BURSA MALAYSIA

General Announcement

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Company Information	
Main Market Company	
New Announcement	
Submitting Investment Bank/Advisor (if applicable)	CIMB INVESTMENT BANK BERHAD
Submitting Secretarial Firm (if applicable)	
* **Company name**	CAPITAMALLS MALAYSIA TRUST
* **Stock name**	CMMT
* **Stock code**	5180
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* **Designation**	DIRECTOR
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Type * Announcement
Subject *: TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
NON RELATED PARTY TRANSACTIONS

Description *:-
(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)
PROPOSED ACQUISITION BY AMTRUSTEE BERHAD ("TRUSTEE" OR THE "PURCHASER"), ON BEHALF OF CAPITAMALLS MALAYSIA TRUST ("CMMT"), OF TROPICANA CITY MALL TOGETHER WITH ALL ITS CAR PARK BAYS AND TROPICANA CITY OFFICE TOWER (AS DEFINED BELOW) FOR A PURCHASE CONSIDERATION OF RM540.0 MILLION ("PROPOSED ACQUISITION")
Announcement Details/Table Section :-
(This field is for the details of the announcement, if applicable)

On behalf of the Board of Directors of CapitaMalls Malaysia REIT Management Sdn. Bhd. the manager of CMMT, CIMB Investment Bank Berhad wishes to announce that the Trustee, on behalf of CMMT, had on 26 January 2015 entered into a conditional sale and purchase agreement with Tropicana City Sdn. Bhd. for the acquisition of the Property (as defined below), comprising the following, for a total purchase consideration of RM540.0 million:

(i) a four (4) storey shopping mall known as "**Tropicana City Mall**" ("**Retail Mall**") and the four (4) levels of car park (part of the Lower Ground, Basement 1, Basement 2 and part of Basement 3) comprising 1,759 car park bays which are designated for the exclusive use of the Retail Mall and Office Tower (the "**Car Park**")

(the Retail Mall and the Car Park shall collectively be known as the "**Mall Building**"); and

(ii) a twelve (12) storey office building known as "**Tropicana City Office Tower**" (the "**Office Tower**")

all of which are erected on a piece of land measuring approximately 36,607 square metres, or approximately 394,034 square feet with master title held under Geran 54431, Lot 45821, Section 39, Bandar Petaling Jaya, District of Petaling, State of Selangor, and bearing the postal address of Tropicana City Mall and Tropicana City Office Tower, Jalan SS20/27, 47400 Petaling Jaya respectively.

(The Mall Building and the Office Tower shall collectively be defined as, the "**Property**".)

Further details of the Proposed Acquisition are set out in the attachment.

This announcement is dated 26 January 2015.

Attachment(s):- (please attach the attachments here)
Proposed Acquisition (26 01 2015).pdf

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CAPITAMALLS MALAYSIA TRUST ("CMMT")

PROPOSED ACQUISITION BY AMTRUSTEE BERHAD ("TRUSTEE" OR THE "PURCHASER"), ON BEHALF OF CMMT, OF TROPICANA CITY MALL TOGETHER WITH ALL ITS CAR PARK BAYS AND TROPICANA CITY OFFICE TOWER (AS DEFINED BELOW) FOR A PURCHASE CONSIDERATION OF RM540.0 MILLION ("PROPOSED ACQUISITION")

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1. INTRODUCTION

On behalf of the Board of Directors of CapitaMalls Malaysia REIT Management Sdn. Bhd. ("**Board**"), the manager of CMMT ("**Manager**"), CIMB Investment Bank Berhad ("**CIMB**") wishes to announce that the Trustee, on behalf of CMMT, had on 26 January 2015 entered into a conditional sale and purchase agreement ("**SPA**") with Tropicana City Sdn. Bhd. ("**Vendor**") for the acquisition of the Property (as defined below), comprising the following, for a total purchase consideration of RM540.0 million:

(i) a four (4) storey shopping mall known as "**Tropicana City Mall**" ("**Retail Mall**") and the four (4) levels of car park (part of the Lower Ground, Basement 1, Basement 2 and part of Basement 3) comprising 1,759 car park bays which are designated for the exclusive use of the Retail Mall and Office Tower (the "**Car Park**"),

(the Retail Mall and the Car Park shall collectively be known as the "**Mall Building**"); and

(ii) a twelve (12) storey office building known as "**Tropicana City Office Tower**" (the "**Office Tower**")

all of which are erected on a piece of land measuring approximately 36,607 square metres, or approximately 394,034 square feet ("**sq ft**"), with master title held under Geran 54431, Lot 45821, Section 39, Bandar Petaling Jaya, District of Petaling, State of Selangor ("**Land**"), and bearing the postal address of Tropicana City Mall and Tropicana City Office Tower, Jalan SS20/27, 47400 Petaling Jaya respectively.

