

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, valuation certificate and report if any, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

# **SUNWAY<sup>®</sup>**

## **REIT**

### **SUNWAY REAL ESTATE INVESTMENT TRUST**

(Established in Malaysia under a deed dated 20 May 2010, a supplemental deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 entered into between Sunway REIT Management Sdn. Bhd. and RHB Trustees Berhad, both companies incorporated in Malaysia)

Managed by  
**SUNWAY REIT MANAGEMENT SDN BHD**  
(Company Registration No.: 200801005046)

### **CIRCULAR TO UNITHOLDERS**

#### **IN RELATION TO THE**

**PROPOSED ESTABLISHMENT OF A DISTRIBUTION REINVESTMENT SCHEME THAT PROVIDES THE UNITHOLDERS OF SUNWAY REAL ESTATE INVESTMENT TRUST (“SUNWAY REIT”) WITH AN OPTION TO ELECT TO REINVEST THEIR CASH INCOME DISTRIBUTION IN NEW UNITS IN SUNWAY REIT (“PROPOSED DRS”)**

**AND**

### **EXTRACT OF THE NOTICE OF THE FORTHCOMING 8<sup>TH</sup> ANNUAL GENERAL MEETING**

Principal Adviser



**RHB Investment Bank Berhad**  
(Registration No. 197401002639 (19663-P))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolutions for the Proposed DRS will be tabled at the 8<sup>th</sup> Annual General Meeting of Sunway REIT (“**AGM**”) which will be held on a fully virtual basis. The details of which are as follows:

Broadcast venue of the forthcoming 8 <sup>th</sup> AGM	:	Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Date and time of the forthcoming 8 <sup>th</sup> AGM	:	Friday, 2 October 2020 at 3.30 p.m.

The notice of the forthcoming 8<sup>th</sup> AGM together with the Proxy Form, and this Circular are enclosed in Sunway REIT’s Annual Report for the financial year ended 30 June 2020 which are available on Sunway REIT’s website at [www.sunwayreit.com.my](http://www.sunwayreit.com.my).

You are encouraged to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely at the forthcoming 8<sup>th</sup> AGM using the remote participation and electronic voting facilities. Please refer to the administrative details for the procedures to register, participate, and vote remotely at the online AGM. If you are unable to participate in the online AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such event, you should complete and deposit the Proxy Form at the registered office of Sunway REIT Management Sdn. Bhd. located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia, or submit it via email to [sunwaymanagement@sunway.com.my](mailto:sunwaymanagement@sunway.com.my), or via fax to (603) 5639 9507, not less than 24 hours before the date and time fixed for the forthcoming 8<sup>th</sup> AGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from participating in the online AGM should you subsequently wish to do so.

This Circular is dated 28 August 2020

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 2016
AGM	:	Annual general meeting
Board	:	Board of Directors of the Manager
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular in relation to the Proposed DRS
CMSA	:	Capital Markets and Services Act 2007
Deed	:	The amended and restated deed dated 18 September 2018 entered into between the Manager and the Trustee
Director(s)	:	The directors of the Manager as at the LPD
DPU	:	Distribution per unit
DRS Allotment Date	:	Date of the allotment and issuance of the DRS Units, which falls within eight Market Days from the Expiry Date or such period as may be prescribed by Bursa Securities pursuant to Paragraph 6.09 of the Listing Requirements
DRS Entitlement Date	:	The date to be determined by the Board and announced later, on which the names of the Unitholders must be registered in the Record of Depositors in order to be eligible to participate in the Proposed DRS
DRS Issue Price	:	The issue price for the DRS Units which will be determined and announced by the Board on the DRS Price-Fixing Date, shall be at an issue price of not more than a 10.0% discount to the 5-day VWAP of Sunway REIT before the DRS Price-Fixing Date. The 5-day VWAP shall be adjusted for Income Distribution before applying the aforementioned discount in fixing the DRS Issue Price.
DRS Price-Fixing Date	:	Price-fixing date of the DRS Units to be announced by the Board
DRS Units	:	Issuance of new units in Sunway REIT pursuant to the Proposed DRS
Electable Portion	:	The portion of such Income Distribution to which the Board, in its absolute discretion, determines that the Reinvestment Option applies
EPU	:	Earnings per unit
Expiry Date	:	The last day (which will be a date to be fixed and announced by the Board) by which an election to be made by the Unitholders for the Electable Portion must be received by the Share Registrar for the Proposed DRS
FYE	:	Financial year ended / ending, as the case may be
Income Distribution	:	Cash distribution(s) declared by the Board, whether interim, final, special or other types of cash distribution

---

**DEFINITIONS (CONT'D)**

---

LCD	:	30 June 2020, being the latest practicable date before the printing of this Circular at which a particular matter referred to in this Circular could be calculated
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 July 2020, being the latest practicable date before the printing of this Circular
Major Unitholder(s)	:	A person who has an interest or interests in Sunway REIT of 10.0% or more of the total number of issued units in Sunway REIT, or 5.0% or more of the total number of issued units in Sunway REIT if such person is the largest Unitholder
Manager	:	Sunway REIT Management Sdn. Bhd., being the manager of Sunway REIT
Market Day	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
NAV	:	Net asset value
Notice of Election	:	Notice of election by which Unitholders elect to participate in the Reinvestment Option
Overseas Unitholders	:	Unitholders whose address in the Record of Depositors is not in Malaysia
Participating Unitholders	:	Unitholders who choose to participate in the Proposed DRS
Proposed DRS	:	The proposed establishment of a distribution reinvestment scheme that provides Unitholders with an option to elect to reinvest, in whole or in part, their cash income distribution in DRS Units
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act 1991
Reinvestment Option	:	The option to reinvest all or part of any Income Distribution in DRS Units
Remaining Portion	:	The remaining portion of the Income Distribution, to which the Board, in its absolute discretion, determines that the Reinvestment Option does not apply and will be paid in cash
RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad
RM and sen	:	Ringgit Malaysia and sen respectively
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
Rules of Bursa Depository	:	The Rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act 1991
SC	:	Securities Commission Malaysia
Share Registrar	:	Share registrar of Sunway REIT

---

**DEFINITIONS (CONT'D)**

---

Substantial Unitholders	:	Unitholders with unitholding of 5.0% or more of the total issued units in Sunway REIT
Sunway REIT	:	Sunway Real Estate Investment Trust
Trustee	:	RHB Trustees Berhad, as trustee for Sunway REIT
Unitholders	:	Unitholders of Sunway REIT
VWAP	:	Volume-weighted average market price

---

## PRESENTATION OF INFORMATION

---

All references to “**you**” and “**your**” in this Circular are to the Unitholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any enactment, statute, rules, regulation, rules of stock exchange or guidelines (where the context admits) be construed as a reference to the provisions of such enactment, statute, rules, regulation, rules of stock exchange or guidelines (as the case may be) as modified by any written law or (if applicable) amendments to the enactment, statute, rules, regulation, rules of stock exchange or guidelines for the time being in force.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof, are due to rounding differences.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Manager’s plans and objectives will be achieved.

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>LETTER TO UNITHOLDERS IN RELATION TO THE PROPOSED DRS CONTAINING:</b>	
1. INTRODUCTION.....	1
2. DETAILS OF THE PROPOSED DRS.....	2
3. IMPLICATIONS OF THE RULES AND UNITHOLDING LIMITS.....	6
4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED DRS.....	7
5. EFFECTS OF THE PROPOSED DRS.....	7
6. APPROVALS REQUIRED .....	8
7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND CHIEF EXECUTIVE OF THE MANAGER, AND/OR MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED WITH THEM.....	9
8. RECOMMENDATION BY THE DIRECTORS.....	9
9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION.....	9
10. TENTATIVE TIMETABLE.....	10
11. AGM.....	10
12. FURTHER INFORMATION.....	10
 <b>APPENDICES</b>	
I FURTHER INFORMATION.....	11
II DISTRIBUTION REINVESTMENT SCHEME STATEMENT.....	15
 EXTRACT OF THE NOTICE OF THE FORTHCOMING 8 <sup>TH</sup> AGM.....	 Enclosed

# **SUNWAY<sup>®</sup>**

## **REIT**

### **SUNWAY REAL ESTATE INVESTMENT TRUST**

(Established in Malaysia under a deed dated 20 May 2010, a supplemental deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 entered into between Sunway REIT Management Sdn. Bhd. And RHB Trustees Berhad, both companies incorporated in Malaysia)

#### **Registered office of the Manager**

Level 16, Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
47500 Subang Jaya  
Selangor Darul Ehsan  
Malaysia

28 August 2020

#### **Board of Directors:**

Tan Sri Ahmad Bin Mohd Don  
Dato' Ng Tiong Lip

*Chairman and Independent Non-Executive Director  
Chief Executive Officer and Non-Independent  
Executive Director*

Elvin A/L Bertly Luke Fernandez  
Sarena Cheah Yean Tih, S.M.S.  
Ng Sing Hwa  
Tengku Nurul Azian Binti Tengku Shahrman  
Yeo Kar Peng

*Senior Independent Non-Executive Director  
Non-Independent Non-Executive Director  
Non-Independent Non-Executive Director  
Independent Non-Executive Director  
Independent Non-Executive Director*

#### **TO: UNITHOLDERS**

Dear Sir / Madam,

#### **PROPOSED DRS**

---

#### **1. INTRODUCTION**

On 29 June 2020, RHB Investment Bank announced that the Trustee, on the recommendation of the Manager, is proposing to undertake, amongst others, the Proposed DRS.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED DRS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DRS WHICH WILL BE TABLED AT THE FORTHCOMING 8<sup>TH</sup> AGM. THE NOTICE OF THE FORTHCOMING 8<sup>TH</sup> AGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN SUNWAY REIT'S ANNUAL REPORT FOR THE FYE 30 JUNE 2020.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DRS TO BE TABLED AT THE FORTHCOMING 8<sup>TH</sup> AGM.**

## 2. DETAILS OF THE PROPOSED DRS

### 2.1. Overview of the Proposed DRS

The Proposed DRS will provide the Unitholders with an opportunity to reinvest the Income Distribution in DRS Units in lieu of receiving cash.

