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Sunway REIT

Financial Results

**3rd Quarter Ended 31 March 2014
(FYE 30 June 2014)**

**Announcement Date:
29 April 2014**

This presentation may contain certain forward looking statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward looking statements which are based on Management’s current view of future events. Past performance is not necessarily indicative of its future performance.

1. Financial Highlights
2. 3Q 2014 Financial Results
3. 3Q 2014 Portfolio Performance
4. 3Q 2014 Property Performance
5. Market Outlook
6. Investor Relations

1. Financial Highlights

Dividend Distribution Details

Distribution Period	1 January 2014 - 31 March 2014
Distribution per Unit (DPU) (sen)	2.10¹
Notice of Entitlement	29 April 2014
Ex-Dividend Date	14 May 2014
Book Closure Date	16 May 2014
Payment Date	29 May 2014

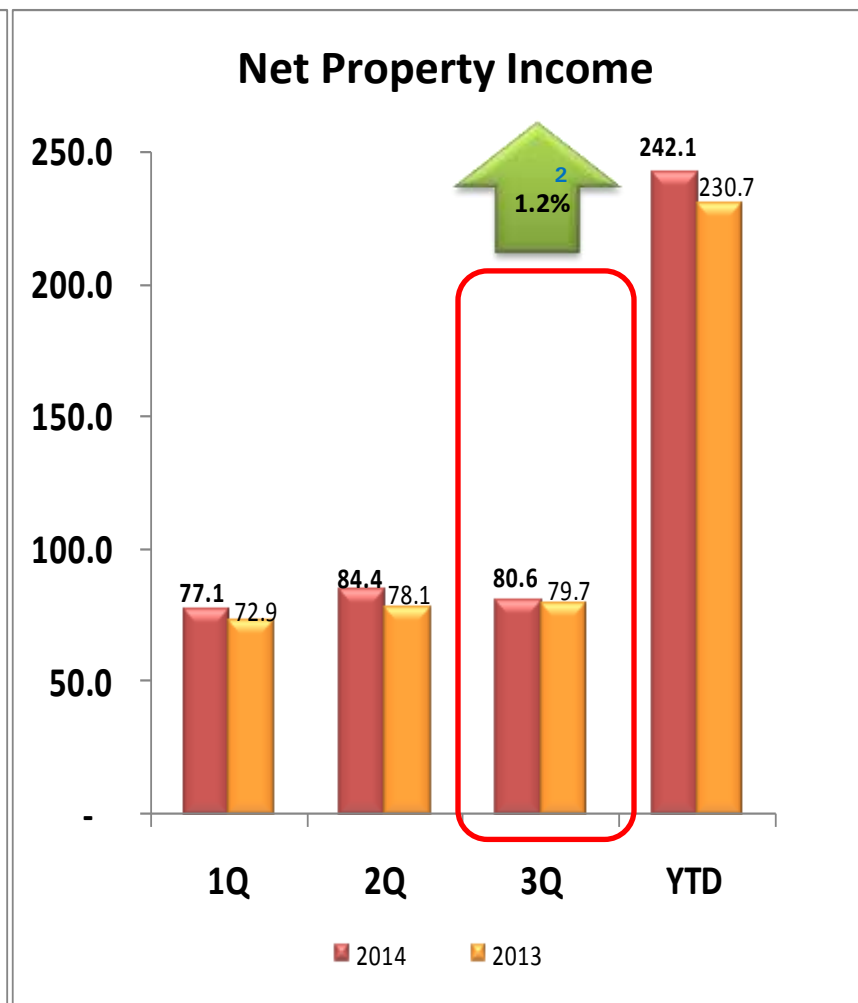
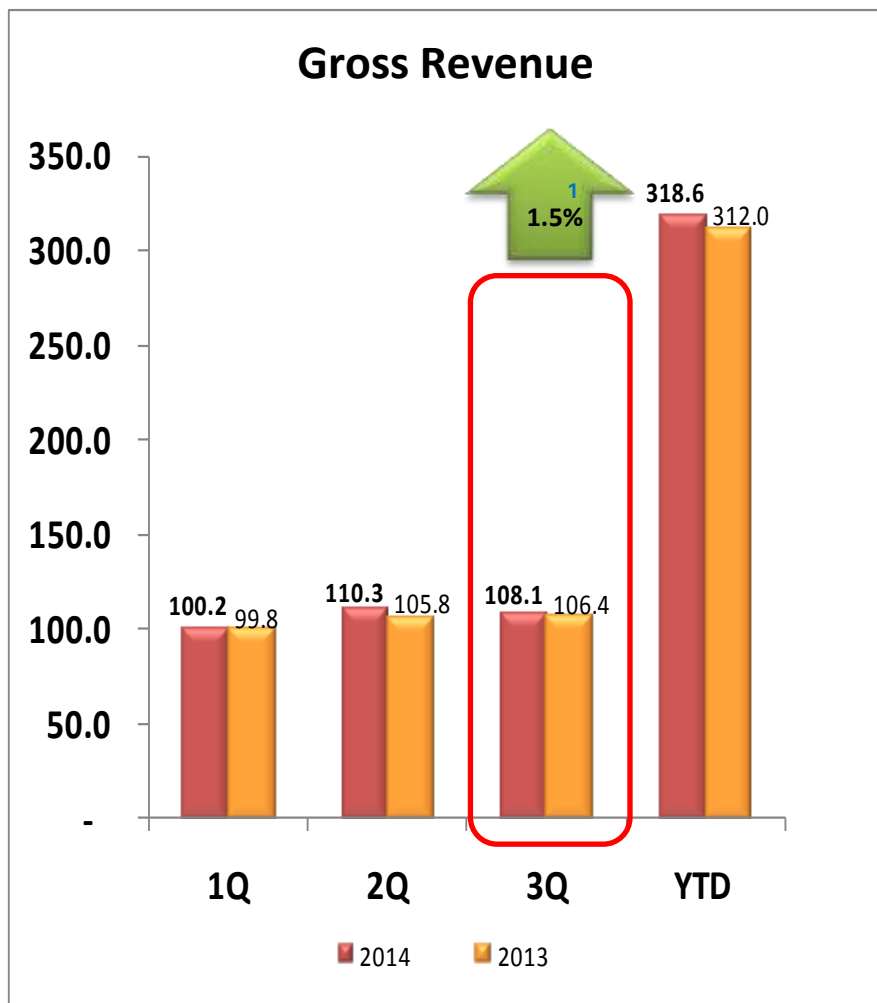
¹ Proposed income distribution for 3Q 2014 of 2.10 sen per unit (comprising taxable and non-taxable/tax exempt amount of 1.71 sen and 0.39 sen per unit respectively).

Financial Highlights



Highlights	3Q 2014	3Q 2013	Change %
No. of Properties	12	12	0.0%
Property Value (RM'billion)	5.253	4.970	5.7%
No. of Units in Circulation	2,926,332,700	2,917,365,500	0.3%
Unit Price as at 31 Mar (RM)	1.36	1.52	-10.5%
Market Capitalisation (RM'billion)	3.980	4.434	-10.3%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.1787	1.1146	5.8%
Premium to NAV	15.4%	36.4%	-57.7%
Earnings Per Unit (EPU) (sen)	2.00	2.03	-1.6%
Distribution Per Unit (DPU) (sen)	2.10	2.06	1.9%
Annualised Distribution Yield (Based on market price as at 31 Mar)	6.2%	5.5%	12.7%
Management Expense Ratio (After income distribution)	0.80%	0.82%	-2.5%
YTD total return	-5.5%	17.3%	-131.8%
Gearing	32.3%	32.3%	0.0%

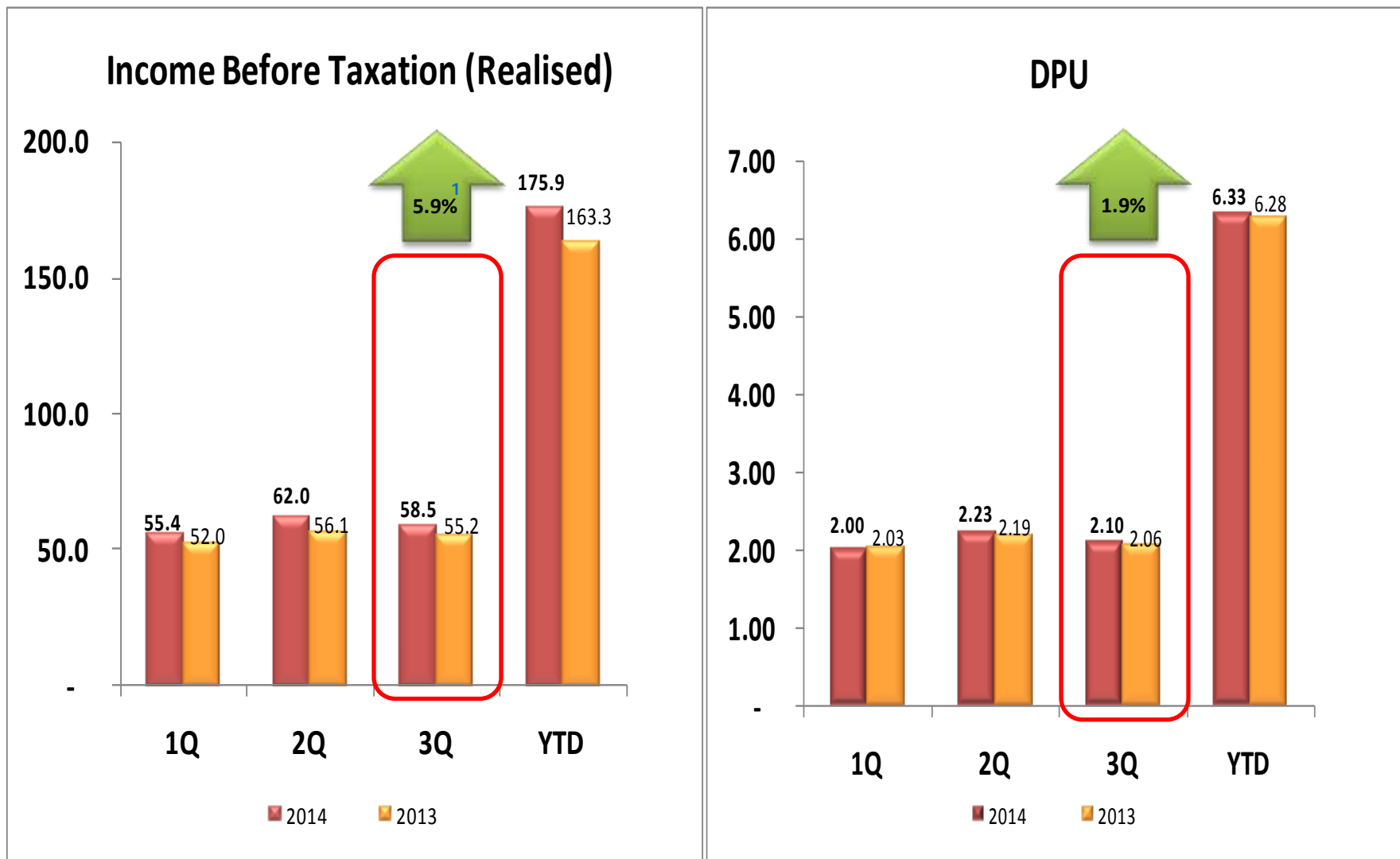
Financial Highlights (Cont'd)



¹ Gross revenue increased by 1.5% or RM1.7m despite loss of income contribution from Sunway Putra Mall which was closed for major refurbishment since May 2013, mainly contributed by better performance from Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall.

² NPI increased by 1.2% contributed by higher revenue as mentioned above.

Financial Highlights (Cont'd)



¹ Income Before Taxation (Realised) increased by 5.9% or RM3.3m mainly due to lower finance costs by RM1.8m resulting from lower amortisation of loan upfront expenses and reduction in underwriting fee for the CP Programme, coupled by higher NPI as mentioned in previous slide.

2. 3Q 2014 Financial Results

Statement of Comprehensive Income – Consolidated



	3Q 2014 RM'000	3Q 2013 RM'000	Change %	YTD 2014 RM'000	YTD 2013 RM'000	Change %
Gross revenue	108,082	106,448	1.5%	318,571	312,040	2.1%
Less : Property operating expenses	(27,459) ¹	(26,779)	-2.5%	(76,417)	(81,368)	6.1%
Net property income	80,623	79,669	1.2%	242,154	230,672	5.0%
Other income	457	385	18.7%	1,643	951	72.8%
Manager's fees	(6,385)	(6,242)	-2.3%	(19,275)	(17,972)	-7.3%
Trustee's fees and other trust expenses	(534) ²	(1,092)	51.1%	(1,425) ²	(2,401)	40.6%
Finance costs	(15,681) ³	(17,500)	10.4%	(47,183)	(47,899)	1.5%
Profit for the period	58,480	55,220	5.9%	175,914	163,351	7.7%
Total comprehensive income for the period comprises the following:						
Realised						
- Initial 8 IPO assets	57,482	48,673	18.1%	169,976	146,661	15.9%
- Sunway Putra Place	(2,406)	4,128	-158.3%	(3,910)	14,297	-127.3%
- SMC	3,386	2,402	41.0%	9,796	2,358	315.4%
Total realised	58,462	55,203	5.9%	175,862	163,316	7.7%
Unrealised	18	17	5.9%	52	35	48.6%
Total net income for the period	58,480	55,220	5.9%	175,914	163,351	7.7%
No. of Units in circulation (million)	2,926	2,917	0.3%	2,926	2,917	0.3%
EPU (sen)						
- realised	2.00	1.98	0.9%	6.02	5.99	0.5%
- unrealised	0.00	0.00	0.0%	0.00	0.00	0.0%
Total EPU	2.00	1.98	0.9%	6.02	5.99	0.5%
Proposed/declared distribution	61,453	57,995	6.0%	185,080	171,921	7.7%
Proposed/declared distribution per unit (sen)	2.10	2.06	1.9%	6.33	6.28	0.8%

¹ 3Q 2014 vs 3Q 2013 – Property operating expenses was higher in 3Q 2014 mainly attributable to higher utilities expenses following the electricity tariff hike and provision for higher assessment for KL properties.

² 3Q 2014 vs 3Q 2013 – In 3Q 2013, Sunway REIT incurred a one-off expense for the acquisition of SMC and private placement amounting to approx RM500k. YTD 3Q 2014 vs YTD 3Q 2013 – Other trust expenses was lower in YTD 3Q 2014 mainly due to lower valuation fees and the reason above.

³ 3Q 2014 vs 3Q 2013 – Finance costs was lower in 3Q 2014 mainly due to lower amortisation of loan upfront expenses and reduction in underwriting fee for the Commercial Papers (CPs) programme following reduction of the CPs programme underwritten limit as part of the active capital management strategies.

Statement of Financial Position – Consolidated



	31.03.14 RM'000	30.06.13 RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,217	1,283
Investment properties	5,252,712	5,184,000
Derivative financial instrument ¹	-	7,540
	5,254,929	5,192,823
Current assets		
Receivables, deposits and prepayments	18,887	18,190
Deposits, cash and bank balances	66,666	58,519
Derivative financial instrument ¹	17,903	-
	103,456	76,709
	5,358,385	5,269,532
EQUITY AND LIABILITIES		
Unitholders' funds		
Unitholders' capital	2,699,596	2,690,002
Undistributed income	811,145	816,467
	3,510,741	3,506,469
Non-current liabilities		
Borrowings ¹	1,000,000	1,317,850
Long term liabilities	56,504	41,956
	1,056,504	1,359,806
Current liabilities		
Borrowings ¹	728,843	314,769
Trade and other payables	62,297	88,488
	791,140	403,257
	5,358,385	5,269,532

¹ Derivative financial instrument and USD term loan were reclassified from non-current to current as the cross currency swap contract and USD term loan will be due for repayment within the next 12 months i.e. Feb 2015.

Debt Profile



	Facility Limit RM'mil	RM'mil
Term Loan	310.8	326.8 ¹
Commercial Papers/Revolving Loans ²	500.0	402.0
Unrated MTNs	1,000.0	1,000.0
Total Gross Borrowings		1,728.8
Discount on Commercial Papers		-
Total Borrowings at carrying amount		1,728.8

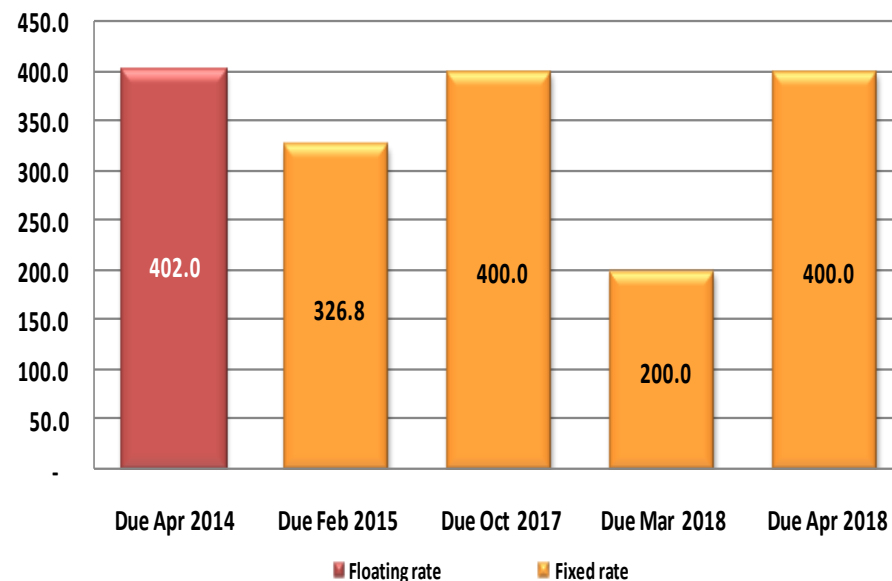
	RM'mil
Classification of Borrowings:	
Current (due within 1 year)	728.8
Non-current (due after 1 year)	1,000.0
Total Gross Borrowings	1,728.8

Average Cost of Debt	3.85%
Average Maturity Period (Years)	2.4
Debt Service Cover Ratio (DSCR)	5.6
Gearing Ratio	32.3%

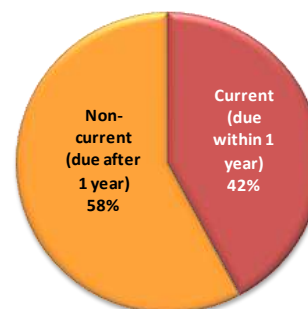
¹ Includes unrealised forex loss of RM16.0 million. This was fully hedged with cross currency swap contract entered on 3 February 2012.

