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KUALA LUMPUR (May 14): Sunway Real Estate Investment Trust (KL:[SUNREIT](#)) reported a 20.4% year-on-year (y-o-y) increase in its net property income in the first quarter of 2025, thanks to contribution from asset acquisitions made in 2024.

Net property income for the three months ended March 31, 2025 (1QFY2025) was RM157.19 million, compared with RM130.54 million in the same quarter last year, the REIT's bourse filing on Wednesday showed. Earnings per unit rose to 2.88 sen from 2.39 sen a year earlier.

Interest income, however, declined 51.8% to RM3.03 million versus RM6.28 million in the same period a year ago, due to a reduction in cash balances and higher finance costs of RM4.9 million, coupled with increase in borrowings.

Revenue for the quarter climbed 22.6% to RM218.86 million from RM178.59 million in 1QFY2024, lifted by new retail assets and the reopening of Sunway Pyramid Mall's Oasis wing.

There was no income distribution declared for the quarter, in line with the group's practice of making semi-annual distributions.

Retail segment revenue surged 33.3% y-o-y to RM168.36 million, driven by the new rental contribution from six hypermarkets and new malls acquired in 2024, namely Sunway 163 Mall and Sunway Kluang Mall.

Nonetheless, hotel revenue fell 15.8% y-o-y to RM16.11 million due to seasonal weakness during the Ramadan period, while office revenue slipped 4.1% y-o-y to RM20.42 million on tenant relocations.

On a quarter-on-quarter basis, Sunway REIT's net property income dropped 5% from RM165.55 million in the immediate preceding quarter, as revenue fell marginally from RM220.85 million in 4QFY2024.

"Looking ahead, we have strong conviction on Sunway REIT's performance in the financial year 2025," Sunway REIT Management Sdn Bhd chief executive officer Clement Chen said, citing the early completion of Sunway Carnival Mall's refurbishment, improving occupancy at Sunway REIT Industrial, and the upcoming completion of the AEON Mall Seri Manjung acquisition in the third quarter of 2025.

Having said that, he warned of potential headwinds from US-imposed tariff measures, higher sales and service tax, and fuel subsidy rationalisation that may dampen consumer spending.

"We will continue to monitor the market closely in response and will intensify efforts to diversify our tenant mix to include more regional and local brands, and to increase focus on domestic and regional travellers," he added.

Sunway REIT units settled up two sen or 1.05% to RM1.93 on Wednesday, valuing the group at RM6.61 billion.

Edited By Lee Weng Khuen