Whenever an Income Distribution is declared, the Board may, at its absolute discretion, determine whether to pay such Income Distribution in cash or to offer the Unitholders the Reinvestment Option and if the Reinvestment Option is elected, to declare the quantum of the Electable Portion. The Unitholders should note that the Board is not obliged to undertake the Proposed DRS for each and every Income Distribution to be declared.

The Electable Portion may encompass the whole or part of the Income Distribution declared. If the Electable Portion is only applicable for part and not the whole Income Distribution declared, the Remaining Portion will be paid in cash.

**Unless the Board has determined that the Reinvestment Option will apply to a particular Income Distribution declared (whether in whole or in part), all Income Distribution as may be declared by the Board will be paid wholly in cash to the Unitholders in the usual manner.**

### 2.2. Election to reinvest Income Distribution in DRS Units

The Unitholders will have the following options for a Reinvestment Option:

- (i) to elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion at the DRS Issue Price and to receive the Remaining Portion in cash;
- (ii) to elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion at the DRS Issue Price and to receive the balance of the Electable Portion and Remaining Portion in cash; or
- (iii) to elect not to participate in the Reinvestment Option and thereby receiving their entire Income Distribution entitlement (both Electable Portion and Remaining Portion) wholly in cash.

### 2.3. Sequence of events in relation to the Proposed DRS

The approval of Bursa Securities will be sought for the listing and quotation of the DRS Units to be issued on the Main Market of Bursa Securities pursuant to each Income Distribution to which the Proposed DRS applies. After obtaining the approval of Bursa Securities, an announcement of the DRS Entitlement Date will be made. The DRS Issue Price shall be announced on or before the announcement of the DRS Entitlement Date.

After the DRS Entitlement Date, a Notice of Election will be despatched to the Unitholders. The Notice of Election will specify, among others, the Expiry Date. Instructions will be provided in the Notice of Election for the action to be taken by the Unitholders should they wish to exercise the Reinvestment Option.

The Board will make an announcement for the day on which the DRS Units will be listed and quoted on the Main Market of Bursa Securities.

Pursuant to Paragraphs 8.26(2) and 9.19(2)(a)(ii) of the Listing Requirements, an Income Distribution must be paid within one month from the DRS Entitlement Date and in any event, no later than three months from the date of the declaration of the Income Distribution or the date on which the approval for the Income Distribution is obtained in a general meeting of Sunway REIT, whichever is applicable.



Further, the Trustee and/or the Manager will, within eight Market Days from the Expiry Date, allot and issue the DRS Units and despatch notices of allotment to the Unitholders who has elected to participate in the Reinvestment Option. The DRS Units will not be underwritten.

Concurrently on the DRS Allotment Date, the Trustee and/or the Manager will pay the Unitholders the balance of the Electable Portion (if applicable) and the Remaining Portion in cash.

**Unitholders will receive their entire Income Distribution including the Electable Portion in cash if they do not expressly elect in writing to exercise the Reinvestment Option by the Expiry Date and following the instructions set out in the Notice of Election.**

**As such, Unitholders who wish to receive their Income Distribution wholly in cash need not take any action with regards to the Notice of Election.**

**Unitholders who wish to receive all or part of their Income Distribution in DRS Units must complete and return the Notice of Election before the Expiry Date.**

#### **2.4. Pricing of DRS Units**

The DRS Issue Price, which will be determined by the Board on the DRS Price-Fixing Date, shall be at an issue price of not more than a 10.0% discount to the 5-day VWAP of Sunway REIT before the DRS Price-Fixing Date, in compliance with Paragraph 6.45D(1) of the Listing Requirements. The 5-day VWAP shall be adjusted for Income Distribution before applying the aforementioned discount in fixing the DRS Issue Price.

The DRS Units will be issued free of any brokerage fees and other related transaction costs to Participating Unitholders, unless otherwise provided by any statute, law or regulation. However, Participating Unitholders are required to pay RM10.00 for stamp duty.

#### **2.5. Eligibility to participate in the Proposed DRS**

All Unitholders are eligible to participate in the Proposed DRS, subject to the restrictions on Overseas Unitholders and further, provided that:

- (i) such participation will not result in a breach of any restrictions on such Unitholders' holding of DRS Units which may be imposed by any contractual obligations of the Unitholders, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); or
- (ii) there is no restriction for such participation as prescribed in the Deed.

**Overseas Unitholders who currently do not have a registered address in Malaysia should take note of the following:**

The Proposed DRS will only be offered for subscription in Malaysia. No action has been or will be taken to ensure that the Proposed DRS complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, the documents relating to the Proposed DRS including the Notice of Election will not be sent to Overseas Unitholders to avoid any violation on the part of the Trustee and/or the Manager of any securities laws applicable outside Malaysia. No Overseas Unitholders shall have any claim whatsoever against the Trustee and/or the Manager as a result of the documents relating to the Proposed DRS not being sent to Overseas Unitholders.

**Overseas Unitholders who wish to participate in the Proposed DRS are strongly advised to provide the Share Registrar with an address in Malaysia no later than five Market Days before the relevant DRS Entitlement Date for any particular Income Distribution to which the Proposed DRS applies.**

**Overseas Unitholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done no later than five Market Days before the relevant DRS Entitlement Date if they wish to participate in the Proposed DRS.**

Overseas Unitholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Overseas Unitholders in the Proposed DRS will be on the basis that they may lawfully so participate without the Directors and employees of the Manager and/or Trustee, and its advisers being in breach of the laws of any jurisdictions.

## **2.6. Odd lots**

A Unitholder who exercises the Reinvestment Option may be allotted DRS Units in odd lots depending on his/her entitlement of DRS Units. Unitholders who receive odd lots of DRS Units and who wish to trade such odd lots on Bursa Securities may do so on the odd lots market which allows the trading of odd lots with a minimum of one DRS Unit.

A Unitholder who does not wish to receive DRS Units in odd lots may round down the number of DRS Units elected such that he/she will receive DRS Units in multiples of and not less than a board lot comprising 100 DRS Units. Where a Unitholder's entitlement of DRS Units is less than one board lot, the Unitholder can elect to receive his/her entire Income Distribution entitlement in cash or DRS Units in odd lots.

## **2.7. Modification, suspension and termination of the Proposed DRS**

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, the Proposed DRS may be modified, suspended (in whole or in part) or terminated at any time and from time to time by the Board and (where required) the Trustee as it deems fit or expedient by giving notice in writing to all Unitholders in such manner as the Board and (where required) the Trustee deems fit, notwithstanding anything to the contrary and irrespective of whether an election to exercise the Reinvestment Option has been made by any Unitholder.

## **2.8. Maximum number of DRS Units**

The maximum number of DRS Units to be issued will depend on, amongst others:

- (i) the quantum of the Income Distribution;
- (ii) the Board's decision on the proportion/quantum of the Electable Portion;
- (iii) the DRS Issue Price;
- (iv) the extent to which Unitholders elect to exercise the Reinvestment Option;
- (v) the applicable withholding tax rates of the Unitholders; and
- (vi) any necessary downward adjustment by the Board to the final number of DRS Units to be allotted and issued to any of the Unitholders as referred to in Section 3.2 of this Circular.

Under the Proposed DRS, Unitholders who elect to exercise the Reinvestment Option will not be allotted fractional DRS Units. As such, the amount of the Electable Portion relating to such fractional entitlement of DRS Units will be paid in cash to the Unitholders in the usual manner.

Any DRS Units to be issued will not be underwritten.

