

Sunway REIT 2Q18 net profit down 0.2%



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by TMR

Sunway Real Estate Investment Trust (REIT) net profit for the second quarter ended Dec 31, 2017 (2Q18) fell 0.2% year-on-year (YoY) to RM70.99 million despite revenue growing 11.50% YoY to RM141.47 million.

The higher revenue was offset by higher property operating expenses largely attributable to increase in maintenance expenses and allowance for doubtful debts.

As a result, net property income (NPI) was marginally higher by 0.2% YoY to RM70.9 million.

Its hotel segment reported a revenue growth of 54.5% YoY to RM22.9 million in 2Q18. The property group proposed a distribution per unit (DPU) of 2.38 sen, representing an increase of 4.4% compared to the corresponding quarter in the preceding year.

For the first six months of FY2018, DPU rose by 11.0% to 5.05 sen, translating into an annualized distribution yield of 5.3% based on unit price of RM1.90 as at Dec 31, 2017.

Sunway REIT is expecting the group earnings to be further boosted by new income contributions from the recent acquisitions of Sunway Clio Property which is targeted to be completed by 1Q18.