(The Mall Building and the Office Tower shall collectively be defined hereon as, the "**Property**".)

The Proposed Acquisition will include all on-site fixtures and fittings, plants and machinery, equipment and movable chattels of any kind owned by the Vendor which are material to its current ownership, maintenance, use, leasing, service, or business operation of the Property.

2. THE PROPOSED ACQUISITION

2.1 Description of the Property

The Retail Mall, known as Tropicana City Mall, is a four (4) storey retail mall, with a net lettable area ("**NLA**") of approximately 448,248 sq ft as at 15 January 2015. The Retail Mall commenced operations in December 2008 and the approximate age of the property is six (6) years. It is located in the heart of Selangor at the intersection of two major highways, being the Sprint Highway and Lebuhraya Damansara Puchong Highway ("**LDP**"). The Retail Mall's committed occupancy rate was 89.2% as at 15 January 2015.

Adjoining the Retail Mall is the Office Tower, a twelve (12) storey office building, with an NLA of approximately 101,246 sq ft as at 15 January 2015. The Office Tower commenced operations in November 2009 and the approximate age of the property is five (5) years. The Office Tower's occupancy was 100.0% as at 15 January 2015.

The Proposed Acquisition will also include 1,759 car park bays located in part of Lower Ground, Basement 1, Basement 2 and part of Basement 3 of the Mall Building. Other pertinent information on the Property is shown in **Appendix I** of this announcement.

The Property is part of an integrated commercial development known as "**Tropicana City**", which consists of the Property and a residential tower known as "**the Tropics**" ("**Development**"). The Tropics is not part of the Proposed Acquisition.

2.2 Background of the Proposed Acquisition

Pursuant to the SPA, the Vendor agreed to sell and the Trustee, on behalf of CMMT, has agreed to purchase the Property for a purchase consideration of RM540.0 million to be settled by cash ("**Purchase Consideration**"), based on the terms and subject to the conditions contained therein.

Please refer to **Appendix II** of this announcement for the salient terms and conditions of the SPA.

2.3 Basis of the Purchase Consideration and Rationale for the Proposed Acquisition

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the competitive strengths of the Property, yield improvement potential of the Property, and the enhancement of CMMT's scale and geographical diversification as a result of the Proposed Acquisition, as elaborated below:

2.3.1 Competitive strengths of the Property

The Manager believes that the competitive strengths of the Property include its strategic location, established tenant mix and high occupancy, and expects the Property to contribute positively to the future performance of CMMT. The competitive strengths are elaborated below.

Strategic location with established residential and office catchment

The Property is an established neighbourhood mall that is strategically located at the intersection of two major highways, being the Sprint Highway and LDP, making it easily accessible from Kuala Lumpur and various parts of Petaling Jaya. The Sprint Highway is a key highway connecting Mont Kiara, Bukit Damansara and the Pantai catchment area whereas the LDP links Kota Damansara and the Puchong catchment area. The Property is also accessible by multiple modes of public transport with light rail transit ("**LRT**") stations at Kelana Jaya and Taman Bahagia and in the future, the mass rapid transit ("**MRT**") station at Taman Tun Dr Ismail, located approximately 10 minutes from the Property, which is expected to commence operation when the Sungai Buloh-Kajang MRT line opens by July 2017[1].

The Property's location is within close proximity from the established, affluent residential neighbourhoods of Section 17, SS2, Damansara Utama, Mont Kiara, Bukit Damansara, Bangsar, Sri Hartamas, and Taman Tun Dr Ismail. Its immediate catchment comprises the Tropics within the Development, and the immediate surrounding residential towers and homes.

The Property also attracts shoppers from the sizeable office catchment of Damansara Uptown, Damansara Intan and Phileo Damansara that are within close proximity of the Property. Damansara Uptown is home to corporate offices of companies such as L'Oréal, McDonalds, Federal Express, and major local and foreign banks including CIMB Bank, Maybank, Public Bank, Standard Chartered and UOB, amongst others.

