

**SUNWAY**  
REIT

# Sunway REIT Corporate Presentation

October 2024



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Section A	Overview of Sunway REIT
Section B	Strategy
Section C	Financial
Section D	Capital Management
Section E	Sustainability
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

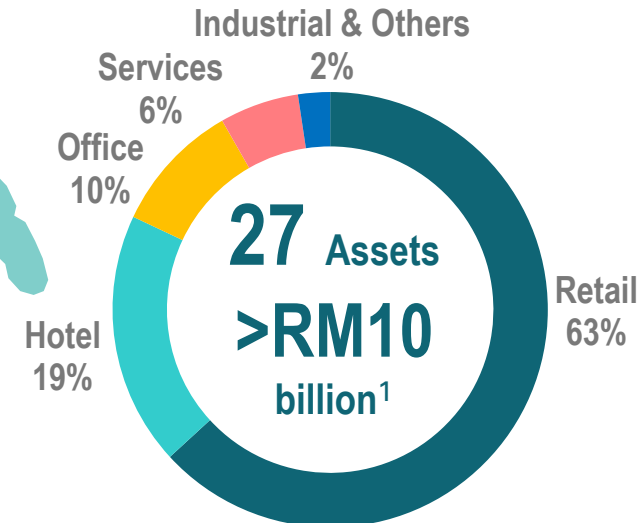
- Sunway REIT Hypermarket – Plentong **NEW**



Property Value at IPO  
**RM3.5 billion**

Total Acquisition since IPO<sup>1</sup>  
**RM3.5 billion**

Fair Value Gain 1.6b, AEs & Property Development since IPO<sup>1</sup>  
**RM3.0 billion**



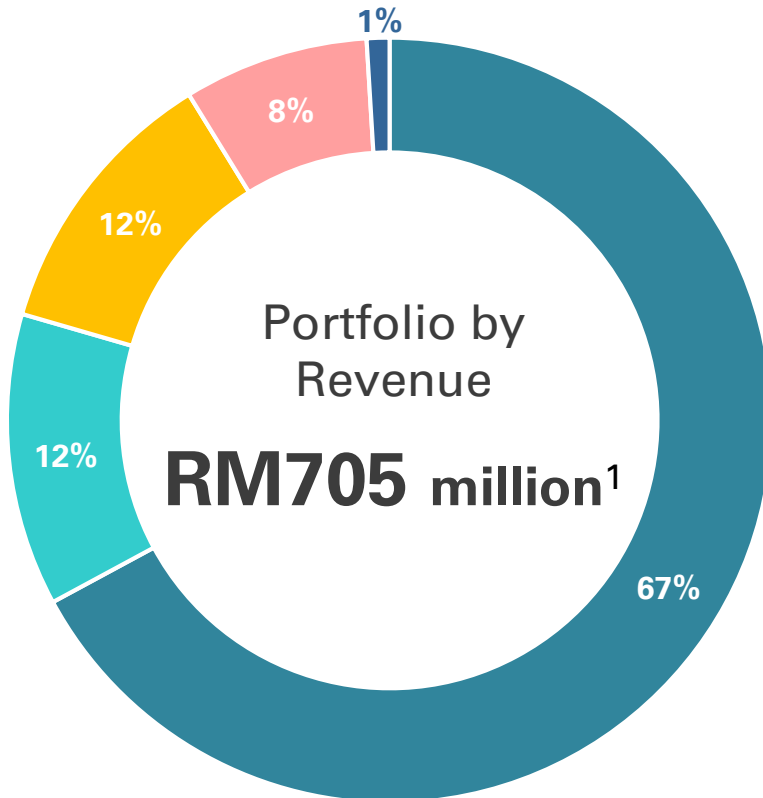
**Proposed acquisition pending completion:**

Kluang Mall located at Kluang, Johor

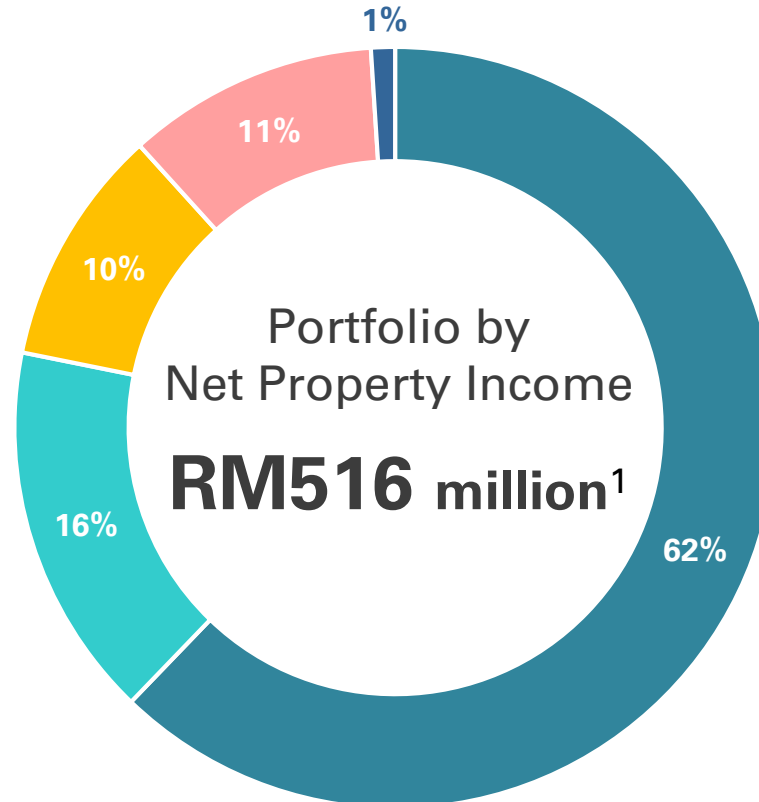
<sup>1</sup> Information as at 31 October 2024

