



FORTUNE FAVOURS
THE RESILIENT

SUNWAY™

SUNWAY REIT

**Financial Results
2nd Quarter Ended
31 December 2014
(FYE 30 June 2015)**

**Announcement Date:
28 January 2015**

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1. Financial Highlights & Key Updates

Distribution Details

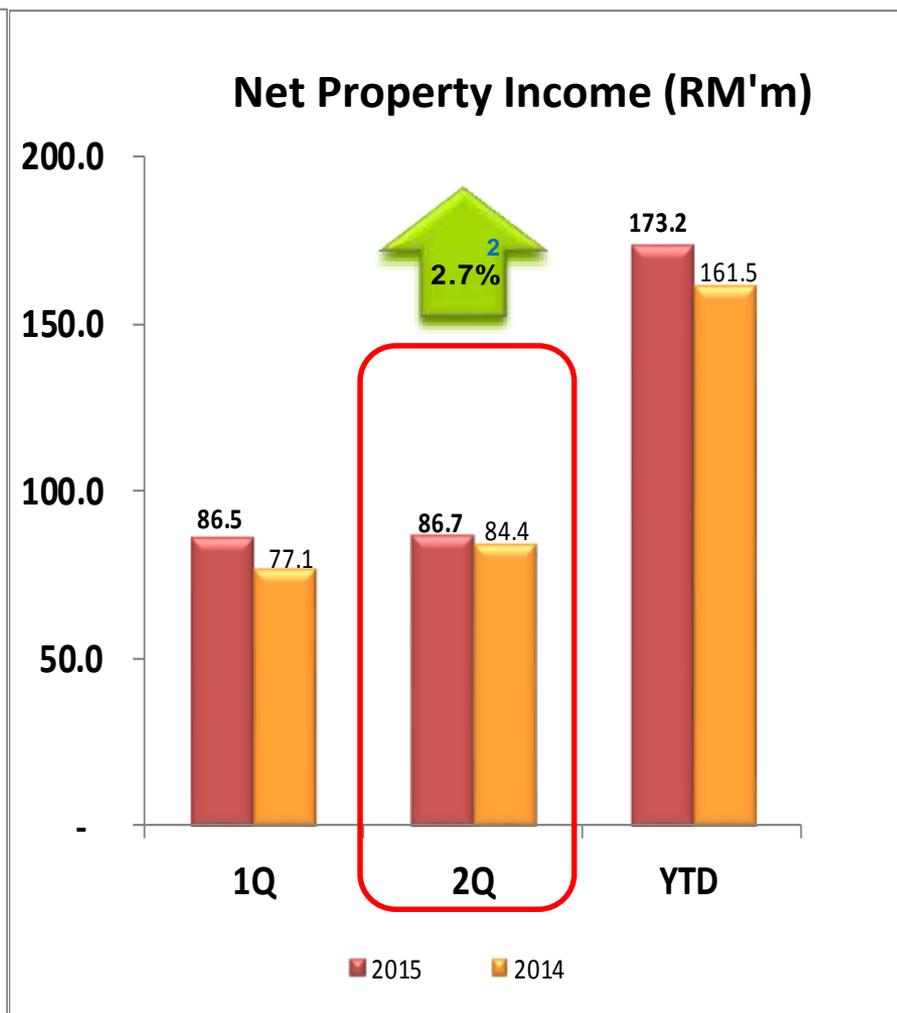
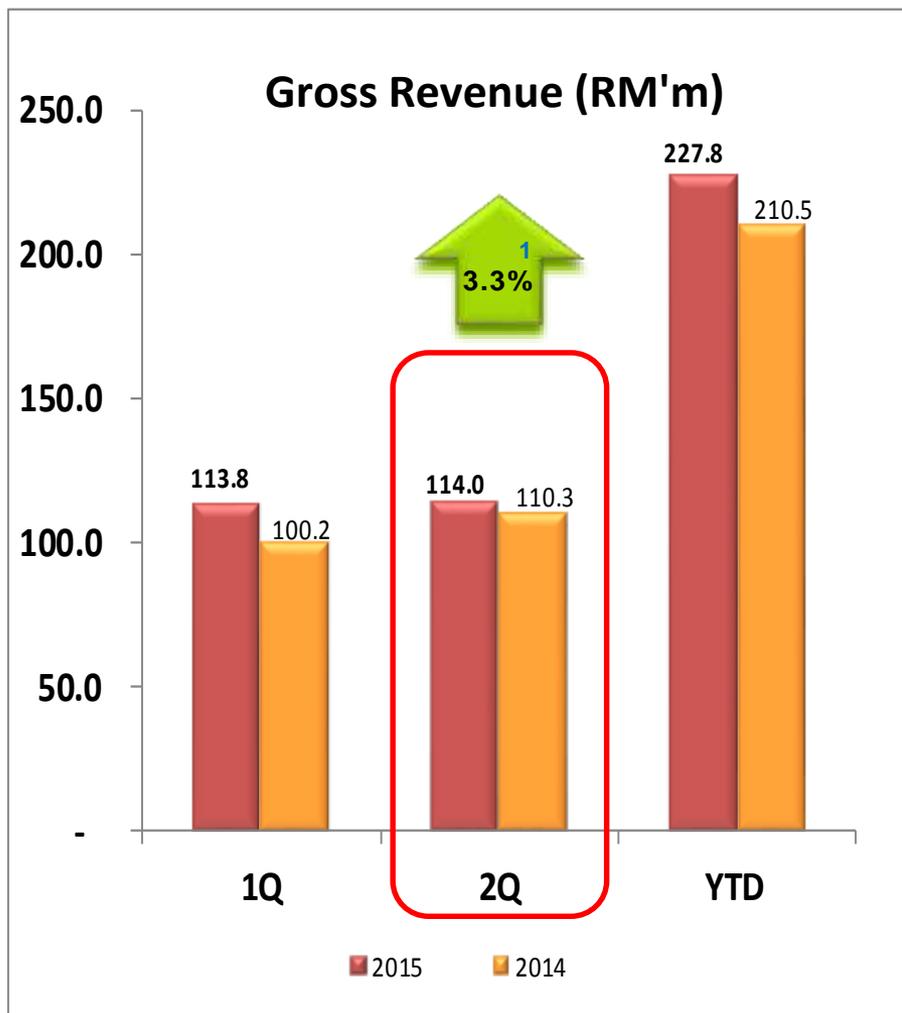
Dividend Distribution Details	
Distribution Period	1 October 2014 - 31 December 2014
Distribution per Unit (DPU) (sen)	2.27¹
Notice of Entitlement	28 January 2015
Ex-Dividend Date	12 February 2015
Book Closure Date	16 February 2015
Payment Date	3 March 2015

¹ Proposed income distribution for 2Q 2015 of 2.27 sen per unit (comprising taxable and non-taxable/tax exempt amount of 1.90 sen and 0.37 sen per unit respectively).

Financial Highlights

Highlights	2Q 2015	2Q 2014	Change %
No. of Properties	12	12	0.0%
Property Value (RM'billion)	5.652	5.229	8.1%
No. of Units in Circulation	2,933,242,500	2,923,685,000	0.3%
Unit Price as at 31 Dec (RM)	1.52	1.24	22.6%
Market Capitalisation (RM'billion)	4.459	3.625	23.0%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.2364	1.1801	4.8%
Premium to NAV	22.9%	5.1%	17.8%
Earnings Per Unit (EPU) (sen)	2.16	2.12	1.7%
Distribution Per Unit (DPU) (sen)	2.27	2.23	1.8%
Annualised Distribution Yield (Based on market price as at 31 Dec)	5.9%	6.8%	-0.8%
Management Expense Ratio (After income distribution)	0.83%	0.78%	0.1%
YTD total return	11.5%	-12.7%	24.3%
Gearing	33.2%	32.0%	1.2%
% of fixed rate borrowings	80.5%	78.4%	2.1%

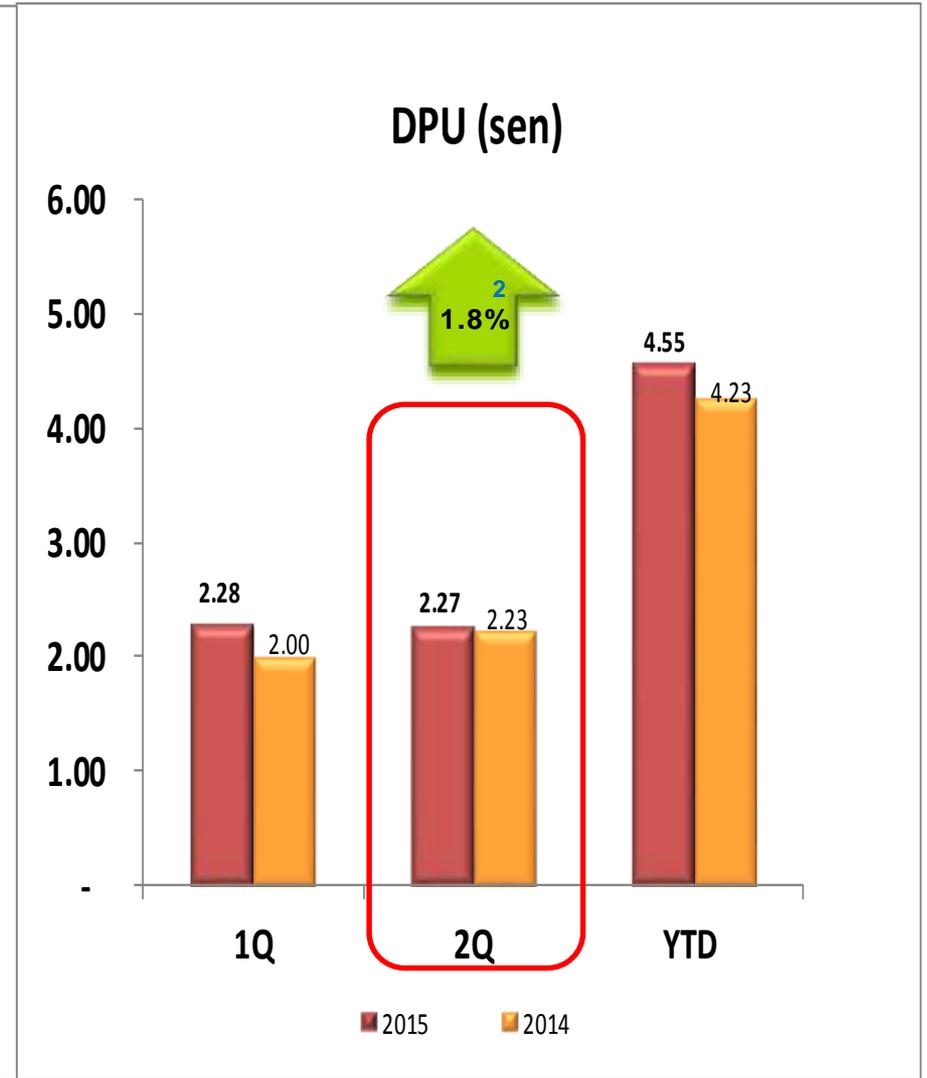
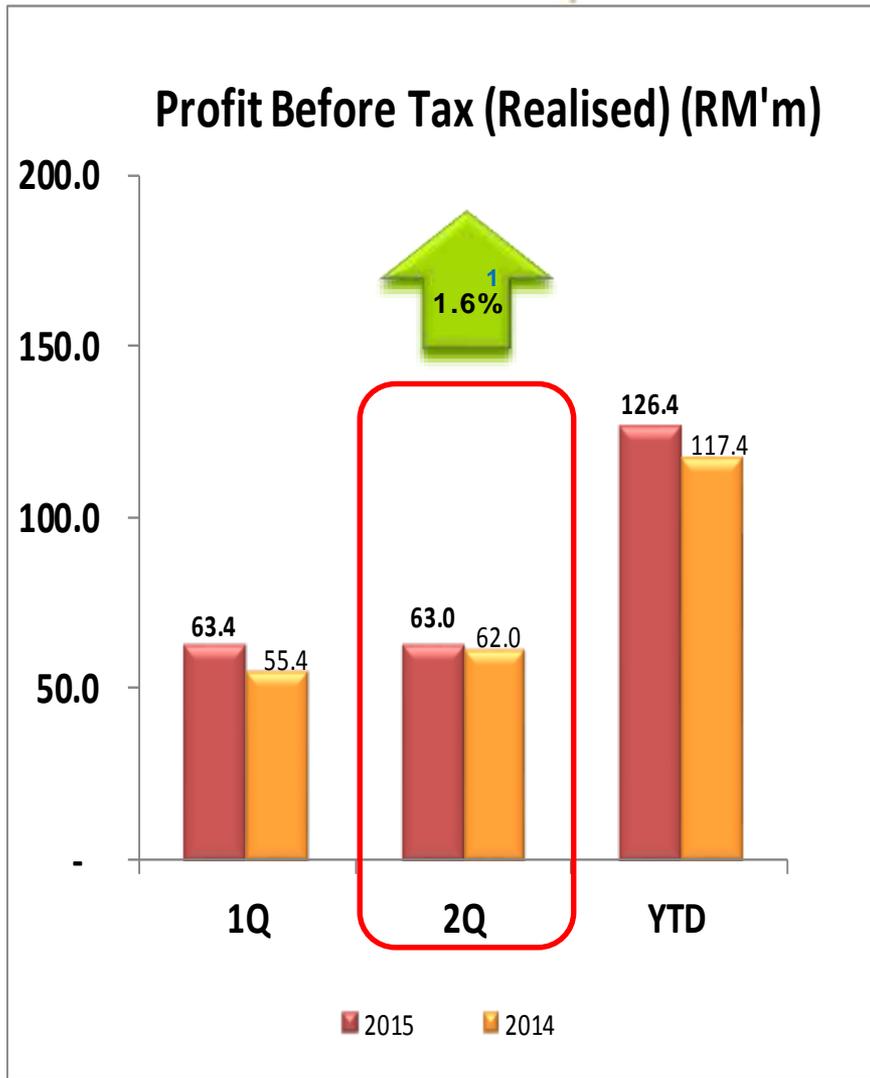
Financial Highlights (Cont'd)



¹ Gross revenue increased 3.3% or RM 3.7 million contributed substantially by the retail segment.

² Net Property Income increased 2.7% or RM2.3 million contributed by higher gross revenue but partially eroded by higher operating expenses (further explained in Note 1 page 11).

Financial Highlights (Cont'd)



¹ PBT(Realised) increased by 1.6% or RM1.0 million due to higher net property income partially reduced by higher finance costs (further explained in Note 4 page 11).

² DPU increased by 1.8% or 0.04 sen in line with the increase in realized net profit for the period.

Key update

1) 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 (Revenue Foregone – RM2,859,000 and security costs RM325,071.67) to the Trustee out of the total claim of RM6.2 million to RM6.9 million. The court found that these claims were justified as they were a direct result of MHSB's unlawful possession of Sunway Putra (formerly known as Sunway Putra Place) and that the documents/exhibits carried credible evidential value.

However, MHSB filed an appeal to the judge in chambers on the decision given above. The hearing for the appeal was fixed on 27 November 2014 and thereafter postponed and heard on 8 December 2014. A decision was delivered by the learned judge on 22 December 2014 in favour of the Trustee and the REIT Manager as 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.

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) Status of the Proposed Acquisition of Sunway Georgetown Hotel and Wisma Sunway

The Proposed Acquisition of Sunway Georgetown Hotel has been completed on 28 January 2015 and Wisma Sunway is expected to be completed in first quarter financial year 2016.

2. 2Q 2015 Financial Results

Statement of Comprehensive Income – Consolidated

	2Q 2015 RM'000	2Q 2014 RM'000	Change %	YTD 2015 RM'000	YTD 2014 RM'000	Change %
Gross revenue	113,996 ¹	110,313	3.3%	227,808 ¹	210,489	8.2%
Less : Property operating expenses	(27,259)	(25,888)	5.3%	(54,579)	(48,958)	11.5%
Net property income	86,737	84,425	2.7%	173,229	161,531	7.2%
Other income	1,161 ²	648	79.2%	1,899 ²	1,186	60.1%
Manager's fees	(6,985)	(6,561)	6.5%	(13,878)	(12,890)	7.7%
Trustee's fees and other trust expenses	(835) ³	(524)	59.4%	(1,379)	(891)	54.8%
Finance costs	(16,810) ⁴	(15,954)	5.4%	(33,152) ⁴	(31,502)	5.2%
Profit for the period/year	63,268	62,034	2.0%	126,719	117,434	7.9%
Total comprehensive income for the period/year comprises the following:						
Realised						
- Initial 8 IPO assets + SMC	65,068	62,481	4.1%	129,136	118,904	8.6%
- Sunway Putra Place	(2,074) ⁵	(465)	-346.0%	(2,707)	(1,504)	-80.0%
Total realised	62,994	62,016	1.6%	126,429	117,400	7.7%
Unrealised						
Total net profit for the period/year	63,268	62,034	2.0%	126,719	117,434	7.9%
No. of Units in circulation (million)	2,933	2,924	0.3%	2,931	2,924	0.3%
EPU (sen)						
- realised	2.15	2.12	1.4%	4.32	4.02	7.5%
- unrealised	0.01	-	100.0%	0.01	-	100.0%
Total EPU	2.16	2.12	1.9%	4.33	4.02	7.7%
Proposed/declared distribution	66,585	65,198	2.1%	133,411	123,627	7.9%
Proposed/declared distribution per unit (sen)	2.27	2.23	1.8%	4.55	4.23	7.6%

¹ 2Q 2015 vs 2Q 2014 – Property operating expenses was higher in 2Q 2015 due to the 17% electricity tariff hike since January 2014 (3Q 2014). In addition, Sunway Pyramid Shopping Mall incurred higher general maintenance expenses to upkeep the mall and higher provision for doubtful debts during the quarter. 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).

YTD 2Q 2015 vs YTD 2Q 2014 - Property operating expenses was higher for YTD 2Q 2015 mainly due to the reasons above mitigated by 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 and unrealised fair value gain on Interest Rate Swap contracts.

³ 2Q 2015 vs 2Q 2014 – Other trust expenses was lower in 2Q 2014 due to reversal of provision for expenses no longer required.

⁴ Finance costs was higher mainly due to draw down of borrowings to fund the ongoing capital expenditure and increase in OPR by 25 bps which resulted in higher interest expense on the floating rate borrowings.

