

# **SUNWAY**<sup>®</sup>

**REIT**

## **FINANCIAL RESULTS**

**Quarter 2 ended 30 June 2023**

**(FYE 31 December 2023)**

**Date: 17 August 2023**



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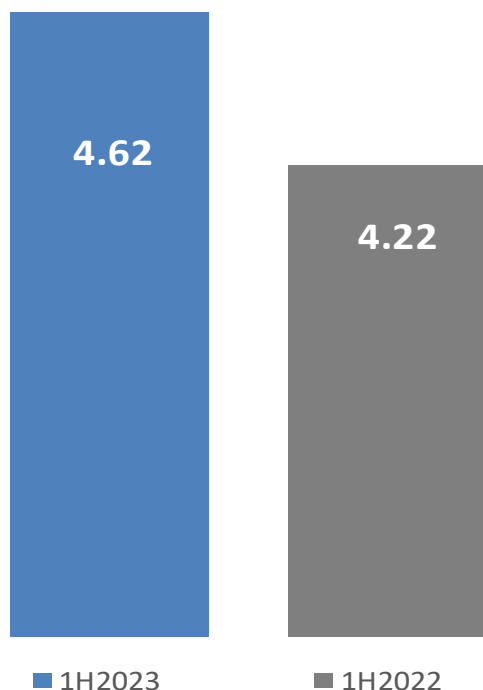
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# FINANCIAL HIGHLIGHTS (Q2 2023)



# Distribution Per Unit (“DPU”)

## DPU (sen)



 **1H2023 DPU**  
**9.5% y-o-y**

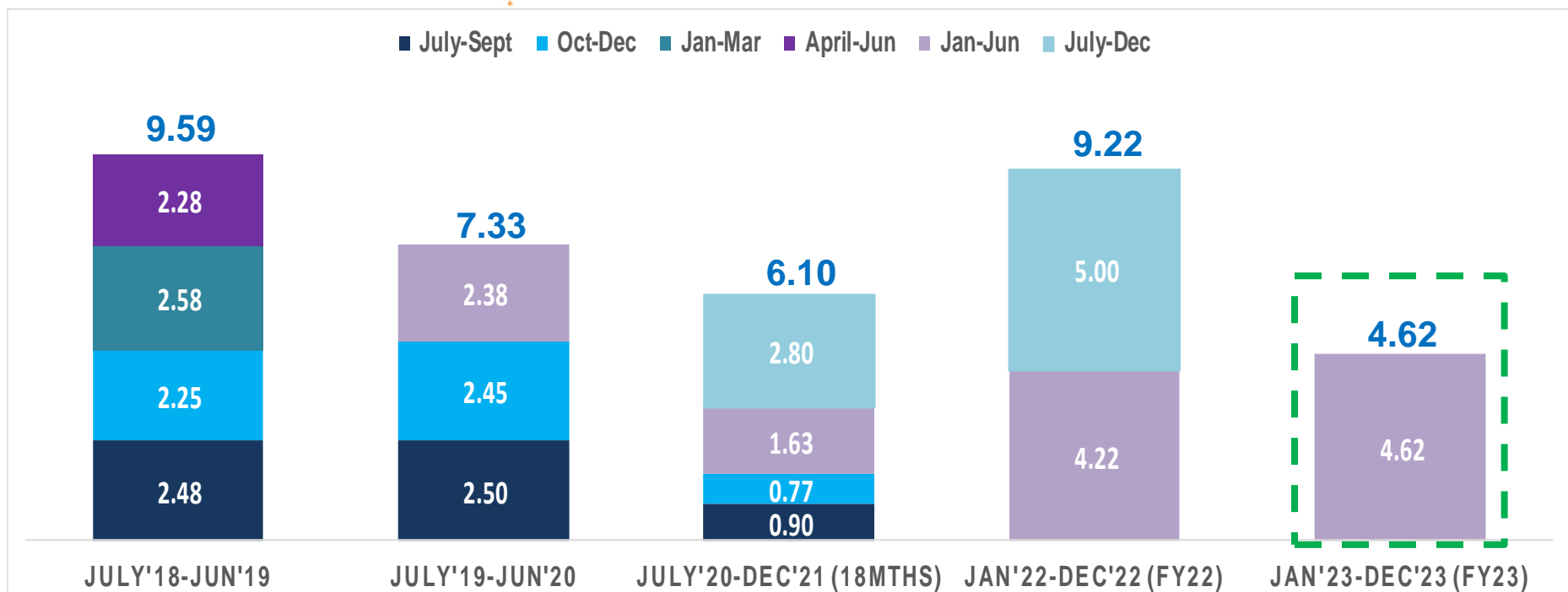
## Details of Income Distribution

Distribution Period	1 January 2023- 30 June 2023
Distribution Per Unit (DPU) (sen)	4.62
Notice of Entitlement	17 August 2023
Ex-Dividend Date	30 August 2023
Book Closure Date	1 September 2023
Payment Date	15 September 2023

DPU for 1H2023 was higher by 0.40 sen mainly due to:-

- i) NPI improvement contributed by the retail segment resulting from higher retail footfall and encouraging tenant sales, higher rental from hotel segment following the phased reopening of Sunway Resort Hotel in May 2022 and better performance in Sunway Pyramid Hotel, Sunway Putra Hotel and Sunway Hotel Seberang Jaya Hotel, partially offset by no guaranteed rent from Sunway Hotel Georgetown and Sunway Lagoon Hotel as they had met the minimum guaranteed rent as well as cessation of guaranteed NPI for Sunway Lagoon Hotel since February 2022; and
- ii) Distribution payout ratio increased from 95% in 1H2022 to 100% in 1H2023.

# 5-Years DPU



**5-Year DPU CAGR**  
**-0.5%**

**Distribution Yield**  
**6.0%<sup>^</sup>**

(Based on unit price of RM1.56 as at 30 June 2023)

<sup>^</sup> This is derived from annualised distributable income of 9.34 sen per unit (based on distributable income for YTD Q2 2023 of 4.63 sen per unit).

# Financial Highlights – Q2 2023

Highlights	Q2 2023	Q2 2022
No. of Properties	20	19
Property Value (RM'billion)	9.165 <sup>@</sup>	8.959
Units in Circulation (Units)	3,424,807,700	3,424,807,700
Unit Price as at 30 June 2023/2022 (RM)	1.56	1.49
Market Capitalisation (RM'billion)	5.343	5.103
Net Asset Value ("NAV") Per Unit (RM) (after income distribution)	1.4651 <sup>#</sup>	1.4759 <sup>#</sup>
Premium to NAV	6.5%	1.0%
Distribution Yield	6.0% <sup>^</sup>	6.0%
Management Expense Ratio (after income distribution)	0.89%	0.82%
Total Return	12.8%	11.7%
Gearing	38.1%	36.8%
% of Fixed Rate Borrowings	37%	32%

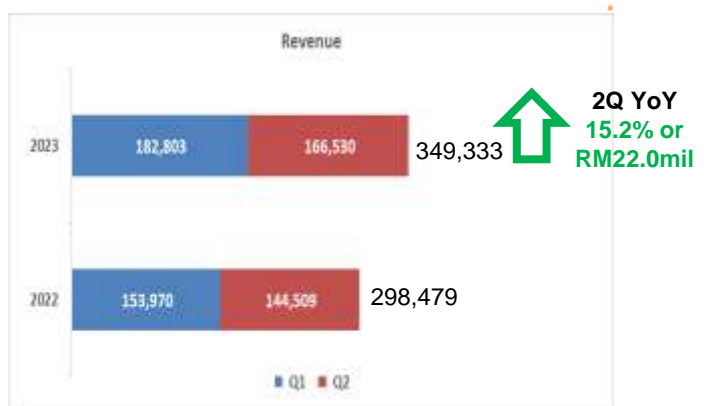
<sup>@</sup> Including Non-Current Asset Held For Sale on the proposed disposal of Sunway Medical Centre (Tower A & B) as announced on 29 December 2022 ("Proposed Disposal").

<sup>#</sup> After proposed income distribution of 4.62 sen per unit for 1H2023 (1H2022: Interim income distribution of 4.22 sen per unit).

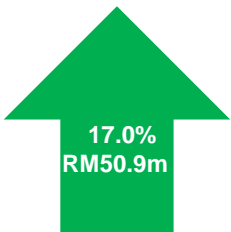
<sup>^</sup> This is derived from annualised distributable income of 9.34 sen per unit (based on distributable income for YTD Q2 2023 of 4.63 sen per unit).

