

SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Third Quarter ended			Cumulative Quarter ended		
	31.03.2018	31.03.2017	Change	31.03.2018	31.03.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Rental income	138,871	131,350	5.7%	414,599	380,364	9.0%
Other operating income	2,644	3,223	-18.0%	9,555	9,968	-4.1%
Gross revenue	141,515	134,573	5.2%	424,154	390,332	8.7%
Quit rent, assessment and insurance	(2,654)	(3,429)	-22.6%	(10,156)	(10,250)	-0.9%
Other property operating expenses	(33,558)	(30,963)	8.4%	(94,342)	(89,781)	5.1%
Property operating expenses	(36,212)	(34,392)	5.3%	(104,498)	(100,031)	4.5%
Net property income	105,303	100,181	5.1%	319,656	290,301	10.1%
Interest income	1,672	824	102.9%	4,398	2,323	89.3%
Other income	500	454	10.1%	1,969	5,067	-61.1%
Net investment income	107,475	101,459	5.9%	326,023	297,691	9.5%
Manager's fee	(8,548)	(7,938)	7.7%	(25,826)	(23,588)	9.5%
Trustee's fee	(353)	(342)	3.2%	(995)	(957)	4.0%
Other trust expenses	(826)	(316)	161.4%	(1,983)	(1,164)	70.4%
Finance costs	(27,396)	(22,507)	21.7%	(76,641)	(66,340)	15.5%
	(37,123)	(31,103)	19.4%	(105,445)	(92,049)	14.6%
Profit before tax	70,352	70,356	0.0%	220,578	205,642	7.3%
Income tax expense	-	-	-	-	-	-
Profit for the period	70,352	70,356	0.0%	220,578	205,642	7.3%
Profit for the period comprise the following:						
Realised	69,852	69,906	-0.1%	218,633	203,768	7.3%
Unrealised	500	450	11.1%	1,945	1,874	3.8%
	70,352	70,356	0.0%	220,578	205,642	7.3%
Earnings per unit (sen)						
- realised	2.37	2.37	0.0%	7.41	6.92	7.1%
- unrealised	0.01	0.01	0.0%	0.06	0.06	0.0%
	2.38	2.38	0.0%	7.47	6.98	7.0%
Proposed/declared distribution per unit (sen)	2.37	2.37	0.0%	7.42	6.92	7.2%

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Third Quarter ended			Cumulative Quarter ended		
	31.03.2018	31.03.2017	Change	31.03.2018	31.03.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the period	70,352	70,356	0.0%	220,578	205,642	7.3%
Other comprehensive income						
Cash flow hedge - fair value of derivative ¹	(22,207)	(5,825)	281.2%	(47,179)	39,019	-220.9%
Cash flow hedge reserve recycled to profit or loss ²	21,500	6,300	241.3%	46,150	(39,150)	217.9%
Total comprehensive income for the period	69,645	70,831	-1.7%	219,549	205,511	6.8%

¹ Please refer to Note B15b) for details.

² Please refer to Note A16 for details.

STATEMENT OF INCOME DISTRIBUTION

	Third Quarter ended			Cumulative Quarter ended		
	31.03.2018	31.03.2017	Change	31.03.2018	31.03.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Rental income	138,871	131,350	5.7%	414,599	380,364	9.0%
Interest income	1,672	824	102.9%	4,398	2,323	89.3%
Other income *	2,644	3,227	-18.1%	9,579	13,161	-27.2%
	143,187	135,401	5.8%	428,576	395,848	8.3%
Less: Expenses	(73,335)	(65,495)	12.0%	(209,943)	(192,080)	9.3%
Realised income for the period	69,852	69,906	-0.1%	218,633	203,768	7.3%
Previous year's undistributed realised income	501	374	34.0%	447	513	-12.9%
Total realised income available for distribution	70,353	70,280	0.1%	219,080	204,281	7.2%
Less: Proposed/declared income distribution	(69,798)	(69,798)	0.0%	(218,525)	(203,799)	7.2%
Balance undistributed realised income	555	482	15.1%	555	482	15.1%
Distribution per unit (sen)	2.37	2.37	0.0%	7.42	6.92	7.2%

* Included in other income above is other operating income

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT	IMMEDIATE	Change
	QUARTER	PRECEDING	
	31.03.2018	31.12.2017	
	RM'000	RM'000	%
Rental income	138,871	138,024	0.6%
Other operating income	2,644	3,446	-23.3%
Gross revenue	141,515	141,470	0.0%
Quit rent, assessment and insurance	(2,654)	(3,779)	-29.8%
Other property operating expenses	(33,558)	(34,324)	-2.2%
Property operating expenses	(36,212)	(38,103)	-5.0%
Net property income	105,303	103,367	1.9%
Interest income	1,672	1,591	5.1%
Other income	500	978	-48.9%
Net investment income	107,475	105,936	1.5%
Manager's fee	(8,548)	(8,634)	-1.0%
Trustee's fee	(353)	(321)	10.0%
Other trust expenses	(826)	(892)	-7.4%
Finance costs	(27,396)	(25,092)	9.2%
	(37,123)	(34,939)	6.3%
Profit before tax	70,352	70,997	-0.9%
Income tax expense	-	-	-
Profit for the period	70,352	70,997	-0.9%
Profit for the period comprise the following:			
Realised	69,852	70,045	-0.3%
Unrealised	500	952	-47.5%
	70,352	70,997	-0.9%
Earnings per unit (sen)			
- realised	2.37	2.37	0.0%
- unrealised	0.01	0.03	-66.7%
	2.38	2.40	-0.8%
Proposed/declared distribution per unit (sen)	2.37	2.38	-0.4%

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	Change
	31.03.2018	31.12.2017	
	RM'000	RM'000	%
Profit for the period	70,352	70,997	-0.9%
Other comprehensive income			
Cash flow hedge - fair value of derivative	(22,207)	(17,310)	28.3%
Cash flow hedge reserve recycled to profit or loss	21,500	17,450	23.2%
Total comprehensive income for the period	69,645	71,137	-2.1%

STATEMENT OF INCOME DISTRIBUTION

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	Change
	31.03.2018	31.12.2017	
	RM'000	RM'000	%
Rental income	138,871	138,024	0.6%
Interest income	1,672	1,591	5.1%
Other income *	2,644	3,472	-23.8%
	143,187	143,087	0.1%
Less: Expenses	(73,335)	(73,042)	0.4%
Realised income for the period	69,852	70,045	-0.3%
Previous year's undistributed realised income	501	549	-8.7%
Total realised income available for distribution	70,353	70,594	-0.3%
Less: Proposed/declared income distribution	(69,798)	(70,093)	-0.4%
Balance undistributed realised income	555	501	10.8%
Distribution per unit (sen)	2.37	2.38	-0.4%

* Included in other income above is other operating income

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31.03.2018 (Unaudited)	As At 30.06.2017 (Unaudited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment properties	7,142,828	6,689,200
Plant and equipment	9,718	9,063
	<u>7,152,546</u>	<u>6,698,263</u>
Current assets		
Trade receivables	23,909	16,821
Other receivables	5,986	16,153
Derivatives	-	8,112
Cash and bank balances	99,657	100,544
	<u>129,552</u>	<u>141,630</u>
	<u>7,282,098</u>	<u>6,839,893</u>
FINANCED BY:		
Unitholders' funds		
Unitholders' capital	2,727,829	2,727,829
Undistributed income	1,487,860	1,483,891
Total Unitholders' funds	<u>4,215,689</u>	<u>4,211,720</u>
Non-current liabilities		
Borrowings	300,000	-
Long term liabilities	68,808	65,724
Deferred tax liability	5,896	5,896
Derivatives	-	529
	<u>374,704</u>	<u>72,149</u>
Current liabilities		
Borrowings	2,486,300	2,343,759
Trade payables	1,102	3,366
Other payables	197,275	207,422
Derivatives	7,028	1,477
	<u>2,691,705</u>	<u>2,556,024</u>
	<u>7,282,098</u>	<u>6,839,893</u>
Number of units in circulation ('000 units)	2,945,078	2,945,078
NET ASSET VALUE ("NAV")		
- Before income distribution	4,215,689	4,211,720
- After income distribution	4,145,891	4,144,867
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution ¹	1.4314	1.4301
- After income distribution ²	1.4077	1.4074

¹ Before the 3Q2018 proposed income distribution of 2.37 sen per unit (4Q2017: 2.27 sen per unit).

² After the 3Q2018 proposed income distribution of 2.37 sen per unit (4Q2017: 2.27 sen per unit).

