

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

PROPOSED ACQUISITION BY MTRUSTEE BERHAD, ON BEHALF OF CLMT, OF A SINGLE-STOREY INDUSTRIAL BUILDING/WAREHOUSE CURRENTLY BEING CONSTRUCTED ON TWO PIECES OF CONTIGUOUS FREEHOLD LANDS LOCATED WITHIN ELMINA BUSINESS PARK, SUNGAI BULOH, SELANGOR, MALAYSIA FROM PTT LOGISTICS HUB 1 SDN. BHD.

1. INTRODUCTION

The Board of Directors of CapitaLand Malaysia REIT Management Sdn. Bhd. (“**Board**”), being the management company of CLMT (“**Manager**”), wishes to announce that MTrustee Berhad (“**MTrustee**” or “**Purchaser**”) on behalf of CLMT, has entered into a conditional sale and purchase agreement (“**SPA**”) with PTT Logistics Hub 1 Sdn. Bhd. (Registration No. 202301039420 (1533340-K)) (“**PTTLH1**” or “**Vendor**”) on 2 December 2024 for the proposed acquisition of a single-storey industrial building/warehouse with an annexed three-storey office building together with the ancillary buildings (collectively, the “**Building**”) currently being constructed on two pieces of contiguous freehold lands located within Elmina Business Park, Sungai Buloh, Selangor, Malaysia, equipped with Automated Storage and Retrieval System (“**ASRS**”) (collectively, the “**Property**”) for a total cash consideration of RM180,000,000.00 (“**Proposed Acquisition**”).

Upon completion of the SPA, the Purchaser will enter into a lease agreement (“**Lease Agreement**”) with Projek Tetap Teguh Sdn. Bhd. (Registration No. 202301035021 (1528944-X)) (“**Lessee**”), an indirect wholly-owned subsidiary of PTT Synergy Group Berhad for the lease of the Property from the Purchaser to the Lessee (“**Proposed Lease**”).

The percentage ratio applicable to the Proposed Acquisition is 3.5% of the total asset value of CLMT Group and the consideration for the Proposed Acquisition is to be satisfied by the Purchaser in cash. As the percentage ratio of the Proposed Acquisition is less than 5%, pursuant to Paragraph 10.05(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Manager is not required to announce the Proposed Acquisition to Bursa Securities. However, the Manager wishes to voluntarily announce the Proposed Acquisition under Paragraph 10.05(2) of the Listing Requirements.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition

MTrustee, for and on behalf of CLMT, has agreed to acquire the Property for a total lump sum consideration of RM180,000,000.00 (“**Purchase Price**”). The Property is to be acquired free from encumbrances but subject to the terms and conditions stipulated in the SPA entered into between MTrustee and PTTLH1 on 2 December 2024.

Upon completion of the SPA, the Purchaser will grant to the Lessee a fixed term lease of 10 years with an option to renew for another 2 terms of 5 years each.

MTrustee has approved the Proposed Acquisition in accordance with the provisions of the Fifth Amended and Restated Deed dated 13 July 2021 entered into between MTrustee and the Manager constituting CLMT.

2.2 Information of the Development

The Building is currently being constructed by PTT Development Sdn. Bhd. (Registration No. 198201001372 (81116-T)) (“**PTTD**”), a wholly-owned subsidiary of PTT Synergy Group Berhad and shall be developed in accordance with the approved development order and building plan. The construction of the Building is estimated to be completed by the first half of 2025.

2.3 Information on the Property and Proposed Lease

The Property consists of a single-storey industrial building/ warehouse with an annexed three-storey office building together with the ancillary buildings with ASRS currently being constructed on two pieces of contiguous freehold lands held under the following individual titles:

- (a) H.S.(D) 90268, PT No. 50054, Mukim Rawang, Daerah Gombak, Negeri Selangor, measuring approximately 15,042 square meters (“**Land 1**”); and
- (b) H.S.(D) 90267, PT No. 50053, Mukim Rawang, Daerah Gombak, Negeri Selangor, measuring approximately 11,295 square meters (“**Land 2**”),

(collectively, the “**Lands**”), the location of which is shown in the location plan below:



Further information of the Lands is set out as follows:

Table A: Information of the Lands

	Land 1	Land 2
Tenure	Freehold	Freehold
Land Area	15,042 square metres	11,295 square metres
Category of Land Use	Industrial (<i>Industri</i>)	Industrial (<i>Industri</i>)
Express Conditions	Medium-sized Industrial (<i>Industri Sederhana</i>)	Medium-sized Industrial (<i>Industri Sederhana</i>)
Restriction-in-Interest	Nil (<i>Tiada</i>)	Nil (<i>Tiada</i>)
Encumbrances	Charge in favour of AmBank Islamic Berhad (Registration No. 199401009897 (295576-U)) registered on 5 June 2024 vide Presentation No. 00SC98434/2024	Charge in favour of AmBank Islamic Berhad (Registration No. 199401009897 (295576-U)) registered on 5 June 2024 vide Presentation No. 00SC98500/2024

