



FORTUNE FAVOURS
THE RESILIENT

SUNWAY™

SUNWAY REIT

Financial Results
1st Quarter Ended
30 September 2014
(FYE 30 June 2015)

Announcement Date:
6 November 2014

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1. Financial Highlights & Key Updates

Distribution Details

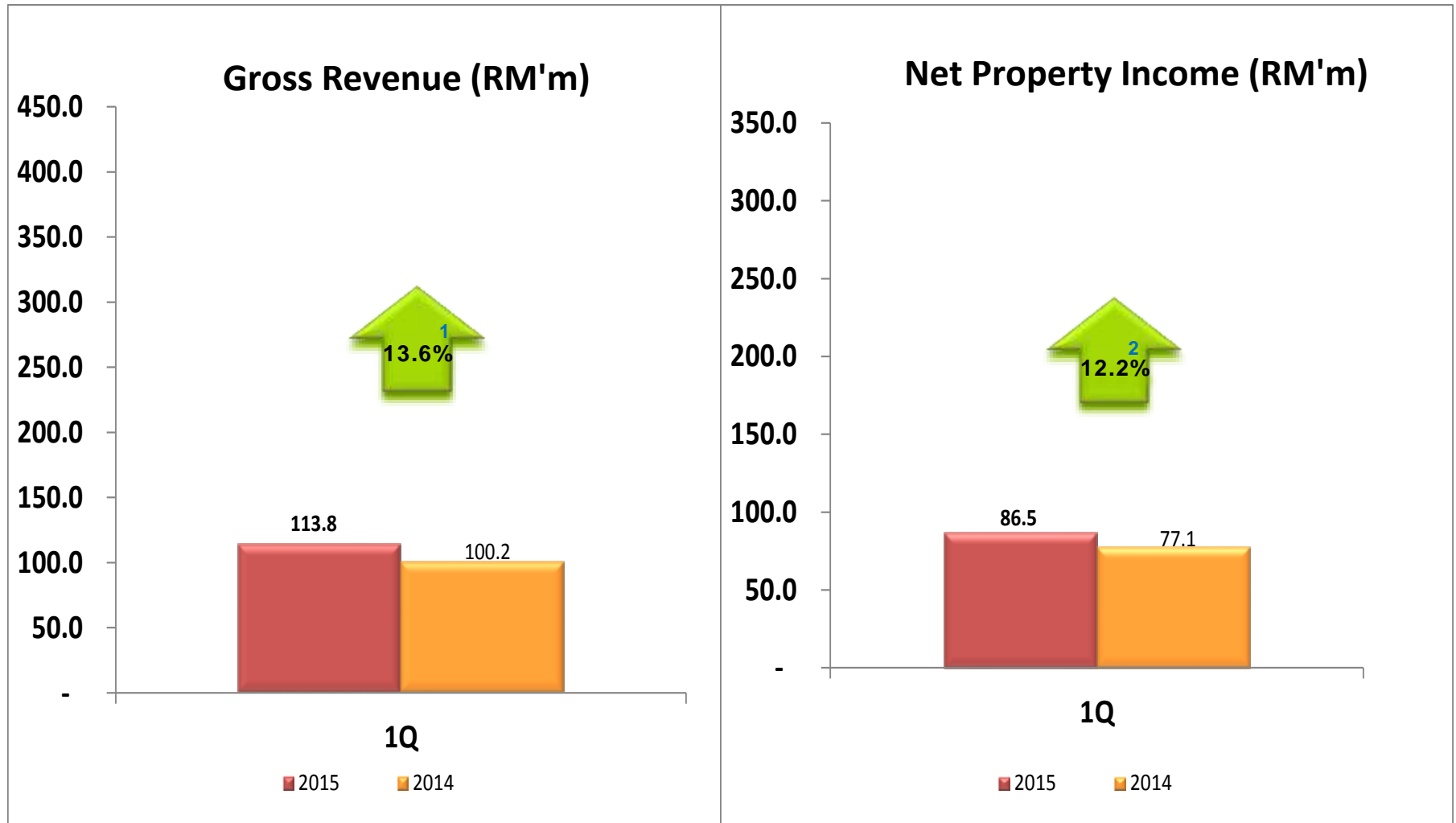
Dividend Distribution Details	
Distribution Period	1 July 2014 - 30 September 2014
Distribution per Unit (DPU) (sen)	2.28 ¹
Notice of Entitlement	6 November 2014
Ex-Dividend Date	19 November 2014
Book Closure Date	21 November 2014
Payment Date	4 December 2014

¹ Proposed income distribution for 1Q 2015 of 2.28 sen per unit (comprising taxable and non-taxable/tax exempt amount of 1.96 sen and 0.32 sen per unit respectively).

Financial Highlights

Highlights	1Q 2015	1Q 2014	Change %
No. of Properties	12	12	0.0%
Property Value (RM'billion)	5.559	5.203	6.8%
No. of Units in Circulation	2,930,983,100	2,921,426,900	0.3%
Unit Price as at 30 Sept (RM)	1.53	1.42	7.7%
Market Capitalisation (RM'billion)	4.484	4.148	8.1%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.2378	1.1812	4.8%
Premium to NAV	23.6%	20.2%	3.4%
Earnings Per Unit (EPU) (sen)	2.17	1.90	14.5%
Distribution Per Unit (DPU) (sen)	2.28	2.00	14.0%
Annualised Distribution Yield (Based on market price as at 30 Sept)	5.9%	5.6%	0.3%
Management Expense Ratio (After income distribution)	0.81%	0.78%	0.0%
YTD total return	12.2%	-2.2%	14.4%
Gearing	32.0%	31.4%	0.5%

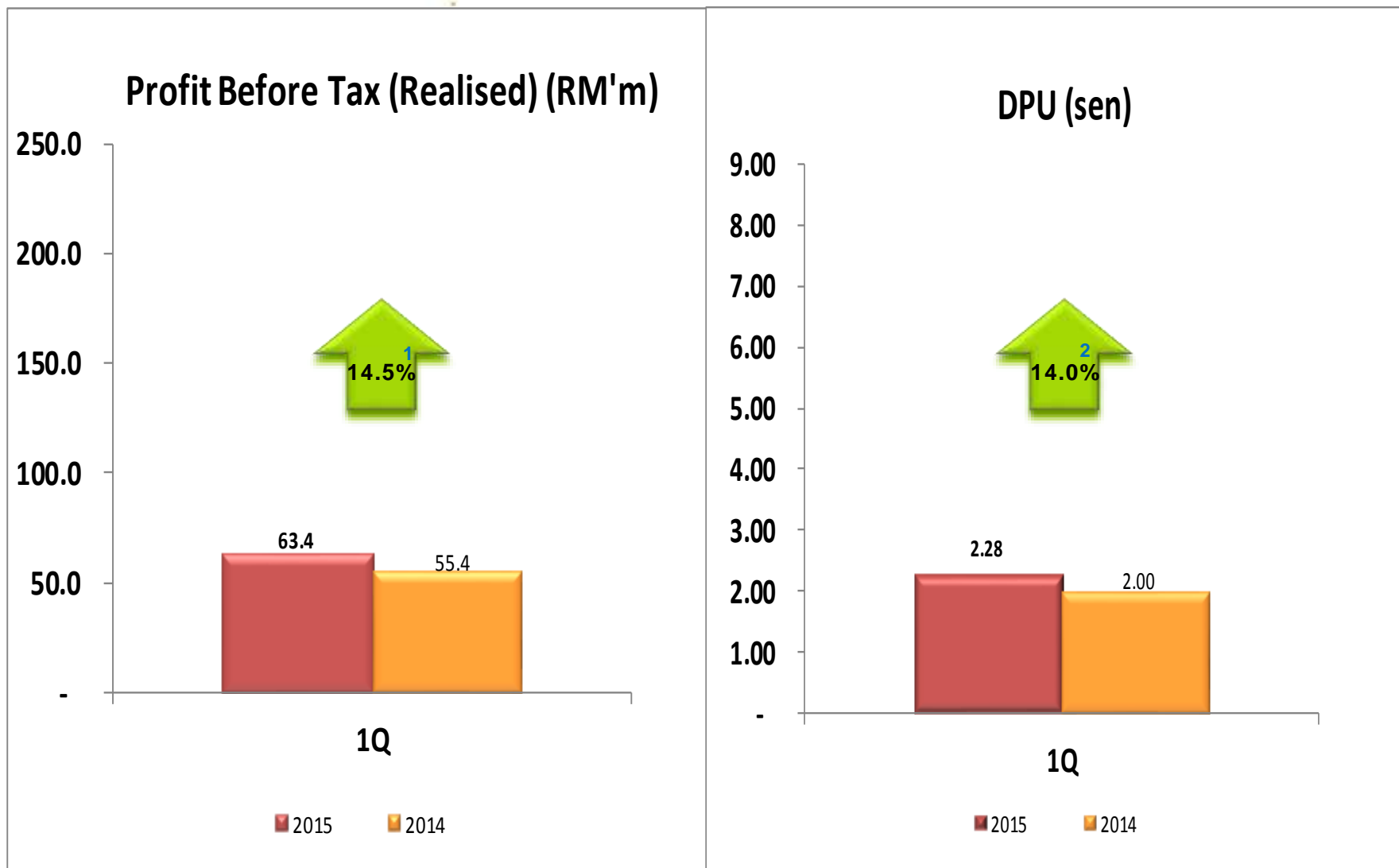
Financial Highlights (Cont'd)



¹ Gross revenue increased 13.6% or RM13.6 million contributed substantially by Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall and supported by robust growth in Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya.

² Net Property Income increased 12.2% or RM9.4 million mainly due to increase in gross revenue and reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase. However, this was partially offset by higher operating expenses which will be explained in slide 11.

Financial Highlights (Cont'd)



¹ PBT(Realised) increased by 14.5% or RM8.0 million mainly due to higher net property income.

² DPU increased by 14.0% or 0.28 sen in line with the increase in net profit for the period.

Key Updates

Material litigation

After the Federal Court has on 20 February 2012 dismissed Metroplex Holdings Sdn Bhd's ("MHSB") 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 Place and that the documents/exhibits carried credible evidential value.

However, Metroplex has proceeded to file an appeal to the judge in chambers on the decision given above. The hearing for the appeal is fixed on 27 November 2014.

2. 1Q 2015 Financial Results

Statement of Comprehensive Income – Consolidated

	1Q 2015 RM'000	1Q 2014 RM'000	Change %	YTD 2015 RM'000	YTD 2014 RM'000	Change %
Gross revenue	113,812	100,176	13.6%	113,812	100,176	13.6%
Less : Property operating expenses	(27,320) ¹	(23,070)	18.4%	(27,320)	(23,070)	18.4%
Net property income	86,492	77,106	12.2%	86,492	77,106	12.2%
Other income	738	538	37.2%	738	538	37.2%
Manager's fees	(6,893)	(6,329)	8.9%	(6,893)	(6,329)	8.9%
Trustee's fees and other trust expenses	(544) ²	(367)	48.2%	(544)	(367)	48.2%
Finance costs	(16,342) ³	(15,548)	5.1%	(16,342)	(15,548)	5.1%
Profit for the period/year	63,451	55,400	14.5%	63,451	55,400	14.5%
Total comprehensive income for the period/year comprises the following:						
Realised						
- Initial 8 IPO assets + SMC	64,068	56,423	13.5%	64,068	56,423	13.5%
- Sunway Putra Place	(633) ⁴	(1,039)	39.1%	(633)	(1,039)	39.1%
Total realised	63,435	55,384	14.5%	63,435	55,384	14.5%
Unrealised	16	16	0.0%	16	16	0.0%
Total net profit for the period/year	63,451	55,400	14.5%	63,451	55,400	14.5%
No. of Units in circulation (million)	2,931	2,921	0.3%	2,931	2,921	0.3%
EPU (sen)						
- realised	2.17	1.90	14.2%	2.17	1.90	14.2%
- unrealised	-	-	0.0%	-	-	0.0%
Total EPU	2.17	1.90	14.2%	2.17	1.90	14.2%
Proposed/declared distribution	66,826	58,429	14.4%	66,826	58,429	14.4%
Proposed/declared distribution per unit (sen)	2.28	2.00	14.0%	2.28	2.00	14.0%

¹ 1Q 2015 vs 1Q 2014 – Property operating expenses was higher in 1Q 2015 mainly attributable to higher utilities expenses following the 17% electricity tariff hike from January 2014 and higher advertising and promotion expenses. Additionally, a one-off maintenance expense were also incurred to upkeep Sunway Pyramid Shopping Mall. These were partially reduced by reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase. Further, expenses was also lower in 1Q 2014 due to recovery of doubtful debts.

² 1Q 2015 vs 1Q 2014 – Other trust expenses was lower in 1Q 2014 compared to the current quarter mainly due to reversal of overprovision for valuation fees for FY2013.

³ 1Q 2015 vs 1Q 2014 – Finance costs was higher in 1Q 2015 due to drawdown of borrowings to fund the capital expenditure and increase in Overnight Policy Rate (OPR) by 25 bps in July 2014 which resulted in higher interest expense on the floating rate borrowings.

⁴ 1Q 2015 vs 1Q 2014 – Lower realised net loss in 1Q 2015 compared to 1Q 2014 mainly due to reversal of overprovision for assessment as mentioned in ⁽¹⁾ above.

Statement of Financial Position – Consolidated

	30.09.14 RM'000	30.06.14 RM'000
ASSETS		
Non-current assets		
Plant and equipment	3,354	3,039
Investment properties	5,558,894	5,520,000
	5,562,248	5,523,039
Current assets		
Receivables, deposits and prepayments	20,399	16,361
Cash and bank balances	80,597	54,607
Derivative	17,908	12,484
	118,904	83,452
	5,681,152	5,606,491
EQUITY AND LIABILITIES		
Unitholders' funds		
Unitholders' capital	2,706,068	2,702,788
Undistributed income	988,605	985,283
	3,694,673	3,688,071
Non-current liabilities		
Borrowings	1,000,000	1,000,000
Long term liabilities	63,218	60,279
	1,063,218	1,060,279
Current liabilities		
Borrowings	815,440	742,042
Trade and other payables	107,821	116,099
	923,261	858,141
	5,681,152	5,606,491

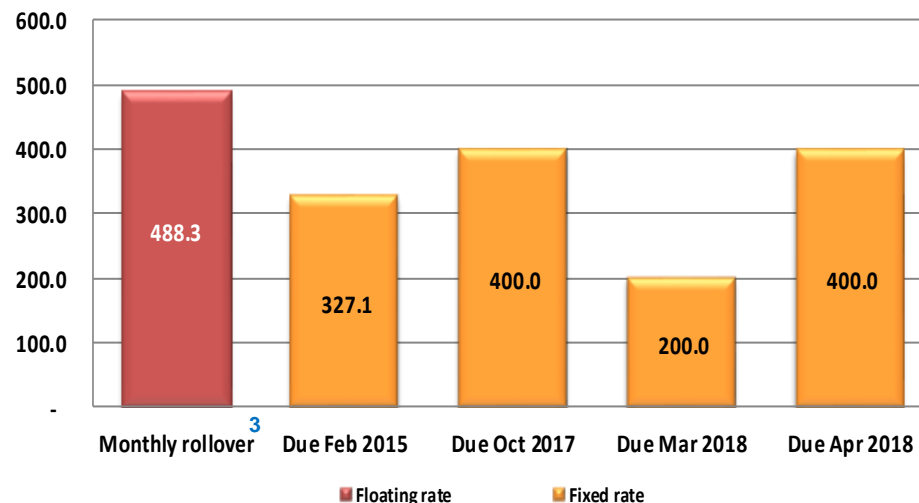
Debt Profile

	Facility Limit RM'mil	RM'mil
Term Loan	310.8	327.1 ¹
Commercial Papers/Revolving Loans	700.0 ²	488.3
Unrated MTNs	1,000.0	1,000.0
Total Gross Borrowings		1,815.4
Discount on Commercial Papers		-
Total Borrowings at carrying amount		1,815.4

