



SUNWAY®

**Sunway REIT
Financial Results 2nd Quarter Ended
31 December 2015
(FYE 30 June 2016)**



**Announcement Date:
27 January 2016**

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1. Financial Highlights

Distribution Details

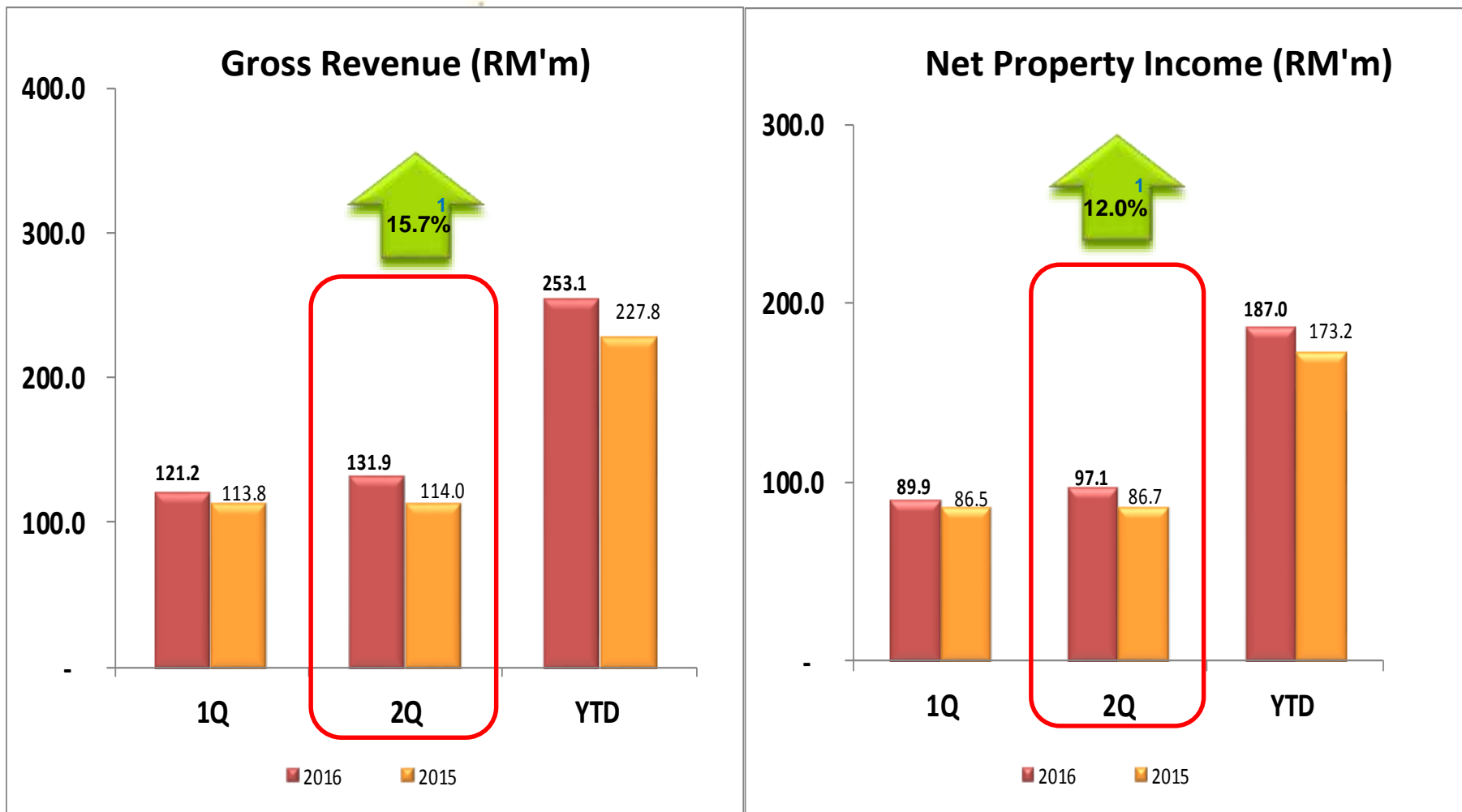
Dividend Distribution Details	
Distribution Period	1 Oct 2015 - 31 Dec 2015
Distribution per Unit (DPU) (sen)	2.57 ¹
Notice of Entitlement	27 January 2016
Ex-Dividend Date	11 February 2016
Book Closure Date	15 February 2016
Payment Date	1 March 2016

¹ Proposed income distribution for 2Q 2016 of 2.57 sen per unit (comprising taxable and non-taxable/tax exempt amount of 2.12 sen per unit and 0.45 sen per unit respectively).

Financial Highlights

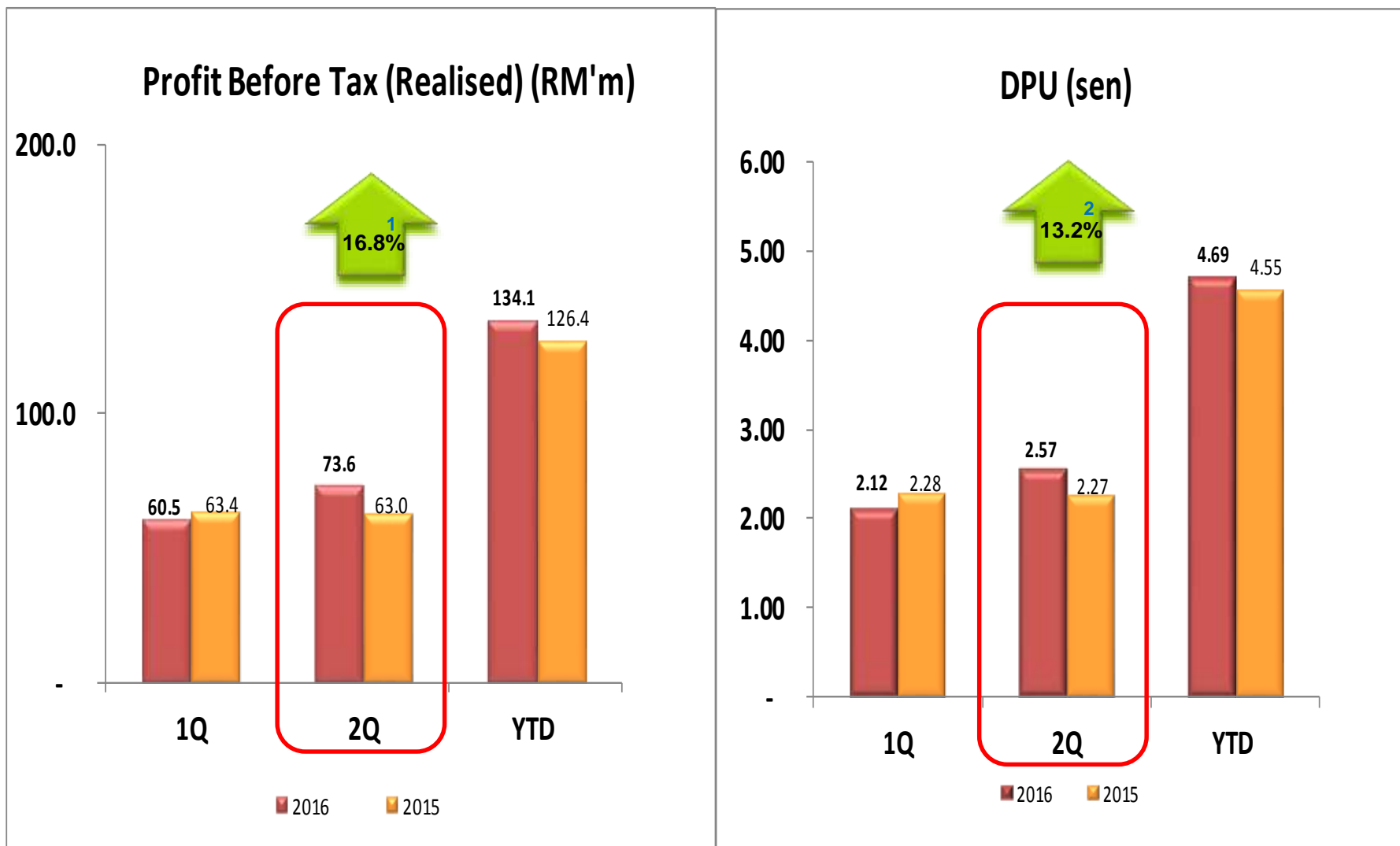
Highlights	2Q 2016	2Q 2015	Change %
No. of Properties	14	12	16.7%
Property Value (RM'billion)	6.333	5.652	12.1%
No. of Units in Circulation	2,941,335,300	2,933,242,500	0.3%
Unit Price as at 31 Dec (RM)	1.46	1.52	-3.9%
Market Capitalisation (RM'billion)	4.294	4.459	-3.7%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.3355	1.2364	8.0%
Premium to NAV	9.3%	22.9%	-13.6%
Realised Earnings Per Unit (EPU) (sen)	2.48	2.15	15.3%
Distribution Per Unit (DPU) (sen)	2.57	2.27	13.2%
Distribution Yield (Based on market price as at 31 Dec)	6.4%	5.9%	0.4%
Management Expense Ratio (After income distribution)	0.89%	0.83%	0.1%
YTD total return	1.2%	11.5%	-10.4%
Gearing	34.4%	33.2%	1.2%
% of fixed rate borrowings	86.1%	80.5%	5.5%

Financial Highlights (Cont'd)



¹ Gross revenue increased 15.7% or RM17.9 million whilst net property income increased 12.0% or RM10.4 million contributed by the retail and hotel segments but partially offset by lower performance from the office segment. The increase in revenue and net property income for retail segment was mainly attributable to Sunway Putra Mall with commencement of rental. The improvement in the hotel segment was contributed by all the hotels, with the exception of Sunway Hotel Seberang Jaya, and new contribution from Sunway Hotel Georgetown (acquired in January 2015) which will be explained on page 17.

Financial Highlights (Cont'd)



¹ Realised PBT increased by 16.8% or RM10.6 million due to higher other income as explained on page 10.

² DPU increased by 13.2% or 0.3 sen due to recognition of other income amounting to RM6.189 million, being the court award for loss of income for Sunway Putra litigation case as explained on page 10. The impact of this non-recurring item to DPU amounted to 0.21 sen.

2. 2Q 2016 Financial Results

Statement of Comprehensive Income – Consolidated

	1Q 2016 RM'000	1Q 2015 RM'000	2Q 2016 RM'000	2Q 2015 RM'000	Change %	YTD 2016 RM'000	YTD 2015 RM'000	Change %
Gross revenue	121,216	113,812	131,867	113,996	15.7%	253,083	227,808	11.1%
Less : Property operating expenses	(31,274)	(27,320)	(34,813) ¹	(27,259)	27.7%	(66,087)	(54,579)	21.1%
Net property income	89,942	86,492	97,054	86,737	11.9%	186,996	173,229	7.9%
Other income	4,941	738	4,793 ²	1,161	312.8%	9,734	1,899	412.6%
Manager's fees	(7,630)	(6,893)	(7,842)	(6,985)	12.3%	(15,472)	(13,878)	11.5%
Trustee's fees and other trust expenses	(1,255)	(544)	(867)	(835)	3.8%	(2,122)	(1,379)	53.9%
Finance costs	(21,485)	(16,342)	(21,618) ³	(16,810)	28.6%	(43,103)	(33,152)	30.0%
Profit before tax	64,513	63,451	71,520	63,268	13.0%	136,033	126,719	7.4%
Income tax expense	-	-	-	-	-	-	-	-
Profit for the period/year	64,513	63,451	71,520	63,268	13.0%	136,033	126,719	7.4%
Total comprehensive income for the period/year comprises the following:								
Realised	60,565	63,435	73,576	62,994	16.8%	134,141	126,429	6.1%
Unrealised	3,948	16	(2,056) ⁴	274	-850.4%	1,892	290	552.4%
Total net profit for the period/year	64,513	63,451	71,520	63,268	13.0%	136,033	126,719	7.4%
No. of Units in circulation (million)	2,940	2,931	2,941	2,933	0.3%	2,941	2,933	0.3%
EPU (sen)								
- realised	2.06	2.17	2.48	2.15	15.3%	4.54	4.32	5.1%
- unrealised	0.13	-	(0.07)	0.01	-800.0%	0.06	0.01	500.0%
Total EPU	2.19	2.17	2.41	2.16	11.6%	4.60	4.33	6.2%
Proposed/declared distribution	62,330	66,826	75,592	66,585	13.5%	137,922	133,411	3.4%
Proposed/declared distribution per unit (sen)	2.12	2.28	2.57	2.27	13.2%	4.69	4.55	3.1%

Please refer to next page for explanatory notes.

Statement of Comprehensive Income-Consolidated (Cont'd)

Explanation:

- ¹ Property operating expenses was higher in 2Q 2016 compared to 2Q 2015 of RM7.5 million due to:
 - Lower assessment in 2Q 2015 as there were vacancy allowance granted by DBKL for KL properties.
 - Operating expenses incurred for Sunway Putra Mall which re-opened on 28 May 2015 after a 2-year closure for major refurbishment.
- ² Higher other income was mainly due to recognition of RM6.189 million, being the court award for loss of income for Sunway Putra litigation case, partially offset by unrealised fair value loss on mark-to-market of interest rate swap amounting to RM2.1 million.
- ³ Finance costs for 2Q 2016 was RM21.6 million, higher by 28.6% or RM4.8 million compared to 2Q 2015 primarily attributable to a higher principal loan amount to fund capital expenditure and acquisition of Sunway Hotel Georgetown and Wisma Sunway in FY2015, as well as the cessation of interest capitalisation on completion of refurbishment for Sunway Putra Mall in May 2015.
- ⁴ Unrealised loss due to the unrealised fair value loss as explained in ⁽²⁾.

Statement of Financial Position – Consolidated

	31.12.15 RM'000	30.09.15 RM'000	30.06.15 RM'000
ASSETS			
Non-current assets			
Plant and equipment	7,568	7,040	5,268
Investment properties	6,333,412	6,341,438	6,324,000
	6,340,980	6,348,478	6,329,268
Current assets			
Receivables, deposits and prepayments	26,646	19,249	20,174
Derivatives ¹	67,918	79,454	14,358
Cash and bank balances	82,299	72,469	66,218
	176,863	171,172	100,750
	6,517,843	6,519,650	6,430,018
EQUITY AND LIABILITIES			
Unitholders' funds			
Unitholders' capital	2,722,035	2,720,128	2,716,456
Undistributed income	1,281,701	1,271,772	1,265,804
	4,003,736	3,991,900	3,982,260
Non-current liabilities			
Borrowings	1,429,350	1,439,550	1,378,550
Long term liabilities	56,812	58,932	75,585
Deferred tax liabilities	5,896	5,896	5,896
Derivatives	-	-	1,513
	1,492,058	1,504,378	1,461,544
Current liabilities			
Trade and other payables	211,955	238,094	222,826
Borrowings	810,094	785,278	763,388
	1,022,049	1,023,372	986,214
	6,517,843	6,519,650	6,430,018

¹ Derivative asset due to unrealised fair value gain on cross currency swap and interest rate swap (Please refer to details in Note B15 of Bursa announcement).

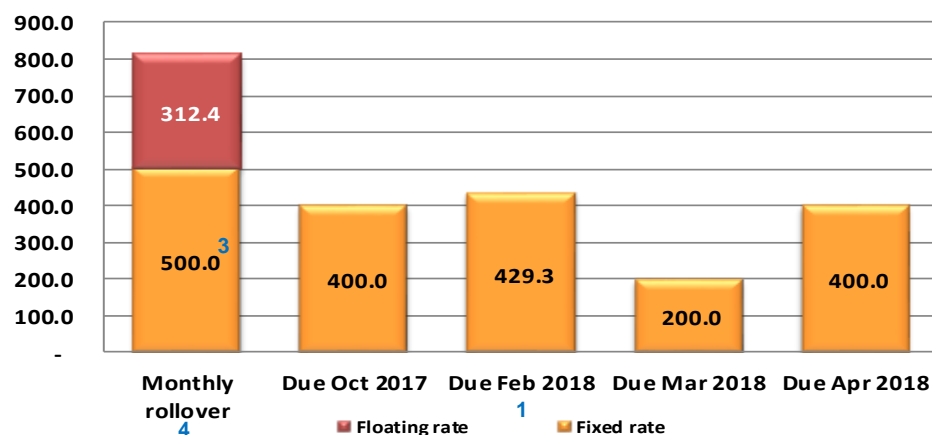
Debt Profile

	Facility Limit RM'mil	RM'mil
Term Loan	360.9	429.3 ¹
Commercial Papers (CP) / Revolving Loans (RL)	1,100.0 ²	812.4
Unrated MTNs	1,000.0	1,000.0
Total Gross Borrowings		2,241.7
Discount on Commercial Papers		(2.3)
Total Borrowings at carrying amount		2,239.4

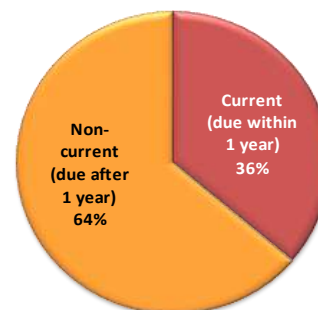
	RM'mil
Classification of Borrowings:	
Current (due within 1 year)	812.4
Non-current (due after 1 year)	1,429.3
Total Gross Borrowings	2,241.7

Average Cost of Debt	3.96%
Average Maturity Period (Years)	1.3
Debt Service Cover Ratio (DSCR)	5.3
Gearing Ratio	34.4%

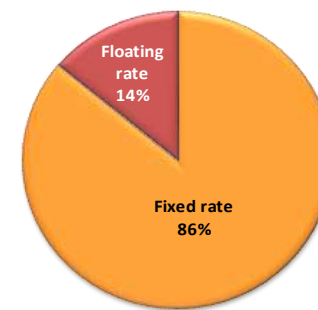
Loan Maturity Profile (RM'mil)



Classification of Borrowings



Fixed versus Floating rate mix



¹ Includes unrealised forex loss of RM68.5 million. The 3-year USD100m term loan shall be due on 5 February 2018 and is fully hedged with a 1-year cross currency swap contract up to February 2016. Thereafter until the maturity of the loan, it will be on floating basis at KLIBOR-7bps while the currency shall be fully hedged.

² The current limit of RM1.10 billion can be increased to RM1.60 billion up to expiry of the programme in April 2019.

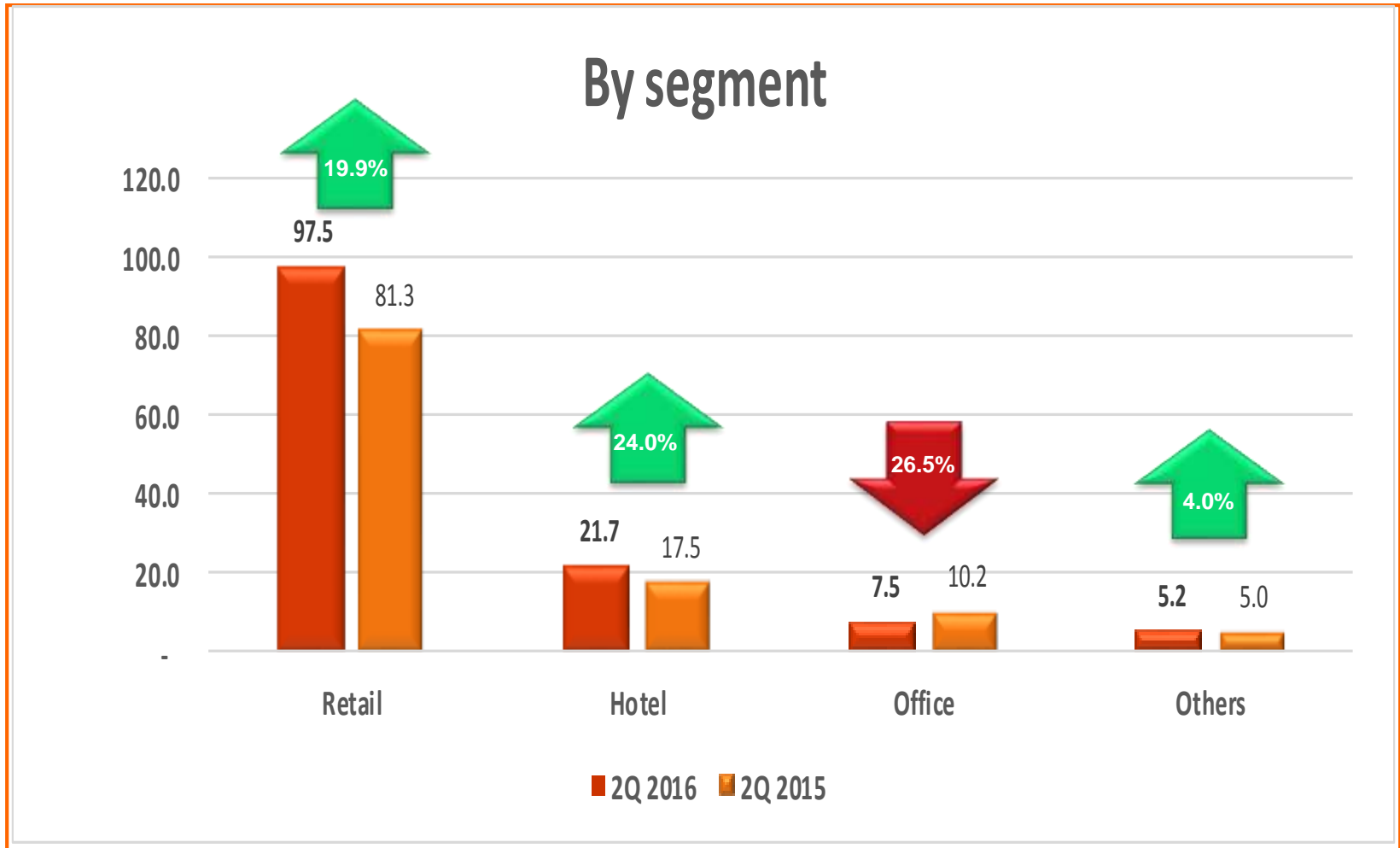
³ Sunway REIT has locked in RM500.0 million via 3-year IRS to manage exposure to floating rate borrowings.

⁴ No refinancing risk as the CP Programme is fully underwritten by a local financial institution for the entire duration of the programme.

