

SUNWAY REAL ESTATE INVESTMENT TRUST
THIRD QUARTER ENDED 30 SEPTEMBER 2024
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Third Quarter ended			Cumulative Quarter ended		
		30.09.2024	30.09.2023	Change	30.09.2024	30.09.2023	Change
		RM'000	RM'000	%	RM'000	RM'000	%
Rental and lease income		186,103	172,211	8.1%	530,737	513,733	3.3%
Other operating income		6,038	3,624	66.6%	15,559	11,435	36.1%
Revenue		192,141	175,835	9.3%	546,296	525,168	4.0%
Quit rent, assessment and insurance		(4,452)	(4,387)	1.5%	(12,449)	(13,072)	-4.8%
Other property operating expenses		(43,368)	(34,698)	25.0%	(129,697)	(120,856)	7.3%
Property operating expenses		(47,820)	(39,085)	22.3%	(142,146)	(133,928)	6.1%
Net property income		144,321	136,750	5.5%	404,150	391,240	3.3%
Interest income		1,552	1,542	0.6%	9,917	4,841	> 100%
Other income		45	38	18.4%	119	333	-64.3%
Changes in fair value of investment properties							
- As per valuation reports	A13	-	-	N/A	66,165	-	N/A
Net investment income		145,918	138,330	5.5%	480,351	396,414	21.2%
Manager's fees	B8	(11,919)	(11,162)	6.8%	(34,434)	(32,827)	4.9%
Trustee's fees	B9	(198)	(200)	-1.0%	(588)	(584)	0.7%
Other trust expenses		(1,134)	(489)	> 100%	(2,968)	(1,994)	48.8%
Finance costs		(43,523)	(34,507)	26.1%	(121,169)	(100,388)	20.7%
		(56,774)	(46,358)	22.5%	(159,159)	(135,793)	17.2%
Profit before tax	A10	89,144	91,972	-3.1%	321,192	260,621	23.2%
Tax expenses	A11	-	-	N/A	-	-	N/A
Profit for the period		89,144	91,972	-3.1%	321,192	260,621	23.2%
Profit for the period comprises the following:							
Realised							
- Unitholders		89,099	86,923	2.5%	249,121	245,644	1.4%
- Perpetual note holders		-	5,013	-100.0%	5,776	14,876	-61.2%
		89,099	91,936	-3.1%	254,897	260,520	-2.2%
Unrealised		45	36	25.0%	66,295	101	> 100%
		89,144	91,972	-3.1%	321,192	260,621	23.2%
Basic earnings per unit attributable to unitholders (sen):							
Realised		2.61	2.54	2.8%	7.27	7.17	1.4%
Unrealised		-	-	N/A	1.93	-	N/A
		2.61	2.54	2.8%	9.20	7.17	28.3%
Distributable income per unit (sen) ¹		2.61	2.54	2.8%	7.27	7.17	1.4%
Distribution per unit (sen)	A12	-	-	N/A	4.66	4.62	0.9%

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.

SUNWAY REAL ESTATE INVESTMENT TRUST
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FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)

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

	Third Quarter ended			Cumulative Quarter ended		
	30.09.2024	30.09.2023	Change	30.09.2024	30.09.2023	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the period	89,144	91,972	-3.1%	321,192	260,621	23.2%
Other comprehensive income:						
Cash flow hedge - fair value of derivative ¹	(55,300)	691	> -100%	(74,244)	22,441	> -100%
Cash flow hedge reserve recycled to profit or loss	53,641	(1,269)	> 100%	74,121	(22,983)	> 100%
Total comprehensive income for the period	87,485	91,394	-4.3%	321,069	260,079	23.5%

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

STATEMENT OF INCOME DISTRIBUTION

	Note	Third Quarter ended			Cumulative Quarter ended		
		30.09.2024	30.09.2023	Change	30.09.2024	30.09.2023	Change
		RM'000	RM'000	%	RM'000	RM'000	%
Rental and lease income		186,103	172,211	8.1%	530,737	513,733	3.3%
Interest income		1,552	1,542	0.6%	9,917	4,841	> 100%
Other income ²		6,038	3,626	66.5%	15,548	11,667	33.3%
		193,693	177,379	9.2%	556,202	530,241	4.9%
Less: Expenses		(104,594)	(85,443)	22.4%	(301,305)	(269,721)	11.7%
Realised income for the period		89,099	91,936	-3.1%	254,897	260,520	-2.2%
Less: Amount reserved for distribution to perpetual note holders		-	(5,013)	-100.0%	(5,776)	(14,876)	-61.2%
Realised income attributable to unitholders		89,099	86,923	2.5%	249,121	245,644	1.4%
Add: Brought forward undistributed realised income		43,741	43,295	1.0%	43,315	42,800	1.2%
Total income available for distribution		132,840	130,218	2.0%	292,436	288,444	1.4%
Less: Proposed/Declared income distribution to unitholders		-	-	N/A	(159,596)	(158,226)	0.9%
Balance undistributed realised income		132,840	130,218	2.0%	132,840	130,218	2.0%
Distribution per unit (sen)	A12	-	-	N/A	4.66	4.62	0.9%

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.

SUNWAY REAL ESTATE INVESTMENT TRUST
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FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Note	Current	Immediate	Change
		Quarter ended 30.09.2024	Preceding Quarter ended 30.06.2024	
		RM'000	RM'000	%
Rental and lease income		186,103	170,823	8.9%
Other operating income		6,038	4,743	27.3%
Revenue		192,141	175,566	9.4%
Quit rent, assessment and insurance		(4,452)	(4,096)	8.7%
Other property operating expenses		(43,368)	(42,184)	2.8%
Property operating expenses		(47,820)	(46,280)	3.3%
Net property income		144,321	129,286	11.6%
Interest income		1,552	2,081	-25.4%
Other income		45	26	73.1%
Changes in fair value of investment properties				
- As per valuation reports	A13	-	66,165	-100.0%
Net investment income		145,918	197,558	-26.1%
Manager's fees	B8	(11,919)	(11,281)	5.7%
Trustee's fees	B9	(198)	(196)	1.0%
Other trust expenses		(1,134)	(999)	13.5%
Finance costs		(43,523)	(40,014)	8.8%
		(56,774)	(52,490)	8.2%
Profit before tax	A10	89,144	145,068	-38.6%
Tax expenses	A11	-	-	N/A
Profit for the period		89,144	145,068	-38.6%
Profit for the period comprises the following:				
Realised				
- Unitholders		89,099	78,042	14.2%
- Perpetual note holders		-	817	-100.0%
		89,099	78,859	13.0%
Unrealised		45	66,209	-99.9%
		89,144	145,068	-38.6%
Basic earnings per unit attributable to unitholders (sen):				
Realised		2.61	2.28	14.5%
Unrealised		-	1.93	-100.0%
		2.61	4.21	-38.0%
Distributable income per unit (sen) ¹		2.61	2.28	14.5%
Distribution per unit (sen)	A12	-	4.66	-100.0%

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.

