

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current Year Quarter 30.06.2011	Preceding Year Corresponding Quarter 30.06.2010 <sup>1</sup>	Current Year To date 30.06.2011	Preceding Year To date 30.06.2010 <sup>1</sup>
	RM'000	RM'000	RM'000	RM'000
Rental income	85,236	-	320,189	-
Other operating income	2,056	-	7,227	-
<b>Gross revenue</b>	<b>87,292</b>	<b>-</b>	<b>327,416</b>	<b>-</b>
Quit rent, assessment and insurance	(2,027)	-	(7,498)	-
Other property operating expenses	(20,279)	-	(75,903)	-
<b>Property operating expenses</b>	<b>(22,306)</b>	<b>-</b>	<b>(83,401)</b>	<b>-</b>
<b>Net property income</b>	<b>64,986</b>	<b>-</b>	<b>244,015</b>	<b>-</b>
Other income	87	-	2,035	-
Change in fair value of investment properties	113,230	-	385,569	-
<b>Net investment income</b>	<b>178,303</b>	<b>-</b>	<b>631,619</b>	<b>-</b>
Manager's fee	(5,306)	-	(19,003)	-
Trustee's fee	(203)	-	(783)	-
Finance costs	(16,554)	-	(55,190)	-
Other expenses	(2,183)	-	(2,980)	-
	(24,246)	-	(77,956)	-
<b>Income before taxation</b>	<b>154,057</b>	<b>-</b>	<b>553,663</b>	<b>-</b>
Income tax expense	-	-	-	-
<b>Profit for the period, representing total comprehensive income for the period</b>	<b>154,057</b>	<b>-</b>	<b>553,663</b>	<b>-</b>
<b>Total comprehensive income for the period comprise the following:</b>				
Realised	41,069	-	167,311 <sup>2</sup>	-
Unrealised	112,988	-	386,352	-
	154,057	-	553,663	-
Earnings per unit (sen)				
- realised	1.53	-	6.24	-
- unrealised	4.21	-	14.40	-
Distribution per unit (sen)	1.62 <sup>3</sup>	-	6.58	-

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the pro forma financial information in the Prospectus of Sunway REIT dated 15 June 2010 ("the Prospectus") and the accompanying explanatory notes attached to the interim financial statements.

<sup>1</sup> No comparative figures are available as Sunway REIT was constituted on 20 May 2010 and the acquisition of the properties was completed on listing date, 8 July 2010. The current year-to-date cumulative quarter financial results reported refers to the period from 20 May 2010 to 30 June 2011.

<sup>2</sup> Comprising net realised income from initial portfolio of eight assets amounting to RM172.1 million and net loss from Sunway Putra Place of RM4.8 million.

<sup>3</sup> Proposed final income distribution

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**

**Income distribution**

	<--- Individual Quarter --->		<--Cumulative Quarter -->	
	Current Year Quarter 30.06.2011 RM'000	Preceding Year Corresponding Quarter 30.06.2010 RM'000	Current Year To date 30.06.2011 RM'000	Preceding Year To date 30.06.2010 RM'000
Realised total comprehensive income for the period	41,069	-	167,311	-
Add: Surplus cash arising from 50% Manager's fee paid/payable in Units	2,653	-	9,502	-
Total available for income distribution for the period	43,722	-	176,813	-
Brought forward undistributed income available for distribution	41	-	-	-
Total available for income distribution	43,763	-	176,813	-
Less: Income distributed	-	-	(133,050)	-
Less: Proposed final income distribution	(43,528)	-	(43,528)	-
Balance undistributed arising from rounding difference	235	-	235	-

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 30.06.2011	As At 30.06.2010 <sup>1</sup>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	122	-
Investment properties	4,379,000	-
	<u>4,379,122</u>	<u>-</u>
<b>Current assets</b>		
Receivables, deposits and prepayments	14,461	-
Deposits placed with licensed financial institutions	53,722	-
Cash and bank balances	4,884	-
Derivative financial instruments	706	-
	<u>73,773</u>	<u>-</u>
	<u>4,452,895</u>	<u>-</u>
<b>FINANCED BY:</b>		
<b>Unitholders' funds</b>		
Unitholders' capital	2,350,437	-
Distributable income	420,613	-
Total Unitholders' funds	<u>2,771,050</u>	<u>-</u>
<b>Non-current liabilities</b>		
Borrowings	1,502,025	-
Long term liabilities	52,029	-
	<u>1,554,054</u>	<u>-</u>
<b>Current liabilities</b>		
Borrowings	59,350	-
Trade and other payables	68,441	-
	<u>127,791</u>	<u>-</u>
	<u>4,452,895</u>	<u>-</u>
Number of units in circulation ('000 units)	2,686,898	-
<b>NET ASSET VALUE ("NAV")</b>		
- Before income distribution	2,904,100	-
- After income distribution	2,771,050	-
<b>NET ASSET VALUE PER UNIT (RM)</b>		
- Before income distribution	1.0809	-
- After income distribution	1.0313	-

The unaudited condensed consolidated statement of financial position should be read in conjunction with the pro forma financial information in the Prospectus of Sunway REIT dated 15 June 2010 ("the Prospectus") and the accompanying explanatory notes attached to the interim financial statements.

<sup>1</sup> No comparative figures are available as Sunway REIT was constituted on 20 May 2010 and the acquisition of the properties was completed on listing date, 8 July 2010.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE**

	Unitholders' Capital	<-- Distributable Income --> Realised	Unrealised	Total Unitholders' Funds
	RM'000	RM'000	RM'000	RM'000
<b>As at 20 May 2010 (date of establishment)</b>	-	-	-	-
Total comprehensive income for the period, representing the increase in net assets resulting from operations	-	167,311	386,352	553,663
<b>Unitholders' transactions</b>				
Creation of units <sup>1</sup>				
- Units issued as partial satisfaction of the purchase consideration for properties acquired	920,969	-	-	920,969
- Pursuant to initial public offering	1,486,792	-	-	1,486,792
- Manager's fee paid in units	6,849	-	-	6,849
Unit issuance expenses	(64,173)	-	-	(64,173)
Distribution to unitholders <sup>2</sup>	-	(133,050)	-	(133,050)
Increase/(decrease) in net assets resulting from unitholders' transactions	2,350,437	(133,050)	-	2,217,387
<b>As at 30 June 2011</b>	<b>2,350,437</b>	<b>34,261</b>	<b>386,352</b>	<b>2,771,050</b>

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the pro forma financial information in the Prospectus of Sunway REIT dated 15 June 2010 ("the Prospectus") and the accompanying explanatory notes attached to the interim financial statements.

