



FORTUNE FAVOURS  
THE RESILIENT

***SUNWAY***<sup>TM</sup>

## **SUNWAY REIT**

**Financial Results  
3<sup>rd</sup> Quarter Ended  
31 March 2015  
(FYE 30 June 2015)**

**Announcement Date:  
29 April 2015**

# DISCLAIMER

---

This presentation is for information purposes only and does not constitute an offer, solicitation or advertisement with respect to the purchase or sale of any security of Sunway Real Estate Investment Trust (“Sunway REIT”) and no part of it shall form the basis of, or be relied on in connection with, any contract, commitment or investment decision whatsoever. The information contained in this presentation is strictly private and confidential and is being provided to you solely for your information. This presentation may not be distributed or disclosed to any other person and may not be reproduced in any form, whole or in part.

This presentation is not intended for distribution, publication or use in the United States. Neither this document nor any part or copy of it may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States.

Sunway REIT has not registered and does not intend to register any securities under the U.S. Securities Act of 1933 (the “Securities Act”). Accordingly, any offer of securities of Sunway REIT is being made only outside the United States pursuant to Regulation S under the Securities Act. You represent and agree that you are located outside the United States and you are permitted under the laws of your jurisdiction to participate in any offering of securities of Sunway REIT.

This presentation may contain forward looking statements which are not subject to change 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 on 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 and property expenses; and regulatory 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. These forward looking statements speak only as at the date of which they are made and none of Sunway REIT, its trustee, any of its or their respective agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any forward looking statement contained herein to reflect any change in circumstances, conditions, events or expectations upon which any such forward looking statement is based. Past performance is not necessarily indicative of its future performance.

This presentation does not constitute an offering circular or a prospectus in whole or in part. The information contained in this presentation is provided as at the date of this presentation and is subject to change without notice. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the accuracy, completeness or correctness of any information, including any projections, estimates, targets and opinions, contained herein. Accordingly, none of Sunway REIT, its trustee, officers or employees accept any liability, in negligence or otherwise, whatsoever arising directly or indirectly from the use of this presentation.

# Table of Contents

---

1. Financial Highlights & Key Updates
2. 3Q 2015 Financial Results
3. 3Q 2015 Portfolio Performance
4. 3Q 2015 Property Performance
5. Market Outlook
6. Investor Relations

---

# 1. Financial Highlights & Key Updates

# Distribution Details

## Dividend Distribution Details

Distribution Period	1 January 2015 - 31 March 2015
Distribution per Unit (DPU) (sen)	2.13 <sup>1</sup>
Notice of Entitlement	29 April 2015
Ex-Dividend Date	14 May 2015
Book Closure Date	18 May 2015
Payment Date	2 June 2015

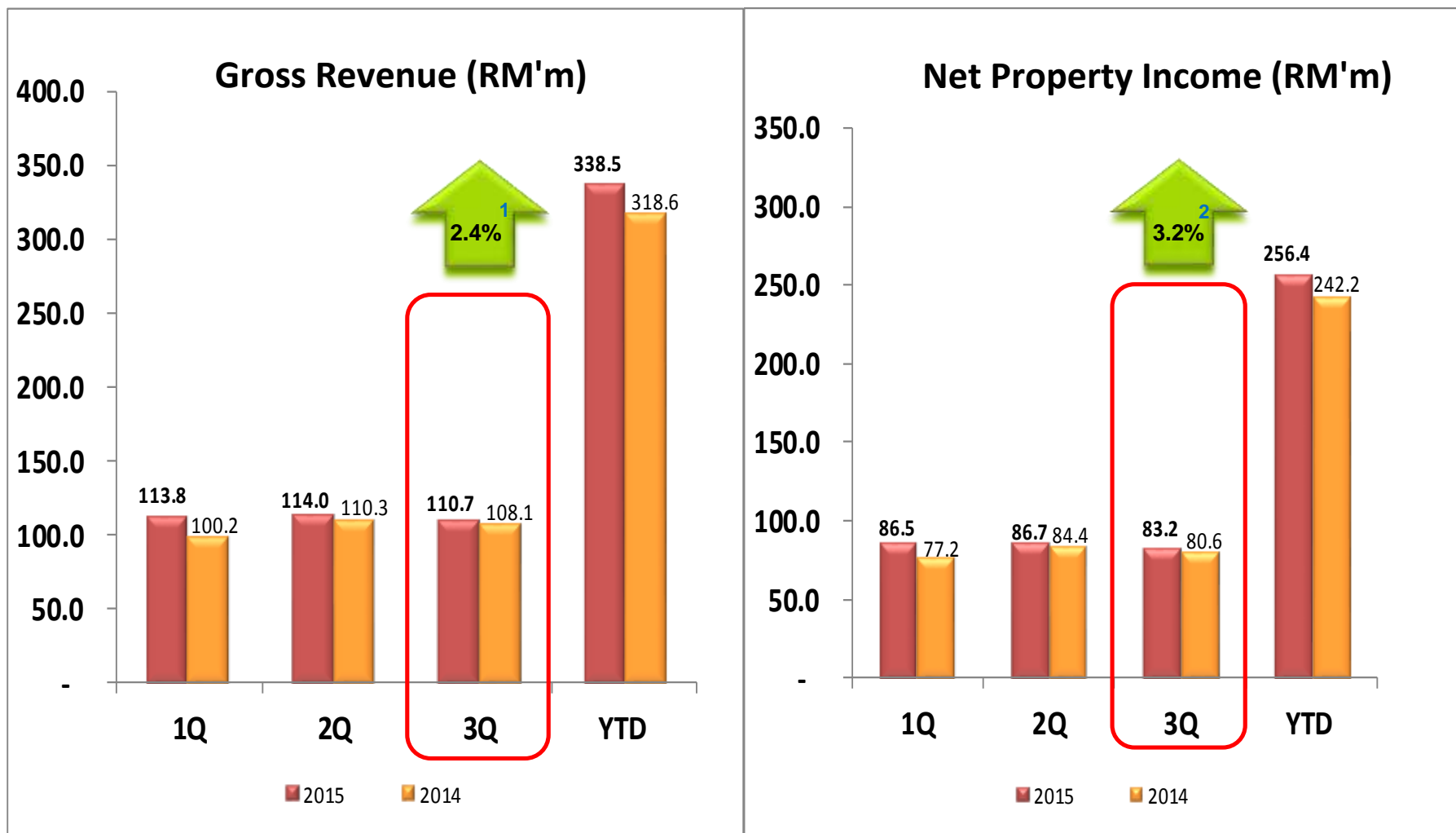
<sup>1</sup> Proposed income distribution for 3Q 2015 of 2.13 sen per unit (comprising taxable and non-taxable/tax exempt amount of 1.79 sen and 0.34 sen per unit respectively).

# Financial Highlights

Highlights	3Q 2015	3Q 2014	Change %
No. of Properties	14	12	16.7%
Property Value (RM'billion)	5.846	5.253	11.3%
No. of Units in Circulation	2,935,569,800	2,926,332,700	0.3%
Unit Price as at 31 Mar (RM)	1.57	1.36	15.4%
Market Capitalisation (RM'billion)	4.609	3.980	15.8%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.2337	1.1787	4.7%
Premium to NAV	27.3%	15.4%	11.9%
Earnings Per Unit (EPU) (sen)	1.93 <sup>1</sup>	2.00	-3.6%
Distribution Per Unit (DPU) (sen)	2.13	2.10	1.4%
Annualised Distribution Yield (Based on market price as at 31 Mar)	5.7%	6.2%	-0.5%
Management Expense Ratio (After income distribution)	0.84%	0.80%	0.0%
YTD total return	14.7%	-5.5%	20.2%
Gearing	35.1%	32.3%	2.8%
% of fixed rate borrowings	89.5%	76.7%	12.8%

<sup>1</sup> Lower EPU due to unrealized fair value loss on mark-to-market of interest rate swap.

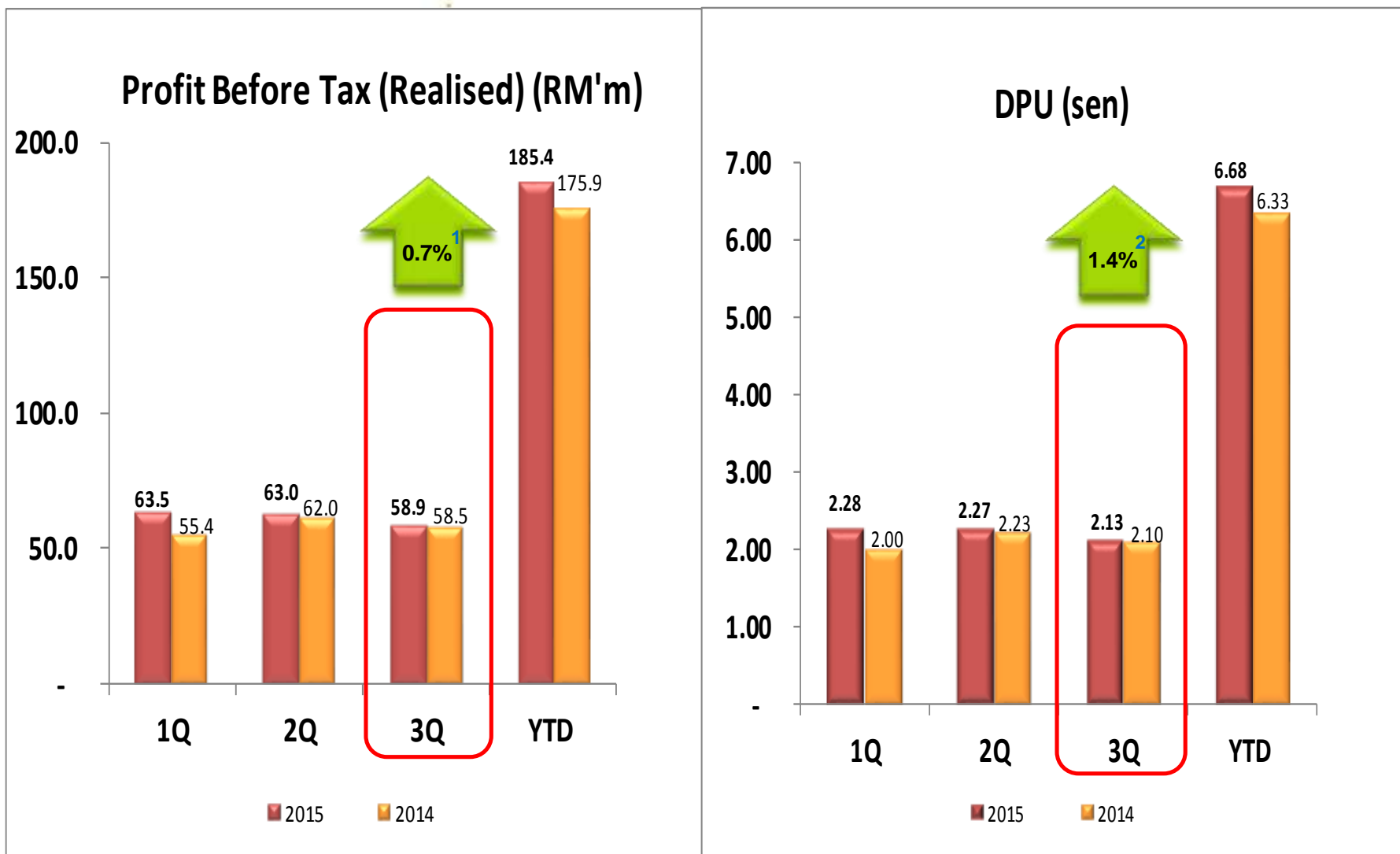
# Financial Highlights (Cont'd)



<sup>1</sup> Gross revenue increased 2.4% or RM2.6 million contributed substantially by the retail segment but partially offset by lower performance by hotel and office segments.

<sup>2</sup> Net Property Income increased 3.2% or RM2.6 million contributed by higher gross revenue.

# Financial Highlights (Cont'd)



<sup>1</sup> PBT(Realised) increased by 0.7% or RM0.4 million due to higher net property income partially reduced by higher interest expense which will be explained on page 11.

<sup>2</sup> DPU increased by 1.4% or 0.03 sen in line with the marginally higher realized net profit for the period.



# Material Litigation

## Case: Sunway Putra's (formerly known as Sunway Putra Place) Assessment for Damages

### Defendant: Metroplex Holdings Sdn Bhd ("MHSB")

After the Federal Court has on 20 February 2012 dismissed MHSB's application for leave to appeal, RHB Trustees Berhad (as trustee of Sunway REIT) ("Trustee") and Sunway REIT Management Sdn Bhd ("Manager") proceeded with the enforcement of the remaining parts of the Orders made by the High Court that have not been enforced, *inter alia*, the damages awarded to the Trustee. The damages are subject to an assessment of damages to be undertaken by the High Court.

On 27 August 2014, the court awarded a total of RM3,184,071.67 in damages to the Trustee out of the total claim of RM6.2 million to RM6.9 million.

However, MHSB filed an appeal to the judge in chambers on the decision given above. A decision was delivered by the learned judge on 22 December 2014 in favour of the Trustee and the REIT Manager and the appeal was dismissed with costs. MHSB had on 9 January 2015 filed a notice of appeal in the Court of Appeal to appeal against the decision delivered on 22 December 2014. The hearing date of the appeal is fixed on 25 June 2015.

Sunway REIT's lawyers will proceed to file the application for the release of the money amounting to RM6,189,000 in the joint stakeholders' account (being the loss of income due to Sunway REIT) when a full determination of the case on assessment of damages has been delivered by the court.

---

## 2. 3Q 2015 Financial Results

# Statement of Comprehensive Income – Consolidated

	3Q 2015 RM'000	3Q 2014 RM'000	Change %	YTD 2015 RM'000	YTD 2014 RM'000	Change %
Gross revenue	110,709	108,082	2.4%	338,517 <sup>1</sup>	318,571	6.3%
Less : Property operating expenses	(27,532)	(27,459)	0.3%	(82,111)	(76,417)	7.5%
<b>Net property income</b>	<b>83,177</b>	<b>80,623</b>	<b>3.2%</b>	<b>256,406</b>	<b>242,154</b>	<b>5.9%</b>
Other income	712 <sup>2</sup>	457	55.8%	2,611 <sup>2</sup>	1,643	58.9%
Manager's fees	(6,899)	(6,385)	8.1%	(20,777)	(19,275)	7.8%
Trustee's fees and other trust expenses	(2,608) <sup>3</sup>	(534)	388.4%	(3,987)	(1,425)	179.8%
Finance costs	(17,564) <sup>4</sup>	(15,681)	12.0%	(50,716) <sup>4</sup>	(47,183)	7.5%
<b>Profit for the period/year</b>	<b>56,818</b>	<b>58,480</b>	<b>-2.8%</b>	<b>183,537</b>	<b>175,914</b>	<b>4.3%</b>
<b>Total comprehensive income for the period/year comprises the following:</b>						
Realised						
- 11 assets excluding Sunway Putra	64,752	60,868	6.4%	193,888	179,772	7.9%
- Sunway Putra	(5,829) <sup>5</sup>	(2,406)	-142.3%	(8,536) <sup>5</sup>	(3,910)	-118.3%
<b>Total realised</b>	<b>58,923</b>	<b>58,462</b>	<b>0.8%</b>	<b>185,352</b>	<b>175,862</b>	<b>5.4%</b>
Unrealised	(2,105)	18	-11794.4%	(1,815)	52	-3590.4%
<b>Total net profit for the period/year</b>	<b>56,818</b>	<b>58,480</b>	<b>-2.8%</b>	<b>183,537</b>	<b>175,914</b>	<b>4.3%</b>
No. of Units in circulation (million)	2,936	2,926	0.3%	2,936	2,926	0.3%
<b>EPU (sen)</b>						
- realised	<b>2.00</b>	<b>2.00</b>	-0.2%	6.32	6.02	4.9%
- unrealised	<b>(0.07)</b>	-	100.0%	(0.06)	-	100.0%
<b>Total EPU</b>	<b>1.93</b>	<b>2.00</b>	<b>-3.7%</b>	<b>6.26</b>	<b>6.02</b>	<b>3.9%</b>
Proposed/declared distribution	<b>62,528</b>	<b>61,453</b>	<b>1.7%</b>	<b>195,939</b>	<b>185,080</b>	<b>5.9%</b>
<b>Proposed/declared distribution per unit (sen)</b>	<b>2.13</b>	<b>2.10</b>	<b>1.4%</b>	<b>6.68</b>	<b>6.33</b>	<b>5.5%</b>

1 YTD 3Q 2015 vs YTD 3Q 2014 - Property operating expenses was higher in YTD 3Q 2015 mainly due to higher general maintenance expenses to upkeep Sunway Pyramid Shopping Mall as well as higher provision for doubtful debts. Sunway Putra Mall incurred higher pre-opening expenses such as staff costs. The higher property operating expenses was partially off-set by the vacancy allowance granted by the local authority for the assessment of Sunway Putra (formerly known as Sunway Putra Place) and reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase in 1Q 2015.

2 Higher other income was mainly due to higher deposit rates.

3 3Q 2015 vs 3Q 2014 – Other trust expenses was higher in 3Q 2015 mainly due to unrealised fair value loss on mark-to-market of interest rate swap of RM1.9m.

4 Finance costs was higher mainly due to additional loan drawn down to fund the ongoing capital expenditure plans and the acquisition of Sunway Hotel Georgetown and Wisma Sunway. The increase in Overnight Policy Rate (OPR) by 25 bps in July 2014 which resulted in higher interest expense on the floating rate borrowings also contributed to the higher interest expense.

5 3Q 2015 vs 3Q 2014 – Higher realised net loss mainly due to lower revenue contribution by Sunway Putra Hotel and Sunway Putra Tower, higher pre-opening expenses of Sunway Putra Mall and higher finance cost for the on going major refurbishment.

# Statement of Financial Position – Consolidated

	31.03.15 RM'000	31.12.14 RM'000	30.09.14 RM'000	30.06.14 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	4,200	3,737	3,354	3,039
Investment properties	5,846,119	5,652,110	5,558,894	5,520,000
	5,850,319	5,655,847	5,562,248	5,523,039
<b>Current assets</b>				
Receivables, deposits and prepayments	14,691	34,193	20,399	16,361
Cash and bank balances	77,438	64,639	80,597	54,607
Derivative <sup>1</sup>	6,927	39,299	17,908	12,484
	99,056	138,131	118,904	83,452
	5,949,375	5,793,978	5,681,152	5,606,491
<b>EQUITY AND LIABILITIES</b>				
<b>Unitholders' funds</b>				
Unitholders' capital	2,713,007	2,709,514	2,706,068	2,702,788
Undistributed income	971,194	983,832	988,605	985,283
	3,684,201	3,693,346	3,694,673	3,688,071
<b>Non-current liabilities</b>				
Borrowings	1,370,350	1,000,000	1,000,000	1,000,000
Long term liabilities <sup>2</sup>	70,944	66,846	63,218	60,279
Derivative <sup>3</sup>	1,865	-	-	-
	1,443,159	1,066,846	1,063,218	1,060,279
<b>Current liabilities</b>				
Borrowings	718,283	924,267	815,440	742,042
Trade and other payables	103,732	109,519	107,821	116,099
	822,015	1,033,786	923,261	858,141
	5,949,375	5,793,978	5,681,152	5,606,491

<sup>1</sup> Derivative due to unrealized gain on cross currency swap transaction (further explained on page 13).

<sup>2</sup> Increase in long term liabilities mainly due to refundable deposits received from tenants in Sunway Putra Mall.

<sup>3</sup> Derivative financial instrument due to unrealized loss on interest rate swap transaction (further explained on page 13).