# Portfolio At A Glance (FY2023)

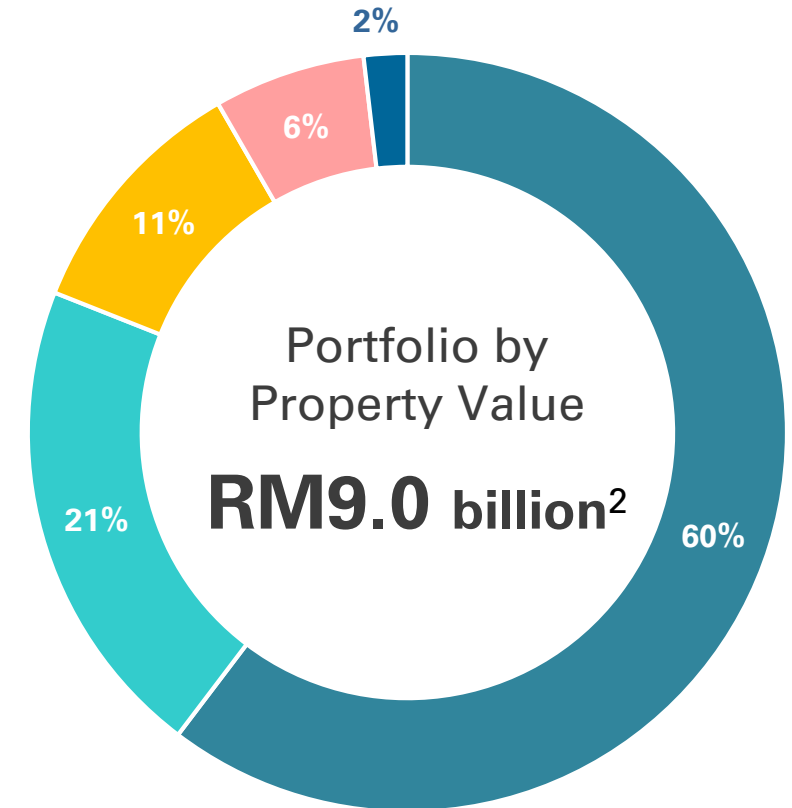
## Revenue



## Net Property Income



## Property Value



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

<sup>1</sup> Excluded unrealised income in relation to unbilled lease income receivable pursuant to MFRS 16 Leases.

<sup>2</sup> Based on market valuation as at 31 December 2023

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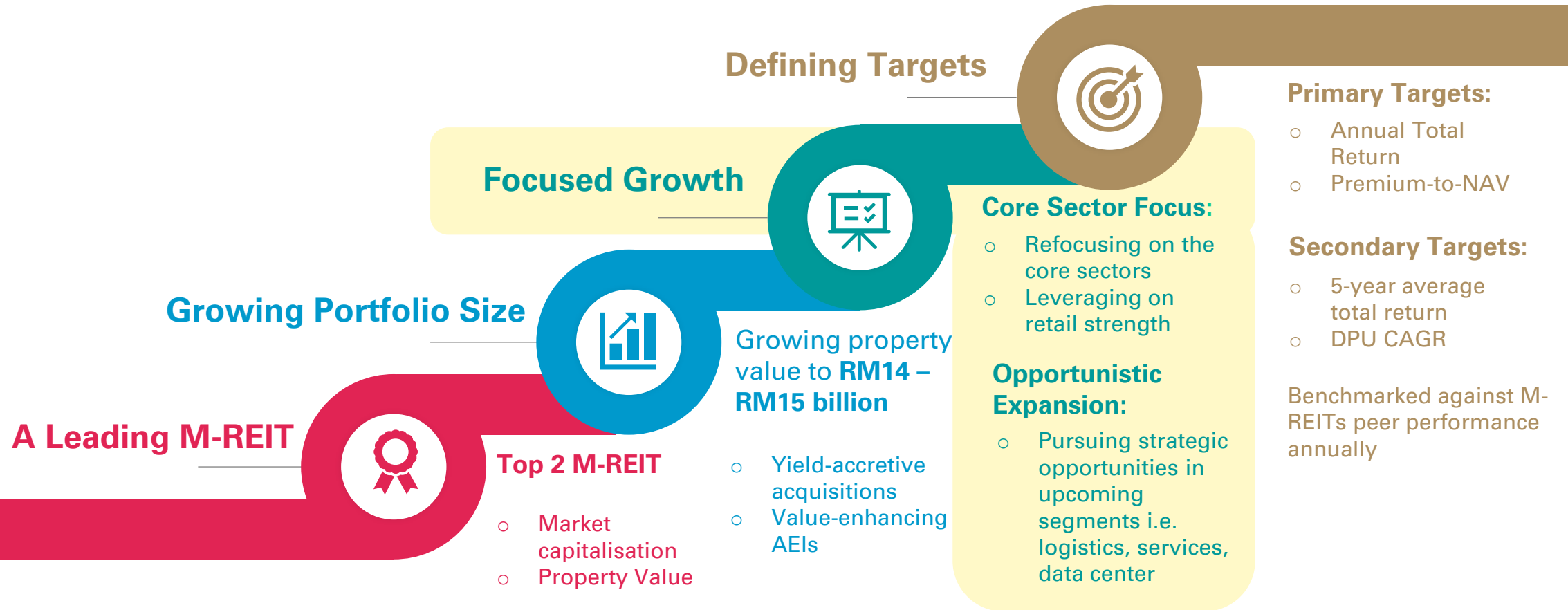
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# Key Strategies

