



FINANCIAL RESULTS

First Quarter Ended 30 Sept 2020
(FYE 31 December 2021)

23 Nov 2020



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FINANCIAL HIGHLIGHTS (1Q2021)



Financial Highlights – 1Q2021

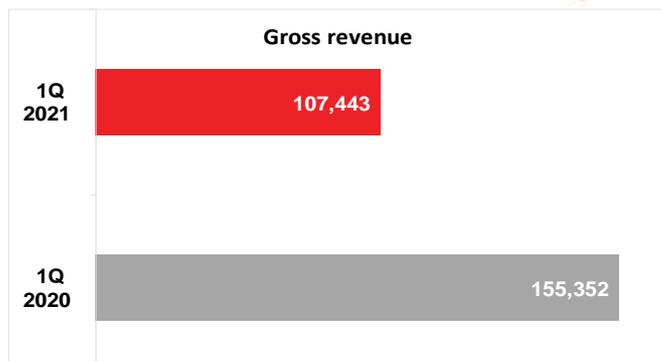
Highlights	1Q 2021	1Q 2020
No. of Properties	17	17
Property Value (RM'billion)	8.045	8.059
Units in Circulation	2,945,078,000	2,945,078,000
Unit Price as at 30 Sept (RM)	1.56	1.92
Market Capitalisation (RM'billion)	4.594	5.655
Net Asset Value ("NAV") Per Unit (RM) (after income distribution)	1.4815 [*]	1.4901
Premium to NAV	5.3%	28.9%
Annualised Distribution Yield (based on market price as at 30 Sept)	2.3% ^{**}	5.2%
Management Expense Ratio (After income distribution)	0.80%	0.93%
Total Return	-1.4%	7.9%
Gearing	40.9%	38.6%
% of Fixed Rate Borrowings	43%	43%

*After interim income distribution of 0.90 sen per unit for 1Q2021 ("advance distribution") (1Q2020: 2.50 sen per unit).

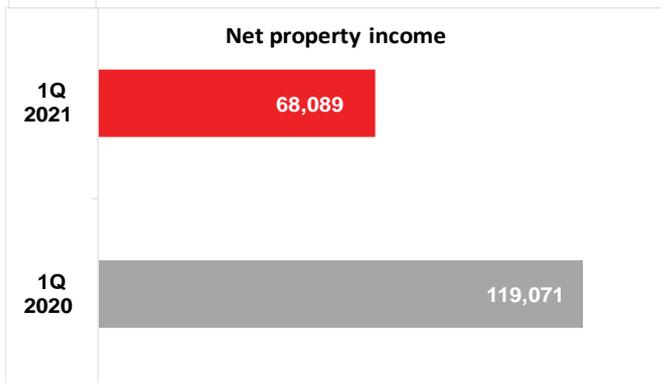
**Annualised based on interim income distribution of 0.90 sen per unit (1Q2020: 2.50 sen per unit).

Financial Highlights – 1Q2021 (cont'd)

Reported in RM'000



Gross Revenue for 1Q2021 decreased by 30.8% or RM47.9 million compared to 1Q2020 mainly due to lower rental income generated from both retail and hotel segment, induced by the outbreak of COVID-19 pandemic and imposition of MCO and CMCO, which had adversely impacted the retail and hospitality industry. In addition, there were no income from Sunway Resort Hotel, due to the ongoing refurbishment works.



Net Property Income for 1Q2021 was lower by 42.8% or RM51.0 million compared to 1Q2020, due to lower revenue as mentioned above and higher provision for doubtful debts.



Profit Before Tax (Realised) for 1Q2021 was lower by 56.4% or RM44.4 million compared to 1Q2020 in line with lower revenue and NPI, partially mitigated by lower manager's fees and finance costs.

FINANCIAL RESULTS (1Q2021)



Statement of Comprehensive Income – Consolidated

	1 Q 2021 RM'000	1 Q 2020 RM'000	Change %
Gross revenue	107,443	155,352	-30.8%
Property operating expenses	(39,354)	(36,281)	8.5%
Net property income	68,089	119,071	-42.8%
Interest income	1,500 ¹	1,032	45.3%
Other income	30	91	-67.0%
Manager's fees	(8,436) ²	(9,828)	-14.2%
Trustee's fees	(167)	(169)	-1.2%
Other trust expenses	(853)	(1,028)	-17.0%
Finance costs	(25,765) ³	(30,345)	-15.1%
Profit/(Loss) before tax	34,398	78,824	-56.4%
Income tax expense	-	-	N/A
Profit/(Loss) for the period/year	34,398	78,824	-56.4%
Profit/(Loss) for the period/year comprises the following:			
Realised			
- Unitholders	29,356	73,729	-60.2%
- Perpetual note holders	5,013	5,013	0.0%
Unrealised	29	82	-64.6%
	34,398	78,824	-56.4%
Units in circulation (million units)	2,945	2,945	0.0%
Basic earnings/(loss) per unit (sen):			
Realised	1.00	2.50	-60.0%
Unrealised	-	-	N/A
	1.00	2.50	-60.0%
Distributable income	29,356	74,182	-60.4%
Proposed/declared income distribution	26,506	73,627	-64.0%
Distributable income per unit (sen)	1.00⁴	2.50	-60.0%
Proposed/declared DPU (sen)	0.90⁵	2.50	-64.0%

Statement of Comprehensive Income – Consolidated

- 1 **Interest income** for 1Q2021 was higher by RM0.5 million contributed by higher short term investment.
- 2 **Manager's fees** was lower in 1Q2021 following the decline in net property income for the quarter.
- 3 **Finance costs** for 1Q2021 was lower by RM4.6 million resulting from lower average interest rate pursuant to the OPR cut despite higher principal loan for capital expenditure.
- 4 **Distributable income per unit** represents realised income attributable to unitholders and distribution adjustments, if any.
- 5 **Proposed/declared DPU** was 0.90 sen for 1Q2021 being the advance income distribution prior to the issuance of new units following the recent private placement exercise which was completed on 28 October 2020.

Statement of Financial Position – Consolidated

	30.09.2020 (Unaudited) RM'000	30.06.2020 (Audited) RM'000
ASSETS		
Non-current assets		
Investment properties	8,044,586	1 8,020,233
Investment properties - accrued lease income	16,930	16,930
Plant and equipment	13,562	12,902
	8,075,078	8,050,065
Current assets		
Trade receivables	39,076	2 53,266
Other receivables	56,938	55,349
Derivatives	23,726	3 20,039
Short term investment	99,987	4 179,710
Cash and bank balances	137,765	101,816
	357,492	410,180
Total Assets	8,432,570	8,460,245
EQUITY AND LIABILITIES		
Equity		
Unitholders' capital	2,727,829	2,727,829
Undistributed income	1,661,832	1,702,228
Total Unitholders' funds	4,389,661	4,430,057
Perpetual note holder's funds	339,717	339,717
Total equity	4,729,378	4,769,774
Non-current liabilities		
Borrowings	200,000	5 200,000
Long term liabilities	65,801	78,524
Deferred tax liability	13,941	13,941
	279,742	292,465
Current liabilities		
Borrowings	3,248,825	5 3,245,418
Trade payables	3,106	1,698
Other payables	171,519	6 150,890
	3,423,450	3,398,006
Total Liabilities	3,703,192	3,690,471
Total equity and liabilities	8,432,570	8,460,245

	30.09.2020 (Unaudited) RM'000	30.06.2020 (Audited) RM'000
Units in circulation ('000 units)	2,945,078	2,945,078
Net Asset Value ("NAV") attributable to unitholders		
Before income distribution	4,389,661	4,430,057
After income distribution	4,363,155	4,359,964
NAV per unit attributable to unitholders (RM):		
Before income distribution	1.4905	1.5042
After income distribution*	1.4815	1.4804

- After proposed advance income distribution of 0.90 sen per unit for 1Q2021 (30 June 2020 income distribution: 2.38 sen per unit).

Statement of Financial Position – Consolidated

- 1 Investment properties** has increased by RM24.4 million resulting from on-going capital expenditure mainly for the expansion of Sunway Carnival Shopping Mall (RM13.8 million) and Sunway Resort Hotel refurbishment (RM5.7 million).
- 2 Trade receivables** was lower in 1Q2021 mainly due to higher provision in doubtful debts resulting in lower trade receivables and in 4Q2020, there were recognition of minimum guaranteed rent for Sunway Resort Hotel, Sunway Pyramid Hotel, Sunway Hotel Seberang Jaya and Sunway Putra Hotel.
- 3 Derivatives** of RM23.7 million was in relation to AUD-MYR CCS contract for the USD100 million revolving loan (drawn in AUD135 million).
- 4 Short term investment** relates to investment in 1-month commercial paper issued by Sunway Berhad Group, at the nominal value of RM100.0 million.
- 5 Borrowings** increased by RM3.4 million as at 30 September 2020 mainly due to translation loss in relation to the USD100 million revolving loan (drawn in AUD135 million).
- 6 Other payables** increased by RM20.6 million mainly due to accrued loan interest and accrued rent rebate.

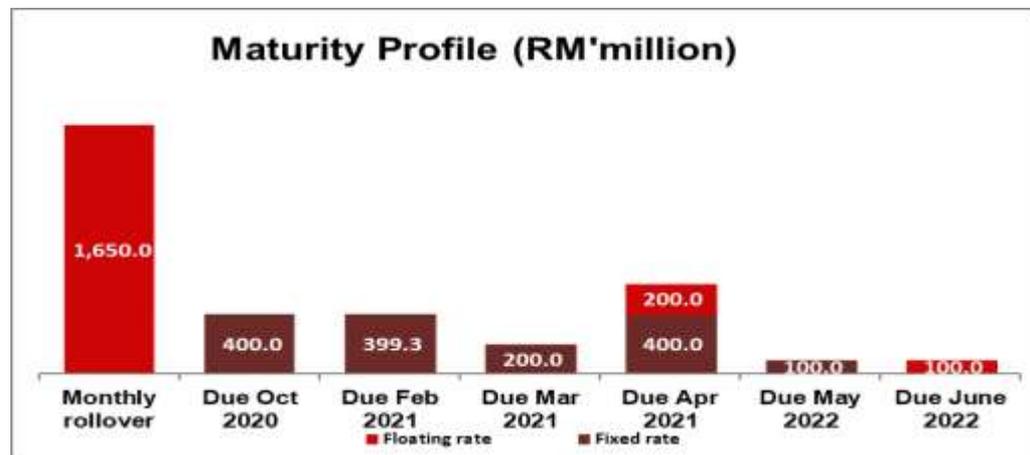
Statement of Cash Flows – Consolidated

	Cumulative Quarter ended	
	30.09.2020	30.09.2019
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	120,109	162,467
Refundable security deposits from customers	(1,239)	3,166
Cash paid for operating expenses	(52,316)	(70,143)
Net cash from operating activities ¹	66,554	95,490
INVESTING ACTIVITIES		
Acquisition of plant and equipment	(1,090)	(1,570)
Subsequent expenditure of investment properties	(18,032)	(11,505)
Investment in short term money market instrument	(250,000)	(250,000)
Redemption of short term money market instrument	330,000	150,000
Net cash flows from/(to) licensed financial institutions with maturity of over 3 months	-	(3,000)
Interest received	1,173	1,590
Net cash from / (used in) investing activities ²	62,051	(114,485)
FINANCING ACTIVITIES		
Proceeds from issuance of commercial papers	150,000	160,000
Proceeds from issuance of unrated medium term notes	700,000	-
Drawdown of revolving loan	4,800,000	4,610,000
Repayment of commercial papers	(150,000)	(160,000)
Repayment of unrated medium term notes	(700,000)	-
Repayment of revolving loan	(4,800,000)	(4,500,000)
Payment of unit issuance expenses	(277)	-
Interest paid	(22,286)	(24,720)
Distribution paid to unitholders	(70,093)	(67,148)
Net cash (used in) / from financing activities ³	(92,656)	18,132
Net increase/(decrease) in cash and cash equivalents	35,949	(863)
Cash and cash equivalents at beginning of year	101,816	47,258
Cash and cash equivalents at end of period	137,765	46,395
Cash and bank balances	137,765	67,258
Deposits with licensed financial institutions with maturity of over 3 months	-	(20,000)
Cash and cash equivalents	137,765	47,258
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	52,765	29,395
Deposits placed with licensed financial institutions	85,000	40,000
Cash and bank balances ⁴	137,765	69,395

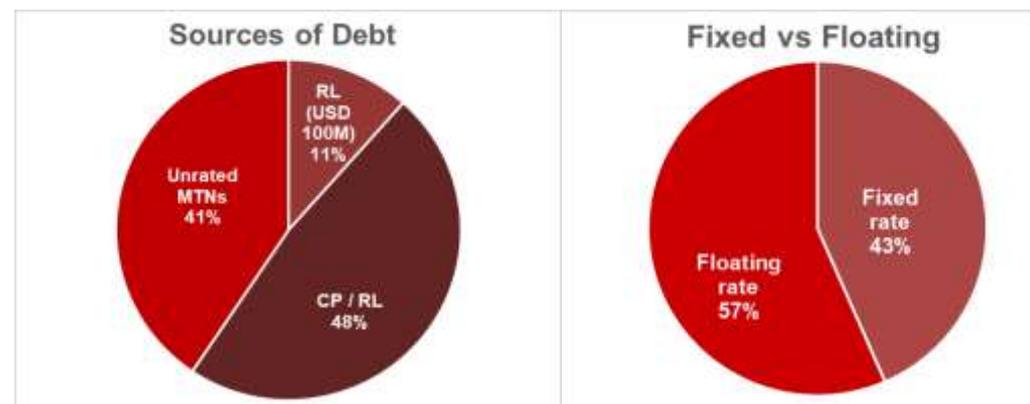
- Net cash from operating activities** for 1Q2021 was RM66.6 million, lower by RM28.9 million compared to 1Q2020 mainly attributable to lower collection from hotel lessees and tenants of RM42.4 million, partially offset by lower cash paid for operating expenses of RM17.8 million.
- Net cash used in investing activities** for 1Q2021 was RM62.1 million mainly comprising of net redemption in short-term money market instrument of RM80.0 million, partially offset by subsequent expenditure of investment properties of RM18.0 million.
- Net cash used in financing activities** for 1Q2021 of RM92.6 million was mainly due to distribution paid to unitholders of RM70.1 million and interest paid of RM22.3 million.
- Cash and bank balances** as at 30 September 2020 and 30 September 2019 stood at RM137.8 million and RM69.4 million respectively. The higher balance at the end of current financial period was due to excess fund drawn from borrowings for planned capital expenditure.