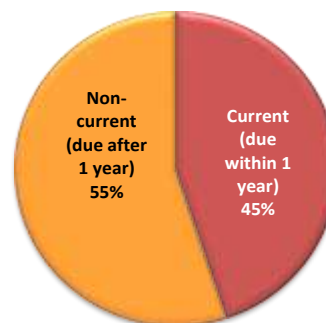
	RM'mil
Classification of Borrowings:	
Current (due within 1 year)	815.4
Non-current (due after 1 year)	1,000.0
Total Gross Borrowings	1,815.4

Average Cost of Debt	3.87%
Average Maturity Period (Years)	1.9
Debt Service Cover Ratio (DSCR)	5.5
Gearing Ratio	32.0%

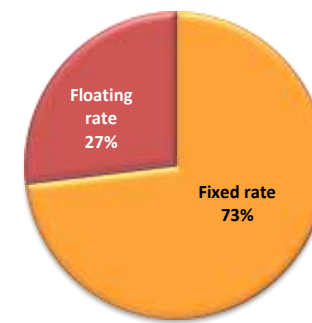
Loan Maturity Profile (RM'mil)



Classification of Borrowings



Fixed versus Floating rate mix



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

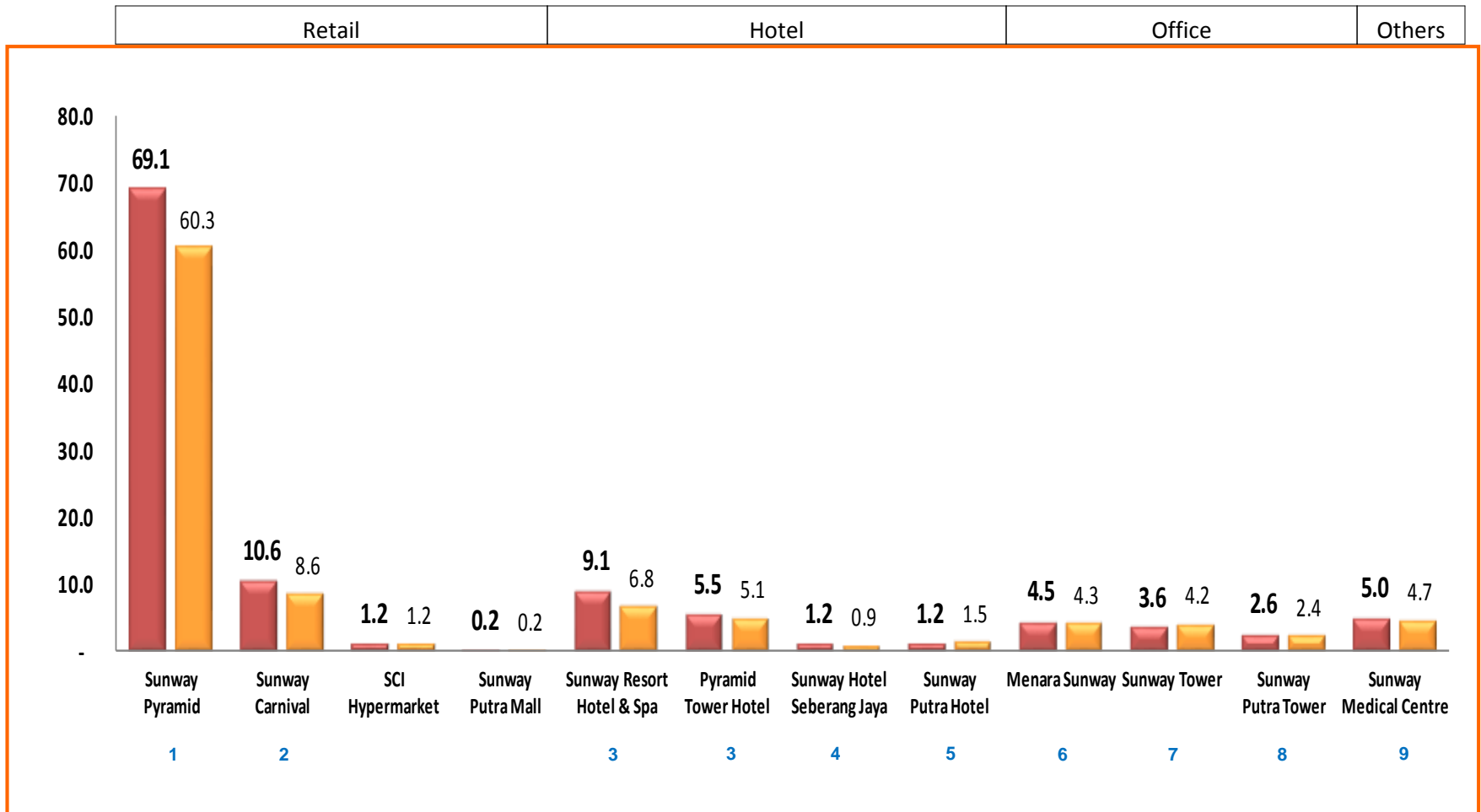
² The current limit of RM700.0 million can be increased to RM1.25 billion up to April 2015 and can subsequently be increased to RM1.60 billion up to expiry of the programme in April 2019.

³ No refinancing risk as the CP Programme is fully underwritten by a local financial institution for the entire duration of the programme.

3. 1Q 2015 Portfolio Performance

1 Q/YTD 2015 Revenue Contribution

■ 1Q/YTD 2015 (RM'mil)	113.8
■ 1Q/YTD 2014 (RM'mil)	100.2



Please refer to next page for explanatory notes.

1 Q/YTD 2015 Revenue Contribution (Cont'd)

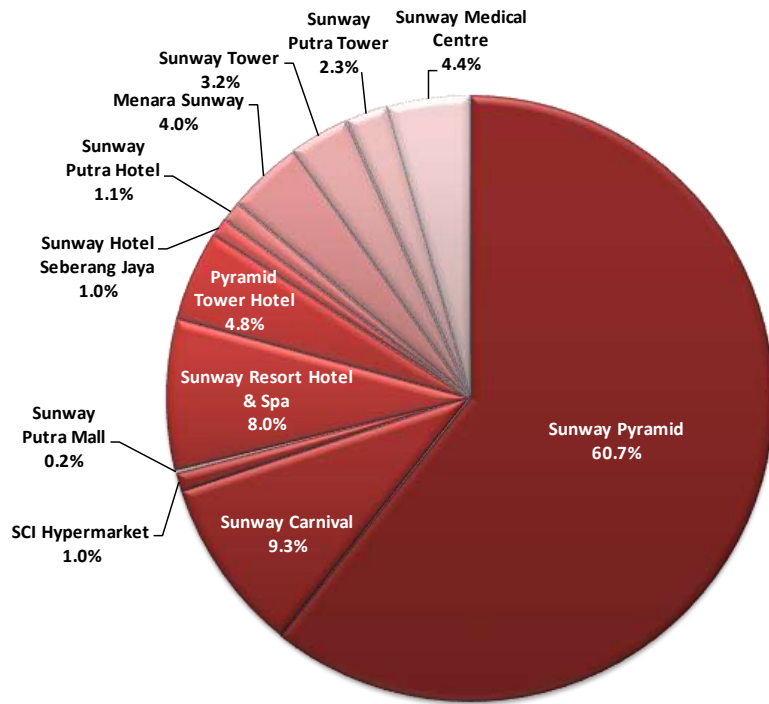
Explanation:^{*}

- ¹ Sunway Pyramid – Strong gross revenue growth for 1Q 2015 of 14.6% or RM8.8 million compared to 1Q 2014 primarily attributable to higher rental pursuant to the major renewal/new tenancies in FYE2014 whereby 1,033,523 sq.ft. was renewed/replaced with a double digit rental reversion for a 3-year term and additional income due to opening of Oasis Boulevard 5 (OB5) in 2Q 2014. The improved revenue was also due to the increase in service and promotion charges with effect from June 2014 (4Q 2014).
- ² Sunway Carnival – Strong growth in gross revenue by 23.3% or RM2.0 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 99.5% for YTD 1Q 2015 compared to 93.9% for YTD 1Q 2014 due to commencement of rental for a mini anchor who replaces the previous tenant who moved out in June 2013.
- ³ Sunway Resort Hotel & Spa and Pyramid Tower Hotel – Sunway Resort Hotel & Spa (SRHS) registered robust revenue growth of 33.8% or RM2.3 mil for 1Q 2015. This was mainly due to improvements in both the average daily rate and average occupancy rate (1Q 2015: 80.9%, 1Q 2014: 72.4%), contributed by strong corporate and MICE business, higher number of Middle-Eastern tourists arrival and continuous 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 hotel predominantly serve. Likewise, Pyramid Tower Hotel (PTH) also delivered higher revenue by 7.8% or RM0.4 million, backed by improved average daily rate and average occupancy rate (1Q 2015: 83.7%, 1Q 2014: 76.0%) mainly due to the same reason as SRHS.
- ⁴ Sunway Hotel Seberang Jaya – Sunway Hotel Seberang Jaya contributed higher revenue by 33.3% or RM0.3 million in 1Q 2015 compared to 1Q 2014 resulting from better average occupancy rate of 77.6% for 1Q 2015 compared to 57.8% for 1Q 2014 and higher average daily rate. Occupancy was low in 1Q 2014 as the hotel had just started resuming normal business operation upon completion of its refurbishment exercise in 4Q 2013.
- ⁵ Sunway Putra Hotel – Adversely affected by the ongoing major refurbishment works at the adjoining Sunway Putra Mall since May 2013 and the hotel's own refurbishment where average occupancy rate for the current quarter slipped to 36.4% from 43.8% in 1Q 2014, representing a reduction of 7.4%.
- ⁶ Menara Sunway – Moderately higher revenue by 4.7% or RM0.2 million for 1Q 2015 compared to 1Q 2014 mainly due to higher average rental rate.
- ⁷ Sunway Tower - Lower gross revenue by 14.3% or RM0.6 million due to progressive surrendering of some space by an anchor tenant since last financial year. Average occupancy rate slipped to 76.1% in 1Q 2015 from 88.3% in 1Q 2014.
- ⁸ Sunway Putra Tower – Higher revenue by 8.3% or RM0.2 million mainly due to alignment of the current low rental rates to market rate from a tenancy renewal in prior year and higher average occupancy at 76.9% (1Q 2014: 73.1%).
- ⁹ Sunway Medical Centre – Higher revenue due to rental reversion in accordance with the Master Lease Agreement and additional income contribution from completion of asset enhancement.

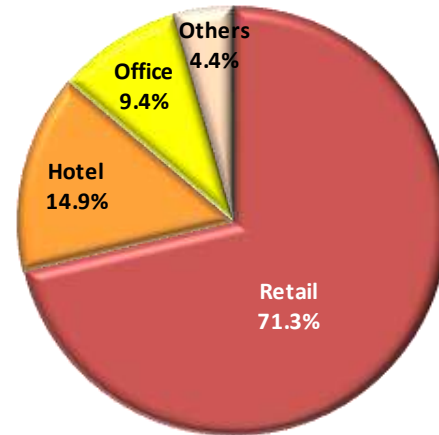
^{*} Calculation of % varies marginally compared to 1Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

1 Q/YTD 2015 Revenue Contribution (Cont'd)

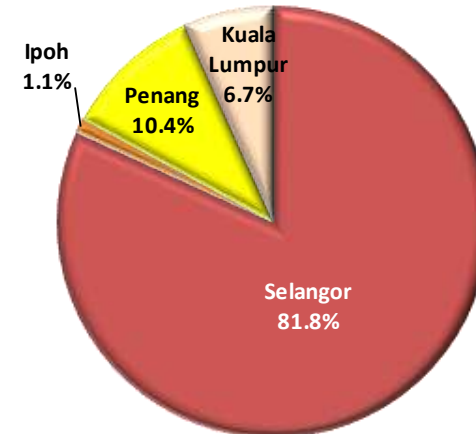
By property



By sector

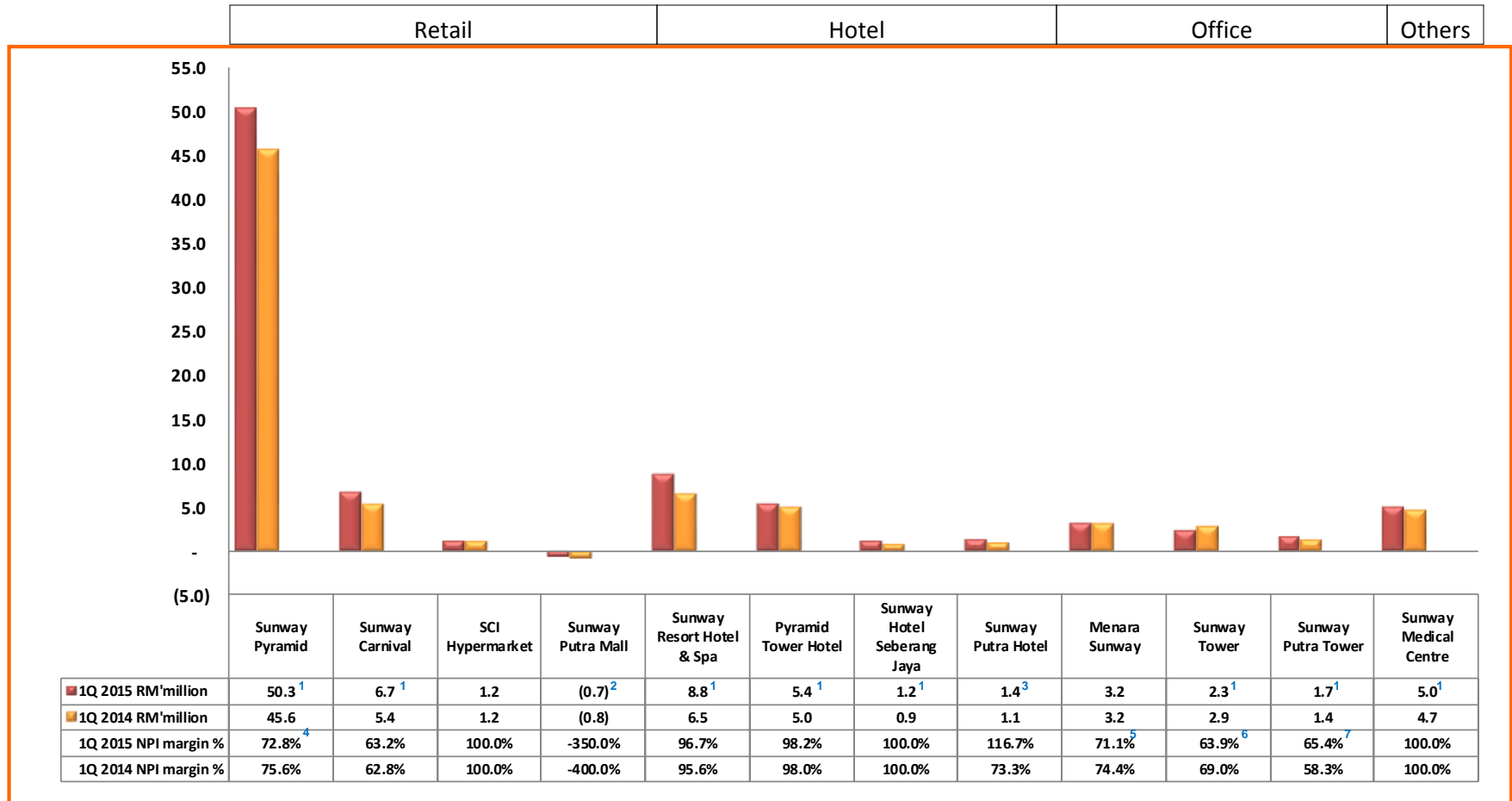


By location



1Q/YTD 2015 NPI Contribution

	<u>NPI</u>	<u>Margin</u>
1Q/YTD 2015 (RM'mil)	86.5	76.0%
1Q/YTD 2014 (RM'mil)	77.1	76.9%



Please refer to next page for explanatory notes.

