RELATED PARTY TRANSACTION ANNOUNCEMENT: CAPITALAND MALAYSIA TRUST ("CLMT")

PROPOSED ACQUISITION BY MTRUSTEE BERHAD ("TRUSTEE" OR THE "PURCHASER"), ON BEHALF OF CLMT, OF TWO (2) SEMI-DETACHED FACTORIES WITH MEZZANINE OFFICE AND WITH GUARD POSTS BEARING POSTAL ADDRESS NO. 2 & 4, JALAN TEKNOLOGI PERINTIS 1/1, TAMAN TEKNOLOGI NUSAJAYA, 79200 ISKANDAR PUTERI, JOHOR DARUL TAKZIM, MALAYSIA ("PROPERTY 1") AND ONE (1) DETACHED FACTORY WITH MEZZANINE OFFICE AND A GUARD POST BEARING POSTAL ADDRESS NO. 12, JALAN TEKNOLOGI PERINTIS 1/3, TAMAN TEKNOLOGI NUSAJAYA, 79200 ISKANDAR PUTERI, JOHOR DARUL TAKZIM, MALAYSIA ("PROPERTY 2") (COLLECTIVELY REFERRED TO AS THE "PROPERTIES") FROM NUSAJAYA TECH PARK SDN. BHD.

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1. INTRODUCTION

The Board of Directors of CapitaLand Malaysia REIT Management Sdn. Bhd. ("**Board**"), being the management company of CLMT ("**Manager**"), wishes to announce that the Trustee on behalf of CLMT, entered into a conditional sale and purchase agreement ("**SPA**") with Nusajaya Tech Park Sdn. Bhd. (Registration No: 201201034360 (1018848-H)) ("**NTP**" or "**Vendor**") on 5 February 2024 for the acquisition of the Properties for a total cash consideration of RM27,000,000 (the "**Proposed Acquisition**").

In view of the interests of certain Directors and major shareholder of the Manager and certain major unitholders of CLMT ("**Interested Parties**") as set out in Section 8 of this announcement, the Proposed Acquisition is deemed a related party transaction pursuant to Rule 10.08 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition

Subject to the fulfilment of Conditions Precedent (as defined below), the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties and the fixtures and fittings affixed thereto (as set out in Schedule II of the SPA and not forming part of the fixtures and fittings of the lessees of the Properties), on an "as is where is basis", free from all encumbrances, but subject to the leases under the Lease Agreements (as defined below), conditions of title (express or implied) and restrictions-in-interests endorsed on the land title to the respective Properties, for a total cash consideration of RM27,000,000 ("**Purchase Price**").

2.2 Information of the Properties

The Properties are freehold industrial lands together with buildings erected thereon located within the Nusajaya Tech Park, Iskandar Puteri, Johor Darul Takzim. Each of the lands comprised in the Properties separately houses its own industrial premises, as further described below:

Property 1	:	Two (2) semi-detached factories with mezzanine office and with guard posts.
Property 2	:	One (1) detached factory with mezzanine office and a guard post.

Further information of the Properties is as follows:

	Property 1	**Property 2**
Identification of the Property and the title	Freehold lands held under titles H.S.(D) 548712, No PTD 4488 ("**PTD 4488 Land**"), and H.S.(D) 548713, No. PTD 4489 ("**PTD 4489 Land**"), both in Mukim Tanjung Kupang, Daerah Johor Bahru, Negeri Johor	Freehold land held under title H.S.(D) 548701, No. PTD 4474, Mukim Tanjung Kupang, Daerah Johor Bahru, Negeri Johor
Postal Address	No. 2 & 4, Jalan Teknologi Perintis 1/1, Taman Teknologi Nusajaya, 79200 Iskandar Puteri, Johor Darul Takzim, Malaysia	No.12, Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya, 79200 Iskandar Puteri, Johor Darul Takzim, Malaysia
Description of the Properties	Two (2) semi-detached factories with mezzanine office, each factory comes with one guard post	One (1) detached factory with mezzanine office and one guard post
Tenure	Freehold	Freehold
Provisional Land Area	0.5254 hectares (equivalent to approximately 1.30 acres)	0.441 hectares (equivalent to approximately 1.09 acres)
Lettable Area	42,048 sq. ft.	32,094 sq. ft.
Approximate Age of Building	6 Years	7 Years
Category of Land Use	Industrial	Industrial
Express Conditions	<u>In respect of the PTD 4488 Land and Property 2</u> i. *Tanah ini hendaklah digunakan untuk kilang bagi tujuan Perusahaan Sederhana Sesebuah dan kegunaan lain yang berkaitan dengannya, dibina megikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.* (This land shall be used for factories for the purpose of a medium industry and any other related uses, constructed according to the plan approved by the relevant Local Authority.) ii. *Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Tempatan yang berkenaan.* (Any dirt and pollution caused by this activity shall be channelled to the designated location as required by the relevant Local Authority.) <u>In respect of the PTD 4489 Land</u> i. Tanah yang terkandung di dalam hakmilik ini hendaklah digunakan untuk kilang bagi tujuan Perusahaan Sederhana Berbandung dan kegunaan lain yang berkaitan dengannya dibina megikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. (*This land shall be used for factories for the purpose of medium industry and any other related uses, constructed according to the plan approved by the relevant Local Authority.*) ii. *Segala kekotoran dan pencemaran akibat aktiviti ini hendaklah disalurkan/dibuang ketempat tempat yang telah ditentukan oleh Pihak Berkuasa Tempatan yang berkenaan.* (Any dirt and pollution caused by this activity shall be channelled / disposed of to the designated location as required by the relevant Local Authority.)	

	In respect of all the Properties *Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa hendaklah dipatuhi. (*All policies and conditions set and enforced by the relevant Local Authority from time to time shall be adhered to.)	
Restriction in Interest	*Tanah ini tidak dibenarkan dipindahmilik dengan apa cara sekalipun melainkan infrastruktur untuk kemudahan awam di kawasan kilang telah mula dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.* (This land is not allowed to be transferred in any way whatsoever unless the infrastructure for public amenities in the factory area has begun to be constructed in accordance with the plan approved by the relevant Local Authority).	
Existing Charges	Charge in favour of Public Bank Berhad (Registration No. 196501000672 (6463-H)) ("**Public Bank**") registered on 22 June 2015 vide Presentation No. 48389/2015.	Charge in favour of Public Bank registered on 22 June 2015 vide Presentation No. 48397/2015.

The information on the lease of the Properties ("**Lease Agreements**") is as follows:

	Property 1	**Property 2**
Lessee	Edmund Optics Malaysia Sdn. Bhd.	Altek Medical Sdn. Bhd.
Existing Use of the Properties	Manufacturing of Optics	Assembly of Medical Equipment and its related products
Term of Lease	Fixed period of 6 years with an option to renew for another 6 years	Fixed period of 6 years with an option to renew for another 6 years
Lettable Space	PTD 4488 Land: 23,219 sq. ft. PTD 4489 Land: 18,828 sq. ft.	32,094 sq. ft.
Rental	RM90,183 per month collectively as at the date hereof	RM73,816 per month as at the date hereof
Occupancy Rate	100%	100%

2.3 Salient terms of the SPA

2.3.1 Manner of settlement of the Purchase Price

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

	Amount (RM)	Percentage of Purchase Price (%)	Timing
(i) Deposit payable to Vendor ("**Deposit**")	2,700,000	10.00	To be paid to the Vendor simultaneously with the Purchaser's execution of the SPA
(ii) The balance of the Purchase Price ("**Balance Sum**")	24,300,000	90.00	To be paid within 3 months from the Unconditional Date (as defined below) ("**Completion Period**") in accordance with Clause 3.1(b) of the SPA. The date the Vendor's solicitor's receipt of the Balance Sum shall be referred to as "**Full Settlement Date**".
	27,000,000	**100.00**	

The Balance Sum shall be paid by the Purchaser in the following manner in accordance with Clause 3.1(b) of the SPA:

(i) to Public Bank for the release and discharge of the Existing Charges, the redemption sum on the redemption date as set out in the redemption statement ("**Redemption Sum**"); and

(ii) to the Vendor's solicitors as stakeholders, the Balance Sum less the Redemption Sum, which is to be dealt with by the Vendor's solicitors in accordance with the SPA.

