



FINANCIAL RESULTS

SUNWAY[®]
REIT

Third Quarter Ended 31 March 2019
(FYE 30 June 2019)

2 May 2019

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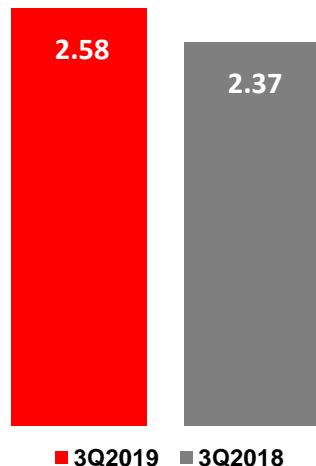
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FINANCIAL HIGHLIGHTS (3Q2019)



Quarterly Distribution Per Unit (“DPU”)

Quarterly DPU (sen)



Distribution Details

Distribution Period	1 January 2019 - 31 March 2019
Distribution Per Unit (DPU) (sen)	2.58
Notice of Entitlement	2 May 2019
Ex-Dividend Date	15 May 2019
Book Closure Date	17 May 2019
Payment Date	30 May 2019

3Q2019 DPU

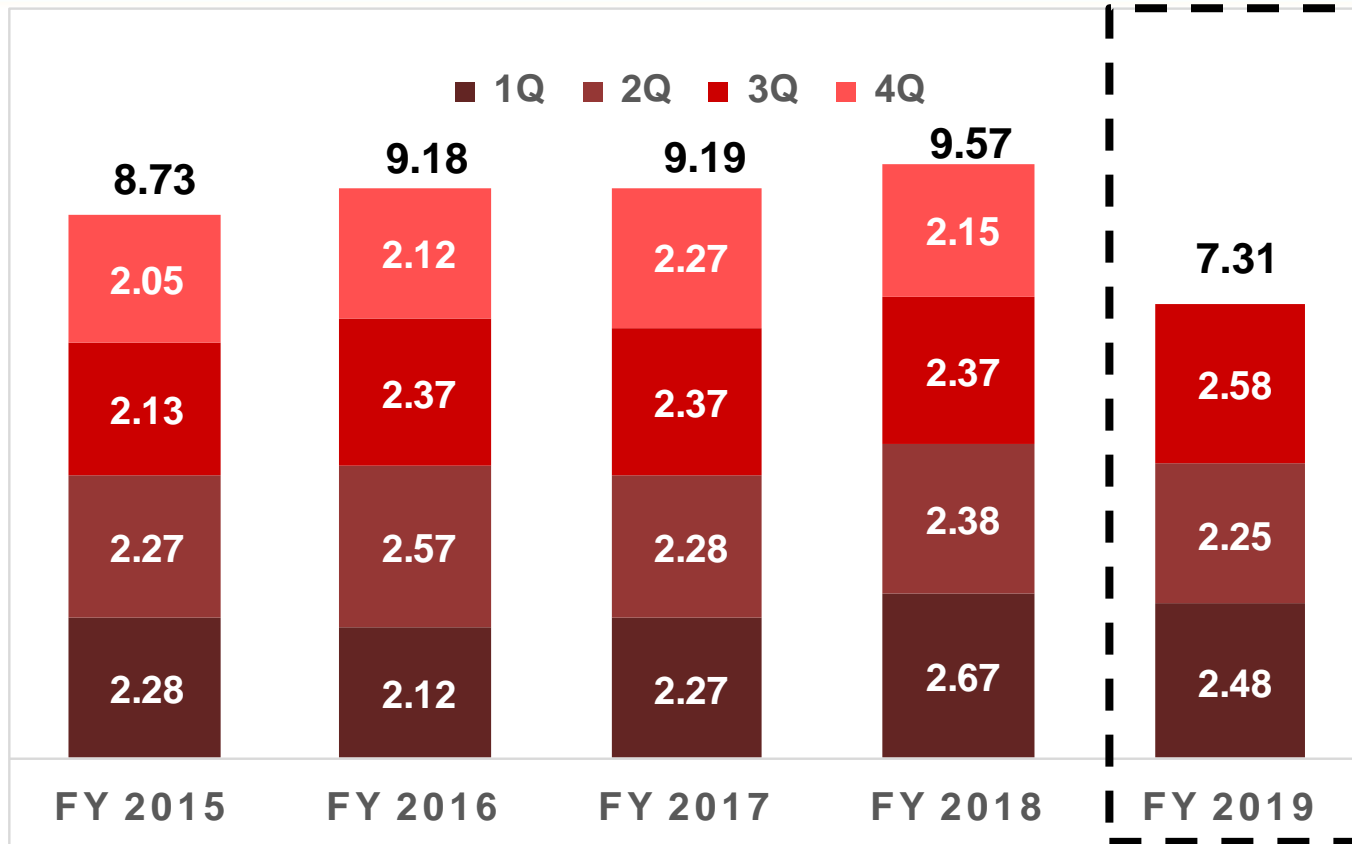


8.9% y-o-y

DPU for 3Q2019 is higher by 0.21 sen mainly contributed by better performance of all business segments, including the income guarantee (as defined below) for Sunway Clio Property of RM4.4 million.

Income guarantee = the difference between total annual net property income and guaranteed net property income of RM20.23 million.

5-Year Quarterly DPU



5-Year DPU CAGR
2.8%

(FY2019 based on annualised DPU)

Annualised Distribution Yield
5.4%

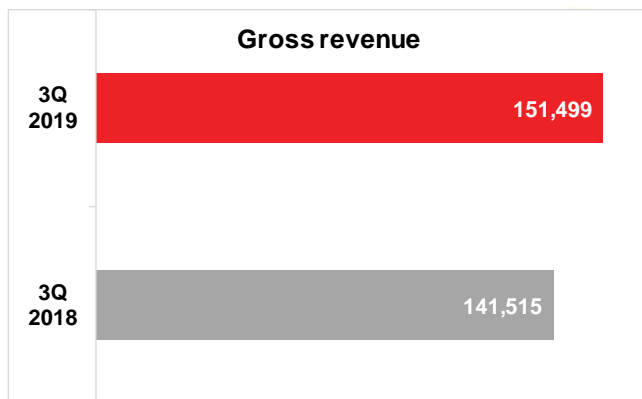
(Based on unit price of RM 1.80 as at 31 March 2019)

Financial Highlights – 3Q2019

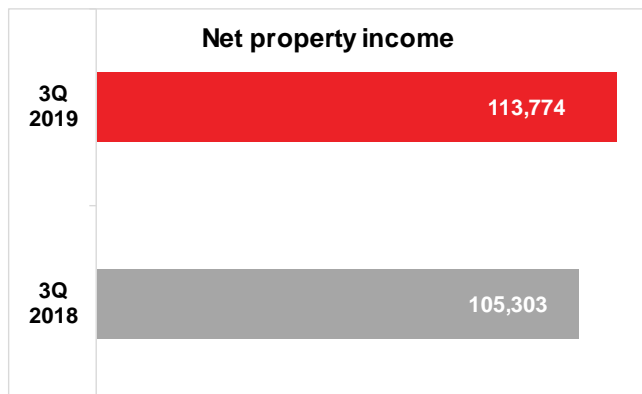
Highlights	3Q 2019	3Q 2018
No. of Properties	16	16
Property Value (RM'billion)	7.367	7.143
Units in Circulation	2,945,078,000	2,945,078,000
Unit Price as at 31 March (RM)	1.80	1.60
Market Capitalisation (RM'billion)	5.301	4.712
Net Asset Value ("NAV") Per Unit (RM) (After income distribution)	1.4544	1.4077
Premium to NAV	23.8%	13.7%
Realised Earnings Per Unit ("EPU") (sen)	2.58	2.37
Management Expense Ratio (After income distribution)	0.93%	0.92%
Gearing	38.4%	38.3%
% of Fixed Rate Borrowings	48%	41%

Financial Highlights – 3Q2019 (Cont'd)

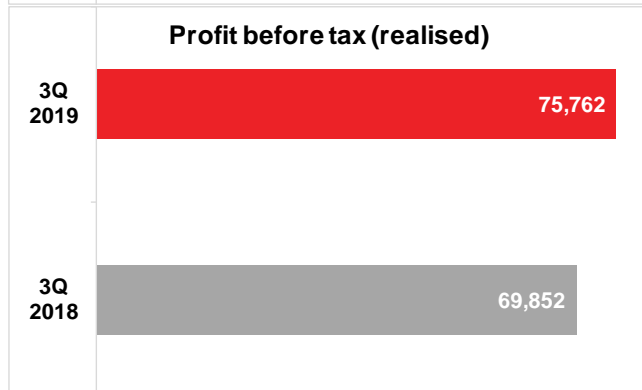
Reported in RM'000



Gross Revenue for 3Q2019 increased by 7.1% or RM10.0 million compared to 3Q2018 mainly attributable to better performance of all business segments, including the income guarantee for Sunway Clio Property of RM4.4 million.



Net Property Income for 3Q2019 was higher by 8.0% or RM8.5 million compared to 3Q2018 in line with higher revenue, partially reduced by higher assessment of RM1.2 million in 3Q2019 due to vacancy allowance for assessment received by Sunway Tower and Sunway Putra Tower in 3Q2018.

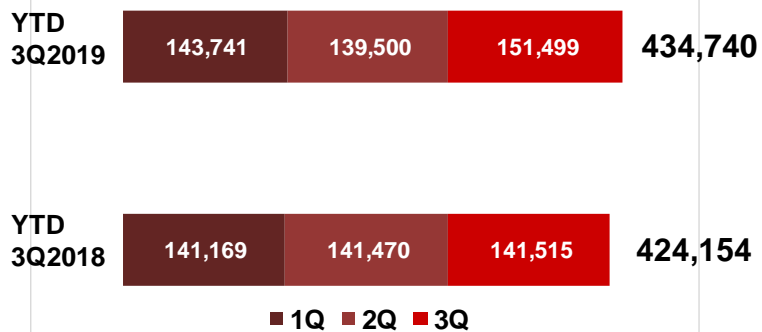


Profit Before Tax (Realised) for 3Q2019 was higher by 8.5% or RM5.9 million compared to 3Q2018 in line with higher NPI, partially offset by lower interest income of RM1.0 million and higher finance costs of RM1.4 million.

Financial Highlights – YTD 3Q2019

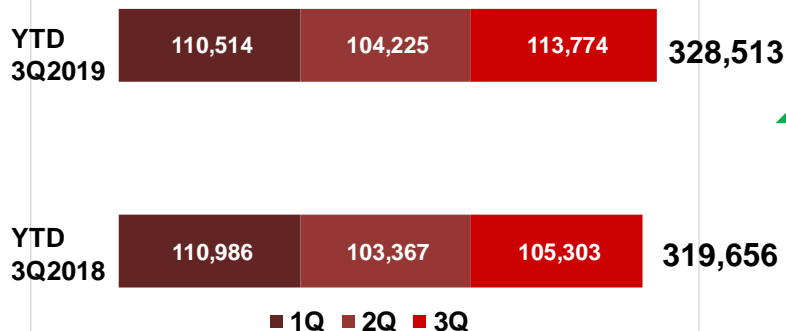
Reported in RM'000

Gross revenue



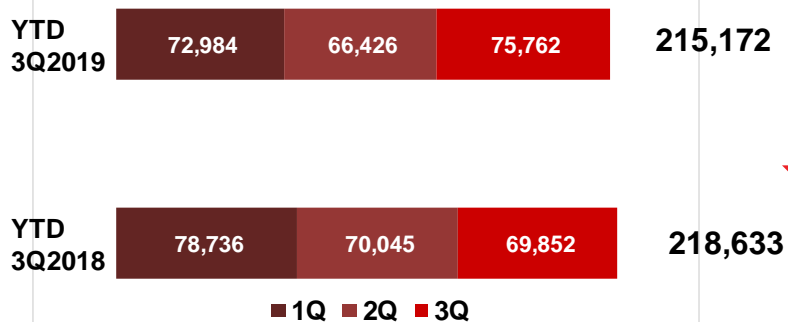
Gross Revenue for YTD 3Q2019 increased by 2.5% or RM10.6 million compared to YTD 3Q2018 mainly contributed by overall better performance of all business segments.

Net property income



Net Property Income for YTD 3Q2019 increased by 2.8% or RM8.9 million in line with higher revenue, partially offset by higher operating expenses.

Profit before tax (realised)



Profit Before Tax (Realised) for YTD 3Q2019 was lower by 1.6% or RM3.5 million compared to YTD 3Q2018 mainly attributable to higher finance costs of RM11.1 million despite higher NPI.

FINANCIAL RESULTS (3Q2019)



Statement of Comprehensive Income – Consolidated

	3Q 2019 RM'000	3Q 2018 RM'000	Change %	YTD 2019 RM'000	YTD 2018 RM'000	Change %
Gross revenue	151,499	141,515	7.1%	434,740	424,154	2.5%
Property operating expenses	(37,725)	(36,212)	4.2%	(106,227)	(104,498)	1.7%
Net property income	113,774	105,303	8.0%	328,513	319,656	2.8%
Interest income	681 ¹	1,672	-59.3%	4,340	4,398	-1.3%
Other income	59 ²	500	-88.2%	101 ²	1,969	-94.9%
Manager's fees	(8,994)	(8,548)	5.2%	(26,852)	(25,826)	4.0%
Trustee's fees	(161)	(353)	-54.4%	(493)	(995)	-50.5%
Other trust expenses	(752)	(826)	-9.0%	(2,616) ³	(1,983)	31.9%
Finance costs	(28,798)	(27,396)	5.1%	(87,730) ⁴	(76,641)	14.5%
Profit before tax	75,809	70,352	7.8%	215,263	220,578	-2.4%
Income tax expense	(6,895) ⁵	-	N/A	(6,895)	-	N/A
Profit for the period	68,914	70,352	-2.0%	208,368	220,578	-5.5%
Profit for the period comprises the following:						
Realised	75,762	69,852	8.5%	215,172	218,633	-1.6%
Unrealised	(6,848)	500	> -100%	(6,804)	1,945	> -100%
	68,914	70,352	-2.0%	208,368	220,578	-5.5%
Units in circulation (million units)	2,945	2,945	0.0%	2,945	2,945	0.0%
Basic EPU (sen):						
Realised	2.58	2.37	8.9%	7.31	7.41	-1.3%
Unrealised	(0.24)	0.01	> -100	(0.24)	0.06	> -100
	2.34	2.38	-1.7%	7.07	7.47	-5.4%
Proposed/declared income distribution	75,983	69,798	8.9%	215,285	218,525	-1.5%
Proposed/declared DPU (sen)	2.58	2.37	8.9%	7.31	7.42	-1.5%

Statement of Comprehensive Income – Consolidated (Cont'd)

Explanation:

- 1 Interest income** for 3Q2019 was lower by RM1.0 million mainly due to higher investment in money market instrument and higher interest income from financial institutions in the preceding year corresponding quarter.
- 2 Other income** for 3Q2019 and YTD 3Q2019 were lower by RM0.4 million and RM 1.9 million respectively attributable to lower fair value gain on interest rate swap (“IRS”) contracts of which the balance of 3-year IRS contracts amounting to RM150 million have ended in January 2019.
- 3 Other trust expenses** for YTD 3Q2019 was higher by RM0.6 million mainly due to allocation of legal fees for Sunway Putra’s litigation cases and higher one-off professional fees for the proposed acquisition of a purpose-built campus and establishment of Perpetual Note Programme.
- 4 Finance costs** for YTD 3Q2019 was higher by RM11.1 million due to higher average cost of debt following the increase in overnight policy rate by 25 bps on 25 January 2018, as well as, higher principal loan amount mainly to fund acquisition and planned capital expenditure.
- 5 Income tax expense** represents additional deferred tax expense on unrealised fair value gain of freehold land component within the investment properties which is expected to be recovered through sale, for the increase in RPGT rate pursuant to amendments to the Real Property Gains Tax Act 1976 effective from 1 January 2019.

