

SUNWAY REAL ESTATE INVESTMENT TRUST
FIRST QUARTER ENDED 31 MARCH 2025
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	First Quarter ended			Cumulative Quarter ended		
		31.03.2025	31.03.2024	Change	31.03.2025	31.03.2024	Change
		RM'000	RM'000	%	RM'000	RM'000	%
Rental and lease income		213,034	173,811	22.6%	213,034	173,811	22.6%
Other operating income		5,828	4,778	22.0%	5,828	4,778	22.0%
Revenue		218,862	178,589	22.6%	218,862	178,589	22.6%
Quit rent, assessment and insurance		(5,360)	(3,901)	37.4%	(5,360)	(3,901)	37.4%
Other property operating expenses		(56,312)	(44,145)	27.6%	(56,312)	(44,145)	27.6%
Property operating expenses		(61,672)	(48,046)	28.4%	(61,672)	(48,046)	28.4%
Net property income		157,190	130,543	20.4%	157,190	130,543	20.4%
Interest income		3,032	6,284	-51.8%	3,032	6,284	-51.8%
Other income		83	48	72.9%	83	48	72.9%
Net investment income		160,305	136,875	17.1%	160,305	136,875	17.1%
Manager's fees	B8	(12,706)	(11,234)	13.1%	(12,706)	(11,234)	13.1%
Trustee's fees	B9	(257)	(194)	32.5%	(257)	(194)	32.5%
Other trust expenses		(501)	(835)	-40.0%	(501)	(835)	-40.0%
Finance costs		(42,518)	(37,632)	13.0%	(42,518)	(37,632)	13.0%
		(55,982)	(49,895)	12.2%	(55,982)	(49,895)	12.2%
Profit before tax	A10	104,323	86,980	19.9%	104,323	86,980	19.9%
Tax expenses	A11	-	-	N/A	-	-	N/A
Profit for the period		104,323	86,980	19.9%	104,323	86,980	19.9%
Profit for the period comprises the following:							
Realised							
- Unitholders		98,559	81,980	20.2%	98,559	81,980	20.2%
- Perpetual note holders		5,708	4,959	15.1%	5,708	4,959	15.1%
		104,267	86,939	19.9%	104,267	86,939	19.9%
Unrealised		56	41	36.6%	56	41	36.6%
		104,323	86,980	19.9%	104,323	86,980	19.9%
Basic earnings per unit attributable to unitholders (sen):							
Realised		2.88	2.39	20.5%	2.88	2.39	20.5%
Unrealised		-	-	N/A	-	-	N/A
		2.88	2.39	20.5%	2.88	2.39	20.5%
Distributable income per unit (sen) ¹		2.88	2.39	20.5%	2.88	2.39	20.5%
Distribution per unit (sen)	A12	-	-	N/A	-	-	N/A

N/A - Not applicable

¹ Represents realised income attributable to unitholders and distribution adjustments, if any.

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	First Quarter ended			Cumulative Quarter ended		
	31.03.2025	31.03.2024	Change	31.03.2025	31.03.2024	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the period	104,323	86,980	19.9%	104,323	86,980	19.9%
Other comprehensive income:						
Cash flow hedge - fair value of derivative ¹	(7,646)	(15,016)	-49.1%	(7,646)	(15,016)	-49.1%
Cash flow hedge reserve recycled to profit or loss	7,754	15,822	-51.0%	7,754	15,822	-51.0%
Total comprehensive income for the period	104,431	87,786	19.0%	104,431	87,786	19.0%

¹ Please refer to Note B16 for further details of the derivatives.

STATEMENT OF INCOME DISTRIBUTION

	Note	First Quarter ended			Cumulative Quarter ended		
		31.03.2025	31.03.2024	Change	31.03.2025	31.03.2024	Change
		RM'000	RM'000	%	RM'000	RM'000	%
Rental and lease income		213,034	173,811	22.6%	213,034	173,811	22.6%
Interest income		3,032	6,284	-51.8%	3,032	6,284	-51.8%
Other income ²		5,855	4,785	22.4%	5,855	4,785	22.4%
		221,921	184,880	20.0%	221,921	184,880	20.0%
Less: Expenses		(117,654)	(97,941)	20.1%	(117,654)	(97,941)	20.1%
Realised income for the period		104,267	86,939	19.9%	104,267	86,939	19.9%
Less: Amount reserved for distribution to perpetual note holders		(5,708)	(4,959)	15.1%	(5,708)	(4,959)	15.1%
Realised income attributable to unitholders		98,559	81,980	20.2%	98,559	81,980	20.2%
Add: Brought forward undistributed realised income		44,662	43,315	3.1%	44,662	43,315	3.1%
Total income available for distribution		143,221	125,295	14.3%	143,221	125,295	14.3%
Less: Proposed/Declared income distribution to unitholders		-	-	N/A	-	-	N/A
Balance undistributed realised income		143,221	125,295	14.3%	143,221	125,295	14.3%
Distribution per unit (sen)	A12	-	-	N/A	-	-	N/A

N/A - Not applicable

² Included other operating income.

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Note	Current Quarter ended 31.03.2025	Immediate Preceding Quarter ended 31.12.2024	Change
		RM'000	RM'000	%
Rental and lease income				
- Realised		213,034	205,501	3.7%
- Unrealised (in relation to unbilled lease income receivable) ¹		-	10,278	-100.0%
Other operating income		5,828	5,071	14.9%
Revenue		218,862	220,850	-0.9%
Quit rent, assessment and insurance		(5,360)	(4,712)	13.8%
Other property operating expenses		(56,312)	(50,584)	11.3%
Property operating expenses		(61,672)	(55,296)	11.5%
Net property income		157,190	165,554	-5.1%
Interest income		3,032	3,178	-4.6%
Other income		83	192	-56.8%
Changes in fair value of investment properties				
- As per valuation reports		-	107,262	-100.0%
- Unbilled lease income receivable ¹		-	(10,278)	100.0%
Net investment income		160,305	265,908	-39.7%
Manager's fees	B8	(12,706)	(12,774)	-0.5%
Trustee's fees	B9	(257)	(182)	41.2%
Other trust expenses		(501)	(1,042)	-51.9%
Finance costs		(42,518)	(45,450)	-6.5%
		(55,982)	(59,448)	-5.8%
Profit before tax	A10	104,323	206,460	-49.5%
Tax expenses	A11	-	(2,900)	100.0%
Profit for the period		104,323	203,560	-48.8%
Profit for the period comprises the following:				
Realised				
- Unitholders		98,559	94,707	4.1%
- Perpetual note holders		5,708	4,439	28.6%
		104,267	99,146	5.2%
Unrealised		56	104,414	-99.9%
		104,323	203,560	-48.8%
Basic earnings per unit attributable to unitholders (sen):				
Realised		2.88	2.76	4.3%
Unrealised		-	3.05	-100.0%
		2.88	5.81	-50.4%
Distributable income per unit (sen) ²		2.88	2.76	4.3%
Distribution per unit (sen)	A12	-	5.34	-100.0%

¹ Represents incremental lease income on straight-line basis over the lease period pursuant to MFRS 16 Leases.

