Sunway REIT

Retail resilience offsets softer hotels in 3Q26

BUY (no change)

Share price:	Target price: ▼
RM2.03	RM2.50

Consensus: Buy:11 Hold:5 Reduce:0

- 9MFY26 earnings were in line with expectations, with core net profit (CNP) accounting for 76% of our FY26 forecast and 73% of consensus estimates.
- 3QFY26 CNP fell 19.1% YoY, mainly due to the high base from the disposal gain on the Sunway University & College campus in 3QFY25, the loss of associated rental income and weaker hotel contributions.
- We maintain our FY26–28F forecasts, Buy call with a lower DDM-based TP of RM2.50 (from RM2.55), underpinned by FY26–27F DPU yields of 6.2-6.4%.

3Q26 CNP down 19.1% YoY; 9M26 earnings at 76% of our FY26F forecast

Sunway REIT reported a 3QFY26 CNP of RM116.1m, down 19.1% YoY but up 9.0% QoQ. The YoY decline was mainly due to (i) the high earnings base from the RM21.0m net disposal gain on the Sunway University & College campus recognised in 3QFY25, (ii) the absence of RM9.7m in quarterly rental income following the campus disposal on 30 Sep 2025, (iii) a 14.4% YoY decline in hotel net property income (NPI), and (iv) higher other trust expenses arising from service tax on manager's and trustee's fees. Cumulatively, 9MFY26 CNP fell 2.1% YoY to RM331.7m, representing 76% of our FY26 forecast of RM434.1m and 73% of consensus estimates, which we deem broadly in line with expectations. As expected, no DPU was declared for the quarter, consistent with its semi-annual distribution policy.

Retail resilience partly offsets weaker hotel performance

3QFY26 revenue fell 1.7% YoY to RM232.3m, as 5.6% growth in retail revenue was more than offset by the loss of campus rental income and a 13.7% YoY decline in hotel revenue. NPI fell 3.9% YoY to RM173.8m, with NPI margin easing to 74.8% from 76.5% a year ago, although improving from 74.0% in 2QFY26. **(i) Retail NPI** rose 5.3% YoY to RM128.3m, contributing 74% of group NPI, driven by stronger contributions from Sunway Carnival Mall (+18.1% YoY), Sunway Putra Mall (+20.7% YoY), AEON Mall Seri Manjung (+33.5% YoY) and Sunway Pyramid Mall (+1.3% YoY). **(ii) Hotel NPI** rebounded 71.1% QoQ to RM29.0m but fell 14.4% YoY as average occupancy eased to 74% (3QFY25: 76%) due to softer demand from the meetings, incentives, conferences and exhibitions (MICE) segment. Sunway Putra Hotel bucked the trend, with NPI rising 11.1% YoY as occupancy improved to 75% (3QFY25: 69%) supported by stronger group bookings from China and India. **(iii) Office NPI** grew 5.9% YoY to RM12.5m supported by higher occupancy at Sunway Putra Tower (3Q26: 88% vs. 3Q25: 68%) and lower utility expenses, while **(iv) industrial NPI** rose 9.3% YoY on higher occupancy at Sunway REIT Industrial Petaling Jaya 1.

Stable leasing fundamentals across key segments

Sunway REIT's retail portfolio remained resilient in 9MFY26, with occupancy at 98% (9MFY25: 97%). However, rental and tenant sales growth moderated, with average gross rent and tenant sales per sq ft (psf) rising 5% and 2% YoY, respectively, in 9MFY26 (1HFY26: +6% and +4%). As at Sep 2026, 62.8% of the 739,767 sq ft of net lettable area (NLA) due for renewal at Sunway Pyramid Mall in 2026 had been renewed or replaced, alongside 85.8% at Sunway Carnival Mall. In the hotel segment, room occupancy improved to 65% in 9MFY26 from 60% in 1HFY26 (9MFY25: 65%), while banquet occupancy rose to 65% from 58% a year earlier. The proportion of foreign guests was stable at 55%, although average room rates declined 1% YoY. The office portfolio recorded higher occupancy of 84% (9MFY25: 81%), alongside a 1% YoY increase in average gross rent, while industrial occupancy improved to 91% from 85% in 9MFY25.

