

CapitaLand Malaysia Trust

Proposed Acquisition of Queensbay Mall, Penang

9 November 2022

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Queensbay Mall, Penang, Malaysia

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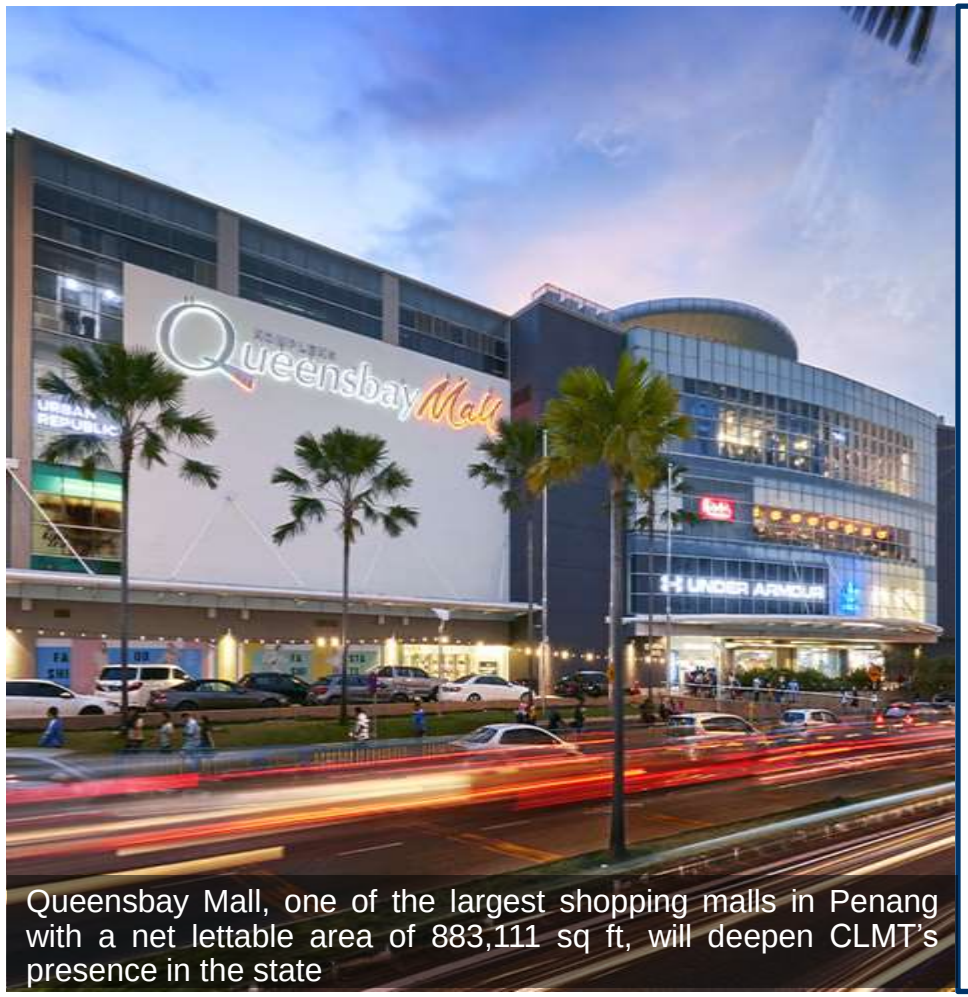
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Transaction Summary and Overview



