



# SUNWAY REIT FINANCIAL RESULTS

**4th Quarter ended 30 June 2013  
(FYE 30 June 2013)**

**Announcement date: 6 August 2013**

A large red silhouette of a human head in profile, facing right. Inside the head, there are several interlocking red gears of various sizes. Some of the gears contain circular images of cityscapes, buildings, and infrastructure. The text 'SUCCESS STRATEGIES OF THE MIND' is written in white, bold, capital letters across the lower part of the head silhouette.

**SUCCESS  
STRATEGIES OF  
THE MIND**

# DISCLAIMER

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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.

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# HIGHLIGHTS & KEY UPDATES

Note : The financial results should be read in conjunction with the 4Q 2013 announcement to Bursa Malaysia Securities Berhad

# DISTRIBUTION DETAILS

Dividend Distribution Details	
Distribution period	1 April 2013 - 30 June 2013
Distribution Per Unit (DPU) (sen)	2.02 <sup>1</sup>
Notice of Entitlement	6 August 2013
Ex-Dividend Date	21 August 2013
Book Closure Date	23 August 2013
Payment Date	5 September 2013

<sup>1</sup> Proposed income distribution for 4Q 2013 : 2.02 sen (comprising taxable and non-taxable amount of 0.68 sen and 1.34 sen per unit respectively).

# FINANCIAL HIGHLIGHTS

Highlights	4Q 2013	4Q 2012	Change %
No. of Properties	12 <sup>1</sup>	11	9.1%
Property Value (RM'billion)	5.184	4.630	11.9%
No. of Units in circulation	2,919,423,400	2,696,462,000	8.3%
Unit Price as at 30 June (RM)	1.54	1.36	13.2%
Market Capitalisation (RM'billion)	4.496	3.667	22.6%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.1809	1.0968	7.7%
Premium to NAV	30.4%	24.0%	26.7%
Earnings Per Unit (EPU) (sen) <sup>2</sup>	8.07	10.32	-21.8%
Distribution Per Unit (DPU) (sen)	2.02	1.89	6.9%
Annualised Distribution Yield	5.4% <sup>3</sup>	5.5% <sup>4</sup>	-1.8%
Management Expense Ratio	0.82%	0.98%	-16.3%
YTD total return	18.6%	28.0%	-33.7%
Gearing	31.0%	33.5%	-7.5%

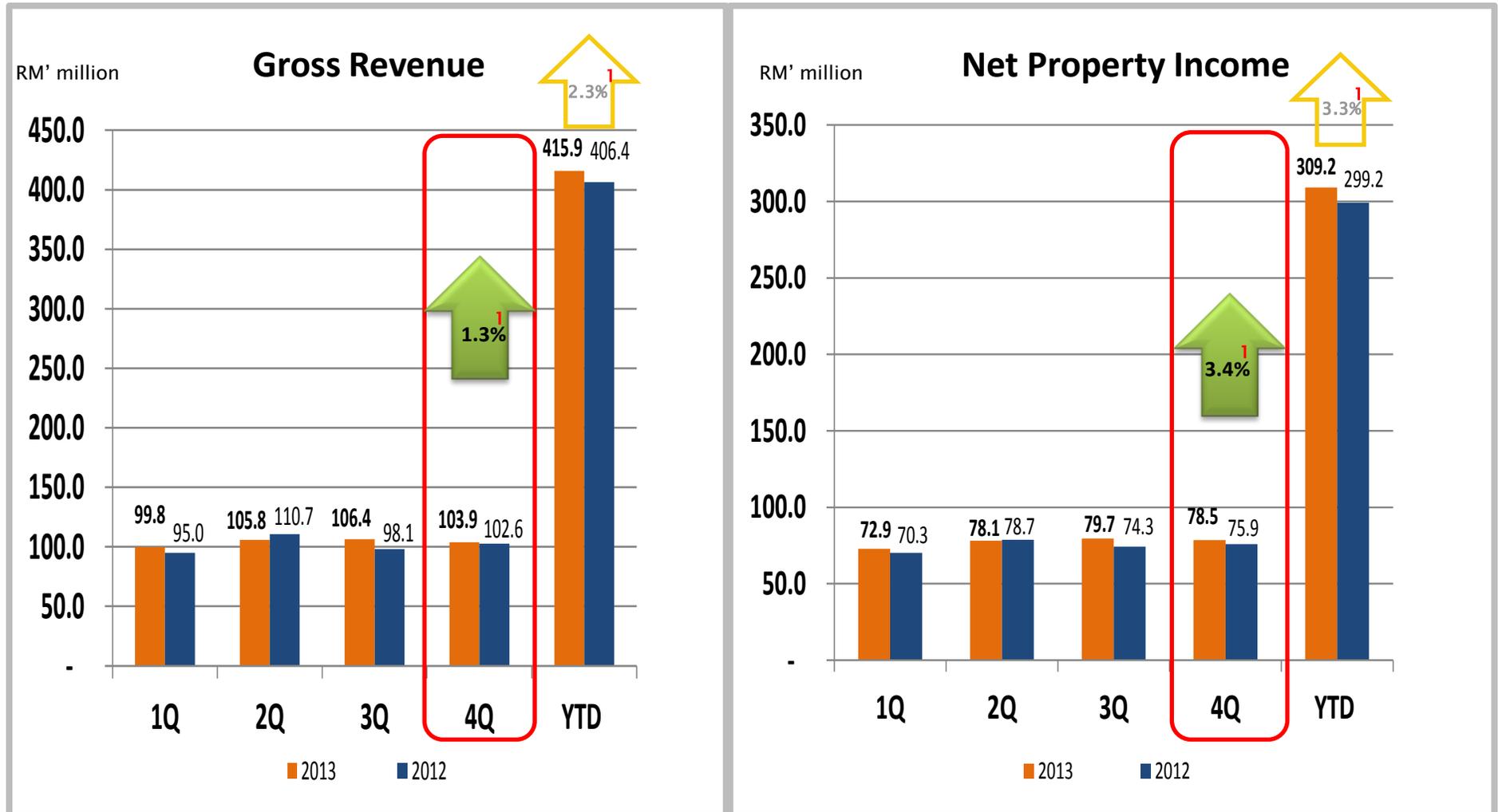
<sup>1</sup> Acquisition of Sunway Medical Centre ("SMC") on 31 December 2012

<sup>2</sup> Including unrealised EPU of 6.24 sen (4Q 2012: 8.55 sen) mainly due to fair value gain on investment properties of RM173.5 million (4Q 2012: RM230.2 million)

<sup>3</sup> Based on closing as at 30 June 2013 of RM1.54

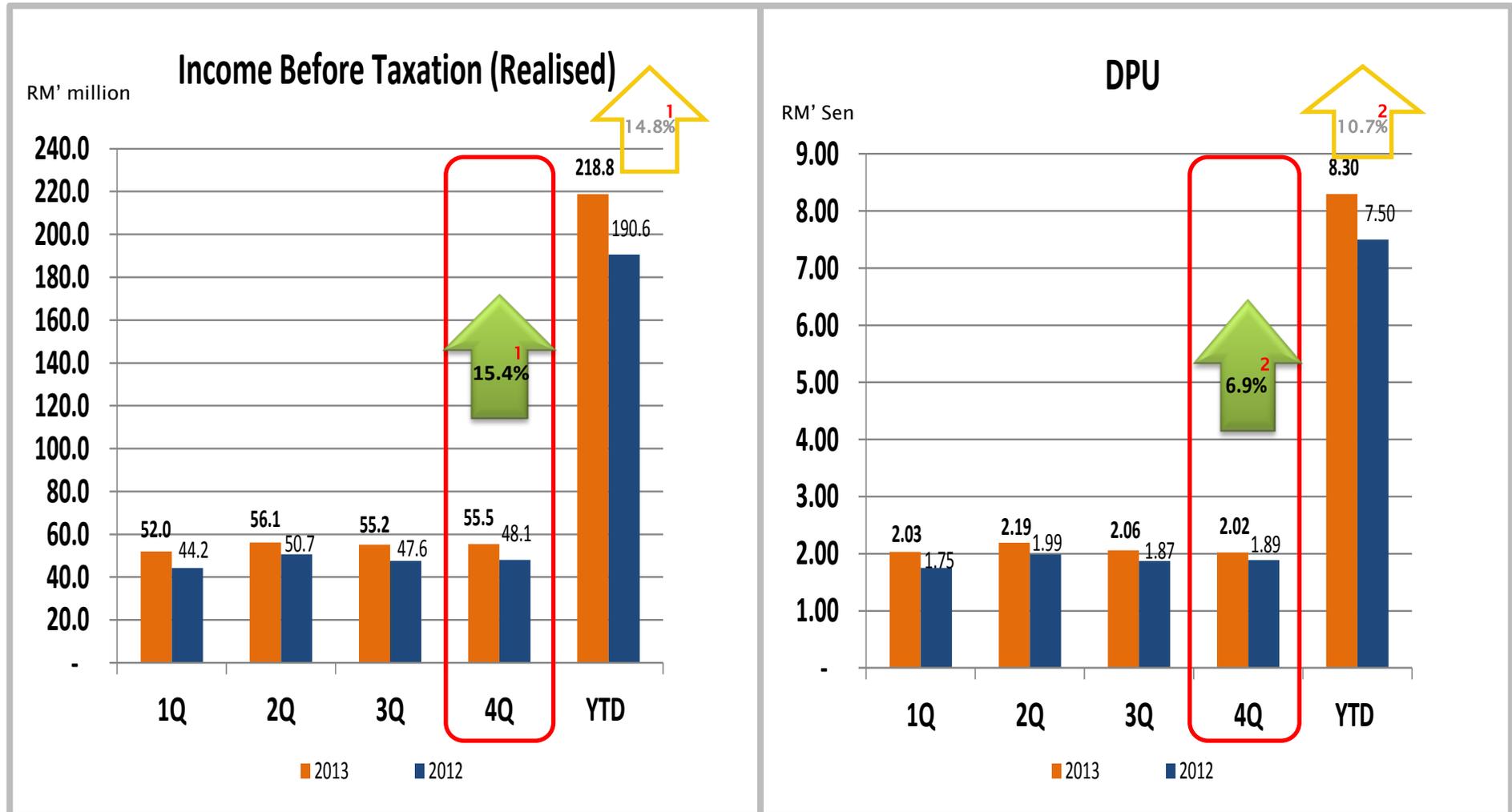
<sup>4</sup> Based on closing as at 30 June 2012 of RM1.36

# FINANCIAL HIGHLIGHTS



<sup>1</sup> Substantially contributed by Sunway Medical Centre ("SMC") which was acquired in December 2012 and supported by strong performance from Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall. The results were however slightly dampened by the lower performance of the hospitality and office segments and the closure of Sunway Putra Mall as at end April 2013 for major refurbishment.

# FINANCIAL HIGHLIGHTS



<sup>1</sup> Mainly contributed by lower finance costs.

<sup>2</sup> DPU growth was 6.9% and 10.7% for 4Q 2013 and YTD 2013 respectively, on the back of enlarged number of units in circulation.

# KEY UPDATES

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## ● Material Litigation

On 9 July 2013, the Federal Court heard and dismissed the application for leave to appeal with costs for the following two cases in relation to the acquisition of Sunway Putra Place:

- Robert Ti and Kornelius Kurniadi who sought a declaration that the public auction of Putra Place held on 30 March 2011 was null and void because they were wrongly excluded from bidding and that RHB Trustees Berhad (formerly known as OSK Trustees Berhad) (as trustee for Sunway REIT) (“Trustee”) had contravened a condition of sale in the Proclamation of Sale.
- Metroplex Holdings Sdn Bhd which sought to set aside the sale of Putra Place to the Trustee at the auction held on 30 March 2011 on grounds that the auction was not a valid public auction and that the Trustee was not entitled to bid at the auction.

# KEY UPDATES (CONT'D)

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## ● Variation to the Hotel Master Lease Agreement (“HML”) for Sunway Putra Hotel

As announced on 3 July 2013, the HML has been varied as follows:

- a) The total rent payable by the Lessee shall be the amount calculated in accordance with the variable rent formula under the HML for the period between 1 July 2013 to 30 June 2014 (“3<sup>rd</sup> Fiscal Year”). As such, the applicable amount of the Guaranteed Rent shall not apply to the 3<sup>rd</sup> Fiscal Year.
- b) If the variable rent calculated is less than the amount of the Guaranteed Rent for the 3<sup>rd</sup> Fiscal Year, the difference between the Guaranteed Rent and the Variable Rent (“differential sum”) shall be adjusted in equal proportions from 5<sup>th</sup> Fiscal Year until the 11<sup>th</sup> Fiscal Year and added to the Guaranteed Rent from the 5<sup>th</sup> Fiscal Year until the 11<sup>th</sup> Fiscal Year.
- c) The same variation to the total rent payable by the Lessee may apply to the 4<sup>th</sup> Fiscal Year (1 July 2014 to 30 June 2015) if requested in writing by the Lessee on the basis of continuing adverse operating conditions caused by the major refurbishment work at Sunway Putra Mall, and subject always to the agreement of the Trustee and the Manager.

The variation was made in light of the major refurbishment of the adjoining Sunway Putra Mall from end April 2013 for a period of 2 years which will adversely affect the business of Sunway Putra Hotel.

The Lessee forecasts that the differential sum is approximately RM3.3 million for the financial year ending 30 June 2014 and as such is not expected to have any material impact to the earnings of Sunway REIT.

# 4Q 2013 FINANCIAL RESULTS

Note : The financial results should be read in conjunction with the 4Q 2013 announcement to Bursa Malaysia Securities Berhad

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – 4Q 2013

	4Q 2013 RM'000	4Q 2012 RM'000	Change %	YTD 2013 RM'000	YTD 2012 RM'000	Change %
Gross Revenue	103,906	102,558	1.3%	415,946	406,426	2.3%
Less : Property operating expenses	(25,382)	(26,694)	4.9%	(106,750)	(107,228)	0.4%
<b>Net property income</b>	<b>78,524<sup>1</sup></b>	<b>75,864</b>	<b>3.5%</b>	<b>309,196</b>	<b>299,198</b>	<b>3.3%</b>
Change in fair value of investment properties	173,487 <sup>2</sup>	230,151	-24.6%	173,487	230,151	-24.6%
Interest & other income	451	411	9.7%	1,402	1,320	6.2%
Manager's fee	(6,299)	(5,805)	-8.5%	(24,271)	(22,601)	-7.4%
Trustee's fee and other trust expenses	(1,487) <sup>3</sup>	(3,096)	52.0%	(3,888)	(6,409)	39.3%
Finance costs	(15,705) <sup>4</sup>	(19,241)	18.4%	(63,604)	(81,196)	21.7%
<b>Profit for the period/year</b>	<b>228,971</b>	<b>278,284</b>	<b>-17.7%</b>	<b>392,322</b>	<b>420,463</b>	<b>-6.7%</b>
<b>Total comprehensive income for the period comprise the following:</b>						
Realised						
- Initial 8 IPO assets	50,109	44,922	11.5%	196,779	172,580	14.0%
- Sunway Putra Place	1,267	3,150	-59.8%	15,564	18,003	-13.5%
- SMC	4,093	-	- *	6,451	-	- *
<b>Total realised</b>	<b>55,469</b>	<b>48,072</b>	<b>15.4%</b>	<b>218,794</b>	<b>190,583</b>	<b>14.8%</b>
Unrealised	173,502	230,212	-24.6%	173,528	229,880	-24.5%
<b>Total net income for the period/year</b>	<b>228,971</b>	<b>278,284</b>	<b>-17.7%</b>	<b>392,322</b>	<b>420,463</b>	<b>-6.7%</b>
No. of Units in circulation (million)	2,919	2,696	8.3%	2,919	2,696	8.3%
<b>EPU (sen)</b>						
- realised	1.83	1.77	3.4%	7.87	7.08	11.2%
- unrealised	6.24	8.55	-27.0%	6.24	8.54	-26.9%
<b>Total EPU</b>	<b>8.07</b>	<b>10.32</b>	<b>-21.8%</b>	<b>14.11</b>	<b>15.62</b>	<b>-9.7%</b>
Proposed/declared distribution	58,972	50,963	15.7%	230,893	201,972	14.3%
<b>Proposed/declared distribution per unit (sen)</b>	<b>2.02</b>	<b>1.89</b>	<b>6.9%</b>	<b>8.30</b>	<b>7.50</b>	<b>10.7%</b>

\* Not meaningful

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – 4Q 2013 (CONT'D)

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## Explanation on variances:

### <sup>1</sup> Net property income

**4Q 2013 v 4Q 2012 & YTD 2013 v YTD 2012** – Substantially contributed by Sunway Medical Centre (“SMC”) which was acquired in December 2012 and supported by strong performance from Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall. The results were however slightly dampened by the lower performance of the hospitality and office segments and the closure of Sunway Putra Mall as at end April 2013 for major refurbishment.

### <sup>2</sup> Change in fair value of investment properties

Sunway REIT recognised a fair value gain on investment properties of RM173.5 million (30 June 2012: RM230.2 million), after accounting for capital expenditure of RM67.1 million (FY 2012: RM20.8 million). Fair value gain before accounting for capital expenditure was RM241 million (30 June 2012: RM251 million).

### <sup>3</sup> Trust expenses

**4Q 2013 v 4Q 2012** – Higher trust expenses in the preceding year quarter by approximately RM1.6 million mainly due to incurrence of loan restructuring expenses for early repayment of term loan in 4Q 2012.

**YTD 2013 v YTD 2012** – During FY 2012, legal expenses of RM1.3 million were incurred for Sunway Putra Place compared to a recovery of legal fee awarded by the Court of RM437k in FY 2013. Additionally, there was an incurrence of RM1.6 million in FY 2012 for loan restructuring expenses as explained above.

### <sup>4</sup> Finance costs

**4Q 2013 v 4Q 2012** – Higher finance costs in 4Q 2012 compared to 4Q 2013 by RM2.7 million was mainly due to amortisation of loan transaction costs recognised in 4Q due to a one-off charge out resulting from the debt refinancing exercise.

**YTD 2013 v YTD 2012** – Lower finance costs for FY 2013 derived from interest savings due to active capital management initiatives. Average cost of debt for FY 2013 was 3.77% compared to 4.45% for FY 2012. In addition, there was a one-off charge out of amortisation of loan transaction costs of RM6.0 million in FY 2012 resulting from the refinancing exercise.

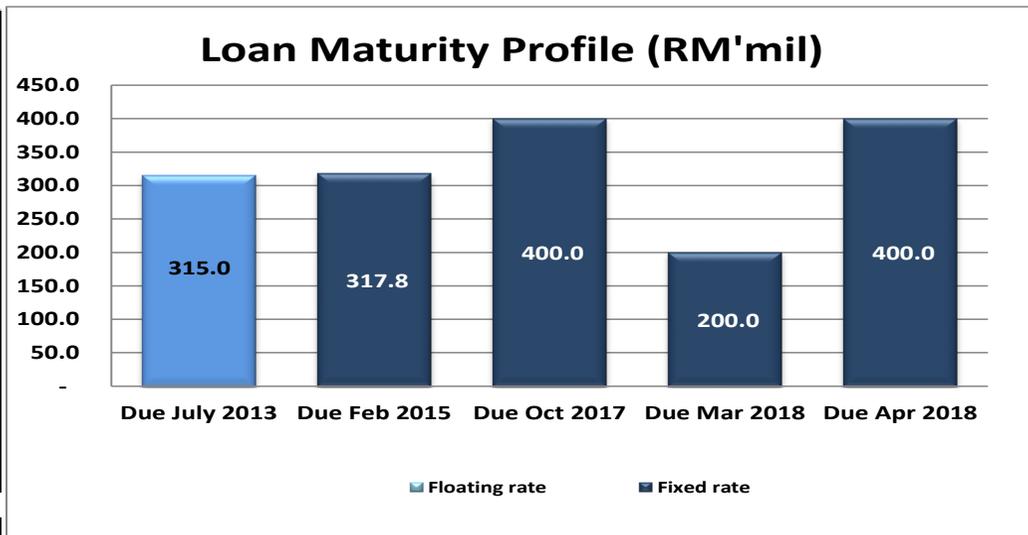
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.06.13 RM'000	30.06.12 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	1,283	437
Investment properties <sup>1</sup>	5,184,000	4,630,000
Derivative financial instrument	7,540	8,455
	5,192,823	4,638,892
<b>Current assets</b>		
Receivables, deposits & prepayments	18,190	18,685
Deposits, bank & cash balances	58,519	25,799
	76,709	44,484
	5,269,532	4,683,376
<b>FINANCED BY:</b>		
Unitholders' capital	2,690,002	2,361,487
Undistributed income	816,467	646,844
Total Unitholders' funds	3,506,469	3,008,331
<b>Non-current liabilities</b>		
Borrowings	1,317,850	318,085
Long term liabilities	41,956	53,920
Derivative financial instrument	-	-
	1,359,806	372,005
<b>Current liabilities</b>		
Borrowings	314,769	1,245,039
Trade and other payables	88,488	58,001
	403,257	1,303,040
	5,269,532	4,683,376

<sup>1</sup> Included acquisition of SMC of RM310 million and other expenses directly related to the acquisition of RM3.4 million mainly comprising of 1% acquisition fee and valuation fees with effect from 31 December 2012 and fair value gain of RM173.5 million after accounting for capital expenditure incurred of RM67.1 million.