Debt Profile as at 30 Sept 2020

	Facility Limit RM'million	Amount RM'million
Revolving Loan (USD95.5m)	373.7	399.3
Commercial Papers (CP) / Revolving Loan (RL)	3,000.0	1,650.0
Unrated MTNs	10,000.0	1,400.0
Total Gross Borrowings		3,449.3
Discount on Commercial Paper		(0.1)
Unamortised transaction costs		(0.4)
Total Borrowings		3,448.8



	RM'million
Maturity Profile:	
Current (due within 1 year)	3,249.3
Non-current (due after 1 year)	200.0
Total Borrowings	3,449.3



Average Cost of Debt	3.02%
Average Maturity Period (Year)	0.3
Debt Service Cover Ratio (DSCR)	3.2
Gearing Ratio	40.9%

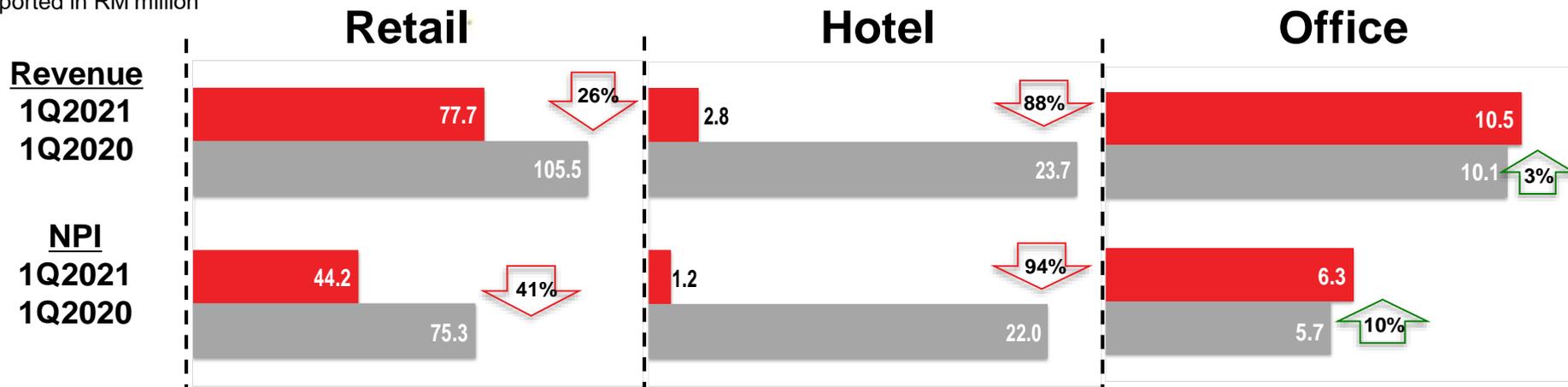
- The amount includes unrealised foreign exchange loss of RM25.6 million. The revolving loan is fully hedged with a 9-month cross currency swap contract until 12 Feb 2021.
- Underwritten by financial institution for amount up to RM1.5 billion as of 30 September 2020.
- Commitment from financial institution to subscribe unrated MTNs of up to RM1.5 billion for 5 years with maturity date of any subscription shall not be later than April 2023.

PORTFOLIO PERFORMANCE (1Q2021)



Revenue & NPI growth in 1Q2021

Reported in RM'million



Notes

The retail segment recorded gross revenue of RM77.7 million in 1Q2021, a decrease of 26.3% or RM27.8 million compared to 1Q2020, mainly due to rental support to assist tenants affected by loss of business and challenging market conditions with the ongoing COVID-19 pandemic and RMCO.

The net property income (NPI) correspondingly recorded a reduction of 41.4% or RM31.2 million compared to 1Q2020, mainly due to lower revenue and additional allowance for doubtful debts.

The hotel segment recorded gross revenue of RM2.8 million for 1Q2021, a decrease of 88.2% or RM20.9 million from 1Q2020, mainly due to closure of Sunway Resort Hotel for phased refurbishment commencing July 2020 for 12-24 months, as well as challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events.

NPI correspondingly recorded a reduction of 94.4% or RM20.8 million compared to 1Q2020.

The office segment recorded gross revenue of RM10.5 million in 1Q2021, an increase of 3.4% or RM0.3 million compared to 1Q2020, mainly contributed by overall improved performance across office properties.

The NPI recorded an increase of 10.1% or RM0.6 million compared to 1Q2020 mainly due to adjustments in staff cost.

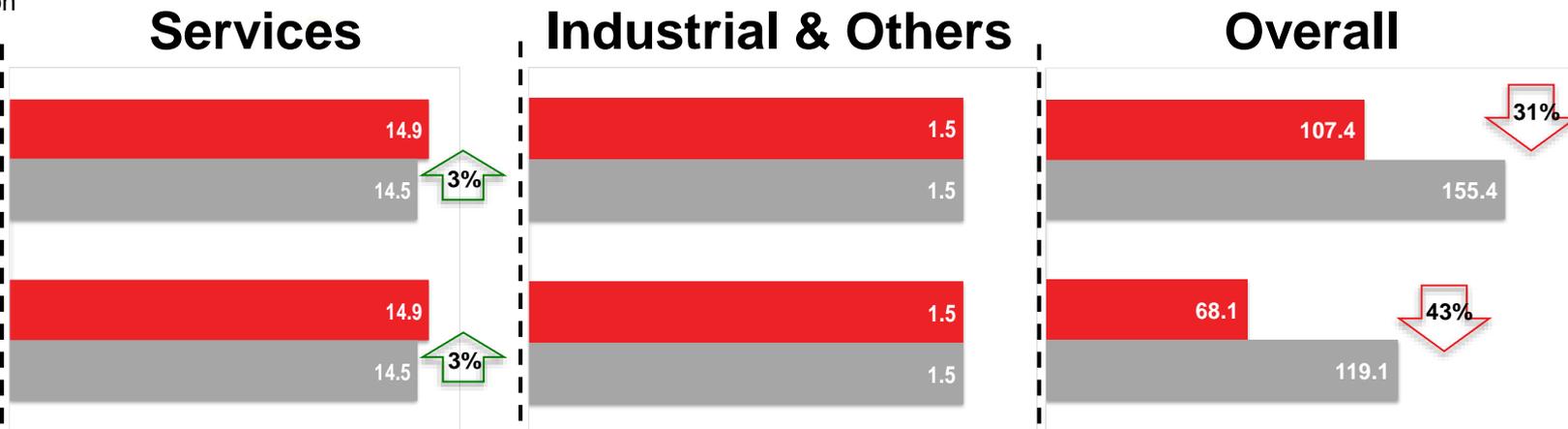
Note: Calculation of variance above varies marginally compared to 1Q2021 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

Revenue & NPI growth in 1Q2021 (cont'd)

Reported in RM'million

Revenue

1Q2021
1Q2020



Notes

The services segment contributed revenue and NPI of RM14.9 million for 1Q2021, an increase of 2.8% or RM0.4 million compared to 1Q2020, due to rental reversion of Sunway Medical Centre and Sunway university & college campus in accordance with master lease agreement.

Sunway REIT Industrial - Shah Alam 1 contributed RM1.5 million to revenue and NPI for 1Q2021, in line with 1Q2020 and in accordance with master lease agreement.

Revenue of the portfolio decreased by 30.8% or RM47.9 million due to the performance of all segments as discussed above.

Correspondingly, NPI also decreased by 42.8% or RM51.0 million due to the performance of all segments as discussed above.

Note: Calculation of variance above varies marginally compared to 1Q2021 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

1Q2021 Revenue Contribution (by Property)

	1Q 2021	1Q 2020	Variance	Change
By Property	RM'mil	RM'mil	RM'mil	%
Sunway Pyramid Mall	60.7	80.4	↓ (19.7)	-24.5%
Sunway Carnival Mall	7.8	11.7	↓ (3.9)	-33.3%
SunCity Ipoh Hypermarket	0.6	1.1	↓ (0.5)	-41.6%
Sunway Putra Mall	8.6	12.3	↓ (3.7)	-30.2%
Sunway Resort Hotel	0.2	7.1	↓ (6.9)	-97.0%
Sunway Pyramid Hotel	0.3	4.7	↓ (4.4)	-93.2%
Sunway Hotel Seberang Jaya	0.1	0.6	↓ (0.6)	-92.0%
Sunway Putra Hotel	0.8	3.4	↓ (2.6)	-77.2%
Sunway Hotel Georgetown	0.2	1.2	↓ (0.9)	-80.2%
Sunway Clio Property	1.2	6.6	↓ (5.4)	-81.9%
Menara Sunway	4.5	4.5	↓ (0.0)	-0.5%
Sunway Tower	1.2	0.9	↑ 0.3	33.4%
Sunway Putra Tower	3.0	3.1	↓ (0.1)	-1.8%
Wisma Sunway	1.7	1.6	↑ 0.1	7.3%
Sunway Medical Centre	6.2	6.0	↑ 0.2	3.5%
Sunway university & college campus	8.7	8.6	↑ 0.2	2.3%
Sunway REIT Industrial - Shah Alam 1	1.5	1.5	↑ 0.0	0.1%
TOTAL	107.4	155.4	↓ (47.9)	-30.8%

Note: Calculation of variance above varies marginally compared to 1Q2021 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

1Q2021 NPI and NPI Margin Contribution (by Property)

By Property	NPI				NPI Margin			
	1Q 2021	1Q 2020	Variance	Change	1Q 2021	1Q 2020	Variance	
	RM'mil	RM'mil	RM'mil	%	%	%	%	
Sunway Pyramid Mall	36.7	61.2	↓ (24.5)	-40.0%	60.5%	76.1%	↓ -15.6%	
Sunway Carnival Mall	3.8	7.3	↓ (3.5)	-48.6%	48.1%	62.4%	↓ -14.3%	
SunCity Ipoh Hypermarket	0.6	1.0	↓ (0.4)	-38.5%	98.1%	93.2%	↑ 4.9%	
Sunway Putra Mall	3.1	5.8	↓ (2.7)	-47.1%	35.6%	47.0%	↓ -11.4%	
Sunway Resort Hotel	(0.2)	6.7	↓ (6.9)	> -100%	-89.9%	94.1%	↓ > -100%	
Sunway Pyramid Hotel	0.1	4.6	↓ (4.4)	-96.8%	45.4%	96.4%	↓ -51.1%	
Sunway Hotel Seberang Jaya	0.0	0.6	↓ (0.6)	-99.2%	9.4%	93.0%	↓ -83.7%	
Sunway Putra Hotel	0.4	3.1	↓ (2.7)	-85.9%	57.2%	92.3%	↓ -35.1%	
Sunway Hotel Georgetown	0.2	1.1	↓ (0.9)	-83.7%	78.9%	95.7%	↓ -16.8%	
Sunway Clio Property	0.6	5.9	↓ (5.3)	-89.3%	53.0%	89.8%	↓ -36.8%	
Menara Sunway	3.1	3.0	↑ 0.1	4.3%	70.1%	66.9%	↑ 3.2%	
Sunway Tower	0.3	(0.1)	↓ 0.4	> -100%	20.5%	-13.2%	↑ 33.8%	
Sunway Putra Tower	1.9	2.0	↓ (0.0)	-2.4%	63.8%	64.2%	↓ -0.4%	
Wisma Sunway	0.9	0.8	↑ 0.1	14.0%	53.5%	50.4%	↑ 3.1%	
Sunway Medical Centre	6.2	6.0	↑ 0.2	3.5%	100.0%	100.0%	→ 0.0%	
Sunway university & college campus	8.7	8.6	↑ 0.2	2.3%	100.0%	100.0%	→ 0.0%	
Sunway REIT Industrial - Shah Alam 1	1.5	1.5	↑ 0.0	0.1%	100.0%	100.0%	→ 0.0%	
TOTAL	68.1	119.1	↓ (51.0)	-42.8%	63.4%	76.6%	↓ -13.3%	

Note: Calculation of variance above varies marginally compared to 1Q2021 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

Key Performance Indicators – 1Q2021

	Retail		Hotel		Office		Services		Industrial & Others	
1Q	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Average Occupancy Rates	94% ↓	94%	34% ↓ ¹	80%	77% ↑	77%	100%	100%	100%	100%
NPI Margin	68% ↓	71%	91% ↓	93%	58% ↑	56%	100%	100%	100%	100%

1. Excludes Sunway Resort Hotel which was closed for phased refurbishment commencing July 2020 for 12-24 months. Sharp decrease in Average Occupancy Rates due to challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events

PROPERTY DEVELOPMENT ACTIVITIES & ASSET ENHANCEMENT INITIATIVES (AEI) (1Q2021)



Property Development Activities

	Expansion of Sunway Carnival Shopping Mall	Sunway Resort Hotel Redevelopment
Estimated total property development cost (including land)	RM 353.0 million	RM 260.0 million
Cummulative cost incurred from initiation to YTD 1Q 2021	RM 117.9 million	RM 9.9 million
Duration	Expected completion by CY 2021	Expected completion by CY 2021
NLA (sq. ft.)	Approximately 350,000 sq ft of additional new space.	N/A
Property development activities against enlarged total asset value*	6.9%	

* 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) cited that the COVID-19 pandemic has triggered the worst downturn in global economy since the Great Depression in 1930s, the damaging effects brought by the pandemic are unprecedented and the journey to global economy recovery remains highly uncertain. The pace of recovery would depend on both domestic and external factors including political stability, global oil and commodity prices as well as further developments related to COVID-19 pandemic.
- In October 2020, IMF forecasts a narrower contraction in global growth to 4.4% in CY2020, from its earlier forecast of -5.2% in June 2020. The upward revision reflects better-than-anticipated 2Q CY2020 economic outturns in advanced economies and gradual reopening of economic activities in 2H CY2020. The global economy remains highly vulnerable on the back of resurgence of COVID-19 infections.
- Moving forward, the global economy is projected to record a solid rebound of 5.2% in CY2021, underpinned by robust domestic demand and exports in the advanced economies as well as the emerging and developing economies.