<sup>1</sup> Issue of new units comprise the following:

	Units '000	Amount RM'000
Units issued as partial satisfaction of the purchase consideration for properties acquired	1,025,143	920,969
Pursuant to initial public offering	1,654,969	1,486,792
	<u>2,680,112</u>	<u>2,407,761</u>
Issuance of new units pursuant to 50% Manager fee paid in units:		
- at RM0.9630 per unit for the quarter ended 30 September 2010	2,236	2,153
- at RM1.0187 per unit for the quarter ended 31 December 2010	2,331	2,375
- at RM1.0460 per unit for the quarter ended 31 March 2011	2,219	2,321
Total Manager's fee paid in units	<u>6,786</u>	<u>6,849</u>
	<u>2,686,898</u>	<u>2,414,610</u>

<sup>2</sup> For the period from 8 July 2010 to 31 March 2011.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year To date 30.06.2011	Preceding Year To date 30.06.2010 <sup>1</sup>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	338,755	-
Refundable security deposits from customers	72,383	-
Cash paid for operating expenses	(109,210)	-
Net cash generated from operating activities	<u>301,928</u>	-
<b>INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(100)	-
Acquisition of investment properties	(3,049,636)	-
Incidental costs on acquisition of investment properties	(1,932)	-
Subsequent expenditure of investment properties	(1,088)	-
Investment in a subsidiary <sup>2</sup>	-	-
Interest received	1,093	-
Net cash used in investing activities	<u>(3,051,663)</u>	-
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of new units	1,486,792	-
Drawdown of term loan and revolving credits	1,768,086	-
Repayment of revolving credits	(189,000)	-
Interest paid	(47,209)	-
Payment of unit issuance and financing expenses	(77,278)	-
Distribution paid	(133,050)	-
Net cash generated from financing activities	<u>2,808,341</u>	-
Net increase in cash and cash equivalents	58,606	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	<u>58,606</u>	-
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	4,884	-
Deposits placed with licensed financial institutions	53,722	-
Cash and cash equivalents at end of period	<u>58,606</u>	-

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the pro forma financial information in the Prospectus of Sunway REIT dated 15 June 2010 ("the Prospectus") and the accompanying explanatory notes attached to the interim financial statements.

<sup>1</sup> No comparative figures are available as Sunway REIT was constituted on 20 May 2010 and the acquisition of the properties was completed on listing date, 8 July 2010. The current year-to-date cash flows reported refers to the period from 20 May 2010 to 30 June 2011.

<sup>2</sup> During the quarter ended 30 June 2011, Sunway REIT acquired the entire paid up share capital of SunReit Capital Berhad (formerly known as Noble Pioneer Sdn. Bhd.) for cash consideration of RM2.00. The subsidiary is intended as a Special Purpose Vehicle ("SPV") to undertake the issuance of the Medium Term Note ("MTN") programme for Sunway REIT.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**Part A - Explanatory Notes Pursuant to Financial Reporting Standards ("FRS") 134**

**A1. Accounting Policies and Basis of Preparation**

The unaudited interim financial statements for the financial period ended 30 June 2011 have been prepared in accordance with FRS134: Interim Financial Reporting, paragraph 9.44 of the Bursa Malaysia Securities Berhad Listing Requirements, provisions of the deed dated 20 May 2010 ("the Deed") and the Securities Commission's Guidelines on Real Estate Investment Trust ("the REITs Guidelines"). The unaudited interim financial statements have been prepared on the historical basis except for investment properties which are stated at fair value.

This unaudited interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC Interpretations that are effective for financial statements effective from 1 January 2010.

The unaudited interim financial statements should be read in conjunction with the pro forma financial performance in the prospectus of Sunway REIT dated 15 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**A2. Audit Report of Preceding Financial Year**

There was no preceding year financial statements as Sunway REIT was constituted and listed on 20 May 2010 and 8 July 2010 respectively.

**A3. Seasonal or Cyclical Factors**

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

**A4. Unusual Items**

There were no material unusual items affecting the amounts reported for the financial period ended 30 June 2011 except for the following:

	<b>RM'000</b>
Income before taxation as reported	154,057
Fair value changes <sup>1</sup>	(112,988)
<b>Income before taxation, excluding unusual items</b>	<b>41,069</b>

<sup>1</sup> Included in fair value changes is fair value gain on investment properties amounted to RM113.2 million, with details as explained in Note A9.

**A5. Changes in Estimates**

There were no changes in estimates that have had material effect in the current quarter.

**A6. Issuance, Cancellation, Repurchases, Resale and Repayments of Debts and Equity Securities**

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the quarter ended 30 June 2011 except for issuance of 2,219,400 units at RM1.0460\* per unit in Sunway REIT on 9 June 2011 being 50% payment of the Manager's fee for the quarter ended 31 March 2011. The units were listed on the Main Market of Bursa Securities on 13 June 2011.

\* Based on the 10-day volume weighted average price ("VWAP") of the units up to and including 31 March 2011.

**A7. Income Distribution**

For the quarter ended 30 June 2011, Sunway REIT proposed a final income distribution of approximately 100% of the realised distributable income amounting to RM43.5 million or 1.62 sen per unit. This amount includes surplus cash arising from 50% Manager's fee payable in units of RM2.6 million.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**A8. Segmental Reporting**

Segmental results for the financial period ended 30 June 2011 are as follows:

Current year quarter

	Retail RM'000	Hospitality RM'000	Office RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>				
REVENUE AND EXPENSES				
Gross revenue	62,068	15,150	10,074	87,292
<u>Results</u>				
Net property income	43,295	13,959	7,732	64,986
Other income				87
Change in fair value of investment properties				113,230
Total expenses (excluding finance costs)				(7,692)
Financing costs				(16,554)
Income before taxation				154,057
Income tax expense				-
Profit for the period, representing total comprehensive income for the period				154,057

Cumulative year-to-date

	Retail RM'000	Hospitality RM'000	Office RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>				
REVENUE AND EXPENSES				
Gross revenue	237,567	55,660	34,189	327,416
<u>Results</u>				
Net property income	165,195	53,155	25,665	244,015
Other income				2,035
Change in fair value of investment properties				385,569
Total expenses (excluding finance costs)				(22,766)
Financing costs				(55,190)
Income before taxation				553,663
Income tax expense				-
Profit for the period, representing total comprehensive income for the period				553,663

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**A9. Valuation of Investment Properties**

Investment properties are stated at fair value based on valuations performed by Knight Frank, an independent valuer. During the current quarter, Sunway REIT recognised a fair value gain on investment properties of RM113.2 million and a total of RM385.6 million was recognised for the financial period ended 30 June 2011 and the details are as follows:

Property	Acquisition costs	Capital expenditure	Appraised value	Fair value gain		Total real estate portfolio revalued amount
				Current year quarter	Cumulative year-to-date 30.6.2011	
	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>By property</b>						
<b>Initial portfolio *</b>						
Sunway Pyramid Shopping Mall	2,132,025	979	2,345,000	44,021	211,996	53.5%
Sunway Carnival Shopping Mall	231,742	46	250,000	(46)	18,212	5.7%
Suncity Ipoh Hypermarket	46,348	-	50,000	-	3,652	1.1%
Sunway Resort Hotel & Spa	444,944	13,410	495,000	1,590	36,646	11.3%
Pyramid Tower Hotel	250,281	-	280,000	10,000	29,719	6.4%
Sunway Hotel Seberang Jaya	51,910	-	56,000	-	4,090	1.3%
Menara Sunway	127,921	97	138,000	(96)	9,982	3.2%
Sunway Tower	171,489	114	189,000	3,886	17,397	4.3%
Total for initial portfolio	3,456,660	14,646	3,803,000	59,355	331,694	86.8%
<b>Acquisition during FP2011 ^ #</b>						
Sunway Putra Mall	222,991	-	246,000	23,009	23,009	5.6%
Sunway Putra Hotel	217,552	-	240,000	22,448	22,448	5.5%
Sunway Putra Tower	81,582	-	90,000	8,418	8,418	2.1%
Total for Sunway Putra Place	522,125	-	576,000	53,875	53,875	13.2%
<b>TOTAL PORTFOLIO</b>	<b>3,978,785</b>	<b>14,646</b>	<b>4,379,000</b>	<b>113,230</b>	<b>385,569</b>	<b>100.0%</b>
<b>By segment</b>						
Retail	2,633,106	1,025	2,891,000	66,984	256,869	65.9%
Hotel	964,687	13,410	1,071,000	34,038	92,903	24.5%
Office	380,992	211	417,000	12,208	35,797	9.6%
	3,978,785	14,646	4,379,000	113,230	385,569	100.0%

\* Appraised value based on valuation carried out by an independent professional valuer, Knight Frank on 30 June 2011

^ Appraised value based on valuation carried out by an independent professional valuer, Knight Frank on 16 March 2011

# The acquisition cost of Sunway Putra Place of RM522.1 million comprise the purchase consideration of RM513.9 million, acquisition fee payable to the REIT Manager of RM5.1 million and other incidental costs on acquisition of RM3.1 million.

**A10. Material Event**

There were no material events during the current quarter ended 30 June 2011.

**A11. Material Events Subsequent to the end of the Current Quarter**

There were no material events subsequent to the current quarter ended 30 June 2011.

**A12. Changes in the Composition/Fund Size of the Trust**

Sunway REIT's fund size was increased from 2,684.7 million units to 2,686.9 million units with the issuance of 2.2 million units as mentioned in note A6.

**A13. Contingent Liabilities and Assets**

There were no contingent liabilities or contingent assets as at 30 June 2011.



**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**A14. Capital Commitments**

The amount of commitments for investment properties not provided for in the unaudited interim financial statements as at 30 June 2011 were as follows:

	<b>As at 30.06.11</b>
	<b>RM'000</b>
Approved and contracted for	62,734
Approved but not contracted for	-
	<u>62,734</u>

**A15. Realised and Unrealised Retained Profits**

	<b>Current</b>	<b>As at end of</b>
	<b>financial</b>	<b>last</b>
	<b>period</b>	<b>financial</b>
	<b>RM'000</b>	<b>year</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of Sunway REIT		
- Realised	34,261	-
- Unrealised	386,352	-
	<u>420,613</u>	<u>-</u>

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**Part B - Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad**

**B1. Review of Performance**

Current year quarter

Sunway REIT registered a gross revenue of RM87.3 million and net property income of RM65.0 million for the quarter ended 30 June 2011. Income before taxation was RM154.1 million comprising realised net income of RM41.1 million and unrealised income of RM113.0 million arising mainly from fair value gain on investment properties.

Total income available for distribution was RM43.7 million, comprising realised income of RM41.1 million and surplus cash arising from 50% of Manager's fee payable in units of RM2.6 million.

Cumulative year-to-date

Sunway REIT registered a gross revenue of RM327.4 million and net property income of RM244.0 million for year-to-date ended 30 June 2011. Income before taxation was RM553.7 million comprising realised net income of RM167.3 million and unrealised income of RM386.4 million arising mainly from fair value adjustment on investment properties.

As at 30 June 2011, Sunway REIT has distributed RM133.1 mil or 4.96 sen per unit in respect of the nine-month period ended 31 March 2011. For the quarter ended 30 June 2011, Sunway REIT proposed a final income distribution of approximately 100% of the realised distributable income amounting to RM43.5 million or 1.62 sen per unit payable on 21 September 2011.

Maintenance costs and major capital expenditure

There was no unusual maintenance costs during the quarter under review. However, Sunway REIT incurred capex of approximately RM14.1 million during the quarter under review mainly for refurbishment of the coffee house and pool area at Sunway Resort Hotel & Spa.

**B2. Material Changes in Quarterly Results**

	<b>Current Quarter Ended 30.06.11 RM'000</b>	<b>Preceding Quarter Ended 31.03.11 RM'000</b>
Income before taxation	154,057	43,732

Sunway REIT recorded an income before taxation of RM154.1 million for the current quarter ended 30 June 2011, an increase of RM110.4 million or 252.6% compared to RM43.7 million in the immediate preceding quarter mainly attributable to fair value gain on investment properties of RM113.2 million. Excluding fair value gain, the income before taxation for the current quarter of RM40.8 million was lower by RM2.9 million or 6.6% compared to the immediate preceding quarter mainly due to finance costs and legal expenses in relation to litigation of Sunway Putra Place of RM4.7 million.

**B3. Prospects**

The global economy is still clouded in uncertainties arising from geopolitical tension in the Middle East, Eurozone countries sovereign debt crises and persistent inflationary pressure amidst threats of slowing growth.