[1] *Source: MRT Progress Report 2013 issued by Mass Rapid Transit Corporation Sdn Bhd*

Established tenant mix

The Property is well-positioned to cater to its middle to high income market catchment with its good offering of food and beverage ("**F&B**"), daily necessities, fashion, services and entertainment options. The Retail Mall houses an established mix of Malaysian and international retailers which includes AEON BiG, Golden Screen Cinemas (8 screens), Jatomi Fitness and Uniqlo. It also has F&B offerings such as Rakuzen, Sushi Tei, Secret Recipe, Papa John's, Nando's and Starbucks. The anchor tenants of the Office Tower include the Tropicana Group, CIMB Securities and Star RFM (radio broadcaster).

High occupancy

As at 15 January 2015, the Retail Mall and the Office Tower have committed occupancy rates of 89.2% and 100.0% respectively, which is higher than the average occupancy of 82.1% and 76.3% for shopping malls and offices, respectively, in Selangor as at 30 June 2014 (Source: Ministry of Finance: Valuation and Property Services Department – Property Market Report First Half 2014).

2.3.2 Yield improvement potential

The Proposed Acquisition is in line with CMMT's investment objective to provide Unitholders with long-term and sustainable distribution of income and potential capital growth.

Depending on the gearing level for the mode of financing of the Proposed Acquisition, the Proposed Acquisition may or may not be immediately yield accretive, thereby resulting in a higher or lower Distribution Per Unit ("**DPU**") in the short term.

Notwithstanding the abovementioned, as at 15 January 2015, approximately 30.0% and 16.0% of the Property's committed leases are due for expiry by 31 December 2015 and 31 December 2016, respectively, which present opportunity for potential improvement in rental income going forward. Given the Manager's strengths in retail mall management by way of proactive asset management and asset enhancement strategies, the Manager expects to be able to improve the Property's yield in the future.

2.3.3 Enhances CMMT's position as a sizeable, well geographically diversified shopping mall Real Estate Investment Trust

The Proposed Acquisition will further strengthen CMMT's position as a sizeable, well geographically diversified shopping mall real estate investment trust in Malaysia. Following the completion of the Proposed Acquisition, CMMT's property asset value will increase by approximately 16.7% from approximately RM3.2 billion to approximately RM3.8 billion as shown in the table below. This is expected to increase CMMT's visibility among Malaysian and international investors to support its future growth.

	Existing Portfolio	The Property	Enlarged Portfolio
NLA (sq ft)	2,540,398[(1)]	549,494	3,089,892
Valuation (RM million)	3,233[(2)]	540[(3)]	3,773

Notes:

(1) As at 31 December 2014.

*(2) Based on the valuation of the existing portfolio comprising the East Coast Mall, Gurney Plaza, Sungei Wang Plaza Property and The Mines ("**Existing Portfolio**") as at 31 December 2014.*

(3) Based on the Purchase Consideration of the Proposed Acquisition.

The Proposed Acquisition will also diversify CMMT's current portfolio of properties to become less dependent on any micro-property market in Malaysia. CMMT will then have income contribution from five (5) shopping malls and one (1) complementary office asset across Kuala Lumpur, Selangor, Penang and Kuantan, thereby diversifying its net property income further.

2.4 Estimated total acquisition cost

The estimated total acquisition cost of the Property is approximately RM565.0 million, comprising the following:

Estimated total acquisition cost	RM million	Remarks
Purchase Consideration[(1)]		
▪ First deposit of 2% of the Purchase Consideration ("**First Deposit**")	10.8	Satisfied in cash, which was paid upon signing of the SPA to the Purchaser's solicitors and the Vendors' solicitors as joint stakeholders
▪ Balance deposit of 8% of the Purchase Consideration	43.2	To be satisfied in cash, and shall be paid to the joint stakeholders within three (3) business days from the date of satisfaction of all Conditions Precedent set forth in **Section 2.5(a)**.
▪ Balance of the Purchase Consideration	486.0	To be satisfied in cash and shall be paid to the Vendor's financiers and joint stakeholders within 1 month from the date on which all Conditions Precedent have been fulfilled.
	540.0	
Acquisition fee (and 6% service tax)	5.7	RM5.4 million shall be paid in cash to the Manager[(2)], and the remaining RM0.3 million shall be paid in relation to associated service tax.
Estimated expenses for the Proposed Acquisition	19.3	To be satisfied in cash[(3)]
	565.0	

Notes:

(1) Excluding Goods and Services Tax of 6% on the Purchase Consideration.

