



For immediate release

NEWS RELEASE

CLMT strengthens portfolio with the acquisition of a second logistics property for RM39.7 million

Plans to convert the property into a temperature-controlled distribution centre

Kuala Lumpur, 15 May 2023 – CapitaLand Malaysia REIT Management Sdn. Bhd. (CMRM), the manager of CapitaLand Malaysia Trust (CLMT), is pleased to announce today that MTrustee Berhad, the Trustee of CLMT, has entered into a sale and purchase agreement to acquire a freehold logistics warehouse (the Logistics Property) located at the Hicom-Glenmarie Industrial Park in Shah Alam, Selangor (the Proposed Acquisition). The purchase price for the Proposed Acquisition is RM39.7 million, negotiated on a willing-buyer willing-seller basis, is in line with the independent market valuation¹ of RM40.4 million commissioned by the Trustee.

In tandem with the Proposed Acquisition, CMRM has also executed a Letter of Offer with a reputable international luxury fashion retailer (the Prospective Tenant) to fully lease the building for ten years. The new lease is expected to commence in the first half of 2024 and will generate a gross rental income of RM3.5 million per annum with an approximate yield of 6.5%, providing CLMT with a stable income stream. The Proposed Acquisition will contribute positively to CLMT's income upon the commencement of the lease in financial year 2024.

Under the agreement, CMRM will also undertake a convert-to-suit exercise and transform the Logistics Property into a temperature-controlled distribution centre at an estimated cost of RM14.6 million. Including the purchase price of RM39.7 million, CLMT's total investment outlay of RM54.3 million will be fully funded by bank borrowings. Post-transaction, CLMT's proforma gearing will increase from 44.3% to 44.8%, which remains below the regulatory limit of 50%. The completion of the Proposed Acquisition is expected to take place in the second half of 2023.

The Logistics Property is a single-storey detached warehouse with an annexed three-storey office building and a built-up area of 84,755 square feet (sq ft). The Logistics Property is strategically located in Shah Alam, Klang Valley, a region known for its large concentration of logistics facilities and distribution centres. It enjoys excellent connectivity to major transport hubs such as Port Klang and the Kuala Lumpur International Airport via the North Klang Valley Expressway, ELITE Expressway, Guthrie Corridor Expressway and Federal Highway.

Mr Tan Choon Siang, CEO of CMRM, said: "Following our successful entry into Malaysia's logistics market last year, we are pleased to strengthen our logistics presence with another

¹ The independent valuation by PPC International Sdn. Bhd. indicated the market value of the Logistics Property to be RM40.4 million as at 2 May 2023.

acquisition in the highly attractive Hicom-Glenmarie Industrial Park, widely regarded as a prime hub for logistics and warehouses in the Klang Valley due to its proximity to major arterial highways. The Proposed Acquisition is a continuation of CLMT's journey to drive sustainable growth and diversify income sources. It underscores our focus on executing and delivering on our growth initiatives to capture value in the fast-growing new economy sector and capitalise on the rising demand for high-quality logistics infrastructure in prime locations."

"We are also pleased to deepen our relationship with the Prospective Tenant, currently an existing retail tenant, by converting the Property from a generic warehouse into a temperature-controlled distribution centre to meet their expanding business needs. The convert-to-suit exercise is a testament to our commitment to provide attractive real estate solutions for our tenants as they meet their growth aspirations and foster greater opportunities for us to work with CapitaLand's network of over 200 retail tenants in Malaysia. This exercise will showcase our property development expertise as we drive value creation for CLMT to scale up its logistics footprint."

Following the Proposed Acquisition, CLMT's enlarged portfolio will consist of eight properties with the proportion of logistics properties increasing from 7.8% to 9.6% of the total net lettable area of approximately 4.4 million sq ft. Portfolio occupancy is expected to improve from 89.2% as at 31 March 2023 to 89.3% upon the commencement of the new lease in 2024.

About CapitaLand Malaysia Trust (www.clmt.com.my)

CapitaLand Malaysia Trust (CLMT) is a real estate investment trust (REIT) and was listed on the Main Market of Bursa Malaysia Securities Berhad on 16 July 2010. CLMT's investment objective is to invest, on a long-term basis, in a geographically diversified portfolio of income-producing real estate assets across Malaysia that are used primarily for retail, commercial, office and industrial purposes. As at 31 March 2023, CLMT has a market capitalisation of approximately RM1.4 billion with a total asset value of approximately RM5.0 billion.

CLMT's portfolio of quality assets comprises six retail properties, an office and a logistics park with a total net lettable area of 4.3 million square feet. Its retail and office properties are strategically located across three key urban centres: Gurney Plaza and a significant interest in Queensbay Mall in Penang; four in Klang Valley – a majority interest in Sungei Wang Plaza in Kuala Lumpur; 3 Damansara and 3 Damansara Office Tower in Petaling Jaya; and The Mines in Seri Kembangan; and East Coast Mall in Kuantan, Pahang. CLMT's logistics park, Valdor Logistics Hub, is located in one of Penang's key industrial hubs and is well-connected to the North South Highway and Penang Second Bridge.

CLMT is managed by CapitaLand Malaysia REIT Management Sdn. Bhd., a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 March 2023, CLI had S\$133 billion of real estate assets under management, and S\$89 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across the Asia Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve net zero emissions by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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