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital	<-- Undistributed Income -->		Total Unitholders' Funds
	RM'000	Realised RM'000	Unrealised RM'000	RM'000
As at 1 July 2017	2,727,829	(312)	1,484,203	4,211,720
Total comprehensive income				
Profit for the period	-	218,633	1,945	220,578
Other comprehensive income				
- Cash flow hedge - fair value of derivative	-	-	(47,179)	(47,179)
- Cash flow hedge reserve recycled to profit or loss	-	-	46,150	46,150
Total comprehensive income, representing the increase in net assets resulting from operations	2,727,829	218,321	1,485,119	4,431,269
Unitholders' transactions				
Distribution to unitholders				
- Income distribution declared and paid in current period	-	(148,727)	-	(148,727)
- Income distribution proposed in prior year but paid in current period	-	(66,853)	-	(66,853)
Increase/(decrease) in net assets resulting from unitholders' transactions	-	(215,580)	-	(215,580)
As at 31 March 2018 (Unaudited)	2,727,829	2,741	1,485,119	4,215,689

	Unitholders' Capital	<-- Undistributed Income -->		Total Unitholders' Funds
	RM'000	Realised RM'000	Unrealised RM'000	RM'000
As at 1 July 2016	2,725,933	(4,688)	1,329,985	4,051,230
Total comprehensive income				
Profit for the year	-	270,586	153,898	424,484
Other comprehensive income				
- Cash flow hedge - fair value of derivative	-	-	26,570	26,570
- Cash flow hedge reserve recycled to profit or loss	-	-	(26,250)	(26,250)
Total comprehensive income, representing the increase in net assets resulting from operations	2,725,933	265,898	1,484,203	4,476,034
Unitholders' transactions				
Creation of units ¹				
- Manager's fee paid in units	1,896	-	-	1,896
Distribution to unitholders				
- Income distribution declared and paid in current year	-	(203,799)	-	(203,799)
- Income distribution proposed in prior year but paid in current year	-	(62,411)	-	(62,411)
Increase/(decrease) in net assets resulting from unitholders' transactions	1,896	(266,210)	-	(264,314)
As at 30 June 2017 (Unaudited)	2,727,829	(312)	1,484,203	4,211,720

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

¹ Issue of new units comprise the following:

	30.06.2017	
	Units	Amount
	'000	RM'000
Issuance of new units pursuant to 25% Manager's fee paid in units:		
- at RM1.6348 per unit for the quarter ended 30 June 2016	1,160	1,896
Total Manager's fee paid in units	<u>1,160</u>	<u>1,896</u>

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
OPERATING ACTIVITIES		
Cash receipts from customers	466,430	443,210
Refundable security deposits from customers	1,099	1,256
Cash paid for operating expenses	(182,575)	(197,223)
Net cash generated from operating activities	<u>284,954</u>	<u>247,243</u>
INVESTING ACTIVITIES		
Acquisition of plant and equipment	(3,356)	(1,664)
Acquisition of investment property	(340,000)	(17,200)
Deposit for acquisition of investment property	-	(9,150)
Balance payment for acquisition of investment property	(82,350)	-
Subsequent expenditure of investment properties	(16,235)	(67,473)
Expenditure of investment property under construction	(8,719)	-
Incidental costs on acquisition of investment property	(5,190)	(265)
Interest received	4,575	2,299
Net cash used in investing activities	<u>(451,275)</u>	<u>(93,453)</u>
FINANCING ACTIVITIES		
Issuance of commercial papers	185,600	58,000
Issuance of unrated medium term notes	300,000	-
Drawdown of revolving loans	8,833,200	6,578,200
Repayment of commercial papers	(219,600)	(58,000)
Repayment of term loan	(422,000)	-
Repayment of revolving loans	(8,220,700)	(6,470,200)
Interest paid	(75,486)	(62,312)
Distribution paid	(215,580)	(196,412)
Net cash generated from/(used in) financing activities	<u>165,434</u>	<u>(150,724)</u>
Net (decrease)/increase in cash and bank balances	(887)	3,066
Cash and bank balances at beginning of year	100,544	69,719
Cash and bank balances at end of period	<u>99,657</u>	<u>72,785</u>
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	29,657	20,785
Deposits placed with licensed financial institutions	70,000	52,000
Cash and bank balances	<u>99,657</u>	<u>72,785</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134

A1. Corporate Information

Sunway Real Estate Investment Trust ("Sunway REIT" or "Fund") is a Malaysia-domiciled real estate investment trust constituted pursuant to the trust deed dated 20 May 2010 and the supplementary deed dated 10 June 2010 (collectively referred to as the "Deed") between Sunway REIT Management Sdn. Bhd. (the "Manager") and RHB Trustees Berhad (the "Trustee"). The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010.

The condensed consolidated interim financial statements comprise Sunway REIT and its subsidiaries (the "Group").

A2. Significant Accounting Policies and Basis of Preparation

The condensed consolidated interim financial statements of the Group for the financial period ended 31 March 2018 have been prepared in accordance with MFRS 134: *Interim Financial Reporting*, paragraph 9.44 of the Bursa Malaysia Securities Berhad Listing Requirements, the Deed and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("the REITs Guidelines"). These condensed consolidated interim financial statements also comply with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standards Board.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial statements.

The consolidated financial statements of the Group for the financial year ended 30 June 2017 which were prepared under MFRS are available upon request from the management company's registered office at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway 47500, Subang Jaya, Selangor Darul Ehsan.

A3. Audit Report of Preceding Financial Year

The auditors have expressed an unqualified opinion on Sunway REIT's financial statements for the financial year ended 30 June 2017.

A4. Changes in Estimates

This is not applicable as no estimates were previously reported.

A5. Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 March 2018.

A6. Issuance, Repurchases and Repayments of Debt and Equity Securities

There were no issuance, repurchases and repayments of debt and equity securities for the current quarter and cumulative quarter ended 31 March 2018.

A7. Changes in the Composition/Fund Size of the Trust

There was no change to Sunway REIT's fund size of 2,945.1 million for the current quarter and cumulative quarter ended 31 March 2018.

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

A8. Segmental Reporting

Segmental results for the quarter ended 31 March 2018 are as follows:

	Third Quarter ended 31.03.2018					Third Quarter ended 31.03.2017				
	Retail RM'000	Hotel RM'000	Office RM'000	Others RM'000	Total RM'000	Retail RM'000	Hotel RM'000	Office RM'000	Others RM'000	Total RM'000
BY BUSINESS SEGMENTS										
REVENUE AND EXPENSES										
Gross revenue	107,943	17,955	8,458	7,159	141,515	105,659	15,209	8,140	5,565	134,573
Net property income	77,027	16,677	4,440	7,159	105,303	75,855	14,227	4,534	5,565	100,181
Interest income					1,672					824
Other income					500					454
Trust and other expenses					(9,727)					(8,596)
Finance costs					(27,396)					(22,507)
Profit before tax					70,352					70,356
Income tax expense					-					-
Profit for the period					70,352					70,356

SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)

A8. Segmental Reporting (Cont'd)

By segment (Cont'd)

Cumulative Quarter

	Cumulative Quarter ended 31.03.2018					Cumulative Quarter ended 31.03.2017				
	Retail RM'000	Hotel RM'000	Office RM'000	Others RM'000	Total RM'000	Retail RM'000	Hotel RM'000	Office RM'000	Others RM'000	Total RM'000
BY BUSINESS SEGMENTS										
REVENUE AND EXPENSES										
Gross revenue	315,273	63,891	24,373	20,617	424,154	304,191	46,378	23,444	16,319	390,332
Net property income	226,263	60,697	12,079	20,617	319,656	218,166	43,550	12,266	16,319	290,301
Interest income					4,398					2,323
Other income					1,969					5,067
Trust and other expenses					(28,804)					(25,709)
Finance costs					(76,641)					(66,340)
Profit before tax					220,578					205,642
Income tax expense					-					-
Profit for the period					220,578					205,642

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

A8. Segmental Reporting (Cont'd)

Segmental assets and liabilities as at 31 March 2018 and 30 June 2017 are as follows:

	As at 31.03.2018					As at 30.06.2017				
	Retail RM'000	Hotel RM'000	Office RM'000	Others RM'000	Total RM'000	Retail RM'000	Hotel RM'000	Office RM'000	Others RM'000	Total RM'000
BY BUSINESS SEGMENTS										
ASSETS										
Segment assets	4,568,340	1,709,345	477,910	430,535	7,186,130	4,547,758	1,361,467	475,743	337,966	6,722,934
Unallocated assets					95,968					116,959
Total assets					<u>7,282,098</u>					<u>6,839,893</u>
LIABILITIES										
Segment liabilities	196,021	37,855	10,073	-	243,949	195,242	49,542	9,541	-	254,325
Unallocated liabilities					2,822,460					2,373,848
Total liabilities					<u>3,066,409</u>					<u>2,628,173</u>