3. 2Q 2016 Portfolio Performance

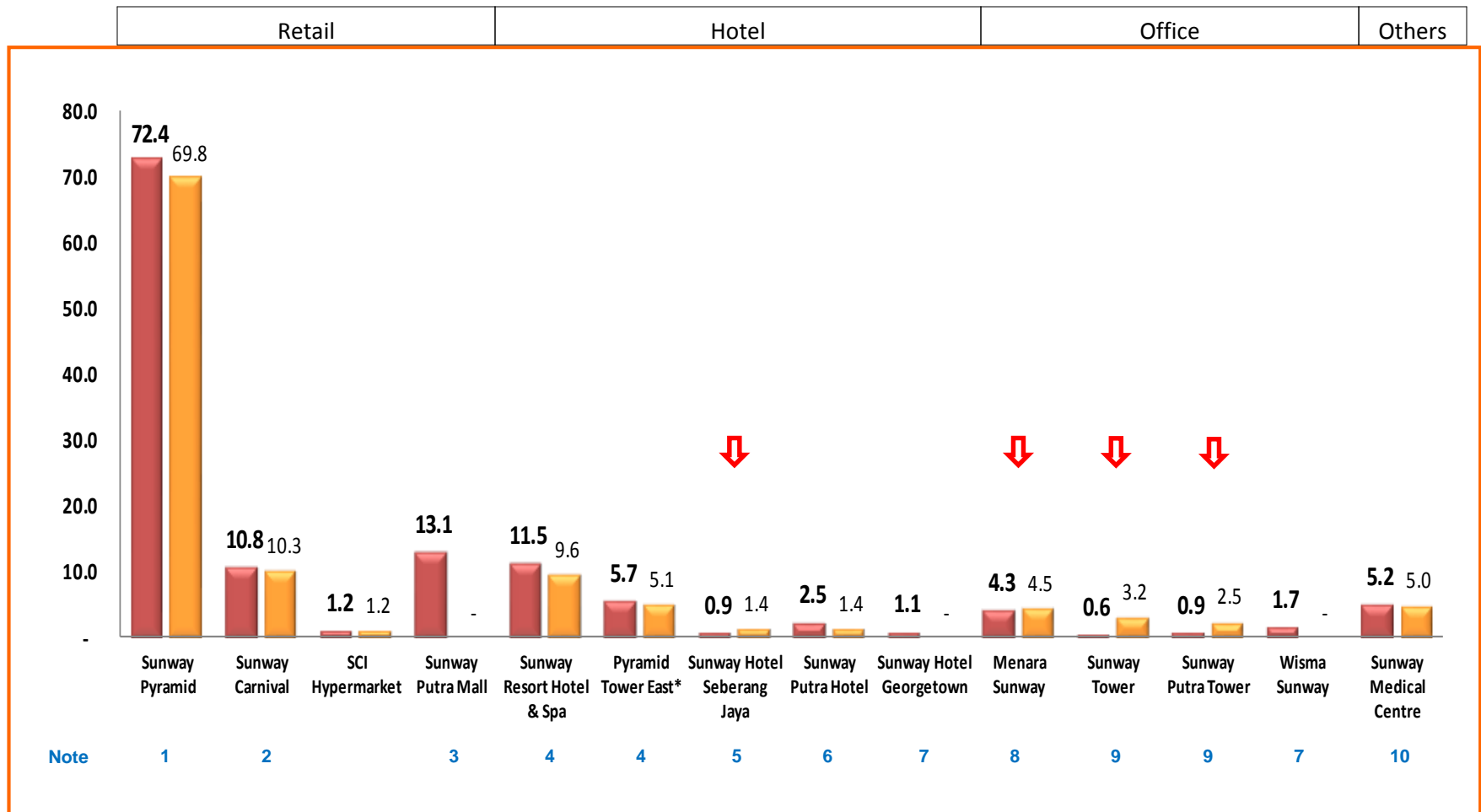
2Q 2016 Revenue Contribution

2Q 2016 (RM'mil) 131.9
2Q 2015 (RM'mil) 114.0



2Q 2016 Revenue Contribution (Cont'd)

■ 2Q 2016 (RM'mil) **131.9**
■ 2Q 2015 (RM'mil) **114.0**



Please refer to next page for explanatory notes.

* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

2Q 2016 Revenue Contribution (Cont'd)

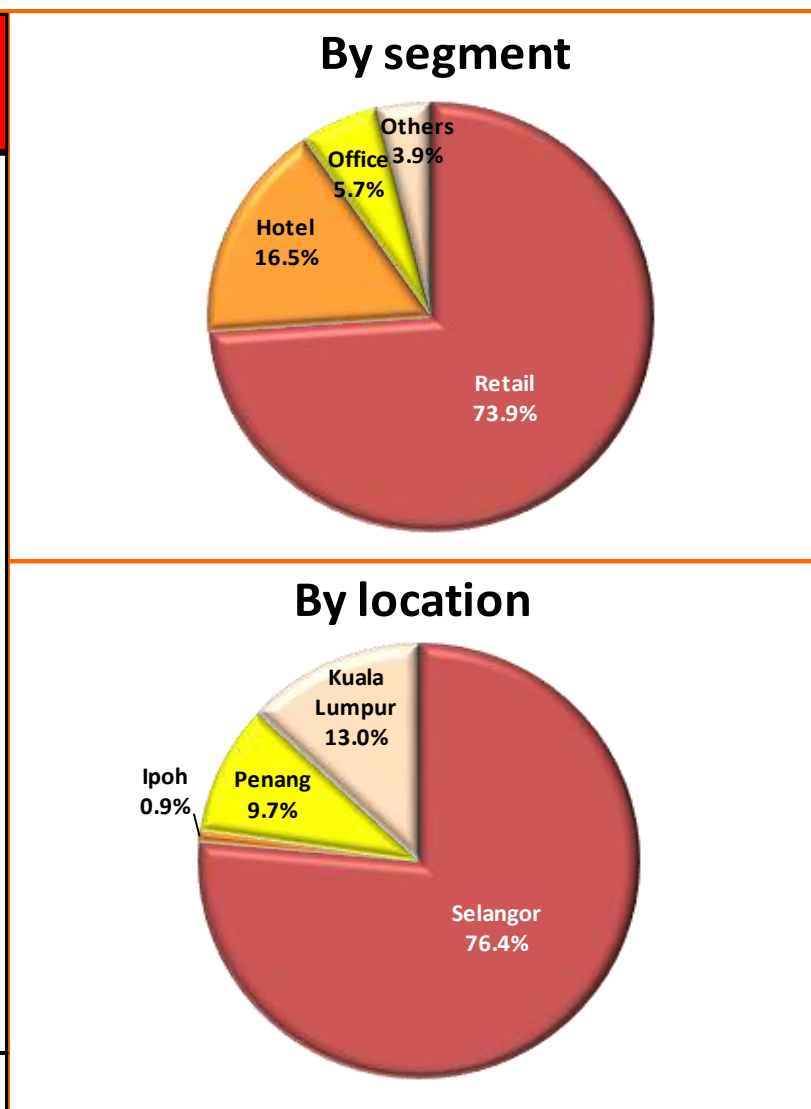
Explanation: *

- ¹ Sunway Pyramid – Recorded gross revenue growth of 3.7% or RM2.6 million for 2Q 2016 compared to 2Q 2015 mainly due to higher average net rent per sq. ft.
- ² Sunway Carnival – Gross revenue was higher by 4.9% or RM0.5 million for 2Q 2016 compared to the preceding year corresponding quarter due to higher average net rent per sq. ft. but substantially offset by lower average occupancy arising from remodelling of the 2nd floor area of approximately 21,000 sq ft (equivalent to 4% of NLA) into food and beverage ("F&B") area which is targeted to commence operation in 4Q 2016.
- ³ Sunway Putra Mall – Achieved gross revenue of RM13.1 million for 2Q 2016, with a secured occupancy as at 31 December 2015 of 84.9%.
- ⁴ Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower East (PTE) – Gross revenue for SRHS was higher by 19.8% or RM1.9 million attributable to both higher average daily rate and average occupancy rate as a result of the year-end holiday season. PTE (formerly known as Pyramid Tower Hotel) recorded a marginally higher gross revenue of RM0.6 million in 2Q 2016 despite a lower average occupancy rate in the current quarter, mainly due to lower operating expenses.
- ⁵ Sunway Hotel Seberang Jaya - Recorded lower gross revenue by RM0.5 million in 2Q 2016 compared to the preceding year corresponding quarter attributed to softer demand from the corporate segment and increased competition from new hotels in Penang.
- ⁶ Sunway Putra Hotel – Achieved higher gross revenue by RM1.1 million in 2Q 2016 compared to 2Q 2015 with the completion of refurbishment of the hotel and seasonal demand during the quarter.
- ⁷ Sunway Hotel Georgetown and Wisma Sunway – Acquired on 28 January 2015 and 23 March 2015 respectively.
- ⁸ Menara Sunway - Registered lower gross revenue of RM4.3 million, a decrease of 4.4% or RM0.2 million in the current quarter due to non-renewal of a tenant. A new tenant has been secured for approximately 8,000 sq. ft. (3% of total NLA) to commence from March 2016 and the asset manager continues to seek for more replacement tenants for the remaining vacant space.
- ⁹ Sunway Tower (ST) and Sunway Putra Tower (SPT) – Lower occupancy at ST and SPT were attributable to the non-renewal by the anchor tenants at both the offices since July 2015 and December 2014 respectively, resulting in a decrease in gross revenue by RM2.6 million for ST and RM1.6 million for SPT in 2Q 2016 compared to 2Q 2015. The asset manager managed to secure tenants for approximately 29,500 sq ft (11% of total NLA) for ST to commence from 3Q 2016.
- ¹⁰ Sunway Medical Centre – Contributed RM5.2 million revenue and net property income for 2Q 2016, an increase of 4.0% compared to 2Q 2015 mainly due to rental reversion in accordance with the Master Lease Agreement.

* Calculation of % varies marginally compared to 2Q 2016 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

2Q 2016 Revenue Contribution (Cont'd)

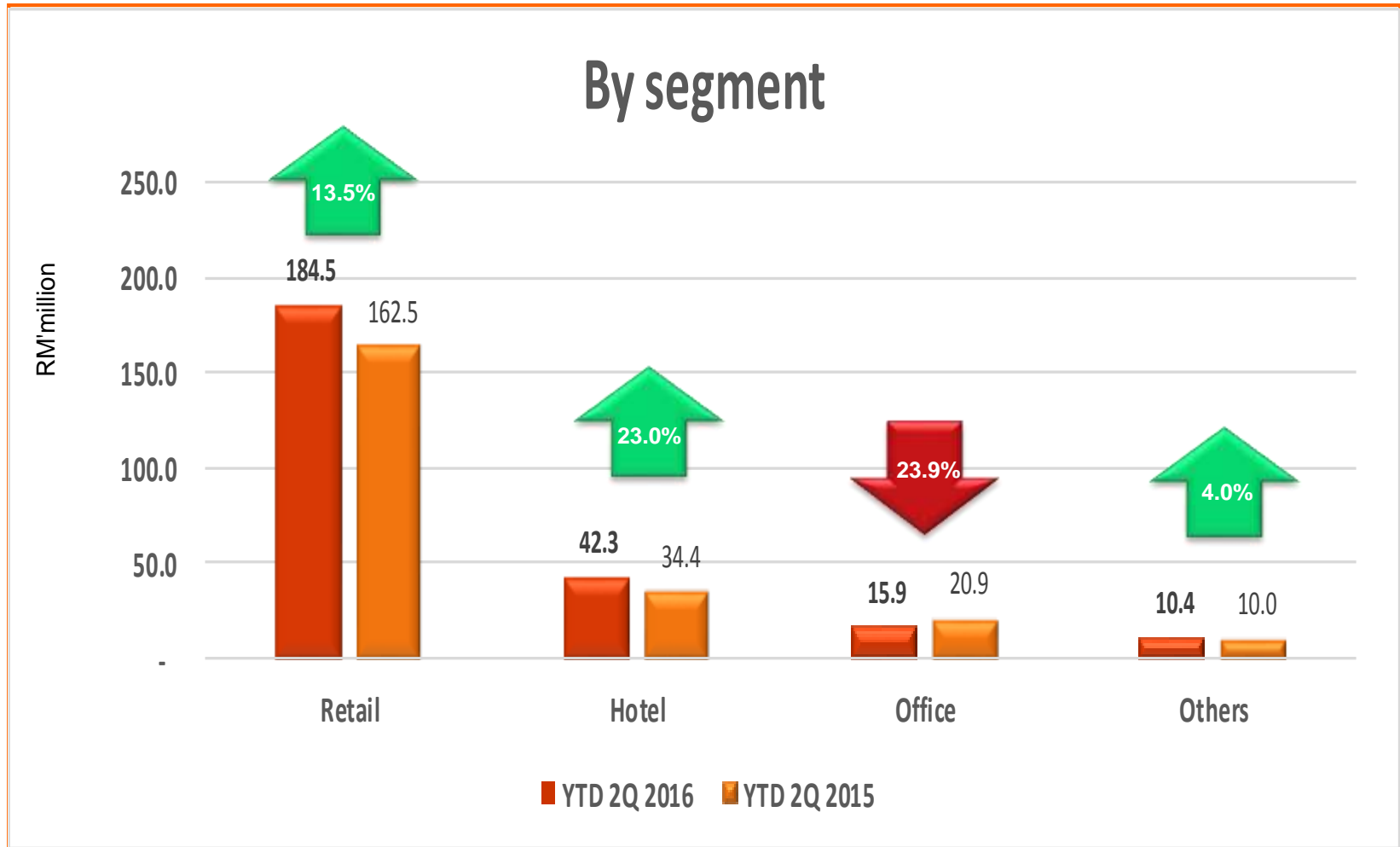
2Q 2016	
By Property	%
Sunway Pyramid	54.9%
Sunway Carnival	8.2%
SCI Hypermarket	0.9%
Sunway Putra Mall	9.9%
Sunway Resort Hotel & Spa	8.7%
Pyramid Tower East*	4.3%
Sunway Hotel Seberang Jaya	0.7%
Sunway Putra Hotel	1.9%
Sunway Hotel Georgetown	0.8%
Menara Sunway	3.3%
Sunway Tower	0.5%
Sunway Putra Tower	0.7%
Wisma Sunway	1.3%
Sunway Medical Centre	3.9%
	100.0%



* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

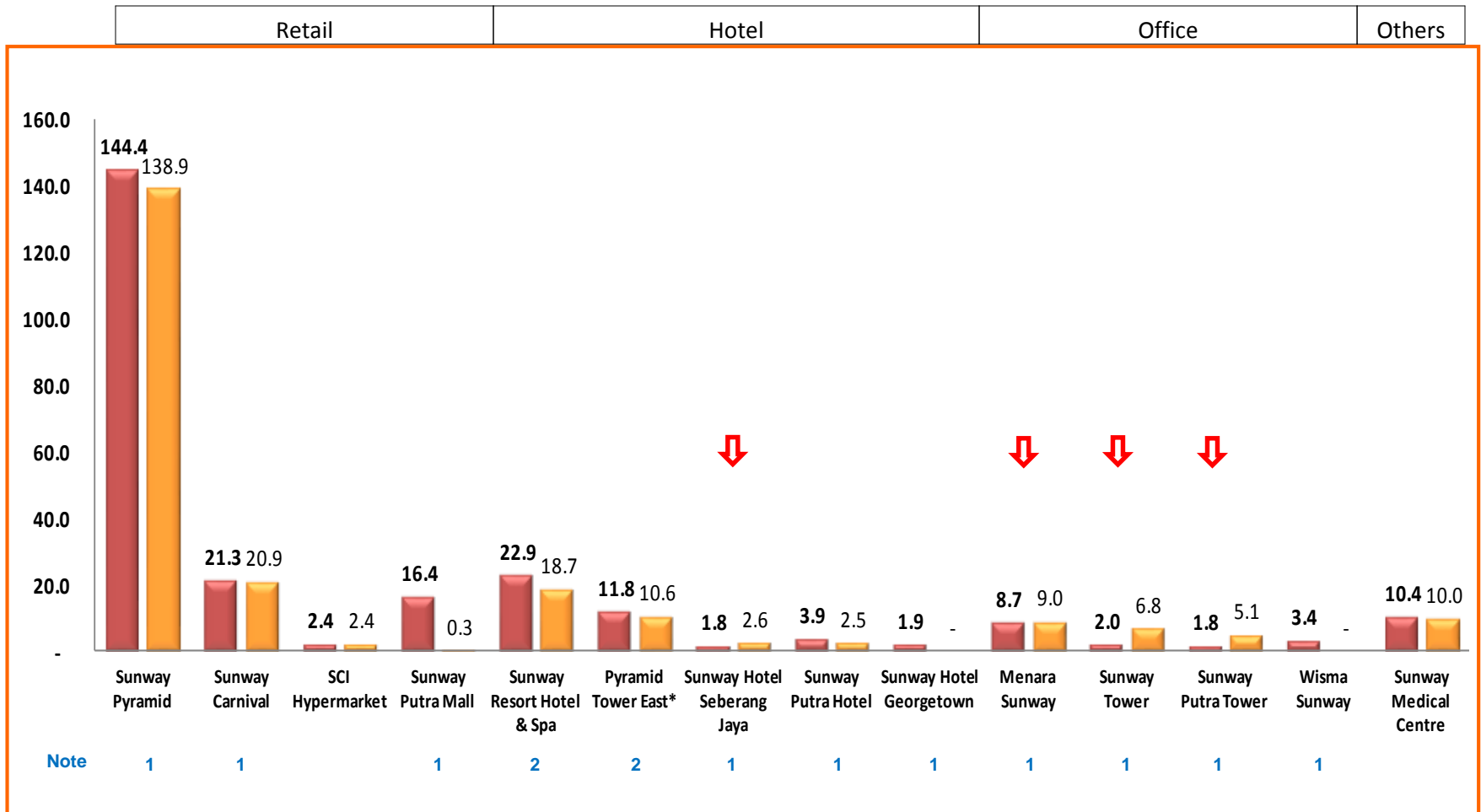
YTD 2Q 2016 Revenue Contribution

YTD 2Q 2016 (RM'mil)	253.1
YTD 2Q 2015 (RM'mil)	227.8



YTD 2Q 2016 Revenue Contribution (Cont'd)

YTD 2Q 2016 (RM'mil)	253.1
YTD 2Q 2015 (RM'mil)	227.8



Please refer to next page for explanatory notes.

* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

YTD 2Q 2016 Revenue Contribution (Cont'd)

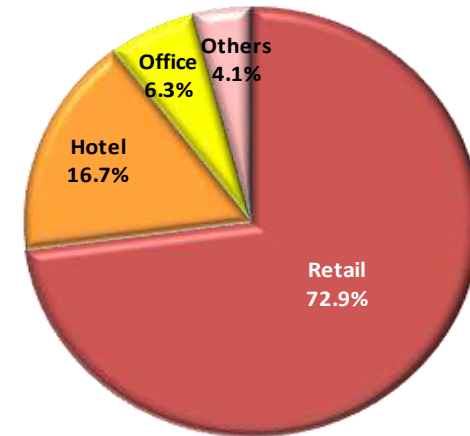
Explanation:

- ¹ Sunway Pyramid, Sunway Carnival, Sunway Putra Mall, Sunway Hotel Seberang Jaya, Sunway Putra Hotel, Sunway Hotel Georgetown, Menara Sunway, Sunway Tower, Sunway Putra Tower and Wisma Sunway – As per explanation on page 17.
- ² Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower East (PTE) – SRHS achieved revenue growth of RM4.2 million or 22.5% compared to YTD 2Q 2015 due to Middle Eastern and year end holiday season. PTE achieved revenue growth of RM1.2 million or 11.3% compared to YTD 2Q 2015 despite lower average occupancy rate, mainly due to lower operating expenses.

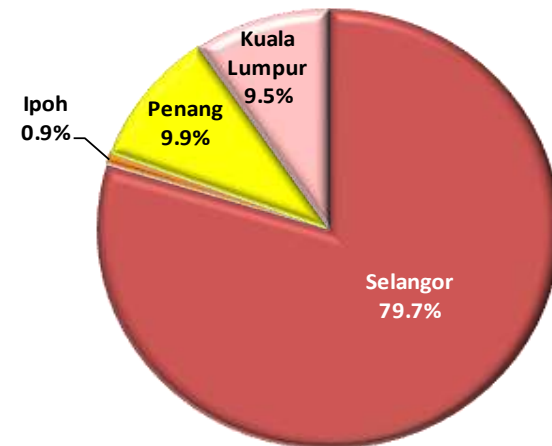
YTD 2Q 2016 Revenue Contribution (Cont'd)

YTD 2Q 2016	
By Property	%
Sunway Pyramid	57.2%
Sunway Carnival	8.4%
SCI Hypermarket	0.9%
Sunway Putra Mall	6.5%
Sunway Resort Hotel & Spa	9.0%
Pyramid Tower East*	4.7%
Sunway Hotel Seberang Jaya	0.7%
Sunway Putra Hotel	1.5%
Sunway Hotel Georgetown	0.8%
Menara Sunway	3.4%
Sunway Tower	0.8%
Sunway Putra Tower	0.7%
Wisma Sunway	1.3%
Sunway Medical Centre	4.1%
	100.0%

By segment



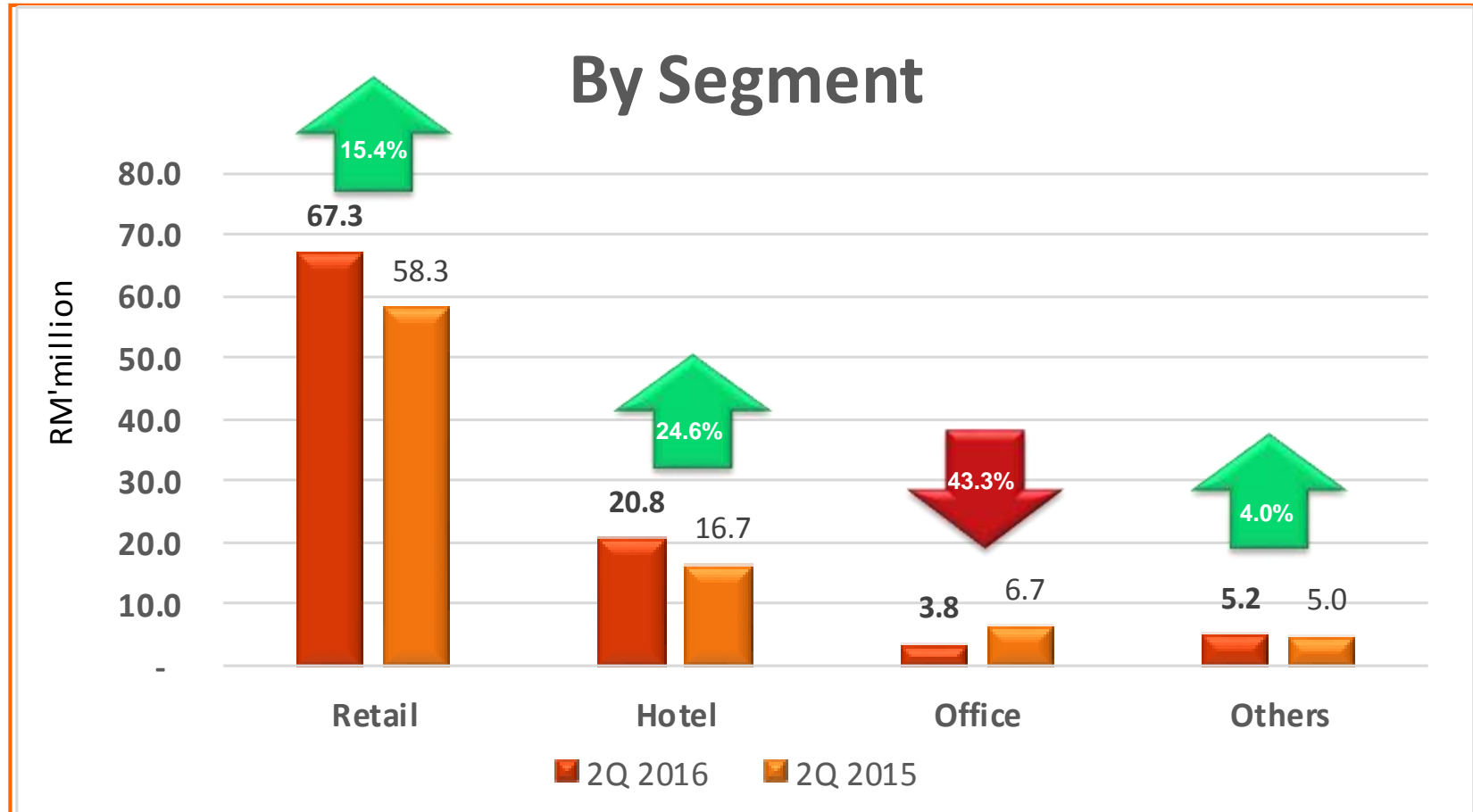
By location



* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

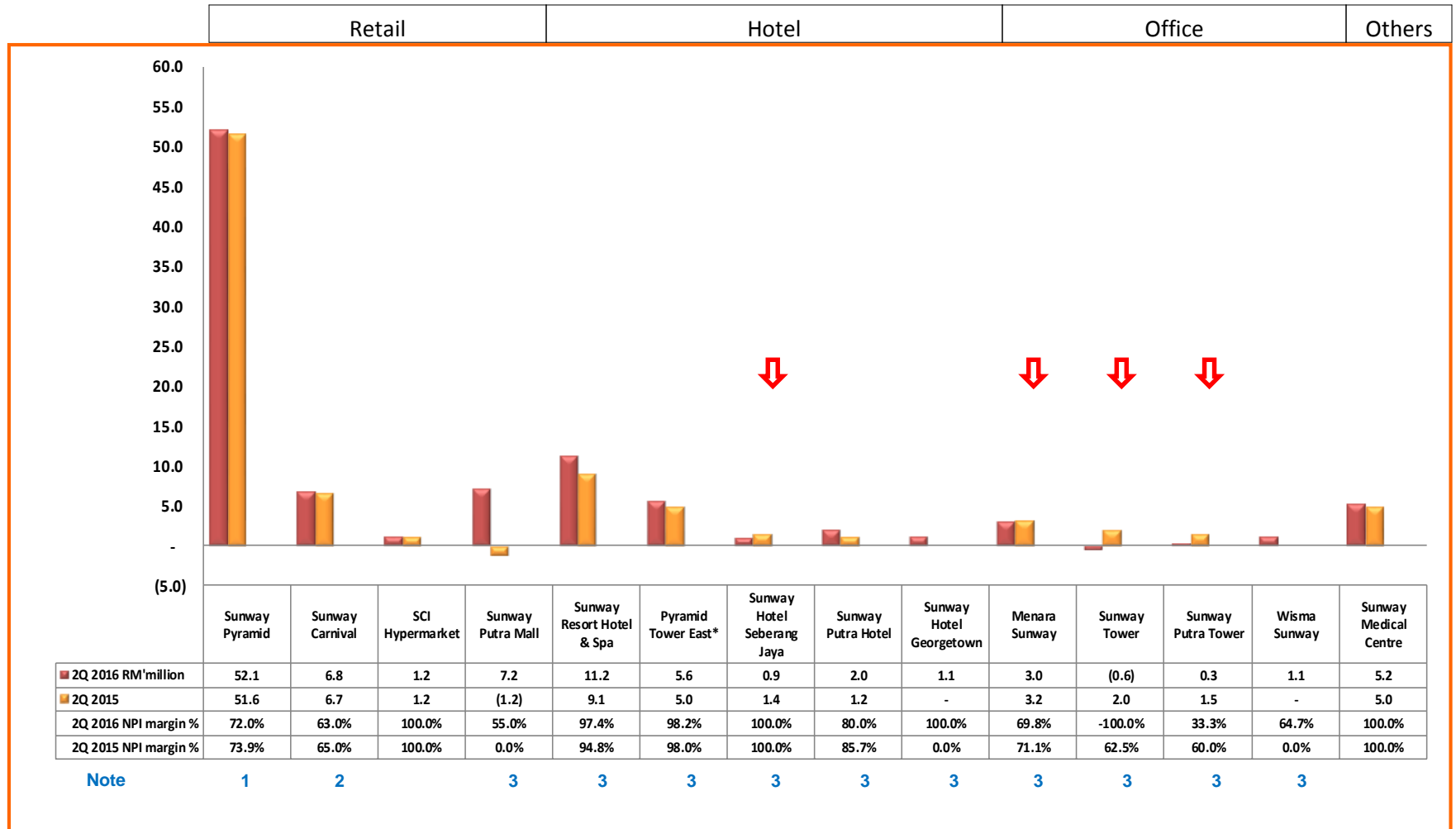
2Q 2016 NPI Contribution

	NPI	Margin
2Q 2016 (RM'mil)	97.1	73.6%
2Q 2015 (RM'mil)	86.7	76.1%



2Q 2016 NPI Contribution (Cont'd)

	NPI	Margin
2Q 2016 (RM'mil)	97.1	73.6%
2Q 2015 (RM'mil)	86.7	76.1%



Please refer to next page for explanatory notes.

* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

2Q 2016 NPI Contribution (Cont'd)

Explanation:

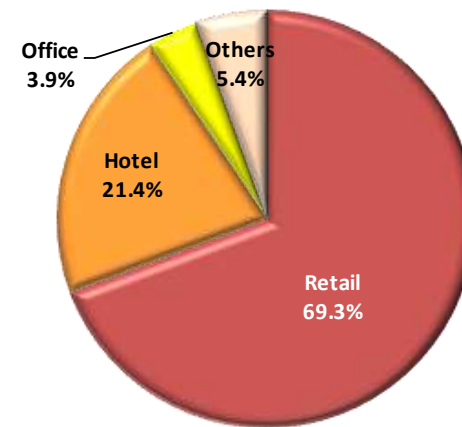
- ¹ Sunway Pyramid – Net property income increased by RM0.5 million compared to preceding year same quarter due to higher revenue, partially offset by higher advertising and promotional expenses as well as staff costs.
- ² Sunway Carnival – Slight decrease in NPI margin of 2% due to higher maintenance expenses during the quarter.
- ³ Sunway Putra Mall, Sunway Resort Hotel & Spa, Pyramid Tower East, Sunway Hotel Seberang Jaya, Sunway Putra Hotel, Sunway Hotel Georgetown, Menara Sunway, Sunway Tower, Sunway Putra Tower and Wisma Sunway – As per explanation of page 17.

2Q 2016 NPI Contribution (Cont'd)

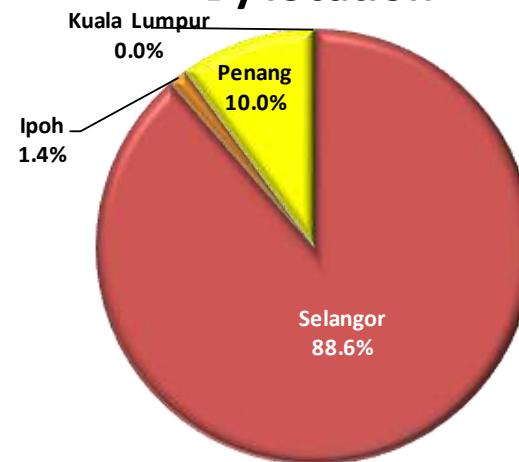
By Property	2Q 2016 %
Sunway Pyramid	57.7%
Sunway Carnival	7.5%
SCI Hypermarket	1.3%
Sunway	0.0%
Sunway Resort Hotel & Spa	12.4%
Pyramid Tower East*	6.2%
Sunway Hotel Seberang Jaya	1.0%
Sunway Putra Hotel	2.2%
Sunway Hotel Georgetown	1.2%
Menara Sunway	3.3%
Sunway Tower	0.0%
Sunway Putra Tower	0.3%
Wisma Sunway	1.2%
Sunway Medical Centre	5.7%
	100.0%

* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

By segment



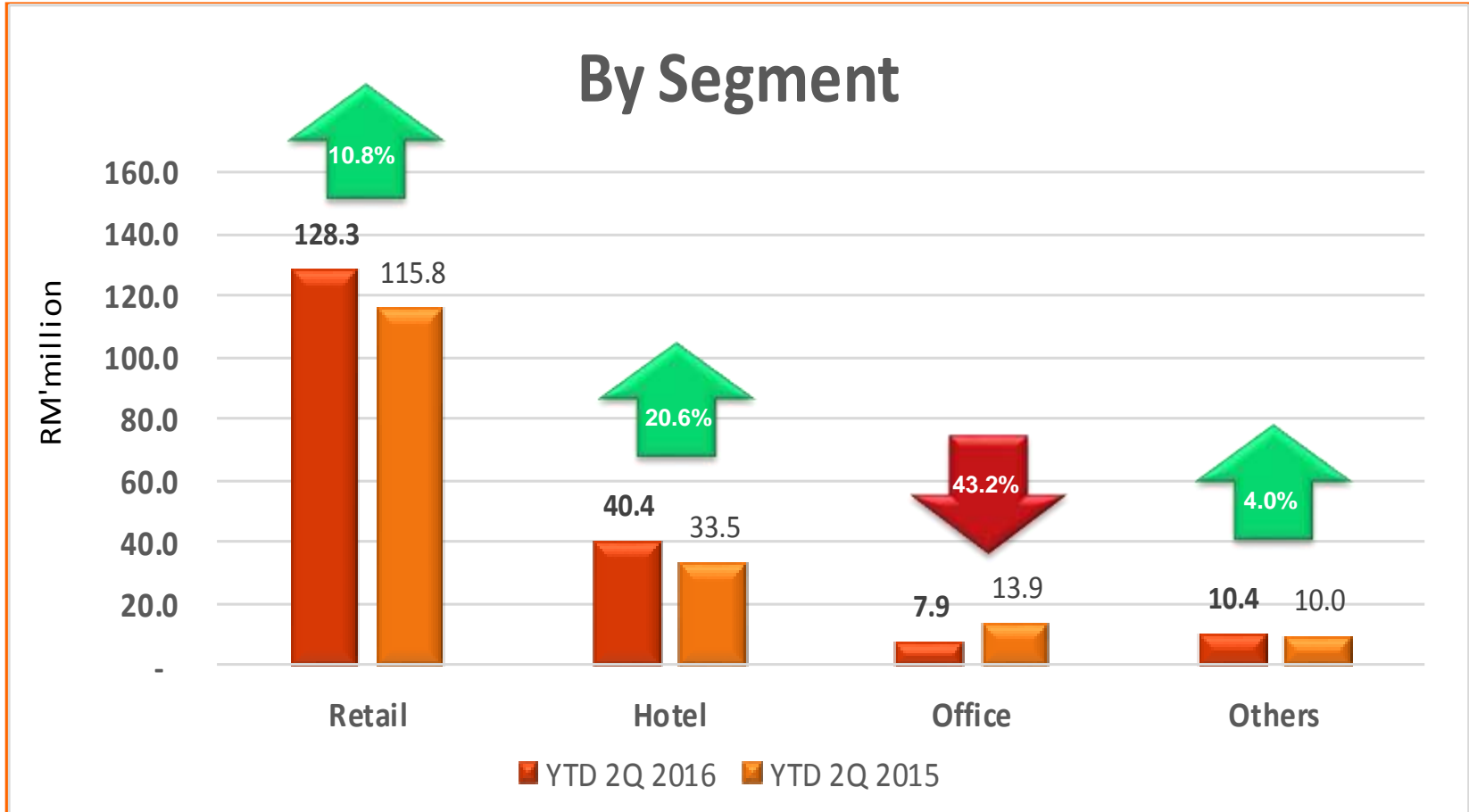
By location



YTD 2Q 2016 NPI Contribution

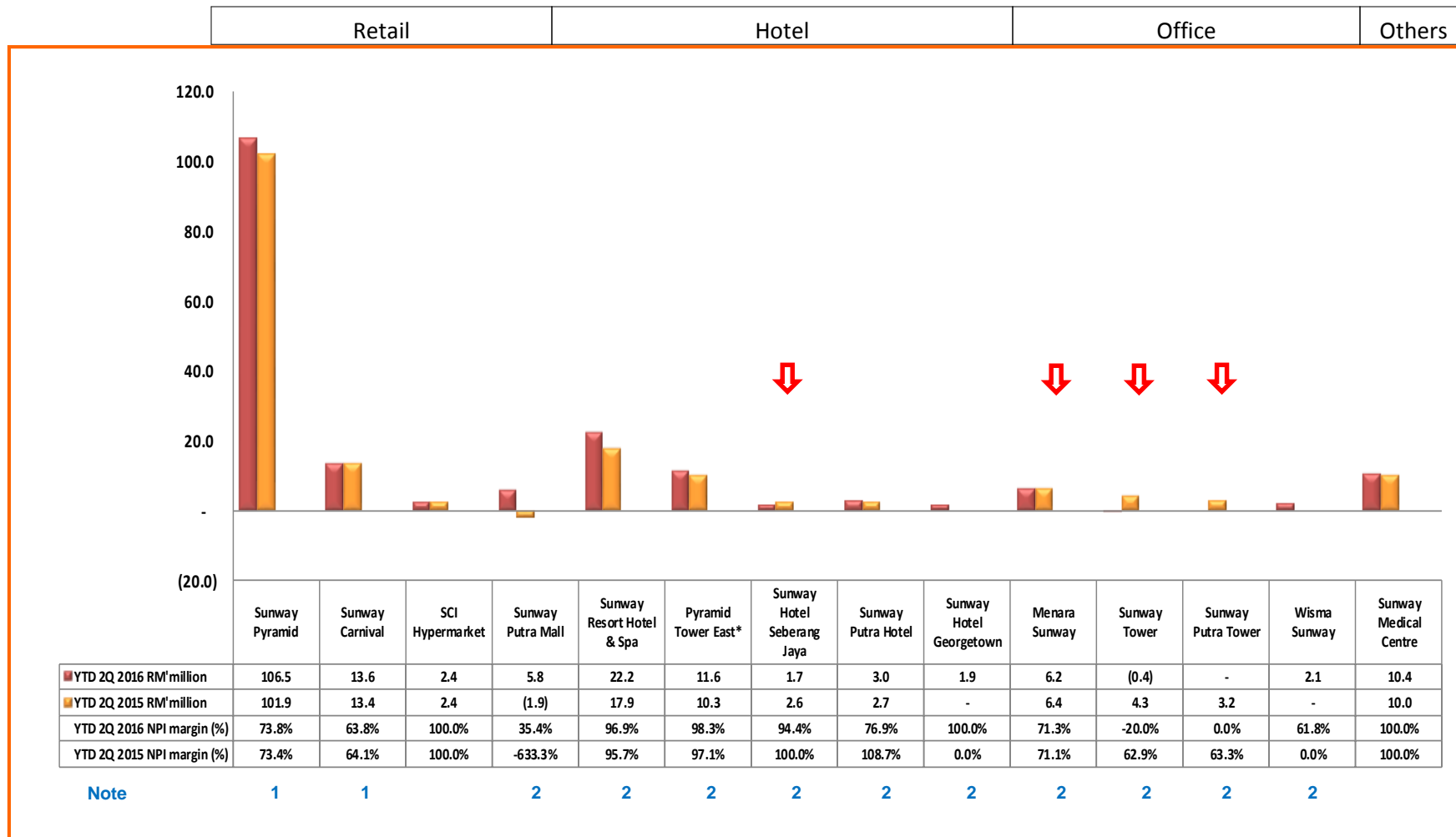
	<u>NPI</u>	<u>Margin</u>
YTD 2Q 2016 (RM'mil)	187.0	73.9%
YTD 2Q 2015 (RM'mil)	173.2	76.0%

By Segment



YTD 2Q 2016 NPI Contribution (Cont'd)

	<u>NPI</u>	<u>Margin</u>
YTD 2Q 2016 (RM'mil)	187.0	73.9%
YTD 2Q 2015 (RM'mil)	173.2	76.0%



Please refer to next page for explanatory notes.

* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

YTD 2Q 2016 NPI Contribution (Cont'd)

Explanation:

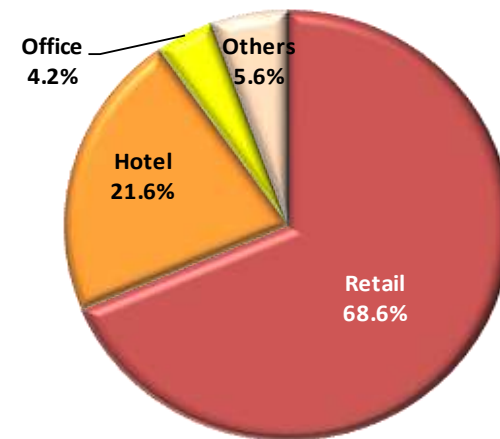
- ¹ Sunway Pyramid and Sunway Carnival – As per explanation on page 25.
- ² Sunway Putra Mall, Sunway Resort Hotel & Spa, Pyramid Tower East, Sunway Hotel Seberang Jaya, Sunway Putra Hotel, Sunway Hotel Georgetown, Menara Sunway, Sunway Tower, Sunway Putra Tower and Wisma Sunway – As per explanation of page 17.

YTD 2Q 2016 NPI Contribution (Cont'd)

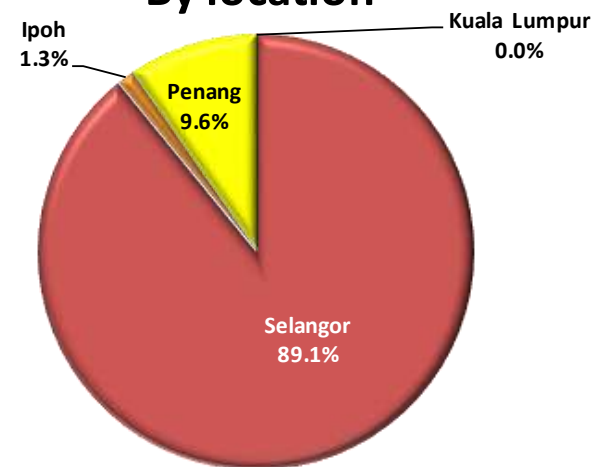
By Property	YTD 2Q 2016 %
Sunway Pyramid	58.6%
Sunway Carnival	7.5%
SCI Hypermarket	1.3%
Sunway	0.0%
Sunway Resort Hotel & Spa	12.3%
Pyramid Tower East*	6.4%
Sunway Hotel Seberang Jaya	0.9%
Sunway Putra Hotel	1.7%
Sunway Hotel Georgetown	1.0%
Menara Sunway	3.4%
Sunway Tower	0.0%
Sunway Putra Tower	0.0%
Wisma Sunway	1.2%
Sunway Medical Centre	5.7%
	100.0%

* Pyramid Tower East was formerly known as Pyramid Tower Hotel.

By segment



By location



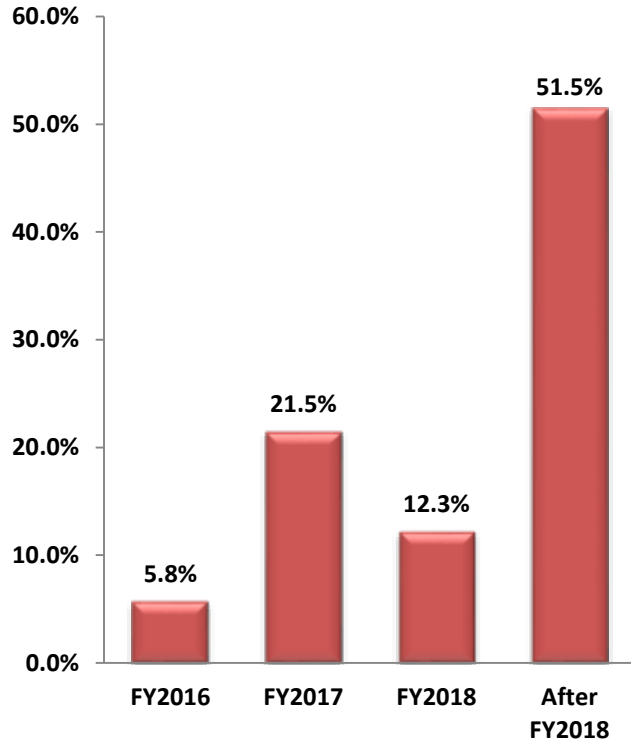
Resilient Income Stream

Well spread-out lease expiry profile and diverse tenant base

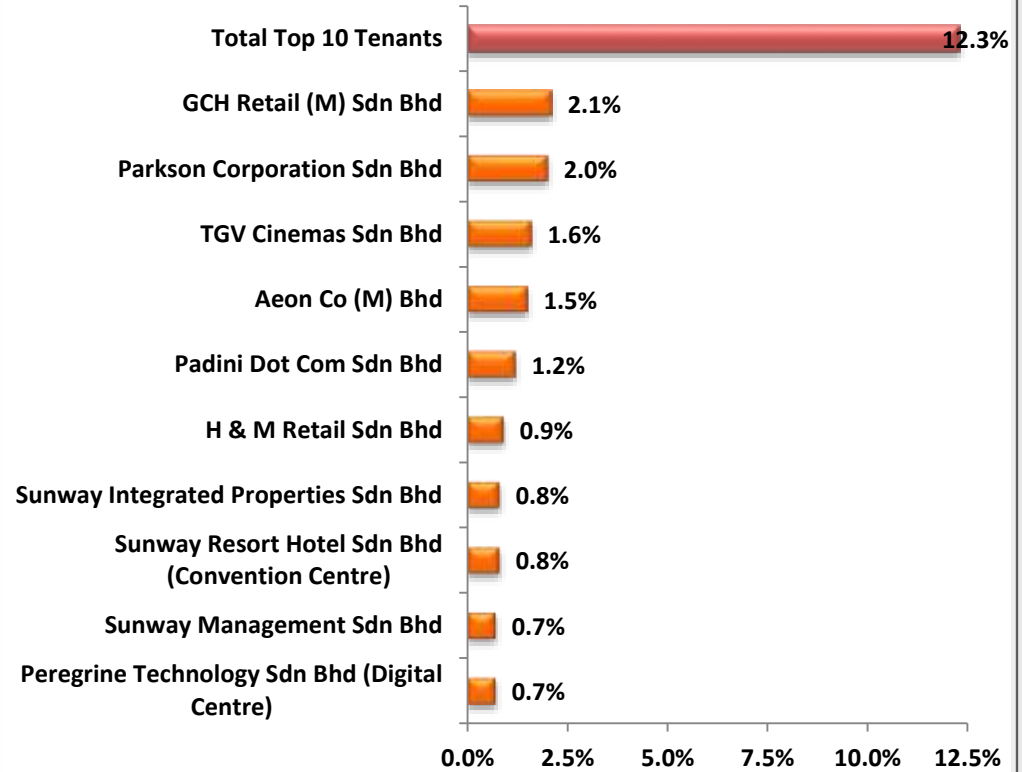
WALE ¹ as at 31 December 2015 – 2.15 years

Top 10 tenants contribute approximately 12.3% of total revenue

Projected tenancy expiry of portfolio ²



Top 10 tenants ³



¹ Calculated based on gross rental income.

² Calculated using NLA for the Retail and Office Properties and GFA for the Hotel and Hospital Properties.

³ Based on gross rental income for the month of December 2015 (exclude Hotel Master Leases, Hospital Master Lease and car park tenancies).