*(2) The acquisition fee represents not more than 1% of the Purchase Consideration, which is within the permitted limit provided in the trust deed dated 7 June 2010 constituting CMMT and registered with the Securities Commission Malaysia ("**SC**") on 9 June 2010, entered into between the Manager and the Trustee. The acquisition fee will be payable as soon as practicable after the completion of the Proposed Acquisition.*

(3) The expenses of the Proposed Acquisition comprise financing and fund raising cost, associated interest expenses, estimated professional fees, fees payable to the relevant authorities, working capital and other incidental expenses incurred in relation to the Proposed Acquisition, where applicable.

2.5 Conditions precedent of the SPA

The conditions precedent to the Proposed Acquisition as set out in the SPA include the following (the "**Conditions Precedent**"):

(a) the completion of a due diligence exercise of the Property, involving, among others:

(i) valuation of the Property;

(ii) viewing relevant documents (in writing or howsoever stored);

(iii) building audit, legal, financial and property due diligence investigations; and

(iv) verification of structural integrity of the Property

("**Due Diligence Exercise**") on or before the period of up to six (6) weeks from the date of the SPA ("**Due Diligence Period**") and the results thereof being to the satisfaction of the Purchaser;

(b) on or before the expiry of a period of six (6) months from the expiry of the Due Diligence Period, with an automatic extension of three (3) months from the expiry of the initial period of six (6) months or such further period as the Parties may mutually agree in writing ("**Approval Period**"), the following having been met or waived ("**Approval Condition**"):

(i) all regulatory approvals for the sale and purchase of the Property having been obtained by the CMMT/Manager, including in relation to CMMT, approval of the SC;

(ii) if required, all approvals and/or waiver of the relevant authorities as may be required by CMMT for the issuance of new CMMT units ("**New Units**") ("**Unit Issuance**"), including the approval of the SC;

(iii) if required, the approval of the Unitholders of CMMT in general meeting authorising, among others: (1) the purchase of the Property; and (2) the Unit Issuance;

(iv) the approval of Bursa Securities for the listing and quotation of New Units on the Main Market of Bursa Securities;

(v) the fulfillment of the conditions which have been imposed by the relevant authorities including the SC and Bursa Malaysia Securities Berhad ("**Bursa Securities**") for granting its approvals referred to in **Section 2.5(b)(i)**, **2.5(b)(ii)**, and **2.5(b)(iv)**, above;

(vi) if required, approval of the shareholders of the ultimate holding company of the Vendor, Tropicana Corporation Berhad ("**TCB**"), for the disposal of the Property;

(vii) the endorsement/approval by Majlis Bandaraya Petaling Jaya to the Vendor's submission for endorsement/approval in respect of certain modified and retrofitted retail areas within the Retail Mall; and

(viii) the re-submission by the Vendor of a revised subdivision application for the purpose of the issuance of separate strata titles.

In the event of non-satisfaction of results of the Due Diligence Exercise, the Purchaser shall have the right to terminate the SPA, upon which the First Deposit, together with interest accrued thereon shall be refunded to the Trustee.

In the event that any of the Conditions Precedent is not satisfied on or before expiry of the Approval Period, either party shall have the right to terminate the SPA, upon which, the deposit representing 10% of the Purchase Consideration together with interest thereon shall be refunded to the Trustee.

2.6 Estimated additional financial commitment required of CMMT

There is no requirement for any additional financial commitment from CMMT, except for capital expenditure to be incurred in the course of its normal operations since the Property is already established and fully operational.

2.7 Information on the Vendor

The Vendor is a private company, incorporated and domiciled in Malaysia. As at 6 January 2015, its authorised share capital is RM25.0 million comprising 25.0 million ordinary shares of RM1.00 each while its issued and paid-up share capital is RM13.0 million comprising 13.0 million ordinary shares of RM1.00 each. The principal activities of the Vendor are that of property development and property investment in Tropicana City Mall and Office Tower.

As at 6 January 2015, the directors of the Vendor are Tan Sri Dato' Tan Chee Sing, Dato' Yau Kok Seng, Dato' Dickson Tan Yong Long, Datuk Kong Woon Jun, Dillon Tan Yong Chin, Diana Tan Sheik Ni, Dion Tan Yong Chien, Tan Kar Eng and Andrew Ashvin A/L Podimhatia.

