

strengthen its competitiveness. In this respect, the Services Sector Blueprint focuses on four (4) areas, namely internationalisation which includes liberalisation and services exports; providing efficient tax and non-tax incentives; developing human capital; and implementing regulatory reform in the services sector. With the implementation of the Services Sector Blueprint, the services sector is targeted to achieve approximately 60.0% share of GDP by 2020, on par with developed economies.

A positive growth is also expected for the outlook for the manufacturing sector led by the export-oriented industries which are expected to record higher growth in line with the improvement in external demand. The continued implementation of various construction projects in Malaysia will support growth in the construction-related cluster. The construction sector is expected to continue recording growth, albeit at a more moderate pace in 2015, as the completion of several large civil engineering projects will more than offset the progress in existing projects in the transport, utility, and oil and gas sectors.

Property market in Malaysia – anticipated economic growth of end-user markets/industries

	2014	2013	2014p
	% of GDP ¹	Annual change (%)	
Services	55.3	5.9	6.3
Manufacturing	24.6	3.5	6.2
Mining and quarrying	7.9	0.7	3.1
Agriculture	6.9	2.1	2.6
Construction	3.9	10.9	11.6
Real GDP	100.0	4.7	6.0

¹ Figures may not necessarily add up due to rounding and exclusion of import duties component

p Preliminary

f Forecast

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Growth in the number of companies and businesses continue to create demand for commercial and industrial properties

The end-user market for commercial and industrial properties are businesses and companies registered and operating in Malaysia. According to the latest available data from the Companies Commission of Malaysia ("CCM"), a total of 5.6 million businesses and 1.1 million companies were registered in Malaysia as at the end of 2014 compared to the 2.9 million registered businesses and 0.7 million registered companies as at the end of 2004. Total businesses in Malaysia increased by a rate of 7.0% annually between 2004 and 2014 while total companies increased by a rate of 5.0% annually over the same period. In 2009, the number of newly registered businesses witnessed a growth rate of 15.8% despite the global financial crisis due to incentives provided by CCM in the form of temporary reduction in the registration fee to cushion the global and domestic economic slowdown. In the following year, economic recovery and CCM's introduction of its stimulus package which provided a discount on fees for new company incorporation resulted in newly registered companies witnessing a growth rate of 6.2%.

The growth in businesses and companies has been a significant driver that directly impacts the commercial and industrial property segments and will continue to greatly influence the future growth of these market segments. Factors that lend to the growth in businesses and companies include supporting Government plans, policies and incentives, and the increase in total investments.

The ETP (2011-2020) was launched in 2010 with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. Through the ETP, Malaysia will focus on developing a large and thriving services sector to supplement the nation's historical strengths in oil and gas, agriculture

and manufacturing; a balanced economy with significant contributions from private consumption and investment as well as from Government spending and exports; and productivity levels similar to those of other leading Asian economies through developing an economy that is more heavily driven by skills, innovation and knowledge. The transformation of Malaysia's economy will require improvements in private investments and investments in human capital. The Government targets to achieve a 6.0% growth rate in private investments and enhance investments in human capital to support an economy based on high-skilled labour, knowledge and innovation.

The ETP further identifies 12 drivers of economic growth of focus, namely Greater Kuala Lumpur/Klang Valley; oil, gas and energy; financial services; wholesale and retail; palm oil; tourism; electronics and electrical; business services; communications content and infrastructure; education; agriculture; and healthcare, each with identified high impact projects that have potential to contribute to GNI and employment. The ETP's transformation of Malaysia's economy will be led by the private sector, where 92.0% of over RM1.4 trillion investments will be funded by the private sector. Foreign direct investment ("FDI") inflows are expected to account for RM358.0 billion, or 25.6% of private investments.

The ETP presents opportunities for companies and businesses in Malaysia as it targets to grow a number of new national and regional champions by 2020 that will drive long-term growth in areas including financial services, business services and healthcare services. Small medium enterprises ("SME") are expected to play a more significant role across the economy, where in education, agriculture, electronics and electrical and palm oil sectors, SME participation will be actively encouraged through the provision of financial support and better access to research and technologies as well as from improvements to infrastructure.

Increase in investments drive growth in existing and new companies and businesses, and subsequently, demand for commercial and industrial properties

Malaysia continues to witness two (2)-way capital flows, with foreign inflows remaining strong as a result of resilient growth prospects. In 2013, Malaysia attracted RM216.5 billion in approved direct investments in 5,669 projects that are expected to create 191,766 new jobs. Total investments in 2013 witnessed a year-on-year growth of 29.0% with 14 mega-projects worth RM1.0 billion or more and 82 large projects worth RM100.0 million or more, where a majority of these mega-projects and large projects were in high-value, high-growth industries. FDI inflows continue to remain broad-based with significant inflows registered in high growth areas such as the oil and gas and communication services sectors. A portion of FDI is also channeled into projects under the ETP. Between 2006 and 2013, FDI inflows into Malaysia increased from RM26.2 billion to RM38.8 billion at a CAGR of 5.8%.

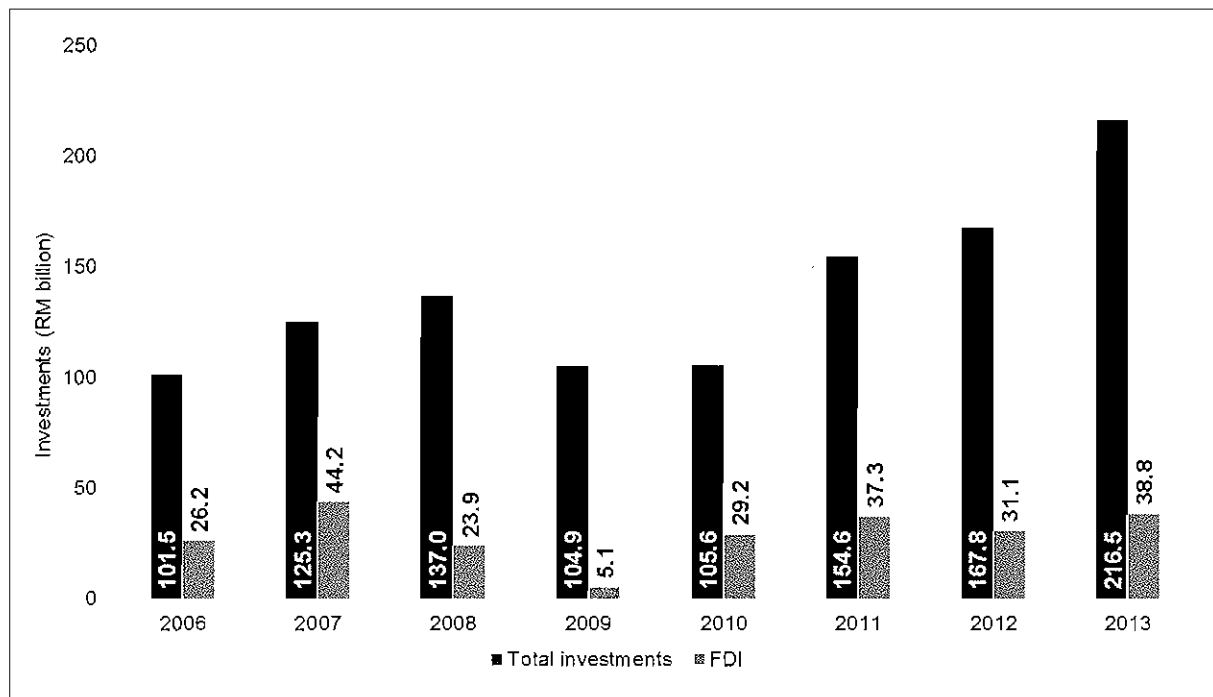
The ETP has a defined structure for the manufacturing and services sectors to contribute to Malaysia's continued growth through high impact projects and business opportunities across the economy. Malaysia's investment performance in 2013 supports the nation's goal in fulfilling the objectives of the ETP where it attracted RM89.9 billion worth of investments for ETP projects (41.5% of total investments in 2013). The remaining RM126.6 billion represented investments in non-ETP related projects.

The services sector received investments of RM144.7 billion or 66.8% of total investments in 2013 from 4,796 projects that target to create 97,017 job opportunities, of which domestic investment accounted for RM125.7 billion (86.9%) and foreign investments accounted for RM19.0 billion (13.1%). The real estate segment was the main contributor of approved investments worth RM83.3 billion, followed by the power and utilities segment (RM9.1 billion), global operations hub segment (RM7.9 billion), transport (RM7.9 billion) and hotels and tourism (RM7.0 billion). The manufacturing sector attracted RM52.1 billion of investments in the same period from 787 projects, of which RM30.5 billion was foreign investments compared to RM21.6 billion worth of domestic investments. In 2013, the primary sector received RM19.7

billion of investments where foreign investments comprised RM10.0 billion and domestic investments comprised the remaining RM9.7 billion. The mining segment, agriculture segment and plantation and commodities segment received RM18.8 billion, RM558.8 million and RM330.6 million respectively in 2013.

In 2014, Malaysia targets to register approved investments of RM53.0 billion in manufacturing and RM64.0 billion in the services sector excluding real estate. As the nation strives to position itself as an ideal destination for investments in high value-added, high technology, knowledge-intensive and innovation-based industries, businesses and companies will need to grow in terms of current business practices and infrastructure in order to expand in scale and reach. This signifies positively for the commercial and industrial property segments in Malaysia, where investments in larger business facilities are expected to witness growth resulting from increased total investments.

Property market in Malaysia – total investments and FDI inflows



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Increasing disposable income and affluence of the population signifies growth opportunities for residential properties

Malaysia is an upper-middle income developing economy with aspirations to achieve developed status by the year 2020. Malaysia’s GDP per capita increased by 93.2% from approximately RM18,299 in 2004 to RM35,358 in 2014 while purchasing power parity (“PPP”) per capita income increased by 67.7% from approximately USD14,698 to USD24,654 during the same period. This increase in disposable income has led to a rise in a more affluent population that has greater spending power, creating demand for basic necessities and non-essential products.

The increasing disposable income of Malaysia’s population has a positive correlation on the demand for residential properties, whereby the growth trend in the number and value of residential property transactions has generally reflected the trend in the growth of disposable income, save for the years 2005 and 2006.

The volume of residential property transactions in Malaysia have increased from 195,243 transactions in 2004 to 247,251 transactions in 2014. During the same period, total value of residential property transactions increased from RM29.3 billion to RM82.1 billion. Between 2005 and 2006, the residential property sector experienced a period of slowdown following higher inflation and interest rates. However, purchasing sentiment picked up in the second (2nd) quarter of 2007 as the take-up rate of newly launched residential units improved.

In an effort to reduce the burden of the population and increase disposable income of the lower-income population, the Government has improved the *Bantuan Rakyat 1Malaysia* ("BR1M") to households and single individuals in line with the targeted subsidy programme whereby:

- BR1M to households with a monthly income of below RM3,000 will be increased from RM500 to RM650.
- For single individuals aged 21 and above and with a monthly income not exceeding RM2,000, BR1M will be increased from RM250 to RM300.
- For the first time, BR1M assistance of RM450 will be extended to households with a monthly income of between RM3,000 and RM4,000. The assistance is given to alleviate the rising cost of living borne by the lower middle-income group.

Malaysia launched the ETP (2011-2020) in 2010 with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. The ETP is a comprehensive initiative comprising 131 high impact projects under 12 economic focus areas that have the potential to stimulate economic growth. The implementation of the ETP will allow Malaysia to be closer to achieving its goal of raising the disposable income of the population to approximately RM48,000 by 2020. The Government expects Malaysia to achieve GDP growth of between 4.5% and 5.5% in 2015 despite the uncertainty in global economic outlook.

The potential growth opportunities for the residential property segment in Malaysia is underscored by the nation's economic potential as well as Government interventions via economic plans, policies and stimulus, making Malaysia an attractive market for residential properties.

Plans, policies and stimulus by the Federal Government to regulate and maintain the affordability of properties in Malaysia, with the aim of driving demand for properties by the local population

The Government proactively participates in the property market through specific as well as broad-based plans, policies and stimulus. In addition to the ETP, the Government periodically announces measures to stabilise as well as drive growth in the property market. To increase the ability of the local population to own residential properties and ensure stable house prices, as well as to control excessive speculative activities, Malaysia announced several measures in the Budget 2014 which was announced by the Federal Government in October 2013. These measures include:

Property market in Malaysia – measures by the Federal Government to improve the affordability of properties for its local population in Budget 2014

Initiative	Impact
Review of real property gains tax ("RPGT")	For gains on properties disposed within the holding period of up to three (3) years, RPGT rate is increased to 30%, whereas for disposals within the holding period up to four (4) and five (5) years, the rates are increased to 20% and 15%, respectively. For disposals made in the sixth (6 th) and subsequent years, no RPGT is imposed on citizens, whereas companies are taxed at 5%.

Initiative	Impact																				
	<p>For non-citizens, RPGT is imposed at 30% on the gains from properties disposed within the holding period of up to five (5) years and for disposals in the sixth (6th) and subsequent years, RPGT is imposed at 5%.</p> <p>Proposed RPGT rates under Budget 2014</p> <table border="1"> <thead> <tr> <th style="background-color: black; color: white;">Property disposal</th> <th style="background-color: black; color: white;">Companies</th> <th style="background-color: black; color: white;">Individuals (Malaysian citizens and permanent residence holders)</th> <th style="background-color: black; color: white;">Individuals (non-residents/foreigners)</th> </tr> </thead> <tbody> <tr> <td>Within three (3) years</td> <td>30%</td> <td>30%</td> <td>30%</td> </tr> <tr> <td>In the fourth (4th) year</td> <td>20%</td> <td>20%</td> <td>30%</td> </tr> <tr> <td>In the fifth (5th) year</td> <td>15%</td> <td>15%</td> <td>30%</td> </tr> <tr> <td>In the sixth (6th) and subsequent years</td> <td>5%</td> <td>0%</td> <td>5%</td> </tr> </tbody> </table>	Property disposal	Companies	Individuals (Malaysian citizens and permanent residence holders)	Individuals (non-residents/foreigners)	Within three (3) years	30%	30%	30%	In the fourth (4 th) year	20%	20%	30%	In the fifth (5 th) year	15%	15%	30%	In the sixth (6 th) and subsequent years	5%	0%	5%
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Increase in minimum purchasing price of properties for foreigners	The minimum price of properties that can be purchased by foreigners has been increased from RM500,000 to RM1,000,000.																				
Increase transparency of property prices	Property developers will have to display detailed sales price including all benefits and incentives offered to buyers such as exemption of legal fees, stamp duty, sales agreements, cash rebates and free gifts.																				
Removal of Developer Interest Bearing Scheme ("DIBS")	Developers are prohibited from implementing projects that have features of DIBS, in an effort to prevent developers from incorporating interest rates on loans in house prices during the construction period. Therefore, financial institutions are prohibited from providing final funding for projects involved in the DIBS scheme.																				
Increase access of the population to affordable residential properties	<p>Program Perumahan Rakyat</p> <p>An estimated 223,000 units of new houses will be built by the Government and the private sector in 2014. The Government will allocate RM578 million to the National Housing Department ("JPN") for the implementation of <i>Program Perumahan Rakyat</i> which involves the construction of 16,473 housing units. In addition, JPN will construct 600 units for <i>Program Perumahan Rakyat Disewa</i> and <i>Perumahan Rakyat Bersepadu</i> with an allocation of RM146 million.</p> <p>1Malaysia People's Housing Programme ("PR1MA") and Syarikat Perumahan Negara Berhad ("SPNB") houses</p> <p>PR1MA will provide 80,000 housing units with an allocation of RM1 billion. The sales price of PR1MA houses are 20% lower than market prices. Meanwhile, SPNB will build 26,122 units of affordable houses, comprising 15,122 units of affordable houses, 3,000 units of <i>Rumah Idaman Rakyat</i> and 8,000 units of <i>Rumah Mesra Rakyat</i>. The Government will introduce a new category of <i>Rumah Mesra Rakyat</i>, with sales price between RM45,000 and RM65,000 for which the Government will provide a subsidy between RM15,000 to RM20,000 per unit.</p> <p>Private Affordable Ownership Housing Scheme ("MyHome")</p> <p>The Government will also introduce MyHome as a step to encourage the private sector to build more low and medium-cost houses. The scheme provides a subsidy of RM30,000 to the private developers for each unit built.</p> <p>Preference will be given to developers who build low and medium-cost houses in areas with high demand and limited to 10,000 units in 2014. The scheme is for housing projects approved effective from 1 January 2014 with an allocation of RM300 million under the supervision of Ministry of Urban Well-being, Housing and Local Government.</p>																				

Initiative	Impact
Increase allocation/funding for affordable housing	<ul style="list-style-type: none"> ▪ PR1MA housing projects, housing in newly opened areas and 1Malaysia Civil Servants' Housing Programme are eligible to apply for grants at 10% of the project cost, from the Facilitation Fund. For 2014, the Government will provide a total of RM4 billion to the Facilitation Fund as an initiative to promote private, high strategic impact projects. ▪ RM1 billion will be allocated to the Housing Facilitation Fund under Public Private Partnership Unit ("UKAS") ▪ The Government will also allocate RM82 million to rehabilitate 20 abandoned housing projects involving 8,197 houses.
Establishment of National Housing Council	To further strengthen the real estate market and increase opportunities for the local population to own houses, the Government is proposing the establishment of the National Housing Council to develop strategies and action plans in a holistic manner; coordinate legal aspects and property price mechanism; and ensure provision of homes in a more efficient and expeditious manner. The Council members will comprise Federal Agencies, State Governments, JPN, PR1MA, SPNB and the private sector.
Bank Negara Malaysia's Responsible Lending Guidelines	<p>In July 2013, Bank Negara Malaysia announced the implementation of a set of measures aimed at deterring excessive household indebtedness and to reinforce responsible lending practices by key credit providers.</p> <p>The new additional guidelines for lending include:</p> <ul style="list-style-type: none"> ▪ Maximum tenure of 10 years for financing extended for personal use ▪ Maximum tenure of 35 years for financing granted for the purchase of residential and non-residential properties ▪ Prohibition on the offering of pre-approved personal financing products <p>Furthermore, financial institutions must now make appropriate enquiries into a prospective borrower's income after statutory deductions for tax and Employees Provident Fund ("EPF"), and consider all debt obligations, in assessing affordability.</p> <p>Apart from the financial institutions under Bank Negara Malaysia's purview, the Cooperatives Commission will imposed requirements on responsible financing practices on credit cooperatives.</p>
Reduction in corporate and individual income tax	<p>Corporate income tax Corporate income tax rate will be reduced by 1% from 25% to 24%. Income tax rate for SMEs will be reduced by 1%, from 20% to 19% starting from the financial year of 2015.</p> <p>Individual income tax Individual income tax is reduced by 1% - 3% and the current maximum tax rate at 26% will be reduced to 24%, 24.5% and 25%, effective from 2015. Additionally, the chargeable income subject to maximum rate is raised from exceeding RM100,000 to exceeding RM400,000.</p>

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

While residential properties are viewed to gain a greater impact as a result of plans, policies and stimulus by the Federal Government, the demand for the commercial and industrial property segment in Malaysia is also expected to witness positive growth arising from the review on RPGT and reduction in corporate income tax.

Additionally, the Federal Government tabled Budget 2015 with the aim of emphasising a balance between the capital economy and the people's economy. The capital economy refers to economic management and policies from a macro perspective that will facilitate a country to set its main targets and benchmarks, where it includes economic management based on capital GDP growth, per capita income, private investment, capital market, corporate profits, as well as sovereign and credit ratings. The people's economy refers to the *rakyat*-oriented economy covering priorities and interests of the population such as cost of living, household income, education opportunities, employment and business, quality of life, skills training, entrepreneurship, as well as safety and security. In line with the people's economy concept, Budget 2015 addresses the issue of home ownership for Malaysians.

Property market in Malaysia – measures by the Federal Government to improve the affordability of properties for its local population under Budget 2015

Initiative	Impact
Youth Housing Scheme	<ul style="list-style-type: none"> ▪ In reviewing the needs of youth, home ownership appears to be a big issue especially cost of houses and financing. Recognising this problem, the Government has announced the Youth Housing Scheme which is a smart partnership between the Government, Bank Simpanan Nasional, EPF and Cagamas. ▪ The scheme offers a funding limit for a first home not exceeding RM500,000 for married youths aged between 25 and 40 years with household income not exceeding RM10,000. The maximum loan period is 35 years. ▪ Under the scheme, the Government will provide monthly financial assistance of RM200 to borrowers for the first two years to reduce the burden of monthly instalments. The Government will also give a 50% stamp duty exemption on the instrument of transfer agreements and loan agreement. ▪ This opportunity is available on a “first come, first served basis” for 20,000 units only
Home ownership	<p>To address the issue of home ownership at affordable prices, various projects and programmes will continue to be implemented, among them:</p> <ul style="list-style-type: none"> ▪ First: Build 80,000 units under the PR1MA with an allocation of RM1.3 billion. To enable more people to own houses, the ceiling of household income is raised from RM8,000 to RM10,000. In addition, a Rent-To-Own Scheme will be introduced specifically for individuals who are unable to obtain bank financing; ▪ Second: JPN to build 26,000 units under the People’s Housing Programme (PPR) with an allocation of RM644 million; and ▪ Third: SPNB to build 12,000 units of Rumah Mesra Rakyat (“RMR”) and 5,000 units of Rumah Idama Rakyat. SPNB will also build 20,000 units of Rumah Aspirasi Rakyat on privately-owned land. <p>To enable more people to own their first home and reduce the cost of buying a house, the Government has agreed to extend the 50% stamp duty exemption on instruments of transfer and loan agreements and increase the purchase limit from RM400,000 to RM500,000. The exemption will be given until 31 December 2016.</p> <p>The Government also agrees to improve Skim Rumah Pertamaku under the purview of Cagamas by raising the ceiling price to RM500,000 in line with the stamp duty exemption. In addition, the age of borrowers to qualify for the scheme will be increased from 35 to 40 years.</p> <p>To make the living conditions more comfortable for the rakyat who live in public low-cost housing, RM40 million will be allocated under the Public Housing Maintenance Programme. Meanwhile, RM100 million will also be allocated under the 1Malaysia Maintenance Fund for maintenance of private low-cost housing.</p> <p>Currently, gains from the disposal of property under the Real Property Gains Tax Act 1976, are assessed formally. The Government has implemented the Self-Assessment System for individual and company income tax effective from the year 2001 and 2004, respectively. In tandem with the Government’s aspiration to modernise the tax system and given that people are more responsible, it is proposed that tax on gains from the disposal of property be self-assessed by the taxpayer effective from the year 2016.</p>
Housing for civil servants	<p>The Government is concerned about the difficulties of civil servants to obtain financing for houses, and has thus announced an increase in the minimum eligibility for housing loans from RM80,000 to RM120,000 and the maximum eligibility limit from RM450,000 to RM600,000. In addition, the processing fee for housing loan application of RM100 is abolished. Both proposals will take effect on 1 January 2015.</p> <p>The Government is committed to increasing the construction of houses under 1Malaysia Civil Servants’ Housing (“PPA1M”). Currently, 10,639 PPA1M houses have been approved for construction. In 2015, to enable more civil servants to buy PPA1M houses, the Government agrees to build an additional 5,380 units including 1,600 units in Putrajaya, Bukit Jalil (1,530 units), Papar, Sabah (1,290 units) and Bukit Pinang, Kedah</p>

Initiative	Impact
	<p>(960 units). In addition, the Government will improve PPA1M as follows:</p> <ul style="list-style-type: none"> ▪ First: Reducing the minimum price of houses currently at RM150,000 to RM90,000 per unit with a minimum floor area of 850 square feet; ▪ Second: Raising the qualifying requirement of household income from RM8,000 to RM10,000 per month; and ▪ Third: Providing a facilitation fund of up to 25% from the project cost for developers participating in the scheme. <p>Comfortable homes will contribute to increased productivity. For this, the Government allocates RM500 million for repair and maintenance that will be implemented in stages for military, police, teachers' and medical staff's quarters nationwide. In addition, RM105 million is allocated to Ministry of Urban Well-being, Housing and Local Government for maintenance of Government quarters under the MyBeautiful Malaysia Programme covering 126 locations.</p>

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

The Eleventh Malaysia Plan ("11MP") (2016 – 2020) is premised on the Malaysian National Development Strategy that will focus on rapidly delivering high impact outcomes to both the capital economy and people economy at affordable cost. The 11MP will disproportionately focus on the people; where the population of Malaysia will be the focus of all development efforts. The 11MP paves the way for Malaysia to achieve its aspirations of becoming an advanced nation that is inclusive and sustainable by 2020. The 11MP strives to sustain the nation's growth momentum and ensure that the population continues to prosper while introducing new measures for the long term benefit of the country. Through the 11MP, the Government has committed to improving the wellbeing of all Malaysians through equal access to healthcare and affordable housing.

Property market in Malaysia – measures by the Federal Government to improve the affordability of properties for its local population under 11MP

Focus area	Description
Uplifting Bottom 40% ("B40") households towards a middle-class society	<ul style="list-style-type: none"> ▪ Increasing the provision of affordable housing <ul style="list-style-type: none"> • The Government will continue to ensure that affordable homes are available to B40 households. Special interest rate loans, with a ten (10)-year moratorium on sale of the property, will be provided to B40 households to enable them to own houses. Affordable housing schemes by PR1MA Malaysia and SPNB will be continued. Housing rental assistance will also be made available to eligible households. In addition, state governments will be encouraged to set an adequate quota for affordable housing.
Providing adequate and quality affordable housing to poor, low and middle-income households	<ul style="list-style-type: none"> ▪ Increasing access to affordable housing for targeted groups <ul style="list-style-type: none"> • The Government will continue to play a major role in meeting the housing needs for targeted groups in urban and rural areas by continuing successful, existing programmes. This includes programmes under the Program Bantuan Rumah ("PBR") for the poor, and programmes for low and middle-income households such as the Rumah Mesra Rakyat 1Malaysia ("RMR1M"), PPR, PR1MA, and PPA1M, as well as programmes for second-generation Federal Land Development Authority ("FELDA") and Federal Land Consolidation and Rehabilitation Authority ("FELCRA") settlers. In addition, financing schemes such as the My First Home Scheme, Youth Housing Scheme and MyHome will be enhanced to improve access and affordability for low- and middle-income households.

Focus area	Description
	<ul style="list-style-type: none"> • Transit houses will be built for youth and young married couples in urban areas, including those proposed under the 1Malaysia Youth City programme. These transit houses provide such families with a short-term residence while they build up their savings to purchase their first home. The private sector will be encouraged to develop public housing, which can be done through public-private partnerships. ▪ Strengthening planning and implementation for better management of public-housing <ul style="list-style-type: none"> • To improve the planning and development of affordable housing, an integrated database accessible to all relevant stakeholders will be established to ensure housing supply matches demand according to locality, price, and target groups. Additionally, a land bank will be established for the development of affordable housing, particularly in urban areas. Furthermore, collaboration between JPN with State Islamic Religious Councils could be leveraged to unlock potential waqf and baitulmal land. ▪ Encouraging environment-friendly facilities for enhanced liveability <ul style="list-style-type: none"> • The Government will encourage all new affordable housing developments to adopt sustainable practices, and provide liveable and environment-friendly facilities and infrastructure for the <i>rakyat</i>, including persons with disabilities and senior citizens. Public housing rental rates will be reviewed to ensure that sufficient funds are available to cover the cost of management and regular standard maintenance of public housing.
<p>Enhancing Bumiputera Economic Community opportunities to increase wealth ownership</p>	<ul style="list-style-type: none"> ▪ Introducing new funding mechanisms for non-financial assets <ul style="list-style-type: none"> • In order to assist Bumiputera to own residential properties, more affordable houses will be developed by utilising funds including a clawback funding mechanism. The clawback funding mechanism collects contributions from property developers when they are unable to comply with the Bumiputera quota policy in their property development. The contribution is equivalent to the total cost of discount from the units forgone to non-Bumiputera. By the end of the 11MP, it is expected that at least 90% of Bumiputera households will own a residential unit. In addition, Bumiputera Commercial Property Revolving Fund will be established to assist entrepreneurs to acquire commercial properties. This initiative will enable Bumiputera entrepreneurs to shift from renting to owning properties. Pelaburan Hartanah Berhad will be appointed as the lead agency, supported by entrepreneur development organisations ("EDOs") to co-purchase commercial properties. These properties will be leased to entrepreneurs who will own them at the end of the lease period.

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Key Supply Conditions

Rising cost of building materials and development costs impact property supply and property prices

The property market is expected to witness increased competition for raw materials and labour with the rollout of large infrastructure projects such as the MRT lines two (2) and three (3), high speed rail and West Coast highway contracts, which coincide with rising incoming supplies of properties in 2014/15 following strong launches in the last three (3) years. While some building material producers are expanding production capacity, major capacity enhancement projects take at least one (1) to two (2) years for completion.

The higher building material prices and tighter labour market conditions are expected to suppress the margins of property developers and potentially lead to liquidated and ascertained damages ("LAD").

Property developers may have to resort to issuing variation orders on previously issued fixed-price contracts and/or stock up on inventories of building materials. Such complications can potentially delay property launches and push property prices higher in view of smaller volumes of new supplies. Property developers are also expected to pass on a certain degree of sustained incremental costs to buyers.

Property market in Malaysia – average prices of selected building materials

Year	Average prices of materials in Selangor (RM)			
	Ordinary Portland cement in bulk (metric tonnes)	Granite aggregate, ¾ inch (metric tonnes)	Mild steel round bar, 16 millimeters (metric tonnes)	Ready mix concrete, grade 30 (cubic metres)
2008	245.2	19.9	3,108.3	193.9
2009	275.0	22.0	1,939.2	217.3
2010	289.6	23.7	2,137.8	204.7
2011	314.2	23.0	2,491.7	203.8
2012	321.7	23.0	2,432.5	204.6
2013	328.8	25.9	2,152.5	204.6
CAGR	6.0%	5.4%	-7.1%	1.1%

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Availability of land bank for future property development

Large property developers acquire greenfield sites or large parcels of land to amass land bank in ensuring they have sufficient stock of land for future property developments. Over time, as the land is rezoned and the necessary roads and infrastructure are constructed, these property developers may undertake a subdivision and sell the individual lots. While holding a stockpile or bank of land can generate profits in a rising market, it can also lead to a downfall when real estate values contract, or when rising interest rates exceed holding costs.

Product/Service Substitution

There are no comparable substitutes to properties for residential, commercial and industrial purposes. However, there are various types of residential, commercial and industrial sub-properties that are constructed to suit the specific purposes, spatial needs and financial budget of buyers.

- Residential properties are intended for dwelling purposes and housing may vary significantly within and between residential areas. Residential sub-properties include terrace, semi-detached, detached, townhouse, cluster, flat, apartment/condominium, serviced apartment and SOHO properties. Residential zoning may allow some degree of provision of services and/or commercial opportunities but excludes industrial activities.
- Commercial properties house commercial activities such as retail businesses, financial institutions, as well as a variety of services. These profit-driven business activities can be housed in purpose-built offices, office lots, shopping complexes, shop units/retail lots or hotels.
- Industrial properties are located in industrial parks or areas zoned and planned for the purpose of industrial development and typically house heavy industries. Industrial properties include sub-properties such as terrace, semi-detached, detached, flatted terrace and industrial complex properties.

