



Driving values through sustainable growth

MEDIA RELEASE

30 April 2013

## FINANCIAL RESULTS ANNOUNCEMENT

### Sunway REIT's Net Income (Realised) Soared 16.1% y-o-y in 3Q2013

#### Key Highlights:

- Net income (realised) soared 16.1% y-o-y in 3Q2013, mainly attributable to new income contribution from Sunway Medical Centre and lower finance costs
- Sunway REIT has raised RM320 million pursuant to the Placement at an issue price of RM1.49 per placement unit, representing 2.9% and 0.9% discount to the 5-day VWAP and adjusted VWAP respectively.
- Sunway REIT issued RM200 million 5-year Unrated Medium Term Notes

#### Financial Highlights

	Current quarter			Year to date		
	3Q 2013 (Unaudited)	3Q 2012 (Audited)	Change	3Q2013 (Unaudited)	3Q2012 (Audited)	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Gross revenue	106,448	98,092	8.5	312,040	303,868	2.7
Net property income (NPI)	79,669	74,358	7.1	230,672	223,334	3.3
<b>Net Realised Income</b>	<b>55,203</b>	<b>47,543</b>	<b>16.1</b>	<b>163,316</b>	<b>142,511</b>	<b>14.6</b>
Total Profit for the period	55,220	47,554	16.1	163,351	142,179	14.9
Proposed / declared distribution	57,995	50,381	15.1	171,921	151,009	13.9
Distribution per unit (DPU) (sen)	2.06 <sup>1</sup>	1.87	10.2	6.28	5.61	11.9
Annualised DPU (sen)				8.40	7.50 <sup>2</sup>	11.6
Annualised dividend yield (Based on closing price of RM1.52 per unit on 31 March 2013)				5.5%	5.5% <sup>3</sup>	N.M

N.M – Not meaningful

<sup>1</sup> For the quarter ended 31 March 2013 (1 January 2013 – 31 March 2013), total income distribution amount to 2.06 sen per unit (comprising taxable and non-taxable amount of 1.85 sen and 0.21 sen per unit respectively) of which:

- 0.97 sen per unit (comprising taxable and non-taxable amount of 0.83 sen and 0.14 sen per unit respectively) was paid on 27 February 2013 as advance income distribution. The advance distribution was in respect of income for the period from 1 January 2013 to 13 February 2013, prior to issuance of 214,765,000 new placement units pursuant to the Placement.
- 1.09 sen per unit (comprising taxable and non-taxable amount of 1.02 sen and 0.07 sen per unit respectively) for the period from 14 February 2013 – 31 March 2013 will be payable on 30 May 2013.

<sup>2</sup> Actual Distribution per unit (DPU) declared for FY2012.

<sup>3</sup> Actual Distribution yield for FY2012 based on closing price of RM1.36 as at 30 June 2012.



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**Petaling Jaya, 30 April 2013** – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce the third quarter unaudited financial results for financial year ending June 2013 for the period from 1 January 2013 to 31 March 2013 (“3Q2013”).

Sunway REIT registered a healthy set of financial results for 3Q2013. Gross revenue and net property income (“NPI”) rose 8.5% and 7.1% year-on-year respectively, mainly attributable to growth from the retail and hotel segments. 3Q2013 also saw the full quarter contribution from Sunway Medical Centre which acquisition was completed on 31 December 2012. For 3Q2013, Sunway Pyramid Shopping Mall continued to register solid performance with a revenue growth of 3.1% compared to the corresponding period in the preceding year, mainly contributed by higher average rental rate (“ARR”) arising from renewal / new tenancies. A total of 376,508 sq. ft. of expired leases were renewed at the average rental reversion rate of 17.8% over a 3-year term for year-to-date 3Q2013. However, NPI grew marginally by 0.9% year-on-year due to higher advertising and promotion expense for Chinese New Year festival and general building upkeep expenses.

Meanwhile, Sunway Carnival Shopping Mall recorded a stellar set of financial performance for 3Q2013. Revenue and NPI jumped 16.1% and 29.9% respectively compared to the corresponding quarter in the preceding year. The strong set of results is mainly attributable to higher average occupancy rate and improved ARR. The average occupancy rate for Sunway Carnival Shopping Mall has improved from 90.1% for year-to-date 3Q2012 to 96.5% for year-to-date 3Q2013.

The hotel segment registered a growth of 8.2% in revenue and 6.5% in NPI year-on-year respectively in 3Q2013. The improvement was underpinned by higher average occupancy rate in Sunway Putra Hotel and marginally better convention business of Sunway Resort Hotel & Spa.