² The current limit of RM500.0 million can be increased to RM1.25 billion up to April 2015 and can subsequently be increased to RM1.60 billion up to expiry of the programme in April 2019.

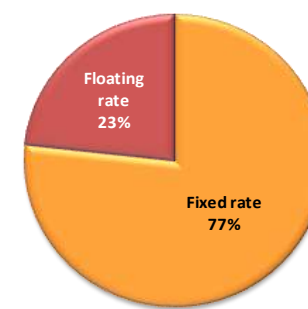
Loan Maturity Profile (RM'mil)



Classification of Borrowings



Fixed versus Floating rate mix

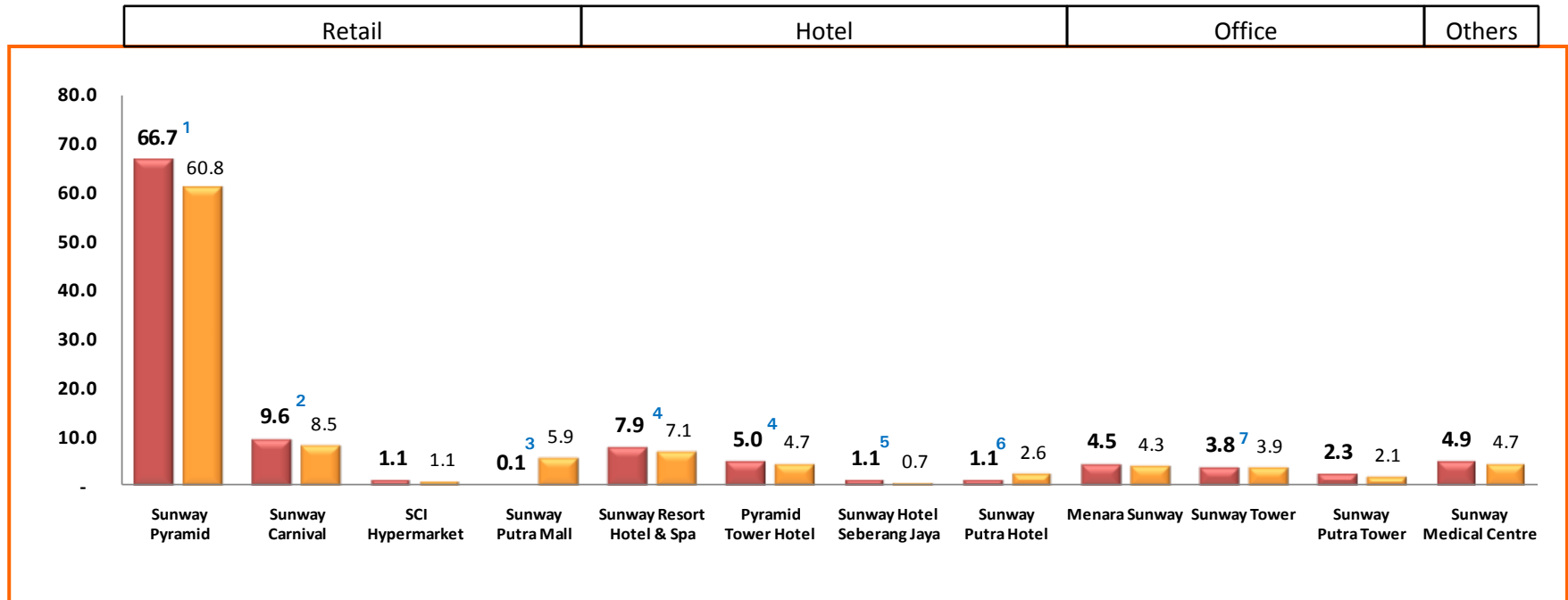


3. 3Q 2014 Portfolio Performance

3Q 2014 Revenue Contribution



	3Q 2014 (RM'mil)	108.1
	3Q 2013 (RM'mil)	106.4

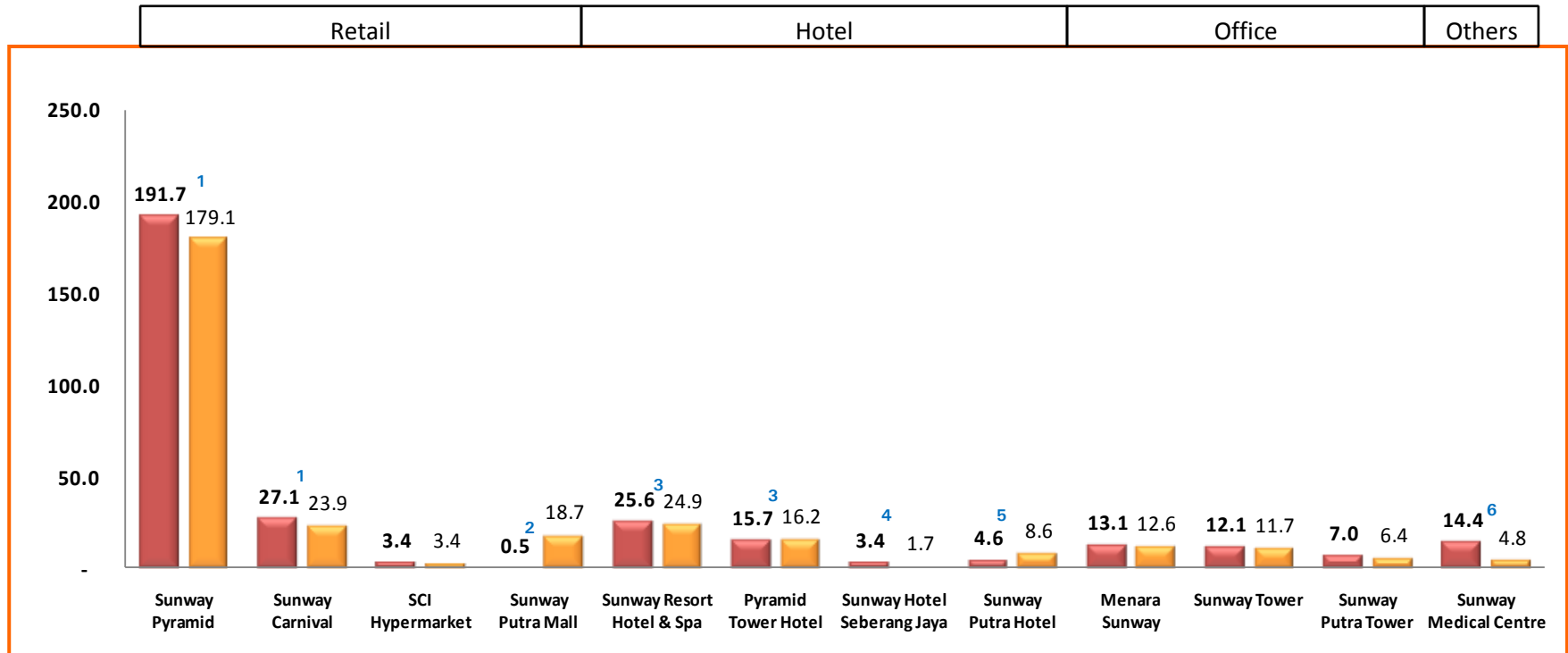


- ¹ Sunway Pyramid – Higher gross revenue primarily attributable to higher overall average rental rate (ARR) resulting from renewal/new tenancies whereby 941,347 sq.ft. was renewed/replaced with a double digit rental reversion for a 3-year term and additional income due to opening of Oasis Boulevard 5 (OB5) in 2Q 2014.
- ² Sunway Carnival – Higher gross revenue mainly due to higher ARR resulting from a double digit rental reversion for a 3-year term.
- ³ Sunway Putra Mall – Closed for major refurbishment since May 2013.
- ⁴ Sunway Resort Hotel & Spa and Pyramid Tower Hotel – Both Sunway Resort Hotel & Spa and Pyramid Tower Hotel, which are located in Sunway Resort City, collectively contributed higher revenue by 9.1% or RM1.1 mil for the current quarter mainly due to improvement in the average occupancy rate and revenue per available room (revpar). Sunway Resort Hotel & Spa's occupancy rate improved to 82.1% in 3Q 2014 compared to 69.5% in 3Q 2013 meanwhile Pyramid Tower's occupancy rate increased to 82.8% in 3Q 2014 compared to 75.8% in 3Q 2013 mainly due to the recovery in business of the hotels' clientele from the electrical and electronics (E&E) sector as well as contribution from other corporate and MICE business supported by tactical promotional activities undertaken.
- ⁵ Sunway Hotel Seberang Jaya – Completed major refurbishment in May 2013. Average occupancy improved to 63.2% for 3Q 2014 compared to 44.8% in 3Q 2013.
- ⁶ Sunway Putra Hotel – Adversely affected by the ongoing major refurbishment works at the adjoining Sunway Putra Mall since May 2013 and the hotel's own refurbishment. Occupancy for 3Q 2014 slipped to 36.1% compared to 57.9% in the preceding year corresponding quarter.
- ⁷ Sunway Tower - Sunway Tower registered marginally lower gross revenue due to marginal drop in average occupancy rate from 81.8% for 3Q 2013 to 80.5% for 3Q 2014.

YTD 3Q 2014 Revenue Contribution



■ YTD 3Q 2014 (RM'mil)	318.6
■ YTD 3Q 2013 (RM'mil)	312.0

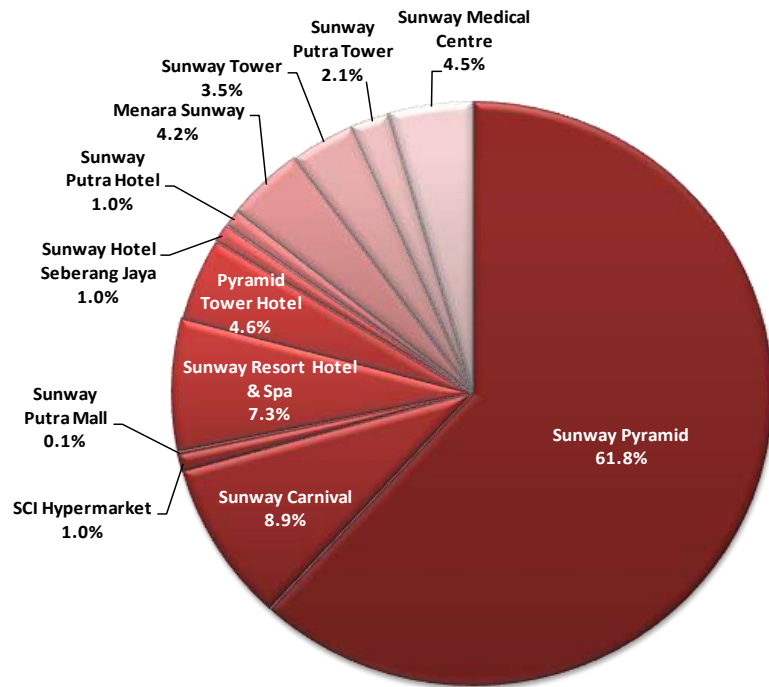


- ¹ Sunway Pyramid and Sunway Carnival - Higher overall average rental rate (ARR) due to rental reversion exercise as mentioned in the previous slide.
- ² Sunway Putra Mall – Closed for major refurbishment since May 2013.
- ³ Sunway Resort Hotel & Spa and Pyramid Tower Hotel - Both Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower Hotel (PTH) experienced weaker performance in 1Q 2014 primarily attributable to slower macro environment in the electrical and electronics (E&E) sector which these hotels predominantly served. Subsequent to the recovery in business of the hotels' clientele from the electrical and electronics (E&E) sector as well as contribution from other corporate and MICE business supported by tactical promotional activities undertaken, the YTD 3Q 2014 performance of SRHS has improved by 2.4% or RM0.6 million compared to YTD 3Q 2013 and PTH managed to partially recover from its sluggish performance experienced in 1st half FYE 2014 with better performance in 3Q 2014. PTH's revenue for YTD 3Q 2014 was lower by 3.0% or RM0.5 million compared to YTD 3Q 2013 but improved from shortfall of 7.1% or RM0.8 million recorded for YTD 2Q 2014 compared to YTD 2Q 2013.
- ⁴ Sunway Hotel Seberang Jaya – Recorded almost two fold increase in revenue for YTD 3Q 2014 following completion of the major refurbishment as explained in the previous slide.
- ⁵ Sunway Putra Hotel – Adversely affected by the major refurbishment works as explained in the previous slide.
- ⁶ SMC - Acquired by Sunway REIT on 31 December 2012.

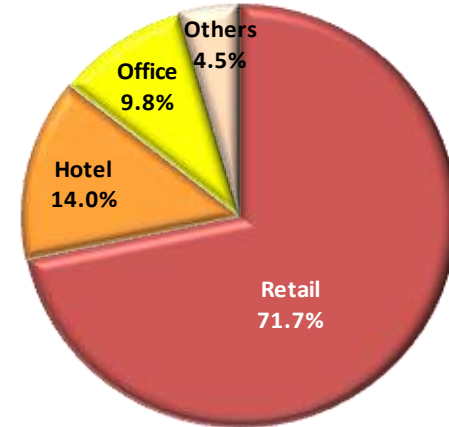
3Q 2014 Revenue Contribution



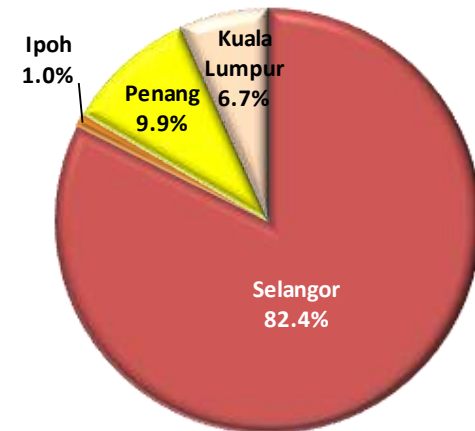
By property



By sector



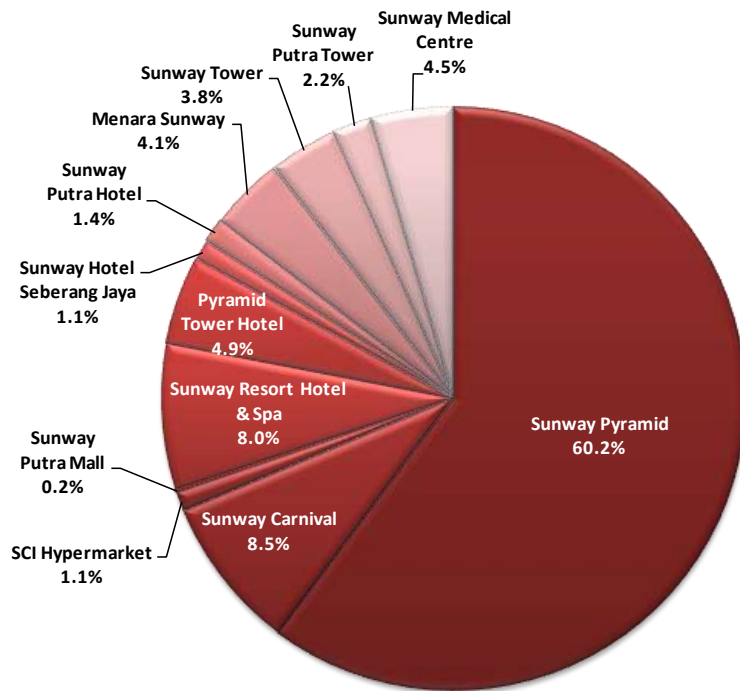
By location



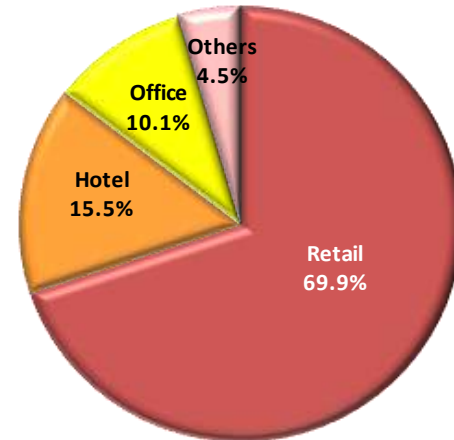
YTD 3Q 2014 Revenue Contribution



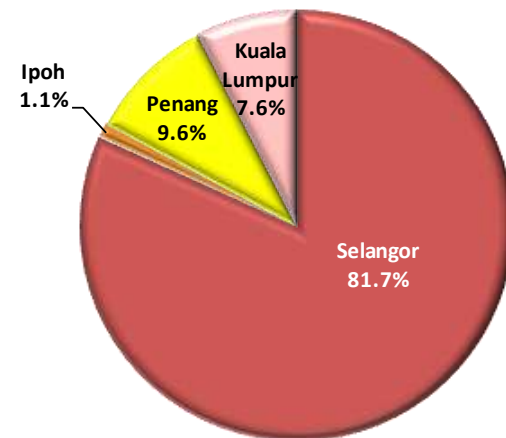
By property



By sector



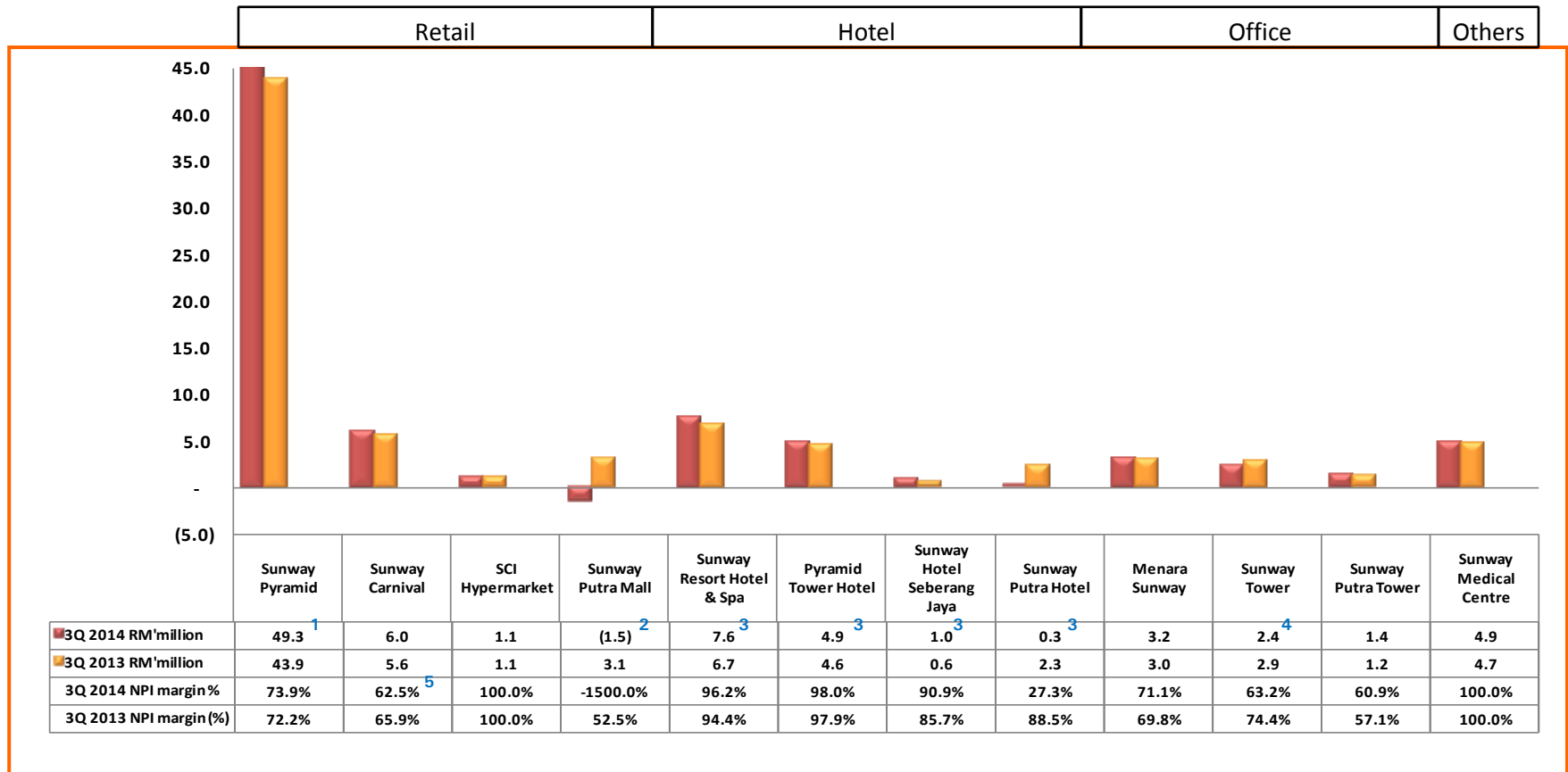
By location



3Q 2014 NPI Contribution



	<u>NPI</u>	<u>Margin</u>
3Q 2014 (RM'mil)	80.6	74.6%
3Q 2013 (RM'mil)	79.7	74.9%



¹ Sunway Pyramid – Higher NPI mainly attributable to increase in revenue as explained in slide 15.

² Sunway Putra Mall – Net property loss mainly due to quit rent, assessment, insurance and fixed staff costs.

³ Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya and Sunway Putra Hotel – As explained in Slide 15.

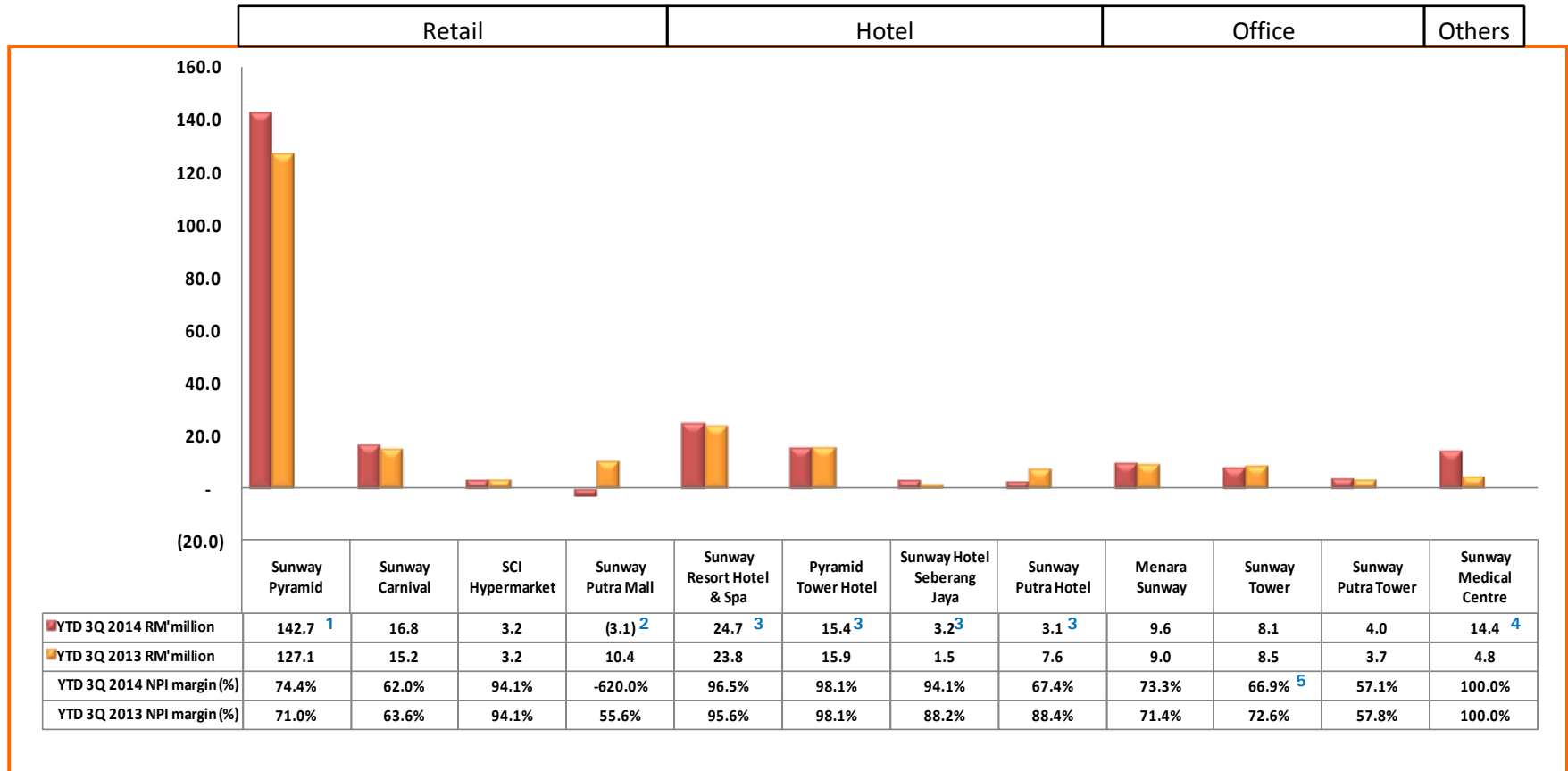
⁴ Sunway Tower – Lower NPI mainly attributable to higher utilities expenses following the electricity tariff hike and higher general building upkeep expenses.

⁵ Sunway Carnival – Lower NPI margin due to higher utilities expenses following the electricity tariff and higher advertising and promotion expenses.

YTD 3Q 2014 NPI Contribution



	NPI	Margin
YTD 3Q 2014 (RM'mil)	242.1	76.0%
YTD 3Q 2013 (RM'mil)	230.7	73.9%



¹ Sunway Pyramid – Higher NPI YTD 3Q 2014 attributable to increase in revenue coupled with lower utilities expense in the first half FYE 2014 (prior to the tariff hike in January 2014) arising from energy savings upon completion of chiller retrofit exercise in 4Q 2013 and lower provision for doubtful debts.

² Sunway Putra Mall – Net property loss mainly due to quit rent, assessment, insurance and fixed staff costs.

³ Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya and Sunway Putra Hotel – As explained in Slide 16.

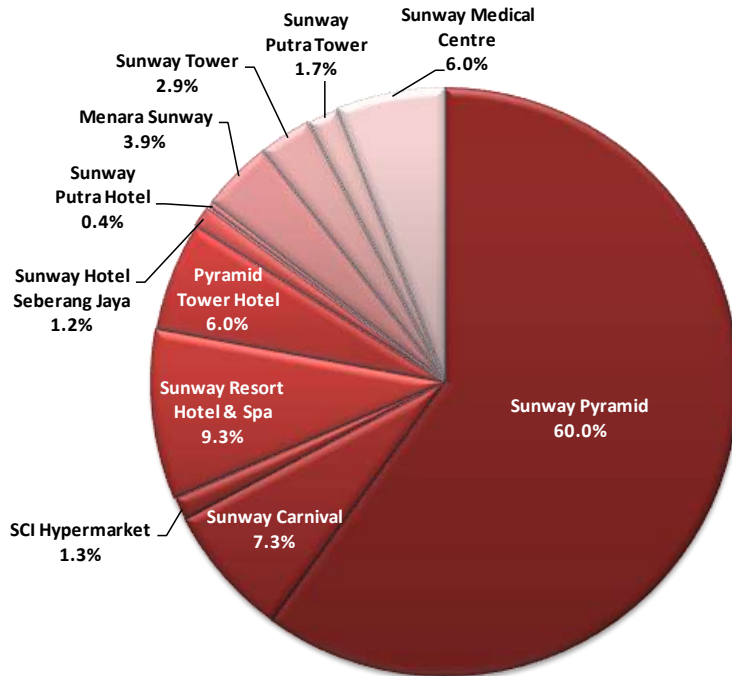
⁴ SMC - Acquired by Sunway REIT on 31 December 2012.

⁵ Sunway Tower – Lower NPI margin as explained in the previous slide.

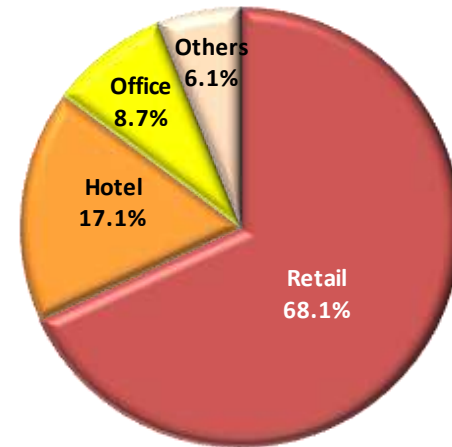
3Q 2014 NPI Contribution



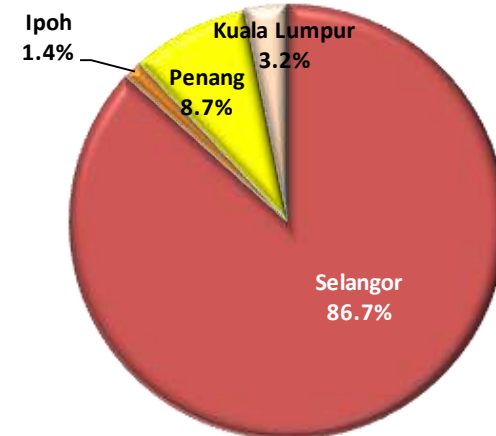
By property



By sector



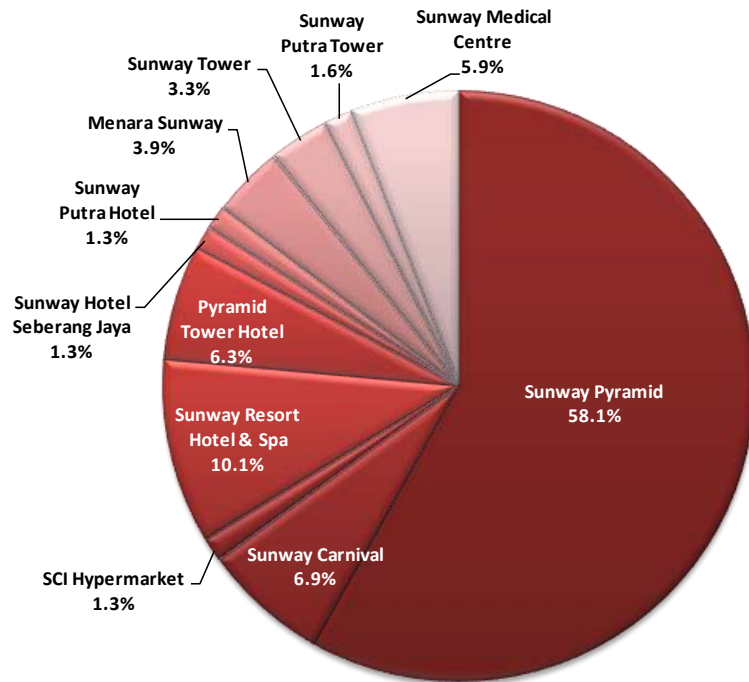
By location



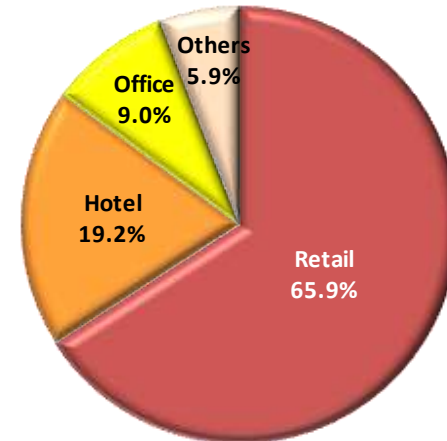
YTD 3Q 2014 NPI Contribution



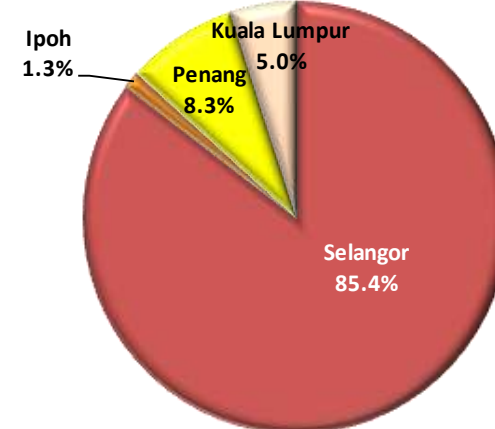
By property



By sector



By location



RESILIENT INCOME STREAM

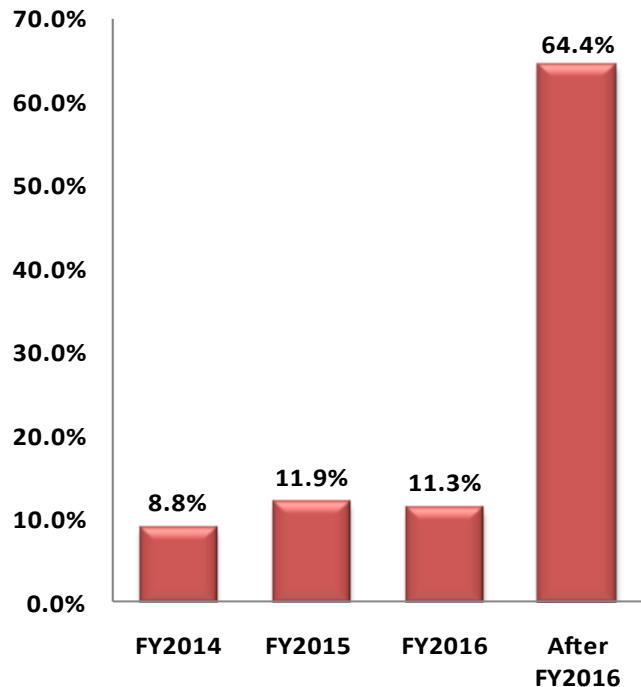


Well spread-out lease expiry profile and diverse tenant base

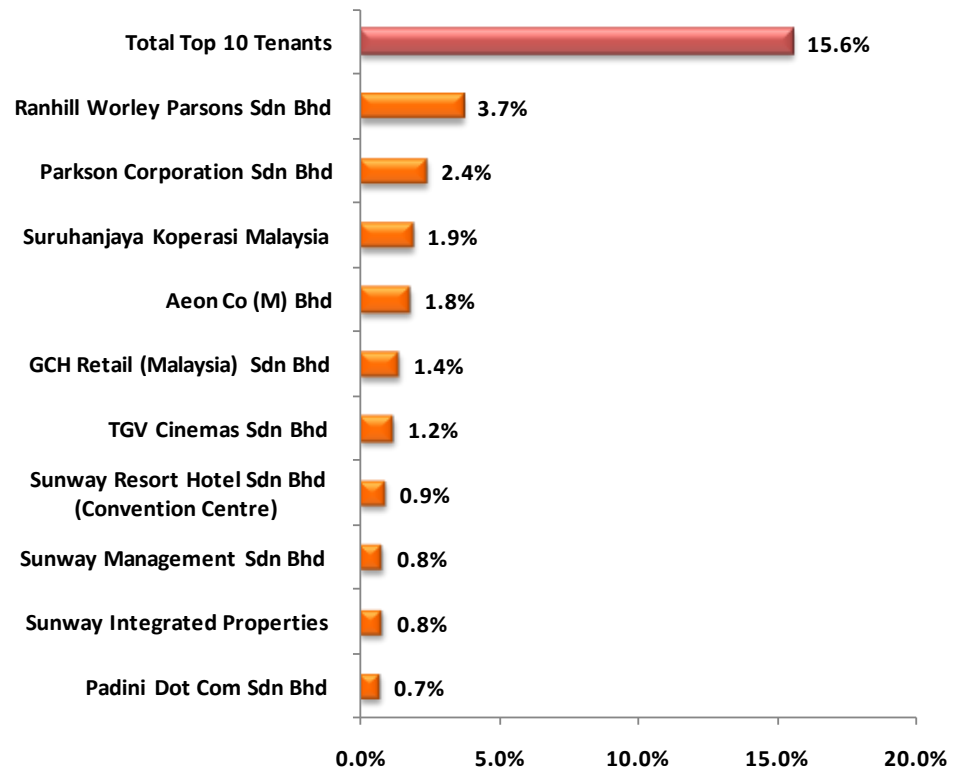
WALE ¹ as at 31 March 2014– 2.6 years

Top 10 tenants comprise approximately 15.6%

Projected tenancy expiry of portfolio ²



Top 10 tenants



¹ Calculated based on gross rental income.