The Vendor is a wholly-owned subsidiary of Bakat Rampai Sdn Bhd, which in turn is a wholly-owned subsidiary of TCB, a company listed on the Main Market of Bursa Securities. As at 6 January 2015, the substantial shareholders of TCB and their shareholdings are as follows:

	Direct		**Indirect**	
Substantial shareholders	**Number of ordinary shares of RM1.00 each held**	**%**	**Number of ordinary shares of RM1.00 each held**	**%**
Tan Sri Dato' Tan Chee Sing	400,491,230	29.16	553,501,537[(1)]	40.30[(2)]
Aliran Firasat Sdn Bhd	240,500,000	17.51	-	-
Impeccable Ace Sdn Bhd	165,986,016	12.08	-	-
Golden Diversity Sdn Bhd	147,015,521	10.70	-	-

Notes:

*(1) Deemed interested by virtue of his interests in Aliran Firasat Sdn Bhd, Impeccable Ace Sdn Bhd, and Golden Diversity Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 (**"Act"**).*

(2) The computation of the percentage is based on TCB's total issued and paid-up shares of RM1,373,502,538 ordinary shares of RM1.00 each (excluding treasury shares of 22,816,300) as at 6 January 2015.

2.8 Contingent liabilities and guarantees to be assumed

There are no contingent liabilities and guarantees to be assumed by CMMT arising from the Proposed Acquisition.

3. EFFECTS OF THE PROPOSED ACQUISITION

The Manager intends to fund the Proposed Acquisition through debt and/or equity fund raising, involving issuance of New Units, in such combination and proportion to be determined at a later stage. In the event that the financing plan involves equity fund raising, due announcement will be made accordingly.

To illustrate the potential financial effects of the Proposed Acquisition, the proforma effects as set out in this announcement are based on the assumption that the Proposed Acquisition is entirely funded via debt financing procured for the Proposed Acquisition. This assumption should not be regarded as indicative of the actual financing plan for the Proposed Acquisition. The effects will vary accordingly based on the actual financing plan.

Unitholders' capital, Substantial Unitholders' unitholdings and Net Asset Value ("NAV")

Based on the assumption that the Proposed Acquisition is entirely funded by debt, the Proposed Acquisition has no impact on the Unitholders' capital, substantial Unitholders' unitholdings of CMMT and the NAV of CMMT as it does not involve any issuance of New Units.

In the event the Proposed Acquisition is funded partially/fully via Unit Issuance, such issuance will increase the Unitholders' capital, and correspondingly may affect the substantial Unitholders' unitholdings of CMMT and the NAV of CMMT. Unitholders should take note that in the event CMMT undertakes the Unit Issuance, an announcement will be made to Bursa Securities accordingly.

DPU

The Proposed Acquisition is not expected to have any material effect on CMMT's distribution policy as determined by the Board. The decision to declare and pay distributable income in the future and the extent thereof would depend on the financial performance and cash flow position of CMMT, and prevailing economic conditions.

The Proposed Acquisition may or may not be immediately yield accretive, thereby resulting in a higher or lower DPU. Nevertheless, the Manager expects to be able to improve the Property's yield in the future.

Gearing[2]

Based on the assumption that the Proposed Acquisition is entirely funded by debt, the proforma effect on the gearing ratio of CMMT pursuant to the Proposed Acquisition is to increase from 28.8% as at the latest audited financial statements of CMMT as at 31 December 2013 to 39.5%.

Nonetheless, the actual financing plan has yet to be finalised and may comprise of debt and/or equity fund raising. In the event the Proposed Acquisition is funded partially/fully via Unit Issuance, the proforma gearing ratio of CMMT will be lower than illustrated above, which is on the assumption that the Proposed Acquisition is funded entirely via debt.

4. FUTURE PROSPECTS OF THE PROPERTY

As mentioned in Section 2.3.1, the Property is located at the heart of many key catchment areas in Petaling Jaya and Kuala Lumpur. Surrounding the Property are prestigious and matured neighbourhoods. Furthermore, the Property is easily accessible to major roads and highways.

Moving forward, given its strategic location, excellent accessibility, and the Manager's general strengths in mall operations, the Manager expects to be able to improve the overall performance of the Property.

5. APPROVALS REQUIRED

Under The Guidelines on Real Estate Investment Trusts ("**REIT Guidelines**"), the Proposed Acquisition does not require the approval of the SC or the Unitholders of CMMT.

