

SUNWAY[®]

REIT



FINANCIAL RESULTS

First Quarter Ended 31 March 2022

(FYE 31 December 2022)

Date: 18 May 2022



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FINANCIAL HIGHLIGHTS (1Q2022)



Financial Highlights – 1Q2022

Highlights	1Q 2022	1Q 2021 [^]
No. of Properties	19	18
Property Value (RM'billion)	8.879	8.643
Units in Circulation	3,424,807,700	3,424,807,700
Unit Price as at 31 March 2022/2021 (RM)	1.41	1.49
Market Capitalisation (RM'billion)	4.829	5.103
Net Asset Value ("NAV") Per Unit (RM) (after income distribution)	1.4736[#]	1.4813[#]
Premium to NAV	-4.3%	0.6%
Distribution Yield (based on market price as at 31 Mar)	7.0%^{**}	2.5%
Management Expense Ratio (after income distribution)	0.85%	0.72%
Total Return	7.0%	-5.5%
Gearing	37.2%	37.1%
% of Fixed Rate Borrowings	32%	38%

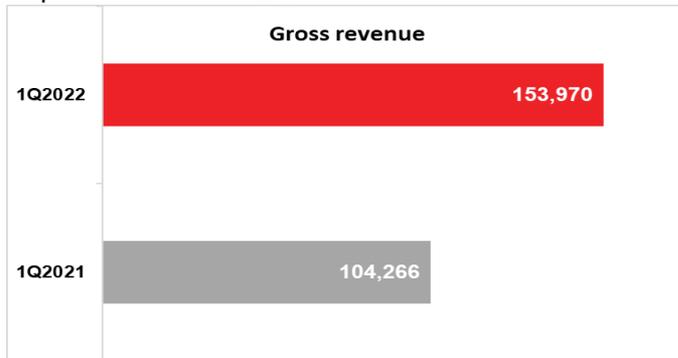
[^] 1Q2021 represents the period from January 2021 – March 2021 for comparison to current reporting quarter of 1Q2022 (January 2022 – March 2022). The information is as presented previously in January 2021 – March 2021 quarter presentation deck.

[#] After distributable income for 1Q2022 of 2.43 sen per unit is assumed for income distribution (1Q2021: Distributable income of 0.93 sen per unit is assumed).

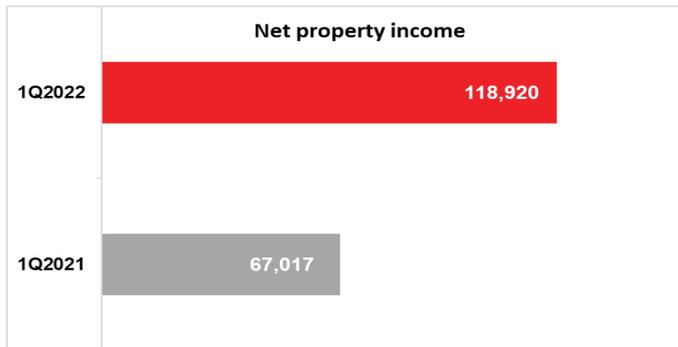
^{**} This is derived from annualised distributable income of 9.86 sen per unit (based on distributable income for YTD 1Q2022 of 2.43 sen per unit).

Financial Highlights – 1Q2022 (Cont'd)

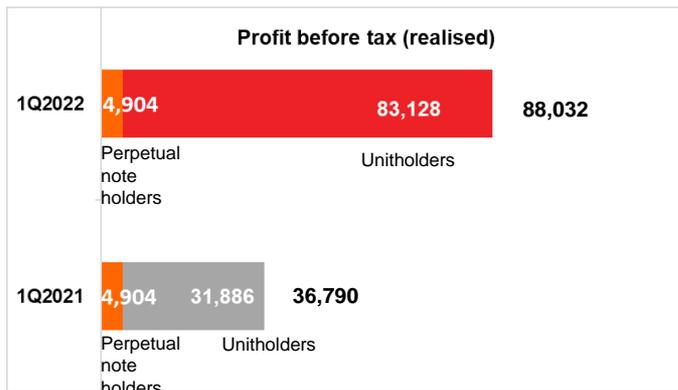
Reported in RM'000



Gross Revenue for 1Q2022 increased by 47.7% or RM49.7 million mainly contributed by the retail segment benefitting from pent-up demand and festive season which boosted the recovery of retail footfall to pre-pandemic level as well as marginal rental support compared to 1Q2021.



Net Property Income for 1Q2022 was higher by 77.4% or RM51.9 million compared to 1Q2021 in line with higher revenue and recovery of doubtful debts resulting from improved rental collection from the Retail segment.



Profit Before Tax (Realised) for 1Q2022 was significantly higher by RM51.2 million compared to 1Q2021 in line with higher net property income and lower finance cost.

FINANCIAL RESULTS (1Q2022)



Statement of Comprehensive Income – Consolidated

	1Q2022 RM'000	1Q2021 RM'000	Change %
Gross revenue	153,970	104,266	47.7%
Property operating expenses	(35,050)	(37,249)	-5.9%
Net property income	118,920	67,017	77.4%
Interest income	1,268 ¹	2,004	-36.7%
Other income	18	27	-33.3%
Changes in fair value of investment properties	18,268 ²	-	N/A
Manager's fees	(10,363) ³	(8,789)	17.9%
Trustee's fees	(190)	(189)	0.5%
Other trust expenses	(732) ⁴	(410)	78.5%
Finance costs	(20,871) ⁵	(22,843)	-8.6%
Profit before tax	106,318	36,817	>100%
Taxation	-	-	N/A
Profit for the period	106,318	36,817	>100%
Profit for the period comprises the following:			
Realised			
- Unitholders	83,128	31,886	>100%
- Perpetual note holders	4,904	4,904	0.0%
Unrealised	18,286 ²	27	>100%
	106,318	36,817	>100%
Units in circulation (million units)	3,425	3,425	0.0%
Basic earnings per unit attributable to unitholders (sen):			
Realised	2.43	0.94	>100%
Unrealised	0.53	-	N/A
	2.96	0.94	>100%
Distributable income	83,128	31,886	>100%
Proposed/declared income distribution	-	-	N/A
Distributable income per unit (sen)	2.43⁶	0.93	>100%
Proposed/declared DPU (sen)	-⁷	-	N/A

- Interest income** for 1Q2022 was lower than 1Q2021 due to lower deposits with financial institutions as progress payments were made for the refurbishment at Sunway Resort Hotel and expansion works at Sunway Carnival Shopping Mall.
- Changes in fair value of investment properties and Unrealised gain** was in relation to the fair value gain recognised pursuant to the completion of the acquisition of Kompleks Dato' Shaari Jihin on 26 January 2022.
- Manager's fees** was higher in 1Q2022 resulting from higher net property income for the quarter.
- Other trust expenses** for 1Q2022 was higher mainly due to higher valuation fees accrued in view of full valuation for most of Sunway REIT properties this year and professional fees paid for Sustainability Link Bond.
- Finance costs** for 1Q2022 was lower compared to 1Q2021 of RM2.0 million mainly due to lower average interest rate.
- Distributable income per unit** represents realised income attributable to unitholders and distribution adjustments, if any.
- Proposed/declared DPU** is nil for 1Q2022 as the income distribution payment frequency has been changed from quarterly to semi-annually effective from calendar year 2020. Distribution for 1Q2022 and 2Q CY2022 will be declared and paid on a semi-annual basis.

Statement of Financial Position – Consolidated

	31.03.2022 (Unaudited) RM'000	31.12.2021 (Audited) RM'000
ASSETS		
Non-current assets		
Investment properties	8,842,771	1 8,701,745
Investment properties - accrued lease income	36,514	2 36,514
Plant and equipment	11,842	11,556
Right-of-use asset	852	3 871
	8,891,979	8,750,686
Current assets		
Trade receivables	30,636	4 39,788
Other receivables	15,850	5 8,277
Derivatives	11,970	6 11,188
Short term investment	49,978	7 49,991
Cash and bank balances	163,075	8 290,543
	271,509	399,787
Total assets	9,163,488	9,150,473
EQUITY AND LIABILITIES		
Equity		
Unitholders' capital	3,433,864	3,433,864
Undistributed income	1,696,219	1,691,629
Total Unitholders' funds	5,130,083	5,125,493
Perpetual note holder's funds	339,717	339,717
Total equity	5,469,800	5,465,210
Non-current liabilities		
Borrowings	1,700,000	1,810,000
Long term liabilities	60,499	57,072
Deferred tax liability	13,091	13,091
Lease liability	861	3 861
	1,774,451	1,881,024
Current liabilities		
Borrowings	1,704,754	1,595,366
Trade payables	6,489	5,150
Other payables	207,971	9 203,693
Lease liability	23	3 30
	1,919,237	1,804,239
Total liabilities	3,693,688	3,685,263
Total equity and liabilities	9,163,488	9,150,473

	31.03.2022 (Unaudited) RM'000	31.12.2021 (Audited) RM'000
Units in circulation ('000 units)	3,424,808	3,424,808
Net Asset Value ("NAV") attributable to unitholders		
Before income distribution	5,130,083	5,125,493
After income distribution *	5,046,955	5,029,598
NAV per unit attributable to unitholders (RM):		
Before income distribution	1.4979	1.4966
After income distribution *	1.4736	1.4686

* After distributable income for 1Q2022 of 2.43 sen per unit is assumed for income distribution (1Q2021: Distributable income of 0.93 sen per unit is assumed).

Statement of Financial Position – Consolidated

1. **Investment properties** increased by RM141.0 million pursuant to the completion of the acquisition of Kompleks Dato' Shaari Jihin on 26 January 2022 as well as on-going capital expenditure mainly for the expansion of Sunway Carnival Shopping Mall and Sunway Resort Hotel refurbishment.
2. **Investment properties – accrued lease income** was in relation to unbilled lease income receivable which was recognised on a straight-line basis over the lease period pursuant to MFRS 16 Leases.
3. **Right-of-use asset and Lease liability** was pursuant to a 12-year land lease from State Government of Penang for carpark purposes and recognised in accordance to MFRS 16 Leases.
4. **Trade receivables** was lower by RM9.2 million mainly due to improved rental collection from the Retail segment.
5. **Other receivables** was higher primarily due to the prepayment for quit rent, assessment and insurance for CY2022.
6. **Derivatives** of RM12.0 million was in relation to 1-year AUD-MYR CCS contracts for the revolving loan (AUD).
7. **Short term investment** relates to investment in 1-month commercial paper issued by Sunway Berhad Group, at the nominal value of RM50.0 million.
8. The decrease in **cash and bank balances** was mainly due to progressive CAPEX payments for the expansion of Sunway Carnival Shopping Mall and Sunway Resort Hotel refurbishment. Status of utilisation of the gross proceeds is disclosed in Note B11 of 1Q2022 Financial Report in Bursa Malaysia's website.
9. **Other payable** was higher mainly due to accrued loan interest.