General Outlook (cont'd)

- The Malaysian economy entered into a technical recession in 3Q CY2020 after recording a gross domestic product (GDP) contraction of 2.7% (2Q CY2020 GDP: -17.1%). That said, the economic condition has improved in 3Q CY2020 compared to 2Q CY2020 due to re-opening of the economy and improved external demand conditions. Improvements in growth were notable across main economic sectors, particularly in the manufacturing sector. Malaysia's economy is anticipated to contract by 4.5% in CY2020. Nevertheless, downside risks to outlook remain, stemming from ongoing uncertainties surrounding the pandemic globally and domestically.
- The Malaysian economy is set for a firm rebound in CY2021, in line with the expectation of a synchronised global economic recovery. This will be supported by improvements in the employment market, low interest rate and inflation as well as revival of infrastructure projects with multiplier effects on the economy.
- Headline inflation continues to be in the negative territory for most part of the year on the back of lower fuels, utilities and transportation costs. Consumer Price Index (CPI) eased by 1.4% in September 2020, bringing 9M CY2020 CPI to -1.1%. Headline inflation is expected to remain benign in CY2020 and CY2021.

General Outlook (cont'd)

- On 3 November 2020, the Monetary Policy Committee (MPC) of Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 1.75%, following a cumulative 125 basis points (bps) reduction in the OPR during the first 7M CY2020. Similarly, the Statutory Reserve Requirement (SRR) was reduced by 100 bps to 2.00% to ensure sufficient liquidity to support the domestic financial market. BNM is committed to utilise its policy levers to support a sustainable economic recovery.
- The Manager maintains a cautious outlook for Sunway REIT in FY2021 on the back of heightened uncertainties amidst the resurgence of COVID-19 transmissions in Malaysia. The Manager anticipates the operating conditions to remain challenging in the near-term. That said, Sunway REIT's earnings is cushioned by its diversified asset portfolio and expected new income contribution from The Pinnacle Sunway upon the completion of the acquisition in 2Q FY2021.
- The Manager maintains an income distribution payout of at least 90% in FY2021, in line with the cautious sentiment as mentioned above.

Retail Segment

- Retail sales in Malaysia suffered a contraction of 20.2% in 1H CY2020 as the lockdown has caused the worst quarterly experience in the history of Malaysia's retail industry in 2Q CY2020. The Retail Group Malaysia (RGM) maintains its retail sales forecast of -9.3% in CY2020. The RGM, however cautions that the re-imposition of Conditional Movement Control Order (CMCO) poses downside risk to retail sales in 4Q CY2020.
- The Malaysian Institute of Economic Research's (MIER) Consumer Sentiment Index (CSI) has moved a notch higher to 91.5 points in 3Q CY2020 (2Q CY2020: 90.1 points). The survey indicated that consumers plan to spend prudently where confidence level remains fragile. On a positive note, the current index is far above the 51.1 points recorded in 1Q CY2020.
- With adherence to strict standard operating procedures (SOP), all retail tenants resumed operations during the RMCO period. During the quarter under review, retail assets within Sunway REIT's portfolio have recorded encouraging improvement in retail footfall and retail sales, with recovery rate of 70% - 80% compared to pre-COVID-19 period. Nevertheless, the pace of recovery may be hindered by the re-imposition of CMCO in the Klang Valley from 14 October – 9 November 2020 with further CMCO extension to other states until 6 December 2020.

Retail Segment (cont'd)

- Against the challenging operating conditions, it is imperative for retail businesses to reinvent their business model through innovation and digitalization to diversify its income base, in line with the changing retail and consumption trend.
- In the recent Federal Budget 2021, the Government has announced measures to ease the burden of *rakyat* by increasing their disposable income to weather through the difficult period. Some of these measures include withdrawal of RM500 a month up to RM6,000 over 12 months from Employees Provident Fund's (EPF) savings from account 1 and lowering employee EPF contribution from 11% to 9% for a duration of 12 months. Higher disposable income may positively induce higher consumer spending and bodes well for the retail segment.
- The Government has extended the Wage Subsidy Program for another 3 months, specifically for the tourism and retail sectors. In addition, the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Act 2020 was passed in the Parliament, which acts as a protection to affected tenants. In an adverse condition, the COVID-19 Act may potentially lead to slower rental recovery pace for landlords.

Retail Segment (cont'd)

- The Manager remains cautious on the prospects of the financial performance for the retail segment in the short-term in anticipation of subdued footfall following the extension of CMCO. Based on precedence during the RMCO, our retail segment is likely to gradual recover upon successful containment of the COVID-19 infection.

Hotel Segment

- The COVID-19 pandemic brought inbound tourism to a virtual standstill and severely dented local consumer sentiment, it has been reported that a significant drop of 68.2% tourist arrivals in 1H CY2020, as compared to previous year.
- In July 2020, an average hotel occupancy rate of 21% to 30% has been reported by the Ministry of Tourism, Arts and Culture (MOTAC). Similarly, MOTAC recorded an estimated losses of tourism sector, approximately amounted to RM45 billion in the 1H 2020 due to the impact of MCO.
- The government of Malaysia has initiated tourism recovery plan focusing on domestic travel in conjunction with the introduction of recovery initiatives and government assistance, namely special individual tax relief, PENJANA Tourism Financing Scheme, etc. Adoption of technology and embracing innovative solutions to promote tourism, arts, culture and heritage services are strongly encouraged by the government, for example, the digital platforms such as the “Cuti-Cuti Malaysia” TV promotional campaign in effort to revitalize domestic tourism.
- During the quarter, hotel operators nationwide embarked on aggressive promotional campaigns to compete vigorously for domestic tourists market. The pent-up demand for “Cuti-Cuti Malaysia”, however, could only lift the average occupancy rate to below 30% in 3Q CY2020.

Hotel Segment (cont'd)

- In view of the highly challenging operating environment, the Government extended the Wage Subsidy Program for another 3 month to partially alleviate the losses suffered by hotel operators. Meanwhile, MOTAC forecasts a quicker recovery in domestic tourism by 2022 in conjunction with the government recovery schemes and continued policy supports.
- The Manager anticipates the hotel segment to remain weak as the segment continues to grapple with the impact of COVID-19 pandemic. The ongoing CMCO in the Klang Valley and further extension to other states will continue to cause pressure to our hotel occupancies in the short-term.
- Nevertheless, the hotel operator remains agile with its tactical strategies to capture the opportunities that may prevail in a fluid market condition, such as special promotional packages, conversion of hotel use to room only services, amongst others.
- The Manager has embarked on a progressive refurbishment for Sunway Resort Hotel in this financial year to take advantage of the excess room inventory during this period. The fully transformed hotel is scheduled to re-open progressively in 3Q FY2021.

Office Segment

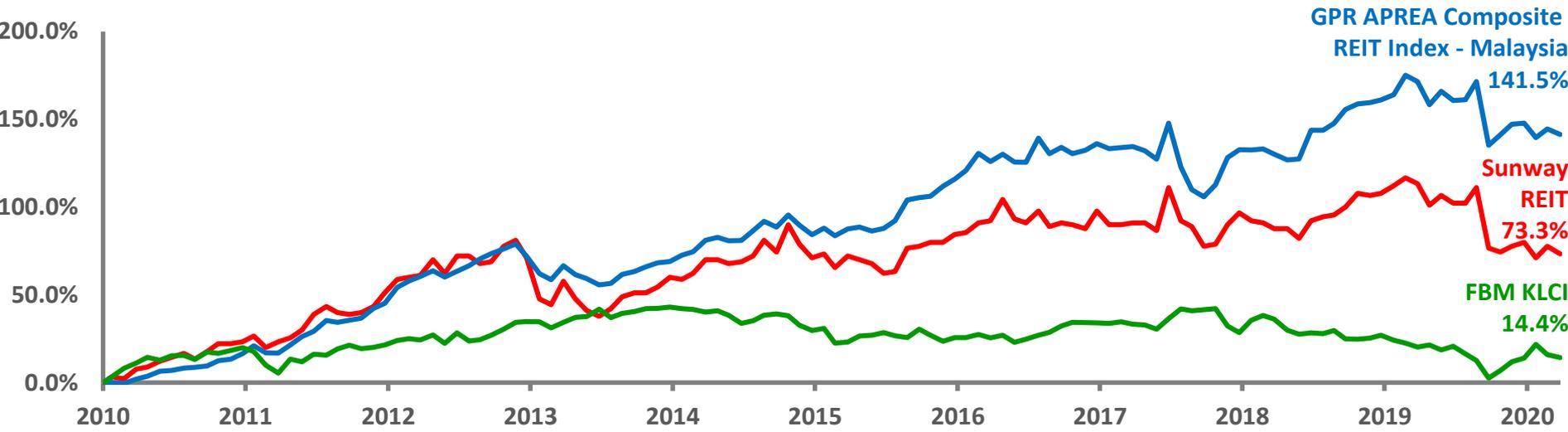
- Following an unprecedented lockdown in March 2020, businesses across the nation experienced the first work-from-home orders which has resulted in accelerated pace in digitalisation.
- The COVID-19 experience may shift the trajectory of business operations moving forward. Tenants may shift towards greater emphasis on efficient space utilisation, collaborative and innovative workspace, which may change the long-term fundamental demand for office space.
- In this respect, office space owners must have the foresight to develop or convert office spaces to cater to the evolving demand, which may expand the tenancy mix to beyond traditional corporate tenants.
- That said, the stability of office demand is cushioned by a base demand in line with economic prospect and foreign direct investments.
- The Manager expects the office segment to register steady income contribution in FY2021 on the back of relatively stable business performance for the segment. In addition, The Pinnacle Sunway is expected to contribute positively to the office segment upon the completion of the acquisition in 2Q FY2021.

Industrial & Others Segment

- Malaysia's Industrial Production Index (IPI) saw a 1% year-on-year growth in September 2020, driven by an increase in the IPI's manufacturing component, but dragged down by a decline in the electricity segments. However, for the period January to September 2020, IPI averaged -5.5% year-on-year. Notwithstanding this, with the gradual recovery of the economy and hence industrial production, the demand for properties in key industrial zones is likely to be sustained.
- In line with Sunway REIT's TRANSCEND 2025 Strategic Programme, the Manager continues to actively pursue opportunities to grow its income stream in this segment to provide a resilient income base.

Unit Price Performance from IPO to 1Q FY2021

Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 30 September 2020)



Performance Statistics (8 July 2010 – 30 September 2020)

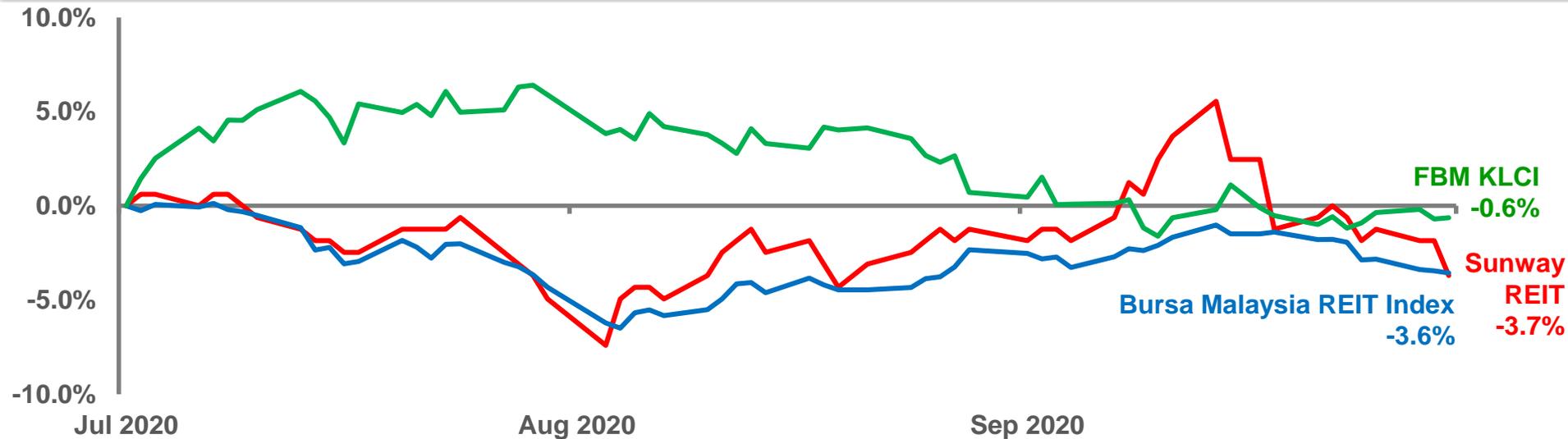
Price (as at 8 July 2010)	: RM0.90
Closing Price (as at 30 September 2020)	: RM1.56
Highest Price	: RM1.98
Lowest Price	: RM0.88
Daily Average Volume	: 2.1 million units
% Change in Unit Price	: 73.3%
% Change in FBM KLCI	: 14.4%
% Change in GPR APREA Composite REIT Index - Malaysia	: 141.5%

Source: Bloomberg



Unit Price Performance for FY2021

Unit Price Performance of Sunway REIT versus Benchmarks (1 July 2020 – 30 September 2020)



Performance Statistics (1 July 2020 – 30 September 2020)

Price (as at 1 July 2020)	: RM1.62
Closing Price (as at 30 September 2020)	: RM1.56
Highest Price	: RM1.72
Lowest Price	: RM1.49
Daily Average Volume	: 1.5 million units
% Change in Unit Price	: -3.7%
% Change in FBM KLCI	: -0.6%
% Change in Bursa Malaysia REIT Index	: -3.6%

