

MEDIA RELEASE

18 August 2022

**FINANCIAL RESULTS ANNOUNCEMENT**
**SUNWAY REIT'S INTERIM DISTRIBUTION PER UNIT ROSE 158.9% TO 4.22 SEN IN 1H 2022**
**Key Highlights:**

- Net property income surged 71.4% year-on-year, underpinned by strong performance from the Retail segment and lower property operating expenses.
- Tenants' retail sales in 1H 2022 was sustained above pre-pandemic level.
- Maintains an optimistic outlook for 2H 2022, supported by strong growth in the Retail segment, gradual recovery in the Hotel segment, new income contribution from the new wing of Sunway Carnival Mall and resumption of income contribution from phased re-opening of Sunway Resort.

**Financial Highlights**

	Current Quarter			Cumulative Quarter		
	30.06.2022	30.06.2021	Change	6-month period ended 30.06.2022	6-month period ended 30.06.2021	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	144,509	103,394	39.8%	298,479	207,660	43.7%
Net property income (NPI)	106,890	62,348	71.4%	225,810	129,365	74.6%
Realised income attributable to:						
- Unitholders	69,525	28,537	>100%	152,653	60,423	>100%
- Perpetual note holders	4,959	4,959	0.0%	9,863	9,863	0.0%
<b>Realised income</b>	<b>74,484</b>	<b>33,496</b>	<b>&gt;100%</b>	<b>162,516</b>	<b>70,286</b>	<b>&gt;100%</b>
Unrealised income	24	25	-4.0%	18,310	52	>100%
Profit for the period	74,508	33,521	>100%	180,826	70,338	>100%
Proposed / declared distribution to unitholders	144,527	55,824	>100%	144,527	55,824	>100%
<b>Distribution per unit (DPU) (sen)</b>	<b>4.22</b>	<b>1.63</b>	<b>&gt;100%</b>	<b>4.22</b>	<b>1.63</b>	<b>&gt;100%</b>

**Sunway City Kuala Lumpur, 18 August 2022** – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (Sunway REIT), has released its financial results for the quarter ended 30 June 2022.

### **Second quarter unaudited financial results for the period from 1 April 2022 to 30 June 2022 (2Q 2022)**

*(The corresponding quarter last year (4Q FP2021), from 1 April 2021 to 30 June 2021, is used for comparison purposes.)*

Sunway REIT reported a set of strong financial performance for the quarter ended 30 June 2022. Revenue rose 39.8% year-on-year (y-o-y) to RM144.5 million in 2Q 2022, underpinned by strong performance from the Retail segment. Net property income (NPI) surged 71.4% y-o-y to RM106.9 million in 2Q 2022, from RM62.3 million in the same quarter of the preceding year.

For the quarter under review, revenue for the Retail segment soared 73.0% y-o-y to RM101.4 million, boosted by improved performance across retail properties, particularly our flagship Sunway Pyramid Mall. Retail footfall and tenants' retail sales in the quarter under review were boosted by festive spending in conjunction with Hari Raya celebration and relaxation of COVID-19 safety measures as the nation transitioning into the endemic phase. NPI increased at a higher quantum, from RM25.5 million in 4Q FP2021 to RM71.6 million in 2Q 2022, representing an increase of 180.5% y-o-y, largely due to the increase in revenue and the recovery of doubtful debts as a result of continued improvement in rental collection in the current quarter.

The Hotel segment recorded improvements in average occupancy rates for the quarter under review pursuant to the nation transitioning into the endemic phase. Despite the improvement in operational performance, the Hotel segment reported revenue of RM6.0 million in 2Q 2022, lower by 31.1% y-o-y compared to RM8.7 million in 4Q FP2021, primarily due to recognition of minimum guaranteed rent for Sunway Putra Hotel in the corresponding quarter of the preceding year which has since ceased. NPI for the Hotel segment eased correspondingly to RM5.1 million in 2Q 2022, from RM7.0 million in 4Q FP2021. Sunway Resort (formerly known as Sunway Resort Hotel) has progressively unveiled its transformed brand-new guest rooms since May 2022.

Revenue for the Office segment increased 2.4% y-o-y to RM19.7 million in 2Q 2022 compared to RM19.3 million in the corresponding quarter of the preceding year, contributed by higher revenue from all office properties except for Sunway Tower. NPI dipped 1.5% y-o-y, from RM12.9 million in 4Q FP2021 to RM12.7 million in 2Q 2022, due to increase in property operating expenses.

Revenue and NPI for the Services segment grew 2.8% y-o-y to RM15.8 million in 2Q 2022, attributed to annual rental reversions for Sunway Medical Centre (Tower A & B) and Sunway university & college campus.

The Industrial & Others segment posted revenue of RM1.7 million in 2Q 2022, from RM1.5 million in the same quarter last year, representing an increase of 10.0% y-o-y. The improvement in revenue and NPI was attributed to rental reversion for Sunway REIT Industrial – Shah Alam 1.