⁵ 2Q 2015 vs 2Q 2014 – Higher realised net loss mainly due to lower revenue contribution by Sunway Putra Hotel, higher pre-opening expenses of Sunway Putra Mall and higher finance cost for the on going major refurbishment.

Statement of Financial Position – Consolidated

	31.12.14 RM'000	30.06.14 RM'000
ASSETS		
Non-current assets		
Plant and equipment	3,737	3,039
Investment properties	5,652,110	5,520,000
	5,655,847	5,523,039
Current assets		
Receivables, deposits and prepayments	34,193	16,361
Cash and bank balances	64,639	54,607
Derivative	39,299	12,484
	138,131	83,452
	5,793,978	5,606,491
EQUITY AND LIABILITIES		
Unitholders' funds		
Unitholders' capital	2,709,514	2,702,788
Undistributed income	983,832	985,283
	3,693,346	3,688,071
Non-current liabilities		
Borrowings	1,000,000	1,000,000
Long term liabilities	66,846	60,279
	1,066,846	1,060,279
Current liabilities		
Borrowings	924,267	742,042
Trade and other payables	109,519	116,099
	1,033,786	858,141
	5,793,978	5,606,491

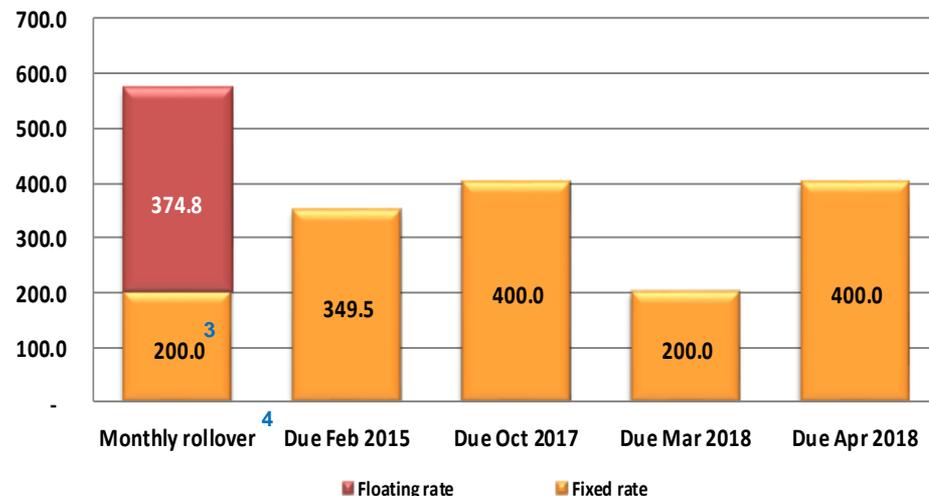
Debt Profile

	Facility Limit RM'mil	RM'mil
Term Loan	310.8	349.5 ¹
Commercial Papers (CP) / Revolving Loans (RL)	800.0 ²	574.8
Unrated MTNs	1,000.0	1,000.0
Total Gross Borrowings		1,924.3
Discount on Commercial Papers		-
Total Borrowings at carrying amount		1,924.3

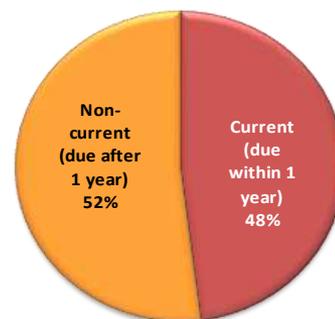
	RM'mil
Classification of Borrowings:	
Current (due within 1 year)	924.3
Non-current (due after 1 year)	1,000.0
Total Gross Borrowings	1,924.3

Average Cost of Debt	3.88%
Average Maturity Period (Years)	1.6
Debt Service Cover Ratio (DSCR)	5.6
Gearing Ratio	33.2%

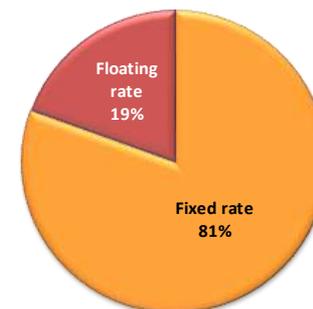
Loan Maturity Profile (RM'mil)



Classification of Borrowings



Fixed versus Floating rate mix



¹ Includes unrealised forex loss of RM38.7 million. This was fully hedged with cross currency swap contract entered on 3 February 2012.

² The current limit of RM800.0 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.

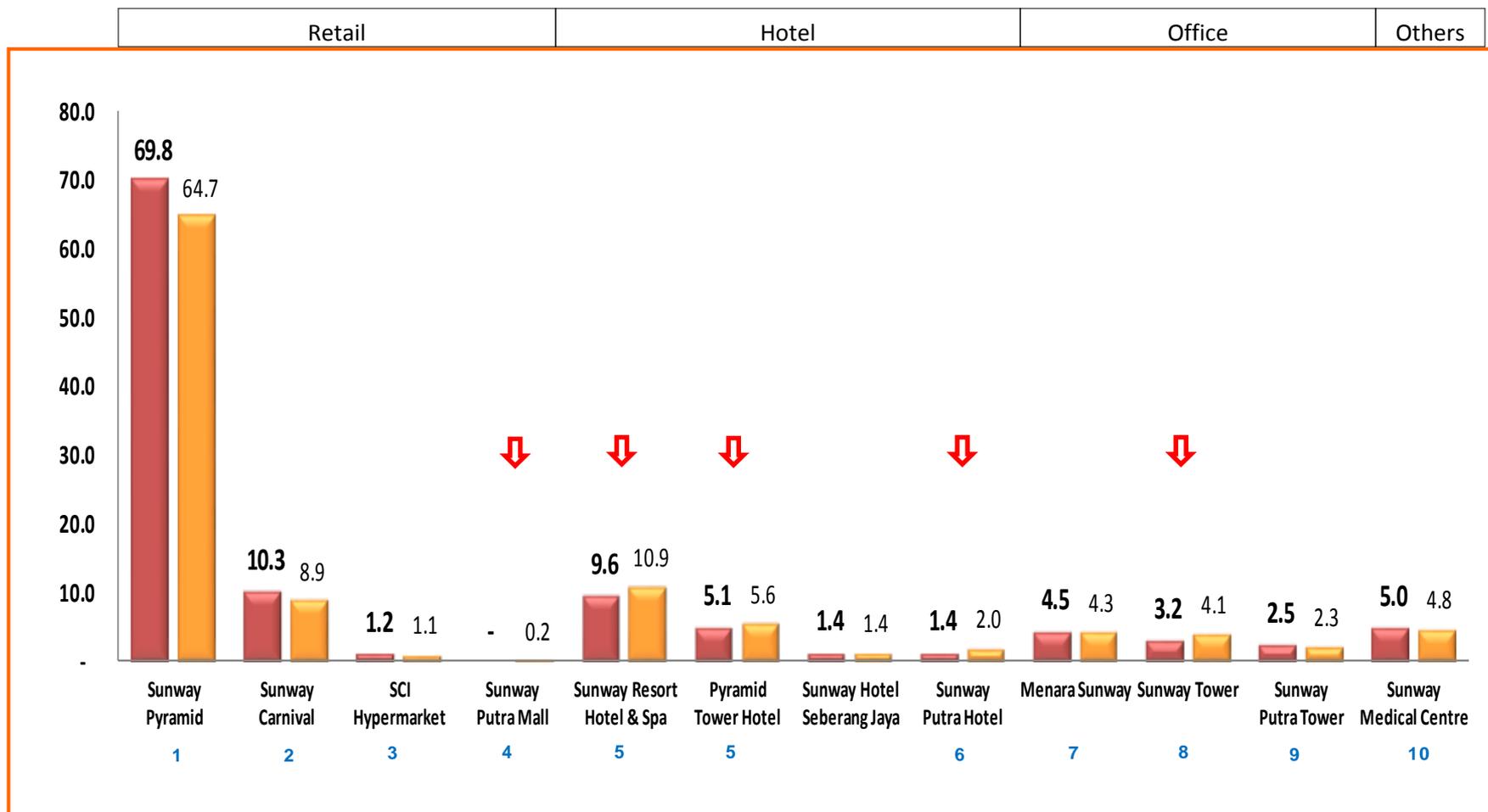
³ Sunway REIT entered into IRS in early November 2014 to convert the floating rate borrowing into 3-year fixed rate.

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

3. 2Q 2015 Portfolio Performance

2Q 2015 Revenue Contribution

■ 2Q 2015 (RM'mil) 114.0
■ 2Q 2014 (RM'mil) 110.3



Please refer to next page for explanatory notes.

2Q 2015 Revenue Contribution (Cont'd)

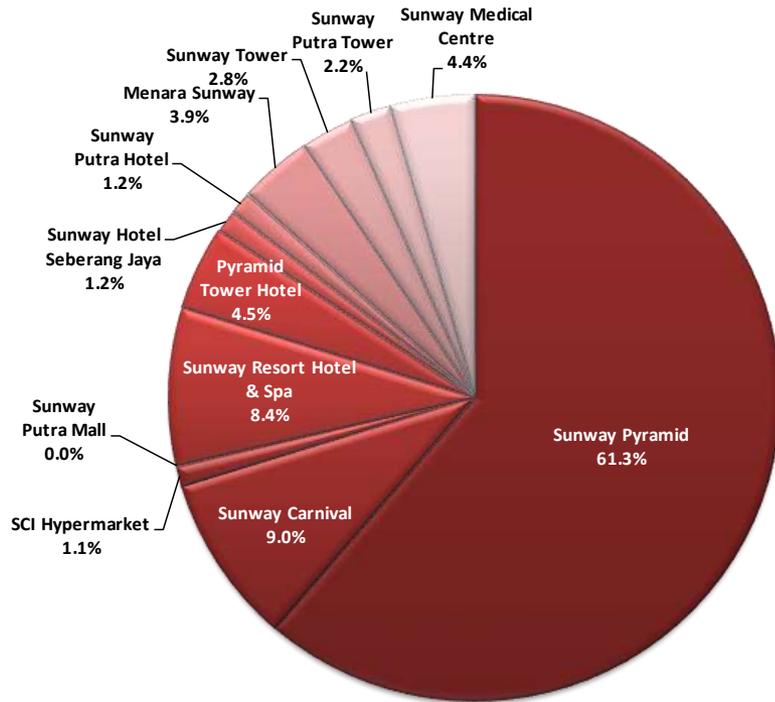
Explanation:^{*}

- 1 Sunway Pyramid – Strong gross revenue growth of 7.9% or RM5.1 million for 2Q 2015 compared to 2Q 2014 primarily attributable to the double digit rental reversion (for a 3-year term) achieved for the renewal/new tenancies in FYE2014 of 1,033,523 sq.ft. and 263,233 sq.ft for YTD 2Q 2015. The improved revenue of this shopping mall was also due to additional income derived from the opening of Oasis Boulevard 5 (OB5) in December 2013 (2Q 2014) with additional net lettable area (NLA) of 20,362 sq.ft. and reconfigured NLA of 23,432 sq.ft. as well as increase in service and promotion charges with effect from June 2014 (4Q 2014).
- 2 Sunway Carnival – Strong growth in gross revenue by 15.7% or RM1.4 million, mainly attributable to higher rental pursuant to a double digit rental reversion for a 3-year term in FYE2014 and the increase in service and promotion charges with effect from June 2014. In addition, average occupancy rate was higher at 96.0% for YTD 2Q 2015 compared to 92.8% for YTD 2Q 2014 due to commencement of tenancy for approximately 44,000 sq.ft which was vacant since July 2013.
- 3 SCI Hypermarket – Higher revenue due to rental reversion.
- 4 Sunway Putra Mall – Lower revenue due to lower carpark rental received affected by the ongoing refurbishment works.
- 5 Sunway Resort Hotel & Spa and Pyramid Tower Hotel – The revenue of Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower Hotel (PTH) were lower by 11.9% or RM1.3 million and 8.9% or RM0.5 million respectively for 2Q 2015 compared to 2Q 2014. Both SRHS and PTH achieved stronger revenue per available room (revpar) in 2Q 2015 supported by good tourist arrivals, stronger corporate & MICE business and active yield management by the hotels' operator. However, the overall revenue from these two hotels were lower in 2Q 2015 compared to 2Q 2014 primarily attributable to closure of some food & beverage (F&B) outlets since 1Q 2015 for change of F&B concept. Further, these two hotels incurred higher operating expenses due to electricity tariff hike, general maintenance of the buildings and other operating expenses to enhance guests service level.
- 6 Sunway Putra Hotel – The performance of Sunway Putra Hotel is still adversely affected by the ongoing major refurbishment works at the adjoining Sunway Putra Mall since May 2013 and the hotel's own refurbishment where average occupancy rate for the current quarter stood at 31.6% (58% based on number of saleable rooms) compared to 51.6% in 2Q 2014 (52% based on number of saleable rooms), representing a reduction of 20%.
- 7 Menara Sunway – Moderate revenue growth of 4.7% or RM0.2 million for 2Q 2015 compared to 2Q 2014 mainly due to higher average rental rate.
- 8 Sunway Tower - Lower gross revenue by 22.0% or RM0.9 million due lower average occupancy at 69.8% (2Q 2014: 87.3%) as an anchor tenant has surrendered 34,000 sq.ft of space during the quarter under review.
- 9 Sunway Putra Tower – Higher revenue by 8.7% or RM0.2 million mainly due to higher average occupancy of 76.1% (2Q 2014: 74.9%) and average rental rates for the new tenancies entered in 4Q 2014.
- 10 Sunway Medical Centre – Revenue increased 4.2% compared to 2Q 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.

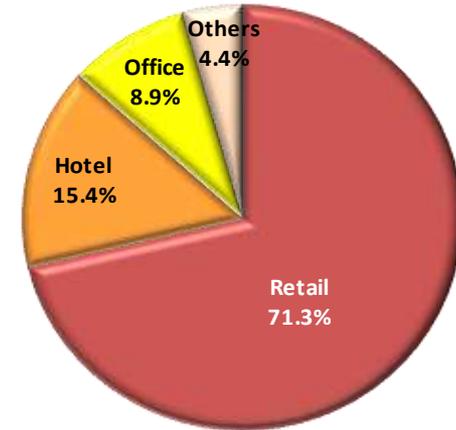
^{*} Calculation of % varies marginally compared to 2Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

2Q 2015 Revenue Contribution (Cont'd)

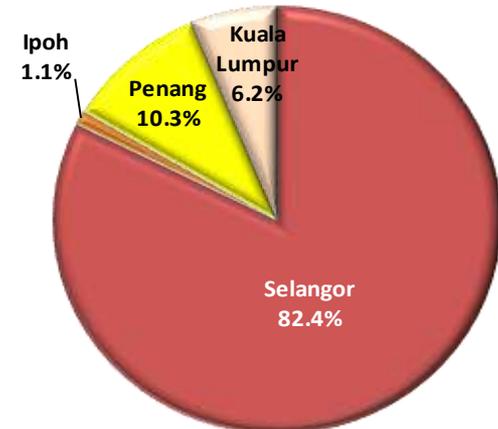
By property



By sector

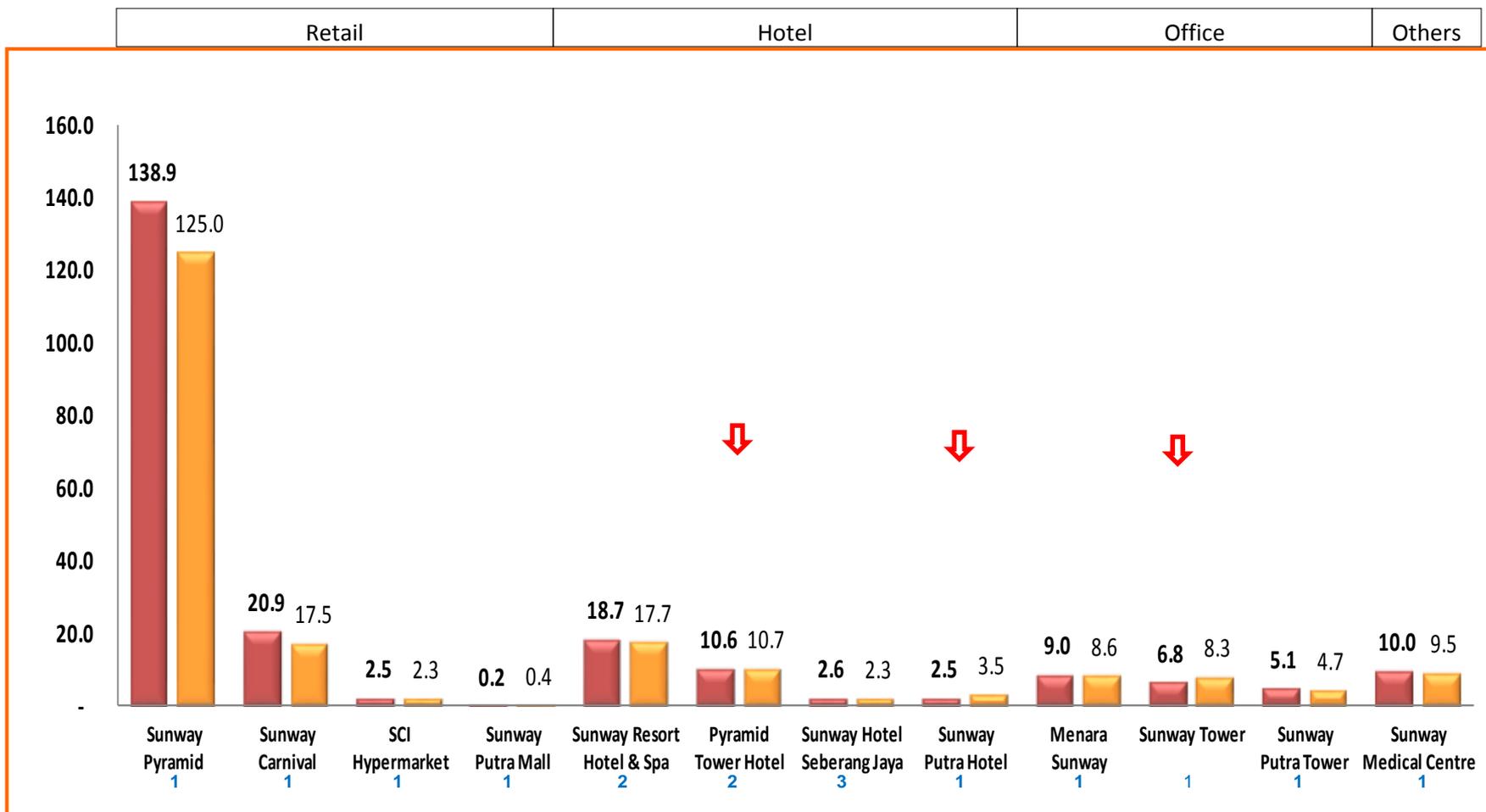


By location



YTD 2Q 2015 Revenue Contribution

 YTD 2Q 2015 (RM'mil)	227.8
 YTD 2Q 2014 (RM'mil)	210.5



Please refer to next page for explanatory notes.

