

SUNWAY®

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)

MINUTES OF THE NINTH ANNUAL GENERAL MEETING (“MEETING”) OF SUNWAY REAL ESTATE INVESTMENT TRUST (“SUNWAY REIT”) HELD VIRTUALLY FROM THE BROADCAST VENUE AT THE PENTHOUSE, LEVEL 20, MENARA SUNWAY, JALAN LAGOON TIMUR, BANDAR SUNWAY, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 7 APRIL 2022 AT 3:30 PM.

PRESENT : **Board of Directors of Sunway REIT Management Sdn Bhd (“the Manager”)**

At the broadcast venue

Tan Sri Ahmad Bin Mohd Don (*Chairman*)

Dato’ Jeffrey Ng Tiong Lip

Mr Ng Sing Hwa

Virtually

Mr Elvin A/L Bertly Luke Fernandez

Ms Sarena Cheah Yean Tih, *S.M.S.*

Tengku Nurul Azian Binti Tengku Shahrman

Madam Yeo Kar Peng

Chief Financial Officer of the Manager

Ms Irene Sin May Lin - at the broadcast venue

Company Secretary of the Manager

Mr Tan Kim Aun - at the broadcast venue

Invitees

- (i) Mr Tony Chieng Siong Ung, RHB Trustees Berhad (*Trustee*) - *virtually*
- (ii) Mr Lum Chiew Mun and Ms Amy Lu Yan Fen, BDO PLT (*External Auditors*) - *virtually*
- (iii) Ms Crystal Teh Lay Ling and Mr Vincent Than Tein Juin, Sunway REIT Management Sdn Bhd (*Investor Relations*)
- (iv) Mr Eugene Teow, Mr Wong Jing Sheng and Mr Benjamin Ho, Cygnus Technology Solutions Sdn Bhd (*Independent Scrutineers*)
- (v) Ms Cindy Lim, Mega Corporate Services Sdn Bhd (*Poll Administrator*) - *virtually*
- (vi) Mr Sangkaranand A/L Chelliah, Sunway IT Shared Service Centre (*IT Support*)

UNITHOLDERS AND PROXIES : As per the Summary of Attendance List via the remote participation and voting facility

1. **PRELIMINARY**

The Chairman, Tan Sri Ahmad Bin Mohd Don (“**Tan Sri Chairman**”) called the Meeting

to order at 3:30 pm and welcomed all present physically and virtually.

Tan Sri Chairman informed that the Meeting of Sunway REIT would be conducted virtually through livestreaming and online remote voting from the broadcast venue.

He then proceeded to introduce the Chief Financial Officer (“**CEO**”) of the Manager, Dato’ Jeffrey Ng Tiong Lip (“**Dato’ Jeffrey Ng**”), Mr Ng Sing Hwa, a Non-Independent Non-Executive Director, the Chief Financial Officer, Ms Irene Sin May Lin and Mr Tan Kim Aun, the Company Secretary (“**Secretary**”) of the Manager who were present at the broadcast venue.

He further introduced the Directors who were present virtually as well as the representatives from RHB Trustees Berhad, BDO PLT (*External Auditors*), Mega Corporate Services Sdn Bhd (*Poll Administrator*) and Cygnus Technology Solutions Sdn Bhd (*Independent Scrutineer*) to the unitholders and proxies (collectively, referred to as the “**Unitholders**”).

2. QUORUM

The requisite quorum being present, Tan Sri Chairman declared the Meeting duly convened.

3. CONFIRMATION OF PROXIES

The Secretary reported that up to 6 April 2022, the Poll Administrator had received a total of 2,862,960,805 units in proxies from the Unitholders and a total of 457,224,217 units appointing Tan Sri Chairman as proxy.

4. NOTICE OF MEETING AND REMOTE E-POLLING PROCEDURES

The notice dated 28 February 2022 convening the Meeting, which had been duly circulated to all the Unitholders and published within the prescribed period, was tabled and taken as read.

Tan Sri Chairman highlighted that the Unitholders have the right to submit questions and vote remotely on all the resolutions of the Meeting. The Unitholders could submit their questions in real time during the Meeting. Nevertheless, questions which have not been responded during the Meeting would be posted in Sunway REIT’s website after the Meeting.

