

# Sunway REIT Gains 3.63%, Buoyed By Strong 1Q25 Results

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Sunway Real Estate Investment Trust (Sunway REIT) rose 3.63% to close at RM2.00, up 7 sen, with 42.5 million shares traded as at 3.27 pm today. The stock opened at RM1.93, hit a high of RM2.03, and touched a low of RM1.93.

The strong performance comes on the back of its first quarter FY2025 results, which were slightly above forecast and reflected a 20% year-on-year increase in core net profit, largely driven by a 23% rise in revenue. Maybank Investment Bank maintained a BUY call with a target price of RM2.13, citing lower-than-expected finance costs and robust retail segment growth as key contributors.

Retail net property income (NPI) surged 34% YoY, supported by contributions from newly acquired assets — including S.163 Mall, six hypermarkets, and S.Kluang Mall — and record-high retail occupancy of 99%. The refurbished Oasis precinct at Sunway Pyramid Mall achieved full occupancy with doubling rents, further cementing the REIT's retail strength.

While the hospitality segment declined 16% YoY due to Ramadan, a recovery is expected in 2Q25. Office NPI was down 11% YoY, though tenant backfilling is in progress.

Maybank IB remains optimistic on Sunway REIT's outlook, supported by upcoming contributions from acquisitions, active asset enhancement initiatives (AEIs), and recovery in hospitality. The proposed disposal of the Sunway University and College campus and

the planned acquisition of AEON Mall Seri Manjung are both expected to stabilise gearing at around 40% post-completion.