

Solid Q1 for Sunway Reit as net profit surges nearly three-fold to over RM106mil

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KUALA LUMPUR: Sunway Real Estate Investment Trust's (Sunway Reit) net profit surged to RM106.32 million in the first quarter ended March 31, 2022 from the RM36.82 million recorded in the same quarter a year ago.

Its revenue increased 47.7 per cent to RM153.97 million from RM104.27 million.

Sunway Reit said its net property income (NPI) for the retail segment more than doubled to RM70.3 million on the back of strong recovery in retail footfall and retail sales.

Sunway Reit Management Sdn Bhd chief executive officer Datuk Jeffrey Ng said the company believed that the worst was over and was optimistic that the positive trend would continue to sustain as the economy transitioned to the endemic phase of Covid-19.

"Given the anticipation of stronger retail sales, the manager expects marginal rental support provision in the financial year ending December 31, 2022 (FY22), which in turn, contributes positively to the earnings of Sunway Reit.

"In addition, we are cautiously optimistic on the prospect of the hotel segment, supported by gradual recovery of the tourism industry following the reopening of international borders.

"The financial performance of the hotel segment will be further boosted by resumption of income contribution from our flagship Sunway Resort Hotel in Sunway City Kuala Lumpur," he said in a statement today.

Sunway Reit said Sunway Resort Hotel had commenced its first phase of operations in May.

For the quarter under review, the hotel segment's gross revenue increased 28.6 per cent year-on-year (Y-o-Y) to

RM18.5 million, compared to RM14.4 million in Q3 FY21, attributed to better performance for all hotels except Sunway Resort Hotel which remained close for refurbishment since July 2020.

The hotel segment recorded an overall improvement in occupancy rates in Q1 FY22, supported by higher domestic leisure and business travels as well as gradual increase in meetings, incentives, conventions and exhibitions activities.

Sunway Reit said NPI for the hotel segment improved in tandem to RM17.4 million in Q1 FY22, from RM12.8 million in the corresponding period in the preceding year.

The company expects Sunway Reit's financial performance to improve significantly in FY22, supported by reopened international borders, stronger domestic economic growth and improved consumer sentiment.

He said this will be supported by the stable employment prospects as well as the progressive re-opening of Sunway Resort Hotel and completion of Sunway Carnival Shopping Mall's (new wing) expansion.

Meanwhile, Sunway Reit said during the quarter under review, it had acquired an investment property located in Port Klang, Selangor for RM34.1 million.

The property is being planned for a re-development into a seafront tourist destination with food and beverage, retail and leisure offerings.