

MEDIA RELEASE

29 October 2015

FINANCIAL RESULTS ANNOUNCEMENT

Sunway REIT Reported Modest Net Property Income Growth of 4.0% in the First Quarter of Financial Year 2016

Key Highlights:

- Net property income rose by 4.0% y-o-y underpinned by commendable growth from the retail and hotel segments, but partially offset by lower income contribution from the office segment
- Enjoyed new income contribution arising from completion of asset enhancement initiatives and acquisitions, namely Sunway Putra Mall, Sunway Hotel Georgetown and Wisma Sunway
- Proposed DPU of 2.12 sen for 1Q FY2016, translated into annualised DPU yield of 5.4%
- Target full completion of refurbishment of Sunway Putra Hotel in 2QFY2016 (4QCY2015)

Financial Highlights

FYE June 2016	Current quarter / Year-to-date		
	1QFY2016	1QFY2015	Change
	RM'000	RM'000	%
Gross revenue	121,216	113,812	6.5
Net property income (NPI)	89,942	86,492	4.0
Net Realised Income	60,565	63,435	-4.5
Unrealised Income	3,948	16	>100.0
Total Profit for the period	64,513	63,451	1.7
Proposed / declared distribution	62,330	66,826	-6.7%
Distribution per unit (DPU) (sen)	2.12	2.28	-7.0
Distribution yield (Based on closing price of RM1.55 per unit on 30 September 2015)	5.4%	5.7% ¹	N.M

¹ Based on actual DPU of RM8.73 sen declared in FY2015 and unit price of RM1.54 as at 30 June 2015.
N.M. denotes not meaningful

Subang Jaya, 29 October 2015 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce its financial results ended 30 September 2015.

First quarter unaudited financial results for the period from 1 July 2015 to 30 September 2015 (“1QFY2016”)

Sunway REIT’s gross revenue rose by 6.5% year-on-year (“y-o-y”) to RM121.2 million in the first quarter of financial year ending June 2016 (“1QFY2016”). Net property income (“NPI”) rose by 4.0% y-o-y underpinned by commendable growth from the retail and hotel segments, but partially offset by lower income contribution from the office segment.

For the quarter ended 30 September 2015, NPI for the retail segment registered a growth of 6.2% y-o-y despite the headwinds affecting consumers and business sentiment. The growth was contributed by resilient performance from Sunway Pyramid Shopping Mall and Sunway Putra Mall resuming income contribution following its soft opening on 28 May 2015. Sunway Putra Mall has achieved encouraging committed occupancy rate of above 80% as at 30 September 2015.

The performance of the hotel assets were mixed in 1QFY2016. Despite the lackluster tourist arrivals, the hotels in Sunway Resort City (“SRC”) continued to benefit from the seasonally peak summer travelling by the Middle Eastern tourists. However, the hotels in the assets portfolio were not insulated from the headwinds caused by domestic economic slowdown, global uncertainties and intensifying competition. In all, the hotel segment registered an increase of 16.9% in NPI for the quarter ended 30 September 2015 on the back of seasonal Middle Eastern tourists and new income contribution from Sunway Hotel Georgetown following the completion of the acquisition of the hotel on 28 January 2015.

The office segment’s gross revenue declined by 22.0% y-o-y in 1QFY2016 due to lower average occupancy rate, however partially mitigated by new contribution from Wisma Sunway upon completion of the acquisition of the asset on 23 March 2015.

The Manager has proposed a distribution per unit (“DPU”) of 2.12 sen for 1QFY2016. Based on the market closing price of RM1.55 as at 30 September 2015, it translated into an annualised DPU yield of 5.4%.

Dato' Jeffrey Ng, CEO of Sunway REIT Management Sdn. Bhd., commented, "The financial performance of our assets remained resilient in 1QFY2016 supported by locked in rentals of the retail assets. The financial performance was however dampened by lower NPI contribution from the office segment due to increase in vacancy. We are cautious in the short and medium-term on the performance of our assets in view of weak consumers and business sentiment amidst higher cost of living, escalating cost in doing business and intensifying competition."

He added, "Our active asset enhancement initiatives ("AEIs") and acquisition strategies over the years have placed us in firm footing to weather through the challenging operating environment. The new income contribution for Sunway Putra Mall, Wisma Sunway and Sunway Hotel Georgetown will cushion the impact of lower income contribution from the office segment. In addition, Sunway Putra Hotel is targeted to be completed in 2QFY2016 (4QCY2015) and we expect improved performance from the 3-in-1 mixed-use Sunway Putra. Going forward, we continue to actively pursue our acquisition strategy to strive to achieve portfolio value of RM7 billion by FY2017 and simultaneously identify AEIs opportunities for existing assets."

About Sunway Real Estate Investment Trust

Sunway Real Estate Investment Trust ("Sunway REIT" or "Trust") is one of the largest retail-focused¹ real estate investment trusts ("REITs") in Malaysia with a diverse portfolio strategically located across award winning integrated townships in key locations in Greater Kuala Lumpur, Penang, and Perak.

Sunway REIT was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 8 July 2010. The market capitalisation of Sunway REIT stood at RM4.6 billion as at 30 September 2015. Sunway REIT is a component of FTSE-Bursa Malaysia Mid 70 Index. Sunway REIT owns a portfolio of 14 assets comprising 4 retail malls, 5 hotels, 4 offices and a medical centre. Property value stood at RM6.34 billion as at 30 September 2015.

Sunway REIT's assets are primarily located in Sunway Resort City ("SRC") where its flagship asset, Sunway Pyramid Shopping Mall, is located. The other assets located in SRC include Sunway Resort Hotel & Spa, Pyramid Tower East (formerly known as Pyramid Tower Hotel), Menara Sunway and Sunway Medical Centre. On the northern Peninsular of Malaysia, Sunway REIT owns SunCity Ipoh Hypermarket in Perak. On the mainland of Penang, Sunway REIT owns Sunway Hotel Seberang Jaya and Sunway Carnival Shopping Mall. In FY2015, Sunway REIT added two assets into the portfolio, namely Wisma Sunway in Shah Alam, Selangor and Sunway Hotel Georgetown, marking its maiden foray into Penang Island.

Sunway REIT owns four properties in Kuala Lumpur, namely Sunway Tower and the remaining three assets which constitute part of the 3-in-1 integrated development, Sunway Putra (formerly known as Sunway Putra Place). Sunway Putra consists of Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower.

¹ Retail-focused is defined as at least 60% contribution from the retail assets to property value, revenue or NPI.

Important notice

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 29 October 2015 for a more comprehensive understanding of Sunway REIT's financial results.

This media release may contain certain forward looking statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward looking statements which are based on Management's current view of future events. Past performance is not necessarily indicative of its future performance.

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