

FINANCIAL RESULTS ANNOUNCEMENT

SUNWAY REIT'S NPI SURGED 11% IN Q2 2024 BACKED BY STRONG RETAIL AND HOTEL SEGMENTS**Key Highlights:**

- Sunway REIT's Q2 revenue increased by 5% to RM175.6 million and NPI surged 11% to RM129.3 million on the back of an enlarged property portfolio following the completion of the acquisition of 6 hypermarkets and supported by improved performance from the Retail and Hotel segments.
- Sunway REIT expands its footprint further in Johor with the proposed acquisition of Kluang Mall, Johor, for a purchase consideration of RM158 million.
- Issued the first-in-the-industry rated Sustainability-Linked Medium-Term Notes via book-building in July 2024; Secured 5-year and 7-year funding for a blended rate of 4.0%.

Sunway City Kuala Lumpur, 15 August 2024 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), released its financial results for the second quarter ended 30 June 2024 (“Q2 2024”).

| | Second Quarter | | | Cumulative Quarters | | |
|---------------------------|-------------------|-------------------|-------------|---------------------|-------------------|-------------|
| | Q2 2024 RM'mil | Q2 2023 RM'mil | Change % | 1H 2024 RM'mil | 1H 2023 RM'mil | Change % |
| Revenue | 175.6 | 166.5 | 5.4% | 354.2 | 349.3 | 1.4% |
| Net property income (NPI) | 129.3 | 116.2 | 11.3% | 259.8 | 254.5 | 2.1% |
| Profit before tax (PBT) | 145.1 | 72.2 | >100% | 232.0 | 168.6 | 37.6% |

Sunway REIT's NPI surged by 11% to RM129.3 million in Q2 2024, from RM116.2 million in Q2 2023. Revenue increased by 5% from RM166.5 million to RM175.6 million in Q2 2024. For the first half of 2024 (“1H 2024”), Sunway REIT recorded steady revenue of RM354.2 million and NPI of RM259.8 million, driven by robust performance from retail and hotel segments.

In Q2 2024, the Retail segment registered strong growth momentum with revenue climbing 12% to RM123.7 million, from RM110.9 million in Q2 2023. Correspondingly, the Retail segment's NPI soared by 24% to RM86.2 million, from RM69.5 million in Q2 2023. This was primarily attributed to the new rental contributions from six newly acquired hypermarkets, which commenced on 30 April 2024. The Retail segment's positive trajectory is expected to continue in the coming quarters, supported by the anticipated completion of asset enhancement initiatives (AEI) for the Oasis

section of Sunway Pyramid Mall in Q4 2024 and the sustained rental income from the six hypermarkets, which are under triple-net master lease arrangements.

The Hotel segment's revenue improved by 10% to RM19.2 million in Q2 2024, from RM17.5 million in Q2 2023, supported by an improved average occupancy rate of 62% in 1H 2024 compared to 60% in 1H 2023. Correspondingly, NPI grew 12% to RM18.5 million in Q2 2024, from RM16.5 million in Q2 2023. This performance was fueled by the increase of foreign tourist arrivals across all hotels, with Sunway Putra Hotel, Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown's foreign tourist arrivals achieving pre-pandemic levels. Furthermore, the healthy performance was supported by an overall improvement in domestic and leisure tourist inflows, a steady recovery in international business underpinned by improved flight connectivity, alongside a sustained demand for Meetings, Incentives, Conferences, and Exhibitions ("MICE") activities.

The Office segment's revenue edged up 2% to RM20.8 million in Q2 2024, underpinned by a stable average occupancy rate of more than 80%. NPI increased marginally to RM13.0 million in tandem with the growth of revenue in Q2 2024. The resilience in the earnings of the segment is commendable given the continued overhang of vacant office space amidst the incoming supply of new offices.

The Services segment registered revenue and NPI of RM9.6 million for Q2 2024, representing a drop of 40% compared to Q2 2023. This was primarily attributed to the disposal of Sunway Medical Centre (Tower A & B), which was completed on 30 August 2023. On the other hand, the rental contribution for Sunway university & college campus increased by 2.3% subsequent to an annual rental reversion, in accordance with the master lease agreement.

