

VALUATION CERTIFICATES

**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Our Ref: VR/01-12/0053 (A)

Date : 03 AUG 2012

IGB REIT Management Sdn Bhd
 Level 32, The Gardens South Tower,
 Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur.

Dear Sirs

CERTIFICATE OF VALUATION OF A 5 LEVEL RETAIL MALL WITH 1 MEZZANINE FLOOR, 2 LEVELS OF BASEMENT CAR PARK AND 4 LEVELS OF ELEVATED CAR PARK KNOWN AS MID VALLEY MEGAMALL ("SUBJECT PROPERTY")

We were instructed by IGB Corporation Berhad ("IGB"), the sponsor of the IGB Real Estate Investment Trust ("IGB REIT") to conduct a valuation of the Subject Property. The full details of the valuation are included in our Valuation Report bearing reference no. VR/01-12/0053(A) dated April 10, 2012.

This certificate has been prepared for inclusion in the prospectus in conjunction with the proposed establishment and listing of IGB REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Subject Property was inspected on February 24, 2012. The relevant date of valuation for this valuation exercise is as at April 10, 2012.

We confirm that we have valued the Subject Property based on the valuation basis stated below. The valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

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

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 Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V(1)0008

Property Description

Property Type/ Interests Valued	A 5 level retail mall (from Level LG to 3) with 1 mezzanine floor, 2 levels of basement car park (Basement 1 & 2) and 4 levels of elevated car park (from Level 1 to 3 & Mezzanine Floor) known as Mid Valley Megamall.
Name and Address of the Subject Property	Mid Valley Megamall forms part of the Phase 1 development of the prestigious scheme known as Mid Valley City. It bears official address as Mid Valley Megamall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
Location	It is situated approximately 6 kilometres west of Kuala Lumpur City Centre and 4 kilometres east of Petaling Jaya. It is linked by major arterial roads such as Jalan Syed Putra which connects to the Federal Highway, and also by Jalan Maarof, Jalan Tun Sambathan, East – West Link Highway and Sprint Highway. The Subject Property is easily accessible from Kuala Lumpur City Centre by using Jalan Tun Razak. From there, connect to Jalan Kuching and head south towards Jalan Kinabalu, thence turn onto Jalan Syed Putra and exit onto Mid Valley City. Further, the Subject Property is also accessible from Petaling Jaya via the Federal Highway or Sprint Highway heading west towards Kuala Lumpur.
Age of Building	13 years (from the date of the Temporary Certificate of Fitness For Occupation (TCF) which was issued in year 1999).
Building Description	<p>The building is generally constructed on reinforced concrete framework resting on deep piled foundation with brick infill rendered externally and plastered internally, with waterproof reinforced concrete flat roof concealed behind parapet walls, which also serve as the foundation for the abovementioned office towers and hotels.</p> <p>Generally, the Subject Property is segmented into three sections, namely North Court, South Court and Center Court. Each section has its own entry point to the mall which is generally fitted with frameless automatic sliding glass door further secured with roller shutter. The Center Court has two main entrances for patrons' convenience, which are the East Entrance (near Coffee Bean) and the West Entrance, located near the Starbucks Café.</p> <p>The Subject Property is also well connected to The Gardens Mall via an air-conditioned pedestrian bridge located on Level 1 and Level 2, as well as through the lower ground level which is occupied by individual tenants along the passageway.</p>
Existing Use of the Subject Property	Retail mall
Average Current Base Rental	RM 9.81 per sq. ft. per month

Occupancy rate

Year	As at the date of valuation)	2011	2010	2009
Occupancy rate	99.04%	100.00%	99.86%	100.00%

(Source : The management team of MVC)

Terms of Tenancy

The typical terms of tenancy is 3 years with the option of renewal option between 1 to 3 years.

Title Particulars

Master Title No.

PN37075, Lot 80, Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Tenure

Leasehold for 99 years expiring on June 6, 2103 thus leaving an unexpired term of approximately 91 years as at the date of this certificate.

Category of land use

Building (*Bangunan*)

Land Area

1,047,532 square feet ("sq. ft.") (97,319 square metre "sq. m.")

Gross Floor Area

Approximately 6,107,103 sq. ft. (567,369 sq. m.)

Net Lettable Area ("NLA")

Approximately 1,729,108 sq. ft. (based on rental roll as at March 26, 2012)

No. of Car Park Bays

6,092 bays (as at March 26, 2012)

Registered Owner

Mid Valley City Sdn Bhd("MVC")

Express Condition

This land shall be used for commercial building only(*Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja*)

*Restriction In Interest

This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat (*Tanah ini tidak boleh dipindah milik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur*)

* We wish to draw your attention that the Subject Property carries a restriction in interest which stipulates that the land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat. In this regard, our valuation is on the basis that the written consent from the Federal Territory Land Executive Committee Secretariat in respect of the aforesaid restriction in interest will not be unreasonable withheld.

INDIVIDUAL BLOCK STRATA TITLES IN RESPECT OF THE SUBJECT PROPERTY HAS NOT BEEN ISSUED BY THE RELEVANT AUTHORITY. OUR VALUATION IS ON THE BASIS/ASSUMPTION THAT INDIVIDUAL BLOCK STRATA TITLES IN RESPECT OF THE SUBJECT PROPERTY WILL BE ISSUED BY THE RELEVANT AUTHORITY AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES OVER THE RESPECTIVE FLOOR AREAS.

Planning Approvals

Planning Approval	The Subject Property is located within an area designated for commercial purposes.
Date of Certificate of Fitness for Occupation	The Subject Property was issued with Certificate of Fitness for Occupation (“CFO”) dated 8 December, 2001. An amended building plan has been submitted on 27 March 2012 to Dewan Bandaraya Kuala Lumpur (“DBKL”) for approval.

Occupancy Details & Tenancy Profile

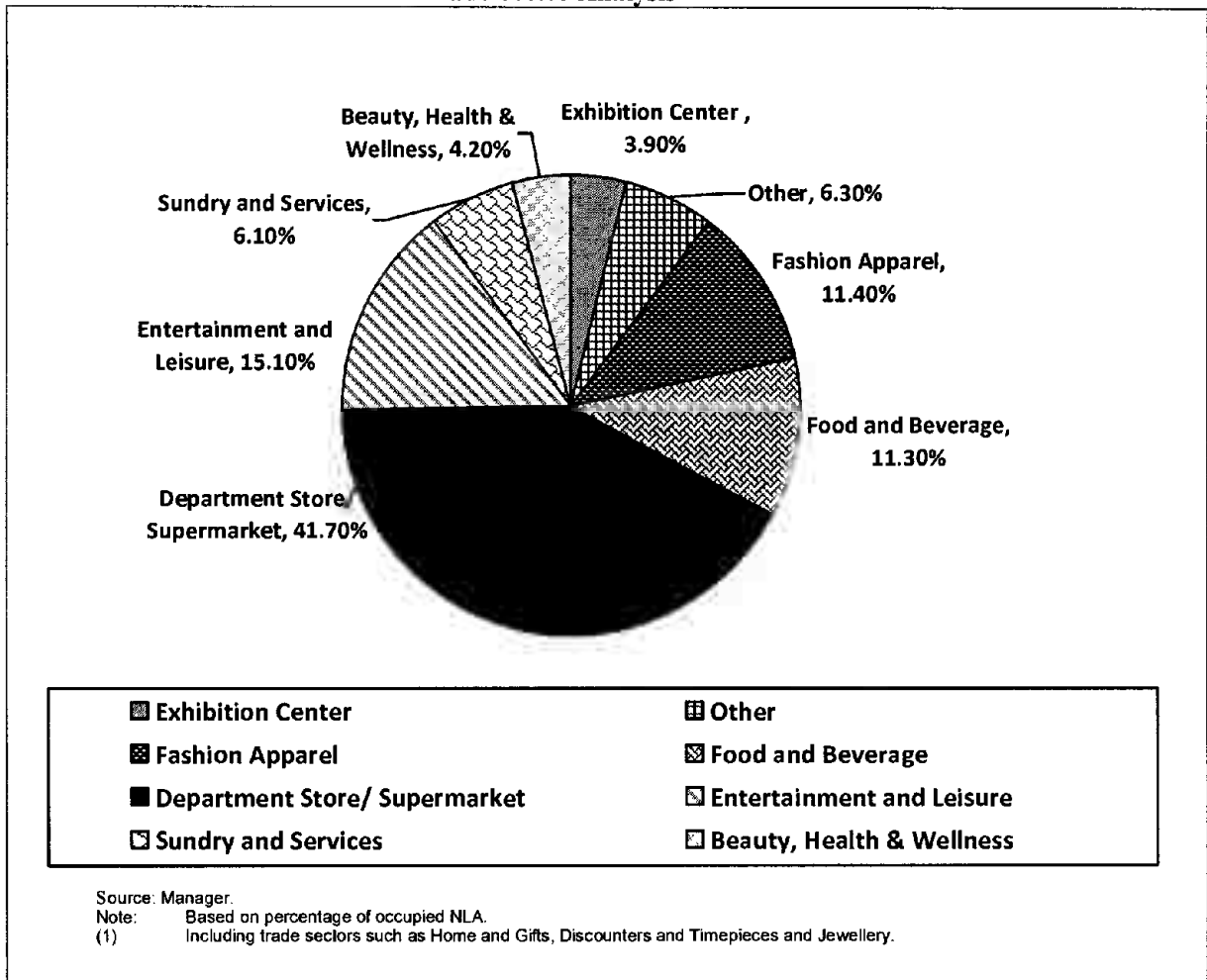
Occupancy Rate	99.04% as at the date of valuation
Tenancy Profile	The Subject Property has three major anchor tenants, namely AEON, Metrojaya and Carrefour which occupy approximately 713,307 sq. ft. of retail space. There are also 18 others junior anchor tenants such as Golden Screen Cinema, Mega Kidz, MPH Bookstore, Kamdar and Toys ‘R’ Us.
Tenancy Term	The landlord is assumed to be responsible for all external and structural repairs, statutory outgoings, service charges (if any) and building insurance for the property.

Overall, the tenant mix of the Subject Property can be summarised as follows:-

Trade sector	Percentage of Occupied NLA (%)	Percentage of Gross Rental Income (%)
Departmental Store / Supermarket	41.7	14.7
Entertainment and Leisure	15.1	11.1
Fashion Apparel	11.4	30.6
Food and Beverage	11.3	16.7
Sundry and Services	6.1	11.1
Beauty, Health & Wellness	4.2	6.1
Exhibition Centre	3.9	1.3
Home and Gifts	3.4	3.0
Discounters	1.8	1.3
Timepiece and Jewellery	1.1	4.1
Total	100.0	100.0

(Source : The management team of MVC)

Trade Sector Analysis



The table below illustrates the tenant mix table of the Subject Property:-

Type of Tenant	Area Occupied of NLA	Rental Income on base rental
Key Tenant	48.30%	14.86 %
Normal Tenant	51.07%	82.37 %
Kiosk	0.63%	2.76%

The table below illustrates the tenancy expiry profile of the Subject Property as at 31/12/2011.

Period (financial year ending 31 December)	Number of tenancies expiring	Percentage of Occupied NLA expiring (%)	Percentage of Gross Rental Income expiring (%)
2012	193	26.33	34.68
2013	174	26.50	32.24
2014	91	34.55	32.70
2015 and thereafter	2	12.61	0.37
Total	460	100.00	100.00

* Excluding carts, storage, signage, light boxes, auto-teller machines, payphone and kiddy rides.
 (Source : The management team of MVC)

We have adopted the “**Investment Method**” and “**Comparison Approach**” in formulating our opinion of the **Market Value** of the Subject Property.

Investment Method

In the “**Investment Method**”, the capital value of the Subject Property is derived from an estimate of the Market Rental which the Subject Property can reasonably be let for. Rental evidence may be obtained from actual passing rents commanded by the building itself if it is tenanted. Outgoings, such as property taxes, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is then capitalized at an appropriate current market yield to arrive at its indicative capital value.

For our calculation purpose, we have categorised the tenancy into 3 categories:-

- i) Key Tenant (i.e. Carrefour, AEON, Metrojaya, Uniqlo, Toys ‘R’ Us, Kamdar, Oasis Food Court and Golden Screen Cinema)
- ii) Normal Tenant (tenants other than the Key Tenant)
- iii) Kiosks

1) Gross Rental

Gross rental is divided into 2 categories which is term rental and reversionary rental. The term rental is the expected rental that the Subject Property is expected to achieve and is derived from the current rental tenancy.

The reversionary rental is the expected rental that the Subject Property is expected to achieve upon expiry of term rental. We have use the average term tenancy rental as a benchmark to arrive at our reversionary rental. However, some of the term rental is on the low side as compared to the prevailing term rental rate of its neighbouring lots on the 2nd and 3rd floor of Mid Valley Megamall and therefore, we have adjusted the reversionary rental upwards.

The term rental rate for key tenants has been increased 10% upon the reversionary period as it is stipulated in the tenancy agreements that rental increase upon expiry will be in the range of about 10% to 20% and we have adopted a 10% increment upon reversionary.

Average current base rental	RM 9.81 per sq. ft. per month
Average reversionary base rental	RM 10.20 per sq. ft. per month

2) Other Income

Revenue	2011	2010	2009	2008
Rental income - percentage rent (RM)	31,006,000	26,823,000	23,240,000	23,329,000
Other Income:- Leasing (ATM, Storage, Cart, Signage, Interior, Website) (RM)	7,372,000	7,378,000	6,980,000	6,810,000
Advertisement and Promotion/ Mailbox/ Paid Phone/ Sundry Income (RM)	7,848,000	5,802,000	5,258,000	4,744,000
Car park income (RM)	24,454,000	20,911,000	20,098,000	19,505,000

(Source : The management team of MVC)

We have adopted an average gross annual income for year 2010 and 2011 of RM28,900,000 for percentage rent, RM22,680,000 for car park income and RM14,200,000 for leasing and advertisement and promotion.

3) Operating Expenses (Outgoings)

These are the expenses incurred in maintaining the Subject Property, which comprise staff costs, operational costs of the Subject Property, general expenses, headquarters support expenses and maintenance cost.

We have been informed by the client that the tenants of the Subject Property are currently paying RM 1.50 per sq. ft. per month for service charge.

It should be noted that the historical operating costs exclude part of lower ground floor with the NLA of approximately 25,467 sq. ft. which is designated as part of the Subject Property are currently under the management of Mid Valley City Gardens Sdn Bhd, the owner and operator of The Gardens Mall.

The historical operating cost is presented as follows:-

Outgoings	2011	2010	2009	2008
Outgoing (RM)*	57,068,000	54,988,000	56,481,000	59,693,000
Outgoing (RM/ per sq. ft.)**	2.79	2.69	2.76	2.92

(Source : The management team of MVC)

* This outgoing covers staff cost, property cost, general expenses, advertising and promotion costs, headquarters support expenses and property upgrade expenses for retail.

** Based on NLA of 1,703,641 sq.ft. which excludes 25,467 sq. ft.

The average historical operating expenses excluding the major capital expenditure of property upgrading over the past 4 years is approximately RM57,057,500 per annum (RM2.75 per sq. ft.). Therefore, we have adopted RM2.70 per sq. ft. which is similar to the operating expenses in year 2010 in our valuation computation.

To arrive at the outgoing for the retail area (i.e. excluding the carpark) we have deducted the estimated outgoing for the carpark portion. We have allowed the carpark outgoing as 15% of the carpark revenue. Therefore, outgoings for the retail area portion after deducting the carpark outgoing are as follows:-

	Analysed outgoing	NLA (sq. ft.)	Outgoings to be collected per annum
Key tenant	RM 1.70 per sq. ft.	835,095	RM 17,036,000
Normal tenant	RM 3.30 per sq. ft.	883,053	RM 34,969,000
Kiosk	RM 3.30 per sq. ft.	10,960	RM 434,000
TOTAL		1,729,108	RM 52,439,000 (RM2.53 per sq. ft.)
Add carpark expenses adopted 15% of revenue RM22,680,000			RM 3,402,000
Total outgoing (retail area and carpark)			RM55,841,000 (RM2.70 per sq. ft.)

We have been informed by the client that the security services and the maintenance of the common area (including escalators) within the Key Tenant lots are being managed by the Key Tenants themselves. Thus, we have adopted an analysed lower rate at RM 1.70 per sq. ft. per month as operating expenses for key tenants.

We have analysed actual carpark outgoings for the subject properties to be in the range of 3% - 6% without taking into accounts the shared cost between the retail mall portion and the car park portion such as security charges, utilities charges, property maintenance charges, etc. We have also noted that other retail mall of the similar capacity and location such as Pavilion Mall and Sunway Pyramid Mall is also adopting 15% of the carpark income as their carpark outgoing. As such, we have adopted 15% of the carpark income as outgoings rate which is reflective of realistic outgoing rate.

We have compiled the following outgoings rate for other retail malls in Klang Valley as comparables:-

	Net Lettable Area (sq.ft.)	Monthly Outgoing (per sq.ft.)	Year Ending
Pavilion	1,335,119	3.60	2011
Subang Parade	521,807	2.65	2011
Sunway Pyramid	1,685,568	2.75	2009
IPC	394,943	2.63	2010

(Source : Prospectus of respective malls)

Monthly outgoings for other retail malls in Klang Valley are in between RM2.63 per sq. ft. to RM3.60 per sq. ft. Thus, the analysed outgoings we have adopted for Mid Valley Megamall is within the market range.

4) Yield

This yield is used to capitalise the annual net rental to arrive at the capital value. We have adopted the following capitalisation rate for the Subject Property.

Period	Rates (Normal Tenant)	Rates (Key Tenant)	Rates (Kiosk)
Tenancy period	6.00%	5.00%	5.75%
Reversionary Period (upon tenancy expiry)	* 6.25%	* 5.25%	* 6.00%

*Higher rate to reflect risk due to uncertainty.

The following are the analyzed yields for other retail malls in Klang Valley:-

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property	Pavilion Kuala Lumpur Mall	Sungei Wang Plaza	Starhill Gallery	Lot 10 Shopping Centre	Sunway Pyramid
Location	Jalan Bukit Bintang	Jalan Bukit Bintang	Jalan Bukit Bintang	Jalan Sultan Ismail	Bandar Sunway
NLA (sq. ft.)	1,335,119	450,470	297,354	256,811	1,685,568
Consideration Price	RM 3,190,300,000	RM 724,000,000	RM 629,000,000	RM 401,000,000	RM 2,132,025,000
Transaction Year	2011	2010	2010	2010	2010
Source	Prospectus of Pavilion REIT	Prospectus of CapitaMalls Malaysia Trust	Bursa Securities' Announcement	Bursa Securities' Announcement	Bursa Securities' Announcement
Transacted Price Per. sq. ft.	RM 2,390	RM 1,607	RM 2,115	RM 1,561	RM 1,265
Net income (includes carpark income and other income)	RM 203,326,000	RM 49,956,000	RM 42,800,000	RM 27,250,000	RM 146,000,000
Analysed Yield	6.37%	6.90%	6.80%	6.80%	6.85%
Average net income per NLA	RM 12.69 per sq. ft.	RM 9.24 per sq. ft.	RM 11.99 per sq. ft.	RM 8.84 per sq. ft.	RM 7.22 per sq. ft.

The analysed yield of the retail malls set out above shows a range between 6.37% to 6.90%. We have adopted Pavilion Kuala Lumpur Mall as the best comparable due to its similarity in terms of large NLA space and also its date of transaction which is close to date of this exercise. Based on the analysed yield of Pavilion Kuala Lumpur Mall of 6.37%, we have further made downward adjustments on the following factors:-

- 1) Average net income per sq. ft. for Pavilion Kuala Lumpur Mall is RM12.69 per sq. ft. whereas the Subject Property average net income per sq. ft. is RM8.95 per sq. ft. for year 2011. As the average net income per sq. ft. of the Subject Property is lower than Pavilion Kuala Lumpur Mall, the risk also should be lower and therefore a lower yield was adopted.
- 2) Average occupancy rate for Pavilion Kuala Lumpur Mall and the Subject Property for the past 3 years are as follows:-

Year	2011	2010	2009
Pavilion Kuala Lumpur Mall	98.50% (as at June 30, 2011)	96.50%	98.70%
Subject Property	100.00%	99.86%	100.00%

(Source : The management team of MVC)

It can be seen that the occupancy rate for the Subject Property is higher, this shows the risk is lower therefore a lower yield adopted.

Based on the above factors, we find that the 6% yield adopted for Normal Tenants is fair. As for Key Tenants, the tenancy periods are longer and the rental rates are lower and therefore we have adopted a lower yield of 5% due to its stability. As for Kiosks, we have adopted a yield of 5.75% which is slightly lower than Normal Tenant as it is generally easier to rent out and has a high demand.

We have adopted 6% yield for carpark and leasing and advertising and promotion income as it is considered to be stable whilst 8% was for turnover rent income is to reflect its more fluctuating nature.

The overall analysed average yield of the Subject Property is 5.32% taking into consideration the lower rentals as compared to the comparables and the fact that the key tenants make up approximately 48.30% of total net lettable area.

5) Voids

We have adopted a 3.0% for void allowance for vacancy periods, marketing and rent free periods offered to new tenants as the Subject Property has recorded an occupancy rate of more than 99% over the past few years.

Year	As at the date of valuation)	2011	2010	2009
Occupancy rate	99.04%	100.00%	99.86%	100.00%

(Source : The management team of MVC)

Comparison Method

This approach is the Market Approach of comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing properties, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element, quantum discount for en-bloc sale and other relevant factors to arrive at our opinion of value.

Our findings from the data of the Valuation and Property Services Department, Ministry of Finance Malaysia data revealed that there are few transactions of retail malls within the vicinity. For the purpose of this valuation, we have adopted the following comparables.

Comparables	1	2	3	4
Property	Pavilion Kuala Lumpur Mall	Sungei Wang Plaza	Starhill Gallery	Lot 10 Shopping Centre
Source	Prospectus of Pavilion REIT	Prospectus of CapitaMalls Malaysia Trust	Bursa Securities' Announcement	Bursa Securities' Announcement
Tenure	Leasehold for 99 years expiring on October 26, 2109	Freehold	Freehold	Leasehold for 99 years expiring on July 29, 2076
Age (as at transaction date)	Approximately 5 years	Approximately 34 years	Approximately 15 years	Approximately 20 years
Nett Lettable Area	1,335,119 sq. ft.	450,470 sq. ft.	297,354 sq. ft.	256,811 sq. ft.
Consideration	RM3,190,300,000	RM724,000,000	RM629,000,000	RM401,000,000
Transaction Date	01/06/2011	10/06/2010	16/04/2010	16/04/2010
Vendor	Urusharta Cemerlang Sdn Bhd	Vast Winner Sdn Bhd	Mayban Trustee Berhad	Mayban Trustee Berhad
Purchaser	AmTrustee Berhad, the trustee of Pavilion REIT	AmTrustee Berhad, the trustee of CapitaMalls Malaysia Trust (CMMT)	HSBC Institutional Trust Services (Singapore) Limited, the trustee of Starhill Global REIT	HSBC Institutional Trust Services (Singapore) Limited, the trustee of Starhill Global REIT
Value per sq. ft.	RM2,390	RM1,607	RM2,115	RM1,561
Adjustment Made	- Location - Accessibility - Income	- Time - Location - Condition - Accessibility - Tenure - Size	- Time - Location - Accessibility - Tenure - Size - Master Lease Agreement	- Time - Location - Accessibility - Tenure - Size - Master Lease Agreement
Final Adjusted Value (per sq. ft.)	RM 1,912	RM 1,527	RM 1,798	RM 1,640

After final adjustment, we have arrived at a range of **RM1,527 per sq. ft. to RM1,912 per sq. ft.** Having taken the above into consideration, we are of the opinion that comparable No. 1, Pavilion Kuala Lumpur Mall is the best comparable to the Subject Property due to its similarities in size and compatibility in Kuala Lumpur. It is therefore our opinion that **RM1,912 per sq. ft.** reflects the fair and reasonable current market value for the Subject Property.

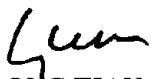
The value summary from both methods of valuation and the reconciliation rationale are as follows:-

Investment Method	RM 3,440,000,000
Comparison Method	RM 3,306,000,000

In arriving at a market value for a homogeneous property such as vacant lands and residential properties, the Comparison Approach is the most appropriate method of valuation as there are less adjustments and analysis on comparables. However, for a more complex property and other income generating or investment properties, qualitative and quantitative adjustments are more difficult to compute to reflect the differences of the comparables and the property being valued. Therefore, we have adopted the Investment Method as the main method in arriving at our opinion of the current Market Value. We are of the opinion that this is the best method to be used in this instance as the Subject Property is an income generating commercial property.

It is our opinion that the current Market Value of the Subject Property with the remaining unexpired term of approximately 91 years, with Certificate of Fitness for Occupation issued, subject to the existing tenancies and the individual block strata titles being issued free from encumbrances, as at April 10, 2012, is **RM 3,440,000,000.**

Yours faithfully,
HENRY BUTCHER MALAYSIA SDN BHD


LONG TIAN CHEK
B.Sc., MRICS, MRISM
Registered Valuer (V-241)

LTC/yeo/april/sk



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: VR/01-12/0053 (A) -ltr

Date: 03 AUG 2012

IGBREIT Management Sdn Bhd
Level 32, The Gardens South Tower,
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MEZZANINE FLOOR, 2 LEVELS OF BASEMENT CAR PARK AND 4 LEVELS
OF ELEVATED CAR PARK KNOWN AS MID VALLEY MEGAMALL
("SUBJECT PROPERTY")**

We refer to our Valuation Report bearing reference no. VR/01-12/0053(A) dated April 10, 2012.

We are writing to inform that subsequent to the Valuation Report, we note that the application for alienation of land adjacent to Lot 80, Section 95A, Town of Kuala Lumpur has been approved subject to the conditions stated vide a letter bearing reference no. PTG/WP.2/43781/11(21) dated June 22, 2012.

Yours faithfully,
HENRY BUTCHER MALAYSIA SDN BHD


LONG TIAN CHEK
B.Sc., MRICS, MRISM
Registered Valuer (V-241)

LTC/yeo

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59200 Kuala Lumpur.

Dear Sirs

CERTIFICATE OF VALUATION OF AN 8 LEVEL RETAIL MALL TOGETHER WITH 4 LEVELS OF BASEMENT CAR PARK AND 4 LEVELS OF ELEVATED CAR PARK KNOWN AS THE GARDENS MALL ("SUBJECT PROPERTY")

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Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



Property Description

Property Type/
Interest Valued An 8 level retail mall (Level LG to Level 6) together with 4 levels of basement car park (Basement P1 to P4) and 4 levels of elevated car park (Level 4 to Level 7) known as The Gardens Mall.

Name and Address of
the Subject Property The Gardens Mall forms part of the prestigious development scheme known as Mid Valley City. It bears the official address of The Gardens Mall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

Location It is situated approximately 6 kilometres west of Kuala Lumpur City Centre and 4 kilometres east of Petaling Jaya. It is linked by major arterial roads such as Jalan Syed Putra which connects to the Federal Highway, and also by Jalan Maarof, Jalan Tun Sambathan, East – West Link Highway and Sprint Highway. The Subject Property is easily accessible from Kuala Lumpur City Centre by using Jalan Tun Razak. From there, connect to Jalan Kuching and head south towards Jalan Kinabalu, thence turn onto Jalan Syed Putra and exit onto Mid Valley City. Further, the Subject Property is also accessible from Petaling Jaya via the Federal Highway or Sprint Highway heading west towards Kuala Lumpur.

Age of Building 5 years from the date of the first Temporary Certificate of Fitness For Occupation (“TCF”) which was issued in 2007.

Building Description The building is generally constructed on reinforced concrete framework resting on deep piled foundation with brick infill rendered externally and plastered internally. The building also has a water proof concealed reinforced concrete flat roof and metal deck roofing on top. We noted that a portion of the roof was constructed with steel roof trusses covered with glass panel to allow for natural skylight to the podium.

The Gardens Mall has two main drop off entrances to the mall which is generally fitted with frameless automatic sliding glass door. One drop off entrance is fronting Lingkaran Syed Putra, the main service road within Mid Valley City whilst another is fronting an internal carriageway between The Gardens Mall and Mid Valley Megamall.

The Gardens Mall is also well connected to Mid Valley Megamall via an air-conditioned pedestrian bridge located on Level 1 and Level 2, as well as through the lower ground level which is occupied by individual tenants along the passageway.

Existing Use Of The
Subject Property Retail mall

Average Current Base
Rental RM 5.92 per sq.ft. per month

Occupancy Rate

Year	2011	2010	2009
Occupancy Rate	99.64%	98.17%	96.70%

(Source : The management team of MVCG)

Term of tenancy The typical terms of tenancy is 3 years with the option of renewal option between 1 to 3 years.

Title Particulars

Master Title No.	PN37073, Lot 79, Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Tenure	Leasehold for 99 years expiring on June 6, 2103 thus leaving an unexpired term of approximately 91 years as at the date of this certificate.
Category of land use	Building (<i>Bangunan</i>)
Land Area	Approximately 421,773 square feet (“sq. ft.”) (39,184 square metre (“sq.m.”) or 9.68 acres)
Gross Floor Area	Approximately 3,379,510 sq. ft. (313,967 sq. m.)
Net Lettable Area (“NLA”)	Approximately 814,860 sq. ft. (based on rental roll as at December 31, 2011)
No. of Car Park Bays	4,128 bays (as at December 31, 2011)
Registered Owner	Mid Valley City Developments Sdn Bhd *
Express Condition	This land shall be used for commercial building only(<i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i>)
**Restriction In Interest	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat. (<i>Tanah ini tidak boleh dipindah milik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i>)

*The Subject Property is currently owned and operated by MVCG, a wholly-owned subsidiary of KrisAssets. However, the master land on which the Subject Property is constructed is still held under a master title registered in the name of Mid Valley City Developments Sdn. Bhd. The subdivision of the master title and the issuance of individual strata titles to the various components constructed on the master land are pending.

**We wish to draw your attention that the Subject Property carries a restriction in interest which stipulates that the land shall not be transferred, leased, secured or charged except with the Consent of the Federal Territory Land Executive Committee Secretariat. In this regard, our valuation is on the basis that the written consent from the Federal Territory Land Executive Committee Secretariat in respect of the aforesaid restriction in interest will not be unreasonable withheld.

INDIVIDUAL BLOCK STRATA TITLES IN RESPECT OF THE SUBJECT PROPERTY HAS NOT BEEN ISSUED BY THE RELEVANT AUTHORITY. OUR VALUATION IS ON THE BASIS/ASSUMPTION THAT INDIVIDUAL BLOCK STRATA TITLES IN RESPECT OF THE SUBJECT PROPERTY WILL BE ISSUED BY THE RELEVANT AUTHORITY AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES OVER THE RESPECTIVE FLOOR AREAS.

Planning Approvals

Planning Approval	The Subject Property is located within an area designated for commercial purposes.
Date of Certificate of Fitness for Occupation	The Subject Property was issued with the latest TCF dated January 16, 2012 which expired on June 29, 2012. An amended building plan has been prepared and pending submission to Dewan Bandaraya Kuala Lumpur (“DBKL”) for approval.

Occupancy Details & Tenancy Profile

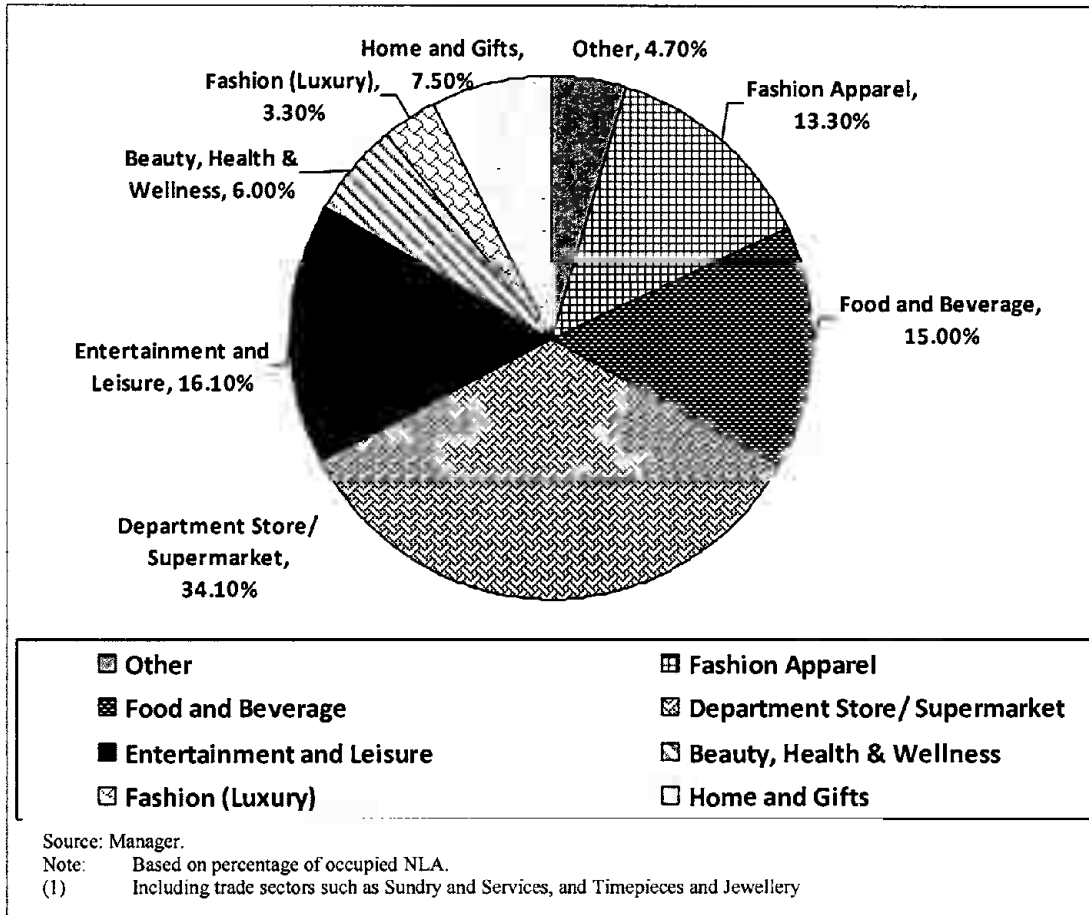
Occupancy Rate	99.64 % as at date of valuation
Tenancy Profile	The Subject Property has three major anchor tenants being Isetan and Robinson departmental stores and GSC Signature which occupy approximately 284,878 sq. ft. of retail space. There are also numerous junior anchor tenants such as Marks & Spencer, Marketplace by Cold Storage, Borders, Hokkaido Ichiba and Redbox.
Tenancy Term	The landlord is assumed to be responsible for all external and structural repairs, statutory outgoings, service charges (if any) and building insurance for the property.

Overall, the tenant mix of the Subject Property can be summarised as follows:-

Trade sector	Percentage of Occupied NLA (%)	Percentage of Gross Rental Income (%)
Departmental Store/ Supermarket	34.1	15.0
Entertainment and Leisure	16.1	11.0
Food and Beverage	15.0	19.2
Fashion Apparel	13.3	24.5
Home & Gifts	7.5	6.7
Beauty, Health & Wellness	6.0	4.8
Fashion (Luxury)	3.3	7.3
Sundry and Services	2.9	5.8
Timepieces & Jewellery	1.8	5.7
Total	100.0	100.0

(Source : The management team of MVCG)

Trade Sector Analysis



The table below illustrates the tenant mix table of the Subject Property:-

Type of Tenant	Area Occupied of NLA	Rental Income on base rental
Key Tenant	34.96 %	4.89 %
Normal Tenant	63.72 %	88.74 %
Kiosk	1.32 %	6.36 %

The table below illustrates the tenancy expiry profile of the Subject Property as at 31/12/2011.

Period (financial year ending 31 December)	Number of tenancies expiring	Percentage of occupied lettable area expiring (%)	Percentage of gross rental net income expiring (%)
2012	62	13.2	17.8
2013	126	52.9	54.3
2014	39	32.2	24.8
2015 and thereafter	6	1.7	3.2
Total	233	100.0	100.0

(Source : The management team of MVCG)

*Excluding carts, storage, signage, auto-teller machines and kiddy rides.

We have adopted the “Investment Method” and “Comparison Approach” in formulating our opinion of the Market Value of the Subject Property.

Investment Method

In the “Investment Method”, the capital value of the Subject Property is derived from an estimate of the Market Rental which the subject property can reasonably be let for. Rental evidence may be obtained from actual passing rents commanded by the building itself if it is tenanted. Outgoings, such as property taxes, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is then capitalized at an appropriate current market yield to arrive at its indicative capital value.

For our calculation purpose, we have categorised the tenants into 3 categories:-

- i) Key Tenant i.e Isetan, Robinson & GSC Signature
- ii) Normal Tenant (tenants other than the Key Tenant)
- iii) Kiosks

1) Gross Rental

Gross rental is divided into 2 categories which is term rental and reversionary rental. The term rental is the expected rental that the Subject Property is expected to achieve and is derived from the current rental tenancy.

The reversionary rental is the expected rental that the Subject Property is expected to achieve upon expiry of term rental. We have use the average term tenancy rental as a benchmark to arrive at our reversionary rental. The term rental rate for key tenants has been increased 10% upon the reversionary period as it is stipulated in the tenancy agreements that rental increase upon expiry will be in the range of about 10% to 20% and we have adopted a 10% increment upon reversionary.

