


Sunway REIT net profit rises to RM338.19mil in FY23, declares higher DPU of 9.30 sen

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KUALA LUMPUR: Sunway Real Estate Investment Trust  (Sunway REIT) achieved a net profit of RM338.19 million for the financial year ended Dec 31, 2023 (FY2023), up 4.52 per cent from RM323.56 million a year earlier, driven by the robust performance of all segments.

Revenue rose to RM715.69 million from RM651.45 million, the manager said in a filing to Bursa Malaysia today.

Sunway REIT Management Sdn Bhd, the REIT manager, proposed a higher distribution per unit (DPU) of 9.30 sen in FY2023, compared to 9.22 sen in FY2022, which translated into a distribution yield of 6%.

Chief executive officer Clement Chen said that despite headwinds from a high-interest rate environment, the group had sustained its post-pandemic recovery in FY2023.

"Bank Negara Malaysia's gradual and measured approach to increasing interest rates has given businesses and households time to adjust to the higher costs regime," he said.

In addition, he added Malaysia's economic resilience has bolstered domestic demand, resulting in buoyant retail consumption, meetings, incentives, conferences and exhibitions (MICE) activities as well as business and leisure travelling.

"Overall though, we look to sustain our stable performance in FY2024 with the successful completion of the ongoing asset enhancement initiatives driving net property income (NPI) growth moving forward," commented Chen on the outlook for FY2024.

Sunway REIT's retail segment's revenue increased by 11 per cent to RM472.9 million in FY2023, from RM426.9 million in the previous year.

This improved performance was predominantly driven by healthy growth across all retail properties on the back of sustained retail footfall and encouraging retail sales during the festive seasons and school holidays.

In FY2023, the hotel segment emerged as one of the key contributors to the robust performance of Sunway REIT.

The hotel segment achieved a revenue increase of 38 per cent to RM87.1 million, from RM63.3 million in FY2022.

The office segment recorded moderate revenue growth of 4 per cent to RM82.6 million in FY2023, attributed to positive rental reversion and a stable average occupancy rate of 84 per cent in FY2023.

The services segment contributed revenue and NPI of RM55.2 million for FY2023, representing a decrease of 13 per cent compared to FY2022, primarily due to the completion of disposal of Sunway Medical Centre (Tower A & B) on Aug 30, 2023. The industrial and others segment reported a stable revenue of RM6.8 million in FY2023, contributed by Sunway REIT Industrial - Shah Alam 1. - Bernama