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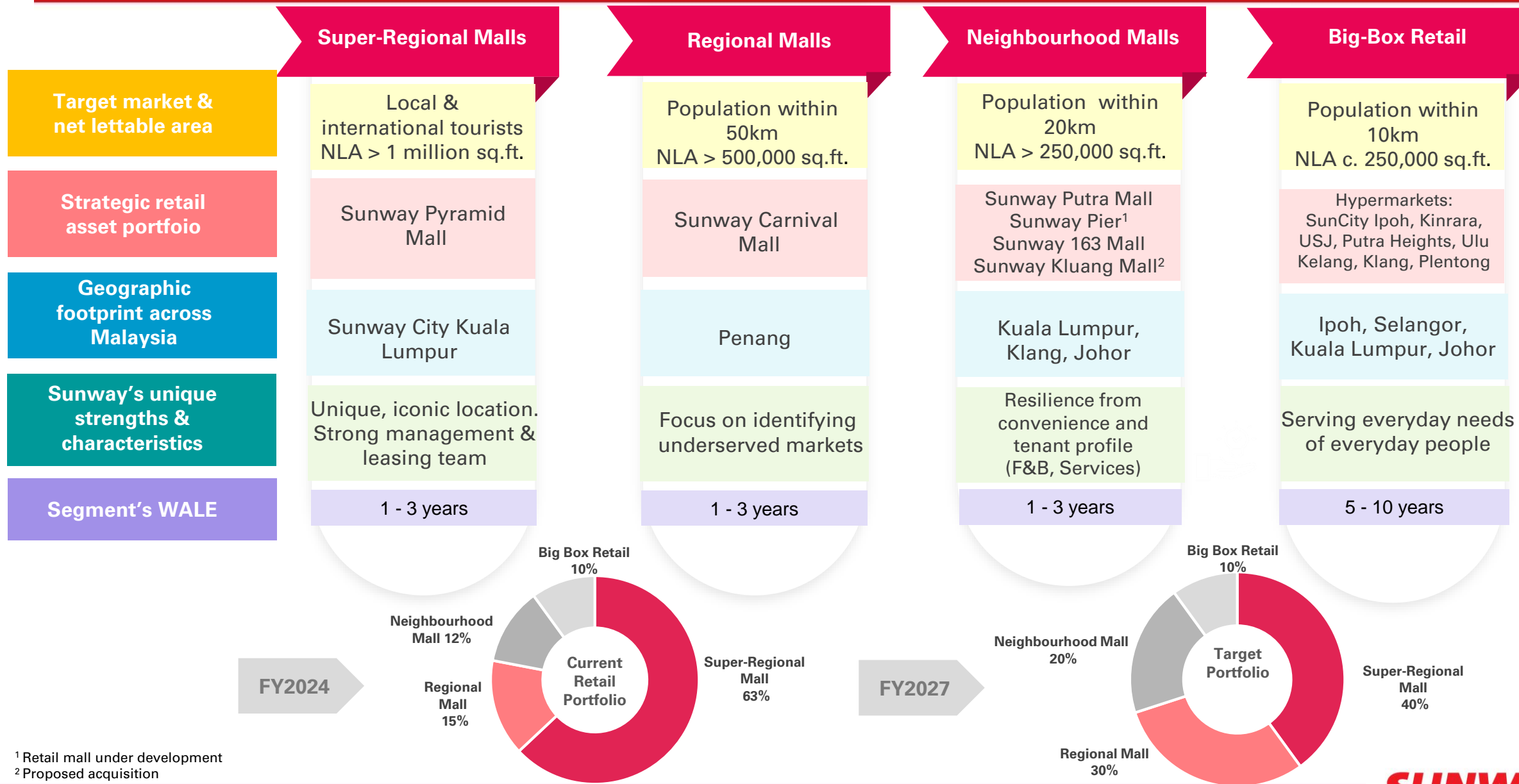


# Recalibrating Transcend 2027





# Building a Diversified Retail Portfolio with Enhanced Income Resilience



<sup>1</sup> Retail mall under development  
<sup>2</sup> Proposed acquisition

# Organic Growth via Rental Reversion & Increasing Occupancy

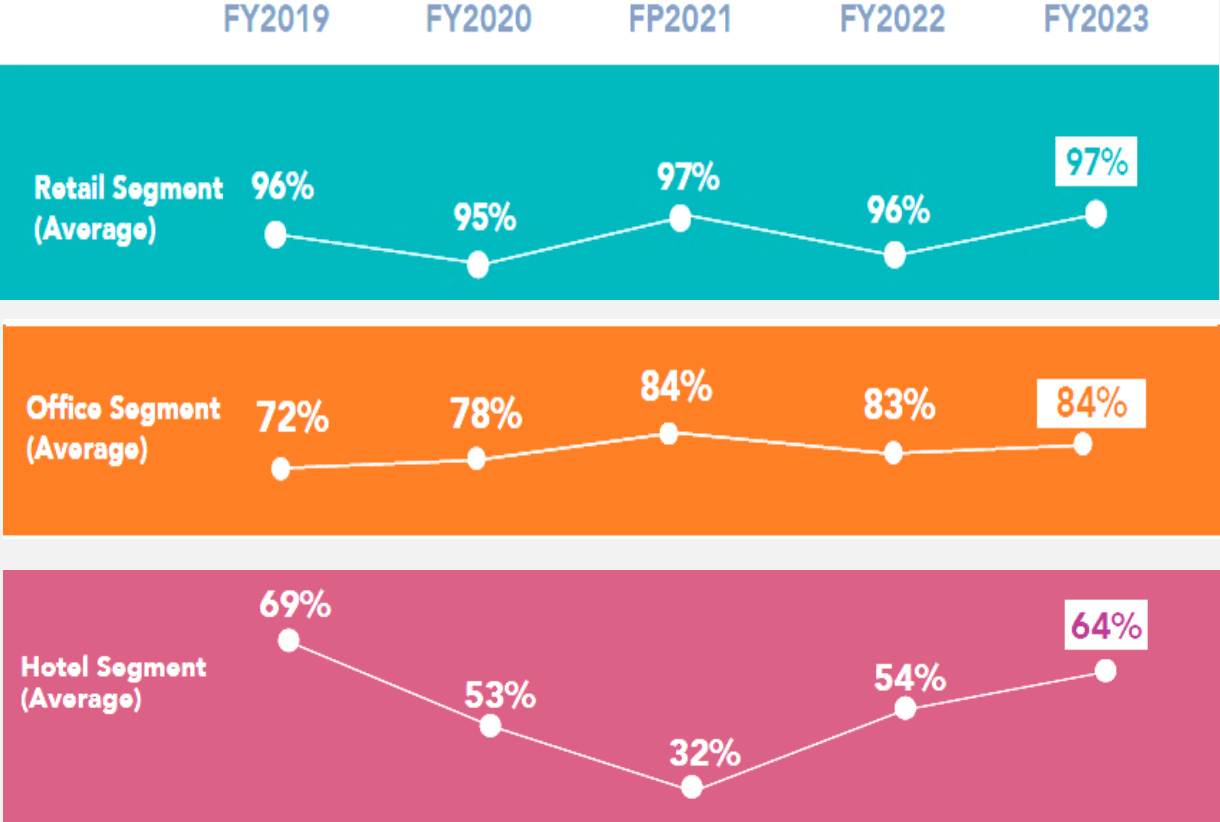
## Average Rental Reversion & Weighted Average Lease Expiry (WALE)

