

SUNWAY
REIT



**CGS International Annual Malaysia
Corporate Day**

7 January 2025



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

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

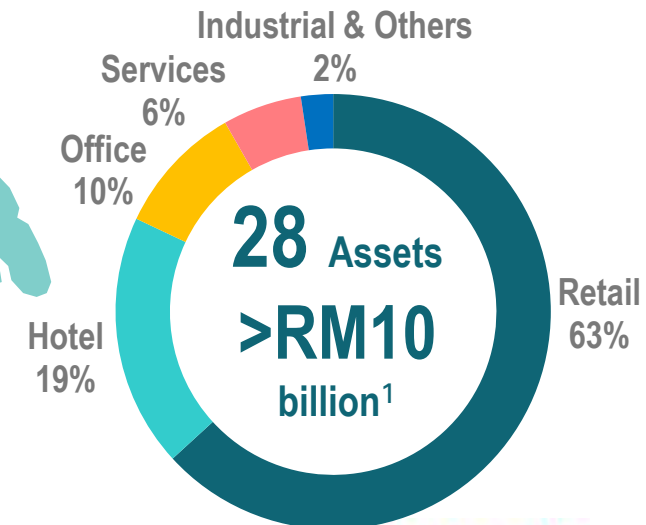
- Sunway REIT Hypermarket – Plentong **NEW**
- Sunway Kluang Mall **NEW**



Property Value at IPO
RM3.5 billion

Total Acquisitions since IPO¹
RM3.5 billion

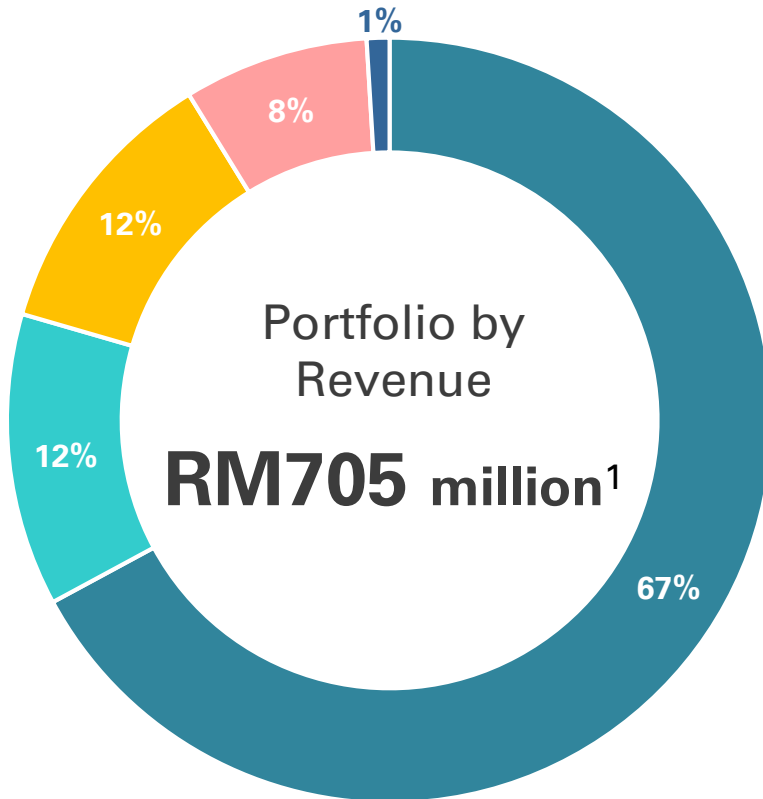
Fair Value Gain RM1.6b, AEs & Property Development since IPO¹
RM4.0 billion



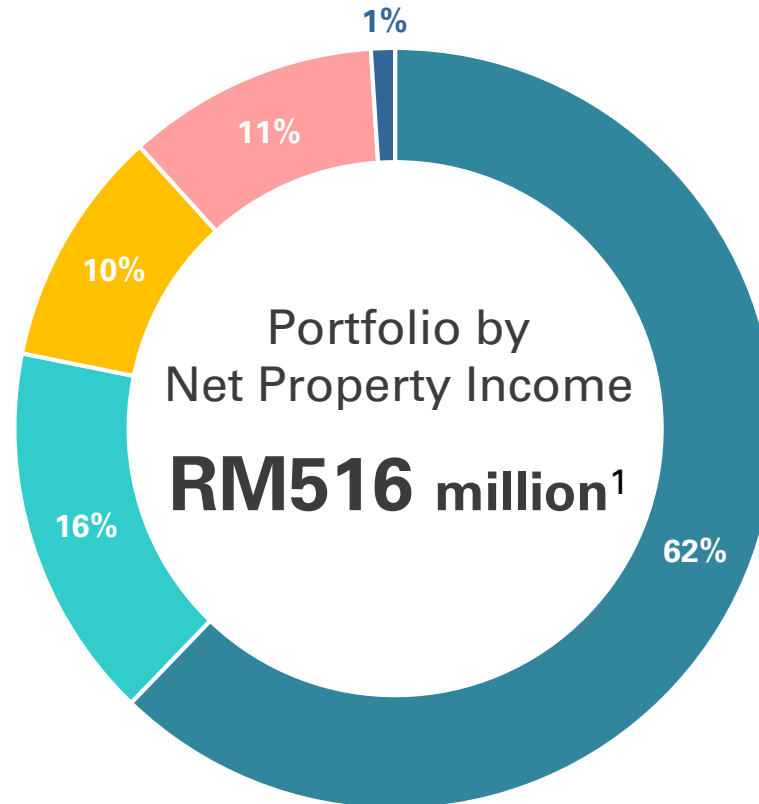
¹ Information as at December 2024

Portfolio At A Glance (FY2023)

