

Sunway REIT records gross revenue of RM95.8mil in Q2



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KUALA LUMPUR (Bernama) -- Sunway Real Estate Investment Trust (SUNREIT) recorded a lower gross revenue of RM95.8 million for the second quarter ended Dec 31, 2020 (2Q FP2021) as compared to RM155.8 million for the corresponding quarter in the preceding year (2Q FY2020).

In a filing with Bursa Malaysia today, Sunway REIT Management Sdn Bhd, the manager for SUNREIT said net property income (NPI) decreased to RM66.0 million against RM116.6 million as a result of the uncertainty and challenges brought about by the COVID-19 pandemic.

During the quarter under review, the recovery of the Retail and Hotel segments were impacted following the reinstatement of conditional movement control order (CMCO) in various states in the country amidst the resurgence of COVID-19 cases, it said. Gross revenue for the retail segment for the quarter under review stood at RM56.8 million, from RM106.7 million in 2Q FY2020, attributable to the implementation of CMCO in October 2020 which had stalled the footfall and sales recovery in 2Q FP2021.

In tandem with that, the retail segment recorded a NPI of RM33.9 million, from RM74.0 million in 2Q FY2020.

Hotels under Sunway REIT's asset portfolio collectively posted a gross revenue of RM7.9 million in 2Q FP2021 compared to RM22.6 million in 2Q CY2020 owing to ongoing international travel restrictions, limited domestic travel activities and cautious sentiment in light of increasing COVID daily cases.

Meanwhile, the office segment posted a 40.0 per cent jump in gross revenue to RM14.5 million on the back of new income contribution from acquisition of The Pinnacle Sunway, which was completed in November 2020 as well as stable office occupancy rate.

For the services segment, gross revenue and NPI recorded a 2.8 per cent y-o-y growth to RM15.0 million, boosted by the annual rental reversion of Sunway Medical Centre and Sunway university & college campus.

The industrial & others segment's gross revenue and NPI remained stable at RM1.5 million.

Despite the challenging operating environment, Sunway REIT maintained an income distribution payout ratio of at least 90 per cent of distributable income amounting to RM26.4 million or a distribution per unit (DPU) of 0.77 sen in 2Q FP2021.

"After the spike in COVID-19 cases and reinstatement of MCO on Jan 13, 2021, we continue to maintain a cautious outlook in the near term," said Sunway REIT chief executive officer Datuk Jeffrey Ng.

With the imminent rollout of the vaccine, he said the COVID containment endeavour is likely to be more effective barring any unforeseen circumstances.

On prudent capital management strategy, he said Sunway REIT's current gearing of 37.4 per cent, which is well below the new limit of 60 per cent up to December 2022 set by the Securities Commission, played a significant role in allowing it to be flexible in its portfolio and asset expansion strategy.