Average current base rental	RM 5.92 per sq. ft. per month
Average reversionary base rental	RM 6.32 per sq. ft. per month

2) Other Income

Revenue	2011 (RM)	2010 (RM)	2009 (RM)	2008 (RM)
Rental income - percentage rent	5,752,000	5,774,000	3,867,000	1,847,000
Other Income:- Leasing (ATM, Storage, Cart, Signage Interior, Antenna, Website)	1,931,000	1,536,000	1,221,000	519,000
Advertisement , promotion & Others	1,055,000	802,000	753,000	547,000
Car park income	15,476,000	12,996,000	9,283,000	6,140,000

(Source : The management team of MVCG)

We have adopted an estimated gross annual income of RM5, 800,000 for percentage rent, RM15, 476,000 for car park income and RM3, 000,000 for leasing, advertisement and promotion.

3) Operating Expenses (Outgoings)

These are the expenses incurred in maintaining the Subject Property and include staff costs, operational costs of the Subject Property, general expenses, headquarters support expenses and maintenance cost.

We have been informed by the client that the tenants of the Subject Property are currently paying service charge of RM2.50 per sq. ft. per month.

It should be noted that the historical operating costs include part of lower ground floor with the NLA of approximately 25,467 sq. ft. which is designated as part of the Mid Valley Megamall Sdn. Bhd. but are currently under the management of the Subject Property, the owner and operator of The Gardens Mall. The historical operating cost is presented as follows:-

Outgoings	2011	2010	2009	2008
Net Outgoing*	36,048,000	34,363,000	35,211,000	37,057,000
Outgoing (RM/ per sq.ft.)**	RM 3.57	RM 3.41	RM 3.49	RM 3.67

(Source : The management team of MVCG)

*Total outgoings include staff cost, property cost, general expenses, advertising and promotion cost, headquarters support expenses and property upgrade expenses for retail

** Based on NLA of 840,327 sq.ft. which includes 25,467 sq.ft.

The average historical operating expenses of property upgrading over the past 4 years is approximately RM35,670,000 per annum (RM3.54 per sq. ft.). Therefore, we have adopted average of RM3.54 per sq. ft. for retail area and carpark portion.

To arrive at the outgoing for the retail area (i.e. excluding the carpark) we have deducted the estimated outgoing for the carpark portion. We have allowed the carpark outgoing as 15% of the carpark revenue. Therefore, outgoings for the retail area portion after deducting the carpark outgoing are as follows:-

	Analysed outgoing	NLA (sq. ft.)	Outgoings to be collected per annum
Key tenant	RM 3.30 per sq. ft.	284,878	RM 11,281,000
Normal tenant	RM 3.30 per sq. ft.	519,189	RM 20,560,000
Kiosk	RM 3.30 per sq. ft.	10,793	RM 427,000
TOTAL		814,860	RM 32,268,000 (RM3.30 per sq. ft.)
Add carpark expenses adopted 15% of revenue RM15,476,000			RM 2,321,000
Total outgoing (retail area and carpark)			RM34,589,000 (RM3.54 per sq. ft.)

We have analysed actual carpark outgoings for the subject properties to be in the range of 3% - 6% without taking into accounts the shared cost between the retail mall portion and the car park portion such as security charges, utilities charges, property maintenance charges, etc. We have also noted that other retails mall of the similar capacity and location such as Pavilion Mall and Sunway Pyramid Mall is also adopting 15% of the carpark income as their carpark outgoing. As such, we have adopted 15% of the carpark income as outgoings rate which is reflective of realistic outgoing rate.

We have compiled the following outgoing rate for other retail malls in Klang Valley as comparables:-

	Net Lettable Area (sq.ft.)	Monthly Outgoing (per sq.ft.)	Year Ending
Pavilion	1,335,119	3.60	2011
Subang Parade	521,807	2.65	2011
Sunway Pyramid	1,685,568	2.75	2009
IPC	394,943	2.63	2010

(Source : Prospectus of respective malls)

Monthly outgoing for other retail malls in Klang Valley are in between RM2.63 per sq. ft. to RM3.60 per sq. ft. Thus, the analysed outgoing we have adopted for The Gardens Mall is within the market range.

4) Yield

This yield is used to capitalise the annual net rental to arrive at the capital value. We have adopted the following capitalisation rate for the Subject Property:-

Period	Rates (Normal Tenant)	Rates (Key Tenant)	Rates (Kiosk)
Tenancy period	6.00%	5.00%	5.75%
Reversionary Period (upon tenancy expiry)	* 6.25%	* 5.25%	* 6.00%

*Higher rate to reflect risk due to uncertainty.

The following are the analyzed yields for other retail malls in Klang Valley:-

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property	Pavilion Kuala Lumpur Mall	Sungei Wang Plaza	Starhill Gallery	Lot 10 Shopping Centre	Sunway Pyramid
Location	Jalan Bukit Bintang	Jalan Bukit Bintang	Jalan Bukit Bintang	Jalan Sultan Ismail	Bandar Sunway
NLA (sq. ft.)	1,335,119	450,470	297,354	256,811	1,685,568
Consideration Price	RM 3,190,300,000	RM 724,000,000	RM 629,000,000	RM 401,000,000	RM 2,132,025,000
Transaction Year	2011	2010	2010	2010	2010
Source	Prospectus of Pavilion REIT	Prospectus of CapitaMalls Malaysia Trust	Bursa Securities' Announcement	Bursa Securities' Announcement	Bursa Securities' Announcement
Transacted Price per sq.ft.	RM 2,390	RM 1,607	RM 2,115	RM 1,561	RM 1,265
Net income (includes carpark income and other income)	RM 203,326,000	RM 49,956,000	RM 42,800,000	RM 27,250,000	RM 146,000,000
Analysed Yield	6.37%	6.90%	6.80%	6.80%	6.85%
Average net income per NLA	RM 12.69 per sq.ft.	RM 9.24 per sq.ft.	RM 11.99 per sq.ft.	RM 8.84 per sq.ft.	RM 7.22 per sq.ft.

The analysed yield of the retail malls set out above shows a range between 6.37% to 6.90%. We have adopted Pavilion Kuala Lumpur Mall as the best comparable due to its similarity of large NLA space and also its date of transaction which is close to date of this exercise. Based on the analysed yield of Pavilion Kuala Lumpur Mall of 6.37%, we have further made downward adjustments on the following factors:-

- 1) Average net income per sq. ft. for Pavilion Kuala Lumpur Mall is RM12.69 per sq. ft. whereas the Subject Property average net income per sq. ft. is RM7.03 per sq. ft. for year 2011. As the average net income per sq. ft. of the Subject Property is lower than Pavilion Kuala Lumpur Mall, the risk should also be lower and therefore a lower yield was adopted.
- 2) Average occupancy rate for Pavilion Kuala Lumpur Mall and the Subject Property for the past 3 years are as follows:-

Year	2011	2010	2009
Pavilion Kuala Lumpur Mall	98.50% (as at June 30, 2011)	96.50%	98.70%
Subject Property	99.64%	98.17%	96.70%

(Source : The management team of MVCG for Subject Property)

It can be seen that the occupancy rate for the Subject Property is higher for year 2010 and 2011, this shows the risk is lower therefore a lower yield adopted.

Based on the above factors, we find that the 6% yield adopted for Normal Tenants is fair. As for Key Tenants, the tenancy periods are longer and the rental rates are lower and therefore we have adopted a lower yield of 5% due to its stability. As for Kiosks, we have adopted a yield of 5.75% which is slightly lower than Normal Tenant as it is generally easier to rent out and has a high demand.

We have adopted 6% yield for carpark and leasing and advertising and promotion income as it is considered to be stable whilst 8% was for turnover rent income is to reflect its more fluctuating nature.

The overall analysed average yield of the Subject Property is 6.11% taking into consideration the lower rentals as compared to the comparables.

5) Voids

We have adopted 3.0% for void allowance for vacancy periods, marketing and rent free periods offered to new tenants as the Subject Property has recorded an occupancy rate of more than 96% over the past few years.

Year	2011	2010	2009
Occupancy Rate	99.64%	98.17%	96.70%

(Source : The management team of MVCG)

Comparison Method

This approach is the Market Approach of comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element, quantum discount for en-bloc sale and other relevant factors to arrive at our opinion of value.

Our findings from the data of the Valuation and Property Services Department, Ministry of Finance, Malaysia revealed that there are few transactions involving retail malls within the vicinity. For the purpose of this valuation, we have adopted the following comparables.

Comparables	1	2	3	4
Property	Pavilion Kuala Lumpur Mall	Sungei Wang Plaza	Starhill Gallery	Lot 10 Shopping Centre
Source	Prospectus of Pavilion REIT	Prospectus of CapitaMalls Malaysia Trust	Bursa Securities' Announcement	Bursa Securities' Announcement
Tenure	Leasehold for 99 years expiring on October 26, 2109	Freehold	Freehold	Leasehold for 99 years expiring on July 29, 2076
Age (as at transaction date)	Approximately 5 years	Approximately 34 years	Approximately 15 years	Approximately 20 years
Net Lettable Area	1,335,119 sq. ft.	450,470 sq. ft.	297,354 sq. ft.	256,811 sq. ft.
Consideration	RM3,190,300,000	RM724,000,000	RM629,000,000	RM401,000,000
Transaction Date	01/06/2011	10/06/2010	16/04/2010	16/04/2010
Vendor	Urusharta Cemerlang Sdn Bhd	Vast Winner Sdn Bhd	Mayban Trustee Berhad	Mayban Trustee Berhad
Purchaser	AmTrustee Berhad, the trustee of Pavilion REIT	AmTrustee Berhad, the trustee of CapitaMalls Malaysia Trust (CMMT)	HSBC Institutional Trust Services (Singapore) Limited, the trustee of Starhill Global REIT	HSBC Institutional Trust Services (Singapore) Limited, the trustee of Starhill Global REIT
Value per sq. ft.	RM2,390	RM1,607	RM2,115	RM1,561
Adjustment Made	<ul style="list-style-type: none"> - Location - Accessibility - Income 	<ul style="list-style-type: none"> - Time - Location - Condition - Accessibility - Tenure - Size 	<ul style="list-style-type: none"> - Time - Location - Accessibility - Tenure - Size - Master Lease Agreement 	<ul style="list-style-type: none"> - Time - Location - Accessibility - Tenure - Size - Master Lease Agreement
Final Adjusted Value (per sq. ft.)	RM 1,792	RM 1,527	RM 1,798	RM 1,640

After final adjustment, we have arrived at a range of **RM1,527 per sq. ft. to RM1,792 per sq. ft.** Having taken the above into consideration, we are of the opinion that comparable No. 1, Pavilion Kuala Lumpur Mall is the best comparable to the Subject Property due to its similarities in size and compatibility in Kuala Lumpur. It is therefore our opinion that **RM1,792 per sq. ft.** reflects the fair and reasonable current market value for the Subject Property.


The value summaries from both methods of valuation and the reconciliation rationale are as follows:-

Investment Method	RM 1,160,000,000
Comparison Method	RM 1,460,000,000

In arriving at a market value for a homogeneous property such as vacant lands and residential properties, the Comparison Approach is the most appropriate method of valuation as there are less adjustments and analysis on comparables. However, for a more complex property and other income generating or investment properties, qualitative and quantitative adjustments are more difficult to compute to reflect the differences of the comparables and the property being valued. Therefore, we have adopted the Investment Method as the main method in arriving at our opinion of the current Market Value. We are of the opinion that this is the best method to be used in this instance as the Subject Property is an income generating commercial property.

It is our opinion that the current Market Value of the Subject Property with the remaining unexpired term of approximately 91 years, with Temporary Certificate of Fitness for Occupation issued, subject to the existing tenancies and individual block strata titles being issued free from encumbrances, as at April 10, 2012, is **RM 1,160,000,000**.

Yours faithfully,
HENRY BUTCHER MALAYSIA SDN BHD


LONG TIAN CHEK
B.Sc., MRICS, MRISM
Registered Valuer (V-241)

LTC/yeo/april/sk



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: VR/01-12/0053 (B) -ltr

Date: 03 AUG 2012

IGB REIT Management Sdn Bhd
Level 32, The Gardens South Tower,
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur.

Dear Sirs


REPORT AND VALUATION OF AN 8 LEVEL RETAIL MALL TOGETHER WITH 4 LEVELS OF BASEMENT CAR PARK AND 4 LEVELS OF ELEVATED CAR PARK KNOWN AS THE GARDENS MALL ("SUBJECT PROPERTY")

We refer to our Valuation Report bearing reference no. VR/01-12/0053(B) dated April 10, 2012.

We are writing to inform that subsequent to the Valuation Report, we understand that the amended building plan has been approved by the local authority Dewan Bandaraya Kuala Lumpur ("DBKL") vide a copy of the approval letter bearing reference no. (17) dlm. BPS1OSC20114102 dated June 18, 2012.

The Certificate of Fitness for Occupation (CFO) for the Subject Property has also been issued by DBKL on June 22, 2012.

Yours faithfully,
HENRY BUTCHER MALAYSIA SDN BHD


LONG TIAN CHEK
B.Sc., MRICS, MRISM
Registered Valuer (V-241)

LTC/april

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V (11) 0058



INDEPENDENT PROPERTY MARKET REPORT

August 2012

Prepared for:
IGB REIT Management Sdn Bhd

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Chapter 1

Terms of Reference

1.0 TERMS OF REFERENCE

CB Richard Ellis ("CBRE") was commissioned by IGB REIT Management Sdn Bhd to provide an Independent Property Market Report ("Report") for the purpose of IGB REIT Management Sdn Bhd's Initial Public Offering ("IPO") and listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Report aims to satisfy the following scope of work:

(A) Malaysia Economic Overview and Outlook: An overview of the Malaysian and Kuala Lumpur economy focusing on macroeconomic indicators will be presented in this section.

(B) Property Market Overview and Outlook: CBRE will carry out an assessment of the retail property market in Klang Valley (i.e. Kuala Lumpur and selected districts of Selangor). This includes an overview of demand and supply as well as outlook of the retail property markets in general.

(C) Review on REIT Portfolio and Outlook: This section of the report provides a review on the portfolio under the REIT from the perspectives of location, trade area, and performance analysis, as well as SWOT and comparative analysis. Subsequently, outlook commentary on the assets is also provided based on market findings.

This Report is subject to the following limiting conditions:

- Neither the whole nor any part of this Report or any reference to it may be included in any published document, circular to statement nor published in any way without CBRE's prior written approval of the form and context in which it may appear (other than in respect of any documents / information necessary to facilitate the IPO);
- Where it is stated in the Report that information has been supplied to CBRE by another party, this information is believed to be reliable by CBRE. Other information is derived from sources which we believe to be reliable to the best of our ability. We can accept no responsibility if this should prove not to be so;
- Our Report is made solely for the use of the party to whom it is addressed and to their professional advisors for the specific purpose to which it refers. CBRE disclaims all responsibility and will accept no liability to any other party.
- Any plan or map in this Report is included to assist the reader in visualising the property. We have made no survey of the property and assume no responsibility in connection with such matters.

Chapter 2 Malaysia Economic Overview and Outlook

2.0 MALAYSIA ECONOMIC OVERVIEW AND OUTLOOK

2.1 Key Economic Indicators

Table 2.1: Malaysia Economic Data Overview, 2000 – 2012¹

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	n.a.
Real GDP at Constant 2000 Prices (RM mil)	356,401	377,559	399,414	426,508	449,250	475,926	506,341	530,633	522,001 ²	539,554 ³	559,554 ³	589,297 ³	589,297 ³	n.a.
Real GDP Growth (%)	8.6% ¹	5.4%	5.3%	6.8%	5.3%	5.8%	6.5%	4.8%	-1.6%	7.2%	7.2%	5.1%	5.1%	5.0%
GDP Per Capita at Constant 2000 Prices (RM)	15,169	15,394	15,946	16,673	17,194	17,722	18,025	19,269	18,713	19,807	20,604	20,604	20,604	n.a.
GDP Per Capita at Current Prices (RM)	15,169	15,624	16,719	18,531	19,996	21,409	23,617	26,959	24,375	27,113	29,865	29,865	29,865	n.a.
Consumer Price Index (2000=100)	100.0	103.2	104.4	105.9	109.1	113.0	115.3	121.6	122.3	124.4	128.3	131.3 ⁴	131.3 ⁴	n.a.
Inflation Rate (%)	1.5%	1.8%	1.2%	1.4%	3.0%	3.6%	2.0%	5.4%	0.6%	1.7%	3.2%	2.5% ³	2.5% ³	n.a.
MIER Consumer Sentiment Index	115.6	112.8	115.5	113.9	116.1	110.9	110.7	71.2	109.6	117.2	106.3	106.3	106.3	n.a.
Overnight Policy Rate	n.a.	n.a.	n.a.	2.70%	3.00%	3.50%	3.50%	3.25%	2.00%	2.75%	3.00%	3.00%	3.00%	n.a.
Exchange Rate, RM1.00 to US\$	0.2632	0.2632	0.2632	0.2632	0.2645	0.2832	0.3024	0.2887	0.2720	0.3243	0.3259	0.3259	0.3259	n.a.
Unemployment														
- Labour Force (000 person)	9,556.1	9,892.4	10,239.6	10,346.2	10,413.4	10,628.9	10,698.5	11,028.1	11,315.3	11,517.2	n.a.	n.a.	n.a.	n.a.
- Emp ovc (000 person)	9,269.2	9,542.6	9,869.5	9,979.5	10,045.4	10,275.4	10,559.6	10,659.6	10,897.3	11,129.4	n.a.	n.a.	n.a.	n.a.
- Unemployed (000 person)	286.9	349.8	369.8	366.6	368.1	353.6	351.4	368.5	418.0	387.9	n.a.	n.a.	n.a.	n.a.
- Unemployment Rate (%)	3.0%	3.5%	3.6%	3.5%	3.5%	3.3%	3.2%	3.3%	3.7%	3.3%	3.1%	3.1%	3.1%	n.a.
Domestic Aggregate Demand (mil)														
Private Consumption	RM 155,941	RM 172,485	RM 186,674	RM 208,571	RM 234,234	RM 258,280	RM 293,140	RM 335,213	RM 339,395	RM 367,991	RM 406,882	RM 406,882	RM 406,882	n.a.
Private Investment	RM 47,792	RM 30,939	RM 33,793	RM 50,592	RM 53,705	RM 62,139	RM 76,577	RM 77,985	RM 64,633	RM 78,730	RM 86,889	RM 86,889	RM 86,889	n.a.
Public Consumption	RM 36,229	RM 49,656	RM 54,306	RM 59,635	RM 64,516	RM 68,609	RM 78,396	RM 97,865	RM 95,910	RM 97,513	RM 115,832	RM 115,832	RM 115,832	n.a.
Public Investment	RM 47,349	RM 48,071	RM 59,056	RM 48,744	RM 53,480	RM 57,074	RM 61,016	RM 67,428	RM 72,871	RM 76,364	RM 80,810	RM 80,810	RM 80,810	n.a.
Gross FDI Inflows (mil)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	RM 89,508	RM 89,211	RM 98,877	RM 98,877	RM 98,877	n.a.
Manufacturing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	RM 55,035	RM 44,594	RM 53,682	RM 58,502	RM 58,502	n.a.
Services	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	RM 26,577	RM 5,800	RM 26,971	RM 29,992	RM 29,992	n.a.
Mining and Quarrying (including oil and gas)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	RM 7,090	RM -0,375	RM 7,998	RM 9,472	RM 9,472	n.a.
Construction	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	RM 549	RM 229	RM 414	RM 664	RM 664	n.a.
Agriculture, Forestry and Fishing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	RM 317	RM 187	RM 246	RM 246	RM 246	n.a.

Source: Department of Statistics Malaysia, Bank Negara Malaysia, Malaysia Institute of Economic Research (MIER)

Note : a – estimates; p – preliminary, by Department of Statistics Malaysia; f – forecast

¹ Growth rate based on constant 1987 prices

² Forecast by Malaysian government

³ Forecast by International Monetary Fund (IMF)

⁴ Forecast by Malaysia Institute of Economic Research (MIER)

- The Malaysian economy expanded at a healthy rate since 2000 with compounded annual growth rate (CAGR) of 4.66% during the period from 2000 – 2011, where real Gross Domestic Product (GDP) grew from RM356,401 million in 2000 to RM588,297 million in 2011 in constant price terms. The GDP growth in 2011 was registered at 5.1% in spite of concerns arises from the European debt crisis and natural disasters in the region.
- Despite the challenging economic environment, the Malaysian government anticipates GDP growth of 5.0% in 2012. Additionally, the International Monetary Fund (IMF) estimates inflation rate and unemployment rate in Malaysia to be at 2.5% and 3.1% respectively for the year.

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2.2 Income and Spending Trends

2.2.1 Mean Gross Monthly Household Income

Table 2.2a: Malaysia Gross Monthly Household Income, 1999 - 2009

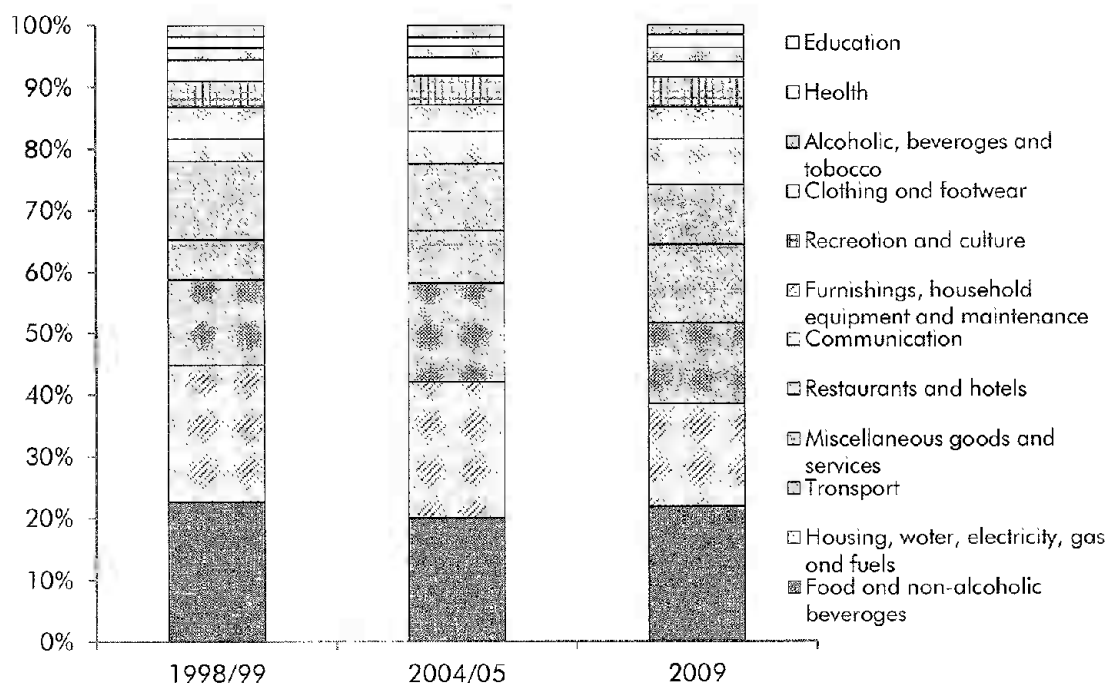
State / RM	1999	2004	2007	2009	Compounded Annual Growth Rate (1999 - 2009)
Malaysia	2,472	3,249	3,686	4,025	5.00%
Kuala Lumpur	4,105	5,011	5,322	5,488	2.95%
Selangor	3,702	5,175	5,580	5,962	4.88%

Source: Economic Planning Unit and Department of Statistics Malaysia, Household Income Survey

- The national mean gross monthly household income increased from RM2,472 in 1999 to RM4,025 in 2009 at a CAGR of 5.00%.
- The mean gross monthly household incomes in Kuala Lumpur and Selangor were RM5,488 and RM5,962, respectively, in 2009, both of which were higher than the national average of RM4,025. Kuala Lumpur's mean gross monthly household income grew by a CAGR of 2.95% from 1999 to 2009, whilst that of Selangor grew by a CAGR of 4.88% during the same period.

2.2.2 Household Expenditure

Chart 2.2b: Malaysia Composition of Household Expenditure, 1998/99 - 2009



Source: Department of Statistics Malaysia and Bank Negara Malaysia

- Based on the most recent Household Expenditure Survey carried out by the Department of Statistics Malaysia and reported by Bank Negara Malaysia in 2009, Malaysian households spend, on average, 51.6% of their total expenditure on a few key items, including food and non-alcoholic beverages (21.8%), housing, water, electricity, gas and fuels (16.7%) and transport (13.1%). The total percentage of spending on these core items

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was reported to be lower in this latest survey than in previous surveys (58.2% in 2004/05 and 58.7% in 1998/99).

- Components of expense that have grown in importance as a percentage of total expenditure over the past ten years from 1998/99 to 2009 include communication (+105.6%), miscellaneous goods and services (+95.4%), alcoholic beverages and tobacco (+21.1%), health (+16.7%), and recreation (+14.0%). This is characteristic of income growth in emerging economies. As household income increases, the proportion of percentage of expenditure on discretionary items e.g. mobile devices, beauty services, travelling increases while the percentage of expenditure on essential items decreases.

2.2.3 Consumer Spending Behaviour and Preference

- Malaysia's GDP has grown by 65% since 2000 at CAGR of 4.66%, and by correlation the average household income in Kuala Lumpur and Selangor have grown 34% and 61% respectively during the period 1999 – 2009. In this period there has been a corresponding shift in the consumer spending pattern as well. This growth in household income has raised disposable incomes whilst at the same time raising the Klang Valley to a broad middle class base. At RM5,488 and RM5,962 per month average incomes for Kuala Lumpur and Selangor, the population lies squarely in the middle-middle income level (household income of RM5,000 to RM10,000 per month).
- This allows a lot of room for the retail industry to grow as well. There was a time when it was difficult to support a lifestyle mall, as income levels were not sufficient and the aspirational brands not affordable. But in less than 15 years, we have seen the influx of many new foreign retailers and brands, many much awaited by the well heeled. The breadth of merchandise has therefore increased and this has very quickly put the Malaysian retail market on par with the best in the region.
- What is different now from their nascent days of the 80's is that our malls are now the Malaysian 'third place', after the home and the workplace. The frequency with which we visit our malls is a tell-tale sign of our new lifestyle – private surveys conducted in the city centre mall and suburban mall show that average annual visitations to malls were both more than 50 times a year, that is at least once a week.
- The retail industry in the Klang Valley has matured as well and is similar to markets in Bangkok and Singapore. Now we have not only caught up, but our brands have grown into regional ones as well, including Parkson and Bonia, which are both highly successful. Likewise the quality of many of our new malls is first class and certainly investment grade.
- A mature retail industry implies segmentation of demographics in terms of incomes and behavioural patterns. Certainly, mini theme parks on roof tops of malls are no longer in vogue both in Bangkok and Kuala Lumpur. In their place, cineplexes are becoming main anchor tenants of malls.
- The food and beverage sector has likewise become a major draw as lifestyles change to the extent where consumers are now eating out more than twice a week, as opposed to cooking at home. This has resulted in food and beverage content surging past 15% of trade mix in terms of net lettable area in most successful malls worldwide and even more so in Kuala Lumpur.
- Fashion has also segmented into different price point categories and major malls now need to have a complete range of these to offer sufficient comparison shopping. Now fashion offerings must include not only department stores but fast fashion (young and trendy streetwear), premium brands and edgy independent boutiques.

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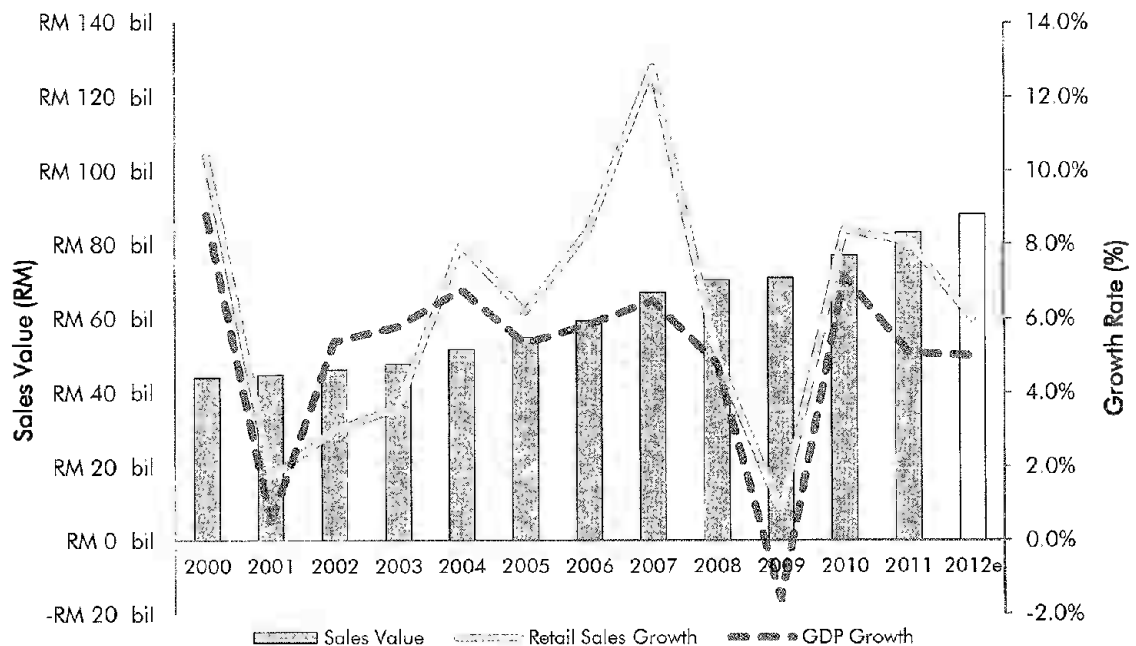
- Consumers are now more savvy and discerning as a result of information technology (IT) and new methods of communication such as Facebook™, Apple iPhone™ and BlackBerry™. A private survey suggests that online shopping, even in Kuala Lumpur, has increased significantly amongst 20 to 40-year olds, whilst brick-and-mortar shopping by the young and trendy is frequently preceded by research on the internet on a particular brand.
- With such shifts taking place in shopping preferences and behaviour, there are implications for retail destinations. These trends observed on the consumer spending behavior and preference in Malaysia can be summarized as follows:-
 - Shoppers seek to accomplish more in less time;
 - Shopping is evolving into an experience, beyond functionality alone; it now frequently has to be a good / satisfactory experience;
 - Aspirational brands are becoming more important;
 - Food and beverage is a major part of the shopping experience;
 - In larger malls, average time spent is longer at 3½ hours, as shoppers combine meals, groceries, services and households with comparison shopping in one trip;
 - Internet shopping is fast gaining recognition; youths aged 20 to 24 spend an average of 22.3 hours online per week according to a Nielsen study, this could possibly result in greater online spending when they join the work force.
- There are clearly three price associated trends in the country's demographics. Like those of most middle income countries, Malaysia's middle income groups have been affected by rising inflation with purchasing power shrinking as petrol and utility price increases have grown faster than salary growth. This has resulted in price elasticity becoming more pronounced and mainstream and fast fashion brands have been more severely affected in the aftermath of the US subprime crisis. Middle income consumers are now driven by value-for-money merchandise. In 2008 particularly, mainstream brands saw more than 30% drops in gross sales turnover throughout the country. Fine dining was likewise affected. Conversely, hypermarkets and fast food chains experienced growth in that same period as middle income families shifted their spending a notch downwards to cheaper but quality products. Thirdly, the luxury segment, although slightly affected, continued to thrive throughout the US subprime crisis as the upper income groups were less affected. Regional tourism also increased although fuel prices increased, resulting in better performance for the luxury segment. In the next few decades, the shift in retail will be towards Asian fashion and more lifestyle, experiential shopping. This is the 'now' generation, piazzas and the 'third place' will dominate the retail scene.

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2.2.4 Retail Performance

Chart 2.2c: Malaysia Retail Sales Value, Retail Sales Growth and GDP Growth, 2000 – 2012e



Note: e – estimation

Source: Department of Statistics Malaysia, Malaysia Retailers Association (MRA)

- Malaysia Retailers Association (MRA) reported retail sales value of RM83.2 billion and retail sales growth of 8.1% in 2011, higher than the earlier forecast of 6.0%. Notably the retail sales growth rates have been higher than the national GDP growth rate since 2004.
- In view of the European debt crisis, job uncertainty and reduced credit spending, MRA projects retail sales to grow by 6.0% in 2012, equivalent to total sales value of RM88.2 billion.
- The Tenth Malaysia Plan (10MP) targets an annual growth of 8.30% during its five year period (2011-2015) for the distributive trade sector which comprises of the wholesale trade, retail trade and motor vehicles trade.

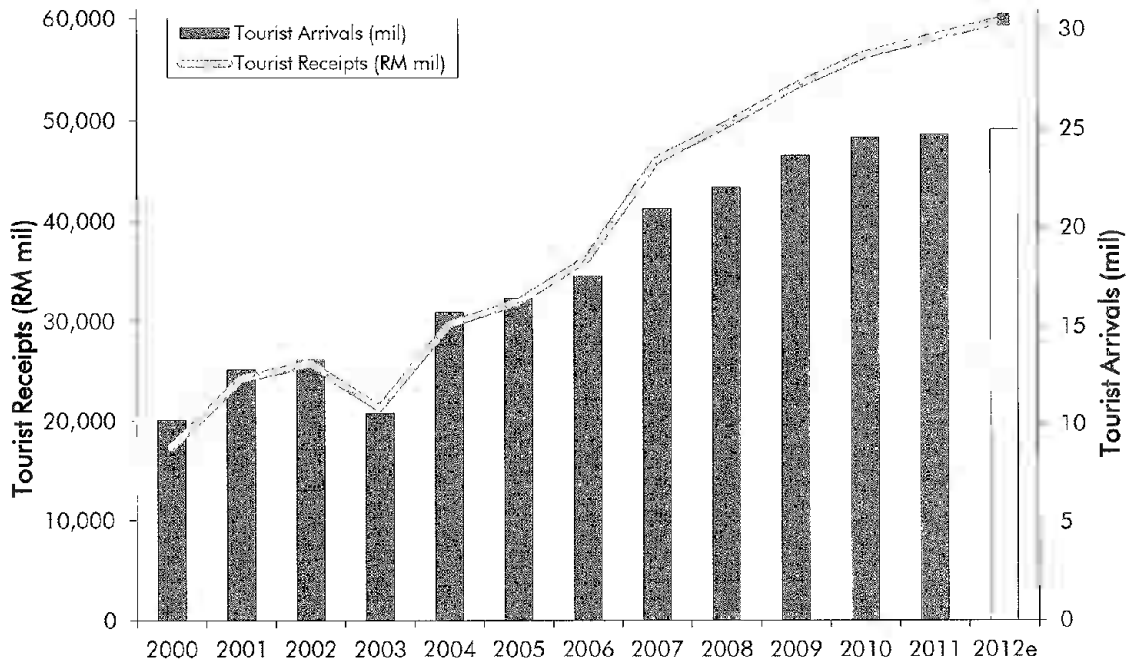
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2.3 Tourism Indicators

2.3.1 Tourist Arrivals and Receipts

Chart 2.3a: Malaysia Tourist Arrivals and Tourist Receipts, 2000 – 2012e



Note: e – estimation

Source: Tourism Malaysia

- Tourist arrivals and receipts have been generally on an uptrend over the last decade, with the exception of 2003, when the SARS outbreak affected Malaysia's tourism industry. CAGRs of tourist arrivals and receipts were 8.4% and 11.7% respectively for the period 2000 – 2011.
- The tourism sector, the largest contributor to GDP in the services sector, witnessed rapid growth in 2007 following the success of the 'Visit Malaysia 2007' campaign.
- Recovering from the global economic downturn in 2009, tourist arrivals reached a new record in 2011, at 24.7 million, while tourist receipts were also at an all-time high of RM58.3 billion.
- The Ministry of Tourism anticipates tourist arrivals of 25 million with RM60 billion in tourist receipts in 2012.