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



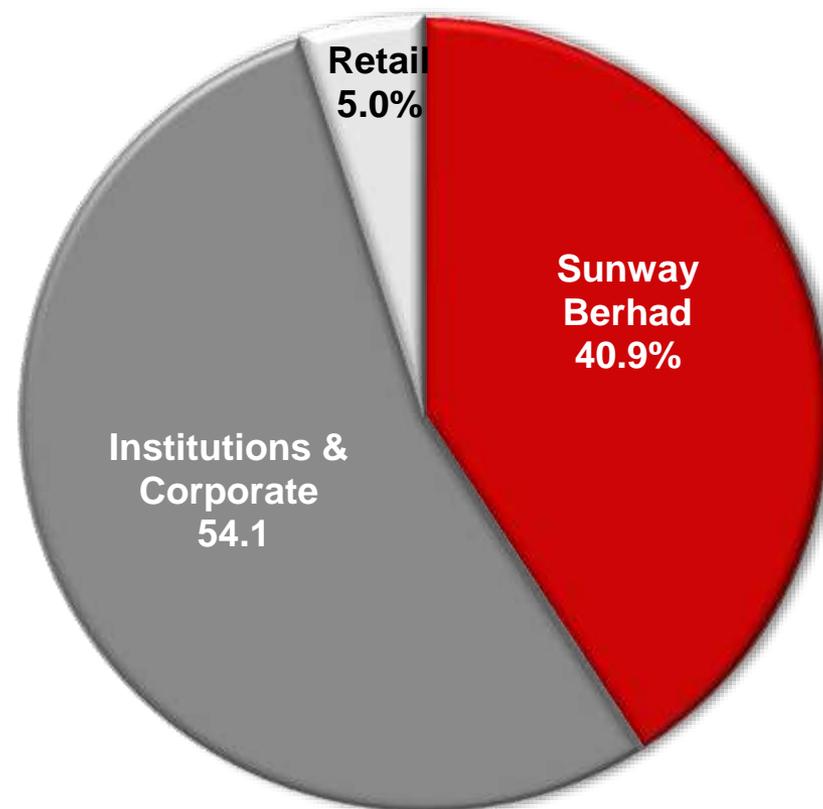
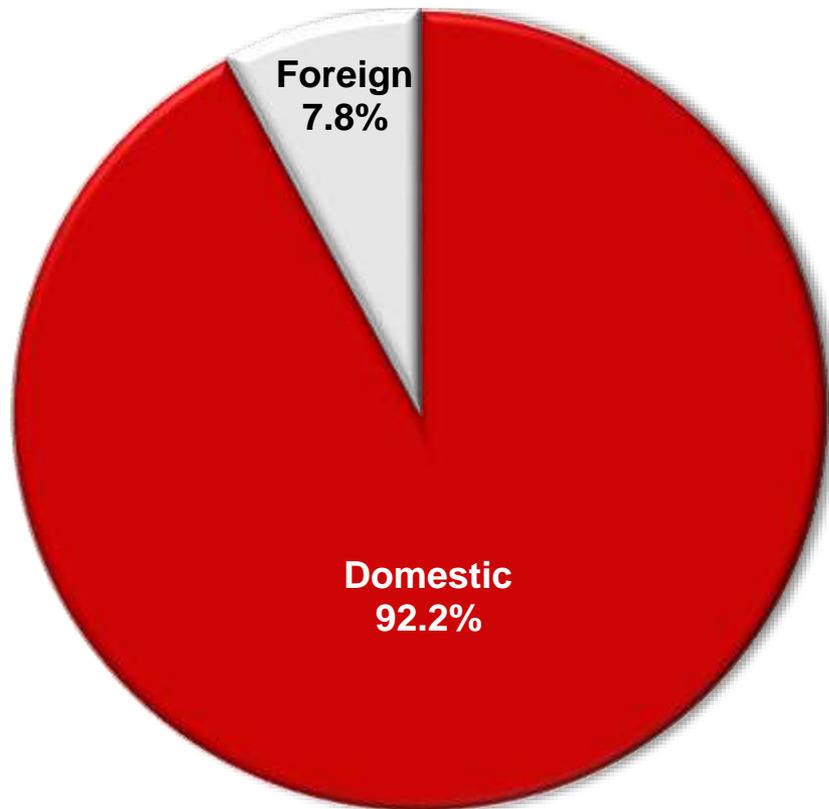
- FTSE EPRA NAREIT Global REIT Index
- FTSE EPRA NAREIT Global Index
- FTSE EPRA NAREIT Asia ex Japan

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



- MSCI Malaysia Small Cap Index

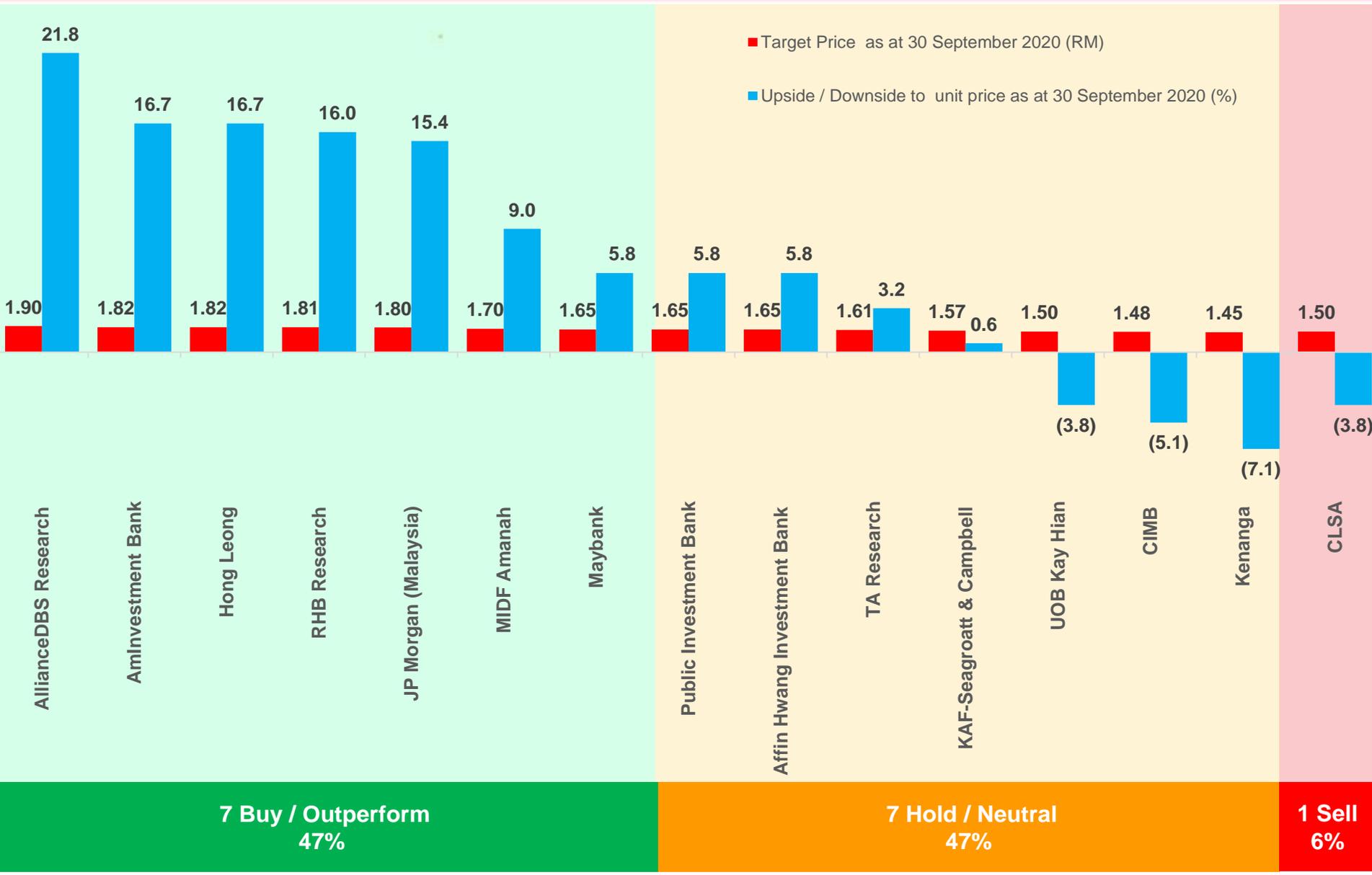
Unitholders' Composition (as at 30 September 2020)



	September 2020	June 2020	Q-o-Q Change
No of unitholders	20,074	19,189	+885 (4.6%)
Retail unitholders	5.0%	4.8%	+0.2%
Foreign unitholders	7.8%	8.2%	-0.4%
Sunway Berhad	40.9%	40.9%	Unchanged

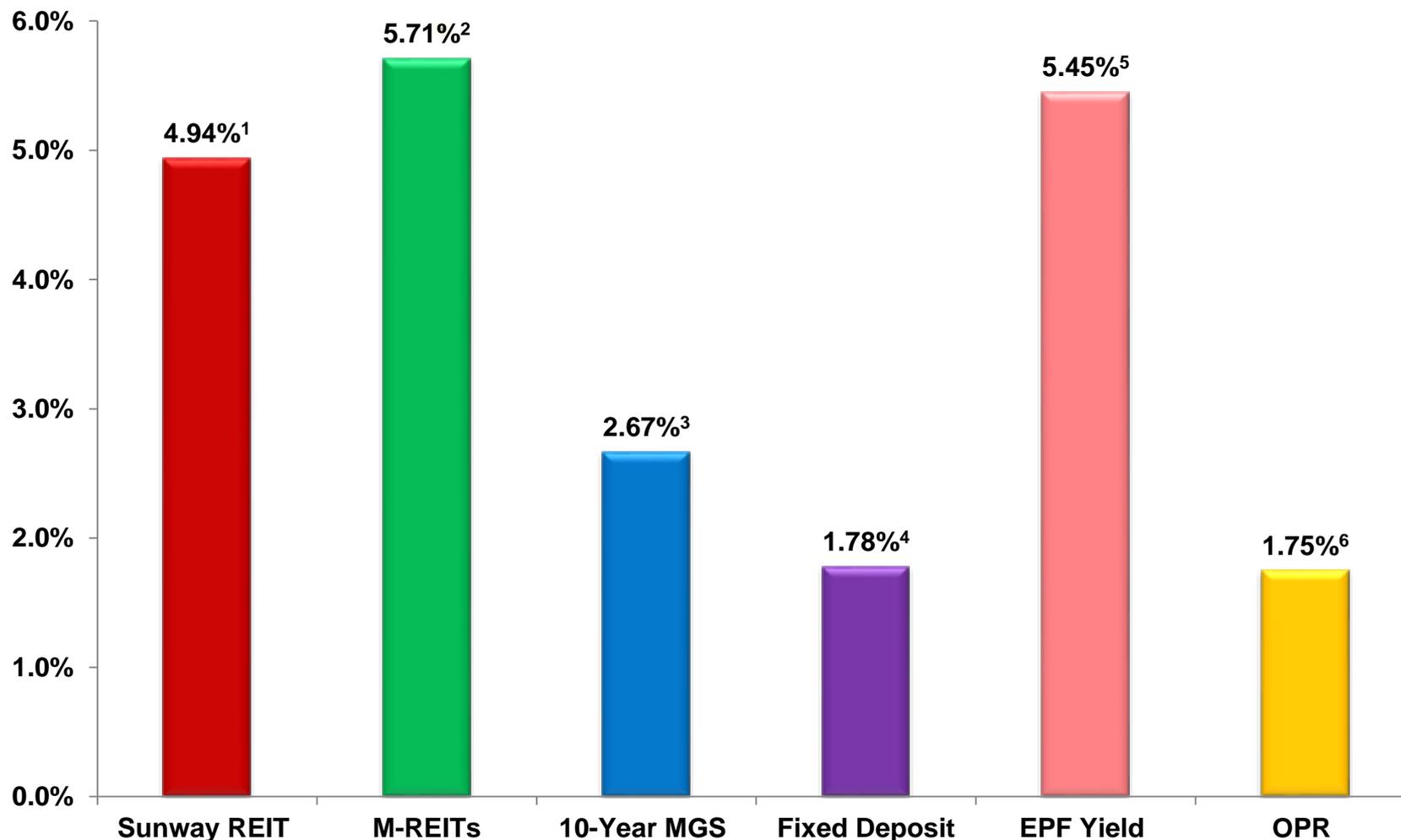
Source: Sunway REIT

Analysts Recommendation (as at 30 September 2020)



Source: Bloomberg

Comparative Yields for Various Assets



Note:

¹ Distribution yield is computed based on consensus FY2021 DPU of 7.7 sen and unit price as at 30 September 2020 (Source: Bloomberg)

² Information based on consensus FY2020 DPU forecast and unit price as at 30 September 2020 (Source: Bloomberg)

³ Information as at 30 September 2020 (Source: Bloomberg)

⁴ 12-Month Fixed Deposit rates offered by commercial banks as at 30 September 2020 (Source: Bank Negara Malaysia)

⁵ Dividend yield declared by Employees Provident Fund for the year 2019 (Source: Employees Provident Fund)

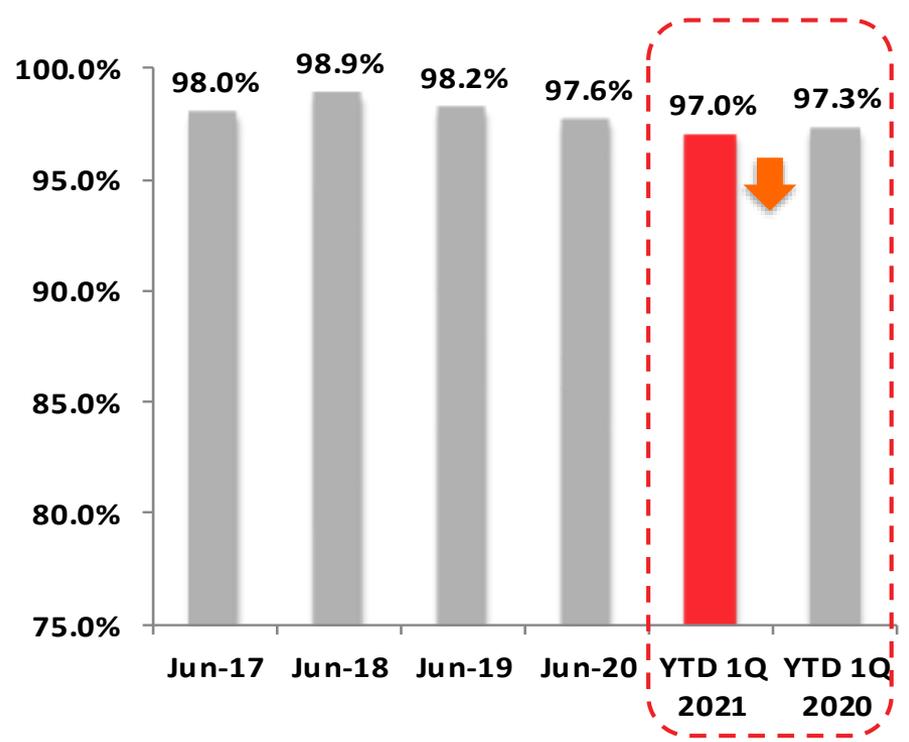
⁶ Overnight Policy Rate as at 3 November 2020 (Source: Bank Negara Malaysia)