Tan Sri Chairman informed the Unitholders that all the resolutions tabled would be voted by poll by way of e-voting. Sunway REIT has appointed Mega Corporate Services Sdn Bhd as the Poll Administrator to conduct the polling process by way of e-voting and Cygnus Technology Solutions Sdn Bhd as the Independent Scrutineers to verify the poll results of the Meeting.

Tan Sri Chairman then requested the Poll Administrator to show the slide explaining how Unitholders could cast their votes online through the livestreaming platform. Thereafter, Tan Sri Chairman announced the commencement of the online voting session. The Unitholders were invited to submit their votes through Digital Ballot Form at any time until the closure of the voting session which he would announce later.

5. PRESENTATION BY THE CHIEF EXECUTIVE OFFICER (“CEO”)

Prior to the tabling of all resolutions, Tan Sri Chairman invited Dato’ Jeffrey Ng, the CEO of the Manager, to brief the Unitholders on the highlights of the financial performance and achievements of Sunway REIT for the financial period ended 31 December 2021 as well as the value creation journey, Transcend 2027, market and segmental outlook of Sunway REIT.

6. AGENDAS OF THE MEETING

Tan Sri Chairman informed the Unitholders that the first agenda was to receive the Integrated Annual Report 2021 comprising the Audited Financial Statements for the financial period ended 31 December 2021. He then highlighted that the second to fourth agenda of the Meeting were to seek the approval of the Unitholders for the following resolutions:

- (i) Ordinary Resolution 1 – Proposed Authority to Issue and Allot New Units of up to 20% of the Total Number of Issued Units of Sunway REIT;
- (ii) Ordinary Resolution 2 – Proposed Renewal of Unitholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- (iii) Ordinary Resolution 3 - Proposed renewal of the authority for the Board to allot and issue new units in Sunway REIT in relation to the Distribution Reinvestment Scheme that provides the unitholders of Sunway REIT with the option to elect to reinvest their income distribution in new units in Sunway REIT.

7. Q&A Session

Tan Sri Chairman then proceeded to invite Ms Crystal Teh Lay Ling, the Head of Investor Relations to address the questions received from the Unitholders prior to the Meeting.

The questions raised by the Unitholders during the Meeting were duly addressed by Dato’ Jeffrey Ng.

All the questions and answers responded above are attached as Appendix I to the minutes.

8. VOTING SESSION

Tan Sri Chairman then announced that a few minutes would be given for the Unitholders who have yet to cast their votes to submit their votes.

After 5 minutes, Tan Sri Chairman announced the closure of the e-voting session.

9. POLL RESULTS

Tan Sri Chairman informed that aside from the questions received during the Q&A session, all other questions received from the Unitholders have been duly responded.

SUNWAY REAL ESTATE INVESTMENT TRUST
Minutes of the Ninth Annual General Meeting held on 7 April 2022

He then informed that the results of the poll taken have been verified by the Independent Scrutineers and the results were shown as below:

Resolution	For		Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 1 Proposed Authority to Issue and Allot New Units of up to 20% of the Total Number of Issued Units of Sunway REIT	2,553,896,808	89.2337	308,133,797	10.7663
Ordinary Resolution 2 Proposed Renewal of Unitholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	1,460,129,843	99.8901	1,605,997	0.1099
Ordinary Resolution 3 Proposed renewal of the authority for the Board to allot and issue new units in Sunway REIT in relation to the Distribution Reinvestment Scheme that provides the unitholders of Sunway REIT with the option to elect to reinvest their income distribution in new units in Sunway REIT	2,859,080,696	99.8830	3,349,909	0.1170

Tan Sri Chairman then declared that all the Ordinary Resolutions were duly passed as follows:

Ordinary Resolution 1

Proposed Authority to Issue and Allot New Units of up to 20% of the Total Number of Issued Units of Sunway REIT

“THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Deed dated 20 May 2010, the Supplemental Deed dated 10 June 2010 and the Amended and Restated Deed dated 18 September 2018 entered into between Sunway REIT Management Sdn Bhd (the **“Manager”**) and RHB Trustees Berhad (the **“Trustee”**) constituting Sunway REIT, and the approvals of the relevant regulatory authorities being obtained, authority be and is hereby given to the Directors of the Manager, to issue and allot units in Sunway REIT (**“New Units”**), at any time at such price to any such persons and upon such terms and conditions as the Directors of the Manager may in their absolute discretion, deem fit and expedient in the best interest of Sunway REIT, provided that the aggregate number of New Units to be issued, when aggregated with the total number of units issued during the preceding 12 months, does not exceed 20% of the total number of issued units of Sunway REIT for the time being comprising 3,424,807,700 units (**“Proposed Authority”**);

THAT such authority shall continue to be in force until:

- (i) the conclusion of the next AGM of Sunway REIT at which time this Proposed

Authority will lapse, unless by a resolution passed at the next AGM, the authority is renewed;

- (ii) the expiration of the period within which the next AGM of Sunway REIT is required by law to be held; or
- (iii) the Proposed Authority is revoked or varied by a resolution passed by the unitholders in a general meeting of Sunway REIT, whichever is the earlier;

THAT such New Units to be issued pursuant to the Proposed Authority shall, upon issue and allotment, rank *pari passu* in all respects with the existing units of Sunway REIT, except that the New Units will not be entitled to any income distributions, rights, benefits, entitlements and/or any other distributions that may be declared prior to the date of issue and allotment of such New Units;

THAT authority be and is hereby given to the Directors of the Manager and the Trustee, acting for and on behalf of Sunway REIT, to give effect to the Proposed Authority including but not limited to the creation of the requisite New Units and with full powers to assent to any conditions, modifications, variations, arrangements and/or amendments as they may deem fit in the best interest of Sunway REIT and/or as may be imposed by the relevant authorities;

AND THAT the Directors of the Manager and the Trustee, acting for and on behalf of Sunway REIT, be and are hereby authorised to implement, finalise, complete and do all acts, deeds and things (including executing such documents as may be required) in relation to the Proposed Authority.”

Ordinary Resolution 2

Proposed Renewal of Unitholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

“**THAT** approval be and is hereby given for Sunway REIT to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“**Recurrent Related Party Transactions**”) as set out in Section 2.3 of the Circular to Unitholders dated 28 February 2022, subject to the following (“**Proposed Mandate**”):

- (a) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for day-to-day operations and are on Sunway REIT’s normal commercial terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on an arm’s length basis which are not detrimental to the minority unitholders of Sunway REIT; and
- (b) the unitholders’ mandate is subject to annual renewal and this unitholders’ mandate shall only continue to be in force until:
 - (i) the conclusion of the next AGM of Sunway REIT at which time this Proposed Mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
 - (ii) the expiration of the period within which the next AGM of Sunway REIT is required by law to be held; or
 - (iii) the Proposed Mandate is revoked or varied by a resolution passed by the unitholders in a general meeting of Sunway REIT, whichever is the earlier;

AND THAT the Directors of the Manager and the Trustee be and are hereby authorised to do all acts, deeds and things and execute all necessary documents as they may

consider necessary or expedient in the best interest of Sunway REIT with full power to assent to any conditions, variations, modifications, arrangements and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Recurrent Related Party Transactions contemplated and/or authorised by this ordinary resolution.”

Ordinary Resolution 3

Proposed Renewal of the Authority to Allot and Issue New Units in relation to the Distribution Reinvestment Scheme that Provides the Unitholders of Sunway REIT with the Option to Reinvest their Income Distribution in New Units in Sunway REIT

“**THAT** pursuant to the Distribution Reinvestment Scheme (“**DRS**”) approved at the AGM held on 2 October 2020, and subject to the approvals of all relevant authorities being obtained, authority be and is hereby given to the Directors of the Manager (“**Board**”) to allot and issue new units in Sunway REIT (“**DRS New Units**”) from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of Sunway REIT’s next AGM, 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 (“**Issuance of DRS New Units**”), provided that the issue price of the DRS New 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% discount to the 5-day volume weighted average market price of Sunway REIT before the DRS Price-Fixing Date (“**Proposed Renewal of DRS Authority**”);

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 New 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 DRS or the Issuance of DRS New 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.”