YTD 2Q 2015 Revenue Contribution (Cont'd)

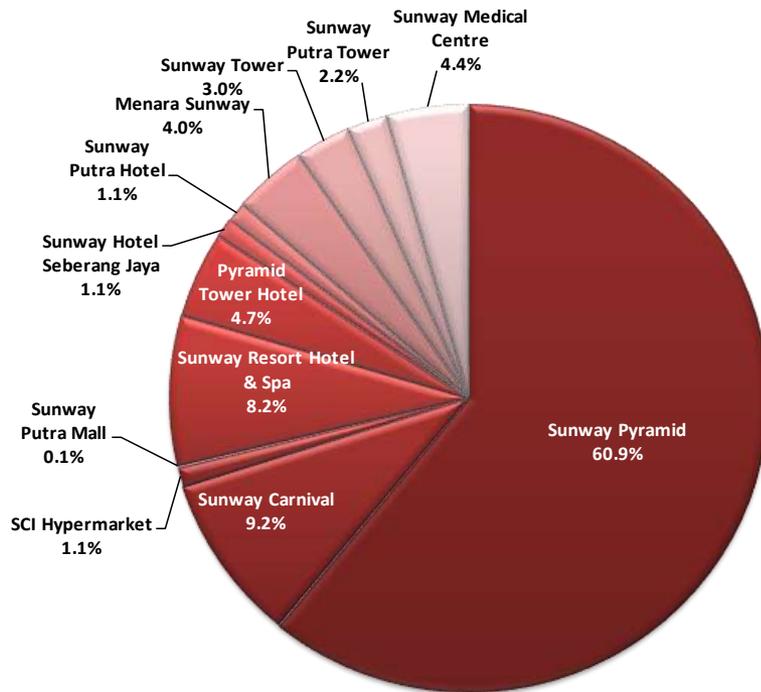
Explanation:^{*}

- ¹ Sunway Pyramid, Sunway Carnival, SCI Hypermarket, Sunway Putra Mall, Sunway Putra Hotel, Menara Sunway, Sunway Tower, Sunway Putra Tower and Sunway Medical Center – As per explanation on page 16.
- ² Sunway Resort Hotel & Spa and Pyramid Tower Hotel – Revenue was higher by 5.6% or RM1.0 million, contributed by strong corporate and MICE business as well as higher number of Middle-Eastern tourists arrival in 1Q 2015 and active yield management by the hotel's operator. Further, last year's performance was adversely affected by a slowdown in the electrical and electronics (E&E) sector which the hotels predominantly serve. Despite Pyramid Tower Hotel (PTH) adopted the same business strategy as SRHS and achieved higher revpar, the YTD 2Q 2015 lease rental was marginally lower compared to YTD 2Q 2014 primarily due to closure of its only food & beverage outlet in 1Q 2015 for refurbishment and higher operating expenses as mentioned on page 16.
- ³ Sunway Hotel Seberang Jaya – Strong revenue growth of 13.0% or RM0.3 million for YTD 2Q 2015 compared to YTD 2Q 2014 resulting from improved average occupancy rate of 76.6% for YTD 2Q 2015 compared to 63.3% for YTD 2Q 2014 and higher average daily rate.

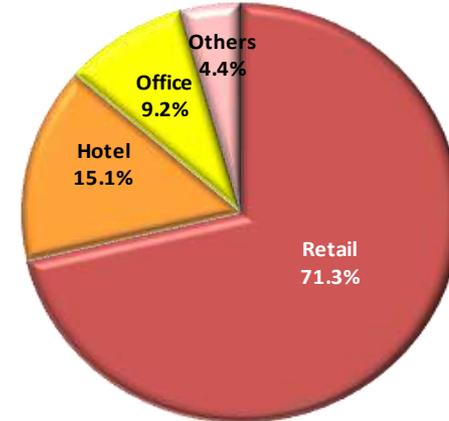
** Calculation of % varies marginally compared to 2Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.*

YTD 2Q 2015 Revenue Contribution (Cont'd)

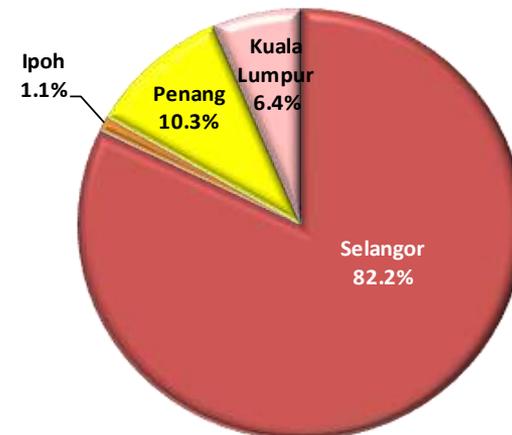
By property



By sector



By location



2Q 2015 NPI Contribution

	<u>NPI</u>	<u>Margin</u>
2Q 2015 (RM'mil)	86.7	76.1%
2Q 2014 (RM'mil)	84.4	76.5%



Please refer to next page for explanatory notes.

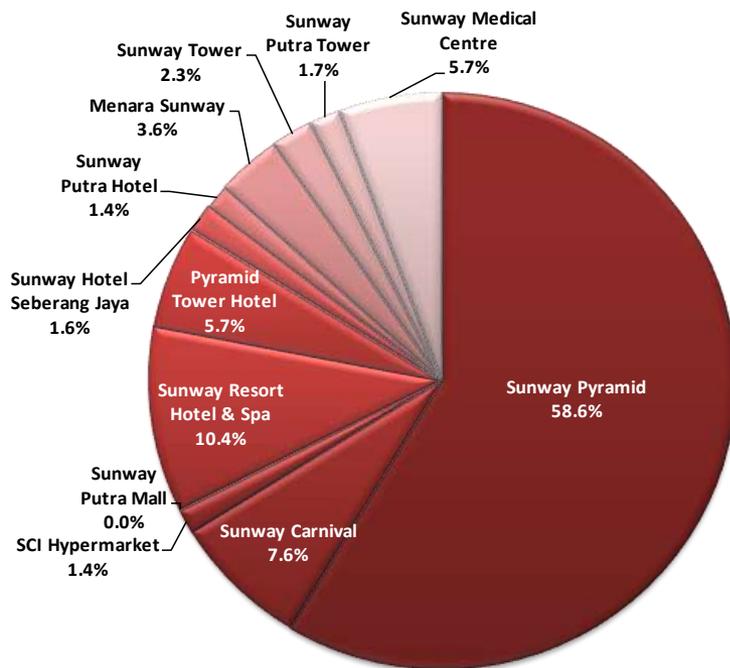
2Q 2015 NPI Contribution (cont'd)

Explanation:

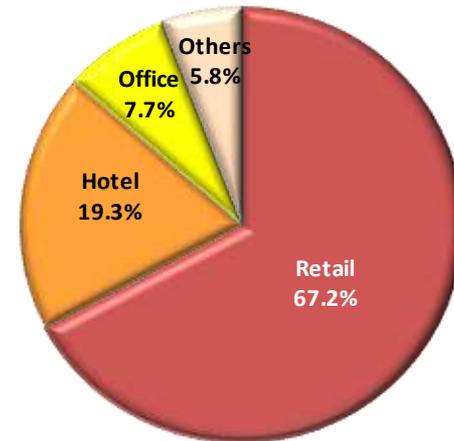
- ¹ Sunway Pyramid and Sunway Carnival – Higher NPI due to reasons mentioned on page 16, partially offset by the 17% electricity tariff hike with effect from January 2014 (3Q 2014). In addition, Sunway Pyramid also incurred higher general maintenance expenses to upkeep the mall and higher provision for doubtful debts during the quarter.
- ² SCI Hypermarket and Sunway Medical Center – As per explanation on page 16.
- ³ Sunway Putra Mall – Higher net property loss in 2Q 2015 compared to 2Q 2014 due to higher pre-opening expenses such as staff costs during the quarter under review. However, it was off-set by the vacancy allowance granted by the local authority for assessment.
- ⁴ Sunway Resort Hotel, Pyramid Tower Hotel, Sunway Putra Hotel and Sunway Tower – Lower NPI mainly due to lower revenue as explained on page 16.
- ⁵ Sunway Putra Tower – Higher NPI despite the electricity tariff hike mainly due vacancy allowance granted by the local authority for assessment.
- ⁶ Menara Sunway – Lower NPI % for 2Q 2015 due to electricity tariff hike.

2Q 2015 NPI Contribution (Cont'd)

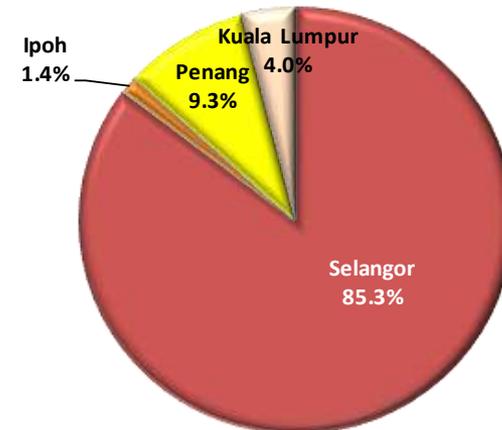
By property



By sector

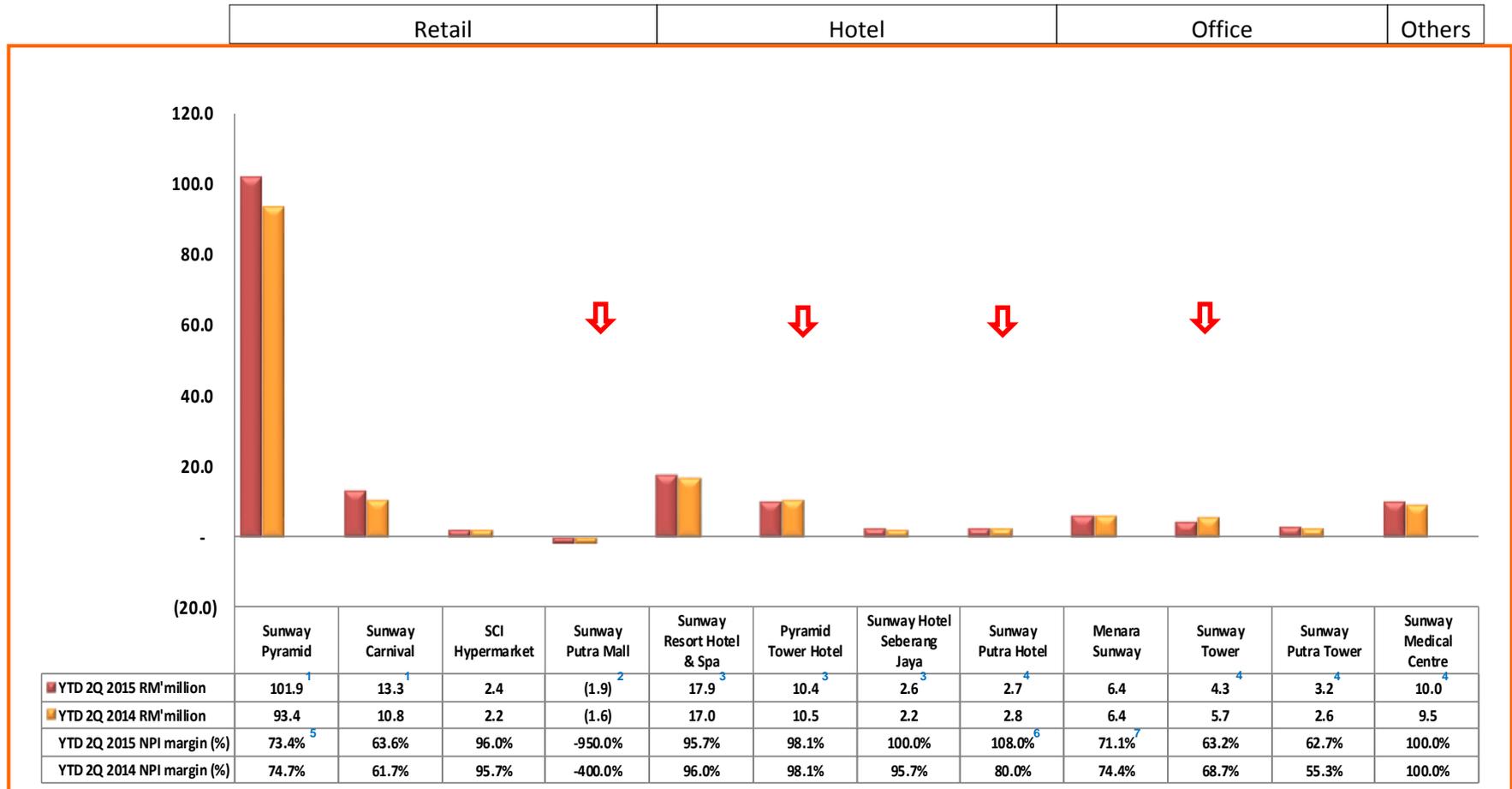


By location



YTD 2Q 2015 NPI Contribution

	<u>NPI</u>	<u>Margin</u>
YTD 2Q 2015 (RM'mil)	173.2	76.0%
YTD 2Q 2014 (RM'mil)	161.5	76.7%



Please refer to next page for explanatory notes.

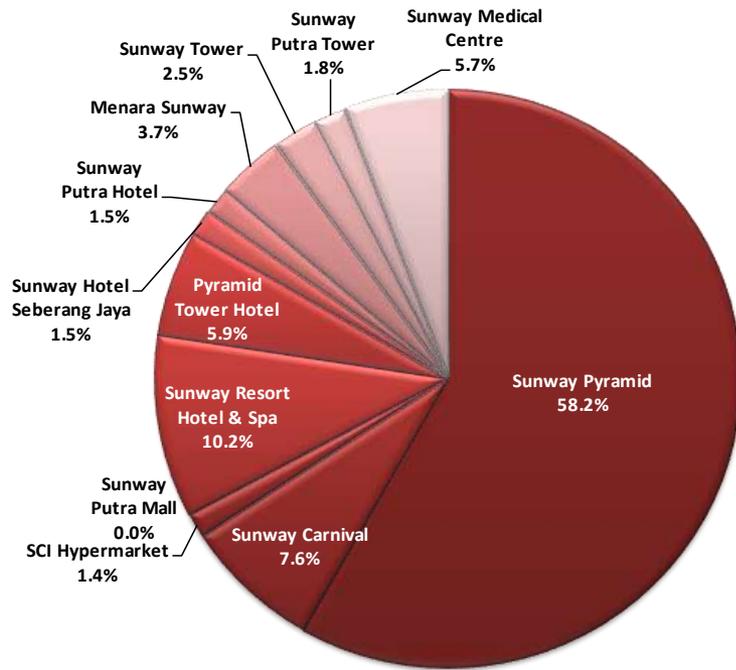
YTD 2Q 2015 NPI Contribution (cont'd)

Explanation:

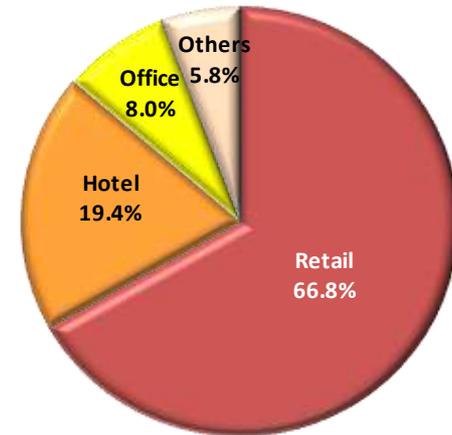
- ¹ Sunway Pyramid and Sunway Carnival – As per explanation on page 22. Sunway Carnival also made a higher provision for doubtful debts for YTD 2Q 2015.
- ² Sunway Putra Mall – Higher net property loss in YTD 2Q 2015 due to higher pre-opening expenses incurred such as staff costs. However, it was partially offset by reversal of over-provision for assessment pursuant to confirmation of the final increase and vacancy allowance granted by the local authority.
- ³ Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya – As per explanation on page 19.
- ⁴ Sunway Putra Hotel, Sunway Tower, Sunway Putra Tower and Sunway Medical Center – As per explanation on page 16.
- ⁵ Sunway Pyramid – NPI margin % for YTD 2Q 2015 was lower than YTD 2Q 2014 mainly attributable to higher utilities following the electricity tariff hike with effect from January 2014 (3Q 2014), higher general maintenance expenses to upkeep the mall and higher provision for doubtful debts during the quarter.
- ⁶ Sunway Putra Hotel – NPI Margin % for YTD 2Q 2015 was higher than 100% due to reversal of over-provision for assessment pursuant to confirmation of the final increase.
- ⁷ Menara Sunway – NPI margin % for YTD 2Q 2015 was lower than 2Q 2014 due to higher utilities as mentioned on page 22.