SUNWAY REAL ESTATE INVESTMENT TRUST
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FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

	Current	Immediate	Change
	Quarter ended 30.09.2024	Quarter ended 30.06.2024	
	RM'000	RM'000	%
Profit for the period	89,144	145,068	-38.6%
Other comprehensive income:			
Cash flow hedge - fair value of derivative ¹	(55,300)	(3,928)	> 100%
Cash flow hedge reserve recycled to profit or loss	53,641	4,658	> 100%
Total comprehensive income for the period	87,485	145,798	-40.0%

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

STATEMENT OF INCOME DISTRIBUTION

	Note	Current	Immediate	Change
		Quarter ended 30.09.2024	Quarter ended 30.06.2024	
		RM'000	RM'000	%
Rental and lease income		186,103	170,823	8.9%
Interest income		1,552	2,081	-25.4%
Other income ²		6,038	4,725	27.8%
		193,693	177,629	9.0%
Less: Expenses		(104,594)	(98,770)	5.9%
Realised income for the period		89,099	78,859	13.0%
Less: Amount reserved for distribution to perpetual note holders		-	(817)	-100.0%
Realised income attributable to unitholders		89,099	78,042	14.2%
Add: Brought forward undistributed realised income		43,741	125,295	-65.1%
Total income available for distribution		132,840	203,337	-34.7%
Less: Proposed/Declared income distribution to unitholders		-	(159,596)	-100.0%
Balance undistributed realised income		132,840	43,741	> 100%
Distribution per unit (sen)	A12	-	4.66	-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.

SUNWAY REAL ESTATE INVESTMENT TRUST
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FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 30.09.2024 (Unaudited)	As At 31.12.2023 (Audited)
		RM'000	RM'000
Assets			
Non-current assets			
Investment properties	A13	9,768,553	8,912,360
Investment properties - accrued lease income	A13	59,640	59,640
Plant and equipment		16,316	17,399
Right-of-use asset		663	720
		9,845,172	8,990,119
Current assets			
Trade receivables	A14	19,399	19,384
Other receivables		69,523	88,799
Derivatives	B16	-	15,016
Cash and bank balances		285,837	425,305
		374,759	548,504
Total assets		10,219,931	9,538,623
Equity and liabilities			
Equity			
Unitholders' capital		3,433,864	3,433,864
Undistributed income		1,897,510	1,742,498
Total unitholders' funds		5,331,374	5,176,362
Perpetual note holders' funds		(283)	339,717
Total equity		5,331,091	5,516,079
Non-current liabilities			
Borrowings	A15	3,030,000	2,000,000
Long term liabilities		95,325	101,697
Deferred tax liabilities		12,991	12,991
Lease liability		773	773
		3,139,089	2,115,461
Current liabilities			
Borrowings	A15	1,373,349	1,636,985
Trade payables		8,905	1,498
Other payables		308,258	268,552
Derivatives	B16	59,227	-
Lease liability		12	48
		1,749,751	1,907,083
Total liabilities		4,888,840	4,022,544
Total equity and liabilities		10,219,931	9,538,623
Units in circulation ('000 units)		3,424,808	3,424,808
Net Asset Value ("NAV") attributable to unitholders (RM'000):			
Before income distribution		5,331,374	5,176,362
After income distribution ¹		5,082,253	5,016,081
NAV per unit attributable to unitholders (RM):			
Before income distribution		1.5567	1.5114
After income distribution ¹		1.4840	1.4646

¹ After interim income distribution of 4.66 sen per unit for semi-annual period ended 30 June 2024 and distributable income for Q3 2024 of 2.61 sen per unit is assumed for income distribution (31 December 2023: Final income distribution of 4.68 sen per unit for semi-annual period ended 31 December 2023).

The unaudited condensed consolidated statement of financial position 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 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 2024	3,433,864	1,742,498	5,176,362	339,717	5,516,079
Total comprehensive income					
Profit for the period	-	321,192	321,192	-	321,192
Other comprehensive income:					
- Cash flow hedge - fair value of derivative	-	(74,244)	(74,244)	-	(74,244)
- Cash flow hedge reserve recycled to profit or loss	-	74,121	74,121	-	74,121
Total comprehensive income, representing the increase in net assets resulting from operations	-	321,069	321,069	-	321,069
Unitholders' transactions					
Distribution to unitholders:					
- Income distribution proposed in prior year but paid in current period	-	(160,281)	(160,281)	-	(160,281)
Decrease in net assets resulting from unitholders' transactions	-	(160,281)	(160,281)	-	(160,281)
Perpetual note holders' transactions					
Amount reserved for distribution to perpetual note holders	-	(5,776)	(5,776)	-	(5,776)
Redemption of perpetual note	-	-	-	(340,000)	(340,000)
Decrease in net assets resulting from perpetual note holders' transactions	-	(5,776)	(5,776)	(340,000)	(345,776)
As at 30 September 2024 (Unaudited)	3,433,864	1,897,510	5,331,374	(283)	5,331,091

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 2023	3,433,864	1,754,397	5,188,261	339,717	5,527,978
Total comprehensive income					
Profit for the year	-	338,191	338,191	-	338,191
Other comprehensive income:					
- Cash flow hedge - fair value of derivative	-	17,813	17,813	-	17,813
- Cash flow hedge reserve recycled to profit or loss	-	(18,548)	(18,548)	-	(18,548)
Total comprehensive income, representing the increase in net assets resulting from operations	-	337,456	337,456	-	337,456
Unitholders' transactions					
Distribution to unitholders:					
- Income distribution declared and paid in current year	-	(158,226)	(158,226)	-	(158,226)
- Income distribution proposed in prior period but paid in current year	-	(171,240)	(171,240)	-	(171,240)
Decrease in net assets resulting from unitholders' transactions	-	(329,466)	(329,466)	-	(329,466)
Perpetual note holders' transactions					
Amount reserved for distribution to perpetual note holders	-	(19,889)	(19,889)	-	(19,889)
Decrease in net assets resulting from perpetual note holders' transactions	-	(19,889)	(19,889)	-	(19,889)
As at 31 December 2023 (Audited)	3,433,864	1,742,498	5,176,362	339,717	5,516,079