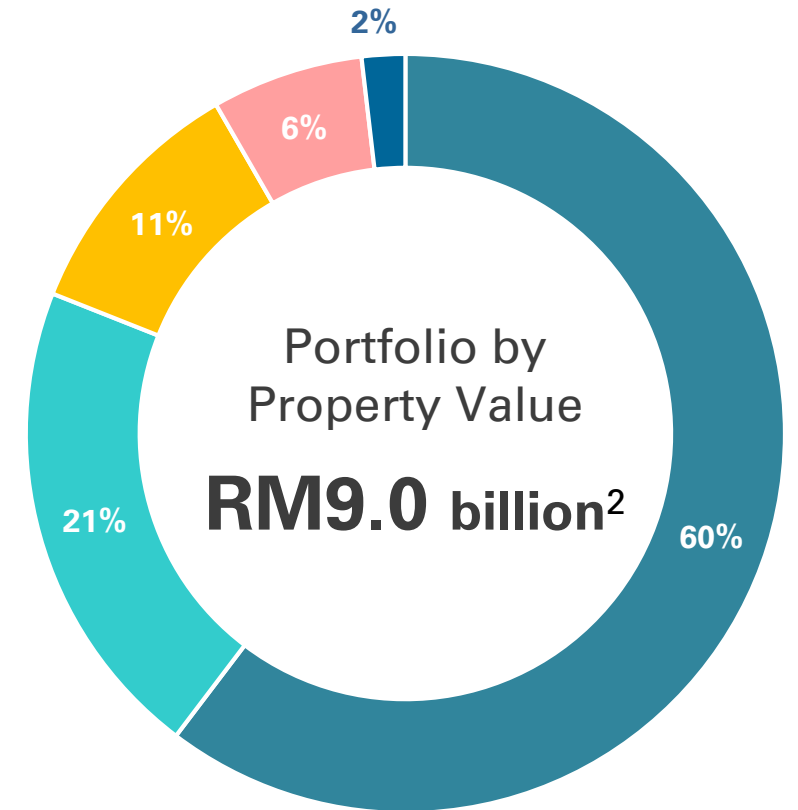
Revenue



Net Property Income



Property Value



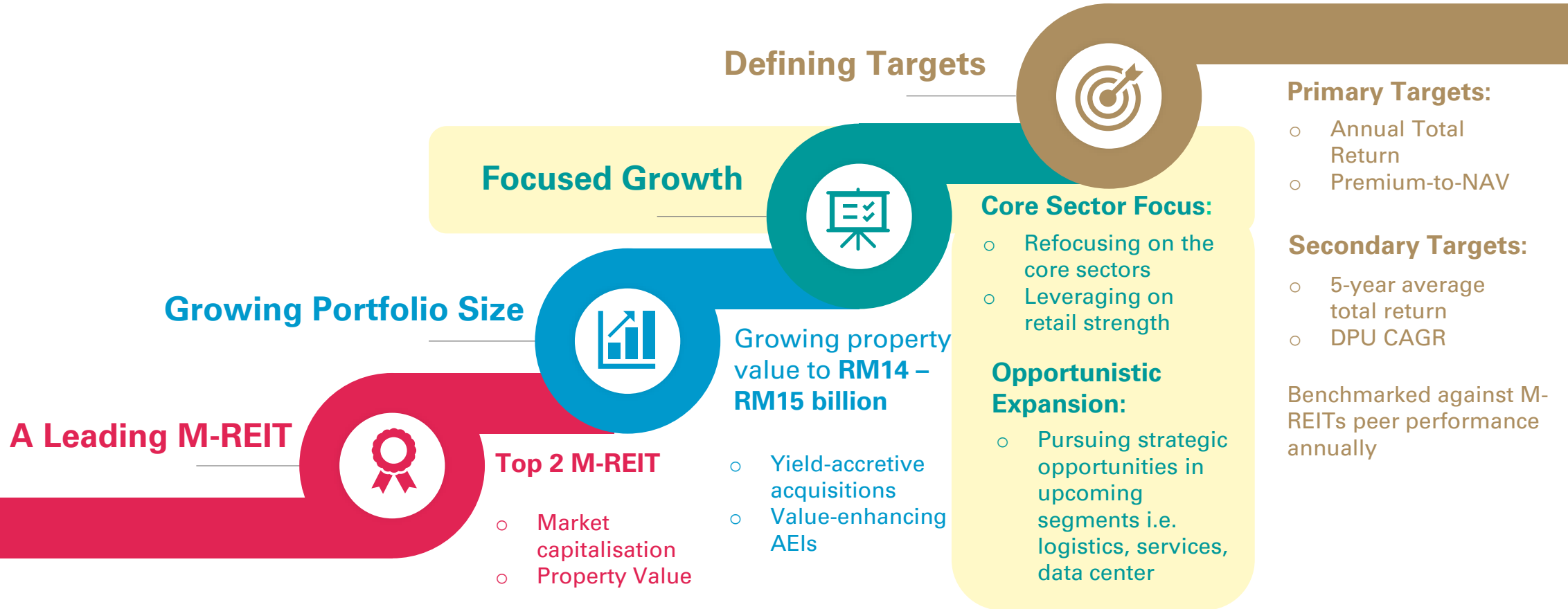
■ Retail ■ Hotel ■ Office ■ Services ■ Industrial and Others

