

SUNWAY
REIT

Sunway REIT : Reimagining Growth

2 December 2024



Management of Sunway REIT



Clement Chen Kok Peng

Chief Executive Officer



Ng Bee Lien

Chief Financial Officer



Crystal Teh Lay Ling

Head of Investor Relations



Angeline Sie Ing Swan

Head of Sustainability

Section A	Overview of Sunway REIT
Section B	Strategy
Section C	Financial
Section D	Capital Management
Section E	Awards
Section F	Key Takeaways

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One Of The Largest Diversified Real Estate Investment Trusts (REITs) In Malaysia

Diversified portfolio across strategic locations in Malaysia

1. Penang Island

- Sunway Hotel Georgetown

2. Penang Mainland

- Sunway Carnival Mall
- Sunway Hotel Seberang Jaya
- Sunway REIT Industrial - Prai **NEW**

3. Ipoh

- SunCity Ipoh Hypermarket

4. Kuala Lumpur

- Sunway Putra Mall
- Sunway Putra Hotel
- Sunway Putra Tower
- Sunway Tower
- Sunway 163 Mall **NEW**

5. Sunway City

- Sunway Pyramid Mall
- Sunway Resort Hotel
- Sunway Pyramid Hotel
- Sunway Lagoon Hotel
- Menara Sunway
- Sunway Pinnacle
- Sunway university & college campus

6. Selangor

- Wisma Sunway
- Sunway Pier
- Sunway REIT Industrial – Shah Alam 1
- Sunway REIT Industrial – Petaling Jaya 1
- Sunway REIT Hypermarket – Kinrara **NEW**
- Sunway REIT Hypermarket – USJ 1 **NEW**
- Sunway REIT Hypermarket – Klang **NEW**
- Sunway REIT Hypermarket – Putra Heights **NEW**
- Sunway REIT Hypermarket – Ulu Kelang **NEW**

7. Johor

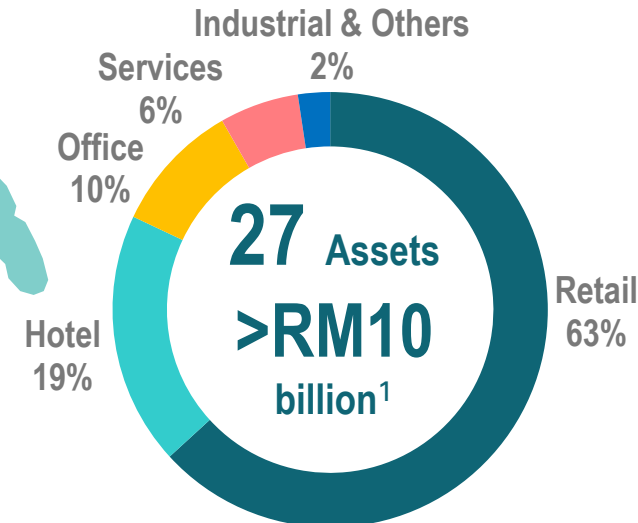
- Sunway REIT Hypermarket – Plentong **NEW**



Property Value at IPO
RM3.5 billion

Total Acquisition since IPO¹
RM3.5 billion

Fair Value Gain 1.6b, AEs & Property Development since IPO¹
RM3.0 billion



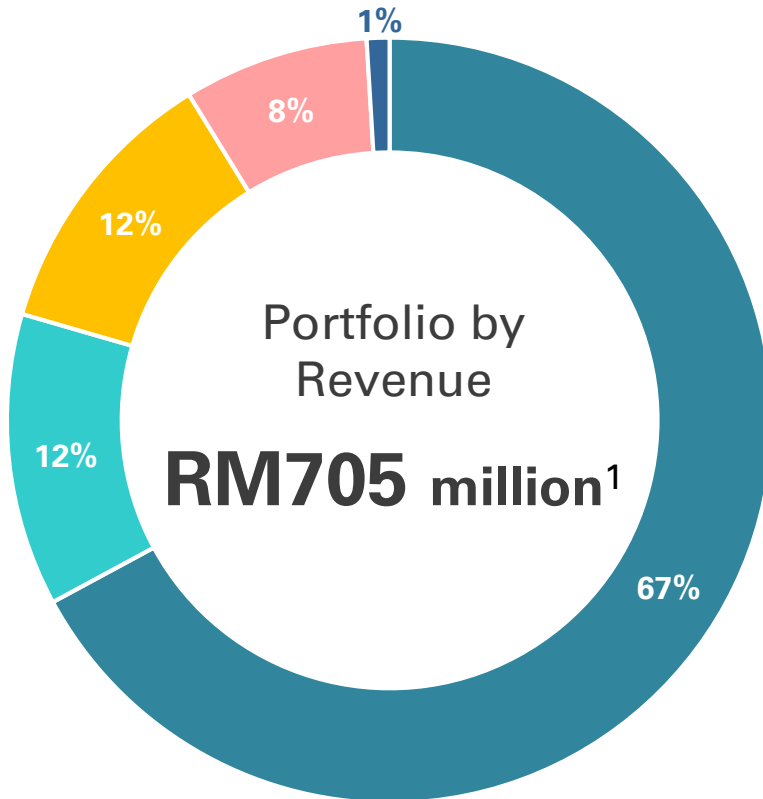
Proposed acquisition pending completion:

Kluang Mall located at Kluang, Johor

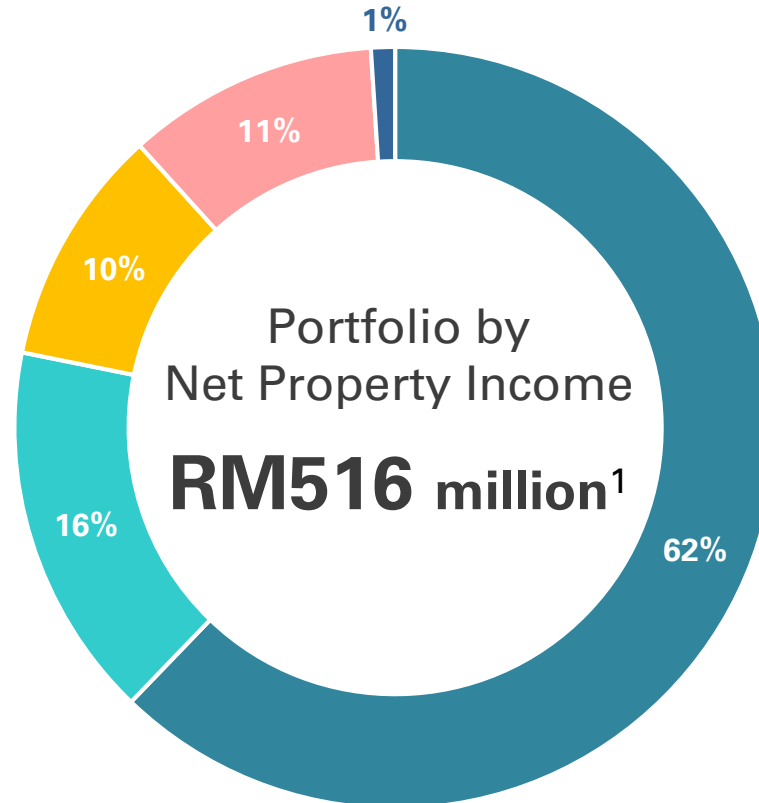
¹ Information as at 31 October 2024

Portfolio At A Glance (FY2023)