A8. Segmental Reporting (Cont'd)
By property

Properties	Gross Revenue			Net Property Income			Gross Revenue			Net Property Income		
	Third Quarter			Third Quarter			Cumulative Quarter ended			Cumulative Quarter ended		
	31.03.2018	31.03.2017	Change	31.03.2018	31.03.2017	Change	31.03.2018	31.03.2017	Change	31.03.2018	31.03.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Retail												
Sunway Pyramid Shopping Mall	81,684	79,564	2.7%	61,526	60,269	2.1%	237,399	228,293	4.0%	180,299	172,131	4.7%
Sunway Carnival Shopping Mall	11,860	11,750	0.9%	7,476	7,671	-2.5%	35,332	34,320	2.9%	22,610	22,132	2.2%
SunCity Ipoh Hypermarket	1,100	1,250	-12.0%	1,017	1,166	-12.8%	3,286	3,751	-12.4%	3,058	3,526	-13.3%
Sunway Putra Mall	13,299	13,095	1.6%	7,008	6,749	3.8%	39,256	37,827	3.8%	20,296	20,377	-0.4%
	107,943	105,659	2.2%	77,027	75,855	1.5%	315,273	304,191	3.6%	226,263	218,166	3.7%
Hotel												
Sunway Resort Hotel & Spa	7,724	9,147	-15.6%	7,307	8,744	-16.4%	31,073	29,172	6.5%	29,845	27,986	6.6%
Sunway Pyramid Hotel	3,866	884	337.3%	3,744	761	392.0%	12,023	1,683	614.4%	11,679	1,341	770.9%
Sunway Hotel Seberang Jaya	678	768	-11.7%	630	717	-12.1%	2,157	2,505	-13.9%	2,014	2,350	-14.3%
Sunway Putra Hotel	2,250	3,337	-32.6%	1,895	2,983	-36.5%	12,290	9,515	29.2%	11,240	8,527	31.8%
Sunway Hotel Georgetown	1,283	1,073	19.6%	1,234	1,022	20.7%	4,194	3,503	19.7%	4,052	3,346	21.1%
Sunway Clio Property ¹	2,154	-	N/A	1,867	-	N/A	2,154	-	N/A	1,867	-	N/A
	17,955	15,209	18.1%	16,677	14,227	17.2%	63,891	46,378	37.8%	60,697	43,550	39.4%
Office												
Menara Sunway	4,180	4,196	-0.4%	2,654	3,021	-12.1%	12,549	12,284	2.2%	7,947	8,391	-5.3%
Sunway Tower	833	832	0.1%	273	99	175.8%	2,504	2,515	-0.4%	(209)	(409)	48.9%
Sunway Putra Tower	2,058	1,438	43.1%	807	410	96.8%	5,021	3,652	37.5%	2,056	1,282	60.4%
Wisma Sunway	1,387	1,674	-17.1%	706	1,004	-29.7%	4,299	4,993	-13.9%	2,285	3,002	-23.9%
	8,458	8,140	3.9%	4,440	4,534	-2.1%	24,373	23,444	4.0%	12,079	12,266	-1.5%
Others												
Sunway Medical Centre	5,760	5,565	3.5%	5,760	5,565	3.5%	16,890	16,319	3.5%	16,890	16,319	3.5%
Sunway REIT Industrial - Shah Alam ²	1,399	-	N/A	1,399	-	N/A	3,727	-	N/A	3,727	-	N/A
	7,159	5,565	28.6%	7,159	5,565	28.6%	20,617	16,319	26.3%	20,617	16,319	26.3%
TOTAL PORTFOLIO	141,515	134,573	5.2%	105,303	100,181	5.1%	424,154	390,332	8.7%	319,656	290,301	10.1%

¹ Acquired on 9 February 2018

² Acquired on 1 August 2017

N/A - Not applicable

**SUNWAY REAL ESTATE INVESTMENT TRUST
FOR THE THIRD QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

A8. Segmental Reporting (Cont'd)

The Group comprises the following major business segments:

- (i) Retail - renting of retail premises to tenants
- (ii) Hotel - leasing of hotel premises to hotel operators
- (iii) Office - renting of office premises to tenants
- (iv) Others - leasing of other types of premises on long term leases

There have been no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

a) Review of Current Quarter Results

Retail segment

The retail segment recorded a gross revenue of RM107.9 million for the current quarter ended 31 March 2018 (3Q2018), an increase of 2.2% or RM2.3 million compared to the preceding year corresponding quarter (3Q2017).

This was mainly contributed by higher average gross rent per sq. ft. achieved by Sunway Pyramid Shopping Mall coupled with lower rental rebates given by Sunway Putra Mall, but partially offset by SunCity Ipoh Hypermarket which registered a decline in revenue by RM0.2 million due to lower rental reversion upon renewal of the tenancy in 4Q2017.

Property operating expenses of the retail segment for 3Q2018 was RM30.9 million, an increase of 3.7% or RM1.1 million mainly attributable to higher maintenance expenses for Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall.

Net property income of the retail segment for 3Q2018 was RM77.0 million, higher by 1.5% or RM1.2 million compared to 3Q2017.

Hotel segment

The hotel segment recorded gross revenue of RM18.0 million for 3Q2018, an increase of 18.1% or RM2.7 million compared to 3Q2017. This was primarily attributable to Sunway Pyramid Hotel with higher gross revenue by RM3.0 million following the full completion of its refurbishment in June 2017 and new contribution from Sunway Clio Property of RM2.2 million with the completion of the acquisition on 9 February 2018, but partially offset by lower gross revenue from Sunway Resort Hotel & Spa and Sunway Putra Hotel.

Gross revenue for Sunway Resort Hotel & Spa was lower by RM1.4 million for 3Q2018 mainly due to lower average occupancy rate on the back of softer demand from the leisure segment but mitigated by higher food and beverage ("F&B") revenue (mainly from meetings and functions).

Sunway Putra Hotel registered a lower gross revenue of RM1.1 million in the current quarter. Included in the preceding year corresponding quarter was an adjustment for rental although average occupancy rate was marginally higher with an increase in average daily rate ("ADR") in 3Q2018.

Gross revenue for Sunway Hotel Seberang Jaya was marginally lower by RM0.1 million mainly due to lower F&B revenue with the cessation of operations upon termination of tenancy of the convention centre despite higher average occupancy rate and ADR.

Sunway Hotel Georgetown recorded a higher gross revenue of RM0.2 million for 3Q2018 attributable to both higher average occupancy rate and ADR due to continued strong leisure demand.

Net property income of the hotel segment for 3Q2018 was RM16.7 million, an increase of 17.2% or RM2.5 million, as compared to 3Q2017, in line with gross revenue.

Note 1: The hotel properties are under hotel master leases and hence, incurred minimum property operating expenses which comprise mainly quit rent, assessment and insurance. The gross revenue represents the hotel lease rental income.

Note 2: The gross revenue and net property income of Sunway Clio Property includes the contribution from the retail component in addition to the hotel lease rental income.

A8. Segmental Reporting (Cont'd)

a) Review of Current Quarter Results (Cont'd)

Office segment

The office segment registered gross revenue of RM8.5 million for 3Q2018, an increase of 3.9% or RM0.3 million compared to the preceding year corresponding quarter, largely contributed by Sunway Putra Tower but partially offset by Wisma Sunway.

Sunway Putra Tower reported higher gross revenue of RM0.6 million on the back of higher average occupancy as a new tenant occupying approximately 90,000 sq. ft. (28% of total NLA) has commenced in the current quarter.

The lower gross revenue for Wisma Sunway in 3Q2018 was mainly attributable to downsizing of a tenant in 4Q2017. However, the average occupancy is expected to improve by 4Q2018 with the expansion of an existing tenant.

Gross revenue for Menara Sunway and Sunway Tower were maintained at RM4.2 million and RM0.8 million respectively in the current quarter with marginally higher occupancy but offset by lower average rental rate.

Property operating expenses of the office segment for 3Q2018 was higher by 11.4% or RM0.4 million mainly due to higher maintenance expenses for Menara Sunway and Sunway Putra Tower but mitigated by vacancy allowance for assessment received by Sunway Tower and Sunway Putra Tower.

Net property income of the office segment in 3Q2018 was RM4.4 million, marginally lower by RM0.1 million compared to the preceding year corresponding quarter.