### **First half unaudited financial results for the period from 1 January 2022 to 30 June 2022 (1H 2022)**

*(The corresponding period last year (1H 2021), from 1 January 2021 to 30 June 2021, is used for comparison purposes.)*

Sunway REIT registered revenue of RM298.5 million and NPI of RM225.8 million in 1H 2022, compared to revenue of RM207.7 million and NPI of RM129.4 million in the corresponding period of the preceding year. Revenue and NPI surged 43.7% y-o-y and 74.6% y-o-y respectively, boosted by better performance from all segments.

For 1H 2022, the Retail segment posted a 78.0% y-o-y surge in revenue to RM199.8 million. NPI jumped 186.8% y-o-y to RM141.9 million in 1H 2022, boosted by substantially lower rental support, higher turnover rent, promotion and car park income amid improved retail footfall and tenants' retail sales.

Revenue for the Hotel segment increased 6.2% y-o-y to RM24.5 million in 1H 2022, from RM23.1 million in the same period last year. NPI improved in tandem to RM22.5 million in the period under review, representing an increase of 13.5% y-o-y. The improvement was largely contributed by the higher guaranteed income for Sunway Clio Property and Sunway Hotel Georgetown in 1Q 2022.

Revenue for the Office segment inched up 1.6% y-o-y to RM39.2 million in 1H 2022, from RM38.6 million in the same period last year, supported by stable occupancy rate. NPI was marginally higher by 0.4% y-o-y to RM26.4 million.

The Services segment's revenue and NPI rose 3.0% y-o-y to RM31.6 million on the back of annual rental reversions for Sunway Medical Centre (Tower A & B) and Sunway university & college campus.

The Industrial & Others segment posted an increase of 10.0% y-o-y in revenue and NPI to RM3.4 million for 1H 2022 for the same reason mentioned above.

Sunway REIT proposed an interim distribution per unit (DPU) of 4.22 sen for the period from 1 January 2022 to 30 June 2022, representing an increase of 158.9% compared to the same period of the preceding year. The higher DPU was contributed by the strong improvement in financial performance of Sunway REIT in 1H 2022 and higher distribution payout of 95%, from 92.5% in the corresponding period of the preceding year.

Dato' Jeffrey Ng, Chief Executive Officer of the Manager, commented, "We are pleased to report a set of strong financial performance in the current quarter. The Retail segment continues to demonstrate strong growth during the quarter and it is encouraging that tenants' retail sales have surpassed the pre-pandemic level in 2019. In line with the improved financial performance and cash flows, we are confident that Sunway REIT is able to maintain a distribution payout of 95% in 2022."

He added, "Sunway REIT maintains an optimistic outlook for 2H 2022, supported by strong growth in the Retail segment, gradual recovery in the Hotel segment, new income contribution from the new wing of Sunway Carnival Mall and resumption of income contribution from phased re-opening of our transformed flagship Sunway Resort, which is well positioned to capitalise on the anticipated gradual return of foreign tourists. All these upsides in revenue contributions are expected to cushion off the anticipated rise in interest rate."

He concluded, “On the acquisition front, we are pleased that it is gaining momentum pursuant to the acquisition of Sunway Pier and proposed acquisition of Sunway REIT Industrial - Petaling Jaya 1. Our strong balance sheet places Sunway REIT in a favourable position to capitalise on acquisition opportunities to grow our assets portfolio, in line with our Transcend 2027 strategic roadmap.”

### **About Sunway Real Estate Investment Trust**

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

Sunway REIT was listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 8 July 2010. The market capitalisation of Sunway REIT stood at RM5.1 billion as at 30 June 2022. Sunway REIT is a component of FTSE Bursa Malaysia Mid 70 Index, FTSE Bursa Malaysia Top 100 Index, FTSE Bursa Malaysia Emas Index, FTSE ASEAN All-Share Index, FTSE ASEAN All-Share ex Developed Index, FTSE ASEAN Malaysia Index, FTSE4 Good Bursa Malaysia Index, Bursa Malaysia REIT 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 and MSCI Malaysia Small Cap Index.

Sunway REIT owns a diversified portfolio of 19 properties comprising 5 retail properties (including a property designated for re-development into a retail-centric tourist destination), 6 hotels, 5 offices, a medical centre, an education property and an industrial property, with a combined property value of RM9.0 billion as at 30 June 2022.

Sunway REIT’s properties are primarily in Sunway City where its flagship retail property, Sunway Pyramid Mall, is located. Other properties in Sunway City include Sunway Resort (formerly known as Sunway Resort Hotel), Sunway Pyramid Hotel, Sunway Clio Property (comprising Sunway Clio Hotel and Sunway Clio Retail), Menara Sunway, The Pinnacle Sunway, Sunway Medical Centre (Tower A & B) and Sunway university & college campus.

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

Sunway REIT also owns three properties in Selangor, namely Wisma Sunway, Sunway REIT Industrial – Shah Alam 1 and the recently acquired Sunway Pier (which is planned for re-development into a retail-centric tourist destination).

In the northern region, Sunway REIT owns SunCity Ipoh Hypermarket in Perak, as well as Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown and Sunway Carnival Mall in Penang.

### **Important notice**

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 18 August 2022 for a more comprehensive understanding of Sunway REIT's financial results.

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

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