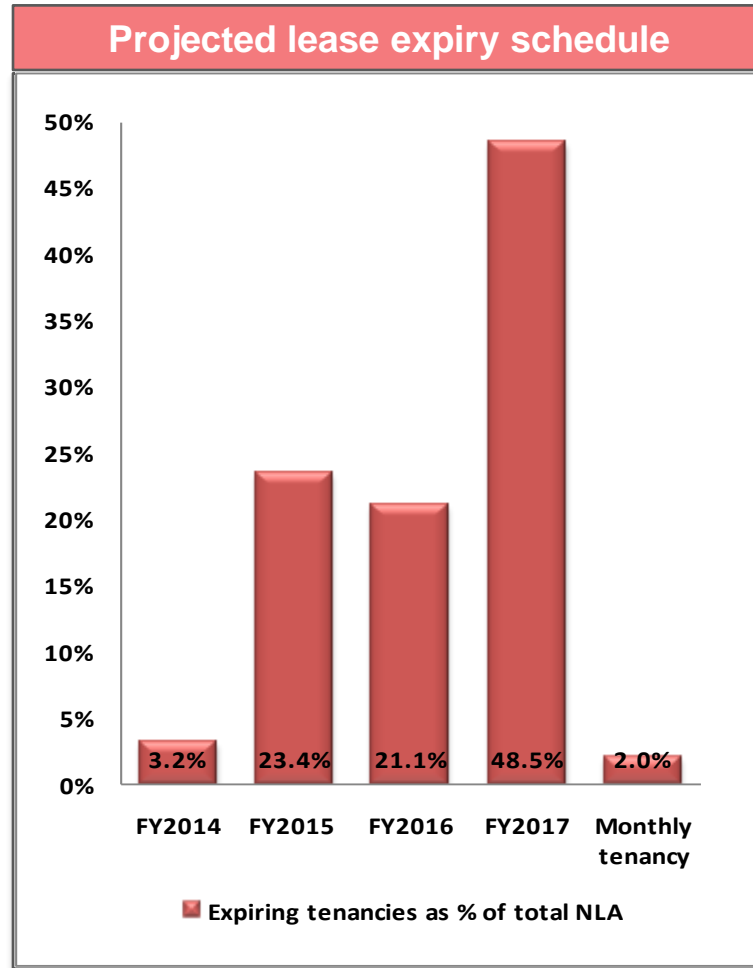
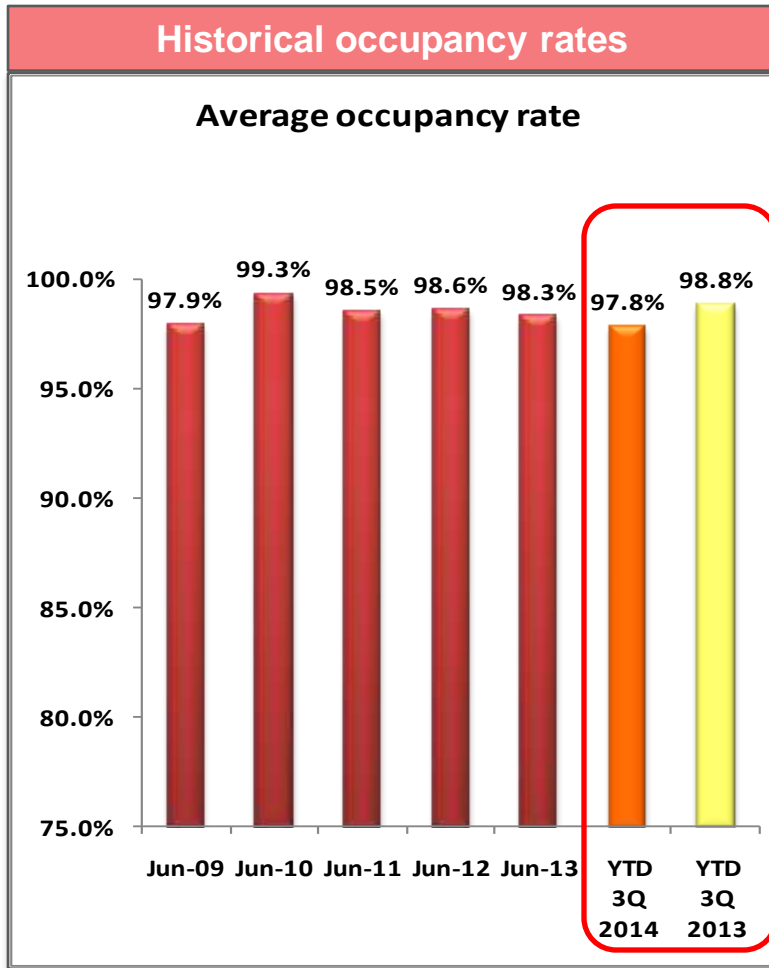
² Calculated using NLA for the Retail and Office Properties and GFA for the Hotel and Hospital Properties.
(NLA for Sunway Putra Mall has been excluded as the mall is closed for major refurbishment.)

Note: Based on gross rental income for the month of March 2014.
(Exclude Hotel Master Leases, Hospital Master Lease and car park tenancies.)

4. 3Q 2014 Property Performance

RETAIL PROPERTIES

SUNWAY PYRAMID SHOPPING MALL



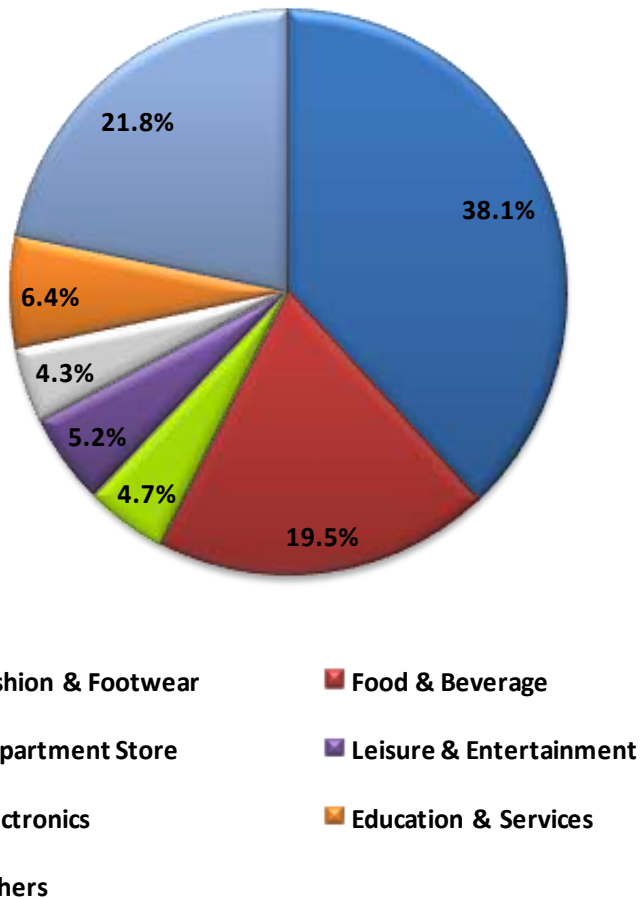
Note: Lower occupancy rate for YTD 3Q 2014 (97.8%) compared to YTD 3Q 2013 (98.8%) was mainly due to the reconfiguration work for an existing area of 23,432 sq.ft. under Oasis Boulevard 5 Project which commenced in April 2013 (4Q 2013) was only completed in 2Q 2014.

RETAIL PROPERTIES

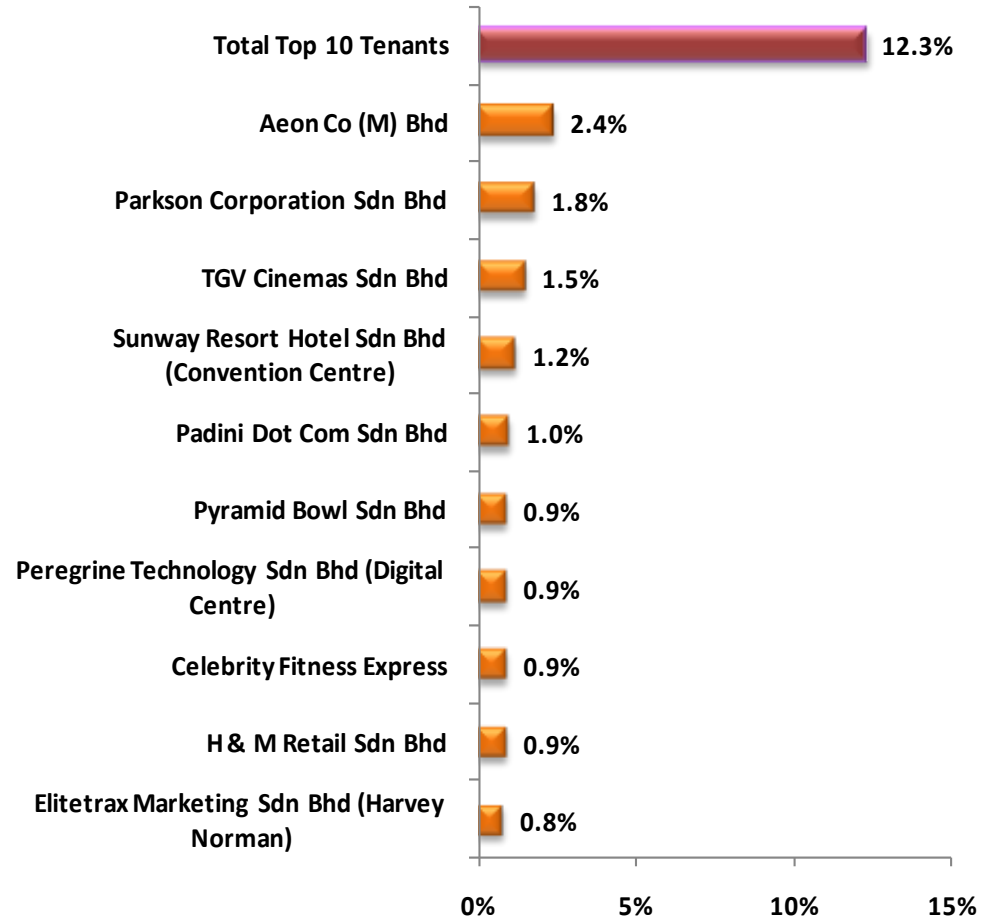


SUNWAY PYRAMID SHOPPING MALL (Cont'd)

Tenant mix



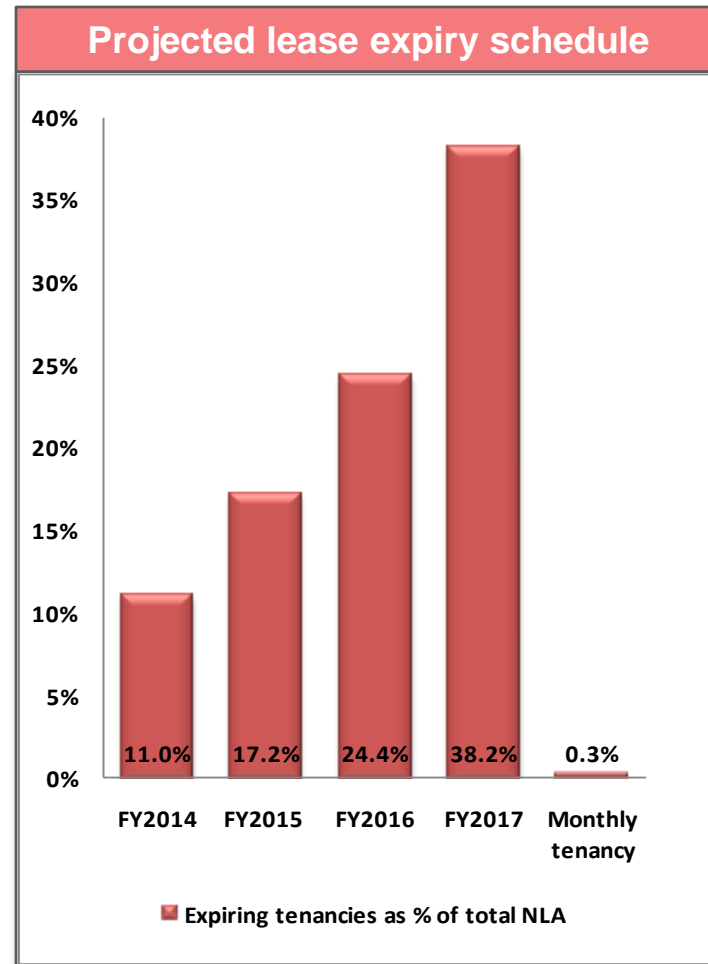
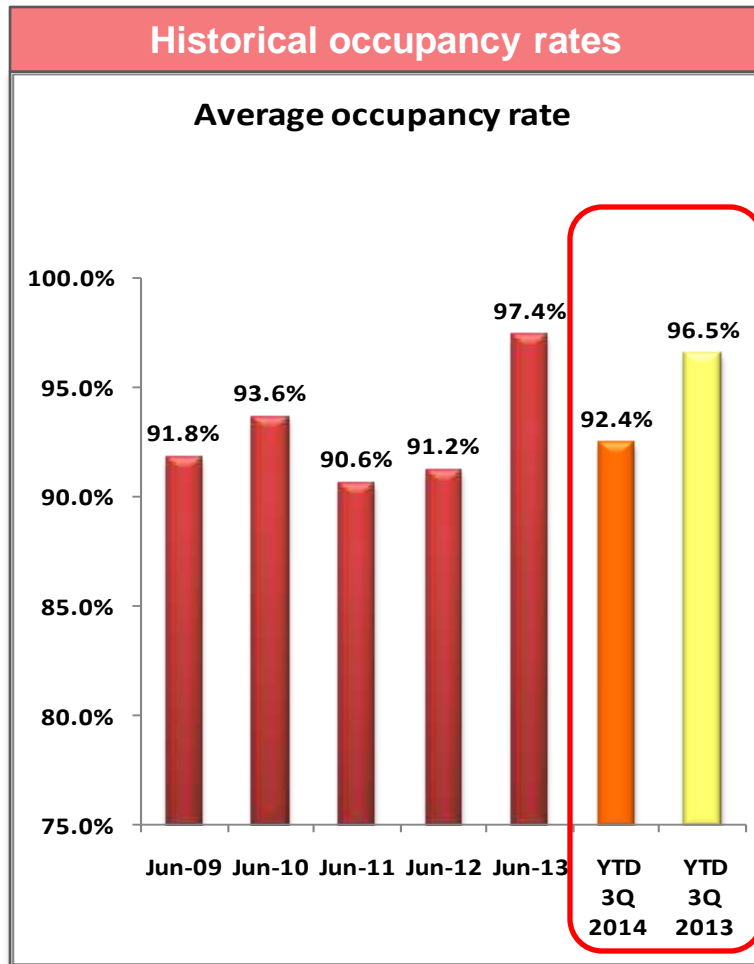
Top 10 tenants



Note: Based on gross rental income for the month of March 2014

RETAIL PROPERTIES

SUNWAY CARNIVAL SHOPPING MALL



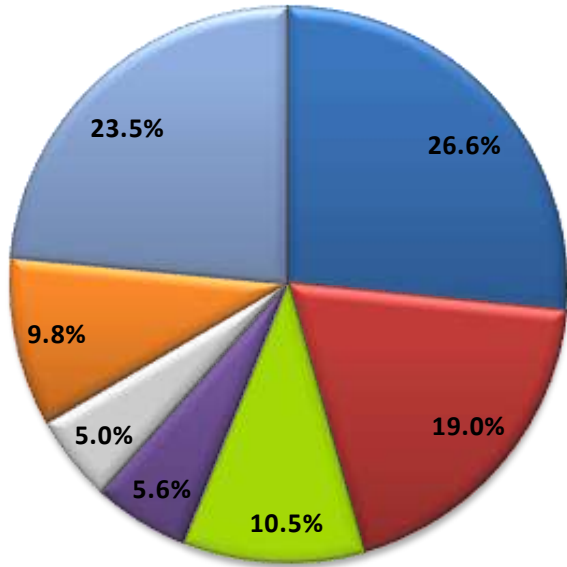
Note: Lower occupancy rate for YTD 3Q 2014 (92.4%) compared to YTD 3Q 2013 (96.5%) was mainly due to non-renewal by a tenant in June 2013 with NLA of 39,676 sq. ft. This space will be occupied by a new tenant effective July 2014.