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2.3.2 Component of Tourist Expenditure

Table 2.3b: Breakdown of Tourist Expenditure, 2005 – 2009

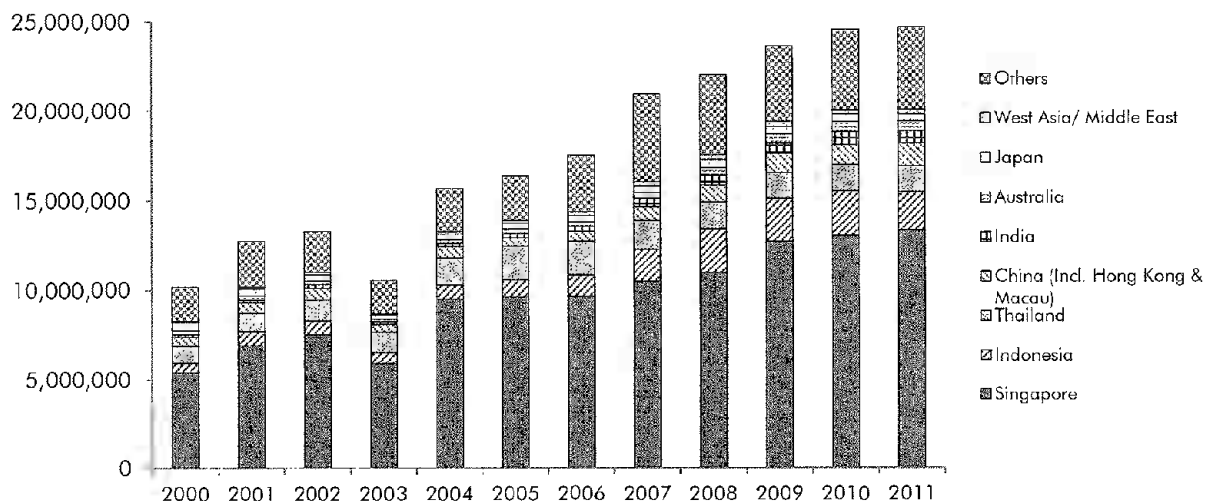
Items	2005		2006		2007		2008		2009	
	RM million	%	RM million	%	RM million	%	RM million	%	RM million	%
Accommodation	RM 10,704.6	33.5%	RM 12,840.2	35.4%	RM 14,235.6	30.9%	RM 15,463.1	31.2%	RM 16,573.8	31.0%
Shopping	RM 6,646.5	20.8%	RM 9,321.8	25.7%	RM 12,254.6	26.6%	RM 13,282.4	26.8%	RM 15,103.1	28.3%
Food & Beverage	RM 6,358.9	19.9%	RM 6,782.8	18.7%	RM 8,338.7	18.1%	RM 8,772.3	17.7%	RM 9,290.5	17.4%
Local Transportation	RM 3,706.7	11.6%	RM 3,663.4	10.1%	RM 4,607.0	10.0%	RM 5,154.4	10.4%	RM 5,253.1	9.8%
Entertainment	RM 1,278.2	4.0%	RM 1,342.1	3.7%	RM 1,428.2	3.1%	RM 1,486.8	3.0%	RM 1,594.0	3.0%
Domestic Airfares	RM 1,246.2	3.9%	RM 1,124.5	3.1%	RM 2,257.4	4.9%	RM 2,428.5	4.9%	RM 2,274.7	4.3%
Organised Tour	RM 1,022.5	3.2%	RM 725.4	2.0%	RM 2,027.1	4.4%	RM 2,032.0	4.1%	RM 2,271.0	4.3%
Miscellaneous	RM 990.5	3.1%	RM 471.5	1.3%	RM 921.4	2.0%	RM 941.7	1.9%	RM 1,007.5	1.9%
	RM 31,954.1		RM 36,271.7		RM 46,070.0		RM 49,561.2		RM 53,367.7	

Source: Tourism Malaysia

- Tourist expenditure in 2009 was mainly focused on Accommodation (31.0%), Shopping (28.3%) and Food & Beverage (17.4%).
- High-growth components include the Shopping and Organised Tour components, which recorded double digit growth of 13.7% and 11.8%, respectively, in 2009, followed by Accommodation (+7.2%), Entertainment (+7.2%), Miscellaneous (+7.0%), Food & Beverage (+5.9%) and Local Transportation (+1.9%).
- Shopping is becoming increasingly significant in terms of total expenditure by tourists, witnessed by the increase from 20.8% of total tourist expenditure in 2005 to 28.3% in 2009.

2.3.3 Tourist Arrivals by Country of Origin

Chart 2.3c: Malaysia Tourist Arrivals by Country of Origin, 2000 – 2011



Source: Tourism Malaysia

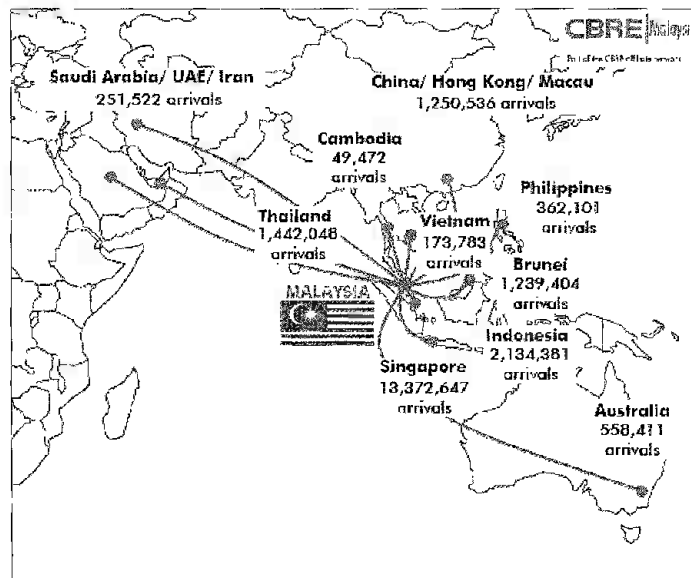
- Key international source markets for Malaysia have traditionally been Australia, Japan, Korea and Europe, in particular United Kingdom, France and Germany.
- Within the ASEAN region, Singapore - by virtue of its historical links with Malaysia and its physical proximity - has been the primary source of tourists to Malaysia with a share of

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more than 50% of total tourist arrivals over the last decade. Indonesia, on the other hand, has been an important market but showed a decline in arrivals in 2011.

- However, changing trends and increasing globalisation and travel have opened up some new key markets, most notably China, India and the Middle East.
- The map below shows the selected major tourist markets of Malaysia in 2011 with arrival statistics.

Map 2.3d: Selected Major Tourist Markets of Malaysia and Arrivals Statistics 2011



Source: CBRE Research, Tourism Malaysia

2.4 Federal Government Initiatives

- 2009 marked significant changes in the history of Malaysia's economic development with the government's unveiling of a comprehensive package of economic liberalisation measures. The new policies are wide in scope and will have a significant impact on the real estate sector as they have removed a large number of restrictions on the purchase of properties by foreign investors. Other measures will widen and diversify the base of the nation's economy by encouraging the growth of the service and financial sectors whilst also creating new opportunities for international investment.
- **Repeal of the Foreign Investment Committee (FIC) Guidelines:** Effective 30 June 2009, the former Foreign Investment Committee (FIC) guidelines were repealed, resulting in the abolition of a large number of restrictions on the purchase of properties by foreign investors. Previously under the FIC all property acquisitions by a foreign investor were subject to FIC approval. Some minor restrictions remain however; approval from the Economic Planning Unit (EPU) is required where a direct or indirect property transaction involves the dilution of Bumiputera (indigenous and ethnic Malay) or government interest for properties valued at RM20 million and above, while foreign investors are only allowed to purchase properties priced above RM500,000 per unit. These measures are designed to increase the volume of transactions by attracting more foreign investors who are considering entering the Malaysian real estate market for the first time or further expanding their existing foothold.
- **Liberalisation Measures on Services and Financial Sector:** Other measures have focused on the service and financial sectors. The government aims to increase the service sector's contribution

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to Malaysia's GDP from 55% to 60% and intends to achieve this by progressively liberalising various service sub-sectors. Its first step has been to remove the 30% Bumiputera equity condition in 27 sub-sectors of the service sector including business services, computer and related services, health and social services, sporting and other recreational services, tourism services and transport services. The financial liberalisation measures which were and will be implemented over the period from 2009 to 2012, include the issuance of Islamic and commercial banking licenses to allow more foreign companies to operate in the Malaysian financial services sector, a step which should provide the impetus to create new demand in the office sector as economic conditions improve. By 2012, seven new foreign banks, including two mega-Islamic institutions, will be permitted to commence operation. In addition to the removal of the former FIC guidelines covering property acquisition by foreigners, those relating to the acquisition of equity stakes, mergers and takeovers were also repealed, meaning that, with a few exceptions, there will no longer be a general 30% Bumiputera equity condition imposed by the FIC, although regulators of certain strategic sectors will still be able to continue to impose equity conditions on companies operating within them. The new measures are expected to have a positive medium term impact and spur interest on the part of foreign and local institutional property funds and REITs in entering the Malaysian real estate market. The removal of the 30% Bumiputera equity condition in certain sectors of the economy is particularly significant; the existence of this regulation had formerly deterred many foreign institutional investors from investing in Malaysia but its repeal puts the country's policies on an even footing with those found in Hong Kong and Singapore and sets Malaysia apart from some of the still emerging economies elsewhere in Southeast Asia.

- **Multimedia Super Corridor (MSC) Status Office Buildings:** MSC Status office buildings were first introduced in 1996, being designated physical areas and environments that support and promote the growth of information communication technology (ICT) industries. Among such MSC status office buildings in Klang Valley include Cyberjaya, Technology Park Malaysia (TPM), UPM-MTDC Technology Centre at Universiti Putra Malaysia, KLCC Tower 2, Plaza Sentral, Quill 7, 1 Sentral and Mercu UEM at KL Sentral; Menara TM, The Gardens at Mid Valley (North & South Tower), CityPark at i-City, IBM & KPMG Tower, 1 Tech Park, and 1 First Avenue at Bandar Utama; The Horizon in Bangsar South City, GTower, The Intermark and Wisma Hamzah Kwong Hing in Kuala Lumpur city; and Quill 9 and Symphony House in Petaling Jaya;. These, as well as multimedia facilities located in institutions of higher learning outside the cybercities, are eligible for the following incentives/facilities and benefits:

- Pioneer Status with income tax exemption of 100% of statutory income for a period of ten years or an Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years to be offset against 100% of statutory income for each year of assessment
- Eligibility for research and development grants (for majority Malaysian-owned MSC status companies)
- Duty-free import of multimedia equipment
- Intellectual property protection and a comprehensive framework of cyberlaws
- No censorship of the internet
- World-class physical and IT infrastructure
- Globally competitive telecommunication tariffs and services
- Consultancy and assistance by the Multimedia Development Corporation to companies within the MSC status buildings
- High quality, planned urban development
- Excellent research and development facilities
- Green and protected environment
- Import duty, excise duty and sales tax exemption on machinery, equipment and materials

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- **Incentives for Green Building Development:** The launch of Malaysia's green building rating system, The Green Building Index (GBI), in May 2009 has been heralded as a major step towards promoting the construction of environmentally-friendly buildings in the country. The GBI rates buildings according to six key criteria: i) energy efficiency; ii) indoor environmental quality; iii) sustainable site planning and management; iv) material and resources; v) water efficiency; and vi) innovation. According to the GBI assessment framework, achieving points in these categories will mean that the building is likely be more environmentally-friendly than those that do not address such issues. The GBI methodology involves on assessment at the design stage leading to the award of the provisional GBI rating. The final award is not issued until one year after the building is first occupied. The scheme requires buildings to be re-assessed every three years in order to maintain their GBI rating so as to ensure they are properly managed and well-maintained. Buildings are awarded Platinum, Gold, Silver or Certified ratings depending on the results they attain in the six categories. The Malaysian government has swung its weight behind the drive towards green buildings and green technology and its Budget 2010 was the first one ever to give priority to the procurement of goods and services that are environmentally friendly. The budget contained the pledge to create a fund of no less than RM1.50 billion to be given as soft loans to companies that supply and utilise green technology. The scheme commenced on 1 January 2010 and is expected to benefit 140 companies. The government has also granted tax breaks and stamp duty exemptions respectively to building owners obtaining GBI certificates and buyers purchasing buildings with GBI certificates. Building owners obtaining GBI certificates between 24 October 2009 and 31 December 2014 are entitled to income tax exemption equivalent to the additional capital expenditure incurred in obtaining the certificates, while buyers purchasing buildings with GBI Certificates from developers are entitled to be given stamp duty exemption on instruments of transfer of ownership. The exemption amount will be equivalent to the additional cost incurred in obtaining the GBI certificates, and is given to buyers who successfully execute sales and purchase agreements from 24 October 2009 until 31 December 2014. The GBI has already gained significant momentum in the months since its introduction and the development industry in Malaysia has responded rapidly and favourably to the call for more environmentally-friendly buildings.

- **New Economic Model (NEM):** The first quarter of 2010 ended on a positive note with the announcement by Malaysia's Prime Minister on the NEM, a framework that is expected to set the course for Malaysia towards becoming a high-income economy by the year 2020. One of the key strategies targeted under the NEM to improve the financial services sector is promoting the country as a hub for integrated financial services. The Malaysian government has recently unveiled its plans to build an international financial district in the capital city known as the Kuala Lumpur International Financial District (KLIFD).

- **Tenth Malaysia Plan (10MP):** The Prime Minister tabled the 10MP for the period of 2011 to 2015, which highlights the country's approaches towards becoming a high income and high productivity economy. Among the property-related highlights of the 10MP includes:-
 - Redevelopment of pockets of land in Kuala Lumpur, which includes land in the vicinity of Kampung Baru and Sungai Besi airport, the latter of which will be a mixed development known as Bandar Malaysia and has been entrusted to a consortium of companies which includes 1Malaysia Development Berhad (1MDB), Lembaga Tabung Angkatan Tentera (LTAT) and Qatar Investment Authority;

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- The development of the RM26 billion KLIFD via a joint venture between 1MDB and Mubadala Development Company (an Abu Dhabi government investment vehicle); and
 - The creation of a Facilitation Fund worth RM20 billion to help the private sector finance projects such as land reclamation in Westport, Port Klang, the Malaysia Truly Asia Tourism Centre in Kuala Lumpur and Senai High Technology Park in Iskandar Malaysia, Johor.
- **Malaysia Budget 2012:** The 54th budget of Malaysia was tabled by the Prime Minister on 7th October 2011 which include real estate related policies as below:-
- Implementation of the Second Rolling Plan (RP2) of the 10th Malaysia Plan with total allocation of RM98.4 billion for 2012 and 2013. The main projects to be implemented are the Gemas-Johor Bahru double-tracking rail project; the Jabor-Kuala Terengganu stretch of the East Coast Expressway; the Banting-Taiping West Coast Expressway; the Segamat-Tangkak Expressway; the Central Spine Expressway; the Kota Marudu-Ranau Road; and redevelopment of the Sungai Besi Kuala Lumpur Air Base.
 - Tax incentives to companies in order to boost the development of KLIFD: Among the incentives include 100% income tax exemption for a period of 10 years and stamp duty exemption on loan and service agreements to KLIFD Status companies; industrial building allowance and accelerated capital allowance to KLIFD Marquee Status companies; and 70% income tax exemption for five years to KLIFD developers.
 - Incentives for first-time home buyers:-
 - My First House Scheme (Skim Rumah Pertamaku) which was introduced in Malaysia Budget 2011 to allow first-time home buyers to obtain 100% financing with guarantee from Cagamas Berhad will see the ceiling price to be raised to RM400,000 from RM220,000.
 - Introduction of PR1MA (Perumahan Rakyat 1Malaysia) to act as an individual agency to develop and maintain affordable housing to cater for middle income earners. The government has identified the Sungai Besi Kuala Lumpur Air Base and the Sungai Buloh Rubber Research Institute as the sites for development of affordable housing priced at RM300,000 and below.
 - Full stamp duty exemption for loan agreement instruments to finance purchasers of affordable housing under the PR1MA scheme for Sales and Purchase Agreements executed between 1 January 2012 and 31 December 2016.
 - Extension of the withholding tax rate of 10% on dividend received from Real Estate Investment Trusts (REITs) on individual and non-corporate institutional investors up to 31 December 2016.
 - Real Property Gains Tax (RPGT) to be raised to 10% for residential and commercial properties disposed within two years from their purchase. The rate will remain at the current rate of 5% for disposals within three to five years of purchase. Properties disposed of after five years of purchase will be exempted.
- **Abolishment of import duty on tourism products:** It was announced in the Malaysia Budget 2011 that with the initiative to further boost the tourism industry and to render Malaysia as the leading shopping destination, it is proposed by the Malaysia government that import duty on the following goods that are preferred by tourists and locals will be abolished. These items include:
- Handbags, wallets, suitcases, briefcases, apparel, footwear and hats (with duty of between 5% and 20%);

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- Jewellery, costume jewellery and ornaments (with duty of between 5% and 20%); and
- Toys such as dolls and small scale recreational models (with duty of between 5% and 20%).

The net result of this will be increased retail sales turnover in the short term, not only from increased domestic consumer spending on these items but also from increased tourist spending on these items.

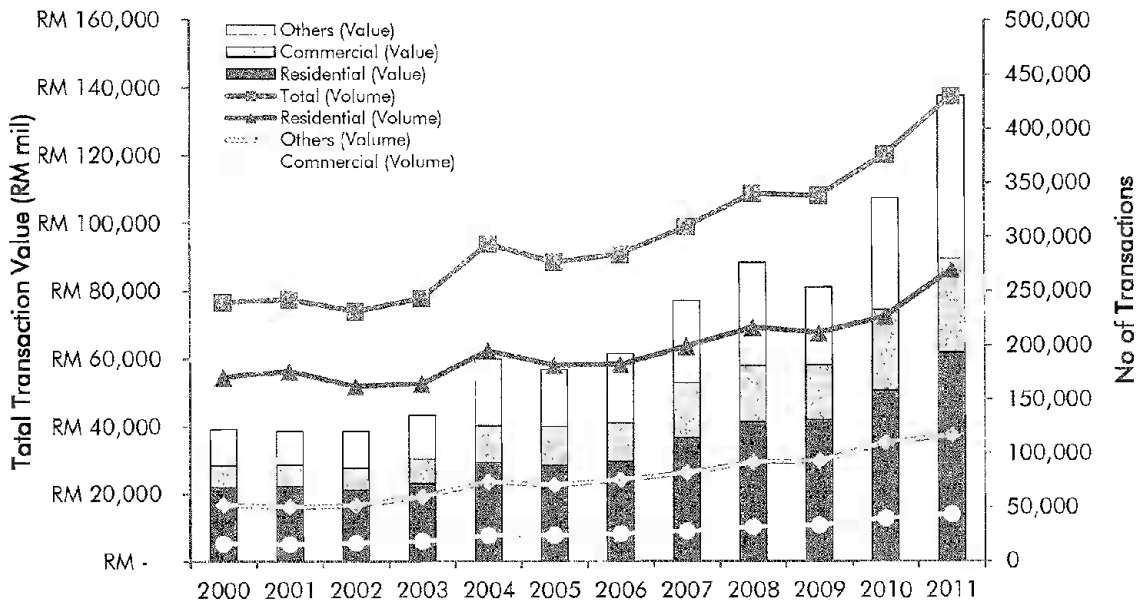
- **Government aids and incentives:** The Malaysian government had announced several aids and incentive policies that are anticipated to boost retail spending, including:
 - Malaysia People's Aid (BR1M) – One-off cash payment of RM500 to a potential 5.2 million households earning less than RM3,000 per month.
 - Malaysian Remuneration Scheme (SSM) – Pay rise of 7% to 13% to the 1.4 million civil servants.
- Overall, the federal government's initiatives have caused direct or spill-over effects onto the commercial property sector in the nation. The redevelopment of 4 main locations in the Klang Valley (i.e. the proposed KLIFD, Bandar Malaysia, the Malaysian Rubber Research Institute Land in Sungai Buloh as well as the Cochrane mixed development site which is anticipated to house Malaysia's 2nd IKEA furniture store) bodes well for the retail sector as the catchment area will augment with increased population, thereby creating potential demand for retail goods and services. Improved infrastructure works such as the proposed MRT is also anticipated to enlarge retail catchment areas due to increased mobility of the population.

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Chapter 2 Malaysia Economic Overview and Outlook

2.5 Performance of the Real Estate Market

Chart 2.5: Malaysia Property Transaction Volume and Value, 2000 – 2011



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- In 2011, a total of 430,403 property transactions were recorded for a total value of RM137.83 billion. This represents a historical high, surpassing the 2010 property market activity by 14.3% (2010: 376,583) and 28.3% (2010: RM107.44 billion) for volume and value of property transactions respectively. 43,674 commercial properties transactions involving RM27.64 billion were registered during the year, compared to 39,798 transactions valued at RM23.84 billion in 2010.
- The Valuation and Property Services Department reported that the growth demonstrated in 2011 can be attributed to the implementations of Economic Transformation Programme (ETP) projects across 12 National Key Economic Areas (NKEA).

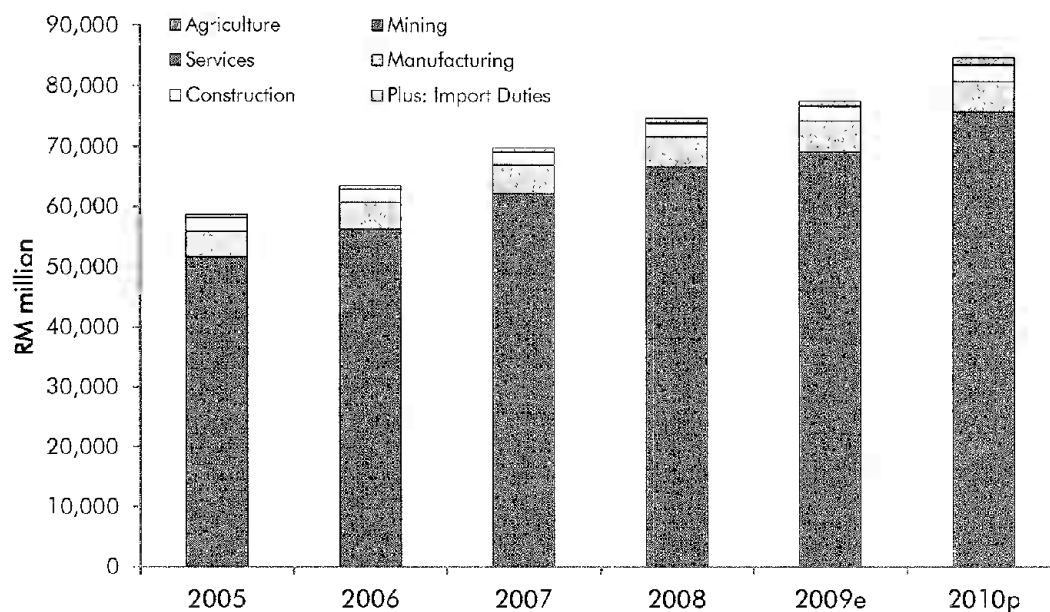
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Chapter 3 Kuala Lumpur Economic Overview and Outlook

3.0 KUALA LUMPUR ECONOMIC OVERVIEW AND OUTLOOK

3.1 Gross Domestic Product (GDP)

Chart 3.1: Kuala Lumpur Gross Domestic Product, 2005 – 2010^p



Note: e – estimates; p – preliminary, by Department of Statistics Malaysia

Source: Department of Statistics Malaysia

- Kuala Lumpur remained as the second largest contributor after Selangor to national GDP with a 15.2% share in 2010, from 14.8% in 2009. Economic growth was robust in 2010, when Kuala Lumpur achieved 9.2% growth rate against 3.9% and 7.0% in 2009 and 2008 respectively.
- The services sector contributed 89.3% towards the GDP of Kuala Lumpur in 2010, principally from the finance, insurance, real estate and business services (35.8% of total GDP) and wholesale and retail trade, accommodation and restaurants (27.7% of total GDP) sub-sectors.

3.2 Population and Demographics in Kuala Lumpur

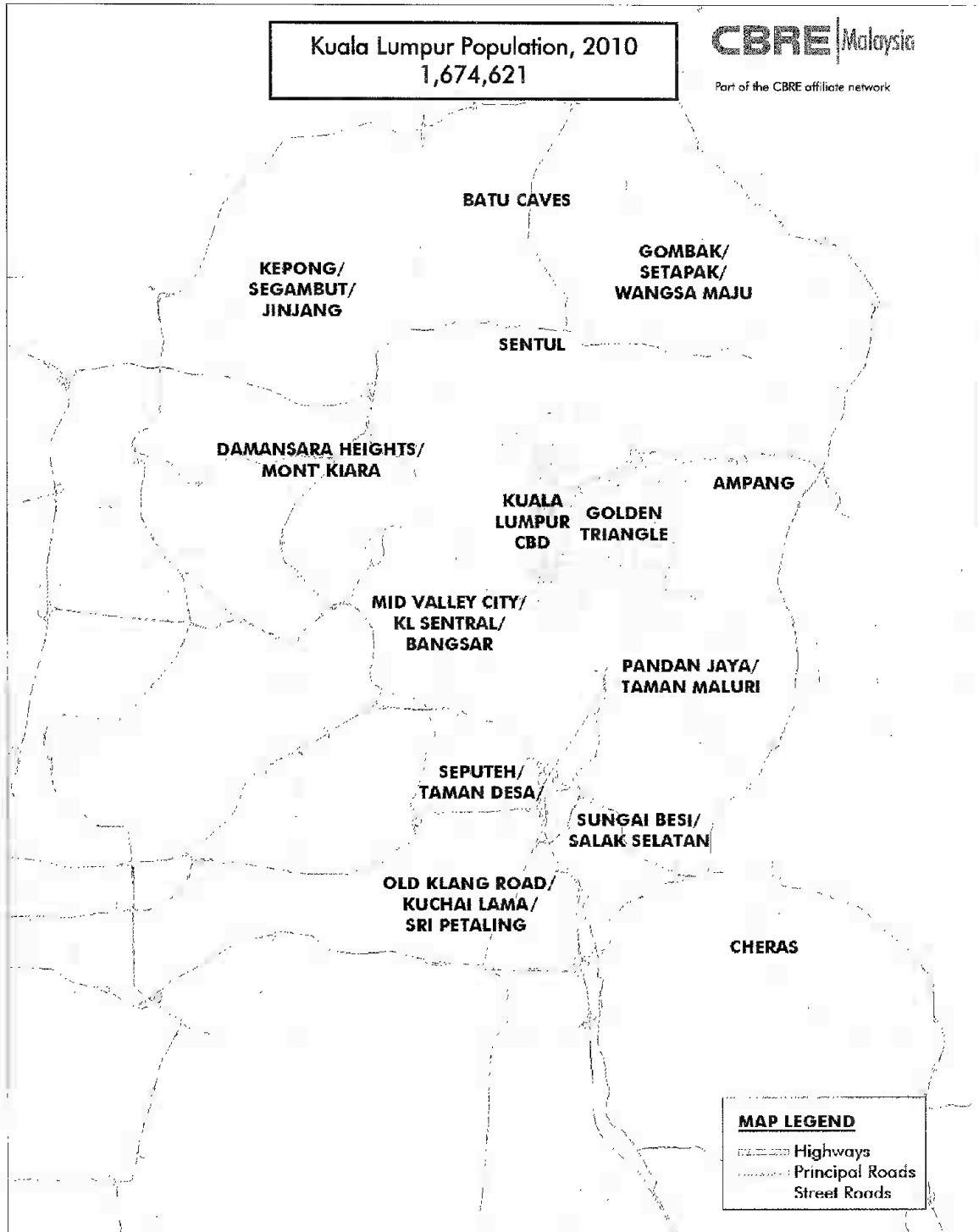
Table 3.2a: Kuala Lumpur Population, Household Number and Size, 2000 and 2010

Description	Census 2000	Census 2010
Population in Kuala Lumpur	1,305,792	1,674,621
Male	659,163	852,130
Female	646,629	822,491
Average Household Size	4.24	3.79

Source: Department of Statistics Malaysia

Chapter 3 Kuala Lumpur Economic Overview and Outlook

Map 3.2b: Major areas in Kuala Lumpur

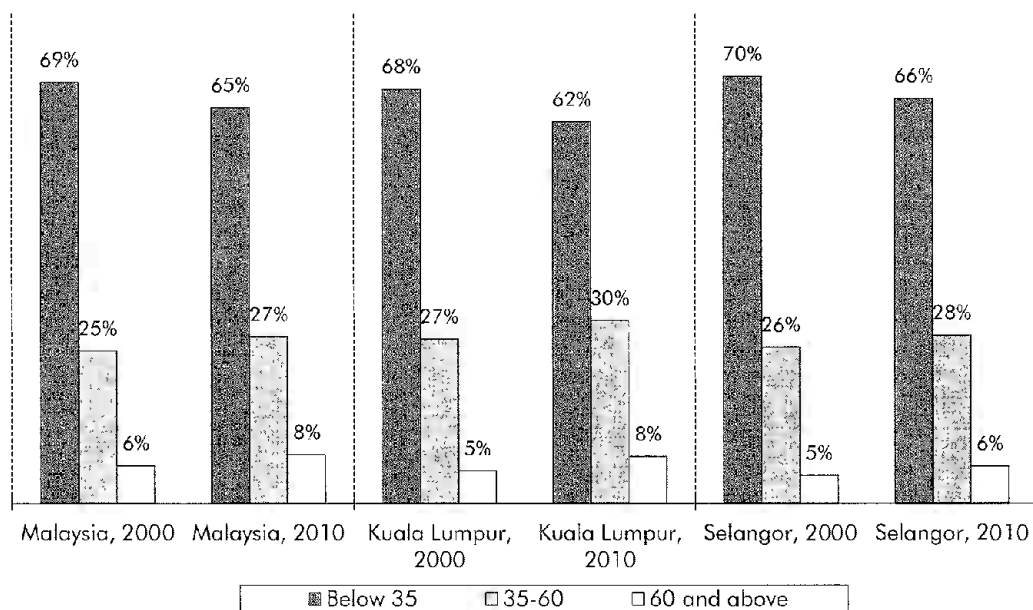


Source: CBRE Research

Chapter 3 Kuala Lumpur Economic Overview and Outlook

- **Total Population:** The population in Kuala Lumpur grew at an average rate of 1.9% annually over 2000 to 2010, slightly lower than the national average at 2.0%. The capital city forms 5.9% of the national population with a population of 1,674,621, and is the most densely populated city in Malaysia with an average of 6,891 persons per sq km.
- **Gender Segregation:** Kuala Lumpur's male and female population ratio is almost equal with 50.9% male and 49.1% female in 2010, compared to 50.5% male and 49.5% female in 2000.
- **Average Household Size:** The national average household size was 4.33 in 2010. Kuala Lumpur has the second lowest household size of 3.79 after the Federal Territory of Putrajaya at 3.50, whilst Pulau Pinang and Selangor were at 3.94 and 3.99 respectively.

Chart 3.2c: Kuala Lumpur Population by Age Group, 2000 and 2010



Source: Department of Statistics Malaysia

- **Population by Age Group:** The composition of the Malaysian population by age group has been consistent over the past ten years. As at 2010, about 65% of the total Malaysian population are below 35 years. About 27% are between 35 to 60 years whilst only 8% are at 60 years and above. These figures are almost similar to the Kuala Lumpur and Selangor population by age group, where 62%-66% are aged below 35 years, 28%-30% are between 35 to 60 years, and 6%-8% are at 60 years and above.
- **Median Age:** Malaysia has a very young population with a median age of 26.2 years. Kuala Lumpur, a serviced-based economy, has a population with a median age of 28.6 years which is the second highest among other states in the country after Penang (29.6 years).
- **Urbanisation:** Kuala Lumpur as the capital city is defined as a fully urbanized city in Malaysia by the Department of Statistics Malaysia in 2010, whilst Selangor is 91.4% urbanized by population.

Chapter 3

Kuala Lumpur Economic Overview and Outlook

3.3 Unemployment Rate

Table 3.3: Kuala Lumpur Labour Force and Unemployment Rate, 2000 – 2011

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Labour Force ('000 person)	680.4	723.2	816.9	740.3	691.6	691.4	696.1	702.4	701.0	698.3	793.2	802.0
Employed ('000 person)	662.8	703.7	794.1	715.1	671.7	675.2	676.6	682.1	682.2	678.1	772.8	780.4
Unemployed ('000 person)	17.6	19.5	22.7	25.2	19.9	16.1	19.5	20.3	18.8	20.2	20.5	21.6
Unemployment Rates (%)	2.6%	2.7%	2.8%	3.4%	2.9%	2.3%	2.8%	2.9%	2.7%	2.9%	2.6%	2.7%

Source: Department of Statistics Malaysia

- Unemployment rate in Kuala Lumpur is notably lower than the national level (3.1%) at 2.7%, and has marginally increased from the preceding year. The labour force in Kuala Lumpur represents 6.4% of the national aggregate in 2011.

3.4 Government Initiatives

- The government announced the Economic Transformation Programme (ETP) in 2010, which covers 12 Notional Key Economic Areas (NKEAs) including the Greater Kuala Lumpur/ Klang Valley, which envisions to grow annual Gross National Income contribution from RM258 billion to RM650 billion per year, to increase total employment from 2.5 million in 2010 to 4.2 million by 2020, to lift gross national income per capita from RM40,000 to RM70,000 per year, to grow the population from 6 to 10 million and other similar aspirations. A total of 9 entry point projects (EPP) have been identified in respect of the Greater Kuala Lumpur / Klang Valley area:

Table 3.4: Greater Kuala Lumpur (KL)/ Klang Valley (KV), Economic Transformation Programme

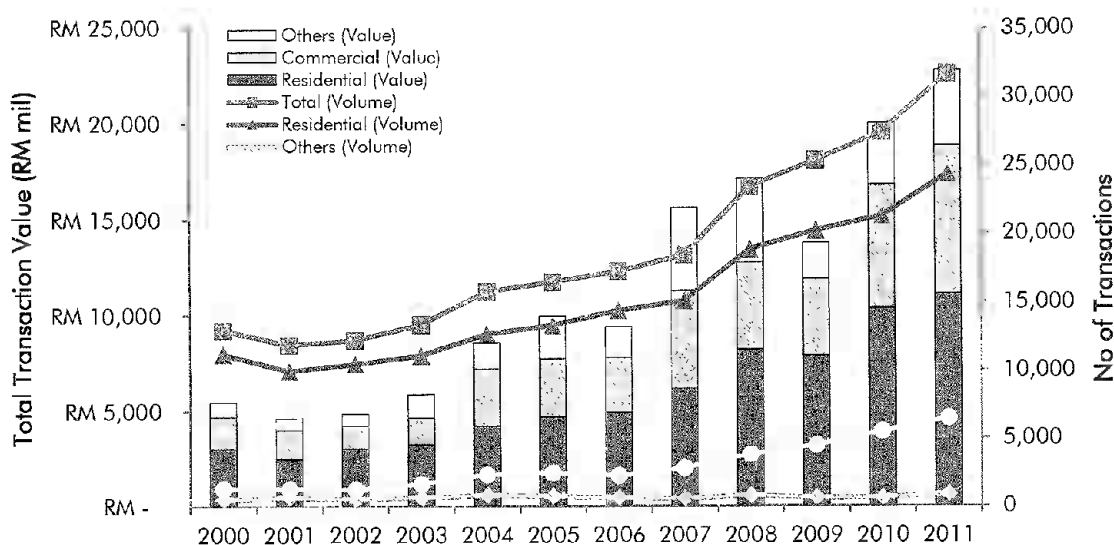
Greater Kuala Lumpur/ Klang Valley	
EPP 1: Attracting 100 of the world's most dynamic firms within priority sectors	
i.	Establish an attractive incentive package for multinational corporations (MNC) headquarters
ii.	Proactively market Greater Kuala Lumpur /Klang Valley to priority headquarters
iii.	Strengthen the local talent base with an emphasis on up-skilling and re-skilling
iv.	Reduce the cost of doing business
EPP 2: Attracting the right mix of internal and external talent	
i.	Establish Malaysia Halls
ii.	Leverage leading personages in Malaysia
iii.	Track and engage with the top 5,000 most interesting Malaysian diaspora individuals
iv.	Upgrade consular services in priority cities
v.	Establish awards to recognise world-class Malaysians
vi.	Establish an on-line job search engine
vii.	Leverage top universities to reinvigorate alumni relations
viii.	Extend Permanent Resident status
ix.	Extend foreign graduate student visas
EPP 3: Connecting to Singapore via a high speed rail system	
EPP 4: Building an integrated urban mass rapid transit system	
i.	Mass Rapid Transit system spanning 141 kilometres with three major routes, estimated to carry up to 2 million riders by 2020.
EPP 5: Revitalising the Klang River into a heritage and commercial centre for Greater KL/KV	
i.	Upgrade existing sewage systems to reduce pollutants from entering into the river
ii.	Enforce the zero squatter policy through local authorities to prevent squatter waste
iii.	Upgrade drainage systems to prevent flooding and maintain water quantity
iv.	Enforce water waste guidelines for residents, factories and commercial outlets through local authorities
EPP 6: Greening Greater KL/KV to ensure every resident enjoys sufficient green space	
i.	Adopt a green-focussed development policy

Chapter 3 Kuala Lumpur Economic Overview and Outlook

Greater Kuala Lumpur/ Klang Valley	
ii.	Employ creative landscaping methods
EPP 7: Creating iconic places and attractions	
i.	Heritage triangle walking museum
ii.	Central Market building will be transformed and redesigned into a complex with live art studios.
iii.	Pudu Jail to be transformed into a mixed development of residential, office and retail components, lined with cultural and recreational attractions.
EPP 8: Creating a comprehensive pedestrian network	
i.	Approximately 2km priority walkways for the near term
ii.	Approximately 42km comprehensive walkways for the long term
EPP 9: Developing an Efficient Solid Waste Management Ecosystem	
i.	Revamp solid waste management fees
ii.	Increase implementation of reduce, reuse and recycle (3R)
iii.	Explore options for solid waste treatment
iv.	Ensure performance of waste management and public cleansing concessionaires

3.5 Performance of Real Estate Market

Chart 3.5: Kuala Lumpur Property Transaction Volume and Value, 2000 – 2011



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- The Kuala Lumpur property market continues its uptrend in 2011, with 31,664 transactions worth RM22.81 billion registered against 27,370 transactions worth RM20.03 billion in 2010.
- Commercial properties transactions were buoyant during the year, 6,478 transactions worth RM7.72 billion were recorded, this represents growth of 17.6% and 20.0% respectively for value and volume of transaction.