² Represents realised income attributable to unitholders and distribution adjustments, if any.

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

	Current Quarter ended 31.03.2025	Immediate Preceding Quarter ended 31.12.2024	Change
	RM'000	RM'000	%
Profit for the period	104,323	203,560	-48.8%
Other comprehensive income:			
Cash flow hedge - fair value of derivative ¹	(7,646)	65,762	> -100.0%
Cash flow hedge reserve recycled to profit or loss	7,754	(64,384)	> 100.0%
Total comprehensive income for the period	104,431	204,938	-49.0%

¹ Please refer to Note B16 for further details of the derivatives.

STATEMENT OF INCOME DISTRIBUTION

	Note	Current Quarter ended 31.03.2025	Immediate Preceding Quarter ended 31.12.2024	Change
		RM'000	RM'000	%
Rental and lease income		213,034	205,501	3.7%
Interest income		3,032	3,178	-4.6%
Other income ²		5,855	5,211	12.4%
		221,921	213,890	3.8%
Less: Expenses		(117,654)	(114,744)	2.5%
Realised income for the period		104,267	99,146	5.2%
Less: Amount reserved for distribution to perpetual note holders		(5,708)	(4,439)	28.6%
Realised income attributable to unitholders		98,559	94,707	4.1%
Add: Brought forward undistributed realised income		44,662	132,840	-66.4%
Total income available for distribution		143,221	227,547	-37.1%
Less: Proposed/Declared income distribution to unitholders		-	(182,885)	-100.0%
Balance undistributed realised income		143,221	44,662	> 100.0%
Distribution per unit (sen)	A12	-	5.34	-100.0%

² Included other operating income.

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 31.03.2025 (Unaudited)	As At 31.12.2024 (Audited)
		RM'000	RM'000
Assets			
Non-current assets			
Investment properties	A13	10,537,271	10,384,928
Investment properties - accrued lease income	A13	69,918	69,918
Plant and equipment		16,178	16,594
Right-of-use asset		625	644
		10,623,992	10,472,084
Current assets			
Trade receivables	A14	20,260	23,835
Other receivables		34,602	16,918
Cash and bank balances		282,148	289,762
		337,010	330,515
Total assets		10,961,002	10,802,599
Equity and liabilities			
Equity			
Unitholders' capital		3,433,864	3,433,864
Undistributed income		1,854,251	1,938,413
Total unitholders' funds		5,288,115	5,372,277
Perpetual note holders' funds		499,717	499,717
Total equity		5,787,832	5,871,994
Non-current liabilities			
Borrowings	A15	2,100,000	2,730,000
Long term liabilities		104,290	105,499
Deferred tax liabilities		15,891	15,891
Lease liability		723	723
		2,220,904	2,852,113
Current liabilities			
Borrowings	A15	2,485,534	1,736,749
Trade payables		9,644	5,596
Other payables		432,522	321,656
Derivatives	B16	24,528	14,441
Lease liability		38	50
		2,952,266	2,078,492
Total liabilities		5,173,170	4,930,605
Total equity and liabilities		10,961,002	10,802,599
Units in circulation ('000 units)		3,424,808	3,424,808
Net Asset Value ("NAV") attributable to unitholders (RM'000):			
Before income distribution		5,288,115	5,372,277
After income distribution ¹		5,189,556	5,189,392
NAV per unit attributable to unitholders (RM):			
Before income distribution		1.5441	1.5686
After income distribution ¹		1.5153	1.5152

¹ After distributable income for Q1 2025 of 2.88 sen per unit is assumed for income distribution (31 December 2024: After final income distribution of 5.34 sen per unit for semi-annual period ended 31 December 2024).

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital	Undistributed Income	Total Unitholders' Funds	Perpetual Note Holders' Funds	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2025	3,433,864	1,938,413	5,372,277	499,717	5,871,994
Total comprehensive income					
Profit for the period	-	104,323	104,323	-	104,323
Other comprehensive income:					
- Cash flow hedge - fair value of derivative	-	(7,646)	(7,646)	-	(7,646)
- Cash flow hedge reserve recycled to profit or loss	-	7,754	7,754	-	7,754
Total comprehensive income, representing the increase in net assets resulting from operations	-	104,431	104,431	-	104,431
Unitholders' transactions					
Distribution to unitholders:					
- Income distribution proposed in prior year but paid in current period	-	(182,885)	(182,885)	-	(182,885)
Decrease in net assets resulting from unitholders' transactions	-	(182,885)	(182,885)	-	(182,885)
Perpetual note holders' transactions					
Amount reserved for distribution to perpetual note holders	-	(5,708)	(5,708)	-	(5,708)
Decrease in net assets resulting from perpetual note holders' transactions	-	(5,708)	(5,708)	-	(5,708)
As at 31 March 2025 (Unaudited)	3,433,864	1,854,251	5,288,115	499,717	5,787,832

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

	Unitholders' Capital	Undistributed Income	Total Unitholders' Funds	Perpetual Note Holders' Funds	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	3,433,864	1,742,498	5,176,362	339,717	5,516,079
Total comprehensive income					
Profit for the year	-	524,752	524,752	-	524,752
Other comprehensive income:					
- Cash flow hedge - fair value of derivative	-	(8,482)	(8,482)	-	(8,482)
- Cash flow hedge reserve recycled to profit or loss	-	9,737	9,737	-	9,737
Total comprehensive income, representing the increase in net assets resulting from operations	-	526,007	526,007	-	526,007
Unitholders' transactions					
Distribution to unitholders:					
- Income distribution declared and paid in current year	-	(159,596)	(159,596)	-	(159,596)
- Income distribution proposed in prior year but paid in current year	-	(160,281)	(160,281)	-	(160,281)
Decrease in net assets resulting from unitholders' transactions	-	(319,877)	(319,877)	-	(319,877)
Perpetual note holders' transactions					
Issuance of perpetual note	-	-	-	500,000	500,000
Amount reserved for distribution to perpetual note holders	-	(10,215)	(10,215)	-	(10,215)
Redemption of perpetual note	-	-	-	(340,000)	(340,000)
Increase in net assets resulting from perpetual note holders' transactions	-	(10,215)	(10,215)	160,000	149,785
As at 31 December 2024 (Audited)	3,433,864	1,938,413	5,372,277	499,717	5,871,994