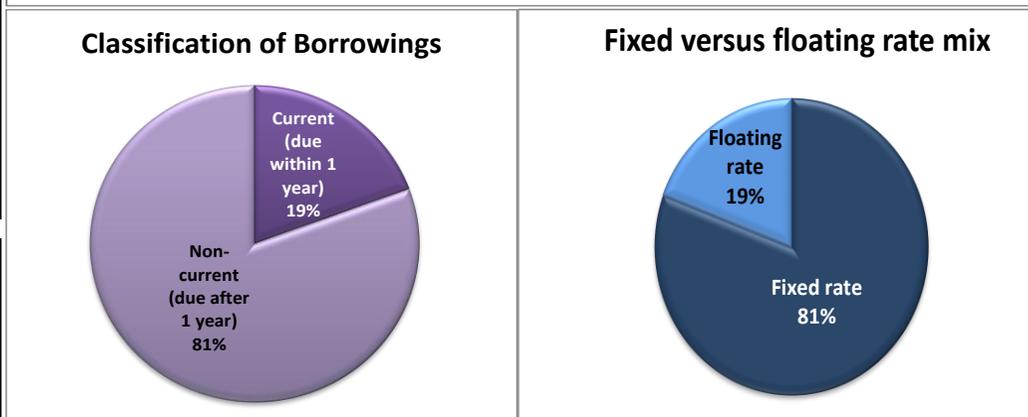
# DEBT PROFILE – 4Q 2013

	Facility Limit RM'mil	RM'mil
Term Loan	310.8	317.8 <sup>1</sup>
Revolving Loan <sup>2</sup>	500.0	-
Commercial Papers <sup>2</sup>	500.0*	315.0
Unrated MTNs	1,000.0	1,000.0
<b>Total Gross Borrowings</b>		<b>1,632.8</b>
Discount on commercial papers		(0.2)
<b>Total Borrowings at Carrying Amount</b>		<b>1,632.6</b>



	RM'mil
<b>Classification of borrowings:</b>	
Current (due within 1 year)	315.0
Non-current (due after 1 year)	1,317.8
<b>Total Gross Borrowings</b>	<b>1,632.8</b>

<b>Average Cost of Debt</b>	<b>3.77%</b>
<b>Average Maturity Period (Years)</b>	<b>3.1</b>
<b>Debt Service Cover Ratio (DSCR)</b>	<b>5.0</b>
<b>Gearing Ratio</b>	<b>31.0%</b>



\* The current limit of RM500 million can be increased to RM1.25 billion up to April 2015 and can subsequently be increased to RM1.6 billion up to expiry of the programme in April 2019.

<sup>1</sup> Includes unrealised forex loss of RM7 million.

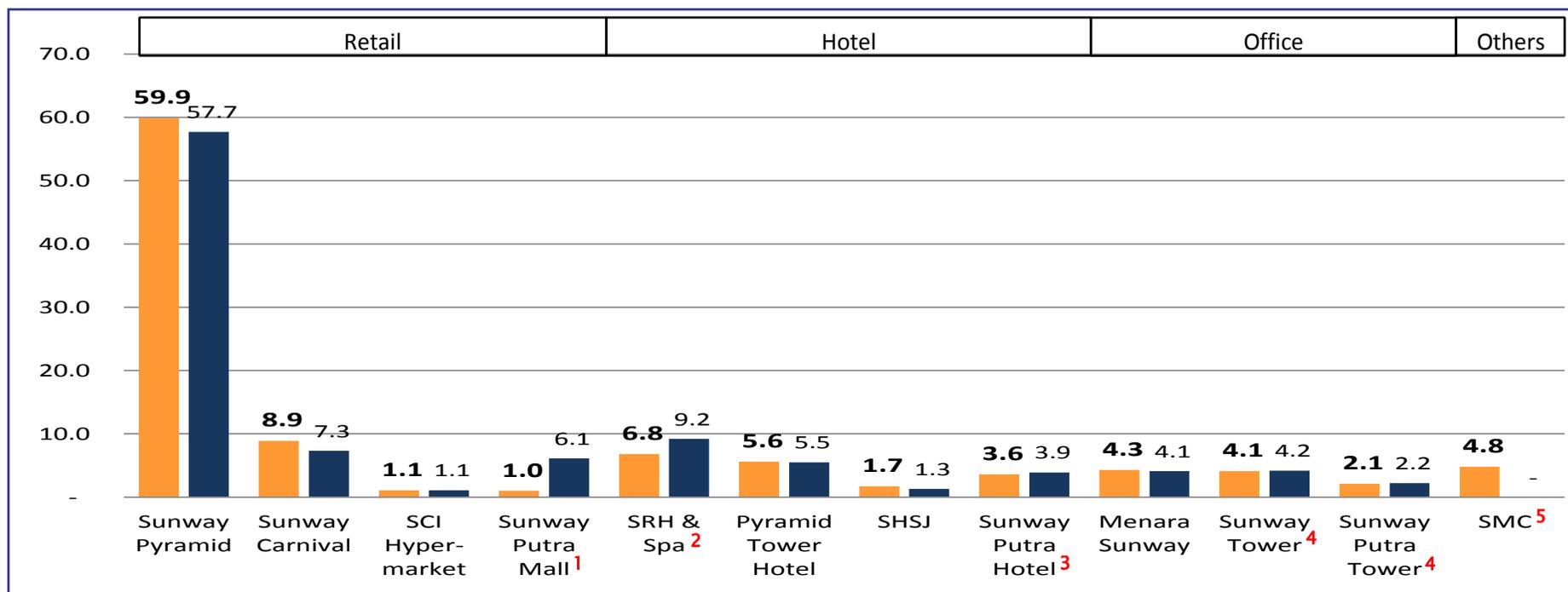
<sup>2</sup> The outstanding revolving loans and CPs must not exceed RM500 million at any time during the tenure of the CP Programme with effect from 25 April 2013.

# 4Q 2013 PORTFOLIO PERFORMANCE

Note : The financial results should be read in conjunction with the 4Q 2013 announcement to Bursa Malaysia Securities Berhad

# 4Q 2013 REVENUE CONTRIBUTION

<span style="color: orange;">■</span>	4Q 2013 (RM'mil)	103.9
<span style="color: blue;">■</span>	4Q 2012 (RM'mil)	102.6



<sup>1</sup> Sunway Putra Mall has been closed for refurbishment in end April 2013 resulting in no income contribution for May and June 2013.

<sup>2</sup> Sunway Resort Hotel & Spa's lease rental were lower compared to preceding year corresponding quarter mainly due to higher operating expenses for replenishment of hotel operating equipment and major overhaul of plant and machineries.

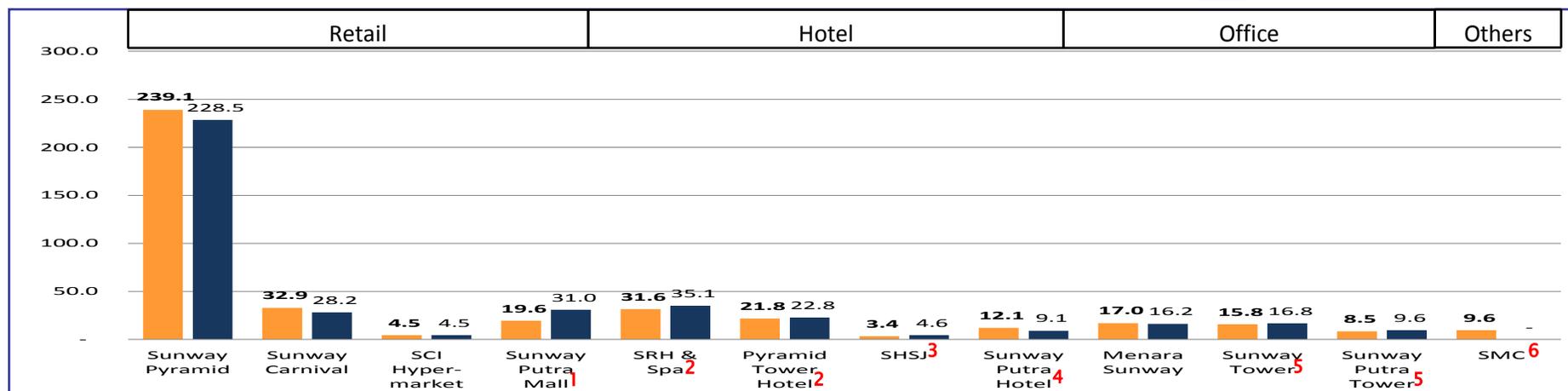
<sup>3</sup> Sunway Putra Hotel's revenue were lower compared to preceding year corresponding quarter as closure and major refurbishment works at the adjoining Sunway Putra Mall has adversely affected its performance in May and June 2013.

<sup>4</sup> Sunway Tower and Sunway Putra Tower's revenue contribution were marginally lower compared to preceding year corresponding quarter due to lower occupancy.

<sup>5</sup> SMC was acquired by Sunway REIT on 31 December 2012.

# YTD 4Q 2013 REVENUE CONTRIBUTION

<span style="color: orange;">■</span>	YTD 4Q 2013 (RM'mil)	415.9
<span style="color: blue;">■</span>	YTD 4Q 2012 (RM'mil)	406.4



<sup>1</sup> Sunway Putra Mall's performance were lower for YTD 4Q 2013 compared to preceding year corresponding period due to:

- (i) In YTD 3Q 2012, it had recorded a one off revenue of RM4.6 million that relate to rental for the period from date of acquisition (19 April 2011) to 30 June 2011 when the Manager secured possession of Sunway Putra Place on 28 September 2011; and
- (ii) Closure for refurbishment had commenced in end April 2013 resulting in no income for May and June 2013.

<sup>2</sup> Sunway Resort Hotel & Spa and Pyramid Tower Hotel's performance were lower for YTD 4Q 2013 compared to preceding year corresponding period mainly due to reduced corporate business several months prior to the 13<sup>th</sup> General Election (GE 13). Both hotels' performance improved to prior year level post GE 13 but was offset by higher operating expenses for replenishment of hotel operating equipment and major overhaul of plant and machineries.

<sup>3</sup> SHSJ's performance was softer compared to preceding year corresponding period due to refurbishment which commenced in December 2011 and completed in May 2013. Its average occupancy improved to 71.3% for the month of June 2013 from 49.9% for eleven months up to May 2013 and its average daily rate increased by 13.0% post refurbishment. However, total variable rent for this hotel for YTD 4Q 2013 fell below the guaranteed rent of RM3.4 million by approximately RM0.3 million due the refurbishment and the shortfall will be paid.

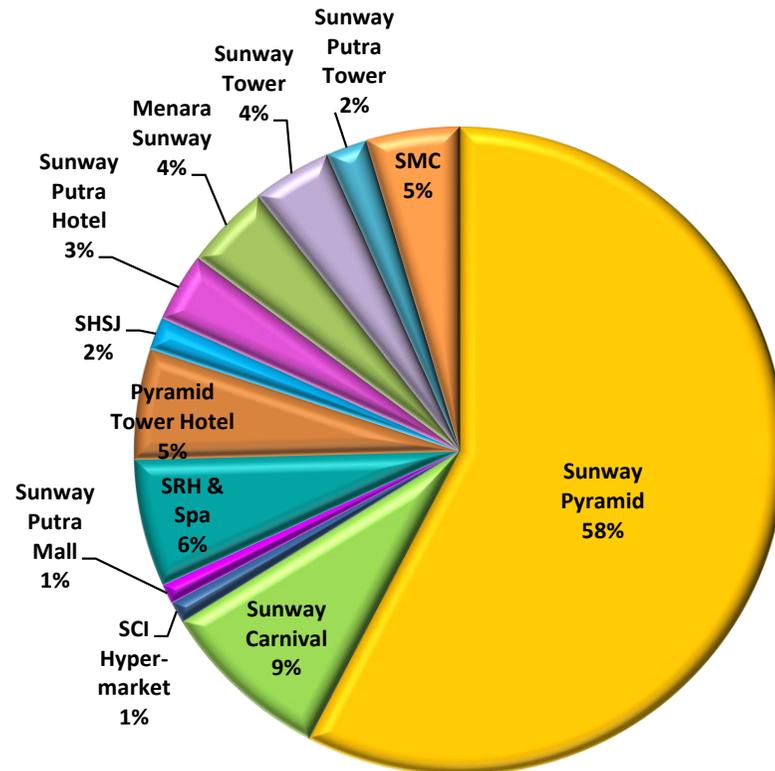
<sup>4</sup> Sunway Putra Hotel's total variable rent for YTD 4Q 2013 fell below the guaranteed rent of RM12.1 million by approximately RM2.3 million and the shortfall will be paid. The hotel's performance was adversely affected in May and June 2013 due to closure and major refurbishment at the adjoining Sunway Putra Mall.

<sup>5</sup> Sunway Tower and Sunway Putra Tower's revenue contribution were lower compared to preceding year corresponding period due to lower occupancy.

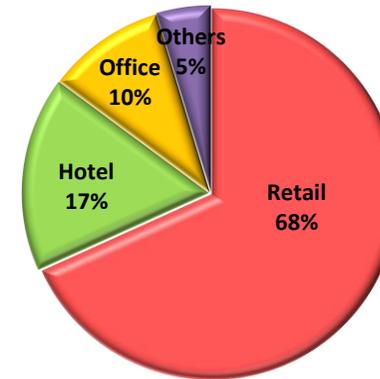
<sup>6</sup> SMC was acquired by Sunway REIT on 31 December 2012.

# 4Q 2013 REVENUE CONTRIBUTION

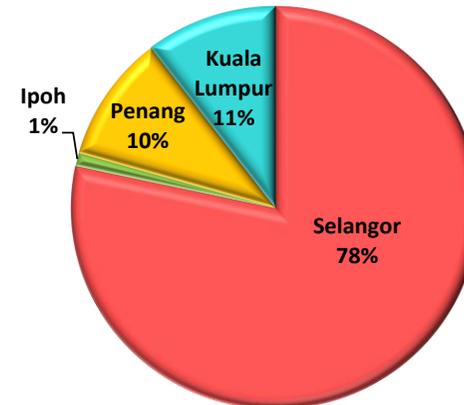
## By property



## By sector

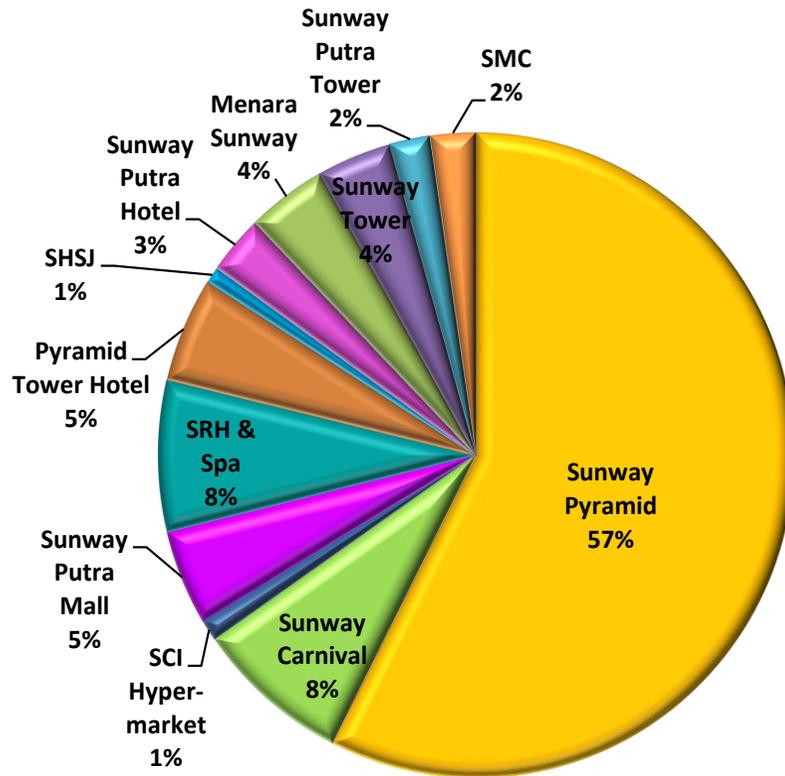


## By location

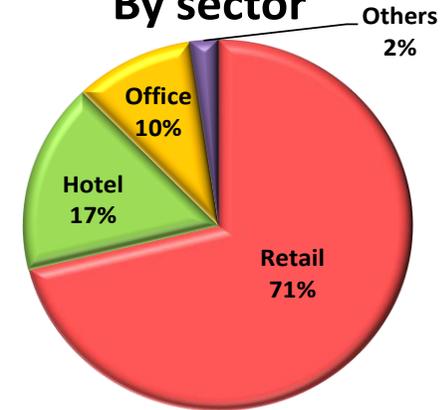


# YTD 4Q 2013 REVENUE CONTRIBUTION

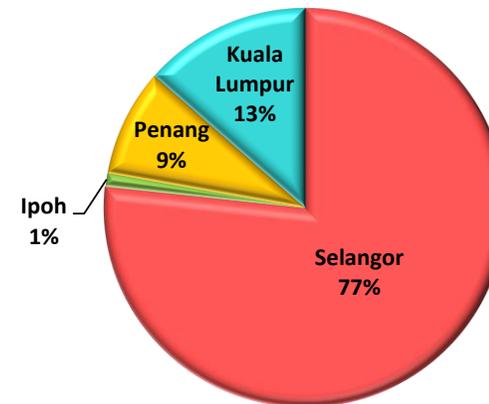
## By property



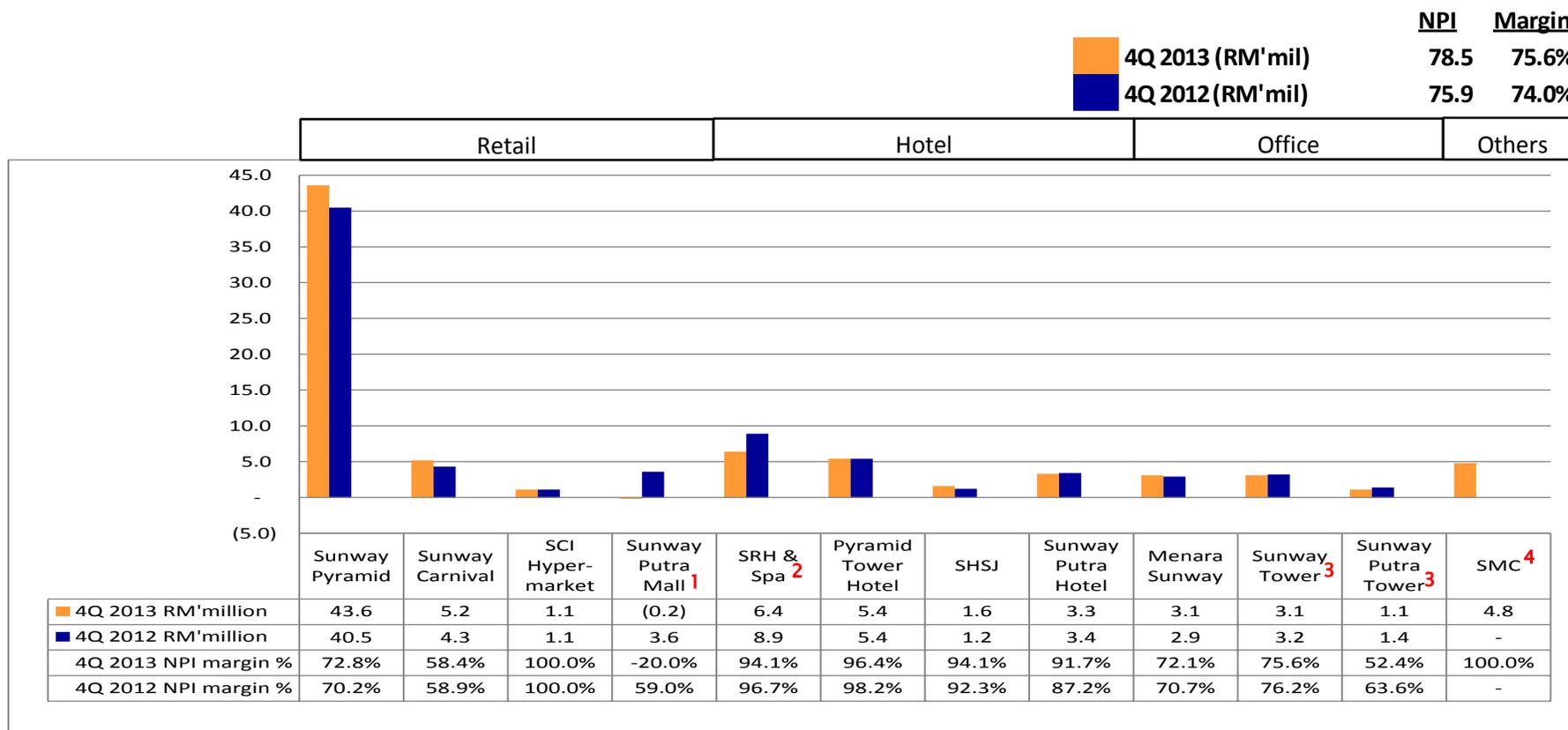
## By sector



## By location



# 4Q 2013 NPI CONTRIBUTION



<sup>1</sup> There has been no contribution from Sunway Putra Mall for May and June 2013 as it has been closed for refurbishment resulting in a loss due to expenses incurred such as utilities and insurance.