On the domestic front, Bank Negara Malaysia raised the overnight policy rate (OPR) by 25 basis point from 2.75% per annum to 3.0% per annum in May 2011 in view of rising inflation especially in food and fuel prices. However, Bank Negara Malaysia is of the view that the current OPR level is still supportive of growth and that the Malaysian economy is on track on a steady growth path supported by sustained private consumption and strengthening private investment. During the 6th Economic Transformation Programme (ETP) update on 13 June 2011, the Government announced that 50% (65 of the 131) of the Entry Point Projects have been launched involving an investments of RM170.28 billion. These projects will create approximately 362,396 jobs till 2020 and raise RM220.15 billion in Gross National Income (GNI).

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B3. Prospects (Cont'd)**

With the ETP continuing to spur the domestic economy and barring unforeseen external shocks to the economy, the Manager expects Sunway REIT's portfolio of assets to perform well in the next financial year. The ongoing litigations involving Sunway Putra Place is not expected to have any significant impact on Sunway REIT's performance in the coming year based on advice from counsels that these litigations will be expeditiously dealt with and with favourable outcome.

Review of retail market

The retail market is expected to grow by 5-6% per annum, in line with the GDP's growth forecast for 2011. The introduction of another major sale event, the Malaysia Unified Sale, from 15 June 2011 to 31 August 2011 by the Government for the first time this year will augur well for the industry. This annual event aims to have spill-over effect into other sectors of the economy including increased tourist arrivals and spending.

For the financial period ended 30 June 2011, Sunway Pyramid Shopping Mall recorded an increase in visitorship of 3.3% compared to the corresponding period last year whilst Sunway Carnival Shopping Mall registered growth of 8.0%. Average occupancy remain strong with Sunway Pyramid Shopping Mall at 98.5% and Suncity Ipoh Hypermarket at 100%. Sunway Pyramid Shopping Mall achieved 16.3% (including step up rent for the 3 year-term) growth in rental reversions whereby 421 tenancies were renewed with net lettable area of approximately 1.1 million square feet representing 65% of total net lettable area. To provide shoppers with continuous lifestyle shopping experience, a total of 110 new tenants such as Coach, Brands Outlet, Billabong, Edwin and Rest & Relax, amongst others, were added to Sunway Pyramid Shopping Mall during the financial period ended 30 June 2011.

Although average occupancy at Sunway Carnival Shopping Mall was 93% during the FP2011, it had however declined to 88% as at 30 June 2011 following the closure of Metrojaya which exited from the northern region and downsizing of several tenants. However, the occupancy is expected to improve to 91% by October 2011 with the introduction of several new tenants such as Studio, Toys R Us and Payless Shoes.

In line with the positive outlook for the retail industry, expected increase in customers visitations, flowthrough of the double digit growth in rental reversions achieved in financial period ended 30 June 2011 for Sunway Pyramid Shopping Mall and continued strength in consumer spending, the Manager is of the view that the Sunway REIT retail properties will perform well for the coming financial year.

Review of hotel market

Following the establishment of the Malaysia Convention & Exhibition Bureau (MyCEB) by the Ministry of Tourism Malaysia, it has launched a specialist unit known as International Events Unit which focuses primarily on identifying and supporting international event bids. MyCEB main objective is to further strengthen the country's business events brand and to position the country as one of the world's leading international meetings, incentives, conventions and exhibitions (MICE) destinations under the ETP's business tourism project. Malaysia targets to increase arrivals from business tourism from 5% to 8% of total tourist arrivals or from 1.2 million to 2.9 million by year 2020 as this is the higher yielding segment. The Tourism Ministry has also identified 17 events, the latest being the "1Malaysia Contemporary Art Tourism 2011" Festival which aims to attract high-yield tourists.

Both Sunway Resort Hotel & Spa and Pyramid Tower Hotel, located within the Sunway Integrated Resort City are well positioned to benefit from the implementation of the business tourism project as it has one of the largest convention facilities in the country. Besides business tourism, these two properties will be able to benefit from the other projects to be rolled out under the ETP or events to be organised by the Ministry of Tourism as these properties are well supported by tourist attractions ie Sunway Lagoon Theme Park and Sunway Pyramid Shopping Mall.

Besides benefiting from the Government's National Key Economic Area (NKEA) involving electronics and electrical sector within the Northern Corridor, Sunway Hotel Seberang Jaya which is located in Seberang Prai, Penang will also benefit from the Penang Government's initiatives to open three small and medium enterprises (SME) villages involved in higher-end technological know-how in the mainland.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B3. Prospects (Cont'd)**

Review of hotel market (cont'd)

For the financial period ended 30 June 2011, both Sunway Resort Hotel & Spa and Pyramid Tower Hotel which are located within the Sunway Integrated Resort City achieved higher average daily rates compared to last year. Occupancy rates trended higher for Sunway Resort Hotel & Spa to 69.4% from 66.7% last year whilst Pyramid Tower Hotel's occupancy rates remain stable at 81%. Despite the political unrest affecting the Middle East, the Sunway Resort Hotel & Spa will be able to sustain its market share from this region. The renovation of the coffee house and swimming pool area at Sunway Resort Hotel & Spa were completed in June 2011. The reopening of the coffee house which has now been rebranded as Fuzion is expected to boost revenue from the F&B department in the coming year.

Sunway Hotel Seberang Jaya closed the financial year at occupancy of 80% compared to last year of 77%. Sunway Hotel Seberang Jaya will be planning for refurbishment by stages in the coming financial year to enhance its competitiveness and hence expects its income to be maintained in the next year and thereafter to improve upon completion of the refurbishment.

Review of office market

Generally, the Kuala Lumpur office market is expected to remain soft and rental will be under pressure due to expected incoming supply of new space of approximately 13.29 million square feet from 2011 to 2014 as demand is expected to lag behind supply.

Average occupancy at Menara Sunway and Sunway Tower had been stable at 99.7% and 97.0% respectively. For the financial period ended 30 June 2011, Menara Sunway which is located within the Sunway Integrated Resort City and has a captive market, concluded all area due for renewal (32 tenancies) with net lettable area of approximately 224,000 square feet representing 81% of the total net lettable area at a modest rental increase of 8.5%. 89.4 % of Sunway Tower's renewal shall be falling in mid-June for the financial year ending 30 June 2012. The Manager will actively monitor this event in view of the soft market condition for office properties. However, the Manager is of the view that Sunway Tower's average rental is affordable and competitive in the vicinity, and the rental income is sustainable but has limited upside.

