

Sunway REIT in the news (28 January 2015)

BERNAMA

Sunway REIT Completes Sunway Hotel Georgetown Acquisition, Marking Maiden Footprint In Penang Island

KUALA LUMPUR, Jan 28 (Bernama) -- Sunway REIT Management Sdn Bhd, the management company of Sunway Real Estate Investment Trust (Sunway REIT), has completed the acquisition of Sunway Hotel Georgetown to mark its maiden foray into Penang Island.

The balance of the purchase consideration was fully paid to Sunway Biz Hotel Sdn Bhd (SBH) using Sunway REIT's existing debt financing facilities, Sunway REIT said in a statement here, Wednesday.

Sunway Hotel Georgetown would be leased back to SBH pursuant to a hotel master lease agreement (MLA) for a 10-year term with an option by the lessee to renew for another ten.

The commencement date of the MLA is Jan 28, 2015.

"Our maiden presence in the UNESCO World Cultural Heritage Site is timely for Visit Penang 2015.

"We are confident that the "Sunway" branded hotel will perform well amidst the flourishing tourism activities in the state," Chief Executive Officer of Sunway REIT Management Sdn Bhd, Datuk Jeffrey Ng said.

The four-star hotel which was refurbished in 2013 is well-positioned to benefit from the growing tourism activities that are being actively promoted by the Penang Tourism Board.

Ng said with the acquisition of Sunway Hotel Georgetown completed, Sunway REIT aims to complete the proposed acquisition of Wisma Sunway in Shah Alam by the first quarter of financial year 2016.

Upon completion of the exercise, Sunway REIT said its assets size would increase by 2.4 per cent to RM5.79 billion, reinforcing its position as the second largest REIT in Malaysia in terms of asset size.

Meanwhile, in a separate statement, the group announced that Sunway REIT had recorded gross revenue growth of 8.2 per cent year-on-year (y-o-y) to RM227.8 million for the first six months of the financial year ending June 2015, underpinned by strong performance in the retail segment.

However, it was partially mitigated by the softer performance of the office segment.

Net property income (NPI) increased by 7.2 per cent y-o-y to RM173.2 million, largely in tandem with the growth in gross revenue.

For the second quarter ended Dec 31, 2014, Sunway REIT recorded an increase of 3.3 per cent (y-o-y) to RM114 million in revenue with RM86.7 million NPI.

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