



FORTUNE FAVOURS  
THE RESILIENT

***SUNWAY***<sup>TM</sup>

## **SUNWAY REIT**

**Financial Results  
4<sup>th</sup> Quarter Ended  
30 June 2015  
(FYE 30 June 2015)**

**Announcement Date:  
11 August 2015**

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# 1. Financial Highlights & Key Updates

# Distribution Details

Dividend Distribution Details	
Distribution Period	1 April 2015 - 30 June 2015
Distribution per Unit (DPU) (sen)	2.05
Notice of Entitlement	11 August 2015
Ex-Dividend Date	24 August 2015
Book Closure Date	26 August 2015
Payment Date	10 September 2015

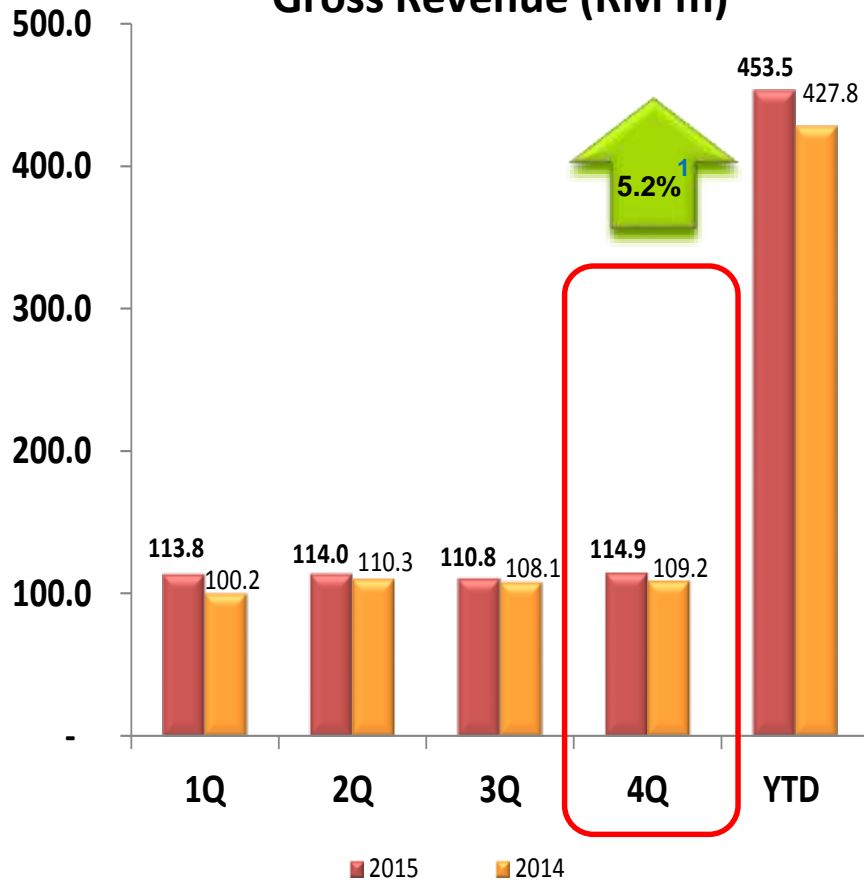
- <sup>1</sup> Proposed income distribution for 4Q 2015 of 2.05 sen per unit (comprising taxable and non-taxable/tax exempt amount of 0.79 sen and 1.26 sen per unit respectively).

# Financial Highlights

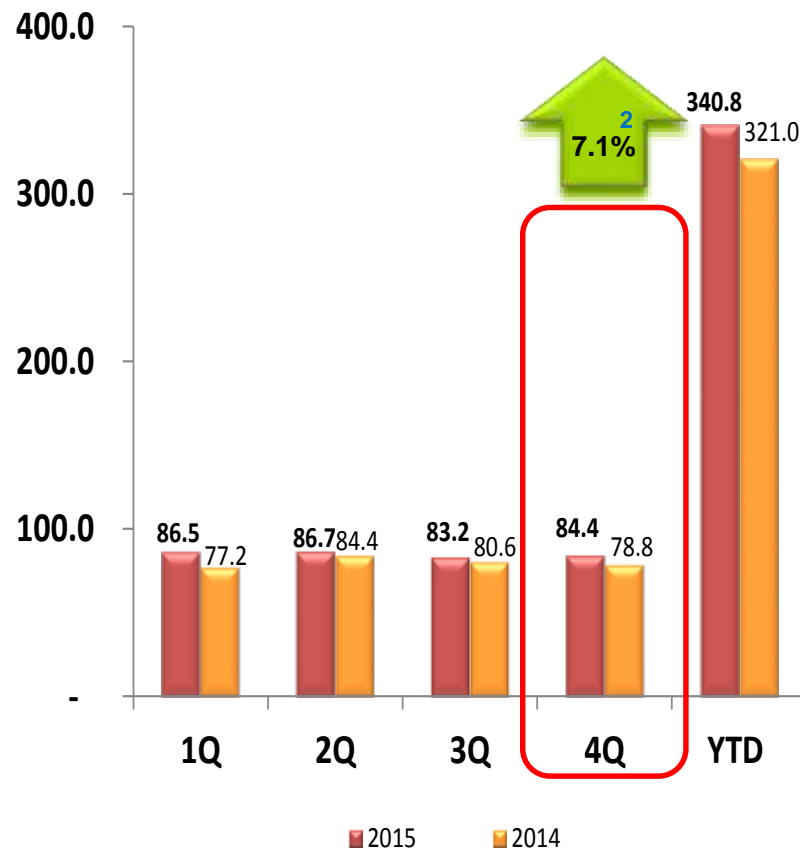
Highlights	4Q 2015	4Q 2014	Change %
No. of Properties	14	12	16.7%
Property Value (RM'billion)	6.324	5.520	14.6%
No. of Units in Circulation	2,937,776,900	2,928,714,900	0.3%
Unit Price as at 30 June (RM)	1.54	1.44	6.9%
Market Capitalisation (RM'billion)	4.524	4.217	7.3%
Net Asset Value (NAV) per unit (RM) (After income distribution)	1.3350	1.2390	7.7%
Premium to NAV	15.4%	16.2%	-0.8%
Earnings Per Unit (EPU) (sen)	12.20	8.04	51.7%
Distribution Per Unit (DPU) (sen)	2.05	2.03	1.0%
Distribution Yield (Based on market price as at 30 Jun)	5.7%	5.8%	-0.1%
Management Expense Ratio (After income distribution)	0.80%	0.78%	0.0%
YTD total return	12.6%	-0.7%	13.3%
Gearing	33.3%	31.1%	2.2%
% of fixed rate borrowings	87.7%	75.8%	11.9%

# Financial Highlights (Cont'd)

## Gross Revenue (RM'm)



## Net Property Income (RM'm)

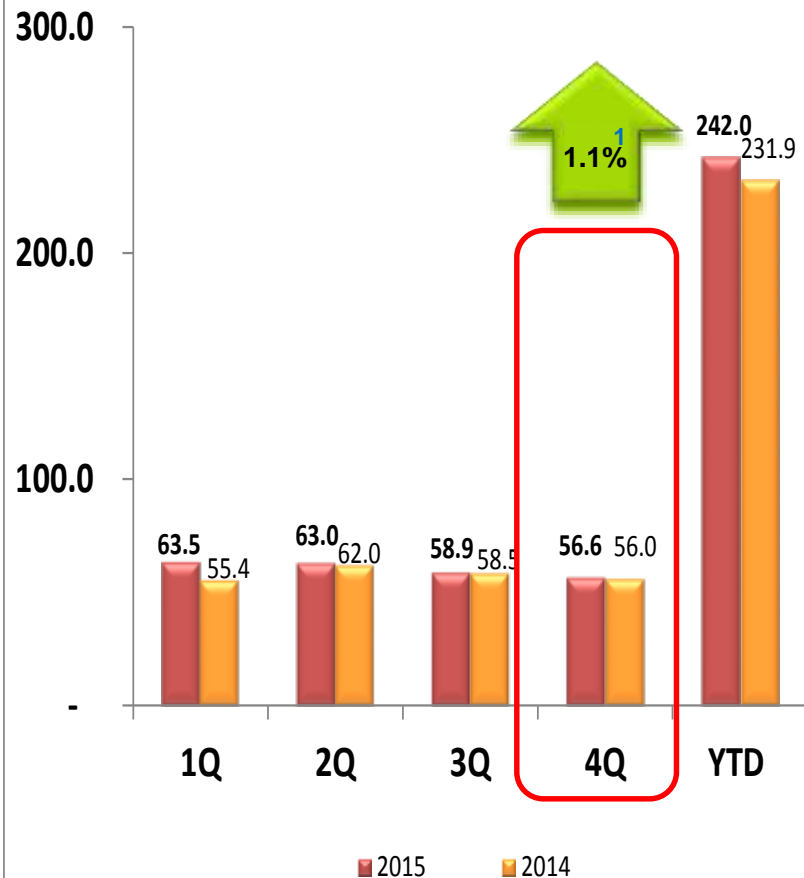


<sup>1</sup> Gross revenue increased 5.2% or RM5.7 million contributed substantially by the retail segment but partially offset by lower performance by hotel and office segments.

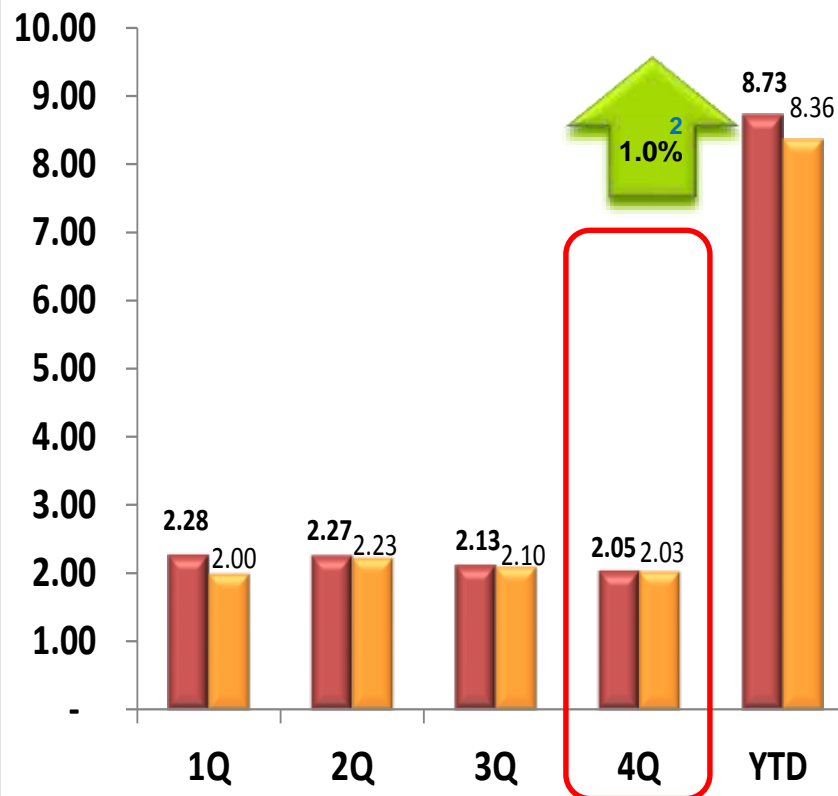
<sup>2</sup> Net Property Income increased 7.1% or RM5.6 million in line with higher gross revenue.

# Financial Highlights (Cont'd)

## Profit Before Tax (Realised) (RM'm)



## DPU (sen)



<sup>1</sup> PBT(Realised) increased by 1.1% or RM0.6 million due to higher net property income partially reduced by higher interest expense which will be explained on page 12.

<sup>2</sup> DPU increased by 1.0% or 0.02 sen in line with higher realised net profit for the period.



# Updates on Material Litigation

## **Case 1 : Sunway Putra (formerly known as Sunway Putra Place) - Assessment for Damages Defendant: Metroplex Holdings Sdn Bhd (“MHSB”)**

After the Federal Court has on 20 February 2012 dismissed Metroplex Holdings Sdn Bhd's ("MHSB") application for leave to appeal, RHB Trustees Berhad (as trustee of Sunway REIT) ("Trustee") and Sunway REIT Management Sdn Bhd ("Manager") proceeded with the enforcement of the remaining parts of the Orders made by the High Court that have not been enforced, inter alia, the damages awarded to the Trustee.

The Trustee and the Manager instituted the assessment proceedings to determine the amount of damages to be paid by MHSB. On 27 August 2014, the court awarded a total of RM3,184,071.67 in damages to be paid to the Trustee being RM2,859,000 for revenue foregone and RM325,071.67 for security costs. The court found that these claims were justified as they were a direct result of MHSB's unlawful possession of Sunway Putra. No costs were awarded by the court.

MHSB had proceeded to file an appeal to the judge in chambers on the decision given above. A decision was delivered by the learned judge on 22 December 2014 in favour of the Trustee and the REIT Manager as the appeal was dismissed with costs. MHSB filed a notice of appeal in the Court of Appeal to appeal against the decision delivered on 22 December 2014.

On 25 June 2015, the judge dismissed the appeal with costs, in favour of the Manager and the Trustee. The Manager and Trustee have filed a winding up petition against MHSB for non-payment of the damages awarded by the court amounting to RM3,189,071.67 (including costs of RM5,000) and have proceeded with the winding up procedures.

On 29 July 2015, the lawyers for the Trustee and the Manager informed that MHSB has filed a Notice of Motion to the Federal Court for leave to appeal the decision of the Court of Appeal delivered on 25 June 2015.

The judge fixed 14 August 2015 for case management and 18 August 2015 for hearing of the winding up petition.

# Updates on Material Litigation (Cont'd)

## **Case 2: Sunway Putra (formerly known as Sunway Putra Place)**

### **- Loss of Actual Income**

## **Defendant: Metroplex Holdings Sdn Bhd (“MHSB”)**

The solicitors for the Trustee and the Manager had on 2 August 2012, issued a section 218 Companies Act notice (winding up) to Metroplex Holdings Sdn Bhd (“MHSB”) pursuant to one of the High Court Orders dated 28 June 2011 where MHSB is required to provide all accounting records and a true account of all income and receipts derived or received by it from Putra Place since 19 April 2011 together with all supporting documents and to pay all such income and receipts to Sunway REIT.

On 2 August 2013, the Kuala Lumpur High Court decided that MHSB should not be wound up as it is still solvent. Pursuant to the High Court order, a joint stakeholder account was opened and approximately RM6,189,000 was deposited in the joint stakeholder account and the amount is to be released pending the outcome of the case on assessment of damages (Case 1) and committal proceedings.

As such, upon the decision of the court of appeal in Case 1, the Manager and the Trustee had instructed their lawyers to proceed with a notice of motion to the winding up court to release the money held in the joint stakeholders account amounting to RM6,189,000 (being the loss of actual income due to Sunway REIT) after the Court of Appeal decision was delivered. On 14 July 2015, the judge ordered that the amount of RM6,189,000 (without interest) held in the joint stakeholder account with MHSB be released to the Trustee and the REIT Manager within 14 days from the order.

MHSB filed for an appeal at the Court of Appeal on 20 July 2015 against the order made on 14 July 2015 and a stay of the said Order. However, the money in the joint stakeholder account was released to the REIT Manager on 28 July 2015 based on the said order. The hearing for the stay application has been fixed for 20 August 2015 and the case management for the appeal is fixed on 3 September 2015.

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## 2. 4Q 2015 Financial Results

# Statement of Comprehensive Income – Consolidated

	4Q 2015 RM'000	4Q 2014 RM'000	Change %	YTD 2015 RM'000	YTD 2014 RM'000	Change %
Gross revenue	114,937	109,217	5.2%	453,454	427,788	6.0%
Less : Property operating expenses	(30,517)	(30,394)	0.4%	(112,628)	(106,811)	1 5.4%
<b>Net property income</b>	<b>84,420</b>	<b>78,823</b>	<b>7.1%</b>	<b>340,826</b>	<b>320,977</b>	<b>6.2%</b>
Changes in fair value of investment properties	306,750	179,122	71.3%	306,750	179,122	71.3%
Other income	833	635	31.2%	3,444	2,278	2 51.2%
Manager's fees	(7,344)	(6,559)	12.0%	(28,121)	(25,834)	8.9%
Trustee's fees and other trust expenses	(821)	(963)	-14.7%	(4,808)	(2,388)	3 101.3%
Finance costs	(20,035)	(15,848)	26.4%	(70,751)	(63,031)	4 12.2%
<b>Profit before tax</b>	<b>363,803</b>	<b>235,210</b>	<b>54.7%</b>	<b>547,340</b>	<b>411,124</b>	<b>33.1%</b>
Income tax expense	(5,896)	-	-	(5,896)	-	5 -
<b>Profit for the period/year</b>	<b>357,907</b>	<b>235,210</b>	<b>52.2%</b>	<b>541,444</b>	<b>411,124</b>	<b>31.7%</b>
<b>Total comprehensive income for the period/year</b>						
<b>comprises the following:</b>						
Realised						
- 11 assets excluding Sunway Putra	63,247	58,953	7.3%	257,133	238,725	7.7%
- Sunway Putra	(6,567)	(2,884)	127.7%	(15,101)	(6,794)	-122.3%
<b>Total realised</b>	<b>56,680</b>	<b>56,069</b>	<b>1.1%</b>	<b>242,032</b>	<b>231,931</b>	<b>4.4%</b>
Unrealised	301,227	179,141	68.2%	299,412	179,193	67.1%
<b>Total net profit for the period/year</b>	<b>357,907</b>	<b>235,210</b>	<b>52.2%</b>	<b>541,444</b>	<b>411,124</b>	<b>31.7%</b>
No. of Units in circulation (million)	2,938	2,929	0.3%	2,936	2,929	0.2%
<b>EPU (sen)</b>						
- realised	<b>1.93</b>	<b>1.91</b>	<b>1.0%</b>	8.25	7.93	4.0%
- unrealised	<b>10.27</b>	<b>6.13</b>	<b>67.5%</b>	10.21	6.13	100.0%
<b>Total EPU</b>	<b>12.20</b>	<b>8.04</b>	<b>51.7%</b>	<b>18.46</b>	<b>14.06</b>	<b>31.3%</b>
Proposed/declared distribution	<b>60,224</b>	<b>59,453</b>	<b>1.3%</b>	<b>256,163</b>	<b>244,533</b>	<b>4.8%</b>
<b>Proposed/declared distribution per unit (sen)</b>	<b>2.05</b>	<b>2.03</b>	<b>1.0%</b>	<b>8.73</b>	<b>8.36</b>	<b>4.4%</b>

- YTD 2015 vs YTD 2014 - Property operating expenses was higher in YTD 2015 mainly due to:
  - Higher general maintenance expenses to upkeep Sunway Pyramid Shopping Mall as well as higher provision for doubtful debts.
  - Sunway Putra Mall incurred pre-opening and operating expenses
  - Higher utilities expenses due to the 17% electricity tariff hike with effect from January 2014.
  - The higher property operating expenses was partially off-set by the vacancy allowance granted by the local authority for the assessment of Sunway Putra (formerly known as Sunway Putra Place) and reversal of overprovision for assessment for KL properties pursuant to confirmation of final increase.
- Higher other income was mainly due to higher deposit rates.
- YTD 2015 vs YTD 2014 – Other trust expenses was higher in YTD 2015 mainly due to unrealised fair value loss on mark-to-market of interest rate swap of RM1.5m.
- Finance costs was higher mainly due to additional loan drawn down to fund the ongoing capital expenditure plans and the acquisition of Sunway Hotel Georgetown and Wisma Sunway. The increase in Overnight Policy Rate (OPR) by 25 bps in July 2014 which resulted in higher interest expense on the floating rate borrowings also contributed to the higher interest expense.
- Income tax expense - Deferred tax was provided at 5% for the cumulative fair value gain of the freehold land component within the investment properties which are expected to be recovered through sale.

# Statement of Financial Position – Consolidated

	30.06.15 RM'000	31.03.15 RM'000	31.12.14 RM'000	30.09.14 RM'000	30.06.14 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	5,268	4,200	3,737	3,354	3,039
Investment properties	6,324,000	5,846,119	5,652,110	5,558,894	5,520,000
	6,329,268	5,850,319	5,655,847	5,562,248	5,523,039
<b>Current assets</b>					
Receivables, deposits and prepayments	20,174	14,691	34,193	20,399	16,361
Cash and bank balances	66,218	77,438	64,639	80,597	54,607
Derivative <sup>1</sup>	14,358	6,927	39,299	17,908	12,484
	100,750	99,056	138,131	118,904	83,452
	6,430,018	5,949,375	5,793,978	5,681,152	5,606,491
<b>EQUITY AND LIABILITIES</b>					
<b>Unitholders' funds</b>					
Unitholders' capital	2,716,456	2,713,007	2,709,514	2,706,068	2,702,788
Undistributed income	1,265,804	971,194	983,832	988,605	985,283
	3,982,260	3,684,201	3,693,346	3,694,673	3,688,071
<b>Non-current liabilities</b>					
Borrowings	1,378,550	1,370,350	1,000,000	1,000,000	1,000,000
Long term liabilities <sup>2</sup>	75,585	70,944	66,846	63,218	60,279
Derivative <sup>3</sup>	1,513	1,865	-	-	-
Deferred tax liabilities <sup>4</sup>	5,896	-	-	-	-
	1,461,544	1,443,159	1,066,846	1,063,218	1,060,279
<b>Current liabilities</b>					
Borrowings	763,388	718,283	924,267	815,440	742,042
Trade and other payables <sup>5</sup>	222,826	103,732	109,519	107,821	116,099
	986,214	822,015	1,033,786	923,261	858,141
	6,430,018	5,949,375	5,793,978	5,681,152	5,606,491

<sup>1</sup> Derivative asset due to unrealized gain on cross currency swap transaction (further explained on page 14).

<sup>2</sup> Increase in long term liabilities mainly due to refundable deposits received from tenants in Sunway Putra Mall.

<sup>3</sup> Derivative financial instrument due to unrealized loss on interest rate swap transaction (further explained on page 14).

<sup>4</sup> Deferred tax liabilities is provided at 5% for the cumulative fair value gain of the freehold land component within the investment properties which are expected to be recovered through sale.

<sup>5</sup> Increase in trade and other payables due to accruals of capex primarily for Sunway Putra Mall and Sunway Putra Tower.

