

SUNWAY REAL ESTATE INVESTMENT TRUST  
 FIRST QUARTER ENDED 31 MARCH 2024  
 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	First Quarter ended			Cumulative Quarter ended		
		31.03.2024	31.03.2023	Change	31.03.2024	31.03.2023	Change
		RM'000	RM'000	%	RM'000	RM'000	%
Rental and lease income		173,811	178,888	-2.8%	173,811	178,888	-2.8%
Other operating income		4,778	3,915	22.0%	4,778	3,915	22.0%
<b>Revenue</b>		<b>178,589</b>	<b>182,803</b>	<b>-2.3%</b>	<b>178,589</b>	<b>182,803</b>	<b>-2.3%</b>
Quit rent, assessment and insurance		(3,901)	(4,321)	-9.7%	(3,901)	(4,321)	-9.7%
Other property operating expenses		(44,145)	(40,176)	9.9%	(44,145)	(40,176)	9.9%
<b>Property operating expenses</b>		<b>(48,046)</b>	<b>(44,497)</b>	<b>8.0%</b>	<b>(48,046)</b>	<b>(44,497)</b>	<b>8.0%</b>
<b>Net property income</b>		<b>130,543</b>	<b>138,306</b>	<b>-5.6%</b>	<b>130,543</b>	<b>138,306</b>	<b>-5.6%</b>
Interest income		6,284	2,066	> 100%	6,284	2,066	> 100%
Other income		48	30	60.0%	48	30	60.0%
Net investment income		136,875	140,402	-2.5%	136,875	140,402	-2.5%
Manager's fees	B8	(11,234)	(11,126)	1.0%	(11,234)	(11,126)	1.0%
Trustee's fees	B9	(194)	(190)	2.1%	(194)	(190)	2.1%
Other trust expenses		(835)	(759)	10.0%	(835)	(759)	10.0%
Finance costs		(37,632)	(31,870)	18.1%	(37,632)	(31,870)	18.1%
		(49,895)	(43,945)	13.5%	(49,895)	(43,945)	13.5%
<b>Profit before tax</b>	A10	<b>86,980</b>	<b>96,457</b>	<b>-9.8%</b>	<b>86,980</b>	<b>96,457</b>	<b>-9.8%</b>
Tax expenses	A11	-	-	N/A	-	-	N/A
<b>Profit for the period</b>		<b>86,980</b>	<b>96,457</b>	<b>-9.8%</b>	<b>86,980</b>	<b>96,457</b>	<b>-9.8%</b>
Profit for the period comprises the following:							
Realised							
- Unitholders		81,980	91,523	-10.4%	81,980	91,523	-10.4%
- Perpetual note holders		4,959	4,904	1.1%	4,959	4,904	1.1%
		86,939	96,427	-9.8%	86,939	96,427	-9.8%
Unrealised		41	30	36.7%	41	30	36.7%
		86,980	96,457	-9.8%	86,980	96,457	-9.8%
<b>Basic earnings per unit attributable to unitholders (sen):</b>							
Realised		2.39	2.67	-10.5%	2.39	2.67	-10.5%
Unrealised		-	-	N/A	-	-	N/A
		2.39	2.67	-10.5%	2.39	2.67	-10.5%
<b>Distributable income per unit (sen) <sup>1</sup></b>		<b>2.39</b>	<b>2.67</b>	<b>-10.5%</b>	<b>2.39</b>	<b>2.67</b>	<b>-10.5%</b>
<b>Distribution per unit (sen)</b>	A12	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>

N/A - Not applicable

<sup>1</sup> Represents realised income attributable to unitholders and distribution adjustments, if any.

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

SUNWAY REAL ESTATE INVESTMENT TRUST  
 FIRST QUARTER ENDED 31 MARCH 2024  
 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	First Quarter ended			Cumulative Quarter ended		
	31.03.2024	31.03.2023	Change	31.03.2024	31.03.2023	Change
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit for the period</b>	<b>86,980</b>	<b>96,457</b>	<b>-9.8%</b>	<b>86,980</b>	<b>96,457</b>	<b>-9.8%</b>
<b>Other comprehensive income:</b>						
Cash flow hedge - fair value of derivative <sup>1</sup>	(15,016)	10,202	> -100%	(15,016)	10,202	> -100%
Cash flow hedge reserve recycled to profit or loss	15,822	(10,059)	> 100%	15,822	(10,059)	> 100%
<b>Total comprehensive income for the period</b>	<b>87,786</b>	<b>96,600</b>	<b>-9.1%</b>	<b>87,786</b>	<b>96,600</b>	<b>-9.1%</b>

<sup>1</sup> Please refer to Note B16 for further details of the derivative.

STATEMENT OF INCOME DISTRIBUTION

Note	First Quarter ended			Cumulative Quarter ended		
	31.03.2024	31.03.2023	Change	31.03.2024	31.03.2023	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Rental and lease income	173,811	178,888	-2.8%	173,811	178,888	-2.8%
Interest income	6,284	2,066	> 100%	6,284	2,066	> 100%
Other income <sup>2</sup>	4,785	3,915	22.2%	4,785	3,915	22.2%
	184,880	184,869	0.0%	184,880	184,869	0.0%
Less: Expenses	(97,941)	(88,442)	10.7%	(97,941)	(88,442)	10.7%
Realised income for the period	86,939	96,427	-9.8%	86,939	96,427	-9.8%
Less: Amount reserved for distribution to perpetual note holders	(4,959)	(4,904)	1.1%	(4,959)	(4,904)	1.1%
Realised income attributable to unitholders	81,980	91,523	-10.4%	81,980	91,523	-10.4%
Add: Brought forward undistributed realised income	43,315	42,800	1.2%	43,315	42,800	1.2%
Total income available for distribution	125,295	134,323	-6.7%	125,295	134,323	-6.7%
Less: Proposed/Declared income distribution to unitholders	-	-	N/A	-	-	N/A
Balance undistributed realised income	125,295	134,323	-6.7%	125,295	134,323	-6.7%
<b>Distribution per unit (sen)</b>	<b>A12</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>

N/A - Not applicable

<sup>2</sup> Included other operating income.