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

SUNWAY REAL ESTATE INVESTMENT TRUST
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	239,738	185,775
Refundable security deposits from customers	12,904	2,553
Cash paid for operating expenses	(91,124)	(64,522)
Net cash from operating activities	161,518	123,806
Cash flows from investing activities		
Acquisition of plant and equipment	(660)	(581)
Deposit for acquisition of investment properties	(13,839)	(21,500)
Subsequent expenditure of investment properties	(61,560)	(105,359)
Net cash flows to licensed financial institutions with maturity of over 3 months	(80,000)	-
Interest received	3,031	7,346
Net cash used in investing activities	(153,028)	(120,094)
Cash flows from financing activities		
Proceeds from issuance of commercial papers	210,000	1,280,000
Proceeds from issuance of medium term notes	60,000	630,000
Drawdown of revolving loans - USD	140,000	-
Repayment of commercial papers	(160,000)	(980,000)
Repayment of medium term notes	-	(300,000)
Repayment of revolving loans - USD	(120,000)	(331,503)
Repayment of revolving loan	-	(50,000)
Interest paid	(43,219)	(38,038)
Distribution paid to unitholders	(182,885)	(160,281)
Net cash (used in)/from financing activities	(96,104)	50,178
Net (decrease)/increase in cash and cash equivalents	(87,614)	53,890
Cash and cash equivalents at beginning of period	289,762	425,305
Cash and cash equivalents at end of period	202,148	479,195
Cash and bank balances	282,148	479,195
Deposits with licensed financial institutions with maturity of over 3 months	(80,000)	-
Cash and cash equivalents	202,148	479,195
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	52,148	49,195
Deposits placed with licensed financial institutions	230,000	430,000
Cash and bank balances	282,148	479,195

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134

A1. Corporate Information

Sunway Real Estate Investment Trust ("Sunway REIT" or the "Fund") is a Malaysia-domiciled real estate investment trust constituted pursuant to a deed dated 20 May 2010, a supplementary deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 (collectively referred to as the "Deed") between Sunway REIT Management Sdn. Bhd. (the "Manager") and RHB Trustees Berhad (the "Trustee"). The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010. The unaudited condensed consolidated financial statements comprise Sunway REIT and its subsidiaries (the "Group").

A2. Significant Accounting Policies and Basis of Preparation

The unaudited condensed consolidated financial statements of the Group for the financial period ended 31 March 2025 have been prepared in accordance with MFRS 134: Interim Financial Reporting, paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Deed and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts (the "REIT Guidelines"). These unaudited condensed consolidated financial statements of the Group also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The unaudited condensed consolidated financial statements of the Group should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements. The audited financial statements of the Group for the financial year ended 31 December 2024 were prepared under MFRS and are available upon request from the Manager's registered office at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The accounting policies adopted by the Group in this unaudited condensed consolidated financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following Standards that are effective for annual periods beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendment to MFRS 121 *The Effects of Changes in Foreign Exchange Rate*)
- Amendments to the Classification and Measurement of Financial Instruments (Amendment to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)
- Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*
- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

A3. Audit Report of Preceding Financial Year

The auditors have expressed an unqualified opinion on Sunway REIT's financial statements for the preceding financial year ended 31 December 2024.

A4. Changes in Estimates

This is not applicable as no estimates were previously reported.

A5. Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 March 2025.

A6. Issuance, Repurchases and Repayments of Debt and Equity Securities

There were no issuance, repurchases and repayments of debt and equity securities for the current quarter ended 31 March 2025, except as disclosed in Note A15.

A7. Changes in the Composition/Fund Size of the Trust

There was no change to Sunway REIT's fund size of 3,424.8 million units for the current quarter ended 31 March 2025.

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A8. Segmental Reporting

Segmental revenue and results for the first / cumulative quarter ended 31 March 2025 and 31 March 2024 are as follows:

Business segments	First / Cumulative Quarter ended 31 March 2025						First / Cumulative Quarter ended 31 March 2024					
	Retail	Hotel	Office	Services	Industrial & Others	Total	Retail	Hotel	Office	Services	Industrial & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and results												
Gross revenue	168,363	16,110	20,419	9,801	4,169	218,862	126,316	19,128	21,282	9,580	2,283	178,589
Net property income	116,816	14,962	12,371	9,801	3,240	157,190	86,948	18,131	13,872	9,580	2,012	130,543
Interest income						3,032						6,284
Other income						83						48
Trust and other expenses						(13,464)						(12,263)
Finance costs						(42,518)						(37,632)
Profit before tax						104,323						86,980
Tax expenses						-						-
Profit for the period						104,323						86,980

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A8. Segmental Reporting (Cont'd)

Segmental assets and liabilities as at 31 March 2025 and 31 December 2024 are as follows:

Business segments	As at 31.03.2025						As at 31.12.2024					
	Retail	Hotel	Office	Services	Industrial & Others	Total	Retail	Hotel	Office	Services	Industrial & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets												
Segment assets	7,016,909	1,874,622	970,358	586,636	242,357	10,690,882	6,845,148	1,879,853	970,972	586,000	241,690	10,523,663
Unallocated assets						270,120						278,936
Total assets						10,961,002						10,802,599
Liabilities												
Segment liabilities	451,234	25,594	22,154	-	3,170	502,152	336,480	25,870	27,806	-	2,479	392,635
Unallocated liabilities						4,671,018						4,537,970
Total liabilities						5,173,170						4,930,605

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A8. Segmental Reporting (Cont'd)

Properties	Revenue **				Net Property Income **			
	First / Cumulative Quarter ended				First / Cumulative Quarter ended			
	31.03.2025	31.03.2024	Change	31.12.2024	31.03.2025	31.03.2024	Change	31.12.2024
	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	RM'000
Retail								
Sunway Pyramid Mall ¹	106,346	92,963	14.4%	96,742	77,175	69,077	11.7%	70,513
Sunway Carnival Mall ²	22,684	20,105	12.8%	19,978	13,849	11,566	19.7%	11,195
Sunway Putra Mall	13,054	12,310	6.0%	13,664	6,621	5,563	19.0%	6,753
Sunway 163 Mall ³	8,380	-	N/A	6,844	5,306	-	N/A	3,432
Sunway Kluang Mall ⁴	6,112	-	N/A	-	2,214	-	N/A	-
Sunway Pier ⁵	-	58	-100.0%	17	(120)	(124)	3.2%	(127)
SunCity Ipoh Hypermarket	936	880	6.4%	935	920	866	6.2%	918
Sunway REIT Hypermarket- Kinrara ⁶	2,685	-	N/A	2,538	2,685	-	N/A	2,538
Sunway REIT Hypermarket- Putra Heights ⁶	1,467	-	N/A	1,387	1,467	-	N/A	1,387
Sunway REIT Hypermarket- USJ ⁶	2,022	-	N/A	2,251	2,022	-	N/A	2,251
Sunway REIT Hypermarket- Klang ⁶	1,149	-	N/A	1,146	1,149	-	N/A	1,146
Sunway REIT Hypermarket- Ulu Kelang ⁶	957	-	N/A	957	957	-	N/A	957
Sunway REIT Hypermarket- Plentong ⁶	2,571	-	N/A	2,569	2,571	-	N/A	2,569
	168,363	126,316	33.3%	149,028	116,816	86,948	34.4%	103,532
Hotel								
Sunway Resort Hotel	6,209	6,048	2.7%	11,544	5,827	5,748	1.4%	11,173
Sunway Pyramid Hotel	4,433	5,482	-19.1%	6,769	4,216	5,303	-20.5%	6,553
Sunway Lagoon Hotel	2,396	2,388	0.3%	3,285	2,325	2,313	0.5%	3,233
Sunway Putra Hotel	1,349	2,657	-49.2%	4,232	998	2,325	-57.1%	3,891
Sunway Hotel Seberang Jaya	465	933	-50.2%	799	398	879	-54.7%	751
Sunway Hotel Georgetown	1,258	1,620	-22.3%	1,249	1,198	1,563	-23.4%	1,192
	16,110	19,128	-15.8%	27,878	14,962	18,131	-17.5%	26,793
Office								
Menara Sunway	4,514	4,687	-3.7%	4,391	2,776	2,968	-6.5%	2,512
Sunway Tower	1,165	1,347	-13.5%	1,317	(340)	375	-100.0%	(242)
Sunway Putra Tower	2,576	3,077	-16.3%	2,560	1,288	1,798	-28.4%	1,336
Wisma Sunway	1,759	1,748	0.6%	1,762	917	918	-0.1%	903
Sunway Pinnacle	10,405	10,423	-0.2%	10,510	7,730	7,813	-1.1%	7,848
	20,419	21,282	-4.1%	20,540	12,371	13,872	-10.8%	12,357
Services								
Sunway university & college campus	9,801	9,580	2.3%	9,655	9,801	9,580	2.3%	9,650
	9,801	9,580	2.3%	9,655	9,801	9,580	2.3%	9,650
Industrial & Others								
Sunway REIT Industrial-Shah Alam 1	1,863	1,693	10.0%	1,695	1,863	1,693	10.0%	1,695
Sunway REIT Industrial-Petaling Jaya 1	743	590	25.9%	599	155	319	-51.4%	173
Sunway REIT Industrial - Prai ⁷	1,563	-	N/A	1,177	1,222	-	N/A	1,076
	4,169	2,283	82.6%	3,471	3,240	2,012	61.0%	2,944
Total Revenue / NPI	218,862	178,589	22.6%	210,572	157,190	130,543	20.4%	155,276