YTD 2Q 2015 NPI Contribution (Cont'd)

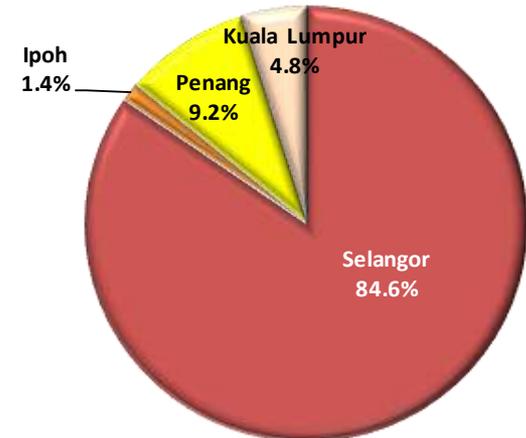
By property



By sector



By location



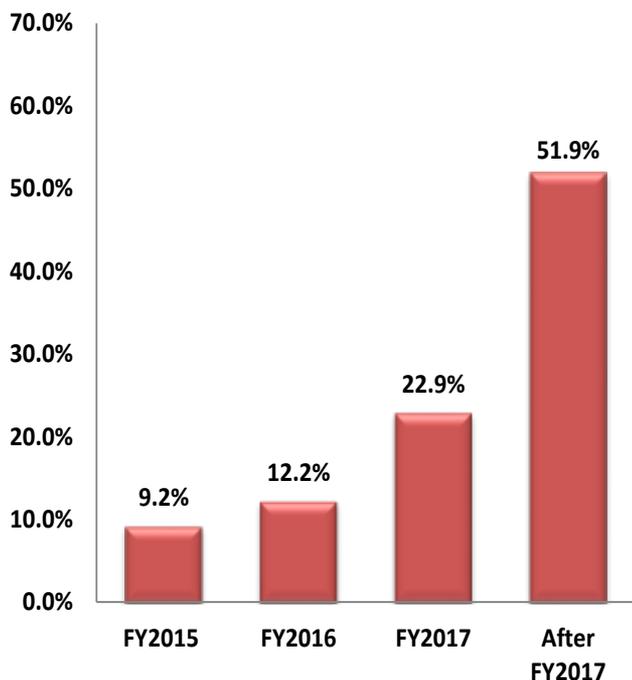
RESILIENT INCOME STREAM

Well spread-out lease expiry profile and diverse tenant base

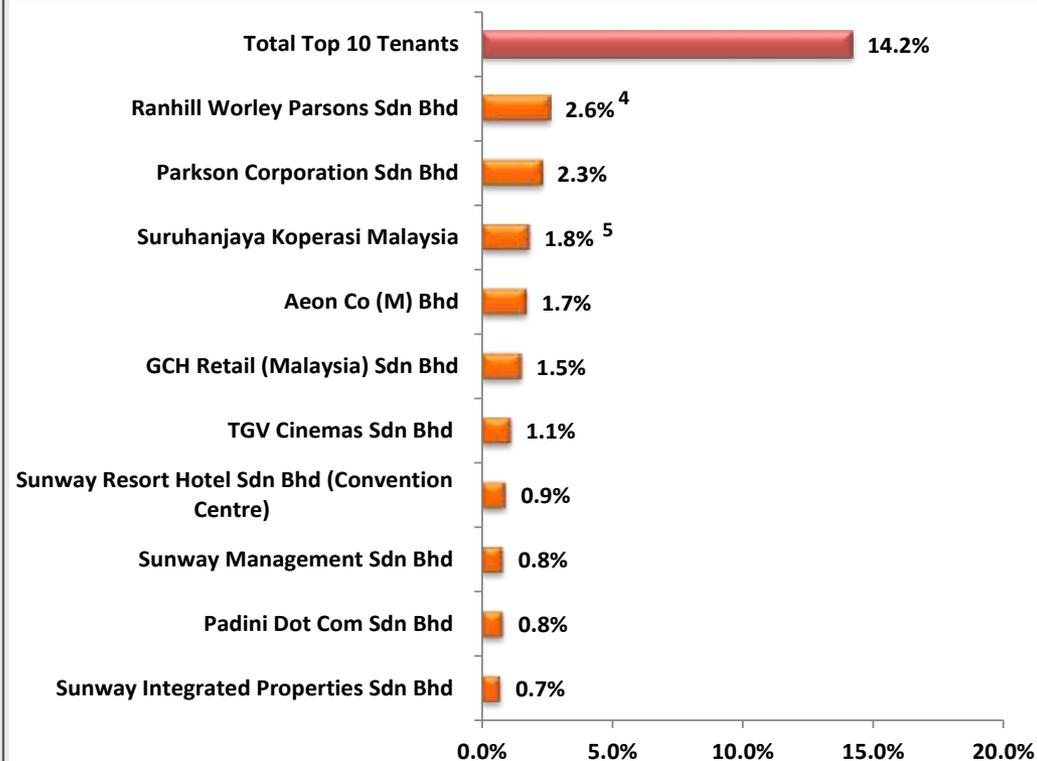
WALE ¹ as at 30 December 2014– 2.28 years

Top 10 tenants comprise approximately 14.2%

Projected tenancy expiry of portfolio ²



Top 10 tenants³



¹ Calculated based on gross rental income.

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

³ Based on gross rental income for the month of December 2014.

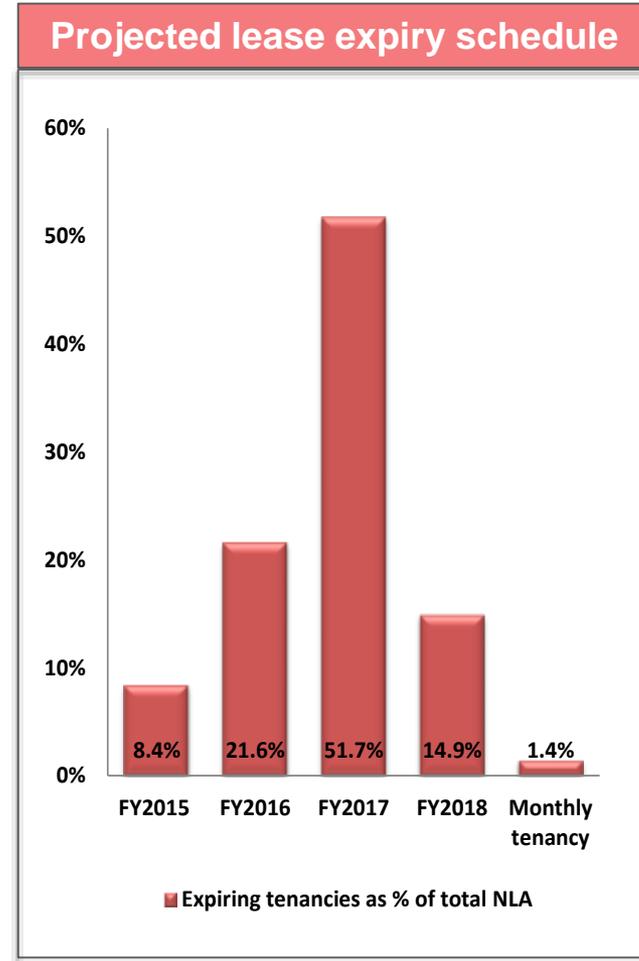
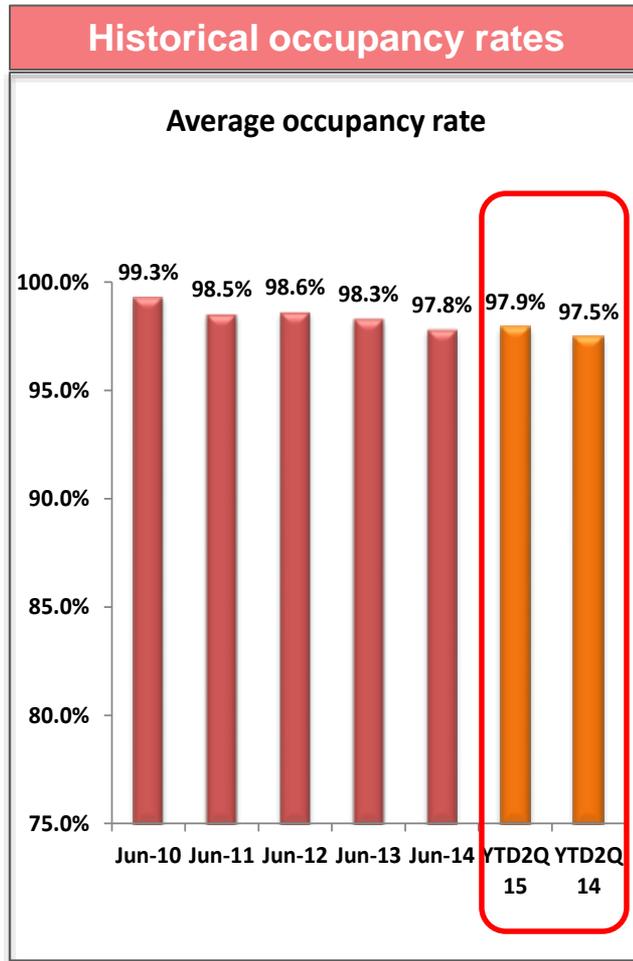
(Exclude Hotel Master Leases, Hospital Master Lease and car park tenancies.)
⁴ Ranhill's contribution will drop to approximately 1.9% by end-March 2015 when it gives up another 37,719 sq.ft. of NLA.

⁵ The anchor tenant of Sunway Putra Tower has terminated its tenancy at the end of December 2014.

4. 2Q 2015 Property Performance

RETAIL PROPERTIES

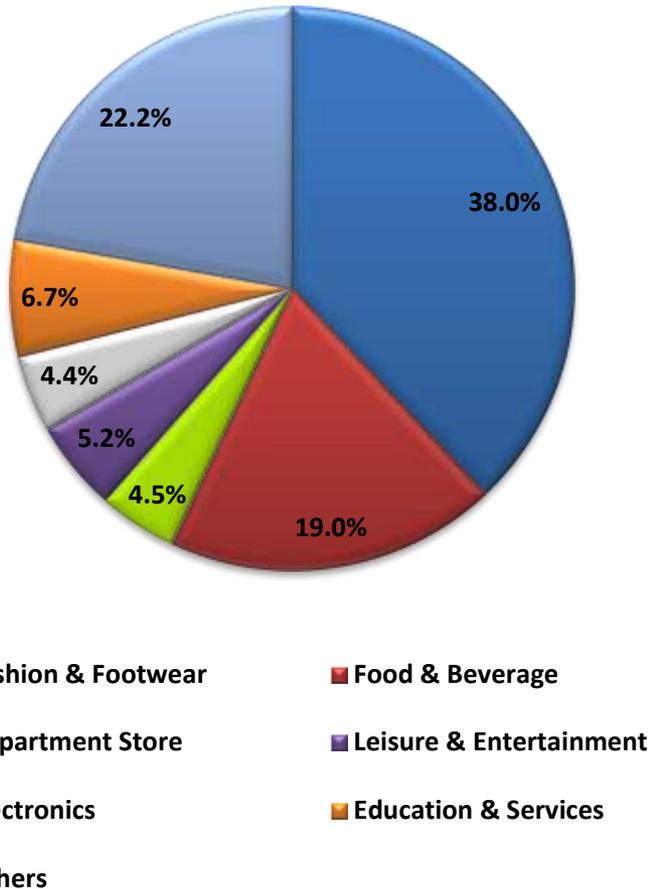
SUNWAY PYRAMID SHOPPING MALL



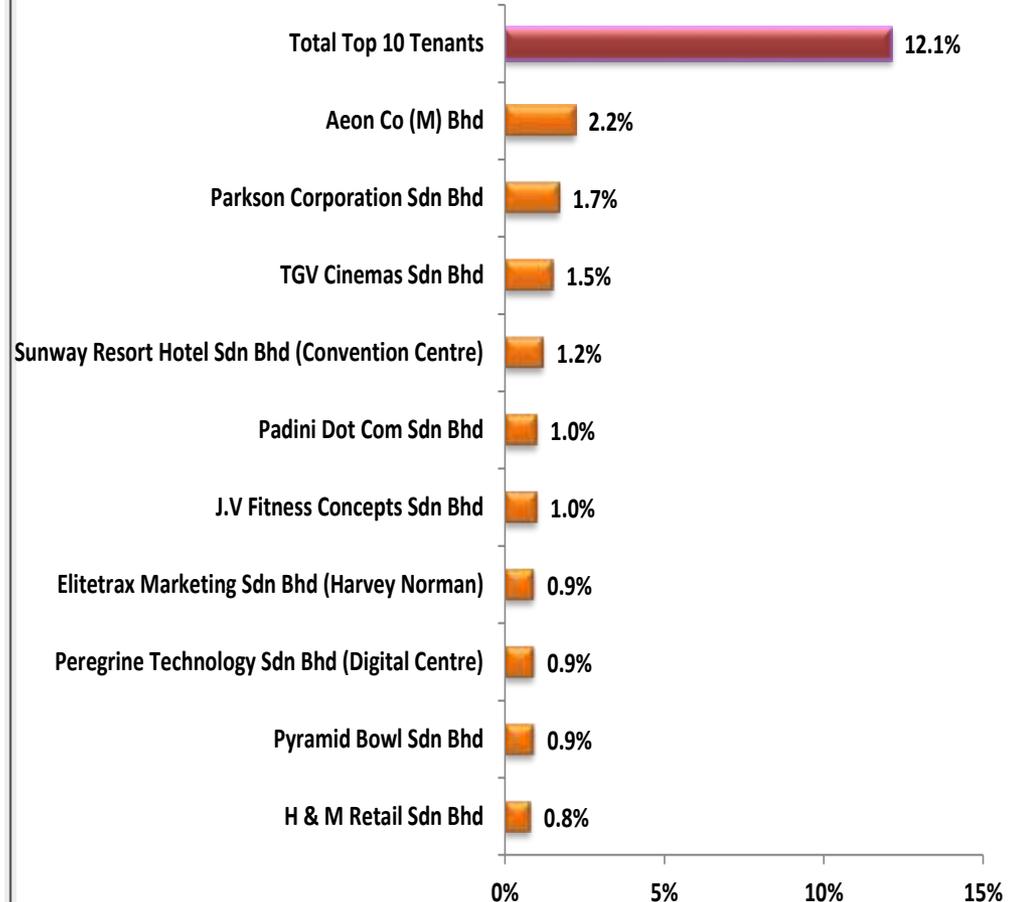
RETAIL PROPERTIES

SUNWAY PYRAMID SHOPPING MALL (Cont'd)

Tenant mix



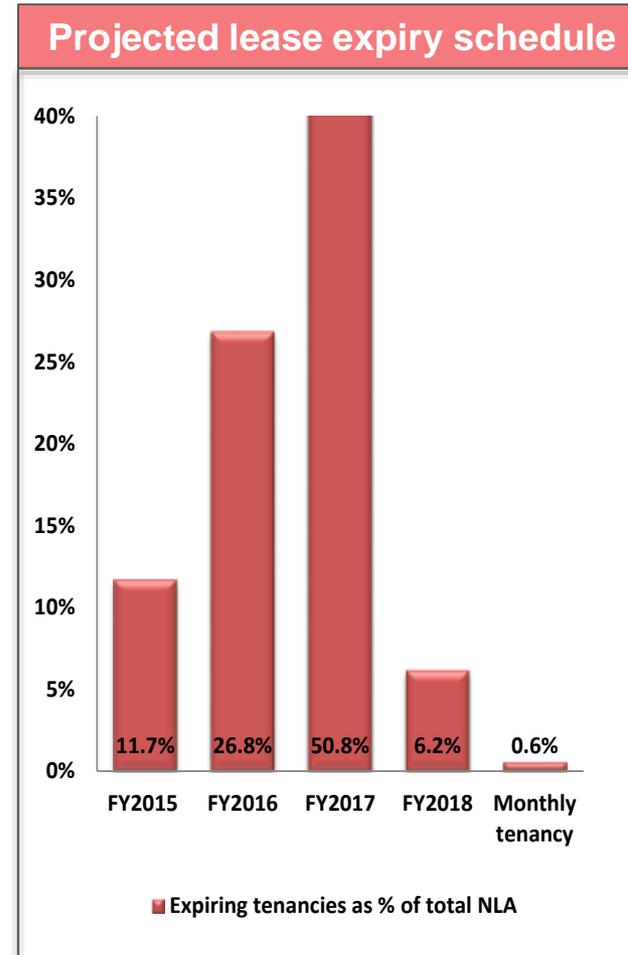
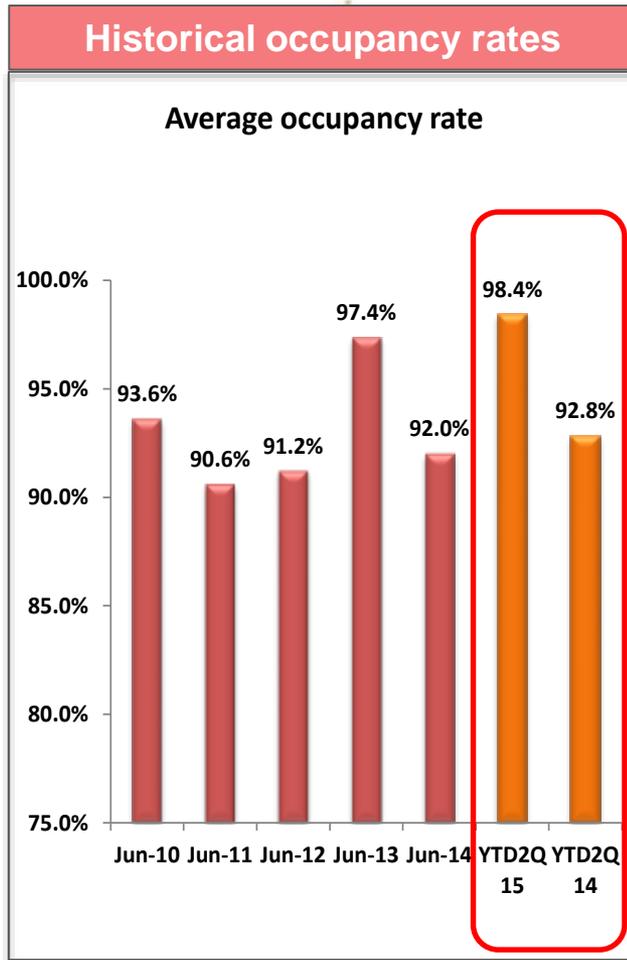
Top 10 tenants



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

RETAIL PROPERTIES

SUNWAY CARNIVAL SHOPPING MALL

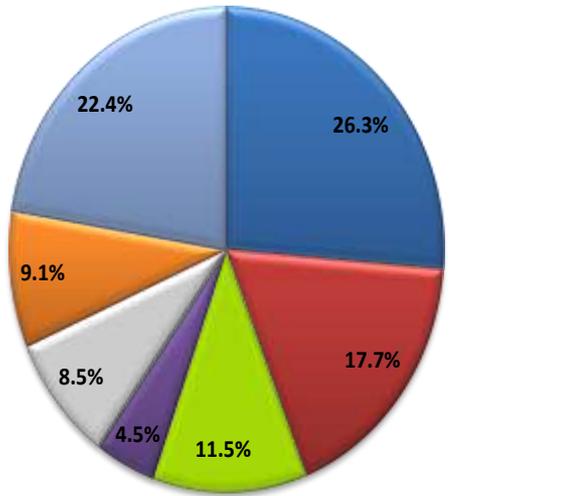


Note: Higher occupancy rate was recorded for YTD2Q2015 due to commencement of tenancy for Sam's Groceria occupying approximately 44,000 sq.ft in July 2014.