APPENDIX: PROPERTY PERFORMANCE (1Q2021)

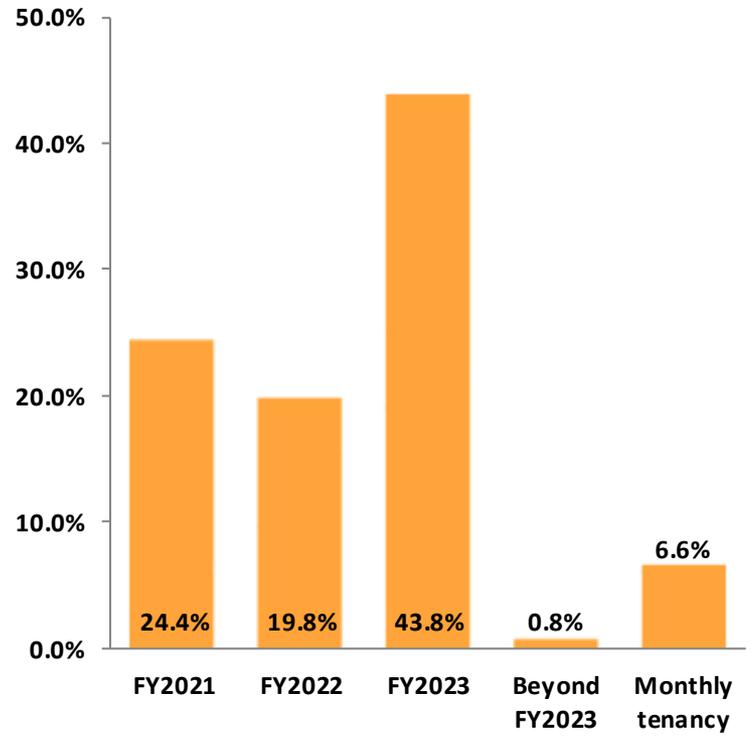


RETAIL PROPERTIES – Sunway Pyramid Shopping Mall

Average occupancy rate



Projected lease expiry schedule

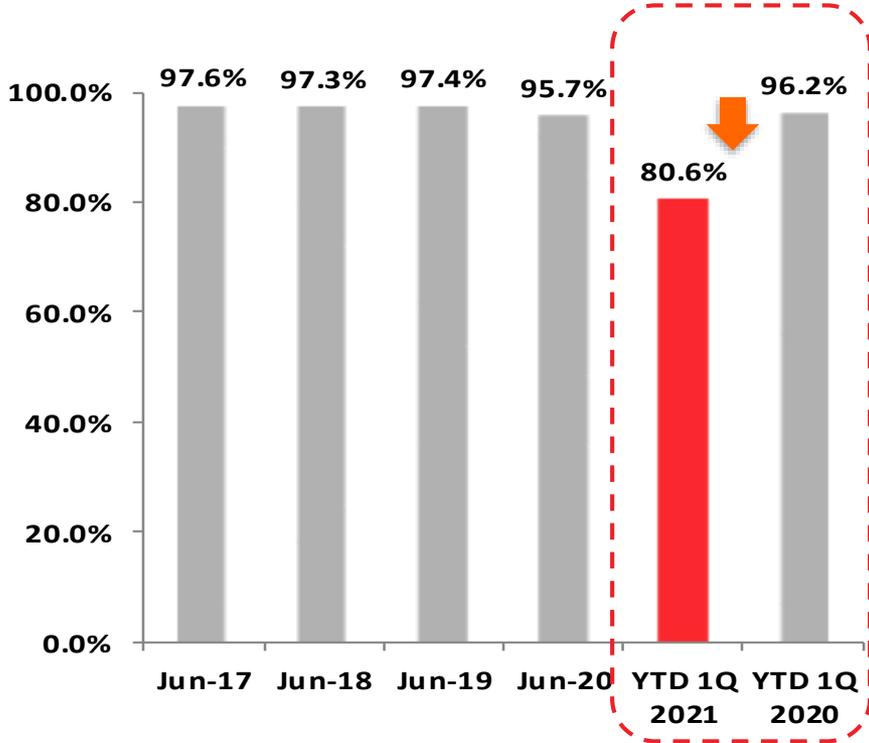


Sunway Pyramid Shopping Mall registered lower gross revenue by RM19.7 million (-24.5%) for 1Q2021 mainly due to rental support to assist tenants affected by loss of business and challenging market conditions with the ongoing COVID-19 pandemic and RMCO. 1Q2021 average occupancy rate was relatively stable at 97.0% (1Q2020: 97.3%), where the marginal reduction was due to fit-out period for new tenants.

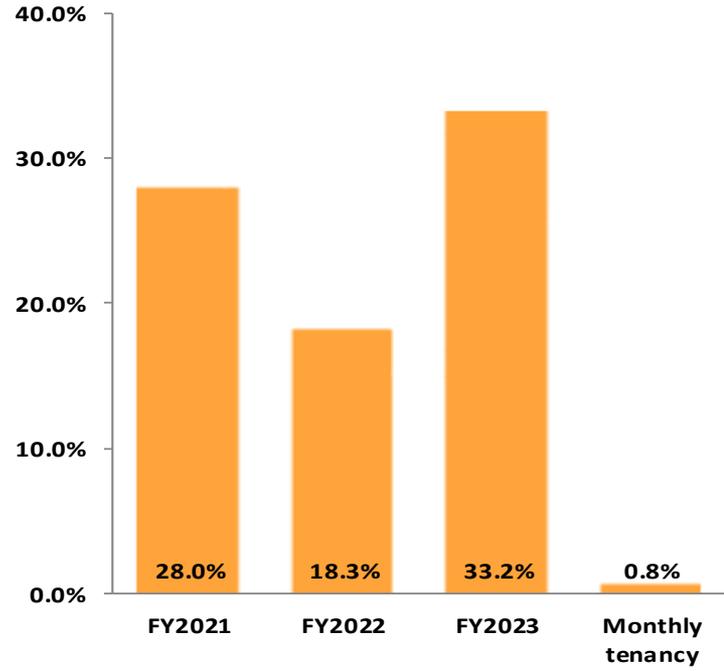
Based on the total net lettable area (NLA) of 648,906 sq. ft. due for renewal in FY2021, a total of 80,436 sq. ft. equivalent to 12.4% of total space due for renewal, was renewed or replaced in 1Q2021.

RETAIL PROPERTIES – Sunway Carnival Shopping Mall

Average occupancy rate



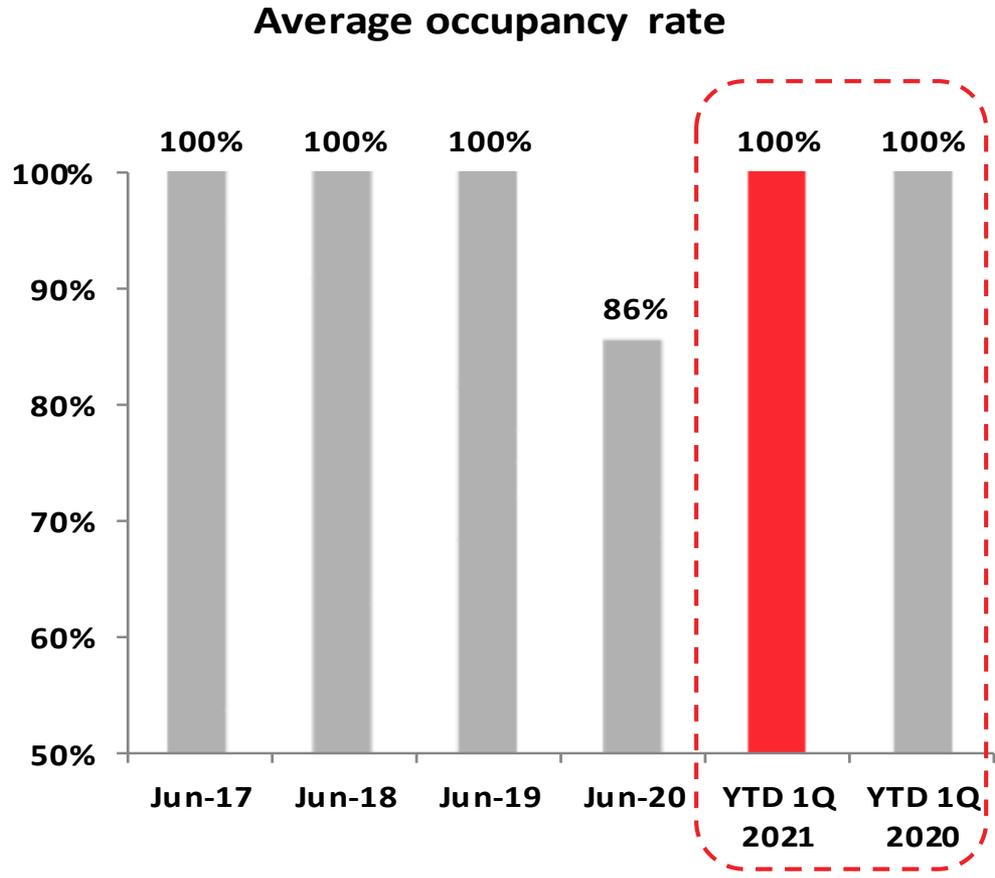
Projected lease expiry schedule



Sunway Carnival Shopping Mall registered lower gross revenue by RM3.9 million (-33.3%) for 1Q2021 mainly due to rental support to assist tenants affected by loss of business and challenging market conditions with the ongoing COVID-19 pandemic and RMCO. 1Q2021 average occupancy rate declined 15.6% due to termination of 2 underperforming tenants in 4Q2020, both of which will be replaced in 2Q2021.

Based on the total NLA of 88,995 sq. ft. due for renewal in FY2021, a total of 69,081 sq. ft. equivalent to 77.6% of total space due for renewal, was renewed or replaced in 1Q2021.

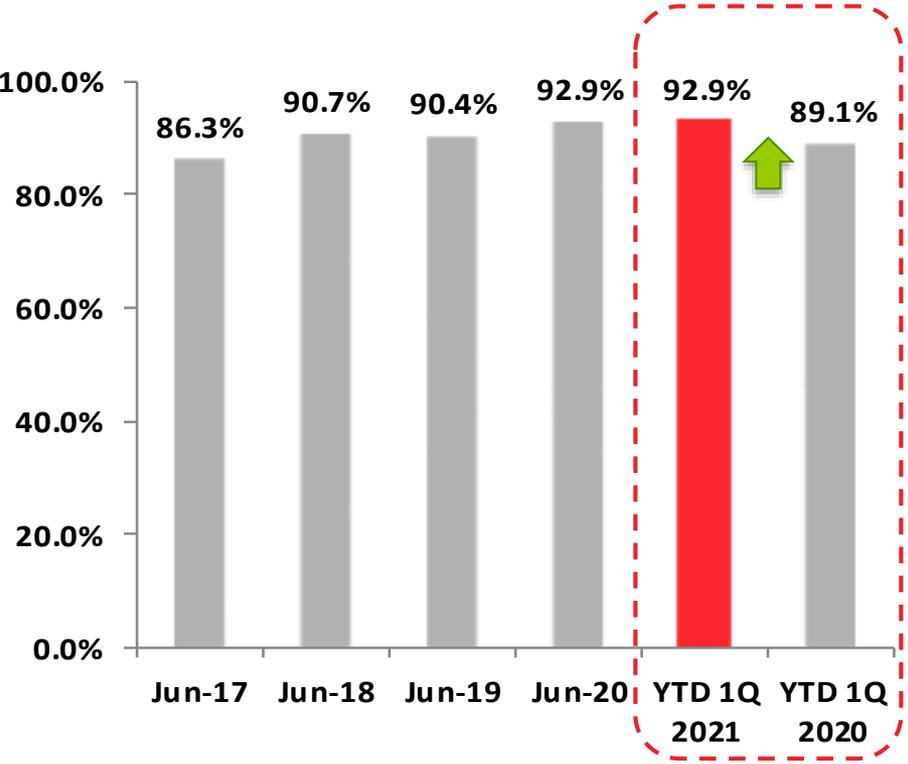
RETAIL PROPERTIES – SunCity Ipoh Hypermarket



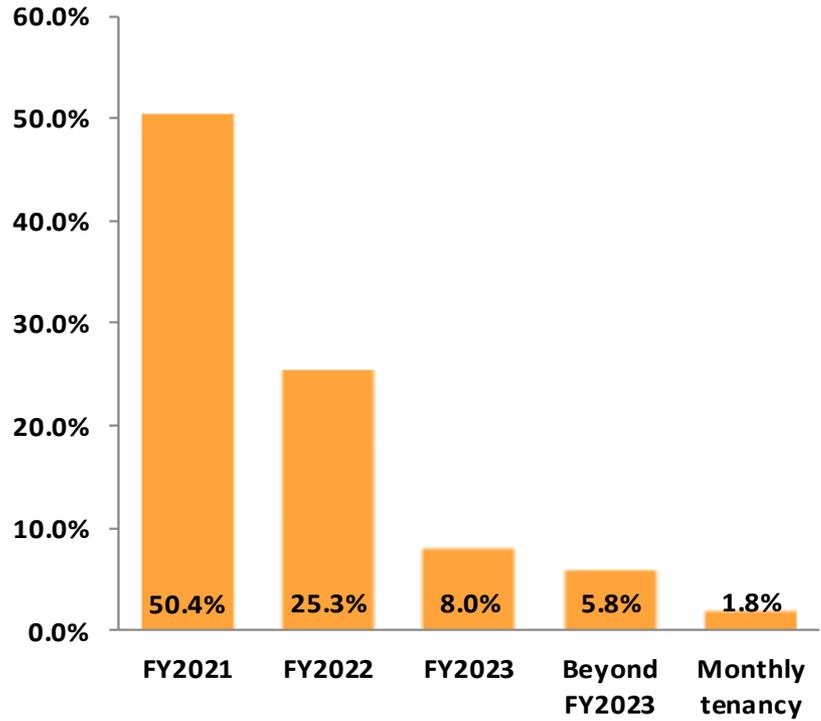
SunCity Ipoh Hypermarket replaced its single tenant which ended on 30 April 2020 with new single tenant TF Value-Mart which commenced on 22 June 2020.