10. CLOSE OF MEETING

There being no other business to be transacted, the Meeting concluded at 4:35 pm with a vote of thanks to Tan Sri Chairman.



Sunway REIT 9th Annual General Meeting

Questions & Answers

7 April 2022

Note: Questions and Answers have been edited for brevity and clarity purposes

AGM Questions and Answers

RETAIL SEGMENT

Unitholders: Vei Ven Goon, Yap Ying Pang, Teo Cher Ming

1. What is the portfolio rental reversion for the period ended FP2021 for the retail and the office portfolio?

Given the challenging operating environment throughout most of FP2021, Sunway REIT's asset portfolio recorded a negative rental reversion in FP2021, primarily due to retail tenants who had renewed their leases at lower rental rates or replacement of retail tenants at lower rental rates.

The Manager observed improvement in retail footfall and retail sales since 4Q CY2021 and expects the trend to continue as the nation transitions into the endemic phase. The Manager is confident that rental reversion for the retail segment will normalise to pre-COVID-19 level in the medium term.

Meanwhile, the office segment recorded a positive rental reversion in FP2021, supported by strong average occupancy rates post-acquisition of The Pinnacle Sunway.

2. What is the retail footfall in the latest quarter compared to the previous quarter? Have retail sales improved following the easing of movement restrictions and what is the level of retail sales compared to pre-COVID-19?

The retail segment saw encouraging retail footfall and retail sales recovery since the nation transitioned into Phase 4 of the National Recovery Plan coupled with the easing of the movement restrictions in the last quarter of CY2021. Retail sales returned to near 100% normalcy in comparison with the pre-pandemic levels in the same period of CY2019.

3. The lease expiry schedule for Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall for FY2022 is at 68% and 96% respectively. What is the Manager doing to improve the WALE?

Managing lease expiries is part of the asset management activities and it is common that each mall would experience lease expiries for each year. In the past two years, the various phases of movement control orders have resulted in disruptions to tenants' business operations.

In respond to the challenging operating environment, the Business Unit Management Team (BUMT) has reviewed its leasing strategy by varying lease expiries to provide flexibility to tenants while managing attrition risk. In order to mitigate attrition risk, the BUMT engages tenants ahead of their leases expiry in order to ensure the continuity of the leases. In the event of potential non-renewal of leases, the BUMT will secure replacement tenants in order to maintain high average occupancy rates for the retail segment.

4. Please comment on the outlook for Sunway Putra Mall given its underperformance vis-à-vis other retail malls in the asset portfolio.

Sunway Putra Mall was undergoing a tenancy mix reconfiguration before the COVID-19 outbreak, which was disrupted due to movement restrictions and delays in the opening of new stores during those periods. The tenancy mix reconfiguration efforts continued subsequently and the Manager is confident that the enhancement in tenancy mix will be able to attract the right catchment to patronise the mall and improve retail sales for our tenants.

The Manager continues to proactively work with the BUMT to identify new asset enhancement initiatives (AEIs) and asset management initiatives (AMIs) opportunities to improve the yield of the property.

5. Are there any significant contributions from the recently launched Sunway eMall?

Sunway eMall was launched in October 2021. Sunway eMall is a new addition to Sunway Malls retail portfolio which enhances Sunway Malls' business model into an offline-to-online (O2O) platform. The value proposition of the enhanced business model is to assist our tenants in digitalising their product and service offerings. In addition, the O2O business model aims to boost traffic and sales while capturing a larger market share. The contribution from Sunway eMall is minimal at this juncture given that the services is in its initial stage of operations and is still growing its product and service offerings.

6. Would Sunway REIT consider converting the Sunway Pyramid Convention Centre into new retail spaces?

Sunway Pyramid Convention Centre (SPCC) is a renowned venue for Meetings, Incentives, Conferences and Exhibitions (MICE). The business of SPCC is synergistic to the retail and hotel businesses, which reinforces the strength of integrated developments. Subject to the retail market demand and supply, Sunway REIT may consider reconfiguration of SPCC into retail space as a strategic decision to enhance property yield over the medium to long-term.

