

NEWS RELEASE

**CLMT marks entry into Malaysia's industrial segment with acquisition of three freehold industrial factories in Johor's Nusajaya Tech Park for RM27.0 million**

- *Proposed acquisition in line with CLMT's portfolio reconstitution strategy to invest in new asset classes to diversify income stream*
- *Transaction is expected to be DPU-accretive to CLMT unitholders*

**Kuala Lumpur, 5 February 2024** – 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 conditional sale and purchase agreement to acquire three prime freehold ready-built factories (the Subject Properties) located at the Nusajaya Tech Park in Iskandar Malaysia, Johor (the Proposed Acquisition) from Nusajaya Tech Park Sdn. Bhd. The agreed value of RM27.0 million, negotiated on a willing-buyer willing-seller basis, is in line with the independent market valuation<sup>1</sup> of RM28.2 million commissioned by the Trustee.

Marks entry into the high-technology manufacturing sector of the industrial market and further diversifies geographical footprint to Johor

Johor, particularly Iskandar Malaysia, is an attractive investment destination within the manufacturing sector of the industrial market. With its competitive land and labour costs, Iskandar Malaysia has successfully attracted many high-tech and capital-intensive companies to base their operations there, supported by the Johor state government's business-friendly policies.

Developed by Nusajaya Tech Park Sdn. Bhd.<sup>2</sup>, Nusajaya Tech Park is a 210-hectare integrated industrial development located at Gerbang Nusajaya in Iskandar Malaysia, Johor. Designed to accommodate a wide range of light to medium industries, it is home to multinational corporations and leading local enterprises from various industries, including aerospace, automotive electronics, precision engineering, IT, e-commerce and data centres. Strategically located within minutes from the Malaysia-Singapore Second Link Expressway, Nusajaya Tech Park offers seamless connectivity to a network of international airports and seaports in both Singapore and Malaysia. This prime location ensures efficient transportation and enables easy access to global markets for businesses operating in the park.

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<sup>1</sup> The independent valuation by Nawawi Tie Leung Property Consultants Sdn. Bhd. indicated the market value of the Subject Properties to be RM28.2 million as at 15 January 2024.

<sup>2</sup> The shareholders of Nusajaya Tech Park Sdn. Bhd. are Ascendas Land (Malaysia) Sdn. Bhd., indirectly held by CapitaLand Group Pte. Ltd.; and UEM Land Berhad. CapitaLand Group Pte. Ltd. is an indirect major shareholder of CMRM due to its shareholdings in CapitaLand Investment Limited, the indirect holding company of CMRM.

### Strengthens income stability of the enlarged portfolio

The Subject Properties consist of two (2) semi-detached factories and one (1) detached factory, with mezzanine offices and guard posts. The factories were completed about seven years ago and feature a sleek, modern frontage with separate loading areas. With an efficient layout and column-free space, the building specifications of the Subject Properties include high floor loading and high ceilings.

With a collective built-up area of 74,142 square feet, the Subject Properties are fully leased to two reputable tenants in the optics and medical sectors, with a weighted average lease to expiry (WALE) of 5.2 years by rental income. The six-year lease terms with built-in rent escalations ranging between 2% and 6% p.a. will provide income stability to the portfolio.

CLMT's portfolio will be strengthened with the addition of these high-quality industrial properties. Post-transaction, CLMT's enlarged portfolio will consist of 10 properties with the proportion of industrial and logistics properties increasing from 10% to 11% of the total portfolio net lettable area of approximately 4.4 million square feet.

### DPU-accretive acquisition

CLMT intends to finance the Proposed Acquisition through debt. The Proposed Acquisition is expected to generate an annual rental income of RM2.0 million, with a first-year yield of approximately 7.3%. It will contribute positively to CLMT's income and is distribution per unit accretive to CLMT unitholders on a proforma basis. The Proposed Acquisition is expected to be completed by the fourth quarter of 2024.

Mr Tan Choon Siang, CEO of CMRM, said: "We are pleased to embark on the acquisition of our first industrial properties in Malaysia and expand into the fast-growing state of Johor. Nusajaya Tech Park is highly sought after by multinational corporations due to its favourable geographical location and proximity to Singapore. In addition, Malaysia's latest New Industrial Master Plan 2030 is set to transform and grow the country's manufacturing sector including creating high-value job opportunities and developing new and existing clusters. We believe that the southern region of Malaysia, particularly Iskandar Malaysia, will benefit from this initiative. It is also rapidly gaining prominence as an attractive investment destination for global players in sectors such as manufacturing, logistics, healthcare, and financial services."

"We are confident that the Proposed Acquisition will enable us to gain a foothold in Malaysia's resilient industrial market and one of its largest economic hubs. This will position CLMT for further growth in 2024 and represents a significant milestone as we accelerate our portfolio reconstitution journey, driving sustainable growth and diversifying our income sources. As the only Malaysia-listed REIT in the CapitaLand Group, CLMT has access to a stable acquisition pipeline that will further enhance our existing portfolio. This includes the Proposed Acquisition and the acquisition of Queensbay Mall from CapitaLand Investment in November 2022. Looking ahead, we remain focused on pursuing growth targeting properties with stable cash flows and strong operating metrics while maintaining financial discipline."

## Summary of Subject Properties

	Information	
	Property 1	Property 2
<b>Description of the Properties</b>	Two (2) semi-detached factories with mezzanine office, each factory comes with one guard post	One (1) detached factory with mezzanine office and one guard post
<b>Address</b>	No. 2 & 4, Jalan Teknologi Perintis 1/1, Taman Teknologi Nusajaya, 79200 Iskandar Puteri, Johor Darul Takzim	No. 12, Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya, 79200 Iskandar Puteri, Johor Darul Takzim
<b>Land Tenure</b>	Freehold	Freehold
<b>Category of Land Use</b>	Industrial	Industrial
<b>Site Area</b>	1.30 acres	1.09 acres
<b>Built-up Area</b>	42,048 sq ft	32,094 sq ft
<b>Tenant</b>	Edmund Optics Malaysia Sdn. Bhd.	Altek Medical Sdn. Bhd.
<b>Nature of Business</b>	Optics Manufacturer	Medical Manufacturer
<b>Term of Lease</b>	Fixed period of 6 years with an option to renew for another 6 years	Fixed period of 6 years with an option to renew for another 6 years

### **About CapitaLand Malaysia Trust ([www.clmt.com.my](http://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 December 2023, CLMT has a market capitalisation of approximately RM1.5 billion with a total asset value of approximately RM5.1 billion.

CLMT's portfolio of quality assets comprises six retail properties and two logistics properties with a total net lettable area of 4.3 million square feet. Its retail properties are strategically located across three key urban centres: Gurney Plaza and a significant interest in Queensbay Mall in Penang; three in Klang Valley – a majority interest in Sungei Wang Plaza in Kuala Lumpur; 3 Damansara in Petaling Jaya; and The Mines in Seri Kembangan; and East Coast Mall in Kuantan, Pahang. CLMT's logistics properties include Valdor Logistics Hub, located in one of Penang's key industrial hubs, and Glenmarie Distribution Centre, located within Hicom-Glenmarie Industrial Park in Shah Alam, Selangor.

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](http://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 30 September 2023, CLI had S\$133 billion of real estate assets under management, and S\$90 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 carbon emissions for scope 1 and 2 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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**Issued by: CapitaLand Malaysia REIT Management Sdn. Bhd. (Regn. No. 200801018055 (819351-H))**

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