

MEDIA RELEASE

27 April 2016

FINANCIAL RESULTS ANNOUNCEMENT

RETAIL AND HOTEL SEGMENTS BOOSTED SUNWAY REIT'S NET PROPERTY INCOME FOR THE NINE MONTHS OF FY2016

Key Highlights:

- Revenue and net property income rose by 13.3% y-o-y and 10.6% y-o-y respectively for 9M FY2016
- Proposed DPU of 2.37 sen for third quarter of FY2016, an increase of 11.3% y-o-y, bringing 9M FY2016 DPU to 7.06 sen.
- Sunway Pyramid Hotel East closed for major refurbishment in 4Q FY2016.

Financial Highlights

FYE June 2016	Current quarter			Year to date		
	3Q2016	3Q2015	Change	3Q2016 (Unaudited)	3Q2015 (Unaudited)	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Gross revenue	130,345	110,709	17.7	383,428	338,517	13.3
Net property income (NPI)	96,685	83,177	16.2	283,681	256,406	10.6
Net Realised Income	67,714	58,923	14.9	201,855	185,352	8.9
Unrealised loss	(2,948)	(2,105)	40.0	(1,056)	(1,815)	(41.8)
Total Profit for the period	64,766	56,818	14.0	200,799	183,537	9.4
Proposed / declared distribution	(69,742)	(62,528)	11.5	(207,664)	(195,939)	6.0
Distribution per unit (DPU) (sen)	2.37	2.13	11.3	7.06	6.68	5.7
Distribution yield (Based on closing price of RM1.60 per unit on 31 March 2016)	N.M	N.M		5.9%	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, 27 April 2016 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce its financial results ended 31 March 2016.

Nine months unaudited financial results for the period from 1 July 2015 to 31 March 2016 (“9M FY2016”)

Sunway REIT reported a set of commendable performance for the nine months of financial year ending June 2016. Revenue increased to RM383.4 million, presenting a growth of 13.3% year-on-year (“y-o-y”). Net property income (“NPI”) expanded by 10.6% compared to the same period in the preceding year to RM283.7 million. Retail and hotel segments are the main contributor to the encouraging set of financial performance and further supported by new income contribution from Sunway Putra Mall following its re-opening in May 2015, Sunway Hotel Georgetown and Wisma Sunway which were acquired in January 2015 and March 2015 respectively.

The retail segment remained steady despite the headwinds affecting consumer sentiment. Sunway Pyramid Shopping Mall, the largest revenue contributor to Sunway REIT, maintained its resilient performance as a leading regional mall in the Klang Valley. Resumption of revenue contribution from Sunway Putra Mall following its re-opening in May 2015 has also contributed to the better performance for the retail segment. In all, the retail segment registered a healthy growth in revenue and NPI of 15.7% y-o-y and 13.3% y-o-y respectively.

The hotel segment performed commendably despite the moderating macroeconomic environment and fierce competition in the hospitality sub-sector. Sunway Resort Hotel & Spa, which is strategically located in the renowned Sunway Resort City (“SRC”), has enjoyed strong demand from the leisure segment particularly from the Middle Eastern market for the nine months of FY2016. The performance from the hotel segment was further boosted by new income contribution from Sunway Hotel Georgetown which was acquired in January 2015. For the nine months of FY2016, revenue and NPI for the hotel segment expanded by 26.1% y-o-y and 25.0% y-o-y respectively.

The office segment continued to be the laggard in the financial performance of Sunway REIT. The revenue and NPI for the office segment declined by 22.7% y-o-y and 43.7% y-o-y respectively due to lower average occupancy of all office properties, with the exception of Wisma Sunway which commenced contribution from 23 March 2015 upon completion of its acquisition.

Third quarter unaudited financial results for the period from 1 January 2016 to 31 March 2016 (“3Q FY2016”)

For the third quarter ended 31 March 2016, Sunway REIT registered a set of encouraging financial performance. Revenue and NPI expanded at a double-digit of 17.7% y-o-y and 16.2% y-o-y respectively, primarily attributable to strong growth in the retail and hotel segments however partially offset by lower performance from the office segment. In addition to the reasons mentioned in 9M FY2016, the better performance was attributable to improvement in average occupancy at Sunway Putra Hotel following the completion of its refurbishment in December 2015.

During the quarter ended 31 March 2016, the Manager has proposed a distribution per unit (“DPU”) of 2.37 sen for 3Q FY2016, representing an increase of 11.3% compared to the same period last year. 9M FY2016 DPU increased by 5.7% to 7.06 sen, translating into an annualized yield of 5.9% based on the market closing price of RM1.60 as at 31 March 2016.

Dato’ Jeffrey Ng, CEO of Sunway REIT Management Sdn. Bhd., commented, “Despite the challenging market, the resilient assets located in SRC has held up the overall performance of Sunway REIT. We expect a modest growth in DPU for FY2016 mainly contributed by new and resumption of income contribution from completion of refurbishment and acquisitions, namely Sunway Putra Mall, Sunway Putra Hotel, Sunway Hotel Georgetown and Wisma Sunway. Meanwhile, Sunway Resort Hotel & Spa has enjoyed a strong performance in 3QFY2016 boosted by leisure segment particularly from the Middle Eastern market. The higher DPU was also contributed by one-off court award amounting to RM6.189 million which was recognised in 2QFY2016.”

He added, “Meanwhile, SPE is temporarily closed since April 2016 for a 10-month refurbishment work and will be re-opened in the first quarter of 2017. The refurbishment will increase the hotel’s room inventory to 564 rooms from the current 549 and elevate the hotel from a superior to a deluxe category 4-star international-class hotel. These include 22 new family rooms and suites categories, designed to accommodate a growing increase in family and leisure travelers to the destination”.

He further elaborated, “Our RM1 billion investment in the 3-in-1 mixed use Sunway Putra is gaining traction albeit gradual in this challenging market environment. Following the refurbishment and transformation exercise, the asset/hotel manager of Sunway Putra have embarked on a rebranding and re-positioning exercise as well as aggressively promoted the properties. We have seen encouraging increase in footfall to Sunway Putra Mall as well as improvement in occupancy at Sunway Putra Hotel and we believe that Sunway Putra will contribute significantly to Sunway REIT over the longer term when it stabilizes after the initial gestation period.”

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 RM4.7 billion as at 31 March 2016. 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 RM6.38 billion as at 31 March 2016.

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, Sunway Pyramid Hotel East (formerly known as Pyramid Tower East), 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 REITs 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 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 27 April 2016 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.

For more information, please contact:

Crystal Teh
Sunway REIT Management Sdn. Bhd.
(As Manager of Sunway Real Estate Investment Trust)

Tel : +603 5639 8864
Fax : +603 5639 8001
Mobile : +6012 330 6963
E-mail : crystaltil@sunway.com.my

Website of Sunway REIT: www.sunwayreit.com