HOTEL SEGMENT

Unitholders: Teo Cher Ming, Teoh Edwin Jit Siong, Khoo Chai Pek

- 7. Why did Sunway REIT renew the Hotel Master Lease for Sunway Resort Hotel, Sunway Pyramid Hotel, Sunway Hotel Seberang Jaya and Sunway Putra Hotel without Minimum Guaranteed Rent? How will the new rental formula affect Sunway REIT?**

The Minimum Guaranteed Rent (MGR) was provided by the lessee during the first term of the Hotel Master Lease (HML) as a guaranteed base rent with the expectation that the financial performance of the asset to grow over the years in sustainable manner. The hotel segment was adversely impacted by the movement control orders amidst the COVID-19 pandemic. The renewal of the HML, which was due amidst the pandemic, had taken into consideration of lessor's and lessee's business and financial capacity. Under the revised HML, the lessor receives 90% of Gross Operating Profit, which was higher than the previous HML. Under the new HML, Sunway REIT is in a good position to benefit from the anticipated recovery in the hotel segment.

- 8. Would Sunway REIT be able to share any update for the recovery of the Hotel segment's performance, post-lifting of the local and international border movement restrictions? How long do you expect for the hotel business to take for a full recovery to pre-pandemic levels?**

On 1 April 2022, Malaysia reopened its borders to all countries for quarantine-free travel with no mandatory quarantine requirements for fully vaccinated individuals, which augur well to support the recovery of the hotel industry. Moving forward, the Manager expects domestic leisure and business travels to remain the key driver for the hotel segment in the near-term. Meanwhile, international leisure and business travels are expected to gradually pick up over the medium-term. The progressive reopening of Sunway Resort Hotel is expected to contribute positively to support the recovery of the hotel segment in 2022.

OFFICE SEGMENT

Unitholders: Vei Ven Goon, Teo Cher Ming, Teoh Edwin Jit Siong

- 9. How does the Manager plan to address the low occupancy rates at Sunway Tower?**

We are working closely with the Business Unit Management Team to introduce new tenants as well as upgrades to the asset. The occupancy rate for Sunway Tower stood at 23% as at 31 December 2021. A new tenant has committed to lease for a space equivalent to 14% of net lettable area, which is expected to increase the average occupancy rate to 37% over time.

- 10. With reference to page 6 of the Integrated Annual Report 2021 (IAR 2021), Sunway REIT mentioned that there is a new 30,000 sq.ft. office space at Sunway Resort Hotel. Is this office space leased out?**

Sunway REIT unveiled the Corporate Suite@19, Malaysia's first "Penthouse" work space with innovative and sustainability concept. The open-plan Grade A office is located on the highest level of Sunway Resort Hotel featuring green spaces and natural light. The newly created office space is leased to two tenants who have committed to occupy the entire space.

SERVICES SEGMENT

Unitholder: Kow Lih Shi

11. As Sunway Medical Centre (Tower A & B) Master Lease is expiring soon. Will Sunway REIT renew the Master Lease Agreement?

The first term of Master Lease Agreement will expire in December 2022. The Manager has initiated the discussion process with the lessee. The outcome of the renewal status shall be announced in due course.

FINANCIALS

Unitholders: Hwang Qi Chong Kevin, Kong Weng Yip, Ang Kian Heong, Hooi Vivien Wai Min, Lee Tuck Wai, Lee Wei Thye, Kow Lih Shi, Teo Cher Ming

12. What is Sunway REIT's plan to increase the revenue and net property income moving forward?

The Manager strives to improve its revenue and net property income through both organic growth and inorganic growth, including acquisitions, property development activities and overseas investment if opportunities prevail.

13. Gross revenue and net property income of the retail and hotel segment dropped significantly in FP2021. How much of these reductions are due to negative rental rates revision?

The decline in revenue for the retail segment was primarily attributed to rental rebates and lower turnover sharing from tenants. It was not materially affected by lower rental reversion.