**Average rental reversion**  
**8.5%<sup>1</sup>**  
 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



<sup>1</sup> Increase in three years including step-up rent

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



Sunway Hotel Seberang Jaya

RM17 mil

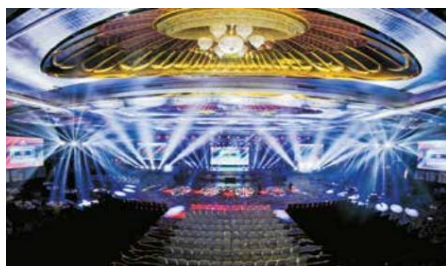
2013



Sunway Putra

RM460 mil

2015



Sunway Resort Hotel Ballroom and Function Rooms Refurbishment

RM55 mil

2017



2018



Sunway Carnival Mall New Wing

RM440 mil

2022



Sunway Resort Hotel Refurbishment

RM260 mil

2023



Sunway Pyramid Mall Oasis

RM190 mil

2024



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	
	<b>Space Reconfiguration at Sunway Pyramid Mall - Oasis</b>	Q4 2023 – Q4 2024	RM190 million
	<b>Refreshing Sunway Carnival Mall Existing Wing</b>	Q3 2023 – Q3 2025	RM360 million
	<b>Trailblazing Urban Rejuvenation at Sunway Pier</b>	Q1 2024 – Q4 2026	RM370 million
<b>Total Capital Expenditure circa RM 0.9 billion</b>			



# AEI success – Transformation and Rebranding for Sunway Resort Hotel



A transformed  
**5-star hotel**

located in the heart of  
Sunway City Kuala Lumpur

**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 – 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%**

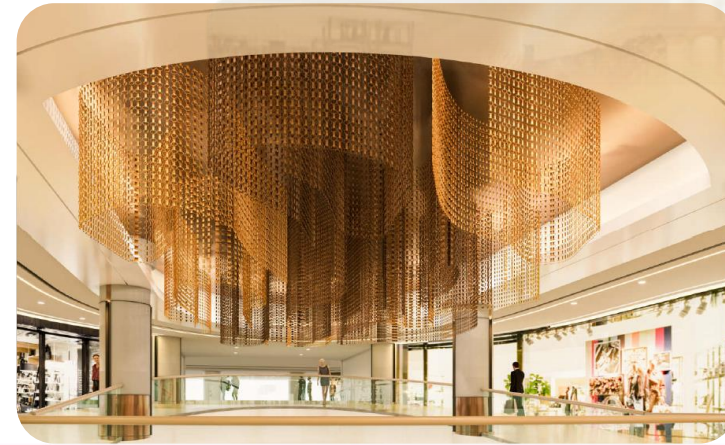
NLA (After):

**260,000 sq.ft.**

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



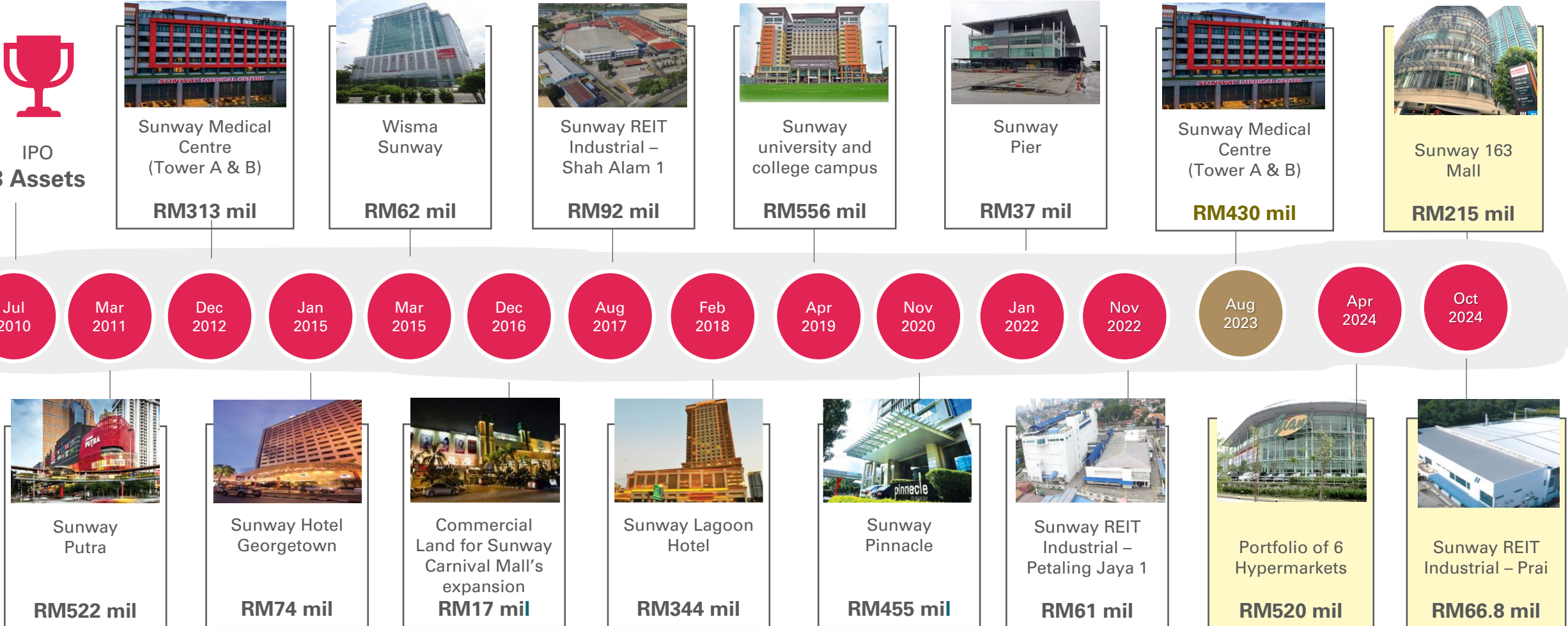
## Invigorating Tenancy Mix



Artist's Impression for Oasis precinct at Sunway Pyramid Mall

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

IPO  
8 Assets



Pending Completion:  
Sunway Kluang Mall (RM158 mil)