Others

Gross revenue for the others segment increased by 28.6% or RM1.6 million in 3Q2018 compared to the preceding year corresponding quarter mainly attributable to the new contribution from Sunway REIT Industrial - Shah Alam 1 of RM1.4 million (acquisition completed on 1 August 2017).

Sunway Medical Centre contributed RM5.8 million to revenue and net property income for 3Q2018, an increase of 3.5% compared to 3Q2017 due to rental reversion in accordance with the master lease agreement.

Note: The lease and rental structure of the above properties are available in Sunway REIT's Annual Report 2017.

Profit before tax

Interest income for 3Q2018 increased by RM0.8 million compared to the preceding year corresponding quarter mainly contributed by interest income from investment in money market instrument commencing from September 2017 amounting to RM0.4 million and higher interest income from financial institutions of RM0.4 million.

Other trust expenses for 3Q2018 increased by RM0.5 million compared to 3Q2017 mainly due to professional fees incurred for the acquisition of Sunway Clio Property.

Finance costs for 3Q2018 was RM27.4 million, higher by 21.7% or RM4.9 million compared to 3Q2017 due to a higher principal loan amount mainly to fund investing activities as described in Note B1c).

Net profit for 3Q2018 was RM70.4 million comprising realised profit of RM69.9 million and unrealised profit of RM0.5 million, which were similar to the performance for 3Q2017.

The realised profit was maintained at RM69.9 million in the current quarter mainly due to higher net property income and other income but offset by higher finance costs and other trust expenses.

The unrealised profit in 3Q2018 was also maintained compared to the preceding year corresponding quarter at RM0.5 million mainly attributable to fair value gain from interest rate swap.

A8. Segmental Reporting (Cont'd)

b) Review of Cumulative Quarter Results

Retail segment

The retail segment achieved gross revenue of RM315.3 million for the cumulative quarter ended 31 March 2018 (YTD 3Q2018), an increase of 3.6% or RM11.1 million compared to the preceding year corresponding cumulative quarter (YTD 3Q2017), contributed by all malls, except for SunCity Ipoh Hypermarket, for reasons as mentioned in Note A8a) above.

Property operating expenses of the retail segment for YTD 3Q2018 was RM89.0 million, an increase of 3.5% or RM3.0 million, primarily attributable to all malls with the exception of SunCity Ipoh Hypermarket. The increase was mainly due to lower vacancy allowance for assessment for Sunway Putra Mall, higher maintenance expenses and allowance for doubtful debts during the period (as compared to a reversal of allowance for doubtful debts for YTD 3Q2017).

Net property income of the retail segment for YTD 3Q2018 was RM226.3 million, higher by 3.7% or RM8.1 million compared to YTD 3Q2017.

Hotel segment

The hotel segment reported gross revenue of RM63.9 million for YTD 3Q2018, an increase of 37.8% or RM17.5 million compared to YTD 3Q2017 mainly due to higher contribution from all hotels and new contribution from Sunway Clio Property (acquisition completed on 9 February 2018), with the exception of Sunway Hotel Seberang Jaya due to the reason mentioned in Note A8a).

Sunway Resort Hotel & Spa registered higher gross revenue by RM1.9 million for YTD 3Q2018 contributed by higher F&B revenue (mainly from meetings and functions) but partially offset by both lower average occupancy rate and ADR. In addition to the reasons mentioned in Note A8a) for 3Q2018, 1Q2018 saw a softer pace of the Middle Eastern season and 2Q2018 was impacted by lower average occupancy rate due to softer demand from the leisure segment.

Gross revenue for Sunway Pyramid Hotel was higher by RM10.3 million following the full completion of its refurbishment in June 2017.

The higher gross revenue recorded for Sunway Putra Hotel by RM2.8 million was mainly attributable to both higher average occupancy rate and ADR with one-off contribution from the SEA Games and ASEAN PARA Games in 1Q2018, coupled with stronger corporate demand in 2Q2018.

Sunway Hotel Georgetown's gross revenue for the current period stood at RM4.2 million, higher by RM0.7 million or 19.7% compared to the preceding year corresponding cumulative quarter contributed by both higher average occupancy and ADR from the leisure segment.

Net property income of the hotel segment for YTD 3Q2018 was RM60.7 million, higher by 39.4% or RM17.1 million, in line with higher gross revenue.

Office segment

Gross revenue for the office segment was RM24.4 million for YTD 3Q2018, an increase of 4.0% or RM0.9 million compared to YTD 3Q2017 mainly contributed by Menara Sunway and Sunway Putra Tower with higher average occupancy rate but partially offset by Wisma Sunway as explained in Note A8a) above.

Property operating expenses of the office segment for YTD 3Q2018 was RM12.3 million, higher by 10.0% or RM1.1 million compared to YTD 3Q2017, mainly attributable to the reason as mentioned in Note A8a).

Correspondingly, net property income of the office segment for YTD 3Q2018 was RM12.1 million, marginally lower by 1.5% or RM0.2 million.

Others

Gross revenue for the others segment increased by 26.3% or RM4.3 million for YTD 3Q2018 compared to the preceding year corresponding cumulative quarter due to reasons mentioned in Note A8a).

A8. Segmental Reporting (Cont'd)**b) Review of Cumulative Quarter Results (Cont'd)**Profit before tax

Interest income for YTD 3Q2018 was higher by RM2.1 million compared to YTD 3Q2017 mainly due to the reasons mentioned in Note A8a).

Other income was higher by RM3.1 million in the preceding year corresponding period mainly attributable to the recognition of RM3.2 million court award for assessment for damages in relation to the litigation for Sunway Putra in 2Q2017.

Other trust expenses for YTD 3Q2018 was RM2.0 million, higher by RM0.8 million, mainly due to the reason mentioned in Note A8a).

Finance costs for YTD 3Q2018 was RM76.6 million, an increase of 15.5% or RM10.3 million compared to YTD 3Q2017 mainly due to the reason mentioned in Note A8a).

Net profit for YTD 3Q2018 was RM220.6 million (YTD 3Q2017: RM205.6 million) comprising realised profit of RM218.6 million (YTD 3Q2017: RM203.8 million) and unrealised profit of RM1.9 million (YTD 3Q2017: RM1.9 million).

Realised profit for YTD 3Q2018 was higher by 7.3% or RM14.9 million compared to YTD 3Q2017, mainly due to higher net property income but partially offset by higher finance costs.

The unrealised profit for YTD 3Q2018 was mainly attributable to fair value gain from interest rate swap, similar to YTD 3Q2017.

A9. Seasonality of Operations

The quarterly results were not materially affected by seasonal or cyclical factors except for the hotel segment, which will typically enjoy better performance from July to December due to higher leisure and business activities and year end corporate functions.

A10. Profit Before Tax

Included in the profit before tax are the following items:

	Third Quarter ended		Cumulative Quarter ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Interest Income	(1,672)	(824)	(4,398)	(2,323)
Net changes in fair value of long term liabilities	(16)	(16)	(51)	(78)
Unrealised foreign exchange (gain) / loss - hedged item	(21,500)	(6,300)	(46,150)	39,150
Cash flow hedge reserve recycled to profit or loss	21,500	6,300	46,150	(39,150)
Net changes in fair value of derivative financial instrument	(484)	(434)	(1,894)	(1,796)
Allowance / (Reversal) of impairment on trade trade receivables	245	429	1,255	(74)
Bad debts written off	-	-	-	154
Depreciation of plant and equipment	457	364	1,296	1,092
Gain on disposal of plant and equipment	(1)	-	(3)	-

A11. Income Tax Expense

Taxation of the REIT

The tax transparency system under Section 61A of the Malaysian Income Tax Act 1967, exempts the REIT from income tax in a year of assessment if the REIT distributes at least 90% of its total taxable income in the same year of assessment.

Since Sunway REIT shall be distributing 100% of its realised year-to-date income (which translates to more than 90% of its total taxable income), the REIT should not incur any tax expense for the financial year ending 30 June 2018.

Taxation of the Unitholders

Pursuant to Section 109D(2) of Income Tax Act, 1967, where 90% or more of the REIT's total taxable income is distributed by the REIT, distributions to unitholders (other than resident corporate investors) will be subject to tax based on a withholding tax mechanism at the following rates:

Unitholders	Withholding tax rate
Individuals & all other non-corporate investors such as institutional investors	10%
Non-resident corporate investors	24%

Resident corporate investors are required to report the distributions in their normal corporate tax return and subject to the prevailing corporate tax rate of 24%.

A12. Income Distribution

For the quarter ended 31 March 2018, the Manager proposed an interim income distribution of approximately 100% of the realised distributable income amounting to RM69.798 million or 2.37 sen per unit, comprising taxable and non-taxable/tax exempt amount of 1.78 sen per unit and 0.59 sen per unit respectively.