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Chapter 4

Klang Valley Retail Property Market

4.0 KLANG VALLEY RETAIL PROPERTY MARKET

4.1 Retail Formats

- Retail formats have evolved rapidly in Malaysia, certainly much faster than that in matured economies like the UK. This can be attributed almost entirely to the simultaneous growth of the construction industry, the population and the GDP. Population growth and economic growth are good for retail and this has underpinned a robust retail industry which grew from the trading and OEM manufacturing days of the late 80's to today's sophisticated local brands and franchisees. Within four decades, the retail industry caught up fast with global fashion trends because of globalization and the internet. Malaysians now see European merchandise here within weeks instead of months previously.
- The expansion of the retail industry has been rapid and constant as well, and this is fuelling all that construction we saw in the post 30 years. It has also compressed the evolution of mall concepts and formats into a very short span of time. In less than two decades, at least four new generations of mall concepts have been spawned.
- The pioneer malls were mere arcades a la Ampang Park. Six generations later the industry is now showcasing open air malls such as The Curve and Desa Park City's Waterfront.
- In that period, sizes of malls have increased as well. Ampang Park and its first generation malls were on two or three acres of land whilst later models became larger on about five acres. The megamalls of today are at least 15 acres. First generation malls were only 200,000 sq ft of net lettable area in size, whilst today's megamalls are at least a million sq ft by comparison.
- Today, there are many more retail brands than there were 30 years ago. As a result, the number of shops has also increased rapidly. Earlier malls had 200 shops compared with today's more than 450 shops in the larger malls.
- Another trend has been the entry of bulk retail into the country, while Carrefour introduced the hypermarket to Malaysia. These stand alone formats are also significant in that combined, the hypermarkets take up about 10% of the market share of trade across all categories. They affect the viability of supermarkets in the country and in the cities.
- Today, the Klang Valley is dotted with malls almost in every corner or sub-market of its length and breadth. This has made it tougher for new entries to compete and the result has been more evolution of formats. The name of the game is now differentiation. This differentiation is now manifesting in both the hardware as well as the software; i.e. the concept and the merchandise mix of the malls.
- At the macro level, the intense competition between malls has resulted generally in the bifurcation of the formats into two groups – large megamalls in one group and smaller to mid-sized neighbourhood or niched malls in the other.
- Megamalls tend to attract by sheer size and variety of offer whilst neighbourhood malls appeal through their distinct and targeted offers.
- In the years ahead, we see a consolidation in the industry into this dual level of retailing formats, with neighbourhood malls doing relatively well and sustaining alongside megamalls because of their selected range.
- Classification of malls can be by way of formats and positioning. In terms of positioning, malls can be divided into three broad groups, i.e. massige versus prestige malls, plus mid-market malls, namely:
 - c Premium fashion malls
 - c Mid market malls
 - c Mass market malls

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Klang Valley Retail Property Market

4.1.1 Premium Fashion Malls

- Kuala Lumpur's rapid growth in size and affluence has allowed segmentation especially at the upper end. Although the market is broadly middle income, there is a large enough band of upper-middle and upper income to support a variety of premium offers both in terms of fashion and food and beverage. Today premium designer labels like Gucci, Prada, Burberry, Hermes and Louis Vuitton are well represented here. Kuala Lumpur now has quite a complete offer in terms of the fashion brands and the essence of a top class shopping destination is proudly showcased in its most dazzling premium fashion malls including The Gardens Mall, Pavilion Kuala Lumpur Mall, Suria KLCC and Starhill Gallery.

4.1.2 Mid Market Malls

- Mid market malls are positioned at the middle income band. Many of the larger ones offer a wide range of brands and variety of merchandise. The category is wide and includes megamalls and neighbourhood ones. The larger malls have a significant presence of established international brands, and are usually anchored by department stores and large supermarkets or hypermarkets. Mid Valley Megamall, 1 Utama Shopping Centre and Sunway Pyramid are examples of the larger malls whilst Bangsar Shopping Centre and Empire Gallery are the neighbourhood malls within this category.

4.1.3 Mass Market Malls

- Mass market malls serve a wider range of shoppers but are aimed primarily at the mid to lower end of the market. They are the mass market offers, in contrast to the prestige offers of the premium fashion malls. Malls under this category typically appeal through price competitiveness and less branded offers. Examples include the hypermarkets, and bazaars like Sungei Wang Plaza.

- Under the major categories as mentioned above, there are sub-categories that are defined by size and format as follows:
 - Megamalls
 - Regional malls
 - Neighbourhood malls
 - Lifestyle or niche malls

4.1.4 Megamalls

- Megamalls are defined as malls with net lettable areas exceeding one million sq ft. These include Mid Valley City (Mid Valley Megamall and The Gardens Mall), Pavilion Kuala Lumpur Mall, Suria KLCC, Sunway Pyramid and 1 Utama Shopping Centre. Megamalls attract by sheer size and the variety and comprehensiveness of offers. But over the years, even megamalls have started differentiating, to increase their strengths and draws; thus Pavilion Kuala Lumpur Mall is distinctly different from Suria KLCC by way of its positioning and its trade mix. In the future we anticipate more megamalls being built. These include Empire City Mall in Damansara Perdana, Boustead development in Cochrane, i-City Mall in Shah Alam and IOI City Mall in Putrajaya.

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Klang Valley Retail Property Market

4.1.5 Regional Malls

- Regional malls are usually of mid size, between 500,000 to 700,000 sq ft of net lettable area. Many of these were the biggest malls until the arrival of the megamalls. These include AEON Bukit Tinggi, 1 Utama Phase 1, The Curve and IOI Mall. The offer is similar to megamalls in that regional malls also provide the all under one roof trade mix albeit in a slightly smaller scale. Regional malls are distinguished from neighbourhood malls in terms of catchments as well. They serve a wider, cross catchment versus the neighbourhood malls which serve a more immediate neighbourhood. Again differentiation has occurred, for instance The Curve has focused on a different, open air, format and concept to draw against its neighbours.

4.1.6 Neighbourhood Malls

- These serve an immediate neighbourhood with a primary catchment area of around 10 minutes' drive time. Many such neighbourhood malls in the Klang Valley are sized in the region of 300,000 sq ft to 400,000 sq ft. Examples of such malls include Bangsar Shopping Centre and Empire Gallery. Neighbourhood malls are usually compact at 300,000 sq ft of net lettable area. Trade mixes are usually focused around the groceries, services and conveniences, with minimal fashion content. Many have survived well and are able to sustain as a result of having strong grocers and food and beverage outlets.

4.1.7 Lifestyle or Niche Malls

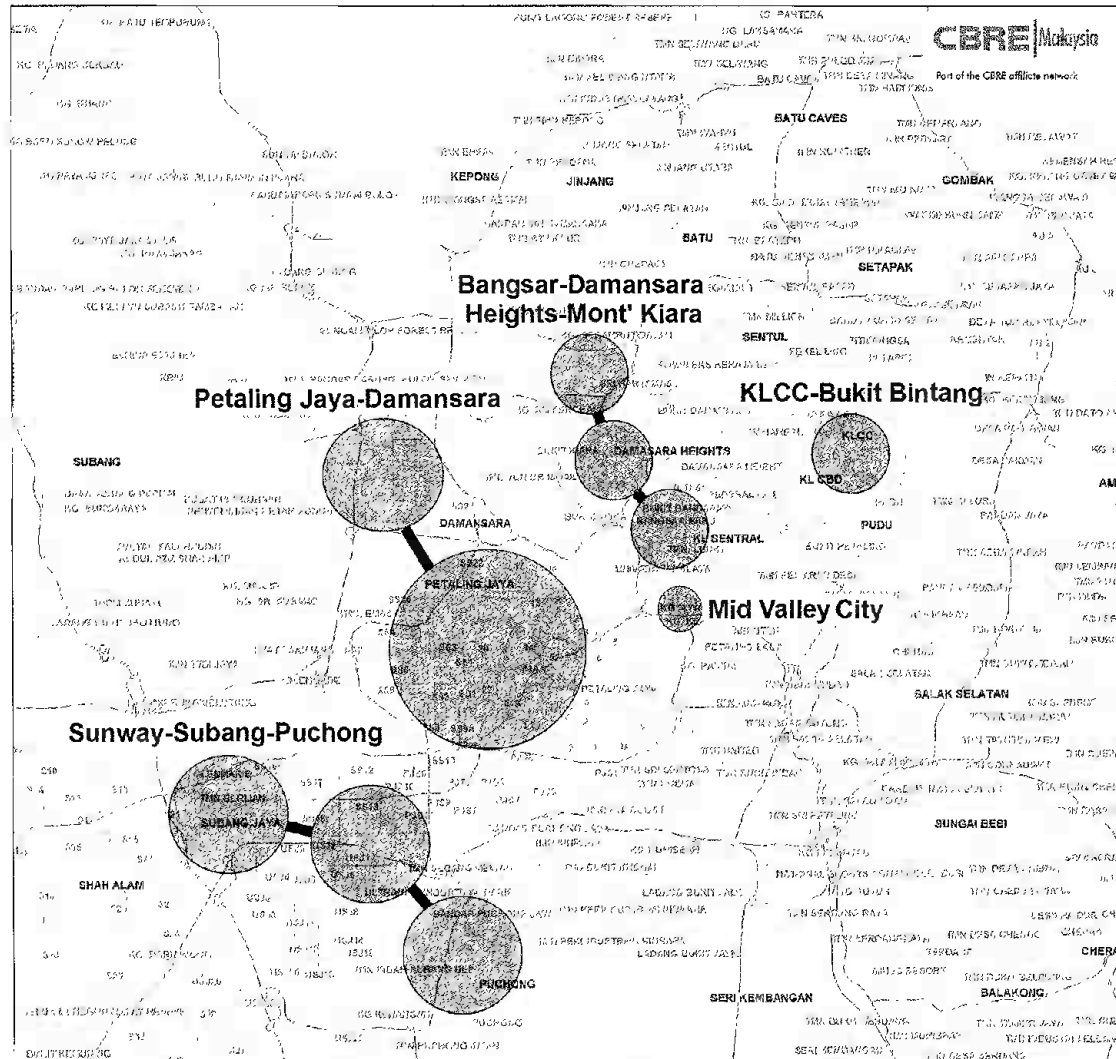
- These are usually small sized malls, with up to 400,000 sq ft of net lettable area. The newer malls in many neighbourhoods have had to specialize or are the results of a Darwinian market where mall developers and owners need to create new concepts and formats to survive. Such lifestyle malls are usually only in more affluent neighbourhoods which are able to accept newer concepts quicker. Merchandise mix is predominantly food-centric. Examples include CITTA Mall, Sunway Giza and Publika at Salaris Dutamas.

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Chapter 4 Klang Valley Retail Property Market

4.2 Key Retail Areas

Map 4.2: Key Retail Areas in Klang Valley



Source: CBRE Research

4.2.1 Mid Valley City

- This area is at the midpoint between the city and the suburbs. Although locations like these traditionally suffer from the lack of neither the pull of the city nor the proximity to the catchments in the suburbs, Mid Valley City is strategically located next to the Federal Highway, which is one of the main arterial roads into and out of the city. Its good network of links into the highways allows the location to benefit from the large volume of daily traffic coming from all of the Klang Valley. Major malls situated within this locality include Mid Valley Megamall and The Gardens Mall. It attracts Bangsar, Petaling Jaya and Cheras shoppers, i.e., shoppers from some of the more affluent suburbs.

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Klang Valley Retail Property Market

4.2.2 KLCC-Bukit Bintang

- This is located within the Golden Triangle and is the prime retail area in the country. This is where city centre retail occurs, where fashion and entertainment dominate and where flagship stores vie for market presence or dominance. Bukit Bintang has been the historical shopping and entertainment destination of Kuala Lumpur since the 50's. Today some of the more popular malls such as Pavilion Kuala Lumpur Mall, Suria KLCC, Sungei Wang Plaza, Lat 10, Starhill Gallery and Berjaya Times Square can be found in the KLCC-Bukit Bintang area. Bukit Bintang addresses a catchment area across the whole of the Klang Valley.

4.2.3 Bangsar-Damansara Heights-Mant' Kiara

- This is the most affluent suburban area in the country and has the highest concentration of expatriates. The area has many international schools and good amenities plus proximity to railway stations highways and the city centre itself. It is served by a few neighbourhood malls such as Bangsar Shopping Centre, Bangsar Village and 1 Mont' Kiara. The area is generally popular for gourmet grocery stores, food and beverage offerings and lifestyle and street retail.

4.2.4 Petaling Jaya-Damansara

- Petaling Jaya-Damansara area is the largest and second most affluent suburb in the Klang Valley. Major malls located within this area include 1 Utama Shopping Centre, The Curve, IPC Shopping Centre, IKEA, Tropicana City Mall and SSTwo Mall.

4.2.5 Sunway-Subang-Puchang

- This is a very large region south of the Federal Highway and represents the other half of the Klang Valley's suburbs. Its massive catchment supports some very successful malls. Sunway-Subang area is home to Sunway Pyramid, IOI Mall, Subang Parade and Empire Subang. This is a mature area but is still expanding as major developments stretch this area further outwards towards the south and west. The area has a substantial content of upper middle income groups and benefits from a good network of roads and highways that allow cross catchment shopping.

4.3 Key Retail Operators and Brands

4.3.1 Department Stores

- Department stores are usually the anchor tenants in malls in Malaysia. Key department store operators include Parkson, Metrojaya, C K TANGS, Isetan, Robinsons, Debenhams, Marks & Spencer and AEON.

4.3.2 Fashion

- The fashion trade is synonymous with shopping. Local brands have to contend not just with premium brands but also with the fast fashion new entries like Uniqlo, Cotton On, Mango, Zara, Pull and Bear, Esprit and Forever 21.

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Klang Valley Retail Property Market

4.3.3 Food and Beverage

- The growth of the hospitality industry in Asia in the recent past has created a new layer of professional chefs and back of house logistics that were almost nonexistent 20 years ago. This has allowed not only specialization in the food trades but also the growth of several new but powerful regional and local brands that have taken major market share from the coffee and fast food players. Whereas in the past, globally-recognised fast food chains were almost compulsory in a mall's trade mix plan, they are no longer must haves today and maintaining variety of food and beverage outlets is key for malls.
- The content of food and beverage sector in a typical trade mix has therefore grown and specialized malls like The Curve have at least 30% of shops in this category. A good critical mass is at least 50 food and beverage outlets these days.
- From Madam Kwan, Delicious and Papparich to Dragon-i, Malaysia is witnessing a surge in this trade in terms of quality chains. The entry of regional and international names like Il Divo, Din Tai Fung and Food Republic is adding on another dimension and depth to this otherwise secondary category of trade in a mall.

4.3.4 Entertainment

- The entertainment trade is becoming essential in a mall's content as shoppers seek to accomplish more tasks as part of their shopping experience. This has led to bowling alleys, karaokes and cinemas being a fixture in almost all new malls.

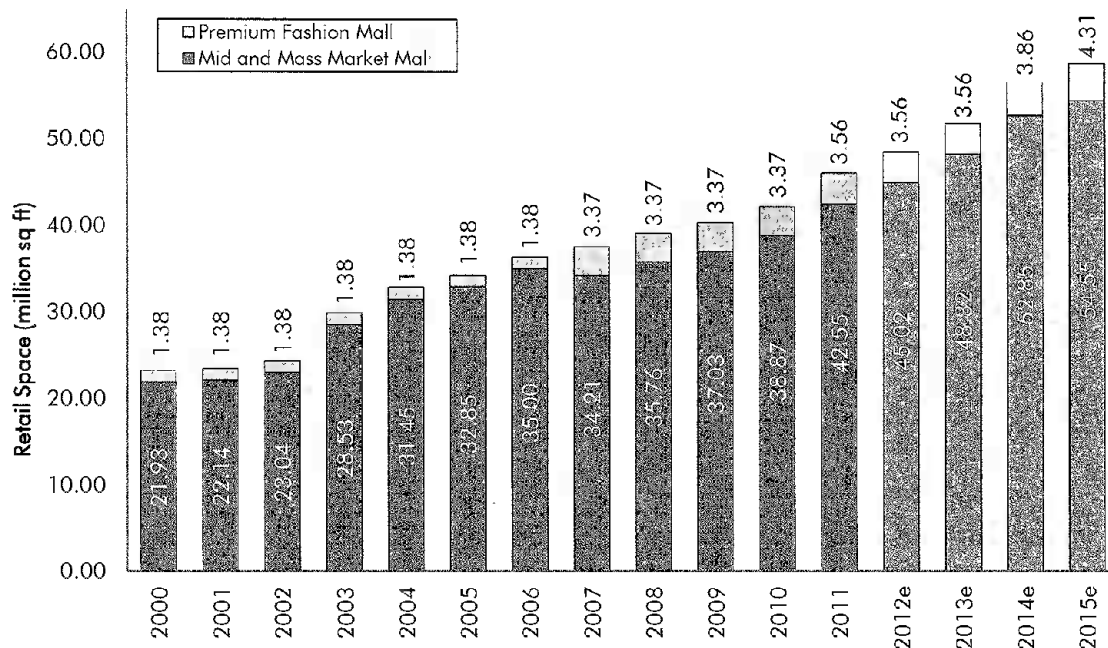
4.4 Cumulative Supply

- CBRE Research reports 137 significant malls in the Klang Valley as at 2011. Of this total, 59 malls are located in Kuala Lumpur, while the rest are in Selangor. For a population of 6.69 million in the Klang Valley, this amount of space suggests market maturity and some areas with a high concentration of malls are facing intense competition especially in the groceries category. However, performing malls are dominant and continue to grow in terms of total sales turnover and rental values.
- Of the 46.11 million sq ft of retail space in the Klang Valley as at 2011, 3.56 million sq ft are attributable to premium fashion malls, which include The Gardens Mall, Pavilion Kuala Lumpur Mall, Starhill Gallery and Suria KLCC.
- Currently, four malls with an aggregate 2.47 million sq ft, all within the mid and mass market mall category, are under development in Klang Valley and are scheduled to be completed by 2012.

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Chapter 4 Klang Valley Retail Property Market

Chart 4.4: Retail Space Supply in Klang Valley, 2000 – 2015e



Note: Premium fashion malls are defined by The Gardens Mall, Pavilion Kuala Lumpur Mall, Suria KLCC, and Starhill Gallery.

e - Estimation

* - Underperforming malls were taken out from database in 2007

Source: CBRE Research

4.4.1 Selected Major Malls

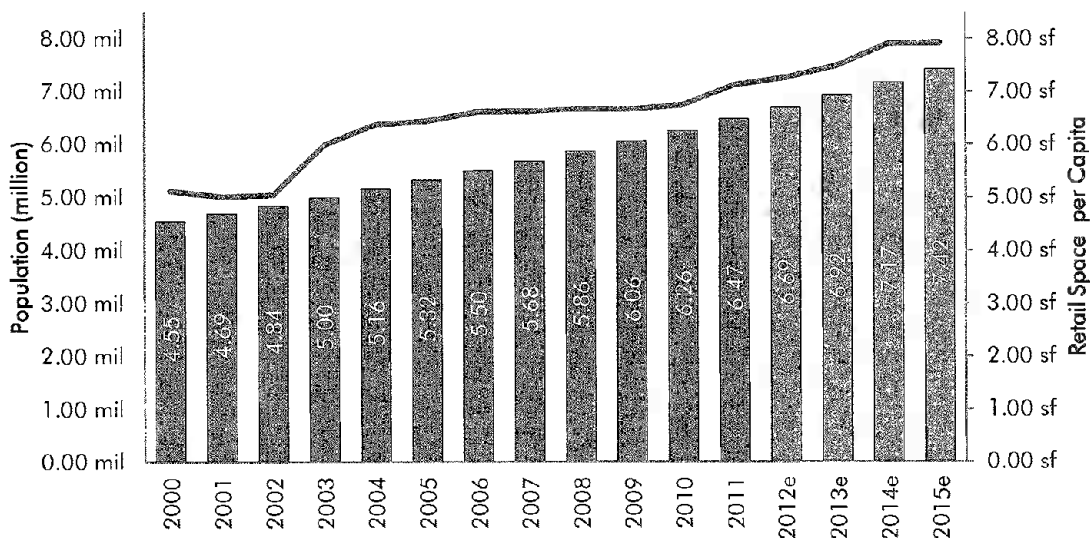
- **Mid Valley Megamall.** Mid Valley Megamall is the first retail component in the Mid Valley City development and was first opened in 1999. This mid market mall is sizeable at 1.72 million sq ft of net lettable area and recorded 100% occupancy at end-2011. Collectively with The Gardens Mall, a premium fashion mall linked to Mid Valley Megamall, net lettable area of retail space in Mid Valley City is in excess of 2.5 million sq ft.
- **The Gardens Mall.** The Gardens Mall is located within Mid Valley City and is linked to Mid Valley Megamall. It was opened in 2007 with 816,657 sq ft of net lettable area over eight levels of retail floors, and registered 100% occupancy at end-2011.
- **Suria KLCC.** Opened in 1998 and located within the KLCC development, Suria KLCC has in excess of 1.16 million sq ft of net lettable area spanning across six levels of retail floor, and is expected to further increase by 450,000 sq ft by 2015. Occupancy rate was estimated at 96% in 2011.
- **Pavilion Kuala Lumpur Mall.** Pavilion Kuala Lumpur Mall was opened in 2007 with 1.26 million sq ft of net lettable area, with a future extension plan of additional 300,000 sq ft by 2014. Located in the KLCC-Bukit Bintang retail belt, the mall is a premium fashion mall in the heart of Kuala Lumpur city centre, and was 99.1% occupied in 2011.
- **Berjaya Times Square.** Berjaya Time Square is by far the largest mall in the Klang Valley region with 2.1 million sq ft of net lettable area. It is located along Jalan Imbi and is a landmark retail development by Berjaya Group and is partly strata-titled.

Chapter 4 Klang Valley Retail Property Market

- **1 Utama Shopping Centre.** 1 Utama Phase 1 development was initially opened in 1995, and was then expanded in 2003 and underwent refurbishment in 2011 for Phase 1 development. This 1.98 million sq ft mid market mall is located in the residential area of Petaling Jaya-Domonsara belt to cater to the suburban population. Occupancy rate was estimated at 93% in 2011, which is relatively low against other competitor malls due to the transition period in its recent refurbishment exercise.
- **Sunway Pyramid.** Sunway Pyramid is a two-phase retail development located in Bandar Sunway, a suburban city in Klang Valley. It is a mid market mall with 1.56 million sq ft of net lettable area with an Egyptian theme, and was 98.2% occupied in 2011. Going forward, the mall is expected to further expand by 500,000 sq ft in two phases, namely SP3 and SP4.

4.5 Population and Retail Space Supply per Capita

Chart 4.5: Population and Retail Space Supply in Klang Valley, 2000 – 2015e



Note: e – estimation

Source: Department of Statistics Malaysia & CBRE Research

- For the purpose of this review, CBRE Research defines Klang Valley as the combined area of Kuala Lumpur, Putrajaya, district of Petaling, district of Gombak, district of Klang and district of Ulu Longot.
- The Klang Valley population has grown at an average annual rate of 3.2% since 2000. By 2015, the population in Klang Valley is projected to reach 7.32 million, thus retail space per capita is expected to reach 7.26 sq ft in 2012, and is estimated to remain around 7.49 sq ft to 7.93 sq ft per person until 2015.
- Regionally, selected markets' retail space per capita are as follows:
 - Bangkok – 5.34 sq ft per capita (net)
 - Singapore – 7.23 sq ft per capita (net)
 - Klang Valley – 7.28 sq ft per capita (net)
 - Sydney – 9.69 sq ft per capita (net)
 - Tokyo – 9.85 sq ft per capita (net)
 - Hang Kong – 16.36 sq ft per capita (gross)

Chapter 4

Klang Valley Retail Property Market

- The Klang Valley market suggests a mature market and ranks Klang Valley on par with Singapore. In some ways it reflects the overall segmentation of the market in that there are many malls here but only a few performing malls. Retail is about drawing shoppers into a domain, about attracting via merchandise, activity and lifestyle offers. Not all the 46.11 million sq ft of net lettable area in the Klang Valley does this job effectively. In most cases the malls themselves are ill-conceived or poorly located and retail trade is not significant in these venues.
- According to CBRE Research, less than 60% of total retail space supply, or approximately 4.00 sq ft per capita, are considered performing malls and hypermarkets. Many of the rest are either underperforming or in decline. Although there is dilution in the sector, performing malls nevertheless continue to draw crowds by virtue of their size, merchandise offer and quality of ambience.

4.6 Future Supply of Malls

- Currently, 23 developments with total net lettable area of 12.75 million sq ft are expected to be opened in Klang Valley from 2012 until 2015. Of these, seven malls (4.06 million sq ft) will be situated in Kuala Lumpur. In Selangor, 16 malls will add 8.69 million sq ft of net lettable area into the retail market, and all of these are expected to be within the mid and mass market mall category.
- Of the 23 malls, nine malls will be significant in size at over 500,000 sq ft, including Nu Sentral (650,000 sq ft), Atria Shopping Gallery (660,000 sq ft), Setia City Mall (700,000 sq ft), Paradigm Mall (700,000 sq ft), Sunway Velocity Lifestyle Shopping Mall (850,000 sq ft), Empire City Mall (1,000,000 sq ft), i-City Mall (1,000,000 sq ft), Boustead Retail @ Jalan Cochrane (1,200,000 sq ft) and IOI City Mall (1,350,000 sq ft).
- We expect no new premium fashion malls to be opened before 2015, with the exception of the extensions to Pavilion Kuala Lumpur Mall (+300,000 sq ft) and Suria KLCC (+450,000 sq ft). This will result in the two malls having enlarged sizes of 1.56 million sq ft and 1.61 million sq ft respectively.

Table 4.6a: Future Malls in Klang Valley, 2012-2015

No.	Name of Mall	Location	Category	Net Lettable Area (sq ft)	Expected Completion
<u>Kuala Lumpur</u>					
1	1 Shamelin	Cheras	Mass	420,000	2012
2	Nu Sentral	KL Sentral	Mass	650,000	2012
3	Damansara City Mall	Damansara Heights	Mass	188,452	2013
4	Pavilion Kuala Lumpur Mall Extension	KLCC-Bukit Bintang	Premium	300,000	2014
5	Boustead Retail @ Jalan Cochrane	Jalan Cochrane	Mass	1,200,000	2014
6	Sunway Velocity Lifestyle Shopping Mall	Cheras	Mass	850,000	2014
7	Suria KLCC Extension	KLCC-Bukit Bintang	Premium	450,000	2015
<u>Selangor</u>					
1	Paradigm Mall	Kelona Jaya	Mass	700,000	2012
2	Setia City Mall	Setia Alam	Mass	700,000	2012
3	Atria Shopping Gallery	Damansara Jaya	Mass	660,000	2013
4	Cheras Central Shopping Mall	Cheras	Mass	456,973	2013
5	M Square Shopping Centre	Puchong	Mass	380,000	2013
6	The Strand Mall	Kota Damansara	Mass	308,800	2013
7	The Wharf Puchong	Puchong	Mass	302,739	2013
8	Empire City Mall	Damansara Perdana	Mass	1,000,000	2013
9	da:mén	USJ	Mass	400,000	2014

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No.	Name of Mall	Location	Category	Net Lettable Area (sq ft)	Expected Completion
10	IOI City Mall	Putrajaya	Mass	1,350,000	2014
11	Jaya Shopping Centre	Petaling Jaya	Mass	300,000	2014
12	Sunway Pyramid 3 (SP3) Retail Extension	Bandar Sunway	Mass	62,000	2014
13	Avenue Street Mall	Sungai Buloh	Mass	370,000	2014
14	Damansara Uptown Mall	Damansara Uptown	Mass	400,000	2015
15	i-City Mall	Shah Alam	Mass	1,000,000	2015
16	KL Eco City Retail Podium	Abdullah Hukum	Mass	300,000	2015

Source: CBRE Research

- A number of new retail projects have been announced recently. Although there have been no finalisation of details for these proposed new malls at this stage, we anticipate these projects to have significant impact to the Klang Valley retail property market in due course.

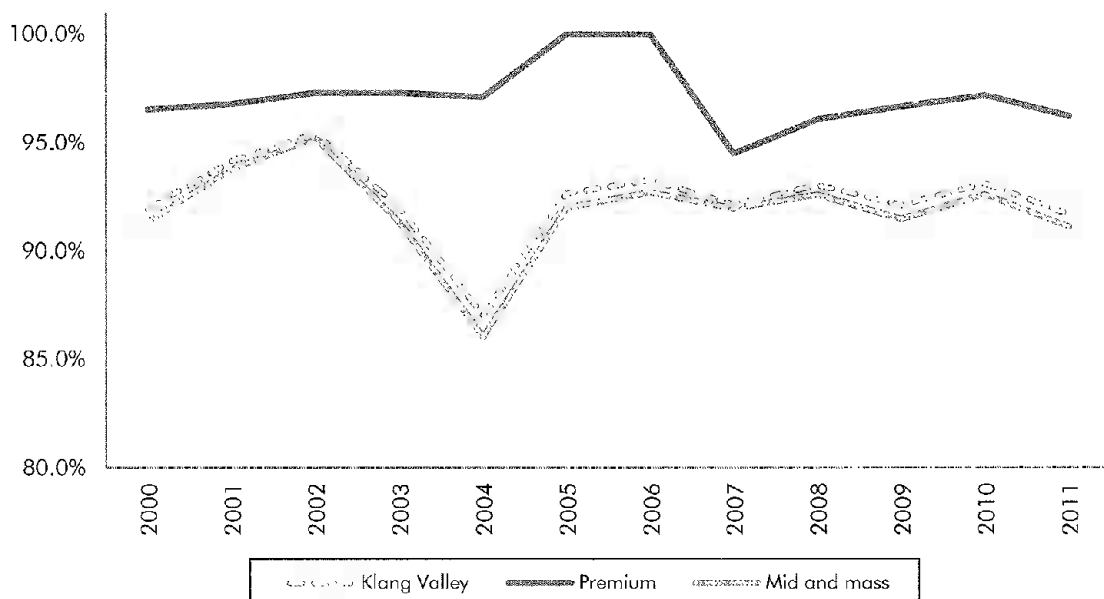
Table 4.6b: Significant Malls Under Planning in Klang Valley

No.	Name of Mall	Location
Kuala Lumpur		
1	Mall @ Bukit Bintang City Centre (former Pudu Jail)	Jalan Pudu
2	Mall @ Kuala Lumpur International Financial District	KLIFD
3	Mall @ Warisan Merdeka	Warisan Merdeka
4	Mall @ KL Metropolis	Dutamas
Selangor		
1	Mall @ PJ Sentral Garden City	Petaling Jaya

Source: CBRE Research

4.7 Occupancy Rate Trends

Chart 4.7: Occupancy Rate for Klang Valley Malls, 2000-2011



Note: Premium fashion malls are defined by The Gardens Mall, Pavilion Kuala Lumpur Mall, Suria KLCC, and Starhill Gallery. Mid and mass market malls are represented by a basket of 48 malls.

Source: CBRE Research

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- The average occupancy rate of malls in Klang Valley was estimated at 91.7% in 2011, representing a drop from the previous year. This is predominantly due to new mall openings where occupancy has not yet stabilized at high level.
- Premium fashion malls in general outperformed mid and mass market malls in terms of occupancy, as evidenced by the former's average occupancy rates of over 95% since 2000, with the exception of 2007 (94.5%). In 2011, the average occupancy rate for premium fashion malls was 96.2%.
- Mid and mass market malls, despite its lower average occupancy rates against the premium fashion malls, have recorded encouraging average occupancy rates of over 90% since 2000, except 2004 due to Berjaya Times Square's (2.1 million sq ft of net lettable area) opening at high vacancy. Average occupancy rate for this segment in 2011 was at 91.2%.
- The drops in both the segments in 2011 were due to the transition period in Suria KLCC and Pavilion Kuala Lumpur Mall for the premium fashion mall segment, and new openings with mediocre occupancy rates for the mid and mass market mall segment.

4.7.1 Factors Influencing Retail Demand

- **Population growth in Greater Kuala Lumpur/ Klang Valley.** Under the ETP, population in the Greater Kuala Lumpur/ Klang Valley region* is expected to expand to 10 million by 2020, from approximately 6 million in 2010. This will be the biggest driver for retail demand in the next 10 years.
- **Economic factors.** Consumer confidence, a critical factor in retail spending, generally moves in tandem with economic conditions, growth in nominal GDP per capita of 6.8% annually from 2004 to 2009 and average household monthly income from RM3,249 in 2004 to RM4,025 in 2009 has created higher household disposable income, which in turn has led to growth in retail spending.
- **Government policies – tax / import duties.** The abolishment of duties and other tariffs allows products to reach final consumers at a lower price, thereby creating higher demand. However, cost savings are not always passed on in their entirety to end purchasers, as seen with the recent abolishment of import duties on 300 retail products (where it appears that some of the savings is being kept by retailers to bolster their margins).
- **Ease of credit.** As reported by Bank Negara Malaysia, credit disbursed for consumption, which consists of loans for personal uses, credit card spending and the purchase of consumer durable goods, grew at a CAGR rate of 15.3% since 2000.
- **Tourism.** Some of the major malls in the city can have 30% of their footfall from the tourist sector.
- **Infrastructural development.** Easy access to malls creates convenience for shoppers. Projects such as the proposed Mass Rapid Transit (MRT) system will benefit malls located near stations by the higher resultant footfall.
- **Development facilities.** In the absence of good public transportation facilities, the availability of car park space will go a long way towards determining footfall of the mall. In general, the average number of occupants per car is three, and a greater number of turns per car park space invariably increases footfall.

Note: * - Greater Kuala Lumpur/Klang Valley's boundary is defined under the Economic Transformation Program as the area covered by 10 municipalities, each governed by local authorities: Dewan Bandaraya Kuala Lumpur (DBKL), Perbadanan Putrajaya, MB Shah Alam (MBSA), MB Petaling Jaya (MBPJ), MP Klang (MPK), MP Kajang, MP Subang Jaya (MPSJ), MP Selayang, MP Ampang Jaya (MPAJ) and MD Sepang.

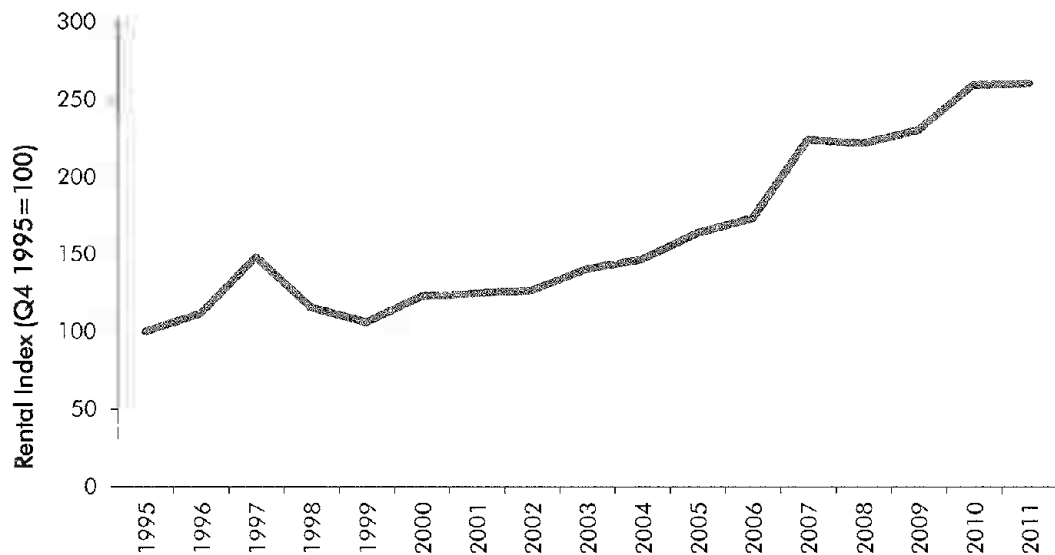
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4.8 Rents

- The top performing malls in the city centre are the market leaders in the Klang Valley in terms of rentals for ground floor shops, ranging as high as from RM60 – RM107 per sq ft per month in some cases. In older malls with strata-titled units, rents for similar space have exceeded RM200 per sq ft per month in a few instances. Outside of the city centre, the highest rents being achieved for ground floor shops range from RM30 – RM80 per sq ft per month.
- The prime rental index for a basket of 11 prime malls in Klang Valley is shown in the following chart and table.

4.8.1 Prime Retail Rental Index

Chart 4.8a: Klang Valley Prime Retail Rental Index, 1995-2011



Source: CBRE Research

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Table 4.8b: Average Prime Retail Rents of Selected Malls in the Klang Valley

Year	Rental Index (Q4 1995 = 100)	Average Prime Rent (RM per sq ft.)	Change (y-o-y)
1995	100	15.03	-
1996	112	16.79	11.69%
1997	148	22.24	32.46%
1998	115	17.34	-22.01%
1999	106	15.93	-8.17%
2000	123	18.43	15.69%
2001	125	18.72	1.59%
2002	127	19.03	1.64%
2003	140	21.11	10.94%
2004	146	22.02	4.32%
2005	164	24.61	11.77%
2006	174	26.08	5.98%
2007	224	33.73	29.31%
2008	222	33.42	-0.91%
2009	231	34.71	3.86%
2010	260	39.11	12.69%
2011	261	39.23	0.29%

Source: CBRE Research

- Prime rent is defined as the rental rate for retail lots located on the ground or concourse floor, receiving the highest level of traffic within the mall.
- Average prime rents have been on the rise since 2000. In 2007, average prime rents breached RM30 per sq ft per month to a high of RM33.73 per sq ft per month.
- Average prime rents have remained steady at around RM33.40 per sq ft since 4Q 2008 throughout the global financial crisis primarily because there were fewer rent reviews during that period.
- By 2Q 2009, average prime rents rose to RM34.10 per sq ft as rent reviews in some leading malls began around the same time and consumer sentiment, measured by the Molyson Institute of Economic Research's (MIER) Consumer Sentiment Index, improved significantly, rising by 26.9 points to 105.8 points in the first half of 2009. The economy also began to recover, as GDP growth registered 4.5% in 4Q 2009 after three consecutive quarters of retraction.
- In 2010, average prime rents increased to RM39.11 per sq ft, accompanied by a further increase in consumer sentiments during the period.
- While it can be argued that the market has sizeable supply in terms of total floor space and number of malls (106) and hypermarkets (31) in the Klang Valley, the fact remains that retail is an industry predicated on the ability to distinguish one mall from another, and there are 35-40 malls and hypermarkets in the Klang Valley that have strong sustainability in terms of turnover and rents.
- In fact, whilst underperforming older malls and some new ones are experiencing rental pressures, successful malls have enjoyed rental increases from the late 90's until now. The last rent review in 2010 witnessed rents for a few select shops breaching the RM100 per sq ft barrier in the best performing malls. In contrast, the poorer malls have not seen rental increases or reviews, which suggest that with an increasing population, salary increases,

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inflation, increased tourist arrivals and the requisite feel-good factor, the better malls will continue to enjoy rental escalation for the foreseeable future.