Maintain Buy with lower DDM-based TP of RM2.50 (from RM2.55)

We maintain our FY26–28F earnings forecasts, as 9MFY26 results were in line at 76% of our full-year estimate. However, we lower our DDM-based target price to RM2.50 (from RM2.55) after raising our risk-free rate assumption to 4.10%, resulting in a higher cost of equity. We expect earnings to strengthen QoQ in 4QFY26, supported by stronger year-end leisure travel demand for the hotel segment, festive-driven retail spending and continued positive rental reversions across the retail portfolio. The stock offers 23.2% capital upside and an FY26F DPU yield of 6.2%. Further upside could come from accretive M&A and potential injections of sponsor-owned assets. Key downside risks are a slower hotel recovery, weaker consumer sentiment and variable rental, electricity tariff adjustments, and higher interest rates, given that c.58% of borrowings are floating-rate.

Stock information

Bloomberg ticker	SREIT MK
Refinitiv ticker	SUNW.KL
Share price (RM)	2.03
Market cap (US$m/RMm)	1,715/6,952
ADTV (RMm)	8.6
Free float (%)	52.3
Upside/(downside) (%)	23.2
CIMB/consensus TP (%)	0.0

Diversified REIT spanning retail, hotel, office and industrial assets

Earnings forecast

	Dec-25A	Dec-26F	Dec-27F
Core net profit (RMm)	451.2	432.9	443.6
Core EPS (sen)	13.2	12.6	13.0
Core EPS growth (%)	31.2	(4.1)	2.5
FD core P/E (x)	15.4	16.1	15.7
Recurring ROE (%)	8.4	8.1	8.3
P/BV (x)	1.3	1.3	1.3
DPS (sen)	14.5	12.6	13.0
Dividend yield (%)	7.1	6.2	6.4

Source: CIMB Securities

Price performance

	1M	3M	12M
Absolute (%)	(2.9)	(5.6)	(5.1)
Relative (%)	(2.6)	2.1	(3.8)

Source: Bloomberg, CIMB Securities

Research analyst(s)



Ivy Ng Lee Fang, CFA
(+60) 3 2635 0514
ivy.ng@cimb.com

Figure 1: Results comparison

FYE Dec (RM m)	3Q FY26	3Q FY25	YoY % chg	2Q FY26	QoQ % chg	3QFY26 cum	3QFY25 cum	YoY % chg	Prev. FY26F
Revenue	232.3	236.4	*(1.7)*	220.3	*5.4*	675.7	666.7	*1.3*	902.0
Property operating expense	(58.5)	(55.5)	*5.4*	(57.4)	*2.0*	(174.5)	(173.7)	*0.5*	(236.9)
Net property income	**173.8**	**180.9**	***(3.9)***	**163.0**	***6.6***	**501.2**	**493.0**	***1.7***	**665.2**
NPI margin (%)	*74.8*	*76.5*	*(2.2)*	*74.0*	*1.1*	*74.2*	*73.9*	*0.3*	*73.7*
Fair value gain/(loss) on invt. properties	-	(21.8)	*nm*	-	*nm*	-	5.2	*nm*	-
Interest income	5.6	4.6	*20.2*	2.3	*>100*	11.3	12.8	*(11.8)*	13.0
Others	0.1	25.7	*(99.8)*	0.1	*1.8*	0.2	25.8	*(99.3)*	0.3
Net investment income	**179.4**	**189.4**	***(5.3)***	**165.4**	***8.5***	**512.7**	**536.8**	***(4.5)***	**674.9**
Non-property operating expenses	(15.9)	(14.9)	*7.0*	(15.2)	*5.0*	(45.9)	(42.3)	*8.6*	(56.0)
Interest expense	(41.5)	(42.3)	*(1.9)*	(37.9)	*9.5*	(117.6)	(128.6)	*(8.5)*	(158.0)
Pretax profit	**122.0**	**132.3**	***(7.7)***	**112.3**	***8.6***	**349.1**	**365.9**	***(4.6)***	**457.2**
Tax	-	(4.6)	*nm*	-	*nm*	-	(4.6)	*nm*	-
Tax rate (%)	-	1.2	*nm*	-	*nm*	-	1.2	*nm*	-
Net profit	**122.0**	**127.7**	***(4.4)***	**112.3**	***8.6***	**349.1**	**361.4**	***(3.4)***	**457.2**
Realised profit	**122.0**	**149.4**	***(18.4)***	**112.3**	***8.6***	**349.0**	**356.0**	***(2.0)***	**457.2**
Unitholders	116.1	143.6	*(19.1)*	106.5	*9.0*	331.7	338.7	*(2.1)*	434.1
Perpetual note holders	5.8	5.8	*0.0*	5.8	*1.1*	17.3	17.3	-	23.2
Distributable income	**116.1**	**143.6**	***(19.1)***	**106.5**	***9.0***	**331.7**	**338.7**	***(2.1)***	**434.1**
DPU (sen)	**-**	**-**	***nm***	**6.3**	***nm***	**6.3**	**5.7**	***10.6***	**12.7**