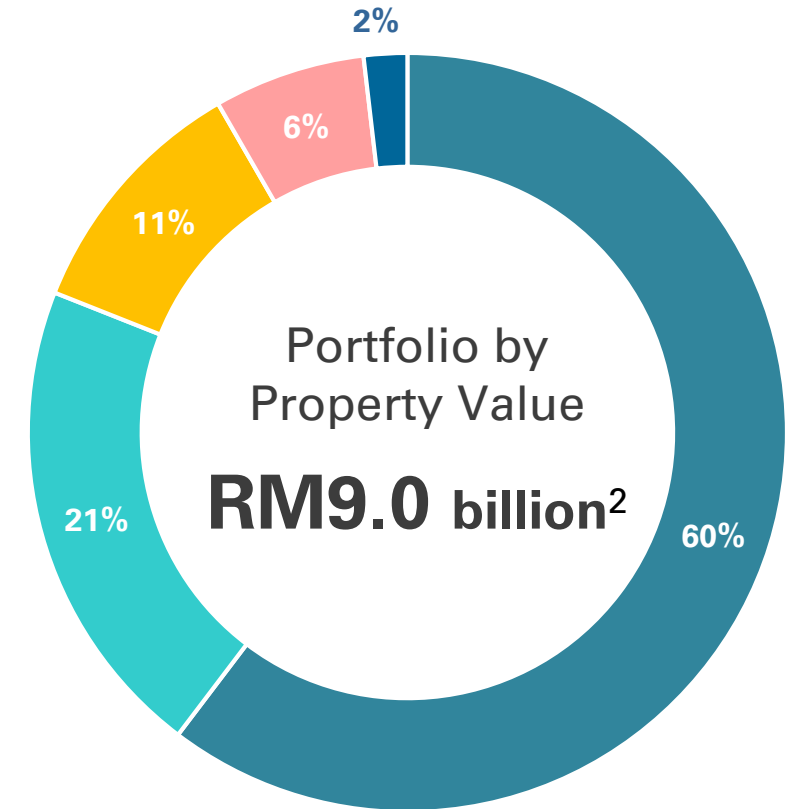
Revenue



Net Property Income



Property Value



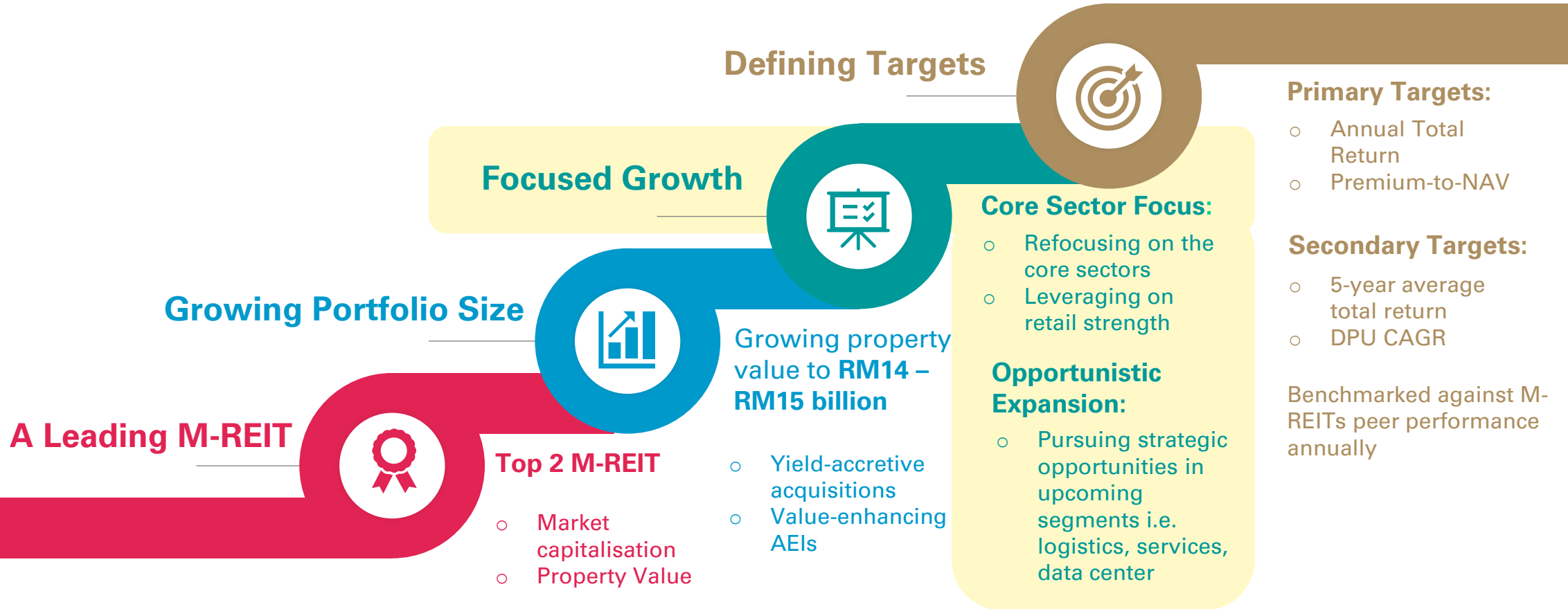
■ Retail ■ Hotel ■ Office ■ Services ■ Industrial and Others

¹ Excluded unrealised income in relation to unbilled lease income receivable pursuant to MFRS 16 Leases.