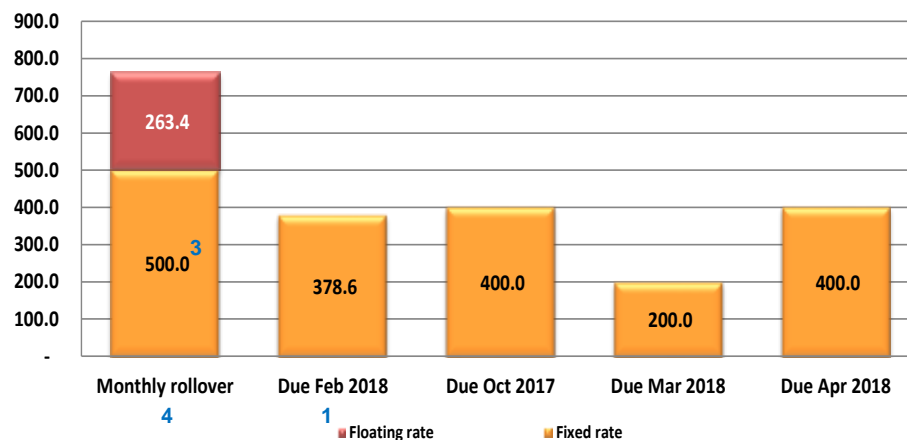
# Debt Profile

	Facility Limit RM'mil	RM'mil
Term Loan	360.9	378.6 <sup>1</sup>
Commercial Papers (CP) / Revolving Loans (RL)	900.0 <sup>2</sup>	763.4
Unrated MTNs	1,000.0	1,000.0
<b>Total Gross Borrowings</b>		<b>2,142.0</b>
Discount on Commercial Papers		-
<b>Total Borrowings at carrying amount</b>		<b>2,142.0</b>

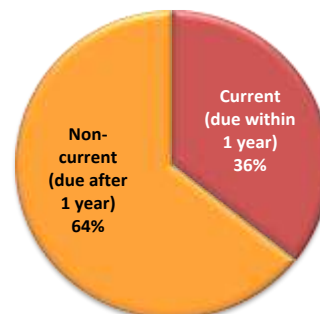
	RM'mil
<b>Classification of Borrowings:</b>	
Current (due within 1 year)	763.4
Non-current (due after 1 year)	1,378.6
<b>Total Gross Borrowings</b>	<b>2,142.0</b>

<b>Average Cost of Debt</b>	<b>3.93%</b>
<b>Average Maturity Period (Years)</b>	<b>1.7</b>
<b>Debt Service Cover Ratio (DSCR)</b>	<b>3.7</b> <sup>5</sup>
<b>Gearing Ratio</b>	<b>33.3%</b>

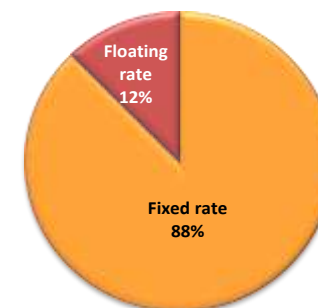
## Loan Maturity Profile (RM'mil)



## Classification of Borrowings



## Fixed versus Floating rate mix



<sup>1</sup> Includes unrealised forex loss of RM17.7 million. The USD100m term loan which matured on 4 February 2015 has been refinanced with the same facility for 3 years maturing on 5 February 2018 and fully hedged with 1-year cross currency swap contract.

<sup>2</sup> The current limit of RM900.0 million can be increased to RM1.60 billion up to expiry of the programme in April 2019.

<sup>3</sup> Sunway REIT has locked in RM500.0 million 3-year IRS at 3.81% (blended) to manage exposure to floating rate borrowings.

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

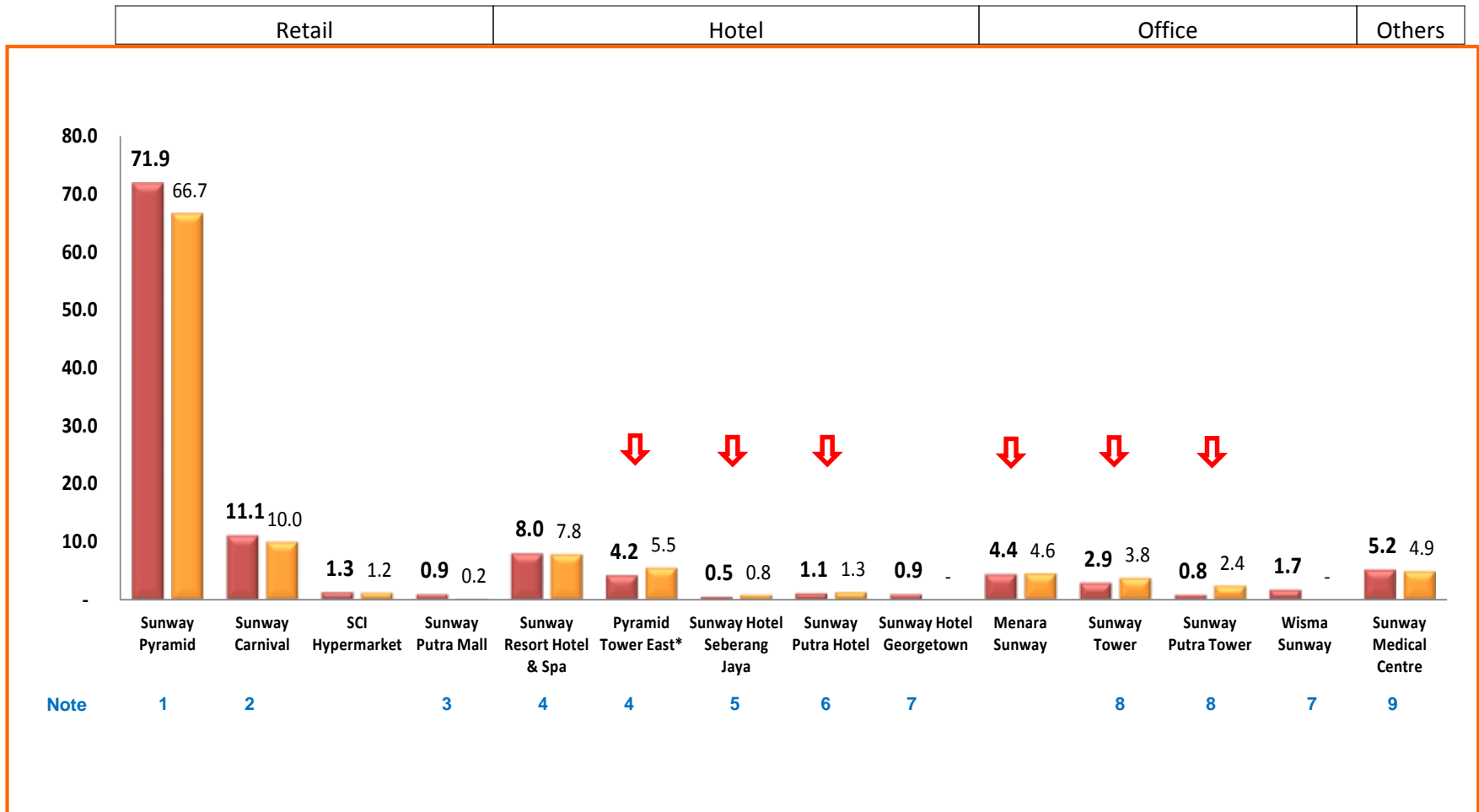
<sup>5</sup> The decrease in debt service cover ratio to 3.7 times (Q3 2015: 5.1 times) is primarily due to an increase current liabilities following accruals for completed capital expenditure as at 30 June 2015.

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## 3. 4Q 2015 Portfolio Performance

# 4Q 2015 Revenue Contribution

<span style="color: #A52A2A;">■</span> 4Q 2015 (RM'mil)	114.9
<span style="color: #FF8C00;">■</span> 4Q 2014 (RM'mil)	109.2



Please refer to next page for explanatory notes.

\* Pyramid Tower East was previously known as Pyramid Tower Hotel.



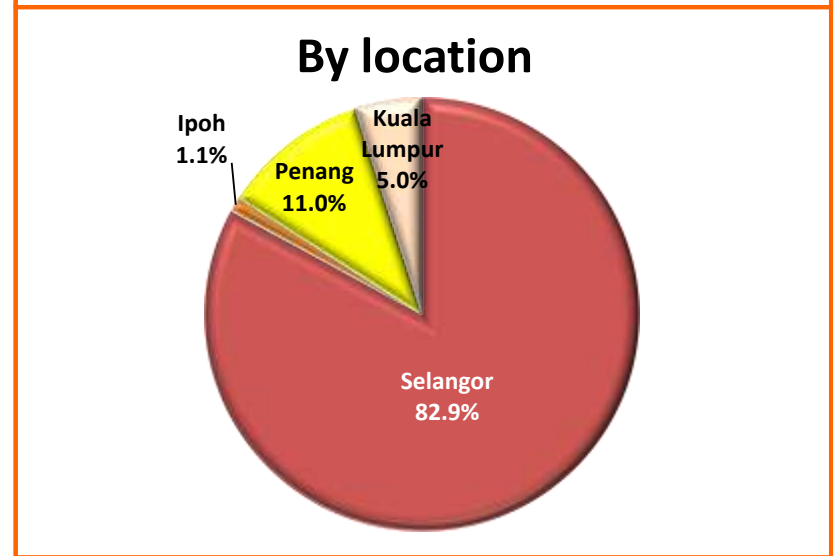
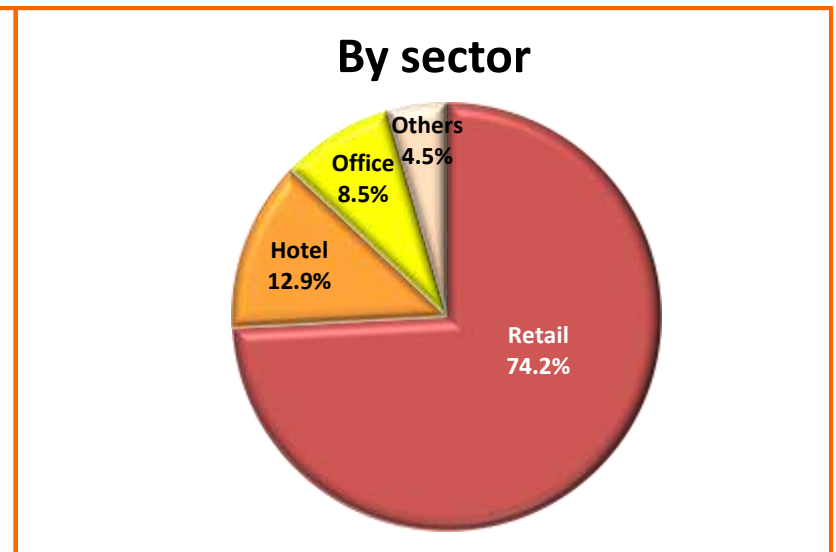
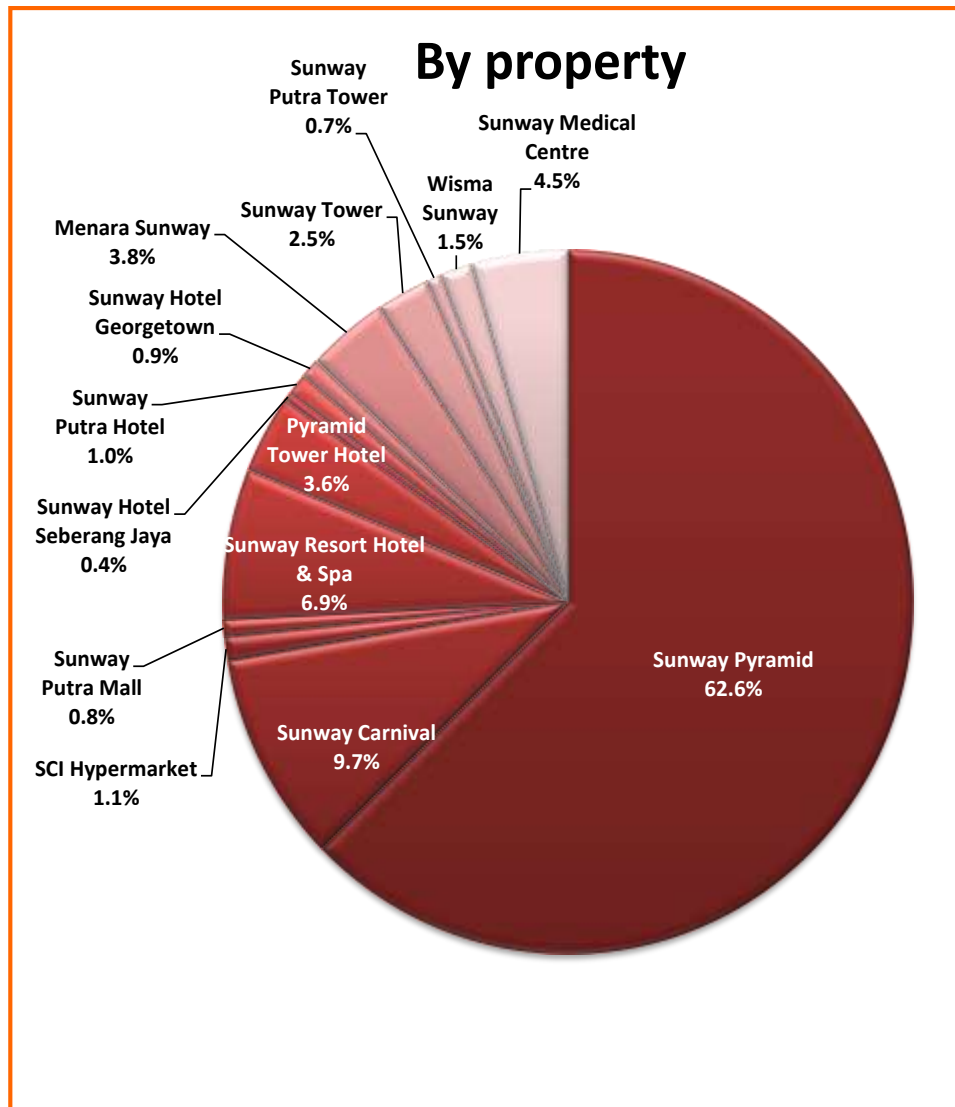
# 4Q 2015 Revenue Contribution (Cont'd)

## Explanation: \*

1. Sunway Pyramid – Sunway Pyramid Shopping Mall recorded a gross revenue growth of 7.9% or RM5.2 million for 4Q 2015 compared to 4Q 2014 primarily attributable to the higher average net rent per sq. ft. and higher YTD average occupancy rate of 98.3% (YTD 2014: 97.8%). The improved revenue of this shopping mall was also due to an increase in service and promotion charges with effect from June 2014 (4Q 2014).
2. Sunway Carnival – Sunway Carnival Shopping Mall achieved a strong growth in gross revenue by 11.0% or RM1.1 million for 4Q 2015, attributable to
  - an increase in service and promotion charges with effect from June 2014;
  - average occupancy rate was higher at 97.3% for YTD 2015 compared to 92.0% for YTD 2014 due to commencement of a tenancy in July 2014 for approximately 44,000 sq.ft which was vacant since July 2013.
3. Sunway Putra Mall – Sunway Putra Mall launched its soft opening on 28 May 2015 and tenants were given a one-month rent free period. The secured occupancy as at 30 June 2015 was 82.4% and will be opening in phases.
4. Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower East (PTE) – SRHS achieved a steady performance for 4Q 2015, registering a slight increase of 1.6% as compared to the preceding year corresponding quarter despite softer market conditions. Rental income from the annex building which is tenanted by renowned F&B operators mitigated the lower average occupancy rate in the current quarter. However, revenue for PTE was lower by 24.3% or RM1.3 million for 4Q 2015 compared to 4Q 2014. Both hotels' performance for 4Q 2015 was affected by the softer business and consumer sentiment post-implementation of GST, slower economic growth, domestic and global uncertainties as well as the timing of fasting month which fell in mid June in 2015 (FY2014: late June) whereby travelling and business meetings were reduced.
5. Sunway Hotel Seberang Jaya - Revenue was lower by RM0.3 million in 4Q 2015 compared to 4Q 2014 on the back of exceptionally soft market demand during the quarter and competition from newly opened hotels. This general slowdown was also attributable to the timing of fasting month as described above.
6. Sunway Putra Hotel – Revenue was affected by the major refurbishment works at the adjoining Sunway Putra Mall, which was only recently completed, and the hotel's own refurbishment.
7. Sunway Hotel Georgetown and Wisma Sunway – Acquired on 28 January 2015 and 23 March 2015 respectively.
8. Sunway Tower and Sunway Putra Tower – YTD average occupancy of Sunway Tower and Sunway Putra Tower declined to 66.9% and 52.8% respectively in the current quarter compared to 84.3% and 74.2% respectively in the preceding year. The anchor tenant at Sunway Tower had surrendered 59,000 sq. ft. during the financial year whilst the anchor tenant at Sunway Putra Tower, which occupied 143,000 sq. ft., vacated its premises in December 2014. This resulted in revenue from Sunway Tower to be lower by 22.1% or RM0.9 million and for Sunway Putra Tower lower by 67.6% or RM1.6 million in the current quarter.
9. Sunway Medical Centre – Contributed RM5.2 million of revenue and net property income for 4Q 2015, an increase of 5.7% compared to 4Q 2014 due to rental reversion in accordance with the Master Lease Agreement and additional income contribution from completion of the asset enhancement in 1Q 2015.

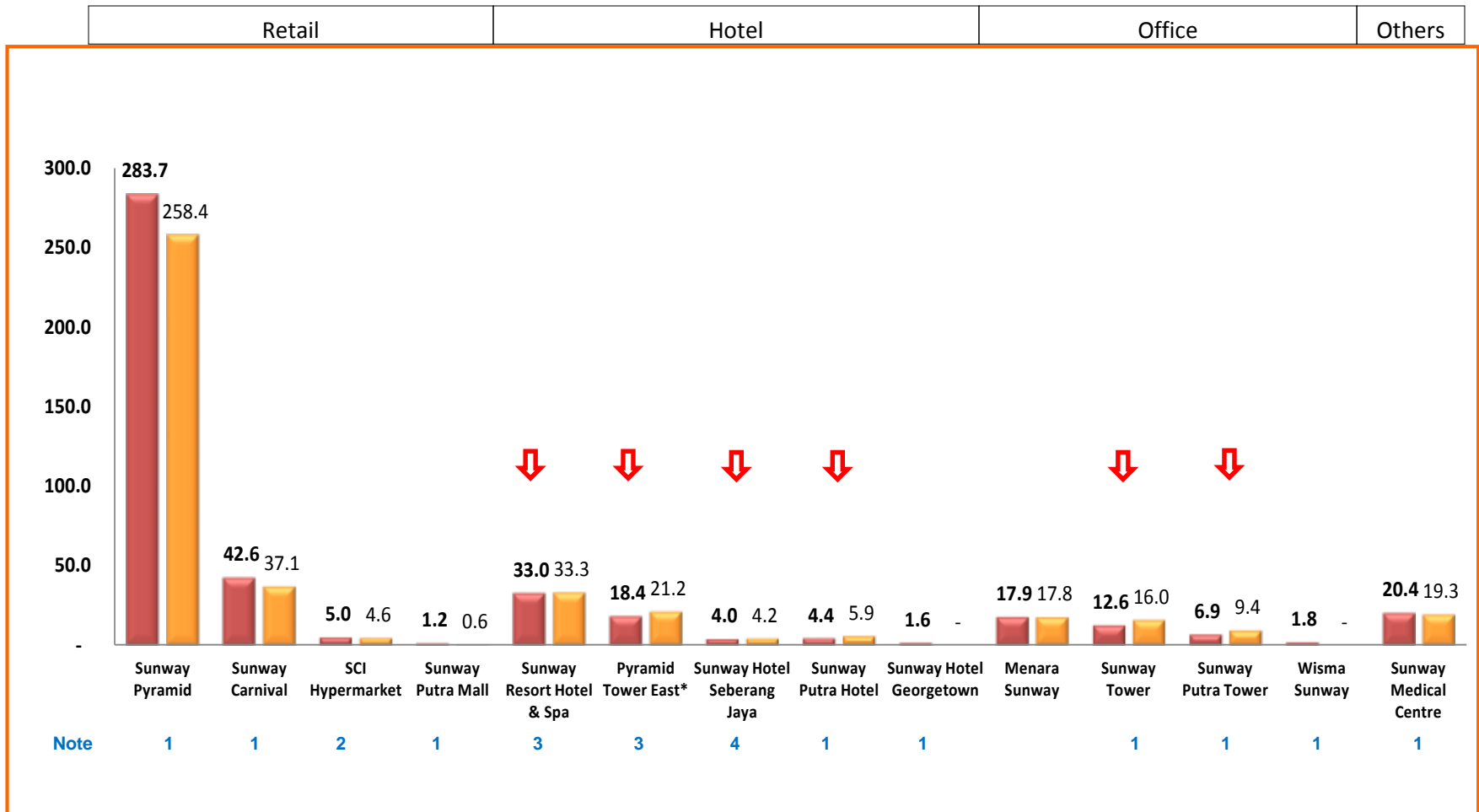
\* Calculation of % varies marginally compared to 4Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

# 4Q 2015 Revenue Contribution (Cont'd)



# YTD 4Q 2015 Revenue Contribution

YTD 4Q 2015 (RM'mil)	453.5
YTD 4Q 2014 (RM'mil)	427.8



Please refer to next page for explanatory notes.

\*Pyramid Tower East was previously known as Pyramid Tower Hotel.