Source: Company reports, CIMB Securities

Key takeaways from briefing

- **Retail and office gains partly offset hotel weakness.** Retail revenue rose 5.6% YoY to RM176.6m, while NPI grew 5.3% YoY to RM128.3m, supported by stronger mall performance and the full opening of Sunway Carnival Mall in May 2025. These gains were partly offset by higher maintenance and advertising and promotion (A&P) expenses.
- **Retail occupancy remains resilient despite moderating growth.** Retail portfolio occupancy (excluding AEON Mall Seri Manjung and Sunway REIT Hypermarkets, both fully occupied) rose 1ppt YoY to 98% as at end-3Q26. In 9MFY26, average gross rent and tenant sales per sq ft increased 5% and 2% YoY, respectively. However, Sunway 163 Mall's occupancy declined to 96% from 99% in 3QFY25 due to ongoing asset enhancement initiatives (AEIs).
- **Hotel earnings remain weak despite pockets of improvement.** Hotel revenue and NPI fell by approximately 14% YoY in 3QFY26, reflecting lower average occupancy of 74% (3QFY25: 76%) and softer demand for meetings, incentives, conferences and exhibitions (MICE). Sunway Putra Hotel bucked the trend, with occupancy improving to 75% from 69% in 3QFY25, supported by stronger group bookings from China and India.
- **Industrial earnings benefit from higher occupancy.** Industrial revenue and NPI rose 9.5% and 9.3% YoY, respectively, driven by higher occupancy at Sunway REIT Industrial – PJ 1, which has secured a committed occupancy rate of 78%. Sunway REIT Industrial – SA1 and Sunway REIT Industrial – Prai remained fully occupied as at end-3Q26.
- **Early refinancing temporarily lifts gearing to 43%.** Gearing rose to 43.0% in 3QFY26 (3QFY25: 41.4%) following an early drawdown of approximately RM400m to refinance borrowings maturing in Dec 2026. This lifted cash balances to RM635m at end-3Q26. Gross borrowings stood at RM4.7bn, with an average cost of debt of 3.62% (3QFY25: 3.83%), average debt maturity of 1.4 years and interest coverage ratio (ICR) of 3.9x. Management secured the refinancing early to lock in competitive borrowing rates.
- **Higher fixed-rate debt provides some protection against interest rate risk.** The proportion of fixed-rate borrowings increased to 42% in 3QFY26 from 36% in

2QFY26, although remaining below the 58% recorded in 3QFY25. Based on management's sensitivity guidance, a 25bp increase in the OPR would raise annual borrowing costs by approximately RM7m.

- **Sunway 163 Mall AEIs progressing; Sunway Pyramid upgrades planned.** Phase 1 of Sunway 163 Mall's AEI, covering level LG1, is scheduled for full reopening in mid-Dec 2026. Phase 2, covering the upper floors up to level 3, is targeted to commence in 2027, after the Dec–Feb festive period. We understand that Sunway Pyramid Mall also plans targeted AEIs in lower-yielding areas in 2027 to enhance rental potential.
- **Positive retail outlook; cautious optimism on hotels.** Management remains positive on retail performance for the remainder of 2026, supported by resilient occupancy and positive rental reversions, with positive reversions expected for the remaining lease renewals. It is cautiously optimistic about the hotel segment in 4QFY26, supported by proactive pricing and a stronger focus on banquet and MICE demand. However, the spillover benefits from Malaysia's hosting of the Formula 1 Bahrain Grand Prix in Oct 2026 were limited, as some Sunway hotels already had bookings or events scheduled over the race weekend. Looking ahead, Sunway Resort Hotel's role as the headquarters hotel for the 34th SEA Games in 2027 could support hotel demand.
- **Electricity cost exposure manageable; acquisition pipeline remains active.** Management estimates that every 1 sen increase in the Automatic Fuel Adjustment (AFA) surcharge would raise monthly utility expenses by approximately RM110k. It continues to evaluate potential acquisitions from its sponsor and third parties, although no transaction has progressed to the announcement stage.