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

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	Note	Current Quarter ended	Preceding Quarter ended	Change
		31.03.2024	31.12.2023	
		<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Rental and lease income				
- Realised		173,811	175,506	-1.0%
- Unrealised (in relation to unbilled lease income receivable) <sup>1</sup>		-	11,141	-100.0%
Other operating income		4,778	3,874	23.3%
<b>Revenue</b>		<b>178,589</b>	<b>190,521</b>	<b>-6.3%</b>
Quit rent, assessment and insurance		(3,901)	(4,392)	-11.2%
Other property operating expenses		(44,145)	(50,472)	-12.5%
<b>Property operating expenses</b>		<b>(48,046)</b>	<b>(54,864)</b>	<b>-12.4%</b>
<b>Net property income</b>		<b>130,543</b>	<b>135,657</b>	<b>-3.8%</b>
Interest income		6,284	5,053	24.4%
Other income		48	64	-25.0%
Changes in fair value of investment properties				
- As per valuation reports		-	505	-100.0%
- Unbilled lease income receivable <sup>1</sup>		-	(11,141)	-100.0%
Net investment income		136,875	130,138	5.2%
Manager's fees	<b>B8</b>	(11,234)	(11,107)	1.1%
Trustee's fees	<b>B9</b>	(194)	(186)	4.3%
Other trust expenses		(835)	(1,349)	-38.1%
Finance costs		(37,632)	(38,561)	-2.4%
		(49,895)	(51,203)	-2.6%
<b>Profit before tax</b>	<b>A10</b>	<b>86,980</b>	<b>78,935</b>	<b>10.2%</b>
Tax expenses	<b>A11</b>	-	(1,365)	-100.0%
<b>Profit for the period</b>		<b>86,980</b>	<b>77,570</b>	<b>12.1%</b>
Profit for the period comprises the following:				
Realised				
- Unitholders		81,980	73,378	11.7%
- Perpetual note holders		4,959	5,013	-1.1%
		86,939	78,391	10.9%
Unrealised		41	(821)	> 100%
		86,980	77,570	12.1%
Basic earnings per unit attributable to unitholders (sen):				
Realised		2.39	2.14	11.7%
Unrealised		-	(0.02)	-100.0%
		2.39	2.12	12.7%
<b>Distributable income per unit (sen) <sup>2</sup></b>		<b>2.39</b>	<b>2.14</b>	<b>11.7%</b>
<b>Distribution per unit (sen)</b>	<b>A12</b>	<b>-</b>	<b>4.68</b>	<b>-100.0%</b>

<sup>1</sup> Represents incremental lease income on straight-line basis over the lease period pursuant to MFRS 16 Leases .

<sup>2</sup> Represents realised income attributable to unitholders and distribution adjustments, if any.

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

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

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

	Current Quarter ended	Preceding Quarter ended	Change
	31.03.2024	31.12.2023	
	RM'000	RM'000	%
<b>Profit for the period</b>	<b>86,980</b>	<b>77,570</b>	<b>12.1%</b>
<b>Other comprehensive income:</b>			
Cash flow hedge - fair value of derivative <sup>1</sup>	(15,016)	(4,628)	> -100%
Cash flow hedge reserve recycled to profit or loss	15,822	4,435	> 100%
<b>Total comprehensive income for the period</b>	<b>87,786</b>	<b>77,377</b>	<b>13.5%</b>

<sup>1</sup> Please refer to Note B16 for further details of the derivative

**STATEMENT OF INCOME DISTRIBUTION**

	Note	Current Quarter ended	Preceding Quarter ended	Change
		31.03.2024	31.12.2023	
		RM'000	RM'000	%
Rental and lease income		173,811	175,506	-1.0%
Interest income		6,284	5,053	24.4%
Other income <sup>2</sup>		4,785	3,899	22.7%
		184,880	184,458	0.2%
Less: Expenses		(97,941)	(106,067)	-7.7%
Realised income for the period		86,939	78,391	10.9%
Less: Amount reserved for distribution to perpetual note holders		(4,959)	(5,013)	-1.1%
Realised income attributable to unitholders		81,980	73,378	11.7%
Add: Brought forward undistributed realised income		43,315	130,218	-66.7%
Total income available for distribution		125,295	203,596	-38.5%
Less: Proposed/Declared income distribution to unitholders		-	(160,281)	-100.0%
Balance undistributed realised income		125,295	43,315	> 100%
<b>Distribution per unit (sen)</b>	<b>A12</b>	<b>-</b>	<b>4.68</b>	<b>-100.0%</b>

<sup>2</sup> Included other operating income.

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

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As At 31.03.2024 (Unaudited)	As At 31.12.2023 (Audited)
		RM'000	RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	A13	8,956,443	8,912,360
Investment properties - accrued lease income	A13	59,640	59,640
Plant and equipment		17,154	17,399
Right-of-use asset		700	720
		<b>9,033,937</b>	<b>8,990,119</b>
<b>Current assets</b>			
Trade receivables	A14	16,690	19,384
Other receivables		112,472	88,799
Derivatives	B16	-	15,016
Cash and bank balances		479,195	425,305
		<b>608,357</b>	<b>548,504</b>
<b>Total assets</b>		<b>9,642,294</b>	<b>9,538,623</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Unitholders' capital		3,433,864	3,433,864
Undistributed income		1,665,044	1,742,498
Total unitholders' funds		5,098,908	5,176,362
Perpetual note holders' funds		339,717	339,717
Total equity		5,438,625	5,516,079
<b>Non-current liabilities</b>			
Borrowings	A15	2,580,000	2,000,000
Long term liabilities		95,599	101,697
Deferred tax liabilities		12,991	12,991
Lease liability		773	773
		<b>2,689,363</b>	<b>2,115,461</b>
<b>Current liabilities</b>			
Borrowings	A15	1,289,204	1,636,985
Trade payables		9,695	1,498
Other payables		215,371	268,552
Lease liability		36	48
		<b>1,514,306</b>	<b>1,907,083</b>
Total liabilities		4,203,669	4,022,544
<b>Total equity and liabilities</b>		<b>9,642,294</b>	<b>9,538,623</b>
Units in circulation ('000 units)		3,424,808	3,424,808
<b>Net Asset Value ("NAV") attributable to unitholders (RM'000):</b>			
Before income distribution		5,098,908	5,176,362
After income distribution <sup>1</sup>		5,016,928	5,016,081
<b>NAV per unit attributable to unitholders (RM):</b>			
Before income distribution		1.4888	1.5114
After income distribution <sup>1</sup>		1.4649	1.4646

<sup>1</sup> After distributable income for Q1 2024 of 2.39 sen per unit is assumed for income distribution (31 December 2023: Final income distribution of 4.68 sen per unit for semi-annual period ended 31 December 2023).

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

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE**

	Unitholders' Capital	Undistributed Income	Total Unitholders' Funds	Perpetual Note Holders' Funds	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2024</b>	3,433,864	1,742,498	5,176,362	339,717	5,516,079
<b>Total comprehensive income</b>					
Profit for the period	-	86,980.0	86,980	-	86,980
Other comprehensive income:					
- Cash flow hedge - fair value of derivative	-	(15,016)	(15,016)	-	(15,016)
- Cash flow hedge reserve recycled to profit or loss	-	15,822	15,822	-	15,822
Total comprehensive income, representing the increase in net assets resulting from operations	-	87,786	87,786	-	87,786
<b>Unitholders' transactions</b>					
Distribution to unitholders:					
- Income distribution proposed in prior year but paid in current period	-	(160,281)	(160,281)	-	(160,281)
Decrease in net assets resulting from unitholders' transactions	-	(160,281)	(160,281)	-	(160,281)
<b>Perpetual note holders' transactions</b>					
Amount reserved for distribution to perpetual note holders	-	(4,959)	(4,959)	-	(4,959)
Decrease in net assets resulting from perpetual note holders' transactions	-	(4,959)	(4,959)	-	(4,959)
<b>As at 31 March 2024 (Unaudited)</b>	<b>3,433,864</b>	<b>1,665,044</b>	<b>5,098,908</b>	<b>339,717</b>	<b>5,438,625</b>