4.9 Major Retail Property Transactions in Klang Valley

Table 4.9: Major Retail Property Transactions in Klang Valley, 2008 – 2011

Year	Buildings	Location	NLA (sq ft)	Consideration		Buyer	Seller
				RM mil	RM per sq ft		
2008	CITTA Mall	Ara Damansara	424,000	280	670	SEB Asset Management	Puncak Dana SB
	Part of Sg Wang Plaza	Jalan Sultan Ismail	510,418	595	1,166	CapitaLand Ltd	Landmarks Bhd
2009	Lot 10	Jalan Sultan Ismail	256,811	401	1,561	Starhill Global REIT	Starhill REIT
	Starhill Gallery	Jalan Bukit Bintang	297,354	629	2,115	Starhill Global REIT	Starhill REIT
	Selayang Mall	Selayang	GFA: 861,530	128	-	Amanahraya REIT	Kumpulan Wang Bersama
2010	Sunway Pyramid	Bandar Sunway	1,685,568 ¹	2,132 ¹	1,265 ¹	Sunway REIT	Sunway Group
	Part of Sungai Wang Plaza	Jalan Sultan Ismail	450,470	724	1,607	CMMT REIT	CapitaLand Ltd
	Mines Shopping Fair	Seri Kembangan	719,563	530	737	CMMT REIT	CapitaLand Ltd
	SACC Mall	Shah Alam	185,178	90	486	Amanahraya REIT	PKNS
	1 Mont' Kiara ² (Office/Retail)	Mont Kiara	Retail only: 225,920	333	-	ARA Asia Dragon Fund	Aseana Properties Ltd
	The Gardens Mall ³	Mid Valley City	821,887	820 ³	998 ³	KrisAssets Holdings Berhad	IGB Corporation Berhad
2011	Putra Place ⁴ (Office/Retail/Hotel)	Jalan Putra	Retail only: 501,000	514	-	Sunway REIT	Public Auction
	Klang Parade	Klang	696,045	-	-	ARA Asia Dragon Fund	TMW Asia Property Fund
	Pavilion Kuala Lumpur Mal	Bukit Bintang	Retail Only: 1,255,217	3,190 ⁵	2,390 ⁵	Pavilion REIT	Urusharta Cemerlang Sdn Bhd
	CITTA Mall	Ara Damansara	424,467	245	577	ARA Asia Dragon Fund	SEB Asset Management

Notes: ¹ The Sunway Pyramid property consists of 1,542,101 sq ft retail space and 143,467 sq ft convention centre.

² The 1 Mont' Kiara properties were sold for RM333 million, consisting of a 20-storey office tower block (185,405 sq ft) and a 5-storey retail mall, inclusive of carpark.

³ The transaction of The Gardens Mall was an equity acquisition of its holding company, Mid Valley City Gardens Sdn Bhd. The reported value of RM820 million was the market value of the mall ascribed by the independent valuer.

⁴ The sale of Putra Place consist of The Mall(office), 100 Putra Place (office), The Legend Hotel (hotel) and 1,323 car parking bays.

⁵ The sale price and analysed sale price per sq ft of Pavilion Kuala Lumpur Mall, including the retail office block.

Source: CBRE Research

- There were a total of 14 transactions (excluding The Gardens Mall, see Note #3 above) of major retail properties in the Klang Valley since 2008, of which 10 occurred in 2010 and 2011.
- In 2008, Singapore-based CapitaLand Ltd purchased part of Sungai Wang Plaza for RM595 million, which was later injected into CapitaMalls Malaysia Trust (CMMT) in 2010 for RM724 million, together with The Mines Shopping Fair for RM530 million. In the same year, CITTA

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Mall was sold to SEB Asset Management for RM280 million, which was then sold to ARA Asia Dragon Fund in 2011 for RM245 million.

- In an exercise to reposition itself as a hospitality REIT, Starhill REIT sold its two retail properties in Kuala Lumpur in 2009, Lot 10 (RM401 million) and Starhill Gallery (RM629 million) to Starhill Global REIT, which owns retail properties in Singapore, Malaysia, China, Australia and Japan.
- Sunway Pyramid was also injected into Sunway REIT in 2010, for the consideration of RM2,132 million.
- In 2010, 1 Mont' Kiara was sold to ARA Asia Dragon Fund for RM333 million. The 1 Mont' Kiara transaction consists of a 20-storey office tower and the 1 Mont' Kiara mall.
- A notable equity transaction involving retail properties in 2011 was KrisAssets Holdings Berhad's acquisition of 100% equity in Mid Valley City Gardens Sdn Bhd from IGB Corporation Berhad for RM215.7 million. Mid Valley City Gardens Sdn Bhd is the owner and operator of The Gardens Mall, which was valued at RM820 million.
- Klang Parade was also sold in an auction in 2011 collectively with two other properties, namely Ipoh Parade and Seremban Parade for RM450 million to Ara Asia Dragon Fund. However it is later reported that the Seremban Parade transaction was not completed.
- At the same year, The Mall at Putra Place was sold in an auction to Sunway REIT for RM513.9 million, the price includes retail, office and hotel properties. In the second half, the high-profile initial public offering of Pavilion REIT saw Pavilion Kuala Lumpur Mall injected into the REIT for RM3.19 billion, equivalent to RM2,390 per sq ft including its retail office block.

4.10 Klang Valley Retail Market Snapshot and Outlook

- CBRE Research defines Klang Valley as the combined area of Kuala Lumpur, Putrajaya, district of Petaling, district of Gombak, district of Klang and district of Ulu Langat. This provides a total of 6.69 million population which can be considered as the Klang Valley's total catchment for retail in 2012.
- As at 2011, the cumulative supply of retail space in Klang Valley stands at 46.11 million sq ft.
- 11 developments were completed in 2011, including Viva Mall (660,000 sq ft), Publika @ Solaris Dutamas (335,000 sq ft), Kuala Lumpur Festival City (450,000 sq ft), Kenanga Wholesale City (500,000 sq ft) and Suria KLCC extension (140,000 sq ft) in Kuala Lumpur; and First Subang Mall (140,000 sq ft), CITTA Mall (424,467 sq ft), Mines 2 Street Mall (300,000 sq ft), Space u8 (619,280 sq ft), AEON Rawang (370,000 sq ft), and Giant Cheras Mall (200,000 sq ft) in Selangor. The year also saw the closure of Atria Shopping Centre and UDA Ocean.
- Going forward, as many as 23 developments are expected to complete before 2015, should all of these complete in time. In the immediate term, four new malls are anticipated to open by 2012 with an estimated combined net lettable area of 2.47 million sq ft, i.e. 1 Shamelin, Nu Sentral, Paradigm and Setia City Mall.
- The average occupancy rate of retail space in Klang Valley in 2011 decreased by 1.5% to 91.7%, mainly due to the new openings that have not stabilized in terms of occupancy.
- Average prime rents remained stable at RM39.23 per sq ft per month in 2011, with marginal growth against the previous year.
- The general sentiment in the market is softer in 2012 as expected, largely due to the uncertainties with the Malaysia general election and the European financial crisis. Bank Negara's credit tightening measures have also contributed to a softer market.

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- Nevertheless the market performed well in 2011 and 2012 is expected to continue to grow as the first quarter has already shown.
- Although retailer sentiments are cautious in 2012, many retailers remain positive, with many exploring a reintroduction of previously-shelved expansion plans.
- Of significance is the launching of the Pavilion REIT, which not only increased the size of the Malaysian REIT market but also helped change value paradigms to sub 7.00% net yields and valuations and values above RM2,300 per sq ft.
- There were also many transactions, chief amongst which were the purchase of The Mall at Putra Place by Sunway REIT and the acquisition of East Coast Mall by CapitaMalls Malaysia Trust. Bangsar Shopping Centre was also the subject of an acquisition at a fairly high price although the sale was called off subsequently. CITTA Mall was resold to ARA Asia Dragan Fund who also bought the Klang and Ipoh Paradises.
- All in all 2011 was significant for its large number of transactions and this probably marks the shift towards investment led retail assets in the industry from a developer centric one previously.
- The other significant event in 2011 appears to be the opening of Jahar Premium Outlet Mall in November. Sales were encouraging in the first 2 months and despite a quick leveling off, general opinion is that the format is here to stay and thus has triggered a gold rush mentality amongst many would be mall owners to build a similar one in Kuala Lumpur.
- The latest buzz is also about the entry of some major brands which are expected to make an impact to the industry. One of this is the Central department store from Thailand, the other brand is Hennes & Mauritz (H&M) whose first store is expected to open in August in Lot 10. Once opened the latter will be a potent force and will impact on the existing retailers.
- The next rent review for most malls will be in 2013 and there appears to be room for growth in all the malls where rents have still not reached their peak. Currently fashion is segmented between luxury, fast fashion and price-driven boutique merchandise. Most brands in these categories have yet to reach their top level performance on a per sq ft basis because of the limitations in the public transport.

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Chapter 5

Review On REIT Portfolio

5.0 REVIEW ON REIT PORTFOLIO

5.1 Mid Valley City

- Mid Valley City is one of the largest¹ mixed-use developments in Malaysia, and has successfully achieved admirable growth in terms of its real estate value. The entire development includes two malls, i.e. Mid Valley Megamall and The Gardens Mall, three hotels with 1,484 hotel rooms and 199 suites, seven commercial office buildings with over 2.67 million sq ft in net lettable area and 228 residential units. The development sits on a 50-acre site, with more than 2.5 million sq ft of total net lettable retail space which makes it the largest² inter-linked retail property project in Malaysia.
- Mid Valley City's attractiveness lies in not only in its size but also its strategic location at the fringe of Kuala Lumpur and at the beginning of the Federal Highway which connects the city to the rest of the Klang Valley. Despite a slow start owing to its pioneering status in the 1990s, in what was considered a fringe location, the success of the entire development has now transformed the area into a sought after residential and commercial area. Mid Valley City is primarily known for its megamall which continues to be a benchmark for retail throughout Malaysia, and is a preferred location for many brands' flagship stores. Additionally, the self-contained city has attracted multinational corporations and established local companies in the likes of Accenture, Baker & McKenzie (Wong & Partners), BHP Billiton, Danone Dumex, Oracle, and Tricor.

5.2 Description of Mid Valley Megamall

- Mid Valley Megamall is one of the largest malls in Malaysia. The mall has 1,717,609 sq ft of net lettable area as at 31 March 2012, and is home to more than 450 retail tenants, and is anchored by AEON (department store), Metrojaya (department store), Carrefour (hypermarket), Golden Screen Cinemas, Toys 'R' Us (toy store), Kamdar (fashion and textile store) and Oasis Foodcourt. When it first started, it was one of the biggest malls in the country and its large number of retail offerings was its greatest attraction for shoppers all over the Klang Valley. Today, competitors can boast of even more offers than Mid Valley Megamall but for most shoppers Mid Valley Megamall provides a wider range of brands and lifestyle attractions as well as the latest in fashion. For retailers, the combination of Mid Valley Megamall and The Gardens Mall is potent as it attracts a wide range of customers and a very large catchment area with potentially higher footfall.
- Mid Valley Megamall is positioned towards mid market and caters to the entire Klang Valley. This is a typical megamall concept, and is the first in Malaysia in terms of its large size and the concept relies on a very efficient single corridor mall, flanked at its ends by anchor tenants with large entertainment and lifestyle attractions at the top floor of the mall.

Note: ¹Mid Valley City's total built-up area excluding car parks is estimated at 12 million sq ft. This puts it amongst one of the largest mixed developments in Malaysia. Comparable developments would be in the likes of: i) KL Sentral – 72 acres land, built-up area approximately 21 million sq ft, ii) KLCC – 100 acres land, built-up area approximately 21 million sq ft, iii) KL Eca City – 25 acres land, built-up area approximately 8 million sq ft.

²The size of Mid Valley Megamall at NLA of 1.72 million sq ft is ranked the third largest mall in Malaysia after Berjaya Times Square (NLA: 2.1 million sq ft) and 1Utama Shopping Centre (NLA: 1.98 million sq ft). In combination with The Gardens Mall at NLA of 0.82 million sq ft, these two inter-linked complexes when combined create the largest retail property project in the country at this juncture.

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- Brands found in Mid Valley Megamall are mostly mid-range, which appeals to a wider market as the biggest slice of the Klang Valley population pie is the middle income group. Popular brands which can easily be found here in Mid Valley Megamall include Zara, Topshop/ Topman/ Ms Selfridge/ Dorothy Perkins, MNG, Charles & Keith/ Factory Outlet Store, G2000 Men, Guess, Cotton On, Original Levi's Store, Padini/ Padini Authentics/ Seed/ PDI/ P&Co/ Vincci/ Vincci+, Food Junction, Chili's Grill & Bar, KFC, McDonald's, Madam Kwan's, Hong Kong Kim Gary Restaurant, The Library and Delicious.
- Mid Valley Megamall has received 18 awards and accolades since 1999, and some of the key awards include the following:
 - 'Innovative Shopping Outlets 2010/2011– Merit' by Tourism Malaysia
 - 'Winner in Best Promotions & Events (Central Business District) Category for Christmas 2009 in the Malaysia Year End Sale Awards 2009' by Tourism Malaysia
 - 'Winner in Best Promotions & Events (Central Business District) Category for the Malaysia Mega Sale Carnival Awards 2009' by Tourism Malaysia
 - 'MAXI Merit Award 2005 in Sales Promotions and Events Category for the Hari Raya 2004 Promotion' by International Council of Shopping Centres (ICSC)
 - 'Malaysia Tourism Awards 2004 – Most Supportive Shopping Outlet (Shopping Complex Category)' by Tourism Malaysia
 - 'Malaysia Tourism Awards 2001/2002 – Best Supporting Shopping Outlets (Shopping Complex)' by Tourism Malaysia
 - 'Best Retail Development Award 2001' by FIABCI Malaysia
 - 'Best Shopping Complex Award 2000' by Tourism Malaysia
 - 'Gold Award in the Shopping Complex of the Year Category 1999' by Retail World Excellence Award

5.3 Description of The Gardens Mall

- Located within Mid Valley City, and in close proximity to some of the most affluent suburbs in the Klang Valley, The Gardens Mall is a premium fashion mall, and the only mall of its type in the suburbs.
- The Gardens Mall was opened in 2007 and has 816,657 sq ft of net lettable retail space and 208 retail tenants as at 31 March 2012. The mall was introduced on the back of the successful Mid Valley Megamall, but was positioned towards the higher end of the market – to differentiate it from the latter, and to capture an increasingly affluent suburban population that was not fully served by Mid Valley Megamall. The Gardens Mall targets the upper-middle to upper income families and expatriates in the nearby affluent residential areas of Bangsar, Seputeh, Taman Desa, Damansara Heights, Mont' Kiara, Hartamas and Bukit Tunku.
- The design concept is a single mall design with department stores anchoring both ends, like Mid Valley Megamall. Being part of an integrated city development, The Gardens Mall is well-linked to Mid Valley Megamall both at the car park levels as well as the upper floors.
- Today, The Gardens Mall has established itself as a premier high-end mall which boasts strong high-fashion brands like Louis Vuitton, Burberry, Coach, Mulberry, Juicy Couture, Boss Hugo Boss, Versace Jeans, Lewre Couture, Tods and Longchamp.

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5.4 Location Analysis

5.4.1 Macra Analysis

- Located in the southern part of Kuala Lumpur city, Mid Valley City is strategically located at the confluence of Federal Highway and the beginning of the East-West Link Expressway. This allows Mid Valley City to reach out to most of the Klang Valley as it is accessible from virtually all directions. It has thus become one of the most recognized addresses in Greater Kuala Lumpur / Klang Valley.
- Despite being on the fringe of the city, it is also very close to large existing suburbs of Bangsar, Damansara Heights, Petaling Jaya, Old Klang Road, Seputeh, Taman Desa and Cheras. Mid Valley City is centrally located within a bustling suburban ecosystem, with close proximity to the transportation hub of Kuala Lumpur, KL Sentral.
- In essence, Mid Valley City is now the default location for meetings, conferences and exhibitions and retail therapy for those avoiding the city's traffic jams, and also a convenient stop for inbound and outbound travelers across the country.

5.4.2 Micro Analysis

- Launched in 1999, Mid Valley City is an integrated mixed use development comprising hospitality, office, residential and retail components. The table below sets out the development components of Mid Valley City.

Table 5.4a: Development components of Mid Valley City

Development component	Type	Opening
Completed components		
Mid Valley Megamall	Retail	1999
Cititel Hotel	Hospitality	1999
Menara IGB	Office	1999
Boulevard Offices	Retail/Office	1999
Boulevard Hotel	Hospitality	2005
Northpoint MVC	Office/Residential	2006
Centrepoint North and South Towers	Office	2007
The Gardens Mall	Retail	2007
The Gardens Hotel and Residences	Hospitality	2008
The Gardens North and South Towers	Office	2008
Future Development		
Mid Valley City Southpoint	Office	2014

Source: CBRE Research

Note: ¹ Expected year of completion

- Mid Valley Megamall and The Gardens Mall are the significant retail beacons within Mid Valley City that draw crowds to the development.
- One of the strengths of Mid Valley City is its excellent connectivity. It is served by a ring road, known as Lingkaran Syed Putra, that links the development directly with other major roads and highways such as Jalan Bangsar, Jalan Maarof, Jalan Syed Putra, Old Klang Road, New Pantai Expressway, East-West Link Expressway, North-South Highway and Federal Highway which connects west of Klang Valley to the Kuala Lumpur city.
- Due to its popularity, Mid Valley City and its surrounding areas are susceptible to traffic congestion during weekends and peak periods. This suggests that with its current car park space of more than 10,220 bays, improvements to the traffic system in and around the development may increase shopper traffic to the malls.

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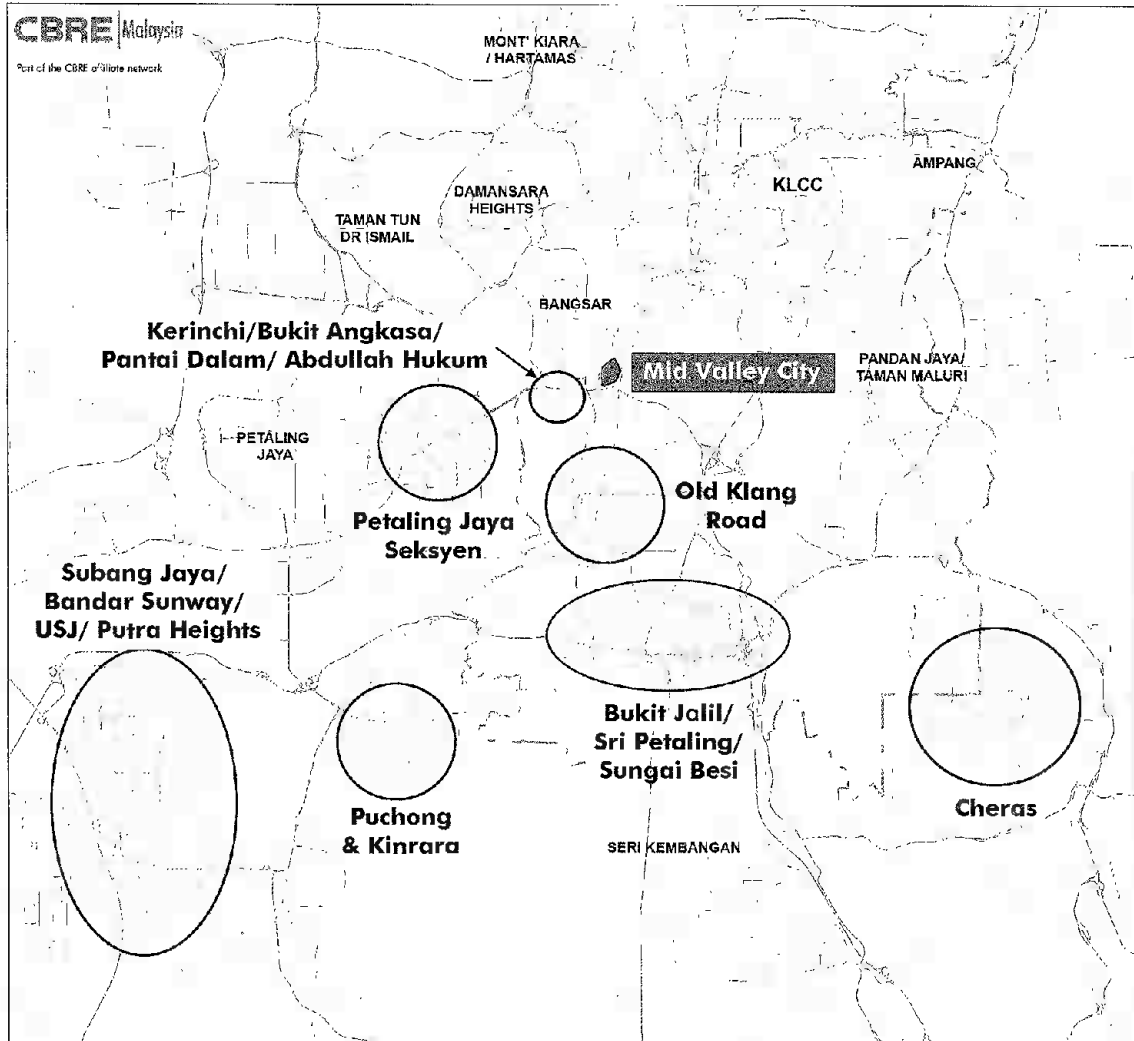
5.4.3 Catchment Demographic

- A Customer Exit Survey was conducted in 2010 by the mall management and the visitors profile and preferences are summarized in this section.
- Gender distribution of visitors is fairly even, with 66% Chinese, 20% Malay, 9% Indian and 5% from other ethnicity.
- The primary catchment of both the malls stretches from as near as Old Klang Road and to as far as to Subang and Cheras, suggesting that the secondary catchment includes the rest of the Klang Valley. A total of 40% of the visitors are from the south, south east and south west of Mid Valley City. It is evident that Mid Valley City's location is very strategic and it pulls up to 20 minutes drive time zone in terms of the location of its shoppers, or catchment area. Unlike many other malls, Mid Valley City enjoys regular visitations from its secondary catchment area residing between 10 to 20 minutes away. Part of its catchment area stretches beyond 20 minutes, the tertiary band i.e. Shah Alam, Klang and Puchong.
- The average annual visitation to Mid Valley Megamall was 69 times; whilst The Gardens Mall shows an average of 54 times a year. 60% of Mid Valley shoppers visit the mall at least once a week, against 47% in The Gardens Mall.
- The average time spent in Mid Valley Megamall is 160 minutes whilst The Gardens Mall registers at 103 minutes. Effectively this means some visitors, with above average time spent in both the malls, spend almost a whole day in the malls or the shopping trips straddle two meals.
- 27% of the visitors visit the mall to browse or window shop whilst 26% of the visits were to actually buy particular goods in both the malls. F&B is an attraction to visitors at The Gardens Mall, with 13% of total visitors visiting the mall for its F&B offerings, compared to Mid Valley Megamall's 9%. This feature is visible in the lower ground of The Gardens Mall that is linked to Mid Valley Megamall.
- More than 80% of the shoppers visit Mid Valley City by car. With a total of more than 10,220 car park bays in Mid Valley City, the development has enough parking space to support shopper traffic during most periods (except for weekends and public holidays). This provides retailers in both Mid Valley Megamall and The Gardens Mall with consistent shopper traffic throughout the year.
- The typical visitors profile is a 30 to 39 year old professional or managerial urbanite earning an average household income of RM9,130 and RM10,772 per month in Mid Valley Megamall and The Gardens Mall respectively.

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Map 5.4b: Major Catchment Areas of Mid Valley Megamall and The Gardens Mall



Source: IGB Corporation & CBRE Research

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5.4.4 Key Infrastructure

- Strategically located in the master planned Mid Valley City, Mid Valley Megamall and The Gardens Mall are accessible via a network of highways such as the Federal Highway, East-West Link Expressway, New Pantai Expressway and North-South Highway. Other major roads that connect to its major catchment areas are Jalan Bangsar, Jalan Maaraf, Jalan Syed Putra and Old Klang Road.
- Mid Valley City is supported by the Keretapi Tanah Melayu (KTM) railway system. The Mid Valley KTM Kamuter Station, which forms part of the Rawang-Seremban route, is directly connected to Mid Valley Megamall. This station registered the second highest ridership of 2,239,403 in 2011, after the KL Sentral Station.
- The draft Greater Kuala Lumpur/ Klang Valley Land Public Transport Masterplan released by the Land Public Transport Commission (Suruhanjaya Pengangkutan Awam Darat, SPAD) includes plans for an upcoming MRT 2 Circle Line, an orbital line of the Mass Rapid Transit system that will link areas such as KL Eco City/ Mid Valley City, Mont' Kiara, Sentul Timur, Ampang and the MATRADE development. This railway system is targeted to complete by 2020. Under the same plan, the KL Monorail will be extended to Taman Gembira in Old Klang Road pre-2020, and is expected to benefit Mid Valley City, Bangsar and Taman Gembira.
- Going forward, there is a proposed linkage from Mid Valley City to the adjacent KL Eco City, a 25-acre integrated mixed-used development, which will be an integrated rail transport hub consisting of the existing Abdullah Hukum Putra LRT (Light Rail Transit) Station, a new KTM Kamuter station along the Sentul-Part Klang route, and a station on the MRT 2 Circle Line.

5.5 Trade Area Analysis

Table 5.5a: Trade Area Analysis - Residential

Area	Population, 2012 ^a
Primary –	
Federal Territory of Kuala Lumpur	1.76 million
District of Petaling, Selangor	1.97 million
District of Ulu Langat, Selangor	1.23 million
Secondary –	
Federal Territory of Putrajaya	0.10 million
District of Gombak, Selangor	0.72 million
District of Klang, Selangor	0.91 million
Klang Valley Total	6.69 million

Note: a – estimation

Source: CBRE Research

- Mid Valley Megamall and The Gardens Mall are able to attract visitors from all income types and locations. The Customer Exit Survey conducted in 2010 showed that 40% of the visitors are from south to south east and south west of Mid Valley City, and that the coverage extends to the entire 6.69 million populations in the Klang Valley.
- By definition, any mall outside the city is categorized as suburban mall, yet Mid Valley City is in a unique position in that it is neither in suburb nor in the city, a major advantage as it can act as default destination for people who prefer not to enter the city but want an alternative to suburban malls. Hence, rather than being limited to a primary and secondary catchment around certain suburbs, Mid Valley City can cater to virtually all the suburbs in the Klang Valley.

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- Currently Mid Valley City is not connected to the LRT network. Should it be connected, we anticipate that Mid Valley City will receive even higher footfall than it has now, as its parking space is currently almost fully maximized in terms of daily patronage. However, it is currently linked to the KTM Komuter station which helps bring not only some of its shoppers, but also the working population to the offices at Mid Valley City.
- With the trend of urban sprawl continuing in the Klang Valley, suburban malls are essential as traffic congestion in the city and extended travelling time became concerns for the average household. As such malls like Mid Valley Megamall and The Gardens Mall are mainly supported by the broad residential zones in both the Selangor state and Kuala Lumpur.

Table 5.5b: Trade Area Analysis – Office Population within the 5-kilometre Drive Distance

Area	NLA (sq ft)	Estimated occupied space, 2011 (sq ft)	Estimated office population ²
Primary – Mid Valley City	2.67 million	2.18 million	14,547
Secondary – KL Sentral, Bangsar, Bangsar South, Pantai/Kerinchi, Old Klang Road, part of Damansara Heights, part of Petaling Jaya, part of Central Business District	18.53 million	15.42 million	102,819
	21.20 million	17.60 million	117,365

Source: CBRE Research

Note: ¹ Based on the estimated average occupancy rate of 81.6% in Kuala Lumpur Suburban Areas and 89.8% in the Central Business District (CBD)

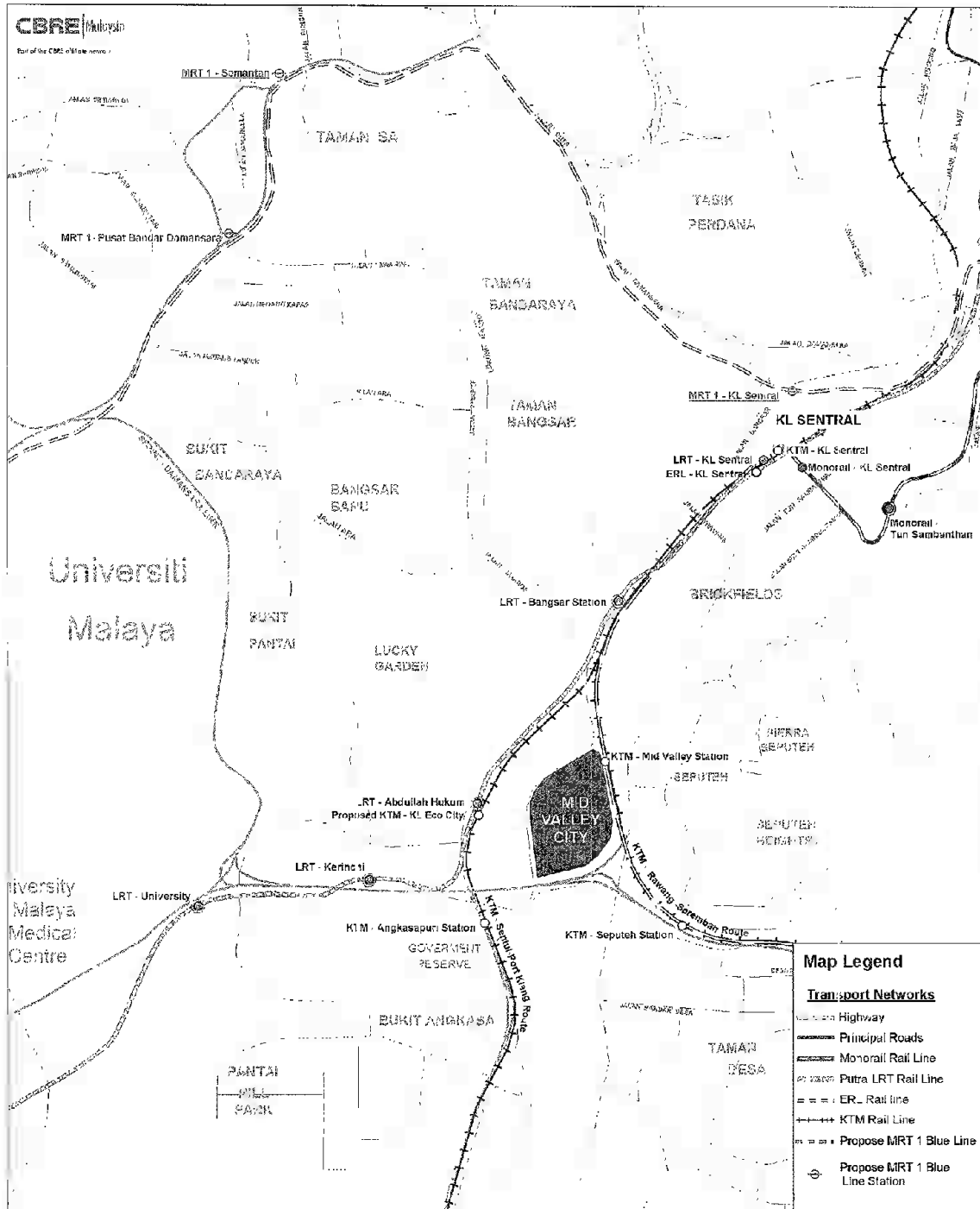
² Assuming one (1) office worker for every 150 sq ft of occupied office space.

- Mid Valley City and its immediate vicinity has substantial commercial content as over the years, the area has become a popular location for small and medium enterprises, and more recently, multinational corporations. Mid Valley City's status as MSC Malaysia Cyber Center commercial precinct has also helped it draw technology based corporations into the development. In a larger context, as at 2011, the total net lettable area of private office space within the 5-kilometre drive distance from Mid Valley City is estimated to be at 21.20 million sq ft, of which 17.60 million sq ft are estimated to be occupied. This is equivalent to an office population of 117,365 workers that may contribute to the patronage of Mid Valley Megamall and The Gardens Mall.

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Map 5.5c: Light Rail Transit (LRT) Lines, KTM Rail Line, Express Rail Link (ERL) and the proposed Mass Rapid Transit 1 (MRT 1) Blue Line in relation to Mid Valley City



Source: CBRE Research

Note: The proposed MRT 2 Line and KL Monorail Extension are not shown in this map as the actual alignment has not been announced.

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5.6 Performance Analysis - Mid Valley Megamall

5.6.1 Key Tenants

- In 2011, the top 10 largest tenants by net lettable area in Mid Valley Megamall take up an aggregate of 57.7% of total available area in the mall, whereby majority of the space are taken up by the department stores and supermarket. These 10 tenants contributed towards 22.1% of the rental income in 2011.
- The table below sets out Mid Valley Megamall's top 10 tenants by net lettable area as at 31 December 2011.

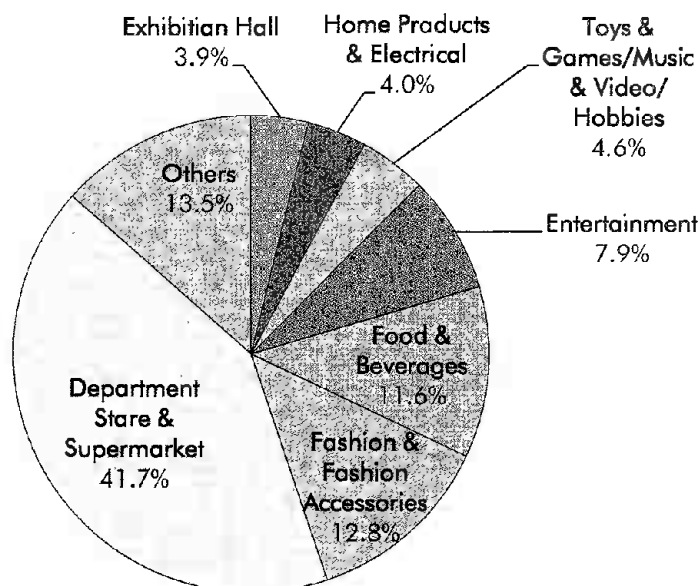
Table 5.6a: Mid Valley Megamall's Top 10 Tenants by Net Lettable Area as at 31 December 2011

By Alphabetical Order	Top 10 by NLA
1	Carrefour
2	Celebrity Fitness
3	Cosmic Bowl
4	Golden Screen Cinemas
5	AEON
6	Kamdar
7	Metrojaya
8	Mid Valley Exhibition Centre
9	MPH Bookstores
10	Why Pay More/ Studio R & Puma

Source: IGB Corporation & CBRE Research

5.6.2 Trade Mix

Chart 5.6b: Mid Valley Megamall Trade Mix Analysis by Net Lettable Area as at 31 December 2011



Source: IGB Corporation & CBRE Research

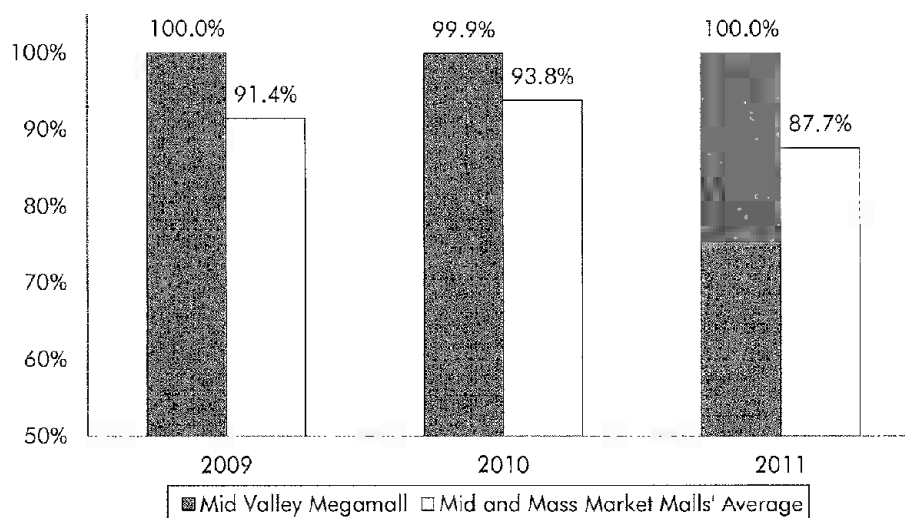
Note: The categories of the above trade mix summarize a larger set of sub-categories and include shop and kiosk space.