N/A - Not applicable

** Excluded unrealised lease income (in relation to unbilled lease income receivable)

¹ Refurbishment of Sunway Pyramid Mall Oasis wing commenced in October 2023 and re-opened on 1 November 2024.

² Refurbishment of Sunway Carnival Mall existing wing commenced in June 2023 with phased completion until May 2025.

³ Sunway 163 Mall was acquired on 9 October 2024.

⁴ Sunway Kluang Mall was acquired on 30 December 2024. Rental for 2 days in 2024 has been included in Q1 2025.

⁵ Redevelopment of Sunway Pier into a retail-centric tourist attraction commenced in October 2024 with targeted completion in Q4 2027.

⁶ Sunway REIT Hypermarkets were acquired on 30 April 2024. The properties are under triple net lease arrangement.

⁷ Sunway REIT Industrial - Prai was acquired on 24 October 2024.

SUNWAY REAL ESTATE INVESTMENT TRUST
FIRST QUARTER ENDED 31 MARCH 2025
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025 (UNAUDITED)

A8. Segmental Reporting (Cont'd)

The Group comprises the following major business segments:

- (i) Retail - renting / leasing of retail premises to tenants / lessee
- (ii) Hotel - leasing of hotel premises to hotel operators
- (iii) Office - renting of office premises to tenants
- (iv) Services - leasing of services related premises on long term leases
- (v) Industrial & Others - renting / leasing of industrial and other types of premises

There have been no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last audited financial statements.

a) Review of First Quarter Results

Retail segment

Revenue of Retail segment for first quarter ended 31 March 2025 (Q1 2025) was at RM168.4 million, jumped by 33% or RM42.0 million compared to the same quarter of preceding year (Q1 2024), primarily attributable to new rental contribution from the six Sunway REIT Hypermarkets, Sunway 163 Mall and Sunway Kluang Mall which were acquired in 2024, as well as higher revenue from Sunway Pyramid Mall with the opening of its Oasis wing on 1 November 2024.

NPI of Retail segment for Q1 2025 stood at RM116.8 million, increased by 34% or RM29.9 million, mainly contributed by the higher revenue.

Hotel segment

Hotel segment recorded revenue of RM16.1 million in Q1 2025, a drop of 16% or RM3.0 million compared to Q1 2024. The decrease was mainly attributable to the Ramadan season in Q1 2025 which typically sees softer hotel occupancy rate and MICE activities.

NPI of Hotel segment for Q1 2025 ended at RM15.0 million, declined by 17% or RM3.2 million, in line with the lower revenue and increased assessment rate for the hotels in Selangor in 2025.

Office segment

Office segment recorded revenue of RM20.4 million for Q1 2025, lower by 4% or RM0.9 million, after two tenants in Sunway Putra Tower relocated to their own office buildings in 2024.

NPI of Office segment stood at RM12.4 million in Q1 2025, a decline of 11% or RM1.5 million, due to lower revenue and higher assessment in Q1 2025.

Services segment

Both revenue and NPI of Services segment stood at RM9.8 million in Q1 2025, higher by 2% or RM0.2 million pursuant to annual rental reversion in accordance with the lease agreements for Sunway university & college campus.

Industrial & Others segment

Revenue and NPI for Industrial & Others segment for Q1 2025 surged 83% and 61%, to RM4.2 million and RM3.2 million respectively. The growth was largely contributed by Sunway REIT Industrial - Prai which was added in Q4

Overall

	Q1 2025	Q1 2024	Change	
	RM'000	RM'000	RM'000	%
Revenue	218,862	178,589	40,273	22.6%
NPI	157,190	130,543	26,647	20.4%
Profit for the period, comprise of:				
Realised				
- Unitholders	98,559	81,980	16,579	20.2%
- Perpetual note holders	5,708	4,959	749	15.1%
	104,267	86,939	17,328	19.9%
Unrealised	56	41	15	36.6%
	104,323	86,980	17,343	19.9%

A8. Segmental Reporting (Cont'd)

Review of First Quarter Results (Cont'd)

Overall (Cont'd)

Sunway REIT registered a realised profit attributable to unitholders of RM98.6 million for Q1 2025, representing an increase of 20% or RM16.6 million compared to Q1 2024. The improved performance was in line with higher NPI, which rose by RM26.6 million, primarily driven by full quarter income from newly acquired properties in 2024. The increase was partially offset by lower interest income by RM3.3 million due to reduced cash balances and higher finance costs of RM4.9 million with increased borrowings.

A9. Seasonality of Operations

The quarterly results were not materially affected by seasonal or cyclical factors.

A10. Profit Before Tax

Included in the profit before tax are the following items:

	Note	First / Cumulative Quarter ended	
		31.03.2025	31.03.2024
		RM'000	RM'000
Net changes in fair value of long term liabilities		(56)	(41)
Unrealised foreign exchange gain (hedged item)		(7,754)	(15,822)
Cash flow hedge reserve recycled to profit or loss		7,754	15,822
(Reversal) / Allowance of impairment on trade receivables	A14	(24)	93
Depreciation of plant and equipment		1,012	994
Loss on disposal of plant and equipment		-	7
Write off of plant and equipment		58	-

A11. Tax Expenses

Taxation of the REIT

The tax transparency system under Section 61A of the Malaysian Income Tax Act 1967 exempts the REIT from income tax in a year of assessment if the REIT distributes at least 90% of its total taxable income in the same year of assessment.

