

MEDIA RELEASE

30 August 2021

FINANCIAL RESULTS ANNOUNCEMENT

SUNWAY REIT PROPOSES A THIRD INTERIM INCOME DISTRIBUTION OF RM55.8 MILLION FOR THE FINANCIAL PERIOD ENDING 31 DECEMBER 2021

Key Highlights:

- Realised gross revenue increased by 17.5% y-o-y to RM103.4 million in 4Q FP2021 on the back of higher contribution from all segments.
- Sunway REIT continues to exercise prudent measures and remain agile in managing its asset portfolio in view of the persisting market uncertainty.
- Sunway REIT has recently collaborated with OCBC Bank (Malaysia) Berhad for a proposed sustainability-link bond issuance under its existing RM10 billion Medium Term Note (MTN) Programme, being the first REIT in Malaysia to venture into the sustainable financing sphere.

Financial Highlights

	Current Quarter			Cumulative Quarter		
	4Q2021 RM'000	4Q2020 RM'000	Change %	12M2021 ¹ RM'000	12M2020 RM'000	Change %
Gross revenue (Realised)	103,394	87,995 ²	17.5%	410,873	539,945 ²	-23.9%
Net property income (NPI) (Realised)	62,348	60,675 ²	2.8%	263,466	399,879 ²	-34.1%
Realised income attributable to:						
- Unitholders	28,537	21,912	30.2%	118,233	228,449	-48.2%
- Perpetual note holders	4,959	4,958	0.0%	19,890	19,944	-0.3%
Realised income	33,496	26,870	24.7%	138,123	248,393	-44.4%
Unrealised income / (loss)	25	(40,352)	> 100%	109	(40,186)	> 100%
Total profit / (loss) for the period	33,521	(13,482)	> 100%	138,232	208,207	-33.6%
Proposed / declared distribution to unitholders	55,824	70,093	-20.4%	108,701	215,874	-49.6%
Distribution per unit (DPU) (sen)	1.63	2.38	-31.5%	3.30	7.33	-55.0%

¹ The Manager has changed the financial year end of Sunway REIT from 30 June to 31 December. Therefore, the current financial period of Sunway REIT will be an 18-month period from 1 July 2020 to 31 December 2021 (FP2021).

² Exclude unrealised lease income of RM16.93 million (in relation to unbilled lease income receivable).

Bandar Sunway, 30 August 2021 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (Sunway REIT), has released its financial results for the fourth quarter ended 30 June 2021.

Fourth quarter unaudited financial results for the period from 1 April 2021 to 30 June 2021 (4Q FP2021)

Sunway REIT registered a realised gross revenue of RM103.4 million and realised net property income (NPI) of RM62.3 million in the fourth quarter of financial period ending 31 December 2021. This was in comparison to realised gross revenue and realised NPI of RM88.0 million and RM60.7 million respectively in the corresponding quarter in the preceding year (4Q FY2020). Realised gross revenue and realised NPI increased by 17.5% and 2.8% year-on-year (y-o-y) respectively on the back of higher contribution from all segments.

Realised gross revenue for the retail segment increased by 8.3% y-o-y to RM58.6 million in 4Q FP2021, contributed by improved tenants' sales and lower rental support granted to affected tenants. Despite higher realised revenue, realised NPI for the quarter under review eased to RM25.5 million compared to RM32.1 million in 4Q FY2020 on the back of higher operating expenses.

Realised gross revenue for the hotel segment rose by 23.6% y-o-y to RM8.7 million for the quarter under review, from RM7.0 million in 4Q FY2020. Realised NPI improved in tandem by 23.9% y-o-y to RM7.0 million in 4Q FP2021, from RM5.6 million in 4Q FY2020 mainly contributed by guaranteed income from Sunway Putra Hotel, and Sunway Clio Hotel which was utilised as a quarantine centre.

For the quarter ended 30 June 2021, the Office segment reported a stronger set of financial performance attributed to new income contribution from The Pinnacle Sunway and stable occupancy rates from all office properties. Realised gross revenue surged by 84.7% y-o-y to RM19.3 million in 4Q FP2021, compared to RM10.4 million in 4Q FY2020. Realised NPI doubled to RM12.9 million in 4Q FP2021, from RM6.4 million in 4Q FY2020.

Realised gross revenue and realised NPI for the Services segment edged up to RM15.3 million in 4Q FP2021, from RM14.9 million in 4Q FY2020, attributed to annual rental reversion of Sunway Medical Centre and Sunway university & college campus. Meanwhile, realised revenue and realised NPI for the Industrial & Others segment remained stable at RM1.5 million in 4Q FP2021.

Cumulative twelve months unaudited financial results for the period from 1 July 2020 to 30 June 2021 (12M FP2021)

For the cumulative 12-month period under review, Sunway REIT reported realised gross revenue of RM410.9 million and realised NPI of RM263.5 million in comparison to RM539.9 million and RM399.9 million respectively in the same period last year. The financial performance for the period under review was primarily impacted by lower realised revenue and realised NPI contributions from the Retail and Hotel segments, which was partially mitigated by higher contributions from the Office and Services segments.

The Retail segment demonstrated an encouraging recovery in 1Q FP2021 following the easing of movement restrictions coupled with several festive celebrations. However, the momentum retracted following the re-introduction of conditional movement control order (CMCO) and movement control order (MCO) in the subsequent period. The Retail segment recorded realised gross revenue of RM246.7 million for 12M FP2021, representing a contraction of 32.3% y-o-y, mainly due to the ongoing rental support programme provided on a case-to-case basis to affected tenants, lower turnover rent, promotion and car park income. Realised NPI eased in tandem to RM127.5 million in the same period.