Industrial properties are typically located on the fringes of, or outside main residential areas of a city, and have good road and/or rail transportation access.

Reliance and Vulnerability to Imports

The property market in Malaysia has a certain degree of dependency on the imports of construction materials and metal and mineral products (such as steel, aluminium and copper) that are used to build residential, commercial and industrial properties. Malaysia's imports of construction materials and mineral products increased from RM3.0 billion to RM5.3 billion between 2004 and 2014 at a CAGR of 5.8% due to increased construction activities as a result of greater demand for properties. Between 2004 and 2014, demand for residential, commercial and industrial properties, measured by total property transaction value increased from RM46.1 billion to RM128.4 billion at a CAGR of 10.8%.

Nevertheless, SMITH ZANDER notes that the growth rate of Malaysia's imports of construction materials and mineral products (CAGR 5.8%) are significantly lower than its property demand (CAGR 10.8%), thus indicating that demand for building materials, construction materials and mineral products for property construction is largely satisfied by local production.

Property market in Malaysia – imports of construction materials and mineral products

Year	Import value (RM million)
2004	3,043.7
2005	2,882.3
2006	2,971.2
2007	3,407.4
2008	3,514.3
2009	3,403.3
2010	4,339.7
2011	4,942.0
2012	4,909.0
2013	4,978.6
2014	5,346.2
CAGR 2004 – 2013	5.6%
CAGR 2004 – 2014	5.8%

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Relevant Laws and Regulations

The relevant laws and regulations pertaining to the construction of residential, commercial and industrial properties in Malaysia include, but are not limited to, the following:

Environmental Quality Act 1974

The Department of Environment ("DOE") Malaysia is responsible for the implementation and monitoring of Malaysia's environmental regulations and policies. The Environmental Quality Act 1974 prohibits industrial activities which cause air, sound, soil, and water pollution without obtaining a valid license. Therefore, the burning of waste or rubbish or any open burning is prohibited without obtaining the necessary licenses or permits. Under this regulation, effluent is not permitted to be diluted, whether raw or treated, at any time or point after it is treated, without first obtaining a written authorisation which approves the effluent to be treated according to the terms and conditions of the authorisation.

Occupational Safety and Health Act 1994

All employers possess a general duty of care to the employees. In accordance with the Occupational Safety and Health Act 1994, employers need to ensure that the work site facilities and systems are practicable, safe and without risks or hazard to the employees' health and safety. It is also the obligation of the employer

to provide employees with the training, knowledge, information and supervision, in providing a safe working environment without risks to their health, safety and welfare. The Department of Occupational Safety and Health (“DOSH”) is authorised to ensure that companies have taken proper steps to ensure a safe working environment for their employees.

Employment Act 1955

The Employment Act 1955 stipulates the rights and welfare benefits that employees are entitled to, and which all employers are required to comply. This Act also states that an employer is required to obtain a license to import legal foreign workers under the contract of services, and ensure their welfare and rights are fulfilled in terms of their wages, hours of work, rest days, and sick and annual leaves. The Ministry of Human Resource is responsible in monitoring and ensuring that companies are in compliance with the Act and protects the welfare of employees.

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2 ANALYSIS OF THE COMMERCIAL PROPERTY MARKET IN JOHOR BAHRU, JOHOR

Overview

The state of Johor is located on the southern tip of Peninsular Malaysia, and has played a vital and strategic role in the history and development of Malaysia and the surrounding region. Johor Bahru, the capital city of Johor and its surrounding areas, has developed to become one (1) of the most important urban economic region in the country. Johor has a diversified economy with several clusters emerging around the electronics, logistics, food and agriculture, tourism and oil and petrochemicals industries. Johor's strategic geographical location off the Straits of Malacca, one (1) of the world's busiest shipping routes, its proximity to international hubs as well as large markets such as Singapore, Indonesia, China and India, coupled with its wealth of natural resources and human resources, have driven the state's past successes and will be key pillars for Johor's future potential.

Prior to the launch of Iskandar Malaysia, property developments in Johor and its capital city Johor Bahru were predominantly focused around residential and shop offices, where property transaction values were beginning to ease. Within Johor Bahru City Centre, rental rates of existing office buildings faced pressure between 2000 and 2006 as property owners lowered rentals to maintain and attract new tenants.

The idea of developing a new economic corridor for Malaysia's southern region was first mooted in the 9MP, where the Federal Government conducted a feasibility study to design a vibrant economic region to propel growth in southern Malaysia in collaboration with Khazanah National Berhad. A special projects team was formed to prepare a CDP (2006 – 2025) for the Southern Johor Economic Region ("SJER"). The Iskandar Development Region was launched in November 2006 marking the beginning of South Johor's economic development based on strategies identified in the CDP. SJER eventually came to be known as Iskandar Development Region and subsequently Iskandar Malaysia. Metropolitan Johor Bahru, comprising the districts of Johor Bahru, Kulaijaya, Pontian and Kota Tinggi, is known as Iskandar Malaysia. Iskandar Malaysia spans across approximately 2,217 square kilometers ("km²"), offering prospective investors large tracts of competitively priced land.

The development of Iskandar Malaysia was modeled after China's Pearl River Delta Economic Zone (2008-2020), and Iskandar Malaysia targets to capitalise on its current synergies with Singapore to complement each other as an economic hub. The Iskandar Malaysia development plan is ambitious and comprehensive, extending beyond collaboration in the manufacturing sector to include tourism, healthcare, education and property sectors. The enhanced connectivity between Iskandar Malaysia and Singapore will allow Singapore service providers to tap into opportunities that arise from the former development, while Johor is expected to gain valuable experience and tap into more advanced expertise and talents from Singapore.

Five (5) key economic drivers or flagship development zones have been identified under Iskandar Malaysia:

- **Flagship A: Johor Bahru City Centre**

Johor Bahru is the southern gateway to Malaysia and plays an integral role as host to several key economic activities, including financial, cultural and urban tourism for the state of Johor. Under Flagship A, Johor Bahru City Centre will be revitalised through the upgrading of its central business district and waterfront to reposition the city as a vibrant, modern and livable city centre. Development activities will be focused on a new financial district, Danga Bay Integrated Waterfront City, upgrading of the central business district, Tebrau Plentong mixed development and enhancement of causeway infrastructure connecting Johor Bahru and Singapore.

▪ **Flagship B: Nusajaya**

Nusajaya is a key component of the Iskandar Malaysia masterplan and forms one (1) of the largest property developments in Southeast Asia. Key economic activities under Nusajaya include education and medical tourism, entertainment and recreation, state administration, finance and biotechnology. Development activities will be focused on the Johor New Administration Centre at Kota Iskandar, University Park in Edu-City, international destination resort comprising outdoor and indoor theme parks, and clean and green factories and warehouses at the Southern Industrial Logistics clusters area.

▪ **Flagship C: Western Gate Development**

Tanjung Pelepas is one (1) of the world's major container ports and the Tanjung Pelepas economic cluster houses key economic activities such as logistics, free zone industrial area, regional distribution and international procurement, and oil storage terminals. The Western Gate Development will play an important role in Johor's industrial sector and provide major infrastructure facilities to Iskandar Malaysia. Development activities will be focused on the development of the free trade zone at the Port of Tanjung Pelepas, Petrochemical and Maritime Industrial hub at Tanjung Bin, and Tanjung Bin power plants.

▪ **Flagship D: Eastern Gate Development**

Pasir Gudang is a noted manufacturing hub in the southern region of Malaysia where economic activities such as manufacturing (including electronics, petrochemicals and oleochemicals) and oil storage terminals thrive. The Eastern Gate Development will play an important role in Johor's industrial sector and provide major infrastructure facilities to Iskandar Malaysia. Development activities will be focused on a mixed development with city of knowledge at Seri Alam, a regional distribution centre in Kim-Kim, Pasir Gudang Industrial Park, Tanjung Langsat Industrial Park, Pasir Gudang Port and Tanjung Langsat Port.

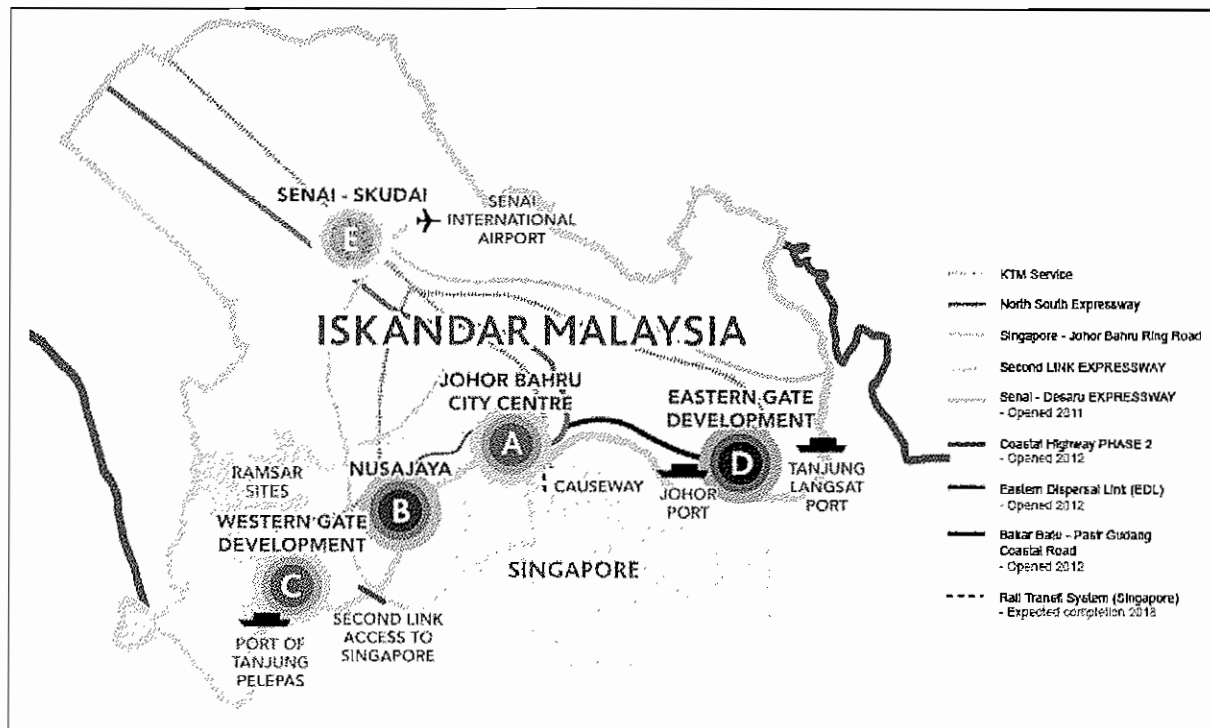
▪ **Flagship E: Senai – Skudai**

Senai – Skudai is a major township that connects Iskandar Malaysia to the world. This township houses key economic activities such as logistics, manufacturing (especially in high technology and aerospace-related sectors), tourism (luxury shopping destination) and Cybercity. Senai – Skudai's potential is further strengthened by the RM70.0 billion investment to develop Senai Airport City and the completion of Senai Hi-Tech Park and MSC Cyberport in 2013 and 2014 respectively.

The foundation and infrastructure for Iskandar Malaysia has been laid down between 2006 and 2010, allowing the second (2nd) phase of the masterplan to focus on growth and expansion over the period of 2011 to 2015. Iskandar Malaysia's third (3rd) phase of development will take place between 2016 and 2025, and shall focus on sustainability and innovation.

At the launch of Iskandar Malaysia, RM11.0 billion worth of investments were committed to the masterplan. Since its launch, Iskandar Malaysia's economic potential has gained increased awareness and as of October 2013, has attracted RM129.4 billion in cumulative committed investments with RM56.3 billion worth of investments (43.5% of cumulative committed investments) already realised. Iskandar Malaysia intends to achieve a total investment target of RM383.0 billion over the 20-year plan duration, grow Johor's GDP by 4.5 times and create up to 817,500 employment opportunities. Iskandar Malaysia has been identified as an exclusive project with access to financing under a Facilitation Fund provided under the Tenth Malaysia Plan ("10MP").

Property Market in Malaysia – flagship development zones under Iskandar Malaysia



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Market Performance, Outlook and Prospects

Supply Analysis

Residential and Commercial Property Supply

Between 2004 and 2014, total supply of residential properties in Johor Bahru increased from 438,216 units to 605,269 units at a CAGR of 3.3%. Residential property development witnessed its greatest growth in 2005 and 2013 where it registered a year-on-year growth rates of 7.1%. Property development in Johor Bahru ramped up in 2014 in anticipation of the upcoming demand for residential properties as a result of growth and expansion of commercial and industrial activities in Johor Bahru and its surrounding areas. Within the residential property sub-segment, high-rise condominiums continue to remain popular and are targeted at Singaporeans and Malaysians who work across the Causeway in Singapore. New stock of residential properties will continue to grow in Iskandar Malaysia especially along new transportation lines, and concentration of landed properties will largely be centered in the Nusajaya area.

Commercial development in Johor Bahru, based on the supply of shops, shopping complexes, purpose-built offices witnessed mixed growth over the period of 2004 and 2014. Over the same period, commercial shops witnessed growth rates of 3.3% while shopping complexes and purpose-built offices witnessed declining growth rates of 0.6% and 3.0% respectively. The supply of commercial shops witnessed its lowest year-on-year growth rate in 2009 following the global financial crisis that tightened public and private funds for major construction works. Shopping complexes and purpose-built offices witnessed softened year-on-year growth rates in 2011 as construction projects were stalled or postponed arising from uncertainties following the fall of several stock markets globally due to fears of the impact of the European sovereign

debt crisis as well as slow economic growth in United States and the downgrading of United States credit rating. Hotel property development witnessed positive historical development and its highest year-on-year growth rate of 25.5% is in 2010 following the upcoming supply of hotel rooms from the construction of Traders Hotel, Legoland Hotel and KSL Resort Hotel.

Nevertheless, shopping complexes and purpose-built offices are showing signs of recovery. Total supply of shopping complexes increased from 1,139,797 square metres in 2012 to 1,550,865 square metres in 2014, while total supply of purpose-built offices increased from 848,278 square metres in 2012 to 933,022 square metres in 2014. Furthermore, overall commercial property supply is expected to witness positive overall development over the coming three (3) to five (5) years in anticipation of increasing demand for workspace following the progress of Iskandar Malaysia's CDP. In 2013, several integrated developments incorporating purpose-built office building space were announced including Medini Empire, Zikay @ Medini, D'Pristine @ Medini, Southkey, Vantage Bay and 18 @ Medini. The launch of Austin18 Versatile Business Suites was also announced that year, where the development will comprise a 25-storey freehold commercial building with 319 units of self-contained offices, retail space and a six (6)-storey car park podium, and is anticipated to be completed in 2017. The Austin18 Versatile Business Suites is targeted at young professionals and entrepreneurs.

Retail and hotel property supply are forecast to increase under the Iskandar Malaysia CDP following the implementation of specific projects in Flagship A and Flagship B development zones. Several of the announced integrated developments in 2013 are also expected to carry a retail component, including Medini Empire, Zikay @ Medini, D'Pristine @ Medini, Meridin@Senibong, 18 @ Medini, Vantage Bay, Sunway Medini, Medini Lakeside and The Suasana. Additionally, the redevelopment of Kompleks Tun Abdul Razak ("KOMTAR") comprising a new retail podium, purpose-built office space and hotel which was identified as a project under Iskandar Malaysia and ETP will add a gross floor area of 1.4 million square feet to the commercial space in Johor Bahru.

The property market in Johor Bahru is expected to remain positive as more Malaysia and Singapore-based developers are anticipated to venture into the Iskandar Malaysia region. Development activities in Iskandar Malaysia will continue to be focused within the city centre, Danga Bay and the Nusajaya locality within Flagship A and Flagship B development zones. The growing demand for prime office space and retail space in the region is expected to fuel the construction of more retail malls and purpose-built offices in Metropolitan Johor Bahru.

Property market in Johor Bahru – selected upcoming major commercial property developments

Location	Hotel	Star rating	Number of rooms	Expected completion date
Johor	Doubletree by Hilton	4	350	2015
	Landmark Hotel	4 or 5	Not available	2014
	Palazzo Hotel	4 or 5	293	2014
	Legoland Hotel	Not available	250	2014

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Supply Measured in Terms of Construction Activity

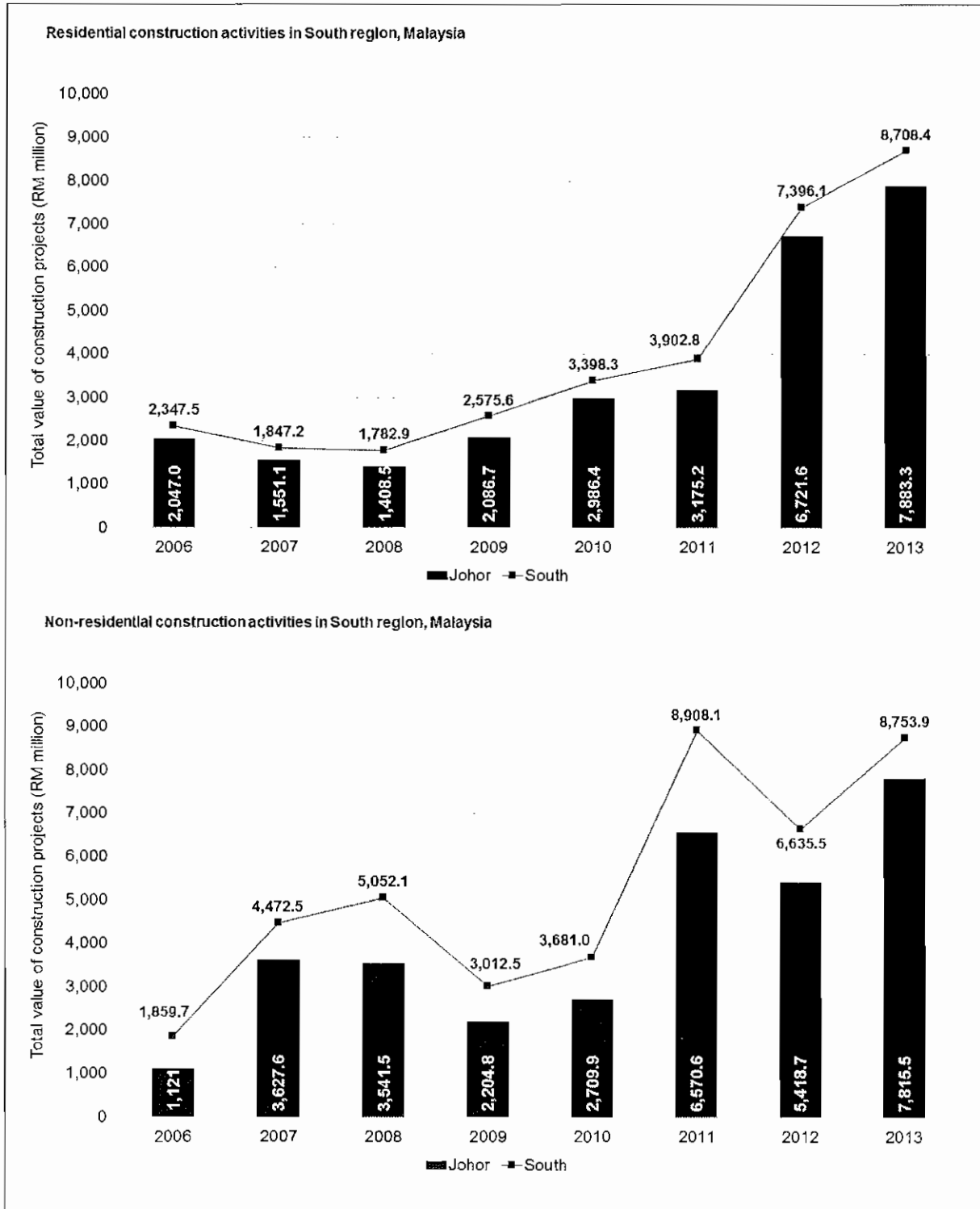
Construction activities in the South region of Malaysia have intensified following the launch of Iskandar Malaysia. Between 2006 and 2013, the construction industry in the South region of Malaysia, as measured by total project value, grew from RM4.2 billion to RM17.5 billion and recorded an impressive CAGR of 22.6%. During this period, residential construction projects increased from RM2.3 billion to RM8.7 billion at

a CAGR of 20.6%, while commercial and industrial construction, termed non-residential construction, increased from RM1.9 billion to RM8.8 billion at a CAGR of 24.8%. Construction of residential properties formed approximately 49.7% of total construction value in 2013 while non-residential properties comprised the remaining 50.3%.

A significant portion of construction activities that took place in this region over the course of 2006 to 2013 occurred in the state of Johor which houses the Iskandar Malaysia development. Between 2006 and 2013, the construction industry in Johor increased almost fivefold from RM3.2 billion to RM15.7 billion and recorded an impressive CAGR of 25.5%. During this period, residential construction projects increased from RM2.0 billion to RM7.9 billion at a CAGR of 21.2%, while commercial and industrial construction, termed non-residential construction, increased from RM1.1 billion to RM7.8 billion at a CAGR of 32.0%. Construction of residential properties formed approximately 50.3% of total construction value in 2013 while non-residential properties comprised the remaining 49.7%. In 2006, construction activities in Johor formed 76.2% of total construction activities in the South region and this figure increased to 89.9% in 2013.

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Property market in Malaysia – total residential and non-residential construction activities in Johor



a) Non-residential refers to commercial and industrial

b) Data prior to 2006 is not publicly available

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

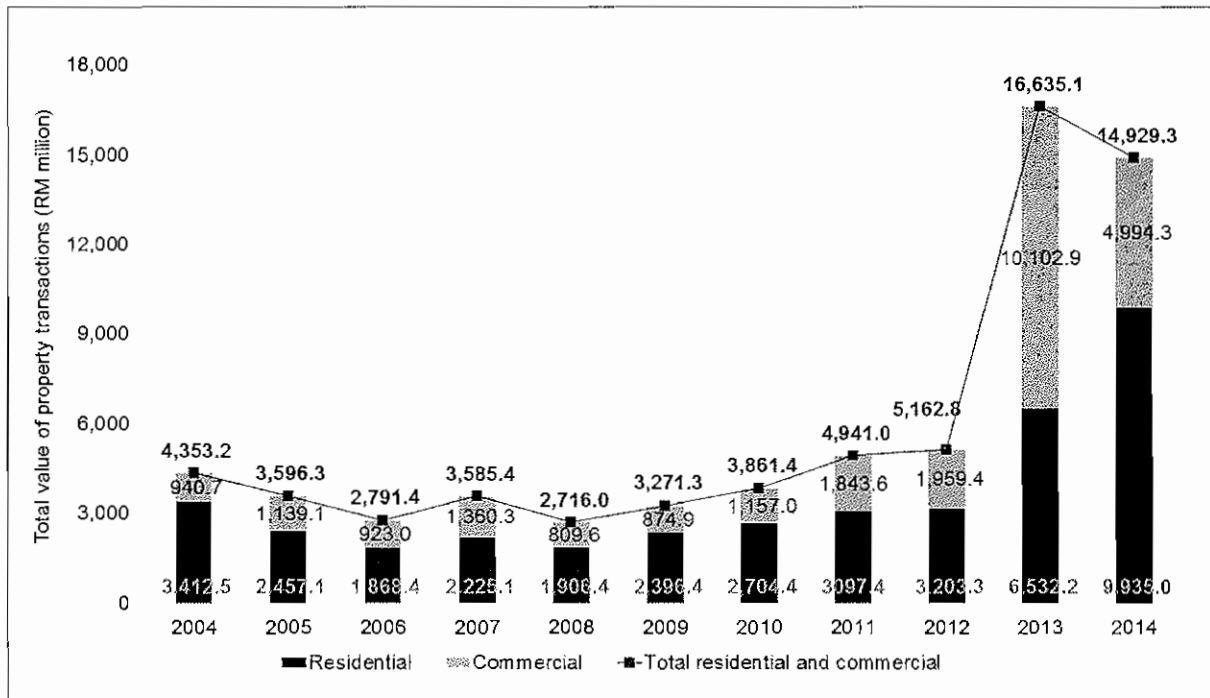
Demand Analysis

Residential and Commercial Property Demand

The demand for residential and commercial properties in Johor Bahru, measured by property transaction values, have been growing on an upward trend between 2004 and 2014 as total transaction values increased from RM4.4 billion to RM14.9 billion at a CAGR of 13.1%. Demand for residential and commercial properties witnessed a dramatic increase of 222.2% in 2013 compared to the previous year following the completion of the foundation and infrastructure for Iskandar Malaysia in 2010 that paved the way for increased commercial activities in this capital city of Johor. Johor Bahru City Centre is also being revitalised through the upgrading of its central business district and waterfront to reposition the city as a vibrant, modern and livable city centre, thus further drawing prospective homeowners and businesses to this city.

In 2014, residential and commercial property transactions totaled approximately RM14.9 billion as residential property transactions and commercial property transactions were registered at RM9.9 billion and RM5.0 billion respectively. Growth in 2014 was primarily fueled by the 52.1% year-on-year increase in transaction values in the commercial property segment. A total of 24,946 commercial and residential properties were transacted in 2014 compared to 23,597 properties in 2004.

Property market in Malaysia – total value of residential and commercial property transactions in Johor Bahru



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

In Johor, commercial property transaction values increased from RM1.5 billion in 2004 to RM6.4 billion in 2014 at a high CAGR of 15.9%. In Johor, the greatest volume of property transactions took place in its capital city of Johor Bahru which is experiencing a revitalisation under the Iskandar Malaysia masterplan that positions this city as a prime commercial centre at Peninsular Malaysia's southern tip.

Demand for vacant land in Johor is strong, especially in the fringes of Johor Bahru City Centre as property developers are purchasing these assets for further development activities. In 2014, total transactions for vacant land in Johor totaled RM2.5 billion, of which Johor Bahru accounted for RM2.3 billion.

Property market in Malaysia – transactions by commercial property type in Johor for 2014

	Value of property transactions (RM million)		
	Johor	Johor Bahru	Rest of Johor
Vacant plot	2,477.7	2,311.2	166.5
Pre-war shop	21.6	4.7	16.9
1-1.5 storey shop	71.8	33.4	38.4
2-2.5 storey shop	1,409.6	755.3	654.3
3-3.5 storey shop	1,607.7	1,273.4	334.4
4-4.5 storey shop	277.8	172.3	105.5
5-5.5 storey shop	23.5	11.0	12.5
6-6.5 storey shop	3.6	0.0	3.6
Shop unit / retail lot	133.5	104.1	29.4
Office lot	55.1	45.3	9.8
Shopping complex	61.9	20.0	41.9
Purpose-built office	16.6	16.0	0.6
Hotel / service apartment	82.6	82.6	0.0
Leisure	0.0	0.0	0.0
Others	17.9	3.8	14.1
Total	6,296.7	4,763.9	1,532.8

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Demand for landed commercial shop properties in Johor Bahru (comprising pre-war shop, 1-1.5 storey shop, 2-2.5 storey shop, 3-3.5 storey shop, 4-4.5 storey shop, 5-5.5 storey shop and 6-6.5 storey shop) was also robust as these properties recorded transaction values of RM2.3 billion in 2014. These properties are largely employed for the purposes of retail, food service, storage and as offices. Rental rates for commercial shop properties in Metropolitan Johor Bahru in 2015 ranged from as low as RM0.62 per square foot in the suburban secondary area of Taman Johor Jaya to as high as RM7.49 per square foot in the central town prime area of Jalan Wong Ah Fook.

Property market in Malaysia – rental rates of ground floor commercial shop properties in Metropolitan Johor Bahru as at 31 July 2015

	Average floor area (square feet)	Rental per month based on past transactions	
		RM per unit	RM per square foot
Central town prime area			
Jalan Wong Ah Fook	1,335	2,400-10,000	1.79-7.49
Suburban prime area			
Taman Pelangi	1,367	2,200-5,000	1.61-3.66
Suburban secondary area			
Bandar Baru Permas Jaya	1,690	1,050-5,000	0.62-3.66
Taman Johor Jaya	1,249	800	0.64
Taman Nusa Bestari 2	1,507	1,500-2,100	1.00-1.39
Taman Ungku Tun Aminah	1,238	800-1,300	0.65-1.05
Taman Bukit Indah	1,475	1,500-1,700	1.02-1.15

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Commercial Property Demand by Type of Property: Purpose-built Office

The office lot property category in Johor Bahru registered property transactions of RM45.3 million in 2014. During the same period, transactions for purpose-built offices were registered at RM16.0 million. Demand for office space has been stable in Johor Bahru over the period of 2004 and 2014 where office occupancy rate was last recorded at 72.7% in 2014. Demand for office space in office towers has registered positive demand where the combination of retail mall as part of the building structure is seen to attract and maintain tenants. One of the more popular office space locations in Johor Bahru is at the city centre, along the Jalan Wong Ah Fook stretch which houses several office towers and the new Sultan Iskandar Customs, Immigration and Quarantine Complex, and Menara KOMTAR.

Johor's CDP (2006 – 2025) was launched for Iskandar Malaysia and encompasses the districts of Johor Bahru, Kulaijaya, Pontian and Kota Tinggi. Over the period of 2011 and 2015, Iskandar Malaysia intends to achieve the creation of 55,730 employment opportunities. This target is in line with the commencement of several jet catalyst projects under various flagship development zones. Nine (9) major economic clusters have been identified to spearhead the growth of Iskandar Malaysia and these clusters are electrical and electronics, petrochemicals and oleochemicals, food and agro-processing, logistics and related services, tourism, health services, educational services, financial services and creative industries. The implementation of these economic plans and targeted strategies under the respective plans, including infrastructure and transportation improvement, have great impact on socio-economic developments in Johor, and the anticipated business opportunities arising from these economic plans will have a positive impact on commercial property supply and demand in Johor.

Commercial Property Demand by Type of Property: Commercial Shopping Complex

Commercial shopping complex occupancy rates in Malaysia for 2014 were recorded at 80.9% from a total space of 13.0 million square metres. Johor was the third (3rd) largest state in terms of available shopping complex space where the state had 1.7 million square metres of constructed commercial shopping complex space in the said year. Of Johor's 1.7 million square metres constructed commercial shopping complex space, Johor Bahru accounted for 1.1 million square metres or 64.7% of the total constructed commercial shopping complex space in the state.

Demand for retail space in Johor Bahru, measured by occupied space in shopping complexes, witnessed an increase in 2010 following Malaysia's economic recovery following the global financial crisis in 2008/2009. Occupancy rates which had previously hovered highest at 65.0% then increased to its highest point of 73.4% in 2012 before settling at 71.8% in 2013 on the back of the launch of several new retail malls in Johor Bahru over the period of 2013. Gross monthly rates of retail malls have witnessed growth due to the availability of well administered and strategically located malls and good tenant mix, supported by reliable public transportation network. The demand for retail space is expected to witness growth in the next three (3) to five (5) years as retail is a key economic cluster under the Iskandar Malaysia masterplan, and more investments and new players are anticipated in the short to medium term.