RETAIL PROPERTIES – Sunway Putra Mall

Average occupancy rate



Projected lease expiry schedule

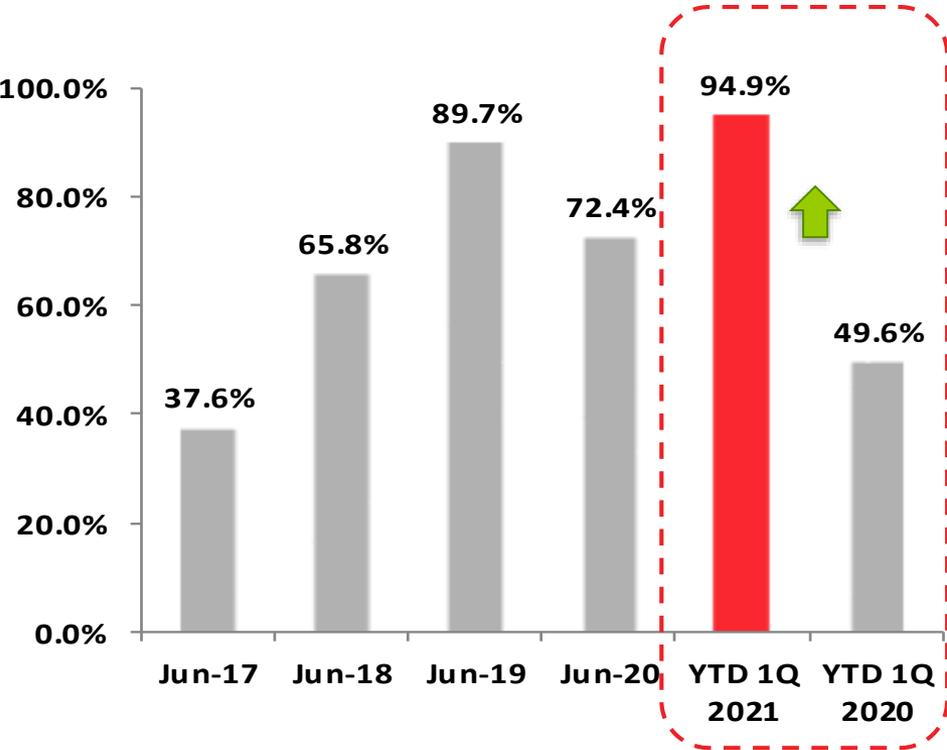


The average occupancy rate at Sunway Putra Mall for 1Q2021 is 3.8% higher compared to 1Q2020 due to efforts to enhance occupancy as well as ongoing adjustment in tenant mix.

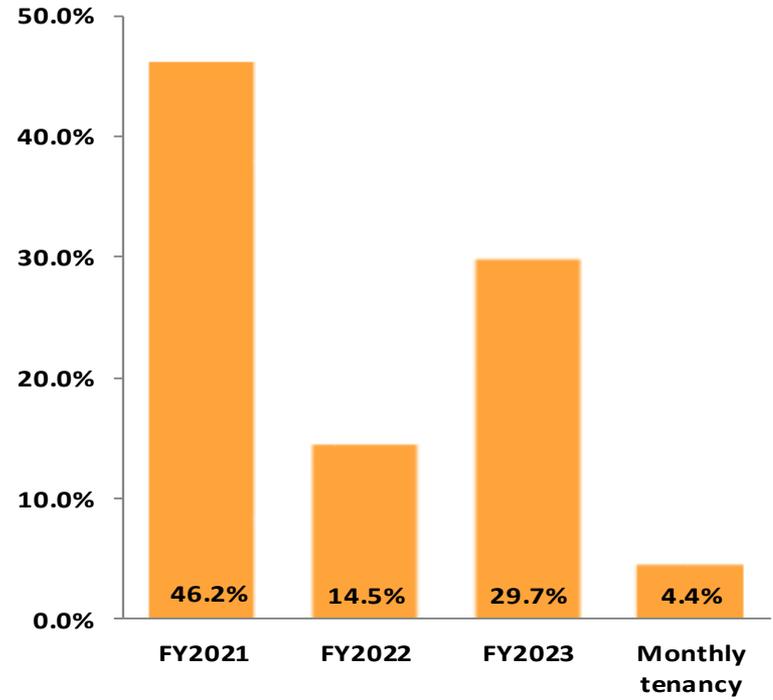
Based on the total NLA of 367,222 sq. ft. due for renewal in FY2021, a total of 49,083 sq. ft. equivalent to 13.4% of total space due for renewal, was renewed or replaced in 1Q2021.

RETAIL PROPERTIES – Sunway Clio Retail

Average occupancy rate



Projected lease expiry schedule



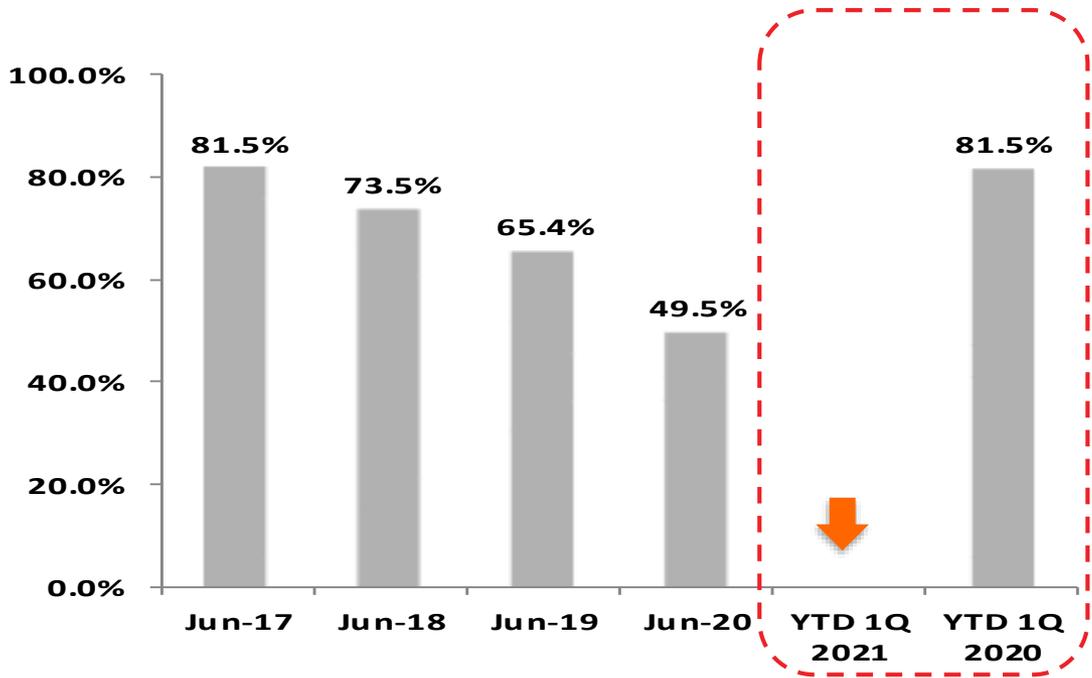
Note : The acquisition was completed on 9 February 2018.

The average occupancy rate for Sunway Clio Retail increased to 94.9% in 1Q2021, due to commencement of new tenant in December 2019 to replace underperforming tenant terminated in April 2019.

Based on the total NLA of 45,502 sq. ft. due for renewal in FY2021, no tenancies were due for renewal or replacement in 1Q2021.

HOSPITALITY PROPERTIES – Sunway Resort Hotel

Average occupancy rate



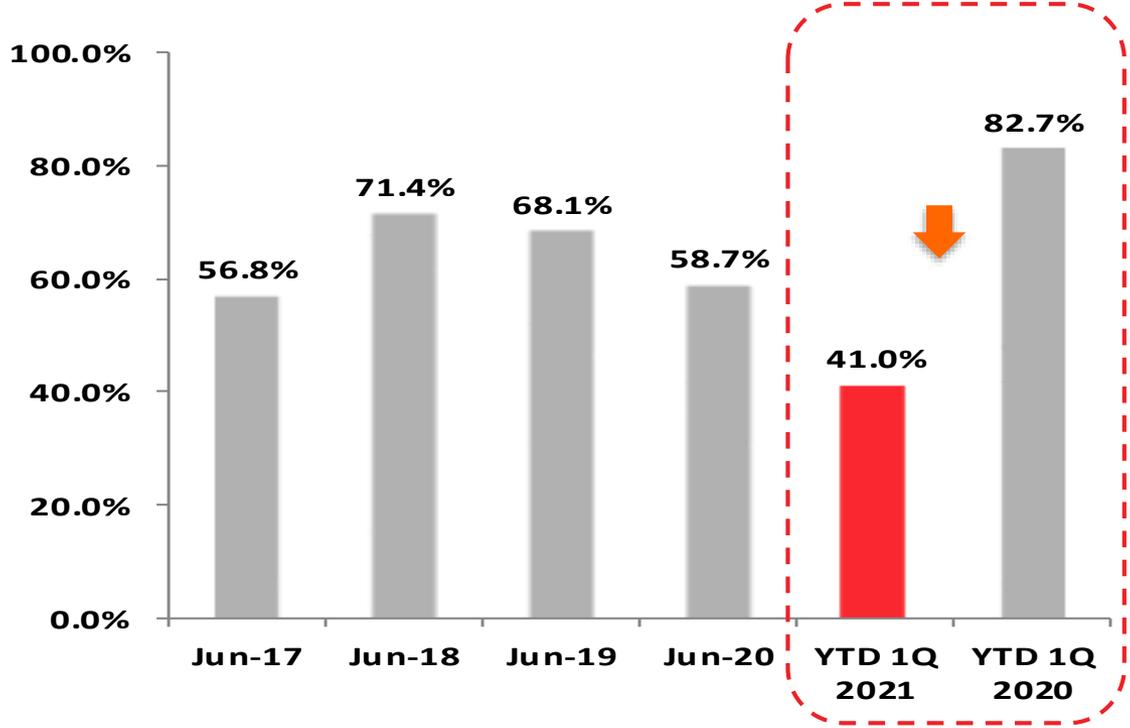
Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Resort Hotel was renewed from July 2020 to July 2030.

Note 2: Sunway Resort Hotel was closed for phased refurbishment commencing July 2020 for 12-24 months.

The other 2 cluster hotels in Sunway City, consisting of Sunway Pyramid Hotel and Sunway Clio Hotel, recorded a combined YTD average occupancy rate of 40% for 1Q2021 (1Q2020: 80% including Sunway Resort Hotel) due to the continued RMCO restrictions on inbound travel, group and corporate events.

HOSPITALITY PROPERTIES – Sunway Pyramid Hotel

Average occupancy rate

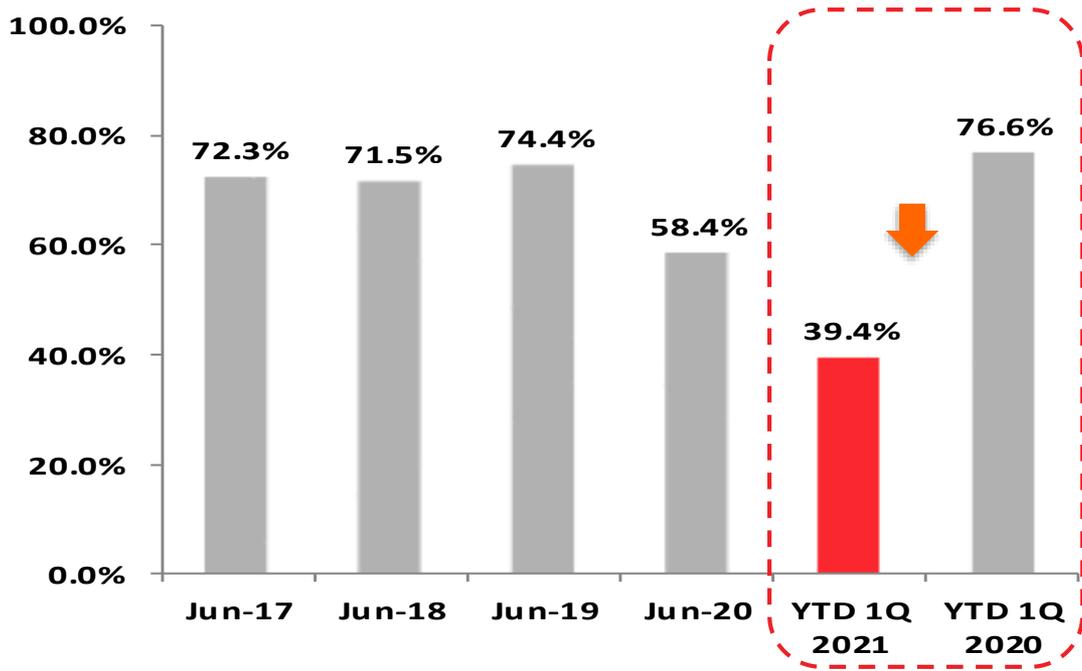


Note: The hotel properties are under 10-year master leases. The master lease of Sunway Pyramid Hotel was renewed from July 2020 to July 2030.

YTD average occupancy rate of Sunway Pyramid Hotel declined by 41.7% due to challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events.