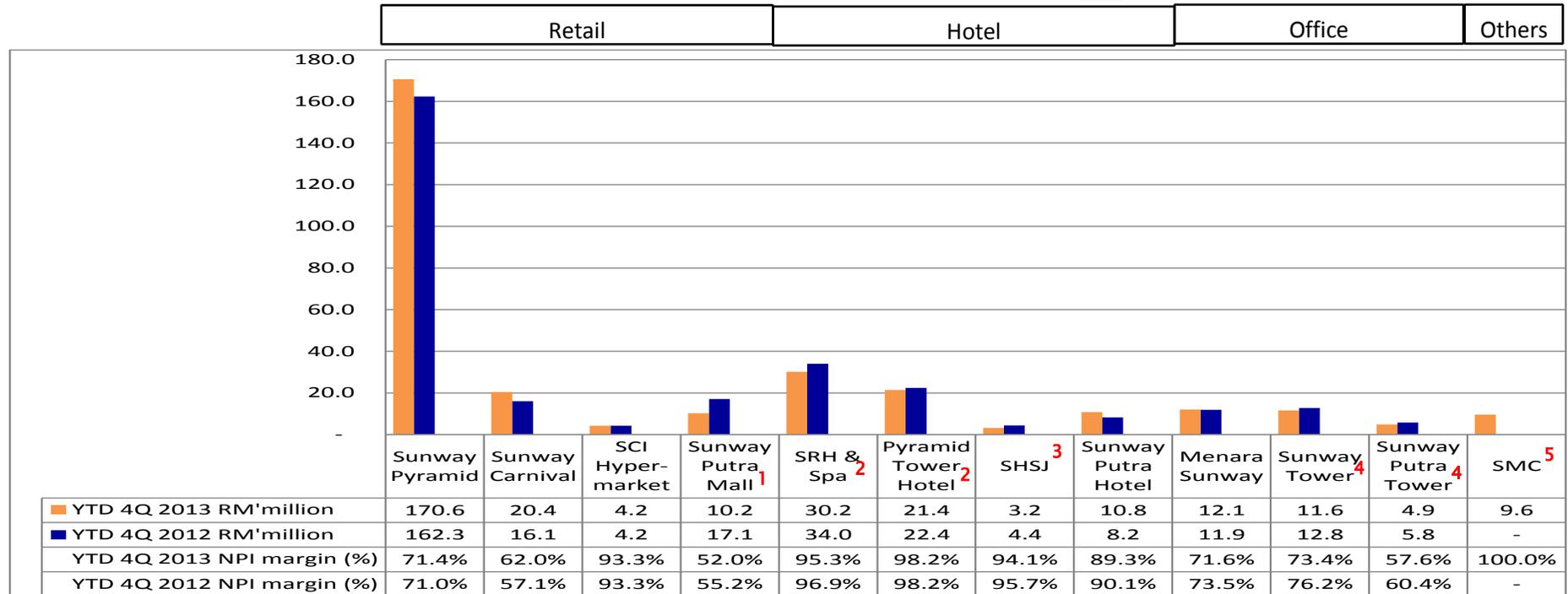
<sup>2</sup> Sunway Resort Hotel & Spa's NPI contribution were lower compared to preceding year corresponding quarter mainly due to reasons mentioned in slide 17.

<sup>3</sup> Sunway Tower and Sunway Putra Tower's NPI contribution were lower compared to preceding year corresponding quarter due to lower occupancy.

<sup>4</sup> SMC was acquired by Sunway REIT on 31 December 2012.

# YTD 4Q 2013 NPI CONTRIBUTION

	<u>NPI</u>	<u>Margin</u>
YTD 4Q 2013 (RM'mil)	309.2	74.3%
YTD 4Q 2012 (RM'mil)	299.2	73.6%



<sup>1</sup> Sunway Putra Mall's performance were lower for YTD 4Q 2013 compared to preceding year corresponding period as explained in slide 18 and slide 21.

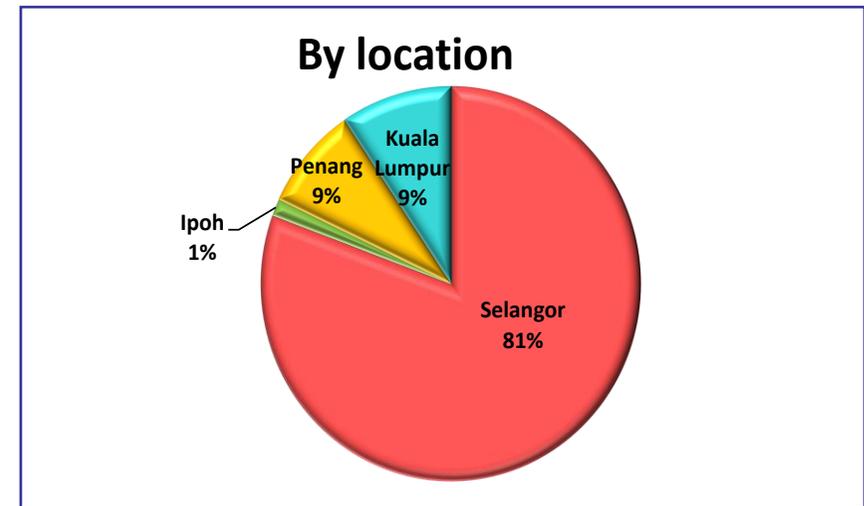
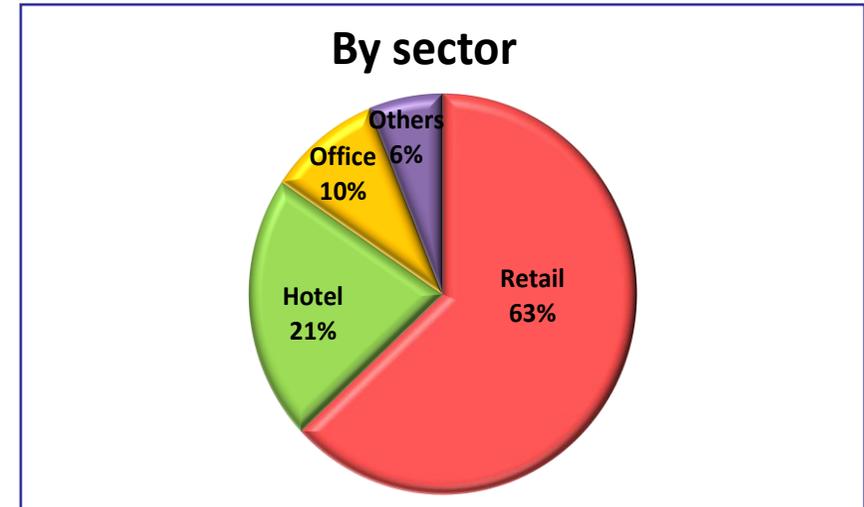
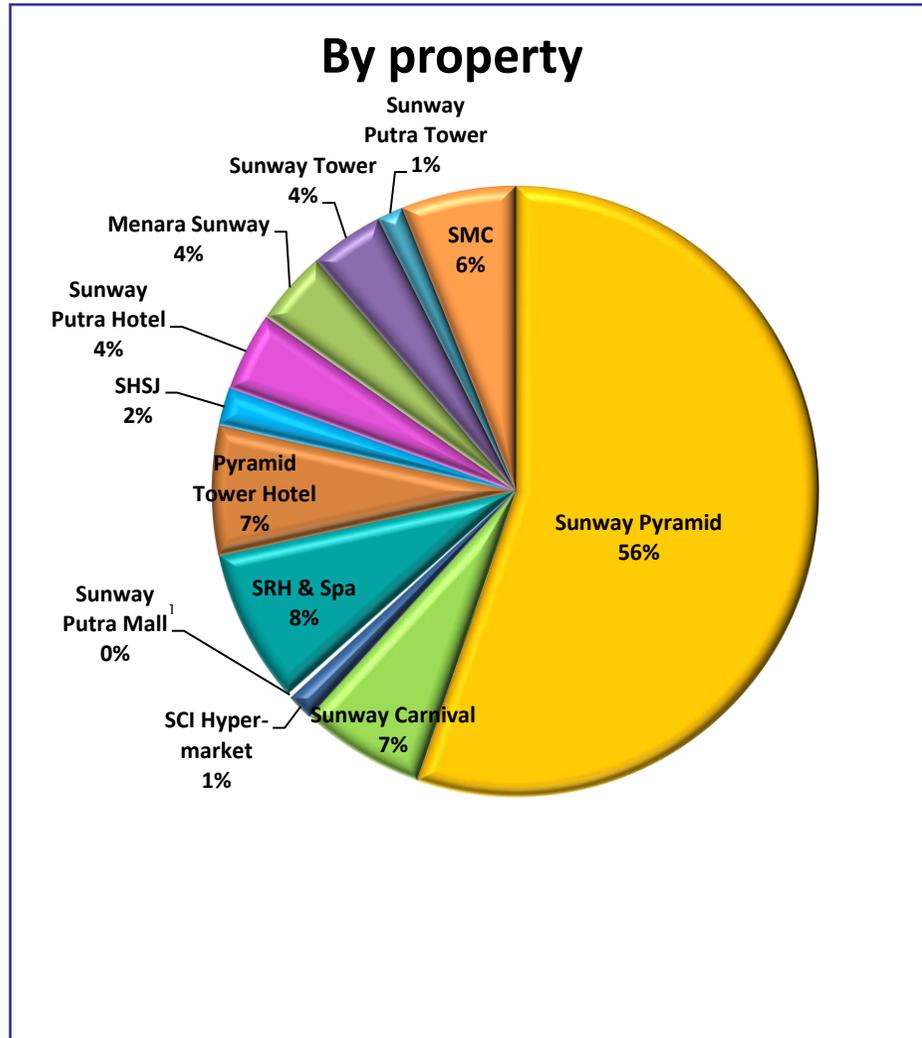
<sup>2</sup> Sunway Resort Hotel & Spa and Pyramid Tower Hotel's performance were lower for YTD 4Q 2013 compared to preceding year corresponding period due to reasons explained in slide 18 and 21.

<sup>3</sup> SHSJ's performance was softer compared to preceding year corresponding period due to reasons mentioned in slide 18.

<sup>4</sup> Sunway Tower and Sunway Putra Tower's revenue contribution were lower compared to preceding year corresponding period due to lower occupancy.

<sup>5</sup> SMC was acquired by Sunway REIT on 31 December 2012.

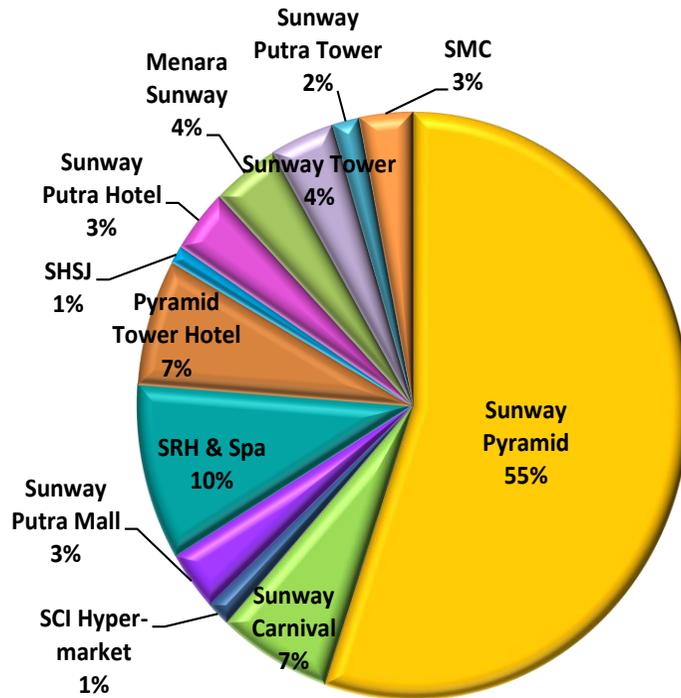
# 4Q 2013 NPI CONTRIBUTION



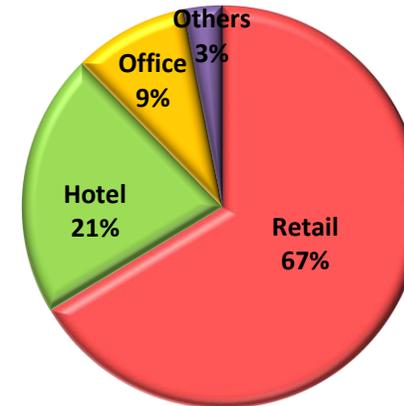
<sup>1</sup> Less than 1%

# YTD 4Q 2013 NPI CONTRIBUTION

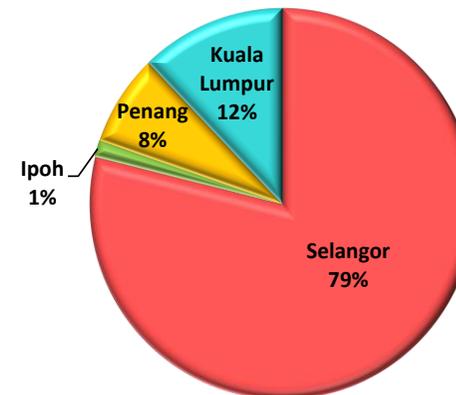
## By property



## By sector



## By location

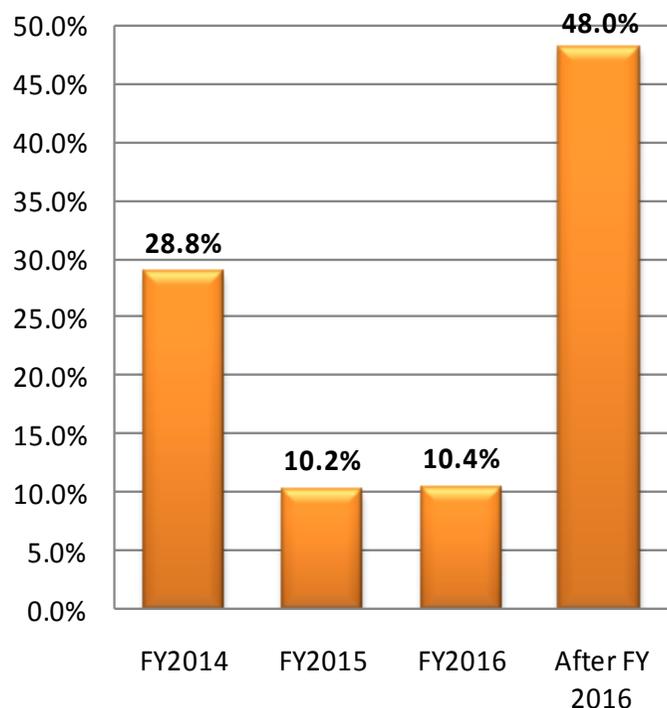


## RESILIENT INCOME STREAM

### Well spread-out lease expiry profile and diverse tenant base

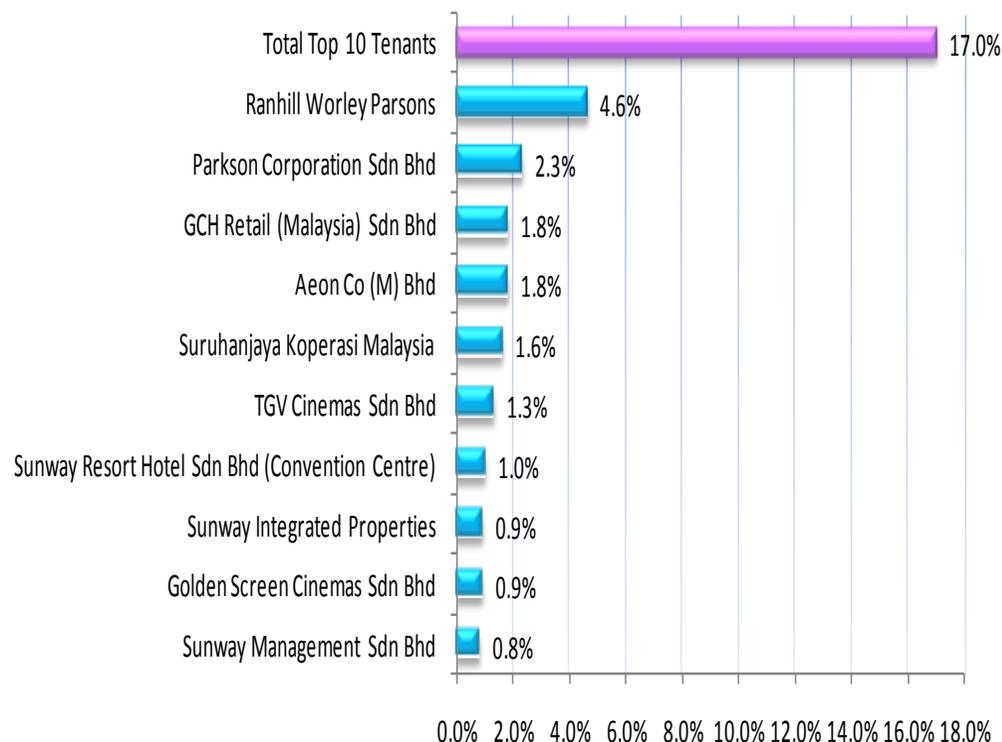
WALE<sup>(1)</sup> as at 30 June 2013 – 2.58 years

Projected tenancy expiry of portfolio <sup>(2)</sup>



Top 10 tenants comprise approximately 17.0%

Top ten 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.  
 (3) 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 June 2013. Exclude Hotel Master Leases, Hospital Master Lease and car park tenancies.

# YTD 4Q 2013 RENTAL REVERSION

Properties	New and renewed tenancies @ 4Q2013		Due for renewal in FYE2013		Renewal rate	Total rental increase in 3 years
	Number of tenancies	NLA sq.ft.	NLA sq. ft.	% of Property NLA		
Sunway Pyramid Shopping Mall	204	410,355	436,364	25.5%	94.0% <sup>1</sup>	18.1%
Sunway Carnival Shopping Mall	60	115,557	161,020	32.6%	71.8% <sup>2</sup>	21.0%
Menara Sunway	12	18,357	18,357	6.3%	100.0%	6.9%
Sunway Tower	3	15,893	19,017	7.1%	83.6% <sup>3</sup>	2.6%
Sunway Putra Tower	5	157,007	170,819	53.9%	91.9% <sup>4</sup>	26.4%
<b>Total Portfolio</b>	<b>284</b>	<b>717,169</b>	<b>805,577</b>		<b>89.0%</b>	<b>18.7%</b>

1. As part and parcel of tenancy renewal attrition process, 6% of the space was not renewed during the year in order to improve tenancy mix.

2. Mainly due a tenant which was due in June 2013 occupying 39,676 sq.ft. who did not renew pursuant to change of business strategy. The Manager is planning to reconfigure this space and to further improve tenancy mix in order to achieve higher rentals.