In 3Q2013, the office segment recorded lower revenue and NPI contribution due to lower average occupancy rate from Sunway Tower and Sunway Putra Tower. The average occupancy rate for Sunway Tower has declined from 94.0% for year-to-date 3Q2012 to 81.8% for year-to-date 3Q2013 due to non-renewal by tenants. Likewise, Sunway Putra Tower experienced a drop in average occupancy rate from 86.9% for year-to-date 3Q2012 to 78.1% for year-to-date 3Q2013 for the same reason as Sunway Tower.

As part of the proactive capital management initiatives, the Manager has restructured its existing loan with the average cost of debt at 4.60% for year-to-date 31 March 2012 to 3.74% for year-to-date 31 March 2013 which contributed to substantial reduction in finance costs. For the quarter ended 31 March 2013, Sunway REIT has converted RM200 million commercial paper to a 5-year unrated medium term notes (“MTN”) under the 15 years RM1.0 billion unrated



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MTN programme in March 2013. This has increased the fixed rate portion from 37% as at end December 2012 to 56% as at end March 2013. The Manager endeavours to continue to reduce the exposure to floating rate in order to mitigate the possible risk of adverse movement in the interest rate.

For the period 1 January 2013 to 31 March 2013, the Manager has declared a total distribution per unit (“DPU”) of 2.06 sen. This consists of 0.97 sen declared and paid on 27 February 2013 for the period 1 January 2013 to 13 February 2013 and a proposed 1.09 sen for the period 14 February 2013 to 31 March 2013 payable on 30 May 2013. This brings year-to-date DPU to 6.28 sen, translating into annualised distribution yield of 5.5% based on Sunway REIT’s closing unit price of RM1.52 as at 31 March 2013. For the current financial period under review, Sunway REIT registered a total return of 17.3%.

For the financial quarter under review, Sunway REIT has raised RM320 million through a placement exercise and issued 214,765,000 new units upon completion of the Placement at an issue price of RM1.49 per placement unit. The issue price was at the top of the launch range of RM1.46 to RM1.49 per unit, representing a 2.9% discount to the five days volume weighted average price (“VWAP”) as of 4 February 2013 or a 0.9% discount to the adjusted VWAP, adjusted for the distribution of 3.16<sup>4</sup> sen per unit. The proceeds from the Placement was to repay the short-term facility which was drawn down to finance the acquisition of Sunway Medical Centre and defray related expenses.

Dato’ Jeffrey Ng, CEO of Sunway REIT Management Sdn. Bhd., commented, “We are actively embarking on asset enhancement exercises to boost the performance for some of our major assets. Sunway Pyramid Shopping Mall has commenced renovation for Oasis Boulevard 5 which will see the creation of new net lettable area (“NLA”) of 20,362 sq. ft and reconfiguration of existing NLA of 23,432 sq. ft. We are looking forward to secure internationally established fashion brand as mini anchor for the newly created space. In addition, we are looking forward to commence refurbishment works for Sunway Putra Mall.”

<sup>4</sup>The total income distribution per unit of 3.16 sen comprised:

- Income distribution of 2.19 sen (comprising taxable and non-taxable amount of 1.83 sen and 0.36 sen per unit respectively) for the period 1 October 2012 to 31 December 2012 (2Q2013) which was paid on 27 February 2013
- 0.97 sen per unit (comprising taxable and non-taxable amount of 0.83 sen and 0.14 sen per unit respectively) which was paid on 27 February 2013 as advance income distribution. The advance distribution was in respect of income for the period from 1 January 2013 to 13 February 2013, prior to issuance of 214,765,000 new placement units pursuant to the Placement.



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## **About Sunway Real Estate Investment Trust**

Sunway Real Estate Investment Trust (“Sunway REIT”) was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010 and is the country’s largest real estate investment trust (“REIT”) in terms of assets size as at 31 March 2013. The assets of Sunway REIT comprise shopping malls, hotels and offices that are located in Bandar Sunway, Kuala Lumpur, Seberang Jaya and Ipoh. Sunway REIT’s market capitalization is RM4.43 billion and has total assets valued at RM4.97 billion as at 31 March 2013.

## **Important notice**

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 30 April 2013 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 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 Management’s current view of future events. Past performance is not necessarily indicative of its future performance.

For more information, please contact:

Crystal Teh  
Sunway REIT Management Sdn. Bhd.  
(As Manager of Sunway Real Estate Investment Trust)

Tel : +603 5639 8864  
Fax : +603 5639 8001  
Mobile : +6012 330 6963  
E-mail : [crystal@sunway.com.my](mailto:crystal@sunway.com.my)

Website of Sunway REIT: [www.sunwayreit.com](http://www.sunwayreit.com)