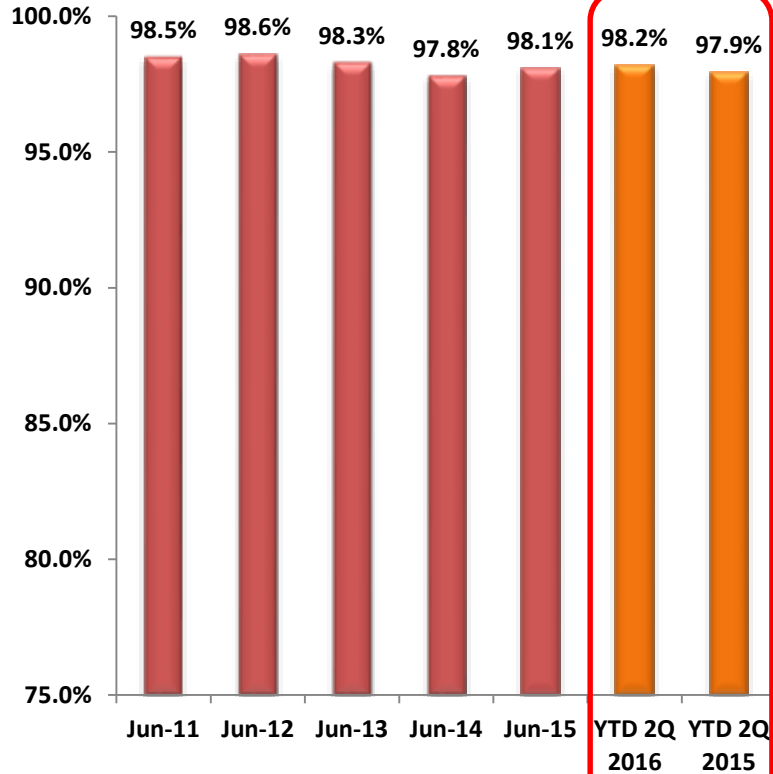
4. 2Q 2016 Property Performance

RETAIL PROPERTIES

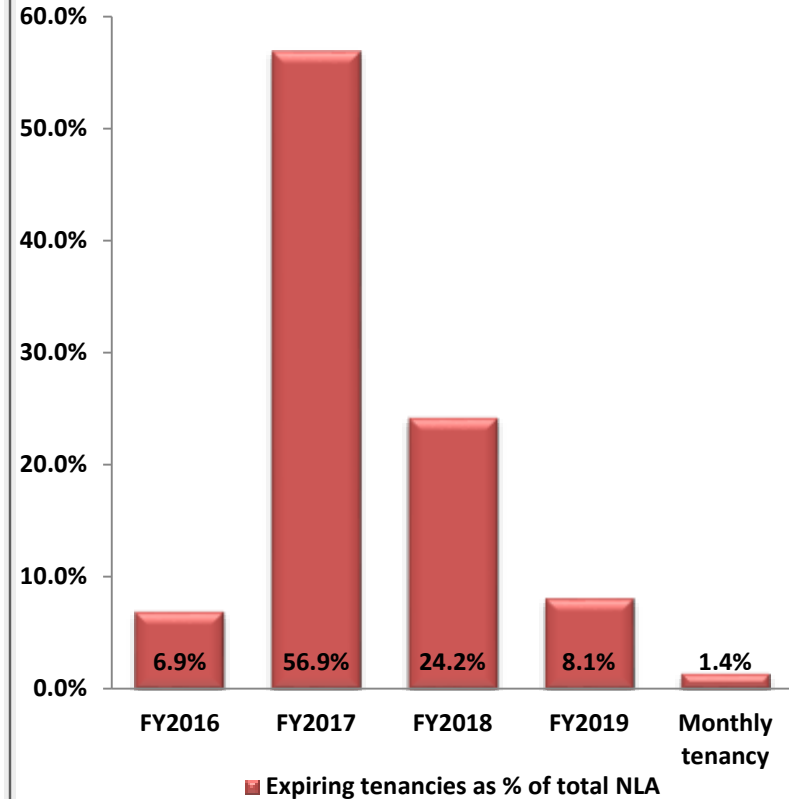
SUNWAY PYRAMID SHOPPING MALL

Historical occupancy rates

Average occupancy rate

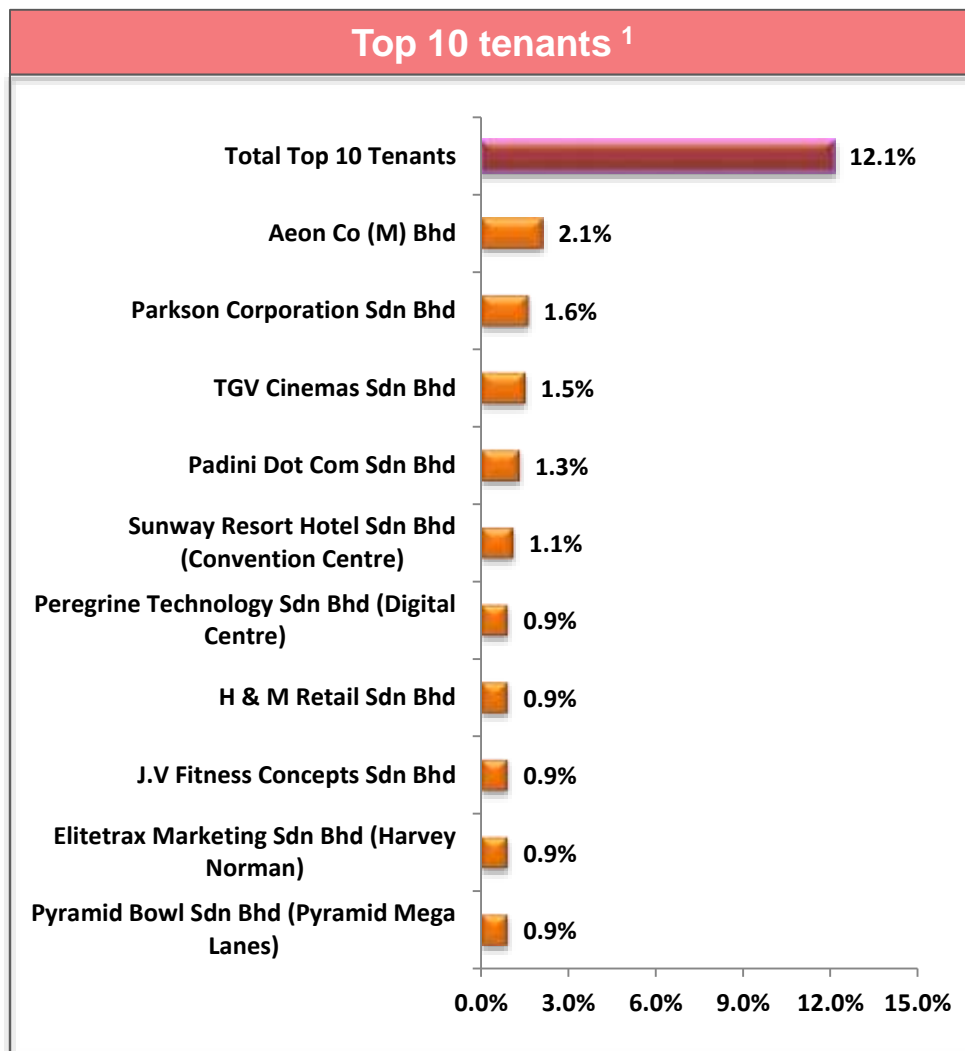
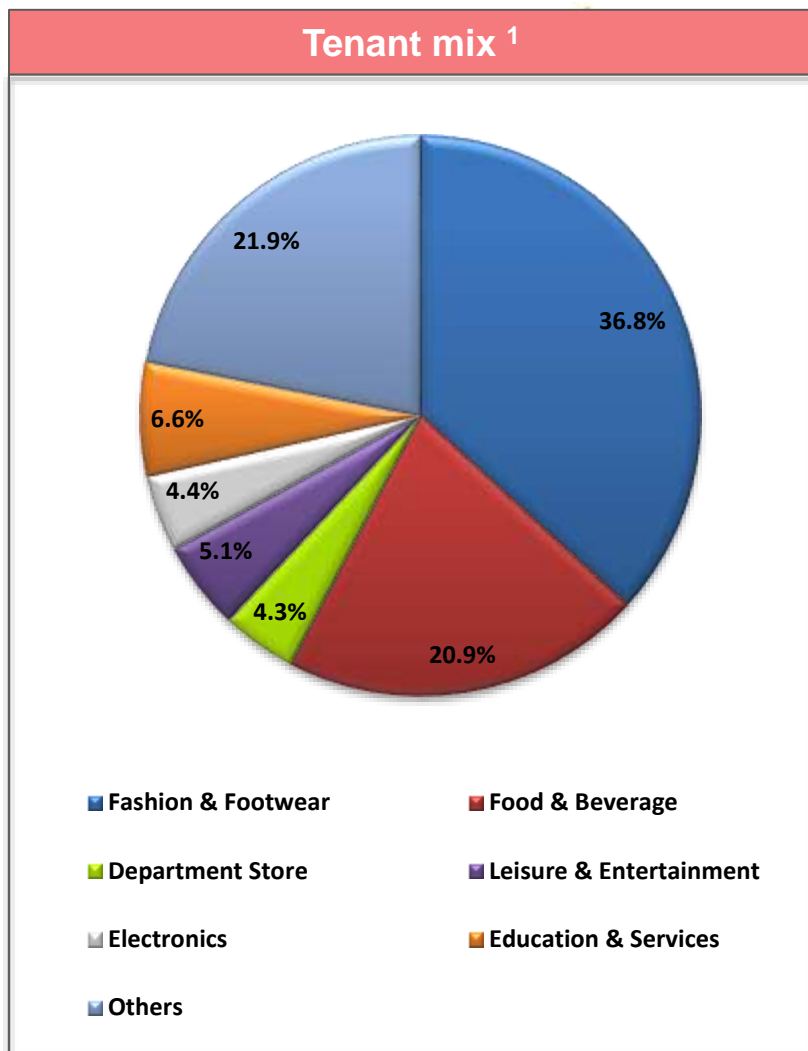


Projected lease expiry schedule



RETAIL PROPERTIES

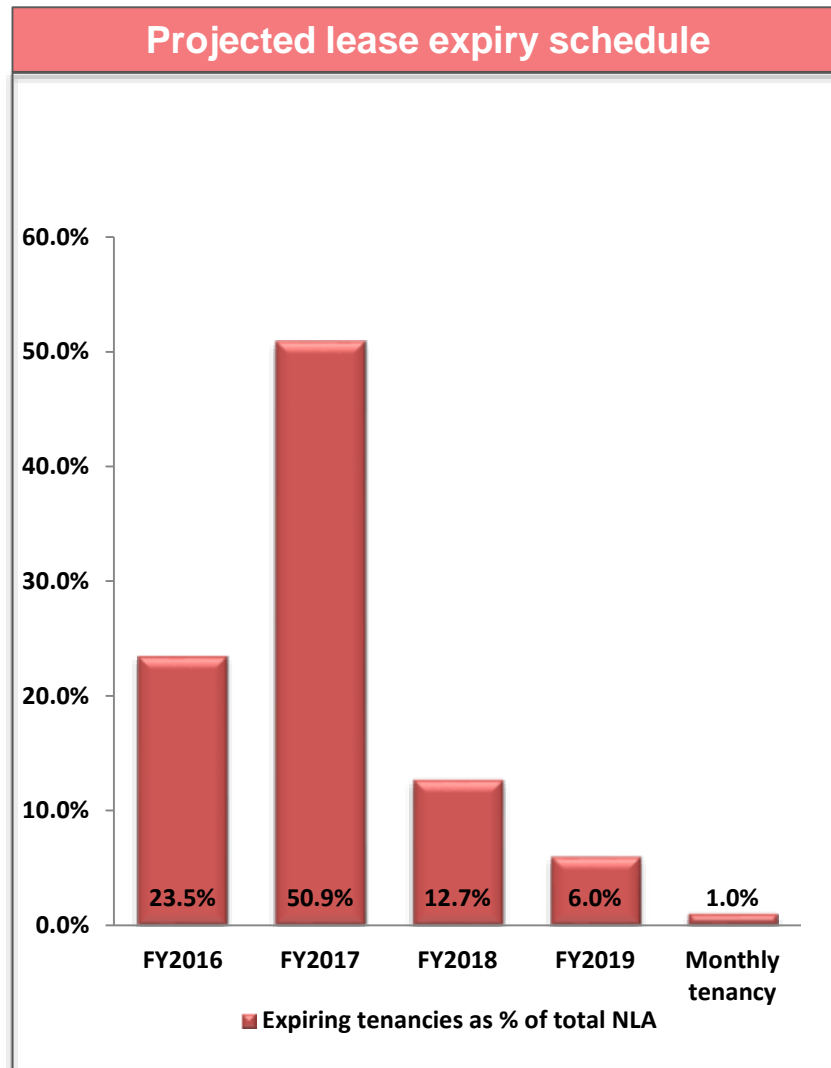
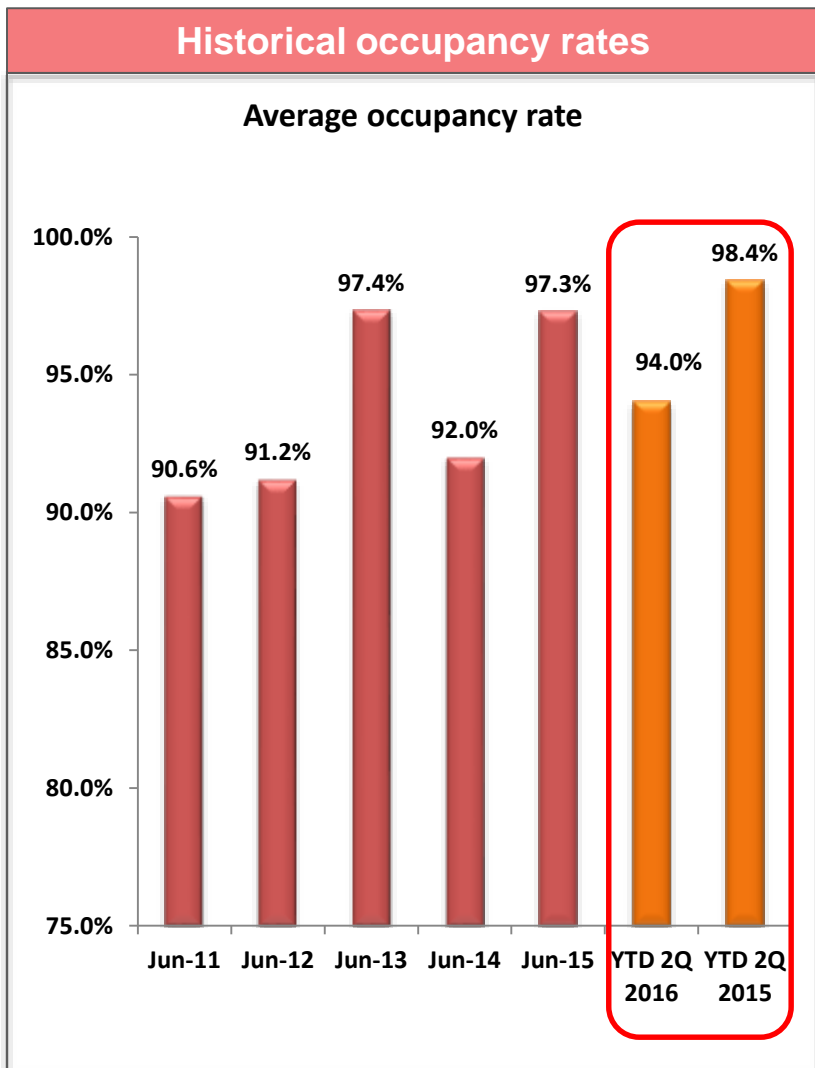
SUNWAY PYRAMID SHOPPING MALL (Cont'd)



¹ Based on gross rental income for the month of December 2015.

RETAIL PROPERTIES

SUNWAY CARNIVAL SHOPPING MALL

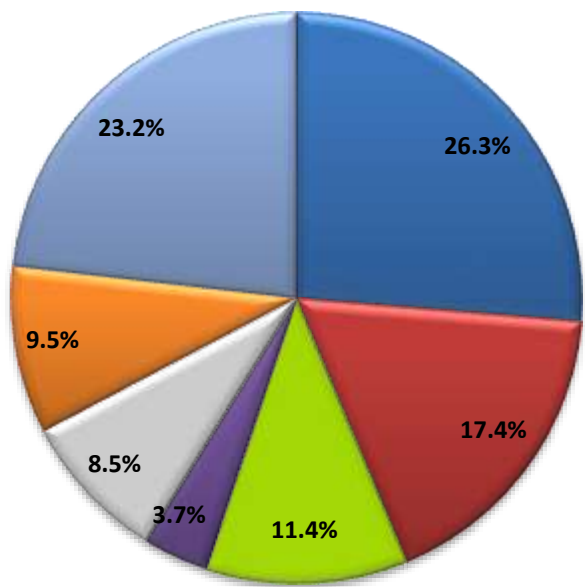


Note: Lower average occupancy rate due to reconfiguration of 2nd floor of approximately 21,000 sq. ft. (4% of total NLA) to food and beverage (“F&B”) area which is targeted to commence operation in 4Q2016.

RETAIL PROPERTIES

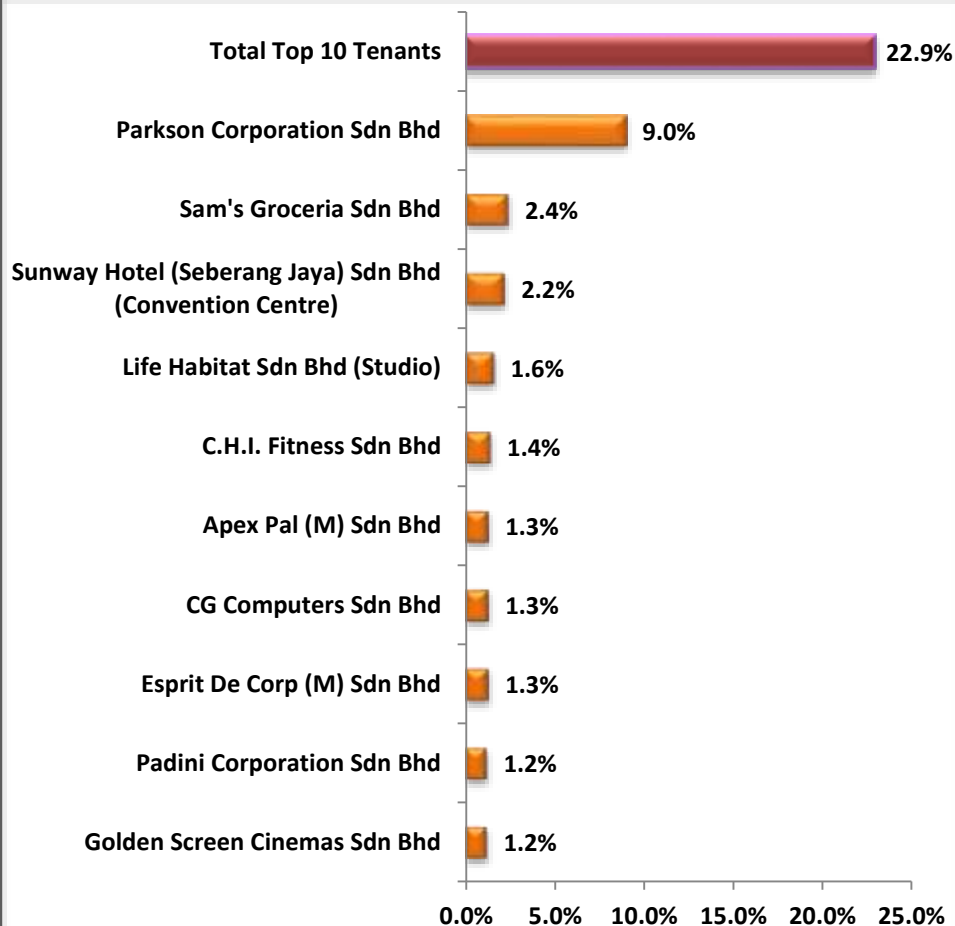
SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

Tenant mix ¹



- Fashion & Footwear
- Food & Beverage
- Departmental Store
- Leisure & Entertainment
- Electronics
- Education & Services
- Others

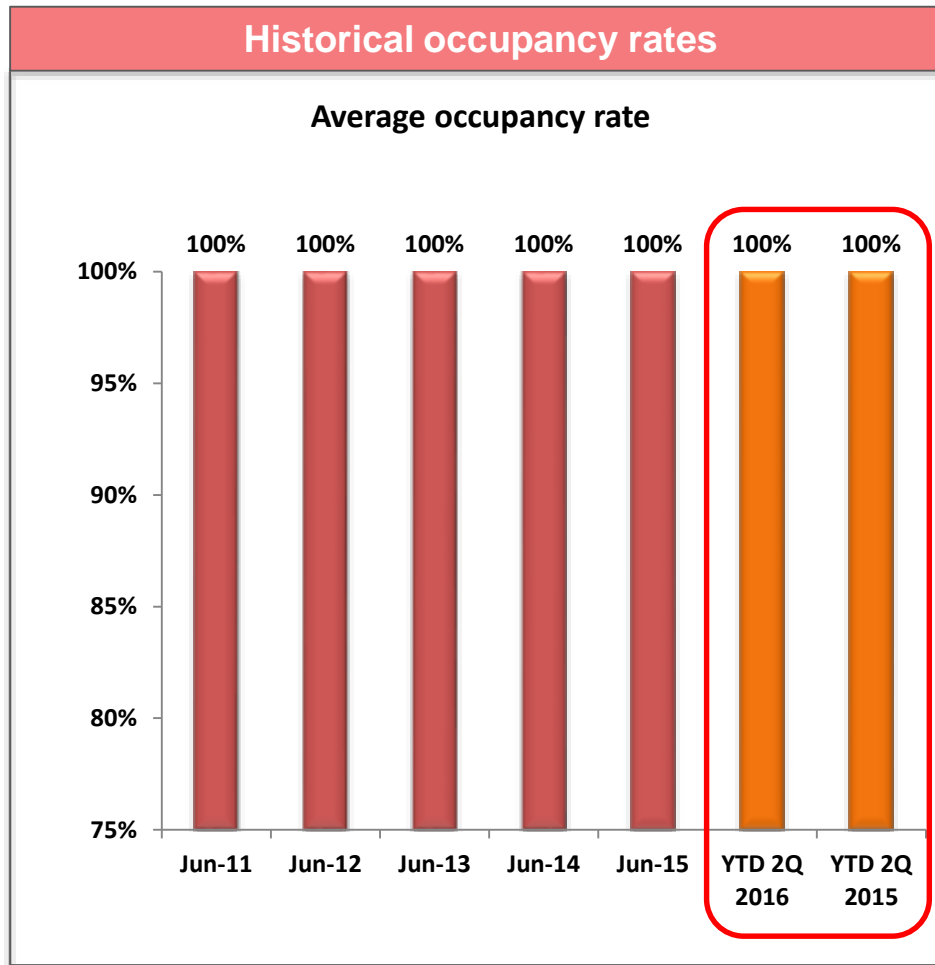
Top 10 tenants ¹



¹ Based on gross rental income for the month of December 2015.

RETAIL PROPERTIES

SUNCITY IPOH HYPERMARKET

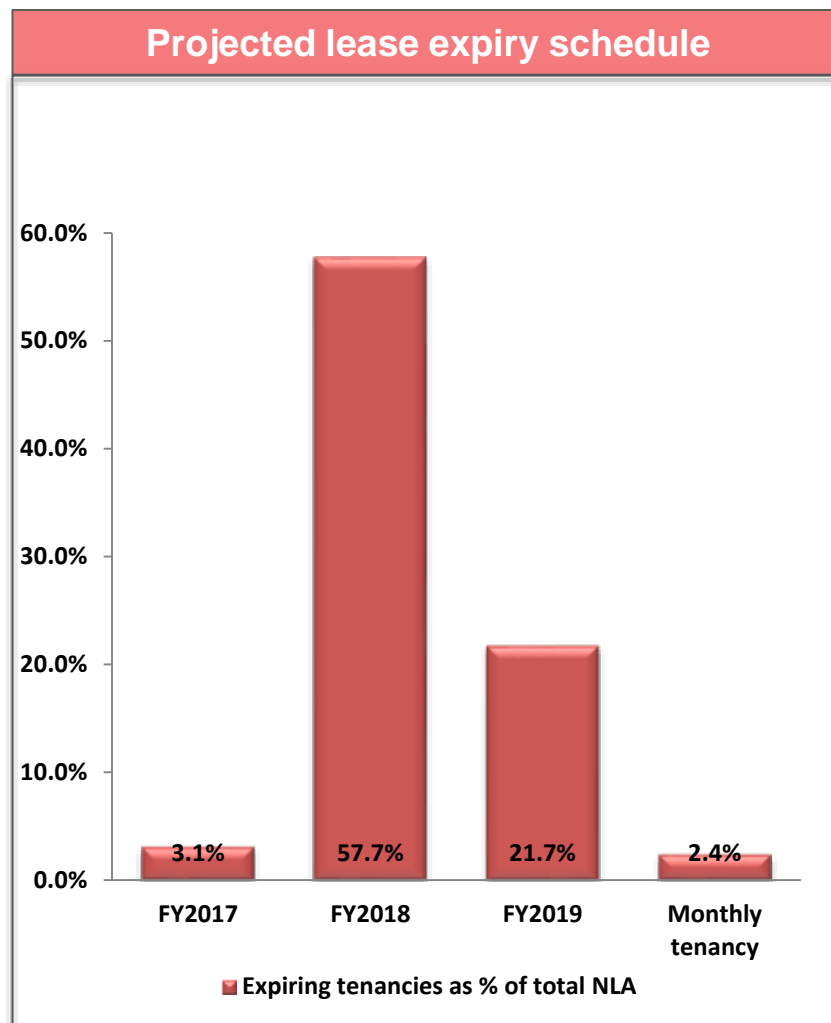
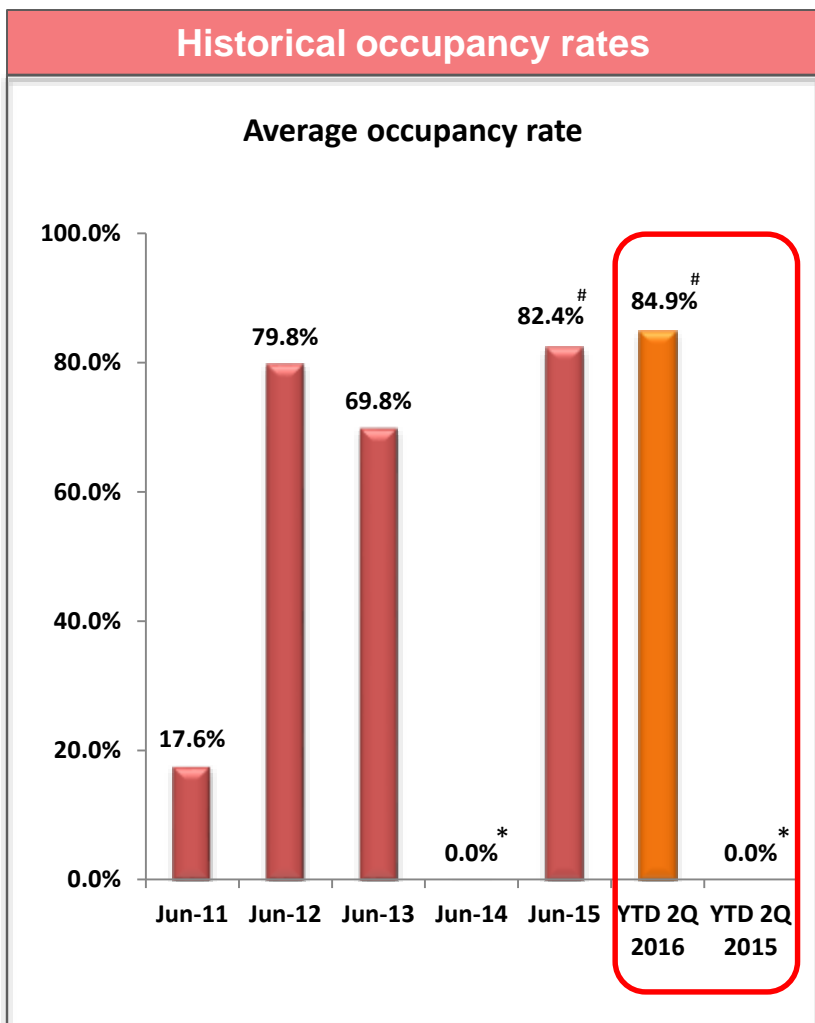


Suncity Ipoh Hypermarket is tenanted to a single tenant, a major hypermarket and retailer chain operating under the “Giant” brand.

