

Sunsuria shines with 187% revenue growth

Main driver is Sunsuria City project, where Xiamen University Malaysia is located



Sunsuria Berhad announced recently that the group achieved RM63.8 million in revenue during the first quarter of the financial year ending 30 September 2017 (1QFY2017) – a 187% increase from RM22.26 million in the same period last year.

Profit before tax in 1QFY2017 more than doubled, to RM18.17 million from RM8.31 million a year earlier. For 1QFY017, Sunsuria City began to contribute significantly to the group's revenue at over 41%, and will continue to be a key driver of the group's financial performance.

"I am confident that Sunsuria will soar to greater heights in FY2017, on the back of Sunsuria City's unique Smart, Livable and Sustainable proposition. This will be the cornerstone of a futuristic township which will appeal to the modern lifestyles of the next generation of property owners in Malaysia," says Sunsuria Berhad executive chairman Datuk Ter Leong Yap.

Future prospects for Sunsuria are bright, underpinned by upcoming project launches in FY2017 with a total gross development value (GDV) of RM1.55 billion.

Sunsuria City, Sunsuria's flagship township freehold development, is set to contribute 65% of these launches. Positioned as a Smart, Livable and Sustainable city, Sunsuria City, which has a GDV of RM10 billion, is set to be launched in phases over the next 10 years. Comprising integrated commercial developments – retail, office, residential and mixed developments – the 525-acre freehold township's strategic location is a key selling point.

At the heart of Sunsuria City is the 150-acre Xiamen University Malaysia – China's first overseas campus – which is set to draw a total capacity of 10,000 local and international students.

Sunsuria City is also close to the 23-acre Horizon Village Outlets, a shopping haven set to be undertaken by a US-based outlet mall developer Horizon Group Properties.

As areas with good transportation connectivity will continue to be hotspots in the property market, Sunsuria City fits the bill perfectly with its links to Maju Expressway, North-South Expressway Central Link and the upcoming dedicated ELITE highway interchange that connects directly into Sunsuria City.

The ERL (Express Rail Link), which connects to KL Sentral and Kuala Lumpur International Airport, has a station currently in operation within Sunsuria City.

This year will also see the second phase expansion of Sunsuria's mixed commercial development, The Forum, in Setia Alam. Spanning 6.6 acres, The Forum (Phase 2) consists of retail units, a 21-storey office tower; a 33-storey SOHO serviced suites and a 41-storey serviced apartment. The office tower and SOHO serviced suites are set to be launched by second half of 2017.

"Amid a softening property market in FY2017, I believe that every cloud has a silver lining. Property development with uniquely planned concepts will augur well for the residents and business operators while property investment will remain an attractive option among investors for its long-term capital growth prospects," says Sunsuria Bhd CEO Koong Wai Seng.

The Forum at Sunsuria 7th Avenue, Setia Alam, is a street-mall mixed development. The 51%-owned project has a total GDV of RM1.09 billion, making up 10% of the group's total gross GDV. Located at the heart of Setia Alam,

the 13.6 acres freehold land is situated along Persiaran Setia Alam and neighbours the proposed HQ of the Ministry of Health, next to Setia City Mall and Setia City Convention Centre.

Phase 1, which was launched in 2Q15, features 61 retail shops and 172 boutique shops (GDV: RM298m) and has since achieved 73% take-up rate as at end FY16. Phase 2 features SOHO (GDV: RM215m) and Office Tower (GDV: RM244m) which is slated for launch in FY17 while the remaining component is the Service Apartment (GDV: RM336m) which will be launched in FY18.

For the combined launches of FY17-18E of RM3.31b, 27% are residential priced below RM500k/unit which are in Sunsuria City and Setia Alam, while residential priced between RM500-700k/unit are mainly landed residential in Sunsuria City or high-rise units in Setia Alam and Sunsuria City that make up 30%.

Integrated retail spaces make up about 9%. The commercial content (24%) is largely spaces which are mostly shop-offices or integrated commercial spaces.

Investment merit

Kenanga Investment Group be-

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believes these should fare well given that XUM student intake is picking up pace while The Forum Phase 1 take-up rates are indications of potential take-up rates for Phase 2.

With strong management and the ability to forge strong business ties, Kenanga Investment Group recently issued a report highlighting the strong investment merit of Sunsuria Berhad.

Ter, the founder and executive chairman, has over 25 years of experience in the property development sector and holds several distinguished positions within the region.

These positions include president of The Associated Chinese

Chambers of Commerce and Industry of Malaysia (ACCCIM) and president of the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (KLSCCCI).

The investment group believes that Ter's active involvement has garnered strong business ties over the years as the chambers of commerce engage in overseas economic corporation agreements and Memorandums of Understandings (MoU), evident from Sunsuria's ability to secure Xiamen University within Sunsuria City, while there is strong potential for further tie-ups with other foreign partners in the future. [MSME](#)