

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

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*(Constituted under the deed of trust dated 18 July 2012 (as amended and restated on 25 October 2018) between IGB REIT Management Sdn Bhd (Registration No. 201201006785 (908168-A)) and MTrustee Berhad (Registration No. 198701004362 (163032-V)), both companies incorporated in Malaysia)*

**CIRCULAR TO UNITHOLDERS IN RELATION TO THE**

**PART A**

**PROPOSED ACQUISITION BY MTRUSTEE BERHAD, ACTING AS THE TRUSTEE FOR AND ON BEHALF OF IGB REAL ESTATE INVESTMENT TRUST ("IGB REIT"), OF THE MALL, MID VALLEY SOUTHKEY, JOHOR TOGETHER WITH THE RELATED ASSETS AND RIGHTS FROM SOUTHKEY MEGAMALL SDN BHD, AN INDIRECT 70%-OWNED SUBSIDIARY OF IGB BERHAD, FOR A PURCHASE CONSIDERATION OF RM2.65 BILLION ("PROPOSED ACQUISITION")**

**PART B**

**INDEPENDENT ADVICE LETTER FROM INTER-PACIFIC SECURITIES SDN BHD TO THE NON-INTERESTED UNITHOLDERS OF IGB REIT IN RELATION TO THE PROPOSED ACQUISITION**

**AND**

**NOTICE OF UNITHOLDERS' MEETING**

**Joint Principal Advisers**



**Investment Bank**

**Maybank Investment Bank Berhad**  
(Company Registration No. 197301002412)  
(A Participating Organisation of Bursa Securities)



Hong Leong Investment Bank Berhad  
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)  
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

**Independent Adviser**



**Inter-Pacific Securities Sdn Bhd**  
(Registration No. 197201001092 (12738-U))  
(A Participating Organisation of Bursa Securities)

The notice of the meeting of the unitholders of IGB REIT ("**Unitholders' Meeting**") ("**Notice of Unitholders' Meeting**") together with the Proxy Form are enclosed in this Circular.

If you are unable to attend and vote at the Unitholders' Meeting, you may appoint a proxy or up to two proxies to attend and vote on your behalf at the Unitholders' Meeting. The Proxy Form (and any power of attorney or other authority under which it is signed) must be delivered to the Manager's registered office at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, either by post, in person, or via email at [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com). Alternatively, members may submit an e-proxy online at <https://tiih.online>. IGB REIT's Registrar, Tricor Investor & Issuing House Services Sdn Bhd, can be contacted at +603-2783 9299 or via email at [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com). Completing and lodging the Proxy Form will not preclude you from attending and voting in person at the Unitholders' Meeting should you decide to do so later. The details of the Unitholders' Meeting are as follows:

Date and time of the Unitholders' Meeting	:	Friday, 19 September 2025 at 11.00 a.m. or any adjournment thereof
Venue of the Unitholders' Meeting	:	Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia
Last date and time for lodging the Proxy Form	:	Thursday, 18 September 2025 at 11.00 a.m. or any adjournment thereof

This Circular is dated 29 August 2025

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Announcement	:	The announcement in relation to the Proposed Acquisition dated 24 June 2025
Assets	:	All assets, inventories, machinery, equipment, fixtures and fittings utilised by SMSB for the operation of MVS Mall
BNM	:	Bank Negara Malaysia
Board	:	Board of directors of the Manager
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CA 2016	:	Companies Act 2016
Cash Consideration	:	Cash consideration of RM1.00 billion as part settlement of the Purchase Consideration
CCM Search	:	Online company search results obtained from the Companies Commission of Malaysia
Circular	:	This circular to the Unitholders in relation to the Proposed Acquisition dated 29 August 2025
CMSA	:	Capital Markets and Services Act 2007
Completion	:	Completion of the Proposed Acquisition
Completion Date	:	The date of Completion in accordance with the provisions of the SPA
Completion Period	:	The period of 3 months from the Unconditional Date or such longer period as SMSB and the Purchaser may agree in writing
Conditions Precedent	:	The conditions precedent which are to be fulfilled or waived in accordance with the terms and conditions of the SPA as set out in Section 3 of Appendix I of this Circular
Consideration Units	:	699,152,542 new Units to be issued by IGB REIT to SMSB or its authorised nominee(s) at the Issue Price as part settlement of the Purchase Consideration of RM1.65 billion  SMSB has nominated its shareholders, IGB Corp and SCSB, to receive the Consideration Units directly in proportion to their respective shareholdings of 70.0% and 30.0% in SMSB. Accordingly, IGB Corp and SMSB shall receive 489,406,779 and 209,745,763 Consideration Units respectively upon Completion
Contracts	:	Various material contracts related to the operation and maintenance of the Subject Property including contracts for security guard services, cleaning services, landscape maintenance, lifts, escalators and travellers maintenance, and air conditioning upkeep, of which there are approximately 36 contracts as of the LPD
Declaration of Trust	:	A declaration of trust to be made between the Vendor and the Purchaser, whereby the Vendor shall hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser from the Completion Date until the date the Transfer is registered at the Land Office in favour of the Purchaser

## DEFINITIONS *(Cont'd)*

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Director	:	A director of the Manager shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was, within the preceding 6 months prior to the date on which the terms of the transaction were agreed upon, a director or chief executive of the Manager
DPU	:	Distributable income per Unit
DSRT	:	Dato' Seri Robert Tan Chung Meng
EDL	:	Eastern Dispersal Link
EPU	:	Earnings per Unit
ETHN	:	Elizabeth Tan Hui Ning
Existing Securities	:	The existing securities granted by SMSB affecting the Subject Property
Final CP Confirmation	:	The written confirmation from the Manager addressed to the Purchaser's solicitors confirming that the Manager and SMSB have satisfied the relevant conditions, variations or revisions imposed by the SC and Bursa Securities, if any, in respect of the Proposed Acquisition which are capable of being satisfied up to the date of such written confirmation
FSA	:	Financial Services Act 2013
FYE	:	Financial year ended/ending, as the case may be
HLIB	:	Hong Leong Investment Bank Berhad (Registration No. 197001000928 (10209-W))
IAL	:	Independent advice letter from the Independent Adviser to the non-interested Unitholders in relation to the Proposed Acquisition, as set out in Part B of this Circular
IGB	:	IGB Berhad (Registration No. 200001013196 (515802-U))
IGB Corp	:	IGB Corporation Berhad (Registration No. 196401000440 (5745-A))
IGB Group	:	IGB and its subsidiaries
IGB REIT	:	IGB Real Estate Investment Trust
IGB REIT MTN Programme	:	MTN Programme by IGB REIT MVS Capital Berhad (Registration No. 202501029162 (1630574-D)), a special purpose vehicle which is wholly-owned by the Trustee (for and on behalf of IGB REIT)
Independent Adviser or Interpac	:	Inter-Pacific Securities Sdn Bhd (Registration No. 197201001092 (12738-U))
Interested Directors	:	DSRT, TLC and TMS, being the Directors who are interested or deemed interested in the Proposed Acquisition
Interested Major Unitholders	:	IGB, DSRT, PTSM, TTCK, TCNSB, TKYSB and WST, being Major Unitholders who are interested or deemed interested in the Proposed Acquisition
Issue Price	:	Issue price for the Consideration Units of RM2.36 per Unit
Joint Principal Advisers	:	Collectively, Maybank IB and HLIB

## DEFINITIONS *(Cont'd)*

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JS-SEZ	:	Johor-Singapore Special Economic Zone
Land Office	:	Department of Director General of Lands and Mines of Johor
Listed REIT Guidelines	:	Guidelines on Listed Real Estate Investment Trusts issued by the SC
LPD	:	31 July 2025, being the latest practicable date prior to the date of this Circular
Major Unitholder	:	A person who has an interest or interests in one or more Units and the number or aggregate number of those Units is:  (a) 10.0% or more of the total number of Units; or  (b) 5.0% or more of the total number of Units where such person is the largest Unitholder  and includes any person who is or was a Major Unitholder within the preceding 6 months of the date on which the terms of the transaction were agreed upon
Manager or IGBRM	:	IGB REIT Management Sdn Bhd (Registration No. 201201006785 (908168-A)), the management company of IGB REIT
Master Land	:	The land on which MVS Mall is erected
Maybank IB	:	Maybank Investment Bank Berhad (Company Registration No. 197301002412)
MMLR	:	Main Market Listing Requirements of Bursa Securities
MOE	:	The Equity Development Division within the Ministry of Economy (formerly known as the Economic Planning Unit within the Prime Minister's Department)
MTNs	:	Medium term notes
MVS Mall	:	A retail mall comprising five levels of retail floors together with a mezzanine floor, eight levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and two levels of basement car parks, known as "The Mall, Mid Valley Southkey"
NAV	:	Net asset value
NLA	:	Net lettable area
NPI	:	Net property income
Power of Attorney	:	Power of attorney whereby SMSB grants the Purchaser the power to deal with the Subject Property as fully and effectually as SMSB could do as the registered proprietor of MVS Mall from the Completion Date until the date the Purchaser is registered as the registered proprietor of the Strata Title by the Land Office
Proposed Acquisition	:	Proposed acquisition by the Trustee for and on behalf of IGB REIT, of MVS Mall together with the related assets and rights, from SMSB, an indirect 70%-owned subsidiary of IGB, for the Purchase Consideration
PTSM	:	Pauline Tan Suat Ming

## DEFINITIONS *(Cont'd)*

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Purchase Consideration	:	The total purchase consideration of RM2.65 billion for the Proposed Acquisition to be satisfied through the Cash Consideration and the Consideration Units
Purchaser	:	Trustee (in its capacity as the trustee of IGB REIT)
Purchaser's Security Trustee	:	The security trustee for the noteholders of the IGB REIT MTN Programme
RCPS	:	Redeemable convertible preference shares
SC	:	Securities Commission Malaysia
SCSB	:	Southkey City Sdn Bhd (Registration No. 200201013527 (581190-A))
Security Agent	:	Maybank IB, as security agent for the Vendor's Noteholders, pursuant to the SMSB MTN Programme
SMSB or Vendor	:	Southkey Megamall Sdn Bhd (Registration No. 201201006786 (908288-X))
SMSB MTN Programme	:	The MTN programme established by SMSB, with an aggregate nominal value of up to RM1.0 billion
SPA	:	The conditional sale and purchase agreement between SMSB and the Trustee in relation to the Proposed Acquisition dated 24 June 2025
sq. ft.	:	Square feet
State Authority	:	Governmental authority of the state of Johor, Malaysia
Strata Title	:	Strata title relating to MVS Mall
Subject Property	:	All prevailing rights, entitlements, benefits and interests of SMSB in and to the following as of the Completion Date:  (i) MVS Mall;  (ii) the Assets;  (iii) the Contracts;  (iv) the Tenancies;  (v) the Strata Title (when issued) free from all encumbrances;  (vi) all benefits and rights attached to any permit, licence, consent, approval, registration or authorisation from the relevant public authorities in respect of any and all matters relating to the Subject Property that will be transferred to the Purchaser in accordance with the SPA,  and others, more particularly described in the SPA
T&T	:	Tan & Tan Developments Berhad (Registration No. 197201001390 (13042-H))
TAV	:	Total asset value

## **DEFINITIONS** *(Cont'd)*

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TCNSB	:	Tan Chin Nam Sendirian Berhad (Registration No. 197201000672 (12295-T))
Tenancies	:	The leases, tenancies and licences granted in respect of such part or parts of MVS Mall
TKYI	:	TKY Investment Pte Ltd
TKYSB	:	Tan Kim Yeow Sendirian Berhad (Registration No. 197001000658 (9916-X))
TLC	:	Tan Lei Cheng
TMS	:	Tan Mei Sian
Transfer	:	Memorandum of transfer in Form 14A of the National Land Code (Revised 2020), Malaysia, in respect of the Strata Title
Trust Deed	:	First amending and restating deed between the Manager and the Trustee dated 25 October 2018
Trustee	:	MTrustee Berhad (Registration No. 198701004362 (163032-V)), acting in its capacity as trustee for and on behalf of IGB REIT
TTCK	:	Tony Tan Choon Keat
TZSB	:	Tasik Zamrud Sdn Bhd (Registration No. 200301025243 (627663-V))
Unconditional Date	:	The date on which the last of the Conditions Precedent is satisfied or waived in accordance with the provisions of the SPA
Unit(s)	:	Undivided interest in IGB REIT as constituted by the Trust Deed
Unitholder(s)	:	Holder(s) of the Units
Unitholders' Meeting	:	Meeting of the Unitholders to be convened for the Proposed Acquisition
Valuation Certificate	:	Valuation certificate prepared by the Valuer in respect of the Subject Property dated 23 June 2025
Valuation Report	:	Valuation report prepared by the Valuer in respect of the Subject Property dated 23 June 2025
Valuer or Henry Butcher	:	Henry Butcher Malaysia Sdn Bhd (Registration No. 198701001968 (160636-P)), as the independent valuer appointed by the Trustee, for and on behalf of IGB REIT
Vendor's Noteholders	:	The noteholders of the SMSB MTN Programme
VWAP	:	Volume-weighted average market price
WST	:	Wah Seong (Malaya) Trading Co Sdn Bhd (Registration No. 195501000058 (2627-W))

## **CURRENCY**

RM and sen	:	Ringgit Malaysia and sen, respectively
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## **DEFINITIONS** *(Cont'd)*

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Any reference to “you” and “your” in this Circular are to the Unitholders.

Unless specifically stated, words in the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to an enactment in this Circular refers to that enactment as amended or re-enacted from time to time.

Any reference to a time of day in this Circular refers to Malaysian time, unless stated otherwise.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to “IGB REIT” in this Circular includes references to MTrustee Berhad, in its capacity as the trustee for and on behalf of IGB REIT, unless the context requires otherwise.

Some amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy between the figures shown in and figures presented by IGB REIT, such as in the quarterly results, annual reports or annual accounts of IGB REIT (as the case may be), is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may include estimates and assumptions made by the Board after due inquiry, but they remain subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. Because of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Manager’s plans and objectives will be achieved.

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**PART A**

**LETTER TO THE UNITHOLDERS IN RELATION TO THE  
PROPOSED ACQUISITION**

## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Acquisition. You are advised to read this Circular in its entirety for further details of the Proposed Acquisition and not to rely solely on this Executive Summary in forming a decision on the Proposed Acquisition before voting at the upcoming Unitholders' Meeting.

<b>Key information</b>	<b>Description</b>	<b>Reference to Part A of this Circular</b>
<b>Details of the Proposed Acquisition</b>	The Proposed Acquisition entails the acquisition by the Trustee of MVS Mall (together with tenancies, operational assets, essential contracts for its operation and maintenance, and other ancillary components) for a purchase consideration of RM2.65 billion, subject to the terms and conditions of the SPA.	Section 2.1
<b>Purchase Consideration</b>	The Purchase Consideration is to be satisfied via a combination of:  (i) a sum of RM1.00 billion representing the Cash Consideration; and  (ii) the issuance and allotment of the Consideration Units for the balance of the Purchase Consideration of RM1.65 billion,  subject to the terms and conditions of the SPA.	Section 2.2
<b>Key information on the Subject Property</b>	MVS Mall comprises five levels of retail floors together with a mezzanine floor, eight levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and two levels of basement car parks, all located within an integrated mixed commercial scheme known as Mid Valley Southkey.	Section 2.3
<b>Basis and justification for the Purchase Consideration</b>	The Purchase Consideration was arrived at on a willing buyer-willing seller basis after considering the following:  (i) the market value of the Subject Property of RM2.65 billion, as ascribed by the Valuer via the Valuation Certificate; and  (ii) the rationale and benefits of the Proposed Acquisition, as set out in Section 3 of Part A of this Circular.  The Valuer has adopted the income approach by investment method as the primary approach, and cross-checked against the comparison approach in arriving at its assessment of the market value of the Subject Property.  The Purchase Consideration is equivalent to the market value of the Subject Property of RM2.65 billion as ascribed by Henry Butcher via the Valuation Certificate.	Section 2.6
<b>Basis and justification for the Issue Price</b>	The Issue Price was determined based on and equivalent to the 5-day VWAP of the Units up to and including 23 June 2025, being the last full trading day immediately preceding the date of the SPA. Accordingly, the total number of Consideration Units to be issued is 699,152,542, representing 16.18% <sup>1</sup> of the enlarged issued Units upon the completion of the Proposed Acquisition.	Section 2.7.1

<sup>1</sup> Computed on a proforma basis based on the Units in issue as of the LPD.

**EXECUTIVE SUMMARY (Cont'd)**

<b>Key information</b>	<b>Description</b>	<b>Reference to Part A of this Circular</b>								
<b>Source of funding</b>	<p>The estimated total funding required to undertake the Proposed Acquisition is as follows:</p> <table border="1" data-bbox="469 367 1181 582"> <thead> <tr> <th data-bbox="469 367 999 405"><b>Description</b></th> <th data-bbox="999 367 1181 405"><b>RM million</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="469 405 999 450">Cash Consideration</td> <td data-bbox="999 405 1181 450">1,000.00</td> </tr> <tr> <td data-bbox="469 450 999 528">Estimated expenses in relation to the Proposed Acquisition</td> <td data-bbox="999 450 1181 528">30.00</td> </tr> <tr> <td data-bbox="469 528 999 582"></td> <td data-bbox="999 528 1181 582"><u>1,030.00</u></td> </tr> </tbody> </table> <p>The total funding required to undertake the Proposed Acquisition of RM1,030.00 million will be funded via the issuance of MTNs pursuant to the IGB REIT MTN Programme.</p>	<b>Description</b>	<b>RM million</b>	Cash Consideration	1,000.00	Estimated expenses in relation to the Proposed Acquisition	30.00		<u>1,030.00</u>	Section 2.8
<b>Description</b>	<b>RM million</b>									
Cash Consideration	1,000.00									
Estimated expenses in relation to the Proposed Acquisition	30.00									
	<u>1,030.00</u>									
<b>Rationale and benefits of the Proposed Acquisition</b>	<p>The Proposed Acquisition is in line with the Manager's strategies to provide the Unitholders with regular and stable income distributions while driving long-term growth in the NAV and income distribution per Unit.</p> <p>MVS Mall delivers a stable income stream due to (i) its high occupancy rate of 94.98% as of 9 May 2025; (ii) diverse tenant mix; and (iii) consistent foot and car traffic, which is anticipated to contribute positively to the overall portfolio and future growth of IGB REIT.</p> <p>As MVS Mall is already generating income, the Manager expects the Proposed Acquisition to positively contribute to IGB REIT's distributable income and DPU for the Unitholders moving forward.</p> <p>The issuance of the Consideration Units as part settlement of the Purchase Consideration is in line with IGB REIT's capital and risk management strategy, enabling IGB REIT to maintain a healthy gearing level while providing sufficient debt headroom.</p>	Section 3								
<b>Risks factors</b>	<p>The following are some non-exhaustive risk factors that may be inherent to IGB REIT in relation to the Proposed Acquisition:</p> <p><b><u>Risks related to the Proposed Acquisition</u></b></p> <ul style="list-style-type: none"> <li data-bbox="469 1608 1181 1675">(i) Delay in or non-completion of the Proposed Acquisition;</li> <li data-bbox="469 1682 1181 1720">(ii) Financing risk; and</li> <li data-bbox="469 1727 1181 1765">(iii) Delays in the issuance and transfer of the Strata Title.</li> </ul>	Section 5								

**EXECUTIVE SUMMARY (Cont'd)**

Key information	Description	Reference to Part A of this Circular
<p><b>Risks factors</b> (Cont'd)</p>	<p><b><u>Risks related to MVS Mall</u></b></p> <ul style="list-style-type: none"> <li>(i) MVS Mall operates within a highly competitive environment;</li> <li>(ii) Reliance of MVS Mall on international visitors;</li> <li>(iii) MVS Mall may incur material losses surpassing insurance proceeds;</li> <li>(iv) The operations of MVS Mall may be affected by potential disease outbreaks, epidemics and pandemics; and</li> <li>(v) The due diligence on MVS Mall may not have identified all material defects, deficiencies and breaches of laws and regulations.</li> </ul> <p><b><u>Risk relating to the property market</u></b></p> <ul style="list-style-type: none"> <li>(i) Changes in laws and regulations.</li> </ul>	
<p><b>Interests of the Directors, major shareholders of the Manager, Major Unitholders and/or persons connected to them</b></p>	<p>The Proposed Acquisition is a related party transaction under Paragraph 10.08 of the MMLR, considering the interests of certain Directors, major shareholders of the Manager, the Major Unitholders and/or persons connected to them as set out in Section 9 of Part A of this Circular.</p> <p>DSRT, TLC and TMS, being the Interested Directors, are deemed interested in the Proposed Acquisition. Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the Proposed Acquisition at the relevant board meetings, and will not make any recommendation on the Proposed Acquisition.</p> <p>IGB, DSRT, PTSM, TTCK, TCNSB, TKYSB and WST, being the Interested Major Unitholders, are deemed interested in the Proposed Acquisition.</p> <p>The Interested Directors and the Interested Major Unitholders will abstain from voting in respect of their direct and/or indirect unitholdings in IGB REIT on the resolution in relation to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting. They have also undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect unitholdings in IGB REIT on the resolution in relation to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.</p> <p>As of the LPD, the Manager holds 221,577,837 Units, representing approximately 6.12% of the total Units issued. The Manager is prohibited under paragraph 13.26 of the Listed REIT Guidelines from exercising the voting rights attached to the Units it holds or the Units held by its nominees at any Unitholders' meeting. Hence, the Manager will abstain from voting on the resolution related to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.</p>	<p>Section 9</p>

**EXECUTIVE SUMMARY (Cont'd)**

<b>Key information</b>	<b>Description</b>	<b>Reference to Part A of this Circular</b>								
<b>Audit Committee's statement</b>	<p>The Audit Committee of the Manager (comprising solely of independent Directors), after considering the Manager's investment objectives and all aspects of the Proposed Acquisition (including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of MVS Mall, effects of the Proposed Acquisition, risk factors, salient terms of the SPA, the valuation of MVS Mall by the Valuer, the funding for the Proposed Acquisition as well as the evaluation of the Independent Adviser), is of the opinion that the Proposed Acquisition is:</p> <p>(i) in the best interest of IGB REIT;</p> <p>(ii) fair, reasonable and on normal commercial terms; and</p> <p>(iii) not detrimental to the interest of the non-interested Unitholders.</p>	Section 11								
<b>Directors' statement and recommendation</b>	<p>The Board, save for the Interested Directors, having considered all aspects of the Proposed Acquisition (including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of MVS Mall, effects of the Proposed Acquisition, risk factors, salient terms of the SPA, the valuation of MVS Mall by the Valuer, the funding for the Proposed Acquisition as well as the evaluation of the Independent Adviser), is of the opinion that the Proposed Acquisition is in the best interest of IGB REIT.</p> <p>The Board, save for the Interested Directors, recommends that you vote <b>in favour</b> of the resolution relating to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.</p>	Section 12								
<b>Estimated timeframe for completion</b>	<p>Barring any unforeseen circumstances, the tentative timetable for the implementation of the Proposed Acquisition is as follows:</p> <table border="1" data-bbox="469 1339 1181 1657"> <thead> <tr> <th data-bbox="469 1339 746 1375"><b>Tentative timing</b></th> <th data-bbox="746 1339 1181 1375"><b>Event</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="469 1406 746 1442">19 September 2025</td> <td data-bbox="746 1406 1181 1469">Unitholders' Meeting to consider the Proposed Acquisition</td> </tr> <tr> <td data-bbox="469 1496 746 1532">October 2025</td> <td data-bbox="746 1496 1181 1559">Fulfilment of the Conditions Precedent</td> </tr> <tr> <td data-bbox="469 1585 746 1621">November 2025</td> <td data-bbox="746 1585 1181 1648">Completion of the Proposed Acquisition</td> </tr> </tbody> </table>	<b>Tentative timing</b>	<b>Event</b>	19 September 2025	Unitholders' Meeting to consider the Proposed Acquisition	October 2025	Fulfilment of the Conditions Precedent	November 2025	Completion of the Proposed Acquisition	Section 16
<b>Tentative timing</b>	<b>Event</b>									
19 September 2025	Unitholders' Meeting to consider the Proposed Acquisition									
October 2025	Fulfilment of the Conditions Precedent									
November 2025	Completion of the Proposed Acquisition									



managed by

**IGB REIT MANAGEMENT SDN BHD**

*(Registration No. 201201006785 (908168-A))*

*(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the CA 2016)*

**Registered office**

Level 32, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

29 August 2025

**Board of Directors**

Dato' Seri Robert Tan Chung Meng  
Tan Mei Sian  
Raymond Yeoh Cheng Seong  
Robert Ang Kim Pak  
Datuk Richard Lee Say Tshin  
Tan Lei Cheng

*(Non-Independent Executive Chairman)*  
*(Non-Independent Executive Director)*  
*(Independent Non-Executive Director)*  
*(Independent Non-Executive Director)*  
*(Independent Non-Executive Director)*  
*(Non-Independent Non-Executive Director)*

**To: Unitholders**

Dear Sir/Madam,

**PROPOSED ACQUISITION**

---

**1. INTRODUCTION**

On 24 June 2025, the Joint Principal Advisers announced, on behalf of the Board, that the Trustee had, on the same date, entered into the SPA with SMSB for the Proposed Acquisition.

On 15 August 2025, the Joint Principal Advisers announced, on behalf of the Board, that Bursa Securities had, vide its letter dated 14 August 2025, approved the listing and quotation of the Consideration Units, subject to the conditions set out in Section 7 of Part A of this Circular.

The Proposed Acquisition is a related party transaction under Paragraph 10.08 of the MMLR in view of the interests of certain Directors, major shareholders of the Manager, Major Unitholders and/or persons connected to them as set out in Section 9 of Part A of this Circular. Accordingly, Interpac has been appointed as the Independent Adviser on 4 June 2025 to advise the non-interested Directors and the non-interested Unitholders on the Proposed Acquisition.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED ACQUISITION TOGETHER WITH THE RECOMMENDATION OF THE BOARD (SAVE FOR THE INTERESTED DIRECTORS) AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION RELATING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE UPCOMING UNITHOLDERS' MEETING. THE NOTICE OF UNITHOLDERS' MEETING AND PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR, INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION RELATING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE UPCOMING UNITHOLDERS' MEETING.

## **2. DETAILS OF THE PROPOSED ACQUISITION**

### **2.1 Proposed Acquisition**

The Proposed Acquisition entails the acquisition by the Trustee of MVS Mall (together with tenancies, operational assets, essential contracts for its operation and maintenance, and other ancillary components) for a purchase consideration of RM2.65 billion, subject to the terms and conditions of the SPA.

### **2.2 Purchase Consideration and mode of settlement**

The Purchase Consideration is to be satisfied within the Completion Period via a combination of:

- (i) a sum of RM1.00 billion representing the Cash Consideration; and
- (ii) the issuance and allotment of the Consideration Units for the balance of the Purchase Consideration of RM1.65 billion,

subject to the terms and conditions of the SPA.

The other salient terms of the SPA are set out in **Appendix I** of this Circular.

### **2.3 Key information on the Subject Property**

MVS Mall comprises five levels of retail floors together with a mezzanine floor, eight levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and two levels of basement car parks, all located within an integrated mixed commercial scheme known as Mid Valley Southkey.

### Pictorial view of the Subject Property



A summary of the key information of MVS Mall is as follows:

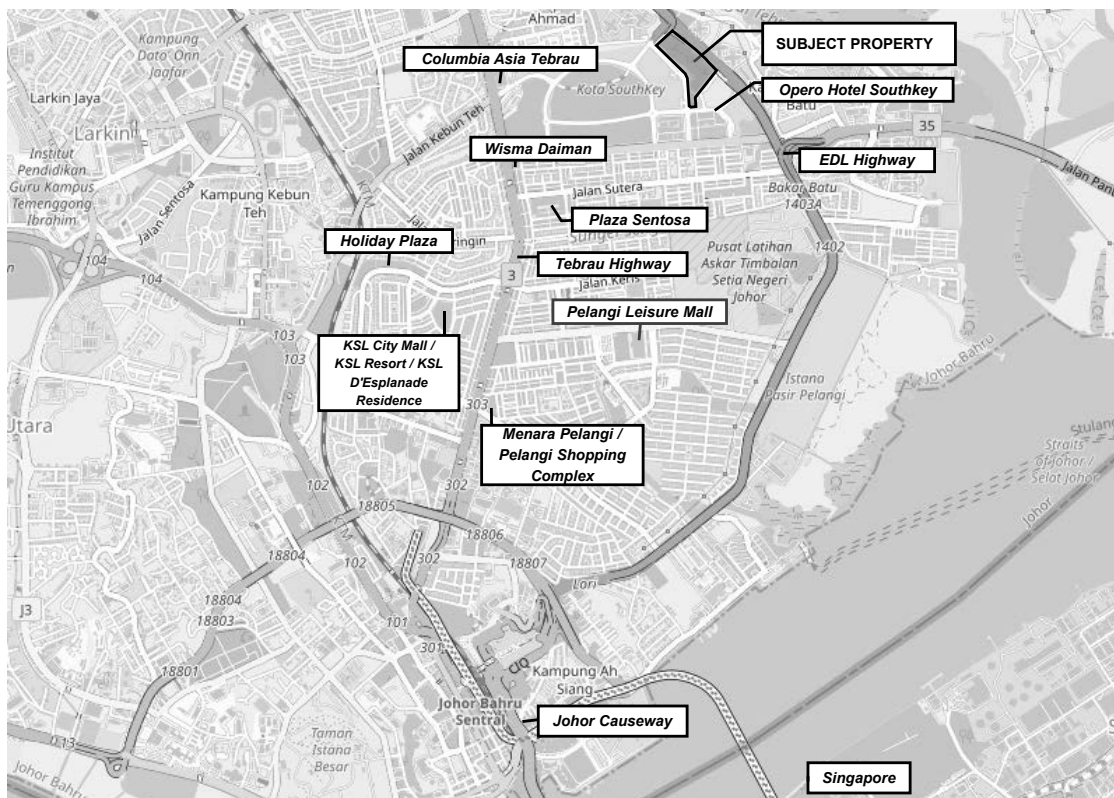
	<b>Description</b>
<b>Registered proprietor</b>	SMSB
<b>Postal address</b>	The Mall, Mid Valley Southkey, Persiaran Southkey 1, Kota Southkey, 80150 Johor Bahru, Johor Darul Ta'zim
<b>Master title particulars</b>	H.S.(D) 589121, PTD 236228, Mukim Plentong, Daerah Johor Bahru, Negeri Johor <sup>(1)</sup>
<b>Land tenure</b>	Leasehold interest for a term of 99 years, expiring on 21 February 2100
<b>Provisional land area</b>	89,827.1 square metres (approximately 966,891 sq. ft.)
<b>Express conditions in the master title</b>	<p>(i) Tanah ini hendaklah digunakan sebagai Bangunan Bertingkat untuk tujuan Perdagangan (Kompleks Membeli belah, pejabat, hotel), dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan (<i>This land shall be used as Multi-Storey Building for Commercial purpose (Shopping Complex, office, hotel), built in accordance with the plans approved by the relevant Local Authority</i>).</p> <p>(ii) Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan (<i>All discharge and pollution as a result of this activity must be channelled to places as determined by the Relevant Authority</i>).</p> <p>(iii) Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi (<i>All policies and conditions as stipulated and imposed from time to time by the Relevant Authority must be adhered to</i>).</p>

	<b>Description</b>
<b>Restriction in interest in the master title</b>	<p>(i) Tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara / Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri (<i>This land cannot be sold or transferred in any manner whatsoever to a non-citizen/foreign company without the approval of the State Authority</i>).</p> <p>(ii) Pembangunan pada hakmilik yang didaftarkan sebagai hotel tidak boleh dipecah bahagi bagi tujuan pengeluaran hakmilik strata pada setiap unit/parcel/petak (<i>The development on the title that is registered as a hotel cannot be subdivided for the purposes of issuance of strata titles for each unit/parcel/lot</i>).</p>
<b>Category of land use</b>	Building
<b>Existing and proposed use</b>	Shopping mall
<b>Age of building</b>	Approximately 6 years <sup>(2)</sup>
<b>Existing encumbrances and other material endorsements on the master title</b>	<ul style="list-style-type: none"> <li>• Registrar's caveat registered on 11 March 2019</li> <li>• Private caveat over land lodged by Maybank IB on 11 April 2019</li> <li>• A charge securing principal sum by SMSB in favour of Maybank IB on 15 December 2019<sup>(3)</sup></li> </ul>
<b>Audited net book value (as of 31 December 2024)<sup>(4)</sup></b>	RM1,104.64 million (including the relevant operational assets and other ancillary components of MVS Mall)
<b>Audited revenue for the FYE 31 December 2024<sup>(4)</sup></b>	RM268.68 million
<b>NPI for the FYE 31 December 2024</b>	RM191.62 million
<b>Gross floor area</b>	457,650 square metres (or 4,926,104 sq. ft.)*
<b>NLA</b>	142,330.53 square metres (or 1,532,033 sq. ft.)*
<b>Occupancy rate</b>	94.98%*
<b>Number of car park bays</b>	5,617*
<b>Independent valuer</b>	Henry Butcher Malaysia Sdn Bhd, being the valuer appointed by the Trustee, on behalf of IGB REIT
<b>Date of valuation</b>	9 May 2025
<b>Valuation approach</b>	Income approach by investment method, cross-checked with the comparison approach
<b>Market value ascribed</b>	RM2.65 billion

**Notes:**

- \* As of 9 May 2025.
- (1) Being the Master Land. As of the LPD, two corporate office towers (Mid Valley Southkey North Tower and Mid Valley Southkey South Tower) and a hotel tower (St. Giles Southkey) sit atop the retail podium. Another two office towers and a hotel are planned for future development. As of the LPD, SMSB is currently awaiting approval to be issued in respect of the amended Development Order/Planning Permission and Building Plan to cater for the remaining development/components on the Master Land. Once obtained, SMSB will prepare the Certificate of Share Unit Formula and the Certificate of Strata Plan for submission to the Department of Survey and Mapping for the issuance of strata titles for the completed/existing parcels on the Master Land.
- (2) Based on the certificate of completion and compliance dated 22 April 2019.
- (3) A charge has been created in favour of Maybank IB (as security agent) under the SMSB MTN Programme. As of the LPD, the outstanding nominal amount owing to the Vendor's Noteholders is RM1.00 billion, of which RM350.00 million is owing to Malayan Banking Berhad (in its capacity as one of the Vendor's Noteholders).
- (4) Based on SMSB's audited financial statements for the FYE 31 December 2024.