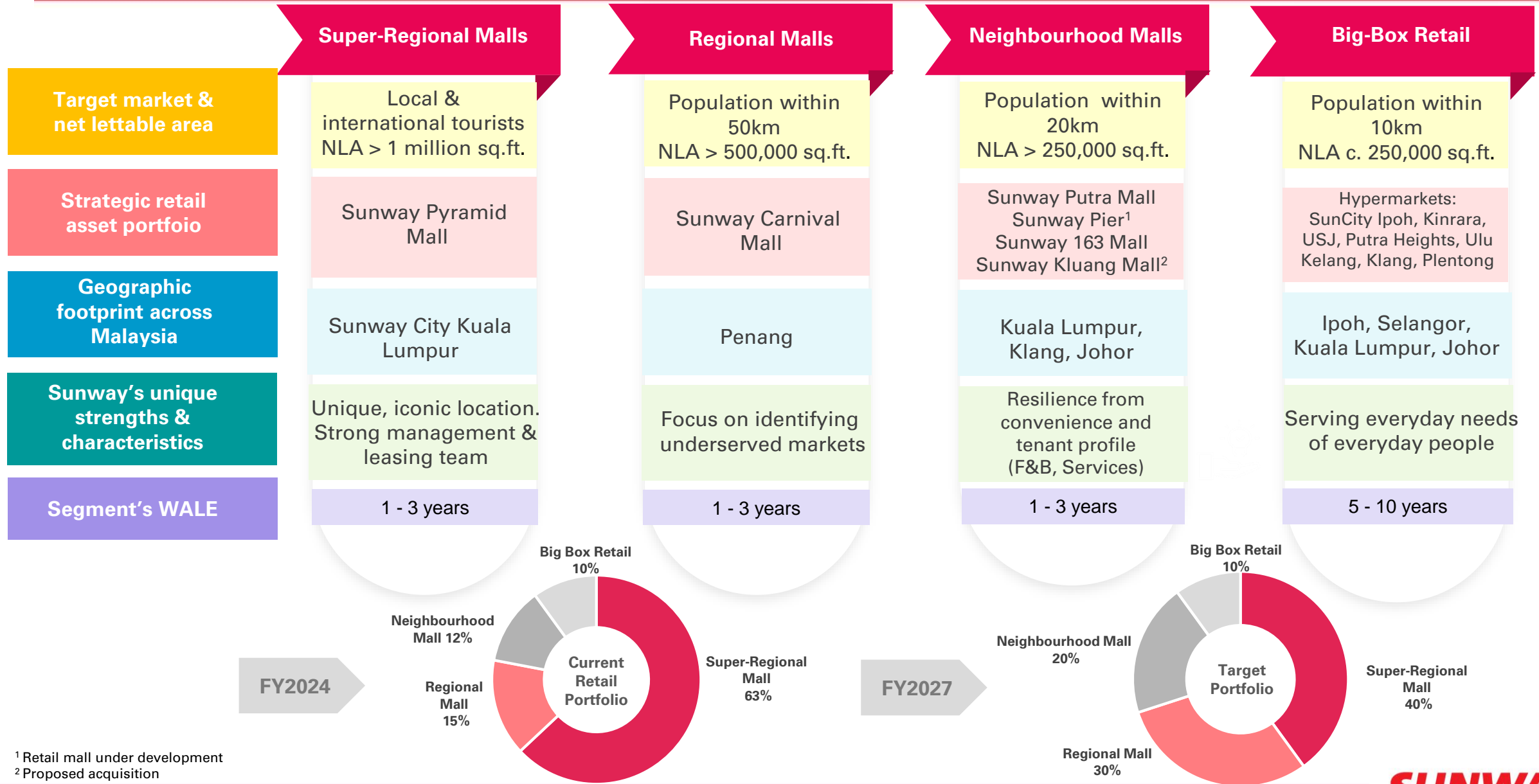
² Based on market valuation as at 31 December 2023

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Recalibrating Transcend 2027



Building a Diversified Retail Portfolio with Enhanced Income Resilience



¹ Retail mall under development
² Proposed acquisition

Key Strategies



Organic Growth via Rental Reversion & Increasing Occupancy

Average Rental Reversion & Weighted Average Lease Expiry (WALE)

Average rental reversion

8.5%¹

for the portfolio's 2,031,530 sq.ft. of new or renewed tenancies in FY2023

(FY2022: 4.1%)

WALE:
4.03 years

(FY2022: 4.43 years)

RETAIL

1.35
years



HOTEL

6.05
years



OFFICE

1.38
years



SERVICES

24.92
years



INDUSTRIAL & OTHERS

11.00
years



Average Occupancy Rates

FY2019

FY2020

FY2021

FY2022

FY2023

Retail Segment
(Average)

96%

95%

97%

96%

97%

Office Segment
(Average)

72%

78%

84%

83%

84%

Hotel Segment
(Average)

69%

53%

32%

54%

64%

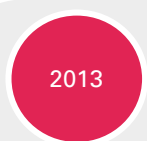
¹ Increase in three years including step-up rent

Enhancing Portfolio's Existing Assets Through AEs (RM0.9 bil since mid-2023)



Sunway Hotel Seberang Jaya

RM17 mil



Sunway Putra

RM460 mil



Sunway Resort Hotel Ballroom and Function Rooms Refurbishment

RM55 mil



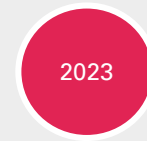
Sunway Carnival Mall New Wing

RM440 mil



Sunway Resort Hotel Refurbishment

RM260 mil



Sunway Pyramid Mall Oasis

RM190 mil



Sunway Pyramid Hotel Refurbishment

RM120 mil



Sunway Pyramid Mall The Link

RM19 mil



Sunway Carnival Mall Existing Wing



RM360 mil



Redevelopment of Sunway Pier

RM370 mil

Enhancing Value Through Active Asset Enhancement Initiatives

Asset Enhancement Initiatives (AEI) / Property Development (PD)	Project period	Capital Expenditure
 Space Reconfiguration at Sunway Pyramid Mall - Oasis	Q4 2023 – Q4 2024	RM190 million 
 Refreshing Sunway Carnival Mall Existing Wing	Q3 2023 – Q3 2025	RM360 million
 Trailblazing Urban Rejuvenation at Sunway Pier	Q1 2024 – Q4 2026	RM370 million
Total Capital Expenditure circa RM 0.9 billion		

AEI success – Transformation and Rebranding for Sunway Resort Hotel



First GreenRE Platinum hotel in Malaysia

ARR per night doubled from RM300 to RM600

More room options introduced, coupled with world-class facilities

Sustainability-focused: replaced single-used amenities → refillable amenities;
plastics bottles → glass bottles; tube toothpaste → chewable toothpaste

New dining experience including internationally-renowned restaurants



Linkway Café



Gordon Ramsay Bar & Grill



Black Tap Craft Burgers & Shakes



Sunset Terrace

Sunway Carnival Mall – Green Field Development Capability Unlocked



New "Oasis" of Income – Optimising a Low-Yielding Precinct



Average Rental Rate

> RM16 psf

Pre-reconfiguration: ~ RM6 psf

Completion Date

1 November 2024



Committed Occupancy

> 99%

NLA (After):

260,000 sq.ft.