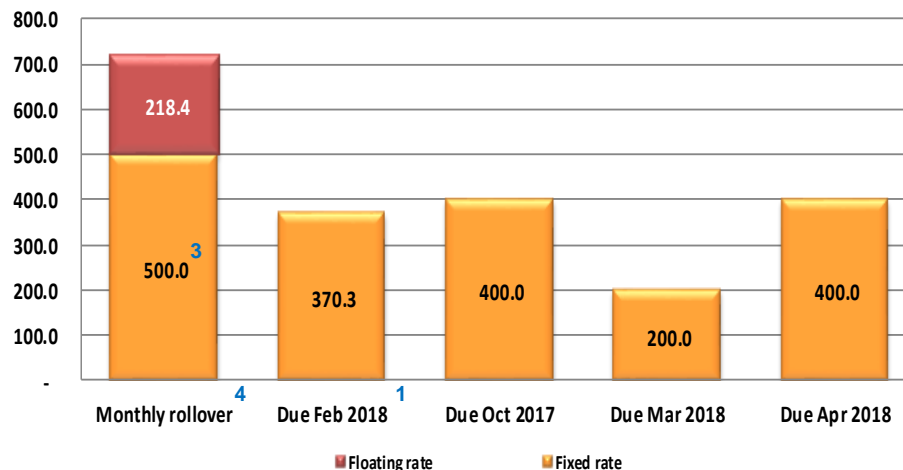
# Debt Profile

	Facility Limit RM'mil	RM'mil
Term Loan	360.9	370.3 <sup>1</sup>
Commercial Papers (CP) / Revolving Loans (RL)	900.0 <sup>2</sup>	718.4
Unrated MTNs	1,000.0	1,000.0
<b>Total Gross Borrowings</b>		<b>2,088.7</b>
Discount on Commercial Papers		(0.1)
<b>Total Borrowings at carrying amount</b>		<b>2,088.6</b>

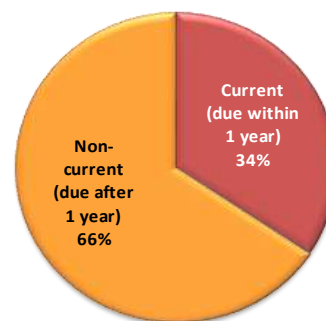
	RM'mil
<b>Classification of Borrowings:</b>	
Current (due within 1 year)	718.4
Non-current (due after 1 year)	1,370.3
<b>Total Gross Borrowings</b>	<b>2,088.7</b>

Average Cost of Debt	3.91%
Average Maturity Period (Years)	1.9
Debt Service Cover Ratio (DSCR)	5.1
<b>Gearing Ratio</b>	<b>35.1%</b>

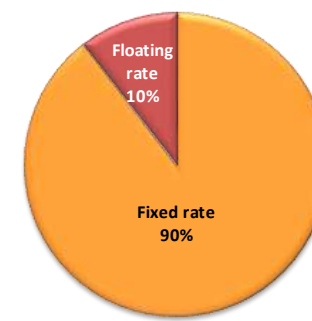
## Loan Maturity Profile (RM'mil)



## Classification of Borrowings



## Fixed versus Floating rate mix



<sup>1</sup> Includes unrealised forex loss of RM9.4 million. The USD100m term loan which matured on 4 February 2015 has been refinanced with the same facility for 3 years maturing on 5 February 2018 and fully hedged with 1-year cross currency swap contract.

<sup>2</sup> The current limit of RM900.0 million can be increased to RM1.25 billion in April 2015 and can subsequently be increased to RM1.60 billion up to expiry of the programme in April 2019.

<sup>3</sup> Sunway REIT has locked in RM500.0 million 3-year IRS at 3.81% (blended) to hedge against increase in CP interest rate.

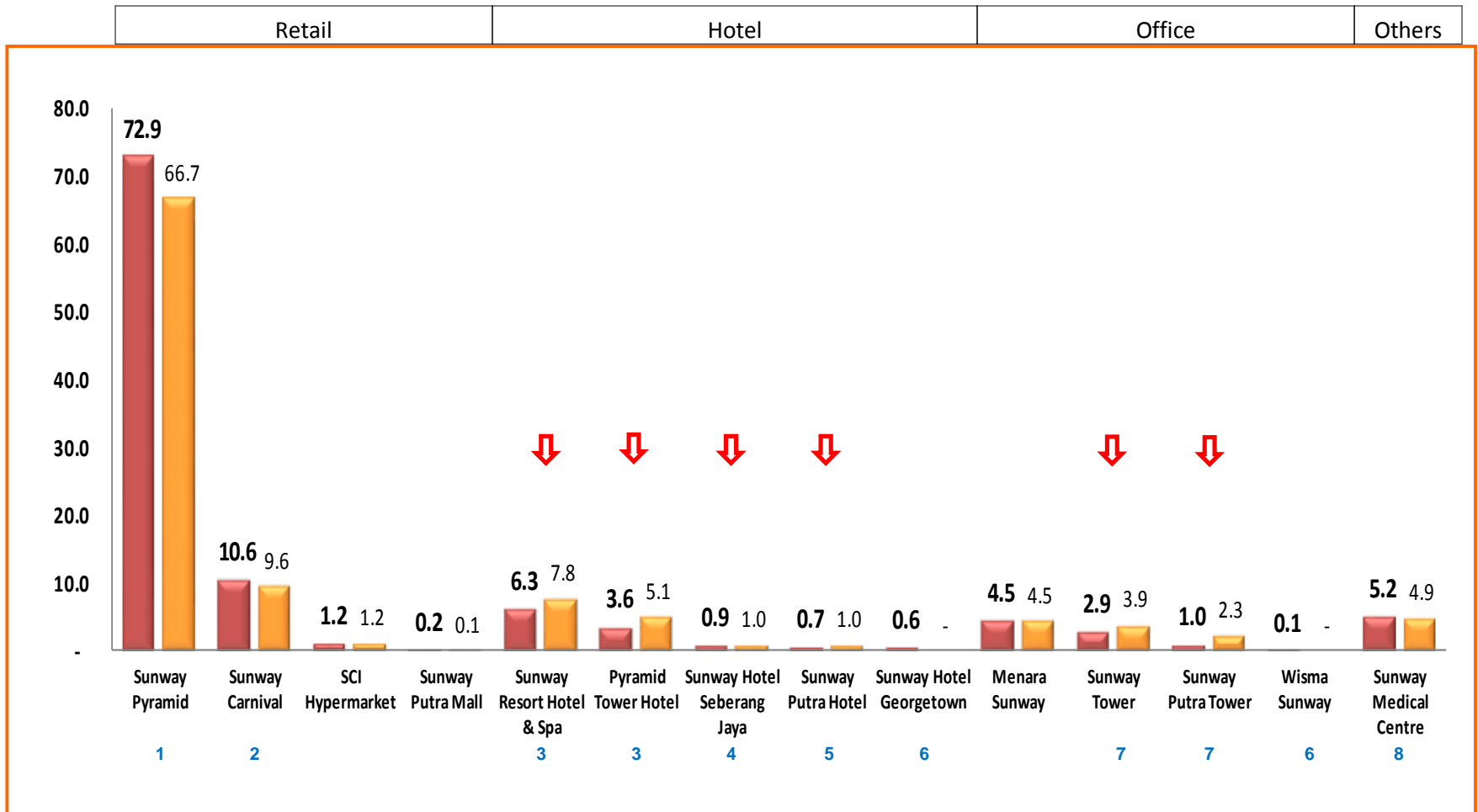
<sup>4</sup> No refinancing risk as the CP Programme is fully underwritten by a local financial institution for the entire duration of the programme.

---

## 3. 3Q 2015 Portfolio Performance

# 3Q 2015 Revenue Contribution

<span style="color: #A52A2A;">■</span> 3Q 2015 (RM'mil)	110.7
<span style="color: #FFA500;">■</span> 3Q 2014 (RM'mil)	108.1



Please refer to next page for explanatory notes.

# 3Q 2015 Revenue Contribution (Cont'd)

## Explanation:<sup>\*</sup>

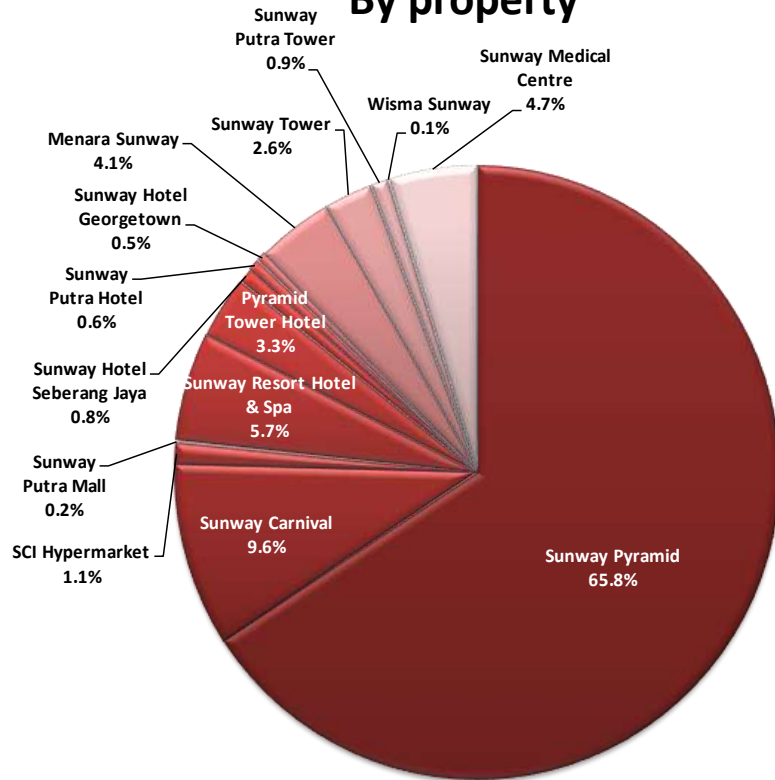
- <sup>1</sup> Sunway Pyramid – Sunway Pyramid Shopping Mall registered strong gross revenue growth of 9.3% or RM6.2 million for 3Q 2015 compared to 3Q 2014 primarily attributable to the higher average net rent per sq. ft. and higher average occupancy rate. The improved revenue of this shopping mall was also due to an increase in service and promotion charges with effect from June 2014 (4Q 2014).
- <sup>2</sup> Sunway Carnival – Sunway Carnival Shopping Mall achieved a steady growth in gross revenue by 10.4% or RM1.0 million, mainly attributable to an increase in service and promotion charges with effect from June 2014. In addition, average occupancy rate was higher at 97.7% for YTD 3Q 2015 compared to 92.4% for YTD 3Q 2014 due to commencement of a tenancy in July 2014 for approximately 44,000 sq.ft which was vacant since July 2013.
- <sup>3</sup> Sunway Resort Hotel & Spa and Pyramid Tower Hotel – The revenue of Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower Hotel (PTH) were lower by 19.2% or RM1.5 million and 29.4% or RM1.5 million respectively for 3Q 2015 compared to 3Q 2014. Revenue from these hotels were primarily affected by the softer business and consumer sentiment ahead of introduction of GST. Rental contribution for both hotels were also lower in the current quarter due to closure of F&B outlets and higher room operating expenses to enhance guests service level. In addition, SRHS and PTH enjoyed higher average occupancy rates in the preceding year due to one-off MICE business and supported by aggressive tactical promotional activities.
- <sup>4</sup> Sunway Hotel Seberang Jaya - Revenue from Sunway Hotel Seberang Jaya was lower by 10.0% or RM0.1 million in 3Q 2015 compared to 3Q 2014 on the back of exceptionally soft market demand during the quarter and competition from newly opened hotels.
- <sup>5</sup> Sunway Putra Hotel – The performance of Sunway Putra Hotel continues to be adversely affected by the ongoing major refurbishment works at the adjoining Sunway Putra Mall since May 2013 and the hotel's own refurbishment. Average occupancy rate for the current quarter stood at 22.3% compared to 36.1% in 3Q 2014, on the back of closure of some of the key hotel facilities for refurbishment.
- <sup>6</sup> Sunway Hotel Georgetown and Wisma Sunway – Acquired on 28 January 2015 and 23 March 2015 respectively.
- <sup>7</sup> Sunway Tower and Sunway Putra Tower - Average occupancy of Sunway Tower and Sunway Putra Tower declined to 67.6% and 60.8% respectively in the current quarter compared to 85.0% and 73.9% respectively in the preceding year corresponding quarter. The anchor tenant at Sunway Tower had surrendered 34,000 sq. ft. in 2Q 2015 whilst the anchor tenant at Sunway Putra Tower, which occupied 143,000 sq. ft., moved out in December 2014. This resulted in revenue from Sunway Tower to be lower by 25.6% or RM1.0 million and for Sunway Putra Tower lower by 56.5% or RM1.3 million in the current quarter.
- <sup>8</sup> Sunway Medical Centre – Contributed RM5.2 million of revenue 3Q 2015, an increase of 6.1% compared to 3Q 2014 due to rental reversion in accordance with the Master Lease Agreement and additional income contribution from completion of the asset enhancement in 1Q 2015.

<sup>\*</sup> Calculation of % varies marginally compared to 3Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

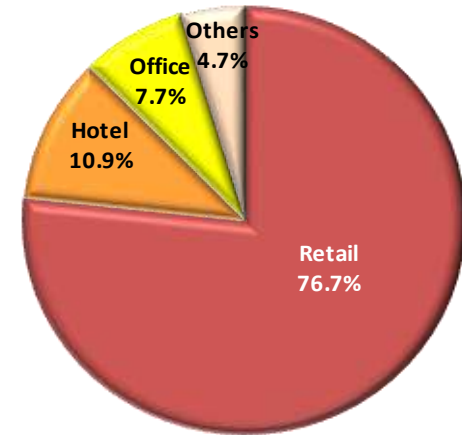


# 3Q 2015 Revenue Contribution (Cont'd)

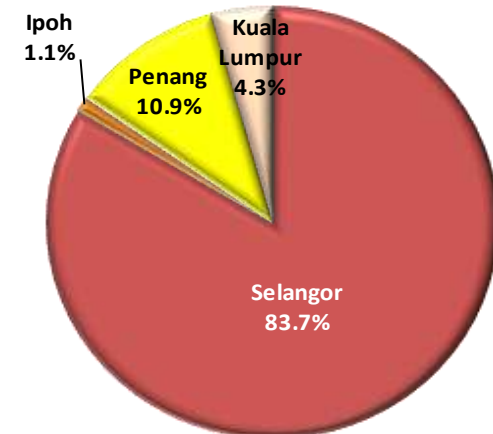
## By property



## By sector

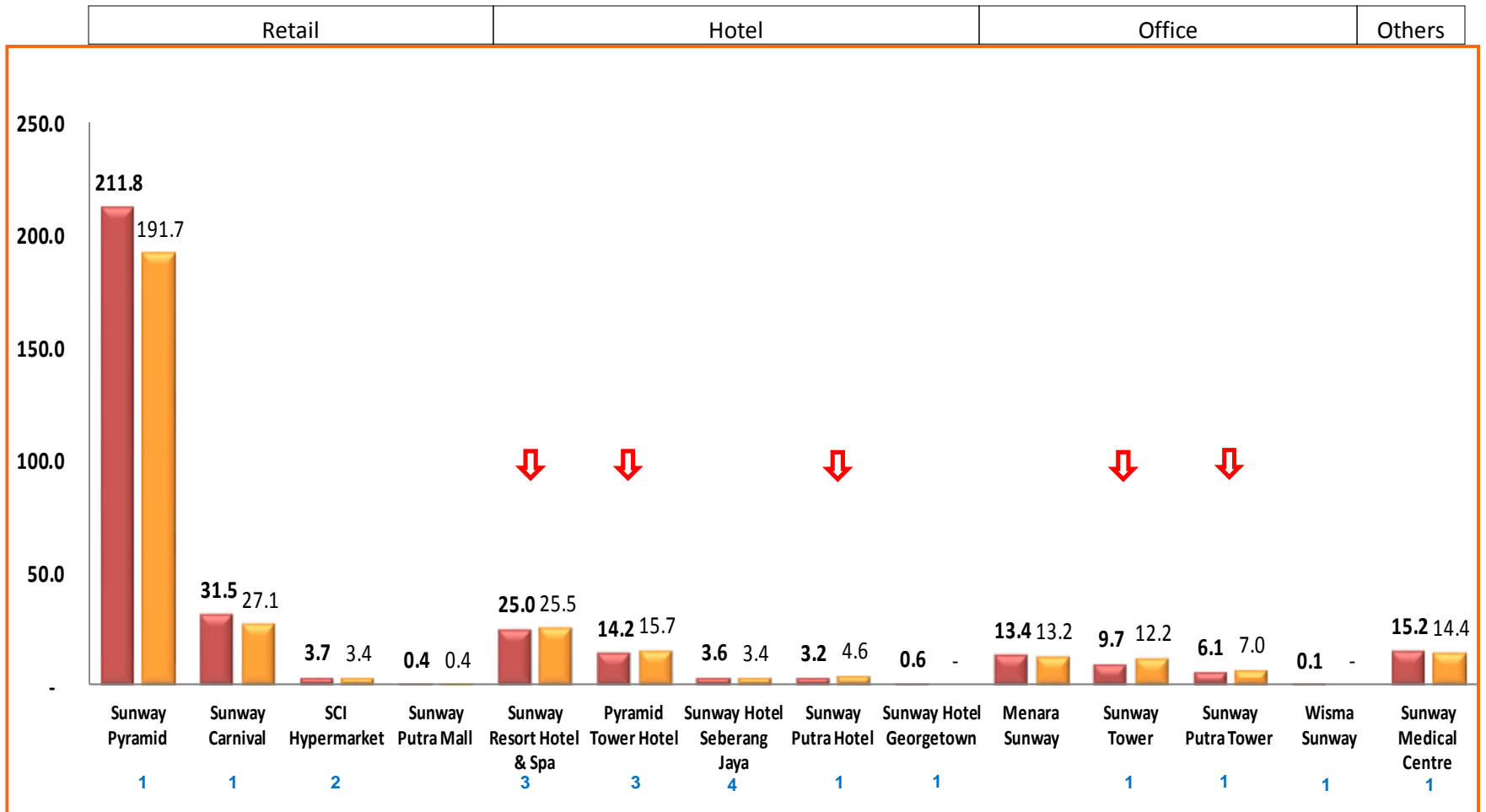


## By location



# YTD 3Q 2015 Revenue Contribution

■ YTD 3Q 2015 (RM'mil) **338.5**  
■ YTD 3Q 2014 (RM'mil) **318.6**



Please refer to next page for explanatory notes.

# YTD 3Q 2015 Revenue Contribution (Cont'd)

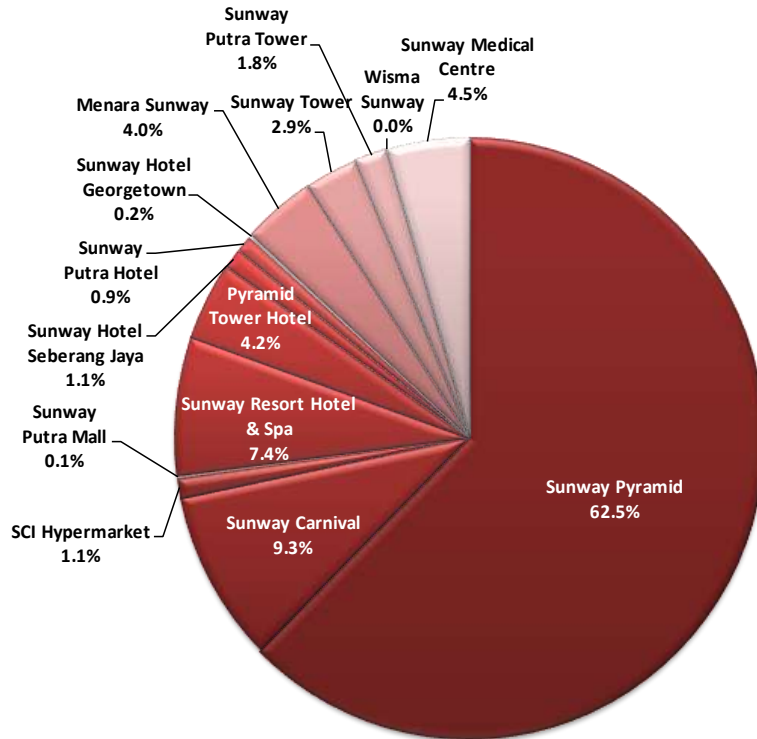
## Explanation:<sup>\*</sup>

- <sup>1</sup> Sunway Pyramid, Sunway Carnival, Sunway Putra Hotel, Sunway Hotel Georgetown, Sunway Tower, Sunway Putra Tower, Wisma Sunway and Sunway Medical Center – As per explanation on page 16.
- <sup>2</sup> SCI Hypermarket – Higher revenue due to rental reversion.
- <sup>3</sup> Sunway Resort Hotel & Spa and Pyramid Tower Hotel - The revenue of Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower Hotel (PTH) were both lower by 2.0% or RM0.5 million, and 9.6% or RM1.5 million respectively due to lower performance reported in 2Q 2015 and 3Q 2015.
- <sup>4</sup> Sunway Hotel Seberang Jaya – Achieved a modest revenue growth of 5.9% or RM0.2 million for YTD 3Q 2015 compared to YTD 3Q 2014 due to a higher average daily rate and average occupancy rates, post completion of refurbishment in 4Q 2013.