RETAIL PROPERTIES



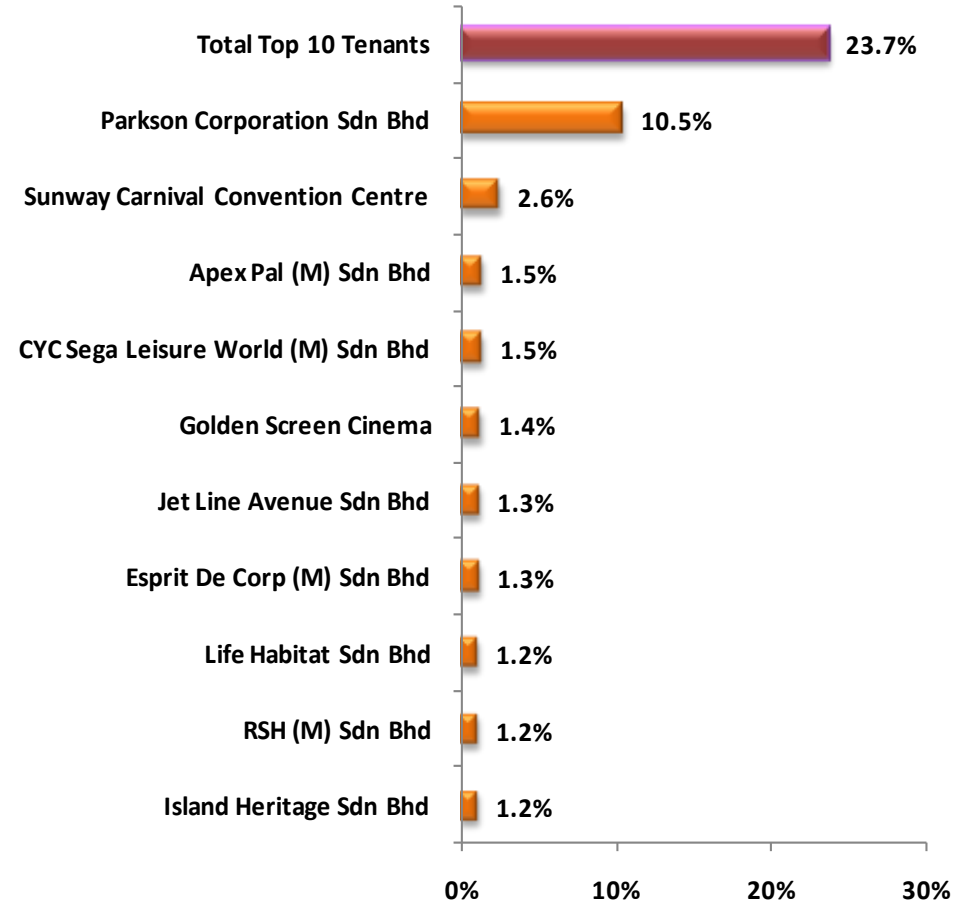
SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

Tenant mix



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

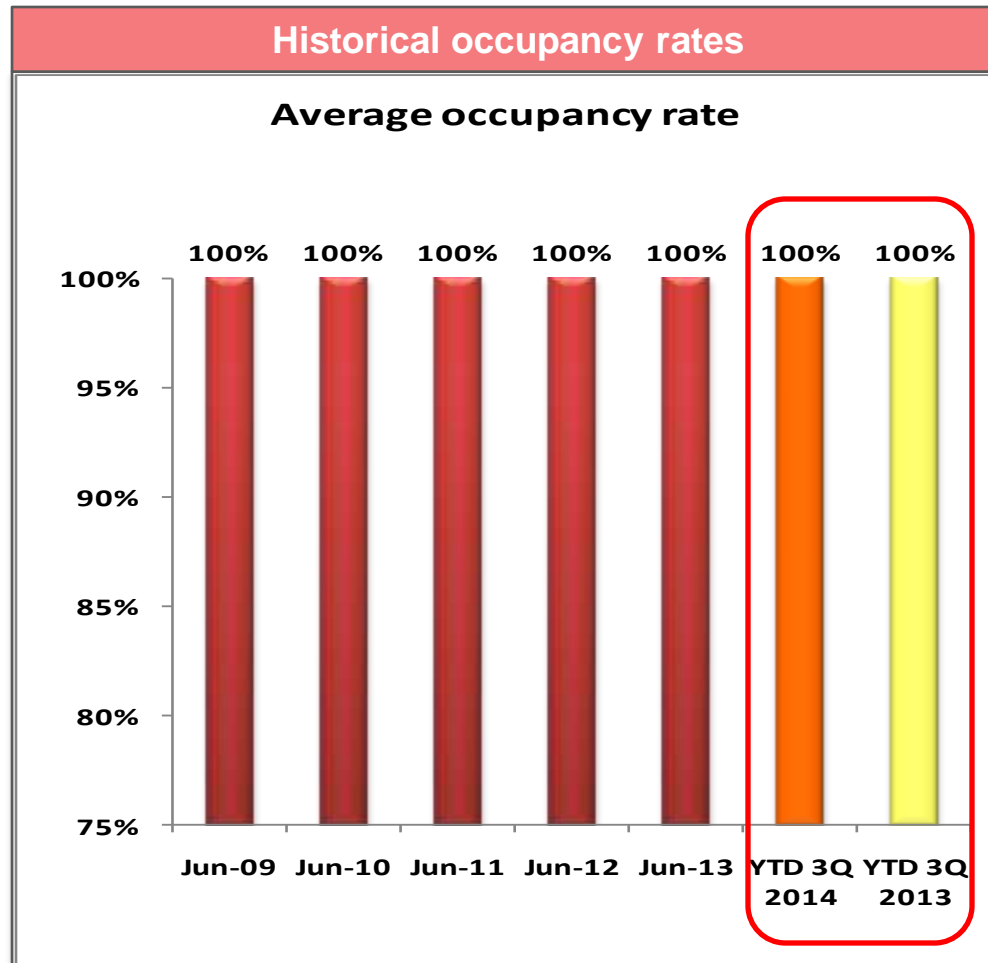
Top 10 tenants



Note: Based on gross rental income for the month of March 2014

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 in Malaysia, Singapore, Indonesia and Brunei Darulsalam. The tenancy is expiring in FYE 2014 with an option to renew for another term of 3 years by the tenant at a predetermined rental reversion rate.

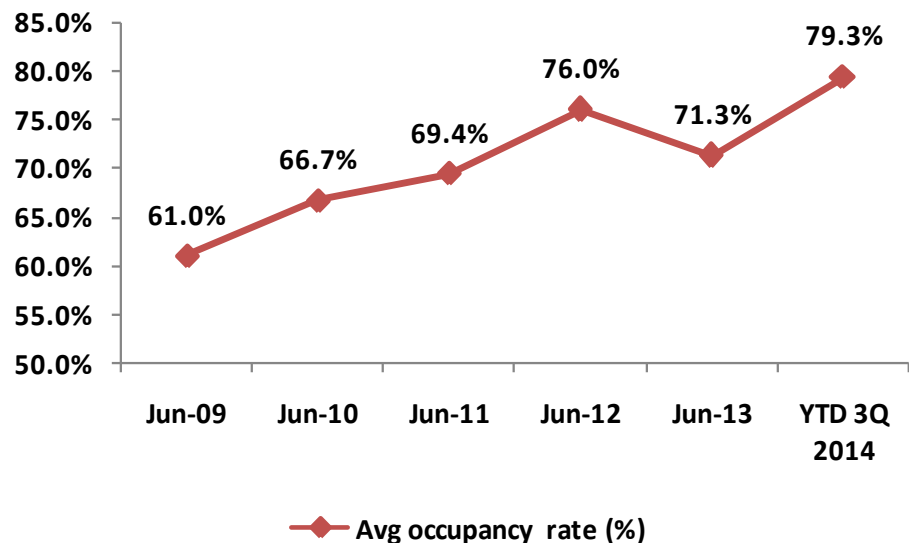
HOSPITALITY PROPERTIES

SUNWAY RESORT HOTEL & SPA

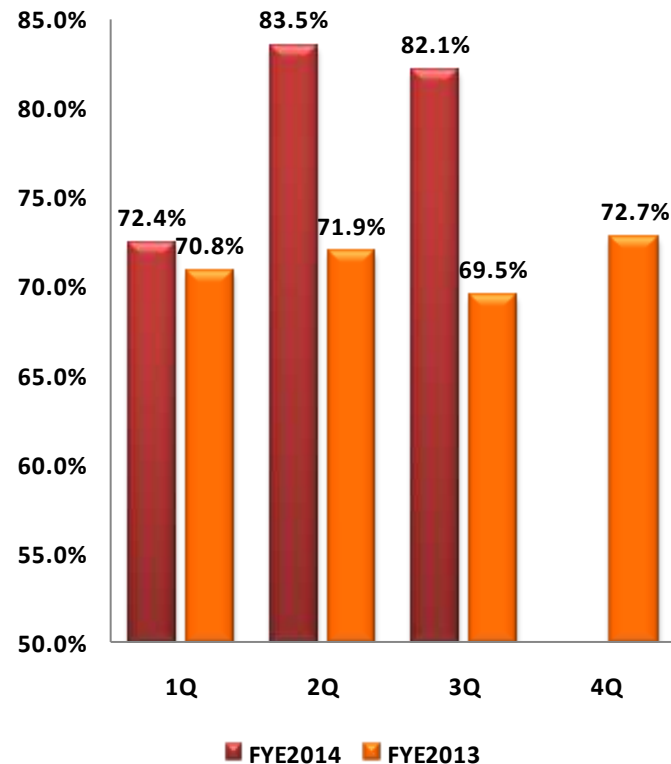


Historical occupancy rate (Q on Q)

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

Corporate	73.9%
Leisure	26.1%

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

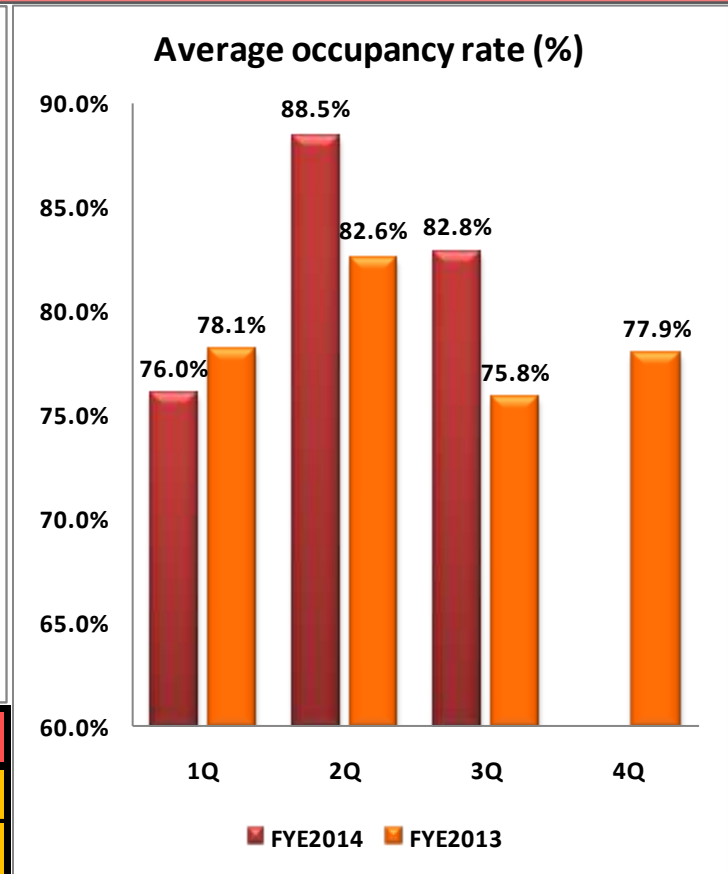
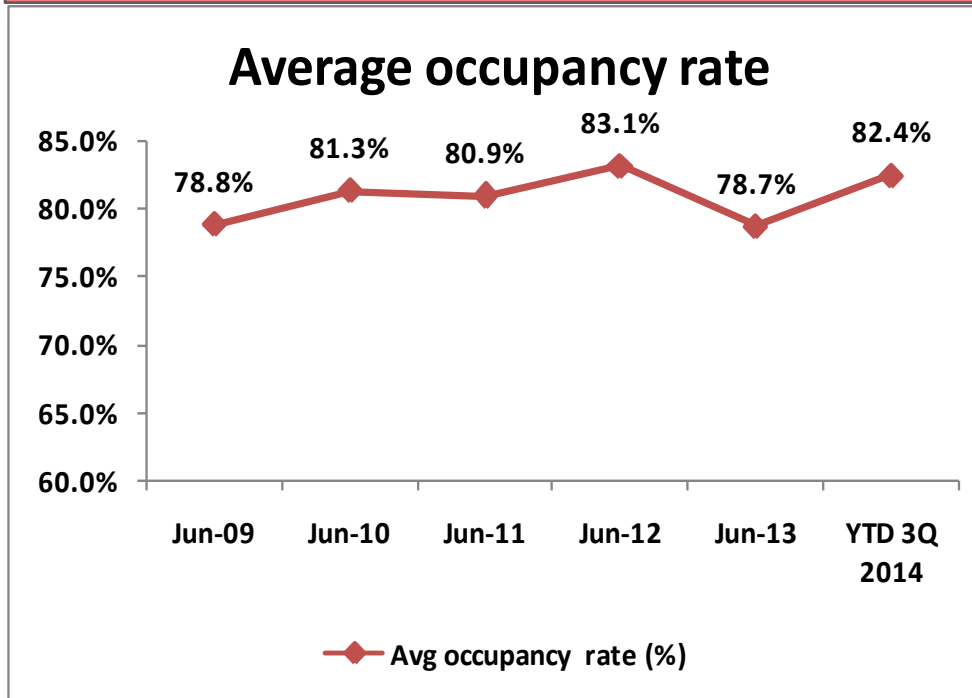
Note 2: Sunway Resort Hotel & Spa registered significant improvement in Revpar and also average occupancy rate (82.1% in 3Q 2014 compared to 69.5% in 3Q 2013). This is due to the recovery in the hotels' major clientele from the electrical and electronics (E&E) Sector as well as other corporate and MICE business supported by aggressive tactical promotional activities undertaken.

HOSPITALITY PROPERTIES

PYRAMID TOWER HOTEL



Historical occupancy rate (Q on Q)



Customer contribution (Room revenue)

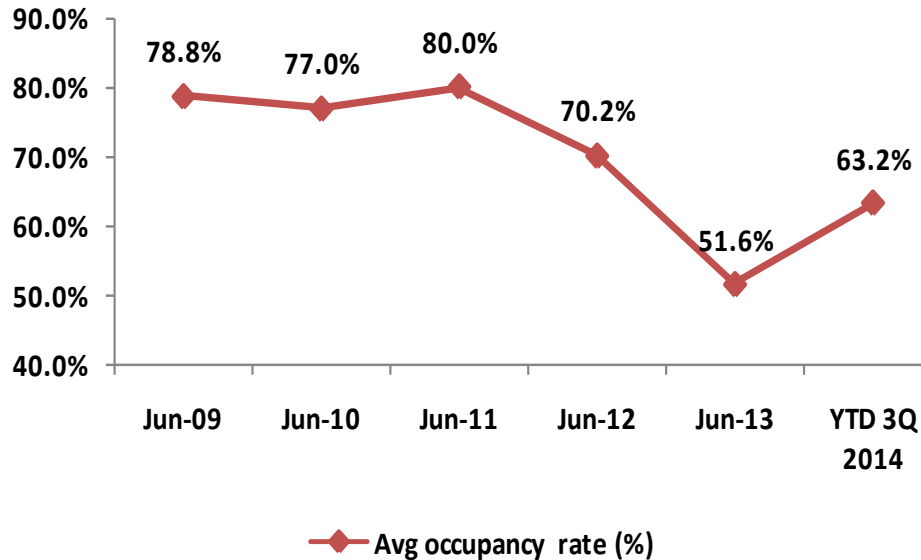
Corporate	82.4%
Leisure	17.6%

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

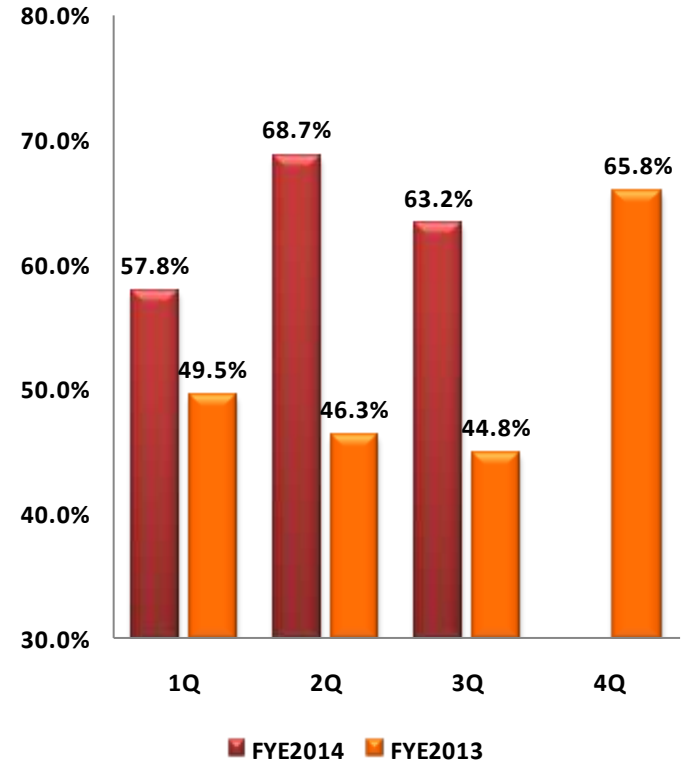
Note 2: Revpar and average occupancy rate (82.8% in 3Q 2014 compared to 75.8% in 3Q 2013) of Pyramid Tower Hotel has improved as a result of recovery in the E&E Sector and other corporate and MICE business supported by similar tactical promotional activities as Sunway Resort Hotel & Spa.

