

# Sunway-REIT quarterly net property income up 71.4%

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PETALING JAYA: Sunway Real Estate Investment Trust  (Sunway-REIT) is maintaining an optimistic outlook for 2022, underpinned by strong growth in its retail segment.

In a filing with Bursa Malaysia yesterday, the company said the outlook was further supported by gradual recovery in the hotel segment, new income contribution from the new wing of the Sunway Carnival Mall and resumption of income contribution from the phased re-opening of Sunway Resort.

For its second quarter ended June 30, 2022, Sunway-REIT's net profit rose to RM74.51mil from RM33.52mil in the previous corresponding period, while revenue in the second quarter improved to RM144.51mil from RM103.39mil a year earlier.

Basic earnings per share stood at 2.03 sen compared with 0.77 sen previously.

The group said net property income or NPI surged 71.4% year-on-year, underpinned by strong performance from the retail segment and lower property operating expenses.

“For the quarter under review, revenue for the retail segment soared 73% year-on-year to RM101.4mil, boosted by improved performance across retail properties, particularly our flagship Sunway Pyramid Mall.”

Retail footfall and tenants’ retail sales in the quarter under review were boosted by festive spending in conjunction with the Hari Raya celebration and relaxation of Covid-19 safety measures as the nation transitioned into the endemic phase.

NPI increased at a higher quantum, from RM25.5mil in the fourth quarter of 2021 to RM71.6mil in the second quarter of 2022.

The group said this represented an increase of 180.5% year-on-year, largely due to the increase in revenue and the recovery of doubtful debts as a result of continued improvement in rental collection in the current quarter.

Sunway-REIT said the hotel segment recorded improvements in average occupancy rates for the quarter under review, pursuant to the nation transitioning into the endemic phase.

Meanwhile, revenue for the office segment increased 2.4% year-on-year to RM19.7mil in the second quarter of 2022 compared with RM19.3mil in the previous corresponding period.

This was due to higher revenue from all office properties except for Sunway Tower.

“The industrial and others segment posted a revenue of RM1.7mil in the second quarter of 2022 from RM1.5mil in the same quarter last year, representing an increase of 10% year-on-year.

“The improvement in revenue and NPI was attributed to rental reversion for Sunway REIT Industrial – Shah Alam 1.”

Sunway-REIT has also proposed an interim distribution per unit of 4.22 sen for the period from Jan 1, 2022 to June 30, 2022, representing an increase of 158.9% compared to the same period of the preceding year.

For the six-month period ended June 30, 2022, Sunway-REIT’s net profit rose to RM180.83mil from RM70.34mil in the previous corresponding period, while revenue grew to RM298.48mil from RM207.66mil a year earlier.