**Map of notable landmarks nearby the Subject Property**

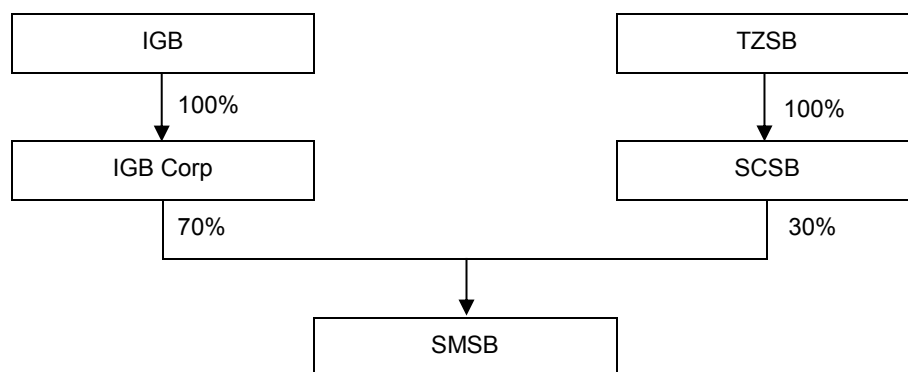


**2.4 Background information on SMSB**

SMSB was incorporated as a private company limited by shares in Malaysia on 26 March 2012 under the Companies Act 1965 and is deemed registered under the CA 2016. SMSB is principally involved in the retail business.

As of the LPD, SMSB has an issued share capital of RM347,750,000 comprising 45,100,000 ordinary shares and 302,650,000 RCPS.

As of the LPD, the shareholding structure of SMSB is as follows:



The shareholders of SMSB and their respective shareholding in SMSB as of the LPD are as follows:

Name	Place of incorporation / Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
IGB Corp	Malaysia	31,570,000 ordinary shares and 211,855,000 RCPS	70.00	-	-
SCSB	Malaysia	13,530,000 ordinary shares and 90,795,000 RCPS	30.00	-	-
IGB	Malaysia	-	-	31,570,000 ordinary shares and 211,855,000 RCPS <sup>(1)</sup>	70.00
TZSB	Malaysia	-	-	13,530,000 ordinary shares and 90,795,000 RCPS <sup>(2)</sup>	30.00
Datuk Mohamed Zaini Bin Amran	Malaysian	-	-	13,530,000 ordinary shares and 90,795,000 RCPS <sup>(3)</sup>	30.00

**Notes:**

- (1) Deemed interest through IGB Corp, pursuant to Section 8(4) of the CA 2016.
- (2) Deemed interest through SCSB, pursuant to Section 8(4) of the CA 2016.
- (3) Deemed interest through TZSB and SCSB, pursuant to Section 8(4) of the CA 2016.

The directors of SMSB and their respective shareholding in SMSB as of the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
DSRT	Malaysian	-	-	31,570,000 ordinary shares and 211,855,000 RCPS <sup>(1)</sup>	70.00
Tan Boon Lee	Malaysian	-	-	-	-
Antony Patrick Barragry @ Anuar Phauzi Bin Abdullah	British - Permanent resident of Malaysia	-	-	-	-
Datuk Mohamed Zaini Bin Amran	Malaysian	-	-	13,530,000 ordinary shares and 90,795,000 RCPS <sup>(2)</sup>	30.00
Nor Aisyah Binti Mohamed Zaini	Malaysian	-	-	-	-

**Notes:**

(1) Deemed interest through IGB and IGB Corp, pursuant to Section 8(4) of the CA 2016.

(2) Deemed interest through TZSB and SCSB, pursuant to Section 8(4) of the CA 2016.

## 2.5 Original cost and date of investment

The original cost and date of investment by SMSB in the Subject Property are as follows:

Date of investment	Description	Cost of investment (RM million)
10 May 2012	Land cost	61.40
10 May 2012 to 31 December 2024	Construction costs	1,244.48

## 2.6 Basis and justification for the Purchase Consideration

The Purchase Consideration was arrived at on a willing buyer-willing seller basis after considering the following:

- (i) the market value of the Subject Property of RM2.65 billion, as ascribed by Henry Butcher via the Valuation Certificate; and
- (ii) the rationale and benefits of the Proposed Acquisition, as set out in Section 3 of Part A of this Circular.

The Valuer has adopted the income approach by investment method as the primary approach, and cross-checked against the comparison approach in arriving at its assessment of the market value of the Subject Property. The details of the methodologies are set out below:

<b>Valuation approach</b>	<b>Methodology</b>
Income approach by investment method	Under the "Investment Method", the capital value of the Subject Property is derived from an estimate of the market rental which the Subject Property can reasonably be let for. Rental evidence may be obtained from the actual passing rents commanded by the building itself if it is tenanted. Outgoings, such as property taxes, repairs and maintenance, insurance and management fees, are then deducted from the annual rental income. The net annual rental income is then capitalised at an appropriate current market yield to arrive at its indicative capital value.
Comparison approach	This approach is the market approach of comparing the Subject Property with similar properties that were either transacted recently or are listed for sale within the same location or other comparable localities. In the selection of and making comparison to the comparable properties, due consideration is given to value-based factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at the Valuer's opinion of value.

The Purchase Consideration is equivalent to the market value of the Subject Property of RM2.65 billion as ascribed by Henry Butcher via the Valuation Certificate. Further details on the valuation of the Subject Property are set out in **Appendix II** of this Circular.

## **2.7 Consideration Units**

### **2.7.1 Basis and justification for the Issue Price**

The Issue Price of RM2.36 per Unit was determined based on and equivalent to the 5-day VWAP of the Units up to and including 23 June 2025, being the last full trading day immediately preceding the date of the SPA. Accordingly, the total number of Consideration Units to be issued is 699,152,542, representing 16.18%<sup>1</sup> of the enlarged issued Units upon completion of the Proposed Acquisition.

### **2.7.2 Ranking of the Consideration Units**

The Consideration Units shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank pari passu with the existing Units in issue without any preference or priority among themselves, save and except that the Consideration Units will not be entitled to any distributable income, rights, allotments and/or any other distributions that may be declared, made or paid by IGB REIT for which the entitlement date precedes the allotment date of such Consideration Units.

<sup>1</sup> Computed on a proforma basis based on the Units in issue as of the LPD.

### 2.7.3 Recipients of the Consideration Units

SMSB has nominated its shareholders, IGB Corp and SCSB, to receive the Consideration Units directly, in proportion to their respective shareholding of 70.0% and 30.0% in SMSB. Accordingly, the number of Consideration Units to be received by IGB Corp and SCSB respectively is as follows:

	<b>Number of Consideration Units</b>	<b>%</b>
IGB Corp	489,406,779	70.0
SCSB	209,745,763	30.0
	<u>699,152,542</u>	<u>100.0</u>

#### (i) IGB Corp

As of the LPD, IGB Corp is a wholly-owned subsidiary of IGB. The directors of IGB Corp and their respective shareholding in IGB Corp as of the LPD are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Direct</b>		<b>Indirect</b>	
		<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
DSRT	Malaysian	-	-	1,341,444,740 ordinary shares <sup>(1)</sup>	100.00
Tan Boon Lee	Malaysian	-	-	-	-

**Note:**

(1) Deemed interest through IGB, pursuant to Section 8(4) of the CA 2016.

#### (ii) SCSB

The shareholders of SCSB and their respective shareholding in SCSB as of the LPD are as follows:

<b>Name</b>	<b>Place of incorporation / Nationality</b>	<b>Direct</b>		<b>Indirect</b>	
		<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
TZSB	Malaysia	97,000,000 ordinary shares	100.00	-	-
Kumpulan Prasarana Rakyat Johor Sdn Bhd <sup>(1)</sup>	Malaysia	165,335,510 preference shares	-	-	-
Datuk Mohamed Zaini Bin Amran	Malaysian	-	-	97,000,000 ordinary shares <sup>(2)</sup>	100.00

**Notes:**

(1) Wholly-owned by the Johor State Government.

(2) Deemed interest through TZSB, pursuant to Section 8(4) of the CA 2016.

(Source: CCM Search conducted on SCSB, TZSB and Kumpulan Prasarana Rakyat Johor Sdn Bhd)

The directors of SCSB and their respective shareholding in SCSB as of the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Y.B. Dato' Ishak Bin Sahari	Malaysian	-	-	-	-
Datuk Amli Bin Talib	Malaysian	-	-	-	-
Yahya Bin Ja'afar	Malaysian	-	-	-	-
Datuk Mohamed Zaini Bin Amran	Malaysian	-	-	97,000,000 ordinary shares <sup>(1)</sup>	100.00
Nor Aisyah Binti Mohamed Zaini	Malaysian	-	-	-	-

**Note:**

(1) Deemed interest through TZSB, pursuant to Section 8(4) of the CA 2016.

(Source: CCM Search conducted on SCSB and TZSB)

## 2.7.4 Listing and quotation of the Consideration Units

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

Bursa Securities had, vide its letter dated 14 August 2025, approved the listing and quotation of the Consideration Units on the Main Market of Bursa Securities.

## 2.8 Source of funding

The estimated total funding required to undertake the Proposed Acquisition is as follows:

Description	RM million
Cash Consideration	1,000.00
Estimated expenses in relation to the Proposed Acquisition <sup>(1)</sup>	30.00
	<u>1,030.00</u>

**Note:**

(1) The breakdown of the estimated expenses relating to the Proposed Acquisition is as follows:

	RM million
Manager's acquisition fee in relation to the Proposed Acquisition	26.50
Professional fees	1.45
Miscellaneous expenses (such as fees payable to the relevant authorities, expenses in relation to the upcoming Unitholders' Meeting, printing and despatch of this Circular and other ancillary expenses)	2.05
	<u>30.00</u>

The total funding required to undertake the Proposed Acquisition of RM1,030.00 million will be funded via the issuance of MTNs pursuant to the IGB REIT MTN Programme.

A summary of the key terms of the IGB REIT MTN Programme is as follows:

	<b>Description</b>
<b>Issuer</b>	IGB REIT MVS Capital Berhad, a special purpose vehicle which is wholly-owned by the Trustee (for and on behalf of IGB REIT)
<b>Details of the IGB REIT MTN Programme</b>	<p>A programme for the issuance of MTN with an aggregate limit of up to RM5.00 billion in nominal value, pursuant to which the Issuer may from time to time issue the MTN provided that the aggregate outstanding nominal value of such MTN shall not exceed RM5.00 billion in aggregate nominal value at any one time.</p> <p>The IGB REIT MTN Programme shall entail multiple issuances of MTN (each a “<b>Tranche</b>” and collectively “<b>Tranches</b>”) whereby each Tranche may comprise rated MTN only or unrated MTN only or a combination of both rated MTN and unrated MTN as mutually agreed between the Lead Manager of the IGB REIT MTN Programme and/or the primary subscribers, as the case may be, and the Issuer prior to each issuance of the relevant MTN.</p> <p>Each Tranche may comprise one or more series of MTN, each with the same issue date and shall be governed by the same terms.</p> <p>The tenure of the IGB REIT MTN Programme will be perpetual and the tenure of each MTN to be issued under the MTN Programme shall be at least 1 year from the date of the issuance as may be selected by the Issuer and agreed by the Lead Manager for the IGB REIT MTN Programme. The IGB REIT MTN Programme is available for issuance at any time and from time to time upon completion of documentation and fulfilment of all conditions precedent for the establishment of the IGB REIT MTN Programme and/or the relevant Tranche.</p>
<b>Tentative lodgement date with the SC</b>	September 2025
<b>Details of the first MTN issuance under the IGB REIT MTN Programme</b>	<p>Details of the first issuance under the IGB REIT MTN Programme will be determined prior to the targeted issue date (tentatively November 2025) and to be mutually agreed between the Issuer and Maybank IB, the Lead Manager for the IGB REIT MTN Programme and be set out in the relevant transaction documents prior to the issuance of the first Tranche.</p> <p>The first issuance of MTN under the IGB REIT MTN Programme shall be made within 90 business days from the date of lodgement of the documents and information relating to the IGB REIT MTN Programme with the SC or such other date as may be specified under the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 (as amended or substituted from time to time) or such other period as may be approved by the SC.</p>

	<b>Description</b>
<b>Rationale for the IGB REIT MTN Programme</b>	<p>The MTNs are expected to accord IGB REIT with the following:</p> <p><b>(i) Access to a broader investor base</b> MTNs may be marketed to a wide range of sophisticated and institutional investors, enabling IGB REIT (via the Issuer) to tap into a broader pool of capital, apart from traditional bank borrowings.</p> <p><b>(ii) Flexibility and cost efficiency</b> MTNs may offer more flexibility in terms of tenure and structure as compared to traditional bank borrowings. Additionally, with a strong credit rating, MTNs may potentially provide a more competitive and optimal cost of borrowings subject to conducive market conditions. Furthermore, any bond programme lodged with the SC is exempted from stamp duty.</p> <p><b>(iii) Preservation of ownership and control</b> MTNs are debt instruments that do not impact IGB REIT's unitholding structure. This allows IGB REIT to raise necessary capital without potentially diluting the interests of existing unitholders.</p>
<b>Eligible investor(s)</b>	<p><b>(i) Selling restrictions upon issuance:</b> The MTNs may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the MTNs and to whom the MTNs are issued would fall within:</p> <p>(a) paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA; and</p> <p>(b) Schedules 6 and 7 of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA, subject to any change in the applicable laws, order, regulation, guidelines or official directive from time to time.</p> <p><b>(ii) Selling restrictions after issuance:</b> The MTN may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the MTN would fall within:</p> <p>(a) paragraph 1 (a), (b) or (d) of Part I of Schedule 5 of the CMSA; and</p> <p>(b) Schedule 6 or Section 229(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA, subject to any change in the applicable laws, order, regulation, guidelines or official directive from time to time.</p>

## 2.9 Liabilities to be assumed

IGB REIT will not assume any liabilities, including contingent liabilities and/or guarantees, arising from the Proposed Acquisition, save and except for cash security deposits of tenancies and lease-related agreements, which will be transferred from SMSB to the Purchaser for the amount then outstanding within 30 days from the Completion Date or such other date as SMSB and the Purchaser may mutually agree in writing. For information purposes, the total deposits received from tenants amount to approximately RM48.38 million as of the LPD.

## 2.10 Additional financial commitment

Except for the financing to fund the Cash Consideration and estimated expenses relating to the Proposed Acquisition, and the capital and operational expenditure necessary for the Subject Property in the ordinary course of business, the Manager does not expect any other material financial commitments to put the Subject Property on-stream.

## 2.11 Public unitholding spread

As of the LPD, the public unitholding spread of IGB REIT is approximately 44.15%. After the completion of the Proposed Acquisition, it is expected to decrease to approximately 41.86%<sup>1</sup>, maintaining compliance with Paragraph 8.02(1) of the MMLR which requires the Manager to ensure that at least 25% of IGB REIT's total Units are in the hands of public unitholders.

## 3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

MVS Mall forms part of an integrated mixed commercial development known as Mid Valley Southkey, strategically located in an upscale area of Southkey City, Johor Bahru. Mid Valley Southkey is designed to provide a seamless blend of retail, business and leisure comprising the following components:

- (i) MVS Mall – with a NLA of more than 1.5 million sq. ft., MVS Mall offers a diverse range of tenants to cater to demand in the vicinity, including luxury boutiques, international brands, dining, grocery, fitness and wellness, entertainment and convenience services;
- (ii) Mid Valley Southkey North Tower and Mid Valley Southkey South Tower – 2 blocks of high rise Grade A office towers which sit atop MVS Mall, providing a combined lettable area exceeding 0.65 million sq. ft.; and
- (iii) St. Giles Southkey Hotel – a 4-star hotel which sits atop MVS Mall offering 575 designed and decorated rooms/suites, with an infinity swimming pool together with a gymnasium, business lounge and a rooftop bar. The hotel has direct access to MVS Mall at the Ground Floor Lobby.

Nestled in the upscale enclave of Southkey City, Johor Bahru, MVS Mall is situated approximately 5 kilometers due north-east of Johor Bahru city centre. It is strategically fronting onto a 6-lane dual carriageway known as the EDL highway, which connects to both Johor-Singapore Causeway and North-South Expressway Southern Route, making it easily accessible for both locals and regular visitors from Singapore.

The Proposed Acquisition is in line with the Manager's strategies to provide the Unitholders with regular and stable income distributions while driving long-term growth in the NAV and income distribution per Unit. MVS Mall delivers a stable income stream due to (i) its high occupancy rate of 94.98% as of 9 May 2025; (ii) diverse tenant mix that includes anchor tenants such as SOGO, Village Grocer, Golden Screen Cinemas, Aurum Theatre and MVEC Exhibition Hall, which collectively occupy approximately 29% of the total NLA; and (iii) consistent foot and car traffic, which is anticipated to contribute positively to the overall portfolio and future growth of IGB REIT.

As MVS Mall is already generating income, the Manager expects the Proposed Acquisition to positively contribute to IGB REIT's distributable income and DPU for the Unitholders moving forward. Further details on the pro forma effects of the Proposed Acquisition on IGB REIT's distributable income and DPU are set out in Section 6.3 of Part A of this Circular.

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<sup>1</sup> SMSB has nominated its shareholders, IGB Corp and SCSB, to receive the Consideration Units directly proportionate to their respective shareholding of 70.0% and 30.0% in SMSB.

The issuance of the Consideration Units as part settlement of the Purchase Consideration is in line with IGB REIT's capital and risk management strategy, enabling IGB REIT to maintain a healthy gearing level while providing sufficient debt headroom. The gearing level of IGB REIT is expected to increase from 21.16% (as of 31 December 2024) to 26.49% (including adjustment for subsequent events) upon completion of the Proposed Acquisition. Further details on the pro forma effect of the Proposed Acquisition on IGB REIT's gearing are set out in Section 6.4 of Part A of this Circular.

## **4. INDUSTRY OVERVIEW AND PROSPECTS**

### **4.1 Overview and outlook of the Malaysian economy**

For Malaysia, the latest developments pointed towards continued growth in economic activity in the second quarter, underpinned by sustained domestic demand and export growth. Moving forward, growth is expected to be supported by resilient domestic demand. Employment and wage growth, particularly within domestic-oriented sectors, as well as income-related policy measures, will support household spending. The expansion in investment activity will be sustained by the progress of multi-year projects in both the private and public sectors, the continued high realisation of approved investments, as well as the ongoing implementation of catalytic initiatives under the national master plans. Favourable trade negotiation outcomes, pro-growth policies in major economies, continued demand for electrical and electronic goods, and robust tourism activity could raise Malaysia's export prospects. However, the balance of risks to the growth outlook remains tilted to the downside, stemming mainly from a slower global trade, weaker sentiment, as well as lower-than-expected commodity production.

Headline and core inflation averaged 1.4% and 1.9% in the first five months of the year respectively. Overall, inflation in 2025 is expected to remain moderate, amid contained global cost conditions and the absence of excessive domestic demand pressures. Inflationary pressure from global commodity prices is expected to remain limited, contributing to moderate domestic cost conditions. In this environment, the overall impact of the announced and upcoming domestic policy reforms on inflation is expected to be contained.

The ringgit performance will continue to be primarily driven by external factors. Malaysia's favourable economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide enduring support to the ringgit.

*(Source: BNM's Quarterly Bulletin - Second Quarter of 2025)*

### **4.2 Overview and prospects of the retail industry in Johor Bahru**

The market performance of the commercial sector in the Southern Region (Johor, Melaka and Negeri Sembilan) saw a slight drop in Q1 2025, with slightly less market activity recorded in terms of volume and transaction value as compared to Q1 2024. There were 3,261 transactions worth RM2.831 billion recorded in Q1 2025 (Q1 2024: 3,449 transactions worth RM2.887 billion). Johor continued to contribute the highest volume and transaction value to the Southern Region's commercial sector market share, with 2,208 transactions worth RM2.203 billion, followed by Melaka with 554 transactions worth RM348.6 million and Negeri Sembilan with 499 transactions worth RM279.4 million.

In Q1 2025, Johor had 146 shopping complexes (including shopping centres, arcades and hypermarkets) with a total retail space of 26,025,692 sq. ft.. Johor Bahru boasts a wide range of shopping malls, from large scale complexes to more niche and boutique options due to its close proximity to Singapore. Notable malls such as Johor Bahru City Square Mall, Komtar JBCC and R&F Mall are strategically located along the Johor-Singapore Causeway, benefiting from substantial foot traffic due to their proximity to Singapore. Selected large scale shopping centres in Johor Bahru are summarised as follows:

No	Shopping Centre	Location	Opening Year	NLA (sq. ft.)*
1	MVS Mall	Kota Southkey	2019	1,552,474
2	Paradigm Mall Johor Bahru	Taman Bukit Mewah	2017	1,291,165
3	Toppen Shopping Centre	Taman Desa Tebrau	2019	1,200,000
4	KSL City Mall	Taman Abad	2010	775,000
5	Johor Bahru City Square Mall	Johor Bahru City Centre	1999	540,000
6	R&F Mall	Tanjung Puteri	2019	532,000
7	Sunway Big Box Retail Park (hybrid retail park)	Sunway City, Iskandar Puteri	2019	500,000

\* NLA as of the opening year of the respective shopping centres.

The average occupancy rate of shopping centres in Johor Bahru improved moderately from 69.9% in Q1 2024 to 72.4% in Q1 2025 with most of the prominent shopping complexes having achieved high occupancy rates of more than 80%. Shoppers have generally returned to physical malls after almost three years of disruption during the Coronavirus Disease 2019 (“COVID-19”) pandemic. Although new shopping centres opened in the past three years did not achieve high occupancy rates during the initial opening, new tenants nevertheless continue to commence business on a monthly basis.

Despite shopping traffic gradually returning to pre-COVID-19 pandemic levels over the past two years, many retail mall owners had to offer attractive rental packages to new retailers due to intensified competition along with challenges arising from blossoming e-commerce sectors in recent years. Nevertheless, rental rates for retail lots in prominent locations within shopping centres continue to improve, as many retailers preferred to pay higher rents for prime retail lots rather than opting for lower rentals in inferior zones where shopper traffic tends to be lower.

The retail sector in Johor, particularly in Johor Bahru, is expected to experience significant growth following the official launch of the JS-SEZ on January 7, 2025. This cross-border initiative aims to strengthen trade, investment and infrastructure by synergising Johor’s industrial growth with Singapore’s global financial and logistics hubs. The JS-SEZ is set to transform Johor’s retail landscape, with shopping malls like MVS Mall, Paradigm Mall Johor Bahru and Toppen Shopping Centre poised to benefit from increased tourist spending, a surge in Singaporean visitors and new retail-anchored developments catering to rising demand.

(Source: Valuation Report)

### 4.3 Prospects of MVS Mall

MVS Mall forms part of an integrated mixed commercial development known as Mid Valley Southkey, strategically located in an upscale area of Southkey City, Johor Bahru with convenient accessibility via the EDL highway which offers direct traffic to and from the Sultan Iskandar Building Customs, Immigration and Quarantine (CIQ) Complex, which is the main border checkpoint connecting Malaysia and Singapore via the Johor-Singapore Causeway.

Southkey City is a mixed development mega project covering about 330 acres of prime land within Flagship Zone A (Johor Bahru city centre) of Iskandar Malaysia. Developed since 2013, the project currently comprises shopping complexes, office towers, hotels, service residences, shop-offices, a hospital and a university as follows:

- (i) Commercial – MVS Mall, Mid Valley Southkey North Tower, Mid Valley Southkey South Tower, the Lakefront shop-office and Southkey Mosaic Boutique Pods & Shop-offices;
- (ii) Hospitality – St. Giles Southkey Hotel and OPERO Hotel Southkey;
- (iii) Institution – Columbia Asia Tebrau and City University Malaysia, Johor Bahru; and
- (iv) Residential – Southkey Mosaic Residences and Southkey NADI Residences.

Mid Valley Southkey is designed to provide a blend of retail, business and leisure. Apart from MVS Mall, Mid Valley Southkey North Tower, Mid Valley Southkey South Tower and St. Giles Southkey Hotel, two more office towers and a 5-star hotel are planned as part of the future development of Mid Valley Southkey. As of the LPD, the construction of the 5-star hotel is expected to commence in the first half of 2026 and complete by 2028, whilst the expected start and completion dates for the two office towers have yet to be determined. This integrated commercial development is modelled after its sister project in the Klang Valley, Mid Valley City, which serves as a benchmark of commercial success in the property sector with a proven track record of excellence.

In view of the strategic location of MVS Mall and the integrated nature of Mid Valley Southkey, the Manager believes that the Proposed Acquisition represents a strategic addition to IGB REIT's portfolio of investment properties. The continued expansion of Mid Valley Southkey, which includes two more office towers and a 5-star hotel, would further enhance the appeal and vibrancy of MVS Mall, driving increased foot and car traffic as well as demand for retail spaces.

As of the LPD, IGB REIT's portfolio of investment properties comprises Mid Valley Megamall and The Gardens Mall, both located in the Klang Valley, the salient details of which are as follows:

	<b>Mid Valley Megamall</b>	<b>The Gardens Mall</b>
<b>Address / Location</b>	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur
<b>Description</b>	5-level retail mall with a mezzanine floor, 2 levels of basement car parks and 4 levels of elevated car parks	8-level retail mall with 4 levels of basement car parks and 4 levels of elevated car parks
<b>Gross floor area (sq. ft.)<sup>(1)</sup></b>	6,107,052	3,540,767
<b>NLA (sq. ft.)<sup>(1)</sup></b>	1,798,148	839,118

**Note:**

(1) As of 31 December 2024.

The Manager also believes that the Proposed Acquisition would not only geographically diversify and strengthen IGB REIT's portfolio of investment properties, but also generate a stable income stream that is expected to contribute positively to the overall portfolio and future growth of IGB REIT, ultimately benefiting the Unitholders over the long term. Further details on the pro forma effect of the Proposed Acquisition on IGB REIT's financial information are set out in Sections 6.3 and 6.4 of Part A of this Circular.

## **5. RISK FACTORS**

The Proposed Acquisition may be subject to certain risk factors inherent in the property market and retail sector, to which IGB REIT is currently exposed to as a retail real estate investment trust. The following are some non-exhaustive risk factors related to the Proposed Acquisition:

### **5.1 Risks related to the Proposed Acquisition**

#### **5.1.1 Delay in or non-completion of the Proposed Acquisition**

The completion of the Proposed Acquisition is conditional upon the satisfaction (or waiver, as the case may be) of the Conditions Precedent, as set out in Section 3 of Appendix I of this Circular. The non-fulfilment of the Conditions Precedent may result in the termination of the SPA. There can be no assurance that all such Conditions Precedent will be fulfilled or waived, as the case may be, in a timely manner, or at all, which may correspondingly affect the completion of the Proposed Acquisition.

Notwithstanding this, the parties to the SPA will take all reasonable steps to ensure the satisfaction and/or waiver (as the case may be) of the Conditions Precedent of the SPA, to ensure the timely completion of the Proposed Acquisition.

#### **5.1.2 Financing risk**

There can be no assurance that IGB REIT will be able to raise funds to finance the Proposed Acquisition based on terms favourable to IGB REIT. IGB REIT may be exposed to an increase in interest rates resulting in higher borrowing costs which consequently may adversely affect the repayment commitments and cash flows of IGB REIT. Nonetheless, the Manager will actively monitor IGB REIT's debt portfolio, including gearing levels, interest costs and cash flows to ensure that the debt portfolio of IGB REIT remains at a sustainable and optimal level.

#### **5.1.3 Delays in the issuance and transfer of the Strata Title**

As of the LPD, the strata titles have not been issued, and the expected timeframe for the application process and the issuance of the strata titles remain uncertain. Pursuant to the SPA, SMSB has undertaken, at its own cost and expense, to apply for the subdivision of the master title on which MVS Mall is erected to obtain and procure the Strata Title to be transferred to the Trustee (in its capacity as trustee of IGB REIT). There can be no assurance that the Strata Title will be transferred to and registered in the name of the Trustee and until the transfer and registration are completed, the Trustee will not have indefeasible legal title to MVS Mall. Notwithstanding, measures have been taken and will be taken on or before the completion of the SPA, to protect and enhance IGB REIT's rights and interests in MVS Mall, the details of which are set out in Sections 6, 7, 8 and 9 of Appendix I of this Circular. However, there can be no assurance that the measures will be sufficient to protect IGB REIT's interest in MVS Mall.

## **5.2 Risks related to MVS Mall**

### **5.2.1 MVS Mall operates within a highly competitive environment**

MVS Mall may be affected by increased competition from other retail properties, the loss of key tenants or a significant number of tenants, the non-renewal of tenancies following expiry and the ability to collect rent in a timely manner. There can also be no assurance that MVS Mall will maintain rental rates at prevailing market levels, as rental rates will depend on various factors, including but not limited to the prevailing supply and demand conditions. An oversupply of retail space and the growth of e-commerce could also negatively affect IGB REIT's operational performance and financial condition. Dynamic shifts in shopping behaviour and preferences will heighten inherent competition in the retail market. Nevertheless, the Manager will work closely with the tenants of MVS Mall to maintain a strong and sustainable relationship as part of its active asset management strategy.

### **5.2.2 Reliance of MVS Mall on international visitors**

Given its close proximity to Singapore, MVS Mall is reliant on international visitors, particularly those from Singapore. Any changes in cross-border travel regulations, such as visa restrictions, customs policies or transportation disruptions, could lead to a decline in the number of such visitors. Additionally, geopolitical tensions, economic downturns, fluctuations in currency exchange rates or public health crises (such as pandemics) may adversely affect visitor traffic. A sustained reduction in cross-border visitors could negatively impact MVS Mall's overall footfall, sales revenue and financial performance. Nevertheless, the Manager will work closely with the tenants of MVS Mall to implement diversified marketing strategies and enhance the local customer or shopper engagement efforts to mitigate reliance on international visitors.

### **5.2.3 MVS Mall may incur material losses surpassing insurance proceeds**

MVS Mall may suffer physical damage from fire, flood, earthquakes or potential public liability claims from tenants and shoppers, which could lead to losses, including loss of rental income, that may not be fully compensated by insurance. Additionally, certain risks such as war and losses caused by outbreaks of contagious diseases, contamination or other damages resulting from breaches of environmental law, may be uninsurable, or require prohibitively expensive insurance relative to the risk involved. If an uninsured loss or a loss exceeding the insured amounts occurs, IGB REIT may be required to pay compensation and/or lose capital invested in MVS Mall, as well as anticipated future revenue from it as the Manager may not be able to rent out spaces within MVS Mall. Nonetheless, the Manager will review the insurance policies of MVS Mall to ensure that MVS Mall is adequately insured.

### **5.2.4 The operations of MVS Mall may be affected by potential disease outbreaks, epidemics and pandemics**

Potential disease outbreaks, epidemics and pandemics may affect MVS Mall's operations. This could materially affect the business, financial conditions and operations of the tenants of MVS Mall which may, in turn, adversely impact IGB REIT's financial condition and operations. Nevertheless, the Manager will focus on the operational efficiency of MVS Mall and actively engage with the tenants of MVS Mall to address any issues arising from these factors.

### **5.2.5 The due diligence on MVS Mall may not have identified all material defects, deficiencies and breaches of laws or regulations**

The due diligence on MVS Mall may not identify all material defects, deficiencies, and breaches or non-compliance with relevant laws and regulations, which could lead to unforeseen business interruptions and additional costs for repairs and rectifications. Pursuant to the SPA, SMSB has provided certain representations and warranties in favour of IGB REIT in respect of the state and condition of MVS Mall, its structural soundness and that the construction and completion of MVS Mall comply with all applicable laws and regulations. In addition, SMSB has provided a specific warranty in favour of IGB REIT that the mechanical and electrical equipment of MVS Mall is in good working order and free from defects, which shall subsist for 24 months from the Completion Date.

SMSB has undertaken to fully indemnify and keep IGB REIT fully indemnified against all losses, damages, costs, expenses and outgoings that IGB REIT may incur or be liable for in respect of any claim, demand, liability, action, proceedings or suits arising out of or in connection with a breach of any of the warranties provided by SMSB. In the event that, at any time prior to the Completion Date, there is any material damage to the Subject Property or any parts thereof, SMSB has also undertaken, at its own cost and expense, to rectify and repair the damage and to reinstate the Subject Property to its current state and condition. Nevertheless, there is no assurance that the undertakings, representations, warranties and indemnities made in favour of IGB REIT by SMSB will provide sufficient protection against the costs and liabilities arising from any defects or deficiencies.

## **5.3 Risk related to the property market**

### **5.3.1 Changes in laws and regulations**

MVS Mall could face possible updates or new interpretations of laws, building by-laws, codes and regulations issued by the relevant regulatory authorities. Such changes that necessitate significant renovations and related expenses will result in higher expenditures in the future. Nonetheless, the Manager will monitor any changes and developments in the regulatory requirements to ensure compliance of MVS Mall with such changes.