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

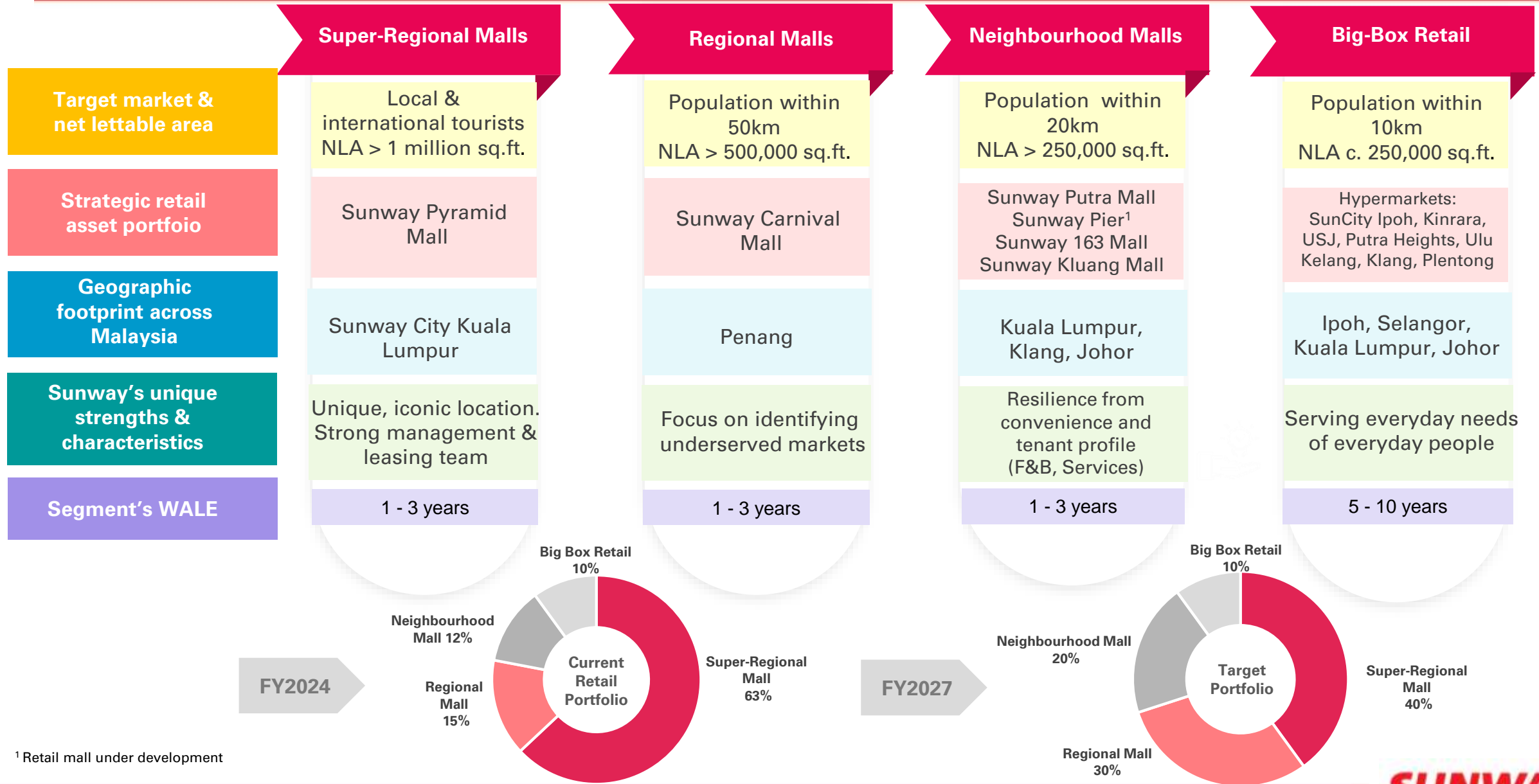
² Based on market valuation as at 31 December 2023

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Recalibrating Transcend 2027