# Financial Highlights Q2 2023 vs Q2 2022 (QTD & YTD)

Reported in RM'000



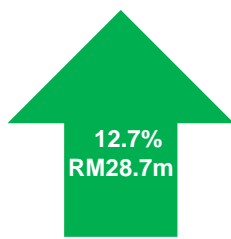
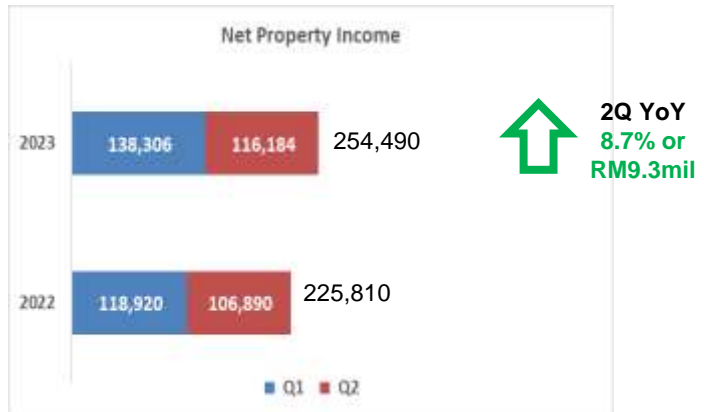
YTD  
Variance



## YTD Q2 2023

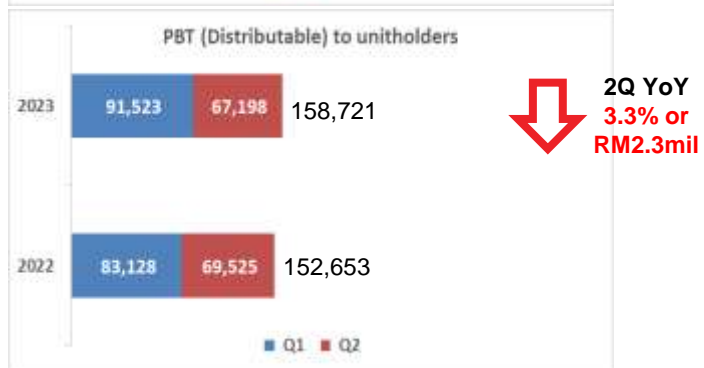
Higher **Revenue** was mainly contributed by:

- retail segment from encouraging tenant sales; and
- hospitality segment from gradual recovery of the tourism industry and rental contribution from Sunway Resort Hotel and Sunway Pyramid Hotel following the phased re-opening of Sunway Resort Hotel in May 2022.



## Q2 2023 and YTD Q2 2023

Higher **NPI** was in line with increased in revenue. Overall, all segments operating expenses were also impacted by the increased of ICPT charges evident from lower NPI Margin (YTD Q2 2023 : 73% vs YTD Q2 2022 : 76%).



## YTD Q2 2023

**PBT (Distributable)** to unitholders was higher in line with higher NPI, partially offset by increased finance costs from the full impact of 100 bps OPR hike in FY2022 and 25bps hike in May 2023.

## Q2 2023

Interest increased by 11m vs higher NPI by 9m.

# FINANCIAL RESULTS (Q2 2023)





# Statement of Comprehensive Income – Consolidated

	Q2 2023 RM'000	Q2 2022 RM'000	Change %	YTD 2023 RM'000	YTD 2022 RM'000	Change %
Revenue	166,530	144,509	15.2%	349,333	298,479	17.0%
Property operating expenses	(50,346)	(37,619)	33.8%	(94,843)	(72,669)	30.5%
<b>Net property income</b>	<b>116,184</b>	<b>106,890</b>	<b>8.7%</b>	<b>254,490</b>	<b>225,810</b>	<b>12.7%</b>
Interest income	1,233 <sup>1</sup>	1,042	18.3%	3,299	2,310	42.8%
Other income	265	24	>100%	295	42	>100%
Changes in fair value of investment properties	-	-	N/A	-	18,268 <sup>2</sup>	-100%
Manager's fees	(10,539) <sup>3</sup>	(10,087)	4.5%	(21,665) <sup>3</sup>	(20,450)	5.9%
Trustee's fees	(194)	(194)	0.0%	(384)	(384)	0.0%
Other trust expenses	(746)	(401)	86.0%	(1,505)	(1,133)	32.8%
Finance costs	(34,011) <sup>4</sup>	(22,766)	49.4%	(65,881) <sup>4</sup>	(43,637)	51.0%
<b>Profit before tax</b>	<b>72,192</b>	<b>74,508</b>	<b>-3.1%</b>	<b>168,649</b>	<b>180,826</b>	<b>-6.7%</b>
Taxation	-	-	N/A	-	-	N/A
<b>Profit for the period</b>	<b>72,192</b>	<b>74,508</b>	<b>-3.1%</b>	<b>168,649</b>	<b>180,826</b>	<b>-6.7%</b>
Profit for the period comprises the following:						
Realised						
- Unitholders	67,198	69,525	-3.3%	158,721	152,653	4.0%
- Perpetual note holders	4,959	4,959	0.0%	9,863	9,863	0.0%
Unrealised	35	24	45.8%	65	18,310	-99.6%
	72,192	74,508	-3.1%	168,649	180,826	-6.7%
Units in circulation (million units)	3,425	3,425	0.0%	3,425	3,425	0.0%
Basic earnings per unit attributable to unitholders (sen):						
Realised	1.96	2.03	-3.4%	4.63	4.46	3.8%
Unrealised	-	-	N/A	-	0.53	-100.0%
	1.96	2.03	-3.4%	4.63	4.99	-7.2%
<b>Distributable income</b>	<b>67,198</b>	<b>69,525</b>	<b>-3.3%</b>	<b>158,721</b>	<b>152,653</b>	<b>4.0%</b>
<b>Proposed/declared income distribution</b>	<b>158,226</b>	<b>144,527</b>	<b>9.5%</b>	<b>158,226</b>	<b>144,527</b>	<b>9.5%</b>
<b>Distributable income per unit (sen)</b>	<b>1.96</b> <sup>5</sup>	<b>2.03</b>	<b>-3.4%</b>	<b>4.63</b>	<b>4.46</b>	<b>3.8%</b>
<b>Proposed/declared DPU (sen)</b>	<b>4.62</b> <sup>6</sup>	<b>4.22</b>	<b>9.5%</b>	<b>4.62</b>	<b>4.22</b>	<b>9.5%</b>

# Statement of Comprehensive Income – Consolidated (Cont'd)

1. **Interest income** for Q2 2023 was higher compared to Q2 2022 resulting from higher placement rate with 100bps OPR hike in FY 2022.
2. **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 Sunway Pier in January 2022.
3. **Manager's fees** was higher in Q2 2023 compared to Q2 2022 resulting from higher NPI for the quarter.
4. **Finance costs** for Q2 2023 was higher compared to Q2 2022 mainly due to higher average interest rate (3.69% vs 2.71%), as a result of full impact from 100 bps OPR hike in FY 2022 and 25bps hike in May 2023.
5. **Distributable income per unit** represents realised income attributable to unitholders and distribution adjustments, if any.
6. **Proposed/declared DPU** was 4.62 sen for 1H2023.

# Statement of Financial Position – Consolidated

	30.06.2023 (Unaudited)	31.12.2022 (Audited)
	RM'000	RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties	8,686,934 <sup>1</sup>	8,622,501
Investment properties - accrued lease income	48,499 <sup>2</sup>	48,499
Plant and equipment	17,966	15,781
Right-of-use asset	757 <sup>3</sup>	795
	<u>8,754,156</u>	<u>8,687,576</u>
<b>Current assets</b>		
Trade receivables	28,987 <sup>4</sup>	25,156
Other receivables	75,396 <sup>5</sup>	19,401
Derivatives	18,954 <sup>6</sup>	-
Cash and bank balances	141,739 <sup>7</sup>	251,238
	<u>265,076</u>	<u>295,795</u>
Non-current asset held for sale	430,000 <sup>8</sup>	430,000
<b>Total assets</b>	<b>9,449,232</b>	<b>9,413,371</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Unitholders' capital	3,433,864	3,433,864
Undistributed income	1,741,979	1,754,397
Total unitholders' funds	<u>5,175,843</u>	<u>5,188,261</u>
Perpetual note holders' funds	339,717	339,717
Total equity	<u>5,515,560</u>	<u>5,527,978</u>
<b>Non-current liabilities</b>		
Borrowings	2,000,000	1,900,000
Long term liabilities	90,028	84,964
Deferred tax liability	11,631	11,631
Lease liability	822 <sup>3</sup>	822
	<u>2,102,481</u>	<u>1,997,417</u>
<b>Current liabilities</b>		
Borrowings	1,598,809	1,636,777
Trade payables	2,645	16,746
Other payables	218,937	218,027
Derivatives	-	5,610
Deferred tax liability	10,777 <sup>8</sup>	10,777
Lease liability	23 <sup>3</sup>	39
	<u>1,831,191</u>	<u>1,887,976</u>
Total liabilities	<u>3,933,672</u>	<u>3,885,393</u>
<b>Total equity and liabilities</b>	<b>9,449,232</b>	<b>9,413,371</b>

	30.06.2023 (Unaudited)	31.12.2022 (Audited)
Units in circulation ('000 units)	3,424,808	3,424,808
<b>Net Asset Value ("NAV") attributable to unitholders (RM'000):</b>		
Before income distribution	5,175,843	5,188,261
After income distribution *	5,017,617	5,017,021
<b>NAV per unit attributable to unitholders (RM):</b>		
Before income distribution	1.5113	1.5149
After income distribution *	1.4651	1.4649

\* After proposed income distribution of 4.62 sen per unit for semi-annual period ended 30 June 2023 (31 December 2022: final income distribution of 5.00 sen per unit).

# Statement of Financial Position – Consolidated (Cont'd)

1. **Investment properties** increased by RM64.4 million mainly resulting from the on-going finalisation of accounts for the completed Sunway Carnival Mall expansion and balance work for Sunway Resort Hotel.
2. **Investment properties – accrued lease income** is in relation to unbilled lease income receivable pursuant to MFRS 16 Leases.
3. **Right-of-use asset and Lease liability** is for a 12-year land lease from State Government of Penang for carpark purposes in accordance to MFRS 16 Leases.
4. **Trade receivables** was higher by RM3.8 million mainly due to higher turnover rent from the retail segment and higher rental from hotel segment following the gradual recovery of the tourism industry.
5. **Other receivables** was higher mainly due to earnest deposit paid for the proposed acquisition of 6 hypermarkets.
6. **Derivatives** of RM19.0 million was in relation to 1-year USD-MYR CCS contract for the revolving loan (USD).
7. The decrease in **cash and bank balances** was mainly due to CAPEX paid for Sunway Carnival Mall expansion and Sunway Resort Hotel refurbishment as well as deposit paid for the proposed acquisition of 6 hypermarkets.
8. **Non-current asset held for sale** was in relation to the Proposed Disposal. RPGT impact on the Proposed Disposal was recognised under **deferred tax liability** of RM10.8 million.

