CAPITALAND MALAYSIA TRUST ("CLMT")

(I) PROPOSED ACQUISITION BY MTRUSTEE BERHAD ("TRUSTEE"), ON BEHALF OF CLMT, OF THE QBM PROPERTY (AS DEFINED BELOW) FOR A TOTAL PURCHASE CONSIDERATION OF RM990.50 MILLION ("PROPOSED ACQUISITION");

(II) PROPOSED PRIVATE PLACEMENT OF UP TO 1,031.77 MILLION NEW UNITS IN CLMT TO RAISE GROSS PROCEEDS OF UP TO RM495.25 MILLION AT AN ISSUE PRICE TO BE DETERMINED LATER BY WAY OF BOOKBUILDING ("PROPOSED PLACEMENT");

(III) AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF NEW UNITS IN CLMT TO CMMT INVESTMENT LIMITED AND MENANG INVESTMENT LIMITED (COLLECTIVELY, "THE SPONSORS") BASED ON THEIR RESPECTIVE UNITHOLDINGS IN CLMT ("PROPOSED PLACEMENT TO THE SPONSORS"); AND

(IV) AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF NEW UNITS IN CLMT TO THE MAJOR UNITHOLDERS OF CLMT (AS DEFINED BELOW) ("PROPOSED PLACEMENT TO THE MAJOR UNITHOLDERS"),

(COLLECTIVELY, THE "PROPOSALS").

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1. INTRODUCTION

On behalf of the Board of Directors of CapitaLand Malaysia REIT Management Sdn Bhd ("**Board**"), the management company of CLMT ("**Manager**"), CIMB Investment Bank Berhad ("**CIMB**") wishes to announce that the Trustee, on behalf of CLMT, had on 9 November 2022 entered into the following in respect of the Proposed Acquisition:

(i) a conditional sale and purchase agreement with Special Coral Sdn Bhd ("**Special Coral**") to acquire from Special Coral, 433 strata titles within Queensbay Mall ("**Special Coral Strata Parcels**") for a purchase consideration of RM984.48 million ("**Strata Parcels SPA**"); and

(ii) a conditional share purchase agreement with Retail Galaxy Pte Ltd ("**Retail Galaxy**") to acquire from Retail Galaxy all the issued and paid-up share capital of Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd and Milky Way Properties Berhad (collectively, the "**Target Companies**"), which collectively hold 5 strata titles within Queensbay Mall ("**Target Companies Strata Parcels**") for a total purchase consideration of RM3.45 million ("**Target Companies SPA**"),

(collectively, the "**Agreements**").

Please refer to **Appendix I** of this announcement for the salient terms and conditions of the Agreements.

In addition, on behalf of the Board, CIMB wishes to announce that the Trustee, upon the recommendation of the Manager, proposes to undertake the Proposed Placement, and as part of the Proposed Placement, the Proposed Placement to the Sponsors and the Proposed Placement to the Major Unitholders to part finance the Proposed Acquisition.

The Proposed Acquisition is deemed a related party transaction in view of the interests of the directors of the Manager, major shareholders of the Manager, major unitholders of CLMT[1], and/or persons connected with them as described in **Section 14** of this announcement. Accordingly, Kenanga Investment Bank Berhad has been appointed as the Independent Adviser (as defined herein) to advise the non-interested directors of the Manager and the non-interested unitholders of CLMT ("**Unitholders**") on the Proposed Acquisition, and whether the non-interested Unitholders should vote in favour of the Proposed Acquisition.

For the purpose of this announcement, all references to "**LPD**" throughout this announcement shall be 3 November 2022, being the latest practicable date prior to the date of this announcement.

2. THE PROPOSED ACQUISITION

2.1 Description of the Queensbay Mall and background of the Proposed Acquisition

Queensbay Mall is 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 as follows:

Floor	Use
Lower Ground (LG)	Retail space and car park
LG Mezzanine	Car park
Ground	Retail space
1st	Retail space
2nd	Retail space
3rd	Retail space and car park
4th	Car park
5th	Car park
6th	Car park
7th	Car park
8th (Roof Level)	Car park

The property is located at No. 100, Persiaran Bayan Indah, 11900 Bayan Lepas, Pulau Pinang. It is one of the largest malls in Penang, and is strategically located at Bayan Lepas along the south-eastern shorefront of the Penang Island with transport links and proximity to the Penang Bridge and the Bayan Lepas industrial hub in Penang's Free Trade Zone. Queensbay Mall is accessible from the north and the south of the Penang Island via the Tun Dr Lim Chong Eu Highway. Queensbay Mall was completed and commenced operations in 2006 and is approximately 16 years old.

Queensbay Mall is a stratified property with a total of 592 strata titles. The aggregate of the Special Coral Strata Parcels and the Target Companies Strata Parcels amounting to 438 strata titles within Queensbay Mall (collectively, the "**QBM Property**"), represents approximately 91.8% of the total share units of Queensbay Mall.

Further, as at the valuation date of 7 October 2022, the occupancy rate of the QBM Property is 95% based on its net lettable area ("**NLA**"). Pursuant to the Strata Parcels SPA, the tenancy agreements will be novated or assigned to the Trustee following the completion of the Strata

[1] *Being a person who has an interest or interests in CLMT of 10.0% or more of the total number of issued units in CLMT, or 5.0% or more of the total number of issued units in CLMT if such person is the largest Unitholder.*

Parcels SPA for the respective tenants to continue their existing tenancies under similar terms as per the tenancy agreements.

Further information relating to the QBM Property are set out in **Appendix II** of this announcement.

The Proposed Acquisition entails the acquisition of:

(i) the Special Coral Strata Parcels under the terms and conditions of the Strata Parcels SPA for a cash consideration of RM984.48 million ("**Strata Parcels Purchase Consideration**"); and

(ii) the Target Companies Strata Parcels via all of the issued and paid-up share capital of the Target Companies under the terms and conditions of the Target Companies SPA, for a cash consideration of RM3.45 million ("**Target Companies Purchase Consideration**").

Pursuant to the terms and conditions of the Target Companies SPA, CLMT will settle on behalf of the Target Companies the inter-company amounts due by the Target Companies to its shareholder, Retail Galaxy and/or its related companies, on the completion date, being 21 March 2023, currently estimated to be approximately RM2.57 million ("**Inter-Company Settlement**"). Please refer to Section 4.3 of Part B of **Appendix I**. Upon the Inter-Company Settlement, an equivalent amount will be due to CLMT by the Target Companies.

The total cash consideration for the Proposed Acquisition and the Inter-Company Settlement is RM990.50 million ("**Total Purchase Consideration**"). Of the Total Purchase Consideration, the Target Companies Purchase Consideration is subject to adjustments as detailed in Section 3.1 of Part B of **Appendix I** and the final amount of the Inter-Company Settlement. The completion of the Strata Parcels SPA and the Target Companies SPA are inter-conditional.

Special Coral is principally a special purpose vehicle incorporated to undertake the securitisation of the Special Coral Strata Parcels in March 2011. Pursuant to the securitisation of the Special Coral Strata Parcels, Special Coral has issued asset-backed medium term notes ("**MTNs**") comprising Senior Class MTNs and Subordinated Class MTNs under a medium term notes programme ("**MTN Programme**") to among others finance the acquisition of the Special Coral Strata Parcels then. As part of the terms of the MTN Programme, Special Coral granted a property call option to CapitaLand Mall Asia Ltd (formerly known as CapitaMalls Asia Limited) ("**CMA**"), an indirect holder of the Subordinated Class MTNs, in respect of the Special Coral Strata Parcels whereby CMA may exercise the option to require Special Coral to dispose the Special Coral Strata Parcels to a real estate investment trust ("**Property Call Option**"). The proceeds from the disposal of the Special Coral Strata Parcels will be distributed to the holders of the MTNs in order of priority in accordance with the terms of the MTN Programme.

On 9 November 2022, CMA had exercised the Property Call Option and nominated CLMT as the purchaser of the Special Coral Strata Parcels based on the terms and conditions of the Strata Parcels SPA as negotiated and agreed upon with CLMT.

The Target Companies are principally investment holding companies which hold the Target Companies Strata Parcels. The vendor of the Target Companies, Retail Galaxy, is an indirect wholly-owned subsidiary of CMA.

Further to CMA's exercise of the Property Call Option and nomination of CLMT as the purchaser of the Special Coral Strata Parcels, CMA has also offered for sale the entire issued and paid-up share capital of the Target Companies. The Special Coral Strata Parcels and the Target Companies Strata Parcels comprise all of CMA's interests in Queensbay Mall.

2.2 Details of the Target Companies

(i) Scenic Growth Sdn Bhd ("Scenic Growth")

Scenic Growth is a private limited company incorporated on 7 September 2010 in Malaysia under the Companies Act 1965 (deemed registered under the Companies Act 2016) (the "**Act**"). Scenic Growth has an issued share capital of RM2.00 comprising 2 ordinary shares as at the LPD and is a wholly-owned subsidiary of Retail Galaxy, which in turn is an indirect wholly-owned subsidiary of CMA.

Scenic Growth is principally engaged in the investment in and letting of property, namely the 1 strata title within Queensbay Mall acquired in 2011.

Save for the ordinary shares in Scenic Growth, there are no other preference shares in or convertible securities of Scenic Growth in issue as at the LPD.

The net book value ("**NBV**") of Scenic Growth as at 31 December 2021, being its latest available audited financial position, is approximately RM0.77 million which has taken into account an amount due to shareholder of approximately RM0.46 million.

Further financial information of Scenic Growth is presented in Section 1 of **Appendix III** of this announcement.

(ii) Luxury Ace Sdn Bhd ("Luxury Ace")

Luxury Ace is a private limited company incorporated on 28 April 2009 in Malaysia under the Act. Luxury Ace has an issued share capital of RM2.00 comprising 2 ordinary shares as at the LPD and is a wholly-owned subsidiary of Retail Galaxy, which in turn is an indirect wholly-owned subsidiary of CMA.

Luxury Ace is principally engaged in the investment in and letting of property, namely the 1 strata title within Queensbay Mall acquired in 2011.

Save for the ordinary shares in Luxury Ace, there are no other preference shares in or convertible securities of Luxury Ace in issue as at the LPD.

The NBV of Luxury Ace as at 31 December 2021, being its latest available audited financial position, is approximately RM0.62 million which has taken into account an amount due to shareholder of approximately RM0.50 million.

Further financial information of Luxury Ace is presented in Section 2 of **Appendix III** of this announcement.

(iii) Success Idea Sdn Bhd ("Success Idea")

Success Idea is a private limited company incorporated on 7 September 2010 in Malaysia under the Act. Success Idea has an issued share capital of RM2.00 comprising 2 ordinary shares as at the LPD and is a wholly-owned subsidiary of Retail Galaxy, which in turn is an indirect wholly-owned subsidiary of CMA.

Success Idea is principally engaged in the investment in and letting of property, namely the 2 strata titles within Queensbay Mall acquired in 2011.

Save for the ordinary shares in Success Idea, there are no other preference shares in or convertible securities of Success Idea in issue as at the LPD.

The NBV of Success Idea as at 31 December 2021, being its latest available audited financial position, is approximately RM1.09 million which has taken into account an amount due to shareholder of approximately RM1.07 million.

Further financial information of Success Idea is presented in Section 3 of **Appendix III** of this announcement.

(iv) Milky Way Properties Berhad ("Milky Way Properties")

Milky Way Properties was incorporated firstly as a private limited company under the name of Fabulous Horizon Sdn Bhd on 4 June 2008 in Malaysia under the Act. It changed its name to CRMT MTN Sdn Bhd on 30 July 2008. It was subsequently converted into a public company on 2 September 2008 and assumed its current name on 4 November 2010.

Milky Way Properties has an issued share capital of RM2.00 comprising 2 ordinary shares as at the LPD and is a wholly-owned subsidiary of Retail Galaxy, which in turn is an indirect wholly-owned subsidiary of CMA.