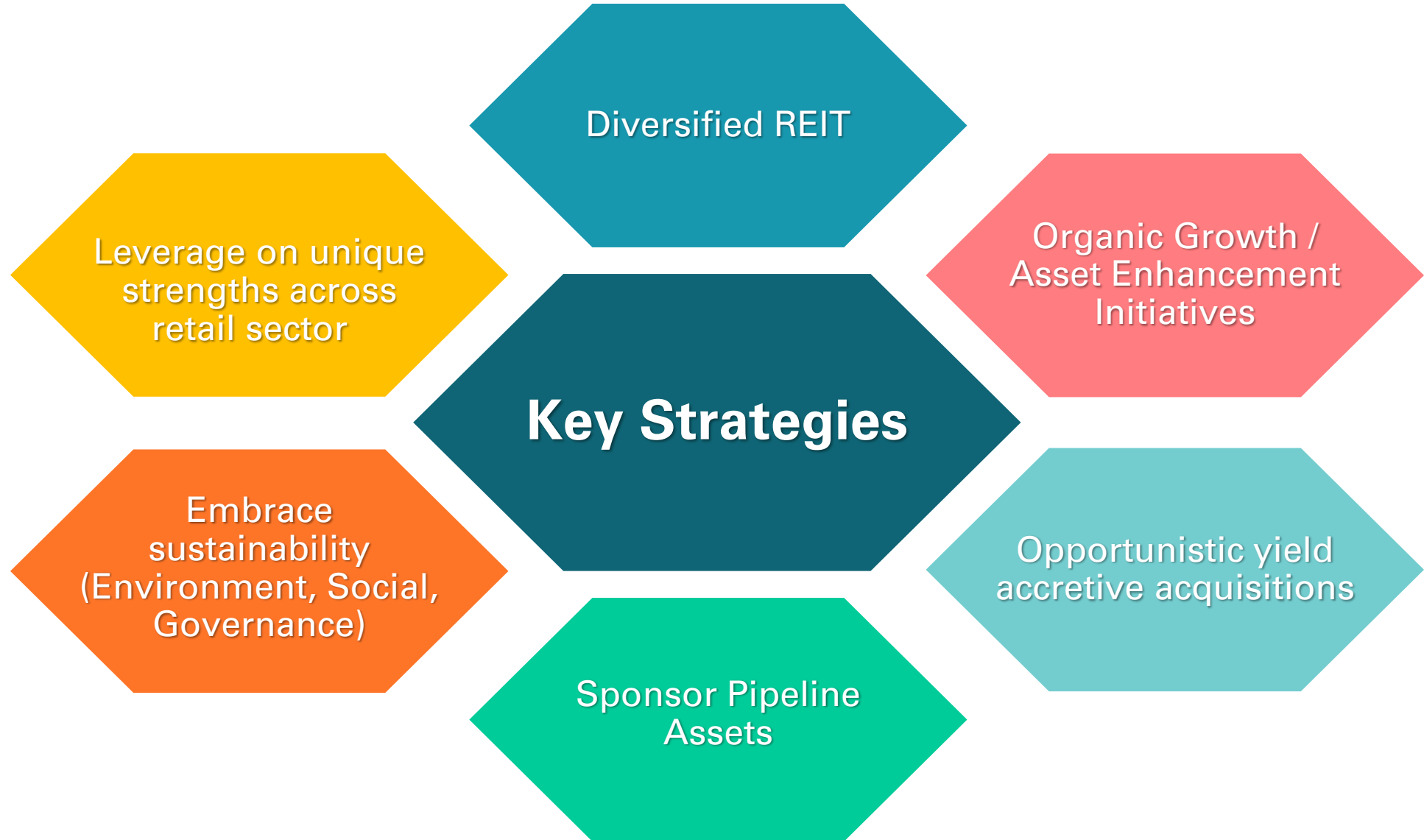


Building a Diversified Retail Portfolio with Enhanced Income Resilience



¹ Retail mall under development

Key Strategies



Organic Growth via Rental Reversion & Increasing Occupancy

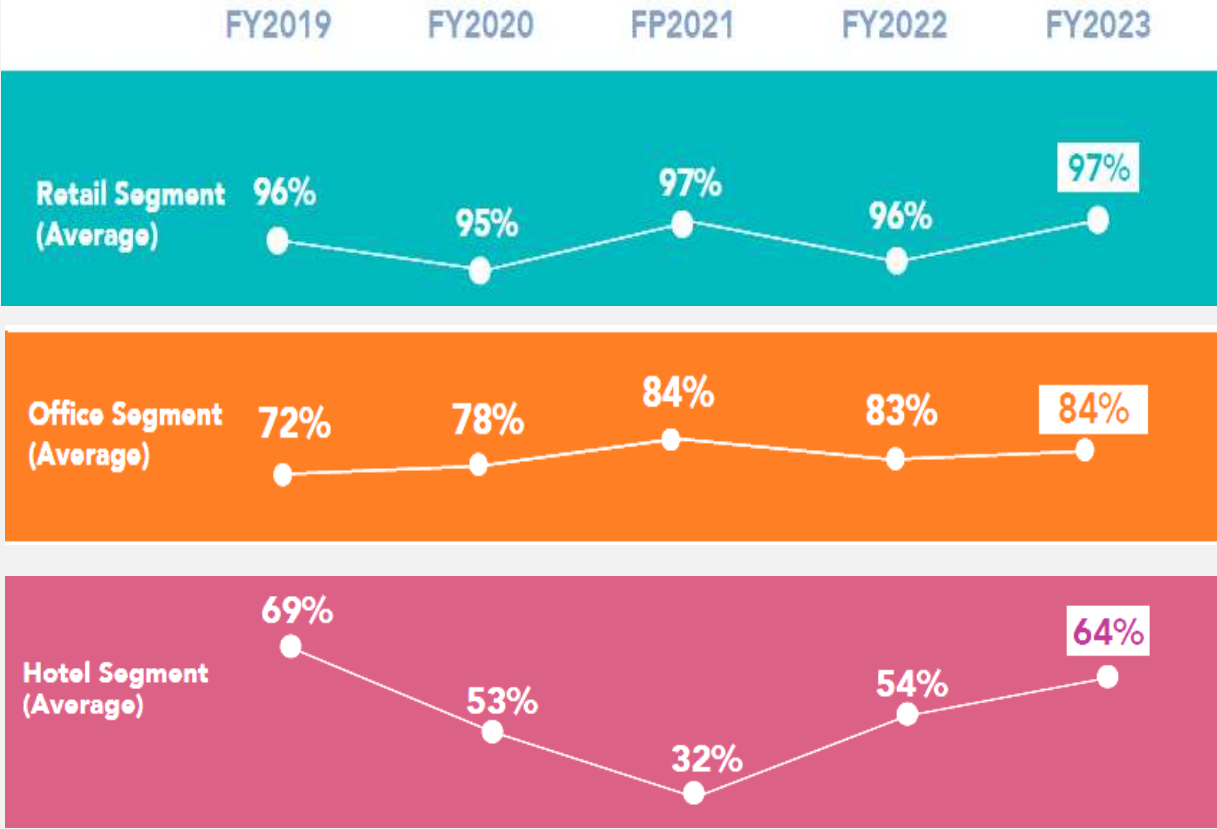
Average Rental Reversion & Weighted Average Lease Expiry (WALE)

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)



Average Occupancy Rates



¹ Increase in three years including step-up rent

Enhancing Portfolio's Existing Assets Through AELs (RM1.0 bil in 2024)



Sunway Hotel Seberang Jaya

RM17 mil

2013



Sunway Putra

RM460 mil

2015



Sunway Resort Hotel Ballroom and Function Rooms Refurbishment

RM55 mil

2017



Sunway Carnival Mall New Wing

RM440 mil

2022



Sunway Resort Hotel Refurbishment

RM323 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

RM400 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	RM400 million
Total Capital Expenditure circa RM1.0 billion			

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

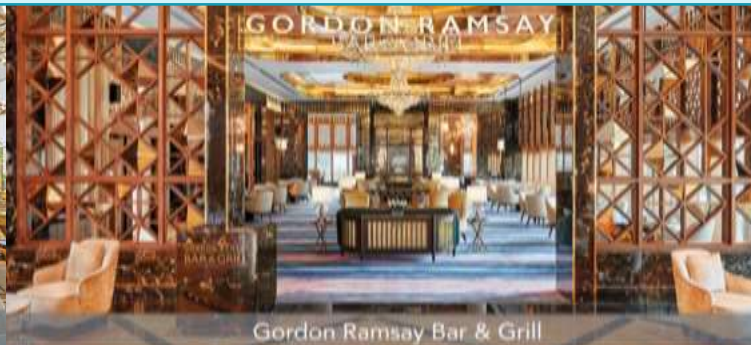
More room options introduced, coupled with world-class facilities