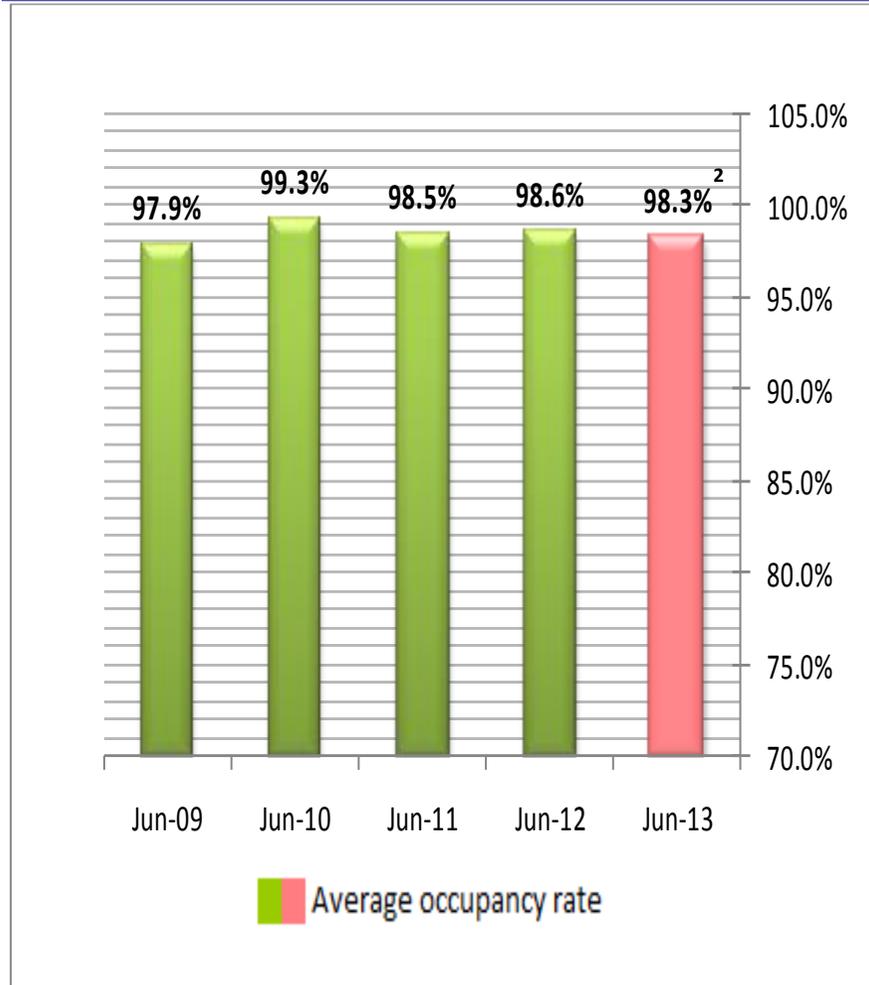
3. Due to downsizing by a tenant.

4. Three tenants did not renew.

# 4Q FY2013 PROPERTY PERFORMANCE

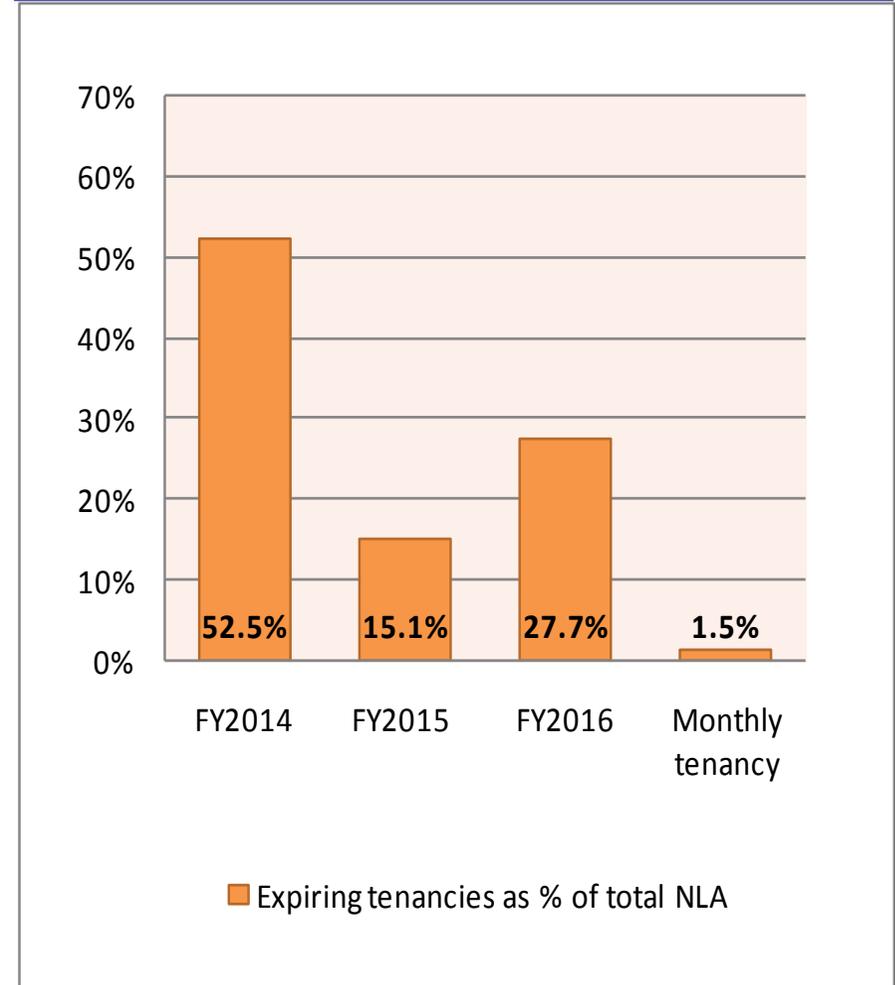
# RETAIL PROPERTIES – SUNWAY PYRAMID SHOPPING MALL

## Historical occupancy rates

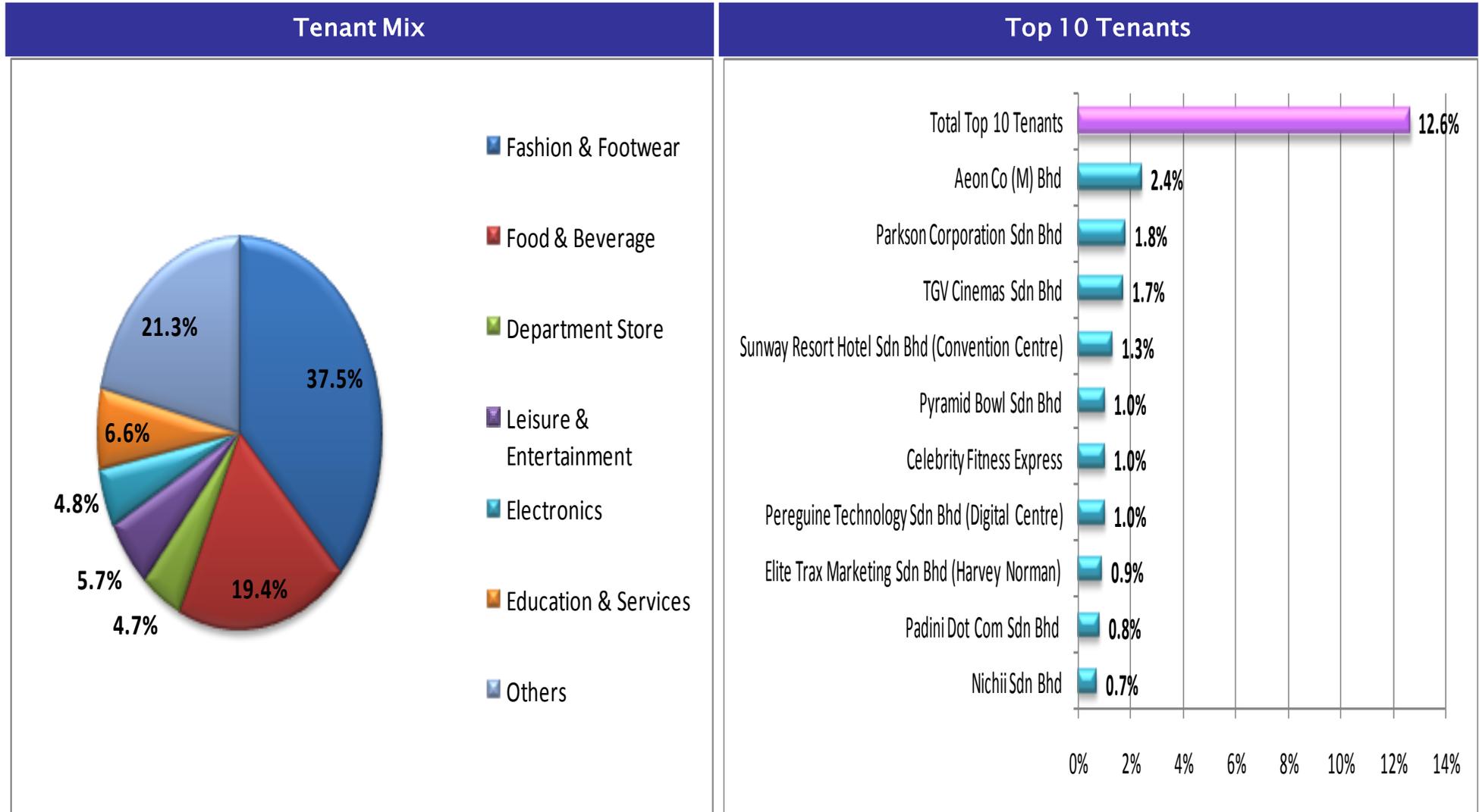


1 Slight drop in occupancy mainly due to on-going works to reconfigure an existing area of 23,432 sq.ft. under Oasis Boulevard 5 Project since April 2013.

## Projected lease expiry schedule



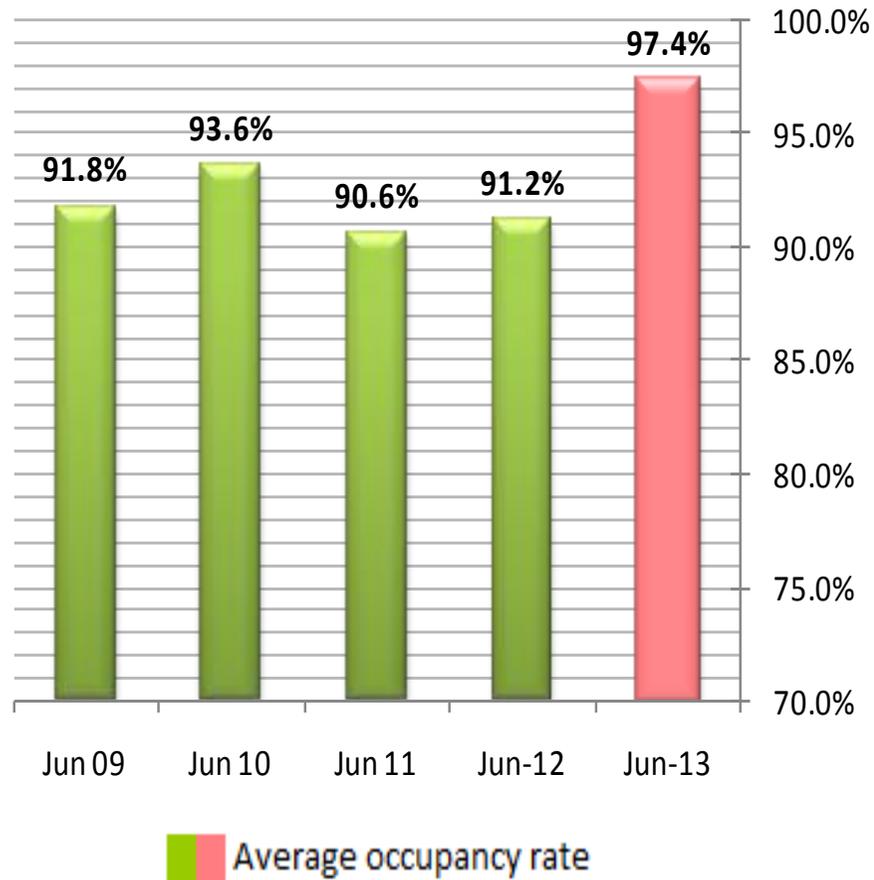
# RETAIL PROPERTIES – SUNWAY PYRAMID SHOPPING MALL (Cont'd)



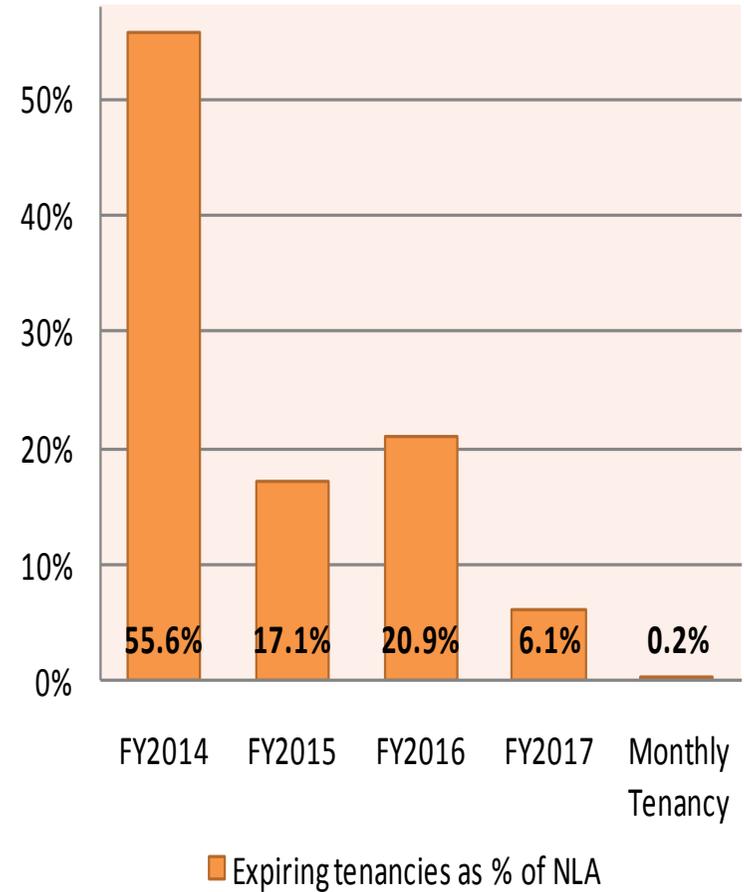
Note: Based on gross rental income for the month of June 2013.

# RETAIL PROPERTIES – SUNWAY CARNIVAL SHOPPING MALL

## Historical occupancy rates

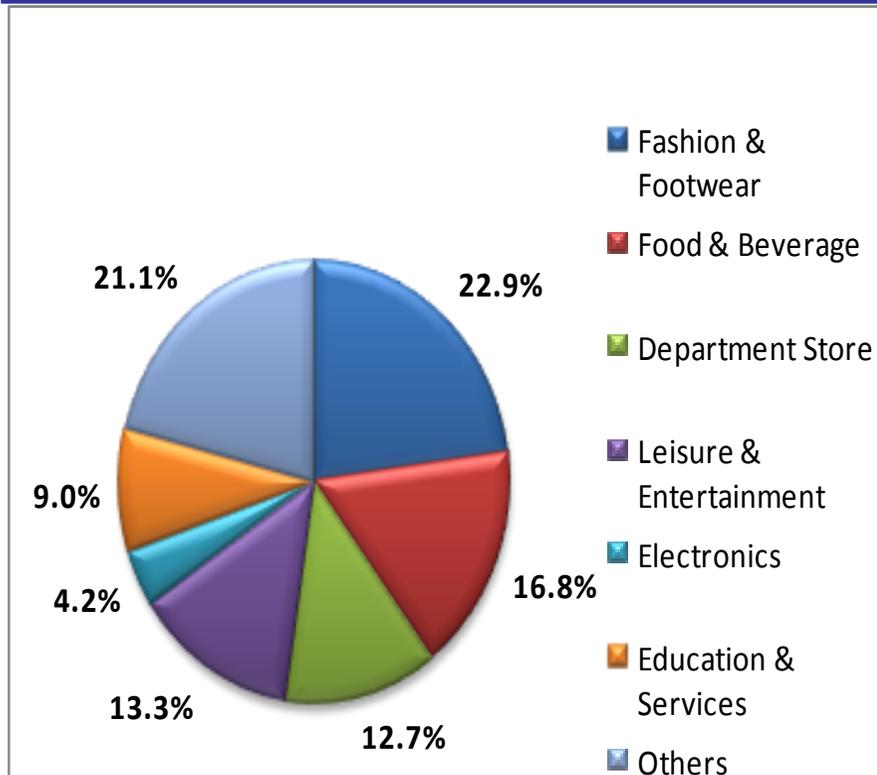


## Projected lease expiry schedule

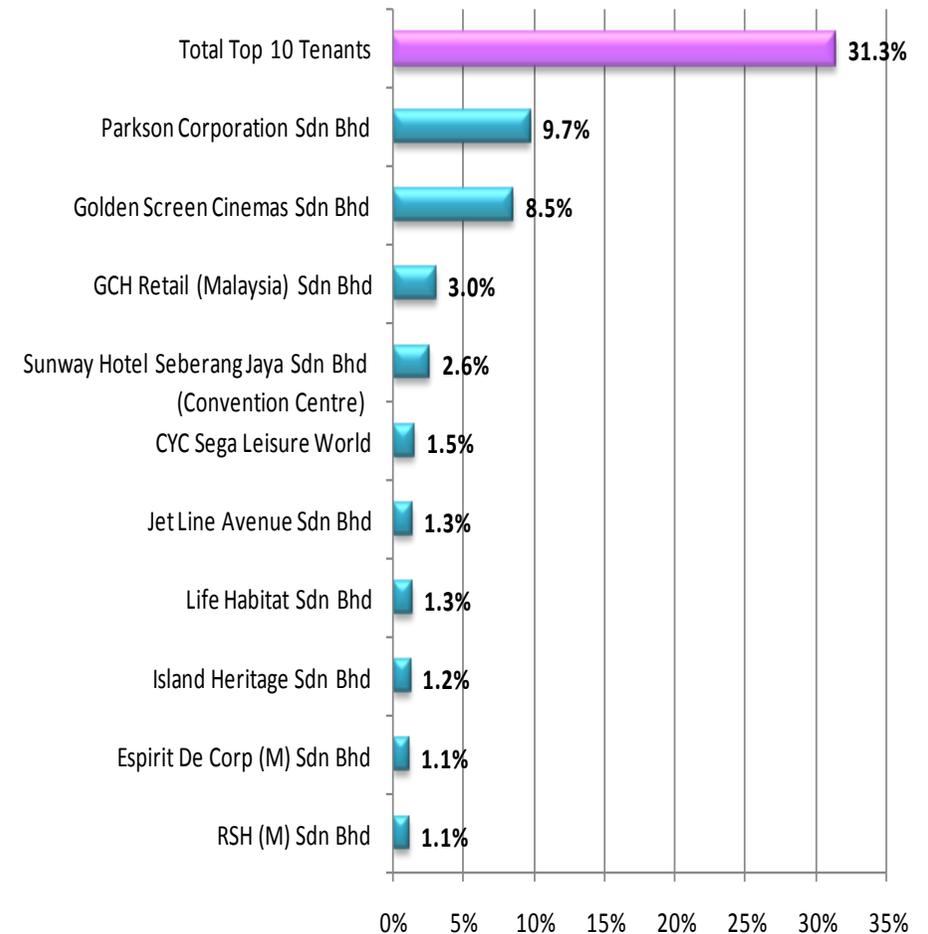


## RETAIL PROPERTIES – SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

### Tenant Mix

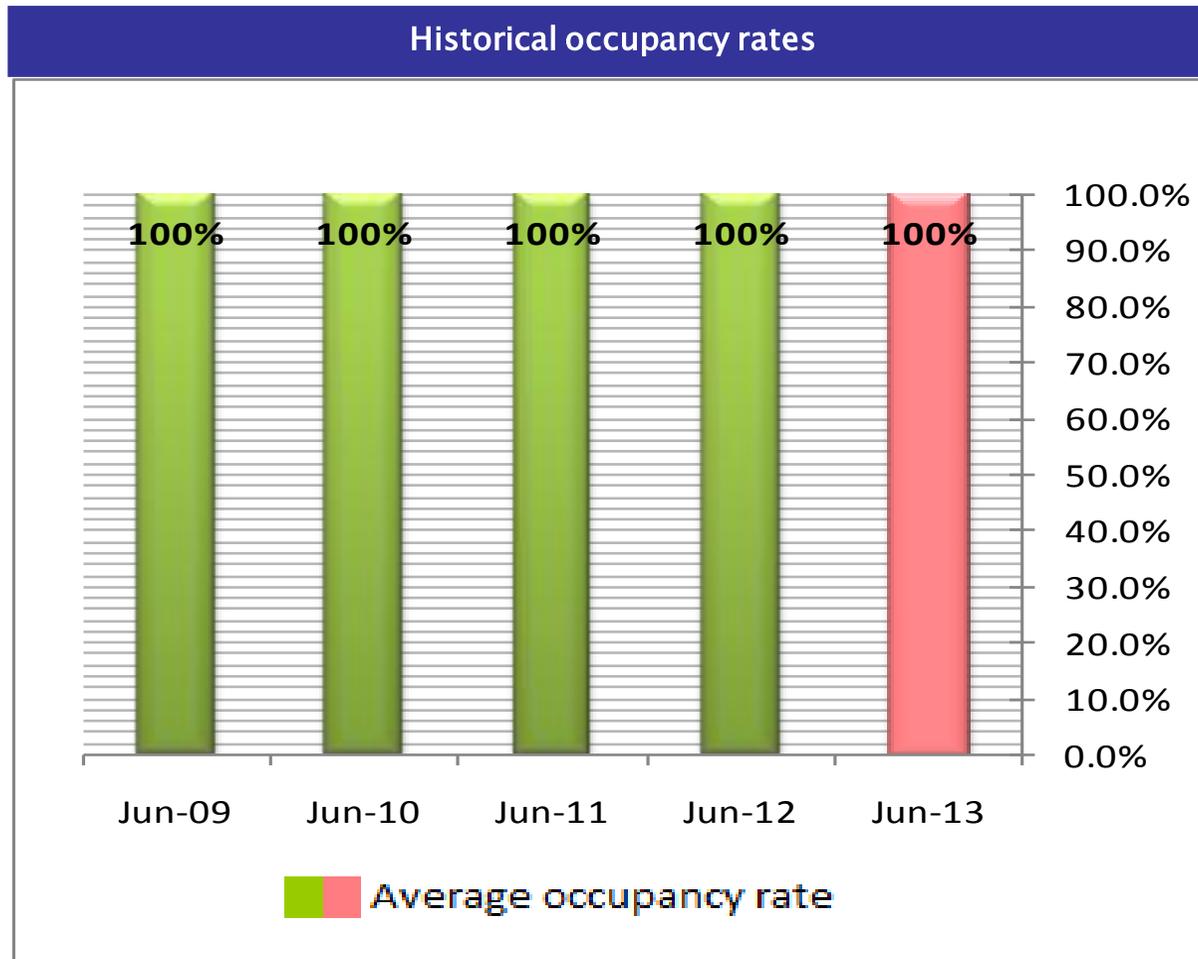


### Top 10 Tenants



Note: Based on gross rental income for the month of June 2013.