# Statement of Cash Flows – Consolidated

	Cumulative Quarter ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	363,540	307,169
Refundable security deposits (to)/from customers	(2,032)	5,736
Cash paid for operating expenses	(140,742)	(99,901)
Net cash from operating activities <sup>1</sup>	220,766	213,004
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(3,848)	(2,141)
Deposit for acquisition of investment properties	(45,760)	(6,005)
Balance payment for acquisition of investment properties	-	(30,690)
Incidental costs on acquisition of investment properties	-	(2,632)
Subsequent expenditure of investment properties	(77,489)	(159,740)
Investment in short term money market instrument	-	(330,000)
Redemption of short term money market instrument	-	300,000
Net cash flows to licensed financial institutions with maturity of over 3 months	(85,000)	-
Interest received	3,947	2,777
Net cash used in investing activities <sup>2</sup>	(208,150)	(228,431)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of commercial papers	130,000	190,000
Proceeds from issuance of unrated medium term notes	300,000	700,000
Drawdown of revolving loan - USD	200,267	292,552
Drawdown of revolving loan	100,000	90,000
Repayment of commercial papers	(100,000)	(90,000)
Repayment of unrated medium term notes	(300,000)	(800,000)
Repayment of revolving loan - USD	(292,552)	(384,893)
Interest paid	(63,672)	(44,317)
Distribution paid to unitholders	(171,240)	(95,895)
Distribution paid to perpetual note holders	(9,918)	(9,918)
Net cash used in financing activities <sup>3</sup>	(207,115)	(152,471)
Net decrease in cash and cash equivalents	(194,499)	(167,898)
Cash and cash equivalents at beginning of year	251,238	290,543
<b>Cash and cash equivalents at end of period</b>	<b>56,739</b>	<b>122,645</b>
Cash and bank balances	141,739	122,645
Deposits with licensed financial institutions with maturity of over 3 months	(85,000)	-
Cash and cash equivalents	56,739	122,645
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	26,739	43,645
Deposits placed with licensed financial institutions	115,000	79,000
Cash and bank balances <sup>4</sup>	141,739	122,645

**1 Net cash from operating activities** for Q2 2023 of RM220.8 million mainly comprise of cash receipt from lessees and tenants partially offset by cash paid for operating expenses and refundable deposits to tenants.

**2 Net cash used in investing activities** for Q2 2023 of RM208.2 million was mainly for the earnest deposit paid for the proposed acquisition of 6 hypermarkets, progress payments for refurbishment works at Sunway Resort Hotel and Sunway Carnival Mall expansion, as well as placement with licensed financial institutions.

**3 Net cash used in financing activities** for Q2 2023 of RM207.1 million was mainly resulting from income distribution paid to unitholders of RM171.2 million and interest paid of RM63.7 million, partially offset by net drawdown of RM37.7 million to fund the capital expenditures as mentioned in Note 2 above.

**4 Cash and bank balances** as at 30 June 2023 and 30 June 2022 stood at RM141.7 million and RM122.6 million respectively. The increase in cash and bank balances was mainly resulting from higher net cash from operating activities and lower cash used in investing activities as mentioned in Note 1 and 2 above.

# Financing Profile as at 30 June 2023

	Facility Limit RM'mil	Utilised Amount RM'mil
Revolving loan (USD)	USD 75	219.3 <sup>1</sup>
Commercial Paper	3,000.0	30.0 <sup>2</sup>
Unrated MTNs	10,000.0	1,350.0 <sup>3</sup>
<b>Total Current</b>		<b>1,599.3</b>
Revolving Loan (RM)	2,000.0	1,990.0 <sup>2</sup>
Unrated MTNs	10,000.0	10.0 <sup>3</sup>
<b>Total Non Current</b>		<b>2,000.0</b>
Amortization of CP expenses		(0.2)
Discount on CP issuance		(0.3)
<b>Total Gross Borrowings</b>		<b>3,598.8</b>

	Financial Covenants	30 June 2023
Average cost of debt		3.69%
Average maturity period (Years)		1.7
Interest Service Cover Ratio (ISCR)	min 1.5 X	3.3 X
Gearing ratio (per SC Guidelines)	below 50%	38.1%

<sup>1</sup> Amount outstanding for revolving loan (drawn in USD47.0 million) facility includes unrealised foreign currency translation loss of RM19.0 million. The loan is fully hedged with 1-year cross currency swap contract until 11 March 2024.

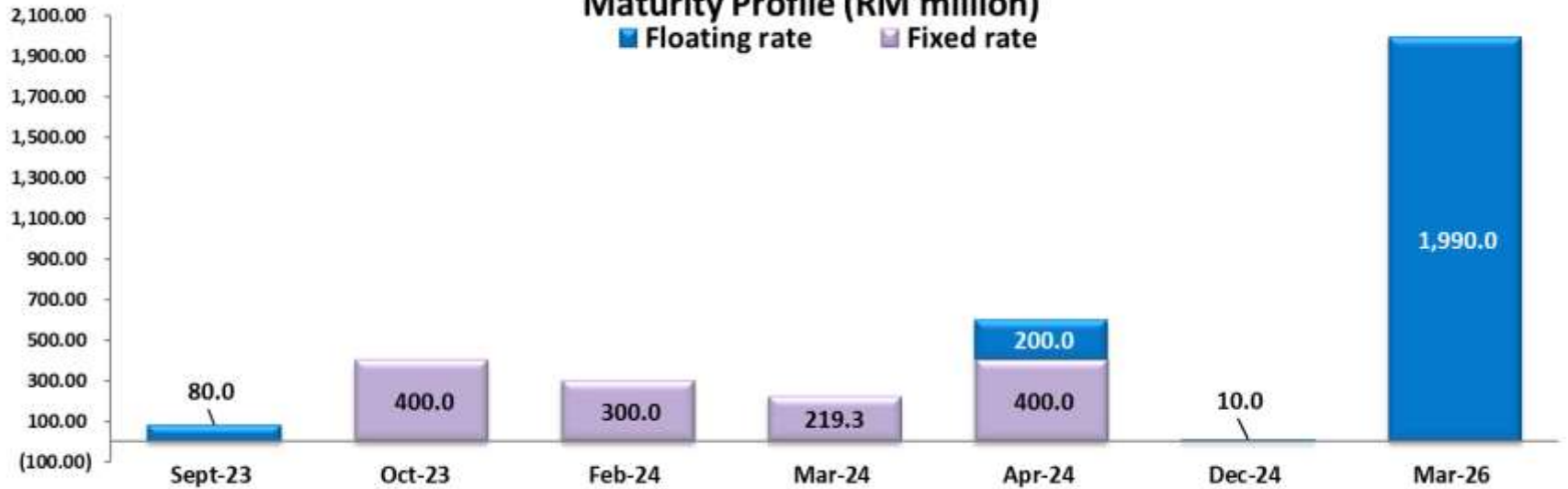
<sup>2</sup> The revolving loan is classified as non-current based on the tenor/repayment terms of 7 years due in March 2026.

<sup>3</sup> 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.

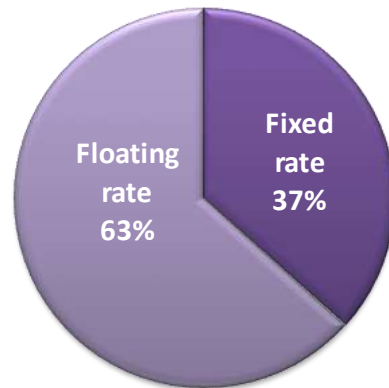
# Financing Profile as at 30 June 2023 (Cont'd)

Maturity Profile (RM'million)

