of the Units issued or offered to such related party must be at least the offer price to the general public.

Suspension of Issue of Units

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Requirements of Bursa Securities, suspend the issue of Units during:

- (a) any period when Bursa Securities or any other relevant recognised stock exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- (b) the existence of any state of affairs which, in the opinion of the Manager and the Trustee might seriously prejudice the interests of the Unitholders as whole or of the asset of Al-Hadharah Boustead REIT;

- (c) any breakdown in the means of communication normally employed in determining the NAV of Al-Hadharah Boustead REIT or when for any reason the NAV of Al-Hadharah Boustead REIT cannot be promptly and accurately ascertained;
- (d) any period when remittance of money which will or may be involved in the realisation of any assets of Al-Hadharah Boustead REIT or in the payment of such asset of Al-Hadharah Boustead REIT cannot, in the opinion of the Manager and the Trustee, be carried out at normal rates of exchange;
- (e) in relation to any general meeting of the Unitholders, the period of 48 hours before such general meeting or any adjournment thereof;
- (f) any period where the issuance of Units is suspended pursuant to any order or direction issued by Bursa Securities or any other authorised regulatory body; or
- (g) when the business operations of the Manager or the Trustee in relation to Al-Hadharah Boustead REIT are substantially interrupted or closed as a result of, or raising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing of the same by the Manager or the Trustee (provided the prior written approval of the other is obtained) and shall terminate on the day following the first Market Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing of the same by the Manager or the Trustee (provided the prior written approval of the other is obtained). The Manager will ensure that immediate announcement of such suspension is made to Bursa Securities.

Rights and liabilities of Unitholders

Units shall confer on the Unitholder the rights, amongst others, to receive any distributable earnings, the right to participate in accordance with the Deed in any increase in the value of any of the investments comprised in the assets of Al-Hadharah Boustead REIT and such other rights, benefits, entitlements and privileges as are conferred on them or attached to them by the provisions of the Deed.

A Unitholder's right is limited to the right to require due management and administration of Al-Hadharah Boustead REIT in accordance with provisions of the Deed, including, without limitation, a right to sue the Trustee or the Manager.

Under the Deed, each Unitholder acknowledges and agrees that it 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 assets of Al-Hadharah Boustead REIT (or any part thereof), and waives any rights such Unitholders may otherwise have to such relief. If the Trustee or the Manager breaches its duties or obligations to the Unitholder under the Deed, the 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 the Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach.

Further, unless otherwise expressly provided in the Deed, a Unitholder may not 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, exercise any right in respect of the assets of Al-Hadharah Boustead REIT or any part thereof or lodge any caveat or other notice affecting the assets of Al-Hadharah Boustead REIT or any part thereof, or require that the assets of Al-Hadharah Boustead REIT or any part thereof be transferred to or for the benefit of such Unitholder. The Unitholder may not give any directions to the Manager or Trustee if it would require the Manager or Trustee to do or omit to do anything which may result in the REIT ceasing to comply with the applicable laws and requirements.

The liability of each Unitholder is limited to each Unitholder's investment in Al-Hadharah Boustead REIT. Notwithstanding any other provisions of the Deed, no Unitholder shall be under any obligation to indemnify the Trustee or the Manager or any of their creditors against any liability of the Trustee or the Manager in the respect of Al-Hadharah Boustead REIT.

Amendment of the Deed

The Trustee may join the Manager in making, by supplemental deed, any modification, addition to or deletion from the Deed (including the present clause) without the sanction of any resolution of a meeting of Unitholders duly convened and held in accordance with the provisions of the Deed applicable to the holding meetings of Unitholders, if such alternation, modification, addition or deletion is in the opinion of the Trustee and the Manager and as may be substantiated with legal opinion:

- (a) necessary or expedient to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law) including the requirements under the applicable laws and requirements or any changes to any of the foregoing from time to time;
- (b) made to correct a manifest error or is of a formal, technical or administrative nature only;
- (c) necessary or expedient for the purpose of complying with any ruling issued by the Malaysian taxation authorities relating to taxation of the Al-Hadharah Boustead REIT and/or the Unitholders (including modifications to provisions on distributions under the Deed in order to comply with any ruling on taxation relating to the Al-Hadharah Boustead REIT or the Unitholders); or
- (d) in any other circumstances not materially adverse to the interest of the Unitholders and not likely to become so.

In such case, the Trustee and the Manager must certify in a written statement to the SC that in their opinion such modification, addition or deletion does not materially prejudice the interest of the Unitholder and does not operate to release the Trustee or the Manager from any responsibility of the Unitholder.

If in the opinion of the Trustee any such alteration, modification, addition or deletion referred to above may materially or adversely affect the rights of the Unitholders then such, modification, addition or deletion may only be effected with the consent of a resolution of not less than 2/3 of all Unitholders that are present and voting at the meeting (or such other majority as may be required under the SCA from time to time), given at a meeting duly convened and held in accordance with the provisions of the Deed applicable to the holding of meetings of Unitholders.

Meetings of Unitholders

A meeting for Unitholders may be convened by the Trustee or the Manager on behalf of the Trustee. The Manager must, 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 1/10 in number, whichever is less, of all Unitholders, convene a meeting of Unitholders.

At least 14 days' notice in writing of every meeting (other than a meeting convened to pass a special resolution, which requires at least 21 days' notice) shall be given to the Unitholders in the manner provided in the Deed. The quorum at a meeting shall be as follows:

- (a) where an ordinary resolution only is to be proposed, shall be at least 5 persons present in person or represented by proxy holding at least 10% of the number of Units which carry the right to vote at the meeting; and
- (b) any other resolution (other than an ordinary resolution) is to be proposed, shall be at least 5 persons present in person or represented by proxy holding at least 15% of the number of Units which carry the right to vote at the meeting.

Voting at a meeting shall be by a show of hands provided that a poll shall be taken in any case where:

- (a) in respect of a resolution (other than an ordinary resolution) or it is required by the Deed or by law that the question be decided by a majority which is to be measured by a percentage of the votes of those present; or
- (b) it is demanded either before or immediately after any question is put to a show of hands by Unitholders present, holding (or representing by proxy) between them not less than 5% of the Units issued.

Each Unitholder present in person or by proxy has one vote on a show of hands. On a poll, each Unitholder present in person or by proxy has one vote for each Unit such Unitholder holds.