In the event the Redemption Sum exceeds the Balance Sum, the Vendor shall pay the differential sum between the Redemption Sum and the Balance Sum to the Existing Chargees within ten (10) Business Days from the date of receipt of the redemption statement by the Vendor's solicitors and furnish to the Purchaser the relevant documentary proof of such payment of such differential sum.

(b) The Vendor's solicitors are authorised by the parties to release the Balance Sum less the Redemption Sum, if any, to the Vendor upon:

(i) expiry of fourteen (14) days from the date of presentation of the instrument of transfer ("**Transfer**") for registration with the relevant land registry; or

(ii) expiry of twenty-one (21) days after the delivery of the relevant discharged documents to the Purchaser's solicitors,

whichever date is the earlier.

2.3.2 Conditions Precedent

The sale and purchase of the Properties is conditional upon the Vendor satisfying the following conditions ("**Conditions Precedent**") within 9 months from the date of the SPA ("**Conditional Period**"):

(a) completed the fit-out and rectification works for the Properties ("**Pre-Completion Works**"); and

(b) obtained (i) the approval letter(s) of the relevant land registry to remove the existing restriction-in-interest, or to amend the existing restriction-in-interest to "*Tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara / Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri*" ("**Amendment Approval Letter**"), and (ii) the issue document of titles to the Properties with such amended restriction-in-interest endorsed thereon and with all other terms, conditions and particulars endorsed as at the date of the SPA on the issue document of title to each Property remaining unchanged ("**Amended Titles**").

2.3.3 Extension of Conditional Period

In the event any of the Conditions Precedent remains not fulfilled by the Vendor upon expiry of the Conditional Period, and provided that either party to the SPA has not exercised any right to terminate the SPA, upon the expiry of:

(a) the Conditional Period, such period shall be automatically extended for 3 months (or such further period as mutually agreed) ("**Extended Conditional Period**"); or

(b) the Extended Conditional Period, either party shall be entitled to terminate the SPA by way of written notice to the other party.

2.3.4 SPA Becoming Unconditional

The SPA shall become unconditional on the date of the Purchaser's receipt of documentary evidence for fulfilment of the Conditions Precedent, including the Certificate of Completion and Compliance for the Pre-Completion Works, and the Amendment Approval Letter and the Amended Titles ("**Unconditional Date**").

2.3.5 Interest Payable on Outstanding Balance Sum During Extended Completion Period

In the event that the Purchaser fails to pay the Balance Sum in full on or before the expiry of the Completion Period, the Vendor shall grant to the Purchaser an automatic extension of one (1) month from the expiry of the Completion Period ("**Extended Completion Period**") to pay the outstanding Balance Sum subject to payment by the Purchaser of interest at the rate of eight per centum (8%) per annum calculated on a daily basis on the outstanding Balance Sum ("**Interest**") from the day following the expiry of the Completion Period to the date of payment of the outstanding Balance Sum. Such Interest shall be paid together with the outstanding Balance Sum to the Vendor.

2.3.6 Termination of SPA

The SPA may be terminated in the event of the following:

(a) as part of fulfilment of any of the Conditions Precedent, any application to the relevant authority is rejected or any appeal relating to an adverse condition imposed by the relevant authority is rejected;

(b) if any of the Conditions Precedent remains unfulfilled at the expiry of the Extended Conditional Period;

(c) the Purchaser fails to pay the Balance Sum in full upon expiry of the Extended Completion Period;

(d) any material breach by the Purchaser of the SPA which is not rectified within 14 days, prior to the Full Settlement Date;

(e) the Vendor fails to complete the sale under the SPA or any material breach by the Vendor of the SPA;

(f) the transfer in respect of all the Properties cannot be registered for any reason or defect not attributable to any act, omission, fault, neglect and/or blameworthy conduct of the parties to the SPA and which cannot be rectified within 1 month from the parties' knowledge of that reason or defect or such later date as may be mutually agreed;