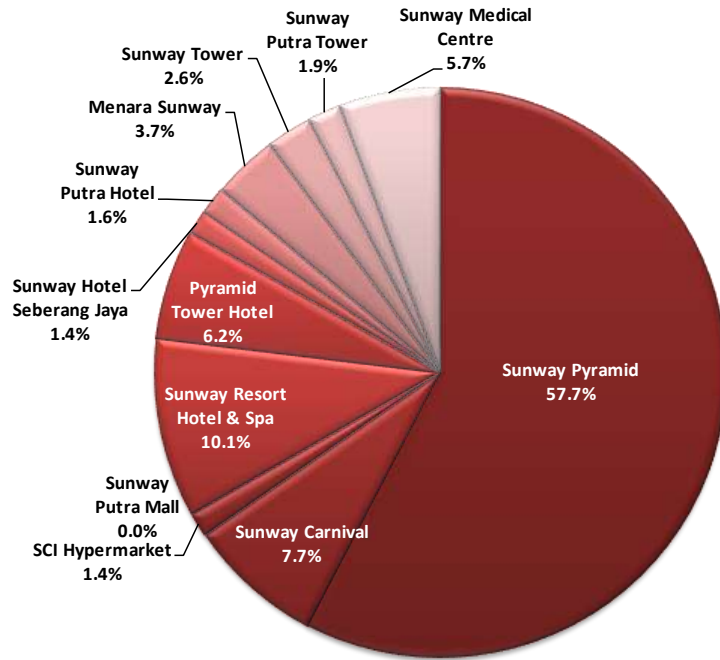
1Q/YTD 2015 NPI Contribution (cont'd)

Explanation:

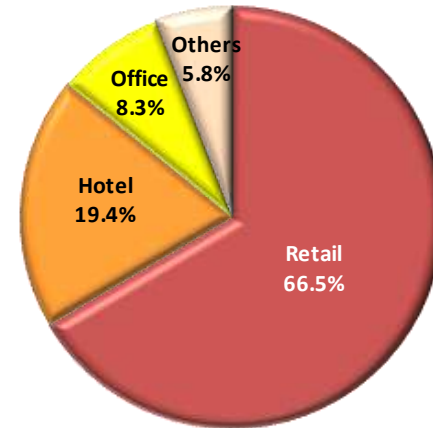
- ¹ As explained in Slide 16.
- ² Sunway Putra Mall – Lower net property loss in 1Q 2015 compared to 1Q 2014 due to reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase, offset by higher pre-opening expenses such as staff costs.
- ³ Sunway Putra Hotel – Higher NPI and NPI margin % in 1Q 2015 compared to 1Q 2014 mainly due to reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase.
- ⁴ Sunway Pyramid – NPI margin % for 1Q 2015 is lower than 1Q 2014 mainly attributable to higher utilities as it was affected by the 17% electricity tariff hike with effect from January 2014 (3Q 2014), higher advertising & promotion expenses to promote the shopping mall as well as one-off maintenance expenses to upkeep the mall during the quarter. Further, expenses was also lower in 1Q 2014 due to recovery of doubtful debts.
- ⁵ Menara Sunway – NPI margin % for 1Q 2015 is lower than 1Q 2014 due to higher utilities and maintenance expenses.
- ⁶ Sunway Tower - NPI margin % for 1Q 2015 is lower than 1Q 2014 mainly due to lower revenue.
- ⁷ Sunway Putra Tower - NPI margin % for 1Q 2015 is higher than 1Q 2014 mainly due to reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase.

1 Q/YTD 2015 NPI Contribution (Cont'd)

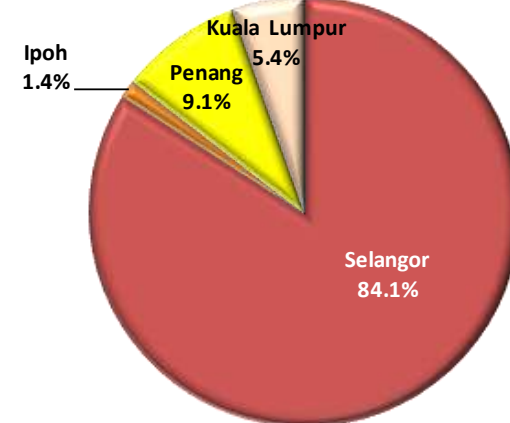
By property



By sector



By location



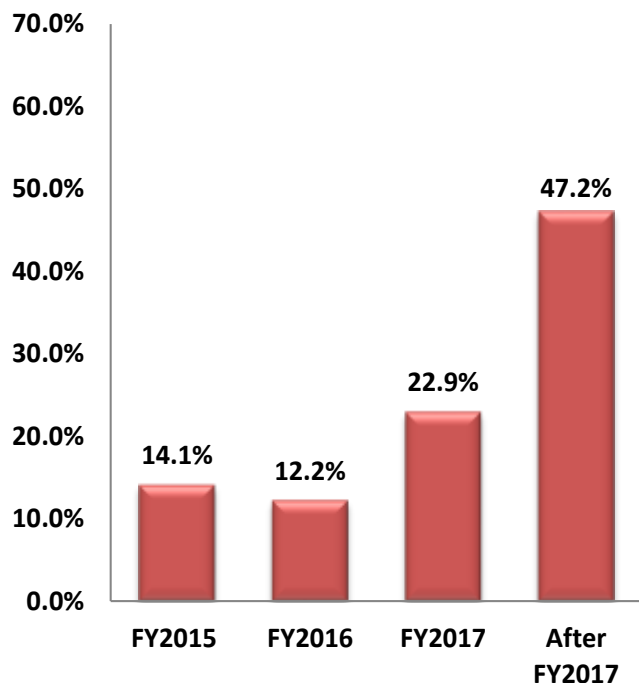
RESILIENT INCOME STREAM

Well spread-out lease expiry profile and diverse tenant base

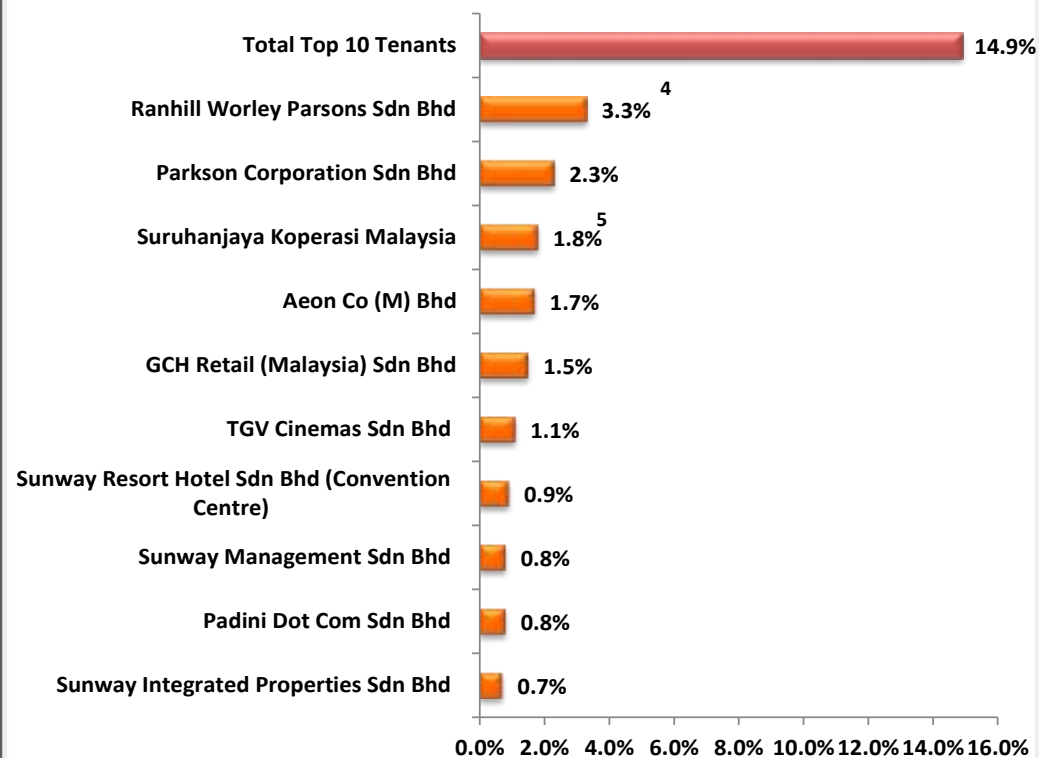
WALE ¹ as at 30 September 2014– 2.3 years

Top 10 tenants comprise approximately 14.9%

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 September 2014.
(Exclude Hotel Master Leases, Hospital Master Lease and car park tenancies.)

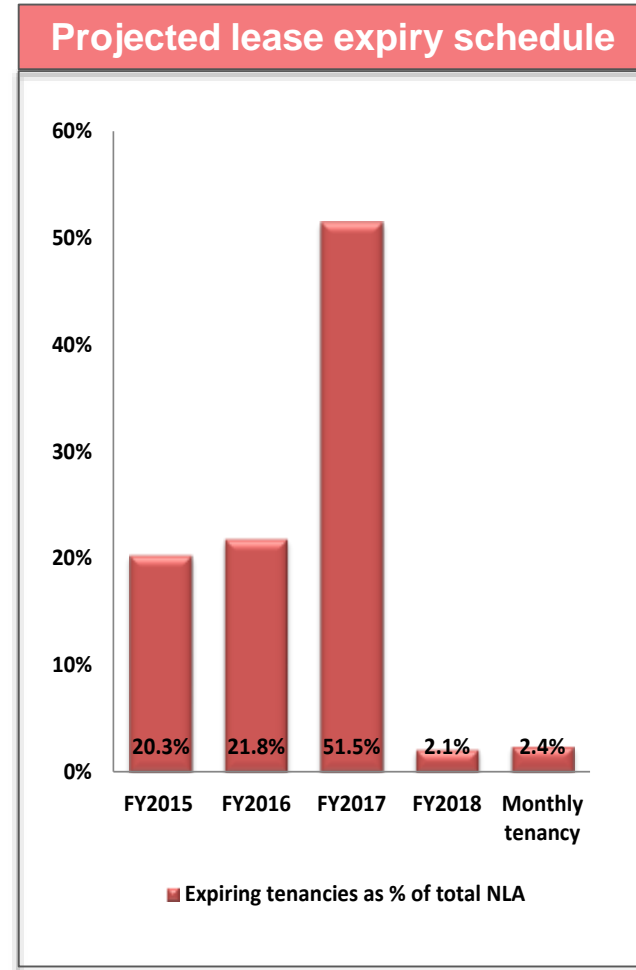
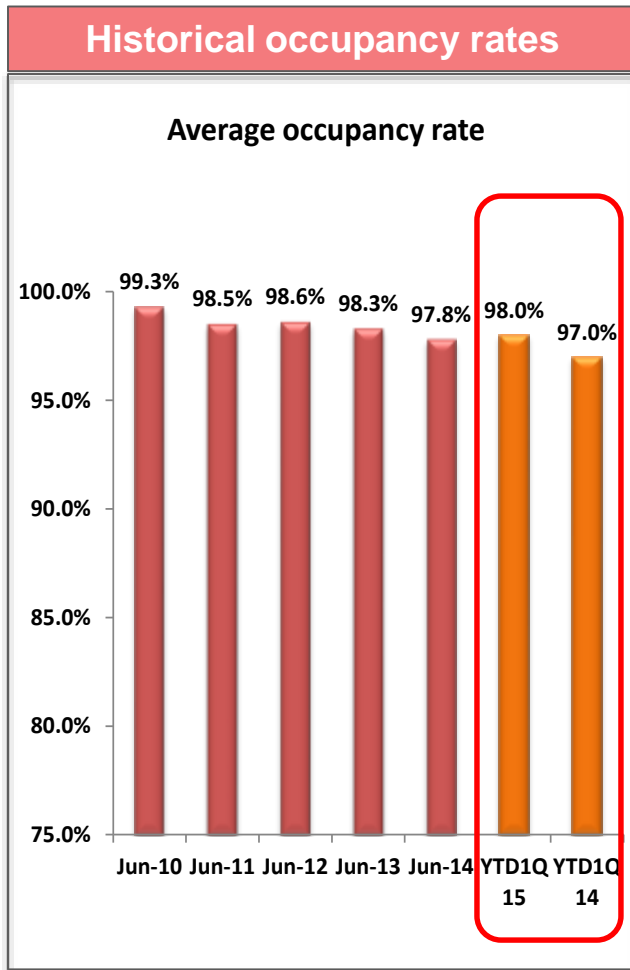
⁴ Ranhill's contribution will drop to approximately 1.9% by end-December 2014 when the anchor tenant progressively gives up 72,000 sq.ft. of NLA.

⁵ The anchor tenant will terminate its tenancy at the end of December 2014.

4. 1Q 2015 Property Performance

RETAIL PROPERTIES

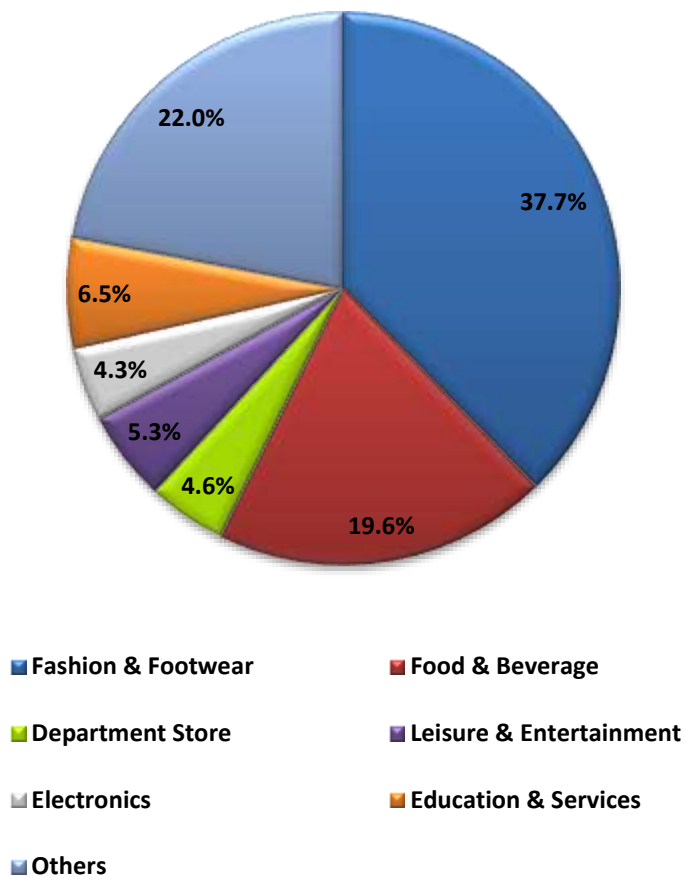
SUNWAY PYRAMID SHOPPING MALL



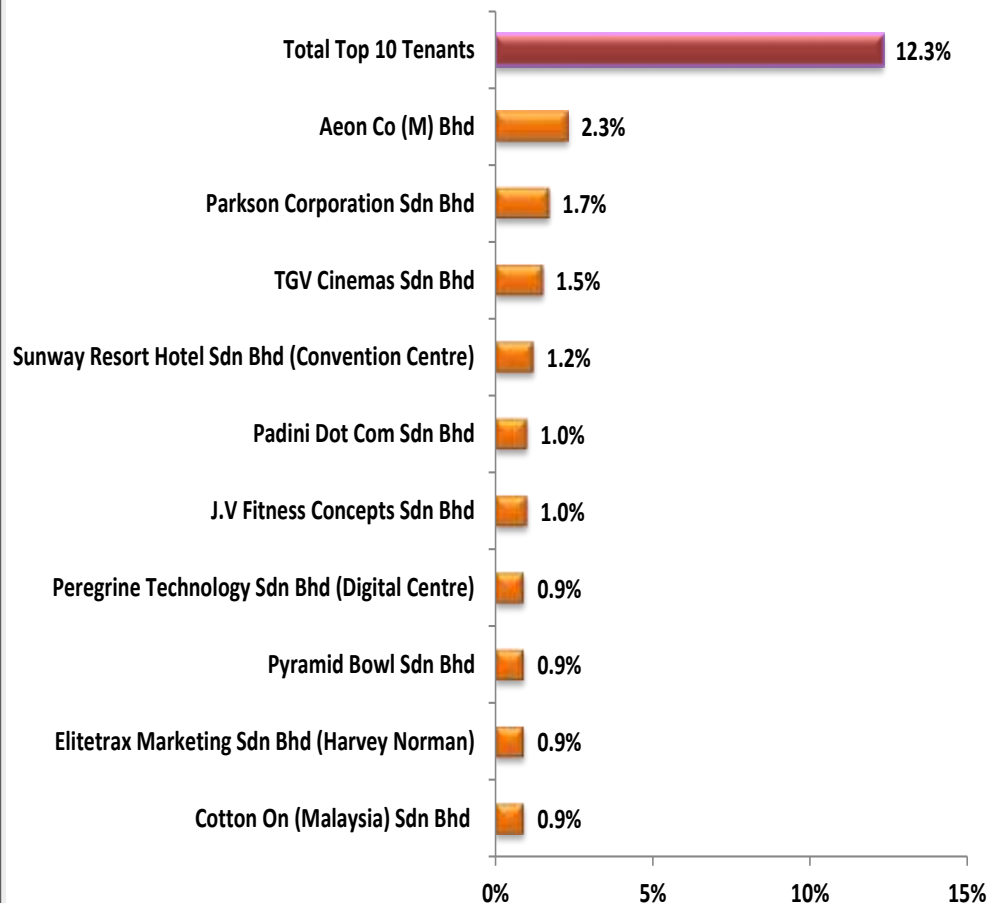
RETAIL PROPERTIES

SUNWAY PYRAMID SHOPPING MALL (Cont'd)

