

Headline	SunREIT income 7.7percent up		
MediaTitle	The Star		
Date	06 Nov 2019	Language	English
Circulation	175,986	Readership	527,958
Section	StarBiz	Color	Black/white
Page No	4	ArticleSize	248 cm ²
Journalist	N/A	PR Value	RM 17,787



SunREIT income 7.7% up

Revenue also 8% higher underpinned by better showing overall

PETALING JAYA: Sunway Real Estate Investment Trust (SunREIT) saw its net property income (NPI) grow 7.7% to RM119.07mil for the first quarter ended Sept 30, 2019, compared with RM110.51mil in the corresponding period last year.

During the quarter in review, SunREIT's revenue rose 8.1% at RM155.35mil from RM143.74mil a year ago, underpinned by improved performance across all segments.

In tandem with the topline improvement, net realised income increased by 7.9% to RM78.7mil, partially offset by lower interest income and higher finance cost to finance acquisition and capital expenditure.

The group also declared a first income distribution per unit (DPU) of 2.5 sen to be paid on Dec 4.

In a statement, Sunway REIT

Management Sdn Bhd CEO Datuk Jeffrey Ng said SunREIT was expected to deliver sustainable DPU for financial year (FY) ending June 30, 2020.

"Taking guidance from the financial performance in the first quarter, SunREIT expects to maintain resilient distribution per unit in FY20, predominantly supported by modest growth in retail segment and full year income contribution from newly acquired Sunway university and college campus," he explained.

He noted over the span of 10 years, SunREIT had maintained an uninterrupted track record in delivering positive DPU growth, supported by strong asset quality, proactive capital management, active acquisition and asset enhancement initiatives (AEIs) strategy.

"We are pleased to demonstrate that our diversification strategy, active acquisition and AEIs strategy has continued to drive new income stream amidst challenging operating environment," Ng said.

During the first quarter in review, SunREIT saw improvement across all segments, with the retail segment's revenue rising to RM105.5mil from RM104.9mil previously, due largely to Sunway Carnival Shopping Mall.

However, retail NPI contracted by 3.1% year-on-year (yoy) to RM75.3mil due to lower property operating expenses.

For the hotel segment, SunReit said revenue increased 4.8% yoy to RM23.7mil as revenue for Sunway

Resort Hotel & Spa rebounded due to normalisation of business operation, while NPI rose 7.4% yoy

to RM22mil.

As for the office segment, despite the challenging market environment, revenue grew 11.6% yoy to RM11.6mil 1Q FY20, mainly attributable to higher average occupancy rate for all offices in the asset portfolio. The improved occupancy rate also contributed to encouraging growth in NPI, which rose 10.8% yoy to RM5.7mil.

Meanwhile, revenue and NPI for the services segment grew 151.9% yoy to RM14.5mil due to new income contribution from Sunway university and college campus following the completion of the acquisition in April 2019.

The industrial and others segment also registered higher revenue and NPI of 9.9% yoy, primarily due to positive rental reversion for the property.