Sunway REIT should not incur any tax expense in the current financial year as it will distribute almost 100% of its distributable income which translates to more than 90% of its total taxable income.

Taxation of the Unitholders

Pursuant to Section 109D of the Malaysian Income Tax Act 1967, where 90% or more of the REIT's total taxable income is distributed by the REIT, distributions to unitholders (other than resident corporate investors) will be subject to tax based on a withholding tax mechanism at the following rates:

Category / Type of unitholders	Withholding tax rate
Individuals and all other non-corporate investors such as institutional investors	10%
Non-resident corporate investors	24%

Resident corporate investors are required to report the distributions in their corporate tax return and subject to the prevailing corporate tax rate of 24%.

A12. Income Distribution

In accordance with the Deed, the Manager will make regular distributions of all (or such lower percentage as determined by the Manager) of the distributable income of Sunway REIT.

The Manager intends to distribute 100% of the distributable income to the unitholders of Sunway REIT in each financial year on a semi-annual basis, for each six-month period ending 30 June and 31 December, unless varied by the Manager.

A12. Income Distribution (Cont'd)

Distribution reinvestment scheme ("DRS") of Sunway REIT was established following the approval of the unitholders at the Eighth Annual General Meeting ("AGM") on 2 October 2020 and the renewal of DRS authority granted to the Board has been approved by unitholders at the Eleventh AGM on 25 April 2024. The Manager may, at its absolute discretion, determine whether to pay a particular income distribution declared in cash or to offer the unitholders of Sunway REIT the option to reinvest all or part of their cash income distribution in new units of Sunway REIT.

No income distribution was proposed for the current quarter ended 31 March 2025. The next income distribution will be for the semi-annual period from 1 January 2025 to 30 June 2025.

A13. Investment Properties

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Investment properties	10,485,508	10,344,082
Investment property - accrued lease income	69,918	69,918
Investment property under construction	51,763	40,846
	10,607,189	10,454,846

Investment properties - accrued lease income is in relation to the 30-year non-cancellable lease agreements for Sunway university & college campus, commencing on 15 April 2019 and expiring on 30 November 2048, with in-built incremental lease rental of 2.3% every year. The lease income has been recognised on a straight-line based over the lease period of 30 years pursuant to MFRS 16 Leases, with a total accrued lease income of RM69.9 million as at 31 March 2025.

Investment property under construction refers to Sunway Pier redevelopment commenced in October 2024, which consists of land cost transferred from investment properties of RM33.0 million and property development costs incurred to-date of RM18.8 million. Demolition works have been completed and the piling works are currently on-going.

A14. Trade Receivables

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Third parties	16,741	15,239
Amount due from parties related to the Manager	5,515	10,616
	22,256	25,855
Less: Allowance for impairment	(1,996)	(2,020)
Total trade receivables	20,260	23,835

The ageing analysis of Sunway REIT's trade receivables was as follows:

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Current	3,369	11,717
1 to 30 days	9,070	6,485
31 to 60 days	4,195	3,886
61 to 90 days	2,377	781
91 to 120 days	683	1,041
More than 120 days	2,562	1,945
	18,887	14,138
Less: Impaired	(1,996)	(2,020)
	20,260	23,835

A14. Trade Receivables (Cont'd)

Trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Note	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
At beginning of year		2,020	3,277
Reversal for the period / year	A10	(24)	(1,089)
Written off		-	(168)
At end of period / year		<u>1,996</u>	<u>2,020</u>

A15. Borrowings and Debt Securities

	As at 31.03.2025 RM'000	As at 31.03.2024 RM'000
<u>Short term borrowings</u>		
Secured		
- Commercial paper	140,000	390,000
- Revolving loans (USD)	516,771	-
- Unrated medium term notes	<u>1,830,000</u>	<u>900,000</u>
	2,486,771	1,290,000
Less: Discount on commercial paper	(1,237)	(651)
Less: Unamortised transaction costs	-	(145)
Total short term borrowings	<u>2,485,534</u>	<u>1,289,204</u>
<u>Long term borrowings</u>		
Secured		
- Unrated medium term notes	1,200,000	630,000
Unsecured		
- Rated medium term notes	400,000	-
- Revolving loan (RM)	<u>500,000</u>	<u>1,950,000</u>
Total long term borrowings	<u>2,100,000</u>	<u>2,580,000</u>
Total borrowings	<u>4,585,534</u>	<u>3,869,204</u>

Borrowings of Sunway REIT is denominated in Ringgit Malaysia ("RM"), except for revolving loans (USD) which are denominated in United States Dollar ("USD"). Revolving loans (USD) are fully hedged with USD-MYR cross currency swap ("CCS") contracts as disclosed in Note B16.

Revolving loan (RM) is classified as long term borrowings based on the tenor / repayment terms of 7 years due on 1 April 2026.

Total borrowings of Sunway REIT as at 31 March 2025 increased by RM716 million compared to 31 March 2024, due to additional borrowings to fund acquisitions and asset enhancement initiatives.

Proportion of borrowings based of fixed and floating interest rates as at 31 March 2025 was 48 : 52 (31 March 2024: 32 : 68). For the financial period ended 31 March 2025, average cost of debt was 3.92% (31 March 2024: 3.85%).

A16. Fair Value Hierarchy

The following table provides the fair value hierarchy of the Group's assets and financial instruments:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 March 2025				
<u>Financial asset</u>				
Investment properties	-	-	10,414,000	10,414,000
<u>Financial liability</u>				
Derivatives	-	24,528	-	24,528
At 31 December 2024				
<u>Financial asset</u>				
Investment properties	-	-	10,414,000	10,414,000
<u>Financial liability</u>				
Derivatives	-	14,441	-	14,441

No transfers between any levels of the fair value hierarchy took place during the current financial period and the preceding financial year.

A17. Material Event since the last Annual Reporting

Proposed acquisition of a retail asset known as "AEON Mall Seri Manjung" in Manjung, Perak for cash consideration of RM138.0 million

On 20 January 2025, Sunway REIT entered into a conditional sale and purchase agreement ("SPA") with Kar Sin Berhad and YNH Hospitality Sdn. Bhd, the subsidiaries of YNH Property Berhad, to acquire a retail asset known as "AEON Mall Seri Manjung" that is located in Manjung, Perak for a cash consideration of RM138.0 million. On 18 April 2025, the parties entered into a supplemental agreement to the SPA to extend the conditional period to 20 August 2025. Barring any unforeseen circumstances, the proposed acquisition is expected to be completed by third quarter of 2025.

A18. Material Event Subsequent to the end of the Current Quarter

Proposed disposal of Sunway university & college campus for cash consideration of RM613.0 million

On 2 May 2025, Sunway REIT entered into a conditional sale and purchase agreement ("SPA") with Sunway College (KL) Sdn Bhd, a wholly-owned subsidiary of Sunway Education Group Sdn Bhd, to dispose Sunway university & college campus for a cash consideration of RM613.0 million. Barring any unforeseen circumstances, the proposed disposal is expected to be completed by second half of 2025.