Review of Sunway Putra Place

The Manager had sought amicable solutions to gain full possession and control of Putra Place including the hotel from the former owner following the completion of the acquisition on 19 April 2011. However after a number of failed attempts, the Trustee and the Manager had proceeded to institute legal proceedings against the previous owner. On 28 June 2011, the High Court of Malaya has ordered the previous owner to deliver possession of each and every part of Putra Place to Sunway REIT by 1 July 2011. The previous owner had filed an appeal to the Court of Appeal and had obtained a stay of execution of the High Court order on 1 July 2011, pending disposal of the appeal (Please refer to Note B14 of the Financial Statement for full disclosure of the litigation).

Meanwhile our asset managers are in the process of executing new tenancy agreements with the existing tenants at the retail and office properties as the change of ownership under the circumstance has rendered all existing tenancies with the previous owner cease to be valid.

As at 30 June 2011, 55 tenants representing 17.6% of the estimated monthly gross income of RM1.84 million have agreed to enter/entered into new tenancies with Sunway REIT. As at 11 August 2011 the asset manager has managed to achieve 86.6%, comprising 143 tenants. The asset manager will continue to engage with the remaining occupiers to execute new tenancies and will continue to operate the shopping mall until finalisation of a major renovation plan.

Average occupancy at Sunway Putra Tower was at 98.7% as at 30 June 2011 and these tenants have agreed to enter/entered into new tenancies with Sunway REIT. We expect occupancy to remain stable as the rental rates are affordable and competitive.

The Manager does not expect DPU for FY2012 to be affected by the ongoing litigation notwithstanding short term losses as income contribution after obtaining full possession of the properties will be more than offset the short term losses.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B4. Investment Objectives**

The Manager's key investment objective for Sunway REIT is to provide the unitholders with exposure to a diverse portfolio of authorised investments (pursuant to provisions of the trust deed) that will provide stable cash distributions with the potential for sustainable growth in net asset value per unit.

For the quarter ended 30 June 2011, the Manager proposed a final income distribution of 1.62 sen per unit to be paid on 21 September 2011. The Manager is confident of providing stable cash distributions going forward and will endeavour to grow the net asset value over a longer period of time. There was no change in the objectives during the period under review.

**B5. Performance Benchmark**

<b>Performance indicators</b>	<b>For the financial period</b>
a) Management expense ratio	0.82%
b) Total returns (%)/average annual returns	29.3%
c) Annualised distribution yield(based on closing price of RM1.11 on 30 June 2011)	6.0%
d) NAV per unit (after provision for distribution) (RM)	1.0313

- a) The ratio of expenses incurred in operating Sunway REIT of RM22.8 million to the NAV of Sunway REIT of RM2,771 million.
- b) Total return represents the change in unit price (based on institutional price) from listing date of 8 July 2010 to 30 June 2011 plus distribution yield for the period. Average annual return is the sum of the return rates of Sunway REIT over a given number of years divided by that number of years. Since Sunway REIT does not have any distribution yield and capital appreciation history other than pertaining to financial period ended 30 June 2011, there is no difference between the total return and average total return.
- c) Based on annualised DPU of 6.7 sen divided by its closing price as at 30 June 2011 of RM1.11.
- d) NAV of Sunway REIT as determined by deducting the value of all Sunway REIT's liabilities from the total asset value, divided by total issued units.

**B6. Strategies and Policies**

The Manager's strategies can be broadly categorised as:

- active asset management strategy
- acquisition growth strategy
- capital and risk management strategy

There was no change in the strategies and policies employed during the period under review.

SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

B7. Variance of Actual Profit from Profit Forecast  
(a) Condensed Comprehensive Income Statement

	Current Year Quarter 30.06.2011 (Unaudited)			%	Cumulative Current Year-to-date 30.06.2011 (Unaudited)			%
	Actual RM'000	Forecast RM'000	Change		Actual <sup>1</sup> RM'000	Forecast <sup>2</sup> RM'000	Change	
Rental income	85,236	83,094	2.6%	320,189	317,572	0.8%		
Other operating income	2,056	1,071	92.0%	7,227	5,403	33.8%		
<b>Gross revenue</b>	<b>87,292</b>	<b>84,165</b>	<b>3.7%</b>	<b>327,416</b>	<b>322,975</b>	<b>1.4%</b>		
Quit rent, assessment and insurance	(2,027)	(1,827)	10.9%	(7,498)	(7,167)	4.6%		
Other property operating expenses	(20,279)	(19,145)	5.9%	(75,903)	(74,431)	2.0%		
<b>Property operating expenses</b>	<b>(22,306)</b>	<b>(20,972)</b>	<b>6.4%</b>	<b>(83,401)</b>	<b>(81,598)</b>	<b>2.2%</b>		
<b>Net property income</b>	<b>64,986</b>	<b>63,193</b>	<b>2.8%</b>	<b>244,015</b>	<b>241,377</b>	<b>1.1%</b>		
Other income	87	37	135.1%	2,035	146	1293.8%		
Change in fair value of investment properties	113,230	-	100.0%	385,569	-	0.0%		
<b>Net Investment Income</b>	<b>178,303</b>	<b>63,230</b>	<b>182.0%</b>	<b>631,619</b>	<b>241,523</b>	<b>161.5%</b>		
Manager's fee	(5,306)	(5,019)	5.7%	(19,003)	(19,367)	-1.9%		
Trustee's fee	(203)	(207)	-1.9%	(783)	(811)	-3.5%		
Finance costs	(16,554)	(13,587)	21.8%	(55,190)	(53,389)	3.4%		
Other expenses	(2,183)	(288)	658.0%	(2,980)	(1,187)	151.1%		
	(24,246)	(19,101)	26.9%	(77,956)	(74,754)	4.3%		
<b>Income before taxation</b>	<b>154,057</b>	<b>44,129</b>	<b>249.1%</b>	<b>553,663</b>	<b>166,769</b>	<b>232.0%</b>		
Income tax expense	-	-	-	-	-	0.0%		
<b>Profit for the period, representing total comprehensive income for the period</b>	<b>154,057</b>	<b>44,129</b>	<b>249.1%</b>	<b>553,663</b>	<b>166,769</b>	<b>232.0%</b>		
<b>Total comprehensive income for the period comprise the following:</b>								
Realised	41,069	44,129	-6.9%	167,311	166,769	0.3%		
Unrealised	112,988	-	-	386,352	-	0.0%		
	154,057	44,129	249.1%	553,663	166,769	232.0%		
Earnings per unit (sen)								
- realised	1.53	1.64	-6.7%	6.24	6.22	0.3%		
- unrealised	4.21	-	100.0%	14.40	-	100.0%		
Distribution per unit (sen)	1.62	1.74	-6.9%	6.58	6.58	0.0%		
Distribution per unit (sen) - annualised	6.71	6.70	0.1%	6.71	6.70	0.1%		