## **2.9. Ranking of the DRS Units**

The DRS Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in Sunway REIT, save and except that the DRS Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions that may be effected before the DRS Allotment Date.

## **2.10. Utilisation of proceeds**

The Proposed DRS will potentially result in cash retention for Sunway REIT if the Unitholders elect to reinvest their Income Distribution in the Proposed DRS. The total cash retained from the Reinvestment Option of that particular Income Distribution cannot be ascertained at this juncture as it depends on, amongst others, the elections made by all Unitholders as well as the quantum of the Income Distribution to be declared by the Board. Therefore, the timeframe for full use of such funds retained cannot be determined at this point. Nonetheless, the net funds retained from the Proposed DRS (after the deduction of any related expenses) may be utilised for working capital, capital expenditure and/or other needs of Sunway REIT to be identified at the point when such funds are retained.

## **2.11. Taxation**

Irrespective of whether an election to exercise the Reinvestment Option is made by a Unitholder, a tax voucher will be despatched to all Unitholders. For income tax purposes, a Unitholder shall be taken as having received a cash income distribution equivalent to the amount of the Income Distribution declared, notwithstanding that the Unitholder may elect to exercise the Reinvestment Option (in whole or in part). The whole amount of Income Distribution comprising Electable Portion and Remaining Portion will be subject to the usual withholding tax. The Income Distribution (net of withholding tax) will either be paid in cash and/or reinvested in DRS Units at DRS Issue Price.

Hence, the election for the Reinvestment Option does not relieve the Unitholder of any income tax obligation (if applicable) and there is no Malaysian income tax implication in exercising the Reinvestment Option or otherwise.

## **2.12. General**

The Reinvestment Option is granted to all Unitholders, including the Directors, Substantial Unitholders, and/or persons connected with them who hold units in Sunway REIT, subject to the restrictions referred to in Section 2.5 of this Circular.

Unitholders' approval for the establishment of the Proposed DRS will be sought at the forthcoming 8<sup>th</sup> AGM and following such approval, the Proposed DRS will continue to be valid and subsisting until the Proposed DRS is terminated. Subsequently, Unitholders' approval for future issuances of DRS Units will be sought at the AGM on an annual basis.

**The percentage unitholding of a Unitholder may be diluted if he/she does not exercise his/her Reinvestment Option. However, the extent of the dilution will depend on the number of DRS Units issued pursuant to the level of exercise of the Reinvestment Option by the other Unitholders as a whole.**

### 3. IMPLICATIONS OF THE RULES AND UNITHOLDING LIMITS

#### 3.1. Implications of the Rules

Pursuant to Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the CMSA, a Unitholder may be under an obligation to extend a mandatory offer for all the remaining Sunway REIT units not already owned by him/her and persons acting in concert with him/her (collectively, "**Affected Parties**") if by participating in the Proposed DRS for the reinvestment of the Electable Portion:

- (i) the Affected Parties have obtained control in Sunway REIT via the acquisition or holding of, or entitlement to exercise or control the exercise of voting units or voting rights of more than 33.0% of Sunway REIT or such other amount as may be prescribed in the Rules, howsoever effected; or
- (ii) the Affected Parties have acquired more than 2.0% of the voting units or voting rights of Sunway REIT in any period of six months and the Affected Parties hold more than 33.0% but not more than 50.0% of the voting units or voting rights of Sunway REIT during the said six months period.

If an obligation to undertake a mandatory offer is expected to arise resulting from a Unitholder's participation in the Proposed DRS, the Affected Parties may wish to consult their professional advisers at the earliest opportunity in relation to:

- (i) any obligation to make a mandatory offer under the Rules as a result of any subscription of DRS Units through his/her participation in the Proposed DRS; and
- (ii) whether or not to make an application to the SC to obtain an approval for a waiver from the obligation to undertake a mandatory offer before exercising his/her Reinvestment Option.

**The statements herein do not purport to be a comprehensive or exhaustive description of all relevant provisions of, or all implications that may arise under the Rules or other relevant legislation or regulations.**

#### 3.2. Unitholding limits

All Unitholders are responsible for ensuring that their participation in the Proposed DRS will not result in a breach of any restrictions on their respective holding of DRS Units which may be imposed by any contractual obligations of the Unitholders, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained), or as prescribed in the Deed.

**In view of the unitholding limit referred to above, notwithstanding the proportion of Electable Portion which may be determined by the Board to be reinvested, the Board shall be entitled but not obligated to reduce or limit the number of DRS Units to be issued to any Unitholder should the Board be aware or be informed in writing of any expected breach of such unitholding limits as a result of the exercise of the Reinvestment Option by such Unitholder, in which case the Board reserves the right to pay the remaining portion of the Electable Portion in cash.**

#### **4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED DRS**

##### **4.1. Provide flexibility in capital management**

Provide the Manager with flexibility in managing its capital position as part of the Manager's capital management strategy. The reinvestment of Income Distribution by the Unitholders for DRS Units will also enlarge the unit capital base of Sunway REIT.

The cash retained which would otherwise be used for the payment of Income Distribution, may be utilised for working capital, capital expenditure and/or other needs of Sunway REIT to be identified at the point when such funds are retained.

##### **4.2. Allow Unitholders to have the option of reinvesting further into Sunway REIT**

The Proposed DRS will provide the Unitholders with an opportunity to enhance and maximise the value of their unitholdings in Sunway REIT by investing in DRS Units at a discount.

The Proposed DRS will also provide flexibility to the Unitholders in meeting their investment objectives as the Unitholders would have the option of receiving Income Distribution in cash and/or reinvesting in DRS Units without having to incur any brokerage fees and other related transaction costs, unless otherwise provided by any statute, law or regulation. However, Participating Unitholders are required to pay RM10.00 for stamp duty.

Nonetheless, it should be noted the Proposed DRS only provides Unitholders with the option, and does not impose any obligation on Unitholders to reinvest their Income Distribution, in whole or in part, in DRS Units.

##### **4.3. Alternative mode of Income Distribution**

The implementation of the Proposed DRS will provide an avenue to the Unitholders to reinvest the Income Distribution in DRS Units in lieu of receiving cash.

##### **4.4. Improve trading liquidity of Sunway REIT**

The Proposed DRS may potentially improve the trading liquidity of units as well as strengthen the financial position and capital base of Sunway REIT through the issuance of DRS Units.

#### **5. EFFECTS OF THE PROPOSED DRS**

The effects of the Proposed DRS cannot be determined at this juncture, and such effects are dependent on the following:

- (i) the quantum of the Income Distribution to be announced by the Board of which the Proposed DRS can be applied with. As at the date of this Circular, no such announcement has been made by the Board;
- (ii) the Board's decision on the proportion/quantum of the Electable Portion;
- (iii) the DRS Issue Price;
- (iv) the extent to which the Unitholders elect to exercise the Reinvestment Option;
- (v) the applicable withholding tax rates of the Unitholders; and
- (vi) any necessary downward adjustment by the Board to the final number of DRS Units to be allotted and issued to any of the Unitholders as referred to in Section 3.2 of this Circular.

### **5.1. Unitholders' capital**

The Proposed DRS is not expected to have any immediate effect on the unitholders' capital of Sunway REIT until such time when the DRS Units are issued upon the exercise of the Reinvestment Option by the Unitholders.

The unitholders' capital of Sunway REIT may increase progressively depending on the number of the DRS Units which may be issued upon the exercise of Reinvestment Option by the Unitholders whenever the Reinvestment Option is offered by the Board.

### **5.2. Substantial Unitholders' Unitholdings**

The Proposed DRS is not expected to have any immediate effect on the Substantial Unitholders' unitholdings until such time when the Reinvestment Option is exercised by the Unitholders.

Any potential effect on the Substantial Unitholders' unitholdings will depend on the number of DRS Units issued at the relevant point in time.

### **5.3. Earnings, EPU and DPU**

The Proposed DRS is not expected to have any material effect on the earnings of Sunway REIT. The estimated expenses in relation to the implementation of the Proposed DRS are approximately RM0.1 million.

Further, the Proposed DRS is not expected to have any immediate effect on the EPU and DPU until such time when the Reinvestment Option is exercised by the Unitholders. Any potential effect on the EPU and DPU will depend on the number of DRS Units issued at the relevant point in time.

### **5.4. NAV and NAV per unit and Gearing**

The Proposed DRS will not have any immediate effect on the NAV, NAV per unit and gearing level of Sunway REIT until such time when the Reinvestment Option is exercised by the Unitholders. Any potential effect on the NAV per unit and gearing level of Sunway REIT will depend on the number of DRS Units issued at the relevant point in time.

In relation to the potential effect on the NAV of Sunway REIT, if none of the Unitholders elect to exercise their Reinvestment Option, the amount of Income Distribution declared would be paid out entirely in cash resulting in a decrease in Sunway REIT's NAV. However, Sunway REIT's NAV will remain the same if the Electable Portion represents the whole Income Distribution which will be reinvested in whole by the Unitholders in DRS Units.