Statement of Financial Position – Consolidated

	31.03.19 (Unaudited) RM'000	30.06.18 (Audited) RM'000		31.03.19 (Unaudited) RM'000	30.06.18 (Audited) RM'000
ASSETS					
Non-current assets					
Investment properties	7,366,732	¹ 7,280,225	Units in circulation ('000 units)	2,945,078	2,945,078
Plant and equipment	14,210	13,591	Net Asset Value ("NAV")		
	7,380,942	7,293,816	Before income distribution	4,359,388	4,353,236
			After income distribution	4,283,405	4,289,917
Current assets					
Trade receivables	26,371	² 21,423	NAV Per Unit (RM)		
Other receivables	69,251	³ 10,669	Before income distribution	1.4802	1.4781
Derivatives	-	⁴ 10,766	After income distribution	1.4544	1.4566
Short term investment	-	129,625			
Cash and bank balances	48,354	57,559			
	143,976	230,042			
	7,524,918	7,523,858			
FINANCED BY:					
Unitholders' funds					
Unitholders' capital	2,727,829	2,727,829			
Undistributed income	1,631,559	1,625,407			
Total Unitholders' funds	4,359,388	4,353,236			
Non-current liabilities					
Borrowings	⁵ -	⁵ 299,750			
Long term liabilities	65,877	77,519			
Deferred tax liability	13,791	⁶ 6,896			
	79,668	384,165			
Current liabilities					
Borrowings	⁵ 2,890,758	⁵ 2,602,750			
Trade payables	1,481	2,096			
Other payables	173,724	181,583			
Derivatives	19,899	⁴ 28			
	3,085,862	2,786,457			
	7,524,918	7,523,858			

Statement of Financial Position - Consolidated (Cont'd)

Explanation:

- 1 Investment properties** increased by RM86.5 million mainly contributed by the refurbishment of grand ballroom, meeting and function rooms of Sunway Resort Hotel & Spa which was completed in November 2018 and on-going works for the expansion of Sunway Carnival Shopping Mall.
- 2 Trade receivables** increased by RM4.9 million mainly attributable to billing of the income guarantee for Sunway Clio Property of RM8.8 million in March 2019.
- 3 Other receivables** was higher by RM58.6 million mainly due to 10% deposit paid for the proposed acquisition of a purpose-built campus amounting to RM55.0 million and increase in goods and service tax (“GST”) refundable by RM3.1 million.
- 4 Derivatives** were in relation to cross currency swap and interest rate swap contracts for the USD100 million revolving loan.
- 5 Total borrowings** reduced by RM11.7 million mainly due to movement in unrealised foreign exchange in relation to the USD100 million revolving loan. For refinancing of the current borrowings amounting to RM2.9 billion, there were commitments received from financial institutions to subscribe unrated MTNs of up to RM 1.0 billion for 5 years until April 2023 and to underwrite CPs of up to RM1.5 billion.
- 6 Deferred tax liability** increased by RM6.9 million as explained in page 12 above.

Statement of Cash Flows – Consolidated

	Cumulative Quarter ended	
	31.03.2019	31.03.2018
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	456,647	466,430
Refundable security deposits from customers	3,099	1,099
Cash paid for operating expenses ¹	(181,375)	(182,575)
Net cash from operating activities	278,371	284,954
INVESTING ACTIVITIES		
Acquisition of plant and equipment	(1,162)	(3,356)
Deposit for acquisition of investment property	(55,000)	-
Acquisition of investment properties	-	(422,350)
Incidental costs on acquisition of investment properties	-	(5,190)
Subsequent expenditure of investment properties	(100,951)	(24,954)
Investment in short term money market instrument	(455,000)	-
Redemption of short term money market instrument	585,000	-
Interest received	3,722	4,575
Net cash used in investing activities ²	(23,391)	(451,275)
FINANCING ACTIVITIES		
Proceeds from issuance of commercial papers	301,000	185,600
Proceeds from issuance of unrated medium term notes	200,000	300,000
Drawdown of revolving loans	12,213,600	8,833,200
Repayment of commercial papers	(301,000)	(219,600)
Repayment of unrated medium term notes	(500,000)	-
Repayment of revolving loans	(11,894,400)	(8,220,700)
Repayment of term loan	-	(422,000)
Interest paid	(80,764)	(75,486)
Distribution paid	(202,621)	(215,580)
Net cash (used in)/from financing activities ³	(264,185)	165,434
Net increase in cash and bank balances	(9,205)	(887)
Cash and bank balances at beginning of year	57,559	100,544
Cash and bank balances at end of period	48,354	99,657
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	14,854	29,657
Deposits placed with licensed financial institutions ⁴	33,500	70,000
Cash and bank balances	48,354	99,657

1 Net cash from operating activities for YTD 3Q2019 was RM278.4 million, lower by RM6.6 million compared to YTD 3Q2018, attributed by lower collection by RM 9.8 million mainly due to lower lease rental arising from the temporary disruption in income of Sunway Resort Hotel & Spa during the refurbishment of grand ballroom, meeting and function rooms partially offset by lower cash paid for operating expenses by RM1.2 million and higher deposits received by RM2.0 million.

2 Net cash used in investing activities for YTD 3Q2019 of RM23.4 million was largely due to deposit paid for the proposed acquisition of a purpose-built campus and progress payments for refurbishment works at Sunway Resort Hotel & Spa and expansion works at Sunway Carnival Shopping Mall of which were partially funded by net redemption in money market instrument. For YTD 3Q3018, net cash used in investing activities of RM451.3 million was mainly for the acquisition of Sunway REIT Industrial - Shah Alam 1 and Sunway Clio Property.

3 Net cash used in financing activities for YTD 3Q2019 of RM264.2 million was mainly attributed to income distribution and interest paid of RM202.6 million and RM80.8 million respectively and net drawdown of borrowings amounting to RM19.2 million for capital expenditure.

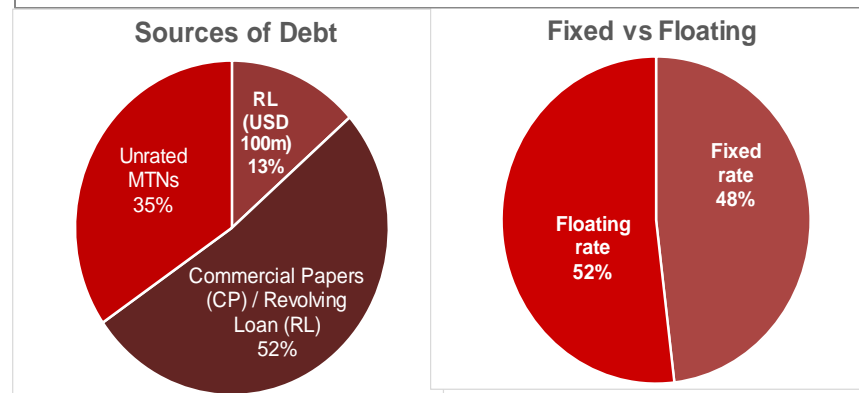
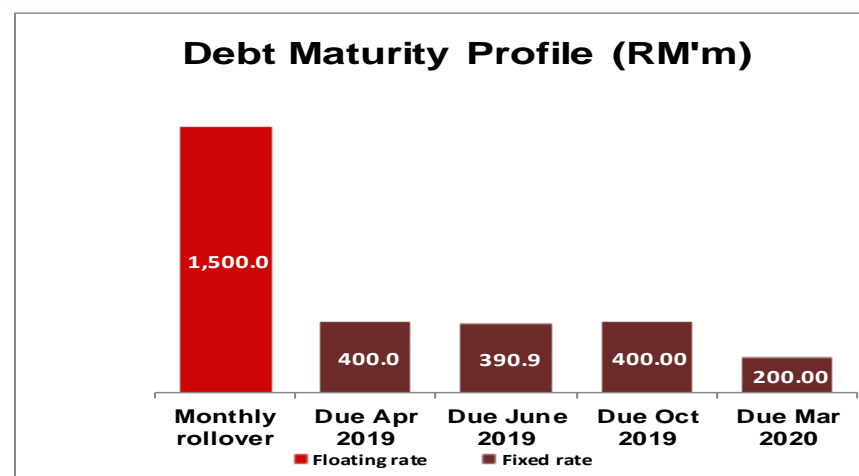
4 Cash and bank balances as at 31 March 2019 and 31 March 2018 stood at RM48.3 million and RM99.6 million respectively. The lower balance at the end of current period was mainly due to lower balance at the beginning of the period, post utilisation of drawn borrowings for acquisition.

Debt Profile as of 31 March 2019

	Facility Limit RM'million	Amount RM'million
Revolving Loan (USD100m)	411.1	390.9
Commercial Papers (CP) / Revolving Loan (RL)	1,500.0	1,500.0
Unrated MTNs	10,000.0	1,000.0
Total Gross Borrowings		2,890.9
Unamortised transaction costs		(0.1)
Total Borrowings at carrying amount		2,890.8

	RM'million
Classification of Borrowings:	
Current (due within 1 year)	2,890.9
Non-current (due after 1 year)	-
Total Gross Borrowings	2,890.9

Average Cost of Debt	4.04%
Average Maturity Period (Year)	0.2
Debt Service Cover Ratio (DSCR)	3.5
Gearing Ratio	38.4%



- Includes unrealised foreign exchange gain of RM20.2 million. The revolving loan is fully hedged with a 6-month cross currency swap contract until 3 June 2019.
- The existing CP Programme will expire in April 2019 and is fully underwritten by a local financial institution. A new CP Programme of up to RM3.0 billion was lodged with Securities Commission Malaysia on 28 February 2019 with the first CP to be issued within 60 business days from the date of lodgement.
- A commitment has been received from a financial institution to subscribe unrated MTNs of up to RM1.0 billion for 5 years with maturity date of any subscription shall not be later than April 2023.

PORTFOLIO PERFORMANCE (3Q2019)



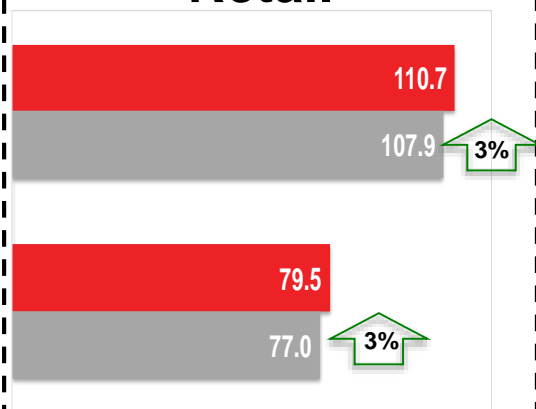
Revenue & NPI growth in 3Q FY2019

Reported in RM'million

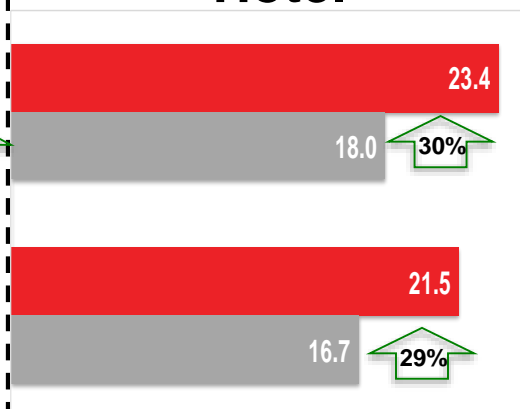
Revenue
3Q2019
3Q2018

NPI
3Q2019
3Q2018

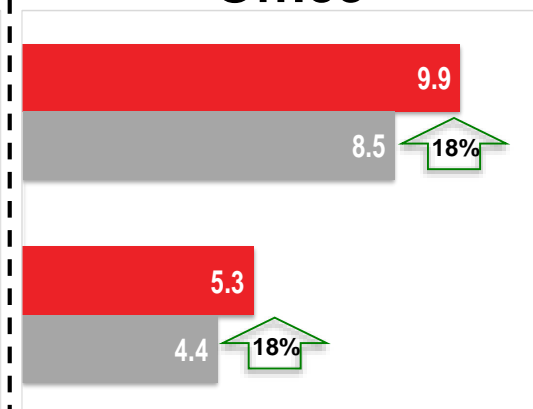
Retail



Hotel



Office



Notes

The retail segment recorded gross revenue of RM110.7 million for the current quarter ended 31 March 2019, an increase of 2.5% or RM2.7 million compared to the preceding year corresponding quarter (3Q2018), mainly contributed by Sunway Pyramid due to higher turnover rent but partially offset by Sunway Putra Mall.

The net property income (NPI) recorded an increase of 3.2% or RM2.5 million compared to 3Q2018 mainly contributed by better revenue performance.

The hotel segment recorded gross revenue of RM23.4 million for 3Q2019, an increase of 30.2% or RM5.4 million from 3Q2018, mainly contributed by the recognition of income guarantee of RM4.4 million for Sunway Clio Property and A&P expenses adjustment for Sunway Resort Hotel & Spa, offsetting the weaker performance of other hotels as the soft market condition within the hospitality industry continued.

The office segment recorded gross revenue of RM9.9 million for 3Q2019, an increase of 17.5% or RM1.5 million compared to 3Q2018, mainly contributed by improved performance from Sunway Putra Tower and Wisma Sunway, with commencement of new tenants and expansion from existing tenant, respectively.

The NPI recorded an increase of 18.4% in line with the increase in revenue.

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

Revenue & NPI growth in 3Q 2019 (Cont'd)

Reported in RM'million

Revenue

3Q2019
3Q2018

Services



Industrial & Others

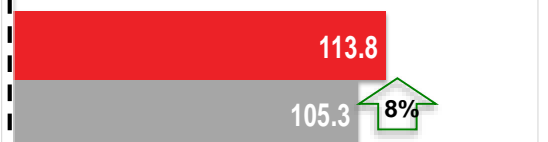


Overall



NPI

3Q2019
3Q2018



Notes

Sunway Medical Centre contributed RM5.9 million to revenue and NPI for 3Q2019, an increase of 3.5% compared to 3Q2018 due to rental reversion in accordance with the master lease agreement.

Sunway REIT Industrial - Shah Alam 1 contributed RM1.5 million to revenue and NPI for 3Q2019, an increase of 10% compared to 3Q2018 due to new cycle of rental reversion in accordance with the master lease agreement.

Revenue of the portfolio increased by 7.1% or RM10.0 million due to the performance of all segments as discussed above.

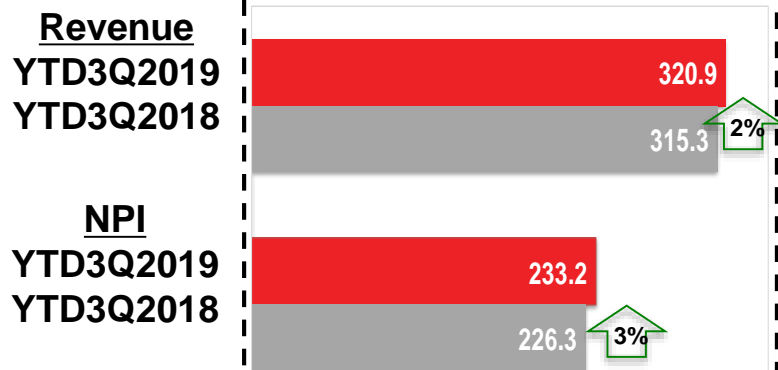
The increase in NPI by 8.0% or RM8.5 million mainly due better performance in revenue.