Information on the Building is set out as follows:

Table B: Information on the Building

Subject	Information
Description of the Building	A single-storey industrial building/ warehouse with an annexed three-storey office building together with the ancillary buildings with ASRS erected on the Lands
Total Built-Up Area of the Building	Approximately 14,866.67 square metres (equivalent to 160,023.5 square feet)
Total Number of Pallets	More than 30,000
Loading Bays	19 bays equipped with Hydraulic Dock Levellers
Building Features	<ul style="list-style-type: none"> • Flat Floor (Staging Area) • Superflat Floor (ASRS) • Automatic Roller Shutter • LED Lighting Fixtures • Fire Sprinkler System

Information on the Proposed Lease is set out as follows:

Table C: Information on the Proposed Lease

	Subject Property
Lessee	Projek Tetap Teguh Sdn. Bhd.
Lessee's Nature of Business	Develop and lease of warehouse
Term of Lease	A fixed term of 10 years with an option to renew for another 2 terms of 5 years each
Agreed Monthly Rental	RM1,022,800.00 (subject to the agreed incremental adjustments throughout the term of the Lease)
Occupancy	100%
Permitted Use	For office and industrial purpose

2.4 Salient terms of the SPA

2.4.1 Manner of settlement of the Purchase Price

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

	Amount (RM)	Percentage of Purchase Price (%)
Deposit	18,000,000.00	10%
Balance Purchase Price	162,000,000.00	90%

(b) Upon the execution of the SPA, a deposit amounting to RM18,000,000.00 only, representing 10% of the Purchase Price ("**Deposit**") shall be paid to the Vendor's solicitors as stakeholders, who are authorised to release the Deposit to the Vendor upon the SPA becoming unconditional.

(c) Within 3 months from the date upon which the SPA becomes unconditional, the Purchaser shall pay the balance of the Purchase Price amounting to RM162,000,000.00 only, representing 90% of the Purchase Price ("**Balance Purchase Price**") to the Purchaser's solicitors as stakeholders, who are authorised to release the Balance Purchase Price in the following manner:

(i) towards settlement of the outgoings payable by the Vendor as apportioned in accordance with the provision of the SPA;

- (ii) a sum equivalent to the redemption sum payable to AmBank Islamic Berhad (“**Existing Chargee**”) for the release and discharge of the existing charges in respect of the Property to be paid to the Existing Chargee to redeem the Property;
- (iii) an amount of RM3,068,400.00, which sum represents the security deposit equivalent to 3 months’ rental pursuant to the Lease Agreement to be released to the Purchaser; and
- (iv) the remaining sum of the Balance Purchase Price (including all interest accrued thereon) to be released to the Vendor immediately after the period of 14 days from the date of presentation of the discharge and transfer documents at the relevant land registry or within 5 business days from the date of registration of the titles in favour of the Purchaser, whichever is the earlier.

2.4.2 Conditions Precedent

- (a) The completion of the sale and purchase of the Property is conditional upon the following being fulfilled / obtained by the date falling 6 months after the date of the SPA with an automatic extension of 3 months, or such other extended dates as the parties may mutually agree upon in writing (“**Cut-Off Date**”):
 - (i) the approval of the Vendor’s shareholders approving the sale and disposal of the Property in accordance with the terms and conditions contained in the SPA;
 - (ii) the completion of the construction of the Building together with the issuance of the certificate of completion and compliance for the Building;
 - (iii) the completion of the installation and fit-out of ASRS;
 - (iv) the execution of the Lease Agreement concurrently with the SPA;
 - (v) the approval of the Board of Directors of the Purchaser approving the purchase and acquisition of the Property in accordance with the terms and conditions contained in the SPA; and
 - (vi) the issuance of a written confirmation from the Equity Development Division of the Ministry of Economy or such other ministry, governmental office, department(s) and/or competent authority having a purview, guidance and/or regulatory authority over the SPA (“**MOE**”) that the MOE’s approval is not required and/or the MOE does not have any objection for the Purchaser to acquire the Property from the Vendor.

(collectively, the “**Conditions Precedent**”).

- (b) The SPA shall become unconditional on the date all the Conditions Precedent have been satisfied, being a date not later than the Cut-Off Date.