### **5.5. Convertible securities**

As at the LPD, Sunway REIT does not have any outstanding convertible securities.

## **6. APPROVALS REQUIRED**

The Proposed DRS is subject to the following approvals being obtained:

- (i) the approval of the Unitholders for the Proposed DRS at the forthcoming 8<sup>th</sup> AGM; and
- (ii) any other relevant authority and/or party, if required.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND CHIEF EXECUTIVE OF THE MANAGER, AND/OR MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

The Directors, major shareholders and chief executive of the Manager, the Major Unitholders and/or persons connected with them do not have any interest, whether direct or indirect, in the Proposed DRS apart from their respective entitlements under the Proposed DRS to which all Unitholders are similarly entitled.

**8. RECOMMENDATION BY THE DIRECTORS**

The Board, after taking into consideration all aspects of the Proposed DRS, including but not limited to rationale and justifications, and effects of the Proposed DRS, is of the opinion that the Proposed DRS is in the best interest of Sunway REIT.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposed DRS to be tabled at the forthcoming 8<sup>th</sup> AGM.

**9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed DRS and the corporate exercises which are set out below, there are no other corporate exercises/schemes which have been announced by the Manager that are pending completion as at the LPD.

On 29 June 2020, RHB Investment Bank announced, on behalf of the Board, that the Trustee:

- (i) had on 29 June 2020 entered into a conditional sale and purchase agreement with Sunway Integrated Properties Sdn. Bhd. and Sunway Pinnacle Sdn. Bhd., for the proposed acquisition of:
  - (a) a piece of leasehold land held under PN 17103, Lot No. 61759, Town of Sunway, District of Petaling, State of Selangor; and
  - (b) a building comprising a 24-storey office building with three-storey mezzanine floors and six levels of basement car park, and all fixtures and fittings fixed to or located or used therein and services infrastructure and systems and facilities (including without limitation, safety, heating, lighting, plumbing, sanitation, air conditioning, ventilation, fire protection safety facilities, elevators, escalators and broadband computer facilities),for a total cash consideration of RM450.0 million ("**Proposed Acquisition**"); and
- (ii) proposes to undertake a proposed private placement to raise gross proceeds of up to RM710.0 million by way of bookbuilding ("**Proposed Private Placement**").

As at the LPD, the relevant approvals (including clearance on the draft circular) from Bursa Securities in connection with the Proposed Acquisition and Proposed Private Placement are still pending.

The Proposed DRS is not conditional upon the Proposed Acquisition and Proposed Private Placement and/or any other corporate exercises.

## 10. TENTATIVE TIMETABLE

The estimated timeframe for the Proposed DRS is as follows:

<u>Date</u>	<u>Events</u>
2 October 2020	: The forthcoming 8 <sup>th</sup> AGM to approve the Proposed DRS, and completion of Proposed DRS

## 11. AGM

The forthcoming 8<sup>th</sup> AGM will be held on a fully virtual basis at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Friday, 2 October 2020, at 3.30 p.m. or at any adjournment thereof, to consider and, thought fit, to pass the resolutions, with or without any modifications, to give effect to the Proposed DRS.

You are encouraged to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely at the forthcoming 8<sup>th</sup> AGM using the remote participation and electronic voting facilities. Please refer to the administrative details for the procedures to register, participate, and vote remotely at the online AGM. If you are unable to participate in the online AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such event, you should complete and deposit the Proxy Form at the registered office of the Manager located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia, or submit it via email to [sunwaymanagement@sunway.com.my](mailto:sunwaymanagement@sunway.com.my), or via fax to (603) 5639 9507, not less than 24 hours before the date and time fixed for the forthcoming 8<sup>th</sup> AGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from participating in the online AGM should you subsequently wish to do so.

## 12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of the Board of  
**SUNWAY REIT MANAGEMENT SDN. BHD.**  
(Manager for Sunway REIT)

**TAN SRI AHMAD BIN MOHD DON**  
Chairman and Independent Non-Executive Director



**1. RESPONSIBILITY STATEMENT**

This Circular has been reviewed and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in this Circular false or misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

RHB Investment Bank, being the Principal Adviser for the Proposed DRS, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all reference thereto in the form and context in which it appears in this Circular.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad ("**RHB Banking Group**") form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses in its ordinary course of business with Sunway REIT and its subsidiaries ("**Sunway REIT Group**"). RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for Sunway REIT Group in addition to the roles set out in this Circular.

Furthermore, in the ordinary course of business, any member of RHB Banking Group may at any time offer or provide its services to or engage in any transactions (whether on its own account or otherwise) with any member of Sunway REIT Group, hold long or short positions in the securities offered by any member of Sunway REIT Group, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of Sunway REIT Group.

Employees Provident Fund Board ("**EPF**") is a substantial shareholder and substantial unitholder of RHB Bank Berhad and Sunway REIT respectively. However, EPF is not involved in the day-to-day operations of RHB Banking Group and Sunway REIT Group.

In addition, Tan Sri Dr Rebecca Fatima Sta Maria, an Independent Non-Executive Director of RHB Bank and RHB Investment Bank, is also an Independent Non-Executive Director of Sunway Berhad, which is a major unitholder of Sunway REIT. Nevertheless, in view of her role as a non-executive director, she is not involved in the day-to-day operations of RHB Banking Group and Sunway Berhad.

The Trustee, which is a company within RHB Banking Group, provides trustee services to Sunway REIT. Notwithstanding the above and as at the LPD, RHB Investment Bank, as part of RHB Banking Group is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser to the Manager for the Proposed DRS on the basis that:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser for the Proposed DRS is in the ordinary course of its business. RHB Investment Bank does not have any interest in the Proposed DRS other than as the Principal Adviser based on the terms of engagement which are mutually agreed between both parties. Further, RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as the Principal Adviser for the Proposed DRS;
- (ii) The Trustee is a registered trust company under the Trust Companies Act, 1949 and also registered with the SC and its appointment as the Trustee to Sunway REIT is in the ordinary course of its business;

- (iii) the corporate finance division of RHB Investment Bank (“**RHB CF**”) is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (iv) the conduct of RHB Banking Group’s business is regulated strictly by the Financial Services Act, 2013, the CMSA and RHB Banking Group’s own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

Save for the above, RHB Investment Bank is not aware of any existing or potential interest or any circumstances which would give rise to a conflict of interest by virtue of its role as the Principal Adviser for the Proposed DRS.

### **3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

#### **3.1. Material commitments**

Save as disclosed below, as at the LCD, the Board is not aware of any other material commitments incurred or known to be incurred by Sunway REIT, which may have a material impact on the income or NAV of Sunway REIT:

	<b>As at the LCD</b>
	<b>RM'000</b>
Approved and contracted for	329,682
Approved but not contracted for	304,114
	<hr/> 633,796 <hr/>

#### **3.2. Contingent liabilities**

As at the LCD, the Board is not aware of any contingent liabilities incurred or known to be incurred by Sunway REIT which, upon becoming enforceable, may have a material impact on the financial position of Sunway REIT.

**4. HISTORICAL UNIT PRICES**

The monthly highest and lowest market prices of Sunway REIT units as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

<b>Month</b>	<b>Highest</b>	<b>Lowest</b>
	<b>RM</b>	<b>RM</b>
<b>2019</b>		
August	1.95	1.89
September	1.95	1.89
October	1.95	1.81
November	1.90	1.81
December	1.86	1.79
<b>2020</b>		
January	1.85	1.80
February	1.90	1.78
March	1.90	1.55
April	1.63	1.53
May	1.63	1.57
June	1.68	1.57
July	1.63	1.54
Last transacted market price on 26 June 2020, being the last Market Day immediately before the first announcement of the Proposed DRS on 29 June 2020		1.60
Last transacted market price as at the LPD		1.54

*(Source: Bloomberg)*

**5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Save as disclosed below, as at the LPD, Sunway REIT Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of Sunway REIT Group and, to the best of the Board's knowledge and belief, the Board confirmed that there are no proceedings pending or threatened against Sunway REIT Group or any facts likely to give rise to any proceedings which materially and adversely affect the financial position or business of Sunway REIT Group:

**Metroplex Holdings Sdn Bhd ("Metroplex") v Trustee and Manager (collectively, the "Defendants")**

On 28 September 2015, Metroplex filed a writ of summons and a statement of claim against the Defendants to claim, amongst others, damages for various chattels and movable items (i.e. furniture and office equipment, decorations, cutlery, kitchen equipment, bar equipment, concierge and reception tables, blinds and curtains) ("**Chattels and Movable Items**") which Metroplex alleged the Chattels and Movable Items were acquired and owned by them and were not removed when the Defendants took possession of the hotel at Sunway Putra on 27 September 2011. Metroplex has in its statement of claim alleged that the Chattels and Movable Items were worth in excess of RM80 million as at September 2011.