Milky Way Properties is principally engaged in the investment in and letting of property, namely the 1 strata title within Queensbay Mall acquired in 2011.

Save for the ordinary shares in Milky Way Properties, there are no other preference shares in or convertible securities of Milky Way Properties in issue as at the LPD.

The NBV of Milky Way Properties as at 31 December 2021, being its latest available audited financial position, is approximately RM0.78 million which has taken into account an amount due to shareholder of approximately RM0.50 million.

Further financial information of Milky Way Properties is presented in Section 4 of **Appendix III** of this announcement.

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2.3 Estimated total acquisition cost

The estimated total acquisition cost of the QBM Property is approximately RM1,025.02 million, comprising the following:

Estimated total acquisition cost	**(RM'000)**
Strata Parcels Purchase Consideration	984,480
Target Companies Purchase Consideration	3,445[(1)]
Inter-Company Settlement	2,575[(1)]
Estimated expenses for the Proposals	34,518[(2)]
Total	**1,025,018**

Notes:

(1) Represents the estimated figures on completion date of the Target Companies SPA on 21 March 2023 and are subject to adjustments pursuant to the terms and conditions of the Target Companies SPA.

(2) Details of the estimated expenses for the Proposals are set out in Section 8.3 of this announcement.

2.4 Basis and justification in arriving at the Total Purchase Consideration

The Total Purchase Consideration was principally arrived at after taking into consideration the total market value of the QBM Property of RM1,000.00 million as at 7 October 2022, being the material valuation date for the QBM Property ("**Valuation Date**") as ascribed by Savills (Malaysia) Sdn Bhd (the "**Valuer**"), being the independent registered valuer appointed by the Trustee, on behalf of CLMT in a valuation letter, issued on 3 November 2022 (the "**QBM Property Valuation**").

The total acquisition cost for the Target Companies was mutually agreed upon between the parties and was arrived at after taking into consideration:

(i) the expected balance sheet position of the Target Companies on 21 March 2023 (being the expected completion date stated in the Target Companies SPA) of approximately RM3.45 million; and

(ii) the expected inter-company amounts due by the Target Companies to their shareholders, Retail Galaxy and/or its related companies on 21 March 2023 (being the expected completion date stated in the Target Companies SPA) of approximately RM2.57 million.

Under the terms and conditions of the Target Companies SPA as set out in Section 3.1 of Part B of **Appendix I** of this announcement, the Target Companies Purchase Consideration is subject to adjustment such that the final purchase consideration to be settled would be equivalent to the net asset value of the Target Companies and the final amount of the Inter-Company Settlement as at the completion date of the Target Companies SPA.

The QBM Property is essentially valued by adopting the Income Approach (via Investment Method of valuation) and cross checked by Comparison Approach. Details of the methodologies are set out below.

Valuation approaches	Methodology approaches
Income Approach (Investment Method)	The Investment Method of valuation is principally the capitalised net rental income approach which mathematically takes into consideration the various material factors affecting value in terms of location and accessibility, building condition, occupancy rate, size, tenure of land, restrictions etc. without the requirement for any percentage hypothetical adjustments. It adopts the gross income and outgoings (operating expenses exclusive of interest, tax, depreciation, amortisation and other extraordinary capital expenditure) of an income-generating asset. Generally, the resultant net income is capitalised into market value using a capitalisation rate based on the current market-derived yield rates which reflect the expected return on investments and commensurate with the risk exposure to the asset under consideration.
Comparison Approach	The Comparison Approach entails comparing the QBM Property with comparable shopping centres which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, building quality & condition, tenure of land, restrictions and other relevant characteristics.

The market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Premised on the above, the Total Purchase Consideration of RM990.50 million represents a discount of approximately 1.0% to the fair value of the QBM Property of RM1,000.00 million when recognised by CLMT upon completion of the Agreements.

2.5 Proposed funding for the Proposed Acquisition

The Board has considered a combination of equity fundraising, bank borrowings and other forms of financing. Taking into account the Sponsor's undertaking as detailed in **Section 5** of this announcement and current market sentiments, the funding of the Proposed Acquisition is expected to be undertaken via the following manner:

(i) up to 50% of the Total Purchase Consideration, is to be satisfied via cash proceeds raised from the Proposed Placement; and

(ii) the remainder is to be satisfied via bank borrowings.

The estimated expenses for the Proposal is proposed to be funded via bank borrowings.

Upon the terms of the bank borrowings being finalised, a further announcement may be made which may include updates to the financial effects for the Proposals.

2.6 Liabilities to be assumed

There are no contingent liabilities and/or guarantees to be assumed by CLMT pursuant to the Proposed Acquisition.

Under the terms and conditions of the Target Companies SPA, CLMT will undertake the Inter-Company Settlement, further details of which are set out in Section 4.3 of Part B of **Appendix I** of this announcement. Once the Inter-Company Settlement is completed, an equivalent amount will be due to CLMT by the Target Companies.

2.7 Estimated additional financial commitment required for the Proposed Acquisition

Save for the bank borrowings to be secured to partly fund the Proposed Acquisition and its related expenses, CLMT does not expect to incur any additional financial commitment for the Proposed Acquisition.

3. INFORMATION ON THE VENDORS

3.1 Special Coral

(i) Information on Special Coral

Special Coral was incorporated as a private limited company in Malaysia under the Act on 16 August 2010. Special Coral is principally a special purpose vehicle incorporated to undertake the securitisation of the Special Coral Strata Parcels in March 2011. Please refer to **Section 2.1** of this announcement for further details on the securitisation of the Special Coral Strata Parcels.

Special Coral has an issued ordinary share capital of RM2 comprising 2 ordinary shares as at the LPD. In addition, Special Coral has in issue 5,000,000 redeemable preference shares, equivalent to RM5,000,000 reported as a liability in its financial statement.

(ii) Directors and substantial shareholders

The directors of Special Coral are Rupavathy a/p A.V. Govindasamy and Ng Jui Shan. They do not have any direct or indirect holdings in the ordinary shares and the preference shares in Special Coral as at the LPD.

The substantial shareholders of Special Coral as well as their respective direct and indirect shareholdings as at the LPD are set out below:

Substantial shareholder	Direct				Indirect			
	No. of ordinary shares	%	No. of preference shares	%	No. of ordinary shares	%	No. of preference shares	%
Omnitrix Investment Pte Ltd ("**Omnitrix**")[(1)]	-	-	5,000,000	100	-	-	-	-
CapitaLand Retail (MY) Pte Ltd[(1)] ("**CLR**")	-	-	-	-	-	-	5,000,000[(2)]	100
CMA[(1)]	-	-	-	-	-	-	5,000,000[(3)]	100
CapitaLand Investment Limited[(1)(5)] ("**CLI**")	-	-	-	-	-	-	5,000,000[(4)]	100
TMF Trustees Malaysia Berhad[(6)]	2	100	-	-	-	-	-	-

Notes:

(1) Incorporated in Singapore.

(2) Deemed interested by virtue of its interest in Omnitrix pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of its interest in CLR pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of its interest in CMA pursuant to Section 8 of the Act.

(5) CLI is listed on the Main Board of the Singapore Stock Exchange (SGX-ST). Based on CLI's 2021 Annual Report, as at 31 March 2022, CLI's substantial shareholder is CapitaLand Group Pte Ltd, an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited, an investment holding company for the Government of Singapore.

(6) Trust company incorporated in Malaysia.

(iii) Original cost and date of investment

The original cost and date of investment by Special Coral in the Special Coral Strata Parcels are as follows:

Date of investment	Amount (RM'000)
1 April 2011	654,555

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3.2 Retail Galaxy

(i) Information on Retail Galaxy

Retail Galaxy was incorporated as a private limited company in Singapore on 11 July 2007. Retail Galaxy is principally an investment holding company.

Retail Galaxy has a paid-up and issued share capital of SGD1.00 comprising 1 ordinary share as at the LPD.

(ii) Directors and substantial shareholders

The directors of Retail Galaxy are Chong Thoong Shin and Yeo Wee Lam Freddy. They do not have any direct or indirect shareholdings in Retail Galaxy as at the LPD.

The substantial shareholders of Retail Galaxy as well as their respective direct and indirect shareholdings as at the LPD are set out below:

		Direct		Indirect	
Substantial shareholder	**Place of incorporation**	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
CLR	Singapore	1	100	-	-
CMA	Singapore	-	-	1[(1)]	100
CLI[(3)]	Singapore	-	-	1[(2)]	100

Notes:

(1) Deemed interested by virtue of its interest in CLR pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of its interest in CMA pursuant to Section 8 of the Act.

(3) CLI is listed on the Main Board of the Singapore Stock Exchange (SGX-ST). Based on CLI's 2021 Annual Report, as at 31 March 2022, CLI's substantial shareholder is CapitaLand Group Pte Ltd, an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited, an investment holding company for the Government of Singapore.

(iii) Original cost and date of investment

The original cost and date of investment by Retail Galaxy in the Target Companies (including advances) are as follows:

Date of investment	**Target Companies**	**No. of ordinary shares**	**Amount (RM'000)**
1 April 2011	Luxury Ace	2	272
1 April 2011	Milky Way Properties	2	327
1 April 2011	Scenic Growth	2	384
1 April 2011	Success Idea	2	842

4. THE PROPOSED PLACEMENT

4.1 Details of the Proposed Placement

In order to part finance the Proposed Acquisition, the Manager proposes to undertake a private placement of new units ("**Placement Units**") to raise gross proceeds of up to RM495.25 million by way of bookbuilding. For the Proposed Placement, this entails the Manager proposing to allot, issue and place up to 1,031.77 million Placements Units at an illustrative issue price per Placement Unit of RM0.48[2].

The total number of Placement Units cannot be determined at this juncture as the issue price for the Placement Units will only be determined and announced by the Board after the close of the bookbuilding exercise ("**Issue Price**").

The Proposed Placement shall be placed out to:

(i) placees to be identified later that may include the major Unitholders of CLMT, namely the Employees Provident Fund Board ("**EPF**"), Amanah Saham Bumiputera ("**ASB**") and Kumpulan Wang Persaraan (Diperbadankan) ("**KWAP**") (collectively, the "**Major Unitholders**"); and

(ii) the Sponsors based on their undertaking to subscribe for such number of Placement Units equivalent to their unitholdings in CLMT at the relevant time of the Proposed Placement. As at the LPD, CMMT Investment Limited ("**CIL**") and Menang Investment Limited ("**MIL**") collectively hold 39.37% unitholdings in CLMT, and for illustrative purposes only, on this basis, it shall result in the raising of gross proceeds of up to RM194.99 million.

Please refer to **Sections 5 and 6** of this announcement for further details on the Proposed Placement to the Sponsors and the Proposed Placement to the Major Unitholders, respectively.

The Proposed Placement will be undertaken pursuant to the approval of the Unitholders to be sought and obtained at a Unitholder's meeting to be convened ("**Unitholders' Meeting**"). In particular, the approval of the Unitholders will be sought for the Proposed Placement including the allotment and issuance of such number of new units for the Proposed Placement, the Proposed Placement to the Sponsors and the Proposed Placement to the Major Unitholders.

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[2] *Being the lowest traded price for the CLMT units over the 52-week period up to and including the LPD.*

4.2 Utilisation of Proceeds

The proposed gross proceeds from the Proposed Placement is expected to be utilised in the following manner:

Details of the Utilisation	Amount of Proceeds (RM'000)	Expected Timeframe for Utilisation
Total Purchase Consideration[(1)]	up to 495,250	Within 1 month from the completion of the Proposed Placement

Note:

(1) To part finance the Total Purchase Consideration pursuant to the Agreements. The balance of the Total Purchase Consideration is proposed to be financed via bank borrowings.

