

Headline	Sunway REIT aims to achieve RM15b property value in 2025		
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SUNWAY Real Estate Investment Trust (Sunway REIT) aims to achieve a property value of RM15 billion to RM15 billion by 2025, through deployment of multi-faceted strategies including expanding investment into emerging growth subsectors.

CEO Datuk Jeffrey Ng Tiong Lip said the group now has a property value of RM8.05 billion from the 17 assets it has stakes in as of financial year 2019 (FY19) and is confident that the company is on track to achieve its target.

"We endeavour to deliver resilient earnings in FY20, primarily supported by full year income contribution from the acquisition of Sunway University and Sunway college campus, and modest growth in the retail segment," he said during Sunway REIT's 7th AGM yesterday in Bandar Sunway, Petaling Jaya (PJ).

In April this year, the group received the green light from its shareholders to



Ng (left) and Sunway REIT CFO Irene Sin during a media briefing after the AGM at Sunway Resort Hotel and Spa, PJ

acquire three tracts of land which houses Sunway University and Sun-

way College for RM550 million. Commenting on the FY19 financial

performance, Ng said the group continued to deliver a steady growth by delivering a distribution per unit of 9.59 sen.

"We are pleased the set of financial performance was better than our initial expectations in spite of the increasingly challenging operating environment.

"Looking ahead, the underlying fundamental surrounding the operating landscape remains challenging on the back of global whirlwind, moderation in domestic economy and fluidity in government policies," he said.

For FY19, the group's gross revenue rose 3.5% year-on-year (YoY) to RM580 million and its net property income increased by 4.7% YoY to RM440 million.

On the upcoming Budget 2020, Ng — who is also the chairman of Malaysian REIT Managers Association — pointed out that REIT as an investment tool, is gaining popularity among investors, and suggested the government consider eliminating the withholding tax.

"If the withholding tax of 10% is taken out, then investors will be able to enjoy a better investment asset class to invest," he said.

The government currently imposes a 10% withholding tax on REIT dividends to local and non-resident individual investors.

Listed REITs are exempted from annual tax assessment if they distribute 90% of the year's total income to unitholders.

Separately, Sunway REIT has initiated "Transcend 2025", a programme that formulates the strategic roadmap to capitalise on the diversity of Sunway REIT.

Sunway REIT share price closed three sen higher yesterday to RM1.95, valuing the group at RM5.74 billion.

Sunway REIT provides unit holders with a diversified portfolio of retail, hospitality, office and other real estate assets.

Sunway REIT divides its property type into four categories: Retail, hotel, office and others.

It owns four properties in Kuala Lumpur, namely, Sunway Tower and the remaining three which constitute part of the 3-in-1 integrated development, Sunway Putra, consisting of Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower.