Driving values through sustainable growth

MEDIA RELEASE 23 January 2013

FINANCIAL RESULTS ANNOUNCEMENT

Sunway REIT's Net Income (Realised) Rose 10.6% y-o-y in 2Q2013

Key Highlights:

- Net income (realised) rose 10.6% y-o-y in 2Q2013 driven by growth in retail sector and substantial interest savings from capital management initiatives
- Assets value expanded from RM4.63 billion to RM4.96 billion with the completion of acquisition of Sunway Medical Centre on 31 December 2012
- Distribution per unit of 2.19 sen for 2Q2013 bringing year-to-date distribution per unit to 4.22 sen; translating into annualised distribution yield of 5.4%

Financial Highlights

	Current quarter			Year to date		
	2Q 2013 (Unaudited)	2Q 2012 (Audited)	Change	2Q2013 (Unaudited)	2Q2012 (Audited)	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Gross revenue	105,820	110,737	-4.4	205,592	205,776	-0.1
Net property income (NPI)	78,123	78,722	-0.8	151,003	148,976	1.4
Net Realised Income	**56,116**	**50,738**	**10.6**	**108,113**	**94,968**	**13.8**
Total Profit for the period / year	56,122	50,761	10.6	108,131	94,625	14.3
Proposed / declared distribution	59,144	53,566	10.4	113,926	100,628	13.2
Distribution per unit (DPU) (sen)	2.19	1.99	10.1	4.22	3.74	3.74
Annualised DPU (sen)				8.44	7.50[1]	8.3
Annualised dividend yield (Based on closing price of RM1.55 per unit on 31 December 2012)				5.4%	5.2%[2]	N.M

N.M – Not meaningful
[1] Actual Distribution per unit (DPU) declared for FY2012.
[2] Actual Distribution yield for FY2012 based on closing price of RM1.36 as at 30 June 2012.

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Petaling Jaya, 23 January 2013 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust ("Sunway REIT"), is pleased to announce the second quarter unaudited financial results for financial year ending June 2013 for the period of 1 October 2012 to 31 December 2012 ("2Q2013").

The financial performance of Sunway REIT in 2Q2013 was driven largely by the retail segment and boosted by substantial interest savings from capital management initiatives. Gross revenue and net property income ("NPI") dipped marginally in 2Q2013 by 4.4% and 0.8% year-on-year respectively on the back of lower contribution from the hotel segment and office segment, mitigated by strong performance from the retail segment. Sunway Pyramid Shopping Mall, the prime income contributor of Sunway REIT, registered a revenue growth and NPI growth of 5.8% and 6.3% year-on-year respectively. Meanwhile, Sunway Carnival Shopping Mall continued to show encouraging improvement with revenue and NPI growth of 12.7% and 27.4% year-on-year respectively.

The hotel segment registered lower contribution in 2Q2013 compared to the corresponding period in the previous financial year on the back of softer business from the leisure segment and Meetings, Incentives, Conventions, Exhibitions (MICE) activities. The weaker performance was also attributable to the ongoing refurbishment in Sunway Hotel Seberang Jaya which is scheduled for completion in February 2013. Meanwhile, lower occupancy in Sunway Tower and Sunway Putra Tower contributed to the lower business performance of the office segment.

Notwithstanding the softer business performance in the hotel segment and office segment, net realised profit climbed 10.6% year-on-year boosted by substantial interest savings from the capital management initiatives.

The Manager declared a quarterly distribution per unit ("DPU") of 2.19 sen for the period from 1 October 2012 to 31 December 2012, bringing year-to-date DPU to 4.22 sen. This translates into annualised distribution yield of 5.4% based on Sunway REIT's closing unit price of RM1.55 as at 31 December 2012. For the current financial year under review, Sunway REIT registered capital appreciation of 14.0% year-to-date bringing total return to 19.4%.

Dato' Jeffrey Ng, CEO of Sunway REIT Management Sdn. Bhd., commented, "We are confident that the DPU for the current financial year ending 30 June 2013 will surpass the previous year underpinned by growth in retail segment, interest savings capital management initiatives and new income stream arising from acquisition of Sunway Medical Centre."

Sunway REIT is pleased to announce that the acquisition of Sunway Medical Centre ("SMC") was completed on 31 December 2012 with a purchase consideration of RM310 million. With the completion of SMC, Sunway REIT's assets portfolio expanded to 12 properties with a total combined assets value of RM4.96 billion. This reaffirms Sunway REIT's position as the largest REIT in Malaysia in terms of assets value.

He added, “We are definitely on acquisition mode and target to grow the asset value to exceed RM7 billion over the next 3 - 5 years through pipeline assets and external acquisitions. At the same time, major refurbishment at Sunway Putra Mall will be undertaken during the year. We will also be very active with ongoing asset enhancement initiatives for various properties such as refurbishment of Sunway Hotel Seberang Jaya and car park linkage between Menara Sunway and Sunway Resort Hotel and Spa. Further enhancement plans are underway for Sunway Pyramid Shopping Mall, Sunway Putra Hotel and Sunway Putra Tower.”

About Sunway Real Estate Investment Trust

Sunway Real Estate Investment Trust (“Sunway REIT”) was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010 and is the country’s largest real estate investment trust (“REIT”) in terms of assets size as at 31 December 2012. The assets of Sunway REIT comprise shopping malls, hotels and offices that are located in Bandar Sunway, Kuala Lumpur, Seberang Jaya and Ipoh. Sunway REIT’s market capitalization is RM4.19 billion and has total assets valued at RM4.96 billion as at 31 December 2012.

Important notice

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 23 January 2013 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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