4.3 Pricing of Placement Units

The Issue Price will be fixed by way of bookbuilding at a later date to be determined and announced by the Board ("**Price-Fixing Date**"). The Issue Price shall not be fixed at a discount of more than 10% to the 5-market day weighted average market price ("**VWAP**") of units in CLMT before the Price-Fixing Date. This maximum discount was considered only by reference to Paragraph 6.04(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").

For avoidance of doubt, the Sponsors will not influence the manner in which the book builds for the Proposed Placement nor the determination of the Issue Price. The Sponsors, as price-taker, shall accept the final price for their Placement Units, being the Issue Price which shall be determined once the bookbuilding exercise is closed and duly announced on Bursa Malaysia Securities Berhad ("**Bursa Securities**").

4.4 Placement of Units

The Proposed Placement will not be implemented in stages over a period of time. The Placement Units will be placed out by way of an accelerated bookbuilding by one or more placement agents to be appointed by the Manager, and the placees (save for the Sponsors) will be identified at a later stage.

The Placement Units are not intended to be placed out to any directors, major shareholders, or chief executive officer of the Manager and/or persons connected with them save for the Sponsors pursuant to the Proposed Placement to the Sponsors, and the Major Unitholders pursuant to the Proposed Placement to the Major Unitholders.

In addition, the Placement Units may be offered to persons falling within Schedule 6 or Section 229 or Schedule 7 or Section 230 of the Capital Markets and Services Act 2007.

The Placement Units may be offered to local and foreign institutional investors. However, the Proposed Placement will not be an offer of securities for sale into the United States of America ("**US**"). The Placement Units may not be offered or sold in the US or to or for the account or benefit of US persons (as defined in Regulation S under the US Securities Act of 1933), unless they are registered or exempt from registration.

4.5 Status and ranking of Placement Units

The Placement Units shall, upon issue and allotment, rank equally in all respects with the existing CLMT units. The Placement Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared prior to the date of the issue and allotment of the Placement Units.

4.6 Listing and quotation of the Placement Units

The Placement Units will be listed and quoted on the Main Market of Bursa Securities.

4.7 Advance Distribution

The Manager may distribute the distributable income of CLMT at the quantum and intervals to be determined in its absolute discretion subject to the provisions under the trust deed of CLMT. The Board intends to declare an advance distribution of CLMT's distributable income ("**Advance Distribution**") for the period from the day immediately after the relevant semi-annual distribution up to such date to be determined by the Board which is before the date on which the Placement Units will be allotted under the Proposed Placement ("**Advance Distribution Period**").

The Advance Distribution is being proposed as a means to ensure fairness to existing Unitholders and is intended to be implemented to ensure that the distributable income accrued during the Advance Distribution Period is only distributed to the existing Unitholders. As a result, the holders of the Placement Units will not be entitled to the Advance Distribution and hence, the entitlement date for the Advance Distribution will be before the date of allotment of the Placement Units.

The next distribution after the Advance Distribution will comprise CLMT's distributable income for the period from the day immediately after the Advance Distribution Period until the end of the relevant semi-annual period determined by the Board. Semi-annual distributions will resume thereafter.

5. THE PROPOSED PLACEMENT TO THE SPONSORS

5.1 The Sponsors' commitment

The Sponsors, both wholly-owned subsidiaries of CMA, having an aggregate unitholding interest of approximately 39.37% in CLMT as at the LPD, are committed to support the Proposed Placement.

Accordingly, the Sponsors have undertaken to subscribe for the Placement Units based on their unitholdings in CLMT as at the relevant date of the Proposed Placement in conjunction with the Proposed Placement. The Sponsors have also undertaken that they shall unconditionally accept the final price for their Placement Units, being the Issue Price which shall be determined once the bookbuilding exercise for the Proposed Placement is closed and duly announced on Bursa Securities.

5.2 Details of the Proposed Placement to the Sponsors

As part of the Proposed Placement, a portion of the Placement Units equivalent to the unitholdings of the Sponsors at the relevant date when the Proposed Placement is implemented, will be placed to the Sponsors at the Issue Price. Based on the Sponsors' unitholdings as at the LPD, this will result in the raising of gross proceeds of up to RM194.99 million, subject to the total gross proceeds raised under the Proposed Placement.

For avoidance of doubt, the Proposed Placement is not conditional upon the Proposed Placement to the Sponsors.

6. THE PROPOSED PLACEMENT TO MAJOR UNITHOLDERS

6.1 Placement Arrangements

As the bookbuilding process for the Proposed Placement may involve the participation of the Major Unitholders, in compliance with Paragraph 6.06(1) of the Listing Requirements, the Manager proposes to seek the approval of the respective non-interested Unitholders at the Unitholders' Meeting for the placement of the Placement Units under the Proposed Placement to the respective Major Unitholders at the Issue Price.

6.2 Details of the Proposed Placement to Major Unitholders

The actual number of Placement Units as well as the actual number of Placement Units to be allotted to the Major Unitholders and persons connected with them will be determined at a later stage by the Manager in consultation with the placement agent(s) through the bookbuilding process, subject to their decision whether to participate in the Proposed Placement or not.

7. RATIONALE OF THE PROPOSALS

7.1 Rationale of the Proposed Acquisition

The Proposed Acquisition is in line with CLMT's investment objective to invest, on a long-term basis, in income-producing real estate which is primarily used for retail, commercial, office and industrial purposes in Malaysia.

(i) Quality assets

Queensbay Mall is strategically located in the south of Penang Island, in the heart of Bayan Lepas Industrial Free Trade Zone, with good accessibility via the Tun Dr Lim Chong Eu Highway, and close proximity to the Penang Bridge and Sultan Abdul Halim Muadzam Shah Bridge, as well as the Penang International Airport.

Queensbay Mall has high shoppers' catchment from both Penang Island and Penang Mainland and has recorded annual shopper traffic of more than 7.1 million in 2021 and year-to-date 31 August 2022 of approximately 9.1 million, translating to an average monthly footfall of approximately 1.1 million over the same 8-month period.

Being one of the largest malls in Penang, Queensbay Mall features a diverse tenancy mix with 5 retail levels of international and home-grown brands including fashion, lifestyle, dining, entertainment, sports, electronics, home furnishing and department store.

As at the Valuation Date, the QBM Property has an occupancy rate of 95%, which is higher than the average occupancy of 71.5% for shopping malls in Penang as of the first half of 2022 *(Source: Northern Region Property Market Report (First Half 2022), Ministry of Finance)*.

(ii) Pricing

The indicative acquisition yield based on the Total Purchase Consideration is:

(a) 7.3% calculated from Special Coral's annualised net property income ("**NPI**") for the unaudited 8-months financial period ended ("**FPE**") 31 August 2022 after excluding non-recurring writebacks of provision of doubtful debts (**"2022 Annualised"**); and

(b) 6.5% calculated from Special Coral's average NPI for the audited 3 financial years ended ("**FYE**") 31 December 2019 to 2021 and the 2022 Annualised. The FYE 31 December 2020 and 2021 were impacted by movement control restrictions due to the Covid-19 pandemic.

The range of acquisition yields derived from transactions undertaken by listed Malaysian Real Estate Investment Trusts for the acquisition of retail malls in Malaysia within 2016 to 2018 is between 5.7% to 7.0%.

(iii) Accretive transaction

Depending on the gearing level for the mode of financing of the Proposed Acquisition, the Proposed Acquisition is expected to be yield accretive upon completion of the Proposed Acquisition, thereby resulting in a higher distribution per unit ("**DPU**").

The Proposed Acquisition will serve to diversify exposure to the highly competitive Klang Valley retail malls sector. The Proposed Acquisition will reduce CLMT's exposure in Klang Valley in terms of assets under management from approximately 41% to 33%, and thereby strengthening its portfolio resilience. With the QBM Property's occupancy rate of 95%, the Proposed Acquisition also increases CLMT's enlarged portfolio occupancy rate to 85.8% from its existing 83.1%, contributing to income stability.

7.2 Rationale of the Proposed Placement

After due consideration of the various funding options available to CLMT and in consultation with the management of the Manager, the Board is of the view that the Proposed Placement is the most appropriate avenue to raise funds for CLMT to part finance the Proposed Acquisition as it is expected to:

(i) allow the Manager to raise funds expeditiously and cost effectively by being able to implement the equity fund raising immediately upon the Proposed Acquisition becoming unconditional;

(ii) provide the Manager with the flexibility to balance between equity financing and loan financing for the Proposed Acquisition to optimise returns to Unitholders and allow for debt headroom for future acquisitions;

(iii) provide the opportunity to attract more local and international investors to invest in CLMT, thereby enlarging its Unitholders' base and serves as a testament to investors' confidence in the future prospects of CLMT; and

(iv) increase the total number of issued units in CLMT, and hence, may improve the trading liquidity of the CLMT units.

There have been no other equity fund-raising exercises undertaken by the Manager and/or the Trustee on behalf of CLMT in the 12 months before the date of this announcement.

7.3 Rationale for the Proposed Placement to the Sponsors

The Proposed Placement to the Sponsors is for the Sponsors to demonstrate their commitment in supporting the Proposed Placement and aligning their interest in CLMT.

The Proposed Placement to the Sponsors will also allow CMA (through its interest in the Sponsors) to retain its unitholdings in CLMT after the Proposed Placement.

7.4 Rationale for the Proposed Placement to the Major Unitholders

The Major Unitholders are key investors in CLMT who have supported CLMT in previous placement exercises. The Major Unitholders are also significant investors in the Malaysian equity markets generally. As such, the Board wishes to provide the Major Unitholders with the opportunity to participate in the Proposed Placement.

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8. EFFECTS OF THE PROPOSALS

The Manager wishes to emphasise that the proforma effects as set out throughout this announcement are based on certain assumptions with the intention of demonstrating the potential financial effects of the Proposals. The key assumptions used in demonstrating the financial effects for the Proposals are as follows:

(i) For illustration purposes only, the Issue Price is assumed at RM0.48 per unit, being the lowest traded price for the CLMT units over the 52-week period up to and including the LPD, resulting in the total issuance of 1,031.77 million Placement Units to raise gross proceeds of RM495.25 million; and

(ii) the remainder of the total acquisition costs of RM529.77 million is assumed to be satisfied via bank borrowings.

For the avoidance of doubt, the illustrative number of Placement Units stated above may not represent the actual number of Placement Units to be subscribed by the Major Unitholders (or at all) after the completion of the Proposed Placement. No assurance is given that the assumptions used by the Manager to illustrate the effects of the substantial Unitholders' unitholdings in CLMT will materialise after the completion of the Proposed Placement and they do not represent a commitment by the Major Unitholders to subscribe for the Placement Units. Further financial effects may be presented once the terms of the bank borrowings for the Proposed Acquisition are finalised as mentioned in **Section 2.5** of this announcement, including amongst others, higher gearing impact.

8.1 Unitholders' capital

The proforma effects of the Proposals on Unitholders' capital of CLMT are as follows:

	No. of Units ('000)	**RM (RM'000)**
As at the LPD	2,202,573	2,272,354
Issuance of Placement Units	1,031,771	487,221[(1)]
Enlarged Unitholders' capital	**3,234,344**	**2,759,575**

Note:

(1) After taking into consideration the estimated expenses for the Proposed Placement which will be deducted from Unitholders' capital amounting to approximately RM8.03 million.

8.2 Distributable income and DPU

The Proposals are not expected to have any effect on the distributable income and DPU of CLMT for the FYE 31 December 2022 since the Proposals are only expected to be completed during the FYE 31 December 2023. Nevertheless, the Manager believes that when the Proposals are completed, they will contribute positively to the future distributable income and DPU of CLMT.