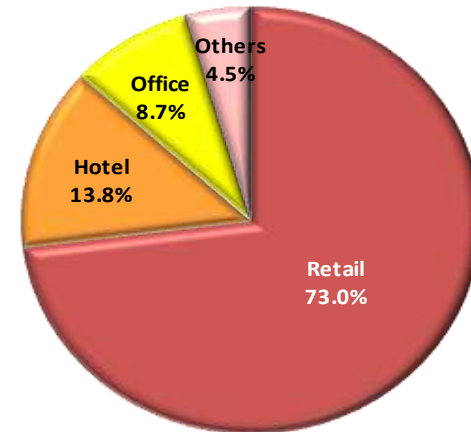
*\* Calculation of % varies marginally compared to 3Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.*

# YTD 3Q 2015 Revenue Contribution (Cont'd)

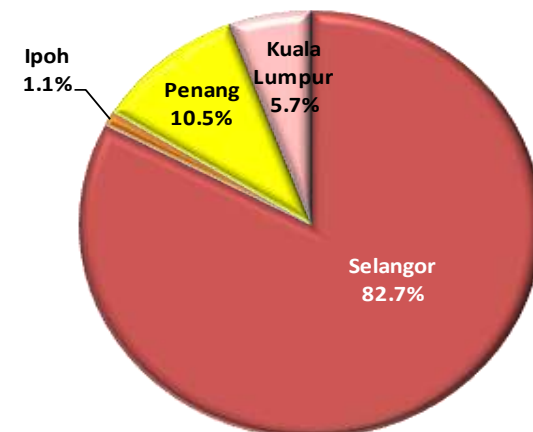
## By property



## By sector

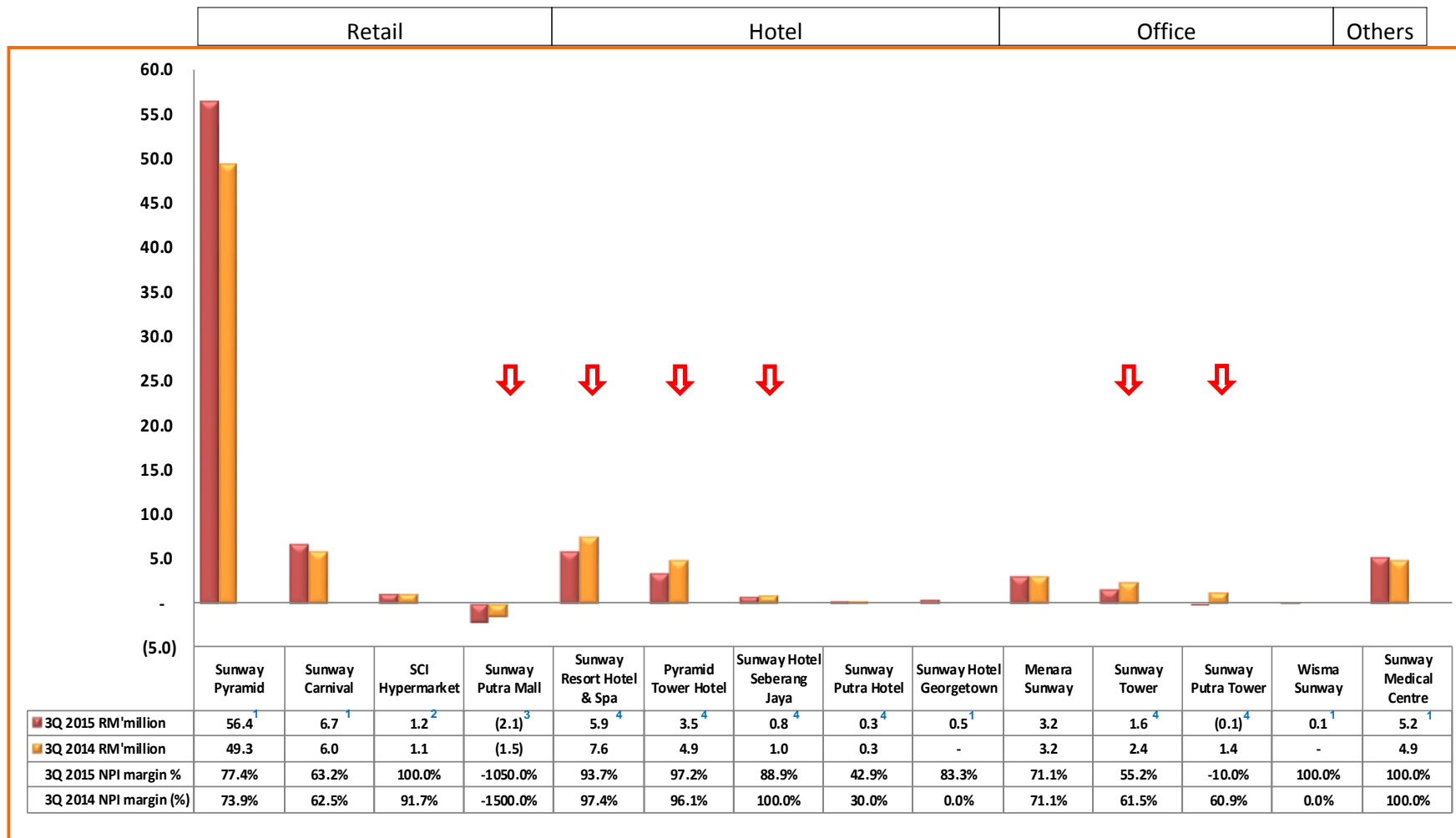


## By location



# 3Q 2015 NPI Contribution

	<b>NPI</b>	<b>Margin</b>
3Q 2015 (RM'mil)	83.2	75.2%
3Q 2014 (RM'mil)	80.6	74.6%



Please refer to next page for explanatory notes.

# 3Q 2015 NPI Contribution (cont'd)

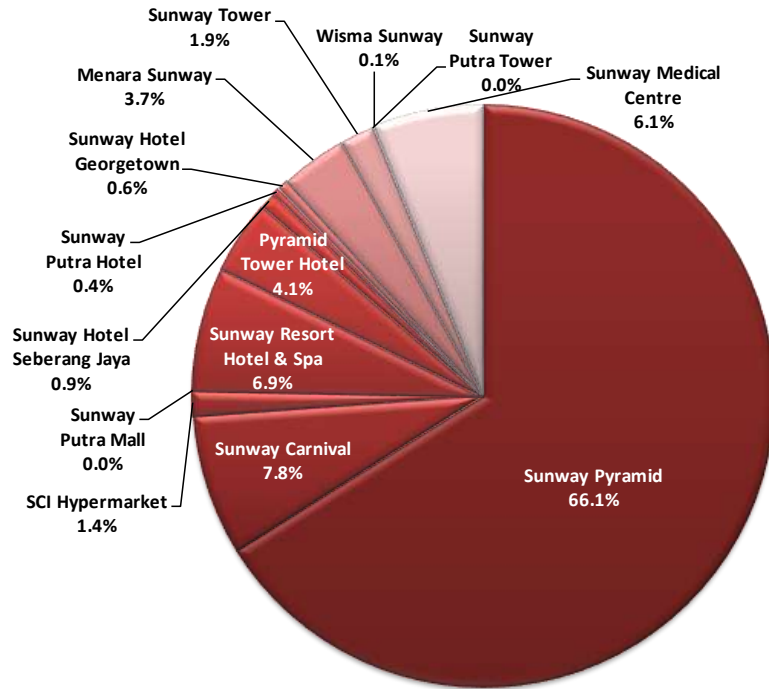
---

## Explanation:

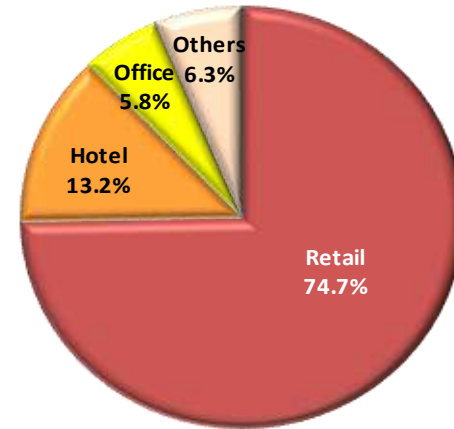
- <sup>1</sup> Sunway Pyramid, Sunway Carnival, Sunway Hotel Georgetown, Wisma Sunway and Sunway Medical Center – Higher NPI due to reasons mentioned on page 16.
- <sup>2</sup> SCI Hypermarket - Higher NPI due to reasons mentioned on page 19.
- <sup>3</sup> Sunway Putra Mall – Higher net property loss in 3Q 2015 compared to 3Q 2014 due to higher pre-opening expenses during the quarter under review.
- <sup>4</sup> Sunway Resort Hotel, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya, Sunway Putra Hotel, Sunway Tower and Sunway Putra Tower – Lower NPI mainly due to lower revenue as explained on page 16.

# 3Q 2015 NPI Contribution (Cont'd)

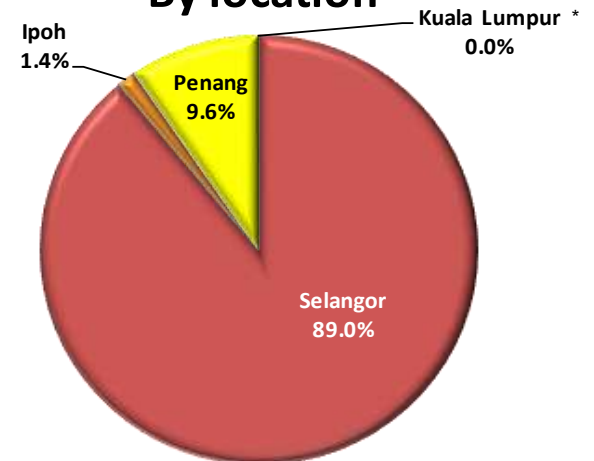
## By property



## By sector



## By location

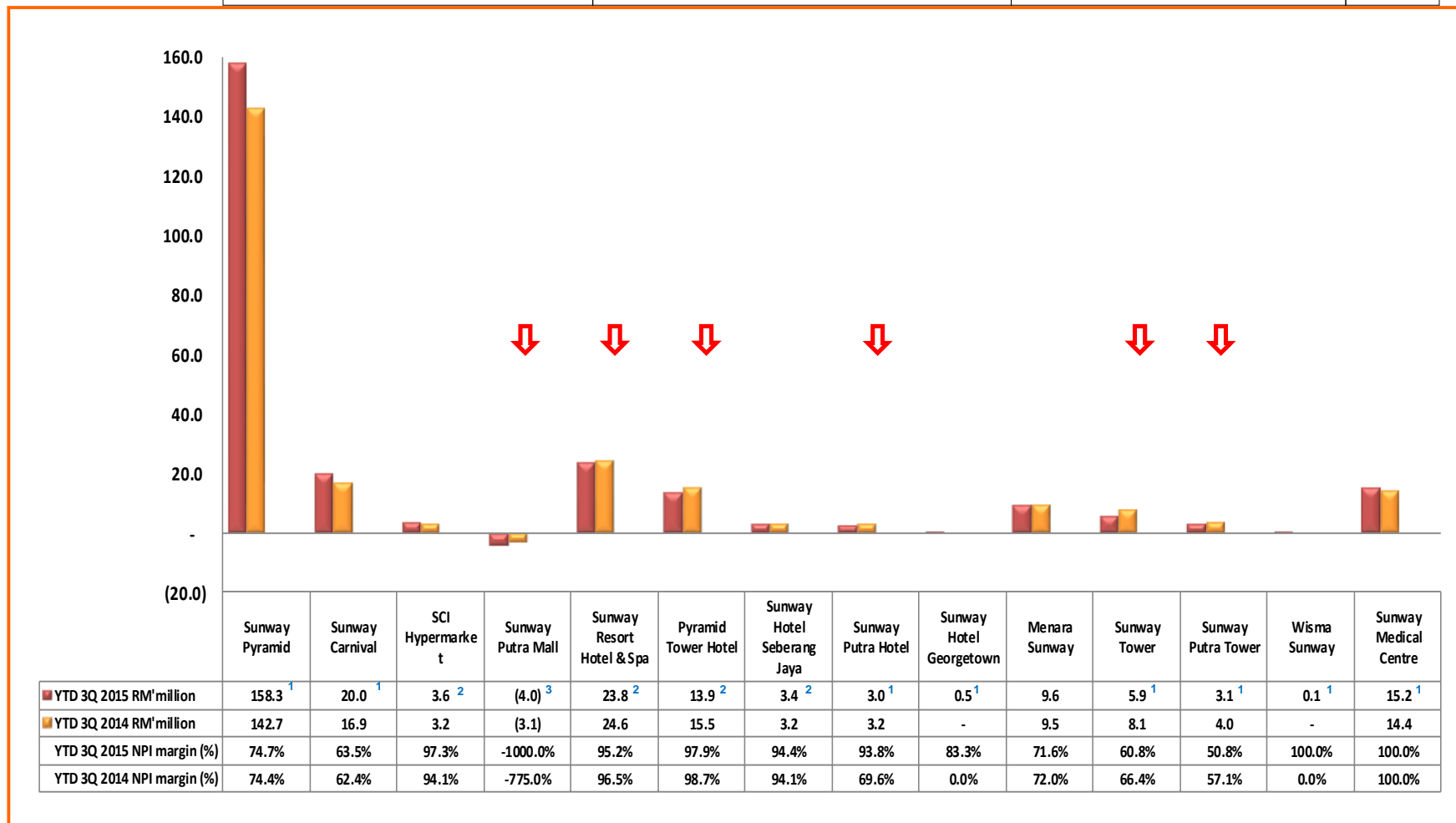


\* It is a net property loss for KL properties.

# YTD 3Q 2015 NPI Contribution

	<b>NPI</b>	<b>Margin</b>
YTD 3Q 2015 (RM'mil)	256.4	75.7%
YTD 3Q 2014 (RM'mil)	242.2	76.0%

Retail	Hotel	Office	Others
--------	-------	--------	--------



Please refer to next page for explanatory notes.



# YTD 3Q 2015 NPI Contribution (cont'd)

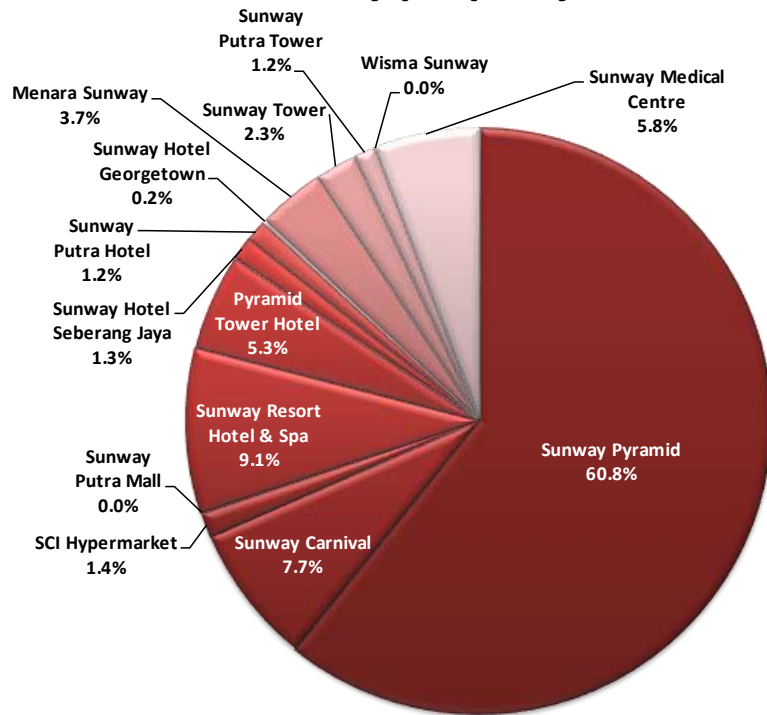
---

## Explanation:

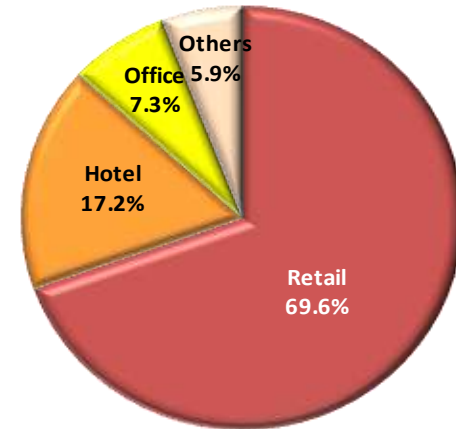
- <sup>1</sup> Sunway Pyramid, Sunway Carnival, Sunway Putra Hotel, Sunway Hotel Georgetown, Sunway Tower, Sunway Putra Tower, Wisma Sunway and Sunway Medical Centre – As per explanation on page 16.
- <sup>2</sup> SCI Hypermarket, Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya – As per explanation on page 19.
- <sup>3</sup> Sunway Putra Mall – As per explanation on page 22.

# YTD 3Q 2015 NPI Contribution (Cont'd)

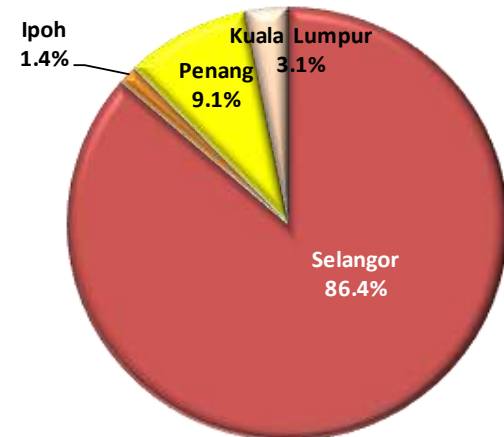
## By property



## By sector



## By location



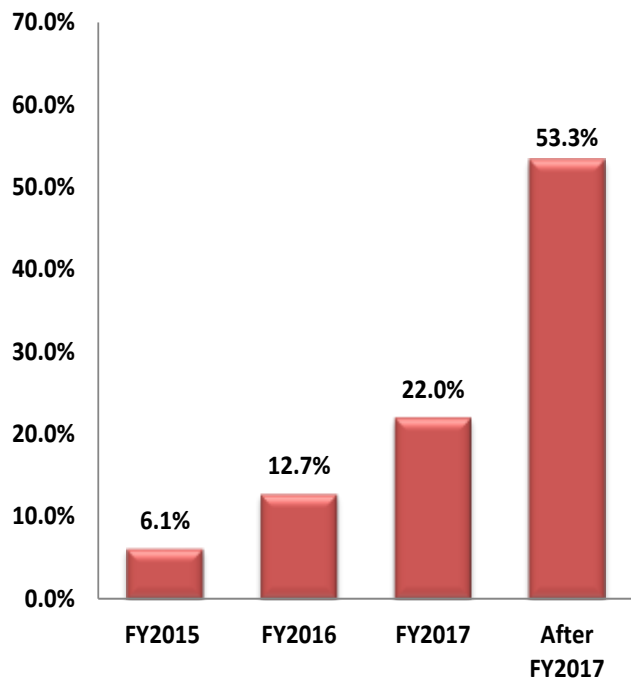
# RESILIENT INCOME STREAM

Well spread-out lease expiry profile and diverse tenant base

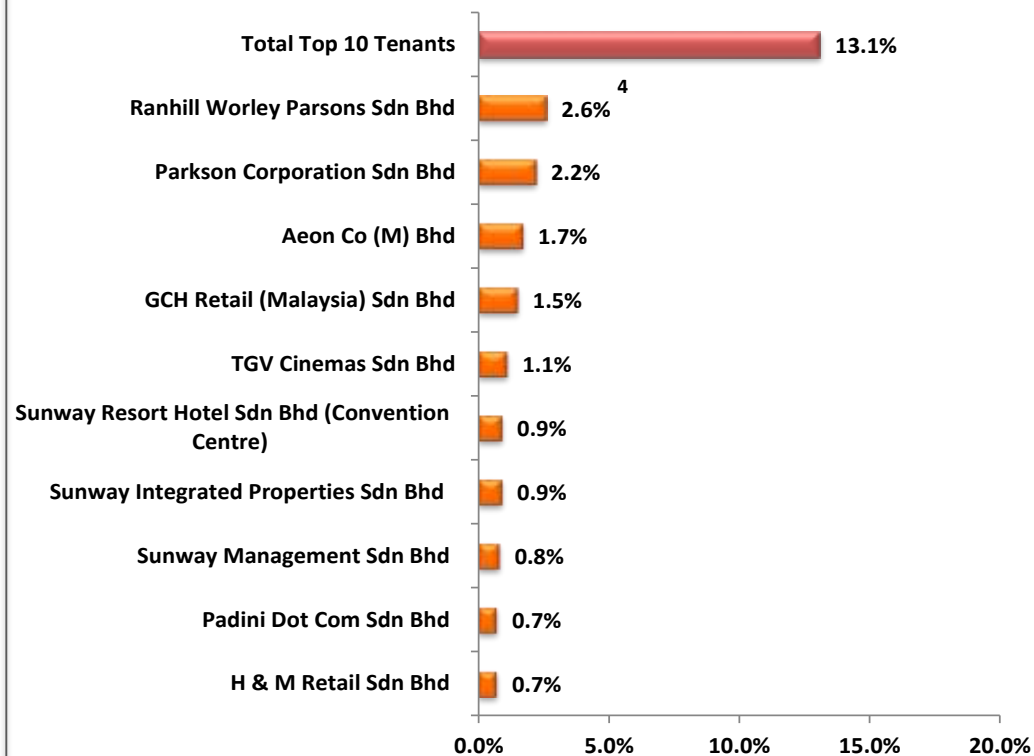
WALE <sup>1</sup> as at 31 March 2015– 2.20 years

Top 10 tenants contribute approximately 13.1% of total revenue

## Projected tenancy expiry of portfolio <sup>2</sup>



## Top 10 tenants<sup>3</sup>



<sup>1</sup> Calculated based on gross rental income.