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

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

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

	Unitholders' Capital	Undistributed Income	Total Unitholders' Funds	Perpetual Note Holders' Funds	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2023</b>	3,433,864	1,754,397	5,188,261	339,717	5,527,978
<b>Total comprehensive income</b>					
Profit for the year	-	338,191	338,191	-	338,191
Other comprehensive income:					
- Cash flow hedge - fair value of derivative	-	17,813	17,813	-	17,813
- Cash flow hedge reserve recycled to profit or loss	-	(18,548)	(18,548)	-	(18,548)
Total comprehensive income, representing the increase in net assets resulting from operations	-	337,456	337,456	-	337,456
<b>Unitholders' transactions</b>					
Distribution to unitholders:					
- Income distribution declared and paid in current year	-	(158,226)	(158,226)	-	(158,226)
- Income distribution proposed in prior period but paid in current year	-	(171,240)	(171,240)	-	(171,240)
Decrease in net assets resulting from unitholders' transactions	-	(329,466)	(329,466)	-	(329,466)
<b>Perpetual note holders' transactions</b>					
Amount reserved for distribution to perpetual note holders	-	(19,889)	(19,889)	-	(19,889)
Decrease in net assets resulting from perpetual note holders' transactions	-	(19,889)	(19,889)	-	(19,889)
<b>As at 31 December 2023 (Audited)</b>	<b>3,433,864</b>	<b>1,742,498</b>	<b>5,176,362</b>	<b>339,717</b>	<b>5,516,079</b>

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

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Cumulative Quarter ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	185,775	186,746
Refundable security deposits from/(to) customers	2,553	(1,322)
Cash paid for operating expenses	(64,522)	(70,082)
Net cash from operating activities	123,806	115,342
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(581)	(1,701)
Deposit for acquisition of investment properties	(21,500)	(41,600)
Subsequent expenditure of investment properties	(105,359)	(46,470)
Interest received	7,346	2,714
Net cash used in investing activities	(120,094)	(87,057)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of commercial papers	1,280,000	100,000
Proceeds from issuance of unrated medium term notes	630,000	300,000
Drawdown of revolving loan - USD	-	200,267
Drawdown of revolving loan	-	100,000
Repayment of commercial papers	(980,000)	(100,000)
Repayment of unrated medium term notes	(300,000)	(200,000)
Repayment of revolving loan - USD	(331,503)	(292,552)
Repayment of revolving loan	(50,000)	-
Interest paid	(38,038)	(30,872)
Distribution paid to unitholders	(160,281)	(171,240)
Net cash from/(used in) financing activities	50,178	(94,397)
Net increase/(decrease) in cash and cash equivalents	53,890	(66,112)
Cash and cash equivalents at beginning of period	425,305	251,238
<b>Cash and cash equivalents at end of period</b>	<b>479,195</b>	<b>185,126</b>
Cash and bank balances	479,195	185,126
Deposits with licensed financial institutions with maturity of over 3 months	-	-
Cash and cash equivalents	479,195	185,126
Cash and bank balances at end of period comprise:		
Cash on hand and at banks	49,195	75,126
Deposits placed with licensed financial institutions	430,000	110,000
Cash and bank balances	479,195	185,126

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



**SUNWAY REAL ESTATE INVESTMENT TRUST  
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**Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134**

**A1. Corporate Information**

Sunway Real Estate Investment Trust ("Sunway REIT" or the "Fund") is a Malaysia-domiciled real estate investment trust constituted pursuant to a deed dated 20 May 2010, a supplementary deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 (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 unaudited condensed consolidated financial statements comprise Sunway REIT and its subsidiaries (the "Group").

**A2. Significant Accounting Policies and Basis of Preparation**

The unaudited condensed consolidated financial statements of the Group for the financial period ended 31 March 2024 have been prepared in accordance with MFRS 134: Interim Financial Reporting, paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Deed and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts (the "REIT Guidelines"). These unaudited condensed consolidated financial statements of the Group also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The unaudited condensed consolidated financial statements of the Group should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements. The audited financial statements of the Group for the financial year ended 31 December 2023 were prepared under MFRS and are available upon request from the Manager's registered office at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The accounting policies adopted by the Group in this unaudited condensed consolidated financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following Standards that are effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Lease liability in a sale and leaseback*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*

The adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

**A3. Audit Report of Preceding Financial Year**

The auditors have expressed an unqualified opinion on Sunway REIT's financial statements for the preceding financial year ended 31 December 2023.

**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 2024.

**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 ended 31 March 2024, except as disclosed in Note A15.

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

There was no change to Sunway REIT's fund size of 3,424.8 million units for the current quarter ended 31 March 2024.

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**A8. Segmental Reporting**

Segmental revenue and results for the first / cumulative quarter ended 31 March 2024 and 31 March 2023 are as follows:

Business segments	First / Cumulative Quarter ended 31.03.2024						First / Cumulative Quarter ended 31.03.2023					
	Retail	Hotel	Office	Services	Industrial & Others	Total	Retail	Hotel	Office	Services	Industrial & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue and results</b>												
Revenue	126,316	19,128	21,282	9,580	2,283	178,589	126,264	18,473	20,397	15,975	1,694	182,803
Net property income	86,948	18,131	13,872	9,580	2,012	130,543	89,957	17,538	13,477	15,975	1,359	138,306
Interest income						6,284						2,066
Other income						48						30
Trust and other expenses						(12,263)						(12,075)
Finance costs						(37,632)						(31,870)
Profit before tax						86,980						96,457
Tax expenses						-						-
Profit for the period						86,980						96,457

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**A8. Segmental Reporting (Cont'd)**

Segmental assets and liabilities as at 31 March 2024 and 31 December 2023 are as follows:

Business segments	As at 31.03.2024						As at 31.12.2023					
	Retail	Hotel	Office	Services	Industrial & Others	Total	Retail	Hotel	Office	Services	Industrial & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>												
Segment assets	5,507,743	1,860,036	972,314	580,000	168,243	9,088,336	5,455,592	1,865,569	965,926	580,000	167,226	9,034,313
Unallocated assets						553,958						504,310
Total assets						9,642,294						9,538,623
<b>Liabilities</b>												
Segment liabilities	226,237	26,954	26,542	-	1,114	280,847	279,409	32,236	27,762	-	1,385	340,792
Unallocated liabilities						3,922,822						3,681,752
Total liabilities						4,203,669						4,022,544