A Unitholder shall be entitled to attend and vote at any meeting of Unitholders in person or by proxy. Where the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with Units standing to the credit of the said securities account.

Where a Unitholder appoints 2 proxies in accordance with this provision the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy. Such proxy shall have the same rights as the member to vote whether on a poll or a show of hands, to speak and to be reckoned in a quorum.

The Manager is not permitted to hold Units other than up to 1,000 promoter Units which must be disposed of on the Market Day immediately following the listing of the Units. Neither the Manager nor its related corporations or associated persons (as defined in the Deed) shall be entitled to vote in respect of any matter and shall not be counted in a quorum, unless otherwise permitted by the applicable laws and requirements or by the SC.

Role of the Trustee

The Trustee has under the other provisions of the Deed or under law, the Trustee in performing its duties hereunder and/or under the law (on the recommendation of the Manager in writing) shall be deemed to have full and absolute powers in relation to the Al-Hadharah Boustead REIT for:

- (a) letting, sub-letting, leasing, sub-leasing, licensing and sub-licensing or procuring the letting, sub-letting, leasing, sub-leasing, licensing and sub-licensing by any entity, any real estate to and accepting surrenders thereof from any person with power to compromise with the tenant, sub-tenant, lessees, sub-lessees, licensees, sub-licensees and others and to execute and pay for repairs and improvements;
- (b) instituting, prosecuting, compromising and defending legal proceedings including legal proceedings instituted to secure compliance with the provisions of the Deed and the terms of any Prospectus relating to the Al-Hadharah Boustead REIT and legal proceedings instituted to recover any loss suffered by Unitholders in respect of their investment under the Deed subject to the Deed;
- (c) attending and voting at meetings of any company, shares in the capital of which are authorised investments;
- (d) building, developing, demolishing, altering, repairing, extending, rebuilding, improving, replacing or reconstructing any real estate in whole or in part;
- (e) creating, giving, renewing, altering or varying any mortgage, charge or other encumbrance over the Al-Hadharah Boustead REIT or any part thereof in accordance with the Deed to secure the payment of any money or the performance of any obligation whatsoever or howsoever arising of any person upon such terms and conditions as the Trustee and the Manager may think fit;

- (f) giving in favour of any person any guarantee or indemnity or any guarantee and indemnity for the payment of money or for the performance of any obligation whatsoever or howsoever arising of any person and the Trustee may secure any part or parts of the Al-Hadharah Boustead REIT;
- (g) purchasing or selling any of the Al-Hadharah Boustead REIT or authorised investments for cash or any other consideration, including the issuance of Units as may be permitted by applicable laws and requirements, and including granting or purchasing options;
- (h) performing and enforcing agreements;
- (i) issuing powers of attorney to appoint any person to be the attorney for the Trustee, provided that any appointed attorney must exercise its powers in compliance with the Deed;
- (j) insuring the assets of the Al-Hadharah Boustead REIT;
- (k) subject to the Deed, raising or financing with or without security for the purposes of the Al-Hadharah Boustead REIT;
- (l) subdividing or consolidating into lots any real estate for the time being comprised in the Al-Hadharah Boustead REIT and for such purpose or otherwise to dedicate, vest in, transfer or grant to the government, any authority or any person any portion of such real estate or any rights therein and any similar arrangements for facilitating the development or other work specified in the Deed;
- (m) paying any outgoings connected with the assets of Al-Hadharah Boustead REIT or the Deed which are not otherwise payable by the Manager, including, without limitation, all taxes imposed in connection with the assets of Al-Hadharah Boustead REIT;
- (n) approving annual budgets prepared by the Manager for the Al-Hadharah Boustead REIT and the management and operation of the assets of Al-Hadharah Boustead REIT;
- (o) generally, managing and turning to account the assets of Al-Hadharah Boustead REIT; and
- (p) doing such other things as may appear to the Trustee to be incidental to any or all of the above powers,

and none of the provisions of the Deed shall be read down to limit:

- (i) the powers conferred on the Trustee by any of the other provisions and each provision shall be severally considered; or
- (ii) the powers of the Trustee under the applicable laws and requirements.

On the Manager's recommendation, the Trustee may incur financings for the acquisition of any real estate assets by Al-Hadharah Boustead REIT PROVIDED THAT the total financings (including total amount raised via issuance of Debenture including Islamic securities as prescribed under the Guidelines on the Offering of Islamic Securities) of Al-Hadharah Boustead REIT shall not exceed 50% of the total asset value of Al-Hadharah Boustead REIT (or such other level permitted under the REIT Guidelines from time to time) at the time the financings are incurred, unless the prior approval of the Unitholders has been obtained or exempted by the SC or permitted by the applicable laws and requirements.

The Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Deed and the applicable laws and requirements. It must retain Al-Hadharah Boustead REIT's assets, or cause Al-Hadharah Boustead REIT's assets to be retained, in safe custody and cause Al-Hadharah Boustead REIT's accounts to be audited.

The Trustee will cause all real estate held by Al-Hadharah Boustead REIT to be valued by a qualified valuer at least once every 3 years from the last valuation date for Al-Hadharah Boustead REIT or as the REIT Guidelines may stipulate.

The Trustee may under the Deed:-

- (a) appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Deed subject always in compliance with the REIT Guidelines and the Deed;
- (b) appoint and engage any independent financial advisers (and if appropriate, without being required to consult the Manager in any such appointment of an independent financial adviser), auditors, valuers, legal practitioners, accountants, surveyors, stockbrokers, contractors, qualified advisers, service providers and such other persons as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations and all reasonable and proper fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings properly chargeable in respect thereof shall be paid out of the assets of Al-Hadharah Boustead REIT if permitted pursuant to the Deed. Where applicable, such person appointed or engaged must comply with the qualifications set out in the REIT Guidelines; and
- (c) appoint and engage any real estate agents or managers or service providers or such other persons in relation to the project management, lease management, marketing or property management of any of the real estate held by Al-Hadharah Boustead REIT and even if such real estate agents or managers are related corporations or associated persons of the Manager (to the extent permitted under the REIT Guidelines and PROVIDED THAT the related corporation or associated person shall provide such services to the Al-Hadharah Boustead REIT on normal commercial terms) and pay to such real estate agents or managers in respect of their services such fees as are commercially reasonable or usual and are approved by the Trustee which shall be paid out of the assets of Al-Hadharah Boustead REIT as an expense of the Al-Hadharah Boustead REIT if permitted pursuant to the Deed.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, negligence, wilful default, breach of trust or breach of the Deed or contravention of the SCA. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of Al-Hadharah Boustead REIT over which the Trustee has recourse, provided that the Trustee has acted without fraud, negligence, wilful default, breach of trust, breach of the Deed or contravention of the SCA.