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

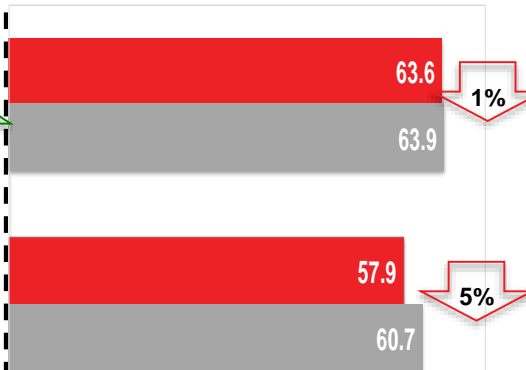
Revenue & NPI growth YTD 3Q 2019

Reported in RM'million

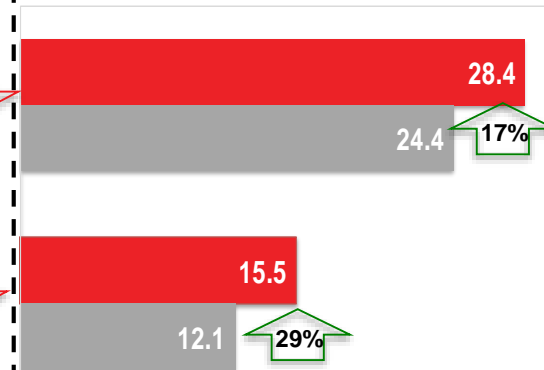
Retail



Hotel



Office



Notes

The retail segment recorded gross revenue of RM320.9 million for YTD 3Q2019, an increase of 1.8% or RM5.7 million compared YTD 3Q2018, mainly contributed by Sunway Pyramid but partially offset by Sunway Putra Mall.

The YTD NPI recorded an increase of 3.1% or RM6.9 million compared to YTD 3Q2018 mainly contributed adjustment in other expenses in Sunway Pyramid offset by higher A&P and maintenance expenses incurred by Sunway Carnival Mall.

The hotel segment recorded YTD 3Q2019 gross revenue of RM63.6 million, marginally lower by 0.5% or RM0.3 million, mainly contributed by the lower income in SRHS and Sunway Putra Hotel but mitigated by contribution of income guarantee from Sunway Clio Property.

The YTD NPI lower by 4.5% or RM2.7 million was in line with the cumulative reduction in rental revenue over the periods, mainly from SRHS and Sunway Putra Hotel.

The office segment recorded gross revenue of RM28.4 million for YTD 3Q2019, an increase of 16.5% or RM4.0 million compared to YTD 3Q2018, mainly contributed by improved performance from Sunway Putra Tower and Wisma Sunway, with commencement of new tenants and expansion from existing tenant, respectively.

The NPI recorded an increase of 28.5% in line with the increase in revenue.

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

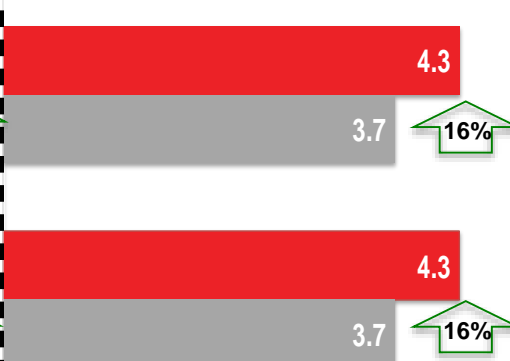
Revenue & NPI growth in YTD 3Q 2019 (Cont'd)

Reported in RM'million

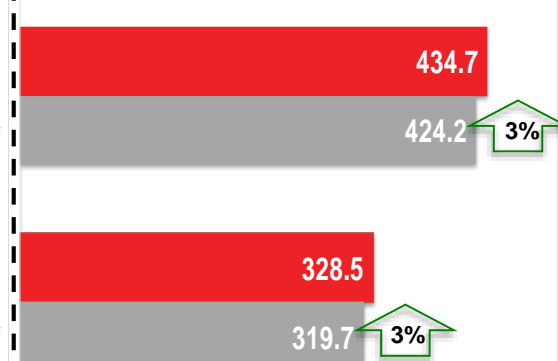
Services



Industrial & Others



Overall



Notes

Sunway Medical Centre contributed RM17.5 million to revenue and NPI for YTD 3Q2019, an increase of 3.5% compared to YTD 2Q2018 due to rental reversion in accordance with the master lease agreement.

Revenue and NPI of Sunway REIT Industrial - Shah Alam 1 increased by RM0.6 million due to the current quarter's rental reversion.

The overall revenue and NPI of the portfolio performed better by 2.5% and 2.8% respectively than YTD 3Q2018.

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

3Q2019 and YTD 3Q2019 Revenue Contribution (by Property)

By Property	3Q 2019	3Q 2018	Variance	Change	YTD 3Q 2019	YTD 3Q 2018	Variance	Change
	RM'mil	RM'mil	RM'mil	%	RM'mil	RM'mil	RM'mil	%
Sunway Pyramid Mall	85.6	81.7	↑ 3.9	4.8%	246.6	237.4	↑ 9.2	3.9%
Sunway Carnival Mall	12.0	11.9	↑ 0.2	1.6%	35.3	35.3	↓ (0.0)	-0.1%
SunCity Ipoh Hypermarket	1.1	1.1	↔ -	0.0%	3.3	3.3	↔ -	0.0%
Sunway Putra Mall	11.9	13.3	↓ (1.4)	-10.3%	35.7	39.3	↓ (3.5)	-9.0%
Sunway Resort Hotel & Spa	8.1	7.7	↑ 0.4	5.4%	15.9	31.1	↓ (15.2)	-48.9%
Sunway Pyramid Hotel	3.4	3.9	↓ (0.5)	-11.9%	12.3	12.0	↑ 0.3	2.1%
Sunway Hotel Seberang Jaya	0.6	0.7	↓ (0.1)	-10.9%	2.1	2.2	↓ (0.1)	-3.4%
Sunway Putra Hotel	2.0	2.3	↓ (0.3)	-11.6%	8.5	12.3	↓ (3.8)	-31.1%
Sunway Hotel Georgetown	1.2	1.3	↓ (0.1)	-5.3%	3.9	4.2	↓ (0.3)	-6.3%
Sunway Clio Property	8.0	2.2	↑ 5.9	>100%	21.0	2.2	↑ 18.8	>100%
Menara Sunway	4.4	4.2	↑ 0.3	6.3%	12.9	12.5	↑ 0.4	3.1%
Sunway Tower	0.8	0.8	↓ (0.1)	-7.1%	2.2	2.5	↓ (0.3)	-11.8%
Sunway Putra Tower	3.0	2.1	↑ 1.0	47.1%	8.5	5.0	↑ 3.5	70.2%
Wisma Sunway	1.7	1.4	↑ 0.3	22.2%	4.7	4.3	↑ 0.4	9.4%
Sunway Medical Centre	6.0	5.8	↑ 0.2	3.5%	17.5	16.9	↑ 0.6	3.5%
Sunway REIT Industrial - Shah Alam 1	1.5	1.4	↑ 0.1	10.0%	4.3	3.7	↑ 0.6	16.4%
TOTAL	151.5	141.5	↑ 10.0	7.1%	434.7	424.2	↑ 10.6	2.5%

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

3Q2019 NPI and NPI Margin Contribution (by Property)

By Property	NPI				NPI Margin			
	3Q 2019 RM'mil	3Q 2018 RM'mil	Variance RM'mil	Change %	3Q 2019 %	3Q 2018 %	Variance %	
Sunway Pyramid Mall	66.1	61.5	↑ 4.5	7.4%	77.2%	75.3%	↑ 1.8%	
Sunway Carnival Mall	6.9	7.5	↓ (0.5)	-7.2%	57.6%	63.0%	↓ -5.5%	
SunCity Ipoh Hypermarket	1.0	1.0	↓ (0.0)	-1.0%	91.5%	92.5%	↓ -0.9%	
Sunway Putra Mall	5.5	7.0	↓ (1.5)	-21.2%	46.3%	52.7%	↓ -6.4%	
Sunway Resort Hotel & Spa	7.7	7.3	↑ 0.4	5.6%	94.8%	94.6%	↑ 0.2%	
Sunway Pyramid Hotel	3.3	3.7	↓ (0.5)	-13.2%	95.5%	96.8%	↓ -1.4%	
Sunway Hotel Seberang Jaya	0.6	0.6	↓ (0.1)	-11.6%	92.2%	92.9%	↓ -0.7%	
Sunway Putra Hotel	1.7	1.9	↓ (0.2)	-12.5%	83.4%	84.2%	↓ -0.8%	
Sunway Hotel Georgetown	1.2	1.2	↓ (0.1)	-4.1%	97.4%	96.2%	↑ 1.3%	
Sunway Clio Property	7.1	1.9	↑ 5.3	>100%	88.7%	86.7%	↑ 2.0%	
Menara Sunway	2.7	2.7	↑ 0.0	1.5%	60.6%	63.5%	↓ -2.8%	
Sunway Tower	(0.2)	0.3	↓ (0.5)	N/A	-31.3%	32.8%	↓ N/A	
Sunway Putra Tower	1.9	0.8	↑ 1.1	>100%	62.8%	39.2%	↑ 23.6%	
Wisma Sunway	0.9	0.7	↑ 0.2	27.9%	53.3%	50.9%	↑ 2.4%	
Sunway Medical Centre	6.0	5.8	↑ 0.2	3.5%	100.0%	100.0%	↔ 0.0%	
Sunway REIT Industrial - Shah Alam 1	1.5	1.4	↑ 0.1	10.0%	100.0%	100.0%	↔ 0.0%	
TOTAL	113.8	105.3	↑ 8.5	8.0%	75.1%	74.4%	↑ 0.7%	

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

YTD 3Q2019 NPI and NPI Margin Contribution (by Property)

By Property	NPI				NPI Margin			
	YTD 3Q 2019 RM'mil	YTD 3Q 2018 RM'mil	Variance RM'mil	Change %	YTD 3Q 2019 %	YTD 3Q 2018 %	Variance %	
Sunway Pyramid Mall	192.7	180.3	↑ 12.4	6.9%	78.2%	75.9%	↑ 2.2%	
Sunway Carnival Mall	20.7	22.6	↓ (1.9)	-8.5%	58.6%	64.0%	↓ -5.4%	
SunCity Ipoh Hypermarket	3.1	3.1	↑ 0.0	0.8%	93.4%	93.1%	↑ 0.4%	
Sunway Putra Mall	16.7	20.3	↓ (3.6)	-17.7%	46.8%	51.7%	↓ -5.0%	
Sunway Resort Hotel & Spa	14.7	29.8	↓ (15.2)	-50.8%	92.4%	96.0%	↓ -3.6%	
Sunway Pyramid Hotel	11.7	11.7	↑ 0.0	0.4%	95.5%	97.1%	↓ -1.6%	
Sunway Hotel Seberang Jaya	2.0	2.0	↓ (0.1)	-3.0%	93.7%	93.4%	↑ 0.3%	
Sunway Putra Hotel	7.6	11.2	↓ (3.6)	-32.4%	89.8%	91.5%	↓ -1.7%	
Sunway Hotel Georgetown	3.8	4.1	↓ (0.3)	-6.2%	96.7%	96.6%	↑ 0.1%	
Sunway Clio Property	18.2	1.9	↑ 16.3	>100%	86.8%	86.7%	↑ 0.1%	
Menara Sunway	8.3	7.9	↑ 0.4	4.7%	64.3%	63.3%	↑ 1.0%	
Sunway Tower	(0.5)	(0.2)	↓ (0.3)	N/A	-22.5%	-8.3%	↓ -14.2%	
Sunway Putra Tower	5.5	2.1	↑ 3.4	>100%	64.1%	40.9%	↑ 23.2%	
Wisma Sunway	2.2	2.3	↓ (0.1)	-2.8%	47.3%	53.2%	↓ -5.9%	
Sunway Medical Centre	17.5	16.9	↑ 0.6	3.5%	100.0%	100.0%	↔ 0.0%	
Sunway REIT Industrial - Shah Alam 1	4.3	3.7	↑ 0.6	16.4%	100.0%	100.0%	↔ 0.0%	
TOTAL	328.5	319.7	↑ 8.9	2.8%	75.6%	75.4%	↑ 0.2%	

Note: Calculation of variance above varies marginally compared to 3Q2019 Quarterly Announcement Pack in Bursa Malaysia's website due to rounding difference.

Key Performance Indicators – YTD 3Q2019

	Retail	Hotel	Office	Services	Industrial & Others
Average Occupancy Rates	97%	69%	71%	100%	100%
NPI Margin	73%	91%	55%	100%	100%

PROPERTY DEVELOPMENT ACTIVITIES & ASSET ENHANCEMENT INITIATIVES (AEI) (3Q2019)



Property Development Activities

Expansion of Sunway Carnival Shopping Mall

Estimated total property development cost (including land)	RM 353.0 million
Cummulative cost incurred from initiation to YTD 3Q 2019	RM 61.8 million
Duration	Approximately 3 years from 3Q 2018
NLA (sq. ft.)	Approximately 350,000 sq ft of additional new space.
Property development activities against enlarged total asset value*	4.5%

* As per paragraph 8.17 of SC Guidelines on Listed REITs, the aggregate investments in property development activities and real estate under construction must not exceed 15% of the REIT's total asset value.

Asset Enhancement Initiatives (AEI)

Sunway Resort Hotel & Spa Grand Ballroom & Meeting Rooms Refurbishment

Estimated total renovation cost	RM 55.0 million
Cumulative cost incurred from initiation to YTD 3Q2019	RM 38.4 million
Duration	4 months from July 2018
Status of completion	Completed

MARKET OUTLOOK (3Q 2019)



General Outlook

- Global economy started the year on a soft footing, but a pick up is expected in the second half of CY2019. The improvement will be supported by accommodation in monetary policy led by the United States (US). In response to rising global risks, the US Federal Reserve paused interest rate hike and signaled no increase for the remaining part of the year. The outlook is further strengthened by the easing of US-China trade tension as the prospects of a trade agreement may take shape. Taking consideration of a softer first half in CY2019, global growth is projected to moderate to 3.3% in CY2019 (CY2018: 3.6%) and 3.6% in CY2020.
- From the domestic front, after a moderation to 4.7% in CY2018 (CY2017: 5.9%), the Malaysian economy is projected to expand by 4.3% to 4.8% in CY2019 underpinned by private sector activity. However, public sector is expected to weigh on growth amidst rationalization of government expenditure. The external sector is also projected to record lower growth in line with global trades. In addition to global downside risk, the domestic economy is also vulnerable to re-occurrence of commodity supply disruptions and oversupply situation in the property market potentially impedes activity in the construction and property sectors.
- Headline inflation is expected to remain benign in CY2019, averaging between 0.7% to 1.7% after incorporating some cost-pass-through from domestic cost factors. Stable global oil prices forecast and implementation of price ceilings on domestic retail fuel prices will curb the upside risk on inflation. The benign inflationary environment is evidenced in January 2019 consumer price index of -0.7%, reflecting the stable global oil prices.

General Outlook

- At the Monetary Policy Committee (MPC) meeting on 5 March 2019, the MPC maintained the Overnight Policy Rate (OPR) at 3.25%. BNM guidance for monetary policy in CY2019 is to remain supportive of economic growth amid a relatively benign inflationary environment. Recognizing the downside risks to economic growth, the MPC will continue to monitor and assess the balance of risks surrounding the outlook for the domestic growth and inflation.
- Taking guidance from YTD 9M FY2019, the outlook for Sunway REIT's FY2019 financial performance remains flattish. We anticipate modest growth from the retail and office segments, coupled with full year income contribution from Sunway Clio Property and proportionate income contribution from recently acquired purpose-built campus. However, we also expect the hospitality sector to face stronger headwinds and remain challenging due to the oversupply situation and soft tourist arrivals.
- The Manager is committed to distribute 100% of its distributable net income for FY2019.