Tenant mix



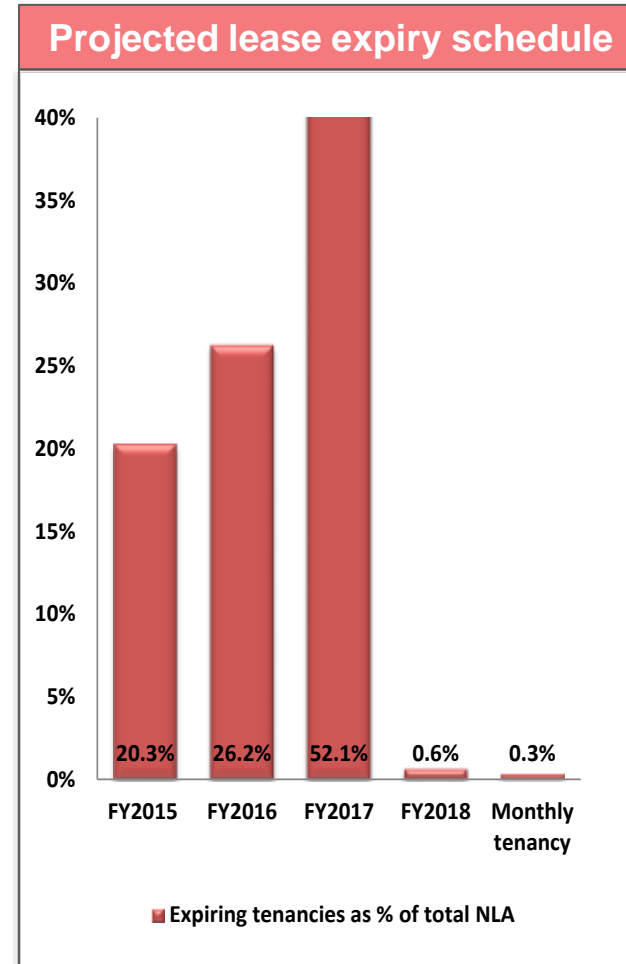
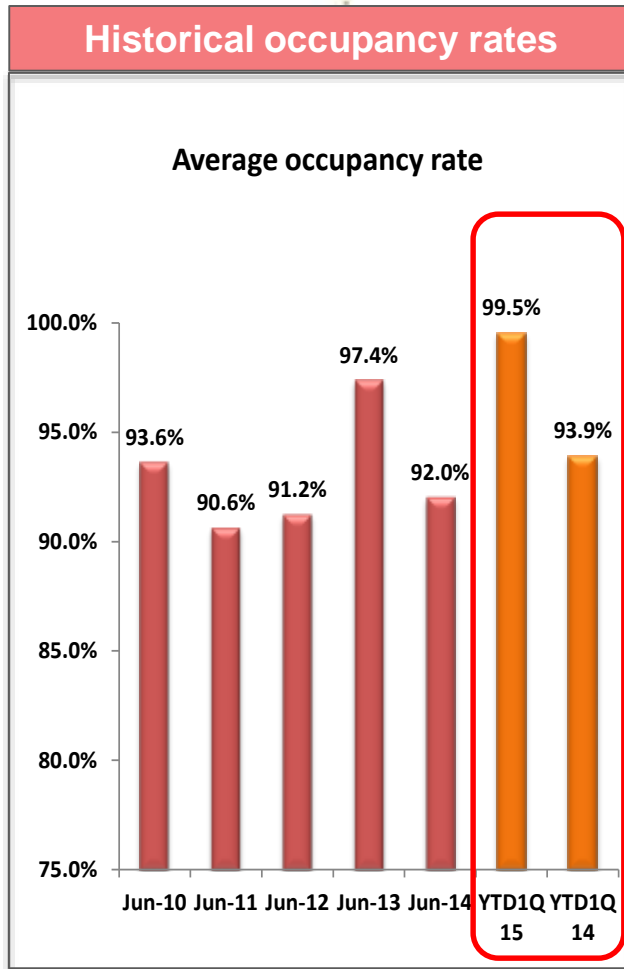
Top 10 tenants



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

RETAIL PROPERTIES

SUNWAY CARNIVAL SHOPPING MALL

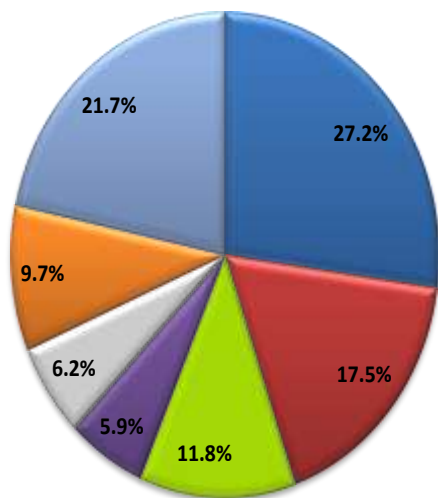


Note: Higher occupancy was recorded for YTD1Q 2015 due to commencement of tenancy for Sam's Groceria (replacement for Giant) occupying approximately 44,000 sq.ft in July 2014.

RETAIL PROPERTIES

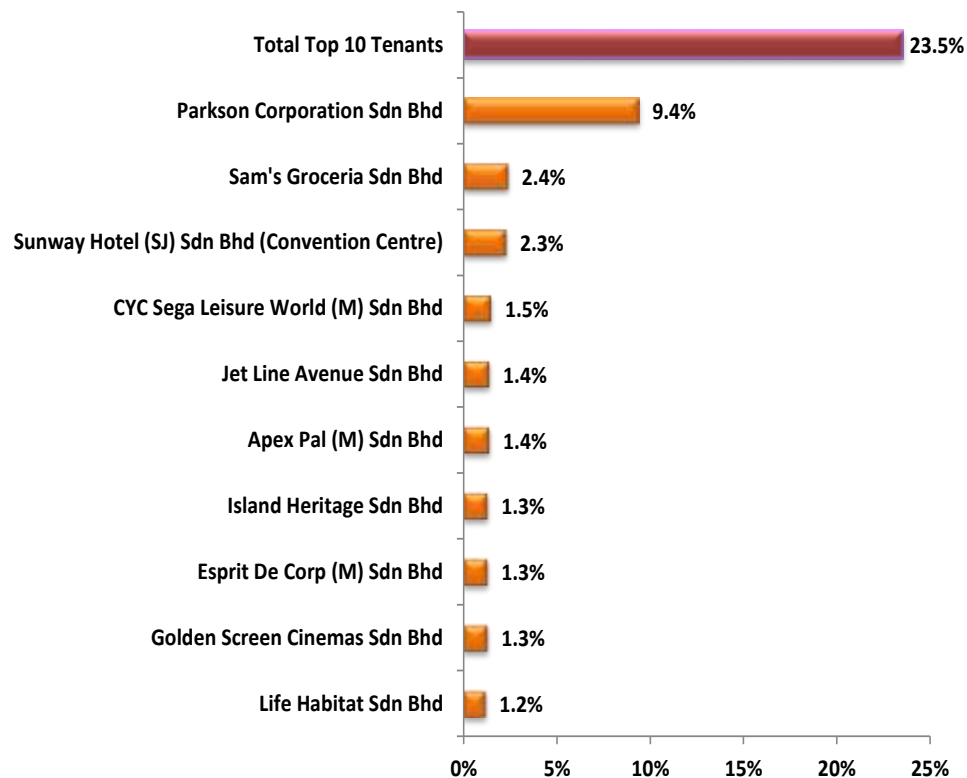
SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

