

CapitaLand Malaysia Trust

Proposed Acquisition of Queensbay Mall, Penang

23 February 2023

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Queensbay Mall, Penang, Malaysia

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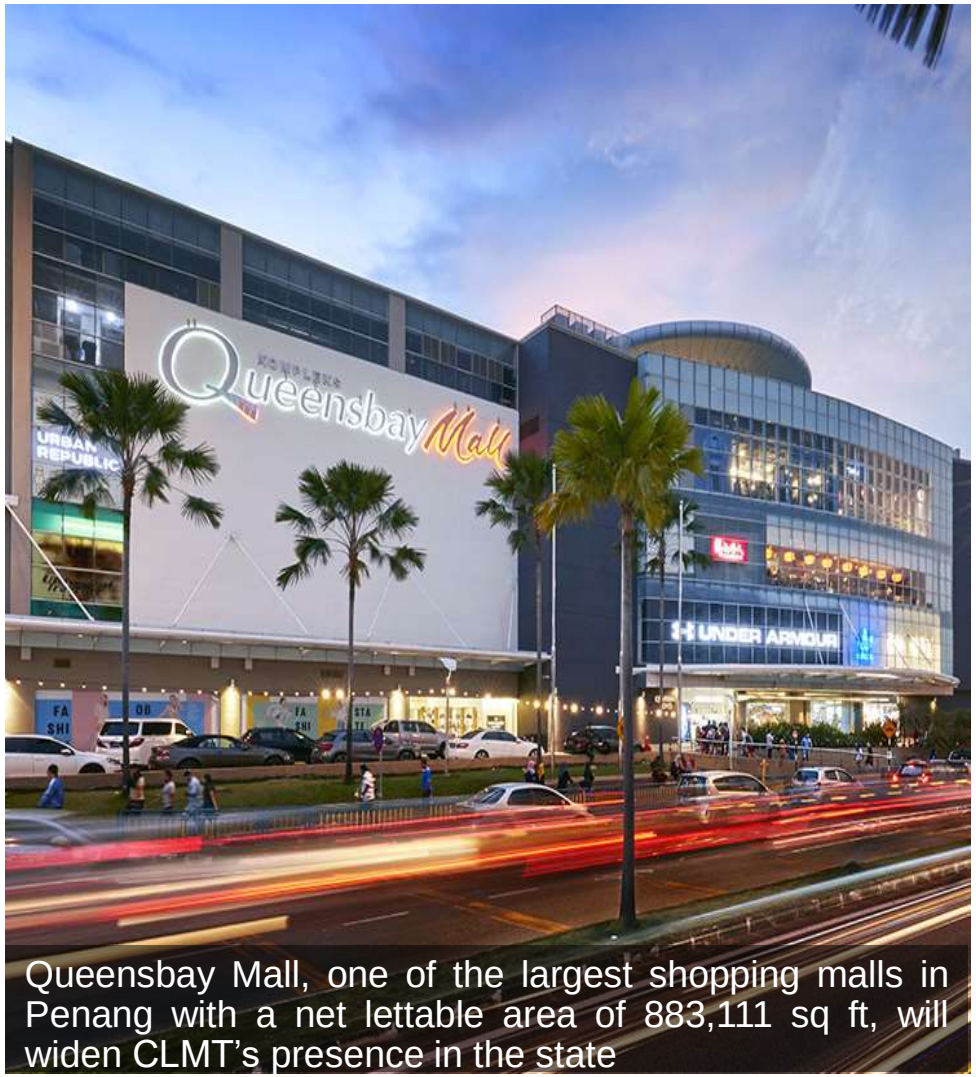
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Transaction Summary



Queensbay Mall, Penang, Malaysia

Proposed acquisition



Queensbay Mall, one of the largest shopping malls in Penang with a net lettable area of 883,111 sq ft, will widen CLMT's presence in the state

- 91.8% of the strata floor area of retail parcels in Queensbay Mall (QBM Property), in Bayan Lepas, Penang from parties related to CapitaLand Investment Limited (CLI or Sponsor)
- **Total purchase consideration of RM990.50 million** representing a discount of approximately 1.0% to the independent valuation[1] of RM1.0 billion
- The Proposed Acquisition will **strengthen CLMT's foothold in Penang** where it already owns Gurney Plaza and Valdor Logistics Hub
- To be funded by a **combination of bank borrowings and proceeds from the proposed private placement**
- Sponsor is committed to support the proposed private placement and intends to take up its pro-rata entitlement