# YTD 4Q 2015 Revenue Contribution (Cont'd)

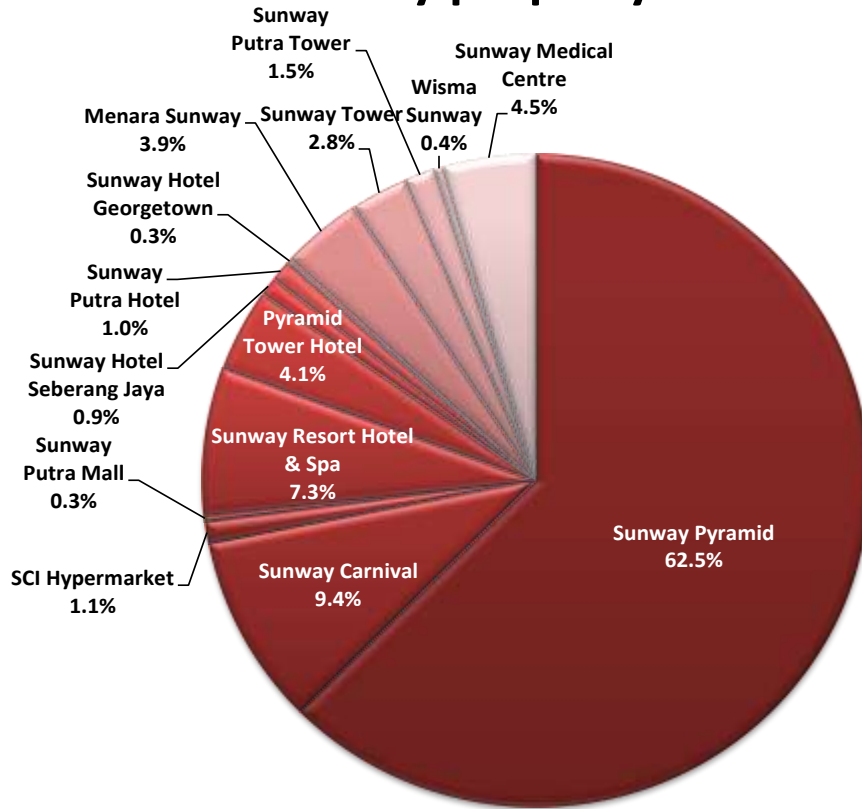
## Explanation:<sup>\*</sup>

1. Sunway Pyramid, Sunway Carnival, Sunway Putra Mall, Sunway Putra Hotel, Sunway Hotel Georgetown, Sunway Tower, Sunway Putra Tower, Wisma Sunway and Sunway Medical Centre – As per explanation on page 17.
2. SCI Hypermarket – Higher revenue due to rental reversion.
3. Sunway Resort Hotel & Spa and Pyramid Tower East - The revenue of Sunway Resort Hotel & Spa (SRHS) and Pyramid Tower East (PTE) were both lower by 1.3% or RM0.3 million, and 13.6% or RM2.8 million respectively, mainly due to lower performance reported in 2Q - 4Q 2015,
4. Sunway Hotel Seberang Jaya – Sunway Hotel Seberang Jaya recorded a slight decline in revenue of 2.9% or RM0.2 for YTD 2015 compared to YTD 2014. This was mainly attributable to lower contribution in 2H FY2015 (due to reasons stated in page 17) which offsets the strong performance in 1H FY2015.

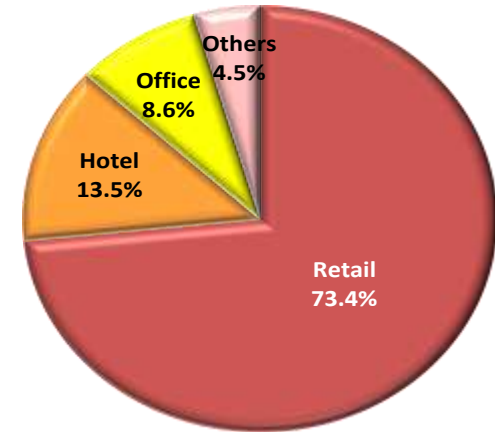
*\* Calculation of % varies marginally compared to 3Q 2015 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.*

# YTD 4Q 2015 Revenue Contribution (Cont'd)

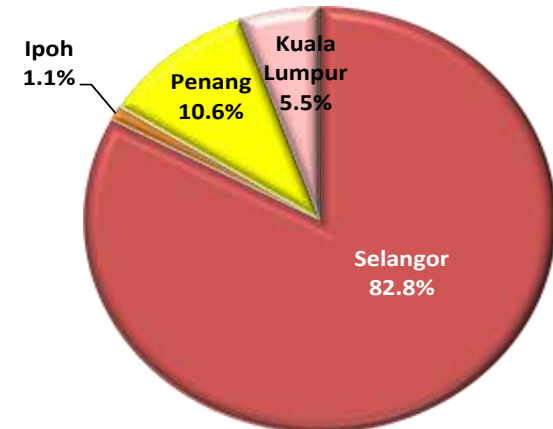
## By property



## By sector

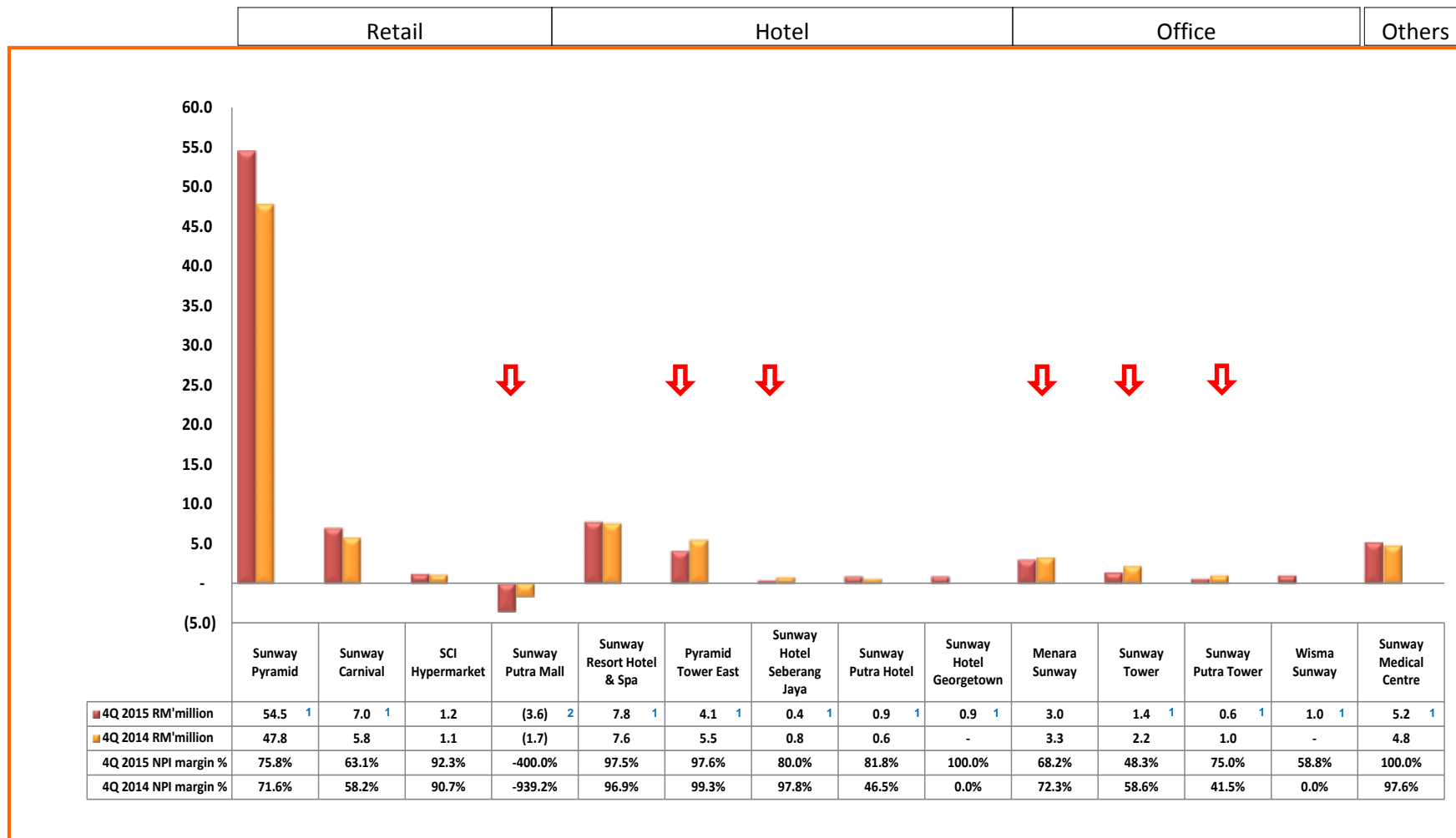


## By location



# 4Q 2015 NPI Contribution

	<b>NPI</b>	<b>Margin</b>
■ 4Q 2015 (RM'mil)	<b>84.4</b>	<b>73.4%</b>
■ 4Q 2014 (RM'mil)	<b>78.8</b>	<b>72.2%</b>



Please refer to next page for explanatory notes.

\*Pyramid Tower East was previously known as Pyramid Tower Hotel.

# 4Q 2015 NPI Contribution (cont'd)

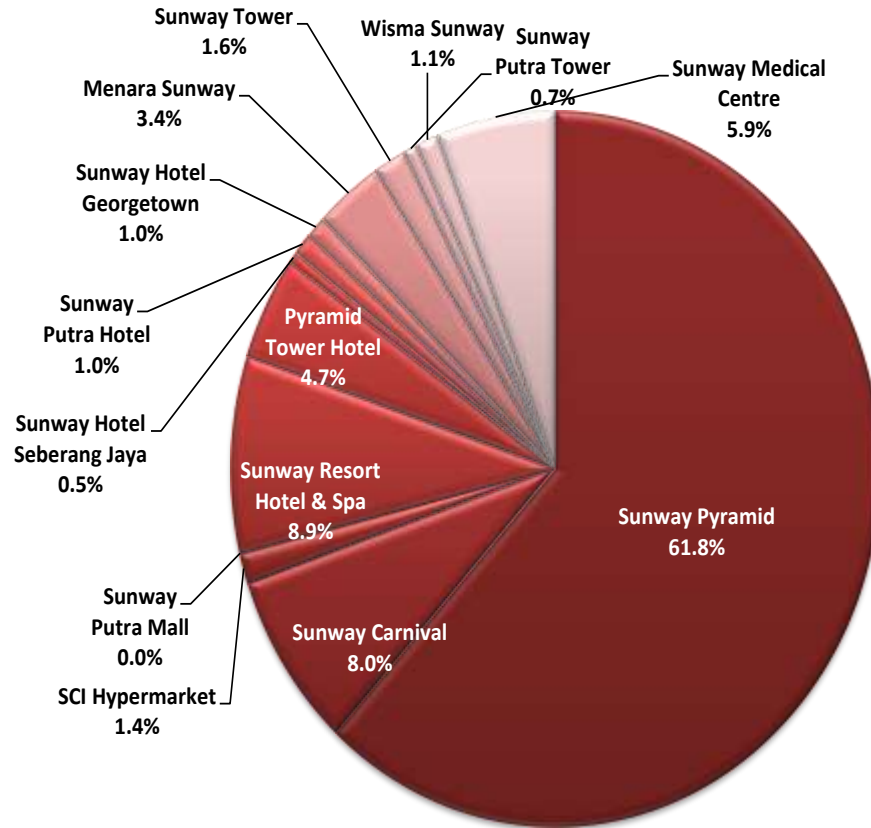
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## Explanation:

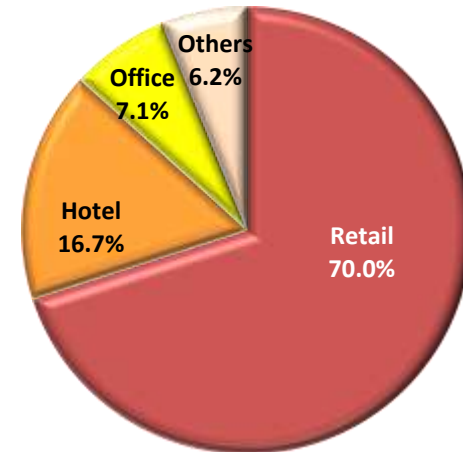
1. Sunway Pyramid, Sunway Carnival, Sunway Resort Hotel & Spa, Pyramid Tower East, Sunway Hotel Seberang Jaya, Sunway Putra Hotel, Sunway Hotel Georgetown, Sunway Tower, Sunway Putra Tower, Wisma Sunway and Sunway Medical Center – as per explanations on page 17.
2. Sunway Putra Mall – Higher net property loss in 4Q 2015 compared to 4Q 2014 due to pre-opening and operating expenses during the quarter under review.

# 4Q 2015 NPI Contribution (Cont'd)

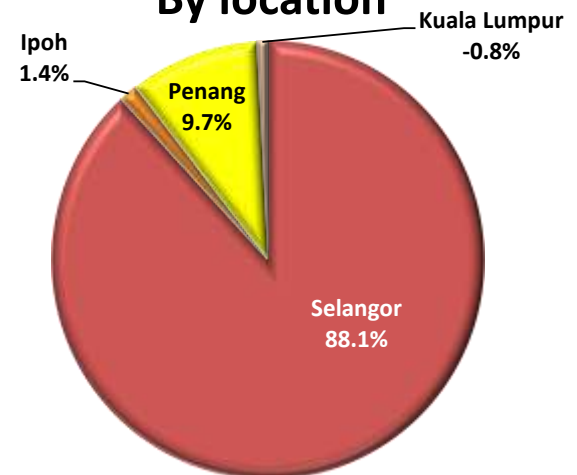
## By property



## By sector



## By location

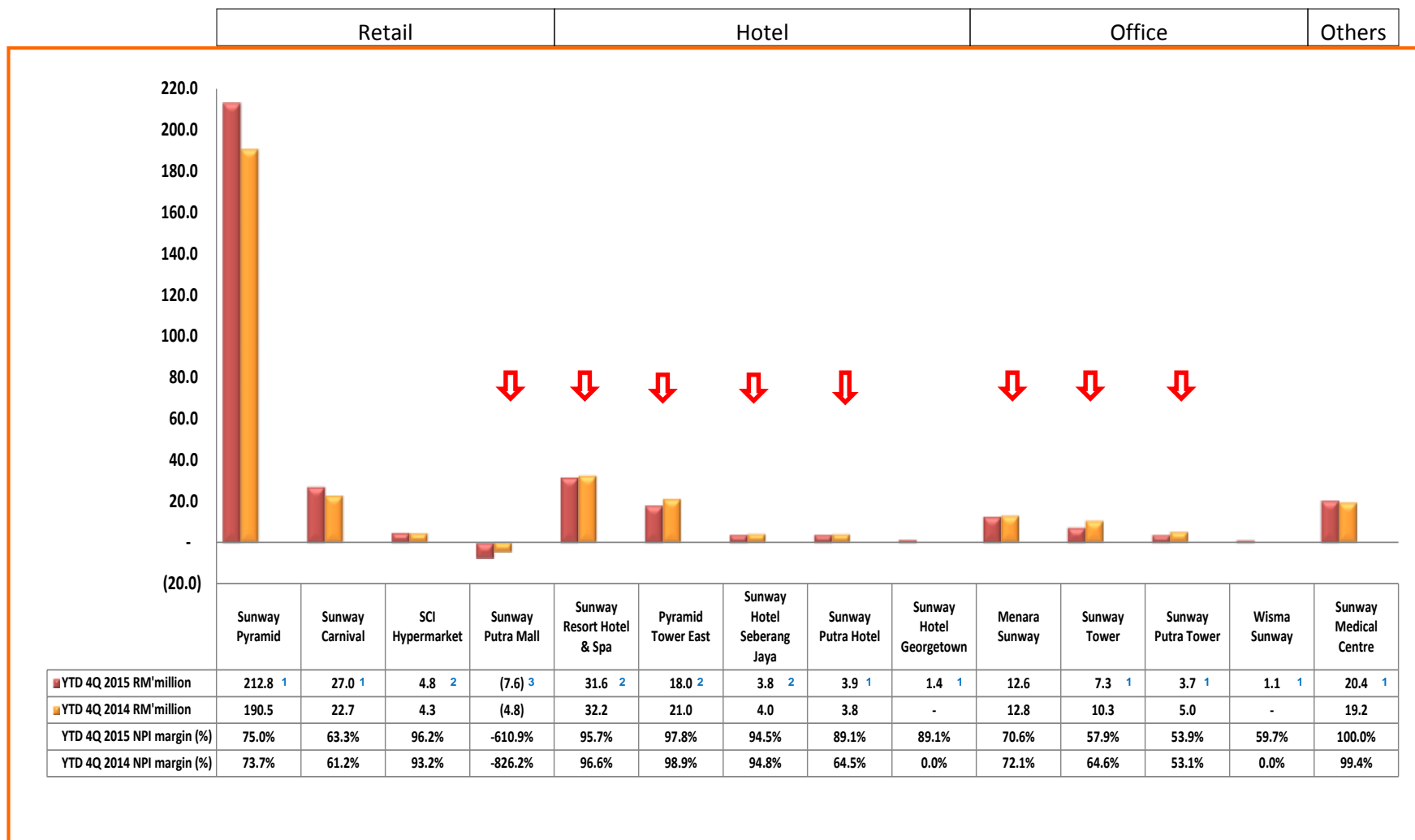


\* It is a net property loss for KL properties.



# YTD 4Q 2015 NPI Contribution

	<b>NPI</b>	<b>Margin</b>
YTD 4Q 2015 (RM'mil)	340.8	75.2%
YTD 4Q 2014 (RM'mil)	321.0	75.0%



Please refer to next page for explanatory notes.

\*Pyramid Tower East was previously known as Pyramid Tower Hotel

# YTD 4Q 2015 NPI Contribution (cont'd)

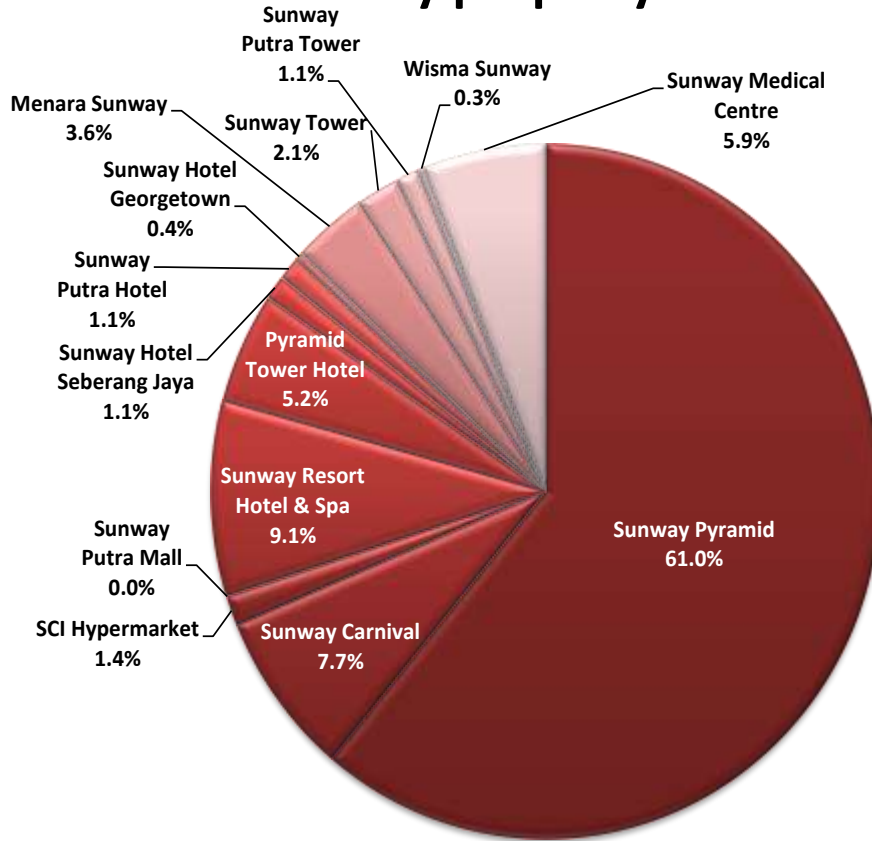
---

## Explanation:

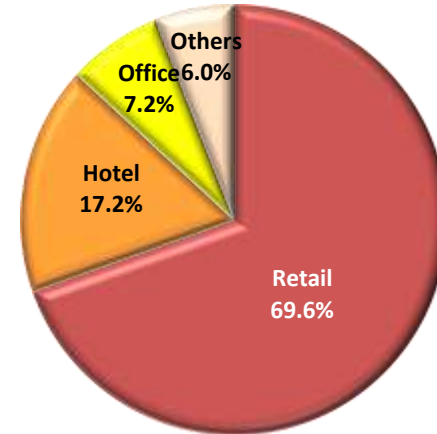
1. Sunway Pyramid, Sunway Carnival, Sunway Putra Hotel, Sunway Hotel Georgetown, Sunway Tower, Sunway Putra Tower, Wisma Sunway and Sunway Medical Centre – As per explanation on page 17.
2. SCI Hypermarket, Sunway Resort Hotel & Spa, Pyramid Tower East and Sunway Hotel Seberang Jaya – As per explanation on page 20.
3. Sunway Putra Mall – As per explanation on page 23.

# YTD 4Q 2015 NPI Contribution (Cont'd)

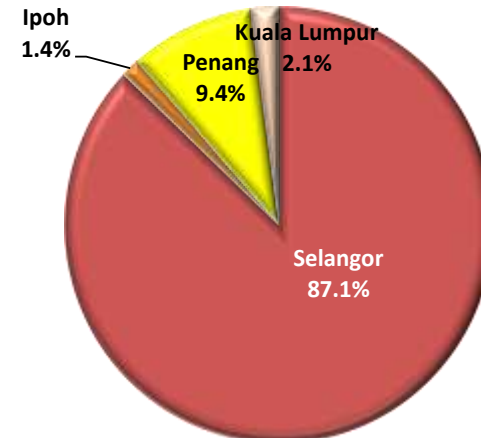
## By property



## By sector



## By location



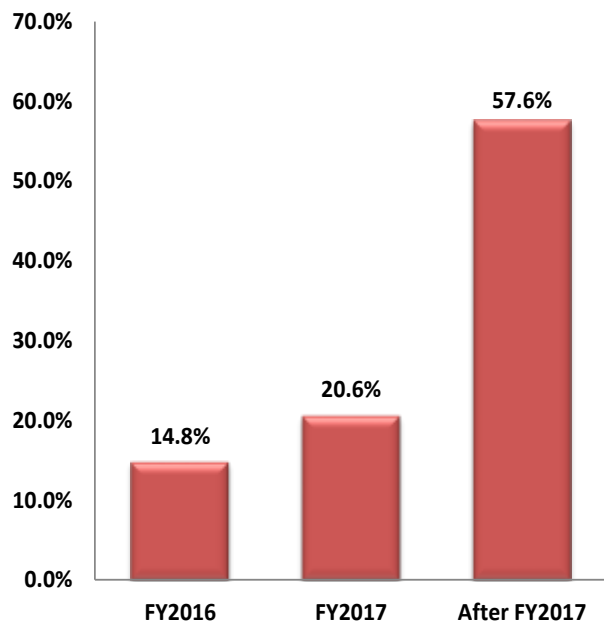
# RESILIENT INCOME STREAM

Well spread-out lease expiry profile and diverse tenant base

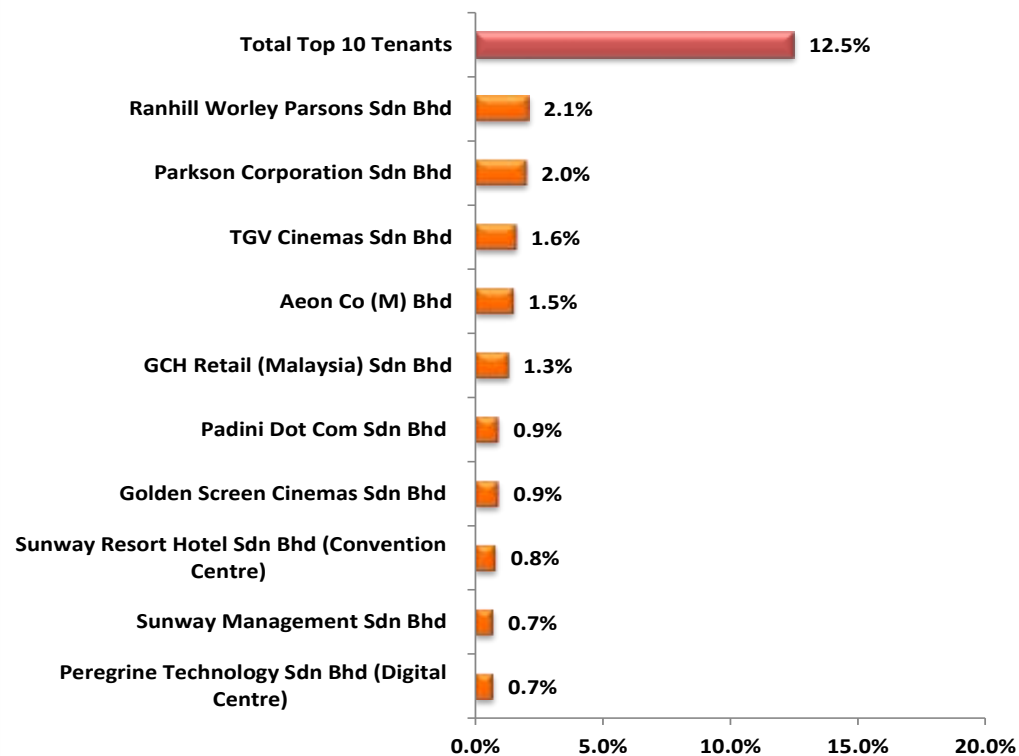
WALE <sup>1</sup> as at 30 June 2015– 2.19 years

Top 10 tenants contribute approximately 12.5% of total revenue

## Projected tenancy expiry of portfolio <sup>2</sup>



## Top 10 tenants<sup>3</sup>



<sup>1</sup> Calculated based on gross rental income.