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

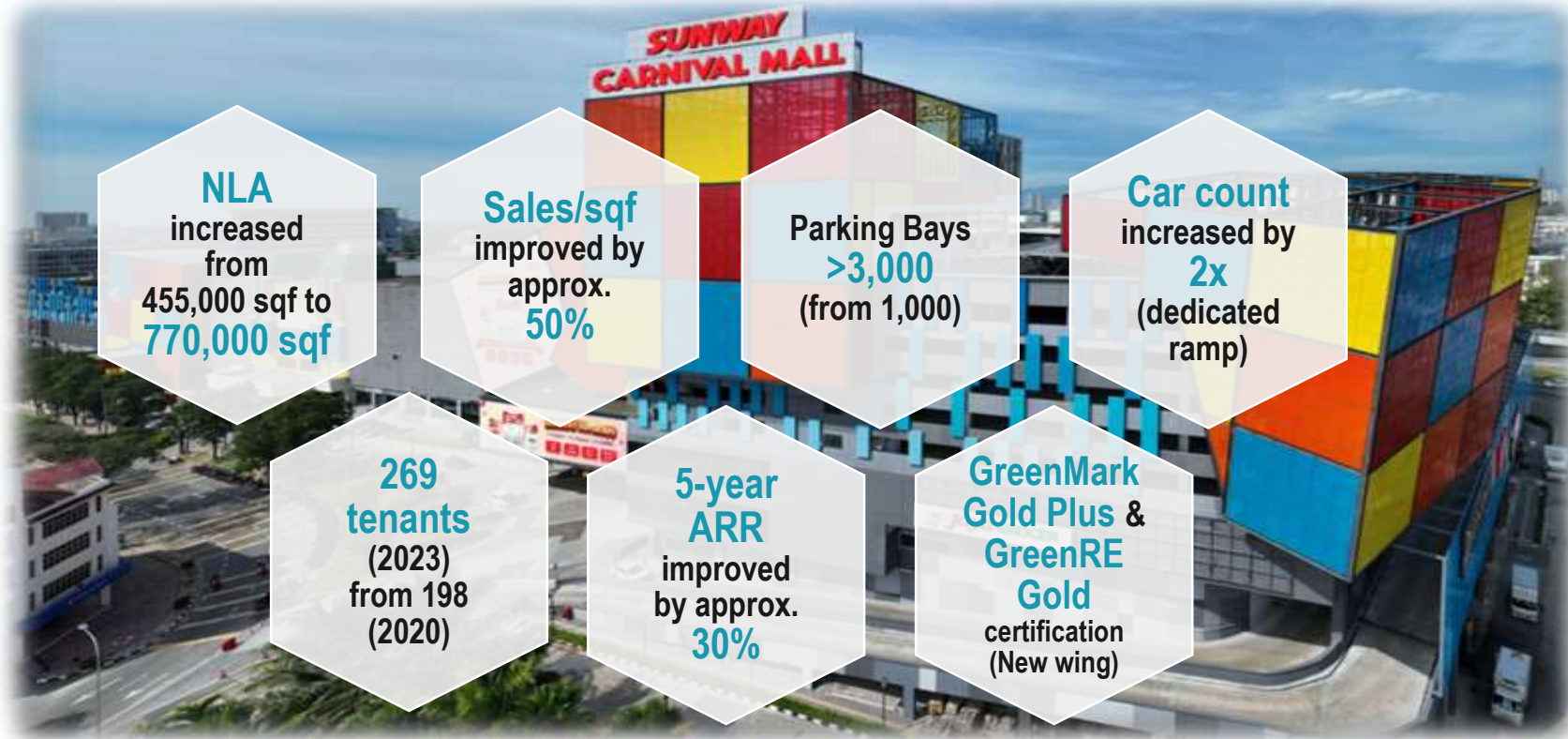


Black Tap Craft Burgers & Shakes



Sunset Terrace

Sunway Carnival Mall – Green Field Development Capability Unlocked



Pre - renovation



Post - renovation



Christmas set up



Dedicated Ramp

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



Oasis Entrance

Invigorating Tenancy Mix



Accelerating Growth with External Acquisitions


IPO
8 Assets




Sunway Medical Centre
(Tower A & B)
RM313 mil




Wisma Sunway
RM61 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
RM218 mil




Sunway Kluang Mall
RM160 mil


Sunway Putra
RM522 mil



Sunway Hotel Georgetown
RM75 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
RM527 mil



Sunway REIT Industrial – Prai
RM68 mil

RM1.0 billion worth of acquisitions in 2024

Legend
● Acquisition ● Disposal

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

- 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

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.

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

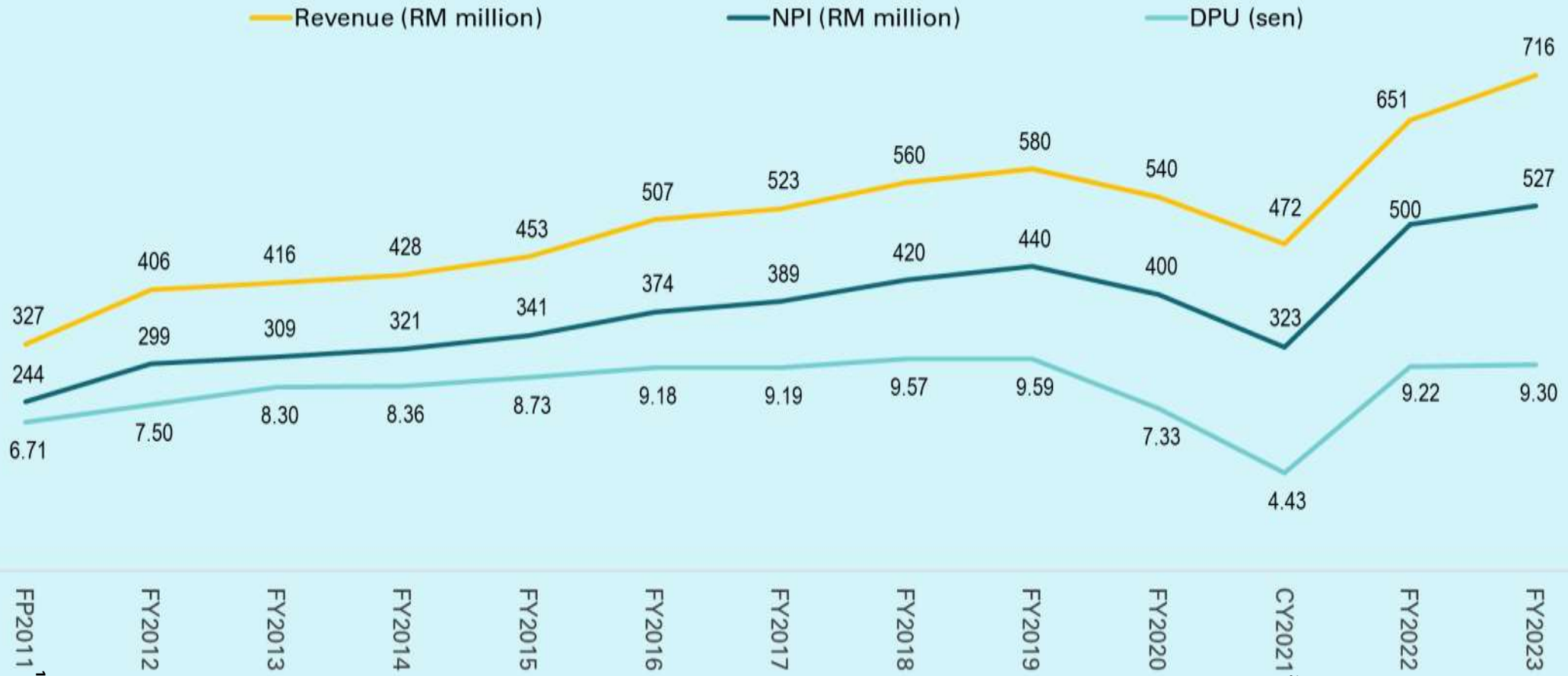


Location	Kluang, Johor
Purchase Consideration	RM158 million
Land tenure	99-year leasehold, expiring on 7 Feb 2116
Net lettable area	360,989 sq.ft.
Gross floor area	808,240 sq.ft.
NPI Yield	6.8%
Completion Date	30 December 2024