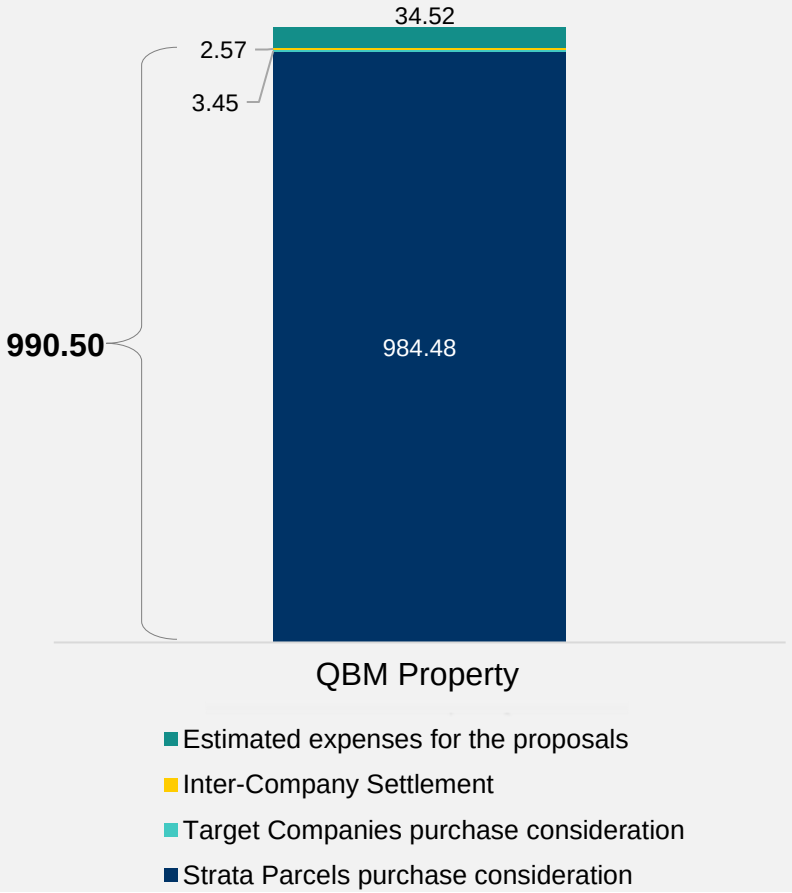
7.3% **acquisition yield[2] of which will increase the overall property yield of CLMT's portfolio**

Notes:
1. The independent valuation by Savills (Malaysia) Sdn. Bhd. indicated the market value of QBM Property at RM1.0 billion as at 7 October 2022.
2. Derived from dividing the forecast NPI of the QBM Property for FYE 31 December 2023 of RM72.31 million with the Total Purchase Consideration of RM990.50 million.

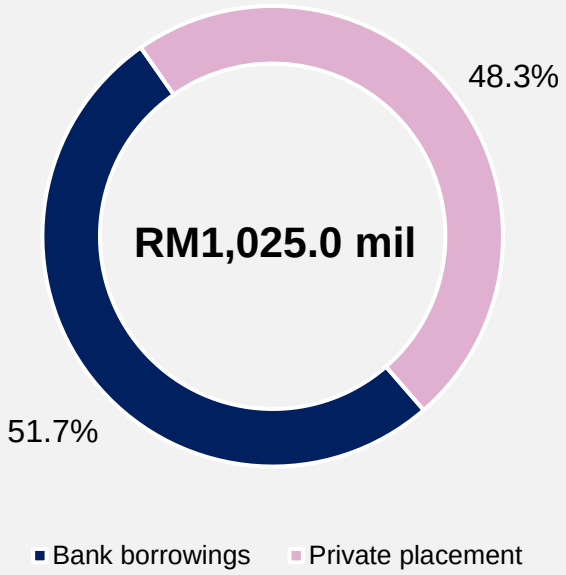
Total acquisition outlay of RM1.03 billion

Completion of acquisition is expected by 1Q 2023

Total Acquisition Outlay (RM mil)



Sources of Funding



Total acquisition outlay to be funded by a combination of:

- at least 30% (minimum scenario) and up to 50% (maximum scenario) of the Total Purchase Consideration, is to be satisfied via cash proceeds raised from the Proposed Placement
- the remainder is to be satisfied via bank borrowings
- the estimated expenses for the Proposal is proposed to be funded via bank borrowings

Post-acquisition, CLMT's gearing will increase to 39.2% (maximum scenario) and 43.1% (minimum scenario)[1]

Note:
1. Refer to sections 8.3 of the Circular to Unitholders in relation to the Proposed Acquisition of the QBM Property dated 8 February 2023 for further details.