The book closure and payment dates in respect of the proposed interim income distribution will be fixed on 18 May 2018 and 5 June 2018 respectively.

A13. Investment properties

	As at 31.03.2018 RM'000	As at 30.06.2017 RM'000
Investment properties	7,116,687	6,689,200
Investment property under construction	26,141	-
	<u>7,142,828</u>	<u>6,689,200</u>

Investment property under construction relates to the property development activities for the expansion of Sunway Carnival Shopping Mall which includes the land cost of RM17.2 million reclassified from investment properties in the current period and the property development costs incurred to-date of RM8.9 million, with piling works expected to commence in 4Q2018.

A14. Valuation of Investment properties

Investment properties are valued by an independent registered valuer, C H Williams Talhar & Wong Sdn Bhd., with the exception of Sunway Clio Property which was valued by Knight Frank Malaysia Sdn Bhd. The difference between the valuation and the carrying amounts of the respective investment properties are charged or credited to the profit or loss for the period in which they arise. There was no valuation performed during the quarter under review.

A15. Trade receivables

	As at 31.03.2018 RM'000	As at 30.06.2017 RM'000
Third parties	18,862	13,334
Amount due from parties related to the Manager	7,675	4,972
	<u>26,537</u>	<u>18,306</u>
Less: Allowance for impairment	(2,628)	(1,485)
Total trade receivables	<u>23,909</u>	<u>16,821</u>

The amount due from third parties was higher by RM5.5 million as at the current period end mainly due to higher turnover rent receivable from the retail segment.

The increase in amount due from parties related to the Manager by RM2.7 million as at 31 March 2018 was mainly attributable to timing difference for the hotel lease rentals which were received after the end of the period.

The ageing analysis of Sunway REIT's trade receivables is as follows:

	As at 31.03.2018 RM'000	As at 30.06.2017 RM'000
Neither past due nor impaired	9,152	9,343
Past due but not impaired		
1 to 30 days	4,506	2,922
31 to 60 days	2,795	2,378
61 to 90 days	1,130	271
91 to 120 days	846	1,144
More than 120 days	5,480	763
	<u>14,757</u>	<u>7,478</u>
Impaired	2,628	1,485
	<u>26,537</u>	<u>18,306</u>

The trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	As at 31.03.2018 RM'000	As at 30.06.2017 RM'000
At beginning of financial year	1,485	3,942
Charge/(Reversal) for the period/year	1,255	(905)
Written off	(112)	(1,552)
At end of financial period/year	<u>2,628</u>	<u>1,485</u>

A16. Borrowings and Debt Securities

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
<u>Short term borrowings</u>		
Secured		
- Revolving loan (USD100 million)	386,300	-
- Term loan (USD100 million)	-	442,300
- Unrated medium term notes	1,000,000	600,000
	<u>1,386,300</u>	<u>1,042,300</u>
Unsecured		
- Revolving loan	1,100,000	880,400
Total short term borrowings	<u>2,486,300</u>	<u>1,922,700</u>
<u>Long term borrowings</u>		
Secured		
- Unrated medium term notes	300,000	400,000
Total long term borrowings	<u>300,000</u>	<u>400,000</u>
Total borrowings	<u>2,786,300</u>	<u>2,322,700</u>

A secured 1-year revolving loan of USD100 million (equivalent to RM392.9 million) was used to refinance the USD100 million term loan (equivalent to RM422.0 million) which expired on 5 February 2018, and is hedged with a 6-month cross currency swap contract to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuation.

The above USD100 million revolving loan was translated at an exchange rate of 3.8630 as at 31 March 2018 (31.03.2017 : USD100 million term loan at an exchange rate of 4.4230).

Hence, the cumulative unrealised foreign exchange gain arising from this translation amounted to RM6.6 million (31.03.2017: unrealised loss of RM20.3 million). The unrealised foreign exchange gain reflected in the statement of comprehensive income for 3Q2018 and YTD 3Q2018 were RM21.5 million (3Q2017: RM6.3 million) and RM46.2 million (YTD 3Q2017: unrealised loss of RM39.2 million) respectively.

Total borrowings stood at RM2.8 billion as at 31 March 2018, of which 89% is due within 1 year and disclosed as short-term. The increase in total borrowings by RM0.5 billion from RM2.3 billion as at 31 March 2017 was mainly for the purpose of funding investing activities.

The weighted average interest rate of borrowings as at 31 March 2018 was 3.95% (31.03.2017: 3.93%) and the percentage proportion of debt that is based on fixed interest rate and floating interest rate was 41:59 (31.03.2017 - 90:10).

A17. Fair Value Hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1

Quoted market prices in an active market for identical assets or liabilities.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

The following table provides the fair value hierarchy of the Group's assets and financial instruments:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 March 2018				
Financial assets				
Investment properties	-	-	7,142,828	7,142,828
Financial liability				
Derivatives	-	(7,028)	-	(7,028)
At 31 March 2017				
Financial assets				
Investment properties	-	-	6,514,392	6,514,392
Derivative	-	20,562	-	20,562
Financial liability				
Derivatives	-	(1,935)	-	(1,935)

No transfers between any levels of the fair value hierarchy took place during the current quarter and the preceding year corresponding quarter.

A18. Material Events

There were no material events since the end of the last annual reporting period, except for the following:

Acquisition of Sunway Clio Property

On 3 August 2017, RHB Investment Bank Berhad announced on behalf of the Board of Directors of Sunway REIT Management Sdn Bhd, the Manager for Sunway REIT ("SunREIT"), that RHB Trustees Berhad, as the trustee of SunREIT ("Trustee"), entered into a conditional sale and purchase agreement ("SPA") with Sunway Forum Hotel Sdn. Bhd. ("Vendor"), a wholly-owned subsidiary of Sunway Berhad, for the proposed acquisition of the Sunway Clio Property (as defined below) for a total purchase consideration of RM340 million to be entirely satisfied in cash ("Proposed Acquisition").

The Proposed Acquisition entails the acquisition of a parcel of leasehold land held under H.S. (D) 259881, Lot No. PT 1333, Bandar Sunway, District of Petaling, Selangor Darul Ehsan together with a 27-storey building with a lower ground floor (and all services infrastructure, fixtures and fittings affixed or located or used in the property) comprising:

- (i) a 19-storey 4-star rated hotel with 401 hotel rooms and facilities including a swimming pool, an exercise area, a dining area and meeting rooms known as Sunway Clio Hotel ("Hotel Property");
 - (ii) 3-storey (including 1 storey at lower ground floor) retail lots known as Sunway Pyramid West ("Retail Space"); and
 - (iii) a 6-storey podium car park ("Podium Car Park") and 4-storey basement car park (collectively, "Multi-storey Car Park"),
- (collectively, the "Sunway Clio Property").

The SPA and the completion of the Proposed Acquisition is conditional upon the following conditions precedent:

- (i) the approval of the unitholders of Sunway REIT at a unitholders' meeting to be convened for the Proposed Acquisition;
- (ii) the approval or consent of any other party which has entered into any subsisting arrangement, contract or undertaking with the Vendor in relation to the Sunway Clio Property, if required;
- (iii) the approval or consent of the financiers of the Vendor, if required;
- (iv) the approval of the State Authority for the transfer of the Sunway Clio Property; and
- (v) any other approvals of any authorities as may be deemed necessary by the Trustee and the Vendor.

Further to the above, the Proposed Acquisition was completed on 9 February 2018 in accordance with the SPA's terms and conditions fully satisfied and full payment of the purchase consideration.

A19. Material Events Subsequent to the end of the Current Quarter

There were no material events subsequent to the quarter ended 31 March 2018.

A20. Capital Commitments

The amount of commitments for investment properties not provided for in the unaudited condensed consolidated interim financial statements as at 31 March 2018 were as follows:

	As at 31.03.2018 RM'000
Approved and contracted for	297,845
Approved but not contracted for	149,885
	<u>447,730</u>

The capital commitment approved and contracted for mainly relates to the expansion of Sunway Carnival Shopping Mall with piling works expected to commence in 4Q FY2018.

The capital commitment approved but not contracted for mainly relates to future refurbishment of the existing Sunway Carnival Shopping Mall.

A21. Contingent Liabilities and Assets

There were no contingent liabilities or contingent assets as at 31 March 2018.