<sup>2</sup> 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.)

<sup>3</sup> Based on gross rental income for the month of March 2015.

(Exclude Hotel Master Leases, Hospital Master Lease and car park tenancies.)

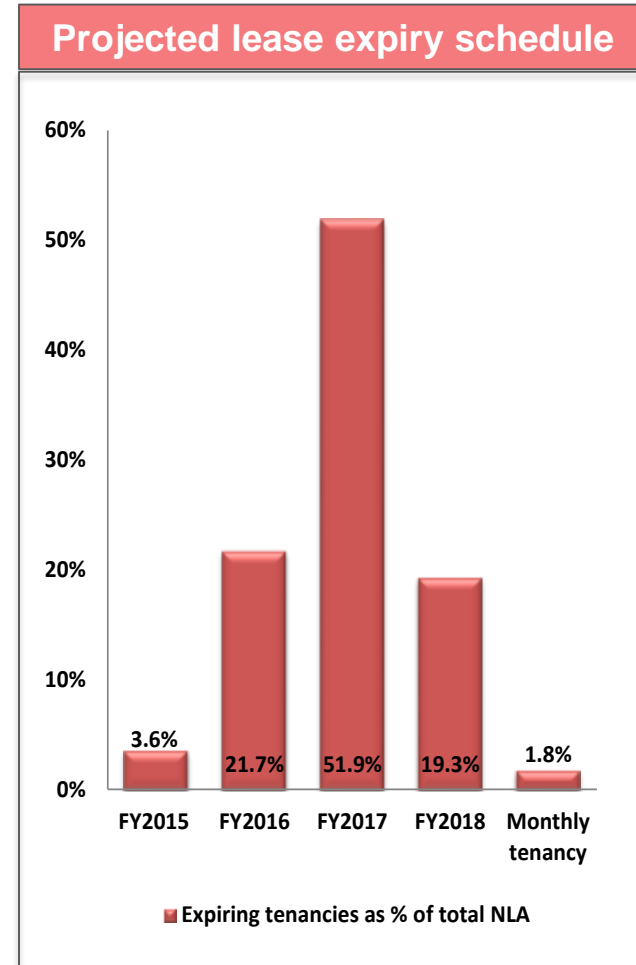
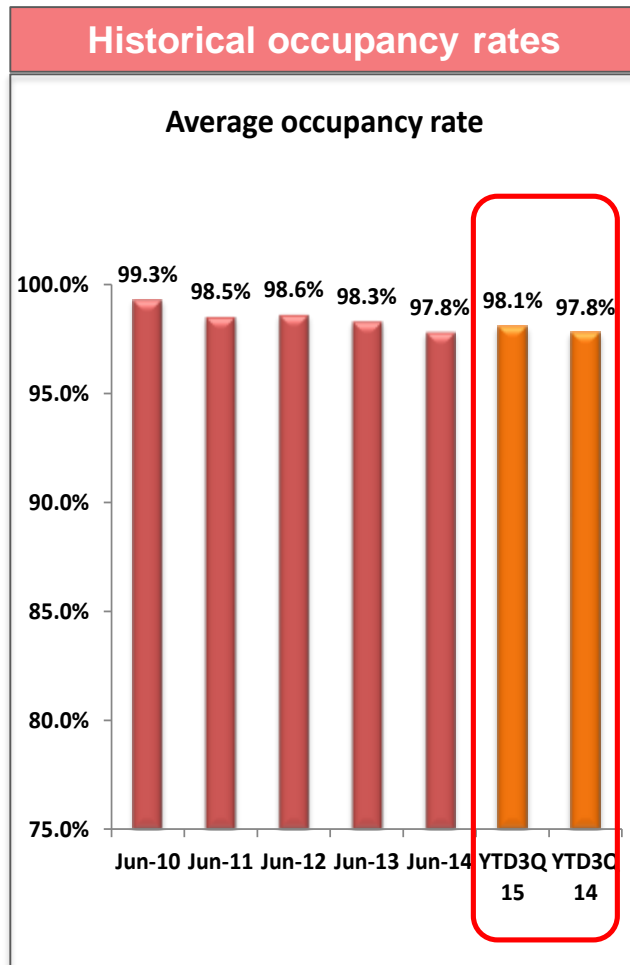
<sup>4</sup> Ranhill's contribution will drop to approximately 1.9% by end-May 2015 when it gives up another 37,719 sq.ft. of NLA.

---

## 4. 3Q 2015 Property Performance

# RETAIL PROPERTIES

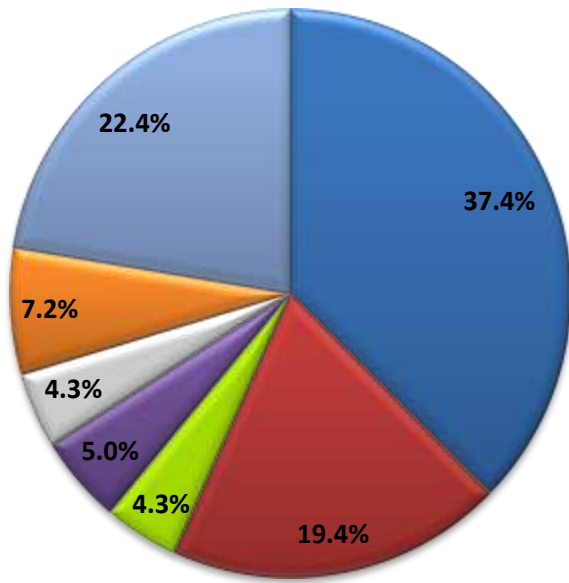
## SUNWAY PYRAMID SHOPPING MALL



# RETAIL PROPERTIES

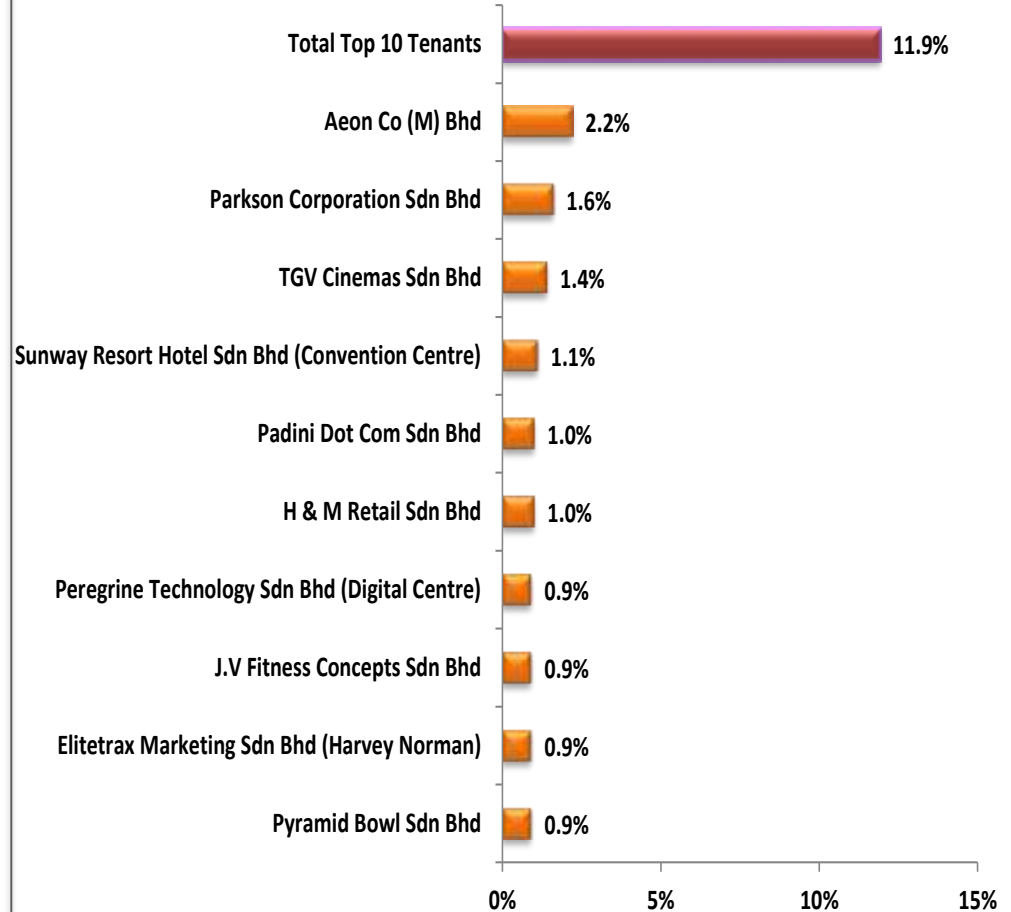
## SUNWAY PYRAMID SHOPPING MALL (Cont'd)

Tenant mix



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

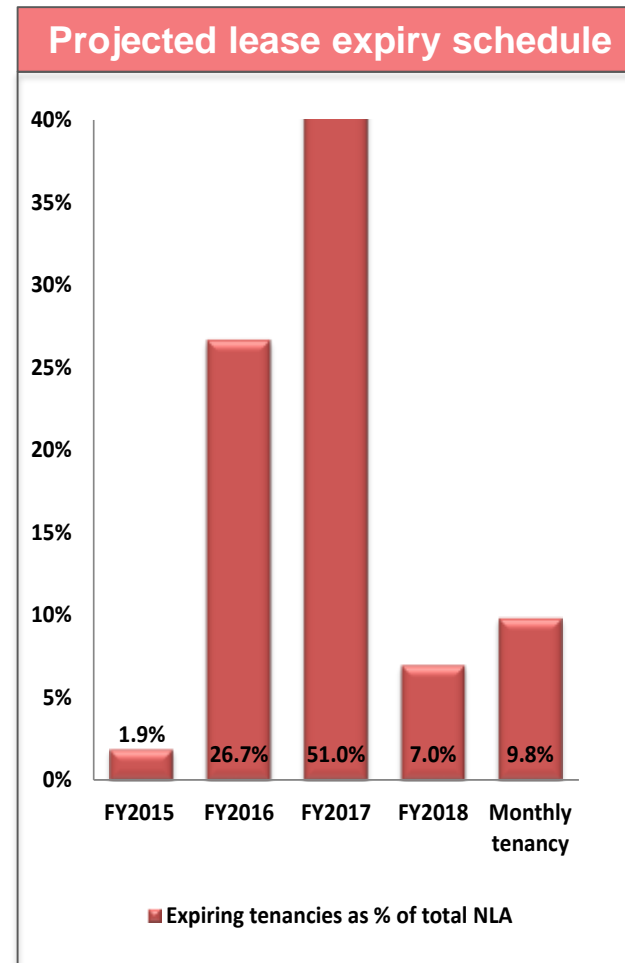
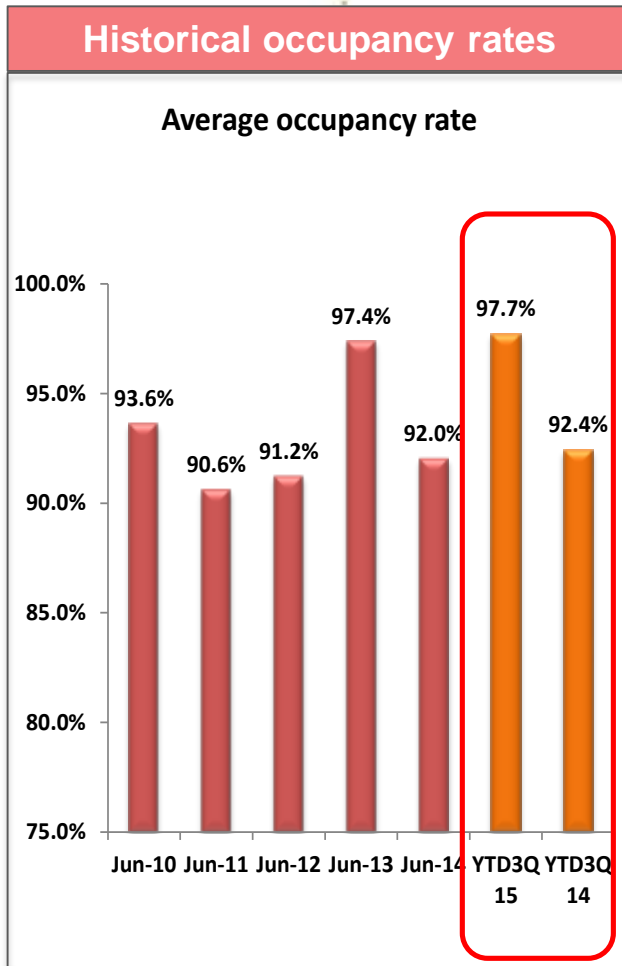
Top 10 tenants



Note: Based on gross rental income for the month of March 2015

# RETAIL PROPERTIES

## SUNWAY CARNIVAL SHOPPING MALL

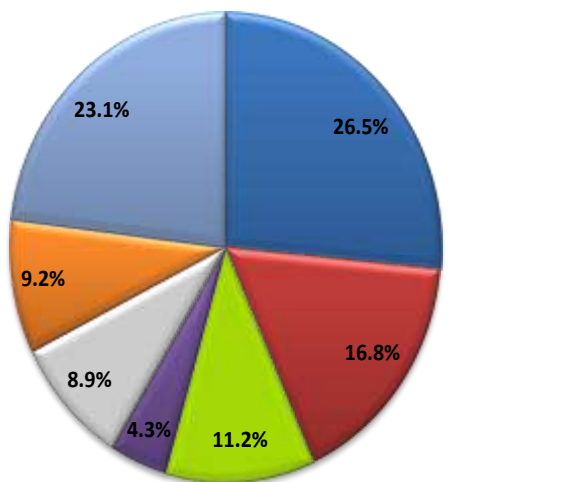


Note: Higher occupancy rate was recorded for YTD3Q2015 due to commencement of tenancy for Sam's Groceria occupying approximately 44,000 sq.ft in July 2014.

# RETAIL PROPERTIES

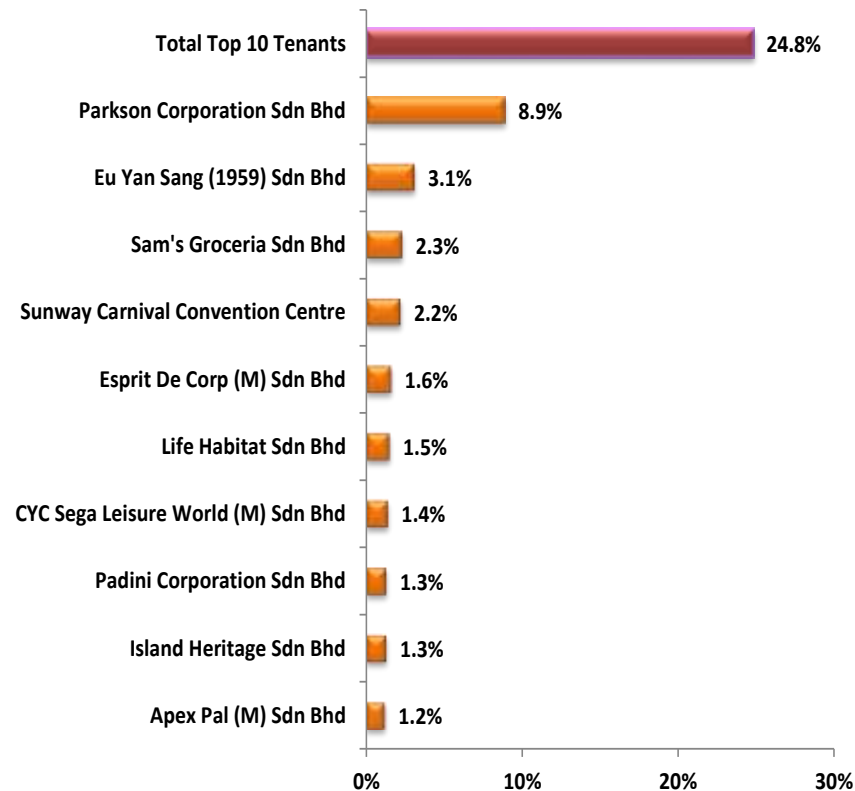
## SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

### Tenant mix



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

### Top 10 tenants

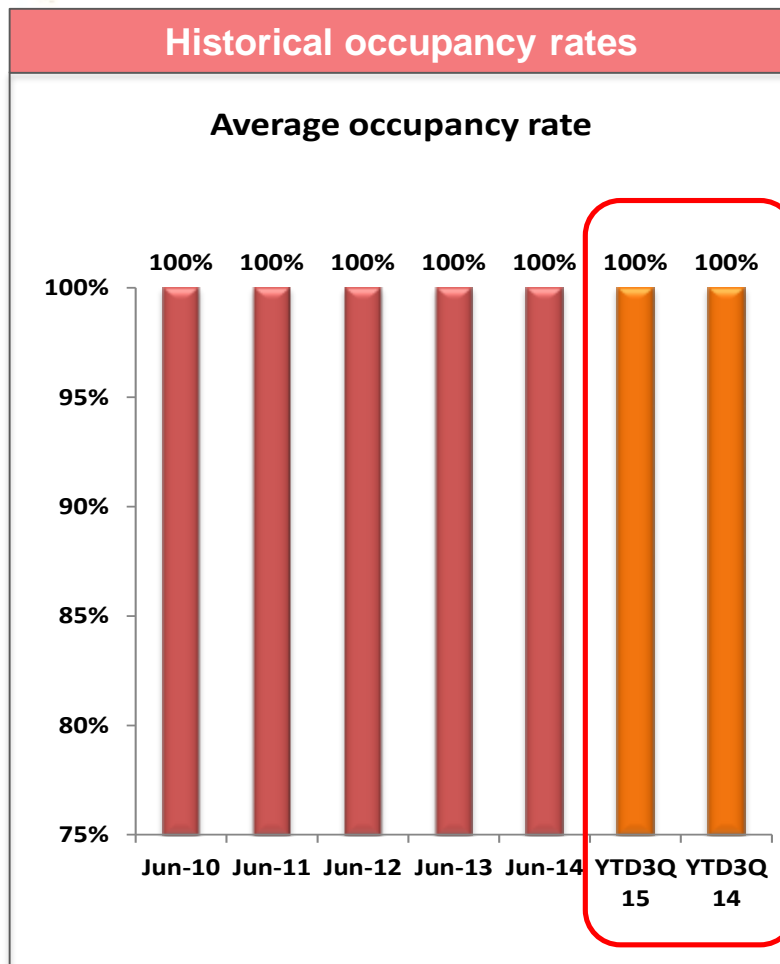


Note: Based on gross rental income for the month of March 2015



# RETAIL PROPERTIES

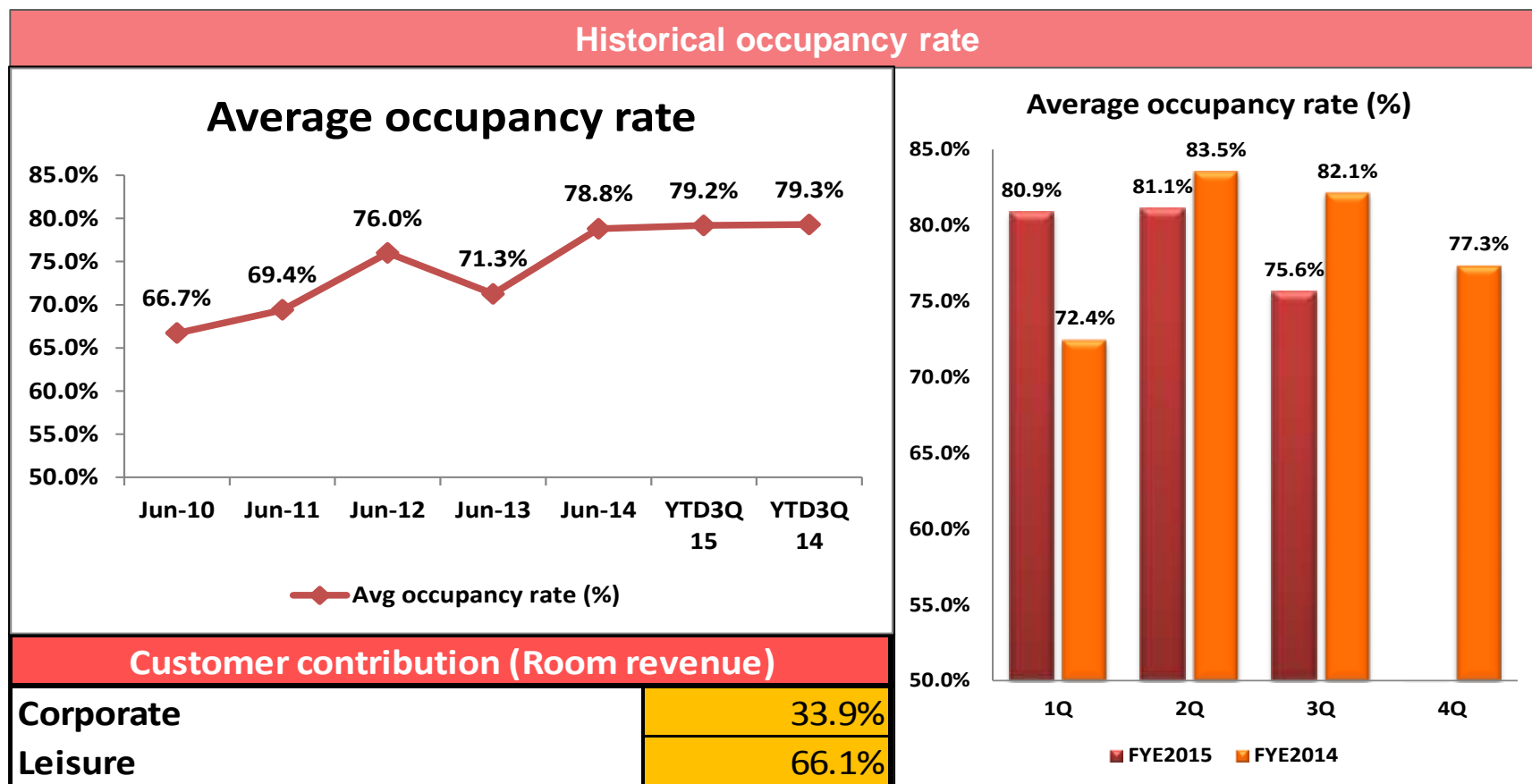
## SUNCITY IPOH HYPERMARKET



Suncity Ipoh Hypermarket is tenanted to a single tenant, a major hypermarket and retailer chain operating under the “Giant” brand in Malaysia, Singapore, Indonesia and Brunei Darulsalam. The next renewal for the tenancy is April 2017.