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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FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	568,144	545,754
Refundable security deposits from/(to) customers	5,790	(6,491)
Cash paid for operating expenses	(183,483)	(199,164)
Net cash from operating activities	390,451	340,099
Cash flows from investing activities		
Acquisition of plant and equipment	(1,778)	(5,160)
Deposit for acquisition of investment properties	(37,300)	(45,760)
Balance payment for acquisition of investment properties	(468,000)	-
Balance proceeds from disposal of investment property	-	399,900
Incidental costs on acquisition of investment properties	(6,835)	-
Incidental costs on disposal of investment property	-	(12,925)
Subsequent expenditure of investment properties	(241,274)	(126,441)
Net cash flows to licensed financial institutions with maturity of over 3 months	-	(40,000)
Interest received	10,980	5,489
Net cash (used in)/from investing activities	(744,207)	175,103
Cash flows from financing activities		
Proceeds from issuance of commercial papers	2,680,000	730,000
Proceeds from issuance of medium term notes	2,570,000	300,000
Drawdown of revolving loans - USD	808,985	200,267
Drawdown of revolving loan	50,000	100,000
Repayment of commercial papers	(2,700,000)	(250,000)
Repayment of medium term notes	(700,000)	(560,000)
Repayment of revolving loans - USD	(618,633)	(292,552)
Repayment of revolving loan	(1,250,000)	(320,000)
Redemption of perpetual note	(340,000)	-
Interest paid	(115,865)	(98,865)
Distribution paid to unitholders	(160,281)	(325,751)
Distribution paid to perpetual note holders	(9,918)	(9,918)
Net cash from/(used in) financing activities	214,288	(526,819)
Net decrease in cash and cash equivalents	(139,468)	(11,617)
Cash and cash equivalents at beginning of period	425,305	251,238
Cash and cash equivalents at end of period	285,837	239,621
Cash and bank balances	285,837	279,621
Deposits with licensed financial institutions with maturity of over 3 months	-	(40,000)
Cash and cash equivalents	285,837	239,621
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	217,837	39,621
Deposits placed with licensed financial institutions	68,000	240,000
Cash and bank balances	285,837	279,621

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

**SUNWAY REAL ESTATE INVESTMENT TRUST
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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 30 September 2024 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 2023 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 2023 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 2023, except for the adoption of the following Standards that are effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Leases liability in a sale and leaseback*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

The 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 2023.

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 30 September 2024.

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 30 September 2024, 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 30 September 2024.

SUNWAY REAL ESTATE INVESTMENT TRUST
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A8. Segmental Reporting

Segmental revenue and results for the third quarter ended 30 September 2024 and 30 September 2023 are as follows:

Business segments	Third Quarter ended 30.09.2024						Third Quarter ended 30.09.2023					
	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	130,572	29,238	20,491	9,580	2,260	192,141	111,787	27,892	20,692	13,771	1,693	175,835
Net property income	91,790	28,102	12,928	9,580	1,921	144,321	81,826	26,886	12,834	13,771	1,433	136,750
Interest income						1,552						1,542
Other income						45						38
Trust and other expenses						(13,251)						(11,851)
Finance costs						(43,523)						(34,507)
Profit before tax						89,144						91,972
Tax expenses						-						-
Profit for the period						89,144						91,972

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A8. Segmental Reporting (Cont'd)

Segmental revenue and results for the period ended 30 September 2024 and 30 September 2023 are as follows:

Business segments	Cumulative Quarter ended 30.09.2024						Cumulative Quarter ended 30.09.2023					
	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	380,597	67,579	62,595	28,740	6,785	546,296	348,954	63,822	61,591	45,720	5,081	525,168
Net property income	264,908	64,732	39,814	28,739	5,957	404,150	241,245	60,926	39,208	45,720	4,141	391,240
Interest income						9,917						4,841
Other income						119						333
Changes in fair value of investment properties						66,165						-
Trust and other expenses						(37,990)						(35,405)
Finance costs						(121,169)						(100,388)
Profit before tax						321,192						260,621
Tax expenses						-						-
Profit for the period						321,192						260,621

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A8. Segmental Reporting (Cont'd)

Segmental assets and liabilities as at 30 September 2024 and 31 December 2023 are as follows:

Business segments	As at 30.09.2024						As at 31.12.2023					
	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	6,290,680	1,886,060	973,278	580,688	171,733	9,902,439	5,455,592	1,865,569	965,926	580,000	167,226	9,034,313
Unallocated assets						317,492						504,310
Total assets						10,219,931						9,538,623
Liabilities												
Segment liabilities	317,419	35,397	26,308	-	1,289	380,413	279,409	32,236	27,762	-	1,385	340,792
Unallocated liabilities						4,508,427						3,681,752
Total liabilities						4,888,840						4,022,544

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A8. Segmental Reporting (Cont'd)