Legend  
● Acquisition    ● Disposal



# Pursuing Opportunistic Acquisitions Across Sectors (Proposed Acquisitions)

## Prai Industrial



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

## Sunway 163 Mall



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

## Sunway Kluang Mall



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

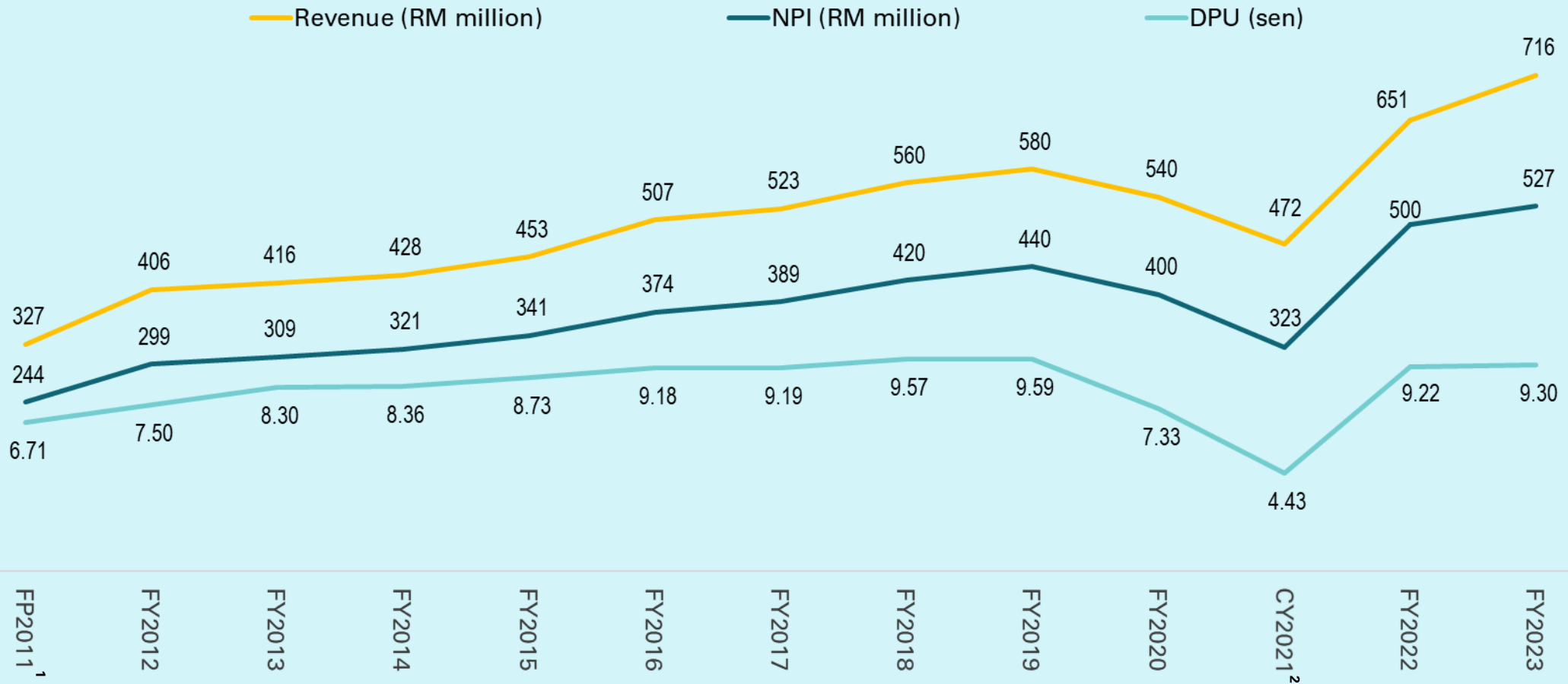
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# Portfolio Value Creation - Financial

## Historical Performance



↑ 7% CAGR since IPO

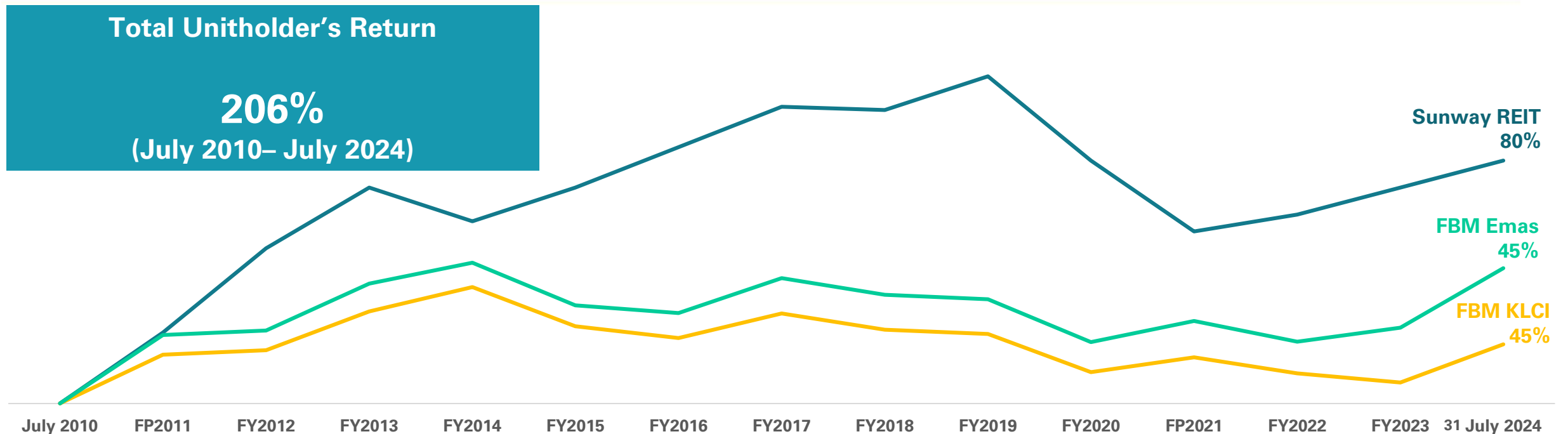
↑ 7% CAGR since IPO

↑ 3% CAGR since IPO

<sup>1</sup> 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)

<sup>2</sup> For the 12-month period from 1 January 2021 to 31 December 2021

# Total Unitholder's Return since IPO



	July 2010	FP2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023	31 July 2024	Total
	IPO	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023	31 July 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	1.62	
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	5.8 <sup>1</sup>	
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	5.2	
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	11.0	