Figure 2: Segmental revenue breakdown by asset

FYE Dec (RM m)	3Q FY26	3Q FY25	YoY % chg	2Q FY26	QoQ % chg	3QFY26 cum	3QFY25 cum	YoY % chg
Total revenue	**232.3**	**236.4**	*(1.7)*	220.3	*5.4*	**675.7**	**666.7**	*1.3*
Retail	**176.6**	**167.2**	*5.6*	177.1	*(0.3)*	**538.7**	**495.6**	*8.7*
Sunway Pyramid Mall	103.1	100.6	*2.4*	103.2	*(0.2)*	315.9	305.6	*3.4*
Sunway Carnival Mall	29.3	25.3	*15.6*	29.3	*(0.2)*	89.7	69.8	*28.5*
Sunway Putra Mall	14.6	12.7	*14.9*	15.0	*(2.5)*	44.2	39.3	*12.4*
Sunway 163 Mall	8.6	8.7	*(1.1)*	8.3	*3.0*	25.4	25.1	*1.3*
Sunway Kluang Mall	6.3	6.1	*3.6*	6.6	*(3.5)*	19.5	18.4	*5.6*
Sunway Pier	-	-	*nm*	-	*nm*	-	-	*nm*
SunCity Ipoh Hypermarket	1.0	1.0	*(0.0)*	1.0	*(0.0)*	2.9	2.8	*1.8*
Sunway REIT Hypermarket - Kinrara	2.7	2.7	-	2.7	*(0.0)*	8.1	8.1	-
Sunway REIT Hypermarket - Putra Heights	1.5	1.5	-	1.5	*(0.0)*	4.4	4.4	-
Sunway REIT Hypermarket - USJ	1.8	2.1	*(11.1)*	1.8	*0.0*	5.5	6.2	*(10.9)*
Sunway REIT Hypermarket - Klang	1.3	1.1	*9.9*	1.3	*0.0*	3.8	3.4	*9.9*
Sunway REIT Hypermarket - Ulu Kelang	1.1	1.0	*10.0*	1.1	-	3.2	2.9	*10.0*
Sunway REIT Hypermarket - Plentong	2.8	2.6	*9.9*	2.8	*(0.0)*	8.5	7.7	*9.9*
AEON Mall Seri Manjung	2.6	1.9	*34.8*	2.6	-	7.8	1.9	*>100*
Hotel	**30.2**	**35.0**	*(13.7)*	18.1	*67.1*	**61.3**	**67.9**	*(9.7)*
Sunway Resort Hotel	13.1	15.8	*(16.6)*	6.9	*91.1*	23.8	27.1	*(11.9)*
Sunway Pyramid Hotel	6.9	8.2	*(16.2)*	4.8	*43.8*	15.5	18.1	*(14.7)*
Sunway Lagoon Hotel	3.2	3.9	*(17.5)*	2.8	*13.8*	7.9	9.0	*(12.4)*
Sunway Putra Hotel	4.9	4.4	*10.3*	2.2	*>100*	8.9	7.1	*25.5*
Sunway Hotel Seberang Jaya	0.9	1.1	*(11.4)*	0.6	*56.3*	2.3	2.3	*(2.1)*
Sunway Hotel Georgetown	1.2	1.7	*(30.6)*	0.8	*48.5*	2.9	4.2	*(31.5)*
Office	**20.7**	**20.1**	*3.1*	20.4	*1.5*	**61.4**	**60.9**	*0.8*
Menara Sunway	4.1	4.4	*(6.2)*	4.4	*(6.2)*	12.9	13.3	*(3.4)*
Sunway Tower	1.1	1.1	*(6.8)*	1.1	*(5.6)*	3.3	3.5	*(4.2)*
Sunway Putra Tower	3.1	2.6	*19.6*	2.8	*12.9*	8.7	7.8	*11.2*
Wisma Sunway	1.5	1.5	*0.2*	1.5	*0.9*	4.4	5.0	*(11.2)*
Sunway Pinnacle	10.9	10.5	*4.4*	10.6	*2.6*	32.1	31.3	*2.5*
Services	**-**	**9.7**	*nm*	-	*nm*	**-**	**29.3**	*nm*
Sunway University & College	-	9.7	*nm*	-	*nm*	-	29.3	*nm*
Industrial & Others	**4.8**	**4.4**	*9.5*	4.7	*1.8*	**14.3**	**13.0**	*9.6*
Sunway Industrial SA 1	1.9	1.8	*4.8*	1.9	*0.0*	5.6	5.5	*1.5*
Sunway Industrial PJ 1	1.3	1.0	*33.0*	1.2	*6.7*	3.9	2.8	*39.4*
Sunway Industrial Prai	1.6	1.6	*0.1*	1.6	-	4.8	4.7	*1.3*