However, in the event that the Proposed Acquisition is funded partially/fully via Unit Issuance, the Proposed Acquisition will be subjected to approvals being obtained from the following parties:

(i) the SC, in relation to the following:

(a) issuance of the New Units;

[2] *Gearing ratio is defined as total borrowings divided by total assets.*

(b) listing and quotation for the New Units on the Main Market of Bursa Securities; and

(c) valuation of the Property;

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

(iii) Unitholders at a Unitholders' meeting to be convened for the Unit Issuance; and

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

6. RISK FACTORS

Unitholders should consider the following risk factors (which represent the risk in relation to the Proposed Acquisition but may not be exhaustive):

(i) Increased competition from other retail properties or between retailers and other office properties could have an adverse effect on CMMT's financial condition and results of operations;

(ii) Decreases in the gross rental income, occupancy rate and the value of the Property would have an adverse effect on CMMT's financial condition and results of operations;

(iii) Due diligence on the Property may not identify all material defects, breaches of laws and regulations and other deficiencies, which could result in unpredictable business interruption and additional expenses on repairs and rectifications being incurred, and the representations, warranties and indemnities made in favour of the Purchaser by the Vendor may not offer sufficient protection for the costs and liabilities arising from any defect or deficiency;

(iv) The Property may be under insured, leading to CMMT suffering material losses in excess of insurance proceeds. In addition, there is no assurance that insurance against some or all of the risks will in the future continue to be available, or be available in amounts that are equal to the full market value or replacement cost of the insured assets. There can be no assurance that the particular risks will continue to be insurable or insurable on an economically feasible basis;

(v) CMMT will depend on external financing to finance the Proposed Acquisition and its ability to pay distributions may be adversely affected by this new loan agreement combined with CMMT's current financing arrangements and/or future loan agreements or any interest rates fluctuation;

(vi) The current gearing, based on CMMT's latest audited financial statements as at 31 December 2013 is 28.8%, which will increase to 39.5% if the Proposed Acquisition is entirely funded via debt. Such gearing level may hamper CMMT's ability to incur further borrowings and cause CMMT to become more vulnerable to interest rate increases;

(vii) The master title of the Development will remain registered in the name of the Vendor pending completion of the subdivision of the Development and the issuance of strata title to the Property and subdivision of the master title to the Development and registration of transfer of strata titles in favour of the Purchaser may be delayed. The Vendor has declared in the SPA, that upon completion of the SPA, the Vendor shall hold the Property as bare trustee for the benefit of the Purchaser pending the transfer of the strata titles to the Property in favour of the Purchaser. However, as the legal owner of the master title, the Vendor may deal with the master title in such a manner which is inconsistent with its obligations under the SPA. To protect its interest in the Property, the Trustee may lodge a private caveat over the master title of the Development to prevent dealing in the said master title to its detriment pending the issuance and transfer of the strata titles to the Property in its favour;

(viii) CMMT's financial condition and result of operations and its ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the business of its tenants, including the decision by any of its tenants not to renew its lease or to terminate its lease before it expires. In addition, substitute tenants on satisfactory terms may not be found in a timely manner if at all, or if found, the amount of rent and the terms on which lease renewals or new leases are agreed may be less favourable than current leases.

7. RELATED PARTY TRANSACTIONS

The Proposed Acquisition is not deemed to be a related party transaction under Chapter 9 of the REIT Guidelines.

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

None of the Directors of the Manager, major shareholders of the Manager, major Unitholders and persons connected to them is interested in the Proposed Acquisition.

9. DIRECTORS' STATEMENT

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

10. ADVISER

The Manager has appointed CIMB as the principal adviser for the Proposed Acquisition.

11. ESTIMATED TIME FRAME FOR APPLICATION TO AUTHORITIES AND COMPLETION

In the event that the Proposed Acquisition is funded partially/fully via Unit Issuance, the application to the SC as set out in Section 5 is expected to be made within two (2) months from the date of this announcement.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the third quarter of 2015.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA in respect of the Proposed Acquisition is available for inspection at the Manager's registered office at Level 2, Ascott Kuala Lumpur, No. 9, Jalan Pinang, 50450 Kuala Lumpur, Malaysia during normal business hours, which is from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays) for three (3) months from the date of this announcement.