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

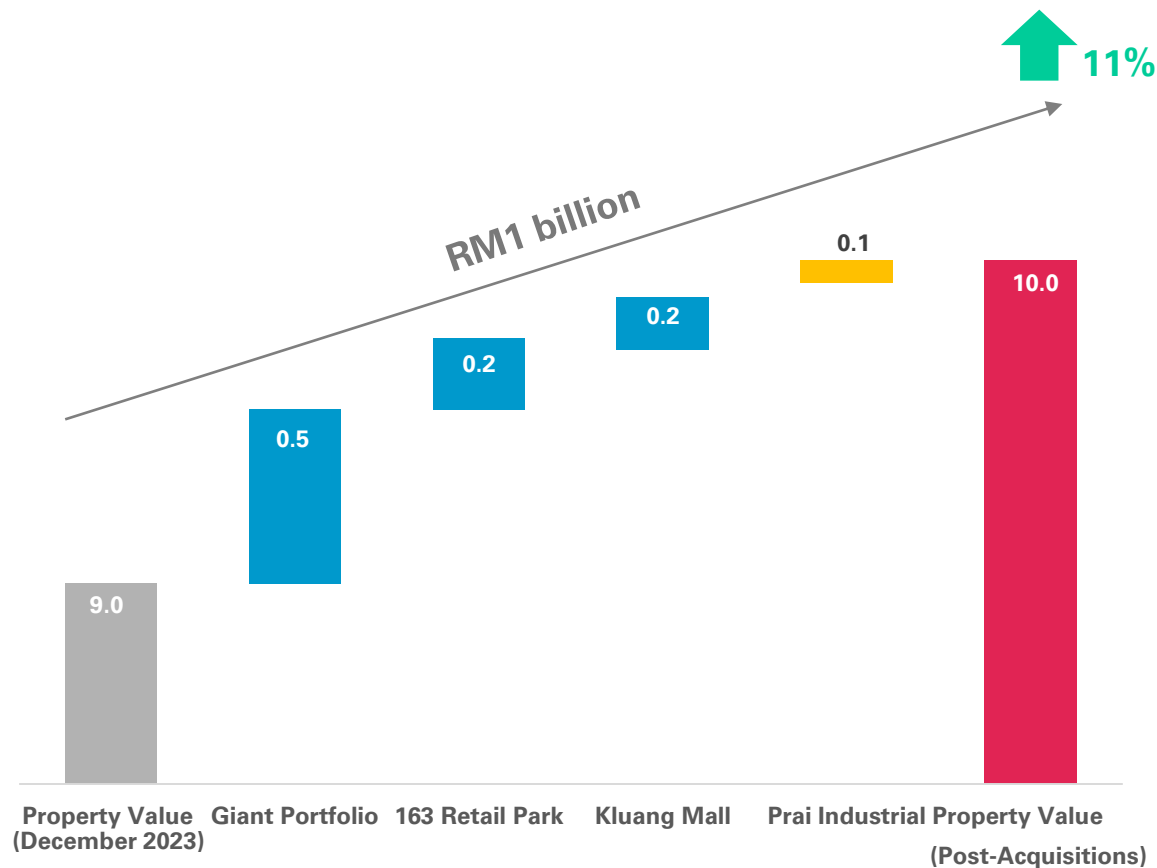
2) FP2021 was a reporting period of 18 months following to the change in the financial year from June to December.

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

<sup>1</sup> Annualised distribution yield for FY2024 based on 1H FY20204 proposed DPU.

# Clear Visibility of Earnings Growth

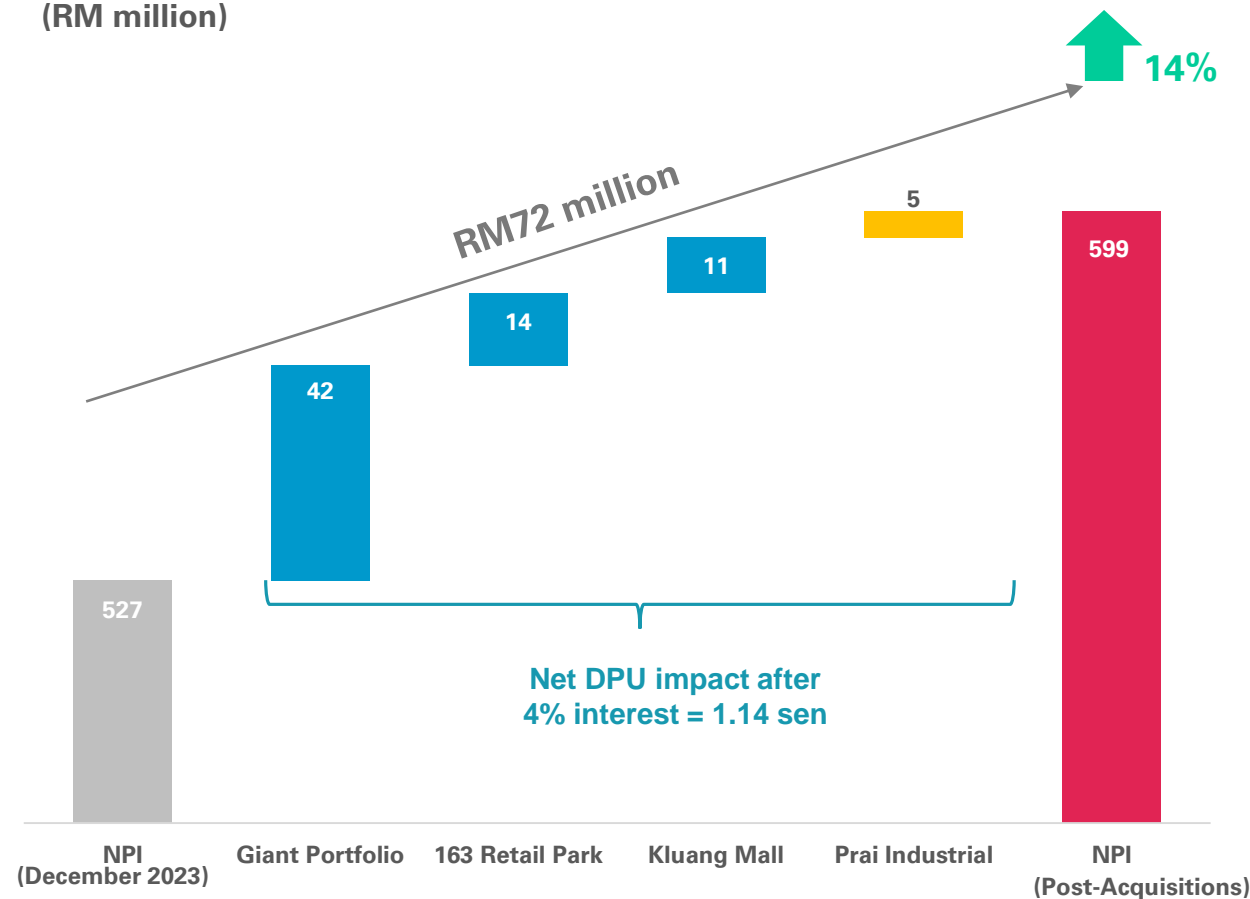
Property Value Accretion  
(RM million)