The date of completion of the SPA shall be the date on which the Purchase Price together with any late payment interest (if any) is paid in full by the Purchaser in accordance with the terms and conditions of the SPA.

2.5 Basis of the Purchase Price

The Purchase Price was arrived at on a “willing buyer willing seller” basis based on the market value of the Property of RM180,500,000.00, as appraised by JLL Appraisal & Property Services Sdn. Bhd., an independent firm of registered valuers, in its valuation report dated 15 November 2024 (“**Valuation**”). The Valuation was derived using the income approach, with the cost approach as a check.

2.6 Liabilities to be assumed by CLMT

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

2.7 Source of Funding

The Proposed Acquisition will be funded by bank borrowings.

3. INFORMATION ON THE VENDOR

PTTLH1 is a private limited company incorporated in Malaysia on 6 October 2023 under the Companies Act 2016. PTTLH1 is principally involved in renting and operational leasing of automated storage and retrieval system together with warehouse.

As at the latest practicable date (“LPD”) of 13 November 2024, the issued share capital of PTTLH1 is RM3,000,000.00 comprising 3,000,000 ordinary shares. As at the LPD, PTTLH1 is a wholly-owned subsidiary of PTT Synergy Group Berhad.

As at the LPD, the directors of PTTLH1 are Datin Ng Fong Shiang and Teo Swee Pin.

4 RATIONALE FOR THE PROPOSED ACQUISITION AND PROSPECTS OF THE PROPERTY

4.1 CLMT’s Investment Objectives

The Proposed Acquisition is in line with CLMT’s investment objective to deliver long term and sustainable distribution of income to unitholders by acquiring quality real estate with stable recurring income. The Proposed Acquisition would further improve the asset diversification of the overall property portfolio of CLMT with the inclusion of an additional asset in the logistics sector.

4.2 Prospects of the Property

The Property is strategically located within Elmina Business Park (EBP), a modern 1,500-acres industrial and business park. Its prime location offers excellent connectivity to major highways in the Klang Valley, including the North-South Expressway (NSE), Guthrie Corridor Expressway (GCE), North Klang Valley Expressway (NKVE), Damansara-Shah Alam Elevated Expressway (DASH), and Kuala Lumpur-Kuala Selangor Expressway (LATAR). This strategic positioning ensures seamless access to key transportation routes, facilitating efficient logistics and distribution.

Moreover, the Property's proximity to Subang Airport and Port Klang provides additional logistical advantages. This strategic location makes it an ideal choice for businesses seeking efficient operations and access to both domestic and international markets.

The Property is an automated warehouse equipped with an ASRS racking system. The ASRS racking system optimises warehouse space utilisation by maximising vertical storage and minimising aisle space. It enhances the accuracy of goods placement and retrieval, reduces errors and ensures efficient inventory management.

Automated warehouses with ASRS are becoming increasingly popular and in high demand among businesses due to their ability to cut labour costs and minimise human error, leading to enhanced operational efficiency. Their versatility also makes them attractive to a wide range of industries, as they can adapt to store various types of goods, supporting diverse business needs and future growth.

4.3 Accretion of Distribution Per Unit

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

5 RISK FACTORS

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

- (a) Non-fulfilment of the Conditions Precedent in the SPA;
- (b) Non-registration of the transfer of the Property;
- (c) Compulsory acquisition of the Property by the Government;
- (d) Adverse changes in economic conditions;
- (e) Adverse local market conditions;
- (f) Changes in environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- (g) Potential default by the Lessee;
- (h) Competition arising from new warehouses with bigger space and/or better facilities which may impact rental and renewal; and
- (i) Acts of God, uninsurable losses and other factors.

6 EFFECTS OF THE PROPOSED ACQUISITION

6.1 Unitholders' Capital and Substantial Unitholders' Unitholding

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

6.2 Net Asset Value ("NAV")

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

6.3 Earnings

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

6.4 Gearing

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

	Before the Proposed Acquisition	After the Proposed Acquisition
Based on CLMT's audited consolidated financial position as at 31 December 2023	42.4%	44.4%
Based on CLMT's unaudited consolidated financial position as at 30 September 2024	42.1%	44.1%

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

7 APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION

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

The Proposed Acquisition is not subject to or conditional upon any approvals from regulatory authorities being obtained.

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

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

9 DIRECTORS' STATEMENT

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

10 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the second half of 2025.

11 PERCENTAGE RATIO APPLICABLE TO THE PROPOSED ACQUISITION

The percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g)(ix) of the Listing Requirements is 3.5%.

12 DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the SPA; and
- (b) the valuation report on the Property dated 15 November 2024.

This announcement is dated 2 December 2024.