On 3 November 2017, the High Court allowed Metroplex's claim on liability in which the damages to be awarded to Metroplex shall be assessed ("**High Court's Decision**").

Subsequently, the Defendants appealed to the Court of Appeal against the High Court's Decision on 6 November 2017. The Court of Appeal allowed the Defendants' Appeal and set aside the High Court's Decision on 22 January 2019 ("**Court of Appeal's Decision**").

On 20 February 2019, Metroplex filed motion for leave to appeal to the Federal Court against the Court of Appeal's Decision ("**Motion**"). The Motion was allowed on 25 November 2019. Subsequently, Metroplex filed a notice of appeal to appeal against the Court of Appeal's Decision on 2 December 2019 ("**Appeal**"). The case management, and the hearing for the Appeal is fixed on 28 August 2020 and 7 September 2020 respectively.

The solicitors acting for the Defendants are of the view that the Defendants have a reasonably fair chance of successfully resisting the Appeal.

## **6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for your inspection at the registered office of the Manager at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the forthcoming 8<sup>th</sup> AGM:

- (i) the Deed;
- (ii) the audited financial statements of Sunway REIT for the past two FYEs 30 June 2019 and 30 June 2020;
- (iii) the letter of consent referred to in Section 2 of Appendix I of this Circular; and
- (iv) the relevant cause papers for the material litigation referred to in Section 5 of the Appendix I above.

# **SUNWAY<sup>®</sup>**

## **REIT**

### **SUNWAY REAL ESTATE INVESTMENT TRUST**

(Established in Malaysia under a deed dated 20 May 2010, a supplemental deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 entered into between Sunway REIT Management Sdn. Bhd. and RHB Trustees Berhad, both companies incorporated in Malaysia)

Managed by

### **SUNWAY REIT MANAGEMENT SDN BHD**

(Company Registration No.: 200801005046)

### **DISTRIBUTION REINVESTMENT SCHEME STATEMENT**

*(Abbreviations and definitions, unless where the context requires otherwise, shall be as set out in Section 2 of the terms and conditions governing this Distribution Reinvestment Scheme Statement)*

This Distribution Reinvestment Scheme Statement contains the terms and conditions of the Distribution Reinvestment Scheme of Sunway REIT as may be amended from time to time (“**Terms and Conditions**”) under which persons registered in the Record of Depositors as Unitholders on the DRS Entitlement Date may, in relation to any Income Distribution, be given an option to reinvest all or part of such Income Distribution in DRS Units (“**Reinvestment Option**”) as the Board may, in its absolute discretion, make available (“**Distribution Reinvestment Scheme**”).

### **SUMMARY OF MAIN FEATURES OF THE DISTRIBUTION REINVESTMENT SCHEME**

The Distribution Reinvestment Scheme will provide Unitholders the option to reinvest their Income Distribution in DRS Units in lieu of receiving cash.

Whenever an Income Distribution is declared, the Board may, at its absolute discretion, determine whether to pay such Income Distribution in cash or to offer the Unitholders the Reinvestment Option and if the Reinvestment Option is elected, to declare the quantum of the Electable Portion. The Unitholders should note that the Board is not obliged to undertake the Distribution Reinvestment Scheme for each and every Income Distribution to be declared.

The Electable Portion may encompass the whole or part of the Income Distribution declared. If the Electable Portion is only applicable for part and not the whole Income Distribution declared, the Remaining Portion will be paid in cash.

Unless the Board has determined that the Reinvestment Option will apply to a particular Income Distribution declared (whether in whole or in part), all Income Distribution as may be declared by the Board will be paid wholly in cash to the Unitholders in the usual manner. For income tax purposes, a Unitholder shall be taken as having received a cash income distribution equivalent to the amount of the Income Distribution declared, notwithstanding that the Unitholder may elect to exercise the Reinvestment Option (in whole or in part). The whole amount of Income Distribution comprising Electable Portion and Remaining Portion will be subject to the usual withholding tax. The Income Distribution (net of withholding tax) will either be paid in cash and/or reinvested in DRS Units at DRS Issue Price.

The DRS Issue Price, which will be determined by the Board on the DRS Price-Fixing Date, shall be at an issue price of not more than a 10.0% discount to the 5-day VWAP of Sunway REIT before the DRS Price-Fixing Date, in compliance with Paragraph 6.45D(1) of the Listing Requirements. The 5-day VWAP shall be adjusted for Income Distribution before applying the aforementioned discount in fixing the DRS Issue Price.

The DRS Issue Price shall be announced on or before the announcement of the DRS Entitlement Date. An approval for the listing and quotation of the DRS Units on the Main Market of Bursa Securities will be sought from Bursa Securities and the announcement of the DRS Entitlement Date will be made after receipt of the said approval from Bursa Securities and such approval from other relevant authorities, if any.

After the DRS Entitlement Date, a Notice of Election will be despatched to the Unitholders. The Notice of Election will specify, among others, the Expiry Date. Instructions will be provided in the Notice of Election for the action to be taken by the Unitholders should they wish to exercise the Reinvestment Option.

---

**APPENDIX II – DISTRIBUTION REINVESTMENT SCHEME STATEMENT (CONT'D)**

---

The Trustee and/or the Manager will, within eight Market Days from the Expiry Date or such date as may be prescribed by Bursa Securities, allot and issue the DRS Units and despatch notices of allotment to Unitholders who has elected to participate in the Reinvestment Option. The DRS Units will not be underwritten.

The Board will make an announcement for the day on which the DRS Units will be listed and quoted on the Main Market of Bursa Securities.

The Unitholders will have the following options for a Reinvestment Option:

- (i) to elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion at the DRS Issue Price and to receive the Remaining Portion in cash;
- (ii) to elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion at the DRS Issue Price and to receive the balance of the Electable Portion and Remaining Portion in cash;  
or
- (iii) to elect not to participate in the Reinvestment Option and thereby receiving their entire Income Distribution entitlement (both Electable Portion and Remaining Portion) wholly in cash.

The DRS Units will be issued free of any brokerage fees and other related transaction costs to Participating Unitholders, unless otherwise provided by any statute, law or regulation. However, Participating Unitholders are required to pay RM10.00 for stamp duty.

The DRS Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in Sunway REIT save and except that the DRS Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions that may be effected before the DRS Allotment Date.

All Unitholders are eligible to participate in the Distribution Reinvestment Scheme subject to the restrictions described in the following section.

### **HOW TO PARTICIPATE**

Participation in the Distribution Reinvestment Scheme is optional and not transferable. A Unitholder wishing to reinvest in DRS Units for any Electable Portion to which a Notice of Election received by him/her must complete the Notice of Election and return it to the Share Registrar in accordance with the instructions as prescribed therein.

A Unitholder receiving more than one Notice of Election and wishing to reinvest in DRS Units for all of his/her entitlement to the Electable Portion must duly complete all Notices of Election received by him/her and return the completed Notices of Election to the Share Registrar. Unitholders should note that they are at liberty to decide which particular Notice of Election they wish to elect for the reinvestment in DRS Units. If any particular Notice of Election is not elected upon, the Income Distribution relating thereto will be received in cash by the Unitholders in the usual manner.

To be effective for any Electable Portion to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by the Share Registrar no later than the Expiry Date.