Furthermore, changes to Malaysian tax policies such as an increase in the sales and services tax rates, may adversely affect disposable income and consumer spending among shoppers. Reduced consumer expenditure due to higher tax burdens could negatively impact tenant sales performance, rental income and ultimately MVS Mall's financial results.

## 6. EFFECTS OF THE PROPOSED ACQUISITION

The pro forma effects of the Proposed Acquisition have been illustrated based on the following:

Issue price of the Consideration Units based on and equivalent to the 5-day VWAP of the Units up to and including the last full trading day immediately preceding the date of the SPA : RM2.36 per Unit

No. of Consideration Units to be issued : 699,152,542 Units

### 6.1 Unitholders' capital

The pro forma effect of the Proposed Acquisition on the Unitholders' capital is as follows:

	<b>No. of Units</b>	<b>RM'000</b>
As of the LPD	3,621,577,837	4,590,172
Consideration Units to be issued	699,152,542	1,649,828 <sup>(1)</sup>
<b>Enlarged Unitholders' capital</b>	<b>4,320,730,379</b>	<b>6,240,000</b>

**Note:**

(1) *After taking into account the estimated expenses relating to the Proposed Acquisition associated with the issuance of the Consideration Units of approximately RM0.17 million.*

## 6.2 Substantial Unitholders' unitholdings

Name	As of the LPD			After the Proposed Acquisition				
	Direct		Indirect	Direct		Indirect		
	No. of Units	(%) <sup>(1)</sup>	No. of Units	(%) <sup>(1)</sup>	No. of Units	(%) <sup>(2)</sup>		
IGB	1,733,617,754	47.87	222,123,323 <sup>(3)</sup>	6.13	1,733,617,754	40.12	711,530,102 <sup>(9)</sup>	16.47
DSRT	16,272,721	0.45	1,970,831,194 <sup>(4)</sup>	54.42	16,272,721	0.38	2,460,237,973 <sup>(10)</sup>	56.94
PTSM	-	-	1,970,831,194 <sup>(4)</sup>	54.42	-	-	2,460,237,973 <sup>(10)</sup>	56.94
TTCK	1,000,000	0.03	1,970,831,194 <sup>(4)</sup>	54.42	1,000,000	0.02	2,460,237,973 <sup>(10)</sup>	56.94
TCNSB	-	-	1,964,880,250 <sup>(5)</sup>	54.25	-	-	2,454,287,029 <sup>(11)</sup>	56.80
TKYSB	14,764,772	0.41	1,956,066,422 <sup>(6)</sup>	54.01	14,764,772	0.34	2,445,473,201 <sup>(12)</sup>	56.60
IGBRM	221,577,837	6.12	-	-	221,577,837	5.13	-	-
WST	-	-	1,955,741,077 <sup>(7)</sup>	54.00	-	-	2,445,147,856 <sup>(13)</sup>	56.59
IGB Corp	-	-	-	-	489,406,779 <sup>(8)</sup>	11.33	-	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	205,584,500	5.68	31,572,000 <sup>(14)</sup>	0.87	205,584,500	4.76	31,572,000 <sup>(14)</sup>	0.73
Employees Provident Fund Board	362,169,601	10.00	-	-	362,169,601	8.38	-	-

### Notes:

- (1) Based on 3,621,577,837 Units in issue as of the LPD.
- (2) Based on the enlarged Units in issue of 4,320,730,379 after the Proposed Acquisition.
- (3) Deemed interest through IGBRM and T&T pursuant to Section 4 of the CMSA.
- (4) Deemed interest through IGB, IGBRM, T&T, TKYSB and TKYI pursuant to Section 4 of the CMSA.
- (5) Deemed interest through IGB, IGBRM, T&T and CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Bhd (EDP2) for TCNSB pursuant to Section 4 of the CMSA.
- (6) Deemed interest through IGB, IGBRM, T&T and TKYI pursuant to Section 4 of the CMSA.

- (7) *Deemed interest through IGB, IGBRM and T&T pursuant to Section 4 of the CMSA.*
- (8) *SMSB has nominated its shareholders, IGB Corp and SCSB, to receive the Consideration Units directly proportionate to their respective shareholding of 70.0% and 30.0% in SMSB.*
- (9) *Deemed interest through IGB Corp, IGBRM and T&T pursuant to Section 4 of the CMSA.*
- (10) *Deemed interest through IGB, IGB Corp, IGBRM, T&T, TKYSB, and TKYI pursuant to Section 4 of the CMSA.*
- (11) *Deemed interest through IGB, IGB Corp, IGBRM, T&T and CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Bhd (EDP2) for TCNSB pursuant to Section 4 of the CMSA.*
- (12) *Deemed interest through IGB, IGB Corp, IGBRM, T&T and TKYI pursuant to Section 4 of the CMSA.*
- (13) *Deemed interest through IGB, IGB Corp, IGBRM and T&T pursuant to Section 4 of the CMSA.*
- (14) *Deemed interest through various fund managers of KWAP pursuant to Section 4 of the CMSA.*

### 6.3 Earnings, EPU and DPU

The Proposed Acquisition is not expected to have any material effect on IGB REIT's earnings, EPU and DPU for the FYE 31 December 2025, as it is only expected to be implemented and completed in the fourth quarter of 2025.

Nevertheless, the Manager believes that after considering the additional NPI from MVS Mall, the Proposed Acquisition is expected to increase IGB REIT's earnings, EPU and DPU moving forward and be yield accretive.

For illustrative purposes only, based on the audited financial statements of IGB REIT for the FYE 31 December 2024 and assuming that the Proposed Acquisition had been effected on 1 January 2024, being the beginning of the FYE 31 December 2024, the pro forma effect of the Proposed Acquisition on the distributable income and DPU is as follows:

	<b>Audited for the FYE 31 December 2024</b>	<b>After adjustment for subsequent events<sup>(2)</sup></b>	<b>After the Proposed Acquisition</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Distributable income	395,938	395,938	395,938
Add: Annual incremental net distributable income	-	-	147,421 <sup>(3)</sup>
<b>Pro forma distributable income</b>	<b>395,938</b>	<b>395,938</b>	<b>543,359</b>
Number of Units in issue ('000)	3,615,387	3,621,578	4,325,624 <sup>(4)</sup>
DPU (sen) <sup>(1)</sup>	10.95	10.93	12.56

#### Notes:

- (1) Calculated as pro forma distributable income divided by the number of Units in issue.
- (2) After taking into account the issuance of 6,190,621 Units to the Manager from 1 January 2025 up to and including the LPD for part settlement of the Manager's fee.
- (3) The annual incremental net distributable income is derived after taking into consideration, among others, the following key bases and assumptions:

<b>Description</b>	<b>Key bases and assumptions</b>	<b>RM'000</b>
NPI	NPI from MVS Mall for the FYE 31 December 2024	191,617
Manager's and Trustee's fees	(i) The Manager's base fee of 0.3% per annum of the incremental TAV contributed by MVS Mall and the Manager's performance fee of 5.0% of the incremental NPI contributed by MVS Mall	(17,769)
	(ii) 65% of the Manager's fee is assumed to be paid via the issuance of 4,893,883 Units at an issue price of RM2.36 per Unit	11,550
	(iii) The Trustee's fee of 0.03% of the incremental NAV contributed by MVS Mall	(160)
Cost of financing	Based on an indicative blended interest rate of 3.85% relating to borrowings amounting to RM1.03 billion to be obtained and amortisation cost of RM0.17 million which is derived by amortising the cost associated with the borrowings of RM1.03 billion over a period of 5 to 10 years	(39,763)
Depreciation of plant and equipment	Distribution adjustment for depreciation of plant and equipment which is non-cash	704

<b>Description</b>	<b>Key bases and assumptions</b>	<b>RM'000</b>
Finance income	Interest income mainly from investments in fixed deposits and repurchase agreements	1,357
Other expenses	Half-yearly valuation fee and other expenses	(115)
<b>Total</b>		<b>147,421</b>

- (4) After taking into account the issuance of 699,152,542 Consideration Units and assuming 65% of the Manager's incremental fee contributed by MVS Mall is paid via the issuance of 4,893,883 Units at an issue price of RM2.36 per Unit.

For information purposes, the Manager declared and paid approximately 97.66% of the total distributable income of IGB REIT for the FYE 31 December 2024. Notwithstanding that, the Manager intends to distribute at least 90% of the total distributable income of IGB REIT for each financial year.

#### 6.4 NAV per Unit and gearing

For illustrative purposes only, based on the audited financial statements of IGB REIT for the FYE 31 December 2024 and assuming that the Proposed Acquisition had been effected on 31 December 2024, the pro forma effects of the Proposed Acquisition on the NAV per Unit and gearing of IGB REIT are as follows:

	<b>Audited as of 31 December 2024</b>	<b>After adjustment for subsequent events<sup>(2)</sup></b>	<b>After the Proposed Acquisition</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unitholders' capital	4,576,269	4,590,172	6,240,000
Accumulated losses	(320,826)	(320,826)	(320,826)
<b>NAV</b>	<b>4,255,443</b>	<b>4,269,346</b>	<b>5,919,174</b>
No. of Units in issue ('000)	3,615,387	3,621,578	4,320,730
<b>NAV per Unit (RM)</b>	<b>1.1770</b>	<b>1.1789</b>	<b>1.3699</b>
Total borrowings	1,214,781	1,214,781	2,243,596 <sup>(3)</sup>
TAV	5,741,275	5,741,275	8,470,509 <sup>(4)</sup>
Gearing (%) <sup>(1)</sup>	21.16	21.16	26.49

#### Notes:

- (1) Calculated as total borrowings divided by TAV.
- (2) After taking into account the issuance of 6,190,621 Units to the Manager from 1 January 2025 up to and including the LPD for part settlement of the Manager's fee.
- (3) The increase in borrowings of RM1,028.82 million (after deducting the estimated upfront cost in relation to the IGB REIT MTN Programme amounting to approximately RM1.18 million) is to fund the Cash Consideration and estimated expenses relating to the Proposed Acquisition.
- (4) The increase in TAV takes into consideration the following:

<b>Description</b>	<b>RM'000</b>
Audited TAV of IGB REIT as of 31 December 2024	5,741,275
Purchase Consideration	2,650,000
Expenses in relation to the Proposed Acquisition capitalised to investment properties	28,643

<b>Description</b>	<b>RM'000</b>
<i>Transfer of security deposits received as of 31 December 2024</i>	45,857
<i>Transfer of prepaid rental received as of 31 December 2024</i>	4,734
<b>Total</b>	<b>8,470,509</b>

## 6.5 Convertible securities

As of the LPD, IGB REIT does not have any convertible securities.

## 7. APPROVALS/CONSENTS REQUIRED

The Proposed Acquisition is subject to the following being obtained:

- (i) approval of Bursa Securities for the listing and quotation of the Consideration Units on the Main Market of Bursa Securities, which was obtained vide its letter dated 14 August 2025, subject to the following conditions:

<b>Details of condition imposed</b>	<b>Status of compliance</b>
(a) IGB REIT, Maybank IB and HLIB must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Proposed Acquisition;	To be complied
(b) Maybank IB or HLIB to furnish a certified true copy of the resolution passed by Unitholders approving the Proposed Acquisition;	To be complied
(c) Prior to the issuance of the Consideration Units, Maybank IB and HLIB to confirm that IGB REIT complies fully with the 25.0% public security holding spread requirement under Paragraph 8.02(1) of the MMLR pursuant to the Proposed Acquisition; and	To be complied
(d) Maybank IB and HLIB to inform Bursa Securities upon the completion of the Proposed Acquisition and to furnish a written confirmation of compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed.	To be complied

- (ii) approval of the non-interested Unitholders for the Proposed Acquisition at the upcoming Unitholders' Meeting; and

- (iii) approval of IGB's shareholders for the sale of the Subject Property.

The Proposed Acquisition is not conditional upon any other corporate exercise/scheme of IGB REIT.

## 8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the MMLR is approximately 46.62%.

**9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS OF THE MANAGER, MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED TO THEM**

The Proposed Acquisition is a related party transaction under Paragraph 10.08 of the MMLR, considering the interests of the following Directors, major shareholders of the Manager, the Major Unitholders and/or persons connected to them:

- (i) both the Manager and SMSB are indirect subsidiaries of IGB, which is a Major Unitholder. The Manager is indirectly wholly-owned by IGB, while SMSB is a 70% indirect subsidiary of IGB;
- (ii) DSRT is a Major Unitholder and the Non-Independent Executive Chairman of the Manager. DSRT is also a major shareholder and a Non-Independent Non-Executive Director of IGB as well as a director of SMSB. He is the father of ETHN and a brother of PTSM and TTCK;
- (iii) TLC is a Non-Independent Non-Executive Director of the Manager. She is also the Chairman and Non-Independent Non-Executive Director of IGB;
- (iv) TMS is the Executive Director of the Manager. She also serves as the Deputy Chief Executive Officer and is an alternate to TLC on the board of directors of IGB;
- (v) ETHN served as an Executive Director and Chief Executive Officer of the Manager until her resignation on 19 March 2025. ETHN is an alternate to DSRT on the board of directors of IGB, and is a daughter of DSRT;
- (vi) PTSM is a Major Unitholder and a major shareholder of IGB. She is a sister of DSRT and TTCK;
- (vii) TTCK is a Major Unitholder and a major shareholder of IGB. He is a brother of DSRT and PTSM; and
- (viii) TCNSB, TKYSB and WST are the Major Unitholders and major shareholders of IGB.

DSRT, TLC and TMS, being the Interested Directors, are deemed interested in the Proposed Acquisition. Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the Proposed Acquisition at the relevant board meetings, and will not make any recommendation on the Proposed Acquisition.

IGB, DSRT, PTSM, TTCK, TCNSB, TKYSB and WST, being the Interested Major Unitholders, are deemed interested in the Proposed Acquisition.

As of the LPD, the respective interests of the Interested Directors and Interested Major Unitholders in IGB REIT are as follows:

Name	As of the LPD			
	Direct		Indirect	
	No. of Units	(%)	No. of Units	(%)
IGB	1,733,617,754	47.87	222,123,323 <sup>(1)</sup>	6.13
DSRT	16,272,721	0.45	1,970,831,194 <sup>(2)</sup>	54.42
TLC	2,005,944	0.06	-	-
TMS	300,000	0.01	-	-
PTSM	-	-	1,970,831,194 <sup>(2)</sup>	54.42
TTCK	1,000,000	0.03	1,970,831,194 <sup>(2)</sup>	54.42
TCNSB	-	-	1,964,880,250 <sup>(3)</sup>	54.25
TKYSB	14,764,772	0.41	1,956,066,422 <sup>(4)</sup>	54.01
WST	-	-	1,955,741,077 <sup>(5)</sup>	54.00

**Notes:**

- (1) *Deemed interest through the Manager and T&T pursuant to Section 4 of the CMSA.*
- (2) *Deemed interest through IGB, the Manager, T&T, TKYSB and TKYI pursuant to Section 4 of the CMSA.*
- (3) *Deemed interest through IGB, the Manager, T&T and CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Bhd (EDP2) for TCNSB pursuant to Section 4 of the CMSA.*
- (4) *Deemed interest through IGB, the Manager, T&T and TKYI pursuant to Section 4 of the CMSA.*
- (5) *Deemed interest through IGB, the Manager and T&T pursuant to Section 4 of the CMSA.*

The Interested Directors and the Interested Major Unitholders will abstain from voting in respect of their direct and/or indirect unitholdings in IGB REIT on the resolution in relation to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting. They have also undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect unitholdings in IGB REIT on the resolution in relation to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

As of the LPD, the Manager holds 221,577,837 Units, representing approximately 6.12% of the total Units issued. The Manager is prohibited under paragraph 13.26 of the Listed REIT Guidelines from exercising the voting rights attached to the Units it holds or the Units held by its nominees at any Unitholders' meeting. Hence, the Manager will abstain from voting on the resolution related to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

Save as disclosed above, none of the Directors, major shareholders of the Manager, Major Unitholders and/or persons connected to them have any direct or indirect interest in the Proposed Acquisition.

## **10. TRANSACTIONS WITH RELATED PARTIES IN THE PAST 12 MONTHS**

Save for the recurrent related party transactions approved by the Unitholders at IGB REIT's annual general meeting on 23 April 2025, the total related party transactions between IGB REIT and the IGB Group over the past 12 months before the LPD amounted to RM5,990, which is less than 0.01% of IGB REIT's audited TAV as of 31 December 2024.

## **11. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee of the Manager (comprising solely of independent Directors), after considering the Manager's investment objectives and all aspects of the Proposed Acquisition (including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of MVS Mall, effects of the Proposed Acquisition, risk factors, salient terms of the SPA, the valuation of MVS Mall by the Valuer, the funding for the Proposed Acquisition as well as the evaluation of the Independent Adviser), is of the opinion that the Proposed Acquisition is:

- (i) in the best interest of IGB REIT;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested Unitholders.

## **12. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, save for the Interested Directors, having considered all aspects of the Proposed Acquisition (including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of MVS Mall, effects of the Proposed Acquisition, risk factors, salient terms of the SPA, the valuation of MVS Mall by the Valuer, the funding for the Proposed Acquisition as well as the evaluation of the Independent Adviser), is of the opinion that the Proposed Acquisition is in the best interest of IGB REIT.

The Board, save for the Interested Directors, recommends that you vote **in favour** of the resolution relating to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

## **13. ADVISERS**

### **13.1 Joint Principal Advisers**

Maybank IB and HLIB have been appointed as Joint Principal Advisers for the Proposed Acquisition.

### **13.2 Independent Adviser**

In view that the Proposed Acquisition is a related party transaction as set out in Section 9 of Part A of this Circular, Interpac has been appointed as the Independent Adviser to undertake the following:

- (i) comment on whether the Proposed Acquisition is:
  - (a) fair and reasonable as far as the non-interested Unitholders are concerned; and
  - (b) to the detriment of the non-interested Unitholders,and such opinion must set out the reasons for the key assumptions made and the factors taken into consideration in forming that opinion;
- (ii) advise the non-interested Unitholders on whether they should vote in favour of the Proposed Acquisition; and
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to items (i) and (ii) above.

Please refer to the IAL as set out in Part B of this Circular.

## **14. OTHER CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Acquisition, there is no other corporate exercise/scheme which has been announced by IGB REIT but pending completion as of the LPD.

## 15. HISTORICAL UNIT PRICES

The monthly highest and lowest prices of the Units as traded on the Main Market of Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	<b>Highest (RM)</b>	<b>Lowest (RM)</b>
<b>2025</b>		
July	2.86	2.50
June	2.59	2.25
May	2.38	2.22
April	2.37	2.13
March	2.33	2.19
February	2.34	2.14
January	2.22	2.13
<b>2024</b>		
December	2.18	2.06
November	2.18	2.00
October	2.25	2.06
September	2.14	1.97
August	2.02	1.87
Last transacted market price of the Units on 23 June 2025, being the last full trading day prior to the Announcement		2.30
Last transacted market price of the Units as of the LPD		2.78

*(Source: Bloomberg)*

## 16. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the tentative timetable for the implementation of the Proposed Acquisition is as follows:

<b>Tentative timing</b>	<b>Event</b>
19 September 2025	Unitholders' Meeting to consider the Proposed Acquisition
October 2025	Fulfilment of the Conditions Precedent
November 2025	Completion of the Proposed Acquisition

## 17. UNITHOLDERS' MEETING

The Unitholders' Meeting, the notice of which is enclosed in this Circular, will be held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia on Friday, 19 September 2025 at 11.00 a.m. or any adjournment thereof, to consider and if thought fit, pass, the resolution set out in the Notice of Unitholders' Meeting, with or without modifications.

If you are unable to attend and vote at the Unitholders' Meeting, you may appoint a proxy or up to two proxies to attend and vote on your behalf at the Unitholders' Meeting. To do so, please complete and return the enclosed Proxy Form to the registered office of the Manager, either by post or in person at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur or via email at [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com). Alternatively, members may submit an e-proxy online at <https://tiih.online>. The Proxy Form must be submitted at least 24 hours before the time set for holding the Unitholders' Meeting or any adjournment thereof. The Proxy Form should be completed strictly according to the instructions provided. Completing and lodging the Proxy Form will not preclude you from attending and voting in person at the Unitholders' Meeting if you decide to do so later.

## 18. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**IGB REIT MANAGEMENT SDN BHD**  
(as the Manager of IGB REIT)

**DATO' SERI ROBERT TAN CHUNG MENG**  
Non-Independent Executive Chairman

**PART B**

**INDEPENDENT ADVICE LETTER FROM INTERPAC TO  
THE NON-INTERESTED UNITHOLDERS IN RELATION  
TO THE PROPOSED ACQUISITION**

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## EXECUTIVE SUMMARY

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*All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "we", "us" or "our" in this IAL are references to Interpac, being the Independent Adviser for the Proposed Acquisition.*

**This Executive Summary summarises this IAL. You are advised to read and understand this IAL in its entirety, together with the letter to the Unitholders in relation to the Proposed Acquisition in Part A of the Circular and the accompanying appendices for other relevant information and not to rely solely on this Executive Summary in forming an opinion on the Proposed Acquisition.**

**You are also advised to carefully consider the recommendations contained in both the letters before voting on the ordinary resolution to give effect to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.**

**If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

### 1. INTRODUCTION

On 24 June 2025, the Trustee had entered into the SPA with SMSB for the Proposed Acquisition. The details of the Proposed Acquisition are set out in Section 2, Part A of the Circular.

In view of the interests of certain Directors, major shareholders of the Manager, Major Unitholders and/or persons connected to them as set out in Section 9, Part A of the Circular, the Proposed Acquisition is a related party transaction under Paragraph 10.08 of the MMLR. Accordingly, Interpac has been appointed on 4 June 2025 as the Independent Adviser to advise the non-interested Directors and non-interested Unitholders on the Proposed Acquisition.

The purpose of this IAL is to provide the non-interested Unitholders with an independent evaluation on the fairness and reasonableness of the Proposed Acquisition, and whether the Proposed Acquisition is detrimental to the non-interested Unitholders, together with our recommendation on whether the non-interested Unitholders should vote in favour of the Proposed Acquisition.

Nonetheless, the non-interested Unitholders should rely on their own evaluation of the merits and demerits of the Proposed Acquisition before making a decision on the course of action to be taken at the upcoming Unitholders' Meeting.

This IAL is prepared solely for the use of the non-interested Unitholders to consider the Proposed Acquisition and should not be used or relied upon by any other party for any other purposes whatsoever.

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2. EVALUATION OF THE PROPOSED ACQUISITION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Acquisition based on the following pertinent factors:-

Reference in IAL / Consideration factors	Our evaluation
<p><b>Section 3.1</b> Rationale and benefits of the Proposed Acquisition</p>	<p>The rationale and benefits of the Proposed Acquisition are fair and reasonable.</p> <p>The Proposed Acquisition entails the acquisition of MVS Mall together with tenancies, operational assets, essential contracts for its operation and maintenance, and other ancillary components. It is noted that the principal investment policy of IGB REIT is to invest, directly and indirectly, in a diversified portfolio of income-producing real estate used primarily for retail purposes in Malaysia and overseas as well as real estate related assets. The investment objective of IGB REIT is to provide the Unitholders with regular and stable distributions, sustainable long-term unit price and distributable income and capital growth, while maintaining an appropriate capital structure. The Proposed Acquisition is in line with the investment policy and investment objective of IGB REIT.</p> <p>MVS Mall is expected to be an attractive addition to IGB REIT's portfolio of investment properties in view of the following:-</p> <p>(i) <b>Strategic location of the Subject Property.</b> MVS Mall is strategically located in Mid Valley Southkey, Johor Bahru, with easy accessibility and good connectivity whereby:-</p> <p>(a) MVS Mall forms part of an integrated mixed commercial development known as Mid Valley Southkey. Mid Valley Southkey is designed to provide a seamless blend of retail, business and leisure and currently comprises a retail mall (<i>i.e. MVS Mall</i>), 2 blocks of high rise Grade A office towers and a 4-star hotel. There are 2 more office towers and a 5-star hotel planned as part of the future development of Mid Valley Southkey;</p> <p>(b) Mid Valley Southkey is strategically located in an upscale area of Southkey City, Johor Bahru. Southkey City, Johor Bahru is a mixed development mega project covering about 330 acres of prime land within Flagship Zone A (Johor Bahru city centre) of Iskandar Malaysia. This mega project currently comprises shopping complexes, office towers, hotels, serviced residences, shop-offices, a hospital and a university; and</p> <p>(c) MVS Mall is situated approximately 5 kilometres due north-east of Johor Bahru city centre. Access from Johor Bahru city centre is available via 2 major expressways, namely the EDL and Tebrau highways. The EDL highway connects to both Johor-Singapore Causeway and North-South Expressway Southern Route, making MVS Mall easily accessible for both locals and visitors from Singapore.</p>

Reference in IAL / Consideration factors	Our evaluation
	<p>(ii) <b>Diverse tenant mix and high occupancy.</b> With a NLA of more than 1.5 million sq. ft., MVS Mall offers a diverse range of tenants to cater to demand in the vicinity, including luxury boutiques, international brands, dining, grocery, fitness and wellness, entertainment and convenience services. A diverse tenant mix offers choice and variety to mall patrons, which will help attract and increase footfall.</p> <p>MVS Mall currently houses anchor tenants such as SOGO, Village Grocer, Golden Screen Cinemas, Aurum Theatre and MVEC Exhibition Hall, which collectively occupy approximately 29% of total NLA. There are also numerous mini anchor tenants / mini major tenants which collectively occupy approximately 20% of total NLA.</p> <p>As at 9 May 2025, MVS Mall has achieved a high occupancy rate of 94.98%. Additionally, its committed tenancies (<i>i.e. those which are set to commence within 3 months from 9 May 2025</i>) account for approximately 4.99% of total NLA, making MVS Mall nearly fully occupied upon commencement of the committed tenancies <i>i.e.</i> at an occupancy rate of 99.97%; and</p> <p>(iii) <b>Enhancement to current portfolio.</b> The proposed addition of MVS Mall is expected to enhance the current portfolio of IGB REIT's investment properties and thereby, attracting further investors' interest taking into consideration the following factors:-</p> <p>(a) <u>Earnings accretive</u> – MVS Mall is already generating income. The Manager expects the Proposed Acquisition to positively contribute to IGB REIT's distributable income and DPU for the Unitholders moving forward.</p> <p>The pro forma distributable income of IGB REIT for the FYE 31 December 2024 will increase from RM395.94 million (DPU of 10.93 sen (<i>after adjusting for subsequent events</i>)) to RM543.36 million (DPU of 12.56 sen) after the Proposed Acquisition. Any rental reversions in the future are expected to further enhance IGB REIT's distributable income and DPU.</p> <p>The NPI from MVS Mall for the FYE 31 December 2024 was RM191.62 million, representing an annual net yield of about 7.23% over the Purchase Consideration of RM2.65 billion.</p> <p>(b) <u>Diversification of investment properties portfolio</u> – Upon completion of the Proposed Acquisition, IGB REIT's portfolio of investment properties will expand whereby:-</p> <p>(aa) the inclusion of MVS Mall in Johor Bahru into IGB REIT's portfolio will geographically diversify and expand IGB REIT's presence beyond the Klang Valley;</p> <p>(bb) total NLA as at 31 December 2024 will increase by 58.0% to 4.17 million sq. ft.;</p>

Reference in IAL / Consideration factors	Our evaluation
	<p>(cc) total market value as at 31 December 2024 will increase by 48.6% to RM8.10 billion; and</p> <p>(dd) total NPI for the FYE 31 December 2024 will increase by 42.0% to RM647.33 million, assuming that the Proposed Acquisition had been effected on 1 January 2024.</p> <p>In view that MVS Mall is a significant addition to IGB REIT's portfolio of investment properties (<i>representing 36.8% to the total NLA, 32.7% to the total market value and 29.6% to the total NPI of the enlarged portfolio</i>), this is expected to diversify and reduce the dependence of IGB REIT on its existing malls' contribution. The details of the enlarged portfolio are set out in Section 3.1 of this IAL.</p> <p>We view the issuance of MTNs to fund the part settlement of the Purchase Consideration to be reasonable. Both the issuance of MTNs and traditional bank borrowings have relatively similar impact on profitability, cash flows and gearing of the borrower. In contrast to traditional bank borrowings, MTNs may provide IGB REIT with access to a broader investor base / pool of capital. MTNs may also provide more flexibility in terms of tenure and structure as compared to traditional bank borrowings. Furthermore, the issuance of MTNs does not impact the IGB REIT's unitholding structure as compared to a rights issue or private placement exercise.</p> <p>The issuance of Consideration Units as part settlement of the Purchase Consideration is in line with IGB REIT's capital and risk management strategy and is expected to allow IGB REIT to maintain a healthy gearing level while providing sufficient debt headroom. As set out in Section 6.4, Part A of the Circular, the gearing level of IGB REIT is expected to increase from 21.16% as at 31 December 2024 (<i>after adjusting for subsequent events</i>) to 26.49% after the Proposed Acquisition.</p>
<p><b><u>Section 3.2</u></b> Basis and justification for the Purchase Consideration and Issue Price</p>	<p><b><u>Purchase Consideration</u></b> As set out in Section 2.6, Part A of the Circular, the Purchase Consideration was arrived at on a willing buyer-willing seller basis, taking into account the market value of the Subject Property of RM2.65 billion and the rationale and benefits of the Proposed Acquisition.</p> <p>In evaluating the Purchase Consideration, we have reviewed the valuation conducted by Henry Butcher for the Subject Property. In arriving at the market value of the Subject Property, the Valuer has adopted income approach by investment method as the main method and the comparison approach as a cross check.</p> <p>Based on the income approach by investment method (<i>being the main method of valuation</i>), the Valuer has derived a market value of RM2.65 billion for the Subject Property as at the material date of valuation of 9 May 2025. As a cross check using the comparison approach, the Valuer has derived a market value of RM2.45 billion for the Subject Property as at the material date of valuation of 9 May 2025.</p>

Reference in IAL / Consideration factors	Our evaluation
	<p>The Valuer has adopted the market value of RM2.65 billion derived from the income approach by investment method as the market value of the Subject Property in view that:-</p> <ul style="list-style-type: none"> <li>(i) the Subject Property is a rental income generating property; and</li> <li>(ii) qualitative and quantitative adjustments under the comparison approach are more complex to compute in order to reflect differences between the comparable properties and the Subject Property as the selected comparable properties together with the adjustment factors may be subjective.</li> </ul> <p>As the Purchase Consideration (RM2.65 billion) is equivalent to the market value of the Subject Property as appraised by the Valuer (RM2.65 billion), we are of the view that the Purchase Consideration is fair and reasonable.</p> <p><b><u>Settlement terms</u></b> The settlement terms are fair and reasonable and are not detrimental to the interests of the non-interested Unitholders.</p> <p><b><u>Issue Price</u></b> The Issue Price of RM2.36 per Unit is fair and reasonable as the Issue Price:-</p> <ul style="list-style-type: none"> <li>(i) is <b>higher than</b> the daily VWAPs of the Units for almost all market days (<i>save for 26 market days</i>), representing approximately 99.2% of the total market days (<i>with trading volume</i>) for the period from the date of listing of IGB REIT on 21 September 2012 up to the LPD;</li> <li>(ii) represents a <b>premium</b> of RM0.0830 (3.65%) over the last traded market price of the Units on 23 June 2025, being the last full trading day immediately preceding the date of the SPA (“LTD”) and a <b>premium</b> of between RM0.0283 (1.21%) and RM0.2851 (13.74%) over the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the Units up to the LTD; and</li> <li>(iii) represents a significant <b>premium</b> of approximately 100% over the unaudited NAV per Unit as at 30 June 2025 and the audited NAV per Unit as at 31 December 2024.</li> </ul>
<p><b><u>Section 3.3</u></b> Salient terms of the SPA</p>	<p>The salient terms of the SPA are fair and reasonable and are not detrimental to the interests of the non-interested Unitholders.</p>
<p><b><u>Section 3.4</u></b> Effects of the Proposed Acquisition</p>	<p>The pro forma effects of the Proposed Acquisition are as follows:-</p> <ul style="list-style-type: none"> <li>(i) Unitholders’ capital</li> </ul> <p>The Unitholders’ capital of IGB REIT will increase by approximately RM1.65 billion (<i>after taking into account the estimated expenses relating to the Proposed Acquisition associated with the issuance of the Consideration Units of approximately RM0.17 million</i>) due to the issuance of 699,152,542 Consideration Units at the Issue Price of RM2.36 per Unit.</p>

Reference in IAL / Consideration factors	Our evaluation
	<p>(ii) Substantial Unitholders' unitholdings</p> <p>Pursuant to the Proposed Acquisition, IGB Corp will receive 489,406,779 Consideration Units (<i>representing a direct interest of 11.33% in IGB REIT</i>) and emerge as a new substantial Unitholder (SCSB: 209,745,763 Consideration Units; direct interest of 4.85%). On the other hand, the unitholdings of other existing Unitholders will be proportionately diluted by the issuance of the Consideration Units.</p> <p>Notwithstanding that the issuance of the Consideration Units may have an immediate dilutive impact on the Unitholders' unitholdings, the Proposed Acquisition is expected to contribute positively to the future earnings and distributions of IGB REIT.</p> <p>(iii) Earnings, EPU and DPU</p> <p>The potential effects of the Proposed Acquisition on IGB REIT's earnings, EPU and DPU will depend on, amongst others, the eventual NPI contribution of MVS Mall vis-à-vis the financial performance of other investment properties within the portfolio of IGB REIT as well as cost of financing for the borrowings. Nevertheless, the Proposed Acquisition is expected to increase the earnings, EPU and DPU of IGB REIT moving forward taking into account the NPI contribution from MVS Mall.</p> <p>As illustrated in Section 6.3, Part A of the Circular, assuming that the Proposed Acquisition had been effected on 1 January 2024, the pro forma distributable income of IGB REIT for the FYE 31 December 2024 will increase from RM395.94 million (DPU of 10.93 sen (<i>after adjusting for subsequent events</i>)) to RM543.36 million (DPU of 12.56 sen) after the Proposed Acquisition.</p> <p>(iv) NAV per Unit and gearing</p> <p>The NAV of IGB REIT will increase by a net amount of approximately RM1.65 billion, mainly attributable to the issuance of 699,152,542 Consideration Units at the Issue Price of RM2.36 per Unit to part settle the Purchase Consideration. The increase is offset by the estimated expenses relating to the Proposed Acquisition associated with the issuance of the Consideration Units of approximately RM0.17 million. Arising from the issuance of the Consideration Units and recognition of the said estimated expenses, the NAV per Unit will increase from RM1.1789 as at 31 December 2024 (<i>after adjusting for subsequent events</i>) to RM1.3699 after the Proposed Acquisition.</p> <p>The new borrowings of RM1,028.82 million (<i>after deducting the estimated upfront cost in relation to the IGB REIT MTN Programme amounting to approximately RM1.18 million</i>) to fund the Cash Consideration and estimated expenses relating to the Proposed Acquisition will result in the gearing of IGB REIT increasing from 21.16% as at 31 December 2024 (<i>after adjusting for subsequent events</i>) to 26.49% after the Proposed Acquisition. Nonetheless, the increased gearing is still within the threshold as prescribed or permitted under Paragraph 8.32 of the Listed REIT Guidelines.</p>

Reference in IAL / Consideration factors	Our evaluation
	<p>In addition, taking into consideration the prospects of MVS Mall as set out in Section 3.5 of this IAL, any appreciation in the market value of MVS Mall in the future will further enhance the NAV and NAV per Unit of IGB REIT and lower the gearing of IGB REIT.</p> <p>(v) Convertible securities</p> <p>As at the LPD, IGB REIT does not have any convertible securities.</p> <p>Based on our evaluation above, the overall effects of the Proposed Acquisition are not detrimental to the interests of the non-interested Unitholders.</p>
<p><b>Section 3.5</b> Prospects of the retail industry as well as MVS Mall and IGB REIT</p>	<p>In view of the ease of accessibility and good connectivity as well as the strategic location of MVS Mall within Mid Valley Southkey, MVS Mall is well-positioned to attract both shoppers and tenants and is expected to continue achieving high occupancy level and positive rental reversions as well as potentially appreciate in market value in the future. We view the long-term prospects of the retail industry as well as MVS Mall and IGB REIT to be favourable.</p>
<p><b>Section 3.6</b> Risk factors in relation to the Proposed Acquisition</p>	<p>The risk factors are set out in Section 5, Part A of the Circular, which include (i) financing risk, (ii) non-registration of the Transfer in respect of the Strata Title, (iii) competition risk, (iv) reliance on international visitors and (v) property investment risk.</p> <p>IGB REIT's current portfolio consists of retail properties in Malaysia. The proposed addition of MVS Mall to IGB REIT's portfolio will not significantly change the business risk profile of IGB REIT as IGB REIT is already currently subjected to risks inherent in property market and retail sector.</p>

### 3. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Acquisition, taking into consideration the various factors set out in Section 3 of this IAL. You should carefully consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted in the letter to the Unitholders in relation to the Proposed Acquisition as set out in Part A of the Circular together with the accompanying appendices before voting on the ordinary resolution to give effect to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

Premised on our evaluation of the Proposed Acquisition in Section 3 of this IAL, we are of the view that, on the basis of the information available to us, the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the interests of the non-interested Unitholders.

