General Announcement for PLC (v13)
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COMPANY INFORMATION SECTION			
Announcement Type	New Announcement Amended Announcement		
Company Name	CAPITALAND MALAYSIA MALL TRUST		
Stock Name	CMMT		
Stock Code	5180		
Board	Main Market		
Submitting Secretarial Firm	TMF GLOBAL SERVICES (MALAYSIA) SDN BHD		

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MAIN	
Type	Announcement
Subject	OTHERS
Description	CAPITALAND MALAYSIA MALL TRUST ("CMMT") COMPROMISE AGREEMENT BETWEEN MTRUSTEE BERHAD, AS TRUSTEE FOR CMMT, UDA HOLDINGS BERHAD AND ZURAH PERMAI SDN. BHD.
Shareholder Approval	No

Announcement Details/Table Section

1. Introduction

The Board of Directors ("**Board**") of CapitaLand Malaysia Mall REIT Management Sdn. Bhd. ("**CMRM**" or "**Manager**"), manager of CMMT, wishes to announce that MTrustee Berhad ("**MTB**"), as trustee of CMMT, has on 19 November 2019 entered into a Compromise Agreement ("**Compromise Agreement**") with UDA Holdings Berhad ("**UDA**") and Zurah Permai Sdn. Bhd. ("**ZP**") (CMMT, UDA and ZP shall be referred to as the "**Party**" or "**Parties**") to terminate the existing easement agreements between MTB and UDA for access between Sungei Wang ("**SW**") and Bukit Bintang Plaza ("**BB Plaza**") and subsequently to enter into new easement agreements in replacement thereof, pursuant to the redevelopment of BB Plaza by ZP, a special purpose vehicle specifically incorporated between UDA and Tradewinds Corporation Berhad ("**BBP Re-Development**").

2. Background

SW is a shopping complex built on the land held under Geran 11043 Lot 1197 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("**SW Land**"). BB Plaza was a shopping-cum-office complex built on the land adjoining the SW Land and is held under Geran 77832 (formerly Geran 5645) Lot 1198 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("**BBP Land**").

MTB is the registered proprietor of inter alia, the car park bays in SW which are located on the basement floors ("**SW Basement Car Park**"), and the 4th and 5th floors of SW ("**SW Rooftop Car Park**") and the loading bay in SW which is located on the basement floor designated as B1 of SW ("**SW Loading Bay**"). The SW Rooftop Car Park can only be accessed by vehicles from the ground level by using a two-way spiral ramp and driveway built within BB Plaza ("**Existing Ramp**").

MTB is also the assignee and beneficiary of the existing easements whereby MTB was granted a perpetual right of way over the Existing Ramp leading to the SW Rooftop Car Park and the driveway leading to the SW Loading Bay and SW Basement Car Park while UDA was granted a perpetual right of way over the driveways and ramps built within SW leading to the car park bays located on Basement 1 of BB Plaza ("**Existing Easements**"). To protect its interests under the Existing Easements, MTB lodged a private caveat over the BBP Land ("**MTB Caveat**").

3. Details of the Compromise Agreement

The BBP Re-Development envisages the demolition of the entire BB Plaza, in particular:

(a) the Existing Ramp will be demolished and a new one built in its place ("**New Spiral Driveway**");

(b) the existing vehicular driveway built within BB Plaza on Basement 1 leading to amongst others, the BB Plaza loading bay, BB Plaza car parks, SW Loading Bay and the SW Basement Car Park will be demolished and a new one built in its place ("**New Basement Driveway**"); and

(c) during the construction phase of the BBP Re-Development, there will be no vehicular access to the SW Rooftop Car Park, SW Loading Bay and the SW Basement Car Park.

On 19 November 2019, the Parties entered into the Compromise Agreement whereby the Parties agree that they shall mutually release and discharge each other from the Existing Easements and that the disputes and differences arising from the BBP Re-Development will be fully settled and compromised as follows:

(a) ZP shall, at its own cost and expense, design, execute and complete the construction of the New Spiral Driveway, the New Basement Driveway and the linkage within BBP Re-Development. ZP may defer commencement of works on the BBP Re-Development until no later than 1 May 2021 or such later date subject to ZP giving no less than 3 months' notice to MTB ("**Construction Start Date**").

(b) ZP/UDA shall grant MTB, to the fullest extent possible in law and in perpetuity the full right and liberty for persons and vehicles (and their passengers) to pass or repass along, over and upon the New Spiral Driveway and New Basement Driveway for the purposes of access to and egress from the SW Rooftop Car Park and the SW Loading Bay ("**New MTB Easement Agreement**").

(c) MTB in return shall grant UDA or ZP, as the case may be, to the fullest extent possible in law and in perpetuity the full right and liberty for persons and vehicles (and their passengers) to pass or repass along over and upon the driveway within the SW Loading Bay and Basement Car Park for the purposes of access to and egress from the BBP Land ("**New ZP Easement Agreement**").

(d) Upon the Parties entering into the New MTB Easement Agreement, MTB shall withdraw the MTB Caveat. During the existence of the Compromise Agreement, MTB agrees and undertakes not to lodge or cause to be lodged any private caveat over the BBP Land unless:

(i) UDA or ZP materially defaults in the performance of the Compromise Agreement and which default is not or cannot be remedied by UDA or ZP within fourteen (14) days from the date of the notice given by MTB to UDA and ZP of such default; or

(ii) the Parties are unable to agree on the amount of the compensation within the stipulated timeline when the Parties reach a deadlock or impasse in the negotiations and there is no agreement being reached due to any reason whatsoever on the compensation.