Role of the Manager

Subject to the provisions of the Deed and the applicable laws and requirements, the Manager shall carry out all activities as it may deem necessary for the management of the Al-Hadharah Boustead REIT and its business. Without limiting the generality of the foregoing, the Manager shall, in managing the Al-Hadharah Boustead REIT, undertake the following activities:

- (a) develop a business plan for the assets of Al-Hadharah Boustead REIT in the short, medium and long term with a view to maximise income of the Al-Hadharah Boustead REIT;
- (b) 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 the Al-Hadharah Boustead REIT;
- (c) supervise and oversee the management of assets of Al-Hadharah Boustead REIT (including but not limited to lease audit, systems control, data management and business plan implementation) in accordance with the provisions of the Deed;
- (d) ensure that it complies with its operations manual;

- (e) in accordance with the applicable laws and requirements, the Valuers, Appraisers and Estate Agents Act 1981, generally advise on and procure through property management companies, service providers or by itself (where permitted), the maintenance of any real estate, including but not limited to such repair, painting, alteration, rebuilding and/or improvement of any real estate which the Manager considers to be necessary or desirable;
- (f) prepare annual budgets for the Al-Hadharah Boustead REIT and the management and operation of the Al-Hadharah Boustead REIT;
- (g) make the necessary announcements in relation to the Al-Hadharah Boustead REIT as may be required by the Listing Requirements;
- (h) lodge statutory returns;
- (i) manage all tax affairs of the Al-Hadharah Boustead REIT including the appointment of advisers as required;
- (j) give directions to the Trustee to ensure the smooth and efficient performance of the Trustee's duties under the Deed and under the applicable laws and requirements;
- (k) determine if any taxes, expenses, outgoings, losses, debts or obligations will be paid or borne out of the capital or income of the Al-Hadharah Boustead REIT;
- (l) institute, defend, conduct, settle, discontinue or compromise legal proceedings as the Manager, with the approval of the Trustee, deems fit of which the Trustees' approval shall not be unreasonably withheld;
- (m) undertake primary management activities in relation to the Al-Hadharah Boustead REIT;
- (n) manage real estate assets through the procurement of service providers under the Deed to carry out specified activities;
- (o) manage the finances of the Al-Hadharah Boustead REIT and wherever necessary from time to time, the Manager may procure professional services from a service provider to do so;
- (p) develop and maintain investor relations;
- (q) ensure legal and corporate compliance in relation to the assets of Al-Hadharah Boustead REIT;
- (r) manage and supervise service providers appointed for the conduct, project leasing, marketing and customer relationship management activities;
- (s) prepare such property market reports which the Manager considers to be relevant and appropriate and wherever necessary, appoint a service provider to do so;
- (t) prepare, issue and, if necessary, lodge any Prospectus or any circular publicity material, sales literature or other documents in connection with the Al-Hadharah Boustead REIT and the issuance of Units;
- (u) carry out such other activities as the Manager may consider necessary from time to time; and
- (v) exercise and/or enforce via the Trustee lease/tenancy agreements against the respective lessees/tenants, if necessary.

The Manager may, subject to the provisions of the Deed, appoint and engage or direct the Trustee to appoint:

- (a) legal practitioners, accountants, surveyors, stockbrokers, contractors, qualified advisers, real estate agents, managers or service providers and such other persons as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations and if permitted under the Deed, all fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings in relation thereto shall be paid from the Fund provided that any such person appointed or engaged be approved by the Trustee and where applicable, such person appointed or engaged complies with the qualifications set out in the REIT Guidelines; and
- (b) any real estate agents or managers or service providers or such other persons in relation to the project management, tenancy and lease management, marketing or property management of any real estate held by the Al-Hadharah Boustead REIT and even if such real estate agents or managers are related corporations or associated persons of the Manager (to the extent permitted under the REIT Guidelines and PROVIDED THAT the related corporation or associated person shall provide such services to the REIT on normal commercial terms) and pay to such real estate agents or managers in respect of their services such fees as are commercially reasonable or usual and are approved by the Trustee which shall be paid out of the assets of Al-Hadharah Boustead REIT as an expense of the REIT if permitted under the Deed and provided that any such person appointed or engaged be approved by the Trustee. Where applicable, such person appointed or engaged complies with the qualifications set out in the REIT Guidelines.

The Manager shall not incur any liability (in the absence of fraud, negligence, wilful default or breach of the Deed) by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith thereunder. The Manager shall account to the Trustee for any loss suffered by the Al-Hadharah Boustead REIT as a result of the Manager's failure to exercise the degree of care and diligence required in managing the Al-Hadharah Boustead REIT.

Retirement, Removal and Replacement of the Manager & Trustee

The Manager may retire upon giving 6 months' 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 Manager in its stead subject to the approval the SC. On retirement, the Manager shall not be entitled to any extra or additional remuneration.

The corporation so appointed shall execute a deed in such form as the Trustee may reasonably require whereby such corporation shall undertake to the Trustee and the Unitholders jointly and severally all the obligations of the retiring Manager and thereupon the retiring Manager shall be absolved and released from all further obligations under the Deed and the new Manager shall and may thereafter exercise all the powers and discretions and enjoy all the rights and shall be subject to all the duties and obligations of the Manager hereunder as fully as though such new Manager had been originally named as a party to the Deed.

If the Manager:

- (a) has ceased to exist; or
- (b) is not validly appointed; or
- (c) is not eligible to be appointed or to act as Manager pursuant to Section 98 of the SCA; or
- (d) fails or refuses to act as Manager in accordance with the provisions or covenants of the Deed or the provisions of the SCA; or

- (e) has a receiver appointed over the whole or a substantial part of its assets or undertaking and the Manager has 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); or
- (f) is under investigation for conduct that contravenes the Act or any Securities Law (as defined in Section 2(1) of the SCA); or
- (g) is required to be removed by the SC or is required to be removed pursuant to the provisions of the REIT Guidelines; or
- (h) is required to be removed by the Unitholders by way of a special resolution 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 shall as soon as practicable after becoming aware of any of the above events take all reasonable steps to remove the Manager from its appointment under the Deed and appoint by way of deed a replacement Manager which is eligible to be appointed to act as Manager under the SCA and which has been approved by the SC.

