

MEDIA RELEASE

18 December 2023

## SUNWAY REIT EXPANDS INTO INDUSTRIAL SEGMENT IN PENANG

- *Sunway REIT to acquire an industrial property located at Prai, Penang for a purchase consideration of RM66.8 million.*
- *The Property is 100% occupied by three multinational companies for their manufacturing, logistics and warehousing requirements respectively.*

**Sunway City Kuala Lumpur, 18 December 2023** – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to inform that RHB Trustees Berhad, the trustee of Sunway REIT, had entered into a conditional sale and purchase agreement (“SPA”) with Best Corridor Venture Sdn. Bhd., to acquire an industrial property (“Property”) located at Bukit Tengah Industrial Park, Prai, Penang for a cash consideration of RM66.8 million (“Proposed Acquisition”).

The Property is strategically nestled within the Bukit Tengah Industrial Park, immediately adjacent to Juru Auto City, 12-kilometers south-east of Butterworth and 7-kilometers south-west of Bukit Mertajam. Additionally, the Property is located in the vicinity of Sunway REIT’s properties in Penang and is approximately 12-kilometers from both Sunway Carnival Mall and Sunway Hotel Seberang Jaya.

The Property is sited on land spanning 10.4 acres with leasehold tenure expiring on 22 October 2052. Sunway REIT intends to extend the leasehold tenure of the land to 60 years after the completion of the Proposed Acquisition. The Property has a gross floor area of 307,487 sq.ft. which is fully tenanted by three reputable multinational corporations (“MNC”), namely the anchor tenant, Premium Sound Solutions, a Belgian sound products manufacturer, together with a Japanese logistics company and an American information management services company.

The Proposed Acquisition is anticipated to generate an initial net property income (“NPI”) yield of approximately 7.6% based on purchase consideration. After taking into consideration the potential leasehold extension premium to be paid, it is envisaged that the Property will generate NPI yield of approximately 7.0%. The Proposed Acquisition is therefore expected to contribute positively to the future earnings and distribution per unit (“DPU”) of Sunway REIT as well as being yield accretive to the asset portfolio of Sunway REIT.

The Proposed Acquisition will be fully funded by Sunway REIT's existing debt facilities and is targeted to be completed in the third quarter of 2024, subject to fulfilment of the conditions precedent under the SPA. Upon completion of the Proposed Acquisition, Sunway REIT will have asset under management ("AUM") of RM8.9 billion<sup>1</sup>, maintaining its position as the second largest listed REIT in Malaysia (measured by AUM). Accordingly, the Services, Industrial & Others segments will comprise around 9.0%<sup>1</sup> of the asset portfolio of Sunway REIT upon completion of the Proposed Acquisition.

Clement Chen, the Chief Executive Officer of Sunway REIT Management Sdn. Bhd., remarked, "The Proposed Acquisition signifies our continuous efforts in expanding our footprint in the industrial segment. This marks Sunway REIT's second proposed acquisition in 2023 and the third industrial property in Sunway REIT's asset portfolio. The Proposed Acquisition will improve Sunway REIT's asset portfolio mix while progressing towards our TRANSCEND 2027 target for Services, Industrial & Others segments to comprise 20% - 30% of property value by 2027."

He added, "The Property is strategically located within Bukit Tengah Industrial Park on mainland Penang and possesses a prominent frontage along the North-South Expressway and Jalan Perusahaan. The Property is presently 100% occupied by three established and reputable MNC tenants which will provide Sunway REIT with a resilient rental income stream and solid tenant base."

He concluded, "We believe that the Property has positive long-term prospects surrounded by established local and MNC industrial players within the same industrial park. This is supported by the strong investment inflows into Penang which is among the top beneficiary states of Malaysia's approved manufacturing investments in recent years."

<sup>1</sup> Based on the unaudited AUM as at 30 September 2023 and does not include the effect of the proposed acquisition of six hypermarkets of RM520.0 million announced on 16 March 2023 which is currently pending for completion.

## **About Sunway Real Estate Investment Trust**

Sunway Real Estate Investment Trust (Sunway REIT or Trust) is one of the largest diversified real estate investment trusts (REITs) in Malaysia with a diverse portfolio strategically located across award-winning integrated townships in key locations in Greater Kuala Lumpur, Penang, and Perak.

Sunway REIT was first listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 8 July 2010. The market capitalisation of Sunway REIT stood at RM5.0 billion as at 30 September 2023.

Sunway REIT owns a diversified portfolio of 19 properties comprising 5 retail properties (including a property designated for re-development into a retail-centric tourist destination), 6 hotels, 5 offices, an education property and two industrial properties, with a combined property value of RM8.86 billion as at 30 September 2023.

Sunway REIT's properties are primarily in Sunway City where its flagship retail property, Sunway Pyramid Mall, is located. Other properties in Sunway City include Sunway Resort Hotel, Sunway Pyramid Hotel, Sunway Lagoon Hotel, Menara Sunway, Sunway Pinnacle and Sunway university & college campus.

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

Sunway REIT also owns four properties in Selangor, namely Wisma Sunway, Sunway REIT Industrial – Shah Alam 1, Sunway Pier (which is planned for re-development into a retail-centric tourist destination) and Sunway REIT Industrial – Petaling Jaya 1.

In the northern region, Sunway REIT owns SunCity Ipoh Hypermarket in Perak, as well as Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown and Sunway Carnival Mall in Penang.

On 16 March 2023, Sunway REIT announced the proposed acquisition of six hypermarkets located in Klang Valley and Johor. The proposed acquisition is expected to be completed in the fourth quarter of 2023. Upon completion of the proposed acquisition, Sunway REIT will mark its maiden footprint in the southern region of Malaysia.

**Important notice**

This media release may contain certain forward-looking statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on the Management's current view of future events. Past performance is not necessarily indicative of its future performance.

***For media enquiries, please email:***

[media@sunway.com.my](mailto:media@sunway.com.my) or

[sunwaycomms@voxeureka.com](mailto:sunwaycomms@voxeureka.com)

Website of Sunway REIT: [www.sunwayreit.com](http://www.sunwayreit.com)