

SUPPLY as at 3Q 2008:

Zone	Qtr	New Building	New NLA	Total NLA
KL	3Q 08	One Chulan Tower	102,000 sq ft	55.90 mil sq ft
SUB	3Q 08	Prima 8	85,000 sq ft	15.14 mil sq ft
Total KV			71.04 mil sq ft	
Future Supply	2008	MKN Embassy Tech Zone, Mercu UEM, BBT One – The Towers 1 & 2, PJ Eight (3 blocks), Emerio – Cyberjaya & Quill Building 9		
	2009	Menara Commerce, KL Pavilion – Office Tower, BSC Office Suites, Menara Wakaf, G-Tower, PJ City – Blocks A & B, PJ Trade Centre, Prima 9, MIDA HQ KL – Sentral, Quill HQ – KL Sentral, SSM HQ – KL Sentral, Solaris Dutamas – Office Tower, Puchong Financial Corporation Centre, Surian Tower, The Icon, Menara Batu Kawan, V Square (5 blocks) & Menara UOA Bangsar (2 blocks)		
	2010	Lot C – KLCC Phase 2, The Crest, HSBC New Headquarters, One Mont' Kiara, Petaling Jaya Exchange, PJ City Blocks C & D, Capital Square – Office Tower 2, Empire Subang – Empire Tower, D'Tiara Office Tower & Proposed office tower at Jalan Binjai, 8 First Avenue & TRW Boulevard Square		

DEMAND as at 3Q 2008:

§ Vacancy rate reduced slightly by 1.04% from the previous quarter to 9.94% with a take up of some 905,000 sq ft

§ Selected major movers in 3Q 2008:

Zone	Major Movers	Building (New Location)
KL	The Nomad	The Gardens
	Syarikat Perumahan Negara (SPN)	Menara See Hoy Chan
	MBF	Menara MBF
	EMT & Intel	UOA Damansara II
	BHP Billiton	The Gardens – North Tower
	Havells Sylvania (Thailand) Ltd	Menara IMC
	Germanischer Lloyd GRM Sdn Bhd	Menara Ambank
	Bumi Armada Bhd & FPSO Ventures Sdn Bhd	Menara Perak
SUB	Astra Zeneca, BBM & BPS, ORBComm Satellite Malaysia & Readsoft Asia Sdn Bhd	Menara UAC *

Note: * Transacted by C H Williams Talhar & Wong Sdn Bhd

§ Average prime rentals in KL stabilized at a range between RM5.80 and RM8.00 per sq ft

§ Prime capital values and yields in KL were stable registering at RM830 per sq ft and 6.0% – 7.0% respectively

§ Selected major office transactions in 3Q 2008:

Zone	Building	Consideration / Valuation
KL	Menara Citibank	RM746.73 million
	Menara Kenanga	RM277.500 million
	Menara Standard Chartered	RM328.35 million

OTHER RELATED NEWS:

§ The Office sector remained resilient in the third quarter despite the global and local economic downturn

§ A number of significant office transactions took place during the review period. Menara Citibank was purchased by IOI Group Bhd for RM1,000 per sq ft whilst Menara Kenanga was purchased by Tower REIT for RM755 per sq ft. Menara Standard Chartered was purchased by ING Insurance Bhd for RM952 per sq ft. All three office buildings are located in KL. In SUB, Wawasan QI Properties Sdn Bhd purchased PJ8 (Block C) for a reported price of RM600 per sq ft

§ Permodalan Nasional Bhd (PNB) intends to redevelop the existing MAS Building to office & hotel

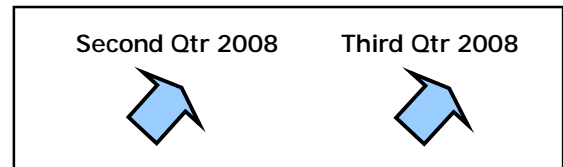
§ Three areas have been awarded MSC Cybercentre status – The Gardens North & South Towers, Midvalley City, Bandar Utama and Bandar Utama Technology Park

SUMMARY / OUTLOOK:

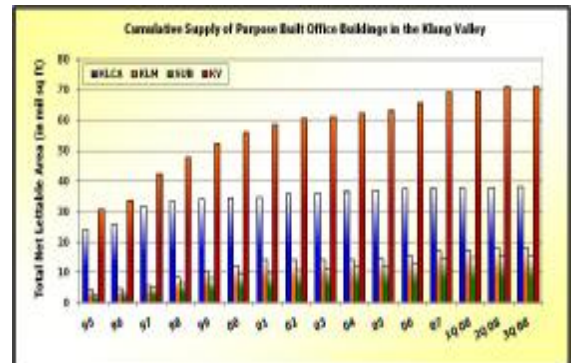
§ New completion by end 2008 and 2009 is estimated at about 8.86 million sq ft with KL contributing almost 56% of this new supply

§ Office rentals are expected to stabilize in view of increasing supply and weakening sentiment

PERFORMANCE



CUMULATIVE SUPPLY



AVERAGE OCCUPANCY RATES



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Unless otherwise stated, all currencies are expressed in Ringgit Malaysia (RM)

All dimensions are expressed in square feet.

(1 square metre = 10.7639 square feet)