

MEDIA RELEASE

28 January 2022

FINANCIAL RESULTS ANNOUNCEMENT

SUNWAY REIT’S REALISED INCOME MORE THAN DOUBLED IN 6Q FP2021 AND PROPOSED A FINAL DISTRIBUTION PER UNIT OF 2.80 SEN

Key Highlights:

- Gross revenue jumped 64.8% in 6Q FP2021, compared to 2Q FP2021, contributed by higher gross revenue from all segments and recognition of unrealised unbilled lease income receivable.
- Retail footfall and retail sales for Sunway REIT have returned to 100% normalcy towards the end of 6Q FP2021, in comparison to the pre-pandemic levels in 2019.
- Sunway REIT expects the business performance to improve in FY2022, supported by the reopening of all economic sectors, healthy economic growth, positive progress in booster vaccination rate, re-opening of Sunway Resort Hotel and new income contribution from the completion of expansion for Sunway Carnival Shopping Mall.

Financial Highlights

	Current Quarter			Cumulative Period
	3-month period ended 31.12.2021 RM'000	3-month period ended 31.12.2020 RM'000	Change %	FP2021 ¹ RM'000
Gross revenue ²	157,797	95,770	64.8%	675,558
Net property income (NPI) ²	123,097	66,012	86.5%	457,076
Income attributable to:				
- Unitholders	67,649	28,454	>100.0%	221,907
- Perpetual note holders	5,014	5,014	0.0%	29,917
Realised income	72,663	33,468	>100.0%	251,824
Unrealised income / (loss)	(56,470)	28	>-100.0%	(56,340)
Total profit for the period	16,193	33,496	-51.7%	195,484
Proposed / declared distribution to unitholders	95,895	26,371	>100.0%	204,596
Distribution per unit (DPU) (sen)	2.80	0.77	>100.0%	6.10

¹ Sunway REIT has changed its financial year end from 30 June to 31 December. The current cumulative financial period is for a period of 18 months from 1 July 2020 to 31 December 2021 (FP2021). As such, there are no comparative figures for the preceding year corresponding period.

² Included recognition of unrealised unbilled lease income receivable of RM19.6 million for Sunway university and college campus which represents incremental lease income on a straight-line basis over the lease period pursuant to MFRS 16 Leases.

Bandar Sunway, 28 January 2022 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (Sunway REIT), has released its financial results for the financial period ended 31 December 2021.

Sixth quarter unaudited financial results for the period from 1 October 2021 to 31 December 2021 (6Q FP2021)*

**The current reporting quarter (6Q FP2021) is a period of 3 months, made up from 1 October 2021 to 31 December 2021. The figures for the same period last year (2Q FP2021), made up from 1 October 2020 to 31 December 2020, are used for comparison purposes.*

Sunway REIT reported 64.8% jump in gross revenue to RM157.8 million in 6Q FP2021, from RM95.8 million in 2Q FP2021, contributed by higher gross revenue from all segments and recognition of unrealised unbilled lease income receivable of RM19.6 million under Malaysian Financial Reporting Standard (MFRS) 16 Leases. Excluding the unrealised unbilled lease income receivable, gross revenue rose 44.3% in 6Q FP2021 compared to 2Q FP2021. Correspondingly, net property income (NPI) increased 86.5% in 6Q FP2021, compared to 2Q FP2021, to RM123.1 million. Realised income more than doubled to RM72.7 million for the quarter under review.

For the quarter under review, gross revenue for the Retail segment rose 62.7% to RM92.4 million, compared to RM56.8 million in 2Q FP2021. The improved financial performance was attributed to encouraging recovery in the retail footfall and retail sales pursuant to the easing of movement restrictions compared to operating under the conditional movement control order (CMCO) in the same period last year. Retail footfall and retail sales have returned to normalcy compared to pre-COVID-19 towards the end of 6Q FP2021. NPI jumped almost two-fold to RM65.8 million in 6Q FP2021 compared to RM33.9 million in the same period last year.

The Hotel segment recorded gross revenue RM9.8 million in 6Q FP2021, an increase of 24.0% compared to the corresponding quarter in the preceding year. The better performance was attributed to the lifting of inter-state travelling and gradual resumption of meetings, incentives, conferences and exhibitions (MICE). NPI for the Hotel segment rose 28.3% to RM8.5 million in 6Q FP2021, from RM6.6 million in the same quarter last year.