Accordingly, we recommend that you **vote in favour** of the ordinary resolution to give effect to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

# INTER-PACIFIC

SECURITIES SDN. BHD.  
197201001092 (12738-U)

A Participating Organisation of Bursa Malaysia Securities Berhad  
A Trading Participant of Bursa Malaysia Derivatives Berhad

Lot 13-01A, Level 13 (East Wing)  
Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur

29 August 2025

**To: The non-interested Unitholders**

Dear Sir / Madam,

**IGB REAL ESTATE INVESTMENT TRUST (“IGB REIT”)**

## **INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED ACQUISITION**

*This IAL is prepared for inclusion in the Circular to the Unitholders. All definitions used in this IAL shall have the same meaning as the words and expressions defined in the “Definitions” section of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to “we”, “us” or “our” in this IAL are references to Interpac, being the Independent Adviser for the Proposed Acquisition.*

### **1. INTRODUCTION**

On 24 June 2025, the Trustee had entered into the SPA with SMSB for the Proposed Acquisition. The details of the Proposed Acquisition are set out in Section 2, Part A of the Circular.

In view of the interests of certain Directors, major shareholders of the Manager, Major Unitholders and/or persons connected to them as set out in Section 9, Part A of the Circular, the Proposed Acquisition is a related party transaction under Paragraph 10.08 of the MMLR. Accordingly, Interpac has been appointed on 4 June 2025 as the Independent Adviser to advise the non-interested Directors and non-interested Unitholders on the Proposed Acquisition.

The purpose of this IAL is to provide the non-interested Unitholders with an independent evaluation on the fairness and reasonableness of the Proposed Acquisition, and whether the Proposed Acquisition is detrimental to the non-interested Unitholders, together with our recommendation on whether the non-interested Unitholders should vote in favour of the Proposed Acquisition.

Nonetheless, the non-interested Unitholders should rely on their own evaluation of the merits and demerits of the Proposed Acquisition before making a decision on the course of action to be taken at the upcoming Unitholders’ Meeting.

This IAL is prepared solely for the use of the non-interested Unitholders to consider the Proposed Acquisition and should not be used or relied upon by any other party for any other purposes whatsoever.

**YOU ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER TO THE UNITHOLDERS IN RELATION TO THE PROPOSED ACQUISITION AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED ACQUISITION TO BE TABLED AT THE UPCOMING UNITHOLDERS’ MEETING.**

**IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED ACQUISITION**

Interpac was not involved in any formulation of or any deliberations and negotiations on the terms and conditions pertaining to the Proposed Acquisition. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to independent adviser as set out in Paragraph 10.08(3) of the MMLR and the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities ("**IAL Guide**").

Our scope as the Independent Adviser is limited to expressing an independent opinion in respect of the Proposed Acquisition as to whether the Proposed Acquisition is fair and reasonable and whether the Proposed Acquisition is detrimental to the interests of the non-interested Unitholders, together with our recommendation on whether the non-interested Unitholders should vote in favour of the Proposed Acquisition, based on information and documents provided to us or which are available to us and making enquiries as were reasonable in the circumstances. In performing our evaluation, we have relied on the following sources of information:-

- (i) information contained in Part A of the Circular and the accompanying appendices;
- (ii) the SPA;
- (iii) the Valuation Certificate and the Valuation Report;
- (iv) other relevant information, documents, confirmations and representations furnished to us by the directors, management and/or representatives (*where applicable*) of the Manager, Trustee and IGB REIT; and
- (v) other relevant publicly available information, including but not limited to the annual reports of IGB REIT.

We have relied on the directors, management and/or representatives (*where applicable*) of the Manager, Trustee and IGB REIT to take due care to ensure that all information, documents, confirmations and representations provided by them to facilitate our evaluation of the Proposed Acquisition are accurate, valid and complete in all material aspects. Nonetheless, we have made enquiries as were reasonable in the circumstances and undertaking reasonableness check and corroborating such information with independent sources, where possible. We are satisfied that the information provided to us or which are available to us are sufficient and we have no reason to believe that the aforementioned information are unreasonable, unreliable, inaccurate, incomplete and/or that there are any facts not contained in this IAL, the omission of which would make any information in this IAL false or misleading as at the LPD.

The Board has seen, reviewed and accepted the contents of this IAL. The Board, collectively and individually, accepts full responsibility for the accuracy of the information contained in this IAL (*save for the views, analyses and recommendation of Interpac*) and confirms, after having made all reasonable enquiries, that to the best of their knowledge, there are no other facts not contained in this IAL, the omission of which would make any information in this IAL false or misleading.

The responsibility of the Board in respect of the independent advice and expression of opinion by Interpac in relation to the Proposed Acquisition is limited to ensuring that accurate information in relation to IGB REIT and the Subject Property have been provided to Interpac for our evaluation of the Proposed Acquisition and to ensure that all information in relation to IGB REIT and the Subject Property that is relevant to Interpac's evaluation of the Proposed Acquisition has been completely disclosed to Interpac and that there are no material fact, the omission of which would make any information provided to Interpac false or misleading.

We have evaluated the Proposed Acquisition and in rendering our advice, we have considered various factors, which we believe are of relevance and general importance to an assessment of the Proposed Acquisition and would be of general concern to the non-interested Unitholders. Our evaluation as set out in this IAL is rendered solely for the benefit of the non-interested Unitholders as a whole and not for any specific group of non-interested Unitholders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situations, risk profiles or particular needs of any individual non-interested Unitholder or any specific group of non-interested Unitholders. We recommend that any individual non-interested Unitholder who is in doubt as to the action to be taken or requires advice in relation to the Proposed Acquisition in the context of his individual investment objectives, financial situation, risk profile or particular needs to consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Further, it is not within our terms of reference to express any opinion on legal, accounting and taxation issues relating to the Proposed Acquisition.

Our views expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing, and the information and/or documents made available to us as at the LPD or such other period as specified herein. It is also based on the assumption that the parties to the SPA are able to fulfill their respective obligations thereto in accordance with the terms and conditions therein. Such conditions may change significantly over a short period of time.

We shall notify the non-interested Unitholders if, after the despatch of this IAL, we become aware of the following:-

- (i) significant change affecting the information contained in this IAL;
- (ii) there is a reasonable ground to believe that the statements in this IAL are misleading / deceptive; and
- (iii) there is a material omission in this IAL.

The following are disclosures made pursuant to the IAL Guide:-

- (i) We confirm that we are not aware of any circumstances that exist or are likely to exist which would give rise to a possible conflict of interest situation that may affect our ability to act independently and objectively as the Independent Adviser for the Proposed Acquisition;
- (ii) Save for our current appointment as the Independent Adviser for the Proposed Acquisition, we do not have any other professional relationship with IGB REIT in the past 2 years; and
- (iii) We are a holder of a Capital Markets Services Licence issued by the SC which permits us to carry on the regulated activity of advising on corporate finance under the CMSA. The corporate finance department of Interpac supports clients in the areas of take-overs, mergers and acquisitions, initial public offerings, reverse take-overs, secondary equity issuance, capital markets coverage as well as independent advisory services. Our corporate finance team comprises experienced personnel with the requisite qualification and expertise to provide, amongst others, independent advice and render opinion on fairness and reasonableness of transactions relating to acquisitions, disposals and take-over offers.

As a testament to our experience and credentials as independent adviser, we have issued various independent advice circulars / letters for transactions relating to acquisitions, disposals and take-over offers, including the following proposals:-

- (a) proposed acquisitions by MTrustee Berhad, acting as the trustee for and on behalf of Pavilion Real Estate Investment Trust, of Banyan Tree Kuala Lumpur from Lumayan Indah Sdn Bhd and Pavilion Hotel Kuala Lumpur from Harmoni Perkasa Sdn Bhd for a total purchase consideration of RM480.0 million and proposed leases of the subject hotels to Harmoni Perkasa Sdn Bhd, whereby our independent advice letter was issued on 17 April 2025;
- (b) proposed acquisitions by Pacific Trustees Berhad, acting solely in its capacity as the trustee for and on behalf of KIP Real Estate Investment Trust, of 4 properties together with tenancies for a total purchase consideration of RM98.3 million, whereby our independent advice letter was issued on 26 December 2024;
- (c) unconditional mandatory take-over offer by Liannex Maritime Sdn Bhd through AmInvestment Bank Berhad to acquire all the remaining ordinary shares (*including such number of new ordinary shares that may be issued pursuant to the exercise or conversion of the outstanding convertible securities, restructured term loans and existing employees' share grant plan prior to the closing of the offer*) and warrants in Icon Offshore Berhad not already held by Liannex Maritime Sdn Bhd as well as Liannex Corporation (S) Pte Ltd, Mr. Lim Han Weng and Madam Bah Kim Lian for a cash consideration of RM0.635 per ordinary share and RM0.001 per warrant respectively, whereby our independent advice circular was issued on 26 April 2024;
- (d) conditional mandatory take-over offer by JAG Capital Holdings Sdn Bhd through Maybank IB to acquire all the remaining ordinary shares (*including such number of new ordinary shares that may be issued pursuant to the conversion of the redeemable convertible preference shares in KUB Malaysia Berhad ("KUB RCPS") prior to the closing of the offer*) and all the KUB RCPS that may be issued prior to the closing of the offer not already owned by JAG Capital Holdings Sdn Bhd, Datuk Seri Johari bin Abdul Ghani and Datin Seri Zurwati Haslinda binti Zainal Bahry and persons acting in concert with them for a cash offer price of RM0.60 per ordinary share and RM0.60 per KUB RCPS, whereby our independent advice circular was issued on 8 February 2024;
- (e) proposed acquisition by SAM Engineering & Equipment (M) Berhad of the entire equity interest in Aviatron (M) Sdn Bhd from Singapore Aerospace Manufacturing Pte Ltd for a cash purchase consideration of USD43.4 million, whereby our independent advice letter was issued on 22 November 2023;
- (f) proposed acquisition of Menara CelcomDigi by Maybank Trustees Berhad, acting solely in the capacity as trustee for Sentral REIT, from Puncak Wangi Sdn Bhd, a wholly-owned subsidiary of Malaysian Resources Corporation Berhad, for a purchase consideration of RM450.0 million, whereby our independent advice letter was issued on 30 October 2023;
- (g) proposed disposal by DC Offices Sdn Bhd, an indirect wholly-owned subsidiary of Guocoland (Malaysia) Berhad, of an office building known as Menara Guoco to MTrustee Berhad, acting solely in its capacity as trustee for and on behalf of Tower Real Estate Investment Trust, for a cash consideration of RM242.1 million, whereby our independent advice letter was issued on 15 June 2020;

- (h) conditional mandatory take-over offer by Divine Inventions Sdn Bhd through M&A Securities Sdn Bhd to acquire all the remaining ordinary shares (*including such number of new ordinary shares that may be issued and allotted prior to the closing date of the offer arising from the exercise of the outstanding warrants*) and warrants in Chin Hin Group Property Berhad not already owned by Divine Inventions Sdn Bhd, Datuk Seri Chiau Beng Teik, Chiau Haw Choon and Datin Seri Wong Mee Leng for a cash offer price of RM0.30 per ordinary share and RM0.10 per warrant respectively, whereby our independent advice circular was issued on 13 February 2020;
- (i) proposed acquisitions of entire equity interests by GSB Group Berhad (“**GSB**”) of Aeon Frontier Sdn Bhd, Kerjaya Property Sdn Bhd and Kerjaya Hotel Sdn Bhd, proposed subscription by GSB of 42,489,490 new ordinary shares in Desanda Property Sdn Bhd at an issue price of RM1.00 per ordinary share, proposed subscription by Javawana Sdn Bhd of 251,366,435 new ordinary shares in GSB at an issue price of RM0.17 per ordinary share, proposed exemption under subparagraphs 4.08(1)(a) and (b) of the Rules on Take-overs, Mergers and Compulsory Acquisitions to be sought by Javawana Sdn Bhd and persons acting in concert with it from the obligation to undertake a mandatory take-over offer to acquire the remaining ordinary shares in GSB not already owned by them and proposed amendments to the Constitution of GSB to facilitate the creation and issuance of new redeemable convertible preference shares in GSB, whereby our independent advice letter was issued on 29 November 2019; and
- (j) proposed joint venture between Innoceria Sdn Bhd, a wholly-owned subsidiary of Grand-Flo Berhad and Pembinaan Maka Cemerlang Sdn Bhd, to jointly develop 381 pieces of leasehold land located in Kampar, Perak into a mixed development project, whereby our independent advice letter was issued on 21 November 2019.

### 3. EVALUATION OF THE PROPOSED ACQUISITION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Acquisition based on the following pertinent factors:-

Consideration factors	Section
(i) Rationale and benefits of the Proposed Acquisition	3.1
(ii) Basis and justification for the Purchase Consideration and Issue Price	3.2
(iii) Salient terms of the SPA	3.3
(iv) Effects of the Proposed Acquisition	3.4
(v) Prospects of the retail industry as well as MVS Mall and IGB REIT	3.5
(vi) Risk factors in relation to the Proposed Acquisition	3.6

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### 3.1 Rationale and benefits of the Proposed Acquisition

We have considered the rationale and benefits of the Proposed Acquisition as set out in Section 3, Part A of the Circular and our commentaries are as follows:-

The Proposed Acquisition entails the acquisition of MVS Mall (as depicted below) together with tenancies, operational assets, essential contracts for its operation and maintenance, and other ancillary components. MVS Mall (known as *The Mall, Mid Valley Southkey*) comprises 5 levels of retail floors together with a mezzanine floor, 8 levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and 2 levels of basement car parks, all located within an integrated mixed commercial scheme known as Mid Valley Southkey.



General view of MVS Mall



Main entrance of MVS Mall

It is noted that the principal investment policy of IGB REIT is to invest, directly and indirectly, in a diversified portfolio of income-producing real estate used primarily for retail purposes (*including retail properties and mixed used development with a retail component*) in Malaysia and overseas as well as real estate related assets. The investment objective of IGB REIT is to provide the Unitholders with regular and stable distributions, sustainable long-term unit price and distributable income and capital growth, while maintaining an appropriate capital structure. The Proposed Acquisition is in line with the investment policy and investment objective of IGB REIT.

As at the LPD, IGB REIT's portfolio of investment properties comprises 2 retail malls, namely Mid Valley Megamall and The Gardens Mall, both located in the Klang Valley. Further details of IGB REIT's investment properties before and after the completion of the Proposed Acquisition are set out in Section 3.1(iii)(b) of this IAL.

MVS Mall is expected to be an attractive addition to IGB REIT's portfolio of investment properties in view of the following:-

(i) **Strategic location of the Subject Property.** MVS Mall is strategically located in Mid Valley Southkey, Johor Bahru, with easy accessibility and good connectivity whereby:-

- (a) MVS Mall forms part of an integrated mixed commercial development known as Mid Valley Southkey. Mid Valley Southkey is designed to provide a seamless blend of retail, business and leisure and currently comprises a retail mall (*i.e. MVS Mall*), 2 blocks of high rise Grade A office towers (*i.e. Mid Valley Southkey North Tower and Mid Valley Southkey South Tower*) and a 4-star hotel (*i.e. St. Giles Southkey Hotel*). There are 2 more office towers and a 5-star hotel planned as part of the future development of Mid Valley Southkey. As at the LPD, the construction of the 5-star hotel is expected to commence in the first half of 2026 and complete by 2028, whilst the expected start and completion dates for the two office towers have yet to be determined;
- (b) Mid Valley Southkey is strategically located in an upscale area of Southkey City, Johor Bahru. Southkey City, Johor Bahru is a mixed development mega project covering about 330 acres of prime land within Flagship Zone A (Johor Bahru city centre) of Iskandar Malaysia. This mega project currently comprises shopping complexes, office towers, hotels, serviced residences, shop-offices, a hospital and a university.

Accordingly, MVS Mall is surrounded by:-

<b>Office towers</b>	<b>Hotels</b>
<ul style="list-style-type: none"> <li>• Mid Valley Southkey North Tower</li> <li>• Mid Valley Southkey South Tower</li> </ul>	<ul style="list-style-type: none"> <li>• St. Giles Southkey Hotel</li> <li>• OPERO Hotel Southkey</li> </ul>
<b>Serviced residences</b>	<b>Shop-offices</b>
<ul style="list-style-type: none"> <li>• Southkey Mosaic Residences</li> <li>• Southkey NADI Residences (<i>on-going project</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• The Lakefront @ Southkey</li> <li>• Southkey Mosaic Boutique Pods</li> </ul>
<b>Hospital</b>	<b>University</b>
<ul style="list-style-type: none"> <li>• Columbia Asia Tebrau</li> </ul>	<ul style="list-style-type: none"> <li>• City University Malaysia, Johor Bahru</li> </ul>

- (c) MVS Mall is situated approximately 5 kilometres due north-east of Johor Bahru city centre. Access from Johor Bahru city centre is available via 2 major expressways, namely the EDL and Tebrau highways. The EDL highway, a 6-lane dual carriageway, connects to both Johor-Singapore Causeway and North-South Expressway Southern Route, making MVS Mall easily accessible for both locals and visitors from Singapore.

The strategic location of MVS Mall shall bode well for the mall patronage, supported by the surrounding population as well as local and Singaporean visitors.

- (ii) **Diverse tenant mix and high occupancy.** MVS Mall aims to cater for families, young professionals and tourists (*including visitors from Singapore*). With a NLA of more than 1.5 million sq. ft., MVS Mall offers a diverse range of tenants to cater to demand in the vicinity, including luxury boutiques, international brands, dining, grocery, fitness and wellness, entertainment and convenience services. A diverse tenant mix offers choice and variety to mall patrons, which will help attract and increase footfall.

MVS Mall currently houses anchor tenants such as SOGO, Village Grocer, Golden Screen Cinemas, Aurum Theatre and MVEC Exhibition Hall, which collectively occupy approximately 29% of total NLA. In addition, there are also numerous mini anchor tenants / mini major tenants, including Harvey Norman, Brands Outlet, Uniqlo, Padini Concept Store & Vincci, Regency Medical Care Centre, MUJI, Mr. D.I.Y. Plus, Sports Direct.Com, Nitori, Popular, Toys'R'Us and PopCorn Food Hall, which collectively occupy approximately 20% of total NLA.

As at 9 May 2025, MVS Mall has achieved a high occupancy rate of 94.98%. Additionally, its committed tenancies (*i.e. those which are set to commence within 3 months from 9 May 2025*) account for approximately 4.99% of total NLA, making MVS Mall nearly fully occupied upon commencement of the committed tenancies i.e. at an occupancy rate of 99.97%.

- (iii) **Enhancement to current portfolio.** The proposed addition of MVS Mall is expected to enhance the current portfolio of IGB REIT's investment properties and thereby, attracting further investors' interest taking into consideration the following factors:-

- (a) Earnings accretive – MVS Mall is already generating income. The Manager expects the Proposed Acquisition to positively contribute to IGB REIT's distributable income and DPU for the Unitholders moving forward. As set out in Section 6.3, Part A of the Circular, the pro forma distributable income of IGB REIT for the FYE 31 December 2024 will increase from RM395.94 million (DPU of 10.93 sen (*after adjusting for subsequent events*)) to RM543.36 million (DPU of 12.56 sen) after the Proposed Acquisition. Any rental reversions in the future are expected to further enhance IGB REIT's distributable income and DPU.

For information purposes, the NPI from MVS Mall for the FYE 31 December 2024 was RM191.62 million, representing an annual net yield of about 7.23% over the Purchase Consideration of RM2.65 billion.

- (b) Diversification of investment properties portfolio – Upon completion of the Proposed Acquisition, IGB REIT’s portfolio of investment properties will expand whereby:-
- (aa) the inclusion of MVS Mall in Johor Bahru into IGB REIT’s portfolio will geographically diversify and expand IGB REIT’s presence beyond the Klang Valley;
  - (bb) total NLA will increase by 58.0% from 2.64 million sq. ft. as at 31 December 2024 to 4.17 million sq. ft.;
  - (cc) total market value will increase by 48.6% from RM5.45 billion as at 31 December 2024 to RM8.10 billion; and
  - (dd) total NPI will increase by 42.0% from RM455.71 million for the FYE 31 December 2024 to RM647.33 million, assuming that the Proposed Acquisition had been effected on 1 January 2024, being the beginning of the FYE 31 December 2024.

For illustrative purposes only, the contribution of each investment properties to IGB REIT’s portfolio in terms of NLA, market value and NPI before and after the completion of the Proposed Acquisition is as shown below:-

Before the Proposed Acquisition (As at 31 December 2024 / For the FYE 31 December 2024)

<u>IGB REIT’s portfolio</u>	<u>NLA</u>		<u>Market value</u>		<u>NPI</u>	
	<u>(million sq. ft.)</u>	<u>%</u>	<u>(RM’million)</u>	<u>%</u>	<u>(RM’million)</u>	<u>%</u>
(1) Mid Valley Megamall	1.80	68.2	4,000.00	73.4	333.49	73.2
(2) The Gardens Mall	0.84	31.8	1,450.00	26.6	122.22	26.8
<b>Total</b>	<b>2.64</b>	<b>100.0</b>	<b>5,450.00</b>	<b>100.0</b>	<b>455.71</b>	<b>100.0</b>

After the Proposed Acquisition

<u>IGB REIT’s portfolio</u>	<u>NLA</u>		<u>Market value</u>		<u>NPI</u>	
	<u>(million sq. ft.)</u>	<u>%</u>	<u>(RM’million)</u>	<u>%</u>	<u>(RM’million)</u>	<u>%</u>
(1) Mid Valley Megamall	1.80	43.1	4,000.00	49.4	333.49	51.5
(2) The Gardens Mall	0.84	20.1	1,450.00	17.9	122.22	18.9
(3) MVS Mall	1.53	36.8	2,650.00	32.7	191.62	29.6
<b>Total</b>	<b>4.17</b>	<b>100.0</b>	<b>8,100.00</b>	<b>100.0</b>	<b>647.33</b>	<b>100.0</b>

In view that MVS Mall is a significant addition to IGB REIT’s portfolio of investment properties (*representing 36.8% to the total NLA, 32.7% to the total market value and 29.6% to the total NPI of the enlarged portfolio*), this is expected to diversify and reduce the dependence of IGB REIT on its existing malls’ contribution.

Upon completion of the Proposed Acquisition, the portfolio of IGB REIT's investment properties will comprise 3 retail malls as follows:-

No.	Property	Address	Tenure	Approximate age of building	NLA (sq. ft.)	Occupancy rate (%)	Market value (RM'million)	Date of valuation	NPI <sup>(1)</sup> (RM'million)	Net yield <sup>(2)</sup> (%)
(1)	MVS Mall (Retail mall comprising 5 levels of retail floors together with a mezzanine floor, 8 levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and 2 levels of basement car parks (a total of 5,617 car park bays))	The Mall, Mid Valley Southkey, Persiaran Southkey 1, Kota Southkey, 80150 Johor Bahru, Johor Darul Tazim	99-year lease expiring on 21.2.2100	6 years	1,532,033 <sup>(3)</sup>	94.98 <sup>(3)</sup>	2,650.00	9.5.2025	191.62	7.23
(2)	Mid Valley Megamall (5-level retail mall with a mezzanine floor, 2 levels of basement car parks and 4 levels of elevated car parks (a total of 6,127 car park bays))	Mid Valley City, Lingkar Syed Putra, 59200 Kuala Lumpur	83-year lease expiring on 11.4.2104	25 years	1,798,148 <sup>(4)</sup>	98.9 <sup>(4)</sup>	4,000.00	31.12.2024	333.49	8.34
(3)	The Gardens Mall (8-level retail mall with 4 levels of basement car parks and 4 levels of elevated car parks (a total of 3,957 car park bays))	Mid Valley City, Lingkar Syed Putra, 59200 Kuala Lumpur	99-year lease expiring on 6.6.2103	17 years	839,118 <sup>(4)</sup>	96.1 <sup>(4)</sup>	1,450.00	31.12.2024	122.22	8.43

**Notes: -**

(1) Based on the NPI for the FYE 31 December 2024.

(2) Based on the NPI over market value as at the respective date of valuation.

(3) As at 9 May 2025.

(4) As at 31 December 2024.

(Sources: IGB REIT's Annual Report 2024 and Valuation Report)

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The Purchase Consideration is to be satisfied via a combination of a sum of RM1.00 billion representing the Cash Consideration (*which will be funded via the issuance of MTNs pursuant to the IGB REIT MTN Programme*) and the issuance and allotment of the Consideration Units for the balance of RM1.65 billion.

We view the issuance of MTNs pursuant to the IGB REIT MTN Programme to fund the part settlement of the Purchase Consideration to be reasonable. The issuance of MTNs does not have material or significant differences as compared with traditional bank borrowings as both forms of funding have relatively similar impact on profitability, cash flows and gearing of the borrower. In contrast to traditional bank borrowings, MTNs may provide IGB REIT with access to a broader investor base / pool of capital as they may be marketed to a wide range of sophisticated and institutional investors. MTNs may also provide more flexibility in terms of tenure and structure as compared to traditional bank borrowings, potentially offering a more competitive and optimal cost of borrowings subject to conducive market conditions. Furthermore, the issuance of MTNs does not impact the IGB REIT's unitholding structure as compared to a rights issue or private placement exercise which may dilute the interests of the existing Unitholders.

The issuance of Consideration Units as part settlement of the Purchase Consideration is in line with IGB REIT's capital and risk management strategy and is expected to allow IGB REIT to maintain a healthy gearing level while providing sufficient debt headroom. As set out in Section 6.4, Part A of the Circular, the gearing level of IGB REIT is expected to increase from 21.16% as at 31 December 2024 (*after adjusting for subsequent events*) to 26.49% after the Proposed Acquisition. Save for the Cash Consideration, estimated expenses relating to the Proposed Acquisition as well as capital and operational expenditure necessary for the Subject Property in the ordinary course of business, the Manager does not expect any other material financial commitments to put the Subject Property on-stream.

Based on the above, we are of the view that the rationale and benefits of the Proposed Acquisition are fair and reasonable.

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## **3.2 Basis and justification for the Purchase Consideration and Issue Price**

### **3.2.1 Purchase Consideration**

As set out in Section 2.6, Part A of the Circular, the Purchase Consideration was arrived at on a willing buyer-willing seller basis, taking into account the market value of the Subject Property of RM2.65 billion as ascribed by Henry Butcher via the Valuation Certificate and the rationale and benefits of the Proposed Acquisition as set out in Section 3, Part A of the Circular.

In evaluating the Purchase Consideration, we have reviewed the valuation conducted by Henry Butcher for the Subject Property.

In arriving at the market value of the Subject Property, the Valuer has adopted income approach by investment method as the main method and the comparison approach as a cross check. Further details on the income approach by investment method and comparison approach are as follows:-

- (i) under the income approach by investment method, the capital value of the Subject Property is derived from an estimate of the market rental which the Subject Property can reasonably be let for. Rental evidence may be obtained from actual passing rents commanded by the building itself if it is tenanted. Outgoings, such as property taxes, repairs and maintenance, insurance and management fees, are then deducted from the annual rental income. The net annual rental income is then capitalised at an appropriate current market yield to arrive at its indicative capital value; and
- (ii) the comparison approach is the market approach of comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In the selection of and making comparison to the comparable properties, due consideration is given to value-based factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at the Valuer's opinion of value.

Based on the income approach by investment method (*being the main method of valuation*), the Valuer has derived a market value of RM2.65 billion for the Subject Property as at the material date of valuation of 9 May 2025. As a cross check using the comparison approach, the Valuer has derived a market value of RM2.45 billion for the Subject Property as at the material date of valuation of 9 May 2025.

The Valuer has adopted the market value of RM2.65 billion derived from the income approach by investment method as the market value of the Subject Property in view that:-

- (i) the Subject Property is a rental income generating property; and
- (ii) qualitative and quantitative adjustments under the comparison approach are more complex to compute in order to reflect differences between the comparable properties and the Subject Property as the selected comparable properties together with the adjustment factors may be subjective.

We are of the view that the valuation methodologies adopted by the Valuer are reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by the Valuer and are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by the Valuer as well as the reasonableness of the market value of the Subject Property as ascribed by the Valuer.