If the Manager is removed from its appointment under the Deed by the Trustee, without prejudice to the Trustee's right to appoint a replacement Manager in accordance with the Deed, the Manager shall have the right to nominate a new Manager (duly approved as aforesaid) 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. From the effective date of removal the Manager shall be released from the Deed and the trusts (but without prejudice to liability for antecedent breach) and will be entitled to call upon the Trustee (insofar as it is able so to do) to execute a deed confirming such release and indemnifying the Manager against any claims which are not caused by or a result of or arising from or are in respect of any fraud or dishonesty on the part of the Manager or any existing or antecedent neglect default breach of trust or breach of duty imposed by statute or rule of law on the part of the Manager. Any such release or discharge shall not affect any consequential liability of the Manager to the Unitholders which may have accrued before the Manager's removal.

The Trustee may retire upon giving 6 months' written notice to the Manager (or such shorter period as may be agreed upon with the Manager) whereupon the Manager shall within 3 months 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 SCA and who has been approved by the SC. On retirement, the Trustee shall not be entitled to any extra or additional remuneration.

If the Trustee:

- (a) has ceased to exist; or
- (b) is not validly appointed; or
- (c) is not eligible to be appointed or to act as trustee pursuant to Section 99 of the SCA; or
- (d) fails or refuses to act as trustee in accordance with the provisions or covenants of the Deed or the provisions of the SCA; or
- (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 Trustee Act 1949, the Act or any Securities Law (as defined in s 2(1) of the SCA),

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 SCA 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 within reasonable period despite the request from the Manager to remedy the breach or on the grounds arising from a breach of trust, wilful negligence or default, dishonesty, fraud, or where the Trustee fails to show the degree of care and diligence and another trustee (which is eligible to be appointed to act as trustee under the SCA and duly approved by the SC) appointed if the Unitholders decide on such removal and replacement by a special resolution 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 101(2) of the SCA 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 the Deed.

A Trustee which retires or is removed in accordance with the provisions of the Deed or by the SC pursuant to the SCA, will from the effective date of such retirement or removal be released from the Deed (but without prejudice to liability for antecedent breach) and will be entitled to call upon the Manager to execute a Deed confirming such release and indemnifying the Trustee against any claims arising out of its execution of Al-Hadharah Boustead REIT PROVIDED THAT such claims are not caused by or result or arise from or are in respect of any fraud or dishonesty on the part of the Trustee or any existing or antecedent neglect, default, breach of trust or breach of duty imposed by statute or rule of law on the part of the Trustee. Any such release or discharge shall not affect any consequential liability of the Trustee to the Unitholders which may have accrued before the Trustee's removal.

Manager's Fees and Trustee's Fees

- (a) In consideration of the services rendered by the Manager to the Al-Hadharah Boustead REIT, an annual management fee of up to 0.3% per annum of the NAV of the Al-Hadharah Boustead REIT and a performance fee (excluding any service tax payable) of up to 2.5% of the performance-based profit sharing payable annually to the Trustee pursuant to the Ijarah Arrangements is to be paid to the Manager as may be determined by the Manager. Subject to the above, there will be no payment due to the Manager by way of remuneration for its services upon the subscription for or sale or re-purchase of a Unit and upon any distributions or re-investments of income and capital or otherwise under the Deed.
- (b) The management fee, which is payable monthly in arrears, accrues daily, is calculated as at the end of each month, or such proportion of the fee for such part of a month, as the case may be, and must be paid within five (5) working days from the end of each month and the performance fee is payable annually not later than two (2) months from the expiry of the last Market Day of the relevant financial year.
- (c) The maximum management fee may only be varied upwards with the prior approval of the Trustee and the Unitholders in accordance with the Deed. A supplemental deed in accordance with the Deed shall be issued thereafter.

The Trustee will consider whether the fees and other remuneration payable to the Manager in respect of the Al-Hadharah Boustead REIT are reasonable having regard to the nature, quality and extent of the services performed by the Manager including and with reference to:

- (a) the amount of such fees in relation to the size and composition of the portfolio of the Al-Hadharah Boustead REIT;
- (b) the success of the Manager in meeting the investment objectives of the Al-Hadharah Boustead REIT; and
- (c) the performance of the Al-Hadharah Boustead REIT, including income of the Al-Hadharah Boustead REIT, and the maintenance or appreciation of the capital.

If the Trustee forms an opinion at any time that these fees are unreasonable having regard to the interests of Unitholders, then the Trustee shall take such necessary actions, which may include convening a meeting of Unitholders, to ensure that the fees are commensurate with the services rendered.

In addition to the management fee referred to above, the Manager is entitled to receive from the Trustee out of the assets of the Al-Hadharah Boustead REIT:

- (a) an acquisition fee of 1.0% of the acquisition price of any real estate or single-purpose company purchased by the Trustee for the Fund (pro-rated if applicable to the proportion of the interest of the Al-Hadharah Boustead REIT in the asset acquired). For the avoidance of doubt, there shall be no acquisition fee payable by the Manager in relation to the proposed acquisition of the Plantation Assets by the Al-Hadharah Boustead REIT in connection with the establishment of the Fund; and
- (b) a divestment fee of 0.5% of the sale price of any asset being real estate or a single-purpose company sold or divested by the Trustee) pro-rated if applicable to the proportion of the interest of the Al-Hadharah Boustead REIT in the asset sold).

In consideration of the services rendered by the Trustee to Al-Hadharah Boustead REIT, annual trusteeship fee of up to 0.03% per annum of the NAV of Al-Hadharah Boustead REIT is to be paid to the Trustee. Other than this, there will be no payment due to the Trustee by way of remuneration for its services upon the subscription for or sale or repurchase of a Unit and upon any distributions or re-investments of income and capital or otherwise under this Deed.

The maximum trusteeship fee may only be varied upwards with the prior approval of the Unitholders in accordance with the Deed. A supplemental deed in accordance with the Deed shall be issued thereafter.

The trusteeship fee, which is payable monthly in arrears, accrues daily, is calculated daily, or calculated as such proportion of the fee for such part of a month, as the case may be.