<sup>2</sup> Calculated using NLA for the Retail and Office Properties and GFA for the Hotel and Hospital Properties.

<sup>3</sup> Based on gross rental income for the month of June 2015.

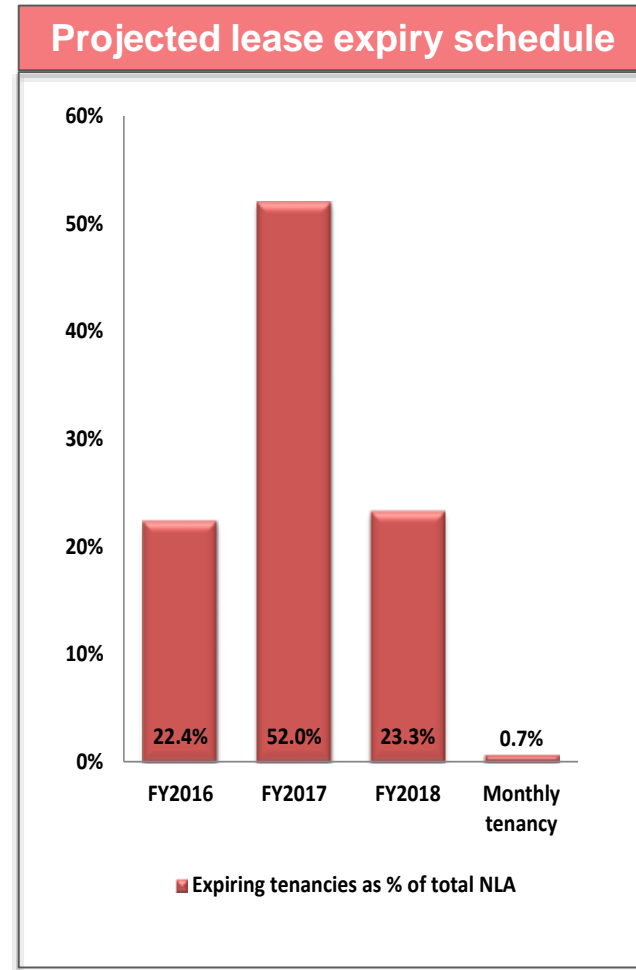
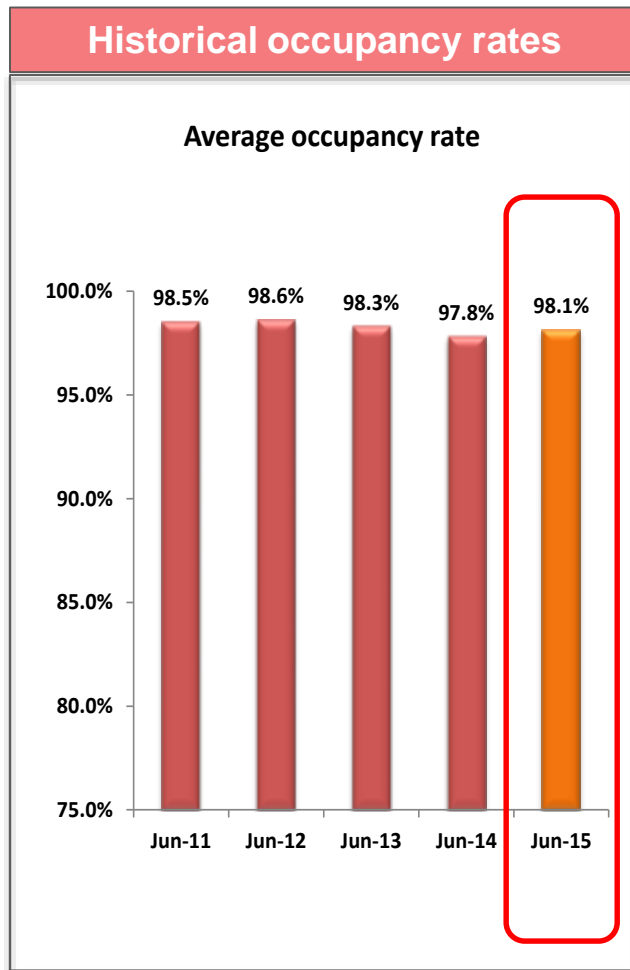
(Exclude Hotel Master Leases, Hospital Master Lease and car park tenancies.)

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## 4. 4Q 2015 Property Performance

# RETAIL PROPERTIES

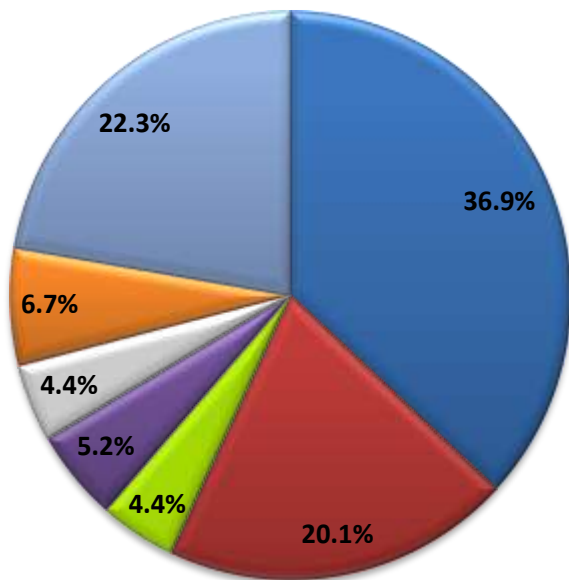
## SUNWAY PYRAMID SHOPPING MALL



# RETAIL PROPERTIES

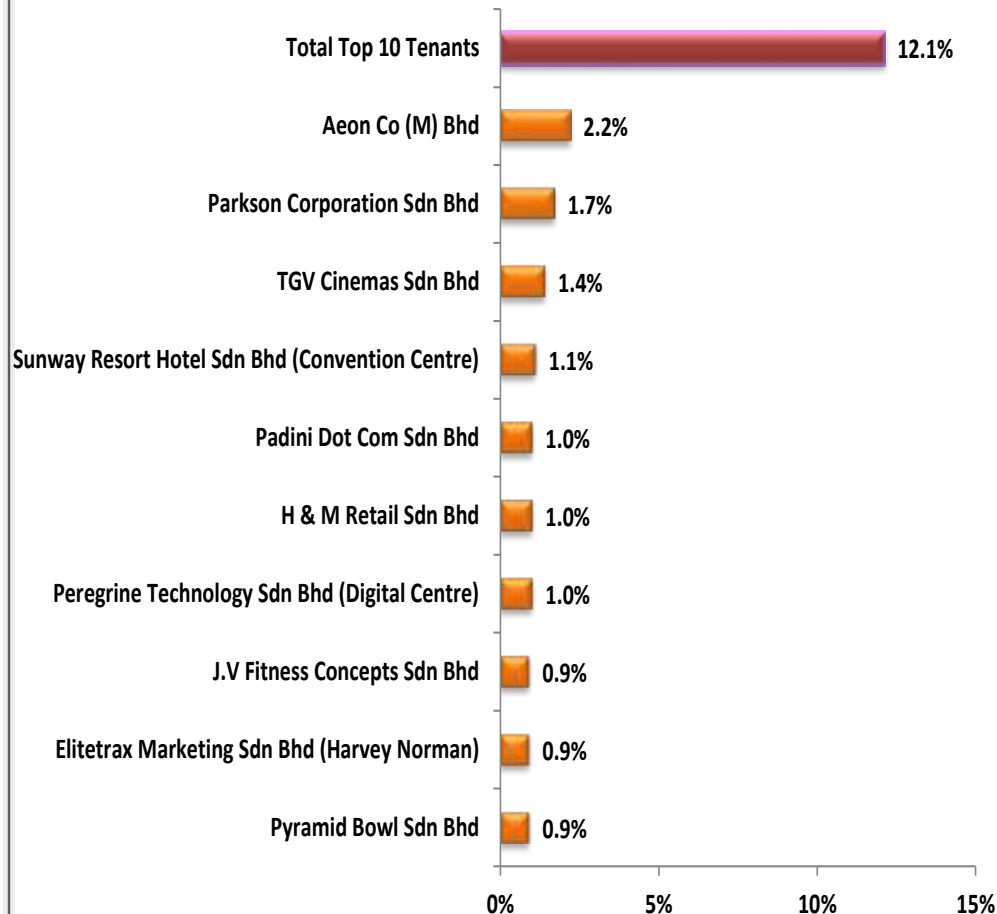
## SUNWAY PYRAMID SHOPPING MALL (Cont'd)

Tenant mix



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

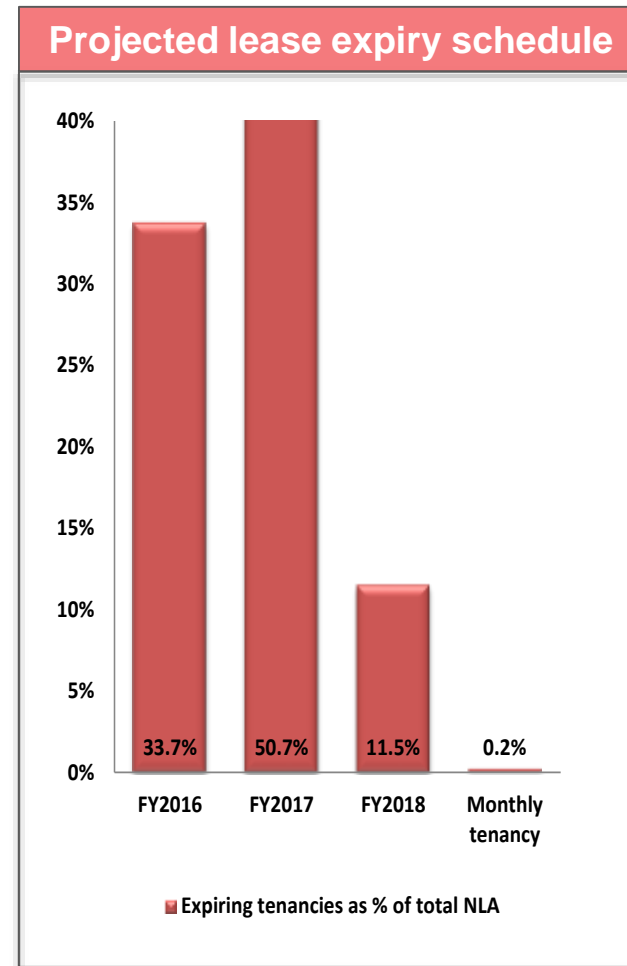
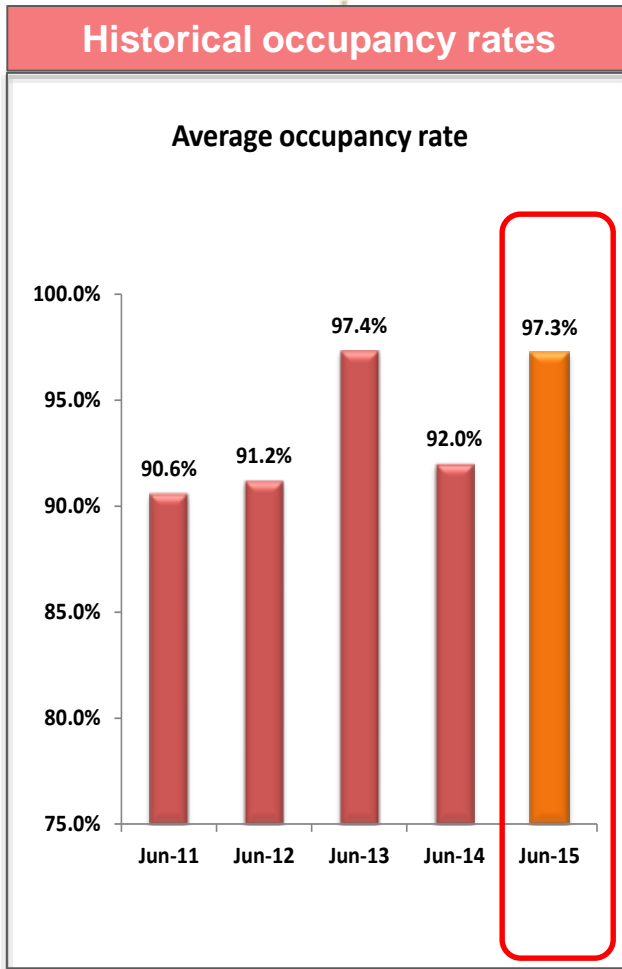
Top 10 tenants



Note: Based on gross rental income for the month of June 2015

# RETAIL PROPERTIES

## SUNWAY CARNIVAL SHOPPING MALL



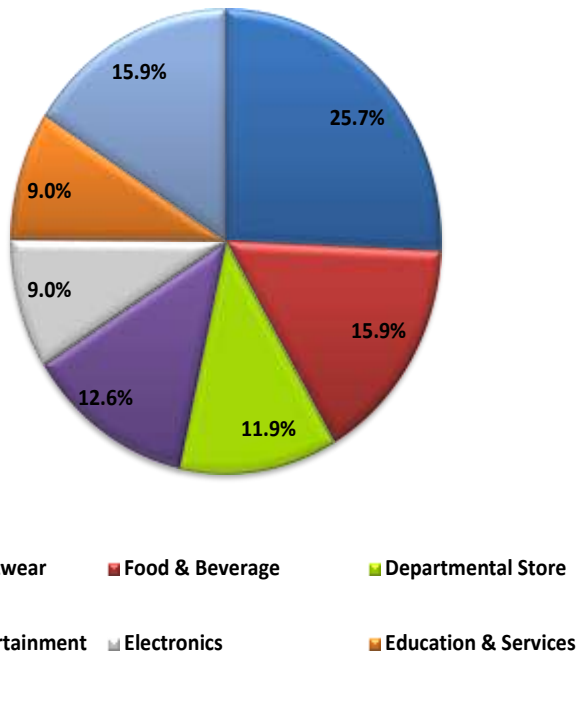
Note: Higher occupancy rate was recorded due to commencement of tenancy for a supermarket occupying approximately 44,000 sq.ft in July 2014.



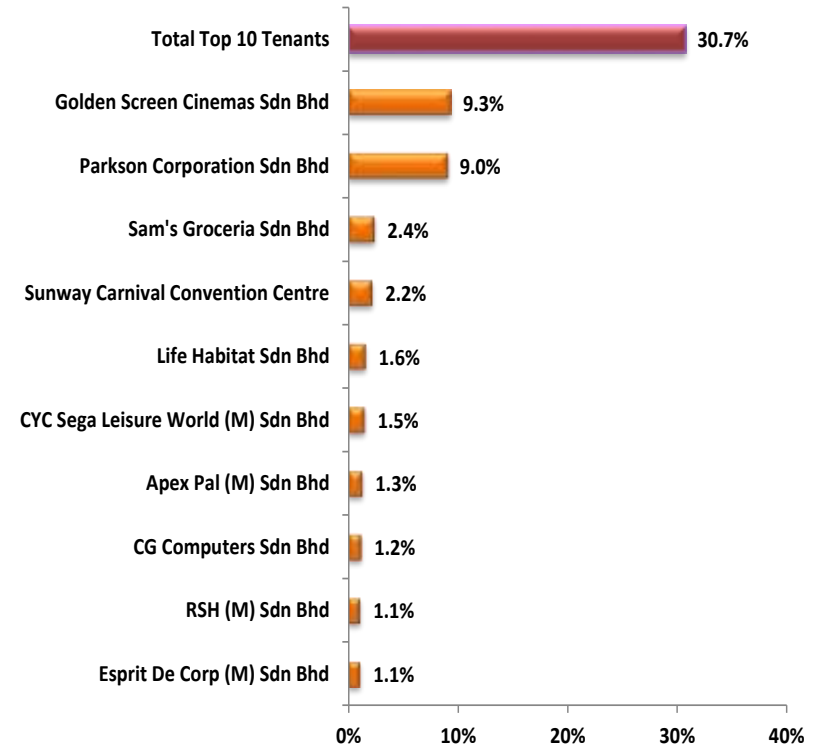
# RETAIL PROPERTIES

## SUNWAY CARNIVAL SHOPPING MALL (Cont'd)

### Tenant mix



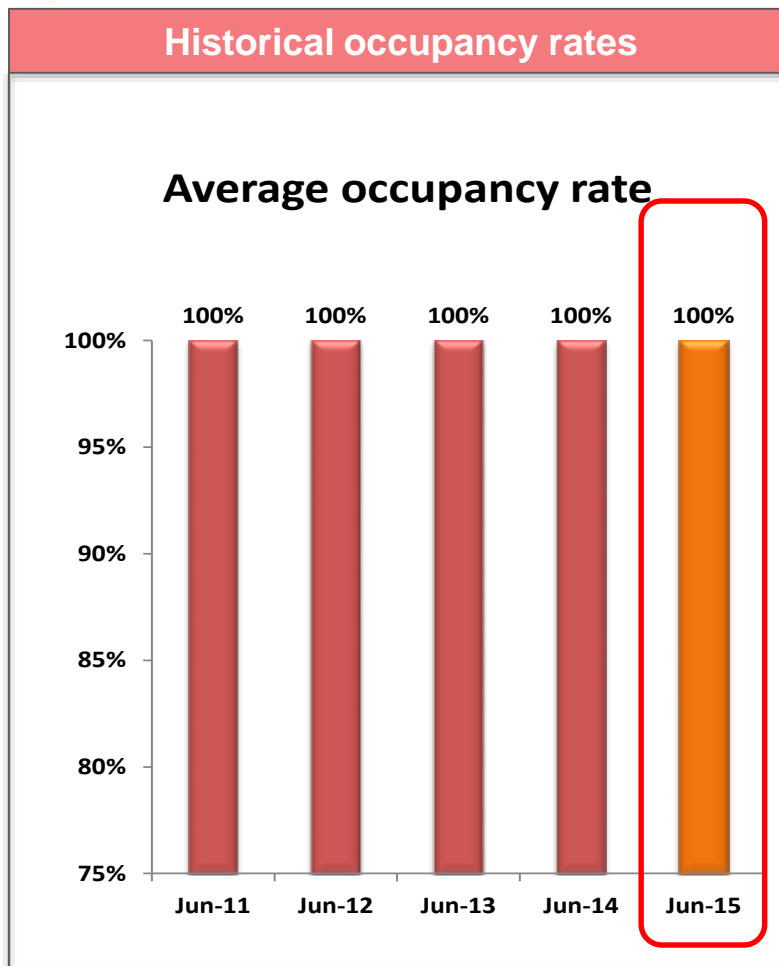
### Top 10 tenants



Note: Based on gross rental income for the month of June 2015

# RETAIL PROPERTIES

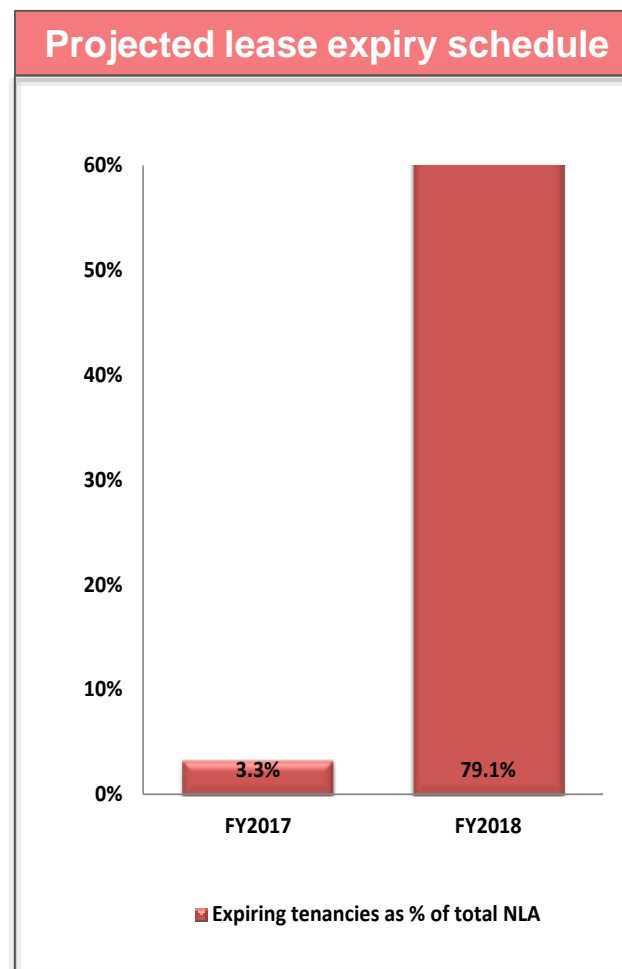
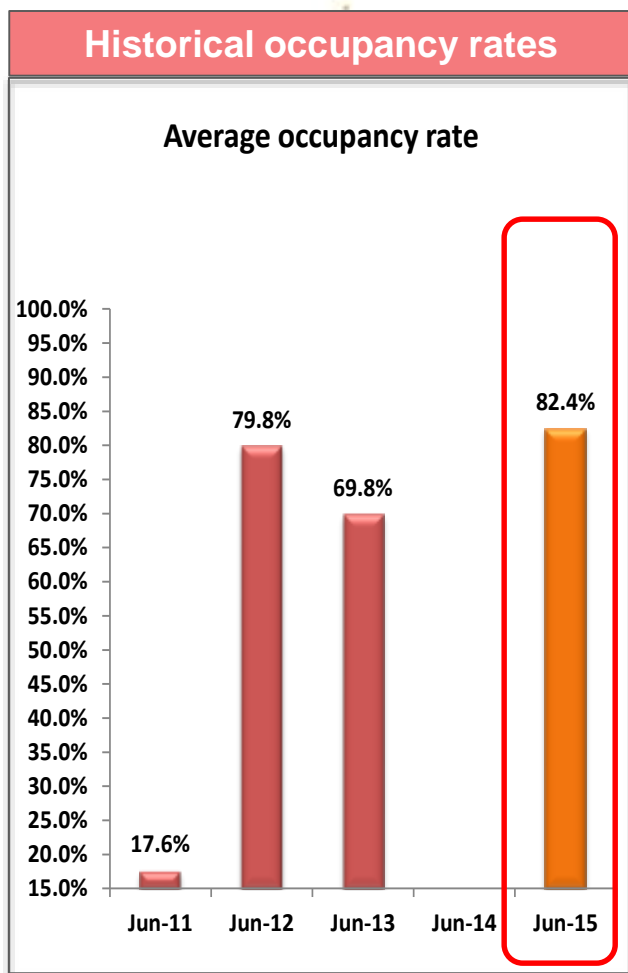
## SUNCITY IPOH HYPERMARKET



Suncity Ipoh Hypermarket is tenanted to a single tenant, a major hypermarket and retailer chain operating under the “Giant” brand in Malaysia, Singapore, Indonesia and Brunei Darussalam. The next renewal for the tenancy is April 2017.