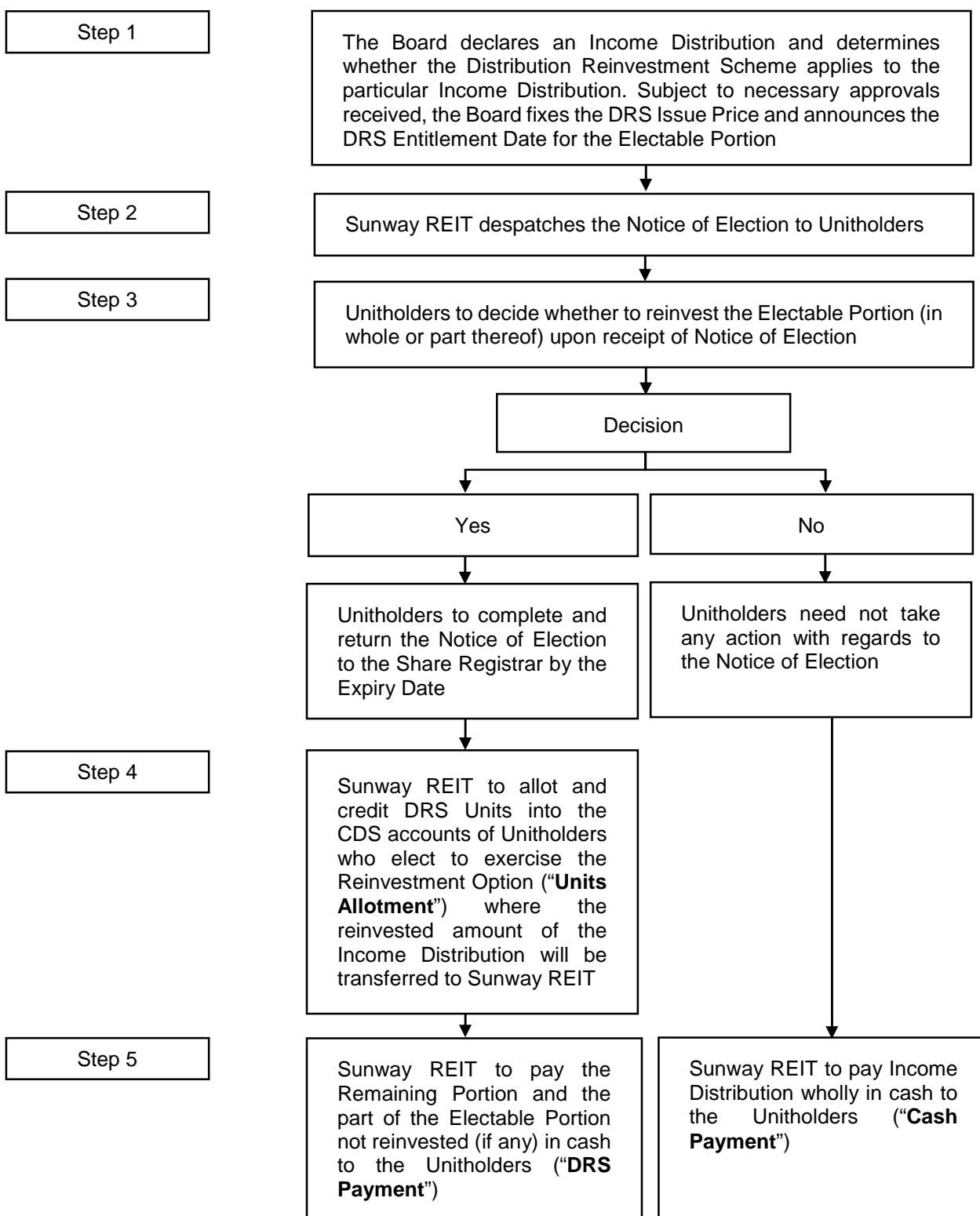
All Unitholders are eligible to participate in the Distribution Reinvestment Scheme, provided that:

- (i) such participation will not result in a breach of any restrictions on their respective holding of DRS Units which may be imposed by any contractual obligations of the Unitholders, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); or
- (ii) there is no restriction for such participation as prescribed in the Deed.

The Notice of Election will not be sent to Overseas Unitholders to avoid any violation on the part of the Trustee and/or the Manager of any securities laws applicable outside Malaysia. Overseas Unitholders who wish to participate in the Distribution Reinvestment Scheme are strongly advised to provide the Share Registrar with an address in Malaysia no later than five Market Days before the relevant DRS Entitlement Date for any particular Income Distribution to which the Distribution Reinvestment Scheme applies.

**APPENDIX II – DISTRIBUTION REINVESTMENT SCHEME STATEMENT (CONT'D)**

A brief process flow chart in relation to how the Distribution Reinvestment Scheme is intended to be administrative is shown below:



**Note:**

For Step 5, the Cash Payment, Units Allotment and the DRS Payment will occur on the same day, which will be on a date falling within one month from the DRS Entitlement Date and in any event, not later than three months from the date of declaration of the Income Distribution or the date on which the approval for the Income Distribution is obtained in a general meeting of Sunway REIT, whichever is applicable.

**TERMS AND CONDITIONS OF THE DISTRIBUTION REINVESTMENT SCHEME STATEMENT****1. ESTABLISHMENT**

The Distribution Reinvestment Scheme has been established by the Board. The administration of the Distribution Reinvestment Scheme, including the Reinvestment Option and the Electable Portion, shall be determined by the Board at its absolute discretion.

**2. DEFINITIONS**

In these Terms and Conditions, the following definitions shall apply:

Board	:	Board of Directors of the Manager
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd.
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System
Deed	:	The amended and restated deed dated 18 September 2018 entered into between the Manager and the Trustee
DRS Allotment Date	:	Date of the allotment and issuance of the DRS Units which falls within eight Market Days from the Expiry Date or such period as may be prescribed by Bursa Securities pursuant to Paragraph 6.09 of the Listing Requirements
DRS Entitlement Date	:	The date to be determined by the Board and announced later, on which the names of the Unitholders must be registered in the Record of Depositors in order to be eligible to participate in the Distribution Reinvestment Scheme
DRS Issue Price	:	The issue price for the DRS Units which will be determined and announced by the Board on the DRS Price-Fixing Date, shall be at an issue price of not more than a 10.0% discount to the 5-day VWAP of Sunway REIT before the DRS Price-Fixing Date. The 5-day VWAP shall be adjusted for Income Distribution before applying the aforementioned discount in fixing the DRS Issue Price
DRS Price-Fixing Date	:	Price-fixing date of the DRS Units to be announced by the Board
DRS Units	:	Issuance of new units in Sunway REIT pursuant to the Distribution Reinvestment Scheme
Electable Portion	:	The portion of such Income Distribution, to which the Board, in its absolute discretion, determines that the Reinvestment Option applies
Expiry Date	:	The last day (which will be a date to be fixed and announced by the Board) by which an election to be made by the Unitholders for the Electable Portion must be received by the Share Registrar for the Distribution Reinvestment Scheme
Income Distribution	:	Cash distribution(s) declared by the Board, whether interim, final, special or other types of cash distribution
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities



---

**APPENDIX II – DISTRIBUTION REINVESTMENT SCHEME STATEMENT (CONT'D)**

---

Manager	:	Sunway REIT Management Sdn. Bhd., being the manager of Sunway REIT
Market Days	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
Notice of Election	:	Notice of election by which Unitholders elect to participate in the Reinvestment Option
Overseas Unitholders	:	Unitholders whose address in the Record of Depositors is not in Malaysia
Participating Unitholders	:	Unitholders who choose to participate in the Distribution Reinvestment Scheme
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act 1991
Remaining Portion	:	The remaining portion of the Income Distribution, to which the Board, in its absolute discretion, determines that the Reinvestment Option does not apply and will be paid in cash
RM and sen	:	Ringgit Malaysia and sen respectively
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia
Rules of Bursa Depository	:	The rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act, 1991
Share Registrar	:	Share registrar of Sunway REIT
Sunway REIT	:	Sunway Real Estate Investment Trust
Terms and Conditions	:	The terms and conditions of the Distribution Reinvestment Scheme as amended, modified and supplemented from time to time
Trustee	:	RHB Trustees Berhad, as trustee for Sunway REIT
Unitholders	:	Unitholders of Sunway REIT
VWAP	:	Volume weighted average market price

### **3. ELIGIBILITY**

All Unitholders are eligible to participate in the Distribution Reinvestment Scheme, subject to the restrictions on Overseas Unitholders and further, provided that:

- (i) such participation will not result in a breach of any restrictions on their respective holding of DRS Units which may be imposed by any contractual obligations of the Unitholders, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); or
- (ii) there is no restriction for such participation as prescribed in the Deed.

**4. OVERSEAS UNITHOLDERS**

To avoid any violation on the part of the Trustee and/or the Manager of any securities laws applicable outside of Malaysia, the Distribution Reinvestment Scheme will only be offered for subscription in Malaysia. Accordingly, the documents relating to the Distribution Reinvestment Scheme including the Notice of Election will not be sent to Overseas Unitholders. No Overseas Unitholders shall have any claim whatsoever against the Trustee and/or the Manager as a result of the documents relating to the Distribution Reinvestment Scheme not being sent to Overseas Unitholders.

Overseas Unitholders who wish to participate in the Distribution Reinvestment Scheme are strongly advised to provide the Share Registrar with an address in Malaysia no later than five Market Days before the relevant DRS Entitlement Date for any particular Income Distribution to which the Distribution Reinvestment Scheme applies.

Overseas Unitholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done no later than five Market Days before the relevant DRS Entitlement Date if they wish to participate in the Distribution Reinvestment Scheme.

Overseas Unitholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Overseas Unitholders in the Distribution Reinvestment Scheme will be on the basis that they may lawfully so participate without the directors and employees of the Manager and/or Trustee, and its advisers being in breach of the laws of any jurisdictions.

**5. NOTICE OF ELECTION**

After the DRS Entitlement Date, a Notice of Election will be despatched to the Unitholders. The Notice of Election will specify, among others, the Expiry Date. Instructions will be provided in the Notice of Election for the action to be taken by the Unitholders should they wish to exercise the Reinvestment Option.