8.3 NAV per Unit and Gearing

The proforma effects of the Proposals on the NAV per unit and gearing level based on the latest audited financial statement of CLMT are as follows:

	Audited as at 31 December 2021	(I) After the Proposed Placement	(II) After (I) and the Proposed Acquisition
	(RM'000)	(RM'000)	(RM'000)
Unitholders' capital	2,235,447	2,722,668[(1)]	2,722,668
Undistributed income	155,851	155,151[(2)]	144,673[(3)]
Total Unitholders' fund / NAV	**2,391,298**	**2,877,819**	**2,867,341**
Units in circulation ('000)[(7)]	2,130,856	3,162,627	3,162,627
NAV per CLMT unit (RM)	1.1222	0.9099	0.9066
Total gross borrowings (net of unamortised transaction costs)	1,412,269	1,412,269	1,937,864[(4)]
Total asset value	3,932,949	4,419,470[(1)(2)]	4,959,581[(5)]
Gearing (%)[(6)]	35.91%	31.96%	39.07%

Notes:

(1) After taking into consideration the following:

(a) Gross proceeds raised from the Proposed Placement of RM495.25 million; and

(b) Estimated fees in respect of the Proposed Placement of approximately RM8.03 million to be deducted from Unitholders' capital.

(2) After taking into consideration other estimated miscellaneous expenses for the Proposed Placement of approximately RM0.70 million.

(3) After taking into consideration stamp duty expenses for the Proposed Acquisition of approximately RM0.02 million, reversal of deferred tax liabilities of approximately RM1.14 million and a recognition of fair value loss of approximately RM11.6 million (comprising of acquisition costs of RM21.6 million net of RM10.0 million discount received from the QBM Property Valuation).

(4) Net increase in total gross borrowings after taking into consideration the following:

(a) Bank borrowing of approximately RM529.77 million to partly fund the Proposed Acquisition; and

(b) Estimated financing fees of approximately RM4.17 million to be amortised over the tenure of the loan.

(5) Net increase in total asset value after taking into consideration the following:

(a) The QBM Property Valuation of RM1,000.00 million, the property, plant and equipment acquired under the Strata Parcels SPA of approximately RM0.50 million and the Target Companies trade and other receivables of approximately RM0.08 million as at 31 December 2021;

(b) Net cash outflow of approximately RM460.46 million:

	RM'mil
Net total gross borrowings	*525.60*
Payment of Strata Parcels Purchase Consideration and Target Companies Purchase Consideration	*(987.93)*
Tenant deposit from the Target Companies	*25.62*
Cash balances from the Target Companies	*0.44*
Inter-Company Settlement	*(2.57)*
Payment of estimated expenses for the Proposed Acquisition	*(21.60)*
Payment of stamp duty for the Proposed Acquisition	*(0.02)*
Total	***(460.46)***

(6) Calculated by dividing total gross borrowings with total asset value.

(7) Assuming 1,031.77 million CLMT units will be issued and allotted pursuant to the Proposed Placement.

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8.4 Substantial Unitholders' unitholdings

The proforma effects of the Proposals on the unitholdings of the substantial Unitholders of CLMT are tabulated below on the basis that none of the Major Unitholders participate in the Proposed Placement.

	As at the LPD				(I) After the Proposed Placement				(II) After (I) and the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial Unitholder	**No. of Units ('000)**	**%[5]**	**No. of Units ('000)**	**%[5]**	**No. of Units ('000)**	**%[5]**	**No. of Units ('000)**	**%[5]**	**No. of Units ('000)**	**%[5]**	**No. of Units ('000)**	**%[5]**
CIL	797,447	36.21	-	-	1,171,002[6]	36.21	-	-	1,171,002[6]	36.21	-	-
CMA	-	-	867,205[2]	39.37	-	-	1,273,438[6]	39.37	-	-	1,273,438[6]	39.37
CLI[1]	-	-	867,205[3]	39.37	-	-	1,273,438[6]	39.37	-	-	1,273,438[6]	39.37
EPF	302,104	13.72	-	-	302,104	9.34	-	-	302,104	9.34	-	-
ASB	236,467	10.74	-	-	236,467	7.31	-	-	236,467	7.31	-	-
KWAP	230,097	10.45	3,920[4]	0.18	230,097	7.11	3,920[4]	0.12	230,097	7.11	3,920[4]	0.12

Notes:

(1) CLI is listed on the Main Board of the Singapore Stock Exchange (SGX-ST). Based on CLI's 2021 Annual Report, as at 31 March 2022, CLI's substantial shareholder is CapitaLand Group Pte Ltd, an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited, an investment holding company for the Government of Singapore.

(2) Deemed interested by virtue of its interests in CIL and MIL pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of its interests in CMA pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of interests held by various fund managers of KWAP.

(5) Computed based on the total CLMT units in circulation as at the LPD of 2,202.57 million. With regard to the scenario after the Proposals, it is computed on the assumption that a total of 1,031.77 million CLMT units shall be issued and allotted pursuant to the Proposed Placement resulting in total CLMT units in circulation of 3,234.34 million.

(6) On the basis that CIL and MIL subscribe for a total of 406.23 million Placement Units, being 39.37% of the total number of CLMT units issued pursuant to the Proposed Placement.

8.5 Convertible securities

The Proposed Acquisition and Proposed Placement (including the Proposed Placement to the Sponsors and the Proposed Placement to the Major Unitholders) do not result in the creation of any convertible securities. As at the LPD, CLMT does not have any convertible securities.

9. PROSPECTS OF THE QBM PROPERTY

The QBM Property is situated within Bayan Lepas in close proximity to the Penang Bridge & Sultan Abdul Halim Muadzam Shah Bridge (Second Penang Bridge).

QBM Property's close proximity to the Tun Dr Lim Chong Eu Highway provides direct access to Georgetown's commercial district. This strategic location offers convenient access to the city's key business and banking districts, as well as to key tourist and heritage sites in the inner city of Georgetown.

In addition, QBM Property's close proximity to the Penang Bridge and the Sultan Abdul Halim Muadzam Shah Bridge provides Penang mainlanders with easy access to the QBM Property.

The strategic location of the QBM Property allows it to benefit from the immediate catchment area of Bayan Lepas such as:

(i) The growing residential neighbourhood within the vicinity, which includes prominent condominium developments. In addition, the locality also accommodates medium to high-end condominium, apartment blocks, semi-detached and detached houses;

(ii) The complementary commercial development surrounding the Queensbay Mall, which includes a hotel and 3-storey shop offices; and

(iii) The future development of amongst others, office buildings, condominiums and service apartments and hospitality projects within the immediate locality of Queensbay Mall.

The QBM Property has a diverse mix of tenants from different trades, including entertainment, lifestyle, fashion and dining, segregated on a thematic basis throughout the floors of the shopping complex from convenience, fashion, food and dining, and lifestyle at the lower and ground floors, with fashion, lifestyle, entertainment and food court progressively towards higher floors. Such diverse mix provides continued attraction to shoppers and visitors supporting the QBM Property's footfall.

Such tenant diversification is expected to improve CLMT's overall cash flow stability as well as minimise tenant concentration risk.

Notwithstanding the challenging climate of the Malaysian retail sector due to movement controls as a result of the Covid-19 pandemic, the QBM Property has been able to attract and maintain a wide variety of tenants. As a testament to the resilience of the QBM Property, the following tabulates the performance metrics before the Covid-19 pandemic and currently.

	Audited (FYE 31 December)[1]			Unaudited[2] 8-month FPE 31 August 2022
	2019	2020	2021	
NPI (RM'mil)	79.04	55.28	50.21	50.23[4]
Occupancy (%)[3]	99.7	97.0	95.8	95.0
Average monthly footfall (mil)	1.3	0.8	0.6	1.1

Notes:

(1) As extracted from Special Coral's audited financial statements.

(2) Based on the NPI derived from the unaudited management financial statements for the 8 months financial period ended 31 August 2022.

(3) Based on the NLA of the QBM Property.

(4) Includes writebacks of provision of doubtful debts of approximately RM2.13 million which is expected to be non-recurring.

(Source: The Manager)

10. RISK FACTORS

10.1 Risk of non-completion of the Agreements

In the event either one of the Agreements does not proceed to completion notwithstanding that all conditions precedent having been fulfilled, both Agreements will be terminated. In the event of such termination, all payments made towards the 5% deposit of the Strata Parcels Purchase Consideration and the Target Companies Purchase Consideration shall be returned to CLMT and parties shall have no further claims against each other under the terms of the Agreements. However, CLMT will not be able to claim or recover any of the transaction costs and expenses incurred up to the date of termination in connection with the Proposals and the fulfilment of the conditions precedent.

The non-completion of the Agreements as described above may occur in the event any of the proposed methods of funding for the Proposed Acquisition does not proceed for whatsoever reasons or if CLMT is unable to raise sufficient funding for any reason beyond the control of CLMT. In the event of such a situation, CLMT and the Board shall consider other options and sources for alternative funding to complete the Proposed Acquisition. However, there is no assurance that sufficient funding can be procured in time to complete the Proposed Acquisition in accordance with terms of the Agreements or that such funding shall not cost more than or at least at the same cost as, the bank borrowing or the Proposed Placement currently contemplated by the Board.

10.2 Private owners with 8.2% strata ownership of Queensbay Mall

The remaining share units of Queensbay Mall that are not acquired under the Proposed Acquisition of approximately 8.2% are owned by private owners. Hence, it is possible for CLMT to be adversely affected by the private owners in certain circumstances such as where the strata parcels belonging to the private owners are not well maintained or kept tenanted as it would affect the overall image of the Queensbay Mall.

10.3 Risk of non-registration of transfer of strata titles

There is a risk that the transfer of the Special Coral Strata Parcels cannot be registered in favour of the Trustee (on behalf of CLMT). In such event, the Trustee (on behalf of CLMT) will not be the legal owner and will only own the beneficial interest in the Special Coral Strata Parcels. Accordingly, the Trustee will not have an indefeasible legal title to the Special Coral Strata Parcels. The beneficial ownership of the Trustee (on behalf of CLMT) may be defeated in favour of a purchaser for value of the land without prior notice of such beneficial ownership.

Pursuant to the terms and conditions of the Strata Parcels SPA, Special Coral shall hold the Special Coral Strata Parcels as bare trustee for the Trustee (on behalf of CLMT) in the event of non-registration of transfer of strata titles. Further details are set out in Section 8 of Part A of **Appendix I**.

10.4 Tenancy renewal risk of existing tenants

There is no guarantee that existing tenants of the QBM Property will renew their tenancies. In the event that the tenancies are not renewed and new tenants are not procured for the affected tenancies at similar rates and terms, this may have an impact on the earnings derived from the QBM Property.

10.5 Competition arising from new shopping malls

Although the QBM Property has a strong and resilient track record, new or existing shopping malls may pose competition in terms of introducing larger or new retail concept space, better trade mix and/or more attractive tenancy terms such as low rental rates and rent-free period, capital expenditure subsidies, amongst others, which may adversely impact the footfall, renewal of tenancies and rental income of the QBM Property.

10.6 Adverse changes in economic conditions

Adverse changes in economic conditions resulting in lower footfall and/or lower discretionary spending at the QBM Property may affect the performance of the tenants, hence affecting their ability to support their rental payments during the tenure of their tenancies. This would result in a higher risk of non-renewal of tenancies.

10.7 Epidemics and pandemics

The operations of Queensbay Mall may be affected by potential disease outbreaks, epidemics and pandemics. This could thereby materially impact the business, financial conditions and operations of the tenants of the QBM Property which may in turn have an adverse impact on its financial condition and results of operations.

10.8 Higher financing cost may reduce profitability

CLMT proposes to part finance the Proposed Acquisition by way of bank borrowings. As at the LPD, the terms of the borrowings have not been finalised. If financing costs are higher than anticipated, there is a risk that the higher financing cost may materially reduce the profitability of the QBM Property.