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B7. Variance of Actual Profit from Profit Forecast (Cont'd)**  
**(a) Condensed Comprehensive Income Statement (cont'd)**

	Current year quarter 30.06.2011		Change	Cumulative Current Year-to-date 30.06.2011		Change
	Actual (Unaudited) RM'000	Forecast RM'000		Actual <sup>1</sup> (Unaudited) RM'000	Forecast <sup>2</sup> RM'000	
Income distribution						
Redvised total comprehensive income for the period	41,069	44,129	-6.9%	167,311	166,769	0.3%
Add: Surplus cash arising from 50% Manager's fee paid/payable in units	2,653	2,510	5.7%	9,502	9,684	-1.9%
Total available for income distribution for the period	43,722	46,639	-6.3%	176,813	176,453	0.2%
Brought forward undistributed income available for distribution	41	-	>100.0%	-	-	0.0%
Total available for income distribution	43,763	46,639	-6.2%	176,813	176,453	0.2%
Less: Income distributed	-	-	-	(133,050)	(129,814)	2.5%
Less: Proposed final income distribution	(43,528)	(46,639)	-6.7%	(43,528)	(46,639)	-6.7%
Balance undistributed arising from difference	235	-	100.0%	235	-	100.0%

<sup>1</sup> Sunway REIT was established on 20 May 2010 and the acquisition of the properties was completed on listing date, 8 July 2010. The financial results reported refers to the period from 20 May 2010 to 30 June 2011.

<sup>2</sup> Based on forecast of the profit for the financial period ending 30 June 2011 as per prospectus of Sunway REIT dated 15 June 2010, prorated from listing date 8 July 2010 to 30 June 2011.





**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B7. Variance of Actual Profit from Profit Forecast (Cont'd)**

**Current Year Quarter**

Retail

Gross revenue from the portfolio's retail properties for the quarter ended 30 June 2011 was RM62.1 million, 4.1% higher compared to the forecast of the same period. This was mainly attributable to better performance of Sunway Pyramid Shopping Mall resulting from rental reversion and new net lettable area created. The higher revenue was also partially contributed by rental income from Sunway Putra Mall.

Property operating expenses for the quarter ended 30 June 2011 was RM18.8 million, 3.5% higher compared to the forecast of the same period mainly due to operating expenses of Sunway Putra Mall which was acquired on 19 April 2011.

As a result, retail properties' net property income for the quarter ended 30 June 2011 was RM43.3 million, which was 4.3% higher compared to forecast of the same period.

Hotel

Hotel properties' gross revenue for the quarter ended 30 June 2011 was RM15.2 million, 7.6% lower compared to the forecast of the same period. During the current quarter, the performance of Sunway Resort Hotel & Spa and Pyramid Tower Hotel fell behind forecast mainly due to opening of a new 4-four star hotel in the neighboring suburb which gave introductory offer package in conjunction with its opening. The performance of the hotel properties were also partly affected by higher operating expenses resulting mainly from costlier contract staff.

The hotel properties' net property income for the quarter ended 30 June 2011 was RM14.0 million, which was 11.8% lower compared to forecast of the same period resulting from lower hotel master lease rental as explained above and expenses incurred in relation to Sunway Putra Hotel which was acquired on 19 April 2011 but yet to commence operations as explained in Note B3.

Office

Office properties' gross revenue for the quarter ended 30 June 2011 was RM10.1 million, 23.9% higher compared to the forecast of the same period. This was mainly attributable to rental income for Sunway Putra Tower.

Property operating expenses for the quarter ended 30 June 2011 was RM2.3 million, 4.0% higher compared to the forecast of the same period mainly attributable to addition of Sunway Putra Tower to the office portfolio with effect from 19 April 2011 as well as higher utilities charges.

Consequently, office properties' net property income for the quarter ended 30 June 2011 was RM7.7 million, which was 31.4% higher compared to forecast of the same period.

Income before taxation

Finance costs for the quarter ended 30 June 2011 was RM16.6 million, 21.8% higher compared to the forecast of the same period primarily due to drawdown of RM514.0 million term loan to finance the acquisition of Sunway Putra Place in April 2011.

Overall, net income for the quarter ended 30 June 2011 was RM154.1 million, which was 249.1% higher compared to the forecast of the same period primarily due to fair value gain on investment properties of RM113.2 million.

**Cumulative Current Year-to-date**

Retail

Gross revenue from the portfolio's retail properties for the financial period ended 30 June 2011 was RM237.6 million, 1.9% higher compared to the forecast of the same period. This was mainly attributable to better performance of Sunway Pyramid Shopping Mall resulting from rental reversion and new net lettable area created.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B7. Variance of Actual Profit from Profit Forecast (Cont'd)**

**Cumulative Current Year-to-date (cont'd)**

Retail (cont'd)

Property operating expenses for the financial period ended 30 June 2011 was RM72.4 million, 2.3% higher compared to the forecast of the same period mainly due to higher utilities and maintenance expenses as well as operating expenses of Sunway Putra Mall which was acquired on 19 April 2011.

As a result, retail properties' net property income for the financial period ended 30 June 2011 was RM165.2 million, which was 1.7% higher compared to forecast of the same period.

Hotel

Hotel properties' gross revenue for the financial period ended 30 June 2011 was RM55.7 million, 3.4% lower compared to the forecast of the same period. During the financial period, the overall performance of hotel properties fell behind forecast following cancellation of events and rooms by Japanese corporates after the earthquake and tsunami in March 2011. The performance of Sunway Resort Hotel & Spa and Pyramid Tower Hotel were also affected by the opening of a new 4-four star hotel in 4th quarter 2011 in the neighboring suburb which gave introductory offer package in conjunction with its opening as well as higher operating expenses resulting mainly from costlier contract staff. The Manager expects new competitor to have only short term impact on the performance of Sunway Resort Hotel & Spa and Pyramid Tower Hotel.

The hotel properties' net property income for the financial period ended 30 June 2011 was RM53.2 million, which was 4.0% lower compared to forecast of the same period resulting from lower hotel master lease rental as explained above and expenses incurred in relation to Sunway Putra Hotel which was acquired on 19 April 2011 but yet to commence operations as explained in Note B3.