NLA (Before): 320,000 sq.ft.



Oasis Exterior



Oasis Interior

Invigorating Tenancy Mix



Oasis Entrance

Accelerating Growth with External Acquisitions (RM1.0 bil since mid-2023)

IPO
8 Assets



Sunway Medical Centre
(Tower A & B)

RM313 mil



Wisma Sunway

RM62 mil



Sunway REIT Industrial –
Shah Alam 1

RM92 mil



Sunway university and
college campus

RM556 mil



Sunway Pier

RM37 mil



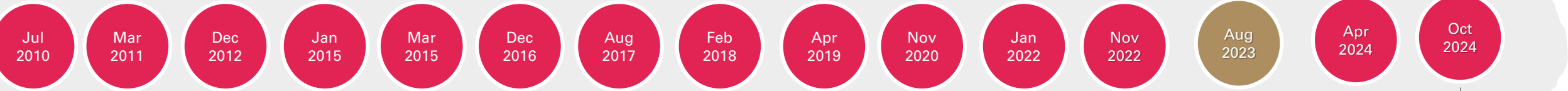
Sunway Medical Centre
(Tower A & B)

RM430 mil



Sunway 163 Mall

RM215 mil



Sunway Putra

RM522 mil



Sunway Hotel Georgetown

RM74 mil



Commercial Land for Sunway Carnival Mall's expansion

RM17 mil



Sunway Lagoon Hotel

RM344 mil



Sunway Pinnacle

RM455 mil



Sunway REIT Industrial –
Petaling Jaya 1

RM61 mil



Portfolio of 6
Hypermarkets

RM520 mil



Sunway REIT Industrial – Prai

RM66.8 mil

Legend

● Acquisition ● Disposal

Pending Completion:
Sunway Kluang Mall (RM158 mil)

A Giant Acquisition: Case Study



1) Immediate fair value gain **RM73 million**

Purchase Consideration: RM520 million
Market Valuation: RM593 million¹



2) Immediate yield accretion

Acquisition Yield **8.0%**
Sunway REIT Portfolio Property Yield: 5.7%²



3) Immediate WALE enhancement

Weighted Average Lease Expiry (WALE): **9.0 years**³
Sunway REIT's WALE: 4.0 years²



4) Supported by strong underlying land value of **56 acres** of Freehold land

¹ Market valuation as at 31 December 2023

² Information based on FY2023

³ Portfolio WALE of the six Giant Hypermarkets upon tenancy renewal for Sunway REIT Hypermarket – Kinrara and Putra Heights for 15 years and waiver of lease break options for Sunway REIT Hypermarket – Ulu Kelang, Klang and Plentong.

- Confirmed **lease extensions** to 2039 (Kinrara and Putra Heights) and **removal of break options** to 2030 for Ulu Kelang, Klang and Plentong
- Securing commitment to stay at USJ1 till 2028
- Capex to fix structural defects and **green buildings**



Sunway REIT Hypermarket – Kinrara



Sunway REIT Hypermarket – Putra Heights



Sunway REIT Hypermarket – Klang



Sunway REIT Hypermarket – USJ 1



Sunway REIT Hypermarket – Ulu Kelang



Sunway REIT Hypermarket – Plentong

Pursuing Opportunistic Acquisitions Across Sectors (Proposed Acquisitions)

Prai Industrial



Location	Bukit Tengah Industrial Park, Prai, Penang
Purchase Consideration	RM66.8 million
Land tenure	60-year leasehold, expiring on 22 October 2052
Land area	10.4 acres
Gross floor area	307,487 sq. ft.
NPI Yield	7.0% (after lease extension premium)
Completion Date	24 October 2024

Sunway 163 Mall



Location	Mont Kiara, Kuala Lumpur
Purchase Consideration	RM215 million
Land tenure	Freehold strata
Net lettable area	252,628 sq.ft.
Gross floor area	798,100 sq.ft.
NPI Yield	6.5%
Completion Date	9 October 2024