Historical occupancy rate (Q on Q)

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

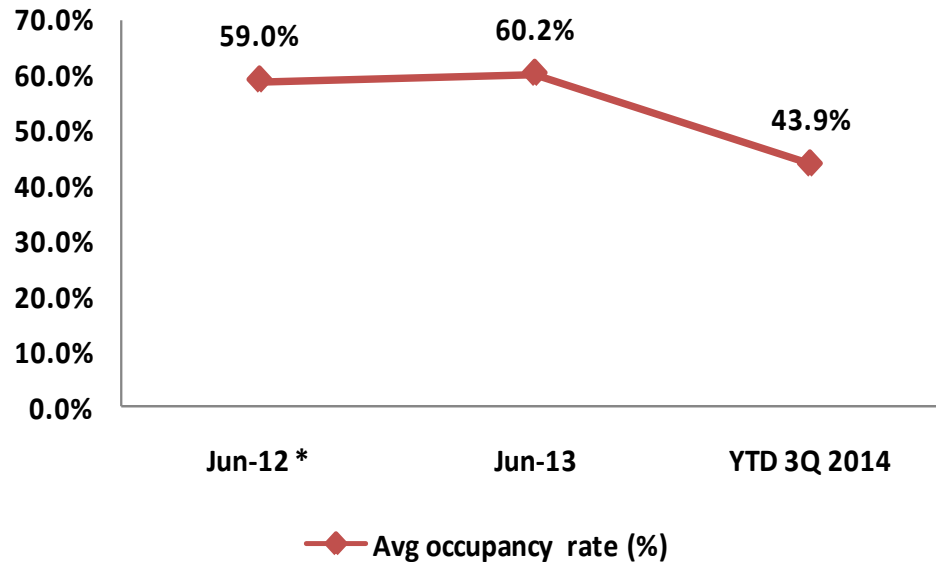
Corporate	92.8%
Leisure	7.2%

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

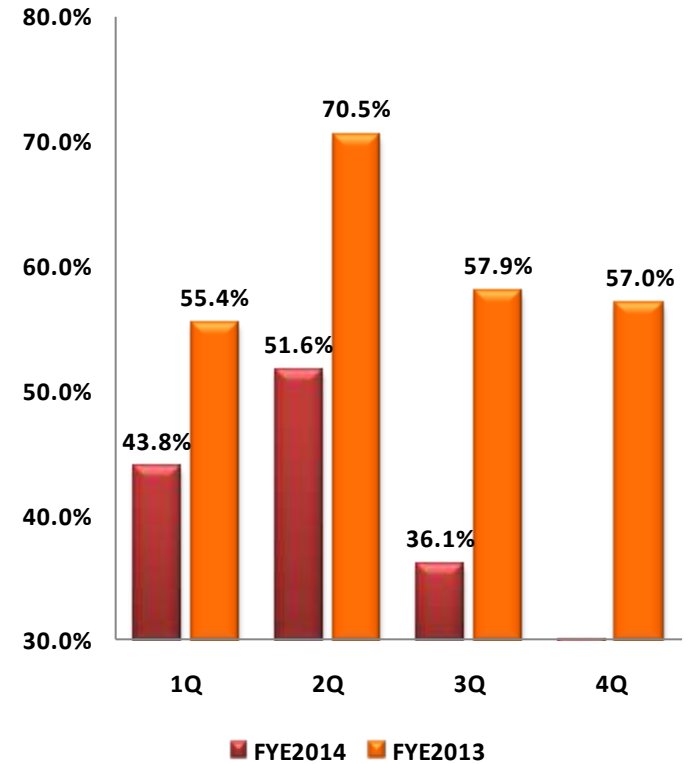
Note 2: Higher occupancy for current quarter (3Q 2014) compared to 3Q 2013 following the completion of the major refurbishment in 4Q 2013.

Historical occupancy rate (Q on Q)

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

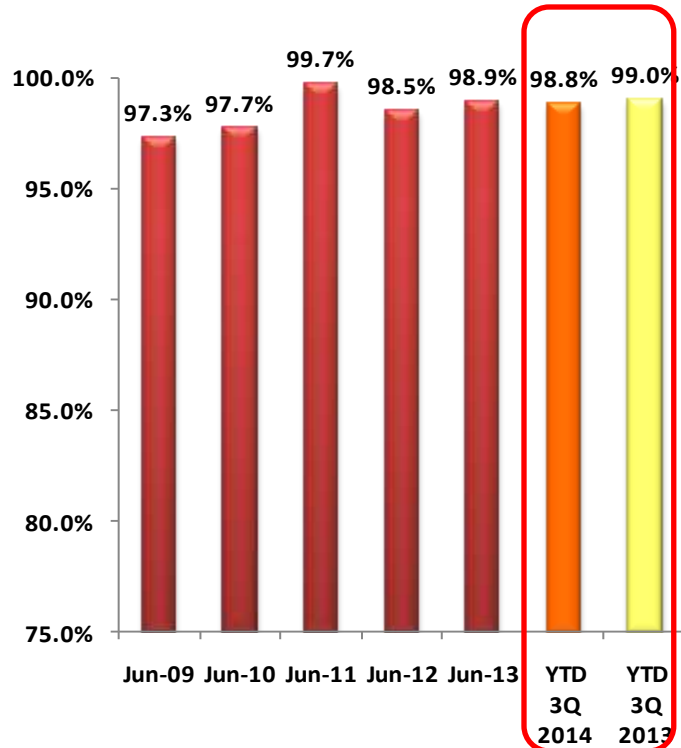
Corporate	78.1%
Leisure	21.9%

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

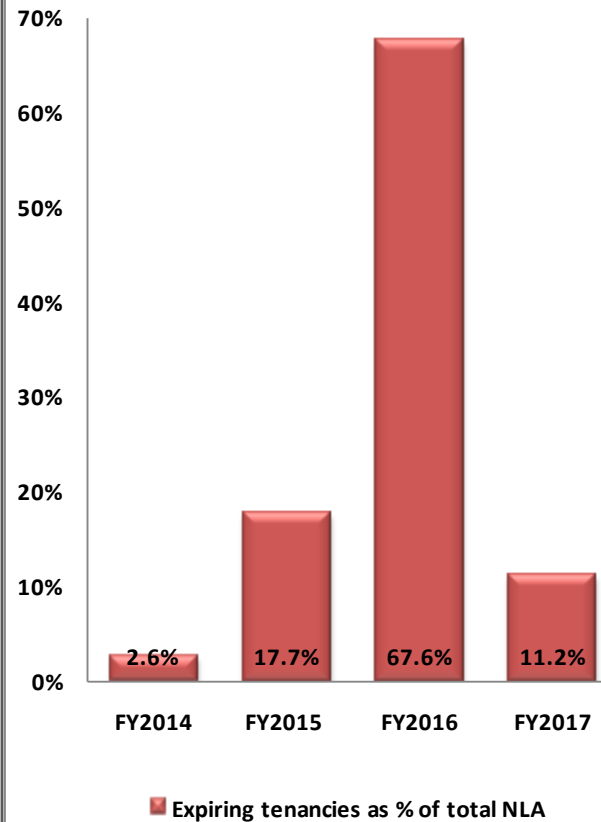
Note 2: The occupancy rate dropped significantly mainly due to the adverse impact of the ongoing refurbishment of the adjoining Sunway Putra Mall and the hotel's own refurbishment. Poor performance is expected to continue for the remaining financial period.

Historical occupancy rates

Average occupancy rate



Projected lease expiry schedule

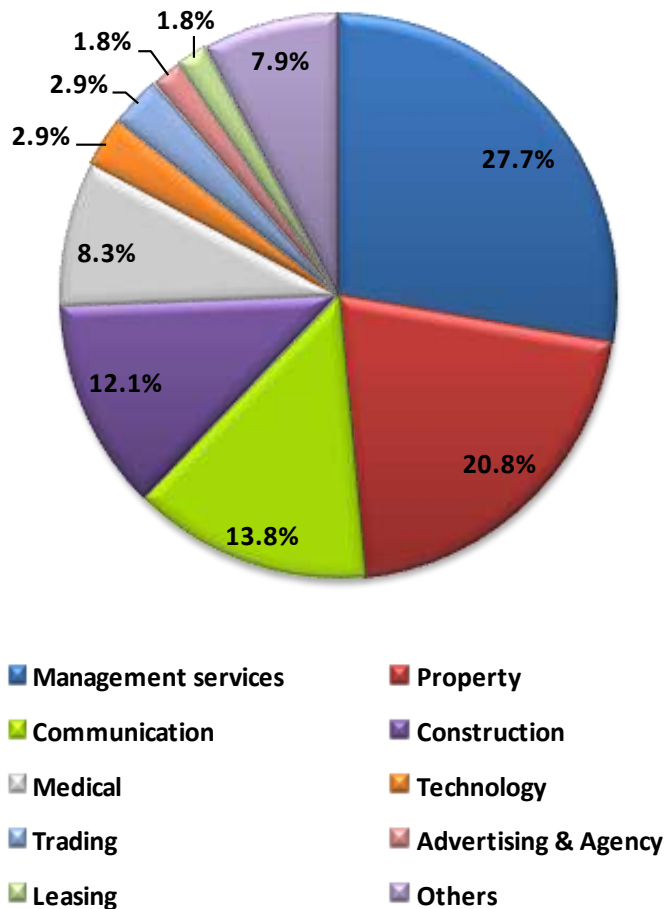


OFFICE PROPERTIES

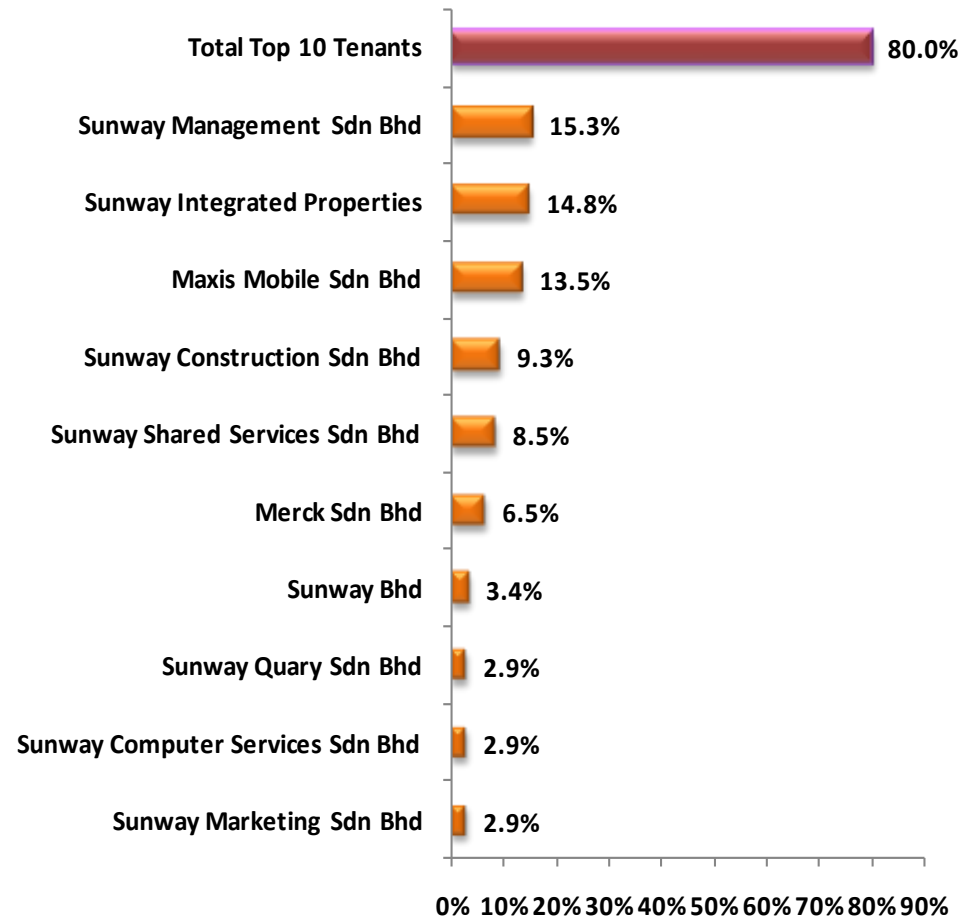
MENARA SUNWAY (Cont'd)



Tenant mix



Top 10 tenants



Note: Based on gross rental income for the month of March 2014

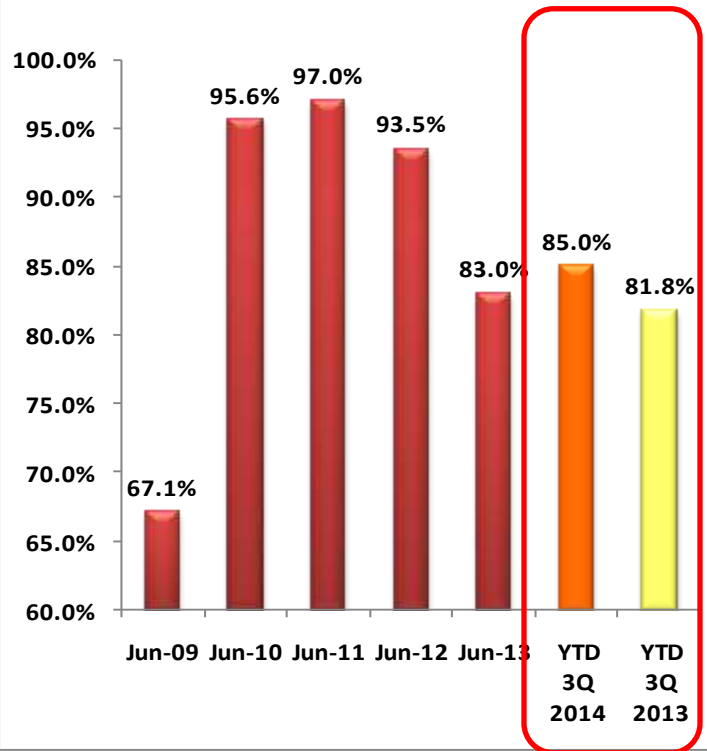
OFFICE PROPERTIES

SUNWAY TOWER

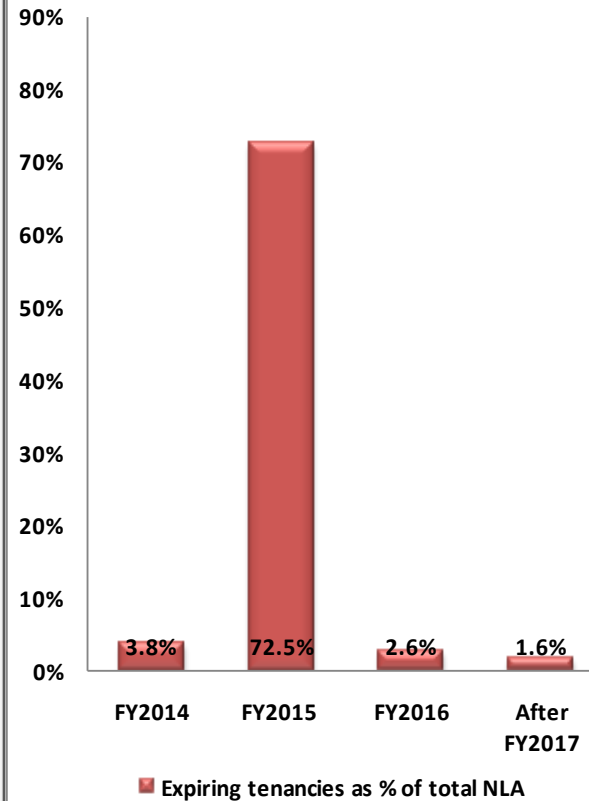


Historical occupancy rates

Average occupancy rate



Projected lease expiry schedule

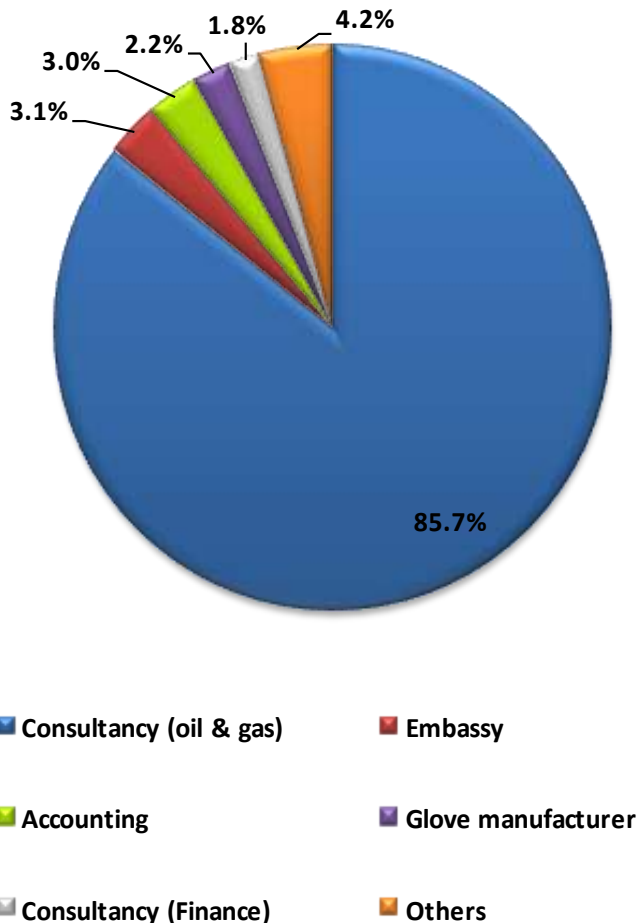


OFFICE PROPERTIES

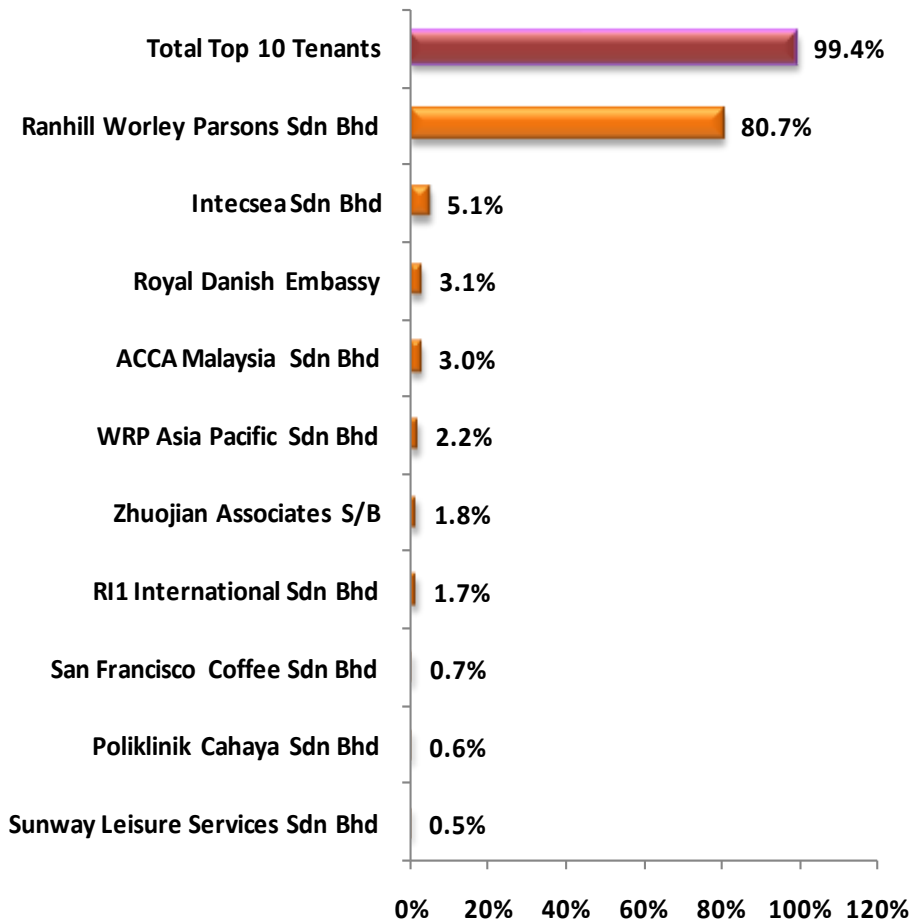
SUNWAY TOWER (Cont'd)