Tenant mix



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

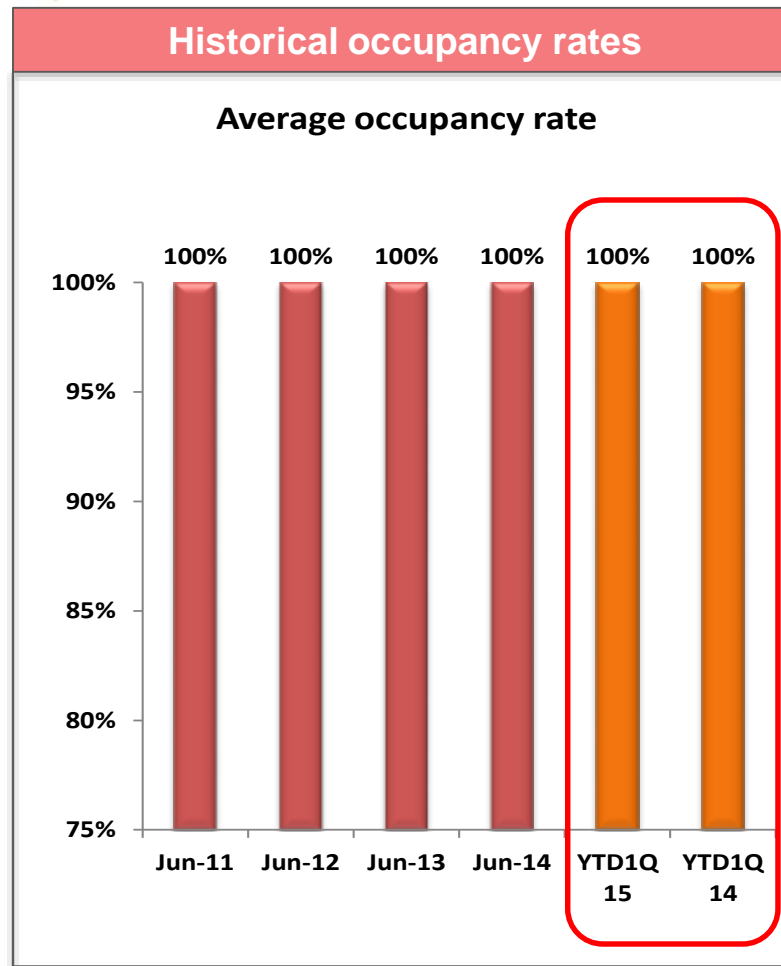
Top 10 tenants



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

RETAIL PROPERTIES

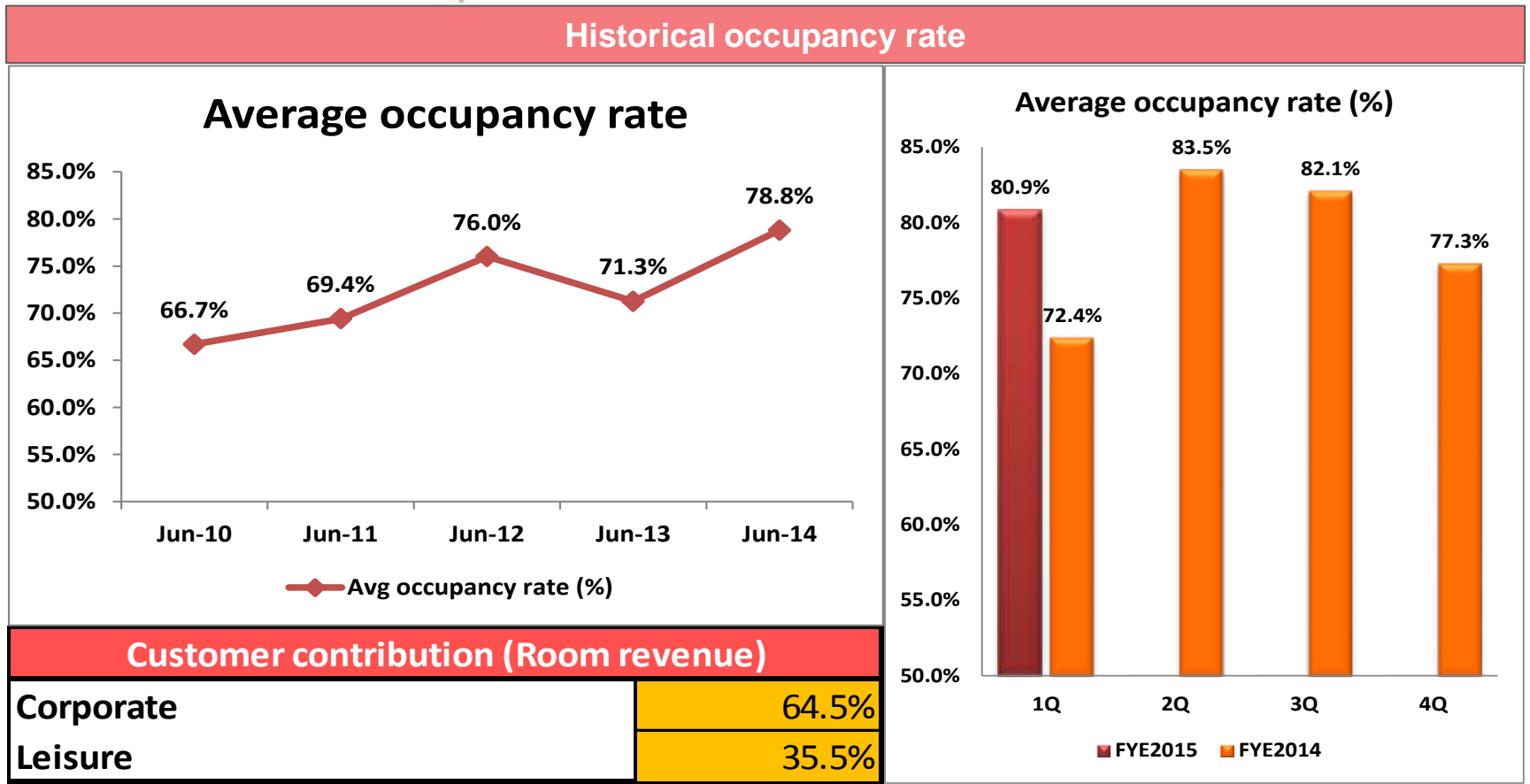
SUNCITY IPOH HYPERMARKET



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

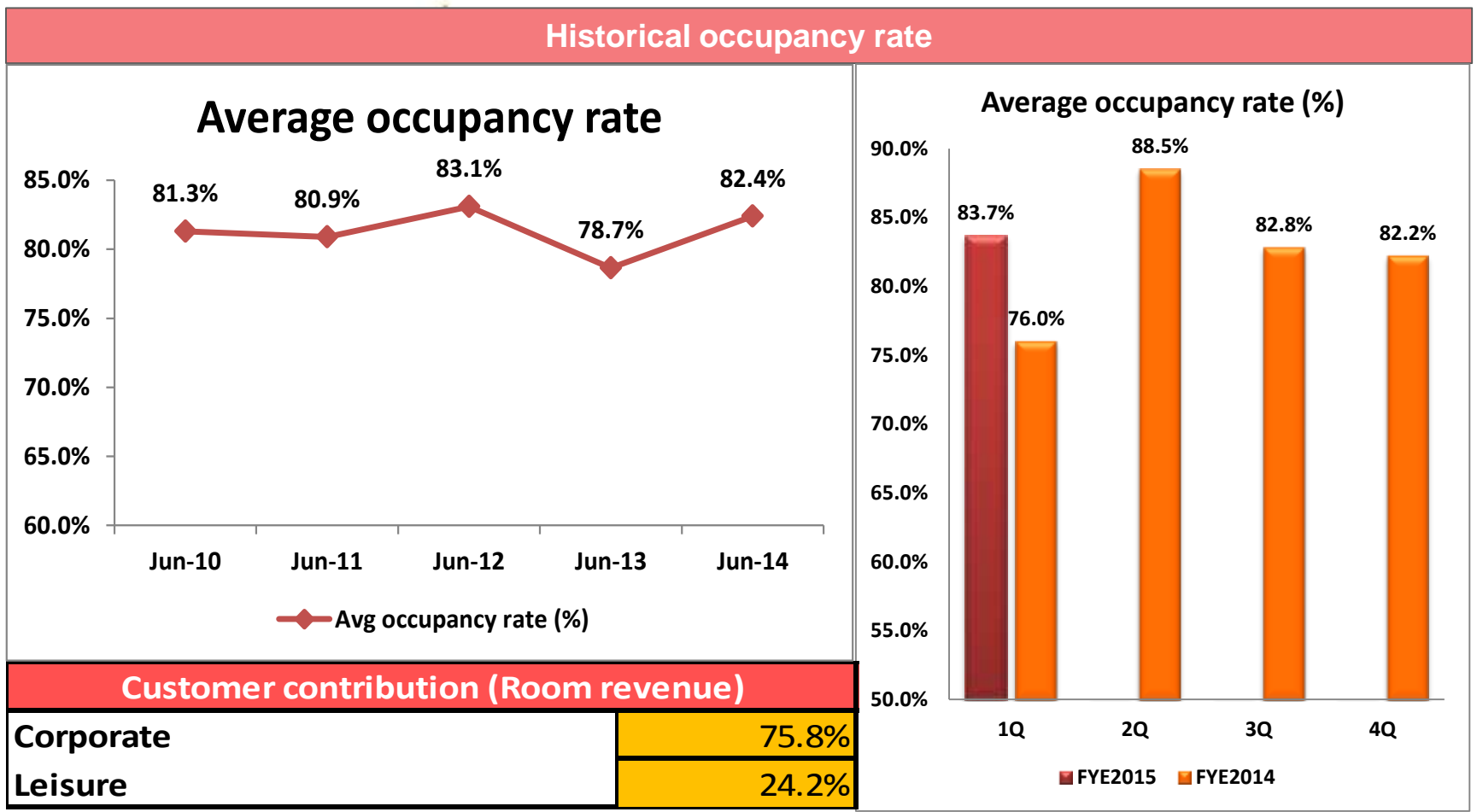


Note 1: The hotel properties are under 10-years master leases. The Sunway Resort Hotel & Spa and Pyramid Tower Hotel master lease is expiring in July 2020.

Note 2: Sunway Resort Hotel & Spa registered a significant improvement in occupancy rate to 80.9% in 1Q 2015 (72.4% in 1Q 2014) due to good corporate and MICE business and strong Middle-Eastern tourists arrival. Further, last year's occupancy was adversely affected due to a slowdown in the electrical and electronics (E&E) sector which the hotel predominantly serve.

HOSPITALITY PROPERTIES

PYRAMID TOWER HOTEL

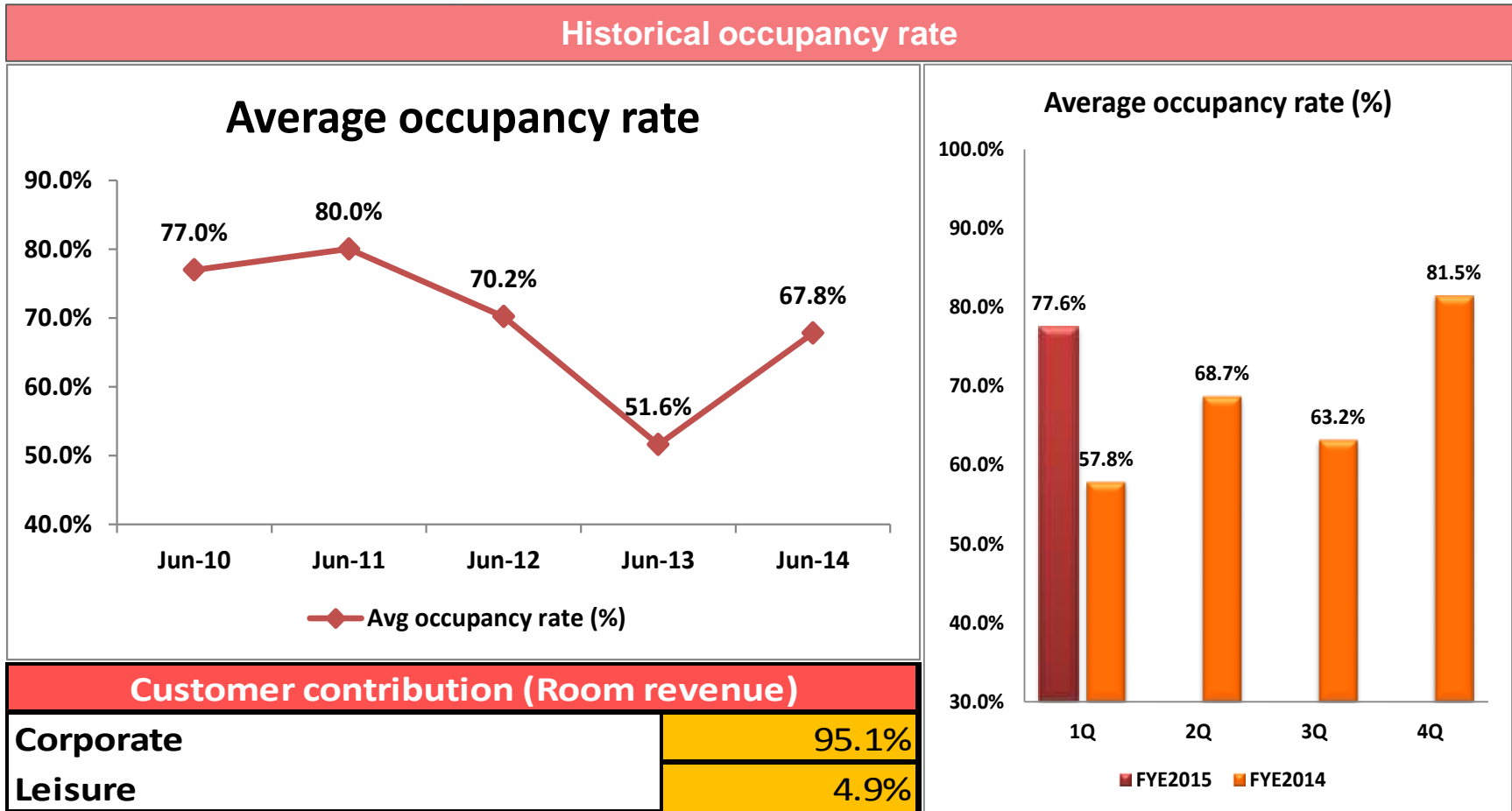


Note 1: The hotel properties are under 10-years master leases. The Sunway Resort Hotel & Spa and Pyramid Tower Hotel master lease is expiring in July 2020.

Note 2: Pyramid Tower Hotel (PTH) also enjoyed higher occupancy rate of 83.7% in 1Q 2015 compared to 76.0% in 1Q 2014 due to the same reason as SRHS.

HOSPITALITY PROPERTIES

SUNWAY HOTEL SEBERANG JAYA



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

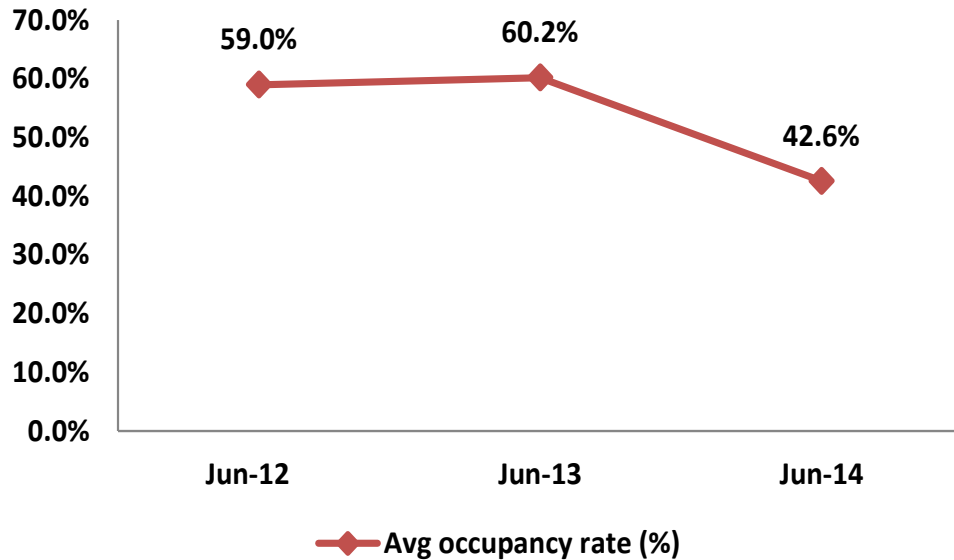
Note 2: Higher occupancy of 77.6% was recorded for 1Q 2015 as compared to 57.8% for 1Q 2014. Occupancy was low in 1Q 2014 as the hotel had just started resuming normal business operation upon completion of its refurbishment exercise in 4Q2013.

HOSPITALITY PROPERTIES

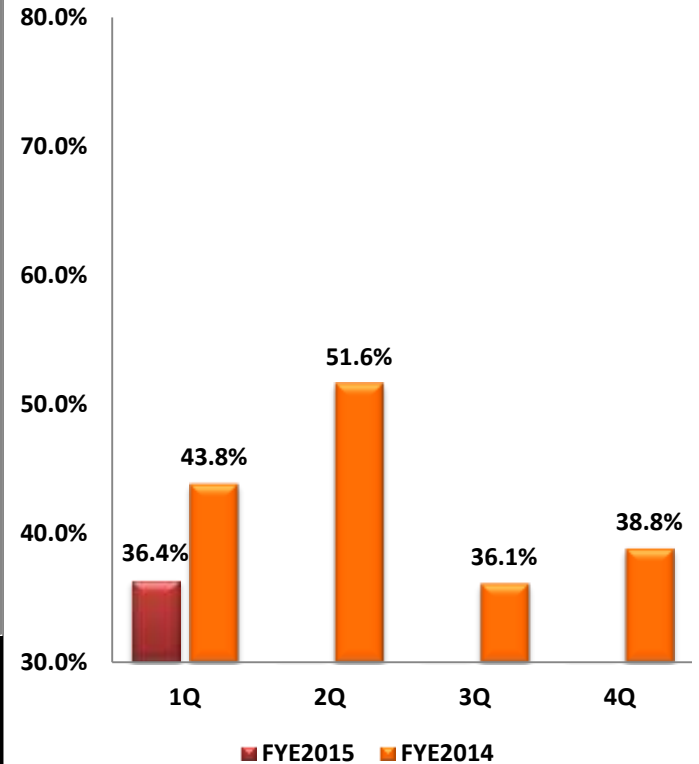
SUNWAY PUTRA HOTEL

Historical occupancy rate

Average occupancy rate



Average occupancy rate (%)



Customer contribution (Room revenue)

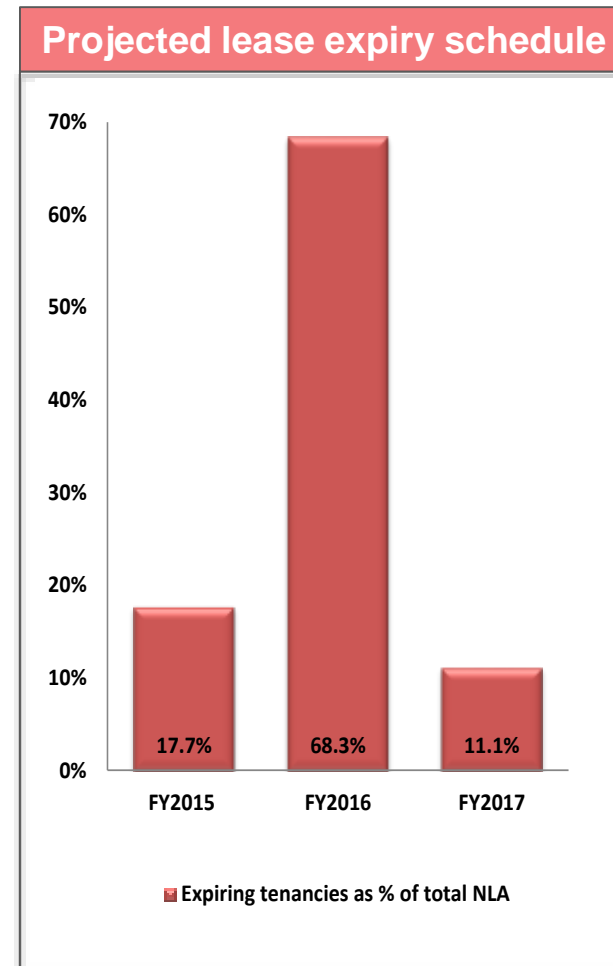
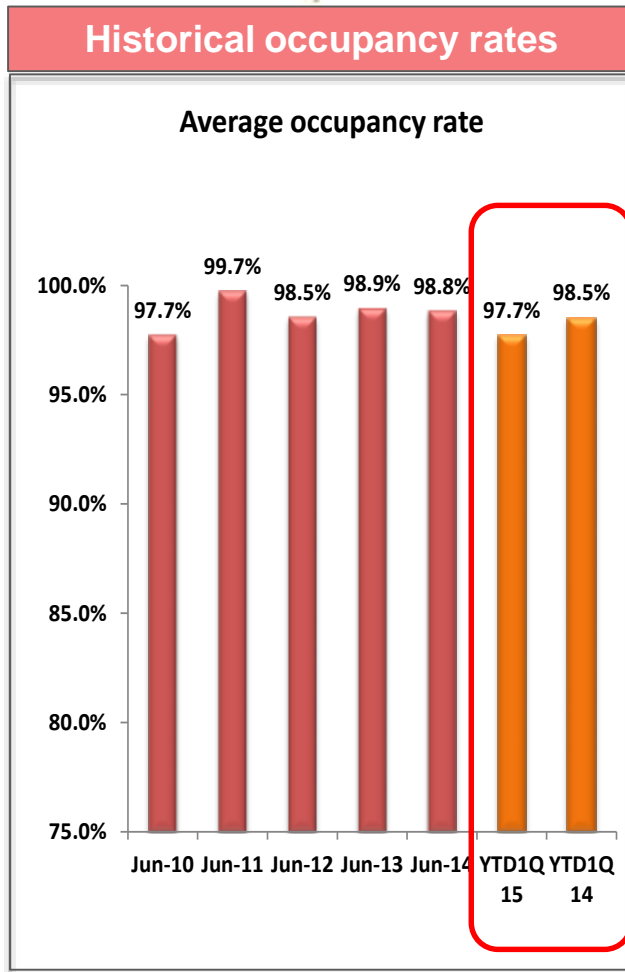
Corporate	81.7%
Leisure	18.3%

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 mainly due to the adverse impact of the ongoing refurbishment of the adjoining Sunway Putra Mall and the hotel's own upgrading works.