For the hotel segment, the softer performance was a result of the low average occupancy rates due to closure of local and international borders as well as various phases of movement restrictions. In addition, it was also due to Sunway Resort Hotel which is currently undergoing refurbishment.

14. How does Sunway REIT plan to address its high gearing position?

Gearing ratio of Sunway REIT has declined from 40.7% as at 30 June 2020 to 37.2% as at 31 December 2021. Sunway REIT's gearing ratio substantially below the permissible gearing limit of 50% set by the Securities Commission Malaysia.

FINANCIALS (CONTINUED)

- 15. Sunway REIT's floating loans ratio is at 62% for FP2021 which is the lowest in the past 5 years (page 59 of IAR 2021). Given the expectation of interest rate increases in 2022 and 2023, what is the rationale for the high percentage of floating rate loans? How does Sunway REIT prepare for the impending interest rate hikes and its impact on its financial performance?**

Sunway REIT maintains an optimal proportion of floating rate borrowing to allow Sunway REIT to benefit from interest rate adjustments. The dynamic capital management strategy has resulted in low average cost of debt. As at 31 December 2021, Sunway REIT's average cost of debt stood at 2.79%, being the lowest amongst M-REITs.

In anticipation of impending interest rate hikes moving forward, the Manager monitors the interest rate environment closely for opportunities to lock in favourable fixed rates, including opportunities to hedge through interest rate swap contracts to mitigate the impact of interest rate hikes.

- 16. Sunway REIT's perpetual note has a fixed coupon rate of 5.85% which is on the high side compared to the average cost of debt at 2.79%. Is there any option for Sunway REIT to refinance or retire this debt instrument should there be other financial instruments that offer lower coupon rate? Will future Perpetual Notes be issued at lower rates?**

The perpetual note programme was part of Sunway REIT's capital management strategy to maintain a diversified financing profile. The issuance of perpetual note of RM340 million was a non-call 5-year perpetual note maturing on 15 April 2024. Any early redemption / buy-back is subject to the agreement of the existing perpetual noteholders.

The Manager will assess the feasibility of the refinancing option nearer to the maturity. For future perpetual notes (if any), would depend on the prevailing interest rate at the point of issuance.

- 17. Will Sunway REIT consider reverting to quarterly distribution once the financial performance recovers to pre-pandemic level?**

Sunway REIT has a distribution policy to distribute at least 90% of its distributable income to unitholders and the quantum of the income distribution is dependent on the financial performance of Sunway REIT.

For FY2022, income distribution frequency remains on a semi-annual basis. That said, the Manager will take this as part of the consideration in our annual policy review process

- 18. Will Sunway REIT consider a special distribution for FY2022?**

The Manager is committed to distribute at least 90% of its distributable income for FY2022 and does not expect any special distribution in this financial year.

ASSET ENHANCEMENT INITIATIVES / PROPERTY DEVELOPMENT ACTIVITIES

Unitholders: Yap Ying Pang, Lim Kuan Yi

19. What are the reasons for the delay in commencement of operations for Sunway Carnival Shopping Mall (new wing)? Please provide update on the progress of Sunway Carnival Shopping Mall and Sunway Resort Hotel.

One of the reasons for the delay in the opening of Sunway Carnival Shopping Mall (new wing) was due to delay caused by the various movement control orders in the past 2 years. Despite the delay, Sunway Carnival Shopping Mall (new wing) has secured committed occupancy rate of more than 90% of the new retail spaces and Sunway REIT is in a good position to launch the mall in 2Q 2022.

Meanwhile, Sunway Resort Hotel has reopened in phases commencing May 2022 and to fully operational by end-2022.

TRANSCEND 2027 / ACQUISITIONS

Unitholders: Vei Ven Goon, Lee Tuck Wai, Lim Aik Jin, Lim Guan Hoe, Hwang Qi Chong Kevin, Loh Bak Chen, Teoh Edwin Jit Siong, Wong Pek Fong, Yap Ying Pang, Yong Yoong San, Yap Ying Pang

20. TRANSCEND 2027 discusses about diversifying into foreign markets. Will the foreign acquisitions be focused on the retail sector?