10.9 Accessibility to the QBM Property may be impacted if there is a major interruption to the ingress and egress to the QBM Property

As there are undeveloped vacant parcels of lands in the immediate proximity to Queensbay Mall, any future development and construction on these vacant lands may interrupt the ingress and egress to or from Queensbay Mall during the period of construction. This may negatively impact the businesses of the tenants of the QBM Property which in turn may adversely affect the profitability of the QBM Property.

10.10 Changes in environmental, zoning and governmental rules and regulations

Introduction or changes in environmental, zoning and governmental rules and regulations may require extensive upgrades or renovation to Queensbay Mall in order to ensure compliance.

11. APPROVALS REQUIRED

The Proposals are subject to approvals being obtained from the following parties:

(i) the State Authority for the transfer of the QBM Property pursuant to the Proposed Acquisition;

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

(iii) 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

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

The completion of the Strata Parcels SPA and the Target Companies SPA are inter-conditional.

Further details on the conditions precedents of the Strata Parcels SPA and the Target Companies SPA are set out in Sections 3 of Part A and 2 of Part B, respectively, of **Appendix I** of this announcement.

The Proposed Placement is subject to the Proposed Acquisition becoming unconditional. The Proposed Placement to the Sponsors and the Proposed Placement to the Major Unitholders are conditional upon the Proposed Placement but the Proposed Placement is not conditional upon them.

12. RELATED PARTY TRANSACTIONS WITHIN THE PAST 12 MONTHS

The aggregate total amount transacted between CLMT and its related parties in the past 12 months preceding the LPD is approximately RM19.33 million.

In the past 12 months preceding the LPD, there has been no direct transactions by CLMT with Special Coral and Retail Galaxy.

13. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g)(iii) of the Listing Requirements is approximately 41.42% (being the consideration threshold calculated based on CLMT's latest audited net assets as at 31 December 2021).

14. INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS OF THE MANAGER, MAJOR UNITHOLDERS OF CLMT AND/OR PERSONS CONNECTED

Save as disclosed below, none of the directors, major shareholders and chief executive of the Manager and/or major Unitholders of CLMT and/or persons connected with them have any interest, direct or indirect, in the Proposals.

14.1 Interested Directors of the Manager

Tan Choon Siang, Yap Neng Tong and Lim Cho Pin Andrew Geoffrey are nominee directors of CLI on the Board of Directors of the Manager as at the LPD. In view of such interests and the interests described in **Sections 14.2** and **14.3** of this announcement, Tan Choon Siang, Yap Neng Tong and Lim Cho Pin Andrew Geoffrey (collectively, the "**Interested Directors**") are deemed interested in the Proposed Acquisition, the Proposed Placement and Proposed Placement to the Sponsors.

Based on the above, the Interested Directors have abstained and will abstain from deliberating and voting on the resolutions relating to the Proposed Acquisition, the Proposed Placement and Proposed Placement to the Sponsors at the respective Board meeting(s).

The Interested Directors shall also abstain from voting on the resolutions relating to the Proposed Acquisition, the Proposed Placement and the Proposed Placement to the Sponsors in respect of their direct/indirect unitholdings in CLMT, at the Unitholders' Meeting. They have also undertaken to ensure that persons connected with them will also abstain from voting on the resolutions for the Proposed Acquisition, the Proposed Placement and the Proposed Placement to the Sponsors, in respect of their direct/indirect unitholdings in CLMT, at the Unitholders' Meeting.

14.2 The Proposed Acquisition, the Proposed Placement and the Proposed Placement to the Sponsors

CIL who is a major Unitholder of CLMT as at the LPD is deemed interested in the Proposed Acquisition by virtue of:

(i) It being a 100% indirect subsidiary of CMA. Omnitrix, an indirect wholly-owned subsidiary of CMA, holds all of the Subordinated Class MTNs under the MTN Programme and holds 100% of Special Coral's redeemable preference share, all of which are to be redeemed upon completion of the Proposed Acquisition; and

(ii) CMA exercised the Property Call Option and has an indirect 100% shareholding in Retail Galaxy, the vendor of the Target Companies.

Accordingly, CIL and persons connected with it (including MIL) (collectively, the "**Interested Major Unitholders for the Proposed Acquisition**") are deemed interested in the Proposed Acquisition.

The proceeds from the Proposed Placement are to be utilised to part settle the Total Purchase Consideration and ultimately CMA may indirectly derive an interest through the proceeds of the Proposed Placement. As such, CIL and persons connected with it (including MIL) (collectively, the "**Interested Major Unitholders for the Proposed Placement**") are deemed interested in the Proposed Placement.

In addition to the above, CMA has 100% direct shareholding in the Sponsors that have undertaken to subscribe for Placement Units based on their unitholdings in CLMT as detailed in **Section 5** of this announcement. Accordingly, CIL, MIL and persons connected with them (collectively, the "**Interested Major Unitholders for the Proposed Placement to the Sponsors**") are deemed interested in the Proposed Placement to the Sponsors.

Based on the above, the Interested Major Unitholders for the Proposed Acquisition, the Interested Major Unitholders for the Proposed Placement and the Interested Major Unitholders for the Proposed Placement to the Sponsors will be required to abstain from voting on the resolutions relating to the Proposed Acquisition, the Proposed Placement and the Proposed Placement to the Sponsors in respect of their direct/indirect unitholdings in CLMT, at the Unitholders' Meeting. They will also ensure that persons connected with them including MIL will also abstain from voting on the resolutions for the Proposed Acquisition, the Proposed Placement and the Proposed Placement to the Sponsors, in respect of their direct/indirect unitholdings in CLMT, at the Unitholders' Meeting.

14.3 The Proposed Placement to the Major Unitholders

As detailed in **Section 6** of this announcement, Placement Units may be allocated to the Major Unitholders under the bookbuilding exercise of the Proposed Placement. Accordingly, the Major Unitholders, being EPF, ASB and KWAP and persons connected with them (collectively, the "**Interested Major Unitholders for the Proposed Placement to the Major Unitholders**") are deemed interested in the Proposed Placement to the Major Unitholders.

Based on the above, the Interested Major Unitholders for the Proposed Placement to the Major Unitholders will be required to abstain from voting on the resolutions pertaining to themselves in relation to the Proposed Placement to the Major Unitholders in respect of their direct/indirect unitholdings in CLMT, at the Unitholders' Meeting. They will also ensure that persons connected with them will also abstain from voting on the resolutions pertaining to their respective connected person(s) in relation to the Proposed Placement to the Major Unitholders, in respect of their direct and/or indirect unitholdings in CLMT, at the Unitholders' Meeting.

14.4 The Manager

As at the LPD, the Manager does not hold any direct or indirect unitholdings in CLMT. Notwithstanding CLI's 100% direct shareholding interest in the Manager, the Manager will not vote on any of the Proposals with regards to its voting rights (if any) in accordance with Paragraph 13.26 of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia ("**Listed REIT Guidelines**"). Paragraph 13.26 of the Listed REITs Guidelines provides that a management company must not exercise the voting rights for the units it holds or its nominees hold in any unit holders' meeting, regardless of the party who requested for the meeting and the matter or matters that are laid before the meeting.

15. DIRECTORS' STATEMENT

The Board (save for the Interested Directors who have abstained and will continue to abstain from deliberating and voting on the Proposed Acquisition, the Proposed Placement and the Proposed Placement to the Sponsors), having considered all aspects of the Proposals, including but not limited to, the rationale, basis of arriving at the Total Purchase Consideration, the terms and conditions of the Agreements, the effects of the Proposals and having sought preliminary independent advice from the Independent Adviser (as defined herein) and after careful deliberation, is of the opinion that the Proposals are in the best interest of CLMT, is fair, reasonable and is not detrimental to the interest of the non-interested Unitholders.

16. THE MANAGER'S AUDIT COMMITTEE STATEMENT

After having considered all aspects of the Proposals, including but not limited to, the rationale, basis of arriving at the Total Purchase Consideration, the terms and conditions of the Agreements, the effects of the Proposals and having sought preliminary independent advice from the Independent Adviser (as defined herein), the Audit Committee of the Manager is of the view that the Proposals are in the best interest of CLMT, is fair, reasonable and on normal commercial terms, and is not detrimental to the interest of the non-interested Unitholders.

17. ESTIMATED TIMEFRAME

The applications to the State Authority in respect of the Proposed Acquisition and to Bursa Securities in respect of the Proposed Placement are expected to be made within 1 month and 3 months, respectively from the date of this announcement.

The Proposals are expected to be completed by the end of the first quarter of 2023.

18. ADVISERS

18.1 Principal Advisers

The Manager has appointed CIMB Investment Bank Berhad as the principal adviser for the Proposals.

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18.2 Independent Adviser

The Manager has appointed Kenanga Investment Bank Berhad as the independent adviser for the Proposed Acquisition ("**Independent Adviser**") in view of the interests of the interested parties disclosed in **Section 14** of this announcement.

The role of the Independent Adviser is to:

(i) comment as to whether the Proposed Acquisition is:

(a) fair and reasonable so far as the Unitholders are concerned;

(b) to the detriment of minority Unitholders; and

to set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) to advise the non-interested Unitholders whether they should vote in favour of the Proposed Acquisition; and

(iii) to take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice for items (a) and (b) above.

19. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents are available for inspection at the registered office of the Manager 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 (excluding public holidays) for a period of 3 months from the date of this announcement:

(i) Strata Parcels SPA;

(ii) Target Companies SPA; and

(iii) QBM Property Valuation.

This announcement is dated 9 November 2022.

A. Salient terms of the Strata Parcels SPA

The salient terms of the Strata Parcels SPA are as follows:

1. SALE AND PURCHASE

Subject to the terms and conditions of the Strata Parcels SPA, Special Coral agrees to sell to CLMT and CLMT agrees to purchase from Special Coral the Special Coral Strata Parcels and the related assets belonging to Special Coral as set out in the Strata Parcels SPA ("**Assets**") on an "as-is-where-is" basis, for a purchase consideration of RM984,480,000.

The completion of the Strata Parcels SPA is inter-conditional with the completion of the Target Companies SPA.

2. BASIS OF THE SALE AND PURCHASE

The sale and purchase of the Special Coral Strata Parcels is agreed upon on the basis that:

2.1 all the conditions precedent are complied with or waived in accordance with the terms of the Strata Parcels SPA;

2.2 the Special Coral Strata Parcels shall be sold and transferred to CLMT free from all liens, claims, encumbrances and existing charges on the Special Coral Strata Parcels currently charged to Malaysian Trustee Berhad ("**MTB**") ("**Existing Charges**") but subject to the tenancies, restrictions in interest and conditions, express and implied by law, on the strata titles in respect of the Special Coral Strata Parcels;

2.3 the Special Coral Strata Parcels shall be sold and transferred to CLMT with the easement granted pursuant to an agreement dated 1 April 2011 made between (i) Hikmat Budi Sdn Bhd ("**Hikmat Budi**"), (ii) C P Landmark Sdn Bhd ("**CP Landmark**"), (iii) Special Coral and (iv) C P Mall Sdn Bhd ("**CP Mall**") ("**Easement Agreement**"), whereby Hikmat Budi and CP Landmark have granted to Special Coral a right of way in respect of the present entrance road between Hikmat Budi's land and CP Landmark's land (both being the servient land) so as to allow ingress and egress to and from the land where the Special Coral Strata Parcels are erected on (being the dominant land);

2.4 a Certificate of Fitness for Occupation ("**CFO**") has been issued for Queensbay Mall and Special Coral having given CLMT a copy of the CFO;

2.5 all permit, licence, consent, approval, certificates, registration or authorisation from the relevant appropriate authorities in respect of any and all matters relating to the Special Coral Strata Parcels required to be taken up by Special Coral (other than licences that are required to be taken out and maintained by the tenants, lessees and licensees, and CLMT, if any) as set out in the Strata Parcels SPA having been issued and remaining valid and subsisting as at completion;

2.6 all the Assets shall be sold and transferred to CLMT free from all liens, claims, encumbrances and the Existing Charges but on an "as-is-where–is" basis without any representations or warranties; and

2.7 each of Special Coral's warranties under the Strata Parcels SPA remains true and accurate in all material respects.