# HOSPITALITY PROPERTIES

## SUNWAY RESORT HOTEL & SPA



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.

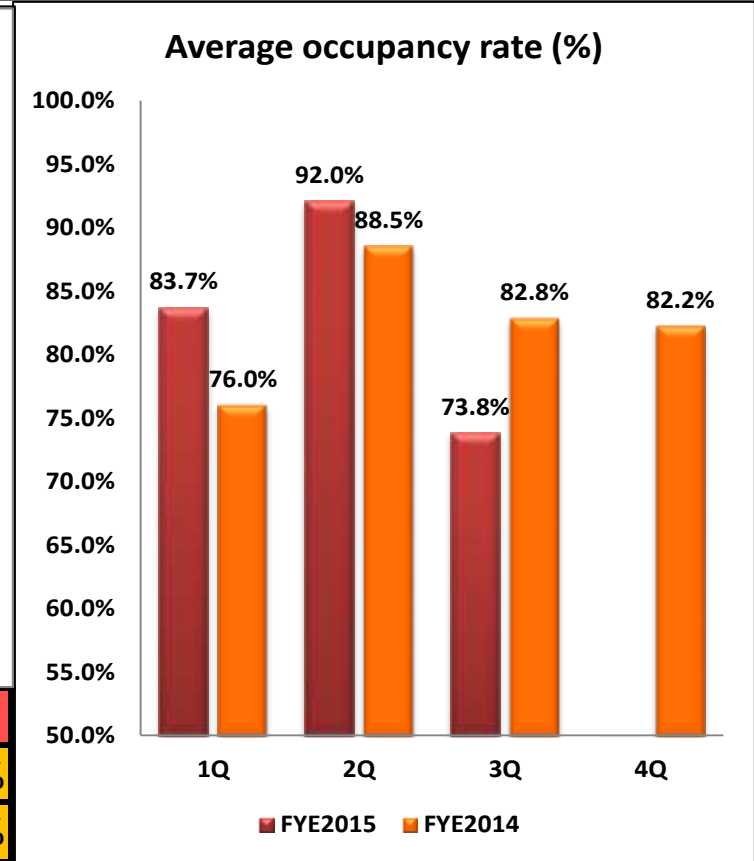
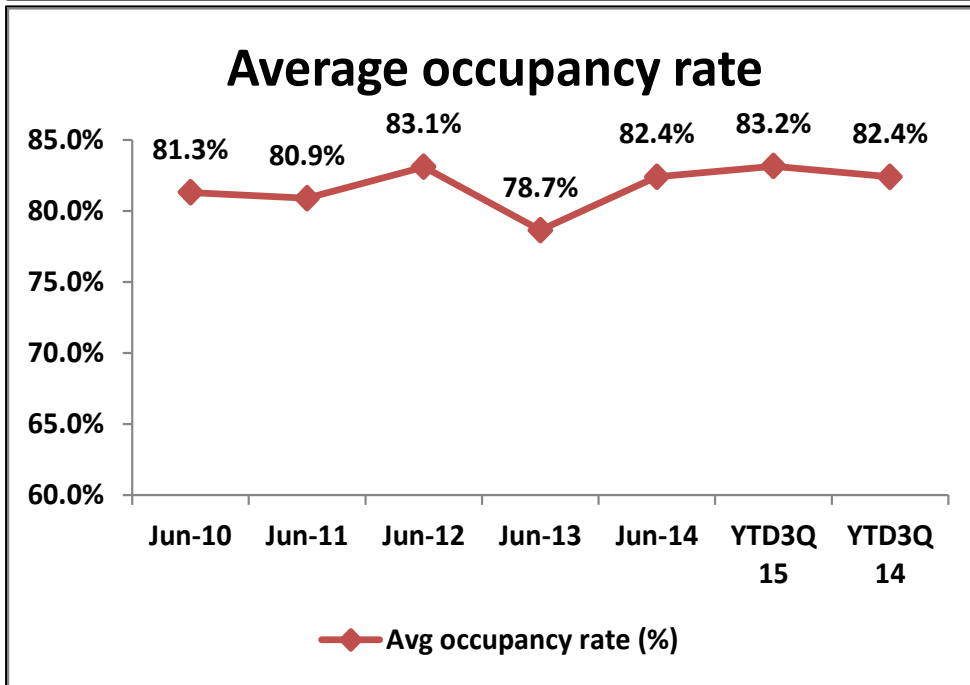
Note 2: The lower average occupancy rate (75.6% in 3Q2015 compared to 82.1% in 3Q2014) is mainly due to softer business and consumer sentiment ahead of introduction of GST. In the previous year, the hotel enjoyed higher average occupancy rate due to one-off MICE businesses and supported by ongoing aggressive tactical promotional activities.

Note 3: Customer contribution has been reclassified which translated into higher contribution from leisure segment as compared to corporate segment (66.1% vs 33.9%). Reservations made under Online Travel Agencies ("OTA") are now classified as leisure instead of corporate to reflect the purpose of travelling.

# HOSPITALITY PROPERTIES

## PYRAMID TOWER HOTEL

### Historical occupancy rate



### Customer contribution (Room revenue)

Corporate	46.2%
Leisure	53.8%

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: The lower average occupancy rate (73.8% in 3Q2015 vs 82.8% in 3Q2014) was due to the reasons similar to SRHS.

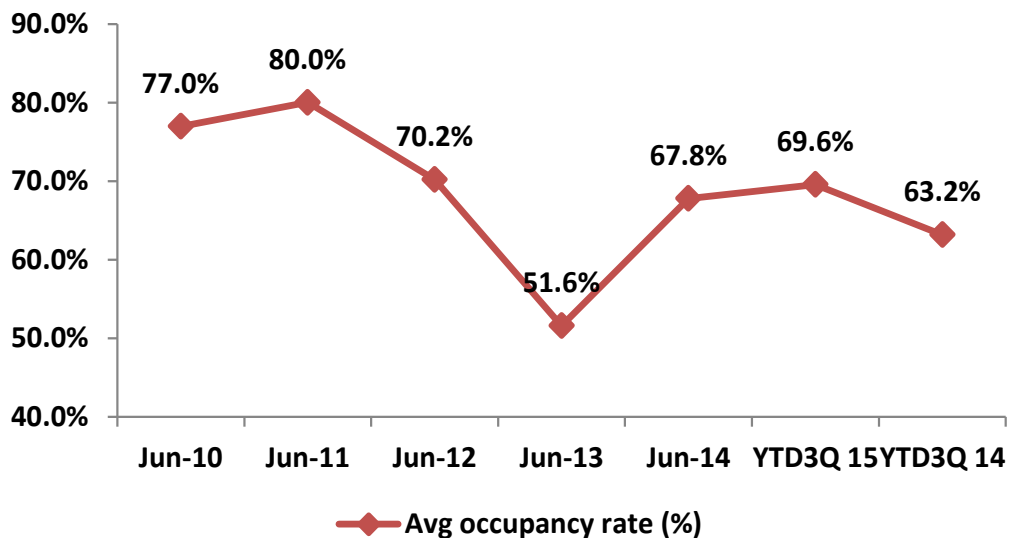
Note 3: Customer contribution has been reclassified which results in more contribution from leisure segment as compared to corporate segment (53.8% vs 46.2%). The reasons for reclassification is similar to SRHS.

# HOSPITALITY PROPERTIES

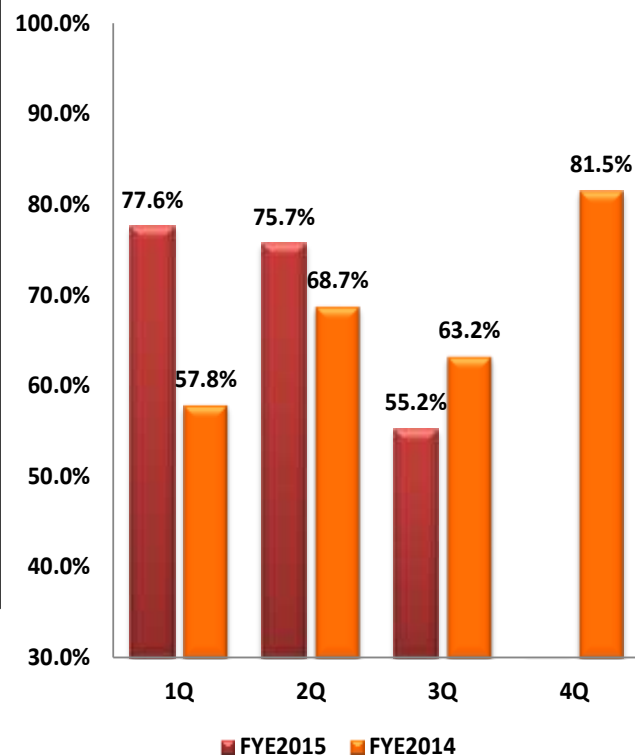
## SUNWAY HOTEL SEBERANG JAYA

### Historical occupancy rate

#### Average occupancy rate



#### Average occupancy rate (%)



### Customer contribution (Room revenue)

Corporate	92.2%
Leisure	7.9%

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

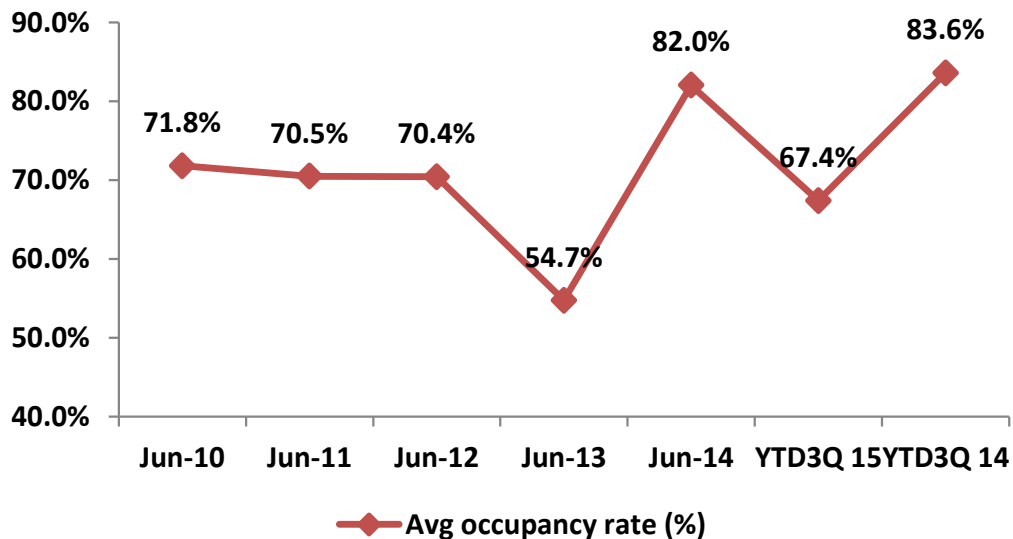
Note 2: Lower average occupancy rate was recorded in 3Q2015 due to soft business and consumer sentiment ahead of introduction of GST as well as increased competition due to opening of new hotels.

# HOSPITALITY PROPERTIES

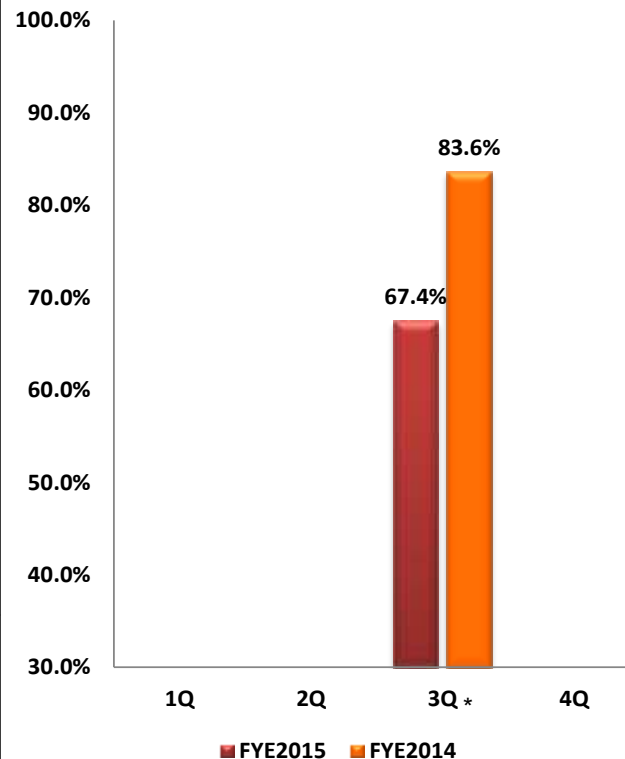
## SUNWAY HOTEL GEORGETOWN

### Historical occupancy rate

#### Average occupancy rate



#### Average occupancy rate (%)



### Customer contribution (Room revenue)

Corporate	14.9%
Leisure	85.1%

Note 1: The contribution from Sunway Hotel Georgetown commences on 28 January 2015. The information for 3Q shown above is for the month of February 2015 and March 2015 following the completion of the acquisition of the hotel on 28 January 2015. The historical information (FY2010 to FY2014) is provided by the vendor, Sunway Berhad.

Note 2: The hotel properties are under 10-years master leases. The Sunway Hotel Georgetown master lease is expiring in January 2025.

Note 3: Lower occupancy recorded from 70.4% in Jun-12 to 54.7% in Jun-13 mainly due to the hotel's major refurbishment exercise. The refurbishment was completed in 4Q2013. Post refurbishment, the occupancy recovered and the ADR has also improved as a result of the exercise.

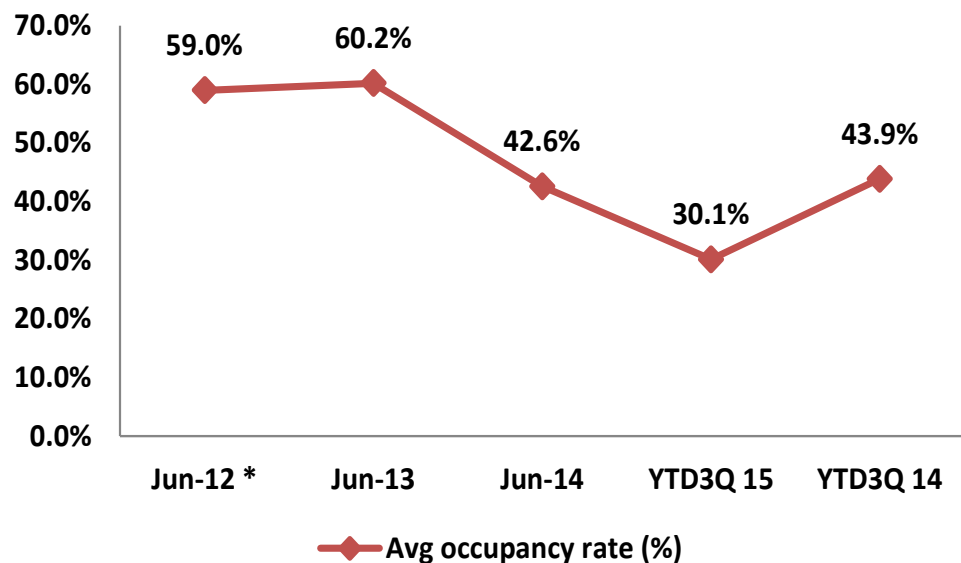
Note 4: Lower average occupancy rate was recorded in 3Q2015 due to the reasons similar to SHSJ.