Summarised below are our commentaries in respect of the key bases and assumptions adopted in the valuation of the Subject Property by the Valuer using the income approach by investment method (please refer to the Valuation Certificate in Appendix II of the Circular for further information on the Subject Property and details of the valuation):-

No.	Key bases and assumptions	Our commentaries																																																
1.	<p data-bbox="300 1816 328 1957"><b>Rental rate</b></p> <table border="1" data-bbox="357 1218 564 1944"> <thead> <tr> <th data-bbox="357 1727 405 1944">Rental rate</th> <th colspan="2" data-bbox="357 1218 405 1727">Adopted rate</th> </tr> <tr> <th data-bbox="405 1727 434 1944">Base rent</th> <th data-bbox="405 1473 434 1727">Term period</th> <th data-bbox="405 1218 434 1473">Reversionary period</th> </tr> </thead> <tbody> <tr> <td data-bbox="434 1727 456 1944">- Retail</td> <td data-bbox="434 1473 456 1727">Up to RM50.00 per sq. ft. per month</td> <td data-bbox="434 1218 456 1473"></td> </tr> <tr> <td data-bbox="456 1727 478 1944">- Kiosk</td> <td data-bbox="456 1473 478 1727">Up to RM26,316 per kiosk per month</td> <td data-bbox="456 1218 478 1473"></td> </tr> <tr> <td data-bbox="478 1727 501 1944"><b>Service charge</b></td> <td data-bbox="478 1473 501 1727">RM3.00 per sq. ft. per month</td> <td data-bbox="478 1218 501 1473"></td> </tr> <tr> <td data-bbox="501 1727 564 1944"><b>Average</b></td> <td data-bbox="501 1473 564 1727"><b>RM9.90 per sq. ft. per month</b></td> <td data-bbox="501 1218 564 1473"><b>RM10.52 per sq. ft. per month</b></td> </tr> </tbody> </table>	Rental rate	Adopted rate		Base rent	Term period	Reversionary period	- Retail	Up to RM50.00 per sq. ft. per month		- Kiosk	Up to RM26,316 per kiosk per month		<b>Service charge</b>	RM3.00 per sq. ft. per month		<b>Average</b>	<b>RM9.90 per sq. ft. per month</b>	<b>RM10.52 per sq. ft. per month</b>	<p data-bbox="244 976 272 1205"><b>Fair and reasonable.</b></p> <p data-bbox="357 338 386 1205">Rental rates for the Subject Property comprise the base rent and service charge.</p> <p data-bbox="411 85 469 1205">We view the rental rates adopted by the Valuer for the Subject Property as fair and reasonable after taking into consideration, amongst others, the following:-</p> <p data-bbox="494 85 552 1205">(i) the base rent rate adopted for the term period is based on the current passing rent (i.e. the actual rent currently being paid by the tenants under existing tenancies);</p> <p data-bbox="577 85 692 1205">(ii) the base rent rate adopted for the reversionary period is based on the current passing rent as it reflects the current market rent, except for vacant units and zero-base rent units where the Valuer relied on market rent benchmarked against surrounding retail lots and other similar retail properties in the vicinity;</p> <p data-bbox="718 85 775 1205">(iii) the service charge adopted for the term and reversionary periods is based on the actual service charge currently being imposed on the tenants;</p> <p data-bbox="801 85 906 1205">(iv) the average rental rate for the term period of RM9.90 per sq. ft. per month (Reversionary period: RM10.52 per sq. ft. per month) falls within the rental rates of shopping centres in Johor Bahru ranging from RM3.82 per sq. ft. per month to RM36.80 per sq. ft. per month. The rental rates of selected shopping centres in Johor Bahru are as follows:-</p> <table border="1" data-bbox="938 85 1145 1120"> <thead> <tr> <th data-bbox="938 1048 960 1120">No.</th> <th data-bbox="938 757 960 1048">Shopping centre</th> <th data-bbox="938 452 960 757">Level</th> <th data-bbox="938 277 960 452">NLA of individual unit (sq. ft.)</th> <th data-bbox="938 85 960 277">Rental rate (RM per sq. ft. per month)</th> </tr> </thead> <tbody> <tr> <td data-bbox="960 1048 983 1120">(1)</td> <td data-bbox="960 757 983 1048">Johor Bahru City Square</td> <td data-bbox="960 452 983 757">Ground floor to 3<sup>rd</sup> floor</td> <td data-bbox="960 277 983 452">334 to 5,812</td> <td data-bbox="960 85 983 277">3.82 to 33.00</td> </tr> <tr> <td data-bbox="983 1048 1005 1120">(2)</td> <td data-bbox="983 757 1005 1048">KSL City</td> <td data-bbox="983 452 1005 757">Lower ground floor to 2<sup>nd</sup> floor</td> <td data-bbox="983 277 1005 452">269 to 1,270</td> <td data-bbox="983 85 1005 277">12.95 to 29.15</td> </tr> <tr> <td data-bbox="1005 1048 1027 1120">(3)</td> <td data-bbox="1005 757 1027 1048">Paradigm Mall Johor Bahru</td> <td data-bbox="1005 452 1027 757">Ground floor to 3<sup>rd</sup> floor</td> <td data-bbox="1005 277 1027 452">344 to 3,552</td> <td data-bbox="1005 85 1027 277">5.49 to 18.91</td> </tr> <tr> <td data-bbox="1027 1048 1050 1120">(4)</td> <td data-bbox="1027 757 1050 1048">AEON Mall Tebrau City</td> <td data-bbox="1027 452 1050 757">Ground floor to 2<sup>nd</sup> floor</td> <td data-bbox="1027 277 1050 452">291 to 4,424</td> <td data-bbox="1027 85 1050 277">6.80 to 36.80</td> </tr> <tr> <td data-bbox="1050 1048 1072 1120">(5)</td> <td data-bbox="1050 757 1072 1048">Toppen Shopping Centre</td> <td data-bbox="1050 452 1072 757">Ground floor to 3<sup>rd</sup> floor</td> <td data-bbox="1050 277 1072 452">1,087 to 5,586</td> <td data-bbox="1050 85 1072 277">4.00 to 17.50</td> </tr> </tbody> </table> <p data-bbox="1171 860 1200 1120">(Source: Valuation Report)</p>	No.	Shopping centre	Level	NLA of individual unit (sq. ft.)	Rental rate (RM per sq. ft. per month)	(1)	Johor Bahru City Square	Ground floor to 3 <sup>rd</sup> floor	334 to 5,812	3.82 to 33.00	(2)	KSL City	Lower ground floor to 2 <sup>nd</sup> floor	269 to 1,270	12.95 to 29.15	(3)	Paradigm Mall Johor Bahru	Ground floor to 3 <sup>rd</sup> floor	344 to 3,552	5.49 to 18.91	(4)	AEON Mall Tebrau City	Ground floor to 2 <sup>nd</sup> floor	291 to 4,424	6.80 to 36.80	(5)	Toppen Shopping Centre	Ground floor to 3 <sup>rd</sup> floor	1,087 to 5,586	4.00 to 17.50
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		<p>(v) the high occupancy rates achieved by MVS Mall (as shown below) reflect strong tenant demand for retail spaces in MVS Mall and hence, the achievability of rental rates adopted for the Subject Property:-</p> <table border="1" data-bbox="316 91 395 1124"> <thead> <tr> <th rowspan="2">Occupancy rate (%)</th> <th colspan="2">As at 31 December</th> <th colspan="2">As at 31 March</th> </tr> <tr> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td></td> <td>96.67</td> <td>98.80</td> <td>99.80</td> <td>98.56</td> </tr> </tbody> </table> <p>As at 9 May 2025, the occupancy rate of MVS Mall was 94.98% and its committed tenancies (i.e. those which are set to commence within 3 months from 9 May 2025) account for approximately 4.99% of total NLA, making MVS Mall nearly fully occupied upon commencement of the committed tenancies i.e. at an occupancy rate of 99.97%.</p> <p>(Source: Valuation Report)</p>	Occupancy rate (%)	As at 31 December		As at 31 March		2022	2023	2024	2025		96.67	98.80	99.80	98.56																											
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2.	<p><b>Gross annual income from other income</b></p> <table border="1" data-bbox="667 1218 820 1944"> <thead> <tr> <th>Other income</th> <th>Adopted amount (RM'000 per annum)</th> </tr> </thead> <tbody> <tr> <td>Percentage rent</td> <td>70,000</td> </tr> <tr> <td>Leasing<sup>(1)</sup>, advertisement and promotion<sup>(2)</sup> and others<sup>(3)</sup></td> <td>4,700</td> </tr> <tr> <td>Car park</td> <td>11,500</td> </tr> </tbody> </table> <p><u>Notes:-</u></p> <p>(1) Automated Teller Machine (ATM), storage, cart, signage interior, website, antenna and tenancy administration fees.</p> <p>(2) Promotion space, promotion recovery, rent - mailbox, rent - others and advertising / partnerships income.</p> <p>(3) Cleaning service charges, forfeited deposit / income, penalty charge, training income, gross turnover verification fees, miscellaneous and interest - late payment.</p>	Other income	Adopted amount (RM'000 per annum)	Percentage rent	70,000	Leasing <sup>(1)</sup> , advertisement and promotion <sup>(2)</sup> and others <sup>(3)</sup>	4,700	Car park	11,500	<p><b>Fair and reasonable.</b></p> <p>Other income includes percentage rent, leasing, advertisement and promotion and others as well as car park income. The gross annual income from other income adopted by the Valuer for the Subject Property was determined after considering the 3-year and 2-year average income for each category of other income as well as the fluctuating nature of these income streams.</p> <p>We view the adopted amounts for other income as fair and reasonable after taking into consideration, amongst others, the historical other income as follows:-</p> <table border="1" data-bbox="890 91 1145 1191"> <thead> <tr> <th rowspan="2">Other income</th> <th colspan="3">January to December</th> <th colspan="2">Average for year</th> <th rowspan="2">January to December 2025 (annualised) (RM'000)</th> </tr> <tr> <th>2022 (RM'000)</th> <th>2023 (RM'000)</th> <th>2024 (RM'000)</th> <th>2022 to 2024 (RM'000)</th> <th>2023 to 2024 (RM'000)</th> </tr> </thead> <tbody> <tr> <td>Percentage rent</td> <td>36,916</td> <td>64,335</td> <td>85,559</td> <td>62,270</td> <td>74,947</td> <td>104,892</td> </tr> <tr> <td>Leasing, advertisement and promotion and others</td> <td>4,398</td> <td>4,126</td> <td>5,534</td> <td>4,686</td> <td>4,830</td> <td>7,788</td> </tr> <tr> <td>Car park<sup>(1)</sup></td> <td>9,497</td> <td>11,488</td> <td>12,605</td> <td>11,196</td> <td>12,047</td> <td>12,236</td> </tr> </tbody> </table> <p><u>Note:-</u></p> <p>(1) After adjusting for collections from open car park sited on adjacent land, which is not part of the Proposed Acquisition.</p> <p>(Source: Valuation Report)</p>	Other income	January to December			Average for year		January to December 2025 (annualised) (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2022 to 2024 (RM'000)	2023 to 2024 (RM'000)	Percentage rent	36,916	64,335	85,559	62,270	74,947	104,892	Leasing, advertisement and promotion and others	4,398	4,126	5,534	4,686	4,830	7,788	Car park <sup>(1)</sup>	9,497	11,488	12,605	11,196	12,047	12,236
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		<p>Based on the above, the other income adopted by the Valuer is expected to be achievable in view that the adopted amount for each category of other income is lower than:-</p> <ul style="list-style-type: none"> <li>(i) the 2-year average income for the year 2023 to 2024;</li> <li>(ii) the historical other income for the year 2024; and</li> <li>(iii) the annualised other income for the year 2025 based on the results for the 3-month financial period ended 31 March 2025.</li> </ul>															
3.	<p><b>Void allowance of 5.00%</b></p>	<p><b>Fair and reasonable.</b></p> <p>The Valuer has adopted a void allowance of 5.00% for the reversionary period to account for vacancy periods, marketing efforts and rent-free periods offered to new tenants.</p> <p>We view the void allowance adopted by the Valuer for the Subject Property as fair and reasonable after taking into consideration, amongst others, the following:-</p> <ul style="list-style-type: none"> <li>(i) the high occupancy rates achieved by MVS Mall (as shown below) reflect strong tenant demand for retail spaces in MVS Mall:-</li> </ul> <table border="1" data-bbox="790 89 869 1131"> <thead> <tr> <th></th> <th colspan="2">As at 31 December</th> <th colspan="2">As at 31 March</th> </tr> <tr> <th></th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Occupancy rate (%)</td> <td>96.67</td> <td>98.80</td> <td>99.80</td> <td>98.56</td> </tr> </tbody> </table> <p>(Source: Valuation Report)</p> <p>As at 9 May 2025, the occupancy rate of MVS Mall was 94.98% and its committed tenancies (i.e. those which are set to commence within 3 months from 9 May 2025) account for approximately 4.99% of total NLA, making MVS Mall nearly fully occupied upon commencement of the committed tenancies i.e. at an occupancy rate of 99.97%; and</p> <ul style="list-style-type: none"> <li>(ii) MVS Mall is well-positioned to attract both shoppers and tenants and is expected to continue achieving high occupancy level, supported by its ease of accessibility and good connectivity via EDL and Tebrau highways as well as its strategic location within Mid Valley Southkey, an integrated mixed commercial development situated in an upscale area of Southkey City, Johor Bahru.</li> </ul>		As at 31 December		As at 31 March			2022	2023	2024	2025	Occupancy rate (%)	96.67	98.80	99.80	98.56
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The remaining RM3.40 per sq. ft. per month is attributed to retail portion of the Subject Property.</i></p>	Outgoings	Adopted rate <sup>(1)</sup> (RM per sq. ft. per month)	Retail	3.40	Car park	0.10	<b>Total</b>	<b>3.50</b>	<p data-bbox="178 958 204 1205"><b>Fair and reasonable.</b></p> <p data-bbox="233 71 344 1205">Property operating expenses refer to the costs associated with the day-to-day management and upkeep of the Subject Property. These include staff costs, operational and maintenance costs, general expenses and support services provided by the headquarters. The analysis excludes non-cash items such as depreciation and amortisation, finance charges and capital expenditures.</p> <p data-bbox="370 71 427 1205">We view the outgoings adopted by the Valuer for the Subject Property as fair and reasonable after taking into consideration, amongst others, the following:-</p> <p data-bbox="453 71 536 1205">(i) the analysed monthly historical outgoings (including car park expenses) of the Subject Property, after adjusting for non-recurring / one-off expenses, which range from RM2.42 per sq. ft. to RM3.37 per sq. ft. as follows:-</p> <table border="1" data-bbox="561 519 721 1128"> <thead> <tr> <th data-bbox="561 801 587 1128">For the period</th> <th data-bbox="561 519 587 801">Monthly outgoings (RM per sq. ft.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 801 612 1128">January to December 2022</td> <td data-bbox="587 519 612 801">2.42</td> </tr> <tr> <td data-bbox="612 801 638 1128">January to December 2023</td> <td data-bbox="612 519 638 801">2.93</td> </tr> <tr> <td data-bbox="638 801 663 1128">January to December 2024</td> <td data-bbox="638 519 663 801">3.37</td> </tr> <tr> <td data-bbox="663 801 721 1128">January to March 2025</td> <td data-bbox="663 519 721 801">2.77</td> </tr> </tbody> </table> <p data-bbox="746 860 772 1128"><i>(Source: Valuation Report)</i></p> <p data-bbox="798 71 880 1205">(ii) the monthly outgoings of other retail malls in Johor, Klang Valley and Penang for the financial year 2024, which range from RM2.58 per sq. ft. to RM6.81 per sq. ft. with the exception of Pavilion KL which recorded the highest outgoings at RM9.00 per sq. ft. as follows:-</p> <table border="1" data-bbox="912 71 1268 1128"> <thead> <tr> <th data-bbox="912 1048 938 1128">No.</th> <th data-bbox="912 913 938 1048">Retail mall</th> <th data-bbox="912 609 938 913">NLA (sq. ft.)</th> <th data-bbox="912 277 938 609">Analysed annual property expenses<sup>(1)</sup> (RM'000)</th> <th data-bbox="912 71 938 277">Analysed monthly outgoing rate (RM per sq. ft.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="938 1048 963 1128">(1)</td> <td data-bbox="938 913 963 1048">Paradigm Mall Johor Bahru, Johor Bahru</td> <td data-bbox="938 609 963 913">1,293,260</td> <td data-bbox="938 277 963 609">40,095</td> <td data-bbox="938 71 963 277">2.58</td> </tr> <tr> <td data-bbox="963 1048 989 1128">(2)</td> <td data-bbox="963 913 989 1048">KOMTAR JBCC, Johor Bahru</td> <td data-bbox="963 609 989 913">367,973</td> <td data-bbox="963 277 989 609">16,537</td> <td data-bbox="963 71 989 277">3.75</td> </tr> <tr> <td data-bbox="989 1048 1015 1128">(3)</td> <td data-bbox="989 913 1015 1048">Mid Valley Megamall, Kuala Lumpur</td> <td data-bbox="989 609 1015 913">1,798,148</td> <td data-bbox="989 277 1015 609">101,793</td> <td data-bbox="989 71 1015 277">4.72</td> </tr> <tr> <td data-bbox="1015 1048 1040 1128">(4)</td> <td data-bbox="1015 913 1040 1048">The Gardens Mall, Kuala Lumpur</td> <td data-bbox="1015 609 1040 913">839,118</td> <td data-bbox="1015 277 1040 609">68,593</td> <td data-bbox="1015 71 1040 277">6.81</td> </tr> <tr> <td data-bbox="1040 1048 1066 1128">(5)</td> <td data-bbox="1040 913 1066 1048">Pavilion Kuala Lumpur Mall, Kuala Lumpur</td> <td data-bbox="1040 609 1066 913">1,367,983</td> <td data-bbox="1040 277 1066 609">147,683</td> <td data-bbox="1040 71 1066 277">9.00</td> </tr> <tr> <td data-bbox="1066 1048 1091 1128">(6)</td> <td data-bbox="1066 913 1091 1048">Pavilion Bukit Jalil Mall, Kuala Lumpur</td> <td data-bbox="1066 609 1091 913">1,815,920</td> <td data-bbox="1066 277 1091 609">100,927</td> <td data-bbox="1066 71 1091 277">4.63</td> </tr> <tr> <td data-bbox="1091 1048 1117 1128">(7)</td> <td data-bbox="1091 913 1117 1048">Paradigm Mall Petaling Jaya, Selangor</td> <td data-bbox="1091 609 1117 913">680,048</td> <td data-bbox="1091 277 1117 609">23,638</td> <td data-bbox="1091 71 1117 277">2.90</td> </tr> <tr> <td data-bbox="1117 1048 1142 1128">(8)</td> <td data-bbox="1117 913 1142 1048">Gurney Plaza, Penang</td> <td data-bbox="1117 609 1142 913">893,856</td> <td data-bbox="1117 277 1142 609">51,478</td> <td data-bbox="1117 71 1142 277">4.80</td> </tr> <tr> <td data-bbox="1142 1048 1168 1128">(9)</td> <td data-bbox="1142 913 1168 1048">Queensbay Mall, Penang</td> <td data-bbox="1142 609 1168 913">883,649</td> <td data-bbox="1142 277 1168 609">32,762</td> <td data-bbox="1142 71 1168 277">3.09</td> </tr> </tbody> </table>	For the period	Monthly outgoings (RM per sq. ft.)	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No.	Retail mall	NLA (sq. ft.)	Analysed annual property expenses <sup>(1)</sup> (RM'000)	Analysed monthly outgoing rate (RM per sq. ft.)																																																																		
(1)	Paradigm Mall Johor Bahru, Johor Bahru	1,293,260	40,095	2.58																																																																		
(2)	KOMTAR JBCC, Johor Bahru	367,973	16,537	3.75																																																																		
(3)	Mid Valley Megamall, Kuala Lumpur	1,798,148	101,793	4.72																																																																		
(4)	The Gardens Mall, Kuala Lumpur	839,118	68,593	6.81																																																																		
(5)	Pavilion Kuala Lumpur Mall, Kuala Lumpur	1,367,983	147,683	9.00																																																																		
(6)	Pavilion Bukit Jalil Mall, Kuala Lumpur	1,815,920	100,927	4.63																																																																		
(7)	Paradigm Mall Petaling Jaya, Selangor	680,048	23,638	2.90																																																																		
(8)	Gurney Plaza, Penang	893,856	51,478	4.80																																																																		
(9)	Queensbay Mall, Penang	883,649	32,762	3.09																																																																		

No.	Key bases and assumptions	Our commentaries																																																																												
		<p><u>Note:-</u> (1) Based on gross revenue reported deduct net property income reported.</p> <p>(Source: Valuation Report)</p> <p>Based on the above, the monthly outgoings of other retail malls in Johor for the financial year 2024 range from RM2.58 per sq. ft. to RM3.75 per sq. ft.; and</p> <p>(iii) the recent increase in property operating costs and incremental minimum wage adjustments.</p>																																																																												
5.	<p><b>Capitalisation rate</b></p> <table border="1" data-bbox="528 1227 762 1944"> <thead> <tr> <th>Capitalisation rate</th> <th>Adopted rate</th> </tr> </thead> <tbody> <tr> <td><b>Rental</b></td> <td></td> </tr> <tr> <td>- Term period</td> <td>5.85% to 6.85%</td> </tr> <tr> <td>- Reversionary period</td> <td>6.35% to 7.35%</td> </tr> <tr> <td><b>Other income</b></td> <td></td> </tr> <tr> <td>Percentage rent</td> <td>9.00%</td> </tr> <tr> <td>Leasing, advertisement and promotion and others</td> <td>7.50%</td> </tr> <tr> <td>Car park</td> <td>7.50%</td> </tr> </tbody> </table>	Capitalisation rate	Adopted rate	<b>Rental</b>		- Term period	5.85% to 6.85%	- Reversionary period	6.35% to 7.35%	<b>Other income</b>		Percentage rent	9.00%	Leasing, advertisement and promotion and others	7.50%	Car park	7.50%	<p><b>Fair and reasonable.</b></p> <p>Capitalisation rate or yield is used to capitalise the annual net rental in determining the capital value of the Subject Property.</p> <p>We view the capitalisation rate adopted by the Valuer for the Subject Property as fair and reasonable after taking into consideration, amongst others, the following:-</p> <p>(i) the capitalisation rates in respect of rental income for the term period (5.85% to 6.85%) falls within the analysed yield of retail malls located in Johor Bahru and Klang Valley, which range from 5.30% to 6.93% as follows:-</p> <table border="1" data-bbox="807 71 1241 1191"> <thead> <tr> <th>Property</th> <th>Paradigm Mall Johor Bahru</th> <th>Pavilion Bukit Jalil Mall</th> <th>Mid Valley Megamall</th> <th>Pavilion Kuala Lumpur Mall</th> <th>Sunway Pyramid Shopping Mall</th> </tr> </thead> <tbody> <tr> <td>Location</td> <td>Taman Bukit Mewah, Johor Bahru</td> <td>Bukit Jalil, Kuala Lumpur</td> <td>Mid Valley City, Kuala Lumpur</td> <td>Bukit Bintang, Kuala Lumpur</td> <td>Bandar Sunway, Selangor</td> </tr> <tr> <td>Tenure</td> <td>Freehold</td> <td>Freehold</td> <td>Leasehold</td> <td>Leasehold</td> <td>Leasehold</td> </tr> <tr> <td>NLA (sq. ft.)</td> <td>1,293,260</td> <td>1,822,041</td> <td>1,718,951</td> <td>1,335,119</td> <td>1,685,568</td> </tr> <tr> <td>Occupancy rate as at date of transaction</td> <td>99.11%</td> <td>81.40%</td> <td>99.80%</td> <td>97.70%</td> <td>99.30%</td> </tr> <tr> <td>No. of car park</td> <td>3,370 bays</td> <td>4,800 bays</td> <td>6,092 bays</td> <td>2,427 bays</td> <td>3,954 bays</td> </tr> <tr> <td>Transaction year</td> <td>2025</td> <td>2022</td> <td>2012</td> <td>2011</td> <td>2010</td> </tr> <tr> <td>Transacted price (RM'million)</td> <td>1,157</td> <td>2,200</td> <td>3,440</td> <td>3,190</td> <td>2,132</td> </tr> <tr> <td>NPI (RM'million)</td> <td>72.59</td> <td>146.00 (Targeted NPI)</td> <td>182.26</td> <td>203.33</td> <td>147.76</td> </tr> <tr> <td><b>Analysed yield</b></td> <td><b>6.27%</b></td> <td><b>6.64%</b></td> <td><b>5.30%</b></td> <td><b>6.37%</b></td> <td><b>6.93%</b></td> </tr> </tbody> </table> <p>(Source: Valuation Report)</p>	Property	Paradigm Mall Johor Bahru	Pavilion Bukit Jalil Mall	Mid Valley Megamall	Pavilion Kuala Lumpur Mall	Sunway Pyramid Shopping Mall	Location	Taman Bukit Mewah, Johor Bahru	Bukit Jalil, Kuala Lumpur	Mid Valley City, Kuala Lumpur	Bukit Bintang, Kuala Lumpur	Bandar Sunway, Selangor	Tenure	Freehold	Freehold	Leasehold	Leasehold	Leasehold	NLA (sq. ft.)	1,293,260	1,822,041	1,718,951	1,335,119	1,685,568	Occupancy rate as at date of transaction	99.11%	81.40%	99.80%	97.70%	99.30%	No. of car park	3,370 bays	4,800 bays	6,092 bays	2,427 bays	3,954 bays	Transaction year	2025	2022	2012	2011	2010	Transacted price (RM'million)	1,157	2,200	3,440	3,190	2,132	NPI (RM'million)	72.59	146.00 (Targeted NPI)	182.26	203.33	147.76	<b>Analysed yield</b>	<b>6.27%</b>	<b>6.64%</b>	<b>5.30%</b>	<b>6.37%</b>	<b>6.93%</b>
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No.	Key bases and assumptions	Our commentaries
		<p>A range of capitalisation rates is adopted for rental income generated from different type of tenants of the Subject Property, whereby a lower capitalisation rate is adopted for rental income from anchor tenants and mini anchor tenants / mini major tenants which are considered to bear lower risks as compared to specialty and kiosk tenants;</p> <p>(ii) a higher range of capitalisation rates (6.35% to 7.35%) is adopted in respect of rental income for the reversionary period to reflect the risk of uncertainty; and</p> <p>(iii) a higher capitalisation rate of 7.50% is adopted for car park income and casual leasing, advertisement and promotion revenue while 9.00% is adopted for percentage rent to account for tendency of such revenues to be more fluctuating in nature.</p>

Based on the income approach by investment method (*being the main method of valuation*), the Valuer has derived a market value for the Subject Property of RM2.65 billion as at the material date of valuation of 9 May 2025.

Based on the reasons and justifications above, we view that the market value for the Subject Property using the income approach by investment method is fair and reasonable.

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Summarised below are our commentaries in respect of the key bases and assumptions adopted in the valuation of the Subject Property by the Valuer using the comparison approach (please refer to the Valuation Certificate in Appendix II of the Circular for further information on the Subject Property and details of the valuation):-

	Subject Property (MVS Mall)	Comparable 1 (Paradigm Mall Johor Bahru)	Comparable 2 (Pavilion Bukit Jaill Mall)	Comparable 3 (Mid Valley Megamall)
Building description	A retail mall comprising 5 levels of retail floors together with a mezzanine floor, 8 levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and 2 levels of basement car parks	A shopping mall with 6 retail levels and a mezzanine floor, a level of cinema with a convention centre along with basement and elevated car park levels	A 5-storey retail mall with 2 basement car park levels	A 5-level retail mall (from LG to 3) with 1 mezzanine floor, 2 levels of basement car park and 4 levels of elevated car park levels
Tenure	Leasehold for 99 years expiring on 21 February 2100	Freehold	Freehold	Leasehold for 99 years expiring on 6 June 2103
Location	Along Persiaran Southkey 1, Kota Southkey, Johor Bahru	Along Jalan Mewah Ria 2, Taman Bukit Mewah, Johor Bahru	Along Persiaran Jailli 8, Bandar Bukit Jailli, Kuala Lumpur	Along Lingkar Syed Putra, Mid Valley City, Kuala Lumpur
NLA (sq. ft.)	1,532,033	1,293,260	1,822,041	1,718,951
Consideration	-	RM1,157,000,000	RM2,200,000,000	RM3,440,000,000
Transaction date	-	13 March 2025	22 November 2022	26 July 2012
<b>Analysed value</b>	-	<b>RM895 per sq. ft.</b>	<b>RM1,207 per sq. ft.</b>	<b>RM2,001 per sq. ft.</b>
Adjustments made	Adjustments are made on time, location, tenure, building condition, prestige / branding, performance and number of car park			
Time adjustment	-	0.0%	5.0%	20.0%
<b>Adjusted value after time adjustment</b>	-	<b>RM895 per sq. ft.</b>	<b>RM1,268 per sq. ft.</b>	<b>RM2,401 per sq. ft.</b>
Other adjustments	-	50.0%	22.5%	-32.5%
<b>Final adjusted value</b>	-	<b>RM1,342 per sq. ft.</b>	<b>RM1,553 per sq. ft.</b>	<b>RM1,621 per sq. ft.</b>

Based on the above, the final adjusted values range from RM1,342 per sq. ft. to RM1,621 per sq. ft.. The Valuer has placed greater emphasis on Comparable 3 (Mid Valley Megamall) as it has the least adjustment factors among the selected comparables. Therefore, the Valuer is of the opinion that RM1,600 per sq. ft. reflects the fair and reasonable market rate for the Subject Property including the car park. Based on the adopted rate of RM1,600 per sq. ft., the Valuer has derived a market value for the Subject Property of RM2.45 billion as at the material date of valuation of 9 May 2025.

Based on the reasons and justifications above, we view that the market value for the Subject Property using the comparison approach is fair and reasonable.

#### Reconciliation of value:-

The market values of the Subject Property derived from the income approach by investment method and comparison approach are as follows:-

<b>Valuation approach</b>	<b>Market value</b>
Income approach by investment method	RM2.65 billion
Comparison approach	RM2.45 billion

The Valuer has adopted the market value of RM2.65 billion derived from the income approach by investment method as the market value of the Subject Property in view that:-

- (i) the Subject Property is a rental income generating property; and
- (ii) qualitative and quantitative adjustments under the comparison approach are more complex to compute in order to reflect differences between the comparable properties and the Subject Property as the selected comparable properties together with the adjustment factors may be subjective.

As the Purchase Consideration (RM2.65 billion) is equivalent to the market value of the Subject Property as appraised by the Valuer (RM2.65 billion), we are of the view that the Purchase Consideration is fair and reasonable.

#### **3.2.2 Settlement terms**

As set out in Section 2.2, Part A of the Circular, the Purchase Consideration of RM2.65 billion for the Proposed Acquisition is to be satisfied within the Completion Period via a combination of:-

- (i) a sum of RM1.00 billion representing the Cash Consideration; and
- (ii) the issuance and allotment of 699,152,542 Consideration Units at the Issue Price of RM2.36 per Unit for the balance of the Purchase Consideration of RM1.65 billion,

subject to the terms and conditions of the SPA.

#### Our commentaries:-

Unlike most property sale and purchase transactions, there is no deposit payment required for the Proposed Acquisition. The Purchase Consideration will only be payable by IGB REIT within the Completion Period. This is deemed favourable to IGB REIT as it allows IGB REIT to reduce the costs of financing for any upfront payment in respect of the Purchase Consideration.

Furthermore, the issuance of Consideration Units as part settlement of the Purchase Consideration is in line with IGB REIT's capital and risk management strategy and is expected to allow IGB REIT to maintain a healthy gearing level while providing sufficient debt headroom.

Based on the above, we are of the view that the settlement terms are fair and reasonable and are not detrimental to the interests of the non-interested Unitholders.

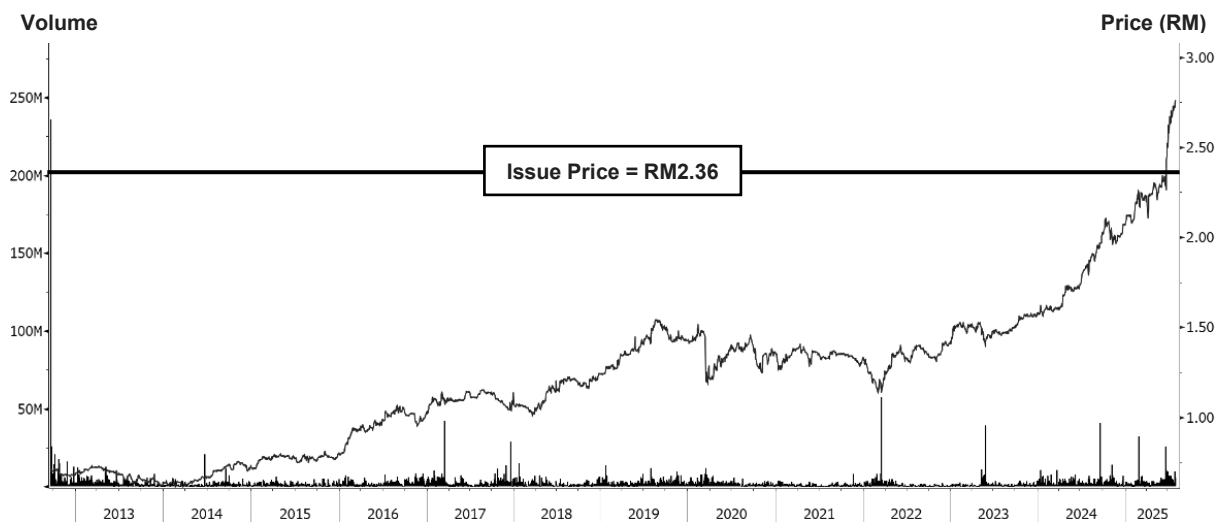
### 3.2.3 Issue Price

As set out in Section 2.7.1, Part A of the Circular, the Issue Price of RM2.36 per Unit was determined based on and equivalent to the 5-day VWAP of the Units up to and including 23 June 2025, being the last full trading day immediately preceding the date of the SPA (“LTD”).

In evaluating the Issue Price, we have considered the following:-

- (i) Historical market price performance of the Units (as extracted from Bloomberg which have been adjusted for the effects of any dividends and corporate exercises)

The graph below sets out the historical daily VWAPs of the Units from the date of listing of IGB REIT on 21 September 2012 up to the LPD:-



(Source: Bloomberg)

Based on the graph above, the Issue Price of RM2.36 per Unit is **higher than** the daily VWAPs of the Units for almost all market days (save for 26 market days), representing approximately 99.2% of the total market days (with trading volume) for the period from the date of listing of IGB REIT on 21 September 2012 up to the LPD.

The monthly highest and lowest traded market prices of the Units for the past 12 months up to July 2025 (being the last full trading month up to the LPD) are as follows:-

	High (RM)	Low (RM)
<b>2024</b>		
August	1.924	1.759
September	2.039	1.877
October	2.144	1.963
November	2.077	1.930
December	2.104	1.988

	High (RM)	Low (RM)
<b>2025</b>		
January	2.142	2.056
February	2.285	2.085
March	2.275	2.138
April	2.314	2.080
May	2.324	2.197
June	2.564	2.227
July	2.831	2.475

(Source: Bloomberg)

Based on the table above, the monthly highest and lowest traded market prices of the Units for the past 12 months up to July 2025 are RM2.831 (July 2025) and RM1.759 (August 2024) respectively.