Property market in Malaysia – existing space and occupancy rate in Johor for commercial shopping complex for 2014^p

	Total existing space ('000 square metres)	Available space ('000 square metres)	Availability rate (%)	Occupancy rate (%)
Johor	1,665.0	430.5	25.9	74.1
Johor Bahru	1,077.0	248.6	23.1	76.9
Kulaijaya	121.1	24.2	20.0	80.0
Kota Tinggi	36.7	13.6	36.9	63.1
Pontian	35.5	7.4	20.9	79.1
Batu Pahat	153.3	79.9	52.1	47.9
Muar	29.9	5.5	18.4	81.6
Kluang	114.8	45.7	39.8	60.2
Mersing	0.0	0.0	Not available	Not available
Segamat	75.6	5.6	7.4	92.6
Ledang	21.2	0.0	0.1	99.9

^p Preliminary

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Key Demand Drivers

Increase in investments under Iskandar Malaysia will drive future demand for commercial and industrial properties

The investment climate in Iskandar Malaysia has been gaining momentum since the launch of the CDP in 2006. For Iskandar Malaysia's first (1st) phase of development (2006-2010), a total of RM69.5 billion cumulative investments were secured, approximately 47.9% above the RM47.0 billion target that had been set for that period. This was an impressive achievement given that the global economy experienced financial distress during the 2008 and 2009 period. During the 2008 and 2009 period alone, Iskandar Malaysia secured committed investments amounting to RM16.0 billion and RM13.8 billion respectively. Committed investments during the first (1st) development phase went into various sectors including manufacturing, property development, utilities, leisure and tourism, as well as Government spending. The Federal Government allocated a total of RM6.3 billion between 2006 and 2010 for key infrastructure projects in Iskandar Malaysia.

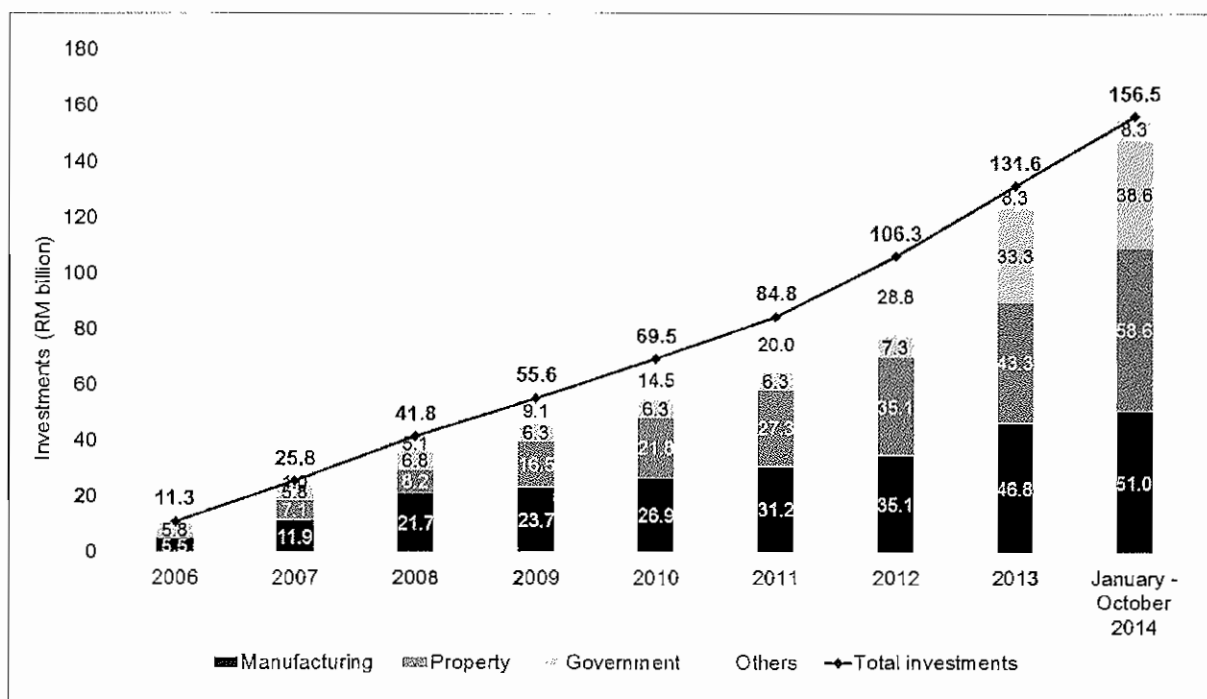
Between 2006 and October 2014, cumulative investments committed under Iskandar Malaysia totaled RM156.5 billion, of which manufacturing comprised RM51.0 billion or 32.6%, followed by property development (RM58.6 billion), Government (RM38.6 billion) and others (RM8.3 billion). A significant portion

of Iskandar Malaysia's investments were domestically sourced, amounting to approximately 63.0% of cumulative investments, while FDI inflows accounted for the remaining 37.0%.

Between 2006 and October 2014, a total of RM79.0 billion worth of investments have been realised under Iskandar Malaysia. This has led to the launch of a number of important developments, with several projects completed or approaching completion across all five (5) flagship development zones, and include catalyst projects in the education, and leisure and tourism sectors, key infrastructure such as upgrading works on existing roads and new highways, and other projects in sectors such as retail and healthcare.

Iskandar Malaysia intends to achieve a total investment target of RM383.0 billion over the 20-year plan duration. Further growth investments under Iskandar Malaysia bodes well for commercial and industrial development in the state as local businesses and companies grow and expand in terms of scale and reach. This signifies positive upside for the commercial and industrial property segments in Johor, where investments in larger business facilities are expected to witness growth resulting from increased total investments.

Property market in Malaysia – cumulative committed investments under Iskandar Malaysia



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Boost in employment as a result of business growth and expansion leads to the need for larger commercial and industrial space

The increasing investments in Iskandar Malaysia have generated greater economic activity and hence, demand for human talent. More than 20,000 employment opportunities have been created over 2006 and 2010 in targeted economic sectors ranging from education and healthcare to electrical and electronics as well as leisure and tourism. Close to 10,000 employment opportunities were created in the electrical and electronics sector followed by leisure and tourism (6,094) and education (5,910). Significant opportunities have also been recorded in the oil and gas, retail and biotechnology sectors.

Over the period of 2011 and 2015, Iskandar Malaysia intends to achieve the creation of 55,730 employment opportunities. This target is in line with the commencement of several jet catalyst projects under various flagship development zones. The creative sector is expected to be a major employer during this period and create a targeted 18,000 jobs following the realisation of projects including MSC Cyberport and Pinewood Iskandar Malaysia Studios. Employment opportunities are also expected to remain strong in the electrical and electronics, leisure and tourism, and education sectors following the launch and commercialisation of several key developments in these respective sectors. Employment growth will positively impact property development, creating demand for larger commercial and industrial properties in Metropolitan Johor Bahru, in line with business growth.

Growth and enhancements in overall infrastructure and transportation sectors

In addition to business growth, demand for commercial office and retail space in Johor Bahru and the broader Metropolitan Johor Bahru will also be significantly determined by infrastructure and transportation enhancements. One (1) of the largest infrastructure projects that has improved connectivity for Johor Bahru is the construction of the 14.5 kilometer ("km") six (6)-lane Coastal Highway in 2011. This highway connects Johor Bahru to Danga Bay and Nusajaya, reducing travel time between Johor Bahru and Nusajaya from the previous 45 minutes to the current 15 minutes. Several road improvement projects were also implemented under the 9MP to improve traffic flow and dispersal in and around Johor Bahru City Centre and these projects include the upgrading of Jalan Abu Bakar – Jalan Skudai, Jalan Tampoi and Jalan Kolam Ayer, as well as the addition of the new Abu Bakar Interchange and Yahya Awal Interchange. Malaysia and Singapore have also agreed to build the high-speed rail system that connects Kuala Lumpur and Singapore in just 90 minutes, which is slated for completion in 2020. The rapid transit system linking Johor Bahru to Singapore has also been approved and is expected to be completed in 2018.

Government plans, policies and strategies to drive economic growth creates growth opportunities for the commercial and industrial property segments

Property development in Johor and Iskandar Malaysia will continue to benefit from economic plans launched by the Government of Malaysia with the aim of achieving economic prosperity for the country.

- The ETP (2011-2020) was launched with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. Through the ETP, Malaysia will focus on developing a large and thriving services sector to supplement the nation's historical strengths in oil and gas, agriculture and manufacturing; a balanced economy with significant contributions from private consumption and investment as well as from Government spending and exports; and productivity levels similar to those of other leading Asian economies through developing an economy that is more heavily driven by skills, innovation and knowledge. The Government targets to achieve a 6.0% growth rate in private investments and enhance investments in human capital to support an economy based on high-skilled labour, knowledge and innovation. The ETP identifies 12 drivers of economic growth focus, namely Greater Kuala Lumpur/Klang Valley; oil, gas and energy; financial services; wholesale and retail; palm oil; tourism; electronics and electrical; business services; communications content and infrastructure; education; agriculture; and healthcare, each with identified high impact projects that have potential to contribute to GNI and employment. The ETP's transformation of Malaysia's economy will be led by the private sector, where 92.0% of over RM1.4 trillion investments will be funded by the private sector. FDI inflows are expected to account for RM358.0 billion, or 25.6% of private investments.
- The CDP of Iskandar Malaysia is a detailed and comprehensive masterplan for the development of South Johor that aims to address socio-economic development in a holistic and sustainable manner

with a vision of creating a developed, sustainable and glorious Johor (*"Johor Maju, Lestari dan Gemilang"*) by 2020. Nine (9) major economic clusters have been identified to spearhead the growth of Iskandar Malaysia and these clusters are electrical and electronics, petrochemicals and oleochemicals, food and agro-processing, logistics and related services, tourism, health services, educational services, financial services and creative industries.

Johor Bahru City Centre is the most urbanised district under the Iskandar Malaysia masterplan and houses high-density residential, commercial office towers and hotel properties. The state's Customs, Immigration and Quarantine Complex is also located here, making Johor Bahru City Centre a key gateway to Singapore from Malaysia. Under Iskandar Malaysia's CDP, the Johor Bahru City Centre Master Plan was launched in 2010 to provide a blueprint for the development of the city centre as a place that provides an enabling environment and infrastructure that enhances Johor Bahru's role as a capital city, thereby strengthening its value proposition as a major urban tourism and cultural centre for Iskandar Malaysia. This masterplan aims to develop a sustainable and vibrant city centre through commercial, retail and cultural growth while encouraging mixed-use outcomes as well as providing residential amenities and encouraging housing choice and affordability. The redevelopment of KOMTAR as Aria Shopping Mall and Plaza Kotaraya as Galleria @ Kotaraya have been identified as tourism projects for Johor Bahru city rejuvenation and revitalisation.

The CDP intends to achieve several key socio-economic targets for Iskandar Malaysia:

Property market in Johor – socio-economic targets under Iskandar Malaysia CDP

Indicator	Johor state	Iskandar Malaysia	Rest of Johor
GDP growth rate (%)	7.0	8.0	5.2
GDP per capita growth rate (%)	4.6	3.8	4.7
Productivity growth (%)	4.0	3.3	4.2
Employment growth (%)	2.8	4.3	0.9
Unemployment rate (%)	3.0	2.1	4.6
Population growth (%)	2.3	4.1	0.5

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Property market in Johor – projected impact of Iskandar Malaysia on selected socio-economic indicators in South Johor

Indicator	2005	2025
Population size (million persons)	1.4	3.0
GDP (PPP) (USD million)	20.0	93.3
GDP per capita (PPP) (USD)	14,790	31,100
Labour force (million persons)	0.6	1.5
Employment (million persons)	0.6	1.4
Unemployment (%)	3.0-4.0	1.8
Jobs created	Not applicable	817,500

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

The implementation of these economic plans and targeted strategies under the respective plans, including infrastructure and transportation improvement, have great impact on socio-economic developments in Johor, and the anticipated business opportunities arising from these economic plans will have positive impact on commercial property supply and demand in Johor Bahru.

Emergence of tourism as a key economic sector

Tourism is also a key economic cluster under the Iskandar Malaysia masterplan. Latest available figures indicate that tourist arrivals in Johor have increased from approximately 11.0 million in the first eight (8) months of 2011 to 14.0 million in the first eight (8) months of 2012. Johor is also now becoming a destination where tourists spend time at as opposed to stopping by en route to Singapore. Iskandar Malaysia has built in place infrastructure and facilities that provide family tourism, edu-tourism and health tourism in an effort to boost tourist arrivals and tourism receipts. The demand for hotel rooms is anticipated to increase, thus improving occupancy rates, as several projects with tourism components have been launched in the corridor.

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3 ANALYSIS OF THE COMMERCIAL SHOP-UNIT PROPERTY MARKET IN MALAYSIA

Market Performance, Outlook and Prospects

Supply Analysis

Commercial development in Malaysia, based on the supply of shops, shopping complexes, purpose-built offices and hotels, registered positive growth between 2004 and 2014. During this period, shop units increased at a CAGR of 4.1%, where supply increased from 369,917 units in 2004 to 552,427 units in 2014. The commercial property market in 2007 was vibrant owing to the implementation of the 9MP which contributed to capital injection, a better stock market outlook and reasonable interest rates. The saturation of business activities and land scarcity have led to the opening of newer areas away from the city centres. Growth in commercial property also intensified during that period as the Government launched several regional economic corridors including the ECER, NCER, Iskandar Malaysia and SCORE.

Property market in Malaysia – supply of commercial properties

	Existing stock	Incoming supply	Planned supply	Total supply
Shop (units)				
2004	290,535	41,040	38,342	369,917
2005	299,510	39,833	46,912	386,255
2006	314,835	41,212	52,202	408,249
2007	333,033	45,110	55,428	433,571
2008	343,020	46,030	56,626	445,676
2009	354,522	49,312	57,422	461,256
2010	364,700	47,994	58,361	471,055
2011	371,666	51,138	53,568	476,372
2012	378,999	58,999	55,498	493,496
2013	392,304	70,276	59,507	522,087
2014	405,015	78,763	68,649	552,427
			CAGR 2004 – 2013	3.9%
			CAGR 2004 – 2014	4.1%

Incoming supply is defined as properties under construction, where some units may have already been pre-sold

Planned supply is defined as properties where their building plans have been approved by local authorities

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Further, ongoing decentralisation of office developments, scarcity of land and plans to improve the public transportation system in Malaysia via the construction of the Klang Valley MRT System will be among the key factors that will open new areas in the fringes of city centres to potential buyers and investors.

Demand Analysis

The commercial property segment is the second (2nd) largest property segment in Malaysia that witnessed a growth in terms of transaction values from RM11.0 billion in 2004 to RM31.8 billion in 2014 at a CAGR of 11.3%. Klang Valley and Johor are key commercial property sub-markets in Malaysia where property transactions worth RM15.5 billion and RM6.4 billion respectively took place in 2014. Economic development

has been key in driving demand for commercial properties, and over the period of 2005 and 2012, Selangor's GDP increased by an impressive 55.7% (from RM113.2 billion to RM176.2 billion) while Kuala Lumpur's GDP witnessed a greater growth of 70.3% (from RM67.0 billion to RM114.1 billion).

The landed commercial shop properties (comprising pre-war shop, 1-1.5 storey shop, 2-2.5 storey shop, 3-3.5 storey shop, 4-4.5 storey shop, 5-5.5 storey shop and 6-6.5 storey shop) in Klang Valley have traditionally witnessed high volumes of transactions. Between October and December 2014, landed commercial shop properties in Kuala Lumpur and Selangor collectively registered transactions worth RM1.4 billion (Kuala Lumpur: RM388.5 million, Selangor: RM976.4 million), topping all other commercial property categories. These properties are largely employed for the purposes of retail, food service, storage and as offices. Rental rates for commercial shop properties can range from as low as RM0.57 per square foot in the suburban secondary areas to as high as RM46.45 per square foot in the central town prime areas.

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Property market in Malaysia – rental rates of ground floor commercial shop properties in Klang Valley as at 31 July 2015

	Average floor area (square feet)	Rental per month based on past transactions	
		RM per unit	RM per square foot
Central town prime area			
Jalan Bukit Bintang	1,604	9,000-26,000	5.61-16.21
Jalan Tuanku Abdul Rahman	1,938	13,800-36,000	7.21-18.58
Jalan Masjid India	1,722	20,000-80,000	11.61-46.45
Leboh Ampang	1,690	3,800-5,000	2.25-2.96
Jalan Raja Laut	1,690	9,200	5.44
Central town secondary area			
Jalan Pudu	2,745	3,500-13,000	1.28-4.74
Heritage Row	2,110	16,800	7.96
Jalan Dang Wangi	3,498	18,000	5.15
Jalan Pasar	1,722	4,500-6,500	2.61-3.77
Off Jalan Kenanga	1,647	4,300-19,000	2.61-11.54
Jalan Brunei	1,561	2,900-6,000	1.86-3.84
Lorong Haji Taib 4 and 5	1,292	5,000-7,000	3.87-5.42
Jalan Khoo Teik Ee	1,313	2,200-3,800	1.68-2.89
Jalan Ipoh	1,378	4,800	3.48
Brickfields	1,722	3,000-4,000	1.74-2.32
Suburban prime area			
Bangsar Baru	1,615	10,000-16,000	6.19-9.91
Desa Sri Hartamas	1,755	7,000-11,500	3.99-6.55
Lucky Garden	1,938	9,000-13,000	4.65-6.71
Jalan Telawi	1,798	7,300	4.06
Jalan Klang Lama	1,442	10,000-13,000	6.93-9.01
Sentul Raya (Boulevard)	1,442	4,500-4,750	3.12-3.29
Suburban secondary area			
Mukim Ampang	1,647	2,000-4,600	1.21-2.79
Mukim Petaling	1,690	1,500-9,000	0.89-5.33
Mukim Setapak	1,561	2,300-9,500	1.47-6.09
Mukim Batu	1,765	1,000-6,000	0.57-3.39
Solaris Dutamas	1,948	10,575-13,000	5.42-6.67
Mukim Kuala Lumpur	1,647	1,200-9,000	0.73-5.46

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

In Johor, commercial property transactions increased from RM1.5 billion in 2004 to RM6.4 billion in 2014 at an impressive CAGR of 15.9%. Demand for commercial shop-unit property was also robust as landed commercial shop properties (comprising pre-war shop, 1-1.5 storey shop, 2-2.5 storey shop, 3-3.5 storey shop, 4-4.5 storey shop, 5-5.5 storey shop and 6-6.5 storey shop) recorded transaction values of RM705.9 million for the period of October to December 2014. These properties are largely employed for the purposes of retail, food service, storage and as offices. Rental rates for commercial shop properties can range from as low as RM0.62 per square foot in the suburban secondary areas to as high as RM7.49 per square foot in the central town prime area.

Property market in Malaysia – rental rates of ground floor commercial shop properties in Johor Bahru as at 31 July 2015

	Average floor area (square feet)	Rental per month based on past transactions	
		RM per unit	RM per square foot
Central town prime area			
Jalan Wong Ah Fook	1,335	2,400-10,000	1.79-7.49
Suburban prime area			
Taman Pelangi	1,367	2,200-5,000	1.61-3.66
Suburban secondary area			
Bandar Baru Permas Jaya	1,690	1,050-5,000	0.62-3.66
Taman Johor Jaya	1,249	800	0.64
Taman Nusa Bestari 2	1,507	1,500-2,100	1.00-1.39
Taman Ungku Tun Aminah	1,238	800-1,300	0.65-1.05
Taman Bukit Indah	1,475	1,500-1,700	1.02-1.15

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

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4 COMPETITIVE LANDSCAPE OF SELECTED COMMERCIAL PROPERTY SUB-SEGMENTS IN MALAYSIA

The Al-Salām REIT is an Islamic real estate investment trust formed to own and invest in a diverse portfolio of income-generating real estate in Malaysia. The Al-Salām REIT's initial portfolio comprises real estate in the commercial office, retail and industrial sectors in Malaysia. Such properties include amongst others, office buildings, shopping malls, college buildings, warehouses and food and beverage retail outlets. The Al-Salām REIT's initial property portfolio consists of the following subject properties:

- **KOMTAR Johor Bahru City Centre (“KOMTAR JBCC”)**
A four (4)-level shopping mall together with an allocation of 1,187 car park bays located in Johor Bahru City Centre, Johor Bahru;
- **Menara KOMTAR**
A 25-storey office building together with 145 car park bays located in Johor Bahru City Centre, Johor Bahru;
- **@Mart Kempas Community Hypermarket**
A single-storey hypermarket located within Kempas, Johor Bahru, totalling approximately 98,083 square feet of net lettable area;
- **KFCH International College**
A four (4)-storey building located in Bandar Dato' Onn, Johor Bahru; and
- **Quick service restaurant (“QSR”) properties**
A total of 27 properties held by QSR Vendors, comprising restaurant properties and non-restaurant properties.

The subject properties consist of approximately 1.91 million square feet of gross floor area and an appraised value of RM903.14 million. This chapter provides a competitive landscape of the commercial property sub-segments in Malaysia, in relation to the subject properties under the Al-Salām REIT.

Profiles of Subject Properties and Comparable Properties

Johor Bahru City Centre is a redevelopment of the former Kompleks Tun Abdul Razak (“KOMTAR”) which consists of a two (2) storey shopping complex and a 26-storey office tower. The KOMTAR redevelopment is slated to be a major project in the urban renewal of Johor Bahru City from a once traditional urban centre into a modern metropolis. Johor Bahru City Centre is located strategically in the central business district of Johor Bahru City, the gateway to and main economic zone of Iskandar Malaysia. The redevelopment project of KOMTAR is identified in the Corridor and City Transformation Programme, under the tourism economic driver of the ETP, where Johor Bahru will be revitalized to transform the city into a new business district that will enhance the economic, physical and social environment of the city's centre.

The Johor Bahru City Centre development has been revitalized to position the development as a significant international class development in the city of Johor Bahru. Thus, the development mix has been reconfigured substantially to cater for current and future trends in high-end retail, premier hospitality and prime grade office space.

KOMTAR JBCC

The subject property under the Al-Salām REIT known as KOMTAR JBCC is a four (4)-level shopping mall together with an allocation of 1,187 car park bays located in Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor. KOMTAR JBCC is part of an integrated development comprising a seven (7)-storey shopping mall cum car park complex together with a rooftop and basement parking area, an existing 25-storey purpose-built office tower together with an allocation of 145 car park bays known as Menara KOMTAR, a proposed office tower to be known as Menara Johor Land with an allocation of 195 car park bays, a proposed hotel with an allocation of 175 car park bays and a proposed mosque. The entire development is known as Johor Bahru City Centre.

Property market in Malaysia – salient details of KOMTAR JBCC

	KOMTAR JBCC
Subject property	A four (4)-level shopping mall together with an allocation of 1,187 car park bays known as KOMTAR JBCC
Address	KOMTAR JBCC, Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor
Parent lot/parent title	Parent Lot 14530, Title No. GRN 44587 situated in Town and Daerah Johor Bahru, Johor
Registered proprietor	Johor City Development Sdn Bhd
Land area of parent lot	230,756.7 square feet (21,438 square metres)
Tenure of parent lot	Freehold
Gross floor area of KOMTAR JBCC (excluding car park area)	623,374 square feet (57,913 square metres)
Net lettable area of KOMTAR JBCC	401,623 square feet (37,312 square metres)
Market value as at 1 June 2015 (RM)	462,000,000

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

KOMTAR JBCC is located within the integrated development of Johor Bahru City Centre, in the central business district of the city of Johor Bahru. Johor Bahru City Centre is located within Flagship A of Iskandar Malaysia. Under the Iskandar Malaysia masterplan, Johor Bahru City Centre will be revitalised through the upgrading of its central business district and waterfront to reposition the city as a vibrant, modern and livable city centre. Development activities will be focused on a new financial district, Danga Bay Integrated Waterfront City, upgrading of the central business district, Tebrau Plentong mixed development and enhancement of causeway infrastructure connecting Johor Bahru and Singapore.

Johor Bahru City Centre is prominently located between the city's primary business routes of Jalan Tun Abdul Razak and Jalan Wong Ah Fook, and opposite the city's major landmarks, namely the Custom, Immigration and Quarantine Complex transportation hub and the Johor Bahru Sentral train station. The Johor Bahru City Square shopping complex cum office tower is located to the south of Johor Bahru City Centre. The Senai International Airport is located approximately 30km to the north of Johor Bahru City Centre. Johor Bahru City Centre is also within close proximity to the Persada Johor International Convention Centre. It is noted that Johor Bahru City Centre is strategically located in the central of the city, surrounded by shopping malls, tourist attractions, entertainment venues and transportation hubs.

Construction has commenced on the proposed elevated pedestrian walkway which links the Persada International Convention Centre to the Custom, Immigration and Quarantine Complex via Jalan Trus, Jalan Wong Ah Fook, KOMTAR JBCC and Jalan Tun Abdul Razak, thus increasing accessibility and connectivity for pedestrians to KOMTAR JBCC.

KOMTAR JBCC is positioned as a regional premium fashion mall targeting the middle to upper income level population in Iskandar Malaysia and tourists. As at 1 June 2015, KOMTAR JBCC achieved an occupancy rate of about 81.4%. KOMTAR JBCC houses various types of retailers comprising well known departmental stores, international and local brand outlets, fashion, specialty food and beverages and entertainment centres. KOMTAR JBCC's anchor tenants are Metrojaya Department Store and Angry Birds Activity Park, with mini anchors and mini majors including Marks & Spencer, Brands Outlet, Padini Concept Store, Sephora, Factory Outlet Store ("F.O.S"), Tony Roma's, Charles and Keith, Tissot, Victoria Secret, Chanel and Royal Selangor Pewter. The tenant mix of KOMTAR JBCC is reflective of its position as a prime regional shopping mall of Johor.

The tenant mix at KOMTAR JBCC is diversified and independent of any specific trade sector. The department store/supermarket trade sector is the largest and occupied 139,414 square feet or 34.7% of the property's net lettable area, followed by fashion and accessories that occupied 84,598 square feet or 21.1% of the property's net lettable area. The fashion and accessories tenants in KOMTAR JBCC include Brands Outlet, Padini Concept Store, Stadium, F.O.S., Timberland, Tumi, Pedro, Charles & Keith, G2000, Adidas and Puma. The food and beverages trade sector occupied 43,026 square feet or 10.7% of the net lettable area of KOMTAR JBCC and comprises outlets such as Tony Roma's, Sushi Zanmai, Dragon-I, Arashi Shabu-Shabu and Pizza Hut. The beauty and wellness trade sector occupied 24,324 square feet or 6.1% of the property's net lettable area where key tenants comprise foreign skincare and makeup brands such as Estee Lauder, Dior, L'occitane, Kiehl's, MAC, Chanel, Clinique, Sephora and Bobbi Brown. The timepiece and jewelry, homeware, leisure and entertainment, information technology/electronic/digital, gift, souvenirs and books trade sectors collectively occupied 8.8% of the property's net lettable area. The remaining 74,718 square feet or 18.6% of net lettable area in KOMTAR JBCC was under negotiation and vacant as at 1 June 2015.

Shopping complexes in the proximity of the Subject Property in the immediate vicinity include the Johor Bahru City Square shopping complex and the newly refurbished Galleria @ Kotaraya shopping complex. Other shopping complexes in the neighborhood include The Zon Duty Free complex, Danga City Mall, Plaza Pelangi, KSL City, Holiday Plaza and Plaza Sentosa.

Property market in Malaysia – commercial indicators of selected commercial retail shopping malls in Johor Bahru as at 1 June 2015

	Floor	Unit lettable area (square feet)	Monthly rental (RM per square foot)
KOMTAR JBCC		401,623 ^a	9.14
Plaza Angsana	1	603 – 840	14.00 – 16.80
	2	172 – 1,916	13.10 – 20.20
	3	517 – 958	7.80 – 11.30
	4	377 – 1,023	7.20 – 8.10
	5	269 – 807	2.70 – 4.60
Sutera Mall	1	926 – 980	14.00 – 14.30
		108 – 344	15.90 – 17.90
		1,184 – 1,776	11.90
	2	108 – 205	29.90 – 36.40
		1,851	7.90
	3	452 – 926	12.40 – 20.40
118 – 237		13.90 – 40.30	

	Floor	Unit lettable area (square feet)	Monthly rental (RM per square foot)
AEON Bukit Indah Shopping Mall ("Jusco Bukit Indah")	Ground	1,733 – 2,185	4.00 – 9.50
	1	345 – 592	17.34 – 17.87
	2	818	11.50
KSL City Mall	Ground	409 – 560	11.00 – 20.43
		883 – 1,195	13.00 – 22.43
	1	560 – 1,001	10.00 – 18.43
		183 – 344	10.43 – 18.43
	2	8,579	3.43
		161-323	10.43 – 20.40
Kluang Parade	Basement	161 – 398	1.00 – 3.60
	Ground	118 – 1,087	1.50 – 33.33
	1	97 – 969	2.47 – 12.64
	2	97 – 570	1.50
	5	161 – 18,503	1.15
Wetex Parade	Ground	129 – 150	26.40 – 26.67
		290 – 474	13.50 – 21.00
		668 – 2,487	7.30 – 13.00
	1	75 – 1,023	10.70 – 20.63
		1,163 – 2,949	6.80 – 11.60
	2	75 – 388	7.34 – 16.63
		420 – 1,798	6.40 – 10.25
	3	75 – 549	6.50 – 12.50
		560 – 1,066	6.30 – 5.10
	1,496 – 4,036	4.00 – 5.00	

^a Represents net lettable area of the property

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

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Property market in Malaysia – comparative performance indicators of KOMTAR JBCC in the commercial shopping mall category as at 1 June 2015

	KOMTAR JBCC	Gurney Plaza	Queensbay Mall	Sunway Carnival Shopping Mall	Central Square	Landmark Central Shopping Centre	Mid Valley Megamall	Sunway Pyramid Shopping Mall	The Mines
Location	Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johar	170 Persiaran Gurney, Georgetown, Penang	100 Persiaran Bayan Lepas, Penang	3068 Jalan Todak, Pusat Bandar Seberang Jaya, Prai, Penang	23 Jalan Kampung Baru, Sungai Petani, Kedah	1 Jalan KLC Satu, Kulim, Kedah	Mid Valley City, Lorong Syed Putra, Kuala Lumpur	3 Jalan PJS 11/15, Bandar Sunway, Petaling Jaya, Selangor	Jalan Dulang, Mines Resort City, Seri Kembangan, Selangor
Net lettable area based on single tenancy (square feet)	401,623	706,818	890,709	452,072	300,046	281,716	1,718,951	1,685,568	719,329
Gross rental (RM per square foot)	8.94 ^a	7.69	5.85	4.50	2.25	2.22	11.57	10.00	6.26
Consideration	462,000,000	800,000,000	651,800,000	250,000,000	83,000,000	98,000,000	3,440,000,000	2,300,000,000	310,000,000
Net income (RM per square foot)	6.07 ^a	5.89	3.46	2.48	1.48	1.67	8.87	7.20	4.14
Estimated outgoings per square foot per month over net lettable area (RM)	2.87	1.80	2.39	2.02	0.77	0.55	2.70	2.78	2.12
Date of transaction	Not applicable	10 June 2010	22 December 2012	8 July 2010	2 October 2012	2 October 2012	1 May 2012	7 May 2010	10 June 2010
Analysed yield (%)	6.33	6.25	5.68	5.39	6.43	5.77	5.32	6.85	6.74

^aBased on Management's projection for year 2016

Source: Extracted from the independent market research report prepared by Raine & Home and SMITH ZANDER

Menara KOMTAR

The subject property under the Al-Salām REIT known as Menara KOMTAR is a 25-storey purpose-built office building together with an allocation of 145 car park bays located in Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor. Menara KOMTAR has been undergoing major refurbishment work commencing September 2013 to reposition itself as a modern and sophisticated prime office building within the city of Johor Bahru.