Retail Segment

- The Retail Group Malaysia (RGM) maintained its CY2019 retail sales forecasts of 4.5% despite a lacklustre retail sales in the first two months of CY2019 which coincided with the Chinese New Year festive season. RGM expects retail sales performance to pick up in 2Q CY2019 ahead of Hari Raya festivity followed by an expected stronger second half consumer spending.
- The soft performance in 1Q CY2019 retail sales was in line with the Malaysia Institute of Economic Research (MIER)'s 1Q CY2019 consumer sentiment index (CSI) which slid below the confidence threshold. The tapering off consumer confidence premised on expected moderation in economic climate and softer job outlook.
- In view of the planned supply of new retail space totaling 11.3 million sq.ft. within Klang Valley, it is critical for retail malls to evolve, reposition and create strong differentiation while embrace and co-exist with the rise of the Internet of Things (IoT) and e-commerce. Notably, retail malls are gradually moving towards experiential and interactive retail offerings to differentiate themselves from e-commerce. In addition, retailers are integrating their online-to-offline (O2O) offerings creating a symbiotic benefits to both their online and offline platforms. In all, it is survival of the fittest for retail mall operators to remain competitive and relevant.
- The Manager expects the retail segment to register a modest growth in FY2019, contributed by higher income from Sunway Pyramid but offset against softer performance in other malls.

Hotel Segment

- Malaysia recorded a stable tourist arrivals in CY2018. Tourist arrivals was flattish at 25.83 million in CY2018 (CY2017: 25.95 million), with marginal improvement in tourism receipts of RM84.1 billion (CY2017: RM82.1 billion). The Ministry of Tourism targets a 8.8% improvement in tourist arrivals to 28.1 million with corresponding increase in tourism receipt to RM92.2 billion for CY2019.
- In order to achieve the tourists arrivals and receipts targets set by the Government, The Ministry of Tourism needs to urgently launch tourism stimulus ahead of the Visit Malaysia Year 2020.
- CY2019 started on a soft ground with pressure on average occupancy rates and average daily room rates. Traditionally, hospitality sector would be lifted by the Lunar New Year due to extended holiday period however the trend reversed this year due to lower Singapore tourists.
- The outlook for the remaining part of CY2019 remains cautious taking into consideration of the intense competition in the sector due to oversupply situation, contributed by additional supply and mushrooming of disruptors such as Air BnB. In addition, weakened business confidence index and consumer confidence index, below confidence level threshold, will further add caution to consumer and business spending.
- The Manager remains cautious on the outlook of the hotel segment in FY2019 for the reasons mentioned above.

Office Segment

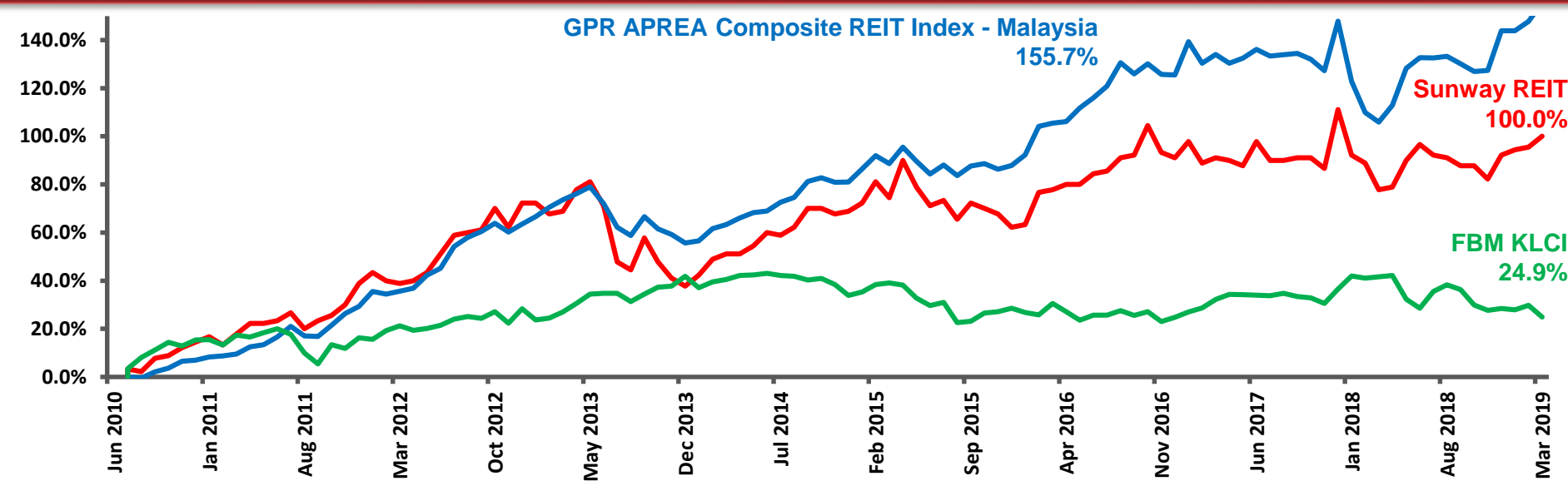
- The office sub-sector has suffered from a prolonged time of a massive oversupply condition and the situation is not expected to be resolved in the short to medium terms. The country needs to create catalytic reform in order to address the oversupply situation.
- On a brighter note, Malaysia moved up 9 spots to rank number 15 in the World Bank Doing Business 2019 report. Amongst the ASEAN countries, Malaysia ranks 2nd after Singapore. The increased confidence in Malaysia augurs well for attracting businesses into Malaysia and demand for office space.
- In addition, growing trend of co-working and shared services especially amongst small and medium sized entrepreneurs (SMEs), multinational companies (MNCs) and start-ups have created new opportunities to office building owners, in view of the existing and massive oversupply of office spaces in the Klang Valley.
- Increasingly, dated office buildings are also being considered for redevelopment in order to complement sub-leasing of these spaces to smaller and more agile firms and start-ups. These trend in the office segment may partially absorb the vacancy in the office sub-sector.
- Despite the challenging market outlook, the Manager expects gradual improvement in the overall occupancy of the office segment, mainly attributable to continued improvement at Sunway Putra Tower and Wisma Sunway and effective leasing strategy.

INVESTOR RELATIONS (3Q 2019)



Unit Price Performance from IPO to YTD 3Q FY2019

Unit Price Performance of Sunway REIT versus Benchmarks (8 July 2010 – 31 March 2019)



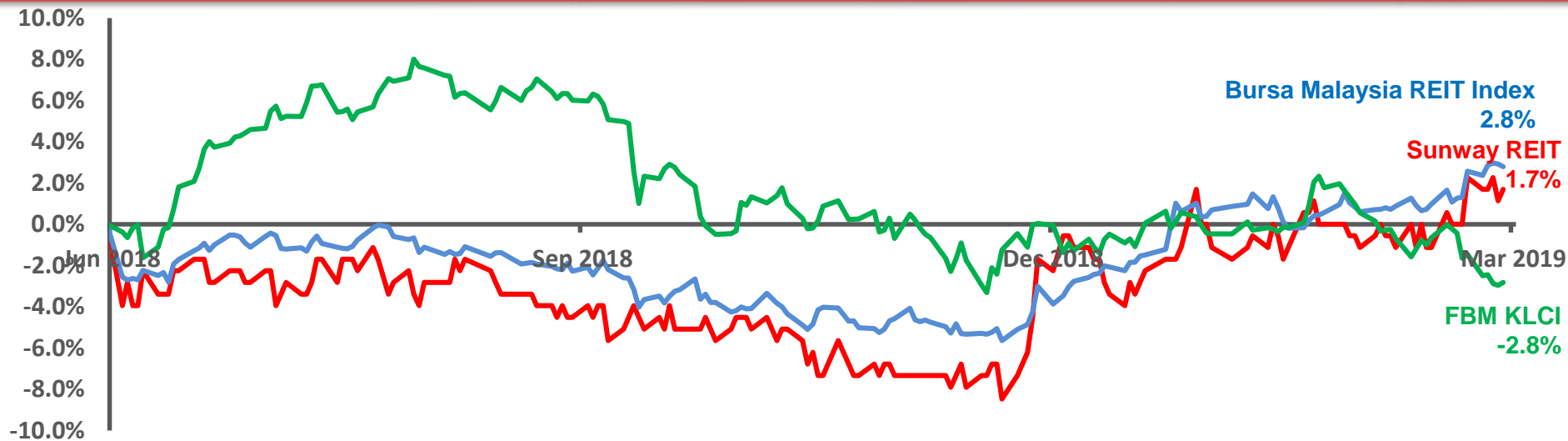
Performance Statistics (8 July 2010 – 31 March 2019)

Price (as at 8 July 2010)	: RM0.90
Closing Price (as at 31 March 2019)	: RM1.80
Highest Price	: RM1.90
Lowest Price	: RM0.88
Daily Average Volume	: 1.96 million units
% Change in Unit Price	: 100.0%
% Change in FBM KLCI	: 24.9%
% Change in GPR APREA Composite REIT Index - Malaysia	: 155.7%

Source: Bloomberg

Unit Price Performance for YTD 3Q FY2019

Unit Price Performance of Sunway REIT versus Benchmarks (30 June 2018 – 31 March 2019)



Performance Statistics (30 June 2018 – 31 March 2019)

Price (as at 30 June 2018)	: RM1.77
Closing Price (as at 31 March 2019)	: RM1.80
Highest Price	: RM1.84
Lowest Price	: RM1.61
Daily Average Volume	: 1.98 million units
% Change in Unit Price	: 1.7%
% Change in FBM KLCI	: -2.8%
% Change in Bursa Malaysia REIT Index	: 2.8%

Source: Bloomberg

Indices Representation



- FTSE Bursa Malaysia Mid 70 Index
- Bursa Malaysia REIT Index



FTSE4Good

- FTSE4Good Bursa Malaysia Index



- GPR APREA Composite REIT Index – Malaysia

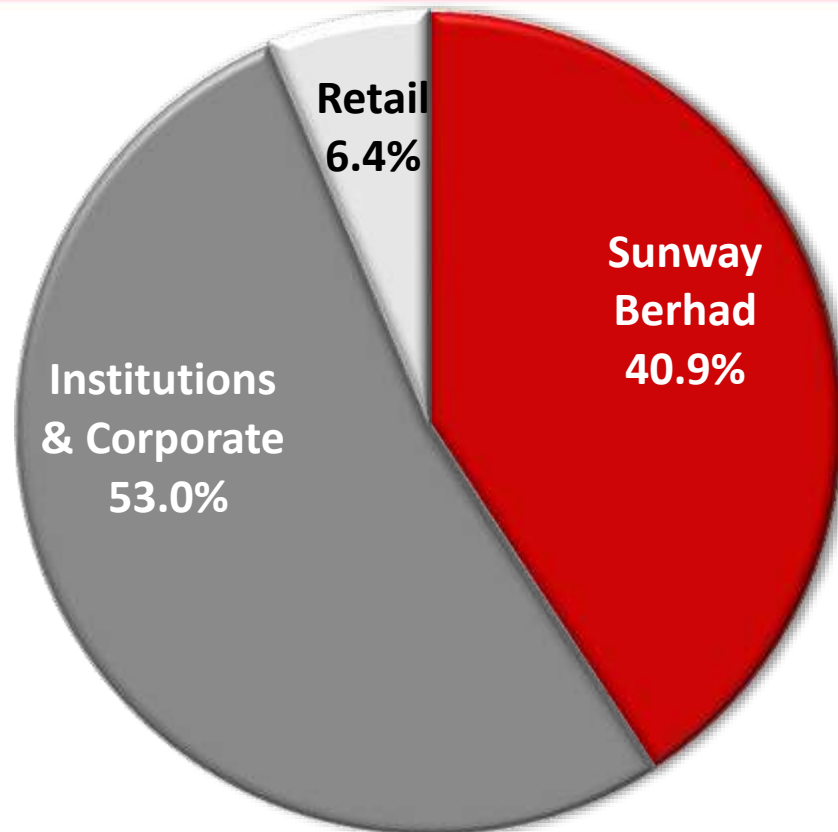
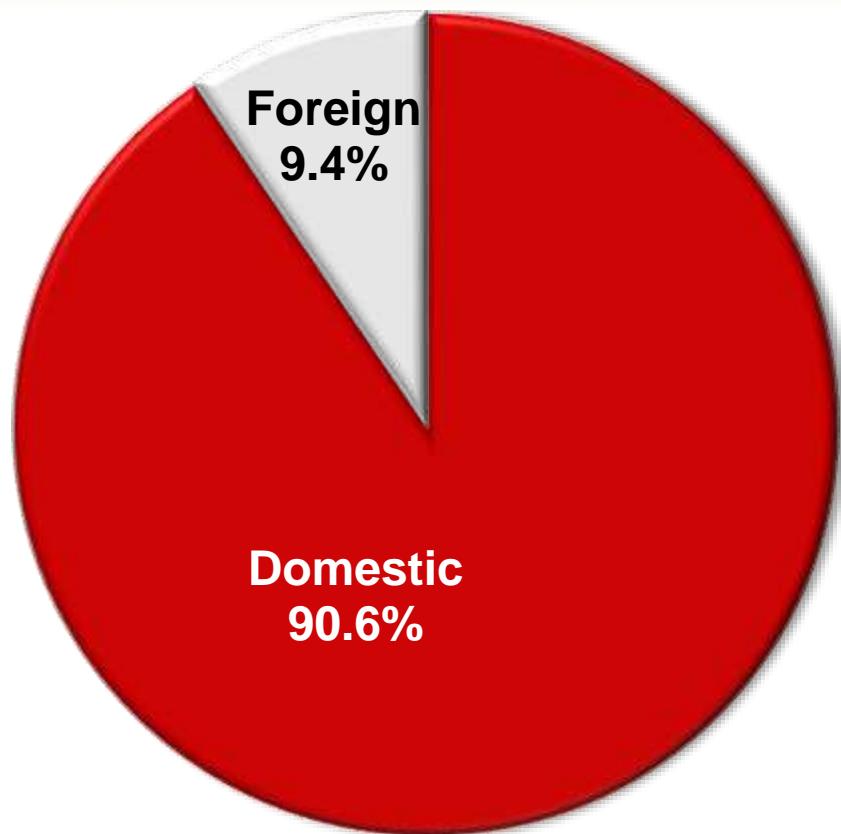


- FTSE EPRA NAREIT Global REIT Index
- FTSE EPRA NAREIT Global Index
- FTSE EPRA NAREIT Asia ex Japan Index
- FTSE EPRA NAREIT Asia Pacific Index
- FTSE EPRA NAREIT Emerging REIT Index