The Trustee shall be entitled to additional remuneration for services performed which are outside its ordinary scope of duties and responsibility as set out in the Deed and the applicable laws and requirements PROVIDED THAT such additional remuneration and scope of duties and responsibilities shall be in accordance with the prevailing market rate and be subject to the agreement of the Manager.

Permitted charges of Al-Hadharah Boustead 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 the Al-Hadharah Boustead REIT or the capital of the Al-Hadharah Boustead REIT (as determined from time to time between the Manager after consultation with the auditor) 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 the Al-Hadharah Boustead REIT as follows:

- (a) fees and costs of engaging any expert or independent adviser in connection with any breach or default in the observance or performance by either of them of the covenants, obligations, conditions and provisions of the Deed;
- (b) costs of convening and holding of any meeting of Unitholders and carrying out any directions or resolutions of any such meeting, other than those convened for the benefit of the Manager and/or the Trustee;
- (c) the fees and expenses properly incurred by the auditor;
- (d) the fees and disbursements of the solicitors for either the Trustee or the Manager in advising the Al-Hadharah Boustead REIT or the Manager as the case requires on matters arising in connection with the discharge of its obligations under the Deed;
- (e) stamp duties (if any);
- (f) bank fees and other charges (including but not limited to bank account debit tax and charges in respect or financial institutions duty) incurred in connection with the keeping of or the transaction of business on the bank accounts for the Trustee or of the Manager in relation to the Al-Hadharah Boustead REIT and its management;
- (g) the cost of printing and sending out to Unitholders, accounts, cheques, distribution statements, reports, circulars and other notices or documents as may be agreed upon by the Trustee and the Manager to be necessary or desirable to be circulated amongst or sent out to Unitholders;
- (h) the cost of preparing and printing the Prospectus or any other offering document registered in relation to the Al-Hadharah Boustead REIT or any letters of offer or other documents for the issue of Units required by law and all other costs and expenses incurred in relation to the listing of the Fund including underwriting brokerage and commissions, advisers' fees and expenses, fees payable to regulatory authorities, printing and advertising charges provided that the no service charge or upfront fee is payable to the Manager in connection with the listing of the Fund or such other issue;
- (i) reasonable remuneration of and all costs, charges and expenses incurred by any receiver or liquidator appointed under the Deed;
- (j) all duties, taxes, charges expenses and outgoings which by the provisions of the Deed may be or are to be borne by or out of the Al-Hadharah Boustead REIT or are charged on the Al-Hadharah Boustead REIT by the Government and other authorities and which are to be brought to account when determining the amount available for distribution by the Al-Hadharah Boustead REIT and which are in fact paid by the Trustee or the Manager provided that this provision (j) shall not impose on the Trustee or the Manager any obligation not elsewhere in the Deed imposed on either or both of them to pay such duties, taxes, costs, charges, expenses and outgoings;

- (k) the fees and disbursements of any qualified valuer appointed pursuant to the Deed for the valuation of any investment of the Al-Hadharah Boustead REIT for the benefit of the Al-Hadharah Boustead REIT;
- (l) expenses incurred in the maintenance of real estate held by the Al-Hadharah Boustead REIT including the fees of any duly appointed plantation adviser;
- (m) all outgoings which are a necessary or desirable incident of the investment or administration of the Al-Hadharah Boustead REIT including but without limiting the generality of the foregoing quit rent, assessment, water rates, repairs and maintenance, Takaful, electricity for common areas and cleaning charges incurred in relation to any real estate held by the Al-Hadharah Boustead REIT;
- (n) costs incurred in connection with the removal or retirement of the Trustee or the Manager in accordance with the Deed;
- (o) costs incurred for the modification of the Deed, other than in relation to modifications for the benefit of the Manager and/or the Trustee; and
- (p) such other costs and expenses that the Trustee accepts as being directly related and necessary to the business of the Al-Hadharah Boustead REIT;

PROVIDED THAT expenses associated with the management and administration of the Al-Hadharah Boustead REIT, including general overheads and costs for services which the Manager or Trustee is expected to provide, or falling within the normal expertise of the Manager or Trustee, must not be charged to the Al-Hadharah Boustead REIT. Without limitation to the generality of the foregoing, all fees and expenses of any person which the Manager may appoint to carry out its investment management function must not be charged to the Al-Hadharah Boustead REIT.

Term of Al-Hadharah Boustead REIT

The Al-Hadharah Boustead REIT shall commence on the date of registration of the Deed with the SC ("Commencement Date") and shall terminate on the earlier of:

- (a) the occurrence of any of termination events as set out in the Deed; or
- (b) the date 88 years after the Commencement Date, or until such further period as the law may permit.

Termination of Al-Hadharah Boustead REIT

The Trustee may terminate the Al-Hadharah Boustead REIT:

- (a) if at a duly convened meeting of Unitholders a special resolution is passed that the Al-Hadharah Boustead 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 110 of the SCA, a special resolution is passed that the Al-Hadharah Boustead REIT be terminated subject to the provision of the Deed; or
- (c) if the Manager notifies the Trustee in writing that the size of the Al-Hadharah Boustead REIT is less than RM100,000,000.00 (or such minimum size permitted by the SC and Bursa Malaysia) and recommends that the Al-Hadharah Boustead REIT be terminated on the basis that there is no foreseeable plan to increase the size of the Al-Hadharah Boustead REIT; or

- (d) if at any time after the date of listing, the Units are unconditionally suspended from trading by Bursa Securities and such suspension subsists for a continuous period of 90 Market Days and at a duly convened meeting of Unitholders, an ordinary resolution is passed that the Al-Hadharah Boustead REIT be terminated; or
- (e) if at any time after the date of listing, the Units are unconditionally suspended from trading by Bursa Securities and such suspension subsists for a continuous period of 6 months the Al-Hadharah Boustead REIT will, notwithstanding any rights, powers or duties of the Manager or the Trustee and directions given by or resolutions of holders of the Units, immediately determine and its winding-up will immediately commence upon the end of such 6 months; or
- (f) if at any time during the life of the Al-Hadharah Boustead 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 before such a meeting, setting out the action they recommend the meeting to endorse to meet such changes, and the meeting decides to terminate the Al-Hadharah Boustead REIT; or
- (g) if the listing of the Fund does not take place within 3 months from the date of the Prospectus for the listing.