Property market in Malaysia – salient details of Menara KOMTAR

	Menara KOMTAR
Subject property	A 25-storey purpose-built office building together with an allocation of 145 car park bays known as Menara KOMTAR
Address	Menara KOMTAR, Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor
Parent lot/parent title	Parent Lot 14530, Title No. GRN 44587 situated in Town and District of Johor Bahru, Johor
Registered proprietor	Johor City Development Sdn Bhd
Land area of parent lot	230,756.7 square feet (21,438 square metres)
Tenure of parent lot	Freehold
Gross floor area of Menara KOMTAR (excluding car park area)	242,195 square feet (22,499.87 square metres)
Net lettable area of Menara KOMTAR	160,592 square feet (14,919 square metres)
Market value as at 1 June 2015 (RM)	70,000,000

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Menara KOMTAR is located within the integrated development of Johor Bahru City Centre, in the central business district of the city of Johor Bahru. Johor Bahru City Centre is located within Flagship A of Iskandar Malaysia. Under the Iskandar Malaysia masterplan, Johor Bahru City Centre will be revitalised through the upgrading of its central business district and waterfront to reposition the city as a vibrant, modern and livable city centre. Development activities will be focused on a new financial district, Danga Bay Integrated Waterfront City, upgrading of the central business district, Tebrau Plentong mixed development and enhancement of causeway infrastructure connecting Johor Bahru and Singapore.

Johor Bahru City Centre is prominently located between the city's primary business routes of Jalan Tun Abdul Razak and Jalan Wong Ah Fook, and opposite the city's major landmarks, namely the Custom, Immigration and Quarantine Complex transportation hub and the Johor Bahru Sentral train station. The Johor Bahru City Square shopping complex cum office tower is located to the south of Johor Bahru City Centre. The Senai International Airport is located approximately 30km to the north of Johor Bahru City Centre. Johor Bahru City Centre is also within close proximity to the Persada Johor International Convention Centre. It is noted that Johor Bahru City Centre is strategically located in the central of the city, surrounded by shopping malls, tourist attractions, entertainment venues and transportation hubs.

As at 1 June 2015, Menara KOMTAR recorded an occupancy rate of approximately 95.8%, where Johor Corporation Berhad and its subsidiaries including Damansara Assets Sdn Bhd, TPM Technology Sdn Bhd and IPPJ Sdn Bhd, are the major tenants occupying about 123,170 square feet or 76.7% of the net lettable area of 160,592 square feet. Approximately 30,677 square feet or 19.1% was tenanted to other multiple tenants, 1,029 square feet or 0.64% was area under corridor created for multiple occupation in a floor and the remaining 5,716 square feet or 3.6% was vacant.

Purpose-built office complexes in the proximity of Menara KOMTAR include Merlin Tower, Public Bank Tower, Bangunan Iskandar Investment Board, Menara Ansar, Menara Landmark, Wisma EPF, Menara TJB, Pesat Professional, Menara MSC (formerly known as Menara Sarawak), City Plaza, Menara Pelangi, Bangunan Pelangi, Menara Zurich (formerly known as Menara MAA) and Metropolis Tower.

Property market in Malaysia – commercial indicators of selected office buildings in Johor Bahru as at 1 June 2015

	Net lettable area (square feet)	Occupancy rate (%)	Current asking rental of office space (RM per square foot)
Menara KOMTAR	160,592	96.0	3.30 – 4.00
Menara Public Bank	171,844	88.0	2.50 – 3.00
City Square Office Tower	459,867	70.0	2.80 – 4.00
Menara Landmark	285,064	75.0	2.80 – 3.30
MSC Cybersport	Not available	Not available	2.80 – 3.00
Menara Ansar	240,990	93.0	2.80 – 4.00
Bangunan Iskandar Investment Board	75,713	95.0	2.80 – 3.30

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

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Property market in Malaysia – comparative performance indicators of Menara KOMTAR in the commercial purpose-built office category as at 1 June 2015

	Menara KOMTAR	Menara PJD	Menara ExxonMobil	Kompleks Tun Sri Lanang (also known as Jaya 99)	Menara Prudential	Menara Multi-Purpose	Pavilion Tower
Location	Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru. Johor	50 Jalan Tun Razak, Kuala Lumpur	Jalan Kia Peng, Kuala Lumpur City Centre. Kuala Lumpur	99 Jalan Tun Sri Lanang, Malacca	10 Jalan Sultan Ismail, Kuala Lumpur	8 Jalan Munshi Abdullah, Kuala Lumpur	Jalan Bukit Bintang, Kuala Lumpur
Net lettable area (square feet)	160,592	445,112	395,851	227,662	147,812	541,424	167,407
Average gross rental per square foot (RM)	4.62	3.80 – 4.00	7.45	2.60 – 2.70	5.50 – 6.00	4.00 – 4.50	5.50 – 6.00
Consideration	70,000,000	220,000,000	450,000,000	86,000,000	142,226,000	375,000,000	123,500,000
Net income, including car park and other income (RM)	5,434,433	13,350,000	27,862,083	5,200,000	9,250,000	24,300,000	8,035,536
Estimated outgoings per month over net lettable area (RM per square foot)	1.80	1.40	1.55	0.75	1.40	1.40	1.50
Date of transaction	1 June 2015	31 December 2013	7 March 2013	16 August 2012	21 December 2011	26 December 2011	1 June 2011
Analysed yield (%)	7.76	6.07	6.19	6.05	6.50	6.48	6.51

Source: Extracted from the independent market research report prepared by Raine & Home and SMITH ZANDER

@Mart Kempas Community Hypermarket

The subject property under the Al-Salām REIT known as @Mart Kempas Community Hypermarket is a single-storey hypermarket located within Kempas, Johor Bahru totaling approximately 98,083 square feet of net lettable area. This property is located within the densely populated area of Taman Cempaka and surrounded by established housing schemes. Taman Cempaka is located to the east of Senai Highway, en route to Bandar Baru Uda towards Taman Sutera Utama, and to the north of Jalan Tampoi en route from Senai Highway towards Damansara Aliff. Johor Bahru City Centre is located about 13 km south-east of @Mart Kempas Community Hypermarket while the Senai International Airport is located about 22.9 km north-west of @Mart Kempas Community Hypermarket. This property can also be accessed from Johor Bahru City Centre via the Tun Abdul Razak Highway.

Property market in Malaysia – salient details of @Mart Kempas Community Hypermarket

	@Mart Kempas Community Hypermarket
Subject property	A single storey purpose-built hypermarket known as @Mart Kempas Community Hypermarket
Address	Premises No 10, Jalan Persiaran Tanjung, Taman Cempaka, 81200 Johor Bahru, Johor
Registered proprietor	Damansara Assets Sdn Bhd
Land area of parent lot	501,961.39 square feet (46,633.741 square metres)
Tenure of parent lot	99-year leasehold interest expiring on 23 January 2106
Gross floor area	164,460 square feet (15,279.98 square metres)
Net lettable area based on single tenancy	153,188 square feet (14,232.7 square metres)
Net lettable area based on multiple tenancies	98,083 square feet (9,112.89 square metres)
Market value as at 1 June 2015 (RM)	65,000,000

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Properties in the immediate vicinity of @Mart Kempas Community Hypermarket include the Ibu Pejabat Suruhanjaya Pencegahan Rasuah Malaysia, Hospital Permai Tampoi, Kolej Sains Kesihatan Bersekutu Johor and Makmal Kesihatan Awam Johor. The broader peripheral of @Mart Kempas Community Hypermarket includes the Damansara Aliff development along Lebuhraya Pasir Gudang and Pusat Bandar Tampoi that houses properties such as Angsana Shopping Complex, Menara Jati (Lembaga Hasil Dalam Negeri Johor), Telekom Malaysia, Wisma Nanas and several commercial shop unit properties. Bandar Baru Uda is situated adjoining to Pusat Bandar Tampoi and houses several commercial shop unit properties and the commercial area of Taman Tampoi Indah, also located in proximity of @Mart Kempas Community Hypermarket, houses KIP Mart and several commercial shop unit properties.

The neighbouring commercial area, Taman Perling, houses Perling Mall, which accommodates Giant Hypermarket, and several commercial shop unit properties. Noted industrial developments in this neighbourhood include Kawasan Perindustrian Taman Johor, Tampoi Industrial Park, Dato Onn Industrial Park, Tampoi Jaya Industrial Park, Taman Gembira Industrial Park, Tebrau 1 and Tebrau 4 Industrial Park.

Housing schemes in the immediate vicinity of @Mart Kempas Community Hypermarket comprise Taman Munshi Ibrahim, Taman Kempas, Taman Siantan, Taman Johor, Taman Dahlia, Taman Melawi, Taman Melor, Taman Kobena, Taman Tampoi, Taman Orkid, Taman Dato' Penggawa Barat, Taman Bukit Kempas, Taman Anggerik, Taman Bukit Mewah, Taman Melor and Perumahan MARA Tampoi while

residential settlements in the immediate vicinity include Desa Kempas, Desa Rahmat, Kampung Bukit Aliff and Kempas Banjaran.

Property market in Malaysia – commercial indicators of selected commercial hypermarkets in Metropolitan Johor Bahru as at 1 June 2015

	Floor	Unit lettable area (square feet)	Monthly rental (RM per square foot)
@Mart Kempas Community Hypermarket		153,188 ^a	6.39
AEON Bukit Indah Shopping Mall ("Jusco Bukit Indah")	Ground	1,733 – 2,185	4.00 – 9.50
	1	345 – 592	17.34 – 17.87
	2	818	11.50
Giant Hypermarket Southern City	Ground	260 – 690	12.75 – 18.73
Giant Hypermarket Tampoi	Ground	205 – 398	8.90 – 29.00
		506 – 528	6.90 – 26.50
Today Market	Ground	205 – 409	9.76 – 22.95
		560 – 840	6.00 – 13.50
Pasaraya Pandan	Ground	205 – 219	10.32 – 16.67
KIP Mart Hypermarket Tampoi	Ground	43 – 97	26.56 – 52.10
		129 – 172	13.14 – 32.00
		215 – 355	13.64 – 16.59
		2,725 – 3,122	1.87 – 2.61
Giant Hypermarket Skudai	Ground	205 – 517	1.16 – 3.22
KIP Mart Hypermarket Kota Tinggi	Ground	129 – 172	9.88 – 14.73
Giant Hypermarket Muar	Ground	214 – 916	1.00 – 12.00
		1,182 – 3,004	1.00 – 4.00
	1	415 – 975	1.00 – 10.00
KIP Mart Hypermarket Segamat	Ground	1,139 – 2,726	1.50 – 6.00
		50 – 128	21.87 – 28.00
		172 – 860	7.27 – 14.81
		3,357 – 17,373	1.60 – 3.00

^a Represents net lettable area of the property

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Property market in Malaysia – comparative performance indicators of @Mart Kempas Community Hypermarket in the commercial hypermarket category as at 1 June 2015

	@Mart Kempas Community Hypermarket	Tesco Bukit Indah	Giant Hypermarket	SunCity Ipoh Hypermarket	Giant Hypermarket Sungai Petani
Location	Premises No 10, Jalan Persiaran Tanjung, Taman Cempaka, 81200 Johor Bahru, Johor	1 Jalan Bukit Indah 15, Taman Bukit Indah, Johor Bahru, Johor	2 Persiaran Klang Sentral 4, Taman Klang Sentral, Bukit Raja, Klang, Selangor	2 Jalan SCI 2/2 Bandar Sunway Ipoh, Ipoh, Perak	Jalan Lencongan Barat, Sungai Petani, Kedah
Lease details	99-year leasehold interest expiring on 23 January 2106	30-lease with fixed 3-year step-up rental expiring on 18 March 2040	30-year lease with fixed 3-year step-up rentals	Not available	30-lease with fixed 3-year step-up rental expiring on 6 September 2022
Net lettable area based on single tenancy (square feet)	98,083	233,579	162,087	181,216	138,000
Gross rental per month (RM per square foot)	5.64	2.20	2.00	1.89	1.75
Consideration	55,000,000	75,600,000	58,500,000	55,000,000	38,000,000
Annual net income, including car park and other income (RM)	3,731,077	5,744,307	3,598,331	3,778,928	2,650,959
Net income per month (RM per square foot)	3.17	2.05	1.85	1.74	1.60
Monthly outgoings (RM per square foot)	2.47	0.15	0.15	0.15	0.15
Date of transaction	1 June 2015	1 October 2010	25 July 2011	8 July 2010	7 September 2007
Analysed yield (%)	5.7	7.3	6.9	6.7	6.9

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

KFCH International College

The subject property under the Al-Salām REIT known as KFCH International College is a four (4)-storey building located in Bandar Dato' Onn, Johor Bahru and approximately 14 km north of Johor Bahru City Centre. Bandar Dato' Onn is situated beside the North-South Expressway, next to the housing estates of Taman Adda Heights and Taman Daya, and is easily accessible from Johor Bahru City via the Eastern Dispersal Link ("EDL") and the North-South Expressway.

Property market in Malaysia – salient details of KFCH International College

	KFCH International College
Subject property	A parcel of commercial land with a four (4)-storey institutional building known as KFCH International College
Address	No 1, Jalan Dato' Onn 1, Bandar Dato' Onn, 81100 Johor Bahru, Johor
Registered proprietor	Johor Land Berhad
Provisional title area	259,879 square feet (24,143.545 square metres)
Gross floor area	92,157 square feet (8,561.74 square metres)
Tenure	In perpetuity
Net lettable area in respect of tenancy agreement	87,178 square feet
Net lettable area in respect of approved building plans	85,799 square feet
Market value as at 1 June 2015 (RM)	28,200,000

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Bandar Dato' Onn is situated in the developing area of Kempas where there presently exists several major residential, commercial and industrial developments in the vicinity. This residential estate is still in the midst of various phases of development, and when fully developed, will comprise various residential properties, apartments, an urban garden, a club house, shopping complexes and schools. It is surrounded by several other housing estates. To the north of Bandar Dato' Onn is the residential area of Taman Seri Austin while to the east are the residential areas of Taman Setia Indah, Taman Daya, Taman Adda Heights and Taman Desa Mutiara. Taman Setia Tropika which houses the Home Ministry complex is situated to the west of Bandar Dato' Onn, and the residential areas of Taman Kempas Indah and Taman Kempas Utama are to the northwest of Bandar Dato' Onn.

KFCH International College is situated within a commercial area of the Bandar Dato' Onn residential estate, in close proximity to the Bandar Dato' Onn Police Station. A proposed AEON shopping complex has been mooted in close proximity to the south of Bandar Dato' Onn. Johor Land Berhad's corporate office, Kompleks Nusa Mutiara, is situated nearby within the residential estate of Taman Bukit Mutiara. There are several commercial shop unit properties in close proximity and within the broader peripheral of KFCH International College. There are several industrial developments neighbouring Bandar Dato' Onn and these developments include the Tiong Nam Industrial Park @ Kempas 1, Kempas Utama Industrial Park, Taman Perindustrian Berjaya and Kawasan Perindustrian Tebrau I & IV. A new private hospital, KPJ Specialist Hospital Bandar Dato' Onn, is being developed in close proximity to KFCH International College.

Property market in Malaysia – commercial indicators of selected commercial institutional properties in Metropolitan Johor Bahru as at 1 June 2015

	KFCH International College, No 1, Jalan Dato' Onn 1, Bandar Dato' Onn, 81100 Johor Bahru	Jalan Pertama 4, Pusat Pedagangan Danga Utama, 81300 Johor Bahru	Pusat Professional, Jalan Dato Syed Mufti, 80000 Johor Bahru	Jalan Meldrum, 80000 Johor Bahru
Description of property	A parcel of commercial land with a four (4)-storey institutional building	6-storey corner terraced shop/office	10-storey office building	6-storey corner terraced shop/office
Gross monthly rental (RM)	191,792	52,020	110,000	25,000
Net lettable area (square feet)	85,799	24,835	89,937	8,135
Effective adjusted value per square foot per month over net lettable area (RM)	2.20	2.41	2.26	2.46

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Property market in Malaysia – comparative performance indicators of KFCH International College in the commercial institutional category as at 1 June 2015

	KFCH International College, Bandar Dato' Onn, Johor Bahru	Pusat Professional, Jalan Dato Syed Mufti, Johor Bahru	99 Jalan Kebun Teh, Majidee, Johor Bahru	1 Jalan Meldrum, Johor Bahru
Description of property	A parcel of commercial land with a four (4)-storey institutional building	A 10-storey office building	An 8-storey office building	A 6-storey corner terrace shop/office
Tenure	Freehold	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Net lettable area (square feet)	85,799	89,937	36,685	8,135
Consideration	28,200,000	16,000,000	7,890,000	3,800,000
Estimated gross rental per month (RM)	191,792	110,000	55,028	25,000
Estimated outgoings as a percentage of gross rental (%)	4.9	8.0	8.0	8.0
Net rental per month (RM)	182,354	101,200	50,626	23,125
Date of transaction	1 June 2015	29 May 2013	14 September 2012	31 December 2012
Analysed yield (%)	7.63	7.59	7.70	7.30

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Competitive Advantages of and Growth Opportunities for Menara KOMTAR, KOMTAR JBCC, @Mart Community Hypermarket and KFCH International College

Competitive Advantages

Strategic geographical location in Johor Bahru, a thriving and prominent retail and commercial district in Iskandar Malaysia

Menara KOMTAR and KOMTAR JBCC are located in Johor Bahru City Centre while @Mart Community Hypermarket and KFCH International College are located in the Metropolitan Johor Bahru area. Johor Bahru, the capital city of Johor and its surrounding areas, has developed to become one (1) of the most important urban economic regions in the country.

Johor has a diversified economy with several clusters emerging around the electronics, logistics, food and agriculture, tourism, oil and gas, and petrochemicals industries. Johor's strategic geographical location off the Straits of Malacca, one (1) of the world's busiest shipping routes, its proximity to international hubs as well as large markets such as Singapore, Indonesia, coupled with its wealth of natural resources and human resources, have driven the state's past successes and will be key pillars for Johor's future potential.

Metropolitan Johor Bahru, comprising the districts of Johor Bahru, Kulajaya, Pontian and Kota Tinggi, is also known as Iskandar Malaysia. Iskandar Malaysia spans across approximately 2,217 km², offering prospective investors large tracts of competitively priced land. The development of Iskandar Malaysia was modeled after China's Pearl River Delta Economic Zone (2008-2020), and Iskandar Malaysia targets to capitalise on its current synergies with Singapore to complement each other as an economic hub. The Iskandar Malaysia development plan is ambitious and comprehensive, extending beyond collaboration in the manufacturing sector to include tourism, healthcare, education and property sectors. The enhanced connectivity between Iskandar Malaysia and Singapore will allow Singapore service providers to tap into opportunities that arise from the former development, while Johor is expected to gain valuable experience and tap into more advanced expertise and talents from Singapore.

The foundation and infrastructure for Iskandar Malaysia has been laid down between 2006 and 2010, allowing the second (2nd) phase of the masterplan to focus on growth and expansion over the period of 2011 to 2015. Iskandar Malaysia's third (3rd) phase of development will take place between 2016 and 2025, and shall focus on sustainability and innovation.

At the launch of Iskandar Malaysia, RM11.0 billion worth of investments were committed to the masterplan. Since its launch, Iskandar Malaysia's economic potential has gained increased awareness and as of October 2013, has attracted RM129.4 billion in cumulative committed investments with RM56.3 billion worth of investments (43.5% of cumulative committed investments) already realised. Iskandar Malaysia intends to achieve a total investment target of RM383.0 billion over the 20-year plan duration, and to grow Johor's GDP by 4.5 times and create up to 817,500 employment opportunities. Iskandar Malaysia has been identified as an exclusive project with access to financing under a Facilitation Fund provided under the 10MP.

Menara KOMTAR, KOMTAR JBCC, @Mart Community Hypermarket and KFCH International College are in a prime position to benefit from being strategically located in Johor Bahru, where the state's diversified economy and close proximity to Singapore present demand opportunities for commercial properties.

Well-positioned to leverage on the growth in the retail market in Malaysia

The retail market in Malaysia, measured by the value of retail sales, grew from RM108.0 billion in 2004 to RM175.3 billion in 2014 at a CAGR of 5.0%. Retail sales in Malaysia is expected to grow from RM175.3 billion in 2014 to RM190.5 billion in 2016 at a CAGR of 4.2% with store-based retailing continuing to remain a key component of retail sales. Growth in retail sales in Malaysia will be driven by growth in disposable income, greater tourist arrivals and tourism receipts as well as Government-driven initiatives to propel the retail market in Malaysia.

KOMTAR JBCC is positioned as a regional premium fashion mall targeting the middle to upper income level population in Iskandar Malaysia and tourists. As at 1 June 2015, KOMTAR JBCC achieved an occupancy rate of about 81%. KOMTAR JBCC houses various types of retailers comprising well known departmental stores, international and local brand outlets, fashion, specialty food and beverages and entertainment centres. KOMTAR JBCC's anchor tenants are Metrojaya Department Store and Angry Bird Activity Park, with mini anchors and mini majors including Marks & Spencer, Padini Concept Store, Sephora, F.O.S, Tony Roma's, Charles and Keith, Tissot, Victoria Secret, Chanel and Royal Selangor Pewter. The tenant mix of KOMTAR JBCC is reflective of its position as a prime regional shopping mall in Johor.

The @Mart Kempas Community Hypermarket is a single-storey hypermarket located within Kempas, Johor Bahru totaling approximately 98,083 square feet of net lettable area. This property is located within Taman Cempaka and surrounded by established housing schemes. As at 1 June 2015, @Mart Kempas Community Hypermarket recorded an occupancy rate of about 91%. The @Mart Kempas Community Hypermarket targets the middle income and lower income population in the broader area of Metropolitan Johor Bahru.

KOMTAR JBCC and @Mart Kempas Community Hypermarket are in a prime position to tap into the current and anticipated growth in retail sales as these retail properties target different target markets, thereby potentially increasing Al-Salām REIT's share of the retail market.

Well-positioned to leverage on the growth of companies and businesses in Iskandar Malaysia

The end-user market for commercial and industrial properties are businesses and companies registered and operating in Malaysia. According to latest available data from the CCM, a total of 5.6 million businesses and 1.1 million companies were registered in Malaysia as at the end of 2014 compared to the 2.9 million registered businesses and 0.7 million registered companies as at the end of 2004. Total businesses in Malaysia increased by a rate of 7.0% annually between 2004 and 2014 while total companies increased by a rate of 5.0% annually over the same period.

The growth in businesses and companies has been a significant driver that directly impacts the commercial and industrial property segments and will continue to greatly influence the future growth of these market segments. Factors that lend to the growth in businesses and companies include supporting Government plans, policies and incentives, and the increase in total investments.

The ETP (2011-2020) was launched in 2010 with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. Through the ETP, Malaysia will focus on developing a large and thriving services sector to supplement the nation's historical strengths in oil and gas, agriculture and manufacturing; a balanced economy with significant contributions from private consumption and investment, as well as from Government spending and exports; and productivity levels similar to those of other leading Asian economies through developing an economy that is more heavily driven by skills, innovation and knowledge. The transformation of Malaysia's economy will require improvements in private investments and investments in human capital. The Government targets to achieve a 6.0% growth rate in

private investments and enhance investments in human capital to support an economy based on high-skilled labour, knowledge and innovation.

The ETP further identifies 12 drivers of economic growth of focus, namely Greater Kuala Lumpur/Klang Valley; oil, gas and energy; financial services; wholesale and retail; palm oil; tourism; electronics and electrical; business services; communications content and infrastructure; education; agriculture; and healthcare, each with identified high impact projects that have potential to contribute to GNI and employment. The ETP's transformation of Malaysia's economy will be led by the private sector, where 92.0% of over RM1.4 trillion investments will be funded by the private sector. FDI inflows are expected to account for RM358.0 billion, or 25.6% of private investments. The ETP presents opportunities for companies and businesses in Malaysia as it targets to grow a number of new national and regional champions by 2020 that will drive long-term growth in areas including financial services, business services and healthcare services.

As a provider of commercial purpose-built offices in Johor Bahru, Al-Salām REIT has been able to benefit from commercial growth that has led to a greater number of companies and businesses generating corresponding demand for office premises. Al-Salām REIT is poised to further benefit from the anticipated commercial growth as a result of Government-driven initiatives and economic growth factors.

Growth Opportunities

Increase in investments under Iskandar Malaysia will drive future demand for commercial properties

The investment climate in Iskandar Malaysia has been gaining momentum since the launch of the CDP in 2006. For Iskandar Malaysia's first (1st) phase of development (2006-2010), a total of RM69.5 billion cumulative investments were secured, approximately 148.0% above the RM47.0 billion target that was set for that period. This was an impressive achievement given that the global economy experienced financial distress during the 2008 and 2009 period. During the 2008 and 2009 period alone, Iskandar Malaysia secured committed investments amounting to RM16.0 billion and RM13.8 billion respectively. Committed investments during the first (1st) development phase went into various sectors including manufacturing, property development, utilities, leisure and tourism as well as Government spending. The Federal Government allocated a total of RM6.3 billion between 2006 and 2010 for key infrastructure projects in Iskandar Malaysia.

Between 2006 and October 2014, cumulative investments committed under Iskandar Malaysia totaled RM156.5 billion, of which manufacturing comprised RM51.0 billion or 32.6%, followed by property development (RM58.6 billion), Government (RM38.6 billion) and others (RM8.3 billion). A significant portion of Iskandar Malaysia's investments were domestically sourced, amounting to approximately 63.0% of cumulative investments, while FDI inflows accounted for the remaining 37.0%.

Between 2006 and October 2014, a total of RM79.0 billion worth of investments were realised under Iskandar Malaysia. This has led to the launch of a number of important developments, with several projects completed or approaching completion across all five (5) flagship development zones, and include catalyst projects in the education, leisure and tourism sectors; key infrastructure such as upgrading works on existing roads and new highways; and other projects in sectors such as retail and healthcare.

Iskandar Malaysia intends to achieve a total investment target of RM383.0 billion over the 20-year plan duration. Further growth investments under Iskandar Malaysia bodes well for commercial and industrial development in the state as local businesses and companies grow and expand in terms of scale and reach. This signifies positively for the commercial and industrial property segments in Johor, where investments in business facilities are expected to witness growth resulting from increased total investments.

As Menara KOMTAR, KOMTAR JBCC, @Mart Community Hypermarket and KFCH International College are among the major commercial purpose-built office, retail shopping mall and retail hypermarket properties in Iskandar Malaysia, SMITH ZANDER anticipates that demand for these properties will remain strong over the long term.

Boost in employment as a result of business growth and expansion leads to the need for larger commercial space

The increasing investments in Iskandar Malaysia have generated greater economic activity and hence, demand for human talent. More than 20,000 employment opportunities have been created over 2006 and 2010 in targeted economic sectors ranging from education and healthcare to electrical and electronics as well as leisure and tourism. Close to 10,000 employment opportunities were created in the electrical and electronics sector followed by leisure and tourism (6,094) and education (5,910). Significant opportunities have also been recorded in the oil and gas, retail and biotechnology sectors.

Over the period of 2011 and 2015, Iskandar Malaysia intends to achieve the creation of 55,730 employment opportunities. This target is in line with the commencement of several jet catalyst projects under various flagship development zones. The creative sector is expected to be a major employer during this period and create a targeted 18,000 jobs following the realisation of projects including MSC Cyberport and Pinewood Iskandar Malaysia Studios. Employment opportunities are also expected to remain strong in the electrical and electronics, leisure and tourism, and education sectors following the launch and commercialisation of several key developments in these respective sectors. Employment growth will positively impact property development, creating demand for commercial properties in Metropolitan Johor Bahru, in line with business growth.

Growth and enhancements in overall infrastructure and transportation sectors

In addition to business growth, demand for commercial office and retail space in Johor Bahru and the broader Metropolitan Johor Bahru will also be significantly determined by infrastructure and transportation enhancements. One (1) of the largest infrastructure projects that has improved connectivity for Johor Bahru is the construction of the 14.5 km six (6)-lane Coastal Highway in 2011. This highway connects Johor Bahru to Danga Bay and Nusajaya, reducing travel time between Johor Bahru and Nusajaya from the previous 45 minutes to the current 15 minutes. Several road improvement projects were also implemented under the 9MP to improve traffic flow and dispersal in and around Johor Bahru City Centre and these projects include the upgrading of Jalan Abu Bakar – Jalan Skudai, Jalan Tampoi and Jalan Kolam Ayer, as well as the addition of the new Abu Bakar Interchange and Yahya Awal Interchange. Malaysia and Singapore have also agreed to build the high-speed rail system that connects Kuala Lumpur and Singapore in just 90 minutes, which is slated for completion in 2020. The rapid transit system linking Johor Bahru to Singapore has also been approved and is expected to be completed in 2018.

Growth and enhancements in the overall infrastructure and transportation sectors will have positive impact on increasing the prominence of Menara KOMTAR, KOMTAR JBCC, @Mart Community Hypermarket and KFCH International College as commercial properties in the state of Johor.

Government plans, policies and strategies to drive economic growth creates growth opportunities for the commercial and industrial property segments

Property development in Johor and Iskandar Malaysia will continue to benefit from economic plans launched by the Government of Malaysia with the aim of achieving economic prosperity for the country.

- The ETP (2011-2020) was launched with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. Through the ETP, Malaysia will focus on developing a large and thriving services sector to supplement the nation's historical strengths in oil and gas, agriculture and manufacturing; a balanced economy with significant contributions from private consumption and investment as well as from Government spending and exports; and productivity levels similar to those of other leading Asian economies through developing an economy that is more heavily driven by skills, innovation and knowledge. The Government targets to achieve a 6.0% growth rate in private investments and enhance investments in human capital to support an economy based on high-skilled labour, knowledge and innovation. The ETP identifies 12 drivers of economic growth focus, namely Greater Kuala Lumpur/Klang Valley; oil, gas and energy; financial services; wholesale and retail; palm oil; tourism; electronics and electrical; business services; communications content and infrastructure; education; agriculture; and healthcare, each with identified high impact projects that have potential to contribute to GNI and employment. The ETP's transformation of Malaysia's economy will be led by the private sector, where 92.0% of over RM1.4 trillion investments will be funded by the private sector. FDI inflows are expected to account for RM358.0 billion, or 25.6% of private investments.
- The CDP of Iskandar Malaysia is a detailed and comprehensive masterplan for the development of South Johor that aims to address socio-economic development in a holistic and sustainable manner with a vision of creating a developed, sustainable and glorious Johor ("*Johor Maju, Lestari dan Gemilang*") by 2020. Nine (9) major economic clusters have been identified to spearhead the growth of Iskandar Malaysia and these clusters are electrical and electronics, petrochemicals and oleochemicals, food and agro-processing, logistics and related services, tourism, health services, educational services, financial services and creative industries.

