

## NON-RELATED PARTY TRANSACTION ANNOUNCEMENT: CAPITALAND MALAYSIA TRUST (“CLMT”)

PROPOSED ACQUISITION BY MTRUSTEE BERHAD, ON BEHALF OF CLMT, OF A TOTAL OF THREE (3) UNITS OF SINGLE-STOREY DETACHED FACTORIES ANNEXED WITH DOUBLE-STOREY OFFICE BUILDING TOGETHER WITH ANCILLARY BUILDINGS, OF WHICH EACH UNIT IS CURRENTLY CONSTRUCTED ON EACH OF FREEHOLD LANDS HELD UNDER H.S.(D) 625145, PTD 209755; H.S.(D) 625146, PTD 209756; AND H.S.(D) 625147, PTD 209757, BEARING POSTAL ADDRESS NOS. 17A, 17B AND 17C, JALAN SAC 2/2, SENAI AIRPORT CITY, 81400 SENAI, JOHOR DARUL TA’ZIM, MALAYSIA FROM RAINBOW ENTITY SDN. BHD.

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### 1. INTRODUCTION

The Board of Directors of CapitaLand Malaysia REIT Management Sdn. Bhd. (“**Board**”), being the management company of CLMT (“**Manager**”), wishes to announce that MTrustee Berhad on behalf of CLMT (“**MTrustee**” or “**Purchaser**”), has entered into a conditional sale and purchase agreement (“**SPA**”) with Rainbow Entity Sdn. Bhd. (Registration No. 199701005389 (420885-D)) (“**RESB**” or “**Vendor**”) on 5 February 2025 for the proposed acquisition of a total of three (3) units of single-storey detached factories annexed with double-storey office building together with ancillary buildings (collectively, the “**Buildings**”), of which each unit is currently constructed on each of three (3) pieces of contiguous freehold lands located within Senai Airport City, Senai, Johor Darul Ta’zim, Malaysia for a total cash consideration of RM72,000,000.00 (“**Proposed Acquisition**”).

The percentage ratio applicable to the Proposed Acquisition is 1.4% of the total asset value of CLMT Group and the consideration for the Proposed Acquisition is to be satisfied by the Purchaser in cash. As the percentage ratio of the Proposed Acquisition is less than 5%, pursuant to Paragraph 10.05(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Manager is not required to announce the Proposed Acquisition to Bursa Securities. However, the Manager wishes to voluntarily announce the Proposed Acquisition under Paragraph 10.05(2) of the Listing Requirements.

### 2. DETAILS OF THE PROPOSED ACQUISITION

#### 2.1 Proposed Acquisition

Subject to the fulfilment of the Condition Precedent (as defined in paragraph 2.4.2 below), the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties (as defined in paragraph 2.3 below), free from all encumbrances with vacant possession, but subject to the conditions of title (express or implied) and restrictions-in-interest endorsed on the Properties’ title, and subject to the non-permitted business activities of the Master Development for a total lump sum consideration of RM72,000,000.00 (“**Purchase Price**”).

MTrustee approved the Proposed Acquisition, vide their letter dated 5 February 2025 in accordance with the provisions of the Fifth Amended and Restated Deed Constituting CLMT dated 13 July 2021 entered into between MTrustee and the Manager.

#### 2.2 Information of the Development

The Buildings are currently being constructed by RESB, a wholly-owned subsidiary of Ayer Hitam Sawmill Company Sdn Bhd (Registration No. 196001000056 (3727-X)) (“**AHS**”) and shall be developed in accordance with the approved planning permission and building plans. The construction of the Buildings are estimated to be completed by the first quarter of 2025.