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (UNAUDITED)**

**A8. Segmental Reporting (Cont'd)**

Properties	Revenue <sup>1</sup>				Net Property Income <sup>1</sup>			
	First / Cumulative Quarter ended				First / Cumulative Quarter ended			
	31.03.2024	31.03.2023	Change	31.12.2023	31.03.2024	31.03.2023	Change	31.12.2023
	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	RM'000
<b>Retail</b>								
Sunway Pyramid Mall <sup>2</sup>	92,963	94,349	-1.5%	90,639	69,077	73,730	-6.3%	62,378
Sunway Carnival Mall <sup>3</sup>	20,105	18,405	9.2%	19,910	11,566	10,100	14.5%	12,024
Sunway Putra Mall	12,310	12,677	-2.9%	12,430	5,563	5,492	1.3%	6,119
SunCity Ipoh Hypermarket	880	770	14.3%	910	866	758	14.2%	897
Sunway Pier <sup>4</sup>	58	63	-7.9%	52	(124)	(123)	0.8%	(1,857)
	126,316	126,264	0.0%	123,941	86,948	89,957	-3.3%	79,561
<b>Hotel</b>								
Sunway Resort Hotel <sup>5</sup>	6,048	2,451	> 100%	8,682	5,748	2,193	> 100%	8,043
Sunway Pyramid Hotel <sup>5</sup>	5,482	8,360	-34.4%	5,643	5,303	8,197	-35.3%	5,342
Sunway Lagoon Hotel	2,388	2,405	-0.7%	3,172	2,313	2,331	-0.8%	2,727
Sunway Putra Hotel	2,657	3,006	-11.6%	3,119	2,325	2,668	-12.9%	2,780
Sunway Hotel Seberang Jaya	933	680	37.2%	992	879	633	38.9%	937
Sunway Hotel Georgetown	1,620	1,571	3.1%	1,666	1,563	1,516	3.1%	1,610
	19,128	18,473	3.5%	23,274	18,131	17,538	3.4%	21,439
<b>Office</b>								
Menara Sunway	4,687	4,339	8.0%	4,286	2,968	2,789	6.4%	2,662
Sunway Tower	1,347	1,088	23.8%	1,266	375	117	> 100%	(163)
Sunway Putra Tower	3,077	3,000	2.6%	3,133	1,798	1,865	-3.6%	1,694
Wisma Sunway	1,748	1,751	-0.2%	1,742	918	1,079	-14.9%	920
Sunway Pinnacle	10,423	10,219	2.0%	10,607	7,813	7,627	2.4%	7,851
	21,282	20,397	4.3%	21,034	13,872	13,477	2.9%	12,964
<b>Services</b>								
Sunway Medical Centre (Tower A&B) <sup>6</sup>	-	6,610	-100.0%	-	-	6,610	-100.0%	-
Sunway university & college campus	9,580	9,365	2.3%	9,437	9,580	9,365	2.3%	9,437
	9,580	15,975	-40.0%	9,437	9,580	15,975	-40.0%	9,437
<b>Industrial &amp; Others</b>								
Sunway REIT Industrial-Shah Alam 1	1,693	1,694	-0.1%	1,694	1,693	1,643	3.0%	1,692
Sunway REIT Industrial-Petaling Jaya 1 <sup>7</sup>	590	-	N/A	-	319	(284)	> 100%	(577)
	2,283	1,694	34.8%	1,694	2,012	1,359	48.1%	1,115
<b>Total Revenue / NPI</b>	<b>178,589</b>	<b>182,803</b>	<b>-2.3%</b>	<b>179,380</b>	<b>130,543</b>	<b>138,306</b>	<b>-5.6%</b>	<b>124,516</b>

<sup>1</sup> Excluded unrealised lease income (in relation to unbilled lease income receivable).

<sup>2</sup> Refurbishment of ex-anchor tenant's space commenced in September 2023 with targeted completion by end-2024.

<sup>3</sup> Refurbishment of the existing wing commenced in July 2023 with phased completion between early 2024 to end-2025.

<sup>4</sup> Acquired in January 2022 with the plan for redevelopment into a retail-centric tourism attraction.

<sup>5</sup> Both hotels is under a single master lease agreement, with the rent formula of 90% on total hotels' gross operating profit.

<sup>6</sup> Disposed on 30 August 2023.

<sup>7</sup> Acquired in November 2022. A tenant occupied approximately 27% of net lettable area from December 2023.

**SUNWAY REAL ESTATE INVESTMENT TRUST**  
**FIRST QUARTER ENDED 31 MARCH 2024**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (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) Services - leasing of services related premises on long term leases
- (v) Industrial & Others - renting / leasing of industrial and other types of premises

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 audited financial statements.

**a) Review of First Quarter Results**

**Retail segment**

Revenue of Retail segment for first quarter ended 31 March 2024 (Q1 2024) was stable at RM126.3 million compared to the same quarter of the preceding year (Q1 2023), despite on-going asset enhancement works in Sunway Pyramid Mall and Sunway Carnival Mall.

NPI of Retail segment was at RM86.9 million for Q1 2024, lower by 3% compared to Q1 2023, largely attributable to Sunway Pyramid Mall due to higher marketing cost for festive decoration in Q1 2024 and marginal allowance for doubtful debts in Q1 2024 compared to reversal of doubtful debts in Q1 2023.

**Hotel segment**

Hotel segment registered higher revenue and NPI in Q1 2024 by 3%, at RM19.1 million and RM18.1 million respectively, contributed by overall improvement in tourism activity.

**Office segment**

Revenue of Office segment stood at RM21.3 million in Q1 2024, improved by 4% supported by stable average occupancy rate of 86%.

NPI of Office segment increased in tandem by 3%, to RM13.9 million in Q1 2024, partially reduced by increase in service charge for Wisma Sunway effective October 2023.

**Services segment**

Revenue and NPI of Services segment for Q1 2024 were lower by RM6.4 million or 40% due to the disposal of Sunway Medical Centre (Tower A & B) on 30 August 2023. Accordingly, rental contribution has since ceased.

Sunway university & college campus's rental contribution increased by 2.3% in accordance with the master lease agreement.

**Industrial & Others segment**

Industrial & Others segment recorded a sharp increase in revenue and NPI for Q1 2024, supported by an average occupancy rate of 27% for Sunway REIT Industrial – Petaling Jaya 1 in Q1 2024. The property was vacant prior to December 2023.

**Overall**

	31.03.2024 RM'000	31.03.2023 RM'000	Change RM'000	%
Revenue	178,589	182,803	(4,214)	-2.3%
NPI	130,543	138,306	(7,763)	-5.6%

Profit for the period, comprise of:

Realised				
- Unitholders	81,980	91,523	(9,543)	-10.4%
- Perpetual note holders	4,959	4,904	55	1.1%
	86,939	96,427	(9,488)	-9.8%
Unrealised	41	30	11	36.7%
	86,980	96,457	(9,477)	-9.8%

## A8. Segmental Reporting (Cont'd)

### a) Review of First Quarter Results (Cont'd)

Sunway REIT registered a realised profit attributable to unitholders of RM82.0 million for Q1 2024, lower by 10% or RM9.5 million compared to Q1 2023. The decline is in line with the lower NPI by RM7.8 million, primarily attributed to the absence of rental income from Sunway Medical Centre (Tower A & B) of RM6.6 million following the completion of its disposal on 30 August 2023 and higher property operating expenses for Retail segment as mentioned above. In addition, finance costs (net of interest income) was higher by RM1.5 million due to higher average interest rate of borrowings of 3.85% (Q1 2023: 3.60%).

## A9. Seasonality of Operations

The quarterly results were not materially affected by seasonal or cyclical factors.

## A10. Profit Before Tax

Included in the profit before tax are the following items:

	Note	First / Cumulative Quarter ended	
		31.03.2024 RM'000	31.03.2023 RM'000
Net changes in fair value of long term liabilities		(41)	(30)
Unrealised foreign exchange (gain)/loss (hedged item)		(15,822)	10,059
Cash flow hedge reserve recycled to profit or loss		15,822	(10,059)
Charge / (Reversal) of impairment on trade receivables	<b>A14</b>	93	(1,243)
Depreciation of plant and equipment		994	878
Loss on disposal of plant and equipment		7	2
Write off of plant and equipment		-	81

## A11. Tax Expenses

### 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.

Sunway REIT should not incur any tax expense in the current financial year as it will distribute almost 100% of its distributable income which translates to more than 90% of its total taxable income.