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Appendix I

Other pertinent information on the Property is as follows:

Details		Tropicana City Mall	Tropicana City Office Tower
Postal address	:	Tropicana City Mall and Tropicana City Office Tower, Jalan SS20/27, 47400 Petaling Jaya	
Title details	:	Geran 54431, Lot 45821, Section 39, Bandar Petaling Jaya, District of Petaling, State of Selangor	
Tenure	:	Freehold	
Registered owner	:	Tropicana City Sdn Bhd	
Encumbrances as per land search dated 21 January 2015	:	There are five registrar's caveats, the details are as follows:- (a) Presentation No. 5542/2007 registered on 14 February 2007; (b) Presentation No. 44744/2007 registered on 29 October 2007; (c) Presentation No. 15783/2008 registered on 16 April 2008; (d) Presentation No. 34848/2008 registered on 30 July 2008; and (e) Presentation No. 24209/2009 registered on 5 June 2009	
Express conditions as per land search dated 21 January 2015	:	Commercial	
Restriction in interest as per land search dated 21 January 2015	:	Nil	
Category of Land Use	:	Building	
Purchase Consideration	:	RM540.0 million	
Approximate age of buildings	:	6 years	5 years
Number of car parking bays	:	1,759 (designated for the exclusive use of the Retail Mall and the Office Tower)	
GFA as at 15 January 2015	:	639,477 sq ft	129,630 sq ft
NLA as at 15 January 2015	:	448,248 sq ft	101,246 sq ft
Monthly gross rental income as at 15 January 2015	:	Approximately RM2.69 million	Approximately RM0.55 million
Occupancy rate as at 15 January 2015	:	89.2%	100.0%
Audited net book value in the books of the Vendor as at 31 December 2013	:	RM521.0 million	

Appendix II
Other salient terms of the SPA

The other salient terms of the SPA are as follows:

(i) Basis of the sale and purchase

The Property will be purchased for a consideration of RM540.0 million, free from all encumbrances with the benefit of the existing leases and tenancy agreements and all express and implied conditions in respect of the Land and upon the terms and conditions contained in the SPA.

(ii) Payment terms

A first deposit of RM10.8 million will be paid to the Vendor's solicitors and the Purchaser solicitors as joint stakeholder upon execution of the SPA and the balance deposit of RM43.2 million will be paid to the joint stakeholders within three (3) business days from the date of fulfilment of the Condition Precedent referred to in **Section 2.5(a)** of this announcement. The first deposit and the balance deposit (collectively, the "**Deposit**") will be released by the joint stakeholders to the Vendor upon delivery of the Deposit BG (as defined below) to the Purchaser.

Subject to the SPA having become unconditional in accordance with the terms of the SPA, the balance of the Purchase Consideration amounting to RM486.0 million is payable within the time period of one (1) month from the date of fulfilment of all the Conditions Precedent.

(iii) Deposit Bank Guarantee

The Vendor is obliged to deliver to the Purchaser, an 'on demand' bank guarantee issued by a licensed financial institution in favour of the Purchaser to guarantee the payment of the Deposit and accrued interest as security for refund of the Deposit ("**Deposit BG**") upon satisfaction of the Condition Precedent referred to in **Section 2.5(a)** of this announcement. The Purchaser shall return the Deposit BG to the Vendor for cancellation within two (2) business days from the date the SPA having become unconditional or in exchange for the refund of the Deposit.

(iv) Subdivision of the Development and option to terminate if share units is less than 67%

The Vendor is responsible to apply for the subdivision of the Development and the Vendor represents and warrants under the SPA, among other things that a single strata title each in respect of the Retail Mall and the Office Tower shall be issued within the time period of one (1) year from the date of submission for application for the subdivision or such longer period as required by the relevant land authority.

The Vendor is obliged to ensure that, among other things, the aggregate share units allotted to the Property shall constitute at least 67% of the total share units of the Development, failing which the Purchaser shall be entitled to elect either to retain ownership of the Property, or to terminate the SPA. As security for the Vendor's performance of this obligation, the Vendor will, on the completion date, deliver an "on demand" bank guarantee issued by a licensed financial institution in favour of the Purchaser to guarantee the payment of a sum of RM27.0 million which is equivalent to 5% of the Purchase Consideration ("**Strata BG**").

In the event that the aggregate share units allotted to the Property is less than 67% of the total share units in the Development and the Purchaser elects to retain ownership of the Property, the Purchaser shall be entitled to call upon the issuer of the Strata BG for payment of the guaranteed sum and to retain the guaranteed sum as agreed liquidated damages.

In the event the Purchaser elects to terminate the SPA, the Purchaser shall return the Strata BG to the Vendor in exchange for the refund of the Purchase Consideration in full.

In electing to terminate the SPA, the Purchaser shall also be entitled to retain all income received prior to the refund of the Purchase Consideration in full and the Vendor shall be entitled to retain all income received and/or attributable to the period after refund of the Purchase Consideration in full.

