

MEDIA RELEASE

14 November 2024

FINANCIAL RESULTS ANNOUNCEMENT

SUNWAY REIT’S RETAIL SEGMENT DRIVES 9.3% REVENUE GROWTH IN Q3 2024

Key Highlights:

- Sunway REIT’s revenue jumped 9.3% to RM192.1 million and NPI improved by 5.5% to RM144.3 million on the back of improved performance from the Retail and Hotel segments.
- Future growth to be fuelled by record high assets under management exceeding RM10.0 billion following two new additions in October 2024, i.e. Sunway 163 Mall and Sunway REIT Industrial – Prai

Sunway City Kuala Lumpur, 14 November 2024 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), released its financial results for the third quarter ended 30 September 2024 (“Q3 2024”).

| | Third Quarter | | | Cumulative Quarters | | |
|--|---------------|---------|--------|---------------------|-------------|--------|
| | Q3 2024 | Q3 2023 | Change | YTD Q3 2024 | YTD Q3 2023 | Change |
| | RM'mil | RM'mil | % | RM'mil | RM'mil | % |
| Revenue | 192.1 | 175.8 | 9.3% | 546.3 | 525.2 | 4.0% |
| Net property income (NPI) | 144.3 | 136.8 | 5.5% | 404.2 | 391.2 | 3.3% |
| Profit before tax (realised) attributable to unitholders | 89.1 | 86.9 | 2.5% | 249.1 | 245.6 | 1.4% |
| Distribution per unit (DPU) ¹ | - | - | N/A | 4.66 | 4.62 | 0.9% |

¹ No income distribution was proposed for the current quarter ended 30 September 2024, based on the semi-annual distribution policy.

Sunway REIT’s revenue expanded by 9.3% to RM192.1 million in Q3 2024, from RM175.8 million in Q3 2023. The NPI edged up 5.5% from RM136.8 million to RM144.3 million in Q3 2024. For YTD Q3 2024, Sunway REIT recorded an improved revenue of RM546.3 million and NPI of RM404.2 million, primarily driven by robust performance from retail and hotel segments, along with resilient performance from the other segments.

In Q3 2024, the Retail segment continued its strong growth momentum with revenue surging 17% to RM130.6 million, from RM111.8 million in Q3 2023. This was primarily attributed to the full-

quarter rental contributions from the six hypermarkets commencing on 30 April 2024. Accordingly, the Retail segment's NPI soared 12% to RM91.8 million, from RM81.8 million in Q3 2023. The Retail segment's positive trajectory is expected to continue in the coming quarters, supported by the new opening of Oasis wing at Sunway Pyramid Mall on 1st November 2024 and the new rental contribution from Sunway 163 Mall commencing 9th October 2024.

The Hotel segment's revenue increased 5% to RM29.2 million in Q3 2024, from RM27.9 million in Q3 2023, supported by an improved occupancy rate of 65% in YTD Q3 2024 compared to 63% in YTD Q3 2023. The NPI similarly grew 5% to RM28.1 million in Q3 2024, from RM26.9 million in Q3 2023. This positive trend was largely driven by a notable increase in foreign tourist arrivals across all hotels, particularly at our properties in Penang and Kuala Lumpur, including Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown and Sunway Putra Hotel, which have all achieved pre-pandemic levels of foreign tourist arrivals. The inflow of tourists was primarily contributed by visitors from the Middle East, Singapore, China, Indonesia and India. Additionally, the overall healthy performance of the Hotel segment was underpinned by stable domestic and leisure tourism, a steady recovery in international business travel facilitated by improved flight connectivity, and sustained demand for Meetings, Incentives, Conferences, and Exhibitions ("MICE") activities.

The Office segment recorded marginal NPI growth of 1% to RM12.9 million in Q3 2024 from RM12.8 million previously. This was despite the revenue tapering off marginally to RM20.5 million from RM20.7 million in Q3 2023. The performance of the segment was underpinned by a stable occupancy rate of more than 80% in YTD Q3 2024.

The Services segment registered revenue and NPI of RM9.6 million for Q3 2024, representing a drop of 30% compared to Q3 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, on the other hand, reported a jump of 34% in revenue and NPI to RM2.3 million and RM1.9 million, respectively in Q3 2024. The performance was attributable to the rental contribution from new tenants 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 60% by mid-2025.

On 22nd October 2024, Sunway REIT completed its maiden issuance of RM500 million sustainability-linked rated perpetual securities. It is the first ever rated perpetual securities issuance by a REIT in Malaysia and also the first ever sustainability-linked perpetual securities issued in Malaysia. The perpetual securities comprise perpetual non-callable 5-year and 7-year tranches of RM150 million and RM350 million respectively, priced at a blended coupon rate of 4.63%. The issuance was widely distributed to a diverse investor base comprising asset management companies, insurance funds, financial institutions, corporates and private wealth channels. This successful issuance underscores Sunway REIT's strong credit standing among investors and fund managers and also Sunway's ability to access innovative financing solutions to support its long-term growth strategy.

The Chief Executive Officer of Sunway REIT Management Sdn Bhd, Clement Chen, remarked "We are delighted to announce that Sunway REIT achieved a property portfolio of more than RM10.0 billion following the acquisition of two new assets with a combined value of RM282 million in October 2024. The first acquisition, completed on 9th October, is the freehold Mont Kiara shopping mall, now rebranded as "Sunway 163 Mall", for a purchase consideration of RM215 million. Additionally, we also completed the acquisition of an industrial property namely Sunway REIT Industrial – Prai in Penang for RM66.8 million on 24th October. These strategic acquisitions are yield-accretive, offering initial yields of more than 7.0% and are expected to strengthen Sunway REIT's performance and distribution per unit in the upcoming quarters."

He added, "Further, we are pleased to share the successful completion of the reconfiguration of 300,000 square feet of retail space at Sunway Pyramid Mall after a year-long refurbishment. "The Oasis" wing reopened on 1st November with a revitalised look and enhanced offerings, achieving a robust committed occupancy rate of 99%."

He concluded, "The recent strategic acquisitions and asset enhancement initiatives ("AEI") underscore our strategic focus on enhancing our asset portfolio, whilst demonstrating our commitment to value creation for our stakeholders. Looking ahead, we are confident that these investments coupled with other ongoing AEIs, will reinforce Sunway REIT's portfolio and drive sustainable growth in the future."

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, Perak and Johor.

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 RM5.8 billion as at 30 September 2024.

Sunway REIT owns a diversified portfolio of 27 properties comprising 12 retail properties (including a property designated for re-development into a retail-centric tourist destination and seven hypermarkets), six hotels, five offices, an education property and three industrial properties, with a combined property value of more than RM10.0 billion.

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

In other regions of Kuala Lumpur, Sunway REIT owns Sunway 163, Sunway Tower, Sunway REIT Hypermarket – Ulu Kelang and a three-in-one integrated development called 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 Hypermarkets 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 and Sunway REIT Industrial – Prai in Penang.

In the southern region, Sunway REIT owns Sunway REIT Hypermarket – Plentong in Johor.

Important notice

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 14 November 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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