A19. Capital Commitments

The amount of commitments for investment properties not provided for in the unaudited condensed consolidated financial statements were as follows:

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Approved and contracted for	641,098	678,318
Approved and not contracted for	117,402	114,177
	758,500	792,495

Amount approved and contracted for was largely in regards to Sunway Pier redevelopment and proposed acquisition of AEON Mall Seri Manjung.

Amount approved and not contracted for was mainly in relation to planned refurbishment of Sunway Hotel Georgetown, which has been deferred to 2027.

A20. Contingent Liability and Asset

There was no contingent asset as at 31 March 2025. The contingent liability as at 31 March 2025 was in respect to the material litigation as disclosed in Note B12.

A21. Transactions with Parties Related to the Manager

The following table provides information on the transactions which have been entered into with parties related to the Manager during the financial quarter ended 31 March 2025:

	First / Cumulative Quarter ended	
	31.3.2025	31.3.2024
	RM'000	RM'000
a) Sunway Berhad Group		
- Sales	(33,473)	(34,012)
- Purchases	132,753	45,652
Structured entities controlled by Sunway Berhad Group		
- Distribution to perpetual note holders	-	4,959
b) Sunway Technology Sdn. Bhd. Group		
- Sales	(655)	(587)
- Purchases	195	211

The following table provides information on the balances with the parties related to the Manager as at 31 March 2025 and 31 December 2024:

	As at	As at
	31.03.2025	31.12.2024
	RM'000	RM'000
<u>Amounts owed by parties related to the Manager:</u>		
a) Sunway Berhad Group	6,736	11,590
<u>Amount owed to parties related to the Manager:</u>		
a) Sunway Berhad Group	122,874	63,747

Part B - Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

a) Statement of Profit or Loss and Other Comprehensive Income

Explanatory comments are provided in Note A8a) above.

b) Statement of Financial Position

Investment properties increased by RM152.3 million largely attributed to the ongoing capital expenditure for Sunway Carnival Mall existing wing and Sunway Pier redevelopment.

Right-of-use asset and lease liability were pursuant to a 12-year land lease (ending July 2033) from State Government of Penang for car park purposes and recognised in accordance to MFRS 16 Leases.

Other receivables was higher by RM17.7 million mainly due to 10% deposit paid for the proposed acquisition of AEON Mall Seri Manjung amounting to RM13.8 million.

Other payables was higher by RM110.9 million mainly due to capital expenditure payable for the completed asset enhancement initiatives.

Derivatives of RM24.5 million was in relation to USD-MYR CCS contracts for the revolving loans (USD). Further details and movement of the derivatives are explained in Notes A15 and B16.

B1. Review of Performance (Cont'd)

b) Statement of Financial Position (Cont'd)

Net asset value remained largely unchanged at RM5.8 billion as at 31 March 2025, comprised of unitholders' funds of RM5.3 billion and perpetual note holders' funds of RM0.5 billion. Unitholders' funds decreased by RM84.1 million due to distribution to unitholders of RM182.9 million and amount reserved for distribution to perpetual note holders of RM5.7 million, partially offset by total comprehensive income for the financial period of RM104.4 million. There was no movement in the perpetual note holders' funds during the financial period.

Net asset value per unit, after income distribution, remained unchanged at RM1.51 as at 31 March 2025 and 31 December 2024.

c) Statement of Cash Flows

Net cash from operating activities for Q1 2025 of RM161.5 million, compared to NPI less trust expenses of RM143.7 million, mainly comprise of cash receipt and refundable deposits from lessees and tenants, partially offset by cash paid for operating expenses.

Net cash used in investing activities for Q1 2025 of RM153.0 million was primarily driven by the progress payments for Sunway Carnival Mall refurbishment and Sunway Pier redevelopment, as well as placement with financial institution.

Net cash used in financing activities for Q1 2025 of RM96.1 million mainly attributed to income distribution paid to unitholders of RM182.9 million and interest paid of RM43.2 million, partially offset by net drawdown of borrowings of RM130.0 million.

Cash and bank balances as at 31 March 2025 and 31 March 2024 stood at RM282.1 million and RM479.2 million respectively. Higher cash and bank balances as at 31 March 2024 was in relation to the balance proceeds from disposal of Sunway Medical Centre (Tower A & B) in August 2023.

B2. Maintenance Costs and Major Capital Expenditure

There was no unusual nor material maintenance costs during the quarter under review.

Sunway REIT incurred capital expenditure of RM152.3 million for Q1 2025, mainly for Sunway Carnival Mall existing wing refurbishment and Sunway Pier redevelopment.

B3. Material Changes in Quarterly Results

	Current Quarter ended 31.03.2025 RM'000	Immediate Preceding Quarter ended 31.12.2024 RM'000	Change %
Realised profit	104,267	99,146	5.2%
Unrealised profit	56	104,414	-99.9%
Profit for the quarter	104,323	203,560	-48.8%

Realised profit for Q1 2025 was higher by RM5.2 million or 5% compared to Q4 2024 mainly attributable to lower finance costs by RM2.9 million. In addition, NPI was higher by RM1.9 million in Q1 2025 contributed by higher income from Retail segment with the re-opening of Oasis wing in Sunway Pyramid Mall coupled with full quarter contribution from newly acquired Sunway 163 Mall and Sunway Kluang Mall, partially reduced by a softer quarter for Hotel segment.

B4. Commentary on Prospects

Indicator	2025 (F)	Q1 2025	2024	2023	2022	2021
Gross Domestic Product (GDP) (yoy)	4.5% - 5.5% ⁴	4.4% ⁵	5.1%	3.7%	8.7%	3.1%
Consumer Price Index (CPI) (yoy)	2.0% - 3.5% ⁴	1.5% ²	1.8%	2.5%	3.3%	2.5%
Overnight Policy Rate (OPR)	3.0% ³	3.0% ¹	3.0%	3.0%	2.75%	1.75%

¹ Source: Bank Negara Malaysia

² Source: Department of Statistics Malaysia

³ Source: Bloomberg's economists consensus forecast

⁴ Federal Budget 2025, Ministry of Finance

⁵ Advance estimate GDP as at 18 April 2025 (Source: Department of Statistics Malaysia), actual GDP to be announced on 16 May 2025

General outlook

On 9 April 2025, the United States (US) imposed reciprocal tariff on Malaysia and other countries globally which might pose potential downside risk to Malaysia and global GDP growth. The impending expansion of scope of sales and service tax (SST) and fuel subsidy rationalisation may also impact consumer spending domestically.

Whilst Q1 2025 remained positive for the Group in overall, we are cautious going forward in view of the disruptive tariff barrier imposed by the US, carrying risks of heighten inflationary pressure, eroding business confidence and reducing consumer confidence. We will continue to monitor the market closely in response and will intensify effort to diversify our tenant mix to include more regional and local brands, and to increase focus on domestic and regional travellers.

We believe acquisition opportunities will continue to prevail and the Group stands ready for any opportunistic acquisitions to diversify and expand our portfolio mix, especially in the retail, logistics and services sectors. In line with our Transcend 2027 Strategy, we will also actively review our portfolio for any asset recycling opportunities to enhance portfolio yield.