*Sunway University & College campus was disposed on 30 Sep 2025

Source: CIMB Securities, Company reports

Figure 3: Segmental NPI breakdown by asset

FYE Dec (RM m)	3Q FY26	3Q FY25	YoY % chg	2Q FY26	QoQ % chg	3QFY26 cum	3QFY25 cum	YoY % chg
Total NPI	**173.8**	**180.9**	*(3.9)*	**163.0**	*6.6*	**501.2**	**493.0**	*1.7*
Retail	**128.3**	**121.9**	*5.3*	**130.4**	*(1.6)*	**395.0**	**352.8**	*12.0*
Sunway Pyramid Mall	78.9	77.8	*1.3*	78.8	*0.1*	241.2	229.6	*5.0*
Sunway Carnival Mall	19.0	16.1	*18.1*	19.3	*(1.5)*	59.1	42.7	*38.3*
Sunway Putra Mall	7.6	6.3	*20.7*	9.1	*(16.5)*	25.8	19.8	*30.6*
Sunway 163 Mall	5.4	5.1	*5.7*	5.0	*7.8*	15.7	15.2	*3.1*
Sunway Kluang Mall	3.2	3.1	*4.4*	3.9	*(18.6)*	10.6	8.7	*21.3*
Sunway Pier	(0.1)	(0.1)	*12.0*	(0.1)	*17.6*	(0.4)	(0.4)	*(0.8)*
SunCity Ipoh Hypermarket	0.9	0.9	*(5.0)*	0.9	*(5.1)*	2.8	2.8	*0.2*
Sunway REIT Hypermarket - Kinrara	2.7	2.7	-	2.7	*(0.0)*	8.1	8.1	-
Sunway REIT Hypermarket - Putra Heights	1.5	1.5	*0.1*	1.5	*(0.0)*	4.4	4.4	*0.0*
Sunway REIT Hypermarket - USJ	1.8	2.1	*(11.1)*	1.8	*0.0*	5.5	6.2	*(10.9)*
Sunway REIT Hypermarket - Klang	1.3	1.1	*9.9*	1.3	*0.0*	3.8	3.4	*9.9*
Sunway REIT Hypermarket - Ulu Kelang	1.1	1.0	*10.1*	1.1	-	3.2	2.9	*10.1*
Sunway REIT Hypermarket - Plentong	2.8	2.6	*9.9*	2.8	*(0.0)*	8.5	7.7	*9.9*
AEON Mall Seri Manjung	2.3	1.7	*33.5*	2.3	*2.8*	6.9	1.7	*>100*
Hotel	**29.0**	**33.9**	*(14.4)*	**17.0**	*71.1*	**57.8**	**64.4**	*(10.2)*
Sunway Resort Hotel	12.7	15.4	*(17.4)*	6.5	*95.1*	22.6	25.9	*(12.6)*
Sunway Pyramid Hotel	6.7	8.0	*(16.7)*	4.6	*45.9*	14.8	17.5	*(15.2)*
Sunway Lagoon Hotel	3.1	3.8	*(18.2)*	2.7	*14.2*	7.6	8.8	*(13.1)*
Sunway Putra Hotel	4.5	4.1	*11.1*	1.9	*>100*	7.9	6.1	*30.0*
Sunway Hotel Seberang Jaya	0.9	1.0	*(11.4)*	0.5	*62.1*	2.1	2.2	*(1.2)*
Sunway Hotel Georgetown	1.1	1.6	*(31.5)*	0.7	*52.6*	2.7	4.0	*(32.7)*
Office	**12.5**	**11.8**	*5.9*	**12.1**	*3.8*	**37.0**	**36.4**	*1.5*
Menara Sunway	2.2	2.5	*(11.3)*	2.6	*(13.5)*	7.6	8.1	*(6.5)*
Sunway Tower	(0.6)	(0.5)	*22.7*	(0.4)	*51.6*	(1.3)	(1.2)	*10.0*
Sunway Putra Tower	1.7	1.3	*24.0*	1.4	*19.7*	4.6	3.9	*16.5*
Wisma Sunway	0.7	0.7	*0.4*	0.6	*5.3*	2.0	2.5	*(19.9)*
Sunway Pinnacle	8.5	7.8	*9.8*	7.8	*8.7*	24.2	23.2	*4.5*
Services	**-**	**9.7**	*nm*	**-**	*nm*	**-**	**29.3**	*nm*
Sunway University & College	-	9.7	*nm*	-	*nm*	-	29.3	*nm*
Industrial & Others	**3.9**	**3.6**	*9.3*	**3.6**	*10.0*	**11.4**	**10.0**	*13.7*
Sunway Industrial SA 1	1.9	1.8	*4.8*	1.9	*0.0*	5.6	5.2	*8.1*
Sunway Industrial PJ 1	0.8	0.5	*49.1*	0.5	*51.6*	2.2	1.1	*91.5*
Sunway Industrial Prai	1.3	1.3	*(1.0)*	1.2	*7.5*	3.6	3.7	*(2.1)*

