
Inaugural Industrial Development Fund by Sime Darby Property and LOGOS Property JV Achieves First Close on a US\$250 Million Fund

- First Close of Shariah-compliant Fund with 70% in capital commitments for a fund size of up to US\$250 million;
- Anchored by PNB and KWAP as First Close investors;
- Funding will be channelled into the development of sustainable, large-scale, integrated modern logistics assets with green building certification at its E-Metro Logistics Park in Bandar Bukit Raja, Klang.

ARA DAMANSARA / SINGAPORE / SYDNEY, 24 JUNE 2022 – The Sime Darby Property Berhad (“Sime Darby Property”) and LOGOS SE Asia Pte. Ltd. (“LOGOS Property”) joint venture (“SDPLOG”) is pleased to announce the First Close of its inaugural Industrial Development Fund (“Fund”). With 70% in capital commitments secured at First Close for a fund size of up to US\$250 million, the Shariah-compliant Fund will be anchored by Permodalan Nasional Berhad and unit trust funds under its management (“PNB”) and Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”). This is alongside Sime Darby Property and LOGOS Property as sponsors of and co-investors in the Fund, which will enable the development of logistics assets over the next three years, in accordance with the Fund’s business plan. The immediate capital available to the Fund for deployment as at first close is RM500 million (~US\$114 million).

Funding from investors will support the development of sustainable, large-scale, integrated modern logistics real estate assets in Malaysia with green building certification. At its maiden site, the 177-acre E-Metro Logistics Park, the Fund is set to deliver logistics assets spanning 8 million square feet in gross lettable area (“GLA”). Located in Sime Darby Property’s township of Bandar Bukit Raja, Klang, Selangor, the E-Metro Logistics Park will feature a combination of ready-built or built-to-specification facilities.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican said that the Fund is capitalising on the sub-themes of logistics and warehousing, e-commerce, as well as cold-chain, which are in high demand, consistent with global trade flows and supply chain developments, as well as rising e-commerce growth alongside the shift in consumer preferences. “We are confident that the overall interest in logistics as an asset class will increase. The E-Metro Logistics Park is strategically located and connected to highways, seaports, and airports, making it an ideal location for regional supply chain hubs,” he said.

LOGOS Head of Malaysia, David Aboud added: “The first closing of the Industrial Development Fund is testament to the underlying fundamentals of the Malaysian economy and the demand for modern logistics facilities in this market. Design and construction at the first two facilities at E-Metro Logistics Park, Metro Hubs 1 & 2 which total ~800,000 sq. ft. and ~1.2 million sq. ft. in gross lettable area (“GLA”) respectively, are already underway and the first phase is expected to be completed for identified tenants in June 2023. We have deliberately planned our phasing to have additional space coming online regularly from that point onwards over the next few years.

“The logistics facilities to be developed by the Fund will be designed with ready features such as office space and common user amenities as well as facilities, multi-tiered security systems, and adequate storage racking heights and modern firefighting systems. Tenants will be presented with solutions to grow their businesses efficiently, with the flexibility to adopt and expand layout designs according to commercial needs, including for warehouse automation. All developments will also meet the Gold LEED standard in line with LOGOS’, Sime Darby Property’s and our partners’ commitment for creating a sustainable future for all,” Aboud said.

PNB’s President & Group Chief Executive, Ahmad Zulqarnain Onn, added: “The investment is in line with our conviction in the growth and resilience of the logistics sector which has been robustly proven especially through the recent pandemic. Designed with efficiency, seamless connectivity, and sustainability features in mind, we believe the project stands to benefit immensely from the demand for modern logistics facilities given that these are still in short supply in Klang Valley. The combined expertise and experience of Sime Darby Property and LOGOS Property will ensure successful delivery of the project and generate attractive returns for our unit holders.”

KWAP’s Chief Executive Officer, Nik Amlizan Mohamed commented: “Our foray into the Fund is consistent with KWAP’s property investment strategy to invest into the thematically robust modern logistics sector. With strong underlying fundamentals supporting the segment, KWAP anticipates this Fund to play a critical role in unlocking the potential of modern logistics space in Malaysia. It has the capabilities to provide a platform for a coordinated nation-building programme in enhancing economic efficiency and commercial connectiveness within the domestic market. We trust this investment will promote sustainable practices in real estate development and property management for its customers, communities, and the nation.”

-END OF PRESS RELEASE-

About SDPLOG

On 29 September 2021, Sime Darby Property Berhad (“Sime Darby Property”) and LOGOS SE Asia Pte. Ltd. (“LOGOS Property”) entered into a shareholders’ agreement to form a joint venture (“SDPLOG”) to establish a platform focusing on developing and investing in assets primarily in the Industrial & Logistics sector.

Sime Darby Property holds 51% equity of SDPLOG and is the first public-listed property developer in Malaysia to venture into the creation of development funds within the Industrial & Logistics sector. The remainder 49% equity of SDPLOG is held by LOGOS Property.

SDPLOG leverages on the synergies between both entities – Sime Darby Property’s presence and track record in the Malaysian property market together with its extensive and strategic landbanks, as well as LOGOS Property’s experience in fund management and developing property solutions in the logistics sector across the region. **For more information, visit www.sdplog.com.**

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