To effect the exercise of the Reinvestment Option for an Electable Portion, a Notice of Election must be duly completed and executed by the Unitholders as to the confirmation of his/her election to reinvest and must be received by the Share Registrar, no later than the Expiry Date. Unitholders who receive more than one Notice of Election may elect to reinvest in DRS Units for his/her entitlement to which one Notice of Election relates and decline to reinvest in DRS Units for his/her entitlement to which any other Notice(s) of Election relates. Unitholders who receive more than one Notice of Election and wish to reinvest in DRS Units for all his/her entitlement to the Electable Portion must duly complete all the Notices of Election received by him/her and return the completed Notice of Election to the Share Registrar, no later than the Expiry Date specified in the Notice of Election.

Once received by the Share Registrar, a Notice of Election for any Electable Portion shall not be withdrawn or cancelled.

The Manager and/or the Share Registrar has the discretion and right to accept or reject any Notice of Election that is incomplete, contains errors or is otherwise defective, does not conform to these Terms and Conditions or which is illegible. The Manager and/or the Share Registrar is under no obligation to correct invalid Notices of Election on behalf of any Unitholder or to provide any reason for rejecting any Notice of Election.

---

**APPENDIX II – DISTRIBUTION REINVESTMENT SCHEME STATEMENT (CONT'D)**

---

By electing to exercise the Reinvestment Option, the Participating Unitholder unconditionally:

- (i) warrants to the Manager and/or Trustee that he/she has the legal right and full power and authority to participate in the Distribution Reinvestment Scheme and that his/her participation in the Distribution Reinvestment Scheme will not result in a breach of any restrictions on his/her holding of DRS Units which may be imposed by any contractual obligations of the Unitholder, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained), or as prescribed in the Deed;
- (ii) acknowledges that the Manager and/or the Share Registrar may at any time determine whether the Participating Unitholder's Notice of Election or other form (collectively referred to as "**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (iii) acknowledges that the Manager and/or the Share Registrar may accept or reject any Form and agrees that the Manager and/or the Share Registrar need not provide any reason therefor;
- (iv) acknowledges that the Manager and/or Trustee has not provided the Participating Unitholder with investment advice or any other advice;
- (v) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Distribution Reinvestment Scheme;
- (vi) submits to the jurisdiction of the courts of Malaysia, in each case, at all times until the termination of the Distribution Reinvestment Scheme; and
- (vii) agrees that notwithstanding any other provisions, these Terms and Conditions as set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the Distribution Reinvestment Scheme shall apply to any Income Distribution and before the allotment and issuance of the DRS Units for the Electable Portion, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Scheme for the Electable Portion, the Board may, at its absolute discretion and as it deems fit in the interest of the Manager and without assigning any reason thereof, cancel the application of the Distribution Reinvestment Scheme in relation to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Unitholders shall receive the Electable Portion in cash in the usual manner.

A tax voucher will be despatched to all Unitholders irrespective of whether an election to exercise the Reinvestment Option is made by a Unitholder. For income tax purposes, a Unitholder shall be taken as having received a cash income distribution equivalent to the amount of the Income Distribution declared, notwithstanding that the Unitholder may elect to exercise the Reinvestment Option (in whole or in part). The whole amount of Income Distribution comprising Electable Portion and Remaining Portion will be subject to the usual withholding tax. The Income Distribution (net of withholding tax) will either be paid in cash and/or reinvested in DRS Units at DRS Issue Price.

Hence, the election for the Reinvestment Option does not relieve Unitholder of any income tax obligation (if applicable) and there is no Malaysian income tax implication in exercising the Reinvestment Option or otherwise.

**6. EXTENT OF APPLICATION OF DISTRIBUTION REINVESTMENT SCHEME TO EACH ELECTABLE PORTION**

The Board may, at its absolute discretion, determine for any Income Distribution, whether the Distribution Reinvestment Scheme shall apply and if so, the quantum of the Electable Portion. In this respect, the Electable Portion may apply to the whole Income Distribution declared or only a portion of the Income Distribution declared.

If, in its absolute discretion, the Board has not determined that the Distribution Reinvestment Scheme is to apply to a particular Income Distribution, such Income Distribution shall be paid in cash to Unitholders in the usual manner.

**7. UNIT ENTITLEMENT**

By electing to participate in the Distribution Reinvestment Scheme for any Notice of Election received by him/her, a Participating Unitholder elects to receive the Electable Portion to which such Notice of Election relates, in DRS Units.

For any Electable Portion, the number of DRS Units to be allotted and issued to the Participating Unitholder electing to reinvest the whole or part of the Electable Portion in DRS Units for a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D \times F}{V}$$

Where:

N = number of DRS Units to be issued and allotted as fully paid to the Participating Unitholder for such Notice of Election

S = number of units in Sunway REIT held by the Participating Unitholder as at the DRS Entitlement Date for which the Notice of Election relates

D = Electable Portion\*

F = proportion of the Electable Portion chosen by the Participating Unitholder to be reinvested in DRS Units, expressed in %

V = the DRS Issue Price

**Note:**

\* Total amount of the Electable Portion, expressed in RM = S x D

Under the Distribution Reinvestment Scheme, Unitholders who elect to exercise the Reinvestment Option will not be allotted fractional DRS Units. As such, the amount of the Electable Portion relating to such fractional entitlement of DRS Units will be paid in cash to the Unitholders in the usual manner.

The percentage unitholding of a Unitholder may be diluted if he/she does not exercise his/her Reinvestment Option. However, the extent of the dilution will depend on the number of DRS Units issued pursuant to the level of exercise of the Reinvestment Option by the other Unitholders as a whole.

**8. TERMS OF ALLOTMENT**

The DRS Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in Sunway REIT, save and except that the DRS Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions that may be effected before the DRS Allotment Date.

**9. ODD LOTS**

A Unitholder who exercises the Reinvestment Option may be allotted DRS Units in odd lots depending on his/her entitlement of DRS Units. Unitholders who receive odd lots of DRS Units and who wish to trade such odd lots on Bursa Securities may do so on the odd lots market which allows the trading of odd lots with a minimum of one DRS Unit.

A Unitholder who does not wish to receive DRS Units in odd lots may round down the number of DRS Units elected such that he/she will receive DRS Units in multiples of and not less than a board lot comprising 100 DRS Units. Where a Unitholder's entitlement of DRS Units is less than one board lot, the Unitholder can elect to receive his/her entire Income Distribution entitlement in cash or DRS Units in odd lots.

**10. COST TO THE PARTICIPATING UNITHOLDERS**

The DRS Units will be issued free of any brokerage fees and other related transaction costs to Participating Unitholders, unless otherwise provided by any statute, law or regulation. However, Participating Unitholders are required to pay RM10.00 for stamp duty.

**11. CANCELLATION OF APPLICATION OF THE DISTRIBUTION REINVESTMENT SCHEME**

Notwithstanding any other provisions, these Terms and Conditions as set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the Distribution Reinvestment Scheme shall apply to any Income Distribution and before the allotment and issuance of the DRS Units for the Electable Portion, the Board shall consider that by reason of any event or circumstances (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Scheme for the Electable Portion, the Board may, at its absolute discretion and as it deems fit in the interest of the Manager and without assigning any reason thereof, cancel the application of the Distribution Reinvestment Scheme in relation to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, Unitholders shall receive the Electable Portion in cash in the usual manner.

**12. MODIFICATION, SUSPENSION AND TERMINATION OF THE DISTRIBUTION REINVESTMENT SCHEME**

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the Distribution Reinvestment Scheme and these Terms and Conditions may be modified, suspended (in whole or in part) or terminated at any time by the Board as it deems fit or expedient by giving notice in writing to all Unitholders in such manner as the Board deems fit, notwithstanding any other provision or these Terms and Conditions stated herein or otherwise stating to the contrary and irrespective of whether an election to exercise the Reinvestment Option has been made by any Unitholder.

---

**APPENDIX II – DISTRIBUTION REINVESTMENT SCHEME STATEMENT (CONT'D)**

---

In the case of a suspension, the Distribution Reinvestment Scheme and these Terms and Conditions will be suspended (in whole or in part, as the case may be) until such time as the Board may resolve in its absolute discretion, to recommence or terminate these Terms and Conditions. If these Terms and Conditions are recommenced, Participating Unitholders' Notice of Election confirming their participation under the previously suspended Distribution Reinvestment Scheme will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions for such recommencement of the Distribution Reinvestment Scheme will be notified to all Unitholders.

**13. GENERAL ADMINISTRATION OF THE DISTRIBUTION REINVESTMENT SCHEME**

The Board may implement the Distribution Reinvestment Scheme in the manner it deems fit. The Board has the power to:

- (i) determine procedures, rules and regulations for administration of the Distribution Reinvestment Scheme which are consistent with these Terms and Conditions, as may be amended or modified from time to time;
- (ii) settle in such manner as it thinks fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Distribution Reinvestment Scheme) which may arise in connection with the Distribution Reinvestment Scheme, whether generally or in relation to any Participating Unitholder or any DRS Unit and the determination of the Board will be conclusive and binding on all Unitholders and other persons to whom the determination relates;
- (iii) delegate to any one or more persons, for such period and on such conditions as the Board may determine, the exercise of any of its powers or discretion under or for the Distribution Reinvestment Scheme and references to a decision, opinion or determination of the Board include a reference to the decision, opinion or determination of the person or persons to whom the Board has delegated its authority to, for the purposes of administering the Distribution Reinvestment Scheme; and
- (iv) waive strict compliance by the Manager or any Unitholder with any of these Terms and Conditions.