Queensbay Mall, Penang, Malaysia

Transaction Summary

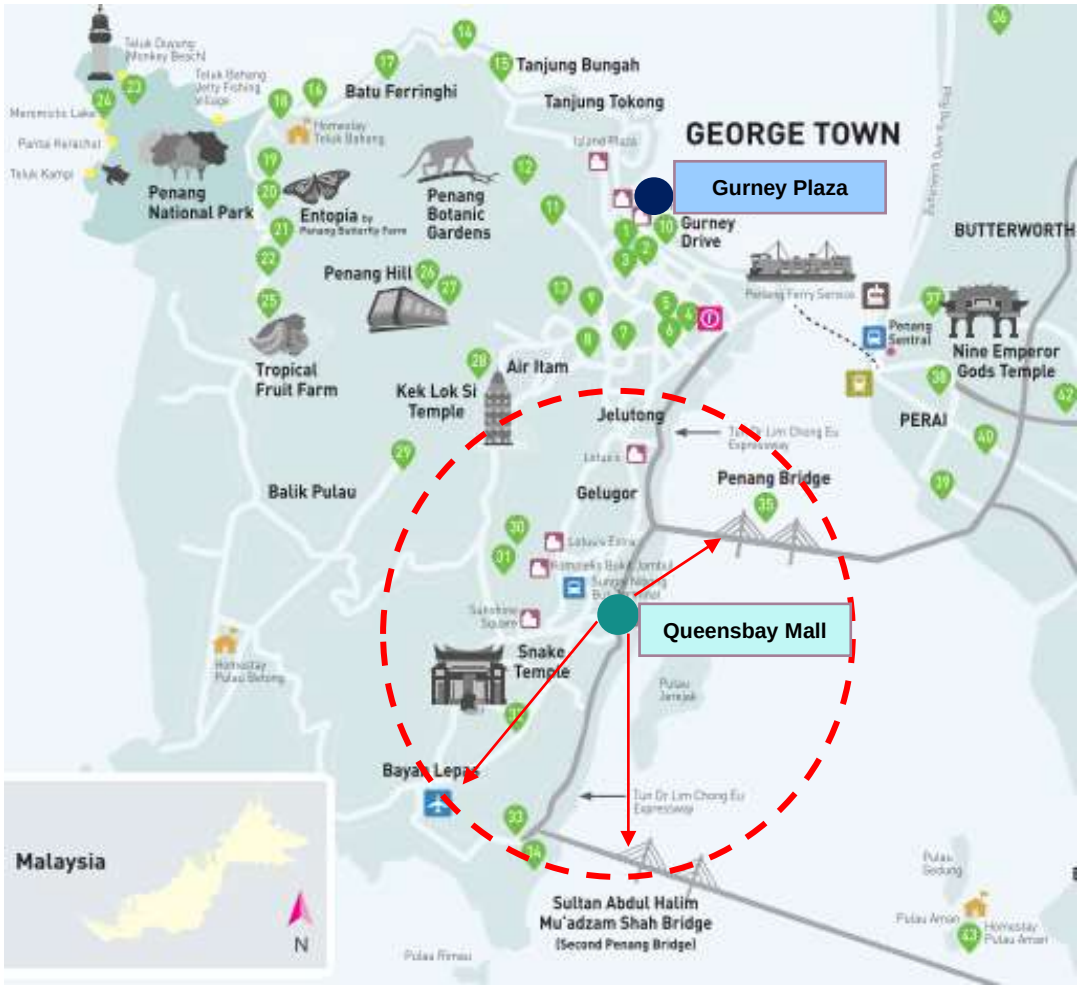


Queensbay Mall, one of the largest shopping malls in Penang with a net lettable area of 883,111 sq ft, will deepen CLMT's presence in the state

- The Proposed Acquisition of 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** represented a discount of approximately 1.0% to the independent valuation[1] of RM1.0 billion
- 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 of 39.3% as part of the funding for CLMT to acquire QBM Property
- The Proposed Acquisition has reasonable property yield of 7.3%[2] which will increase the overall property yield of CLMT's portfolio
- The Proposed Acquisition will strengthen CLMT's foothold in Penang where it already owns Gurney Plaza and pending completion of its first logistics property[3]

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. Based on the annualised net property income of Special Coral Sdn. Bhd. for the unaudited 8-months financial period ended 31 August 2022 after excluding non-recurring write-backs of provision of doubtful debts. Special Coral Sdn. Bhd. is a special purpose vehicle that holds 433 strata titles of the total 438 strata titles within Queensbay Mall that CLMT is acquiring. The remaining 5 strata titles are held by indirect subsidiaries of CLI.
3. CLMT targets to complete its acquisition of the logistics property in Sungai Jawi, Penang, in 4Q 2022.

Enjoys excellent connectivity and deepens CLMT's presence in the state



Source

Accessibility

- Queensbay Mall is 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 from 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

Deepening presence

- CLMT's market leadership in Penang will be substantially strengthened, with Gurney Plaza and Queensbay Mall anchoring the northern and southern parts of the Penang island respectively

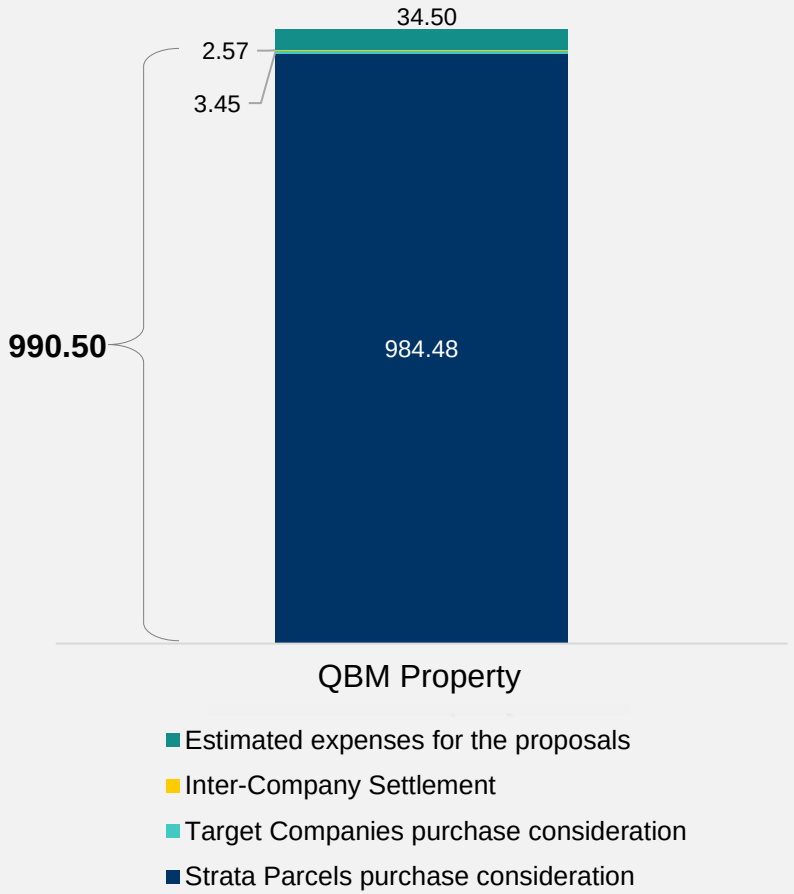
About Queensbay Mall

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
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% as at 7 October 2022 (inclusive of committed tenancies)
Property yield	7.3% (Based on the annualised net property income of Special Coral Sdn. Bhd. for the unaudited 8-months financial period ended 31 August 2022 after excluding non-recurring write-backs of provision of doubtful debts. Special Coral Sdn. Bhd. is a special purpose vehicle that holds 433 strata titles of the total 438 strata titles within Queensbay Mall that CLMT is acquiring. The remaining 5 strata titles are held by indirect subsidiaries of CLI.)

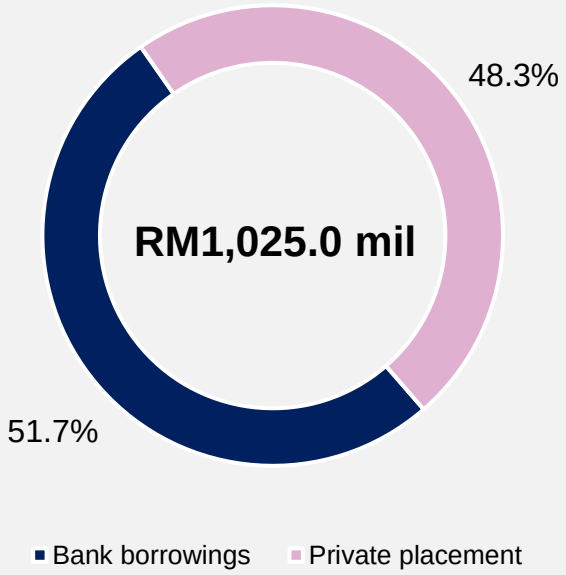
Total acquisition outlay of RM1.03 billion

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:

- up to 50% 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 from 35.9% to 38.9%[1]

Note:
1. Refer to section 8.3 of the announcement by CLMT dated 9 November 2022 for detailed calculations