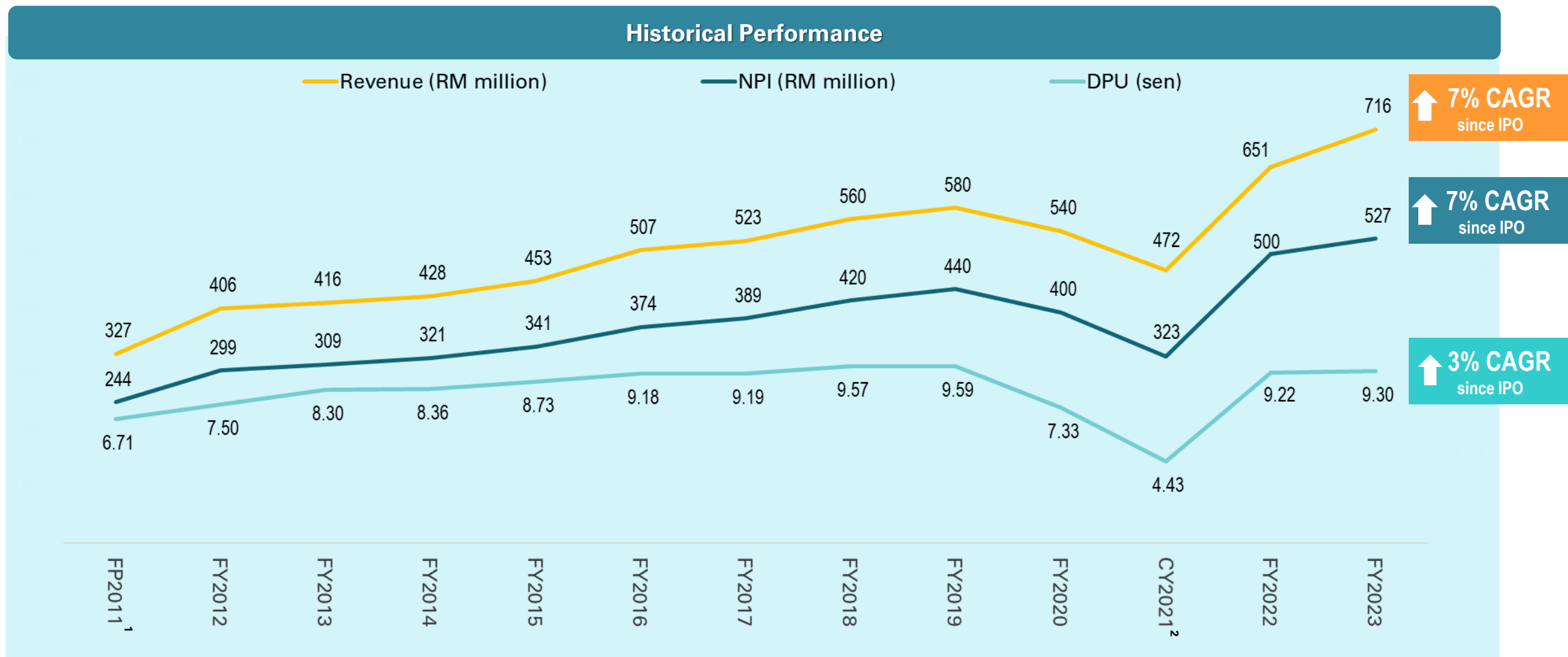
Sunway Kluang Mall



Location	Kluang, Johor
Purchase Consideration	RM158 million
Land tenure	99-year leasehold, expiring on 7 Feb 2116
Net lettable area	360,989 sq.ft.
Gross floor area	808,240 sq.ft.
NPI Yield	6.8%
Target completion	End - Dec 2024

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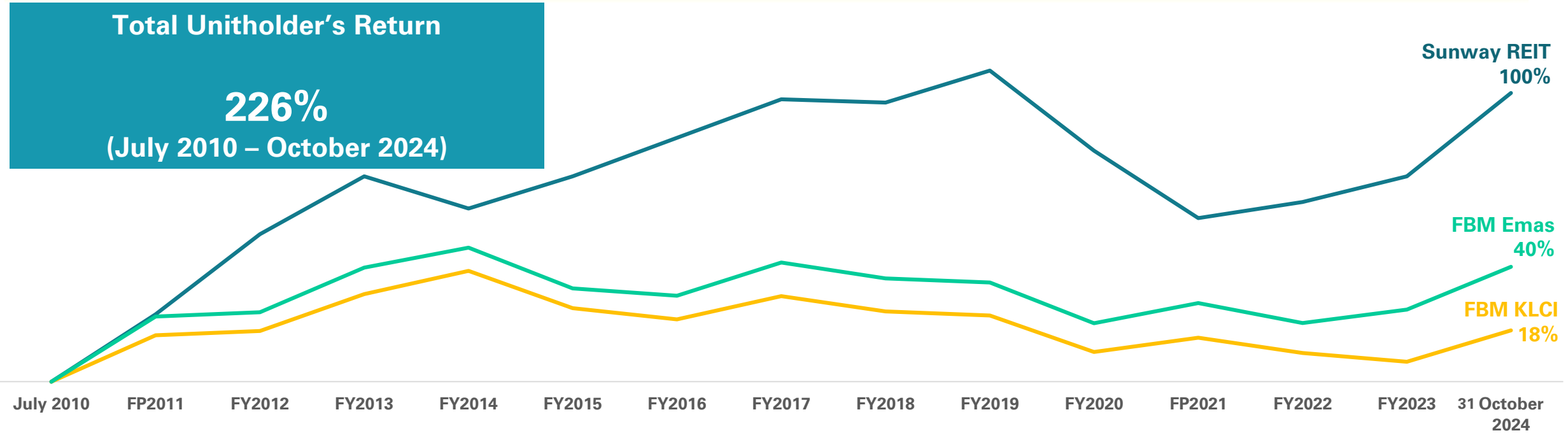
Portfolio Value Creation - Financial



¹ Sunway REIT was established on 20 May 2010 and the acquisition of the initial eight properties was completed on listing date, 8 July 2010. The financial results reported refers to the period from 20 May 2010 to 30 June 2011 (FP 2011)

² For the 12-month period from 1 January 2021 to 31 December 2021

Total Unitholder's Return since IPO



	IPO	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023	31 Oct 2024	Total
Unit Price(RM)	0.90	1.11	1.36	1.54	1.44	1.54	1.66	1.78	1.77	1.87	1.62	1.41	1.46	1.54	1.80	
DPU (sen)		6.58	7.50	8.30	8.36	8.73	9.18	9.19	9.57	9.59	7.33	6.10	9.22	9.30	4.66	113.61
Distribution Yield (%)		5.9	5.5	5.4	5.8	5.7	5.5	5.2	5.4	5.1	4.5	2.9	6.3	6.0	5.2 ¹	
Capital Gains (%)		23.3	22.5	13.2	-6.5	6.9	7.8	7.2	-0.6	5.6	-13.4	-13.0	3.5	5.5	16.9	
Total Return (%)		29.3	28.0	18.6	-0.7	12.6	13.3	12.4	4.8	10.8	-8.8	-8.6	9.9	11.5	22.1	

1) The financial year end for FY2011 – FY2020 was June.