## 2.3 Information of the Properties

The Properties consist of a total of three (3) units of single-storey industrial buildings annexed with double-storey office building together with the ancillary buildings, of which each unit is currently constructed on each of three (3) pieces of contiguous freehold lands held under the following individual titles:

- (a) H.S.(D) 625145, No. PTD 209755, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, measuring approximately 12,869 square meters ("**Land 1**" or "**Property 1**");
- (b) H.S.(D) 625146, No. PTD 209756, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, measuring approximately 8,113 square meters ("**Land 2**" or "**Property 2**"); and
- (c) H.S.(D) 625147, No. PTD 209757, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, measuring approximately 8,113 square meters ("**Land 3**" or "**Property 3**"),

(collectively, the "**Lands**" or "**Properties**").

Further information of the Lands is set out as follows:

**Table A: Information of the Lands**

	<b>Property 1</b>	<b>Property 2</b>	<b>Property 3</b>
<b>Tenure</b>	Freehold	Freehold	Freehold
<b>Provisional Land Area</b>	12,869 square metres	8,113 square metres	8,113 square metres
<b>Category of Land Use</b>	<i>Perusahaan / Perindustrian (Industrial)</i>	<i>Perusahaan / Perindustrian (Industrial)</i>	<i>Perusahaan / Perindustrian (Industrial)</i>
<b>Express Conditions</b>	<ul style="list-style-type: none"> <li>i. <i>Tanah ini hendaklah digunakan sebagai kawasan Industri Sederhana dan kegunaan lain yang berkaitan dengannya, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. (This land shall be used as a Medium Industrial area and other related uses, constructed according to the plan approved by the relevant Local Authority.)</i></li> <li>ii. <i>Segala kekotoran dan pencemaran akibat aktiviti ini hendaklah disalurkan ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa berkenaan. (Any dirt and pollution resulting from this activity shall be channelled to the locations as designated by the relevant Authority.)</i></li> <li>iii. <i>Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa berkenaan hendaklah dipatuhi. (All policies and conditions imposed and enforced from time to time by the relevant Authority shall be adhered to.)</i></li> </ul>		
<b>Restriction in Interest</b>	<i>Tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara/Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri. (This land shall not be sold or transferred by whatsoever means to Non-Citizen/Foreign Company without the approval of the State Authority.)</i>		
<b>Encumbrances</b>	Subject to a charge registered in favour of Hong Leong Bank Berhad via Presentation No. 28967/2024 on 25 March 2024.		

Information on the Buildings is set out as follows:

**Table B: Information on the Buildings**

Subject	Information		
Description of the Buildings	A total of three (3) units of single-storey detached factories with double-storey office building together with ancillary buildings		
Total Built-Up Area of the Buildings (square feet)	Property 1	Property 2	Property 3
	83,725	50,030	50,030
Grand Total (square feet)	183,785		
Loading Bays	Property 1	Property 2	Property 3
	8 bays	4 bays	4 bays
Height	9 to 11 meters		
Floor Loading	2 tonne / square metre		

## 2.4 Salient terms of the SPA

### 2.4.1 Manner of settlement of the Purchase Price

(a) The Purchase Price is payable in the following manner:

	Amount (RM)	Percentage of Purchase Price (%)
Deposit	7,200,000.00	10%
Balance Purchase Price	64,800,000.00	90%

- (b) Upon MTrustee's execution of the SPA, a deposit amounting to RM7,200,000.00 only, representing 10% of the Purchase Price ("**Deposit**") shall be paid to SKRINE, Advocates & Solicitors of Level 8, Wisma UOA Damansara, 50 Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur as stakeholder ("**Stakeholder**"), who is authorised to release the Deposit to the Vendor after the SPA becoming unconditional.
- (c) Within 3 months from the date upon which the SPA becomes unconditional, the Purchaser shall pay the balance of the Purchase Price amounting to RM64,800,000.00 only, representing 90% of the Purchase Price ("**Balance Purchase Price**") in the following manner:
- (i) firstly, a sum equivalent to the redemption sum payable to Hong Leong Bank Berhad ("**Existing Chargee**") for or towards the release and discharge of the existing charges in respect of the Properties and redemption of the Properties; and
  - (ii) the remaining sum of the Balance Purchase Price to the Stakeholder, who is authorised to release such remaining sum (including all interest accrued thereon) to the Vendor after the period of 14 days from the date of presentation of the discharge and transfer documents of the Properties at the relevant land registry provided that the Stakeholder did not receive any notice from the relevant land registry relating to the rejection, suspension or non-registration of the Transfer.