# RETAIL PROPERTIES

## SUNWAY PUTRA MALL



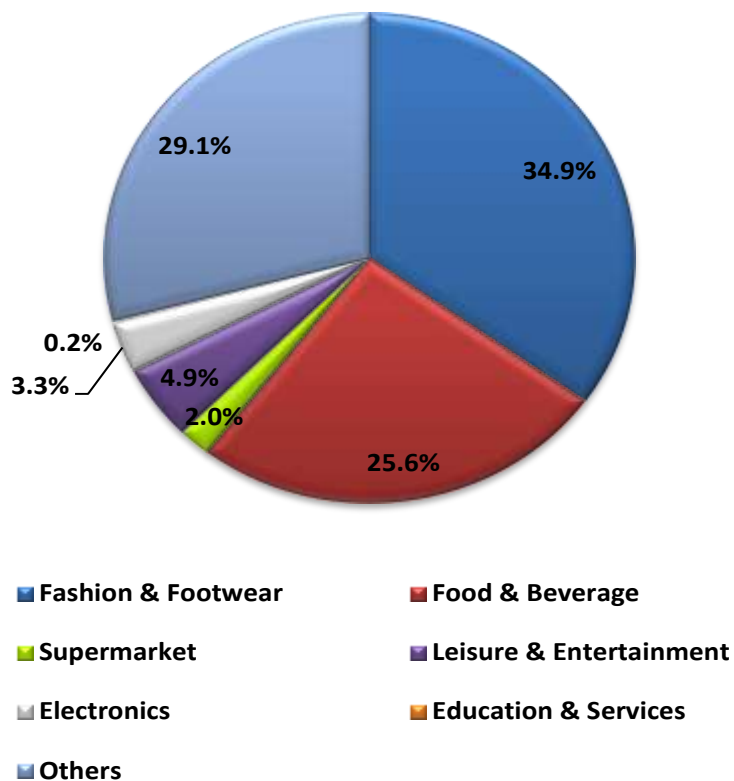
Note: The acquisition of Sunway Putra Mall via a public auction was completed in April 2011. Subsequently, the mall was closed for refurbishment from May 2013 to May 2015.

Sunway Putra Mall had its soft opening on 28 May 2015. The secured occupancy as at 30 June 2015 was 82.4% and will be opening in phases.

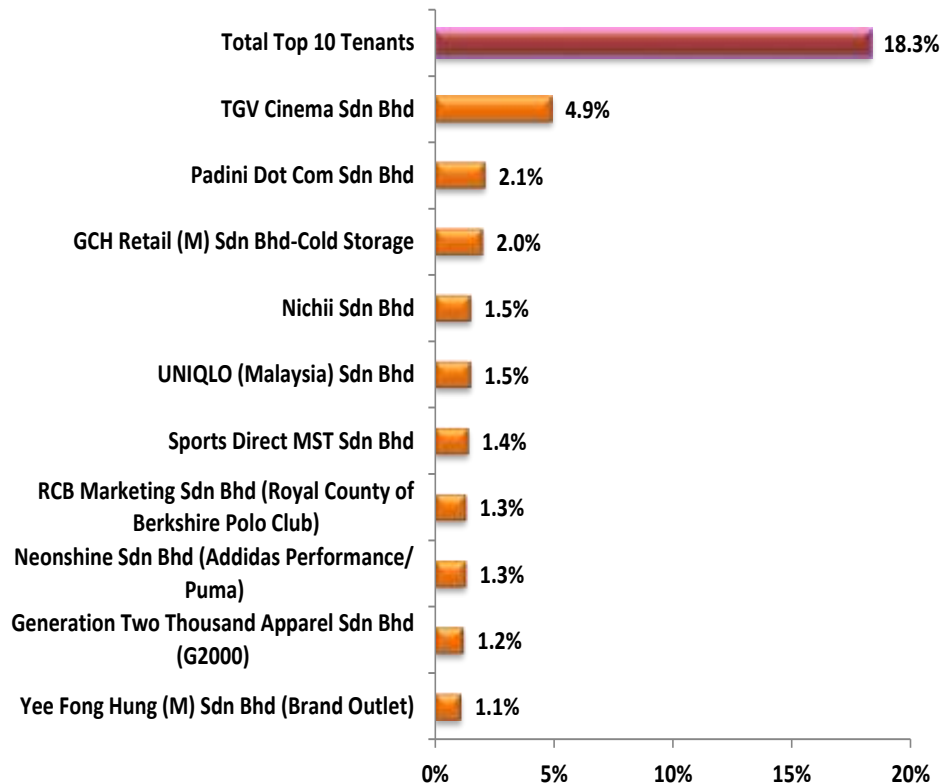
# RETAIL PROPERTIES

## SUNWAY PUTRA MALL (Cont'd)

### Tenant mix



### Top 10 tenants



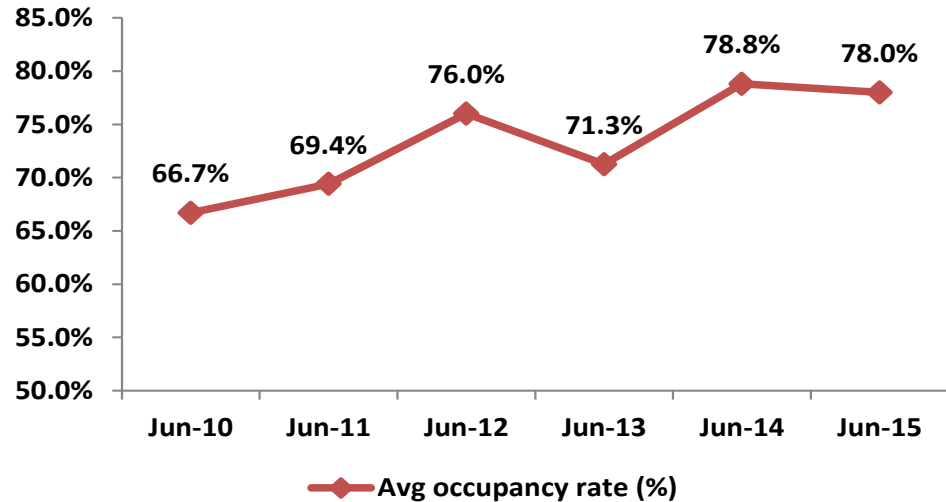
Note: The above information is based on committed tenancy as at 30 June 2015

# HOSPITALITY PROPERTIES

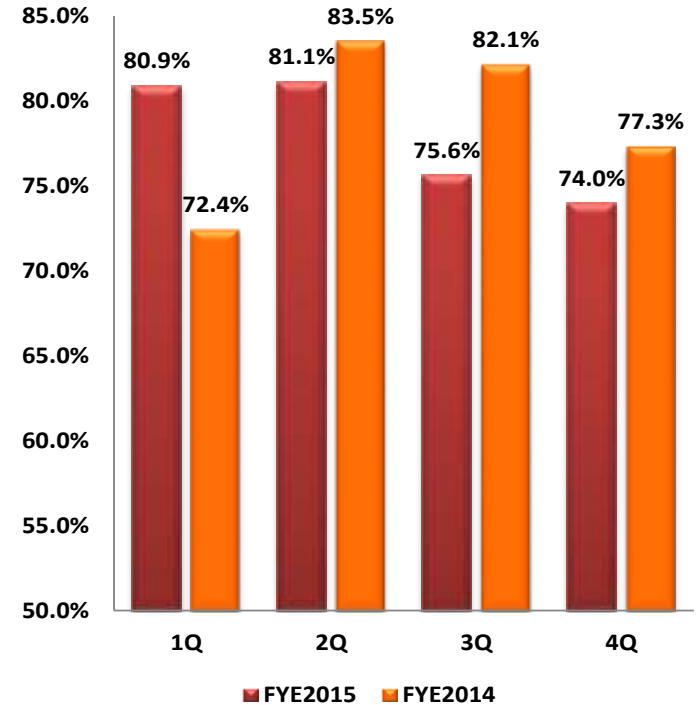
## SUNWAY RESORT HOTEL & SPA

### Historical occupancy rate

#### Average occupancy rate



#### Average occupancy rate (%)



#### Customer contribution (Room revenue)

Corporate	36.1%
Leisure	63.9%

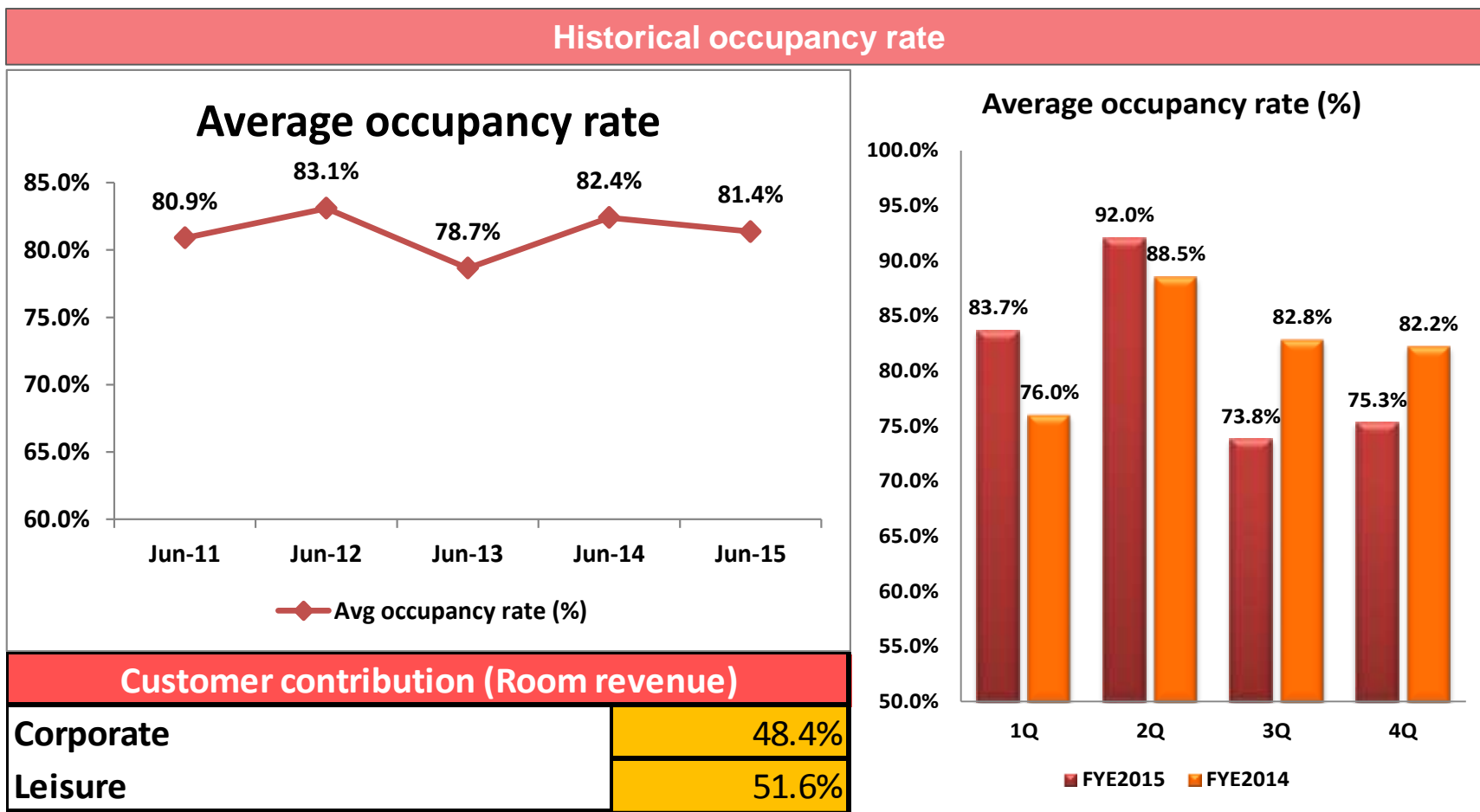
Note 1: The hotel properties are under 10-years master leases. The Sunway Resort Hotel & Spa and Pyramid Tower East (formerly Pyramid Tower Hotel) master lease is expiring in July 2020.

Note 2: Sunway Resort Hotel & Spa registered a decrease in average occupancy rate (74% in 4Q2015 compared to 77.3% in 4Q2014) resulting from softer business and consumer sentiment post introduction of GST, slower economic outlook as well as global and domestic uncertainties. This general slow down was also attributable to the timing of fasting month which fell in mid-June 2015 (FY2014: late June 2014) whereby travelling and business meetings were reduced.

Note 3: Customer contribution has been reclassified which translated into higher contribution from leisure segment as compared to corporate segment (63.9% vs 36.1%). Reservations made under Online Travel Agencies ("OTA") are now classified as leisure instead of corporate to reflect the purpose of travelling.

# HOSPITALITY PROPERTIES

## PYRAMID TOWER EAST (formerly PYRAMID TOWER HOTEL)



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

Note 2: The lower average occupancy rate (75.3% in 4Q2015 vs 82.2% in 4Q2014) was due to the reasons similar to SRHS.

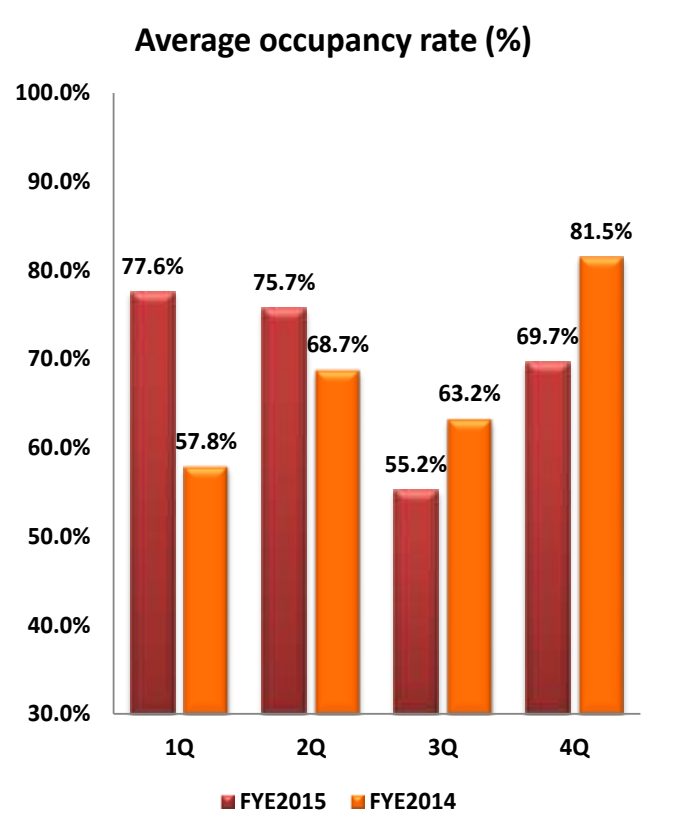
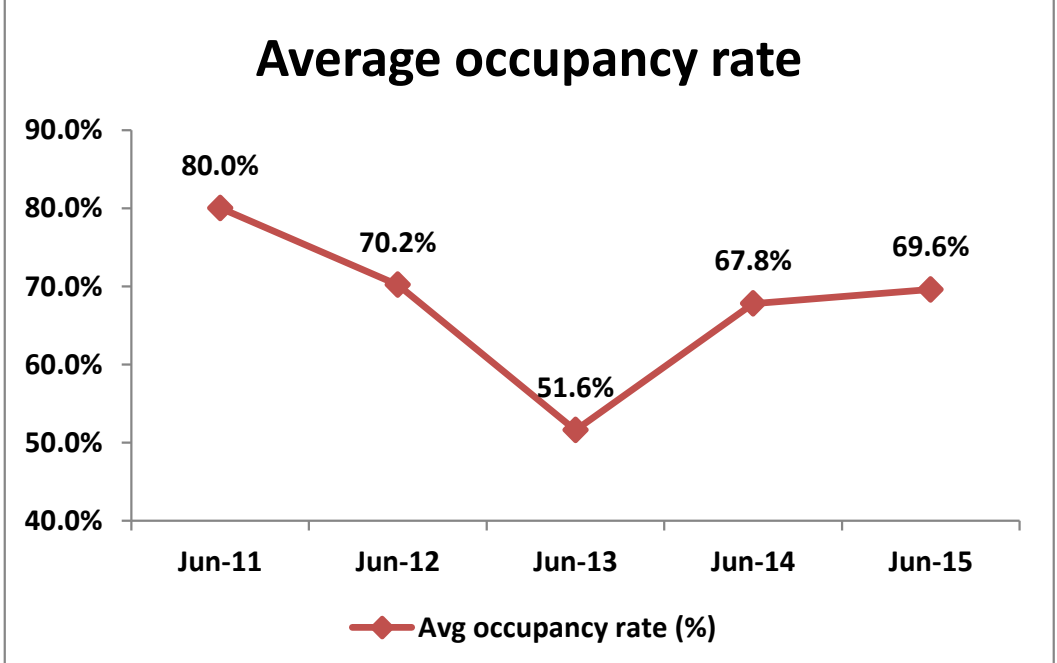
Note 3: Customer contribution has been reclassified which results in more contribution from leisure segment as compared to corporate segment (51.6% vs 48.4%). The reasons for reclassification is similar to SRHS.



# HOSPITALITY PROPERTIES

## SUNWAY HOTEL SEBERANG JAYA

### Historical occupancy rate



Customer contribution (Room revenue)	
Corporate	92.6%
Leisure	7.4%

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

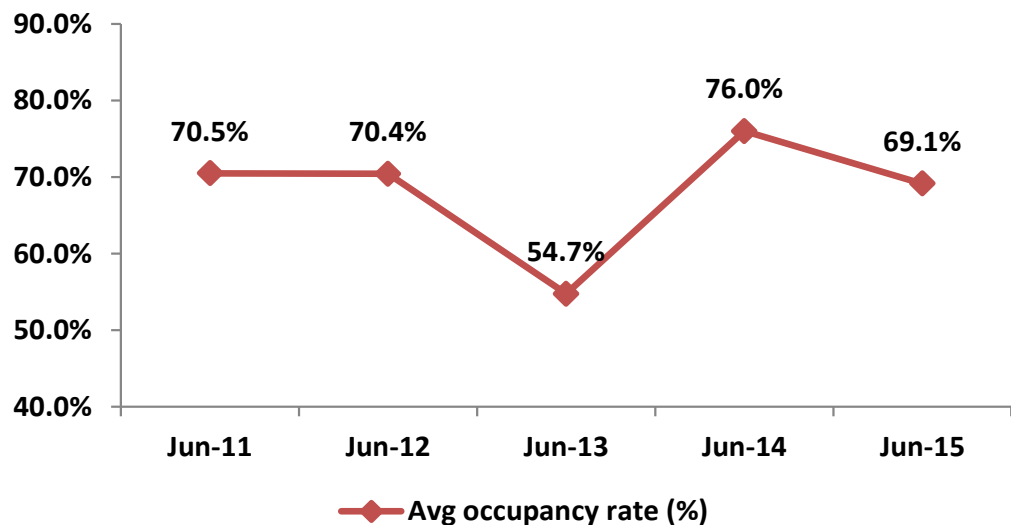
Note 2: Lower average occupancy was recorded due to soft business and consumer sentiment post introduction of GST, slower economic outlook, global and domestic uncertainties as well as increased competition from other new hotels in Penang. This general slow down was also attributable to the timing of fasting month which fell in mid-June 2015 (FY2014: late June 2014) whereby travelling and business meetings were reduced.