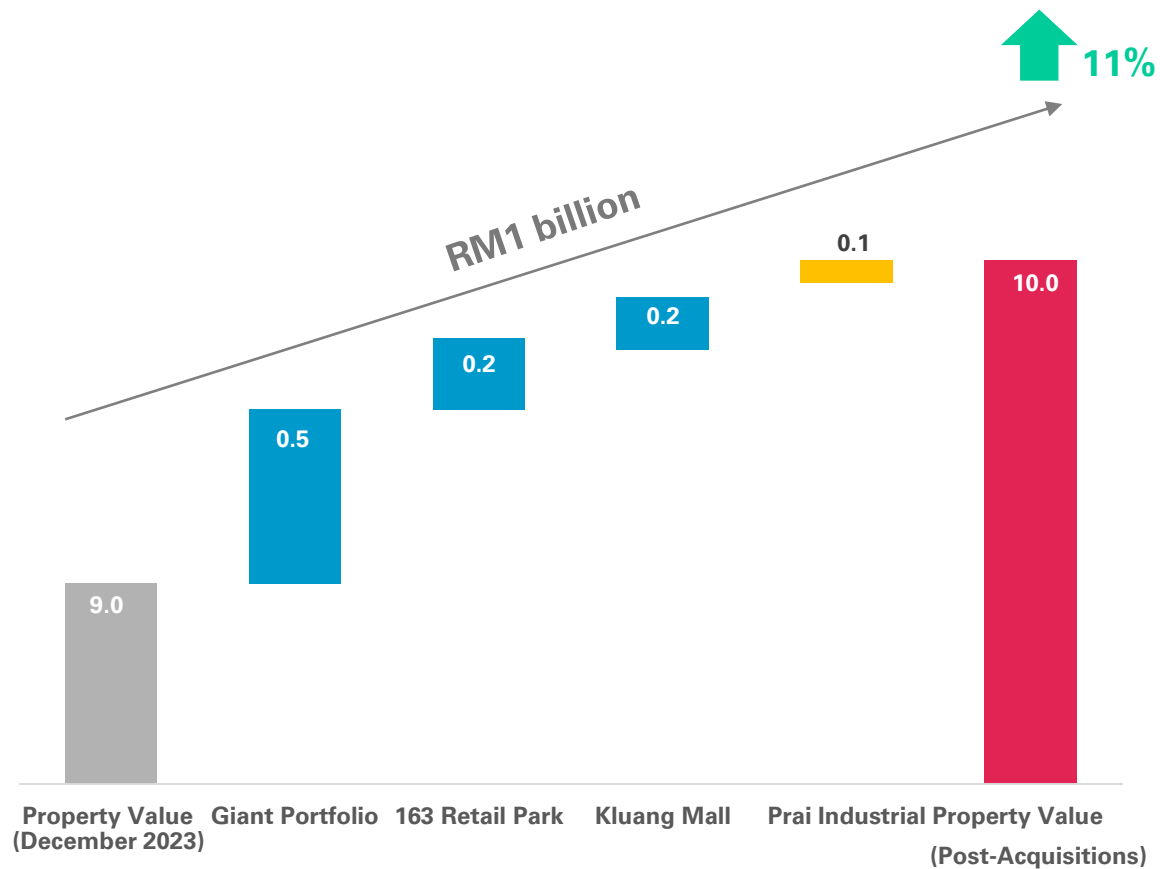
2) FP2021 was a reporting period of 18 months following to the change in the financial year from June to December.

3) The financial year end for FY2022 – FY2023 was December.

¹ Annualised distribution yield for FY2024 based on 1H FY20204 proposed DPU.

Clear Visibility of Earnings Growth

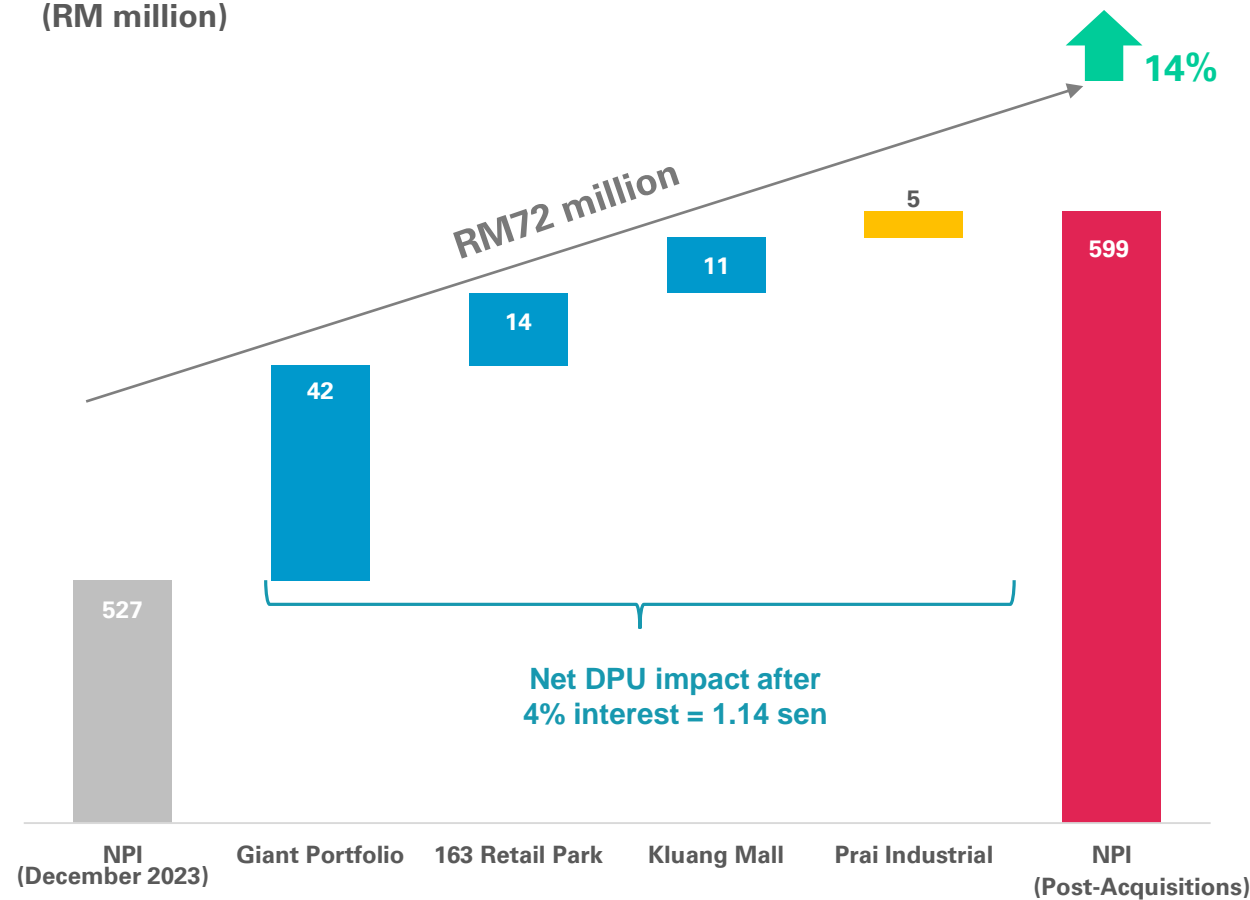
Property Value Accretion
(RM million)



Legend
● Retail asset ● Industrial Asset

Note:
 1) Post acquisitions of Giant Hypermarkets, Sunway 163 Mall, Prai Industrial and Sunway Kluang Mall.

NPI Accretion
(RM million)



Legend
● Retail asset ● Industrial Asset

Note:
 1) Post acquisitions of Giant Hypermarkets, Sunway 163 Mall, Prai Industrial and Sunway Kluang Mall.
 2) Proforma annual NPI for the new assets based on 2023 NPI.