Office

Office properties' gross revenue for the financial period ended 30 June 2011 was RM34.2 million, 6.4% higher compared to the forecast of the same period. This was mainly attributable to rental income for Sunway Putra Tower.

Property operating expenses for the cumulative current year-to-date ended 30 June 2011 was RM8.5 million, in line with the forecast of the same period.

Consequently, office properties' net property income for the cumulative current year-to-date ended 30 June 2011 was RM25.7 million, which was 9.2% higher compared to forecast of the same period.

Income before taxation

Other income of RM2.0 million, mainly comprising interest income was higher than forecast by RM1.9 million.

Finance costs for the financial period ended 30 June 2011 was RM55.2 million, 3.4% higher compared to the forecast of the same period primarily due to drawdown of RM514.0 million term loan to finance the acquisition of Sunway Putra Place in April 2011.

The initial portfolio of eight assets generated realised net income of RM172.1 million compared to the forecast of RM166.8 million resulting in a positive variance of RM5.3 million. Despite Sunway Putra Place recording a net realised loss of RM4.8 million, the total net realised income for the portfolio was RM167.3 million, marginally ahead of forecast by RM0.5 million due to the strong performance of the initial portfolio of eight assets.

Overall, net income for the financial period ended 30 June 2011 including unrealised gain of RM386.4 million, was RM553.7 million. The net income which was 232% higher compared to the forecast of the same period primarily due to fair value gain on investment properties of RM385.6 million.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B8. Manager's fee**

Pursuant to the Deed constituting Sunway REIT, the Manager is entitled to receive the following fees from Sunway REIT:

- a) Base fee of 0.3% per annum on the total assets value;
- b) Performance fee of 3% per annum of net property income, but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement;
- c) Acquisition fee of 1% of the acquisition price of any future assets of Sunway REIT or a Single-Purpose Company acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest in Real Estate or Single-Purpose Company purchased by the Trustee for Sunway REIT); and
- d) Divestment fee of 0.5% of the sale price of any future Assets of Sunway REIT or a Single-Purpose Company sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the Assets of Sunway REIT sold).

The Manager's fee shall be net of all applicable tax, duties and levies imposed by the relevant authorities in Malaysia. The Manager shall be paid the base fee and performance fee which may be in the forms of cash, new Units or a combination thereof, with the initial applicable proportion to be 50% in the form of cash and 50% in the form of new Units, such proportion which may be varied at the discretion of the Manager.

Total fees accrued to the Manager for the current quarter ended 30 June 2011 was RM10.44 million comprising REIT Manager's base and performance fee of RM5.3 million and acquisition fee of RM5.14 million. The acquisition fee was capitalised as part of the acquisition cost of Sunway Putra Place.

**B9. Trustee Fee**

Pursuant to the Deed constituting Sunway REIT, the Trustee is entitled to receive up to 0.03% per annum of the net asset value of Sunway REIT, net of all applicable taxes, duties and levies imposed by the relevant authorities in Malaysia, is calculated on a monthly accrual basis, based on a year of 12 months. The total Trustee's fee for the current quarter ended 30 June 2011 was RM0.2 million.

**B10. Taxation**

Taxation of the REIT

The tax transparency system under Section 61A of the Malaysian Income Tax Act 1967, exempts the REIT from income tax in a year of assessment if the REIT distributes at least 90% of its total taxable income in the same year of assessment.

Since Sunway REIT shall be distributing 100% of its realised year-to-date income (which translates to more than 90% of its total taxable income), the REIT should not incur any tax expense for the financial period ended 30 June 2011.

Taxation of the Unitholders

Pursuant to Section 109D(2) of Income Tax Act, 1967, where 90% or more of the REIT's total taxable income is distributed by the REIT, distributions to unitholders (other than resident corporate investors) will be subject to tax based on a withholding tax mechanism at the following rates:

Unitholders	Withholding tax rate
Individuals & all other non-corporate investors such as institutional investors	10%
Non-resident corporate investors	25%

Resident corporate investors are required to report the distributions in their normal corporate tax return and subject to the normal corporate tax rate of 25%.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B11. Status of Corporate Proposal**

There was no corporate proposal announced as at the latest practicable date from the date of this report.

**B12. Borrowings and Debt Securities**

The borrowings as at 30 June 2011 are as follows:

	<b>As at 30.06.2011</b>
	<b>RM'000</b>
Short term borrowings	
- Secured revolving credit	59,350
Long term borrowings	
- Secured term loan	1,514,000
Total borrowings	1,573,350
Less: Unamortised transaction costs	(11,975)
	<b>1,561,375</b>

All the bank borrowings are denominated in Ringgit Malaysia.

**B13. Derivative Financial Instruments - Swap**

The outstanding swap agreements as at 30 June 2011 are as followings:

<b>Type of Derivatives</b>	<b>Contract/ Notional Value</b>	<b>Fair Value Assets/ (Liabilities)</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest rate swap agreement		
- More than 3 years but less than 4 years	100,000	706

Derivative financial instruments are recognised in the financial statements in accordance with FRS 139.

An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. Sunway REIT had entered into interest rate swap to convert a RM100 million floating rate loan to a fixed rate loan in order to minimise the exposure from the fluctuation of interest rate. The fair value of the swap contracts are determined by using the market rates at the end of reporting period and changes in the fair value is recognised in the profit or loss.

**B14. Material Litigation**

High Court Originating Summons No. 24NCVC-901-2011

On 19 April 2011, Robert Ti and Kornelius Kurniadi (Plaintiffs) commenced this action against amongst others OSK Trustees Berhad and Sunway REIT which sought a declaration that the public auction of Putra Place held on 30 March 2011 was null and void because they were wrongly excluded from bidding and that OSK Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) had contravened a condition of sale in the Proclamation of Sale.

The Kuala Lumpur High Court had on 28 April 2011 dismissed with costs the Plaintiffs' application for various interim injunctions and on 27 July 2011 dismissed the originating summons with costs.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B14. Material Litigation (Cont'd)**

High Court Originating Summons No. 24NCVC-952-2011

On 25 April 2011, Metroplex Berhad (Provisional Liquidators appointed) commenced its action against amongst others OSK Trustees Berhad, Sunway REIT, and Sunway REIT Management Sdn Bhd seeking to set aside the sale of Putra Place to OSK Trustees Berhad (as trustee for Sunway REIT) at the auction conducted by the Kuala Lumpur High Court on 30 March 2011. Metroplex Berhad claimed that the auction on 30 March 2011 was not a valid public auction and that OSK Trustees Berhad (as trustee for Sunway REIT) was not entitled to bid at the auction.