3. CONDITIONS PRECEDENT

The sale and purchase of the Special Coral Strata Parcels is conditional upon the following conditions precedent being satisfied and fulfilled within the cut-off date (the date that falls 120 days from the date of the Strata Parcels SPA) ("**Cut-off Date**"):

3.1 Special Coral obtaining the approval of the State Authority for the transfer of the Special Coral Strata Parcels in favour of the Trustee (on behalf of CLMT) pursuant to the restriction in interest appearing on the strata titles of each of the Special Coral Strata Parcels ("**Transfer Approval**");

3.2 Special Coral having delivered or caused to be delivered, to CLMT or CLMT's solicitors a disclosure letter within 45 days from the date of the Strata Parcels SPA and the contents of such disclosure letter being reasonably satisfactory to CLMT;

3.3 CLMT procuring CLMT's Unitholders' approval for the purchase of (i) the Special Coral Strata Parcels and (ii) the shares under the Target Companies SPA.

In respect of the conditions precedent as set out in Paragraph 3.1 above, Special Coral shall, within 3 business days from the date of the Strata Parcels SPA, apply for the Transfer Approval, and shall do all such acts and things as may be reasonably required to procure the fulfillment of this condition precedent.

The Strata Parcels SPA shall become unconditional on the date when all the conditions precedent have been satisfied, being a date not later than the Cut-off Date ("**Unconditional Date**").

4. PURCHASE CONSIDERATION AND PAYMENT TERMS

The Strata Parcels Purchase Consideration shall be paid in the following manner:

4.1 The deposit shall be paid by CLMT to Special Coral in the following manner:

4.1.1 CLMT shall pay the sum of RM19,689,600 only, being 2% of the Strata Parcels Purchase Consideration upon the execution of the Strata Parcels SPA ("**Earnest Deposit**");

4.1.2 CLMT shall deliver or cause the delivery to Special Coral's solicitors as stakeholder of the bank guarantee certificate for an amount equivalent to the sum of RM29,534,400 only, being 3% of the Strata Parcels Purchase Consideration ("**Bank Guarantee Certificate**") within 5 business days from the Unconditional Date.

4.2 CLMT shall pay the balance of the Strata Parcels Purchase Consideration of a sum of RM964,790,400, being 98% of the Strata Parcels Purchase Consideration ("**Balance Purchase Consideration**") within the period after the Unconditional Date up to and including 21 March 2023 ("**Completion Period**") in the following manner:

4.2.1 by paying and causing CLMT's financier, from which CLMT will take a loan or other form of financing from to finance the purchase of the Special Coral Strata Parcels ("**CLMT's Financier**"), to pay to MTB the sum required to be paid to MTB to discharge the Existing Charges ("**Redemption Sum**"); and

4.2.2 by paying and causing CLMT's Financier to pay to Special Coral the remaining Balance Purchase Consideration (less the Redemption Sum).

On the date of payment of the Balance Purchase Consideration and interest (if any) by CLMT, Special Coral's solicitors are authorised to:

(i) release the Earnest Deposit and all interest earned (if any) to Special Coral; and

(ii) return the Bank Guarantee Certificate to the Purchaser for cancellation.

5. COMPLETION

5.1 Subject to the completion of the sale and purchase of the shares under the Target Companies SPA occurring on the same day as the date on which the full Strata Parcels Purchase Consideration is paid in accordance with the terms and conditions of the Strata Parcels SPA ("**Completion Date**"), the purchase of the Special Coral Strata Parcels by CLMT shall be deemed to be completed upon:

5.1.1 the payment of the Strata Parcels Purchase Consideration to Special Coral in accordance with the terms and conditions of the Strata Parcels SPA;

5.1.2 the delivery of possession of the Special Coral Strata Parcels by Special Coral to CLMT in accordance with the terms and conditions of the Strata Parcels SPA; and

5.1.3 the receipt of the certified true copies of the latest assessment receipts in Special Coral's possession and the latest quit rent receipts in respect of the Strata Parcels SPA by CLMT.

6. EXTENSION OF THE COMPLETION PERIOD

6.1 In the event the Balance Purchase Consideration is not paid within the Completion Period, Special Coral shall grant to CLMT an extension of time of 1 month from the expiry of the Completion Period to complete payment of the Balance Purchase Consideration provided always that CLMT shall pay to Special Coral the interest charges on the Balance Purchase Consideration or such part thereof as remains outstanding at the rate of 3% per annum calculated on a day-to-day basis commencing from the day of the expiry of the Completion Period until the day of actual receipt of the Balance Purchase Consideration which is outstanding by Special Coral.

6.2 The interest charges, if any, as referred to in Paragraph 6.1 above shall be paid by CLMT to Special Coral together with the Balance Purchase Consideration to be paid to Special Coral.

7. FAILURE TO COMPLETE

7.1 If Special Coral fails to complete the sale of the Special Coral Strata Parcels in any way or breaches any of the material terms of the Strata Parcels SPA, CLMT shall be entitled to:

7.1.1 the remedy of specific performance at the cost and expense of Special Coral; or

7.1.2 terminate the Strata Parcels SPA by notice in writing to Special Coral, in which event Special Coral shall, within 21 business days of the receipt of such notice:

(i) Special Coral's solicitors shall return the Bank Guarantee Certificate to CLMT;

(ii) Special Coral's solicitors shall refund the Earnest Deposit together with all interest earned (if any) to CLMT; and

(iii) Special Coral shall refund and cause to be refunded to CLMT and/or CLMT's Financier, as the case may be, all other sums paid by or on behalf of CLMT towards account of the Strata Parcels Purchase Consideration in accordance with the Strata Parcels SPA free of interest.

7.2 If CLMT fails to pay or cause to be paid the Strata Parcels Purchase Consideration in accordance with the terms and conditions of the Strata Parcels SPA, Special Coral shall be entitled to terminate the Strata Parcels SPA by notice in writing to CLMT. Within 21 business days thereafter:

7.2.1 Special Coral's solicitors shall return the Bank Guarantee Certificate to CLMT;

7.2.2 Special Coral's solicitors shall refund the Earnest Deposit together with all interest earned (if any) to CLMT; and

7.2.3 Special Coral shall refund and/or cause to be refunded to CLMT and/or CLMT's Financier, as the case may be, all other sums paid by or on behalf of CLMT towards account of the Strata Parcels Purchase Consideration free of interest in accordance with the terms and conditions of the Strata Parcels SPA.

7.3 Upon any termination of the Strata Parcels SPA pursuant to any provision therein and in exchange for the refund of the purchase consideration in accordance with the terms and conditions therein:

7.3.1 if legal possession and vacant possession of the Special Coral Strata Parcels have been delivered to CLMT, CLMT shall re-deliver:

(i) legal possession of the Special Coral Strata Parcels that are subject to tenancies; and

(ii) vacant possession of the Special Coral Strata Parcels that are not subject to tenancies;

to Special Coral in the same state and condition as was delivered to CLMT under the Strata Parcels SPA, fair wear and tear excepted;

7.3.2 CLMT shall return to Special Coral all documents which may have been received by it, CLMT's solicitors, CLMT's Financier and/or CLMT's Financier's solicitors from Special Coral pursuant to the Strata Parcels SPA, (including but not limited to the original strata titles in respect of the Special Coral Strata Parcels and the memoranda of transfer in Form 14A of the National Land Code 1965 in favour of CLMT in respect of the Special Coral Strata Parcels ("**Transfer**"), with Special Coral's and MTB's rights and interests in the Special Coral Strata Parcels intact) subject to CLMT's right to retain the Transfer for submission to the stamp office in the event the Transfer is required for purpose of refund of stamp duty paid thereon and thereafter to return the cancelled Transfer to Special Coral;

7.3.3 if any caveat and/or other encumbrances have been lodged or created over the Special Coral Strata Parcels by CLMT, CLMT's Financier and/or any third party on the account of CLMT, CLMT shall withdraw or cause to be withdrawn all such caveats and/or other encumbrances lodged or created over the Special Coral Strata Parcels; and

the Strata Parcels SPA shall thereafter cease to have any further force or effect without prejudice to the rights of either party thereto to bring any legal action against the other for any antecedent breach of its respective obligations thereunder.

8. NON-REGISTRATION OF TRANSFER

8.1 On Completion Date, Special Coral shall deliver or cause to be delivered the following documents to CLMT:

8.1.1 the declaration of trust made between Special Coral and CLMT whereby Special Coral shall hold the legal title to the Special Coral Strata Parcels as bare trustee for and on behalf of CLMT from the Completion Date executed by Special Coral;

8.1.2 the power of attorney to be executed by Special Coral whereby Special Coral grants to CLMT the power to deal with the legal title to the Special Coral Strata Parcels as fully and effectually as Special Coral could do as the legal proprietor of the Special Coral Strata Parcels from the Completion Date ("**Power of Attorney**") executed by Special Coral; and

8.1.3 the original written undertaking addressed to CLMT from Omnitrix being the holder of subordinated class MTNs (as defined under the Trust Deed dated 14 March 2011 executed between Special Coral and MTB in relation to the issuance of the MTNs under the MTN Programme) and the existing redeemable preference shares of Special Coral, that it will take all necessary steps and actions to maintain the subsistence of Special Coral until at least after the registration of the Transfer and the discharge by Special Coral of all its obligations under the Strata Parcels SPA.

8.2 In the event that the Transfer is not or cannot be registered for any reason or defect not attributable to any act, omission, fault, neglect and/or blameworthy conduct on the part of the parties and cannot be rectified despite all efforts made by the parties, Special Coral shall hold the Special Coral Strata Parcels as bare trustee (provided that the Strata Parcels Purchase Consideration has been fully paid) for CLMT in which event Special Coral shall do or cause to be done everything necessary to ensure the rights, title and interest of CLMT in relation to the Special Coral Strata Parcels are protected at all times and shall not act in any manner so as to jeopardise the rights, title and interest of CLMT in relation to the Special Coral Strata Parcels. In connection thereto, Special Coral shall irrevocably agree and acknowledge that upon the completion of the Strata Parcels SPA, CLMT shall be entitled to deal with the Special Coral Strata Parcels or the interest therein in any manner as it deems fit and to exercise all powers given to it under and pursuant to the Power of Attorney.

8.3 On or after the Completion Date, CLMT shall be entitled to lodge a trust caveat against the Special Coral Strata Parcels to protect its rights, title, interest and benefits in and to the Special Coral Strata Parcels.

9. DELIVERY OF POSSESSION

On the Completion Date, Special Coral shall:

9.1 be deemed to have delivered legal possession of the Special Coral Strata Parcels that are subject to tenancies; and

9.2 deliver vacant possession of the Special Coral Strata Parcels that are not subject to tenancies;

to CLMT.

10. WARRANTIES

Under the Strata Parcels SPA, Special Coral warrants and represents, among others, that:

(i) Special Coral is the legal and beneficial owner of the Special Coral Strata Parcels;

(ii) subject to the procurement of the Transfer Approval, relevant corporate approvals referred to in the Strata Parcels SPA and the payment of the Redemption Sum to MTB, Special Coral has full power and authority to execute, deliver and perform the terms of the Strata Parcels SPA and it is able to transfer its legal and beneficial ownership in the Special Coral Strata Parcels in favour of the Trustee (on behalf of CLMT) free from all encumbrances subject to the tenancies;

(iii) save for the Existing Charges, the Special Coral Strata Parcels and the Assets are free from all encumbrances and any adverse claims. Special Coral has not created and will not create any encumbrances over the Special Coral Strata Parcels and the Assets and/or dealt with the same in any manner whatsoever;

(iv) the Strata Parcels SPA and the tenancy agreements are enforceable and binding on Special Coral;

(v) the CFO has been issued by the relevant authorities;

(vi) the regulatory approvals set out in the Strata Parcels SPA have been issued and will be valid as at / be renewed up to the Completion Date;

(vii) that all information relating to the Special Coral Strata Parcels set out in the Strata Parcels SPA are true and accurate to the best of the knowledge, information and belief of Special Coral;

(viii) Special Coral is capable of delivering vacant possession relating to the Special Coral Strata Parcels that are not tenanted on Completion Date; and

(ix) on the Completion Date, the Special Coral Strata Parcels shall be in the same state and condition as at the date of the Strata Parcels SPA, fair wear and tear excepted.