Robust Financial Performance YTD Q3 2024

	Q3 2024 (RM'mil)	Q3 2023 (RM'mil)	Variance	YTD Q3 2024 (RM'mil)	YTD Q3 2023 (RM'mil)	Variance
Revenue	192.1	175.8	9.3%	546.3	525.2	4.0%
Net Property Income	144.3	136.8	5.5%	404.2	391.2	3.3%
PBT (realised) to unitholders	89.1	86.9	2.5%	249.1	245.6	1.4%

	YTD Q3 2024	YTD Q3 2023	Variance
DPU	4.66 sen	4.62 sen	0.9%
Dividend Yield	5.7%	6.6%	-0.9%
Gearing	43.1%	37.4%	5.7%
Net Gearing	40.3%	34.3%	6.0%
Units in circulation	3,425 million	3,425 million	-
Market Capitalisation	RM5.8 billion	RM5.0 billion	RM0.8 billion
Unit Price	RM1.70	RM1.46	16.4%
NAV per unit	RM1.4840	RM1.4649	1.3%
Premium to NAV	14.6%	-0.3%	14.9%

	As at 30 Sep 2024 (RM'mil)	As at 31 Dec 2023 (RM'mil)	Variance (RM'mil)
Investment Properties	9,769	8,912	857
Total Assets	10,220	9,539	681
Total Borrowings	4,403	3,637	766
Unitholders' Funds	5,331	5,176	155

YTD Q3 2024 NPI

Retail **RM264.9 million** ↑ 10% y-o-y

Hotel **RM64.7 million** ↑ 6% y-o-y

Office **RM39.8 million** ↑ 2% y-o-y

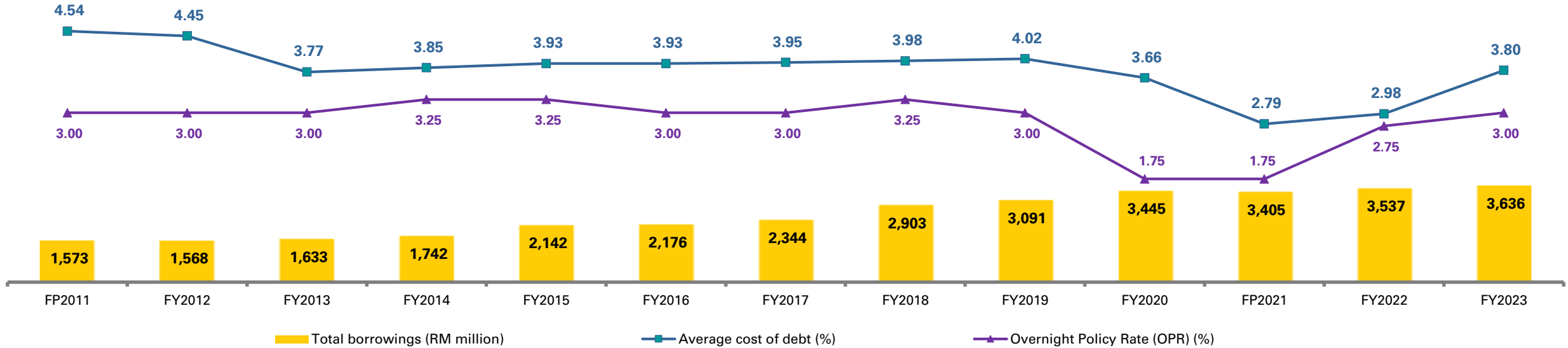
Services **RM28.7 million** ↓ 37% y-o-y

Industrial & Others **RM6.0 million** ↑ 44% y-o-y

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Proactive Capital Management

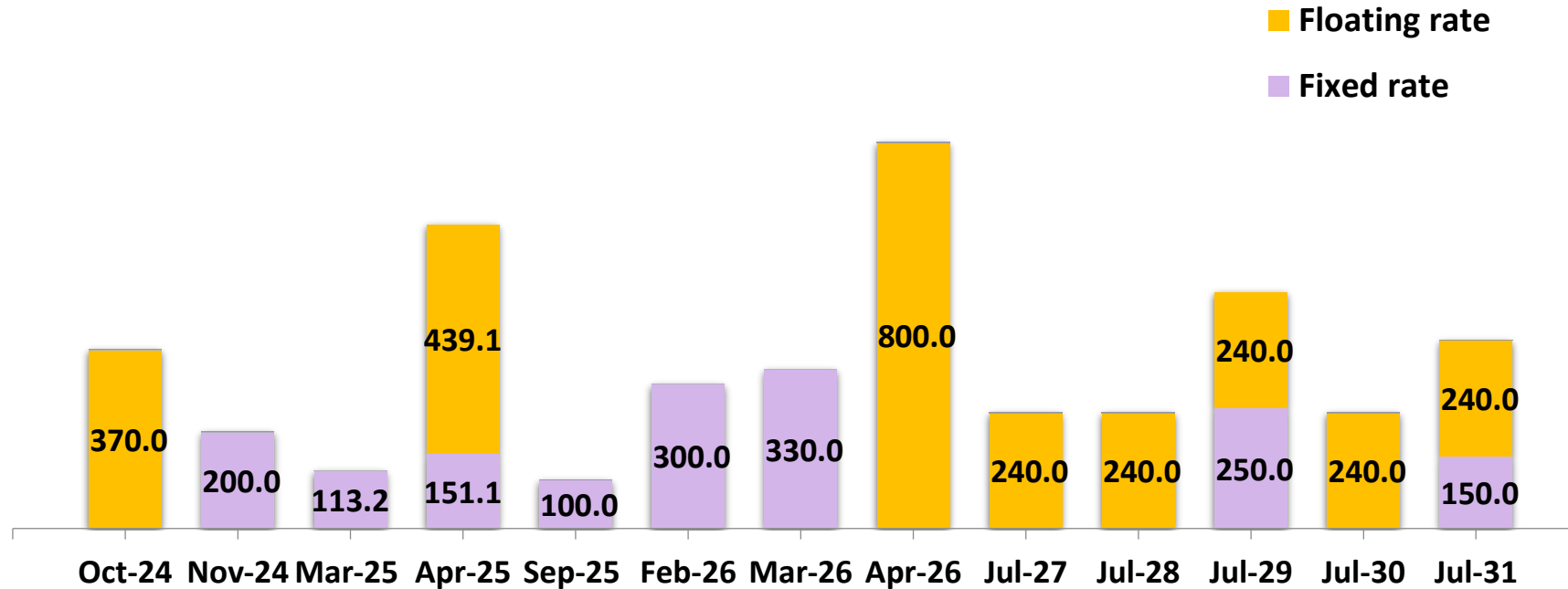
Total Borrowings, Average Cost of Debt and OPR