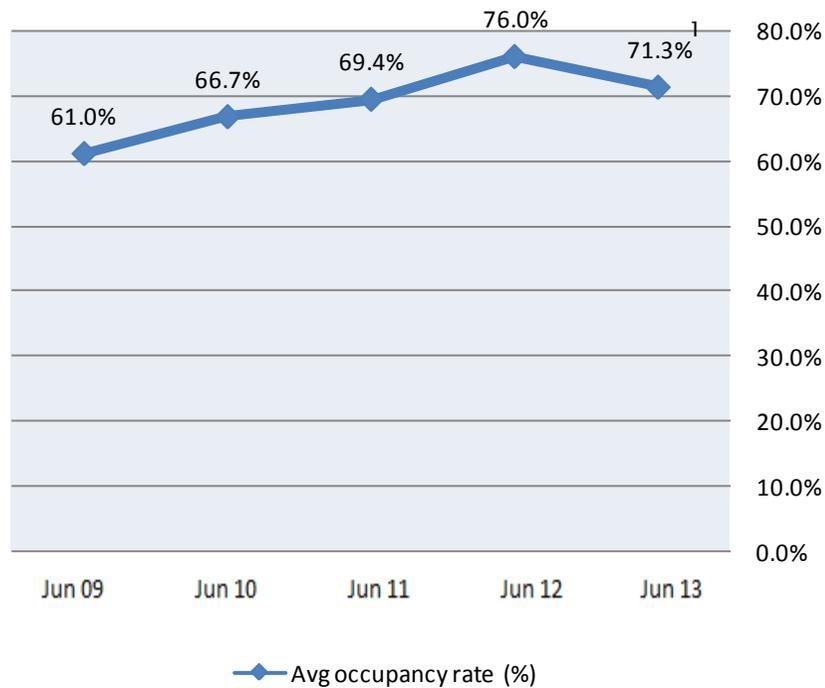
## RETAIL PROPERTIES – SUNCITY IPOH HYPERMARKET



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 Darussalam. The tenancy expires in FY2014 with option to renew for another term of 3 years by the tenant.

# HOSPITALITY PROPERTIES – SUNWAY RESORT HOTEL & SPA

## Historical occupancy rate (Y-o-Y)

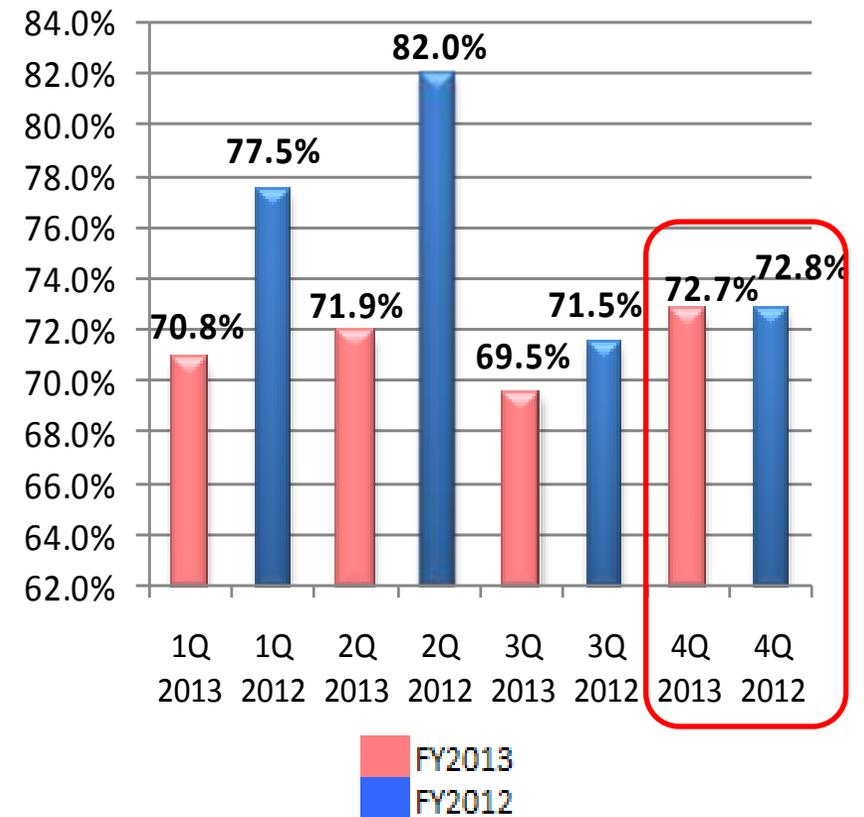


1. The lower occupancy was due to reduced corporate business several months prior to GE13.

## Customer contribution (Room revenue)

Corporate	69.4%
Leisure	30.6%

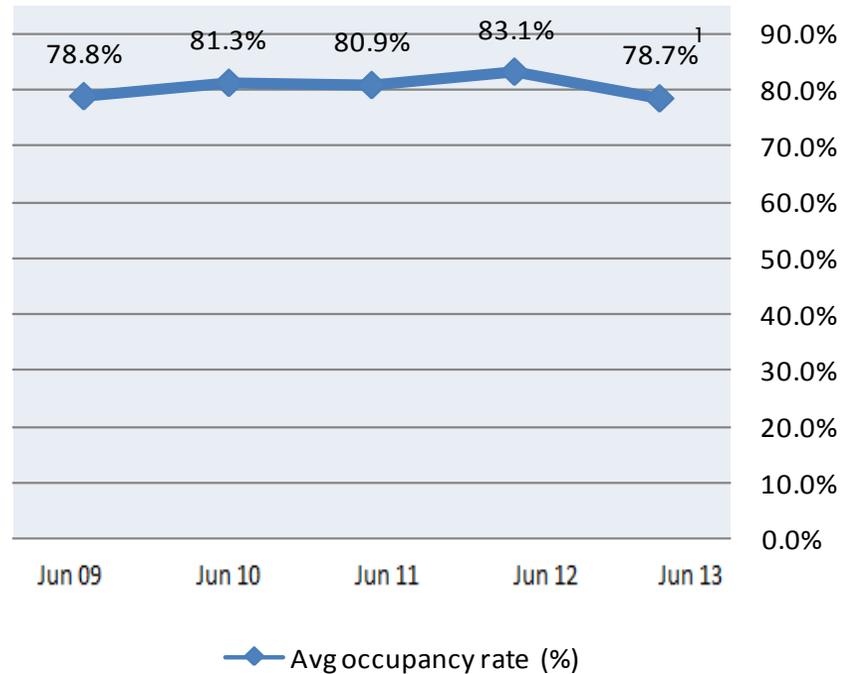
## Average occupancy rate (Q on Q comparison)



Note: 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.

# HOSPITALITY PROPERTIES – PYRAMID TOWER HOTEL

## Historical occupancy rate (Y-o-Y)

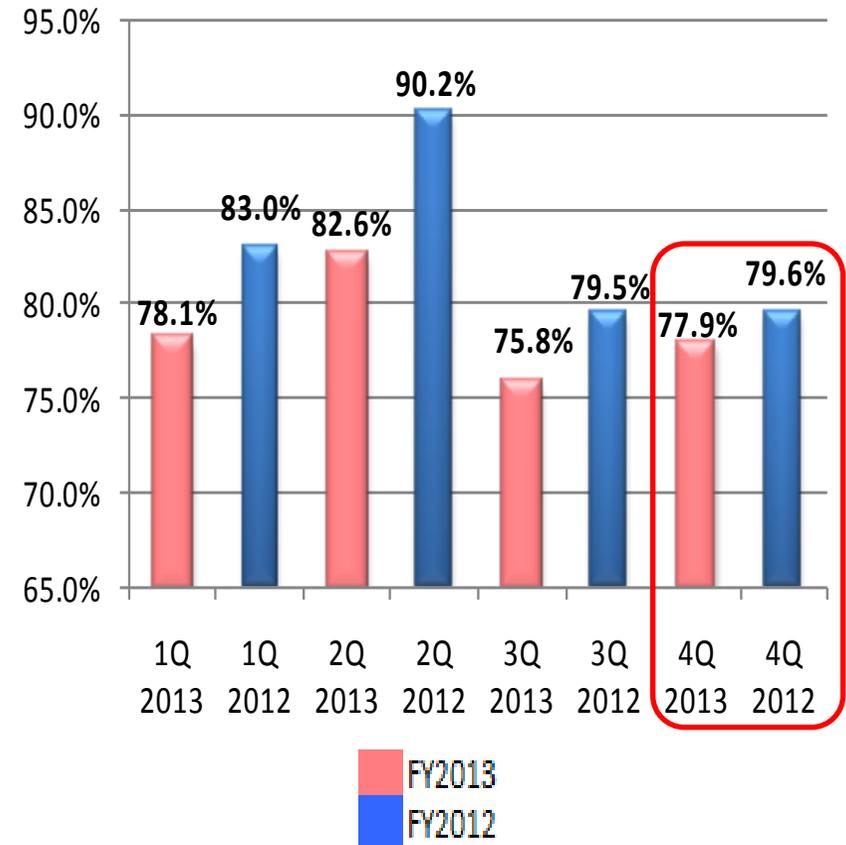


1. The lower occupancy was due to reduced corporate business several months prior to GE13.

## Customer contribution (Room revenue)

Corporate	81.7%
Leisure	18.3%

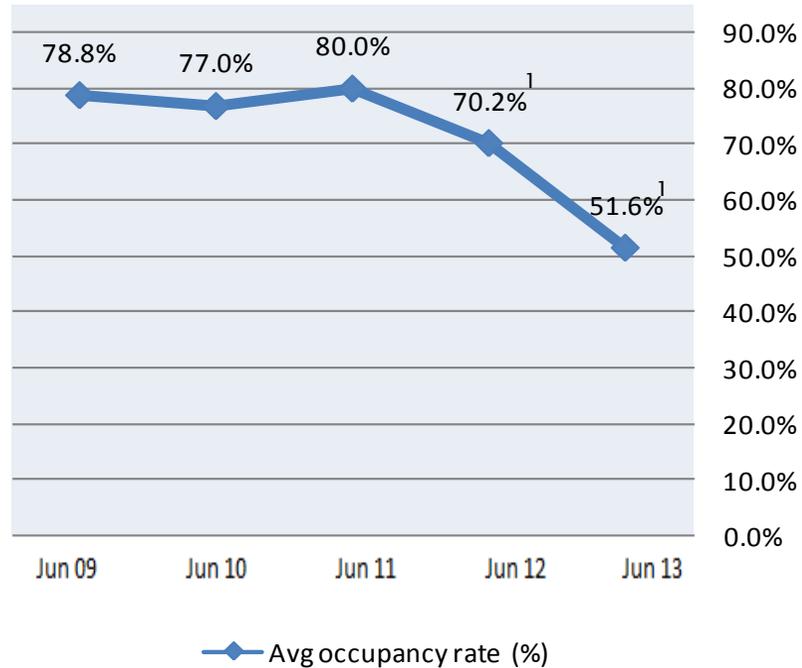
## Average occupancy rate (Q on Q comparison)



Note: 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.

# HOSPITALITY PROPERTIES – SUNWAY HOTEL SEBERANG JAYA

## Historical occupancy rate (Y-o-Y)

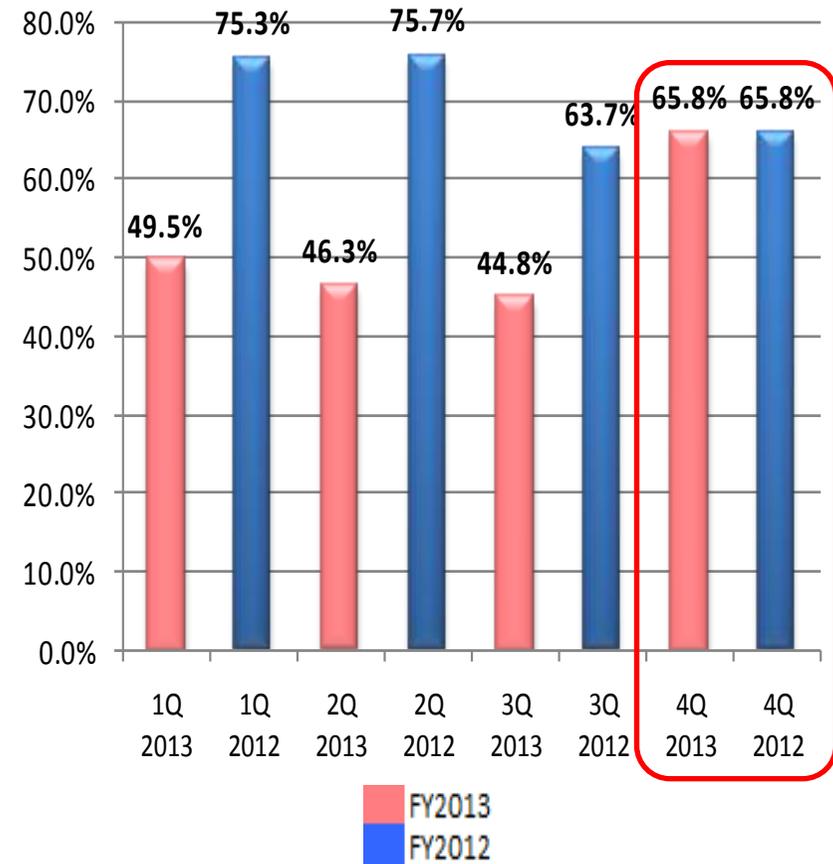


1. Lower occupancy was due to major refurbishment which commenced in December 2011 and completed in May 2013.

## Customer contribution (Room revenue)

Corporate	90.8%
Leisure	9.2%

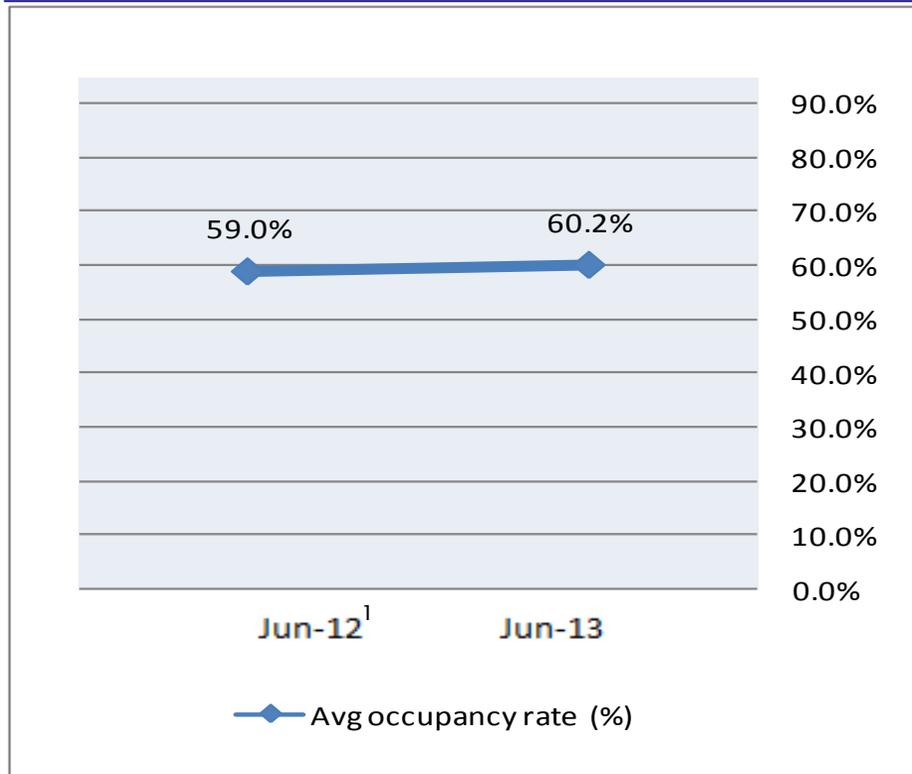
## Average occupancy rate (Q on Q comparison)



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

# HOSPITALITY PROPERTIES – SUNWAY PUTRA HOTEL

## Historical occupancy rate (Y-o-Y)

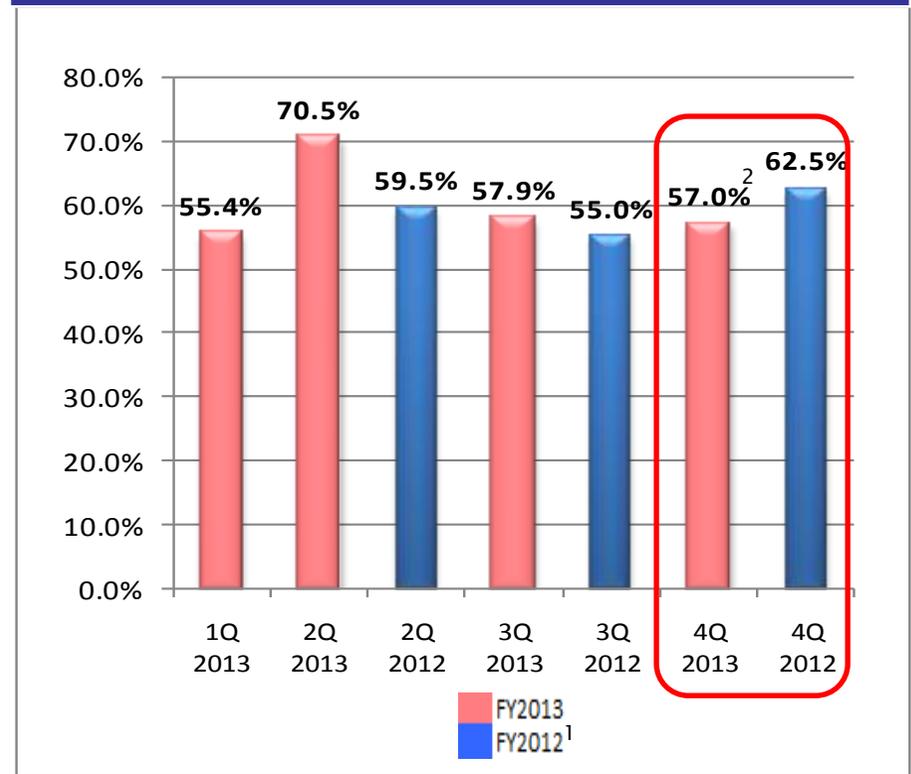


1. Representing period from 28 Sept 2011 (full possession and control of Sunway Putra Hotel) to 30 June 2012.

## Customer contribution (Room revenue)

Corporate	75.6%
Leisure	24.4%

## Average occupancy rate (Q on Q comparison)

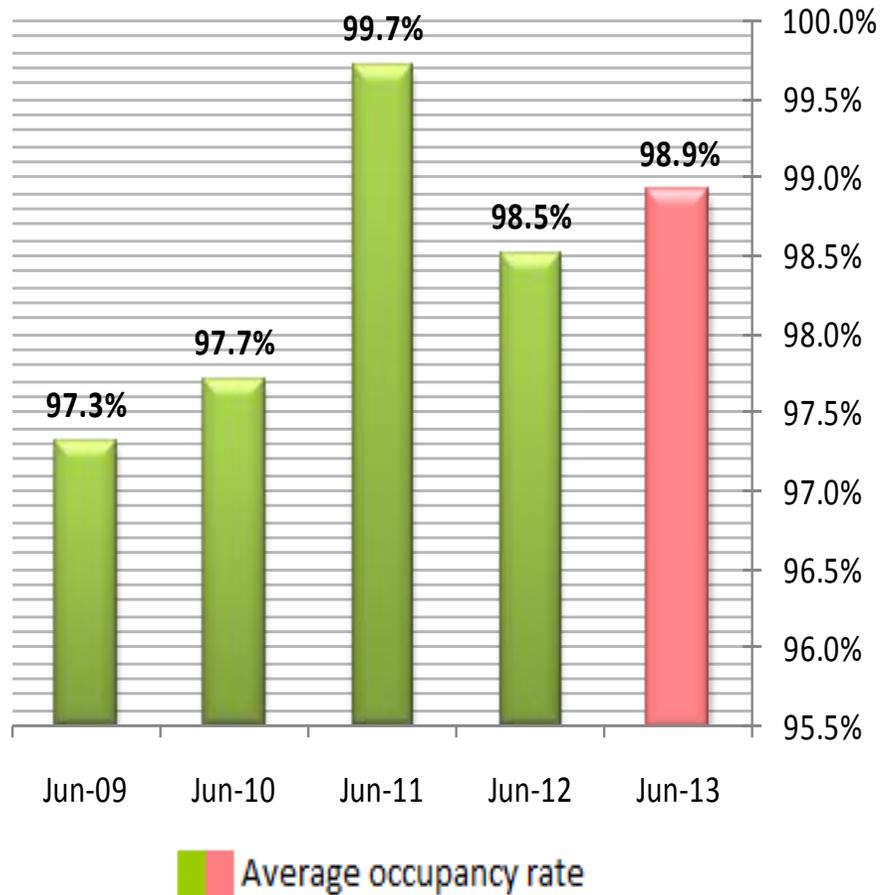


1. There was no comparative for 1Q2012 as full possession and control was obtained on 28 Sept 2011.
2. The current quarter's performance was adversely affected by the on-going major refurbishment at the adjoining Sunway Putra Mall which commenced in May 2013.