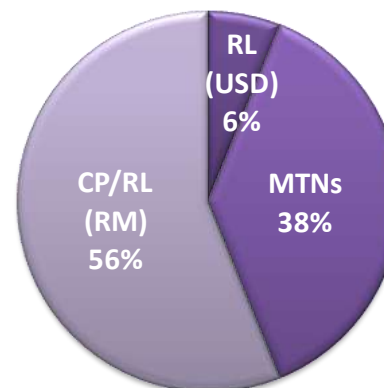
■ Floating rate    ■ Fixed rate



Fixed vs Floating Rate



Sources of Debt







# SEGMENTAL FINANCIAL RESULTS (Q2 2023)



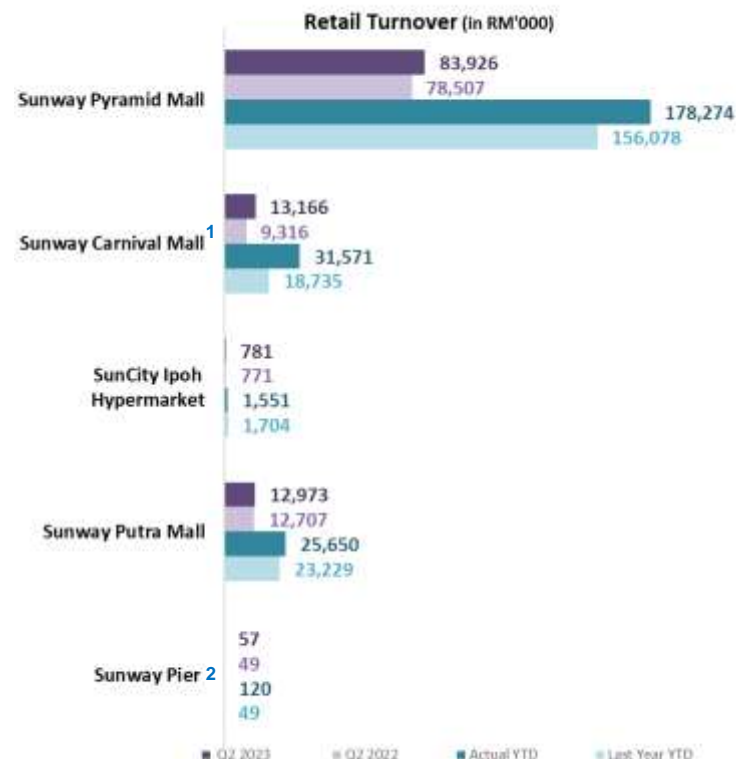


# Retail Segment : Q2 2023

Retail Revenue		Retail NPI	
 <b>9%</b>	<b>RM 110.9 million</b> vs RM 101.4 million	 <b>-3%</b>	<b>RM 69.5 million</b> vs RM 71.6 million
(Q2 2023)	(Q2 2022)	(Q2 2023)	(Q2 2022)
 <b>19%</b>	<b>RM 237.2 million</b> vs RM 199.8 million	 <b>12%</b>	<b>RM 159.4 million</b> vs RM 141.9 million
(YTD Q2 2023)	(YTD Q2 2022)	(YTD Q2 2023)	(YTD Q2 2022)

Q2 2023 revenue of retail segment increased by RM9.5 million due to the overall improved performance across retail properties, primarily contributed by Sunway Pyramid Mall by RM5.4 million and Sunway Carnival Mall by RM3.9 million. Sunway Carnival Mall opened its new wing on 24 June 2022, hence the results for Q2 2022 did not include the impact of a full operating mall.



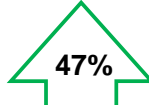

NPI decreased marginally in Q2 2023 due to higher operating expenses coupled with the impact of higher utility cost although it was cushioned by the successful allocation of 30% Green Electricity Tariff Programme.



<sup>1</sup> New wing of Sunway Carnival Mall opened on 24 June 2022.

<sup>2</sup> Acquired on 17 January 2022, formerly known as Kompleks Dato' Shaari Jihin. The property is currently in the planning stage for the redevelopment into a retail-centric tourist attraction. At present, the property is collecting minimal carpark rental.

# Hotel Segment : Q2 2023

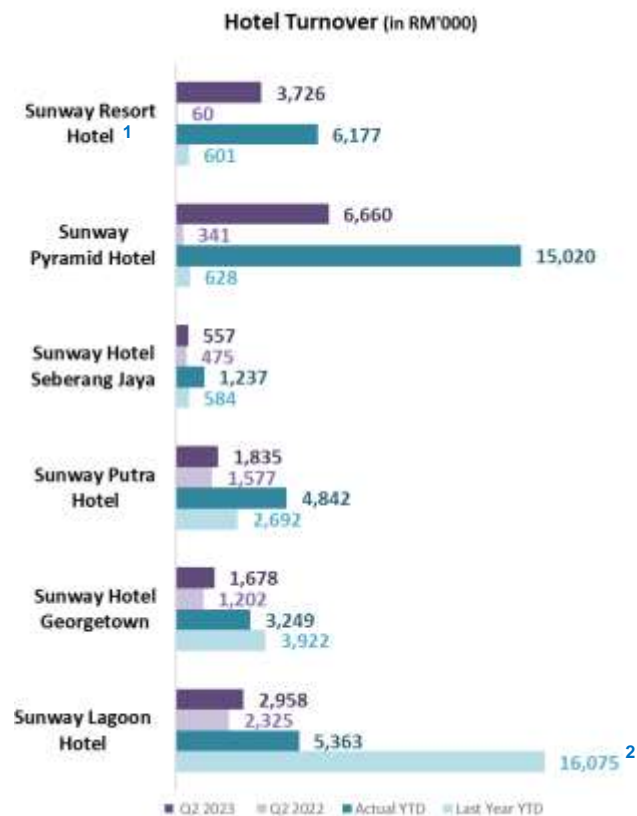
Hotel Revenue		Hotel NPI	
	<b>RM 17.5 million</b> vs RM 6.0 million		<b>RM 16.5 million</b> vs RM 5.0 million
(Q2 2023)	(Q2 2022)	(Q2 2023)	(Q2 2022)
	<b>RM 35.9 million</b> vs RM 24.5 million		<b>RM 34.0 million</b> vs RM 22.5 million
(YTD Q2 2023)	(YTD Q2 2022)	(YTD Q2 2023)	(YTD Q2 2022)

Q2 2023 revenue of hotel segment increased by nearly three-fold in view of gradual recovery of the tourism industry. Average occupancy rate of the hotel segment stood at 60% in YTD Q2 2023 (YTD Q2 2022: 48%).





In line with strong growth in revenue, NPI recorded an improvement in result.

<sup>1</sup> Closed for refurbishment from July 2020 and reopened progressively since May 2022.

<sup>2</sup> Contributed by minimum guaranteed rent in Q1 2022

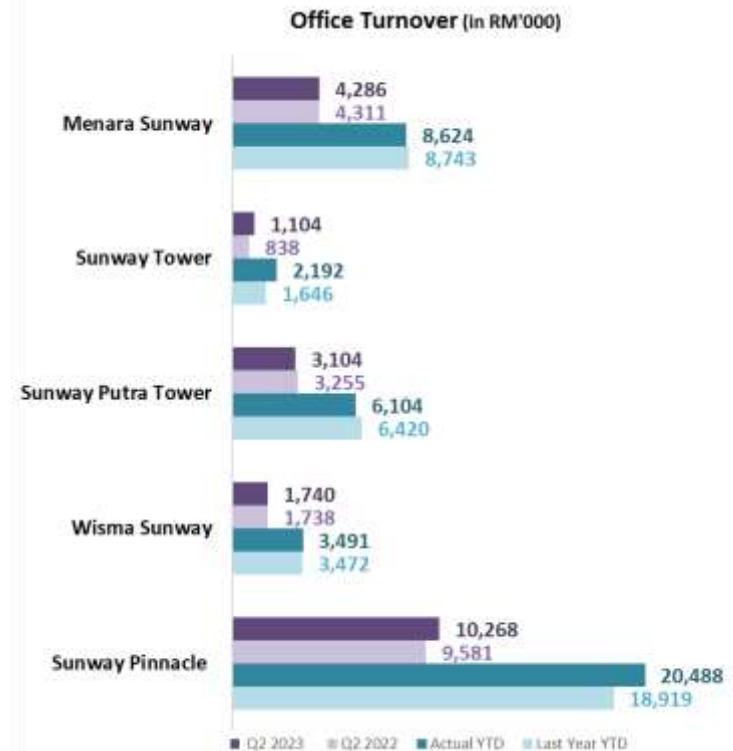


# Office Segment : Q2 2023

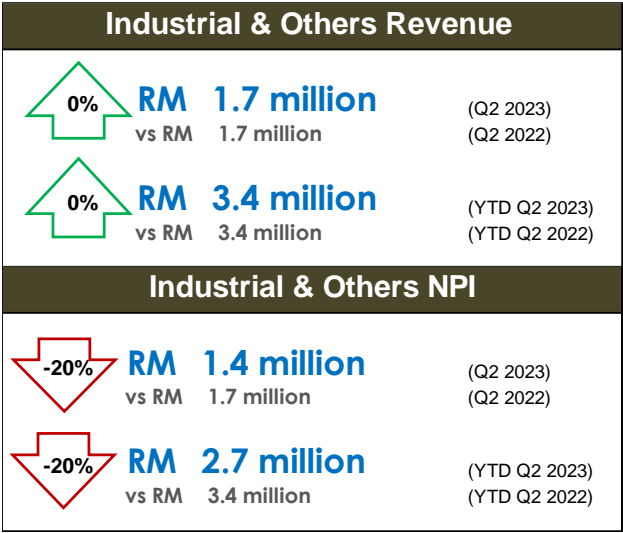
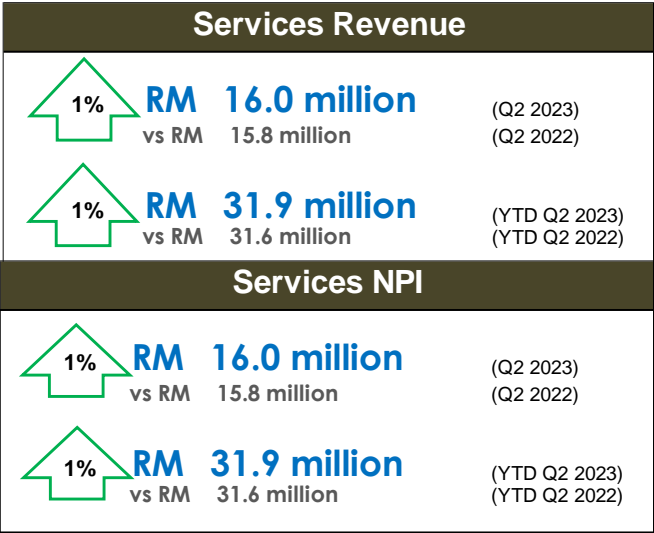
Office Revenue		Office NPI	
 <b>RM 20.5 million</b> (Q2 2023) vs RM 19.7 million (Q2 2022)		 <b>RM 12.9 million</b> (Q2 2023) vs RM 12.7 million (Q2 2022)	
 <b>RM 40.9 million</b> (YTD Q2 2023) vs RM 39.2 million (YTD Q2 2022)		 <b>RM 26.4 million</b> (YTD Q2 2023) vs RM 26.4 million (YTD Q2 2022)	

Q2 2023 revenue of office segment improved marginally by RM0.8 million, supported by the stable occupancy rate of 83% in YTD Q2 2023.

