

# SIME DARBY PROPERTY BERHAD (“SIME DARBY PROPERTY” OR “THE COMPANY”)

## AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT ENTERED INTO BETWEEN SIME DARBY PROPERTY VENTURES (MY) SDN BHD, SDPLOG - IDF 1 (GP) PTE LTD, LOGOS MALAYSIA SPONSOR INVESTMENTS PTE LTD, OMBAK REAL ESTATE 2 SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF PERMODALAN NASIONAL BERHAD) AND KUMPULAN WANG PERSARAAN (DIPERBADANKAN)

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### 1. INTRODUCTION

The Board of Directors of Sime Darby Property wishes to announce that its wholly-owned subsidiary, namely Sime Darby Property Ventures (MY) Sdn Bhd (“**SDP Special Limited Partner**”) had on 23 June 2022, entered into an Amended and Restated Limited Partnership Agreement (“**LPA**”) of Sime Darby Property - LOGOS Property Industrial Development Fund 1 LP (*formerly known as Sime Darby Property Industrial Development Fund LP*) (“**IDF**” or “**Fund**”) with SDPLOG - IDF 1 (GP) Pte Ltd (*formerly known as Sime Darby Property IDF GP Pte Ltd*) (“**General Partner**”), LOGOS Malaysia Sponsor Investments Pte Ltd (“**LOGOS Special Limited Partner**”), Ombak Real Estate 2 Sdn Bhd (“**OMBAK**”) a wholly-owned subsidiary of Permodalan Nasional Berhad (“**PNB**”), and Kumpulan Wang Persaraan (Diperbadankan) (“**KWAP**”) whereby the parties permit:

- (a) the admission of additional limited partners, OMBAK and KWAP to the Fund as anchor investors for first close of the Fund;
- (b) to provide for the governance of the Fund; and
- (c) to set forth in detail the parties’ respective rights and duties relating to the Fund.

The admission of OMBAK alongside the SDP Special Limited Partner to the Fund (“**Arrangement**”) is deemed as a related party transaction (“**RPT**”) pursuant to Paragraph 10.08 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

### 2. DETAILS OF THE ARRANGEMENT

#### 2.1 Background

On 19 August 2021, the General Partner and Sime Darby Property Ventures (HK) Limited (the “**Initial Limited Partner**”), a wholly-owned subsidiary of Sime Darby Property, entered into an Initial Limited Partnership Agreement to form the inaugural Fund. Subsequently on 20 June 2022, the General Partner, SDP Special Limited Partner, LOGOS Special Limited Partner and Initial Limited Partner entered into a Deed of Accession and Withdrawal to permit the admission of the SDP Special Limited Partner and the LOGOS Special Limited Partner into the Fund.

On 23 June 2022, the General Partner, SDP Special Limited Partner, LOGOS Special Limited Partner, OMBAK and KWAP entered into the Amended and Restated LPA, to effect the admission of OMBAK and KWAP as anchor investors for first close of the Fund.

## 2.2 Details of the Arrangement

Under the Arrangement, the SDP Special Limited Partner and OMBAK as a limited partner shall, alongside other limited partners, be providing capital commitments to the Fund; the aggregate capital commitments of which is up to USD250 million, under the LPA. The immediate capital available to the Fund for deployment as at first close is RM500 million. The capital commitments of SDP Special Limited Partner and OMBAK are as follows:

- (a) SDP Special Limited Partner: 27.5% of the aggregate capital commitments of the Fund, or the US Dollar equivalent of up to RM275 million, whichever is higher.
- (b) OMBAK: Up to 20% of the aggregate capital commitments of the Fund or the US Dollar equivalent of up to RM200 million, whichever is the lower.

The admission of OMBAK as a limited partner into the Fund provides capital for the Fund's investment activities in return for distribution from investments made by the Fund. The LPA restricts the liability of OMBAK as a limited partner to its capital commitment. OMBAK has no fiduciary duty to the Fund or to other limited partners other than with regard to good faith and fair dealing.

## 2.3 Background information on the Fund

The Fund was formed and registered in Singapore as a limited partnership pursuant to the Limited Partnerships Act 2008 and Limited Partnerships Regulations of Singapore ("**Partnership Law**") on 19 August 2021 under the name of Sime Darby Property Industrial Development Fund LP with registration number T21LP0099B. The Fund assumed its present name on 20 June 2022.