Tenant mix



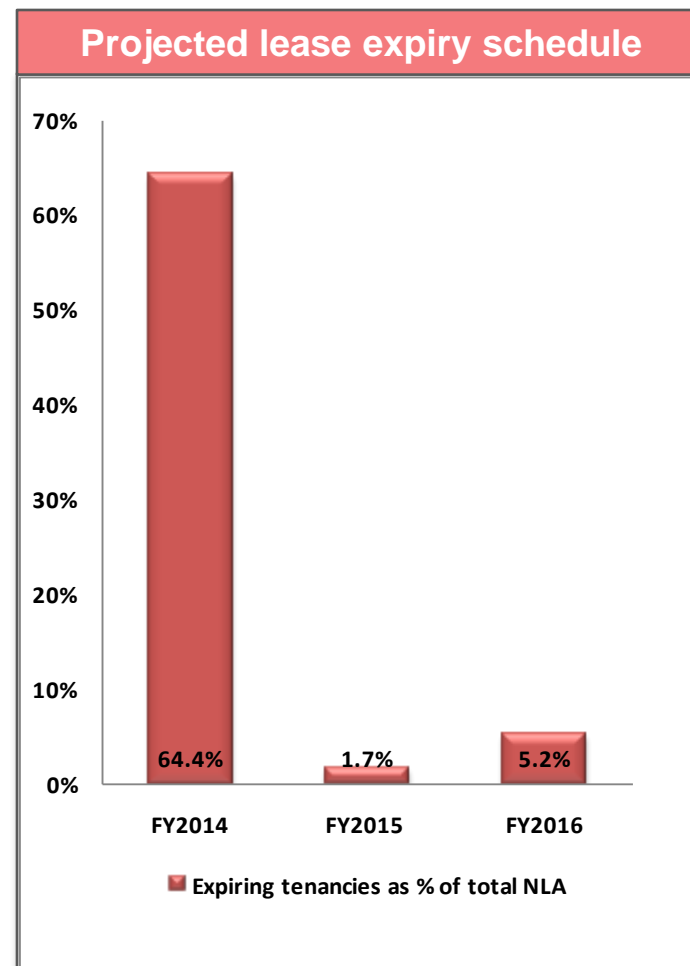
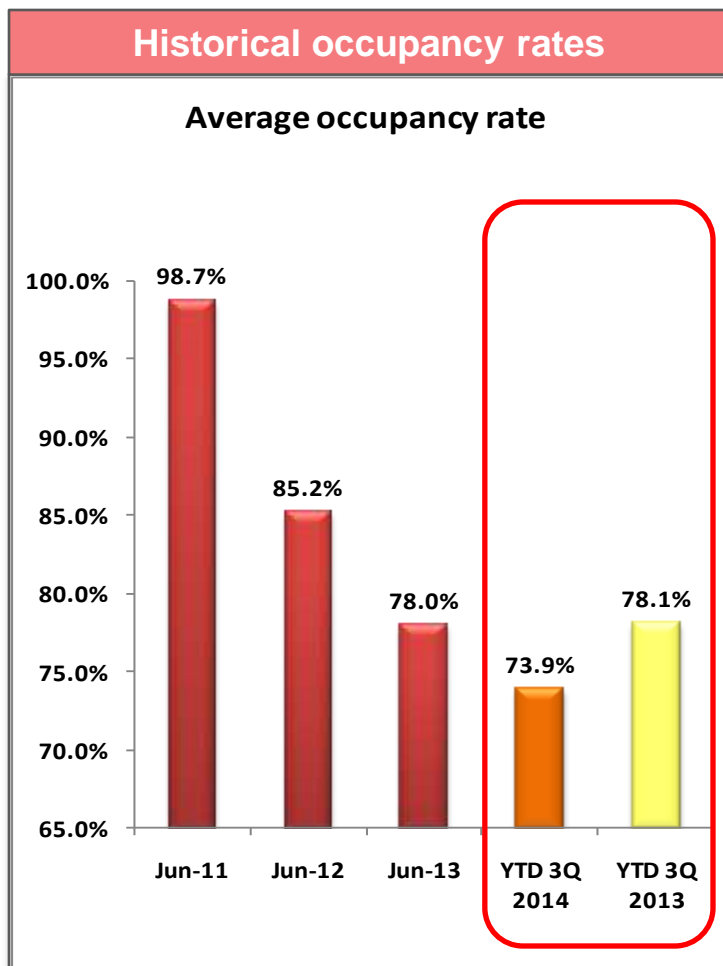
Top 10 tenants



Note: Based on gross rental income for the month of March 2014

OFFICE PROPERTIES

SUNWAY PUTRA TOWER



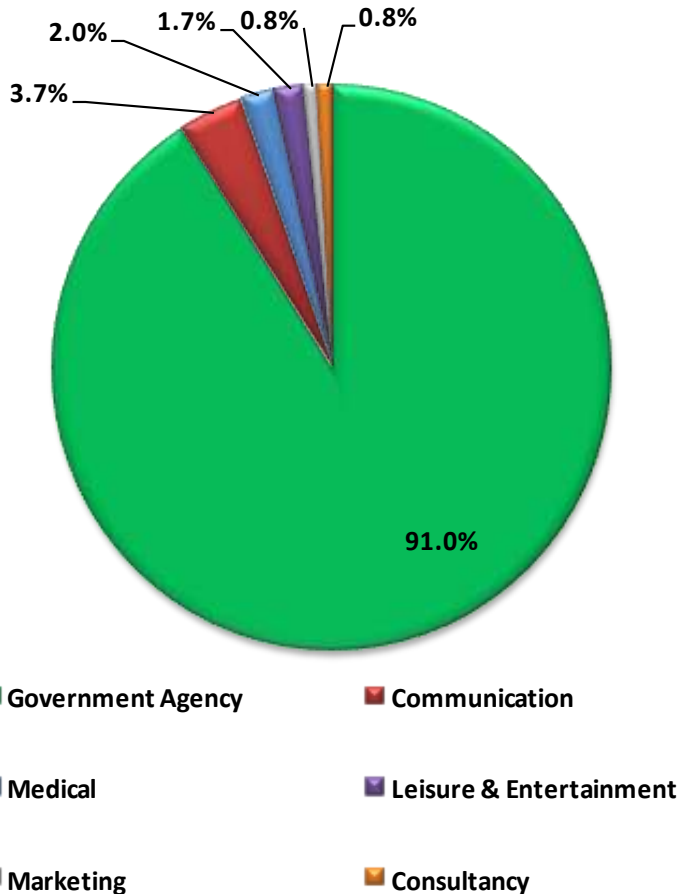
Note: Lower occupancy rate for YTD 3Q 2014 (73.9%) compared to YTD 3Q 2013 (78.1%) was mainly due to non-renewal by several tenants in the previous year and also one tenant in the current year.

OFFICE PROPERTIES

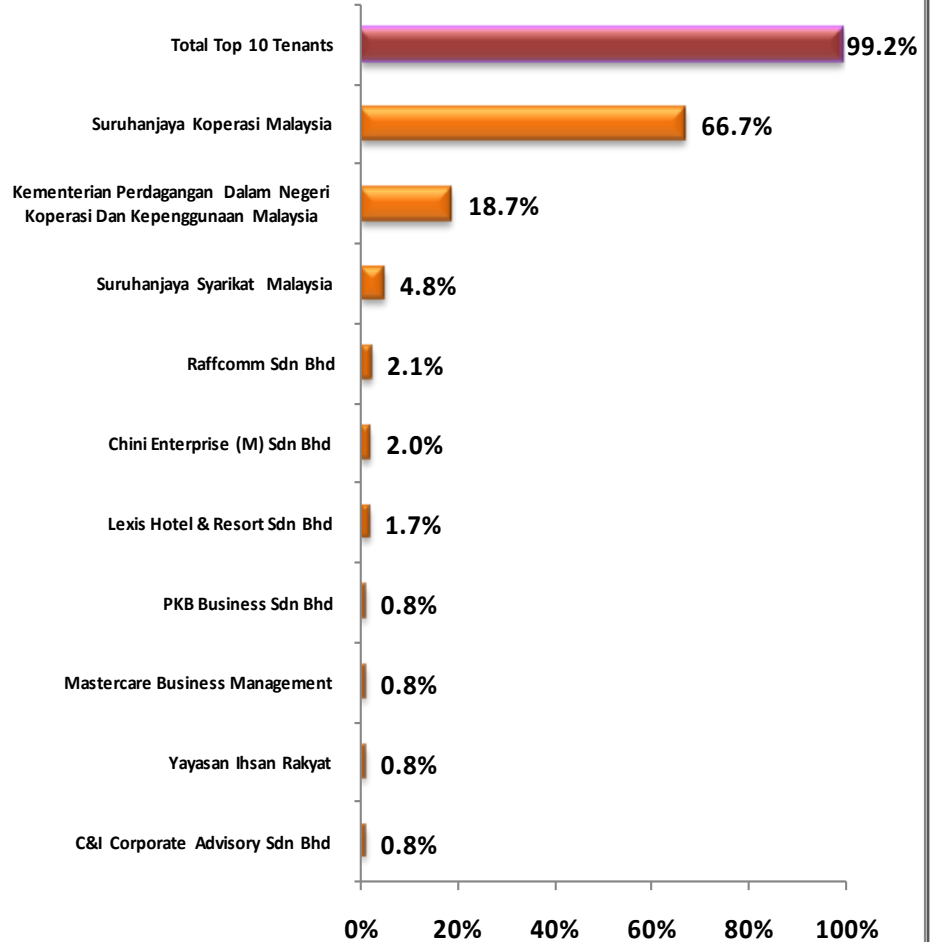
SUNWAY PUTRA TOWER (Cont'd)



Tenant mix



Top 10 tenants



Note: Based on gross rental income for the month of March 2014

5. Market Outlook

- The Malaysian economy expanded by 5.1% in 4Q CY2013 (3QCY 2013: 5.0%) supported by domestic demand (4Q CY2013: 6.4%) and continuous improvement in exports growth at 2.9% (3Q CY 2013: 1.7%). Economy for the full year grew 4.7% compared to 5.6% in 2012.
- Bank Negara Malaysia (“BNM”)’s 2014 real GDP growth forecast range widens to 4.5% - 5.5% from 5.0% - 5.5% previously on lower domestic demand and worries over inflation.
- Malaysia inflation continues on an upward trend to 3.5% in February 2014. It is expected to accelerate to 3% - 4% this year (from 2% - 3% previously) and stay elevated in 2015 in view of subsidy rationalisation and GST introduction which will impact prices of goods and services.
- The Manager expects the Overnight Policy Rate (“OPR”) to remain steady at 3.0% for 1H CY2014 but bias towards uptrend moving into 2H CY2014.
- Despite the Manager’s endeavour to maintain distribution per unit (“DPU”) for FY2014 notwithstanding the closure of Sunway Putra Mall, the Manager is of the view that DPU may be lower due to the softer outlook for the hotel and office segments.
- The Manager is committed to distribute 100% of its distributable net income for FY2014.

- Retail Group Malaysia (“RGM”) expects 1Q CY2014 retail sale to rise by 4.8% compared to 7.5% in 1Q CY2013 despite the Chinese New Year celebrations. However, it was better over the previous year’s Christmas quarter which saw a 3.9% increase in sales. For the full year, RGM is maintaining its retail sale forecast of 6% growth or RM97.2 billion (CY 2013: 4.5%) on anticipation of price increases from retailers across all sub-sector.
- Incoming supply of retail space into the Malaysian property market is expected to create pressure on existing outlets looking to maintain their tenancy and rental rates. A total of 6.4 million sq ft of new retail space in Klang Valley is expected to be completed this year. Vacancy has historically hovered around 9% to 11% over the last five years and 2013 has been a stable year for retail centres in the Klang Valley. The Manager does not expect the new supply to have material adverse impact to Sunway REIT’s retail portfolio.
- The average occupancy rate for Sunway Pyramid Shopping Mall was 97.8% in YTD 3Q2014 compared to 98.8% in YTD 3Q2013 mainly due to the reconfiguration work for an existing area of 23,432 sq. ft. under the Oasis Boulevard 5 (“OB5”) Project which commenced in April 2013 (4Q 2013) was completed in 2Q 2014. The mall has achieved a double digit rental reversion over a period of three years for a total NLA of 941,378 sq. ft.

- Sunway Pyramid Shopping Mall continued to attract renown international tenants into the mall such as Superdry and Factorie by Cotton On. There will be ongoing efforts to continuously refresh and enhance the tenancy mix in anticipation of the increasing competition in the retail sector.
- In the mainland of Penang, Sunway Carnival Shopping Mall registered a lower average occupancy rate of 92.4% in YTD 3Q2014 vis-à-vis 96.5% in YTD 3Q2013 mainly due to non-renewal by a mini anchor tenant occupying 39,676 sq. ft. in June 2013 in a decision arising due to change in the tenants' business strategy. The space will be occupied by a new mini anchor tenant w.e.f. July 2014.
- Sunway Carnival Shopping Mall continued to register healthy rental reversion trend. In YTD 3Q2014, the mall recorded a double digit rental reversion over a period of 3 years for new and renewed tenancies totaling 197,582 sq. ft.
- Excluding Sunway Putra Mall which is undergoing refurbishment, the Manager expects the retail assets to register healthy growth in FY2014. The Manager is also cautious going forward that the retail sector would have slower sales as a result of the various government subsidy rationalisation measures, which would cause consumers to be more cautious with their spending.

- Tourist arrivals into Malaysia in CY2013 was 25.72 million people with corresponding tourist receipts of RM65.44 billion, reflecting year-on-year (“y-o-y”) growth of 2.7% and 7.98% respectively (CY2012: 25.03 million arrivals with tourist receipts of RM60.6 billion). Tourism activities is likely to pick up further in CY2014 in view of Visit Malaysia Year 2014 (VMY).
- Overall Average Occupancy Rate (AOR) in Klang Valley was stagnant in CY2013 at 69%. 4-star hotels performed comparatively poorer than 3 and 5 star hotels, falling 2% to 68% in CY2013. 5-star hotels bucked the general trend, strengthening by 2% to 70% in CY2013.
- In CY2014, occupancy is likely to strengthen to 70% assuming current economic trends stays on track. 5-star hotels are expected to continue seeing robust occupancy whilst 3 and 4-star hotels is forecasted to see stable to moderate improvement in occupancy in CY2014.
- Future supply for CY2014 in Klang Valley is projected to grow faster than in CY2013 to a total 48,127 rooms or a 5.2% increase y-o-y, representing 163 hotels in total. Despite the expectation of more intense competition going forward, the continuous effort by the Malaysian Government to promote tourism as a priority will cushion the increase in supply.

- Sunway Resort Hotel & Spa achieved higher average occupancy rate of 82.1% in 3Q2014 compared to 69.5% in 3Q2013 whilst Pyramid Tower Hotel achieved higher average occupancy rate of 82.8% in 3Q2014 compared to 75.8% in 3Q2013. The improvement was mainly due to the recovery in business of the hotels' major clientele from the electrical and electronics ("E&E") sector as well as contribution from other corporate and MICE business supported by tactical promotional activities undertaken.
- The performance of Sunway Putra Hotel was adversely affected by the ongoing major refurbishment at the adjoining Sunway Putra Mall and the hotel's own refurbishment. As a result, the average occupancy rate has dropped to 36.1% in 3Q2014 versus 57.9% in 3Q2013. The Manager expects the performance to be at this level for the remaining period of the financial year.
- In mainland Penang, Sunway Hotel Seberang Jaya's average occupancy rate improved to 63.2% in 3Q2014 compared to 44.8% in 3Q2013 following the completion of the major refurbishment in May 2013.
- Despite the improved performance from Sunway Hotel Resort & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya, but in view of the weaker performance from Sunway Putra Hotel and lower performance in 1Q2014, the Manager cautions for a possible decline in contribution from the hotel segment in FY2014 compared to FY2013 .

