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 Investment Bank/Adviser	CIMB INVESTMENT BANK BERHAD		

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MAIN

Type	Announcement
Subject	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) OTHER ISSUE OF SECURITIES
Description	CAPITALAND MALAYSIA MALL TRUST ("CMMT") PROPOSED ESTABLISHMENT OF A DISTRIBUTION REINVESTMENT PLAN WHICH WILL PROVIDE UNITHOLDERS OF CMMT WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DISTRIBUTION IN NEW UNITS OF CMMT ("PROPOSED DRP")
Shareholder Approval	Yes

Announcement Details/Table Section

On behalf of the Board of Directors of CapitaLand Malaysia Mall REIT Management Sdn Bhd, the Manager of CMMT (“**Manager**”), CIMB Investment Bank Berhad wishes to announce that the Manager proposes for CMMT to undertake a distribution reinvestment plan that will provide the unitholders of CMMT with an option to elect to reinvest, in whole or in part, their cash distribution, which includes any interim, final, special or other types of cash distribution, in new units of CMMT.

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

This announcement is dated 12 May 2020.

Attachment

No	File Name	Size
1	CMMT - Distribution Reinvestment Plan announ (12 May 2020).pdf	437.4KB

CAPITALAND MALAYSIA MALL TRUST ("CMMT")

PROPOSED DISTRIBUTION REINVESTMENT PLAN WHICH WILL PROVIDE UNITHOLDERS OF CMMT WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DISTRIBUTION IN NEW UNITS OF CMMT ("PROPOSED DRP")

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1. INTRODUCTION

On behalf of the Board of Directors of CapitaLand Malaysia Mall REIT Management Sdn Bhd ("**Board**"), the Manager of CMMT ("**Manager**"), CIMB Investment Bank Berhad ("**CIMB**") wishes to announce that the Manager proposes for CMMT to undertake a distribution reinvestment plan that will provide the unitholders of CMMT ("**Unitholders**") with an option to elect to reinvest, in whole or in part, their cash distribution, which includes any interim, final, special or other types of cash distribution, in new units of CMMT ("**Units**").

Further details of the Proposed DRP are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED DRP

2.1 Overview

The Proposed DRP will provide the Unitholders with an option to reinvest in whole or in part, their cash distribution in new Units instead of receiving it in cash.

In relation to any future distribution declared, the Board may, at its sole and absolute discretion, determine whether to offer Unitholders the option to reinvest in whole or in part their distribution in new Units ("**Reinvestment Option**") and in the event the Reinvestment Option is applied, to declare the size of the portion of such distribution to which the Reinvestment Option applies ("**Electable Portion**"). Unitholders should note that the Manager is not obligated to undertake the Proposed DRP for every distribution declared.

In this respect, the Electable Portion may encompass the whole distribution declared or only a portion of the distribution. In the event the Electable Portion is not applicable for the whole distribution, the portion of a distribution that may be declared by the Board to which the Reinvestment Option does not apply ("**Non-Electable Portion**") will be paid in cash.

Unless the Board has determined that the Reinvestment Option will apply to a particular distribution declared (whether in whole or in part), all distributions as may be declared by the Board will be paid wholly in cash to the Unitholders in the usual manner. An immediate announcement will be made if the Board has determined that the Reinvestment Option will apply to a particular distribution (whether in whole or in part).

2.2 Election to reinvest cash distribution(s) in the new Units

Unitholders shall have the following options in respect of the Reinvestment Option under the Proposed DRP:

(i) to elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion in new Units at an issue price to be determined ("**Issue Price**") on a price-fixing date to be announced later ("**Price-Fixing Date**");

(ii) to elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion in new Units at the Issue Price to be determined on the Price-Fixing Date and to receive the balance of the Electable Portion and Non-Electable Portion in cash; or

(iii) to elect not to participate in the Reinvestment Option and thereby receive the entire distribution (both Electable Portion and Non-Electable Portion) in cash.