QBM Property Overview

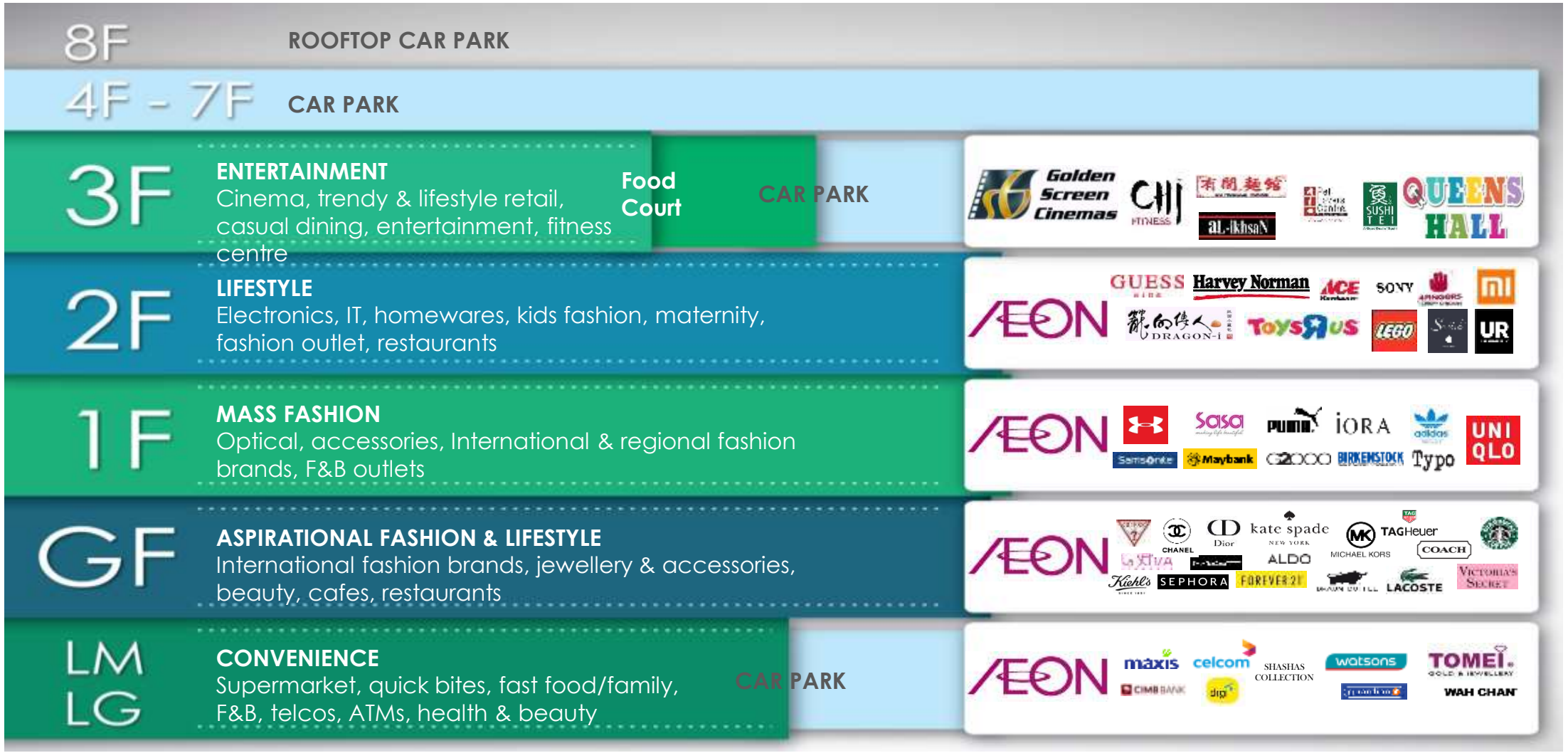


Queensbay Mall, Penang, Malaysia

About Queensbay Mall

Location	No. 100, Persiaran Bayan Indah, 11900 Bayan Lepas, Pulau Pinang
Description of titles	• 433 strata parcels with accessory parcels, situated on lower ground, lower mezzanine, ground, 1st, 2nd, 3rd, 4th, 5th, 6th, 7th and 8th floors; and • 5 strata parcels situated on 1st and 2nd floors, together forming part of a free-standing 8-storey shopping centre with a lower ground floor and a lower ground mezzanine comprising 5 floors of retail space and car parks known as Queensbay Mall, Mukim 12, District of Barat Daya, State of Pulau Pinang.
Tenure	Freehold for all 438 strata titles within Queensbay Mall (which are the subject matter of the Proposed Acquisition)
Year of commencement	December 2006 (Age of building: 16 years)
Gross strata area	Total of 1,282,681 sq ft as at 7 October 2022 comprising: • Strata title area: 881,833 sq ft • Accessories parcels to the strata titles: 45,338 sq ft • Car park: 355,510 sq ft
Net lettable area	883,111 sq ft as at 7 October 2022
Occupancy rate	95.0% as at 7 October 2022 (inclusive of committed tenancies)
Shopper traffic	Average monthly footfall approx. 1.2 million (year-to-date 30 November 2022 of approximately 12.7 million)
Acquisition yield	7.3% (Based on the forecast NPI of the QBM Property for FYE 31 December 2023)

Sectional plan and themes



Investment Merits of QBM Property



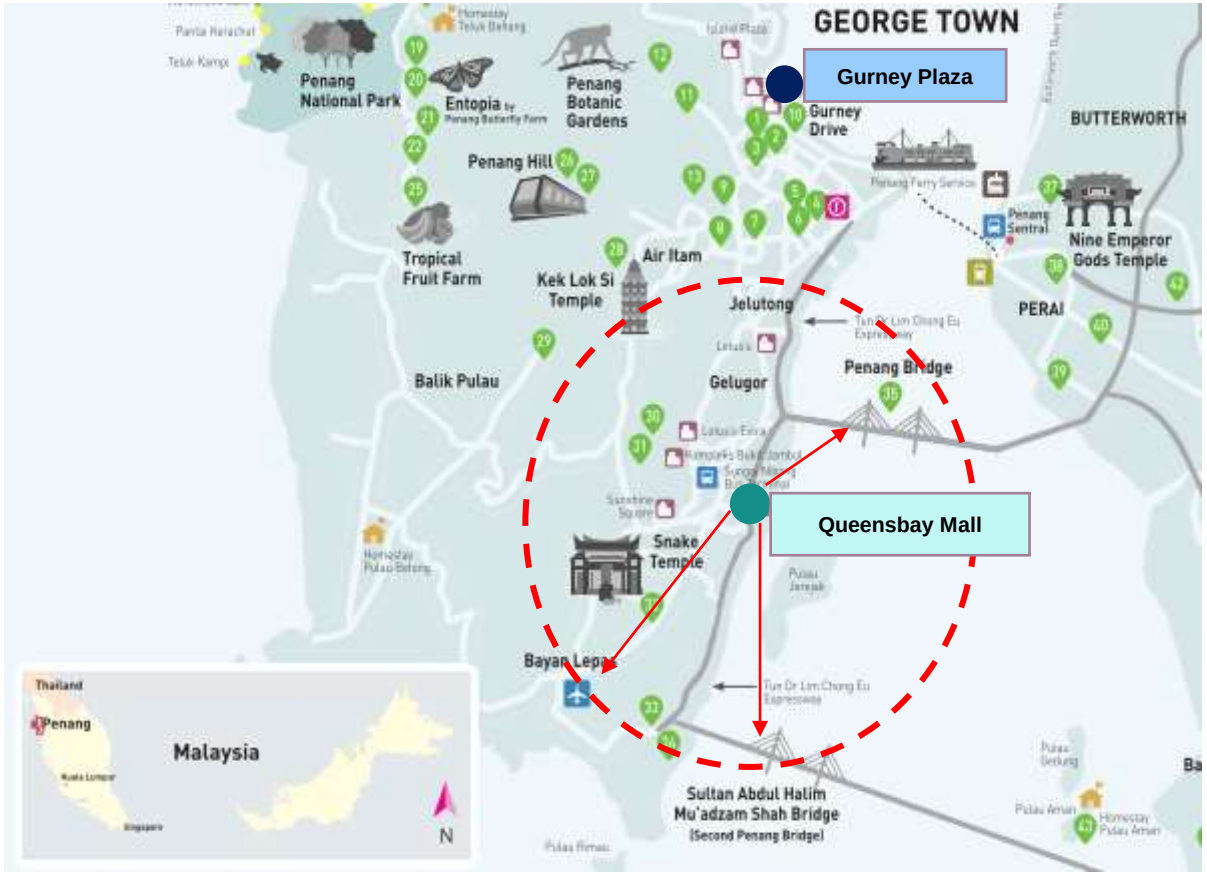
Queensbay Mall, Penang, Malaysia

Key investment merits

1	**Strategically located mall with strong tenant base**
2	**Quality asset with attractive yield**
3	**DPU accretive transaction**
4	**Enhance portfolio strength and income diversification**

1 Strategically located mall with strong tenant base

Good accessibility from all entry points to Penang island



- Conveniently located at Bayan Lepas along the south-eastern shorefront of Penang island
- Easily accessible from the north and the south of the island via the Tun Dr Lim Chong Eu highway
- About 20 minutes drive to Penang International Airport
- Direct access to Penang Bridge and the Sultan Abdul Halim Muadzam Shah Bridge to the mainland cities such as Butterworth, Bukit Mertajam, Kulim and Batu Kawan

1 Strategically located mall with strong tenant base

Established trade mix of quality retail tenants from various trade sectors



AEON



Coach



Haidilao Hot Pot



Harvey Norman

Anchor tenants

AEON · Golden Screen Cinemas · Harvey Norman · QUEENS HALL

Food & Beverage

DRAGON-i · 4 FINGERS CRISPY CHICKEN · SUSHI TEI · Hi 海底捞火锅 Haidilao Hot Pot

Fashion & Accessories

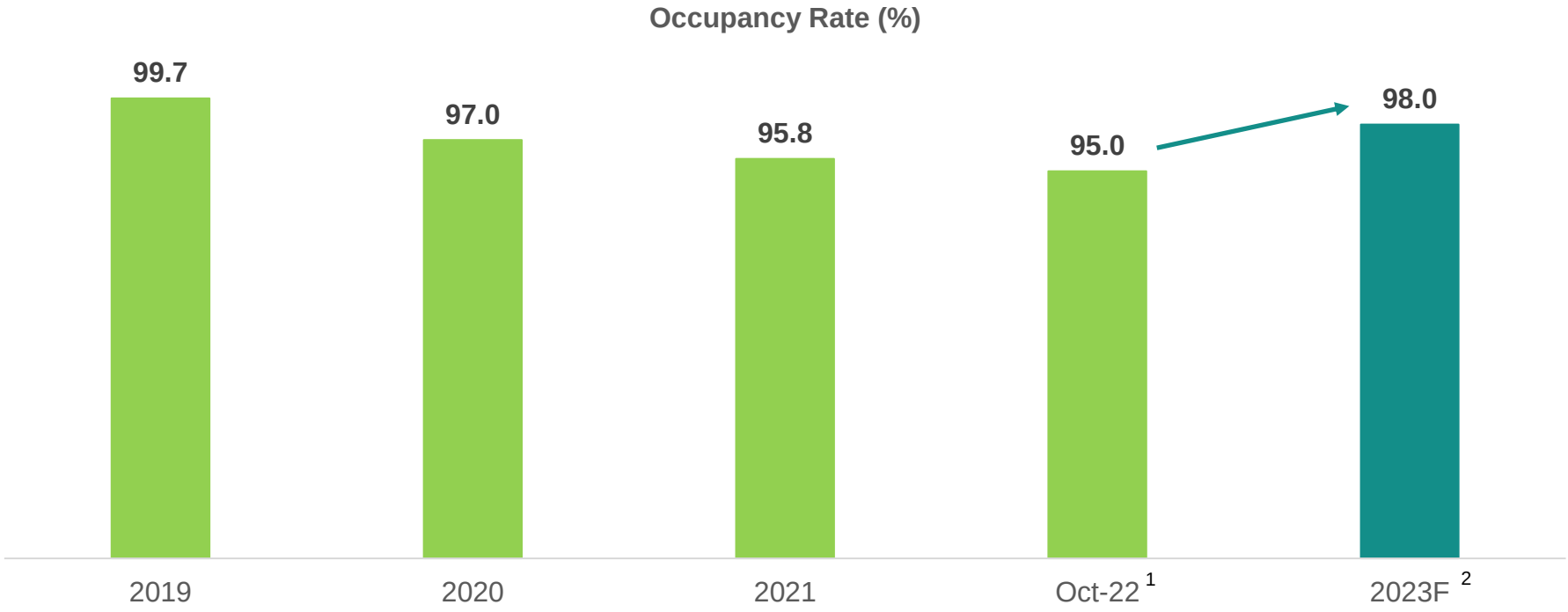
COACH · kate spade NEW YORK · MICHAEL KORS · UNIQLO · TAG Heuer · DW Daniel Wellington