No later than 2 weeks after the decision by the Trustee to terminate the Al-Hadharah Boustead REIT in accordance with the Deed, the Manager shall notify all Unitholders of such termination, the reasons and the date of the decision to terminate the Al-Hadharah Boustead REIT.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING

17.1 OPENING AND CLOSING APPLICATIONS

Applications for the Issue Units will be accepted from 10.00 am on 15 January 2007 and will be closed at 5.00 pm on 26 January 2007 or for such further period or periods as the Directors of Boustead REIT Managers and the Managing Underwriter in their absolute discretion may mutually decide. **Late applications will not be accepted.**

Any extension to the closing date for the applications will be published in a widely circulated English daily newspaper within Malaysia.

17.2 METHODS OF APPLICATION

Applications for the Issue Units may be made using either of the following ways:

- (i) Application Forms; or
- (ii) Electronic Applications.

17.3 PROCEDURES FOR APPLICATION

Applications shall be made in relation with and subject to the terms of this Prospectus and the Deed.

(a) Application by the Eligible Persons

Application for 2,000,000 Issue Units reserved for the Eligible Persons must be made only through the PINK Application Forms provided and not other Application Form, by way of Electronic Application. The amount payable in full on application is RM0.99 per Unit.

(b) Application by Malaysian public

Applications for 20,000,000 Issue Units made available for applications by Malaysian citizens, companies, societies, co-operatives and institutions must be made through the WHITE Application Forms provided or by way of Electronic Application through Participating Financial Institutions.

Applications using the WHITE Application Forms are only allowed to submit one application each. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Application or vice-versa. A corporation or institution cannot apply for the Issue Units by way of Electronic Application.

Only one Application Form from each Applicant will be considered and each application must be for 100 Issue Units or multiples thereof. Multiple applications will not be accepted. A person who submits multiple applications in his own name or by using the name of others, with or without their consent, commits an offence under Section 87A of the Securities Industry Act, 1983 ("SIA") and if convicted, may be punished with a minimum fine of RM 1,000,000 and to a jail term of up to 10 years under Section 88B of the SIA.

The amount payable in full on application is RM0.99 per Unit and is subject to part refund in the event that the Retail Offering and the Institutional Offering are not completed and/or less than RM125 million proceeds are raised from the Public Offering.

Persons submitting applications by way of Application Forms or by way of Electronic Applications MUST have a CDS Account.

Directors and employees of MIDFCCS and their immediate family members are strictly prohibited from applying for the Issue Units in this exercise.

The name and address of the applicant must be exactly the same as the **APPLICANT'S IDENTITY CARD ("NRIC") (TOGETHER WITH THE CHANGE OF ADDRESS CARD or "RESIT PENGENALAN SEMENTARA (KPPK 09)"** in the case of an individual applicant except for the address of armed forces or police personnel which should be based on the address of the applicant's respective camp, base or station. In the case of a corporate or an institutional applicant, the name of the applicant must be exactly the same as the **APPLICANT'S CERTIFICATE OF INCORPORATION** and the address must be exactly the same as the registered address.

17.4 APPLICATION USING APPLICATION FORMS

17.4.1 Application Forms

The following relevant Application Forms issued with the notes and instructions printed herein, are accompanied with this Prospectus:

- (i) PINK Application Forms for application by the Eligible Persons; and
- (ii) White Application Forms for applications by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputra individuals, companies, societies, co-operatives and institutions.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability from MIMB/Affin Bank/Affin Investment Bank, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and MIDFCCS.

No acknowledgement of the receipt of the Application Form or application monies will be made by Boustead REIT Managers and/ or MIDFCCS.

17.4.2 Terms and conditions for applications using Application Form

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions set out below:

- (a) An applicant who is an individual must be a Malaysian citizen residing in Malaysia, with a Malaysian address and with a CDS Account;
- (b) Applicants which are corporations/institutions incorporated in Malaysia must have CDS Accounts and are subject to the following requirements;
 - (i) If the corporation /institution has a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and

- (ii) There is a majority of Malaysian citizens on the board of Directors/trustee.
- (c) An applicant which is a superannuation, provident or pension fund must be established or operating in Malaysia and with a CDS Account.
- (d) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in items (b) and (c) above or the trustees thereof.
- (e) Applications for the Issue Units must be made on the Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 41(2) of the SCA, a form for application of securities must be accompanied by a copy of a prospectus, which has been registered by the SC under Section 32 of the SCA. Accordingly, the Application Form together with the notes and instructions printed therein shall constitute an integral part of this Prospectus. Applications which do not STRICTLY conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible will not be accepted.
- (f) Each completed Application Form must be accompanied by remittance in RM for the full amount payable by any of the following:
 - (i) **BANKERS DRAFT or CASHIER'S ORDER** purchased within Malaysia only and drawn on a bank in Kuala Lumpur: or
 - (ii) **MONEY ORDER or POSTAL ORDER** (for applicants from Sabah and Sarawak only); or
 - (iii) **GUARANTEED GIRO ORDER ("GGO")** from Bank Simpanan Nasional Malaysia Berhad; or
 - (iv) **ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING:**
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad (formerly known as Bumiputra-Commerce Bank Berhad);
 - EON Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad;
 - Public Bank Berhad;
 - RHB Bank Berhad; or
 - Southern Bank Berhad.

and must be made out in favour of "**MIDF UNIT ISSUE ACCOUNT NUMBER 611**" and crossed "**A/C PAYEE ONLY**" (excluding ATM statements) and endorsed on the reverse side with the **NAME AND ADDRESS OF THE APPLICANT** (exactly as stated in the Application Forms).

Applications accompanied by any mode of payment other than those stated above or with excess or insufficient remittances or inappropriate banker's draft, cashier's order, cheque issued by participating licensed financial institutions, GGO, money order, postal order or ATM statement will not be accepted. Details of the remittance must be completed in the appropriate boxes provided in the Application Forms.