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- The chart above depicts the trade mix of Mid Valley Megamall by net lettable area as at 31 December 2011.
- Mid Valley Megomoll is positioned as a mid-to-mass income mall, and with 1.72 million sq ft of net lettable area, the mall provides wide offering of merchandises and brands to shoppers. The mall is anchored by two department stores and a supermarket, represented by AEON, Metrajaya and Carrefour, that collectively occupy 41.7% of the aggregate space in the mall. Fashion stores occupy 12.8% and include some popular mass fashion brands such as Guess, Zoro, MNG, Cotton On, Padini, G2000, and Roxy. 2012 will see the addition of Forever 21 and Uniqlo to the mall.
- Food and beverage outlets have become an integral part of the mall - Mid Valley Megomall has 11.6% of the total space allocated for this trade. From fast food outlets to cafés and restaurants, the mall has more than 100 food and beverage tenants, including Chili's Grill & Bar, Madam Kwan's, Sushi King, Delicious Café, Hang Kang Kim Gary Restaurant, Room 18, Carl's Junior, McDonald's, Starbucks Coffee and San Francisco Coffee.
- Entertainment trade farms a sizable share of the trade mix in Mid Valley Megamall. Golden Screen Cinemas, Cosmic Bowl (bowling centre), Mega Kidz (children play centre), Galactic Laser (laser tag entertainment centre), Brewball (pool centre) and Holiday Planet (arcade centre) take up 7.9% of the aggregate space.

5.6.3 Occupancy Rate

Chart 5.6c: Mid Valley Megamall's Occupancy Rates vs Mid and Mass Market Mall's Average



Source: IGB Corporation & CBRE Research

- Mid Valley Megamall is one of the few malls in the Klang Valley that has consistently achieved full occupancy; this is in spite of its large size of 1.72 million sq ft. For the past three years, the mall achieved full occupancy with the exception of 2010, when one of the spaces underwent a transition period for reconfiguration of space. Compared with the sample of 48 other mid and mass market malls in the Klang Valley, including 1 Utama Shopping Centre, Sunway Pyramid, Sungei Wang Plaza, Berjaya Times Square and Bangsar Shopping Centre, which averages at 91.4%, 93.8% and 87.7% of occupancy in

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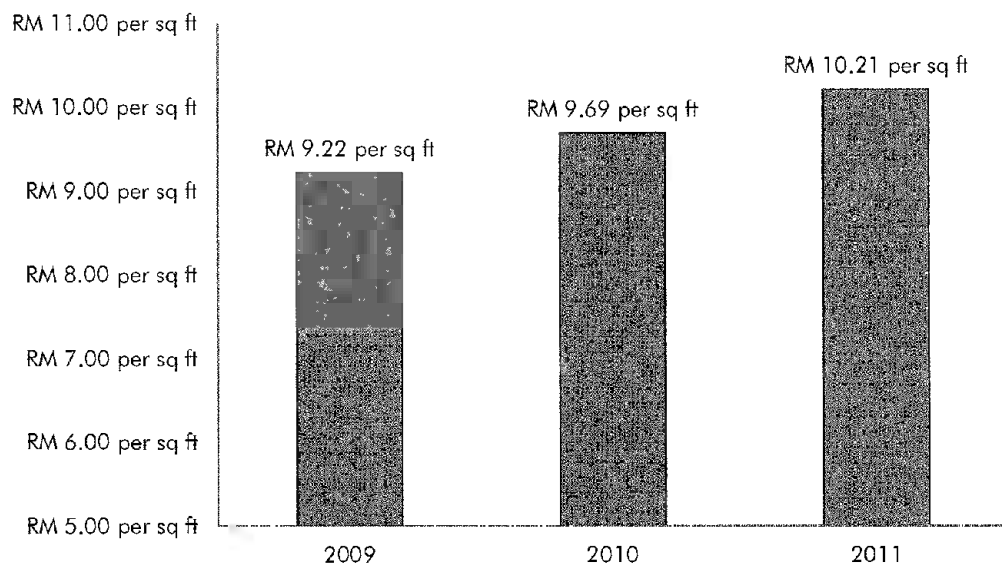
year 2009 – 2011, Mid Valley Megamall clearly outperformed in terms of its ability to attract and retain tenants as evidenced by its consistently high occupancy rates.

- This probably is the best performance in terms of occupancy for successful malls in the country.

5.6.4 Rents

- In 2011, the average gross rent on per sq ft basis in Mid Valley Megamall was RM10.21 per sq ft. Considering that almost 60% of space is occupied by major tenants who pay lower rent due to their sizes, RM10.21 per sq ft is a significantly high average. This ranks Mid Valley Megamall's average gross rent within the top tier in the country, which suggests a commendable rate of success considering the number of large space users. Since commencement in 1999, rents have been growing consistently throughout each rent review.
- We believe that rents can potentially go higher as there is an active process of change in terms of relocating some tenants and introducing new to the market tenants. This allows significant growth in large areas, where floor space currently leased to anchors and mini anchor tenants at relatively low rental rates. For instance, the former MPH Bookstore's space that has been reconfigured for new tenants with higher rents. Going forward, therefore, it is possible for some of the major spaces to be reorganized for both tenant mix improvement and rental growth. As a result, despite its large size and consistently high occupancy rate, the mall has strong rental growth potential. Demand for space at Mid Valley Megamall is evidenced by the waiting list for new space that is still in excess of two years long. The highest rent per sq ft is still below RM60.00 per sq ft (as compared to rents in the city centre which have exceeded RM100.00 per sq ft), and based on the turnover of some of the best performing tenants, there seems to be room for further growth in rents.

Chart 5.6d: Mid Valley Megamall's Average Gross Rent



Source: IGB Corporation

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5.6.5 Shopper Traffic

- Based on the car park statistics provided by the mall management, CBRE Research estimates the footfall in Mid Valley Megamall and The Gardens Mall to be at 34.7 million in 2011 on a total basis. This puts the footfall of both the malls among the top in Malaysia, as compared to other malls such as Suria KLCC (Financial Year 2011: over 40 million), Pavilion Kuala Lumpur Mall (2010: 31 million), Sunway Pyramid (Financial Period 2011: more than 34.0 million) and Sungei Wang Plaza (2011: 23.9 million).
- The symbiotic connection between Mid Valley Megamall and The Gardens Mall signifies that both the malls oftentimes share the same visitor traffic. Nonetheless the shoppers in Mid Valley Megamall are not direct targets of The Gardens Mall and vice versa.
- Because both malls share the same parking space and visitors, it is difficult to isolate the footfall for each mall. For the purpose of this report, footfall of both the malls were estimated from the car park traffic (including season parking entries and exits) in Mid Valley Megamall and The Gardens Mall, and the incorporation of statistics from the Customer Exit Survey conducted in 2010.
- The footfall could potentially increase but will be limited by the number of cars that the malls can accommodate. Currently, each car park bay has a daily turnover of about three times, with each turn being an average of three hours, which suggests that car park usage is almost at an optimum level.

5.6.6 SWOT Analysis

Strengths

- **Located within a large fully integrated self-contained mixed-use development** which includes three hotels (1,484 rooms and 199 suites), seven office buildings (NLA: 2.67 million sq ft) and 228 residential units that provide consistent day traffic to the mall.
- **Accessibility:** Very strategic location accessible by the major roads and highways from all directions and supported by the railway system.
- **High visibility:** Being a significant landmark to vehicular entry into the Kuala Lumpur city from the west Klang Valley.
- **Support from the city and the suburbs.** The unique location of Mid Valley City means that it is capable of attracting the massive population in the suburbs, and also from the city.
- **Comprehensive offers and critical mass:** 1.72 million sq ft of net lettable area and more than 450 tenants in Mid Valley Megamall allows for a broad range of tenant mix as well as flexibility in tenant mix planning. The result is a comprehensive range of merchandise and other attractions for the shoppers. With the addition of The Gardens Mall annexing Mid Valley Megamall, the range has now expanded to include premium and luxury offerings for Mid Valley Megamall's shoppers and new shoppers attracted to The Gardens Mall.

Weaknesses

- **Traffic congestion:** Lingkar Syed Putra is often congested during peak hours, which discourages traffic to the mall.
- **High reliance on vehicular traffic:** Footfall is heavily correlated to the availability of car park bays – in which footfall growth may be restricted in the future if the number of car park bays do not increase. Currently as it stands, the entire Mid Valley City has more than 10,220 car park bays, which are one of the highest for masterplanned developments at its

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scale. Going forward, there does not seem to be any room for additional car park, therefore, any growth in the future can only come from improved efficiency of the car park usage i.e. an increase in the number of turns per car park bay per day from its current three, as well as the access or alternative means of transportation such as the LRT and MRT.

Opportunities

- **Improving transportation infrastructure:** The proposed linkage to the Abdullah Hukum Putra LRT Station, MRT 2 Circle Line and KL Monorail Extension will contribute to greater footfall to the mall.
- **Population growth in the suburbs:** Klang Valley is expected to have a population of 10 million by 2020, as such population growth in the suburbs will expand the catchment and bring more shoppers to Mid Valley Megamall.
- **Strengthening tourism:** Malaysia anticipates 36 million tourist arrivals and RM168 billion tourist receipts by 2020, which in turn may drive further traffic to Mid Valley Megamall.
- **Increasing commercialization of the immediate surroundings.** We anticipate that with the ongoing developments such as Bangsar South, KL Eco City and KL Sentral, together with future developments such as redevelopment of the Lever Brothers' site along Jalan Bangsar, more commercial content and business can be created into the area.

Threats

- **Upcoming large-size malls:** Significant numbers of malls exceeding 1.0 million sq ft in size are planned today, including Boustead Retail at Jalan Cochrane, Empire City Mall in Damansara Perdana, IOI City Mall in Putrajaya and i-City Mall in Shah Alam which may potentially dilute the market share of Mid Valley Megamall.
- **Urban sprawl:** The recent wave of property price hikes has resulted in the expansion of geographical boundaries to the south and west of Klang Valley for residential developments, and hence may reduce the concentration of catchment population of the malls.

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5.7 Performance Analysis - The Gardens Mall

5.7.1 Key Tenants

- The table below tabulates The Gardens Mall's top 10 tenants by area as at 31 December 2011.

Table 5.7a: The Gardens Mall's Top 10 Tenants by Net Lettable Area as at 31 December 2011

By Alphabetical Order	Top 10 by NLA
1	Borders
2	GSC Signature
3	Hokkaido Ichiba
4	Iseton
5	Marketplace by Cold Storage
6	Marks & Spencer
7	mYoga
8	Red Box
9	Robinsons Department Store
10	X-Tro

Source: IGB Corporation & CBRE Research

- In 2011, the top 10 largest tenants by net lettable area in The Gardens Mall collectively occupy 51.9% of the total available area in the mall, and contributed towards 25.0% of the rental income in 2011.
- This suggests a fine mix between large and small tenants and that growth potential is in having higher proportion of smaller tenants to large tenants.

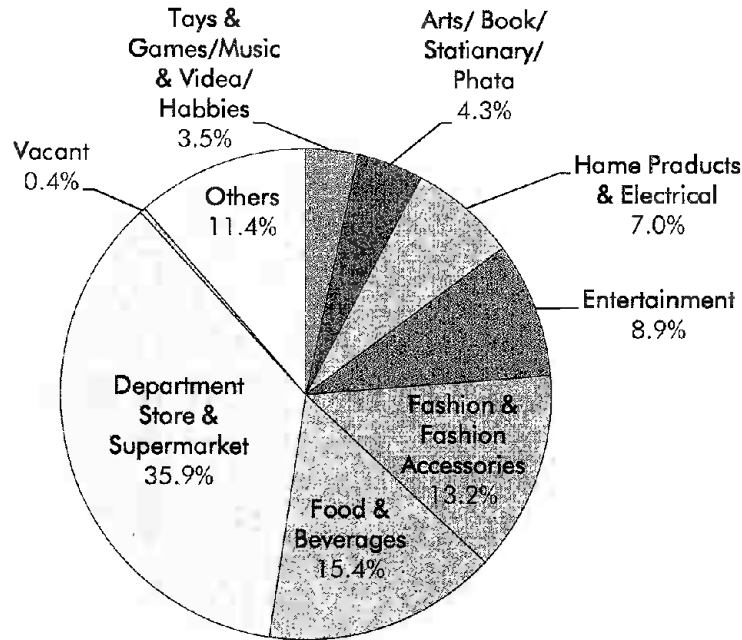
5.7.2 Trade Mix

- The Gardens Mall is the only premium fashion mall located outside the Kuala Lumpur city, and is anchored by three major fashion stores, i.e. Iseton, Robinsons and Marks & Spencer. Combined with Marketplace by Cold Storage (supermarket), these stores occupy 35.9% of the total net lettable area in the mall.
- The Fashion & Fashion Accessories trade in The Gardens Mall accounts for 13.2% of the aggregate space, collectively with the three fashion department stores i.e. Iseton, Robinsons and Marks & Spencer, the fashion content in The Gardens Mall total 46.3%. This differentiates The Gardens Mall with Mid Valley Megamall in the sense that The Gardens Mall is more fashion-orientated.
- Lifestyle offerings are also substantial in The Gardens Mall whereby food & beverage outlets and entertainment trade take up more than a quarter of net lettable area in the mall at 15.4% and 8.9% respectively.
- The tenant mix is unique for a suburban mall as it predominantly hosts luxury and premium brands. Tenants include Louis Vuitton, Burberry, Cooch, Mulberry, Juicy Couture, BOSS Hugo Boss, Versace Jeans, Lewre Couture, Tods and Longchamp. These brands are all established in the prime lots on the ground floor and enjoy the highest visibility.
- In addition to the luxury and premium brands above, major fashion brands that are positioned towards the upper middle income group also have presence in The Gardens Mall, including A/X Armani Exchange, Banana Republic, Braun Buffel, Bread & Butter, ck Calvin Klein, DKNY, Dockers, Karen Millen, Kate Spade, Mossimo Dotti and Rooul.

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- The Gardens Mall addresses shoppers increasing demands in the lifestyle segment. As such, the inclusion of entertainment and food & beverage outlets completes the shopping experience and adds excitement – the likes of which GSC Signature, mYoga, T.G.I. Friday's, The Han Room, Alexis, Din Tai Fung, Hokkaido Ichiba, Yuzu Japanese Restaurant, Zouk Café Bar, Starbucks Coffee, Austin Chase Coffee, G6 and Vertigo has allowed The Gardens Mall to achieve this objective.
- The chart below describes the trade mix of The Gardens Mall.

Chart 5.7b: The Gardens Mall Trade Mix Analysis by Net Lettable Area as at 31 December 2011



Source: IGB Corporation & CBRE Research

Note: The categories of the above trade mix summarize a larger set of sub-categories and include shop and kiosk space.

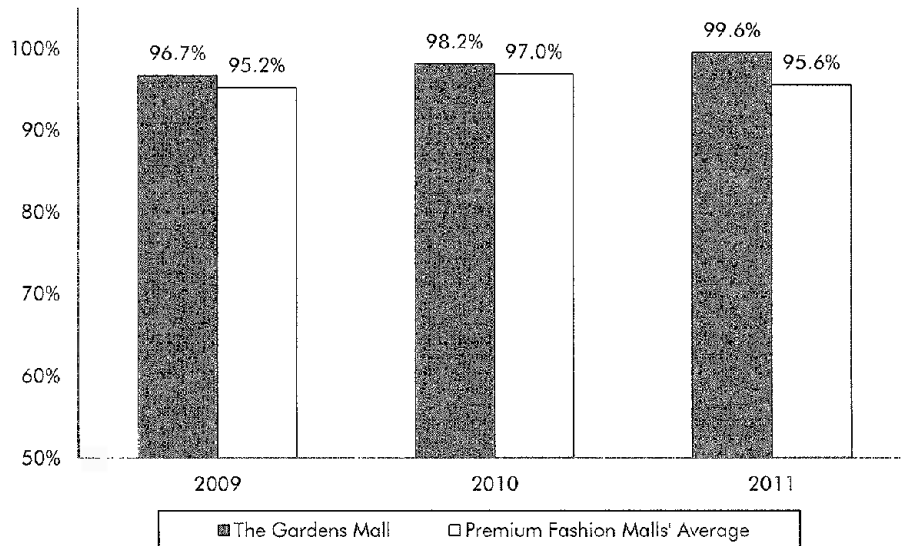
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5.7.3 Occupancy Rate

- Despite its initial difficulties with its trade mix, The Gardens Mall accomplished excellent performance in terms of occupancy rates. Notwithstanding a challenging global economic environment in recent years, the mall was 96.7% occupied in 2009, gradually increased to 98.2% in 2010, and improved to 99.6% in 2011.

Chart 5.7c: The Gardens Mall's Occupancy Rates vs Premium Fashion Mall's Average Occupancy Rates



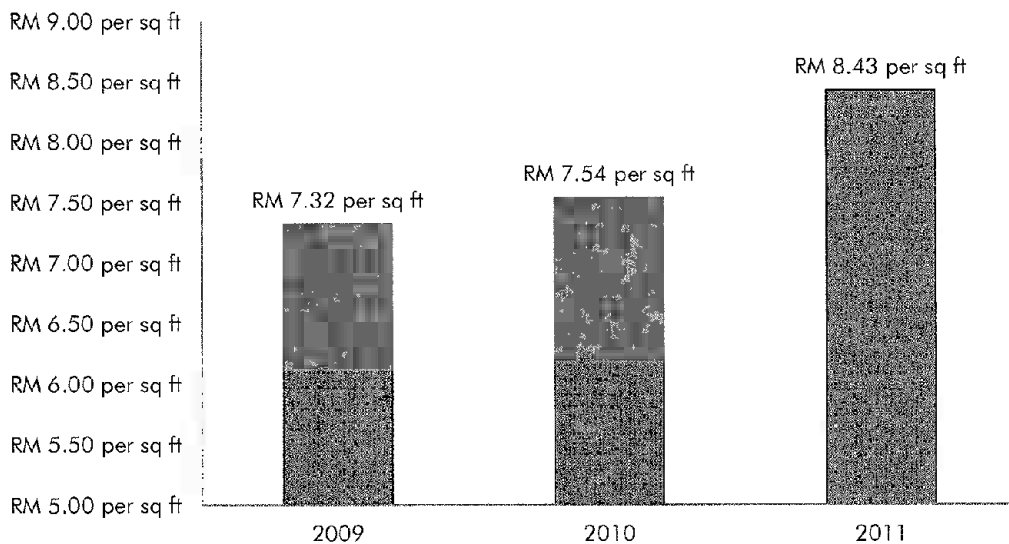
Source: IGB Corporation & CBRE Research

Note: - Occupancy rates are as at end of year/ period.

- Premium fashion malls are defined as The Gardens Mall, Pavilion Kuala Lumpur Mall, Suria KLCC and Starhill Gallery.

5.7.4 Rents

Chart 5.7d: The Gardens Mall's Average Gross Rent



Source: IGB Corporation

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- The average gross rent on a per sq ft basis in The Gardens Mall was RM8.43 per sq ft in 2011, which represents year-on-year growth of about 5.0% since 2009. This places the mall among the top ten in country in terms of average gross rent, and it is a commendable achievement since the mall is considered new against other successful malls.
- We believe the room for growth in rents can be anticipated as the luxury and premium brands can pay high rents, as witnessed in the city centre. However, what has been achieved here appears to be lower against the city centre.

5.7.5 Shopper Traffic

- As elaborated earlier in section 5.6.5, The Gardens Mall and Mid Valley Megamall oftentimes share the same shopper traffic, and it is estimated that the footfall for both the malls was 34.7 million in 2011.

5.7.6 SWOT Analysis

Strength

- **Located within a large fully integrated self-contained mixed-use development** which includes three hotels (1,484 rooms and 199 suites), seven office buildings (NLA: 2.67 million sq ft) and 228 residential units that provide consistent day traffic to the mall.
- **Accessibility:** Very strategic location accessible by the major roads and highways from all directions and supported by the railway system.
- **High visibility:** Being a significant landmark to vehicular entry into the Kuala Lumpur city from the west Klang Valley.
- **Support from the city and the suburbs.** The unique location of Mid Valley City means that it is capable of attracting the massive population in the suburbs, and also from the city.
- **Complemented by Mid Valley Mall:** The combination of Mid Valley Megamall and The Gardens Mall offers a wide range of retail merchandise from luxury to mass products, which widens the variety of choices for today's discerning shopper.
- **The only premium fashion mall in the suburb:** Against other premium fashion malls that are situated in the Kuala Lumpur city, The Gardens Mall is the only premium fashion mall in the suburb with close proximity to some of the most affluent residential areas in the Klang Valley.
- **Close proximity to affluent residential areas:** The Gardens Mall is located very close to Bangsar, Damansara Heights, Mont' Kiara, Hartamas, Seputeh, Taman Desa and Bukit Tunku, some of the most affluent residential addresses in the Klang Valley. As such, The Gardens Mall is capable of attracting the high-income population from these areas.

Weaknesses

- **Traffic congestion:** Lingkar Syed Putra is often congested during peak hours, which discourages traffic to the mall.
- **High reliance on vehicular traffic:** Footfall is heavily correlated to the availability of car park bays – in which footfall growth may be restricted in the future if the number of car park bays do not increase. Currently as it stands, the entire Mid Valley City has more than 10,220 car park bays, which are one of the highest for masterplanned developments at its scale. Going forward, there does not seem to be any room for additional car park, therefore, any growth in the future can only come from improved efficiency of the car park usage i.e. an increase in the number of turns per car park bay per day from its current

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three, as well as the access or alternative means of transportation such as the LRT and MRT.

Opportunities

- **Improving transportation infrastructure:** The proposed linkage to the Abdullah Hukum Putra LRT Station, MRT 2 Circle and KL Manarail Extension are positive news in contributing further footfall to the mall.
- **Population growth in the suburbs:** Klang Valley is expected to house a population of 10 million by 2020 – therefore population growth in the suburbs will expand the catchment and bring more shoppers to The Gardens Mall.
- **Strengthening tourism:** Malaysia anticipates 36 million tourist arrivals and RM168 billion tourist receipts by 2020, which in turn may positively affect The Gardens Mall.
- **Increasing commercialization of the immediate surroundings.** We anticipate that with the ongoing developments such as Bangsar South, KL Eco City and KL Sentral, together with future developments such as redevelopment of the Lever Brothers' site along Jalan Bangsar, more commercial content and business can be created into the area.

Threats

- **KLCC-Bukit Bintang:** Considerable amount of improvement works are being initiated in the area of KLCC-Bukit Bintang in the Kuala Lumpur city, which may augment to the allure of this city centre area that has more luxury and premium merchandise on offer, and attract the target market of The Gardens Mall in the suburbs.
- **Urban sprawl:** The recent wave of property price hikes has resulted in the expansion of geographical boundaries to the south and west of Klang Valley for residential developments, and hence may reduce the concentration of catchment population of the malls.

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5.8 Comparative Analysis

Description	Mid Valley Megamall	The Gardens Mall	Pavilion Kuala Lumpur Mall	Sunway KEC
Net Lettable Area (sq ft)	1,717,609	816,657	1,255,217	Approximately 1,160,000
Location	Mid Valley City	Mid Valley City	Jalan Bukit Bimbang	KLCC
Est. Occupancy Rate (2011)	100.0%	99.6%	99.1%	About 96%
Date of Completion	1999	2007	2007	1998
Property Component	Integrated mixed development on 9.7 acres land within Mid Valley City including two 31-storey office towers (office), Gardens Hotel & Residences (hospitality), and The Gardens Mall (retail)	Integrated mixed development on 9.7 acres land within Mid Valley City including two 31-storey office towers (office), Gardens Hotel & Residences (hospitality), and The Gardens Mall (retail)	Integrated mixed development on 12.6 acres land located along Jalan Bukit Bimbang consisting Pavilion Kuala Lumpur Mall (retail), Pavilion Tower (office) and Pavilion Residences (residential)	Integrated mixed development on 85 acres land which consists of Palomas Twin Towers (office), Suria KLCC (retail), Menara Maxis (office), Menara ExonMobil (office), Mandarin Oriental (hotel), The Binjai On The Park (residential) and Kuala Lumpur Convention Centre (commercial).
No. of Floors (excl. basement)	5	8	7	6
Levels of Retail	5	8	7	6
Levels of Car Park	Lateral: 4 Basement: 2	Lateral: 4 Basement: 4	7	4
No. of Car Park Bays	6,092	4,128	2,427	More than 5,000
Catchment Area	Regional	Regional	Regional	Regional
Ownership	KrisAssets Holdings Bhd	KrisAssets Holdings Bhd	Pavilion REIT	KLCC Property Holdings Bhd
Positioning	Middle income level	Upper-middle to upper income level	Upper-middle to upper income level	Middle to upper income level
Target Market	Families and teenagers	Affluent suburban families	Affluent families and tourists	Affluent families and tourists

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Description	Mid Valley Megamall	The Gardens Mall	Pavilion Kuala Lumpur Mall	Suria KLCC
<p>Anchor/ Notable Tenant(s)</p> <p>Anchor tenants: AEON, Carrefour, Meirajaya, Golden Screen Cinemas, Toy 'R' Us, Kamdar, Oasis Food Court</p> <p>Notable tenants: Celebrity Fitness, Guess, Zara, MNG, Cotton On, Padini, G2000, Roxy, MPH Bookstore, Chili's Grill & Bar, Madam Kwan's, Sushi King, Delicious Café, Hang Kong Kim Gary Restaurant, Room 18, Carl's Junior, McDonald's, Starbucks Coffee and San Francisco Coffee</p>	<p>Anchor tenants: Isetan, Robinson and GSC Signature</p> <p>Mini major tenants: Marketplace by Cold Storage, X-TRA, Mark & Spencer, Hokkaido Ichiba, Food Gardens, Borders, Red Box and mYoga</p> <p>Notable tenants: Louis Vuitton, Burberry, Coach, Mulberry, Juicy Couture, Boss Hugo Boss, Versace Jeans, Lewre Couture, Todd and Langchamp</p>	<p>Anchor tenant: Parkson</p> <p>Specialty anchors: Food Republic, Forever 21, Golden Screen Cinemas, Red Box Plus, Harvey Norman, Times Bookstore and Padini Concept Store</p>	<p>Anchor tenants: Isetan, Marks & Spencer, Parkson and Cold Storage</p> <p>Notable tenants: TGV Cinemas, Kinokuniya, Louis Vuitton, Prada, Tiffany & Co, Versace, Uniqlo, Zara and Coach</p>	<p>Remarks</p> <p>Mid Valley Megamall is part of the integrated mixed development known as Mid Valley City. It is positioned towards the middle income group with more than 450 tenants within this 1.72 million sq ft mall. The merchandise offers are comprehensive and mostly covers the middle income positioning brands.</p> <p>The Gardens Mall is positioned at upper level targeting the affluent suburban shopper. It is gaining traction since opening in 2007 with its new key brands and its good food offers. It benefits from the integration with Mid Valley Megamall although the latter's shoppers are not its direct targets.</p> <p>Pavilion Kuala Lumpur Mall is located within the prime shopping district of KLCC-Bukit Bintang area and is positioned at upper-middle to upper income level shoppers. This mall hosts a large number of luxury/ premium brand along its signature Couture Pavilion precinct. The extension to the mall of approximately 300,000 sq ft is expected to complete by 2014.</p> <p>The KLCC development is the best-known location for tourists and Suria KLCC enjoys the highest footfall. This mall has a wide range of tenants ranging from luxury and premium designer brands to fast food. With the connection to Kuala Lumpur Convention Centre and Petronas Twin Towers, Suria KLCC is a tourist's shopping destination. An additional space of 450,000 sq ft is expected to be added into the mall by 2015.</p>

Source: CBRE Research

Note: 'As at 31 March 2012

Chapter 5 Review On REIT Portfolio

5.8 Comparative Analysis (cont')

Description	Starhill Gallery	1 Utama Shopping Centre	Sunway Pyramid
Net Lettable Area (sq ft)	Approximately 300,000	Old wing: 780,000 New wing: 1,200,000	Retail only: 1,556,985
Location	Jalan Bukit Bintang	Bandar Utama	Bandar Sunway
Est. Occupancy Rate (2011)	About 90%	Approximately 93%	98.2%
Date of Completion	1996	Phase 1 (old wing): 1995 Phase 2 (new wing): 2003	Phase 1: 1997 Phase 2: 2007
Property Component	Connected to JW Marriott Kuala Lumpur (hotel) and linked to Ritz-Carlton Hotel (hotel).	Purpose-built mall in Bandar Utama fronting Iebuhraya Damansara-Puchong (LDP)	Integrated mixed development at Sunway Integrated Resort City consisting Sunway Pyramid Shopping Mall (retail), Sunway Pyramid Convention Centre, Sunway Resort Hotel & Spa (hotel), Pyramid Tower Hotel (hotel), Menara Office (office) and Sunway Lagoon (theme park).
No. of Floors (excl basement)	7	7	4
Levels of Retail	7	6	4
Levels of Car Park	3	Elevated: 3 Basement: 2	Elevated: 6 Basement: 3
No. of Car Park Bays	673	Indoor: Approximately 6,000 Outdoor: Approximately 1,000	3,954
Catchment Area	Regional	Regional	Regional
Ownership	Starhill Global REIT	See Hoy Chan Group	Sunway REIT
Positioning	Upper income level	Middle income level	Middle income level
Target Market	High networth shoppers and tourists	Families and teenagers	Families and teenagers

Chapter 5 Review On REIT Portfolio

Description	Starhill Gallery	1 Utama Shopping Centre	Sunway Pyramid
<p>Anchor/ Notable Tenant(s)</p> <p>Notable tenants: Louis Vuitton, Fendi, Dior, Loewe, Valentino, Givenchy, Christian Dior, Bulgari, Chopard, Hermes, Omega and Rado</p>	<p>Anchor Tenants: AEON, Parkson, Isetan, TANGS, Cold Storage, Golden Screen Cinemas, TGV Cinemas</p> <p>Notable Tenants: Celebrity Fitness, Neway Karaoke, AX By Armani Exchange, Bebe, British India, Zara, Uniqlo, Coach, Massimo Dutti, Mark & Spencer, Pardini Concept Store, Food Republic, Chili's Grill & Bar, TGI Fridays, Starbucks Coffee and Coffee Bean & Tea Leaf</p>	<p>Anchor Tenants: AEON, Parkson, Giant, TGV Cinemas</p> <p>Notable Tenants: Celebrity Fitness Express, Harvey Norman, Sunway Mega Lanes, Sunway Pyramid Ice, MPH Bookstores, Popular, Pardini Concept Store, Mark and Spencer, Guess, MNG, Esprit, Factory Outlet Store, British India, G2000, Bubba Gump Shrimp Co, Coffee Bean & Tea Leaf, Starbucks Coffee, TGI Fridays and Tony Roma's</p>	<p>The Egyptian-inspired Sunway Pyramid is part of the integrated mixed development known as Sunway Integrated Resort City located in Bandar Sunway. Its positioning is towards the middle income group, and the expansion plans of the mall will see additional 500,000 sq ft of net leasable area.</p>
<p>Remarks</p>	<p>Starhill Gallery is now a niche mall anchored by Louis Vuitton and the fine dining food & beverage outlets. It specialises in timepieces and is a collectors' destination and benefits from its connectivity with the boutique JW Marriott hotel.</p>	<p>1 Utama Shopping Centre is located in the suburb of Bandar Utama, offering 1.98 million sq ft of net leasable area. The mall is popularly known with its old and new wings, in which the old wing had recently completed refurbishment and undergone a change of tenants.</p>	

Source: CBRE Research

Chapter 5

Review On REIT Portfolio

5.8 Comparative Analysis (cont')

- Out of the 46.11 million sq ft retail space in Klang Valley, mid and mass market malls contribute 92.3% of total supply as at end 2011. Mid Valley Megamall and The Gardens Mall together contribute 2.5 million sq ft, representing 5.4% of total retail space.
- The tendency today is for some developers to assume that the bigger malls have a better rate of survival. However, there is a limit to how many megamalls there can be in a given market and therefore the threat for Mid Valley City is how many more competitors there will be in the future that would potentially dilute its market share.
- As it stands today, the larger malls seem to be successful whilst many of the smaller malls have either mediocre performances or are trading below par; with some notable exceptions. Smaller malls, especially those below 500,000 sq ft, invariably need to be located in a very strong catchment area to be of significance. Therefore, the pattern in the market until now seems to favor larger malls, and it looks like bigger is better.
- As the Klang Valley is large, with a total population today of around 6.69 million, it is capable yet of supporting the mid and mass market malls and premium fashion malls very well. All the largest malls have outperformed consistently and growth in all cases in terms of retail sales turnover has been constant in the past decade. This suggests very little overlap despite similar offers.
- Research and anecdotal data suggests that Pavilion Kuala Lumpur Mall and The Gardens Mall do not share the same customers in that both serve different catchments with similar income groups. Likewise, Mid Valley Megamall does not compete directly with 1 Utama Shopping Centre or Sunway Pyramid, as shown by a cursory glance at the high occupancy of car park space in the three malls during weekends.
- Although Malaysia is still an emerging economy, the retail industry has matured at a far more rapid rate than the country's economic growth, and has outstripped the growth of the retail industries in many other Asian countries. This maturity has therefore allowed both the segmentation of the market in terms of geographical segregation as well as income segmentation. Therefore, we can find a higher-end mall now capable of performing significantly well in the city centre, namely Pavilion Kuala Lumpur Mall, whilst in the suburbs the growing affluence has created support for a further premium fashion mall i.e. The Gardens Mall. This certainly could not have been possible only 12 years ago both in terms of having two such malls with similar high-end brands and in terms of one being in the suburb. Therefore, the market is now capable of supporting five strong, robust and successful megamalls.
- Kuala Lumpur has shown over the last decade that it has become an attractive location for top quality international retail brands. By sales turnover and number of outlets for these brands, Kuala Lumpur is almost as big a market as the best in the region now.
- In the long term, this suggests that larger malls that are currently doing well will continue to perform because the market is large enough and growing. Kuala Lumpur is therefore a critical part of the region's map for any major international retailer. Increasingly, international brands are coming into Kuala Lumpur straight from either Singapore or Hong Kong or sometimes almost simultaneously. This augurs well for the malls in terms of potential expansion or creating the differentiation over the years that they need to maintain their competitiveness. It is therefore foreseeable that Mid Valley Megamall and The Gardens Mall both have a good combined pool of customers within their specific catchment and segment, and that these strengths are sustainable in the long term.
- Mid Valley Megamall was considered by retailers in its earlier years as a mass market mall compared with Suria KLCC. The latter was seen as a mid-to-upper-mid market mall. 1 Utama Shopping Centre and Sunway Pyramid, which were then without their extensions, were just

Chapter 5

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regional sized malls catering to their individual catchments. Mid Valley Megamall was then the largest mall in the Klang Valley.

- By 2007, with the completion of Pavilion Kuala Lumpur Mall and The Gardens Mall, the fear was that the market was incapable of supporting two similarly positioned malls, and in the case of The Gardens Mall, skepticism was high because of its association with Mid Valley Megamall's mass market.
- But now it has become clear that not only is there room for a premium fashion mall in the city but also another one in the suburbs as there is very little overlap in the catchments of both.
- Today, Mid Valley Megamall is no longer the largest by size compared with Sunway Pyramid (including upcoming phases) and 1 Utama Shopping Centre. Yet it continues to draw crowds. The answer is that its catchment is much wider than that of its other 2 competitors, due to its more central location.
- Perhaps Mid Valley Megamall is now also benefitting from the higher end The Gardens Mall, in that The Gardens Mall now has premium and luxury goods to offer which the former cannot. This may in some ways suggest that premium offers can reinforce the strength of the mid and mass offer.

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5.9 Outlook

- Till date, Mid Valley City has been able to attract shoppers from Kuala Lumpur and across Klang Valley mainly due to its standing as one of the largest mixed-use developments in Malaysia. Its strategic location and popularity of the entire development facilitated strong shopper traffic historically and this trend is expected to continue in the future.
- In the future, increased competition would be in the shape of retail developments over 1.0 million sq ft in net lettable area such as Empire City Mall in Damansara Perdana, Boustead development in Cachrane, i-City Mall in Shah Alam, IOI City Mall in Putrajaya and a few more similar types. Certainly in the immediate aftermath of the introduction of these new malls, there will be a dilution in the market for everyone including Mid Valley City. But as has happened in the past, this would be temporary because of the natural growth of the Klang Valley's population. This coupled with other positive market dynamics should underpin a robust retail market in the future.
- Hence, going forward, the test is really not about whether Mid Valley City can survive the onslaught of more retail space supply, but whether it can sustain its attraction given more of the same available offers to shoppers. Today, after 12 years, the sentiment is that Mid Valley Megamall is a great place to shop not only because of its phenomenal offerings, but somehow the physical effect is that of a slightly tired building. This is symptomatic of the physical life of buildings and that of the retail industry in particular. Nowadays, retailers have to keep upgrading their shops to stay relevant, mall operators likewise have to keep up with trends to stay relevant. What this suggests is that the Mid Valley Megamall will be expecting some capital expenditure when newer malls come up in the medium term, in order to stay competitive.
- Against this background, the good news is that Asia is now a major attraction, retailers who because of the uncertainties in the Western community, are looking east for their future expansion. Hence the increasing number of new entries that we have all been wishing for many years such as H&M and perhaps Abercrombie & Fitch. It is also possible that trends are changing very fast in terms of the type of fashion and F&B offerings, we are seeing already a significant trend in wholesaling across Asia, from Korea to Taiwan to Bangkok and now Malaysia, which is beginning to dictate fast fashion in terms of both margins and size of shops. It is therefore likely that two types of impacts will be seen here in Malaysia, which is that fast fashion from Asia would force many shops to grow smaller whilst fast fashion from Europe will go the exact opposite in dictating very large format. This may very well be to the advantage to Mid Valley Megamall and The Gardens Mall in that the smaller format could boost Mid Valley Megamall rental income whilst the larger formats could reinforce its attraction if and when its larger tenants become obsolete or unattractive, the space can be reconfigured to accommodate these tenants.
- The prospects are good for retail in the country, in that Kuala Lumpur retail industry is wide and exciting, and Kuala Lumpur has good infrastructure such as logistics support, and with the inevitable and continued growth of tourism into Malaysia, both the retail industry and also Mid Valley City will see sustainable growth for years to come.