#### **2.4.2 Condition Precedent**

The sale and purchase of the Properties is conditional upon (i) the Vendor having at its own costs completed construction of the Buildings in accordance with the relevant approvals and obtained issuance of the Certificate of Completion and Compliance (“**CCC**”), and (ii) the Purchaser’s receipt of a certified true copy of the CCC from the Vendor, (collectively, the “**Condition Precedent**”) all within a period from the SPA date up to 30 April 2025 (“**Conditional Period**”).

#### **2.4.3 Extension of Conditional Period**

In the event the Condition Precedent is not fulfilled upon expiry of the Conditional Period, the Conditional Period shall be automatically extended for 2 months commencing from the day immediately after the last day of the Conditional Period (“**Extended Conditional Period**”), and the Condition Precedent shall be fulfilled within the Extended Conditional Period.

In the event the Condition Precedent is not fulfilled upon expiry of the Extended Conditional Period, the Purchaser may terminate the SPA by written notice to the Vendor, whereupon:

- (a) after the Vendor’s receipt of the termination notice, the Purchaser’s solicitors shall be authorised to refund to the Purchaser the Deposit together with all interests accrued; and
- (b) the Purchaser shall return to the Vendor the original instruments of transfer (if they have been received by the Purchaser’s solicitors) and withdraw any Purchaser’s encumbrance.

#### **2.4.4 SPA Becoming Unconditional**

The SPA shall become unconditional on the date of the Purchaser’s receipt of the certified true copy of the CCC from the Vendor or the Vendor’s solicitors (“**Unconditional Date**”).

#### **2.5 Basis of the Purchase Price**

The Purchase Price was arrived at on a “willing buyer willing seller” basis based on the market value of the Properties of RM72,500,000.00, as appraised by Nawawi Tie Leung Property Consultants Sdn. Bhd., an independent firm of registered valuers, in its valuation report dated 23 January 2025 (“**Valuation**”). The Valuation was derived using the cost approach, with the income approach as a check.

#### **2.6 Liabilities to be assumed by CLMT**

CLMT will not assume any liability arising from the completion of the Proposed Acquisition.

#### **2.7 Source of Funding**

The Proposed Acquisition will be funded by bank borrowings.

### **3. INFORMATION ON THE VENDOR**

RESB is a private limited company incorporated in Malaysia on 26 February 1997 under the Companies Act 2016 (formerly under the Companies Act 1965). RESB is principally involved in the business of property development.

As at the latest practicable date prior to this announcement (“**LPD**”) of 22 January 2025, the issued share capital of RESB is RM250,000.00 comprising 250,000 ordinary shares. As at the LPD, RESB is a wholly-owned subsidiary of AHS.

As at the LPD, the directors of RESB are Chew Kwee Hiok, Teo Yu Yang and Teo Yu Hong.

## **4 RATIONALE FOR THE PROPOSED ACQUISITION AND PROSPECTS OF THE PROPERTIES**

### **4.1 CLMT's Investment Objectives**

The Proposed Acquisition is in line with CLMT's investment objective to deliver long term and sustainable distribution of income to unitholders by acquiring quality real estate with stable recurring income. The Proposed Acquisition would further improve the asset diversification of the overall property portfolio of CLMT with the inclusion of three (3) more assets in the industrial sector.