The next renewal for the tenancy is April 2017.

RETAIL PROPERTIES

SUNWAY PUTRA MALL



* Sunway Putra Mall was closed for refurbishment from May 2013 to May 2015 and re-opened on 28 May 2015.

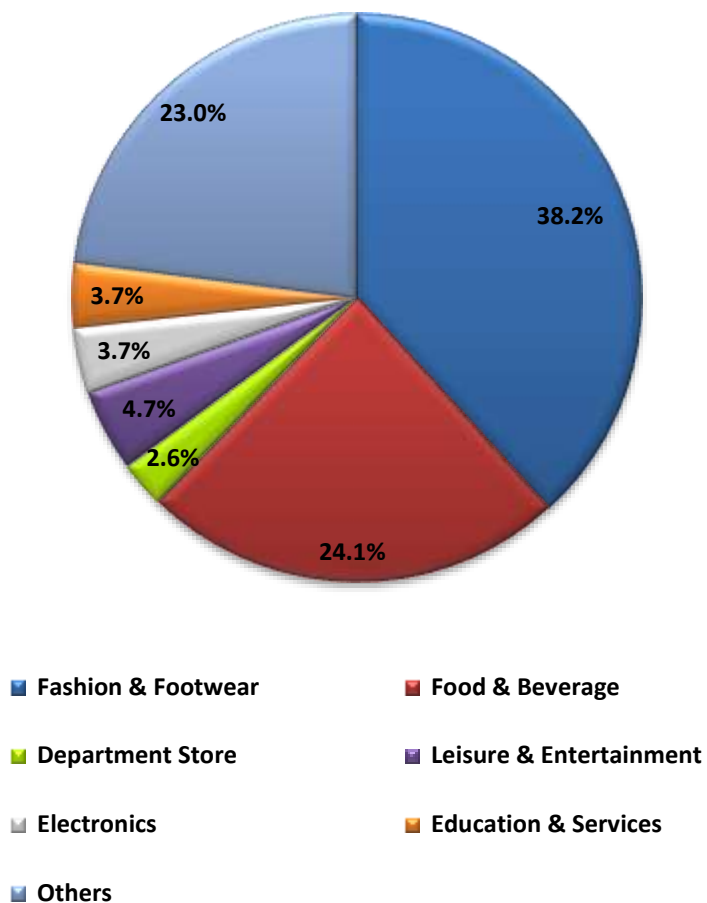
Based on secured occupancy.

Note: The secured occupancy rate for Sunway Putra Mall as of 31 December 2015 stands at 84.9%.

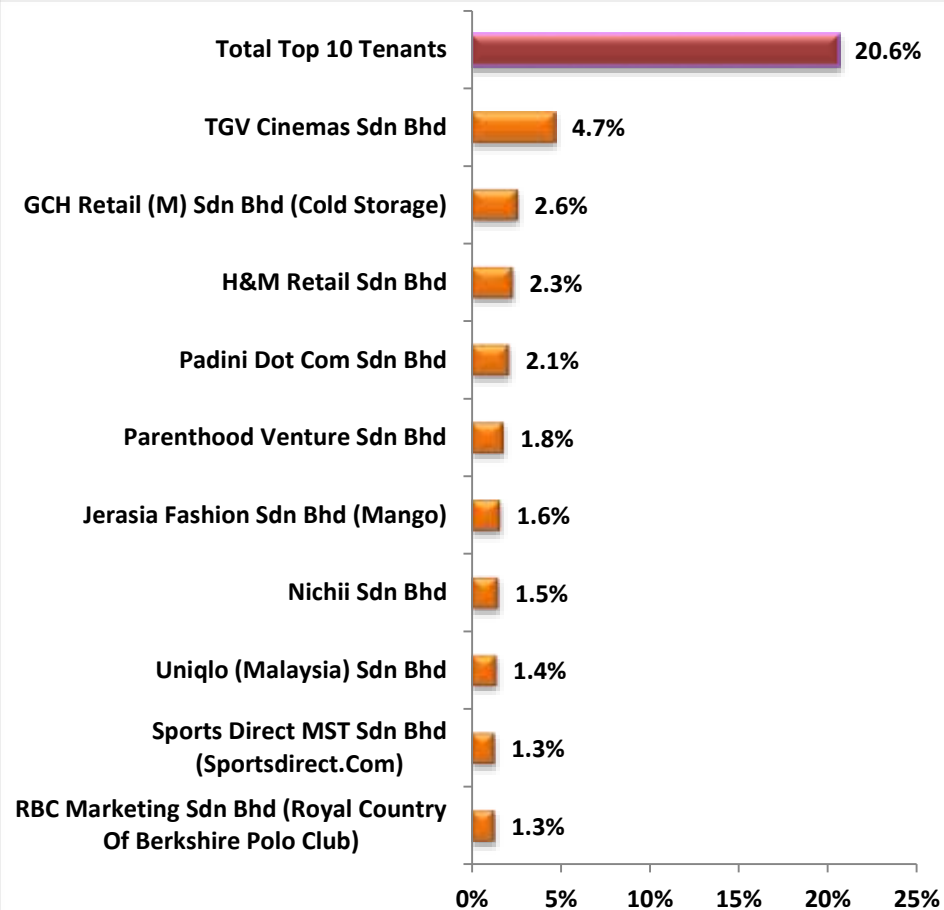
RETAIL PROPERTIES

SUNWAY PUTRA MALL (Cont'd)

Tenant mix ¹



Top 10 tenants ¹



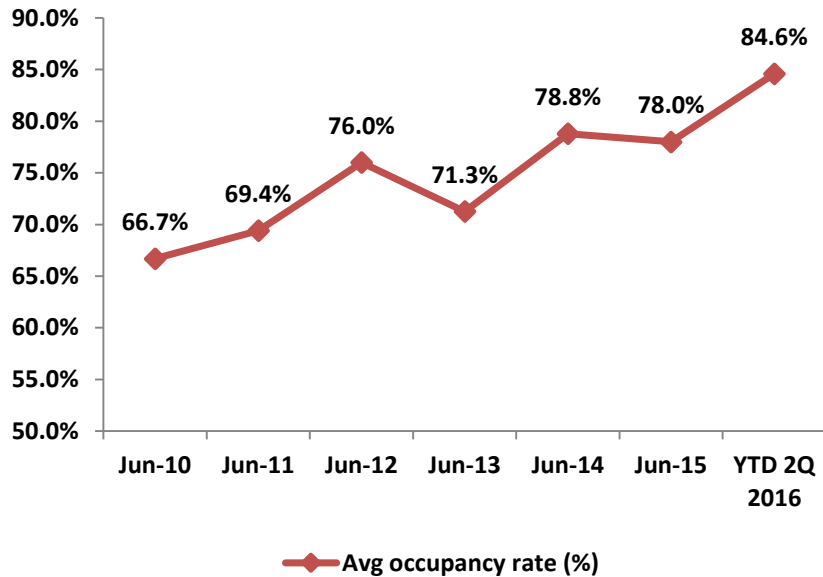
¹ Based on gross rental income for the month of December 2015.

HOSPITALITY PROPERTIES

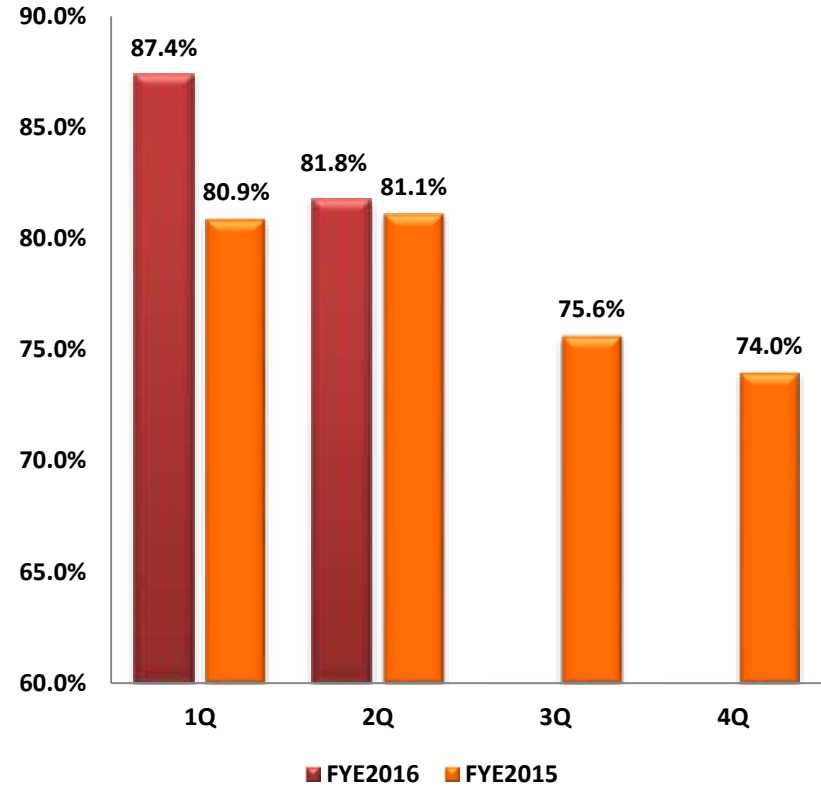
SUNWAY RESORT HOTEL & SPA

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

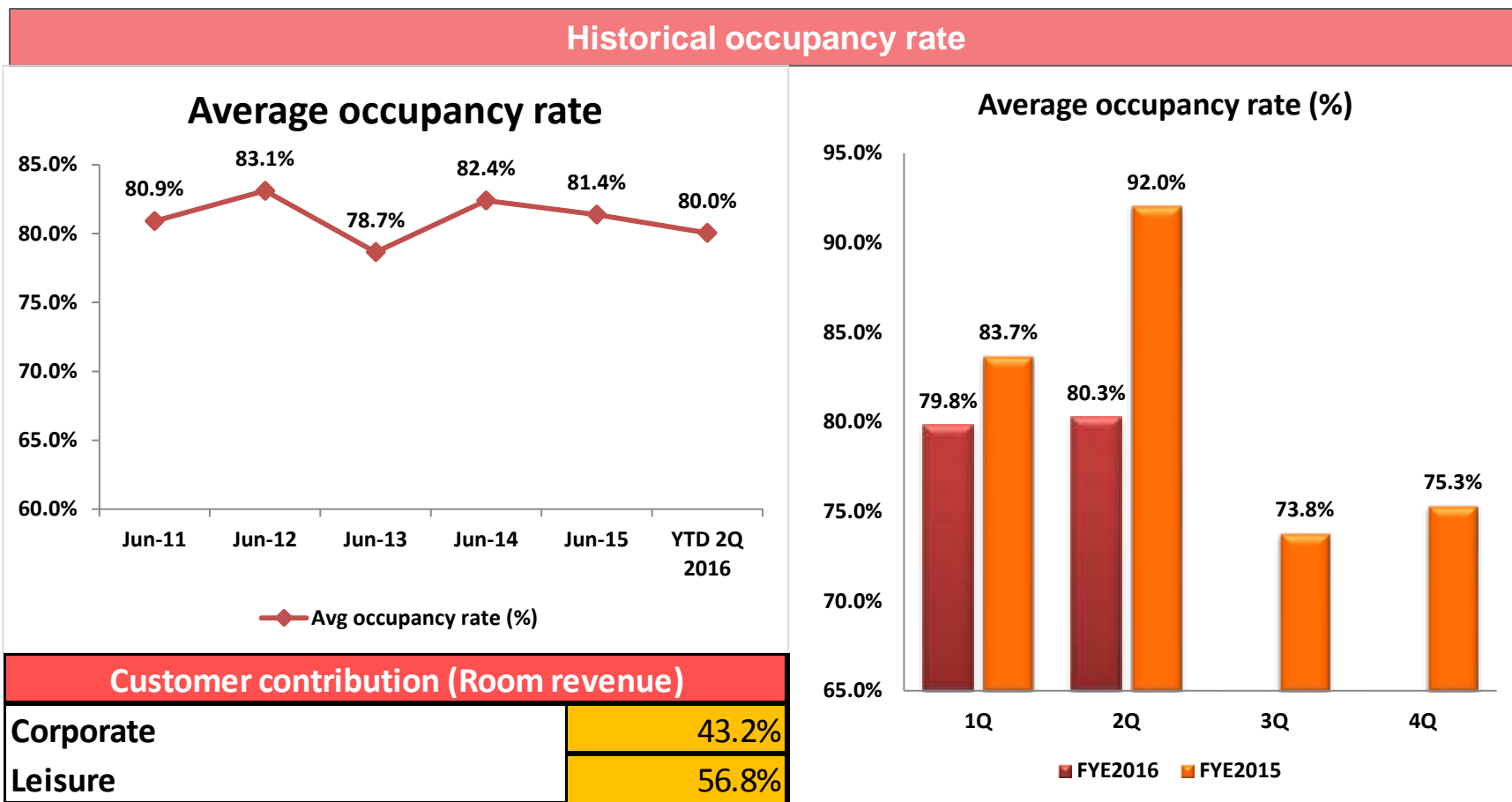
Corporate	28.0%
Leisure	72.0%

Note 1: The hotel properties are under 10-years master leases. The Sunway Resort Hotel & Spa and Pyramid Tower East (formerly Pyramid Tower Hotel) master lease is expiring in July 2020.

Note 2: Sunway Resort Hotel & Spa registered a higher average occupancy rate (81.8% in 2Q2016 compared to 81.1% in 2Q2015) contributed by the year-end holiday season.

HOSPITALITY PROPERTIES

PYRAMID TOWER EAST (formerly known as PYRAMID TOWER HOTEL)



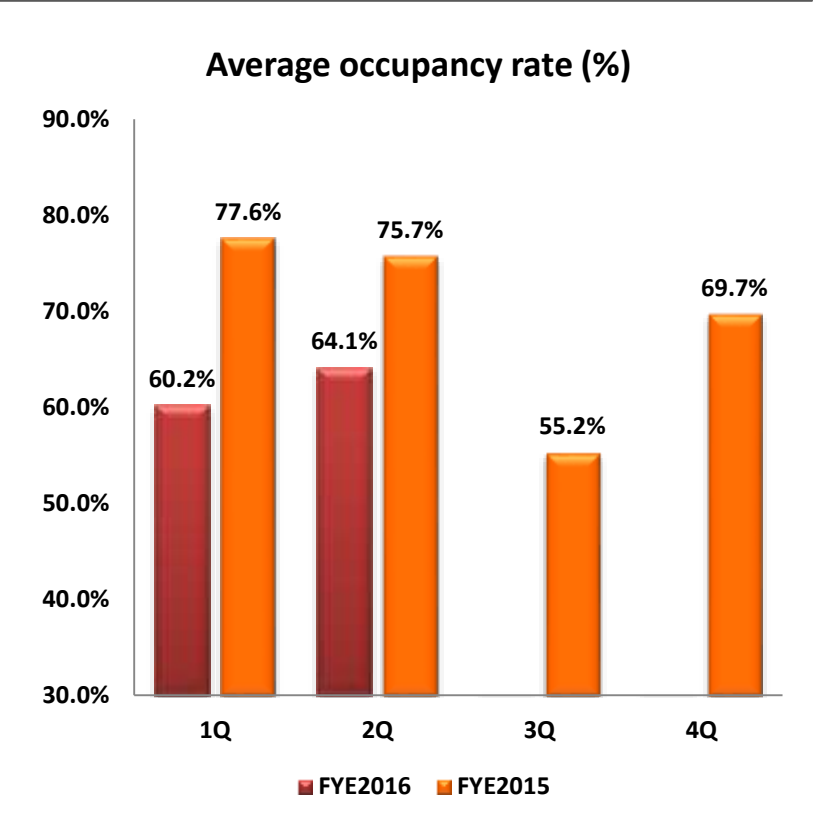
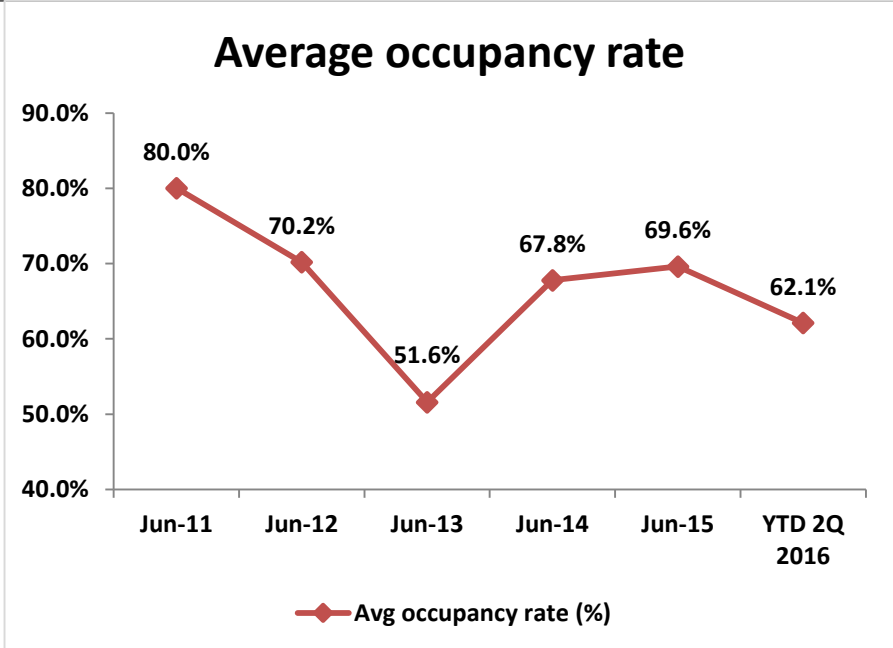
Note 1: The hotel properties are under 10-years master leases. The Sunway Resort Hotel & Spa and Pyramid Tower East (formerly known as Pyramid Tower Hotel) master lease is expiring in July 2020.

Note 2: Pyramid Tower East registered a decrease in occupancy for 2Q2016 compared to 2Q2015. The better average occupancy rate in 2Q2015 was mainly attributable to a stronger corporate and MICE business as compared to the current quarter.

HOSPITALITY PROPERTIES

SUNWAY HOTEL SEBERANG JAYA

Historical occupancy rate



Customer contribution (Room revenue)	
Corporate	95.4%
Leisure	4.6%

Note 1: The hotel properties are under 10-years master leases. The Sunway Hotel Seberang Jaya master lease is expiring in July 2020.

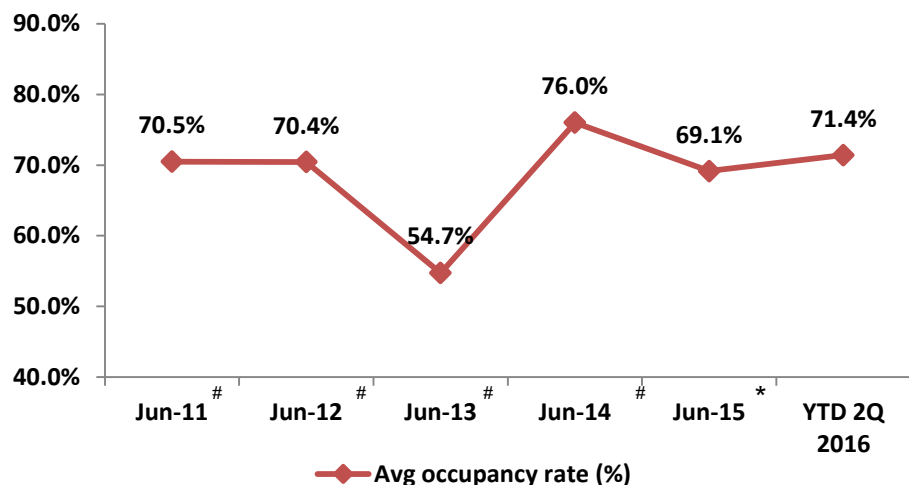
Note 2: Average occupancy rate for 2Q2016 was lower compared to 2Q2015 attributed to softer demand from the corporate segment and increased competition from new hotels in Penang.

HOSPITALITY PROPERTIES

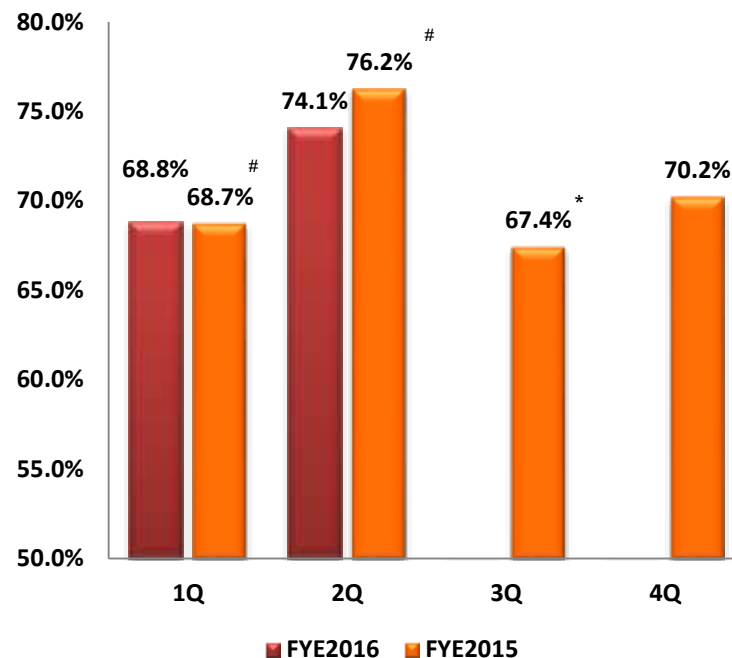
SUNWAY HOTEL GEORGETOWN

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

Corporate	15.0%
Leisure	85.0%

* The contribution from Sunway Hotel Georgetown commenced on 28 January 2015. The information for 3Q2015 shown above was for the month of February 2015 and March 2015 following the completion of the acquisition. The information for Jun-15 shown above was for the month of February 2015 to June 2015.

The historical information (Jun-11 to Jun-14 and 1Q 2015 to 2Q 2015) are provided by the vendor, Sunway Berhad.

Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Hotel Georgetown is expiring in January 2025.

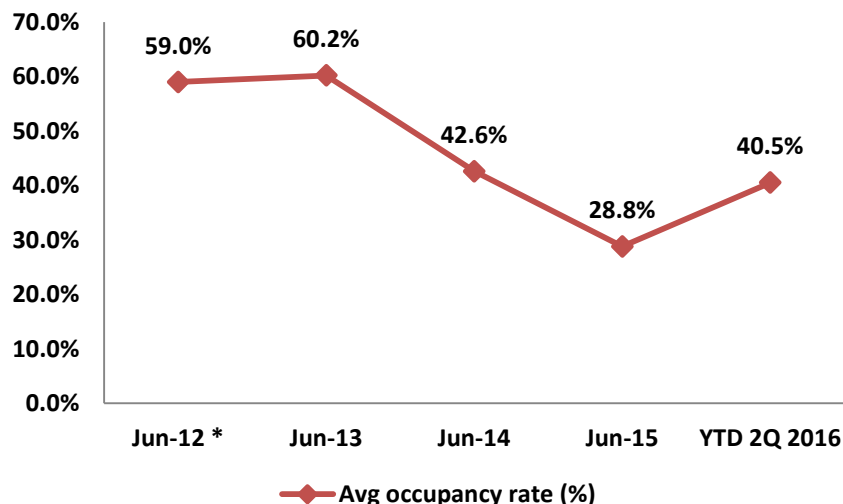
Note 2: Average occupancy rate for 2Q2016 was lower compared to 2Q2015 attributed to competition from new hotels in Georgetown and weak consumer sentiment, coupled with lower tourist arrival.

HOSPITALITY PROPERTIES

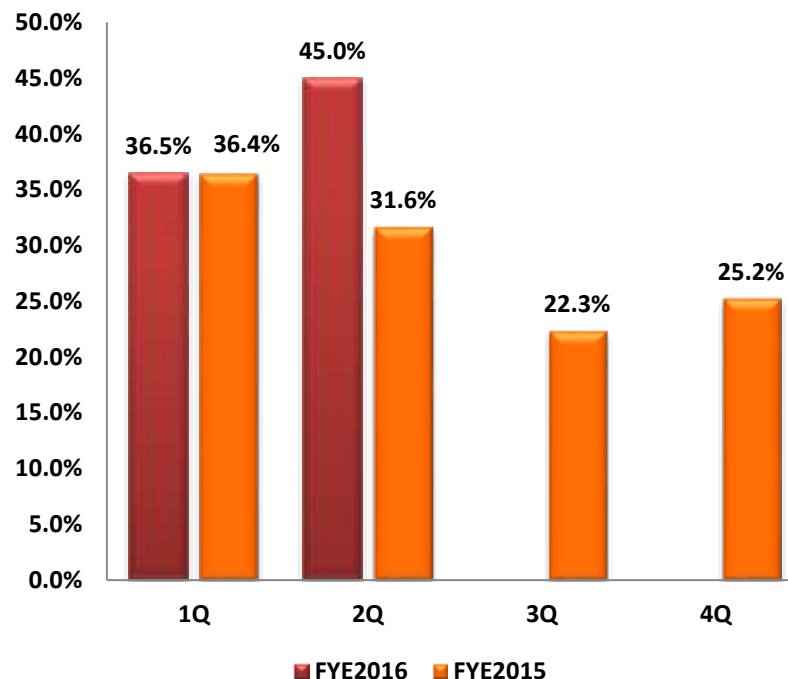
SUNWAY PUTRA HOTEL

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

Corporate	53.9%
Leisure	46.1%

* Representing period from 28 Sept 2011 (full possession and control of Sunway Putra Hotel) to 30 June 2012.

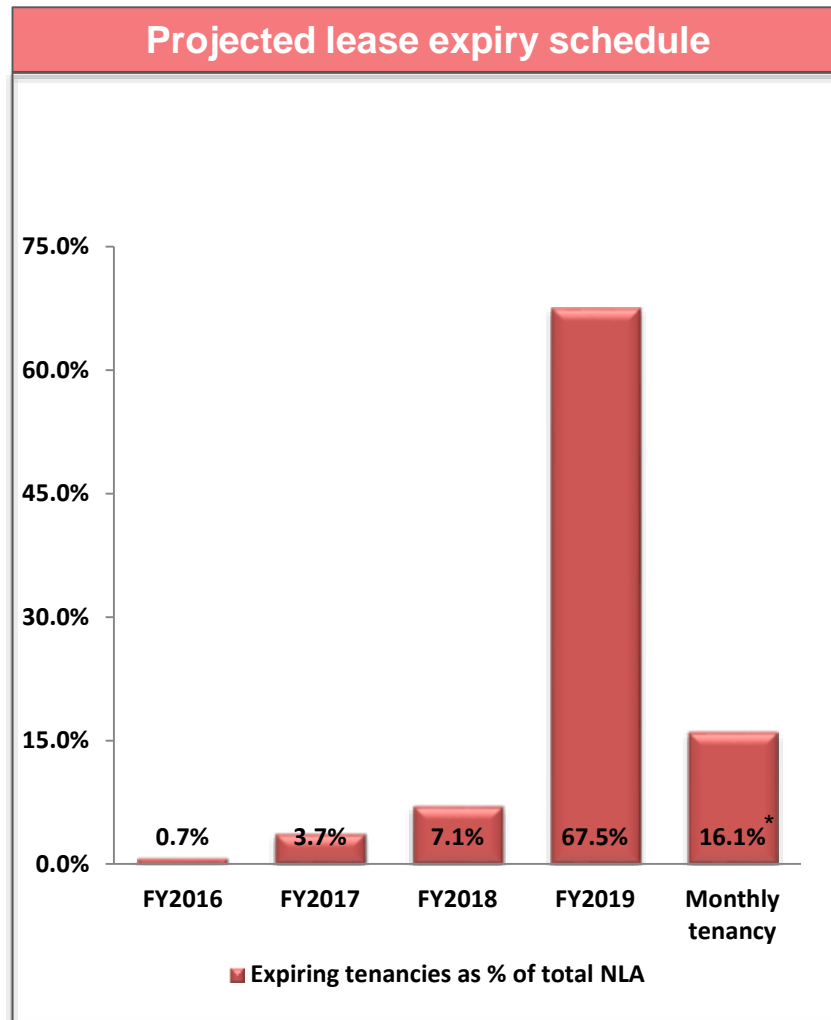
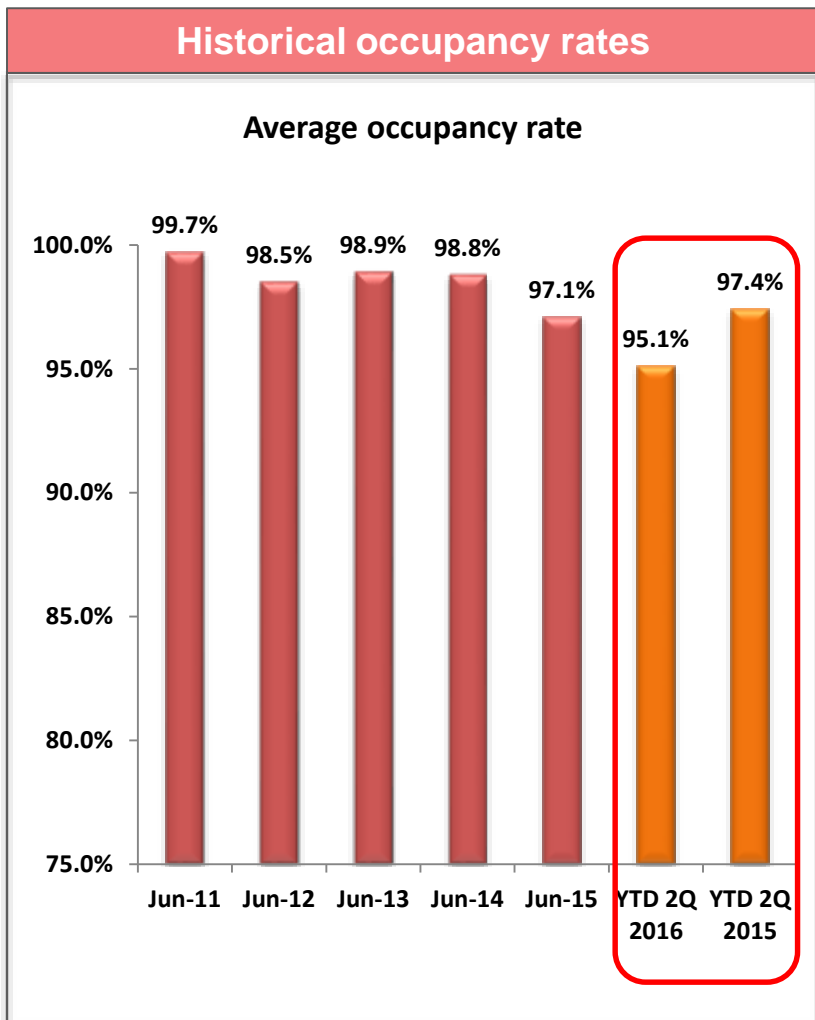
Note 1: The hotel properties are under 10-years master leases. The Sunway Putra Hotel master lease is expiring in September 2021.

Note 2: The performance since Jun-14 was adversely affected by the refurbishment at the adjoining Sunway Putra Mall from May 2013 to May 2015, and the hotel's own refurbishment works. The refurbishment of Sunway Putra Hotel commenced in 1Q2014 and was completed in 2Q2016.

Note 3: Average occupancy rate was higher in 2Q2016 compared to 2Q2015 attributable to the completion of refurbishment of the hotel and seasonal demand during the quarter.

OFFICE PROPERTIES

MENARA SUNWAY

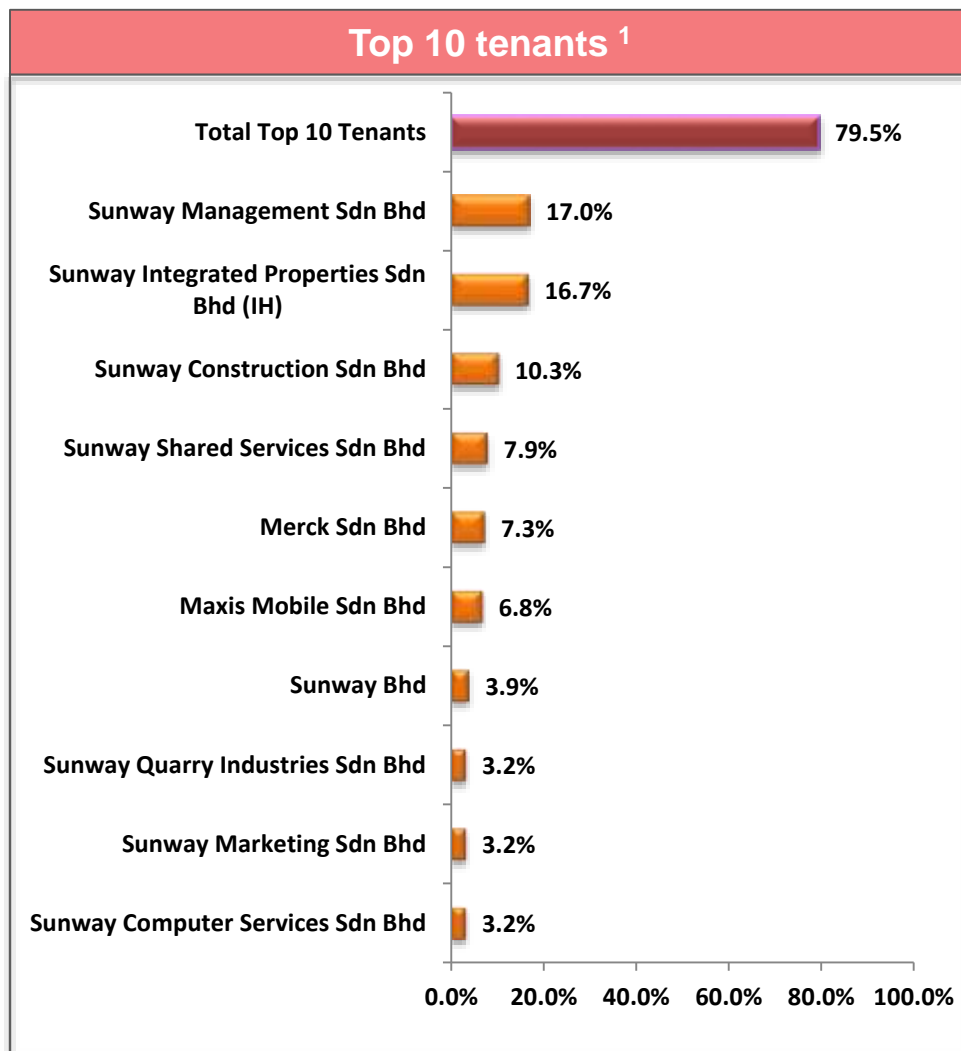
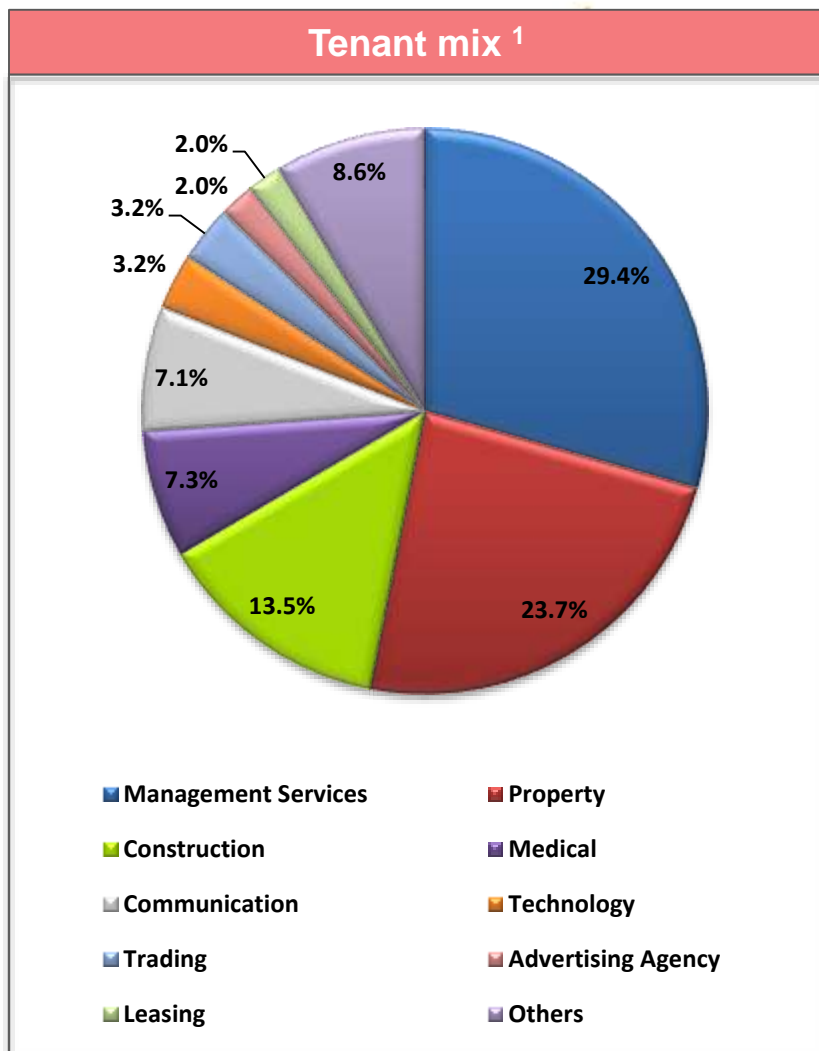


* Expired in December 2015.

Note: Average occupancy rate for YTD2Q2016 is lower compared to YTD2Q2015 mainly due to a tenant who did not renew. A new tenant has been secured for approximately 8,000 sq. ft. (3% of total NLA) to commence from March 2016 and the asset manager continues to seek for more replacement tenants for the remaining vacant space.

OFFICE PROPERTIES

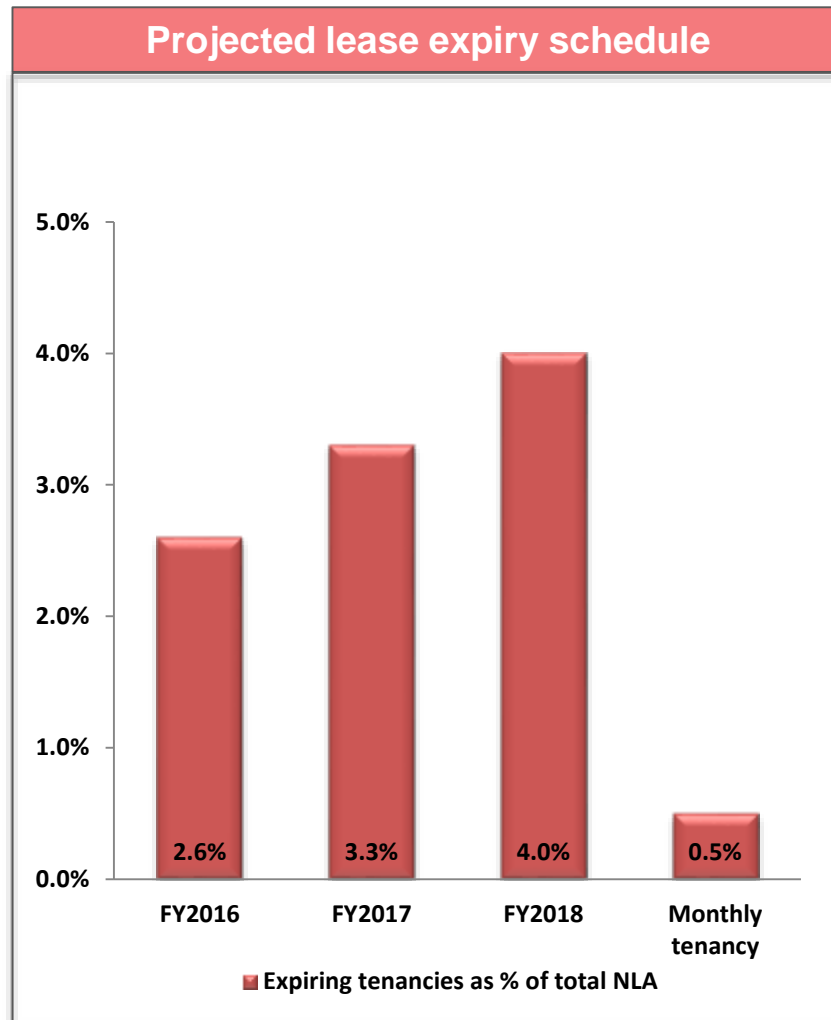
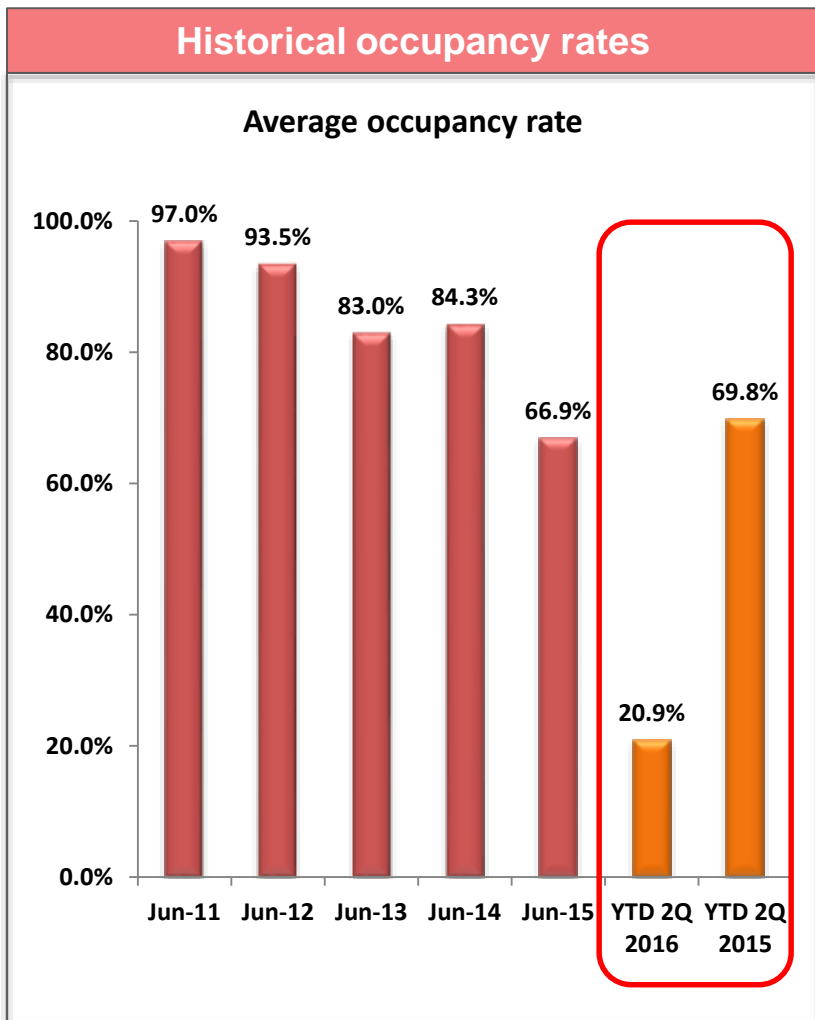
MENARA SUNWAY (Cont'd)



¹ Based on gross rental income for the month of December 2015.

OFFICE PROPERTIES

SUNWAY TOWER

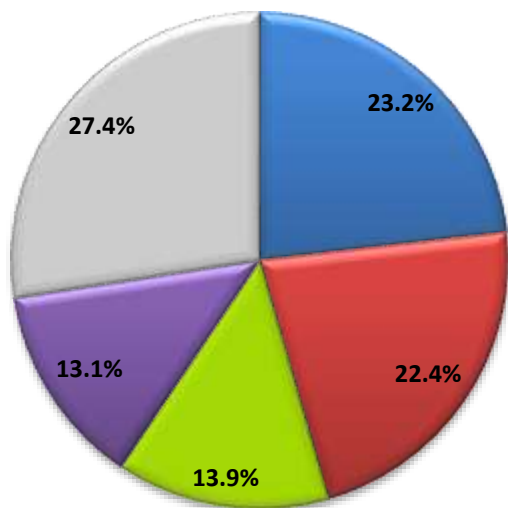


Note: The average occupancy rate for YTD2Q2016 is lower as compared to YTD2Q2015 as the anchor tenant has progressively terminated a total of 129,706 sq.ft (48.3%) during the period. The asset manager has secured new tenants for approximately 29,500 sq. ft. (11% of total NLA) of office space to commence from 3Q2016, and is actively seeking for more replacement tenants.