The election to reinvest cash distribution in new Units can be made via a notice of election in relation to the Reinvestment Option ("**Notice of Election**") which will be dispatched to Unitholders after the books closure date in relation to a future cash distribution to which the Reinvestment Option applies ("**Books Closure Date**").

Instructions will be provided in the Notice of Election in respect of the action to be taken by Unitholders should they wish to exercise the Reinvestment Option. The Notice of Election will also state, amongst others, the last date (i.e. a date to be fixed and announced which shall be at least 14 days from the dispatch of the Notice of Election or such other period as may be prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**")) by which an election to be made by the Unitholder in relation to the Electable Portion must be received by the appointed share registrar or such address as may be determined by the Manager from time to time ("**Expiry Date**").

For further information on the administration of the Proposed DRP, please refer to **Section 2.11** and **Appendix I** of this announcement.

Unitholders will receive the entire distribution in cash if they do not expressly elect in writing to exercise the Reinvestment Option in accordance with the instructions set out in the Notice of Election. As such, Unitholders who wish to receive their distribution wholly in cash need not take any action with regards to the Notice of Election.

Unitholders who wish to receive the entire or part of the Electable Portion in new Units must complete and return the Notice of Election before the Expiry Date.

The percentage unitholding of a Unitholder may be diluted should he/she decides not to exercise his/her Reinvestment Option. However, the extent of the dilution will depend on the number of new Units issued by CMMT pursuant to the exercise level of the Reinvestment Option by other Unitholders, which cannot be ascertained at this juncture.

2.3 Taxation

For income tax purposes, where the Unitholders elect to reinvest their income distribution in new units, the Unitholder will be deemed to have received the distribution and reinvested it with the REIT. For the avoidance of doubt, all gross distribution with respect to the Electable Portion and Non-Electable Portion will be subject to the usual withholding tax. The net distribution (net of withholding tax) will either be paid in cash and/or reinvested in new Units at its equivalent amount (as the case may be).

Hence, the election for the Reinvestment Option does not relieve the Unitholder from any income tax obligations (if applicable) and there is no tax advantage to be gained by Unitholders when exercising any of the options mentioned in **Section 2.2** of the announcement.

2.4 Pricing of New Units

The Issue Price will be determined and fixed by the Board on a price-fixing date to be announced later relating to the relevant distribution. The Issue Price shall not be more than 10% discount to the volume weighted average market price ("**VWAMP**") of the Units for the 5 market days immediately preceding the Price-Fixing Date. For avoidance of doubt, the 5-market day VWAMP shall be adjusted ex-distribution(s) before applying the aforementioned discount. An illustration of the indicative Issue Price is set out in **Section 2.12** of this announcement.

The new Units will be issued free of any brokerage fees and other related transaction costs to Unitholders (unless otherwise provided by any statute, law or regulation). However, the participating Unitholders are required to pay RM10.00 for stamp duty in respect of the Notice of Election.

2.5 Ranking and listing of new Units

Any new Units to be issued pursuant to the Proposed DRP will rank equally in all respects with the existing Units in issue, save and except that the holders of new Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of the new Units.

Approval will be sought from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new Units on the Main Market of Bursa Securities pursuant to each distribution to which the Reinvestment Option is made available by the Board. The new Units will be listed on the Main Market of Bursa Securities.

2.6 Eligibility

All Unitholders of CMMT are eligible to participate in the Proposed DRP provided that such participation will not result in a breach of any restrictions applicable to such Unitholder's holdings in CMMT which may be imposed by any contractual obligations, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts).

Unitholders without a valid and subsisting Central Depository System ("CDS") account should take note of the following:

As the new Units to be issued pursuant to the Proposed DRP are prescribed securities, the new Units will be credited directly into the respective CDS accounts of the Unitholders who have elected to reinvest their Electable Portion. No physical certificates will be issued. In this regard, it is important for Unitholders to have a valid and subsisting CDS account in order to receive their entitled new Units should they wish to participate in the Proposed DRP.

