

## CAPITAMALLS MALAYSIA TRUST (“CMMT”)

### PROPOSED AUTHORITY TO ALLOT AND ISSUE UP TO 353,607,640 NEW UNITS OF CMMT, REPRESENTING UP TO 20% OF THE EXISTING FUND SIZE OF CMMT PURSUANT TO CLAUSE 14.03 OF THE SECURITIES COMMISSION MALAYSIA’S GUIDELINES ON REAL ESTATE INVESTMENT TRUSTS (“REITS GUIDELINES”) (THE “PROPOSED AUTHORITY”)

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#### 1. INTRODUCTION

On behalf of the Board of Directors of CapitaMalls Malaysia REIT Management Sdn. Bhd. (“**Board**”), the management company of CMMT (“**Manager**”), CIMB Investment Bank Berhad (“**CIMB**”) and Maybank Investment Bank Berhad (“**Maybank IB**”) (collectively, the “**Joint Principal Advisers**”) wish to announce that the Manager proposes to undertake the proposed authority to allot and issue up to 353,607,640 new units of CMMT (“**Units**”), representing up to 20% of the existing fund size of CMMT pursuant to Clause 14.03 of the REITs Guidelines.

In order to accommodate the issuance of the new Units pursuant to the Proposed Authority, it is also proposed that the approved fund size of CMMT be increased from 1,936,763,000 Units to 2,290,370,640 Units, which is subject to the approvals of CMMT’s Trustee, being AmTrustee Berhad (the “**Trustee**”) and the Securities Commission Malaysia (“**SC**”) (the “**Proposed Increase in Approved Fund Size**”).

#### 2. DETAILS OF THE PROPOSED AUTHORITY

Clause 14.03 of the REITs Guidelines, stipulates that:

*“Where the unit holders of a fund have, via a resolution in a general meeting, given a general mandate to the management company to issue units, any issue of units under such general mandate must comply with the following requirements:*

- (a) *The number of units to be issued, when aggregated with the number of units issued during the preceding 12 months, must not exceed 20% of the approved fund size;*
- (b) *Placement to one single placee for the number of units to be issued under subclause (a) must not exceed 10% of the approved fund size;*
- (c) *Units must not be placed at more than 10% discount to the weighted average market price of the units for the five market days immediately prior to the price-fixing date;*
- (d) *The principal adviser must act as the placement agent for the placement of units; and*
- (e) *Units must not be placed to-*
  - (i) *interested persons of the management company, whether in their own names or through nominees;*
  - (ii) *persons connected to the interested persons mentioned in sub-clause (i) above;*  
*or*
  - (iii) *nominee companies, unless the names of the ultimate beneficiaries are disclosed.”*

## 2.1 Quantum

Based on the REITs Guidelines, and if approved, the Proposed Authority will empower the Manager with the flexibility to allot and issue new Units at any time and for such purposes as the Manager may in its absolute discretion deem fit, so long as the aggregate number of Units to be issued in the preceding 12 months does not exceed 20% of CMMT's existing fund size.

Based on CMMT's existing fund size of 1,768,038,200 Units as at 31 December 2012, being the latest practicable date of this Announcement ("LPD"), the 353,607,640 new Units in relation to the Proposed Authority represents 20% of CMMT's existing fund size.

## 2.2 Duration of the Proposed Authority

The Proposed Authority shall be effective from the date of receipt of all relevant authorities' approval or the date the Unitholders pass the ordinary resolution for the Proposed Authority at CMMT's forthcoming Annual General Meeting ("**AGM**"), whichever may be the later, until:

- (i) the conclusion of the next AGM of the Unitholders, at which time it shall lapse, unless the authority is renewed by Unitholders; or
- (ii) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (iii) the Proposed Authority is revoked or varied by the Unitholders at an earlier Unitholders' meeting;

whichever occurs first ("**Validity Period**").

## 2.3 Placement of Units and Issue Price

The issue price of new Units to be issued for the proposed fund raising by CMMT via a placement exercise or by way of a bookbuilding exercise pursuant to the Proposed Authority will be determined by the Manager, in consultation with the placement agents to be appointed for the said fund raising exercises, at a price-fixing date to be determined later. Based on the REITs Guidelines, the issue price of new Units to be issued under the Proposed Authority shall not be more than 10% discount to the five (5)-market day volume weighted average market price of the Units immediately prior to the price-fixing date.

The Manager may undertake the placement of new Units under the Proposed Authority in stages during the Validity Period to take advantage of market conditions and the timing of CMMT's funding requirements.

## 2.4 Ranking of the new Units

The new Units to be issued pursuant to the Proposed Authority shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the 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 such new Units.

### 3. RATIONALE FOR THE PROPOSED AUTHORITY

The Proposed Authority will allow the Manager the flexibility to allot and issue new Units to raise funds to finance future investments, acquisitions and capital expenditure to enhance the value of CMMT and/or to refinance existing debt as well as for working capital purposes, subject to relevant laws and regulations. With the Proposed Authority, delays and further costs involved in convening separate general meetings to approve such issue of Units to raise funds can be avoided.

The Manager may, subject to relevant laws and regulations, use the net proceeds from the issuance of new Units under the Proposed Authority at its absolute discretion for other purposes.