OFFICE PROPERTIES

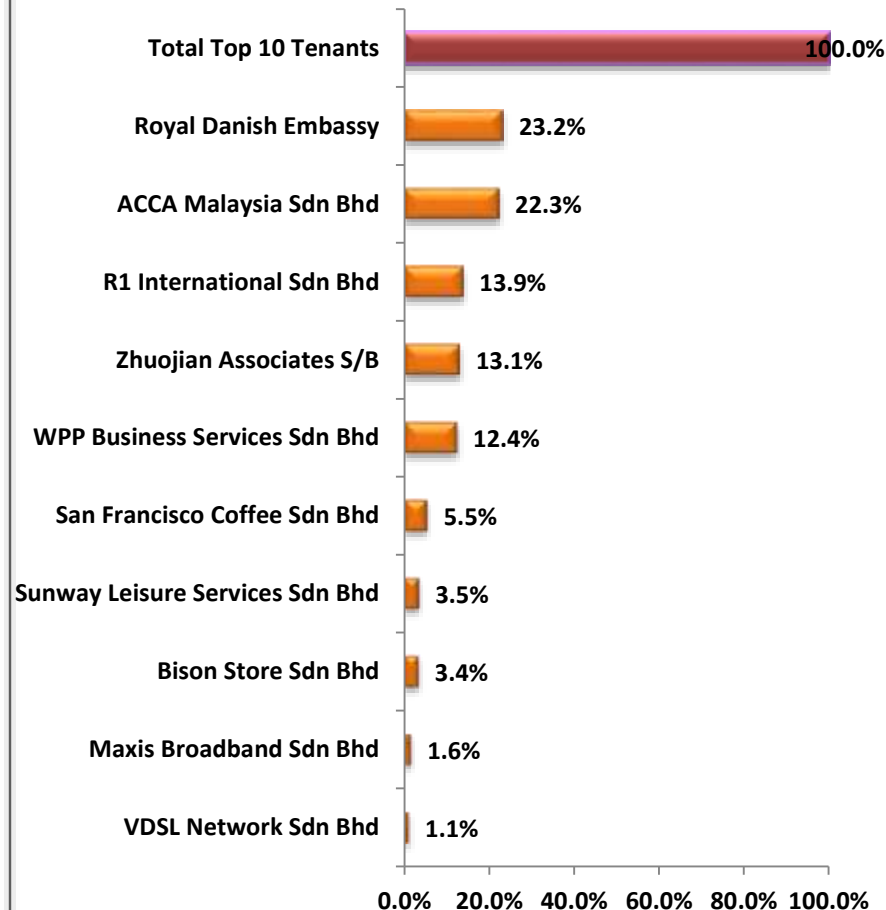
SUNWAY TOWER (Cont'd)

Tenant mix ¹



- Embassy
- Accounting
- Consultancy (Rubber)
- Consultancy (Finance)
- Others

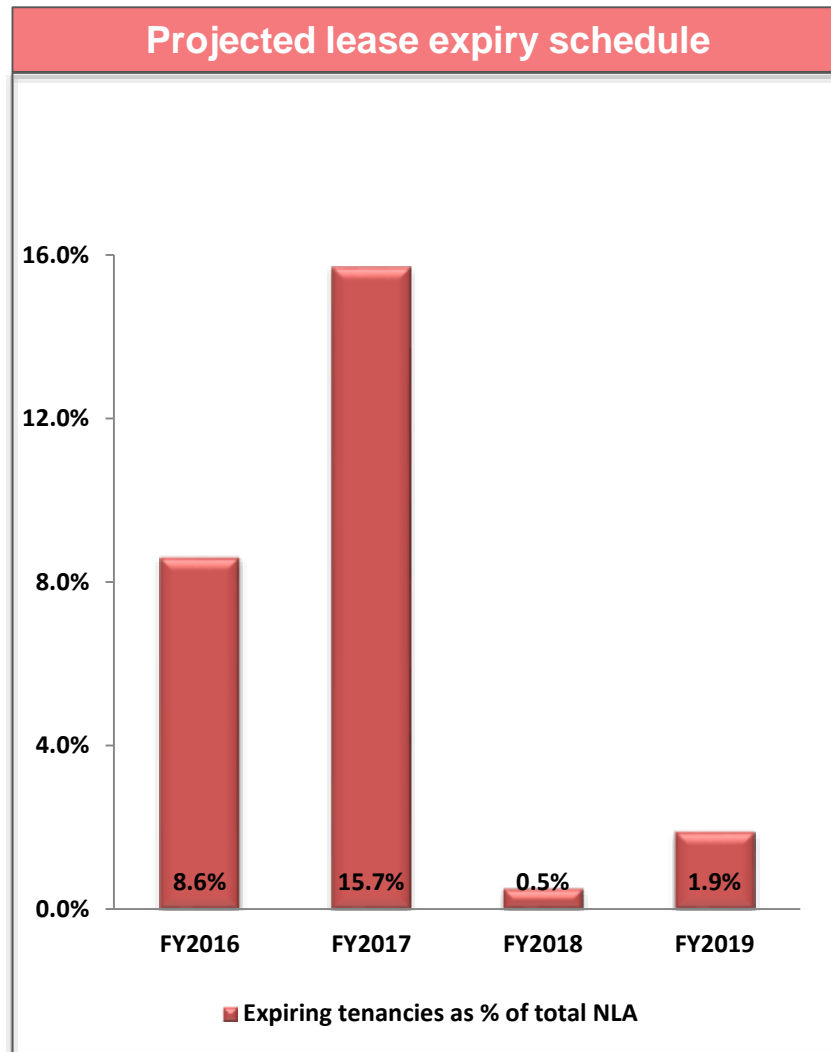
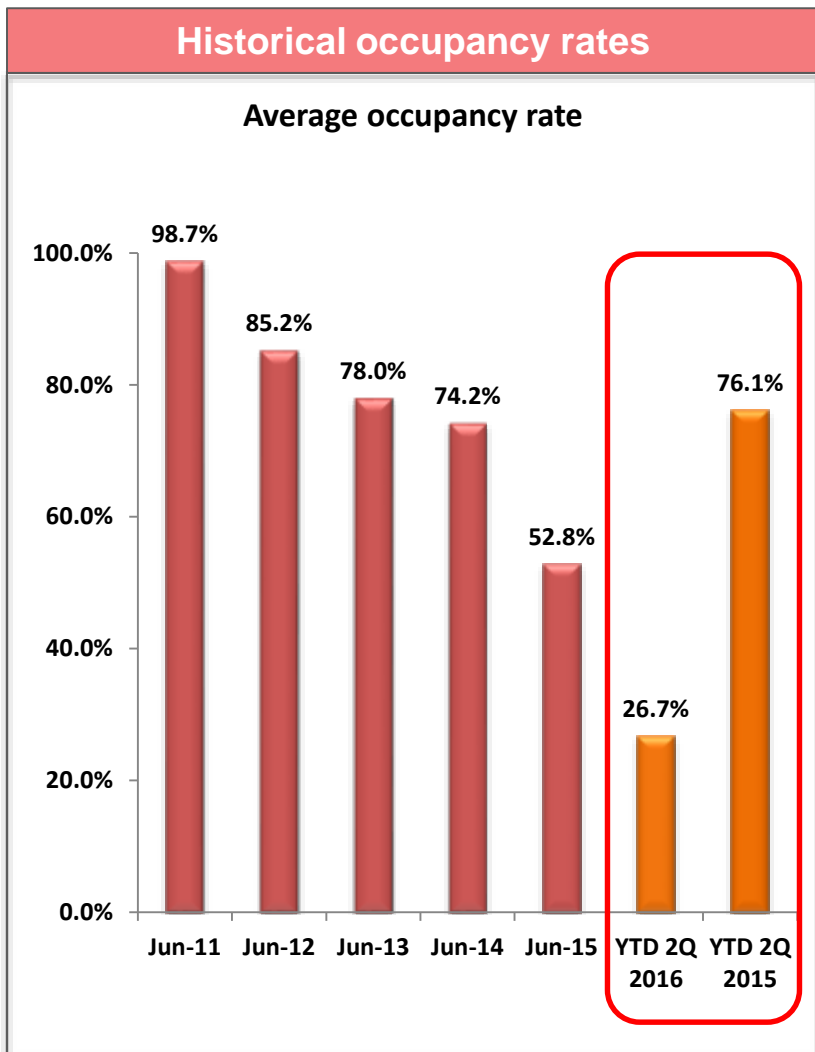
Top 10 tenants ¹



¹ Based on gross rental income for the month of December 2015.

OFFICE PROPERTIES

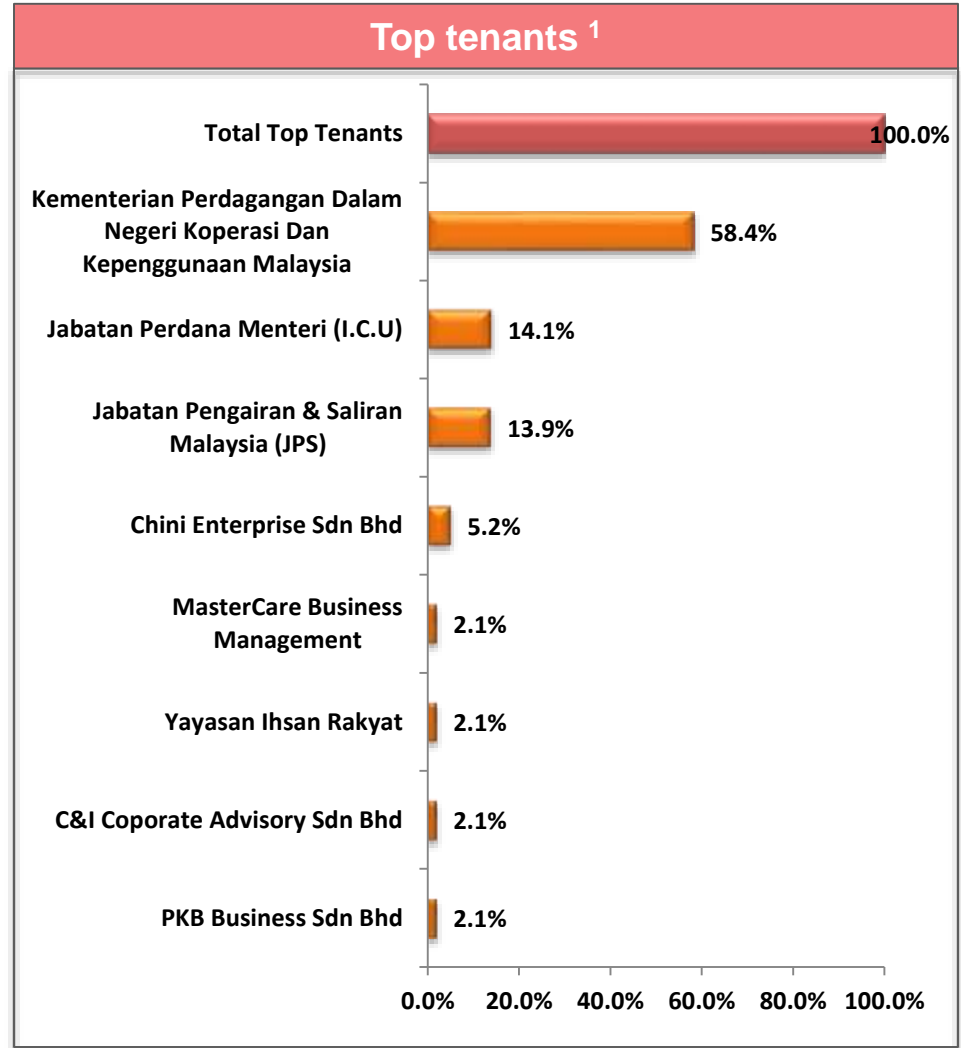
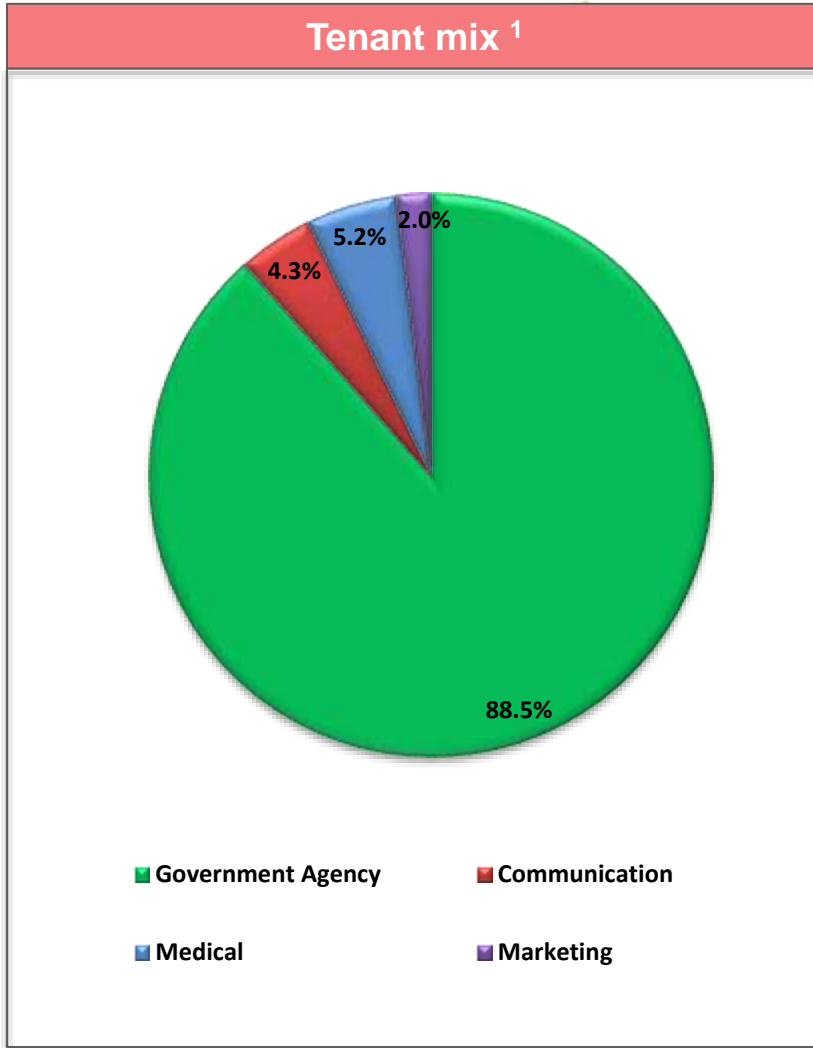
SUNWAY PUTRA TOWER



Note : The anchor tenant has moved out in the end of 2Q2015 and this has resulted in lower average occupancy rate for YTD2Q2016 compared to YTD2Q2015. The asset manager is actively seeking for replacement tenants while trying to further diversify tenancy mix to reduce tenant concentration risk and to attain more private sector tenants.

OFFICE PROPERTIES

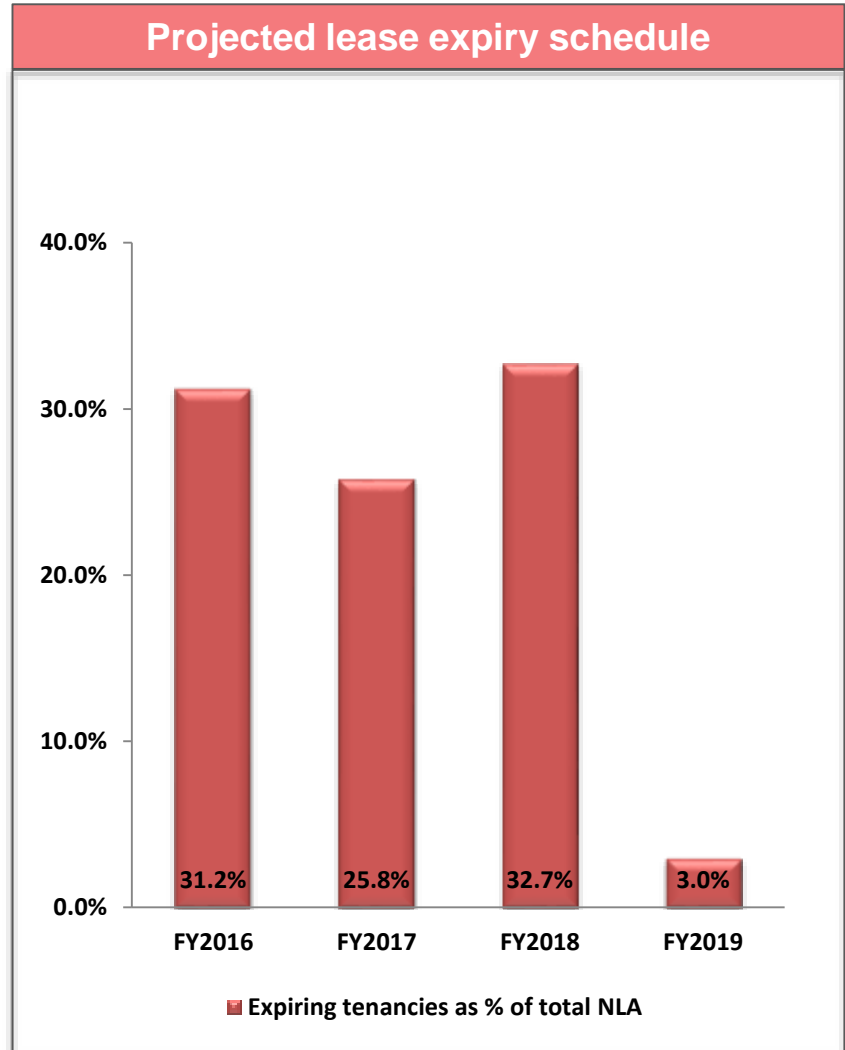
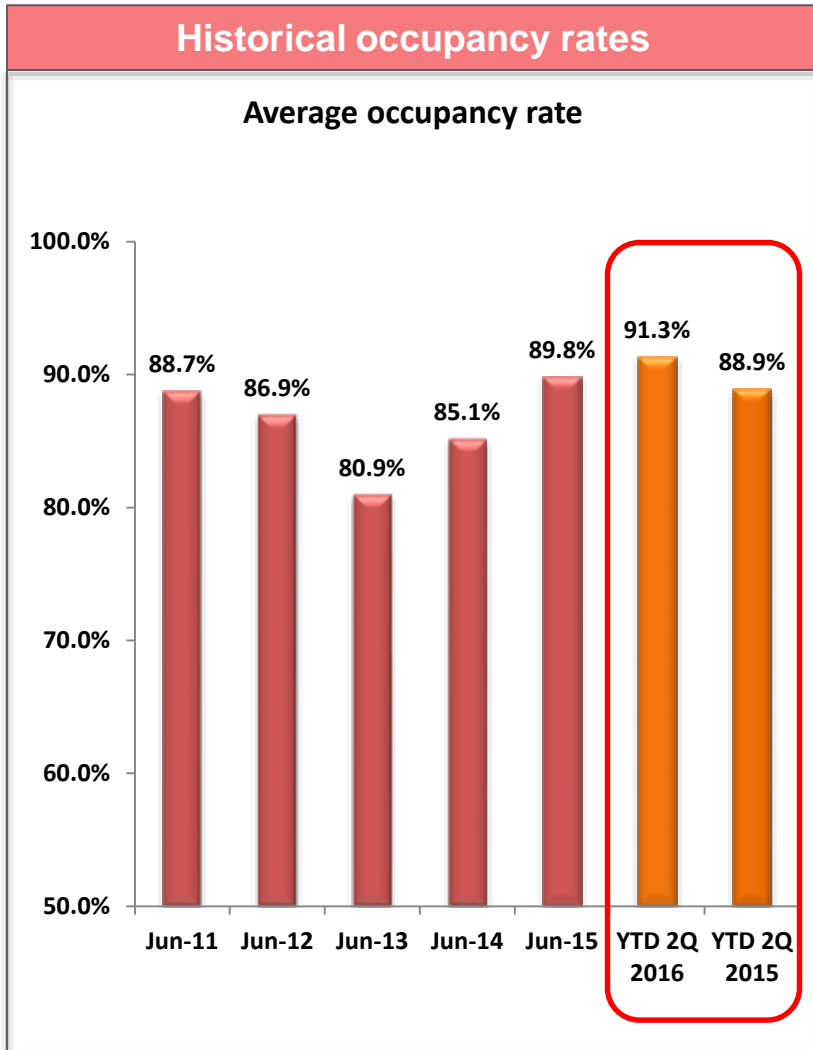
SUNWAY PUTRA TOWER (Cont'd)



¹ Based on gross rental income for the month of December 2015.

OFFICE PROPERTIES

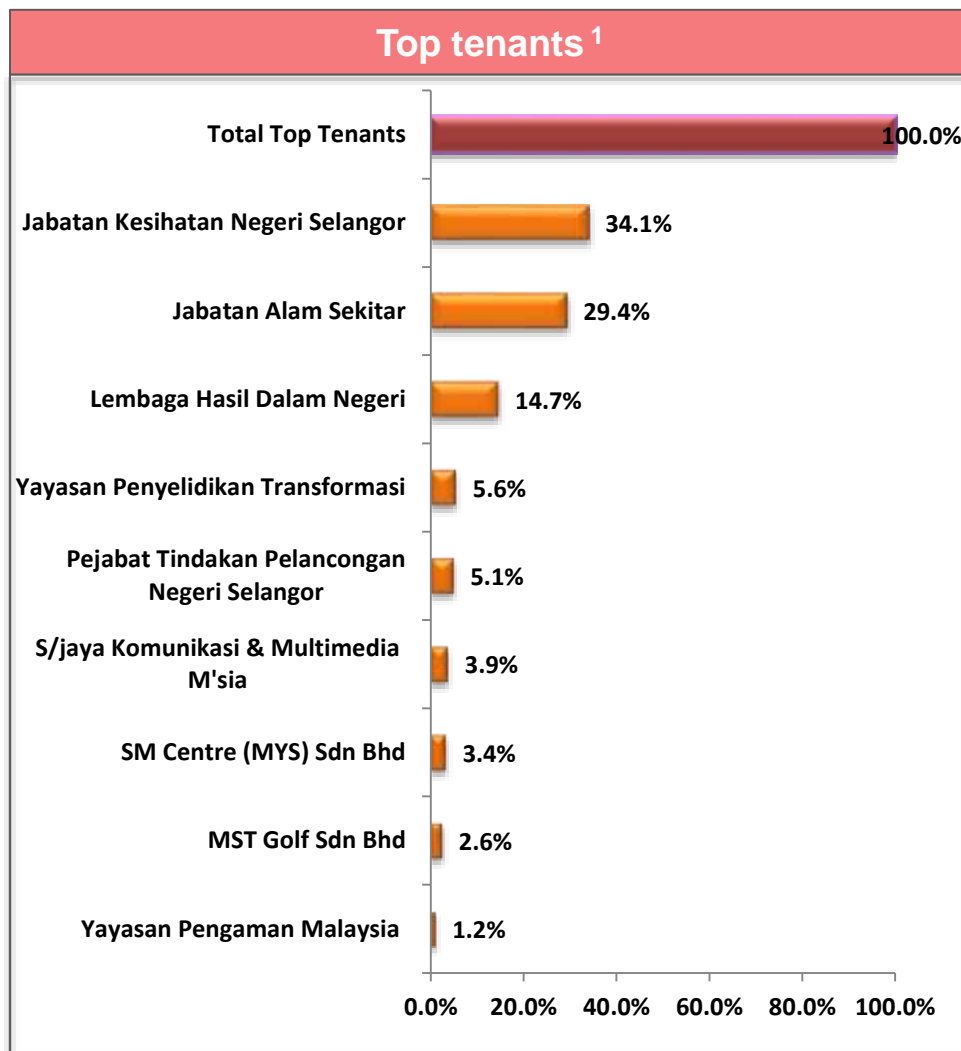
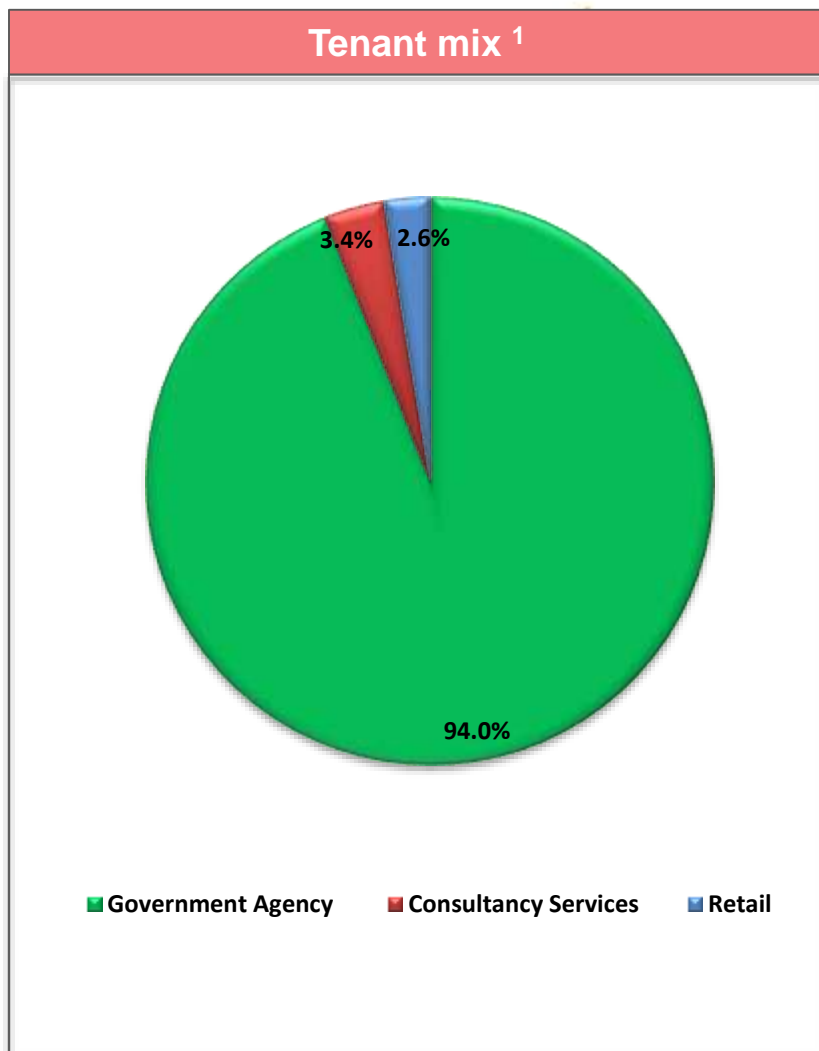
WISMA SUNWAY



Note: The contribution from Wisma Sunway commenced on 23 March 2015. The information for Jun-15 shown above was for March 2015 to June 2015 following the completion of acquisition. The historical information (Jun-11 to Jun-14 and YTD2Q2015) are provided by the vendor, Sunway Berhad.