*Sunway University & College campus was disposed on 30 Sep 2025

Source: CIMB Securities, Company reports

Financial Information

Figure 4: Profit and Loss

(RMm)	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Rental revenues	767	894	901	927	954
Other revenues	nm	nm	nm	nm	nm
Gross property revenue	**767**	**894**	**901**	**927**	**954**
Total property expenses	(194)	(232)	(237)	(244)	(252)
Net property income	**574**	**662**	**664**	**682**	**702**
General and admin. expenses	nm	nm	nm	nm	nm
Management fees	(47)	(53)	(53)	(54)	(54)
Trustee's fees	(1)	(1)	(1)	(1)	(1)
Other operating expenses	(4)	(3)	(3)	(3)	(3)
EBITDA	**522**	**606**	**607**	**625**	**644**
Depreciation and amortisation	(4)	(4)	(4)	(4)	(4)
EBIT	**518**	**602**	**603**	**621**	**640**
Net interest income	(154)	(148)	(148)	(155)	(155)
Associates' profit	nm	nm	nm	nm	nm
Other income/(expenses)	0	0	0	0	0
Exceptional items	181	88	23	23	23
Pre-tax profit	**528**	**548**	**456**	**467**	**485**
Taxation	(3)	(8)	0	0	0
Minority interests	nm	nm	nm	nm	nm
Preferred dividends	nm	nm	nm	nm	nm
Net profit	**525**	**539**	**456**	**467**	**485**
Distributable profit	**344**	**451**	**453**	**464**	**482**

Source: CIMB Securities, Company

Figure 5: Cash Flow

(RMm)	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Pre-tax profit	**528**	**548**	**456**	**467**	**485**
Depreciation and non-cash Adj.	4	4	4	4	4
Change in working capital	125	66	(31)	3	20
Tax paid	(3)	(8)	0	0	0
Others	(100)	58	0	0	0
Cash flow from operations	**544**	**721**	**576**	**628**	**664**
Capex	(313)	(181)	(200)	(200)	(200)
Net investments and sale of FA	nm	nm	nm	nm	nm
Other investing cash flow	0	(89)	(140)	0	0
Cash flow from investing	**(1,224)**	**174**	**(340)**	**(200)**	**(200)**
Debt raised/(repaid)	860	(235)	400	0	0
Equity raised/(repaid)	160	0	0	0	0
Dividends paid	(330)	(532)	(456)	(467)	(485)
Cash interest and others	nm	nm	nm	nm	nm
Cash flow from financing	**545**	**(924)**	**(204)**	**(622)**	**(640)**
Total cash generated	(136)	(29)	33	(194)	(176)
Free cash flow to firm	(840)	722	76	260	296
Free cash flow to equity	180	660	636	428	464