A22. Transactions with Parties Related to the Manager

The following table provides information on the transactions which have been entered into with parties related to the Manager during the period ended 31 March 2018 and 31 March 2017 as well as the balances with the parties related to the Manager as at 31 March 2018 and 30 June 2017:

	Third Quarter ended		Cumulative Quarter ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
<u>(Sales to)/purchases from parties related to the Manager</u>				
(a) Sunway Berhad Group				
- Sales	(34,828)	(31,471)	(116,226)	(96,383)
- Purchases	18,596	25,433	47,633	108,348
(b) Sunway Technology Sdn. Bhd. Group ("STSB Group")				
- Sales	(139)	(207)	(417)	(461)
<u>Other transactions with parties related to the Manager</u>				
(a) Sunway Berhad Group				
- Redemption of commercial paper	(85,000)	-	-	-
- Acquisition of investment property	306,000	-	340,000	-

Subscription to the 1-month commercial paper with nominal value of RM60 million and RM25 million announced on 13 and 29 December 2017 respectively, issued by Sunway Berhad, a substantial unitholder of SunREIT, was redeemed in the current quarter. The rationale for this Investment in money market instrument in the previous quarter was that it offered the most competitive discount rate in line with SunREIT's active capital management strategy.

The acquisition of investment property relates to the completed acquisition of Sunway Clio Property for RM340 million, as disclosed in Note A18, with a deposit of RM34 million paid in 1Q2018 (10% of the purchase consideration) and the balance purchase consideration of RM306 million paid in 3Q2018.

	As at 31.03.2018 RM'000	As at 30.06.2017 RM'000
<u>Amount owed by parties related to the Manager:</u>		
(a) Sunway Berhad Group	7,675	5,928
<u>Amount owed to parties related to the Manager:</u>		
(a) Sunway Berhad Group	21,117	25,942

Part B - Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad

B1. Review of Performance

a) Statement of Comprehensive Income

Explanatory comments are provided in Note A8.

b) Statement of Financial Position

Investment properties increased to RM7.1 billion as at 31 March 2018 compared to RM6.7 billion as at 30 June 2017 mainly due to the acquisition of Sunway REIT Industrial - Shah Alam 1 of RM92.5 million and Sunway Clio Property of RM343.6 million, including incidental costs related to the acquisition.

The increase in trade receivables by RM7.1 million from the last financial year-end to 31 March 2018 is explained in Note A15.

Other receivables stood at RM6.0 million as at the end of the current period, lower by RM10.2 million compared to RM16.2 million as at 30 June 2017. This was primarily attributable to the reversal of the RM9.2 million deposit upon completion of the acquisition of Sunway REIT Industrial - Shah Alam 1 on 1 August 2017.

Total borrowings was higher by RM442.5 million as at 31 March 2018 compared to the last financial year-end mainly due to higher drawdown of RM485.6 million to fund investing activities but partially offset by the net movement of RM43.1 million from the refinancing of the USD100 million term loan, as explained in Note A16.

The movements in derivatives is explained in Note B15.

Total net asset value as at 31 March 2018 was RM4,215.7 million, higher by RM4.0 million, mainly contributed by the net realised income of RM3.1 million and the unrealised profit arising mainly from fair value gain from interest rate swap (net of changes relating to the cash flow hedge) of RM0.9 million.

Correspondingly, net asset value per unit as at 31 March 2018, before proposed/declared income distribution for the current quarter, stood at RM1.4314 compared to RM1.4301 as at 30 June 2017.

c) Statement of Cash Flows

Net cash generated from operating activities for YTD 3Q2018 was RM276.2 million, an increase of RM29.0 million compared to YTD 3Q2017, primarily attributed to higher net property income.

During the current period, RM442.6 million was used for investing activities mainly related to the acquisition of Sunway REIT Industrial - Shah Alam 1 and Sunway Clio Property. In the preceding year corresponding period, net cash used for investing activities was RM93.5 million mainly for the refurbishment of Sunway Pyramid Hotel and the balance payment for the acquisition of Sunway Carnival land.

Additional borrowings of RM456.5 million was drawdown for YTD 3Q2018 to fund investing activities compared to RM108.0 million drawn for YTD 3Q2017.

Interest paid in the current period was RM75.5 million (YTD 3Q2017 : RM62.3 million), higher by RM13.2 million, in tandem with the higher outstanding borrowings as at 31 March 2018.

Distribution paid for YTD 3Q2018 was RM215.6 million compared to RM196.4 million for YTD 3Q2017.

The cash and cash equivalents balance as at 31 March 2018 was RM99.7 million, higher by RM26.9 million from RM72.8 million as at 31 March 2017 mainly due higher net cash generated from operating activities as explained above.

B2. Maintenance Costs and Major Capital Expenditure

There was no unusual nor material maintenance costs during the quarter under review. Sunway REIT incurred capital expenditure of RM3.0 million for 3Q2018 and RM17.3 million for YTD 3Q2018, of which approximately RM1.8 million for 3Q2018 and RM8.9 million for YTD 3Q2018 respectively relate to the property development costs incurred for the expansion of Sunway Carnival Shopping Mall, details as disclosed in Note A13.

B3. Material Changes in Quarterly Results

	Current Quarter Ended 31.03.2018 RM'000	Immediate Preceding Quarter Ended 31.12.2017 RM'000	Change %
Realised profit	69,852	70,045	-0.3%
Unrealised profit	500	952	-47.5%
Profit for the quarter	<u>70,352</u>	<u>70,997</u>	<u>-0.9%</u>

Realised profit for 3Q2018 stood at RM69.9 million, marginally lower by RM0.2 million compared to the immediate preceding quarter (2Q2018) of RM70.0 million, mainly due to lower contribution from the hotel segment as traditionally low season in the current quarter and higher finance costs, mitigated by better performance from the retail segment.

Unrealised profit for the current quarter and immediate preceding quarter of RM0.5 million and RM1.0 million respectively were mainly due to fair value gain from the derivative financial instrument.

B4. Commentary on Prospects

The global economy saw a synchronised and broad-based resurgence across major economies, underpinned by stronger investment activities and recovery in external trades, particularly in Asia. Synchronous uptrend in growth is expected to accelerate in 2018, riding on the positive momentum in private consumption and investment activities. According to the International Monetary Fund (IMF), world growth strengthened to 3.8% in CY2017 (CY2016: 3.2%) and projects global growth to pick up to 3.9% in CY2018.

The Malaysian economy surpassed its growth expectation in CY2017. The economy expanded at a robust pace of 5.9% in CY2017 (CY2016: 4.2%), surpassed the official forecast of between 5.2% to 5.7%. This was anchored by faster expansion in both private and public sector spending as well as rebound in exports as global demand strengthened. Bank Negara Malaysia (BNM) raised the CY2018 Malaysian economy growth projection to 5.5% - 6.0% (initial projection: 5.0% - 5.5%), to be driven by private sector activity and favourable external demand on the back of continued expansion in the global technology upcycle and sustained global commodity prices.

Despite the optimism, the strength of the Malaysian economy may be impacted by uncertainties arising from global monetary and regulatory shifts in the advanced economies, rising trade protectionism, sharper than expected moderation in China, volatility in currency and commodity prices as well as uncertainties on the outcome of the 14th General Election.

Headline inflation increased to 3.7% in CY2017 (CY2016: 2.1%), within the official expectation of 3.0% to 4.0%. Going forward, headline inflation is expected to moderate in CY2018, averaging between 2.0% to 3.0%. The lower inflation is supported by a stronger domestic currency in lowering import costs. That said, volatility in global oil prices may pose upside risk to inflationary pressure. Headline inflation for 1Q CY2018 stood at 1.8%.

Riding on the momentum of the economy, the Monetary Policy Committee (MPC) has decided to raise the Overnight Policy Rate (OPR) by 25bps to 3.25% in January 2018. The normalisation of monetary policy in CY2018 is expected to continue as BNM focuses on balancing the pace of normalisation with sustainable economic growth.

The Manager expects a moderate growth in DPU for FY2018 despite the expected higher average cost of debt, supported by:

- (i) Sunway Pyramid Hotel operating with full rooms inventory following the full completion of its refurbishment in June 2017
- (ii) Moderate growth in the retail segment underpinned by Sunway Pyramid Shopping Mall
- (iii) New income contribution from the completed acquisitions of Sunway REIT Industrial – Shah Alam 1 and Sunway Clio Property
- (iv) Gradual improvement in the overall occupancy of the office segment due to low base effect.

The Manager is committed to distribute 100% of its distributable net income for FY2018.

B4. Commentary on Prospects (Cont'd)

Review of retail market

The independent retail research firm, Retail Group Malaysia (RGM) has reported that Malaysia's retail sales grew by a subdued pace of 2.0% in CY2017, below its revised annual growth forecast of 3.7%. RGM expects retail sales to grow by 4.7% in CY2018 alongside with the strength of the economy. Despite the optimism, RGM cautioned that improvement in consumer sentiment may be hindered by post-election sentiment causing a pull-back in retail spending.