# HOSPITALITY PROPERTIES

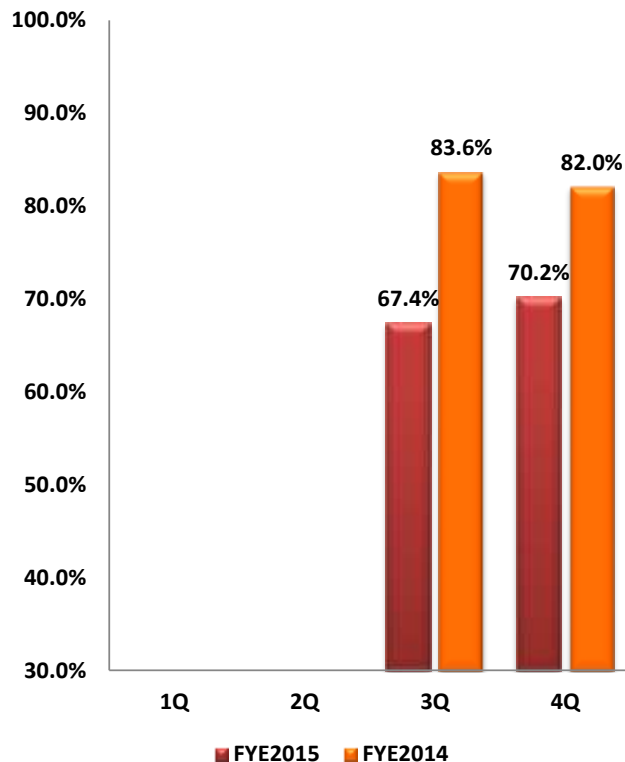
## SUNWAY HOTEL GEORGETOWN

### Historical occupancy rate

#### Average occupancy rate



#### Average occupancy rate (%)



#### Customer contribution (Room revenue)

Corporate	14.4%
Leisure	85.6%

Note 1: The contribution from Sunway Hotel Georgetown commenced on 28 January 2015. The information for 3Q shown above is for the month of February 2015 and March 2015 following the completion of the acquisition of the hotel on 28 January 2015. The information for Jun 15 represent the average occupancy for Feb to Jun 15. The historical information (FY2014) is provided by the vendor.

Note 2: The hotel properties are under 10-years master leases. The Sunway Hotel Georgetown master lease is expiring in January 2025.

Note 3: Average occupancy decreased from 70.4% in Jun-12 to 54.7% in Jun-13. This was mainly due to the hotel's major refurbishment exercise which was completed in 4Q2013. The lower average occupancy rate of 70.2% in 4Q2015 vs 82.0% in 4Q2014 was due to the reasons similar to SRHS as well as increased competition from other new hotels in Penang.

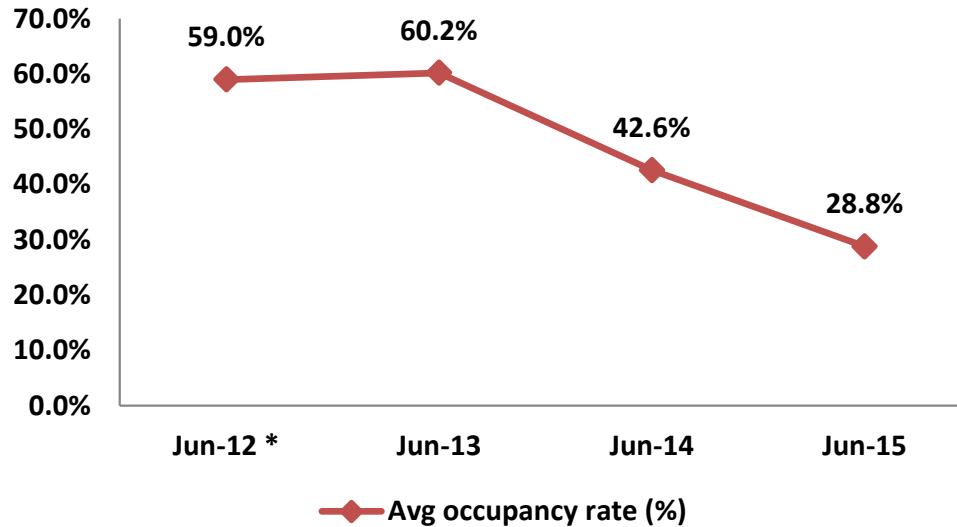


# HOSPITALITY PROPERTIES

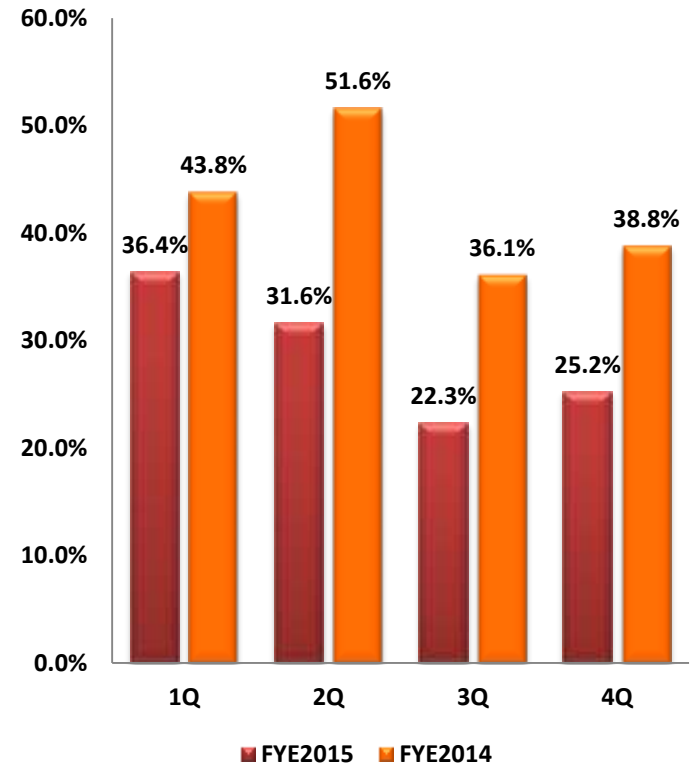
## SUNWAY PUTRA HOTEL

### Historical occupancy rate

#### Average occupancy rate



#### Average occupancy rate (%)



#### Customer contribution (Room revenue)

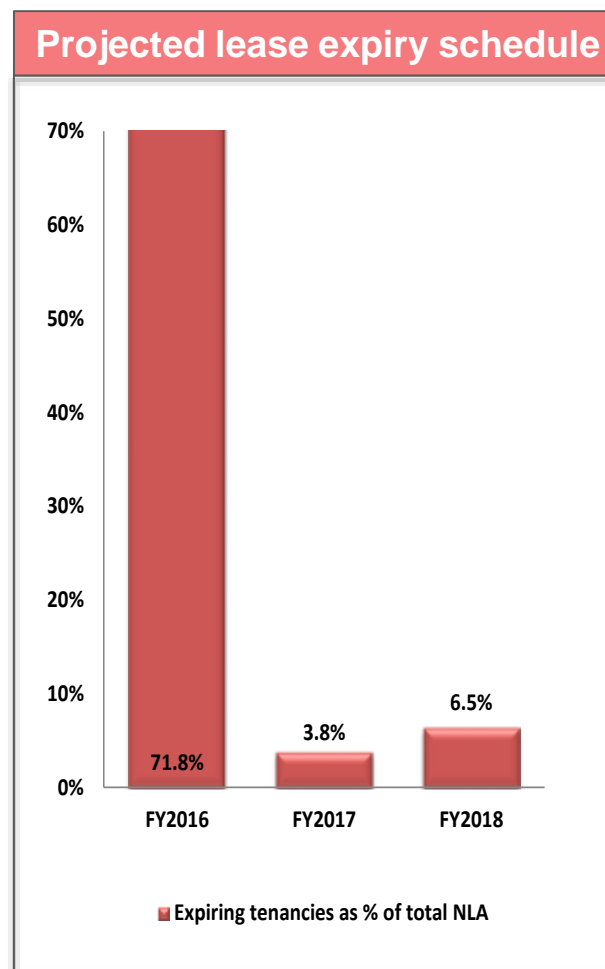
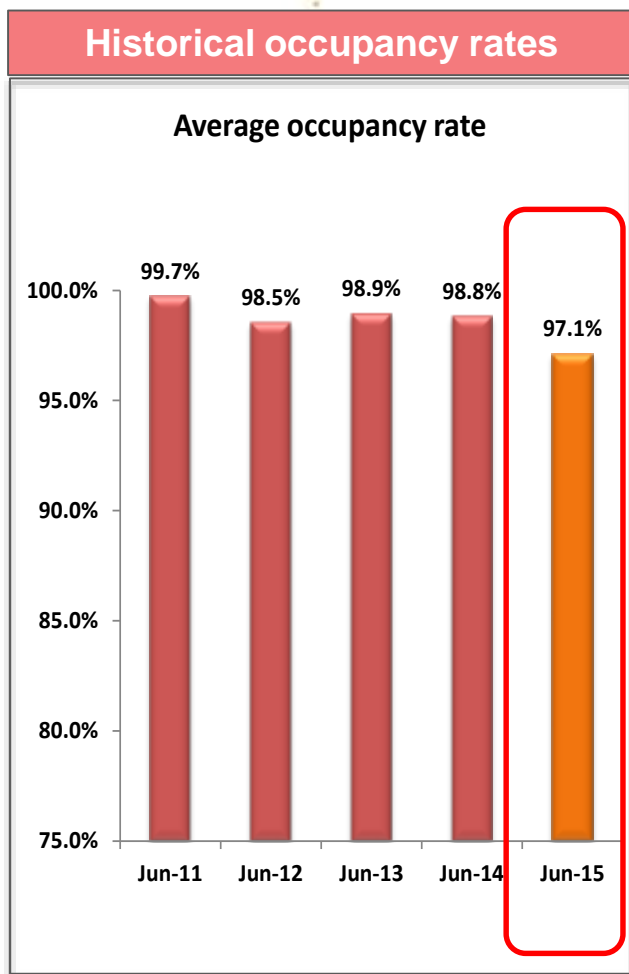
Corporate	85.9%
Leisure	14.1%

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

Note 2: The hotel's performance has a temporary setback primarily due to the ongoing major refurbishment at the adjoining Sunway Putra Mall (completed and re-opened in May 2015) and the hotel's ongoing refurbishment. Closure of some of the key hotel facilities also affected the performance. As at 4Q 2015, 366 rooms have been refurbished out of 618 rooms whilst all public area have been refurbished. Upon full completion, the hotel will have 650 rooms an additional 32 rooms as a result of reconfiguration of bigger units into smaller but more popular units. In addition, Level 34 and 35 will be converted into club lounge and meeting facilities respectively. The full completion is expected to be by 2QFY2016.

# OFFICE PROPERTIES

## MENARA SUNWAY

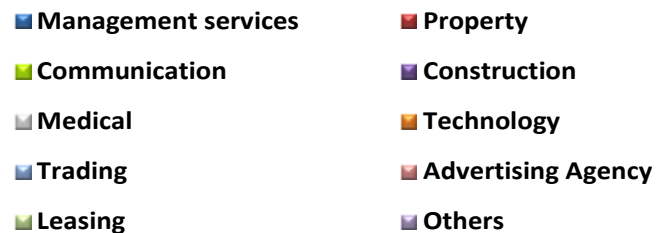
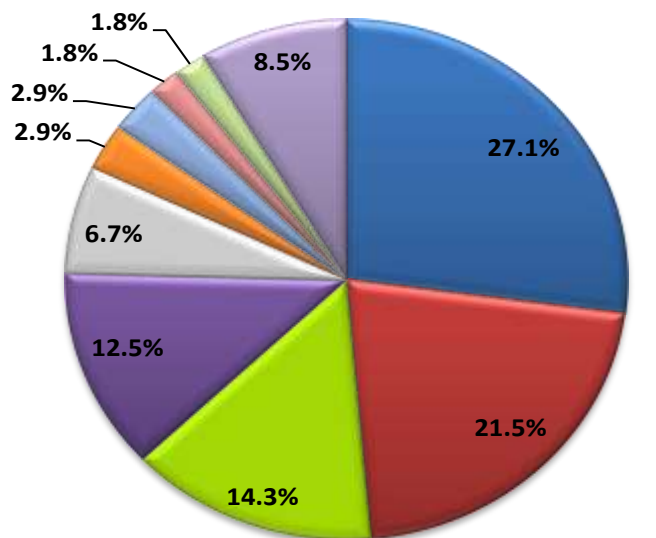


Note: Average occupancy rate for FY 2015 is lower at 97.1% (FY 2014: 98.8%) due to a tenant who did not renew in July 2014. The asset manager is actively seeking for replacement tenants.

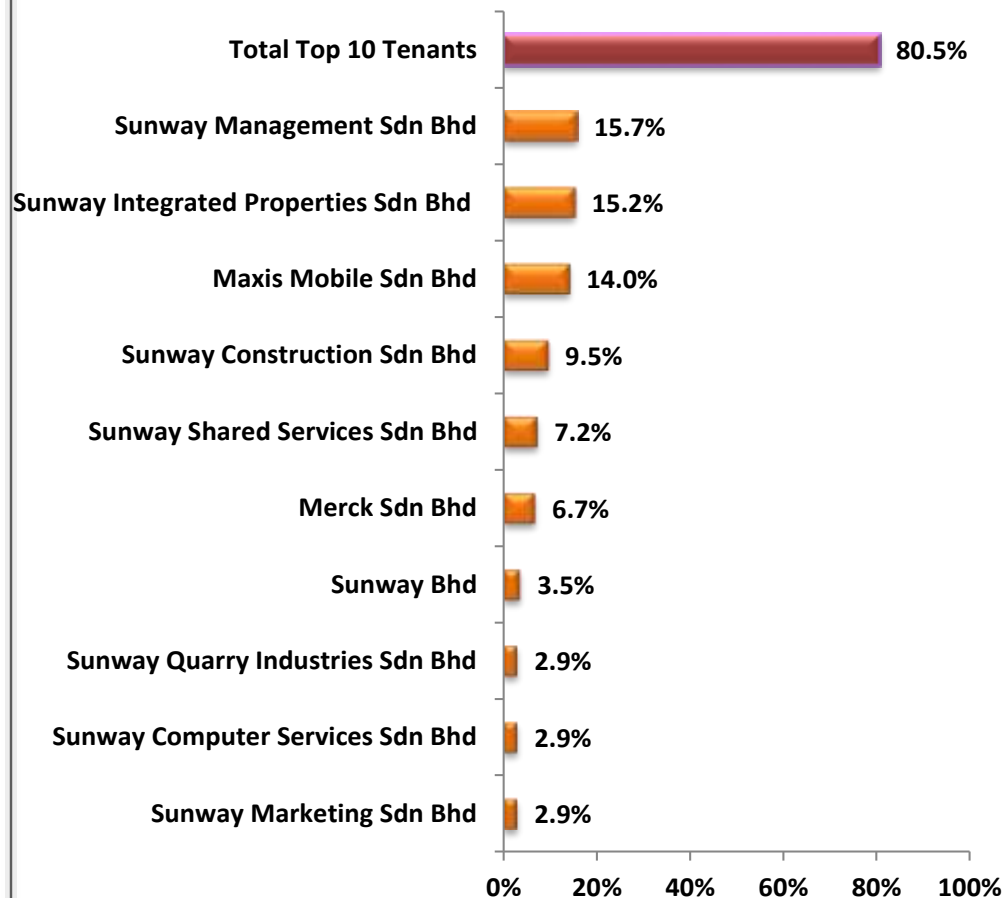
# OFFICE PROPERTIES

## MENARA SUNWAY (Cont'd)

### Tenant mix



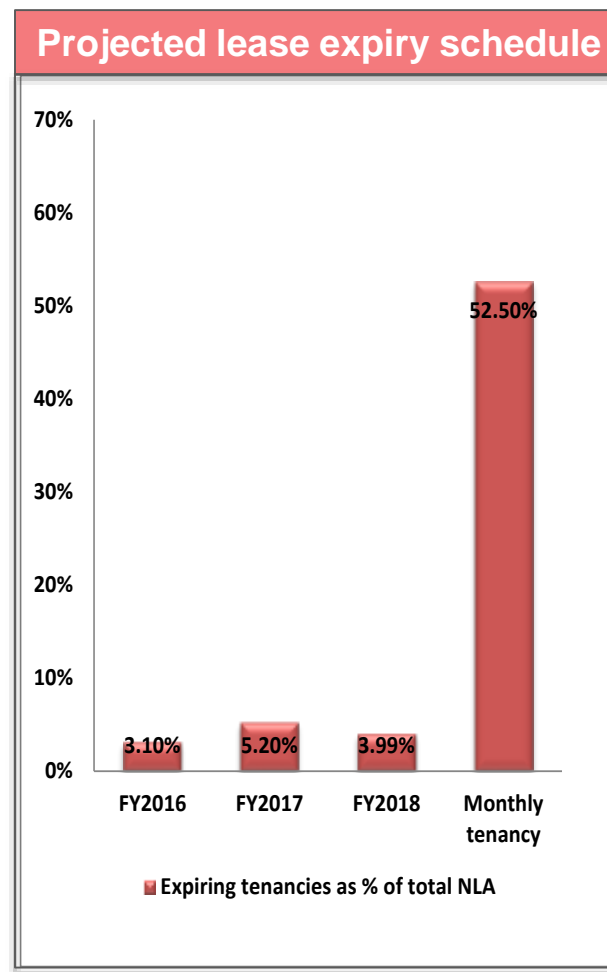
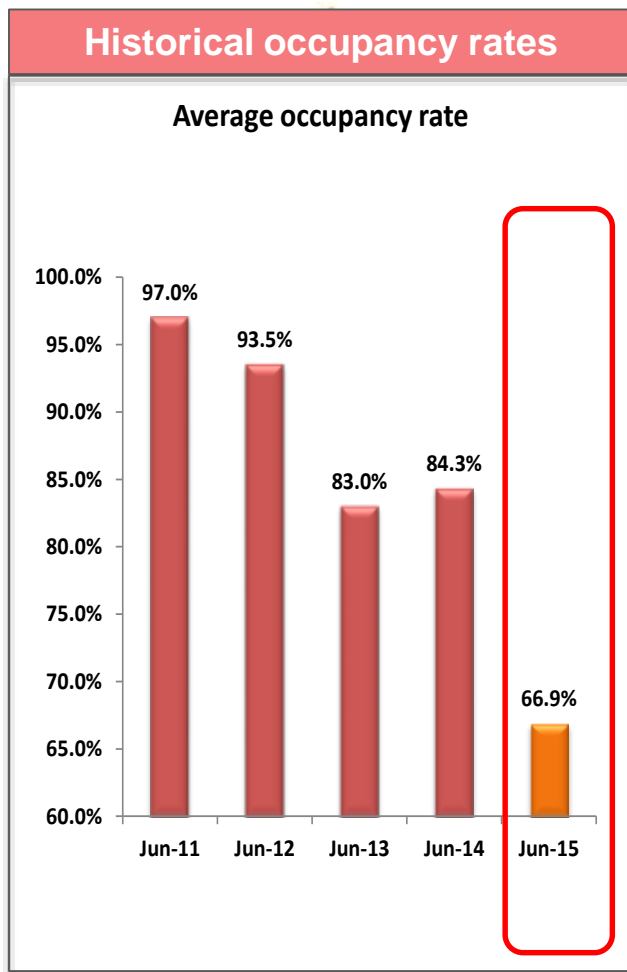
### Top 10 tenants



Note: Based on gross rental income for the month of June 2015

# OFFICE PROPERTIES

## SUNWAY TOWER

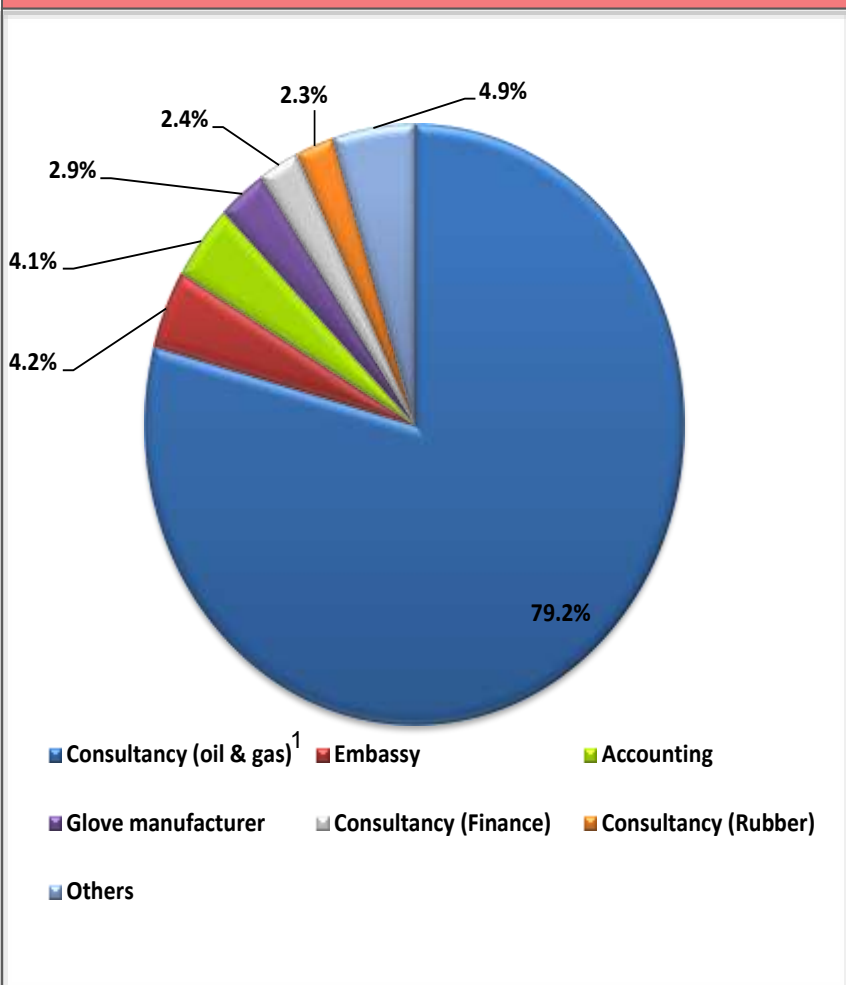


Note: The average occupancy for June 2015 is lower as compared to last year as the anchor tenant has progressively released a total of 59,000sq.ft during the financial year. The occupancy for this asset is expected to further decline to about 12% in the next financial year as the anchor tenant whose tenancy expired in June 2015 will be giving up the balance 115,494sq.ft. on a progressive basis. The asset manager is actively seeking for replacement tenants.