The Hotel segment was adversely impacted by the consequences of movement restrictions imposed by the government and stringent standard operating procedures (SOPs). Realised gross revenue for the Hotel segment declined by 50.7% y-o-y, from RM68.5 million in the preceding financial year to RM33.8 million for 12M FP2021, due to closure of Sunway Resort Hotel for refurbishment and enforcement of various MCOs in Malaysia which has weighed on the performance. Realised NPI slipped to RM27.6 million in the period under review, from RM62.3 million in the same period last year.

The Office segment reported a surge in realised gross revenue of 52.6% y-o-y to RM63.6 million for 12M FP2021, from RM 41.7 million in the same period last year. Realised NPI increased correspondingly from RM24.0 million in the preceding financial year to RM41.6 million for 12M FP2021. The improved set of financial performance was elevated by new income contribution from The Pinnacle Sunway and stable occupancy rates across the office portfolio.

Realised revenue and realised NPI for the Services segment increased by 2.8% y-o-y to RM60.6 million for 12M FP2021 contributed by annual rental reversion for Sunway Medical Centre and Sunway university & college campus. The Industrial & Others segment posted a realised gross revenue and realised NPI of RM6.2 million for 12M FP2021, same with the preceding financial year.

Dato' Jeffrey Ng, Chief Executive Officer of the Manager, commented, "Sunway REIT continues to exercise prudent measures and remain agile in managing its asset portfolio in view of the persisting market uncertainty. The relaxation of the movement restrictions would be paramount for the economy to recover albeit the pace of business recovery will vary across sectors and geography."

Dato' Jeffrey added, "Sunway REIT proactively monitors and engages our stakeholders while working hand-in-hand with our tenants. Further to this, our Retail business management team facilitated up to RM200 million in working capital through financing facilities provided by RHB Banking Group and Credit Guarantee Corporation Malaysia Berhad to support Sunway Malls retailers' business recovery."

To drive the re-opening of the retail and hotel segments, Dato' Jeffrey commented, "We continue our efforts to vaccinate our employees and the entire front-facing operation workforce to provide a safe environment for shoppers, tenants, guests and employees in the premises by adhering to strict SOPs. In addition, Sunway REIT continues to invest in Health, Safety, Security and Environment (HSSE) technologies in order to enhance screening, cleaning and disinfecting routines."

Dato' Jeffrey also added, "We are pleased to share that Sunway REIT has recently collaborated with OCBC Bank (Malaysia) Berhad for a proposed sustainability-link bond issuance under its existing RM10 billion Medium Term Note (MTN) Programme, being the first REIT in Malaysia to venture into the sustainable financing sphere. This further reaffirmed Sunway REIT's commitment to integrate Environmental, Social, and Governance (ESG) practices in its business to strengthen its ability to access to diverse sources of funds while contributing positively to the development of sustainable finance in the domestic capital market."

He concluded, "Sunway REIT is humbled to receive recognition by the Minority Shareholders Watchdog Group in the MSWG-ASEAN Corporate Governance Award 2020 and emerged as the only winner of the Industry Excellence Award for the Real Estate Investment Trust (REIT) category. Sunway REIT also captured another accolade from International ARC Awards 2021 as the Gold winner for the Annual Report under REIT Category: Commercial / Industrial/Office. It is a testament to Sunway REIT in upholding good corporate governance practices and corporate reporting disclosures despite the arduous business conditions."

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, and Perak.

Sunway REIT was listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 8 July 2010. The market capitalisation of Sunway REIT stood at RM4.9 billion as at 30 June 2021.

Sunway REIT is a component of FTSE Bursa Malaysia Mid 70 Index, FTSE Bursa Malaysia Top 100 Index, FTSE Bursa Malaysia Emas Index, FTSE ASEAN All-Share Index, FTSE ASEAN All-Share ex Developed Index, FTSE ASEAN Malaysia Index, FTSE4 Good Bursa Malaysia Index, Bursa Malaysia REIT Index, GPR APREA Composite REIT Index - Malaysia, FTSE EPRA / NAREIT Global REIT Index, FTSE EPRA / NAREIT Global Index, FTSE EPRA / NAREIT Asia ex Japan Index, FTSE EPRA / NAREIT Asia Pacific Index, FTSE EPRA / NAREIT Emerging REIT Index and MSCI Malaysia Small Cap Index.

Sunway REIT owns a portfolio of 18 assets comprising 4 retail malls, 6 hotels, 5 offices, a medical centre, an industrial property and an education asset with a combined property value of RM8.7 billion as at 30 June 2021.

Sunway REIT's assets are primarily in Sunway City where its flagship asset, Sunway Pyramid Shopping Mall, is located. Other assets in Sunway City include Sunway Resort Hotel, Sunway Pyramid Hotel, Sunway Clio Property (comprising Sunway Clio Hotel and Sunway Clio Retail), Menara Sunway, The Pinnacle Sunway, Sunway Medical Centre (Tower A&B) and Sunway university & college campus.

Sunway REIT owns four properties in Kuala Lumpur, namely Sunway Tower and the remaining three assets which constitute part of the 3-in-1 integrated development, Sunway Putra. Sunway Putra consists of Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower.

Sunway REIT also owns two properties in Shah Alam, namely, Wisma Sunway and Sunway REIT Industrial – Shah Alam 1.

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 Shopping Mall in Penang.

Important notice

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 30 August 2021 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 the Management's current view of future events. Past performance is not necessarily indicative of its future performance.

For more information, please contact:

Crystal Teh

Mobile : +6011 1878 8789

E-mail : crystalte@sunway.com.my

Vincent Than

Mobile : +6019 300 3138

E-mail : vincentt@sunway.com.my

Website of Sunway REIT: www.sunwayreit.com