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B. SALIENT TERMS OF THE TARGET COMPANIES SPA

The salient terms of the Target Companies SPA are as follows:

1. SALE AND PURCHASE

Retail Galaxy agrees to sell as legal and beneficial owner all the issued and paid-up share capital of each of the Target Companies ("**Sale Shares**") and CLMT agrees to purchase all the Sale Shares free from all encumbrances and together with all rights including all dividends and distributions declared, made or paid on or after the Completion Date (the term "**Completion Date**" in the Target Companies SPA has the same meaning as in the Strata Parcels SPA). CLMT shall not be obliged to complete the purchase of any of the Target Companies Sale Shares unless the sale of all the Sale Shares is completed simultaneously in accordance with the Target Companies SPA.

The completion of the Target Companies SPA is inter-conditional with the completion of the Strata Parcels SPA.

2. CONDITIONS PRECEDENT

The Target Companies SPA is conditional upon the fulfillment of the following conditions precedent:

(i) Retail Galaxy having delivered or caused to be delivered, to CLMT or CLMT's solicitors a disclosure letter within 45 days from the date of the Target Companies SPA and the contents of such disclosure letter being reasonably satisfactory to CLMT;

(ii) the satisfaction of all conditions precedent set out in the Strata Parcels SPA, unless such conditions are waived or deemed as being fulfilled by the parties to the Strata Parcels SPA in accordance with the terms of the Strata Parcels SPA; and

(iii) the receipt by CLMT's solicitors of a certified true copy of each of the replacement issue document of strata titles to the properties legally and beneficially owned by the Target Companies ("**New Strata Titles**") or a written confirmation from Retail Galaxy's solicitors that the applications for the issuance of the New Strata Titles have been submitted and in this relation, all costs, disbursements in relation to the issuance of the issue document of strata titles shall be borne by Retail Galaxy.

(hereinafter collectively referred to as "**Conditions Precedent**" and each a "**Condition Precedent**"), The parties may mutually agree to waive any of the Conditions Precedent imposed on the other party at any time by notice in writing to the other Party.

3. PURCHASE CONSIDERATION AND PAYMENT TERMS

The Target Companies Purchase Consideration for the Sale Shares is RM3,445,000 and a breakdown of the purchase consideration in respect of the shares in each of the Target Companies is as follows:

Target Companies	Luxury Ace	Milky Way Properties	Scenic Growth	Success Idea
Purchase Consideration (RM'000)	685	804	800	1,156

The Target Companies Purchase Consideration shall be paid or settled by CLMT in the following manner:

(i) upon execution of the Target Companies SPA, CLMT shall pay to Retail Galaxy's solicitors as stakeholder, an amount equivalent to 2% of the Target Companies Purchase Consideration as earnest deposit for the purchase of the Sale Shares ("**Earnest Deposit**");

(ii) within 5 business days from the day on which the last of the conditions precedent is fulfilled, deemed to be fulfilled or waived in accordance with the Target Companies SPA ("**Target Companies SPA Unconditional Date**"), CLMT shall deliver or caused to be delivered to Retail Galaxy's solicitors as stakeholder, a bank guarantee certificate for an amount equivalent to 3% of the Target Companies Purchase Consideration as the balance deposit for the purchase of the Sale Shares; and

(iii) on the Completion Date, subject to Retail Galaxy complying with its obligations at completion:

  (a) CLMT shall pay the sum of RM3,376,100 being the amount equivalent to 98% of the Target Companies Purchase Consideration to Retail Galaxy;

  (b) Retail Galaxy's solicitors shall release to Retail Galaxy, the Earnest Deposit together with all interest accrued and return to CLMT, the bank guarantee certificate in relation to the balance deposit.

3.1 Consideration adjustment amount

As soon as practicable but in no event more than 30 days following the Completion Date, CLMT shall prepare, or cause to be prepared, and deliver to Retail Galaxy the unaudited balance sheet of each of the Target Companies, which shall set forth the Total Assets and Total Liabilities of each of the Target Companies as of the Completion Date, prepared, or caused to be prepared, in the same manner, with consistent classification and estimation methodology used in the preparation of the Pro Forma Balance Sheet ("**Completion Date Balance Sheet**"). Within 7 days of the delivery of the Completion Date Balance Sheet by CLMT to Retail Galaxy, the Parties shall mutually agree on (i) the Completion Date Net Asset Value and (ii) the Consideration Adjustment Amount (if any) to be paid by CLMT to Retail Galaxy or by Retail Galaxy to CLMT, as the case may be.

For the purpose of this Clause 3.1, the Target Companies Purchase Consideration shall be adjusted based on the following formula:

A – B = C

Where:

A = Completion Date Net Asset Value being an amount in Ringgit Malaysia, which represents (a) the Total Assets, less (b) the Total Liabilities; shown on the Completion Date Balance Sheet

B = Net Asset Value being the amount of RM3,445,000, which represents (a) the total assets shown on the Pro Forma Balance Sheet, less (b) the total liabilities shown on the Pro Forma Balance Sheet.

C = Consideration Adjustment Amount

If the Consideration Adjustment Amount is:

(i) **positive**, then the Target Companies Purchase Consideration shall be increased by the Consideration Adjustment Amount and CLMT shall promptly (and in any event within 5 business days) after the final determination thereof pay to Retail Galaxy the Consideration Adjustment Amount;

(ii) **negative,** then the Target Companies Purchase Consideration shall be reduced by the Consideration Adjustment Amount and Retail Galaxy shall promptly (and in any event within 5 business days) after the final determination thereof refund to CLMT the Consideration Adjustment Amount.

In the context of this Clause 3.1, the following terms shall have the meaning set out below:

Completion Date Balance Sheet	:	means the unaudited balance sheet of each of the Target Companies, which shall set forth the Total Assets and Total Liabilities of each of the Target Companies as of the Completion Date, prepared, or caused to be prepared, in the same manner, with

consistent classification and estimation methodology, as the Pro Forma Balance Sheet was prepared.;

Completion Date Net Asset Value		means an amount in Ringgit Malaysia, which represents (a) the Completion Date Total Assets shown on the Completion Date Balance Sheet, less (b) the Completion Date Total Liabilities shown on the Completion Date Balance Sheet;
Net Asset Value	:	means the amount of RM3,445,000, which represents (a) the total assets shown on the Pro Forma Balance Sheet, less (b) the total liabilities shown on the Pro Forma Balance Sheet.
Pro Forma Balance Sheet	:	means the pro forma balance sheet of each of the Company as of 21 March 2023, in the form mutually agreed upon by CLMT and Retail Galaxy.
Total Assets	:	means the total assets of each of the Target Companies on the Completion Date, as determined by applying consistent principles, practices, methodologies and policies as those set forth in the Pro Forma Balance Sheet;
Total Liabilities	:	means the total liabilities of each of the Target Companies on the Completion Date, as determined by applying consistent principles, practices, methodologies and policies as those set forth in the Pro Forma Balance Sheet;

4. COMPLETION

4.1 Timing and Location

Subject to the completion of the Strata Parcels SPA occurring on the same day, completion shall take place on the Completion Date at the offices of any of the Target Companies or at such other location as may be agreed by the parties, where all the events detailed in Clause 4.2 shall occur.

4.2 Retail Galaxy's obligations at completion

Retail Galaxy shall on Completion Date deliver or cause to be delivered to CLMT:

(i) the share certificates in respect of the Sale Shares together with valid share transfer forms duly executed by Retail Galaxy in favour of CLMT to transfer the Sale Shares to the Trustee (as trustee for CLMT);

(ii) a copy of the resolution of the board of directors of each of the Target Companies (duly certified as being a true copy by a director or the secretary of the relevant Target Company) approving:

(a) subject to the stamping of the duly completed share transfer form(s), the transfer of the Sale Shares from Retail Galaxy to the Trustee (as trustee for CLMT) upon the terms of the Target Companies SPA;

(b) the cancellation of the existing share certificates in respect of the Sale Shares in favour of Retail Galaxy and the issuance of new share certificate(s) in respect of the Sale Shares in favour of the Trustee (as trustee for CLMT);

(c) the entry of the Trustee's name (as trustee for CLMT) into the Register of Members of each of the Target Companies in respect of the Sale Shares subject only to the production of duly stamped and completed share transfer form(s) in respect of the Sale Shares;

(d) the appointment of the incoming directors as directors of the board of each of the Target Companies with effect from the Completion Date;

(e) the revocation of all existing mandates for the operation of the bank accounts of each of the Target Companies and the granting of new mandates giving authority to those persons nominated by CLMT consistent with CLMT's policies regarding bank account management;

(iii) letter from each of the directors resigning as directors of each of the Target Companies with effect from the date of appointment of the incoming directors and confirming that the said directors have no claims whatsoever against any of the Target Companies in such form as may be required by CLMT; and cause:

(iv) such persons whose names shall be notified by CLMT to Retail Galaxy in writing, prior to the Target Companies SPA Unconditional Date to be validly appointed as directors of each of the Target Companies.

4.3 Settlement of existing shareholder's loan

CLMT shall cause and procure the Target Companies to repay all loan or advances owed by the Target Companies to Retail Galaxy and/or its related companies as at the Completion Date in full within 5 business days of the date the Sale Shares are registered in the name of the Trustee (on behalf of CLMT).

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4.4 Failure to complete

If the provisions of Clause 4.2 above are not complied with in any respect on the Completion Date by Retail Galaxy, CLMT shall not be obliged to complete the purchase of the Sale Shares or pay any of the Target Companies Purchase Consideration and may in its absolute discretion by written notice to Retail Galaxy:

(i) defer completion by a period of not more than 20 business days to such other date as it may specify in such notice (and so that the provisions of Clause 4.2 above shall apply to completion as so deferred);

(ii) waive all or any of the requirements contained or referred to in Clause 4.2 at its discretion (and without prejudice to its rights under the Target Companies SPA) and proceed to completion so far as practicable; or

(iii) terminate the Target Companies SPA without liability on its part.

5. TERMINATION

5.1 Failure to fulfill Conditions Precedent

In the event that any of the Conditions Precedent is not fulfilled or waived prior to the cut-off date (the date that falls 120 days from the date of the Target Companies SPA or such other later date as may be mutually agreed by the parties) then CLMT shall not be bound to proceed with the purchase of the Sale Shares and the Target Companies SPA shall cease to be of any effect and within 5 business days from such termination, Retail Galaxy's solicitors shall return the Earnest Deposit to CLMT and upon receipt of the Earnest Deposit together with all interest accrued thereon, the Target Companies SPA shall thereafter cease to have any further force or effect without prejudice to the rights of either party save for those which listed as to remain in force and in respect of claims arising out of any antecedent breach of the Target Companies SPA.

5.2 CLMT's rights to terminate

CLMT may give written notice to Retail Galaxy any time prior to completion, to terminate the Target Companies SPA if it is aware of any fact, matter or event (whether existing or occurring on or before the date of the Target Companies SPA or arising or occurring afterwards) which:

(i) constitutes a material breach by Retail Galaxy of the Target Companies SPA;

(ii) would constitute a material breach of any of the warranties in the Target Companies SPA; or

(iii) the Strata Parcels SPA is terminated in accordance with the terms thereof;

and in which event, Retail Galaxy shall cause Retail Galaxy's solicitors to return to CLMT the Earnest Deposit together with all interest accrued thereon and the bank guarantee certificate if it has been delivered to Retail Galaxy's solicitors prior to the termination within 5 business days from the date of such termination.