Further, the Issue Price is yielding the following premium / (discount) to the historical closing market prices / VWAPs of the Units:-

	Premium / (Discount) of the Issue Price to the historical closing market prices / VWAPs of the Units		
	Closing market prices / VWAPs (RM)	(RM)	(%)
<b>Up to the LTD:- (23 June 2025)</b>			
Last traded market price	2.2770	0.0830	3.65
5-day VWAP	2.3317	0.0283	1.21
1-month VWAP	2.3183	0.0417	1.80
3-month VWAP	2.2809	0.0791	3.47
6-month VWAP	2.2338	0.1262	5.65
1-year VWAP	2.0749	0.2851	13.74
<b>Up to the LPD:- (31 July 2025)</b>			
Last traded market price	2.7520	(0.3920)	(14.24)
5-day VWAP	2.7406	(0.3806)	(13.89)

(Source: Bloomberg)

Based on the table above, the Issue Price represents:-

- (a) a **premium** of RM0.0830 (3.65%) over the last traded market price of the Units on the LTD;
- (b) a **premium** of between RM0.0283 (1.21%) and RM0.2851 (13.74%) over the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the Units up to the LTD; and
- (c) a **discount** of RM0.3920 (14.24%) over the last traded market price of the Units on the LPD and a **discount** of RM0.3806 (13.89%) over the 5-day VWAP of the Units up to the LPD.

(ii) NAV per Unit

The Issue Price of RM2.36 per Unit represents a significant **premium** to the following NAV per Unit:-

	NAV per Unit (RM)	Premium	
		(RM)	(%)
(i) As at 30 June 2025 ( <i>unaudited</i> )	1.1737	1.1863	101.07
(ii) As at 31 December 2024 ( <i>audited</i> )	1.1770	1.1830	100.51

(Sources: Unaudited financial statements of IGB REIT for the 6-month financial period ended 30 June 2025 as well as audited financial statements of IGB REIT for the FYE 31 December 2024)

Our commentaries:-

We are of the view that the Issue Price of RM2.36 per Unit is fair and reasonable as the Issue Price:-

- (i) is **higher than** the daily VWAPs of the Units for almost all market days (*save for 26 market days*), representing approximately 99.2% of the total market days (*with trading volume*) for the period from the date of listing of IGB REIT on 21 September 2012 up to the LPD;
- (ii) represents a **premium** of RM0.0830 (3.65%) over the last traded market price of the Units on the LTD and a **premium** of between RM0.0283 (1.21%) and RM0.2851 (13.74%) over the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the Units up to the LTD; and
- (iii) represents a significant **premium** of approximately 100% over the unaudited NAV per Unit as at 30 June 2025 and the audited NAV per Unit as at 31 December 2024.

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### 3.3 Salient terms of the SPA

Our commentaries on the salient terms of the SPA as set out in Appendix I of the Circular are as follows:-

Salient terms of the SPA	Our commentaries
<p><b>(1) Sale and purchase</b></p> <p>SMSB has agreed to sell and the Purchaser has agreed to purchase the Subject Property, on an "as is where is" basis, free from encumbrances but subject to the Tenancies, the Contracts, and the conditions of title (whether express or implied) and restrictions-in-interests endorsed on the master title and the Strata Title (when issued), at the Purchase Consideration and on the terms and subject to the conditions contained in the SPA.</p>	<p><b>Fair and reasonable.</b> This clause relates to the subject matter of the Proposed Acquisition whereby subject to the satisfaction or waiver of the Conditions Precedent and the completion of the Proposed Acquisition, IGB REIT shall be the beneficial owner of the Subject Property and becomes entitled to all SMSB's rights, title, interest, benefits or claim in and to the Subject Property with effect from the Completion Date.</p>
<p><b>(2) Purchase Consideration and payment terms</b></p> <p>The Purchase Consideration shall be satisfied by the Purchaser within the Completion Period in the manner set out below:-</p> <p>(i) RM1.00 billion, being the Cash Consideration to be paid in cash to settle the redemption sum to release and discharge the Existing Securities; and</p> <p>(ii) RM1.65 billion, being the balance of the Purchase Consideration, vide the issuance and allotment of 699,152,542 Consideration Units at an issue price of RM2.36 per Unit, based on the 5-day VWAP of the Units up to and including the last trading date immediately preceding the date of the SPA, to SMSB or its nominee(s).</p> <p>For the purposes of the payment by way of issue of Consideration Units, such payment shall be deemed made once the Consideration Units are credited into the securities account opened and maintained with Bursa Malaysia Depository Sdn Bhd belonging to SMSB or its nominee(s).</p>	<p><b>Fair and reasonable.</b> Please refer to Section 3.2.1 of this IAL for our evaluation of the Purchase Consideration, Section 3.2.2 of this IAL for our commentaries on the manner of settlement and Section 3.2.3 of this IAL for our evaluation of the Issue Price.</p>

Salient terms of the SPA	Our commentaries
<p><b>(3) Conditions Precedent</b></p> <p>The sale, purchase and transfer of the Subject Property is conditional upon the following:-</p> <ul style="list-style-type: none"> <li>(i) the approvals of SMSB's board of directors and shareholders authorising the disposal of the Subject Property upon the terms and conditions of the SPA having been obtained;</li> <li>(ii) (1) the approval of the board of directors of IGB for (a) the sale of the Subject Property upon the terms and conditions contained in the SPA; (b) the proposed distribution in-specie of a portion of the Consideration Units to the entitled shareholders of IGB; and (2) the approval of the shareholders of IGB on the sale of the Subject Property upon the terms and conditions contained in the SPA having been obtained;</li> <li>(iii) the consent of the Vendor's Noteholders to the early redemption of MTNs issued by SMSB having been obtained by SMSB;</li> <li>(iv) the consent of the Security Agent to the sale of the Subject Property having been obtained by SMSB;</li> <li>(v) the written undertaking and confirmation issued by SMSB's shareholders providing, that (a) SMSB's shareholders shall not initiate or allow SMSB to be subject to any voluntary winding-up, liquidation or dissolution pending the issuance and transfer of the Strata Title to the Purchaser; and (b) the provisions in relation to the SMSB's obligation to procure and transfer the Strata Title to the Purchaser shall survive Completion and remain binding upon, and enforceable against, SMSB, its successors-in-title and permitted assigns having been obtained by SMSB;</li> <li>(vi) the approval of the non-interested Unitholders for the Proposed Acquisition upon the terms and conditions contained in the SPA having been obtained by IGB REIT;</li> </ul>	<p><b>Fair and reasonable.</b> The Conditions Precedent represent necessary approvals / procedures to facilitate the completion of the Proposed Acquisition.</p> <p>The SPA will become unconditional on the date on which the last of the Conditions Precedent is satisfied or waived in accordance with the provisions of the SPA.</p> <p>As at the LPD, the conditions precedent (i), (ii)(1) and (vii) have been fulfilled.</p>

Salient terms of the SPA	Our commentaries
<p>(vii) the approval of Bursa Securities for the listing and quotation of the Consideration Units having been obtained by the Manager;</p> <p>(viii) the written confirmation of the MOE stating that no approval from the MOE is required for the Proposed Acquisition having been obtained by the Purchaser; and</p> <p>(ix) the receipt by the Purchaser's solicitors of the Final CP Confirmation.</p> <p>To the extent permitted by relevant laws, requirements, rules or guidelines, the parties may mutually agree to waive any of the Conditions Precedent and thereafter the parties will proceed to Completion subject to any remaining Conditions Precedent being satisfied or fulfilled. The SPA shall become unconditional on the Unconditional Date.</p>	<p>Please refer to our commentaries above.</p>
<p><b>(4) Non-fulfilment of Conditions Precedent</b></p> <p>If any of the Conditions Precedent are not fulfilled or waived in accordance with the provisions of the SPA within 4 months from the date of the SPA or such extended date as the parties may agree in writing, either party may rescind the SPA by written notice to the other party and thereafter, the SPA ceases to have any effect and becomes null and void and neither party has any claims against the other party save and except for any antecedent breach.</p>	<p><b>Fair and reasonable.</b> In the event of non-fulfilment of any of the Conditions Precedent within 4 months from the date of the SPA or such extended date as the parties may agree in writing, either party may rescind the SPA whereupon neither party shall have any claims against the other party save and except for any antecedent breach.</p>

Salient terms of the SPA	Our commentaries
<p><b>(5) Completion</b></p> <p>Subject to the satisfaction or waiver of the Conditions Precedent, Completion shall take place on the Completion Date whereby the Purchaser shall, among others, settle the Purchase Consideration and SMSB shall, among others, deliver vacant possession of MVS Mall to the Purchaser (save for those parts tenanted to Tenants in respect of which legal possession will be delivered).</p> <p>SMSB agrees and acknowledges, among others, that with effect from the Completion Date:-</p> <p>(i) the Purchaser shall be the beneficial owner of the Subject Property and become entitled to and SMSB is deemed to have absolutely transferred and assigned to the Purchaser all SMSB's rights, title, interest, benefits or claim in and to the Subject Property;</p> <p>(ii) the Purchaser shall be entitled to all rights, title, interest and benefit in and to and shall have full enjoyment of the common property of the master title and all such facilities and/or services provided by the joint management body (if established), facilities / services providers and/or public authorities to the Subject Property which are not assigned to the Purchaser;</p> <p>(iii) the Purchaser shall become entitled to, and SMSB is deemed to have absolutely transferred and assigned to the Purchaser all SMSB's right, title, interest and benefits in and to the existing and new tenancy agreements, the Contracts and the insurance contracts entered into by SMSB to insure the Subject Property against all risks (collectively, "<b>Insurance Contracts</b>") and SMSB has no further rights, title, interest and benefit in and to the Subject Property, the tenancy agreements, the Contracts and the Insurance Contracts;</p>	<p><b>Fair and reasonable.</b> Subject to the satisfaction or waiver of the Conditions Precedent and the completion of the Proposed Acquisition, IGB REIT shall be the beneficial owner of the Subject Property and becomes entitled to all SMSB's rights, title, interest, benefits or claim in and to the Subject Property with effect from the Completion Date.</p>

Salient terms of the SPA	Our commentaries
<p>(iv) notwithstanding the Power of Attorney, SMSB undertakes to co-operate with and provide full assistance to the Purchaser, as required, which includes, but is not limited to, the execution of forms and/or providing all necessary documents and information required by the Purchaser (as beneficial owner) in the course of dealing with the Subject Property and/or the public authorities in SMSB's capacity as the registered proprietor of the Subject Property provided that such actions do not affect SMSB's performance of its obligations to procure the Strata Title free from encumbrances; and</p> <p>(v) SMSB shall not be entitled to and covenants not to deal with the Subject Property in any manner whatsoever save in accordance with the SPA.</p>	<p>Please refer to our commentaries above.</p>
<p><b>(6) Declaration of Trust and Power of Attorney</b></p> <p>SMSB and the Purchaser shall execute the Power of Attorney and a Declaration of Trust, both of which shall be effective on and from the Completion Date until the date the Purchaser is registered as the registered proprietor of the Strata Title.</p> <p>Pursuant to the Power of Attorney, the Purchaser shall have the power to deal with the Subject Property as fully and effectually as SMSB could do as the registered proprietor of MVS Mall from the Completion Date until the date the Purchaser is registered as the registered proprietor of the Strata Title.</p> <p>The Declaration of Trust is granted whereby SMSB shall, among others, hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser from the Completion Date until the date the Transfer in respect of the Strata Title is registered in favour of the Purchaser.</p>	<p><b>Fair and reasonable.</b> The Power of Attorney and Declaration of Trust serve to safeguard IGB REIT's rights, title, interest, benefits or claim in and to the Subject Property with effect from the Completion Date until the date the Transfer in respect of the Strata Title is registered in favour of the Purchaser.</p> <p>The Power of Attorney grants the Purchaser the power to deal with the Subject Property as if the Purchaser were the registered proprietor of MVS Mall from the Completion Date until the date the Purchaser is registered as the registered proprietor of the Strata Title.</p> <p>Meanwhile, pursuant to the Declaration of Trust, SMSB shall, amongst others, hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser from the Completion Date until the date the Transfer in respect of the Strata Title is registered in the favour of the Purchaser.</p>

Salient terms of the SPA	Our commentaries
<p><b>(7) Strata Title and Transfer in respect of MVS Mall</b></p> <p>SMSB has undertaken, at its own cost and expense:-</p> <ul style="list-style-type: none"> <li>(i) to apply for the subdivision of the Master Land so as to obtain, among others, the Strata Title;</li> <li>(ii) in the event that the Strata Title, upon issuance, is not free from encumbrances (excluding those attributable to the Purchaser and/or the Purchaser's Security Trustee), SMSB shall immediately take all steps to remove these encumbrances in order for the Strata Title to be transferred and registered in the name of the Purchaser free from encumbrances;</li> <li>(iii) thereafter, SMSB shall deliver to the Purchaser:- <ul style="list-style-type: none"> <li>(a) the original Strata Title;</li> <li>(b) a valid and registrable but unstamped Transfer; and</li> <li>(c) all such documents as may be required for presentation of the Transfer for registration at the Land Office.</li> </ul> </li> </ul>	<p><b>Fair and reasonable.</b> With effect from the Completion Date, IGB REIT shall be the beneficial owner of the Subject Property and becomes entitled to all SMSB's rights, title, interest, benefits or claim in and to the Subject Property.</p> <p>As at the LPD, the Strata Title has not been issued. Pursuant to the SPA, SMSB has undertaken, at its own cost and expense, to apply for the subdivision of the Master Land to obtain the Strata Title and procure the Strata Title to be transferred to the Purchaser.</p> <p>Upon completion of the Proposed Acquisition and pending the subdivision of the Master Land, issuance of Strata Title and registration of the Transfer in respect of the Strata Title in favour of the Purchaser, SMSB shall hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser and grant the Purchaser the power to deal with the Subject Property as if the Purchaser were the registered proprietor of MVS Mall.</p>

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Salient terms of the SPA	Our commentaries
<p><b>(8) Non-registration of Transfer in respect of MVS Mall</b></p> <p>In the event that the Transfer is presented for registration with the Land Office but is rejected and/or not registered in the name of the Purchaser for any reason whatsoever, and such rejection and/or non-registration cannot be rectified by the parties, the parties agree and confirm that:-</p> <ul style="list-style-type: none"> <li>(i) the Purchaser is the appointed attorney of SMSB to deal with MVS Mall as if the Purchaser is the legal and registered proprietor of MVS Mall;</li> <li>(ii) SMSB will hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser;</li> <li>(iii) SMSB will do or cause to be done all things to ensure that the Purchaser's rights, title, interest and benefits in and to MVS Mall are protected at all times, at the cost and expense of the Purchaser;</li> <li>(iv) SMSB will do all such acts and things as may be required by the Purchaser, at the cost and expense of the Purchaser, in order for the Purchaser to fully and effectively deal with MVS Mall and to give effect to any such dealings by the Purchaser in its capacity as the sole unencumbered beneficial owner save for any encumbrance in favour of the Purchaser's Security Trustee, if any, PROVIDED ALWAYS THAT such acts do not affect SMSB's performance of its obligation to procure the Strata Title free from encumbrances;</li> <li>(v) SMSB will not act in any manner so as to jeopardise the Purchaser's rights, title, interest and benefits in and to MVS Mall;</li> <li>(vi) the Purchaser shall be entitled to lodge a trust caveat on the Strata Title to protect its rights, title, interest and benefits in and to MVS Mall; and</li> <li>(vii) SMSB is and will be a going concern until the Transfer in respect of MVS Mall is registered by the Land Office and the Strata Title is issued in the Purchaser's name.</li> </ul>	<p><b>Fair and reasonable.</b> With effect from the Completion Date, IGB REIT shall be the beneficial owner of the Subject Property and becomes entitled to all SMSB's rights, title, interest, benefits or claim in and to the Subject Property.</p> <p>This clause safeguards IGB REIT's rights, title, interest, benefits or claim in and to the Subject Property in the event that the Transfer in respect of the Strata Title cannot be registered in the name of the Purchaser. In such an event, SMSB will hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser and the Purchaser is granted the power to deal with MVS Mall as if the Purchaser were the legal and registered proprietor of MVS Mall.</p>

Salient terms of the SPA	Our commentaries
<p><b>(9) Private caveat</b></p> <p>The Purchaser and the Purchaser's Security Trustee shall be entitled to lodge their private caveats, respectively, against the master title specifically in respect of MVS Mall at any time after the date of the SPA, including after Completion, to protect their interest in the Subject Property. In this regard, the Purchaser shall do all that is necessary, including without limitation, procuring the Purchaser's Security Trustee to do all that is necessary, as a caveator, to ensure that their private caveats do not affect the subdivision of the Master Land or the issuance of the Strata Title and the other strata titles in respect of the Master Land and the commercial development on the Master Land, which shall comprise MVS Mall and the office towers and hotels constructed or to be constructed on the Master Land.</p> <p>The Purchaser agrees that it shall at its own cost and expense withdraw any private caveat lodged by the Purchaser and procure and effect the withdrawal of any private caveat lodged by the Purchaser and/or the Purchaser's Security Trustee against the Master Land in respect of MVS Mall to protect its interest in the Subject Property if the SPA is terminated in accordance with its terms and conditions or, if required, upon the Purchaser's receipt of the written request by SMSB to withdraw such private caveat for the purpose of subdividing the Master Land and the issuance of the Strata Title.</p>	<p><b>Fair and reasonable.</b> This clause allows the Purchaser and Purchaser's Security Trustee to lodge their respective private caveats against the master title specifically in respect of MVS Mall to protect their interest in the Subject Property arising from the Proposed Acquisition.</p>

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Salient terms of the SPA	Our commentaries
<p><b>(10) Damage to Subject Property</b></p> <p>In the event that at any time after the date of the SPA but prior to the Completion Date, there is any material damage to the Subject Property or any parts thereof, the Purchaser shall have the option whether to proceed with the purchase of the Subject Property under the SPA. If the Purchaser decides to proceed with purchasing the Subject Property, then upon the exercise of this option by written notice to SMSB, SMSB must at its own cost and expense rectify and repair the damage and reinstate the Subject Property to its current state and condition prior to the Completion Date. If that is not possible, SMSB shall do so as soon as reasonably practicable, and the Purchaser may extend the Completion Date to a later date to be agreed upon by the parties in writing, free of interest, once all such repair and reinstatement works are completed by SMSB. In the event that such rectification, repair and reinstatement works are not completed prior to the Completion Date or the extended date agreed upon by the parties in writing, the Purchaser have the right to carry out the repairs of the damage, whereby SMSB shall be liable to pay the Purchaser all costs and expenses incurred for such works. Alternatively, these costs and expenses may be deducted from the Cash Consideration payable by the Purchaser on the Completion Date.</p> <p>SMSB must, when carrying out the rectification, repair and reinstatement works for which SMSB is liable, adhere to the reasonable directions of the Purchaser and execute these works properly to reinstate the damaged Subject Property to the state it was before the damage occurred.</p>	<p><b>Fair and reasonable.</b> This clause safeguards the interests of the Purchaser as it provides an option to the Purchaser to decide whether to proceed with the Proposed Acquisition in the event there is any material damage to the Subject Property prior to the Completion Date.</p> <p>Further, in the event that the Purchaser decides to proceed with the Proposed Acquisition, SMSB must, at its own cost and expense, rectify and repair the damage and reinstate the Subject Property to its current state and condition prior to the Completion Date or such later date to be agreed upon by the parties.</p> <p>In the event such rectification, repair and reinstatement works are not completed prior to the Completion Date or the extended date agreed upon by the parties, the Purchaser has the right to carry out the repairs of the damage, whereby SMSB shall be liable to pay the Purchaser all costs and expenses incurred for such works. Alternatively, these costs and expenses may be deducted from the Cash Consideration payable by the Purchaser on the Completion Date.</p>

Salient terms of the SPA		Our commentaries																		
(11)	<p><b>Default and termination</b></p> <p><b>11.1 Default by the Purchaser</b></p> <p>In the event that the Purchaser shall fail to pay the Purchase Consideration or any part thereof in accordance with the terms of the SPA, SMSB shall be entitled to give notice in writing to the Purchaser requiring the Purchaser to remedy such default within 14 days of receiving the notice or within any extended period agreed in writing.</p> <p>In the event the default is not remedied by the Purchaser within the specified period, SMSB shall be entitled at its absolute discretion to the remedy of specific performance of the SPA together with all reliefs flowing therefrom or to terminate the SPA by written notice to the Purchaser and claim for all damages, costs, charges and expenses incurred by SMSB in connection with negotiations and preparation, breach or non-compliance with the SPA and termination and rescission of the SPA and all matters which are connected therewith.</p> <p><b>11.2 Default by SMSB</b></p> <p>In the event that any of the following events shall occur, the Purchaser shall be entitled to give written notice to SMSB requiring SMSB to remedy the default within 14 days of receipt of such notice or within any extended period agreed in writing:-</p> <p>(i) if SMSB fails to complete the sale and purchase in accordance with the terms and conditions of the SPA or is in breach of any term or condition of the SPA (including SMSB's warranties) or if it fails to perform or observe any undertaking, obligation or agreement expressed in the SPA;</p>	<p><b>Fair and reasonable.</b> This clause is a normal commercial term which governs the rights of the non-defaulting party. In an event of default which is not remedied, the non-defaulting party shall be entitled to the following rights and remedies:-</p>	<table border="1"> <thead> <tr> <th rowspan="2">In an event of default by</th> <th colspan="2">Defaulting party</th> </tr> <tr> <th>Purchaser</th> <th>SMSB</th> </tr> </thead> <tbody> <tr> <td><b>Rights and remedies available to</b></td> <td colspan="2"><b>Non-defaulting party</b></td> </tr> <tr> <td></td> <td>SMSB</td> <td>Purchaser</td> </tr> <tr> <td>(i) Remedy of specific performance of the SPA against the defaulting party together with all reliefs flowing therefrom; or</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>(ii) Termination of the SPA whereby:-</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>	In an event of default by	Defaulting party		Purchaser	SMSB	<b>Rights and remedies available to</b>	<b>Non-defaulting party</b>			SMSB	Purchaser	(i) Remedy of specific performance of the SPA against the defaulting party together with all reliefs flowing therefrom; or	✓	✓	(ii) Termination of the SPA whereby:-	✓	✓
In an event of default by	Defaulting party																			
	Purchaser	SMSB																		
<b>Rights and remedies available to</b>	<b>Non-defaulting party</b>																			
	SMSB	Purchaser																		
(i) Remedy of specific performance of the SPA against the defaulting party together with all reliefs flowing therefrom; or	✓	✓																		
(ii) Termination of the SPA whereby:-	✓	✓																		
		<p>(a) the non-defaulting party may claim for all damages, costs, charges and expenses incurred by non-defaulting party in connection with negotiations and preparation, breach or non-compliance with the SPA and termination and rescission of the SPA and all matters which are connected therewith;</p> <p>(b) the Purchaser shall return to SMSB all documents received with SMSB's and the Security Agent's rights, titles and interests in the Subject Property remaining intact;</p> <p>(c) the Purchaser shall, at its own cost and expense, remove any private caveat and all other encumbrances on the Subject Property;</p>																		

Salient terms of the SPA		Our commentaries	
<p>(ii) if a receiver, receiver and manager, special administrator, trustee or similar official is appointed over any of the assets or undertaking of SMSB;</p> <p>(iii) if SMSB is or becomes unable to pay its debts when they are due or becomes unable to pay its debts within the meaning of the CA 2016 or any other legislation regarding insolvency of the jurisdiction in which it carries on business;</p> <p>(iv) if SMSB enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;</p> <p>(v) if a resolution is passed or an application or order is made for the winding up or dissolution of SMSB otherwise than for an amalgamation or reconstruction which has the prior written consent of the Purchaser;</p> <p>(vi) if SMSB threatens to cease carrying on a substantial portion of its business; or</p> <p>(vii) if SMSB commits any act or omits to do any act which results in the breach or non-fulfilment of any term or condition of any banking, finance or credit facility which has the effect of causing the events specified in (ii), (iii), (iv), (v) and/or (vi) to occur.</p> <p>In the event the default is not remedied by SMSB within the specified period, the Purchaser shall be entitled at its absolute discretion to the remedy of specific performance of the SPA together with all reliefs flowing therefrom or to terminate the SPA by written notice to SMSB and claim for all damages, costs, charges and expenses incurred by the Purchaser in connection with negotiations and preparation, breach or non-compliance with the SPA and termination and rescission of the SPA and all matters which are connected therewith.</p>	<p><b>In an event of default by</b></p> <p><b>Rights and remedies available to</b></p> <p>(d) the Purchaser shall re-deliver legal possession of the parts of the Subject Property that are subject to tenancies and vacant possession of the parts of the Subject Property that are not subject to tenancies to SMSB in the same state and condition as was delivered to the Purchaser (fair wear and tear excepted) (if delivered); and</p> <p>(e) thereafter, no party shall have any further rights or obligations under the SPA save and except for any antecedent breach.</p>	<p><b>Defaulting party</b></p> <p>Purchaser</p> <p><b>Non-defaulting party</b></p> <p>SMSB</p>	<p>Purchaser</p> <p>SMSB</p>
<p>In addition to the above, the SPA may also be terminated in the event the Subject Property is subject to a compulsory acquisition, whereby no party shall have any further rights or obligations under the SPA save and except for any antecedent breach.</p>			

Salient terms of the SPA	Our commentaries
<p><b>11.3 Termination due to compulsory acquisition</b></p> <p>In the event:-</p> <ul style="list-style-type: none"> <li>(i) the entire Subject Property becomes affected by any notice of acquisition or intended acquisition prior to the Completion Date; or</li> <li>(ii) only a part or parts of the Subject Property become(s) affected by any notice of acquisition or intended acquisition prior to the Completion Date and the Purchaser has opted to terminate the SPA and has notified SMSB in writing of such intention;</li> </ul> <p>the SPA shall terminate, and no party shall have any further rights or obligations under the SPA, save and except for any antecedent breach.</p> <p><b>11.4 Consequences of termination</b></p> <p>Upon termination of the SPA, the Purchaser shall return to SMSB all documents which may have been received by it, the Purchaser's Security Trustee or their respective solicitors pursuant to the SPA. If any caveat and/or other encumbrances have been lodged or created over the Subject Property by the Purchaser or any third party on the account of the Purchaser, the Purchaser, shall at its own cost and expense, remove such private caveat and all other encumbrances on the Subject Property and deliver evidence of such removal or withdrawal that is satisfactory to SMSB.</p>	<p>Please refer to our commentaries above.</p>

Salient terms of the SPA	Our commentaries
<p>If legal possession and vacant possession of the Subject Property have been delivered to the Purchaser, the Purchaser shall re-deliver legal possession of the parts of the Subject Property that are subject to tenancies and vacant possession of the parts of the Subject Property that are not subject to tenancies to SMSB in the same state and condition as was delivered to the Purchaser (fair wear and tear excepted).</p> <p>Thereafter, no party shall have any further rights or obligations under the SPA, save and except for any antecedent breach.</p>	<p>Please refer to our commentaries above.</p>

Our commentaries:-

Based on the above, we are of the view that the salient terms of the SPA are fair and reasonable and are not detrimental to the interests of the non-interested Unitholders.

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### 3.4 Effects of the Proposed Acquisition

We noted the pro forma effects of the Proposed Acquisition from Section 6, Part A of the Circular, which have been illustrated based on the following parameters:-

**Number of Consideration Units to be issued** : 699,152,542 Units

**Issue price of the Consideration Units** : RM2.36 per Unit  
(based on and equivalent to the 5-day VWAP of the Units up to and including the LTD)

**Size of issuance of the Consideration Units** : RM1.65 billion

**New borrowings to be raised to fund the Cash Consideration and estimated expenses in relation to the Proposed Acquisition** : RM1.03 billion

#### 3.4.1 Unitholders' capital

As set out in Section 6.1, Part A of the Circular, the pro forma effects of the Proposed Acquisition on the Unitholders' capital are as follows:-

	No. of Units	RM'000
As at the LPD	3,621,577,837	4,590,172
Consideration Units to be issued	699,152,542	1,650,000
Estimated expenses relating to the Proposed Acquisition associated with the issuance of the Consideration Units	-	(172)
<b>Enlarged Unitholders' capital</b>	<b>4,320,730,379</b>	<b>6,240,000</b>

The Unitholders' capital of IGB REIT will increase by approximately RM1.65 billion (after taking into account the estimated expenses relating to the Proposed Acquisition associated with the issuance of the Consideration Units of approximately RM0.17 million) due to the issuance of 699,152,542 Consideration Units at the Issue Price of RM2.36 per Unit.

#### 3.4.2 Substantial Unitholders' unitholdings

As set out in Section 6.2, Part A of the Circular, the pro forma effects of the Proposed Acquisition on the substantial Unitholders' unitholdings are as follows:-

Name	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Units ('000)	(%)	No. of Units ('000)	(%)	No. of Units ('000)	(%)	No. of Units ('000)	(%)
IGB	1,733,618	47.87	222,123 <sup>(1)</sup>	6.13	1,733,618	40.12	711,530 <sup>(8)</sup>	16.47
DSRT	16,273	0.45	1,970,831 <sup>(2)</sup>	54.42	16,273	0.38	2,460,238 <sup>(9)</sup>	56.94
PTSM	-	-	1,970,831 <sup>(2)</sup>	54.42	-	-	2,460,238 <sup>(9)</sup>	56.94
TTCK	1,000	0.03	1,970,831 <sup>(2)</sup>	54.42	1,000	0.02	2,460,238 <sup>(9)</sup>	56.94
TCNSB	-	-	1,964,880 <sup>(3)</sup>	54.25	-	-	2,454,287 <sup>(10)</sup>	56.80
TKYSB	14,765	0.41	1,956,066 <sup>(4)</sup>	54.01	14,765	0.34	2,445,473 <sup>(11)</sup>	56.60
IGBRM	221,578	6.12	-	-	221,578	5.13	-	-
WST	-	-	1,955,741 <sup>(5)</sup>	54.00	-	-	2,445,148 <sup>(12)</sup>	56.59
IGB Corp	-	-	-	-	489,407 <sup>(7)</sup>	11.33	-	-
Kumpulan Wang Persaraan (Diperbadankan) Employees Provident Fund Board	205,585	5.68	31,572 <sup>(6)</sup>	0.87	205,585	4.76	31,572 <sup>(6)</sup>	0.73
	362,170	10.00	-	-	362,170	8.38	-	-

Notes:-

- (1) *Deemed interest through IGBRM and T&T pursuant to Section 4 of the CMSA.*
- (2) *Deemed interest through IGB, IGBRM, T&T, TKYSB and TKYI pursuant to Section 4 of the CMSA.*
- (3) *Deemed interest through IGB, IGBRM, T&T and CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Bhd (EDP2) for TCNSB pursuant to Section 4 of the CMSA.*
- (4) *Deemed interest through IGB, IGBRM, T&T and TKYI pursuant to Section 4 of the CMSA.*
- (5) *Deemed interest through IGB, IGBRM and T&T pursuant to Section 4 of the CMSA.*
- (6) *Deemed interest through various fund managers of KWAP pursuant to Section 4 of the CMSA.*
- (7) *SMSB has nominated its shareholders, IGB Corp and SCSB, to receive the Consideration Units directly proportionate to their respective shareholding of 70.0% and 30.0% in SMSB.*
- (8) *Deemed interest through IGB Corp, IGBRM and T&T pursuant to Section 4 of the CMSA.*
- (9) *Deemed interest through IGB, IGB Corp, IGBRM, T&T, TKYSB and TKYI pursuant to Section 4 of the CMSA.*
- (10) *Deemed interest through IGB, IGB Corp, IGBRM, T&T and CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Bhd (EDP2) for TCNSB pursuant to Section 4 of the CMSA.*
- (11) *Deemed interest through IGB, IGB Corp, IGBRM, T&T and TKYI pursuant to Section 4 of the CMSA.*
- (12) *Deemed interest through IGB, IGB Corp, IGBRM and T&T pursuant to Section 4 of the CMSA.*

Pursuant to the Proposed Acquisition, IGB Corp will receive 489,406,779 Consideration Units (*representing a direct interest of 11.33% in IGB REIT*) and emerge as a new substantial Unitholder (SCSB: 209,745,763 Consideration Units; direct interest of 4.85%). On the other hand, the unitholdings of other existing Unitholders will be proportionately diluted by the issuance of the Consideration Units.

As set out in Section 2.11, Part A of the Circular, the public unitholding spread of IGB REIT is expected to decrease from approximately 44.15% as at the LPD to approximately 41.86% upon completion of the Proposed Acquisition, which is still in compliance with Paragraph 8.02(1) of the MMLR which requires the Manager to ensure that at least 25% of IGB REIT's total Units are in the hands of public unitholders.

Notwithstanding that the issuance of the Consideration Units may have an immediate dilutive impact on the Unitholders' unitholdings, the Proposed Acquisition is expected to contribute positively to the future earnings and distributions of IGB REIT.

### **3.4.3 Earnings, EPU and DPU**

The potential effects of the Proposed Acquisition on IGB REIT's earnings, EPU and DPU will depend on, amongst others, the eventual NPI contribution of MVS Mall vis-à-vis the financial performance of other investment properties within the portfolio of IGB REIT as well as cost of financing for the borrowings. Nevertheless, the Proposed Acquisition is expected to increase the earnings, EPU and DPU of IGB REIT moving forward taking into account the NPI contribution from MVS Mall.