Statement of Cash Flows – Consolidated

	First Quarter ended	
	31.03.2022	31.03.2021 *
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	160,619	133,454
Refundable security deposits from customers	1,230	30
Cash paid for operating expenses	(53,104)	(43,201)
Net cash from operating activities ¹	108,745	90,283
INVESTING ACTIVITIES		
Acquisition of plant and equipment	(626)	(266)
Balance payment for acquisition of investment property	(30,690)	-
Incidental costs on acquisition of investment property	(2,632)	500
Subsequent expenditure of investment properties	(83,498)	(74,642)
Investment in short term money market instrument	(150,000)	-
Redemption of short term money market instrument	150,000	-
Net cash flows from licensed financial institutions with maturity of over 3 months	-	(25,000)
Interest received	1,697	2,096
Net cash used in investing activities ²	(115,749)	(97,312)
FINANCING ACTIVITIES		
Proceeds from issuance of commercial papers	90,000	-
Proceeds from issuance of unrated medium term notes	-	200,000
Drawdown of revolving loan - USD	292,552	384,893
Drawdown of revolving loan	90,000	-
Repayment of commercial papers	(90,000)	-
Repayment of unrated medium term notes	-	(200,000)
Repayment of revolving loan - USD	(384,893)	(373,680)
Interest paid	(22,228)	(23,778)
Payment of unit issuance expenses	-	(88)
Distribution paid to unitholders ³	(95,895)	(26,371)
Net cash used in financing activities	(120,464)	(39,024)
Net decrease in cash and cash equivalents	(127,468)	(46,053)
Cash and cash equivalents at beginning of year	290,543	444,502
Cash and cash equivalents at end of period	163,075	398,449
Cash and bank balances	163,075	423,449
Deposits with licensed financial institutions with maturity of over 3 months	-	(25,000)
Cash and cash equivalents	163,075	398,449
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	38,075	43,449
Deposits placed with licensed financial institutions	125,000	380,000
Cash and bank balances ⁴	163,075	423,449

1 Net cash from operating activities for 1Q2022 of RM108.7 million mainly comprise of cash receipt from hotel lessees and tenants, refundable deposits, partially net off by cash paid for operating expenses.

2 Net cash used in investing activities for 1Q2022 of RM115.7 million was mainly for the acquisition of Kompleks Dato' Shaari Jihin, progress payments for refurbishment works at Sunway Resort Hotel and expansion works at Sunway Carnival Shopping Mall.

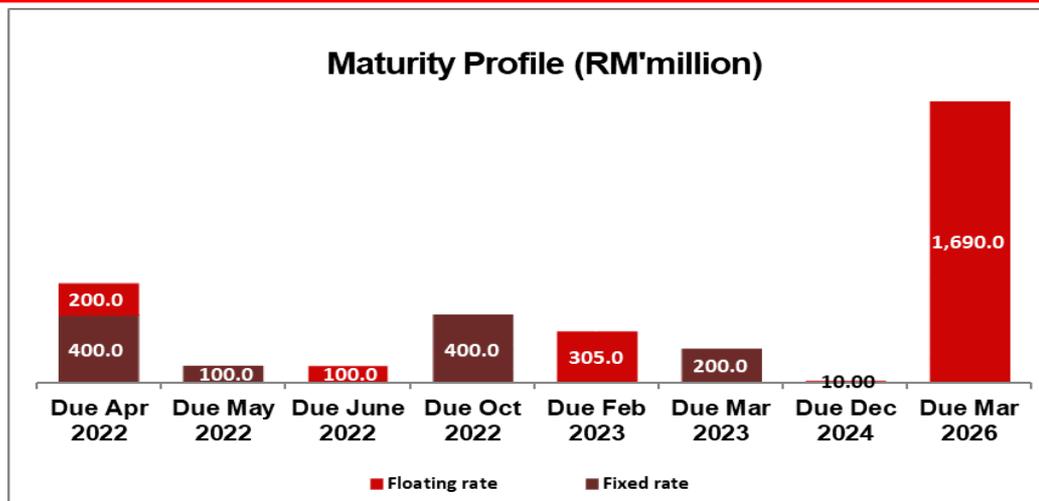
3 Net cash used in financing activities for 1Q2022 of RM120.5 million was mainly for the income distribution paid to unitholders of RM95.9 million and interest paid of RM22.2 million.

4 Cash and bank balances as at 31 Mar 2022 and 31 Mar 2021 stood at RM163.1 million and RM398.5 million respectively. The decrease in cash and bank balances was mainly due to progressive CAPEX payments mentioned in note 2 above.

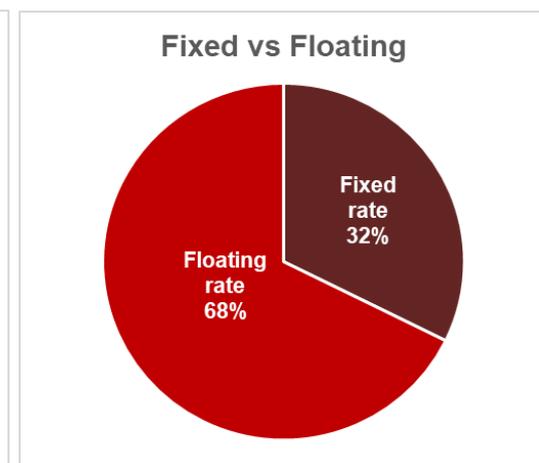
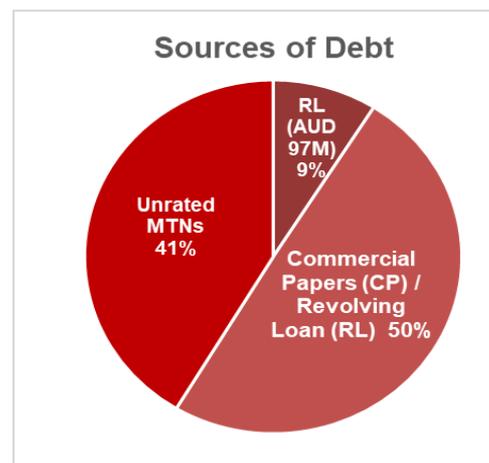
* First quarter ended 31.03.2021 represents cashflow for the period from January 2021 – March 2021 for comparison to current first quarter ended 31.03.2022 (January 2022 – March 2022).

Financing Profile as at 31 March 2022

	Facility Limit RM'million	Amount RM'million
Revolving Loan	USD95.5million	305.0
Commercial Papers (CP) / Revolving Loan (RL)	3,000.0	1,690.0
Unrated MTNs	10,000.0	1,410.0
Total Gross Borrowings		3,405.0
Unamortised transaction costs		(0.3)
Total Borrowings		3,404.7



	RM'million
Maturity Profile:	
Non-current (due after 1 year)	1,700.0
Current (due within 1 year)	1,705.0
Total Gross Borrowings	3,405.0



Average Cost of Debt	2.66%
Average Maturity Period (Year)	2.2
Interest Service Cover Ratio (ISCR)	4.1
Gearing Ratio	37.2%

¹ Amount outstanding for revolving loan (drawn in AUD97.0 million) facility includes unrealised foreign currency translation loss of RM12.5 million. The loan is fully hedged with 1-year cross currency swap contracts until 16 February 2023.

² The CP programme is underwritten by financial institution for amount up to RM1.5 billion as at 31 March 2022. The revolving loan is classified as non-current based on the tenor/repayment terms of 7 years due in March 2026.

³ Commitment from financial institution to subscribe to unrated MTNs of up to RM1.5 billion for a period of not more than 5 years with maturity date of any subscription shall not be later than 8 April 2026.

SEGMENTAL FINANCIAL RESULTS (1Q2022)



Segmental Revenue in 1Q2022 – Realised

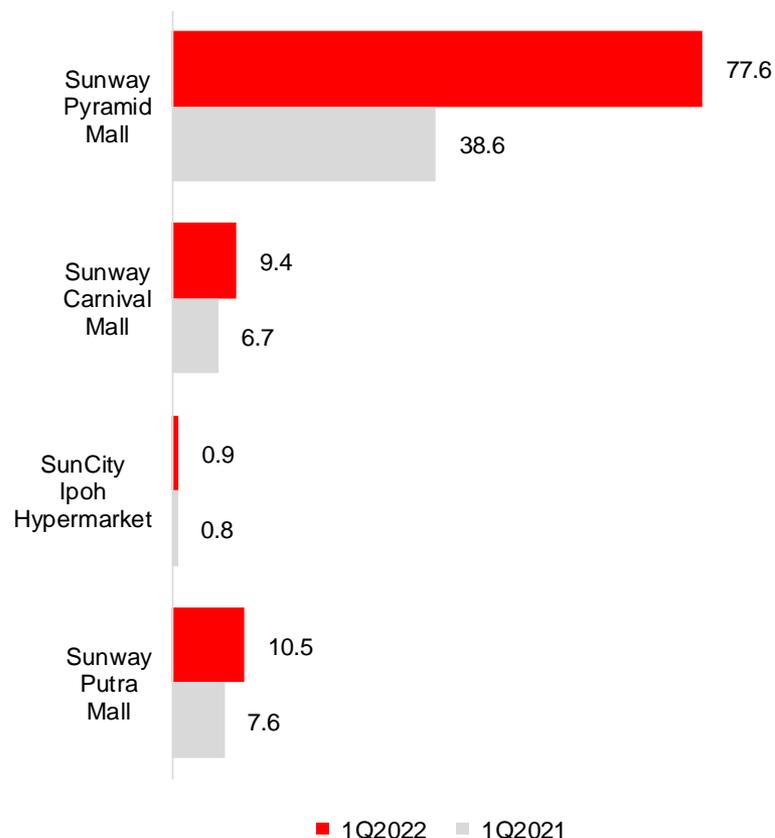
Total Retail Revenue



The retail segment recorded gross revenue of RM98.4 million for 1Q2022, an increase of 83% or RM44.7 million compared 1Q2021, mainly due to the overall improved performance across retail properties, primarily contributed by Sunway Pyramid Mall which has doubled its revenue to RM77.6 million in 1Q2022.

The improved performance of the retail properties was supported by the encouraging tenant sales in conjunction with the strong pent-up demand, festive spending and relaxation of COVID-19 safety measures, resulting in an improved retail footfall in 1Q2022. Hence, marginal rental support as compared to 1Q2021.