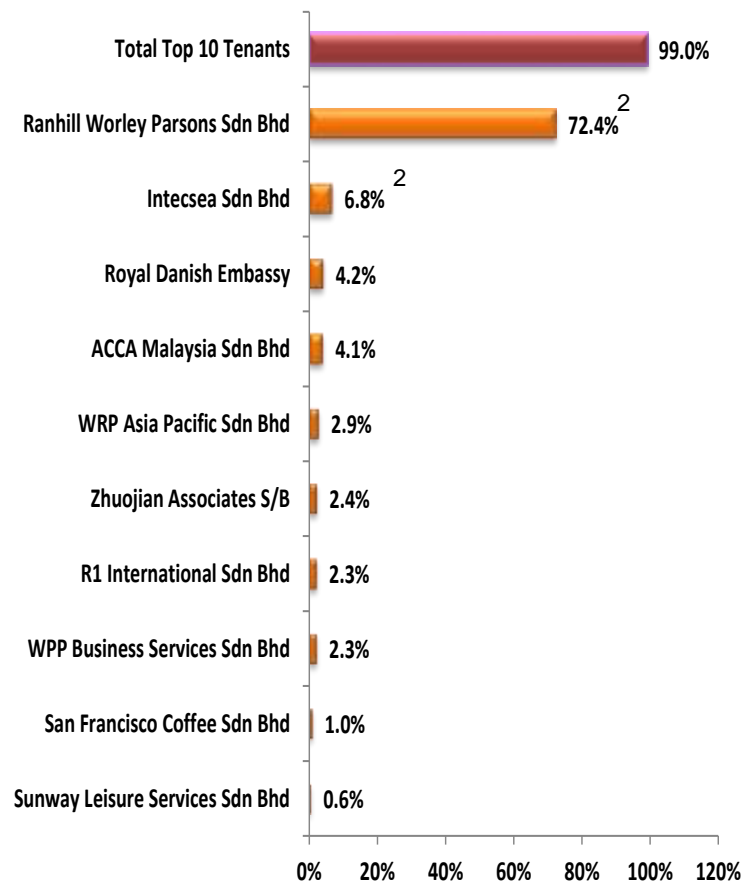
# OFFICE PROPERTIES

## SUNWAY TOWER (Cont'd)

### Tenant mix



### Top 10 tenants



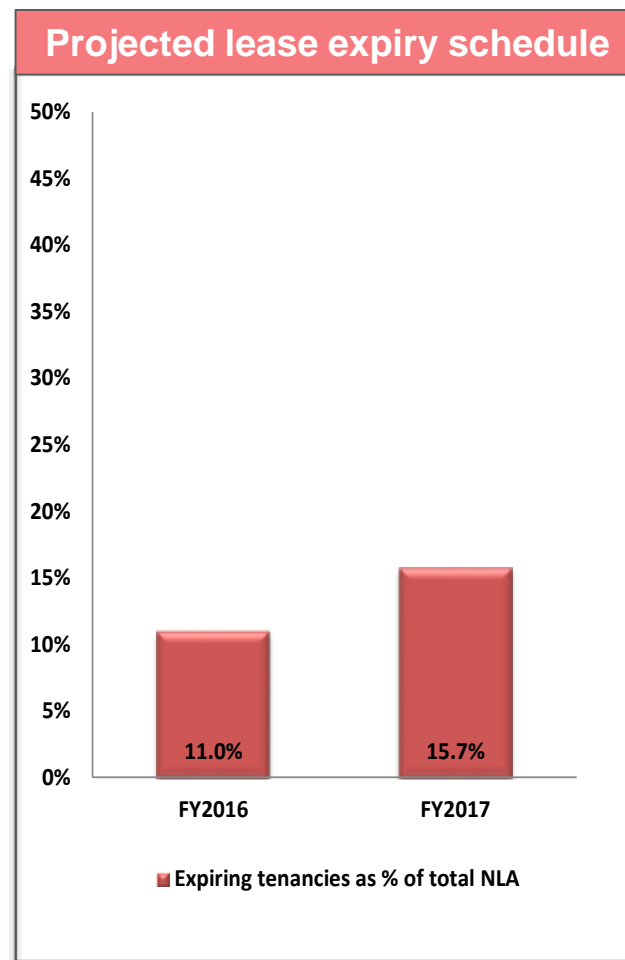
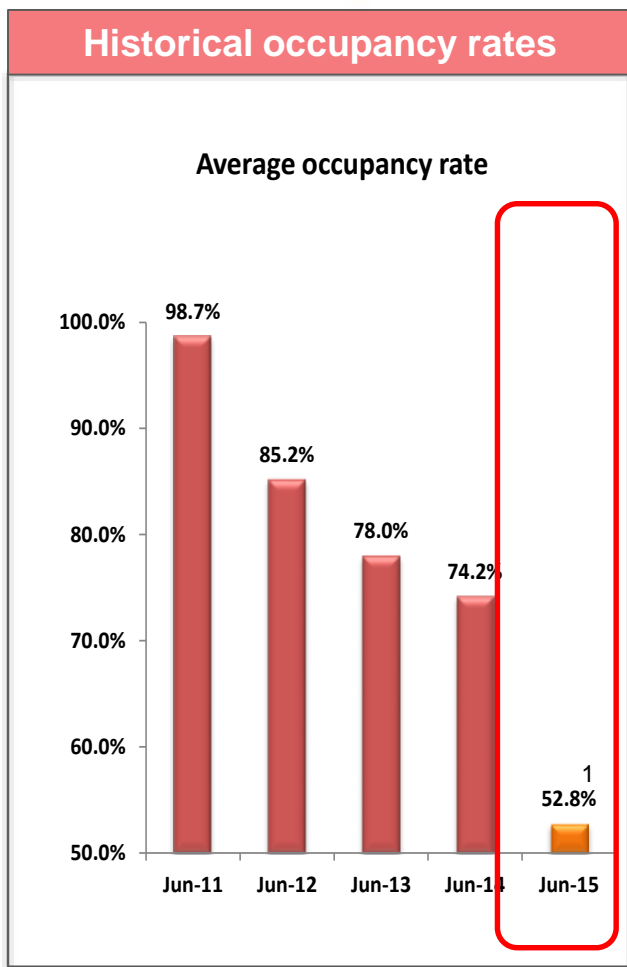
Note: Based on gross rental income for the month of June 2015

<sup>1</sup> There will be no tenants from the oil and gas sector in the next financial year when the anchor tenant fully give up space as mentioned in the previous slide

<sup>2</sup> Ranhill and Intecsea would no longer be in the list in the next financial year as per explanation in note 1.

# OFFICE PROPERTIES

## SUNWAY PUTRA TOWER

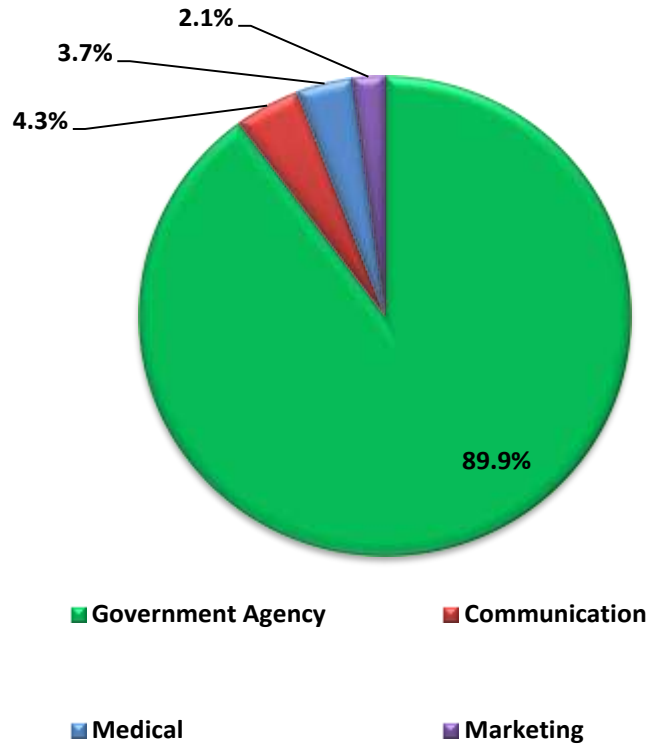


<sup>1</sup> The anchor tenant, Suruhanjaya Koperasi Malaysia has moved out as per explanation in the previous quarter and this has contributed to the lower average occupancy shown above (FY 2015: 52.8% vs FY 2014: 74.2%). The asset manager is actively seeking for replacement tenants. This provides an opportunity to further diversify tenancy mix to reduce tenant concentration risk and to seek more private sector tenants in line with the manager's strategy. Notwithstanding this, the Manager's priority is to fill the vacancy.

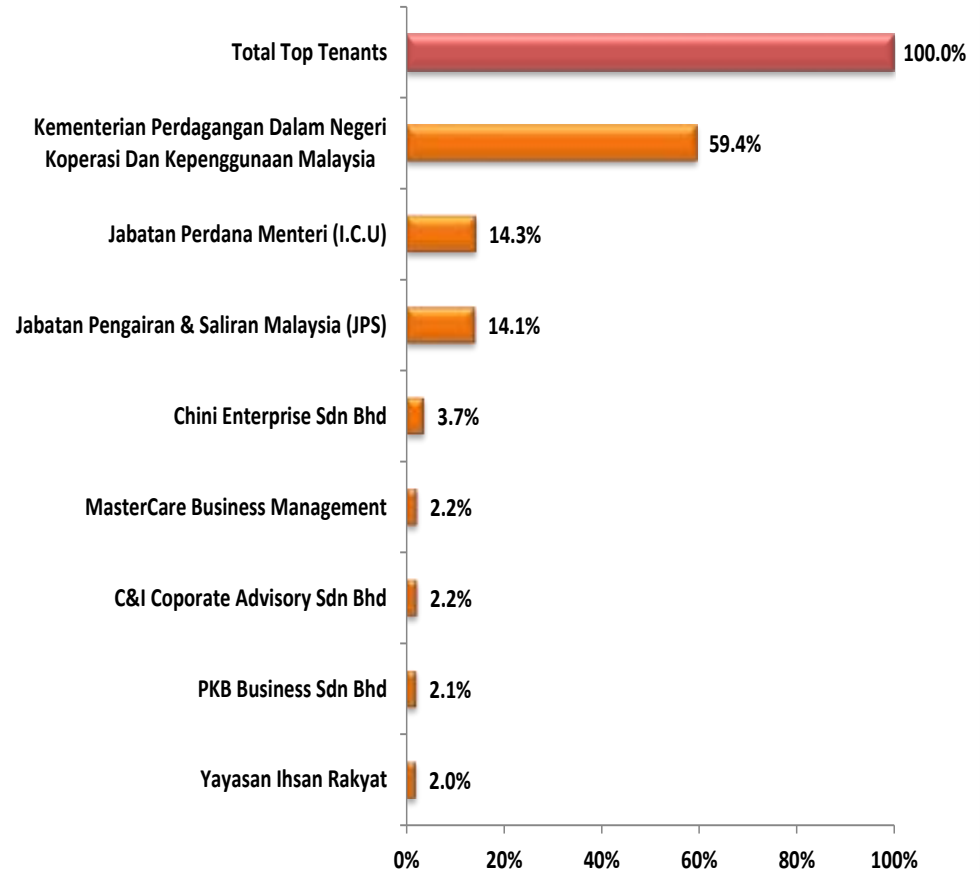
# OFFICE PROPERTIES

## SUNWAY PUTRA TOWER (Cont'd)

### Tenant mix



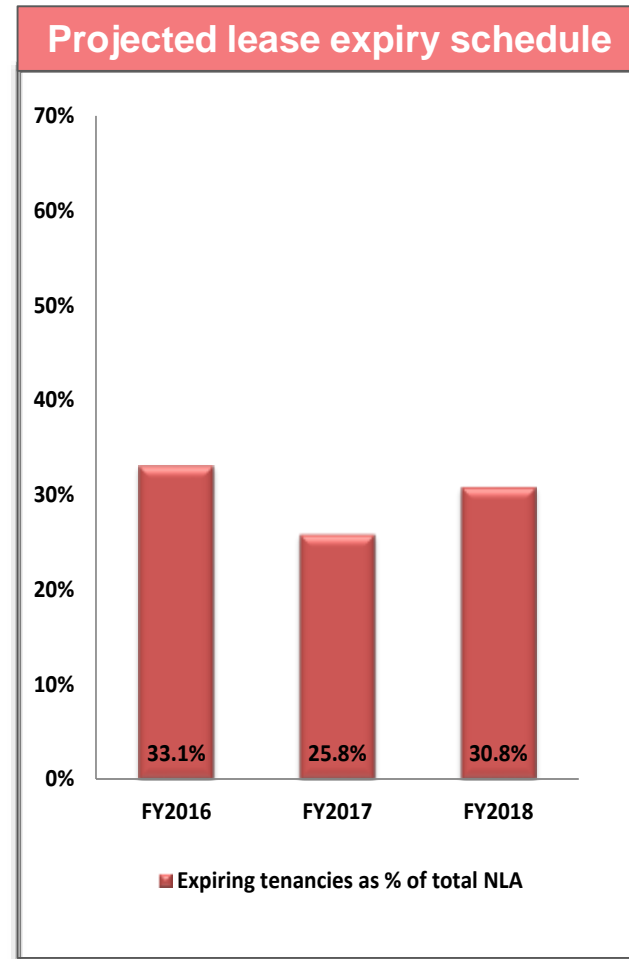
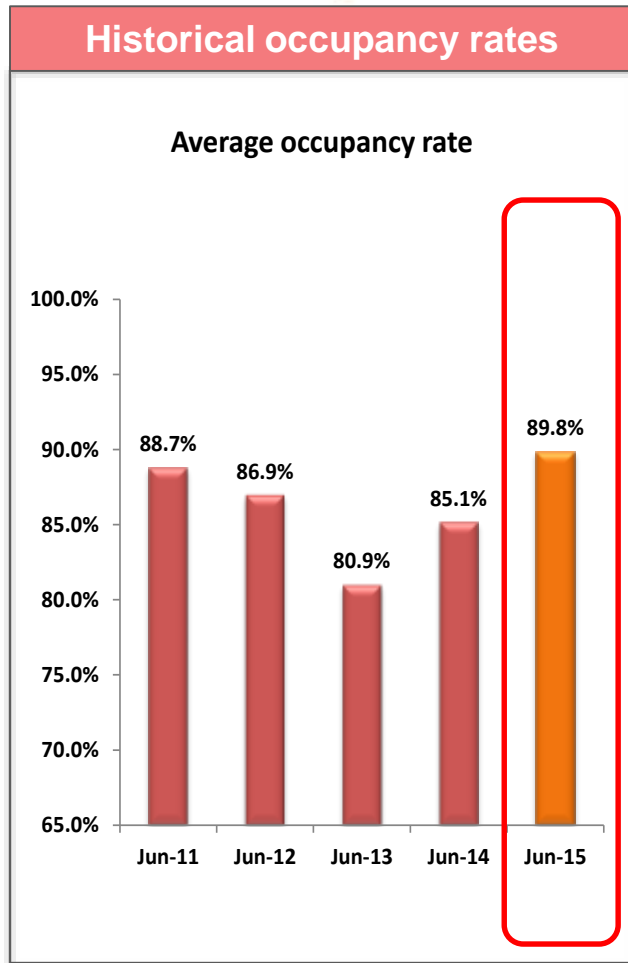
### Top tenants



Note: Based on gross rental income for the month of June 2015

# OFFICE PROPERTIES

## WISMA SUNWAY



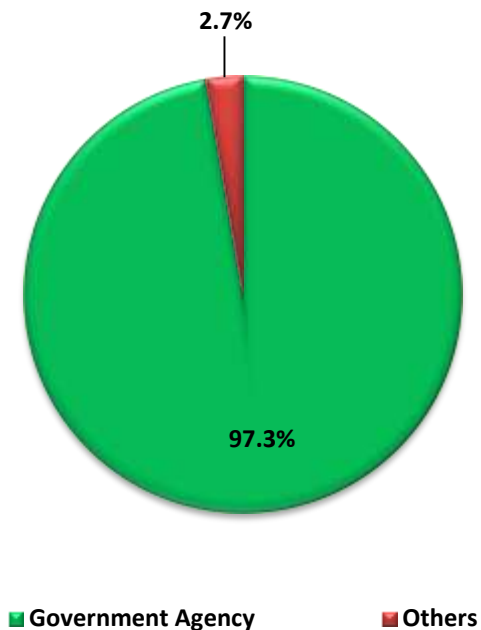
Note: The contribution from Wisma Sunway commenced on 23 March 2015. The information for Jun-15 shown above is for March 2015 to June 2015 following the completion of acquisition of the office on 23 March 2015. The historical information (FY2011 to FY2014) are provided by the vendor.



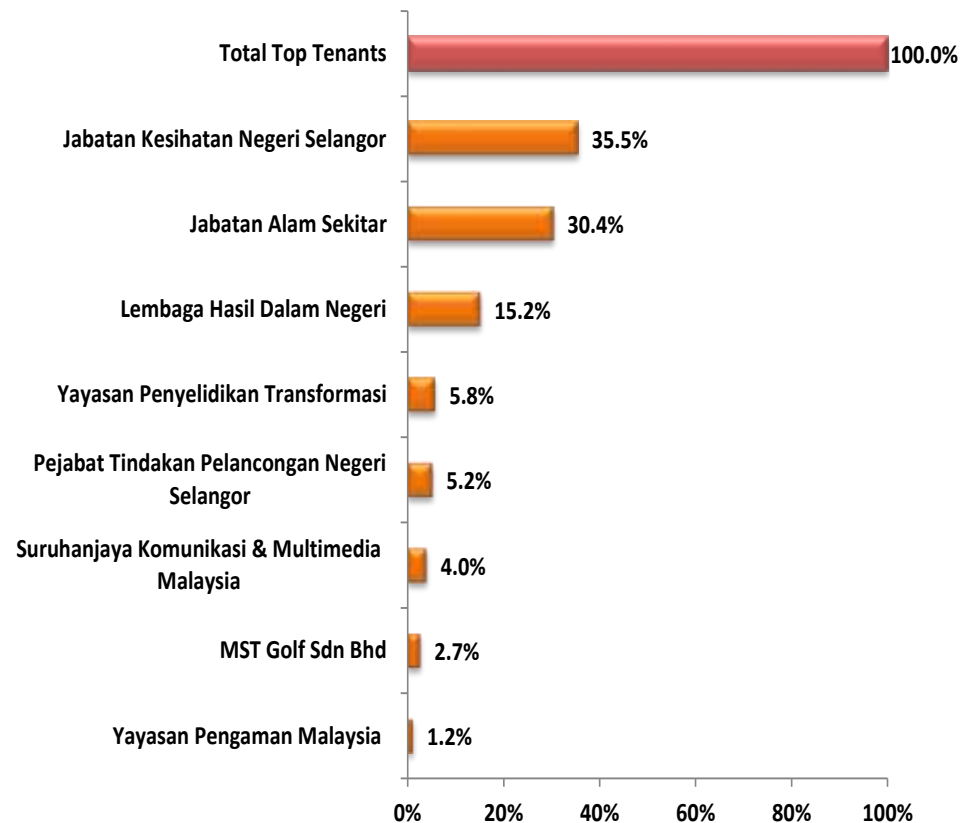
# OFFICE PROPERTIES

## WISMA SUNWAY (Cont'd)

### Tenant mix



### Top tenants



Note: Based on gross rental income for the month of June 2015

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## 5. Market Outlook

# General Outlook

- The global economy expanded modestly in first quarter of CY2015 supported by gradual acceleration in the advanced economy. However, downside risk to growth has heightened arising from recent development in Europe and China. The International Monetary Fund (“IMF”) has revised global growth further from 3.5% to 3.3% for CY2015 on the back of slowdown in emerging market and developing economies. In 2016, growth is expected to strengthen to 3.8%.
- The Malaysian economy expanded by 5.6% in the first quarter of CY2015 (4Q2015: 5.7%), underpinned by mainly the private sector demand. Despite the strong start in the first quarter of CY2015, economic growth is expected to moderate in the second quarter of CY2015 following the front loading activities prior to the implementation of Goods and Services Tax (“GST”) in April 2015 and softer consumer and business sentiment. Bank Negara Malaysia (“BNM”) projected a steady GDP growth of 4.5% - 5.5% for CY2015 (CY2014: 6.0%).
- Headline inflation continued to be on an uptrend and accelerated to 2.5% y-o-y in June 2015. However, first half CY2015 inflation remains benign at 1.4% y-o-y. Going forward, headline inflation is expected to inch up to reflect impact of GST and recent adjustments to domestic fuel prices. BNM’s inflation expectation is between 2.0% to 3.0% in CY2015 due to the low inflation in the first quarter of CY2015 (CY2014:3.2%).

Source: Based on International Monetary Fund and Bank Negara Malaysia

# General Outlook

- At the recent Monetary Policy Committee (MPC) meeting on 9 July 2015, Bank Negara Malaysia (BNM) has decided to maintain the Overnight Policy Rate (OPR) at 3.25%. BNM recognized the heightened risks to global growth and to assess the implications on macroeconomic stability to the Malaysian economy in ensuring that the monetary policy stance is consistent with the sustainability of the growth prospects.
- The Manager will reduce the payment of Manager's fees in the form of new units, from 50% to 25% in the next financial year, and shall cease payment of Manager's fees in the form of new units in FY2017. As a result, DPU going forward shall reduce correspondingly. The Manager made the decision after taking into consideration, amongst others, the implication arising from the implementation of the Goods and Services Tax effective from 1 April 2015, to optimise the income distribution to unitholders and to achieve a positive impact on future DPU growth rate.
- Taking the above into consideration, the Manager expects stable growth in distribution per unit ("DPU") in FY2016 following the reopening of Sunway Putra Mall, completion of refurbishment of Sunway Putra Hotel and resilient performance from the retail segment.
- The Manager is committed to distribute 100% of its distributable net income for FY2016.

# Retail

- Retail Group Malaysia (RGM) has made a third downward revision in its retail sales forecast for Malaysia for CY2015 from 4.9% to 4.0%. RGM expects consumers to be conscious on retail consumption due to the higher cost of living, inflated retail prices arising from a weaker MYR and escalating cost of business (for imported goods) in the second half of CY2015.
- The high incoming supply of new retail space over the next 18 months (up to end CY2016), totaling circa 7.0 million sq.ft. is expected to further dilute the retail market share. With the prevailing weak consumer sentiment amid a slowing economy, competition in the retail industry, amongst retailers and retail malls is expected to heighten.
- Whilst rental and occupancy rates of prime, established regional and neighbourhood malls are expected to hold steady, less popular and newly completed malls will likely face more challenges in retaining and attracting tenants as well as improving their occupancy rates.
- Average occupancy rate in Sunway Pyramid Shopping Mall improved marginally to 98.1% for FY2015, from 97.8% during the same period in the preceding year. A total of 435,061 sq.ft. of net lettable area (“NLA”) was renewed for FY2015 at double-digit rental reversion rate over the three-year tenancy term.