# HOSPITALITY PROPERTIES

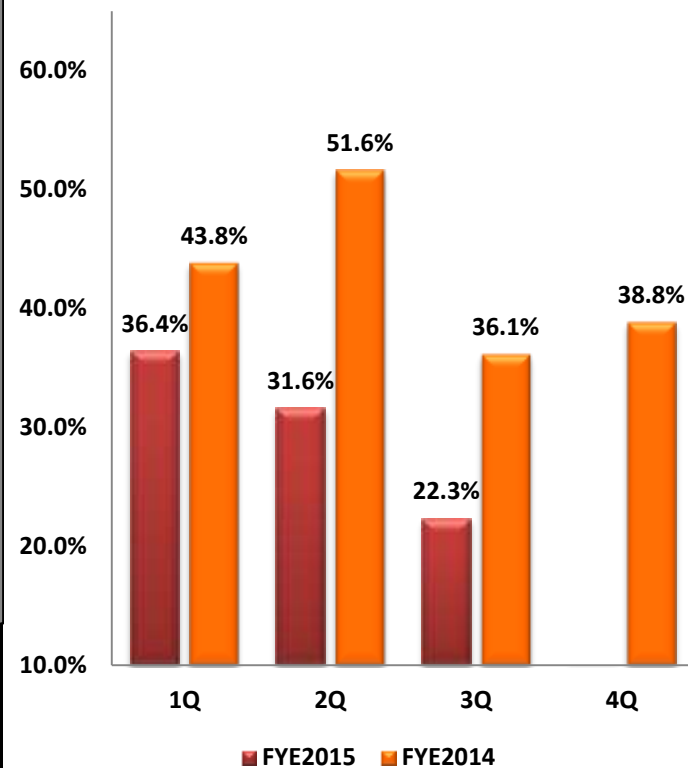
## SUNWAY PUTRA HOTEL

### Historical occupancy rate

#### Average occupancy rate



#### Average occupancy rate (%)



#### Customer contribution (Room revenue)

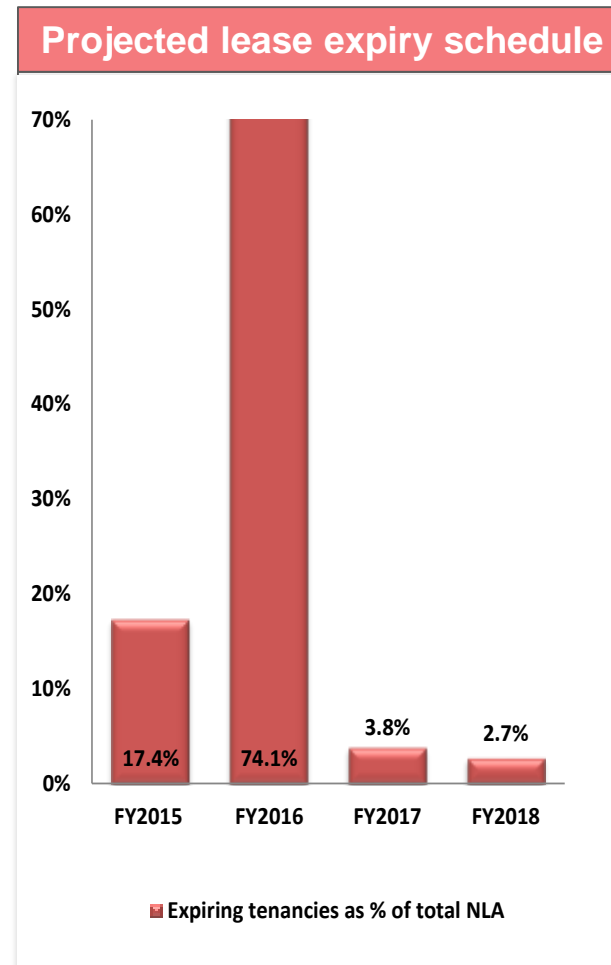
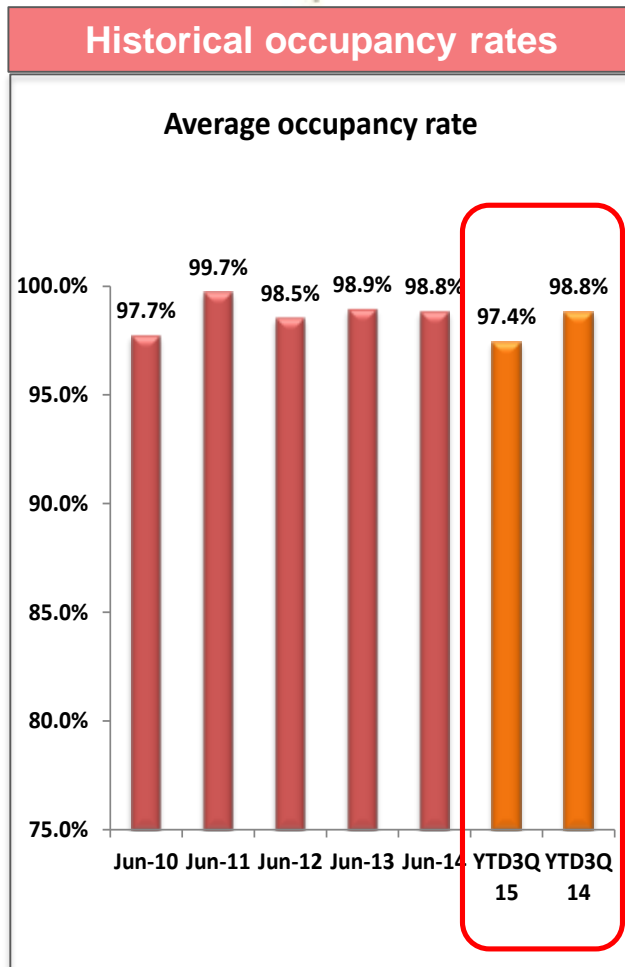
Corporate	84.9%
Leisure	15.1%

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 was lower mainly due to the ongoing major refurbishment at the adjoining Sunway Putra Mall and the hotel's ongoing refurbishment. The performance was also affected on the back of closure of some of the key hotel facilities. To date, refurbishment of the ballroom and coffee house are completed as well as 307 rooms of the 618 rooms have been refurbished. The full completion is expected to be in 4QCY2015.

# OFFICE PROPERTIES

## MENARA SUNWAY

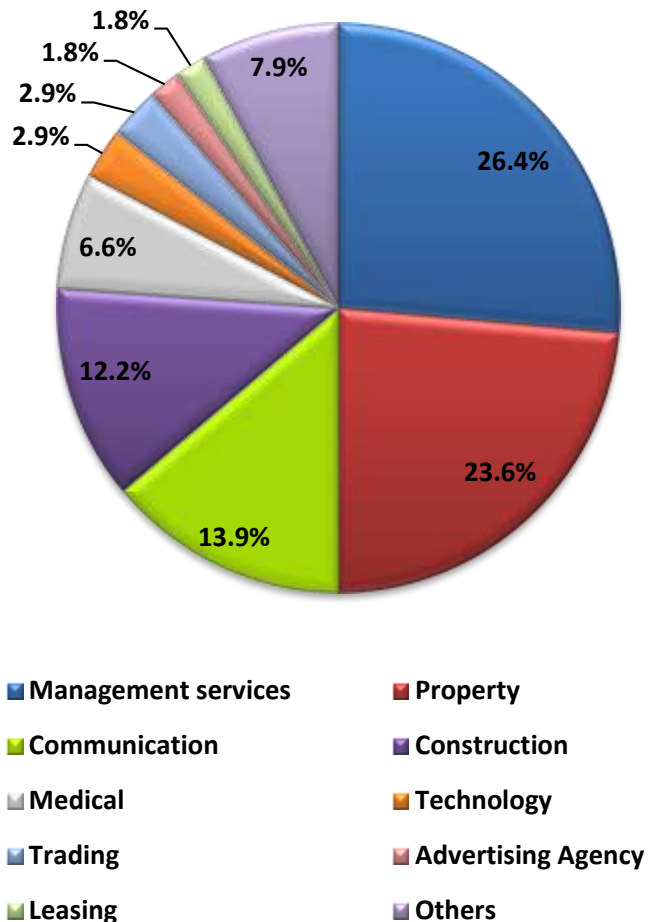


Note: Average occupancy rate for YTD3Q 2015 is lower at 97.4% (YTD2Q 2014: 98.8%) due to a tenant who did not renew in July 2014. The asset manager is actively seeking for replacement tenants.

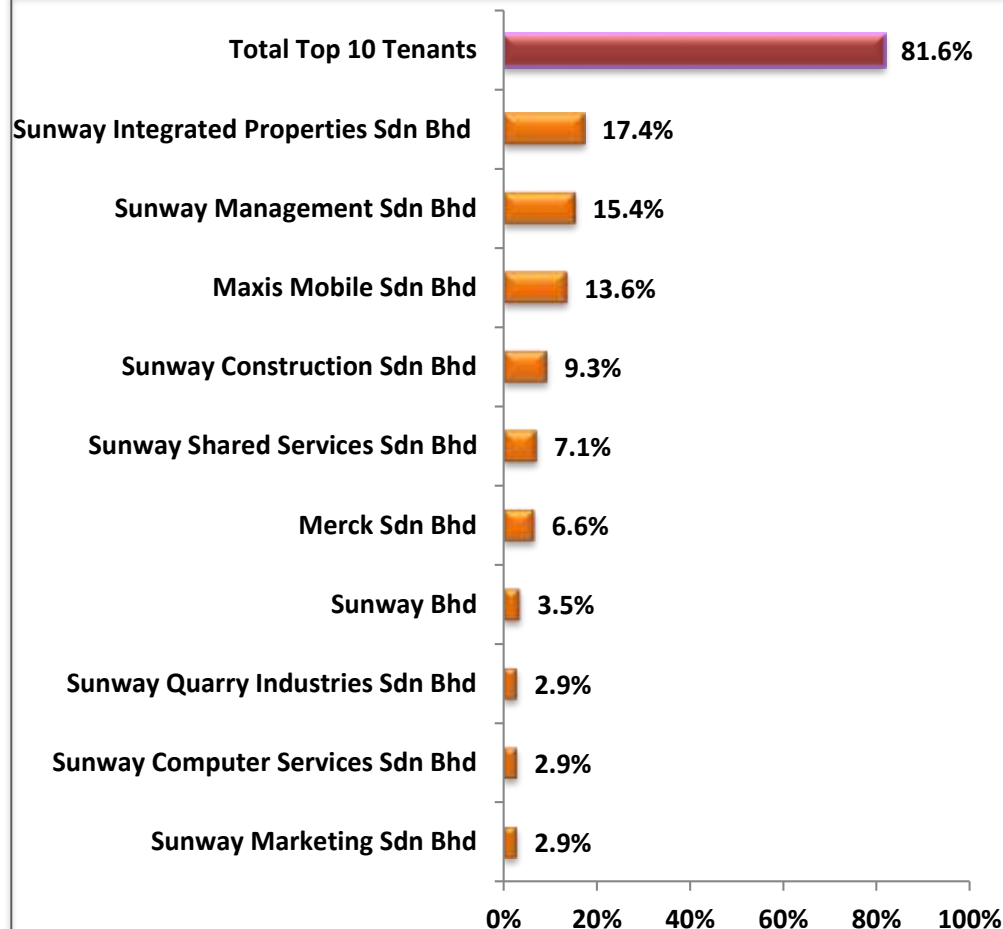
# OFFICE PROPERTIES

## MENARA SUNWAY (Cont'd)

### Tenant mix



### Top 10 tenants

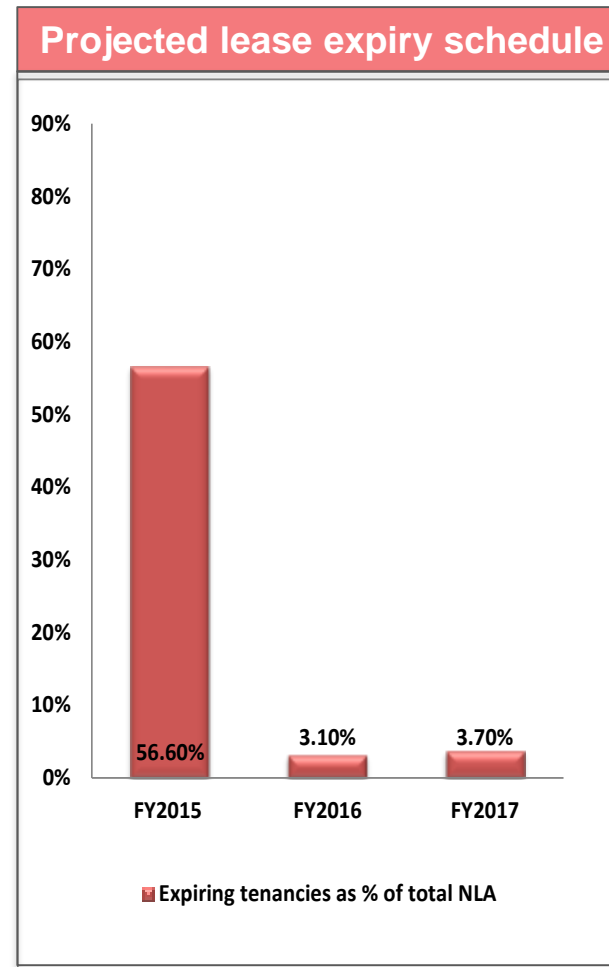
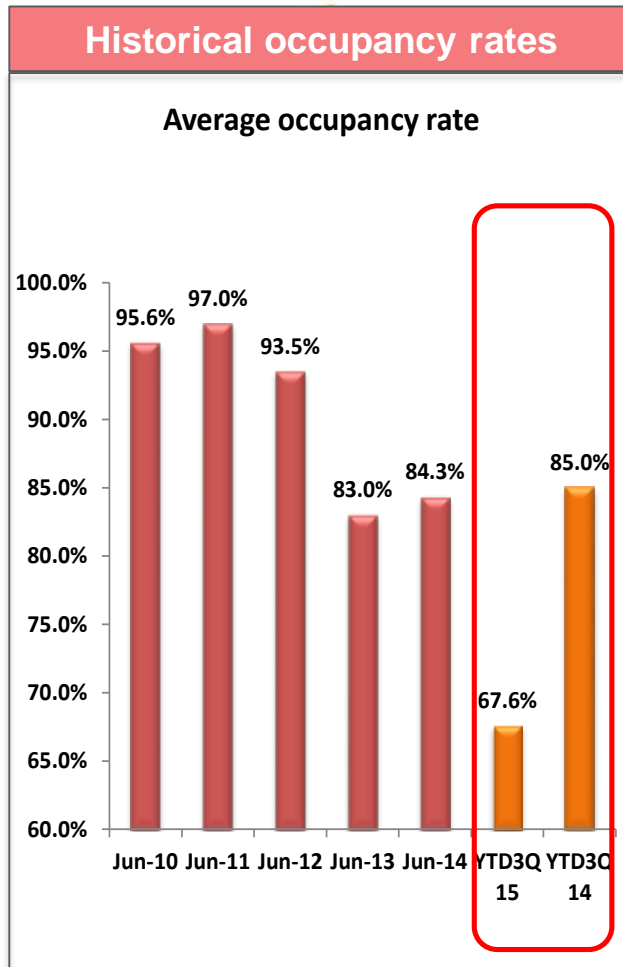


Note: Based on gross rental income for the month of March 2015



# OFFICE PROPERTIES

## SUNWAY TOWER

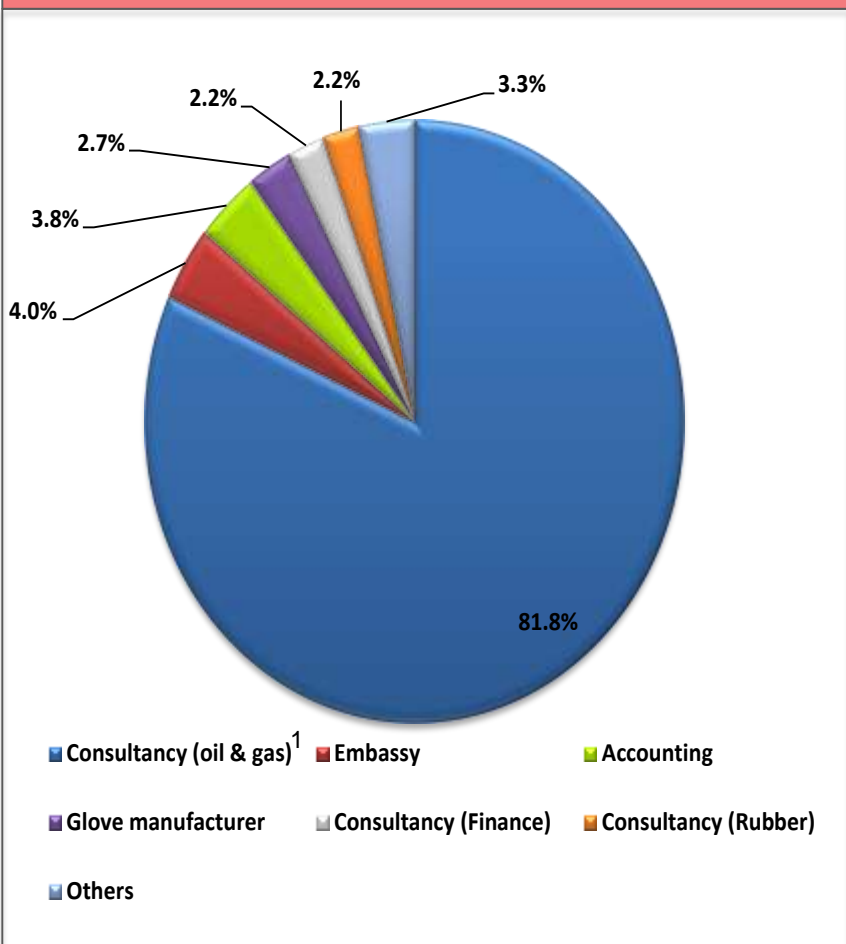


Note: The average YTD occupancy is lower as compared to last year same quarter as the anchor tenant has released 34,000sq.ft. at the end of September 2014. Going forward, the occupancy is expected to further decline to about 50% in 4QFY2015 as the anchor tenant will be giving up another 37,719sq.ft. of NLA in end May 2015 (deferred from March 2015 as reported in the previous quarter). The asset manager is actively seeking for replacement tenants.

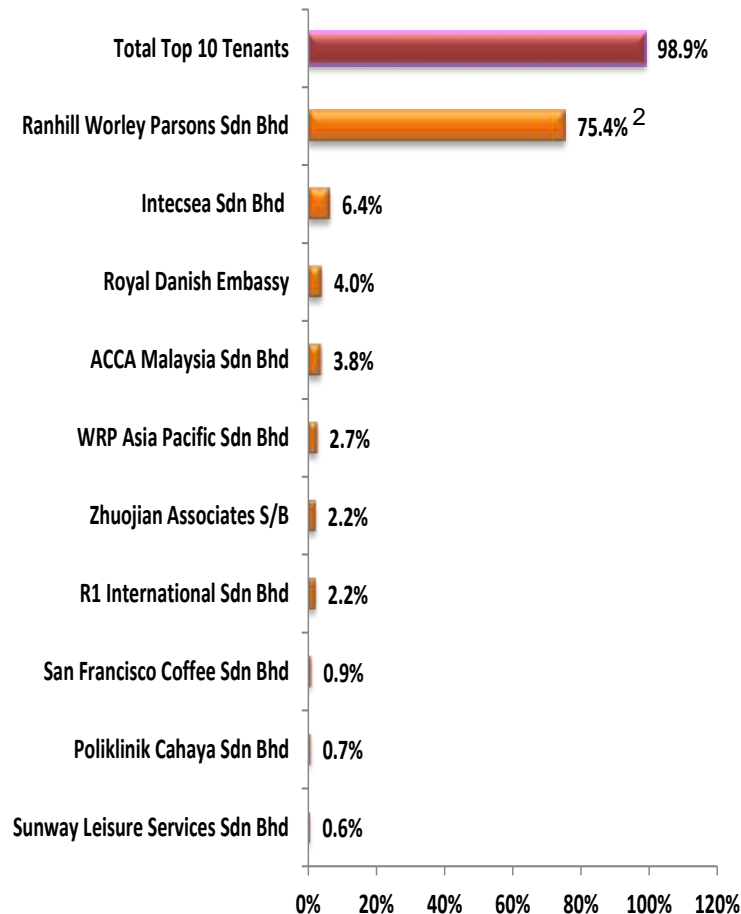
# OFFICE PROPERTIES

## SUNWAY TOWER (Cont'd)

### Tenant mix



### Top 10 tenants



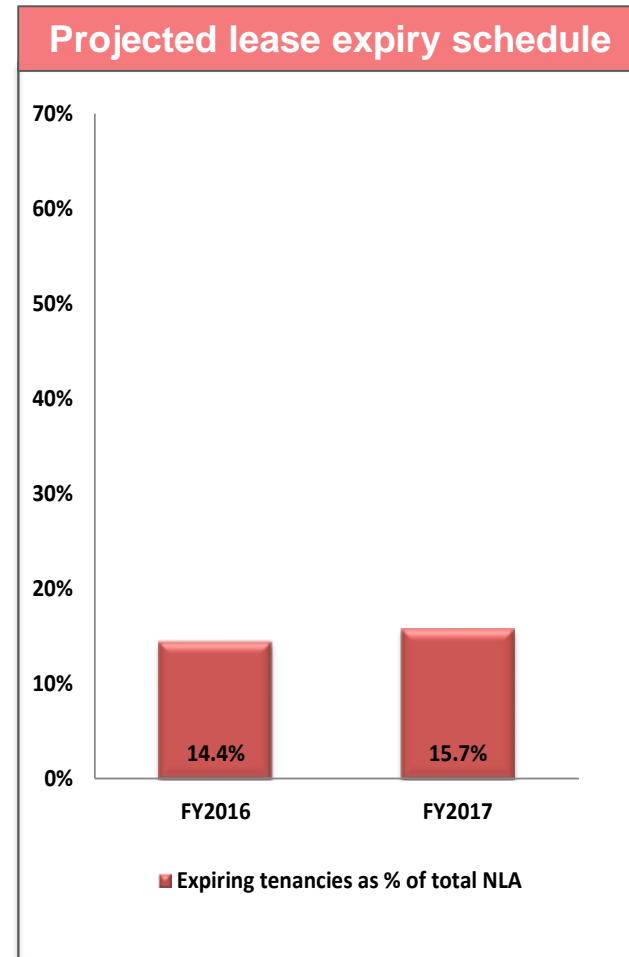
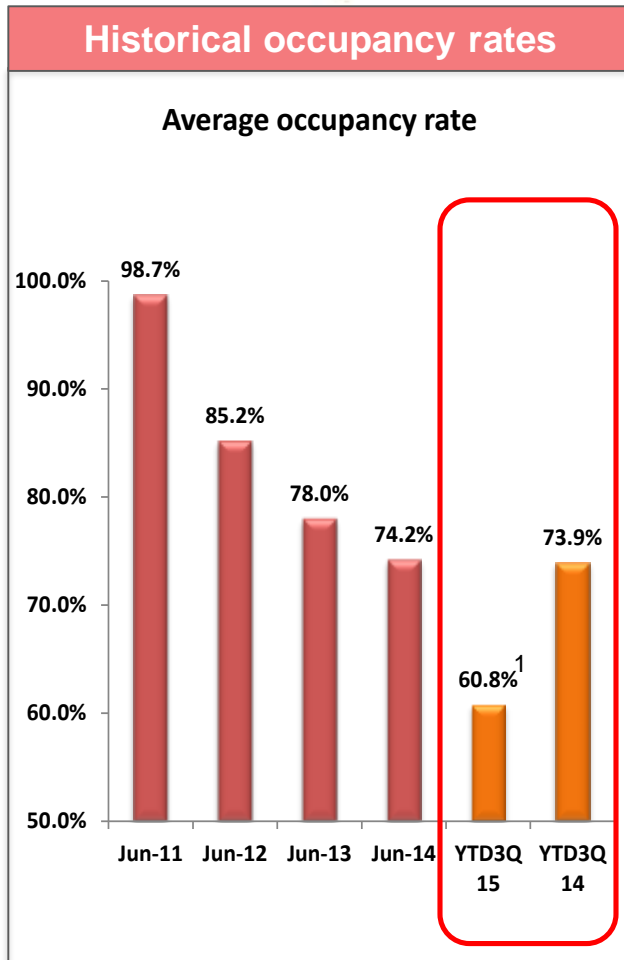
Note: Based on gross rental income for the month of March 2015

<sup>1</sup> The percentage will drop to 77% in 4QFY2015 when Ranhill surrenders another 37,719sq.ft. in end May 2015.