The sponsors of the Fund are Sime Darby Property and LOGOS Property Group Limited ("**LOGOS Property**") ("**Sponsors**").

The Fund is organised for the principal purposes of, inter alia, investing directly or indirectly in real estate opportunities (including via equity and debt securities or otherwise) and making investments of the kind and nature.

The Fund will not be approved, recognised or registered for public offering in any jurisdiction.

## 2.4 Background information on General Partner

The General Partner, SDPLOG - IDF 1 (GP) Pte Ltd, is a private limited company incorporated in Singapore on 14 June 2021 under the name of Sime Darby Property IDF GP Pte Ltd with registration number 202120814C. The General Partner assumed its present name on 20 June 2022.

The General Partner is a wholly-owned subsidiary of SDPLOG – IDF 1 (JV Holdings) Pte Ltd (*formerly known as Industrial Joint Venture (Holdings) Pte Ltd*), a joint venture company between Sime Darby Property (Capital Holdings) Pte Ltd, a wholly-owned subsidiary of Sime Darby Property, and LOGOS SE Asia Pte Ltd. The General Partner is acting in its capacity as general partner (and not in its personal capacity) on behalf of the Fund.

The principal activity of the General Partner is investment holding.

## 2.5 Background information on SDP Special Limited Partner

SDP Special Limited Partner was incorporated in Malaysia on 24 February 2022 under the Companies Act 2016 with registration number 202201006741 (1452438-D).

The SDP Special Limited Partner is a wholly-owned subsidiary of Sime Darby Property.

The principal activity of the SDP Special Limited Partner is investment holding.

## 2.6 Background information on LOGOS Special Limited Partner

LOGOS Special Limited Partner was incorporated in Singapore on 25 December 2021 under the Companies Act 2017 with registration number 202144584H.

The LOGOS Special Limited Partner is a wholly-owned subsidiary of LOGOS SE Asia Investments Ltd.

LOGOS Special Limited Partner is principally involved in business activities of holding company.

## 2.7 Background information on OMBAK

OMBAK was incorporated in Malaysia on 21 February 2022 under the Companies Act 2016 with registration number 202201006188 (1451885-V).

OMBAK is a wholly-owned subsidiary of PNB and is principally involved as an investment holding company. The investment by OMBAK shall be funded by the unit trust funds under PNB's management.

As at the date of this announcement, the issued share capital of OMBAK is RM2.00 comprising 2 ordinary shares. Details of shareholding is as per follows:

Shareholder	Direct		Indirect	
	No. of shares	%	No. of shares	%
PNB	2	100%	-	-

As at the date of this announcement, the Directors of OMBAK are as follows:

Director	Designation	Nationality
Mazuki Bin Abdullah @ Muhammad	Director	Malaysian
Mohamad Idros bin Mosin	Director	Malaysian

As at the date of this announcement, none of the Directors of OMBAK have any equity interest (direct or indirect) in OMBAK.

## 2.8 Background information on KWAP

KWAP or the Retirement Fund (Incorporated) was established on 1 March 2007 under the Retirement Fund Act 2007(Act 662) replacing the repealed Pensions Trust Fund Act 1991 (Act 454).

The principal responsibility of KWAP is to manage the Retirement Fund ("**Retirement Fund**") established under section 13 of Retirement Fund Act 2007 (Act 662) towards achieving optimum returns on its investments. Sources of the fund are primarily annual contributions from Statutory Bodies, Local Government and Agencies, receipts of the Government's portion of contributions to the Employees Provident Fund and others as well as investment income. The Retirement Fund is invested in Asset Classes in accordance with the Strategic Asset Allocation and Investment Policies and Guidelines upon the recommendation of KWAP's Investment Panel and approval of its board. The Retirement Fund shall be applied towards assisting the Federal Government in financing the Government's pension liability.

In 2015, KWAP was officially appointed as an agent of the Federal Government for the purpose of pension payment, gratuity, or other benefits granted under any written law, and officially took over the Public Services Department (PSD)'s Post Pension Services Division roles. KWAP is Malaysia's biggest public services pension fund and manages approximately RM150 billion.

KWAP is a statutory body, incorporated and domiciled in Malaysia. The registered office and principal place of business of KWAP is located at Level 36, Integra Tower, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur.