Johor Bahru City Centre is the most urbanised district under the Iskandar Malaysia masterplan and houses high-density residential, commercial and hotel properties. The state's Customs, Immigration and Quarantine Complex is also located here, making Johor Bahru City Centre a key gateway to Singapore from Malaysia. Under Iskandar Malaysia's CDP, the Johor Bahru City Centre Master Plan was launched in 2010 to provide a blueprint for the development of the city centre as a place that provides an enabling environment and infrastructure that enhances Johor Bahru's role as a capital city, thereby strengthening its value proposition as a major urban tourism and cultural centre for Iskandar Malaysia. This masterplan aims to develop a sustainable and vibrant city centre through commercial, retail and cultural growth while encouraging mixed-use outcomes as well as providing residential amenities and encouraging housing choice and affordability. The redevelopment of KOMTAR as Aria Shopping Mall and Plaza Kotaraya as Galleria @ Kotaraya have been identified as tourism projects for Johor Bahru city rejuvenation and revitalisation.

The CDP intends to achieve several key socio-economic targets for Iskandar Malaysia:

Property market in Malaysia – socio-economic targets under Iskandar Malaysia CDP

Indicator	Johor state	Iskandar Malaysia	Rest of Johor
GDP growth rate (%)	7.0	8.0	5.2
GDP per capita growth rate (%)	4.6	3.8	4.7
Productivity growth (%)	4.0	3.3	4.2
Employment growth (%)	2.8	4.3	0.9
Unemployment rate (%)	3.0	2.1	4.6
Population growth (%)	2.3	4.1	0.5

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Property market in Malaysia – projected impact of Iskandar Malaysia on selected socio-economic indicators in South Johor

Indicator	2005	2025
Population size (million persons)	1.4	3.0
GDP (PPP) (USD million)	20.0	93.3
GDP per capita (PPP) (USD)	14,790	31,100
Labour force (million persons)	0.6	1.5
Employment (million persons)	0.6	1.4
Unemployment (%)	3.0-4.0	1.8
Jobs created	Not applicable	817,500

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

The implementation of these economic plans and targeted strategies under the respective plans, including infrastructure and transportation improvement, have great impact on socio-economic developments in Johor, and the anticipated business opportunities arising from these economic plans will have positive impact on commercial property supply and demand in Johor Bahru, thus benefitting properties such as Menara KOMTAR, KOMTAR JBCC and @Mart Community Hypermarket.

Emergence of tourism as a key economic sector

Tourism is also a key economic cluster under the Iskandar Malaysia masterplan. Latest available figures indicate that tourist arrivals in Johor have increased from approximately 11.0 million in the first eight (8) months of 2011 to 14.0 million in the first eight (8) months of 2012. Johor is also now becoming a destination where tourists spend time at as opposed to stopping by en route to Singapore. Iskandar Malaysia has built in place infrastructure and facilities that provide family tourism, edu-tourism and health tourism in an effort to boost tourist arrivals and tourism receipts. The demand for hotel rooms is anticipated to increase, thus improving occupancy rates, as several projects with tourism components have been launched in the corridor.

Growth in tourism will have a subsequent positive cascading impact on boosting tourism receipts and retail sales in Malaysia. Retail properties under the Al-Salām REIT stand to benefit from the growth in tourism in Iskandar Malaysia.

Profiles of QSR Properties and Comparable Properties

The subject properties under the Al-Salām REIT known as QSR properties comprise 27 restaurant and non-restaurant properties located across Malaysia. These properties support the food and beverage operations of QSR, specifically in relation to the operations of fast food brands KFC and Pizza Hut.

Property market in Malaysia – salient details of Al-Salām REIT's commercial restaurant and non-restaurant properties in Malaysia

QSR properties under Al-Salām REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
Restaurant properties								
No 34, Jalan Mahsur, Bandar Bayan Baru, 11950 Bayan Lepas, Penang	KFC restaurant	Double storey mid-terrace shop with extra land	Bandar Bayan Baru	577.80	3.10	5.25	Southwest Penang = 197,131	30,845
Unit No. GF-12A, Queensbay Mall, 100 Persiaran Bayan Indah, 11900 Bayan Lepas, Penang	KFC restaurant	Stratified retail lot	Queensbay Mall	2,031.00	13.14	5.50	Southwest Penang = 197,131	30,845
Unit No 3A-G-18, Kompleks Bukit Jambul, Jalan Rumbia, 11900, Bayan Lepas, Penang	KFC restaurant	Stratified mid-retail lot	Jalan Medan Kampung Relau 1, Lebuh Bukit Kecil 6	935.35	6.13	6.00	Southwest Penang = 197,131	30,845
Unit No G-103, Megamall Pinang Shopping Complex, No 2828 Jalan	KFC restaurant	Stratified corner retail lot	Megamall Pinang	795.84	5.79	6.00	Seberang Perai = 818,197	30,845

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

QSR properties under Al-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
Baru, Bandar Perai Jaya, 13700 Perai, Penang			Shopping Complex					
Unit No G-104, Megamall Pinang Shopping Complex, No 2828, Jalan Baru, Bandar Perai Jaya, 13700 Perai, Penang	Pizza Hut restaurant	Stratified end retail lot	Megamall Pinang Shopping Complex	795.84	5.79	6.00	Seberang Perai = 818,197	30,845
60 and 62, Jalan PJS 11/28A, Bandar Sunway, 46150 Petaling Jaya, Selangor	KFC restaurant	2 contiguous units of 4-storey mid and corner terraced shop/office	Bandar Sunway	609.43	2.62	5.00	Petaling Jaya = 613,977	28,513
No 18 and 20, Jalan Sulaiman, 43000 Kajang, Selangor	KFC restaurant	2 contiguous units of 4-storey mid and corner terraced shop/house	Kajang	192.78	2.68	4.95	Kajang = 795,522	28,513
No 9, Persiaran Putra Timur 1, 02000 Kuala Perlis, Perlis	KFC restaurant	Double storey mid terraced shop/office	Kuala Perlis	163.33	0.97	4.99	Kangar = 225,590	14,333
No 5, Bangunan Joota Brothers, Jalan Sungai Korok, 06000 Jitra, Kedah	KFC restaurant	Double storey mid terraced shop/office	Pekan Jitra, Taman Jitra Jaya	208.87	1.28	5.25	Kubang Pasu = 214,479	11,294

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

QSR properties under Al-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
PT 2281, Jalan Kuala Ketil, Bandar Puteri Jaya, 0800 Sungai Petani, Kedah	KFC restaurant with KFC drive through facility	A parcel of commercial land accommodating a single storey KFC restaurant with KFC drive through facility	Jalan Lencong Timur, Bandar Laguna Merbok, Taman Bandar Baru, Jalan Market, Perdana Heights, Aman Jaya, Taman Segamal, Pusat Perniagaan Perdana	41.38	2.99	5.00	Sungai Petani = 443,488	11,294
PTD 171459, Jalan Persisiran Perling, Taman Perling, 81200, Johor Bahru, Johor	KFC and Pizza Hut restaurants with KFC drive through facility	A parcel of commercial land accommodating a single storey KFC and Pizza Hut restaurants with KFC drive through facility	Mukim of Pulai, Taman Bukit Indah, Taman Sutera Utama, Bandar Baru Uda	175.09	4.92	6.20	Johor Bahru Tengah = 515,462	18,122

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

SMITH ZANDER
Raine & Horne.

QSR properties under Al-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
PTD 153154, Jalan Tampoi, Taman Damansara Aliff, 81200 Johor Bahru, Johor	KFC and Pizza Hut restaurants with KFC drive through facility	A parcel of commercial land accommodating a single storey KFC and Pizza Hut restaurants with KFC drive through facility	Mukim of Pulai, Taman Bukit Indah, Taman Sutera Utama, Bandar Baru Uda	175.09	4.13	6.00	Johor Bahru Tengah = 515,462	18,122
No 1 and 1-1, Jalan Niaga, 81900 Kota Tinggi, Johor	Pizza Hut restaurant	Double storey corner terraced shop/office	Jalan Niaga, Taman Jaya, Jalan Mawai, Taman Kota Jaya	317.12	2.07	7.00	Kota Tinggi = 84,971	18,122
No 3, 3A and 3B, Jalan Resam 13, Taman Bukit Tiram, 81800 Ulu Tiram, Johor	Pizza Hut restaurant	3-storey terraced shop/office	Taman Bukit Tiram, Taman Puteri Wangsa	215.11	1.14	6.20	Johor Bahru Tengah = 515,462	18,122
No 1 Jalan Bandar Baru 1, Pusat Bandar Baru Ayer Hitam, 86100 Ayer Hitam, Johor	KFC restaurant	3-storey corner terraced shop/office (with roof-top level)	Pusat Bandar Baru Ayer Hitam	254.14	1.40	6.00	Yong Peng = 53,223	18,122

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

SMITH ZANDER
Raine & Horne.

QSR properties under Al-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
PTD 103231, Taman Impian Senai, 81400 Senai, Johor	KFC restaurant with drive through facility	A parcel of commercial land accommodating a single storey KFC restaurant with KFC drive through facility	Bandar Indahpura, Taman Bukit Indah, Taman Universiti	111.54	4.61	5.91	Kulai = 231,682	18,122
No 1, Jalan Mahajaya, Kawasan Penambakan Laut, Bandar Port Dickson, 71000 Port Dickson, Negeri Sembilan	KFC restaurant	3-storey corner terraced shop/office	Bandar Port Dickson, Port Dickson Waterfront	199.87	1.03	5.25	Port Dickson = 101,073	24,657
Lot 14083, Jalan Kuchai Lama, 58200 Kuala Lumpur	KFC and Pizza Hut restaurants with KFC drive through facility	A parcel of commercial land accommodating a single storey KFC and Pizza Hut restaurants with KFC drive through facility	Mukim of Petaling, Kuchai Entrepreneurs Park, Resource Industrial Park	239.66	5.50	5.50	Kuala Lumpur = 1,588,750	55,999

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

QSR properties under Al-Salâm REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
Lot 59060, Jalan Prima 1, Metro Prima, Off Jalan Kepong, 52100 Kuala Lumpur	KFC and Pizza Hut restaurants with KFC drive through facility	A parcel of commercial land accommodating a double storey KFC and Pizza Hut restaurants with KFC drive through facility	Bandar Sri Damansara, Pekan Kepong, Taman Desa Jaya, Taman Usahawan Kepong, Taman Pusat Kepong	359.81	6.26	5.25	Kuala Lumpur = 1,588,750	55,999
PT No 6878, Jalan 8/27A, Pusat Bandar Wangsa Maju, 53300 Kuala Lumpur	KFC and Pizza Hut restaurants with KFC drive through facility	A parcel of commercial land accommodating a single storey KFC and Pizza Hut restaurants with KFC drive through facility	Bandar Baru Wangsa Maju, Jalan Gombak, Taman Wangsa Melawati, Taman Sri Rampai	364.37	8.91	15.00	Kuala Lumpur = 1,588,750	55,999
PT 217643, Jalan Kuala Kangsar, Taman Tasek Mutiara, 31400 Ipoh, Perak	KFC and Pizza Hut restaurants with KFC drive through facility	A parcel of commercial land accommodating a single	Jalan Kuala Kangsar, Taman Anda, Jalan Lang, Jalan	74.26	3.22	5.25	Ipoh = 657,892	14,696

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

SMITH ZANDER
Raine & Home.

QSR properties under AI-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
Premises PT 19503, Lebuh Ayer Keroh, 75450, Hang Tuah Jaya, Malacca	KFC and Pizza Hut restaurants with KFC drive through facility	storey KFC and Pizza Hut restaurants with KFC drive through facility	Bendahara, Greentown, Pusat Perdagangan Tasek Mutiara, Jalan Tokong, Persiaran Greentown 1	74.91	2.40	5.00	Historical Malacca = 484,885	23,979
No 3 Lorong Gerudi 1, Off Jalan Pelabuhan Utara, 42000 Port Klang, Selangor	KFC distribution centre and warehousing	An industrial complex comprising a double storey detached warehouse	Port Klang	39.32	1.11	7.60	Klang = 744,062	28,513

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

SMITH ZANDER
Raine & Horne.

QSR properties under Al-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
No 6 Jalan Gerudi, Off Jalan Pelabuhan Utara, 42920 Port Klang, Selangor	KFC production, distribution centre and warehousing	with a 3-storey integral office building An industrial complex comprising a single storey detached factory, single storey detached warehouse, with a double storey integral production building and a 3-storey office building	Port Klang	40.93	1.45	7.60	Klang = 744,062	28,513
No 17, 19 and 21, Jalan Pemaju U1/15, Section U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	KFC distribution centre and warehousing	An industrial premises comprising a double storey factory with a 2-level integral office and annexed	Hicom Glenmarie Industrial Park	189.29	2.17	7.45	Shah Alam = 443,222	28,513

APPENDIX B – EXECUTIVE SUMMARY OF THE INDEPENDENT PROPERTY MARKET REPORT (Cont'd)

SMITH ZANDER
Raine & Horne.

QSR properties under Al-Salam REIT	Business activity	Description of property	Catchment area	Recent average sales transactions of comparable properties (RM per square foot)	Recent average rental transactions of comparable properties (RM per square foot)	Analysed yield (%)	Local authority area and population (persons) ^a	State GDP per capita (RM) ^b
Lot 5, Lorong Tembaga 3, Kawasan MIEL, KKIP Selatan, Kota Kinabalu Industrial Park, Manggatal, 88450 Kota Kinabalu, Sabah	KFC distribution centre and warehousing	single storey warehouse 1.5 storey semi-detached factory	Kawasan MIEL	190.83	1.00	6.00	Kota Kinabalu = 452,058	13,129
Premises No 31, Lorong IKS Juru 3, Taman IKS Juru, 14100 Simpang Ampat, Penang	KFC distribution centre and warehousing	1.5 storey corner semi-detached factory	Taman Industri Beringin, Taman IKS Juru	444.78	1.94	5.00	Seberang Perai = 818,197	30,845

^a Data for population by area is only available for 2010 as the Department of Statistics Malaysia only carries out the Population and Housing Census of Malaysia once every ten (10) years

^b State GDP per capita is presented for the year 2010 as the latest available population data from the Department of Statistics Malaysia is for the year 2010

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

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Competitive Advantages of and Growth Opportunities for QSR Properties

Competitive Advantages

Strategic and prominent location in highly populated areas and affluent communities

The Al-Salām REIT offers investors exposure to an initial 27 restaurant and non-restaurant QSR properties that support the operations of KFC and Pizza Hut in Malaysia. These QSR properties are primarily located in strategic locations in Penang, Johor and Klang Valley.

The full catchment of these properties, as measured by the population size of the respective local authority areas, is as high as 1,588,750 persons in Kuala Lumpur and 818,197 persons in Seberang Perai, Penang. These QSR properties are largely situated in proximity to middle and high income established commercial and residential areas, providing an immediate catchment that comprises some of the more established and matured neighbourhoods in Penang, Johor and Klang Valley. SMITH ZANDER notes the prime location of these properties in affluent states, where QSR properties in Kuala Lumpur and Penang are serving catchment areas with GDP per capita of RM55,999 and RM30,845 respectively.

The prime location of these 27 QSR properties in highly populated areas and affluent communities will continue to benefit the Al-Salām REIT over the long term.

Well positioned to leverage on the growth in the food and beverage market in Malaysia

The consumer foodservice market in Malaysia, measured by the sales value of transactions, grew from RM18.2 billion in 2004 to RM35.0 billion in 2014 at a CAGR of 6.8%. Fast food or QSRs, comprising 14.1% of sales transaction value in 2014, witnessed a high growth rate of 10.2% as sales transactions rose from RM1.9 billion in 2004 to RM5.0 billion in 2014. Sales transactions for consumer foodservice is expected to grow from RM35.0 billion in 2014 to RM38.9 billion in 2016 at a CAGR of 5.4%.

Urbanisation has resulted in a shift in lifestyle and dining patterns, as the population of Malaysia shows a preference for dining out during lunch breaks and after long working hours as opposed to preparing meals at home. This trend has led to growth opportunities for consumer foodservice outlets, ranging from fast food to full-service restaurants as well as cafés/bars. As the population continues to work longer hours and have less free time, there will be distinct demand for greater dining convenience. This is expected to lead to greater growth potential for the establishment of dining outlets in residential neighbourhoods as well as drive through, takeaway and delivery services. Drive through and delivery services are particularly popular among fast food chains where the short food preparation time allows the offering of drive through and delivery services on a large scale.

The Al-Salām REIT has a range of KFC fast food restaurants and Pizza Hut full-service restaurants situated in large urban areas where its communities enjoy relatively high disposable income, thus allowing Al-Salām REIT to benefit from developments in the food and beverage market. The QSR properties under Al-Salām REIT will continue to remain relevant and poised for growth as consumer foodservice is expected to witness a growth rate of 5.4% between 2014 and 2016.

Growth Opportunities

Increasing disposable income of the population leads to greater demand for foodservice, and including fast food, thus creating growth potential for QSR's restaurant revenue stream

Malaysia is an upper-middle income developing economy with aspirations to achieve developed status by the year 2020. GDP per capita increased by 93.2% from approximately RM18,299 in 2004 to RM35,358 in 2014 while PPP per capita income increased by 67.7% from approximately USD14,698 to USD24,654 during the same period. This increase in disposable income has led to a rise in a more affluent population that has greater spending power, thus creating demand for basic necessities as well as non-essential products.

The ETP was launched in an effort to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. The implementation of the ETP will allow Malaysia to be closer to achieving its goal of raising the disposable income of the population to approximately RM48,000 by 2020. The Government expects Malaysia to achieve GDP growth of between 4.5% and 5.5% in 2015 despite the uncertainty in global economic outlook.

The increasing disposable income of the population makes Malaysia an attractive market for consumer foodservice, including full-service restaurants and fast food, as the domestic sales potential for food and beverages ("F&B") is expected to increase in tandem with disposable income. The Al-Salām REIT is expected to benefit from the anticipated demand growth for full-service restaurants and fast food, specifically in relation to its QSR properties.

Growth in distribution promotes consumer access and creates new demand especially for fast food in previously underserved locations

Optimal growth for consumer foodservice is dependent on distribution reach and this is an ongoing concern for industry players as they strive to increase market coverage for their products, making it more accessible to consumers while at the same time, raising and maintaining brand awareness. While it is increasingly a trend for foodservice outlets, especially fast food outlets, to be located in retail malls in urban areas, industry players will also opt to operate in standalone shops in rural areas in an effort to reach a wider segment of underserved consumers. Thus, further expansion and growth in the distribution network of foodservice outlets will continue to increase consumer access and contribute to greater sales potential for the QSR restaurant properties.

Rapid urbanisation resulting in a shift in dining preferences drives demand for foodservice

Malaysia's urbanisation rate has risen from 34.2% in 1980 to 50.7% in 1991, 62.0% in 2000 and 71.0% in 2010. This rapid urbanisation has resulted in saturated city centres and the opening of new townships on the fringes of city centres. Urbanisation as a result of socio-economic growth has also contributed to a shift in work patterns, as many Malaysians work longer hours and women comprise a significant percentage of the workforce.

These lifestyle changes brought on as result of urbanisation has placed an increased demand for convenience. The increase in one (1)-person households, dual income families and working female population has led to a lifestyle shift in food and beverage consumption and greater demand for convenience in dining options, where full-service restaurants, cafés/bars and fast food are fast becoming preferred dining options.

Rapid urbanisation is also leading to a rise in the number of prosperous middle income population groups that have greater spending power and household consumption, and contributing to a shift in expenditure from basic needs to premium and lifestyle products. Demand is growing in a wide range of both high and low value goods across all product markets, including convenience and indulgence food and beverage products.

The Al-Salām is expected to benefit from further urbanisation and lifestyle changes, which is leading to the opening of new townships and a preference for convenient dining respectively, thereby increasing the catchment areas and target markets for the QSR restaurants.

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5 ANALYSIS OF THE RETAIL MARKET IN MALAYSIA

Definition and Segmentation

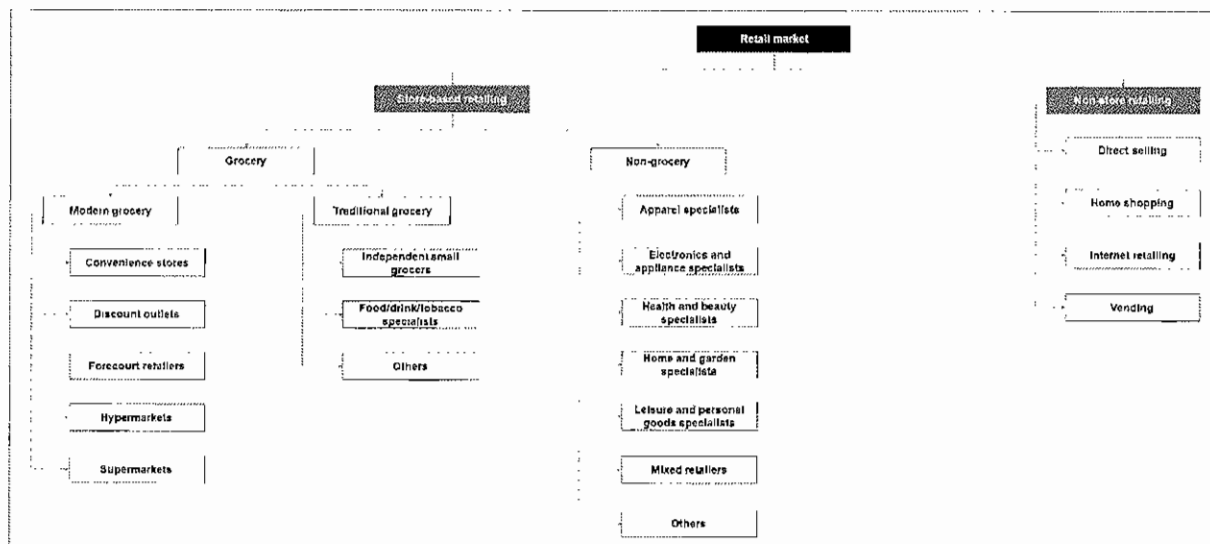
The retail sector in Malaysia is an integral component of the nation's economy and the fourth (4th) largest contributor to GDP after oil and gas, agriculture and manufacturing. The retail landscape in Malaysia has transformed in the last decade with modern retail formats increasing in dominance over small family-owned and operated shops. The launching of large shopping malls has increased the lifestyle elements of shopping in Malaysia, with retail concepts carefully chosen to target specific consumer groups. Globalisation has also brought foreign players, franchises and new retail concepts into the retail market in Malaysia.

The retail sector in Malaysia is led by large chains of hypermarkets and supermarkets, who are typically grocery retailers, which collectively contribute to approximately 15.0% of total retail earnings. The grocery retail segment also include traditional retailers such as independent small grocers, and food, beverage and tobacco specialists. Major non-grocery retailers include mixed retailers and specialists providing apparel; health and beauty; home and garden; electronics and appliances; and leisure and personal goods. Today, there are over 120 hypermarkets, 110 superstores and 110 departmental stores owned by local and foreign companies located nationwide in Malaysia.

Technology has also been a key factor affecting retail sales and has broadened distribution channels, with internet-savvy youths and young adults contributing to growth in online retail transactions through various electronic commerce ("e-commerce") platforms. Internet retailing is appearing as a significant retail channel for non-grocery products and there are a large number of internet retailers that carry out business transactions via social media channels such as Facebook. Several large and established retailers are also responding to the growth of e-commerce by adding internet retailing as a channel for online purchases. By 2020, approximately 54.0% of Malaysia's population will be below the age 30 alluding to the fact that a large percentage of the population would have been raised in an environment where online transactions is the norm.

Despite the developments and transformation of the retail sector, retail spending per capita in Malaysia is still at a low RM3,154 (USD886) compared to South Korea (USD2,995), Taiwan (USD3,115) and Singapore (USD3,423), indicating its significant growth potential. While this disparity is partially due to differing income levels, it also indicates a need to encourage higher levels of spending by meeting rising consumer expectations, through modernisation, innovation and application of international retail best practices.

Retail market in Malaysia – market segmentation



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Market Performance, Outlook and Prospects

The retail market in Malaysia, measured by the value of retail sales, grew from RM108.0 billion in 2004 to RM175.3 billion in 2014 at a CAGR of 5.0%. Store-based retailers comprised 94.6% of total retail sales in 2014, having recorded a growth from RM102.7 billion to RM165.8 billion between 2004 and 2014 at a CAGR of 4.9%. Non-store retailing comprised a smaller 5.4% of total retail sales and grew at a rate of 6.0% between the same period of 2004 and 2014. The largest segment of non-store retailing in 2014 was direct selling which formed 81.2% of non-store retailing. While internet retail comprised a mere 13.8% of non-store retail sales in 2014, this channel witnessed the highest growth rate of 19.0% between 2004 and 2014. Retail sales in Malaysia is expected to grow from RM175.3 billion in 2014 to RM190.5 billion in 2016 at a CAGR of 4.2% with store-based retailing continuing to remain a key component of retail sales.

Retail sales in Malaysia have been growing cautiously since the global financial crisis in 2008/09 as economic recovery boosted retail expenditure albeit at a slower pace with the majority of consumers exercising more prudence on non-essential household expenditure. Consumers are seen to be more price sensitive with regards to non-grocery items and purchasing decisions for these products are largely stimulated by sales and promotional activities organised by retailers. Thus, grocery-retailers in Malaysia have witnessed stronger retail sales growth despite economic fluctuations owing to the nature of grocery products being necessities.

Internet retail continues to witness strong growth rates as the number of consumers gaining access to the internet via various service providers has risen. Several large retailers have added internet sales as a distribution channel in an effort to reach time-pressed and internet-savvy consumers, changing the landscape of traditional retail sales in the country. Internet sales are still very much limited to non-grocery products which are non-perishable. Internet sales benefits consumers and retailers alike, allowing consumers to compare prices and widens purchasing options, while also allowing retailers to compete in product and channel categories in which they have not been traditionally involved in. While the outlook for internet retailing will continue to be positive over the forecast period, internet retailing will not overtake the

dominance of store-based retail sales, rather remaining as a supplementary channel for retailers to secure sales.

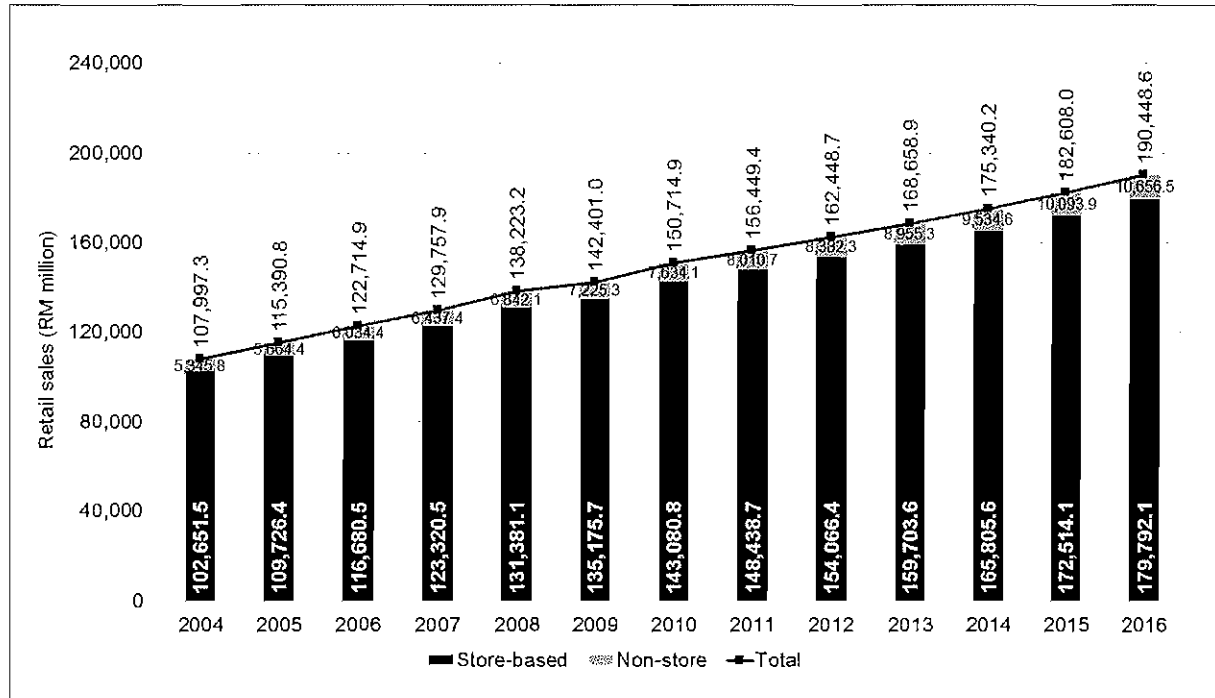
The Government continues to intervene in the retail sector through various programmes aimed at aiding retailers and addressing consumer concerns regarding the rising cost of living. The Small Retailer Transformation Programme ("TUKAR") was initiated by the Government in 2011 under the ETP to aid small grocery retailers to increase competitiveness through the adoption of modern technology and efficient business processes. Under this initiative, large and major retailers such as Mydin, Tesco and Aeon Big have been drafted to share expertise and knowledge with participating "mom and pop" sundry shops nationwide. TUKAR aims to upgrade 5,000 small retailers by 2020 and a total of 1,685 small grocers have signed up for this programme as of April 2014. Based on a recent impact study carried out by the Performance Management and Delivery Unit ("PEMANDU"), an agency under the Prime Minister's Department, of the 616 small retailers signed up under TUKAR for more than 12 months, 78.0% have recorded increased revenues of at least 6.0%, 45.0% have registered increased revenues of 40.0% and 18.0% have registered increased revenues of more than 100.0%.

In addressing consumer concerns regarding the rising cost of living, the Government has established the Kedai Rakyat 1Malaysia ("KR1M") under the 1Malaysia Initiative to assist the lower and middle income population. KR1M are operated as mini markets and offer over 250 basic necessity grocery items at discounted prices. KR1M serves the same consumer segment as hypermarkets and acts as a conduit for the Government to control prices and reduce the monopoly of products traditionally dominated by multinational manufacturers. Most of the items retailing in KR1M are packed in smaller pack sizes, thus ensuring its affordability among the lower and middle income consumers. KR1M also focuses on products manufactured by SMEs, and acts as a platform for the Government to support, enhance and expand SME profile in retail. There are presently over 80 KR1M outlets nationwide, largely concentrated in the west coast of Peninsular Malaysia.

The rising cost of living is driving more consumers to be cost conscious and thrifty spenders. As a result, private labels have emerged as a growing segment nationwide for grocery and non-grocery products. Private label products are largely available in major grocery retailers, where hypermarkets and supermarkets have the largest range of private label that offer consumers economically priced products. Non-grocery retailers such as department stores are also expanding their brand options to include private labels to target consumers with different needs. The perception and acceptance level among consumers with regards to private labels is gradually shifting as many no longer perceive private labels to be inferior and cheap compared to the more well-known and popular multinational brands. The growing demand for private labels impacts pricing strategies for manufacturers of branded goods, driving down the prices of these goods as these branded goods manufacturers strive to remain competitive and appeal to a larger consumer segment.

The retail industry in Malaysia is traditionally fragmented, with retail sales in rural areas largely taking place in traditional retail channels such as independent grocery outlets while modern retail channels such as hypermarkets and supermarkets are more dominant in urban areas. However, this is gradually changing as a result of urbanisation, with retailers opening larger format outlets on the fringes of city centres in a bid to widen reach and respond to the increased demand for convenience by consumers. The broader Klang Valley region is anticipated to register significant growth in retail space where an estimated additional net lettable area of 5.0 million square feet will be coming onstream in 2014 through the construction of seven (7) new malls and the refurbishment of five (5) malls, bringing the cumulative supply of retail space in the region to 49.0 million square feet of net lettable area.