(v) Transfer of strata titles to the Property

Upon issuance of the strata titles to the Property, the Vendor shall within twenty one (21) business days execute the instrument of transfer of the strata titles to the Property to the Purchaser subject to completion of the SPA having taken place.

(vi) Development approvals

The parties agree that a proposed 8,500 square feet development located in front of the Office Tower shall be included as a provisional parcel for the purpose of submission of application for strata titles and subject to the completion of construction of this 8,500 square feet development, the Vendor shall apply for a strata title in respect of this 8,500 square feet development.

On the completion date, the Vendor is obliged to deliver to the Purchaser, the following:-

(a) the endorsement/approval of the regularisation submission in respect of certain modified areas and retrofitted retail areas in the Retail Mall;

(b) partial certificate of completion and compliance confirming that the unit located on the bridge connecting the Mall Building and Office Tower has been duly completed; and

(c) a certificate of completion and compliance confirming that the retrofitted retail areas have been duly completed.

(vii) Representations and warranties

Specific representations and warranties of the Vendor, the Property, the Land, tenancies and leases are made by the Vendor in the SPA.

(viii) Easement

Upon completion of the SPA, the Purchaser will grant an easement or right of way through an identified driveway within the Development for the purpose of allowing the Vendor or any person occupying or visiting the adjoining proposed development provisionally known as "Casa 3" to access the said Casa 3 development. The grant of the easement will be subject to terms and conditions of the easement agreement to be entered between the Vendor and Purchaser upon completion of the SPA.

(ix) Disclosure letter

The Vendor has made specific disclosures in respect of the Property in a letter of disclosure which has been delivered to the Purchaser upon the signing of the SPA.

(x) Events of default (by Vendor)

The Purchaser shall have the right to seek specific performance of the SPA or to terminate the SPA in the event:

(a) the Vendor commits a material breach of the Agreement and fail to remedy such a breach after expiration of thirty (30) days after receipt of the notice requiring such breach to be remedied; or

(b) the Vendor becomes subject to, among other things, any bankruptcy or winding up proceedings.

In the event the Purchaser elects to terminate the SPA, the Vendor shall refund all monies paid towards the Purchase Consideration, together with interest at the rate of 3% per annum and in addition, the Vendor shall pay the Purchaser a sum equivalent to the deposit as agreed liquidated damages.

(xi) Events of default (by Purchaser)

The Vendor shall have the right to terminate the SPA in the event the Purchaser fails to pay the Purchase Consideration on or before the time period stipulated for completion of the SPA.

Upon termination of the SPA, the deposit shall be forfeited by the Vendor and the Vendor shall refund all other monies paid pursuant to the SPA.

(xii) Completion events – novation and assignment of tenancies

On the completion date, the Vendor shall novate and/or assign to the Purchaser all its benefits, rights, interests, obligations and liabilities as applicable under the tenancies and licenses, service and maintenance warranties or contracts which are still subsisting and which the Purchaser agrees to accept.

(xiii) Use of Trademark

The Vendor has granted to the Purchaser the right to use the name "**Tropicana City Mall**" as well as all existing trademarks and logos relating to the Property from the completion date onwards, free of charges for a period of up to thirty six (36) months.

(xiv) The Purchaser's right to terminate in the event of compulsory acquisition, destruction of the Property and/or force majeure

In addition to the Purchaser's right to terminate the SPA pursuant to an event of default by the Vendor and the Purchaser's right to terminate the SPA based on the circumstances highlighted in paragraph (iv) above, the Purchaser has the option to terminate the SPA in the following circumstances:

(a) if any part of the Property becomes subject to a compulsory acquisition under the Land Acquisition Act, 1960; or

(b) if any part of the Property is substantially destroyed or damaged which affects at least five per cent (5%) of the total area of 162,517 square metres of the Property based on the strata plans prepared for the purpose of the application for submission of subdivision for the Development; or

(c) if there is a force majeure event which continues for a period of more than three (3) months.

If the Purchaser elects to terminate the SPA pursuant to the circumstances set out above, the Vendor shall refund to the Purchaser the deposit and all other monies paid by the Purchaser, together with accrued interest.

(xv) Goods and Services Tax ("GST")

All amounts payable by the Purchaser (including the Purchase Consideration) are exclusive of GST and the Purchaser shall pay the GST, as the recipient of the Property, at the prevailing rate as applicable in addition to the Purchase Consideration or any other amounts payable under the SPA within the time period stipulated in the tax invoice to be issued by the Vendor for the purpose of the GST.