Properties	Revenue				Net Property Income				Revenue			Net Property Income		
	Third Quarter ended				Third Quarter ended				Cumulative Quarter ended			Cumulative Quarter ended		
	30.09.2024	30.09.2023	Change	30.06.2024	30.09.2024	30.09.2023	Change	30.06.2024	30.09.2024	30.09.2023	Change	30.09.2024	30.09.2023	Change
	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	RM'000	RM'000	%
Retail														
Sunway Pyramid Mall ¹	85,490	82,475	3.7%	82,894	62,286	64,860	-4.0%	60,388	261,347	260,750	0.2%	191,751	196,144	-2.2%
Sunway Carnival Mall ²	20,355	16,558	22.9%	19,467	11,864	9,711	22.2%	11,124	59,927	48,129	24.5%	34,554	25,536	35.3%
Sunway Putra Mall	13,000	11,811	10.1%	13,140	6,099	6,497	-6.1%	6,687	38,450	37,461	2.6%	18,349	17,556	4.5%
SunCity Ipoh Hypermarket	935	880	6.3%	880	919	875	5.0%	866	2,695	2,431	10.9%	2,651	2,402	10.4%
Sunway Pier ³	55	63	-12.7%	52	(115)	(117)	-1.7%	(171)	165	183	-9.8%	(410)	(393)	4.3%
Sunway REIT Hypermarket- Kinrara ⁴	2,463	-	N/A	1,669	2,463	-	N/A	1,669	4,132	-	N/A	4,132	-	N/A
Sunway REIT Hypermarket- Putra Heights ⁴	1,347	-	N/A	913	1,347	-	N/A	913	2,260	-	N/A	2,260	-	N/A
Sunway REIT Hypermarket- USJ ⁴	2,252	-	N/A	1,526	2,252	-	N/A	1,526	3,778	-	N/A	3,778	-	N/A
Sunway REIT Hypermarket- Klang ⁴	1,148	-	N/A	778	1,148	-	N/A	778	1,926	-	N/A	1,926	-	N/A
Sunway REIT Hypermarket- Ulu Kelang ⁴	957	-	N/A	648	957	-	N/A	648	1,605	-	N/A	1,605	-	N/A
Sunway REIT Hypermarket- Plentong ⁴	2,570	-	N/A	1,742	2,570	-	N/A	1,742	4,312	-	N/A	4,312	-	N/A
	130,572	111,787	16.8%	123,709	91,790	81,826	12.2%	86,170	380,597	348,954	9.1%	264,908	241,245	9.8%
Hotel														
Sunway Resort Hotel ⁵	11,878	10,978 ⁵	8.2%	6,406	11,501	10,623 ⁵	8.3%	6,090	24,332	17,608 ⁵	38.2%	23,339	16,780 ⁵	39.1%
Sunway Pyramid Hotel ⁵	6,569	7,653 ⁵	-14.2%	6,055	6,343	7,519 ⁵	-15.6%	5,835	18,106	22,263 ⁵	-18.7%	17,481	21,745 ⁵	-19.6%
Sunway Lagoon Hotel	3,486	3,603	-3.2%	3,040	3,412	3,535	-3.5%	3,338	8,914	8,966	-0.6%	9,063	8,761	3.4%
Sunway Putra Hotel	4,013	3,146	27.6%	1,721	3,670	2,806	30.8%	1,357	8,391	7,987	5.1%	7,352	6,969	5.5%
Sunway Hotel Seberang Jaya	965	804	20.0%	726	907	751	20.8%	673	2,624	2,041	28.6%	2,459	1,882	30.7%
Sunway Hotel Georgetown	2,327	1,708	36.2%	1,265	2,269	1,652	37.3%	1,206	5,212	4,957	5.1%	5,038	4,789	5.2%
	29,238	27,892	4.8%	19,213	28,102	26,886	4.5%	18,499	67,579	63,822	5.9%	64,732	60,926	6.2%
Office														
Menara Sunway	4,148	4,240	-2.2%	4,818	2,766	2,536	9.1%	2,953	13,653	12,865	6.1%	8,687	7,792	11.5%
Sunway Tower	1,346	1,231	9.3%	1,230	(34)	(310)	-89.0%	92	3,923	3,423	14.6%	433	(411)	> 100%
Sunway Putra Tower	2,583	3,110	-16.9%	2,548	1,369	1,815	-24.6%	1,338	8,208	9,214	-10.9%	4,505	5,520	-18.4%
Wisma Sunway	1,746	1,747	-0.1%	1,811	926	967	-4.2%	984	5,305	5,238	1.3%	2,828	3,014	-6.2%
Sunway Pinnacle	10,668	10,364	2.9%	10,415	7,901	7,826	1.0%	7,647	31,506	30,851	2.1%	23,361	23,293	0.3%
	20,491	20,692	-1.0%	20,822	12,928	12,834	0.7%	13,014	62,595	61,591	1.6%	39,814	39,208	1.5%
Services														
Sunway Medical Centre (Tower A & B) ⁶	-	4,406	-100.0%	-	-	4,406	-100.0%	-	-	17,625	-100.0%	-	17,625	-100.0%
Sunway university & college campus	9,580	9,365	2.3%	9,580	9,580	9,365	2.3%	9,579	28,740	28,095	2.3%	28,739	28,095	2.3%
	9,580	13,771	-30.4%	9,580	9,580	13,771	-30.4%	9,579	28,740	45,720	-37.1%	28,739	45,720	-37.1%
Industrial & Others														
Sunway REIT Industrial-Shah Alam 1	1,693	1,693	0.0%	1,693	1,693	1,693	0.0%	1,693	5,079	5,081	0.0%	5,079	5,030	1.0%
Sunway REIT Industrial-Petaling Jaya 1 ⁷	567	-	N/A	549	228	(260)	> 100%	331	1,706	-	N/A	878	(889)	> 100%
	2,260	1,693	33.5%	2,242	1,921	1,433	34.1%	2,024	6,785	5,081	33.5%	5,957	4,141	43.9%
Total Revenue / NPI	192,141	175,835	9.3%	175,566	144,321	136,750	5.5%	129,286	546,296	525,168	4.0%	404,150	391,240	3.3%

¹ Refurbishment of ex-anchor tenant's space commenced in September 2023 and re-opened on 1 November 2024.

² Refurbishment of the existing wing commenced in July 2023 with target completion in mid-2025.

³ Acquired on 17 January 2022. Redevelopment into a retail-centric tourist attraction commenced in October 2024 with target completion in early 2027.

⁴ Acquired on 30 April 2024. The properties are under triple net lease arrangement.

⁵ Both hotels are under a single master lease agreement, with the rent formula of 90% on total hotels' gross operating profit. The comparative figures have been reclassified to conform to the current year's presentation.

⁶ Disposed on 30 August 2023.

⁷ Acquired on 10 November 2022. First rental commencement from 1 January 2024.

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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 Third Quarter Results

Retail segment

Revenue of Retail segment for third quarter ended 30 September 2024 (Q3 2024) was at RM130.6 million, jumped by 17% or RM18.8 million compared to the same quarter of the preceding year (Q3 2023), contributed by full-quarter rental from the six Sunway REIT Hypermarkets of RM10.7 million and better performance across all malls.

NPI of Retail Segment for Q3 2024 was at RM91.8 million, increased by 12% or RM10.0 million attributed to higher revenue.

Hotel segment

Hotel Segment registered moderate revenue growth of 5% or RM1.3 million in Q3 2024, to RM29.2 million, driven by an overall improvement in average occupancy rate.

Correspondingly, NPI of Hotel segment for Q3 2024 increased by 5% or RM1.2 million, to RM28.1 million.

Office segment

Revenue for Office Segment recorded a marginal drop of 1% or RM0.2 million in Q3 2024, to RM20.5 million, after two major tenants of Sunway Putra Tower relocated to their own office buildings.

NPI stood at RM12.9 million for Q3 2024, higher by 1% or RM0.1 million due to lower maintenance costs.

Services segment

Revenue and NPI of Services segment for Q3 2024 were lower by 30% or RM4.2 million due to disposal of Sunway Medical Centre (Tower A & B) on 30 August 2023. Rental contribution from Sunway university & college campus increased by 2.3% in accordance with the master lease agreement.

Industrial & Others segment

Industrial & Others segment recorded a sharp increase of 34% in revenue and NPI for Q3 2024, supported by an average occupancy rate of 33% for Sunway REIT Industrial – Petaling Jaya 1 in Q3 2024. The property was vacant prior to December 2023.