Retail market in Malaysia – growth in retail sales



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Key Demand Drivers

Increasing disposable income of the population signifies growth potential for retail sales

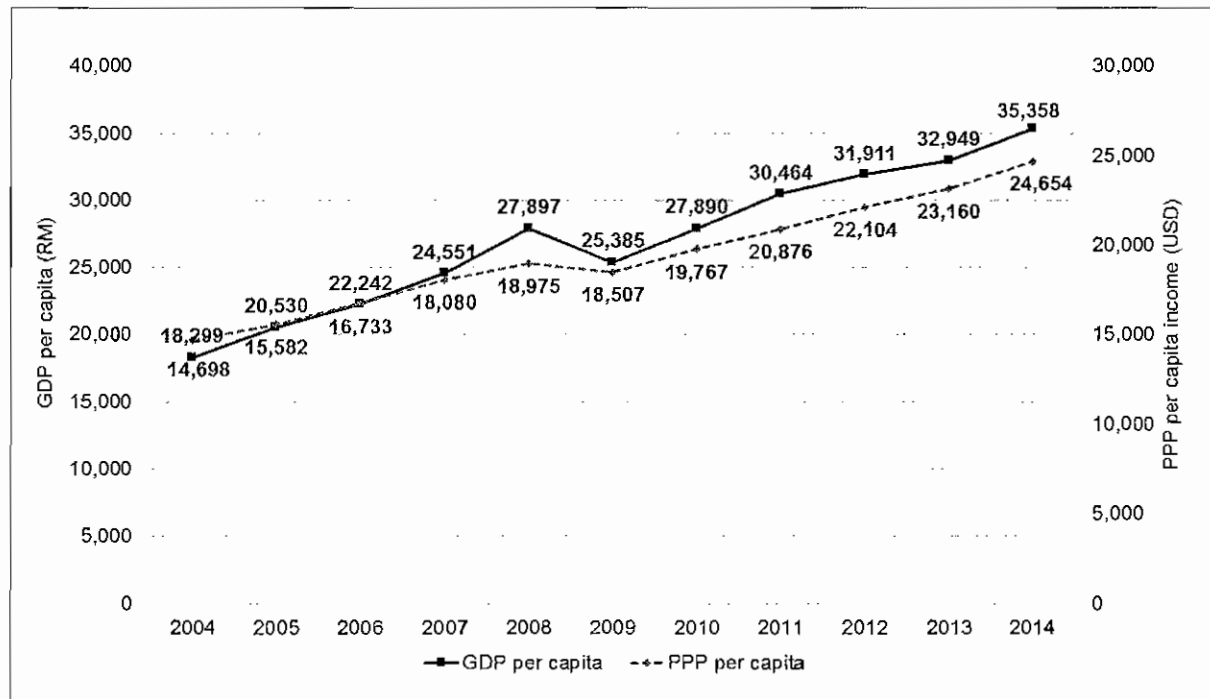
Malaysia is an upper-middle income developing economy with aspirations to achieve developed status by the year 2020. GDP per capita increased by 93.2% from approximately RM18,299 in 2004 to RM35,358 in 2014 while PPP per capita income increased by 67.7% from approximately USD14,698 to USD24,654 during the same period. This increase in disposable income is leading to a rise in a more affluent population that has greater spending power, creating demand for basic necessities and non-essential products.

The ETP (2011-2020) was launched in an effort to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. The ETP is a comprehensive initiative comprising 131 high impact projects under 12 economic focus areas that have the potential to stimulate economic growth. The implementation of the ETP will allow Malaysia to be closer to achieving its goal of raising the per capita disposable income of the population to approximately RM48,000 (USD15,000) by 2020. Malaysia's economy registered a 6.0% growth in 2014 supported by resilient domestic demand and augmented by a recovery in exports. Private investment, in particular, surged 13.0% to RM78.7 billion during the first half of 2014 with its share to total investment increasing to 68.9%. In order to achieve a per capita income of RM48,000, the Government intends to attract RM1.4 trillion in investments which is expected to create 3.3 million jobs, of which 60.0% are expected to be in high value sectors under the 12 economic focus areas under the ETP.

The Government is keenly aware of the challenges faced especially by the middle income population, and has set forth initiatives and policies in favour of this group. Apart from tax cuts announced under Budget 2014, concrete efforts have been taken through the implementation and increases in RPGT to curb

speculation in the property sector which has historically pushed prices to unaffordable levels, and the launching of affordable housing schemes. These concrete efforts are significant in the move to increase incomes and reduce living costs, both of which are goals of the Government and the ETP. The increasing disposable income of the population has the potential to contribute to higher retail sales in the country.

Retail market in Malaysia – growth in disposable income



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Higher tourist arrivals coupled with tourism receipts boost retail sales

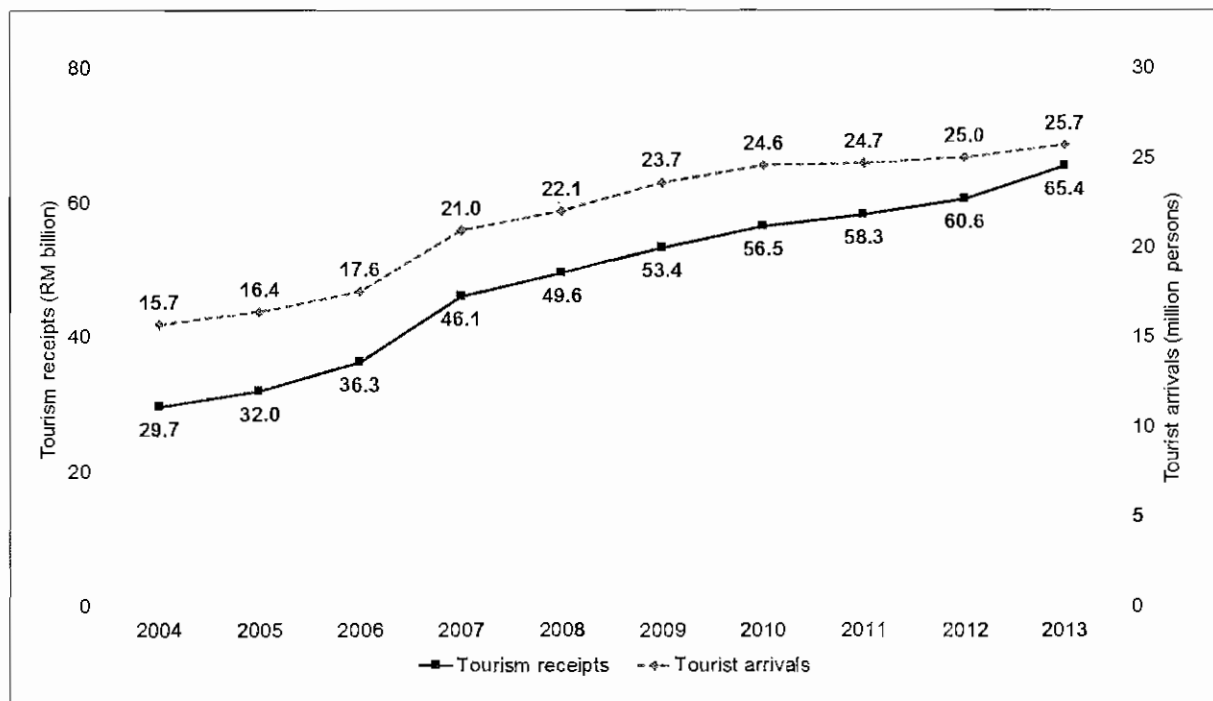
Malaysia has a reputation as a leading tourism destination globally and tourism is the nation's fifth (5th) largest industry after oil, gas and energy, financial services, wholesale and retail, and palm oil. Tourism arrivals increased from 15.7 million arrivals in 2004 to 25.7 million arrivals in 2013 at a CAGR of 5.6%, while tourism receipts have more than doubled over the same period, increasing from RM29.7 billion to RM65.4 billion, registering a CAGR of 9.2%. In 2014, tourist arrivals were registered at 27.4 million. The Government targets to grow tourist arrivals and tourism receipts to 36.0 million and RM168.0 billion respectively by 2020 under the Malaysia Tourism Transformation Plan 2020.

Malaysia is in a prime position to boost its tourism sector which is large and fast growing with a strong global competitive position. Malaysia's tourism growth has historically been predominantly reliant on growth in the number of tourist arrivals as opposed to yield per tourist. The yield per tourist in Malaysia of approximately RM2,260 is currently lower than its neighbouring countries, whereby Singapore registered RM3,106 and Thailand registered RM3,785. This is largely attributed to the lower average stay of tourists and lower spend per day in Malaysia, and Malaysia's dependence on arrivals from short-haul markets who ultimately spend less in the country. In this respect, the Government targets to increase yield per tourist to RM4,675 by 2020. In addition to targeting tourists from affluent countries, several other methods have been identified under the ETP to boost tourism growth potential. These efforts, among others, include positioning

Malaysia as a duty-free shopping destination for tourist goods; designating the Kuala Lumpur City Centre – Bukit Bintang area as a vibrant shopping precinct; establishing new premium outlets in Malaysia; establishing dedicated entertainment zones; expanding sports tourism offerings beyond event hosting; enhancing connectivity to priority medium-haul markets; improving rates, mix and quality of hotels; and establishing Malaysia as a leading business tourism destination.

The Government’s efforts to boost tourism are bearing positive results as yields are gradually improving from the RM1,891 registered in 2004 to RM2,359 in 2011, the first year of ETP implementation, and RM2,544 in 2013. Greater growth in tourism arrivals and particularly tourism receipts will significantly and positively impact the retail market in Malaysia as retails sales are expected to increase on account of greater spending by tourists visiting Malaysia.

Retail market in Malaysia – growth in tourist arrivals and tourism receipts



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Greater Government-driven initiatives to propel the retail market in Malaysia and boost retail expenditure

The retail and wholesale sector is a major contributor to Malaysia’s GNI and thus has been identified as one (1) of the 12 key economic focus areas under the ETP. The ETP (2011-2020) was launched in 2010 with the goal of promoting Malaysia into an inclusive and sustainable high-income country by the year 2020. The ETP is a comprehensive initiative comprising 131 high impact projects under 12 economic focus areas that have the potential to stimulate economic growth. The retail sector is a key driver of domestic consumption and plays a significant role in promoting economic growth.

Despite recent developments in the retail market, retail expenditure in Malaysia (RM3,154 or USD886) is lower compared to that in countries such as South Korea (USD2,995), Taiwan (USD3,115) and Singapore

(USD3,423). While this disparity can be partially attributed to differing income levels, the Government of Malaysia intends to drive retail spending in achieving the targets under ETP. In achieving the GNI targets for the retail sector, the Government intends to improve access to finance, liberalise the retail sector through the opening up of restricted markets, streamlining set-up and expansion requirements, upgrading transportation infrastructure, and growing human capital. SMITH ZANDER views positively initiatives taken by the Government of Malaysia via various economic plans and policies to boost the retail market in Malaysia.

Retail market in Malaysia – selected retail sector projects identified under ETP

Project	Target(s)	Highlight(s)
Increasing the number of large format stores	<ul style="list-style-type: none"> To increase available floor space by 50% from the current base of 1.4 million square metres, to establish 61 hypermarkets (5,000 square metres or more) and 163 superstores (3,000 to 4,999 square metres) within the next 10 years. Target GNI by 2020: RM8,514.2 million 	<ul style="list-style-type: none"> In 2014, five (5) new hypermarkets and six (6) superstores were set up nationwide by domestic and foreign players, meeting the yearly target.
Facilitating local businesses to acquire stakes in foreign retail businesses	<ul style="list-style-type: none"> To develop the retail sector further by facilitating the acquisition of stakes in foreign businesses. This will allow local retailers to retain a portion of the profits from foreign brands in Malaysia, as well as expand into international markets. Target GNI by 2020: RM1,031 million 	<ul style="list-style-type: none"> Two (2) foreign brands have been acquired since December 2010, with Bonia Corporation Bhd acquiring a 70% interest in JECO Pte Ltd, a licensee of Pierre Cardin leather goods in Singapore and a master licensee for Renoma in Singapore, Indonesia and Malaysia.
Making Malaysia duty-free	<ul style="list-style-type: none"> To become Asia's premier shopping hub and attract more foreign visitors, the Government is working towards removing import duties on goods that have high-elasticity and pent-up demand. This will capitalise on the growth potential for average tourist spend, as well as provide more retail choices to both tourists and locals. Target GNI by 2020: RM3,258.3 million 	<ul style="list-style-type: none"> Since the launch of ETP in 2010, the import duty on 328 goods, including apparel, shoes, jewellery, handbags and perfumes was abolished in 2011. The value of cost, insurance and freight ("CIF") on 328 goods reached RM6.972 billion as at December 2014, driven mainly by the strength of domestic consumption.
Organising unified Malaysia sales	<ul style="list-style-type: none"> To bring together more sectors of the economy – from retailers to food and beverage, hotels and travel providers – through the annual 1Malaysia Unified Sale to benefit consumers and the retail sector. Target GNI by 2020: RM1,776.9 million 	<ul style="list-style-type: none"> The 2014 1Malaysia Unified Sale featured 60 sub-sectors comprising 942 companies and 8,702 outlets and was held in conjunction with the mid-year Malaysian Mega Sales.
Transforming Kuala Lumpur International Airport ("KLIA") into a retail hub	<ul style="list-style-type: none"> To fully capitalise on KLIA's retail potential, by creating a shopping hub alongside the new KLIA2 low-cost terminal. Target GNI by 2020: RM958.2 million 	<ul style="list-style-type: none"> The key components of the retail hub will be driven by the Aeropolis masterplan by Malaysia Airports Holdings Bhd ("MAHB"), which include retail in KLIA2, a premium landside mall, and factory outlets. Since the commencement of operations in KLIA2 in 2014, utilisation rates of the KLIA2 and Gateway@KLIA2 retail spaces have reached 98% and 76%, respectively.
Developing Big Box Boulevards ("BBB")	<ul style="list-style-type: none"> To develop large-scale integrated retail outlets, or BBB, to house large-scale retailers in a single location for the 	<ul style="list-style-type: none"> The development of the BBB by Sime Darby-Brunfield in Ara Damansara progressed well in 2014. The

Project	Target(s)	Highlight(s)
	<p>convenience of customers. These anchor category stores will include hypermarkets, furniture superstores, digital product malls and sporting goods stores. This project expects to have one (1) fully operational BBB by 2014.</p> <ul style="list-style-type: none"> Target GNI by 2020: RM1,222.5 million 	<p>construction of the Auto City remains on track, while the LRT extension that will serve Ara Damansara is well underway.</p>

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Budget 2015 aims to emphasise a balance between the capital economy and the people's economy. The services sector will continue to be the key driver of growth under the 11MP where growth in the sector is expected to increase significantly by 6.9% per annum, increasing its share of GDP from 53.8% in 2015 to 56.5% in 2020. The sector is expected to record broad-based growth across all subsectors. The wholesale and retail subsector will continue to be the main contributor, expanding by 5.8% per annum, supported by strategies to modernise the subsector as well as enhance the efficiency and effectiveness of the supply chain.

Retail market in Malaysia – measures under Budget 2015, specific to the retail market

Measure	Description
Implementing GST	<ul style="list-style-type: none"> The Government agrees to widen the scope of items that will not be subjected to GST as follows: <ul style="list-style-type: none"> All types of fruits whether local or imported; White bread and wholemeal bread; Coffee powder, tea dust and cocoa powder; Yellow mee, kuey teow, laksa and meehoon; The National Essential Medicine covering almost 2,900 medicine brands. These medicines are used to treat 30 types of diseases including heart failure, diabetes, hypertension, cancer and fertility treatment; Reading materials such as children's colouring books, exercise and reference books, text books, dictionaries and religious books; and Newspapers. The Government has also agreed that the retail sale of RON95 petrol, diesel and liquefied petroleum gas ("LPG") be given relief from payment of GST. Through this measure, consumers and targeted groups will not have to pay GST on the purchase of RON95 petrol, diesel and LPG. With the implementation of GST, the Government will be able to reduce the tax burden of the <i>rakyat</i> as follows: <ul style="list-style-type: none"> For year of assessment 2015, individual income tax rates will be reduced by one (1) to three (3) percentage points. With this measure, 300,000 individual taxpayers will no longer pay tax liability. Tax payers with family income of RM4,000 per month will not have tax liability for year of assessment 2015. For year of assessment 2015, individual income tax will be restructured whereby the chargeable income subject to the maximum rate will be increased from exceeding RM100,000 to exceeding RM400,000. The current maximum tax rate at 26% will be reduced to 24%, 24.5% and 25%. This will result in the existing taxpayer enjoying a tax saving of at least 5.3%.

Measure	Description
	<ul style="list-style-type: none"> • For year of assessment 2015, cooperative income tax rate will also be reduced by one (1) to two (2) percentage points. In addition, secretarial fees and tax filing fees are allowed as deduction; • For year of assessment 2016, corporate income tax rate will be reduced by one (1) percentage point from 25% to 24%; and • For year of assessment 2016, income tax rate for SMEs will also be reduced by one (1) percentage point from 20% to 19%.
Price uniformity and KR1M	<ul style="list-style-type: none"> ▪ The Government is committed to implementing various initiatives including price uniformity scheme, transport subsidy and establishing more KR1M. Among the measures that will be implemented by the Ministry of Domestic Trade, Co-operatives and Consumerism include: <ul style="list-style-type: none"> • Establish another 20 KR1M in Peninsular Malaysia; • Set up price watch team comprising consumer associations; and • Strengthen GST Enforcement Unit with 2,270 personnel, Price Monitoring Unit with 1,300 personnel and Consumer Squads with 202,800 volunteers as well as involve 579 mukim and village heads.

Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

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6 ANALYSIS OF THE CONSUMER FOODSERVICE MARKET IN MALAYSIA

Definition and Segmentation

The consumer foodservice market in Malaysia is fragmented owing to its diversity of food options for consumers, offering a varied range of cuisines and dining experiences. Dining out is ingrained in the local culture and a large percentage of the population in Malaysia frequently dines out, and thus are exposed to various types of consumer foodservice outlets in standalone, retail and non-retail locations. The affordability of foodservice products in Malaysia encourages dining out and has led to the creation of a vibrant F&B industry in the country. Eating out is also a key component of social engagement, and therefore it is a norm to gather with friends, peers and family members at consumer foodservice outlets. Malaysia's consumer foodservice market is a developed market whereby consumers still continue dining out during economic downturns but may opt to trade down in terms of outlet choice during these periods.

There is a wide range of dining out options available in Malaysia, ranging from full-service restaurants, cafés/bars, fast food or QSRs, street stalls/kiosks and self-service food courts. Independent full-service restaurants, including Asian full-service restaurants and street stalls, are very popular and are the most commonly available outlets nationwide. Another prominent segment of the full-service restaurants is the American full-service restaurant chains comprising brands such as TGI Friday's, Chili's Grill & Bar, Tony Roma's and Hard Rock Café.

Changing consumer lifestyles have been key in driving demand for cafés/bars. Cafés have a stronger focus on food and coffee, influenced by the growing coffee-drinking culture in Malaysia, leading to the popularity of the chained specialist coffee outlets segment. The popularity of chained specialist coffee outlets has also led to the establishment of independent specialist coffee outlets in neighbourhood locations, offering customers convenient access to premium local and foreign coffee brands. Specialist coffee outlets are becoming an important fabric of social engagement frequented by youths and young adults after working hours and/or for leisure.

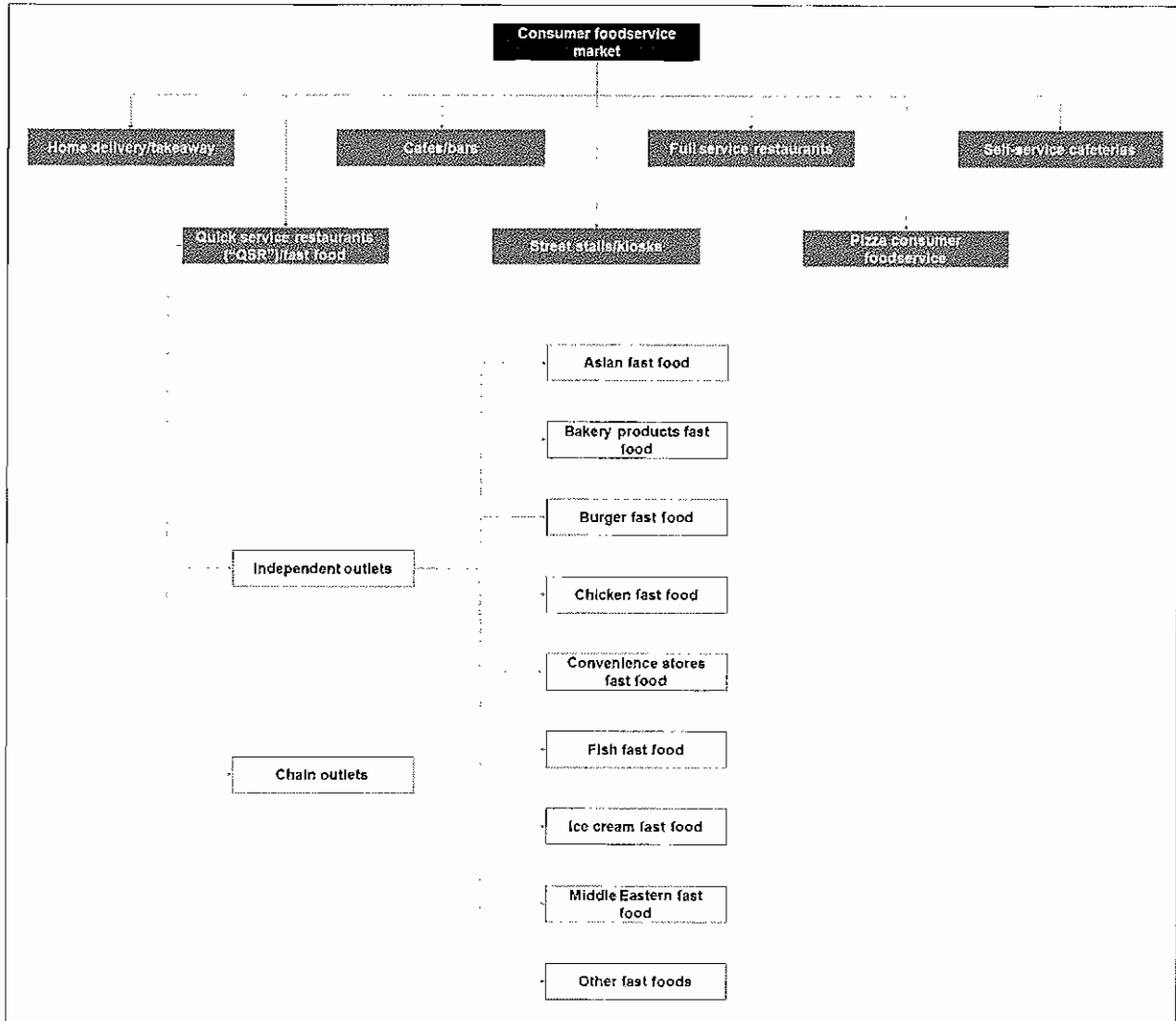
Street stalls/kiosks are widely available nationwide due to the low set-up cost required compared to other dining formats such as full-service restaurants and cafés, and thus are predominantly independent. Street stalls/kiosks offer a variety of foodservice products, including bakery products, ice cream, snacks, coffee and local delicacies. In Malaysia, street stalls/kiosks are often set up in hawker centres, where the centralisation of these outlets offer consumers a wide offering of competitively priced food and beverages in one (1) location.

Fast food is becoming a more prominent consumer foodservice format due to the rise in urbanisation and time-pressed lifestyles of the Malaysian population. Fast food is especially popular among younger consumers as a result of advertising and promotional activities, and offers affordable and convenient dining options compared to full-service restaurants. Several fast food chains in Malaysia also offer delivery and drive-through services in response to consumer demands for convenience. Chicken fast food is a key segment within fast food due to the preference of the local population for chicken meals, with major brands being KFC, Marrybrown and Popeye's, followed by burger fast food comprising brands such as McDonald's and Burger King, and pizza outlets such as Pizza Hut and Domino's.

Franchising serves as an important operating and expansion mode for most consumer foodservice outlets in Malaysia. This is as franchising serves as a control mechanism for local and multinational players and brands to monitor and control the quality of operations, extending across food as well as products and

services offering. Master franchise holders within Malaysia including QSR Brands for KFC and Pizza Hut have successfully standardised operational controls nationwide to ensure similar quality of food products and services are delivered to customers across all outlets.

Consumer foodservice market in Malaysia – market segmentation



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Market Performance, Outlook and Prospects

The consumer foodservice market in Malaysia, measured by the sales value of transactions, grew from RM18.2 billion in 2004 to RM35.0 billion in 2014 at a CAGR of 6.8%. Full-service restaurants comprised 33.4% of sales transaction value in 2014, having increased from RM7.0 billion to RM11.7 billion over the same period at a CAGR of 5.2%. Cafés/bars comprised 28.1% of sales transaction value in 2014 and registered a growth from RM5.1 billion in 2004 to RM9.9 billion in 2014 at a CAGR of 6.8%.

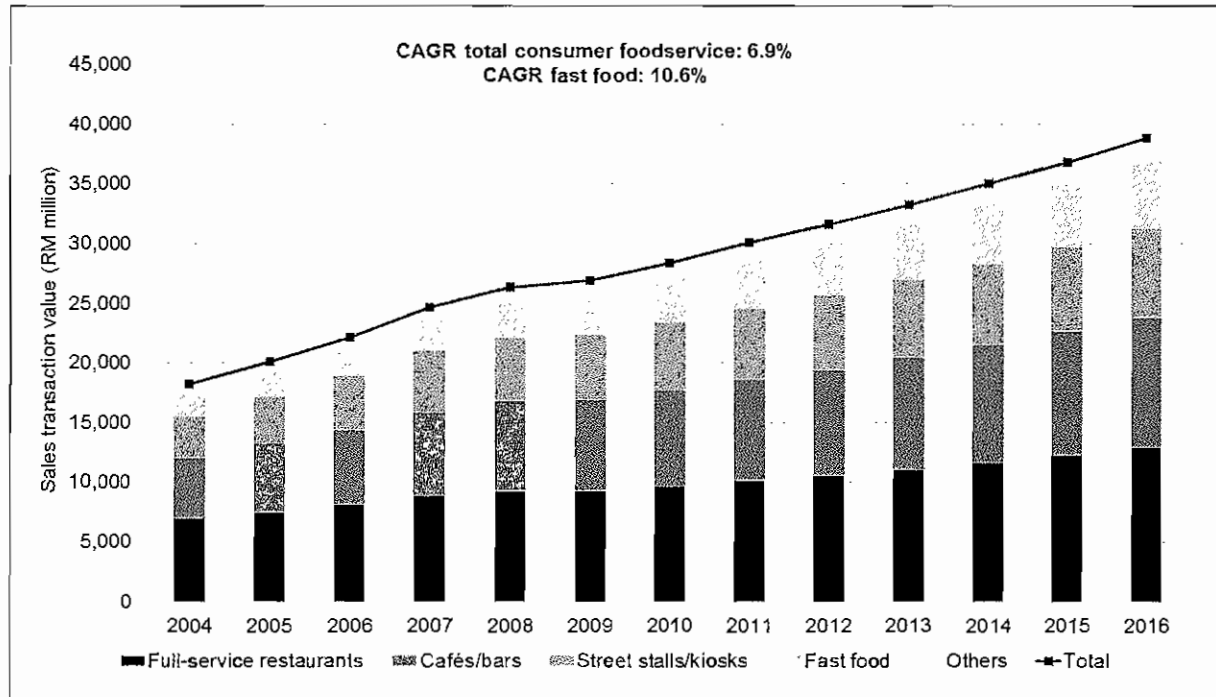
Fast food or QSRs, comprising 14.3% of sales transaction value in 2014, witnessed a high growth rate of 10.4% as sales transactions rose from RM1.9 billion in 2004 to RM5.0 billion in 2014. Sales transactions for consumer foodservice is expected to grow from RM35.0 billion in 2014 to RM38.9 billion in 2016 at a CAGR of 5.4%.

Urbanisation has resulted in a shift in lifestyle and dining patterns, as the population of Malaysia shows a preference for dining out during lunch breaks and after long working hours as opposed to preparing meals at home. This trend has led to growth opportunities for consumer foodservice outlets, ranging from fast food to full-service restaurants as well as cafés/bars. As the population continues to work longer hours and have less free time, there will be distinct demand for greater dining convenience. This is expected to lead to greater growth potential for the establishment of dining outlets in residential neighbourhoods as well as drive through, takeaway and delivery services. Drive through and delivery services are particularly popular among fast food chains where the short food preparation time allows the offering of drive through and delivery services on a large scale.

The rising incidence of diabetes, hypertension and obesity has led to increased awareness of health issues in Malaysia driven by widespread Government health campaigns. While Malaysians are spoiled for choice when it comes to food options, greater literacy is also equipping Malaysians with better health and food knowledge and plays a role in the selection of consumer foodservice dining decisions. Consumers in Malaysia are seen to be willing to spend more on healthier meal options when dining out. In response to this trend, several foodservice players in Malaysia have expanded their menu offerings to include healthier F&B options, including vegetarian food.

The marketing strategies employed by consumer foodservice players are increasingly expanding beyond traditional print and broadcast media to include online media. Household broadband penetration rates in Malaysia were registered at 67.1% in 2013 and Malaysia had over 13.0 million Facebook users in the same year. The popularity of the internet among youths and young adults is evident as the internet is not just viewed as a source of entertainment, but also as a medium for education and social engagement. Many foodservice players in Malaysia, including full-service restaurants and fast food players, are offering online discount coupons through websites such as MyDeal, Groupon Malaysia and Dealmates, to attract more consumers. Apart from offering online discount coupons, many chained and independent foodservice players have also created websites and Facebook profiles in an effort to communicate constantly and directly with consumers. Regular updates regarding the outlet's menu offerings, promotions and events are conveyed to consumers via brand websites and/or Facebook profile pages.

Consumer foodservice market in Malaysia – sales value of transactions



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Key Demand Drivers

Rapid urbanisation resulting in a shift in dining preferences drives demand for foodservice

Malaysia's urbanisation rate has risen tremendously from 34.2% in 1980 to 50.7% in 1991, 62.0% in 2000 and 71.0% in 2010. This rapid urbanisation has resulted in saturated city centres and the opening of new townships on the fringes of city centres. Urbanisation as a result of socio-economic growth has also contributed to a shift in work patterns, as many Malaysians work longer hours and women comprise a significant percentage of the workforce.

These lifestyle changes brought on as a result of urbanisation has placed an increased demand for convenience. The increase in one (1)-person households, dual income families and working female population leads to a lifestyle shift in F&B consumption and greater demand for convenience in dining options, where full-service restaurants, cafés/bars and QSR/fast food are fast becoming preferred dining options as opposed to food prepared at home. Consumers in Malaysia are spoiled for choice when it comes to food options and dining experiences as the country is home to a wide range of consumer foodservice outlets offering F&B choices at various price points.