Revenue (by Property) (RM'million)



Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

Segmental Revenue in 1Q2022 – Realised (Cont'd)

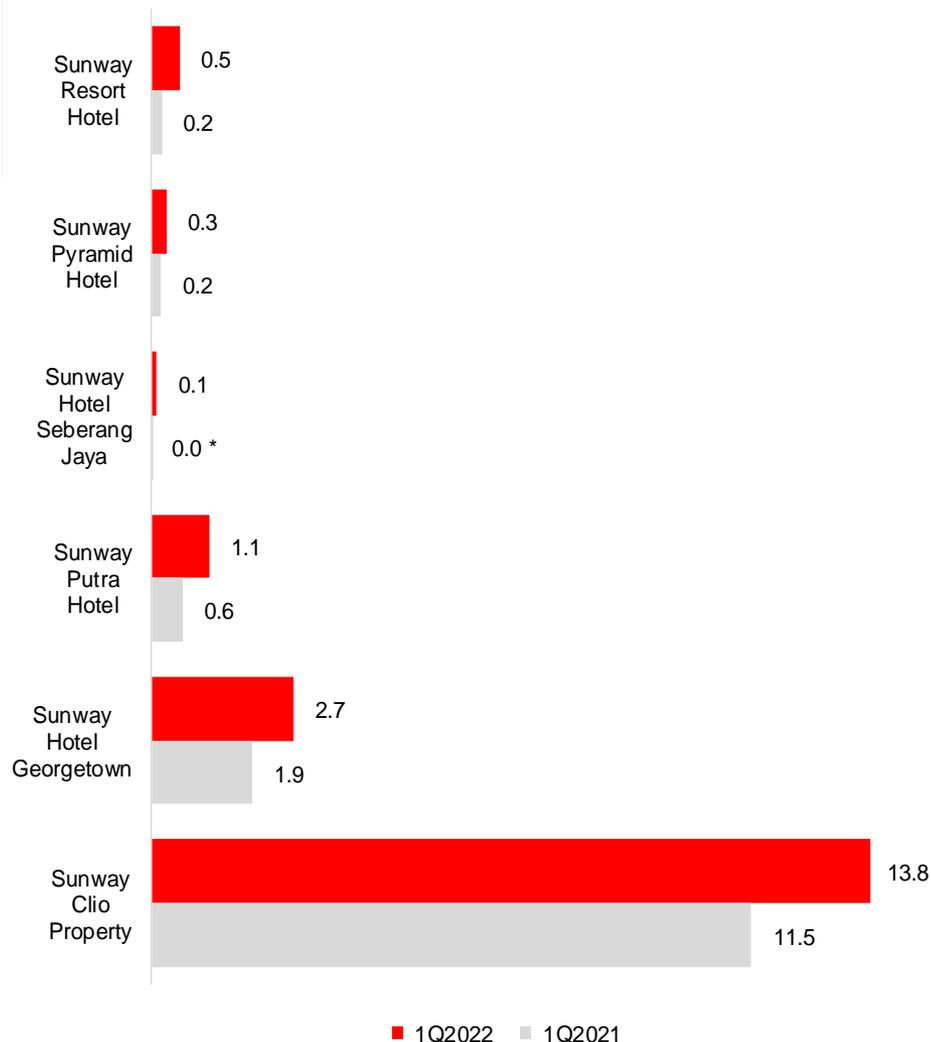
Total Hotel Revenue


RM 18.5 million (1Q2022)
 vs RM 14.4 million (1Q2021)

The hotel segment recorded gross revenue of RM18.5 million in 1Q2022, an increase of 29% or RM4.1 million from 1Q2021, mainly due to better performance of the hotels for the current quarter.

The hotel segment showed an overall improved occupancy with the increased domestic leisure and business travel and MICE activities during NRP Phase 4 in 1Q2022 compared to MCO 2.0 in 1Q2021.

Revenue (by Property) (RM'million)



* Less than RM0.05million

Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

Segmental Revenue in 1Q2022 – Realised (Cont'd)

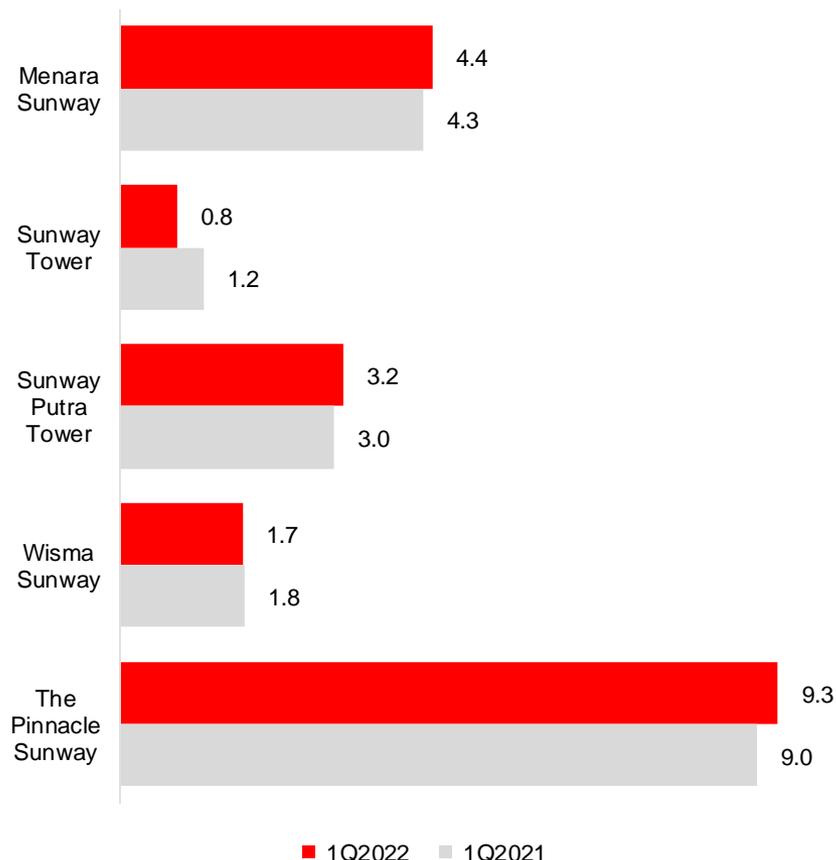
Total Office Revenue



RM 19.4 million (1Q2022)
vs **RM 19.3 million** (1Q2021)

The office segment recorded gross revenue of RM19.4 million in 1Q2022, a marginal increase of 1% or RM0.1 million compared to 1Q2021, indicating a marginal improved performance from Menara Sunway, Sunway Putra Tower and The Pinnacle Sunway, supported by commencement of new tenants and stable occupancy rate.

Revenue (by Property) (RMmillion)



Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

Segmental Revenue in 1Q2022 – Realised (Cont'd)

Total Services Revenue



The services segment contributed revenue of RM15.8 million in 1Q2022, an increase of 3% or RM0.5 million compared to 1Q2021, mainly due to annual rental reversion for Sunway Medical Centre (Tower A & B) and Sunway university & college campus in accordance with master lease agreement.

Revenue (by Property) (RMmillion)

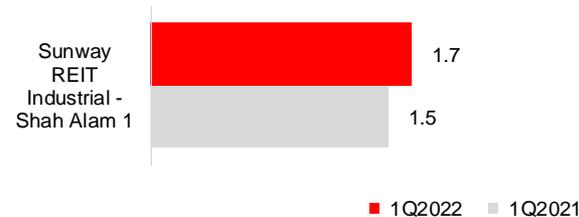


Total Industrial & Others Revenue



Sunway REIT Industrial - Shah Alam 1 contributed RM1.7 million to revenue in 1Q2022, an increase of RM0.2 million, in accordance with master lease agreement. The increase of 10% is mainly due to rental reversion from rent review conducted every three years.

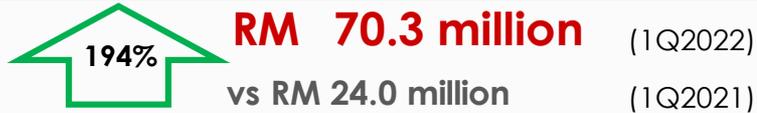
Revenue (by Property) (RMmillion)



Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

Segmental NPI and NPI Margin in 1Q2022 – Realised

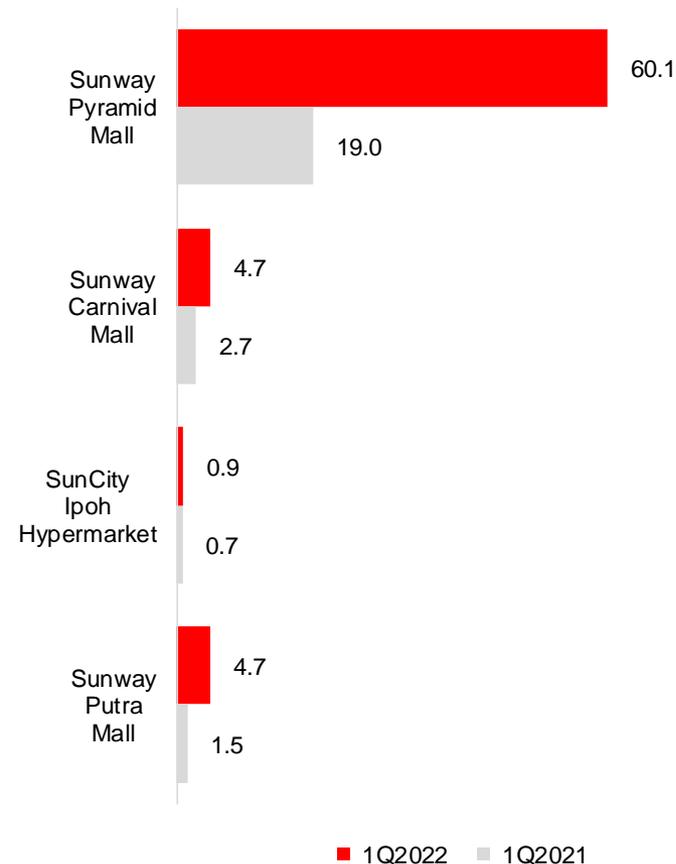
Total Retail NPI



Net property income (NPI) of retail segment recorded an increase of 194% or RM46.3 million compared to 1Q2021, contributed by the overall improved performance across retail properties and lower operating expenses due to adjustment in doubtful debts provision arising from the improvement in rental collection.

By Property	NPI Margin (%)	
	1Q2022	1Q2021
Sunway Pyramid Mall	77%	49%
Sunway Carnival Mall	50%	40%
SunCity Ipoh Hypermarket	96%	96%
Sunway Putra Mall	44%	19%
Retail Segment	71%	45%

NPI (by Property) (RMmillion)



Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

Segmental NPI and NPI Margin in 1Q2022 – Realised (Cont'd)