Beauty & Health

SEPHORA · Kiehl's SINCE 1851 · Sasa making life beautiful · CHANEL · Dior

2 Quality asset with attractive yield

High occupancy rate of above 95%

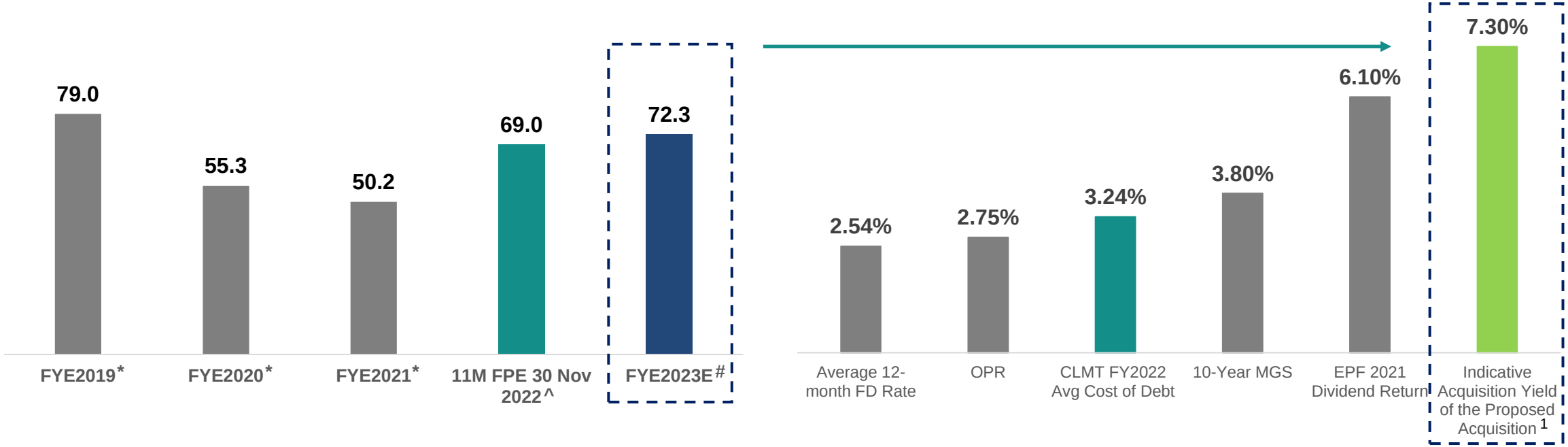


- ✓ Continue to maintain high occupancy rate of above 95% despite unprecedented pandemic challenges. Latest **committed occupancy rate of 95.0%[1]**, outperforming the average occupancy of shopping malls on Penang island
- ✓ Improves CLMT's committed portfolio occupancy from **85.9%** to **87.8%**

Notes:
1. As at Valuation Date (7 October 2022).
2. Occupancy rate for the Forecast Year 2023.

2 Quality asset with attractive yield

Strong NPI forecast of QBM Property translating to higher yield and returns



- ✓ Indicative acquisition yield of 7.3%[1] which will **increase the overall property yield of CLMT's portfolio**
- ✓ Healthy spread between QBM Property acquisition yield and CLMT's cost of financing that delivers accretion

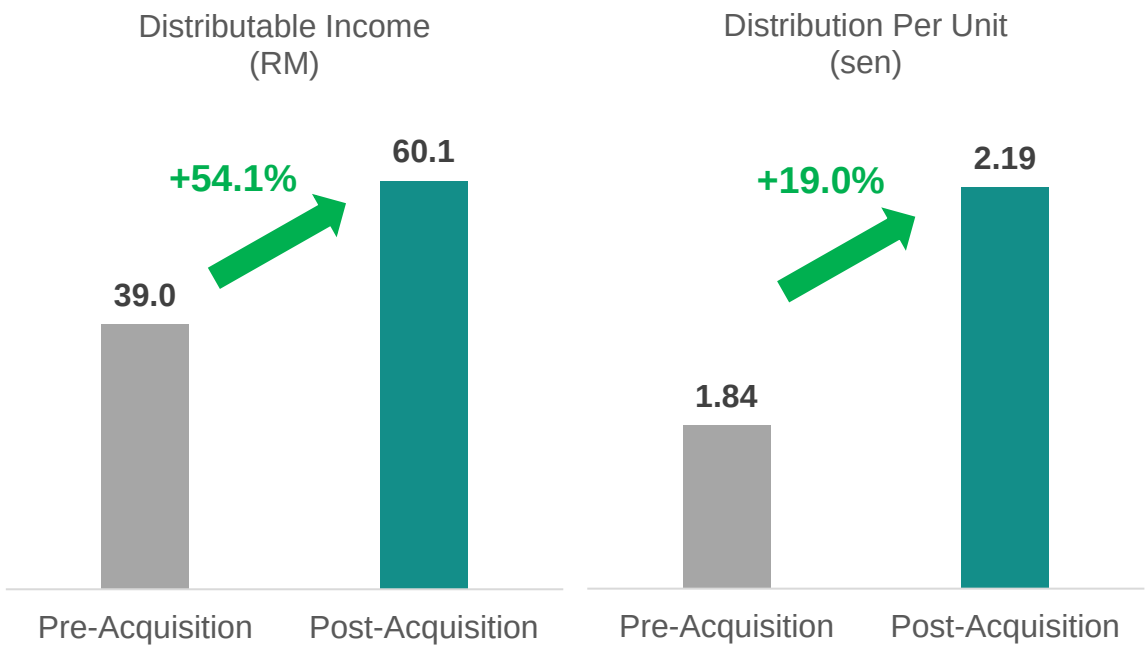
Notes:
* As extracted from Special Coral's audited financial statements
^ Based on the NPI derived from the unaudited management financial statements of Special Coral for the 11-months FPE 30 November 2022
# Derived from the forecast NPI of the QBM Property for FYE 31 December 2023

