

MEDIA RELEASE

2 May 2025

SUNWAY REIT DISPOSES SUNWAY UNIVERSITY & COLLEGE CAMPUS FOR RM613 MILLION, NETS TOTAL GAINS OF RM41 MILLION

- *Sunway REIT proposes to dispose Sunway university & college campus to Sunway College (KL) Sdn. Bhd. for a cash consideration of RM613 million.*
- *The disposal will crystallise fair value gains of RM20 million with the REIT recording further gain on disposal of RM21 million.*

Sunway City Kuala Lumpur, 2 May 2025 – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce that RHB Trustees Berhad, the trustee of Sunway REIT, has entered into a conditional sale and purchase agreement (“SPA”) with Sunway College (KL) Sdn. Bhd., to dispose Sunway university & college campus for a consideration of RM613 million (“Proposed Disposal”).

Acquired by Sunway REIT on 15 April 2019 for RM556 million, the REIT has spent additional capital expenditure of RM8 million over the years to refurbish and enhance the asset. Accordingly, the campus has since appreciated in value with the latest valuation of the property as at December 2024 being RM586 million, translating to fair value gains of RM20 million for Sunway REIT over the years. The disposal price of RM613 million represents a premium of 4.6% over its latest valuation and Sunway REIT will therefore record additional gains on disposal of RM21 million (including estimated incidental costs on disposal) in its current financial year upon the completion of the transaction, which is expected to be in the second half of 2025.

The Proposed Disposal forms part of Sunway REIT’s strategic asset recycling initiative aimed at optimizing portfolio yield and unlocking capital for future growth. This move is expected to be positive for unitholders by enhancing financial flexibility and enabling Sunway REIT to explore new investment opportunities with higher yields. Additionally, it will help ease Sunway REIT’s gearing position to approximately 37.8%, allowing Sunway REIT to explore further portfolio acquisitions.

Clement Chen, Chief Executive Officer of Sunway REIT Management Sdn. Bhd., commented, “The Proposed Disposal aligns with our proactive portfolio management strategy to unlock the underlying value of our assets and recycle capital into investments with higher yield or growth potential. Coupled with the current uncertainties in the global economy, we believe the Proposed Disposal is a timely and prudent step to firstly, strengthen our balance sheet and secondly, to give Sunway REIT substantial financial flexibility in pursuing acquisition opportunities should they arise in such volatile times.”

Proceeds from the disposal has been earmarked for potential acquisitions, asset enhancements, and debt repayment, reinforcing Sunway REIT’s commitment to maintaining a resilient and diversified portfolio.

With its strong governance and financial discipline, Sunway REIT is pleased to also share that it has been recognized with the following prestigious awards in the first quarter of 2025.

Sunway REIT has been recognised by renowned international organizations, TIME and Statista, as among the top 200 Best Companies in Asia-Pacific for 2025. The rankings are evaluated based on employee satisfaction, financial performance, and sustainability transparency. Recognition by the rankings, which is topped by Asian giants like DBS Bank, Maybank and Kia Motors, provides strong external validation for the progress made by Sunway REIT in its governance and sustainability efforts over the past year.

Sunway REIT’s ability in financial innovation was also feted at The Asset Triple A Sustainability Finance Award 2025 in Hong Kong. Its RM500 million sustainability-linked perpetual bond issued in October 2024 set two significant milestones in the Malaysian bond market, being the country’s first ever sustainability-linked perpetual bonds and the first ever rated perpetual bond issued by a REIT in Malaysia. Accordingly, the perpetual bond issuance was awarded with the Best Sustainability Link Bond (Malaysia) by The Asset Triple A Awards.

Clement concludes, “These recognitions go a long way in solidifying Sunway REIT’s position among the leading organizations in Asia Pacific. We believe our innovation, governance and sustainability practices compare well even against the best in Asia and Sunway REIT is well on track to be the leading sustainable REIT in Malaysia.”

Photo



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, Perak and Johor.

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 RM6.3 billion as at 31 December 2024.

Sunway REIT owns a diversified portfolio of 28 properties comprising 13 retail properties (including a property designated for re-development into a retail-centric tourist destination and seven hypermarkets), six hotels, five offices, an education property and three industrial properties, with a combined property value of RM10.4 billion.

Sunway REIT’s properties are primarily in Sunway City Kuala Lumpur (“SCKL”) where its flagship retail property, Sunway Pyramid Mall, is located. Other properties in SCKL includes Sunway Resort Hotel, Sunway Pyramid Hotel, Sunway Lagoon Hotel, Menara Sunway, Sunway Pinnacle and Sunway university & college campus.

In other regions of Kuala Lumpur, Sunway REIT owns Sunway 163 Mall, Sunway Tower and a three-in-one integrated development called Sunway Putra. Sunway Putra consists of Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower.

Sunway REIT also owns nine 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), Sunway REIT Industrial – Petaling Jaya 1 and five Sunway REIT Hypermarkets in Kinrara, USJ1, Putra Heights, Ulu Kelang and Klang.

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

In the southern region, Sunway REIT owns Sunway REIT Hypermarket – Plentong and Sunway Kluang Mall in Johor.

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 the 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 future performance.

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