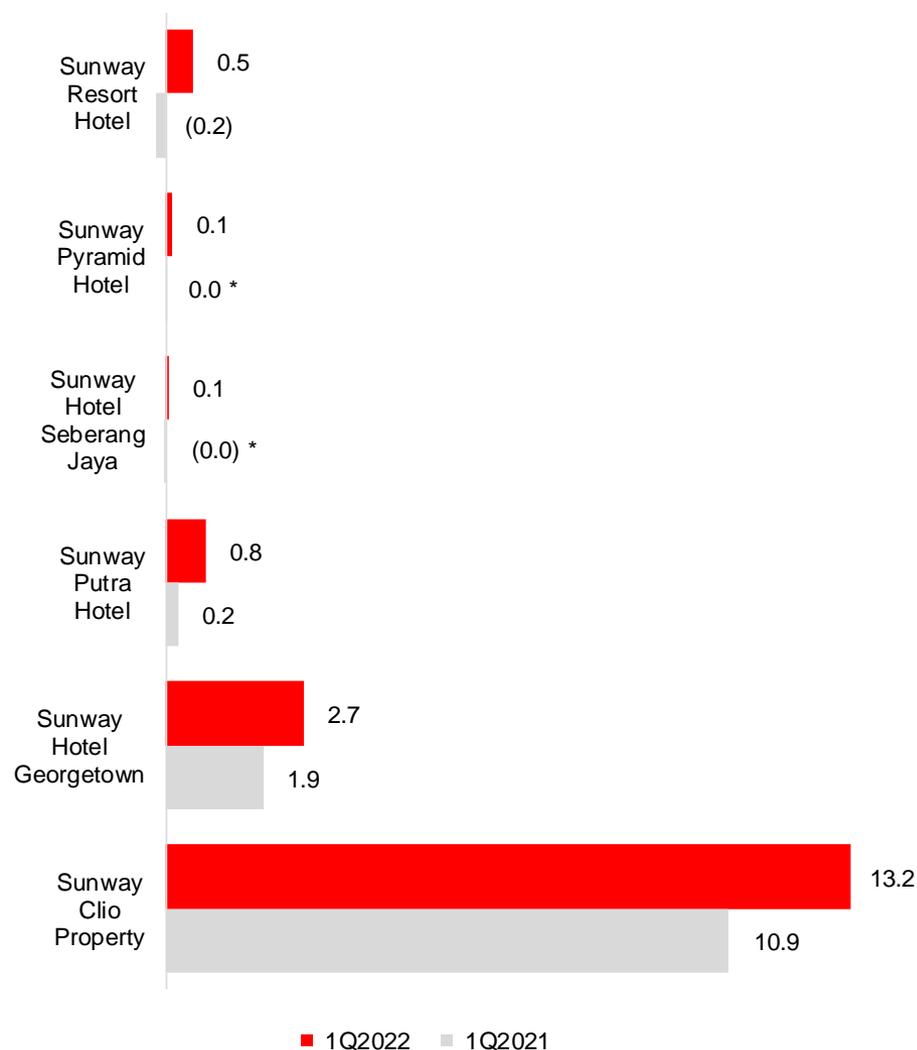
Total Hotel NPI


36% **RM 17.4 million** (1Q2022)
 vs **RM 12.8 million** (1Q2021)

NPI of hotel segment increased by 36% or RM4.6 million compared to 1Q2021, mainly due to overall improved performance across hospitality properties, corresponding to the increase in 1Q2022 gross revenue.

By Property	NPI Margin (%)	
	1Q2022	1Q2021
Sunway Resort Hotel	99%	-98%
Sunway Pyramid Hotel	48%	7%
Sunway Hotel Seberang Jaya	59%	>-100%
Sunway Putra Hotel	70%	41%
Sunway Hotel Georgetown	98%	97%
Sunway Clio Property	96%	95%
Hotel Segment	94%	89%

NPI (by Property) (RM'million)

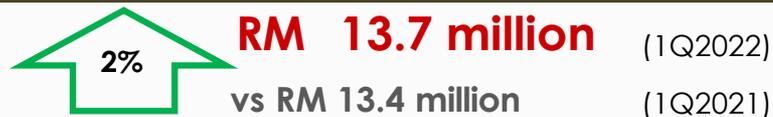


* Less than RM0.05million

Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

Segmental NPI and NPI Margin in 1Q2022 – Realised (Cont'd)

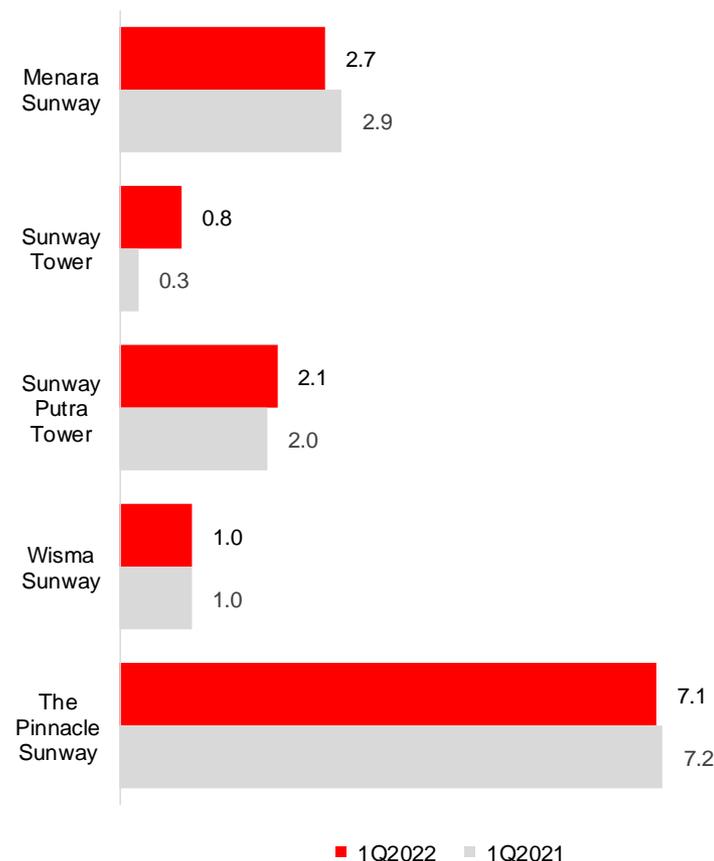
Total Office NPI



NPI of office segment recorded an increase of 2% or RM0.3 million compared to 1Q2021, mainly due to the vacancy allowance received for Sunway Tower in 1Q2022.

By Property	NPI Margin (%)	
	1Q2022	1Q2021
Menara Sunway	61%	68%
Sunway Tower	>100%	21%
Sunway Putra Tower	66%	64%
Wisma Sunway	55%	54%
The Pinnacle Sunway	76%	79%
Office Segment	70%	69%

NPI (by Property) (RMmillion)



Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

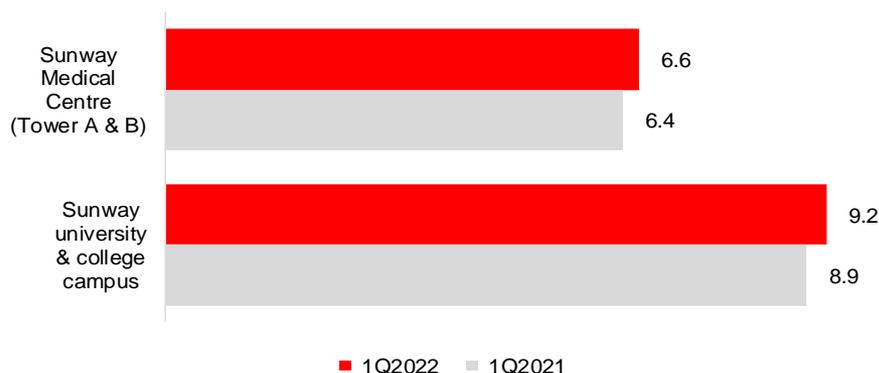
Segmental NPI and NPI Margin in 1Q2022 – Realised (Cont'd)

Total Services NPI



The increase of 3% of NPI in services segment is mainly due to annual rental reversion for Sunway Medical Centre (Tower A & B) and Sunway university & college campus in line with the increase in the revenue as the properties are under triple-net master lease.

NPI (by Property) (RMmillion)



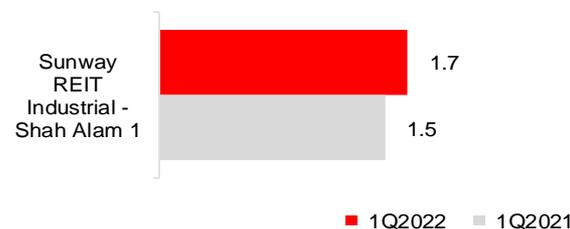
By Property	NPI Margin (%)	
	1Q2022	1Q2021
Sunway Medical Centre (Tower A & B)	100%	100%
Sunway university & college campus	100%	100%
Services Segment	100%	100%

Total Industrial & Others NPI



The increase of 10% of NPI of Sunway REIT Industrial - Shah Alam 1 is mainly due to rental reversion from rent review conducted every three years in line with the increase in the revenue as the property is under triple-net master lease.

NPI (by Property) (RMmillion)



By Property	NPI Margin (%)	
	1Q2022	1Q2021
Sunway REIT Industrial - Shah Alam 1	100%	100%
Industrial & Others Segment	100%	100%

Note: Calculation of variance above varies marginally to 1Q2022 Financial Report in Bursa Malaysia's website due to rounding difference.

PROPERTY DEVELOPMENT ACTIVITIES (1Q2022)



Property Development Activities

	Expansion of Sunway Carnival Shopping Mall	Sunway Resort Hotel Refurbishment
Estimated total property development cost (including land)	RM436.0 million	RM261.0 million
Cummulative cost incurred from initiation to YTD 1Q CY2022	RM289.7 million	RM156.3 million
Expected completion	2Q CY2022	2Q CY2022
NLA (sq. ft.) / Room	Approximately 350,000 sq ft of additional new space.	Additional 20 new guest rooms
Property development activities against enlarged total asset value*	7.4%	

* As per paragraph 8.17 of SC Guidelines on Listed REITs, the aggregate investments in property development activities and real estate under construction must not exceed 15% of the REIT's total asset value.

General Outlook

- International Monetary Fund (IMF) projected the global economic growth to moderate from 6.1% in 2021 to 3.6% in 2022 (*January 2022 forecast: 4.4%*). The downward revision reflects the anticipated impact caused by Ukraine-war which may result in spillover effects globally on commodity prices, supply chain and financial markets.
- Rising inflationary pressure in developed economies has prompted tightening of monetary policy. The United States central bank's policy-setting Federal Open Market Committee (FOMC) raised the Federal Funds rate by 50bps on 4 May 2022, shortly after a 25bps hike in March 2022. The Federal Reserve's hawkish stance was following inflation spiked to 8.5% in March 2022, the highest level in four decades. Inflationary pressure is expected to remain elevated on the back of war-induced supply chain disruptions and commodity price increases.
- Uncertainties surrounding the geopolitical tensions, a sharper-than-anticipated deceleration in China's economic growth due to strict imposition of zero-COVID-19 strategy and potential emergence of new virus strain will pose further downside risks to the global growth.

General Outlook

- The Malaysian economy expanded by 3.1% in 2021, from a contraction of 5.6% in 2020. Growth was primarily supported by resumption of economic activity following the easing of containment measures under the National Recovery Plan.
- Malaysia registered a gross domestic product (GDP) growth of 5.0% in 1Q 2022, underpinned by improving domestic demand as economic activity continued to normalise with the easing of containment measures and strong external demand. Bank Negara Malaysia (BNM) expects the pace of economic recovery in Malaysia to gain traction in 2022. Growth trajectory is supported by expansion in stronger domestic demand, further improvement in the labour market, easing of restrictions, reopening of international borders and implementation of investment projects.
- BNM maintained Malaysia's economic growth forecast for 2022 in the range of 5.3% to 6.3%. Downside risks to Malaysian economy growth stem from weaker-than-expected global growth, a worsening in supply chain disruptions, adverse development surrounding COVID-19 and heightened financial market volatility.