	FP2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023
Gearing ratio (%)	35.3	33.5	31.0	31.1	33.3	33.3	34.3	38.6	37.9	40.7	37.2	37.6	38.1
Interest service coverage ratio (x)	3.7	3.8	5.0	5.0	3.7	4.9	4.1	3.7	3.4	3.1	2.8	4.5	3.5
Fixed : Floating debt	33 : 67	20 : 80	81 : 19	76 : 24	88 : 12	94 : 6	89 : 11	40 : 60	45 : 55	43 : 57	38 : 62	31 : 69	34 : 66
Average maturity period (years)	3.0	1.0	3.1	2.2	1.7	1.0	0.4	0.6	0.4	0.4	2.3	1.9	1.3

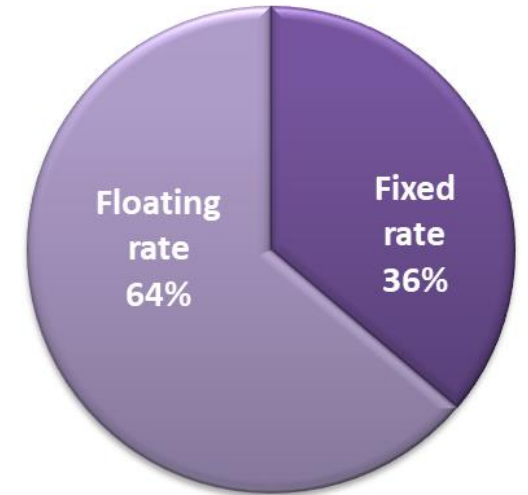
Diversified and Strengthened Financing Profile (September 2024)

Debt Maturity Profile (RM'million)

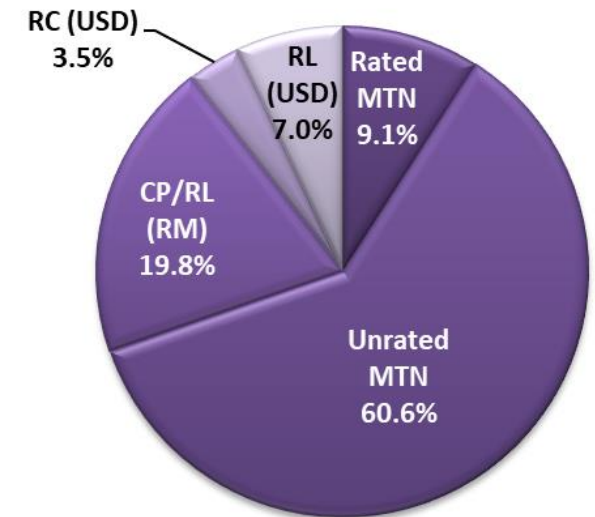


Average Maturity Period: 2.4 years

Fixed vs Floating Rate



Sources of Debt



Robust Credit Profile backed by Independent Ratings

AA₁(s)

RM10.0 billion Medium Term Notes (MTN) Programme – Secured

AA₂(s)

RM10.0 billion MTN Programme – Unsecured ¹

AA₂

Corporate Credit Rating

A₁(s)

RM10.0 billion Perpetual Note Programme ²

P1(s)

RM3.0 billion Commercial Paper Programme

¹ Issuance of the first-in-the-industry
Rated Sustainability-linked MTN
in July 2024

Issued at 25 – 30 bps

5-year RM250mil @ 3.97% (coupon rate)
7-year RM150mil @ 4.06% (coupon rate)

Blended Coupon Rate: 4.00%

Book-to-cover ratio: **3.45 times**

² Issuance of the first-in-Malaysia
Rated Sustainability-linked Perpetual
in October 2024

Issued at 100 bps

5-year RM150mil @ 4.51% (coupon rate)
7-year RM350mil @ 4.68% (coupon rate)

Blended Coupon rate: 4.63%

Ratings assigned by independent rating agencies

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Awards



The 9th Annual REITS and Real Estate Investment Summit Asia Pacific 2024
PLATINUM AWARD – Best Retail REIT (Malaysia, USD 1 Billion and Above)



Minority Shareholder Watchdog Group's National Corporate Governance & Sustainability Awards 2024
REITs Excellence Award



Australasian Reporting Awards 2024
GOLD AWARD – Distinguished Achievements in Reporting
BRONZE AWARD – Distinguished Achievements in Sustainability Reporting



National Annual Corporate Report Awards (NACRA) 2024
GOLD EXCELLENCE AWARD – companies with RM2 billion to RM10 billion in market capitalisation



The Edge ESG Awards 2024
GOLD AWARD – REIT category



The Star ESG Positive Impact Awards 2023
SILVER AWARD – Innovative Partnership category (Green Lease)



GreenRE Sustainable Design Awards 2024
Best Commercial Development (Hotel) – Sunway Resort Hotel
Best Commercial Development (Shopping Mall) – Sunway Putra Mall



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Key Takeaways

1 One of the leading diversified REITs in Malaysia

Market Capitalisation

RM6.2 billion

(as at 31 Oct 2024)

Property Value

> RM10.0 billion

(as at 31 Oct 2024)

Good mix of no. of assets

27

(as at 31 Oct 2024)

Wide tenant base

with favourable lease profile

2 Strong financials

Revenue

RM546.3 million

NPI

RM404.2 million

DPU (1H 2024)

4.66 sen

Cost of debt

3.88%

Distribution Yield

5.7%

Gearing

43.1%

3 Sustainability agenda

MSCI rating of A (Improved from BB)

FTSE4Good Bursa Malaysia

ESG Score 3.6

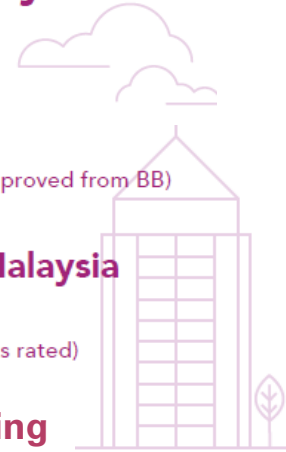
(Top 22% amongst the companies rated)

GRESB 4-star rating

and awarded an "A" for public disclosure

5 Green buildings

- **GreenRE Platinum certification** for Sunway Resort Hotel
- **GreenRE Gold certification** for Sunway Putra Mall



4 Strong growth trajectory

RM0.9 billion AEI

RM1.0 billion new acquisition

Recovery in hotel segment

5 Strong management

Strong and experienced REIT management and asset management teams

Reputable sponsor with large visible pipeline assets and able to leverage Sunway Berhad's expertise

**Information as at YTD Q3 2024 unless stated otherwise*

Thank You

For further information on this presentation kit, please kindly contact:

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