Overall

	Q3 2024	Q3 2023	Change	
	RM'000	RM'000	RM'000	%
Revenue	192,141	175,835	16,306	9.3%
NPI	144,321	136,750	7,571	5.5%
Profit for the period, comprise of:				
Realised				
- Unitholders	89,099	86,923	2,176	2.5%
- Perpetual note holders	-	5,013	(5,013)	-100.0%
	89,099	91,936	(2,837)	-3.1%
Unrealised				
	45	36	9	25.0%
	89,144	91,972	(2,828)	-3.1%

Sunway REIT registered a realised profit attributable to unitholders of RM89.1 million for Q3 2024, higher by 2.5% or RM2.2 million compared to Q3 2023 mainly due to no distribution reserved for perpetual note holders in Q3 2024 following full redemption of the perpetual notes in April 2024, despite lower profit for current quarter.

A8. Segmental Reporting (Cont'd)

b) Review of Cumulative Quarter Results

Retail segment

Revenue of Retail segment improved by 9% or RM31.6 million, bringing it to RM380.6 million for the cumulative period ended 30 September 2024 (YTD Q3 2024). This increase was largely driven by rental income from the six Sunway REIT Hypermarkets commencing 30 April 2024 and stronger performance of Sunway Carnival Mall from higher turnover rent and increase in service and promotion charge.

NPI of Retail segment was higher by 10% or RM23.7 million, to RM264.9 million for YTD Q3 2024 in line with the improved revenue, partially offset by higher advertising and promotion expenses and lower reversal of provision for doubtful debts.

Hotel segment

Revenue of Hotel segment was higher by 6% or RM3.8 million, to RM67.6 million for YTD Q3 2024 attributable to the overall improvement in tourism activity and the inflow of foreign tourists as evidenced by the increase in average occupancy rate of the Hotel segment from 63% to 65% for YTD Q3 2024.

NPI of Hotel segment has correspondingly increased by 6% or RM3.8 million, to RM64.7 million for YTD Q3 2024.

Office segment

Office segment registered revenue of RM62.6 million for YTD Q3 2024, an increase of 2% or RM1.0 million, backed by stable average occupancy rate of above 80%.

NPI of Office segment increased marginally by 2% or RM0.6 million, to RM39.8 million for YTD Q3 2024.

Services segment

Services segment contributed revenue and NPI of RM28.7 million for YTD Q3 2024, representing a decrease of 37% or RM16.9 million compared to YTD Q3 2023 following disposal of Sunway Medical Centre (Tower A & B) on 30 August 2023.

Industrial & Others segment

The Industrial & Others segment recorded a sharp increase in revenue and NPI of 34% and 44% respectively for YTD Q3 2024, supported by an average occupancy rate of 32% for Sunway REIT Industrial – Petaling Jaya 1 for YTD Q3 2024. The property was vacant prior to December 2023.

Overall

	YTD Q3 2024 RM'000	YTD Q3 2023 RM'000	Change RM'000	%
Revenue	546,296	525,168	21,128	4.0%
NPI	404,150	391,240	12,910	3.3%
Profit for the year, comprise of:				
Realised				
- Unitholders	249,121	245,644	3,477	1.4%
- Perpetual note holders	5,776	14,876	(9,100)	-61.2%
	254,897	260,520	(5,623)	-2.2%
Unrealised	66,295	101	66,194	>100%
	321,192	260,621	60,571	23.2%

Realised profit attributable to unitholders of Sunway REIT for YTD Q3 2024 was RM249.1 million, increased by 1.4% or RM3.5 million compared to YTD Q3 2023, mainly attributed to lower profit attributable to perpetual note holders as explained in Note A8a) above.

Unrealised profit for YTD Q3 2024 was in relation to valuation gain of RM 66.2 million for six Sunway REIT Hypermarkets following completion of the acquisition on 30 April 2024.

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	Third Quarter ended		Cummulative Quarter ended	
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Net changes in fair value of long term liabilities	B18	(45)	(36)	(130)	(101)
Realised foreign exchange loss		1	6	1	8
Unrealised foreign exchange (gain)/loss (hedged item)		(53,641)	1,269	(74,121)	22,983
Cash flow hedge reserve recycled to profit or loss		53,641	(1,269)	74,121	(22,983)
Reversal of impairment on trade receivables	A14	(28)	(1,318)	(314)	(3,222)
Depreciation of plant and equipment		1,002	1,046	3,018	2,912
Loss on disposal of plant and equipment		-	1	25	51
Write off of plant and equipment		-	31	-	112

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.

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.

For the current financial period, the Manager has proposed the following distribution of Sunway REIT:

- i) For the semi-annual period from 1 January 2024 to 30 June 2024, interim income distribution amounting to RM159.6 million or 4.66 sen per unit, comprising taxable and non-taxable/tax-exempt amount of 4.14 sen per unit and 0.52 sen per unit respectively, paid in cash on 4 October 2024.

Final income distribution for the current financial year will be based on the distributable income for the semi-annual period ending 31 December 2024.

A13. Investment Properties

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Investment properties	9,768,553	8,912,360
Investment property - accrued lease income	59,640	59,640
	<u>9,828,193</u>	<u>8,972,000</u>

On 30 April 2024, Sunway REIT acquired six Sunway REIT Hypermarkets for a purchase consideration of RM520.0 million, which were financed with proceeds from disposal of Sunway Medical Centre (Tower A & B) and drawdown of borrowings.

The appraised value for six Sunway REIT Hypermarkets based on valuation carried out on 15 February 2023 was RM593.0 million, resulting in net unrealised fair value gain of RM66.2 million.

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 RM59.6 million as at 30 September 2024.

A14. Trade Receivables

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Third parties	14,727	15,105
Amount due from parties related to the Manager	7,609	7,556
	<u>22,336</u>	<u>22,661</u>
Less: Allowance for impairment	(2,937)	(3,277)
Total trade receivables	<u>19,399</u>	<u>19,384</u>

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

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Current	7,760	7,863
1 to 30 days	6,171	6,525
31 to 60 days	2,343	1,879
61 to 90 days	1,449	880
91 to 120 days	489	524
More than 120 days	4,124	4,990
	<u>14,576</u>	<u>14,798</u>
Less: Impaired	(2,937)	(3,277)
	<u>19,399</u>	<u>19,384</u>

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

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
At beginning of period / year	3,277	7,641
Reversal for the period / year	(314)	(4,333)
Written off	(26)	(31)
At end of period / year	<u>2,937</u>	<u>3,277</u>

A15. Borrowings and Debt Securities

	As at 30.09.2024 RM'000	As at 30.09.2023 RM'000
<u>Short term borrowings</u>		
Secured		
- Commercial paper	70,000	480,000
- Revolving loans (USD)	463,556	220,524
- Unrated medium term notes	840,000	1,100,000
	<u>1,373,556</u>	<u>1,800,524</u>
Less: Discount on commercial paper	(98)	(855)
Less: Unamortised transaction costs	(109)	(184)
Total short term borrowings	<u>1,373,349</u>	<u>1,799,485</u>
<u>Long term borrowings</u>		
Secured		
- Unrated medium term notes	1,830,000	-
Unsecured		
- Rated medium term notes	400,000	-
- Revolving loan (RM)	800,000	1,670,000
Total long term borrowings	<u>3,030,000</u>	<u>1,670,000</u>
Total borrowings	<u>4,403,349</u>	<u>3,469,485</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. On 31 July 2024, part of the revolving loan amounting to RM1.2 billion has been early settled through issuances of 3 to 7 years unrated medium term notes due in 2027 to 2031.