The Kuala Lumpur High Court had on 27 July 2011 allowed the application by OSK Trustees Berhad (as trustee for Sunway REIT) and Sunway REIT Management Sdn Bhd to strike out the legal action with costs of RM40,000 to be paid by the provisional liquidator of Metroplex Berhad on the ground that Metroplex Berhad did not have any right to bring the legal action in relation to the public auction. Metroplex Berhad is the holding company of Metroplex Holdings Sdn Bhd, the former registered owner of Putra Place.

Metroplex Berhad (Provisional Liquidators Appointed) has filed a Notice of Appeal with the Court of Appeal on 8 August 2011 to appeal against the decision of the High Court of Malaya given on 27 July 2011 ordering that the Originating Summons dated 25 April 2011 be struck out.

High Court Writ of Summons No. 22NCVC-358-2011

On 4 May 2011, Metroplex Holdings Sdn Bhd (Plaintiff) served a Writ of Summons dated 29 April 2011 on OSK Trustees Berhad (as trustee for Sunway REIT)(Trustee), Sunway REIT Management Sdn Bhd (Manager) and OSK Trustees Berhad seeking a declaration that the Trustee and the Manager are not owners of Putra Place.

On the same date, the Plaintiff also served a summons-in-chamber dated 29 April 2011, which sought amongst others an order that the Trustee and the Manager as well as their directors and /or their personnel and/or auxiliary police be prohibited from coming within a distance of 250 metres from Putra Place until the disposal of the case.

The High Court dismissed the summons-in-chambers instituted by the Plaintiff on 13 May 2011 on the grounds that the lawful registered owner is the Trustee and that it was entitled to issue notices to the occupiers of Putra Place to indicate its ownership and to exercise its lawful rights thereof. The High Court Judge was also of the view that there were no serious questions to be tried. The plaintiff filed a Notice of Discontinuance dated 3 June 2011 where it discontinued all actions against the Trustee, Sunway REIT and the Manager.

High Court Originating Summons No. 21NCVC-95-2011

On 6 May 2011, Metroplex Holdings Sdn Bhd (Plaintiff) commenced the case against amongst others OSK Trustees Berhad, Sunway REIT and Sunway REIT Management Sdn Bhd seeking to set aside the sale of Putra Place to OSK Trustees Berhad (as trustee for Sunway REIT) at the auction conducted by the Kuala Lumpur High Court on 30 March 2011. The Plaintiff claims that the auction on 30 March 2011 was not a valid public auction and that OSK Trustees Berhad (as trustee for Sunway REIT) was not entitled to bid at the auction. The High Court has fixed the case for hearing on 17 August 2011.

High Court Originating Summons No. 24NCVC-1255-2011

On 1 June 2011, OSK Trustees Berhad (as trustee for Sunway REIT)(Trustee) and Sunway REIT Management Sdn Bhd (Manager) brought the action against Metroplex Holdings Sdn Bhd which amongst others seek an order that Metroplex Holdings Sdn Bhd deliver possession of each and every part of Putra Place that Metroplex Holdings Sdn Bhd, its related corporations, its servants and agents in possession, occupied or control to the Trustee and the Manager.

On 28 June 2011, the High Court has declared that OSK Trustees Berhad (as trustee for Sunway REIT) is the legal owner of Putra Place since 19 April 2011 and has ordered that Metroplex Holdings Sdn Bhd, its servants or agents or otherwise hand over to the Manager control and management of Putra Place within 72 hours which was to expire at noon on 1 July 2011.

**SUNWAY REAL ESTATE INVESTMENT TRUST  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

**B14. Material Litigation (Cont'd)**

High Court Originating Summons No. 24NCVC-1255-2011 (Contd.)

On 28 June 2011, the High Court has declared that OSK Trustees Berhad (as trustee for Sunway REIT) is the legal owner of Putra Place since 19 April 2011 and has ordered that Metroplex Holdings Sdn Bhd, its servants or agents or otherwise hand over to the Manager control and management of Putra Place within 72 hours which was to expire at noon on 1 July 2011.

Metroplex Holdings Sdn Bhd then filed a notice of appeal for an appeal against the decision of the High Court and on 1 July 2011 obtained an order for stay of execution of the High Court order dated 28 June 2011. The appeal is fixed for case management on 18 August 2011 and hearing on 13 September 2011.

**B15. Soft commission**

There was no soft commission received by the Manager and/or its delegate during the period under review from its brokers/dealers by virtue of transactions conducted for Sunway REIT.

**B16. Summary of EPU, DPU, NAV and Market Price**

	<b>Period ended 30 June 2011</b>	<b>As at 8 July 2010</b>	<b>% change</b>
Number of units in issue (units)	2,686,898,400	2,680,112,300	0.25%
Realised net income (RM'000)	167,311	N/A	100%
Earnings per unit (EPU) (sen)	14.40	N/A	100%
Income distributed (RM'000)	133,050	N/A	100%
Proposed final income distribution (RM'000)	43,528	N/A	100%
Distribution per unit (DPU)(sen) <sup>2</sup>	6.58	N/A	100%
Net Asset Value (NAV) (RM'000)	2,771,050	2,615,047	6.0%
NAV per unit (RM)	1.0313	0.9757	5.7%
Market price per unit (RM)	1.11	0.90	23.3%

<sup>1</sup> N/A : Not applicable

<sup>2</sup> Income distributed for the period from 8 July 2010 to 31 March 2011 and proposed final income distribution

**B17. Income Distribution**

The Manager has proposed a final income distribution of 1.62 sen per unit for the fourth quarter ended 30 June 2011 comprising taxable and non-taxable amount of RM0.86 sen and RM0.76 sen per unit respectively. The book closure and payment dates in respect of the final income distribution will be fixed on 2 September 2011 and 21 September 2011 respectively.

**B18. Directors' Declaration**

In the opinion of the Manager, this quarterly report has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Sunway REIT as at 30 June 2011 and of its financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of the Manager on 11 August 2011.

**BY ORDER OF THE BOARD**

**Sunway REIT Management Sdn. Bhd.**  
(As Manager for Sunway Real Estate Investment Trust)

**Tan Kim Aun (MAICSA No.: 7002988)**  
**Lee Suan Choo (MAICSA No.: 7017562)**  
Company Secretaries

**Petaling Jaya**  
**Date: 11 August 2011**