The Manager endeavours to invest in overseas markets with a target exposure of between 10% - 20% of property value. In line with TRANSCEND 2027's diversification strategy, the Manager explores opportunities in sub-sectors that are complementary and yield-accretive to its existing asset portfolio, including retail, services and industrial and others sub-sectors.

21. Are there any plans to acquire Sunway Medical Centre Tower C since Tower A & B are already under Sunway REIT's portfolio? If not, what are the reasons for not including Tower C as an acquisition target?

Sunway Medical Centre Tower C is a property investment asset owned by the Sponsor. The Manager is not in the position to comment on the intention of the Sponsor.

22. Are there any acquisition plans in the coming years and consideration to venture into more Services and Industrial & Others segments?

Sunway REIT actively pursues acquisition opportunities at all times. In the TRANSCEND 2027 roadmap, Sunway REIT targets to grow its asset portfolio to RM14 - RM 15 billion by 2027, from RM 8.74 billion as at 31 December 2021. In order to achieve a portfolio value of RM14 - RM15 billion, Sunway REIT plans to progressively increase its portfolio value through acquisitions and / property developments activities over the next few years.

One of the key outcomes of TRANSCEND 2027 is the rebalancing of Sunway REIT's portfolio which includes increasing its diversification efforts in the Services and Industrial & Others segments to between 20% to 30% of property value, targeting growth subsectors such as e-commerce, logistics, warehousing, healthcare, education and data centres.

TRANSCEND 2027 / ACQUISITIONS (CONTINUED)**23. Is Sunway REIT allowed to acquire assets not owned by the Sponsor?**

Yes, Sunway REIT's mandate allows Sunway REIT to acquire assets owned by the Sponsor and from external vendors.

24. Are there plans to acquire Sunway Big Box Retail Park or Sunway Velocity?

Sunway REIT will explore yield accretive acquisition opportunities which are synergistic to the asset portfolio. That said, the Manager is not able to represent the Sponsor on their intention / desire in its asset divestment plans.

25. Is Monash University under the portfolio of Sunway REIT?

Sunway REIT does not own Monash University.

26. Are there any merger and acquisition opportunities to acquire 3rd party assets at a discounted price given the current challenging environment?

The Manager proactively analyses and is on the lookout for any potential yield-accretive acquisition. That said, we are highly prudent and selective in evaluating all offers, taking into account factors including but not limited to market conditions, interest rate environment, valuation, opportunity costs, purchaser profile, regulation and impact on portfolio synergy.

OPERATIONAL

Unitholders: Boon Ee Juan, Chua Song Yun, Chong Beng Leong

27. What is Sunway REIT's view on intensifying competition in the retail industry with the opening of Pavilion Bukit Jalil and Lalaport Bukit Bintang City Centre as well as the upcoming Pavilion Damansara Mall?

Sunway REIT continues to ensure that the mall products and services offerings are innovative and experiential in order to be ahead of the curve. It is crucial to continuously refresh its tenancy mix in order to appeal to consumers. In addition, Sunway Malls' integration of O2O aims to create an immersive retail experience to consumers while capturing a larger market share. As part of Sunway REIT's AEs / AMIs, the Manager continues to work closely with the BUMT to improve the tenancy mix to cater to the megatrends and shoppers' evolving preferences.

28. Is the Management planning to continue to provide rental support in FY2022?

The Manager plans to continue to provide rental rebates on a case-to-case basis to affected tenants to assist in their business recovery. As the economy transitions into the endemic phase, the Manager expects the tenants' sales to improve over time except for a selected group of tenants which potentially may take longer time to recover. With improvement of tenants' sales, the Manager will have the opportunity to reduce the rental rebates over time.

OTHERS

Unitholders: Boon Ee Juan, Chua Song Yun, Chong Beng Leong, Cao Cao, Koh Win Keong, Stephen Lye Tuck Meng, Tan Eng Waun, Yeoh Yun Wei, Vei Ven Goon, Lee Tuck Wai, Hwang Qi Chong Kevin, Lim Jit Thin

29. How are rental rebates being recognised in the Statement of Comprehensive Income?

Rental rebates are recognised in the form of a reduction of revenue in the Statement of Comprehensive Income.