- (g) An applicant **MUST** state his CDS Account number in the space provided in the Application Form and he shall be deemed to have authorised the Depository to disclose information pertaining to the CDS Account to Boustead REIT Managers and/or MIDFCCS.
- (h) The name and address of the applicant must be written on the reverse side of the Banker's Draft, Cashier's Order, ATM Statement, Money Order, or GGO from Bank Simpanan Nasional Malaysia Berhad.
- (i) The Directors of the Manager reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS at anytime prior to the listing of the Units to ascertain the regularity or propriety of the application. The Directors of Boustead REIT Managers shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (j) MIDFCCS, acting under the authority of the Directors of Boustead REIT Managers reserves the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (k) MIDFCCS, acting under the authority of the Directors of Boustead REIT Managers reserves the right not to accept any application or accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Issue Units to a reasonable number of applicants with a view to establish an adequate market for the Issue Units.
- (l) Where an application is not accepted or accepted in part only, the full amount or the balance of the application monies, as the case may be, without interest, will be returned and despatched to the applicant within 10 Market Days from the date of the final ballot of the applications by ordinary post or registered post to the applicant's address last maintained with the Depository, or where the application is not accepted due to the applicant not having provided a CDS Account, to the address per the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time or the Authority Card in the case of armed forces/police personnel, at the applicant's own risk.
- (m) The applicant shall ensure that his personal particulars stated in the Application Form are identical with the records maintained by the Depository. The applicant must inform the Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his registered or correspondence address last maintained with the Depository.

- (n) MIDFCCS, acting under the authority of the Directors of Boustead REIT Managers reserves the right to bank in all application monies from unsuccessful Bumiputra applicants and partially successful Bumiputra applications, which would be subsequently be refunded without interest and shall be dispatched to the applicant within 10 Market Days from the date of the final ballot of the applications by registered post to the applicant's address last maintained with the Depository, at the applicant's own risk.
- (o) Completed Application Forms accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the Issuing House at the following address:
- MIDF Consultancy and Corporate Services Sendirian Berhad
Tingkat 12, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur
- or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the ground floor of Bangunan MIDF, 195A, Jalan Tun Razak, 50400 Kuala Lumpur, so as to arrive not later than 5.00 p.m. on 26 January 2007 or for such further period or periods as the Directors of Boustead REIT Managers and the Managing Underwriter in their absolute discretion may mutually decide.
- (p) **PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIDFCCS.**

17.5 APPLICATIONS USING ELECTRONIC APPLICATION

17.5.1 Steps for Electronic Applications through a Participating Financial Institution

- (a) Applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) Applicant **MUST** have a CDS Account; and
- (c) Applicant is to apply for the Issue Units via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are set out in the terms and conditions for Electronic Applications (please refer to Section 17.5.3 below). Applicant is to enter at least the following information through the ATM where the instruction on the ATM screen at which he enters his Electronic Application requires him to do so:
- Personal Identification Number ("PIN");
 - MIDF Unit Issue Account Number 611;
 - CDS Account Number;
 - Number of Issue Units applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

Note:

Applicants of the Issue Units should take note that the word 'share' or 'shares' appearing on the ATM screen should be taken to represent 'Unit(s)' in the application process.

17.5.2 Participating financial institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad (formerly known as Bumiputra-Commerce Bank Berhad);
- EON Bank Berhad
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

17.5.3 Terms and conditions of Electronic Applications

The procedures for Electronic Applications at ATMs of Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"). The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to the "applicant" in terms and conditions for Electronic Applications and the Steps shall mean the applicant who applies for the Issue Units through an ATM of any of the Participating Financial Institutions.

Only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

The applicant must have an existing account with, and be an ATM cardholder of one of the Participating Financial Institutions before he can make an Electronic Application at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Issue Units at an ATM belonging to other Participating Financial Institutions. Upon the completion of this Electronic Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by Boustead REIT Managers or MIDFCCS. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the Public Offering for the application for the Issue Units on 26 January 2007 at 5.00 p.m. ("Closing Date and Time"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the Issue Units to MIDFCCS as soon as practicable but not later than 12 p.m. of the second (2nd) business day after the Closing Date and Time.

An applicant will be allowed to make an Electronic Application for Issue Units via an ATM that accepts the ATM card of the Participating Financial Institution of which he has an account and its branches, subject to the applicant making only one application.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING CONDITIONS.

The Electronic Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Application shall be made in relation with and subject to the terms of this Prospectus and the Deed.
- (ii) The applicant is required to confirm the following statements (by pressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - He has attained 18 years of age as at the closing date of the Issue Unit application;
 - He is a Malaysian citizen residing in Malaysia;
 - He has read this Prospectus and understood and agreed with the terms and conditions of the application;
 - This is the only application that he is submitting; and
 - He thereby gives consent to the Participating Financial Institution and the Depository to disclose information pertaining to him and his account with the Participating Financial Institution and the Depository to MIDFCCS and other relevant authorities.

The application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or the Depository, as the case may be, of any of the applicant's particulars to MIDFCCS, or any relevant regulatory bodies.

- (iii) **THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR ISSUE UNITS AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE (1) ELECTRONIC APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE ISSUE UNITS, WHETHER AT THE ATMs OF ANY PARTICIPATING FINANCIAL INSTITUTIONS, ON THE PRESCRIBED APPLICATION FORMS.**

- (iv) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is being made, will be rejected.
- (v) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Issue Units applied for as stated on the Transaction Record or any lesser number of Issue Units that may be allotted or allocated to him in respect of his Electronic Application. In the event that Boustead REIT Managers decides to allot or allocate (as applicable) any lesser number of such Issue Units or not to allot or allocate (as applicable) any Issue Units to the applicant, the applicant agrees to accept any such decisions as final. If the applicant's Electronic Application is successful, his confirmation (by his action of pressing the designated key on the ATM) of the number of Issue Units applied for shall signify and shall be treated as, his acceptance of the number of Issue Units that may be allotted or allocated to him and to be bound by the Deed.
- (vi) MIDFCCS, acting under the authority of the Directors of Boustead REIT Managers reserves the right to reject any Electronic Application or accept any Electronic Application in part only without assigning any reason therefore. Due consideration will be given to the desirability of allotting or allocating the Issue Units to a reasonable number of applicants with a view to establish an adequate market for the Issue Units.
- (vii) Where an Electronic Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful application. Where an Electronic Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIDFCCS. MIDFCCS shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. The applicants may check their accounts on the fifth (5th) Market Day from the balloting day.

Where an Electronic Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIDFCCS. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to the applicants by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to the applicants not later than 10 Market Days from the date of the final ballot of the Application Lists.

Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.