Review of retail segment

Retail Group Malaysia projects a 4.3% growth rate for 2025 as rising cost of living challenges persist compared to a forecast 3.8% growth rate in 2024, with the government expecting the national economy to expand between 4.5% and 5.5%. Consumer spending is expected to increase in line with a growing economy, low unemployment and rising tourist arrivals. That said, we remained cautious on the potential impact from a decline in government subsidies and rise in SST.

We believe the measures that Sunway REIT has taken in 2024 will provide us a strong foundation to tap onto the expected increase in consumer spending. The new retail asset acquisitions in 2024 and Sunway Pyramid Oasis wing have expanded the diversity of our offerings and geographic footprint, enabling us to serve new pools of consumers. With a greater network of malls, we also have greater leverage with tenants to bring in the best and latest brands to our properties which will further increase footfall. Hence, the prospects for our retail segment looks bright aided by full year contributions from these new initiatives.

Review of hotel segment

Our hotel segment recorded lower occupancy in Q1 2025, partially due to the festive Ramadan period where there was a decrease in leisure and meetings, incentives, conferences and exhibitions (MICE) activities. While Tourism Malaysia has reported a 16% y-o-y increase in tourist arrival for the first two months in 2025, there has also been an increase in level of competition in terms of new hotels.

We will be looking at more proactive pricing policy, targeted marketing and emphasis on MICE events in the coming quarters to improve performance of the hotel segment.

B4. Commentary on Prospects (Cont'd)

Review of office segment

The office sector in Klang Valley is anticipated to see a continued increase in incoming supply of approximately 2.5 million sq.ft. and 2.3 million sq.ft. of net lettable area (NLA) in 2025 and 2026 respectively.

Despite such challenging operating environment, our office segment is expected to remain resilient in 2025, cushioned by ongoing effort to enhance our competitiveness through ongoing asset enhancement initiatives (AEI) including upgrading air conditioning systems, lifts and transformers. These improvements are also in line with our energy saving and green certification strategy for our portfolio of office buildings.

Review of industrial & others segment

In line with the growing investments in Malaysia, demand for industrial properties is expected to remain strong. Under the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR), there will be greater emphasis on sustainability and technological advancements in industries leading to increased demand for modern premises. Accordingly, we envisage demand for industrial properties to remain resilient especially in core locations like Shah Alam and Penang.

Separately, while evolving global trade dynamics stemming from geopolitical considerations present risks for Malaysian exporters, there are also opportunities for Malaysian entities to take advantage of supply chain realignments through Malaysia's diversified trade partnerships and participation in RCEP and BRICS. The realignments will create immense opportunities for manufacturers and logistics players to develop new markets and augur well for demand for factories and warehouses. Already, we have seen an uptick in foreign interest in leasing of warehouse and industrial spaces in Malaysia in May 2025 following the reciprocal tariff introduced by the US and such trends are expected to intensify moving forward as the trade war escalates.

Based on the above, we remain optimistic of the prospects of our industrial segment which is underpinned by a long WALE and will benefit from further uptrend in demand for industrial space.

B5. Investment Objectives

The Manager's key investment objective for Sunway REIT is to provide the unitholders with an exposure to a diversified portfolio of authorised investments (pursuant to provisions of the Deed) that will provide stable cash distributions with the potential for sustainable growth of net asset value per unit. The principal investment policy of Sunway REIT is to invest in commercial, office, industrial and other real estate assets, subject to the REIT Guidelines.

The Manager will continue to distribute the income of Sunway REIT on a semi-annual basis and will endeavour to grow the net asset value of Sunway REIT over a longer period of time. There was no change in the investment objective during the year under review.

B6. Performance Benchmark

Performance indicators	Period ended 31.03.2025	Year ended 31.12.2024
a) Management expense ratio	0.96%	0.91%
b) Total return	4.8%	25.5%
c) Average annual total return (5 years)	8.3%	5.6%
d) Distribution yield	6.4%	5.4%
e) NAV per unit (after income distribution) (RM)	1.5153	1.5152

* The performance indicators for the period ended 31 March 2025 was based on annualised results.

- a) The ratio of trust expenses in operating Sunway REIT to the NAV of Sunway REIT.
- b) Total return represents the change in unit price from beginning of financial year plus distribution yield for the financial year.
- c) Average annual total return is the sum of the return rates of Sunway REIT over a given number of years divided by that number of years.
- d) Annualised distributable income of 11.68 sen (based on distributable income for Q1 2025 of 2.88 sen per unit) divided by closing unit price as at 31 March 2025 of RM1.82 (31 December 2024: DPU of 10.00 sen divided by the closing unit price as at 31 December 2024 of RM1.85).
- e) NAV of Sunway REIT as at period end and after distributable income for Q1 2025 of 2.88 sen per unit is assumed for income distribution (31 December 2024: final income distribution of 5.34 sen per unit), divided by total issued units.

B7. Strategies and Policies

The Manager's strategies can be broadly categorised as:

- a) active asset management strategy
- b) acquisition growth strategy
- c) capital and risk management strategy
- d) asset enhancement initiatives, including property development activities

There was no change in the strategies and policies employed during the period under review.

B8. Manager's Fees

Pursuant to the Deed constituting Sunway REIT, the Manager is entitled to receive the following fees from Sunway REIT:

- a) Base fee of 0.3% per annum on the total assets value;
- b) Performance fee of 3% per annum of net property income, but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement;
- c) Acquisition fee of 1% of the acquisition price of any future Real Estate or a Special Purpose Vehicle acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest of Sunway REIT in the Real Estate or Special Purpose Vehicle purchased); and
- d) Divestment fee of 0.5% of the sale price of any future Real Estate or a Special Purpose Vehicle sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the Real Estate or Special Purpose Vehicle sold).

The base fee and performance fee may be in the forms of cash, new units or a combination thereof, such proportion which may be varied at the discretion of the Manager. The Manager's fee is fully paid in cash since FY2017.

The Manager's fees (base and performance) for Q1 2025 stood at RM12.7 million, higher by 13% or RM1.5 million compared to Q1 2024 attributed to increased total asset value following the acquisitions in 2024 and higher NPI.

B9. Trustee's Fees

Pursuant to the Deed constituting Sunway REIT, the fee payable to the Trustee is up to 0.015% per annum of the net asset value of Sunway REIT, subject to a maximum of RM700,000 per annum and is calculated on a monthly accrual basis based on a year of 12 months.

The trustee of SUNREIT Capital Berhad, PB Trustee Services Berhad, is entitled to receive a predetermined annual fixed fee.

The trustee of SUNREIT Bond Berhad, AmanahRaya Trustees Berhad, is entitled to receive a predetermined annual fixed fee.

The trustee of SUNREIT Perpetual Bond Berhad, Pacific Trustees Berhad, is entitled to receive a predetermined annual fixed fee.

Trustees' fees for Q1 2025 stood at RM0.3 million, increased by 33% or RM0.1 million, with the increase in net asset value.

B10. Status of Corporate Proposals

Other than the proposed acquisition disclosed in Notes A17 and A18, there is no corporate proposal that has been announced but not completed as at the date of this report.