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Investment Merits



Queensbay Mall, Penang, Malaysia

Investment Merits

1	Yield accretive transaction that will deliver higher DPU for unitholders
2	Deepening presence in Penang
3	Quality asset that enhances portfolio resilience

1. Yield accretive transaction that will deliver higher DPU for unitholders


North Zone


South Zone

- Reasonable property yield of approximately 7.3%[1] which will increase the overall property yield of CLMT's portfolio
- The Proposed Acquisition will contribute positively to CLMT's earnings and is accretive at the distribution level
- Improves CLMT's portfolio resilience and committed portfolio occupancy from 83.1% to 85.8%

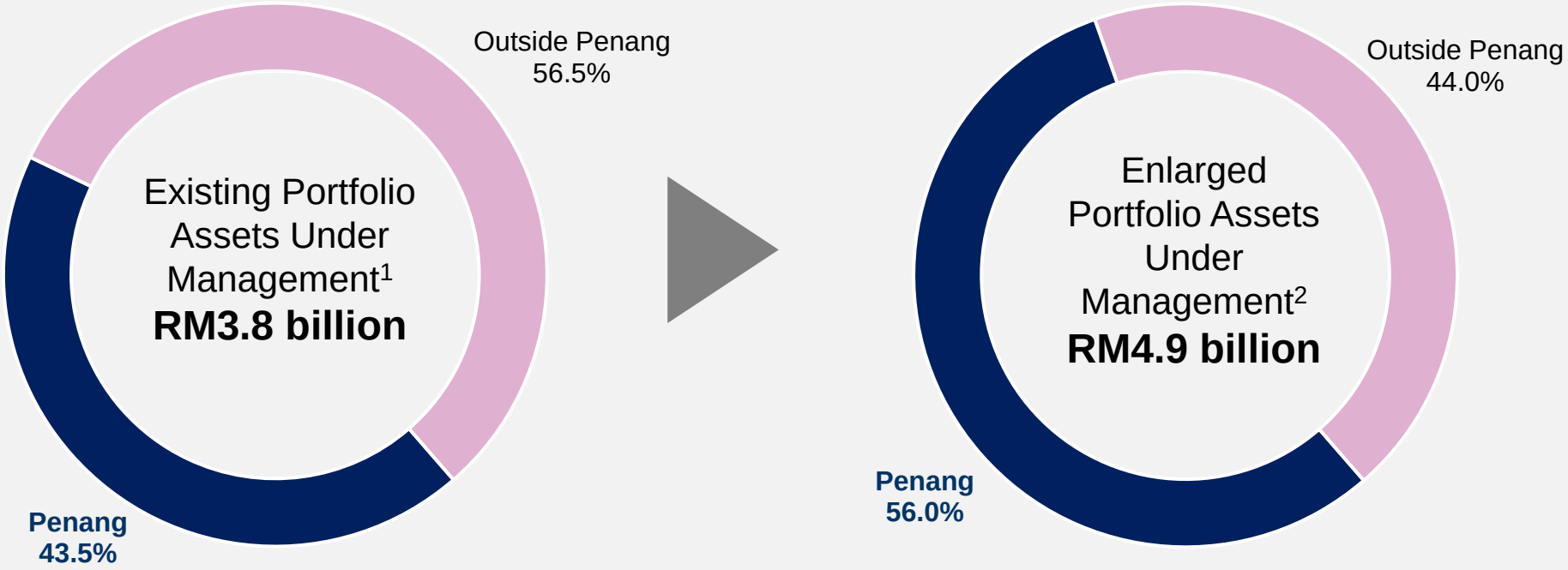
Note:
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2. Deepening presence in Penang

CLMT's presence in Penang increases to ~56% of enlarged portfolio assets under management

Assets under management to increase approximately ~28% from RM3.8 billion[1] to RM4.9 billion[2] after proposed acquisitions of Queensbay Mall and Sungai Jawi logistics property in Penang