General Outlook

- Headline Consumer Price Index (CPI) averaged at 2.2% in 1Q 2022, reflecting dissipating base effect from lower domestic fuel price in 2021 and the absence of the base effect from electricity tariff rebates in 2020. In an environment of high input costs and improving demand, headline inflation is projected to average between 2.2% and 3.2% in 2022. Further inflationary pressure may stem from commodity price movements and prolonged supply-related disruptions.
- On 11 May 2022, the Monetary Policy Committee (MPC) of BNM raised the Overnight Policy Rate (OPR) by 25bps to 2.00%. MPC cited that the degree of monetary policy tightening shall be implemented in a measured and gradual manner in order to ensure that the monetary policy is supportive of sustaining economic growth. The Manager continues to optimise its capital management strategy and monitor the interest rate environment to mitigate the impact of potential interest rate increase.
- The Manager expects the financial performance of Sunway REIT to improve significantly in FY2022, supported by stronger domestic economic growth, reopening of international borders, new income contribution from Sunway Carnival Mall (new wing) and resumption of income from Sunway Resort Hotel which has commenced operations in phases since May 2022.

Retail Segment

- According to Retail Group Malaysia (RGM), Malaysia's retail industry recorded a spike in growth of 26.5% in 4Q 2021, boosted by festive spending. Despite that, Malaysia's retail sales contracted by 2.3% for the full year of 2021.
- The RGM projected Malaysia' retail sales growth of 6.3% in 2022, an upward revision from the earlier forecast of 6.0% in November 2021. The revision in projection was attributed to the less severe impact of the Omicron variant.
- The MIER's Consumer Sentiment Index (CSI) rose 11.7 points quarter-on-quarter (q-o-q) to 108.9 points in 1Q CY2022 from 97.2 points in 4Q CY2021, above the 100-point optimism level, attributed to the improved confidence among the consumers on the back of positive job and financial expectations in the near-term.
- Retail sales for the retail mall portfolio of Sunway REIT has recovered to near 100% normalcy in 1Q FY2022, compared to same period of pre-pandemic in 2019. The encouraging performance was mainly contributed by stronger consumption during festive seasons, improved labour market sentiment and high percentage of fully vaccinated population.

Retail Segment

- The Manager expects the retail segment to record strong improvement in its financial performance in FY2022, underpinned by stronger domestic economic growth, improved consumer sentiment on the back of stable employment prospects and new income contribution from Sunway Carnival Mall (new wing) upon commencement of operation.
- In addition, rental rebate is anticipated to decline significantly on the back of strong recovery in retail sales to close to pre-pandemic level.

Hotel Segment

- On 1 April 2022, Malaysia reopened its borders to all countries for quarantine-free travel with no mandatory quarantine requirements for fully vaccinated individuals, which augur well to support the recovery of the hotel industry. That said, Malaysian Association of Hotels (MAH) reported that the hotel industry has not seen a significant increase in occupancy since the reopening. MAH expects the hotel industry's average occupancy rate to hover between 30% and 40% in the short term.
- The MIER Business Conditions Index fell 21.0 points to 101.0 points in 1Q CY2022, albeit above 100-point optimism threshold, as a result of the decline in both domestic and external demand as well as capital investment, owing to the geopolitical uncertainty in the near-term.
- Moving forward, the Manager expects domestic leisure and business travel to remain the key driver for the hotel segment in the near term. Meanwhile, international leisure and business travel are expected to gradually pick up. The Manager expects the hotel segment to gradually improve in FY2022, supported by the factors mentioned. In addition, the phased re-opening of Sunway Resort Hotel since May 2022 is anticipated to contribute positively to the performance of the hotel segment in FY2022.

Office Segment

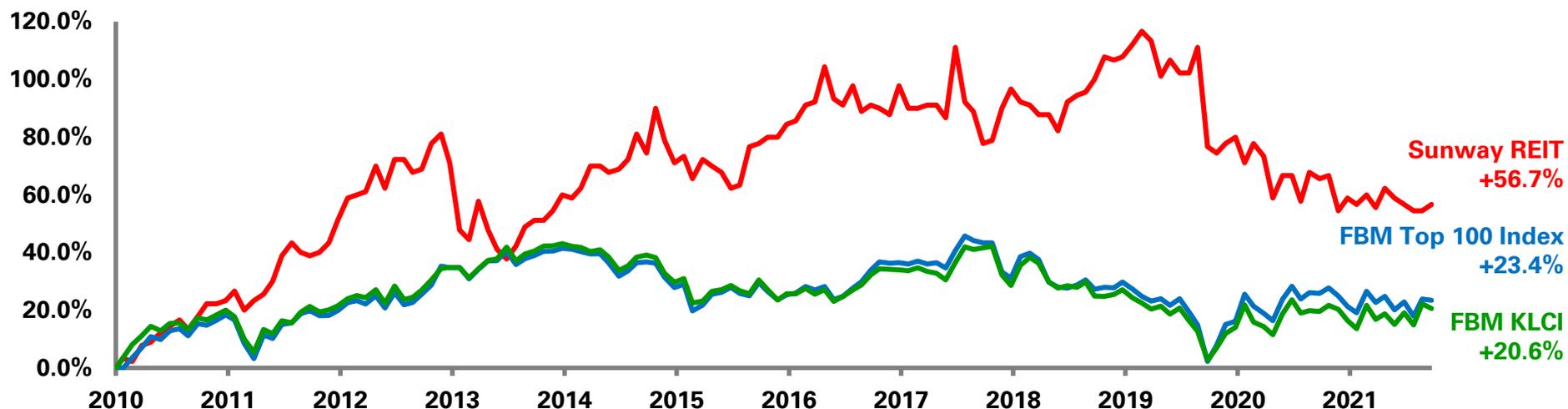
- All sectors of the economy are allowed to operate and 100% of the workforce are able to return to the workplace with the lifting of capacity and operating hours limit for business premises. These relaxations is supportive of business activities.
- Despite that, the existing office environment continues to face challenging situation in staying relevant to the current trend against a competitive supply of office market which had further exert pressure on office rents, which is more prevalent to aged and not-well-maintained office buildings with outdated infrastructures.
- The pandemic has also brought about a change to flexible work arrangements such as work-from-home and split-team arrangements. Notwithstanding that, office occupiers still value the physical office space which is more conducive for interactions, engagements and collaborations.
- The Manager expects the office segment within Sunway REIT's asset portfolio to remain resilient with a largely stable average occupancy rate for office in FY2022.

Industrial & Others Segment

- Malaysia's Industrial Production Index (IPI) grew 5.1% y-o-y in March 2022, largely owing to increase in Manufacturing (+6.9%) and Electricity (+0.8%) index. The rise in manufacturing index was mainly contributed by growth in Electrical & Electronics products (+18.6%), Basic Metal & Fabricated Metal products (+5.6%) and Food, Beverages & Tobacco products (+4.1%).
- The headline IHS Markit Malaysia Manufacturing Purchasing Managers' Index (PMI) registered 50.9 in February 2022 from 50.5 in January 2022, pointing to a stronger improvement in the health of the Malaysian manufacturing sector. The economic growth experienced in 4Q CY2021 is expected to continue its trajectory into CY2022 albeit at a softer pace as the demand-side conditions are limited by supply-side constraints, with prevalent issues of raw material shortages and shipment delays, which are expected to put higher pressure on cost.
- The Manager continues to actively pursue opportunities within this segment to diversify its income base as well as to capitalise on the strong demand for higher-value industries.

Unit Price Performance from IPO to 1Q FY2022

Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 31 March 2022)



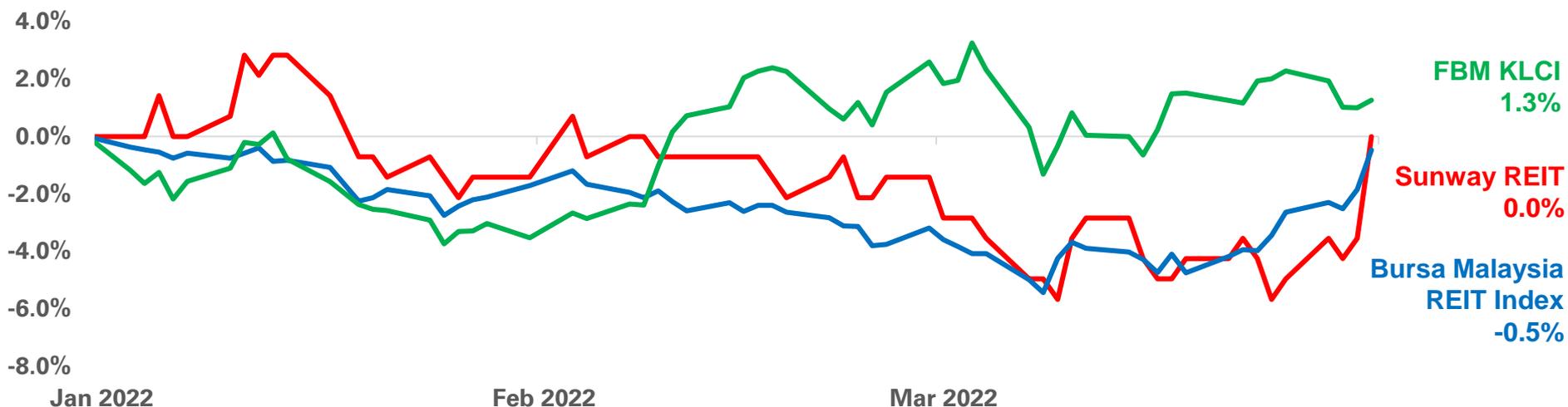
Performance Statistics (8 July 2010 – 31 March 2022)

Unit Price (as at 8 July 2010)	: RM0.90
Closing Price (as at 31 March 2022)	: RM1.41
Highest Price	: RM1.98
Lowest Price	: RM0.88
Daily Average Volume	: 1.96 million units
% Change in Unit Price	: +56.7%
% Change in FBM KLCI	: +20.6%
% Change in FBM Top 100 Index	: +23.4%

Source: Bloomberg

Unit Price YTD Performance for FY2022

Unit Price Performance of Sunway REIT versus Benchmarks (1 Jan 2022 – 31 Mar 2022)



Performance Statistics (1 Jan 2022 – 31 March 2022)

Unit Price (as at 1 Jan 2022)	: RM1.41
Closing Price (as at 31 March 2022)	: RM1.41
Highest Price	: RM1.46
Lowest Price	: RM1.32
Daily Average Volume	: 1.68 million units
% Change in Unit Price	: 0.0%
% Change in FBM KLCI	: +1.3%
% Change in Bursa Malaysia REIT Index	: -0.5%

Source: Bloomberg

Indices Representation



- FTSE Bursa Malaysia Mid 70 Index
- FTSE Bursa Malaysia Top 100 Index

- FTSE Bursa Malaysia Emas Index
- Bursa Malaysia REIT Index



- FTSE ASEAN All-Share Index
- FTSE ASEAN All-Share ex Developed Index

- FTSE ASEAN Malaysia Index



FTSE4Good

- FTSE4Good Bursa Malaysia Index



- GPR APREA Composite REIT Index – Malaysia



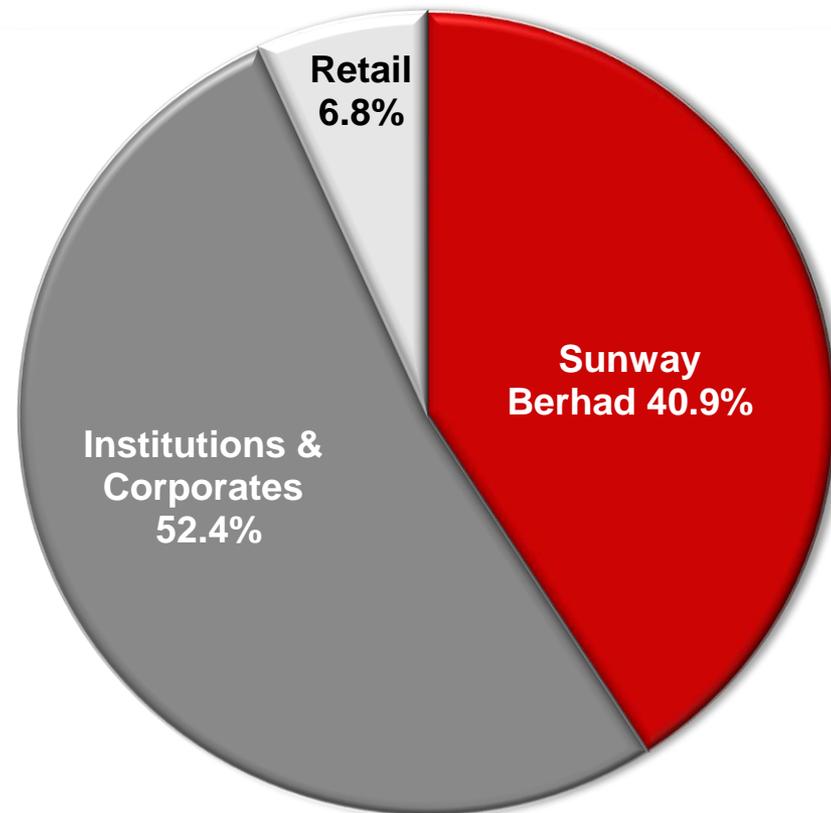
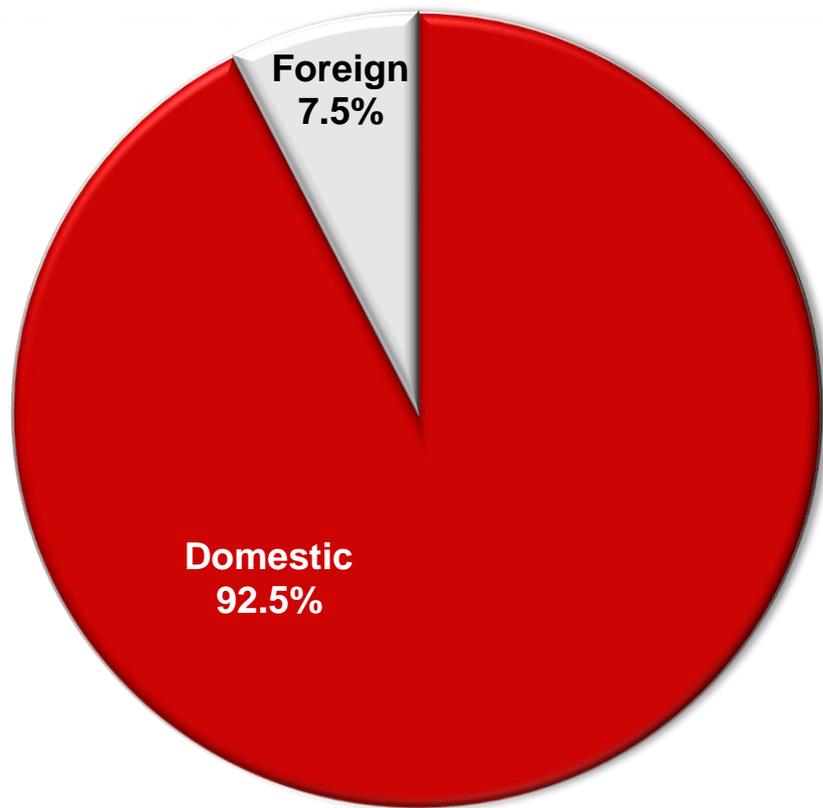
- FTSE EPRA NAREIT Global REIT Index
- FTSE EPRA NAREIT Global Index
- FTSE EPRA NAREIT Asia ex Japan

- FTSE EPRA NAREIT Asia Pacific Index
- FTSE EPRA NAREIT Emerging REIT Index



- MSCI Malaysia Small Cap Index

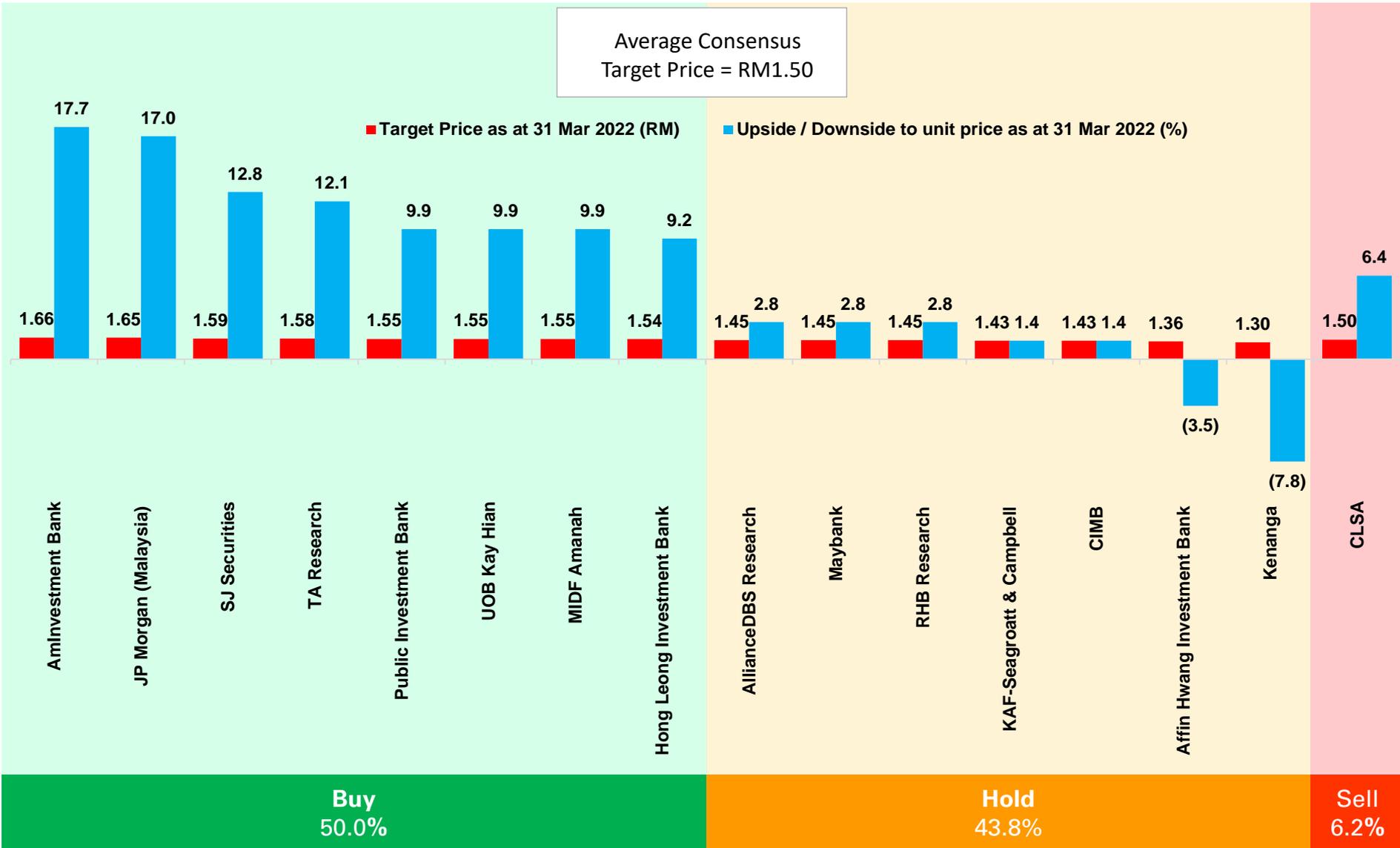
Unitholders' Composition (as at 31 March 2022)



	March 2022	December 2021	Q-o-Q Change
No of unitholders	30,043	29,069	+974 (+3.4%)
Retail unitholders	6.8%	6.2%	+0.6%
Foreign unitholders	7.5%	7.3%	+0.2%
Sunway Berhad	40.9%	40.9%	Unchanged

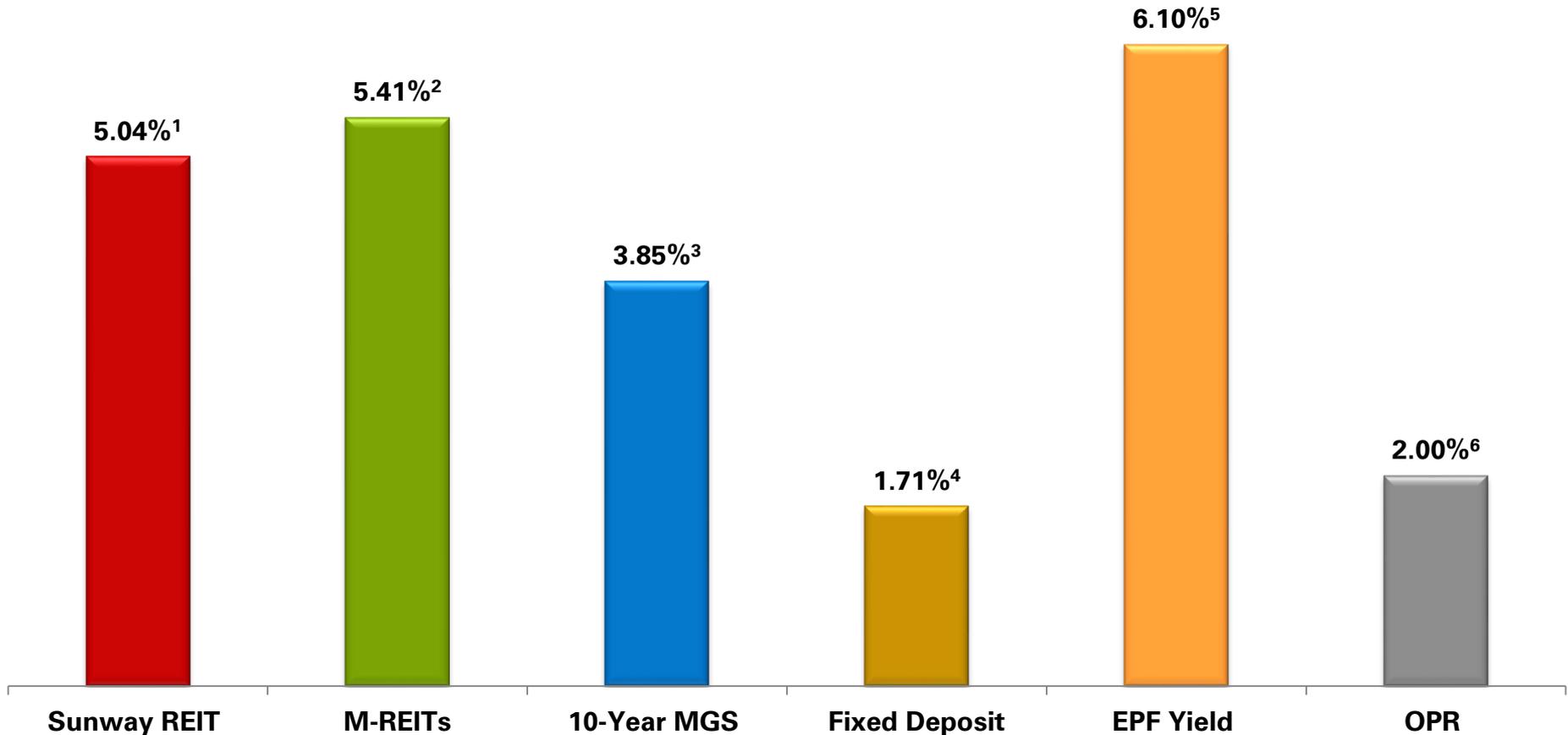
Source: Sunway REIT

Analysts Recommendation (as at 31 March 2022)