Q2 2023 NPI also saw a slight improvement in tandem with the growth in revenue.

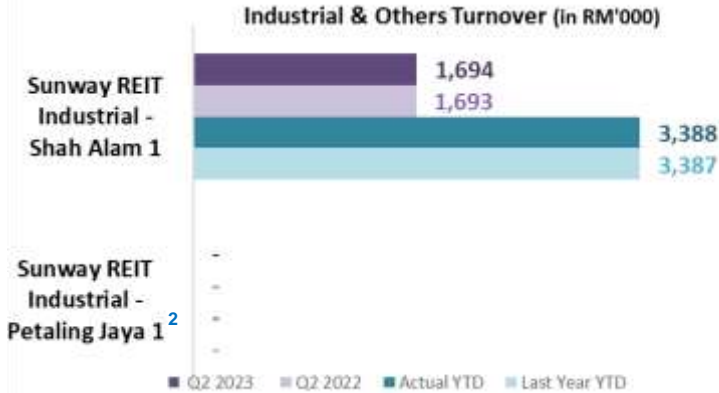
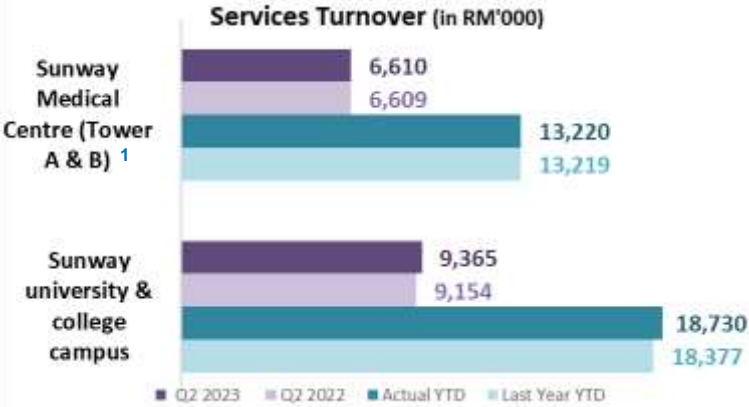


# Services and Industrial & Others Segments : Q2 2023



Q2 2023 revenue of services segment increased marginally attributed to the annual rental reversion for Sunway university & college campus in accordance with master lease agreement.

Q2 2023 industrial & others segment recorded stable revenue in accordance with master lease agreement where rent review will be conducted every three years, with the last review on 1 January 2022. However, the drop of NPI is due to the operating expenses arising from Sunway REIT Industrial – Petaling Jaya 1.



<sup>1</sup> Sunway Medical Centre (Tower A&B) proposed disposal was announced on 29 December 2022. Sunway REIT is collecting rent until completion of the said transaction.  
<sup>2</sup> Sunway REIT has completed the acquisition on 10 November 2022 and the Manager is actively looking for quality anchor lessees, given the size and strategic location of the property.

# MARKET OUTLOOK (Q2 2023)



# General Outlook

Indicator	2023 (F)	Q2 2023	Q1 2023	2022	2021
<b>Gross Domestic Product (GDP) (y-o-y)</b>	4.5%	*	5.6% <sup>1</sup>	8.7% <sup>1</sup>	3.1% <sup>1</sup>
<b>Consumer Price Index (y-o-y)</b>	2.8% to 3.8% <sup>4</sup>	2.8% <sup>2</sup>	3.6% <sup>2</sup>	3.3% <sup>2</sup>	2.5% <sup>2</sup>
<b>Overnight Policy Rate (OPR)</b>	3.0% to 3.25% <sup>3</sup>	3.0%	2.75%	2.75%	1.75%

<sup>1</sup> GDP growth (Source: Bank Negara Malaysia)

<sup>2</sup> Source: Department of Statistics Malaysia

<sup>3</sup> OPR forecast (Source: Bloomberg's economists consensus forecast)

<sup>4</sup> Federal Budget 2023, Ministry of Finance

\*To be announced



## General Outlook

- The Manager is cautiously optimistic about the outlook for FY 2023 underpinned by stable Gross Domestic Product (GDP) growth projection of 4% to 5%. The outlook is further supported by the expectation of sustained growth momentum of the retail segment, further recovery in the hotel segment, full year income contribution from Sunway Carnival Mall (new wing) and Sunway Resort Hotel upon the full completion of refurbishment (full room inventory was handed over in July 2023).
- Nevertheless, the full impact of 100bps interest rate hike in FY 2022 will be seen in FY 2023 including the interest rate hike of 25bps announced on 3 May 2023. The outlook for interest rates moving forward remains uncertain due to volatilities in the global economic prospects. Although there was no Overnight Policy Rate (OPR) hike in the Monetary Policy Meeting on 6 July 2023, in view of the quasi tightening, KLIBOR rate has increased resulting in a higher cost of funds for businesses. The Manager strives to improve NPI moving forward to offset the impact of higher interest cost and proactively optimising its capital management strategy to minimise the impact of interest rate fluctuations.

# Segmental Outlook



## Retail Segment

- The outlook for retail segment remains positive, underpinned by sustained strong improvement in retail footfall and retail sales in Q1 2023 as all three malls recorded the highest tenant sales in January 2023 following Chinese New Year festivity shopping. Sunway Pyramid will also undergo reconfiguration in an anchor tenant area (approximately 11% of NLA) commencing Q4 2023. The reconfiguration is expected to take 1 year to complete. Sunway Carnival Mall is undergoing refurbishment for its existing wing (Phase 2) following the strong performance of the new wing which was completed in June 2022. The Phase 2 refurbishment is targeted to complete in phases between early 2024 to end 2025 and we expect an uplift in NPI upon the full completion.



## Hotel Segment

- The Manager expects the occupancy rates for the hotel segment to further improve in 2H2023, predominantly supported by the domestic leisure, corporate, MICE businesses and gradual improvement in international tourist arrivals. The highly anticipated influx of Chinese tourists following the reopening of China borders on 8 January 2023 was slower than anticipated. However, international tourist arrivals from the Middle East and South East Asia has complemented the shortfall in Chinese arrivals. The Manager expects the momentum to build up in 2H2023. The Federal Budget 2023 announced that Malaysia is targeting tourist arrivals of 15.6 million (2022: approx. 10.1 million). According to Malaysia Airport Holdings Berhad (MAHB), international passenger movements were at 78.4% of 2019 and they expect the positive momentum to continue in 2023 and 2024.

# Segmental Outlook (Cont'd)



## Office Segment

The Office segment is expected to continue to remain in a state of oversupply on the back of continuous incoming supply. Against the backdrop of supply outstripping demand, it is projected that rental rates and occupancy rates for the office segment will remain challenging. However, the Manager believes that reinvention of office buildings via asset enhancement initiatives (AEI) and leveraging co-working trends that offer better flexibility will attract more tenants.

Overall, the contribution of the Office segment within Sunway REIT's asset portfolio is expected to remain stable in FY 2023.

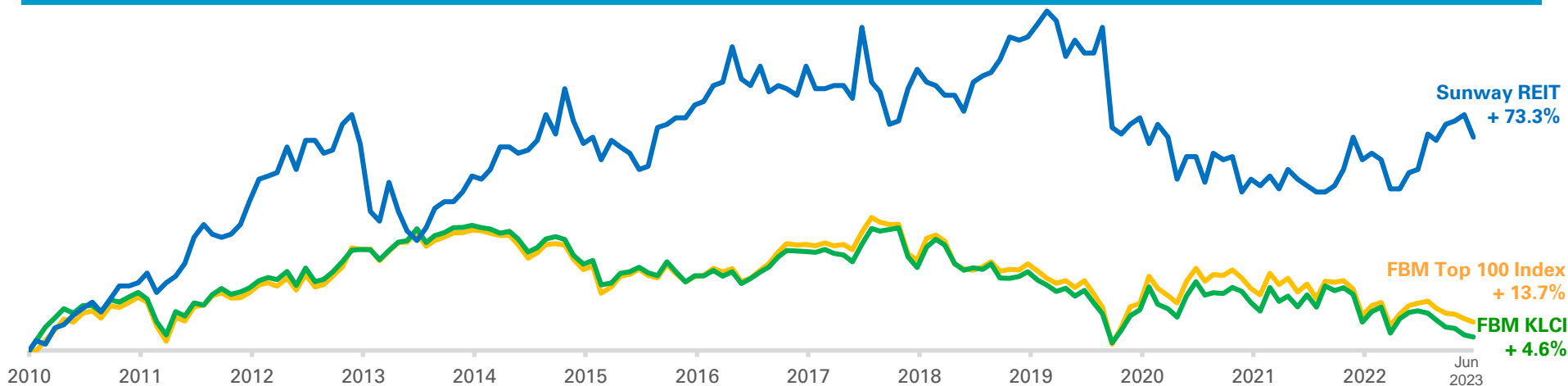


# INVESTOR RELATIONS (Q2 2023)



# Unit Price Performance from IPO to Q2 2023

## Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 30 June 2023)