### **4.2 Prospects of the Properties**

The Properties are strategically located within the Senai Airport City, an upcoming modern industrial and business park. This prime location is well-positioned to serve as a regional manufacturing centre and distribution hub for local and multinational companies within the Johor-Singapore Special Economic Zone ("JS-SEZ"). The increasing demand for modern, high-quality industrial facilities in a location with excellent connectivity and accessibility provides a strong foundation for the property's occupancy and rental income, minimising leasing risk and ensuring sustained returns.

This is a significant opportunity for CLMT to expand its industrial footprint in Johor (3 factories in Iskandar Puteri and 3 factories in Senai) by acquiring quality new economy assets with modern facilities at a prime location. This move capitalises on the current demand for mid-sized industrial facilities within the JS-SEZ and enhances CLMT's industrial leasing network and presence across the main industrial hubs in Peninsular Malaysia.

The Manager is in the final stages of signing a long-term lease for Property 1 with a tenant in the life sciences industry, whose parent company is listed on the Shanghai Stock Exchange STAR Market. The Proposed Acquisition is expected to contribute positively to CLMT's income once the Properties are fully leased.

### **4.3 Accretion of Distribution Per Unit**

The Proposed Acquisition is accretive to CLMT's Distribution Per Unit, upon commencement of the leases of the Properties.

## **5 RISK FACTORS**

The Properties may be subject to certain risks inherent in the property market industry. These include but are not limited to the following:

- (a) non-fulfilment of the Condition Precedent;
- (b) non-registration of the transfer of the Properties in favour of the Purchaser;
- (c) compulsory acquisition of the Property by the Government;
- (d) adverse changes in economic conditions;
- (e) adverse local market conditions;
- (f) changes in environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- (g) potential default by the lessees;
- (h) competition arising from new warehouses with bigger space and/or better facilities which may impact rental and renewal; and

- (i) acts of God, uninsurable losses and other factors.

## **6 EFFECTS OF THE PROPOSED ACQUISITION**

### **6.1 Unitholders' Capital and Substantial Unitholders' Unitholding**

The Proposed Acquisition will not have any effect on the total units in issue and the substantial unitholders' unitholding of CLMT as the Purchase Price will be paid entirely in cash.

### **6.2 Net Asset Value ("NAV")**

The Proposed Acquisition is not expected to have material impact to the NAV of CLMT.

### **6.3 Earnings**

The Proposed Acquisition is expected to contribute positively to the earnings of CLMT for the financial year ending 31 December 2025.

### **6.4 Gearing**

The Purchaser intends to fund the Proposed Acquisition with bank borrowings. The proforma gearing ratio are as set out below:

	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
Based on CLMT's audited consolidated financial position as at 31 December 2023	42.4%	43.2%
Based on CLMT's unaudited consolidated financial position as at 31 December 2024	41.3%	42.1%

The gearing ratios are below the gearing limit of 50% prescribed by the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia on 15 March 2018 (revised on 26 February 2024).

## **7 APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition does not require approval from the unitholders of CLMT.

The Proposed Acquisition (other than the issuance of the CCC) is not subject to or conditional upon any approvals from regulatory authorities being obtained.

## **8 INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS OF THE MANAGER, MAJOR UNITHOLDERS OF CLMT AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors of the Manager, major shareholders of the Manager, major unitholders of CLMT and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition.

## **9 DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposed Acquisition and after careful deliberation, is of the opinion that the Proposed Acquisition is in the best interest of CLMT.

**10 ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the Vendor's fulfilment of the Condition Precedent, the Proposed Acquisition is expected to be completed by the second half of 2025.

**11 PERCENTAGE RATIO APPLICABLE TO THE PROPOSED ACQUISITION**

The percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g)(ix) of the Listing Requirements is 1.4%.

**12 DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the Manager's registered office at Unit No. 1-27, Level 27, Naza Tower, No. 10, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except for public holidays) for a period of 3 months from the date of this announcement:

- (a) the SPA; and
- (b) the valuation report on the Properties dated 23 January 2025.

**This announcement is dated 5 February 2025.**