Gross revenue for the Office segment surged 31.4% to RM19.1 million in 6Q FP2021, from RM14.5 million in the corresponding period in the preceding year. NPI improved 38.2% to RM12.4 million in 6Q FP2021, from RM9.0 million in the same period last year, boosted by full income contribution from The Pinnacle Sunway and largely stable average occupancy rate across all office properties in Sunway REIT's asset portfolio.

For the quarter under review, gross revenue and NPI for the Services segment edged up 2.3% to RM15.3 million compared to 2Q FP2021, attributed to annual rental reversion of Sunway Medical Centre (Tower A & B) and Sunway university & college campus. Meanwhile, gross revenue and NPI for the Industrial & Others segment remained stable at RM1.5 million in 6Q FP2021.

Financial Period 2021 unaudited financial results for the period from 1 July 2020 to 31 December 2021 (FP2021)*

**Due to change of financial year end from 30 June to 31 December, there are no comparative financial information available for the preceding year corresponding period.*

For the cumulative 18-month financial period under review, Sunway REIT reported gross revenue of RM675.6 million and NPI of RM457.1 million, attributed to soft performance from Retail and Hotel segments amid various phases of Movement Control Order (MCO) and NRP nationwide, international border closures, as well as temporary closure of Sunway Resort Hotel for refurbishment. This was partially cushioned by higher revenue from Office, Services and Industrial & Others segments.

The Retail segment showed encouraging recovery in retail footfall and retail sales in 1Q FP2021 following the easing of movement restrictions coupled with few festive celebrations before retracted subsequently with the resurgence of COVID-19 cases in Malaysia since September 2020 leading to the reintroduction of targeted restriction movement measures until September 2021. For FP2021, Retail segment recorded gross revenue of RM404.0 million and NPI of RM229.9 million after taking into account of provision of rental support to affected tenants on a case-to-case basis. The average occupancy rate for the Retail segment remained stable at 97%.

The Hotel segment was adversely impacted by the movement restrictions for most part of the financial period under review and ongoing international border restrictions. In addition, Sunway Resort Hotel was closed for refurbishment throughout the financial period under review. The adverse financial performance was partially mitigated by guaranteed income from Sunway Clio Property, Sunway Putra Hotel and Sunway Hotel Georgetown. The Hotel segment recorded gross revenue of RM49.8 million and NPI of RM40.3 million for FP2021.

The Office segment registered a gross revenue and NPI of RM101.6 million and RM66.8 million respectively for FP2021 which has benefitted from new income contribution from The Pinnacle Sunway as well as stable average occupancy rate across the office portfolio.

Meanwhile, gross revenue and NPI for the Services segment recorded RM91.2 million (before recognition of unrealised unbilled lease income receivable) for FP2021 contributed by annual rental reversion for Sunway Medical Centre (Tower A & B) and Sunway university & college campus. The Industrial & Others segment posted gross revenue and NPI of RM9.2 million for FP2021.

Sunway REIT proposed distribution per unit (DPU) of 2.80 sen for the 6-month period ended 31 December 2021, bringing total cumulative DPU proposed and declared for FP2021 to 6.10 sen.

Dato' Jeffrey Ng, Chief Executive Officer of the Manager, commented, "It is heartening to observe that retail footfall and retail sales for Sunway REIT have returned to 100% normalcy towards the end of 6Q FP2021 with continuation of the momentum equally observed this month, in comparison to the pre-pandemic levels in 2019."

He added, "Sunway REIT expects the business performance to improve in FY2022, supported by reopening of all economic sectors, healthy economic growth, positive progress in booster vaccination rate, re-opening of Sunway Resort Hotel and new income contribution from the completed expansion of Sunway Carnival Shopping Mall."

Dato' Jeffrey further added, "Sunway REIT is well positioned to capitalise on acquisition opportunities that may present to expand its asset portfolio in line with the medium-term growth plan."

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 RM4.8 billion as at 31 December 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 31 December 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 28 January 2022 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: crystaltil@sunway.com.my

Vincent Than

Mobile: +6019 300 3138

E-mail: vincenttj@sunway.com.my

Website of Sunway REIT: www.sunwayreit.com