

Headline	Sunway REIT`s 2Q20 net profit jumps to RM77.2m		
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Sunway REIT's 2Q20 net profit jumps to RM77.2m

Revenue increased 11.7%, driven by new income contribution from Sunway University and College, and improved performance across all segments

by NUR HANANI AZMAN

SUNWAY Real Estate Investment Trust (Sunway REIT) recorded a net profit of RM77.2 million for the second quarter of financial year 2020 (2Q20) ended Dec 31, 2019, from RM66.45 million in 2Q19.

Revenue increased 11.7% year-on-year (YoY) to RM155.8 million from RM139.5 million previously, driven by new income contribution from the newly acquired Sunway University and College campus, and improved performance across all segments.

In a filing to Bursa Malaysia yesterday, Sunway REIT said its net property income (NPI) expanded by 11.9% YoY to RM116.6 million during the quarter.

It said the retail segment remained resilient, with revenue improving to RM106.7 million, largely contributed by Sunway Pyramid Shopping Mall and



Sunway REIT says the hotel segment recorded revenue and NPI growth of 28% and 32% YoY to RM22.6m and RM21m respectively in 2Q20

Sunway Putra Mall.

However, it noted that NPI for the segment contracted by 2.6% YoY to RM74 million, on the back of lower advertising and promotion, and maintenance expenses incurred.

Sunway REIT said the hotel segment recorded revenue and NPI growth of 28% and 32% YoY to RM22.6 million and RM21 million respectively in 2Q20, due to the resumption of operation of the

grand ballroom, and meeting and function rooms in Sunway Resort Hotel and Spa after the completion of the refurbishment.

For the quarter, the company proposed a distribution per unit

(DPU) of 2.45 sen.

"Annualising the first half of 2020 (1H20) distribution of 4.95 sen per unit, this translates into a distribution yield of 5.4%, based on the unit price of RM1.82 as at Dec 31, 2019," it said.

Sunway REIT Management Sdn Bhd CEO Datuk Jeffrey Ng said Sunway REIT delivered a healthy DPU, achieved on the back of its growth strategy to continuously expand income streams through acquisitions and active asset management initiatives.

Moving forward, Sunway REIT expected the financial year 2020 DPU to be supported by full-year income contribution from the newly acquired Sunway University and College campus, stable contribution across all sectors and favourable interest-rate environment.

"We are closely monitoring the development of Covid-19 which may have implications on our business if the pandemic persists over a longer period.

"Additionally, we are also proactively reviewing possible cost tightening as a precautionary measure in anticipation of a potential downside risk to income," Ng added.