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Portfolio Value Creation - Financial

Historical Performance



↑ 7% CAGR since IPO

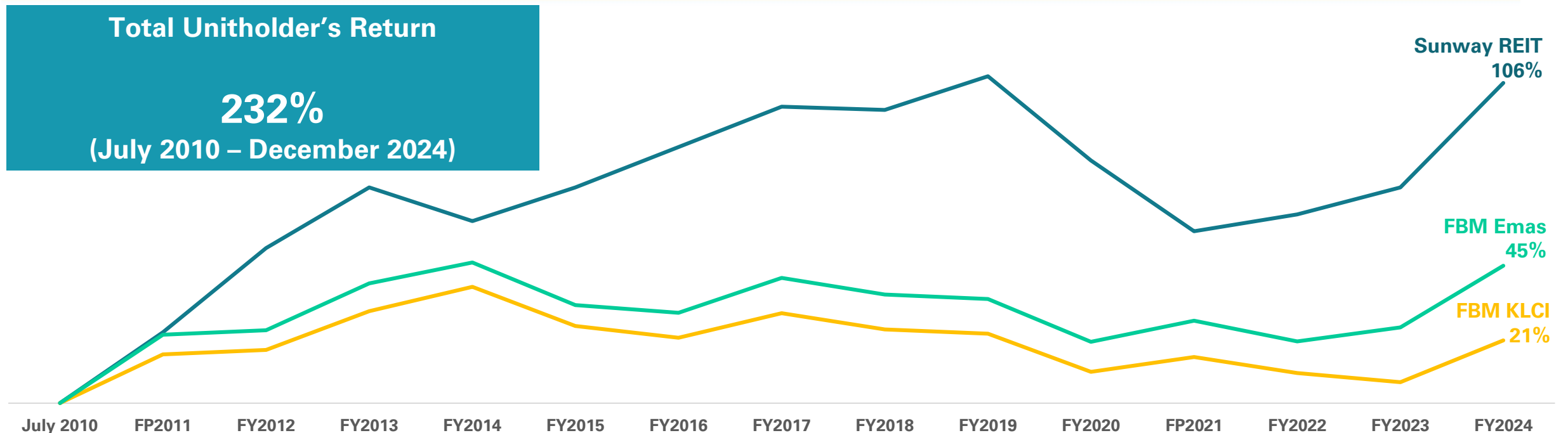
↑ 7% CAGR since IPO

↑ 3% CAGR since IPO

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



	July 2010	FP2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023	FY2024	Total
	IPO	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FP2021	FY2022	FY2023	FY2024	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	1.85	
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 ¹	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	5.0 ²	
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	20.1	
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	25.1	

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.

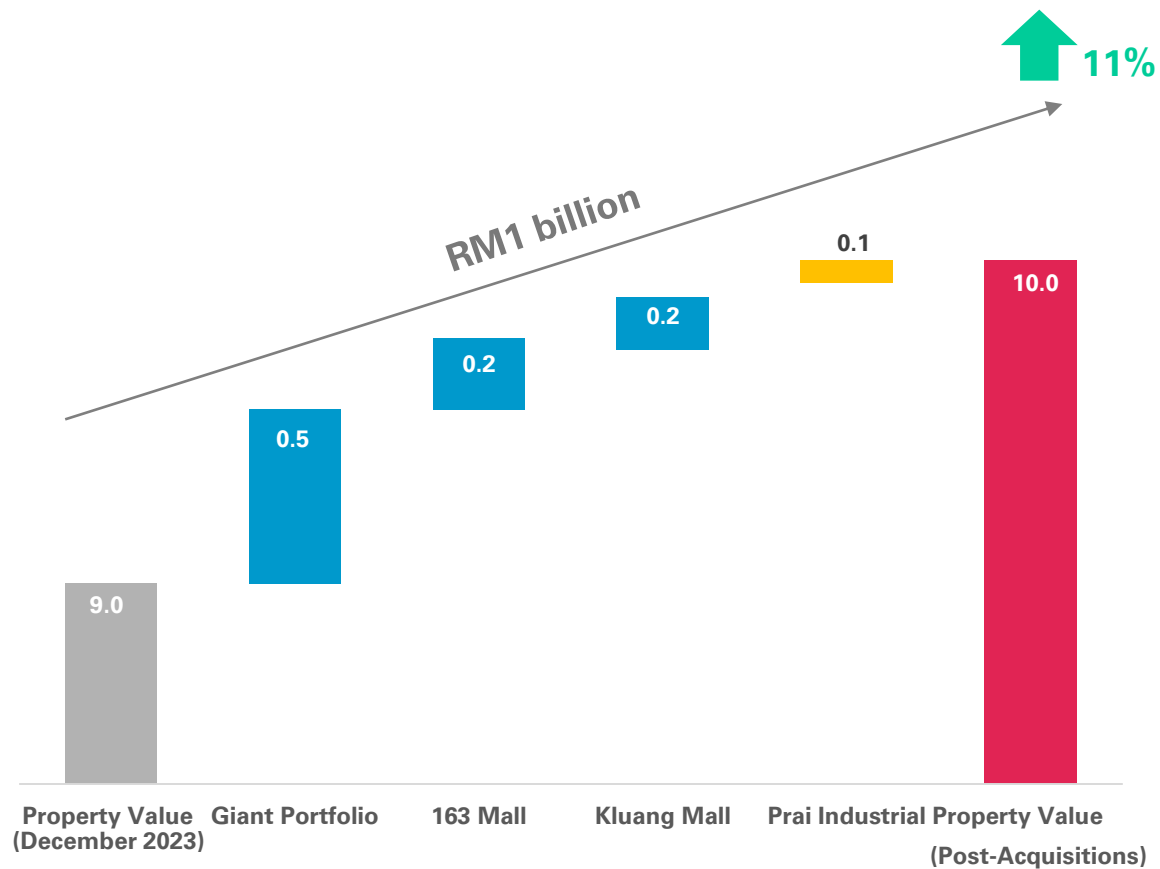
3) The financial year end for FY2022 – FY2023 was December.