### Taxation of the Unitholders

Pursuant to Section 109D of the Malaysian 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:

Category / Type of unitholders	Withholding tax rate
Individuals and 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 corporate tax return and subject to the prevailing corporate tax rate of 24%.

## A12. Income Distribution

In accordance to the Deed, the Manager will make regular distributions of all (or such lower percentage as determined by the Manager) of the distributable income of Sunway REIT.

The Manager intends to distribute 100% of the distributable income to the unitholders of Sunway REIT in each financial year on a semi-annual basis, for each six-month period ending 30 June and 31 December, unless varied by the Manager.

Distribution reinvestment scheme ("DRS") of Sunway REIT was established following the approval of the unitholders at the Eighth Annual General Meeting ("AGM") on 2 October 2020 and the renewal of DRS authority granted to the Board has been approved by unitholders at the Eleventh AGM on 25 April 2024. The Manager may, at its absolute discretion, determine whether to pay a particular income distribution declared in cash or to offer the unitholders of Sunway REIT the option to reinvest all or part of their cash income distribution in new units of Sunway REIT.

No income distribution was proposed for the current quarter ended 31 March 2024. The next income distribution will be for the semi-annual period from 1 January 2024 to 30 June 2024.

## A13. Investment Properties

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Investment properties	8,956,443	8,912,360
Investment property - accrued lease income	59,640	59,640
	<u>9,016,083</u>	<u>8,972,000</u>

Investment properties - accrued lease income is in relation to the 30-year non-cancellable lease agreements for Sunway university & college campus, commencing on 15 April 2019 and expiring on 30 November 2048, with in-built incremental lease rental of 2.3% every year. The lease income has been recognised on a straight-line based over the lease period of 30 years pursuant to MFRS 16 Leases, with a total accrued lease income of RM59.6 million as at 31 March 2024.

## A14. Trade Receivables

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Third parties	16,472	15,105
Amount due from parties related to the Manager	3,588	7,556
	<u>20,060</u>	<u>22,661</u>
Less: Allowance for impairment	(3,370)	(3,277)
Total trade receivables	<u>16,690</u>	<u>19,384</u>

Trade receivables was lower by RM2.7 million mainly due to improved collection from tenants and lessees.

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

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Current	4,445	7,863
1 to 30 days	6,288	6,525
31 to 60 days	2,344	1,879
61 to 90 days	1,775	880
91 to 120 days	629	524
More than 120 days	4,579	4,990
	<u>15,615</u>	<u>14,798</u>
Less: Impaired	(3,370)	(3,277)
	<u>16,690</u>	<u>19,384</u>

#### A14. Trade Receivables (Cont'd)

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

	Note	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
At beginning of financial period / year		3,277	7,641
Charge / (Reversal) for the financial period / year	A10	93	(4,333)
Written off		-	(31)
At end of financial period / year		<u>3,370</u>	<u>3,277</u>

#### A15. Borrowings and Debt Securities

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
<u>Short term borrowings</u>		
Secured		
- Commercial paper	390,000	90,000
- Revolving loan (USD)	-	347,325
- Unrated medium term notes	900,000	1,200,000
	<u>1,290,000</u>	<u>1,637,325</u>
Less: Discount on commercial paper	(651)	(176)
Less: Unamortised transaction costs	(145)	(164)
Total short term borrowings	<u>1,289,204</u>	<u>1,636,985</u>
<u>Long term borrowings</u>		
Secured - Unrated medium term notes	630,000	-
Unsecured - Revolving loan (RM)	1,950,000	2,000,000
Total long term borrowings	<u>2,580,000</u>	<u>2,000,000</u>
Total borrowings	<u>3,869,204</u>	<u>3,636,985</u>

Borrowings of Sunway REIT is denominated in Ringgit Malaysia ("RM"), except for revolving loan (USD) which is denominated in United States Dollar ("USD").

Revolving loan (RM) is classified as long term borrowings based on the tenor/repayment terms of 7 years due in March 2026.

Total borrowings of Sunway REIT as at 31 March 2024 increased by RM232.2 million compared to 31 March 2023, due to additional borrowings for capital expenditure.

Proportion of borrowings based on fixed and floating interest rates as at 31 March 2024 was 32 : 68 (31 December 2023: 34 : 66). For the financial period ended 31 March 2024, average interest rate of borrowings was 3.85% (31 March 2023: 3.60%).

#### A16. Fair Value Hierarchy

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
<b>At 31 March 2024</b>				
<u>Financial asset</u>				
Investment properties	-	-	8,972,000	<u>8,972,000</u>
<b>At 31 December 2023</b>				
<u>Financial assets</u>				
Investment properties	-	-	8,972,000	8,972,000
Derivatives	-	15,016	-	<u>15,016</u>

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



## A17. Material Event since the last Annual Reporting

### **Proposed acquisition of hypermarkets / retail complexes for cash consideration of RM520.0 million**

On 16 March 2023, Sunway REIT entered into a conditional sale and purchase agreement ("SPA") with Kwasa Properties Sdn. Bhd. ("Kwasa"), a wholly-owned subsidiary of the Employees Provident Fund, to acquire six freehold hypermarkets / retail complexes that are strategically located in Klang Valley and Johor for a total cash consideration of RM520.0 million.

Sunway REIT received unconditional approval from Economic Planning Unit of the Prime Minister's Office ("EPU") in respect of the proposed acquisition on 18 April 2024 and the SPA was unconditional on the even date. The acquisition was completed on 30 April 2024 with the payment of balance purchase price.

### **Proposed acquisition of an industrial property in Prai, Penang for cash consideration of RM66.8 million**

On 18 December 2023, Sunway REIT entered into a conditional sale and purchase agreement with Best Corridor Venture Sdn. Bhd., to acquire an industrial property that is strategically located in Bukit Tengah Industrial Park, Prai, Penang for a cash consideration of RM66.8 million.

Barring any unforeseen circumstances, the proposed acquisition is expected to be completed in Q3 2024.

### **Proposed acquisition of a shopping mall known as "163 Retail Park" in Mont Kiara, Kuala Lumpur for cash consideration of RM215.0 million**

On 26 January 2024, Sunway REIT entered into a conditional sale and purchase agreement with D'Kiara Place Sdn. Bhd., to acquire a shopping mall known as "163 Retail Park" that is strategically located in Mont Kiara, Kuala Lumpur for a cash consideration of RM215.0 million.

Barring any unforeseen circumstances, the proposed acquisition is expected to be completed in Q3 2024.

## A18. Material Event Subsequent to the end of the Current Quarter

There was no material event subsequent to the current quarter ended 31 March 2024.

## A19. Capital Commitments

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

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Approved and contracted for	1,080,974	903,527
Approved but not contracted for	799,148	609,177
	<u>1,880,122</u>	<u>1,512,704</u>

Amount approved and contracted for was largely in regards to the balance purchase consideration totalling RM717.5 million for the proposed acquisitions stated in Note A17, which is payable within three (3) months from the unconditional date of the respective sale and purchase agreements. In addition, there were ongoing Phase 2 refurbishment of Sunway Carnival Mall with targeted phased completion between early 2024 to end-2025 and reconfiguration of a previous anchor tenant's area in Sunway Pyramid Mall with targeted completion in end-2024.

