

# Sunway REIT's Q2 2020 net profit rises to RM77.20m

Thursday, 13 Feb 2020 07:21 PM MYT

KUALA LUMPUR, Feb 13 — Sunway Real Estate Investment Trust's (Sunway REIT) net profit for the second quarter of the financial year 2020 (Q2 FY2020) ended Dec 31, 2019 rose to RM77.20 million from RM66.45 million in Q2 2019.

Revenue increased 11.7 per cent year-on-year (y-o-y) to RM155.80 million from RM139.50 million previously, boosted by new income contribution from the newly acquired Sunway University and College campus and improved performance across all segments.

In a filing with Bursa Malaysia today, Sunway REIT said correspondingly, its net property income (NPI) expanded by 11.9 per cent y-o-y 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 Putra Mall.

However, it noted that NPI for the segment contracted by 2.6 per cent y-o-y 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 per cent and 32 per cent y-o-y to RM22.6 million and RM21.0 million respectively in Q2 2020, due to the resumption of operation of the grand ballroom, 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 (1H 2020) distribution of 4.95 sen per unit, this translates into a distribution yield of 5.4 per cent, based on the unit price of RM1.82 as at Dec 31, 2019,” it said.

Sunway REIT Management Sdn Bhd chief executive officer 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 FY2020's DPU to be supported by full-year income contribution from 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. — Bernama