

# Sunway REIT's 1Q NPI rises 16% to RM138m driven by retail segment

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KUALA LUMPUR (May 3): Sunway Real Estate Investment Trust's (Sunway REIT) net property income (NPI) for the first quarter ended March 31, 2023 (1QFY23) rose 16.3% year-on-year (y-o-y) to RM138.31 million from RM118.92 million driven by its retail segment.

Quarterly revenue grew 18.7% to RM182.8 million from RM153.97 million, the REIT's bourse filing on Wednesday (May 3) showed.

Earnings per unit, however, fell to 2.67 sen from 2.96 sen a year earlier.

Gross revenue for the retail segment was 28.25% higher at RM126.26 million from RM98.44 million a year ago, primarily contributed by an overall improved performance across its retail properties, except for SunCity Ipoh Hypermarket.

In tandem with the increase in revenue, NPI for the retail segment increased to RM89.96 million, from RM70.28 million.

Hotel segment gross revenue dropped by 0.26% y-o-y to RM18.47 million compared with RM18.52 million previously, while NPI rose to RM17.44 million from RM13.67 million.

Office segment gross revenue increased by 4.72% y-o-y to RM20.4 million from RM19.48 million in the corresponding period last year. NPI slid to RM13.48 million against RM13.67 million.

Service segment revenue rose 0.9% y-o-y to RM15.98 million from RM15.84 million, while NPI also increased to RM15.98 million from RM15.84 million in the same quarter last year.

Sunway REIT chief executive officer Datuk Jeffrey Ng said that the REIT had delivered a set of solid financial performances for 1QFY23.

“The retail segment sustained its strong retail footfall and retail sales momentum on the back of festive spending,” he said in a statement accompanying the REIT's results.

On its outlook, he said the REIT is cautiously optimistic, amidst growing economic headwinds and rising interest costs.

“We are cautiously optimistic about the outlook for 2023 as we closely monitor the evolving market conditions and remain agile in responding to emerging possibilities and opportunities.”

Moving forward, he noted that "As part of our continued commitment to deliver value to our unitholders, we have announced the proposed acquisition of six hypermarkets in the current quarter, which is slated for completion by the fourth quarter of 2023 (4QFY23),"

He added that the REIT will remain steadfast in identifying and pursuing potential opportunities that align with its values and strategic objectives to achieve the targets of Transcend 2027.

On Wednesday, Sunway REIT's share price closed down one sen or 0.62% to RM1.60, for a market capitalisation of RM5.48 billion.