The balance of the capital commitments was largely in relation to the planned refurbishment of Sunway Pier and Sunway Hotel Georgetown.

## A20. Contingent Liability and Asset

There was no contingent asset as at 31 March 2024. The contingent liability as at 31 March 2024 was in respect to the material litigation as disclosed in Note B12.

## A21. 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 financial period ended 31 March 2024:

	First / Cumulative Quarter ended	
	31.03.2024 RM'000	31.03.2023 RM'000
a) Sunway Berhad Group		
- Sales	(34,012)	(39,049)
- Purchases	45,652	44,817
Structured entities controlled by Sunway Berhad Group		
- Distribution to perpetual note holders	4,959	4,904
b) Sunway Technology Sdn. Bhd. Group		
- Sales	(587)	(686)
- Purchases	211	253

The distribution to perpetual note holders relates to the amount reserved and/or paid for semi-annual distribution to the subscribers of the perpetual note, which are wholesale funds regarded as structured entities controlled by Sunway Berhad.

The following table provides information on the balances with the parties related to the Manager as at 31 March 2024 and 31 December 2023:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
	<u>Amounts owed by parties related to the Manager:</u>	
a) Sunway Berhad Group	4,729	8,132
b) Sunway Technology Sdn. Bhd. Group	-	16
<u>Amount owed to parties related to the Manager:</u>		
a) Sunway Berhad Group	44,935	95,299

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

### B1. Review of Performance

#### a) **Statement of Profit or Loss and Other Comprehensive Income**

Explanatory comments are provided in Note A8a) above.

#### b) **Statement of Financial Position**

Investment properties increased by RM44.1 million mainly attributed to the on-going capital expenditure for Sunway Carnival Mall and Sunway Pyramid Mall.

Right-of-use asset and lease liability were pursuant to a 12-year land lease (ending July 2033) from State Government of Penang for car park purposes and recognised in accordance to MFRS 16 Leases.

Other receivables was higher by RM23.7 million mainly contributed by the deposit paid for the proposed acquisition of 163 Retail Park as disclosed in Note A17.

High cash and bank balances was primarily due to the balance proceeds from disposal of Sunway Medical Centre (Tower A & B). Further details of the utilisation of proceeds received are disclosed in Note B11.

## B1. Review of Performance (Cont'd)

### b) Statement of Financial Position (Cont'd)

Perpetual note holders' funds represent proceed from an issuance of perpetual note of RM340.0 million by SUNREIT Perpetual Bond Berhad in April 2019, net of transaction costs incurred for establishment of the Perpetual Note Programme of RM0.3 million. The perpetual note was subscribed by wholesale funds, which are regarded as structured entities controlled by Sunway Berhad Group. The distribution to the perpetual note holders is a related party transaction as disclosed in Note A21.

Total net asset value remained largely unchanged at RM5.4 billion as at 31 March 2024, comprised of unitholders' funds of RM5.1 billion and perpetual note holders' funds of RM0.3 billion. The decrease in unitholders' funds of RM77.5 million was due to the distribution to unitholders of RM160.3 million and amount reserved for distribution to perpetual note holders of RM4.9 million, partially offset by the total comprehensive income for the financial period of RM82.0 million. There was no movement in the perpetual note holders' funds during the financial period.

Net asset value per unit, after income distribution, was maintained at approximately RM1.46 as at 31 March 2024 and as at 31 December 2023.

### c) Statement of Cash Flows

Net cash from operating activities for Q1 2024 of RM123.8 million mainly comprise of cash receipt from lessees and tenants, partially offset by cash paid for operating expenses.

Net cash used in investing activities for Q1 2024 of RM120.1 million was mainly due the deposit paid for the proposed acquisition of 163 Retail Park and capital expenditure paid for the refurbishment works at Sunway Pyramid Mall and Sunway Carnival Mall.

Net cash from financing activities for Q1 2024 of RM50.2 million was contributed by net drawdown of RM248.5 million to fund the capital expenditure, partially offset by income distribution paid to unitholders of RM160.3 million and interest paid of RM38.0 million.

Cash and bank balances as at 31 March 2024 and 31 March 2023 stood at RM479.2 million and RM185.1 million respectively. The higher cash and bank balances was mainly attributed to the balance proceeds from the disposal of Sunway Medical Centre (Tower A & B) in August 2023 and net cash from financing activities.

## 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 RM44.1 million for Q1 2024, mainly for Sunway Carnival Mall and Sunway Pyramid Mall.

## B3. Material Changes in Quarterly Results

	<b>Current Quarter ended 31.03.2024 RM'000</b>	<b>Immediate Preceding Quarter ended 31.12.2023 RM'000</b>	<b>Change %</b>
Realised profit	86,939	78,391	10.9%
Unrealised profit / (loss)	41	(821)	> 100%
Profit for the quarter	<u>86,980</u>	<u>77,570</u>	<u>12.1%</u>

Realised profit for current quarter was higher by RM8.6 million or 11% compared to immediate preceding quarter (Q4 2023) contributed by better performance of Retail segment, higher interest income and lower finance costs, partially reduced by lower income from Hotel segment. The unrealised loss in previous quarter was primarily derived from accrued tax expenses in relation to year-end revaluation of investment properties of Sunway REIT.

#### B4. Commentary on Prospects

Indicator	2024 (F)	Q1 2024	2023	2022	2021
Gross Domestic Product (GDP) (yoy)	4.0% - 5.0% <sup>4</sup>	3.9% <sup>5</sup>	3.7%	8.7%	3.1%
Consumer Price Index (yoy)	2.1% - 3.6% <sup>4</sup>	1.8% <sup>2</sup>	2.5%	3.3%	2.5%
Overnight Policy Rate (OPR)	3.0% <sup>3</sup>	3.0% <sup>1</sup>	3.0%	2.75%	1.75%

<sup>1</sup> Source: Bank Negara Malaysia

<sup>2</sup> Source: Department of Statistics Malaysia

<sup>3</sup> Source: Bloomberg's economists consensus forecast

<sup>4</sup> Federal Budget 2024, Ministry of Finance

<sup>5</sup> Advance GDP Estimates as at 19 April 2024 (Source: Department of Statistics Malaysia), actual GDP to be announced on 17 May 2024

Malaysia started Q1 2024 with encouraging signs of economic recovery. Advance GDP growth accelerated to 3.9% in Q1 2024, from 3.7% in Q1 2023. The Manager approaches the year ahead with cautious optimism. A more stable domestic political landscape and the promise of economic reform will be positive for the long-term prospects of the economy.

Sunway REIT is confident that Malaysia's domestic consumption will be supported by low unemployment and reasonable economic growth. The Manager is hopeful that stronger tourist arrivals will be another booster to the local economy. In addition, we anticipate the impact of the implementation of high value goods tax and an increase in sales and service tax ("SST") from 6% to 8% to be minimal.

As of the latest Federal Open Market Committee meeting on 1 May 2024, the US Federal Reserve held its ground on interest rates and is likely to hold off on cutting rates. In line with consensus, it is anticipated that the Overnight Policy Rate ("OPR") is expected to stay at the current level for an extended period as the present monetary policy stance remains supportive of the economy, which is consistent with the current assessment of inflation and growth prospects. The Manager will maintain its dynamic capital management stance and seek opportunities to capitalise on any change in interest rate direction in managing our borrowing cost.

#### **Review of retail market**

Supply of retail malls in Malaysia will rise further in 2024. While representing new competition, these new retail malls could add depth and breadth to retail offerings and elevate Malaysia's position as a retail destination. The evolution of the retail landscape could attract more internationally renowned brands to have their presence in Malaysia which will benefit the overall retail industry. Therefore, the Manager strongly believes that established regional malls will continue to be well-placed to attract the best tenants.

According to Retail Group Malaysia, retail industry is projected to grow by 4% in 2024, highlighting that the biggest challenge for the industry will be the rising cost of living. The recent introduction of the Employee Provident Fund's (EPF) Account 3 or Flexible Account provides flexibility for short-term financial needs as the savings in this account can be withdrawn at any time, it is anticipated that the scheme may benefit the members and subsequently encourage consumer spending.

On the Asset Enhancement Initiatives ("AEIs") front, Sunway Pyramid Mall is currently undertaking reconfiguration of a previous anchor tenant's area, accounting for approximately 11% of net lettable area of the mall, which is targeted to complete by end-2024. The Manager has secured tenants for approximately 67% of the said area as of March 2024 with positive rental reversion.

In addition, Sunway Carnival Mall is undergoing refurbishment for its existing wing (Phase 2) following the strong performance of the new wing which was completed in June 2022. The Phase 2 refurbishment is slated to be completed in phases between early 2024 to end-2025 and we expect an uplift in NPI upon full completion. As of March 2024, the Manager has secured 82% of committed tenants for the existing wing of Sunway Carnival Mall.

#### **B4. Commentary on Prospects (Cont'd)**

##### **Review of retail market (Cont'd)**

On 30 April 2024, Sunway REIT completed the proposed acquisition of six hypermarkets that are strategically located at Klang Valley and Johor. The rental contribution from the said properties will commence on 30 April 2024.

Growth in Sunway REIT's retail segment is expected to be marginally impacted in FY2024 as a result of the above-mentioned ongoing AEs in two of its major retail malls, partially cushioned by the new rental contribution from the six hypermarkets.

##### **Review of hotel market**

Tourism Malaysia projects 2024 tourist arrival to surpass the 2019 pre-pandemic level of 26.1 million foreign visitors, particularly visitors from China and India following improved flight connectivity and resumption of flights to Northeast Asia destinations. Additionally, the recently granted 30-day visa-free entry, effective 1 December 2023 for visitors from China, India, Turkiye, Jordan, Saudi Arabia, Qatar, the UAE, Bahrain, Kuwait, Iran and Iraq, is expected to further catalyse the tourism industry in Malaysia.

In ASEAN, tourism broadly recovered to 70% of pre-pandemic levels in 2023. For most of the countries, particularly Thailand and Vietnam, the remaining 30% gap was due to a slower-than-expected return of Chinese tourists. In fact, Malaysia led the region in welcoming mainland Chinese tourists in 2023, with a recovery rate of 45% of 2019's level.

Malaysia's strategic positioning in the Muslim-friendly and medical tourism segment bodes well for Sunway REIT's hotels which are in close proximity to Sunway Medical Centre and surrounding medical centres. Given these positive factors, the Manager is confident in a sustainable growth trajectory for the hotel segment in FY2024, supported by full-room inventory at Sunway Resort Hotel.

##### **Review of office market**

Office sector in Malaysia is anticipated to see a continued increase in incoming supply in 2024. Overhang of vacant office space especially in Klang Valley will adversely affect rental growth prospects. However, Malaysia's relatively cheap rental may entice relocations of more regional offices to Malaysia.

To ensure that Sunway REIT's office properties are included in their list for consideration, the Manager will continuously enhance the properties to meet green building requirements as well as achieve Malaysia Digital (MD) status.

Against the backdrop of supply outstripping demand, it is projected that rental rates and occupancy rates for the office segment will remain challenging. Nonetheless, the Manager is confident that the contribution of the Office segment in Sunway REIT's portfolio will remain stable in FY2024.

#### **B5. Investment Objectives**

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

The Manager will continue to distribute the income of Sunway REIT on a semi-annual basis and will endeavour to grow the net asset value of Sunway REIT over a longer period of time. There was no change in the investment objective during the period under review.

## B6. Performance Benchmark

Performance indicators	Period ended 31.3.2024	Year ended 31.12.2023
a) Management expense ratio *	0.92%	0.90%
b) Total return *	5.0%	11.5%
c) Average annual total return (5 years) *	1.5%	2.6%
d) Distribution yield *	6.3%	6.0%
e) NAV per unit (after income distribution) (RM)	1.4649	1.4646

\* The performance indicators for the period ended 31 March 2024 was based on annualised results.

- a) The ratio of trust expenses in operating Sunway REIT to the NAV of Sunway REIT.
- b) Total return represents the change in unit price from beginning of financial year plus distribution yield for the financial year.
- c) 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.
- d) Annualised distributable income of 9.61 sen per unit (based on distributable income for Q1 2024 of 2.39 sen per unit) divided by the closing unit price as at 31 March 2024 of RM1.52 (31 December 2023: DPU of 9.30 sen divided by the closing unit price as at 31 December 2023 of RM1.54).
- e) NAV of Sunway REIT as determined by deducting the value of total liabilities from the total assets as at period-end and after distributable income for Q1 2024 of 2.39 sen per unit is assumed for income distribution (31 December 2023: final income distribution of 4.68 sen per unit), divided by total issued units.

## B7. Strategies and Policies

The Manager's strategies can be broadly categorised as:

- a) active asset management strategy
- b) acquisition growth strategy
- c) capital and risk management strategy
- d) asset enhancement initiatives, including property development activities

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

## B8. Manager's Fees

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

- a) Base fee of 0.3% per annum on the total assets value;
- b) 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;
- c) Acquisition fee of 1% of the acquisition price of any future Real Estate or a Special Purpose Vehicle acquired by the Trustee for Sunway REIT (pro rated if applicable to the proportion of the interest of Sunway REIT in the Real Estate or Special Purpose Vehicle purchased); and
- d) Divestment fee of 0.5% of the sale price of any future Real Estate or a Special Purpose Vehicle sold or divested by the Trustee (pro rated if applicable to the proportion of the interest of Sunway REIT in the Real Estate or Special Purpose Vehicle sold).

The base fee and performance fee 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.

The Manager's fees (base and performance) for current quarter remained largely unchanged at RM11.2 million.

## B9. Trustee's Fees

Pursuant to the Deed constituting Sunway REIT, the fee payable to the Trustee is up to 0.015% per annum of the net asset value of Sunway REIT, subject to a maximum of RM700,000 per annum and is calculated on a monthly accrual basis based on a year of 12 months.

The trustee of SUNREIT Capital Berhad, PB Trustee Services Berhad, is entitled to receive a predetermined annual fixed fee.