OFFICE PROPERTIES

MENARA SUNWAY

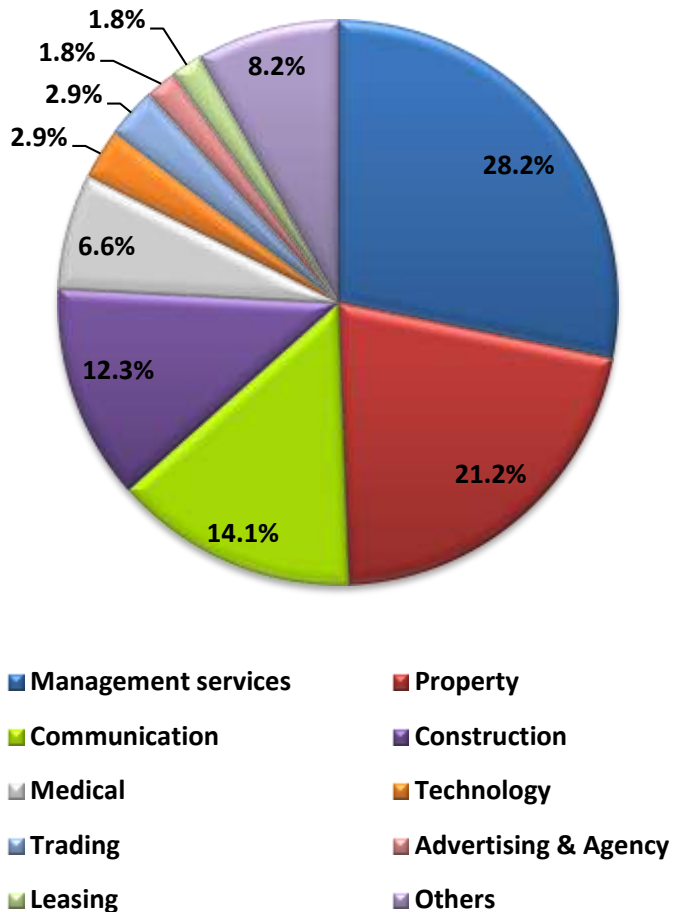


Note: Average occupancy rate for YTD1Q 2015 is lower at 97.7% (YTD1Q 2014: 98.5%) due to a tenant who did not renew in July 2014.

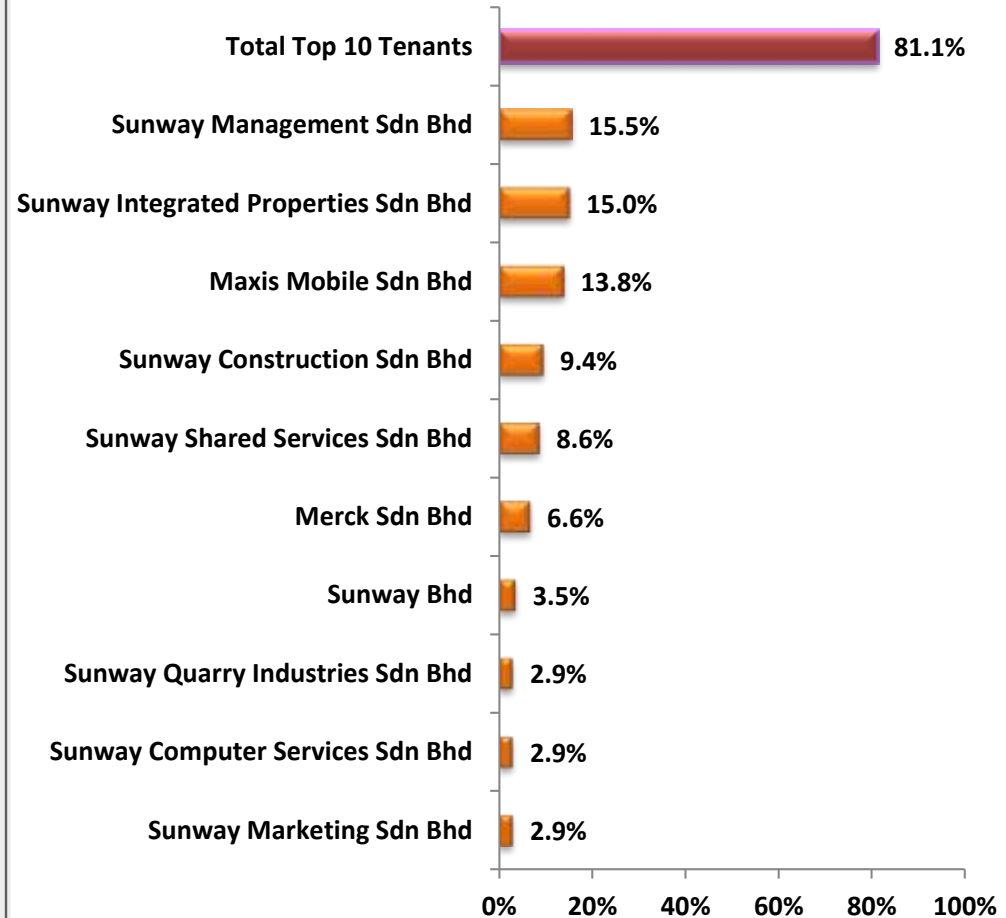
OFFICE PROPERTIES

MENARA SUNWAY (Cont'd)

Tenant mix



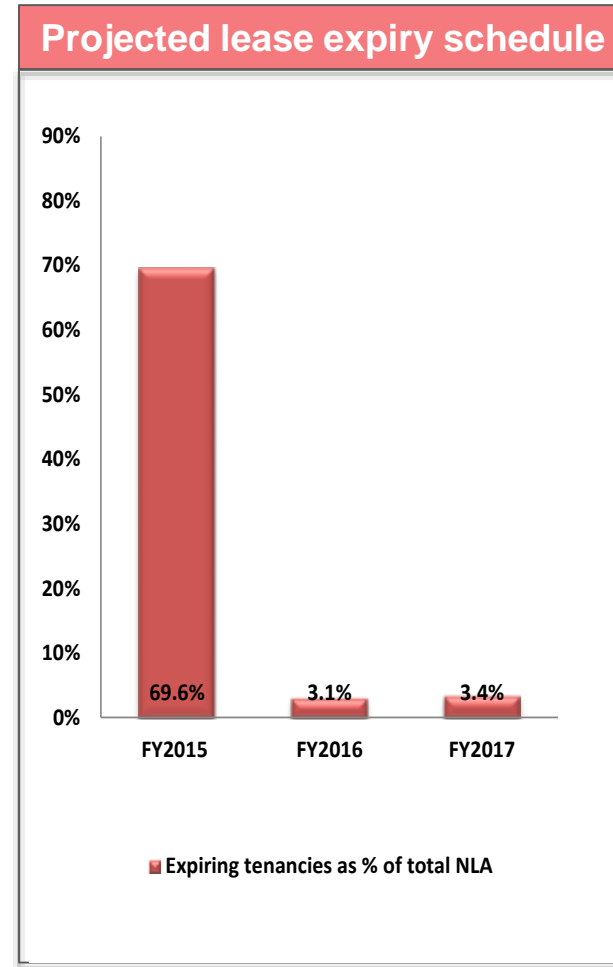
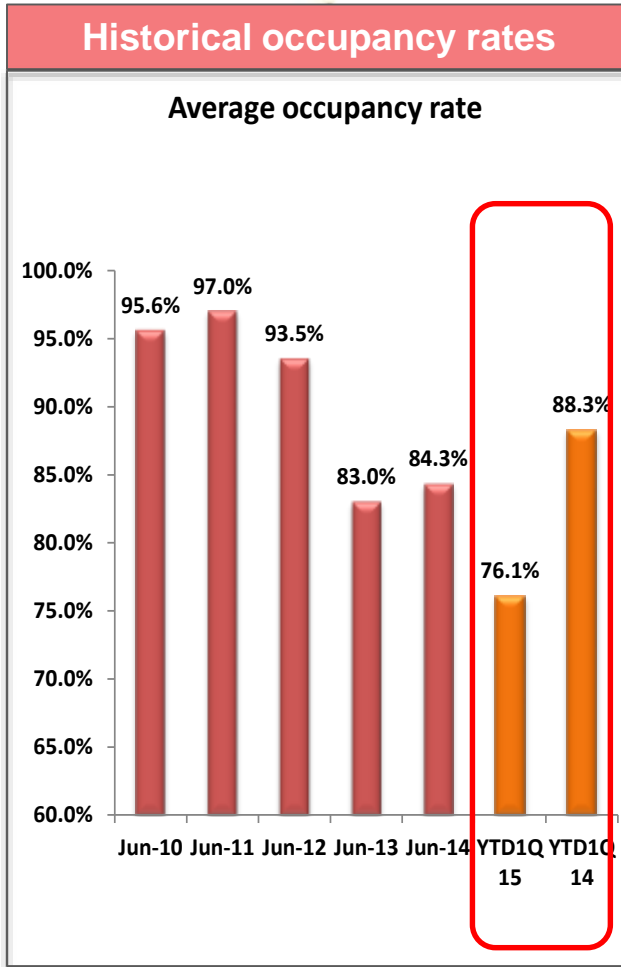
Top 10 tenants



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

OFFICE PROPERTIES

SUNWAY TOWER

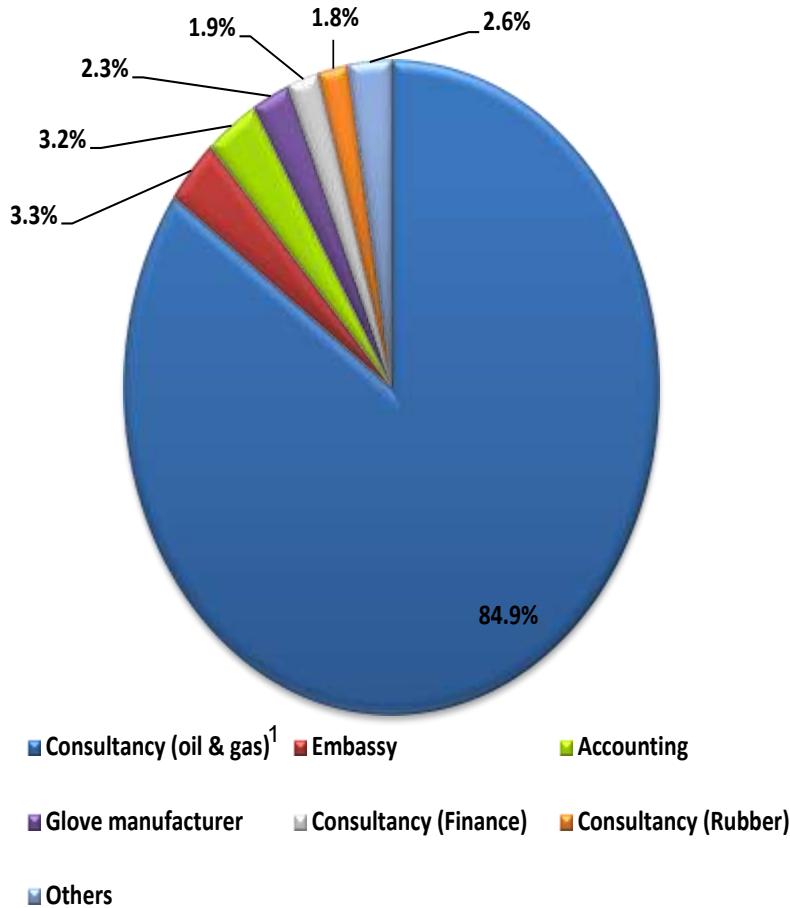


Note: The average YTD occupancy is lower as compared to last year same quarter as the anchor tenant has released some space. Going forward, the occupancy is expected to further decline to about 50% by end-December 2014 as the anchor tenant will be giving up 72,000sq.ft. of NLA progressively. The asset manager is actively seeking for replacement tenants.

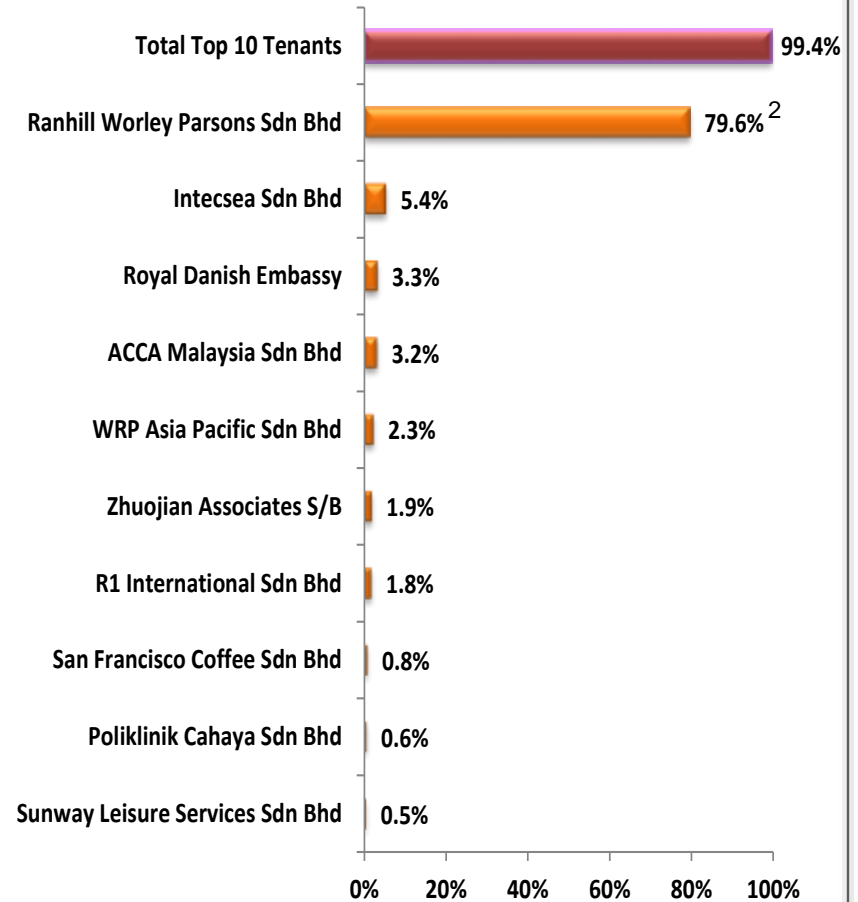
OFFICE PROPERTIES

SUNWAY TOWER (Cont'd)