- MSCI Malaysia Small Cap Index

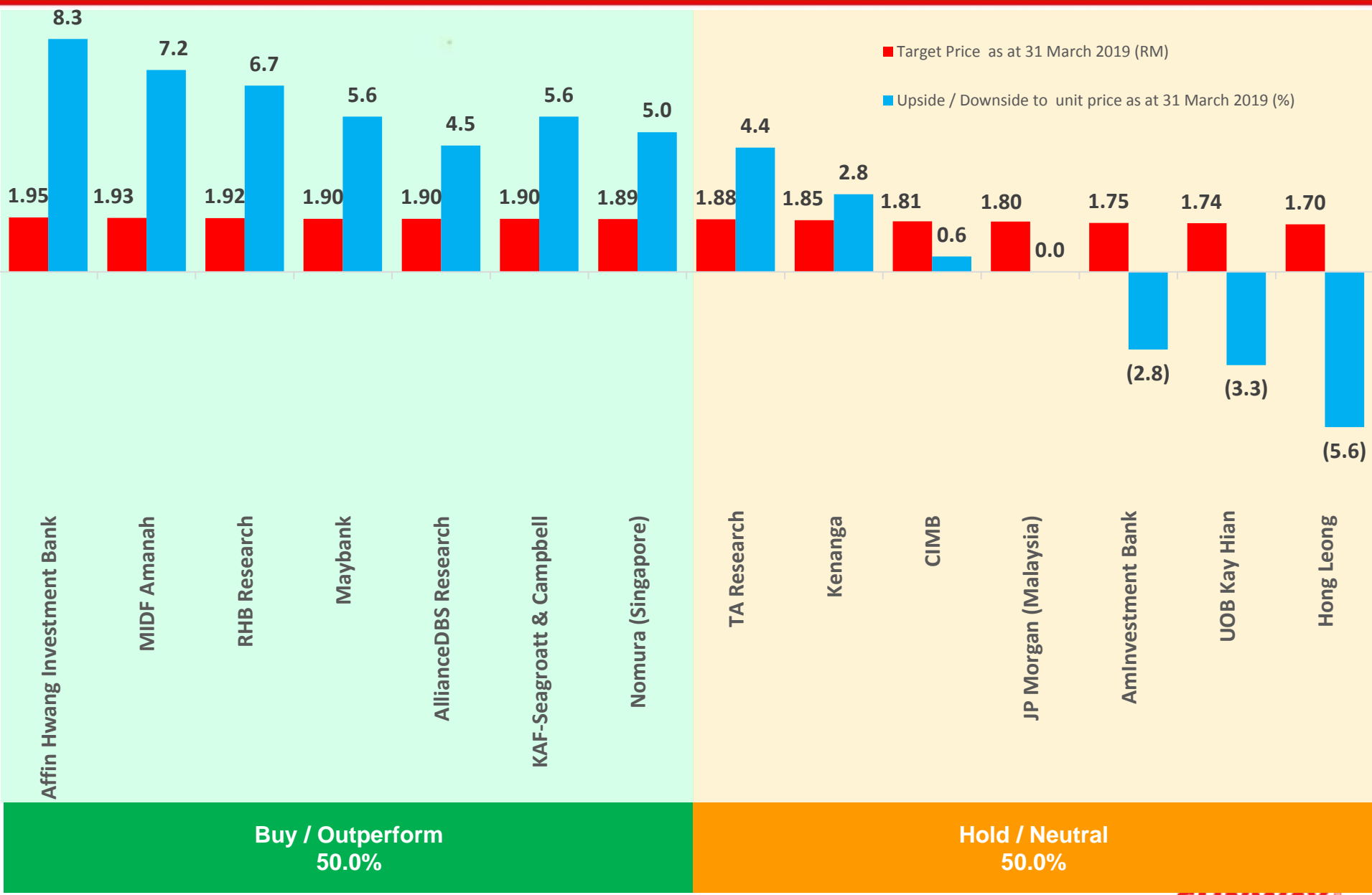
Unitholders' Composition (as at 31 March 2019)



	March 2019	December 2018	Q-o-Q Change
No of unitholders	12,685	12,899	-214 (-1.7%)
Retail unitholders	6.4%	7.0%	-0.6%
Foreign unitholders	9.4%	8.7%	0.7%
Sunway Berhad	40.9%	40.9%	Unchanged

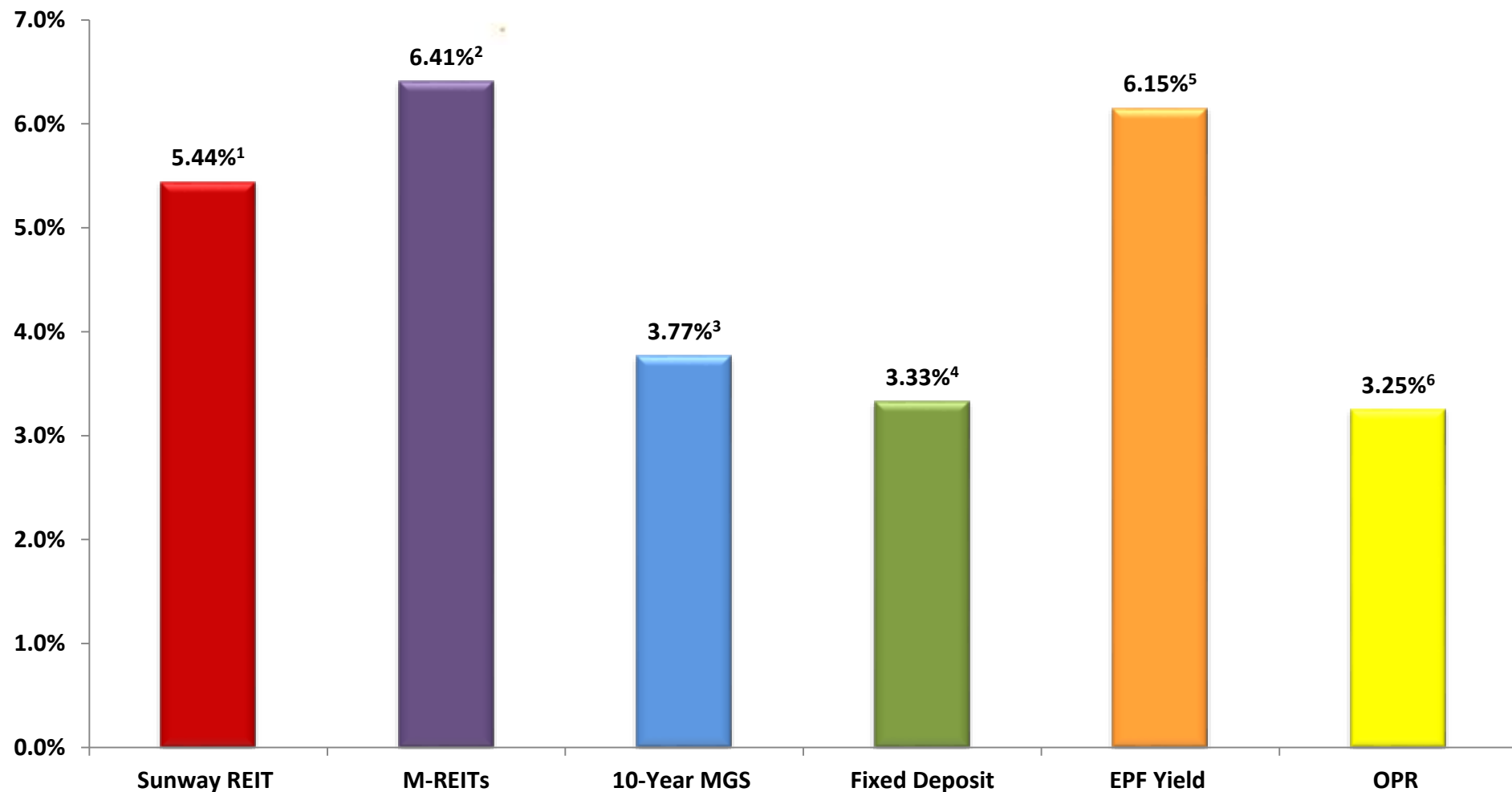
Source: Sunway REIT

Analysts Recommendation (as at 31 March 2019)



Source: Bloomberg

Comparative Yields for Various Assets



Note:

¹ Distribution yield is computed based on consensus FY2019 DPU of 9.80 sen and unit price as at 31 March 2019 (Source: Bloomberg)

² Information based on consensus FY2019 DPU forecast and unit price as at 31 March 2019 (Source: Bloomberg)

³ Information as at 31 March 2019 (Source: Bloomberg)

⁴ 12-Month Fixed Deposit rates offered by commercial banks as at 31 January 2019 (Source: Bank Negara Malaysia)

⁵ Dividend yield declared by Employees Provident Funds for the year 2018 (Source: Employees Provident Fund)

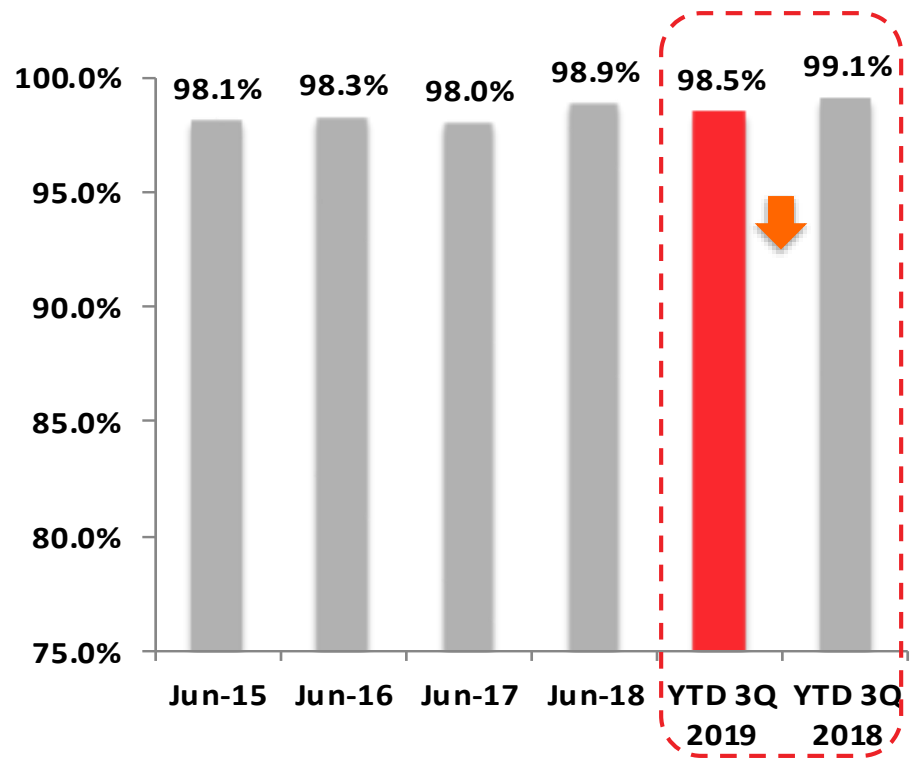
⁶ Overnight Policy Rate as at 5 March 2019 (Source: Bank Negara Malaysia)

APPENDIX: PROPERTY PERFORMANCE (3Q 2019)

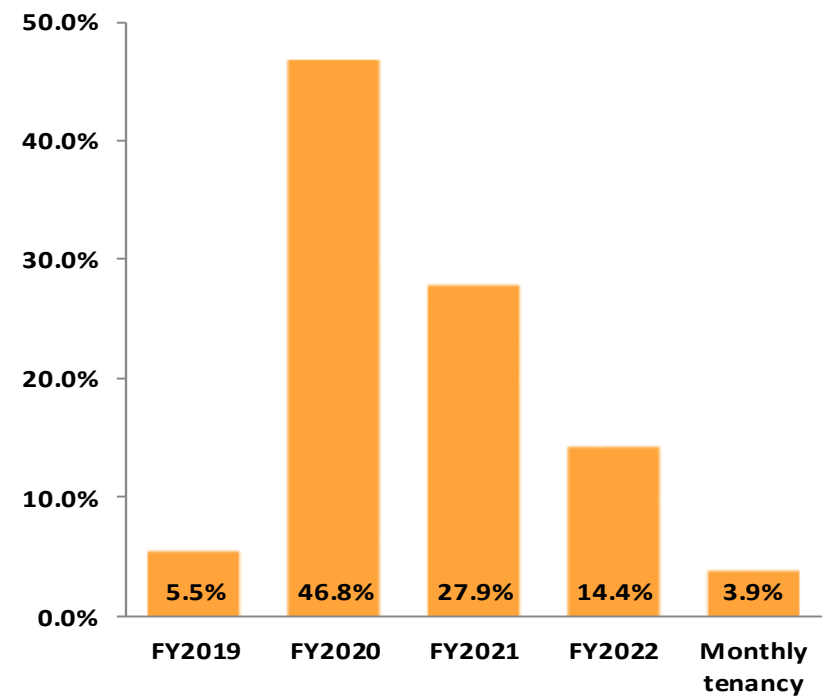


RETAIL PROPERTIES - Sunway Pyramid Shopping Mall

Average occupancy rate



Projected lease expiry schedule

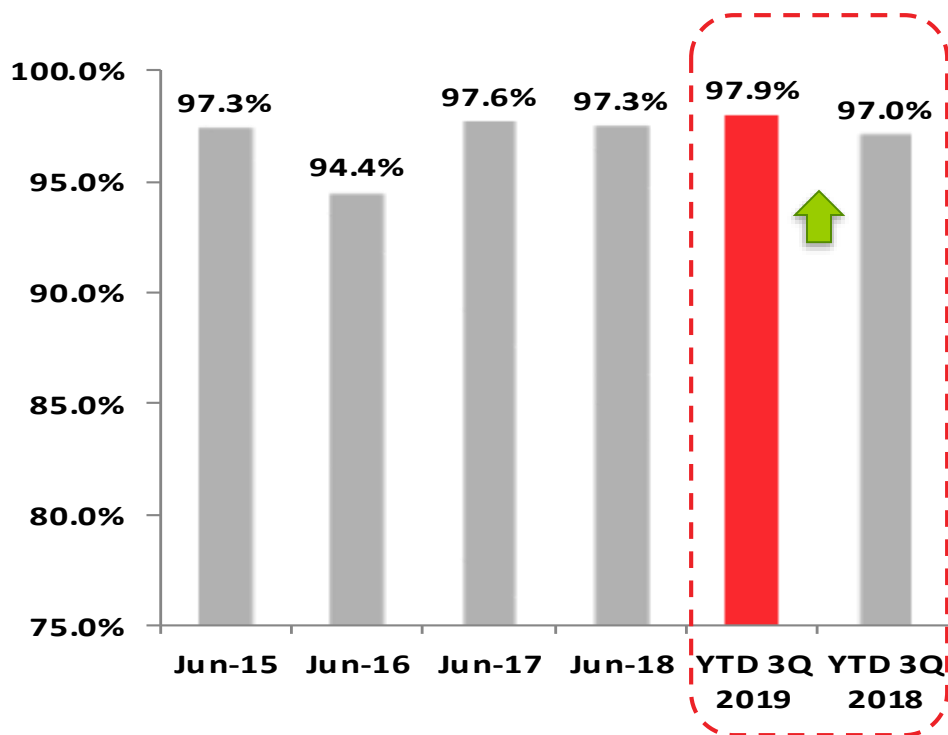


Sunway Pyramid Shopping Mall registered higher gross revenue by RM3.9 million or 4.8% for 3Q2019 mainly due to higher average gross rent per sq. ft., attributed to better turnover rent in the current quarter from Chinese New Year period. Sunway Pyramid also experienced an increased in gross revenue by RM9.2 million or 3.9% for YTD 3Q2019 contributed by better turnover rent.

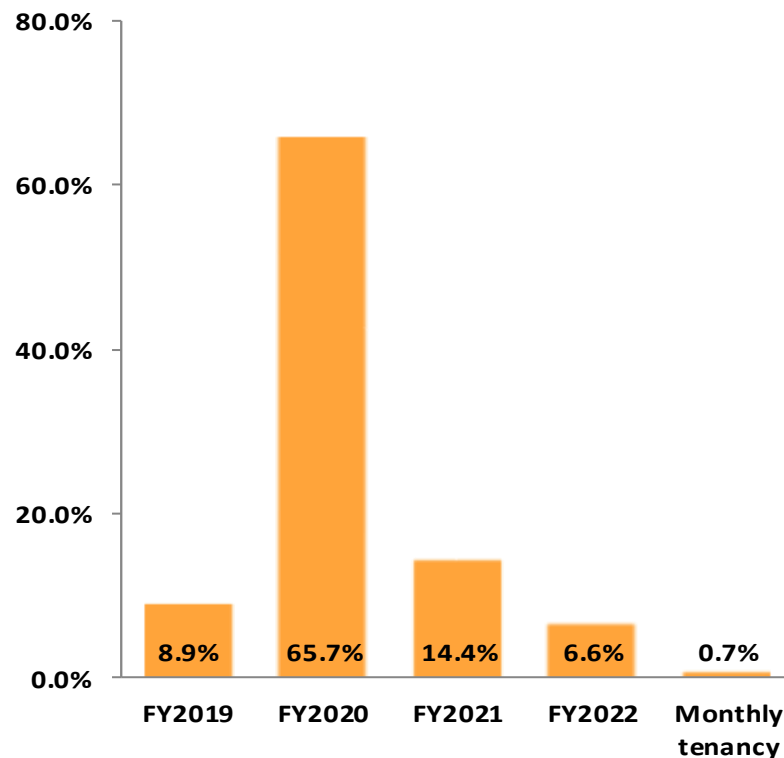
The average occupancy rate at Sunway Pyramid Shopping Mall was stable at 98.5% for YTD 3Q2019. (YTD 3Q2018: 99.1%). Based on the total net lettable area (NLA) of 382,646 sq.ft. which was due for renewal in FY2019, a total of 230,731 sq.ft. equivalent to 60.3% of total space due for renewal, was renewed or replaced at a single-digit rental reversion rate.