## 2.9 Salient Terms of the LPA

- (a) The investment objective of the Fund is to make Shariah compliant investments, directly or indirectly, in real estate and real estate related assets for industrial and logistics purposes in Malaysia. The Fund will invest principally in the development of "Sime Darby Property & LOGOS Property" branded build-to-lease and/or build-to-sell industrial & logistics projects and real estate assets located primarily in Bandar Bukit Raja, Selangor, Malaysia.
- (b) The aggregate capital commitments of the Fund is up to USD250 million. The respective capital commitments of the limited partners are as follows:
  - (i) SDP Special Limited Partner: 27.5% of the aggregate capital commitments of the Fund or the US Dollar equivalent of up to RM275 million, whichever is higher.
  - (ii) LOGOS Special Limited Partner: 2.5% of the aggregate capital commitments of the Fund or the US Dollar equivalent of up to RM25 million, whichever is higher.
  - (iii) OMBAK: Up to 20% of the aggregate capital commitments of the Fund or the US Dollar equivalent of up to RM200 million, whichever is the lower.
  - (iv) KWAP: Up to 20% of the aggregate capital commitments of the Fund or the US Dollar equivalent of up to RM200 million, whichever is the lower.

The aggregate capital commitments of SDP Special Limited Partner and LOGOS Special Limited Partner shall be not less than 5% of the aggregate capital commitments of the Fund.

- (c) The term of the Fund is 7 years commencing from the initial closing date of 23 June 2022, with provisions for up to 2 extensions of 1 year each. The investment period of the Fund is 3 years commencing from the initial closing date of 23 June 2022, with provisions for up to 2 extensions of 1 year each.
- (d) The General Partner has full power and authority in the management, control and operation and determination of the Fund. The General Partner shall, on behalf of the Fund, appoint a fund manager to serve as the investment manager of the Fund (“**Manager**”). The Manager shall provide portfolio management and other services to the Fund, and shall be responsible for the day-to-day management and operation of the Fund.
- (e) The Fund will commence the winding up of its affairs upon the earliest of the following:
  - (i) the expiry of the term of the Fund, subject to extensions;
  - (ii) at such time there are no limited partners;
  - (iii) with the approval of the General Partner and limited partner holding at least a majority-in-interest;
  - (iv) the last business day of the first fiscal year following the termination of the investment period in which all assets acquired or agreed to be acquired by the Fund have been sold or otherwise disposed of;
  - (v) the decree of dissolution by a court in accordance with the Partnership Law;
  - (vi) upon withdrawal, removal, bankruptcy, dissolution or winding up or the occurrence of any other event which cause the General Partner to cease to be a general partner of the Fund; or
  - (vii) any other event causing the winding up or dissolution of the Fund under the applicable partnership laws.
- (f) The LPA is governed by and construed in accordance with the laws of Singapore.

## **2.10 Liabilities to be assumed**

There are no other liabilities, contingent liabilities or guarantees to be assumed by Sime Darby Property pursuant to the Arrangement.

## **2.11 Estimated Financial Commitments**

Save for its capital commitment as described in Sections 2.2 and 2.9 above, Sime Darby Property is not expected to incur any other additional financial commitment in relation to the Arrangement.

## **2.12 Source of funding**

Sime Darby Property’s capital commitment is expected to be satisfied by internally-generated funds.

### **3. RATIONALE AND BENEFITS OF THE ARRANGEMENT**

The Fund is expected to leverage on the strengths of both its Sponsors; in particular Sime Darby Property's presence, track record in the Malaysian property market and extensive land bank in strategic areas earmarked for industrial development and LOGOS Property's specialist experience in developing property solutions in the logistics sector, to create a fund platform that taps on global investors' appetite for logistics assets which are seen as defensive for growth.

The admission of OMBAK and KWAP as limited partners into the Fund enables the provision of capital to the Fund, which will be invested for the development of logistics assets, to generate returns which will be distributed back to its investors. With the admission of OMBAK and KWAP as anchor investors, the Fund has secured 70% in aggregate capital commitments which will be sufficient for the development of logistics assets over the next 3 years, in accordance with its business plan. The immediate capital available to the Fund for deployment as at first close is RM500 million.

### **4. PROSPECTS OF THE ARRANGEMENT**

The prospects of the Fund are expected to be robust, capitalising on sub-themes of logistics and warehousing, e-commerce, and cold-chain, which are in high demand following global trade flows and supply chain developments, as well as rising e-commerce growth alongside a shift in consumer preferences.

LOGOS Property's experience in providing sustainable, large-scale, integrated logistics solutions with green building certifications will also be replicated at these facilities, with the implementation of the latest in warehouse/logistics automation technology while simultaneously maximising land efficiency.