Notes:
1. Derived from the forecast NPI of the QBM Property for the FYE 31 December 2023.
Source: Bloomberg, Bursa Malaysia, Company Announcements as at 8 February 2023

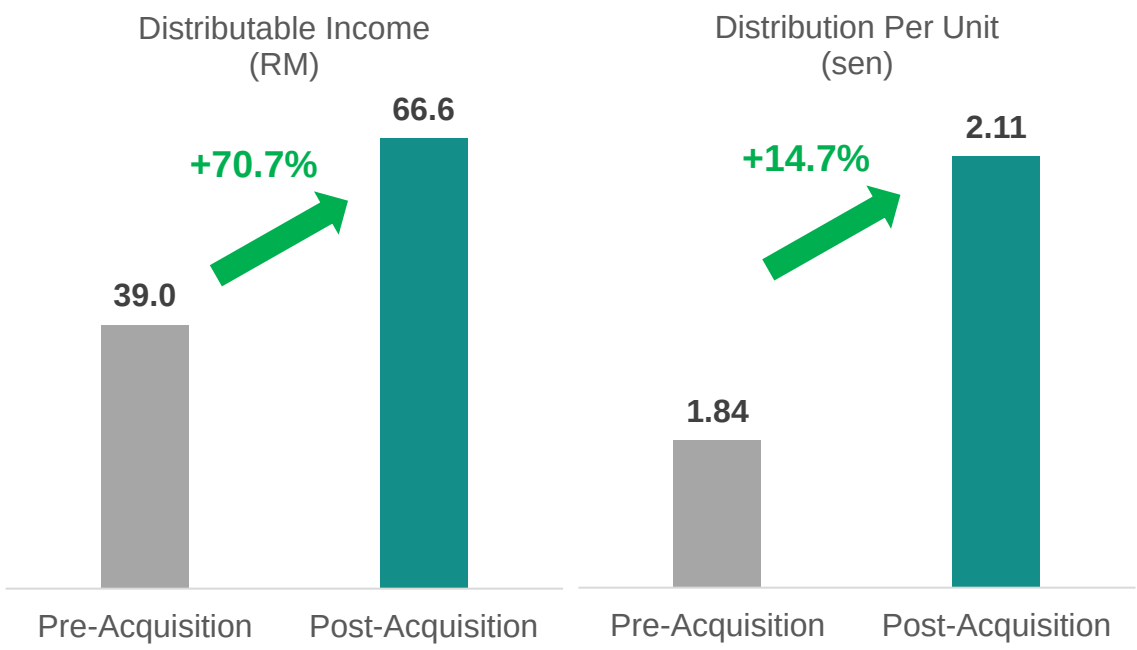
3 DPU accretive transaction

Based on the historical consolidated financial results of CLMT for FYE 31 December 2021

Proforma Income Distribution (Minimum Scenario)



Proforma Income Distribution (Maximum Scenario)



Notes:

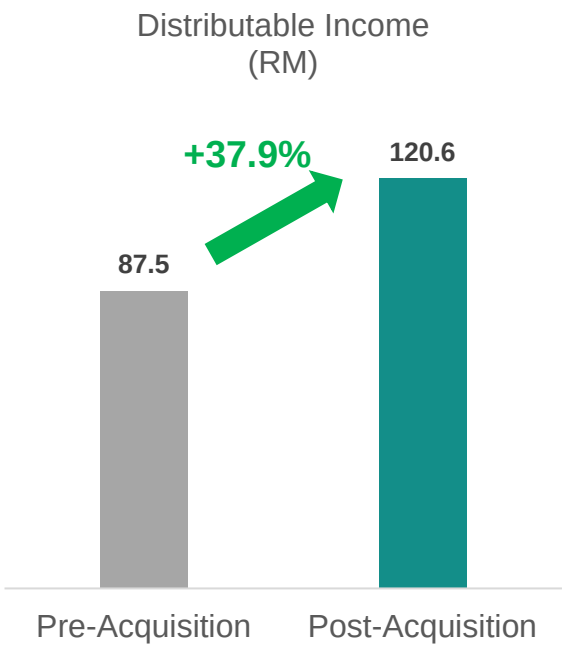
- Pre-acquisition is based on the historical consolidated financial results of CLMT for FYE 31 December 2021
- The proforma distribution impact is for illustrative purposes and is prepared based on CLMT's audited consolidated financial statements for the financial year ended 31 December 2021. It is calculated assuming the Proposed Acquisition had been completed on 1 January 2021 and CLMT had owned and operated QBM Property for the financial year ended 31 December 2021. For detailed calculations, refer to section 8.2 of the announcement by CLMT dated 8 February 2023.