Rapid urbanisation is also leading to a rise in the number of prosperous middle income groups that have greater spending power and household consumption, and is contributing to a shift in expenditure from basic needs to premium and lifestyle products. Demand is growing in a wide range of both high and low value goods across all product markets, including convenience and indulgence F&B products.

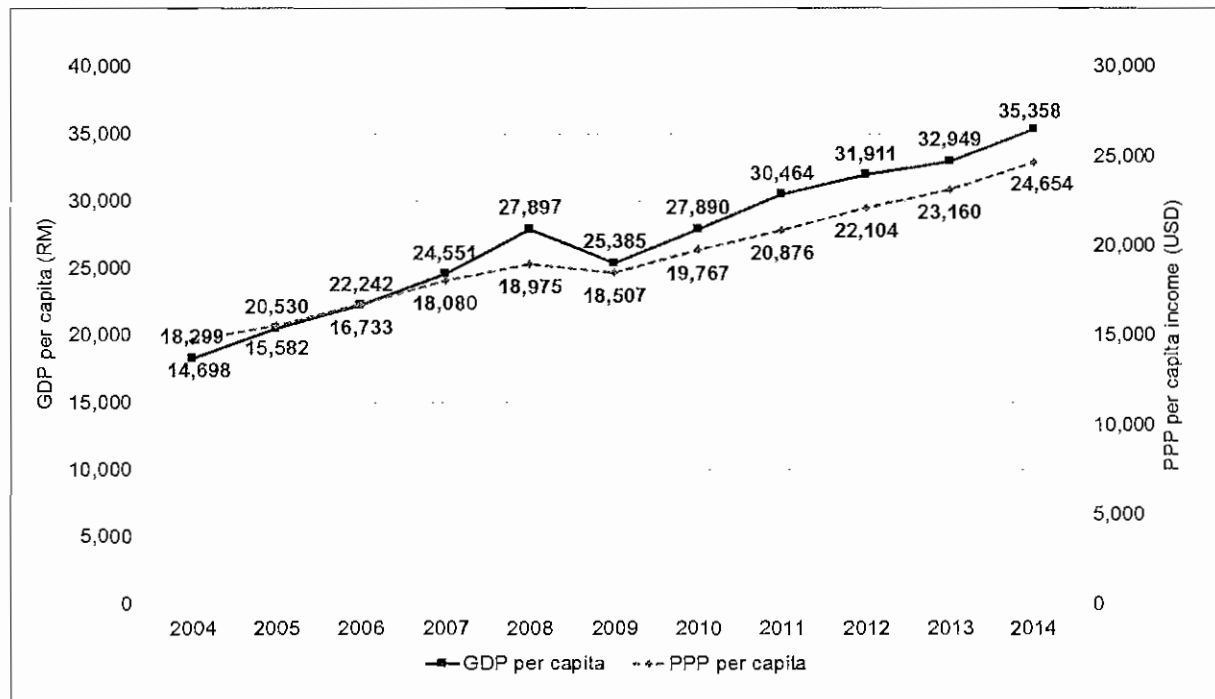
Increasing disposable income of the population leads to greater demand for foodservice, including fast food

Malaysia is an upper-middle income developing economy with aspirations to achieve developed status by the year 2020. GDP per capita increased by 93.2% from approximately RM18,299 in 2004 to RM35,358 in 2014 while PPP per capita income increased by 67.7% from approximately USD14,698 to USD24,654 during the same period. This increase in disposable income has led to a rise in a more affluent population that has greater spending power, creating demand for basic necessities and non-essential products.

The ETP was launched in an effort to propel Malaysia into an inclusive and sustainable high-income country by the year 2020. The implementation of the ETP will allow Malaysia to be closer to achieving its goal of raising the disposable income of the population to approximately RM48,000 by 2020. The Government expects Malaysia to achieve GDP growth of between 4.5% and 5.5% in 2015 despite the uncertainty in the global economic outlook.

The increasing disposable income of the population makes Malaysia an attractive market for consumer foodservice, and especially full-service restaurants and fast food, as the domestic sales potential for F&B is expected to increase in tandem with disposable income.

Consumer foodservice market in Malaysia – growth in disposable income



Source: Extracted from the independent market research report prepared by Raine & Horne and SMITH ZANDER

Advertising and promotional activities create greater demand for consumer foodservice, particularly fast food

Advertising and promotional activities has been key in driving demand for consumer foodservices, particularly for full-service restaurants, QSR/fast food and cafés/bars. Foodservice industry players are increasingly reliant on the internet as a direct and instant method of communicating with consumers, often creating websites, blogs and/or Facebook profile pages to update consumers on menu offerings, promotions and events, thus creating brand loyalty. The internet will continue to be a key advertising and promotional channel for foodservice industry players, especially taking into consideration the high broadband penetration rates in the country.

Growth in distribution promotes consumer access and creates new demand in previously underserved locations

Optimal growth for consumer foodservice is dependent on distribution reach and this is an ongoing concern for industry players as they strive to increase market coverage for their products, making it more accessible to consumers while at the same time, raising and maintaining brand awareness. While it is increasingly a trend for foodservice outlets, especially QSR/fast food outlets, to be located in retail malls in urban areas, industry players will also opt to operate in standalone shops in rural areas in an effort to reach a wider segment of underserved consumers. Thus, further expansion and growth in the foodservice distribution network will continue to increase consumer access and contribute to greater sales potential.

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7 PROSPECTS AND OUTLOOK FOR AL-SALĀM REIT

The property market is a vital building block for the development of other economic activities in the country, including construction, manufacturing, finance and business services as well as wholesale and retail trade, hotels and restaurants. The construction sector contributed to 3.9% of Malaysia's GDP in 2014. In the same year, the manufacturing sector contributed an estimated 24.6% to Malaysia's GDP, while wholesale, retail trade, hotels and restaurants collectively contributed 15.4%, and finance, insurance, real estate and business services collectively contributed approximately 14.5%. In order for these economic activities to operate and thrive, properties such as industrial parks, office buildings, retail malls, hotels and restaurants must be built.

Demand for property in Malaysia, measured by value of property transactions, has witnessed an increase from RM46.1 billion in 2004 to RM128.4 billion in 2014 at a CAGR of 10.8%. Commercial property witnessed the highest growth rate of 11.3% between 2004 and 2014, recording a rise from RM11.0 billion to RM31.8 billion. Property transactions in the South region of Malaysia was registered at RM27.0 billion. Regional growth is strongly driven by growth of property demand in key sub-markets, with Selangor and Kuala Lumpur strongly driving growth in the Central region, Johor driving growth in the South region and Penang and Perak driving growth in the North region. Demand for residential and commercial properties in Malaysia is supported by economic wellbeing, growth prospects of end-user markets/industries, growth in the number of companies and businesses, increasing disposable income and affluence of the population, and plans, policies and stimulus by the Federal Government to regulate and maintain the affordability of properties in Malaysia.

The demand for residential and commercial properties in Johor Bahru, measured by property transaction values, have been growing on an upward trend between 2004 and 2014 as total transaction values increased from RM4.4 billion to RM14.9 billion at a CAGR of 13.1%. Demand for residential and commercial properties witnessed a dramatic increase of 222.2% in 2013 compared to the previous year following the completion of the foundation and infrastructure for Iskandar Malaysia in 2010 that paved the way for increased commercial activities in this capital city of Johor. Johor Bahru City Centre is also being revitalised through the upgrading of its central business district and waterfront to reposition the city as a vibrant, modern and livable city centre, thus further drawing prospective homeowners and businesses to this city.

Johor's CDP (2006 – 2025) was launched for Iskandar Malaysia and encompasses the districts of Johor Bahru, Kulajaya, Pontian and Kota Tinggi. Over the period of 2011 and 2015, Iskandar Malaysia intends to achieve the creation of 55,730 employment opportunities. This target is in line with the commencement of several jet catalyst projects under various flagship development zones. Nine (9) major economic clusters have been identified to spearhead the growth of Iskandar Malaysia and these clusters are electrical and electronics, petrochemicals and oleochemicals, food and agro-processing, logistics and related services, tourism, health services, educational services, financial services and creative industries. The implementation of these economic plans and targeted strategies under the respective plans, including infrastructure and transportation improvement, have great impact on socio-economic developments in Johor, and the anticipated business opportunities arising from these economic plans will have a positive impact on commercial property supply and demand in Johor.

The retail sector in Malaysia is an integral component of the nation's economy and the fourth (4th) largest contributor to GDP after oil and gas, agriculture and manufacturing. The retail landscape in Malaysia has transformed in the last decade with modern retail formats increasing in dominance over small family-owned and operated shops. The launching of large shopping malls has increased the lifestyle elements of shopping in Malaysia, with retail concepts carefully chosen to target specific consumer groups. The retail market in

Malaysia, measured by the value of retail sales, grew from RM108.0 billion in 2004 to RM175.3 billion in 2014 at a CAGR of 5.0%. Retail sales in Malaysia is expected to grow from RM175.3 billion in 2014 to RM190.5 billion in 2016 at a CAGR of 4.2% with store-based retailing continuing to remain a key component of retail sales. Growth of Malaysia's retail market will be strongly driven by the increasing disposable income of the population that signifies growth potential for retail sales, greater access to technology and higher internet penetration rates that promote growth in internet retailing, higher tourist arrivals coupled with tourism receipts that boost retail sales, and greater Government-driven initiatives to propel the retail market in Malaysia and boost retail expenditure.

Fast food is becoming a more prominent consumer foodservice format due to the rise in urbanisation and time-pressed lifestyles of the Malaysian population. The consumer foodservice market in Malaysia, measured by the sales value of transactions, grew from RM18.2 billion in 2004 to RM35.0 billion in 2014 at a CAGR of 6.8%. While fast food or QSRs comprised a smaller 14.3% of sales transaction value in 2014, this dining format witnessed a higher growth rate of 10.2% as sales transactions rose from RM1.9 billion in 2004 to RM5.0 billion in 2014. Sales transactions for consumer foodservice is expected to grow from RM35.0 billion in 2014 to RM38.9 billion in 2016 at a CAGR of 5.4%. Further growth in consumer foodservice will be a result of rapid urbanisation, increasing disposable income of the population, advertising and promotional activities by consumer foodservice providers and growth in distribution.

Raine & Horne and SMITH ZANDER believe that the prospects of the Al-Salām REIT properties will be supported by the overall growth in the property market, particularly in the commercial property segment in Johor Bahru, and the retail and consumer foodservice markets in Malaysia. The positive outlook of the property, retail and consumer foodservice markets is expected to sustain demand for the Al-Salām REIT properties, where it is expected to continue to enjoy favourable rental yields and occupancy rates.

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Deloitte Tax Services Sdn Bhd (36421-T)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

4 August 2015

The Board of Directors
Damansara REIT Managers Sdn Berhad
Unit 1-19-02, Level 19
Block 1 V Square Jalan Utara
46200 Bandar Petaling Jaya
Selangor

P.O. Box 11151
50736 Kuala Lumpur
Malaysia

Tel: +60 3 7610 8888
Fax: +60 3 7725 7768 / 7725 7769
www.deloitte.com/my

AmanahRaya Trustees Berhad
Tingkat 2 Wisma TAS
No 21 Jalan Melaka
50100 Kuala Lumpur

Dear Sirs

Taxation of Al-Salām Real Estate Investment Trust and its Unit Holders

This letter has been prepared for inclusion in the Prospectus in relation to the offer of units in Al-Salām Real Estate Investment Trust (hereinafter referred to as “Al-Salām REIT” or the “REIT”).

The purpose of this letter is to provide prospective unit holders with an overview of the Malaysian tax implication of the following:-

- Taxation of the REIT; and
- Taxation of unit holders of the REIT.

1.0 Taxation of the REIT

The taxation of the REIT is governed by the provisions of the Malaysian Income Tax Act, 1967 (“the Act”), particularly Sections 61, 61A and 63C therein which deal generally with the taxation of unit trusts and unit trusts which are approved by the Securities Commission, Malaysia (“SC”) as real estate investment trusts.

Income of the REIT, will be taxed at the tax rate applicable to real estate investment trusts, which is currently 25% [24% effective year of assessment (“YA”) 2016], after the tax adjustments outlined below. However, pursuant to Section 61A of the Act, the REIT will be exempt from income tax if it distributes at least 90% of its total taxable income to unit holders in the same YA. For the exemption to apply, the distribution has to be made within 2 months after the close of the REIT’s financial year which forms the basis period for a YA of the REIT¹.

If less than 90% of its total income is distributed or its total income or the 90% distribution of its total income is not made within 2 months from the close of its financial year end, income of the REIT would continue to be taxed based on the prevailing tax rate, which is currently at the rate of 25% (24% effective YA 2016). Income which has been taxed at the REIT level will have tax credits attached thereto when it is subsequently distributed to unit holders.

¹ In accordance with the Public Ruling No. 2/2015 – Taxation of Real Estate Investment Trust or Property Trust Fund (“PTF”) issued by the Inland Revenue Board (“IRB”).

The references to one or more of Deloitte include Deloitte Limited, a UK private company limited by guarantee (“DTE”), its network of member firms and their related entities (“DTEs”) and each of its member firms and legally separate affiliated companies (“DTEs”) also referred to as “Deloitte member firms” and provide services to clients. For more information, please refer to the Deloitte Global website for a more detailed description of DTEs and its member firms.

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In arriving at its chargeable income, the REIT will be entitled to deduct expenses which are incurred wholly and exclusively in the production of that gross rental income of the REIT. In addition, establishment expenditure such as legal, valuation and consultancy fees incurred for the purpose of establishing the REIT prior to approval by the SC are also deductible.

Rental income derived from the letting of real property by the REIT is deemed to be a business source of income. In arriving at the statutory income from rental, capital allowances (including Industrial Building Allowance²) on qualifying assets employed for the rental business is allowed to be claimed against the adjusted income from the rental source.

However, any unutilised capital allowances or losses arising from the rental source cannot be carried forward to future years or deducted against the REIT’s other sources of income for that year.

1.1 Exempt Income

The REIT may receive other tax exempt income as follows:-

- **Dividends**

Tax exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying tax incentives provided under the relevant legislations. Likewise, single tier dividends received by the REIT are also exempted from tax pursuant to paragraph 12B, Schedule 6 of the Act.

- **Interest**

Tax exemption is available on interest income earned by the REIT from the following investments:-

- (i) Any savings certificates issued by the government;
- (ii) Securities or bonds issued or guaranteed by the Government of Malaysia;
- (iii) Debentures or Islamic securities, other than convertible loan stocks, approved by the SC;
- (iv) Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (v) Interest income from Islamic securities originated in Malaysia, other than convertible loan stocks issued in any currency other than Ringgit Malaysia and approved by the SC and Labuan Financial Services Authority;
- (vi) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad; and
- (vii) 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.

- **Discount**

Tax exemption will be given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii), (iii) and (v) above.

² Industrial building allowance is allowed only where the tenant uses the building as an industrial building (i.e. factory).

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1.2 Foreign Sourced Income

Foreign sourced income received by the REIT from its overseas investments is tax exempted. However, such income may be subject to applicable taxes in the country from which it is derived.

1.3 Gains from the Realization of Investments

Pursuant to Section 61(1)(b) of the Act, gains from the realization of investments will not be treated as income of the REIT and hence, are not subject to income tax.

Except for cases where the acquirer is a real estate investment trust or PTF which is approved by the SC, gains arising from the disposal of real property³ or shares in real property companies⁴ by the REIT will be subject to real property gains tax under the Real Property Gains Tax Act, 1976 (“RPGTA”).

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies by a company would be subject to real property gains tax at the following rates:

Category of disposal	Rate of tax
Disposal within three years after the date of acquisition of the chargeable asset	30%
Disposal in the fourth year after the date of acquisition of the chargeable asset	20%
Disposal in the fifth year after the date of acquisition of the chargeable asset	15%
Disposal in the sixth year after the date of acquisition of the chargeable asset or thereafter	5%

1.4 Stamp Duty on Acquisition of Real Property

All instruments of transfer or instruments of deed of assignment executed between a real estate investment trust or a PTF approved by the SC and the disposer relating to the purchase of real property are exempted from stamp duty pursuant to the Stamp Duty (Exemption) (No. 4) Order 2004 and Stamp Duty (Exemption) (No. 27) Order 2005 respectively.

However, the acquisition of shares in real property companies will be subject to stamp duty at the rate of 0.3% on the price or value of the shares on the date of transfer, whichever is the greater.

³ “Real Property” is defined under Section 2 of the RPGTA as any land situated in Malaysia and any interest, option or other right in or over such land.

⁴ Pursuant to Paragraph 32A(6), Schedule 2 of the RPGTA, “Real Property Company” means:

- (a) a controlled company which, as at 21 October 1988, owns real property or shares of both, the defined value of which is not less than seventy-five per cent of the values of its total tangible assets; or
- (b) a controlled company to which subparagraph (a) is not applicable, but which, at any date after 21 October 1988, acquire real property or shares or both whereby the defined value of real property or shares or both owned at that date is not less than seventy-five per cent of the value of its total tangible assets;

Provided that where at any date the company disposes of real property or shares or both whereby the defined value of real property or shares or both owned at that date and thereafter is less than seventy-five per cent of the value of its total tangible assets, that company shall not be regarded as a real property company as from that date.

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2.0 Taxation of Unit Holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distribution received from the REIT.

The income of unit holders from their investment in the REIT broadly falls under the following categories:

- a) Distribution of income which is tax exempt at the REIT level;
- b) Distribution of income that has been taxed at the REIT level; and
- c) Distribution of tax exempt income received by the REIT.

In addition, unit holders may also realize a gain from the sale of units.

The income tax implications of each of the above are explained below.

a) Distribution of income which is tax exempt at the REIT level

If 90% or more of the total taxable income of the REIT in the basis year of a YA is distributed to unit holders, the REIT is exempted from tax for that YA. However, unit holders will be subject to withholding tax at the following rates:

Unit Holders	Withholding Tax Rate
Individual & all other non-corporate investors such as institutional investors ¹ (resident and non-resident ⁵)	10% ²
Non-resident corporate investors ^{3 & 5}	25%
Resident corporate investors	0% ⁴

- 1 Institutional investors mean a pension fund, collective investment scheme or such other person approved by the Minister of Finance.
- 2 This reduced rate of withholding tax is effective from 1 January 2012 to 31 December 2016.
- 3 Corporate means an incorporated body.
- 4 Corporate investors who are tax resident in Malaysia would have to file tax returns and declare such REIT income which is taxed at 25% (24% effective YA 2016).
- 5 Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation agreements with Malaysian.

The withholding tax is a final tax to unit holders who are resident individuals or non-corporate investors. They are not required to declare the income received from the REIT in their Malaysian tax returns.

Distributions to resident corporate investors are not subject to withholding tax. Instead, resident corporate investors are required to declare the distributions from REITs in their corporate tax returns and subject to corporate tax at 25%.

b) Distribution of income that has been taxed at the REIT level

Where in a YA the REIT does not qualify for the tax exemption as it does not distribute at least 90% of total income, the REIT would have paid tax on its taxable income in that YA. The distributions made by the REIT will have tax credits attached to it. The tax treatment for the unit holders will be as follows:-

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- Both resident and non-resident unit holders will be entitled to utilize the tax credit as a set-off against the Malaysian tax payable by them, if any. No other withholding tax will be imposed on the income distribution of the REIT which has already been subjected to income tax at the REIT level.
- Resident corporate investors are required to report the REIT distribution in their own corporate tax returns and will be entitled to tax credits based on the taxes paid by the REIT.
- Foreign unit holders may be subject to tax in their respective jurisdictions depending on the provisions of their country’s tax legislation and entitlement to any tax credits would be dependent on their home country’s tax legislation.

c) Non-taxable and exempt distributions

Tax exempt income and capital gains (e.g. gains arising from the disposal of real property) derived by the REIT and subsequently distributed to the unit holders will not be subject to Malaysian tax in the hands of these unit holders.

2.1 Gains from Sale of Units

Malaysia does not impose tax on capital gains. Where a unit holder has held the units for long term investment purposes, any gains arising from the disposal of the units should be regarded as capital gains and hence, should not be subject to Malaysian income tax.

Where the units are held as trading assets of a trade or business carried on in Malaysia, gains arising from the sale of the units will be viewed as part of business income and subject to income tax. Dealers in securities (including any person actively buying and selling securities/units on a regular basis) and financial institutions in Malaysia (i.e. insurance company and banks) will be subject to income tax since the gains are viewed as business income. Foreign dealers and financial institutions with no business presence or permanent establishment presence in Malaysia will not be subject to income tax in Malaysia on the gains. However, such gains may be subject to tax in the investors’ respective jurisdictions.

2.2 Unit Splits and Reinvestment of Distributions

Unit holders may also receive new units as a result of unit splits or choose to reinvest their distributions. The tax implications of these are as follows:

- Unit splits – New units issued by the REIT pursuant to a unit split will not be subject to tax in the hands of the unit holders.
- Reinvestment of distributions – Unit holders may choose to reinvest their income distribution in new units by informing the Manager. The unit holders will be deemed to have received the distribution and reinvested in with the REIT.

2.3 Stamp Duty on Transfer of Units

The transfer of units in the REIT by the unit holders will be exempted from stamp duty pursuant to Item 32 Exemption Paragraph (c), First Schedule of the Stamp Act, 1949.

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3.0 Goods and Service Tax (“GST”)⁵

3.1 Overview

GST at 6% was implemented in Malaysia on 1 April 2015. GST shall be charged on the taxable supply of goods and services made in the course or furtherance of business in Malaysia by a taxable person. GST is also charged on the importation of goods and services.

A taxable supply is a supply which is standard rated (6%) or zero rated. Exempt and out of scope supplies are not taxable supplies. GST is to be levied and charged on the value of the taxable supplies. GST can only be levied and charged if the business is registered under GST Act 2014.

All businesses that have an estimated total value of taxable supplies of RM 500,000 or more in the twelve months’ period from 1 April 2015 to 31 March 2016 will have to register for GST by 31st December 2014. Nevertheless, businesses that do not exceed the above registration threshold can apply to be registered voluntarily.

Even though GST is imposed at each level of the supply chain, generally the tax element does not become part of the cost of the product/service for a taxable supplier because GST paid on the business inputs for making taxable supplies is claimable as an input tax credit at each level of the supply chain. This means that GST incurred on costs of those business inputs may be set off against the GST collected on taxable supplies.

However, if the GST incurred relates to both taxable and exempt supplies, input tax credit may only be claimable (using the partial exemption apportionment method) for the portion which is attributable to taxable supplies. Effectively this should mean that where a business makes taxable supplies, the GST to be paid to the Royal Malaysian Customs Department (“Customs Department”) should amount to a tax on the value that has been added by the business in that period.

The REIT has registered with the Customs Department for Malaysian GST and will account for GST on any taxable supplies it makes, including those supplies made to tenants.

3.2 GST on the REIT

As the REIT generates its income principally from rental of real property (commercial) which is a taxable supply and proceeds from issuance of the REIT units to investors, an exempt supply, the REIT is required to register with the Customs Department for Malaysian GST and has done so effective 1 May 2015.

As a GST registrant, the REIT will be required to charge 6% GST on the taxable supplies [e.g. rental of real property (commercial) to its tenants] and remit to the Customs Department after deducting allowable input tax credits incurred on its costs. The issuance of the REIT units to investors/unit holders is an exempt supply and therefore no GST is applicable as will be the case for any ‘distributions’ paid out to those investors.

⁵ Based on Draft GST Guide on Fund Management (as at 27 October 2013) issued by the Royal Malaysian Customs

APPENDIX C – TAX ADVISER’S LETTER ON TAXATION OF AL-SALĀM REIT AND UNITHOLDERS (Cont’d)

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As the issuance of the REIT units is not an incidental exempt financial supply, any input tax incurred on common expenses for taxable and exempt supply should be subject to the partial exemption method of apportionment. Hence, GST incurred by the REIT on common expenses in relation to taxable (commercial) real property rental and exempt issuance of the REIT units would have to be apportioned using the partial exemption apportionment method. It should be noted that no input tax credits may be claimed on expenses incurred specifically for the purpose of making the exempt supplies of issuance of the REIT units. Any GST on expenses directly incurred in respect of the acquisition, operation and maintenance of the rental buildings acquired by the REIT for the specific purpose of the REIT’s taxable (commercial) rental business should be able to be claimed in full as input tax credit.

3.3 GST on Investors/Unit Holders

The investor/unit holder is entitled to receive distribution from investment in the REIT. As stated above, distribution income is not subject to GST.

The issue, holding and redemption of units under a trust fund, and, the transfer of ownership of securities is an exempt supply under the GST (Exempt Supplies) Order. Further, any brokerage commission or clearing fee on the trading of the REIT through a GST-registered broker is subject to 6% GST. An investor/unit holder (who is a GST registrant) may be entitled to claim GST incurred on incidental exempt financial supplies, which includes the holding or redemption of any unit under a trust fund. It is essential that any investor/unit holder takes its own advice based on its own factual situation, as this may affect its outcome, depending on whether it is registered, and also whether it qualifies to claim input tax on costs incurred in respect of incidental exempt financial supplies.

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possible on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obliged to monitor or update the statements for future conditions that may affect the statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the REIT. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the REIT.

Yours faithfully



Tan Hooi Beng
Executive Director



Deloitte (AF 0080)
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

P.O. Box 10093
50704 Kuala Lumpur
Malaysia

Tel: +60 3 7610 8888
Fax: +60 3 7726 8986
www.deloitte.com/my

**INDEPENDENT ASSURANCE REPORT
ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION OF
AL-SALĀM REAL ESTATE INVESTMENT TRUST (“AL-SALĀM REIT”)**

REPORT ON THE COMPILATION OF PRO FORMA STATEMENT OF FINANCIAL POSITION

We have completed our assurance engagement to report on the pro forma statement of financial position of Al-Salām REIT as of 30 March 2015 (date of establishment of Al-Salām REIT) and its related notes prepared by the Directors of Damansara REIT Managers Sdn Berhad.

The pro forma statement of financial position and its related notes, as set out in the accompanying attachment and stamped by us for the purpose of identification, have been prepared for inclusion in the prospectus (“Prospectus”) issued in connection with the initial public offering and listing of Al-Salām REIT on the Main Market of Bursa Malaysia Securities Berhad (“the Listing”).

The applicable criteria on the basis of which the Directors of Damansara REIT Managers Sdn Berhad have prepared the pro forma statement of financial position are described in Note 4 of the pro forma statement of financial position and are specified in the Prospectus Guidelines for Collective Investment Schemes issued by Securities Commission Malaysia (the “Prospectus Guidelines”).

The pro forma statement of financial position has been prepared, for illustrative purposes only, to illustrate the effects of the Listing on the financial position of Al-Salām REIT had the Listing been effected at its date of establishment.

Directors’ Responsibilities

The Directors of Damansara REIT Managers Sdn Berhad are responsible for preparing 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.

Our Responsibilities

We conducted our engagement in accordance with International Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors of Damansara REIT Managers Sdn Berhad have prepared, in all material respects, the pro forma statement of financial position on the basis set out in the notes thereon in accordance with the Prospectus Guidelines.

APPENDIX D – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont’d)

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma statement of financial position.

The purpose of the pro forma statement of financial position is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma statement of financial position has been prepared, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors of Damansara REIT Managers Sdn Berhad in the compilation of the pro forma statement of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma statement of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of Al-Salām REIT, the event or transaction in respect of which the pro forma statement of financial position has been prepared and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma statement of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated.

Emphasis of Matter

We wish to draw attention that Note 3(a) to the pro forma statement of financial position of Al-Salām REIT indicates that the relevant sales and purchase agreements for Phase 2 Acquisition (as defined in the pro forma statement of financial position) will only be completed prior to or on the Listing date. The pro forma statement of financial position has been prepared based on the assumption that the relevant sales and purchase agreements are duly completed.

Other Matters

This report has been issued for the sole purpose of inclusion in the Prospectus in connection with the Listing in compliance with the Prospectus Guidelines. As such, this letter is not to be used, circulated, quoted or otherwise referred to, for any other purposes nor is it to be filed with, reproduced, copied, disclosed or referred, in whole or in part, in any document other than the Prospectus.



DELOITTE
AF 0080
Chartered Accountants



HUANG KHEAN YEONG
Partner - 2993/05/16 (J)
Chartered Accountant

4 August 2015

**AL-SALĀM REAL ESTATE INVESTMENT TRUST
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON**

1. GENERAL

The pro forma statement of financial position of Al-Salām REIT has been prepared for the purpose of inclusion in the prospectus (“Prospectus”) issued in connection with the initial public offering (“IPO”) and listing of Al-Salām REIT on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“the Listing”) which encompasses the listing scheme as described in Note 3 below.

2. SUMMARY OF PROPOSED ACCOUNTING POLICIES

The pro forma statement of financial position of Al-Salām REIT has been prepared on the basis and assumptions as set out in the notes thereon, 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 Al-Salām REIT. The summary of accounting policies to be adopted by the Al-Salām REIT is set out in Section 7.6.2 of the Prospectus.

3. LISTING SCHEME

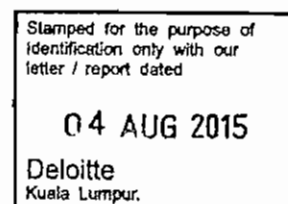
The listing scheme in relation to the Listing comprises the following:

(a) Acquisition of the following properties:

- (i) KOMTAR JBCC: a four-level shopping mall together with an allocation of 1,187 car park bays and 480 motorcycle bays located in Johor Bahru City Centre, Johor Bahru;
- (ii) Menara KOMTAR: a twenty five-storey office building together with 145 car park bays located in Johor Bahru City Centre, Johor Bahru;
- (iii) @Mart Kempas Community Hypermarket: a single-storey hypermarket located within Kempas, Johor Bahru (“@Mart Kempas”); and
- (iv) KFCH International College: a four-storey building located in Bandar Dato’ Onn, Johor Bahru (“KFCH College”);

from Damansara Assets Sdn Bhd, a wholly-owned subsidiary of Johor Corporation (“JCorp”) (collectively, KOMTAR JBCC, Menara KOMTAR, @Mart Kempas and KFCH College are referred to as “DASB Properties”), and

- (v) Twenty seven (27) properties, comprising restaurant properties and non-restaurant properties (“QSR Properties”)



**AL-SALĀM REAL ESTATE INVESTMENT TRUST
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON**

from the following wholly-owned subsidiaries of QSR Brands (M) Holdings Sdn Bhd (“QSR”), a 51% owned subsidiary of JCorp:

- (i) KFC (Peninsular Malaysia) Sdn Bhd;
- (ii) SPM Restaurants Sdn Bhd;
- (iii) Pintas Tiara Sdn Bhd;
- (iv) QSR Manufacturing Sdn Bhd;
- (v) Chippendales (M) Sdn Bhd;
- (vi) Kentucky Fried Chicken (Malaysia) Sendirian Berhad;
- (vii) Pizza Hut Restaurants Sdn Bhd; and
- (viii) KFC (Sabah) Sdn Bhd

(Collectively, DASB Properties and QSR Properties are referred to as the “Subject Properties”)

The Subject Properties will be acquired by the Trustee of Al-Salām REIT, namely AmanahRaya Trustees Berhad (“the Trustee”), on behalf of Al-Salām REIT at a purchase consideration of RM903.14 million to be satisfied by:

- (i) the issuance of 327,640,000 new units of RM1.00 each in Al-Salām REIT (“Unit(s)”) (“Consideration Units”); and
- (ii) cash consideration of RM575.5 million, which will be partly financed through the proceeds raised from the IPO Offerings (as defined herein) and the funds received from the drawdown of a portion of the Financing Facility (as defined herein).