Unitholders with addresses outside Malaysia ("Foreign Addressed Unitholders") should take note of the following:

The Proposed DRP will only be offered for subscription in Malaysia. No action has been and will be taken to ensure that the Proposed DRP complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, the documents relating to the Proposed DRP including the Notice of Election will not be sent to Foreign Addressed Unitholders to avoid any violation on the part of CMMT, the Manager or MTrustee Berhad, being the trustee of CMMT ("**Trustee**") of any securities laws applicable outside Malaysia.

Foreign Addressed Unitholders who receive or come to have in their possession a Notice of Election and/or any other documents relating to the Proposed DRP may not treat the same as being applicable to them (unless where the documents have been collected from the appointed share registrar in the manner specified below). In any event, such Unitholders are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Proposed DRP as may be applicable to them.

Foreign Addressed Unitholders who wish to participate in the Proposed DRP are strongly advised to collect the documents relating to the Proposed DRP from the appointed share registrar identified in the Notice of Election or at such address in Malaysia as may be announced by CMMT from time to time and the appointed share registrar may in such an event be entitled to satisfy itself as to the identity and authority of the person collecting the documents relating to the Proposed DRP.

Alternatively, the Foreign Addressed Unitholders who wish to participate in the Proposed DRP may provide the share registrar their respective address in Malaysia not later than 3 market days before the relevant Books Closure Date in respect of any particular distribution to which the Board has determined that the Proposed DRP shall apply.

The Foreign Addressed Unitholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done no later than 3 market days before the Books Closure Date if they wish to participate in the Proposed DRP.

Foreign Addressed Unitholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by such Foreign Addressed Unitholders in the Proposed DRP will be on the basis that they may lawfully so participate without CMMT, the Manager, the Board, the Trustee, employees and advisers being in breach of the laws of any jurisdiction.

2.7 Odd lots and fractional units

Unitholders who exercise the Reinvestment Option may be allotted new Units in odd lots depending on his/her entitlement of new Units. Unitholders who receive odd lots of new Units and who wish to trade such odd lots may do so via the odd lots market of Bursa Securities, which allows the trading of odd lots with a minimum of 1 Unit.

A Unitholder who does not wish to receive new Units in odd lots may round down the number of new Units selected such that he/she will receive new Units in multiples of, and not less than 100 new Units. Where a Unitholder's entitlement of new Units less than 100 Units, the Unitholder can elect to receive his/her entire distribution entitlement in cash in the usual manner or new Units in odd lots.

Fractional new Units will not be allotted. Any amount of a distribution payment that is insufficient for the issuance of 1 whole new Unit will be received in cash by Unitholders in the usual manner together with the Non-Electable Portion (if any).

2.8 Maximum number of New Units

The maximum number of new Units to be issued under the Proposed DRP will depend on, amongst others, the quantum of the distribution, the Board's decision on the proportion/size of the Electable Portion, the number of Unitholders who elect to reinvest the Electable Portion and the extent of their election, the Issue Price, the applicable withholding tax rates of the Unitholders and any necessary downward adjustment by the Board to the final number of new Units to be allotted and issued to any of the Unitholders referred to in **Section 3.2** of this announcement.

The new Units to be issued pursuant to the Proposed DRP will not be underwritten.

2.9 Utilisation of proceeds

The Proposed DRP will potentially result in cash retention for CMMT if Unitholders elect to reinvest their cash distribution in new Units. The amount of cash reinvested into CMMT arising from the Proposed DRP can only be ascertained on or after the relevant Expiry Date. Therefore, the time frame for the utilisation of such cash proceeds can only be determined then.

Nonetheless, the net cash reinvested into CMMT arising from the Proposed DRP (after deducting related expenses) will be utilised for future working capital requirements of CMMT's existing portfolio of properties to fund daily operations, general administrative and other operating expenditure as well as capital expenditure for asset enhancement initiatives for its properties. Such cash to be utilised for each component of working capital and capital expenditure are subject to CMMT's operating requirements at the time of utilisation and therefore cannot be determined at this juncture.