B11. Property Development Activities

Redevelopment of Sunway Pier into a retail-centric tourist attraction has commenced in October 2024 with targeted completion in Q4 2027. Estimated total property development cost is RM400 million, which represents 3.7% against the total asset value of Sunway REIT.

B12. Material Litigation

Metroplex Holdings Sdn Bhd ("Metroplex") v RHB Trustees Berhad (as trustees for Sunway REIT) and Sunway REIT Management Sdn Bhd (collectively, the "Defendants")

On 28 September 2015, Metroplex filed writ of summons and a statement of claim against the Defendants to claim, amongst others, damages for various chattels and movable items (e.g. furniture and office equipment, decorations, cutlery, kitchen equipment, bar equipment, concierge and reception tables, blinds and curtains) ("Chattels and Movable Items") which Metroplex alleged the Chattels and Movable Items were acquired and owned by them and were not removed when the Defendants took possession of the hotel at Sunway Putra on 27 September 2011. Metroplex has in its statement of claim alleged that the Chattels and Movable Items were worth in excess of RM80 million as at September 2011.

On 3 November 2017, the High Court allowed Metroplex's claim on liability in which the damages to be awarded to Metroplex shall be assessed ("High Court's Decision").

Subsequently, the Defendants appealed to the Court of Appeal against the High Court's Decision on 6 November 2017. The Court of Appeal allowed the Defendants' appeal and the High Court's Decision was set aside on 22 January 2019 ("Court of Appeal's Decision").

On 20 February 2019, Metroplex filed motion for leave to appeal to the Federal Court against the Court of Appeal's Decision ("Motion"). The Motion was allowed on 25 November 2019. Subsequently, Metroplex filed notice of appeal to appeal against the Court of Appeal's Decision on 2 December 2019 ("Appeal"). The hearing for the Appeal was fixed on 31 March 2021.

On 31 March 2021, the Federal Court allowed Metroplex's appeal by setting aside the Court of Appeal's Decision, restoring the High Court's Decision and ordered the assessment of damages against the Defendants to proceed before the High Court ("Assessment"). In Metroplex's claim, Metroplex is claiming for the Chattels and Movable Items amounting to approximately RM402 million. The Defendants strenuously objected to the amount claimed as being overly excessive and appointed subject matter experts to dispute the quantum of claim.

The trial for the Assessment was held on 4, 5, 6, 12 and 13 January 2023. Upon conclusion of the trial, the High Court judge directed the Defendants and Metroplex to appear before the High Court for oral submission on 9 and 15 May 2023. After hearing oral submissions by both parties, the Judge then proceeded to fix the date for the decision to be delivered.

On 12 November 2024, the High Court delivered its judgment on the assessment of damages for conversion payable by the Defendants, on behalf of Sunway REIT, to Metroplex, as follows:

1. Operational Chattels amounting to RM1,812,339.72;
2. Antiques amounting to RM434,760.00;
3. Artworks amounting to RM2,585,500.00;
4. Interest at the rate of 5% per annum for items (1) to (3) above from the date of conversion on 27 September 2011 until the date of full and final realisation; and
5. Costs of RM60,000.00,

(collectively, "High Court's Judgement on Assessment").

On 9 December 2024, Metroplex appealed to the Court of Appeal against part of the High Court's Judgement on Assessment which assessed the damages to be paid by the Defendants to Metroplex for the conversion of Metroplex's operational chattels in the sum of RM1,812,339.72.

On 10 December 2024, the Defendants appealed to the Court of Appeal against part of the High Court's Judgement on Assessment which assessed the damages to be paid by the Defendants to Metroplex for the tort of conversion of antiques in the sum of RM434,760.00 and artworks in the sum of RM2,585,500.00.

On 13 December 2024, the Defendants remitted the sum of RM8,087,684.45, which represented the amount payable under the High Court's Judgement on Assessment, to Metroplex. This sum included interest payable on the judgment amount calculated up to 13 December 2024 along with costs and allocatur fee.

Pursuant to the case management on 10 March 2025, both the abovementioned appeals have been fixed for hearing before the Court of Appeal on 12 February 2026.

B13. Soft Commission

There was no soft commission received by the Manager and/or its delegate during the period under review from broker or dealer by virtue of transactions conducted for Sunway REIT.

B14. Summary of EPU, DPU, NAV and Market Price

	Current Quarter ended 31.03.2025	Immediate Preceding Quarter ended 31.12.2024	Change %
Number of units in issue (units)	3,424,807,700	3,424,807,700	0.0%
Realised net income (RM'000)	104,267	99,146	5.2%
Realised earnings per unit (EPU) (sen)	2.88	2.76	4.3%
Income distribution (RM'000) ¹	-	182,885	-100.0%
Distribution per unit (DPU) (sen) ¹	-	5.34	-100.0%
Net Asset Value (NAV) attributable to unitholders (After income distribution) (RM'000) ²	5,189,556	5,189,392	*
NAV per unit (After income distribution)(RM) ²	1.5153	1.5152	*
Market price per unit (RM)	1.82	1.85	-1.6%

* Less than 0.1%

¹ Income distribution of Sunway REIT is on a semi-annual basis, for each six-month period ending 30 June and 31 December.

² After distributable income for Q1 2025 of 2.88 sen per unit is assumed for income distribution (31 December 2024 : final distribution of 5.34 sen per unit)

B15. Income Distribution

Please refer to Statement of Income Distribution and Note A12 for details.

B16. Disclosure of Nature of Outstanding Derivative Financial Instruments

Derivative financial instruments are recognised in the financial statements in accordance with MFRS 9 *Financial Instruments*.

Type of Derivatives	Contract / Notional Value		Fair Value at Reporting Date Derivative Liability	
	As at 31.03.2025	As at 31.12.2024	As at 31.03.2025	As at 31.12.2024
Cross currency swap (CCS)				
- Less than 1 year	541,855	521,966	(24,528)	(14,441)

Cross currency swap

Sunway REIT entered into CCS contracts to manage its exposure in foreign currency risk arising from borrowings in USD as disclosed Note A15 above. Sunway REIT uses cash flow hedge to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuation over the hedging period on the foreign currency borrowings.

B17. Risks and Policies of Derivatives

The derivatives of the Group comprises CCS contracts as mentioned in Note B16.

The overall risks and policies relating to the management of derivative financial instrument are similar to those disclosed in the audited financial statements for the financial year ended 31 December 2024.

B18. Disclosure of Gains / Losses Arising from Fair Value Changes of Financial Liabilities

Please refer to Note A10 for details.

B19. Directors' Declaration

In the opinion of the Manager, this quarterly report has been prepared in accordance with MFRS 134 *Interim Financial Reporting* and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Sunway REIT as at 31 March 2025 and of its financial performance and cash flows for the period ended on that date and duly authorised for release by the Board of the Manager on 14 May 2025.

BY ORDER OF THE BOARD**Sunway REIT Management Sdn. Bhd.****(As Manager for Sunway Real Estate Investment Trust)****Tan Kim Aun****Lee Chun Shian****Company Secretaries****Bandar Sunway****Date: 14 May 2025**