HOSPITALITY PROPERTIES – Sunway Clio Hotel

Average occupancy rate

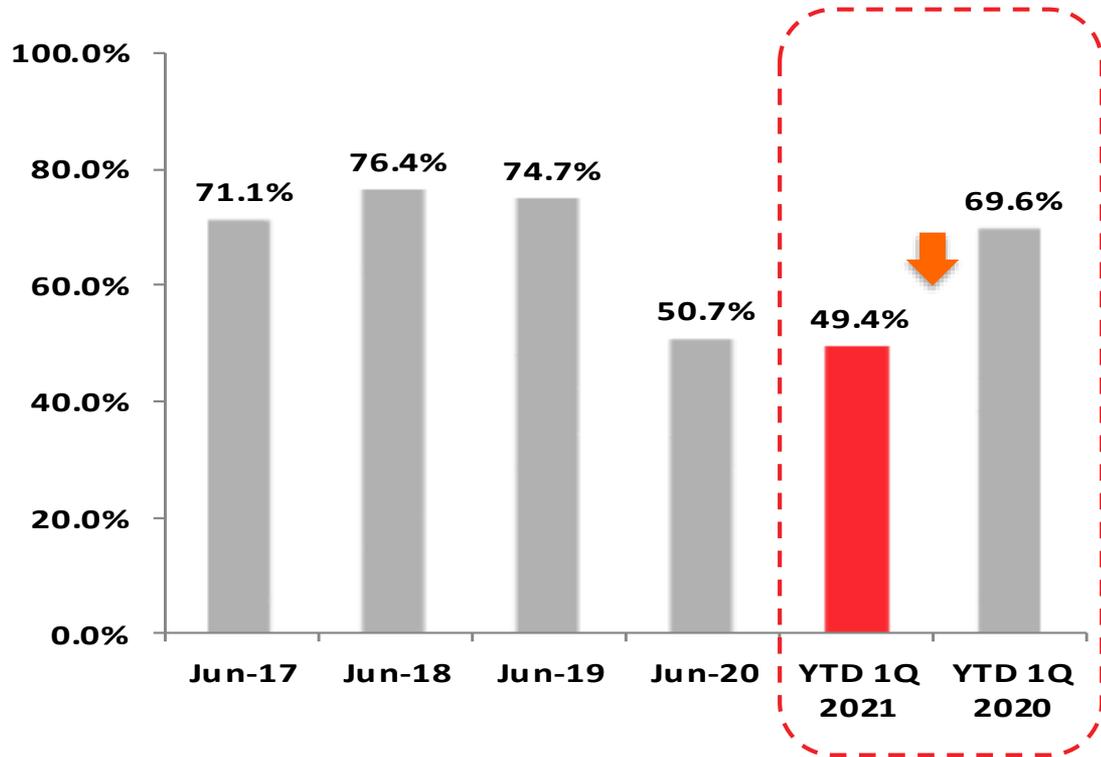


Note: The hotel properties are under 10-year master leases. The master lease of Sunway Clio Hotel is expiring in February 2028.

YTD average occupancy rate of Sunway Clio Hotel declined by 37.2% due to challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events.

HOSPITALITY PROPERTIES – Sunway Hotel Seberang Jaya

Average occupancy rate

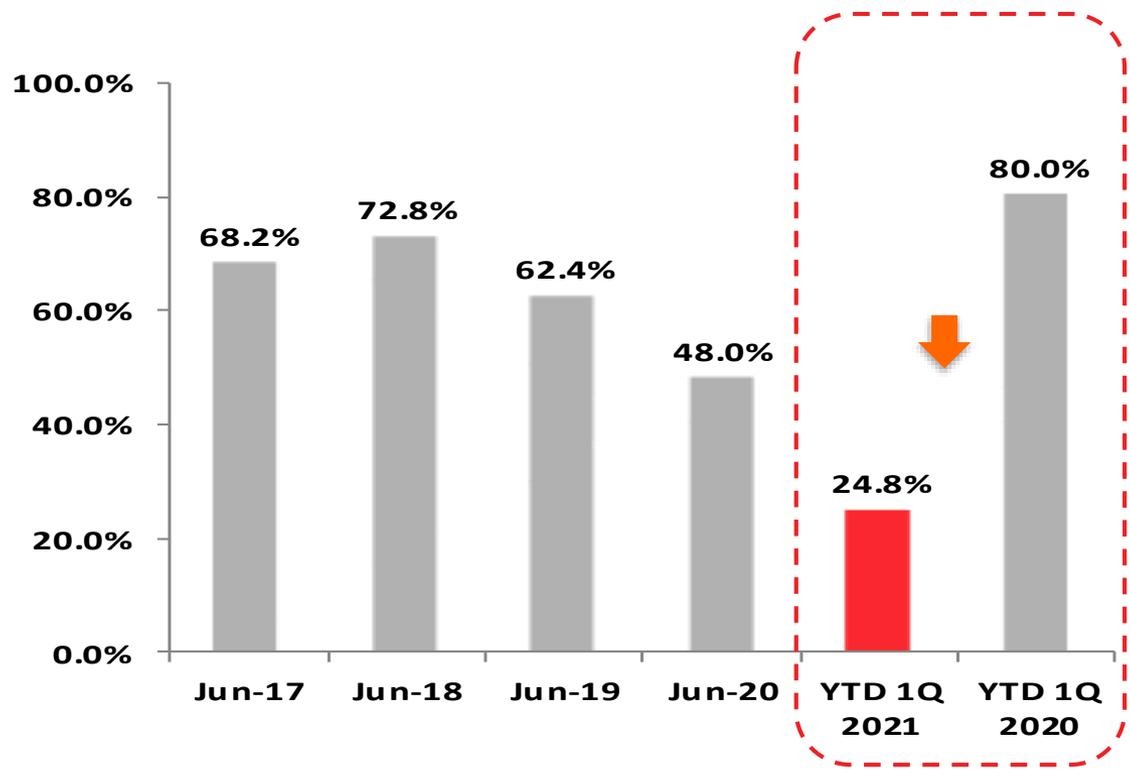


Note: The hotel properties are under 10-year master leases. The master lease of Sunway Hotel Seberang Jaya was renewed from July 2020 to July 2030.

YTD average occupancy rate of Sunway Hotel Seberang Jaya declined by 20.2% due to challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events.

HOSPITALITY PROPERTIES – Sunway Putra Hotel

Average occupancy rate

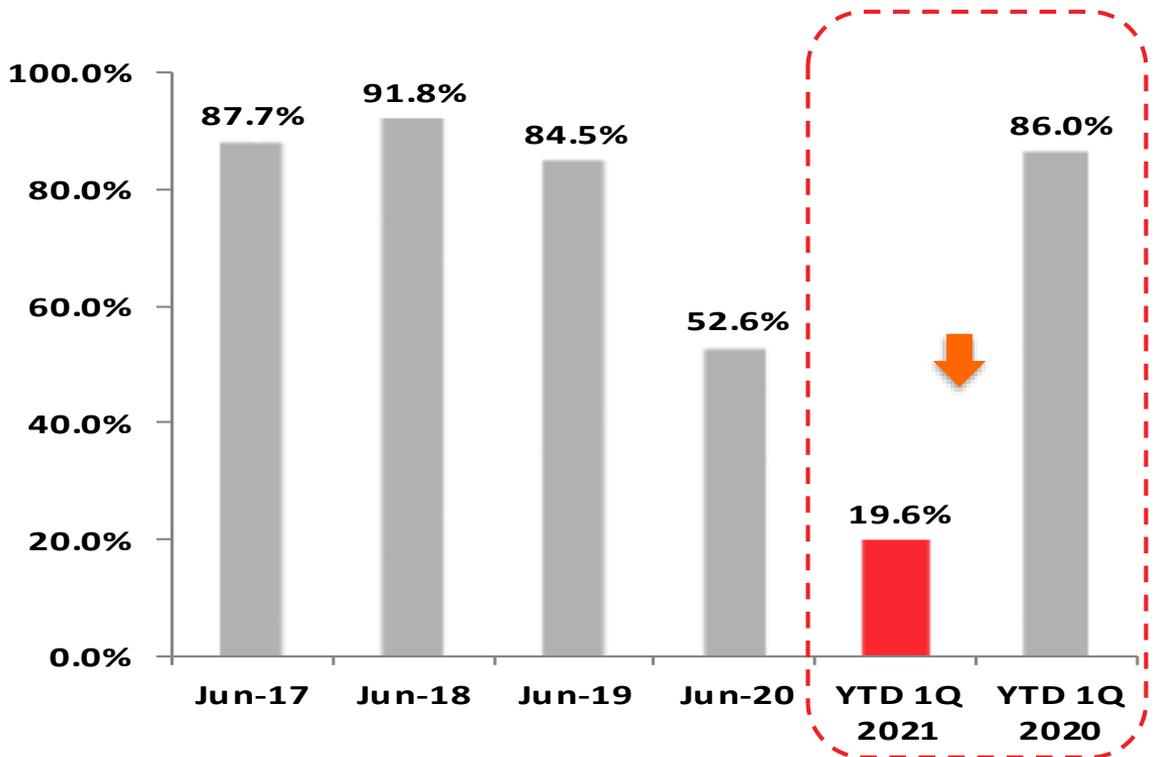


Note: The hotel properties are under 10-year master leases. The master lease of Sunway Putra Hotel is expiring in September 2021

YTD average occupancy rate of Sunway Putra Hotel declined by 55.2% due to challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events.

HOSPITALITY PROPERTIES – Sunway Hotel Georgetown

Average occupancy rate

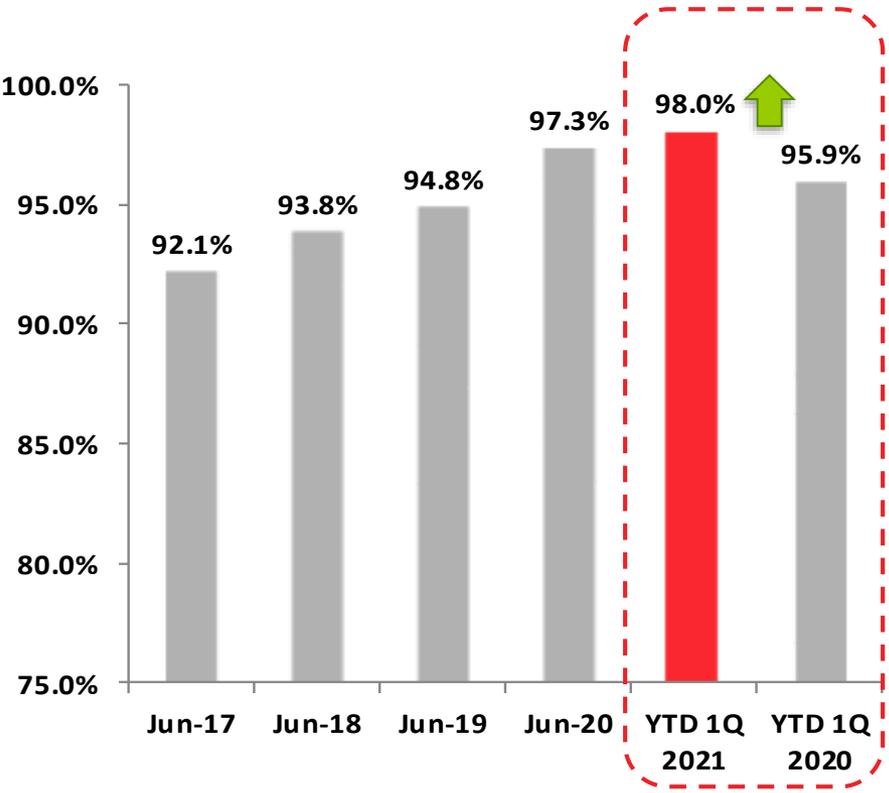


Note: The hotel properties are under 10-year master leases. The master lease of Sunway Hotel Georgetown is expiring in Jan 2025

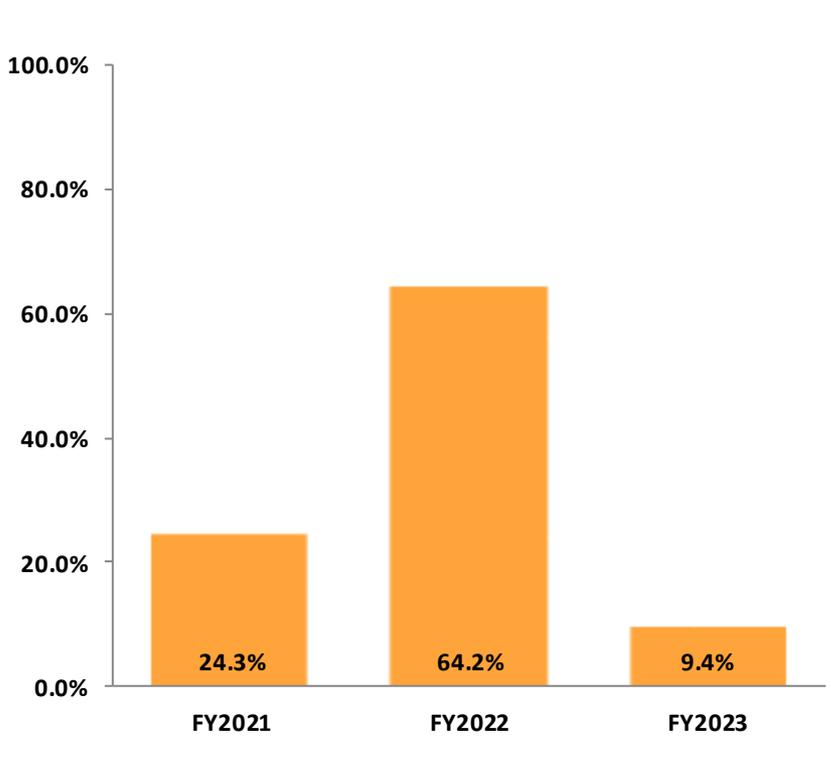
YTD average occupancy rate of Sunway Hotel Georgetown declined by 66.4% due to challenging market conditions with the ongoing COVID-19 pandemic and continued RMCO restrictions on inbound travel, group and corporate events.