(e) ZP shall pay compensation to MTB in consideration of MTB's agreement to terminate the Existing Easements, which resulted and will result in MTB not being able to have normal vehicular access to and use of the SW Rooftop Car Park, prior to and during the period of the carrying out of the BBP Re-Development.

(f) On 19 November 2019, ZP and UDA issued to MTB a letter ("**Compensation Letter**") pursuant to the Compromise Agreement offering to MTB a full and final settlement being the amount of up to RM18.0 million ("**Compensation**"), which subject to terms and conditions therein, shall be settled in instalments with the first instalment commencing from November 2019 and are scheduled to complete by 2025 ("**Settlement Arrangement**").

(g) ZP shall reinforce the Existing Ramp no later than 1 December 2019.

(h) In the event after the Construction Start Date and the works on the BBP Re-Development are abandoned or suspended before the end of the 4th anniversary ("**4 Year Deadline**"):

(i) ZP may at any time elect to give effect to the below action whichever is applicable; or

(ii) MTB may, not less than 6 months before the 4 Year Deadline, give written notice to ZP and UDA requiring ZP and UDA to fulfil their obligations to the below action whichever is applicable.

If the Existing Ramp has not been demolished:

(i) ZP shall reinforce the Existing Ramp so as to render the same for safe use as certified by Dewan Bandaraya Kuala Lumpur ("**DBKL**") and/or any other relevant authorities in compliance with all applicable laws; and

(ii) ZP or UDA shall grant to MTB an easement (similar to the New MTB Easements) over the Existing Ramp and until so granted, such of the easement and other rights granted to MTB pursuant to the Existing Easements shall be revived and subsist as if the termination had never been affected.

If the Existing Ramp has been demolished:

(i) ZP shall construct a ramp and driveway leading to the SW Rooftop Car Park and render them safe for use as certified by DBKL and/or any other relevant authorities in compliance with all applicable laws; and

(ii) ZP or UDA shall grant to MTB an easement (similar to the New MTB Easements) over the constructed ramp and driveway referred to in paragraph (a) above.

(i) Based on the Compensation Letter, in the event of failure or refusal of UDA or ZP to comply with above obligations, UDA or ZP will compensate MTB for as long as MTB is still unable to have any vehicular access and use of the SW Rooftop Car Park.

4. Details of UDA

UDA was incorporated in Malaysia under the Companies Act, 1965 on 1 September 1996. As at the date of this announcement, UDA's issued share capital is RM334,717,187 comprising 334,717,186 ordinary shares and 1 Special Right Redeemable Preference Share. The directors of UDA are Datuk Mohamad Hishammudin Hamdan, Datuk Wan Suraya Wan Mohd Radzi, Datin Rashidah Mohd Sies, Datuk Zamri Salleh, Datuk Seri Hashmuddin Mohammad, Mohd Rafee Mohamed, Ar. Mohamad Subki Ahmad, Rosli Dahlan and Dr Mohd Nordin Mohd Zain.

The principal activity of UDA is involved in property development, property investment and investment holding.

5. Details of ZP

ZP was incorporated in Malaysia under the Companies Act, 1965 on 2 November 2012. As at the date of this announcement, ZP's issued share capital is RM10,000,000 comprising 10,000,000 ordinary shares. The directors of ZP are Muhammad Zainal Ashikin bin Muhammad Rejab, Azman bin Haji Ibrahim, Fong Chan Kin, Zahrin bin Zakaria and Mohd. Salem bin Kailany. The principal activity of ZP is to undertake the BBP Re-Development.

6. Liabilities to be assumed

There will be no liability, including contingent liabilities and guarantees, to be assumed by MTB arising from the Compromise Agreement.

7. Risk Factors

The completion of the Compromise Agreement is subject to, inter-alia, the fulfilment of the terms and conditions set out in the Compromise Agreement. There can be no assurance that the performance of the obligations of the respective parties under the Compromise Agreement will be satisfied and/or fulfilled. In the event of non-fulfillment of any terms and conditions of the Compromise Agreement, the Compromise Agreement may be terminated and the Settlement Arrangement will not be completed.

Nevertheless, the Manager and MTB will take all reasonable steps to ensure that the terms and conditions are met to complete the Compromise Agreement.

8. Financial Effects

The Compromise Agreement will not have any effect on the total units in issue and substantial unitholders' unitholding of CMMT. It will not have any material impact to the unaudited Net Asset Value and the gearing of CMMT for the financial year ending 31 December 2019. The Compensation is expected to have a positive impact on the distributable income of CMMT for the financial year ending 31 December 2019 provided that there are no unforeseen circumstances impacting the business.

9. Interests of Directors, Major Shareholders of the Manager, Major Unitholders of CMMT and/or persons connected with them

None of the Directors and major shareholders of the Manager, major unitholders of CMMT and/or persons connected to them has any interest, direct or indirect, in the Compromise Agreement.

10. Conditions of the Compromise Agreement

The Compromise Agreement is not conditional on any approval from any parties and/or relevant authorities.

11. Statement by the Board of Directors

The Board, having considered all aspects of the Compromise Agreement, is of the opinion that the Compromise Agreement is in the best interest of CMMT and its unitholders.

12. Estimated Timeframe for completion

Barring any unforeseen circumstances, the Compromise Agreement is expected to be completed by 2025.

13. Documents available for inspection

The Compromise Agreement and the Compensation Letter are available for inspection subject to reasonable prior notice, at the registered office of CMRM at Unit No. 1-27, Level 27, Capital Tower, No. 10, Persiaran KLCC, 50088 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 19 November 2019.

Attachment	No	File Name	Size

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