

Sunway REIT posts RM33.52m earnings in 4Q21

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by **HARIZAH KAMEL**

SUNWAY Real Estate Investment Trust (REIT) posted a net profit of RM33.52 mil or 0.77 sen earnings per share for the fourth quarter ended June 30, 2021 (4Q21) from a RM13.48 mil net loss in the previous year.

Quarterly revenue slightly decreased 1.46% year-on-year (YoY) to RM103.39 million from RM104.96 million on the back of higher contribution from all segments and Sunway REIT declared a dividend of 1.63 sen.

In a bourse exchange yesterday, its rental income from malls and hotels has been adversely impacted since the implementation of the Movement Control Order, while the impact on Sunway REIT's rental income from office, services and industrial properties has not been material.

Realised gross revenue for the retail segment increased by 8.3% YoY to RM58.6 million contributed by improved tenants' sales and lower rental support granted to affected tenants. Despite the higher revenue, realised net property income (NPI) eased to RM25.5 million compared to RM32.1 million in 4Q20 on the back of higher operating expenses.

Revenue for the hotel segment rose by 23.6% YoY to RM8.7 million and NPI improved in tandem by 23.9% YoY to RM7.0 million mainly contributed by guaranteed income from Sunway Putra Hotel, and Sunway Clio Hotel which was utilised as a quarantine centre.

Its office segment reported a stronger set of financial performance attributed to new income contribution from The Pinnacle Sunway and stable occupancy rates from all office properties as revenue surged by 84.7% YoY to RM19.3 million.

Revenue for the services segment edged up to RM15.3 million, attributed to annual rental reversion of Sunway Medical Centre and Sunway university and college campus. Meanwhile, revenue for the industrial and others segment remained stable at RM1.5 million.

CEO of the manager Datuk Jeffrey Ng said Sunway REIT will continue to exercise prudent measures and remain agile in managing its asset portfolio in view of the persisting market uncertainty.

He said the relaxation of the movement restrictions would be paramount for the economy to recover albeit the pace of business recovery will vary across sectors and geography.

“Sunway REIT proactively monitors and engages stakeholders while working hand-in-hand with its tenants.

“Further to this, our retail business management team facilitated up to RM200 million in working capital through financing facilities provided by RHB Banking Group and Credit Guarantee Corporation Malaysia Bhd to support Sunway Malls retailers’ business recovery,” he said.

To drive the re-opening of the retail and hotel segments, Ng commented that Sunway REIT will carry on efforts to vaccinate employees and the entire front-facing operation workforce to provide a safe environment for shoppers, tenants, guests and employees in the premises by adhering to strict SOPs.

In addition, Sunway REIT continues to invest in health, safety, security and environment (HSSE) technologies in order to enhance screening, cleaning and disinfecting routines.