TAX CONSULTANT'S LETTER ON TAXATION OF IGB REIT AND UNITHOLDERS

**TAXATION ADVISER'S LETTER
ON TAXATION OF IGB REIT AND UNITHOLDERS**

IGB REIT Management Sdn Bhd
Level 32, The Garden South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Am Trustee Berhad
Level 22, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

03 AUG 2012

Dear Sirs,

TAXATION OF IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

This letter has been prepared for inclusion in the Prospectus for IGB REIT to be issued in connection with the offer of units in IGB REIT .

The taxation of income for both IGB REIT and the Unitholders are subject to the provisions of the Malaysian Income Tax Act 1967 (the "Act"). The main provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia as well as guidelines issued by the tax authorities specifically on the REITs.

i. TAXATION OF IGB REIT

IGB REIT will be regarded as Malaysian resident for Malaysian income tax purposes since the Trustee of IGB REIT is resident in Malaysia.

1.1 Taxation of income

The income of IGB REIT, consisting of rental, interest (other than interest which is exempt from income tax) and other investment income derived from or accruing in Malaysia (after deducting tax allowable expenses), will be taxable at the normal corporate tax rate (currently at 25%).

The tax transparency system under Section 61A of the Act however, exempts IGB REIT from such taxes in a year of assessment ("YA") if IGB REIT distributes at least 90% of its total taxable income in the same YA.

*PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M),
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If less than 90% of its total taxable income is distributed in a YA, then the tax transparency system under Section 61A of the Act would not apply and total taxable income of IGB REIT would continue to be taxed, currently at the prevailing rate of 25%. Income which has been taxed at IGB REIT level will have tax credits attached when subsequently distributed to Unitholders.

Dividends received by IGB REIT, if any, may have tax credits attached, representing tax deduction at source at the prevailing tax rate of 25%. Such tax credits will be available for set off either wholly or partly against the tax liability of IGB REIT. Any excess of the tax credits over the tax liability will be refundable to IGB REIT.

Generally, gains on disposal of investments by IGB REIT are regarded as capitals gains and hence, will not be subject to income tax.

1.2 Real Property Gains Tax

Gains on disposal of investments by a REIT will not normally be subject to income tax. However, where the investments represent real properties and shares in real property companies¹, such gains will be subject to real property gains tax ("RPGT").

With effect from 1 January 2012, any gains on disposal of real properties or shares in real property companies would be subject to RPGT at the following rates:-

Disposal time frame	Rates
Disposal within 2 years of acquisition	10%
Disposal after 2 years and within 5 years of acquisition	5%
Disposal after 5 years of acquisition	RPGT exempted

1.3 Exempt Income

Since REITs are considered to be unit trusts, tax exemption is available on certain income including interest or discount income from the following investments:

- (a) securities or bonds issued or guaranteed by the Government;
- (b) debentures or Islamic securities, other than convertible loan stocks, approved by the Securities Commission ("SC");
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (d) Interest income from Islamic securities originated in Malaysia, other than convertible loans stock issued in any currency other than Ringgit Malaysia and approved by the SC and Labuan Offshore Financial Services Authority; and
- (e) bonds and securities issued by Pengurusan Danaharta Nasional Berhad.

Interest paid or credited by any bank or financial institution licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983 are tax exempted.

Offshore sourced income received by IGB REIT from overseas investment will also be tax exempted.

¹ A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.



The income exempted from tax at REIT level will also be exempted from tax upon distribution to Unitholders.

1.4 Tax Deductible Expenses

Since rental income of a REIT is treated as business income, expenses incurred wholly and exclusively in the production of gross rental income are allowable as tax deductions.

Similarly, capital allowance will be available on qualifying capital expenditure incurred by a REIT as tax deductions. However, any excess deductions or unabsorbed capital allowance cannot be carried forward as a deduction against future rental income.

1.5 Stamp duty

All instruments of transfer and deeds of assignment relating to the purchase of real property between IGB REIT and the disposer are exempted from stamp duty.

2. TAXATION OF UNITHOLDERS

The taxation of Unitholders will depend on whether the Unitholders are Malaysian residents or non-residents.

2.1 Tax treatment of Resident Unitholders

The tax treatment is dependent on whether IGB REIT has distributed 90% or more of its total taxable income.

(a) REIT distributes 90% or more of taxable income

Where 90% or more of the REIT's total taxable income is distributed by IGB REIT, distributions to Unitholders 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 investors² (resident and non-resident)	10% ³
Non-resident corporate investors⁴	25%
Resident corporate investors	0% ⁵

² Institutional investor means a pension fund, collective investment scheme or such other person approved by the Minister of Finance.

³ This reduced rate of withholding tax is effective from 1 January 2012 to 31 December 2016.

⁴ Company means an incorporated body.

⁵ Corporate unitholders who are tax resident in Malaysia would have to file tax returns and declare such REIT income which is taxed at 25%.



The withholding tax is a final tax and resident individuals and non-corporate investors will not be required to declare the income received from IGB REIT in their Malaysian tax returns.

No withholding tax is applicable on distributions to resident corporate investors. Resident corporate investors are required to report the distributions from REITs in their normal corporate tax return and bring the taxable REIT distributions at the normal corporate tax rate, currently at 25%.

(b) REIT distributes less than 90% of taxable income

Where less than 90% of the total taxable income is distributed by IGB REIT, the IGB REIT is not entitled to Section 61A of the Act exemption. IGB REIT would have paid taxes on the taxable income for the year. The distributions made by IGB REIT of such taxed income will have tax credits attached. The tax treatment for Unitholders would be as follows:-

- Resident individuals will be subject to tax at their own marginal rates on the distributions and be entitled to tax credits representing tax already paid by IGB REIT.
- Resident corporate investors are required to report the distributions from REITs in their normal corporate tax return and bring such income to tax at the normal corporate tax rate, currently 25%. Where tax has been levied at IGB REIT level, the resident corporate investors are entitled to tax credits.
- No further taxes or withholding tax would be applicable to Foreign Unitholders. Foreign Unitholders may be subject to tax in their respective jurisdictions depending on the provisions of their country's tax legislation and the entitlement to any tax credits would be dependent on their home country's tax legislation.

Distributions representing specific exempt income or gains on disposal of investments at IGB REIT level will not be subject to further income tax when distributed to all Unitholders.

2.2 Disposals by Unitholders

Malaysia does not impose tax on capital gains. Therefore, gains on the disposal of the Units by Unitholders which are considered to be capital in nature will not be subject to income tax.

If a Unitholder has held the Units for long-term investment purposes, any gains arising from the disposal of the Units should be considered capital gains and hence, not subject to Malaysian income tax.

However, if the Units have been held as trading assets of a trade or business carried on in Malaysia, the gains arising from the sale of Units will be seen to be part of business income and subject to normal income tax. Dealers in securities and financial institutions in Malaysia (e.g. insurance companies and banks) will normally be subject to income tax since such gains will be seen to be part of their business income. Foreign dealers and financial institutions with no business presence or permanent establishment in Malaysia will not be subject to Malaysian income tax on such gains. Such gains may still be subject to tax in each foreign investors' respective jurisdictions.

In the event of a winding up of REIT, the taxation of gains received in the form of cash or residual distribution will depend on whether the gains are seen to be capital gains or normal business income.



Unitholders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution.

Unit splits issued by REIT are not taxable in the hands of Unitholders.

2.3 Stamp duty

Stamp duty payable by Unitholders relating to the purchase of Units which is approved by the SC and the transfer of such Units are exempted pursuant to Item 32 Exemption Paragraph (c), First Schedule of the Stamp Act, 1949.

2.4 Estate Duty

Currently, there is no estate duty in Malaysia.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the interpretations thereof. This document provides the general taxation of REITs and investors in Malaysia and is not specific advice to any particular investor. We recommend that investors obtain independent advice on the tax issues associated with their respective investments in the REIT.

Yours faithfully,
for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

A handwritten signature in black ink, appearing to read 'Jennifer Chang', written over a large, faint circular stamp or watermark.

Jennifer Chang
Senior Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd has given written consent to the inclusion of the report as Taxation Adviser in the form and context in which it appears in this Prospectus and has not withdrawn such consent prior to the delivery of a copy of this Prospectus for approval.

REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION



The Board of Directors
IGB REIT Management Sdn Bhd
Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Date: 03 AUG 2012

PwC/SHKY/EN/WO/py/0010C

Dear Sirs,

**IGB Real Estate Investment Trust ("IGB REIT")
Report on Pro Forma Statement of Financial Position of IGB REIT**

- 1 We report on the Pro Forma Statement of Financial Position of IGB REIT as at its date of establishment, as set out in the Appendix to this letter (which we have stamped for the purpose of identification), which has been prepared for inclusion in the prospectus in connection with the proposed establishment and listing of IGB REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposals"). Further details of the listing scheme in relation to the Proposals are set out in Note 3 of the Appendix to this letter.
- 2 The Pro Forma Statement of Financial Position has been prepared, for illustrative purposes only, to show the effects of the Proposals on the financial position of IGB REIT had the Proposals been effected at its date of establishment.

Responsibilities

- 3 It is the sole responsibility of the Directors of IGB REIT Management Sdn Bhd ("IGB REIT Management" or "Manager"), the management company of IGB REIT, to prepare the Pro Forma Statement of Financial Position on the basis set out in the notes thereon in accordance with the requirements of the Prospectus Guidelines for Collective Investment Schemes issued by the Securities Commission ("Prospectus Guidelines").
- 4 It is our responsibility to form an opinion as required by the Prospectus Guidelines on the Pro Forma Statement of Financial Position.
- 5 In providing this opinion, we are not updating or refreshing any reports or opinions previously made on any financial information used in the preparation of the Pro forma Statement of Financial Position nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

.....
*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



The Board of Directors
IGB REIT Management Sdn Bhd
PwC/SHKY/EN/WO/py/0010C
Date: 03 AUG 2012

Basis of opinion

- 6 We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". Our work, which involved no independent examination of any of the underlying financial information, consisted of comparing unadjusted information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Statement of Financial Position with the Manager.
- 7 We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Statement of Financial Position has been properly prepared on the basis stated, using financial statements prepared in accordance with Malaysian Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by IGB REIT.
- 8 As the Pro Forma Statement of Financial Position is prepared for illustrative purposes only, such information, because of its nature, does not give a true picture of the effects of the Proposals on the financial position presented had the transaction or event occurred at the date stated. Further, such information does not purport to predict IGB REIT's financial position.

Our opinion

- 9 In our opinion:
 - (a) the Pro Forma Statement of Financial Position has been properly prepared on the basis set out in the notes, using consolidated financial statements of the holding company, KrisAssets Holdings Berhad and its subsidiaries which is prepared in accordance with the Malaysian Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by IGB REIT; and
 - (b) each material adjustment made to the information used in the preparation of the Pro Forma Statement of Financial Position is appropriate for the purpose of preparing the Pro Forma Statement of Financial Position.





The Board of Directors
IGB REIT Management Sdn Bhd
PwC/SHKY/EN/WO/py/0010C
Date: 03 AUG 2012

Other matter

- 10 This report is issued for the sole purpose of inclusion in the prospectus in connection with the Proposals and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Proposals.

Yours faithfully,


PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants


SOO HOO KHOON YEAN
(No. 2682/10/13 (J))
Chartered Accountants

IGB REAL ESTATE INVESTMENT TRUST

PRO FORMA STATEMENT OF FINANCIAL POSITION OF IGB REIT
AS AT ITS DATE OF ESTABLISHMENT AND THE NOTES THEREON

As at the date of establishment, IGB REIT will not have any assets and liabilities. The Pro Forma Statement of Financial Position of IGB REIT, set out below is provided for illustrative purposes to show the effects on the statement of financial position of IGB REIT on its assumed date of establishment of 31 March 2012 had the listing scheme described in Note 3 been effected on that date, and should be read in conjunction with the accompanying notes thereon.

Description	Note	Adjustment Acquisitions RM'000	As at 31.3.2012 Proforma After Acquisitions RM'000
Non-current assets			
Investment properties	5	4,600,000	4,600,000
Plant and equipment		12,559	12,559
		<u>4,612,559</u>	<u>4,612,559</u>
Current assets			
Unamortised incentives	6	9,199	9,199
Cash and bank balances		50,160	50,160
		<u>59,359</u>	<u>59,359</u>
Current liabilities			
Syndicated Financing Facilities		12,559	12,559
Tenant deposits		27,401	27,401
		<u>39,960</u>	<u>39,960</u>
Net current assets		19,399	19,399
		<u>4,631,958</u>	<u>4,631,958</u>
Financed by:			
Unitsholders capital	7	4,237,000	4,237,000
Accumulated losses	8	(850,000)	(850,000)
Unitholders' fund		<u>3,387,000</u>	<u>3,387,000</u>
Non-current liabilities			
Syndicated Financing Facilities		1,193,000	1,193,000
Tenant deposits		51,958	51,958
		<u>1,244,958</u>	<u>1,244,958</u>
		<u>4,631,958</u>	<u>4,631,958</u>
Net asset value ("NAV") (RM'000)			3,387,000
Units in issue ('000)			3,400,000
NAV per unit (RM)			0.996

Notes:

- (1) NAV represents the value of IGB REIT's total assets less total liabilities.
(2) NAV per unit is computed based on NAV divided by number of Units issued by IGB REIT.

IGB REAL ESTATE INVESTMENT TRUST

**PRO FORMA STATEMENT OF FINANCIAL POSITION OF IGB REIT
AS AT ITS DATE OF ESTABLISHMENT AND THE NOTES THEREON (CONTINUED)**

1 INTRODUCTION

The Pro Forma Statement of Financial Position of IGB REIT has been prepared for the purpose of inclusion in the prospectus in connection with the Proposals which encompass the listing scheme as described in Note 3 below.

2 SUMMARY OF PROPOSED ACCOUNTING POLICIES

The Pro Forma Statement of Financial Position of IGB REIT has been prepared using the consolidated financial statements of the holding company, KrisAssets Holdings Berhad ("KrisAssets") and its subsidiaries which is prepared in accordance with the Malaysian Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by IGB REIT. The summary of the accounting policies to be adopted by IGB REIT is set out in Section 4.4.4. of the Prospectus.

3 LISTING SCHEME

The listing scheme in relation to the Proposals comprises the following:

3.1 Acquisition of Mid Valley Megamall and The Gardens Mall together with the related assets ("Acquisitions")

The Proposals entail the acquisitions of Mid Valley Megamall and The Gardens Mall ("Subject Properties") together with their related assets including motor vehicles, machineries, equipment (including software), fixtures and fittings ("Related Assets") from Mid Valley City Sdn Bhd ("MVC") and Mid Valley City Gardens Sdn Bhd ("MVCG") respectively (collectively, the "Vendors") by the trustee of IGB REIT, AmTrustee Berhad ("Trustee"), on behalf of IGB REIT at a purchase consideration of approximately RM4,613 million, to be satisfied by:

- (i) Issuance of 3,400 million new units in IGB REIT ("Units") to the Vendors ("Consideration Units") at the issue price of RM1.00 per Unit; and
- (ii) Cash consideration of approximately RM1,213 million raised through the drawdown of a portion of Syndicated Financing Facilities to be procured by the Trustee on behalf of IGB REIT.

(the "Acquisitions").

The fair value of the Consideration Units is estimated at RM4,250 million (based on the retail price of RM1.25 per unit).

The purchase consideration for the Subject Properties was arrived at on a willing-buyer willing-seller basis based on the market value of the Subject Properties as appraised by the Independent Property Valuer, Henry Butcher Malaysia Sdn Bhd, in its valuation reports dated 10 April 2012. The valuations of the Subject Properties were carried out using the investment method.

The purchase consideration for the Related Assets was arrived at on a willing-buyer willing-seller basis based on the audited net book value of the Related Assets as at 31 December 2011.

Upon completion of the Acquisitions, IGB REIT will also assume certain assets, being the cash equivalent amount of tenant deposits and unamortised incentives, as well as certain liabilities, being the tenant deposits.

IGB REAL ESTATE INVESTMENT TRUST**PRO FORMA STATEMENT OF FINANCIAL POSITION OF IGB REIT
AS AT ITS DATE OF ESTABLISHMENT AND THE NOTES THEREON (CONTINUED)****3 LISTING SCHEME (CONTINUED)****3.1 Acquisitions of Mid Valley Megamall and The Gardens Mall together with the related assets ("Acquisitions")(continued)****(i) Consideration Units**

Out of the 3,400 million Consideration Units to be issued to the Vendors, 2,730 million units will be issued to MVC and the balance of 670 million units ("Offer Units") will be issued to MVCG. MVCG will in turn offer for sale the 670 million Offer Units in an initial public offering in conjunction with the listing of IGB REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Offering").

(ii) Financing facilities

IGB REIT intends to finance the cash portion of the purchase consideration for the Subject Properties and the Related Assets through the proceeds to be raised via the drawdown of a portion of the Syndicated Financing Facilities of up to RM1,220 million encompassing the following:

- (a) a fixed rate term loan facility of up to RM1,200 million; and
- (b) a standby revolving credit facility of up to RM20 million.

(collectively, "Syndicated Financing Facilities").

IGB REIT intends to drawdown approximately RM1,213 million of the Syndicated Financing Facilities to part finance the Acquisitions.

3.2 Listing and quotation of 3,400 million Units in IGB REIT on the Main Market of Bursa Securities.

The Acquisitions and the Offering are inter-conditional upon each other. The Acquisitions are conditional upon the listing and quotation of IGB REIT on the Main Market of Bursa Securities.

4 EFFECTS ON PRO FORMA STATEMENT OF FINANCIAL POSITION

The Pro Forma Statement of Financial Position of IGB REIT has been prepared for illustrative purpose only, to show the effects of Proposal on the statement of financial position on its date of establishment, had the listing scheme as set out in Note 3 been effected on that date.

It is assumed that the date of establishment of IGB REIT is on 31 March 2012.

The Acquisitions are accounted as business combination under common control of which the Subject Properties and the Related Assets acquired are stated at the predecessor carrying amounts of approximately RM4,613 million, which is based on the unaudited consolidated financial statements of the holding company of the Vendors and IGB REIT, KrisAssets, as at 31 March 2012.

For illustrative purposes,

- (i) the estimated expenses in relation to the Proposals of RM13 million are recognised in equity.
- (ii) the estimated transaction cost of RM7 million attributable to the Syndicated Financing Facilities is debited against the carrying value of the Syndicated Financing Facilities.

IGB REAL ESTATE INVESTMENT TRUST

**PRO FORMA STATEMENT OF FINANCIAL POSITION OF IGB REIT
AS AT ITS DATE OF ESTABLISHMENT AND THE NOTES THEREON (CONTINUED)**

5 INVESTMENT PROPERTIES

Investment properties comprising the Subject Properties are stated at the predecessor carrying amount of RM4,600 million, which is based on the unaudited consolidated financial statements of the holding company of the Vendors and IGB REIT, KrisAssets, as at 31 March 2012.

The Subject Properties were appraised by the Independent Property Valuer, Henry Butcher Malaysia Sdn Bhd, in its valuation reports dated 10 April 2012.

6 UNAMORTISED INCENTIVES

The unamortised incentives represent the unamortised balance of fit-out incentives given to certain tenants in cash, which is recognised over the lease term on a straight-line basis, for securing the next renewal term with the respective tenants.

7 UNITHOLDERS' CAPITAL

	Units'000
Units issued as Consideration Units	<u>3,400,000</u>
	RM'000
Units issued *	4,250,000
Estimated listing expenses for the Proposals	<u>(13,000)</u>
Unitholders' Capital	<u>4,237,000</u>

* Based on retail price of RM1.25 per Unit

8 Accumulated losses

IGB REIT adopts predecessor accounting as its accounting policy to account for business combinations under common control. In accordance with its policy, the difference between the fair value of the units issued as consideration and the aggregate carrying amounts of the assets and liabilities acquired as of the date of the business combination is included in equity - accumulated losses.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECASTS



The Board of Directors
IGB REIT Management Sdn Bhd
Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Date: 03 AUG 2012

PwC/SHKY/EN/WO/py/0013C

Dear Sirs,

**IGB Real Estate Investment Trust ("IGB REIT")
Report on the Profit Forecasts of IGB REIT for the six-month period ending 31
December 2012 and twelve-month year ending 31 December 2013 ("Profit Forecasts")**

- 1 We have examined the Profit Forecasts and the basis of assumptions upon which it is based, of IGB REIT for the six-month period ending 31 December 2012 and twelve-month year ending 31 December 2013 as set out in the Appendix to this letter (which we have stamped for the purpose of identification) in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3400 "The Examination of Prospective Financial Information".
- 2 The Profit Forecasts have been prepared for inclusion in the prospectus in connection with the proposed establishment and listing of IGB REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposals"). Further details of the listing scheme are set out in Note 3 of the Appendix to this letter.

Responsibilities

- 3 Our examination has been undertaken to enable us to form an opinion as to whether the Profit Forecasts, in all material respects, are properly prepared on the basis of the assumptions made by the Directors of IGB REIT Management Sdn Bhd ("Manager"), the management company of IGB REIT, and are presented on a basis consistent with the accounting policies to be adopted and disclosed by IGB REIT and the requirements of the Prospectus Guidelines for Collective Investment Schemes issued by the Securities Commission ("SC") ("Prospectus Guidelines"). The Directors of IGB REIT Management Sdn Bhd are solely responsible for the preparation and presentation of the Profit Forecasts and the assumptions on which the Profit Forecasts are based.

*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



The Board of Directors
IGB REIT Management Sdn Bhd
PwC/SHKY/EN/WO/py/0013C
Date: 03 AUG 2012

Basis of opinion

- 4 We have conducted our work in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3400 “The Examination of Prospective Financial Information”.
- 5 Profit Forecasts, in this context, mean prospective financial information prepared using a set of assumptions that include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Profit Forecasts are subject to significant economic, competitive and other uncertainties beyond the control of IGB REIT, and therefore should not be relied upon as showing financial outcomes that are likely to occur in practice. Actual results are likely to be different from the prospective financial information since anticipated events frequently do not occur as expected and the variation could be material. Likewise, when the prospective financial information is expressed as a range, it would be stated that there can be no assurance that actual results will fall within the range. Consequently, we do not express any opinion as to the possibility of achievement of the Profit Forecasts.

Opinion

- 6 Based on our review of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that the assumptions made by the Directors of the Manager do not provide a reasonable basis of the Profit Forecasts. Further, in our opinion, the Profit Forecasts are properly prepared, in all material aspects, on the basis of the calculations and assumptions made by the Directors of the Manager as set out in the Appendix to this letter and in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by IGB REIT.

Emphasis of matter

- 7 We draw your attention to Note 4(j) of the assumptions set out in the accompanying Appendix which states that the Directors of the Manager assume that there will be no material fluctuation on the fair value of Mid Valley Megamall and The Gardens Mall (“Subject Properties”) from the carrying value at the assumed acquisition date during the forecast period for the six-month period ending 31 December 2012 and the forecast twelve-month year ending 31 December 2013, as in the opinion of the Directors of the Manager, there is no reasonable basis for determining the market value for the Subject Properties. Our opinion is not qualified in respect of this matter.





The Board of Directors
IGB REIT Management Sdn Bhd
PwC/SHKY/EN/WO/py/0013C
Date: 03 AUG 2012

Other matters

- 8 This report is issued for the sole purpose of inclusion in the prospectus in connection with the Proposals (in compliant with the Guidelines on Real Estate Investment Trusts and the Prospectus Guidelines issued by the SC) and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Proposals.

Yours faithfully,


PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants


SOO HOO KHOON YEAN
(No. 2682/10/13 (J))
Chartered Accountants

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON

The Directors of IGB REIT Management Sdn Bhd (the "Manager"), being the management company of IGB Real Estate Investment Trust ("IGB REIT") have prepared a forecast of the statements of comprehensive income for the six-month period ending 31 December 2012 ("Forecast Period 2012") and twelve-month year ending 31 December 2013 ("Forecast Year 2013") of IGB REIT, based on the assumptions disclosed in Note 4 to these forecasts as follows:

	Forecast Period 2012 RM'000	Forecast Year 2013 RM'000
Gross Rental Income	154,712	321,026
Other Income	43,076	87,077
Total Revenue	197,788	408,103
Utilities expenses	(23,425)	(48,256)
Maintenance expenses	(10,436)	(21,498)
Quit rent and assessment	(5,277)	(10,554)
Other operating expenses	(26,305)	(51,203)
Property operating expenses	(65,443)	(131,511)
Net property income	132,345	276,592
Interest income	1,494	4,284
	133,839	280,876
Manager's management fees	(13,563)	(27,711)
Trustee's fees	(140)	(280)
Other trust expenses	(1,000)	(2,000)
Borrowing costs	(27,396)	(54,791)
Profit before taxation	91,740	196,094
Taxation	-	-
Profit after taxation	91,740	196,094
Add: Non-cash items ⁽¹⁾	16,992	34,382
Distributable income	108,732	230,476
Number of Units in issue (million) ⁽²⁾	3,411	3,433
Distribution rate (%)	100.00%	100.00%
Distribution per Unit (sen) ⁽³⁾⁽⁴⁾	6.38	6.71
Retail price (RM/Unit)	1.25	1.25
Distribution yield on retail price ⁽⁴⁾	5.10%	5.37%

Notes:

- (1) Non cash items comprise the Management Fee payable in Units, amortisation of fit out incentives, amortisation of capitalised borrowing costs and depreciation of plant and equipment.
- (2) The increase in number of Units in issue is a result of the assumed payment of 100% of the Management Fee for the relevant period in the form of Units issued at an assumed retail price of RM1.25 per Unit.
- (3) Assumes a date of establishment of IGB REIT of 1 July 2012.
- (4) Distribution for the Forecast Period 2012 has been annualised.

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)

1 INTRODUCTION

The profit forecasts of IGB REIT for the six-month period ending 31 December 2012 and twelve-month year ending 31 December 2013 ("Profit Forecasts") have been prepared for inclusion in the prospectus in connection with the proposed establishment and listing of IGB REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposals"). Further details of the listing scheme are set out in Note 3 below.

2 SUMMARY OF PROPOSED ACCOUNTING POLICIES

The Profit Forecasts of IGB REIT have been prepared for illustrative purposes and in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by IGB REIT. The summary of accounting policies to be adopted by IGB REIT is set out in Section 4.4.4 of the Prospectus.

3 LISTING SCHEME

The listing scheme in relation to the Proposals ("Listing Scheme") comprises the following:

3.1 Acquisitions of Mid Valley Megamall and The Gardens Mall together with the related assets ("Acquisitions")

The Proposals entail the acquisitions of Mid Valley Megamall and The Gardens Mall ("Subject Properties") together with their related assets including motor vehicles, machineries, equipment (including software), fixtures and fittings ("Related Assets") from Mid Valley City Sdn Bhd ("MVC") and Mid Valley City Gardens Sdn Bhd ("MVCG") respectively (collectively, the "Vendors") by the trustee of IGB REIT, AmTrustee Berhad ("Trustee"), on behalf of IGB REIT at a purchase consideration of approximately RM4,613 million, to be satisfied by:

- (i) Issuance of 3,400 million new units in IGB REIT ("Units") to the Vendors ("Consideration Units") at the issue price of RM1.00 per Unit; and
- (ii) Cash consideration of approximately RM1,213 million raised through the drawdown of a portion of syndicated financing facilities to be procured by the Trustee on behalf of IGB REIT.

(the "Acquisitions").

The fair value of the Consideration Units is estimated at RM4,250 million (based on the retail price of RM1.25 per Unit).

The purchase consideration for the Subject Properties was arrived at on a willing-buyer willing-seller basis based on the market value of the Subject Properties as appraised by the Independent Property Valuer, Henry Butcher Malaysia Sdn Bhd, in its valuation reports dated 10 April 2012. The valuations of the Subject Properties were carried out using the investment method.

The purchase consideration for the Related Assets was arrived at on a willing-buyer willing-seller basis based on the audited net book value of the Related Assets as at 31 December 2011.

Upon completion of the Acquisitions, IGB REIT will also assume certain assets, being the cash equivalent amount of tenant deposits and unamortised incentives, as well as certain liabilities, being the tenant deposits.

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)

3 LISTING SCHEME (CONTINUED)

3.1 Acquisitions of Mid Valley Megamall and The Gardens Mall together with the related assets ("Acquisitions")(continued)

(i) Consideration Units

Out of the 3,400 million Consideration Units to be issued to the Vendors, 2,730 million Units will be issued to MVC and the balance of 670 million Units ("Offer Units") will be issued to MVCG. MVCG will in turn offer for sale the 670 million Offer Units in an initial public offering in conjunction with the listing of IGB REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Offering").

(ii) Financing facilities

IGB REIT intends to finance the cash portion of the purchase consideration for the Subject Properties and the Related Assets through the proceeds to be raised via the drawdown of a portion of the syndicated financing facilities of up to RM1,220 million encompassing the following:

- (a) a fixed rate term loan facility of up to RM1,200 million ("FRTL"); and
- (b) a standby revolving credit facility of up to RM20 million ("SBRC").

(collectively, "Syndicated Financing Facilities").

IGB REIT intends to drawdown approximately RM1,213 million of the Syndicated Financing Facilities to part finance the Acquisitions.

3.2 Listing and quotation of 3,400 million Units in IGB REIT on the Main Market of Bursa Securities.

The Acquisitions and the Offering are inter-conditional upon each other. The Acquisitions are conditional upon the listing and quotation of IGB REIT on the Main Market of Bursa Securities.

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)

4 BASES AND ASSUMPTIONS

The Directors of the Manager have prepared the Profit Forecasts of IGB REIT based on the following assumptions, for which the Directors are solely responsible:

Assumptions specific to IGB REIT

(a) It is assumed that the Listing Scheme will be completed by 30 June 2012.

(b) **Total Revenue**

For the Forecast Period 2012 and the Forecast Year 2013, the Manager's forecast Total Revenue is RM197.8 million and RM408.1 million, respectively. Total Revenue consists of Gross Rental Income and Other Income (both as defined herein).

Total Revenue from the Subject Properties comprises rental and rent related income, service and promotional charges from tenants and car park income.

Gross Rental Income

Gross Rental Income comprises base rent, service and promotional charges and percentage rent.

Base rent

The Manager has assumed the following in arriving at the forecast base rent for the tenancies of the Subject Properties for the Forecast Period 2012 and the Forecast Year 2013:

- (i) base rent is forecast based on committed tenancies for the Forecast Period 2012 and the Forecast Year 2013 (as at 10 April 2012); and
- (ii) expiring tenancies in the Forecast Period 2012 and the Forecast Year 2013 are assumed to be renewed based on:
 - (a) previously negotiated rates;
 - (b) the Manager's assumed renewal rates; or
 - (c) remaining tenancies assumed to be renewed at a 5.0% increase in base rent at Mid Valley Megamall and 15.0% increase in base rent at The Gardens Mall. This increase in base rent was assumed after taking into consideration each property's age profile, existing rental rates, market conditions as well as tenancy demand; and
- (iii) the Manager has assumed a provision for vacancy allowance of 3.0% of base rent for Mid Valley Megamall and The Gardens Mall, respectively based on its forecast base rent for each Subject Property. The provision for vacancy allowance is for the vacancy period before the rent becomes payable under the new tenancy and to cover changeover of tenancies and loss of income.

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

**PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND
TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)**

4 **BASES AND ASSUMPTIONS (CONTINUED)**

(b) **Total Revenue**

Service and promotional charges

Service charges are contributions paid by tenants for the operating expenses of each of the Subject Properties and promotional charges are paid by each tenant to contribute to the marketing activities of the Subject Properties. The charges are computed based on the amount of space occupied by the respective tenants.

The service and promotional charges at Mid Valley Megamall for the Forecast Period 2012 and the Forecast Year 2013 are forecast to be RM8.9 million and RM23.3 million, respectively.

The service and promotional charges at The Gardens Mall for the Forecast Period 2012 and the Forecast Year 2013 are forecast to be RM11.9 million and RM23.7 million, respectively.

The Manager has applied a vacancy allowance of 3.0% to its forecast service and promotion charges for the Subject Properties.

Percentage rent

Percentage rent is generally calculated based on a percentage of the total gross sales generated by each tenant, where applicable, during each relevant period. The Manager has assumed a 5.0% increase per annum in percentage rent for both Mid Valley Megamall and The Gardens Mall in the Forecast Period 2012 and the Forecast Year 2013.

The percentage rent for the Forecast Period 2012 and the Forecast Year 2013 are forecast to be RM19.3 million and RM40.5 million, respectively.

Other Income

Other Income consists of car park income, advertising and promotional income, utilities recoverable and kiosk rent and other leasing income and miscellaneous income ("Other Income").

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

**PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND
TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)**

4 BASES AND ASSUMPTIONS (CONTINUED)

(b) Total Revenue

Car park income

Car park income is mainly made up of two components, hourly car park collections and season passes. As of 1 April 2012, the average car park season pass rate was raised by 50%.

Car park income for the Forecast Period 2012 and the Forecast Year 2013 are forecast to be RM21.5 million and RM43.1 million respectively, based on historical car park income levels and the revised car park season pass rate. The Subject Properties currently have 10,220 car park lots. Car park income contributes 50.0% and 49.5% to Other Income for the Forecast Period 2012 and the Forecast Year 2013, respectively.

Advertising and promotional income

Advertising and promotional income is generated from advertising income, leasing of promotional space and sponsorship activities. The Manager has assumed a 3.0% increase per annum in advertising and promotional income for both Mid Valley Megamall and The Gardens Mall.

Advertising and promotional income is forecast to be RM4.5 million and RM9.2 million for the Forecast Period 2012 and the Forecast Year 2013 and contributes 10.4% and 10.6% to Other Income for the Forecast Period 2012 and the Forecast Year 2013, respectively.

Utilities recoverable

IGB REIT would engage in intermediary distribution of utilities whereby it supplies mainly electricity, liquefied petroleum gas ("LPG") and water to tenants, office towers and/or hotels within Mid Valley City, an integrated mixed development combining retail, leisure, dining, entertainment, beauty and well-being, hospitality, commercial offices and an exhibition centre. The Manager has assumed a 3.0% increase per annum in utilities recoverable for both Mid Valley Megamall and The Gardens Mall, is in line with 3.0% assumed increase in utilities charges.

For the Forecast Period 2012 and the Forecast Year 2013, the utilities recoverable are forecast to be RM7.6 million and RM15.7 million, respectively. Utilities recoverable contribute 17.7% and 18.0% to Other Income for the Forecast Period 2012 and the Forecast Year 2013, respectively.

Kiosk rent and other leasing income

Kiosk rent and other leasing income includes rent received from leasing of kiosks, carts, ATM machines and storage space at the Subject Properties.

(c) Property operating expenses

(i) Utilities

Utilities refer to electricity, LPG and water charges. The Manager has assumed an increase in utilities charges of 3.0% for the Forecast Period 2012 and the Forecast Year 2013. For the Forecast Period 2012 and the Forecast Year 2013, the Manager expects the Subject Properties to incur utilities charges of RM23.4 million and RM48.3 million, respectively.

IGB REAL ESTATE INVESTMENT TRUST (“IGB REIT”)

**PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND
TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)**

4 BASES AND ASSUMPTIONS (CONTINUED)

(c) Property operating expenses (continued)

(ii) Maintenance

Maintenance refers to, among others, the cost of upkeep of civil works, air conditioning systems, security systems, lifts and escalators, car parks, fire protection systems and building automated systems.

The Manager has assumed an increase in maintenance expenses of 3.0% per annum for the Forecast Period 2012 and the Forecast Year 2013, respectively. For the Forecast Period 2012 and the Forecast Year 2013, the Subject Properties are expected to incur maintenance charges of RM10.4 million and RM21.5 million, respectively.

(iii) Quit rent and assessment

Quit rent and assessment is an amount prescribed and payable to the state government and local council on the Subject Properties. Assessment is computed based on the rate prescribed by the local council on the annual value of the Subject Properties.

These expenses are estimated to be RM5.3 million and RM10.6 million for the Forecast Period 2012 and the Forecast Year 2013, respectively.

(iv) Upgrade expenses

Upgrade expenses refers to the costs of asset enhancement initiatives of the Subject Properties including, but not limited to, renovations, reconfiguration of retail space, upgrades of public amenities and other ongoing projects.

The Manager has assumed RM3.8 million and RM5.0 million for upgrade expenses at Mid Valley Megamall for the Forecast Period 2012 and the Forecast Year 2013 respectively. The forecast upgrade expenses at The Gardens Mall are RM0.6 million and RM1.3 million for the Forecast Period 2012 and the Forecast Year 2013, respectively.

(v) Property management fee and reimbursable

Pursuant to the property management agreement entered into between the Manager, the Trustee (on behalf of IGB REIT) and the Property Manager, the property management fee is RM20,000 per month (excluding service tax). In addition, the Property Manager is also entitled to full reimbursement of costs and expenses incurred in the operation, maintenance, management and marketing of the Subject Properties (including but not limited to the cost relating to the employment and remuneration of on-site staff provided) (“Permitted Expenses”) as well as service fees and reimbursements for Permitted Expenses payable to its services provider(s), provided that such reimbursable amounts are (i) approved under the annual business plan and budget for the Subject Properties or incurred with prior approval by the Trustee and the Manager and (ii) supported by receipts, vouchers or other evidence of payment acceptable to the Manager and the Trustee.