RETAIL PROPERTIES

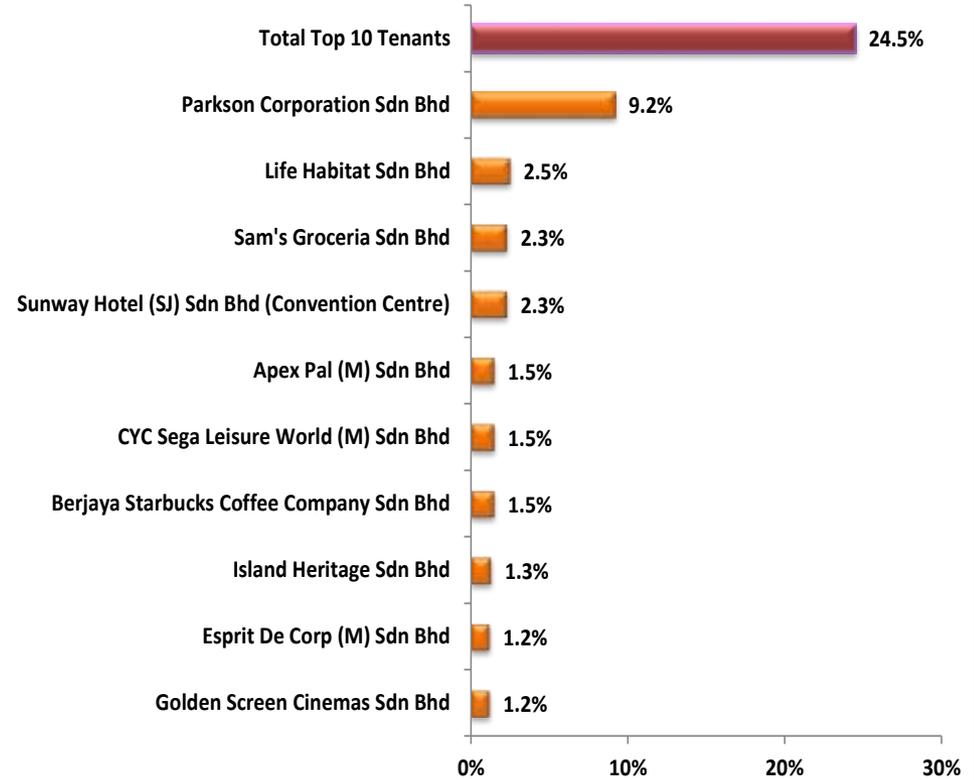
SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

Tenant mix



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

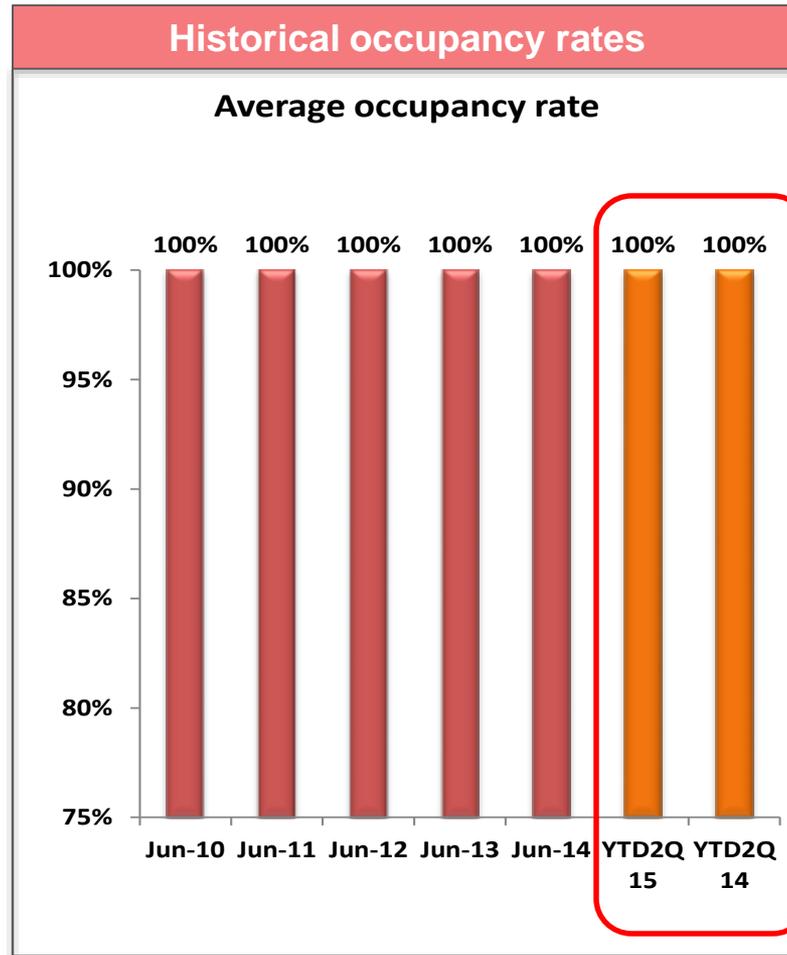
Top 10 tenants



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

RETAIL PROPERTIES

SUNCITY IPOH HYPERMARKET



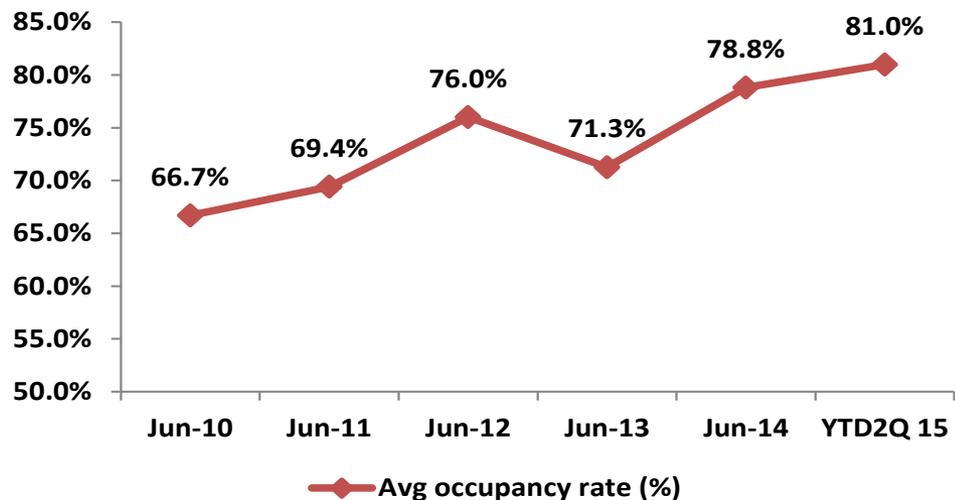
Suncity Ipoh Hypermarket is tenanted to a single tenant, a major hypermarket and retailer chain operating under the “Giant” brand in Malaysia, Singapore, Indonesia and Brunei Darulsalam. The tenancy was recently renewed in April 2014 at a predetermined rental reversion rate for a period of 3 years.

HOSPITALITY PROPERTIES

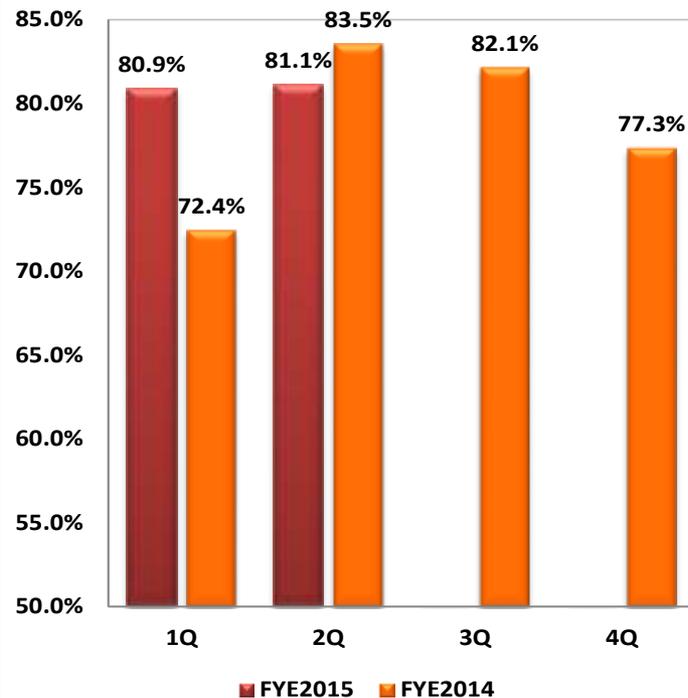
SUNWAY RESORT HOTEL & SPA

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

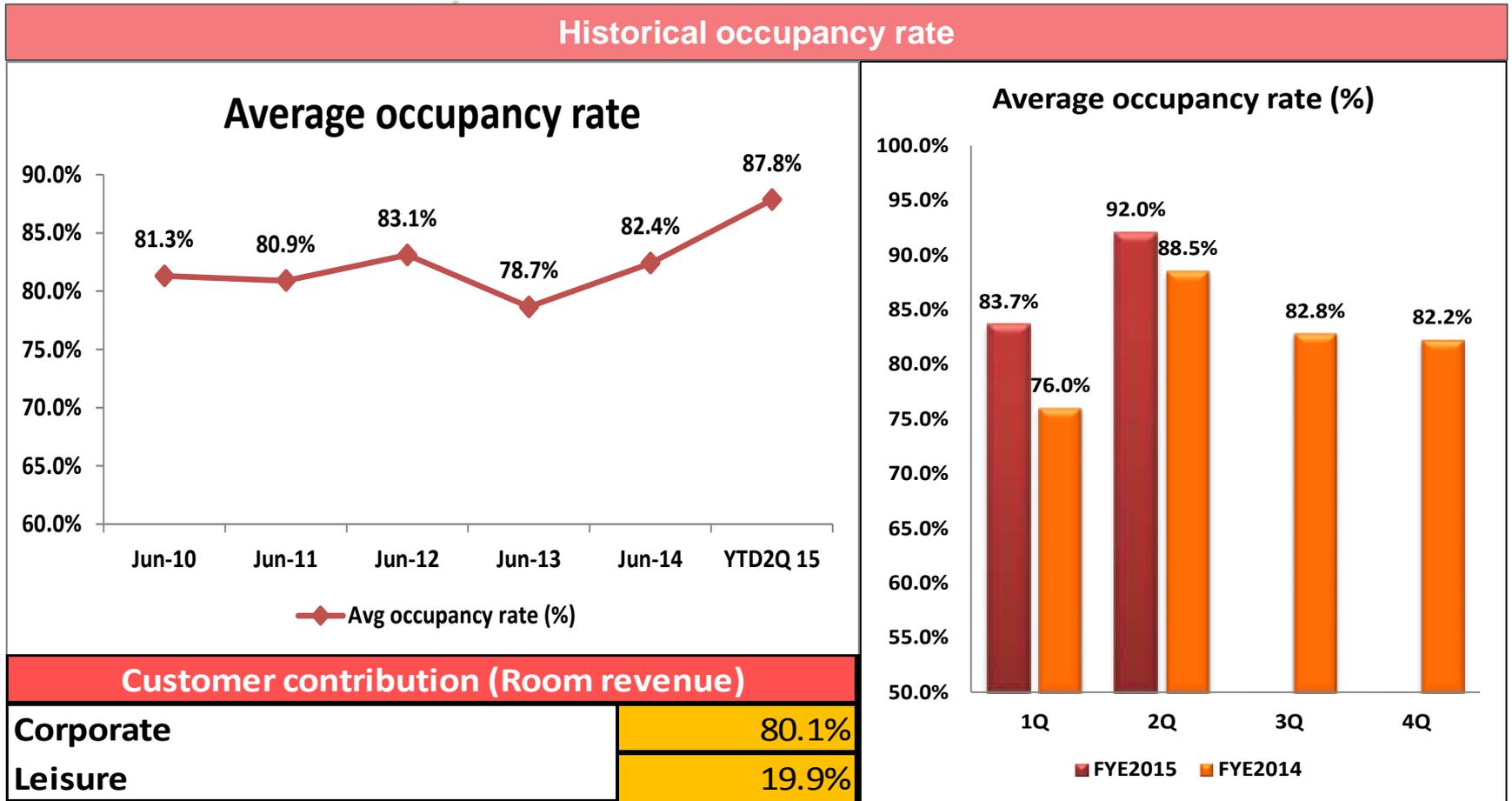
Corporate	72.1%
Leisure	27.9%

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

Note 2: Sunway Resort Hotel & Spa registered a slight decline in occupancy rate in 2Q2015. The higher occupancy rate in 2Q2014 was attributable to aggressive tactical promotional activities undertaken.

HOSPITALITY PROPERTIES

PYRAMID TOWER HOTEL



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.

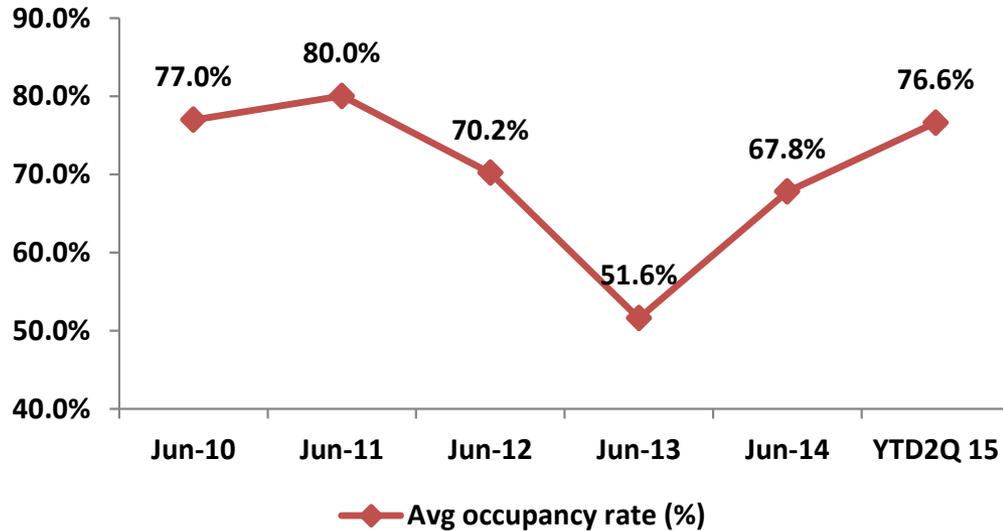
Note 2: The higher average occupancy rate in 2Q2015 was largely attributable to good tourist arrivals, stronger corporate and MICE business as well as continuous active revenue yield management.

HOSPITALITY PROPERTIES

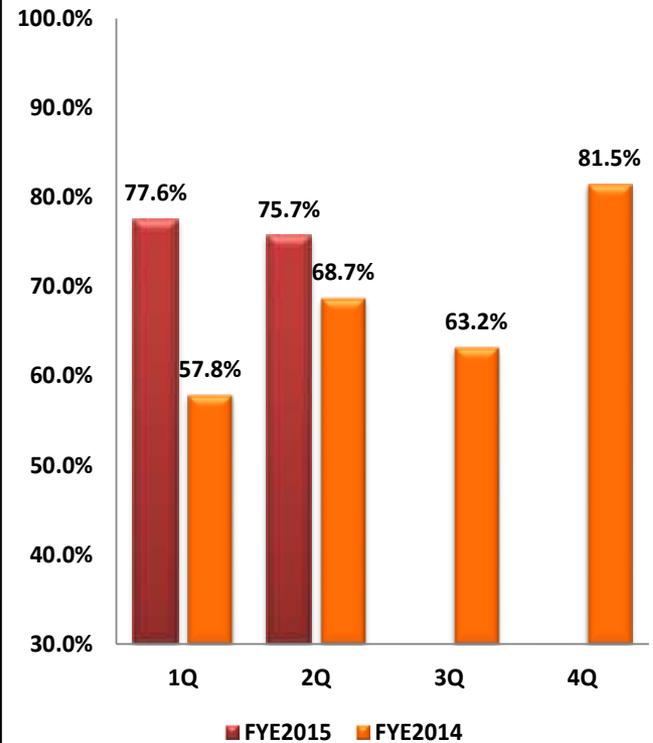
SUNWAY HOTEL SEBERANG JAYA

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

Corporate	95.9%
Leisure	4.1%

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

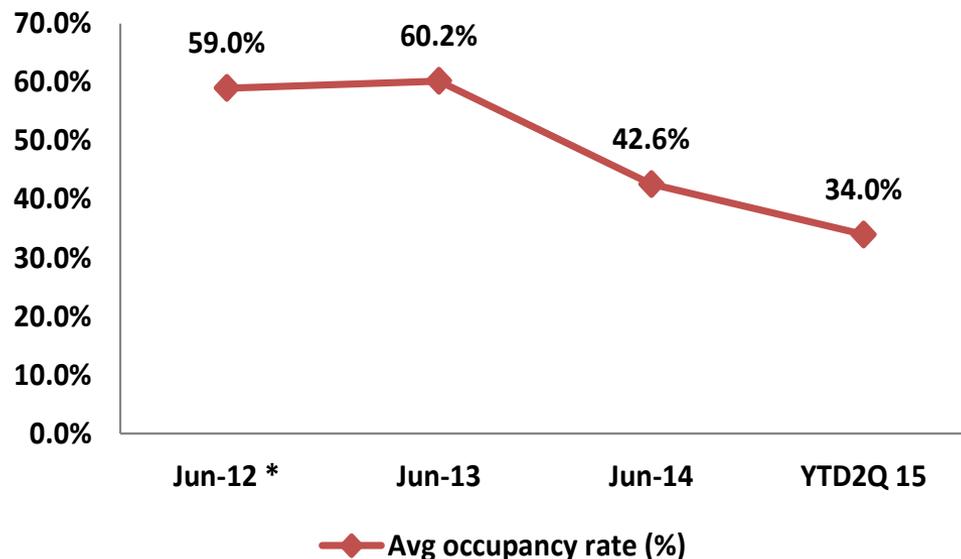
Note 2: Higher occupancy rate was recorded in 2QFY2015 when the hotel resumes its normal business operations post the refurbishment exercise of the hotel in 4Q2013.