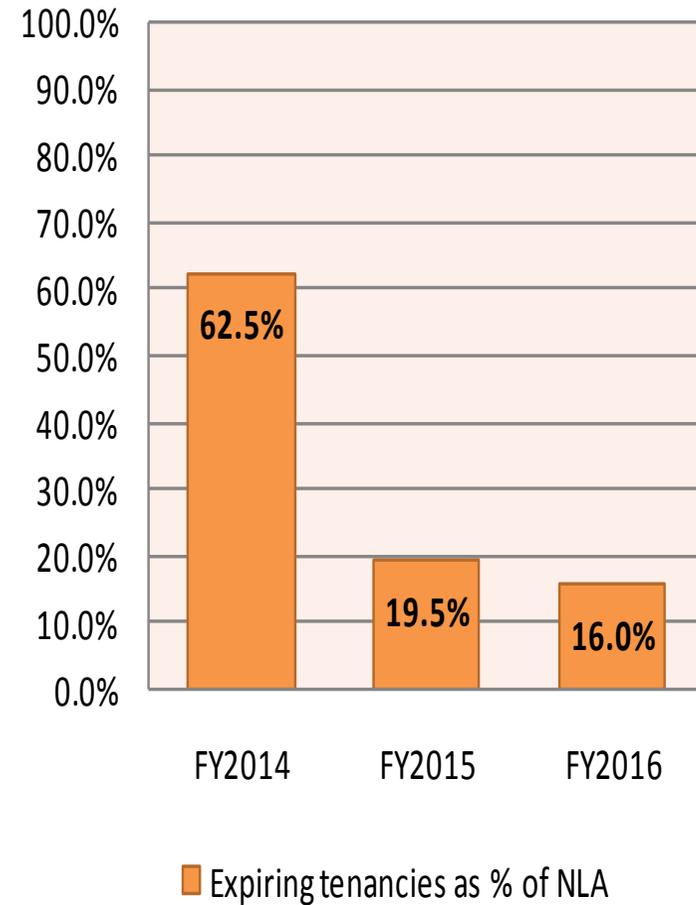
Note: The hotel properties are under 10-years master leases. The Sunway Putra Hotel master lease is expiring in September 2021.

# OFFICE PROPERTIES – MENARA SUNWAY

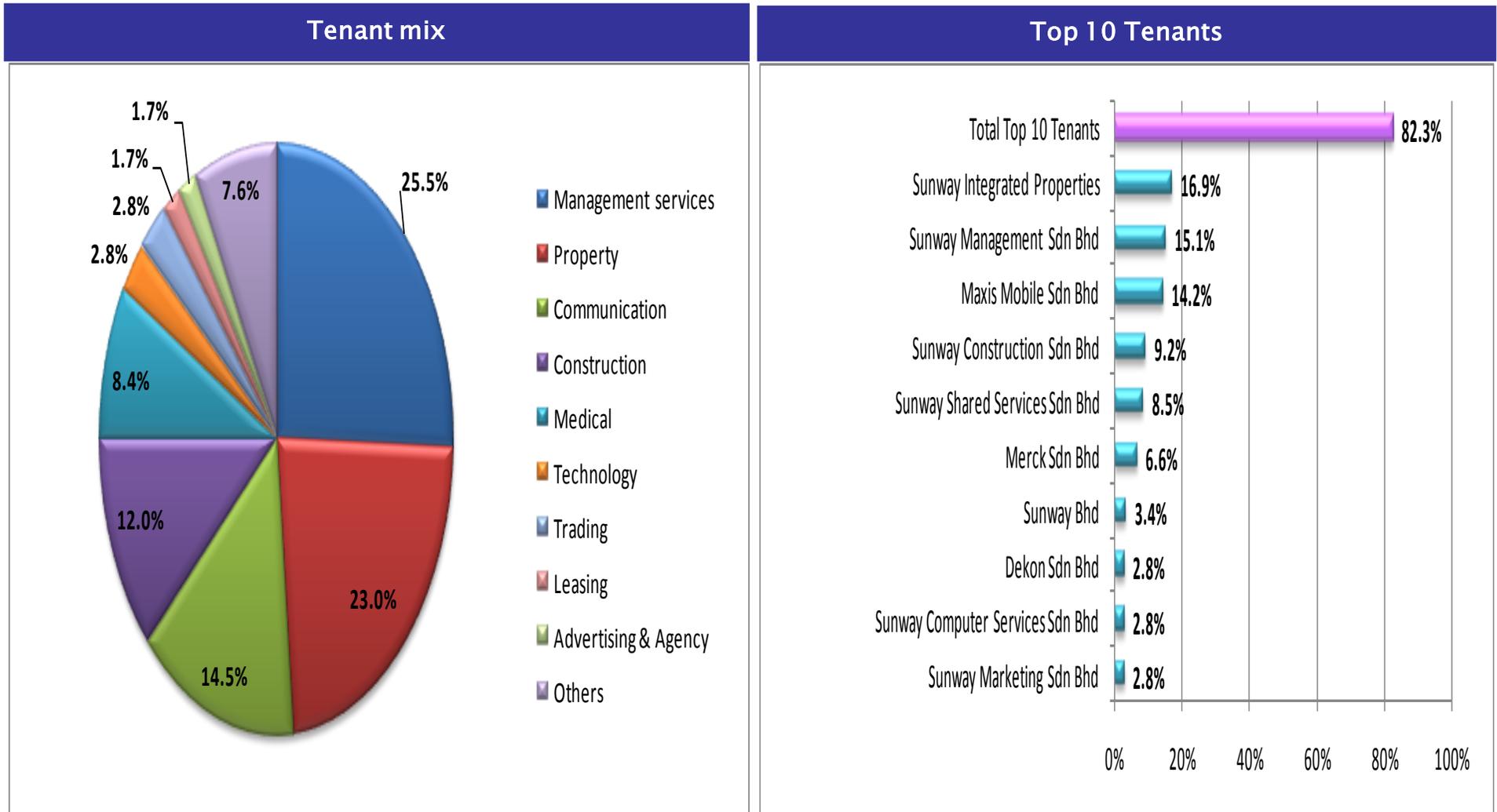
## Historical occupancy rates



## Projected lease expiry schedule



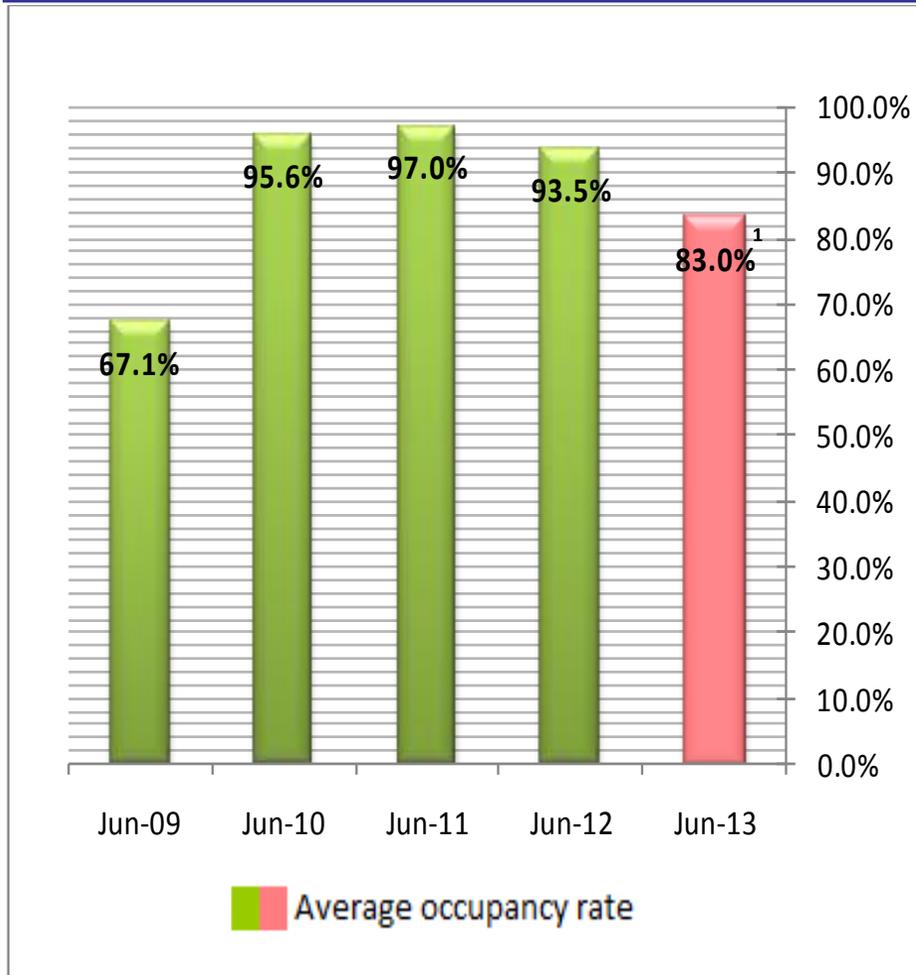
## OFFICE PROPERTIES – MENARA SUNWAY (Cont'd)



Note: Based on gross rental income for the month of June 2013.

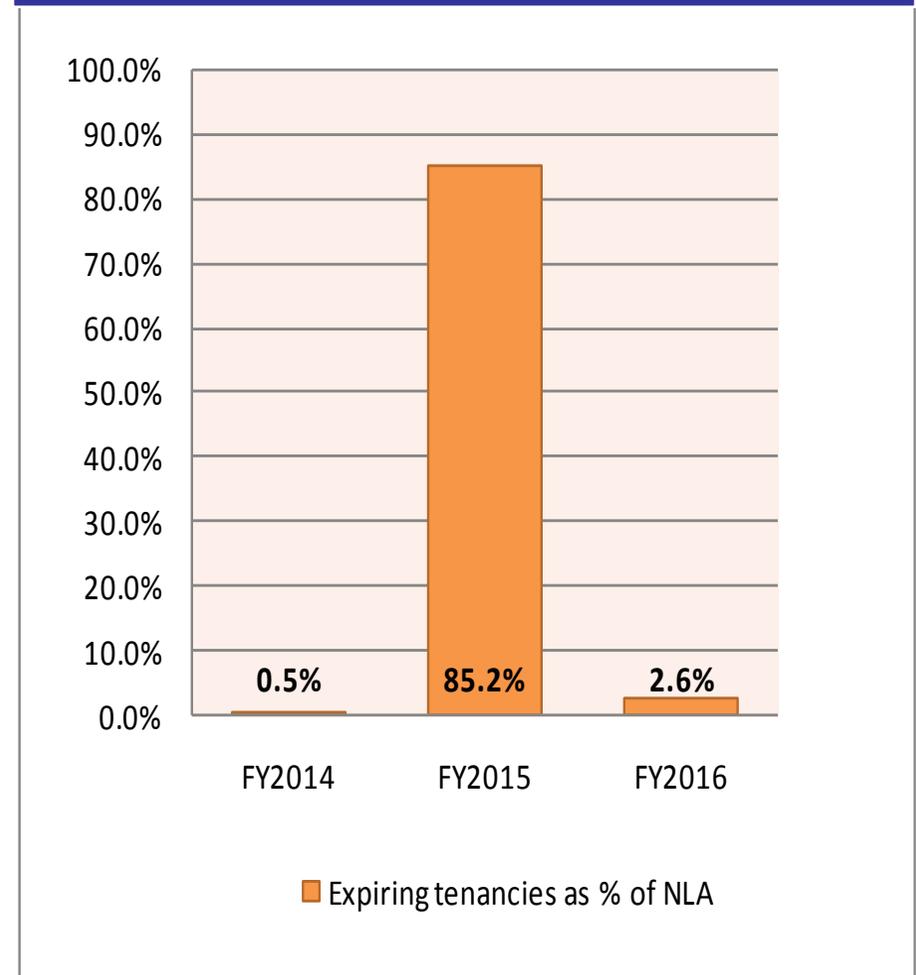
# OFFICE PROPERTIES – SUNWAY TOWER

## Historical occupancy rates

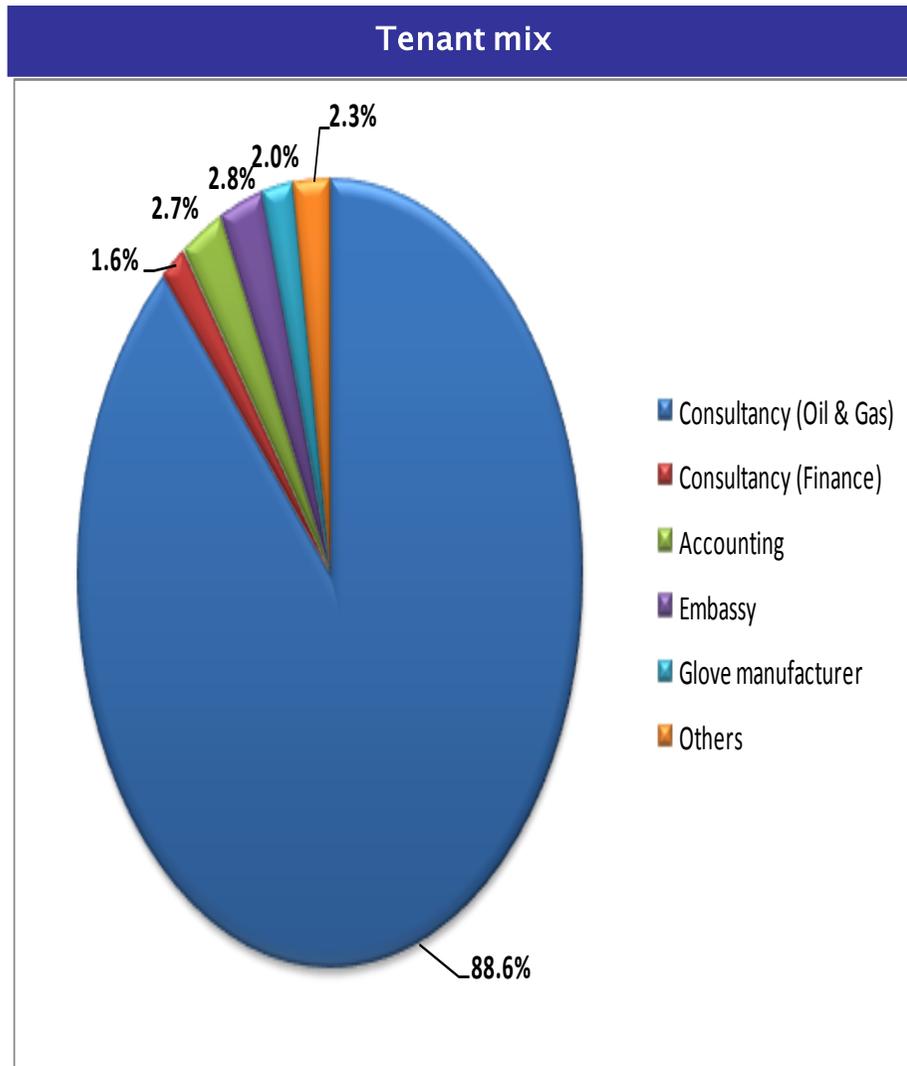


(1) Drop in average occupancy was due to non renewal by tenants.