RETAIL PROPERTIES - Sunway Carnival Mall

Average occupancy rate



Projected lease expiry schedule

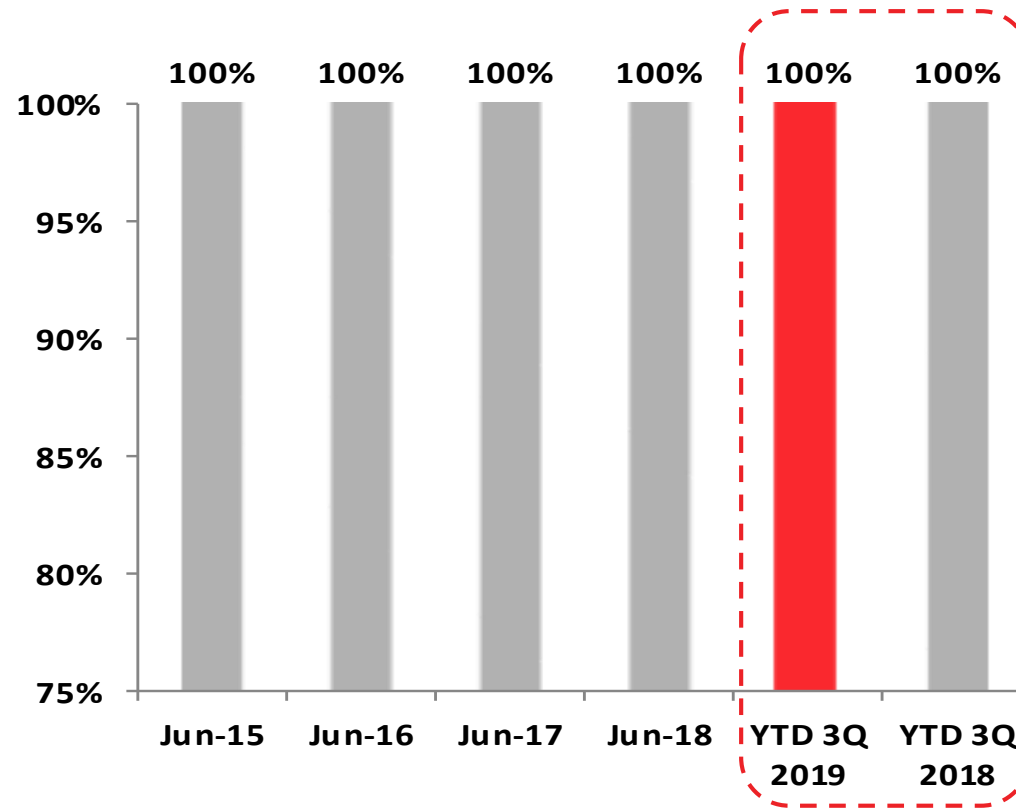


Gross revenue for Sunway Carnival Shopping Mall was higher by RM0.2 million due to better occupancy.

The average occupancy rate at Sunway Carnival Shopping Mall improved to 97.9% for YTD 3Q2019 compared to the preceding quarter. Based on the total NLA of 126,558 sq.ft. which was due for renewal in FY2019, a total of 77,042 sq.ft. equivalent to 60.9% of total space due for renewal, was renewed or replaced at a low double-digit rental reversion rate.

RETAIL PROPERTIES - SunCity Ipoh Hypermarket

Average occupancy rate

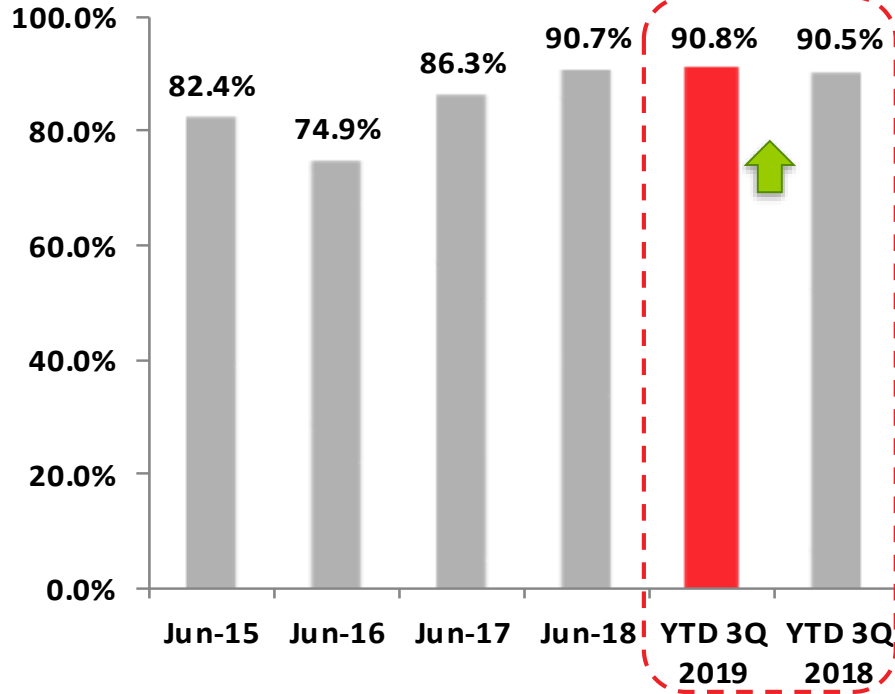


SunCity Ipoh Hypermarket is leased to a single tenant, a major hypermarket and retailer chain operating under the “Giant” brand.

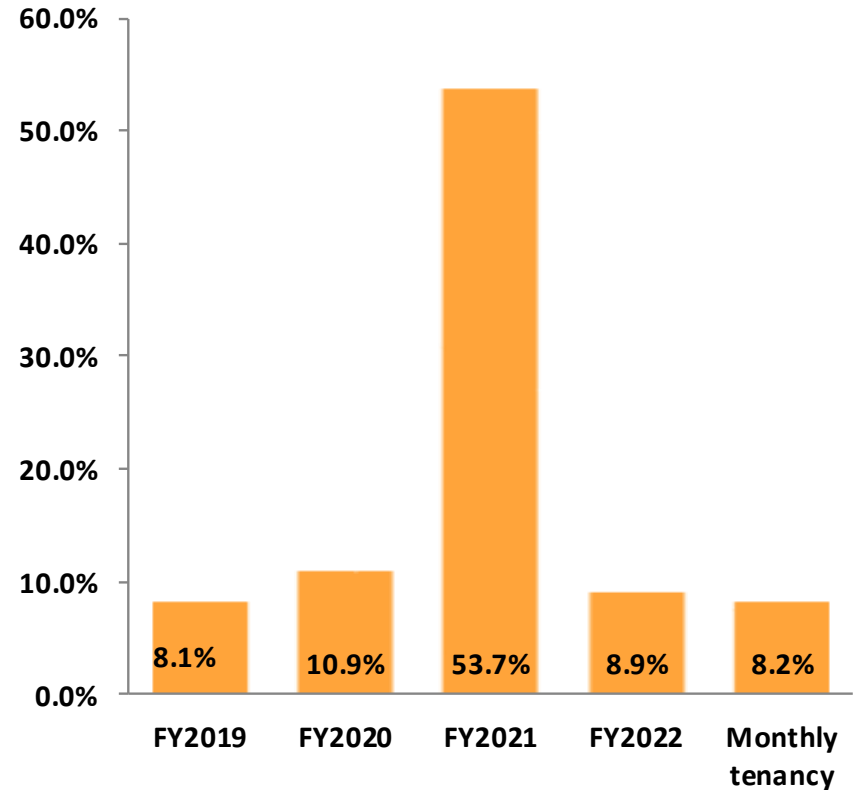
The next renewal for the tenancy is in April 2020.

RETAIL PROPERTIES - Sunway Putra Mall

Average occupancy rate



Projected lease expiry schedule

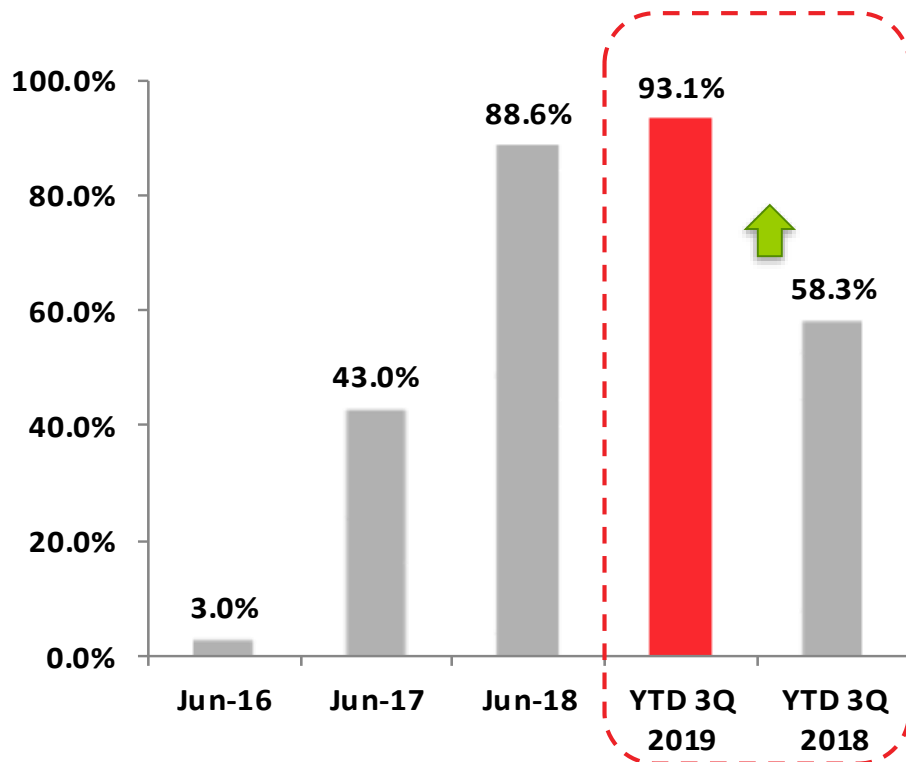


Average occupancy rate for YTD 3Q2019 was marginally higher compared to YTD 3Q2018 with the commencement of new tenants and to achieve such pace, attractive rental package was offered.

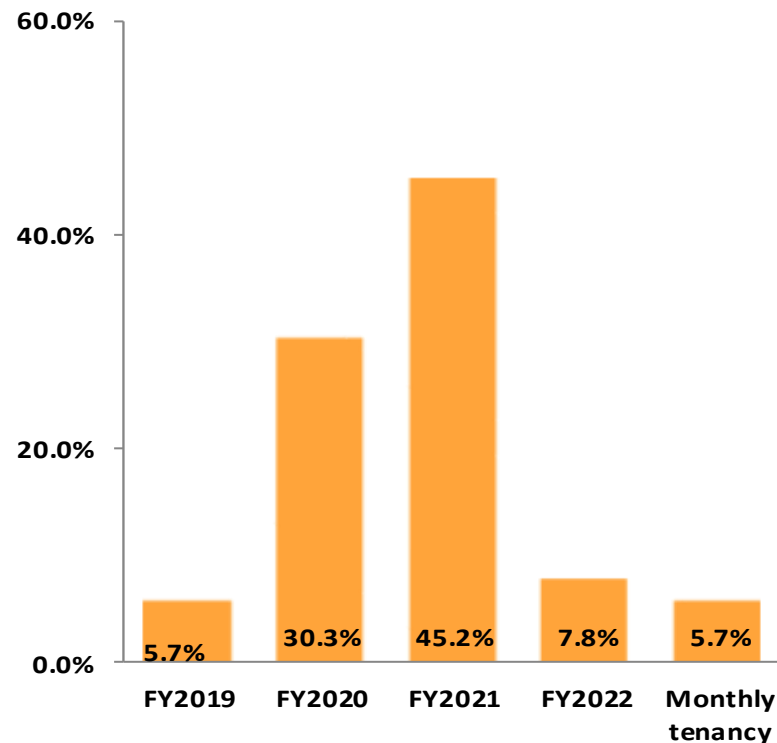
The average occupancy rate at Sunway Putra Mall was largely unchanged at 90.8% for YTD 3Q2019. Based on the total NLA of 174,793 sq.ft. which was due for renewal in FY2019, a total of 117,793 sq.ft. equivalent to 73.3% of total space due for renewal, was renewed or replaced with attractive rental package as a strategy to maintain high occupancy rate.

RETAIL PROPERTIES - Sunway Clio Retail

Average occupancy rate



Projected lease expiry schedule

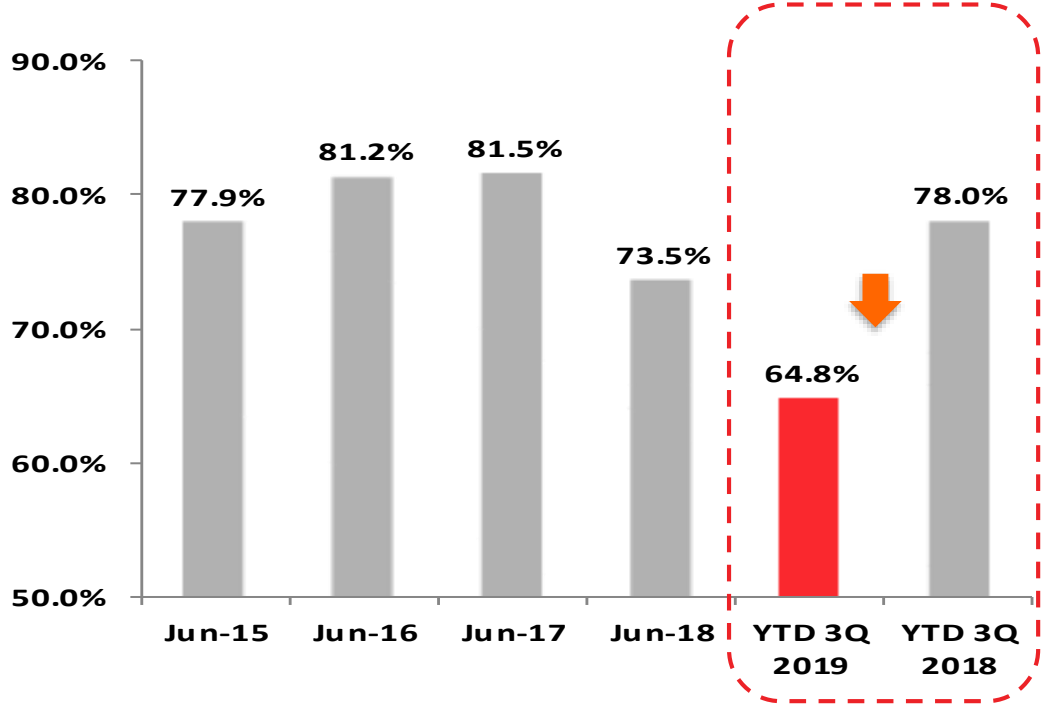


Note : The acquisition was completed on 9 February 2018.

The average occupancy rate for Sunway Clio Retail improved to 93.1% for YTD 3Q2019, on the back of commencement of new tenants. There was no renewal recorded during the period under review.