(g) the Properties shall be subject to any notice of compulsory acquisition or intended compulsory acquisition before the registration of the Transfer;

(h) if the performance by any party of its obligations under the SPA is affected by force majeure events for a continuous period more than 3 months and the parties are unable to agree on a further extension; or

(i) if any event occurs prior to the delivery of legal possession to the Purchaser resulting in the Properties or any part thereof being destroyed or damaged, and the Vendor elects not to reinstate the Properties or fails to do so within the stipulated timeframe.

2.4 Basis of and Justification for the Purchase Price

The Purchase Price was arrived at on a "willing buyer willing seller" basis based on the market value of the Property of RM28.2 million, as appraised by Nawawi Tie Leung Property Consultants Sdn Bhd (Registration No. 200201011415 (579078-V)), an independent firm of registered valuers, in its valuation report dated 15 January 2024 ("**Valuation**"). The Valuation was derived using the income approach, with the comparison approach as a check.

2.5 Liabilities to be Assumed by CLMT

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

2.6 Source of Funding

The Proposed Acquisition will be funded by bank borrowings.

3. INFORMATION OF THE VENDOR

NTP is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 28 September 2012 and is deemed registered under the Companies Act, 2016. NTP is in the business of property development.

As at 5 January 2024, being the latest practicable date prior to this announcement ("**LPD**"), the total issued capital of the Vendor is RM53,250,000 comprising 10,250,000 ordinary shares and 43,000,000 preference shares.

As at the LPD, the directors of the Vendor are Khiatani Manohar Ramesh, Erika Mushtarina Bin Mat Ariffin, Irwin Bin Mohd Eusoff, Tan Yew Chin, Chew Peet Mun Hillary and Phua Min Tze (alternate director to Tan Yew Chin).

The substantial shareholders of the Vendor together with their respective direct and/or indirect shareholdings are as follows:

Name	Direct				Indirect			
	No. of Ordinary Shares	%	No. of Preference Shares	%	No. of Ordinary Shares	%	No. of Preference Shares	%
Ascendas Land (Malaysia) Sdn Bhd ("**ALM**")	6,150,000	60	25,800,000	60	-	-	-	-
UEM Land Berhad ("**UEM Land**")	4,100,000	40	17,200,000	40	-	-	-	-

4. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION AND PROSPECTS OF THE PROPERTIES

4.1 CLMT's Investment Objectives

The Proposed Acquisition is in line with CLMT's investment objective to deliver long term and sustainable distribution of income to unitholders by acquiring quality real estate with stable recurring income.

The Proposed Acquisition would further improve the asset diversification of the overall property portfolio of CLMT with the entry into the manufacturing sector of the industrial market.

4.2 Prospects of the Properties

The Properties are a set of Ready Built Facilities ("**RBF**") located within Nusajaya Technology Park. Nusajaya Technology Park is a renowned and well-established e-commerce industrial park strategically located in Iskandar Puteri, Johor.

Nusajaya Technology Park is strategically located within minutes from the Malaysia-Singapore Second Link Expressway, Nusajaya Technology Park offers seamless connectivity to a network of international airports and seaports in both Singapore and Malaysia. Nusajaya Technology Park's prime location ensures efficient transportation and enables easy access to global markets for businesses operating in the park.

Nusajaya Technology Park is designed to accommodate a wide range of light to medium industries, it is home to multinational corporations and leading local enterprises from various industries, including aerospace, automotive electronics, precision engineering, IT, e-commerce and data centres.

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

4.3 Accretion of Distribution Per Unit

The Proposed Acquisition is potentially accretive to CLMT's Distribution Per Unit, upon completion of the SPA.