As set out in Section 6.3, Part A of the Circular, assuming that the Proposed Acquisition had been effected on 1 January 2024, being the beginning of the FYE 31 December 2024, the pro forma effects of the Proposed Acquisition on the distributable income and DPU are as follows:-

	<b>Audited for the FYE 31 December 2024 (RM'000)</b>	<b>After adjustment for subsequent events (RM'000)</b>	<b>After the Proposed Acquisition (RM'000)</b>
Distributable income	395,938	395,938	395,938
Add: Annual incremental net distributable income	-	-	147,421
<b>Pro forma distributable income</b>	<b>395,938</b>	<b>395,938</b>	<b>543,359</b>
Number of Units in issue ('000)	3,615,387	3,621,578	4,325,624
DPU (sen)	10.95	10.93	12.56

Based on the above, the Proposed Acquisition is expected to contribute positively to the future earnings and distributions of IGB REIT.

### 3.4.4 NAV per Unit and gearing

As set out in Section 6.4, Part A of the Circular, assuming that the Proposed Acquisition had been effected on 31 December 2024, the pro forma effects of the Proposed Acquisition on the NAV per Unit and gearing of IGB REIT are as follows:-

	<b>Audited as at 31 December 2024 (RM'000)</b>	<b>After adjustment for subsequent events (RM'000)</b>	<b>After the Proposed Acquisition (RM'000)</b>
<b>NAV</b>	<b>4,255,443</b>	<b>4,269,346</b>	<b>5,919,174</b>
No. of Units in issue ('000)	3,615,387	3,621,578	4,320,730
<b>NAV per Unit (RM)</b>	1.1770	1.1789	1.3699
Total borrowings	1,214,781	1,214,781	2,243,596
TAV	5,741,275	5,741,275	8,470,509
Gearing (%)	21.16	21.16	26.49

The NAV of IGB REIT will increase by a net amount of approximately RM1.65 billion, mainly attributable to the issuance of 699,152,542 Consideration Units at the Issue Price of RM2.36 per Unit to part settle the Purchase Consideration. The increase is offset by the estimated expenses relating to the Proposed Acquisition associated with the issuance of the Consideration Units of approximately RM0.17 million. Arising from the issuance of the Consideration Units and recognition of the said estimated expenses, the NAV per Unit will increase from RM1.1789 as at 31 December 2024 (*after adjusting for subsequent events*) to RM1.3699 after the Proposed Acquisition.

The new borrowings of RM1,028.82 million (*after deducting the estimated upfront cost in relation to the IGB REIT MTN Programme amounting to approximately RM1.18 million*) to fund the Cash Consideration and estimated expenses relating to the Proposed Acquisition will result in the gearing of IGB REIT increasing from 21.16% as at 31 December 2024 (*after adjusting for subsequent events*) to 26.49% after the Proposed Acquisition. Nonetheless, the increased gearing is still within the threshold as prescribed or permitted under Paragraph 8.32 of the Listed REIT Guidelines, i.e., the total borrowings or financing facilities, including borrowings or financing through issuance of debt facilities or sukuk, and deferred payment arrangements of IGB REIT, must not exceed 50% of its TAV at the time the borrowings or financing facilities, or deferred payment arrangements are incurred.

In addition, taking into consideration the prospects of MVS Mall as set out in Section 3.5 of this IAL, any appreciation in the market value of MVS Mall in the future will further enhance the NAV and NAV per Unit of IGB REIT and lower the gearing of IGB REIT.

### 3.4.5 Convertible securities

As at the LPD, IGB REIT does not have any convertible securities.

Based on our evaluation above, the overall effects of the Proposed Acquisition are not detrimental to the interests of the non-interested Unitholders.

### 3.5 Prospects of the retail industry as well as MVS Mall and IGB REIT

In the first quarter of 2025, Johor had 146 shopping complexes (*including shopping centres, arcades and hypermarkets*) with a total retail space of 26.03 million sq. ft. (Johor Bahru: 75 shopping complexes; 20.24 million sq. ft.). Johor Bahru boasts a wide range of shopping malls, from large scale complexes to more niche and boutique options due to its close proximity to Singapore. Selected large scale shopping centres in Johor Bahru are summarised as follows:-

No.	Shopping centre	Location	Opening year	NLA* (million sq. ft.)
1	MVS Mall	Kota Southkey	2019	1.55
2	Paradigm Mall Johor Bahru	Taman Bukit Mewah	2017	1.29
3	Toppen Shopping Centre	Taman Desa Tebrau	2019	1.20
4	KSL City Mall	Taman Abad	2010	0.78
5	Johor Bahru City Square Mall	Johor Bahru city centre	1999	0.54
6	R&F Mall	Tanjung Puteri	2019	0.53
7	Sunway Big Box Retail Park ( <i>hybrid retail park</i> )	Sunway City, Iskandar Puteri	2019	0.50

Note:-

\* NLA as at the opening year of the respective shopping centres.

The average occupancy rate of shopping centres in Johor Bahru improved moderately from 69.9% in the first quarter of 2024 to 72.4% in the first quarter of 2025 with most of the prominent shopping complexes having achieved high occupancy rates of more than 80%. Shoppers have generally returned to physical malls after almost 3 years of disruption during the coronavirus disease 2019 (“**COVID-19**”) pandemic.

Rental rates for retail lots in prominent locations within shopping centres continue to improve, as many retailers preferred to pay higher rents for prime retail lots rather than opting for lower rentals in inferior zones where shopper traffic tends to be lower.

With a more stabilising domestic political landscape and moderate economic growth aiming to boost household spending power, coupled with the growing tourism sector especially in anticipation of Visit Malaysia Year 2026, the retail sector can remain hopeful and is expected to thrive in the near future. Challenges continue to emerge from the global stage, with the ongoing tariff saga serve as a central concern, leaving stakeholders worldwide anticipating a favourable resolution while striving to mitigate its impact on global economic growth.

(Source: Valuation Report)

Whilst the retail sector in Johor Bahru has gradually recovered, the retail market remains a challenging sector due to the ongoing tariff saga as well as change in consumers' shopping behaviour and landscape brought upon by the COVID-19 pandemic. The growing e-commerce sector has threatened the occupancy rate of retail spaces in physical malls. Having said that, e-commerce could also be seen as a complement to the physical retail malls as many online retailers have recognised the need to have physical presence, witnessed by opening of brick and mortar outlets in prominent malls to increase their sales performance. In addition, the interest of being able to spend time with family and friends in a physical mall has not diminished over time and hence, retail malls will remain a relevant part of lifestyle to many.

The Johor-Singapore Special Economic Zone (JS-SEZ) (*which was officially launched on 7 January 2025*) is expected to promote cross-border economic collaboration between Malaysia and Singapore, strengthening trade, investment and infrastructure by synergising Johor's industrial growth with Singapore's global financial and logistics hubs. Furthermore, the Johor Bahru-Singapore Rapid Transit System Link ("**RTS Link**") (*with an estimated train capacity of 10,000 passengers per hour per direction and estimated ridership of 40,000 passengers per day upon opening*) is scheduled for completion by end-2026 and is expected to improve accessibility and increase daily footfall from Singapore to Johor Bahru. Both the JS-SEZ and RTS Link are anticipated to have a positive impact on the local retail sector. In particular, shopping malls in Johor Bahru, including MVS Mall, are expected to benefit from the increased visitor traffic from Singapore and greater tourist spending.

MVS Mall is expected to be an attractive addition to IGB REIT's portfolio of investment properties, given its ease of accessibility and good connectivity via EDL and Tebrau highways as well as its strategic location within Mid Valley Southkey, an integrated mixed commercial development situated in an upscale area of Southkey City, Johor Bahru. Modelled after its successful sister project i.e. Mid Valley City in the Klang Valley, Mid Valley Southkey is designed to provide a seamless blend of retail, business and leisure and currently comprises a retail mall (*i.e. MVS Mall*), 2 blocks of high rise Grade A office towers (*i.e. Mid Valley Southkey North Tower and Mid Valley Southkey South Tower*) and a 4-star hotel (*i.e. St. Giles Southkey Hotel*). The integrated setting of Mid Valley Southkey development together with other established components within the Southkey City are expected to continue driving recurring footfall and tenant demand for MVS Mall, reinforcing its position as one of the key retail destinations in Johor Bahru. The future expansion of Mid Valley Southkey (*which includes 2 more office towers and a 5-star hotel*) is expected to further enhance the appeal and vibrancy of MVS Mall. As at the LPD, the construction of the 5-star hotel is expected to commence in the first half of 2026 and complete by 2028, whilst the expected start and completion dates for the two office towers have yet to be determined.

In view of the above, MVS Mall is well-positioned to attract both shoppers and tenants and is expected to continue achieving high occupancy level and positive rental reversions as well as potentially appreciate in market value in the future. The Manager believes that the Proposed Acquisition would not only geographically diversify and strengthen IGB REIT's portfolio of investment properties, but also generate a stable income stream that is expected to contribute positively to the overall portfolio and future growth of IGB REIT, ultimately benefiting the Unitholders over the long term. Hence, the Proposed Acquisition is expected to contribute positively to IGB REIT. Further details on the pro forma effects of the Proposed Acquisition are set out in Section 6, Part A of the Circular.

In view of the above, we view the long-term prospects of the retail industry as well as MVS Mall and IGB REIT to be favourable.

### 3.6 Risk factors in relation to the Proposed Acquisition

In considering the Proposed Acquisition, the non-interested Unitholders are advised to give careful consideration to the risk factors as set out in Section 5, Part A of the Circular.

We wish to highlight some of the risk factors in relation to the Proposed Acquisition to the non-interested Unitholders as follows:-

- (i) financing risk – The estimated total cash funding required to undertake the Proposed Acquisition of RM1.03 billion (*comprising the Cash Consideration of RM1.00 billion and estimated expenses in relation to the Proposed Acquisition of RM0.03 billion*) will be funded via the issuance of MTNs pursuant to the IGB REIT MTN Programme. There can be no assurance that IGB REIT will be able to raise funds to finance the Proposed Acquisition based on terms favourable to IGB REIT.

The new borrowings will result in new interest and principal servicing obligations to IGB REIT. As set out in Section 6.4, Part A of the Circular, the new borrowings will increase the pro forma total borrowings of IGB REIT from RM1.21 billion (Gearing of 21.16%) as at 31 December 2024 to RM2.24 billion (Gearing of 26.49%) after the Proposed Acquisition. Nonetheless, MVS Mall is an income generating property and the NPI from MVS Mall may be used to meet debt repayment obligations.

In addition, IGB REIT may be exposed to an increase in interest rates resulting in higher borrowing costs which consequently may adversely affect the repayment commitments and cash flows of IGB REIT, which may in turn affect the distributions to the Unitholders.

The Manager will actively monitor IGB REIT's debt portfolio, including gearing levels, interest costs and cash flows to ensure that the debt portfolio of IGB REIT remains at a sustainable and optimal level.

- (ii) non-registration of the Transfer in respect of the Strata Title – As at the LPD, the Strata Title has not been issued, and the expected timeframe for the application process and the issuance of the Strata Title remain uncertain. Pursuant to the SPA, SMSB has undertaken, at its own cost and expense, to apply for the subdivision of the Master Land to obtain the Strata Title and procure the Strata Title to be transferred to the Trustee (*in its capacity as the trustee of IGB REIT*). There can be no assurance that the Strata Title will be transferred to and registered in the name of the Trustee and until the transfer and registration are completed, the Trustee will not have legal title to MVS Mall.

Nevertheless, pursuant to the terms of the SPA, upon completion of the Proposed Acquisition and pending the registration of the Transfer in respect of the Strata Title in favour of the Trustee or non-registration of the Transfer:-

- (a) the Trustee shall be the appointed attorney of SMSB to deal with MVS Mall as if the Trustee is the legal and registered proprietor of MVS Mall; and
- (b) SMSB will hold the legal title to MVS Mall as bare trustee for and on behalf of the Trustee and will ensure that the Trustee's rights, title, interest and benefits in and to MVS Mall are protected.

In addition, the Trustee may lodge caveats against the master title specifically in respect of MVS Mall / Strata Title (*when issued*) to protect its interest in the Subject Property.

- (iii) competition risk – MVS Mall may be affected by increased competition from other retail properties, loss of key tenants or a significant number of tenants, non-renewal of tenancies following expiry or renewal of tenancies at less favourable rates and non-collection of rental in a timely manner.

Taking into consideration, amongst others, MVS Mall's strategic location and current high occupancy rate as set out in Section 3, Part A of the Circular, proven track record of excellence of its sister project i.e. Mid Valley City in the Klang Valley as well as the overview and prospects of the retail industry in Johor Bahru as set out in Section 4.2, Part A of the Circular, the competition risk arising from other retail malls may be mitigated. Furthermore, we noted that the Manager will work closely with the tenants of MVS Mall to maintain a strong and sustainable relationship as part of its active asset management strategy.

- (iv) reliance on international visitors – MVS Mall is reliant on international visitors, particularly those from Singapore. Any changes in cross-border travel regulations, geopolitical tensions, economic downturns, fluctuations in currency exchange rates or public health crises (*such as pandemics*) may adversely affect visitor traffic. A sustained reduction in cross-border visitors could negatively impact MVS Mall's overall footfall, sales revenue and financial performance.

In mitigating the reliance on international visitors, we noted that the Manager will work closely with the tenants of MVS Mall to implement diversified marketing strategies and enhance the local customer or shopper engagement efforts.

- (v) property investment risk – The returns from the Proposed Acquisition may also be adversely affected by factors such as (a) unforeseen business interruptions and additional costs for repairs and rectifications due to material defects, deficiencies and breaches / non-compliance with relevant laws and regulations, (b) natural disasters including fire, flood and earthquakes, disease outbreaks, epidemics and pandemics, and (c) changes in laws and regulations, amongst others, an increase in the sales and services tax rates which may adversely affect disposable income and consumer spending among shoppers.

IGB REIT's current portfolio consists of retail properties in Malaysia. The proposed addition of MVS Mall to IGB REIT's portfolio will not significantly change the business risk profile of IGB REIT as IGB REIT is already currently subjected to risks inherent in property market and retail sector.

Furthermore, pursuant to the SPA, SMSB has provided certain representations and warranties in favour of IGB REIT in respect of the state and condition of MVS Mall, its structural soundness and that the construction and completion of MVS Mall comply with all applicable laws and regulations. In addition, SMSB has provided a specific warranty in favour of IGB REIT that the mechanical and electrical equipment of MVS Mall is in good working order and free from defects, which shall subsist for 24 months from the Completion Date.

SMSB has undertaken to fully indemnify and keep IGB REIT fully indemnified against all losses, damages, costs, expenses and outgoings that IGB REIT may incur or be liable for in respect of any claim, demand, liability, action, proceedings or suits arising out of or in connection with a breach of any of the warranties provided by SMSB. In the event that, at any time prior to the Completion Date, there is any material damage to the Subject Property or any parts thereof, SMSB has also undertaken, at its own cost and expense, to rectify and repair the damage and to reinstate the Subject Property to its current state and condition. Nevertheless, there is no assurance that the undertakings, representations, warranties and indemnities made in favour of IGB REIT by SMSB will provide sufficient protection against the costs and liabilities arising from any defects or deficiencies.

We wish to further highlight that MVS Mall has opened for business since 2019 and has been achieving high occupancy rates, mitigating risk of material defects, deficiencies and breaches of laws or regulations not being identified in the due diligence on MVS Mall. As at 9 May 2025, the occupancy rate of MVS Mall was 94.98% and its committed tenancies (*i.e. those which are set to commence within 3 months from 9 May 2025*) account for approximately 4.99% of total NLA, making MVS Mall nearly fully occupied upon commencement of the committed tenancies i.e. at an occupancy rate of 99.97%.

#### 4. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Acquisition, taking into consideration the various factors set out in Section 3 of this IAL. You should carefully consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted in the letter to the Unitholders in relation to the Proposed Acquisition as set out in Part A of the Circular together with the accompanying appendices before voting on the ordinary resolution to give effect to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

Premised on our evaluation of the Proposed Acquisition in Section 3 of this IAL, we are of the view that, on the basis of the information available to us, the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the interests of the non-interested Unitholders.

Accordingly, we recommend that you **vote in favour** of the ordinary resolution to give effect to the Proposed Acquisition to be tabled at the upcoming Unitholders' Meeting.

Yours faithfully,  
For and on behalf of  
**INTER-PACIFIC SECURITIES SDN BHD**

**PUA KIN JOH**  
Senior Vice President  
Corporate Finance

**FOO CHUN KEONG**  
Senior Vice President  
Corporate Finance

**SALIENT TERMS OF THE SPA**

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**1. SALE AND PURCHASE**

SMSB has agreed to sell and the Purchaser has agreed to purchase the Subject Property, on an “as is where is” basis, free from encumbrances but subject to the Tenancies, the Contracts, and the conditions of title (whether express or implied) and restrictions-in-interests endorsed on the master title and the Strata Title (when issued), at the Purchase Consideration and on the terms and subject to the conditions contained in the SPA.

**2. PURCHASE CONSIDERATION AND PAYMENT TERMS**

The Purchase Consideration shall be satisfied by the Purchaser within the Completion Period in the manner set out below:

- (i) RM1.00 billion, being the Cash Consideration to be paid in cash to settle the redemption sum to release and discharge the Existing Securities; and
- (ii) RM1.65 billion, being the balance of the Purchase Consideration, vide the issuance and allotment of 699,152,542 Consideration Units at an issue price of RM2.36 per Unit, based on the 5-day VWAP of the Units up to and including the last trading date immediately preceding the date of the SPA, to SMSB or its nominee(s).

For the purposes of the payment by way of issue of Consideration Units, such payment shall be deemed made once the Consideration Units are credited into the securities account opened and maintained with Bursa Malaysia Depository Sdn Bhd belonging to SMSB or its nominee(s).

**3. CONDITIONS PRECEDENT**

The sale, purchase and transfer of the Subject Property is conditional upon the following:

- (i) the approvals of SMSB’s board of directors and shareholders authorising the disposal of the Subject Property upon the terms and conditions of the SPA having been obtained<sup>1</sup>;
- (ii) the approval of the board of directors of IGB for (a) the sale of the Subject Property upon the terms and conditions contained in the SPA; (b) the proposed distribution in-specie of a portion of the Consideration Units to the entitled shareholders of IGB; and (c) the approval of the shareholders of IGB on the sale of the Subject Property upon the terms and conditions contained in the SPA having been obtained<sup>2</sup>;
- (iii) the consent of the Vendor’s Noteholders to the early redemption of MTNs issued by SMSB having been obtained by SMSB<sup>3</sup>;
- (iv) the consent of the Security Agent to the sale of the Subject Property having been obtained by SMSB;

<sup>1</sup> Such approvals have been obtained on 23 June 2025.

<sup>2</sup> The board of directors of IGB approved the sale of the Subject Property and the proposed distribution-in-specie of a portion of the Consideration Units to the entitled shareholders of IGB on 24 June 2025, whilst approval from the shareholders of IGB for the sale of the Subject Property will be sought at the upcoming extraordinary general meeting of IGB to be held on 19 September 2025.

<sup>3</sup> SMSB intends to utilise the Cash Consideration to redeem the existing outstanding MTNs issued under the SMSB MTN Programme. The early redemption of the MTNs, which requires the consent of the Vendor’s Noteholders is for the discharge of existing encumbrances on the Subject Property for the Proposed Acquisition. Such consent is expected to be obtained by October 2025.

**SALIENT TERMS OF THE SPA (Cont'd)**

- (v) the written undertaking and confirmation issued by SMSB's shareholders providing, that (a) SMSB's shareholders shall not initiate or allow SMSB to be subject to any voluntary winding-up, liquidation or dissolution pending the issuance and transfer of the Strata Title to the Purchaser; and (b) the provisions in relation to the SMSB's obligation to procure and transfer the Strata Title to the Purchaser shall survive Completion and remain binding upon, and enforceable against, SMSB, its successors-in-title and permitted assigns having been obtained by SMSB;
- (vi) the approval of the non-interested Unitholders for the Proposed Acquisition upon the terms and conditions contained in the SPA having been obtained by IGB REIT;
- (vii) the approval of Bursa Securities for the listing and quotation of the Consideration Units having been obtained by the Manager;
- (viii) the written confirmation of the MOE stating that no approval from the MOE is required for the Proposed Acquisition having been obtained by the Purchaser<sup>1</sup>; and
- (ix) the receipt by the Purchaser's solicitors of the Final CP Confirmation.

To the extent permitted by relevant laws, requirements, rules or guidelines, the parties may mutually agree to waive any of the Conditions Precedent and thereafter the parties will proceed to Completion subject to any remaining Conditions Precedent being satisfied or fulfilled. The SPA shall become unconditional on the Unconditional Date.

**4. NON-FULFILMENT OF CONDITIONS PRECEDENT**

If any of the Conditions Precedent are not fulfilled or waived in accordance with the provisions of the SPA within 4 months from the date of the SPA or such extended date as the parties may agree in writing, either party may rescind the SPA by written notice to the other party and thereafter, the SPA ceases to have any effect and becomes null and void and neither party has any claims against the other party save and except for any antecedent breach.

**5. COMPLETION**

Subject to the satisfaction or waiver of the Conditions Precedent, Completion shall take place on the Completion Date whereby the Purchaser shall, among others, settle the Purchase Consideration and SMSB shall, among others, deliver vacant possession of MVS Mall to the Purchaser (save for those parts tenanted to Tenants in respect of which legal possession will be delivered).

SMSB agrees and acknowledges, among others, that with effect from the Completion Date:

- (i) the Purchaser shall be the beneficial owner of the Subject Property and become entitled to and SMSB is deemed to have absolutely transferred and assigned to the Purchaser all SMSB's rights, title, interest, benefits or claim in and to the Subject Property;
- (ii) the Purchaser shall be entitled to all rights, title, interest and benefit in and to and shall have full enjoyment of the common property of the master title and all such facilities and/or services provided by the joint management body (if established), facilities/services providers and/or public authorities to the Subject Property which are not assigned to the Purchaser;

<sup>1</sup> The request for MOE's written confirmation on whether approval from the MOE is required for the Proposed Acquisition by the Purchaser was submitted on 5 August 2025. As of 28 August 2025, being the date immediately preceding the date of this Circular, the MOE has yet to provide confirmation on the same.

**SALIENT TERMS OF THE SPA (Cont'd)**

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- (iii) the Purchaser shall become entitled to, and SMSB is deemed to have absolutely transferred and assigned to the Purchaser all SMSB's right, title, interest and benefits in and to the existing and new tenancy agreements, the Contracts and the insurance contracts entered into by SMSB to insure the Subject Property against all risks (collectively, "**Insurance Contracts**") and SMSB has no further rights, title, interest and benefit in and to the Subject Property, the tenancy agreements, the Contracts and the Insurance Contracts;
- (iv) notwithstanding the Power of Attorney, SMSB undertakes to co-operate with and provide full assistance to the Purchaser, as required, which includes, but is not limited to, the execution of forms and/or providing all necessary documents and information required by the Purchaser (as beneficial owner) in the course of dealing with the Subject Property and/or the public authorities in SMSB's capacity as the registered proprietor of the Subject Property provided that such actions do not affect SMSB's performance of its obligations to procure the Strata Title free from encumbrances; and
- (v) SMSB shall not be entitled to and covenants not to deal with the Subject Property in any manner whatsoever save in accordance with the SPA.

**6. DECLARATION OF TRUST AND POWER OF ATTORNEY**

SMSB and the Purchaser shall execute the Power of Attorney and a Declaration of Trust, both of which shall be effective on and from the Completion Date until the date the Purchaser is registered as the registered proprietor of the Strata Title.

Pursuant to the Power of Attorney, the Purchaser shall have the power to deal with the Subject Property as fully and effectually as SMSB could do as the registered proprietor of MVS Mall from the Completion Date until the date the Purchaser is registered as the registered proprietor of the Strata Title.

The Declaration of Trust is granted whereby SMSB shall, among others, hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser from the Completion Date until the date the Transfer in respect of the Strata Title is registered in favour of the Purchaser.

**7. STRATA TITLE AND TRANSFER IN RESPECT OF MVS MALL**

SMSB has undertaken, at its own cost and expense:

- (i) to apply for the subdivision of the Master Land so as to obtain, among others, the Strata Title;
- (ii) in the event that the Strata Title, upon issuance, is not free from encumbrances (excluding those attributable to the Purchaser and/or the Purchaser's Security Trustee), SMSB shall immediately take all steps to remove these encumbrances in order for the Strata Title to be transferred and registered in the name of the Purchaser free from encumbrances;
- (iii) thereafter, SMSB shall deliver to the Purchaser:
  - (a) the original Strata Title;
  - (b) a valid and registrable but unstamped Transfer; and
  - (c) all such documents as may be required for presentation of the Transfer for registration at the Land Office.

**SALIENT TERMS OF THE SPA (Cont'd)**

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**8. NON-REGISTRATION OF TRANSFER IN RESPECT OF MVS MALL**

In the event that the Transfer is presented for registration with the Land Office but is rejected and/or not registered in the name of the Purchaser for any reason whatsoever, and such rejection and/or non-registration cannot be rectified by the parties, the parties agree and confirm that:

- (i) the Purchaser is the appointed attorney of SMSB to deal with MVS Mall as if the Purchaser is the legal and registered proprietor of MVS Mall;
- (ii) SMSB will hold the legal title to MVS Mall as bare trustee for and on behalf of the Purchaser;
- (iii) SMSB will do or cause to be done all things to ensure that the Purchaser's rights, title, interest and benefits in and to MVS Mall are protected at all times, at the cost and expense of the Purchaser;
- (iv) SMSB will do all such acts and things as may be required by the Purchaser, at the cost and expense of the Purchaser, in order for the Purchaser to fully and effectively deal with MVS Mall and to give effect to any such dealings by the Purchaser in its capacity as the sole unencumbered beneficial owner save for any encumbrance in favour of the Purchaser's Security Trustee, if any, PROVIDED ALWAYS THAT such acts do not affect SMSB's performance of its obligation to procure the Strata Title free from encumbrances;
- (v) SMSB will not act in any manner so as to jeopardise the Purchaser's rights, title, interest and benefits in and to MVS Mall;
- (vi) the Purchaser shall be entitled to lodge a trust caveat on the Strata Title to protect its rights, title, interest and benefits in and to MVS Mall; and
- (vii) SMSB is and will be a going concern until the Transfer in respect of MVS Mall is registered by the Land Office and the Strata Title is issued in the Purchaser's name.

**9. PRIVATE CAVEAT**

The Purchaser and the Purchaser's Security Trustee shall be entitled to lodge their private caveats, respectively, against the master title specifically in respect of MVS Mall at any time after the date of the SPA, including after Completion, to protect their interest in the Subject Property. In this regard, the Purchaser shall do all that is necessary, including without limitation, procuring the Purchaser's Security Trustee to do all that is necessary, as a caveator, to ensure that their private caveats do not affect the subdivision of the Master Land or the issuance of the Strata Title and the other strata titles in respect of the Master Land and the commercial development on the Master Land, which shall comprise MVS Mall and the office towers and hotels constructed or to be constructed on the Master Land.

The Purchaser agrees that it shall at its own cost and expense withdraw any private caveat lodged by the Purchaser and procure and effect the withdrawal of any private caveat lodged by the Purchaser and/or the Purchaser's Security Trustee against the Master Land in respect of MVS Mall to protect its interest in the Subject Property if the SPA is terminated in accordance with its terms and conditions or, if required, upon the Purchaser's receipt of the written request by SMSB to withdraw such private caveat for the purpose of subdividing the Master Land and the issuance of the Strata Title.

## 10. DAMAGE TO SUBJECT PROPERTY

In the event that at any time after the date of the SPA but prior to the Completion Date, there is any material damage to the Subject Property or any parts thereof, the Purchaser shall have the option whether to proceed with the purchase of the Subject Property under the SPA. If the Purchaser decides to proceed with purchasing the Subject Property, then upon the exercise of this option by written notice to SMSB, SMSB must, at its own cost and expense rectify and repair the damage and reinstate the Subject Property to its current state and condition prior to the Completion Date. If that is not possible, SMSB shall do so as soon as reasonably practicable, and the Purchaser may extend the Completion Date to a later date to be agreed upon by the parties in writing, free of interest, once all such repair and reinstatement works are completed by SMSB. In the event that such rectification, repair and reinstatement works are not completed prior to the Completion Date or the extended date agreed upon by the parties in writing, the Purchaser have the right to carry out the repairs of the damage, whereby SMSB shall be liable to pay the Purchaser all costs and expenses incurred for the rectification, repair and reinstatement works. Alternatively, the Purchaser may deduct these costs and expenses from the Cash Consideration payable by the Purchaser on the Completion Date, as the case may be.

SMSB must, when carrying out the rectification, repair and reinstatement works for which SMSB is liable, adhere to the reasonable directions of the Purchaser and execute these works properly to reinstate the damaged Subject Property to the state it was before the damage occurred.

## 11. DEFAULT AND TERMINATION

### 11.1 Default by the Purchaser

In the event that the Purchaser shall fail to pay the Purchase Consideration or any part thereof in accordance with the terms of the SPA, SMSB shall be entitled to give notice in writing to the Purchaser requiring the Purchaser to remedy such default within 14 days of receiving the notice or within any extended period agreed in writing.

In the event the default is not remedied by the Purchaser within the specified period, SMSB shall be entitled at its absolute discretion to the remedy of specific performance of the SPA together with all reliefs flowing therefrom or to terminate the SPA by written notice to the Purchaser and claim for all damages, costs, charges and expenses incurred by SMSB in connection with negotiations and preparation, breach or non-compliances with the SPA and termination and rescission of the SPA and all matters which are connected therewith.

### 11.2 Default by SMSB

In the event that any of the following events shall occur, the Purchaser shall be entitled to give written notice to SMSB requiring SMSB to remedy the default within 14 days of receipt of such notice or within any extended period agreed in writing:

- (i) if SMSB fails to complete the sale and purchase in accordance with the terms and conditions of the SPA or is in breach of any term or condition of the SPA (including SMSB's warranties) or if it fails to perform or observe any undertaking, obligation or agreement expressed in the SPA;
- (ii) if a receiver, receiver and manager, special administrator, trustee or similar official is appointed over any of the assets or undertaking of SMSB;
- (iii) if SMSB is or becomes unable to pay its debts when they are due or becomes unable to pay its debts within the meaning of the CA 2016 or any other legislation regarding insolvency of the jurisdiction in which it carries on business;
- (iv) if SMSB enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;

**SALIENT TERMS OF THE SPA (Cont'd)**

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- (v) if a resolution is passed or an application or order is made for the winding up or dissolution of SMSB otherwise than for an amalgamation or reconstruction which has the prior written consent of the Purchaser;
- (vi) if SMSB threatens to cease carrying on a substantial portion of its business; or
- (vii) if SMSB commits any act or omits to do any act which results in the breach or non-fulfilment of any term or condition of any banking, finance or credit facility which has the effect of causing the events specified in (ii), (iii), (iv), (v) and/or (vi) to occur.

In the event the default is not remedied by SMSB within the specified period, the Purchaser shall be entitled at its absolute discretion to the remedy of specific performance of the SPA together with all reliefs flowing therefrom or to terminate the SPA by written notice to SMSB and claim for all damages, costs, charges and expenses incurred by the Purchaser in connection with negotiations and preparation, breach or non-compliances with the SPA and termination and rescission of the SPA and all matters which are connected therewith.

**11.3 Termination due to Compulsory Acquisition**

In the event:

- (i) the entire Subject Property becomes affected by any notice of acquisition or intended acquisition prior to the Completion Date; or
- (ii) only a part or parts of the Subject Property become(s) affected by any notice of acquisition or intended acquisition prior to the Completion Date and the Purchaser has opted to terminate the SPA and has notified SMSB in writing of such intention;

the SPA shall terminate, and no party shall have any further rights or obligations under the SPA, save and except for any antecedent breach.

**11.4 Consequences of Termination**

Upon termination of the SPA, the Purchaser shall return to SMSB all documents which may have been received by it, the Purchaser's Security Trustee or their respective solicitors pursuant to the SPA. If any caveat and/or other encumbrances have been lodged or created over the Subject Property by the Purchaser or any third party on the account of the Purchaser, the Purchaser, shall at its own cost and expense, remove such private caveat and all other encumbrances on the Subject Property and deliver evidence of such removal or withdrawal that is satisfactory to SMSB.

If legal possession and vacant possession of the Subject Property have been delivered to the Purchaser, the Purchaser shall re-deliver legal possession of the parts of the Subject Property that are subject to tenancies and vacant possession of the parts of the Subject Property that are not subject to tenancies to SMSB in the same state and condition as was delivered to the Purchaser (fair wear and tear excepted).

Thereafter, no party shall have any further rights or obligations under the SPA, save and except for any antecedent breach.

**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Our Ref.: VR/03-25/0110

Date: June 23, 2025

**MTrustee Berhad (acting in its capacity as Trustee for IGB Real Estate Investment Trust)  
c/o IGB REIT Management Sdn. Bhd.**

Level 31, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

Dear Sirs,

**VALUATION CERTIFICATE OF A RETAIL MALL COMPRISING FIVE LEVELS OF RETAIL FLOORS TOGETHER WITH A MEZZANINE FLOOR, EIGHT LEVELS OF SPLIT-LEVEL ELEVATED CAR PARKS AND TWO LEVELS OF BASEMENT CAR PARKS IDENTIFIED AS THE MALL, MID VALLEY SOUTHKEY, LOCATED ALONG PERSIARAN SOUTHKEY 1, KOTA SOUTHKEY, 80150 JOHOR BAHRU, JOHOR DARUL TA'ZIM. ("THE SUBJECT PROPERTY")**

We refer to your joint instruction together with IGB Berhad to carry out an independent valuation on the Subject Property and advise on the **Market Value** of the Subject Property. The full details of the valuation are set out in our valuation report bearing Ref. No. VR/03-25/0110 dated June 23, 2025.

