

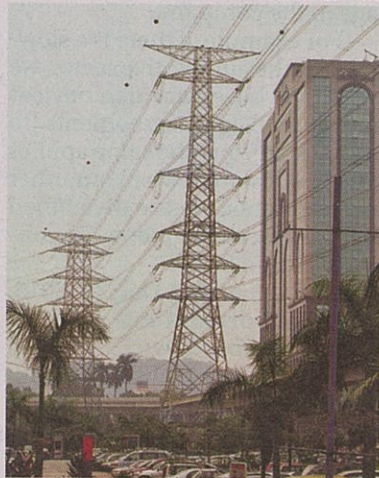
TNB's 2Q net profit down 38.89%

Investors cautious about FY16 prospects

AKSHANA

KUALALUMPUR: Tenaga Nasional Berhad (TNB) saw its net profit fall to RM1.32 billion or 23.4 sen a share for the second quarter ended March 31, 2016 (2QFY16), from RM2.13 billion or 38.21 sen a share in the first quarter. In the recognition of the volatility of imbalance between supply and demand, the company has decided to pay a special dividend of 10 sen a share (ICPT).

With Bursa Malaysia's decision to allow TNB to pay a special dividend, the utility giant said the net profit after ICPT also dented revenue by 3% to RM10.49 billion from RM10.91 billion with RM10.61 billion



THE EDGE FILE PHOTO

to the owners of the company. It said the cost had offset the 4.6% rise in sales of electricity from RM10.57 billion to RM11.05 billion. The higher sales were mainly in

the cost also dented its 1HFY16 net profit, despite a 4.2% increase in sales of electricity during the period to RM22.23 billion from RM21.33 billion in 1HFY15.

TNB said it remains cautious about the group's prospects for FY16 in view of the challenging financial landscape that will influence the Malaysian economy.

"Bank Negara Malaysia, in its 2015 annual report, expects that the Malaysian economy will grow by 4% to 4.5% in 2016, with domestic demand continuing to be the principal driver of growth, sustained primarily by private-sector spending.

"While investments in the oil and gas industry are likely to remain weak in 2016, investments in the non-energy sectors are expected to continue in 2016, thus generating positive spill-over into the rest of

Sunway REIT's 3Q NPI up 16.2%, declares 2.37 sen DPU

BY SUPRIYA SURENDRAN

KUALALUMPUR: Sunway Real Estate Investment Trust (Sunway REIT) reported a 16.2% increase in net property income (NPI) to RM96.68 million for the third quarter ended March 31, 2016 (3QFY16), from RM83.18 million a year ago, on strong growth in the retail and hotel segments.

The stronger growth in the two segments was, however, partially offset by lower performance from the office segment, the retail-focused REIT said in a statement yesterday.

NPI for the nine months ended March 31 (9MFY16) was up 10.6% to RM283.68 million from RM256.41 million in the previous corresponding period.

Sunway REIT said 3QFY16 net profit rose 14% to RM64.77 million from RM56.82 million. Revenue increased 17.7% to RM130.34 million from RM110.71 million, as average occupancy at Sunway Putra Hotel improved following the completion of its refurbishment in December 2015.

For 9MFY16, net profit was up 9.4% to RM200.8 million from RM183.54 million in 9MFY15. Revenue rose 13.3% to RM383.43 million from RM338.50 million in 9MFY15, an increase of 11.3% compared with 3QFY15, bringing the payout for 9MFY16 to 7.06 sen.

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Sunway REIT said retail and hotel segments were its main contributors in 9MFY16, further supported by new income contribution from Sunway Putra Mall following its reopening in May 2015, and Sunway Hotel Georgetown and Wisma Sunway, which were acquired in January 2015 and March 2015 respectively.

Sunway REIT Management Sdn Bhd chief executive officer Datuk Jeffrey Ng said despite the challenging market, the resilient assets located in Sunway Resort City held up the overall performance of Sunway REIT.

"We expect a modest growth in DPU for the financial year ended June 30, 2016, mainly contributed by new and resumption of income contribution from completion of refurbishment and acquisitions, namely Sunway Putra Mall, Sunway Putra Hotel, Sunway Hotel Georgetown and Wisma Sunway.

"Meanwhile, Sunway Resort Hotel & Spa has enjoyed a strong performance in 3QFY16 boosted by the leisure segment, particularly from the Middle Eastern market. The higher DPU was also contributed