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)

4 BASES AND ASSUMPTIONS (CONTINUED)

(c) Property operating expenses (continued)

(v) Property management fee and reimbursable (continued)

The Manager forecasts the property management fee and reimbursable for the Forecast Period 2012 and the Forecast Year 2013 to amount to RM12.0 million and RM24.6 million, respectively.

(d) Management fee

For the Forecast Period 2012 and the Forecast Year 2013, the Management Fee will be computed based on the following:

- (i) base fee of 0.3% per annum of the Total Asset Value of IGB REIT (excluding cash and bank balances which are held in non-interest bearing accounts); and
- (ii) performance fee of 5.0% per annum of Net Property Income of the Subject Properties.

The Manager will be paid the Management Fee in the form of cash, Units or a combination of both. For the Forecast Period 2012 and the Forecast Year 2013, the Manager intends to receive up to 100% of its Management Fee in the form of Units. For the purposes of the Profit Forecasts, it is assumed that 100.0% of the Management Fee will be paid in Units for both the Forecast Period 2012 and the Forecast Year 2013.

(e) Trustee's fee

The fee payable to the Trustee ("Trustee's Fee") is 0.03% per annum of the net asset value of IGB REIT, subject to a maximum of RM280,000 per annum.

For the Forecast Period 2012 and the Forecast Year 2013, it is assumed that the Trustee's Fee is RM140,000 and RM280,000, respectively.

(f) Other trust expenses

Other trust expenses of IGB REIT consist of annual audit fees, taxation fees, valuation fees, market research fees, public relations expenses and other expenses relating to preparation and distribution of reports to Unitholders, together with other miscellaneous expenses such as postage, printing and stationery. Factors such as IGB REIT's total assets, number of investors, and inflation rates are likely to be positively related to trust expenses.

(g) Interest income

Interest income is assumed to be earned at an interest rate of 3.0% per annum applied to cash held in interest-bearing/fix deposit accounts with licensed financial institutions.

(h) Borrowings cost

To part finance the Acquisitions, IGB REIT will obtain the Syndicated Financing Facilities as described in Note 3.1 (ii) and the Manager has assumed a drawdown of RM1,200 million from the FRTL upon Listing. The FRTL carries a fixed effective interest rate of 4.55% per annum. In addition, the Manager has assumed a partial drawdown of RM12.6 million from the SBRC which carries an assumed interest rate of 4.06% per annum.

IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT")

PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)

4 BASES AND ASSUMPTIONS (CONTINUED)

(i) Taxation

IGB REIT will be exempted from income tax provided that IGB REIT distributes 90.0% or more of its total income as defined in the Malaysian Income Tax Act, 1967 ("ITA") to its Unitholders within two months from the close of its financial year which forms the basis period for the year of assessment of IGB REIT. The first distribution, which will be in respect of the period from the date of establishment of IGB REIT to 31 December 2012, will be paid by the Manager within two months from the end of the financial period ending 31 December 2012.

No current tax liabilities have been forecast during the Forecast Period 2012 and Forecast Year 2013 as it is assumed that at least 90.0% of IGB REIT's total income (as defined in ITA) will be distributed to Unitholders within two months after the close of the financial year.

The Profit Forecasts do not take into consideration the possible implementation of goods and services tax ("GST") as its implementation has been deferred by the Government of Malaysia. The Profit Forecasts is prepared based on the assumption that the GST will not be implemented during the Forecast Period 2012 and the Forecast Year 2013.

(j) Investment properties and valuation

For the purpose of the Profit Forecasts, the Manager has assumed that there will be no material fluctuation on the fair value of the Subject Properties of RM4.6 billion. The Directors of the Manager is of the view that there is no reasonable basis for determining the market value for the Subject Properties as of any future date. Accordingly, no fair value adjustment would need to be made to the income statement during the Forecast Period 2012 and Forecast Year 2013.

(k) Distribution of income

The Manager has assumed that IGB REIT will distribute 100% of its Distributable Income for the Forecast Period 2012 and the Forecast Year 2013.

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**PROFIT FORECASTS OF IGB REIT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2012 AND
TWELVE-MONTH YEAR ENDING 31 DECEMBER 2013 AND THE NOTES THEREON (CONTINUED)**

4 BASES AND ASSUMPTIONS (CONTINUED)

General Assumptions

- (a) Save for Units assumed to be issued to the Manager under Section 4.5.3.3 “Management Fee” of the prospectus, the property portfolio and structure of IGB REIT remains unchanged, with no further drawdown of the FRTL and the SBRC or issuance of Units for cash;
- (b) It is assumed that all Units to be issued will be fully subscribed at an indicative value of RM1.25 per Unit;
- (c) There will be no significant change to the principal activities of IGB REIT;
- (d) All tenancies are enforceable and will be performed in accordance with their terms with no premature termination of tenancies;
- (e) There will be no major changes in the prevailing inflation rate, property expenses, the financing costs and trust expenses of IGB REIT other than that forecast;
- (f) Significantly all revenue receivable by IGB REIT, such as rental proceeds, will be received within the credit term for such receivables;
- (g) There will be no major changes in IGB REIT’s operations that will adversely affect the performance of IGB REIT;
- (h) There will be no material contingent liabilities arising during the Forecast Period 2012 and the Forecast Year 2013, which may adversely affect the Profit Forecasts. IGB REIT will not be engaged in any material litigation and there will be no legal proceedings which will affect IGB REIT’s activities or performance or give rise to additional contingent liabilities which may materially affect the results of IGB REIT;
- (i) It has been assumed that there will be no major changes in the Malaysian FRS issued by the Malaysian Accounting Standards Board or other financial reporting requirements that may have a material effect on the Profit Forecasts;
- (j) There will be no adverse economic, political or property market conditions which will materially affect the activities and performances of the Subject Properties;
- (k) There will be no major changes to present legislation or Government regulations, tax rates and basis of taxation in Malaysia which will adversely affect the operations of IGB REIT or the markets in which it operates;
- (l) There will be no major disruption in the operations and there will be no other events and abnormal factors including war, terrorism attacks, epidemic outbreak or natural disaster, which will adversely affect the operations of IGB REIT;
- (m) There will be no major industrial disputes or any other abnormal factors or changes that will significantly affect IGB REIT’s operations or rental rate or disrupt its planned operations; and
- (n) There will be no significant changes in the terms and conditions of significant contracts and agreements; including the tenancy agreements, Sales and Purchase Agreements for the Acquisitions, the Deed and the Property Management Agreements during the Forecast Period 2012 and the Forecast Year 2013.

PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING

1. OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE RETAIL OFFERING: 10.00 a.m., 27 August 2012

CLOSING OF THE RETAIL OFFERING: 5.00 p.m., 4 September 2012

The Manager, the Offeror, the Joint Principal Advisers and the Joint Managing Underwriters may decide in their absolute discretion to vary the closing date and time for applications under the Retail Offering to any later date or dates. If they decide to vary the closing date for the applications, the dates for the balloting, the transfer of the Units and the Listing will be varied accordingly. Any variation will be announced by way of advertisement in a widely circulated Bahasa Malaysia daily newspaper and English daily newspaper within Malaysia. Late applications will not be accepted.

2. METHODS OF APPLICATION AND CATEGORY OF INVESTORS**2.1 Application for Units under the Retail Offering**

Application for Units pursuant to the Retail Offering may be made using any of the following:

Type of Application Form	Category of Investor
WHITE Application Form or Electronic Application ⁽¹⁾ or Internet Application ⁽²⁾	Malaysian Public (for individuals)
WHITE Application Form	Malaysian Public (for non-individuals, e.g. corporations, institutions, etc)
PINK Application Form	Eligible directors and employees of the Manager and the eligible directors and employees of the Sponsor and its eligible subsidiaries (excluding the Manager but including the Vendors)
BLUE Application Form	Eligible shareholders of the Sponsor

Notes:

(1) *The following processing fee per Electronic Application will be charged by the respective Participating Financial Institution:*

(i) *Affin Bank Berhad – No fee will be charged for application by their account holders;*

(ii) *Ambank (M) Berhad – RM1.00;*

(iii) *CIMB Bank Berhad – RM2.50;*

(iv) *HSBC Bank Malaysia Berhad – RM2.50;*

(v) *Malayan Banking Berhad – RM1.00;*

(vi) *Public Bank Berhad - RM2.00;*

(vii) *RHB Bank Berhad – RM2.50; and*

(viii) *Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.*

(2) *The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institutions:*

- (i) *CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;*
- (ii) *CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS Accounts held with CIMB and RM2.50 for applicants with CDS Accounts with other ADAs;*
- (iii) *Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;*
- (iv) *Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders;*
- (v) *RHB Bank Berhad (www.rhb.com.my) – RM2.50; and*
- (vi) *Public Bank Berhad (www.pbebank.com) – RM2.00.*

- (i) An eligible director or employee of the Manager or an eligible director or employee of the Sponsor or its eligible subsidiaries (excluding the Manager but including the Vendors) who has made an application using a PINK Application Form; or
- (ii) An eligible shareholder of the Sponsor who has made an application using a BLUE Application Form,

may still apply for the Offer Units offered to the Malaysian Public using the WHITE Application Form, Electronic Application or Internet Application, where applicable.

However, applicants using the PINK, BLUE or WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using Electronic Applications and Internet Applications and vice versa.

2.2 Application by institutional investors and selected investors under the Institutional Offering

Institutional investors and selected investors being allotted the Offer Units under the Institutional Offering will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and shall follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners.

3. PROCEDURES FOR APPLICATION AND ACCEPTANCE

3.1 Application by (i) the eligible directors and employees of the Manager and the eligible directors and employees of the Sponsor and its eligible subsidiaries (excluding the Manager but including the Vendors) (PINK Application Forms) and (ii) the eligible shareholders of the Sponsor (BLUE Application Forms)

- (i) The eligible directors and employees of the Manager and the eligible directors and employees of the Sponsor and its eligible subsidiaries (excluding the Manager but including the Vendors) will be provided separately with PINK Application Forms; and
- (ii) The eligible shareholders of the Sponsor will be provided separately with BLUE Application Forms,

and letters by the Offeror detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

3.2 Application by the Malaysian Public under the Retail Offering (WHITE Application Form, Electronic Application or Internet Application)

Eligibility

An applicant can only apply for the Offer Units if he meets the following requirements:

- (i) The applicant must have a CDS Account. If he does not have a CDS Account, he may open a CDS Account by contacting any of the ADAs listed in Section 13 of Appendix F of this Prospectus;
- (ii) The applicant must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or
 - (b) a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on the corporation's board of directors/trustee and 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; or
 - (c) a superannuation, co-operative, foundation or provident or pension fund established or operating in Malaysia.

The Offeror will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in item (ii) (b) or (c) above or the trustees thereof,

- (iii) The applicant is not a director or employee of the Issuing House or their immediate family members.

4. PROCEDURES FOR APPLICATION BY WAY OF AN APPLICATION FORM

Each application for the Offer Units under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions contained therein in the respective Application Forms. The Application Form together with the notes and instructions contained therein shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or Notes and Instructions or which are illegible may not be accepted in the absolute discretion of the Manager and/or the Offeror.

Full instructions for the application for the Offer Units offered and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the respective Application Forms and the notes and instructions therein carefully.

Malaysian public should follow the following procedures in making their applications under the Retail Offering:

Step 1: Obtain Application Documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **WHITE** Application Forms can be obtained subject to availability from the following parties:

- (i) the Joint Principal Advisers;
- (ii) Participating organisations of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association;
- (v) Issuing House; and
- (vi) Manager.

Step 2: Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. An applicant is advised to read and understand the Prospectus before making his application.

Step 3: Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions contained therein and in this Prospectus.

(i) Personal particulars

An applicant must ensure that his personal particulars submitted in his application are identical with the records maintained by Bursa Depository. The applicant should inform Bursa Depository promptly of any changes to his personal particulars.

If the applicant is an individual and is not a member of the armed forces or police, the name and national registration identity card ("**NRIC**") number must be the same as:

- his NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or
- his "Resit Pengenalan Sementara (JPN KP 09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990.

If the applicant is a member of the armed forces or police, his name and his armed forces or police personnel number, as the case may be, must be exactly as that stated in his authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

(ii) CDS Account number

An applicant must state his CDS Account number in the space provided in the Application Form. Invalid or nominee or third party CDS Accounts will **not** be accepted.

(iii) Details of payment

An applicant must state the details of his payment in the appropriate boxes provided in the Application Form.

(iv) Number of Offer Units Applied

Applications must be for at least 100 Units or multiples of 100 Units for applicants using the PINK and WHITE Application Forms.

Each application under the BLUE Application Form must be on the basis of eight Offer Units for 100 ordinary shares of IGB held as at 5.00 p.m. on 17 August 2012, fractional entitlements to be disregarded.

Step 4: Prepare Appropriate Form of Payment

Prepare the correct form of payment in RM for the FULL amount payable for the Offer Units based on the Retail Price, which is RM1.25 per Offer Unit.

Payment must be made out in favour of **“MIH UNIT ISSUE ACCOUNT No. 533”** and crossed **“A/C PAYEE ONLY”** (excluding ATM statements) and endorsed on the reverse side with the applicant’s name and address. Only the following forms of payment will be accepted:

- (i) banker’s draft or cashier’s order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order (**“GGO”**) from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad; or
 - RHB Bank Berhad;

The Offeror will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5: Finalise application

Insert the relevant Application Form together with payment and a legible photocopy of the applicant's identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP 09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) into the Official "A" envelope and seal it. Write the applicant's name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to the applicant's name and address as per his NRIC/"Resit Pengenalan Sementara (JPN KP 09)"/authority card for armed forces or police personnel/valid temporary identity document issued by the National Registration Department/authority card for armed forces or police personnel/certificate of incorporation or the certificate of change of name, where applicable. Affix a stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

Step 6: Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

*Malaysian Issuing House Sdn Bhd (258345-X)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
P.O. Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya*

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 4 September 2012, or such later date or dates as the Manager, the Offeror, the Joint Principal Advisers and the Joint Managing Underwriters in their absolute discretion may decide.

5. PROCEDURES FOR APPLICATION BY WAY OF AN ELECTRONIC APPLICATION

Only Malaysian individuals may apply for the Offer Units by way of Electronic Application in respect of the Offer Units made available for application by the Malaysian public.

5.1 Steps for Electronic Applications through a Participating Financial Institution's ATM

- (i) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Offer Units at an ATM belonging to other Participating Financial Institutions;
- (ii) The applicant **MUST have a CDS Account**; and
- (iii) The applicant shall apply for the Offer Units via the ATM of the Participating Financial Institutions 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 5.3 of Appendix F of this Prospectus below). The applicant shall enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Application requires him to do so:
 - Personal Identification Number ("**PIN**");
 - MIH Unit Issue Account No. 533;
 - CDS Account Number;
 - Number of Offer Units applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

5.2 Participating Financial Institutions

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

- AFFIN BANK BERHAD;
- AMBANK (M) BERHAD;
- CIMB BANK BERHAD;
- HSBC BANK MALAYSIA BERHAD;
- MALAYAN BANKING BERHAD;
- PUBLIC BANK BERHAD;
- RHB BANK BERHAD; or
- STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

5.3 Terms and Conditions of Electronic Applications

The procedures for Electronic Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (“**Steps**”). For illustration purposes, the procedures for Electronic Applications at ATMs are set out in “**Steps for Electronic Application through a Participating Financial Institution’s ATM**” in Section 5.1 of Appendix F of this Prospectus. The Steps set out the actions that an 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.

An applicant must have a CDS Account to be eligible to use the Electronic Applications. The CDS Account must be in the applicant’s own name. Invalid, nominee or third party CDS Accounts will not be accepted.

Upon the completion of his Electronic Application transaction, an 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 the Manager, the Offeror or the Issuing House. The Transaction Record is for the applicant’s records and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 4 September 2012 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 Offer Units to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

An applicant will be allowed to make only one application and shall not make any other application for the Offer Units under the Retail Offering to the Malaysian public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

An applicant must ensure that he uses his own CDS Account number when making an Electronic Application. If an applicant operates a joint account with any Participating Financial Institution, he must ensure that he enters his own CDS Account number when using an ATM card issued to him in his name. An applicant’s application will be rejected if he fails to comply with the foregoing.

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

- (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 are true and correct:
 - He has attained 18 years of age as at the Closing Date and Time;
 - He is a Malaysian citizen residing in Malaysia;
 - He has read the relevant Prospectus and understood and agreed with the terms and conditions of the application;

- This is the only application that he is submitting; and
- He hereby gives consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to himself and his account with the Participating Financial Institution and Bursa Depository to the Issuing House 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 deemed to have confirmed 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 SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of his particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) **The applicant confirms that he is not applying for the Offer Units as a nominee of any other person and that any Electronic Application that he makes is made by him as the beneficial owner. An applicant shall only make one Electronic Application and shall not make any other application for the Offer Units, whether at the ATMs of any Participating Financial Institution or on the prescribed Application Forms.**
- (iv) An 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 Offer Units applied for as stated on the Transaction Record or any lesser number of Offer Units that may be allotted to him in respect of his Electronic Application. In the event that the Manager and/or the Offeror decide to allot any lesser number of such Offer Units or not to allot any Offer Units to the applicant, he agrees to accept any such decision as final. If the applicant's Electronic Application is successful, his confirmation (by his action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Offer Units applied for shall signify, and shall be treated as, his acceptance of the number of Offer Units that may be allotted to him and to be bound by the Deed.
- (vi) The Manager and/or the Offeror reserve the right not to accept any Electronic Application or accept any Electronic Application in part only without assigning any reason. Due consideration will be given to the desirability of allotting the Offer Units to a reasonable number of applicants with a view to establishing an adequate market for the Offer 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. If the applicant's Electronic Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into his account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. An applicant may check his account on the fifth Market Day from the balloting day.

If an applicant's Electronic Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into his account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House. 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 the Issuing House by crediting into his account with the Participating Financial Institution within 2 Market Days after the receipt of written confirmation from the Issuing House.

Should an applicant encounter any problems in his application, he may refer to the Participating Financial Institutions.

- (viii) By making and completing an Electronic Application, the applicant, if successful, requests and authorises the Manager:
- (a) To credit the Units allotted to him into his CDS Account; and
 - (b) To issue Unit certificate(s) representing such Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa 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 the Manager, the Offeror, the Issuing House or the Participating Financial Institution and irrevocably agrees that if:
- (a) The Manager, the Offeror or the Issuing House does not receive his Electronic Application; and
 - (b) Data relating to his Electronic Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Manager, the Offeror or the Issuing House,

he shall be deemed not to have made an Electronic Application and he shall not make any claim whatsoever against the Manager, the Offeror, the Issuing House or the Participating Financial Institution for the Offer Units applied for or for any compensation, loss or damage.

- (x) All of the applicant's particulars in the records of the relevant Participating Financial Institution at the time he makes his Electronic Application shall be true and correct, and the Manager, the Offeror, the Issuing House 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 Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Application will be rejected. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his registered address last maintained with Bursa Depository.
- (xii) By making and completing an Electronic Application, the applicant agrees that:
 - (a) In consideration of the Manager and/or the Offeror agreeing to allow and accept the application for the Offer Units via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Application is irrevocable;
 - (b) The Manager, the Offeror, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Application 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 the behalf of the Offeror, the notice of successful allocation for prescribed securities issued in respect of the Offer Units for which his Electronic Application has been successfully completed is the only confirmation for the acceptance of his offer to subscribe for and purchase the said Offer Units;
 - (d) He irrevocably authorise Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Offer Units allotted to him; and
 - (e) He agrees that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the Electronic Application Scheme 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 he irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiii) If an applicant is successful in his application, the Manager and/or the Offeror reserves the right to require him to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to him to ascertain his application is genuine and valid. The Manager and/or the Offeror 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 applicant for the purpose of complying with this provision.
- (xiv) The Issuing House, on the authority of the Manager and/or the Offeror reserve the right to reject applications, which do not conform to these instructions.

6. PROCEDURES FOR APPLICATION BY WAY OF AN INTERNET APPLICATION

Only members of the public who are individuals may apply for the Offer Units by way of Internet Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

Step 1: Set up of account

Before making an application by way of Internet Application, an applicant **must have all** of the following:

- (i) an existing account with access to internet financial services with:
 - (a) Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;
 - (b) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
 - (c) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS Accounts held with CIMB and RM2.50 for applicants with CDS Accounts with other ADAs;
 - (d) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - (e) Public Bank Berhad (www.pbebank.com) – RM2.00; or
 - (f) RHB Bank Berhad (www.rhb.com.my) – RM2.50.

The applicant needs to have his user identification and PIN/password for the Internet financial services facility; and

- (ii) an individual CDS Account registered in the applicant's name (and not in a nominee's name) and in the case of a joint account an individual CDS Account registered in the applicant's name which is to be used for the purpose of the application if the applicant is making the application instead of a CDS Account registered in the joint account holder's name.

Step 2: Read the Prospectus

An applicant is advised to read and understand the Prospectus before making his application.

Step 3: Apply through Internet

The Manager has set out possible steps for an application of the Offer Units via Internet Application below for illustration purposes only.

Please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which the applicant has an account;
- (ii) Log in to the Internet financial services facility by entering the applicant's user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of Offering;
- (iv) Select the counter in respect of the Units to launch the Electronic Prospectus and the terms and conditions of the Internet Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the unit counter, NRIC number, CDS Account number, number of Offer Units applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

After selecting the designated hyperlink on the screen, the applicant will have to confirm and undertake that the following mandatory statements are true and correct:

- (a) He is at least 18 years of age as at the Closing Date and Time;
- (b) He is a Malaysian citizen residing in Malaysia;
- (c) He has, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which he has read and understood;
- (d) He agrees to all the terms and conditions of the Internet Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Application;
- (e) The Internet Application is the only application that he is submitting for the Offer Units;
- (f) He authorises the financial institution with which he has an account to deduct the full amount payable for the Offer Units from his account with the said financial institution ("**Authorised Financial Institution**");

- (g) He gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of SICDA) for the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or the Depository, as the case may be, of information pertaining to him, the Internet Application made by him or his account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (h) He is not applying for the Offer Units as a nominee of any other person and the application is made in his own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
- (i) He authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Offering, all information relating to him if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by him to the Internet Participating Financial Institution in connection with the use of the Internet Application services;
- (viii) Upon submission of the online application form, the applicant will be linked to the website of the Authorised Financial Institution to effect the online payment of his money for the Offering;
- (ix) The applicant must pay for the Offer Units through the website of the Authorised Financial Institution, failing which the Internet Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Application has been completed and states the details of the applicant's Internet Application, including the number of Offer Units applied for, which can be printed out by the applicant for his records;
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Offer Units is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and
- (xi) The applicant is advised to print out the Confirmation Screen for his reference and records.

7. TERMS AND CONDITIONS

The terms and conditions outlined below supplement the additional terms and conditions for Internet Application contained in the Internet Financial Services website of the Internet Participating Financial Institution. Please refer to the Internet Financial Services website of the Internet Participating Financial Institution for the exact terms and conditions and instructions.

- (i) An applicant is required to pay the Retail Price of RM1.25 for each Offer Unit he has applied for.
- (ii) An applicant can submit only one application for the Offer Units offered to the Malaysian public. For example, if he submits an application using a WHITE Application Form, he cannot submit an Electronic Application or Internet Application.

However, if the applicant has made an application under the PINK Application Form or the BLUE Application Form, he can still apply for the Offer Units offered to the Malaysian public using the WHITE Application Form, Electronic Application or Internet Application.

The Issuing House, acting under the authority of the Offeror has the discretion to reject applications that appears to be multiple applications.

The Manager wishes to caution an applicant that if he submits more than one (1) application in his own name or by using the name of others, with or without their consent, he will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.

- (iii) Each application under the PINK AND WHITE Application Forms, Electronic Application and Internet Application must be for at least 100 Units or multiples of 100 Units.

Each application under the BLUE Application Form must be on the basis of eight Offer Units for 100 ordinary shares of IGB held as at 5.00 p.m. on 17 August 2012, fractional entitlements to be disregarded.

- (iv) The application must be made in connection with and subject to this Prospectus and the Deed. The applicant agrees to be bound by the Deed should he be allotted any Units.
- (v) The submission of an application does not necessarily mean that the application will be successful. Any submission of application is irrevocable.
- (vi) The Manager, Offeror or the Issuing House will not issue any acknowledgement of the receipt of the application or application monies.
- (vii) An applicant must ensure that his personal particulars submitted in his application and/or his personal particulars as recorded by the Internet Participating Financial Institution are correct and accurate and identical with the records maintained by Bursa Depository. Otherwise, his application will be rejected. Bursa Depository will have to be promptly notified of any change in his address failing which the notification letter of successful allocation will be sent to his registered/correspondence address last maintained with Bursa Depository.

- (viii) An applicant's remittances having been presented for payment shall not signify that his application has been accepted.

The Manager's and/or Offeror's acceptance of the application to subscribe for or purchase the Offer Units shall be constituted by the issue of notices of allotment for the Offer Units to the applicant.

- (ix) Submission of an applicant's CDS Account number in his application includes his authority/consent in accordance with Malaysian laws of Bursa Depository and the Participating Financial Institution (as the case may be) to disclose information pertaining to his CDS Account and other relevant information to the Offeror or the Issuing House and any relevant regulatory bodies (as the case may be).

The applicant agrees to accept the Manager's and/or Offeror's decision as final should the Offeror decide not to allot any Offer Units to him.

- (x) Additional terms and conditions for Electronic Applications are as follows:

- (a) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Offer Units applied for as stated in the Transaction Record or any lesser amount that may be allotted to him.
- (b) The applicant's confirmation by pressing the key or button on the ATM shall be treated as his acceptance of the number of Offer Units allotted to him.
- (c) Should the applicant be allotted any Offer Units, he shall be bound by the Deed.
- (d) The applicant confirms that he is not applying for Offer Units as a nominee of other persons and that his Electronic Application is made on his own account as a beneficial owner.
- (e) The applicant requests and authorises the Manager and/or the Offeror to credit the Offer Units allotted to him into his CDS Account and to issue Unit certificate(s) representing those Offer Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.
- (f) The applicant acknowledges that his application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in the control of the Manager, the Offeror, the Issuing House, the Participating Financial Institution or Bursa Depository. The applicant irrevocably agrees that he is deemed not to have made an application if the Offeror or the Issuing House does not receive his application or his application data is wholly or partially lost, corrupted or inaccessible to the Manager, the Offeror or the Issuing House. The applicant shall not make any claim whatsoever against the Manager, the Offeror, the Issuing House, the Participating Financial Institution or Bursa Depository.
- (g) The applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounce any instrument of transfer and/or other documents required for the issuance of the Offer Units allotted to him.

- (h) The applicant agrees that in the event of legal disputes arising from the use of Electronic Applications, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (xi) Additional terms and conditions for Internet Application are as follows:
 - (a) An application will not be successfully completed and cannot be recorded as a completed application unless the applicant has completed all relevant application steps and procedures for the Internet Application which would result in the Internet financial services website displaying the Confirmation Screen. The applicant is required to complete his Internet Application by the close of the Retail Offering mentioned in Section 1 of Appendix F of this Prospectus.
 - (b) The applicant irrevocably agrees and undertakes to subscribe for and to accept the number of Offer Units applied for as stated on the Confirmation Screen or any lesser amount that may be allotted to him. The applicant's confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as his acceptance of the number of Offer Units allotted to him.
 - (c) The applicant requests and authorises the Manager and/or the Offeror to credit the Offer Units allotted to him into his CDS Account and to issue Unit certificate(s) representing those Offer Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.
 - (d) The applicant irrevocably agrees and acknowledges that the Internet Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Manager, the Offeror, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If in any such event the Manager, the Offeror, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the applicant's Internet Application and/or payment, or in the event that any data relating to the Internet Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, the applicant shall be deemed not to have made an Internet Application and he shall have no claim whatsoever against the Manager, the Offeror, the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.
 - (e) The applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounce any instrument of transfer and/or other documents required for the issuance of the Offer Units allotted to him.

- (f) The applicant agrees that in the event of legal disputes arising from the use of Internet Application, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) The applicant shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of his Internet Application by the Manager, the Offeror, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) The applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after the Offeror has accepted his Internet Application.
- (i) In making the Internet Application, the applicant has relied solely on the information contained in this Prospectus. The Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Managing Underwriters, the Joint Underwriters and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which the applicant may have relied on in making the Internet Application.

8. AUTHORITY OF THE MANAGER, THE OFFEROR AND THE ISSUING HOUSE

If an applicant is successful in his application, the Manager and/or the Offeror reserve the right to require him to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to him to ascertain his application is genuine and valid. The Manager and/or the Offeror is not 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 applicant for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by the Manager and/or the Offeror. Due consideration will be given to the desirability of allotting the Offer Units to a reasonable number of applicants with a view to establishing an adequate market for the Offer Units.

The Issuing House, on the authority of the Manager and/or the Offeror, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (iii) bank in all application monies from unsuccessful/partially successful applicants which would subsequently be refunded without interest by registered post.

9. OVER/UNDER-SUBSCRIPTION

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by the Manager and/or the Offeror to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, the Manager and/or the Offeror will consider the desirability of distributing the Offer Units to a reasonable number of applicants for the purpose of broadening IGB REIT's unitholding base and establishing an adequate market in the trading of the Units. Pursuant to the Listing Requirements, IGB REIT needs to have a minimum number of 1,000 public unitholders holding not less than 100 Units each upon Listing and completion of this Offering. The Manager and/or the Offeror expect to achieve this at the point of Listing. In the event that the above requirement is not met, the Manager may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be refunded without interest.

In the event of an under-subscription (subject to the Clawback and Reallocation as set out in Section 3.4.3 of this Prospectus), all the Offer Units not applied for under the Retail Offering will be subscribed by the Joint Underwriters pursuant to the Retail Underwriting Agreement.

Where an applicant's successfully balloted application under White Application Form is subsequently rejected, the full amount of his application monies will be refunded without interest to him within 10 Market Days from the date of the final ballot of the application list to his address registered with Bursa Depository.

Where an applicant's successfully balloted application under Electronic Application or Internet Application is subsequently rejected, the full amount of his application monies will be refunded without interest to him by crediting into his account with the Participating Financial Institution or Internet Participating Financial Institution, respectively.

Offer Units under the Malaysian Public portion 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 Bursa Depository at the applicant's own risk prior to the Listing. This is the only acknowledgement of acceptance of the application.

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

Applicants may also check the status of their applications by logging on to the Issuing House's website, www.mih.com.my or by calling their respective ADAs at the telephone number as stated in Section 13 herein or the Issuing House's Enquiry Services at (603) 7841 8000 or (603) 7841 8289, between 5 to 10 Market Days (during office hours only) after the final balloting date.

10. UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If an applicant is unsuccessful/partially successful in his application, the Offeror will refund his application monies without interest in the following manner.

10.1 For applications by way of WHITE Application Form

- (i) The application monies or the balance of it, as the case may be, will be refunded to the applicant via the self-addressed and stamped Official "A" envelope he provided by ordinary post (for fully unsuccessful applications) or by registered post to his last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.
- (ii) If an applicant's application was rejected because he did not provide a CDS Account number, his application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (JPN KP 09)" or any valid temporary identity document issued by the National Registration Department from time to time at his own risk.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by registered post to the applicant's last address maintained with Bursa Depository or as per item (ii) above (as the case may be) within 10 Market Days from the date of the final ballot.

10.2 For applications by way of Electronic Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. The application monies or the balance of it will be credited into an applicant's account with the Participating Financial Institution without interest within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) An applicant may check his account on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application money (or any part thereof) into the applicant's account without interest within 2 Market Days after the receipt of confirmation from the Issuing House.

10.3 For applications by way of Internet Application

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to refund the application monies or the balance of it into the applicant's account without interest or other benefit arising therefrom with the Authorised Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) An applicant may check his account on the fifth Market Day from the balloting day.

- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post or ordinary post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application money (or any part thereof) into the applicant's account without interest within 2 Market Days after the receipt of confirmation from the Issuing House.

11. SUCCESSFUL APPLICANTS

If an applicant is successful in his application:

- (i) The Offer Units allotted to him will be credited into his CDS Account. The Manager and/or the Offeror will not be issuing any physical Unit certificates to the applicant. He shall not be entitled to withdraw any deposited securities held by Bursa Depository or its nominee as long as the Units are listed on Bursa Securities.
- (ii) A notice of allotment will be dispatched to him at the address last maintained with Bursa Depository where he has an existing CDS Account at his own risk prior to IGB REIT's Listing. This is his only acknowledgement of acceptance of the application.

12. ENQUIRIES

An applicant may contact the Issuing House if he has any queries on the WHITE and/or PINK Application Forms at telephone no. (603) 7841 8000 or (603) 7841 8289, or contact the Registrar, being IGB (Share Registration Department), at telephone no. (603) 2289 8989 if he has any queries on the BLUE Application Form. If an applicant has any enquiry with regards to his Electronic Application, he may refer to the relevant Participating Financial Institution. If an applicant has any enquiry with regards to his Internet Application, he may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

If an applicant is applying for the Offer Units as a member of the Malaysian public, he may check the status of his application by logging into the Issuing House's website at www.mih.com.my, or by calling the Issuing House at (603) 7841 8000 or (603) 7841 8289 or his ADA at the telephone number as stated in Section 13 of Appendix F of this Prospectus between 5 to 10 Market Days (during office hours only) after the balloting date.

13. LIST OF ADAs

A list of the ADAs and their respective Broker Codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
AFFIN INVESTMENT BANK BERHAD	38A & 40A Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Telephone no.: +603 9130 8803	028-005
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2078 2788	086-001
CIMB SECURITIES SDN BHD	32nd Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1133	052-009
ECM LIBRA INVESTMENT BANK BERHAD	Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1888	052-001
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001
HWANGDBS INVESTMENT BANK BERHAD	2 nd Floor, Bangunan AHP 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 6000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
HWANGDBS INVESTMENT BANK BERHAD	No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Telephone no.: +603 2287 2273	068-017
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Telephone no.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AFFIN INVESTMENT BANK BERHAD	1st Floor, 20-22 Jalan 21/22, SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7877 6229	028-006
AFFIN INVESTMENT BANK BERHAD	No. 79-1 & 79-C Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Telephone no.: +603 3322 1999	028-007
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Ground Floor Tropicana City Office Tower 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7717 3319	065-009
ECM LIBRA INVESTMENT BANK BERHAD	35 (Ground & 1st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3348 8080	052-015

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5621 2118	052-017
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground to 5th Floor East Wing, Quattro West 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7862 6200	073-005

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
OSK INVESTMENT BANK BERHAD	3rd Floor, 1 A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8023 6518	056-063
OSK INVESTMENT BANK BERHAD	11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 6148 3361	056-065
OSK INVESTMENT BANK BERHAD	Ground Floor and Saturday Floor No. 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 6899	056-066
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 5713	058-007
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
ECM LIBRA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 73350 Batu Berendam Melaka Telephone no.: +606 3372 550	052-016
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Baiai Panjang, P. O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003

Name	Address and telephone number	Broker code
MELAKA (cont'd)		
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Telephone no.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2833 622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : +605 6232 328	078-009
CIMB INVESTMENT BANK BERHAD	Ground, 1st, 2nd and 3rd Floor, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2088 688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6939 828	052-014

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299 318	078-002

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebu Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004
AMINVESTMENT BANK BERHAD	Level 3 No. 15, Lebu Pantai 10300 Pulau Pinang Telephone no.: +604 2618 688	086-007
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	7th, 8th and 16th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-003
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Penang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Telephone no.: +604 2817 611	057-005
OSK INVESTMENT BANK BERHAD	64 & 64-D Tingkat Bawah – Tingkat 3 & Tingkat 5 – Tingkat 8 Lebu Bishop 10200 Penang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Telephone no.: +604 3900 022	056-005

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
OSK INVESTMENT BANK BERHAD	41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Telephone no.: +604 8352 988	056-064
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6637 398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Telephone no.: +607 5121 633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
KENANGA INVESTMENT BANK BERHAD	No. 24, 24A & 24B Jalan Perjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4326 963	073-017
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3381 233	057-003
M & A SECURITIES SDN BHD	26, Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Ehsan Telephone no.: +607 2366 288	057-006
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002
MIMB INVESTMENT BANK BERHAD	1 Floor, No. 9 Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4313 688	061-003

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor & 2 nd Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR (cont'd)		
CIMB INVESTMENT BANK BERHAD	Ground 1st & 2nd Floor No. A-27 (Aras G, 1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Telephone no. : +609 5057 800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2, Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	052-007
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5173 811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004

Name	Address and telephone number	Broker code
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 606	065-004

Name	Address and telephone number	Broker code
SARAWAK (cont'd)		
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Telephone no.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Ground Floor & 1st Floor No. 1, Jalan Pending 1st Floor, No. 3, Jalan Pending 93450 Kuching, Sarawak Telephone no.: +6082 341 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Telephone no.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Lot 170 & 171 Section 49, K.T.L.D. Jalan Chan Chin Ann 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008

Name	Address and telephone number	Broker code
SARAWAK (cont'd)		
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Telephone no.: +6084 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Park City Commercial Centre Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 250 888	087-003
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006

Name	Address and telephone number	Broker code
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamuning 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057
OSK INVESTMENT BANK BERHAD	Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Telephone no.: +6088 258 618	056-067