On this note, the Malaysian Institute of Economic Research's (MIER) Consumer Sentiment Index (CSI) inched higher to 91.0 points in 1Q CY2018, the highest level since 4Q CY2014. Although the CSI is below the optimistic threshold of 100-point, we are encouraged by the recovery in consumer sentiment albeit at a gradual pace.

Sunway Pyramid Shopping Mall has achieved close to full occupancy where the average occupancy rate inched higher to 99.1% for YTD 3Q FY2018 (YTD 2Q FY2018: 98.4%). Based on the total net lettable area (NLA) of 651,428 sq.ft. which was due for renewal in FY2018, a total of 493,916 sq.ft. equivalent to 75.8% of total space due for renewal, was renewed or replaced at a single-digit rental reversion rate.

The acquisition of Sunway Clio Property consisting of a retail podium and a hotel tower was completed in February 2018. Sunway Clio Retail's average occupancy rate stood at 58.3% for YTD 3Q FY2018 compared to 43.2% for YTD 2Q FY2018. The occupancy stood at 88.2% as at 31 March 2018. The lower average occupancy rate in the preceding year was due to progressive opening by tenants.

The average occupancy rate for Sunway Carnival Shopping Mall improved further from 96.2% for YTD 2Q FY2018 to 97.0% for YTD 3Q FY2018. Based on the total NLA of 149,787 sq.ft. which was due for renewal in FY2018, a total of 114,599 sq.ft. equivalent to 76.5% of total space due for renewal, was renewed or replaced at a single-digit rental reversion rate.

Sunway Putra Mall's average occupancy rate improved marginally to 90.5% for YTD 3Q FY2018 (YTD 2Q FY2018: 89.4%). Based on the total NLA of 323,383 sq.ft. which was due for renewal in FY2018, a total of 167,863 sq.ft. equivalent to 51.9% of total space due for renewal, was renewed or replaced at negative rental reversion rate as a strategy to maintain high occupancy rate.

The Manager expects the retail segment to register a moderate growth for FY2018, underpinned by Sunway Pyramid Shopping Mall.

Review of hotel market

Tourists arrivals eased by 3.0% y-o-y to 25.95 million in CY2017, below the official target of 31.8 million tourists. The subdued tourism activities was attributable to lower tourist arrivals from major markets such as Singapore, Indonesia, India, Japan, United Kingdom, Australia and West Asia. Going forward, the Tourism and Culture Ministry has maintained its ambitious tourist arrivals target of 33.1 million tourists in CY2018 where the Manager believes that this is a stretched target.

The government strives on endeavours to boost tourism activities such as partnership with European Travel Agents and Tour Operators Association to promote Malaysia as a destination and increasing accessibility via various airlines partnership. These endeavours are paving the way ahead of Visit Malaysia Year 2020.

The average occupancy rate for Sunway Resort Hotel & Spa was lower at 69.6% in 3Q FY2018 versus 79.5% in 3Q FY2017 due to lower leisure demand. Despite the lower average occupancy rate, Sunway Resort Hotel & Spa recorded stronger F&B revenue from corporate groups and banquet business.

Sunway Pyramid Hotel has registered an average occupancy rate of 67.5% in 3Q FY2018. The performance in the preceding year was not comparable because the hotel was not operating with full room inventory in 3Q FY2017.

The average occupancy rate at Sunway Clio Hotel improved to 68.0% in 3Q FY2018, from 58.7% during the corresponding period in the preceding year.

Sunway Putra Hotel's average occupancy rate was stable at 67.8% in 3Q FY2018 (3Q FY2017: 67.0%). The occupancy was sustained by healthy demand from the corporate segment.

B4. Commentary on Prospects (Cont'd)

Review of hotel market (Cont'd)

In Penang, the average occupancy rates of the hotels strengthened further. In 3Q FY2018, the average occupancy rate of Sunway Hotel Seberang Jaya rose to 74.3% compared to 63.9% in 3Q FY2017 as a result of strong demand from the corporate sector and Government groups during the quarter.

Meanwhile, Sunway Hotel Georgetown has registered higher average occupancy rate of 91.1% in 3Q FY2018, from 86.4% in 3Q FY2017, as the hotel continued to enjoy stronger demand from the leisure segment in the current quarter.

The Manager expects a modest growth from the hotel segment, largely contributed by resumption of full rooms inventory at Sunway Pyramid Hotel and new income contribution from Sunway Clio Hotel.

Review of office market

The office segment improved marginally in CY2017 as higher take-up of office space had led to improved occupancy rate, according to the Valuation and Property Services Department. The national average occupancy rate for office sector increased from 82.3% in CY2016 to 83.3% in CY2017. There was approximately 230 million sq.ft. of existing office space in the country as at end CY2017. Despite the improvement in the occupancy rates, incoming supply of office space where majority are located in the Klang Valley will continue to post challenges to the office sub-sector.

The average occupancy rate for Menara Sunway was unchanged at 93.6% for YTD 3Q FY2018. The occupancy rate is expected to improve further upon the commencement of a new tenant occupying 9,800 sq.ft. (equivalent to 3.4% of NLA) in 4Q FY2018.

In Kuala Lumpur, Sunway Putra Tower enjoyed an improvement in the average occupancy rate due to commencement of new tenancies. The average occupancy rate for Sunway Putra Tower rose to 48.5% for YTD 3Q FY2018 versus 43.1% for YTD 2Q FY2018. The occupancy stood at 78.2% as at 31 March 2018.

Meanwhile, the average occupancy rate for Sunway Tower remained largely unchanged at 21.0% for YTD 3Q FY2018.

Pursuant to downsizing and non-renewal of tenancies during the financial year, the average occupancy rate at Wisma Sunway was marginally lower at 79.0% for YTD 3Q FY2018 compared to 80.3% for YTD 2Q FY2018. The occupancy is expected to increase to 99.9% by 4Q FY2018 on the back of expansion of an existing tenant.

The Manager expects the performance of Sunway REIT's office segment to improve marginally in FY2018 due to low base effect.

B5. Investment Objectives

The Manager's key investment objective for Sunway REIT is to provide the unitholders with exposure to a diverse portfolio of authorised investments (pursuant to provisions of the trust deed) that will provide stable cash distributions with the potential for sustainable growth in net asset value per unit and distribution per unit (DPU). The principal investment policy of Sunway REIT is to invest in retail, hospitality, office and other real estate assets, subject to the REITs Guidelines.

The Manager is confident of providing stable cash distributions going forward and will endeavour to grow the net asset value over a longer period of time. There was no change in the objectives during the period under review.

B6. Performance Benchmark

Performance indicators	Period ended 31.03.2018	Year ended 30.06.2017
a) Management expense ratio *	0.92%	0.85%
b) Total returns *	-3.9%	12.4%
c) Average annual total returns (5 years) *	6.7%	11.3%
d) Distribution yield *	6.2%	5.2%
e) NAV per unit (after income distribution)(RM)	1.4077	1.4074

*The performance indicators for the period ended 31 March 2018 was based on annualised results.

- The ratio of expenses incurred in operating Sunway REIT to the NAV of Sunway REIT.
- Total return represents the change in unit price from beginning of financial year plus annualised distribution yield for the year.
- Average annual total return is the sum of the return rates of Sunway REIT over a given number of years divided by that number of years.
- Based on annualised DPU of 9.88 sen divided by its closing price as at 31 March 2018 of RM1.60 (30 June 2017 - DPU: 9.19 sen; Closing price: RM1.78).
- NAV of Sunway REIT as determined by deducting the value of all Sunway REIT's liabilities from the total asset value, divided by total issued units.

B7. Strategies and Policies

The Manager's strategies can be broadly categorised as:

- active asset management strategy
- acquisition growth strategy
- capital and risk management strategy

There was no change in the strategies and policies employed during the period under review.

B8. Manager's Fee

Pursuant to the Deed constituting Sunway REIT, the Manager is entitled to receive the following fees from Sunway REIT:

- Base fee of 0.3% per annum on the total assets value;
- Performance fee of 3% per annum of net property income, but before deduction of fees payable to the Property Manager pursuant to the Property Management Agreement;
- Acquisition fee of 1% of the acquisition price of any future assets of Sunway REIT or a Single-Purpose Company acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest in Real Estate or Single-Purpose Company purchased by the Trustee for Sunway REIT); and
- Divestment fee of 0.5% of the sale price of any future assets of Sunway REIT or a Single-Purpose Company sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the assets of Sunway REIT sold).