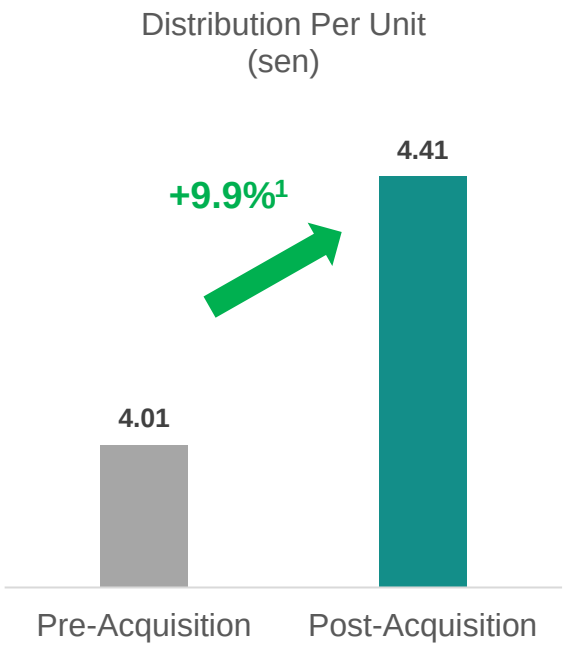
3 DPU accretive transaction

Based on unaudited consolidated financial statements for the financial year ended 31 December 2022

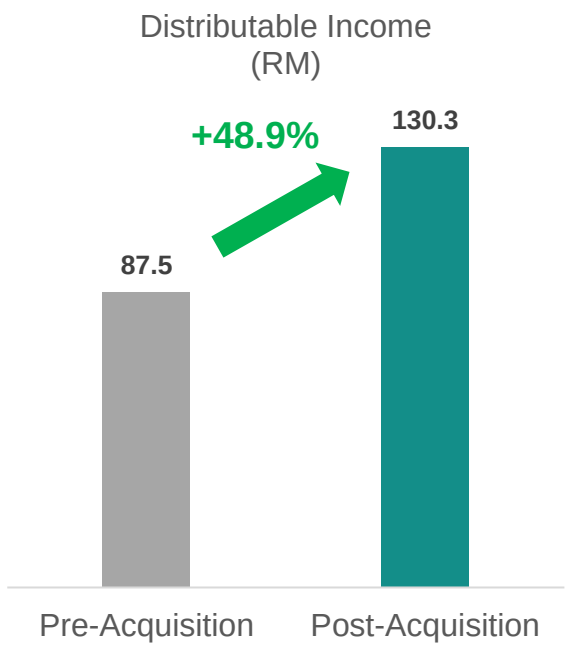
Proposed Acquisition will contribute positively to earnings and is accretive at DPU level

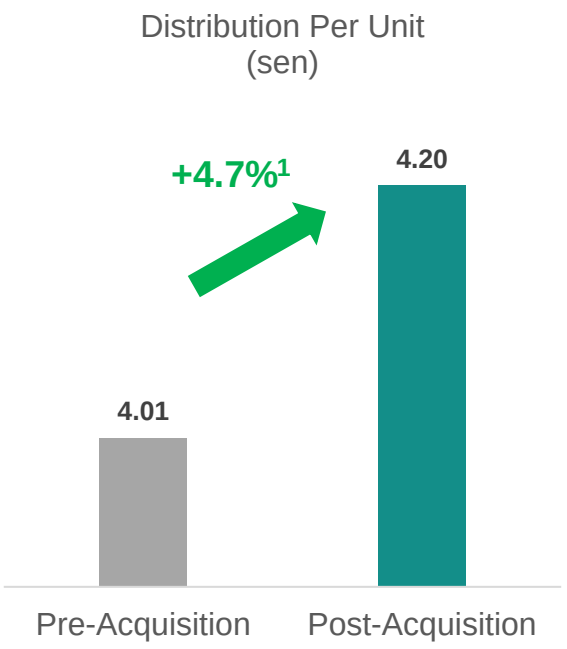
Proforma Income Distribution (Minimum Scenario)





Proforma Income Distribution (Maximum Scenario)