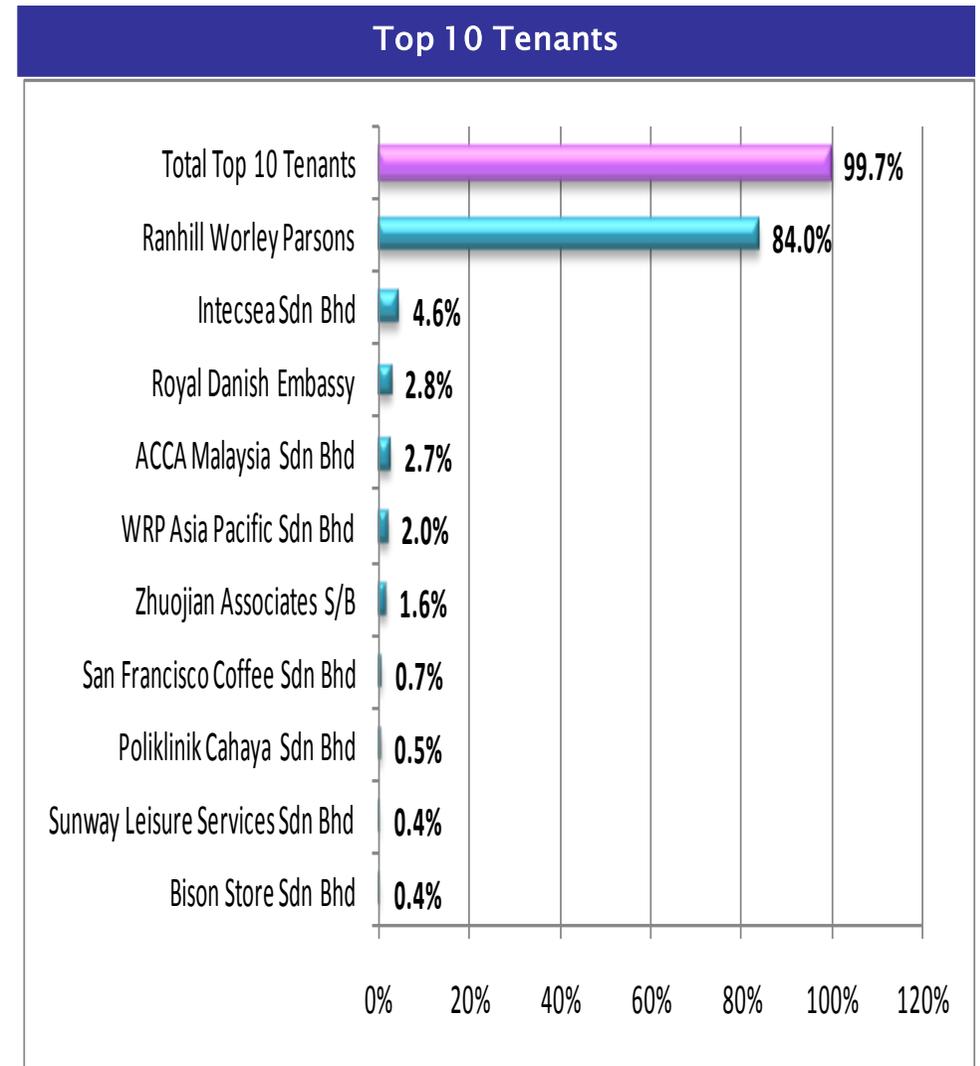
## Projected lease expiry schedule



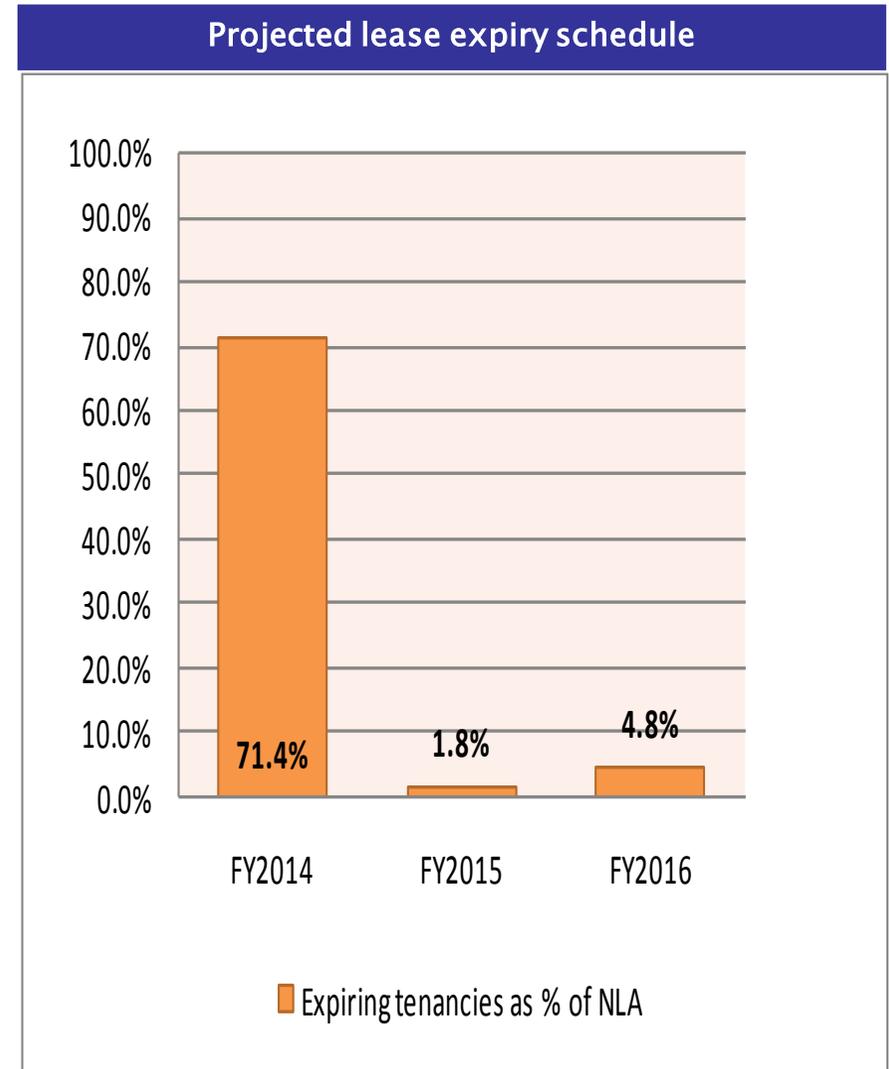
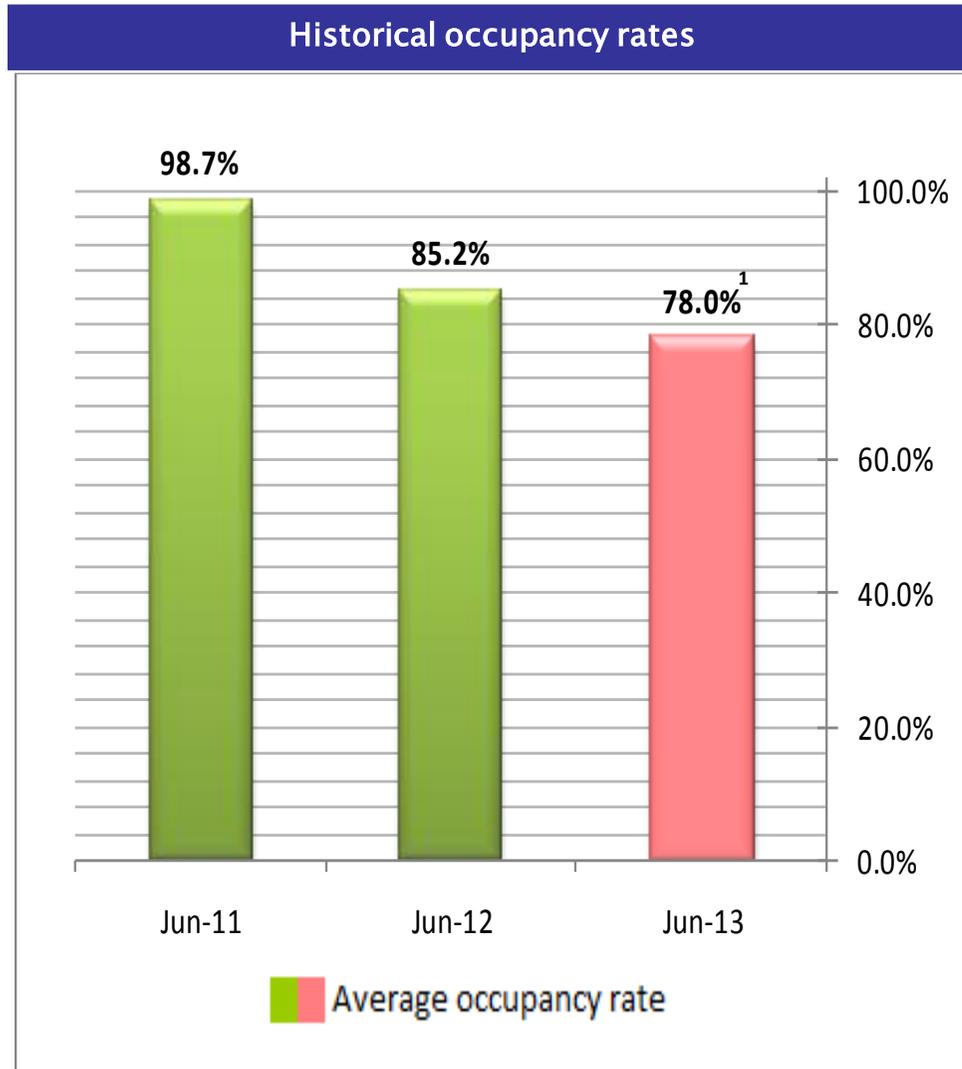
## OFFICE PROPERTIES –SUNWAY TOWER (Cont'd)



Note: Based on gross rental income for the month of June 2013.

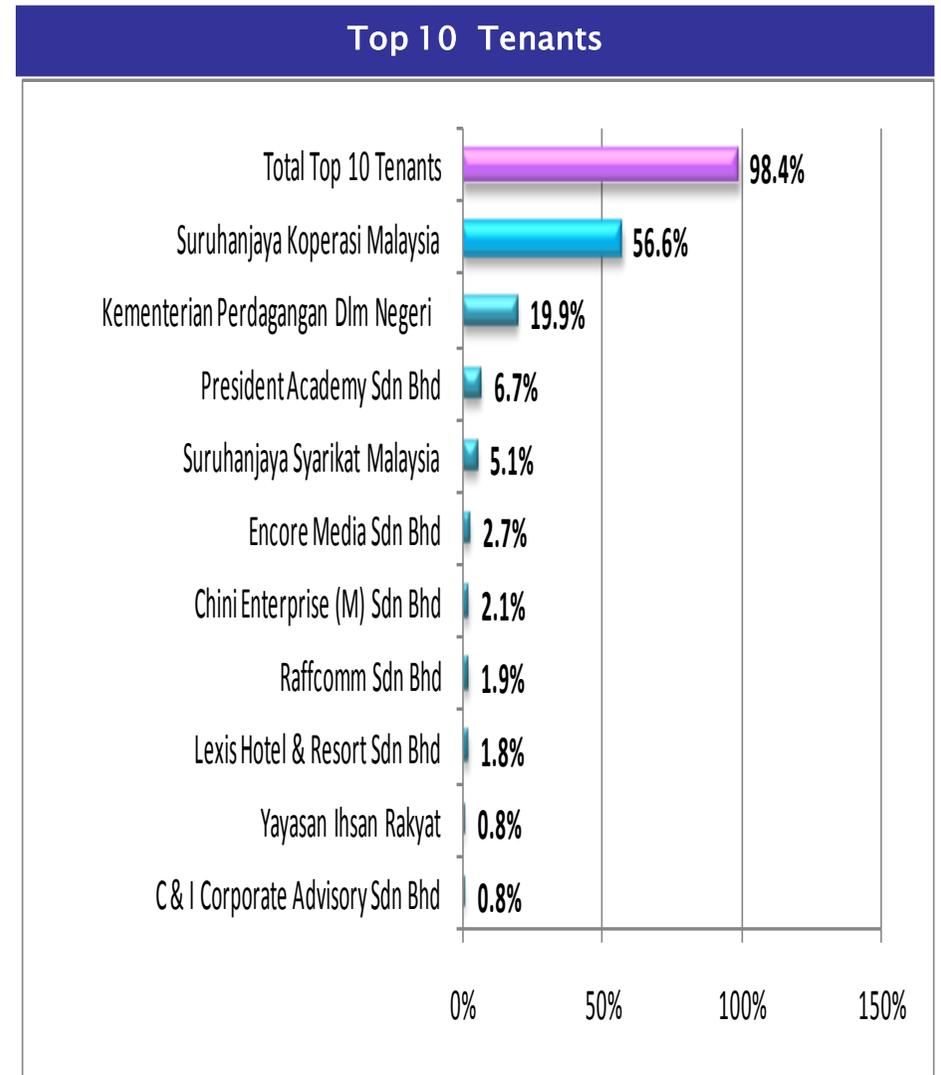
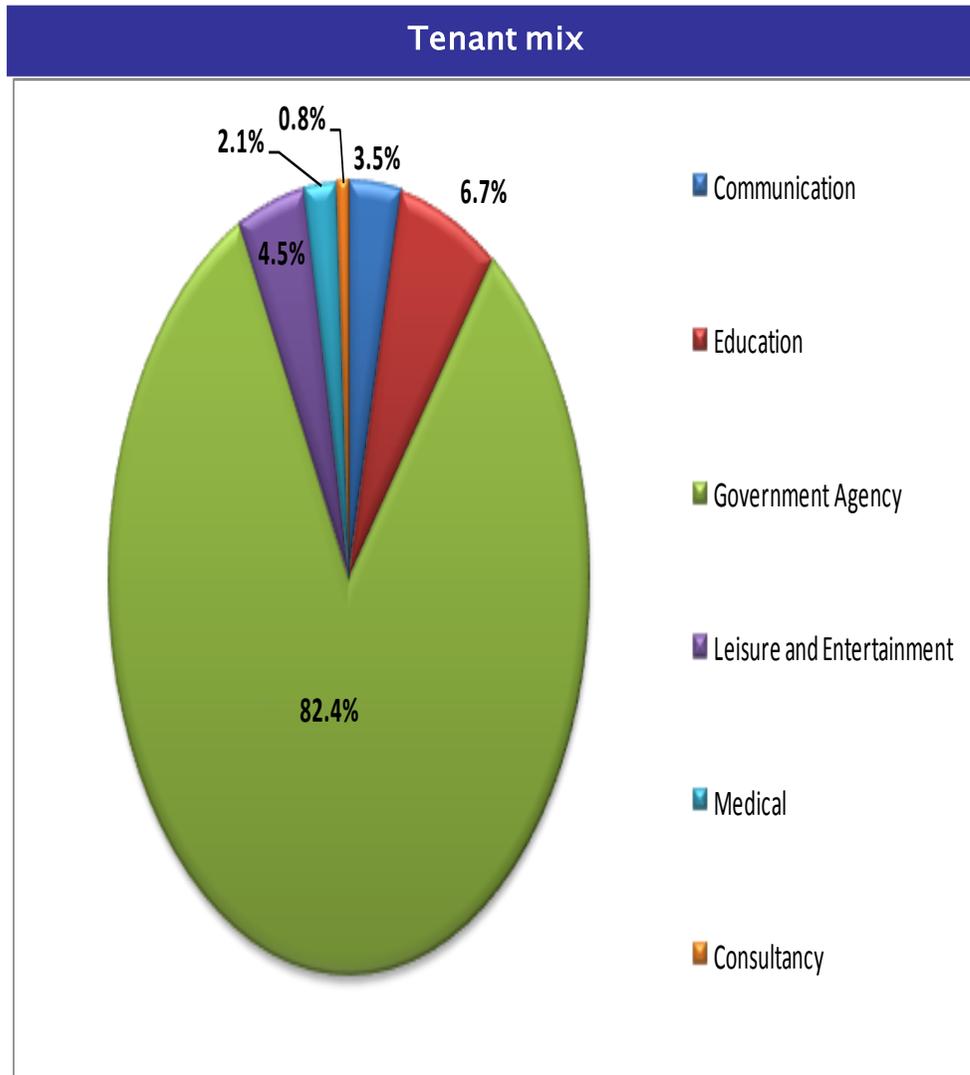


# OFFICE PROPERTIES – SUNWAY PUTRA TOWER



(1) Drop in occupancy was due to non renewal by tenants.

## OFFICE PROPERTIES – SUNWAY PUTRA TOWER (Cont'd)



Note: Based on gross rental income for the month of June 2013.

# MARKET OUTLOOK

# GENERAL OUTLOOK

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- The Q1 2013 real GDP expanded by +4.1% (year-on-year) but contracted by -4.9% (quarter-on-quarter). The lower growth during the quarter was primarily due to weak industrial activities as exports remained depressed by the lingering recession in the Euro area and the weaker-than expected growth in the U.S. and China.
- Bank Negara Malaysia (“BNM”) has maintained GDP growth forecast of 5% - 6% for 2013. This is anchored by sustained domestic demand, led by private consumption and investment remained the key driver of growth.
- Although headline inflation rose for the fifth consecutive month to 1.8% in May, from 1.7% in April, it is still below the 2.0% level for the 14<sup>th</sup> consecutive month. Inflation in 2013 is expected to range between 2% and 3%. The increase in inflation is partly due to expected higher transport prices, firm increase in food prices and increases in utilities tariff.

# GENERAL OUTLOOK (CONT'D)

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- The Monetary Policy Committee (“MPC”) left the overnight policy rate (“OPR”) unchanged at 3.0% for the twelve consecutive times since July 2011. Bank Negara Malaysia indicated that monetary policy direction going forward will be supportive of growth whilst cautiously assessing the global economic and financial developments and their implications on the overall outlook for inflation and growth of the Malaysian economy.
- The Manager expects sustained or minimal impact to DPU for FY2014 despite the loss of income from Sunway Putra Mall underpinned by organic growth from existing assets of Sunway REIT’s portfolio. With the loss of income contribution from Sunway Putra Mall and potential decline in income from the Sunway Putra Hotel and Sunway Putra Tower due to disruption from the major refurbishment which commenced in May 2013, the Manager has implemented organic growth initiatives to cushion the adverse impact.
- The Manager is committed to distribute 100% of its distributable net income for FY2014.

# RETAIL

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- The National retail sales recorded a strong Q1 2013 growth at 7.5% higher than the initial forecast of 5.9%. Retail Group Malaysia has revised upwards the full year target to 6.4% for 2013, to be supported by major festive seasons, year-end school holidays and sales.
- There is a number of new sizeable shopping malls in the pipeline in Kuala Lumpur and Selangor including Nu Sentral (660,000 sq. ft. in 2013), Cheras Sentral Shopping Mall (500,000 sq. ft. in 2013), Damansara City Mall (185,500 sq. ft. in 2014) and IOI City Mall (1,200,000 sq. ft. in 2014). It is expected that approximately 5.20 million sq. ft. and 7.58 million sq. ft. of new retail spaces will be added to Kuala Lumpur and Selangor in 2013 – 2015, respectively.

# RETAIL (CONT'D)

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- Sunway Pyramid Shopping Mall's average occupancy rate dropped marginally to 98.3% in FY2013 compared to the previous year of 98.6%. The marginal drop in occupancy was mainly due to on-going works to reconfigure an existing area of 23,432 sq. ft. for Oasis Boulevard Phase 5 project which commenced work in April 2013. During the financial year, a total of 410,355 sq. ft. representing 94.0% of total NLA was renewed at an average rental reversion rate of 18.1% over a period of three years.
- Meanwhile, Sunway Carnival Shopping Mall's average occupancy rate improved significantly to 97.4% for FY2013 compared to 91.2% in the previous financial year. A total of 115,557 sq. ft. of NLA was renewed at an average rental reversion rate of 21.0% over a 3-year term. A tenancy which was due in June 2013 occupying 39,676 sq. ft. representing 8.0% of total NLA, did not renew due to a change in their business strategy. The Manager is planning to reconfigure this space and to further improve tenancy mix in order to achieve higher rentals.

# RETAIL (CONT'D)

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- The Manager expects the retail assets to be the key growth driver for the portfolio supported by macro factors such as positive consumer sentiment, supported by buoyant employment situation, rising levels of disposable income, strong inbound tourism and growing affluence of the nation.
- On the assets level, the Manager strives to embark on continuous AEs, ongoing promotional activities and events to attract high level of shoppers traffic to encourage spending and introduction of fresh retail concepts to be ahead of retail trends in ensuring the leadership position of the malls in their respective locations.
- Going forward, key drivers for Sunway Pyramid Shopping Mall are asset enhancement initiatives (“AEs”) of Oasis Boulevard 5 which involve creation of new NLA totaling 20,362 sq. ft. and reconfiguration of existing NLA totaling 23,432 sq. ft. In addition, major rental reversion involving 52.5% of NLA are due for rental renewal in FY2014. Pursuant to the completion of chillers retrofitting in December 2012, it is estimated that there will be energy cost savings of approximately RM4.0 million per annum. Sunway Carnival Shopping Mall is also due for major rental reversion in FY2014 involving 55.6% of NLA.

# HOTEL

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- Tourist arrivals into Malaysia was 25.03 million people with corresponding tourist receipts of RM60.6 billion in 2012, reflecting year-on-year (“y-o-y”) growth of 1.3% and 3.9% respectively (2011: 24.71 billion arrivals with tourist receipts of RM58.3 billion). Q1 2013 tourist arrival grew 15.9% vis-à-vis the corresponding period last year with a notable increase in tourist arrival from Singapore. Meanwhile, tourist arrivals from China, Indonesia and India continued to experience healthy growth.
- Visit Malaysia Year 2014, launched on 19 January 2013, is timely to further promote the country as a tourism destination and to achieve its target of 28.8 million tourist arrivals. The hospitality and retail sectors would see better growth with the increase in foreign tourist arrivals and spending.
- Sunway Resort Hotel and Spa’s average occupancy rate for FY2013 dropped to 71.3% vis-à-vis 76.0% in the previous year. Likewise, Pyramid Tower Hotel also experienced the same business trend where the average occupancy rate dropped to 78.7% vis-à-vis 83.1% in the previous year. The lower average occupancy rate for both the hotels were due to lesser corporate business on the back of uncertainties of the overall market before the GE13.

# HOTEL (CONT'D)

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- Sunway Putra Hotel occupancy rate for FY2013 stood at 60.2% compared to 59.0% in FY2012 (from date of full control and possession, on 28 September 2011 to 30 June 2012). The hotel performance was adversely affected in May and June 2013 as a result of closure and major refurbishment exercise of the adjoining Sunway Putra Mall. The Manager will be commencing the refurbishment of Sunway Putra Hotel on progressive basis over the next 2 years at an estimated cost of RM130 million.
- In Penang mainland, Sunway Hotel Seberang Jaya was adversely affected by the refurbishment activities which commenced in December 2011 and completed in May 2013. Average occupancy rate dropped to 51.6% for FY2013 compared to 70.2% in the previous financial year. The business improved in June 2013 after the completion of the refurbishment exercise and the Manager expects the business to further improve thereafter. As at the month of June 2013 the hotel occupancy was registered at 71.3% and increase in Average Daily Rates (ADR) by 13.0%.

# HOTEL (CONT'D)

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- The Manager expects the business from the hotel segment with the exception of Sunway Putra Hotel to improve in FY2014 following the removal of uncertainties of domestic political environment and promotional efforts by Ministry of Tourism to create year-long special events and activities leading to Visit Malaysia 2014. The Manager cautions of possible decline in income from Sunway Putra Hotel on the back of work disruption arising from refurbishment of Sunway Putra Mall and waiver of guaranteed rental for FY2014 as announced on 3 July 2013.