OFFICE PROPERTIES – Menara Sunway

Average occupancy rate



Projected lease expiry schedule

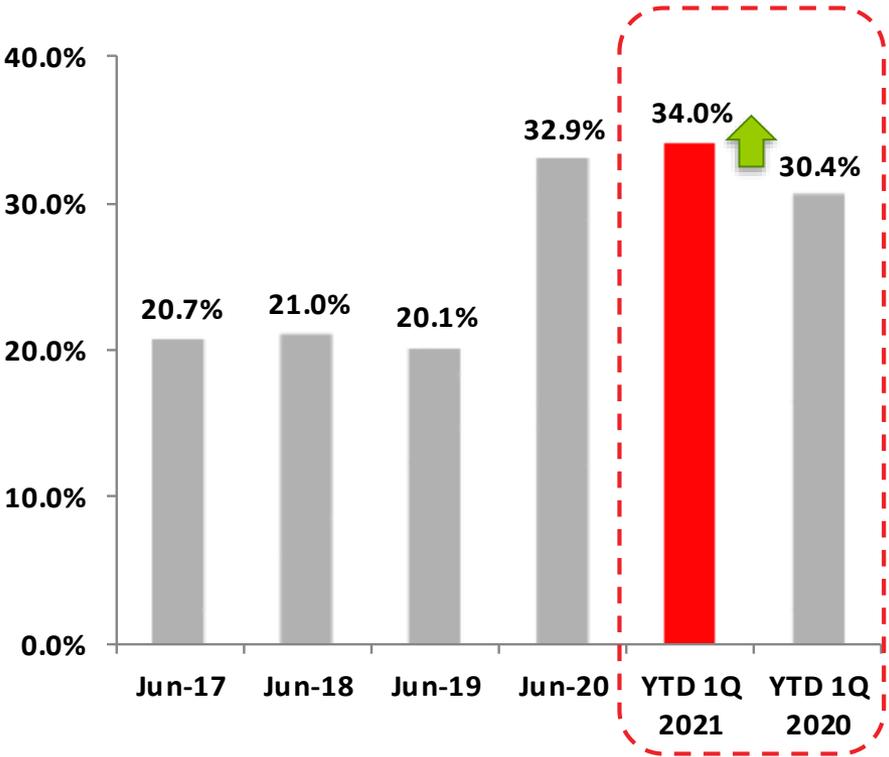


The average occupancy rate at Menara Sunway increased by 2.1% to 98.0% in 1Q2021 (1Q2020: 95.9%) due to commencement of new and replacement tenants effective October 2019 and January 2020.

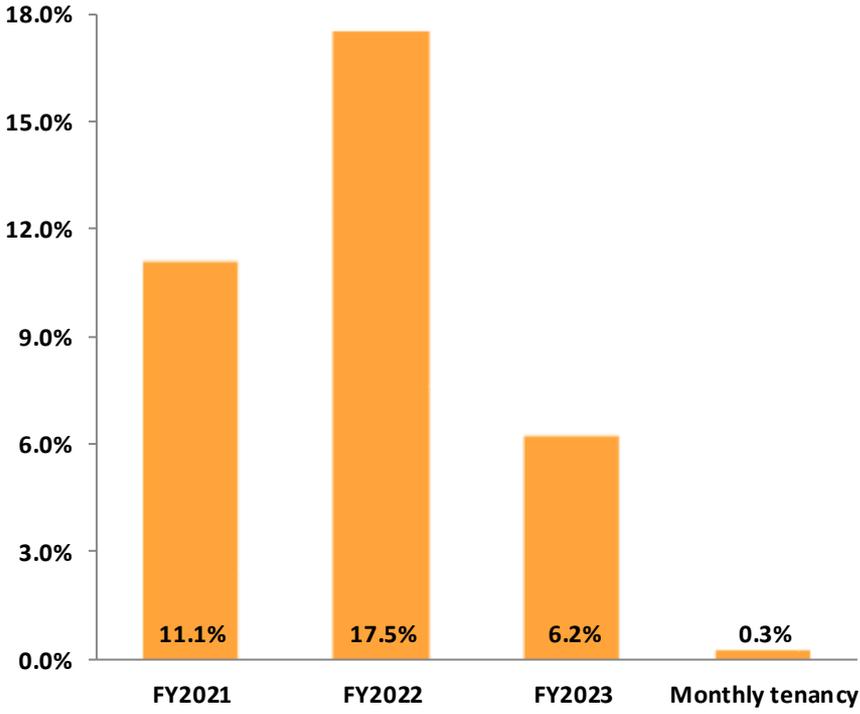
Based on the total NLA of 70,965 sq. ft. due for renewal in FY2021, no tenancies were due for renewal or replacement in 1Q2021.

OFFICE PROPERTIES – Sunway Tower

Average occupancy rate



Projected lease expiry schedule

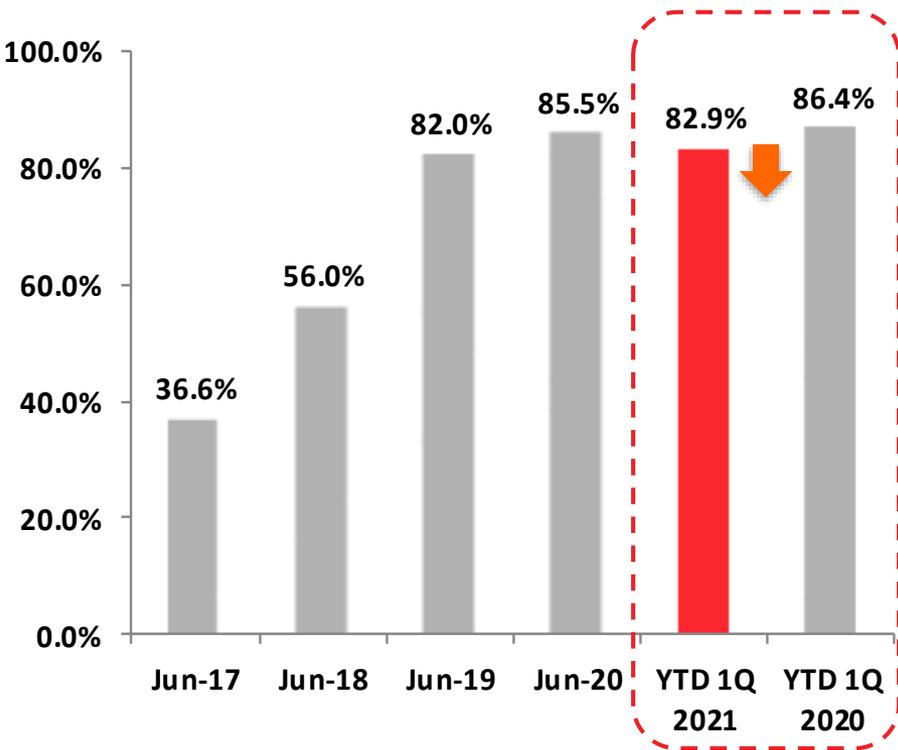


The average occupancy rate at Sunway Tower increased by 3.6% to 34.0% in 1Q2021 (1Q2020: 30.4%) due to commencement of new tenant effective January 2020.

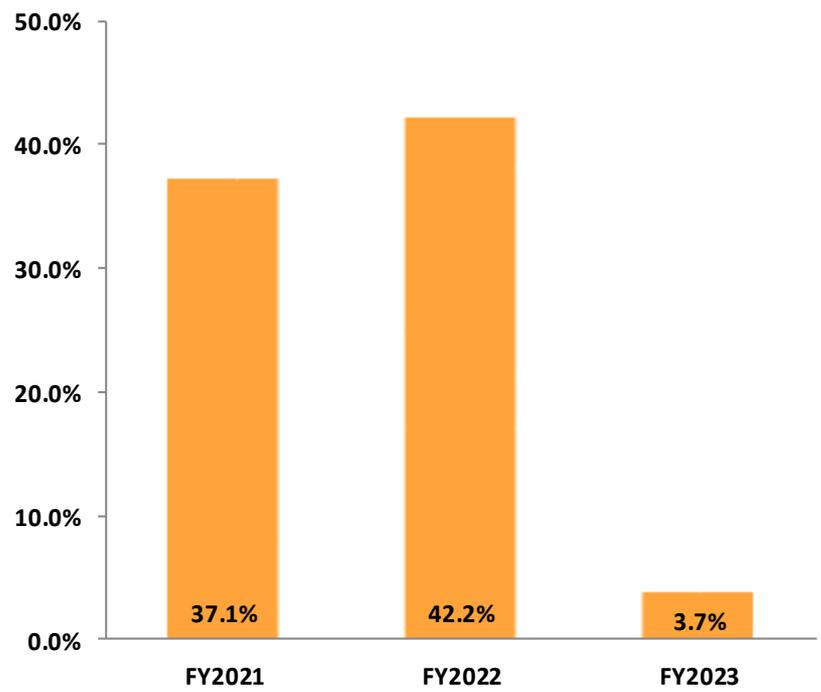
Based on the total NLA of 29,815 sq. ft. due for renewal in FY2021, no tenancies were due for renewal or replacement in 1Q2021.

OFFICE PROPERTIES – Sunway Putra Tower

Average occupancy rate



Projected lease expiry schedule

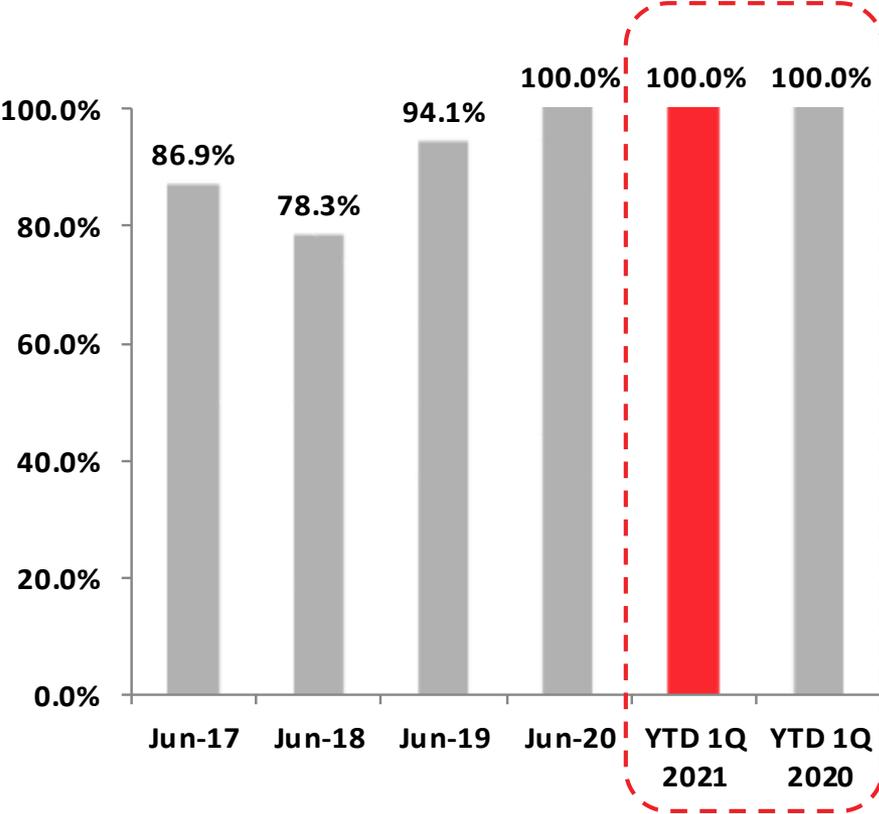


The average occupancy rate at Sunway Putra Tower declined by 3.5% to 82.9% in 1Q2021 (1Q2020: 86.4%) due to downsizing of existing tenant in May 2020.

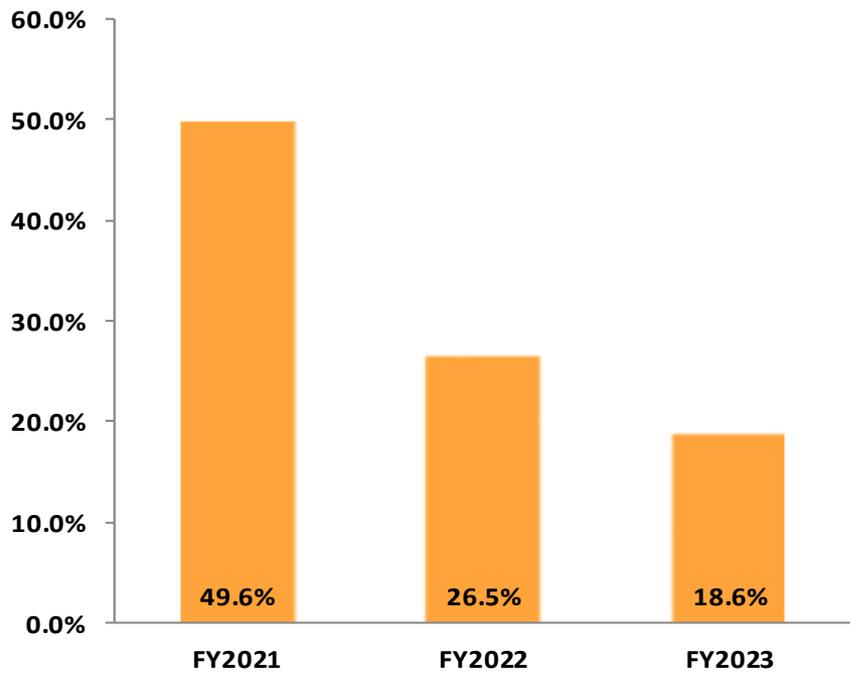
Based on the total NLA of 120,397 sq. ft. due for renewal in FY2021, no tenancies were due for renewal or replacement in 1Q2021.

OFFICE PROPERTIES – Wisma Sunway

Average occupancy rate



Projected lease expiry schedule



The average occupancy rate at Wisma Sunway maintained at 100% in 1Q2021 (1Q2020: 100%) with renewal of existing tenants.

Based on the total NLA of 53,102 sq. ft. due for renewal in FY2021, no tenancies were due for renewal or replacement in 1Q2021.