HOSPITALITY PROPERTIES - Sunway Resort Hotel & Spa

Average occupancy rate



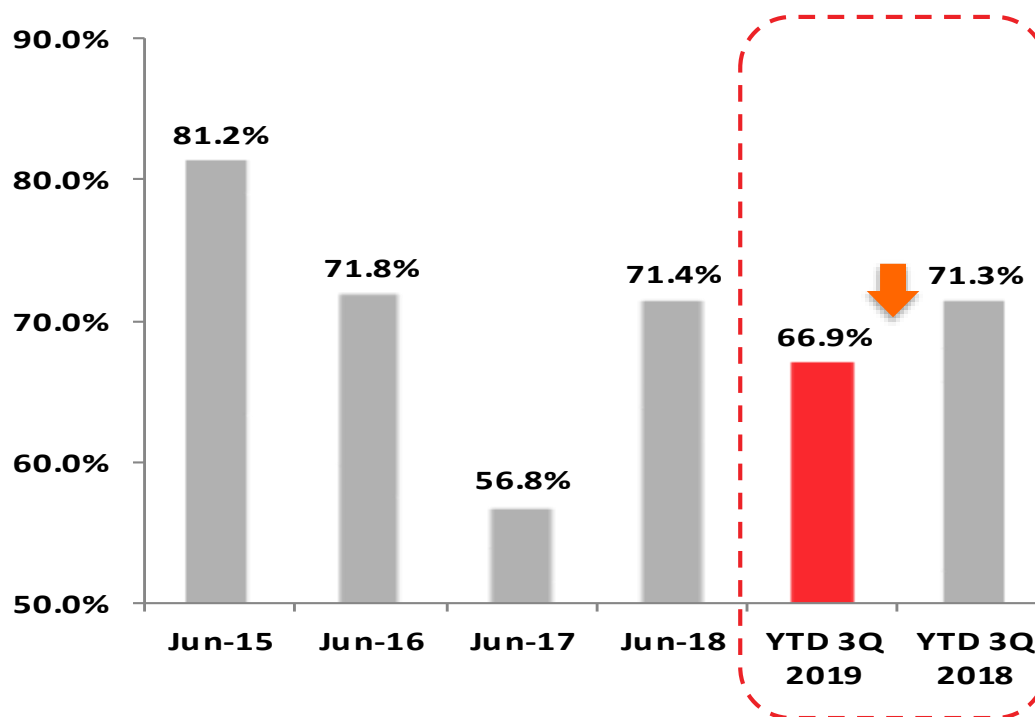
Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Resort Hotel & Spa is expiring in July 2020.

The cluster hotels in Sunway City, consisting of Sunway Resort Hotel & Spa, Sunway Pyramid Hotel and Sunway Clio Hotel, recorded a combined average occupancy rate of 66% for YTD 3Q2019.

The average occupancy rate for Sunway Resort Hotel & Spa was affected by the overall soft market condition and refurbishment of the Grand Ballroom and meeting rooms which was completed in mid November 2018. In addition, all segments came in lower than previous year performance due to decline in Middle East market. The performance was further aggravated by higher room preventive maintenance cost in which the exercise was completed in December 2018.

HOSPITALITY PROPERTIES - Sunway Pyramid Hotel

Average occupancy rate

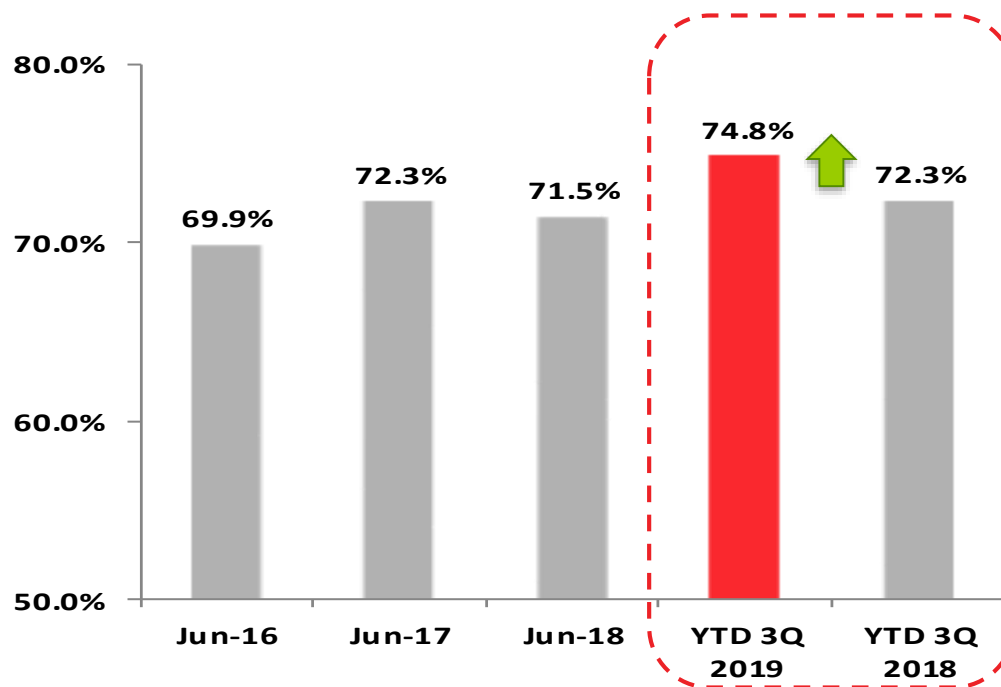


Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Pyramid Hotel is expiring in July 2020.

The average occupancy rate for Sunway Pyramid Hotel stood at 66.9% for YTD 3Q2019 (YTD 3Q2018: 71.3%) due to the reason mentioned above.

HOSPITALITY PROPERTIES - Sunway Clio Hotel

Average occupancy rate

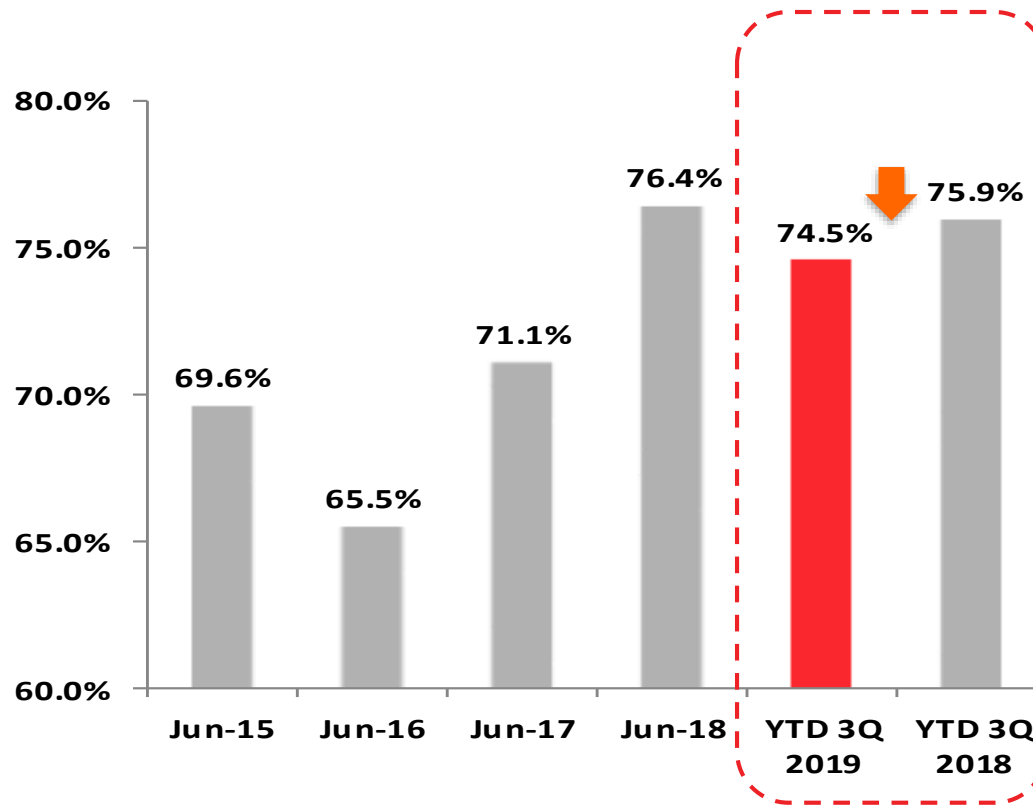


Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Clio Hotel is expiring in February 2028.

The average occupancy rate for Sunway Clio Hotel stood at 74.8% for YTD 3Q2019 (YTD 3Q2018: 72.3%) following the addition of airline crew groups, which provide a base business for the hotel.

HOSPITALITY PROPERTIES –Sunway Hotel Seberang Jaya

Average occupancy rate

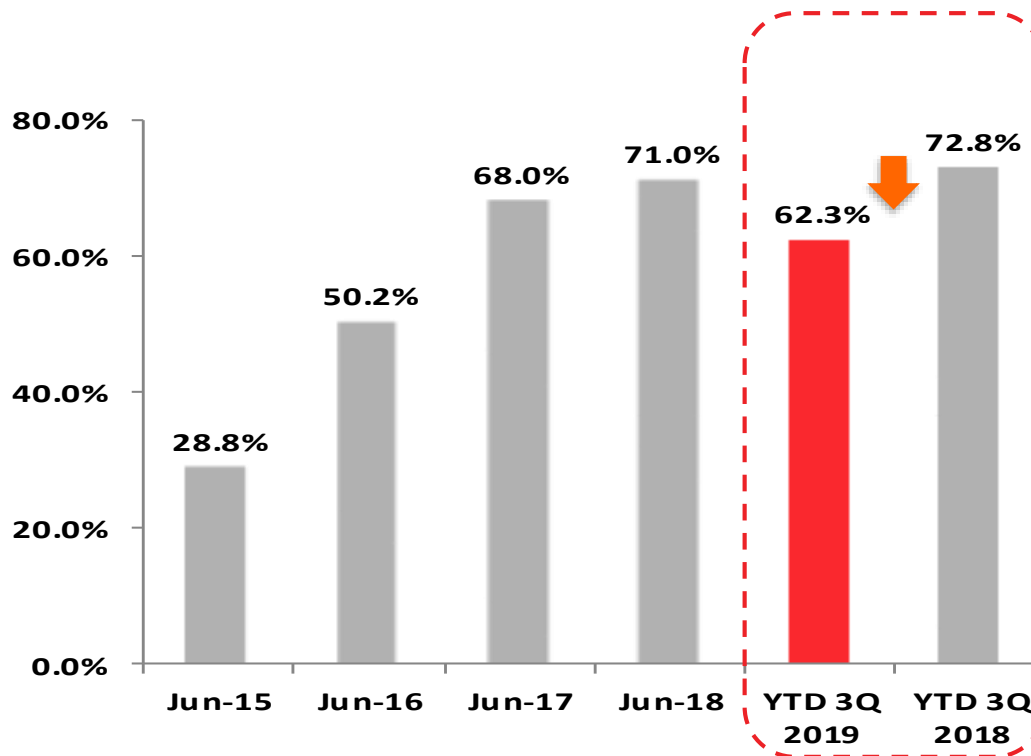


Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Hotel Seberang Jaya is expiring in July 2020.

The average occupancy rate at Sunway Hotel Seberang Jaya stood at 74.5% for YTD 3Q2019 (YTD 3Q2018: 75.9%), mainly attributable to lower corporate segment.

HOSPITALITY PROPERTIES - Sunway Putra Hotel

Average occupancy rate

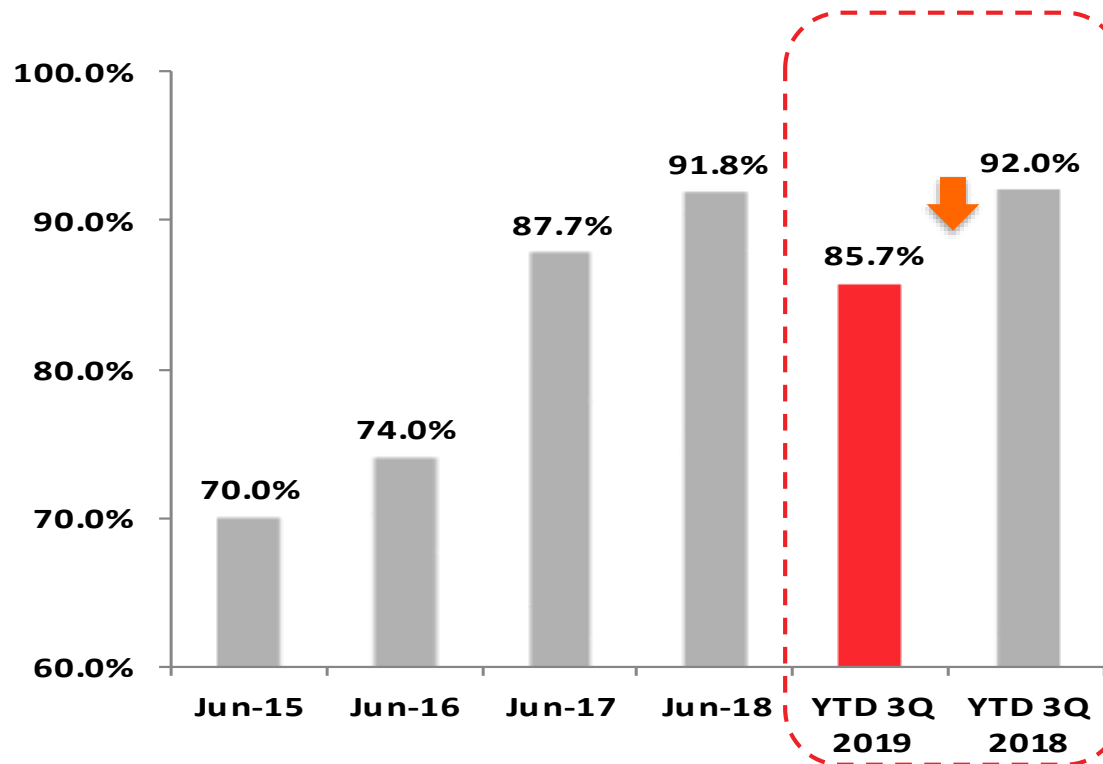


Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Putra Hotel is expiring in September 2021.

The average occupancy rate at Sunway Putra Hotel stood at 62.3% for YTD 3Q2019 (YTD 3Q2018: 72.8%), mainly due to softer leisure and corporate segments. In addition, the performance in the preceding year 1Q have enjoyed an one-off business from the SEA Games and PARA Game.

HOSPITALITY PROPERTIES – Sunway Hotel Georgetown

Average occupancy rate

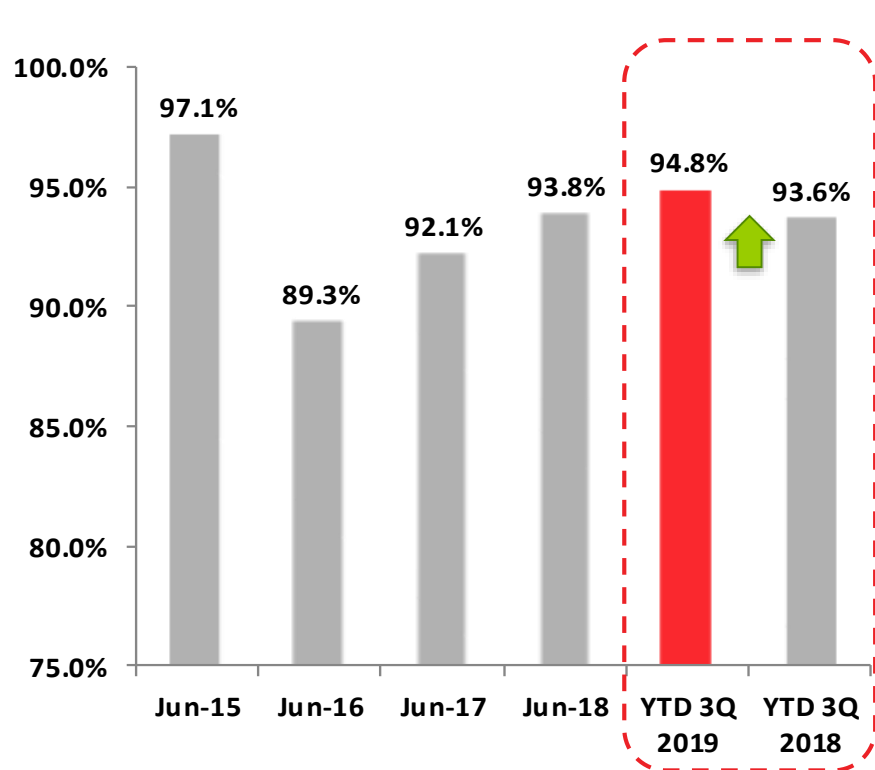


Note 1: The hotel properties are under 10-year master leases. The master lease of Sunway Hotel Georgetown is expiring in January 2025.