The trustee of SUNREIT Bond Berhad (previously known as SUNREIT Unrated Bond Berhad), AmanahRaya Trustees Berhad, is entitled to receive a predetermined annual fixed fee.

The trustee of SUNREIT Perpetual Bond Berhad, Pacific Trustees Berhad, is entitled to receive a predetermined annual fixed fee.

The trustees' fees for current quarter remained the same at RM0.2 million.

## B10. Status of Corporate Proposals

Other than the proposed acquisitions as disclosed in Note A17, there is no corporate proposal that has been announced but not completed as at the date of this report.

## B11. Status of Utilisation of Proceeds Raised from Corporate Proposal

On 29 December 2022, Sunway REIT entered into a conditional sale and purchase agreement with Sunway Medical Centre Sdn. Bhd., a party controlled by Sunway Berhad, to dispose 2 parcels of leasehold lands held under PN 12549 Lot 38160, Bandar Sunway, Daerah Petaling, Negeri Selangor and PN 12550 Lot 45, Bandar Sunway, Daerah Petaling, Negeri Selangor together with a 7-storey medical centre with a lower ground floor car park, an elevated car park and a convention centre known as "Sunway Medical Centre (Tower A & B)", for a total cash consideration of RM430.0 million ("Proposed Disposal").

This Proposed Disposal was completed on 30 August 2023 upon payment of the balance purchase consideration.

As at 31 March 2024, the status of utilisation of proceeds from the Proposed Disposal was as follows:

Proposed utilisation	Proposed amount for utilisation	Revised amount for utilisation	Actual utilisation	Balance unutilised	Estimated timeframe for utilisation from 30 August 2023
	RM'million	RM'million	RM'million	RM'million	
New investment(s) / Repayment of borrowings <sup>(1)</sup>	416	417	88	329	12 months
Estimated expenses (including taxes)	14	13	13	-	6 months
<b>Total</b>	<b>430</b>	<b>430</b>	<b>101</b>	<b>329</b>	

(1) Net proceeds from the Proposed Disposal will be redeployed for new investment(s) within the next twelve (12) months, failing which the proceeds will be utilised to repay the borrowings of Sunway REIT. Pending utilisation of the gross proceeds received, the Manager will place such proceeds in interest-bearing bank deposits and/or money market instruments and/or for repayment of borrowings.

## B12. Material Litigation

### Metroplex Holdings Sdn Bhd (“Metroplex”) v RHB Trustees Berhad (as trustees for Sunway REIT) and Sunway REIT Management Sdn Bhd (collectively, the “Defendants”)

On 28 September 2015, Metroplex filed writ of summons and a statement of claim against the Defendants to claim, amongst others, damages 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) (“Chattels and Movable Items”) which Metroplex alleged the Chattels and Movable Items were acquired and owned by them and were not removed when the Defendants took possession of the hotel at Sunway Putra on 27 September 2011. Metroplex has in its statement of claim alleged that the Chattels and Movable Items were worth in excess of RM80 million as at September 2011.

On 3 November 2017, the High Court allowed Metroplex's claim on liability in which the damages to be awarded to Metroplex shall be assessed (“High Court's Decision”).

Subsequently, the Defendants appealed to the Court of Appeal against the High Court's Decision on 6 November 2017. The Court of Appeal allowed the Defendants' appeal and the High Court's Decision was set aside on 22 January 2019 (“Court of Appeal's Decision”).

On 20 February 2019, Metroplex filed motion for leave to appeal to the Federal Court against the Court of Appeal's Decision (“Motion”). The Motion was allowed on 25 November 2019. Subsequently, Metroplex filed notice of appeal to appeal against the Court of Appeal's Decision on 2 December 2019 (“Appeal”). The hearing for the Appeal was fixed on 31 March 2021.

On 31 March 2021, the Federal Court allowed Metroplex's appeal by setting aside the Court of Appeal's Decision, restoring the High Court's Decision and ordered the assessment of damages against the Defendants to proceed before the High Court (“Assessment”). In Metroplex's claim, Metroplex is claiming for the Chattels and Movable Items amounting to approximately RM402 million. The Defendants strenuously objected to the amount claimed as being overly excessive and appointed subject matter experts to dispute the quantum of claim.

The trial for the Assessment was held on 4, 5, 6, 12 and 13 January 2023. Upon conclusion of the trial, the High Court judge directed the Defendants and Metroplex to appear before the High Court for oral submission on 9 and 15 May 2023. After hearing oral submissions by both parties, the Judge then proceeded to fix the date for the decision to be delivered. At this stage, the financial impact cannot be determined pending the decision of the High Court, which has been adjourned to 30 May 2024.

## B13. Soft Commission

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

## B14. Summary of EPU, DPU, NAV and Market Price

	Current Quarter ended 31.03.2024	Immediate Preceding Quarter ended 31.12.2023	Change %
Number of units in issue (units)	3,424,807,700	3,424,807,700	0.0%
Realised net income (RM'000)	86,939	78,391	10.9%
Realised earnings per unit (EPU) (sen)	2.39	2.14	11.7%
Income distribution (RM'000) <sup>1</sup>	-	160,281	-100.0%
Distribution per unit (DPU) (sen) <sup>1</sup>	-	4.68	-100.0%
Net Asset Value (NAV) attributable to unitholders (After income distribution) (RM'000) <sup>2</sup>	5,016,928	5,016,081	*
NAV per unit (After income distribution) (RM) <sup>2</sup>	1.4649	1.4646	*
Market price per unit (RM)	1.52	1.54	-1.3%

\* Less than 0.1%

<sup>1</sup> Income distribution of Sunway REIT is on a semi-annual basis, for each six-month period ending 30 June and 31 December.

<sup>2</sup> After distributable income for Q1 2024 of 2.39 sen per unit is assumed for income distribution (31 December 2023: final distribution of 4.68 sen per unit).



**B15. Income Distribution**

Please refer to Statement of Income Distribution and Note A12 for details.

**B16. Disclosure of Nature of Outstanding Derivative Financial Instruments**

Derivative financial instruments are recognised in the financial statements in accordance with MFRS 9 *Financial Instruments*.

Type of Derivatives	Contract / Notional Value		Fair Value at Reporting Date Derivative Asset	
	As at 31.03.2024	As at 31.12.2023	As at 31.03.2024	As at 31.12.2023
	RM'000	RM'000	RM'000	RM'000
<b>Cross currency swap (CCS)</b> - Less than 1 year	-	331,503	-	15,016

In last financial year, Sunway REIT entered into CCS contracts to manage its exposure in foreign currency risk arising from borrowings in USD as disclosed Note A15 above. 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. The CCS contracts expired on 11 March 2024.

**B17. Risks and Policies of Derivatives**

The derivatives of the Group comprises CCS contract as mentioned in Note B16.

The overall risks and policies relating to the management of derivative financial instrument are similar to those disclosed in the audited financial statements for the financial year ended 31 December 2023.

**B18. Disclosure of Gains / Losses Arising from Fair Value Changes of Financial Liabilities**

Please refer to Note A10 for details.

**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 2024 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 16 May 2024.

**BY ORDER OF THE BOARD**

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

**Tan Kim Aun**  
**Lee Chun Shian**  
Company Secretaries

**Bandar Sunway**  
Date: 16 May 2024