

OFFICE SECTOR

Klang Valley
Fourth Quarter of 2007



SUPPLY as at 4Q 2007:

Zone	Qtr	New Building	New NLA	Total NLA
KL	4Q 07	Plaza Cygal – Tower 2 & UOA Damansara II	581,000 sq ft	54.6 mil sq ft
SUB	4Q 07	Menara LYL, 26 Boulevard, SME II, Quill Building 5 – IBM, & 3 2 Square,	948,000 sq ft	14.7 mil sq ft
Total KV				69.3 mil sq ft
Future Supply	2008	Menara Perak, Mid Valley North & South Towers, Bangunan Mustapha Kamal, TM Cyberjaya R&D, MKN Embassy Tech Zone, One Residency – Office Tower, Prima 8, Menara Commerce, KL Pavilion – Office Tower, UEM Headquarters at KL Sentral, PJ Eight, Emerio - Cyberjaya & BBT One – The Towers 1 & 2		
	2009	BSC Office Suites, Capital Square – North & South Towers, Menara Wakaf, G Tower (Goldis), PJ City – Blocks A & B, PJ Trade Centre, Prima 9, MIDA HQ at KL Sentral, Quill HQ at KL Sentral, SSM HQ at KL Sentral, Solaris Dutamas – Office Tower, Puchong Financial Corporation Centre, Surian Tower, The Icon, Batu Kawan at Mutiara Damansara & TRW Boulevard Square		
	2010	Menara Worldwide, Glomac Tower, Lot C – KLCC Phase 2, The Crest, HSBC New Headquarters, One Mont' Kiara, Menara UOA Bangsar, Petaling Jaya Exchange, PJ City Blocks C & D, Empire Subang – Empire Tower & D'Tiara Office Tower		

DEMAND as at 4Q 2007:

§ Vacancy rate registered at 12.1% with a take up of 1.1 million sq ft in 4Q 2007.

§ Selected major movers in 4Q 2007:

Zone	Major Movers	Building (New Location)
KL	Sabah Shell Petroleum Company Limited	Etiqa Twins
	E2open Development Corporation *	Faber Imperial Court
	Telekom Malaysia Berhad	Plaza Cygal – Tower 2
	Ministry of Housing and Local Government	Damansara Town Centre
	Road Transport Department	Damansara Town Centre
SUB	KPMG	8 First Avenue
	Standard Chartered	Menara LYL
	EDS MSC (M) Sdn Bhd *	Quill Building 3 - BMW
	Bayer (M) Sdn Bhd	Jaya 33
	Maybank	Jaya 33
	Novartis Corporation (M) Sdn Bhd	3 2 Square

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

§ Average prime rent in KL ranges between RM5.50 – RM7.80 per sq ft. Notably, in KLM, KL Sentral recorded rental of RM6.50 – RM7.00 per sq ft.

§ Prime capital values and yields in KL record at RM700 – RM730 per sq ft and 6.0% – 6.5% respectively.

§ Selected major office transactions in 4Q 2007:

Zone	Building	Consideration / Valuation
KL	Wisma UOA Bangsar	RM32.0 million
	Kompleks Selangor *	RM48.0 million
	Wisma UOA Pantai	RM86.0 million
	The Icon (East Wing) **	RM255.2 million
	The Icon @ Mont' Kiara ***	RM305.3 million
	Menara Bumiputra-Commerce **	RM460.0 million
	Glomac Tower **	RM577.0 million

Note: * Together with retail and hotel components.

** Currently under construction.

*** Construction to commence in 2008.

OTHER RELATED NEWS:

§ Following the rebranding of Malaysia National Insurance Berhad and Takaful Nasional Sdn Berhad to Etiqa Insurance Berhad and Etiqa Takaful Berhad respectively, MNI Twins has been renamed as Etiqa Twins whereas Bangunan Dato' Zainal has been renamed as Menara Etiqa.

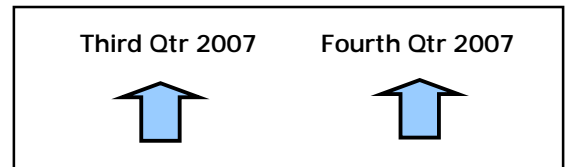
SUMMARY / OUTLOOK:

§ New supply of office buildings with possible completion in end 2008 are expected to contribute a total of about 3.9 million sq ft.

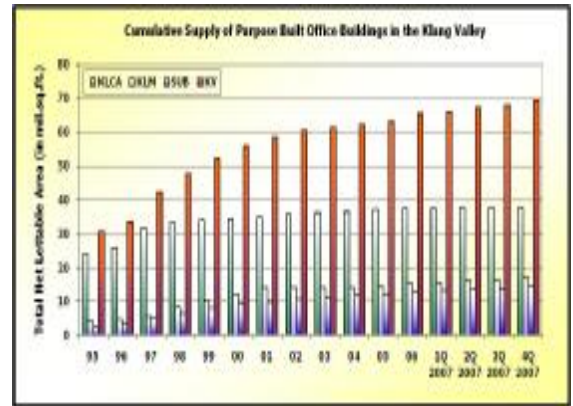
§ Prime office rentals are expected to continue to face upward pressure as a result of tight supply situation amid healthy demand, and the outlook for prime office capital values are also expected to remain bullish.

§ Interest from foreign investors and institutions continue to be strong for investment grade offices.

PERFORMANCE



CUMULATIVE SUPPLY



AVERAGE OCCUPANCY RATES



For more information and advice, please contact:

C H Williams Talhar & Wong Sdn Bhd

32nd Floor, Menara Tun Razak

Jalan Raja Laut

Kuala Lumpur

T: 03 2693 8888

E: marketupdate@wtw.com.my

F: 03 2693 6565

W: wtw.com.my

This market overview is intended for general purposes only as an introduction to current market conditions. Real estate is a long term investment and requires careful consideration of financial objectives and independent research before investing.

No statement in this issue is to be construed as a recommendation or as advice to buy or sell any investment.

The information contained herein has been derived from sources which we believe to be reliable and as such we do not guarantee its accuracy or completeness. This report may not be reproduced, copied or circulated without the prior written agreement of WTW.

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)*