HOSPITALITY PROPERTIES

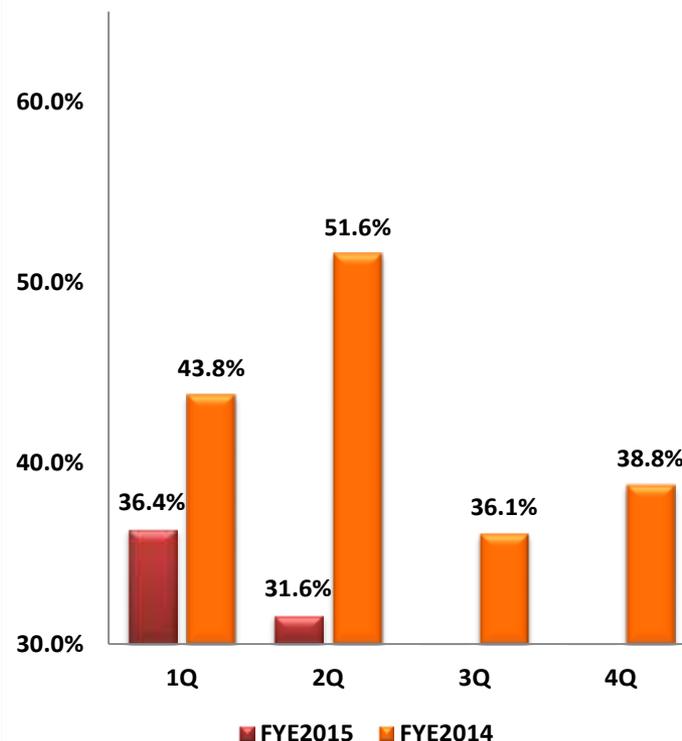
SUNWAY PUTRA HOTEL

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

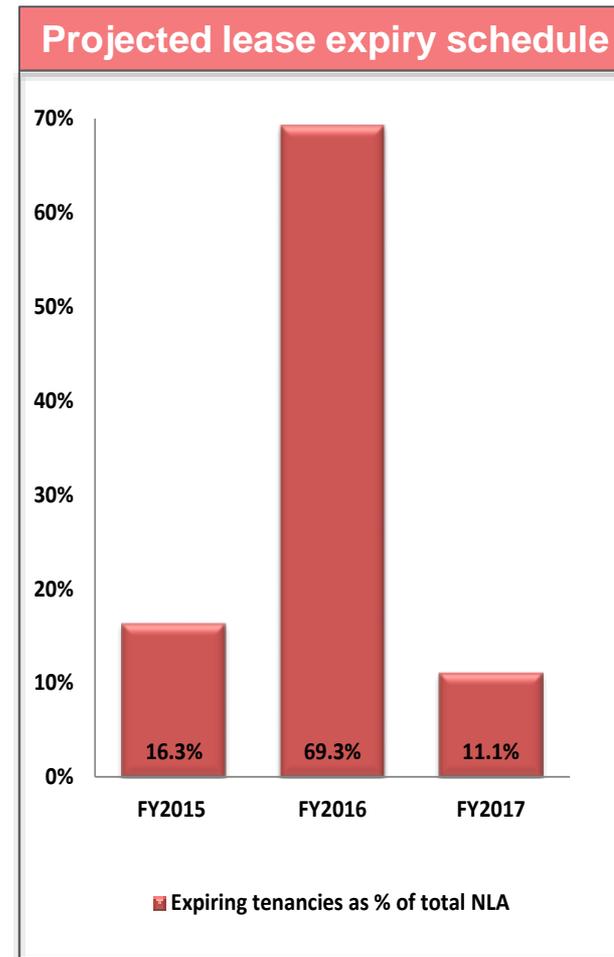
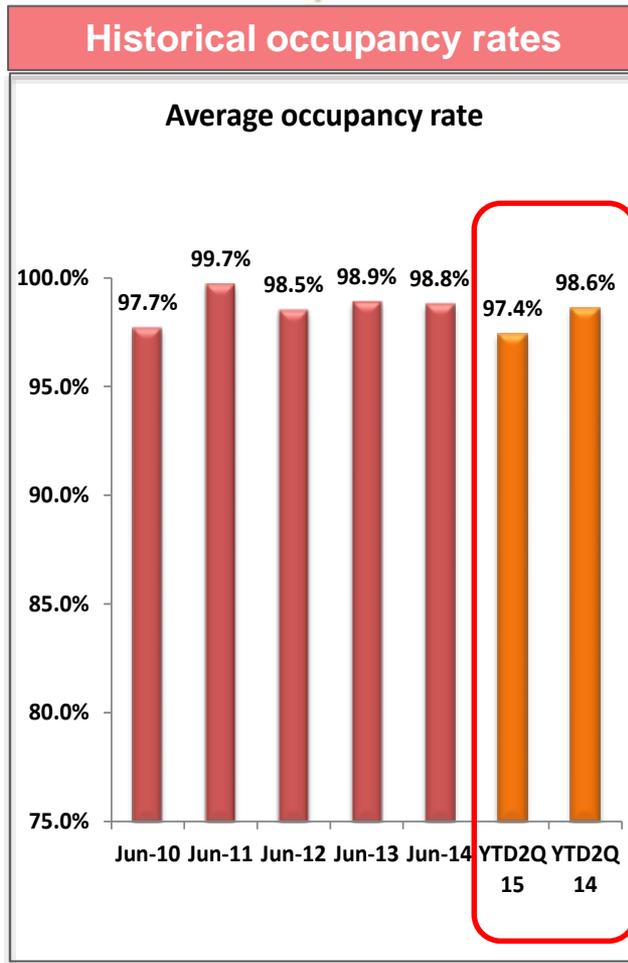
Corporate	85.0%
Leisure	15.0%

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

Note 2: The occupancy rate dropped in 2Q2015 mainly due to the ongoing major refurbishment at the adjoining Sunway Putra Mall and the hotel's ongoing refurbishment. To date, refurbishment of the ballroom and coffee house are completed as well as 307 rooms of the 618 rooms have been refurbished. Business performance of Sunway Putra Hotel is expected to improve gradually upon progressive completion of the hotel refurbishment work. The full completion is expected to be in 4Q CY2015.

OFFICE PROPERTIES

MENARA SUNWAY

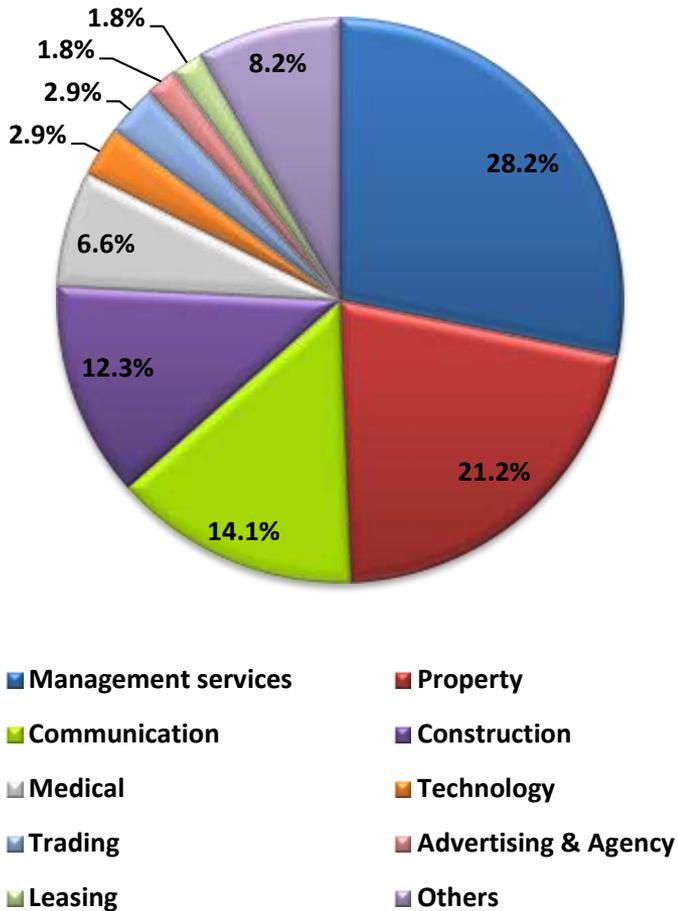


Note: Average occupancy rate for YTD2Q 2015 is lower at 97.4% (YTD2Q 2014: 98.6%) due to a tenant who did not renew in July 2014.

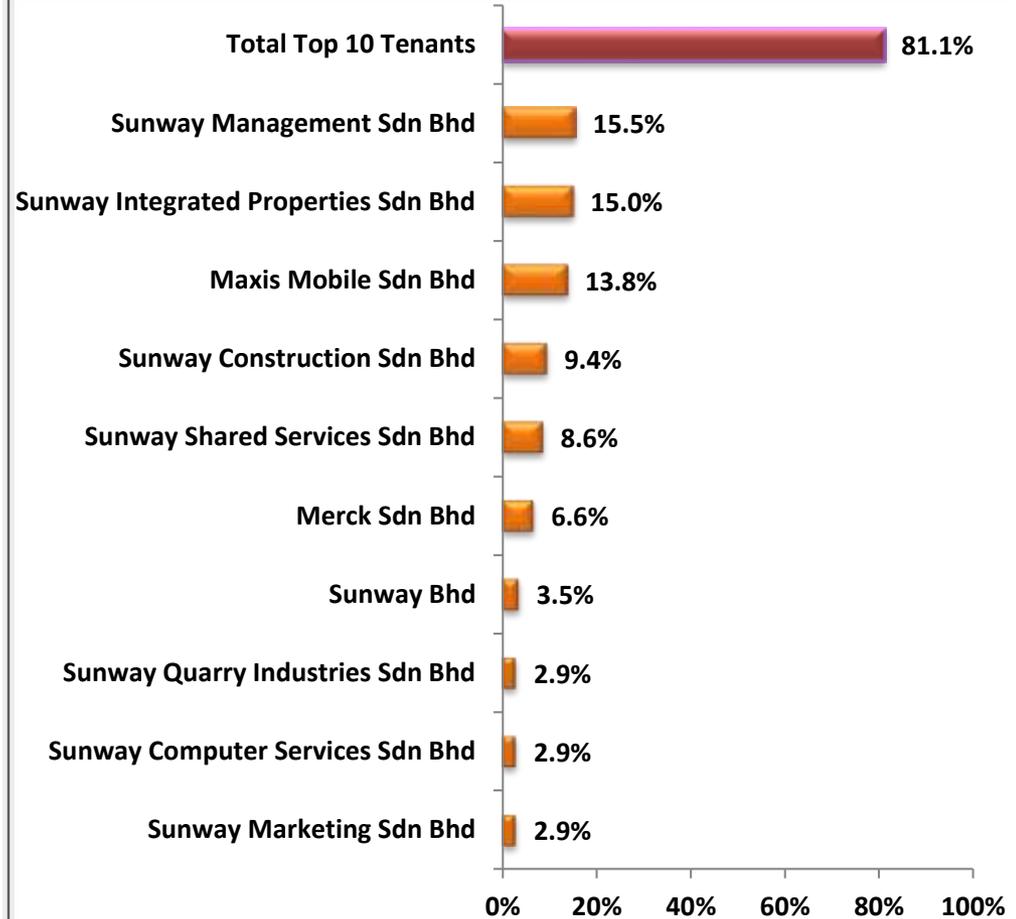
OFFICE PROPERTIES

MENARA SUNWAY (Cont'd)

Tenant mix



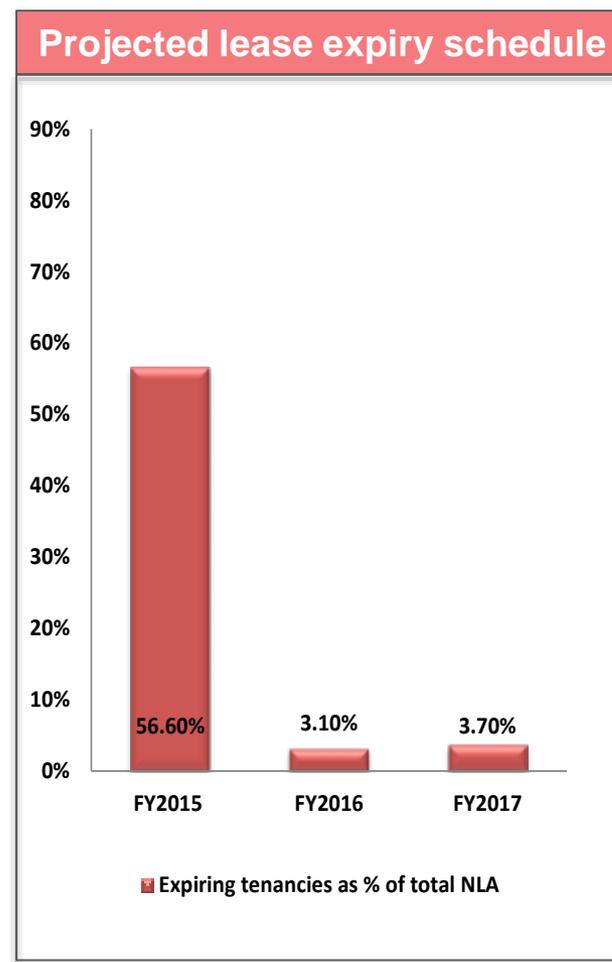
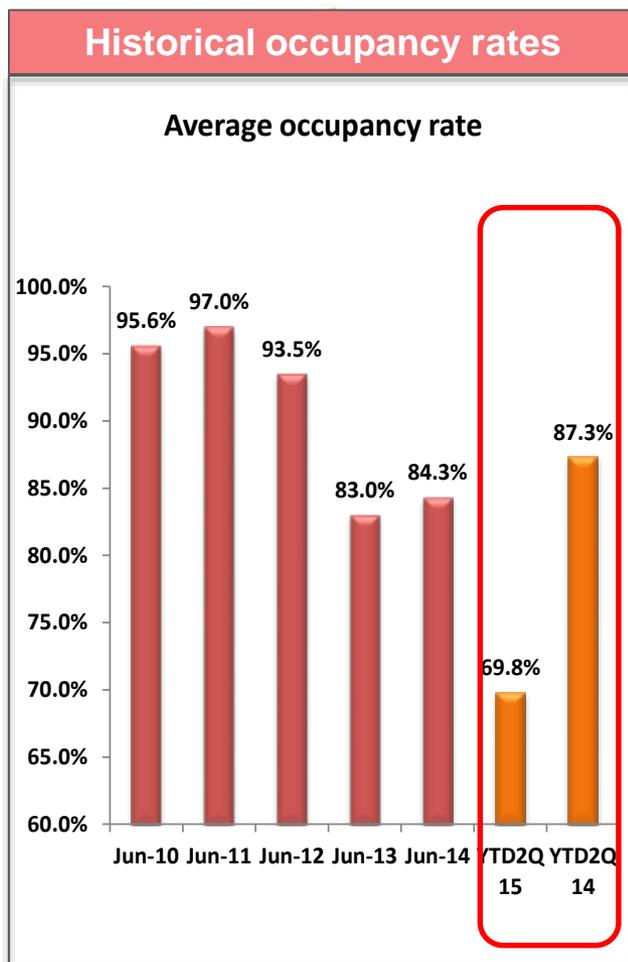
Top 10 tenants



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

OFFICE PROPERTIES

SUNWAY TOWER

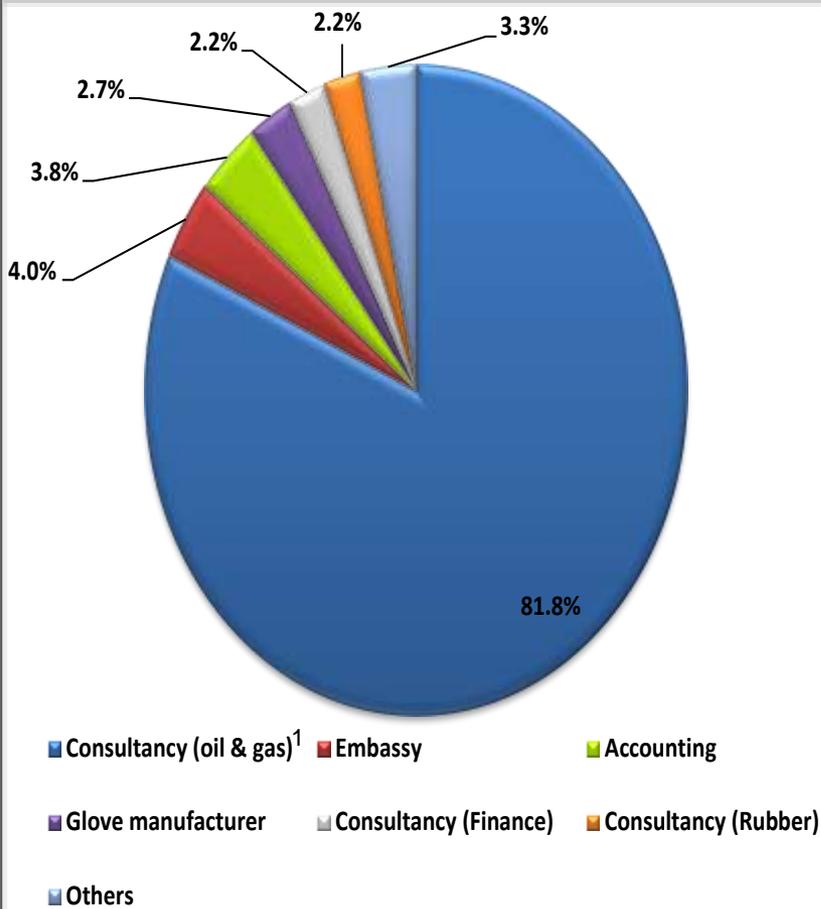


Note: The average YTD occupancy is lower as compared to last year same quarter as the anchor tenant has released 34,000sq.ft. at the end of September 2014. Going forward, the occupancy is expected to further decline to about 50% in 4QFY2015 as the anchor tenant will be giving up another 37,719sq.ft.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