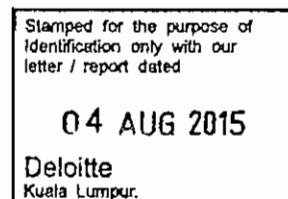
(the “Acquisitions”)

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 Cheston International (KL) Sdn Bhd and Cheston International (Johor) Sdn Bhd (collectively referred to as the “Independent Property Valuers”). The dates of the valuation reports prepared by the Independent Property Valuers are as follows:

Subject Properties	Date of Valuation Reports
KOMTAR JBCC	18 July 2014
Menara KOMTAR	18 July 2014
@Mart Kempas	15 April 2014
KFCH College	15 April 2014
QSR Properties	Ranged between 7 January 2014 and 28 February 2014

On 6 May 2015, the acquisition of the thirteen (13) QSR Properties, which does not require relevant State authority’s consent to transfer and/or charge, were duly completed in accordance with the terms of the respective sales and purchase agreements dated 27 April 2015 at an aggregate purchase consideration of RM126.04 million (“Phase I Acquisition”). The purchase consideration was satisfied by proceeds received from the partial drawdown of the Financing Facility (as defined herein) amounting to RM136.04 million.

The remaining Subject Properties, namely DASB Properties and the remaining fourteen (14) QSR Properties are still pending completion and is expected to be completed prior to or on the Listing date (“Phase 2 Acquisition”).



**AL-SALĀM REAL ESTATE INVESTMENT TRUST
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON**

- (b) The IPO of 252,360,000 new Units comprising:
- (i) 240,760,000 new Units made available by way of private placement to selected institutional investors and selected investors at the IPO price of RM1.00 per Unit, payable in full upon allocation; and
 - (ii) 11,600,000 new Units made available for application by the Malaysian public at the IPO price of RM1.00 per Unit, payable in full upon application.
- (“IPO Offerings”)
- (c) The listing of and quotation for the entire 580,000,000 issued Units on the Main Market of Bursa Securities comprising:
- (i) 327,640,000 Consideration Units; and
 - (ii) 252,360,000 new Units arising from the IPO Offerings.

The Acquisitions and IPO Offerings are inter-conditional upon each other. The Acquisitions are conditional upon the listing and quotation of Al-Salām REIT on the Main Market of Bursa Securities.

(Collectively, (a), (b) and (c) are referred to as the “Listing Scheme”)

4. EFFECTS ON PRO FORMA STATEMENT OF FINANCIAL POSITION

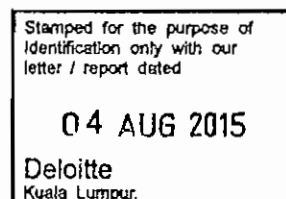
The pro forma statement of financial position of Al-Salām REIT has been prepared for illustrative purposes only to show the effects of the Listing Scheme based on the assumption that such events had been effected on 30 March 2015, being the date of establishment of Al-Salām REIT.

The Al-Salām REIT was established on 30 March 2015 pursuant to a deed of trust dated 26 March 2015 entered into between the Trustee and Damansara REIT Managers Sdn Berhad (“the Manager”) constituting Al-Salām REIT, which was registered with Securities Commission Malaysia on 30 March 2015.

For illustrative purposes,

- (i) the estimated listing expenses in relation to the Listing is RM9.5 million and is debited to Unitholders’ Capital account; and
- (ii) the estimated transaction cost of approximately RM4.3 million attributable to the Financing Facility is debited against the carrying value of the Financing Facility.

As at the date of establishment, Al-Salām REIT did not have any assets and liabilities. The pro forma statement of financial position of Al-Salām REIT set out below is provided for illustrative purposes to show the effects on the statement of financial position of the Al-Salām REIT on its date of establishment of 30 March 2015 and the Listing Scheme had been effected on that date, and should be read in conjunction with the accompanying notes thereon.



APPENDIX D – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont’d)

**AL-SALĀM REAL ESTATE INVESTMENT TRUST
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON**

5. PRO FORMA STATEMENT OF FINANCIAL POSITION AND PRO FORMA ADJUSTMENTS

	As of 30.3.2015					
	Note	establishment) RM’000	Adjustments RM’000	Pro Forma I RM’000	Adjustments RM’000	Pro Forma II RM’000
Non-Current Asset						
Investment properties	6(a)	-	126,040	126,040	777,100	903,140
Current Asset						
Cash and bank balances	6(b)	-	8,110	8,110	4,955	13,065
Total Assets		-		134,150		916,205
Financed by:						
Unitholders’ capital	6(d)	-	-	-	570,500	570,500
Non-Current Liability/ Total Liability						
Financing facility	6(c)	-	134,150	134,150	211,555	345,705
Total Unitholders’ Capital and Liability		-		134,150		916,205

Net asset value (“NAV”)
(RM’000)⁽¹⁾

Number of units in issue (‘000)

NAV per unit (RM)⁽²⁾

Notes:

(1) NAV represents the value of Al-Salām REIT’s total assets less total liability.

(2) NAV per unit is computed based on the NAV divided by the number of units issued by Al-Salām REIT.

570,500
580,000
0.98

Stamped for the purpose of
identification only with our
letter / report dated

04 AUG 2015

Deloitte
Kuala Lumpur.

**AL-SALĀM REAL ESTATE INVESTMENT TRUST
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON**

5.1 Pro Forma I

Pro Forma I incorporates the adjustments relating to the Phase 1 Acquisition. The purchase consideration was satisfied by proceeds received from the partial drawdown of the Financing Facility amounting to RM136.04 million. The expenses related to the partial drawdown of the Financing Facility, comprising entirely of upfront fees, is RM1.89 million and has been netted off against the proceeds from the Financing Facility (Note 6(c)).

5.2 Pro Forma II

Pro Forma II incorporates Pro Forma I, and adjustments relating to the Phase 2 Acquisition via the issuance of Consideration Units and the IPO Offerings, and the drawdown of the remaining Financing Facility amounting to RM213.96 million. The expenses related to the drawdown of the remaining Financing Facility is estimated to be approximately RM2.41 million and will be netted off against the proceeds from the Financing Facility (Note 6(c)). The estimated listing expenses of the Al-Salām REIT amounting to RM9.5 million are deducted from Unitholders’ Capital (Note 6(d)).

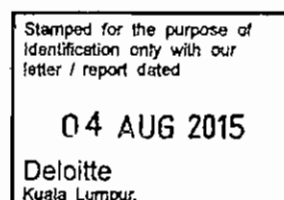
6. NOTES TO THE PRO FORMA STATEMENT OF FINANCIAL POSITION

(a) Investment Properties

Investment properties comprise the cost of acquisition of the Subject Properties and any subsequent costs of renovation and expansion works, when it is probable that the future economic benefits that are associated with the expansion works will flow to Al-Salām REIT and that the cost of the renovation and expansion works can be measured reliably.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

The Subject Properties were appraised by the Independent Property Valuers as described in Note 3.



AL-SALĀM REAL ESTATE INVESTMENT TRUST
 PRO FORMA STATEMENT OF FINANCIAL POSITION
 AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON

(b) Cash and Bank Balances

The movements in cash and bank balances of Al-Salām REIT are as follows:

	RM’000
As at 30 March 2015 (date of establishment)	-
Partial drawdown of Financing Facility	136,040
Transaction costs for the Financing Facility	(1,890)
Cash outlay for Phase 1 Acquisition	<u>(126,040)</u>
Pro Forma I	8,110
Remaining drawdown from the Financing Facility	213,960
Estimated transaction costs for the Financing Facility	(2,405)
Proceeds from IPO offering	252,360
Estimated listing expenses	(9,500)
Cash outlay for Phase 2 Acquisition	<u>(449,460)</u>
Pro Forma II	<u>13,065</u>

(c) Financing Facility

The movements in the financing facility of Al-Salām REIT are as follows:

	RM’000
As at 30 March 2015 (date of establishment)	-
Partial drawdown of Financing Facility	136,040
Transaction costs for the Financing Facility	<u>(1,890)</u>
Pro Forma I	134,150
Remaining drawdown from the Financing Facility	213,960
Estimated transaction costs for the Financing Facility	<u>(2,405)</u>
Pro Forma II	<u>345,705</u>

The Financing Facility comprise of a Commodity Murabahah Term Financing-i (“CMTF-i”) dated 14 April 2015 amounting to RM350.0 million from RHB Islamic Bank Berhad and Maybank Islamic Berhad (collectively “the Banks”) to part finance the acquisition of the Subject Properties. The CMTF-i is comprised of Tranche 1 and Tranche 2 amounting to RM136.04 million and RM213.96 million, respectively.

The CMTF-i profit is payable over a period of 60 months from the date of first disbursement with full repayment of principal sum on the 60th month. The effective profit rate for the CMTF-i will be based on Cost of Funds (“COF”) + 1.35% per annum for the first 24 months and COF + 1.50% per annum for the remaining duration of the CMTF-i. The COF is based on each respective Banks’ COF.

The total transaction costs of approximately RM4.3 million will be debited against the amount of the Financing Facility comprising, amongst others, processing and stamping fees, legal advisory fees and other establishment fees.

Stamped for the purpose of
 identification only with our
 letter / report dated

04 AUG 2015

Deloitte
 Kuala Lumpur.

AL-SALĀM REAL ESTATE INVESTMENT TRUST
 PRO FORMA STATEMENT OF FINANCIAL POSITION
 AS AT 30 MARCH 2015 (DATE OF ESTABLISHMENT) AND THE NOTES THEREON

(d) Unitholders’ Capital

The movements of unitholders’ fund are as follows:

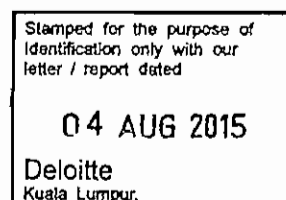
	Unitholders’ capital RM’000
As at 30 March 2015 (date of establishment) and Pro Forma I	-
Issuance of new units to part finance the Phase 2 Acquisition	580,000
Estimated listing expenses	(9,500)
	<u>570,500</u>
Pro Forma II	<u>570,500</u>

The estimated listing expenses of the Al-Salām REIT amounting to RM9.5 million are deducted from the Unitholders’ Capital and consist of the following expenses:

	RM’000
Underwriting and brokerage fees	4,532
Professional fees ⁽¹⁾	3,589
Regulatory fees	212
Other fees ⁽²⁾	1,167
	<u>9,500</u>

Notes:

- (1) Professional fees comprise of estimated fees payable to principal advisors, legal advisors, reporting accountants, tax advisors, independent market research consultants and independent property valuers.
- (2) Other fees comprise of estimated expenditure relating to advertising, printing, issuing house and other ancillary costs.



APPENDIX E – 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., 4 September 2015

CLOSING OF THE RETAIL OFFERING: 5.00 p.m., 15 September 2015

The Directors of the Manager, together with the Principal Adviser, the Sole Underwriter and the Joint Placement Agents may mutually 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)

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) Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders;
 - (ii) Affin Investment Bank Berhad (www.affinTrade.com) – No fees will be charged for application by their account holders;
 - (iii) 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;
 - (iv) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
 - (v) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - (vi) Public Bank Berhad (www.pbebank.com) – RM2.00; and
 - (vii) RHB Bank Berhad (www.rhbgroun.com) – RM2.50.

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Applicants using the WHITE Application Form are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Form 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 Joint Placement Agents and shall follow the instructions as communicated by the Joint Placement Agents.

3. PROCEDURES FOR APPLICATION AND ACCEPTANCE

3.1 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 this Appendix 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 Manager 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.

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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.

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 Principal Adviser;
- (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.

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

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 (KPPK 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 WHITE Application Form.

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 IPO Price, which is RM1.00 per Offer Unit.

Payment must be made out in favour of “**MIH UNIT ISSUE ACCOUNT NO. 570**” and crossed “**A/C PAYEE ONLY**” 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

The Manager 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 (KPPK 09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant (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 (KPPK 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

OR

P.O. Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan

- (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 15 September 2015, or such later date or dates as the Manager, together with the Principal Adviser, the Sole Underwriter and the Joint Placement Agents 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 this Appendix 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. 570;
 - 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:

- (i) AFFIN BANK BERHAD;
- (ii) AMBANK (M) BERHAD;
- (iii) CIMB BANK BERHAD;
- (iv) HSBC BANK MALAYSIA BERHAD;
- (v) MALAYAN BANKING BERHAD;
- (vi) PUBLIC BANK BERHAD;
- (vii) RHB BANK BERHAD; or
- (viii) 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 this Appendix 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.

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

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 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 15 September 2015 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 133 of the Financial Services Act, 2013 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 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 reserves 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 two (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 two (2) Market Days after the balloting date. An applicant may check his account on the fifth (5th) 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 two (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 their accounts with the Participating Financial Institution within ten (10) Market Days from the date of the final ballot, at their own risk.

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

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

- (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 Issuing House or the Participating Financial Institution and irrevocably agrees that if:
- (a) The Manager 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 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 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 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 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 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 Manager, 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 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 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 reserves 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) Affin Investment Bank Berhad (www.affintrade.com) – No fee will be charged for application by their account holders;
 - (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;

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

- (d) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
- (e) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- (f) Public Bank Berhad (www.pbebank.com) – RM2.00; or
- (g) RHB Bank Berhad (www.rhbgroup.com) – 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) Login 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 Retail 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;

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

- (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 133 of the Financial Services Act, 2013 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 Retail 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 Retail 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 Retail 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 RM1.00 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.

The Issuing House, acting under the authority of the Manager 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 WHITE Application Form, Electronic Application and Internet Application must be for at least 100 Units or multiples of 100 Units.
- (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 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.

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

The Manager'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 Manager or the Issuing House and any relevant regulatory bodies (as the case may be).

The applicant agrees to accept the Manager's decision as final should the Manager 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 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 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 Manager or the Issuing House does not receive his application or his application data is wholly or partially lost, corrupted or inaccessible to the Manager or the Issuing House. The applicant shall not make any claim whatsoever against the Manager, 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.

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

- (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 this Appendix 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 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 Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If in any such event the Manager, 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 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 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 Manager 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 Sponsor, the Principal Adviser, the Sole Underwriter and the Joint Placement Agents 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 AND THE ISSUING HOUSE

If an applicant is successful in his application, the Manager 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 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. 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, 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 crediting into the bank account for purposes of cash dividend/distribution if the applicants have provided such bank account information to Bursa Depository or by ordinary post/registered post if the applicants have not provided such bank account information to Bursa Depository.

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 to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, the Manager will consider the desirability of distributing the Offer Units to a reasonable number of applicants for the purpose of broadening Al-Salām REIT's unitholding base and establishing an adequate market in the trading of the Units. Pursuant to the Listing Requirements, Al-Salām REIT needs to have a minimum number of 1,000 public unitholders holding not less than 100 Units each upon Listing and completion of the IPO. The Manager expects 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 3.5.3** of this Prospectus), all the Offer Units not applied for under the Retail Offering will be subscribed by the Sole Underwriter pursuant to the 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 ten (10) Market Days from the date of the final ballot of the application list by crediting into his bank account for purposes of cash dividend/distribution if he has provided such bank account information to Bursa Depository or by ordinary post to his address maintained with Bursa Depository if he has not provided such bank account information to 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.

10. UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If an applicant is unsuccessful/partially successful in his application, the Manager 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 crediting into his bank account for purposes of cash dividend/distribution if he has provided such bank account information to Bursa Depository or by ordinary/registered post (for partially successful applications) within ten (10) Market Days from the date of the final ballot if he has not provided such bank account information to Bursa Depository.
- (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 (KPPK 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 into his bank account for purposes of cash dividend/distribution if he has provided such bank account information to Bursa Depository or by ordinary/registered post to the applicant's last address maintained with Bursa Depository if he has not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be) within ten (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 two (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 two (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 crediting into the applicant's account with the Participating Financial Institution not later than ten (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 monies (or any part thereof) into the applicant's account without interest within two (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 two (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 two (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 crediting into the applicant's account with the Internet Participating Financial Institution not later than ten (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 monies (or any part thereof) into the applicant's account without interest within two (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 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.

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

- (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 Al-Salām 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 Application Form at telephone no. (603) 7841 8000 or (603) 7841 8289. 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 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 this Appendix of this Prospectus between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

13. ADA

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

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KUALA LUMPUR			
AFFIN HWANG INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009	FA SECURITIES SDN BHD A-10-1 & A-10-17 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No : 03-22881676	021-002
AFFIN HWANG INVESTMENT BANK BERHAD 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No : 03-22872273	068-017	HONG LEONG INVESTMENT BANK BERHAD Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21616121 / 21681168	066-001
AFFIN HWANG INVESTMENT BANK BERHAD Ground, Mezzanine & 3 rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	068-018	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Level 18, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-26910200 / 26928899	066-006

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
AFFIN HWANG INVESTMENT BANK BERHAD 38A & 40A Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No : 03-91308803	068-021	INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001
ALLIANCE INVESTMENT BANK BERHAD Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26043333	076-001	INTER-PACIFIC SECURITIES SDN BHD Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003
AMINVESTMENT BANK BERHAD 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788 / 20362633	086-001	INTER-PACIFIC SECURITIES SDN BHD No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90562921	054-007
BIMB SECURITIES SDN BHD Level 32, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26918887	024-001	JUPITER SECURITIES SDN BHD Level 8 & 9, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
CIMB INVESTMENT BANK BERHAD Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No : 03-22618888	065-001	KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21710228	053-001
KENANGA INVESTMENT BANK BERHAD Level 8, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001	MIDF AMANAH INVESTMENT BANK BERHAD Level 9, 10, 11, 12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001
KENANGA INVESTMENT BANK BERHAD M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42978806	073-020	PM SECURITIES SDN BHD Mezzanine & 1 st Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001
KENANGA INVESTMENT BANK BERHAD 1 st Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20892888	073-021	PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001

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Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD 1 st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781133	073-029	RHB INVESTMENT BANK BERHAD Level 3A, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92873888	087-001
M & A SECURITIES SDN BHD Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002	RHB INVESTMENT BANK BERHAD 12 th , 20 th & 21 st Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-23338333	087-018
M & A SECURITIES SDN BHD 22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No : 03-79839890	057-004	RHB INVESTMENT BANK BERHAD No. 62 & 64, Vistia Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	087-028
MALACCA SECURITIES SDN BHD 55-1, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong 52100 Kuala Lumpur Tel No : 03-62418595	012-009	RHB INVESTMENT BANK BERHAD No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	087-054
MAYBANK INVESTMENT BANK BERHAD Level 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001	RHB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	087-058
MERCURY SECURITIES SDN BHD L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002	TA SECURITIES HOLDINGS BERHAD Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62056000	078-004	UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 19 th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-21471888	078-010
SELANGOR DARUL EHSAN			
AFFIN HWANG INVESTMENT BANK BERHAD 16 th , 18 th -20 th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002	AMINVESTMENT BANK BERHAD 4 th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-001

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
AFFIN HWANG INVESTMENT BANK BERHAD East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010	CIMB INVESTMENT BANK BERHAD Level G & Level 1, Tropicana City Office Tower No 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77173388	065-009
AFFIN HWANG INVESTMENT BANK BERHAD 3 rd & 4 th Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	068-019	HONG LEONG INVESTMENT BANK BERHAD Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77246888	066-002
AFFIN HWANG INVESTMENT BANK BERHAD Lot 229, 2 nd Floor, The Curve 6 Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	068-020	JF APEX SECURITIES BERHAD 6 th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001
AFFIN HWANG INVESTMENT BANK BERHAD No.79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221999	068-023	JF APEX SECURITIES BERHAD 16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002
JF APEX SECURITIES BERHAD Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No : 03-58790163	079-004		
JUPITER SECURITIES SDN BHD No 42-46, 3 rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56324838	055-004	MAYBANK INVESTMENT BANK BERHAD Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4, Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03-30508888	098-003
KENANGA INVESTMENT BANK BERHAD Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78626200	073-005	MAYBANK INVESTMENT BANK BERHAD Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77188888	098-004

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD No. 55C, 2 nd Floor Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80241773	073-006	PM SECURITIES SDN BHD No. 157, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003
KENANGA INVESTMENT BANK BERHAD Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-016	PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007
KENANGA INVESTMENT BANK BERHAD Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56212118	073-030	RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	087-011
KENANGA INVESTMENT BANK BERHAD 35 (Ground, 1 st & 2 nd Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33488080	073-035	RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	087-045
MALACCA SECURITIES SDN BHD No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56361533	012-002	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	087-047
MALACCA SECURITIES SDN BHD No. 58 & 60, 1 st Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78761533	012-003	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	087-048
RHB INVESTMENT BANK BERHAD Ground Floor and First Floor No.13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80706899	087-049	SJ SECURITIES SDN BHD No. 47-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221915	096-004

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD 11-1 & 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No : 03-61483361	087-051	SJ SECURITIES SDN BHD No. A-3-11 Block Alamanda 10 Boulevard Lebuhraya Sprint, PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77323862	096-005
RHB INVESTMENT BANK BERHAD Unit 1B, 2B & 3B Jalan USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80221888	087-059	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 Tel No : 03-80251880	058-005
SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001	TA SECURITIES HOLDINGS BERHAD 2 nd Floor, Wisma TA 1A Jalan SS20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77295713	058-007
SJ SECURITIES SDN BHD 101B, Jalan SS15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56317888	096-002		
MELAKA			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-006	MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06-3371533	012-001
KENANGA INVESTMENT BANK BERHAD 71 (A&B) & 73 (A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	073-028	MERCURY SECURITIES SDN BHD 81, 81A & 81B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003
KENANGA INVESTMENT BANK BERHAD 22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372550	073-034	PM SECURITIES SDN BHD No 6-1, Jalan Lagenda 2, Taman 1 Lagenda, 75400 Melaka Tel No : 06-2880050	064-006

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD No 19, 21 & 23, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2833622 / 2818823	087-002	TA SECURITIES HOLDINGS BERHAD 59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2862618	058-008
RHB INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	087-026	UOB KAY HIAN SECURITIES (M) SDN BHD 7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No : 06-3352511	078-014
PERAK DARUL RIDZUAN			
AFFIN HWANG INVESTMENT BANK BERHAD 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6939828	073-031
AFFIN HWANG INVESTMENT BANK BERHAD 2 nd & 3 rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015	M & A SECURITIES SDN BHD M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
CIMB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088688	065-010	MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453400	098-002
HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	087-014
KENANGA INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 4 th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	073-022	RHB INVESTMENT BANK BERHAD Ground, 1 st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	087-016

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6222828	073-026	RHB INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	087-023
RHB INVESTMENT BANK BERHAD Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	087-034	TA SECURITIES HOLDINGS BERHAD Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
RHB INVESTMENT BANK BERHAD 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	087-044	UOB KAY HIAN SECURITIES (M) SDN BHD 27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6216010	078-009
RHB INVESTMENT BANK BERHAD No 1&3, 1 st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	087-052	UOB KAY HIAN SECURITIES (M) SDN BHD 153A Jalan Raja Musa Aziz 30303 Ipoh Perak Darul Ridzuan Tel No : 05-2411290	078-013
PULAU PINANG			
AFFIN HWANG INVESTMENT BANK BERHAD Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001	INTER-PACIFIC SECURITIES SDN BHD Ground, Mezzanine & 8 th Floor Sentral Tower 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690888	054-002
AFFIN HWANG INVESTMENT BANK BERHAD No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006	JF APEX SECURITIES BERHAD 368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No : 04-2289118	079-005
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Bangunan Barkath 21, Lebu Pantai 10300 Pulau Pinang Tel No: 04-2611688	076-015	JUPITER SECURITIES SDN BHD 20-1, Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Pulau Pinang Tel No : 04-6412881	055-003

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
AMINVESTMENT BANK BERHAD 3 rd Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-004	KENANGA INVESTMENT BANK BERHAD 7 th , 8 th & 16 th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	073-023
CIMB INVESTMENT BANK BERHAD Ground Floor, Suite 1.01 Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385900	065-001	M & A SECURITIES SDN BHD 332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817611	057-005
M & A SECURITIES SDN BHD 216, 216A, 218 & 218A Pengkalan Weld Lebuh Macallum 10300 Penang Tel No : 04-2617611	057-008	PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004
MALACCA SECURITIES SDN BHD No 39-1, Jalan Lenggong, Vantage Point, 11600 Jelutong, Penang Tel No : 04-8981525	012-004	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900022	087-005
MALACCA SECURITIES SDN BHD 48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel No : 04-3905669	012-006	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	087-015
MALACCA SECURITIES SDN BHD No 17, 1 st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel No : 04-6421533	012-007	RHB INVESTMENT BANK BERHAD 834, Ground & 1 st Floor 835, 1 st Floor Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	087-032
MAYBANK INVESTMENT BANK BERHAD Lot 1.02, 1 st Floor Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel No : 04-2196888	098-006	RHB INVESTMENT BANK BERHAD 64 & 64-D Ground Floor-3 rd Floor & 5 th -8 th Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04-2634222	087-033

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MERCURY SECURITIES SDN BHD Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel No : 04-3322123	093-001	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	087-042
MERCURY SECURITIES SDN BHD 2 nd Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004	RHB INVESTMENT BANK BERHAD 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No : 04-8352988	087-056
MERCURY SECURITIES SDN BHD D'Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Pulau Pinang Tel No : 04-6400822	093-006	SJ SECURITIES SDN BHD 12 th Floor, Office Tower Hotel Royal Penang No 3 Jalan Larut 10050 Georgetown Pulau Pinang Tel No : 04-2289836	096-003
TA SECURITIES HOLDINGS BERHAD 3 rd Floor, Bangunan Heng Guan No 171, Jalan Burmah 10050 Pulau Pinang Tel No : 04-2272339	058-010	UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003
UOB KAY HIAN SECURITIES (M) SDN BHD 1 st Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002		
PERLIS INDRA KAYANGAN			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793888	087-060		
KEDAH DARUL AMAN			
AFFIN HWANG INVESTMENT BANK BERHAD 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011	RHB INVESTMENT BANK BERHAD 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	087-019

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
ALLIANCE INVESTMENT BANK BERHAD Lot T-30, 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	087-021
RHB INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	087-017	UOB KAY HIAN SECURITIES (M) SDN BHD Lot 4, 5 & 5A, 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7322111	078-007
NEGERI SEMBILAN DARUL KHUSUS			
AFFIN HWANG INVESTMENT BANK BERHAD 1 st Floor, 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007	AFFIN HWANG INVESTMENT BANK BERHAD 6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
KENANGA INVESTMENT BANK BERHAD 1C & 1D, Ground & 1 st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Tel No : 06-7655998	073-033	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	087-024
MAYBANK INVESTMENT BANK BERHAD Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Tel No : 06-7669555	098-005	RHB INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	087-037
PM SECURITIES SDN BHD 1 st -3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	087-046
JOHOR DARUL TAKZIM			
AFFIN HWANG INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004	INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006	JUPITER SECURITIES SDN BHD 30-1, Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3538878	055-002
AMINVESTMENT BANK BERHAD 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002	KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
AMINVESTMENT BANK BERHAD 18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-006	KENANGA INVESTMENT BANK BERHAD Ground & Mezzanine Floor 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
CIMB INVESTMENT BANK BERHAD No 73, Ground Floor No 73A & 79A, First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3405888	065-011	KENANGA INVESTMENT BANK BERHAD 33 & 35 (A&B), Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010
KENANGA INVESTMENT BANK BERHAD Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011	MERCURY SECURITIES SDN BHD Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005
KENANGA INVESTMENT BANK BERHAD 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4326963	073-017	PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-008
KENANGA INVESTMENT BANK BERHAD Suite 16-02, 16-03 & 16-03A Level 16 Menara MSC Cyberport No. 5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-2237423	073-019	RHB INVESTMENT BANK BERHAD 6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	087-006

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9531222	073-024	RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	087-009
KENANGA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	073-025	RHB INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	087-025
M & A SECURITIES SDN BHD Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381233	057-003	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	087-029
M & A SECURITIES SDN BHD No 27, 27A & 27B Jalan Molek 3/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3551988	057-007	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	087-030
MALACCA SECURITIES SDN BHD 74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3351533	012-005	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	087-031
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	087-035	UOB KAY HIAN SECURITIES (M) SDN BHD Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	087-038	UOB KAY HIAN SECURITIES (M) SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6635651	078-005
RHB INVESTMENT BANK BERHAD No. 2, 1 st Floor, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	087-039	UOB KAY HIAN SECURITIES (M) SDN BHD 70 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-006

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor, Nos. 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	087-043	UOB KAY HIAN SECURITIES (M) SDN BHD 171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008
TA SECURITIES HOLDINGS BERHAD 7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No : 07-9435278	058-009		
PAHANG DARUL MAKMUR			
ALLIANCE INVESTMENT BANK BERHAD Ground, Mezzanine & 1 st Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002	KENANGA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : 09-5171698	073-027
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057800	065-007	MALACCA SECURITIES SDN BHD P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09-2220993	012-008
JUPITER SECURITIES SDN BHD 2 nd Floor Lot No 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09-2234136	055-005	RHB INVESTMENT BANK BERHAD B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	087-007
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	087-022	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	087-041
KELANTAN DARUL NAIM			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	087-020	UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 1 st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7473906	078-015

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004		
TERENGGANU DARUL IMAN			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	087-027
FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001	RHB INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	087-055
SARAWAK			
AFFIN HWANG INVESTMENT BANK BERHAD Ground Floor & 1 st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341999	068-005	AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1 st Floor, Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-001
AFFIN HWANG INVESTMENT BANK BERHAD 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016	CIMB INVESTMENT BANK BERHAD Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-001
CIMB INVESTMENT BANK BERHAD No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : 084-367700	065-001	RHB INVESTMENT BANK BERHAD 2 nd Floor, Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	087-012
KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002	RHB INVESTMENT BANK BERHAD No. 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	087-013

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No : 082-338000	073-003	RHB INVESTMENT BANK BERHAD Ground Floor & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654100	087-050
KENANGA INVESTMENT BANK BERHAD 11-12, Ground & 1 st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	073-012	RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311770	087-053
KENANGA INVESTMENT BANK BERHAD Ground Floor of Survey Lot No 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000 Bintulu Sarawak Tel No : 086-337588	073-018	TA SECURITIES HOLDINGS BERHAD 12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002
MERCURY SECURITIES SDN BHD 1 st Floor 16, Jalan Getah 96100 Sarikei Sarawak Tel No : 084-659019	093-007	TA SECURITIES HOLDINGS BERHAD 2 nd Floor, Bangunan Binamas Lot 138, Section 54, Jalan Padungan 93100 Kuching Sarawak Tel No : 082-236333	058-006
RHB INVESTMENT BANK BERHAD Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Tel : 082- 250888	087-008		
SABAH			
AFFIN HWANG INVESTMENT BANK BERHAD Suite 1-9-E1, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel No : 088-311688	068-008	CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328878	065-001
KENANGA INVESTMENT BANK BERHAD Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	073-032	RHB INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229286	087-057

APPENDIX E – PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD 2 nd Floor 81 & 83, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-269788	087-010	UOB KAY HIAN SECURITIES (M) SDN BHD 11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	078-011
RHB INVESTMENT BANK BERHAD Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No : 088-258618	087-036	UOB KAY HIAN SECURITIES (M) SDN BHD Lot 177 & 178, Ground Floor Block 17, Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No : 089-218681	078-012