Tenant mix



Top 10 tenants



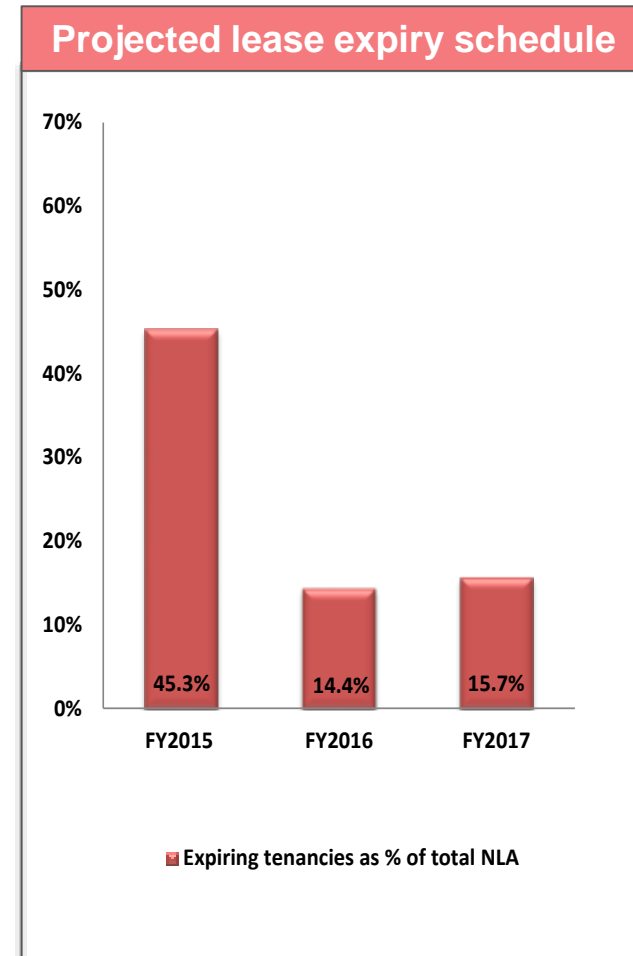
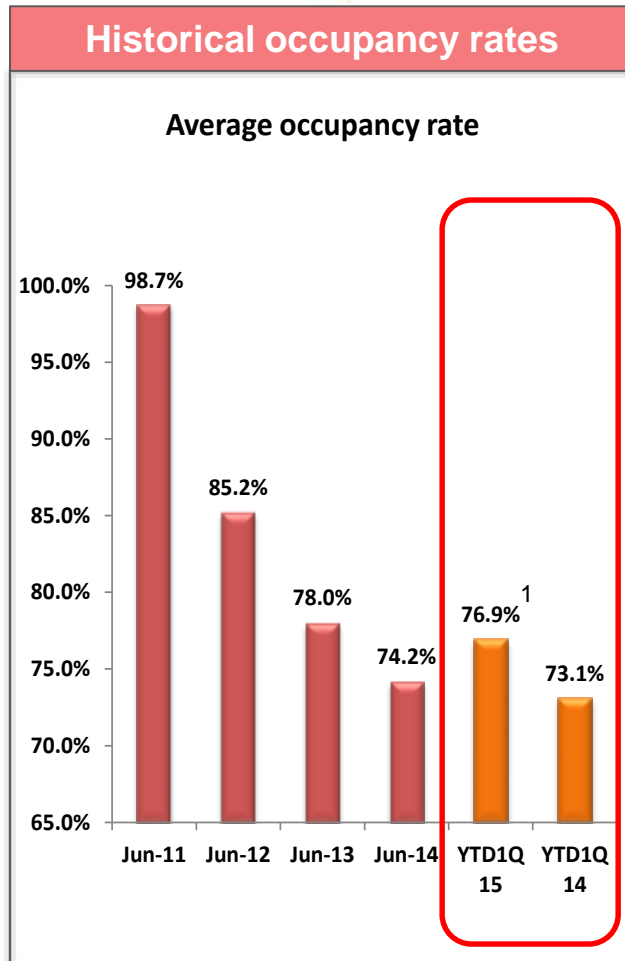
Note: Based on gross rental income for the month of September 2014

¹ The percentage will drop to 77% when Ranhill progressively surrenders approximately 72,000 sq.ft. by end-December 2014

² Ranhill's contribution will drop to approximately 69% when it progressively surrenders approximately 72,000 sq. ft. by end-December 2014

OFFICE PROPERTIES

SUNWAY PUTRA TOWER

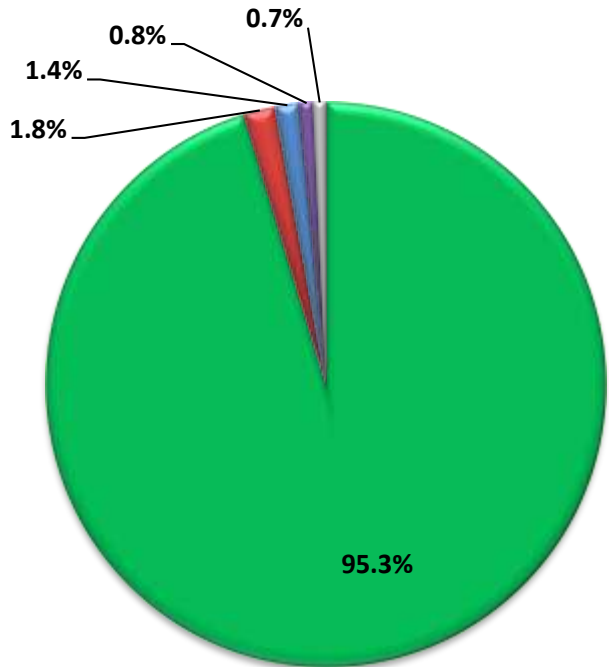


¹ Occupancy rate is expected to drop to about 30% when an anchor tenant occupying 143,000 sq.ft. terminates its tenancy at the end of 2014. The asset manager is actively seeking for a replacement tenant. This provides an opportunity for us to further diversify our tenancy mix to reduce tenant concentration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

OFFICE PROPERTIES

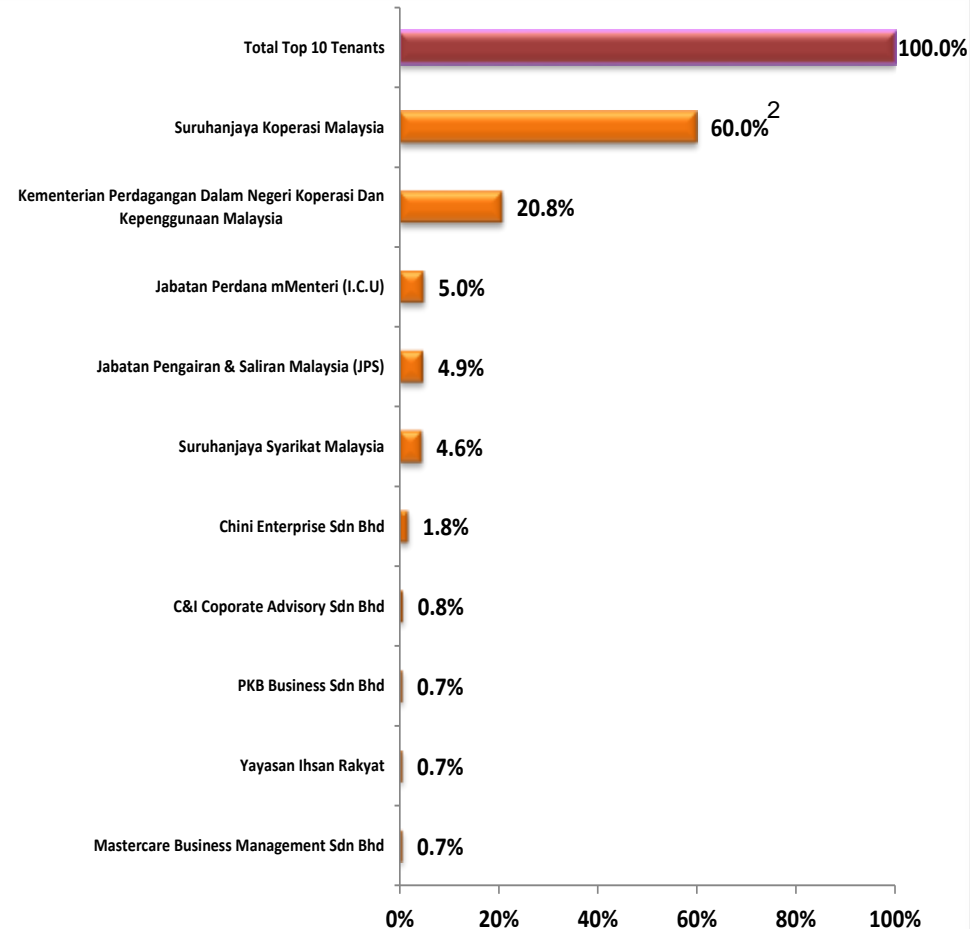
SUNWAY PUTRA TOWER (Cont'd)

Tenant mix



■ Government Agency¹
■ Medical
■ Communication
 ■ Marketing
■ Leisure & Entertainment

Top 10 tenants



¹ The percentage will drop to 88% when Suruhanjaya Koperasi Malaysia surrenders approximately 143,000 sq. ft. by end-December 2014

² The anchor tenant will terminate its tenancy at the end of December 2014.

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

5. Market Outlook

General Outlook

- 2Q CY2014 GDP grew 6.4% YoY (1Q CY2014: 6.2% YoY) which lifted Malaysia's GDP growth to 6.3% for the 1H2014, compared with 5.5% in the corresponding period last year. Bank Negara Malaysia ("BNM") expects GDP growth to moderate slightly in the second half of the year. Private sector activity would likely remain the key growth driver for Malaysia's economy in the second half of 2014, while exports may continue to benefit from the recovery in the advanced economies and from regional demand. Given the strong 1H2014 growth, the government has revised upward its 2014 GDP growth target to 5.5-6.0% from 4.5-5.5%.
- Inflation rose 2.6% YoY in September (YTD: 3.3%), in line with consensus forecast. The inflation rate is expected to spike up to 4.0-5.0% in 2015 from 3.3% in 2014, as a result of the introduction of GST and the on-going subsidy rationalization based on recent budget 2015 announcement.
- BNM holds key interest rate at 3.25% in light of moderate global economic growth to ensure the sustainability of the growth prospects of the Malaysian economy.
- The Manager expects its distribution per unit ("DPU") to grow moderately 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.

Retail

- According to the Malaysian Institute Economic Research (“MIER”)’s retail trade survey report, the Hari Raya celebration was expected to drive up retail sales in the 3Q of the year. It, however, pointed out that the increase in the OPR (in July to 3.25%) could affect retail sales of bigger items. The highest growth in retail sales is expected to come in the final quarter of 2014 due to the year-end school holidays and festive season. Furthermore, consumers may spend more before the GST comes into effect in April 2015. For the full year of 2014, Retail Group Malaysia forecasts retail sales to grow at 6.2% (2013: +4.5%) .
- The retail market remained stable in 2Q CY2014 with spaces within the newly completed malls slowly to be filled up, as well as most upcoming retail centres in 2014, expected to be completed by the end of 2014. In the Klang Valley, some 4.88 million sq.ft. of NLA space is expected to come in later this year. The local retail market is also reportedly on the radar of new international retailers such as French departmental store Lafayette and Japan-based Takashimaya Co Ltd. The Manager does not expect the new supply to have material adverse impact to Sunway REIT’s retail portfolio except for Sunway Putra Mall where Quill City Mall will be opening nearby.
- The average occupancy rate for Sunway Pyramid Shopping Mall was marginally higher at 98% in 1QFY2015 compared to 97% in 1QFY2014, due to the opening of Oasis Boulevard 5 (“OB5”) in December 2013. The work for OB5 was carried out during the period from 4QFY2013 to 2QFY2014 where 22,096 sq.ft. of existing space was reconfigured in addition to creation of additional 22,201 sq.ft. NLA.

Retail (Cont'd)

- Sunway Carnival Shopping Mall's average occupancy rate increased to 99.5% in 1QFY2015 from 93.9% in 1QFY2014 due to the tenancy commencement of Sam's Groceria occupying about 44,000 sq.ft. which was vacant since July 2013.
- The refurbishment of Sunway Putra Mall is at 88% completion (as at 30 September 2014) and we expect to reopen for business in 4QFY2015. About 70% of the retail space has been leased as at 30 September 2014.
- The Manager expects the retail assets to register healthy growth in FY2015 with income contribution from Sunway Putra Mall as mentioned above.
- However, the Manager is cautious on consumer confidence going forward as the recent interest rate hike, the government's on-going subsidy rationalisation measures and implementation of GST in April 2015 may affect consumer's spending power.

Hotel

- Tourist arrivals in the 7-month CY2014 recorded a growth of 9.7% y-o-y to 16.1 million, helped by higher tourist arrivals from neighboring countries, Australia, South Korea and Middle Eastern market. The Tourism and Culture Minister is confident that the ministry would achieve its target of 28 million tourists this year.
- Both Sunway Resort Hotel & Spa and Pyramid Tower achieved higher average occupancy rate at 80.9% and 83.7% respectively in 1QFY2015 (1QFY2014: 72.4% and 76.0% respectively). The better occupancy was driven by good corporate and MICE business and strong Middle Eastern tourist arrivals. Further, last year's performance was adversely affected due to a slowdown in the electrical and electronics (E&E) sector which the hotels predominantly serve.
- The average occupancy rate for Sunway Putra Hotel dropped to 36.4% in 1QFY2015 (56.4% based on number of saleable rooms) compared to 43.8% in 1QFY2014 (43.9% based on number of saleable rooms), affected by the ongoing major refurbishment at the adjoining Sunway Putra Mall and the hotel's own refurbishment.
- Sunway Hotel Seberang Jaya's average occupancy rate have gradually recovered to the pre-refurbishment levels of above 70% following completion of its refurbishment exercise in 4QFY2013. Average occupancy rate was higher at 77.6% in 1QFY2015 compared to 57.8% in 1QFY2014.
- The hospitality segment is projected to register stable growth in FY2015. The Manager expects Sunway Putra Hotel's performance to improve gradually with reduced disruption from the refurbishment works at Sunway Putra Mall and progressive completion of its own upgrading works.

Office

- With supply continued to outpace demand, the average occupancy rate of office in Kuala Lumpur is expected to be in the region of 80% to 81% between end of 2014 and 2016. The majority of landlords maintained their rental for 1H2014, however those with relatively low occupancy rate are more willing to offer greater rent free periods as incentives to attract prospective tenants to occupy their office buildings.
- The average occupancy rate for Menara Sunway was slightly lower at 97.7% in 1QFY2015 compared to 98.5% in 1QFY2014 due to a tenant who did not renew in July 2014.
- Sunway Tower's average occupancy rate retreated to 76.1% in 1QFY2015 compared to 88.3% in 1QFY2014 as the anchor tenant has surrendered some space in the previous quarters. The occupancy is expected to drop to 50% by end-December 2014 as the anchor tenant will be giving up 72,000 sq.ft. NLA progressively. The asset manager is actively seeking for 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.
- The average occupancy rate for Sunway Putra Tower improved to 76.9% in 1QFY2015 compared to 73.1% in 1QFY2014. However, the occupancy rate is expected to reduce to 30% by end-December 2014 as the anchor tenant which occupies 143,000 sq.ft. NLA will be terminating the tenancy. 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 post refurbishment. The refurbishment for Sunway Putra Tower has commenced

Office (Cont'd)

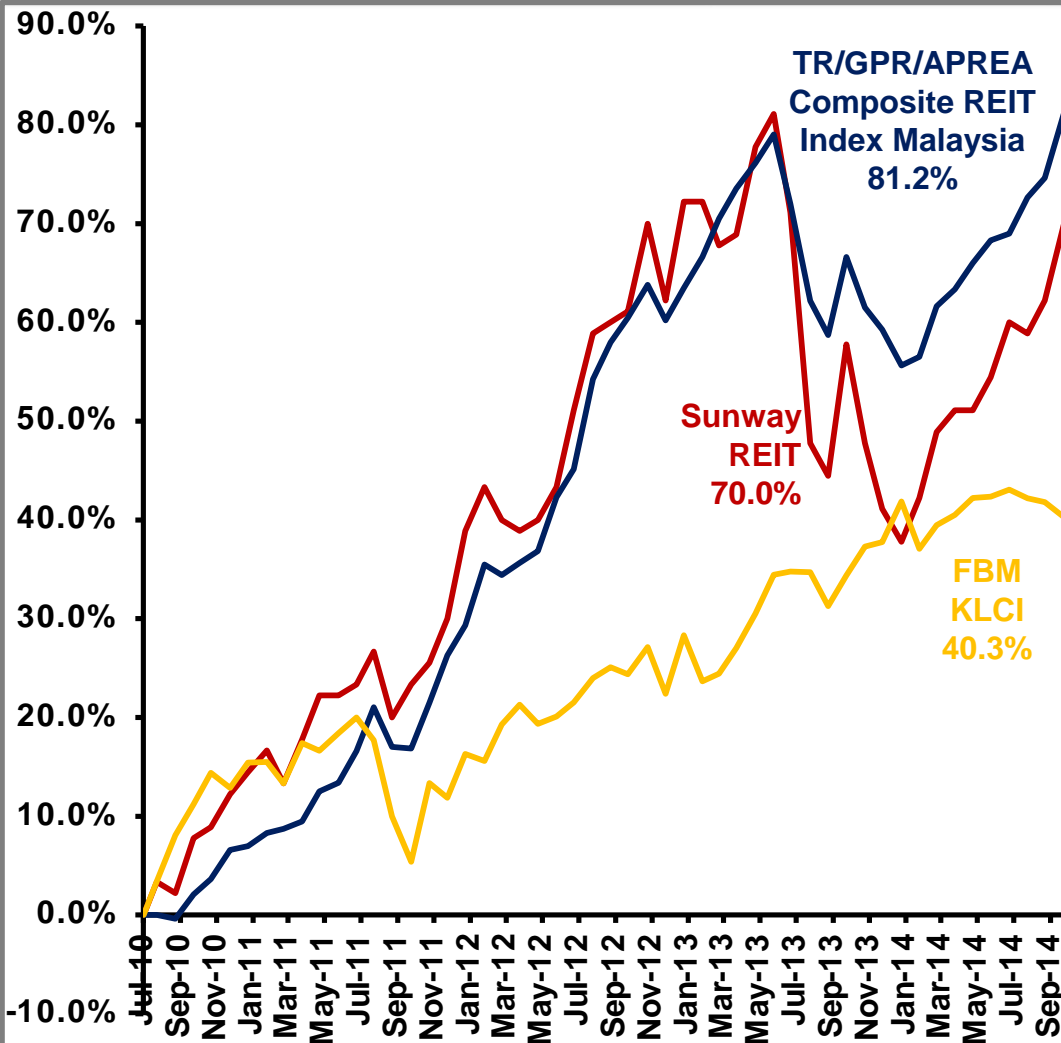
in June 2014. The Manager expects the occupancy rate to improve gradually upon reopening of Sunway Putra Mall and completion of its own upgrading works by mid-2015 due to its competitive rates.