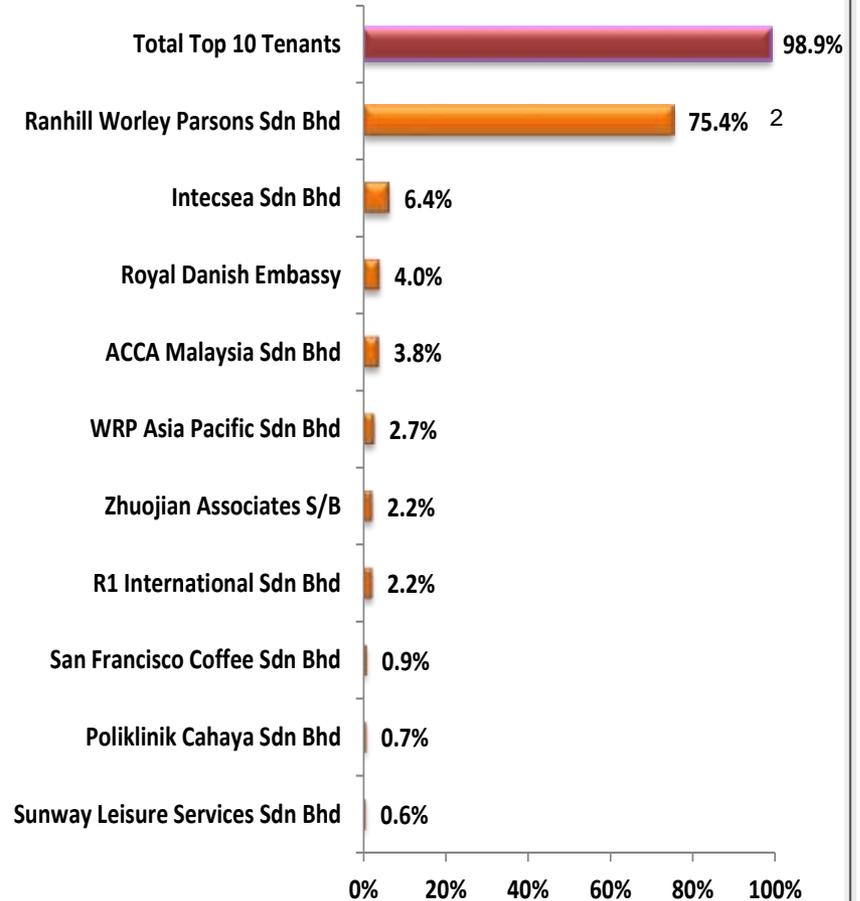
OFFICE PROPERTIES

SUNWAY TOWER (Cont'd)

Tenant mix



Top 10 tenants



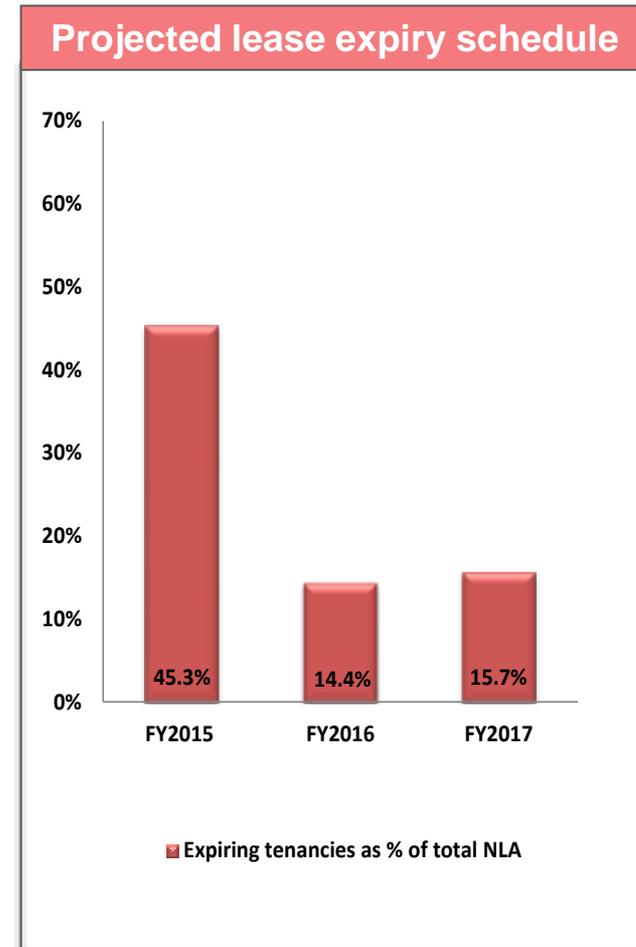
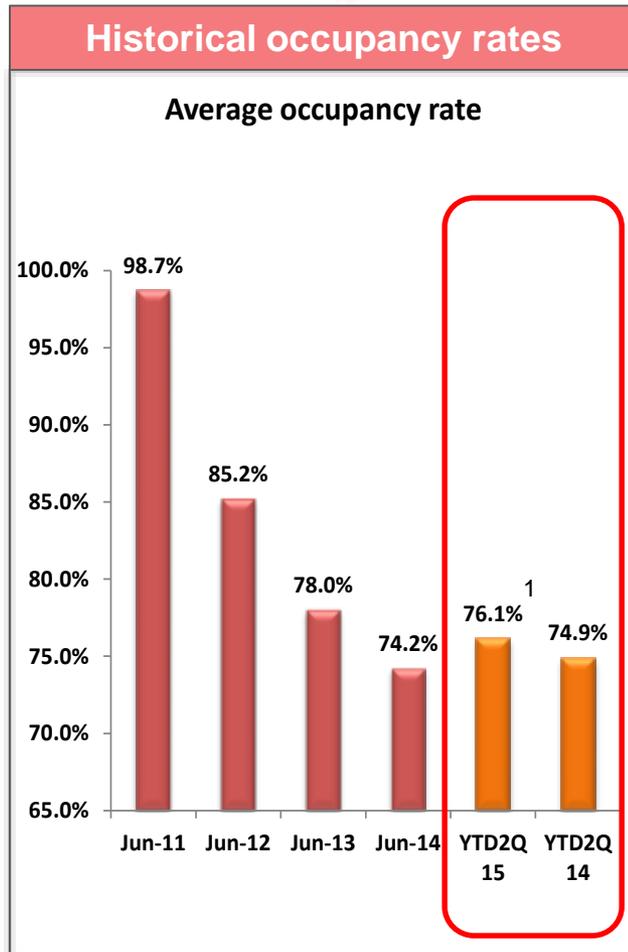
Note: Based on gross rental income for the month of December 2014

¹ The percentage will drop to 77% in 4QFY2015 when Ranhill surrenders another 37,719sq.ft. in end March 2015.

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

OFFICE PROPERTIES

SUNWAY PUTRA TOWER

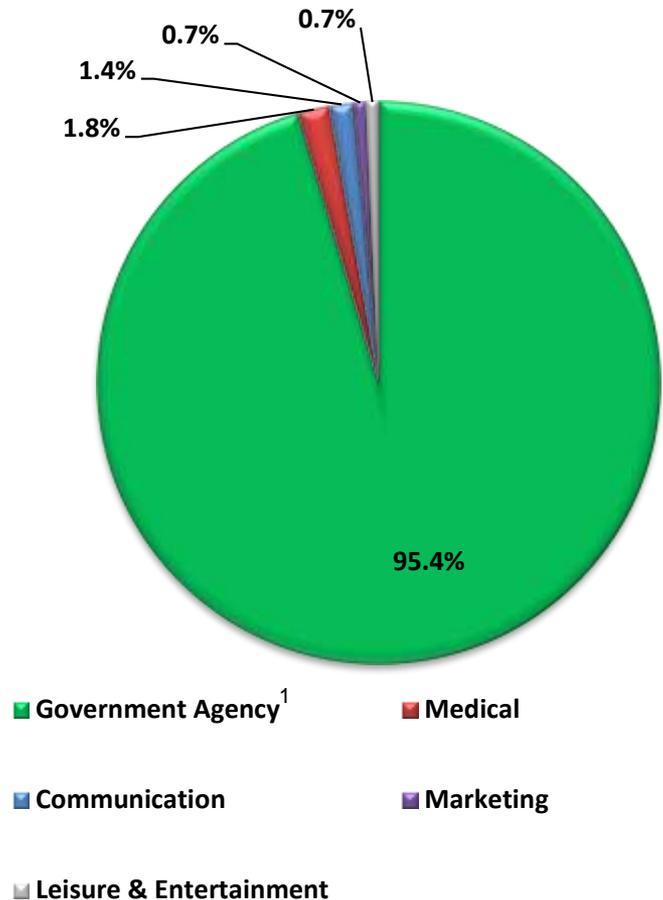


¹ Occupancy rate is expected to drop to about 30% in the next quarter as an anchor tenant occupying 143,000 sq.ft. has terminated its tenancy at the end of 2014. The asset manager is actively seeking for replacement tenants. This provides an opportunity to further diversify tenancy mix to reduce tenant concentration risk and to seek more private sector tenants in line with the manager's strategy.

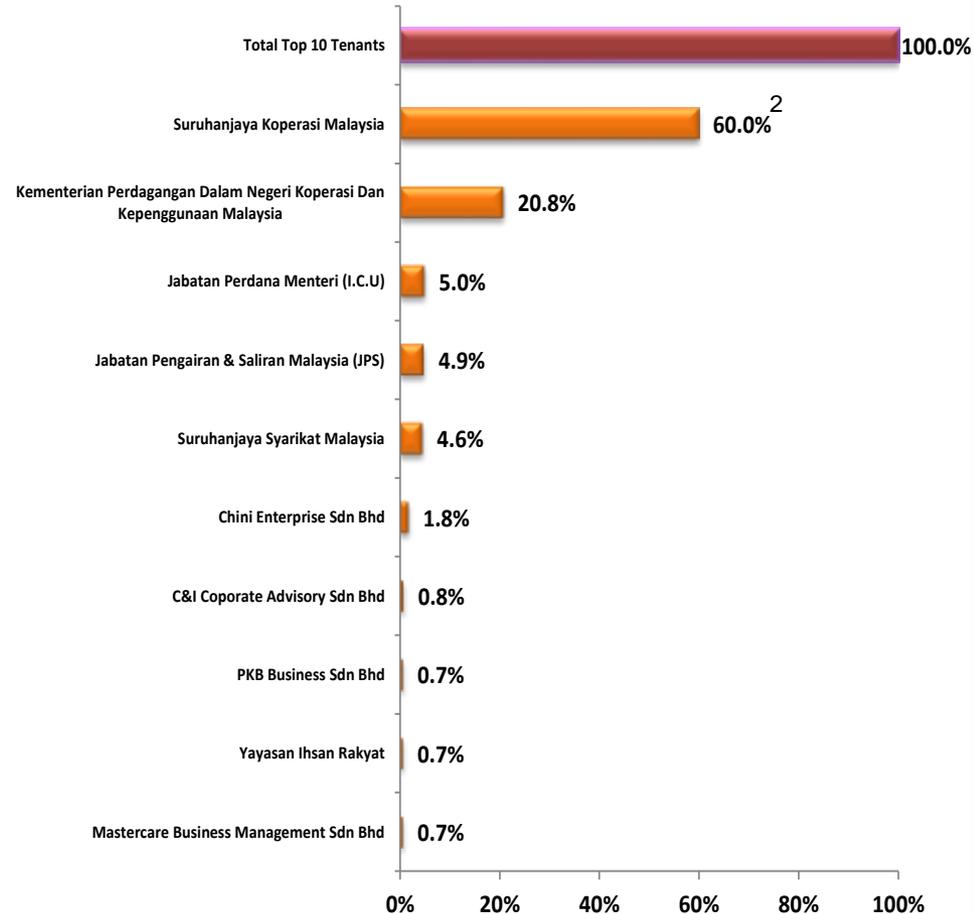
OFFICE PROPERTIES

SUNWAY PUTRA TOWER (Cont'd)

Tenant mix



Top 10 tenants



¹ The percentage will drop to 88% in the next quarter as Suruhanjaya Koperasi Malaysia which occupied 143,000 sq. ft. has terminated its tenancy at the end of December 2014

² The tenant has terminated its tenancy at the end of December 2014.

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

5. Market Outlook

General Outlook

- The global economy is projected to register modest growth of 3.5%¹ in CY2015, underpinned by firm growth trajectory in the U.S. However, persistent weakness in the Eurozone, China and Japan may pose a downside risk to global growth.
- The pace of growth for the Malaysian economy has moderated to 5.6% year-on-year in 3Q CY2014 (1H CY2014: 6.4% year-on-year). Bank Negara Malaysia (“BNM”) has revised the Gross Domestic Products (“GDP”) growth from 5.0% - 6.0% to 4.5% - 5.5% in CY2015 (CY2014 GDP forecast: 5.5% to 6.0%), amidst heightened uncertainties on the external front and domestic headwinds; implication on government’s income arising from the acute decline on crude oil prices and potential softening of domestic demand upon implementation of Goods and Services Tax (“GST”) in April 2015.
- Following a period of low inflationary regime, the trend has reversed in CY2014 subsequent to the subsidy rationalization measures undertaken by the government. Inflation rate is expected to increase to 3.3% in CY2014 and 4.0% to 5.0% in CY2015 arising from the imminent implementation of GST.
- BNM’s Monetary Policy stance for CY2015 premises on prioritizing economic growth over inflation. In view of the potential downside risk emanating from falling crude oil prices and potential over-reaction of consumers towards imposition of GST, BNM is likely to be watchful of the economic strength with a gradual upward bias on the Overnight Policy Rate (“OPR”).

¹ Based on International Monetary Fund’s forecast as at 20 January 2015

General Outlook

- Based on consensus forecast² as at 8 January 2015, OPR is projected to increase by 25bps to 3.50% in CY2015.
- The Manager expects modest growth in distribution per unit (“DPU”) in FY2015 with Sunway Putra Mall expected to be reopened in 4QFY2015.
- The Manager is committed to distribute 100% of its distributable net income for FY2015.

² Based on Bloomberg’s compilation of economists’ forecast

Retail

- Retail Group Malaysia (“RGM”) has forecasted retail sales growth of 6.5% in 4Q CY2014. Retail sales are expected to increase in the domestic sector in 4Q CY2014, partially driven by an expected increase in consumer spending, in anticipation of the impending implementation of the GST in April 2015. RGM forecasts retail sales to grow by 6.0% in CY2014 and 5.5% in CY2015 (CY2013: +4.5%).
- The performance of the retail sector is expected to be moderate in CY2015, as consumer sentiment is anticipated to remain cautious on the back of an expected increase in prices and cost of living.
- The average occupancy rates in the City Centre and Suburbs may dwindle in the coming months, as considerable amounts of new supply enters the market. The main challenge for retailers and mall owners/managers is the growing competition as more new malls enter the market, resulting in a market share dilution for retailers. A total of approximately 2.4 million sq. ft. net lettable area is slated for completion during the 1H CY2015. The shopping centres scheduled for completion are Sunway Putra Mall, Atria Shopping Gallery, Evolve Concept Mall @ Pacific Place, The Place @ One City, M Square Shopping Mall @ Millenia City and GLO Damansara.
- Performance of leading regional malls are expected to generally hold up supported by their retail tenancy mix, promotions and strong mall management team.

Retail (Cont'd)

- Sunway Pyramid Shopping Mall continued to enjoy high occupancy. For the first six months of FY2015, average occupancy rate was stable at 97.9% compared to 97.5% during the same period in the preceding year. A total of 263,233 sq.ft. of net lettable space (“NLA”) was renewed for year-to-date (“YTD”) 2Q2015 at double-digit rental reversion over the three-year tenancy term.
- The average occupancy rate for Sunway Carnival Shopping Mall has improved to 98.4% for YTD 2Q2015 compared to 92.8% for the corresponding period in the preceding year. The improved occupancy was primarily attributable to tenancy commencement of a tenant occupying approximately 44,000 sq.ft. which was vacant since July 2013.
- The construction progress of the refurbishment of Sunway Putra Mall is on target as per the refurbishment schedule. As at 31 December 2014, the refurbishment works have achieved 95% completion with target re-opening in 4Q2015. Total tenancy secured is above 70% of NLA as at 31 December 2014.
- The Manager expects the retail assets to register healthy growth in FY2015 supported by Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall. Meanwhile, Sunway Putra Mall is expected to commence operation in 4Q2015 and contribute to the portfolio thereafter.
- Going forward, the Manager is cautious on possibility of weakening consumer confidence post implementation of GST in April 2015. Consumer spending may be adversely affected by over-reaction in the short-term consumption patterns before normalizing over the longer term horizon.

Hotel

- Tourist arrivals for the first 8-month of CY2014 recorded a double-digit growth of 10.3% year-on-year to 18.4 million, primarily contributed by ASEAN and Middle East nations. On an annualized basis, this is on track to meet The Tourism and Culture Minister's target of 28.0 million for CY2014. The Ministry is targeting 5.0% growth in tourist arrivals in CY2015 to 29.4 million.
- Sunway Resort Hotel & Spa has registered a minor decrease in average occupancy rate of 81.1% in 2Q2015 compared to 83.5% in 2Q2014. The higher occupancy rate in 2Q2014 was attributable to aggressive tactical promotional activities undertaken. Meanwhile, Pyramid Tower Hotel's average occupancy rate rose to 92.0% in 2Q2015 versus 88.5% in 2Q2014. The higher average occupancy rate was largely attributable to large group business secured coupled with stronger tourist arrivals.
- Both the hotels have enjoyed higher revenue per available room ("revpar") on the back of good tourist arrivals, stronger corporate and MICE business as well as continuous active revenue yield management initiatives. Despite higher occupancy rates, rental contribution was lower due to closure of F&B outlets in both the hotels and higher operating expenses arising from electricity tariff hike, general maintenance of the buildings and other operating expenses to enhance guests service level.

Hotel (Cont'd)

- The average occupancy rate for Sunway Putra Hotel slipped to 31.6% in 2Q2015 (58.0% based on number of saleable rooms) compared to 51.6% in 2Q2014 (52.0% based on number of saleable rooms), due to ongoing major refurbishment at the adjoining Sunway Putra Mall and the hotel's ongoing refurbishment. To date, refurbishment of the ballroom and coffee house are completed as well as 307 rooms of the 618 rooms have been refurbished. Business performance of Sunway Putra Hotel is expected to improve gradually upon progressive completion of the hotel refurbishment work. The full completion is expected to be in 4Q CY2015.
- The average occupancy rate for Sunway Hotel Seberang Jaya is maintained above the pre-refurbishment levels of 70%. In 2Q2015, the hotel registered an average occupancy rate of 75.7% compared to 68.7% during the same period in the preceding year.
- The Manager expects income contribution to be maintained for the hospitality sector in FY2015 as mentioned above.

