

MEDIA RELEASE

28 January 2015

**SUNWAY REIT HAS COMPLETED THE PROPOSED ACQUISITION
OF SUNWAY HOTEL GEORGETOWN**

Key Highlights:

- Sunway REIT made its maiden footprint in George Town, a UNESCO World Cultural Heritage Site; to ride on robust tourist activities in Penang
- Sunway REIT's asset size increased by 1.2% to RM5.72 billion
- The asset is expected to be earnings and DPU accretive

Subang Jaya, 28 January 2015 – Sunway REIT Management Sdn. Bhd. (“The Manager”), the management company of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce that RHB Trustee Berhad, as trustee of Sunway REIT (“Trustee”) has completed the proposed acquisition of Sunway Hotel Georgetown Property today in accordance with the terms and conditions of the conditional sale and purchase agreement (“SPA”). The balance of the Purchase Consideration was fully paid to Sunway Biz Hotel Sdn. Bhd. (formerly known as Sunway Hotel (Penang) Sdn. Bhd.)(“SBH”) using Sunway REIT’s existing debt financing facilities.

Sunway Hotel Georgetown will be leased back to SBH pursuant to a hotel master lease agreement (“MLA”) entered into between the Trustee, the Manager and SBH, for a ten (10) year term with an option by the lessee to renew for another ten (10) years. The Commencement Date of the MLA shall be 28 January 2015.

On 8 December 2014, The Manager announced that the Trustee has entered into two SPA with subsidiaries of Sunway Berhad to acquire Sunway Hotel Georgetown and Wisma Sunway for a total purchase consideration of RM134 million. Both the properties have been independently valued by Knight Frank.

Description of the properties are as below:

	Sunway Hotel Georgetown	Wisma Sunway
Vendor	Sunway Biz Hotel Sdn Bhd (formerly known as Sunway Hotel (Penang) Sdn Bhd)	SunwayMas Sdn Bhd and Daksina Harta Sdn Bhd
Location	Georgetown, Pulau Pinang	Shah Alam, Selangor
Type of property	A 4-star, 250-room international class hotel with 102 car park bays and car park land	A stratified 19-storey office building together with elevated and basement car park and mechanical bays
Tenure	Freehold	99-year leasehold, expiring on 29 th August 2094
Net Lettable Area (sq.ft.)	n/a	171,544
Number of parking bays	102	382
Average occupancy (YTD September 2014)	78.3%	86.7%
Purchase Price (RM million)	74	60
Independent Valuation (RM million)	74	60

Following the completion of the proposed acquisition of Sunway Hotel Georgetown, Sunway REIT made its maiden footprint in the Penang Island. The 4-star hotel which was refurbished in 2013 is well-positioned to benefit from the growing tourism activities that are being actively promoted by the Penang Tourism Board. With an expected increase in economic activities in Penang state coupled with improved infrastructure with the opening of the Second Penang Bridge, the hospitality industry is set to grow. Furthermore, the continued popularity of Penang as an international destination for medical tourism, supported with the opening of more hospitals will also support the hospitality industry.

Dato' Jeffrey Ng, CEO of Sunway REIT Management Sdn. Bhd., commented, "Our maiden presence into the UNESCO World Cultural Heritage Site is timely for Visit Penang 2015. We are confident that the "Sunway" branded hotel will perform well amidst the flourishing tourism activities in the state."

He added, "With the acquisition of Sunway Hotel Georgetown completed, we target to complete the proposed acquisition of Wisma Sunway by the first quarter of financial year 2016. Upon completion of the two assets, Sunway REIT's assets size will increase by 2.4% to RM5.79 billion, reinforcing our position as the second largest REIT in Malaysia in terms of asset size."

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 second largest real estate investment trust ("REIT") in terms of assets size as at 31 December 2014. The assets of Sunway REIT comprise shopping malls, hotels, offices and healthcare that are located in Bandar Sunway, Kuala Lumpur, Seberang Jaya and Ipoh. Sunway REIT's market capitalization stood at RM4.46 billion as at 31 December 2014 with total portfolio assets valued at RM5.52 billion as at 30 June 2014.

Important notice

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 28 January 2015 for a more comprehensive understanding of Sunway REIT's financial results.

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 Management's current view of future events. Past performance is not necessarily indicative of its future performance.

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