Total borrowings of Sunway REIT as at 30 September 2024 increased by RM933.9 million compared to 30 September 2023, due to additional borrowings for redemption of perpetual note, acquisitions and capital expenditure.

Proportion of borrowings based on fixed and floating interest rates as at 30 September 2024 was 36 : 64 (30 September 2023: 38 : 62). For the financial period ended 30 September 2024, average interest rate of borrowings was 3.88% (30 September 2023: 3.76%).

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 30 September 2024				
<u>Financial asset</u>				
Investment properties	-	-	9,565,000	9,565,000
<u>Financial liability</u>				
Derivatives	-	59,227	-	59,227
At 31 December 2023				
<u>Financial assets</u>				
Investment properties	-	-	8,972,000	8,972,000
Derivatives	-	15,016	-	15,016

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

A17. Material Events since the last Annual Reporting

Proposed acquisition of hypermarkets / retail complexes for cash consideration of RM520.0 million

On 16 March 2023, Sunway REIT entered into a conditional sale and purchase agreement ("SPA") with Kwasa Properties Sdn. Bhd. ("Kwasa"), a wholly-owned subsidiary of the Employees Provident Fund, to acquire six freehold hypermarkets / retail complexes that are strategically located in Klang Valley and Johor for a total cash consideration of RM520.0 million. The acquisition was completed on 30 April 2024.

Proposed acquisition of an industrial property in Prai, Penang for cash consideration of RM66.8 million

On 18 December 2023, Sunway REIT entered into a conditional sale and purchase agreement with Best Corridor Venture Sdn. Bhd., to acquire an industrial property that is strategically located in Bukit Tengah Industrial Park, Prai, Penang for a cash consideration of RM66.8 million. The acquisition was completed on 24 October 2024.

Proposed acquisition of a shopping mall known as "163 Retail Park" in Mont Kiara, Kuala Lumpur for cash consideration of RM215.0 million

On 26 January 2024, Sunway REIT entered into a conditional sale and purchase agreement with D'Kiara Place Sdn. Bhd., to acquire a shopping mall known as "163 Retail Park" that is strategically located in Mont Kiara, Kuala Lumpur for a cash consideration of RM215.0 million. The acquisition was completed on 9 October 2024.

Proposed acquisition of a shopping mall known as "Kluang Mall" in Kluang, Johor for cash consideration of RM158.0 million

On 8 August 2024, Sunway REIT entered into a conditional sale and purchase agreement with Tenaga Nusantara Sdn. Bhd., to acquire a shopping mall known as "Kluang Mall" that is strategically located in Kluang, Johor for a cash consideration of RM158.0 million.

Barring any unforeseen circumstances, the proposed acquisition is expected to be completed in Q4 2024.

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

On 22 October 2024, SUNREIT Perpetual Bond Berhad, a wholly-owned subsidiary of Sunway REIT, has successfully issued 5-year and 7-year rated perpetual notes amounting to RM500 million at a blended rate of 4.63%, with first call dates on 22 October 2029 and 22 October 2031 respectively.

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 30.09.2024 RM'000	As at 31.12.2023 RM'000
Approved and contracted for	740,371	903,527
Approved and not contracted for	468,026	609,177
	<u>1,208,397</u>	<u>1,512,704</u>

Amount approved and contracted for was largely in regards to the balance purchase consideration totalling RM391.7 million for the proposed acquisitions stated in Note A17, reconfiguration works of a previous anchor tenant's area in Sunway Pyramid Mall and ongoing Phase 2 refurbishment of Sunway Carnival Mall with completion in mid-2025.

The balance of the capital commitments was largely in relation to the planned refurbishment of Sunway Pier and Sunway Hotel Georgetown.

A20. Contingent Liability and Asset

There was no contingent asset as at 30 September 2024. The contingent liability as at 30 September 2024 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 period ended 30 September 2024:

	Cummulative Quarter ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
a) Sunway Berhad Group		
- Sales	(112,491)	(125,170)
- Purchases	145,853	210,439
- Disposal of investment property	-	(430,000)
Structured entities controlled by Sunway Berhad Group		
- Distribution to perpetual note holders	5,776	14,876
b) Sunway Technology Sdn. Bhd. Group		
- Sales	(1,826)	(1,891)
- Purchases	648	608

The distribution to perpetual note holders relates to the amount reserved and/or paid for semi-annual distribution to the subscribers of the perpetual notes, which are wholesale funds regarded as structured entities controlled by Sunway Berhad. The perpetual notes have been fully redeemed on 15 April 2024.

The following table provides information on the balances with the parties related to the Manager as at 30 September 2024 and 30 September 2023:

	As at	As at
	30.09.2024	31.12.2023
	RM'000	RM'000
<u>Amounts owed by parties related to the Manager:</u>		
a) Sunway Berhad Group	8,673	8,132
b) Sunway Technology Sdn. Bhd. Group	-	16
<u>Amount owed to parties related to the Manager:</u>		
a) Sunway Berhad Group	59,201	95,299

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 Notes A8a) and A8b) above.

b) Statement of Financial Position

Investment properties increased by RM856.2 million primarily from the acquisition of six Sunway REIT Hypermarkets on 30 April 2024, as well as the ongoing capital expenditure for Sunway Carnival Mall and Sunway Pyramid Mall.

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 lower by RM19.3 million mainly due to reclassification of deposit paid for six Sunway REIT Hypermarkets of RM52.0 million to investment properties upon completion of the acquisition, partially reduced by the deposits paid for the proposed acquisition of 163 Retail Park and Kluang Mall.

Other payables was higher by RM39.7 million resulting from capital expenditure payable for the Sunway Pyramid Mall reconfiguration and the Sunway Carnival Mall refurbishment.

Derivatives of RM59.2 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 A16 and B16.