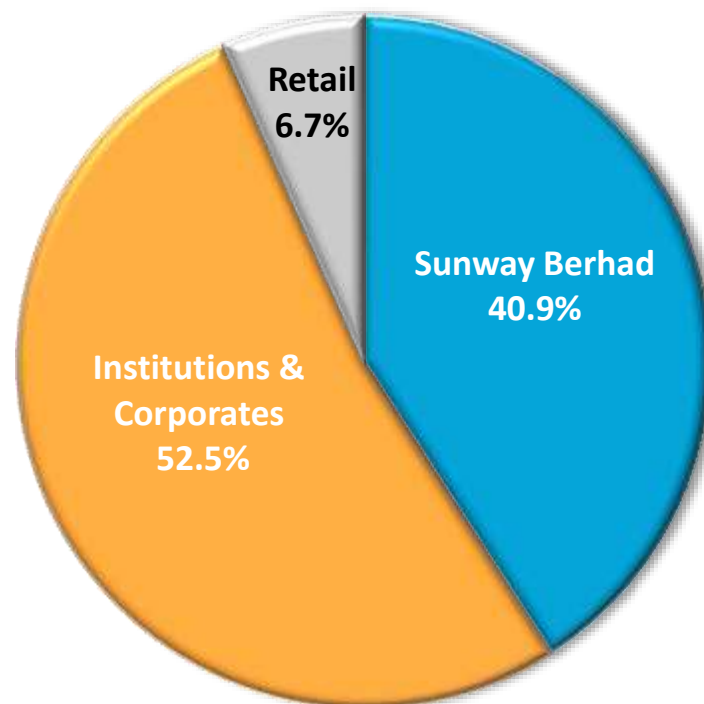
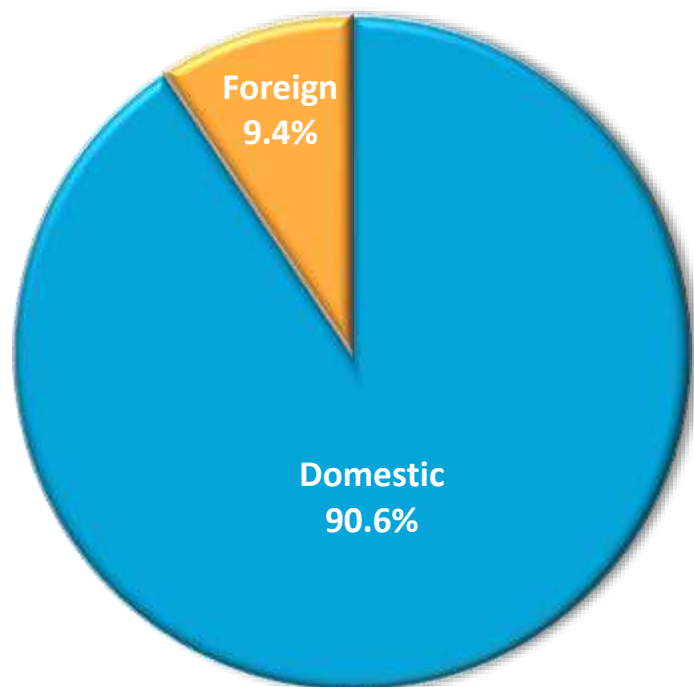


## Performance Statistics

		IPO to Q2 23	FY 2023
Unit Price (8.7.10 / 31.12.22)	:	RM0.90	RM1.46
Closing Price (30.6.2023)	:		RM1.56
Highest Price	:	RM1.98	RM1.66
Lowest Price	:	RM0.88	RM1.45
Daily Ave Vol ("million" units)	:	1.98	1.15
% Change in Unit Price	:	+ 73.3%	+ 6.8%
% Change in FBM KLCI	:	+ 4.6%	- 7.9%
% Change in FBM100 Index	:	+13.7%	- 5.5%
% Change in M-REIT Index	:	N/A	+ 0.5%

Source: Bloomberg

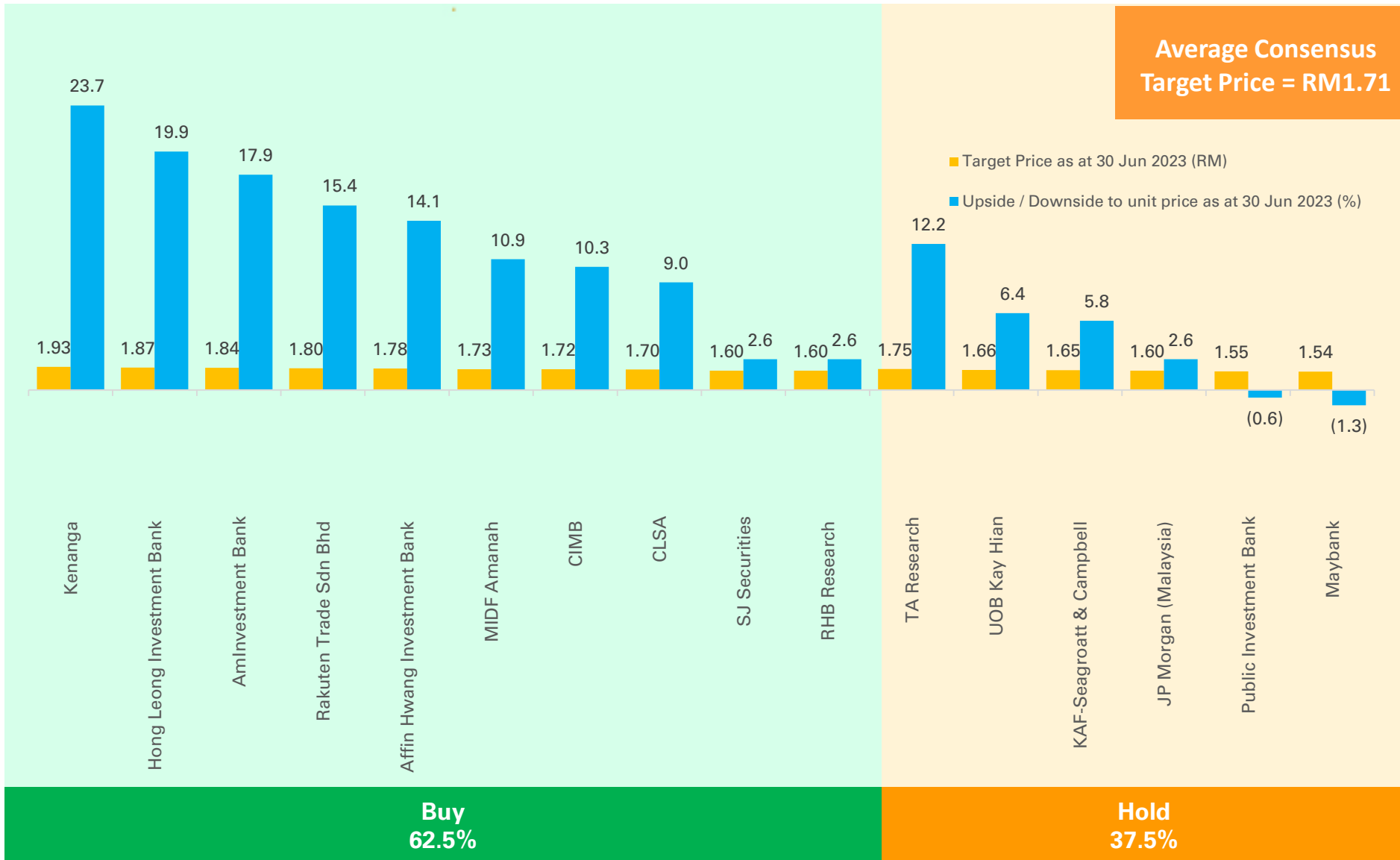
# Unitholders' Composition (as at 30 June 2023)



	June 2023	March 2023	Q-o-Q Change
No of unitholders	29,371	29,274	+97 (+0.3%)
Retail unitholders	6.7%	6.6%	+0.1%
Foreign unitholders	9.4%	9.5%	-0.1%
Sunway Berhad	40.9%	40.9%	Unchanged