**14. IMPLICATIONS OF THE RULES AND UNITHOLDING LIMITS**

Unitholders should take note of the following:

**(i) Implications of the Rules**

Pursuant to Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the Capital Markets and Services Act, 2007, a Unitholder may be under an obligation to extend a mandatory offer for all the remaining units in Sunway REIT not already owned by him/her and persons acting in concert with him/her (collectively, "**Affected Parties**"), if by participating in the Distribution Reinvestment Scheme for the reinvestment of the Electable Portion:

- (a) the Affected Parties have obtained control in Sunway REIT via the acquisition or holding of, or entitlement to exercise or control the exercise of voting units or voting rights of more than 33.0% of Sunway REIT or such other amount as may be prescribed in the Rules, howsoever effected; or
- (b) the Affected Parties have acquired more than 2.0% of the voting units or voting rights of Sunway REIT in any period of six months and the Affected Parties hold more than 33.0% but not more than 50.0% of the voting units or voting rights of Sunway REIT during the said six months period.



---

**APPENDIX II – DISTRIBUTION REINVESTMENT SCHEME STATEMENT (CONT'D)**

---

If an obligation to undertake a mandatory offer is expected to arise resulting from a Unitholder's participation in the Distribution Reinvestment Scheme, the Affected Parties may wish to consult their professional advisers at the earliest opportunity in relation to:

- (a) any obligation to make a mandatory offer under the Rules as a result of any subscription of DRS Units through his/her participation in the Distribution Reinvestment Scheme; and
- (b) whether or not to make an application to the Securities Commission Malaysia to obtain an approval for a waiver from the obligation to undertake a mandatory offer before exercising his/her Reinvestment Option to avoid having to undertake a mandatory offer.

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Rules or other relevant legislation or regulations. Unitholders who are in doubt as to whether they would incur any obligation to make a mandatory offer under the Rules as a result of any subscription of DRS Units through their participation in the Distribution Reinvestment Scheme are advised to consult their professional advisers at the earliest opportunity.**

#### **15. Unitholding limits**

All Unitholders are responsible for ensuring that their participation in the Distribution Reinvestment Scheme will not result in a breach of any restrictions on their respective holding of DRS Units which may be imposed by any contractual obligations of the Unitholders, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained), or as prescribed in the Deed.

In view of the unitholding limit referred to above, notwithstanding the proportion of Electable Portion which may be determined by the Board to be reinvested, the Board shall be entitled but not obligated to reduce or limit the number of DRS Units to be issued to any Unitholder should the Board be aware or be informed in writing of any expected breach of such unitholding limits as a result of the exercise of the Reinvestment Option by such Unitholder, in which case the Board reserves the right to pay the Remaining Portion in cash.

#### **16. DISCLAIMER**

Notwithstanding anything to the contrary, the Trustee and/or the Manager and its respective directors, officers, employees, agents, affiliates, advisers and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising / incurred / suffered by any person including any Unitholder arising out of or in connection with the Distribution Reinvestment Scheme including:

- (i) any obligation of any Unitholder to undertake a mandatory offer as a result of the Distribution Reinvestment Scheme;
- (ii) a breach of any restrictions on any Unitholder's holding of DRS Units, which may be imposed by any contractual obligations of the Unitholder, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained), or as prescribed in the Deed;
- (iii) any losses suffered by any Unitholder due to changes in unit prices of the DRS Units or the quantum of future Income Distribution after the implementation of the Distribution Reinvestment Scheme; and
- (iv) any modification, suspension and termination of the Distribution Reinvestment Scheme.

**17. GOVERNING LAW**

The Distribution Reinvestment Scheme Statement, the Distribution Reinvestment Scheme and these Terms and Conditions shall be governed by, and construed in accordance with the laws of Malaysia.

**18. NOTICES AND STATEMENTS**

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Manager and/or the Trustee to a Participating Unitholder shall be given in accordance with the provisions of the Deed.



# **SUNWAY<sup>®</sup>**

## **REIT**

### **SUNWAY REAL ESTATE INVESTMENT TRUST**

*(Established in Malaysia under a deed dated 20 May 2010, a supplemental deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 entered into between Sunway REIT Management Sdn. Bhd. and RHB Trustees Berhad, both companies incorporated in Malaysia)*

### **EXTRACT OF NOTICE OF 8<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Eighth Annual General Meeting (“**8<sup>th</sup> AGM**”) of Sunway Real Estate Investment Trust (“**Sunway REIT**”) will be held as a fully virtual meeting through live streaming and online remote voting from the Broadcast Venue at the Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Friday, 2 October 2020 at 3:30 p.m., for the following purposes:

#### **AS SPECIAL BUSINESS:**

To consider and if thought fit, to pass the following as Ordinary Resolutions:

#### **ORDINARY RESOLUTION 3**

**PROPOSED ESTABLISHMENT OF A DISTRIBUTION REINVESTMENT SCHEME THAT PROVIDES THE UNITHOLDERS OF SUNWAY REIT WITH AN OPTION TO ELECT TO REINVEST THEIR CASH INCOME DISTRIBUTION IN NEW UNITS IN SUNWAY REIT (“DRS UNITS”) (“PROPOSED DRS”)**

“**THAT** subject to the approvals of all relevant authorities being obtained for the Proposed DRS:

- (i) the Proposed DRS be and is hereby approved and authorised;
- (ii) the Directors of the Manager (“**Board**”), acting for and on behalf of Sunway REIT, be and is hereby authorised:
  - (a) to establish and implement the Proposed DRS based on the terms and conditions in the Dividend Reinvestment Scheme Statement;
  - (b) to determine, in its sole and absolute discretion, whether the Proposed DRS will apply to any cash income distribution (whether interim, final, special or any other types of cash distribution) declared and/or approved by the Board;
  - (c) to allot and issue such number of DRS Units from time to time as may be required to be allotted and issued pursuant to the Proposed DRS; and
  - (d) to do all such acts and enter into such transactions, arrangements and agreements, and to execute, sign and deliver, for and on behalf of Sunway REIT, all such documents and impose such terms and conditions or delegate any part of its powers as may be necessary or expedient in order to give full effect to the Proposed DRS, with full powers to assent to any conditions, modifications, variations and/or amendments including amendment, modification, suspension and termination of the Proposed DRS as the Board may, in its absolute discretion, deem fit and in the best interest of Sunway REIT and/or as may be imposed or agreed to by any relevant authorities.

**AND THAT** the DRS Units will, upon allotment and issuance, rank equally in all respects with the then existing units in Sunway REIT, save and except that the DRS Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or other distributions that may be effected before the date of allotment of the DRS Units.”

#### **ORDINARY RESOLUTION 4**

##### **ISSUANCE OF DRS UNITS PURSUANT TO THE PROPOSED DRS (“ISSUANCE OF DRS UNITS”)**

“**THAT** subject to the passing of Ordinary Resolution 3 and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to allot and issue such number of DRS Units from time to time as may be required to be allotted and issued pursuant to the Proposed DRS until the conclusion of Sunway REIT’s next annual general meeting, upon the terms and conditions and to such persons as the Board may, in its absolute discretion, deem fit or expedient and in the best interest of Sunway REIT.

The issue price of the DRS Units, which will be determined by the Board on the price-fixing date to be determined and announced (“**DRS Price-Fixing Date**”), shall be at an issue price of not more than a 10.0% discount to the 5-day volume weighted average market price of Sunway REIT before the DRS Price-Fixing Date.

**AND THAT** the Board be and is hereby authorised to do all such acts and enter into such transactions, arrangements and agreements and to execute, sign and deliver, for and on behalf of Sunway REIT, all such documents and impose such terms and conditions or delegate any part of its powers as may be necessary or expedient in order to give full effect to the Issuance of DRS Units, with full powers to assent to any conditions, modifications, variations and/or amendments including pursuant to any amendment, modification, suspension and termination of the Proposed DRS or the Issuance of DRS Units as the Board may, in its absolute discretion, deem fit and in the best interest of Sunway REIT and/or as may be imposed or agreed to by any relevant authorities.”

**By Order of the Board of Directors of  
SUNWAY REIT MANAGEMENT SDN. BHD.**

**TAN KIM AUN (MAICSA 7002988) (SSM PC NO. 202008001249)**  
**ONG WEI LENG (MAICSA 7053539) (SSM PC NO. 202008001016)**  
Company Secretaries

Bandar Sunway  
28 August 2020