Portfolio assets under management by geography



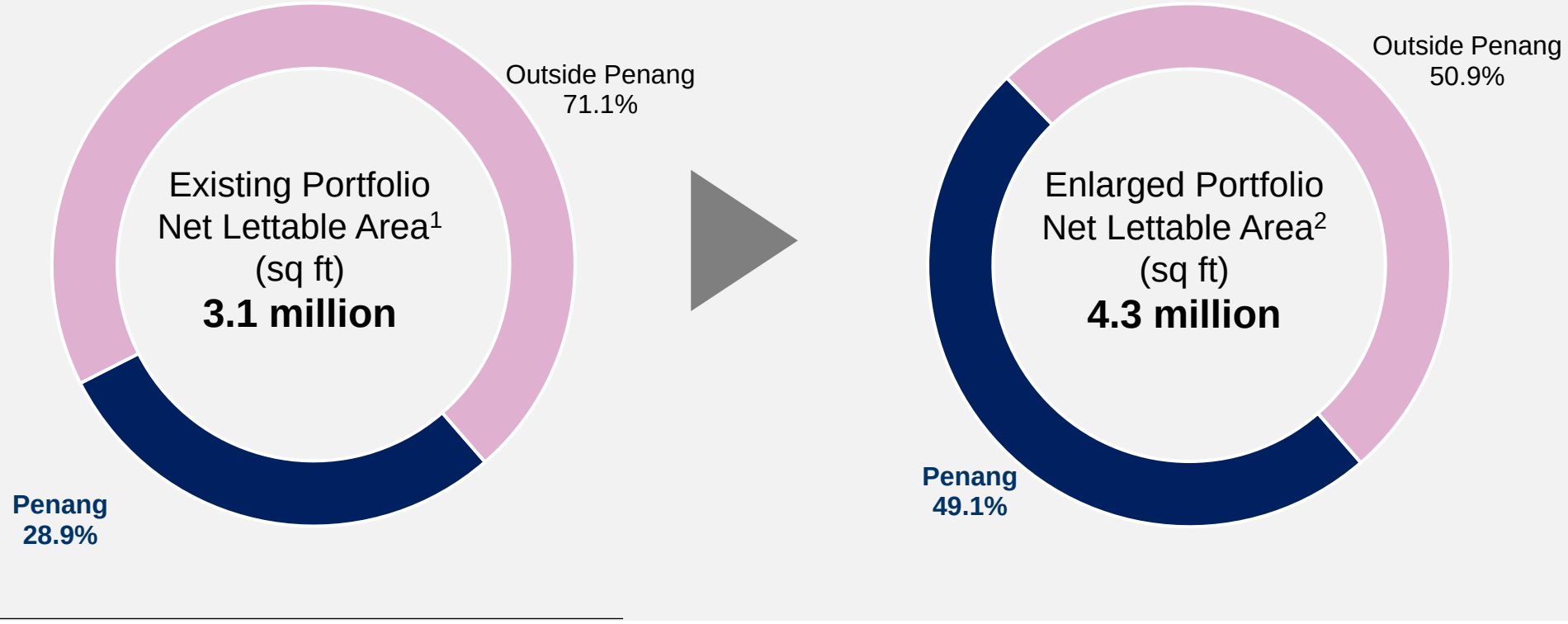
Notes:
1. Existing assets under management is based on valuation as at 31 December 2021.
2. Enlarged assets under management portfolio property value includes existing portfolio value, QBM Property which is based on valuation as at 7 October 2022 and Sungai Jawi logistics property which is based on valuation as at 2 June 2022.

2. Deepening presence in Penang

CLMT's presence in Penang increases to ~49% of enlarged portfolio net lettable area

Portfolio net lettable area to increase approximately ~40% from 3.1 million[1] sq ft to RM4.3 million[2] sq ft after proposed acquisitions of Queensbay Mall and Sungai Jawi logistics property in Penang

Portfolio net lettable area by geography



Notes:
1. Existing portfolio net lettable area is as at 31 December 2021.
2. Enlarged portfolio net lettable area includes existing portfolio net lettable area, QBM Property which is based on valuation as at 7 October 2022 and Sungai Jawi logistics property which is based on valuation as at 2 June 2022.