6. PRIVATE CAVEAT

Pending the issuance of the New Strata Titles, CLMT shall be entitled to lodge its private caveats respectively against each of the Target Companies Strata Parcels at any time hereafter to protect its interest in the Target Companies Strata Parcels PROVIDED THAT CLMT has prior to the lodgement of the private caveat, deposited with the Retail Galaxy's Solicitors as stakeholder, the duly executed withdrawal of private caveat form together with the requisite registration fees whereby Retail Galaxy's Solicitors shall be irrevocably authorized to withdraw the said private caveat immediately upon any lawful termination of the Target Companies SPA.

7. WARRANTIES

Under the Target Companies SPA, Retail Galaxy warrants and represents, among others that:

(i) the shares in each of the Target Companies have been properly and validly issued and allotted and each are fully paid or credited as fully paid;

(ii) each of the Target Companies is duly incorporated and validly existing under the laws of Malaysia and has been in continuous existence since its incorporation, registration or organisation;

(iii) none of the Target Companies has entered into any agreements or arrangements with or granted any option or the right of refusal in favour of, any third party for the purchase of the Target Companies Strata Parcels nor granted any power of attorney to any third parties in respect of any of Target Companies Strata Parcels, which is still subsisting as at the Completion Date;

(iv) none of the Target Companies Strata Parcels is subject to any interest, right of set off, caveat, prohibitory order, burden, liability, mortgage, charge, lease, right of way, easement, pledge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement or other security arrangement or agreement conferring a right to a priority of payment or encumbrance whatsoever and howsoever created or arising;

(v) the Target Companies have observed and complied with all conditions of title, covenants, restrictions in interest and category of land use, whether express or implied, in respect of the Target Companies Strata Parcels;

(vi) to the best of Retail Galaxy's knowledge, there has been no forfeiture or intended forfeiture of the Target Companies Strata Parcels or any part thereof by any relevant authority;

(vii) all applicable quit rents, rates, assessments and other lawful outgoings due to the relevant authorities in respect of the Target Companies Strata Parcels have been paid; and

(viii) all conditions affecting the Target Companies Strata Parcels whether express or implied under the National Land Code or any other statute and regulations have been complied with by the Target Companies.

FURTHER INFORMATION ON THE QBM PROPERTY

Postal address	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.
Registered owner(s)	• Special Coral for 433 strata titles within Queensbay Mall • Scenic Growth for 1 strata title within Queensbay Mall • Luxury Ace for 1 strata title within Queensbay Mall • Success Idea for 2 strata titles within Queensbay Mall • Milky Way Properties for 1 strata title within Queensbay Mall
Tenure	Freehold for all 438 strata titles within Queensbay Mall (which are the subject matter of the Proposed Acquisition)
Property use	Shopping mall
Age of the buildings	Approximately 16 years from completion and commencement of operations
Commencement of operations	December 2006
Gross strata area	Total of 1,282,681 square feet ("**sq ft")** as at the Valuation Date comprising of: • Strata title area: 881,833 sq ft • Accessories parcels to the strata titles: 45,338 sq ft • Car park: 355,510 sq ft
NLA	883,111 sq ft as at the Valuation Date
Occupancy rate	95% as at the Valuation Date inclusive of committed tenancies but not occupied as yet
Aggregate gross rental income per annum	RM80.61 million based on the aggregate of Special Coral's and the Target Companies' audited financial statements for FYE 31 December 2021.
Net book value	• RM953.09 million, being the value of the investment properties and property, plant and equipment of Special Coral extracted from its audited financial statements as at 31 December 2021. • RM3.25 million, being the aggregate audited net book value of the Target Companies as at 31 December 2021.
Encumbrances	• There is a charge registered on each of the 433 strata titles held by Special Coral in favour of MTB for the MTN Programme. • There are no encumbrances registered on the 5 strata titles held by Success Idea, Luxury Ace, Milky Way Properties and Scenic Growth. (Based on the land title search results conducted on 7 and 17 October 2022 ("**Land Title Search Results**"))

Express conditions based on the Land Title Search Results	All of the 438 strata titles within Queensbay Mall are subject to the express condition that the parcel shall be used for commercial purposes only.
Restrictions in interest based on the Land Title Search Results	All of the 438 strata titles within Queensbay Mall are subject to a restriction-in-interest endorsed on the master title, pursuant to which they cannot be transferred, charged, leased, sub-leased or subject to any other manner of dealings without the written consent of the State Authority.

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FURTHER FINANCIAL INFORMATION OF THE TARGET COMPANIES

1. Scenic Growth

A summary of the financial information of Scenic Growth based on its audited financial statements for the past 3 FYEs from 31 December 2019 to 31 December 2021 and the unaudited 8-months FPE 31 August 2022 is as follows:

	Audited FYE 31 December			Unaudited for the 8-months FPE 31 August 2022
	2019	2020	2021	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	68	52	54	24
Profit before tax ("**PBT**") / (loss before tax) ("**LBT**")	59	45	(1)	(8)
Profit after tax ("**PAT**") / (loss after tax) ("**LAT**")	(19)	33	(13)	(19)
Issued and paid-up capital	neg.(1)	neg.(1)	neg.(1)	neg.(1)
Shareholders' funds / net assets ("**NA**")	749	782	769	750
Number of shares in issue	2	2	2	2
External borrowings	-	-	-	-
Net earnings per share ("**EPS**")	(9.50)	16.50	(6.50)	(9.50)
NA per share	374.50	391.00	384.50	375.00
Gearing ratio (times) (2)	-	-	-	-
Current ratio (times) (3)	19.50	15.81	6.49	5.60

Notes:

(1) Negligible due to the issued and paid up share capital being only RM2.00.

(2) Calculated by dividing external borrowings with total asset value.

(3) Calculated by dividing current assets with current liabilities.

Scenic Growth's revenue for the FYEs 2019 to 2021 is due to the rental income from the leasing of the one strata title to the Queensbay Mall held by it.

Scenic Growth recorded a LBT in FYE 2021 due primarily to the higher impairment on trade receivables and nil fair value gain recognised on its investment property as compared to FYE 2020.

Scenic Growth recorded a LAT in FYE 2019 which is attributable to higher real property gain tax arising from the fair value gain on its investment property. The LAT in FYE 2021 was mainly attributable to expenses incurred during the financial year that was not deductible for tax purposes.

2. Luxury Ace

A summary of the financial information of Luxury Ace based on its audited financial statements for the past 3 FYEs from 31 December 2019 to 31 December 2021 and the unaudited 8-months FPE 31 August 2022 is as follows:

	Audited FYE 31 December			Unaudited for the 8-months FPE 31 August 2022
	2019	2020	2021	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	55	60	55	49
PBT / (LBT)	81	(52)	6	8
PAT / (LAT)	(9)	(54)	(7)	(2)
Issued and paid-up capital	neg.(1)	neg.(1)	neg.(1)	neg.(1)
Shareholders' funds / NA	676	622	615	613
Number of shares in issue	2	2	2	2
External borrowings	-	-	-	-
Net EPS	(4.50)	(27.00)	(3.50)	(1.00)
NA per share	338.00	311.00	307.50	306.50
Gearing ratio (times) (2)	-	-	-	-
Current ratio (times) (3)	16.58	15.27	6.03	6.26

Notes:

(1) Negligible due to the issued and paid up share capital being only RM2.00.

(2) Calculated by dividing external borrowings with total asset value.

(3) Calculated by dividing current assets with current liabilities.

Luxury Ace's revenue for the FYEs 2019 to 2021 is due to the rental income from the leasing of the one strata title to the Queensbay Mall held by it.

Luxury Ace recorded a LBT in FYE 2020 due to primarily to a fair value loss on its investment property during the financial year. In FYE 2021, Luxury Ace recorded a marginal PBT which was attributable to no fair value loss recognised on its investment property during the financial year as compared to FYE 2020.

Luxury Ace recorded a LAT in FYE 2019 primarily attributable to the effect of net cumulative fair value gain on its investment property which is subject to real property gains tax. For FYE 2021, the LAT recorded was primarily attributable to expenses incurred during the financial year that was not deductible for tax purposes.

3. Success Idea

A summary of the financial information of Success Idea based on its audited financial statements for the past 3 FYEs from 31 December 2019 to 31 December 2021 and the unaudited 8-months FPE 31 August 2022 is as follows:

	Audited FYE 31 December			Unaudited 8-months FPE 31 August 2022
	2019	2020	2021	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	31	30	33	23
PBT / (LBT)	216	(526)	91	(8)
PAT / (LAT)	34	(475)	81	8
Issued and paid-up capital	neg.(1)	neg.(1)	neg.(1)	neg.(1)
Shareholders' funds / NA	1,484	1,009	1,090	1,083
Number of shares in issue	2	2	2	2
External borrowings	-	-	-	-
Net EPS	17.00	(237.50)	40.50	4.00
NA per share	742.00	504.50	545.00	541.50
Gearing ratio (times) (2)	-	-	-	-
Current ratio (times) (3)	0.24	0.17	0.13	0.16

Notes:

(1) Negligible due to the issued and paid up share capital being only RM2.00.

(2) Calculated by dividing external borrowings with total asset value.

(3) Calculated by dividing current assets with current liabilities.

Success Idea's revenue for the FYEs 2019 to 2021 is due to the rental income from the leasing of the two strata titles to the Queensbay Mall held by it.

Success Idea recorded a LBT in FYE 2020 primarily attributable to a fair value loss on its investment properties during the financial year. In FYE 2021, a PBT was recorded due primarily to the recognition of a fair value gain on its investment properties during the financial year as compared to FYE 2020.

Success Idea recorded a lower LAT compared to its LBT in FYE 2020 but due primarily to the effects of a net cumulative fair value gain on its investment properties that is subject to real property gains tax. In FYE 2021, Success Idea recorded a PAT after taking into account the effect of a fair value loss on its investment properties subject to real property gains tax.

4. Milky Way Properties

A summary of the financial information of Milky Way Properties based on its audited financial statements for the past 3 FYEs from 31 December 2019 to 31 December 2021 and the unaudited 8-months FPE 31 August 2022 is as follows:

	Audited FYE 31 December			Unaudited 8-months FPE 31 August 2022
	2019	2020	2021	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	25	19	8	9
PBT / (LBT)	98	(127)	(125)	(10)
PAT / (LAT)	(31)	(117)	(116)	(11)
Issued and paid-up capital	neg.(1)	neg.(1)	neg.(1)	neg.(1)
Shareholders' funds / NA	1,008	891	775	763
Number of shares in issue	2	2	2	2
External borrowings	-	-	-	-
Net EPS	(15.50)	(58.50)	(58.00)	(5.50)
NA per share	504.00	445.50	387.50	381.50
Gearing ratio (times) (2)	-	-	-	-
Current ratio (times) (3)	0.33	0.25	0.10	0.14

Notes:

(1) Negligible due to the issued and paid up share capital being only RM2.00.

(2) Calculated by dividing external borrowings with total asset value.

(3) Calculated by dividing current assets with current liabilities.

Milky Way Properties' revenue for the FYEs 2019 to 2021 is due to rental income from the leasing of the one strata title to the Queensbay Mall held by it.

Milky Way Properties recorded a LBT in both FYEs 2020 and 2021 due primarily to the fair value loss incurred in its investment property during both the financial years.

Milky Way Properties recorded a LAT in FYE 2019 due primarily to the effects of a net cumulative fair value gain on its investment property that is subject to real property gains tax. In both FYEs 2020 and 2021, Milky Way Properties recorded lower LAT compared to its LBT due primarily to the effects of the fair value loss on its investment property that is subject to real property gains tax.