¹ 1H2024 interim DPU.

² Annualised distribution yield for FY2024 based on 1H FY2024 interim DPU.

Clear Visibility of Earnings Growth

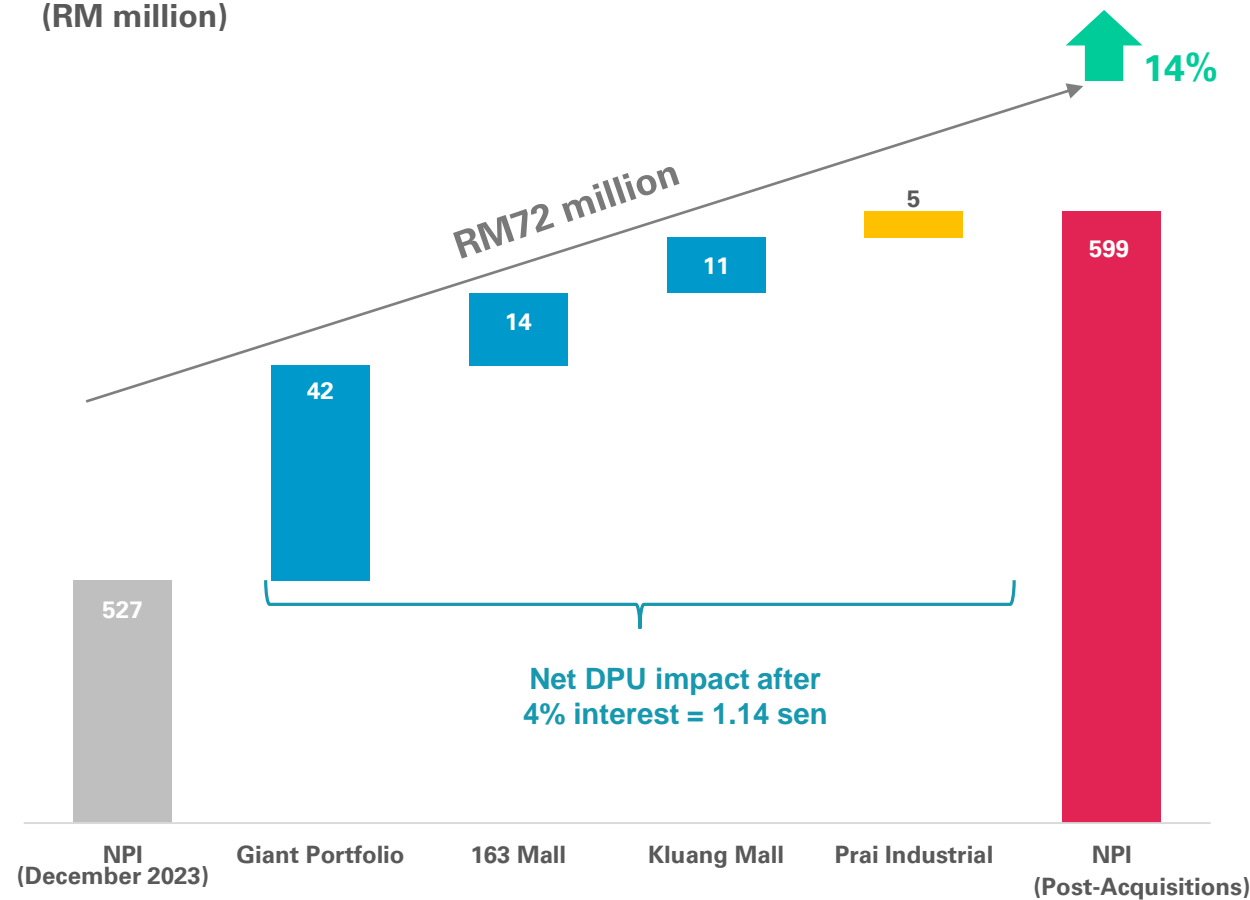
Property Value Accretion
(RM million)



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

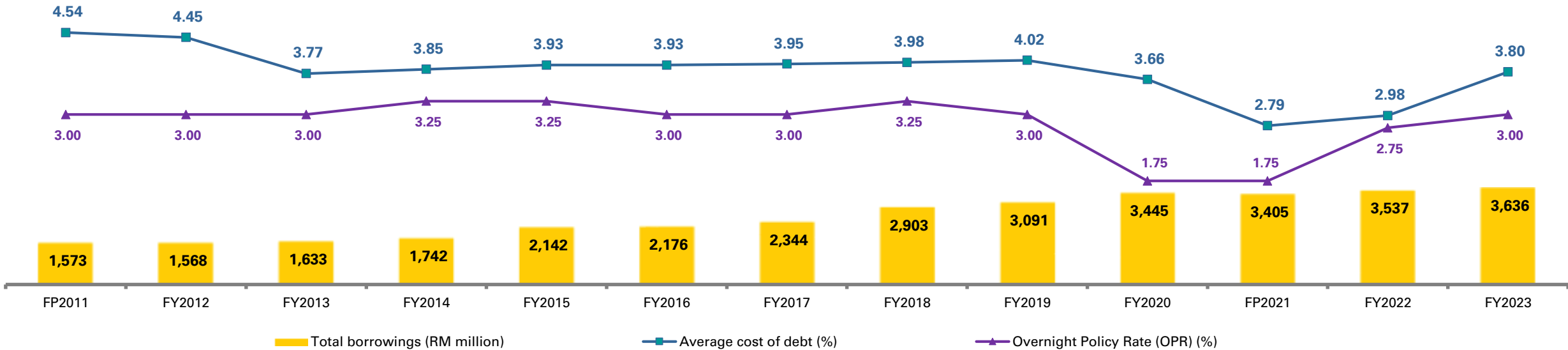
Services **RM28.7 million** ↓ 37% y-o-y

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

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Proactive Capital Management

