

Sunway REIT Records Net Property Income Of RM67 Million For Q3 FP2021

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BusinessToday

May 20, 2021

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Sunway REIT has recorded gross revenue of RM104.3 million and net property income (NPI) of RM 67.0 million for the third quarter ended March 31 versus RM140.8 million and RM103.5 million respectively for the corresponding quarter in the preceding year (3Q FY2020).

The set of financial performance was largely due to lower contribution from the Retail and Hotel segments on the back of imposition of MCO 2.0. However, it was partially cushioned by higher contribution from the Office and Services segments.

The Retail segment recorded gross revenue and NPI of RM53.7 million and RM23.9 million respectively in 3Q FP2021. In the corresponding quarter in the preceding year, the retail segment registered gross revenue and NPI of RM98.3 million and RM67.1 million respectively.

The financial performance for the Retail segment was hindered by the scaled-back business operations caused by restrictions and SOP imposed during MCO 2.0.

The Hotel segment recorded gross revenue of RM14.4 million for the quarter under review versus RM15.3 million in 3Q FY2020. Correspondingly, the Hotel segment reported NPI of RM12.8 million in 3Q FP2021 compared to RM13.5 million in 3Q FY2020.

The financial performance for the quarter was predominantly boosted by guaranteed income received for Sunway Clio Property and Sunway Hotel Georgetown.

The Office segment recorded a surge in gross revenue and NPI in 3Q FP2021, benefitted from the full-quarter contribution from The Pinnacle Sunway pursuant to the completion of its acquisition in November 2020. The Office segment gross revenue soared from RM10.7 million in 3Q FY2020 to RM19.3 million in 3Q FP2021.

NPI jumped more than two folds to RM13.4 million in 3Q FP2021 from RM6.4 million in 3Q FY2020, backed by stable occupancy rates as well as new income contribution from The Pinnacle Sunway.

For the quarter under review, the Services segment edged up to RM15.3 million boosted by annual rental reversion of Sunway Medical Centre and Sunway university & college campus. The Industrial & Others segment income contribution remained stable at RM1.5 million.

Dato' Jeffrey Ng, Chief Executive Officer of the Manager, commented, "Sunway REIT maintains a cautious outlook for the remaining of the year due to implementation of MCO 3.0 nationwide and uncertainties surrounding the business operating landscape in the coming months. The acceleration of mass vaccination rollout is crucial to containing the infection rate in order for the economy to recover."

He added, "A case in point was the unexpected mandatory closure order for retail malls, hypermarkets and offices listed under the Hotspot Identification for Dynamic Engagement (HIDE), which have disrupted business operations, especially for the retailers who had to incur additional operational losses due to the closure. We urge the authorities to engage and collaborate with industry players to jointly implement safety and hygiene measures in the premises. It would be helpful if the authorities are able to release the HIDE supporting data and information in order for the owners of the malls and premises to make relevant decision to work with the affected outlets and areas by following stricter SOPs, instead of immediate closure implementation which would cause further adverse pressure on the tenants, businesses, and mall owners."

"We continue to support affected tenants on a case-to-case basis in these trying times to brace through the storm together through the rental assistance and marketing support programmes. I am pleased that Sunway REIT's retail portfolio is able to maintain a healthy average occupancy rate of 95% for the 9-month period of FP2021. Managing attrition aside, we have taken this opportunity to continuously enhance the tenancy mix with refreshing retail offerings which appeal to consumers," he added.