2.10 Modification, suspension and termination of the Proposed DRP

Subject to any statute, law or regulation currently in force in Malaysia, as the case may be, the Proposed DRP may be modified, suspended (in whole or in part) or terminated at any time by the Board as it deems fit or expedient by giving notice in writing to all Unitholders, notwithstanding any other provision or the terms and conditions of the Proposed DRP stating the contrary and irrespective of whether an election to exercise the Reinvestment Option has been made.

2.11 General

The following shall be applicable to any future distribution to which the Reinvestment Option is applied.

Subject to all the relevant approvals for the Proposed DRP being obtained, the Issue Price shall be announced on or before the announcement of a Books Closure Date. Approval for the listing of and quotation for the new Units on the Main Market of Bursa Securities will be sought from Bursa Securities and the announcement of the Books Closure Date will be made after the receipt of the said approval from Bursa Securities and such approval from other relevant authorities, if any.

Subsequent to the Books Closure Date, a Notice of Election will be dispatched to Unitholders. Should Unitholders wish to exercise the Reinvestment Option, there will be instructions provided in the Notice of Election in respect of the action to be taken by Unitholders. The Expiry Date will also be stated in the Notice of Election and shall be at least 14 days (or such other period as may be prescribed by the Listing Requirements) from the dispatch of the Notice of Election.

After the Expiry Date, CMMT shall transfer funds amounting to the total net distribution (after the deduction of any distribution reinvested in new Units and the deduction of withholding tax) payable to Unitholders, from CMMT's account to a designated account opened to facilitate the payment of the said distribution held in trust for Unitholders.

An announcement in respect of the day on which the new Units will be listed and quoted on the Main Market of Bursa Securities will also be accordingly made.

In accordance with Paragraph 6.09 of the Listing Requirements, CMMT will within 8 market days from the Expiry Date or such date as may be prescribed by Bursa Securities, allot and issue the new Units and dispatch notices of allotment to Unitholders (who have elected to exercise the Reinvestment Option). The cash payment in respect of the Non-Electable Portion and any remaining portion of the Electable Portion not reinvested will be paid to Unitholders in the usual manner.

Further in accordance with Paragraphs 9.19(2)(a)(ii) and 8.26(2) of the Listing Requirements, a distribution must be paid within 1 month from the Books Closure Date and in any event, within 3 months from the date of the declaration of the distribution. Other than the funds to be reinvested by the Unitholders, there will be no new funds to be raised under the Proposed DRP.

The process flow chart in relation to the administration of the Proposed DRP is set out in

Appendix I of this announcement.

For avoidance of doubt, the specific approval to be obtained from Unitholders for the issuance of new Units arising from the Proposed DRP is in addition to the general mandate, i.e. the Unitholders' approval for the proposed authority to allot and issue new Units pursuant to Paragraph 6.59 of the Listing Requirements for general purpose, where the Units to be issued during the preceding 12 months, shall not exceed 20% of the total number of issued Units for the time being sought at CMMT's annual general meeting on an annual basis.

Amendments to the deed constituting CMMT dated 7 June 2010 (as amended and restated by a deed dated 5 October 2018) entered into between the Manager and the Trustee ("**Deed**") will not be required under the Proposed DRP as the Deed already provides for the implementation of a distribution reinvestment plan.

2.12 Illustration

For illustrative purposes only, the number of new Units that CMMT could potentially issue pursuant to the Proposed DRP is based on the following parameters/assumptions:

(i) illustrative distribution of 3.03 sen per Unit based on the final income distribution for the financial year ended ("**FYE**") 31 December 2019 for the period from 1 July 2019 to 31 December 2019, which was paid on 28 February 2020 ("**2019 Final Distribution**");

(ii) the assumption that the Board determines that the Proposed DRP will apply to the 2019 Final Distribution and that the gross Electable Portion shall apply to the entire 3.03 sen; and

(iii) all the Unitholders are not subjected to withholding tax and all Unitholders elect to participate in the Proposed DRP and choose to receive the Electable Portion wholly in new Units.