### **5. RISK FACTORS**

The Company does not foresee any risk factors arising from the Arrangement, other than development and off-taker risks associated with the logistics assets to be developed and owned by the Fund, as well as prevailing market and global economic risks.

### **6. EFFECTS OF THE ARRANGEMENT**

The Arrangement will not have a material effect on the earnings or net assets per share, gearing, share capital and substantial shareholders' shareholding of Sime Darby Property for the financial year ending 31 December 2022.

### **7. APPROVALS REQUIRED**

On 17 June 2022, the Securities Commission of Malaysia has approved the application of SDPLOG – IDF 1 (Capital Partners) Pte Ltd (*formerly known as Sime Darby Property (Capital Partners) Pte Ltd*), the Manager to be registered as a private equity management corporation.

The Arrangement is not subject to the approval of Sime Darby Property's shareholders or any other regulatory authorities.

The Arrangement is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by Sime Darby Property.

## 8. TRANSACTIONS WITH RELATED PARTIES FOR THE PAST 12 MONTHS

Pursuant to Paragraph 10.12(1) of the MMLR of Bursa Securities, the transaction between subsidiary of Sime Darby Property involving the interest of PNB in the 12 months period from 23 June 2021 to 23 June 2022 is as follows:

<b>Company</b>	<b>Transacting Party</b>	<b>Nature of Transaction</b>	<b>Amount (RM million)</b>
Sime Darby Property (MVV Central) Sdn Bhd (“ <b>SDP MVV Central</b> ”), a wholly-owned subsidiary of Sime Darby Property	Kumpulan Sime Darby Berhad (“ <b>KSDB</b> ”)	Acquisition of freehold land by SDP MVV Central from KSDB (“ <b>Transaction 1</b> ”)	280.0
<b>Total</b>			<b>280.0</b>

## 9. PERCENTAGE RATIO

The highest percentage ratio applicable to the Arrangement pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 3.94% based on the audited consolidated financial statements of Sime Darby Property for the financial year ended 31 December 2021.

The highest aggregate percentage ratio for all transactions between the Sime Darby Property Group and the interested shareholders, namely Transaction 1 and the Arrangement, is 4.07%.

## 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors and/or major shareholders of the Company as well as persons connected with them have any interest, direct or indirect, in the Arrangement:

- (i) PNB, a substantial shareholder of Sime Darby Property holding 5.99% equity interest as at 31 May 2022, is also a person connected with major shareholder of Sime Darby Property, namely Amanahraya Trustees Berhad – Amanah Saham Bumiputera (“**ART-ASB**”). PNB is also Sime Darby Property’s immediate holding company;
- (ii) Yayasan Pelaburan Bumiputra (“**YPB**”), a person connected with ART-ASB and an indirect substantial shareholder of Sime Darby Property with 5.99% equity interest as at 31 May 2022, via its 99.99% equity interest in PNB;
- (iii) Rizal Rickman Ramli (“**Encik Rizal**”), Non-Independent Non-Executive Chairman of Sime Darby Property who is also a nominee director of PNB in Sime Darby Property; and
- (iv) Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj (“**Tengku Ahmad Shah**”), Non-Independent Non-Executive Director of Sime Darby Property who is also a nominee director of PNB in Sime Darby Property.

Encik Rizal and Tengku Ahmad Shah are collectively referred to as “**Interested Directors**” for the Arrangement.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of Sime Darby Property in relation to the Arrangement.

The Interested Directors do not hold any Sime Darby Property shares as at the date of this announcement.

#### **11. STATEMENT BY THE AUDIT COMMITTEE**

The Audit Committee of Sime Darby Property, after having considered all aspects of the Arrangement, including but not limited to the rationale, benefits and effects of the Arrangement, salient terms of the LPA and prospects of the Arrangement, is of the view that the Arrangement is:

- (i) in the best interest of the Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders of the Company.

#### **12. DIRECTORS' STATEMENT**

The Board (save for the Interested Directors), having considered all aspects of the Arrangement, including but not limited to the rationale, benefits and effects of the Arrangement, salient terms of the LPA and prospects of the Arrangement, is of the opinion that the Arrangement is in the best interest of the Company.

#### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

The LPA is available for inspection at the Company's registered office at Level 10, Block G, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this Announcement.

This Announcement is dated 24 June 2022.