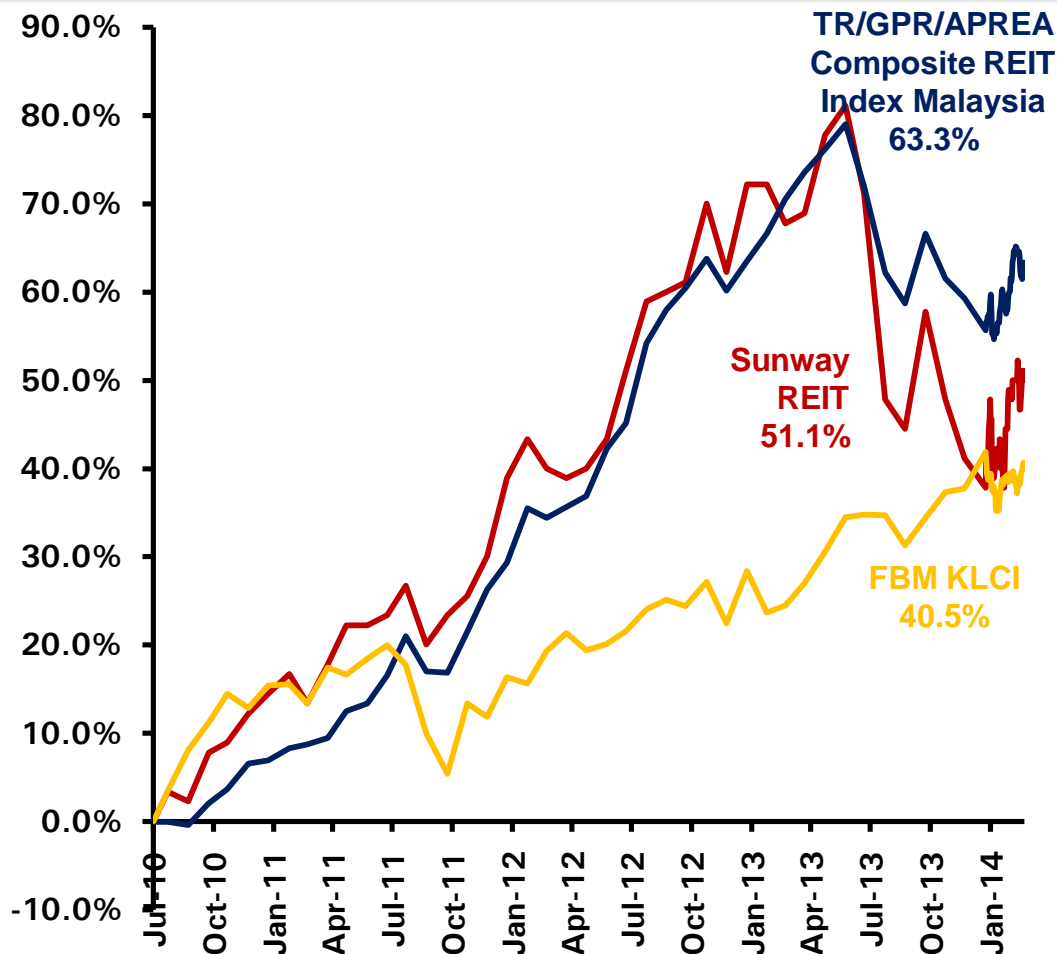
- Office stock in Klang Valley stood at 92.7 million sq ft in CY2013 with office supply increased by 3.6 million sq ft during the year. Net absorption was 3.3 million sq ft or 20% higher compared to CY2012. Vacancy rates decrease in CY2013 to 14% from 16.2% in CY2012.
- An estimated of 6.6 million sq ft (or 7.1% of existing stock) of new office space is expected to be completed this year. The office segment will continue to be a tenant's market in CY2014 as in-coming supply will keep the office rental market competitive.
- The average occupancy rate for Menara Sunway was marginally lower at 98.8% in YTD 3Q2014 compared to 99.0% in YTD 3Q2013 due to transitional movements of tenants' office space requirement.
- Sunway Tower recorded higher average occupancy rate of 85.0% in YTD 3Q2014 compared to 81.8% in YTD 3Q2013 due to higher take up space by an existing tenant. However, the asset manager expects the occupancy rate to decline going forward due to the oversupply of Kuala Lumpur office market.
- Sunway Putra Tower recorded lower average occupancy rate of 73.9% in YTD 3Q2014 compared to 78.1% in YTD 3Q2013 due to non-renewal of some tenancies. The asset manager expects the occupancy rate to decline marginally due to the on-going refurbishment exercise of Putra Place.

- In view of the above coupled with rising operation costs, the Manager expects income contribution from the office segment to decline marginally in FY2014 compared to FY2013.

Unit Price Performance (IPO to 31 March 2014)



Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 31 March 2014)



Performance Statistics*

Price (as at 8/7/2010)	: RM0.90
Closing Price (as at 31/3/2014)	: RM1.36
Highest Price	: RM1.70
Lowest Price	: RM0.88
Daily Average Volume	: 1.83mil units
% Change in Unit Price	: 51.1%
% Change in FBM KLCI	: 40.5%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 63.3%

Source: Bloomberg

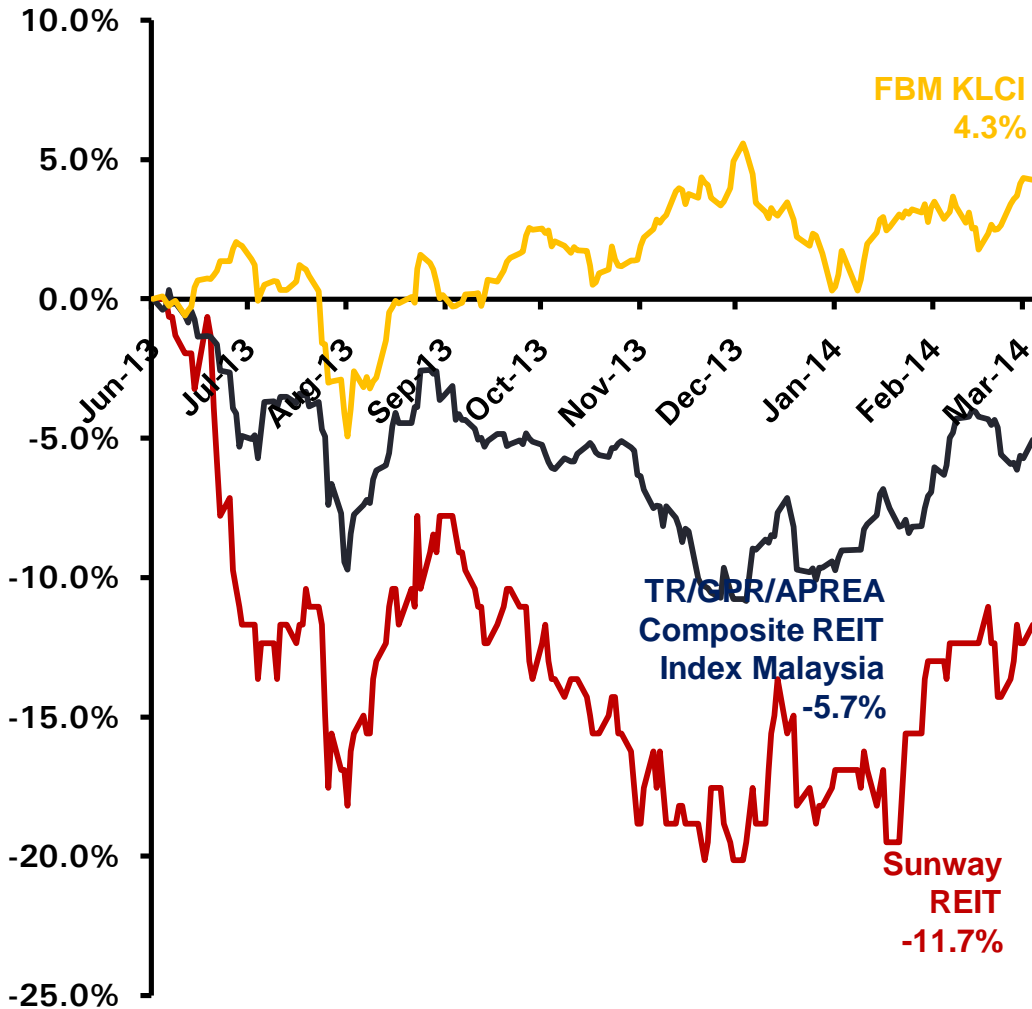
*Computed for the period 8 July 2010 – 31 March 2014

Source: Bloomberg

Unit Price Performance (YTD 3Q2014)



Unit Price Performance of Sunway REIT versus Benchmarks (30 June 2013 – 31 March 2014)



Performance Statistics*

Price : RM1.54
(as at 30/6/2013)

Closing Price : RM1.36
(as at 31/3/2014)

Highest Price : RM1.56

Lowest Price : RM1.22

Daily Average Volume : 1.67mil units

% Change in Unit Price : -11.7%

% Change in FBM KLCI : 4.3%

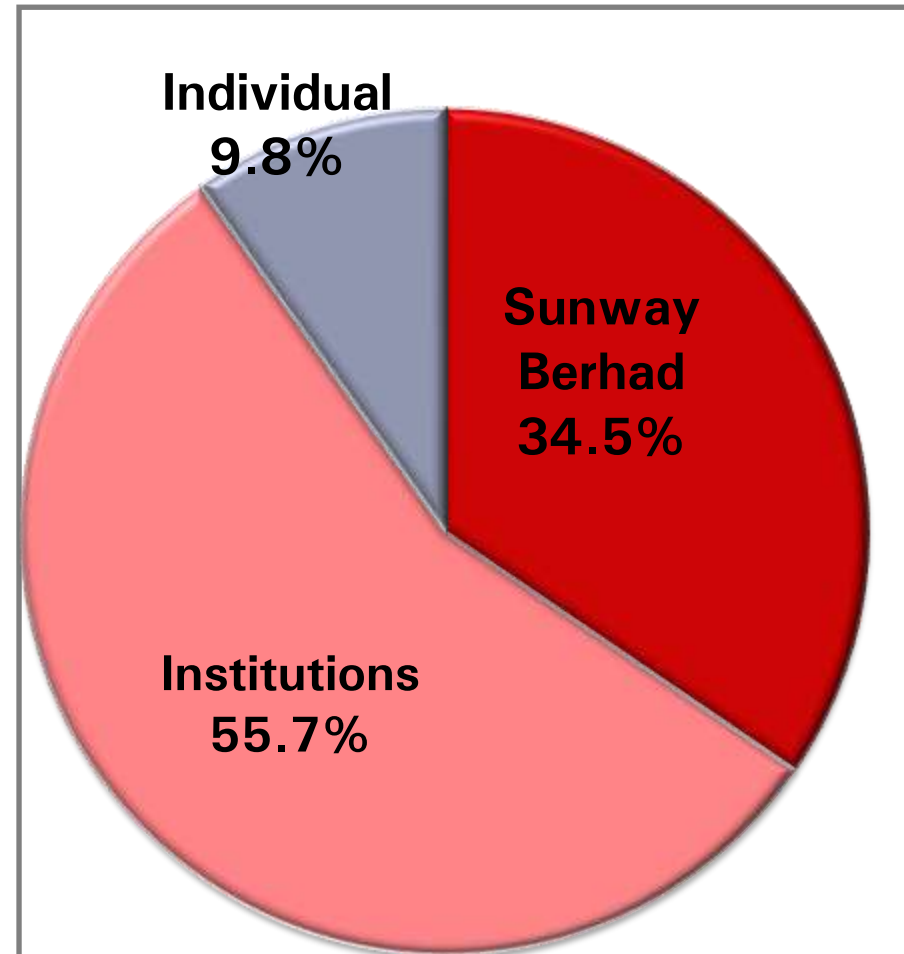
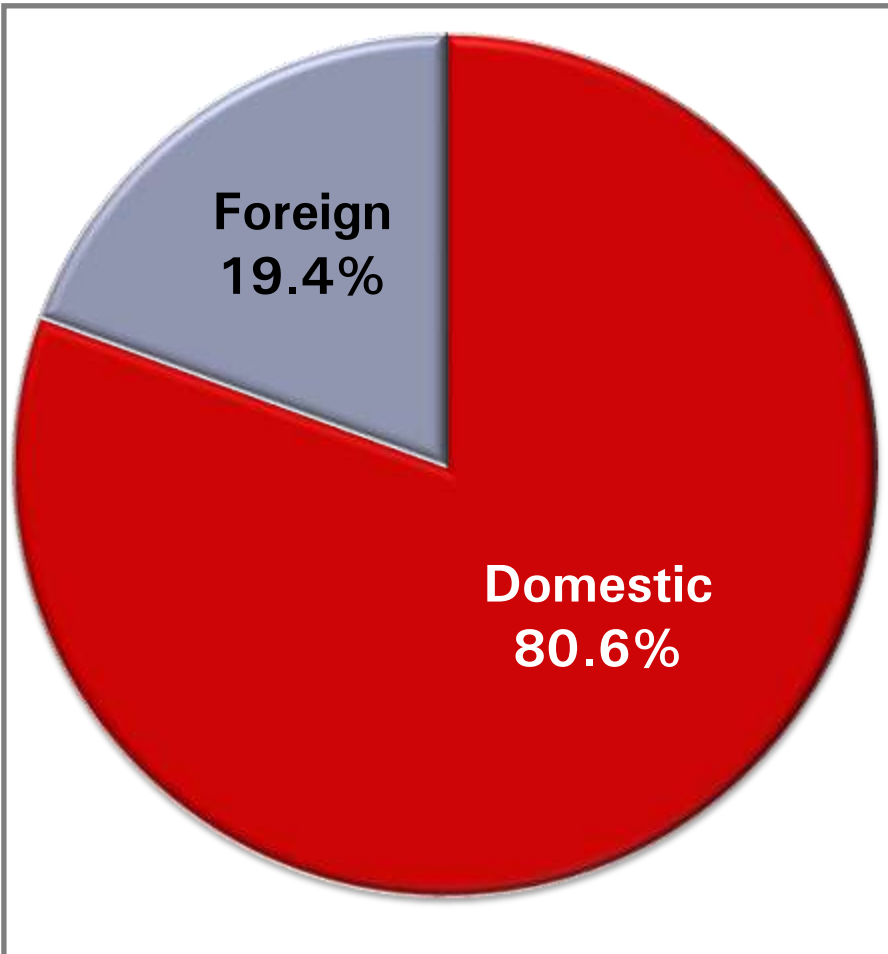
% Change in TR/GPR/APREA Composite REIT Index Malaysia : -5.7%

Source: Bloomberg

*Computed for the period 30 June 2013 – 31 March 2014

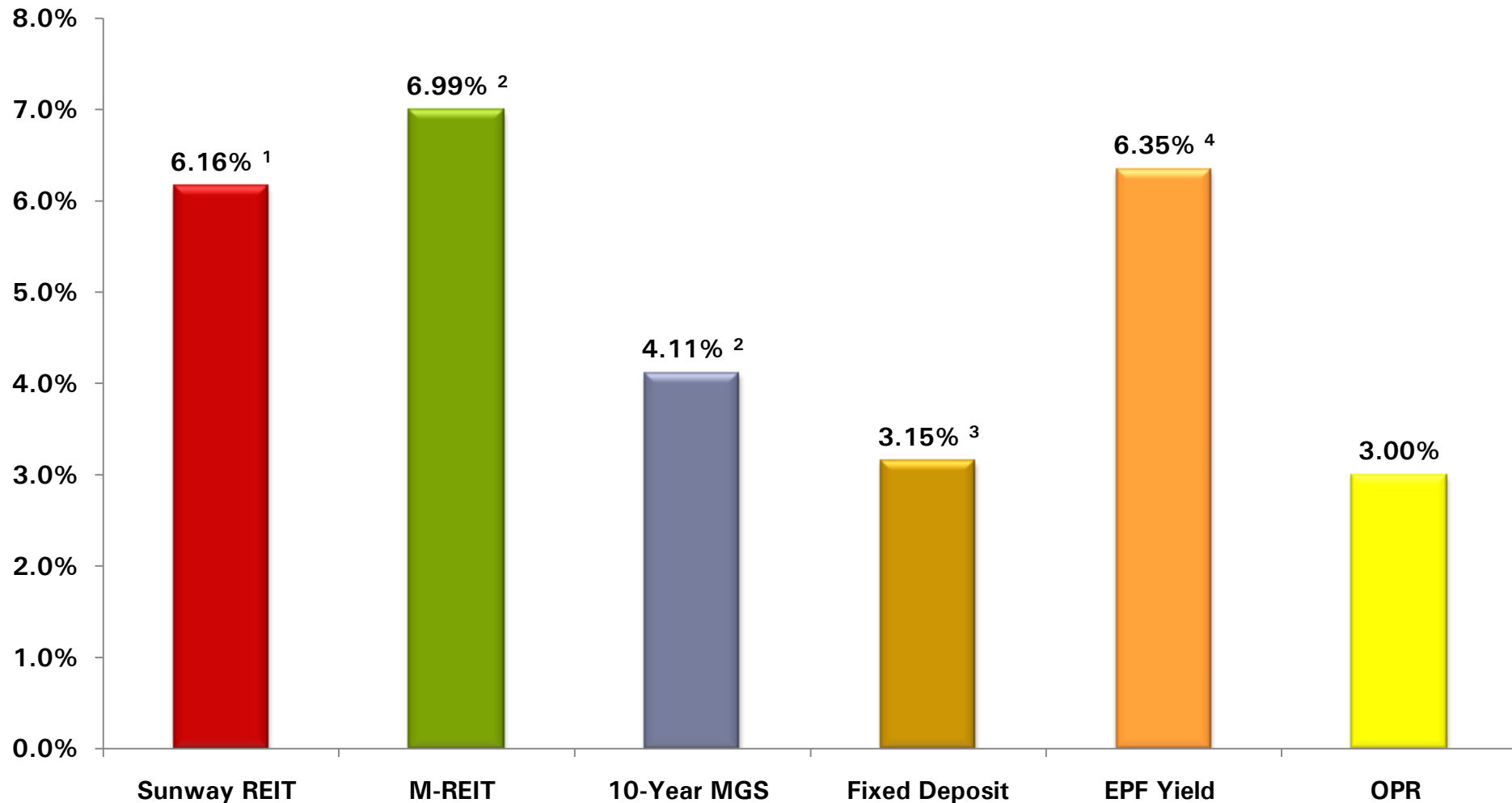
Source: Bloomberg

Unitholders' Composition (as at 31 March 2014)



- Total number of unitholders has increased from 9,820 (as at 31 December 2013) to 9,825 (as at 31 March 2014).
- Retail participation has increased from 9.6% as at 31 December 2013 to 9.8% as at 31 March 2014.
- Foreign unitholdings eased marginally from 19.9% as at 31 December 2013 to 19.4% as at 31 March 2014.

Comparative Yields for Various Assets



Note:

1. Distribution yield based on annualised DPU of 8.38 sen for the period 1 July 2013 to 31 March 2014
2. Information as at 31 March 2014 (Source: Bloomberg)
3. 12-Month Fixed Deposit rates offered by commercial banks as at 28 February 2014 (Source: BNM)
4. Dividend yield declared by Employees Provident Funds for the year 2013

THANK YOU