B1. Review of Performance (Cont'd)

b) Statement of Financial Position (cont'd)

Total net asset value as at 30 September 2024 mainly comprised of unitholders' funds of RM5.3 billion. Unitholders' funds increased by RM155.0 million contributed by total comprehensive income for the period of RM321.2 million, partially offset by distribution to unitholders of RM160.3 million. Perpetual note holders' fund reduced by RM340.0 million pursuant to full redemption of the perpetual notes on 15 April 2024.

Net asset value per unit, after income distribution, increased marginally to RM1.48 as at 30 September 2024 primarily due to the valuation gain recognised for six Sunway REIT Hypermarkets of RM66.2 million.

c) Statement of Cash Flows

Net cash from operating activities for YTD Q3 2024 of RM390.5 million, compared to NPI less trust expenses of RM366.1 million, mainly comprise of cash receipt from lessees and tenants, partially offset by cash paid for operating expenses.

Net cash used in investing activities for YTD Q3 2024 of RM744.2 million was mainly for balance payment of six Sunway REIT hypermarkets, deposits for the proposed acquisitions and capital expenditure incurred for Sunway Pyramid Mall reconfiguration and Sunway Carnival Mall refurbishment.

Net cash from financing activities for YTD Q3 2024 of RM214.3 million was contributed by net drawdown of borrowings of RM500.4 million, partially offset by income distribution paid to unitholders of RM160.3 million and interest paid of RM115.9 million.

Cash and bank balances as at 30 September 2024 and 30 September 2023 stood at RM285.8 million and RM279.6 million respectively. The higher cash and bank balances mainly due higher net cash from operating activities and net cash from financing activities, partially offset by higher net cash used in investing activities.

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 RM164.9 million for Q3 2024, mainly for Sunway Carnival Mall and Sunway Pyramid Mall.

B3. Material Changes in Quarterly Results

	Current Quarter ended 30.09.2024 RM'000	Immediate Preceding Quarter ended 30.06.2024 RM'000	Change %
Realised profit	89,099	78,859	13.0%
Unrealised profit	45	66,209	-99.9%
Profit for the quarter	89,144	145,068	-38.6%

Realised profit for current quarter was higher by RM10.2 million or 13% compared to immediate preceding quarter (Q2 2024) mainly due to higher NPI by RM15.0 million in current quarter attributable to higher revenue from Hotel segment and full-quarter rental contribution from six Sunway REIT Hypermarkets which were acquired on 30 April 2024.

B4. Commentary on Prospects

Indicator	2025 (F)	2024 (F)	Q3 2024	Q2 2024	Q1 2024	2023	2022	2021
Gross Domestic Product (GDP) (yoy)	4.5% - 5.5% ⁴	4.8% - 5.3% ⁴	5.3% ⁵	5.9%	4.2%	3.7%	8.7%	3.1%
Consumer Price Index (CPI) (yoy)	2.0% - 3.5% ⁴	2.1% - 3.6% ⁴	1.9% ²	1.9%	1.7%	2.5%	3.3%	2.5%
Overnight Policy Rate (OPR)	3.0% ³	3.0% ³	3.0% ¹	3.0%	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 GDP as at 21 October 2024 (Source: Department of Statistics Malaysia), actual GDP to be announced on 15 November 2024

B4. Commentary on Prospects (Cont'd)

Malaysia started 2024 with stronger growth momentum. Advance estimates for Malaysia's GDP grew by 5.3% in Q3 2024, following a robust 5.9% growth in Q2 2024. The Manager approaches the remaining year with optimism. The stable domestic political landscape will be positive for the economy's long-term prospects. In addition, the influx of foreign direct investments indicates positive developments as Malaysia is gaining global visibility and building investor confidence.

Sunway REIT is confident that Malaysia's domestic consumption will continue to be supported by the low unemployment rate and steady economic growth. The introduction of Account 3 by the Employees Provident Fund (EPF) is a positive factor to boost consumer spending further which augur well for the retail sector. Additionally, the Manager believes that stronger tourist arrivals will be another booster to the local economy.

The US has finally cut interest rates by 50 bps during Q3 2024 in line with slowing inflation. In Malaysia, it is anticipated that Bank Negara Malaysia ("BNM") will maintain the Overnight Policy Rate ("OPR") as the present monetary policy stance remains supportive of the economy, which is consistent with the current assessment of inflation and growth prospects. The Manager will maintain its dynamic capital management strategy and seek opportunities to capitalise on any change in interest rate direction in managing our borrowing cost.

Review of retail market

The supply of retail malls in Malaysia will rise further in 2024. While representing new competition, these new retail malls could add depth and breadth to retail offerings and elevate Malaysia's position as a retail destination. The evolution of the retail landscape could attract more internationally renowned brands to have their presence in Malaysia which will benefit the overall retail industry. Therefore, the Manager strongly believes that established regional malls will continue to be well-placed to attract the best tenants.

According to Retail Group Malaysia, the retail industry is projected to grow by 3.6% in 2024, highlighting that the biggest challenge for the industry will be the rising cost of living. The introduction of EPF Account 3 or Flexible Account and the increase in civil servant remuneration from December 2024 are expected to boost retail sales. The Federal Budget 2025's proposed increase in the minimum wage and direct cash assistance are expected to stimulate consumer spending and ease the impact of rising living costs.

On the Asset Enhancement Initiatives ("AEIs") front, Sunway Pyramid Mall has completed its reconfiguration of Oasis wing, accounting for approximately 11% of net lettable area of the mall in November 2024. Oasis has reopened with occupancy of 99% and with positive rental reversion.

In addition, Sunway Carnival Mall is undergoing refurbishment for its existing wing (Phase 2) following the strong performance of the new wing which was completed in June 2022. The Phase 2 refurbishment is slated to be completed in phases between early 2024 to the end of 2025 and we expect an uplift in NPI upon full completion. As of September 2024, the Manager has secured more than 90% of committed tenants for Sunway Carnival Mall Phase 2 refurbishment.

On 30 April 2024, Sunway REIT completed the proposed acquisition of six hypermarkets that are strategically located at Klang Valley and Johor. The rental contribution from the said properties commenced on 30 April 2024. Additionally, the acquisition of Sunway 163 Mall was completed on 9 October 2024 and is anticipated to contribute starting from Q4 2024.

Review of hotel market

Tourism Malaysia projects 2024 tourist arrival to surpass the 2019 pre-pandemic level of 26.1 million foreign visitors, particularly visitors from China and India following the improved flight connectivity and resumption of flights to Northeast Asia destinations. Additionally, the recently granted 30-day visa-free entry, effective 1 December 2023 for visitors from China, India, Saudi Arabia, Qatar and UAE, Bahrain, is expected to further catalyse the tourism industry in Malaysia. The tourism sector is poised for a surge moving forward, driven by the upcoming Visit Malaysia Year 2026 and Malaysia's role as ASEAN Chair in 2025, which may potentially enhance economic activity and attract international tourists.

