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MEDIA RELEASE

9 October 2012

**SUNWAY REIT PROPOSES TO ACQUIRE THE LAND AND BUILDING OF SUNWAY
MEDICAL CENTRE FOR RM310 MILLION IN SRC**

- Prime medical centre located within Bandar Sunway, with the benefit of a long term master lease
- Expected to be earnings and DPU accretive
- Proposed placement of up to RM320 million to fund acquisition and related expenses

Petaling Jaya, 9 October 2012 – Sunway REIT Management Sdn. Bhd., the management company of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce that OSK Trustees Berhad, as trustee of Sunway REIT (“Trustee”), has entered into a conditional sale and purchase agreement (“SPA”) with Sunway Medical Centre Berhad (“SMCB”), to acquire the land and building of Sunway Medical Centre (“SunMed Property”)¹ for a total purchase consideration of RM310.0 million¹. SunMed Property has been independently valued by Knight Frank (Ooi & Zaharin Sdn Bhd) at RM310.0 million.

The SunMed Property is a seven-storey purpose-built hospital building with a lower ground floor medical centre with a multi-storey car park and a convention centre. Its facilities include 342 licensed beds, 12 operating theatres, 94 consultation suites and a multi-purpose convention centre, known as “Swan Convention Centre”, with a capacity to host up to 500 guests and is equipped with audio-visual linkages with two of the operating theatres to enable live telecasts of surgical procedures.

The SunMed Property is strategically located in Bandar Sunway, which is part of the 324-hectare integrated township, Sunway Resort City (“SRC”). SRC is a renowned self-contained township which showcases the best of education, entertainment, recreation, leisure, shopping, medical, hospitality and commercial facilities.

Pursuant to the SPA, the SunMed Property will be leased to SMCB pursuant to a hospital master lease agreement (“HMLA”) entered into between the Trustee, the Manager and SMCB, for an initial term of 10 years with an option to renew for a further 10 years. The lease is granted at an annual rental of RM19.0 million for the first 12 months with an incremental rental rate of 3.5% per annum for each subsequent year for the initial 10 year term. The option to renew for

¹ The Proposed Acquisition entails the acquisition of the land and building of SMC together with SMCB’s plant and machinery and services infrastructure and all fixtures and fittings affixed or located or used in SMC.



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the next 10 year lease period shall be on the same terms and conditions but at a revised rent based on the then prevailing market rent as agreed between the lessor and lessee. The rental growth rate for the next 10 year lease period shall also be revised and agreed between the lessor and the lessee at the point of renewal of the lease.

Dato' Jeffrey Ng, the CEO of Sunway REIT Management Sdn. Bhd., commented "We are excited with the proposed acquisition as Sunway Medical Centre is one of the leading private medical centres in the country. The acquisition will not only offer an attractive income stream to Sunway REIT but also provides income certainty with fixed rental growth and is expected to be DPU accretive".

The proposed acquisition will be funded through a combination of equity and debt. In line with this, the Manager has concurrently announced a proposed private placement of new units ("Placement Units") to raise up to RM320.0 million at an issue price to be determined through a book building process.

He added, "The inclusion of SunMed Property will increase the total asset size of Sunway REIT from RM4.6 billion to RM4.9 billion. This will further strengthen our position as the largest REIT in Malaysia in terms of asset size. The proposed acquisition will also diversify our income stream from a new sub-sector and is consistent with our strategy of investing in a diverse portfolio of income-generating real estate in Malaysia".

About Sunway Real Estate Investment Trust

Sunway Real Estate Investment Trust ("Sunway REIT") was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010 and is the country's largest real estate investment trust ("REIT") in terms of assets size as at 8 October 2012. The assets of Sunway REIT comprise shopping malls, hotels and offices that are located in Bandar Sunway, Kuala Lumpur, Seberang Jaya and Ipoh. Sunway REIT's market capitalization is RM4.07 billion and has total assets valued at RM4.63 billion as at 8 October 2012.

Important notice

This document is not an offer of securities for sale in the United States or elsewhere. The Placement Units have not been and will not be registered under the U.S. Securities Act 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registered requirements.

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 9 October 2012 for a more comprehensive understanding of this media release.



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This media release may contain certain forward looking statements which may be affected by 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 Management's current view of future events. Past performance is not necessarily indicative of Sunway REIT's future performance.

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