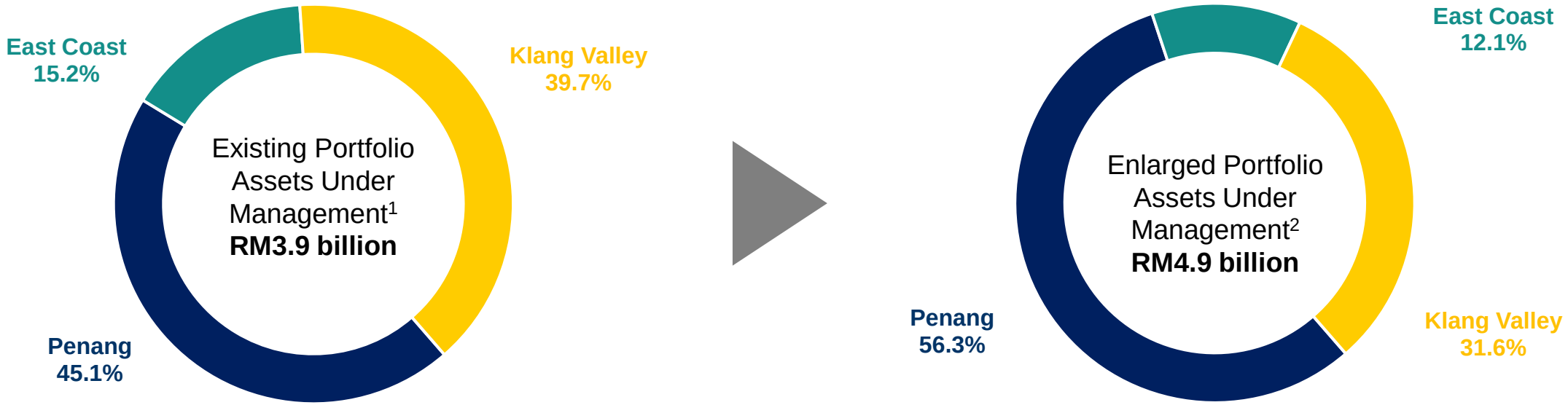


Notes:

- Pre-acquisition is based on CLMT FY 2022 distributable income and distribution per unit.
- Post-acquisition proforma distribution impact is for illustrative purposes and is estimated based on CLMT's unaudited consolidated financial statements for the financial year ended 31 December 2022, forecast NPI of the QBM Property for FYE 31 December 2023 of RM72.31 million, new CLMT unit issue price of RM0.54 sen (being the closing price on 22 February 2023) and financing cost of 4.9%.

4 Enhance portfolio strength and income resilience

Increases assets under management by 25.7% from RM3.9 billion to RM4.9 billion

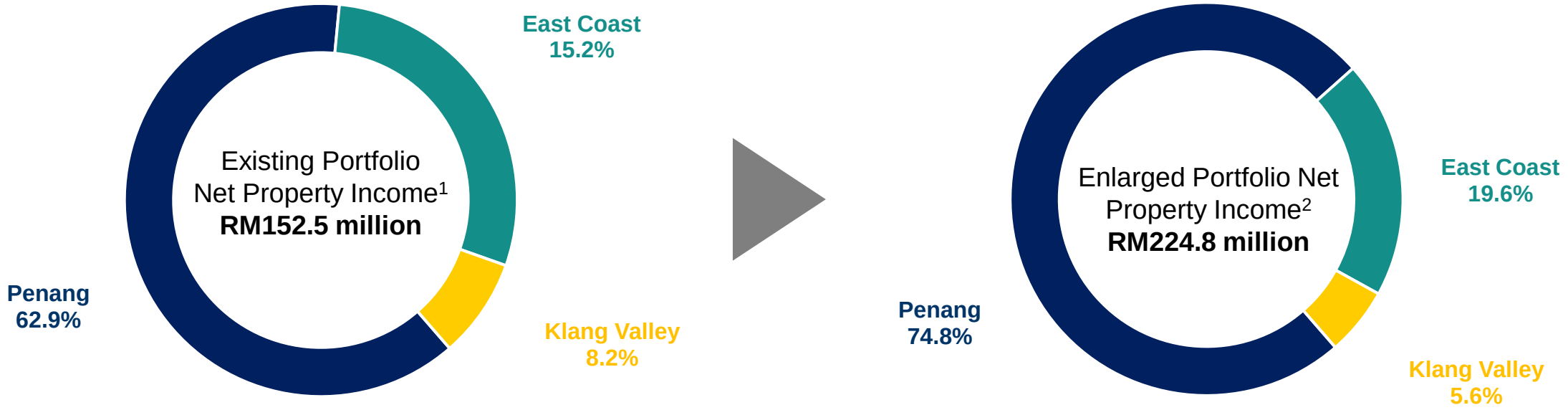


- ✓ CLMT's market leadership in Penang will be strengthened, with Gurney Plaza and Proposed Acquisition anchoring the northern and southern parts of the Penang island respectively
- ✓ Proposed Acquisition will allow CLMT to scale up meaningfully, increasing visibility among Malaysian and international investors

Notes:
1. Based on valuation as at 31 December 2022.
2. Enlarged assets under management portfolio property value includes existing portfolio value and QBM Property which was based on valuation as at 7 October 2022.

4 Enhance portfolio strength and income resilience

Increases net property income by 47.4% from RM152.5 million to RM224.8 million



- ✓ Post-acquisition, Gurney Plaza, QBM Property, East Coast Mall and Valdor Logistics Hub will make up 94.4% of the enlarged portfolio NPI
- ✓ This will improve the quality and stability of CLMT earnings and strengthen the resilience of the portfolio

Notes:
1. Based on CLMT FY 2022 net property income.
2. Enlarged portfolio net property income is derived from FY 2022 net property income and forecast NPI of the QBM Property for FYE 31 December 2023..

Summary of Recommendations



Queensbay Mall, Penang, Malaysia

Recommendation by the Independent Adviser

- Kenanga Investment Bank Berhad was appointed as the Independent Adviser (IA) for the Proposed Acquisition
- The IA is of the opinion that the **Proposed Acquisition is fair and reasonable and not detrimental to the interests of non-interested CLMT Unitholders**
- The IA **recommends that the non-interested Unitholders to vote in favour of the resolutions pertaining to the Proposed Acquisition** to be tabled at Extraordinary General Meeting

Recommendation by the Audit Committee

- Having sought independent advice from the IA, the Audit Committee believes that **the Proposals are in the best interests of CLMT, are fair, reasonable and on normal commercial terms, and are not detrimental to the interests of the non-interested Unitholders.**


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Malaysia Trust
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QUEEN'S HALL
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Thank You