<sup>2</sup> Ranhill's contribution will drop to approximately 69% in 4QFY2015 as per explanation in note 1.

# OFFICE PROPERTIES

## SUNWAY PUTRA TOWER

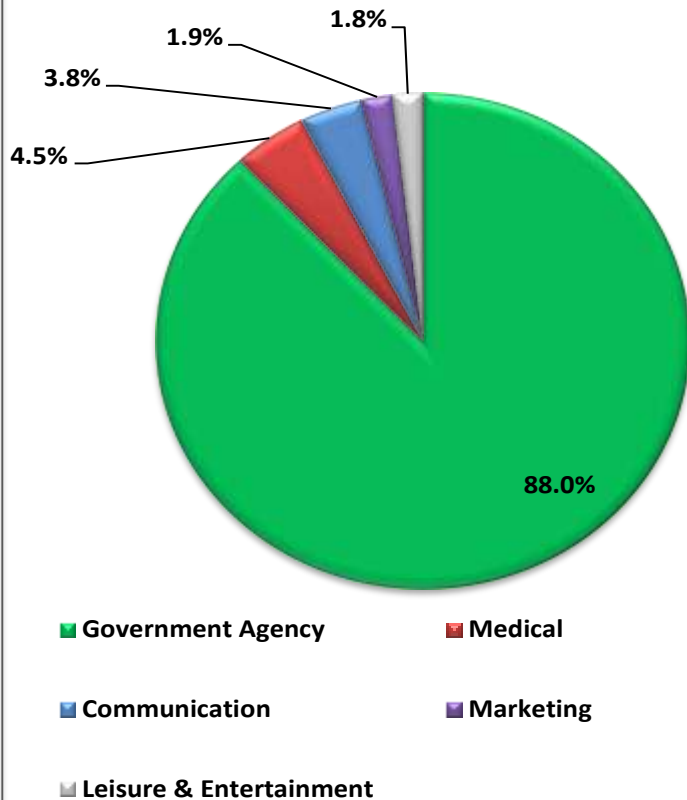


<sup>1</sup> The anchor tenant, Suruhanjaya Koperasi Malaysia has moved out as per explanation in the previous quarter and this has contributed to the lower occupancy shown above (YTD3Q15:60.8% vs YTD3Q14:73.9%). The asset manager is actively seeking for replacement tenants. This provides an opportunity to further diversify tenancy mix to reduce tenant concentration risk and to seek more private sector tenants in line with the manager's strategy. Notwithstanding this, the Manager's priority is to fill the vacancy.

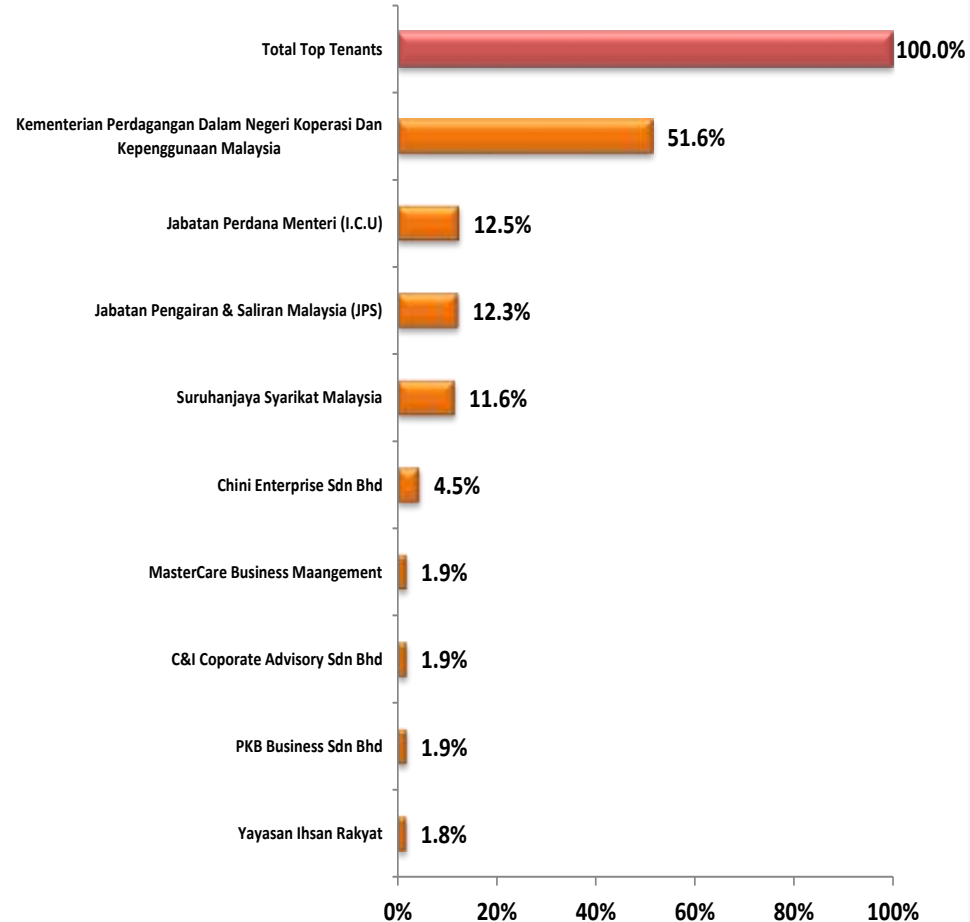
# OFFICE PROPERTIES

## SUNWAY PUTRA TOWER (Cont'd)

### Tenant mix



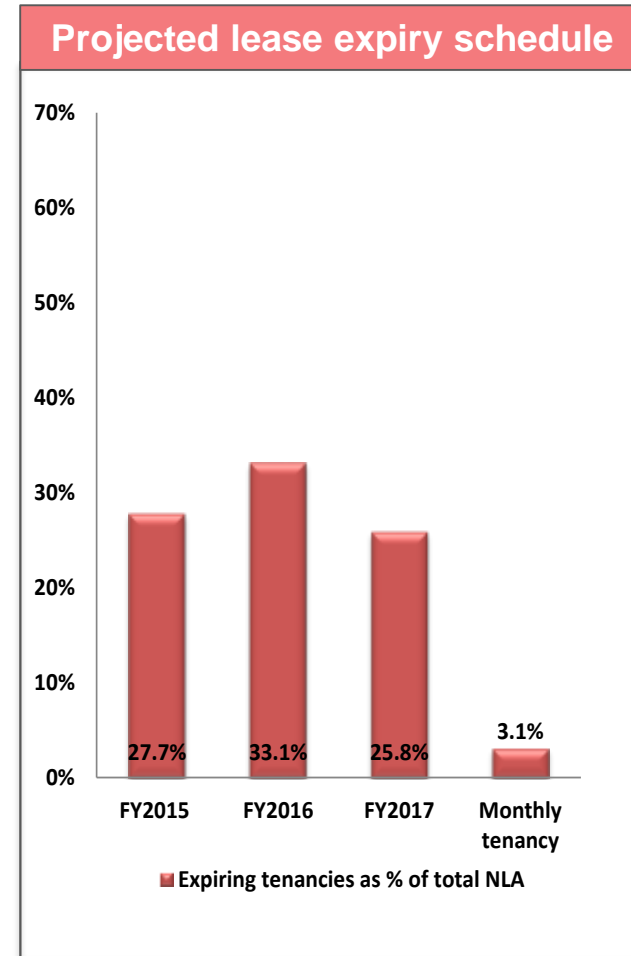
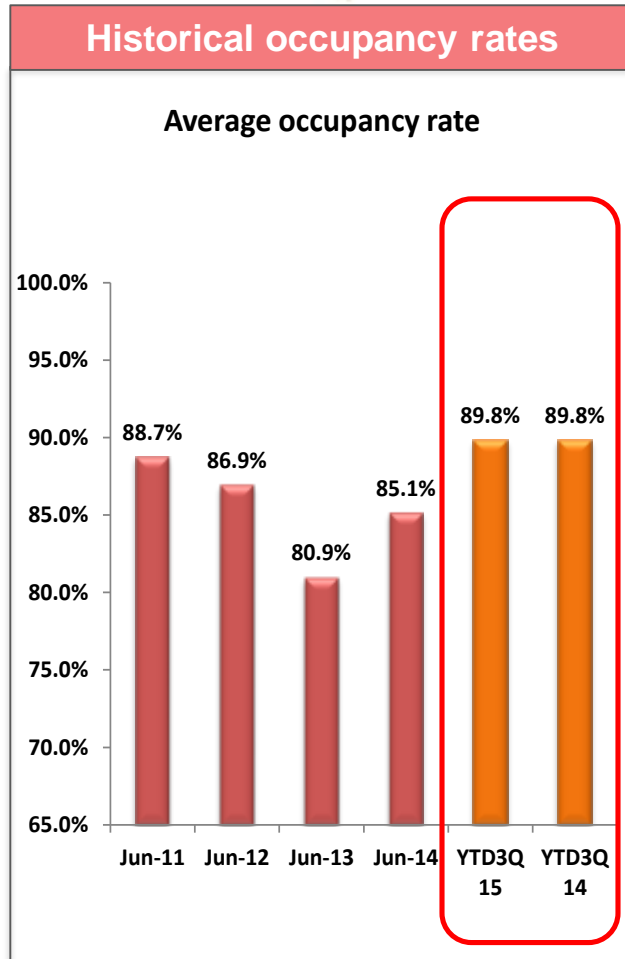
### Top tenants



Note: Based on gross rental income for the month of March 2015

# OFFICE PROPERTIES

## WISMA SUNWAY

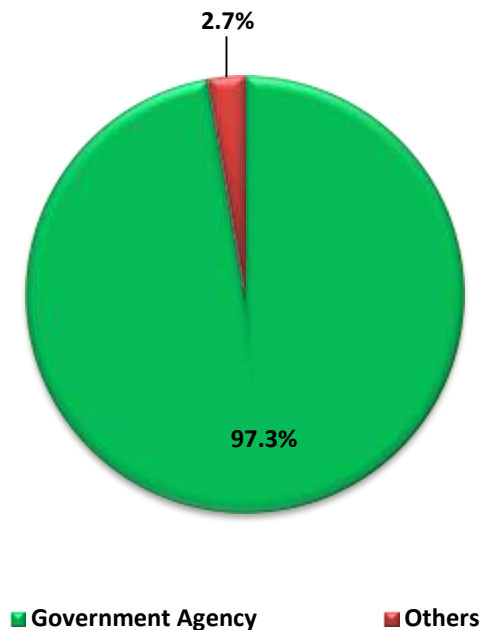


Note: The contribution from Wisma Sunway commences on 23 March 2015. The information for YTD3Q shown above is for the month of March 2015 only following the completion of acquisition of the office on 23 March 2015. The historical information (FY2011 to FY2014) are provided by the vendor, Sunway Berhad.

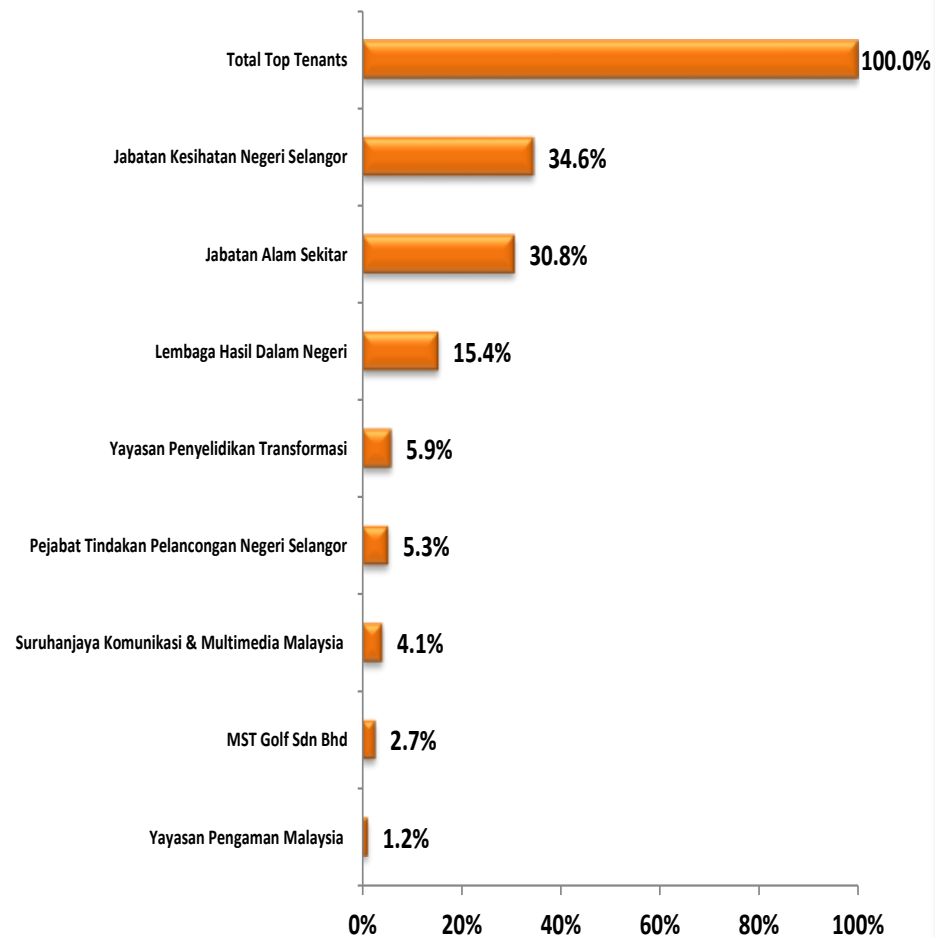
# OFFICE PROPERTIES

## WISMA SUNWAY (Cont'd)

### Tenant mix



### Top tenants



Note: Based on gross rental income for the month of March 2015

---

## 5. Market Outlook

# General Outlook

- The International Monetary Fund (“IMF”) has revised global growth from 3.8% to 3.5%<sup>1</sup> for CY2015 and 3.8%<sup>1</sup> in CY2016 supported by rebound in the advanced economies. Meanwhile, economic growth in the emerging nations are expected to soften led by China and net oil and commodity exporters.
- The Malaysian economy accelerated to 6.0% in CY2014 (CY2013: 4.7%), driven primarily by the continued strength of domestic demand and supported by an improvement in external trades. Net exports turned positive following seven years of negative contribution as Malaysia benefitted from the recovery in the advanced economies and the sustained demand from the regional economies.
- According to Bank Negara Malaysia (“BNM”), the Malaysian economy is projected to register a steady growth of 4.5% - 5.5% in CY2015 (CY2014: 6.0%), cushioned by a well- diversified economy, favourable employment market conditions, matured financial markets, strong banking system, ample reserves and a flexible currency.
- Household spending is expected to be affected by the implementation of the Goods and Services Tax (“GST”) in April and lower earnings in commodity-related sectors, its impact will, however, be partially offset by Government measures to assist targeted groups and the additional disposable incomes from lower fuel prices.

<sup>1</sup> Based on International Monetary Fund’s forecast as at 17 April 2015



# General Outlook

- BNM has lowered its inflation expectations to average between 2% - 3% in CY2015 (CY2014: 3.2%), from 2.5% - 3.5% previously despite implementation of GST. The lower expectation was due to already low oil prices and lower utility costs.
- Monetary policy in CY2015 will focus on ensuring steady growth of the Malaysian economy amid contained risks to inflation. BNM has signaled that the central bank will monitor the nation's growth direction and interest rate direction will remain accommodative for CY2015. Based on consensus forecast<sup>2</sup> as at 13 April 2015, Overnight Policy Rate ("OPR") is projected to remain unchanged at 3.25% in CY2015.
- The Manager expects modest growth in distribution per unit ("DPU") in FY2015 with the re-opening of Sunway Putra Mall in May 2015.
- The Manager is committed to distribute 100% of its distributable net income for FY2015.

<sup>2</sup> Based on Bloomberg's compilation of economists' forecast

# Retail

- A recent report by Retail Group Malaysia (“RGM”) revealed that retail sales for 4Q CY2014 contracted by 0.8% y-o-y compared with 3.9% growth achieved a year ago. For the full year CY2014, retail sales grew by 3.4%, the lowest since 2009, despite the presence of more brands in the market. RGM has revised downwards CY2015 retail sales growth forecast from 5.5% to 4.9% amidst weakening consumer sentiment following introduction of GST. The Manager believes that this remains an aggressive target.
- The incoming stream of new retail malls in the Klang Valley may potentially lead to higher vacancy rates. Under the competitive operating environment, it is the survival of the fittest where leading regional malls possess the competitive advantage in attracting both international retailers and domestic retailers as well as supported by experienced retail mall management team, robust promotional activities and distinctive tenancy mix.
- Average occupancy rate in Sunway Pyramid Shopping Mall improved marginally to 98.1% for year-to-date (“YTD”) 3Q2015, from 97.8% during the same period in the preceding year. A total of 338,826 sq.ft. of net lettable area (“NLA”) was renewed for YTD 3Q2015 at double-digit rental reversion rate over the three-year tenancy term.
- Sunway Carnival Shopping Mall recorded higher average occupancy rate of 97.7% for YTD 3Q2015 compared to 92.4% for YTD 3Q2014 due to tenancy commencement of a tenant occupying approximately 44,000 sq.ft. in July 2014. A total of 41,564 sq.ft. of NLA was renewed at a double-digit rental reversion rate over the three-year tenancy term.

## Retail (Cont'd)

---

- The refurbishment of Sunway Putra Mall was completed in February 2015. As at 31 March 2015, total tenancy secured was above 75% of NLA. The mall is scheduled for re-opening in May 2015.
- Notwithstanding the competitive operating environment, The Manager expects the retail assets to register healthy growth in FY2015 supported by Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall.
- Going forward, the Manager is cautious on retail sentiment in the short term following the recent implementation of GST. Over the medium to long term, retail sentiment is expected to strengthen supported by favourable employment market conditions and business confidence.

# Hotel

- Tourist arrivals for CY2014 recorded a single-digit growth of 6.7% to 27.4 million tourists, primarily contributed by ASEAN and Middle East nations. This was below The Tourism and Culture Minister's target of 28.0 million for CY2014.
- Moving into 2015, weakening of Malaysian Ringgit is favourable in boosting tourism activities in the country. Despite the favourable foreign exchange factor, there may be dilution in market share for existing hotels in view of opening of new hotels in the country and a stream of new supply scheduled for opening in 2015 and 2016.
- Sunway Resort Hotel & Spa registered a lower average occupancy rate of 75.6% in 3Q2015 compared to 82.1% during the same quarter in the preceding year. The lower average occupancy rate was attributable to softer business and consumer sentiment ahead of introduction of GST. In addition, the hotel enjoyed higher average occupancy rate in the preceding year due to one-off MICE businesses and supported by aggressive tactical promotional activities.
- Similar to the main hotel, Pyramid Tower Hotel experienced a decline in average occupancy rate from 82.8% in 3Q2014 to 73.8% in 3Q2015 for the same explanation given above. Rental contribution was lower due to closure of F&B outlets in both hotels and higher room operating expenses to enhance guests service level.