The Manager's fee shall be net of all applicable tax, duties and levies imposed by the relevant authorities in Malaysia. The Manager shall be paid the base fee and performance fee which may be in the forms of cash, new units or a combination thereof, such proportion which may be varied at the discretion of the Manager. The Manager's fee is fully paid in cash since FY2017.

Total Manager's fee for the current and cumulative quarter ended 31 March 2018 were RM8.5 million and RM30.1 million respectively (Total base and performance fee of RM25.8 million and acquisition fee of RM4.3 million) compared to the preceding year corresponding quarter and cumulative quarter of RM7.9 million and RM23.6 million respectively. The acquisition fee of RM4.3 million paid to the Manager consists of RM0.9 million for the acquisition of Sunway REIT Industrial - Shah Alam 1 in 1Q2018 and RM3.4 million for the acquisition of Sunway Clio Property in 3Q2018 and this fee was capitalised as part of the acquisition costs.

B9. Trustee's Fee

Pursuant to the Deed constituting Sunway REIT, the Trustee is entitled to receive a fee of up to 0.03% per annum of the net asset value of Sunway REIT, net of all applicable taxes, duties and levies imposed by the relevant authorities in Malaysia, is calculated on a monthly accrual basis, based on a year of 12 months. The total Trustee's fee for the current and cumulative quarter ended 31 March 2018 were RM0.3 million and RM1.0 million respectively, similar to the fees for the preceding year corresponding quarter and cumulative quarter ended 31 March 2017.

B10. Status of Corporate Proposals

There was no corporate proposal that has been announced but not completed as at the date of this report except for the Proposed Acquisition as disclosed in Note A18.

B11. Material Litigation

1. Sunway Putra (formerly known as Putra Place) - Claim for chattels and movable items (Kuala Lumpur High Court Civil Suit No. 22NCVC-523-09/2015)

Metroplex Holdings Sdn Bhd ("MHSB") had filed writ of summons and a statement of claim dated 28 September 2015 against the Trustee and the Manager, respectively, claiming for various chattels and movable items (e.g. furniture and office equipment, decorations, cutlery, kitchen equipment, bar equipment, concierge and reception tables, blinds and curtains) which were allegedly acquired and owned by MHSB but not removed by MHSB when the Manager took possession of the hotel at Sunway Putra on 27 September 2011. MHSB has in its statement of claim alleged that the various chattels and movable items were worth in excess of RM80 million as at September 2011.

The trial for liability took place on 5 and 6 June 2017. The decision of the High Court of Malaya at Kuala Lumpur was delivered on 3 November 2017, in favour of MHSB and costs of RM20,000.00 was awarded to MHSB.

The Trustee and Manager had filed a stay application for the trial for assessment of damages. The hearing date for the stay application is fixed on 7 May 2018.

The date of the assessment of damages has not been fixed pending the outcome of the stay application hearing.

2. Sunway Putra (formerly known as Putra Place) - Appeal to the Court of Appeal against the decision of 3 November 2017 above
Mahkamah Rayuan Sivil No. 1 - 02(NCVC)(W)-2284-11/2017

The Trustee and the Manager filed an appeal to the Court of Appeal on liability on 6 November 2017. The trial for the appeal is on 29 June 2018.

If the eventual outcome of this case is not in the Manager's favour, it would not have any impact on the distribution per unit and immaterial impact on the total asset value of Sunway REIT.

B12. Soft commission

There was no soft commission received by the Manager and/or its delegate during the period under review from its brokers/dealers by virtue of transactions conducted for Sunway REIT.

B13. Summary of EPU, DPU, NAV and Market Price

	Current quarter ended 31.03.2018	Immediate preceding quarter ended 31.12.2017	% change
Number of units in issue (units)	2,945,078,000	2,945,078,000	0.0%
Realised net income (RM'000)	69,852	70,045	-0.3%
Realised earnings per unit (EPU) (sen)	2.37	2.37	0.0%
Income distribution(RM'000)	69,798	70,093	-0.4%
Distribution per unit (DPU)(sen)	2.37	2.38	-0.4%
Net Asset Value (NAV) (After income distribution) (RM'000)	4,145,891	4,145,000	0.0%
NAV per unit (After income distribution) (RM)	1.4077	1.4074	0.0%
Market price per unit (RM)	1.60	1.72	-7.0%

B14. Income Distribution

Please refer to Note A12 for details .

B15. Disclosure of Nature of Outstanding Derivative Financial Instruments

Derivative financial instruments are recognised in the financial statements in accordance with MFRS139.

Type of Derivatives	Contract/Notional Value		Fair value at reporting date Derivative Asset/(Liability)	
	As at 31.03.2018	As at 30.06.2017	As at 31.03.2018	As at 30.06.2017
	RM'000	RM'000	RM'000	RM'000
a) Interest rate swap				
- Less than 1 year	150,000	922,000	(112)	(1,477)
- 1 year to 3 years	-	150,000	-	(529)
	150,000	1,072,000	(112)	(2,006)
b) Cross currency swap				
- Less than 1 year	392,900	422,000	(6,916)	8,112
	542,900	1,494,000	(7,028)	6,106

a) Interest rate swap

During the previous financial years, Sunway REIT had entered into several interest rate swap ("IRS") contracts to manage its exposure of the floating rate borrowings. The cumulative IRS contracts to-date amounted to RM150 million. The IRS contracts were entered into to mitigate the risk of increase in interest rate over the hedging period on the floating rate borrowings. The fair value gains or losses on remeasuring the fair value of the IRS contracts are recognised immediately in the income statement as unrealised item as it does not qualify as a cash flow hedge.

The fair value of the IRS recognised in the income statement for 3Q2018 and YTD 3Q2018 amounted to a gain of RM0.5 million (3Q2017: RM0.4 million) and RM1.9 million (YTD 3Q2017: RM1.8 million) respectively. This brings the cumulative total fair value loss of the IRS to RM0.1 million as at 31 March 2018 and reflected as a derivative liability in the balance sheet.

B15. Disclosure of Nature of Outstanding Derivative Financial Instruments (Cont'd)b) Cross currency swap

Sunway REIT had entered into 2-year cross currency swap ("CCS") contracts in February 2016 to manage its exposure in foreign currency risk arising from foreign currency borrowings. In February 2018, upon maturity of the 2-year CCS, Sunway REIT had entered into a new 6-month CCS contract to hedge against the foreign currency exposure of the foreign currency borrowings. Sunway REIT uses cash flow hedge to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuation over the hedging period on the foreign currency borrowings.

Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognized directly in other comprehensive income until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the income statement. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the income statement.

The fair value of the CCS recognised in the statement of comprehensive income for 3Q2018 was a loss of RM22.2 million (3Q2017: RM5.8 million) and for YTD 3Q2018, it was a loss of RM47.2 million (YTD 3Q2017: gain of RM39.0 million). The amount recognised in the current quarter comprises the net fair value loss of the CCS which matured in February 2018 of RM15.3 million and the fair value loss of the new CCS of RM6.9 million. This brings the cumulative total fair value loss of the CCS to RM6.9 million as at 31 March 2018 and reflected as a derivative liability in the balance sheet.

B16. Risks and Policies of Derivatives

The Group has Interest Rate Swap contracts and a Cross Currency Swap contract as mentioned in Note B15 above.

The overall risks and policies relating to the management of derivative financial instrument are similar to those disclosed in the annual financial statements for the financial year ended 30 June 2017 except the IRS contracts do not qualify as cash flow hedge and consequently, the fair value gains or losses on remeasuring the fair value of the IRS contracts are recognised immediately in the income statement as an unrealised item.

B17. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

Please refer to Note A10 for details.

B18. Realised and Unrealised Retained Profits/Undistributed Income

The breakdown of the retained profits/undistributed income of the Group as at 31 March 2018 into realised and unrealised profits/undistributed income is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Period ended 31.03.2018 RM'000	As at end of previous financial year RM'000
Total retained profits/undistributed income		
- realised	2,744	(309)
- unrealised	1,485,119	1,484,203
	<u>1,487,863</u>	<u>1,483,894</u>
Less: Consolidation adjustments	(3)	(3)
Total retained profits/undistributed income	<u>1,487,860</u>	<u>1,483,891</u>

B19. Directors' Declaration

In the opinion of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Sunway REIT as at 31 March 2018 and of its financial performance and cash flows for the period ended on that date and duly authorised for release by the Board of the Manager on 3 May 2018.

BY ORDER OF THE BOARD

Sunway REIT Management Sdn. Bhd.
(As Manager for Sunway Real Estate Investment Trust)

Tan Kim Aun (MAICSA No.: 7002988)
Ong Wei Leng (MAICSA No.: 7053539)
Company Secretaries

Bandar Sunway
Date: 3 May 2018