In ASEAN, tourism broadly recovered to 70% of pre-pandemic levels in 2023. For most of the countries, particularly Thailand and Vietnam, the remaining 30% gap was due to a slower-than-expected return of Chinese tourists. Malaysia's tourism for June 2024 recorded an increase of 28% to 11.8 million tourists, from 9.2 million tourists in the same period last year with the top tourist being Singaporean (36%), Indonesian (15%) and Chinese (12%).

Malaysia's strategic positioning in the Muslim-friendly and medical tourism segments bodes well for Sunway REIT's hotels which are in close proximity to Sunway Medical Centre and surrounding medical centres. Given these positive factors, the Manager is confident of a sustainable growth trajectory for the hotel segment in FY2024.

B4. Commentary on Prospects (Cont'd)

Review of office market

The office sector in Malaysia is anticipated to see a continued increase in incoming supply in 2024. The overhang of vacant office space especially in Klang Valley will adversely affect rental growth prospects. However, Malaysia's relatively cheap rental may entice relocations of more regional offices to Malaysia.

To ensure that Sunway REIT's office properties are included in tenants' consideration, the Manager will continuously enhance the properties to meet green building requirements.

Against the backdrop of the overhang of supply, it is projected that rental rates and occupancy rates for the office segment will remain challenging. Nonetheless, the Manager is hopeful that the contribution of the Office segment in Sunway REIT's portfolio will remain stable in FY2024.

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 period under review.

B6. Performance Benchmark

Performance indicators	Period ended 30.9.2024	Year ended 31.12.2023
a) Management expense ratio *	1.00%	0.90%
b) Total return *	16.1%	11.5%
c) Average annual total return (5 years) *	3.7%	2.6%
d) Distribution yield *	5.7%	6.0%
e) NAV per unit (after income distribution) (RM)	1.4840	1.4646

* The performance indicators for the period ended 30 September 2024 was based on annualised results.

- The ratio of trust expenses in operating Sunway REIT to the NAV of Sunway REIT. Higher for YTD Q3 2024 mainly due lower NAV following by full redemption of the perpetual notes of RM340.0 million on 15 April 2024.
- Total return represents the change in unit price from beginning of financial year plus distribution yield for the financial year.
- 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.
- Annualised distributable income of 9.71 sen per unit (based on distributable income for YTD Q3 2024 of 7.27 sen per unit) divided by the closing unit price as at 30 September 2024 of RM1.70 (31 December 2023: DPU of 9.30 sen divided by the closing unit price as at 31 December 2023 of RM1.54).
- NAV of Sunway REIT as determined by deducting the value of total liabilities from the total assets as at period-end and after interim income distribution of 4.66 sen per unit for semi-annual period ended 30 June 2024 and distributable income for Q3 2024 of 2.61 sen per unit is assumed for income distribution (31 December 2023: final income distribution of 4.68 sen per unit), divided by total issued units.

B7. Strategies and Policies

The Manager's strategies can be broadly categorised as:

- active asset management strategy
- acquisition growth strategy
- capital and risk management strategy
- 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:

- Base fee of 0.3% per annum on the total assets value;
- 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;

B8. Manager's Fees (Cont'd)

- 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 current quarter stood at RM11.9 million, higher by 7% or RM0.8 million in line with higher NPI.

During the financial period, there was an acquisition fee of RM5.2 million paid to the Manager for the acquisition of six Sunway REIT Hypermarkets, which was accounted for as part of acquisition cost of investment property.

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 (previously known as SUNREIT Unrated 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.

The trustees' fees for current quarter remained the same at RM0.2 million.

B10. Status of Corporate Proposals

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

B11. Status of Utilisation of Proceeds Raised from Corporate Proposal

On 29 December 2022, Sunway REIT entered into a conditional sale and purchase agreement with Sunway Medical Centre Sdn. Bhd., a party controlled by Sunway Berhad, to dispose 2 parcels of leasehold lands held under PN 12549 Lot 38160, Bandar Sunway, Daerah Petaling, Negeri Selangor and PN 12550 Lot 45, Bandar Sunway, Daerah Petaling, Negeri Selangor together with a 7-storey medical centre with a lower ground floor car park, an elevated car park and a convention centre known as "Sunway Medical Centre (Tower A & B)", for a total cash consideration of RM430.0 million ("Proposed Disposal").

This Proposed Disposal was completed on 30 August 2023 upon payment of the balance purchase consideration.

As at 30 September 2024, the status of utilisation of proceeds from the Proposed Disposal was as follows:

Proposed utilisation	Proposed amount for utilisation	Revised amount for utilisation	Actual utilisation	Balance unutilised	Estimated timeframe for utilisation from 30 August 2023
	RM'million	RM'million	RM'million	RM'million	
New investment(s) / Repayment of borrowings ⁽¹⁾	416	417	417	-	12 months
Estimated expenses (including taxes)	14	13	13	-	6 months
Total	430	430	430	-	

⁽¹⁾ Net proceeds from the Proposed Disposal have been fully utilised for the acquisition of six Sunway REIT Hypermarkets as disclosed in Note A17.

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.

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 30.09.2024	Immediate Preceding Quarter ended 30.06.2024	Change %
Number of units in issue (units)	3,424,807,700	3,424,807,700	0.0%
Realised net income (RM'000)	89,099	78,859	13.0%
Realised earnings per unit (EPU) (sen)	2.61	2.28	14.5%
Income distribution (RM'000) ¹	-	159,596	-100.0%
Distribution per unit (DPU) (sen) ¹	-	4.66	-100.0%
Net Asset Value (NAV) attributable to unitholders (After income distribution) (RM'000) ²	5,082,253	5,084,293	*
NAV per unit (After income distribution)(RM) ²	1.4840	1.4845	*
Market price per unit (RM)	1.70	1.55	9.7%

* Less than 0.1%

B14. Summary of EPU, DPU, NAV and Market Price (Cont'd)

- 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 interim income distribution of 4.66 sen per unit for semi-annual period ended 30 June 2024 and distributable income for Q3 2024 of 2.61 sen per unit is assumed for income distribution (31 December 2023: final distribution of 4.68 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 Asset/(Liability)	
	As at 30.09.2024	As at 31.12.2023	As at 30.09.2024	As at 31.12.2023
Cross currency swap (CCS)				
- Less than 1 year	463,556	331,503	(59,227)	15,016

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 2023.

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 30 September 2024 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 November 2024.

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 November 2024**