OFFICE PROPERTIES

WISMA SUNWAY (Cont'd)



¹ Based on gross rental income for the month of December 2015.

5. Market Outlook

General Outlook

- The global economy expanded at a moderate pace in the third quarter of CY2015, reflecting a modest growth in the US and further slowdown in the emerging economies. Downside risks to global growth remain elevated arising from moderation of growth momentum, volatile commodity prices and possibility of policy shifts in major economies. The International Monetary Fund (“IMF”) has revised its forecast for the world economy to expand by 3.6% in CY2016, from 3.8% previously.
- In Asia, the epicenter of growth lies in China on its balancing act to avoid a possible hard landing. From softening trades to weakening currencies, fear of China moving into a hard landing and volatility in commodity prices, the Asian economy will be vulnerable to high level of uncertainties in CY2016.
- The Malaysian economy continued to soften in the third quarter of CY2015 to 4.7% (1Q CY2015: 5.6% , 2Q CY2015: 4.9%). The growth was driven by domestic demand, mainly by private sector activities and public sector expenditure. Bank Negara Malaysia (“BNM”) is projecting the Malaysian economy to expand by 4% to 5% in CY 2016. Domestic demand remains as the key growth driver, supported mainly by private sector activity while the external sector is expected to be modest.

Source: Based on International Monetary Fund and Bank Negara Malaysia

General Outlook

- Inflationary pressure trended lower since its recent peak in July 2015 to 2.6% in November 2015, bringing the first eleven months of CY2015 consumer price index (“CPI”) to 2.0%. The increase was primarily led by higher food, electricity and fuel costs but mitigated by lower commodity prices. This is in line with BNM’s CPI forecast of between 2.0% to 3.0% in CY2015. BNM expects the inflation rate to remain manageable, between 2.0% and 3.0% in CY2016. We expect GST impact to normalise moving into CY2016.
- On 5 November 2015, BNM has maintained the Overnight Policy Rate (“OPR”) at 3.25%. BNM remains accommodative and supportive of economic activity in view of heightened risks in the global economic and financial environment. Economists’ expect the OPR to be maintained in CY2016.
- The Manager maintains a flattish DPU growth expectation and remains cautious on the growth prospects for FY2016 for the reasons mentioned in 1QFY2016.
- The Manager is committed to distribute 100% of its distributable net income for FY2016.

Retail

- Retail Group Malaysia (“RGM”) has trimmed its forecast for CY2015 retail sales for the 5th consecutive time due to lacklustre retail figures achieved in the 2Q and 3Q of CY2015. RGM anticipates retail sales growth of 2.0% for CY2015, down from an earlier estimate of 3.1%. The downward revision was prompted by weak domestic currency which has resulted in higher import cost and affected consumer spending.
- Going forward, consumer spending is expected to recover albeit at a modest pace especially on non-discretionary goods . RGM is projecting the Malaysian retail industry to expand by 4% in CY2016, equivalent to sales value of RM100.6 billion.
- Rental and occupancy rates are pressured to decrease with the continuous entry of new supply, however demand for retail space for selective retail malls is expected to prevail amidst growing competition. Leading retail malls which are strategically located and suitably positioned to meet the needs of its primary market catchment are expected to be more resilient.
- Sunway Pyramid Shopping Mall’s average occupancy rate remained high at 98.2% for YTD 2QFY2016, largely unchanged from the 98.6% in 1QFY2016. A total of 246,822 sq.ft. of net lettable area (“NLA”) was renewed for YTD 2QFY2016 at a single-digit rental reversion rate over the three-year tenancy term.

Retail (Cont'd)

- The average occupancy rate for Sunway Carnival Shopping Mall was largely unchanged at 94.0% for YTD 2QFY2016 (1QFY2016: 94.3%) due to remodeling of 2nd floor area of approximately 21,000 sq.ft. (equivalent to 4% of total NLA) into food and beverage (“F&B”) area which is targeted to commence operation in 4QFY2016. A total of 38,984 sq.ft. of NLA was renewed at a double-digit rental reversion rate over the three-year tenancy term for YTD 2QFY2016.
- Sunway Putra Mall has achieved a gradual improvement in average occupancy rate since its soft opening in May 2015. The secured occupancy rate has increased from 83.9% as at 30 September 2015 to 84.9% as at 31 December 2015.
- The Manager maintains a modest growth expectation for the retail segment for FY2016, supported by high occupancy of the malls with locked in rentals and new income contribution from Sunway Putra Mall. The Manager expects GST and weak domestic currency are temporary headwinds which will dissipate over time supported by recovery in consumer spending in a low unemployment environment.

Hotel

- Following a 9.4% decline in tourists arrivals in 1HCY2015, we believe that Tourism Malaysia is behind its targets of achieving 29 million tourist arrivals for CY2015. The Malaysian government has further forecasted that tourist arrivals will reach 30.5 million in CY2016 contributing RM103 billion revenue to the country.
- The government is intensifying its effort in pump priming the tourism industry. In the Budget 2016 announcement, the Government has announced a RM1.2 billion allocation for the tourism industry for CY2016 and beyond. Amongst the initiatives include marketing and promotion activities globally, tax exemption to tour operators which is extended to 2018 and implementation of online visa applications for China, India, Myanmar, Nepal, Sri Lanka, the U.S. and Canada.
- Sunway Resort Hotel & Spa recorded a marginal improvement in the average occupancy rate of 81.8% in 2QFY2016 compared to 81.1% in 2QFY2015 due to higher tourist arrivals for the year-end holiday season.
- The average occupancy for Pyramid Tower East (Formerly known as Pyramid Tower Hotel) has decreased from 92.0% in 2QFY2015 to 80.3% in 2QFY2016 mainly due to lower demand from the corporate sector. The high average occupancy rate in 2QFY2015 was attributable to stronger corporate and MICE business.
- In view of the intensifying competition for corporate business, The Manager will be embarking on the refurbishment of Pyramid Tower East in order to ensure that the hotel remains competitive. The refurbishment of the hotel is expected to commence in 2HFY2016 with a progressive closure commencing in 3QFY2016 and full closure of the hotel by 4QFY2016 for approximately 12 months.

Hotel (Cont'd)

- The average occupancy rate for Sunway Putra Hotel rebounded to 45.0% in 2QFY2016, from 31.6% in 2QFY2015 upon completion of refurbishment of the hotel in December 2015 and boosted by seasonal demand during the quarter. Following the completion of the 3-in-1 mixed use Sunway Putra, the asset managers are accelerating joint marketing and promotional initiatives to offer the synergies of these assets to consumers.
- In Penang, the hotels in Sunway REIT's assets portfolio were affected by intense competition arising from supply of new hotels and softer demand from the corporate and leisure (for Sunway Hotel Georgetown) sector. The average occupancy rate for Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown reported lower average occupancy rate of 64.1% and 74.1% in 2QFY2016 respectively, compared to 75.7% and 76.2%¹ respectively in 2QFY2015.
- The Manager maintains that the hotel segment to register a stable growth in FY2016 mainly contributed by Sunway Putra Hotel following the completion of refurbishment in December 2015 and full year income contribution from Sunway Hotel Georgetown.

¹ The historical information for 2QFY2015 is provided by the vendor, Sunway Berhad.

Office

- The office segment in the Klang Valley continued to be swamped by new supply of office space despite the oversupply environment. In 3QCY2015, Klang Valley's office stock increased marginally from 108.47 million sq.ft. in 2QCY2015 to 108.97 million sq.ft. Office stock is expected to increase further by the end of 2017 taking into account the expected additional 12.5 million sq.ft. of office space coming on stream.
- In a tenants' market environment, landlords are facing challenges in managing attrition rates as well as leasing out new spaces. Occupancy and rentals rates are expected to decline amidst the demand and supply disequilibrium. The continuous supply is not absorbed by the deteriorating demand amidst slower business growth and consolidation of businesses in certain sectors (eg. Oil and gas, financial institution, MNCs).
- The average occupancy rate at Menara Sunway was stable at 95.1% in 2QFY2015 compared to 1QFY2016. During the quarter, the asset manager has secured a new tenant of approximately 8,000 sq. ft. (3% of total NLA) which will commence in March 2016.
- Sunway Tower recorded lower average occupancy rate of 20.9% in 2QFY2016 as the anchor tenant has progressively terminated a total of 129,706 sq. ft. (48.3% of total NLA). The asset manager has secured replacement tenants totaling approximately 29,500 sq. ft. (11% of total NLA) commencing in 3QFY2016 and is actively seeking replacement tenants for the remaining vacant space.

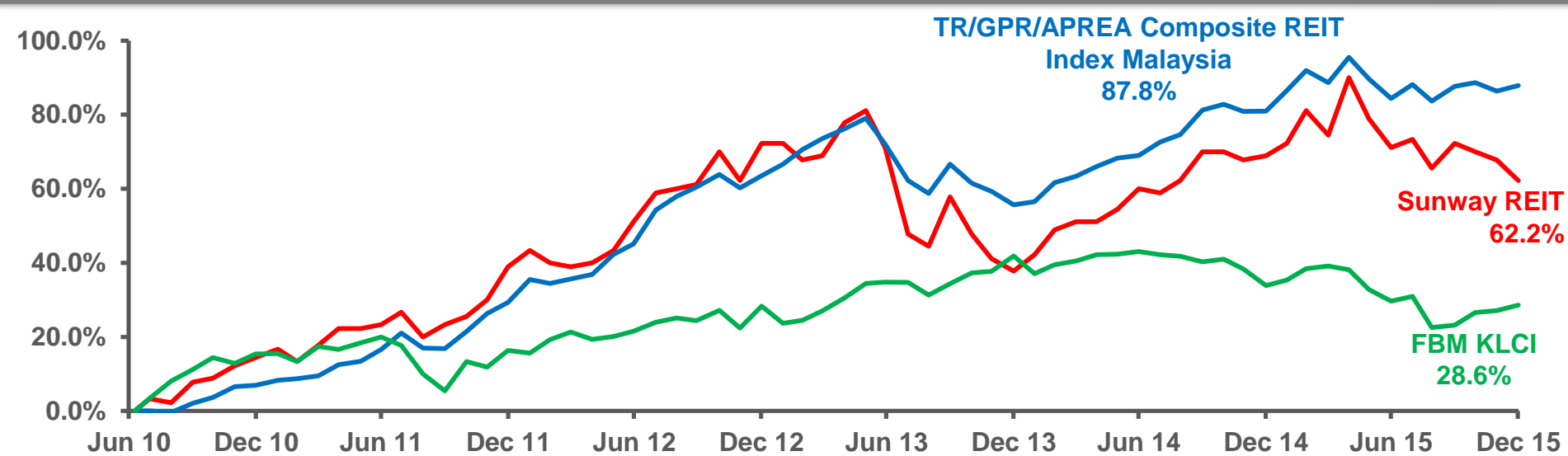
Office (Cont'd)

- The average occupancy rate for Sunway Putra Tower was maintained at 26.7% in 2QFY2016 compared to 1QFY2016. The asset manager continues to proactively seek new tenants in order to improve the occupancy of the office tower.
- Wisma Sunway continued to demonstrate improvement in 2QFY2016. The average occupancy rate increased to 91.3% in 2QFY2016, from 89.8% in 1QFY2016.
- The Manager maintains that income contribution from the office segment to be lower in FY2016 on the back of high vacancy rate, anticipated longer time and higher cost to secure new tenancies in an oversupply and weak market environment.

6. Investor Relations

Unit Price Performance - IPO to 2Q2016

Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 31 December 2015)



Performance Statistics (8 July 2010 - 31 December 2015)

Price (as at 8/7/2010)	: RM0.90
Closing Price (as at 31/12/2015)	: RM1.46
Highest Price	: RM1.76
Lowest Price	: RM0.88
Daily Average Volume	: 1.95 million units
% Change in Unit Price	: 62.2%
% Change in FBM KLCI	: 28.6%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 87.8%

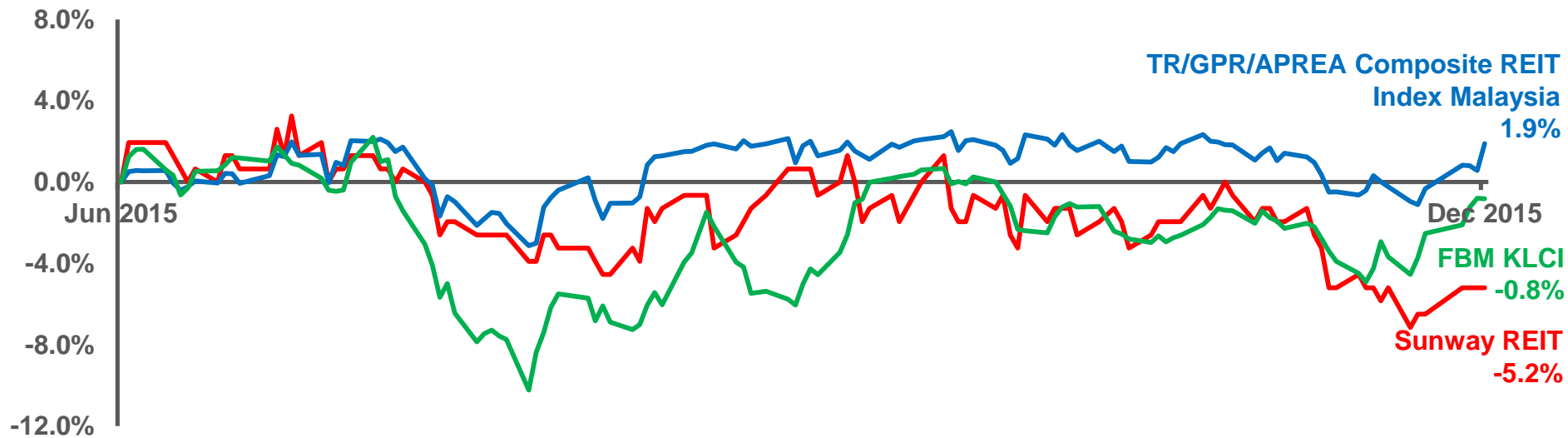
Source: Bloomberg

Driving values through sustainable growth

SUNWAY[®]

Unit Price Performance – Year-to-date 2Q2016

Unit Price Performance of Sunway REIT versus Benchmarks (30 June 2015 – 31 December 2015)

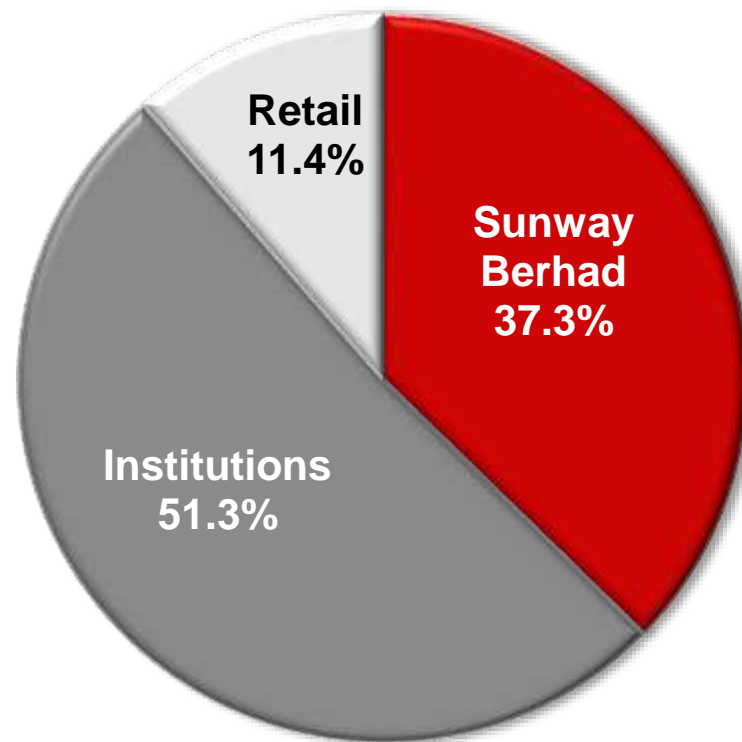
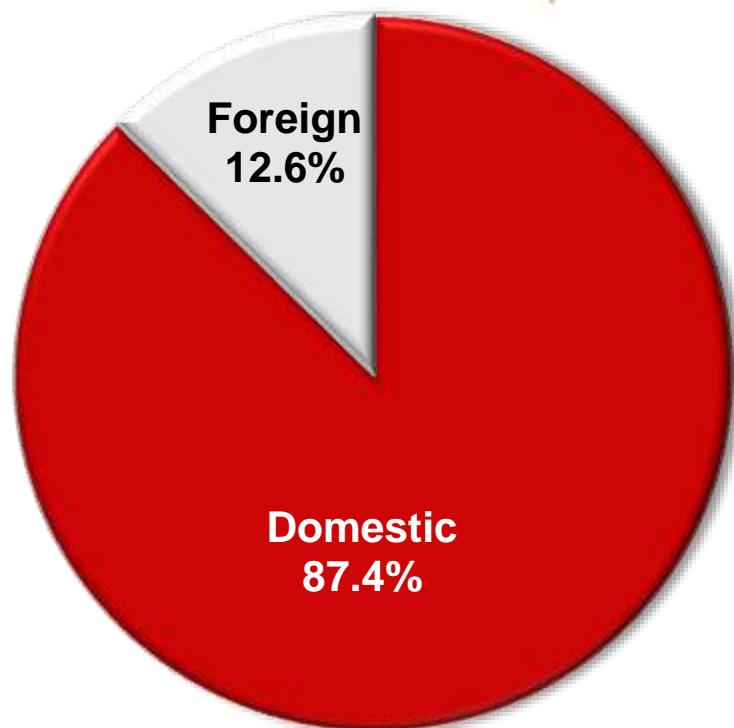


Performance Statistics (30 June 2015 - 31 December 2015)

Price (as at 30/6/2015)	: RM1.54
Closing Price (as at 31/12/2015)	: RM1.46
Highest Price	: RM1.59
Lowest Price	: RM1.43
Daily Average Volume	: 3.29 million units
% Change in Unit Price	: -5.2%
% Change in FBM KLCI	: -0.8%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 1.9%

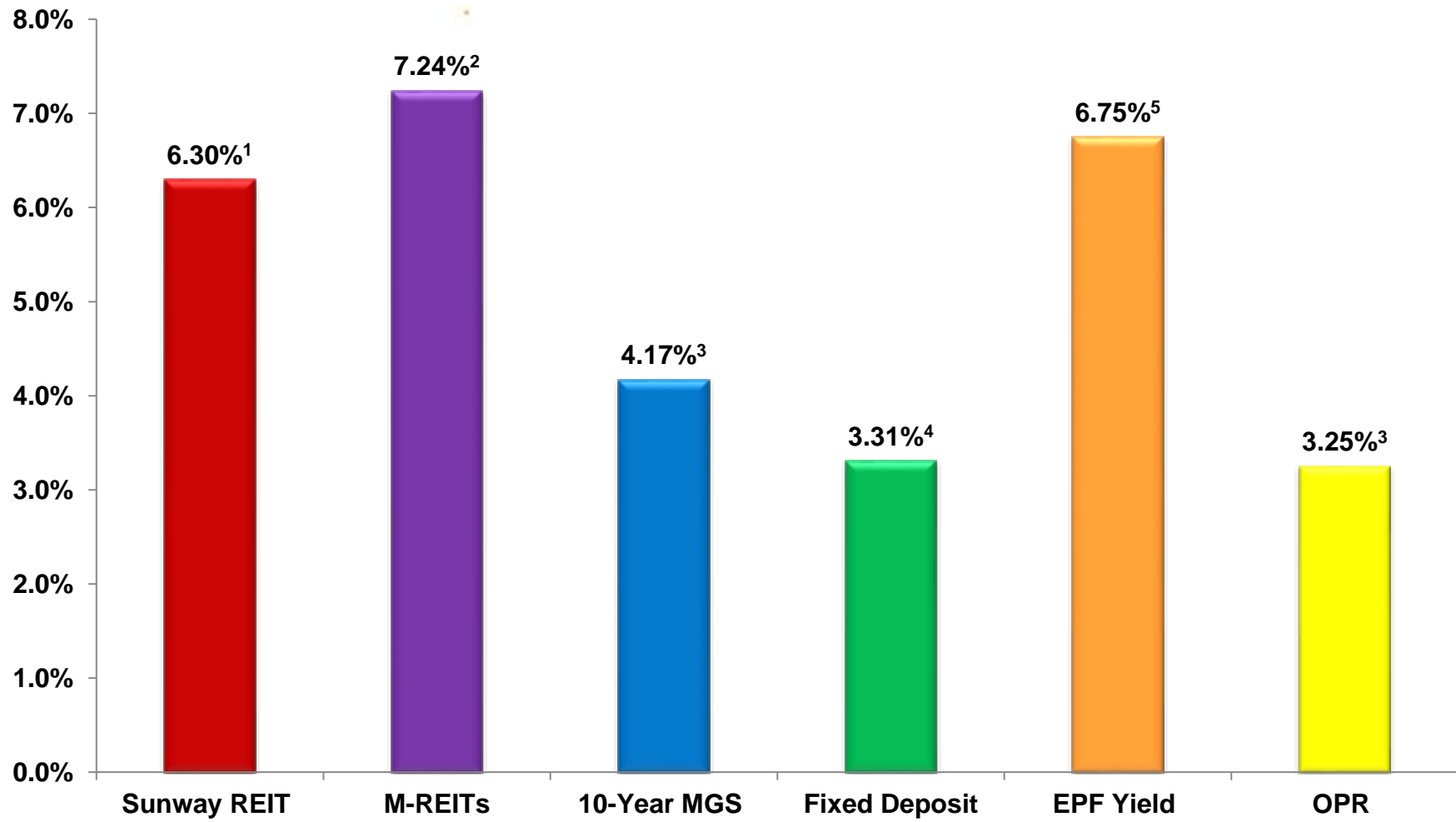
Source: Bloomberg

Unitholders' Composition (as at 31 December 2015)



	December 2015	September 2015	Q-o-Q Change
No of unitholders	9,665	8,974	+691 (+7.7%)
Retail unitholders	11.4%	11.0%	+0.4%
Foreign unitholders	12.6%	14.3%	-1.7%
Sunway Berhad	37.3%	37.3%	Unchanged

Comparative Yields for Various Assets



Note:
¹ Distribution yield based on consensus FY2016 DPU forecast of 9.2 sen (Source: Bloomberg)
² Information based on consensus FY2016 DPU forecast and unit price as at 31 December 2015 (Source: Bloomberg)
³ As at 31 December 2015 (Source: Bloomberg, Bank Negara Malaysia)
⁴ 12-Month Fixed Deposit rates offered by commercial banks as at 30 November 2015 (Source: Bank Negara Malaysia)
⁵ Dividend yield declared by Employees Provident Funds for the year 2014 (Source: Employees Provident Fund)

THANK YOU