Source: CIMB Securities, Company

Financial Information

Figure 6: Balance Sheet

(RMm)	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Total investments	10,455	10,187	10,387	10,587	10,787
Intangible assets	0	0	0	0	0
Other long-term assets	nm	nm	nm	nm	nm
Total non-current assets	**10,472**	**10,203**	**10,400**	**10,596**	**10,792**
Total cash and equivalents	290	361	534	340	164
Inventories	nm	nm	nm	nm	nm
Trade debtors	41	39	78	75	79
Other current assets	0	60	60	60	60
Total current assets	**331**	**460**	**672**	**475**	**304**
Trade creditors	327	391	400	400	424
Short-term debt	1,737	2,598	2,598	2,598	2,598
Other current liabilities	14	48	48	48	48
Total current liabilities	**2,078**	**3,037**	**3,046**	**3,046**	**3,070**
Long-term borrowings	2,730	1,600	2,000	2,000	2,000
Other long-term liabilities	106	132	132	132	132
Total non-current liabilities	**2,852**	**1,752**	**2,152**	**2,152**	**2,152**
Shareholders' equity	5,372	5,374	5,374	5,374	5,374
Minority interests	nm	nm	nm	nm	nm
Preferred shareholders funds	500	500	500	500	500
Total equity	**5,872**	**5,874**	**5,874**	**5,874**	**5,874**

Source: CIMB Securities, Company

Figure 7: Key Ratios

	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Gross property revenue growth (%)	7.2	16.6	0.7	2.9	2.9
NPI growth (%)	8.1	15.4	0.3	2.8	2.8
Net property income margin (%)	74.8	74.0	73.7	73.6	73.6
DPS growth (%)	7.5	44.8	(12.7)	2.5	4.2
Gross interest cover	3.1	3.6	3.8	3.7	3.8
Effective tax rate (%)	0.5	1.5	0	0	0
Net dividend payout ratio (%)	99.6	109.9	95.6	95.7	95.9
Current ratio	0.2	0.2	0.2	0.2	0.1
Quick ratio	0.2	0.2	0.2	0.2	0.1
Cash ratio	0.1	0.1	0.2	0.1	0.1
Return on average assets (%)	3.4	4.2	4.0	4.0	4.2

Source: CIMB Securities, Company

DISCLAIMER

The content of this report (including the views, opinions and recommendations expressed and the information contained in this report) has been prepared by and belongs to CIMB Securities Sdn Bhd ("**CIMB Securities**").

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, you represent and warrant that you are entitled to receive this report in accordance with the restrictions set forth below and agree to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law. This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person, in whole or in part, without the prior written consent of CIMB Securities.

This report is general in nature and has been prepared for information purposes only and does not have regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this report. CIMB Securities does not act as a financial adviser, consultant, or fiduciary to you or any of your agents with respect to any information provided in this report.

The information, views, opinions or recommendations in this report are not and should not be construed or considered as an offer, or solicitation to buy or sell, or an invitation to subscribe for, the securities of the company(ies), related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

You are advised to make your own independent evaluation of the information contained in this report, consider your own individual investment objectives, financial situation and particular needs and consult your own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this report. The securities of the company(ies) may not be eligible for subscription or sale in all jurisdictions or to all categories of investors.

CIMB Securities may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CIMB Securities has no obligation to update this report to include any omission or in the event of a change (whether material or not) to the information contained in this report.