5. RISK OF THE PROPOSED ACQUISITION

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

(i) changes in environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;

(ii) adverse changes in economic conditions;

(iii) adverse local market conditions;

(iv) higher financing cost reducing the profitability;

(v) accessibility to subject properties may be impacted if there is a major change in the ingress and egress to the subject properties;

(vi) competition arising from better and more technologically advanced industrial parks which may impact its rental and renewal;

(vii) prolonged downtime after non-renewal of the existing leases by existing lessees; and

(viii) potential default by the lessees.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Unitholders' Capital and Substantial Unitholders' Unitholding

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

6.2 Net Asset Value ("NAV") per unit

The Proposed Acquisition is not expected to have a material effect on the NAV of CLMT.

6.3 Distributable income, Earnings per unit and Distribution per unit

The Proposed Acquisition is expected to contribute positively to the earnings of CLMT for the financial year ending 31 December 2024 upon completion of the SPA.

6.4 Gearing

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

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Based on CLMT's audited consolidated financial position as at 31 December 2022	36.2%	36.6%
Based on CLMT's unaudited consolidated financial position as at 31 December 2023	42.4%	42.7%

The gearing ratios are below the gearing limit of 50% prescribed by the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission, Malaysia on 15 March 2018 (revised on 28 November 2022).

7. APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION

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

The Proposed Acquisition is not subject to and conditional upon any approvals from regulatory authorities. For the avoidance of doubt, the SPA is conditional upon the obtaining of the Amended Approval Letter and the Amended Titles as one of the Conditions Precedent under the SPA.

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

Save as disclosed below, none of the Directors of the Manager, major shareholder of the Manager, major unitholders of CLMT and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition:

(i) CapitaLand Group Pte Ltd ("**CLG**") is an indirect major shareholder of the Manager by virtue of its shareholdings in CapitaLand Investment Limited ("**CLI**"), the indirect holding company of the Manager. CLG is also an indirect major shareholder of NTP by virtue of its 100% indirect shareholdings in ALM.

(ii) CLI, a subsidiary of CLG is also an indirect major Unitholder of CLMT by virtue of its indirect interest in CMMT Investment Limited and Menang Investment Limited who directly hold stake in CLMT.

Mr Tan Choon Siang, Mr Lim Cho Pin Andrew Geoffrey and Ms Goh Gek Hiang are nominee directors of CLI on the Board and deemed interested to the Proposed Acquisition.

Mr Tan Boon Peng, the director of the Manager has also declared his interest by virtue of his holdings of 0.0025% interest in UEM Sunrise Berhad, the sole shareholder of UEM Land and deemed interested to the Proposed Acquisition.

Accordingly, Mr Tan Choon Siang, Mr Lim Cho Pin Andrew Geoffrey, Ms Goh Gek Hiang and Mr Tan Boon Peng ("**Interested Directors**") being the Interested Directors, have abstained and will continue to abstain from all deliberations and voting at all board meetings of the Manager in relation to the Proposed Acquisition.

9. RELATED PARTY TRANSACTIONS

The aggregate total amount transacted between CLMT and the same related parties in the past 12 months is approximately RM1.03 billion.

In the past 12 months preceding the LPD, there has been no transaction by CLMT with NTP, except for the Proposed Acquisition.

10. STATEMENT BY THE AUDIT COMMITTEE OF THE MANAGER

The Audit Committee of the Manager, after careful deliberation and having considered the rationale and all aspects of the Proposed Acquisition, and evaluation by the internal auditors is of the opinion that the Proposed Acquisition is:

(i) in the best interest of CLMT;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the minority Unitholders of CLMT.

11. DIRECTORS' STATEMENT

The Board (save for the Interested Directors who have abstained from deliberating and voting on the Proposed Acquisition) having considered the rationale and all aspects of the Proposed Acquisition, and evaluation by the internal auditors is of the opinion that the Proposed Acquisition is:

(i) in the best interest of CLMT;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the minority Unitholders of CLMT.

12. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g)(ix) of the Listing Requirement of Bursa Securities is approximately 0.7%, based on CLMT's audited financial statements as at 31 December 2022.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the fourth quarter of 2024.

14. DOCUMENTS AVAILABLE FOR INSPECTION

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

(i) the SPA; and
(ii) the valuation report dated 15 January 2024.

This announcement is dated 5 February 2024.