Source: Bloomberg and various research firms

Comparative Yields for Various Assets (as at 31 March 2022)



Note:

¹ Distribution yield is computed based on consensus FY2022 DPU of 7.10 sen and unit price of RM1.41 as at 31 March 2022 (Source: Bloomberg)

² Information based on consensus FY2022 DPU forecast and unit prices of M-REITs as at 31 March 2022 (Source: Bloomberg)

³ Information as at 31 March 2022 (Source: Bank Negara Malaysia)

⁴ 12-Month Fixed Deposit rates offered by commercial banks as at 31 March 2022 (Source: Bank Negara Malaysia)

⁵ Dividend yield declared by Employees Provident Fund for the year 2021 (Source: Employees Provident Fund)

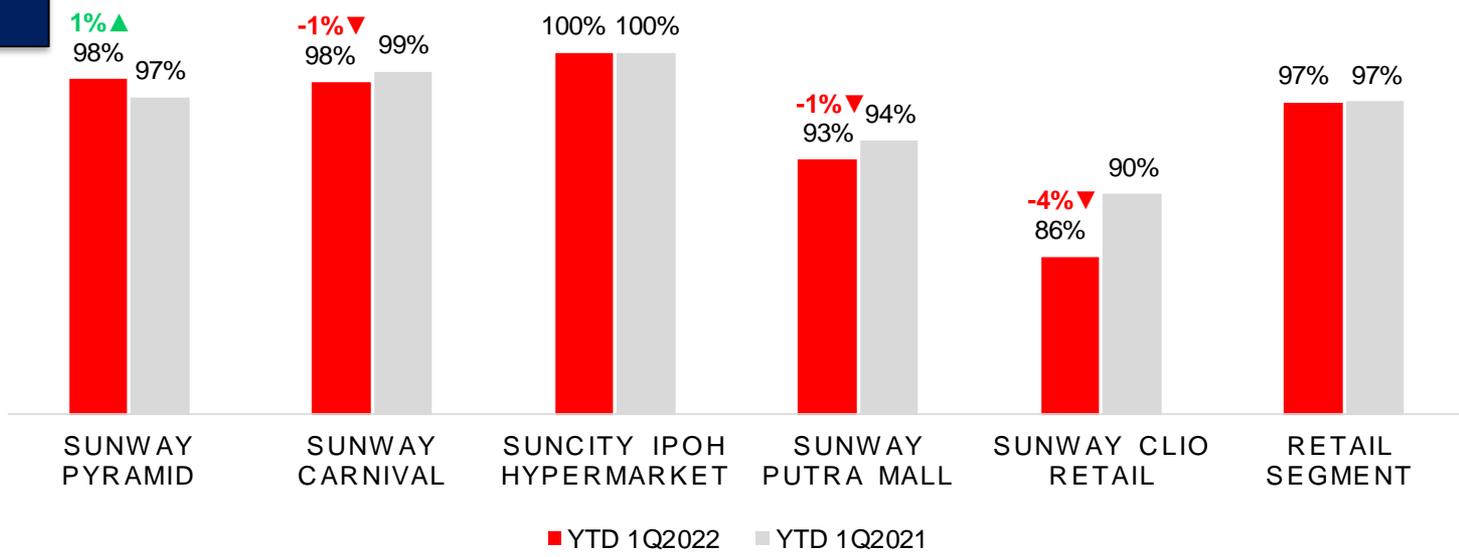
⁶ Overnight Policy Rate as at 11 May 2022 (Source: Bank Negara Malaysia)

APPENDIX: PROPERTY PERFORMANCE (YTD 1Q2022)



Average Occupancy Rate (YTD 1Q2022)

RETAIL



Sunway Pyramid Shopping Mall

YTD 1Q2022 average occupancy rate for Sunway Pyramid increased marginally to 98%.

Sunway Carnival Shopping Mall

YTD 1Q2022 average occupancy rate for Sunway Carnival reduced marginally to 98%.

SunCity Ipoh Hypermarket

Occupied by single tenant, TF Value-Mart, which commenced business in June 2020.

Sunway Putra Mall

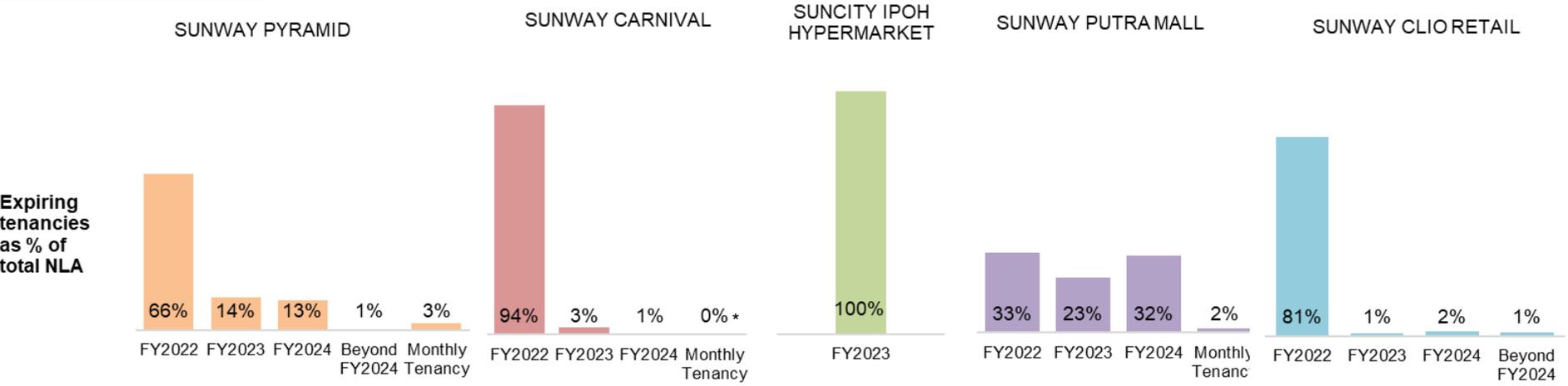
YTD 1Q2022 average occupancy rate for Sunway Putra Mall dropped marginally due to downsizing and relocation of existing tenant.

Sunway Clio Retail

YTD 1Q2022 average occupancy rate for Sunway Clio Retail dropped to 86% due to termination of non-performing tenant in August 2021.

Projected Lease Expiry Schedule

RETAIL



Sunway Pyramid Shopping Mall

Based on the total net lettable area (NLA) of 1,318,755 sq. ft. due for renewal in 2022, a total of 20,884 sq. ft. equivalent to 1.6% of total space due for renewal, was successfully renewed or replaced in 1Q2022.

Sunway Carnival Shopping Mall

Based on the total NLA of 410,072 sq. ft. due for renewal in 2022, a total of 8,720 sq. ft. equivalent to 2.1% of total space due for renewal, was successfully renewed or replaced in 1Q2022.

SunCity Ipoh Hypermarket

Occupied by single tenant, TF Value-Mart, with the first tenancy term expiring in June 2023.

Sunway Putra Mall

Based on the total NLA of 197,105 sq. ft. due for renewal in 2022, a total of 5,903 sq. ft. equivalent to 3.0% of total space due for renewal, was successfully renewed or replaced in 1Q2022.

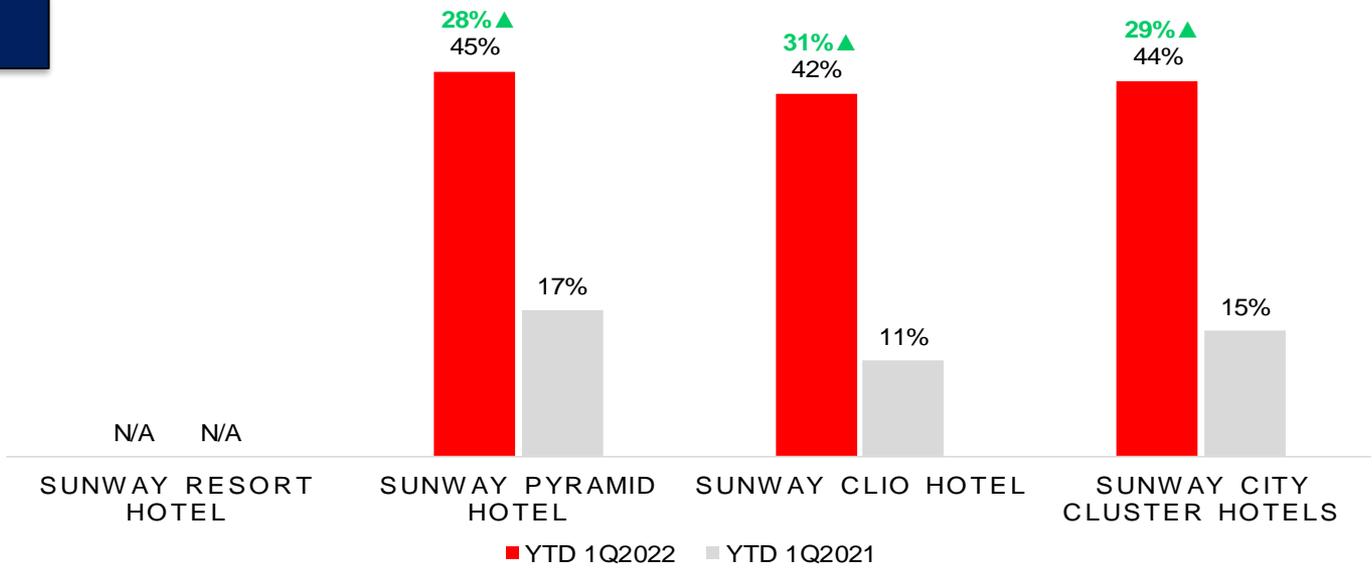
Sunway Clio Retail

Based on total NLA of 75,585 sq. ft. due for renewal in 2022, a total of 2,255 sq. ft. equivalent to 3.0% of total space due for renewal, was successfully renewed or replaced in 1Q2022.

* Less than 0.5%

Average Occupancy Rate (YTD 1Q2022)

HOTEL



Sunway Resort Hotel

Note 1: The master lease of Sunway Resort Hotel is expiring in July 2030.

