

Axis-REIT to acquire hypermarket in Temerloh for RM25.75mil

By [S. Joan Santani](#) - December 8, 2023 @ 7:02pm



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KUALA LUMPUR: Axis Real Estate Investment Trust's (Axis-REIT) trustee, RHB Trustees Bhd, has agreed to purchase a hypermarket in Temerloh, Pahang from Amal Mewah Development Sdn Bhd for RM25.75 million.

This acquisition includes a 20-year fixed lease signed with TF Value-Mart Sdn Bhd, which is currently Axis-REIT's existing tenant at Axis Hypermarket in Sungai Petani, Kedah.

The purchase price was determined based on a market value of RM27 million by an independent consultant in its valuation report dated Nov 28, 2023.

The acquisition will be funded through existing bank financing, increasing Axis-REIT's financing ratio to 36.71 per cent of the audited total assets as of Dec 31, 2022.

Leong Kit May, chief executive officer and executive director of Axis REIT Managers Bhd, said that the acquisition enhances the company's existing portfolio of hypermarket assets, particularly given the long lease of 20 years.

"We are confident that this acquisition will contribute positively to Axis-REIT's earnings from 2024 and beyond once the acquisition is completed, which is targeted to be by the first quarter of 2024," he said in a statement today.

The hypermarket, located in Temerloh, Pahang, has a gross floor area of 115,967 square feet.

"While we remain steadfast to acquire Grade A logistics facilities and manufacturing facilities, we have the flexibility to diversify into alternative asset types that come with long leases and strong tenant covenants," said Leong.