## Retail (Cont'd)

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- Sunway Carnival Shopping Mall recorded higher average occupancy rate of 97.3% for FY2015 compared to 92.0% for FY2014 due to tenancy commencement of a supermarket occupying approximately 44,000 sq.ft. in July 2014. A total of 96,853 sq.ft. of NLA was renewed at a double-digit rental reversion rate over the three-year tenancy term.
- Sunway Putra Mall had its soft opening on 28 May 2015 and the secured occupancy as at 30 June 2015 was 82.4% and will be opening in phases.
- The Manager is cautious on the overall prospects of the retail segment in view of the reasons mentioned above. That said, the Manager expects modest growth for the retail assets for FY2016 in view that Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall are market leaders in the townships where the assets operate. In addition, new income contribution from Sunway Putra Mall and its gradual improvement in occupancy is expected to contribute positively to the retail segment.

# Hotel

- In the first quarter of CY2015, tourist arrivals stood at 6.5 million, representing a decline of 8.6% y-o-y compared to the same period during Visit Malaysia Year in CY2014. The ASEAN region continued to be largest contributor of tourist arrivals with circa 73.5% share (4.8 million) followed by the medium and long haul markets with 18.9% (1.2 million) and 7.6% (0.5 million) share respectively.
- Despite the weak MYR, recent external headwinds in the Europe and China coupled with softening global economic outlook and domestic uncertainties is expected to lead to cautious business and tourist sentiment which will affect the hospitality segment.
- Sunway Resort Hotel & Spa registered a decline in average occupancy rate from 77.3% in 4QFY2014 to 74.0% in 4QFY2015, arising from softer business and consumer sentiment post introduction of GST, slower economic outlook as well as global and domestic uncertainties. This general slow down was also partially attributable to the timing of fasting month which commenced in mid-June 2015 (Ramadhan started in late June in the previous financial year) resulted in lower leisure travelling and business activities. For FY2015, average occupancy dipped marginally to 78.0%, from 78.8% in FY2014.
- Pyramid Tower East (formerly known as Pyramid Tower Hotel)'s average occupancy rate fell to 75.3% in 4QFY2015, compared to 82.2% in 4QFY2014 for the same reasons mentioned above. The average occupancy rate for Pyramid Tower East dipped by 1 percentage point to 81.4% for FY2015 (FY2014: 82.4%).

## Hotel (Cont'd)

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- Sunway Putra Hotel continued to be adversely affected by the final stages of refurbishment of the hotel. The average occupancy rate slid further to 25.2% in 4QFY2015 versus 38.8% in 4QFY2014. As a result, full year average occupancy rate slipped to 28.8% in FY2015 (FY2014: 42.6%). As at 4QFY2015, 366 guest rooms out of 618 guest rooms and all public areas were refurbished. Upon full completion, the number of guest rooms will increase to 650 guest rooms as a result of reconfiguration of bigger guest rooms into smaller guest rooms which enjoy higher demand. In addition, Level 34 and 35 have been converted into club lounge and meeting facilities respectively. The full completion is targeted in 2QFY2016.
- In the mainland of Penang, Sunway Hotel Seberang Jaya's average occupancy rate declined to 69.7% in 4QFY2015 versus 81.5% in 4QFY2014 for the same reasons as Sunway Resort Hotel & Spa. In addition, it was also affected by competition from new hotels in Penang. Despite the lower 4QFY2015 average occupancy rate, the hotel registered an improvement in average occupancy rate of 69.6% for FY2015 (FY2014: 67.8%).



# Hotel (Cont'd)

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- On the Penang Island, Sunway Hotel Georgetown registered a lower average occupancy rate of 70.2% in 4QFY2015 compared to 82.0%<sup>1</sup> in 4QFY2014 for the same reasons mentioned above. Average occupancy rate stood at 69.1%<sup>2</sup> for FY2015 (FY2014: 76.0%<sup>1</sup>).
- The Manager expects income contribution for the hospitality sector to register stable growth in FY2016 due to expected better contribution from the refurbished Sunway Putra Hotel and a full year income contribution from Sunway Hotel Georgetown.

<sup>1</sup> The historical information (FY2014) is provided by the vendor.

<sup>2</sup> Information for FY2015 is from February 2015 to June 2015 following the completion of the acquisition of the hotel on 28 January 2015. The lower average occupancy rate is due to seasonally lower period.

# Office

- Klang Valley's total existing office stock stood at 107.86 million sq.ft. as at 1QCY2015. An additional supply of 5.89 million sq.ft. is expected to enter the market by end CY2015.
- Prime location and good grade dual compliant (MSC status and GBI certified) office buildings are anticipated to perform well due to limited supply of such space, achieving competitive rental rates while maintaining high occupancy levels as they continue to attract multinationals (MNCs) and large corporations.
- The overall occupancy and rentals levels of purpose built office space, are expected to face further pressure amid weaker business confidence and widening gap between supply and demand, as companies put their relocation and expansion plans on hold.
- Menara Sunway registered a marginal dip in average occupancy rate to 97.1% for FY2015 compared to 98.8% in FY2014 due to non-renewal of a tenant in July 2014.
- The average occupancy rate for Sunway Tower stood at 66.9% for FY2015 (FY2014 : 84.3%) following the progressive release of a total of 59,000 sq.ft. by an anchor tenant during the financial year. The average occupancy for this asset is expected to decline further to approximately 12% in the next financial year as the anchor tenant whose tenancy expired in June 2015 will be giving up the balance 115,494 sq.ft on a progressive basis. The asset manager is actively seeking for replacement tenants.

## Office (Cont'd)

- Average occupancy rate for Sunway Putra Tower stood at 52.8% for FY2015 compared to 74.2% in FY2014 due to termination of an anchor tenant in December 2014. The asset manager is actively seeking for replacement tenants. This provides an opportunity to further diversify tenancy mix and reduce tenant concentration risk and to seek more private sector tenants in line with the manager's strategy. Notwithstanding this, the Manager's priority is to fill the vacancy.
- Wisma Sunway registered a higher average occupancy rate of 89.8% for FY2015<sup>1</sup> compared to 85.1%<sup>2</sup> in FY2014.
- The Manager remains cautious on the office segment in view of the challenging operating environment with main priority in reducing the vacancy rates which include upgrading of the assets to meet tenants' requirements and remain competitive in pricing strategy.
- The Manager expects income contribution from the office segment to be lower in FY2016 due to the high vacancy rate, arising from the oversupply situation in the office market.

<sup>1</sup> Information for FY2015 is from March 2015 to June 2015 following the completion of the acquisition of the office on 23 March 2015.

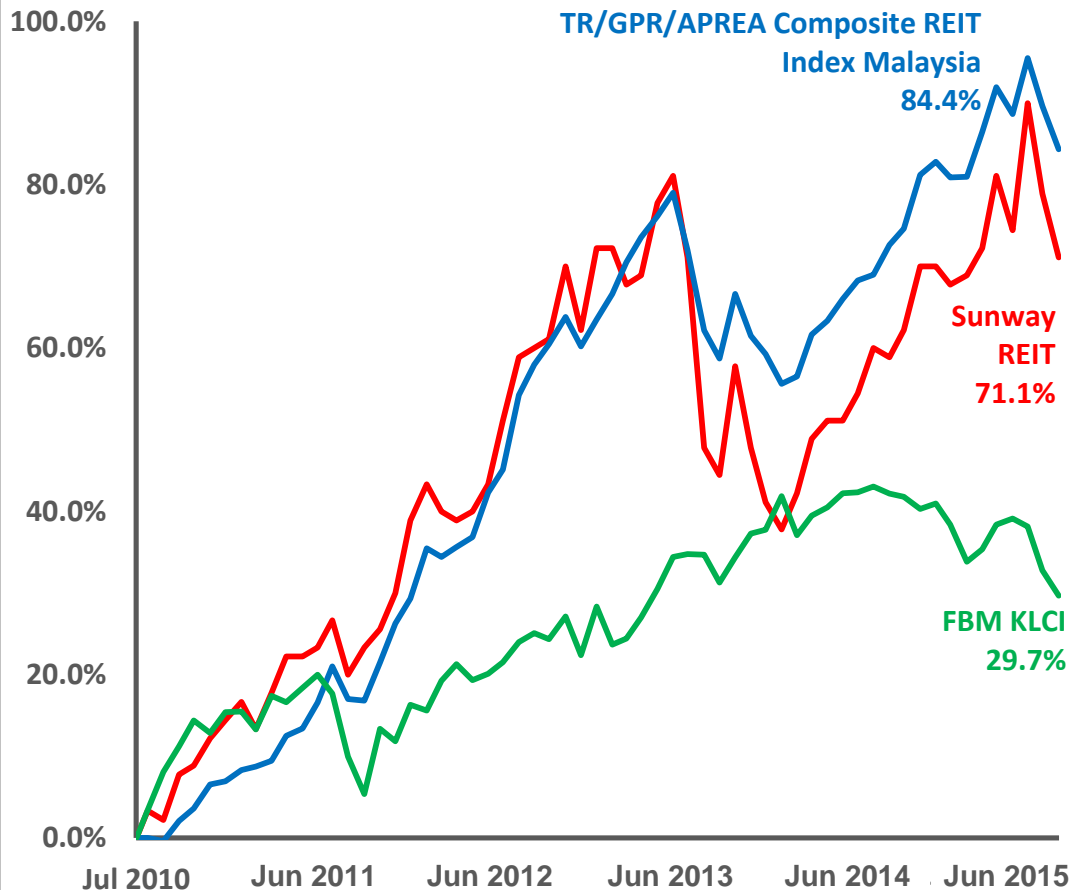
<sup>2</sup> The historical information (FY2014) is provided by the vendor.

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## 6. Investor Relations

# Unit Price Performance - IPO to 30 June 2015

## Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 30 June 2015)



## Performance Statistics\*

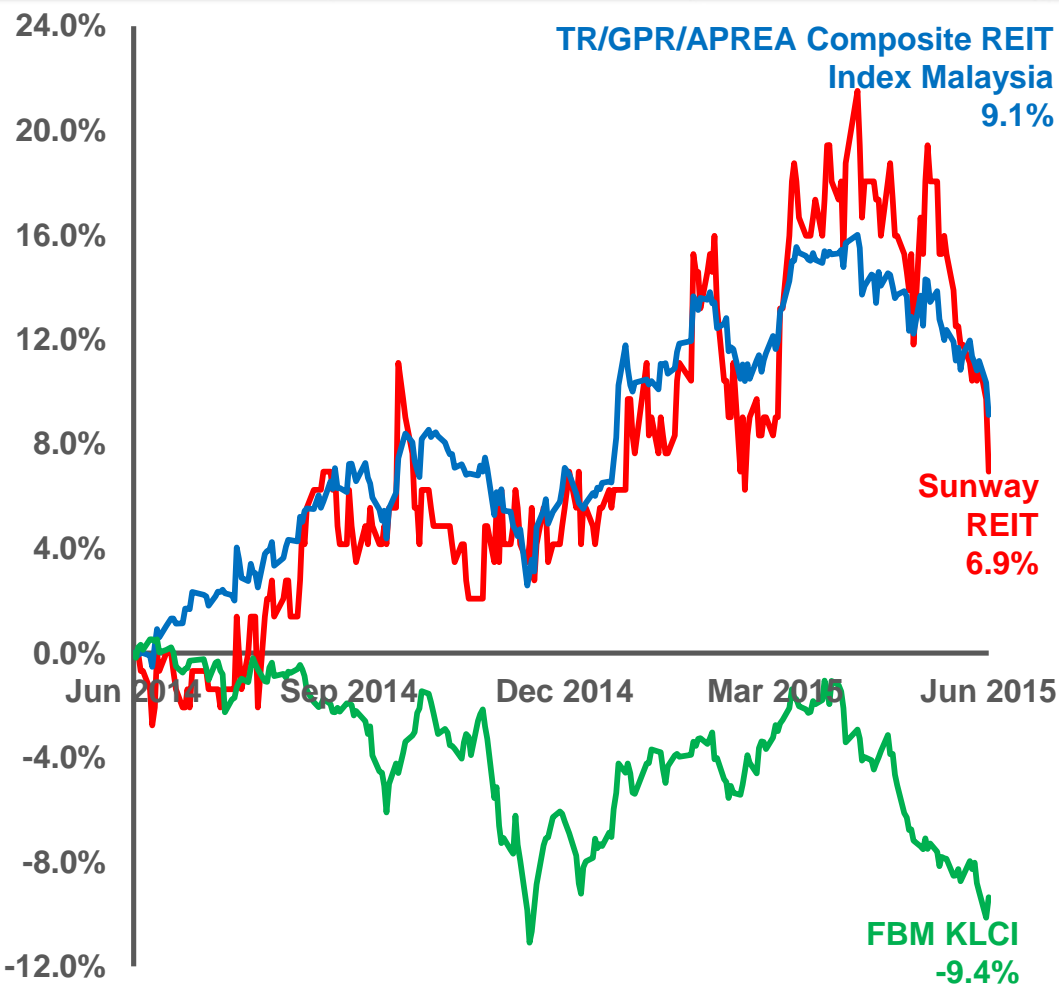
Price (as at 8/7/2010)	: RM0.90
Closing Price (as at 30/6/2015)	: RM1.54
Highest Price	: RM1.76
Lowest Price	: RM0.88
Daily Average Volume	: 1.82mil units
% Change in Unit Price	: 71.1%
% Change in FBM KLCI	: 29.7%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 84.4%

Source: Bloomberg

\*Computed for the period 8 July 2010 – 30 June 2015

# Unit Price Performance - FY2015

## Unit Price Performance of Sunway REIT versus Benchmarks (30 June 2014 – 30 June 2015)



Source: Bloomberg

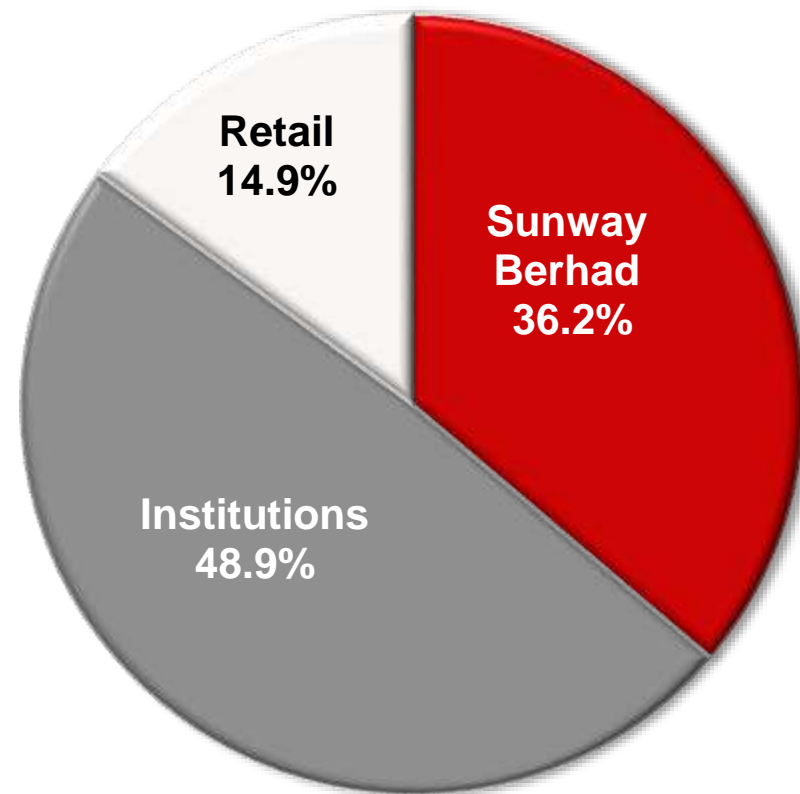
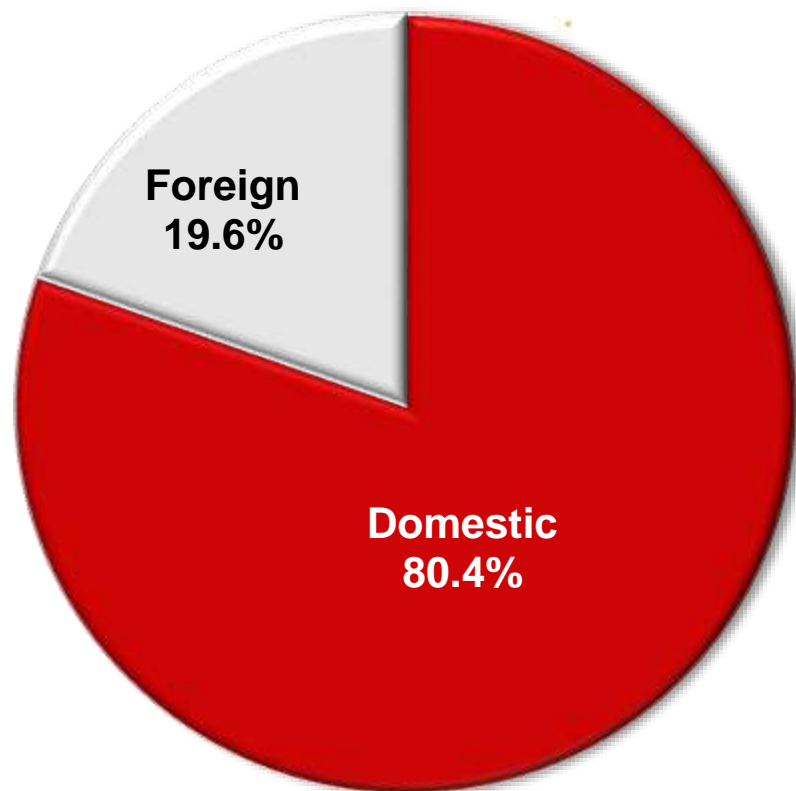
## Performance Statistics\*

Price (as at 30/6/2014)	: RM1.44
Closing Price (as at 30/6/2015)	: RM1.54
Highest Price	: RM1.76
Lowest Price	: RM1.39
Daily Average Volume	: 1.99mil units
% Change in Unit Price	: 6.9%
% Change in FBM KLCI	: -9.4%
% Change in TR/GPR/APREA Composite REIT Index Malaysia	: 9.1%

Source: Bloomberg

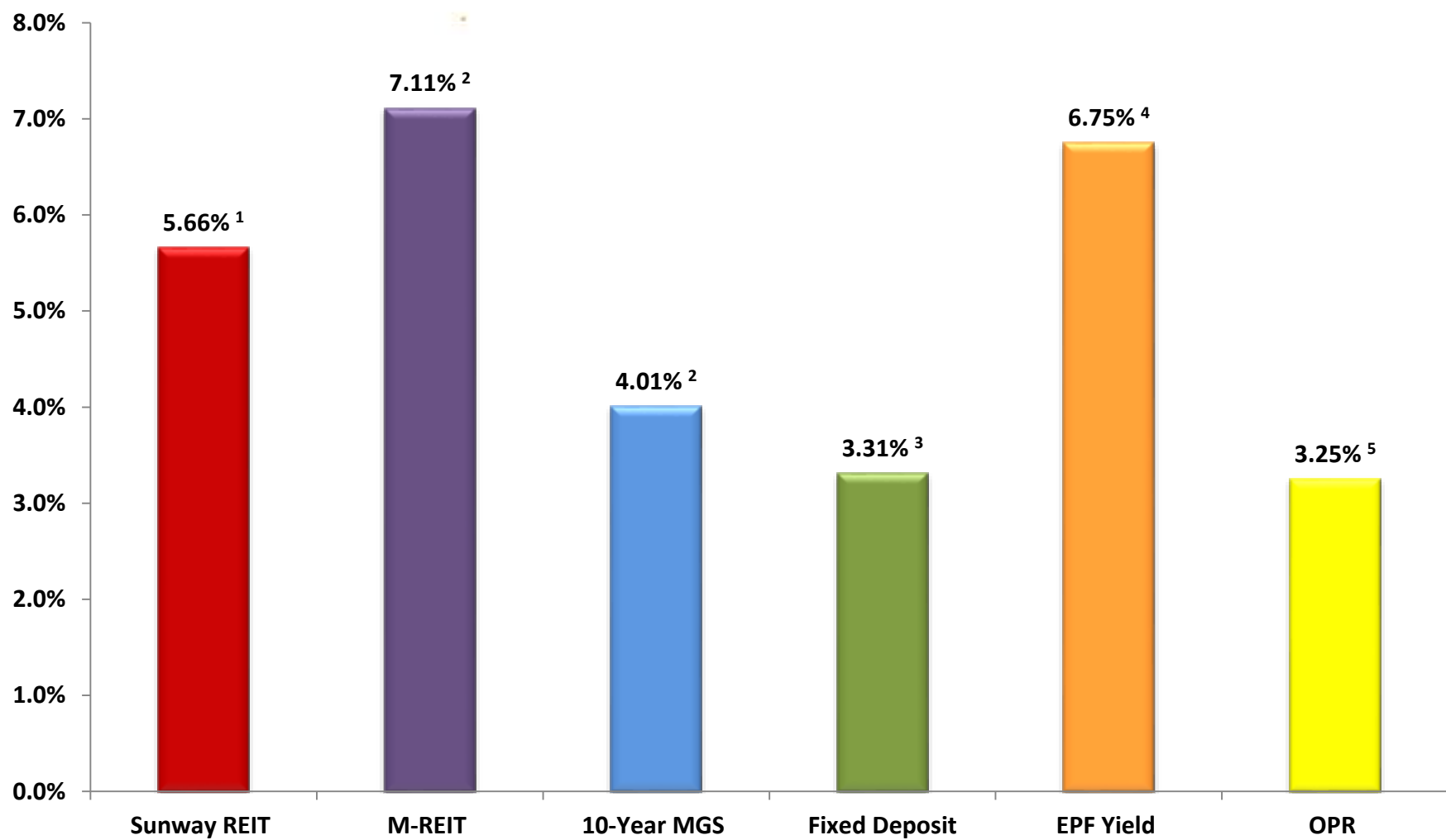
\*Computed for the period 30 June 2014 – 30 June 2015

# Unitholders' Composition (as at 30 June 2015)



	June 2015	March 2015	Q-o-Q Change
No of unitholders	8,683	8,779	- 96 (- 1.1%)
Retail unitholders	14.9%	15.0%	- 0.1%
Foreign unitholders	19.6%	19.4%	+ 0.2%
Sunway Berhad	36.2%	36.2%	-

# Comparative Yields for Various Assets



Note:  
1. Distribution yield based on consensus DPU forecast of 8.7 sen (Source: Bloomberg)  
2. Information as at 30 June 2015 (Source: Bloomberg)  
3. 12-Month Fixed Deposit rates offered by commercial banks as at 31 May 2015 (Source: Bank Negara Malaysia)  
4. Dividend yield declared by Employees Provident Funds for the year 2014 (Source: Employees Provident Fund)  
5. As at 31 May 2015 (Source: Bank Negara Malaysia)



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**THANK YOU**