## Hotel (Cont'd)

- The average occupancy rate for Sunway Putra Hotel continued to be adversely affected by the ongoing refurbishment at the hotel and adjoining Sunway Putra Mall. The average occupancy rate declined to 22.3% in 3Q2015 compared to 36.1% in 3Q2014 on the back of closure of some of the key hotel facilities for refurbishment. To date, the ballroom, coffee house and 307 rooms (total number of rooms: 618 rooms) have been refurbished. Business performance of Sunway Putra Hotel is expected to improve gradually upon progressive completion of the full hotel refurbishment in 4Q CY2015.
- In the mainland of Penang, Sunway Hotel Seberang Jaya registered lower average occupancy rate of 55.2% in 3Q2015 compared to 63.2% in 3Q2014 on the back of exceptionally soft market demand during the quarter and competition from newly opened hotels. This was however mitigated by higher average daily rate post completion of the refurbishment of the hotel in 4Q2013.
- Over on the island, the acquisition of Sunway Hotel Georgetown was completed on 28 January 2015 and the average occupancy rate for 3Q2015 stood at 67.4%. The information for 3Q2015 is for the month of February 2015 and March 2015 following the completion of the acquisition of the hotel on 28 January 2015.
- The Manager expects income contribution for the hospitality sector to be maintained in FY2015 as mentioned above.

# Office

- Klang Valley is expected to have a cumulative supply of approximately 100 million sq.ft. by end of CY2015, with an estimated 4.8 million sq.ft. of office space slated for completion this year.
- The widening gap between supply and demand will continue to exert tremendous pressures on rental and occupancy rates as developers and landlords compete to secure and retain tenants for both the existing office buildings and new office buildings. The tenants' market phenomenon is expected to persist until an equilibrium is achieved.
- Average occupancy rate in Menara Sunway dipped marginally from 98.8% for YTD 3Q2014 to 97.4% for YTD 3Q2015 due to non-renewal of a tenant in July 2014.
- Following the progressive termination of an anchor tenant, the average occupancy rate for Sunway Tower stood at 67.6% for YTD 3Q2015 (YTD 3Q2014: 85.0%). The average occupancy rate is expected to decline to approximately 50% in 4Q 2015 on the back of an additional 37,719 sq. ft. to be surrendered in end-May 2015 (deferred from March 2015 as reported in the previous quarter). The asset manager is actively seeking prospective tenants to fill the vacancy.

## Office (Cont'd)

- Pursuant to the departure of an anchor tenant in December 2014, average occupancy rate at Sunway Putra Tower stood at 60.8% for YTD 3Q2015 compared to 73.9% in the corresponding period in the preceding year. This provides an opportunity to further diversify tenancy mix to reduce tenant concentration risk and to seek more private sector tenants in line with the Manager's strategy. Notwithstanding this, the Manager's priority is to fill the vacancy.
- The acquisition of Wisma Sunway was completed on 23 March 2015 and the average occupancy rate stood at 89.8% for YTD 3Q2015. The information for the average occupancy rate is for the month of March 2015 following the completion of the acquisition of the office on 23 March 2015.
- Despite the setback and lower income contribution from the office segment, the Manager does not expect a material adverse impact on the DPU for FY2015.

---

## 6. Investor Relations



# Unit Price Performance (IPO to 31 March 2015)

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

## Performance Statistics\*

Price (as at 8/7/2010) : RM0.90

Closing Price (as at 31/3/2015) : RM1.57

Highest Price : RM1.70

Lowest Price : RM0.88

Daily Average Volume : 1.80mil units

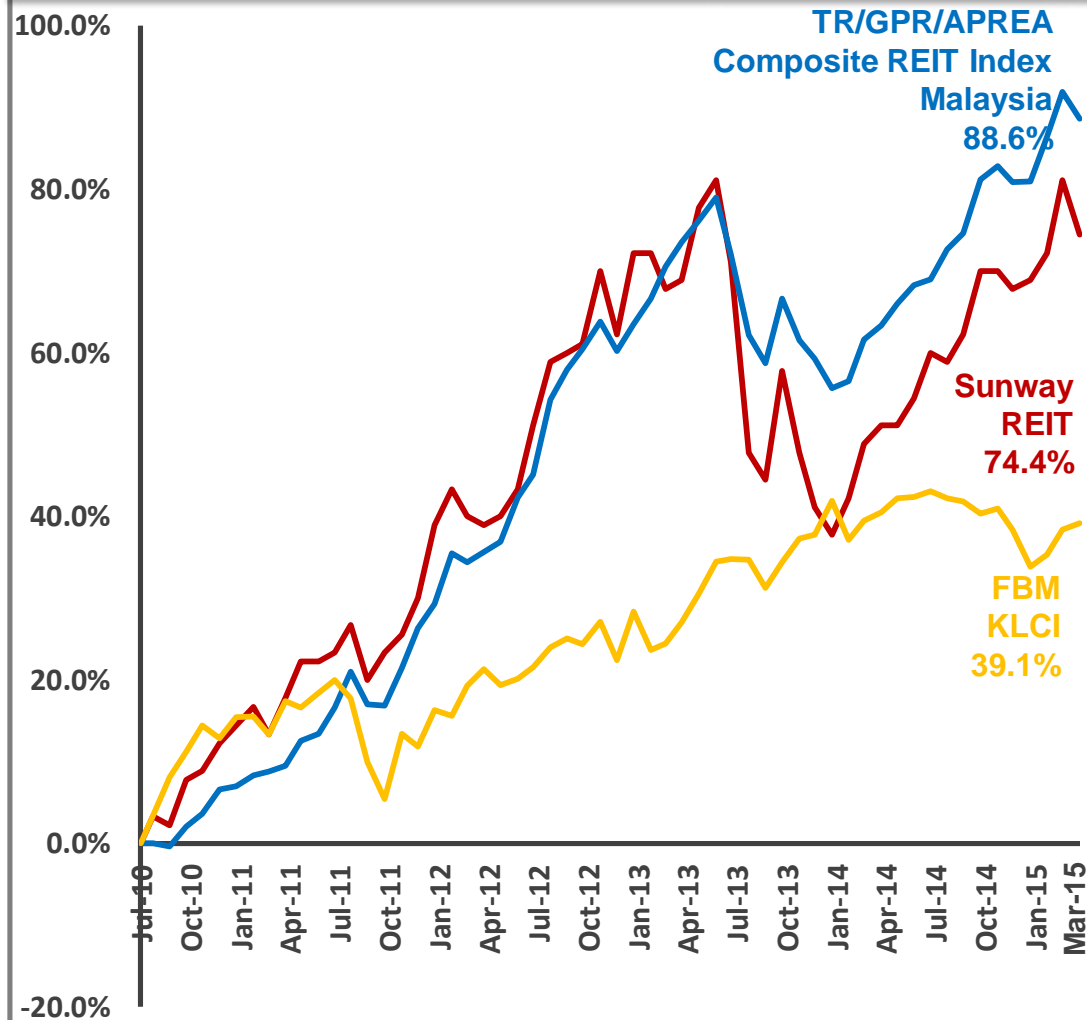
% Change in Unit Price : 74.4%

% Change in FBM KLCI : 39.1%

% Change in TR/GPR/APREA Composite REIT Index Malaysia : 88.6%

Source: Bloomberg

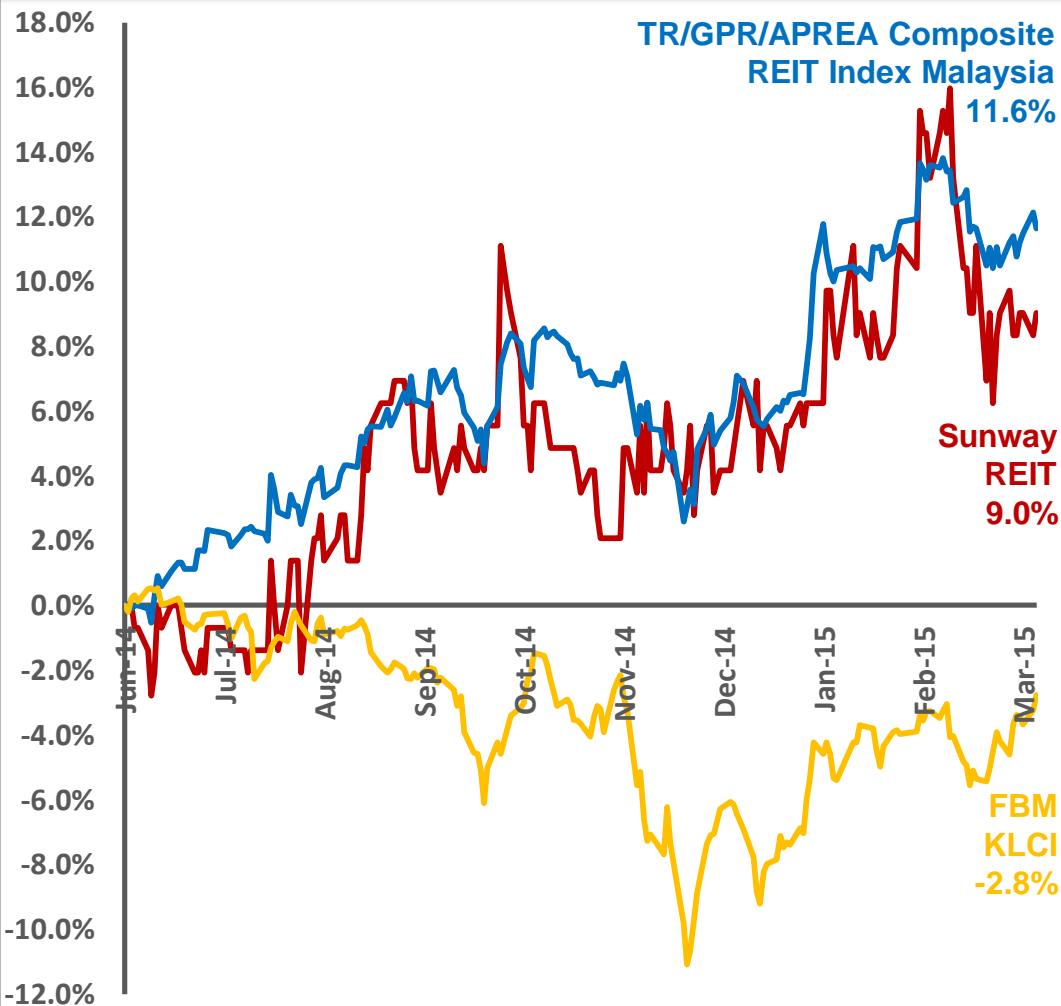
\*Computed for the period 8 July 2010 – 31 March 2015



Source: Bloomberg

# Unit Price Performance (YTD 3Q2015)

## Unit Price Performance of Sunway REIT versus Benchmarks (30 June 2014 – 31 March 2015)



Source: Bloomberg

## Performance Statistics\*

Price : RM1.44  
(as at 30/6/2014)

Closing Price : RM1.57  
(as at 31/3/2015)

Highest Price : RM1.68

Lowest Price : RM1.39

Daily Average Volume : 1.89mil units

% Change in Unit Price : 9.0%

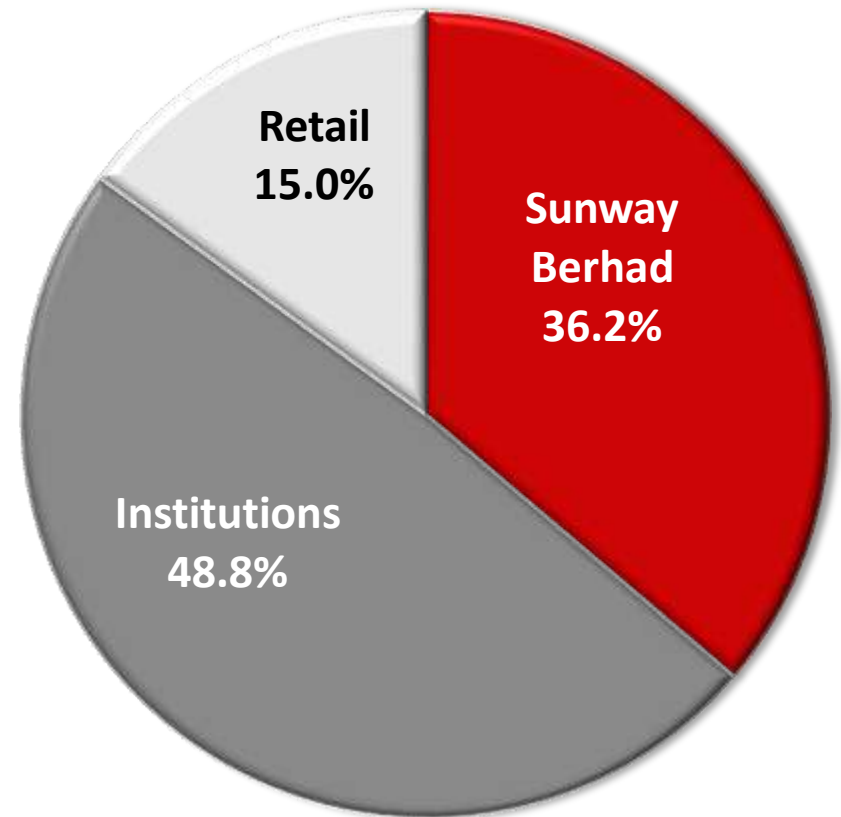
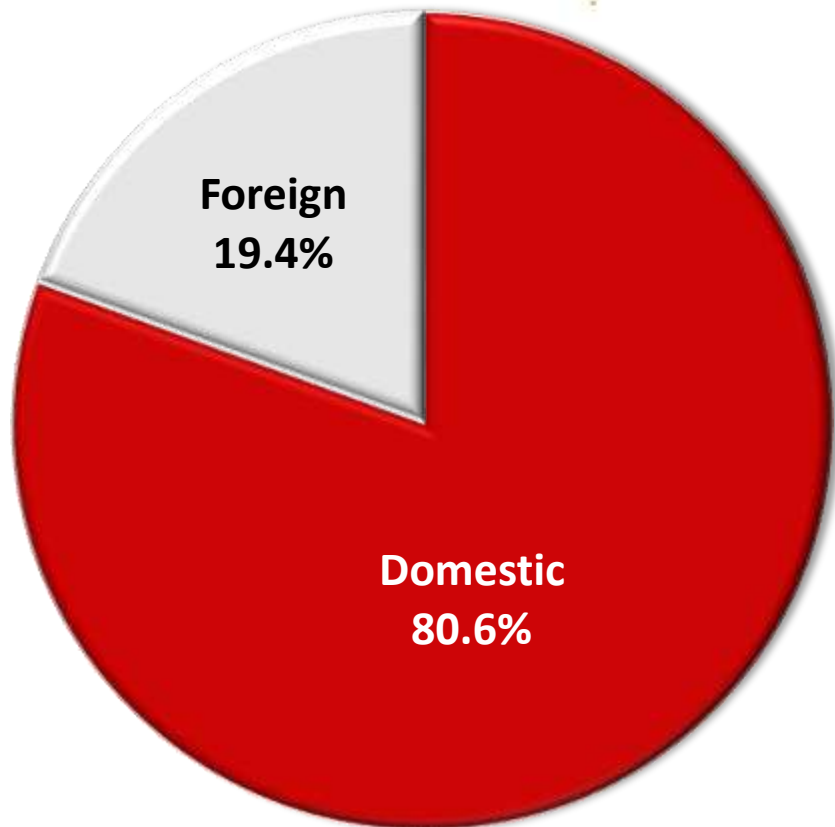
% Change in FBM KLCI : -2.8%

% Change in TR/GPR/APREA Composite REIT Index Malaysia : 11.6%

Source: Bloomberg

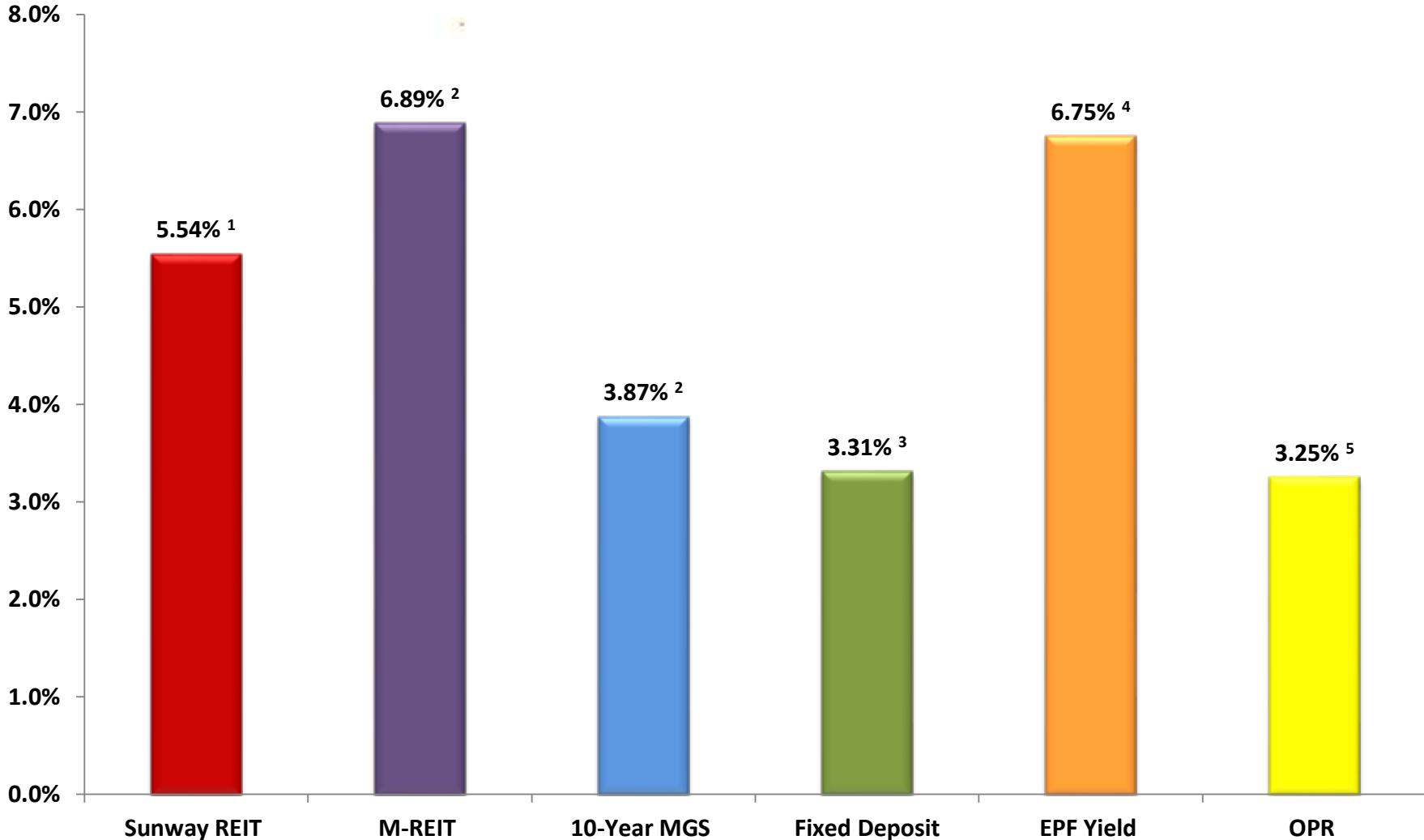
\*Computed for the period 30 June 2014 – 31 March 2015

# Unitholders' Composition (as at 31 March 2015)



- Total number of unitholders has increased by 2.3% to 8,779 as at 31 March 2015.
- Retail participation increased from 11.2% as at 31 December 2014 to 15.0% as at 31 March 2015 due to classification.
- Foreign unitholdings was largely unchanged at 19.4% as at 31 March 2015 (December 2014: 19.5%)
- Sunway Berhad's unitholdings increased by 0.5% to 36.2% as at 31 March 2015

# Comparative Yields for Various Assets



Note:

- 1. Distribution yield based on consensus DPU forecast of 8.7 sen (Source: Bloomberg)
- 2. Information as at 31 March 2015 (Source: Bloomberg)
- 3. 12-Month Fixed Deposit rates offered by commercial banks as at 28 February 2015 (Source: Bank Negara Malaysia)
- 4. Dividend yield declared by Employees Provident Funds for the year 2014 (Source: Employees Provident Fund)
- 5. As at 31 March 2015 (Source: Bank Negara Malaysia)



**THANK YOU**