### 4. EFFECTS OF THE PROPOSED AUTHORITY

The effects of the Proposed Authority are set out as follows:

#### 4.1 Unitholders' Capital

The pro forma effects of the Proposed Authority on Unitholders' capital will depend on the number of new Units to be issued in the future when the Manager utilise the Proposed Authority at any time during the Validity Period.

Based on the maximum number of new Units which may be issued pursuant to the Proposed Authority, the pro forma effects of the Proposed Authority on the Unitholders' capital are set out below:

	<b>No. of Units</b>
Existing as at the LPD	1,768,038,200
Assuming the maximum number of Units issued pursuant to the Proposed Authority	353,607,640
<b>Enlarged Unitholders' capital</b>	<b>2,121,645,840</b>

The SC has, vide its letter dated 14 January 2011, approved 180 million new Units reserved for issuance to the Manager as payment of management fees in lieu of cash. As at the LPD, a total of 168,724,800 Units approved under this purpose have not been issued.

#### 4.2 Distributable Income

The Proposed Authority 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 would depend on the financial performance and cash flow position of CMMT, and prevailing economic conditions.

### 4.3 Substantial Unitholders' Unitholdings

Any issuance of new Units by CMMT pursuant to the Proposed Authority to the Unitholders other than the substantial Unitholders, will dilute the percentage of unitholdings of the substantial Unitholders. Based on the Record of Depositors of CMMT as at the LPD, the pro forma effects of the Proposed Authority on CMMT's substantial Unitholders' direct unitholdings in CMMT are as follows:

<b>Substantial Unitholders</b>	<b>-----As at the LPD -----</b>		<b>-----After the Proposed Authority <sup>(1)</sup>-----</b>	
	<b>No. of Units held</b>	<b>%</b>	<b>No. of Units held</b>	<b>%</b>
CMMT Investment Limited	623,938,000	35.3	623,938,000	29.4
Employees Provident Fund Board	163,775,400	9.3	163,775,400	7.7
Government of Singapore Investment Corporation	101,583,900	5.7	101,583,900	4.8
Skim Amanah Saham Bumiputera	100,000,000	5.7	100,000,000	4.7
<b>Total</b>	<b>989,297,300</b>	<b>56.0</b>	<b>989,297,300</b>	<b>46.6</b>
<b>Total issued and paid-up Units</b>	<b>1,768,038,200</b>	<b>100.0</b>	<b>2,121,645,840</b>	<b>100.0</b>

**Note:**

(1) Assuming a maximum of 353,607,640 new Units are issued pursuant to the Proposed Authority and allocated to Unitholders other than the substantial Unitholders.

### 4.4 Earnings per Unit

The effects of the Proposed Authority on CMMT's earnings per Unit will depend on the number of new Units to be issued under the Proposed Authority in the future and its utilisation. Depending on the actual utilisation of the proceeds from the issuance of such new Units, CMMT's earnings per Unit may be diluted or enhanced.

### 4.5 Net Asset Value ("NAV") per Unit and Gearing

The effects of the Proposed Authority on NAV per Unit and gearing of CMMT will depend on issue price and the number of new Units to be issued under the Proposed Authority.

## 5. DETAILS OF THE PROPOSED INCREASE IN APPROVED FUND SIZE

The Proposed Increase in Approved Fund Size is to accommodate the increase in the number of new Units to be issued pursuant to the Proposed Authority when utilised by the Manager. The Proposed Increase in Approved Fund Size is subject to the approval of the Trustee and the SC.

The implementation of the Proposed Increase in Approved Fund Size will not have any effect on the Unitholders' capital, distribution income, substantial Unitholders' unitholdings, earnings per Unit, NAV per Unit and gearing on CMMT.

## **6. APPROVALS REQUIRED AND CONDITIONALITY**

The Proposed Authority is subject to and conditional upon approvals being obtained from the following parties:

- (i) the Trustee for the Proposed Increase in Approved Fund Size;
- (ii) the SC for the following:
  - (a) the issuance and listing of up to 353,607,640 new Units to be issued pursuant to the Proposed Authority on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"); and
  - (b) the Proposed Increase in Approved Fund Size;
- (iii) Bursa Securities for the listing of and quotation for up to 353,607,640 new Units to be issued pursuant to the Proposed Authority on the Main Market of Bursa Securities;
- (iv) Unitholders' approval, at the forthcoming AGM to be convened, for the issue of new Units; and
- (v) Any other relevant authorities and/or parties (if required).

In the event any of the above conditions for the Proposed Authority is not obtained, the Manager will not issue new Units and will not increase the approved fund size of CMMT.

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

None of the Directors and major shareholders of the Manager, major Unitholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Authority or the Proposed Increase in Approved Fund Size.

## **8. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposed Authority (and the associated Proposed Increase in Approved Fund Size) and after careful deliberation, is of the opinion that the Proposed Authority is in the best interests of the Unitholders.

## **9. ADVISERS**

The Manager has appointed CIMB and Maybank IB as the Joint Principal Advisers for the Proposed Authority and the Proposed Increase in Approved Fund Size.

## **10. ESTIMATED TIME FRAME FOR THE SUBMISSION OF THE APPLICATION TO RELEVANT AUTHORITIES AND COMPLETION**

The applications to the relevant authorities in respect of the Proposed Authority and Proposed Increase in Approved Fund Size are expected to be made within two (2) months from the date of this Announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, in the event the Manager decides to utilise the Proposed Authority, it is expected to be completed within the Validity Period.

**This announcement is dated 22 January 2013.**