

Sunway REIT's NPI for Oct-Dec up 86.5% on-year to RM123.1 mil, declares 2.8 sen DPU

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KUALA LUMPUR (Jan 28): Sunway Real Estate Investment Trust (REIT)'s net property income for the three months ended Dec 31, 2021 (6QFY21) jumped 86.5% to RM123.1 million from RM66.01 million in the corresponding three months in 2020 (2QFY21), as revenue climbed on higher contributions from all segments and the recognition of unrealised unbilled lease income receivable.

Revenue rose 64.8% to RM157.8 million from RM95.77 million with realised income more than doubling to RM72.66 million from RM33.47 million.

The REIT proposed a final distribution per unit of 2.8 sen, versus 0.77 sen in 2QFY21.

In a statement, it said its revenue recognised RM19.6 million in unrealised unbilled lease income receivable during the quarter under the Malaysian Financial Reporting Standard 16 for Leases. Excluding this, gross revenue would be up 44% from 2QFY21.

Its retail segment's revenue jumped 63% to RM92.4 million during the quarter, attributed to recovery in retail footfall and sales following the easing of movement restrictions, compared to when it was operating under the Conditional Movement Control Order (CMCO) in the same period in 2020.

“Retail footfall and retail sales have returned to normalcy compared to pre-Covid-19 towards the end of 6QFY21. NPI jumped almost two-fold to RM65.8 million in 6QFY21 compared with RM33.9 million in the same period last year,” it said.

Meanwhile, its hotel segment recorded gross revenue of RM9.8 million for the quarter, up 24% year-on-year, attributed to the lifting of the restriction on interstate travel, and the gradual resumption of meetings, incentives, conferences and exhibitions (MICE).

NPI for the hotel segment, it said, rose 28% to RM8.5 million from RM6.6 million a year prior.

The office segment also performed better, with gross revenue rising 31% to RM19.1 million from RM14.5 million and NPI climbing 38% to RM12.4 million from RM9 million, boosted by full income contribution from The Pinnacle Sunway and largely stable average occupancy rate across its office properties.

Gross revenue and NPI for the services segment grew 2.3% to RM15.3 million, due to the annual rental reversion of Sunway medical Centre (Tower A and B) and Sunway University & College campus.

For the 18-month financial period from July 1, 2020 to Dec 31, 2021, the REIT's NPI came in at RM457.1 million on gross revenue of RM675.6 million, which it attributed to soft performance from the retail and hotel segments amid the various phases of movement controls nationwide, international border closures, as well as temporary closure of Sunway Resort hotel for refurbishment.

“It is heartening to observe that retail footfall and retail sales for Sunway REIT have returned to 100% normalcy towards the end of 6QFY2021 with continuation of the momentum equally observed this month, in comparison to the pre-pandemic levels in 2019,” said the REIT manager's chief executive officer Datuk Jeffrey Ng.

“Sunway REIT expects the business performance to improve in FY2022, supported by reopening of all economic sectors, healthy economic growth, positive progress in booster vaccination rate, re-opening of Sunway Resort Hotel and new income contribution from the completed expansion of Sunway Carnival Shopping Mall,” he added.

Sunway REIT closed unchanged at RM1.39 on Friday, giving it a market capitalisation of RM4.76 billion.

Tan Choe Choe