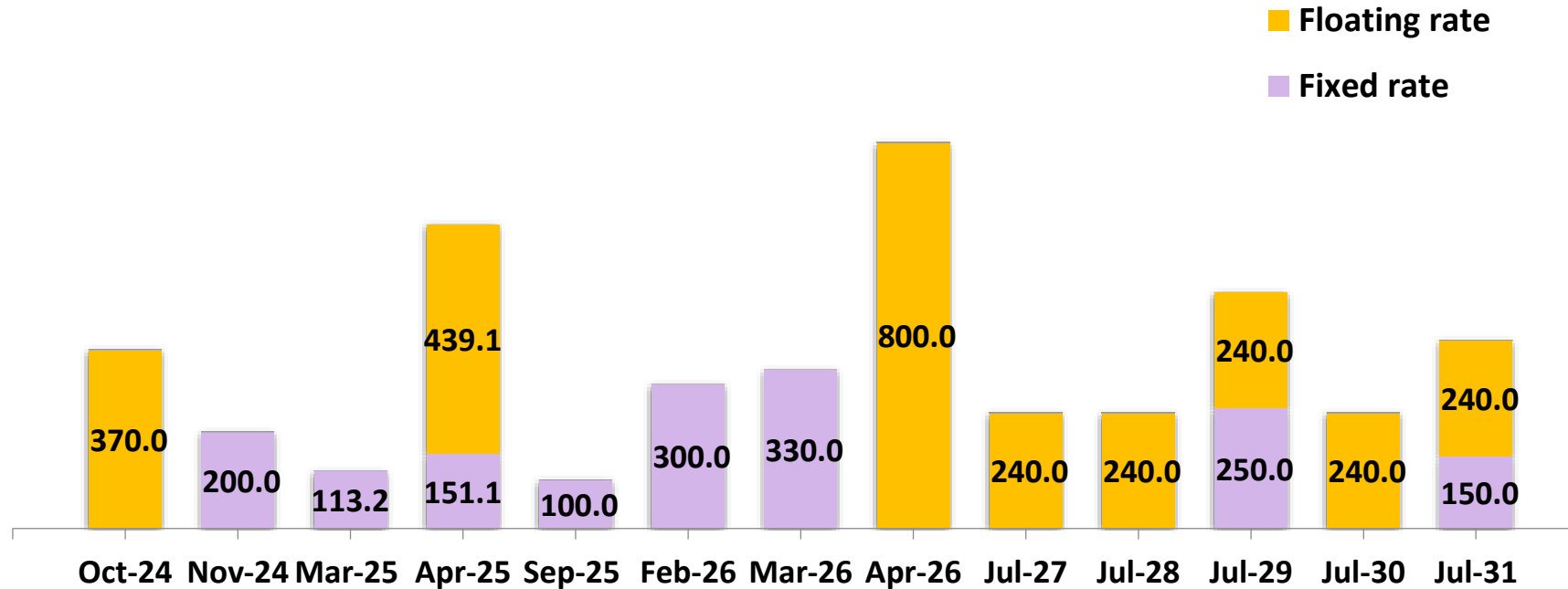
Total Borrowings, Average Cost of Debt and OPR



	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

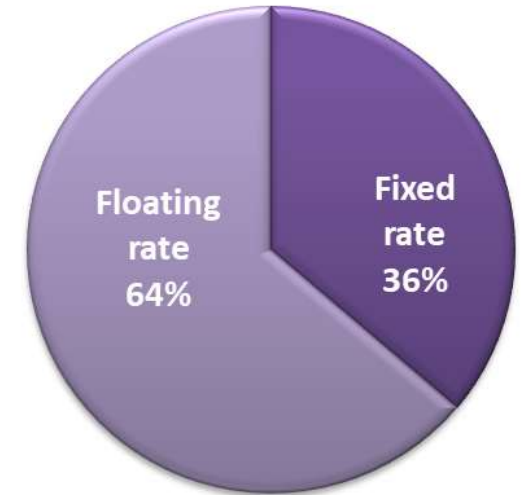
Diversified and Strengthened Financing Profile (September 2024)

Debt Maturity Profile (RM'million)

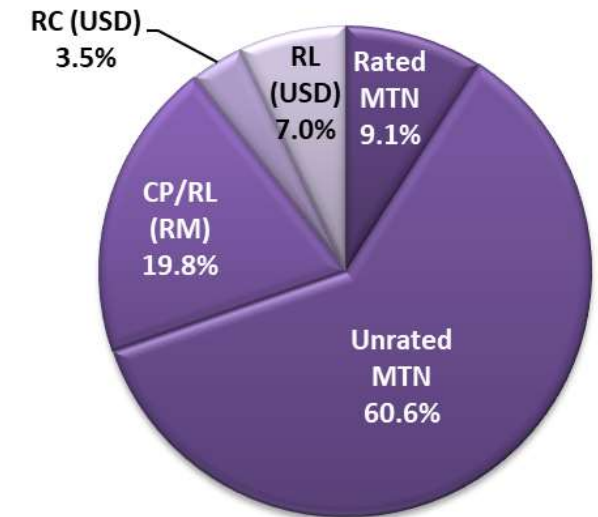


Average Maturity Period: 2.4 years

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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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 CO₂ 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 (Platinum & Gold)</p>	 <p>More than 97.5% of our borrowings have been structured with sustainable finance mechanism</p>	 <p>RM4.7 billion of our borrowing facilities are secured through sustainable finance commitment</p>	 <p>A from previous BB for MSCI</p>
 <p>Established Sustainable Procurement Policy</p>	 <p>82% tenants participation in Green Lease combined from both Retail and Office</p>	 <p>Expanded GHG Inventory reporting</p>	 <p>35 total learning hours (average per employee)</p>

2023 ACCOLADES AND AWARDS

2024:

- MSCI 'A'**
- GRESB 4-star**
- FTSE4GOOD Score 3.6**
- Sustainalytics Negligible ESG Risk rating**

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

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

RM6.3 billion

(as at December 2024)

Property Value

> RM10.0 billion

(as at December 2024)

Good mix of no. of assets

28

(as at December 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

7 Green buildings

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



4 Strong growth trajectory

RM1.0 billion AEI

RM1.0 billion new acquisitions

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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