30. Would the management be able to provide the breakdown of the rental rebates by segment?

In FP2021, rental rebates were predominantly granted to the retail tenants and only minimal is granted to the office tenants.

31. Please distribute e-voucher or door gift to loyal unitholders who have stayed invested amidst the pandemic. Please consider rewarding unitholders with Sunway Pals points and leverage this application for new and existing customers.

Sunway REIT's priority is to maximise unitholders' return in the form of income distribution instead of e-vouchers or door gifts.

32. What is the upside potential of Sunway REIT's unit price? Will the unit price to return to the historical high?

The unit price is determined by numerous factors, such as equity market sentiment, financial performance, demand and supply of the units, amongst others. While we are unable to provide guidance on the unit price, we strive to grow assets portfolio and income in order to deliver sustainable unitholders' returns over the long-term.

33. Does Sunway REIT have a capital recycling policy?

Sunway REIT does not have a capital recycling policy. As part of the strategy to optimise returns to unitholders, the Manager considers divestment as a form of capital recycling to unlock the value of the properties.

That said, factors including but not limited to market conditions, valuation, opportunity costs, regulations and impact on portfolio synergy on any divestment considerations have to be comprehensively analysed and evaluated.

OTHERS**34. Why do unitholders no longer receive the Notice to Unitholders by post?**

It is part of Sunway REIT's commitment to promote sustainability practices. In our green efforts to minimise consumption of papers, Sunway REIT issues the Notification Card and Notice to Unitholders in the form of softcopy, which is disseminated via electronic mail (e-mail).

For unitholders who do not have a registered e-mail or in the event that the email failed to reach the intended recipients, Sunway REIT sends the print copy of the Notification Card for the AGM via post mail.

35. How much is the cost for virtual AGM? Noted that Mega Corporate Services Sdn Bhd the only provider using this digital form to submit for the AGM attendance whereas as Tricor Boardroom and SSHB for listed company's AGM are more convenient. Kindly confirm how much is the cost?

The service provider utilises Digital Ballot Form (DBF) due to its ability to be able to provide virtual, physical and hybrid meeting options. This platform allows live broadcast of the poll results which enhances the transparency and accelerates the time required to generate the poll results.

The cost for the virtual AGM is in the range of RM40,000 to RM50,000.

36. Noted that properties are charged to Public Investment Bank and Affin Investment Bank. Why are these properties charged to these banks? What kind of financing is provided by these banks? Is the pricing expensive?

All properties of Sunway REIT are charged to Public Investment Bank Berhad, Affin Hwang Investment Bank Berhad, and OCBC Bank (Malaysia) Berhad, as the security agents for the borrowings undertaken on behalf of Sunway REIT. Information in relation to the secured borrowings and the weighted average interest rate per annum are disclosed in Note 24 of the Audited Financial Statements (please refer to pages 283 to 285 of the Integrated Annual Report 2021).

37. The decision by the Federal Court on 31 March 2022 will result in Sunway REIT having to pay Metroplex claims amounting to RM402 million. Can the Board provide some clarification on the damages to be paid? In the worst-case scenario, what is the amount payable to Metroplex? Has there been any amount provided for in the accounts in relation to this material litigation?

On 22 February 2022, during the hearing of Metroplex's application for directions for the conduct of assessment of damages before the High Court, the High Court gave the necessary directions for the hearing of the assessment of damages and fixed the trial for the said assessment from 3rd to 6th October 2022. At this stage, the financial impact cannot be determined pending the outcome of the said assessment proceedings.

OTHERS (CONTINUED)

38. Will Sunway REIT continue to conduct AGM virtually in the future even though the nation has transitioned into endemic phase?

Sunway REIT shall evaluate the situation accordingly in making consideration for future AGMs.

39. How do I request for Sunway REIT's Integrated Annual Report 2021?

To request for a hardcopy of Sunway REIT's Integrated Annual Report 2021, kindly submit your request by sending the Request Form to irsunreit@sunway.com.my. The Request Form is available in Sunway REIT's website (<https://www.sunwayreit.com/investor-relations/AGM>).

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