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

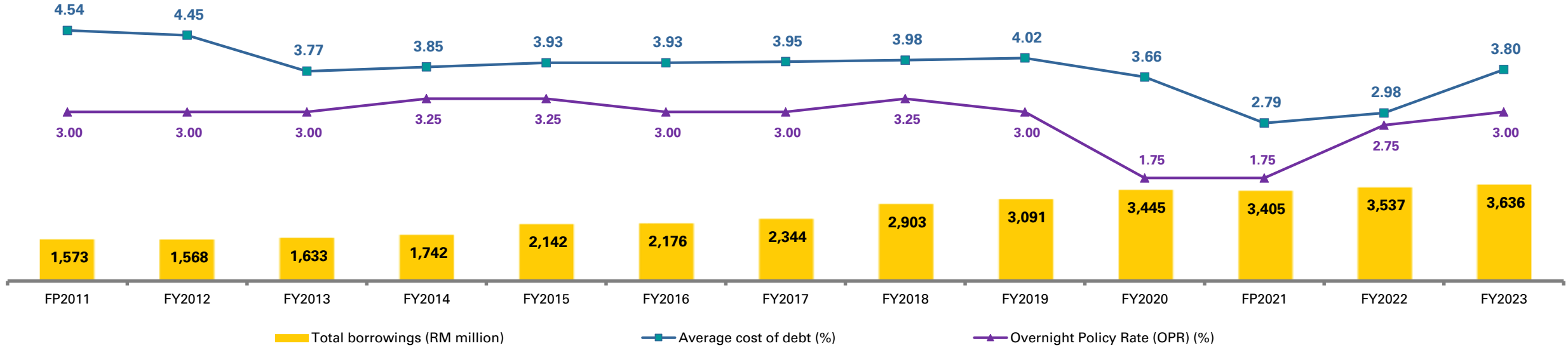
Note:  
 1) Post acquisitions of Giant Hypermarkets, Sunway 163 Mall, Prai Industrial and Sunway Kluang Mall.  
 2) Proforma annual NPI for the new assets based on 2023 NPI.

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# Proactive Capital Management

## Total Borrowings, Average Cost of Debt and OPR

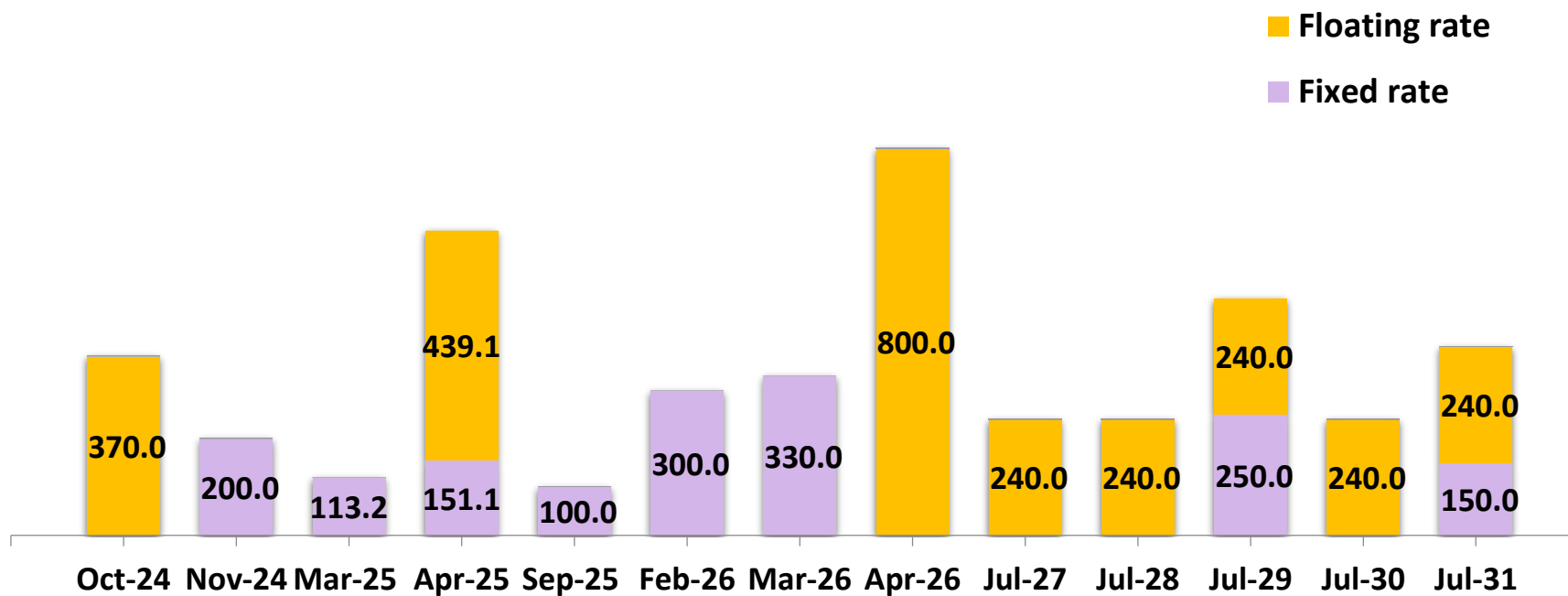


	FP2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023
Gearing ratio (%)	35.3	33.5	31.0	31.1	33.3	33.3	34.3	38.6	37.9	40.7	37.2	37.6	38.1
Interest service coverage ratio (x)	3.7	3.8	5.0	5.0	3.7	4.9	4.1	3.7	3.4	3.1	2.8	4.5	3.5
Fixed : Floating debt	33 : 67	20 : 80	81 : 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