Office

- With the constant incoming office supply, with a total of 3.74 million sq.ft and 1.78 million sq.ft. of office space expected to be completed in CY2015 and CY2016 respectively. This is expected to adversely impact the older office buildings in terms of occupancy and rental rates. In view of this, tenants will continue to be in a better position to negotiate favourable tenancy terms.
- Menara Sunway recorded a marginally lower average occupancy rate of 97.4% for YTD 2Q2015 compared to 98.6% for YTD 2Q2014 due to non-renewal of a tenancy.
- The average occupancy rate for Sunway Tower has decreased from 87.3% for YTD 2Q2014 to 69.8% for YTD 2Q2015 as the anchor tenant has surrendered and will be surrendering the balance of the total of 72,000 sq. ft. NLA on a progressive basis up to March 2015. The asset manager is actively seeking replacement tenants for the vacancy and this presents an opportunity for us to improve the tenancy mix to be less reliant on the anchor tenant.
- Sunway Putra Tower registered slightly higher average occupancy rate of 76.1% for YTD 2Q2015 versus 74.9% for YTD 2Q2014. That said, the average occupancy rate is expected to decrease to approximately 30% in the next quarter due to termination of an anchor tenant occupying 143,000 sq. ft. at the end of 2014. The asset manager is actively seeking for replacement tenants to fill the vacancy. The departure of this anchor tenant offers an opportunity to the asset manager to further diversify the tenancy mix to private sector tenants and to mitigate tenancy concentration risk.

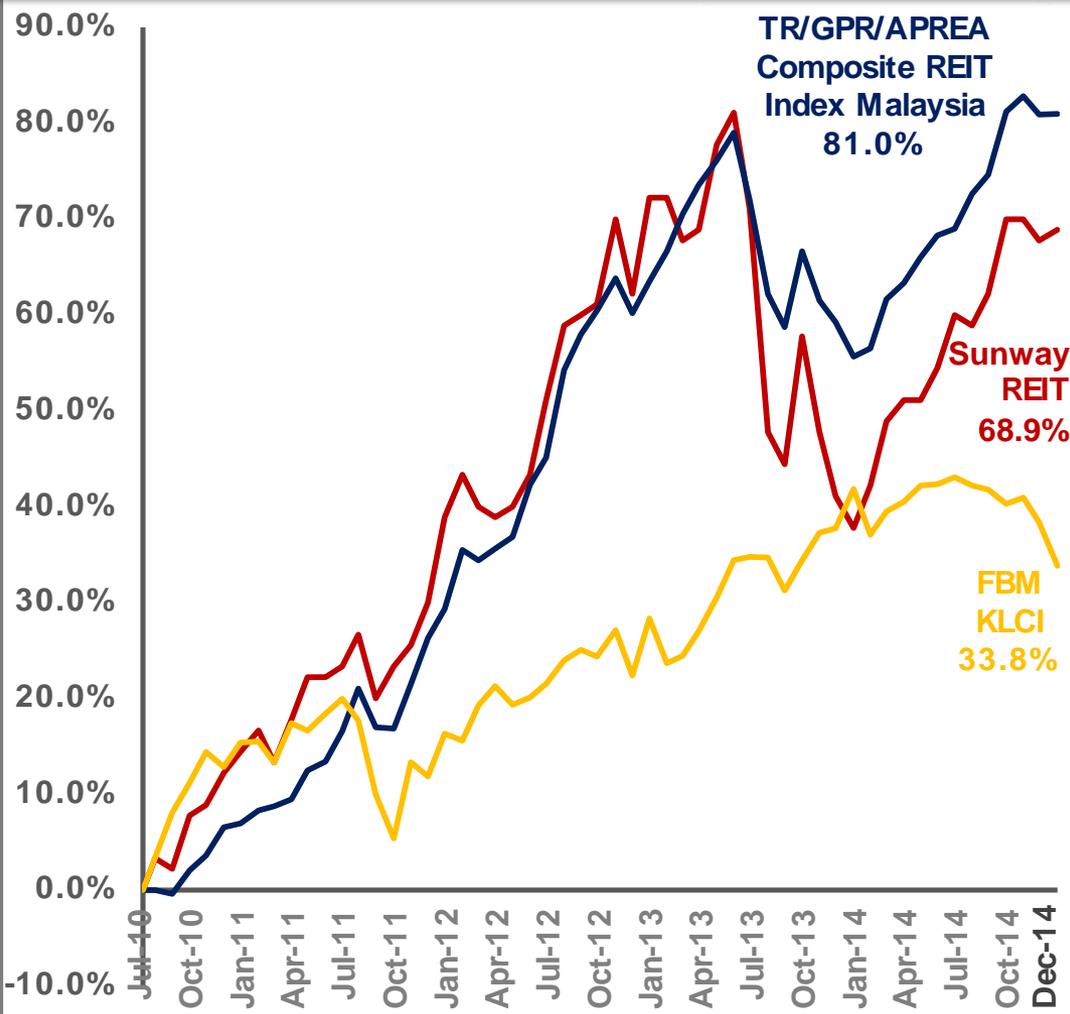
Office (Cont'd)

- In tandem with the developments in Sunway Tower and Sunway Putra Tower, the Manager expects lower income contribution from the office segment for FY2015. On the portfolio level, we do not expect a material adverse impact on our FY2015 DPU.

6. Investor Relations

Unit Price Performance (IPO to 31 December 2014)

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



Performance Statistics*

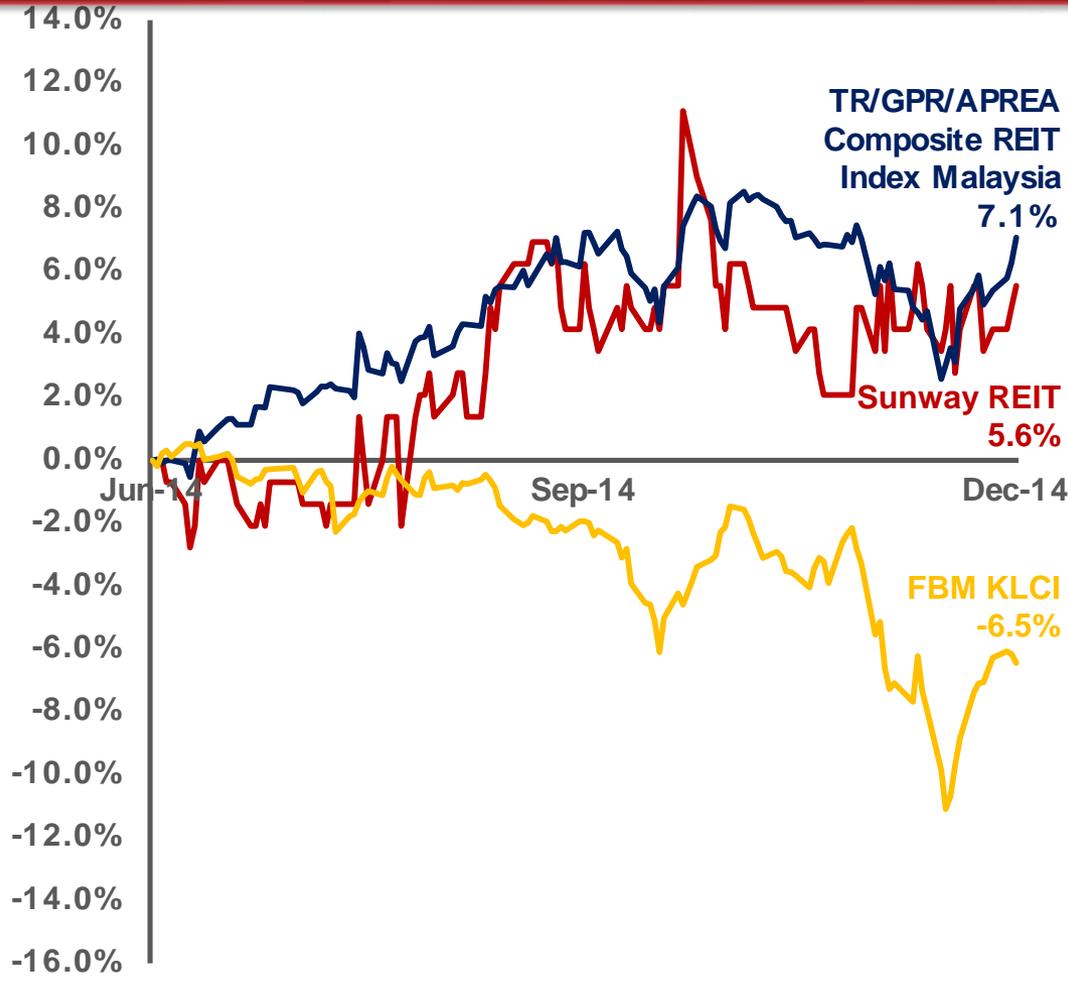
Price (as at 8/7/2010)	: RM0.90
Closing Price (as at 31/12/2014)	: RM1.52
Highest Price	: RM1.70
Lowest Price	: RM0.88
Daily Average Volume	: 1.75mil units
% Change in Unit Price	: 68.9%
% Change in FBM KLCI	: 33.8%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 81.0%

Source: Bloomberg

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

Unit Price Performance (YTD 2Q2015)

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



Performance Statistics*

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

Closing Price : RM1.52
(as at 31/12/2014)

Highest Price : RM1.60

Lowest Price : RM1.39

Daily Average Volume : 1.54mil units

% Change in Unit Price : 5.6%

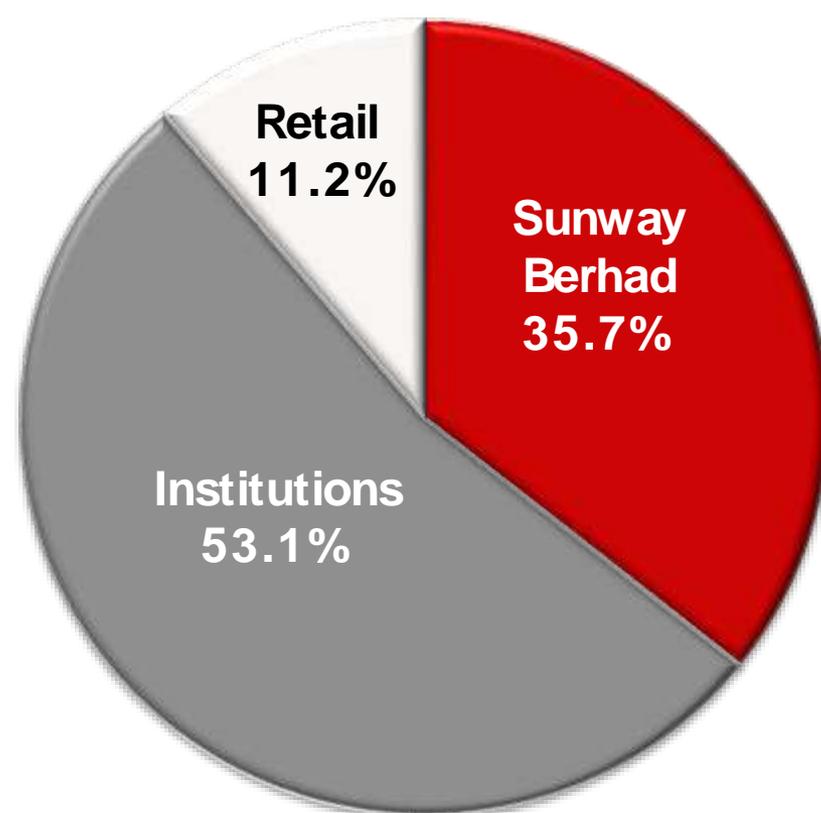
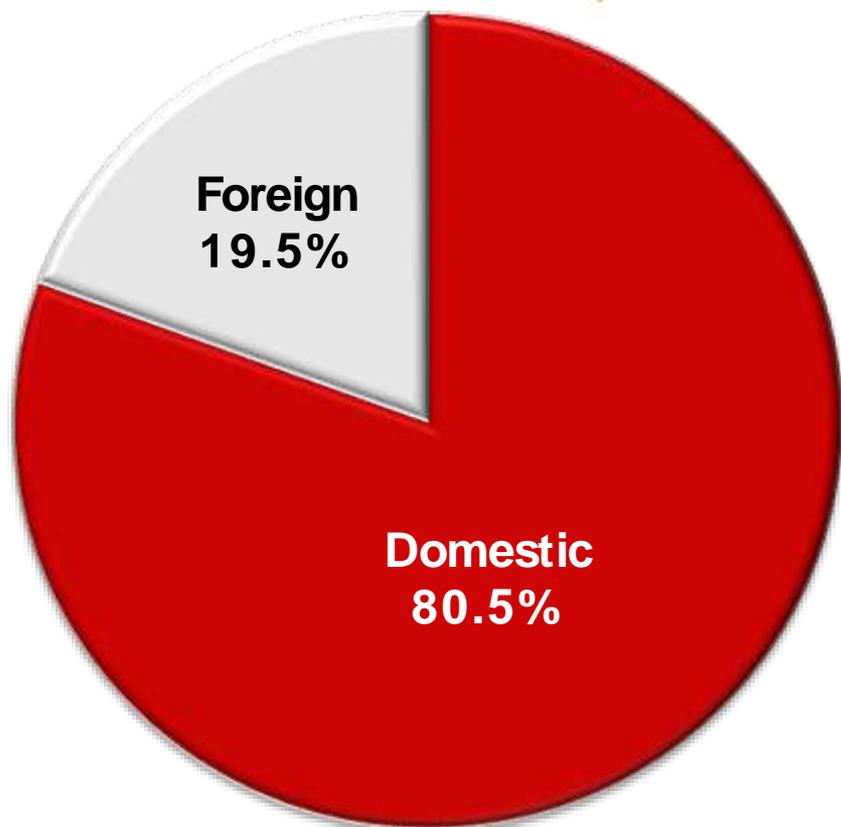
% Change in FBM KLCI : -6.5%

% Change in TR/GPR/APREA Composite REIT Index Malaysia : 7.1%

Source: Bloomberg

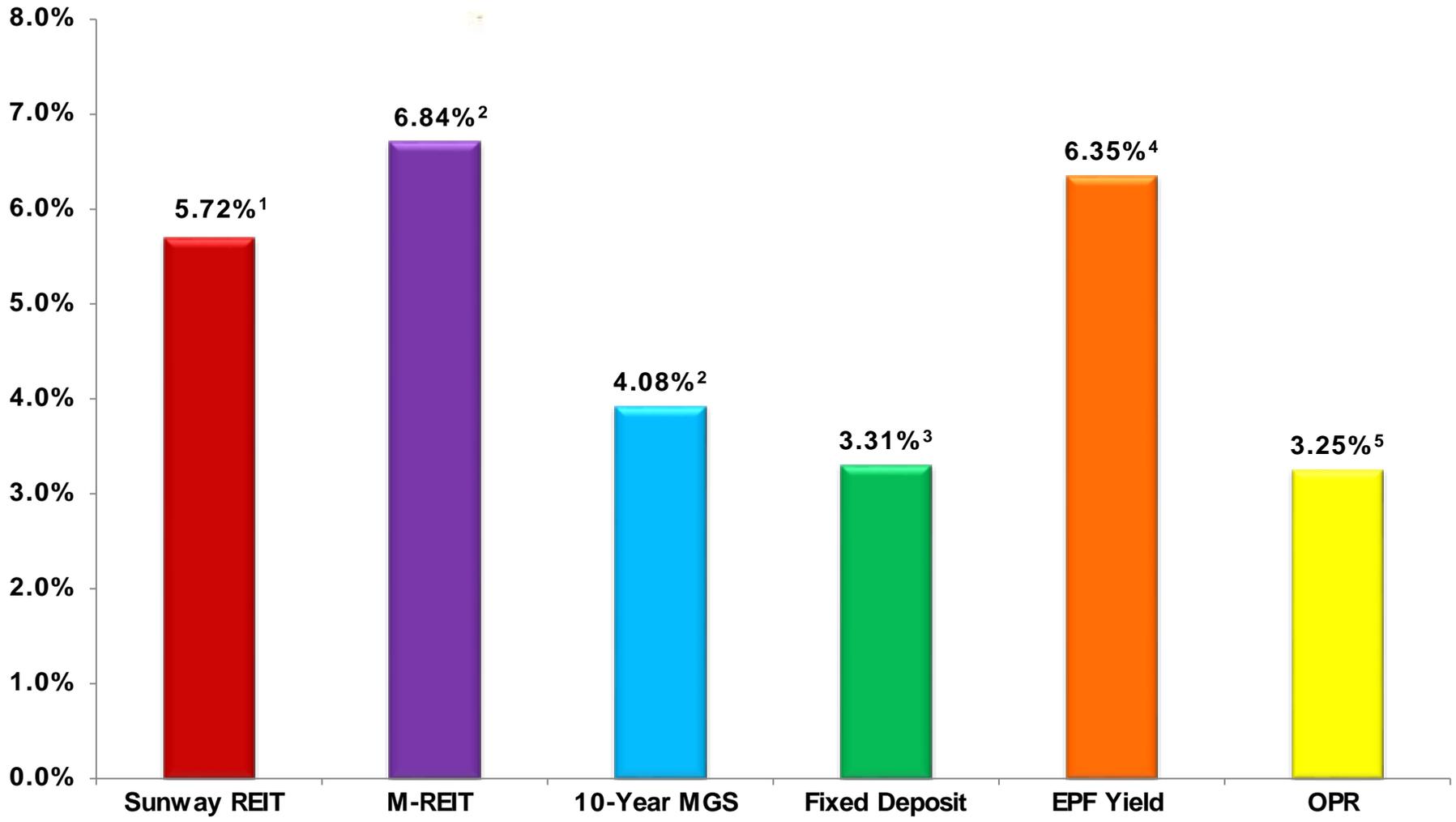
* Computed for the period 30 June 2014 – 31 December 2014

Unitholders' Composition (as at 31 December 2014)



- Total number of unitholders has reduced from 8,942 as at 30 September 2014 to 8,579 as at 31 December 2014
- Retail participation eased from 11.9% as at 30 September 2014 to 11.2% as at 31 December 2014
- Foreign unitholdings was marginally lower at 19.5% as at 31 December 2014 compared to 19.6% as at 30 September 2014
- Sunway Berhad's unitholding increased from 34.6% as at 20 September 2014 to 35.7% as at 31 December 2014

Comparative Yields for Various Assets



Note:
1. Distribution yield based on consensus DPU forecast of 8.7 sen
2. Information as at 31 December 2014 (Source: Bloomberg)
3. 12-Month Fixed Deposit rates offered by commercial banks as at 30 November 2014 (Source: BNM)
4. Dividend yield declared by Employees Provident Funds for the year 2013
5. As at 31 December 2014



THANK YOU