3. Quality asset that enhances portfolio resilience


Christmas decoration


Vogue for Virtue charity fashion show

- One of the largest malls in Penang with strong operational performance
- High occupancy rate of 95% as at 7 October 2022 (inclusive of committed tenancies)
- With an average of 1.1 million footfall per month, shopper traffic is expected to improve further with the return of tourists to Penang
- Strengthens the asset profile of CLMT portfolio
- CLMT's market leadership in Penang will be substantially strengthened with Gurney Plaza and Queensbay Mall anchoring the northern and southern parts of the Penang island respectively

3. Quality asset that enhances portfolio resilience

Wide variety of high-quality tenants from resilient trade categories



Reputable brands include Michael Kors, Tag Heuer and Coach


Queen's Hall

High quality tenants

Food & Beverage

DRAGON-i | 4 FINGERS CRISPY CHICKEN | SUSHI TEI | GO NOODLE HOUSE

Fashion & Accessories

COACH | kate spade NEW YORK | MICHAEL KORS | UNIQLO | FOREVER 21

Beauty & Health

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

Anchor tenants

AEON | Golden Screen Cinemas | Harvey Norman | QUEENS HALL

Conclusion



Queensbay Mall, Penang, Malaysia

Approvals Required

The Proposed Acquisition and Placement are subject to approvals being obtained from the following parties:

(a) the approval from the State Authority for the transfer of the QBM Property pursuant to the Proposed Acquisition;

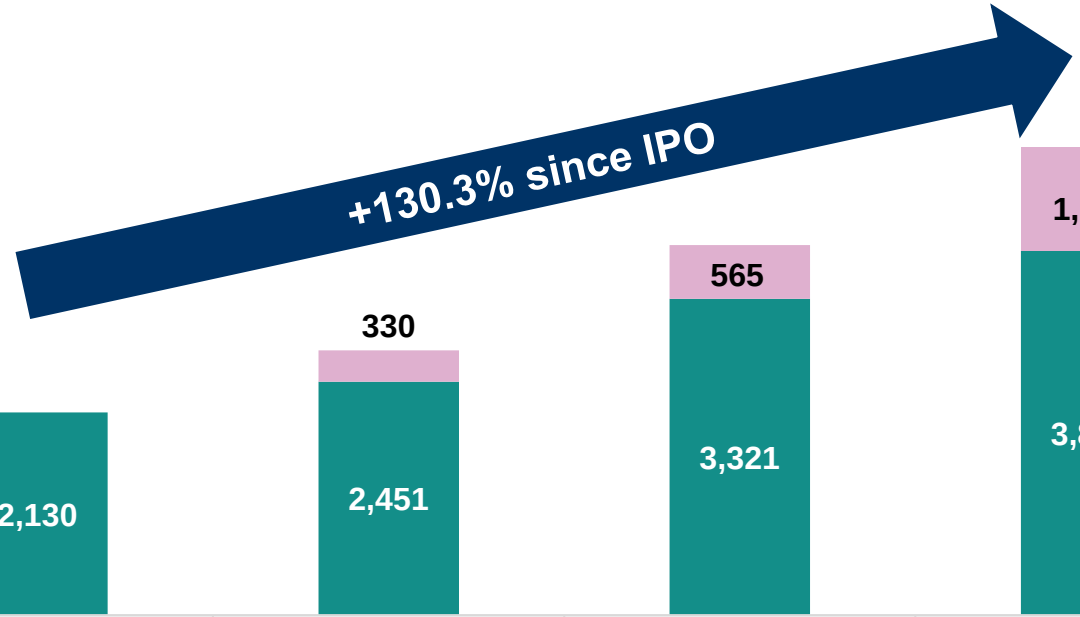
(b) Bursa Securities for the listing of and quotation for the Placement Units on the Main Market of Bursa Securities;

(c) the approval of the Unitholders at the Unitholders' Meeting for the Proposed Acquisition, the Proposed Placement, the Proposed Placement to the Sponsors and the Proposed Placement to the Major Unitholders; and

(d) any other relevant authorities/parties, if required.

CLMT’s growth track record

Assets Under Management (RM mil)	2,130	2,781	3,886	4,906



Proposed acquisitions:
- QBM Property: 1,000
- Sg. Jawi: 80

	At IPO	2011	2015	2022
Acquisition / Proposed Acquisition		330	565	1,080
Existing Portfolio	2,130	2,451	3,321	3,826

Note:
Enlarged assets under management portfolio property value includes existing portfolio value, QBM Property which is based on valuation as at 7 October 2022 and Sungai Jawi logistics property which is based on valuation as at 2 June 2022.



Thank You

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