- (viii) The applicant requests and authorises Boustead REIT Managers:
- (a) to credit the Issue Units allocated to the applicant into the CDS Account of the applicant; and
 - (b) to issue unit certificate(s) representing such Issue Units allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to the Depository.
- (ix) The applicant acknowledges that his Electronic Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of Boustead REIT Managers, MIDFCCS or the Participating Financial Institutions, and irrevocably agrees that if:
- (a) Boustead REIT Managers or MIDFCCS do not receive the applicant's Electronic Application; and
 - (b) Data relating to the applicant's Electronic Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to Boustead REIT Managers or MIDFCCS,
- the applicant shall be deemed not to have made an Electronic Application and the applicant shall not claim whatsoever against Boustead REIT Managers, MIDFCCS or the Participating Financial Institution for the Issue Units applied for or for any compensation, loss or damage.
- (x) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Application shall be deemed to be true and correct and Boustead REIT Managers, MIDFCCS and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) The applicant shall ensure that his personal particulars as recorded by both the Depository and the relevant Participating Financial Institutions are correct and identical. The applicant must inform the Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his registered or correspondence address last maintained with the Depository.
- (xii) By making and completing an Electronic Application, the applicant agrees that:
- (a) in consideration of Boustead REIT Managers agreeing to allow and accept the making of any application for the Issue Units via the Electronic Application facility established by the Participating Financial Institution at their respective ATMs, his Electronic Application is irrevocable;
 - (b) Boustead REIT Managers, the Participating Financial Institutions, the Depository and MIDFCCS shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Application to Boustead REIT Managers due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;

- (c) notwithstanding the receipt of any payment by or on behalf of Boustead REIT Managers, the acceptance of the offer made by the applicant to subscribe for and purchase the Issue Units for which the applicant's Electronic Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said Issue Units;
 - (d) the applicant irrevocably authorises the Depository to complete and sign on his behalf as transferee or renounce any instrument of transfer and/ or other documents required for the issue or transfer of the Issue Units allocated to the applicant; and
 - (e) Boustead REIT Managers agrees that in relation to any legal or proceedings arising out of or in relation with the contract between the parties and/ or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that Boustead REIT Managers irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiii) the Directors of Boustead REIT Managers reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS at anytime prior to the listing to ascertain the regularity or propriety of the application. The Directors of Boustead REIT Managers shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
 - (xiv) MIDFCCS, acting under the authority of the Directors of Boustead REIT Managers reserves the rights to reject any application, which does not conform to these instructions.
 - (xv) A surcharge of RM2.50 per Electronic Application will be charged by the respective Participating Financial Institution.

17.6 APPLICATION AND ACCEPTANCE

MIDFCCS, acting under the authority of the Directors of Boustead REIT Managers and the Managing Underwriter, reserves the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

The submission of an application does not necessarily mean that the application will be successful.

ALL APPLICATIONS MUST BE FOR 100 ISSUE UNITS OR MULTIPLES THEREOF.

In the event of an over-subscription, acceptance of applications by the Malaysian public shall be subject to ballot to be conducted in a fair and equitable manner as approved by the Directors of Boustead REIT Managers. Due consideration will be given to the desirability of distributing the Issue Units to a reasonable number of applicants with a view to broaden the unitholding base of the Fund and to establish an adequate market in trading of the Issue Units.

Pursuant to the Listing Requirements of Bursa Securities, at least 25% of the enlarged Units in circulation of the Fund must be held by a minimum number of 1,000 public Unitholders holding not less than 100 Issue Units each. The Fund is expected to achieve this at the point of listing. However, in the event that the above requirement is not met pursuant to the Public Offering, the Fund may not be allowed to proceed with the listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription for the Issue Units by the Malaysian public (subject to the clawback and reallocation provision highlighted in Section 3.5 of this Prospectus), all the Issue Units not applied for will be made available for subscription by the Joint Underwriters.

Refund mechanism

The refunds for applications made via Application Forms and Electronic Applications, will be effected via remittances in the form of cheques, which will be dispatched by registered post to the addresses of the successful applicants as stated in the Depository records at their own risks within 10 Market Days from the final ballot of applications for the Issue Units.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE RETURNED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATIONS BY ORDINARY POST OR REGISTERED POST TO THE APPLICANT'S ADDRESS REGISTERED WITH THE DEPOSITORY AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

MIDFCCS, ACTING UNDER THE AUTHORITY OF THE DIRECTORS OF BOUSTEAD REIT MANAGERS RESERVES THE RIGHT TO BANK-IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTRA APPLICANTS AND PARTIALLY SUCCESSFUL BUMIPUTRA APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST TO THE APPLICANT'S ADDRESS REGISTERED WITH THE DEPOSITORY AT THE APPLICANT'S OWN RISK.

17.7 CDS ACCOUNT

Pursuant to Section 29 of the Securities Industry (Central Depository) Act, 1991, all dealings in the Issue Units will be by book entries through CDS Accounts. No unit certificates will be issued to successful applicants.

Only an applicant who has a CDS Account can make an application by way of Application Form. An applicant should state his CDS Account number in the space provided in the Application Form and he shall be deemed to have authorised the Depository to disclose information pertaining to the CDS Account to MIDFCCS or Boustead REIT Managers. Where an applicant does not presently have a CDS Account, he should open a CDS Account at an ADA prior to making an application for the Issue Units.

In the case of an application by way of Electronic Application, only an applicant who has a CDS Account can make an Electronic Application and the applicant shall furnish his CDS Account number to the Participating Financial Institution by way of keying in his CDS Account number if the instructions on the ATM screen at which he enters his Electronic Application requires him to do so.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number arising from the use of invalid, third party or nominee accounts, may result in the application being rejected. If a successful applicant fails to state his CDS Account number, MIDFCCS, under the authority of the Directors of Boustead REIT Managers reserves the right to reject the application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or the applicants' records at the Participating Financial Institutions (in the case of Electronic Application) differ from those in the Depository's records such as the identity card number, name and nationality.

17.8 NOTICE OF ALLOTMENT

Issue Units allotted to all successful or partially successful applicants will be credited to their respective CDS Accounts. A notice of allotment will be despatched to the successful or partially successful applicants at the applicant's address last maintained with the Depository at the applicant's own risk prior to the listing of the Fund. This is the only acknowledgement of acceptance of the application.

All applicants must inform the Depository of their updated addresses promptly by adhering to the certain rules and regulations of the Depository, failing which the notification letter on successful allotment shall be sent to the applicants' registered or correspondence addresses last maintained with the Depository.

Applicants may also check the status of their applications by logging on to the MIDFCCS website, www.midfccc.com or by calling their respective ADAs or MIDFCCS at 03-21602727 or 03-21602728, between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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