

## HIGH COURT ORDERS METROPLEX HOLDINGS SDN BHD TO DELIVER POSSESSION OF PUTRA PLACE

*Kuala Lumpur, June 30, 2011* ~ Sunway REIT Management Sdn Bhd (“Manager”), the manager of Sunway REIT (“SunREIT”), had clarified the status of the ownership of Putra Place following the High Court of Malaya’s declaration on June 28, 2011 that OSK Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) (“Trustee”) is the legal owner of Putra Place since 19 April 2011. The High Court ordered the previous owner, Metroplex Holdings Sdn Bhd, to deliver up, within 72 hours of the court order expiring at noon on 1 July 2011, possession of each and every part of Putra Place.

The Trustee, on behalf of SunREIT, has successfully bid for Putra Place on March 30, 2011, at a public auction held for the fourth time at the High Court in Kuala Lumpur for RM513.945 million being the reserve price fixed by the High Court. Putra Place was auctioned pursuant to an order of sale obtained by Commerce International Merchant Bankers Berhad (CIMB) from the High Court of Malaya in Kuala Lumpur pursuant to a charge granted by Metroplex Holdings Sdn Bhd in favour of CIMB. Subsequently, the full purchase price was paid to CIMB and the title registered at the Kuala Lumpur land registry on 19 April 2011.

### History of public auction

	<b>Date</b>	<b>Reserve Price</b>
1 <sup>st</sup> public auction	April 2008	RM 705 million
2 <sup>nd</sup> public auction	January 2009	RM634.5 million
3 <sup>rd</sup> public auction	January 2010	RM571.05 million
4 <sup>th</sup> public auction	March 2011	RM513.945 million

This investment opportunity was brought to the attention of the Manager by some investment banks and after having viewed the proclamation of sale advertised in the newspaper, the Manager and the Trustee were of the view that the reserve price is a reasonable price level to participate in the public auction. The Manager had assessed the acquisition purely based on business judgement and is viewed as an opportunistic buy as the property met SunREIT’s investment criteria and strategy. The Manager and the Trustee have at all times acted properly in accordance with the law in the acquisition of Putra Place.

Following the successful acquisition, the Manager on behalf of the rightful owner of Putra Place, had put up notices of ownership aimed to engage the tenants of Putra Place, and issued letters to invite them to discuss their tenancies with SunREIT as the change of ownership has rendered all existing tenancies with Metroplex Holdings Sdn Bhd cease to be valid. As of today, a majority of the tenants have agreed to enter into new tenancies with SunREIT showing that they support and have faith in the Manager in operating and enhancing the property which will lead to improvement in their businesses in the future. In the meantime, SunREIT had also placed security personnel at the property to safeguard the asset.

The Manager, had also sought amicable resolutions to gain rightful full possession and control of Putra Place from the former owner, but after a number of failed attempts and realizing the confusion existing amongst the tenants, the Trustee and the Manager had proceeded to institute legal proceedings against Metroplex Holdings Sdn Bhd on June 2, 2011 and obtained on June 28, 2011 for a declaration that SunREIT is the true owner of Putra Place as well as the following orders:

- 1) Metroplex Holdings Sdn Bhd is to deliver possession and control of Putra Place to SunREIT within 72 hours of the court order;
- 2) A permanent injunction to restrain Metroplex Holdings Sdn Bhd from holding themselves out as the owner of Putra Place, and from controlling and managing the property or entering the property;
- 3) Metroplex Holdings Sdn Bhd has also been ordered to pay damages including mesne profits from 19 April 2011 until possession is delivered up, to be assessed by the Registrar of the High Court;
- 4) The Court Bailiff to enforce and execute the Court order with the assistance of the Police in the event that Metroplex Holdings Sdn Bhd fails to hand over control and management of the property.

In addition, Metroplex Holdings Sdn Bhd and its parent company, Metroplex Berhad (in provisional liquidation) have instituted three lawsuits against, amongst others, SunREIT, the Trustee and the Manager to nullify the sale of Putra Place. In one of the cases, Metroplex Holdings Sdn Bhd has sought interim injunctions pending the final decision. but the High Court has refused to grant these interim injunctions sought on the basis that SunREIT is the owner of Putra Place. Following this decision, Metroplex Holdings Sdn Bhd has discontinued the case. The other 2 cases are still pending hearing and the Manager and the Trustee will vigorously defend all claims raised.

Tan Sri Dato' Seri Dr Jeffrey Cheah, AO, Founder and Chairman of the Sunway Group, at the media conference today, said, "SunREIT had acquired Putra Place as it was deemed a yield-accretive asset that meets our investment criteria to benefit our unit holders. It is our vision to turnaround the property to realize its full potential."

"While we are keen to immediately start working on the turnaround exercise following the full payment of the purchase price in the interest of fulfilling our responsibility to SunREIT's unit holders, we had also taken every step to ensure that we follow the proper legal procedures and have ensured full compliance of all rules and regulations, from the time of the public auction, while dealing with the court cases to establish legal ownership, and to rightfully gain possession of the property," he added.

"As a responsible corporate citizen, we have every interest to ensure that the transition occurs with minimal disruption while ensuring the wellbeing of all visitors, tenants, and management. Sunway is a proven brand name in the marketplace and we believe in a win-win outcome for all

our stakeholders in the long term. The High Court's recent declaration and rejection of the interim measures taken by the previous owner to challenge the sale, further clarifies our legal ownership and we hope that all stakeholders involved, including the tenants, will be clear on the ownership status and cooperate with us to ensure a smooth transition, which I trust will be to our mutual benefit," he added.

He further confirmed that assessment and utilities have been changed to OSK Trustees Berhad (as trustee for Sunway Real Estate Investment Trust). SunREIT has tenanted the carpark to MSW Parking Sdn Bhd and entered into a hotel master lease with Sunway Putra Hotel Sdn Bhd and both of which are holders of carpark and hotel licences required by DBKL. This further affirms that the relevant authorities recognize and acknowledge SunREIT's ownership of Putra Place

Going forward, the Manager is planning for the refurbishment of Putra Place so as to reposition the property and transform it into a leading and popular destination in Kuala Lumpur, which the city can be proud of.

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