Based on the above, the illustrative maximum number of new Units to be issued pursuant to the Proposed DRP in respect of the illustrative distribution can be estimated as follows:

Number of issued Units as at 8 May 2020	A	2,055,387,000
Illustrative distribution per Unit (net of withholding tax)	B	3.03 sen
Illustrative value of the Electable Portion (net of withholding tax)	C = A x B	RM62,278,226.10
Indicative Issue Price(1)	D	RM0.72
Number of new Units to be issued pursuant to the Proposed DRP(2)	E = C / D	86,497,536

Notes:

(1) Calculated based on the 5-Market Day VWAMP of the Units up to and including 8 May 2020, being the last market day preceding the date of this announcement of RM0.8303 each Unit, deducting for the 2019 Final Distribution and thereafter applying the maximum allowable discount of 10%.

(2) *The actual number of new Units to be issued pursuant to the Proposed DRP would be dependent upon the actual issue price to be fixed at a later date after obtaining Bursa Securities' approval for the listing of and quotation for the new Units to be issued pursuant to the Proposed DRP, as well as the approval of the Unitholders of CMMT for the establishment of the Proposed DRP and issuance of new Units arising from the Proposed DRP.*

3. IMPLICATIONS OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ISSUED BY THE SECURITIES COMMISSION MALAYSIA ("RULES") AND UNITHOLDING LIMITS

3.1 The Rules

Pursuant to Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the Capital Markets and Services Act 2007, a Unitholder may be under an obligation to extend a mandatory take-over offer for all the remaining Units not already owned by him/her and persons acting in concert with him/her (collectively, the "**Affected Parties**") if by participating in the Proposed DRP in relation to the reinvestment of the Electable Portion:

(i) the Affected Parties have obtained control in CMMT via the acquisition or holding of, or entitlement to exercise or control the exercise of voting Units or voting rights of more than 33% in CMMT or such other amount as may be prescribed in the Rules, howsoever effected; or

(ii) the Affected Parties have acquired more than 2% of the voting Units or voting rights in CMMT in any period of 6 months and the Affected Parties hold more than 33% but not more than 50% of the voting Units or voting rights in CMMT during the said 6 months period.

In the event an obligation to undertake a mandatory take-over offer is expected to arise resulting from a Unitholder's participation in the Proposed DRP, the Affected Parties may wish to consult their professional advisers at the earliest opportunity in relation to:

(a) any obligation to make a mandatory take-over offer under the Rules as a result of any subscription of new Units through his/her participation in the Proposed DRP; and

(b) whether or not to make an application to the Securities Commission Malaysia to obtain an exemption from undertaking a mandatory take-over offer pursuant to the Rules prior to exercising his/her Reinvestment Option.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Rules or other relevant legislation or regulations.

3.2 Other Unitholding Limits

All Unitholders are responsible for ensuring that their participation in the Proposed DRP will not result in a breach of any restrictions on their respective holding of Units which may be imposed by any of the Unitholders' contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts), or as prescribed in the Deed.

In view of the above, notwithstanding anything to the contrary, should the Board be aware of or be informed in writing of any expected breach of such unitholding limits as a result of the exercise of the Reinvestment Option by such Unitholder, the Board shall be entitled, but not obligated (save and except where required by law), to reduce or limit the number of new Units to be issued to such Unitholder. In such a case, the Board reserves the right to pay the remaining portion of the Electable Portion in cash.

4. RATIONALE FOR THE PROPOSED DRP

CMMT will benefit from the participation by the Unitholders in the Proposed DRP to the extent that if the Unitholders elect to reinvest the entire or a portion of the Electable Portion in new Units, the cash which would otherwise be payable by way of cash distribution will be preserved and utilised for its future working capital and capital expenditure purposes.

Furthermore, notwithstanding that the Unitholder may elect to exercise the Reinvestment Option (in whole or in part), CMMT is regarded as having to have distributed the total distribution(s) declared, hence being able to continue to enjoy the tax incentives available to real estate investment trusts ("**REITs**") while being able to preserve cash for future working capital and capital expenditure purposes to the extent of the Unitholders' election to exercise the Reinvestment Option.