# OFFICE

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- The overall office market is in for some challenging times as it grapples with both the headwinds from uncertainties of global economy as well as a vast oversupply situation which has already begun to take effect.
- In Kuala Lumpur, the new supply is expected to increase by 12.5 million sq. ft. over 2013 - 2015 having a cumulative supply of 93.6 million sq. ft.. The sheer volume of new space coming on stream, which creates a tenant's market that will inevitably cause rental rates and occupancies across the board to decline in the short to medium term. The substantial office space overhang is expected to persist beyond 2015 given the new supply coming onto the market.
- Menara Sunway's average occupancy rate inched-up slightly to 98.9% for FY2013 compared to 98.5% in the preceding year. Occupancy rate is expected to remain healthy going forward in view of the captive market.
- Meanwhile, average occupancy at Sunway Tower dropped to 83.0% for FY2013 from 93.5% in the preceding year due to non-renewal of tenants and downsizing by a tenant. The Manager is actively seeking for replacement of tenants for the vacancy.

# OFFICE (CONT'D)

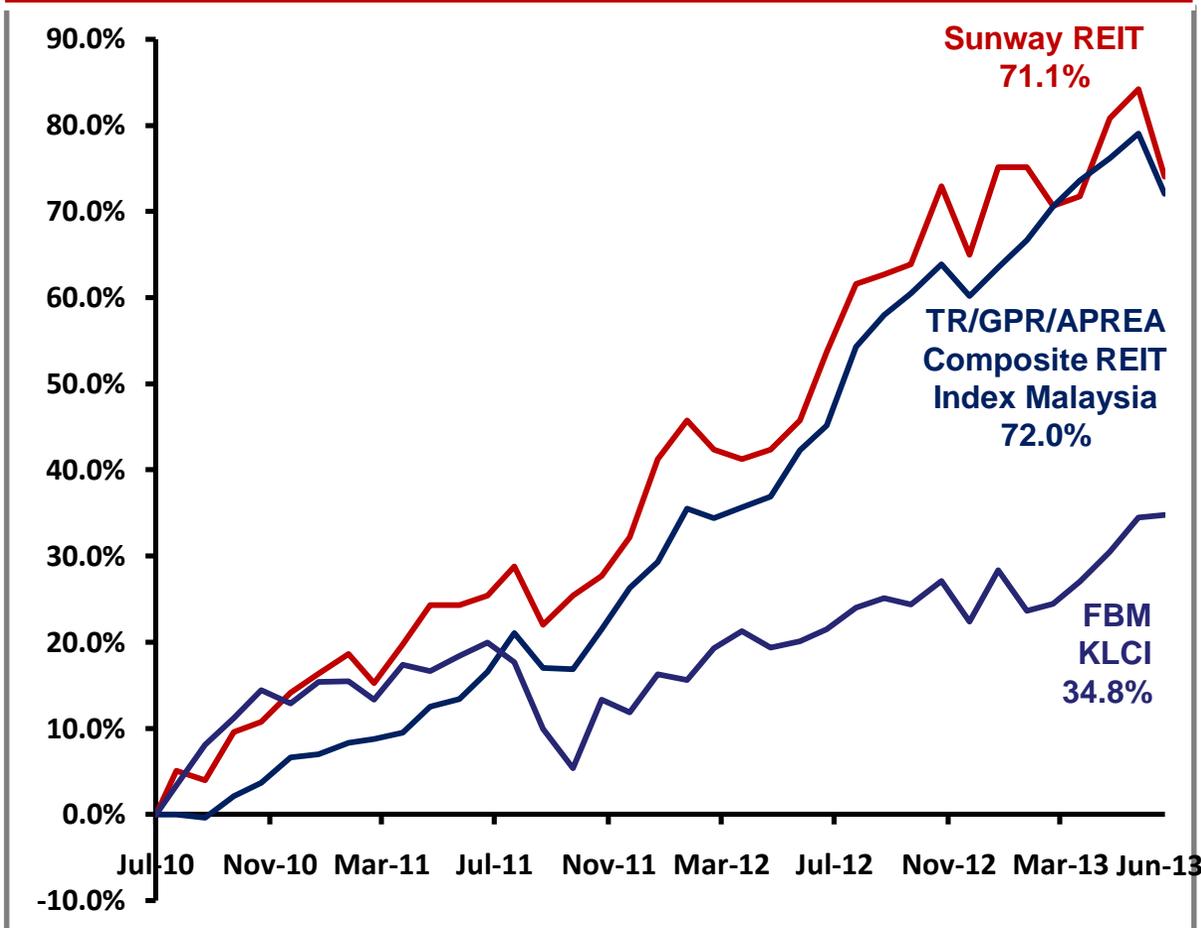
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- Meanwhile, Sunway Putra Tower experienced a drop in average occupancy rate due to non renewal by tenants. The average occupancy rate slipped to 78.0% for FY2013 compared to 85.2% in FY2012. The Manager is actively seeking for replacement of tenants for the vacancy in the office tower. Meanwhile, the Manager will be commencing the refurbishment of Sunway Putra Tower in FY2014. The refurbishment covers modernization of the lobby, lift lobbies, washroom and replacements of mechanical and electrical plant (MEP) at an estimated cost of RM29 million.
- Despite the challenging business operating environment arising from the oversupply situation, the Manager expects the income contribution from Sunway REIT's office portfolio to maintain as FY2013.

# INVESTOR RELATIONS

# Unit Price Performance (IPO to 30 June 2013)

## Sunway REIT vs FBM KLCI (8 July 2010 – 30 June 2013)



Source: Bloomberg

## Performance Statistics\*

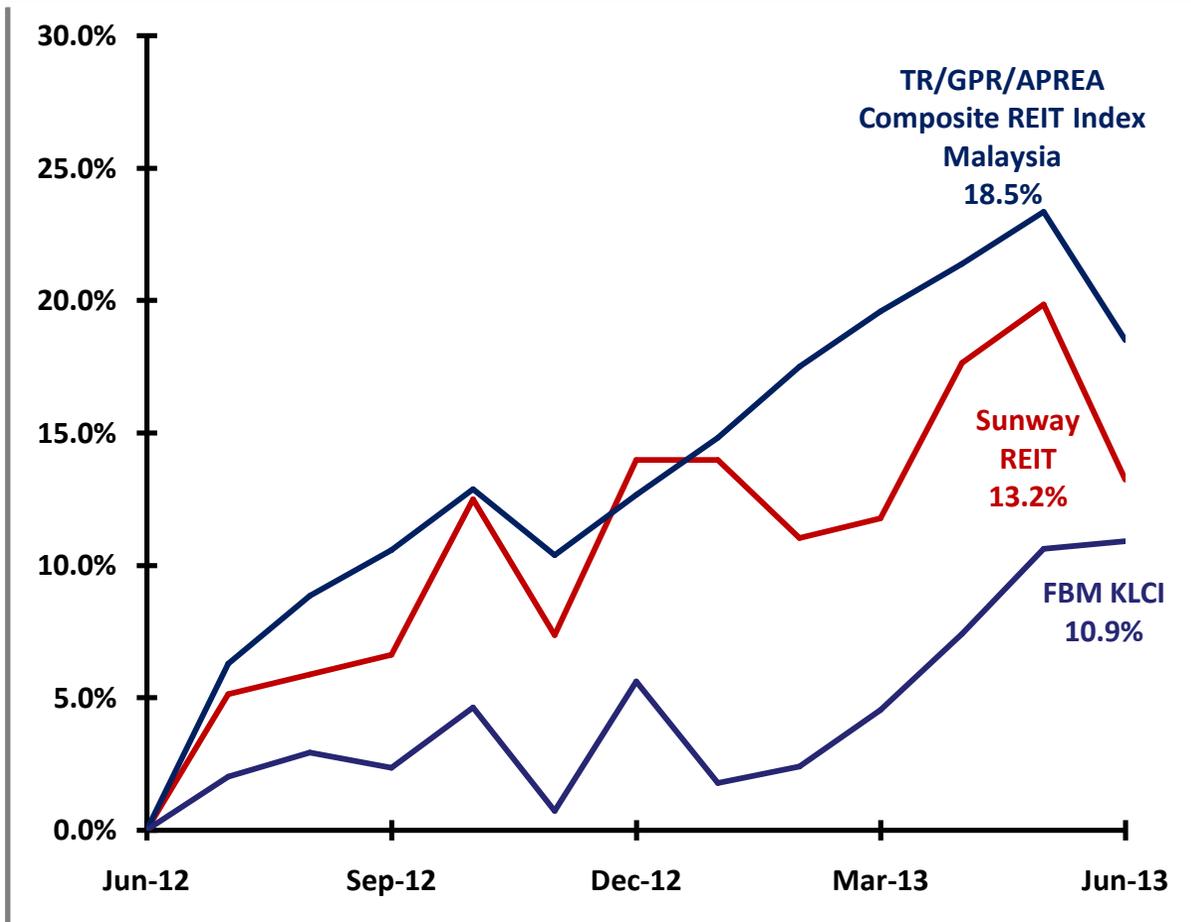
Price (as at 8/7/2010)	: RM0.90
Closing Price (as at 30/6/2013)	: RM1.54
Highest Price	: RM1.70
Lowest Price	: RM0.88
Daily Average Volume	: 1.87mil units
% Change in Unit Price	: 71.1%
% Change in FBM KLCI	: 34.8%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 72.0%

Source: Bloomberg

\*Computed for the period 8 July 2010 – 30 June 2013

# Unit Price Performance (FY2013)

## Sunway REIT vs FBM KLCI (30 June 2012 – 30 June 2013)



Source: Bloomberg

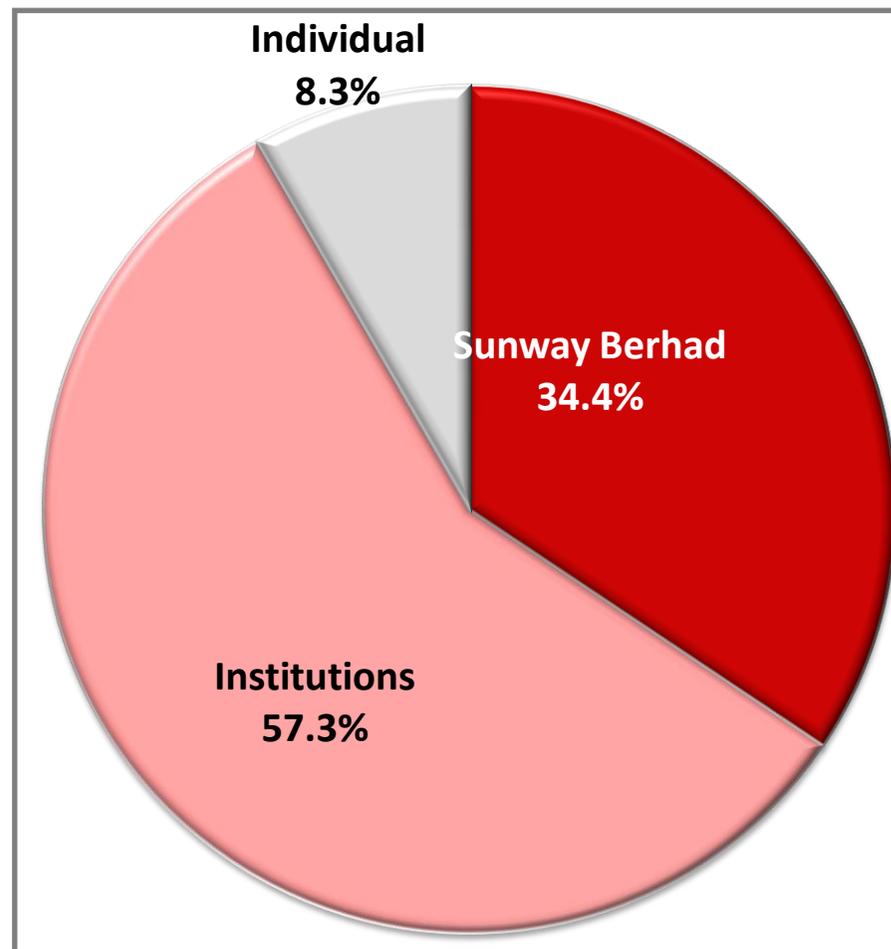
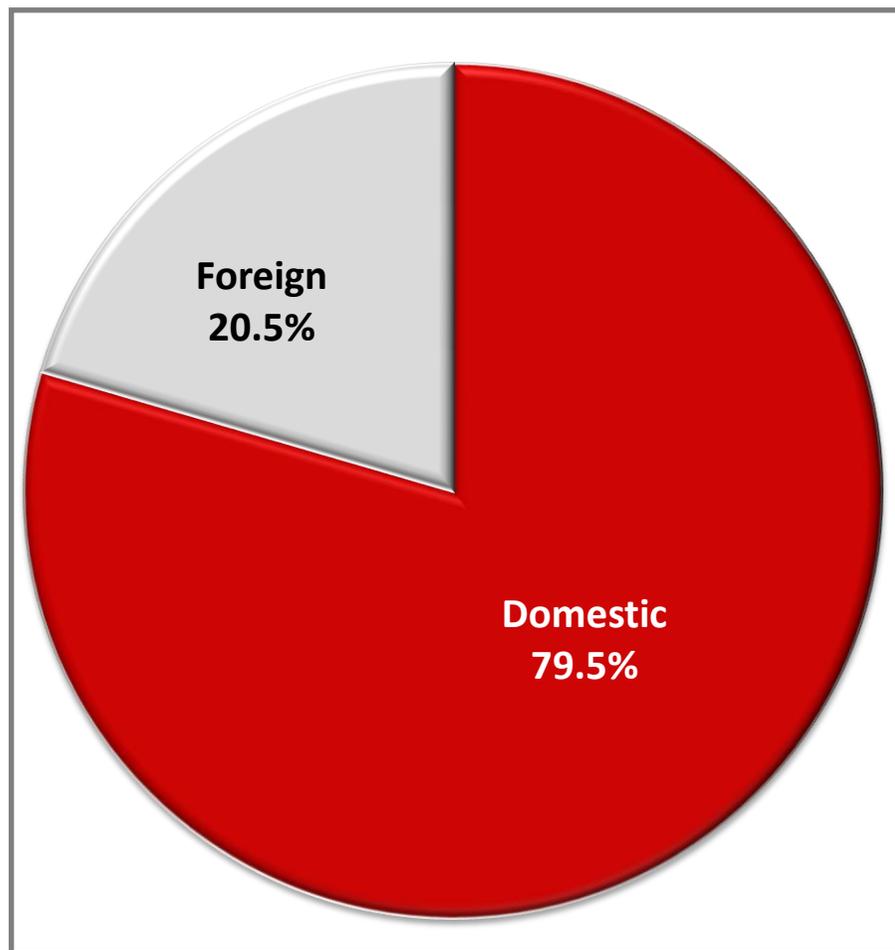
## Performance Statistics\*

Price (as at 30/6/2012)	: RM1.36
Closing Price (as at 30/6/2013)	: RM1.54
Highest Price	: RM1.70
Lowest Price	: RM1.33
Daily Average Volume	: 1.37mil units
% Change in Unit Price	: 13.2%
% Change in FBM KLCI	: 10.9%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 18.5%

Source: Bloomberg

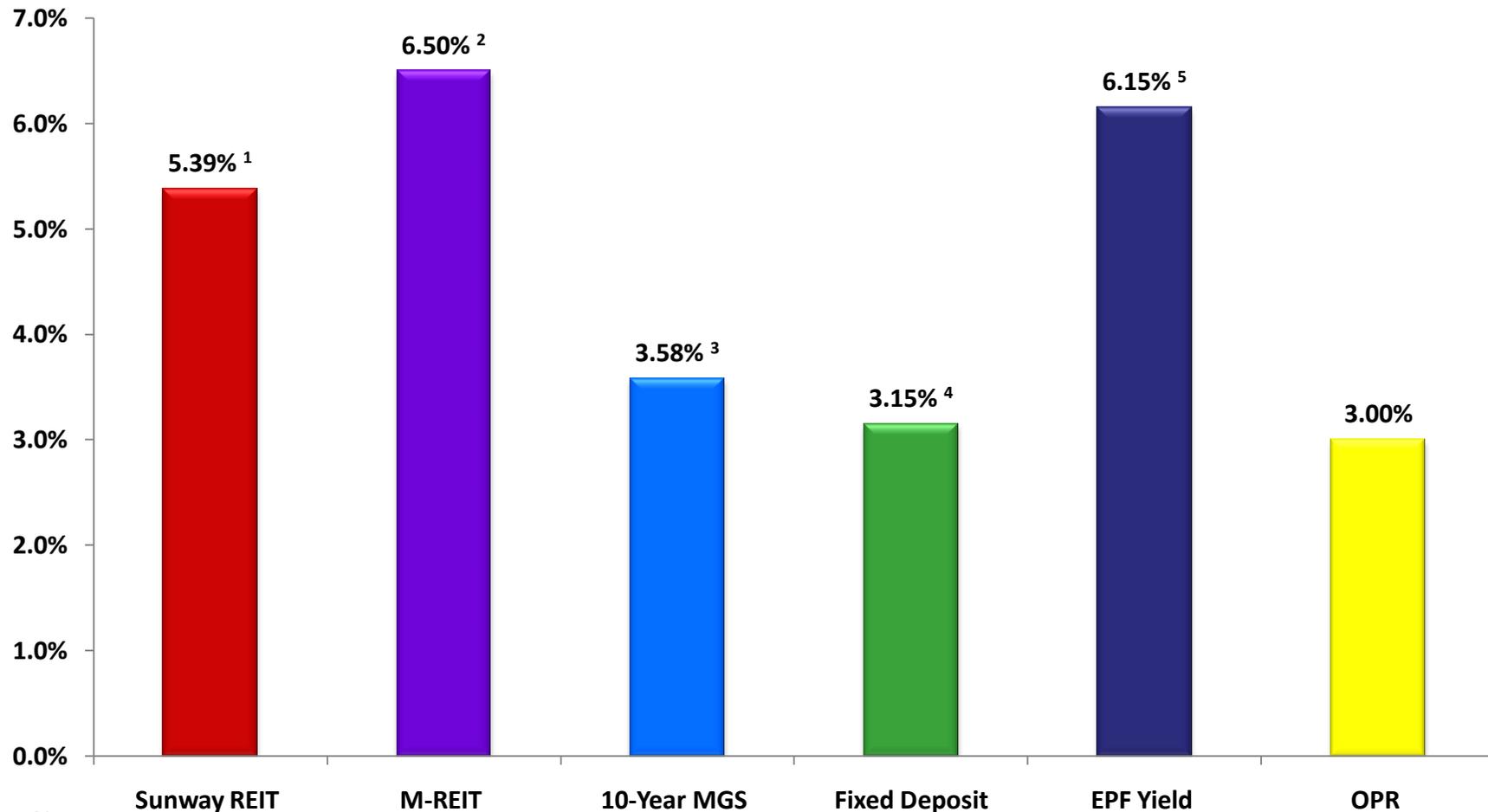
\*Computed for the period 30 June 2012 – 30 June 2013

# Unitholders' Composition – As at 30 June 2013



Total number of unit holders as at 30 June 2013: 7,177 (7,025 as at 31 March 2013)

# Comparative Yields for Various Assets



Note:

1. Distribution yield based on FY2013 DPU of 8.30 sen for the period 1 July 2012 to 30 June 2013
2. Information as at 30 June 2013 (Source: Bloomberg)
3. Information as at 30 June 2013 (Source: Bloomberg)
4. 12-Month Fixed Deposit rates offered by commercial banks as at 31 May 2013 (Source: BNM)
5. Dividend yield declared by Employees Provident Funds for the year 2012

# Awards – GEMA Excellence in Corporate Governance – Private Sector

- On 4 July 2013, the Malaysian Institute of Management awarded Sunway REIT the highly acclaimed “Excellence in Corporate Governance-Private Sector”.
- The Global Excellence in Management Award (GEMA) ceremony saw the presentation of awards to 25 niche global class leaders whom made exceptional management impact in leadership, business, community and nation building.



From L to R: Dato' Ngeow Voon Yean (Non-Independent Non-Executive Director-Sunway REIT Management Sdn Bhd), Tan Sri Ramon Navaratnam (Corporate Advisor, Sunway Berhad), Dato' Jeffrey Ng Tiong Lip (CEO of Sunway REIT Management Sdn Bhd) & Mr Elvin A/L Berty Luke Fernandez (Independent Non-Executive Director-Sunway REIT Management Sdn Bhd)

# Awards – MIRA Malaysia Investor Relations 2013 Awards

- Sunway REIT was nominated for the three categories, namely:

(i) Best Company – Mid Capitalisation

(ii) Best CEO

(iii) Best Investor Relation

- An independent survey undertaken by Thompson Reuters Extel. The respondents are sell-side and buy-side analysts in the region.

- A total of 800 invitations were sent out of which 183 qualifying responses were received .



**THANK YOU**