This report does not purport to contain all the information that a prospective investor may require. CIMB Securities has no and will not accept any obligation to (i) check or ensure that the contents of this report are current, reliable or relevant; or (ii) ensure that the contents of this report constitute all the information a prospective investor may require. CIMB and its affiliates, related and associate corporations do not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any views, opinions, recommendations and information contained in this report. Accordingly, CIMB Securities and its affiliates, related and associate corporations (and their respective directors, connected persons, officers and/or employees) shall not be liable in any manner whatsoever for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any reliance thereon or usage of this report. In particular, CIMB Securities disclaims all responsibility and liability for the views, opinions and recommendations set out in this report.

Unless otherwise specified, this report is based upon sources or data which the analyst(s) considered to be reasonable, correct and reliable at the time of issue of this report. Such sources or data will, unless otherwise specified, for market data, be market data and prices available from the market, information aggregation service providers or stock exchange where the relevant security is listed, or, where appropriate, any other commonly accepted sources. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from his/her research.

Whilst the analyst(s) have made every effort to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered by the analyst(s) to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment.

This report may contain information obtained from third party content providers. Reproduction and distribution of third-party contents in any form is prohibited except with the prior written consent of the related third-party content provider.

Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such contents. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their contents.

CIMB Securities and its affiliates, related and associate corporations (and their respective directors, connected persons, officers and/or employees) may own or have positions in securities of the company(ies) covered in this report or any securities related to it, and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMB Securities and its affiliates, related and associate corporations do and seek to do business with the company(ies) covered in this report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from clients (for its own account or the account of its clients) and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit investment, advisory or other services from any company(ies) mentioned in this report. In such capacities, CIMB Securities and its affiliates, related and associate corporations may engage in transactions in a manner inconsistent with any views, opinions and recommendations expressed in this report.

In reviewing this report, you should be aware that any or all of the foregoing, among other things, may give rise to actual or potential conflicts of interest. Subject to the duties of confidentiality, additional information may be available, on request, at our sole discretion.

RATING GUIDE

Stock Rating	Definition
Buy	The stock's total return is expected to exceed 10% over the next twelve (12) months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next twelve (12) months.
Reduce	The stock's total return is expected to fall below 0% or more over the next twelve (12) months.
	Note: The total expected return of a stock is defined as the sum of: *(a) the percentage difference between the target price and the current price; and* *(b) the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months.*
Sector Rating	**Definition**
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

DISCLOSURE OF CONFLICTS OF INTEREST

Disclosure by CIMB Securities

CIMB Securities hereby declares that:

(a) CIMB Securities, CIMB Investment Bank Berhad and/or CIMB Bank Berhad has/have proprietary positions in the following securities of the company(ies) mentioned in this report:
Nil

(b) CIMB Securities (only in respect of its Equities Research Department) received material benefit in relation to the production of this report for the following companies mentioned in this report:
Nil

Disclosure by Analyst(s)

The analyst(s) who prepared this report declares that:

(a) He/she received material benefit in relation to the production of this report for the following companies mentioned in this report:
Nil

(b) He/she has/have an interest in the securities in the following company(ies) recommended in this report:
Nil

(c) He/she serves as a director or board member of the following company(ies) mentioned in this report:
Nil

The analyst(s) responsible for the production of this report certifies that the views, opinions and recommendations expressed herein accurately and exclusively reflect his/her personal views, opinions and recommendations about any and all of the company(ies) or securities analysed in this report and were prepared independently and autonomously.

No part of the compensation of the analyst(s) was, is or will be directly or indirectly related to the inclusion of specific opinions, views or recommendations in this report. CIMB Securities prohibits the analyst(s) who prepared this report from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific view, opinion or recommendation of a particular company(ies). Information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/her coverage of company(ies) in the performance of his/her duties or the correlation between his/her views, opinions or recommendations and the performance of the securities of the company(ies) and may also participate in the businesses as described above.

This report is distributed or disseminated in Malaysia by CIMB Securities for the benefit of and for the use of the clients of CIMB Securities, CIMB Investment Bank Berhad and CIMB Bank Berhad. This report is also distributed or disseminated in any specific geographical area or jurisdiction by the affiliates or related corporations of CIMB Securities who are licensed in such jurisdictions, or any third-party business partner pursuant to an arrangement between CIMB Securities and such third party business partner.

Recipients of this report are to contact CIMB Securities at Level 18, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur in respect of any matters arising from or in connection with this report. CIMB Securities has no obligation to update or revise the information in or the contents of this report after the date of this report.