**This valuation certificate is prepared for the submission to Bursa Malaysia Securities Berhad ("Bursa Securities") for inclusion into the circular to the unitholders of IGB Real Estate Investment Trust ("IGB REIT") in relation to the proposed acquisition by MTrustee Berhad (acting in its capacity as Trustee for IGB REIT) of the Subject Property from Southkey Megamall Sdn Bhd ("the Vendor"), an indirect 70%-owned subsidiary of IGB Berhad ("Proposed Acquisition").**

The Subject Property was inspected on March 7, 2025 and subsequently on May 9, 2025. The material date of valuation for the above exercise is as at May 9, 2025.

We confirm that we have valued the Subject Property based on the valuation basis as stated herein. This Valuation Certificate is prepared in accordance with Securities Commission Malaysia's Asset Valuation Guidelines and in conformity with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The basis of valuation adopted is the Market Value which is defined as 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 where the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at the Market Value of the Subject Property, we have adopted the "**Income Approach by Investment Method**" and cross-checked against the "**Comparison Approach**" in formulating our opinion of the **Market Value** of the Subject Property.

**HENRY BUTCHER MALAYSIA Sdn Bhd** 198701001968 (160636-P)  
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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy  
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



Brief details of the Subject Property together with a brief summary of Income Approach by Investment Method and Comparison Approach are presented as follows: -

Property Type / Interest to be Valued : We have been jointly appointed by **MTrustee Berhad** (acting in its capacity as Trustee for IGB REIT) c/o IGB REIT Management Sdn. Bhd ("*the Client*") and IGB Berhad to ascertain the **Market Value** of the Subject Property.

The Subject Property, identified as The Mall, Mid Valley Southkey, comprises five levels of retail mall with a mezzanine floor, eight levels of split-level elevated car parks (with Level CP 1 to Level CP 5 shared level with retail floors) and two levels of basement car parks, all located within an integrated mixed commercial scheme known as Mid Valley Southkey.

The master development of Mid Valley Southkey is designed to provide a seamless blend of retail, businesses and leisure consisting the Subject Property, four corporate office towers (*at present North Tower and South Tower with another two office towers planned for future development*), two hotels (*presently a 4-star St. Giles Southkey with another hotel planned for future development*) and an Exhibition Centre (*located inside the Subject Property*).

**IT SHOULD BE NOTED THAT THE TWO (2) EXISTING CORPORATE OFFICE TOWERS (THE EXISTING NORTH TOWER AND SOUTH TOWER) AND ONE (1) HOTEL TOWER (THE EXISTING 4 STAR ST. GILES SOUTHKEY HOTEL) SITTING ATOP THE RETAIL PODIUM AND THE OPEN CAR PARK SITED ON ADJACENT LAND TO THE SUBJECT PROPERTY AS WELL AS THE FUTURE DEVELOPMENTS OF THE REMAINING TWO (2) OFFICE TOWERS AND ONE (1) HOTEL, ARE EXCLUDED FROM THIS VALUATION EXERCISE AS THESE COMPONENTS ARE NOT PART OF THE PROPOSED ACQUISITION.**

Date of Inspection & Date of Valuation : First inspection on March 7, 2025 with subsequent inspection on May 9, 2025 which coincides as the Date of Valuation.

Address of The Subject Property : The Mall, Mid Valley Southkey, Persiaran Southkey 1, Kota Southkey, 80150 Johor Bahru, Johor Darul Ta'zim

Location : Nestled in the upscale enclave of Southkey City, the Subject Property lies about five kilometers due north-east of Johor Bahru city centre. It enjoys a prime location fronting the six-lane Eastern Dispersal Link ("*EDL*") highway, which connects directly to the Johor - Singapore Causeway and the North-South Expressway Southern Route. This strategic positioning ensures convenient accessibility for both local residents and frequent visitors from Singapore.

Travel from Johor Bahru city centre is convenient via two major expressways, the EDL and Tebrau highways. The EDL highway begins at the Sultan Iskandar CIQ and leads north for 4.5 kilometers before reaching the Subject Property. Alternatively, Tebrau highway connects via Jalan Bakar Batu and Persiaran Southkey 1, leading to the Subject Property.

VALUATION CERTIFICATE (Cont'd)

Age of Building : Approximately 6 years from the date of Certificate of Completion and Compliance (“CCC”) issuance.

Building Description : The Subject Property, known as The Mall, Mid Valley Southkey, is a retail mall development comprising five levels of retail mall with a mezzanine floor integrated with eight levels of split-level elevated car parks together with two basement parking levels, offering a total of 5,617 car park bays. It has a total Gross Floor Area (GFA) of 457,650 square meter (“sq. m.”) or about 4,926,104 square feet (“sq. ft.”), with the Net Lettable Area (“NLA”) of 142,330.53 sq. m. or about 1,532,033 sq. ft..

The structure is built on a reinforced concrete framework resting on deeply piled foundations, featuring a combination of waterproof reinforced concrete flat roofing and metal deck roofing. Its exterior is finished with plastered and painted brick walls as well as aluminium composite panels.

Entrances are fitted with frameless automatic sliding glass doors and roller shutters, while internal doors vary from glass panels to fire-rated and timber doors. Windows are aluminium-framed glass casements, and the interior finishes include painted walls, homogeneous tiles and glazed wall tiles. Ceilings are mostly plastered with integrated air-conditioning, lighting and fire safety systems, except in utility and parking areas which are generally of exposed concrete finishes. Flooring generally features homogeneous tiles, natural stone and cement render, with individual retail lots having custom designs. Car park surfaces are rendered with thermoplastic markings for vehicles and pedestrians.

Existing Use of Subject Property : Retail mall.

Town Planning : The Subject Property is situated within an area designated for commercial purposes.

Building Approval Status : The Subject Property was issued with a CCC bearing Ref. No. LAM/J/No. 11189 dated April 22, 2019.

Subsequently, the Subject Property was issued with the CCC by Majlis Bandaraya Johor Bahru (“MBJB”) dated January 15, 2020 bearing Ref. No. MJB/U/UT/429/2019 including the approved renovation works involving Level 3 and Level 3M.

In addition, an Amended Development Order (*Kebenaran Merancang*) dated July 28, 2022 was issued by MBJB detailing the approved master development of Mid Valley Southkey.

Historical Outgoings : The historical analysed outgoing of the Subject Property is as follows: -

Year	2022	2023	2024	YTD Mar 2025
Monthly Outgoing rate (RM per sq. ft.)	2.42	2.93	3.37	2.77

We have adopted a total outgoing rate of RM3.50 per sq. ft. per month to the Subject Property. Subsequently, we allocated 15% of car park revenue as outgoing expenses for the car park portion, which is equivalent to RM0.10 per sq. ft. per month based on total NLA. Therefore, the outgoing rate adopted for the retail portion is RM3.40 per sq. ft. per month.

## Occupancy Rate

: The historical occupancy of the Subject Property is as presented below: -

Year	2022	2023	2024	Q1 2025
Occupancy Rate (As at December 31)	96.67%	98.80%	99.80%	98.56%*

\* As at March 31, 2025

## Terms of Tenancy

: The historical rental collection of the Subject Property (rounded to nearest hundred million) is as follow: -

Year	2022	2023	2024	Q1 2025
Base rent + Service charge (RM'million)	119	141	157	41

As at the date of valuation, the Subject Property was 94.98% occupied by various tenants with an average base rent for commenced tenancies of RM6.77 per sq. ft. per month on top of monthly service charge. The typical term of tenancy is 3 years with the option of renewal ranging between 1 to 3 years.

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**Master Titles particulars as extracted from an official search made at the Registry of Land and Mines Offices at Kota Iskandar, Iskandar Puteri, Johor on April 24, 2025.**

Master Title No.	:	HSD 589121
Master Lot No.	:	PTD 236228
Mukim	:	Plentong
District	:	Johor Bahru
State	:	Johor
Provisional Land Area	:	89,827.1 sq. m. (approximately 966,891 sq. ft. or 22.1968 acres)
Quit Rent	:	RM 669,755.00
Tenure	:	Leasehold for 99 years expiring on February 21, 2100, thus leaving an unexpired term of about 75 years as at date of valuation
Category of Land Use	:	“Bangunan”
Express Condition	:	<ul style="list-style-type: none"> <li>i) “Tanah ini hendaklah digunakan sebagai Bangunan Bertingkat untuk tujuan Perdagangan (Kompleks Membeli belah, pejabat, hotel), dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.”</li> <li>ii) “Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.”</li> <li>iii) “Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.”</li> </ul>
Restriction In Interest	:	<ul style="list-style-type: none"> <li>i) “Tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara / Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri.</li> <li>ii) “Pembangunan pada hakmilik yang didaftarkan sebagai hotel tidak boleh dipecah bahagi bagi tujuan pengeluaran hakmilik strata pada setiap unit/parcel/petak.”</li> </ul>
Registered Owner	:	Southkey Megamall Sdn Bhd
Encumbrances/ Endorsement	:	<ul style="list-style-type: none"> <li>i) Charged to Maybank Investment Bank Berhad vide Presentation No. 108262/2019 dated December 15, 2019.</li> <li>ii) A Registrar Caveat was lodged to the land vide Presentation No. 10100/2019 dated March 11, 2019.</li> <li>iii) A Private Caveat was lodged by Maybank Investment Bank Berhad vide Presentation No. 15638/2019 dated April 11, 2019.</li> </ul>

**Note:**

*Individual block strata title in respect of the Subject Property has yet to be issued by the relevant authority. We were informed by the Vendor that the application for the individual block strata title is currently in process. We have also been further informed that, based on the terms of the sale and purchase agreement for the Proposed Acquisition, the Vendor will assume the responsibility for procuring the block strata title at its own expense and to have the block strata title duly transferred to the Client upon its issuance by the relevant authority.*

**VALUATION METHODOLOGY**

We have adopted the “**Income Approach by Investment Method**” and cross-checked against the “**Comparison Approach**” in formulating our opinion of the **Market Value** of the Subject Property.

**Income Approach by Investment Method**

Under the “**Investment Method**”, the capital value of the Subject Property is derived from an estimate of the market rental which the Subject Property can reasonably be let for. Rental evidence may be obtained from actual passing rents commanded by the building itself if it is tenanted. Outgoings, such as property taxes, repairs and maintenance, insurance and management fees are then deducted from the annual rental income. The net annual rental income is then capitalised at an appropriate current market yield to arrive at its indicative capital value.

The computation of Income Approach by Investment Method is as detailed below.

**a) Rental Revenue**

For the purpose of our calculation, we have categorised the tenancies of the Subject Property into three categories-

- i) Anchor tenants and mini anchor tenants
- ii) Specialty
- iii) Kiosks

Generally, there are three types of tenancy arrangements at the Subject Property, which are (i) base rent/service charge with percentage rent of gross turnover (“**GTO**”), (ii) base rent/service charge or percentage rent of GTO whichever is higher, and (iii) base rent/service charge only. The typical term of tenancy is 3 years with the option of renewal ranging between 1 to 3 years.

The parameters adopted in the computation are as follows: -

<b>Description</b>	<b>Adopted Rate</b>	<b>Remarks</b>
Rental Rates for Term Period	Retail: Up to RM50.00 per sq. ft. per month;  Kiosk – Up to RM26,316 per kiosk per month	We have adopted the current passing rent in the existing tenancies with monthly service charge of RM3.00 per sq. ft. per month to all tenants.  The average rental rate including service charge adopted for commenced and committed tenancies is <b>RM 9.90 per sq. ft. per month.</b>
Rental Rates for Reversion	Retail: Up to RM50.00 per sq. ft. per month;  Kiosk – Up to RM26,316 per kiosk per month	The reversionary base rent adopted is generally in line with the current passing rent which is about the market rate. For vacant units, we relied on market rental benchmarked against surrounding retail lots and other similar retail properties in the vicinity. The service charge is RM3.00 per sq. ft. per month.  The average rental rate including service charge adopted for reversionary period is <b>RM 10.52 per sq. ft. per month.</b>

Description	Adopted Rate	Remarks
Total Property Operating Expenses / Outgoings Per Month	RM3.50 per sq. ft.	<p>Property operating expenses refer to the costs associated with the day-to-day management and upkeep of the Subject Property. These include staff costs, operational and maintenance costs, general expenses and support services provided by the headquarters. The analysis excludes non-cash items such as depreciation, amortisation, finance charges and capital expenditures.</p> <p>The analysed monthly historical outgoings in 2022, 2023 and 2024 were RM2.42 per sq. ft., RM2.93 per sq. ft. and RM3.37 per sq. ft. respectively.</p> <p>From our analysis, we observed that the monthly outgoings of other retail malls in Johor, Klang Valley and Penang are generally ranging between RM2.58 per sq. ft. to RM6.81 per sq. ft. with the exception of Pavilion KL which recorded the highest outgoing at RM9.00 per sq. ft..</p> <p>Taking into consideration the above as well as the recent increase in property operating costs and incremental minimum wage adjustments, <b>we have adopted a total outgoing rate of RM 3.50 per sq. ft. per month to the Subject Property.</b> Subsequently, we allocated 15% of car park revenue as outgoing expenses for the car park portion, which is equivalent to RM0.10 per sq. ft. based on the total NLA. The balance amount of RM 3.40 per sq. ft. represents the operating expenses attributable to the retail portion of the Subject Property.</p>
Void	5%	Based on the historical occupancy rate, the Subject Property is a well-occupied retail mall with an occupancy rate of more than 90% since operations commenced. For this reason, we have adopted 5% as void allowance to account for vacancy periods, marketing efforts and rent-free periods offered to new tenants.
Term Capitalisation Rate	5.85% to 6.85%	<p>From our yield analysis conducted on available data of retail malls located in Johor Bahru and Klang Valley, we observed that the analysed yield ranged between 5.30% and 6.93%.</p> <p>Based on the above analysis and further consideration of general retail market condition as well as the performance of the Subject Property, we opine that</p>

Description	Adopted Rate	Remarks
Reversionary Capitalisation Rate	6.35% to 7.35%	term capitalisation rates ranging between 5.85% and 6.85% for rental income generated from different type of tenants of the Subject Property is fair and reasonable. For the reversionary period, we have adopted higher capitalisation rates ranging between 6.35% and 7.35% to reflect the risk of uncertainty.

**b) Gross Annual Income from Other Income**

From the historical financial data provided, we noted that the Subject Property has additional income streams, similar to other retail malls in the market. These include percentage rent, leasing, advertisement & promotion and other income as well as car park income.

The historical of Other Income of the Subject Property is as presented below: -

(RM '000)	2022	2023	2024	YTD Mar 2025
Percentage Rent	36,916	64,335	85,559	26,223
<sup>[1]</sup> Leasing, <sup>[2]</sup> Advertisement & Promotion and <sup>[3]</sup> Other Income	4,398	4,126	5,534	1,947
Car Park	<sup>[4]</sup> 9,497	<sup>[4]</sup> 11,488	<sup>[5]</sup> 12,605	<sup>[5]</sup> 3,059

*[1] ATM, Storage, Cart, Signage Interior, Website, Antenna, Tenancy Admin Fees*

*[2] Promotion Space, Promotion Recovery, Rent – Mailbox, Rent – Others, Advertising/ Partnerships Income*

*[3] Cleaning Service Charges, Forfeited Deposit/ Income, Penalty Charge, Training Income, GTO Verification Fees, Miscellaneous, Interest - Late Payment*

*[4] As the breakdown of income contribution from the open carpark collection for this period is unavailable, an allocation of RM700,000 per annum (based on 2024 data provided) is deducted from total carpark income.*

*[5] Breakdown of the open carpark collection is available and deducted from the total carpark income accordingly*

After considering the 3-year and 2-year average income for each category of other revenues including the fluctuating nature, we have decided to adopt RM70,000,000 as gross annual income from percentage rent, RM4,700,000 from leasing, advertisement & promotion and other income and RM11,500,000 as car park income after deducting the car park collection from the open car park (which is not part of the Proposed Acquisition).

Due to the non-contractual nature of these additional income streams that may fluctuate year-on-year, we have adopted a slightly higher capitalisation rate to account for the associated uncertainty. For percentage rent, we have adopted 9.00% as the capitalisation rate whilst for both leasing, advertisement & promotion and other income and car park income, we have adopted the capitalisation rate of 7.50%.

**Based on the parameters above, the capital value of the Subject Property under the Income Approach by Investment Method was concluded at RM2,650,000,000.**

**Cross-Check Method – Comparison Approach**

In arriving at our opinion of value, we have taken into consideration among others the following major shopping mall sale transactions: -

Comparables	1	2	3
Property	Paradigm Mall Johor Bahru	Pavilion Bukit Jalil Mall	Mid Valley Mall, Kuala Lumpur
Building Description	A shopping mall with 6 retail levels and a mezzanine floor, a level of cinema with a convention centre along with basement and elevated car park levels.	A 5-storey retail mall with 2 basement car park levels.	A 5-level retail mall (from LG to 3) with 1 mezzanine floor, 2 levels of basement car park and 4 elevated car park levels
Tenure	Freehold	Freehold	Leasehold for 99 years expiring on June 6, 2103.
Location	Along Jalan Mewah Ria 2, Taman Bukit Mewah, Johor Bahru.	Along Persiaran Jalil 8, Bandar Bukit Jalil, Kuala Lumpur.	Along Lingkar Syed Putra, Mid Valley City, Kuala Lumpur.
NLA	1,293,260 sq. ft.	1,822,041 sq. ft.	1,718,951 sq. ft.
Vendor	WCT Hartanah Jaya Sdn. Bhd.	Regal Path Sdn Bhd	Mid Valley City Sdn Bhd
Purchaser	RHB Trustees Bhd. (The trustee for the establishment of Paradigm REIT)	Mtrustee Bhd (The trustee of Pavilion REIT)	MTrustee Bhd (The trustee of IGB REIT)
Consideration	RM1,157,000,000	RM2,200,000,000	RM3,440,000,000
Transaction Date <sup>[1]</sup>	March 13, 2025	November 22, 2022	July 26, 2012
Analysed Rate (with Car Park)	RM895.00 per sq. ft.	RM1,207.00 per sq. ft.	RM2,001.00 per sq. ft.
Adjustment Made	Time, Location, Size, Tenure, Building Condition, Prestige/ Branding, Performance and No. of Car Park		
Final Adjusted Value (with Car Park)	RM1,341.96 per sq. ft.	RM1,553.07 per sq. ft.	RM1,620.99 per sq. ft.

[1] Transaction Date refers to the date the sale & purchase agreement was signed between the respective vendors and the purchasers.

(Source: Bursa announcement, circular and/or prospectus)

After all necessary adjustments were made as aforementioned, we have arrived at a range of final adjusted values ranging between **RM1,342 per sq. ft.** and **RM1,621 per sq. ft.** for the comparable malls above. After further consideration, we have placed greater emphasis on Comparable 3 (Mid Valley Megamall) as it has the least adjustment factors among the selected comparables. Therefore, we are of the opinion that **RM 1,600 per sq. ft.** reflects the fair and reasonable market rate for the Subject Property including the car park.

**Based on the adopted rate as stated above, the capital value of the Subject Property under the Comparison Approach was concluded at RM2,450,000,000 (rounded).**

**RECONCILIATION OF VALUE**

The market value summary of the Subject Property under both valuation approaches is as follows: -

Income Approach by Investment Method    RM2,650,000,000

Comparison Approach                            RM2,450,000,000

**Adopt: RM2,650,000,000**

The Subject Property is a rental income generating property. Qualitative and quantitative adjustments are more complex to compute in order to reflect differences between the comparables and the property being valued as the selected comparables together with its adjustment factors may be subjective.

Therefore, we have adopted the Investment Method as the main method and counter-checked against the Comparison Approach in arriving at our opinion of the Market Value of the Subject Property.

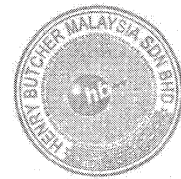
It is our considered opinion that the **Market Value (MV) as at May 9, 2025** of the leasehold unencumbered interest in the Subject Property in its existing state with the benefits of vacant possession and existing tenancies is **RM 2,650,000,000 (Ringgit Malaysia: Two Billion Six Hundred and Fifty Million Only)**.

Yours faithfully,

**HENRY BUTCHER MALAYSIA SDN BHD**

  
**ST LOW KHEE WAH**

B. (Hons) Estate Mgmt., MRISM  
Registered Valuer (V-724)



LKW/TeamHBM

## FURTHER INFORMATION

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### 1. RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

All information regarding SMSB and IGB Corp in this Circular was obtained from their respective managements whilst all information relating to SCSB was sourced from publicly available data. The Board's responsibility regarding such information is limited to ensuring that it is accurately extracted and reproduced in this Circular.

### 2. CONSENTS AND CONFLICT OF INTEREST

#### 2.1 Maybank IB

Maybank IB, being the Joint Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction service businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for IGB REIT and/or the Manager and/or any of its affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with IGB REIT and/or the Manager, the Unitholders and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by IGB REIT, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of IGB REIT and/or the Manager and/or its affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now or in the future, may have interest or take actions that may conflict with the interest of IGB REIT and/or the Manager. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and a Chinese wall between different business divisions.

As of the LPD, the Maybank Group has not extended any credit facilities to IGB REIT. However, Malayan Banking Berhad ("**Maybank**") is one of the Vendor's Noteholders, with an outstanding holding amount of RM350.00 million. SMSB intends to use the Cash Consideration to redeem all MTNs issued under the SMSB MTN Programme, including the RM350.00 million portion held by Maybank.

In addition, Maybank IB is the Principal Adviser, Lead Arranger and Lead Manager for the IGB REIT MTN Programme.

Notwithstanding this, Maybank IB is of the view that the aforesaid business relationship will not give rise to a conflict of interest situation in its capacity as (i) Joint Principal Adviser for the Proposed Acquisition; and (ii) Principal Adviser, Lead Arranger and Lead Manager for the IGB REIT MTN Programme as:

- (a) the subscription by Maybank of the MTNs issued under the SMSB MTN Programme was undertaken in the ordinary course of business of the Maybank Group;
- (b) the conduct of the Maybank Group in its banking business is strictly regulated by the FSA, Islamic Financial Services Act 2013 and the Maybank Group's own internal controls and checks; and

**FURTHER INFORMATION (Cont'd)**

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- (c) the outstanding amount under the SMSB MTN Programme is not material compared with the audited net assets of the Maybank Group as of 31 December 2024 of RM93.97 billion.

Save as disclosed above, Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as (i) Joint Principal Adviser for the Proposed Acquisition; and (ii) Principal Adviser, Lead Arranger and Lead Manager for the IGB REIT MTN Programme.

**2.2 HLIB**

HLIB, being the Joint Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

HLIB, its subsidiaries and associated companies as well as its penultimate holding company, namely Hong Leong Financial Group Berhad ("**Hong Leong Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, insurance, assets and funds management and credit transaction services businesses.

The Hong Leong Group has engaged and may in the future, engage in transactions with and perform services for IGB REIT and/or the Manager and/or any of its affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with IGB REIT and/or the Manager, the Unitholders and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by IGB REIT, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of IGB REIT and/or the Manager and/or its affiliates. This is a result of the businesses of the Hong Leong Group generally acting independently of each other and accordingly, there may be situations where parts of the Hong Leong Group and/or its customers now or in the future, may have interest or take actions that may conflict with the interest of IGB REIT and/or the Manager. Nonetheless, the Hong Leong Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and a Chinese wall between different business divisions.

HLIB is of the view that no conflict of interest exists or is likely to exist in its capacity as the Joint Principal Adviser in respect of the Proposed Acquisition as it is a licensed investment bank and its appointment as the Joint Principal Adviser for the Proposed Acquisition is in the ordinary course of business. Furthermore, its conduct is regulated strictly by the FSA, the CMSA and its internal control policies and procedures.

HLIB confirms that it is not aware of any other circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Joint Principal Adviser for the Proposed Acquisition.

**2.3 Interpac**

Interpac, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IAL and all references thereto in the form and context in which they appear in this Circular.

Interpac confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Independent Adviser for the Proposed Acquisition.

**2.4 Henry Butcher**

Henry Butcher, being the Valuer for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Valuation Certificate, the Valuation Report and all references thereto in the form and context in which they appear in this Circular.

**FURTHER INFORMATION (Cont'd)**

Henry Butcher confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Valuer for the Proposed Acquisition.

**3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****3.1 Material commitments**

Save as disclosed below, as of the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by IGB REIT, which may have a material impact on the profits or net assets of IGB REIT:

	<u>RM'000</u>
Authorised and contracted for:	
Subsequent capital expenditure	11,071
	<u>11,071</u>

**3.2 Contingent liabilities**

As of the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by IGB REIT which, upon becoming enforceable, may have a material impact on the profits or net assets of IGB REIT.

**4. MATERIAL LITIGATION**

As of the LPD, there is no material litigation, claim and/or arbitration involving MVS Mall. Further, as of the LPD, IGB REIT is not engaged in any material litigation, claim or arbitration, either as a plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened, against IGB REIT or any facts likely to give rise to any proceedings, that could materially and adversely affect the business or financial position of IGB REIT.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection at the registered office of the Manager at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the Unitholders' Meeting:

- (i) the Trust Deed;
- (ii) the SPA;
- (iii) the Valuation Certificate referred to in **Appendix II** of this Circular, together with the Valuation Report;
- (iv) the audited financial statements of IGB REIT for the past 2 FYEs 31 December 2023 and 31 December 2024, and the latest unaudited financial statements of IGB REIT for the 6-month financial period ended 30 June 2025; and
- (v) the letters of consent and declarations of conflict of interest referred to in Section 2 of this Appendix.



(Constituted under the deed of trust dated 18 July 2012 (as amended and restated on 25 October 2018) between IGB REIT Management Sdn Bhd (Registration No. 201201006785 (908168-A)) and MTrustee Berhad (Registration No. 198701004362 (163032-V)), both companies incorporated in Malaysia)

## NOTICE OF UNITHOLDERS' MEETING

**NOTICE IS HEREBY GIVEN THAT** the meeting of unitholders of IGB Real Estate Investment Trust (“**IGB REIT**”) (“**Unitholders**”) (“**Unitholders’ Meeting**”) will be held at the Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia on Friday, 19 September 2025 at 11.00 a.m. or any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the following ordinary resolution:

### ORDINARY RESOLUTION

**PROPOSED ACQUISITION BY MTRUSTEE BERHAD, ACTING AS THE TRUSTEE FOR AND ON BEHALF OF IGB REIT (“TRUSTEE”), OF THE MALL, MID VALLEY SOUTHKEY, JOHOR (“MVS MALL”) TOGETHER WITH THE RELATED ASSETS AND RIGHTS FROM SOUTHKEY MEGAMALL SDN BHD (“SMSB” OR “VENDOR”), AN INDIRECT 70.0% SUBSIDIARY OF IGB BERHAD, FOR A TOTAL PURCHASE CONSIDERATION OF RM2.65 BILLION (“PURCHASE CONSIDERATION”) (“PROPOSED ACQUISITION”)**

**“THAT** subject to the fulfilment of all other conditions precedent under the conditional sale and purchase agreement dated 24 June 2025 between the Trustee and SMSB (“**SPA**”) and the approvals of all relevant authorities and/or parties (where required) being obtained, approval is hereby granted to the Trustee, for and on behalf of IGB REIT, to acquire MVS Mall together with the related assets and rights for the Purchase Consideration, in accordance with the terms and conditions of the SPA;

**THAT** the board of directors of IGB REIT Management Sdn Bhd (“**Board**”), the management company of IGB REIT (“**Manager**”), be and is hereby authorised to allot and issue 699,152,542 new units in IGB REIT (“**Units**”) to the following authorised nominees of SMSB (“**Nominees**”) in the proportions specified below as part settlement of the Purchase Consideration (“**Consideration Units**”) at an issue price of RM2.36 per Unit, which was determined based on the 5-day volume weighted average market price of the Units up to and including 23 June 2025, being the last full trading day immediately preceding the date of the SPA:

<b>Nominees</b>	<b>Percentage of Consideration Units (%)</b>	<b>Number of Consideration Units</b>
Southkey City Sdn Bhd	30.0	209,745,763
IGB Corporation Berhad	70.0	489,406,779

**THAT** the Consideration Units shall be issued free from all claims charges, liens and other encumbrances whatsoever and shall rank pari passu with the existing Units in issue without any preference or priority among themselves, save and except that the Consideration Units will not be entitled to any distributable income, rights, allotments and/or any other distributions that may be declared, made or paid by IGB REIT for which the entitlement date precedes the allotment date of such Consideration Units;

**AND THAT** the Board and the Trustee are hereby authorised to perform all acts, deeds and things necessary and to execute, enter into, sign and deliver any arrangements, guarantees and/or documents as the Board and the Trustee deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give full effect to and complete the Proposed Acquisition for and on behalf of IGB REIT and in the best interest of IGB REIT and where applicable, with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board and the Trustee may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Acquisition.”

BY ORDER OF THE BOARD OF  
**IGB REIT MANAGEMENT SDN BHD**  
(as the Manager of IGB REIT)

**TINA CHAN (MAICSA 7001659/SSM PC No. 201908000014)**  
Head of Compliance/Company Secretary

Kuala Lumpur  
**29 August 2025**

**Notes:-**

1. Only members listed in the Record of Depositors as of 10 September 2025 will be entitled to attend and vote at the Unitholders' Meeting, or to appoint proxy(ies) to attend and vote on their behalf.
2. Except for exempt authorised nominees, a member may appoint up to two proxies and specify the number of Units each proxy is authorised to act upon. A proxy may, but does not have to, be a Unitholder.
3. If a Unitholder appoints the Chairman of the Unitholders' Meeting as a proxy, such Unitholder must specify how they wish the Chairman to vote on the resolution; otherwise, the Chairman may vote or abstain as he deems appropriate.
4. The Proxy Form (and any power of attorney or other authority under which it is signed) must be delivered to the Manager's registered office at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, either by post, in person, or via email at [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com). Alternatively, members may submit an e-proxy online at <https://tjih.online> by 11.00 a.m. on Thursday, 18 September 2025. IGB REIT's Registrar, Tricor Investor & Issuing House Services Sdn Bhd, can be contacted at +603-2783 9299 or via email at [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com).
5. Unitholders may submit questions before the Unitholders' Meeting by emailing [investorrelations@igbreit.com](mailto:investorrelations@igbreit.com) or [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com) by 11.00 a.m. on Thursday, 18 September 2025. Questions submitted in advance must relate to the business outlined in the Notice of Unitholders' Meeting. All questions will be moderated to prevent repetition and ensure the meeting's smooth conduct.
6. Registration for the Unitholders' Meeting will start at 9.00 a.m. Members and proxies must present a valid identification card or driving licence for verification.

***The Circular, which includes the Notice of Unitholders' Meeting, Proxy Form and Independent Advice Letter, is available at <https://igbreit.com/circular>.  
If Unitholders wish to receive a printed copy of the Circular, please send an email request to [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com).***



**PROXY FORM**

CDS Account No.	
No. of Units Held	

I/We (full name as per NRIC/Certificate of Incorporation) \_\_\_\_\_

NRIC No./ Company No. \_\_\_\_\_ of (Full address) \_\_\_\_\_

being a Unitholder of IGB REIT (“Unitholder”) and entitled to attend and vote hereby appoint:

Name, NRIC No. and Email of proxy	No. of Units to be represented by proxy
1. _____	_____
2. _____	_____

or, in the absence of the named person, or if no person is specified, the Chairman of the Unitholders’ Meeting is appointed as my/our proxy to act on my/our behalf (including voting according to the following instructions, or if no instructions are provided, and to the extent permitted by law, at the proxy’s discretion) at the Unitholders’ Meeting of IGB REIT which will be held at 11.00 a.m. on Friday, 19 September 2025 or any adjournment thereof.

Ordinary Resolution	First Proxy		Second Proxy	
	For	Against	For	Against
Proposed Acquisition				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature/Common Seal of Unitholder

**Notes:-**

- Only members listed in the Record of Depositors as of 10 September 2025 will be entitled to attend and vote at the Unitholders’ Meeting, or to appoint proxy(ies) to attend and vote on their behalf.
- Except for exempt authorised nominees, a member may appoint up to two proxies and specify the number of Units each proxy is authorised to act upon. A proxy may, but does not have to, be a Unitholder.
- If a Unitholder appoints the Chairman of the Unitholders’ Meeting as a proxy, such Unitholder must specify how they wish the Chairman to vote on the resolution; otherwise, the Chairman may vote or abstain as he deems appropriate.
- The Proxy Form (and any power of attorney or other authority under which it is signed) must be delivered to the Manager’s registered office at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, either by post, in person, or via email at [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com). Alternatively, members may submit an e-proxy online at <https://tiih.online> by 11.00 a.m. on Thursday, 18 September 2025. IGB REIT’s Registrar, Tricor Investor & Issuing House Services Sdn Bhd, can be contacted at +603-2783 9299 or via email at [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com).
- Unitholders may submit questions before the Unitholders’ Meeting by emailing [investorrelations@igbreit.com](mailto:investorrelations@igbreit.com) or [corporate-enquiry@igbreit.com](mailto:corporate-enquiry@igbreit.com) by 11.00 a.m. on Thursday, 18 September 2025. Questions submitted in advance must relate to the business outlined in the Notice of Unitholders’ Meeting. All questions will be moderated to prevent repetition and ensure the meeting’s smooth conduct.
- Registration for the Unitholders’ Meeting will start at 9.00 a.m. Members and proxies must present a valid identification card or driving licence for verification.



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## **PROXY FORM**

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RM0.80  
stamp

Head of Compliance/Company Secretary

**IGB REIT MANAGEMENT SDN BHD**  
(Registration No. 201201006785 (908168-A))  
(Manager of IGB REIT)  
Level 32, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

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