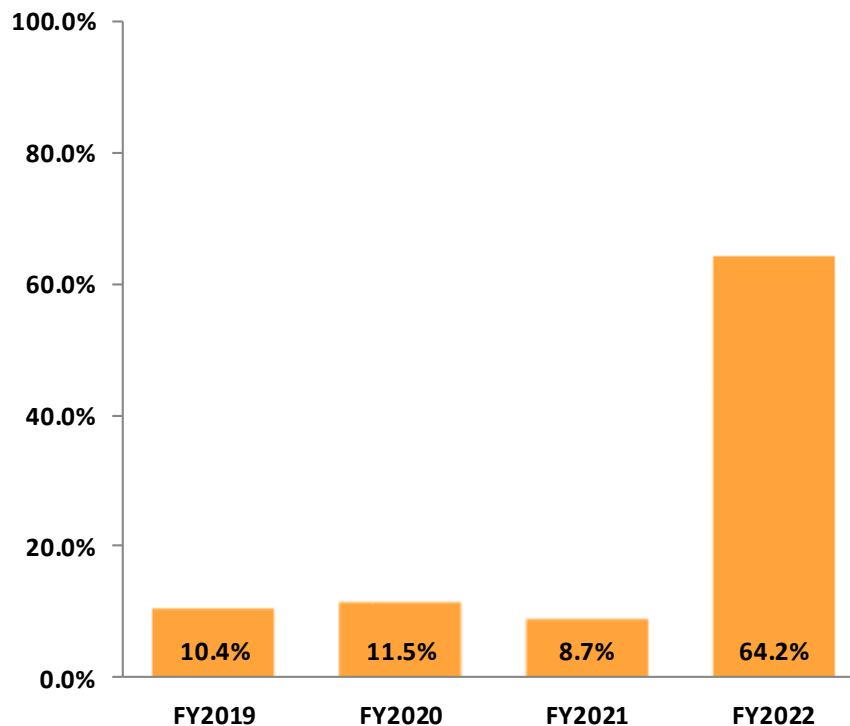
The average occupancy rate at Sunway Hotel Georgetown stood at 85.7% for YTD 3Q2019 (YTD 3Q2018: 92.0%) due to lower demand in leisure market particularly from China market.

OFFICE PROPERTIES - Menara Sunway

Average occupancy rate



Projected lease expiry schedule

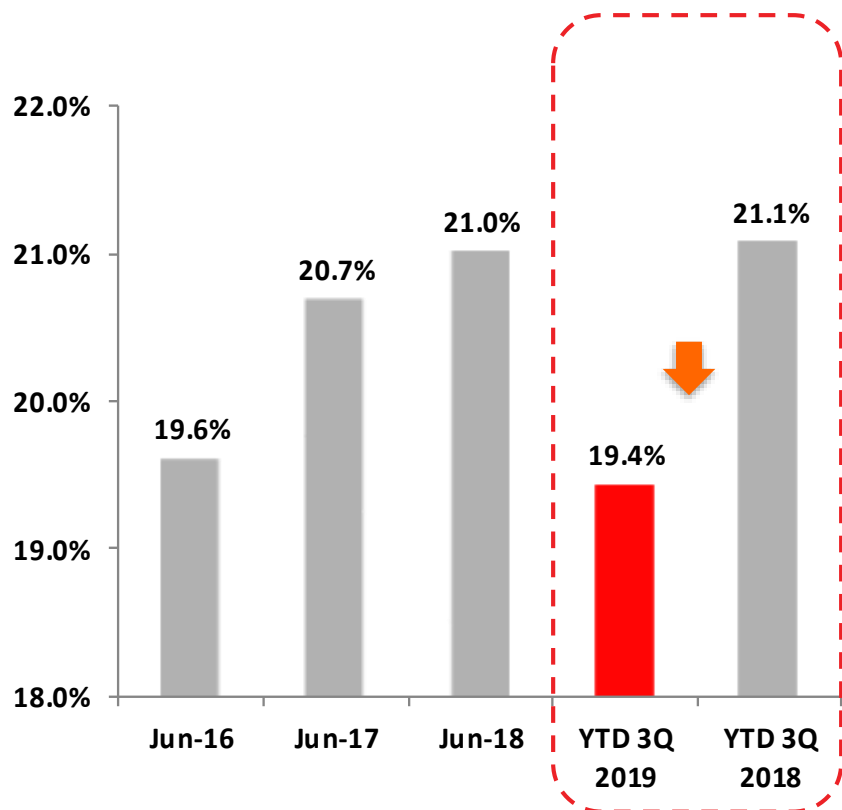


The average occupancy rate at Menara Sunway was maintained at 94.8% for YTD 3Q2019 compared to the preceding quarter. Based on the total NLA of 223,847 sq.ft. which was due for renewal in FY2019, a total of 193,371 sq.ft. equivalent to 86.4% of total space due for renewal, was renewed or replaced with a single-digit reversion.

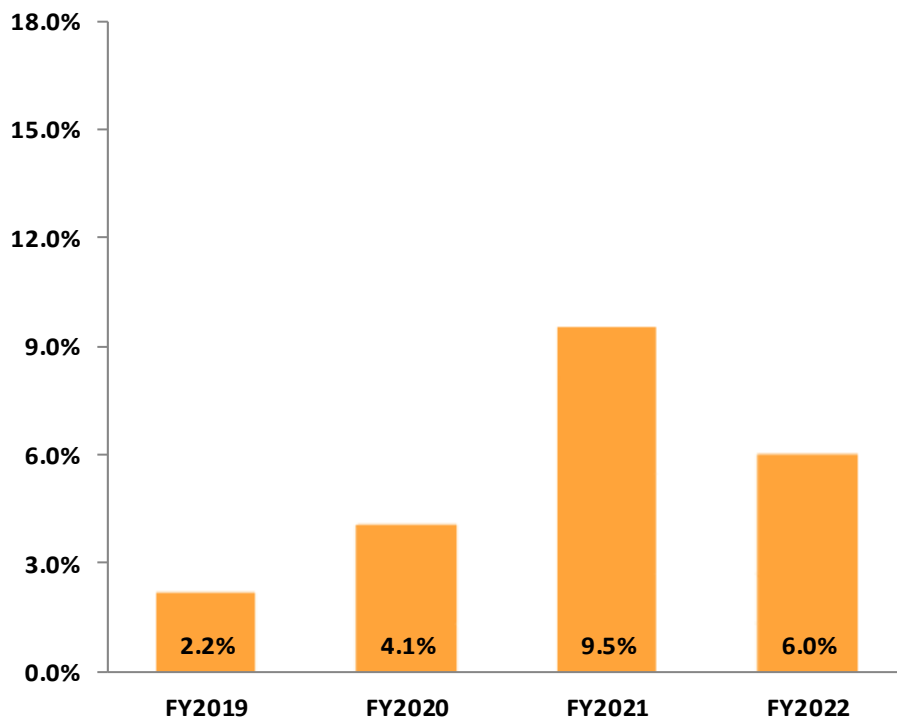
On a y-o-y basis, the average occupancy rate for YTD 3Q2019 was marginally higher compared to YTD 3Q2018 with the commencement of new tenants.

OFFICE PROPERTIES - Sunway Tower

Average occupancy rate



Projected lease expiry schedule

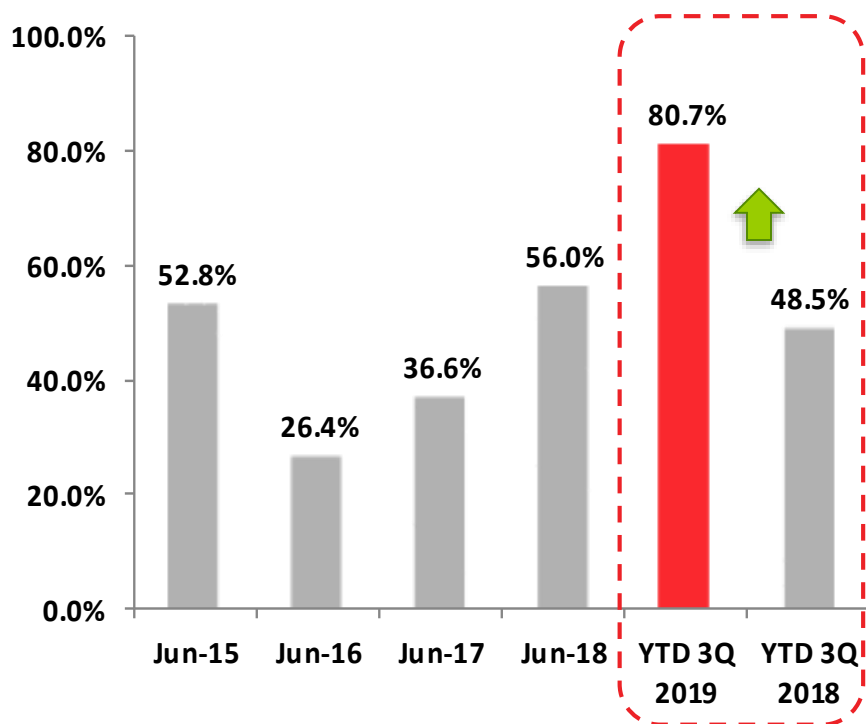


The average occupancy rate for Sunway Tower stood at 19.4% for YTD 3Q2019 (YTD 3Q2018: 21.1%) due to new vacancy effective August 2018. Based on the total NLA of 32,711 sq.ft. which was due for renewal in FY2019, a total of 12,242 sq.ft. equivalent to 37.4% of total space due for renewal, was renewed or replaced.

The Manager will be embarking on a partial redevelopment of the office tower encompassing co-working space.

OFFICE PROPERTIES - Sunway Putra Tower

Average occupancy rate



Projected lease expiry schedule

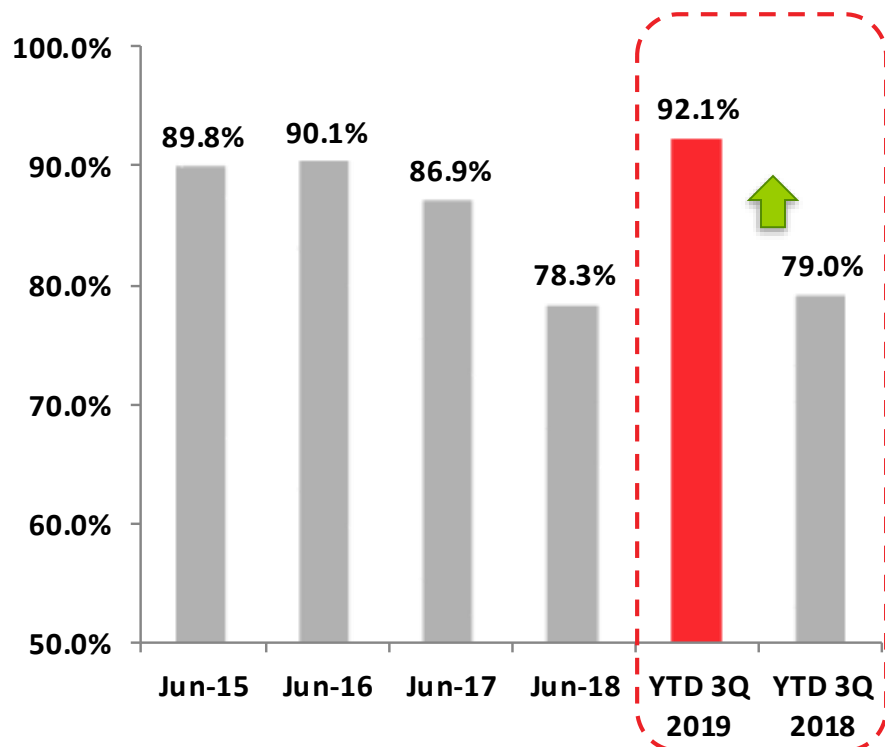


The average occupancy for Sunway Putra Tower improved to 80.7% for YTD 3Q2019 (YTD 3Q2018: 48.5%) following commencement of new tenants. Based on the total NLA of 57,563 sq.ft. which was due for renewal in FY2019, a total of 6,130 sq.ft. equivalent to 10.6% of total space due for renewal, was renewed or replaced at a single-digit reversionary rate. The occupancy rate as at March 2019 was 85.6%.

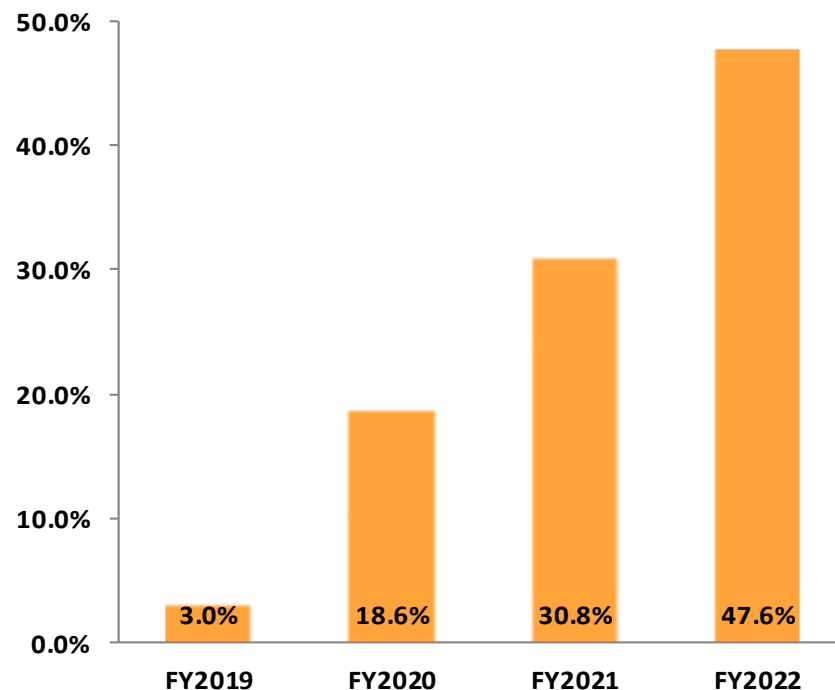
The higher average occupancy rate for YTD 3Q2019 compared to YTD 3Q2018 due to the commencement of new tenants.

OFFICE PROPERTIES - Wisma Sunway

Average occupancy rate



Projected lease expiry schedule



The average occupancy rate at Wisma Sunway improved to 92.1% for YTD 3Q2019 (YTD 3Q2018 : 79.0%) following an expansion of existing tenant. The occupancy rate as at March 2019 was at 100%. Based on the total NLA of 46,226 sq.ft. which was due for renewal in FY2019, a total of 41,035 sq.ft. equivalent to 88.8% of total space due for renewal, was renewed or replaced at the same rate.