The Proposed DRP has capital management benefits where the reinvestment of distributions by Unitholders for new Units is expected to enlarge CMMT's unit base as well as strengthen CMMT's capital position. The increased unit base may improve the liquidity of the Units on the Main Market of Bursa Securities.

The Proposed DRP is also an initiative undertaken to provide an opportunity to all Unitholders (including retail investors) to invest in new Units at a discount to the market price of the Units.

The Proposed DRP will provide Unitholders with greater flexibility in meeting their investment objectives, as they would have the choice of receiving cash or reinvesting into CMMT through the subscription of additional new Units without having to incur material transaction or other related costs (save for the RM10.00 stamp duty to be borne by Unitholders in respect of the Notice of Election), or a combination of both. Unitholders who do not exercise the Reinvestment Option will still continue to receive their distribution in cash.

Nonetheless, the Proposed DRP provides Unitholders with the option and does not impose any obligation on them, to reinvest their distribution, in whole or in part, in new Units.

5. EFFECTS OF THE PROPOSED DRP

The effects of the Proposed DRP are dependent on several factors, which include, amongst others, the quantum of the distribution, the Board's decision on the proportion/size of the Electable Portion, the extent to which Unitholders elect to reinvest the Electable Portion, the Issue Price and the applicable withholding tax rates of the Unitholders.

5.1 Issued Unit capital

The Proposed DRP will not have an immediate material effect on the issued Unit capital of CMMT until such time new Units are issued pursuant to the Proposed DRP. However, the issued Unit capital of CMMT will increase progressively pursuant to any exercise by Unitholders of the Reinvestment Option whenever the Reinvestment Option is offered by the Board.

5.2 Substantial Unitholders' unitholding

The Proposed DRP is not expected to have any immediate effect on the unitholding of the substantial Unitholders of CMMT until such time as and when the Reinvestment Option pursuant to the Proposed DRP is exercised.

Any potential effect on the substantial Unitholders' unitholding in CMMT will depend on the extent to which the substantial Unitholders and other Unitholders elect to reinvest the Electable Portion and their applicable withholding tax rates.

5.3 Distributable income

The establishment of the Proposed DRP will not have any effect on the distributable income of CMMT for the FYE 31 December 2020 and is not expected to have any material effect on CMMT's distributable income policy. Due to the progressive increase in the number of Units as a result of Unitholders' exercise of the Reinvestment Option whenever the Reinvestment Option is offered by the Board, CMMT's future distribution per Unit may be diluted. The decision to declare and pay distributable income in the future would depend on the financial performance and cash flow position of CMMT and the prevailing economic conditions.

5.4 Earnings per Unit

The effect of the Proposed DRP on earnings per Unit will depend on the extent the Unitholders elect to reinvest the Electable Portion into new Units. However, such reinvestment amount will be retained to fund future working capital and capital expenditure requirements of CMMT and is expected to contribute positively to its future earnings.

5.5 Net asset value ("NAV"), NAV per Unit and gearing

The Proposed DRP will not have any immediate effect on the consolidated NAV, NAV per Unit and gearing of CMMT until such time when such Reinvestment Option under the Proposed DRP is exercised.

As compared to paying distributions wholly in cash which results in a decrease of CMMT's available cash and bank balances, the exercise of the Reinvestment Option under the Proposed DRP by Unitholders will preserve cash in CMMT and improve CMMT's NAV and gearing position to the extent of the exercise of the Reinvestment Option (excluding the effect of related expenses for the Proposed DRP and the issuance of new Units) since the distribution are being reinvested into CMMT's Unitholders' capital.

Subject to the extent of the Reinvestment Option is being exercised by the Unitholders, the exercise of the Reinvestment Option will also dilute CMMT's NAV per Unit due to the increase in the aggregate number of Units issued.

5.6 Convertible securities

CMMT does not have any convertible securities.

6. APPROVALS REQUIRED / OBTAINED

(a) The establishment of the Proposed DRP is conditional upon the following approvals being obtained from:

(i) The Trustee for the establishment of the Proposed DRP and issuance of new Units arising from the Proposed DRP;

(ii) The Unitholders for the establishment of the Proposed DRP at a general meeting to be convened; and

(iii) Any other relevant authorities, or such other approvals, waivers and/or consents, if required.

