

Sunway unit to acquire 7-storey purpose-built hospital building, land for RM430m

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KUALA LUMPUR: Sunway Bhd’s unit Sunway Medical Centre Sdn Bhd (SMCSB) has acquired a seven-storey purpose-built hospital building and land worth RM430 million.

The group said SMCSB has entered into a conditional sale and purchase agreement with RHB Trustees Bhd, as trustee for Sunway Real Estate Investment Trust (Sunway REIT), for the acquisition.

“The proposed acquisition entails the purchase of the land and buildings known as Tower A and Tower B of Sunway Medical Centre, together with the plant and machinery, and all fixtures and fittings affixed or located or used in the buildings.

“The property is currently leased and used by SMCSB to operate a medical centre,” it said in a filing with Bursa Malaysia today.

Sunway said that the property includes a seven-storey purpose-built hospital building with a lower ground floor annexed with a multi-storey car park block as well as a convention centre.

It said the acquisition is part of Sunway Healthcare Group's plan to rationalise and streamline its decision on capital expenditure enhancement and value preservation on its assets by having full ownership and control.

"Furthermore, the proposed acquisition would enable SMCSB to improve the operational efficiency of the hospital by having more flexibility in managing its operating and financing costs.

"Over the longer term horizon, it is expected to outweigh a long-term lease," it said.

Sunway also said that the acquisition is synergistic with the overall capacity expansion of SMCSB in solidifying its current position as one of the largest medical centres in Malaysia.

"It is expected to strengthen its position as the flagship medical centre under the hub-and-spoke model of Sunway Healthcare Group in the provision of tertiary and quaternary care.

"(Additionally, this would) cater to the anticipated increase in demand for healthcare services such as major surgeries, treatment of complex medical illnesses and increase in medical tourism post-pandemic and reopening of international borders," it said.

Sunway said that SMCSB had previously disposed of the property to Sunway REIT for a total disposal consideration of RM310 million on Dec 31, 2012.

SMCSB had also entered into a master lease agreement dated Oct 9, 2012, with RHB Trustees (as the lessor) and Sunway REIT Management Sdn Bhd (SRM) for a 10-year term which commenced on Dec 31, 2012, and will expire on Dec 30, 2022.

SMCSB is a 99.99 per cent-owned subsidiary of Sunway Healthcare Holdings Sdn Bhd, which in turn is a 90.26 per cent-owned joint venture of Sunway City Sdn Bhd, a wholly-owned subsidiary of Sunway. - Bernama