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Sunway REIT 4Q NPI up 11%, declares 2.28 sen DPU

BY WONG EE LIN

KUALA LUMPUR: Boosted by new income contribution from newly acquired Sunway University and College campus, as well as higher retail contribution, Sunway Real Estate Investment Trust (REIT) posted an 11% rise in net property income (NPI) to RM111.18 million for the fourth quarter (4Q) ended June 30, against RM100.27 million last year.

Net realised income for the quarter increased 6.1% to RM67.16 million, from RM63.31 million previously.

The group declared an income distribution per unit (DPU) of 2.28 sen for the quarter, which will be paid on Sept 10. It was Sunway REIT's fourth income distribution for the year and increased total payout for FY19 to 9.59 sen.

"The stable set of financial performance was achieved on the back of timely completion of the acquisition of Sunway University and College campus, prudent cost management and proactive capital management initiatives," said Sunway REIT Management Sdn Bhd chief executive officer Datuk Jeffrey Ng in a statement yesterday.

Sunway REIT manager expects the DPU in FY20 to stay resilient, primarily supported by full-year income recognition from acquisition of Sunway University and College campus and modest growth in retail segment. The manager is also committed to distribute 100% of distributable net income in FY20.

However, it remains cautious about the performance of the hotel segment because it expects stronger headwinds for the industry coupled with soft tourist arrivals.

"Looking ahead, the underlying fundamental surrounding the operating landscape remains challenging on the back of global whirlwind, moderation in domestic economy and fluidity in government policies amid the new government reform," said Ng.

In 4Q, revenue rose 6.8% to RM145.56 against RM136.25 million a year ago.

As at June 30, Sunway REIT's property value grew 10.5% to RM8.05 billion, from RM7.28 billion before, primarily attributable to acquisitions amounting to RM550 million and fair value gain of RM108 million.

For the full year, Sunway REIT's NPI grew 4.7% to RM439.7 million, while net realised income was up marginally by 0.1% to RM282.34 million. Revenue rose 3.5% to RM580.3 million.