(b) In respect of the implementation of any future distribution to which the Reinvestment Option is applied, the new Units to be issued pursuant to the exercise of the Reinvestment Option by Unitholders shall be conditional upon the following approvals being obtained from:

(i) The Unitholders at CMMT's Annual General Meeting on an annual basis. For information, the first Unitholders' approval for the issuance of new Units pursuant to the exercise of the Reinvestment Option by Unitholders will be sought at the general meeting referred to in paragraph 6(a)(ii) above;

(ii) Bursa Securities for the listing of and quotation for the new Units to be issued pursuant to the Proposed DRP on the Main Market of Bursa Securities; and

(iii) Any other relevant authorities, or such other approvals, waivers and/or consents, if required.

7. INTER-CONDITIONALITY

The Proposed DRP is not conditional upon any other corporate exercise undertaken or to be undertaken by CMMT.

8. INTEREST OF 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 of CMMT and/or persons connected to them have any interest, whether direct or indirect, in the Proposed DRP, save for their respective entitlements as Unitholders, for which all Unitholders are entitled, subject to **Section 2.6** of this announcement.

The Manager will not vote on the resolution relating to the Proposed DRP as doing so is prohibited under Clause 6.2 of the Deed and Paragraph 13.26 of the REITs Guidelines which states that *"a management company must not exercise the voting rights for the units it or its nominees hold in any unit holders' meeting, regardless of the party who requested for the meeting and the matter or matters that are laid before the meeting"*.

9. DIRECTORS' STATEMENT

The Board having considered all aspects of the Proposed DRP, including but not limited to the rationale and effects of the Proposed DRP, is of the opinion that the Proposed DRP is in the best interest of CMMT and its Unitholders.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the receipt of the necessary approvals as stated in Section 6 of this announcement, the Proposed DRP is expected to be established and ready for implementation from the 3rd quarter of 2020.

Further information on the Proposed DRP will be set out in the circular to Unitholders to be dispatched in due course.

11. APPLICATION TO THE AUTHORITIES

Subject to the establishment of the Proposed DRP, applications to the relevant regulatory authorities for the implementation of the Proposed DRP shall be made prior to the announcement of the Issue Price and Books Closure Date for the Proposed DRP.

12. ADVISER

CIMB Investment Bank Berhad has been appointed as Principal Adviser to the Manager for the Proposed DRP.

This Announcement is dated 12 May 2020.

APPENDIX I

A brief process flow chart in relation to the administration of the Proposed DRP is illustrated below:-

Step 1	CMMT declares a distribution and determines whether the Proposed DRP applies to the particular distribution. CMMT fixes the Issue Price and announces the Books Closure Date after receiving approval of Bursa Securities for the listing of and quotation for the New Units to be issued
Step 2	CMMT dispatches the Notice of Election to the Unitholders after the Books Closure Date for the Electable Portion
Step 3	Unitholders decide whether to reinvest the Electable Portion (net of applicable withholding tax) (in whole or part) upon receipt of Notice of Election

DECISION ON THE ELECTABLE PORTION

	YES	NO
	Unitholders complete and return the Notice of Election to CMMT'S Share Registrar by the Expiry Date	Unitholders need not take any action with regards to the Notice of Election
Step 4	CMMT allots and credits New Units into the CDS accounts of Unitholders who elect to exercise the Reinvestment Option ("**Unit Allotment**")	
Step 5	CMMT pays the Non-Electable Portion (net of applicable withholding tax), if any, in cash to Unitholders ("**DRP Payment**")	CMMT pays distribution wholly in cash to the Unitholders ("**Cash Payment**") (net of applicable withholding tax)

Note:

In respect of Step 5, the Cash Payment, Unit Allotment and the DRP Payment will occur on the same day, which will be on a date falling within 1 month from the Books Closure Date and in any event, not later than 3 months from the date of declaration of the distribution.