The Industrial & Others segment reported a jump of 32% in revenue to RM2.3 million and 50% increase in NPI to RM2.0 million in Q2 2024. The performance was attributable to the rental contribution from a new tenant at Sunway REIT Industrial – Petaling Jaya 1. The Manager is in the advanced stage of negotiations with prospective tenants for the remaining space and is optimistic to achieve an occupancy rate of 52% by end-2024 based on current tenancy commitments.

The Chief Executive Officer of Sunway REIT Management Sdn Bhd, Clement Chen, remarked "We are pleased with the solid performance in Q2 2024 which was supported by strong growth momentum in the retail segment, driven by both organic and inorganic growth initiatives. Organic growth was underpinned by positive rental reversions from existing tenants and is expected to be

further amplified upon completion of the ongoing AEs at Sunway Pyramid Mall and Sunway Carnival Mall. Meanwhile, the commencement of contribution from our recently acquired six hypermarkets is the fruition of Sunway REIT's heightened focus on inorganic expansion via yield accretive acquisitions."

He further commented, "Continuing with our strategy to pursue more acquisitions, we are pleased to have recently announced the proposed acquisition of Kluang Mall in Johor for RM158.0 million which we hope to complete by Q4 2024 and further add to our NPI for the current financial year. Looking ahead, Sunway REIT will persist to proactively identify and acquire properties that align with its investment criteria and generate attractive yields."

In a separate development, on 9 August 2024, RAM Ratings re-affirmed the AA₂/Stable/P1 corporate credit rating of Sunway REIT, the A₁(s)/Stable ratings of SUNREIT Perpetual Bond Berhad's Perpetual Note Programme and P1(s) rating for SUNREIT Capital Berhad's Commercial Papers Programme. In its rating report, RAM Ratings cited Sunway REIT's favourable market position, with a prime and diversified asset and tenant mix, substantial financial flexibility and healthy debt coverage as factors lending strengths to its credit assessment.

With robust credit ratings and by adopting proactive capital management strategies, Sunway REIT (via its special purpose vehicle, SUNREIT Bond Berhad) successfully issued the first-in-the-industry rated sustainability-linked medium-term notes (SLMTN) of RM400 million via a book-building exercise in July 2024. The rated SLMTN issuance garnered strong investor interest, evidenced by a book-to-cover ratio of 3.45 times, ultimately securing an overall blended rate of 4.0% for both the 5-year and 7-year rated SLMTN tranches.

About Sunway Real Estate Investment Trust

Sunway Real Estate Investment Trust (Sunway REIT or Trust) is one of the largest diversified real estate investment trusts (REITs) in Malaysia with a diverse portfolio strategically located across award-winning integrated townships in key locations in Greater Kuala Lumpur, Penang, Johor and Perak.

Sunway REIT was first listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 8 July 2010. The market capitalisation of Sunway REIT stood at RM5.3 billion as at 30 June 2024.

Sunway REIT's properties are primarily in Sunway City Kuala Lumpur where its flagship retail property, Sunway Pyramid Mall, is located. Other properties in Sunway City include Sunway Resort Hotel, Sunway Pyramid Hotel, Sunway Lagoon Hotel, Menara Sunway, Sunway Pinnacle and Sunway university & college campus.

Sunway REIT in Kuala Lumpur owns namely Sunway Tower an office building, a hypermarket in Ulu Kelang and lastly three properties which constitute part of the three-in-one integrated development, Sunway Putra. Sunway Putra consists of Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower.

Sunway REIT also owns eight properties in Selangor, namely Wisma Sunway, Sunway REIT Industrial – Shah Alam 1, Sunway Pier (which is planned for re-development into a retail-centric tourist destination), Sunway REIT Industrial – Petaling Jaya 1 and four Sunway REIT Hypermarket in Kinrara, USJ 1, Putra Heights and Klang.

In the northern region, Sunway REIT owns SunCity Ipoh Hypermarket in Perak, as well as Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown and Sunway Carnival Mall in Penang.

In the southern region, its first foray in this region, Sunway REIT owns Sunway REIT Hypermarket – Plentong.

Important notice

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 15 August 2024 for a more comprehensive understanding of Sunway REIT's financial results.

This media release may contain certain forward-looking statements due to a number of risks, uncertainties, and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including the availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on the Management's current view of future events. Past performance is not necessarily indicative of future performance.

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