

## KEY REFLECTIONS FROM THE CFO



### GROSS REVENUE

RM **580** million  
3.5% ↑

### NET PROPERTY INCOME

RM **440** million  
4.7% ↑

### PROPERTY VALUE

RM **8.05** billion  
10.5% ↑

### DISTRIBUTION PER UNIT

**9.59** sen  
0.2% ↑



For more information, please refer to  
Financial Review/Business Review section

- MAINTAIN 100% DISTRIBUTION PAYOUT SINCE IPO
- ONE OF THE LOWEST AVERAGE COST OF DEBT AT 4.02% AGAINST OTHER M-REITs

Embracing innovation and diversifying portfolio base via strategic and yield-accretive acquisitions

We achieved positive financial results in FY2019 amidst challenging market conditions and changing geopolitical developments. With the combined efforts of the teams in the organisation, we will continue to deliver consistent progress in the years to come.

## KEY ACHIEVEMENTS

Sunway REIT delivered a steady revenue growth of 3.5% to hit a new high of RM580.3 million, backed by stable performance from our retail segment, which recorded gross revenue of RM426.7 million, as well as new revenue contribution from the recent acquisition of Sunway university & college campus. One of Sunway REIT's vision is to enhance and diversify our portfolio base in the Services segment via strategic and yield-accretive investments.

This encouraging performance was a result of active acquisition coupled with prudent cost and asset quality management yielding an improved net property income of RM439.7 million, an increase of 4.7% from the previous financial year. Moreover, despite the current soft market conditions, the property value of our investment portfolio grew 10.5% year-on-year to RM8.05 billion as at 30 June 2019, boosted by the acquisition of Sunway university & college campus as well as net fair value gain of RM108 million from existing investments.



For more information, please refer to Investment Review section

In this financial year, we introduced new debt and equity programmes which garnered strong support from our new and existing financiers. This is part of our active capital management strategy to diversify Sunway REIT's financing profile while balancing an optimal gearing ratio that complies with regulatory requirements. With the recent acquisition of Sunway university & college campus financed via a combination of debt and perpetual note programmes, Sunway REIT recorded a marginal decrease in gearing ratio from 38.6% in FY2018 to 37.9% in FY2019 while achieving one of the lowest average cost of debt among its peer group at 4.02%.

Sunway REIT is committed to delivering long-term value to all unitholders by maintaining our long-term distribution policy of 100%. In this financial year, we proposed to distribute 9.59 sen, a 0.2% increase from the previous financial year, resulting in an annual distribution yield of 5.1% as at 30 June 2019 which was approximately 1.5% above 10-Year MGS yield.

## LOOKING FORWARD

While the future may be uncertain with the ongoing US-China trade tensions and slowing global growth levels, we will nevertheless continue to build on the strength of our diversified portfolio and expand through synergistic business collaborations.

Our focus shall also include:

- active asset enhancement initiatives to increase business performance
- proactive capital management initiatives to enhance effective distribution payout
- emphasis on cost discipline to improve overall business margins



For more information, please refer to Strategic Objectives section



VITAL ATTRIBUTES



MESSAGE TO UNITHOLDERS



TRUST STRUCTURE & LEADERSHIP



MANAGEMENT DISCUSSION & ANALYSIS



PROPERTY DETAILS



CORPORATE GOVERNANCE & ACCOUNTABILITY



SUSTAINABILITY STATEMENT



FINANCIAL INSIGHTS



UNITHOLDERS' INFORMATION