- In view of the challenging business operating environment arising from the oversupply situation and the expected drop in rental rate at Sunway Tower, the Manager expects income contribution from the office segment to be significantly lower in FY2015. However, we do not expect a material adverse impact on our FY2015 DPU.

6. Investor Relations

Unit Price Performance (IPO to 30 September 2014)

Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 30 September 2014)



Performance Statistics*

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

Closing Price : RM1.53
(as at 30/9/2014)

Highest Price : RM1.70

Lowest Price : RM0.88

Daily Average Volume : 1.77mil units

% Change in Unit Price : 70.0%

% Change in FBM KLCI : 40.3%

% Change in TR/GPR/APREA Composite REIT Index Malaysia : 81.2%

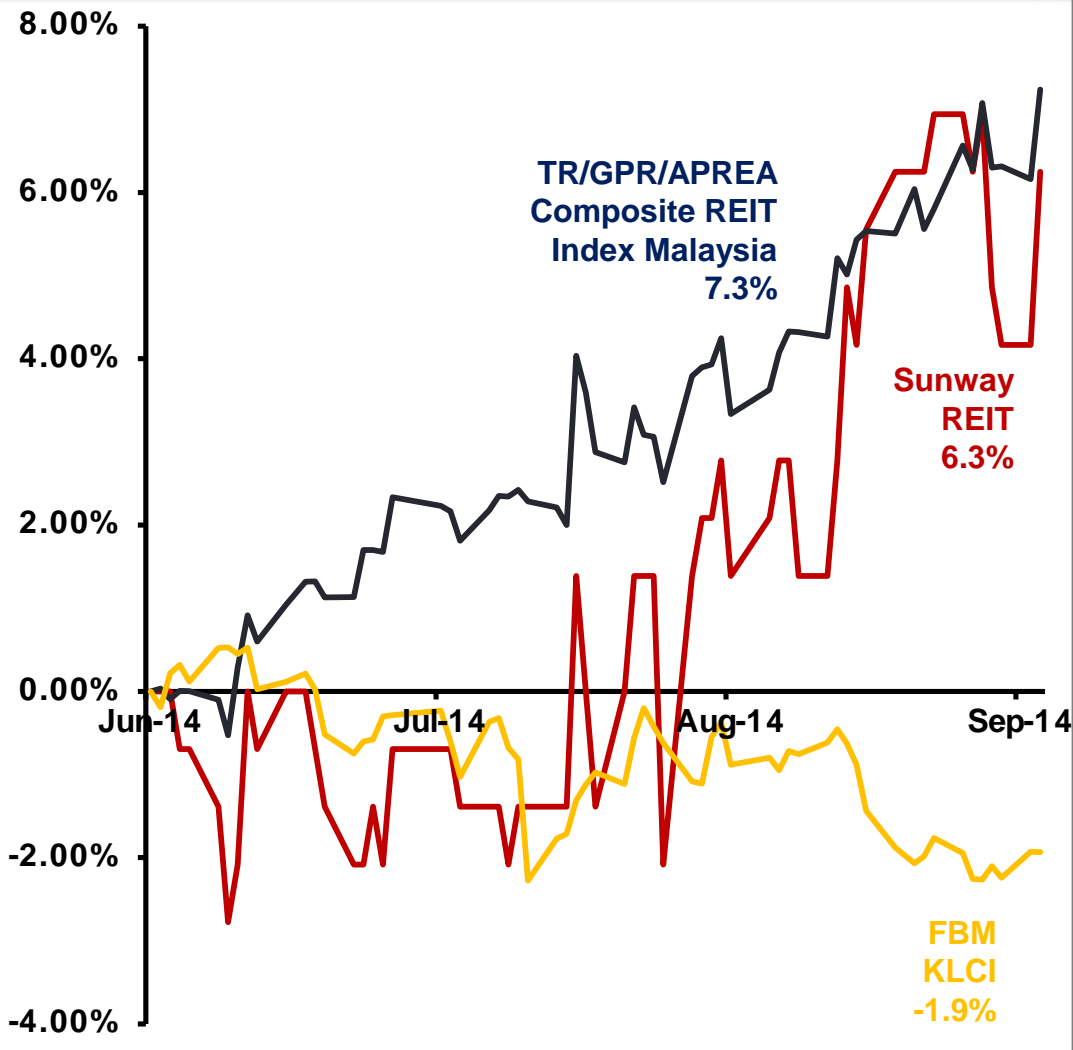
Source: Bloomberg

* Computed for the period 8 July 2010 – 30 September 2014

Source: Bloomberg

Unit Price Performance (YTD 1Q2015)

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



Performance Statistics*

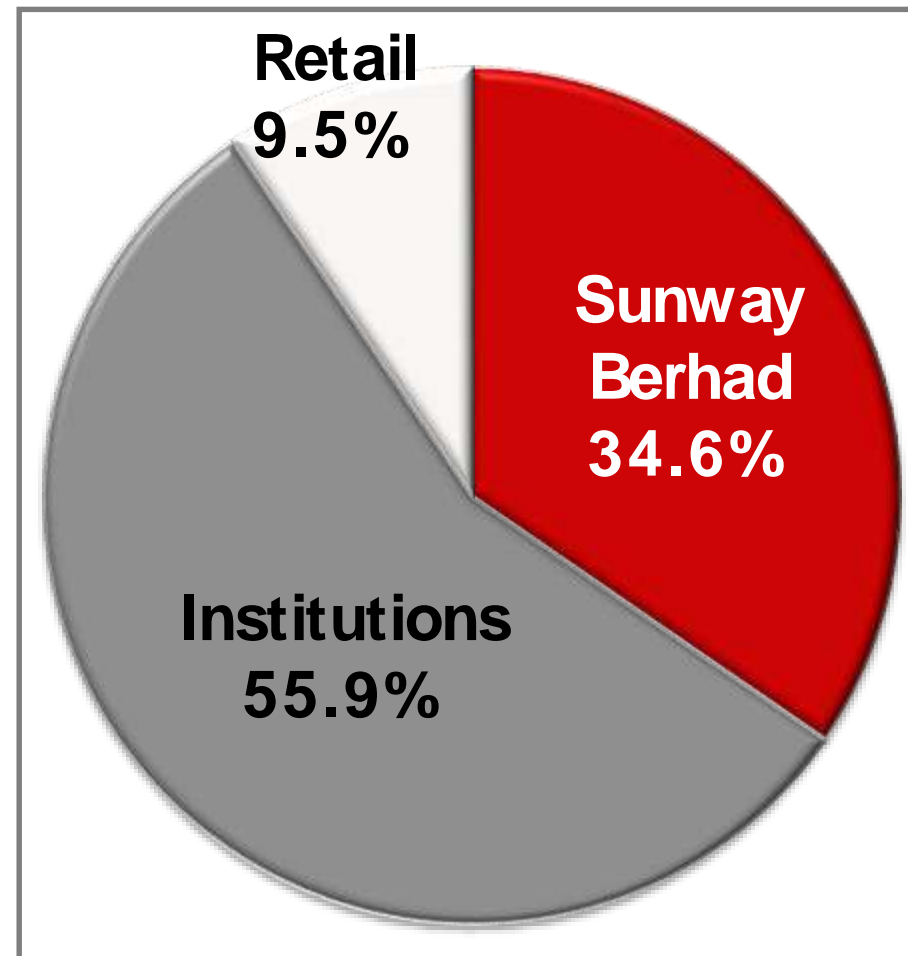
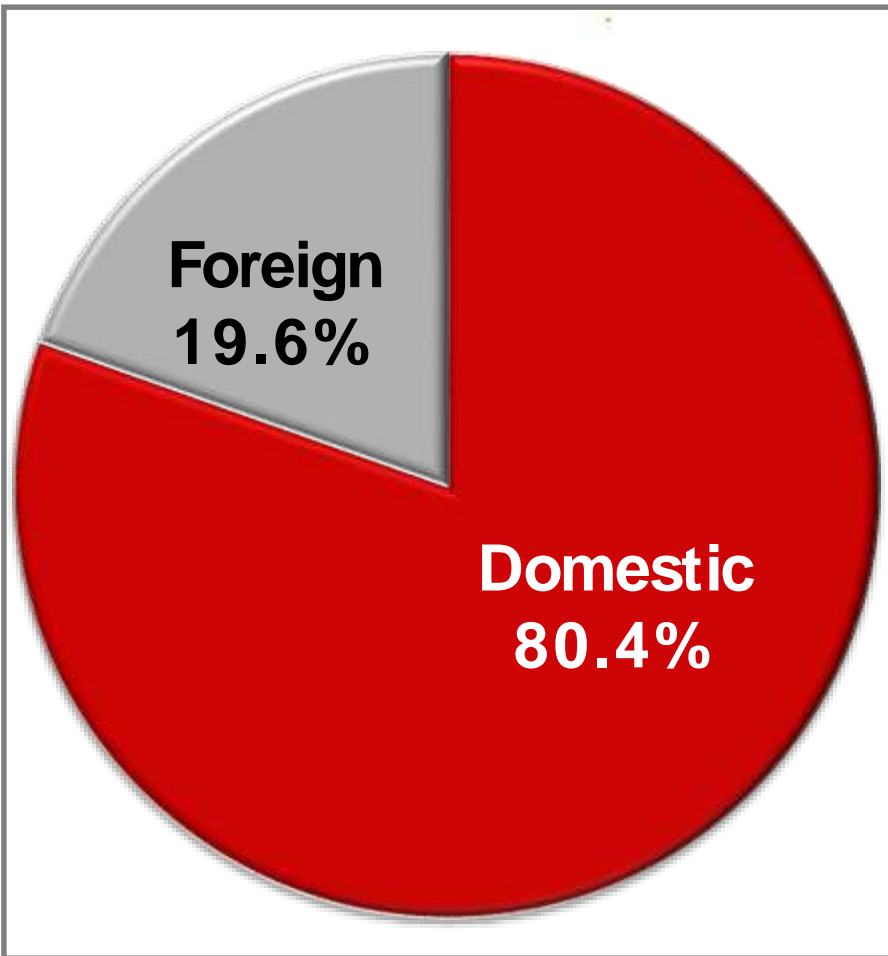
Price (as at 30/6/2014)	: RM1.44
Closing Price (as at 30/9/2014)	: RM1.53
Highest Price	: RM1.55
Lowest Price	: RM1.39
Daily Average Volume	: 1.59mil units
% Change in Unit Price	: 6.3%
% Change in FBM KLCI	: -1.9%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 7.3%

Source: Bloomberg

* Computed for the period 30 June 2014 – 30 September 2014

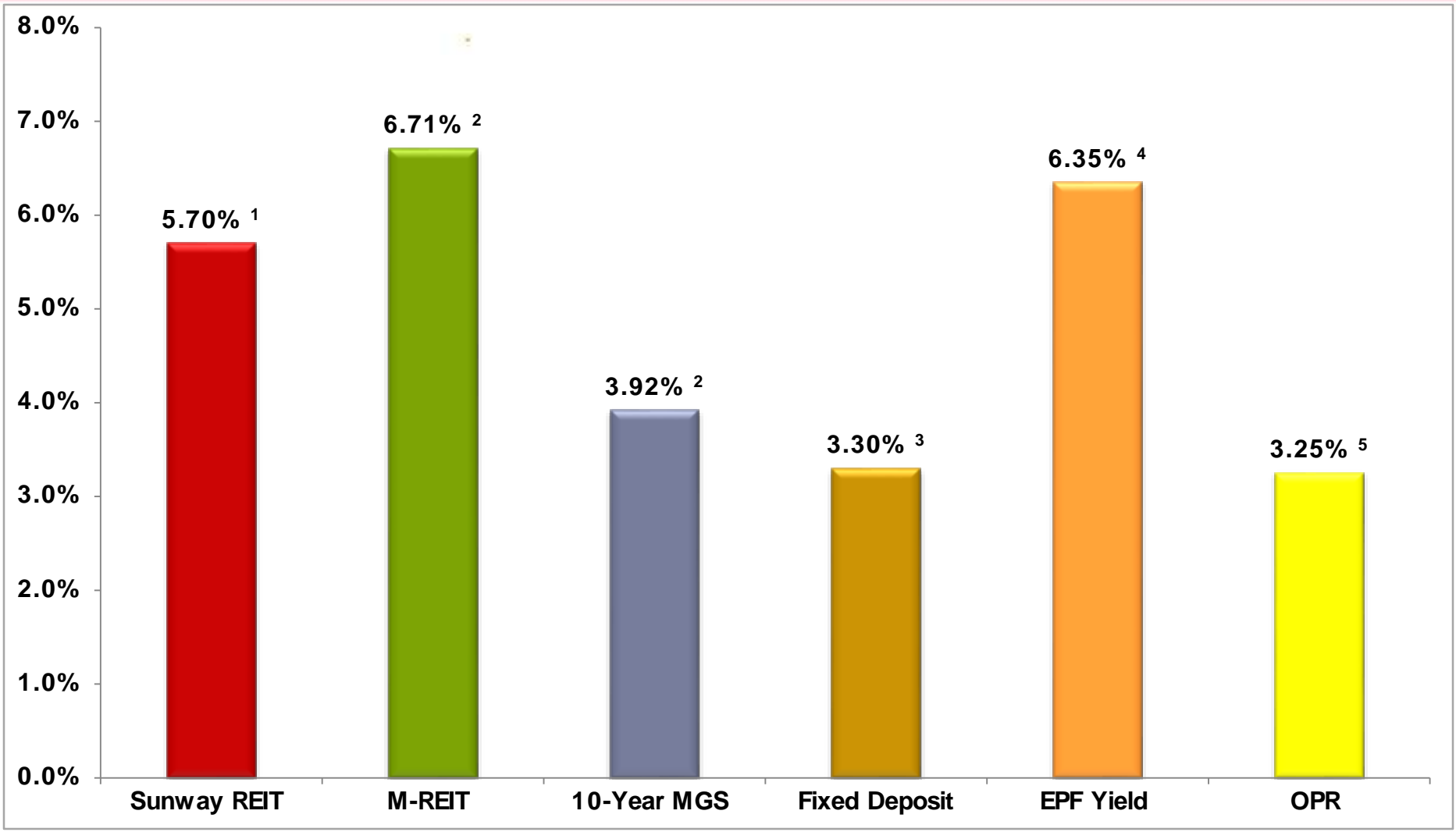
Source: Bloomberg

Unitholders' Composition (as at 30 September 2014)



- Total number of unitholders has reduced from 9,581 (as at 30 June 2014) to 9,256 (as at 30 September 2014).
- Retail participation eased marginally from 9.6% as at 30 June 2014 to 9.5% as at 30 September 2014.
- Foreign unitholdings increased from 19.3% as at 30 June 2014 to 19.6% as at 30 September 2014.

Comparative Yields for Various Assets



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



SUNWAY

REIT

THANK YOU