Sunway Resort Hotel is closed for refurbishment commencing July 2020 with expected phased reopening in 1H2022. The other 2 cluster hotels in Sunway City, consisting of Sunway Pyramid Hotel and Sunway Clio Hotel, recorded a combined YTD 1Q2022 average occupancy rate of 44% (YTD 1Q2021: 15%) due to relaxation of restrictions on interstate, district and inbound travel, group and corporate events under NRP Phase 4 compared to MCO2.0 in Selangor for YTD 1Q2021.

Sunway Pyramid Hotel

Note 1: The master lease of Sunway Pyramid Hotel is expiring in July 2030.

Sunway Pyramid Hotel recorded growth in YTD 1Q2022 average occupancy rate (+28%) due to relaxation of restrictions on interstate, district and inbound travel, group and corporate events under NRP Phase 4 compared to MCO2.0 in Selangor for YTD 1Q2021.

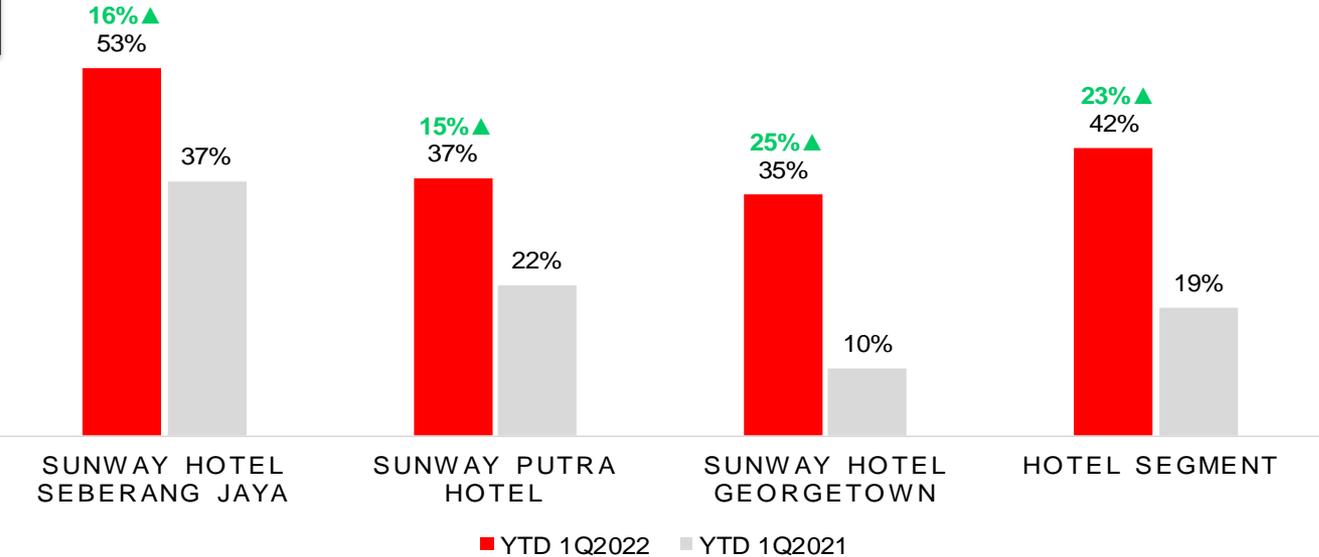
Sunway Clio Hotel

Note 1: The master lease of Sunway Clio Hotel is expiring in February 2028.

Sunway Clio Hotel recorded growth in YTD 1Q2022 average occupancy rate (+31%) due to relaxation of restrictions on interstate, district and inbound travel, group and corporate events under NRP Phase 4 compared to MCO2.0 in Selangor for YTD 1Q2021.

Average Occupancy Rate (YTD 1Q2022) (Cont'd)

HOTEL



Sunway Hotel Seberang Jaya

Note 1: The master lease of Sunway Hotel Seberang Jaya is expiring in July 2030.

Sunway Hotel Seberang Jaya recorded growth in YTD 1Q2022 average occupancy rate (+16%) due to relaxation of restrictions on interstate, district and inbound travel, group and corporate events under NRP Phase 4 compared to MCO2.0 in Penang for YTD 1Q2021.

Sunway Putra Hotel

Note 1: The master lease of Sunway Putra Hotel is expiring in September 2031.

Sunway Putra Hotel recorded growth in YTD 1Q2022 average occupancy rate (+15%) due to relaxation of restrictions on interstate, district and inbound travel, group and corporate events under NRP Phase 4 compared to MCO2.0 in KL for YTD 1Q2021.

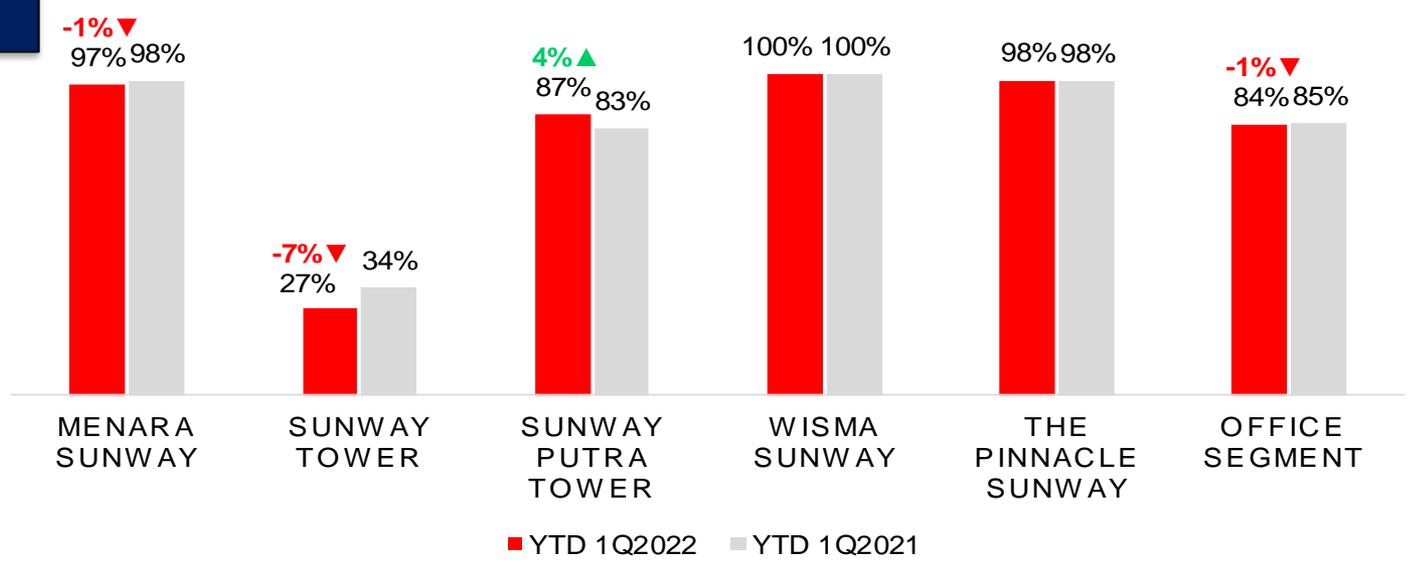
Sunway Hotel Georgetown

Note 1: The master lease of Sunway Hotel Georgetown is expiring in January 2025.

Sunway Hotel Georgetown recorded growth in YTD 1Q2022 average occupancy rate (+25%) due to relaxation of restrictions on interstate, district and inbound travel, group and corporate events under NRP Phase 4 compared to MCO2.0 in Penang for YTD 1Q2021.

Average Occupancy Rate (YTD 1Q2022)

OFFICE



Menara Sunway

YTD 1Q2022 average occupancy rate for Menara Sunway reduced to 97% due to downsizing of space from an existing tenant with effective from December 2021.

Sunway Tower

YTD 1Q2022 average occupancy rate for Sunway Tower dropped to 27% due to termination of tenants with effective from October and December 2021, partially offset by the commencement of new tenant in February 2022.

Sunway Putra Tower

YTD 1Q2022 average occupancy rate for Sunway Putra Tower increased to 87% due to commencement of new tenants effective February and March 2022.

Wisma Sunway

YTD 1Q2022 average occupancy rate for Wisma Sunway maintained at 100%.

The Pinnacle Sunway

YTD 1Q2022 average occupancy rate for The Pinnacle Sunway maintained at 98%.

Projected Lease Expiry Schedule

OFFICE

MENARA SUNWAY

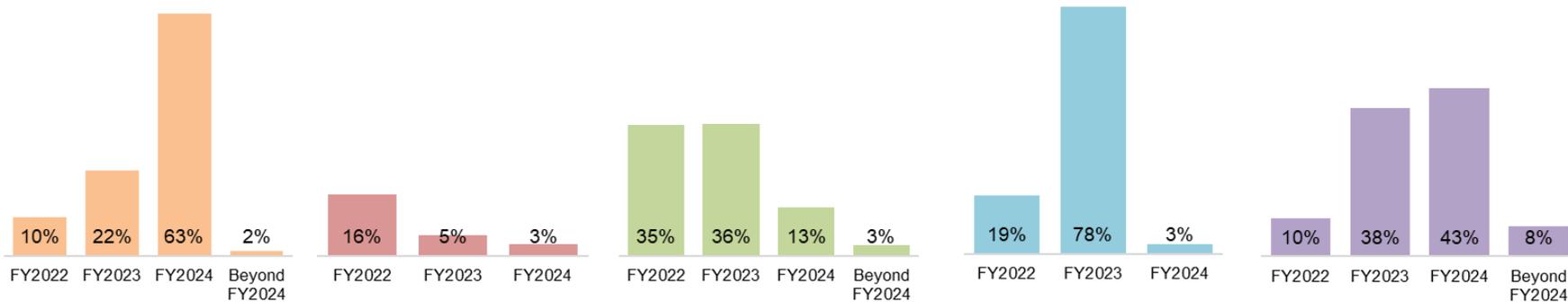
SUNWAY TOWER

SUNWAY PUTRA TOWER

WISMA SUNWAY

THE PINNACLE SUNWAY

Expiring tenancies as % of total NLA



Menara Sunway

Based on the total NLA of 34,024 sq. ft. due for renewal in 2022, a total of 4,467 sq. ft. equivalent to 13.1% of total space due for renewal, was successfully renewed or replaced in 1Q2022.

Sunway Tower

Based on the total NLA of 43,058 sq. ft. due for renewal in 2022, no tenancies were due for renewal or replacement in 1Q2022.

Sunway Putra Tower

Based on the total NLA of 112,144 sq. ft. due for renewal in 2022, a total of 34,353 sq. ft. equivalent to 30.6% of total space due for renewal, was successfully renewed or replaced in 1Q2022.

Wisma Sunway

Based on the total NLA of 31,984 sq. ft. due for renewal in 2022, no tenancies were due for renewal or replacement in 1Q2022.

The Pinnacle Sunway

Based on the total NLA of 99,379 sq. ft. due for renewal in 2022, a total of 41,651 sq. ft. equivalent to 41.9% of total space due for renewal, was successfully renewed or replaced in 1Q2022.