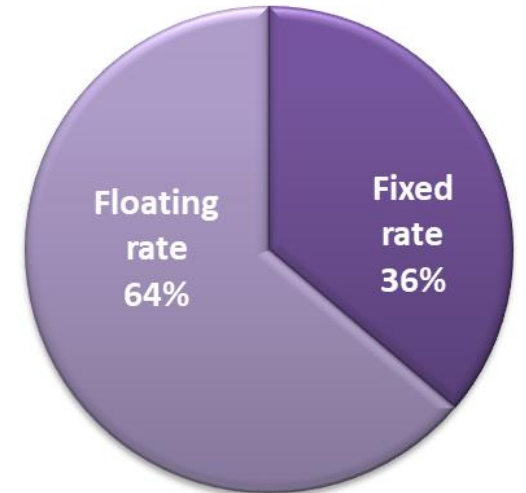


# Diversified and Strengthened Financing Profile @ Sept 2024

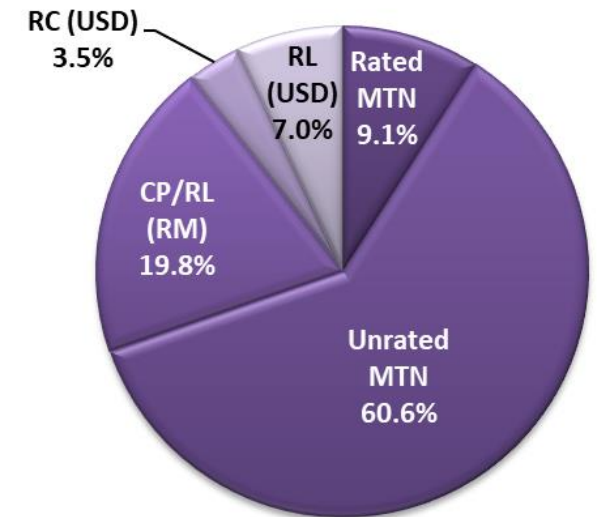
## Debt Maturity Profile (RM'million)



## Fixed vs Floating Rate



## Sources of Debt



# Robust Credit Profile backed by Independent Ratings

**AA<sub>1</sub>(s)**

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

**AA<sub>2</sub>(s)**

RM10.0 billion MTN Programme – Unsecured <sup>1</sup>

**AA<sub>2</sub>**

Corporate Credit Rating

**A<sub>1</sub>(s)**

RM10.0 billion Perpetual Note Programme <sup>2</sup>

**P1(s)**

RM3.0 billion Commercial Paper Programme

<sup>1</sup> 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**

<sup>2</sup> Issuance of the first-in-the-industry  
**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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# Strong Commitment to Sustainability



## Stronger Governance

- Established a **Sustainability Committee** comprising **Board Members**
- Sustainability Committee supported by a **Sustainability Officer** and a **Sustainability Working Group** to embed **sustainability considerations** and practices in **Sunway REIT's daily operations**
- Charted **Sustainability Goals 2030**

**Goal 1:**  
Transforming our portfolios to low-carbon assets

**Goal 2:**  
Advocating a responsible value chain

**Goal 3:**  
Investing in community inclusivity

**Goal 4:**  
Respecting ethical principles



## Better Climate Action

- Commitment **Net Zero Carbon Emissions by 2050 target**
  - ✓ **18,629 MWh** renewable energy generated
  - ✓ **Internal Carbon pricing framework** at RM15 per tonne CO<sub>2</sub> emitted
  - ✓ **Building Energy intensity (BEI)** target setting
- Task Force on Climate-Related Financial Disclosures (TCFD)**
- Appointed Jeffrey Sachs Center on Sustainable Development to quantify climate risk: **Value-at-Risk (VaR)**.
- Sustainability-Linked Bond** through collaborations with financial institutions
- Implemented **Green Lease Partnership Programme**
- Introduced **Green Building Roadmap** to certify all buildings by 2034


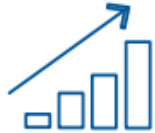








## Bigger Social Impact

- Established a **Sustainability Policy** and a **Donations, Sponsorships and Corporate Responsibility Policy** to guide the execution of sustainability
- Formed an **Occupational, Health, Safety and Environment (OHSE) Committee** at the business segment level.
- We continued **reaching out to the underprivileged and the marginalised** to enrich and empower them through various programmes and initiatives.
- Contribution to combating the COVID-19 pandemic by **offering rental-free spaces as vaccination centres as well as human resources.**
- Universal Accessibility Policy** established

\* For more information on Sunway REIT's sustainability initiatives, please refer to Sunway REIT's Sustainability Report 2023 available on Sunway REIT's website

# Sustainability Highlights – FY2023

 <p>2 buildings are GreenRE certified (<b>Platinum &amp; Gold</b>)</p>	 <p>More than <b>97.5%</b> of our borrowings have been structured with sustainable finance mechanism</p>	 <p><b>RM4.7 billion</b> of our borrowing facilities are secured through sustainable finance commitment</p>	 <p><b>A</b> from previous BB for MSCI</p>
 <p>Established <b>Sustainable Procurement Policy</b></p>	 <p><b>82% tenants</b> participation in Green Lease combined from both Retail and Office</p>	 <p><b>Expanded GHG Inventory</b> reporting</p>	 <p><b>35</b> total learning hours (average per employee)</p>

## 2023 ACCOLADES AND AWARDS



MSCI ESG RATINGS **'A'** rating



Diversified; GRESB **3-star** rating



Score **3.6** out of 5.0



Rated **'Low ESG Risk'** rating



**B** Climate Change 2023



**C** Water Security 2023



**4-star (2024)**

\* For more information on Sunway REIT's sustainability initiatives, please refer to Sunway REIT's Sustainability Report 2023 available on Sunway REIT's website



# In Pursuit of Excellence – 2024 (8 awards)

## Awards and Recognition



**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



**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

**RM5.8 billion**

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**

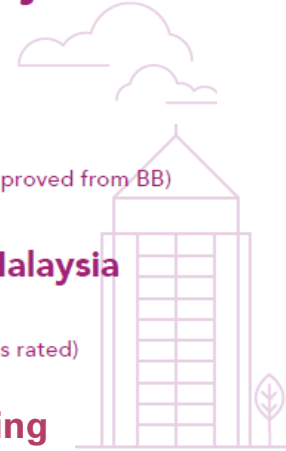
(Top 22% amongst the companies rated)

**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*

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# Thank You

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

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Contact: (603) 5639 9645  
Website: <http://www.sunwayreit.com>

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