

Sunway sells land, assets to Sunway REIT for RM550m

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PETALING JAYA: Sunway Bhd is selling its land and assets to Sunway Real Estate Investment Trust (Sunway REIT) for RM550 million cash.

Sunway told Bursa Malaysia that its wholly owned subsidiary Sunway Destiny Sdn Bhd had on December 24 entered into a conditional sales and purchase agreement with RHB Trustees Bhd, being the trustee of Sunway REIT, for the proposed disposal.

The exercise entails the disposal of three parcels of leasehold land in Sunway Town, Petaling Jaya, together with buildings comprising a five-storey academic block, a six-storey academic block, a 13-storey academic block as well as four blocks of five-storey walk up hostel apartment.

Sunway said the proposed disposal will allow the group to unlock the value and realise its investment in the land and buildings, which will result in an improvement in the earnings per share of the Company by about 0.9 sen.

Proceeds from the disposal will also lead to a net cash inflow of RM311.3 million for the group, with part of the proceeds will be utilised to repay existing bank borrowings, which is expected to reduce the group's gearing and potentially save RM9.9 million of finance expense per annum.