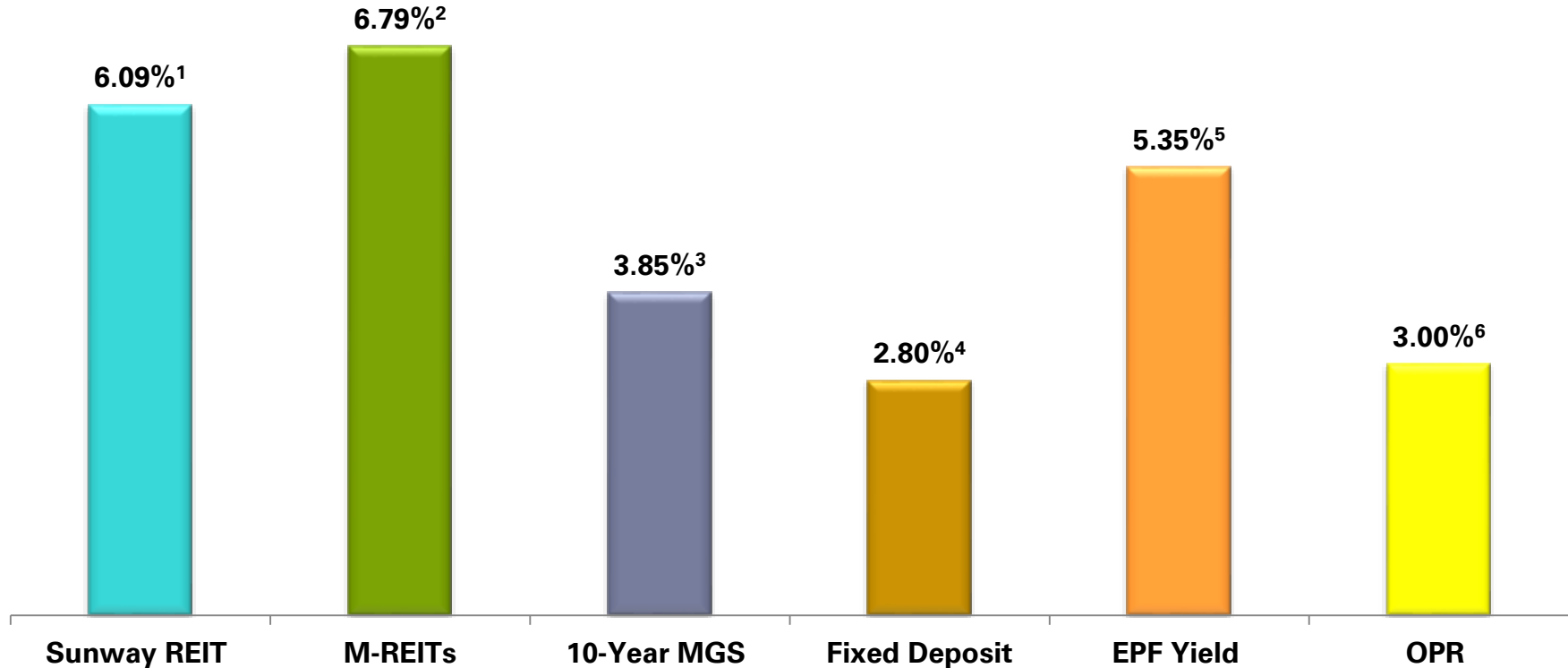
Source: Sunway REIT

# Analysts Recommendation (as at 30 June 2023)



Source: Bloomberg and various research firms

# Comparative Yields for Various Assets (as at 30 June 2023)



**Note:**

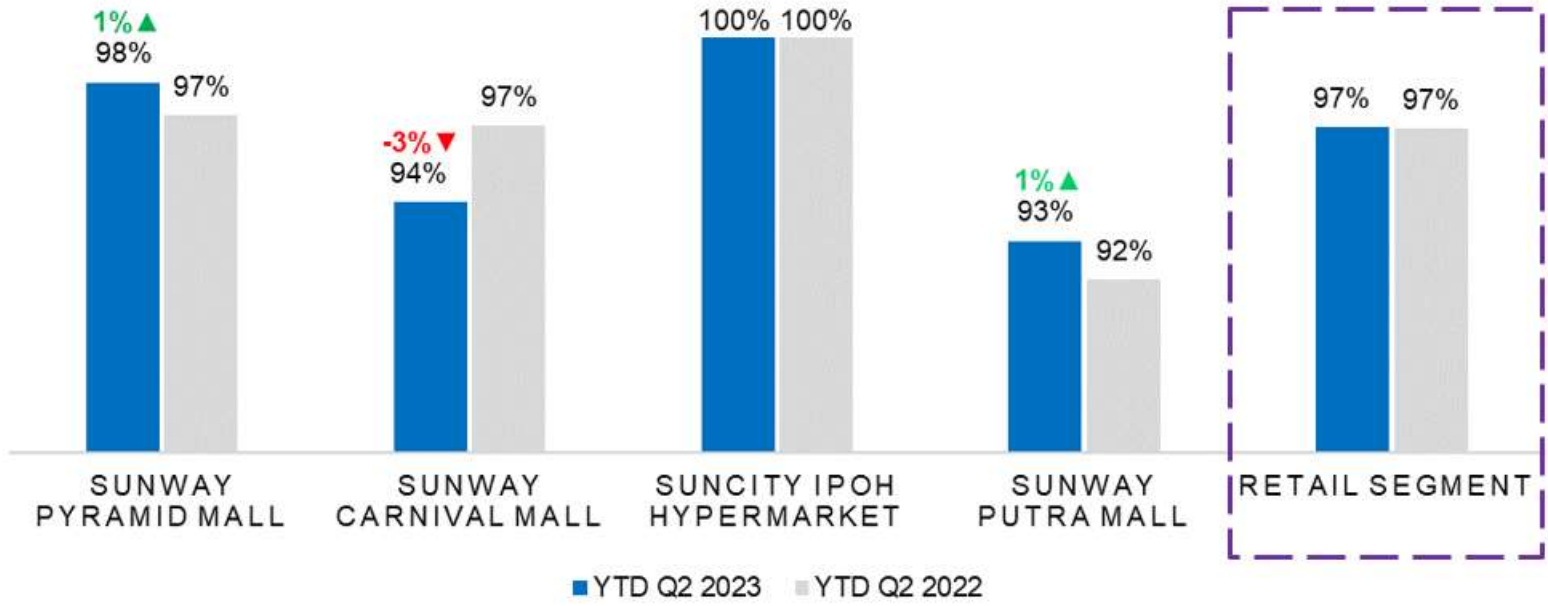
- <sup>1</sup> Distribution yield is computed based on consensus FY 2023 DPU of 9.50 sen and unit price of RM1.56 as at 30 June 2023 (Source: Bloomberg)
- <sup>2</sup> Information based on consensus FY 2023 DPU forecast and unit prices of M-REITs as at 30 June 2023 (Source: Bloomberg)
- <sup>3</sup> Information as at 30 June 2023 (Source: Bank Negara Malaysia)
- <sup>4</sup> 12-Month Fixed Deposit rates offered by Maybank as at 30 June 2023 (Source: Maybank)
- <sup>5</sup> Dividend yield declared by Employees Provident Fund for the year 2022 (Source: Employees Provident Fund)
- <sup>6</sup> Overnight Policy Rate as at 6 July 2023 (Source: Bank Negara Malaysia)

# APPENDIX I: PROPERTY PERFORMANCE (YTD Q2 2023 YoY Analysis)



# Average Occupancy Rate (YTD Q2 2023)

## RETAIL



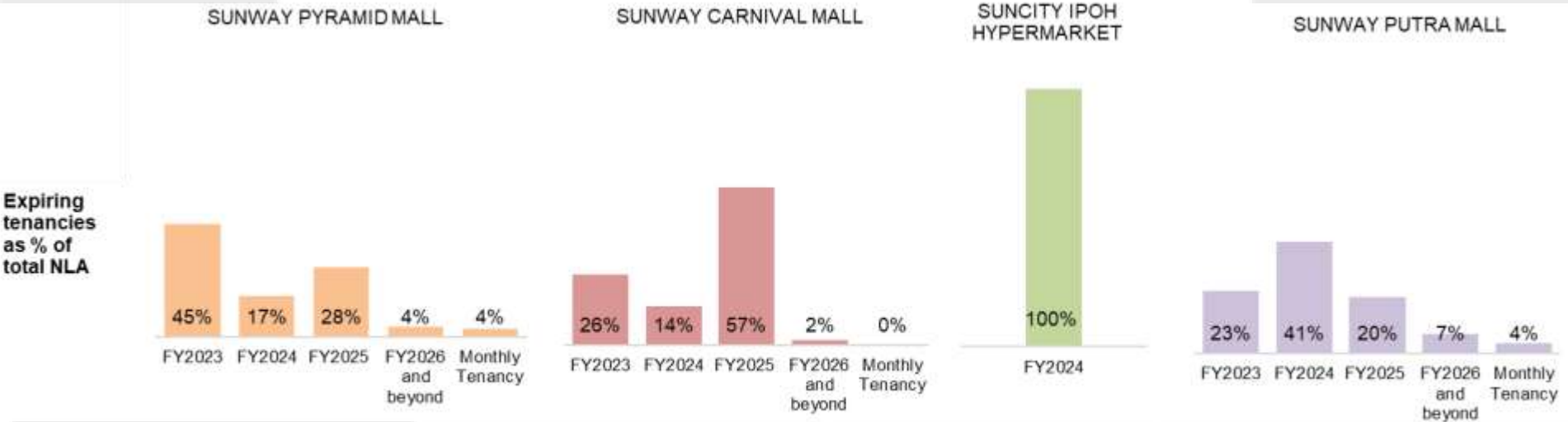
The Retail segment recorded a stable average occupancy rate stood at 97% in YTD Q2 2023, which was supported by the commencement of new tenants in Sunway Pyramid Mall and Sunway Putra Mall. The average occupancy rate of Sunway Carnival Mall was impacted due to the ongoing refurbishment work in the existing wing.

SunCity Ipoh Hypermarket is occupied by single tenant, TF Value-Mart, which commenced business in June 2020.

# Projected Lease Expiry Schedule

## RETAIL

WALE = 1.28 years



**Sunway Pyramid Mall**  
 Based on the total net lettable area (NLA) of 1,205,858 sq. ft. due for renewal in 2023, a total of 229,675 sqf / 19.0% was renewed or replaced.

**Sunway Carnival Mall**  
 Based on the total NLA of 162,131 sq. ft. due for renewal in 2023, a total of 14,802 sqf / 9.1% was renewed or replaced.  
  
*\*There was a reduction in total NLA due for renewal owing to the ongoing refurbishment work for Sunway Carnival Mall existing wing.*

**SunCity Ipoh Hypermarket**  
 Occupied by single tenant, TF Value-Mart, with the first tenancy term expired in June 2023.

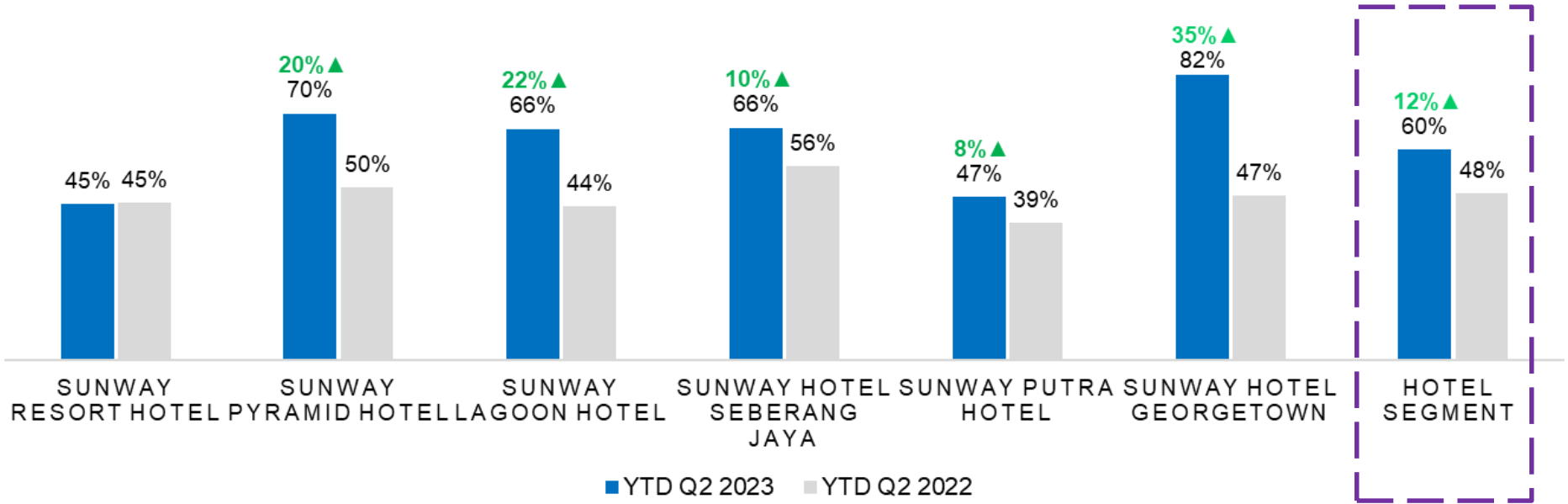
**Sunway Putra Mall**  
 Based on the total NLA of 199,469 sq. ft. due for renewal in 2023, a total of 64,244 sqf / 32.2% was renewed or replaced.



# Average Occupancy Rate (YTD Q2 2023)

## HOTEL

WALE = 6.69 years

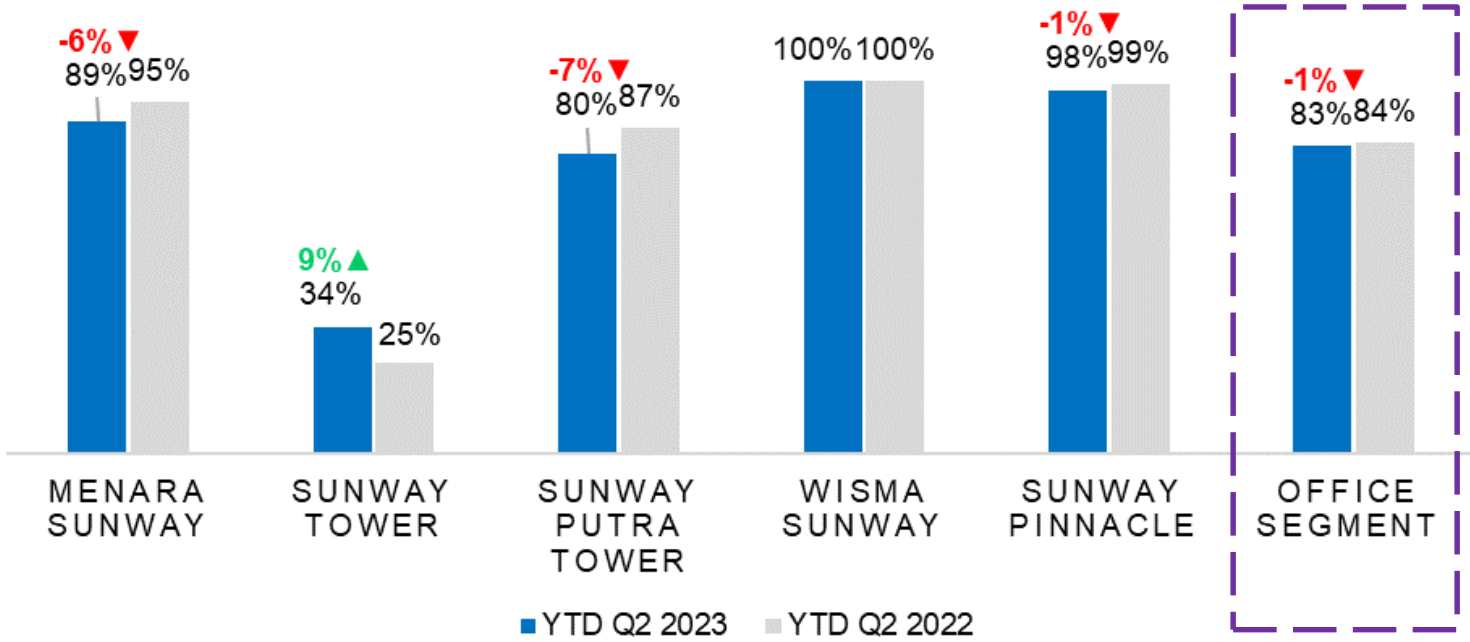


The Hotel segment recorded 12% growth in YTD Q2 2023 as compared to YTD Q2 2022. The growth in average occupancy rate in YTD Q2 2023 was predominantly supported by the domestic leisure, corporate and MICE activities, alongside the arrival of domestic and international tourists.

\* Based on available rooms from the phased reopening

# Average Occupancy Rate (YTD Q2 2023)

## OFFICE

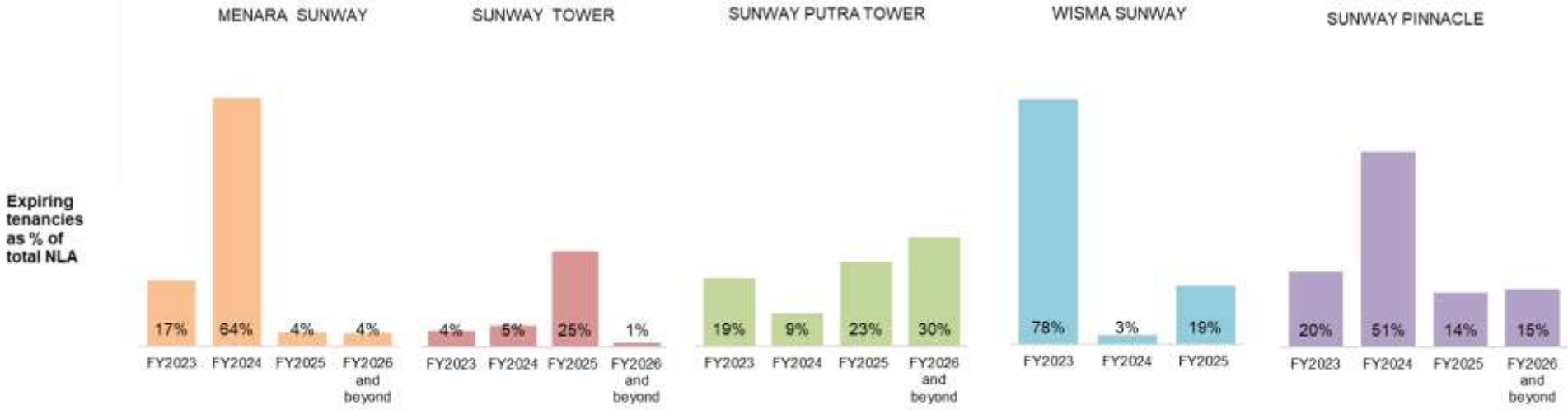


The Office segment recorded a marginal drop in average occupancy rate in YTD Q2 2023, primarily due to the termination and downsizing of tenants in Menara Sunway, Sunway Putra Tower and Sunway Pinnacle, partially offset by the commencement of Sunway Xfarms in Sunway Tower.

# Projected Lease Expiry Schedule

## OFFICE

WALE = 1.35 years



**Menara Sunway**  
 Based on total NLA of 73,615 sq. ft. due for renewal in 2023, a total of 8,641 sqf / 11.7%, was renewed or replaced.

**Sunway Tower**  
 Based on total NLA of 14,462 sq. ft. due for renewal in 2023, a total of 3,000 sqf / 20.7%, was renewed or replaced.

**Sunway Putra Tower**  
 Based on total NLA of 151,258 sq. ft. due for renewal in 2023, a total of 90,271 sqf / 59.7%, was renewed or replaced.

**Wisma Sunway**  
 Based on total NLA of 134,050 sq. ft. due for renewal in 2023, no tenancies were due for renewal in Q2 2023.

**Sunway Pinnacle**  
 Based on NLA of 210,647 sq. ft. due for renewal in 2023, a total of 116,176 sqf / 55.2%, was renewed or replaced.

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